

2008

**Visitor Satisfaction
Monitoring Report**

**First Quarter
(January - March)**



State of Hawaii
Department of Business, Economic Development & Tourism
Research & Economic Analysis Division

INTRODUCTION

This monitoring report presents selected preliminary statistics for the 2008 Visitor Satisfaction and Activity survey. The survey measures the opinions of visitors, regarding their satisfaction with Hawai'i as a visitor destination, from five major marketing areas: U.S. West, U.S. East, Japan, Canada and Europe (see Definition and Survey Methodology). The report highlights survey respondents' evaluation of the vacation experience, including: overall satisfaction with the 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.

This report is available in Adobe Acrobat form on the DBEDT website,

<http://www.hawaii.gov/dbedt/info/visitor-stats/vsat>.

For further information about obtaining visitor data and other sources, contact the DBEDT Library at (808) 586-2424, or e-mail library@dbedt.hawaii.gov or DBEDT Research & Economic Analysis Division at (808) 586-2466.

CONDITION OF VISITOR INDUSTRY

In the first quarter of (January – March) of 2008, there were a total of 1,831,135 visitors by air to the State, a slight decline of .3 percent from the same quarter last year. Visitor arrivals from U.S. West with 723,321 (+.8%) improved only slightly while Canada with 134,072 (+5) improved noticeably. However, visitor arrivals from U.S. East with 496,772 (-2.7%) and Japan with 301,764 (-3.9%) declined. The average length of stay for all visitors to the State was 9.66 days, a mere 1.4 percent increase from 9.53 days in the first quarter of 2007.

RESULTS

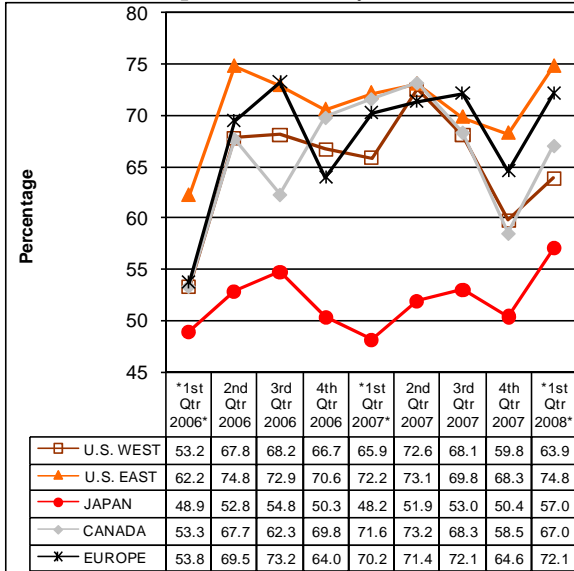
Visitor Satisfaction Ratings

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

In general, more than half of visitors from any major marketing area rated their most recent trip to Hawai'i as *excellent* (see Figure 1).

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

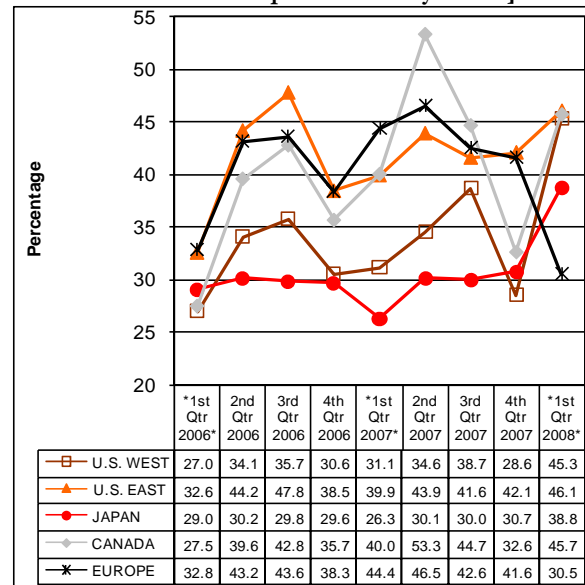


- In the first quarter of 2008, the proportion of U.S. West (-2 percentage points) and Canadian visitors (-4.6 percentage points) who rated their trip excellent were lower than the first quarter of 2007.
- U.S. East visitors rated their first quarter of 2008 (74.8%) 2.6 percentage points higher than the first quarter of 2007 and 12.6 percentage points higher than the first quarter of 2006.
- First quarter 2008 (57%) Japan visitor ratings were more than the ratings of the same period in 2006 (48.9%) or 2007 (48.2%).
- First quarter 2008 visitor ratings among European visitors (72.1%) were similar to ratings of the first quarter of 2007 (70.2%).

Exceeded Expectations

The visitors' evaluation of the 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]

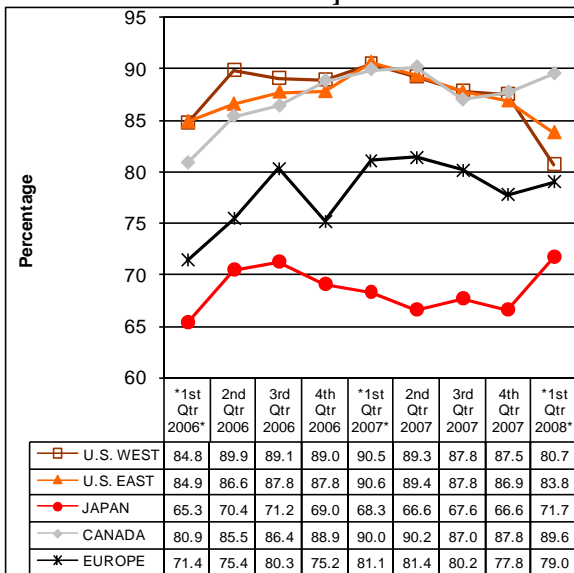


- More U.S. West (+14.2 percentage points), U.S. East (+6.2 percentage points), Japanese (+12.5 percentage points) and Canadian (+5.7 percentage points) visitors said their trip to Hawai'i exceeded expectations in the first quarter of 2008 than the same quarter of 2007.
- On the other hand, noticeably less European visitors said their trip exceeded expectations in the first quarter of 2008 (30.5%) than the same quarter in 2007 (44.4%).

