



2012

Visitor Satisfaction
Monitoring Report

First Quarter
(January – March)

HAWAII TOURISM

AUTHORITY

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INTRODUCTION

This monitoring report presents selected preliminary statistics from the first quarter of the 2012 Visitor Satisfaction and Activity survey. The survey measures the opinions of visitors, regarding their satisfaction with Hawai'i as a visitor destination, from four Major Market Areas (MMA): U.S. West, U.S. East, Japan, and Canada (see Definition and Survey Methodology). The report highlights survey respondents' evaluation of their vacation experience, including: overall satisfaction with their most recent vacation to Hawai'i, trip expectations, likelihood to recommend Hawai'i, likelihood to revisit Hawai'i, reasons for not revisiting Hawai'i, satisfaction by island, and trip planning timeline.

For further information about obtaining visitor data, contact the Hawai'i Tourism Authority (HTA) at (808) 973-2255 or email research@hawaiiitourismauthority.org.

CONDITION OF VISITOR INDUSTRY

Total visitor arrivals by air in the first quarter (January - March) of 2012 increased 8.6 percent, compared to the first quarter of 2011, to 1,934,433 visitors.

Arrivals from U.S. West rose 6.3 percent to 709,749 visitors. U.S. East arrivals grew 2.7 percent to 457,207 visitors. There were also more Canadian visitors (+8.3% to 201,175) compared to the first quarter of 2011. One year after the devastating earthquake and tsunami on March 11, 2011, arrivals from Japan increased 8.6 percent to 330,434 visitors. The average length of stay for all visitors to the state was 10 days, similar to a year ago.

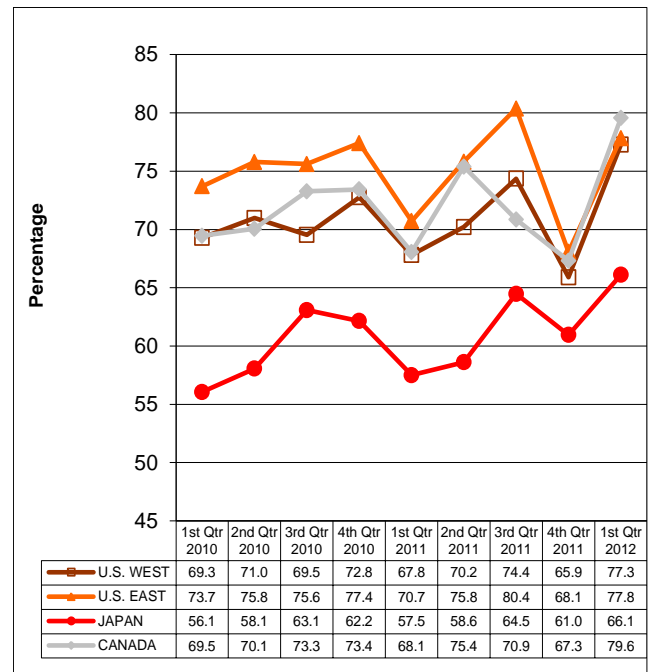
RESULTS

Visitor Satisfaction Ratings

Visitor satisfaction is an important indicator of industry performance. This measure provides vital feedback on how well services are delivered and how well the industry meets expectations. High satisfaction is also a leading indicator of customer retention and loyalty. Satisfying visitors' needs and expectations encourages return trips to Hawai'i. Satisfied customers also develop a fondness for the destination which results in a higher likelihood to recommend Hawai'i to others.

Vacation to Hawai'i Was Rated Excellent

Figure 1: Overall Rating of Trip
[Percentage of visitors who rated most recent trip "Excellent" by MMA]



- Nearly 80 percent of U.S. West, U.S. East and Canadian visitors, and close to 70 percent of Japanese visitors in the first quarter of 2012, continued to give excellent marks for their

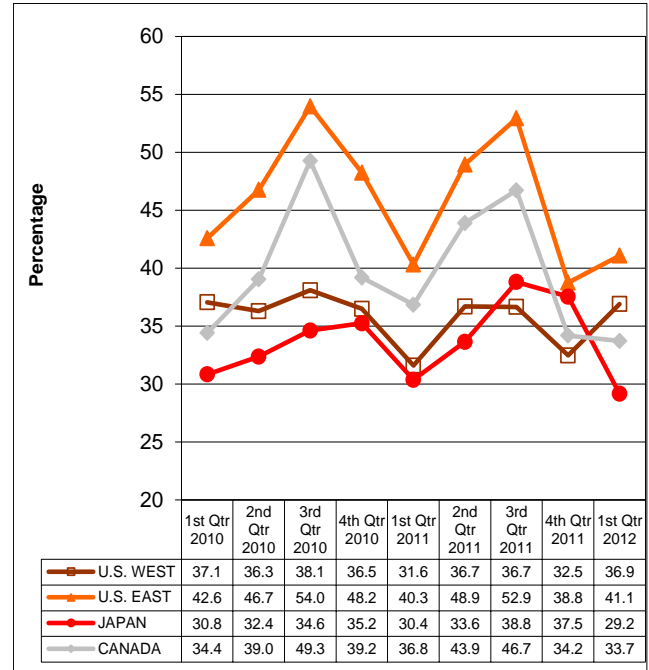
overall experience in Hawai'i. Satisfaction ratings by visitors from all top four visitor markets significantly improved compared to the first quarter of 2011 (see Figure 1).

