



2013

Visitor Satisfaction Monitoring Report

First Quarter
(January – March)

HAWAII TOURISM

AUTHORITY

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INTRODUCTION

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

Beginning 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 first quarter (January-March) of 2013 grew 6.5 percent over the first quarter of 2012, climbing to 2,060,532 visitors. The rate of growth was a bit lower than the 8.6 percent in first quarter of 2012, but still produced 126,541 more visitors than in the previous year.

Arrivals from U.S. West increased 10.2 percent to 778,042 visitors. U.S. East arrivals rose 1.4 percent to 462,623 visitors. More visitors came from Canada (+3% to 207,298) compared to the first quarter of 2012. Arrivals from Japan were up 5.6 percent to 365,365 visitors. The average length of stay for all visitors to the state was 9.64 days, compared to 9.91 days in the first quarter of 2012.

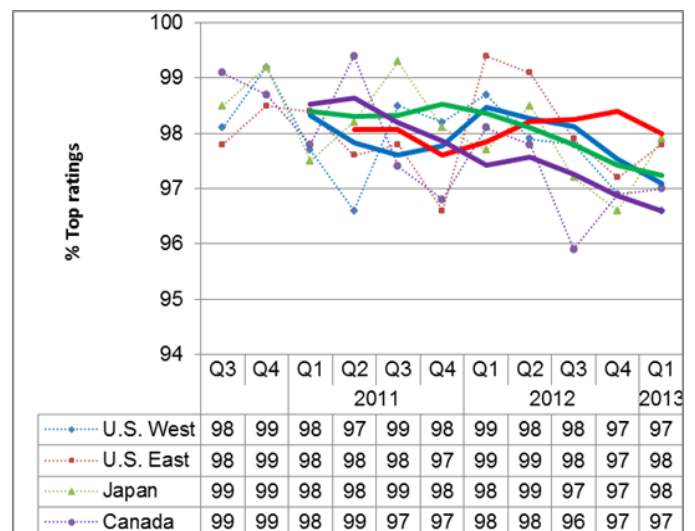
Visitor arrivals growth was led by O'ahu where an increase of 7.5 percent produced a total of 1,249,056 visitors. Arrivals on Maui were up 4.5 percent to 616,979 visitors. Hawai'i Island saw a growth of 6.2 percent over first quarter 2012 to 400,370 visitors.

Kauai's growth rate was 7.6 percent to 278,014 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]



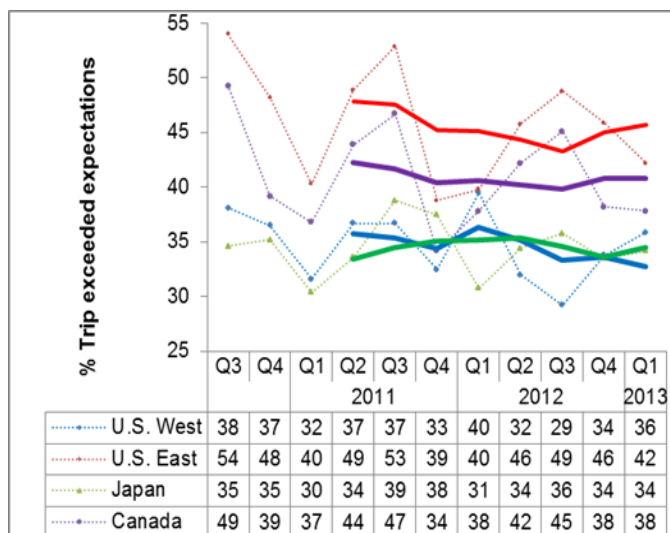
Note: Response options were changed from a 4-point scale to an 8-point scale in 2012. Figures shown here include responses 1 and 2 for 2010-2011 and 1 through 4 for 2012-2013.

- 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 all visitors were down one or 2 points (not statistically significant) since the first quarter of 2012, and the trend lines reveal a small but persistent decline over the last three years for all but U.S. East visitors.