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 reported to 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]

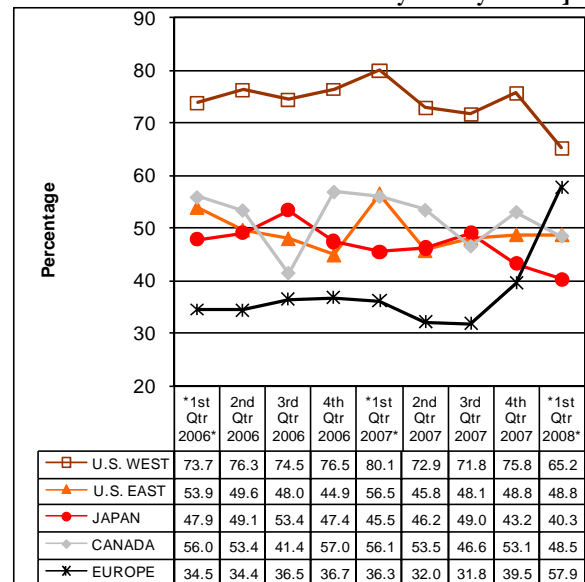


- Compared to other MMAs, Canadian visitors (89.6%) were more likely to recommend Hawai'i to friends or relatives in the first quarter of 2008 (see Figure 3).
- From the first quarter of 2007 to the first quarter of 2008, the proportion of U.S. West (-9.8 percentage points) and U.S. East (-6.8 percentage points) visitors that were very likely to recommend Hawai'i exhibited a downward trend.
- In the first quarter of 2008, the proportion of Japanese visitors that were very likely to recommend Hawai'i moderately improved to 71.7 percent compared to previous quarters.

Likelihood to Revisit Hawai'i

A visitor's decision to return to Hawai'i is influenced by positive experiences on the 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. The percentage of visitors who were *very likely to return to Hawai'i in the next five years* remained at a consistent level for most MMA and was not affected by seasonal variations (see Figure 4).

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]

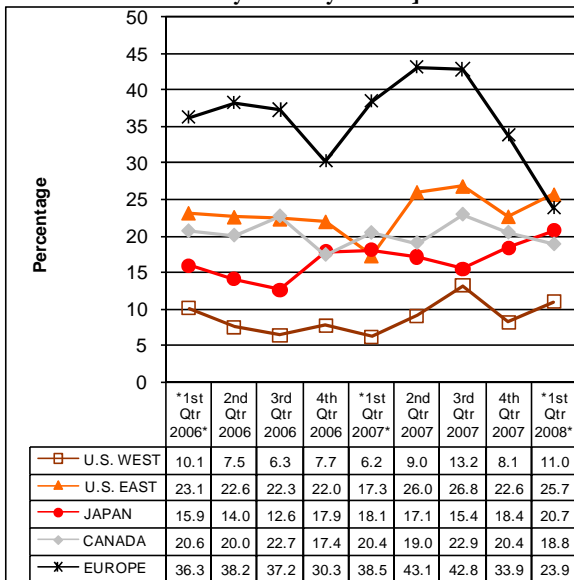


- For the first quarter of 2008, U.S. West (65.2%), U.S. East (48.8%), Japanese (40.3%) and Canadian (48.5%) visitors were less likely to revisit Hawai'i in the next five years compared to the first quarters of either 2006 or 2007.
- More than a half (57.9%) of European visitors were likely to return in the first quarter of 2008, a significant improvement from any previous quarter since 2006.

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 (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]

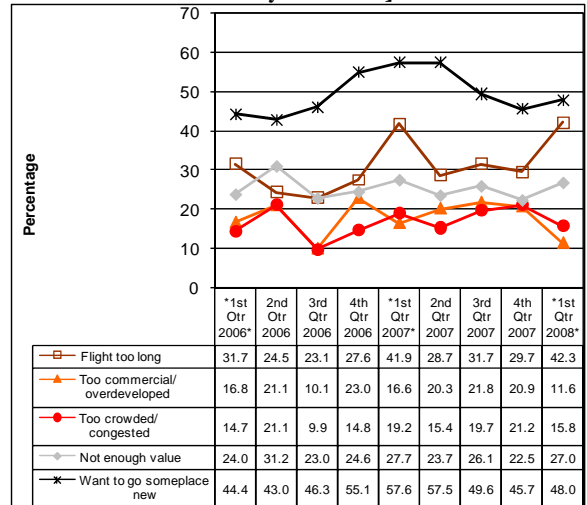


- In the first quarter of 2008, there were moderately more U.S. West (+4.8 percentage points) and Japanese visitors (+2.6 percentage points) who were not likely to return in the next five years than the first quarter of 2007.
- Evidently more U.S. East visitors (+8.4 percentage points) who were not likely to revisit increased to 25.7 percent in the first quarter of 2008 compared to the same period in 2007.
- In the past two years, European respondents had the highest percentage of those who will not revisit the islands in the next five years. However, the proportion of Europeans who were not likely to revisit Hawai'i reached a low of 23.9 percent in the first quarter of 2008.

Reasons for Not Revisiting Hawai'i

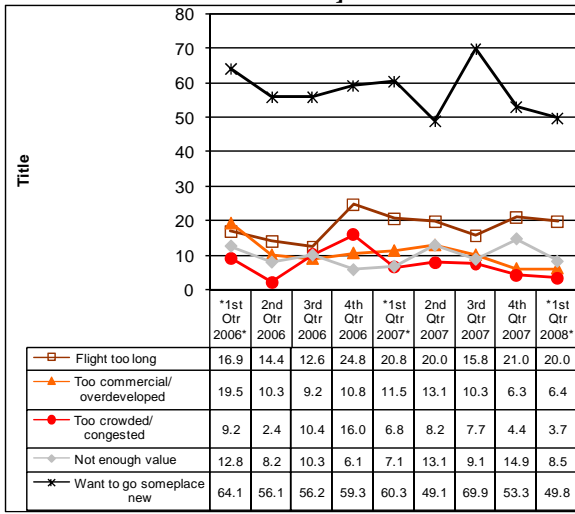
Continuously, many of the visitors not planning to return in the next five years tell us that it is because they want to go someplace else (Figure 6 and Figure 7). Note that the statistic reported for each reason for not revisiting Hawai'i is the percentage of those who were *Not Likely to Revisit Hawai'i* (from previous section).

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



- In the first quarter of 2008, the proportion of U.S. visitors that wanted to go someplace new (8.2% of all U.S. visitors) was higher than the first quarter of 2007 (6.2% of all U.S. visitors)(see Figure 6 for reasons given by those who were not likely to return).
- At the same time, the proportion of U.S. visitors that felt that Hawai'i was not enough value (4.6% of all U.S. visitors) was also higher than the first quarter of 2007 (3% of all U.S. visitors).

