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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

- **Survey: Kaua'i Receives a 99 Percent Visitor Satisfaction Rating**
 - In a study conducted by the Kaua'i Visitors Bureau during the peak season (July and August) 2003, 99 percent of domestic vacationers rated their trip in Kaua'i as "excellent" (70%) or "above average" (29%), the highest ratio seen in recent years.
 - Ninety-nine percent (99%) also stated that they were likely to recommend Kaua'i as a travel destination, a ratio higher than any other previous survey.
 - The Kaua'i trip features with highest visitor satisfaction rating were:
 - Beaches
 - Golf Courses
 - Sightseeing Tours
 - Accommodations
 - Visitor Information

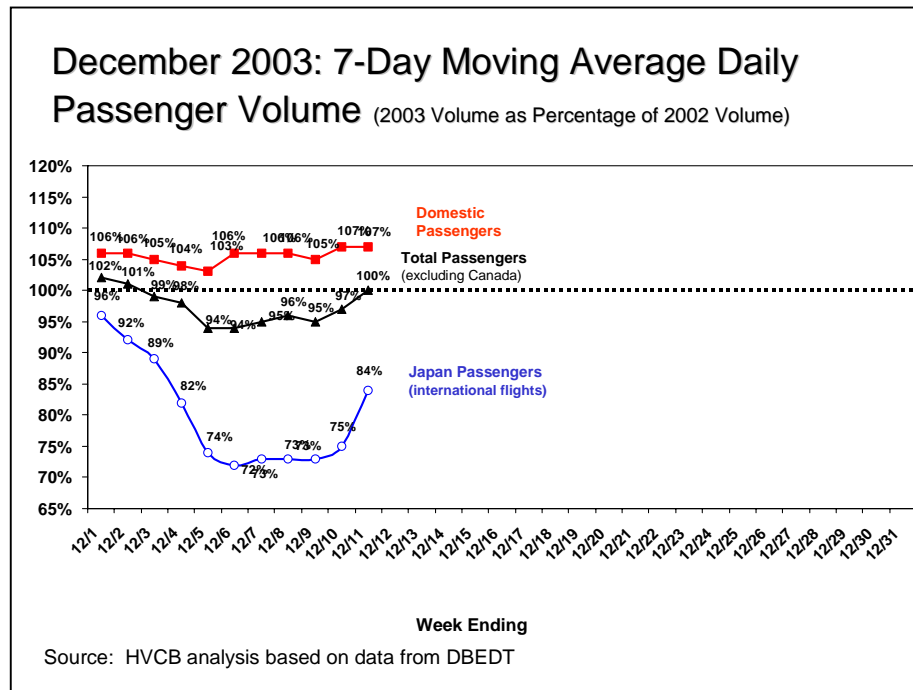
- Eighty percent (80%) of respondents stated that they were likely to return to Kaua'i in the next five years.
 - Thus far in 2003 (January-October), average domestic length of stay in Kaua'i reached 7.05 days, an increase of 3.5% over the same period last year.

The "Kaua'i Visitor Survey - 2003 Peak Period" was conducted by SMS Research between July and August 2003 at departure lounges in Līhu'e airport. Over 800 self-administered surveys were completed for the study. Previous surveys were conducted during the peak and shoulder months in 1999, 2000, and 2001.

Hawai'i

CONSUMER TRAVEL BEHAVIORS

- **Domestic Passenger Volume to Hawai'i Seven Percent Above 2002 Levels** - According to statistics published by the state [Department of Business, Economic Development and Tourism](#), domestic passenger volume was up seven percent over last year's figures for the seven-day period ending December 12, 2003. Total domestic and international (excluding Canada) passenger volume was on par with 2002 levels (100%), and nonstop passengers from Japan arriving in Hawai'i rose to 84 percent of 2002 figures for the seven-day period.



- **Hawai'i Hotel Occupancy Gains Three Percent in October** – Boosted by gains in U.S. West visitor days (+2.9%), the statewide hotel occupancy rate strengthened 3.1 percentage points in October to 71.8 percent, compared to October 2002, according to Hospitality Advisors, LLC. Statewide average daily room rates also increased (+2.2%) to \$134.76.

