



2012

Visitor Satisfaction Monitoring Report

Third Quarter
(July – September)

HAWAII TOURISM

AUTHORITY

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INTRODUCTION

This monitoring report presents selected preliminary statistics from the third quarter of the 2012 Visitor Satisfaction and Activity Survey (VSAT). The survey measures the opinions of visitors from the top four Major Market Areas (MMA), U.S. West, U.S. East, Japan, and Canada, regarding their satisfaction with Hawai'i as a visitor destination. 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, and satisfaction by island.

The number of questions in the 2012 survey form was reduced effectively shortening the survey from eight pages to six. The shorter format was intended to encourage visitor participation and increase survey response rates. Questions were updated to better reflect changing trends in consumer travel planning and travel behavior.

CONDITION OF HAWAI'I'S VISITOR INDUSTRY

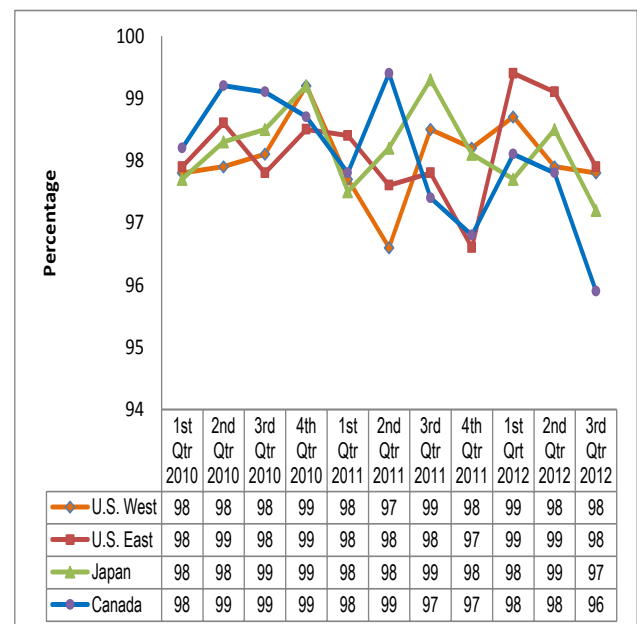
Total visitor arrivals by air in the third quarter (July - September) of 2012 grew 8.3 percent, compared to the third quarter of 2011, to 2,027,477 visitors.

Arrivals from U.S. West increased 4.8 percent to 838,340 visitors. U.S. East arrivals rose 2.6 percent to 420,651 visitors. Slightly fewer visitors came from Canada (-0.8% to 72,010) compared to the third quarter of 2011. Arrivals from Japan continued to rebound from the March 2011 earthquake and tsunami with a 13.2 percent growth to 421,489 visitors. The average length of stay for all visitors to the state was 9.03 days, compared to 9.14 days in the third quarter of 2011.

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.

Figure 1: Overall Rating of Trip
[Percentage of visitors who were "satisfied" with their most recent trip by MMA]



Note: In 2012, response options for this question were changed from a 4-point scale to an 8-point scale. 2012 data are the sum of responses 5 through 8.

