

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

FOR IMMEDIATE RELEASE

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1. FEATURE

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➤ U.S. Travelers Continue to Book Overseas, Despite Weakened Dollar

Even with a relatively weak U.S. dollar, American travelers are still interested in traveling abroad, according to a special analysis by [Travel Weekly](#). Tour operators, destination tourist boards and other travel industry representatives indicate that U.S. outbound international departures and bookings are on the rise, despite the weaker dollar making foreign travel more expensive for Americans. Above-average demand is seen in European, Asian, and South American destinations for 2005, mostly due to pent-up demand. Since 2001, the U.S. dollar has been in decline versus most major currencies:

- -34% versus the Euro
- -24% versus the British Pound
- -20% versus the Japanese Yen
- -25% versus the Canadian Dollar
- -38% versus the Australian Dollar

Through August 2004, the [Office of Travel and Tourism Industries](#) (OTTI) estimates that U.S. travelers have taken 24.8 million international trips, 16 percent above prior-year levels. OTTI data shows that U.S. outbound travel through August has improved for each world region, with the exception of Oceania:

- Europe: +16%
- Caribbean: +9%

- Asia: +37%
- South America: +8%
- Central America: +14%
- Oceania: -1%
- Middle East: +57%
- Africa: +6%
- Mexico: +14%
- Canada: +11%

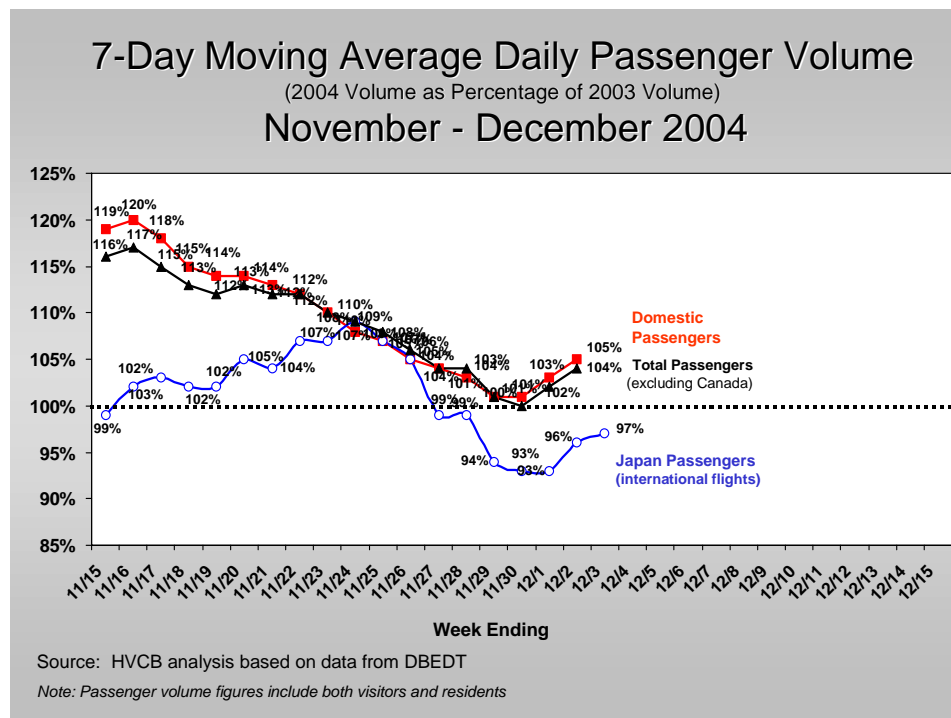
2. HAWAII

↑TOP

■ CONSUMER TRAVEL BEHAVIORS

➤ Domestic Passenger Volume to Hawai'i Up Five Percent Above Prior Year Levels

According to statistics published by the state [Department of Business, Economic Development and Tourism](#), domestic passenger volume on nonstop flights to Hawai'i increased five percent over 2003 levels for the seven-day period ending December 2, 2004. Nonstop passenger volume from Japan decreased three percent compared to prior-year levels, while total domestic and international (excluding Canada) volume on nonstop flights arriving in Hawai'i equaled 104 percent of prior-year levels for the latest seven-day period. For the most recent Seven Day Moving Average chart, visit HVCB's Market Trends Online: <http://www.hvcb.org/trends>