- The percentage of excellent rating from U.S. West visitors for the first quarter of 2012 (+9.5 percentage points to 77.3%) was the best in six years.
- U.S. East visitor rating rose 7.1 percentage points to 77.8 percent.
- Excellent rating by Japanese visitors in the first quarter of 2012 (+8.6 percentage points to 66.1%) was the highest since 2007.
- Excellent rating from Canadian visitors in the first quarter 2012 was significantly better (+11.5 percentage points to 79.6%) than the first quarter of 2011.

Exceeded Expectations

The visitors' evaluation of their trip is influenced not only by the attributes and characteristics of the service but also by the needs, motivations, and interests of the visitors. Therefore, it is important to measure how well the destination was able to provide the experience that was expected. Overall, Hawai'i's ability to *exceed expectations* continues to be quite strong (see Figure 2).

Figure 2: Trip Exceeds Expectations
[Percentage of visitors who said this trip "Exceeded Expectations" by MMA]

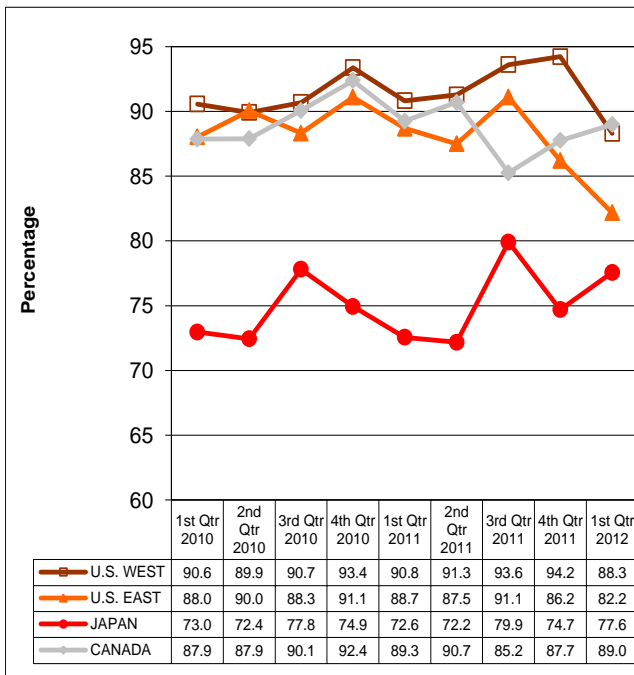


- The percentage of U.S. West visitors who said their recent trip to Hawai'i exceeded expectations was higher in the first quarter of 2012 (+5.3 percentage points to 36.9%) compared to a year ago.
- The percentages of U.S. East (41.1%), Canadian (33.7%) and Japanese (29.2%) visitors who said their trip to Hawai'i exceeded expectations were consistent with the first quarter of 2011.

Very Likely to Recommend Hawai'i

When visitors are highly satisfied with their trip, they are more likely to recommend the destination to friends and family. Many Hawai'i visitors responded that they would be *very likely* to recommend this destination to others. Word-of-mouth advertising is important in marketing Hawai'i. These referrals, in time, develop more first-time visitors to Hawai'i and encourage previous visitors to return. Over the past few years, seven out of ten Japanese visitors, and nine out of ten U.S. West, U.S. East and Canadian visitors stated that they would be very likely to recommend Hawai'i (see Figure 3).

Figure 3: Very Likely to Recommend Hawai'i to Friends and Relatives
[Percentage of visitors who are "Very Likely" to recommend Hawai'i as a vacation place by MMA]



- In the first quarter of 2012, 77.6 percent of Japanese visitors said that they would very likely recommend Hawai'i. Although this was a 5 percentage point increase compared to the same quarter last year, it was within the

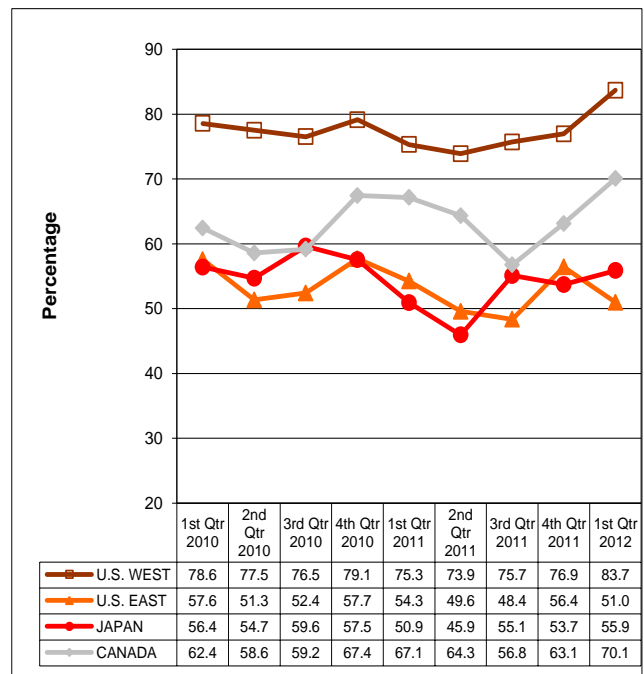
margin of error and not considered statistically significant.

- U.S. East visitor rating in the first quarter of 2012 (-6.5 percentage points to 82.2%) was lower compared to a year ago.
- First quarter 2012 ratings from U.S. West (88.3%) and Canadian (89%) visitors were similar to the first quarter of 2011.

