



2013

Visitor Satisfaction
Monitoring Report

Second Quarter
(April – June)

HAWAII TOURISM

AUTHORITY

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INTRODUCTION

This quarterly monitoring report presents selected preliminary statistics from the second quarter of the 2013 Visitor Satisfaction and Activity Survey. The survey measures the opinions of visitors from the top four Major Market Areas (MMAs), 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, satisfaction by island, and trip planning timeline.

In 2012, we are presenting data in a slightly different format. As you can see in Figure 1, the raw data are now shown as dotted lines and a solid line has been added to show the trend line over the last two years. We hope readers find this useful.

CONDITION OF VISITOR INDUSTRY

Total visitor arrivals by air in the second quarter (April-June) of 2013 grew 4.4 percent over the second quarter of 2012, to 1,995,395 visitors.

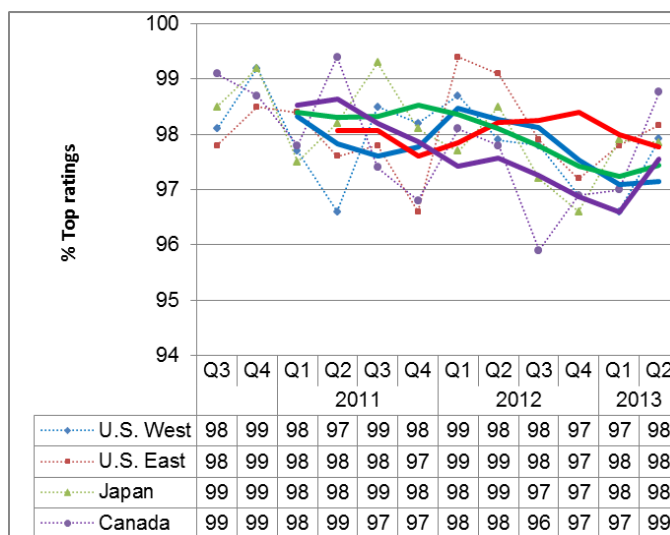
Arrivals from U.S. West decreased 3.8 percent to 827,309 visitors. U.S. East arrivals were comparable to the 2nd quarter of 2012 at 441,494 visitors. More visitors came from Canada (+3.6% to 86,876) and arrivals from Japan were up 4.7 percent to 332,092 visitors. The average length of stay for all visitors to the state was 8.9 days, compared to 9.1 days in the second quarter of 2012.

Visitor arrivals to O'ahu increased to 6.6 percent to 1,266,767 visitors. Arrivals on Maui were up 3.1 percent to 583,211 visitors. Hawai'i Island saw a growth of 5.3 percent over second quarter of 2012 to 353,308 visitors. Kaua'i's growth rate was 3.2 percent to 282,718 visitors.

Visitor Satisfaction Ratings

Visitor satisfaction is an important indicator of industry performance. It provides vital feedback on how well services are delivered based on visitor evaluations. High satisfaction is expected to be 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 and tend to share their favorable assessment with others.

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



Note: Response options were changed from a four-point scale to an 8-point scale in 2012. Figures shown here include responses 1 and 2 for 2010-2011 and 1 through 4 for 2012-2013.

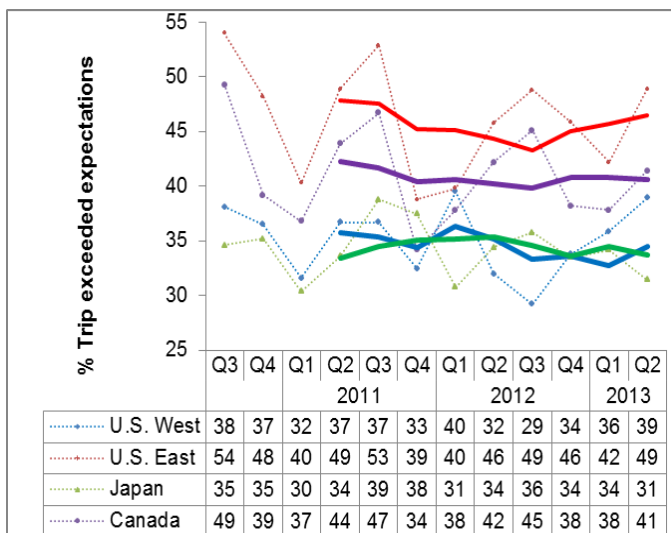
- Since 2008, over 95 percent of visitors from all four MMAs have been *satisfied* with their overall experience in Hawai'i. Because ratings are consistently high, the scale in Figure 1 was adjusted to show slight differences.
- Satisfied ratings from U.S. East and Japan visitors were down one point (not statistically significant) since the second quarter of 2012. Trend lines reveal a small but persistent decline over the last three years for all but U.S. East visitors.

