

"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

#### ➔ Atlantic Hurricane Forecast Not Expected to Affect Leisure Vacation Plans

A national survey\* of active leisure travelers conducted by [YParnership](#) and the Travel Industry Association of America reveals that travelers are not discouraged by the Atlantic hurricane forecast. Despite the National Hurricane Center's forecast of up to five "mega" storms this year, only one percent of leisure travelers intend to postpone a vacation because of the weather concerns. Furthermore, only one percent said they would select another vacation destination, and another one percent will cancel vacation plans altogether because of the hurricane concerns. The data suggests that the overwhelming majority of active leisure travelers make their vacation plans without much consideration of weather forecasts, although short-term travel behavior is always subject to change.

- The National Hurricane Center is predicting between 13-17 named storms in the Atlantic this year
  - 7-10 of these are expected to reach hurricane status
  - 3-5 are expected to be category 3 or above (one of which already affected the Caribbean and Mexico).

\* National survey (travelhorizons™) of over 1,900 active travelers conducted the week of June 8<sup>th</sup>

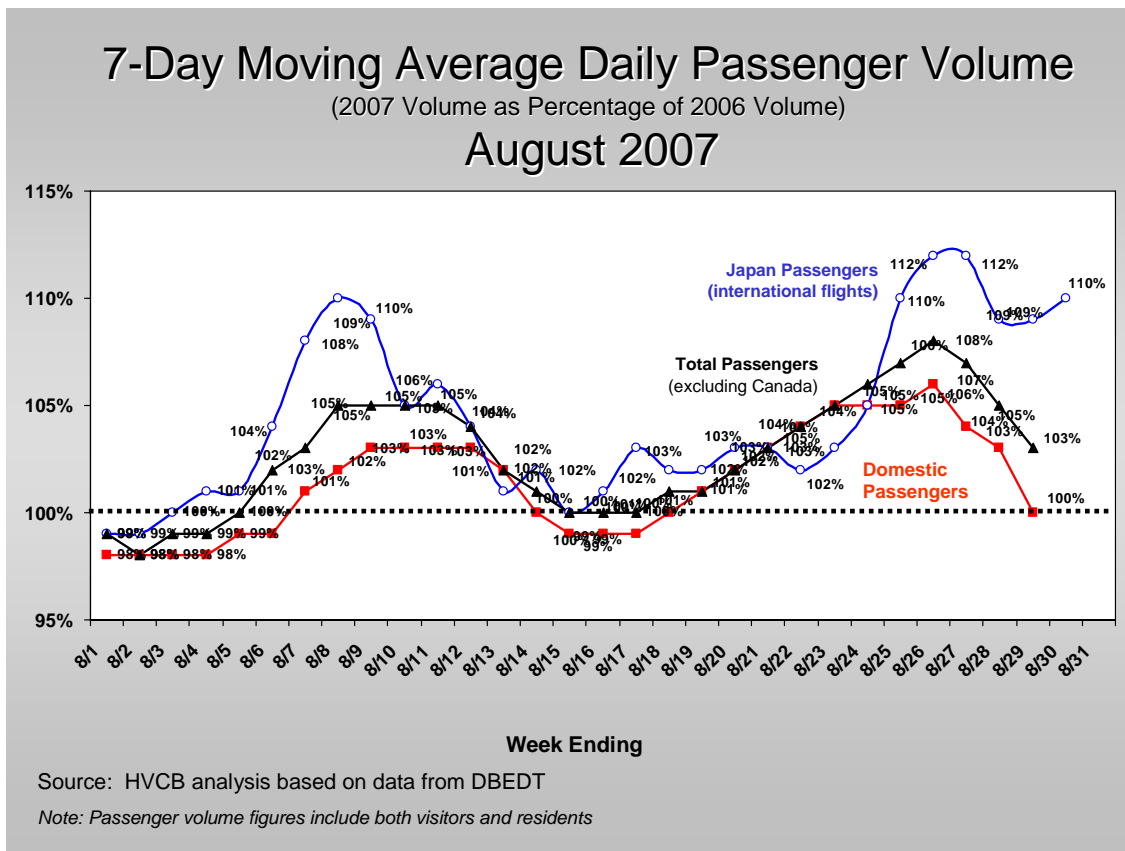
## 2. HAWAII

### ■ CONSUMER TRAVEL BEHAVIORS

#### ➤ Domestic 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 passenger volume on nonstop flights to Hawai'i was on par with prior-year levels for the seven-day period ending August 30, 2007. Total domestic and international (excluding Canada) passenger volume ended the period up three points, while nonstop passenger volume from Japan to Hawai'i was up 10 points 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

#### ➤ HVCB Earns 18<sup>th</sup> Consecutive National Gold Service Award

For the 18<sup>th</sup> consecutive year, HVCB earned a *Gold Service Award* from Meetings and Conventions magazine in recognition of the Bureau's outstanding support for meeting planners and clients hosting Hawai'i-based programs. The award, which is one of the industry's highest honors, was especially valuable as meeting planners nationwide cast their votes to decide the award recipients. Awards were based on several measures, including professionalism of staff; support on hotels and site inspections; assistance with ground transportation planning; guidance on local attractions; and liaison with local vendors and services.

## ➔ Hawai'i Air Seat Capacity Projected to Continue Decline Between August and October

Scheduled, non-stop air seats to Hawai'i are projected to decline 5.5 percent between August and October compared to the same months last year, according to the state [Department of Business, Economic Development, and Tourism](#) (DBEDT) air seat forecast based on OAG flight schedules.