Likelihood to Revisit Hawai'i

A visitor's decision to return to Hawai'i is influenced by positive experiences on their most recent trip and other factors such as curiosity for new experiences, available time, financial situation, and other commitments. Likelihood to revisit Hawai'i, as an indicator, helps to estimate future demand and changes in desires. Visitors appeared to be satisfied with their vacations and their sentiments toward returning in the near future seemed positive.

Figure 4: Very Likely to Revisit Hawai'i
[Percentage of visitors who are "Very Likely" to revisit Hawai'i in the next five years by MMA]



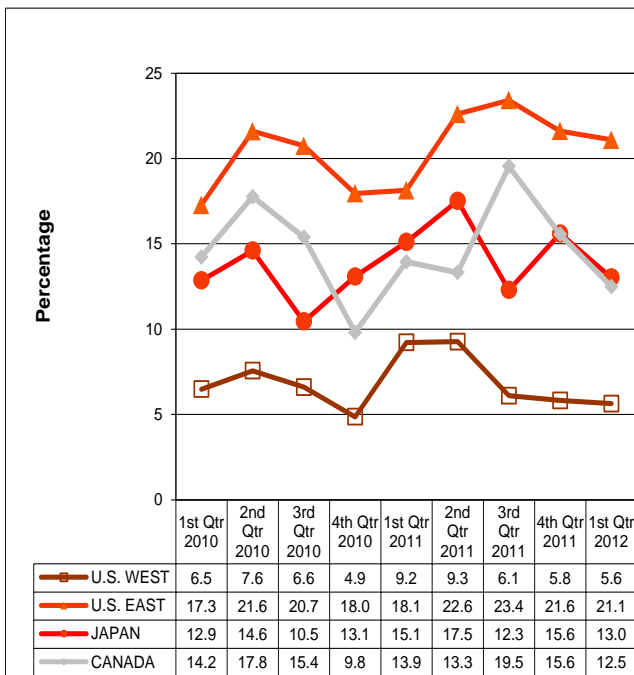
- Compared to a year ago, a higher percentage of U.S. West visitors in the first quarter of 2012 (+8.4 percentage points to 83.7%) said they will very likely revisit Hawai'i in the next five years. This was the best rating since 2007 (see Figure 4).
- The percentages of Canadian (70.1%), Japanese (55.9%) and U.S. East (51%) visitors in the first quarter of 2012 who said that they would very likely come back, were similar to the same quarter last year.

- Only 5.6 percent of U.S. West visitors in the first quarter of 2012 responded that they would not likely revisit Hawai'i in the next five years. While this was a decrease of 3.6 percentage points from the first quarter of 2011, it was not considered statistically significant.
- First quarter 2012 ratings from U.S. East (21.1%), Japanese (13%) and Canadian (12.5%) visitors were about the same compared to a year ago.

Not Likely to Revisit Hawai'i

The percentage of respondents who answered that they were *“not too likely”* or *“not at all likely”* to visit Hawai'i in the next five years continued to be fairly low among U.S. West visitors, while moderately higher for U.S. East, Japanese and Canadian visitors (see Figure 5).

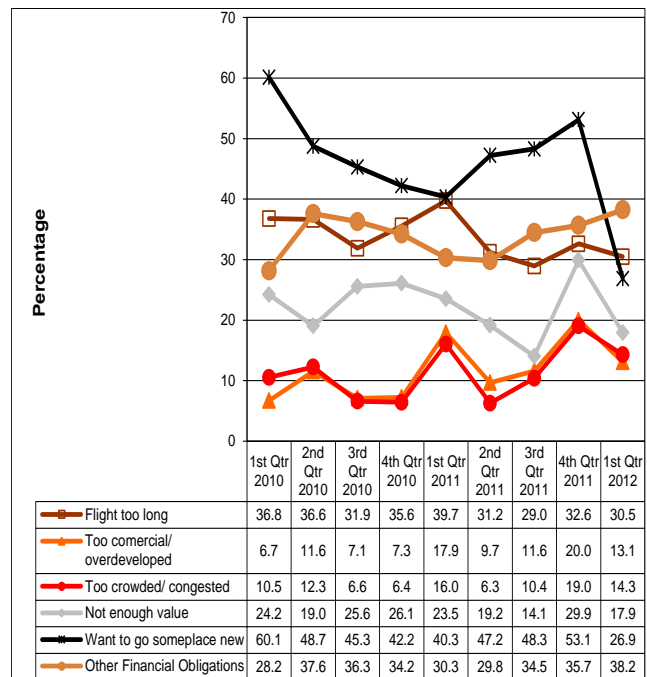
Figure 5: Not Likely to Revisit Hawai'i
[Percentage of visitors who are “Not too likely” or “Not at all likely” to visit Hawai'i in the next five years” by MMA]



Reasons for Not Revisiting Hawai'i

Note that the statistic reported for each reason for not revisiting Hawai'i is a percentage of those who were *“not likely to revisit Hawai'i”* (from previous section).