- U.S. West satisfied ratings stayed the same and Canada’s ratings raised one point since the second quarter of 2012.

Exceeded Expectations

Visitor satisfaction is influenced by the level of service people receive while they are here, and by their own needs, interests, and expectations. Therefore, it is important to measure how well the destination is able to provide the experience that was expected. Overall, Hawai‘i’s ability to *exceed expectations* continues to be strong.

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

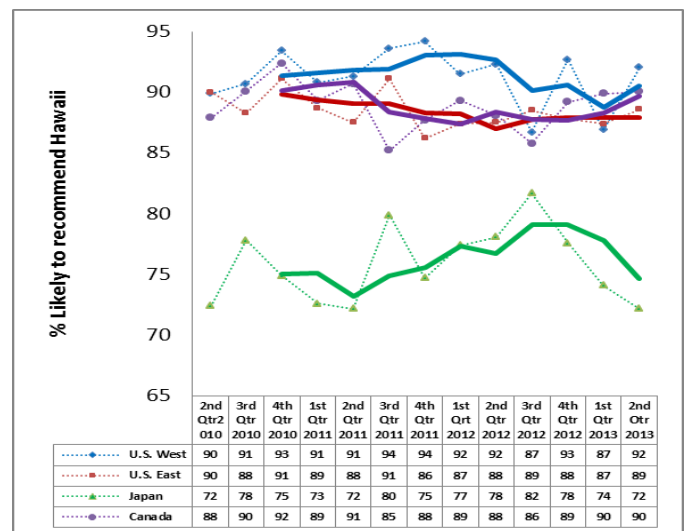


- The percent of visitors for whom the trip exceeded expectations was higher in the second quarter 2013 than in the second quarter 2012 for visitors for the U.S. East (+3 points) and U.S. West (+7 points).
- Canadian visitor ratings (-1 point) and Japanese visitor ratings (-3 points) saw a small decline from second quarter 2012.
- The trend lines (trailing 3-month moving averages) show that U.S. West visitor ratings are beginning to rebound after two years of decline. For the other three major MMAs, the trend has been relatively stable over the last three years.

Very Likely to Recommend Hawai‘i

Visitors who are highly satisfied with their trip are more likely to recommend their destination to friends and family. Relatively high percentages of visitors to Hawai‘i reported that they would be *very likely to recommend* this destination to others. This word-of-mouth advertising is important in marketing. In time, referrals are expected to produce more first-time visitors to Hawai‘i as well as more repeat visits.

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]