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



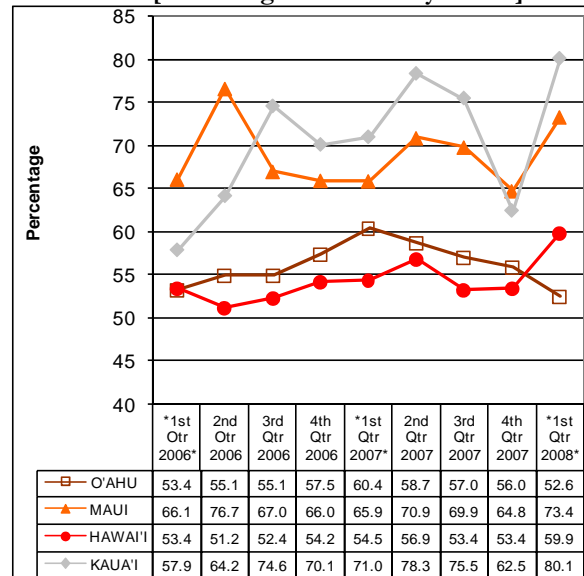
- Of the 20.7 percent of Japanese visitors who were not likely to return in the first quarter of 2008, 49.8 (10.3% of all Japanese visitors) desired to visit someplace else, a decrease from the same period in 2007 (60.3% or 10.9% of all Japanese visitors) (see Figure 7 for reasons given by those who were not likely to return).
- In addition, less Japanese visitors felt that Hawai'i was too commercial/overdeveloped in the first quarter of 2008 (6.4% or 1.3% of all Japanese visitors) compared to the first quarter of 2006 (19.5% or 3.1% of all Japanese visitors) and 2007 (11.5% or 2.1% of all Japanese visitors).

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.

- The proportion of U.S. visitors who felt their island experience was *excellent* in the first quarter of 2008 was up compared to the same time last year on Maui (+7.5 percentage points), Hawai'i Island (+5.4 percentage points) and Kaua'i (+9.1 percentage points) (see Figure 8).

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



- Among U.S. visitors, visitors to Maui and Kaua'i were more likely to say they had an excellent experience than visitors to O'ahu or Hawai'i Island (see Figure 8).
- The proportion of U.S. visitors who rated O'ahu excellent decreased from the first quarter of 2007 (60.4%) to the first quarter of 2008 (52.6%).

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

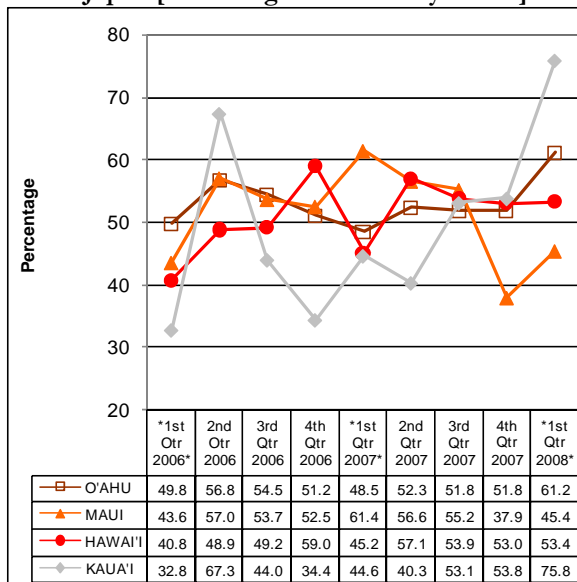
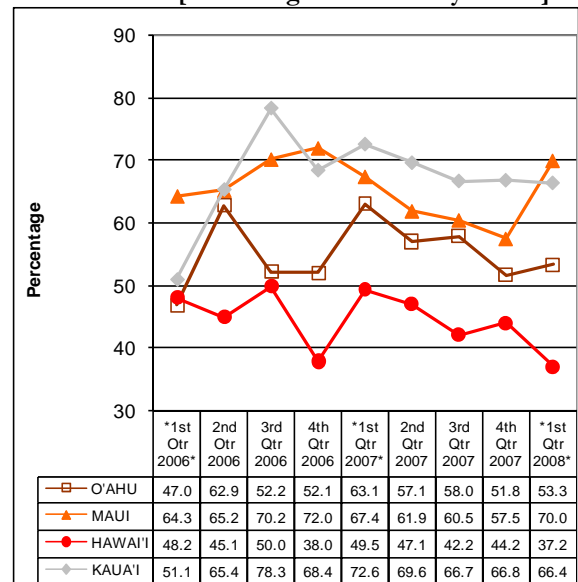


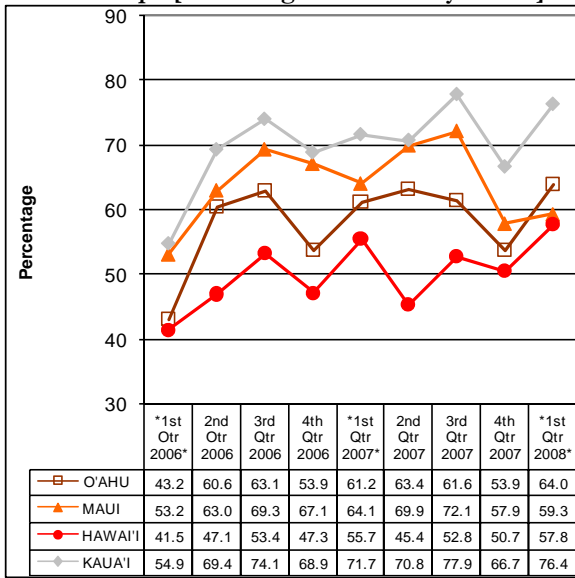
Figure 10: Island Experience Rated as Excellent - Canada [Percentage of visitors by Island]



- Japanese visitors had notably higher satisfaction ratings in the first quarter of 2008 for the island of O'ahu (+12.7 percentage points) and Hawai'i Island (+8.2 percentage points) than the first quarter of 2007 (see Figure 9).
- Japanese visitor satisfaction levels for the island of Maui in the first quarter of 2008 (45.4%) were lower compared to the first quarter of 2007 (61.4%) but was similar to the first quarter of 2006 (43.6%).
- Kaua'i in the first quarter 2008 (75.8%) made a dramatic turnaround from the lower ratings of 2007.

- In the first quarter of 2008, Canadian satisfaction ratings declined for O'ahu (-9.8 percentage points), Hawai'i Island (-12.3 percentage points) and Kaua'i excellent (-6.2 percentage points) compared to the first quarter 2007 (see Figure 10).
- However, Canadian satisfaction ratings for Maui (70%) improved compared to the first quarter of 2006 (64.3%) and 2007 (67.4%).

