

"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

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

Inside this issue...

1. FEATURE

- Despite Shift in Easter Holiday, First Quarter Domestic Arrivals Still Set Record

2. HAWAII

Consumer Travel Behaviors

- Domestic Passenger Volume Five Percent Ahead of Prior-Year Levels for the Week

3. NATIONAL / INTERNATIONAL

Consumer Travel Behaviors

- Study: Gays and Lesbians More Likely to Book Accommodations Online
- Golden Week Travel: Top Overseas Destinations Vary by Source

Current Industry Developments

- Growing Cruise Popularity Reflects Strong Guest Satisfaction and High Perceived Value
- AAA Survey Indicates Vacation Costs Up Five Percent

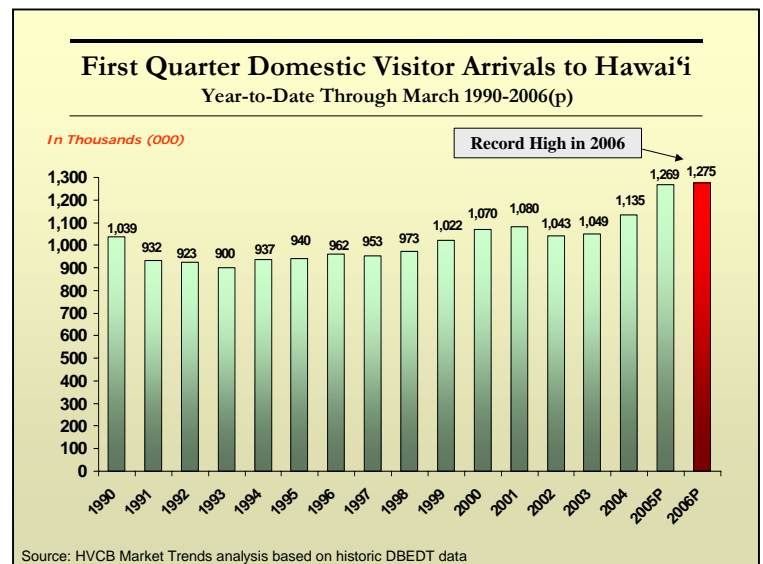
1. FEATURE

↑ TOP

➤ Despite Shift in Easter Holiday, First Quarter Domestic Arrivals Still Set Record

Domestic visitor arrivals to Hawai'i set a first quarter record high despite a 6.3 percent downturn in westbound arrivals in March, due to the shift in the Easter holiday period, according to preliminary figures released by the state [Department of Business, Economic Development and Tourism](#). Easter fell on March 27th in 2005, and fell on April 16th this year.

- Visitors arriving aboard domestic flights to Hawai'i totaled an all-time first quarter high of 1.3 million, a 0.5 percent increase over the same quarter last year.
 - Domestic average length of stay increased nominally, up 0.1 percent, helping boost domestic visitor days 0.6 percent over first quarter 2005 figures.
- Arrivals from the U.S. West, the largest source market of visitors to Hawai'i, increased 0.2 percent for the first three



months of 2006, while U.S. East arrivals rose 0.6 percent ahead of the same quarter last year. Canadian arrivals grew 9.1 percent by the end of the quarter.

- International air arrivals, however, declined 2.7 percent (to 526,860) compared to first quarter 2005 figures, though average length of stay increased 1.4 percent for the quarter.
- Total arrivals to the state equaled 1.8 million, down 0.5 percent compared to prior-year levels.