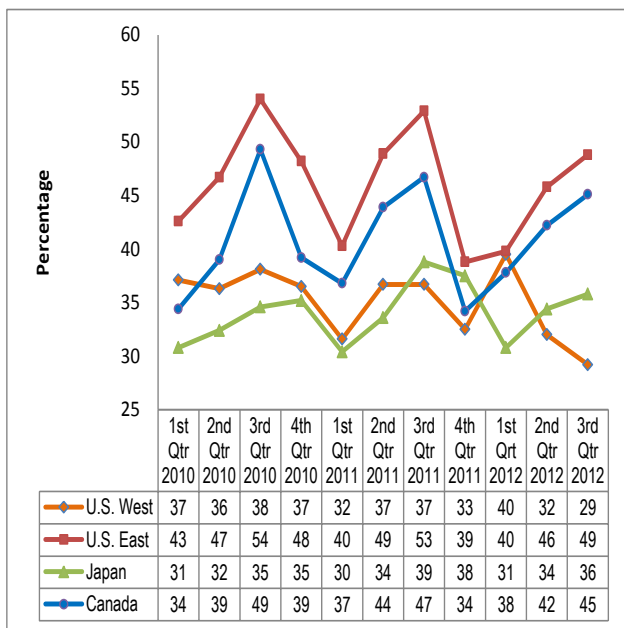
- Since 2008, over 95 percent of respondents from U.S. West, U.S. East, Japan and Canada have been *satisfied* with their overall experience in Hawai'i. A rating of *satisfied* is a combination of *excellent* and *above average* responses (see Figure 1).
- Satisfied ratings from U.S. West (97.8%), U.S. East (97.9%), Japan (97.2%) and Canada

(95.9%) in the third quarter of 2012 were consistent with the same quarter last year.

Exceeded Expectations

Visitors' evaluation of their trip is influenced not only by the attributes and characteristics of the service but also by their needs, motivations, and interests. 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]



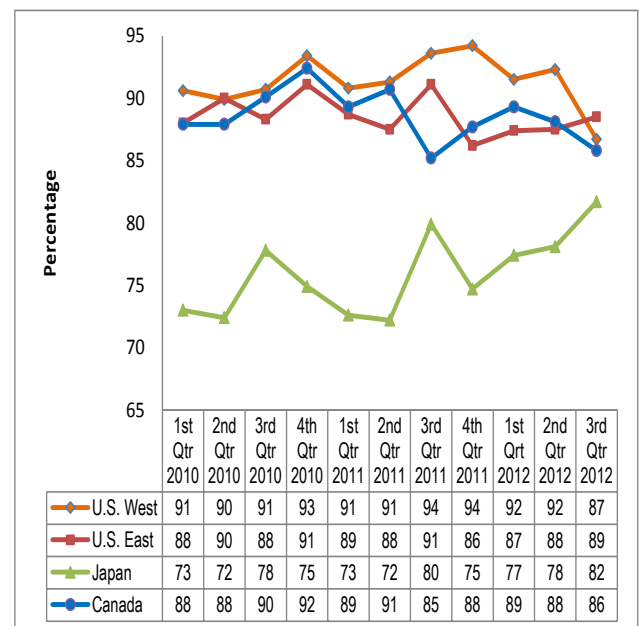
- The percentage of U.S. West visitors who said their recent trip to Hawai'i exceeded expectations was lower in the third quarter of 2012 (down 8 percentage points to 29.2%) compared to a year ago.
- The percentages of U.S. East, Canadian and Japanese visitors who said their trip exceeded expectations was lower in the third quarter than they were a year earlier. The percentage of U.S. East visitors dropped 4 percentage points (to 49%). The percentage of Japanese

visitors dropped 3 percentage points (to 36%), and the percentage of Canadian visitors dropped 2 percentage points (to 45%), (not statistically significant, but consistent with the trend.)

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 tell us 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.

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]



- Over the past few years, seven out of ten Japanese visitors, and about nine out of ten U.S. West, U.S. East, and Canadian visitors stated that they would be very likely to recommend Hawai'i to friends and relatives.
- In third quarter 2012, Japanese visitors' likelihood to recommend Hawai'i to family