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]

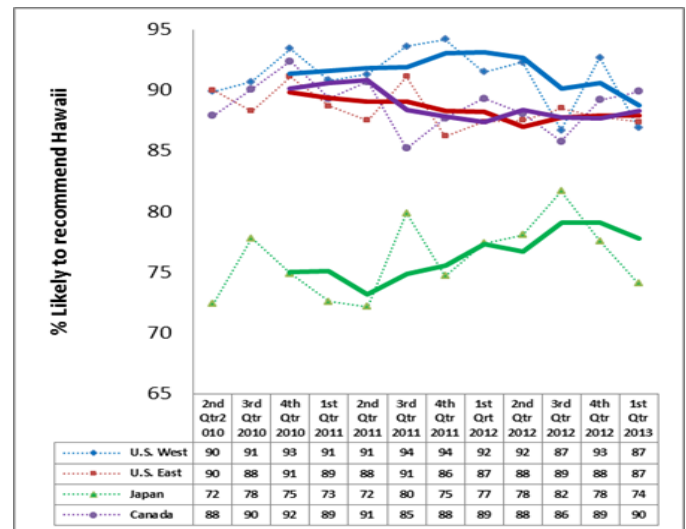


- The percent of visitors for whom the trip exceeded expectations was higher in the first quarter 2013 than in the first quarter 2012 for visitors for the U.S. East (+2 points) and Japan (+3 points). Canadian visitor ratings maintained the same 38 percent reported for first quarter 2012.
- Visitors from the U.S. West MMA reporting that the trip exceeded their expectations continued to fall, down 4 points since 2012.
- The trend lines (trailing 3-quarters moving averages) show that U.S. East and Canadian visitor ratings are beginning to rebound after two years of decline. Japan and U.S. West visitors' ratings show a slight decline (not statistically significant) that began in first quarter 2012.

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]

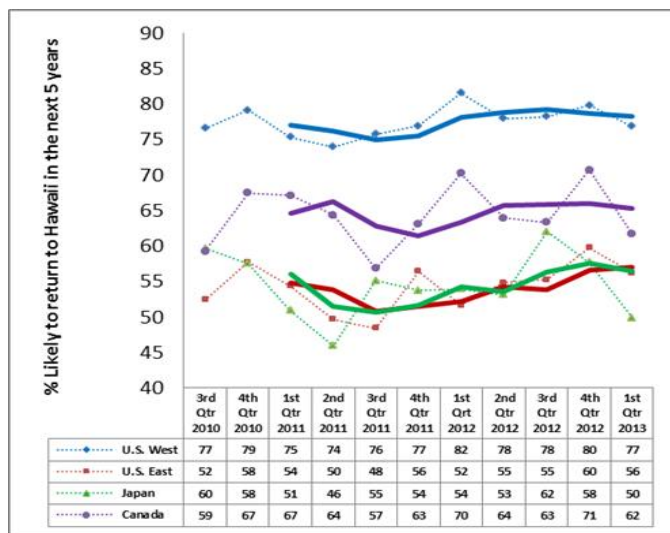


- Over the past few years nine out of ten U.S. West, U.S. East, and Canadian visitors said they would be very likely to recommend Hawai'i to friends and relatives.
- Among visitors from Japan, the likelihood has been lower. In the last three years, however, ratings among visitors from Japan improved steadily. This quarter the trend was interrupted as willingness to recommend Hawai'i dropped 3 points from first quarter 2012.
- U.S. West visitors have the highest likelihood to recommend Hawai'i, but the trend since first quarter 2012 has been declining. Their ratings dropped another 5 points since that time.