Figure 6: Reasons for Not Revisiting Hawai'i - U.S. [Percentage of visitors who were not likely to revisit]

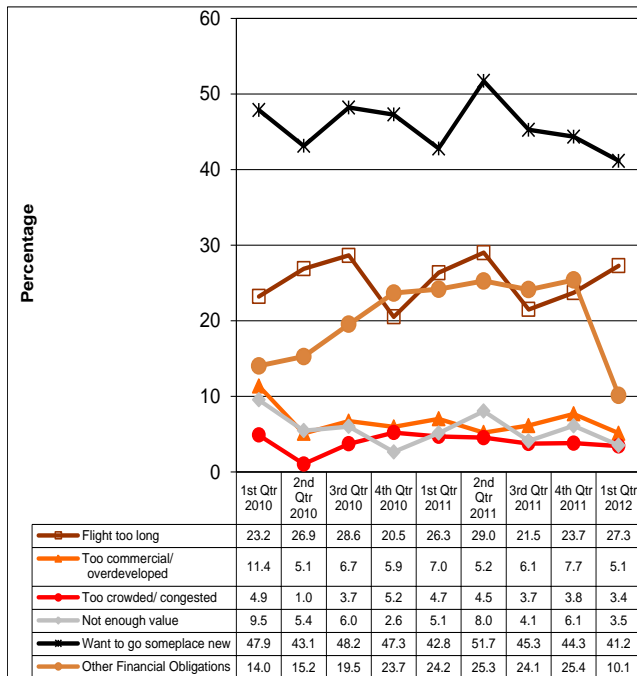


- Over the past four quarters, a growing percentage of U.S. visitors had said that they would not likely return because of other financial obligations. Responses in the first

quarter of 2012 (38.2%) were 7.9 percentage points higher compared to the same quarter last year (see Figure 6).

- On the positive side, fewer U.S. visitors in the first quarter of 2012 said they would not likely revisit because they want to go someplace new (-13.5 percentage points to 26.9%).
- A lower percentage of U.S. visitors in the first quarter of 2012 also said that the flight was too long (-9.2 percentage points to 30.5%).
- In addition, a smaller share of U.S. visitors thought that Hawai'i did not provide enough value (-5.6 percentage points to 17.9%), compared to the first quarter of 2011.

Figure 7: Reasons for Not Revisiting Hawai'i - Japan [Percentage of visitors who were not likely to revisit



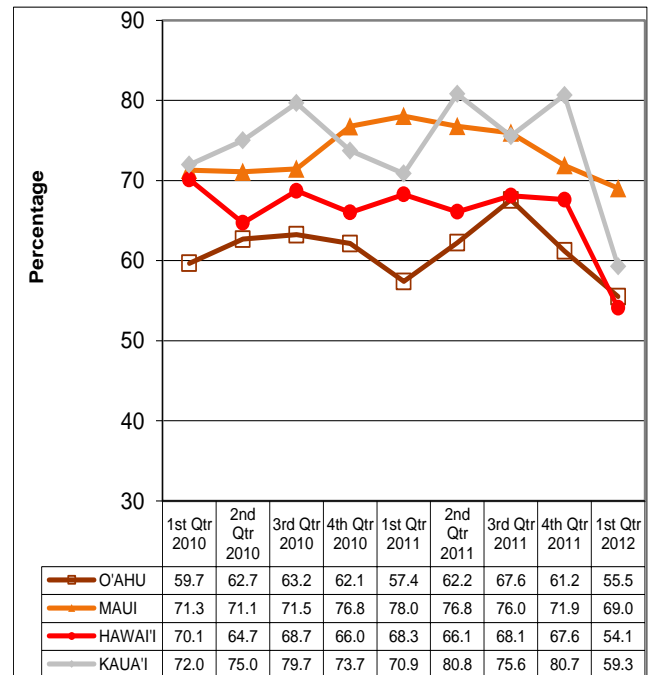
- In contrast to U.S. visitors, a much smaller percentage of Japanese visitors in the first quarter of 2012 listed other financial obligations (-14 percentage points to 10.1%) as a reason for not revisiting Hawai'i. This was the lowest percentage in the last four years (see Figure 7).

- Similar to the first quarter of 2011, the desire to go someplace new (41.2%) was the main reason given by Japanese visitors for not returning.
- One out of four Japanese visitors in the first quarter of 2012 thought that the flight was too long (27.3%), consistent with last year.
- Only 3.5 percent of Japanese visitors in the first quarter of 2012 said that they will not return because Hawai'i did not provide enough value.

Individual Island Experience

Each island has unique characteristics, activities, and products which result in varied visitor experiences. Consequently, visitors were also asked to rate their experience on each island that they visited during their most recent trip.

Figure 8: Island Experience Rated as Excellent – U.S. [Percentage of visitors by Island]

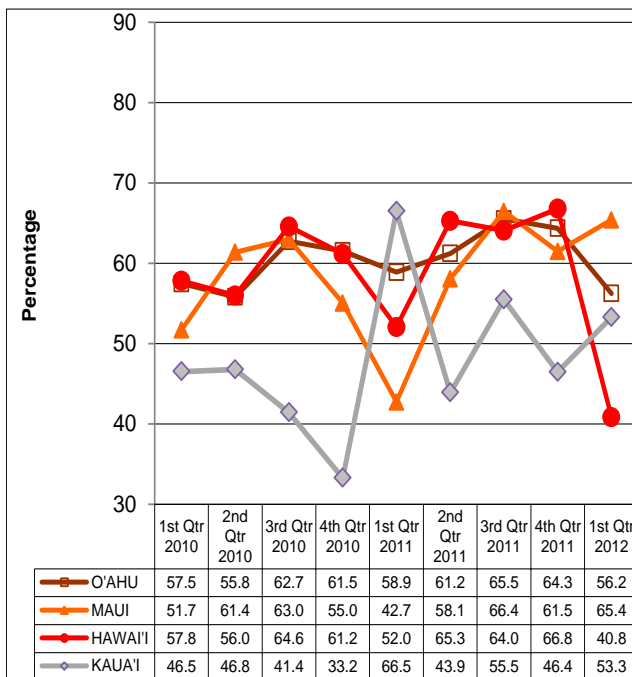


- Up until the fourth quarter of 2011, the percentage of excellent ratings by U.S. visitors for Maui or Kaua'i were higher compared to

Hawai'i Island; while O'ahu had the lowest (see Figure 8).