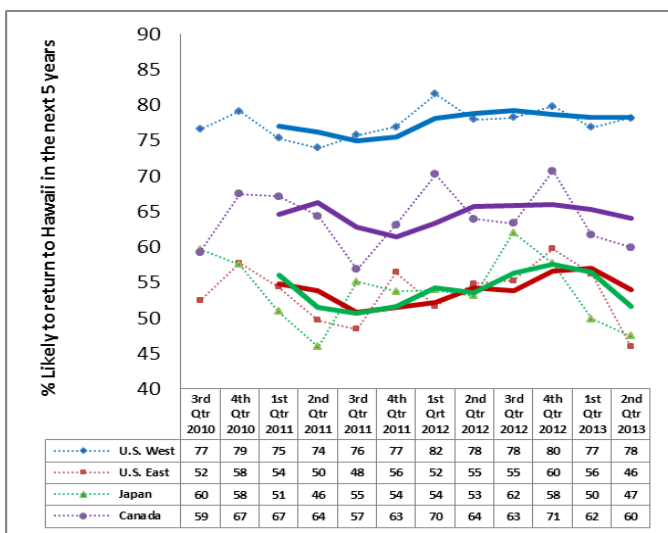


- Over the past few years roughly nine out of ten U.S. West, U.S. East, and Canadian visitors said they would be very likely to recommend Hawai‘i to friends and relatives.
- Among visitors from Japan, the likelihood has been lower. Their ratings improved steadily, however, to a high point of 82 in the third quarter of 2012. Since that time ratings have been dropping. Japan’s 72 percent in the second quarter of 2013 was the lowest since the second quarter of 2011.

Likely to Revisit Hawai‘i

The satisfaction indicator *Likelihood to revisit Hawai‘i* is useful in estimating future demand and predicting numbers and characteristics of repeat visitors. We expect it to be lower than overall satisfaction measures because not all visitors will be taking long-haul trips in the near future. Ratings among Hawai‘i’s top four MMAs ranged from 45 to 80 percent in the last three years.

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]

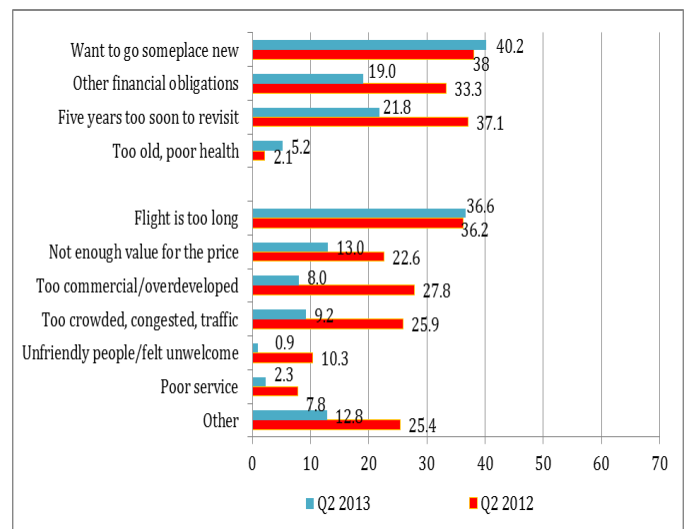


- Trend lines for *Likelihood to revisit Hawai‘i in the next five years* is similar for all four of the top MMAs. The trends rose five to seven points in 2012 and have been leveling off or decreasing since that time.
- All but U.S. West trend lines are making a downward turn. The U.S. West rating was the same as it was a year ago.
- Ratings decreased for U.S. East (-9 points), Japan (-6 points) and Canada (-4 points) compared to the second quarter of 2012.

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 simply 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 5 through 7. This year we separated the list into two components: “barriers” include those items that might restrict a visitor’s choice to come back to Hawai‘i “dissatisfaction” includes negative reaction to Hawai‘i and its visitor product. Barriers appear at the top of Figures 5 through 7.

Figure 5: Reasons for Not Revisiting Hawai‘i in Next 5 Years – [Percentage of U.S. Visitors]



Note: In 2012, U.S. respondents offered many fewer responses per person than in other years, making comparisons unreliable for long-term analysis.

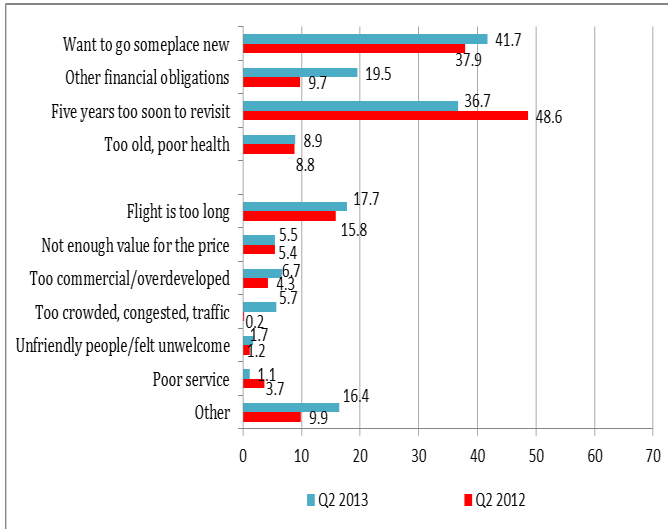
Note: The option too expensive was added in 2013.

