

"HVCB Tourism Industry Update" is a weekly briefing of travel news and developments affecting Hawai'i's visitor industry, compiled by the HVCB Market Trends Department.

**FOR IMMEDIATE RELEASE**

Contact: **Darlene Morikawa**  
dmorikawa@hvcb.org  
808.924.0259

## Inside this issue...

### 1. FEATURE

- Local Visitor Industry Businesses Optimistic About Future

### 2. HAWAII

#### Consumer Travel Behaviors

- Total Passenger Volume to Hawai'i Up 13 Percent for Latest Seven-Day Period
- Hawai'i Hotel Occupancy Reaches Highest July Occupancy on Record
- Multicultural Travelers Show Higher Rate of Interest in Visiting Hawai'i

### 3. NATIONAL / INTERNATIONAL

#### Consumer Travel Behaviors

- U.S. Travelers Prefer to Comparison Shop Multiple Hotel Brands Before Booking

#### Current Industry Developments

- Cruise Industry Generates U.S. Economic Impact of \$25.4 Billion in 2003
- TIA: July Travel Price Index Increases 5.1 Percent

### 1. FEATURE

↑ TOP

#### ➤ Local Visitor Industry Businesses Optimistic About Future

Fifty-five percent (55%) of Hawai'i businesses involved in the visitor industry expect traveler spending in the state to increase over the next two years, according to the Business Banking Council's *Economic Indicator Study*. Study results include:

- Hawai'i tourism businesses indicated that they have recovered from the September 11<sup>th</sup> downturn, with 42 percent of business respondents saying that they have fully recovered to pre-9/11 levels, and 40 percent experiencing a partial recovery.
- Business respondents said that approximately 52 percent of their revenues were earned via U.S. mainland travelers; 32 percent came from the Japanese travel market; and 15 percent of revenues came from other foreign travelers.
- When asked about the impact of the timeshare industry on their respective companies, 29 percent said that Hawai'i timeshares have a positive effect on revenues, while 59 percent indicated that timeshares have no effect.
- Thirty-eight percent (38%) of respondents expect the cruise industry to have a positive impact on profits, while 45 percent said that it would not have any direct impact on their businesses.

#### HVCB Redesigns GOHAWAII.COM

HVCB has redesigned and introduced its new GOHAWAII.COM website, bringing the interactive sights, sounds and appeal of the Hawaiian Islands to online travel consumers. The website offers a complete online guide on Hawai'i travel information, and features an interactive hula postcard and music jukebox. To experience the new website, visit:

