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HVCB Tourism Industry Update

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"HVCB Tourism Industry Update" is a weekly briefing of travel news and developments affecting Hawai'i's visitor industry, compiled by the HVCB Market Trends Department.

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Feature

- **Average Daily Spending Increases on O'ahu in First Half of 2003**
 - Average daily spending by travelers visiting O'ahu exclusively increased in almost all visitor segments during the first half of 2003, according to new data from the state Department of Business, Economic Development and Tourism.
 - Japanese visitors who stayed exclusively on O'ahu spent the most, averaging \$236 per person per day, an increase of 7.6 percent over the same period last year. On average, visitors from Japan spent less on lodging (\$53 per person), but more on shopping (\$94), food and beverage (\$41) and entertainment (\$15).
 - Visitors from 'Other Asia' ranked second, at \$168 per person per day - an increase of 6.6 percent over the first half of 2002.
 - At \$138 per person per day, visitors from Oceania showed the highest increase in spending on O'ahu, up 16.1 percent over the same period last year.
 - Although U.S. East visitors spent an average of \$135 per person, this is the only visitor segment to O'ahu to register a decline - down from \$143 in 2002 (-5.3%). Visitors from U.S.

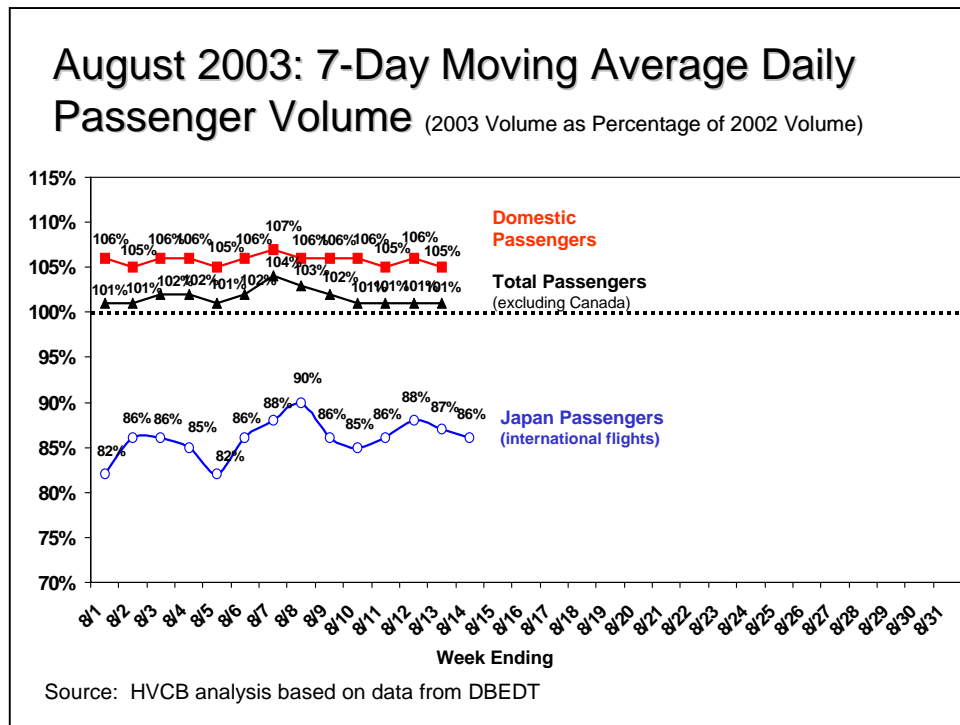
East spent more on lodging than last year (+2.6%), but spent less on food and beverages (-0.4%), shopping (-1.9%), transportation (-15.1%), and entertainment (-0.8%), compared to the first half of 2002.

- U.S. West visitors spent a daily average of \$132 per person, up from \$127 in 2002 (+4.2%). U.S. West visitors spent the largest proportion on lodging (\$47 per person), and food and beverage (\$31).
- Daily spending from European travelers visiting O'ahu exclusively, increased 2.5 percent to \$132.
- Canadian travelers spent the least amount on average during the first half of 2003 while visiting O'ahu, at \$105 per person per day - up 7.6 percent over the same period last year.
- Overall average visitor spending on neighbor islands (January-June 2003):

Hawai'i

▪ CONSUMER TRAVEL BEHAVIORS

- **Total Passenger Volume on Par With 2002 Levels** - The average number of total passengers arriving to the state aboard domestic and international (excluding Canada) flights remained on par with last year's level, up one percent, for the seven-day period ending August 13, 2003. Counts from the state [Department of Business, Economic Development and Tourism](#) showed the total number of nonstop passengers from Japan was 86 percent of last year's levels, while the average number of domestic passengers during the period remained steady at 105 percent of 2002 levels.