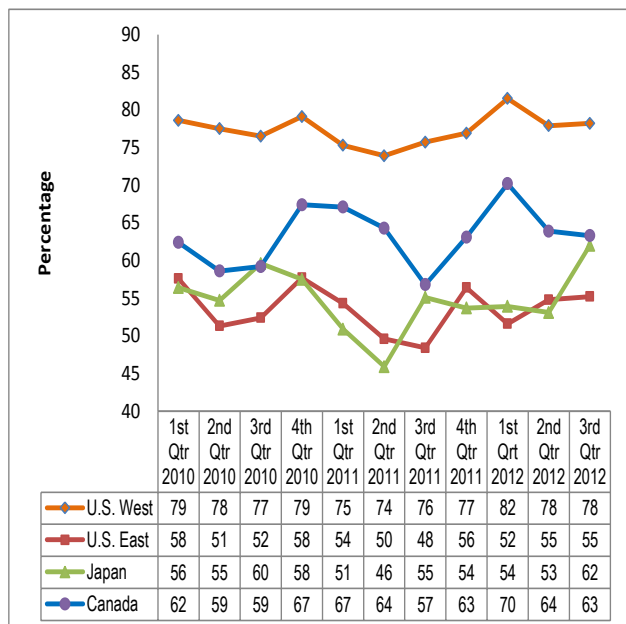
and friends reached the highest point in history at 82 percent. That was two points higher than the same time last year.

- Third quarter 2012 ratings from the other three MMAs were down from their ratings in quarter three of 2011. U.S. West was down 7 percentage points to 87 percent, its lowest score in more than three years.

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]



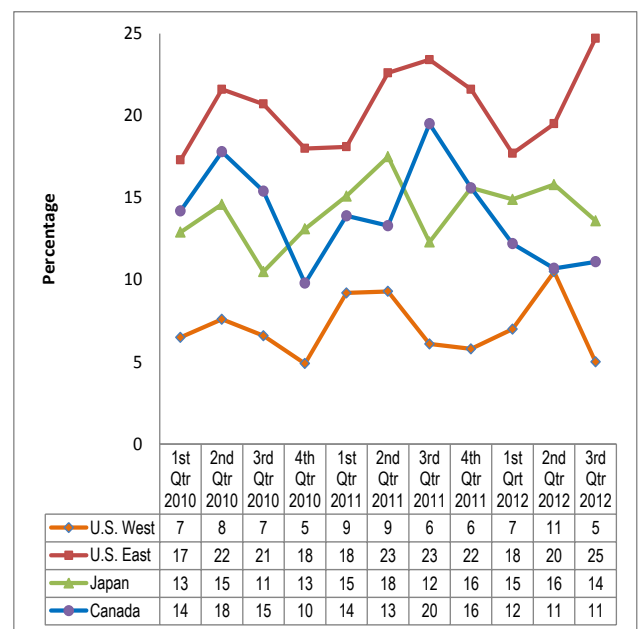
- In general, scores for this indicator have been rising since the second quarter of 2011.

- Ratings for our visitors from Japan and U.S. East were up 7 points and Canadian visitor scores were up 6 points. For visitors from U.S. West, likelihood of revisiting Hawai'i was up 2 points since quarter three of 2011. While that was not statistically significant, it was consistent with the general upward trend for this measure (see Figure 4).

Not Likely to Revisit Hawai'i

Even more useful information is available for visitors who do not intend to revisit Hawai'i in the next five years (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]



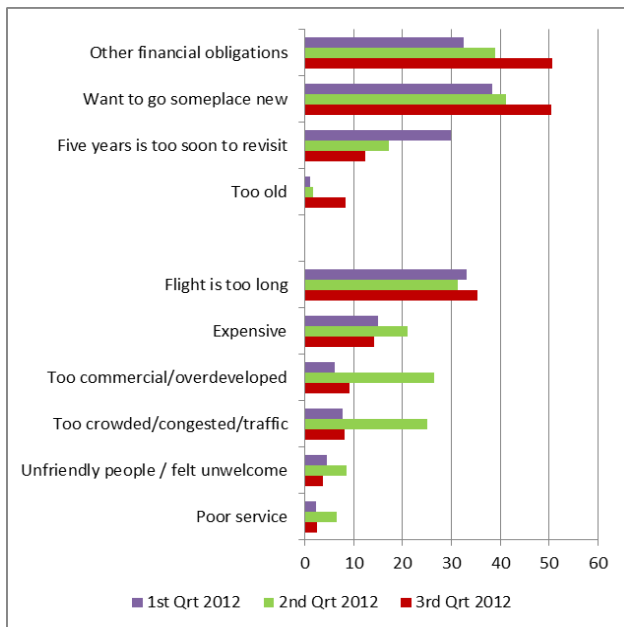
- The percentage of U.S. West, U.S. East, and Japanese visitors who were not likely to return to Hawai'i in the next five years was about the same as it was in third quarter of 2011.
- Among our visitors from Canada, likelihood not to revisit Hawai'i was down 9 points from a record high of 20 percent in the same quarter of 2011 (see Figure 5).

