



2013

Visitor Satisfaction
Monitoring Report

Third Quarter
(July – September)

HAWAII TOURISM

AUTHORITY

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INTRODUCTION

This quarterly monitoring report presents selected preliminary statistics from the third 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. 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

A total of 2,086,638 visitors came by air in the third quarter (April-June) of 2013, an increase of 2.2 percent over the same quarter last year.

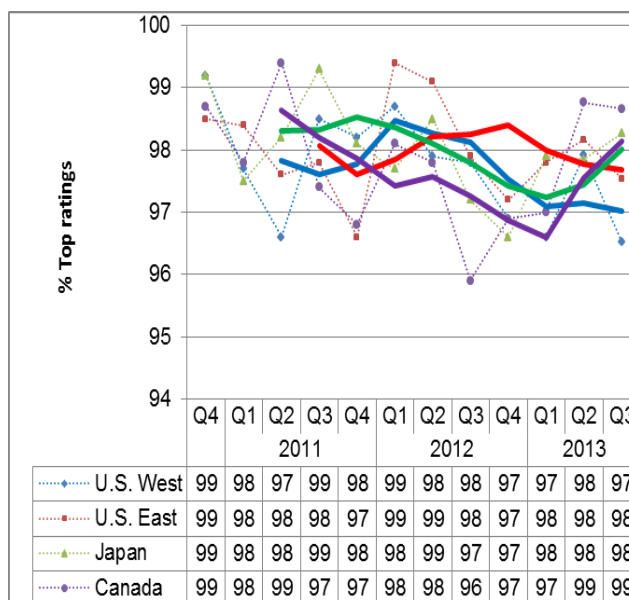
Arrivals from U.S. West (-0.8%) of 828,991 visitors, and arrivals from Japan (+0.4%) of 426,146 visitors (-0.8%) were comparable to the third quarter of 2012. U.S. East arrivals grew 2.9 percent to 433,484 visitors; and more visitors also came from Canada (+2.1% to 73,249). The average length of stay for all visitors to the state was 9.03 days, similar to the third quarter of 2012.

Visitor arrivals to O'ahu increased 4.1 percent from the third quarter of 2012 to 1,366,777 visitors. Arrivals on Maui were up 3.2 percent to 599,996 visitors. Hawai'i Island saw a 1.7 percent growth to 364,959 visitors. Kaua'i's growth rate was 2.3 percent to 294,315 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. West visitors were down one point (not statistically significant) compared to the third quarter of 2012. Trend lines reveal a small but persistent decline from 2011 to 2012 for all but U.S. East visitors.

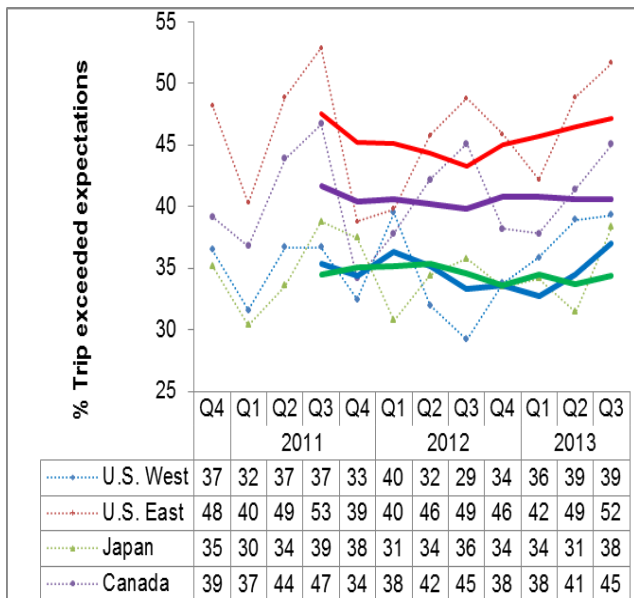
Trend lines for Japan and Canada showed improvements in 2013.