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]

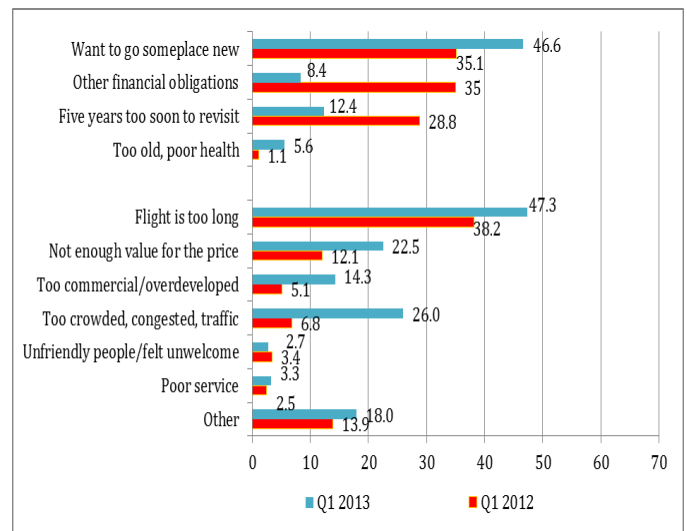


- Trend lines for *Likelihood to return to Hawai‘i in the next five years* is similar for all four of the top MMAs. The trends rose five to seven points in 2012 and have been leveling off since that time.
- The trend has tipped downward this quarter. Visitor ratings dropped five points since first quarter 2012 for U.S. West, four points for Japan, and eight points for Canada. Only U.S. East visitors reported an increase (+4 points) in the likelihood of returning to Hawai‘i within five years.
- Trend lines change more slowly than the volatile movement of the rating percentages. Second quarter 2013 results may change this picture.

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.

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



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

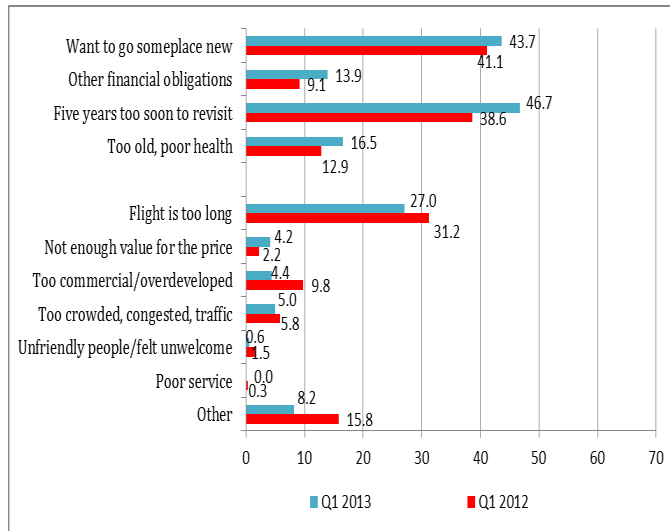
Note: The option too expensive was added in 2013.

About half of U.S. visitors offered at least one of the reasons shown at the top of Figure 5. They were not expecting to return to Hawai‘i because five years would be too soon (12%) or they wanted to visit new places each time they travel (47%).

Less than half offered one or more reasons that suggested some dissatisfaction with the most recent trip to Hawai‘i. By far the most frequently mentioned of those was the fact that the flight was too long (47%). Smaller numbers felt that Hawai‘i was overdeveloped (14%), not enough value for the price (23%), or congested (26%).

Between first quarter 2012 and first quarter 2013, the pattern of Japanese visitor 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]

