

"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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#### ⇒ Total International Visitation to the U.S. Up Nominally for the First Quarter

The number of international travelers to the U.S. increased by half of one percent (+0.5%) during the first quarter 2006 to total 9.0 million travelers, according to the [Office of Travel and Tourism Industries](#) of the U.S. Department of Commerce. International arrivals to the U.S. increased despite the eight percent drop in March, due to the shift in the timing of the Easter holiday (Easter fell on March 27<sup>th</sup> in 2005, and falls on April 16<sup>th</sup> this year).

Other highlights include:

- Japanese arrivals to the U.S. were down slightly during the quarter (-0.3%), equaling 931,500 travelers.
- Canadian visitation to the U.S. grew 4.4 percent during the first quarter, reaching an estimated 3.5 million arrivals.
- Arrivals from Asia totaled nearly 1.5 million, an increase of 2.2 percent versus prior year levels due in part to arrivals growth in the China/Hong Kong (+8.8%) and South Korea (+7.3%) markets.

**Non-Resident Arrivals to the U.S. by  
Major Market/World Region  
First Quarter 2006**

Market	Arrivals	% Change
Canada	3,533,338	4.4%
Western Europe	1,938,493	-9.8%
Asia	1,452,030	2.2%
Mexico	996,138	5.2%
South America	404,597	4.3%
Caribbean	195,072	-2.2%
Oceania	143,885	1.7%
Central America	141,263	-8.2%
Middle East	111,094	11.3%
Eastern Europe	89,603	8.0%
Africa	43,854	-0.9%
<b>TOTAL INTERNATIONAL</b>	<b>9,049,367</b>	<b>0.5%</b>

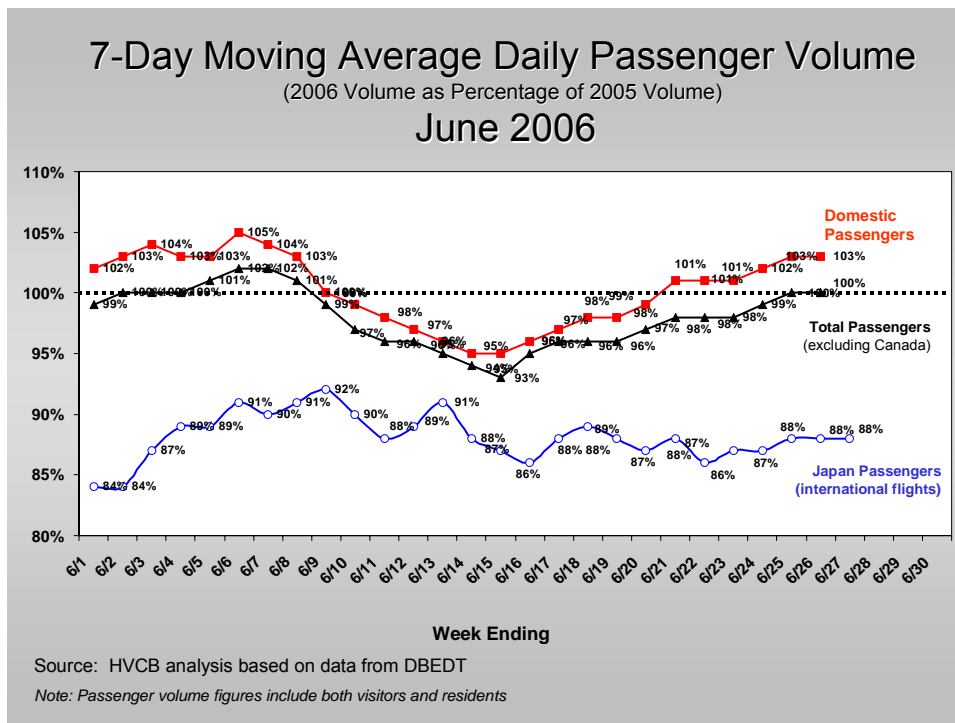
Source: Office of Travel & Tourism Industries (OTTI)  
U.S. Department of Commerce

■ CONSUMER TRAVEL BEHAVIORS

➔ Domestic Passenger Volume Up Three Points Compared to 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 Hawai'i increased three percentage points above prior-year levels for the seven-day period ending June 27, 2006. Nonstop passenger volume from Japan dropped 12 points below prior-year levels, while total domestic and international (excluding Canada) passenger volume was even with prior-year levels for the week.