About half of U.S. visitors offered at least one barrier as a reason for not returning to Hawai‘i. They were not expecting to return to Hawai‘i because they want to go somewhere new (40%) or because the flight was too long (37%).

Less than half cited one of the dissatisfaction measures. By far the most frequently mentioned of those, was not enough value for the price (13%). Smaller numbers felt that Hawai‘i was too overdeveloped (8%), or congested (9%).

Between second quarter 2012 and second quarter 2013, the pattern of Japanese visitors response to the *reason for not returning* question changed very little.

Figure 6: Reasons for Not Revisiting Hawai'i in Next 5 Years - [Percentage of Japanese Visitors]

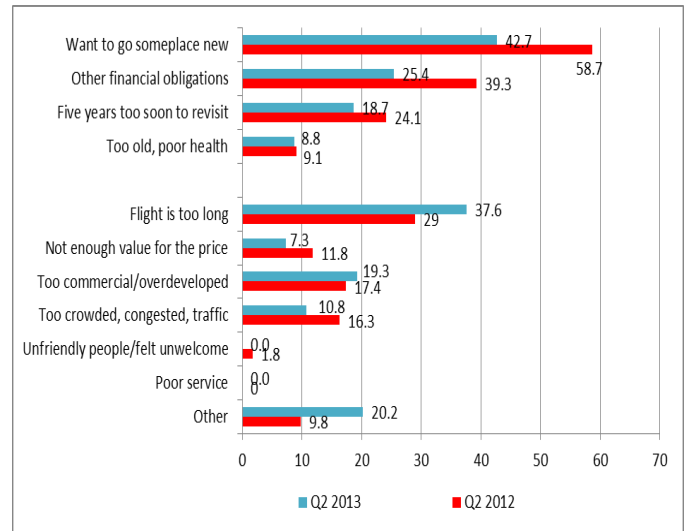


About 47 percent reported one or more barriers to revisiting to Hawai'i. As in the past, they were quite likely to report that they would rather visit someplace new (42%) or that they felt that five years was too soon to come back to Hawai'i (37%).

Visitors from Japan were less likely than U.S. visitors to report negative aspects of their trip to Hawai'i as a reason for not returning. Fewer of them reported that Hawai'i was too crowded (0.2% vs. 9%) or too commercial (7% vs. 8%).

Visitors from Canada have yet another profile of reasons for not revisiting Hawai'i in the next five years. They have been more likely than U.S. visitors to report barriers to returning to Hawai'i, like wanting to go to someplace new (59% vs. 41%), or because the flight was too long (38% vs. 37%). In the second quarter of 2013, however, their profile was much closer to that of U.S. visitors. They were equally likely to want to visit someplace new (43% vs. 40%) and felt the flight was too long (38% vs. 37%).

Figure 7: Reasons for Not Revisiting Hawai'i in Next 5 Years - [Percentage of Canadian Visitors]



Canadian visitors were about as likely as U.S. visitors to report dissatisfaction with Hawai'i as a reason for not returning. Visitors from both markets mentioned not enough value (7% vs. 13%), commercialization, (19% vs. 8%), and congestion (11% vs. 9%) as reasons for not revisiting Hawai'i.

