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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

- **AAA President: Six Changes the Travel Industry Must Consider to Ensure Prosperity**
 - In a keynote address at the Travel Industry Association's Marketing Outlook Forum in Austin, Texas last week, AAA President and CEO, Robert L. Darbelnet, presented [six changes](#) that the travel industry must consider to ensure a prosperous future. Darbelnet recommended that the travel and tourism industry proactively address the following issues:
 - "Stop Complaining" - Darbelnet suggests that the industry "stops complaining" about the current business and political environment. It is not the first time travel and tourism has been confronted with challenges.
 - "Advertise" - With regard to international tourism to the U.S., industry players should think of ways to effectively fund the overall effort to promote the U.S. to international travelers. As U.S. international tourism market share decreases, other countries and their businesses are benefiting.
 - "Get Out of the *Tax Collector* Role" - Darbelnet states that travelers are a prime target for taxes and tolls, and the industry must be steadfast in addressing their own challenges without becoming the "taxman's pipeline to the traveler's wallet."

- "Value" - Because consumers base future vacation decisions on their past travel experiences, it is imperative that the industry ensures their customers an exceptional value in their travel experience.
- "Recognize Segments and Tailor Products" - Travel and tourism industry players need to recognize the changing market environment (along with changes in traveler needs and preferences), and tailor their product appropriately.
- "Collaborate" - Because a successful trip contains many different aspects, the industry needs to work *collectively* to provide the traveler with a positive travel experience.

Hawai'i

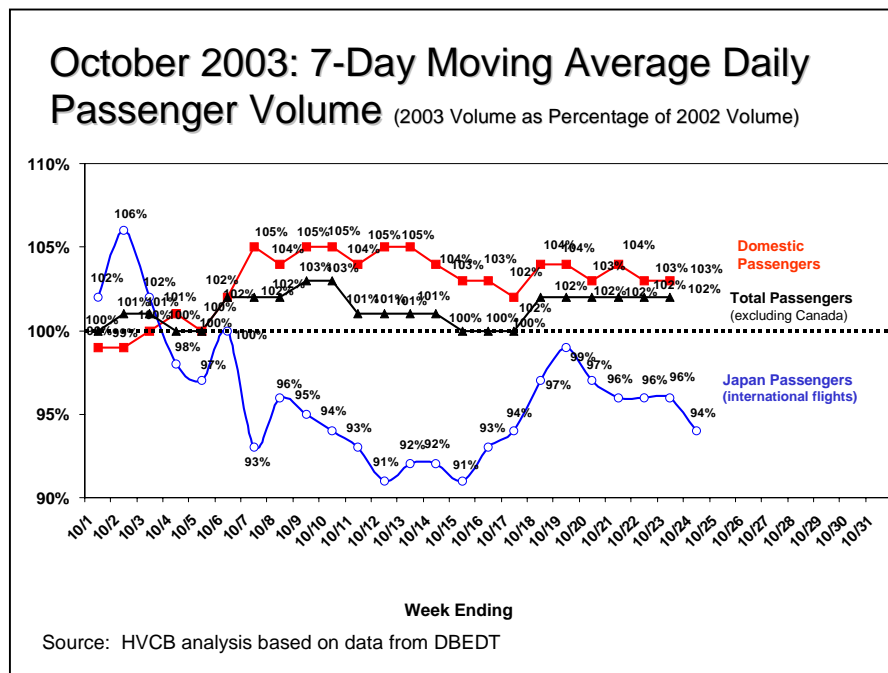
CONSUMER TRAVEL BEHAVIORS

- **Domestic Passenger Volume to Hawai'i Three Percent Above 2002 Levels** - Total domestic passenger volume averaged three percent above last year's figures for the seven-day period ending October 23, 2003. According to statistics published by the state [Department of Business, Economic Development and Tourism](#), total domestic and international (excluding Canada) passenger volume stood at 102 percent of 2002 figures, while nonstop passengers from Japan arriving in Hawai'i remained below last year's average at 94 percent.

