

"HVCB Tourism Industry Update" is a regular 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

- Independence Day Travel Projected to Decline for First Time this Decade

2. HAWAII

Current Industry Developments

- Domestic Passenger Volume to Hawai'i Down 16 Points From Prior Year Levels for the Week
- HTA: Applications, Free Workshops Available for Hawaiian Culture and Community Program

3. NATIONAL / INTERNATIONAL

Consumer Travel Behaviors

- National Consumer Confidence Declines for Fourth Straight Month
- One-Quarter of "Active Next Generation Travelers" Expect to Book Travel via Mobile Internet

Current Industry Developments

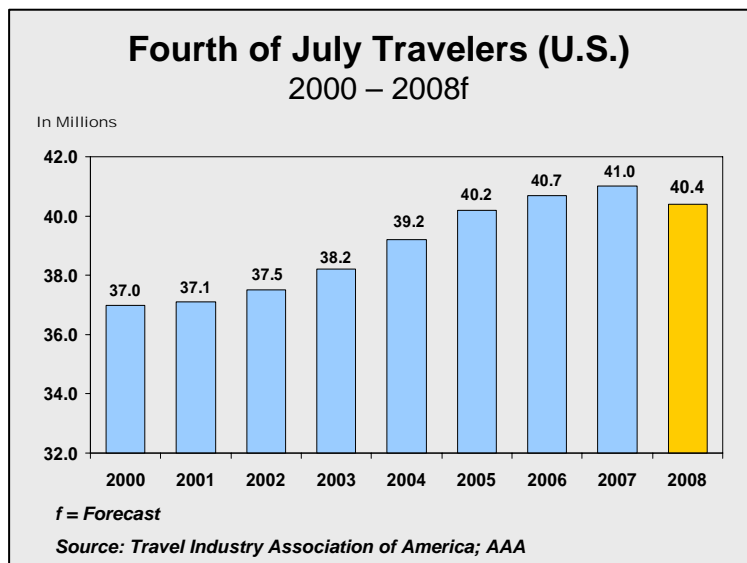
- OTTI: U.S. Outbound Travel Sets New Record in 2007

1. FEATURE

➤ Independence Day Travel Projected to Decline for First Time this Decade

[AAA](#) and the Travel Industry Association (TIA) project that an estimated 40.5 million Americans will travel 50 or more miles from home during this Fourth of July holiday weekend, a decline of 1.3 percent from the same weekend last year. It would be the first Independence Day travel decline experienced this decade. AAA speculates that despite rising airfares and fuel costs, millions of travelers still plan to travel, with many taking advantage of travel bargains and discounts offered by hotels and other businesses. Other results from the national survey include:

- Air travel is forecasted to be down 2.3 percent this year (to 4.5 million, or 11 percent of all holiday travelers); and motor vehicle travel is projected to be down 1.2 percent (to 34.6 million, or 85 percent of all holiday travelers).
- The greatest number of air travelers is expected to come from the West with approximately 1.8 million travelers, followed by the Southeast (813,000); Midwest (727,000); Northeast (695,000); and the Great Lakes region (518,000).
- According to AAA's Leisure Travel Index, airfares during the Fourth of July weekend are on average, 13 percent more compared to last year. Hotel rates are projected to be even with prior-year levels (at AAA 3-Diamond hotels), and average car rental prices are up 12 percent.