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

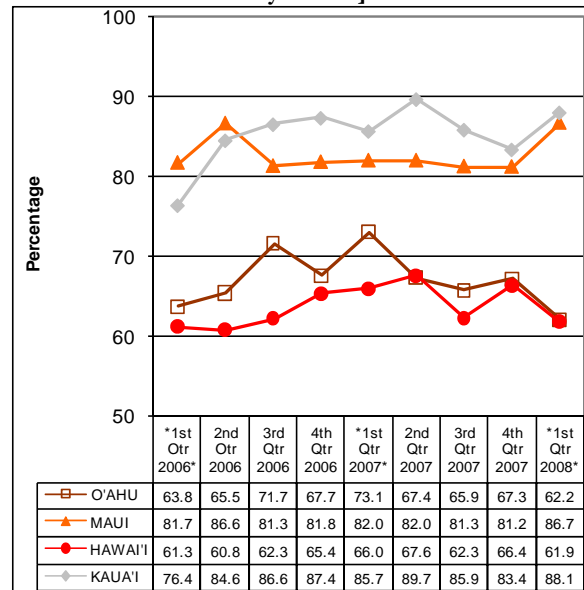


- In the first quarter of 2008, European satisfaction ratings for O’ahu (64%), Hawai’i Island (57.8%) and Kaua’i (76.4%) were moderately higher than the first quarter of 2007 and notably higher than the first quarter of 2006 (Figure 11).
- Maui ratings (59.3%) among European visitors were 4.8 percentage points lower than the first quarter of 2007.

Individual Island Recommendation

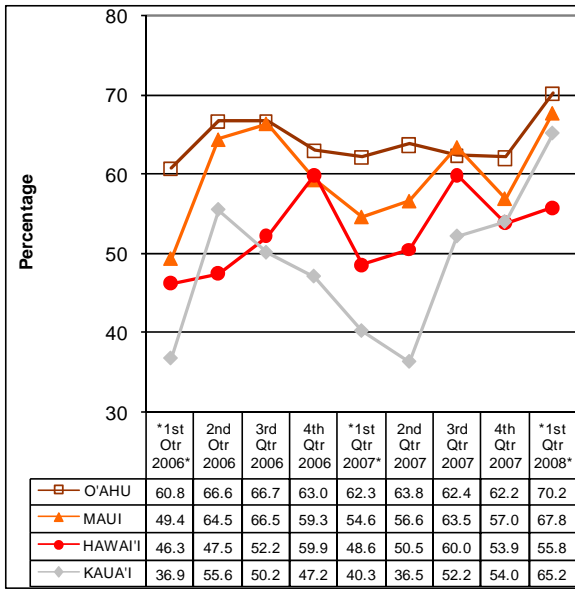
Again, when visitors are highly satisfied with the destination they visited, they will be more likely to recommend the place to friends and family. More than half of visitors continue to be *very likely to recommend* all islands to others (see Figures 12 to 15).

Figure 12: Very Likely to Recommend Island – U.S. [Percentage of visitors who are “Very Likely” to recommend Island as a vacation place by Island]



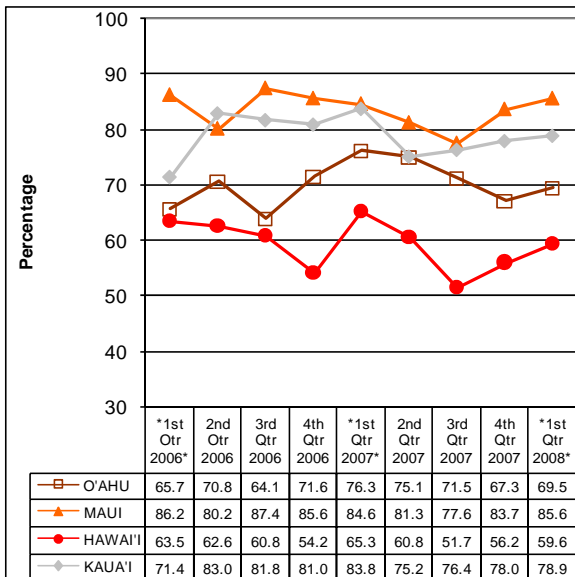
- Similar to their rating of experiences, U.S. visitors clearly were more likely to recommend Maui and Kaua’i over O’ahu and Hawai’i Island (see Figure 12).
- Although the proportions of U.S. visitors that were very likely to recommend O’ahu (62.2%) and Hawai’i Island (61.9%) were lower in the first quarter of 2008 compared to the first quarter of 2007, ratings were similar to the first quarter of 2006.
- Ratings on Maui (86.7%) improved to nearly match Kaua’i’s ratings (88.1%) in the first quarter of 2008. In addition, Maui and Kaua’i ratings were higher than the first quarter of 2006 and 2007.

Figure 13: Very Likely to Recommend Island – Japan [Percentage of visitors who are “Very Likely” to recommend Island as a vacation place by Island]



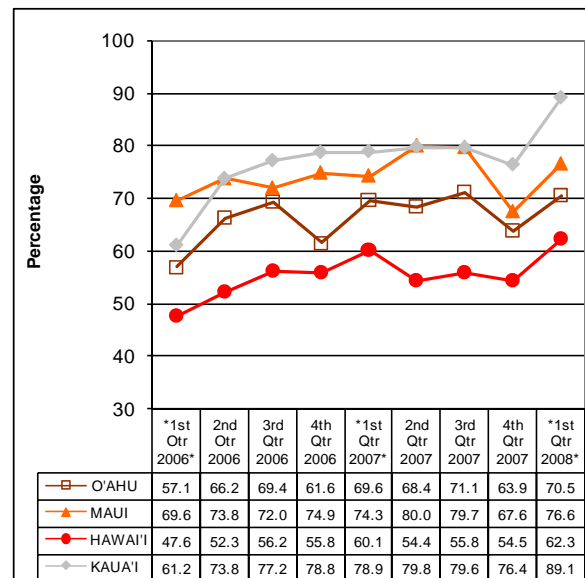
- All islands recorded higher proportions of Japanese visitors who were very likely to recommend in the first quarter of 2008 compared to the first quarter of either 2006 or 2007 (see Figure 13).

Figure 14: Very Likely to Recommend Island – Canada [Percentage of visitors who are “Very Likely” to recommend Island as a vacation place by Island]



- Canadian visitors' 2008 first quarter ratings were lower for O'ahu (-6.8 percentage points), Hawai'i Island (-5.7 percentage points) and Kaua'i (-4.9 percentage points) compared to last year's first quarter ratings (see Figure 14).
- Maui ratings (85.6%) among Canadian visitors were similar to the first quarter of 2006 (86.2%) and 2007 (84.6%).