▪ CURRENT INDUSTRY DEVELOPMENTS

- **Hawai'i Marketing Team Earns Three Gold Service Awards from *Meetings & Conventions*** - HVCB and two of its island chapters, the Maui Visitors Bureau (MVB), and the Big Island Visitors Bureau (BIVB), earned 2003 Gold Service Awards from *Meetings & Conventions* magazine. The Gold Service Award is presented annually to deserving CVBs worldwide, in recognition of their excellence in servicing the needs of meeting professionals. The magazine's 70,000 subscribers determined this year's winners.

National and International

▪ **CONSUMER TRAVEL BEHAVIORS**

- **Low-Cost Air Carrier Tops Monthly Domestic Passenger Rankings for First Time** - The [Bureau of Transportation Statistics](#) reports that for the first time ever, a low-fare airline carried more domestic passengers than any other U.S. carrier for the month of May. With over 6.5 million domestic passengers, Southwest Airlines jumped over Delta Airlines (6.3 million) and American Airlines (6.2 million) in May to become the top U.S. airline for domestic enplanements.

▪ **CURRENT INDUSTRY DEVELOPMENTS**

- **Las Vegas Steps Up Adult-Themed Advertisements and Promotions** - The Las Vegas Convention and Visitors Authority (LVCVA) is targeting young adults by stepping up their \$60 million, adult-themed marketing campaign, "What happens here, stays here," according to [USA Today](#). Many Las Vegas hotel properties have also dropped family-friendly ads and amenities and are replacing them with more provocative themes. Las Vegas had been successful in attracting the family market, which currently accounts for 12 percent of all visits, compared to the historical rate of eight percent.
- **Guam Visitors Bureau to Provide Partial Subsidies for Group Travel** - The Guam Visitors Bureau (GVB) launched a special campaign that provides subsidies of up to \$4,000 to companies who bring groups of 30 people or more to the island, according to *Travel Journal International*. Aiming to stimulate more group tours and special events on Guam, GVB will provide the partial subsidies between October 1 and December 20.
- **Pacific Islands Expected to Sign Aviation Deal** - In a move to liberalize air services in the Pacific region, many isolated and impoverished island states are expected to sign the Pacific Islands Air Services Agreement, creating a region-wide aviation market to facilitate tourism, according to the [Associated Press](#). Currently, the fragmented airline market in the region is becoming a barrier to tourism development, as island-hopping packages cannot be expanded in the current system. The new agreement, to be approved and ratified by the island nations through their affiliation with the Pacific Islands Forum, is expected to allow the regional airline industry to establish alliances and cooperative deals with large foreign competitors.
- **Vietnam Actively Seeks U.S. Tourists** - The director of the Vietnam National Administration of Tourism (VNAT) and other Vietnamese tourism officials have started a sixteen-day mission in the U.S. to attract American travelers to their country, according to [ABC Radio Australia](#). VNAT had launched a similar campaign in Japan to help the country recover from the downturn in tourism in the first half of this year due mainly to the worldwide fear of SARS.
- **Offsite Baggage Checking Program to be Piloted in Orlando** - Orlando International Airport will be piloting the nation's first offsite luggage check-in, according to [USA Today](#). The program, Baggage Airline Guest Services (BAGS), will allow passengers staying at hotels adjacent to the Orange County Convention Center to securely check baggage in for flights departing Orlando International. After the attacks of 9/11, offsite baggage checking was eliminated, but the Transportation Security Authority (TSA) has been working closely with the BAGS program to ensure the safety and security of the program. TSA also believes that the wide use of the BAGS system may save tax dollars by reducing the number of screeners needed at busy airports.

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We welcome any suggestions or comments that you may have that will help us improve the quality of the weekly "HVCB Tourism Industry Update" for our readers. Please feel free to share your ideas with Gail Chew via email at: gchew@hvcb.org