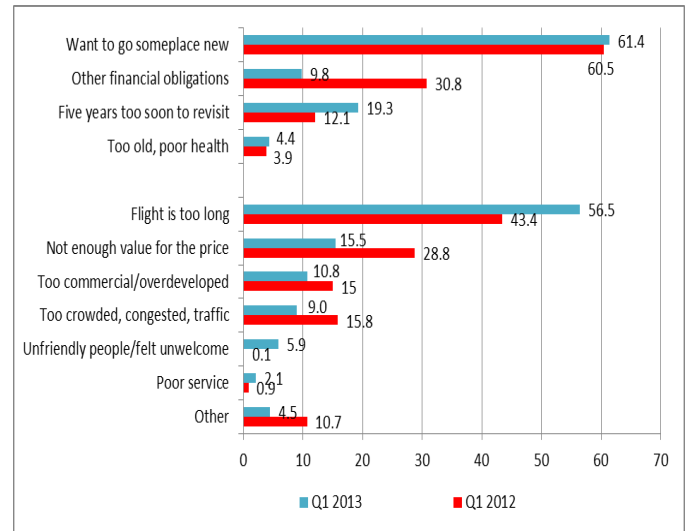


Visitors from Japan were more likely to report reasons that reflected their own situations or interests. They were less likely than U.S. visitors to say they wanted to visit someplace new, and much more likely than any other visitor group to say they felt five years was too soon for a major vacation.

Visitors from Japan have been 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 the flight was too long (27% vs. 47%), or that Hawai'i was too crowded (5% vs. 26%) or too commercial (4% vs. 14%).

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 other MMAs to report that they will not return to Hawai'i because they want to visit a location they have not visited before (61%). This is, by far, the most frequently mentioned reason for not returning among visitors from Canada.

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



Canadian visitors were also less likely than U.S. visitors to report negative evaluations of their most recent trip to Hawai'i as reasons for not returning. Both groups were concerned about the long trip. Canadians were less likely to mention high costs, commercialization, and congestion as reasons for not revisiting Hawai'i.

In the first quarter of 2013, Canadian visitors' responses were stronger on several reasons for not returning. Compared with a year earlier, their responses showed the following changes: the flight is too long (+13 points), not enough value for the price (-13 points), and Hawai'i is too crowded (-7 points.).

Individual Island Experience

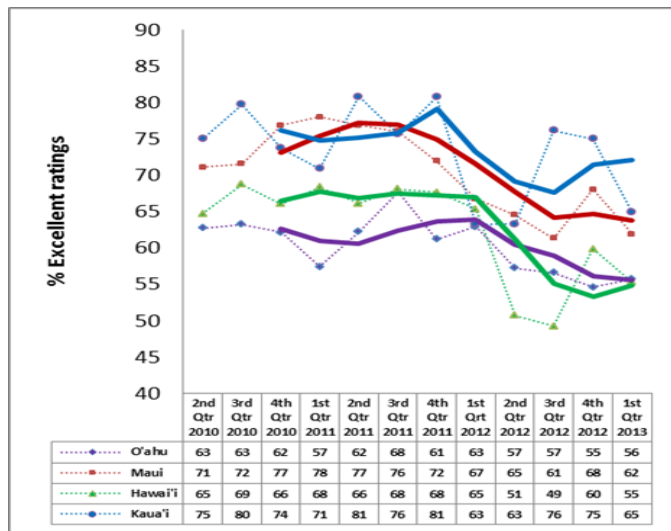
Each island in Hawai'i has unique characteristics, activities, and products that attract different kinds of visitors and produce varied visitor experiences. Visitor industry planners need satisfaction measurements in order to develop new and improved visitor products and services and to design communications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