- In the first quarter of 2012, U.S. visitors' excellent ratings for Kaua'i (-11.6 percentage points to 59.3%) were much lower compared to the first quarter of 2011.
- Excellent ratings for Maui (-9 percentage points to 69%) from U.S. visitors in the first quarter of 2012 also declined significantly.
- Excellent ratings for Hawai'i Island fell 14.2 percentage points to 54.1 percent in the first quarter of 2012. This was the first time in four years that Hawai'i Island ratings were lower than ratings for O'ahu.
- In contrast to the neighbor islands, excellent ratings for O'ahu (55.5%) from U.S. visitors were stable compared to the first quarter of 2011.

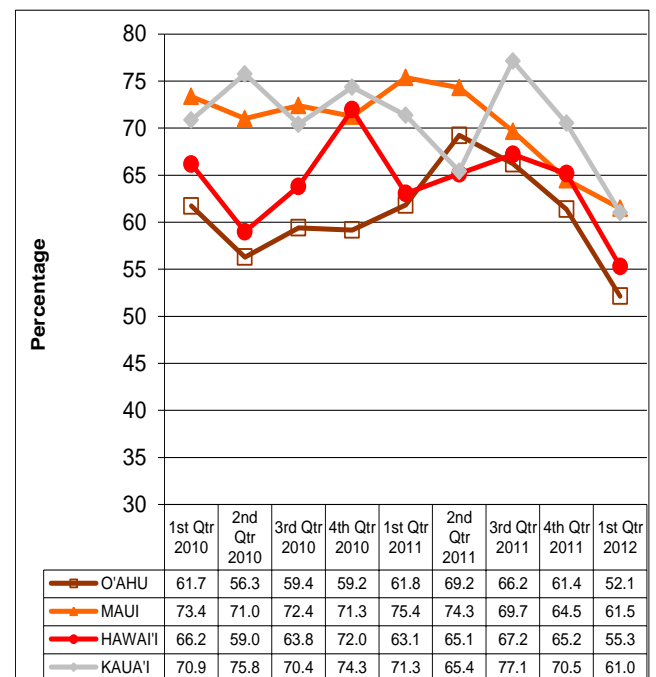
Figure 9: Island Experience Rated as Excellent - Japan [Percentage of visitors by Island]



- Japanese visitors' excellent ratings for Kaua'i fell 13.2 percentage points to 53.3 percent in the first quarter of 2012 (see Figure 9).

- Excellent ratings from Japanese visitors for Hawai'i Island (-11.2 percentage points to 40.8%) were also significantly lower compared to the first quarter of 2011.
- In contrast, Japanese visitors' ratings for Maui in the first quarter of 2012 improved 22.7 percentage points to 65.4 percent.
- Excellent ratings for O'ahu (56.2%) among Japanese visitors in the first quarter of 2012 were comparable to last year.

Figure 10: Island Experience Rated as Excellent - Canada [Percentage of visitors by Island]



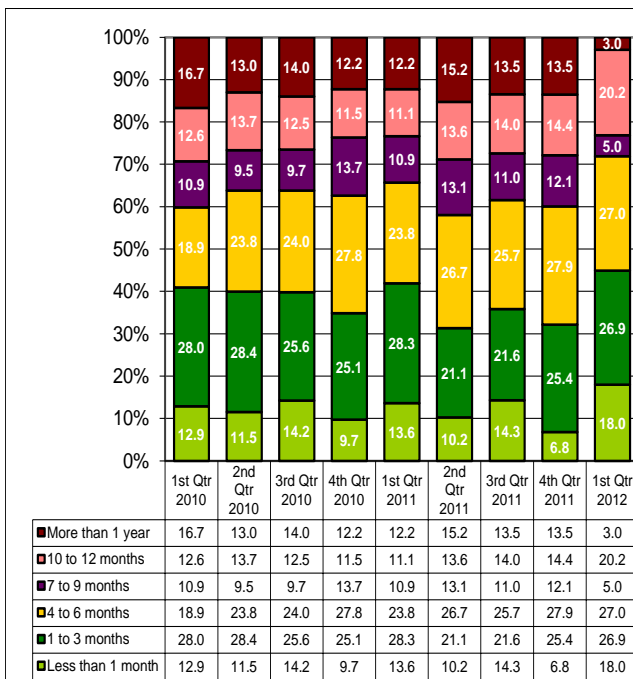
- Among Canadian visitors, Maui's rating (61.5%) in the first quarter of 2012 was 13.9 percentage points lower compared to the first quarter of 2011 (see Figure 10).
- Kaua'i's excellent ratings from Canadian visitors declined 10.3 percentage points to 61 percent in the first quarter of 2012.
- Canadian visitors' excellent ratings for O'ahu (-9.7 percentage points to 52.1%) and Hawai'i Island (-7.8 percentage points to 55.3%) were

also down significantly compared to the first quarter of 2011.