Figure 15: Very Likely to Recommend Island - Europe [Percentage of visitors who are “Very Likely” to recommend Island as a vacation place by Island]

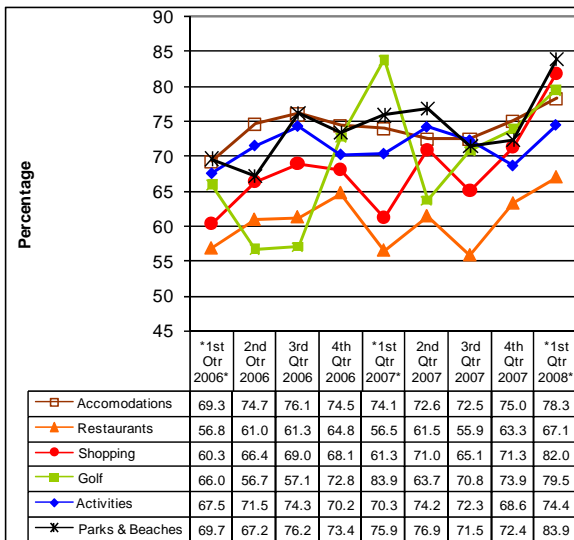


- The proportion of European visitors who were very likely to recommend Kaua'i was considerably higher in the first quarter of 2008 (89.1%) than the same period of either 2006 (61.2%) or 2007 (78.9%) (see Figure 15).
- European visitors were moderately more likely to recommend Maui (+2.3 percentage points) and Hawai'i Island (+2.2 percentage points) in the first quarter of 2008 than the first quarter of the previous year.

Attributes of Each Island

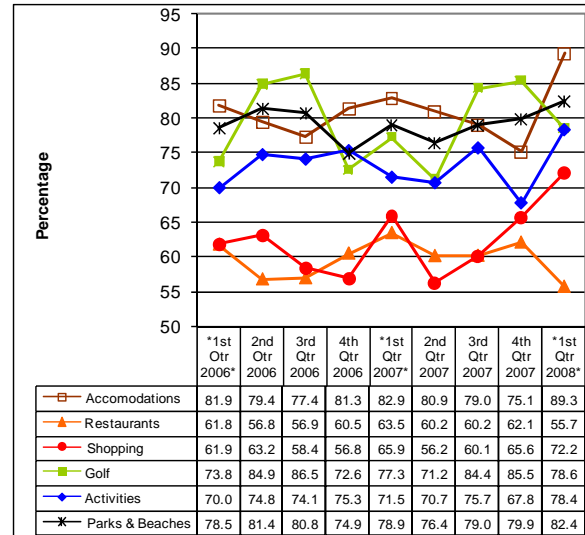
Analysis of the visitors' satisfaction with the specific attributes, activities and products of each island may help us to identify the underlying reasons for changes in individual island experiences. Visitors were asked to rate how satisfied they were with certain attributes of their trip. The satisfaction rating was determined by the percentage of those who were "Very Satisfied" by an attribute.

Figure 16: Detailed Satisfaction Ratings for U.S. Visitors to O'ahu [Percentage of U.S. visitors to O'ahu who were "Very Satisfied" with Attribute]



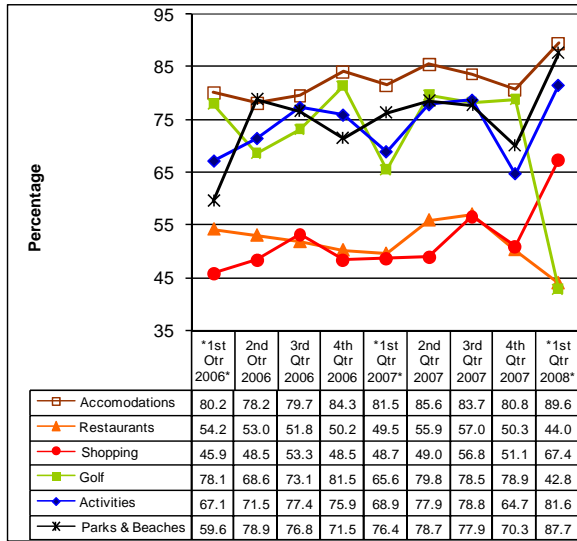
- U.S. visitors on O'ahu were more satisfied with the island's parks and beaches (83.9%), shopping (82%), accommodations (78.3%), activities (74.4%) and restaurants (67.1%) in the first quarter of 2008 compared to the same period in either 2006 or 2007 (see Figure 16).
- Restaurant ratings continue to improve but were behind other destination attributes since first quarter of 2007.

Figure 17: Detailed Satisfaction Ratings for U.S. Visitors to Maui [Percentage of U.S. visitors to Maui who were "Very Satisfied" with Attribute]



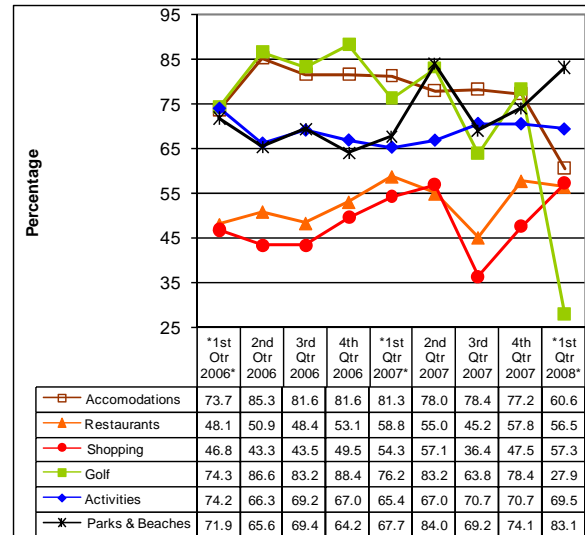
- In the first quarter of 2008, the proportion of U.S. visitors who enjoyed Maui's accommodations (89.3%), parks and beaches (82.4%), golf (78.6%), activities (78.4%) and shopping (72.2%) improved from the first quarter of either 2006 or 2007.
- The proportion of U.S. visitors who enjoyed Maui's accommodations, shopping, activities and parks and beaches marked record high ratings in the first quarter of 2008 than any period in the past two years.
- Shopping on Maui continued to improve from 2007 and into the first quarter of 2008.

Figure 18: Detailed Satisfaction Ratings for U.S. Visitors to Kaua'i [Percentage of U.S. visitors to Kaua'i who were "Very Satisfied" with Attribute]



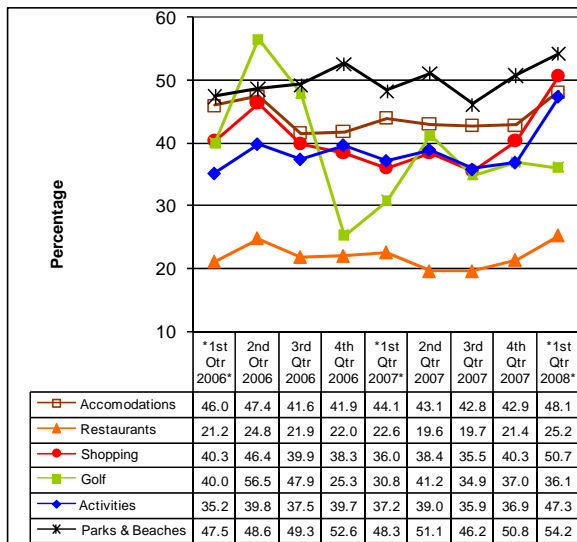
- In the first quarter of 2008, U.S. visitors to Kaua'i were more satisfied with the accommodations (89.6%), parks and beaches (87.7%), activities (81.6%) and shopping (67.4%) compared to the same period of either 2006 or 2007, the highest ratings in the past two years (Figure 18).
- However, satisfaction ratings in the first quarter of 2008 (67.4%) on Kaua'i's golf were significantly lower than any previous quarter in the past two years.