- U.S. West satisfied ratings stayed the same. Ratings from Canadian visitors raised three points and Japanese visitors’ ratings increased one point from the third 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]



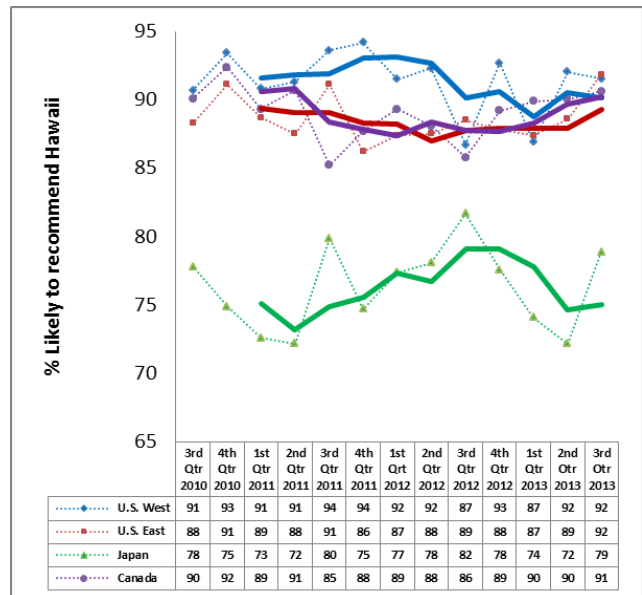
- A higher percentage of U.S. West (+10 points) and U.S. East (+3 points) visitors in the third quarter of 2013 said that the trip exceeded their expectations compared to the same quarter last year.
- Canadian visitor ratings didn’t change and Japanese visitor ratings increased by (+2 point) from third 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 all three of the other 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 to a high of 82 percent in the third quarter of 2012 but has

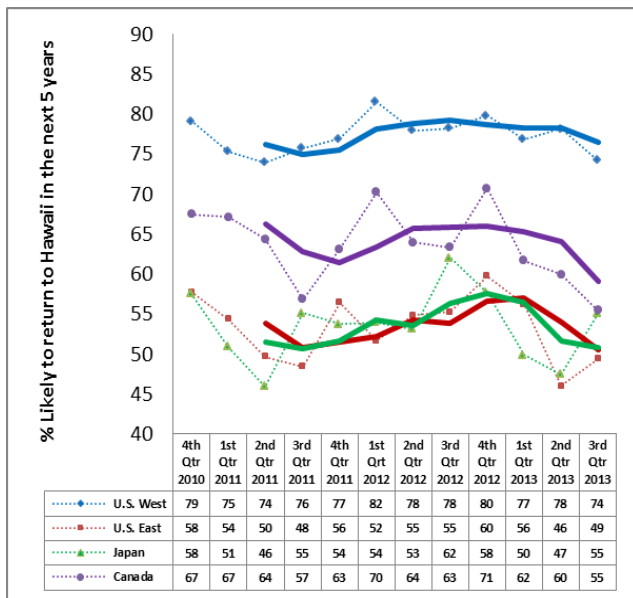
dropped since then. In the third quarter of 2013 Japanese visitors' rating of 79 percent was the highest since the third quarter of 2012.

points), and Canada (-8 points) compared to the third quarter of 2012.

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]

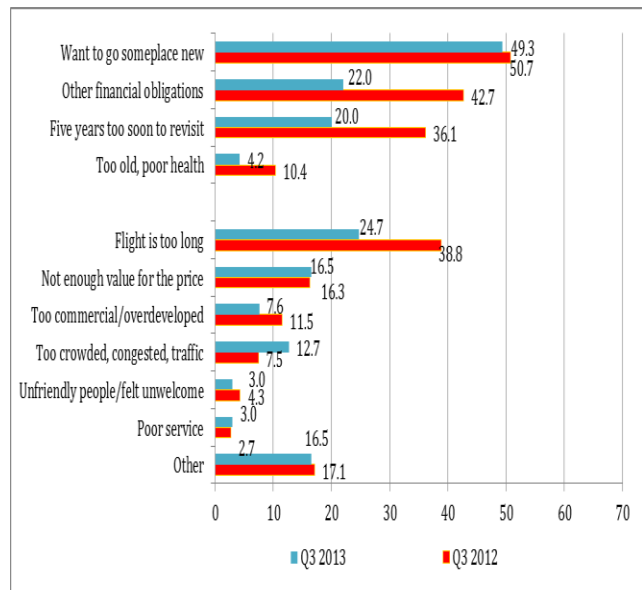


- Trend lines for *Likelihood to revisit Hawai'i in the next five years* is similar for all four of the top MMAs. The trends rose five to seven points in 2012 and have been leveling off or decreasing since that time.
- All but U.S. West trend lines are making a downward turn. Third quarter 2013 U.S. West visitors' rating decreased by four points.
- Visitor ratings for the likelihood of returning to Hawai'i in the next five years dropped significantly for U.S. East (-6 points), Japan (-7

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.