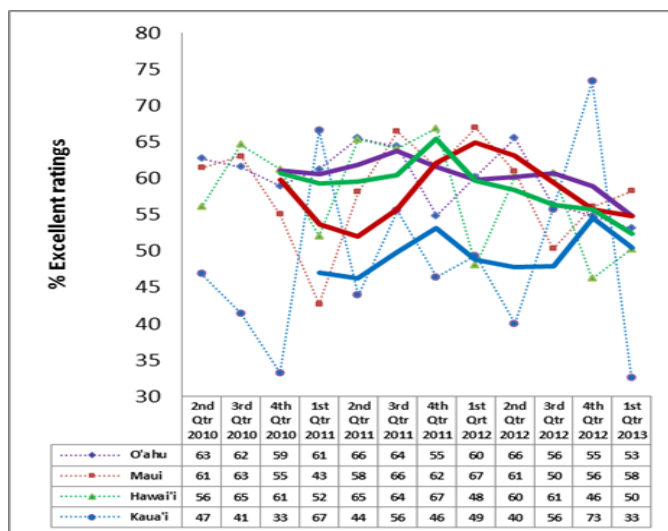


- In the first quarter of 2013, the “Excellent” ratings decreased for Maui (-5 points), Hawai'i Island (-10 points), and O'ahu (-7 points). Kaua'i's rating among U.S. visitors was up (+2 points) over first quarter 2012.

- 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 most recent quarter.
- The trend for Kaua'i has been 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 because fewer visitors from Japan choose to go to Kaua'i, resulting in sample sizes that are very low.

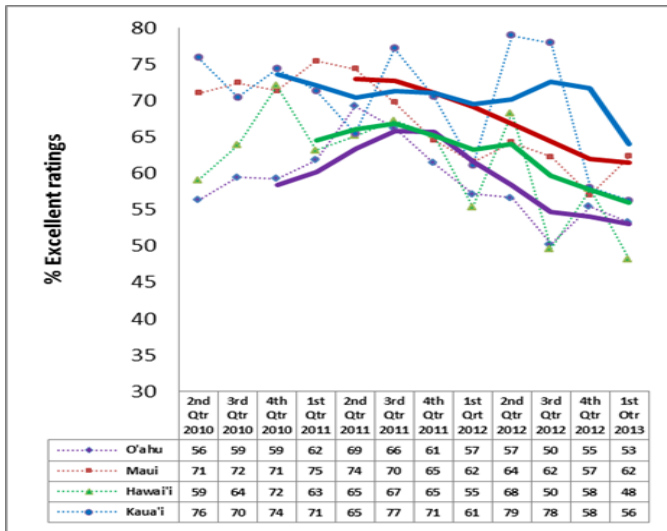
Figure 9: Island Experience Rated as Excellent - [Percentage of Japanese Visitors by Island]



- First quarter *excellent* ratings increased for Hawai'i Island (+2 points, not statistically significant). Ratings for O'ahu stayed the same as they were in first quarter 2012. Excellent ratings declined significantly for Maui (-9 points) and for Kaua'i (-16 points) since first quarter 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. The decline has begun to level off in the last two quarters.

- 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.

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.

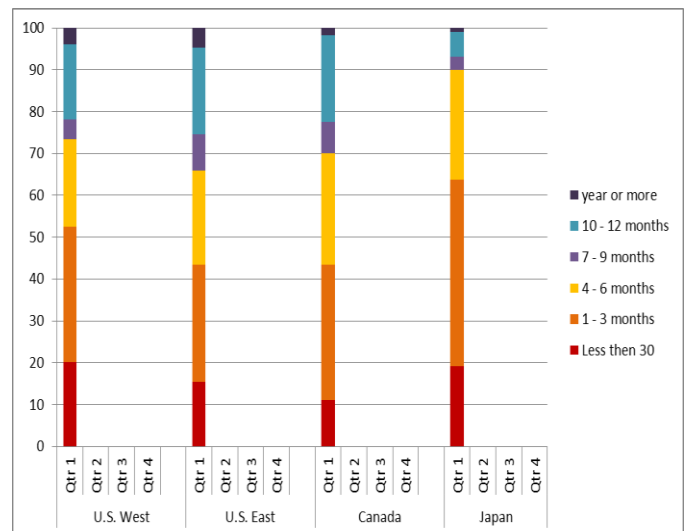
- Ratings among our Canadian visitors also began their downward trend in the second and third quarters of 2011. They continued to fall through the most recent quarter. Here, too, the Kaua'i ratings trend exhibits a more varied pattern (Figure 10).
- Compared with first quarter 2012 ratings, 2013 first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

Our visitors from Japan usually decide on their vacation destination closer to the travel date than those from the other MMAs. About 64 percent of visitors from Japan choose their destination less than 90 days before their departure date. That compares with about 49 percent of U.S. visitors and 43 percent of visitors from Canada. The booking times were similar to 1st quarter 2012, booking times for U.S. Visitors (49% vs. 45%), and Japan (64% vs. 65%).