Trip Planning Cycle

Information on how visitors plan their trips and when they make major decisions can greatly enhance preparation of effective marketing and promotion plans. Overall, U.S. and Japanese visitors in the first quarter of 2012 spent less time than before in deciding to visit the islands and in make various reservations for their trip.

Figure 11: When Did U.S. West Visitors Decide to Visit Hawai'i in Advance of Departure [Percentage of U.S. West visitors]

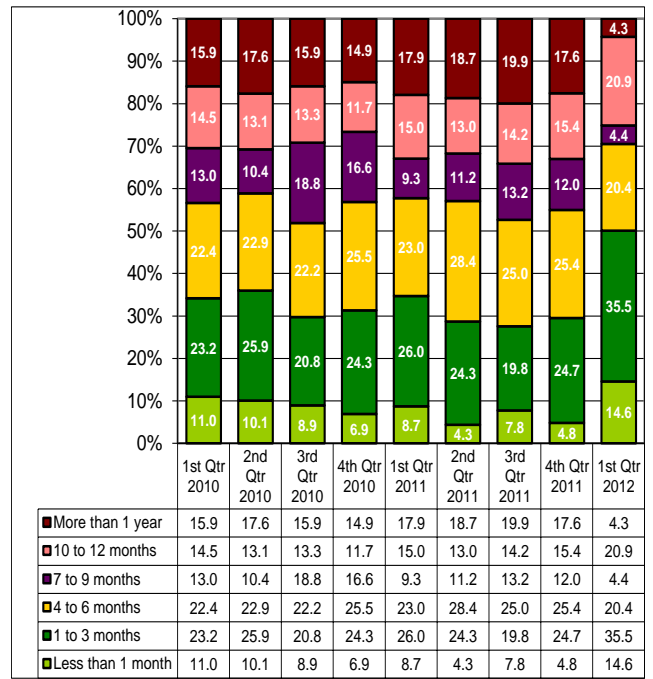


- U.S. West visitors in the first quarter of 2012 took less time deciding to visit Hawai'i compared to last year. In the first quarter of 2012, 55.2 percent of U.S. West visitors took four or more months before departure to decide on Hawai'i, compared to 58.1 percent in the first quarter of 2011 (see Figure 11).
- Only 3 percent of U.S. West visitors in the first quarter of 2012 took more than a year to decide on Hawai'i, compared to 12.2 percent

in the first quarter of 2011. A larger proportion of visitors (18%) took less than one month to decide, compared to the first quarter of 2011 (13.6%).

- Three out of four U.S. West visitors in the first quarter of 2012 purchased package tours (73.3%) less than one month before departure. Eight out of ten U.S. West visitors made rental car reservations within three months or less. The majority of U.S. West visitors made accommodation reservations (79.5%) six months or less before their visit.

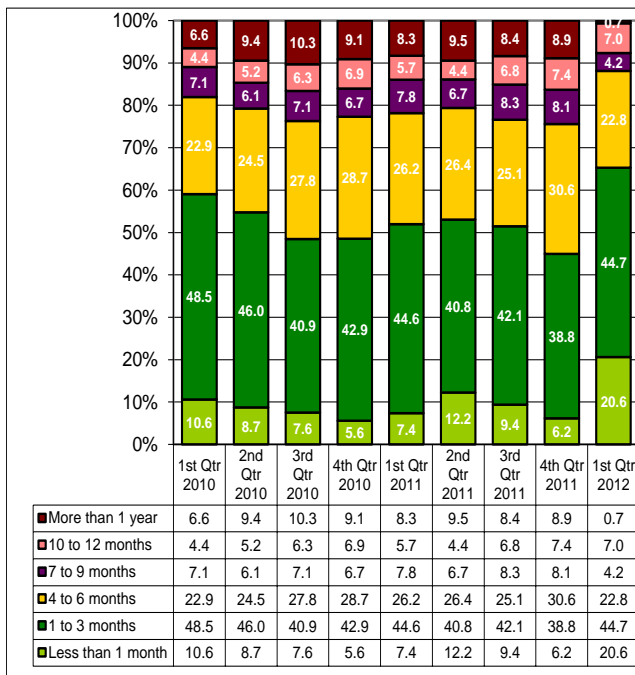
Figure 12: When Did U.S. East Visitors Decide to Visit Hawai'i in Advance of Departure [Percentage of U.S. East visitors]



- U.S. East visitors continued to plan earlier than their U.S. West counterparts, by taking at least seven months to decide on visiting the islands. However, in the first quarter of 2012 (29.6%) fewer U.S. East visitors took over seven months to decide on Hawai'i, compared to the first quarter of 2011 (42.2%) (see Figure 12).

- In the first quarter of 2012, 78.7 percent of U.S. East visitors made accommodation reservations six months or less before to their trip. The majority of U.S. East visitors made rental car reservations (79.6%) three months or less before arriving. Two out of three U.S. East visitors purchased packaged tours (67.5%) less than one month before.