Individual Island Experience

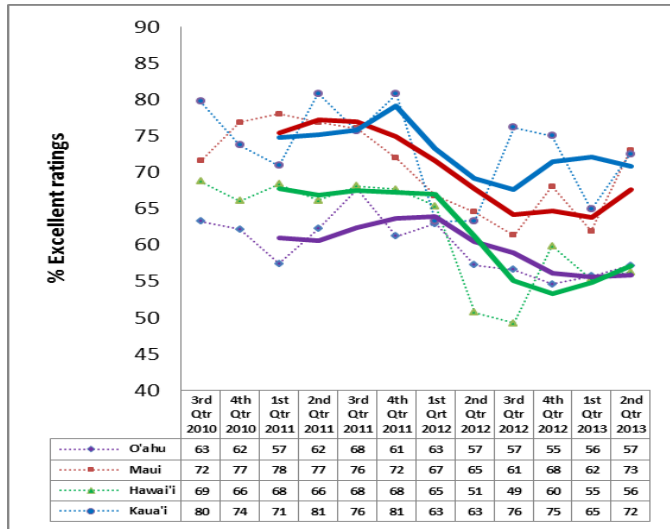
Each island in Hawai'i has unique characteristics, activities, and products that attract different kinds of visitors and produce varied visitor experiences. Visitor industry planners need satisfaction measurements in order to develop new and improved visitor products and services and to design communications programs.

The VSAT survey asks Hawai'i visitors to rate their experience on each island that they visited during their most recent trip. Results are shown here in Figures 8 through 10.

For all of the major MMAs, the patterns of change are very similar for O'ahu, Hawai'i, and Maui. Ratings for Kaua'i have a slightly different trend for each of the MMAs.

In Figure 8, we see island satisfaction profiles for U.S. visitors who *rated their island experience as excellent* over the last three years.

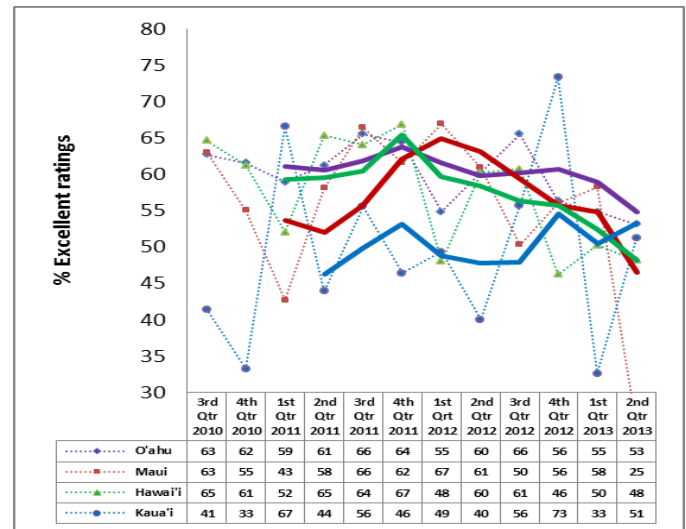
Figure 8: Island Experience Rated as Excellent – Percentage of U.S. Visitors by Island]



- In the second quarter of 2013, “Excellent” ratings among U.S. visitors saw no change for O’ahu, and increased for Hawai’i Island (+5 points). Ratings for Kaua’i (+9 points) and Maui (+8 points) were also higher than the second quarter of 2012.
- The overall trends for O’ahu, Hawai’i Island, and Maui show a decrease in excellent ratings that began in the second and third quarters of 2011. The decline is beginning to level off in the last two quarters.
- The downward trend for Kaua’i is much sharper and the ratings have already begun their recovery after the 2012 decline.

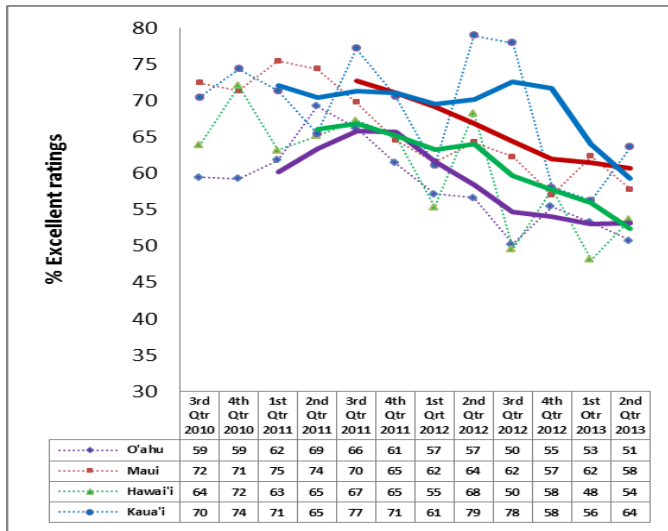
Island satisfaction profiles for visitors from Japan who *rated their island experience as excellent* over the last three years are presented in Figure 9. Ratings for the island of Kaua’i are quite volatile. Fewer visitors from Japan choose to go to Kaua’i so the ratings are based on smaller sample sizes.