Reasons for Not Revisiting Hawai'i

Visitors who report that they *are not likely to revisit Hawai'i* do so for many reasons. Understanding those reasons allows us to distinguish dissatisfied visitors from those who are unable to return. Visitors who reported that they were *not likely to revisit Hawai'i in the next five years* were asked to tell us why that was so. Their responses are shown in Figures 6 through 8.

Response options for this question were changed in 2012 and are not fully comparable with those used in 2011. Multiple responses were allowed and many respondents offered several. Figures shown here are percentages of all those who offered a reason. We have separated reasons into two groups in each Figure. Results show unique profiles for each of the MMAs reported here.

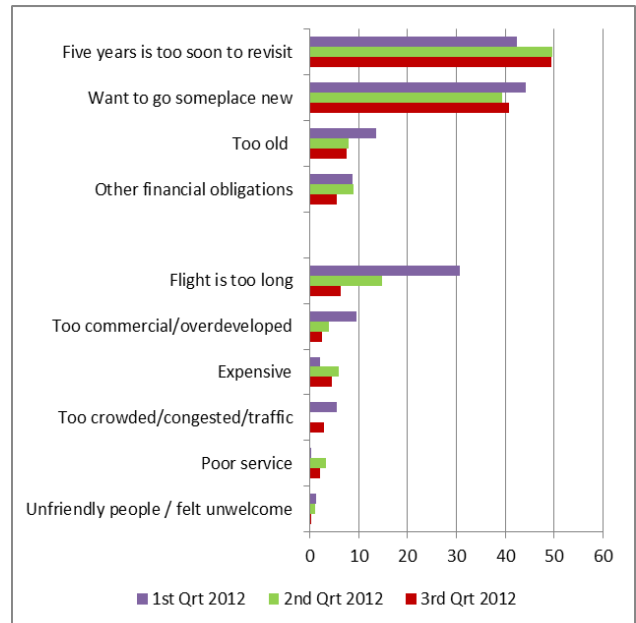
Figure 6: Reasons for Not Revisiting Hawai'i in next 5 years – [Percentage of U.S. Visitors]



“Other financial obligations” reflects the idea that a visitor’s financial situation will not support a major vacation in the next five years. By contrast, “expensive” suggests that Hawai'i’s prices are too high.

- **U.S.:** Among U.S. respondents in the third quarter of 2012, over half (50.7%) said that they will not be returning because of other financial obligations or because they want to go someplace new (50.4%). About 12 percent said five years was too soon for a return trip and 8.3 percent said they were too old or otherwise unable to make the trip.
- Over one-third of the respondents said that the flight was too long (35.4%). About 14 percent of U.S. respondents said Hawai'i was too expensive, 9 percent said Hawai'i is too commercial or overdeveloped and 8 percent said it was too crowded. A few said they felt unwelcome here (3.7%) or that they had received poor service while they were in Hawai'i (2.5%).