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

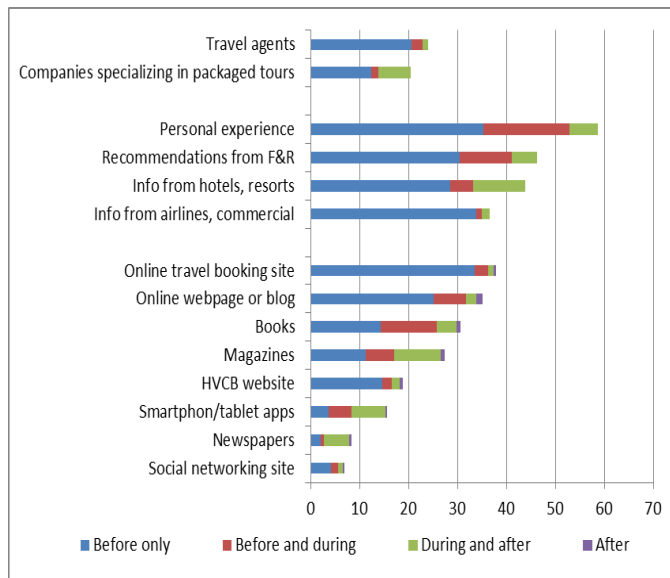


Visitors from the U.S. East decided on Hawai'i as their destination earlier than visitors from the other MMAs, with one-quarter of U.S. East visitors choosing their destination a year or more prior to traveling.

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 24 percent of visitors from Hawai'i's top four MMAs to plan and book their itineraries. About 20 percent of all visitors use companies that specialize in packaged tours.

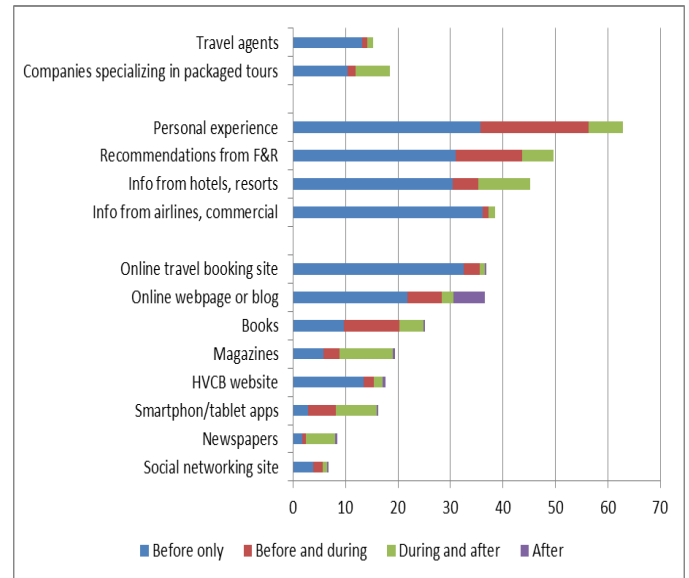
Figure 12: Sources of Information Used for Trip Planning - [Percentage of All O'ahu visitors]



About 59 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 46 percent of them rely on recommendations from friends and relatives, suggesting that our positive word-of-mouth advertising has been successful.

