Visitors & Convention Bureau

TOURISM INDUSTRY UPDATE

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"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

➲ Active Leisure Travelers Covet Fare and Rate Information Online

For active leisure travelers, the ability to check the lowest available fares/rates online is the top rated feature of travel web sites, according to Y-Partnership's National Leisure Travel MONITOR™. Some 90 percent of those surveyed rated this *extremely* or *very desirable*, far outpacing the next most desired feature, an "easy-to-use booking" function (81%).

- Y-Partnership states that while consumers still value content (such as maps and virtual tours), they are significantly less coveted features than the ability shop and find good deals.
- Online user bulletin boards and photo sharing functions are relatively new features that are being closely watched by the industry, but are features that are currently only considered desirable to a small percentage of active leisure travelers (35% and 16%, respectively).

Extremely/Very Desireable Travel Web Site Features*

Rated *Extremely/Very Desirable*:	Percent
Being able to check the lowest available fares/rates	90%
Having an easy-to-use booking feature	81%
Photos of the hotel and resort facilities, rooms, etc.	71%
Destination maps that illustrate area activities, dining, shops, attractions, etc.	69%
The option of scheduling and confirming vacation activities in advance of arrival	66%
The ability to preview room locations	63%
The ability to check last minute air, hotel and car rental availability	63%
Photos of the area	61%
Virtual video tours of the hotel and resort facilities	55%
Live counselors to handle questions over the phone who can instantly send information for me to look at on my computer	50%
E-mail notifications of travel specials and discounts when they become available	50%
Being able to download and print promotional literature and brochures from the site	44%
A web site that remembers my personal preferences	43%
Virtual video tours of the area	42%
Bulletin boards for questions and advice from others who have traveled there	35%
The ability to share photographs and personal accounts of travel experiences	16%

** For U.S. active leisure travelers*
Source: Y-Partnership National Leisure Travel MONITOR

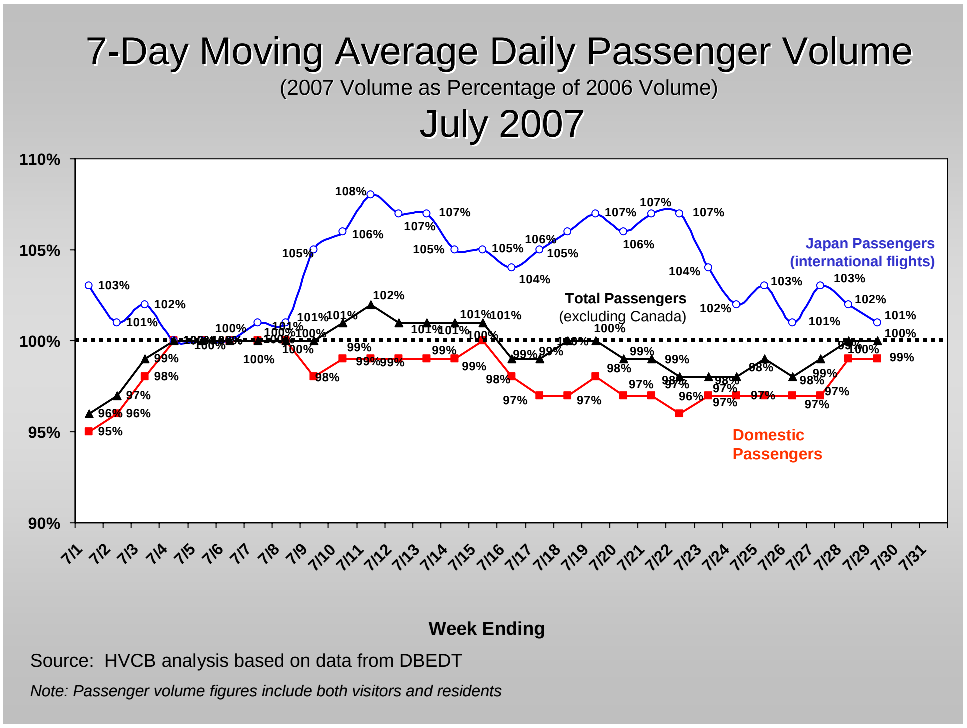
2. HAWAI‘I

CONSUMER TRAVEL BEHAVIORS

➲ Total Passenger Volume to Hawai‘i on Par With Prior-Year Levels for the Week

According to statistics published by the state [Department of Business, Economic Development and Tourism](), total domestic and international (excluding Canada) passenger volume on nonstop flights to Hawai‘i was on par with prior-year levels for the seven-day period ending July 29, 2007. Total domestic passenger volume ended the period down one point, while nonstop passenger volume from Japan to Hawai‘i was up one point 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

➲ Hawai‘i’s Top MSA Markets Performing Well Through First Half of 2007

The number of visitors from most of Hawai‘i’s top 20 metropolitan statistical area (MSA) markets are topping prior-year levels through the first half of the year, according to preliminary DBEDT data.