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



■ CURRENT INDUSTRY DEVELOPMENTS

➔ Statewide Visitor Accommodations Inventory Increased Slightly in 2005

According to the [2005 Visitor Plant Inventory Report](#) released by the Department of Business, Economic Development and Tourism (DBEDT), visitor accommodation numbers increased to 72,889 units, up nominally (+0.4%) from 2004. The report revealed that Hawai'i County experienced the largest growth in visitor units (+13.1%) followed by Maui County (+4.4%). Meanwhile, inventory on Kaua'i (-0.3%) remained flat. O'ahu, which comprises nearly 47 percent of the statewide visitor units, declined 5.1 percent, due in part to the redevelopment in the Waikiki-Lewers area.

#### ■ CONSUMER TRAVEL BEHAVIORS

##### ⇒ Poll: U.S. Consumers Plan Longer, More Distant Vacations

A recent poll conducted by [Prospectiv CPI](#) found that vacationers will be traveling farther from home and staying longer at their destinations this summer. Seventy-four percent (74%) of travelers surveyed said that they plan to leave home for one to two weeks this summer. According to last summer's CPI poll, only 46 percent of consumers said that they were going to vacation for more than one week, while the other 54 percent planned to stay for less than seven days. The report also shows an 11 percent increase in out-of-state travelers. Twenty-nine percent (29%) of travelers will be vacationing at seaside/lakeside resorts (up 10% from 2005), while eight percent will be camping (down 50%), and four percent will be taking a summer cruise (up 2%) this year.

##### ⇒ A Change in Shopping Behavior for Japanese Overseas Travelers

According to the [Japan Tourism Marketing Company](#), Japanese overseas travelers -- especially those between 30 and 50 years of age -- are now purchasing branded goods domestically, and are spending less on shopping when visiting abroad. Reasons for this change in shopping behavior include: affordable prices at home; easier access; and better after-sales service. Within the past several years, luxury brand prices have gradually decreased to reasonable levels and Tokyo has experienced a rapid spread of individual brand boutiques and outlets. In addition, shops overseas are unable to provide the same quality of after-sales service to Japanese shoppers as the shops located within Tokyo's metropolis.

#### ■ CURRENT INDUSTRY DEVELOPMENTS

##### ⇒ DOC to Launch Campaign in Japan to Spur Travel to U.S.

The U.S. Department of Commerce (DOC) is scheduled to launch a tourism promotion campaign in Japan to help stimulate travel to the U.S., according to *Travel Journal International*. This campaign, with an estimated cost between \$3.5 million and \$4 million, will use the tagline "You've Seen the Film, Now Visit the Set," leveraging the popularity of American films in Japan. The DOC has partnered with Tsutaya, a Japanese entertainment distribution company, and Mitsukoshi Department Store, the oldest department store in Japan, with hopes of stimulating visitation to the U.S. Promotional efforts will include advertising, public relations, retail and online promotions.

- Specific movie-destination promotions include Massachusetts (*Mona Lisa Smile*); New York (*King Kong*); Florida (*Miami Vice*); Washington (*Sleepless in Seattle*); Nevada (*Oceans 11*); Arizona (*Jerry Maguire*); and California (*Sideways*).
- Hawai'i-specific efforts include in-store promotions at Tsutaya's Roppongi (Tokyo) flagship store promoting Hawai'i's heritage, culture, and lifestyle. This campaign is scheduled to run between June 26 and August 6.

##### ⇒ IATA Wants All Airline Tickets to be Electronic in 2007

The International Air Transport Association (IATA) wants all paper airline tickets to be replaced by electronic tickets in 2007, according to a report by [CNN](#). Currently, nearly 48 percent of tickets worldwide are electronic, including 68.6 percent of all tickets issued in the U.S. According to the IATA, which represents 265 airlines accounting for 94 percent of international traffic, the implementation of e-tickets will not only cut costs (\$10 per paper ticket versus \$1 per e-ticket), but it will also make it easier for customers to make last-minute changes to their itinerary; make check-in easier; and avoid the issue of lost tickets. The biggest challenge for airlines is the 100 percent adoption of e-ticketing. Although nearly one in every two tickets issued is an e-ticket, IATA wants to speed up the transition in order to reach its 70 percent target for 2006 and in order for its complete phase-out in 2007.

*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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