Figure 19: Detailed Satisfaction Ratings for U.S. Visitors to Hawai'i Island [Percentage of U.S. visitors to Hawai'i Island who were "Very Satisfied" with Attribute]



- First quarter ratings in 2008 from U.S. visitors regarding accommodations (60.6%) and golf (27.9%) on the Hawai'i Island decreased considerably from any previous quarter since 2006.
- However, the rating of Hawai'i Island's parks and beaches (83.1%) noticeably improved from the first quarter of 2006 (71.9%) and 2007 (67.7%). It was the highest rated attribute for the island in the first quarter of 2008.

Figure 20: Detailed Satisfaction Ratings for O‘ahu – Japan [Percentage of Japan visitors to O‘ahu who were “Very Satisfied” with the Attribute]

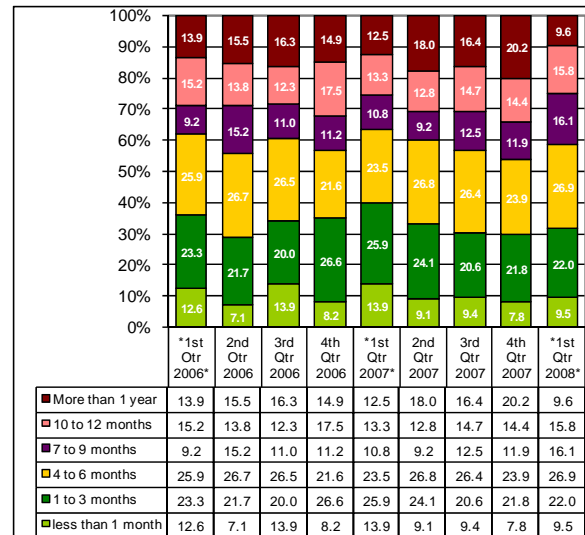


- Japanese visitor ratings regarding all of O‘ahu’s attributes in the first quarter of 2008 showed improvement over the first quarter of the previous year, significantly with shopping (+14.7 percentage points) and activities (+10.1 percentage points) (see Figure 20).

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.

Figure 21: When Did U.S. West Visitors Decide to Visit Hawai‘i in Advance of Departure [Percentage of U.S. West visitors]



- In general, 60 to 70 percent of U.S. West visitors decided to come to Hawai‘i four months or more before arriving (see Figure 21).
- In the first quarter of 2008, U.S. West visitors were less likely to make decisions (decided on trip, to visit Hawai‘i and islands to visit) more than a year than previous quarters.
- In the first quarter of 2008, 16.1 percent of U.S. West visitors decided to come to Hawai‘i seven to nine months before arriving, a greater number than 10.8 percent a year ago.
- Compared to the first quarter of 2006 and 2007, U.S. West visitors were more likely to decide on Hawai‘i in four to nine months (43%).

Figure 22: When Did U.S. East Visitors Decide to Visit Hawai'i in Advance of Departure [Percentage of U.S. East visitors]

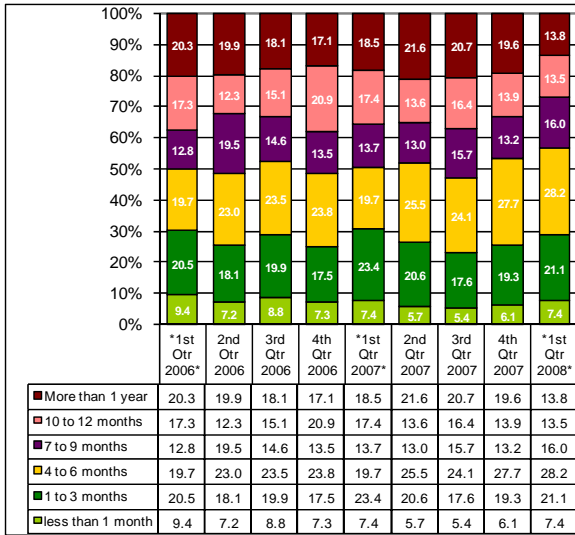
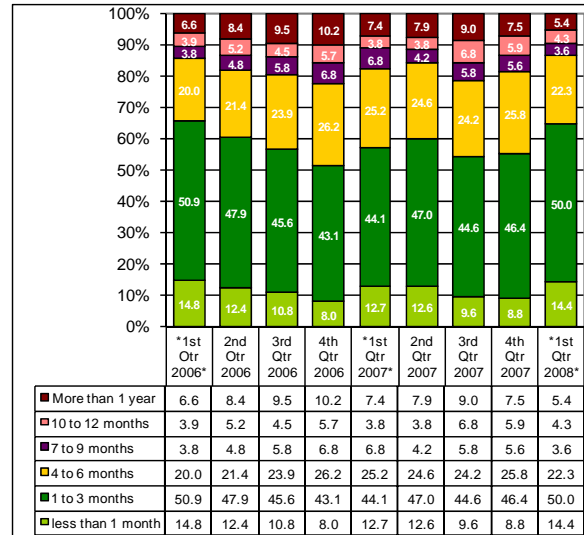


Figure 23: When Did Japan Visitors Decide to Visit Hawai'i in Advance of Departure [Percentage of Japanese visitors]

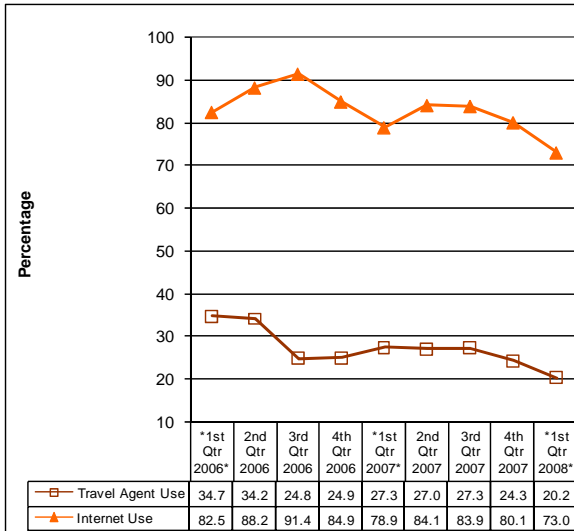


- In the first quarter of 2008, U.S. East visitors were less likely to make decisions (decided on trip, to visit Hawai'i and islands to visit) more than a year than previous quarters.
- The proportion of U.S. East visitors who decided to come to Hawai'i four to six months before arriving in the first quarter of 2008 (28.2%) was the higher than the first quarter of 2006 (19.7%) and 2007 (19.7%) (see Figure 22).
- Less U.S. East visitors made their decision to visit Hawai'i ten months or more (27.3%) before they arrived than the first quarter of 2006 (37.6%) and 2007 (35.9%).
- In the first quarter of 2008, 64.4 percent of Japanese visitors decided to come to Hawai'i only three months or less before arrival. The proportion was higher than the first quarter of 2007 (56.8%) but similar to the first quarter of 2006 (65.7%) (see Figure 23).

