

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

FOR IMMEDIATE RELEASE

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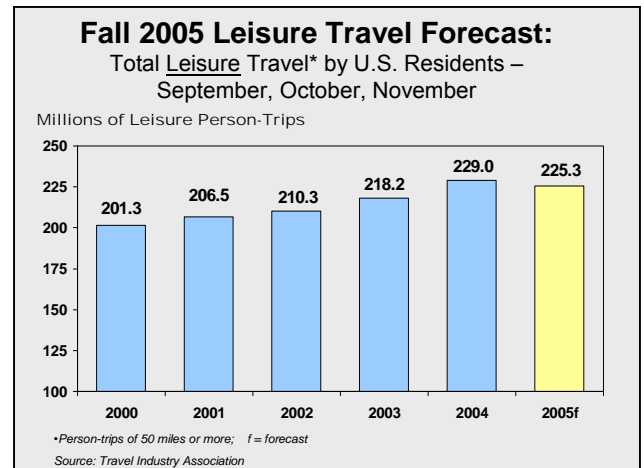
1. FEATURE

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➤ American Leisure Travel Projected to Soften this Autumn

Americans are expected to take 225.3 million leisure person-trips of 50 miles or more during the fall travel season (September, October, and November), down 1.6 percent from last autumn, according to the Travel Industry Association of America's (TIA) [Fall 2005 Forecast](#).

- High gas prices, Hurricane Katrina, and unstable consumer confidence are the main factors behind the decrease in travel this fall, according to TIA.
- However, the report states that leisure travel this autumn is still at one of its highest points, sustaining the record level seen last fall.
- If the forecast holds true, American leisure travel will increase 11.9 percent over fall 2000 figures.
- Business and convention travel volume is projected to reach 43.8 million trips this autumn, an increase of 0.9 percent from prior-year levels. Business travel is still projected to lag behind pre-9/11 levels, when 47.9 million business trips were taken in fall 2000.



- Total fall travel is projected to decrease 1.1 percent over last autumn to total 279.4 million trips.

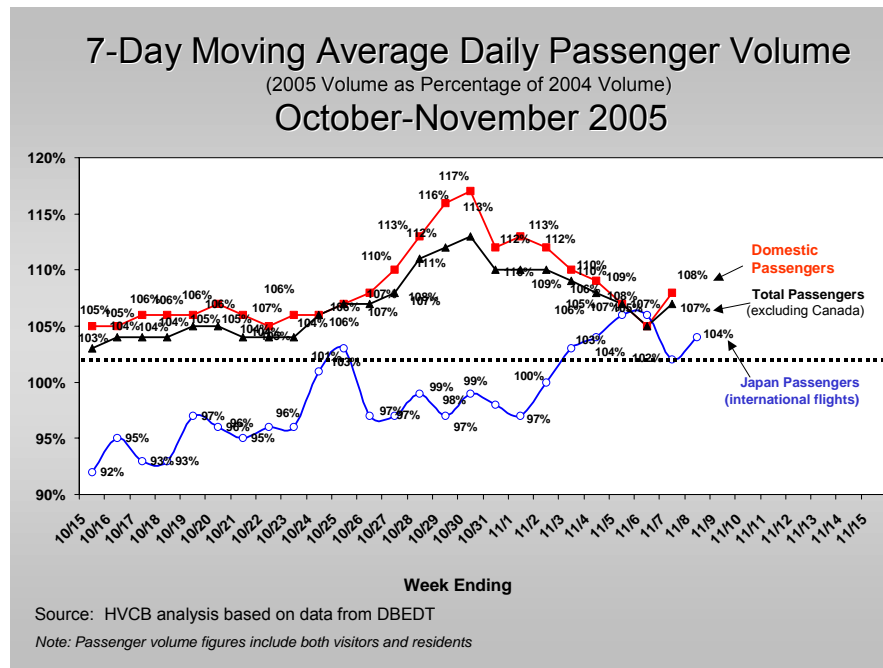
2. HAWAI'I

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■ CONSUMER TRAVEL BEHAVIORS

➤ Domestic Passenger Volume to Hawai'i Eight Points Ahead for Latest Seven Day Average

According to statistics published by the state [Department of Business, Economic Development and Tourism](#), domestic passenger volume ended the latest seven-day period up eight percent compared to prior-year levels for the period ending November 7, 2005. Nonstop passenger volume from Japan was four percent above 2004 levels for the period, and total domestic and international (excluding Canada) passenger volume on nonstop flights to Hawai'i volume ended the week seven percent above prior-year levels. *For the most recent Seven Day Moving Average chart, visit HVCB's Market Trends Online: <http://www.hvcb.org/trends>*



➤ Hawai'i the Sixth Most "Web-Searched" Destination this Holiday Season

With the Thanksgiving and winter holidays approaching and with U.S. consumers increasingly turning to the web to plan their vacations, Hawai'i was the sixth most "searched" destination by U.S. Internet users during the four-week period ending October 22, 2005, according to the latest destination search term tracking results by Hitwise (reported by [iMedia Connection](#)). The study shows that the search term "Hawai'i" generated 0.09 percent of all web volume during this period. Disneyland and Las Vegas (0.23% of all volume, respectively) were the top destination search terms, followed by Disney World (0.14%); the Grand Canyon (0.10%); and Puerto Rico (0.10%). Following Hawai'i, other top destination search terms were Costa Rica (0.08%); Mexico (0.06%); Yellowstone National Park (0.06%); and the Statue of Liberty (0.05%). Hitwise monitors how 25 million Internet users interact with over 500,000 websites across 160 industry categories.