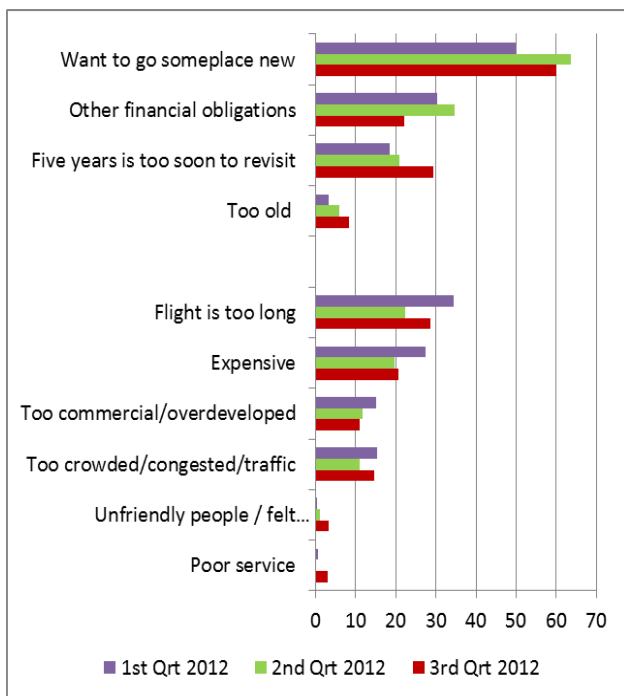
Figure 7: Reasons for Not Revisiting Hawai'i in next 5 years - [Percentage of Japanese Visitors]



- **Japan:** Visitors from Japan were most likely to report that five years was too soon to revisit (49.5%) or that they wanted to go someplace new (40.8%) on their next vacation.

- In contrast to U.S. visitors, fewer Japanese visitors listed other financial obligations (5.5%) or age as their reasons for not revisiting Hawai'i. Our visitors from Japan were notably less likely to be critical of Hawai'i in their responses. Even the long flight from Japan (usually 20-25% among Japanese visitors) was low in the third quarter of 2012 (6.4%). Less than 5 percent said the trip was too expensive. Very few said Hawai'i was too overdeveloped (2.6%) or too crowded (2.8%) and even fewer said they had received poor service while in Hawai'i (2.1%) or that they felt unwelcome while they were here (0.4%).

Figure 8: Reasons for Not Revisiting Hawai'i in next 5 years - [Percentage of Canadian Visitors]



- **Canada:** Three out of five Canadian respondents in third quarter 2012 said they would not revisit because they want to go someplace new. This response distinguishes Canadian visitors from their counterparts in other MMAs. They were also likely to report that other financial obligations might keep

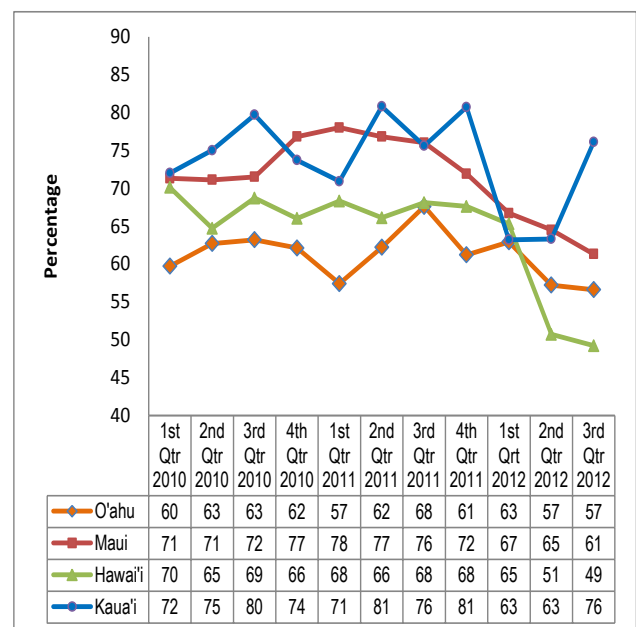
them from returning (22%) or that five years is too soon to revisit (29.4%).

- In the third quarter, as in other quarters this year, Canadian visitors were a bit more critical of their Hawaiian experience. They had the highest percentages reporting that the flight was too long (29%), that Hawai'i was too expensive (21%), too crowded (14%), and too overdeveloped (11%). Although the numbers are small, Canadians were more likely to report that they felt unwelcome while they were here (3.2%) and that they had experienced poor service (3%).

