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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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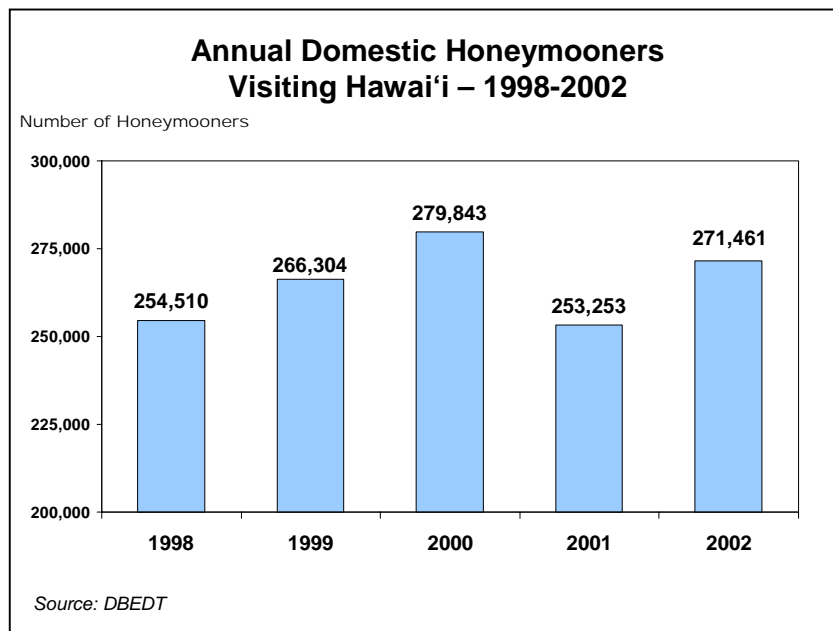
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Feature

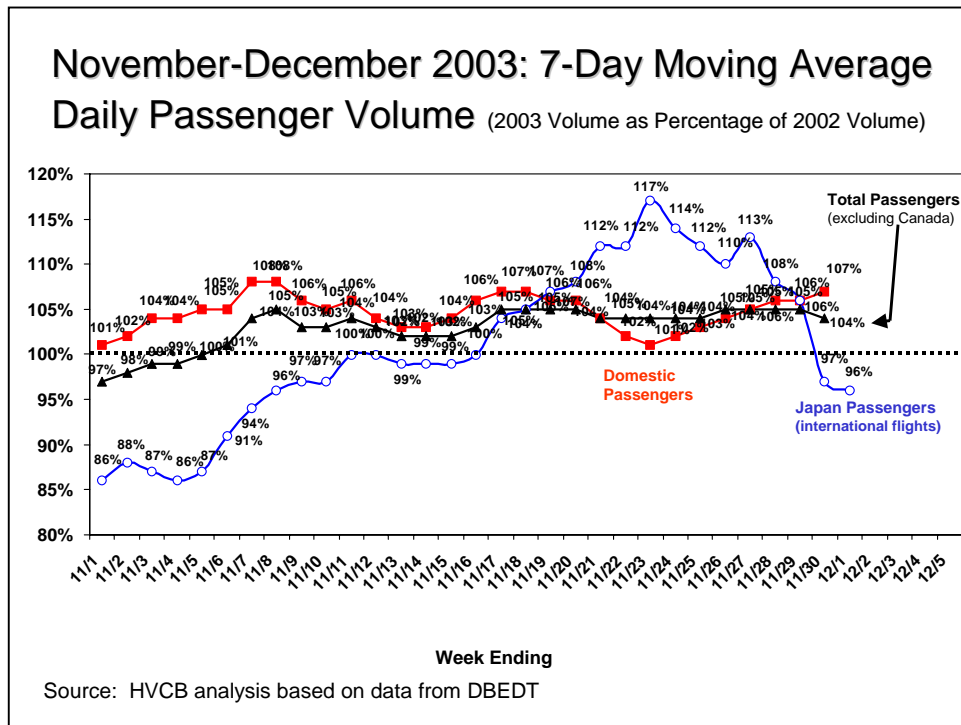
- **"Echo Boomers" Projected to Spend More on Honeymoons Than Any Other Generation**
 - Research presented at the first "Honeymoon & Romantic Getaways Show and Conference" indicate that the country's estimated 71 million "echo-boomers" (children of baby boomers) will spend more on honeymoon travel than any previous generation, according to conference co-sponsor [Travel Weekly](#).
 - Nina Lawrence, publisher of *Conde Nast's* Bridal Group (*Brides* and *Modern Bride* magazines), presented research suggesting that the oldest members of the echo-boom generation will turn 25 this year, the prime years of engagements and weddings. Lawrence also states:
 - U.S. echo-boomers will be the largest generation of honeymooners ever.
 - Conde Nast forecasts a 15 percent increase in honeymoon spending in the next four years, on top of the estimated \$7 billion currently spent per year on honeymoons in the U.S.