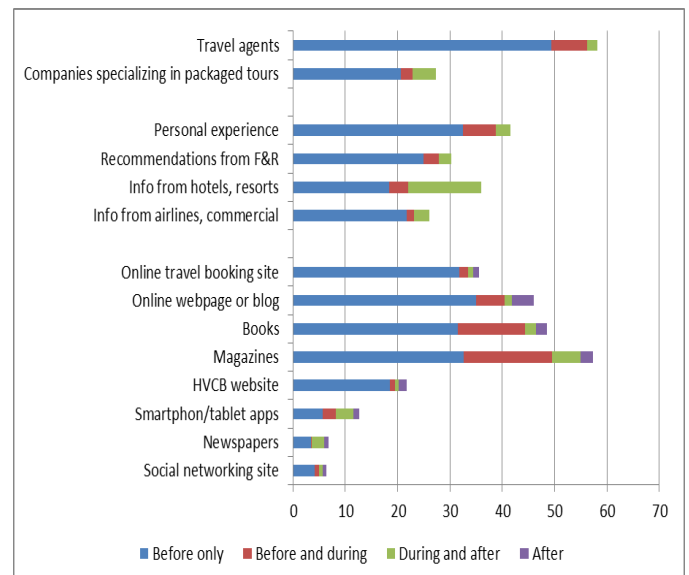
There were notable differences across MMAs in the type and amount of information used in trip planning.

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



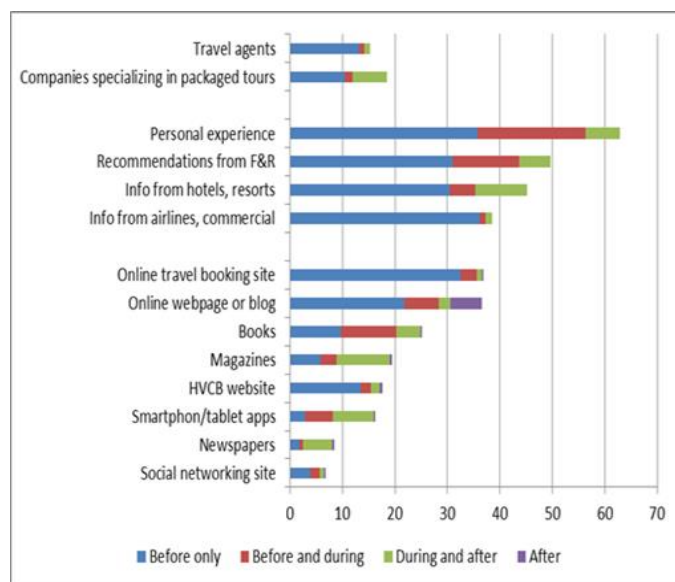
Visitors from the United States have an information use profile very similar to that of all visitors. They were, however, less likely to use travel agents (15% vs. 24%) and somewhat more likely to rely on their personal experience (63% vs. 59%).

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



Visitors from Japan had the most unique profile. They were significantly more likely than the average visitor to rely on travel agents (58% vs 24%), magazines (57% vs 27%), and books (49% 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 (55% vs. 46%), and to utilize online services such as booking sites (52% vs. 38%) 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.

**Table 1: Survey Response
January – March 2013**

MMA	Mailed	Received	Rate	Error
U.S. West	2,437	379	15.5	5
U.S. East	2,453	429	17.5	4.7
Canada	3,591	517	14.4	4.3
Japan	2,919	341	11.7	5.3
Europe	1,445	191	13.2	7.1
Oceania	712	136	19.1	8.4
China	455	13	2.8	N.A.
Korea	434	15	3.5	N.A.
Total	14,446	2,021	14	2.7

Approximately 2,000 surveys were mailed each month. An average of 420 completed forms was 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 fourth quarter are shown in Table 1.

The number of surveys mailed in the fourth quarter was 14,446 and will not change over time. About 2,021 surveys were received by January 15, 2013 and that number will increase slightly for the year. The current response rate was about 14 percent for the fourth quarter with a margin of error of plus-or-minus 2.7 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 In-Flight and 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 10 points.

For information about obtaining visitor data, call the Hawai'i Tourism Authority (HTA) at (808) 973-2255 or email us at:

research@Hawaii'tourismauthority.org

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