Individual Island Experience

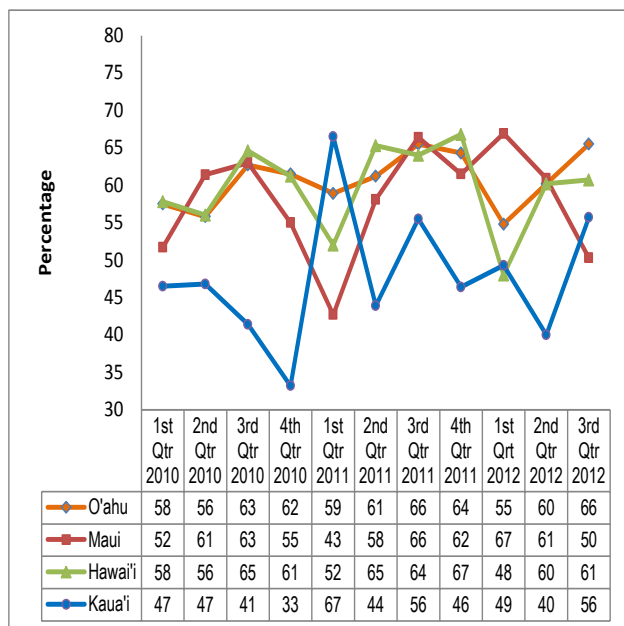
Each island has unique features, characteristics, activities, and products that result in varied visitor experiences. To measure those, visitors were asked to rate their experience on each island they visited during their most recent trip. Results vary by major MMA. U.S. visitor (Figure 9) ratings for all islands have shown a significant downward trend since the third quarter of 2011.

Figure 9: Island Experience Rated as Excellent – U.S. [Percentage of visitors by Island]



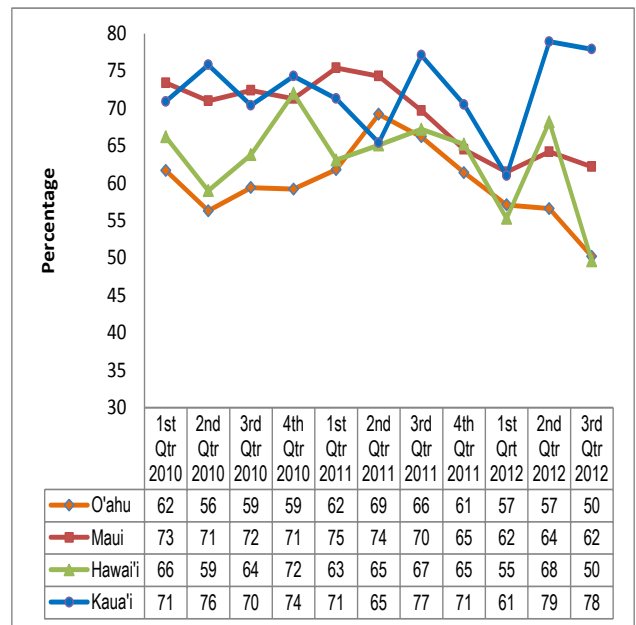
- A much lower percentage of U.S. visitors in the third quarter of 2012, gave *excellent* ratings for O’ahu, Maui, and Hawai’i compared to the same quarter in the previous year. Ratings were down 11 percentage points, 15 percentage points, and 19 percentage points, respectively.
- U.S. visitors’ *excellent* ratings for Kaua’i were identical for third quarters of 2011 and 2012. Kaua’i’s third quarter 2012 rating resulted from a large increase since the second quarter.

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



- Japanese visitors’ *excellent* rating for Maui (see Figure 10) was down 16 points from the third quarter of 2011. Ratings for other islands were unchanged over the same period.