Internet and Travel Agent Use

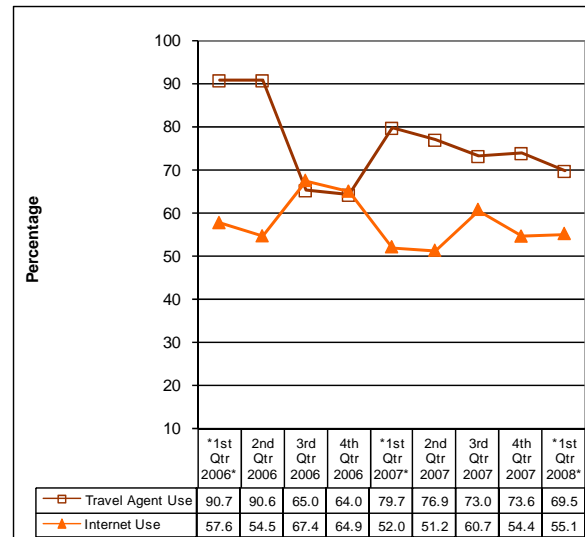
The use of the Internet or a travel agent for trip planning and booking differs quite appreciably between U.S. and Japanese travelers to Hawai'i.

Figure 24: Internet and Travel Agent Use -- U.S.
[Percentage of U.S. visitors]



- In the past, Internet use among U.S. visitors has been in the range of 80 to 90 percent of visitors. For the first quarter of 2008, Internet use decreased to 73 percent of all U.S. visitors to Hawai'i (see Figure 24).
- Travel agent use also decreased to 20.2 percent of all U.S. visitors in the first quarter of 2008 compared to previous quarters.

Figure 25: Internet and Travel Agent Use – Japan
[Percentage of Japanese visitors]

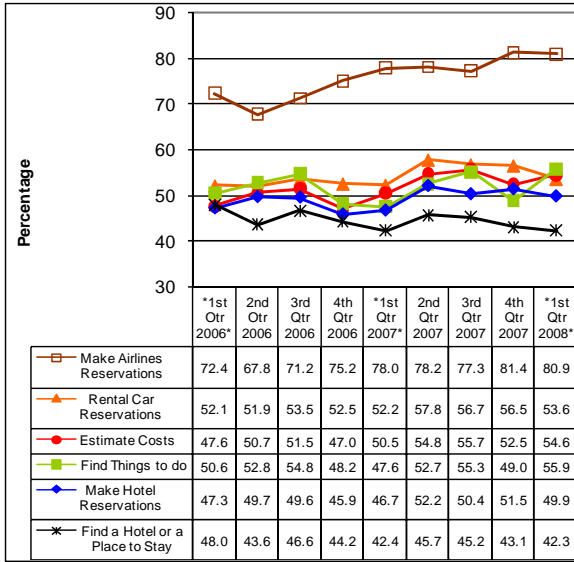


- Japanese travel agent users were more prevalent than Internet users. In the first quarter of 2008, travel agent users made up 69.5 percent of all Japanese visitors. However, the proportion of travel agent users decreased notably from 79.7 percent of total Japanese visitors in the first quarter of 2007 (see Figure 25).
- Internet usage remained around 50 percent and was at 55.1 percent of Japanese visitors in the first quarter of 2008. Internet use for the first quarter of this year was similar to the same quarter of either 2006 (57.6%) or 2007 (52%).

Internet Use

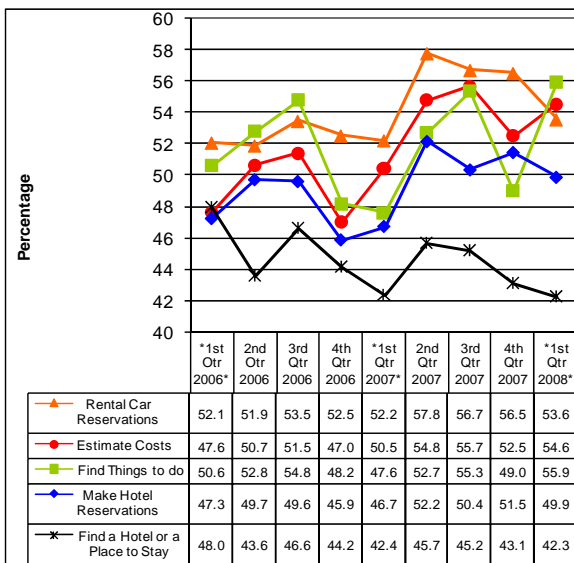
Note that the statistic reported for each internet use is the percentage of those who used the internet (from previous section).

Figure 26: Internet Use – U.S. [Percentage of U.S. visitors who used the Internet]



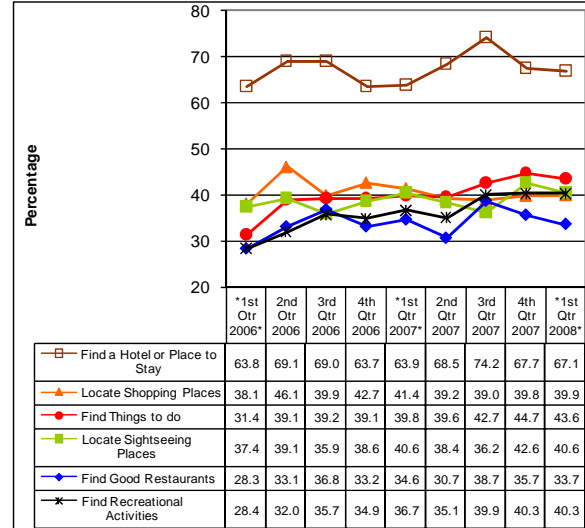
- Of the 73 percent of U.S. visitors who used the internet in the first quarter of 2008, 80.9 percent (or 59.1% of all U.S. visitors) made airline reservations (see Figure 26).