2. HAWAII

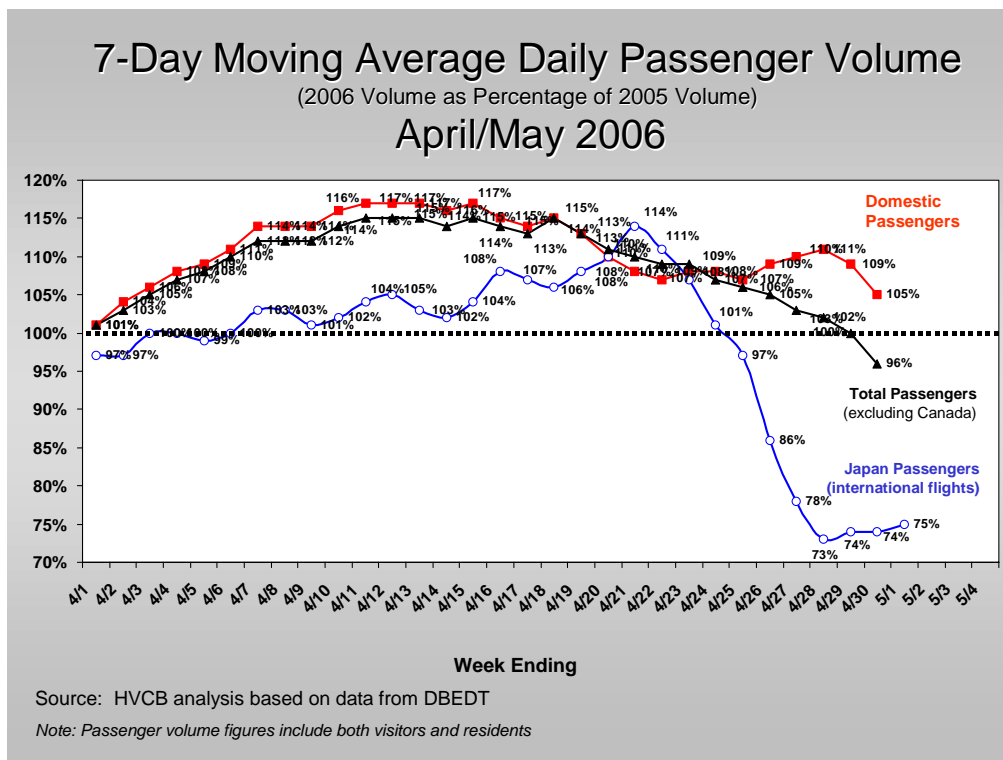
[↑TOP](#)

■ CONSUMER TRAVEL BEHAVIORS

➤ Domestic Passenger Volume Five Percent Ahead of Prior-Year Levels for the Week

According to statistics published by the state [Department of Business, Economic Development and Tourism](#), Domestic passenger volume on nonstop flights to Hawaii increased five percentage points compared to prior-year levels for the seven-day period ending May 1, 2006. Total domestic and international (excluding Canada) passenger volume was four points below prior-year levels for the week. Nonstop passenger volume from Japan was 25 percentage points below prior-year levels. DBEDT's air seat forecast for the second quarter (April-June) shows a 15.9 percent drop in air seat capacity for the Japanese market.

For the most recent Seven Day Moving Average chart, visit HVCB's Market Trends Online: <http://www.hvcb.org/trends>



3. NATIONAL / INTERNATIONAL

[↑TOP](#)

■ CONSUMER TRAVEL BEHAVIORS

➤ Study: Gays and Lesbians More Likely to Book Accommodations Online

A study released by [Harris Interactive](#) reveals that gays and lesbians are more likely than heterosexuals to go online to book personal hotel accommodations. According to the nationwide online survey of some 2,600 U.S. adults, 79 percent of self-identified gays and lesbians stated that they book hotel rooms online, versus 54 percent of heterosexuals. In contrast, some 12 percent of gay/lesbian travelers said

they book their hotels over the phone or in person, compared to 30 percent of heterosexual travelers. The study also examined the main factors behind a traveler's decision to pick a particular hotel. Though the top choice for both gay/lesbian and heterosexual travelers was price (71% and 64%, respectively), 22 percent of gays and lesbians said that "fair treatment of guests like me" was one of the most important factors in their decision, significantly higher than the eight percent of heterosexual travelers who said the same.

➤ Study: Baby Boomers Are Travel Distributors' Best Bet to Capture Bookings

According to a study conducted by [Compete, Inc.](#), entitled *Online Travel Comes of Age*, 10 percent of the 17 million Baby Boomers (aged 45-64) who research travel online each month will also book online. This figure is considerably more than each of the other generation segments, including Young Travelers (aged 18-24), who tend to window shop online; and Senior Travelers (aged 65+), who may still be uncomfortable purchasing online. In addition, Baby Boomers view an average of 36 pages of travel content while researching online, which is 15 percent more than Young Travelers, and 25 percent more than Seniors. The study also reveals that Young Travelers are an online agency's best friend, as they tend to be more influenced by flashy marketing campaigns, and thus more inclined to spend more time on online agency sites than any other generation.