Figure 11: Island Experience Rated as Excellent – Canada [Percentage of visitors by Island]

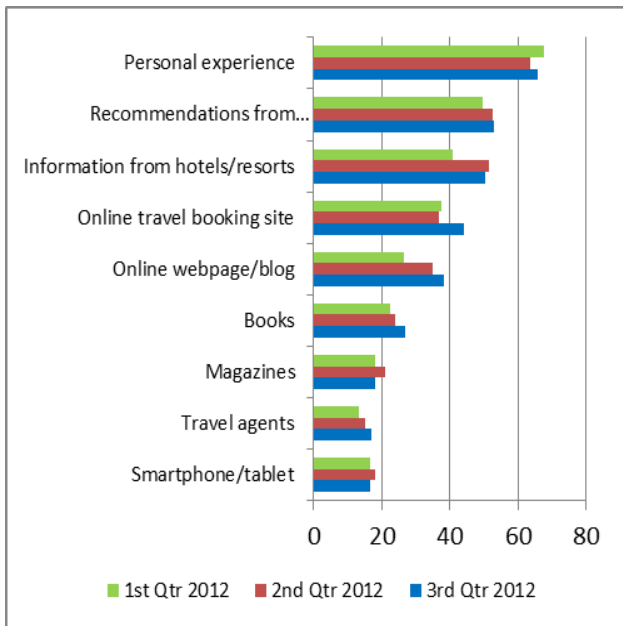


- Individual island satisfaction ratings among our Canadian visitors have also been falling since third quarter of last year. Only Kaua’i’s rating remained stable. Canadian satisfaction ratings were down 16 points for O’ahu, eight points for Maui, and 17 points for Hawai’i Island (Figure 11).

Information Sources for Trip Planning

Sources of information used for trip planning and booking differed greatly between U.S. and Japanese visitors in the third quarter of 2012. The data for U.S. visitors is shown in Figure 12.

Figure 12: Sources of Information Used for Trip Planning - [Percentage of U.S. visitors]



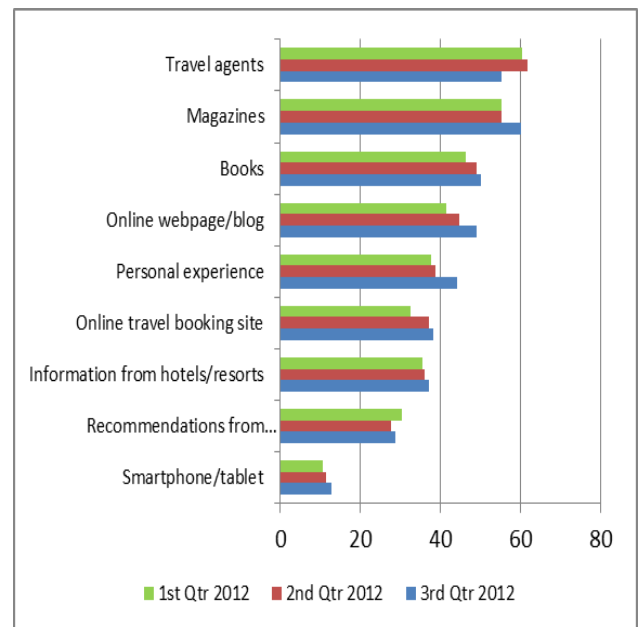
* Sample error of the percentage at the 95 percent confidence level with $p = .50$.

- In third quarter 2012, almost two out of three U.S. visitors relied on personal experience (66%) when planning their trip to Hawai'i. Half sought recommendations from friends or relatives (53%) or requested information from hotels and resorts (50%) (Figure 12).
- Four out of ten U.S. visitors used online travel booking sites (44%) or researched online webpage/blog covering Hawai'i (38%). A few used travel books (27%), magazines (18%), or smartphone and tablets (17%).
- In the third quarter of 2012, 17 percent of U.S. visitors used travel agents in planning their trip to the islands.