- Domestic seats are forecasted to decline 6.3 percent, totaling 1.8 million during the three-month period.
  - Scheduled non-stop air seats to Hawai'i from the U.S. West are projected to decline 5.8 percent (to 1.5 million), with notable declines in Los Angeles (-14.5%) and San Francisco (-15.7%).
  - These declines are only partially offset by increases in Seattle (+36.0%); Oakland (+16.8%); Portland (+19.1%); and Sacramento (+6.7%).
  - U.S. East capacity is projected to be down 8.9 percent between August and October, with significant drops expected in Chicago (-12.9%) and Atlanta (-9.2%), the MMA's top and fourth largest gateways, respectively. Capacity from Dallas, Houston, and Newark are projected to be flat.
- International seats are forecasted to decline 3.4 percent during the period.
  - Scheduled seats from Japan are projected to decline 2.3 percent.
  - Non-peak Canadian seats to Hawai'i are forecasted to fall 43.4 percent, mainly due to the closure of Harmony Airways, and WestJet's switch from year-round to seasonal service to Hawai'i.

## 3. NATIONAL / INTERNATIONAL

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### ■ CONSUMER TRAVEL BEHAVIORS

#### ➔ AAA Projects Steady Labor Day Holiday Travel

[AAA](#) and the Travel Industry Association estimate that 34.6 million Americans will travel 50 miles or more from home this Labor Day weekend, nearly the exact number that traveled last Labor Day. Despite declining fuel prices, the main concern this holiday weekend remains the perception of high travel costs for fuel, lodging, and airfares, according to the analysis. AAA also states that many Americans are facing household budget constraints this summer, which may have an effect on travel this Labor Day. Though travel totals for the weekend are projected to be up 0.2 percent versus Labor Day 2006, this increase is lower than the overall increase in the U.S. population. Other results from the national survey of 1,950 American adults include:

- Air travel is forecasted to be up 2.5 percent this year (to 4.1 million, or 12 percent of all holiday travelers). The greatest number of air travelers is expected to come from the West with approximately 1.5 million travelers, followed by the Southeast with 1.3 million travelers; Northeast with 500,000; Great Lakes with 400,000 each; and the Midwest with 300,000.
- Top destinations this Labor Day weekend, in rank order, are:
  - Cities/urban areas (30.4%)
  - Oceans and beaches (19.8%)
  - Towns/rural areas (16.5%)
  - Theme/amusement parks (11.1%)
  - Mountains (9.2%)
  - Lakes (4.5%)
  - State/national parks (3.6%)

## ■ CURRENT INDUSTRY DEVELOPMENTS

### ➤ Survey: Family Vacations Become Shorter, More Expensive and Exotic

According to a poll conducted by Harris Interactive for [Best Western International](#), family vacations are becoming shorter than ever, but are more elaborate, and include more exotic locations. The poll also revealed that these family travel destinations are more likely be locations that older family members remember from their childhood. Results from the survey include:

- 27 percent said they travel to more exotic destinations, while 19 percent said vacations have become shorter than when they were younger.
- A "Hawaiian Adventure" is the top choice that a family would most enjoy on vacation (39% of respondents), while 31 percent would most enjoy a trip to the mountains. 25 percent indicated that they would most enjoy an amusement park vacation.
- Family vacations are more likely to include pets than other extended family members (i.e. grandparents, aunts and uncles, and cousins).
- 88 percent of U.S. adults who take family vacations said that a vacation these days is different from when they were children. Some 55 percent claimed that vacations today are more expensive.
- 42 percent said that they now travel greater distances on a family vacation
- 28 percent indicated that family vacations today have become more elaborate than they remember.

*Survey was conducted online between July 5-9, 2007, among 2,289 U.S. adults aged 18+, of whom took 2,917 family vacations. More details of the survey methodology are available [online](#).*

### ➤ OTTI: International Arrivals to the U.S. Up Eight Percent Through May

The U.S. welcomed nearly 17.7 million international visitors through May 2007, up 7.5 percent over prior-year levels, according to the [Office of Travel and Tourism Industries](#) (OTTI) of the U.S. Department of Commerce. Highlights for the five-month period include:

- Japanese arrivals to the U.S. totaled nearly 1.4 million through May, a decrease of 6.3 percent from prior-year levels.
- Arrivals from Canada increased 4.3 percent over year-to-date 2006 levels, totaling 6.6 million arrivals through May 2007.
- According to OTTI estimates, Honolulu was the fifth largest [U.S. port-of-entry](#) for overseas visitors to the U.S., welcoming nearly 557,800 overseas travelers (not including Canada or Mexico), down seven percent through May 2007. Honolulu ranks behind New York City (1.3 million overseas arrivals), Miami (1.1 million), Los Angeles (883,200), and Newark (587,000) in overseas arrivals to the U.S. Honolulu ranks ahead of San Francisco (508,800), Chicago (489,700), and Agana, Guam (439,600).

### ➤ OTTI: U.S. Outbound Travel Sets New Record in 2006

In 2006, a record 63.7 million U.S. residents traveled abroad surpassing the previous record set in 2005 by less than one percent, according to the [Office of Travel and Tourism Industries](#) (OTTI) of the U.S. Department of Commerce. The outbound growth came entirely in travel to overseas destinations, which equaled 30.1 million (+5%). However, the top two outbound markets, Mexico and Canada, declined by four percent and three percent, respectively. Spending by U.S. travelers abroad also set another record in 2006, up five percent to \$99.5 billion. The top outbound countries in 2004 in terms of U.S. visitor spending were: Mexico (\$10.9 billion); the United Kingdom (\$10.5 billion); Canada (\$7.7 billion); Germany (\$5.2 billion); and France (\$5.0 billion).

*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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