➤ Golden Week Travel: Top Overseas Destinations Vary by Source

Top overseas destinations by Japanese travelers during Golden Week varied, depending on travel bookings source, according to three separate articles reported in *Travel Journal International*. All three show increased competition for Hawai'i.

- The Japan Travel Bureau (JTB), which is considered a more traditional wholesaler-based travel conglomerate, reports that Korea will be the most popular destination during Golden Week, followed by China, Hawai'i, and the U.S. Mainland.
- H.I.S., considered one of the top travel agencies for FIT travel in Japan, reports that as of April 12th, its most popular destination for the Golden Week travel period was Seoul, followed by Guam, Hawai'i, Bangkok, and Taipei.
- According to *Yahoo! Travel Japan* – one of the largest online portal sites in Japan – Shanghai ranks as the number one destination for Japanese travelers during the upcoming Golden Week holiday period, running from late April through the first week of May. The finding is based on reservations from among the 42.6 million viewers of the *Yahoo! Travel Japan* website. Honolulu also ranks among the top 10 destinations, ranking sixth.

JTB
1. Europe
2. Korea
3. China
4. Hawai'i
5. U.S. Mainland
6. Guam, Saipan
7. Taiwan
<small>Source: Travel Journal International</small>

H.I.S. Japan
1. Seoul
2. Guam
3. Hawai'i
4. Bangkok
5. Taipei
<small>Source: Travel Journal International</small>

Yahoo! Travel Japan
1. Shanghai
2. Seoul
3. Guam
4. Taiwan, ROC
5. Saipan, Mariana Islands
6. Honolulu
7. Las Vegas
8. Bangkok
9. Bali
10. Hong Kong; Sydney; and Niagara Falls
<small>Source: Travel Journal International</small>

- According to Hawai'i Tourism Japan (HTJ), increased competition comes from near and far. HTJ states that although the Japanese economy is showing signs of recovery, the overseas travel market shows two distinct extremes – those who choose less expensive closer-to-home destinations (within Asia); and those who choose long-haul destinations (i.e., Europe). HTJ states that travel prices for Hawai'i, in particular, are high during Golden Week.

■ CURRENT INDUSTRY DEVELOPMENTS

➤ Growing Cruise Popularity Reflects Strong Guest Satisfaction and High Perceived Value

According to the results from the Cruise Lines International Association (CLIA) 2006 Market Profile Study, conducted by TNS Travel & Transport Group, leisure cruise vacations are a fast-growing travel segment with its “core” U.S. cruise market -- adults 25 or older with minimum household incomes of \$40,000. Currently, 39 percent – more than 49 million vacationers – of core market consumers have previously cruised and more than 31 million U.S. vacationers intend to cruise within the next three years. The study also found that the average age of all cruise vacationers fell to 49, while the average income reached a record \$104,000, meaning that today’s cruisers are younger and more affluent. Cruise vacations also captured the highest percentage of extremely satisfied customers (45%) and highest value for money (65%).

➤ AAA Survey Indicates Vacation Costs Up Five Percent

[AAA's](#) Annual Vacation Costs survey results indicate that the overall costs of taking a vacation has increased by 5.4 percent from last year. The survey also reveals that with lodging rates up nearly nine percent, and cost of meals up nearly two percent from 2005, a family of two adults and two children can expect to pay an average \$261 per day for food and lodging. Food and lodging rates have been impacted by the rising energy, salary and benefit costs, as well as the supply and demand for lodgings.

- Hawai'i remains the most expensive state for vacationers, according to the survey, where the daily costs of food and lodging for a family of four averages \$559 per day.
- Rankings and costs are based on prices from the 55,000+ AAA lodging and restaurant members.

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:

Darlene Morikawa ✦ dmorikawa@hvcb.org ✦ tel. 808.924.0259