- Echo-boomers are considered "more traditional" than the baby-boomer generation, making them an ideal honeymoon client.
- Although echo-boomers are heavy Internet users, they will most likely seek out an agent for honeymoon planning -- an estimated 68 percent of brides use travel agents, and 85 percent are open to consider any destination.
- *Bridal Guide* publisher Tom Curtin indicated that honeymoon travel is a year-round business:
 - Only 11 percent of weddings take place in June, the traditional and most popular wedding month. The other 89 percent of weddings are spread out evenly throughout the year.
 - The average honeymoon is 228 percent longer than the average leisure trip.
 - Honeymoon spending averages \$3,700.
- In Hawai'i, there were more than 271,000 domestic honeymooners in 2002, an increase of 7.2 percent over 2001 figures. Characteristics of domestic honeymoon travelers in 2002:
 - Domestic honeymooners were more likely to be first-time visitors (63%) than repeat visitors (37%) -- opposite of the overall domestic arrivals composition in Hawai'i.
 - Domestic honeymooners to Hawai'i visited an average of 1.55 islands during their trip, slightly more than the 1.37 islands visited by all domestic travelers.
 - Honeymooners from the U.S. West spent an average of \$168 per person per day, 18 percent more than the average U.S. West visitor.
 - Honeymooners from the U.S. East spent an average of \$221 per person per day, 35 percent more than the average U.S. East visitor.



Hawai'i

- **CONSUMER TRAVEL BEHAVIORS**
 - **Domestic and International Passenger Volume to Hawai'i Remains Above 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 four percent over last year's figures for the seven-day period ending December 1, 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 fell below (-4%) 2002 figures for the seven-day period.



▪ **CURRENT INDUSTRY DEVELOPMENTS**

- **American Airlines Adds Third Daily Nonstop Flight to Hawai'i From Chicago** - [American Airlines](#) has added a third nonstop flight between Chicago O'Hare International (ORD) and Hawai'i. The new Chicago-Honolulu route will compliment existing routes from Chicago to Honolulu and Maui. The new nonstop route, which is currently offered three days per week, will become daily between December 15 - January 5; five times per week between January 6 - 30; and become daily again on January 31, 2004. The route will utilize a Boeing 767 with 29 business class seats, and 178 coach seats.
- **Honolulu Ranked as the Fourth Most Expensive U.S. City** - ACCRA's third quarter 2003 Cost of Living Index revealed that Honolulu is the fourth most expensive U.S. city to live in among 307 urban areas, according to the [University of Hawai'i Economic Research Organization](#) (UHERO), the conductors of the Honolulu price survey. Honolulu, with its 154.4 composite index (national average = 100), ranked behind Manhattan (219.1), Jersey City (181.2) and San Francisco (181.0).

National and International

▪ **CONSUMER TRAVEL BEHAVIORS**

- **National Consumer Confidence Index Gains 10 Points in November** - The Conference Board's [Consumer Confidence Index](#) improved 10.0 points in November to reach 91.7 (1985=100), the highest level registered since Fall 2002. The "Present Situation" index increased to 80.1 (from 67.0 in October), and the "Expectations" index rose to 99.4 (from 91.5 in October). The Conference Board points to a steady recovery in the job market as a major reason for the rise in November's Consumer Confidence Index.
- **CLIA: Cruise Industry on Pace to Reach Passenger Record in 2003** -The Cruise Lines International Association (CLIA) announced that more than 2.6 million people cruised on their member line ships in the third quarter of 2003, including 2.1 million North Americans ([PR Newswire](#)). Total year-to-date worldwide cruise passengers now total nearly 7.2 million in 2003 (including more than 6.0 million North American passengers), and is on pace to reach their original estimate of 9.6 million for the year, and reach another annual passenger record.

- **Record High Visitation Registered in October in Hong Kong** - The Hong Kong Tourism Board (HKTB) estimates that 1.69 million visitors traveled to Hong Kong in October 2003 (up seven percent over October 2002), setting a visitation record for a single month, according to [Travel Daily News](#). Arrivals from mainland China, which totaled 878,000 (up 31 percent over October 2002), helped boost Hong Kong's October visitation figures. Top long-haul markets in October included Europe, Africa and Middle East, which registered a total of 150,017 arrivals to Hong Kong.
- **CURRENT INDUSTRY DEVELOPMENTS**
 - **WorldTravel BTI: Businesses Expect No Significant Travel Budget Changes in 2004** - Despite a rebound in the economy, 62 percent of corporate travel budgets are expected to remain the same in 2004, and the remaining 38 percent plan adjustments of only -10 to +10 percent, according to [WorldTravel BTI's](#) annual survey of client businesses. The survey also revealed that 42 percent of respondents adjusted their company travel policies in 2003 -- security procedure changes, emphasis on travel options, enforcement of preferred vendors, and implementing pre-trip approvals were the main reasons behind the policy changes this year.

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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