■ CURRENT INDUSTRY DEVELOPMENTS

➤ HVCB Honors Six Organizations With Prestigious *Maile Award*

[HVCB](#) presented six Hawai'i organizations with its highest honor -- the *Maile Award* -- at its 103rd Annual Luncheon "Kulia i ka nu'u" (Strive for the Summit) on November 2, 2005. *Maile Award* honorees were selected for their quality of service to tourism and the community, along with their length of service in Hawai'i as it relates to celebrating their silver, golden, diamond, or centennial anniversaries. The *Maile Award* recipients in 2005:

- *Hawai'i International Film Festival (25 years)* – Considered the Pacific's premier international film event, it has been dedicated to promoting cultural understanding, and giving artists in Hawai'i, the Pacific Islands and Asia an opportunity to showcase their work since 1981. The 25th Louis Vuitton Hawai'i International Film Festival screened 260 films from 40 countries on each of the six major islands, including nine world premieres, 17 U.S. premieres, and 48 films made in Hawai'i.
- *Sheraton Princess Ka'iulani (50 years)* – The Sheraton Princess Ka'iulani has been a Waikīkī standard of first-rate hotel accommodations since opening on King Kamehameha Day, June 11, 1955.
- *County of Kaua'i; City and County of Honolulu; Maui County; and County of Hawai'i (100 years)* – The municipal governments of Hawai'i's four counties are celebrating their centennial anniversary in 2005. The counties are being honored for their support of tourism and for giving Hawai'i's number one industry the infrastructure and basic services needed to flourish on each of the six major islands.

HVCB also honored three individuals with special *Mahalo Awards*:

- *Peter Schall* – Schall ran the Hilton Hawaiian Village Beach Resort and Spa from 1986 until his retirement this summer. He was deeply involved with civic and community organizations, serving on numerous boards including HVCB, Aloha Festivals, the Chamber of Commerce of Hawai'i, and Friends of Hawai'i Charities.
- *Walter Dods* – During his tenure leading First Hawaiian Bank, Dods shared his business and marketing expertise with the visitor industry, serving as both chairman and a member of HVCB's board of directors. A community champion, he has spearheaded numerous fundraisers for nonprofit groups.
- *Margy Parker* – Parker retired this summer after serving 23 years as executive director of the Poipu Beach Resort Association. She founded the organization and was instrumental in helping to create Poipu into a premier, award-winning visitor destination.

3. NATIONAL / INTERNATIONAL

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■ CONSUMER TRAVEL BEHAVIORS

☞ Survey: Billions Spent on *Word of Mouth* Recommendations

A survey conducted by [Chadwick Martin Bailey](#) quantifies the power of advocacy in the travel and hospitality industry, revealing that these “word of mouth” recommendations will influence more than \$30 billion in direct sales over the next year. They have also estimated that advocacy will indirectly influence another \$250 billion in spending. The survey found that frequent travelers are the most influenced by advocates, and are most likely to take a recommendation – especially for cruise lines, upscale hotels, vacation resorts, casinos, and amusement parks. Results of the survey by industry category and domestic spending estimates are as follows:

Travel and Hospitality Category	% of U.S. Population who Advocate (Past 12 Months)	Result in Domestic Spending (Past 12 Months, in Billions)
Casual Full-Service Restaurants	47%	\$3.3
Commercial Airlines	11%	\$4.8
Upscale Hotel	22%	\$2.1
Casinos	33%	\$3.0
Amusement Parks	22%	\$2.6
Vacation Resorts	10%	\$4.9
Cruise Lines	12%	\$9.5
Timeshare Ownership	3%	\$2.6

Source: Chadwick Martin Bailey

■ CURRENT INDUSTRY DEVELOPMENTS

➤ U.S. Consumer Confidence Continues Decline in October

After plummeting in September, the Conference Board's [National Consumer Confidence Index](#) declined again, down 2.5 points in October (compared to September) to 85.0 (1985=100). The "Present Situation" index decreased to 108.2 (from 110.4 in September), and the "Expectations" index dipped to 69.5 during the month (from 72.3). Conference Board officials state that the recent hurricanes, high gas prices, and a weakening job market are the main reasons behind the dip in consumer confidence in October.

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

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