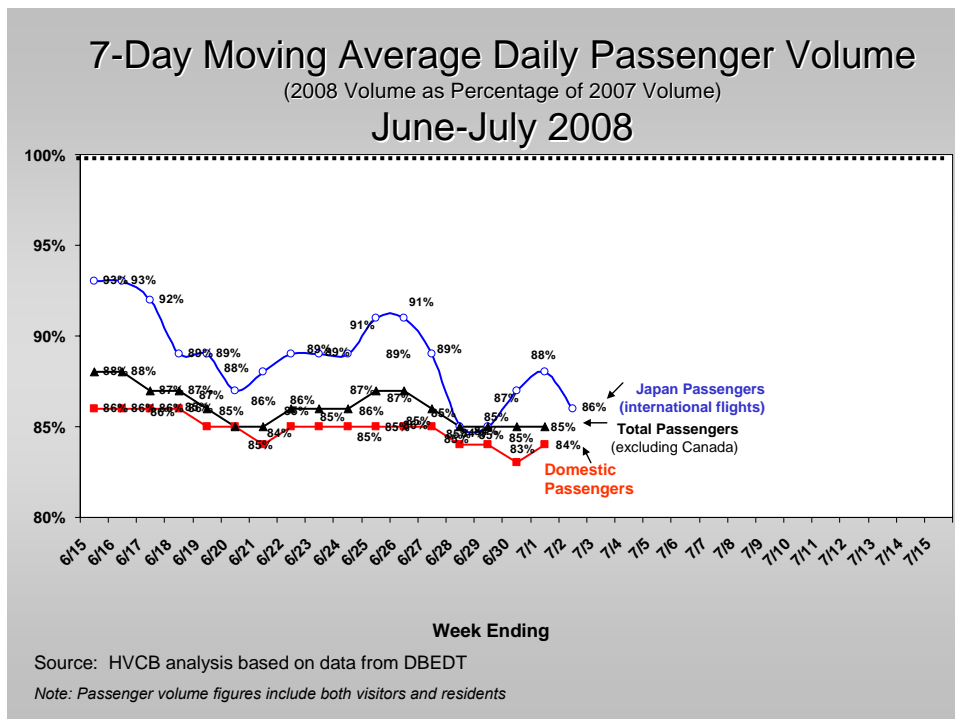
2. HAWAII

CURRENT INDUSTRY DEVELOPMENTS

Domestic Passenger Volume to Hawai'i Down 16 Points From 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 16 points below prior-year levels for the seven-day period ending July 1, 2008. Total domestic and international (excluding Canada) passenger volume ended the period down 15 points, while nonstop passenger volume from Japan fell 14 points for the week.

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



HTA: Applications, Free Workshops Available for Hawaiian Culture and Community Program

The [Hawai'i Tourism Authority](#) (HTA) in partnership with the [Council for Native Hawaiian Advancement](#) (CNHA) announced that applications for the 2009 *Kūkulu Ola*, "Living Hawaiian Culture Program" will be available on July 15, 2008. The program provides funding to support organizations for projects that strengthen, support, and perpetuate the Hawaiian culture and community. HTA and CNHA will also be holding free statewide workshops throughout the summer to provide technical assistance and training for potential program applicants. Registration forms for the workshops will be available on July 7, 2008 online at: www.livinghawaiianculture.org. Detailed information is available from [HTA's website](#).

Kūkulu Ola Workshop Schedule

<u>Lihū'e, Kaua'i</u> Aloha Beach Hotel: 7/15/2008; 1-5 p.m.
<u>Honolulu, O'ahu</u> Hawai'i Convention Center: 7/18/2008; 1-5 p.m.
<u>Hilo, Hawai'i Island</u> Nanihoa Hotel: 7/25/2008; 1-5 p.m.
<u>Kona, Hawai'i Island</u> King Kamehameha Hotel: 7/28/2008; 1-5 p.m.
<u>Wailuku, Maui</u> Grand Wailea Resort: 8/1/2008; 1-5 p.m.

3. NATIONAL / INTERNATIONAL

■ CONSUMER TRAVEL BEHAVIORS

⇒ National Consumer Confidence Declines for Fourth Straight Month

Faced with escalating gas prices and slowing economic conditions in the first half of the year, the [National Consumer Confidence](#) Index sank to its fifth-lowest reading ever, falling 7.7 points to 50.4 (1985=100) in June (from the prior month reading). The "Present Situation" index dropped 9.7 points to 64.5, while the "Expectations" index fell to 41.0 (from 47.3 points in May). Conference Board officials state that consumers' assessment of current conditions continues to worsen, suggesting that the economy remains "stuck in low gear." Consumers' economic outlook is also bleak, as the Expectations Index reading is now at an all-time low.

⇒ One-Quarter of "Active Next Generation Travelers" Expect to Book Travel via Mobile Internet

One-quarter of active "Next Generation" travelers who are "users of technology" expect to book an airline, hotel, or car rental reservation using mobile internet within the next two years, according to NEXTGEN Traveler™, a survey co-authored by [Ypartnership](#) and PhoCusWright. Currently, only 10 percent book a reservation via their mobile phone's Internet service. The report also notes that among these next generation travelers, 68 percent enjoy traveling to new places and experiencing new things. Other findings from the survey of active, next generation travelers include:

- 75% would travel more if they had more money (62% would do so if they had more time)
- Two-thirds (65%) take pictures with their cell phones, 29% play video games and 22% follow news/sports/stocks
- One-third (33%) access the Internet via their cell phone
- Over half (56%) have taken a virtual tour of a hotel or resort online
- Almost four out of ten (38%) have built trip itineraries online
- One-third (33%) have written and posted a travel review online

■ CURRENT INDUSTRY DEVELOPMENTS

⇒ OTTI: U.S. Outbound Travel Sets New Record in 2007

In 2007, a record 64.0 million U.S. residents traveled abroad surpassing the previous record set in 2006 by one percent, according to the [Office of Travel and Tourism Industries](#) (OTTI) of the U.S. Department of Commerce. It was the fourth successive record for U.S. outbound travel. The outbound growth came entirely in travel to overseas destinations, which equaled 31.2 million (+4%). However, the top two outbound markets, Mexico and Canada, declined by one percent and three percent, respectively. Spending by U.S. travelers abroad also set another record in 2007, up five percent to \$104.7 billion. The top outbound countries in 2007 in terms of U.S. visitor spending were: Mexico (\$11.1 billion); the United Kingdom (\$10.5 billion); Canada (\$7.6 billion); Germany (\$5.9 billion); and Japan (\$4.7 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:

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