CURRENT INDUSTRY DEVELOPMENTS

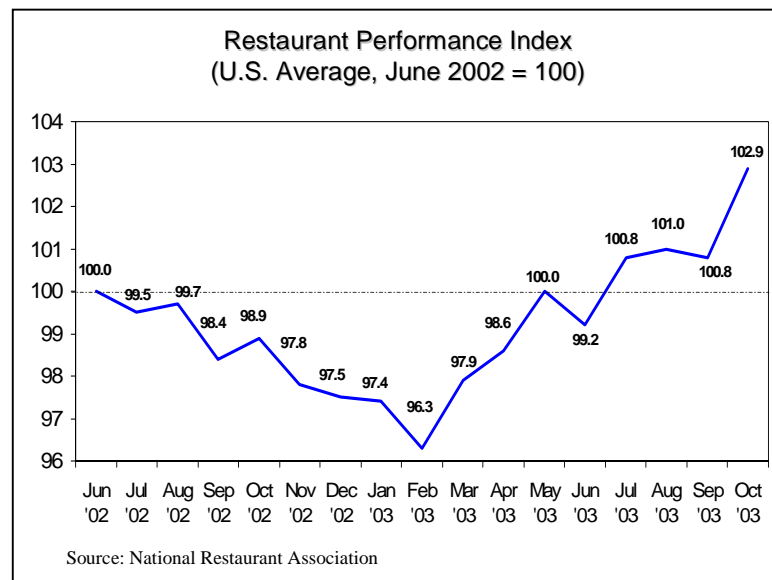
- **HVCB Names Jay Talwar Vice President of Marketing** - HVCB announced that Honolulu advertising executive, Jay Talwar, has been named Vice President of Marketing. Talwar previously worked as a senior executive at Milici Valenti Ng Pack (MVNP) for six years, and brings an extensive background in strategic planning and brand development to the Bureau. Talwar officially begins his post on January 1, 2004.
- **2003 Honolulu Marathon to be Highlighted in Japanese Feature Film** - This year's Honolulu Marathon will be featured in "Road 88," a Japanese docudrama scheduled to be released in July 2004, according to [Pacific Business News](#). Filmmakers are expected to spend an estimated \$110,000 in Hawai'i for production of the Hawai'i footage. "Road 88" is scheduled to be released in 150 theatres throughout Japan next year.

- **Aloha Airgroup to Sell Island Air** - [Aloha Airgroup, Inc.](#), parent company of Aloha Airlines, agreed to sell 100 percent its stock in Island Air to Gavarine Holdings, LLC. The transaction is expected to close on March 1, 2004, and will be subject to regulatory approval. Aloha Airlines said that it will continue to code share with Island Air, as well as continue its marketing partnerships and frequent flyer benefits program.

National and International

▪ **CONSUMER TRAVEL BEHAVIORS**

- **IATA: International Air Passenger Traffic in October Increase 2.5 Percent** - The [International Air Transport Association](#) (IATA) reported that global international passenger traffic gained 2.5 percent in October 2003 compared to the same month last year. Asia-Pacific carriers showed improvement, coming in at just 0.1 percent below October 2002, while North American carriers declined 3.7 percent.
- **National Winter Holiday Travel Projected to Increase Two Percent** - A national survey of 1,300 American adults conducted by [AAA](#) and the Travel Industry Association estimates that 59.6 million people will travel 50 miles or more from home during the winter holiday season, up 2.4 percent over the same period last year. Fourteen percent (14%) of U.S. travelers, or 8.3 million people, are expected to travel by air this season, up two percent from 2002. The greatest number of air travelers this winter:
 - West and Southeast -- 2.4 million air travelers each
 - Northeast -- 1.6 million air travelers
 - Midwest -- 1.0 million air travelers
 - Great Lakes -- 900,000 air travelers
- **National Restaurant Performance Index Surges 2.1 Points in October** - The National Restaurant Association's monthly [Restaurant Performance Index](#) (RPI) increased 2.1 percentage points to a record-high 102.9 (June 2002 = 100) in October, indicating a healthy outlook for the nation's restaurant industry. With gains in both the "current situation" index (+3.0 percentage points from September) and the "expectations" index (+1.2 percentage points), the October RPI confirms restaurant operators' sense of optimism in the current and future business climate.



- **Survey: American Workers Want Vacation Time Off** - A Harris Interactive poll of 1,559 working Americans, commissioned by Hilton Hotels, indicates that 69 percent of Americans feel that they need vacation time off from their employers, according to [Business Wire](#). However, four in 10 U.S. workers will lose vacation days by the end of the year. Seventy-three percent (73%) of survey respondents felt that time relaxing with friends and family is one of the best investments of time, and that "travel" was one of the top ways to spend their leisure time. Although 70 percent of respondents had a "dream vacation" in mind, 80 percent have never taken one.

- **Accenture: Business Travel May Be Driven by Low-Cost Options** - New research released by [Accenture](#) shows that low-cost travel options are driving the recovery in business travel. Fifty-nine percent (59%) of the 549 U.S. business travelers surveyed stated that they have used a low-cost carrier for business trips in the last six months. Other results from the survey conducted between November 24 to December 2, 2003:
 - Seventy-five percent (75%) said they would stay at mid-range hotels, while 13 percent stated they plan to use budget hotel chains.
 - Seventy-six percent (76%) expect their business travel to increase or remain the same during the next six months, although 41 percent indicated that budgetary concerns were the most important factor in their business travel planning.
 - Sixty-one percent (61%) of respondents said they book their business travel online.
- **Japanese Visitation Numbers to Guam Show Improvement in October** - The Guam Visitors Bureau (GVB) reported that Japanese traffic to Guam in October was down one percent compared to the same month last year, markedly improving from the 50 percent drop seen in May, according to *Travel Journal International*. Guam had been experiencing severe monthly declines in Japanese arrivals since Typhoon Pongsona struck in December 2002, followed by the war in Iraq and the SARS outbreak this year. For the first 10 months of 2003, Guam registered 511,461 travelers from Japan, down 26 percent from the same period last 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