Figure 9: Island Experience Rated as Excellent - [Percentage of Japanese Visitors by Island]



- Japan’s ratings, always a bit more volatile than ratings from visitors from other MMAs, showed some big changes this quarter. Second quarter *excellent* ratings declined significantly for Hawai’i Island (-12 points), O’ahu (-7 points) and Maui (-36 points). Excellent ratings increased for Kaua’i (+11 points) compared to the second quarter of 2012.
- The Japanese visitor trends for O’ahu, Hawai’i Island, and Maui show a decrease in excellent ratings that began in the second and third quarters of 2011 and continues through 2013.
- The Japanese visitor trend for Kaua’i fell during the first half of 2012, but began to recover in the third and fourth quarters of 2012. First quarter 2013 ratings were notably lower, but have since increased for second quarter 2013.

Figure 10: Island Experience Rated as Excellent – [Percentage of Canadian Visitors by Island]



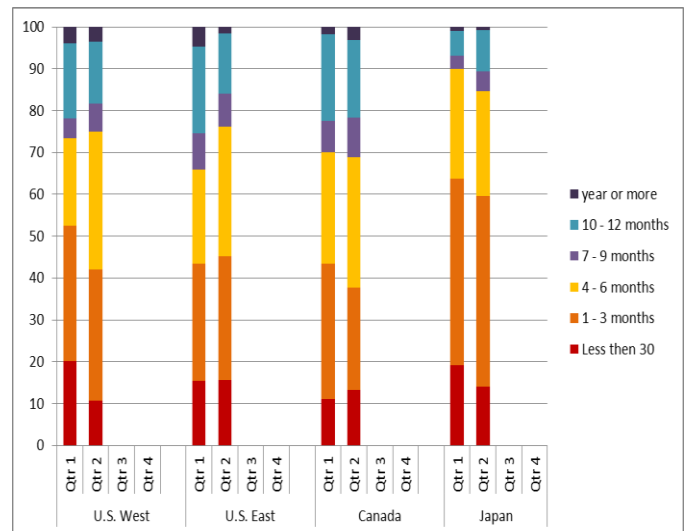
In Figure 10, we present the island satisfaction profiles for visitors from Canada who *rated their island experience as excellent* over the last three years.

- Ratings among Canadian visitors also began a downward trend in the second and third quarters of 2011. They continued to fall through the most recent quarter. Here, too, the Kaua'i ratings trend exhibits a more varied pattern (Figure 10).
- Compared with second quarter 2012 ratings, 2013 second quarter *excellent* ratings fell 6 points for O'ahu, 15 points for Kaua'i, 14 points for Hawai'i Island and 6 points for Maui.

Booking Times

The timing of bookings (making reservations) for Hawai'i travel was first reported here in 2012. The VSAT survey gathers data on a range of travel decision issues and we have selected the timing of the decision to visit Hawai'i as a general indicator of booking times. Quarterly results are shown for visitors from the top four MMAs in Figure 11.

Figure 11: How long before arrival did you decide on Hawai'i as your destination? [Percentage of visitors by quarter]