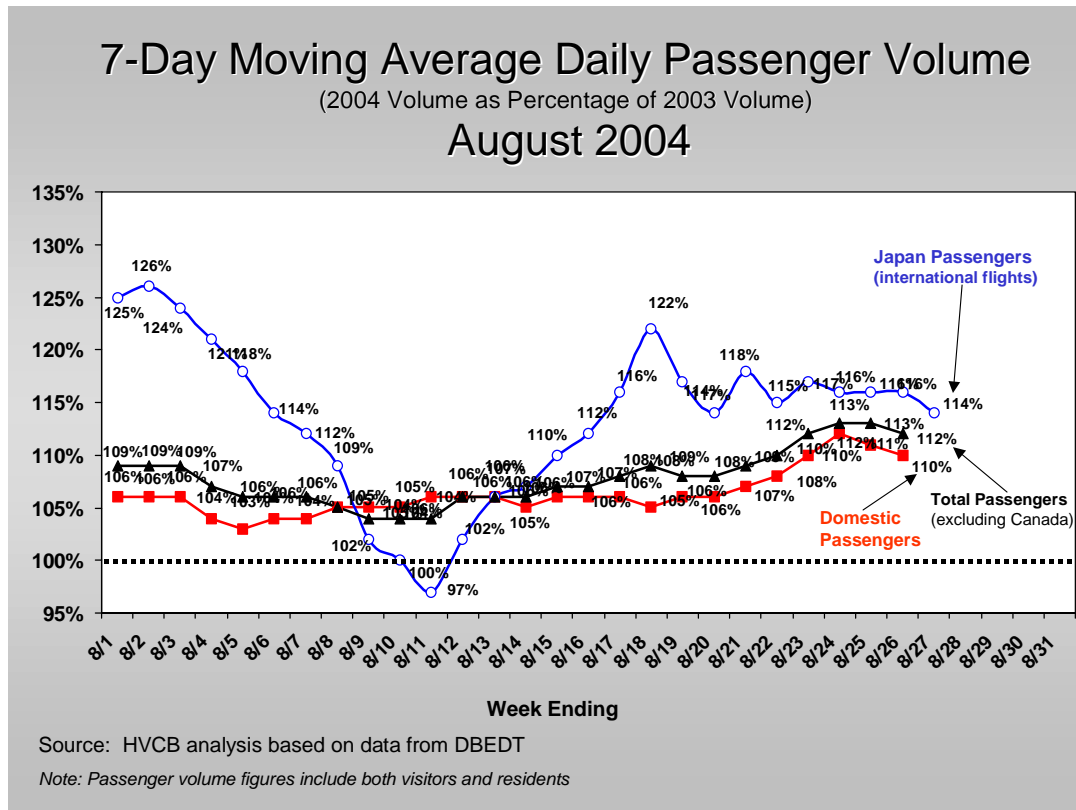
<http://www.gohawaii.com>



■ CONSUMER TRAVEL BEHAVIORS

➔ Total Passenger Volume to Hawai'i Up 12 Percent for Latest Seven-Day Period

According to statistics published by the state [Department of Business, Economic Development and Tourism](#), total domestic and international (excluding Canada) volume on nonstop flights arriving in Hawai'i was up 12 percent for the latest seven-day period ending August 25, 2004. Nonstop passenger volume from Japan remained above 2003 levels for the seven-day period, up 14 percent, while domestic passenger volume was 10 percent over 2003 levels. To view the most recent Seven Day Moving Average chart, visit HVCB's Market Trends Online: <http://www.hvcb.org/trends>



➔ Hawai'i Hotel Occupancy Reaches Highest July Occupancy on Record

Hawai'i hotel occupancy reached a record 86.1 percent for the month of July, up 7.0 percentage points over July 2003, according to Hospitality Advisors LLC. Statewide average daily room rates (ADR) also improved (+8.0%) to \$159.21 for the month. Revenue per available room (RevPAR) also surged to \$137.02 in July, up 17.5 percent over the same month last year.

- Year to date (January-July 2004), statewide hotel occupancy is up 7.2 percentage points to 79.0 percent; ADR is up 4.1 percent to \$152.89; and RevPAR is up 14.4 percent to \$120.72.

## ➤ Multicultural Travelers Show Higher Rate of Interest in Visiting Hawai'i

Hawai'i was ranked third most popular destination among all U.S. states for multicultural travelers, behind Florida and California, according to Yesawich, Pepperdine, Brown, and Russell/Yankelovich Partners [2004 Multicultural Traveler](#) report. Twenty-seven percent of those described as "non-whites" said they were interested in visiting Hawai'i, compared to 20 percent of their "white" counterparts polled. Other results from the poll:

- The report cites the Travel Industry Association's finding that the number of trips taken by multicultural travelers is currently growing at 11 percent annually, seven times faster than the general leisure travel market.
- When comparing what is "very" or "extremely" important in a vacation experience, multicultural travelers cited many travel attributes/activities higher than their "white" counterparts. For example, "non-white" travelers have a higher degree of interest in trying "different and unusual cuisine" (75% versus 55%); "nightlife/entertainment" (66% versus 49%); "hotel or resort with a distinctive theme or atmosphere" (61% versus 38 percent); "shopping" (56% versus 36%); "going to a spa" (54% versus 34%); and "learning a new skill or activity" (51% versus 30%).

### 3. NATIONAL / INTERNATIONAL

↑TOP

#### ■ CONSUMER TRAVEL BEHAVIORS

##### ➤ U.S. Travelers Prefer to Comparison Shop Multiple Hotel Brands Before Booking

According to the 2004 [Orbitz Hotel Survey](#), conducted by Harris Interactive, 91 percent of U.S. adults prefer to comparison shop multiple hotel brands before booking a hotel. When asked about who offered the best hotel deals, 49 percent of respondents thought online travel sites; 25 percent said calling hotels directly; and 22 percent said booking through a hotel website directly was the best method. However, the ratio changed when travelers were asked about their anticipated method of booking hotels over the next 12 months: 43 percent plan to book through an online travel site; 40 percent will call a hotel directly; and 35 percent anticipate booking through a hotel website.

#### ■ CURRENT INDUSTRY DEVELOPMENTS

##### ➤ Cruise Industry Generates U.S. Economic Impact of \$25.4 Billion in 2003

The North American cruise industry generated a total U.S. economic impact of \$25.4 billion in 2003, up 11.4 percent over 2002, according to an annual study by the [International Council of Cruise Lines](#) (ICCL) conducted by Business Research and Economic Advisors (BREA). The cruise industry employed an estimated 29,000 U.S. residents, and helped support a total of over 295,000 full and part-time jobs (directly and indirectly). Other results of the study for 2003 include:

- Cruise line and direct passenger spending totaled an estimated \$12.9 billion in 2003, a 25 percent increase over 2000 figures.
- U.S. ports saw 7.1 million cruise embarkations in 2003, up 9.4 percent over 2002. U.S. ports accounted for 72 percent of total global embarkations.

##### ➤ TIA: July Travel Price Index Increases 5.1 Percent

The Travel Industry Association of America's (TIA) [Travel Price Index](#) (TPI) rose 5.1 percent in July 2004, compared to the same month last year, and faster than the nation's overall Consumer Price Index (+3.0%). Lodging prices increased 5.4 percent, while airfares decreased 3.5 percent for the month. As expected, high gasoline prices drove up the overall TPI in July, up 26.5 percent over July 2003. The TPI is a monthly indicator of the price change in travel goods and services available to the U.S. consumer.

*We welcome any suggestions or comments that you may have that will help us improve the quality of the weekly Tourism Industry Update. Please feel free to share your ideas:*

Darlene Morikawa ✦ [dmorikawa@hvcb.org](mailto:dmorikawa@hvcb.org) ✦ tel. 808.924.0259