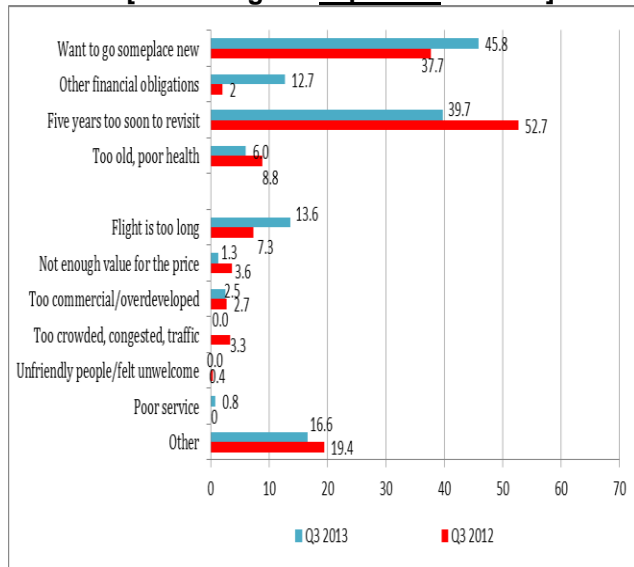
Note: The option too expensive was added in 2013.

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 (49%) or because the flight was too long (25%).

Less than half cited one of the dissatisfaction measures. By far the most frequently mentioned of those was not enough value for the price (17%). Smaller numbers felt that Hawai'i was too overdeveloped (8%), or congested (13%).

Between third quarter 2012 and third 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]

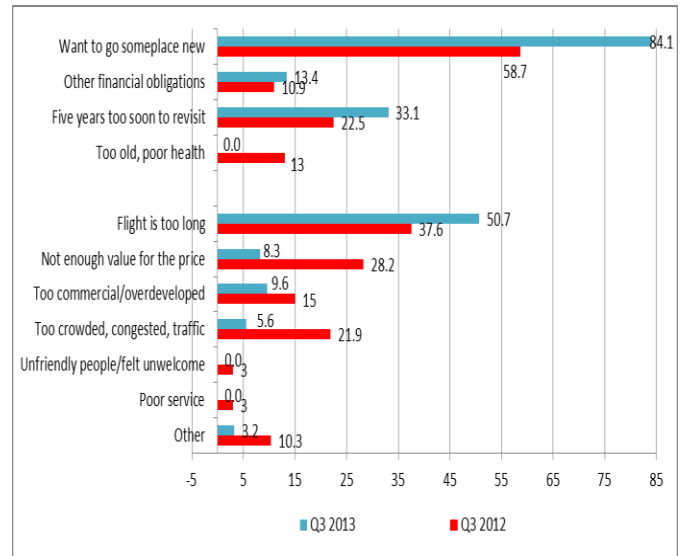


As in the past, they were quite likely to report that they would rather visit someplace new (46%) or that they felt that five years was too soon to come back to Hawai'i (40%).

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% vs. 13%) or too commercial (3% 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 visitors from the U.S. to report barriers to returning to Hawai'i like fact that the flight was too long (51% vs. 24%). In the third quarter of 2013, more Canadian visitors than U.S. visitors also responded that they want to visit someplace new (84 vs. 49%) and felt the flight was too long (50% vs. 24%).

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



Canadian visitors were about as likely as were U.S. visitors to report dissatisfaction with Hawai'i as a reason for not returning. Visitors from both point of origin mentioned not enough value (8% vs. 17%), commercialization, (10% vs. 8%), and congestion (6% vs. 13%) as reasons for not revisiting Hawai'i.