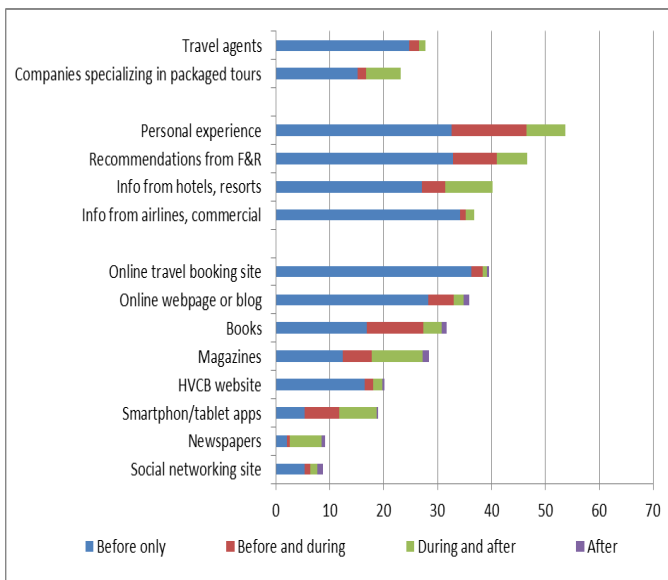
Visitors from Japan usually decide on their vacation destination closer to the travel date than those from the other MMAs. About 59 percent of Japanese visitors choose their destination less than 90 days before their departure date. That compares with about 45 percent of U.S. visitors and 37 percent of visitors from Canada. The booking times for U.S. (45% vs. 40%), and Japanese (59% vs. 63%) visitors were similar to 2nd quarter 2012.

Information Sources for Trip Planning

Sources of information used for trip planning and booking provide information on communications channels used by our visitors. These data have been gathered for many years and are available in 2013 along with information about when they are used - before the trip begins, during the trip, and after the trip. The results are presented in a simplified version in Figure 12.

The 2013 results show that travel agents are used by about 26 percent of visitors from Hawai'i's top four MMAs to plan and book their itineraries. About 23 percent of all visitors use companies that specialize in packaged tours.

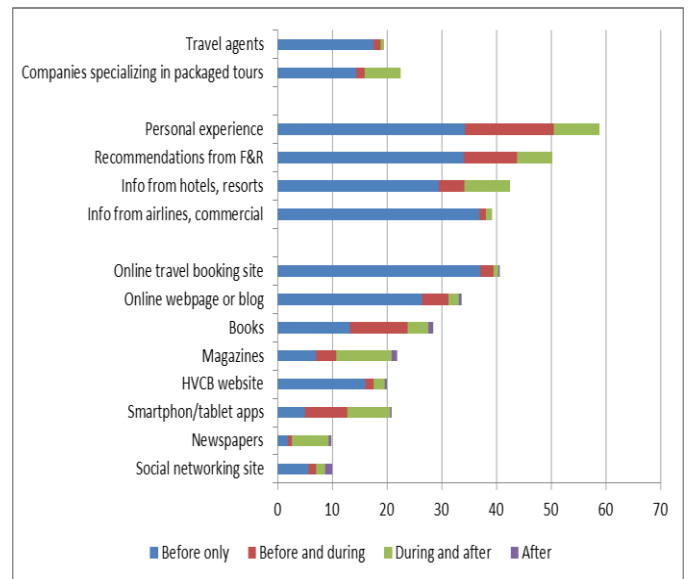
Figure 12: Sources of Information Used for Trip Planning - [Percentage of All O'ahu visitors]



About 54 percent of all visitors rely on their personal experience for travel arrangements. That may be indicative of the relatively large number of repeat visitors enjoyed by our destination. About 47 percent of them rely on recommendations from friends and relatives, suggesting that our positive word-of-mouth advertising has been successful.

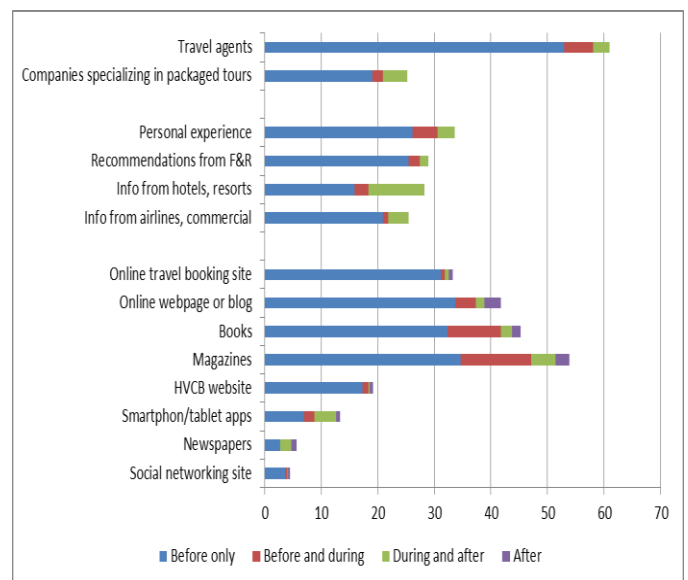
There were notable differences across MMAs in the type and amount of information used in trip planning.