Japanese visitors' information usage levels are shown in Figure 13. They show once again that Japanese visitors use many more types of travel information in making their travel decisions.

- In contrast to U.S. visitors, 60 percent of Japanese visitors in the third quarter of 2012, used magazines in planning their trip to Hawai'i.
- Compared with U.S. visitors, a much higher percentage of Japanese visitors used travel agents (55% vs. 17%), travel books (50% vs. 23%), and went to online webpages or blogs covering Hawai'i (49% vs. 37%).
- Fewer Japanese visitors relied on personal experience (44% vs. 62%), and fewer requested information from hotels and resorts (37% vs. 52%).

Figure 13: Sources of Information Used for Trip Planning - [Percentage of Japanese visitors]



- Fewer Japanese visitors sought help from friends or relatives (29% vs. 53%) and fewer used tablets or smartphones (13% vs. 18%) than did their U.S. visitor counterparts.

SURVEY METHODS

The Visitor Satisfaction and Activity Survey is a monthly survey mailed to visitors who recently completed a trip to Hawai'i. Monthly samples of visitors who stayed for at least two days are drawn from completed Domestic In-Flight and International Departure Survey databases. Visitors may respond by mail or Internet.

VSAT surveys are mailed each week to visitors from each Major Market Area (MMA). Quarterly data are reported for visitors from the four larger MMAs: U.S. West (Alaska, California, Oregon, Washington, Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming), U.S. East (all other States in the Continental U.S), Japan, and Canada. Sample sizes for other MMAs (Europe, Oceania, China and Korea) are insufficient to support accurate reporting by quarter and are covered only in the annual report. Survey forms in the English, Japanese, Chinese, and Korean languages are mailed to visitors from those MMAs.

The VSAT survey instrument was revised for 2012. Several rarely used items were eliminated. Response scales for some items were changed. Most notably the response scale for the main satisfaction question was changed from a four-point scale to an eight-point scale. Questions on booking times, internet use, and sources of travel information were changed to gather more detailed data. The elements of the activities list were altered very slightly. The effects of those survey changes are being monitored throughout the year and 2012 annual report will discuss them in detail.

Approximately 2,300 surveys are mailed each month. An average of 420 completed forms are returned for an unadjusted response rate of about 27 percent. Response rates differ by month and across MMAs and surveys continue to arrive for up to a year after they are mailed. Response rates will improve over time. Survey response data for the third quarter are shown in Table 1.

**Table 1: Survey Response
July – Sept 2012**

MMA	Mailed	Received	Rate	Error*
US West	2,101	584	27.8	±4.1
US East	2,653	841	31.7	±3.4
Canada	2,280	529	23.2	±4.2
Japan	2,973	978	32.9	±3.1
Europe	2,299	628	27.3	±3.9
Oceania	819	273	33.3	±5.9
China	163	15	9.2	N.A.
Korea	179	18	10.1	N.A.
Total	13,467	3,866	28.7	±2.1

The number of surveys mailed in the third quarter was 13,467 and will not change over time. About 3,866 surveys were received by October 15, 2012 and that number will increase slightly for the year. The current response rate was about 29 percent for the third quarter with a margin of error of plus-or-minus 2.1 percentage points at the 95 percent confidence level. Response rates for Japan continue to be higher than for other MMAs and our experiment with VSAT for China and Korea has not yet resulted in significant data.

Data collected in online surveys were merged with mailed survey data to form a single database for analysis. Collected data were statistically adjusted to reflect the distribution of cases by island and first-time/repeat visitor status in the In-Flight and Departure Surveys.

This report covers surveys mailed between July and September, 2012. Data are statistically adjusted to be representative of the population of visitor parties entering Hawai'i during that time period. Results are presented only for classifications (MMA, islands visited, ports of entry, types of visitors, etc.) for which sample sizes are large enough to produce statistics with sample error estimates less than 10 points.

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