Figure 13: When Did Japanese Visitors Decide to Visit Hawai'i in Advance of Departure [Percentage of Japan visitors]



- Visitors from Japan continued to have a much shorter booking window than U.S. visitors. An even greater percentage of Japanese visitors in the first quarter of 2012 decided to visit Hawai'i three months or less before departure (+13.3 percentage points to 65.3%) compared to a year ago (see Figure 13).
- Eight out of ten Japanese visitors in the first quarters of 2012 made accommodations reservations three months or less before departure. Close to 90 percent of Japan visitors made rental car reservations within three months before coming to the islands. Seven out of ten Japan visitors purchased

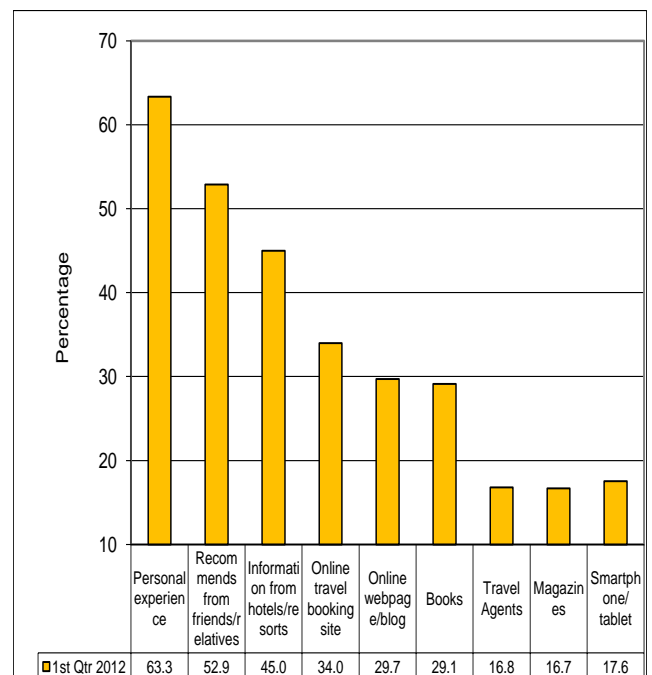
packages less than one month before their arrival.

Information Sources for Trip Planning

Sources of information used for trip planning and booking differs greatly between U.S. and Japanese visitors who came to Hawai'i in the first quarter of 2012.

U.S. Visitors

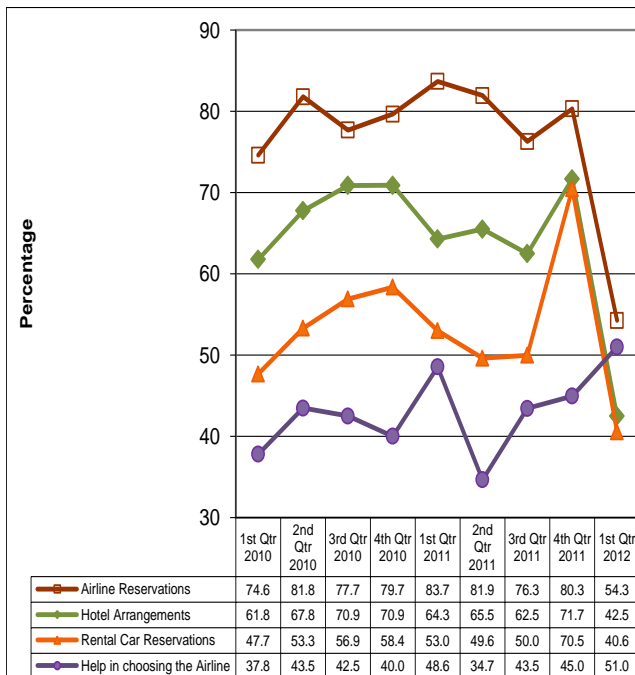
Figure 14: Sources of Information Used for Trip Planning - [Percentage of U.S. visitors]



- Two out of three U.S. visitors relied on personal experience (63.3%) when planning their trip to the islands. About half sought recommendations from friends or relatives (52.9%) and/or requested information from hotels and resorts (45%) (see Figure 14).
- Three out of ten U.S. visitors researched online travel booking sites (34%); online webpage/blog covering Hawai'i (29.7%) and/or used travel books (29.1%).

- Less than 20 percent used smartphone/tablet (17.6%) and/or magazines (16.7%).
- In the first quarter of 2012, 16.8 percent of U.S. visitors used travel agents in planning their trip to the islands, similar to the first quarter of 2011 (18.8%).

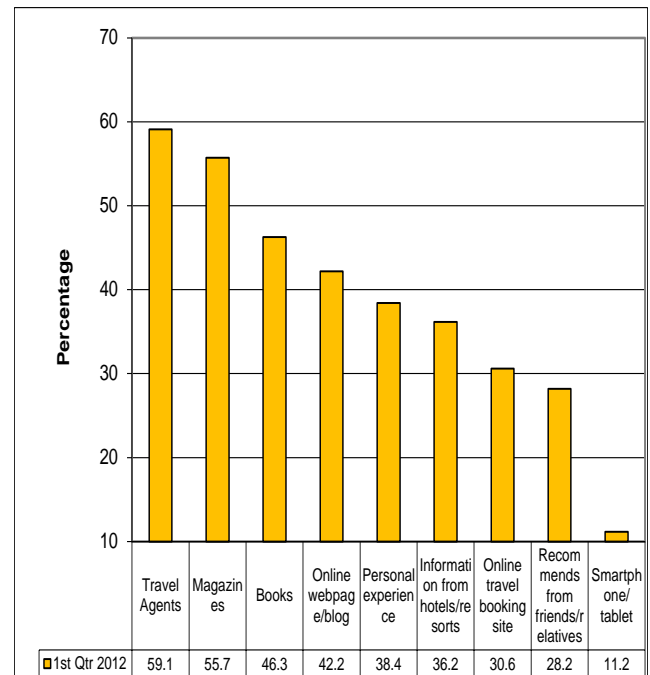
Figure 15: Travel Agent Use – U.S. [Percentage of U.S. visitors who used a Travel Agent]



- Among U.S. visitors who used travel agents in the first quarter of 2012, 54.3 percent made airline reservations through their travel agents. This was significantly lower compared to 83.7 percent in the first quarter of 2011 (see Figure 15).
- A much smaller percentage of U.S. visitors used travel agents to make hotel arrangements (-21.8 percentage points to 42.5%) and rental car reservations (-12.4 percentage points to 40.6%), compared to a year ago.