Figure 13: Sources of Information Used for Trip Planning - [Percentage of U.S. O'ahu visitors]



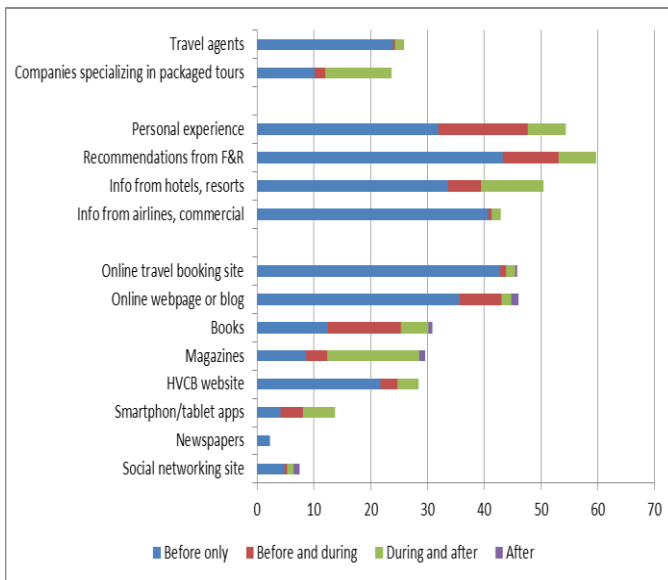
Visitors from the United States have an information use profile very similar to that for all visitors. They were, however, less likely to use travel agents (19% vs. 26%) and somewhat more likely to rely on their personal experience (59% vs. 54%).

Figure 14: Sources of Information Used for Trip Planning - [Percentage of Japanese O'ahu visitors]



Visitors from Japan had a unique profile. They were significantly more likely than the average visitor to rely on travel agents (62% vs. 26%), magazines (57% vs. 28%), and books (45% vs. 31%) in planning their trip.

Figure 15: Sources of Information Used for Trip Planning - [Percentage of Canadian O’ahu visitors]



Visitors from Canada had a similar profile to U.S. visitors. They were, however, much more likely than the average visitor to rely on recommendations from friends and family (60% vs. 47%), and to use online services such as booking sites (45% vs. 39%) and webpages or blogs (45% vs. 35%).

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 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.

Approximately 5,538 surveys were mailed each month. An average of 971 completed forms was returned for an unadjusted response rate of about 18 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 fourth quarter are shown in Table 1.

**Table 1: Survey Response
April – June 2013**

MMA	Mailed	Received	Rate	Error
US West	4147	722	17.4	3.57
US East	3521	620	17.6	3.86
Canada	2890	325	11.2	2.38
Japan	2509	661	26.3	3.74
Europe	1574	194	12.3	7.0
Oceania	1623	379	23.4	5.0
China	190	5	2.6	N/A
Korea	160	7	4.4	N/A
Total	16614	2913	17.5	1.65

The number of surveys mailed in the second quarter was 16,614 and will not change over time. About 2,913 surveys were received by June 30, 2013 and that number will increase slightly for the year. The current response rate was about 18 percent for the second quarter with a margin of error of plus-or-minus 1.6 percentage points at the 95 percent confidence level. Response rates for Japan continue to be higher than 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 Domestic In-Flight and International Departure Surveys.

Data were statistically adjusted to be representative of the population of visitor parties entering Hawai'i during each quarter. 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 plus or minus 10 points.

For information about obtaining visitor data, call Hawai'i Tourism Authority (HTA), (808) 973-2255 or email to: research@Hawaiitourismauthority.org.

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