➤ Domestic Arrivals to Hawai'i on Record Pace Through October

Hawai'i is experiencing record-high domestic visitor arrivals through October 2004, with nearly 4.1 million arrivals, surpassing year-to-date 2003 levels by 7.4 percent, according to the [Department of Business, Economic Development and Tourism](#). The record level is spurred by growth from the U.S. East market, up 9.6 percent through October; and the U.S. West market, up 4.5 percent compared to the same period last year. Canadian arrivals are also on the rise, after declines earlier in the year, up 2.2 percent through October 2004.

■ CONSUMER TRAVEL BEHAVIORS

➤ International Arrivals to the U.S. up 13 Percent Through August

The U.S. welcomed 25.9 million international visitors between January and August 2004, up 13.3 percent over the same period in 2003, according to the [Office of Travel and Tourism Industries](#) (OTTI) of the U.S. Department of Commerce. Other highlights for the eight months of the year include:

- Japanese arrivals totaled nearly 2.5 million through August 2004, an increase of 30.9 percent over prior year figures.
- Arrivals from Canada increased 9.3 percent over year-to-date 2003 levels, totaling over 9.7 million arrivals through August 2004.

➤ Online Travel Industry Projected to Reach \$91 Billion by 2009

The U.S. online travel market is projected to reach \$91 billion in 2009, making up 33 percent of all travel purchased, according to [JupiterResearch's Market Forecast Report – Travel 2004](#). This year, the nation's online travel market is expected to total \$54 billion, or 23 percent of all travel purchased. The study also finds that airline tickets remain the largest online leisure travel revenue category in 2004, with \$23.3 billion in revenue, while hotel revenues total over \$11.6 billion for the year. JupiterResearch states that the online travel industry is experiencing steady growth across all segments, and that both business and leisure online booking are on the rise.

➤ Harris Interactive: Web Popular Among U.S. Travelers for Booking Trips

Twenty-eight percent (28%) of U.S. adults planning a leisure trip within the next six months will book on a travel website, according to Harris Interactive's *2004 Travel Report* (reported by [eMarketer](#)). In addition, 22 percent of U.S. business trips within the next six months will be booked on a travel site; and 31 percent planning combined business and leisure trips during the next half-year will use an online travel website. The study also reports that, besides the issue of price, travel consumers would be more loyal to certain travel sites if they had the option to talk to a live agent (22%); were designed better (18%); or provided more travel options and packages (14%).

■ CURRENT INDUSTRY DEVELOPMENTS

➤ National Consumer Confidence Index Declines Further in November

The Conference Board's [National Consumer Confidence](#) Index fell 2.4 points in November (versus October 2004), to 90.5 (1985=100). November marks the fourth consecutive month of declines in the index. The "Expectations" index dropped 4.8 points to 87.4, while the "Present Situation" index rose slightly to reach 95.2 (from 94.0 in October) for the month. According to Conference Board officials, consumers intend to spend during the holiday season, but are unsure about the nation's economic performance beyond the holidays, and into the new year.

➤ American Express: Domestic Business Travel Airfares at Lowest Point Since 1999

Business travelers are seeing the lowest average domestic airfares since 1999, despite rising fuel costs, according to [American Express](#) (AMEX) using quarterly Business Travel Monitor data. Average one-way domestic airfare paid by AMEX Business Travel customers during the third quarter of 2004 was \$217, 10 percent below prior year levels. Third quarter 2004 average domestic business fares are at its lowest point since the Business Travel Monitor was launched in 1999. Increased competition between legacy and low-cost carriers is one of the main reasons for the downward pressure on business airfares this year, according to AMEX.

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:

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