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Contact: Gail Ann Chew
gchew@hvcb.org
808.924.0260

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

- **HVCB Unveils 2004 Marketing Plan for North America Leisure, Global CMI**
 - HVCB presented its 2004 Annual Tourism Marketing Plan (ATMP) for North America leisure and global Corporate Meetings and Incentives (CMI) at public meetings held on Kaua'i, O'ahu, Maui, and the Big Island last week. Highlights of HVCB's presentation:
 - HVCB's six main North America Leisure marketing strategies, tactics, and programs for 2004 include:
 - *Focus on Gateway Cities* - HVCB selected 14 major gateway cities to target in 2004, based on air service availability, visitor volume, growth potential, and geographic location.
 - *Integrated Media Coverage* - HVCB will direct its advertising efforts on gateway cities with spot cable, syndicated programming, consumer magazine co-op ads, e-newsletters, and direct traffic to its website, gohawaii.com. Public relations efforts will continue to include television

programming (i.e. American Idol), target leading publications, journalists and travel writers, and include statewide press trips.

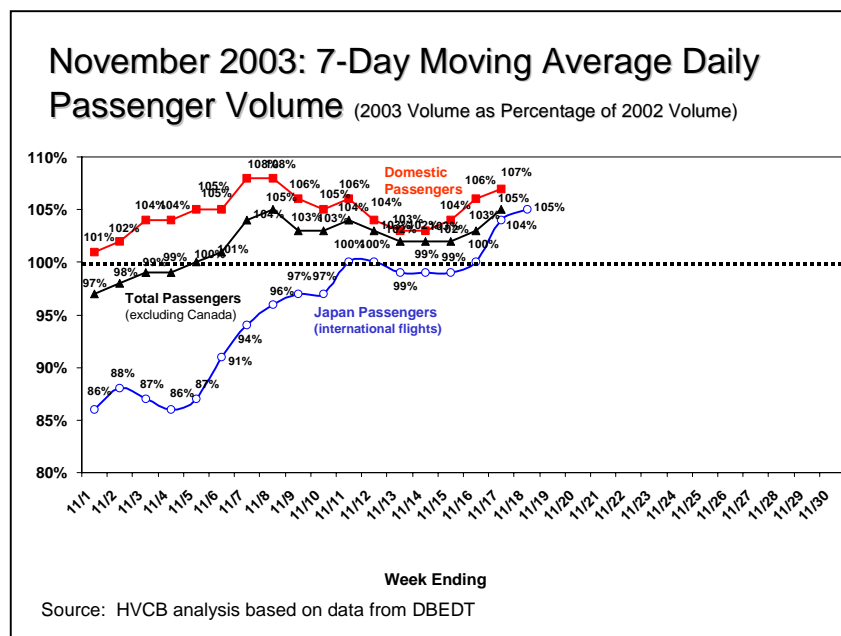
- *Target Vertical Markets* - In 2004, HVCB's statewide marketing efforts will focus on *golf*, and *arts and culture*. Island chapters will focus on other important vertical markets, including the romance/weddings/honeymoons, and family travel markets.
- *Web and eMarketing* - HVCB will implement tighter integration of all marketing elements on gohawaii.com. A communications program of websites, digital asset management (a system to catalog, archive and distribute digital photos, images, videos, etc.) and e-mail campaigns will also be established.
- *Travel Trade* - HVCB will continue the Hawai'i Destination Specialist Program, implement other training programs (including island-specific), host travel agent FAM trips, maintain cooperative marketing efforts, and hold semi-annual meetings with travel trade.
- *Research, Measurement, and Evaluation* - This will provide a foundation for all marketing strategies and programs, as well as measure the effectiveness of all marketing efforts. HVCB will continue to monitor and analyze market conditions, targeted travel segments and consumer travel behavior.
- *Global CMI programs* will continue to target clients; maintain its strategic positions in key customer bases; represent the state in its advertising, P.R. and sales efforts; increase [internet marketing](#); and provide leads and service to the industry.

Go to www.state.hi.us/tourism for summaries of Hawai'i's leisure marketing plans for 2004 in Japan and Asia, Australia, New Zealand, Europe and North America, as well as plans for Corporate Meetings and Incentives, and the Hawai'i Convention Center.

Hawai'i

CONSUMER TRAVEL BEHAVIORS

- **Domestic and International Passenger Volume to Hawai'i Increases Over 2002 Levels** - According to statistics published by the state [Department of Business, Economic Development and Tourism](#), total domestic and international (excluding Canada) passenger volume was up five percent over last year's figures for the seven-day period ending November 17, 2003*. Domestic passenger volume continued to perform above 2002 levels, up seven percent over last year's numbers, while nonstop passengers from Japan arriving in Hawai'i increased to 105 percent of 2002 figures for the seven-day period.