Figure 27: Internet Use – U.S. [Percentage of U.S. visitors who used the Internet - scale expanded]



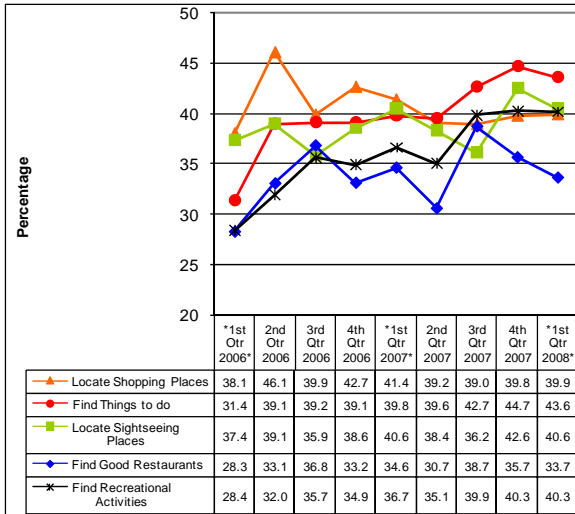
- The percentage of U.S. Internet users in the first quarter of 2008 who found things to do (55.9% or 40.8% of all U.S. visitors) through Internet use was higher than the same quarter of the past year (47.6% or 37.6% of all U.S. visitors)(Figure 27).

Figure 28: Internet Use – Japan [Percentage of Japanese visitors who used the Internet]



- Japanese users were mainly interested in finding an accommodation for the first quarter of 2008 (67.1% or 37% of all Japanese visitors). Other activities continued to draw less than half of all Japanese Internet users (see Figure 28).

Figure 29: Internet Use – Japan [Percentage of Japanese visitors who used the Internet - scale expanded]

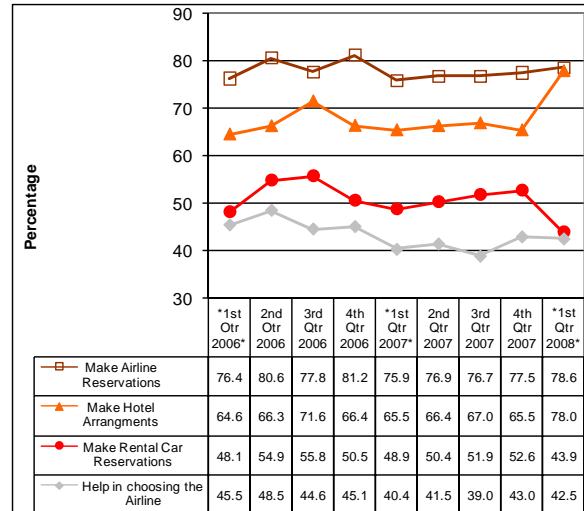


- Compared to the first quarter of 2007, Internet use among Japanese visitors to find things to do (43.6% or 24% of all Japanese visitors) and recreational activities (40.3% or 22.2% of all Japanese visitors), were moderately higher in the first quarter of 2008 (see Figure 29).

Travel Agent Use

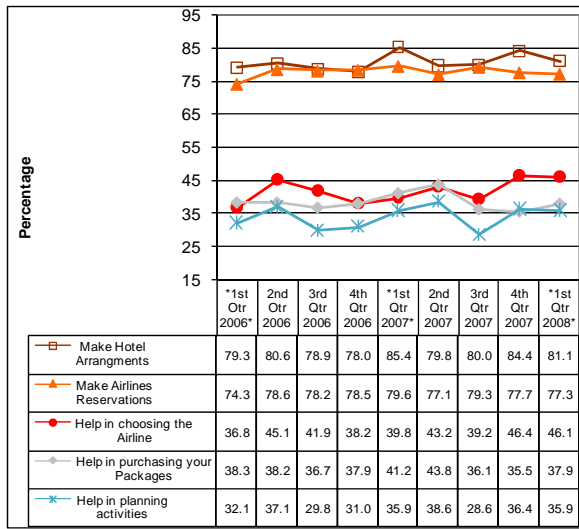
Note that the statistic reported for each travel agent use is the percentage of those who used a travel agent (from Internet and Travel Agent Use).

Figure 30: Travel Agent Use – U.S. [Percentage of U.S. visitors who used a Travel Agent]



- Most U.S. visitors who used a travel agent made airline reservations (78.6% or 15.9% of all U.S. visitors) and hotel arrangements (78% or 15.8% of all U.S. visitors) in the first quarter of 2008 (see Figure 30).
- The use of a travel agent to make hotel arrangements in the first quarter of 2008 was higher than the first quarter of 2007 (65.5% or 17.9% of all U.S. visitors).

Figure 31: Use of Travel Agent – Japan [Percent of Japanese visitors who used a Travel Agent]



- The use of travel agents by Japanese visitors was generally to make hotel arrangements (81.1% or 56.4% of all Japanese visitors) or airlines reservations (77.3% or 53.7% of all Japanese visitors) (Figure 31).
- The use of travel agents to help choose the airline in the first quarter of 2008 (46.1% or 32% of all Japanese visitors) was higher than the first quarter of 2007 (39.8% or 31.7% of all Japanese visitors).

DEFINITION AND SURVEY METHODOLOGY

Major Market Areas (MMA): The following are defined by the Hawai'i Tourism Authority as the top five geographical areas for marketing purposes to make the State more globally competitive:

1. U.S. West – Pacific (Alaska, California, Oregon, 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
5. Europe

Survey questionnaires were mailed to selected U.S., Japanese, Canadian and European visitors after they have returned home. The U.S. samples were drawn from the completed Domestic In-Flight Survey forms (Basic Data Series). The Japanese, Canadian, and European samples were drawn from the completed International Departure Survey forms (Basic Data Series).

There are two versions of the Visitor Satisfaction Survey form, one in English and the other in Japanese. The English version was sent to U.S., Canadian and European visitors. The 2008 survey has 8 pages and 33 questions.

**Table 1: Sample Size
January - March 2008**

Area	Mail-out	Recv'd	Return Rate	Level of accuracy at 95% CI
Japan	2,199	713	32.4%	+/- 3.7
U.S.	3,952	1,291	32.7%	+/- 2.8
Canada Europe	4,842	1,605	33.1%	+/- 2.4

Due to the low number of samples achieved, data for Lāna'i and Moloka'i were not presented in most of the data tables in this 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 O'ahu only and Neighbor island visitors.

This report is available in Adobe Acrobat form on the DBEDT website, <http://www.hawaii.gov/dbedt/info/visitor-stats/vsat>.

For further information about obtaining visitor data and other sources, contact the DBEDT Library at (808) 586-2424, or e-mail library@dbedt.hawaii.gov or DBEDT Research & Economic Analysis Division at (808) 586-2466.