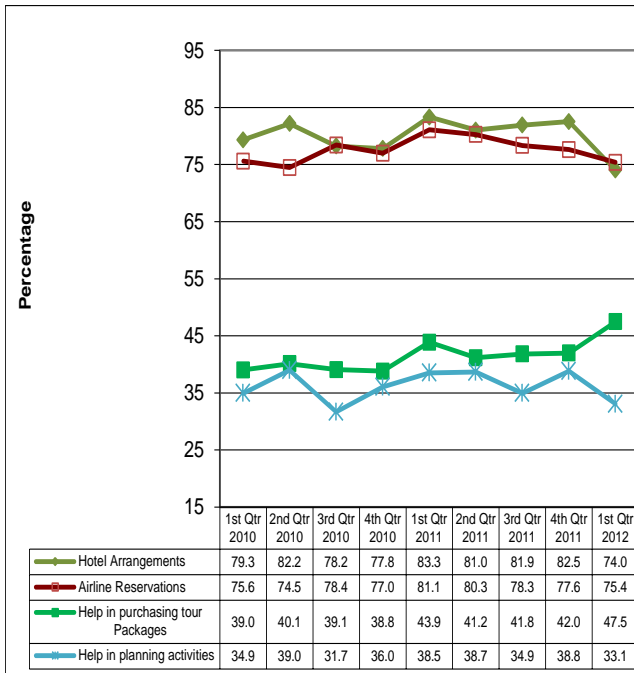
Japanese Visitors

Figure 16: Sources of Information Used for Trip Planning - [Percentage of Japanese visitors]



- In contrast to U.S. Visitors, over half of Japanese visitors in the first quarter of 2012, used travel agents (59.1%) in planning their trip to Hawai'i. This was similar to the first quarter of 2011 (62.9%).
- A much higher percentage of Japanese visitors used magazines (55.7%), travel books (46.3%) and/or went to online webpage/blog covering Hawai'i (42.2%), compared to their U.S. counterparts (see Figure 16).
- Fewer Japanese visitors relied on personal experience (38.4%), requested information from hotels and resorts (36.2%), and/or sought recommendations from friends or relatives (28.2%) than U.S. visitors.
- Fewer Japanese visitors also went to online travel booking sites (30.6%) and/or used smartphone/tablet (11.2%).

Figure 17: Use of Travel Agent – Japan [Percent of Japan visitors who used a Travel Agent]



- Among the 59.1 percent of Japanese visitors in the first quarter of 2012 who used travel agents, 74 percent made hotel arrangements. This was down from 83.3 percent in the first quarter of 2011 (see Figure 17).
- Three out of four Japanese visitors made hotel arrangements through their travel agents, down from 81.1 percent a year ago.

DEFINITION AND SURVEY METHODOLOGY

Major Market Areas (MMA): The following are defined by the Hawai'i Tourism Authority as the top four geographical areas for marketing purposes:

1. U.S. West – Pacific (Alaska, California, Oregon and Washington) and Mountain (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming) States.
2. U.S. East – Other States in the Continental U.S.
3. Japan
4. Canada

Revisions to the Survey Form: Some questions on the 2012 Visitor Satisfaction Survey form were updated to better reflect changing trends in consumer travel planning and travel behavior. For example, the question on trip planning sources was expanded to include the Internet medium (online travel agencies, blogs, social networking sites, etc.) and mobile devices (smart phones, tablets).

The number of questions was reduced effectively shortening the survey from eight pages to six pages and 26 questions. The shorter format was implemented to encourage visitor participation and completion of the survey.

Methodology: In the first quarter of 2012, survey forms were mailed to selected U.S., Japanese and Canadian visitors after they had returned home from their trip to Hawai'i. U.S. samples were drawn from the completed Domestic In-Flight Survey forms (Basic Data Series). Japanese and Canadian samples were drawn from completed Departure Survey forms and completed Domestic In-Flight Survey forms.

English and Japanese speaking respondents were also given the option of filling out the Visitor Satisfaction Survey online. Data collected from

the online surveys were downloaded and merged in with the database containing statistics scanned from the mailed survey on a weekly basis.

**Table 1: Sample Size
January – March 2012**

Area	Mail-out	Recv'd	Return Rate	Level of accuracy at 95% Confidence Interval
Japan	2,915	1,001	34.3%	+/- 2.51
U.S.	5,286	1,498	28.3%	+/- 2.14
Canada	4,443	1,523	34.3%	+/- 2.041

Due to the low number of samples achieved, data for Lānaʻi and Molokaʻi were not presented in this quarterly monitoring report.

The collected data was weighted to adjust for differences with the actual visitor characteristics measured in the Basic Data Series caused by sampling and non-responses. Specifically, the data was weighted during analysis to reflect the actual visitor ratio of first-timers to repeat visitors and the proportion of Oʻahu only and Neighbor Island visitors.