- Hawai‘i’s top market, Los Angeles, was the source of over 348,000 visitors through June, up 0.9 percent from prior-year levels. Hawai‘i’s second largest source market, the San Francisco Bay Area, increased 4.6 percent.
- Other top U.S. West markets that grew during the period include:
    - Seattle (+10.0%)
    - San Diego (+5.8%)
    - Phoenix (+2.4%)
    - Portland (+7.2%)
    - Sacramento (+5.2%)
    - Denver (+2.9%)
    - Salt Lake City (+3.9%)

- Some U.S. East markets saw increases through the first half of 2007, most notably, New York – Hawai'i's largest U.S. East market, which has grown 1.7 percent. Other U.S. East markets in the top 20 include:
    - Chicago (-8.2%)
    - Washington D.C. (-3.3%)
    - Dallas (-3.1%)
    - Minneapolis (-4.9%)
    - Boston (+2.2%)
    - Houston (+1.6%)
    - Detroit (-1.6%)
    - Atlanta (-11.4%)
    - Philadelphia (+2.9%)

Additional statistics on Hawai'i's top MSA markets are posted on HVCB's Market Trends Online website: *http://www.hvcb.org/trends*

Preliminary 2007 Arrivals to Hawai'i from Top 20 MSAs
January - June 2007

Metropolitan Statistical Area	Total YTD Jan-Jun	% Change 2007P/2006P
LOS ANGELES-RIVERSIDE-ORANGE COUNTY, CA CMSA	348,351	0.9%
SAN FRANCISCO-OAKLAND-SAN JOSE, CA CMSA	282,304	4.6%
SEATTLE-TACOMA-BREMENGTON, WA CMSA	136,624	10.0%
SAN DIEGO,CA	82,378	5.8%
NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA CMSA	76,361	1.7%
PHOENIX-MESA,AZ	72,419	2.4%
PORTLAND-SALEM, OR-WA CMSA	68,813	7.2%
SACRAMENTO-YOLO, CA CMSA	63,814	5.2%
CHIGAGO-GARY-KENOSHA, IL-IN-WI CMSA	60,714	-8.2%
WASHINGTON-BALTIMORE, DC-MD-VA-WV CMSA	53,672	-3.3%
DENVER-BOULDER-GREELEY, CO CMSA	50,937	2.9%
DALLAS-FORT WORTH, TX CMSA	40,343	-3.1%
MINNEAPOLIS-SAINT PAUL,MN-WI	38,249	-4.9%
SALT LAKE CITY-OGDEN,UT	34,603	3.5%
LAS VEGAS,NV-AZ	34,333	-0.1%
BOSTON-WORCESTER-LAWRENCE-LOWELL-BROCKTON, MA-NH NECMA	33,497	2.2%
HOUSTON-GALVESTON-BRAZORIA, TX CMSA	28,828	1.6%
DETROIT-ANN ARBOR-FLINT, MI CMSA	24,934	-1.6%
ATLANTA,GA	24,861	-11.4%
PHILADELPHIA-WILMINGTON-ATLANTIC CITY, PA-NJ-DE-MD CMSA	22,890	2.9%

Source: HVCB analysis of DBEDT data

3. NATIONAL / INTERNATIONAL

CURRENT INDUSTRY DEVELOPMENTS

➲ JATA: Hawai'i Travel Demand Index Rises for Third Quarter

The Japan Association of Travel Agents' (JATA) latest short-term quarterly Diffusion Index (DI) survey shows that travel demand for Hawai'i rose for the third quarter of 2007 versus the second quarter index, according to *Travel Journal International*. On a scale of +100 (very good) to -100 (very poor), JATA-member travel agencies scored Hawai'i -15, up 20 points from second quarter 2007 figures (-35). However, it is slightly down from the second quarter 2006 DI reading (-12). Overall, JATA states that the third quarter DI reading is the strongest in a year, and ends three consecutive quarters of lackluster performance. Destination results for the third quarter 2007 in rank order:

- China (28)
- Asia (10)
- Europe (6)
- **Hawai'i (-15)**
- Micronesia (-22)
- North America (-29)
- Oceania (-38)

The Diffusion Index is a quarterly survey monitoring business sentiment among JATA-member travel agencies in Japan.

➲ Nation's Tourism Industry Performance Indicators Holding Steady Through June

The Travel Industry Association's (TIA) Industry Performance Indicators (IPI) through June 2007 revealed that year-to-date international air revenue passenger miles (RPMs) increased 4.9 percent, while domestic air RPMs increased 0.5 percent compared to the same six months in 2006. TIA also reports that domestic air load factor improved by 0.9 percentage points through June versus prior-year levels. Room demand (+0.9%) and room revenue (+6.7%) both rose through the first half of the year, despite a nominal decline in occupancy rate (-0.3%). The IPI is released by TIA each month to give a monthly snapshot of recent trends in the travel industry.

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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