*Note: Latest data for the Seven Day Moving Average chart are not available due to an issue with the data flow.

▪ **CURRENT INDUSTRY DEVELOPMENTS**

- **HVCB Highlights Hawai'i Culture at 2003 China International Travel Mart** - HVCB organized a trade show exhibit combining culture and tourism for the 2003 China International Travel Mart 2003 (CITM), Asia's largest professional travel show. HVCB constructed a special exhibit booth under the theme of "Hawaiian Music and Hula," highlighting six Hawai'i-based entertainers performing traditional Hawaiian music and hula during the trade show, which was held November 20-23 in Kunming, China. For the past three years, HVCB's exhibit booth has earned top honors among exhibitors for its design and display qualities, including the award for "Best Booth Design" in 2002.
- **Northwest Airlines to Resume Daily Nonstop Osaka-Honolulu Service** - [Northwest Airlines](#) announced the resumption of daily nonstop service between Osaka, Japan and Honolulu, beginning on April 28, 2004. The flight, which was suspended in October 2003, will be offered on a seasonal basis, and will be serviced by a DC 10-30 aircraft, with a seat capacity of 269.
- **NCL to Target Japanese Travelers for Hawai'i Cruises** - Norwegian Cruise Line (NCL) announced that it plans to target the Japanese travel market for its interisland cruises in Hawai'i next year, according to *Travel Journal International*. NCL intends to have 20 percent of its Hawai'i cruise passengers to be from Japan. The interisland Hawai'i cruises may be a good fit for the Japanese market, because of the shorter journey duration.
- **Travelweb: Honolulu Ranks as Top Domestic Holiday Destination** - Travelweb.com ranked Honolulu as the number one desired U.S. city for the holiday season, according to [Pacific Business News](#). Based on actual hotel room demand for the period between Thanksgiving and January 1, 2004, travelers ranked Honolulu above Orlando, New York, Dallas and Miami. The poll also revealed that 54 percent of its customers will fly, while 29 percent plan to drive to their destination this holiday season.

Special Holiday Announcement

HVCB's Tourism Industry Update will not be published next week, due to the Thanksgiving holiday. TIU will return on December 8, 2003.

Happy Thanksgiving!

National and International

▪ **CONSUMER TRAVEL BEHAVIORS**

- **TIA: Travel Price Index Increases 3.3 Percent in October** - The Travel Industry Association of America's (TIA) [Travel Price Index](#) (TPI) increased 3.3 percent in October 2003, compared to the same month last year. Airfares increased 4.1 percent compared to October 2002, and lodging prices rose 3.0 percent for the month. The TPI is a monthly indicator of the price change in travel goods and services available to the U.S. consumer.
- **Survey: Affluent Consumers Will Spend More on Domestic Travel** - The "Survey of America's Affluent" conducted by the American Affluence Research Center, indicates that 33 percent of affluent Americans will spend more on domestic travel in 2003, compared to only 11 percent who said they would spend less, according to [Travel Weekly](#). The study, which polled among the wealthiest 10 percent of Americans, shows that 71 percent researched non-business air travel online and 57 percent actually booked their flight online. In addition, 63 percent researched non-business lodging options online, with 48 percent actually booking their accommodations on the web.
- **Japanese Travel to Marianas Close to Full Recovery** - The Marianas Visitors Authority (MVA) reports that Japanese visitors increased for the second consecutive month in October, signaling a strong recovery for 2003, according to *Travel Journal International*. For the first 10 months of 2003, Japanese arrivals to the Mariana Islands are down 1.8 percent from the same period in 2002. MVA noted that increased nonstop flights from Japan, as well as various niche-marketing campaigns helped support the recent increase in the Japanese market.

▪ **CURRENT INDUSTRY DEVELOPMENTS**

- **NBTA: Business Travel Costs Forecast to Increase Six Percent in 2004** - The National Business Travel Association's (NBTA) sixth annual *Business Travel Cost Forecast* report states that corporate travel prices will increase six percent in 2004. The report projects that companies will be increasing their meeting and convention budgets compared to last year, and will be managed more by corporate travel professionals. Other projections for 2004, according to the study:
 - Business airfares will Increase by five percent
 - Hotel rates will increase by three percent
 - Corporate car rental rates will increase by two percent

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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