Individual Island Experience

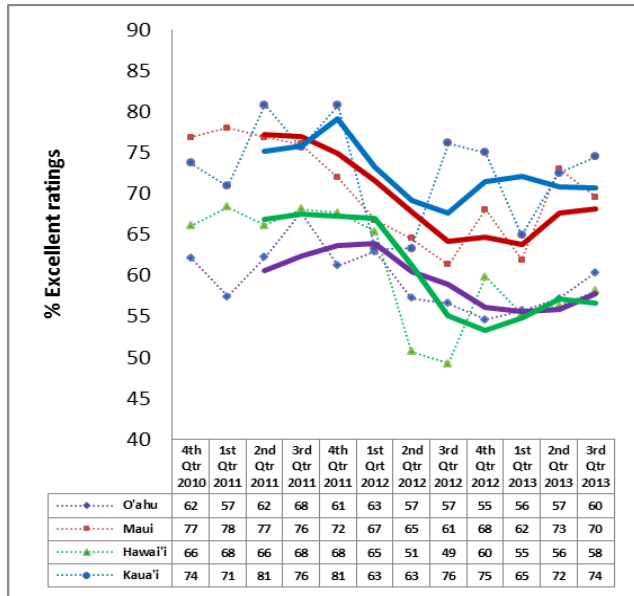
Each island in Hawai'i has unique characteristics, activities, and products that attract different kinds of visitors and produce varied visitor experiences. Visitor industry planners need satisfaction measurements in order to develop new and improved visitor products and services and to design communications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

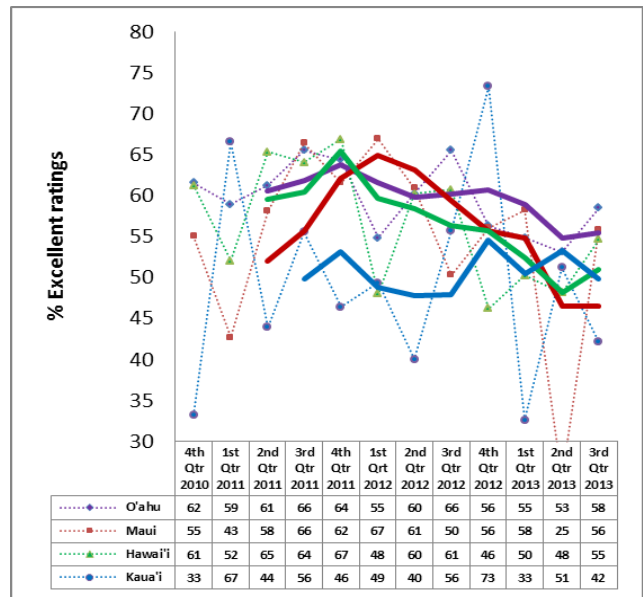
Figure 8: Island Experience Rated as Excellent – Percentage of U.S. Visitors by Island]



- In the third quarter of 2013, “Excellent” ratings from U.S. visitors for Hawai'i Island (+9 points), Maui (+9 points) and O'ahu (+3 points) increased. However, Kaua'i's rating was down (-2 points) from the third quarter of 2012.
- The overall trends for O'ahu, Hawai'i, 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 and ratings are increasing.
- 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]

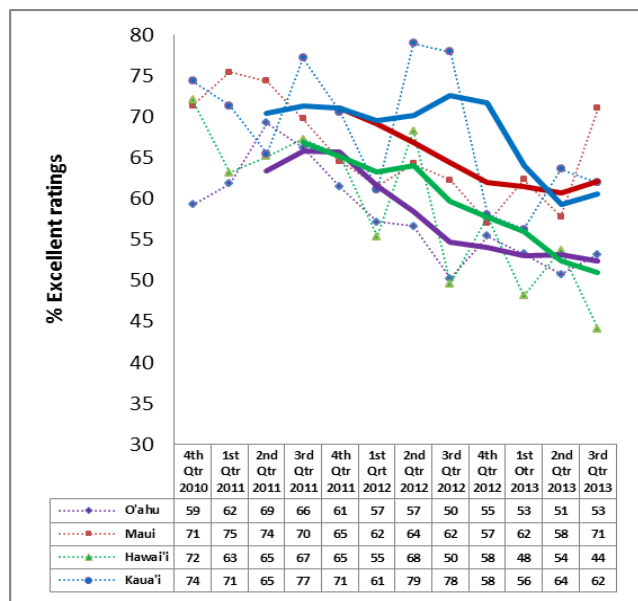


- Japan's ratings, always a bit more volatile than those of other MMAs, showed some big changes this quarter. Third quarter 2013 *excellent* ratings declined significantly for Kaua'i (-14 points), O'ahu (-8 points) and Hawai'i Island (-6 points). Excellent ratings increased for Maui (+6 points) from the third quarter of 2012.
- The Japanese visitor trends for O'ahu, Hawai'i, and Maui show an increase in excellent ratings in the third quarter of 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. Ratings were notably lower for first quarter 2013 and were down again for the third quarter of 2013.

Booking Times

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.