HVCB's Annual Luncheon
Celebrate 100 Years of Aloha 1903-2003

When: November 5, 2003
Where: The Hilton Hawaiian Village Beach Resort & Spa - Coral Ballroom

For more information on this event, please call (808) 924-0262, or e-mail luncheon@hvcb.org



CURRENT INDUSTRY DEVELOPMENTS

- **ATA Increases Air Service to Hawai'i** - [ATA Airlines](#) announced that it will launch new nonstop daily service between Seattle and Honolulu beginning on February 20, 2004. ATA also revealed that it will begin daily one-stop (same-plane) service to Honolulu from New York-LaGuardia via San Francisco beginning November 20th. In addition, ATA said that it will add a second daily non-stop flight between San Francisco and Honolulu beginning November 20th, as well as increase weekly Honolulu nonstop service from Los Angeles from seven to 12 flights beginning June 1, 2004. ATA will use a reconfigured 757-200 to service the new routes.

HVCB Welcomes John Monahan as HVCB's New President and CEO

*The Hawai'i Visitors and Convention Bureau extends a warm welcome to its new President and CEO, **John Monahan**. As the former President and CEO of the Liberty House department store chain in Hawai'i, and appointed Trustee for Hawaiian Airlines, John has been a leading figure in Hawai'i's retail community, and has worked closely with the State's travel and tourism industry. **Aloha and Welcome to the HVCB Ohana, John!***

*HVCB would also like to bid a warm mahalo to **Les Enderton**, who served as Interim President and CEO for the past three months. Les will return to his full-time role as Executive Director to the O'ahu Visitors Bureau. **Mahalo for your leadership, Les!***

National and International

▪ **CONSUMER TRAVEL BEHAVIORS**

- **International Travel to the U.S. Projected to Reach 48.8 Million in 2007** - [The Office of Travel and Tourism Industries \(OTTI\)](#) of the U.S. Department of Commerce projects that international arrivals to the U.S. will reach 48.8 million in 2007, an increase of 16 percent compared to 2002, according to their revised forecast for international travel to the U.S. The arrivals forecast also indicates that 2003 (down four percent vs. 2002), will be the third straight year of declines in international visitor arrivals since reaching a peak of 50.9 million visitors in 2000.
- **TIA: Cautiously Optimistic for 2004 Domestic Travel Outlook** - The [Travel Industry Association of America \(TIA\)](#) released its latest Domestic Travel Forecast, projecting leisure travel volume to grow 2.8 percent in 2003 (compared to the previous year), 3.2 percent in 2004, and 1.8 percent in 2005. Domestic business travel, which has been one of the hardest hit segments in the travel industry, is projected to decline 3.7 percent in 2003, but rebound in 2004 and 2005 (+4.2 percent, and +3.5 percent, respectively).
- **Travel Industry Executives: Slow But Steady Growth for Travel Industry in 2004** - Industry leaders discussed future tourism trends and best business prospects in the "[Executive Roundtable](#)" [General Session](#) at the Travel Industry Association's Marketing Outlook Forum in Austin, Texas last week. The panel agreed that the country should experience slow, but steady tourism growth in 2004, and that industry professionals will need to be creative and have a willingness to adapt to a changing travel market environment. Other [highlights](#) of the roundtable:
 - Robert E. Dirks, Senior Vice President, Brand Management and Marketing at Hilton Hotels, is seeing bookings of seven days or fewer. Friday hotel nights sell out, but not until Friday noon.
 - Vickie Escarra, Executive Vice President and CEO of Delta Air Lines, stated that more travelers are trading convenience for lower prices, and are booking later in order to get cheaper fares.
 - Patrick Moscaritolo, President and CEO of the Greater Boston Convention and Visitors Bureau, reported that Boston has increased its non-traditional partnerships (i.e. Kellogg's and Rockport) to leverage limited budgets. "There are no crazy ideas anymore."
 - Robin Tauck, President of Tauck World Discovery, said that family travel, including multi-generational trips, did well this year, as did special interest travel (cultural, heritage, event, etc.). A growing and lucrative demographic segment is "Well-off, Older People" (dubbed "WOOPies"). This segment is living longer and seeking out more active vacations.
- **YPB&R: Family Travel Trend Growing in U.S.** - A poll of 1,655 active leisure travelers conducted by Yesawich, Pepperdine, Brown & Russell (YPB&R) indicates that 80 percent of all respondents took at least one vacation with extended family, other families or friends, according to *Travel Management Daily*. The study also shows that spending time with family during vacation is becoming an increasingly important for active travelers - some 69 percent of respondents felt that spending time with family was "very important" or "extremely important" when choosing a vacation, compared to 57 percent who stated the same in 2000. Thirty-seven percent (37%) of respondents stated that they were planning to take more trips with family and/or friends in the years ahead.

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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