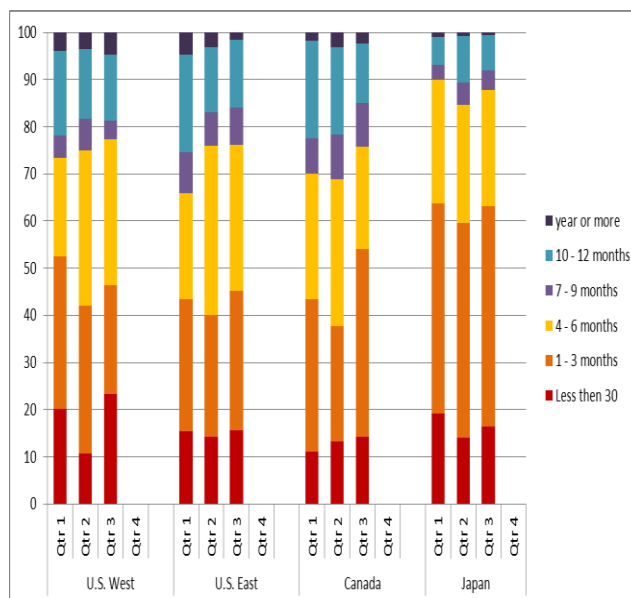
Figure 10: Island Experience Rated as Excellent – [Percentage of Canadian Visitors by Island]



- Ratings among our 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).
- Third quarter 2013 *excellent* ratings increased for O'ahu (+3 points) and Maui (+9 points) but declined for Kaua'i (-16 points) and Hawai'i Island (-6 points) compared to the third quarter of 2012.

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]



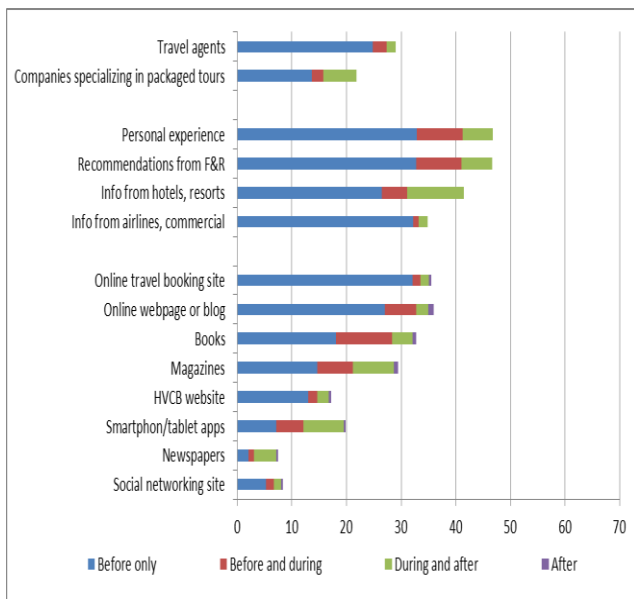
Our visitors from Japan usually decide on their vacation destination closer to the travel date than those from the other MMAs. About 63 percent of visitors from Japan in the third quarter of 2013 choose their destination less than 90 days before their departure date. That compares with about 46 percent of U.S. visitors and 54 percent of visitors from Canada. The booking times were similar to third quarter 2012 for U.S. (46% vs. 45%), and Japanese (63% vs. 60%) visitors.

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.

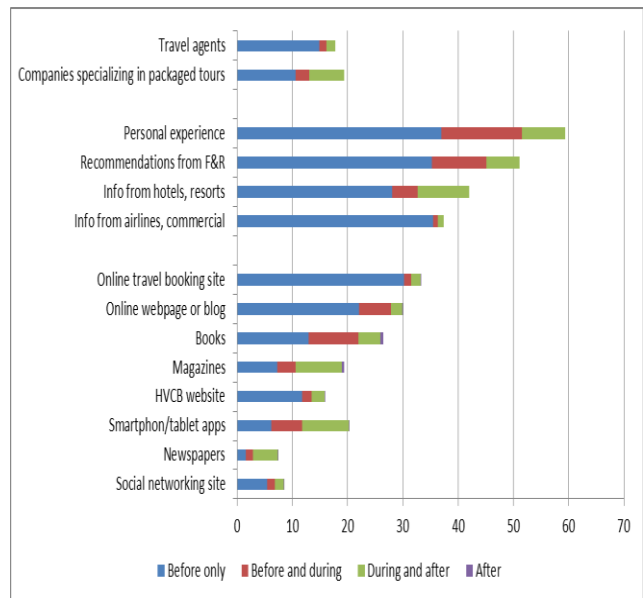
Figure 12: Sources of Information Used for Trip Planning - [Percentage of All visitors]



About 47 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.

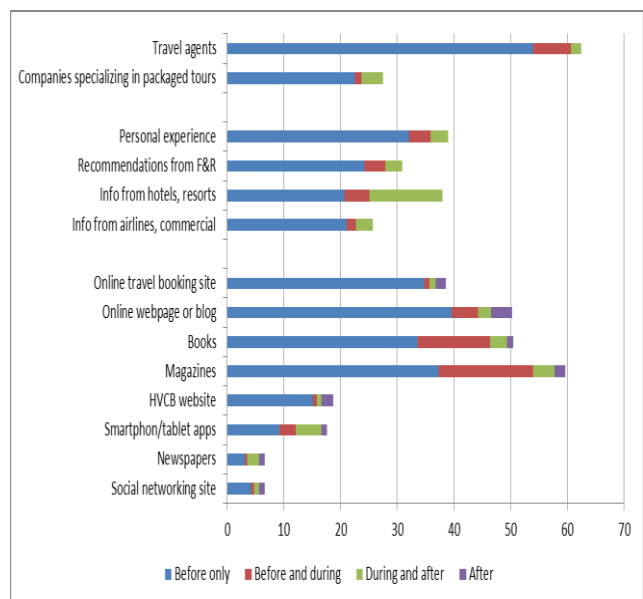
There were notable differences across MMAs in the type and amount of information used in trip planning.

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



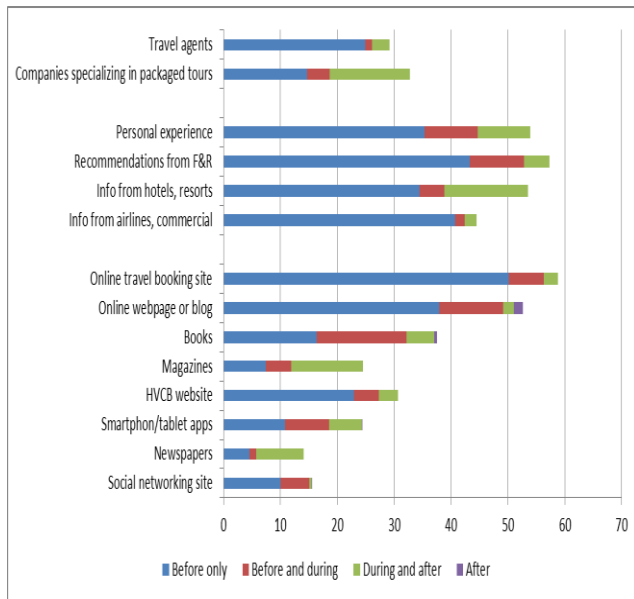
Visitors from the United States have an information use profile very similar to that of all visitors. They were, however, less likely to use travel agents (19% vs. 29%) and somewhat more likely to rely on their personal experience (58% vs. 47%).

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



Visitors from Japan had a unique profile. They were significantly more likely than the average visitor to rely on travel agents (62% vs. 29%), magazines (59% vs. 29%), and books (50% vs. 32%) in planning their trip.

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



Visitors from Canada had a similar profile to U.S. visitors. They were, however, much more likely than U.S. visitors to rely on recommendations from friends and family (58% vs. 51%), and to use online services such as booking sites (59% vs. 32%) and webpages or blogs (51% vs. 30%).

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.

Table 1: Survey Response July – September 2013

MMA	Mailed	Received	Rate	Error
US West	3,945	689	17.5	3.65
US East	3,303	599	18.1	3.93
Canada	1,936	284	14.7	5.76
Japan	2,090	760	36.4	3.47
Europe	2,079	420	20.2	4.72
Oceania	2054	495	24.1	4.34
China	230	16	7.0	N/A
Korea	227	24	10.6	N/A
Total	15,864	3,287	20.7	1.52

Approximately 5,288 surveys were mailed each month. An average of 971 completed forms was returned for an unadjusted response rate of about 21 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.

The number of surveys mailed in the third quarter was 15,864 and will not change over time. About 3,287 surveys were received by September 30, 2013 and that number will increase slightly for the year. The current response rate was about 21 percent for the third 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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