



SPOTLIGHT ON
SOCIAL MEDIA &
THE TRAVEL INDUSTRY *PG2*



MARKET INSIGHTS UPDATE

North America | April 2015

A monthly update including relevant information on travel industry trends, consumer and meetings market research, competitive intelligence, and Hawai'i's performance as a destination.

In This Issue

Digital media consumption is growing, changing the ways in which consumers access information. With time spent on smartphones up nearly +400 percent since 2010, the media landscape is experiencing a shift towards fast, relevant, and easy to digest content for consumers who are always on mobile. This shift has helped bring social networks into the spotlight.

As social media usage becomes more prevalent among travelers, consumers are changing the ways in which they find, engage with, and share information online. More than three-quarters of U.S. overseas travelers now utilize social media in some capacity. In this month's *Spotlight On:*

Social Media & The Travel Industry, learn about the social media habits, usage, and favored channels of the U.S. overseas traveler. This overview aims to help you better understand how this growing channel may impact both your business and marketing, as well as allow you to better engage with current and future visitors alike.

Looking ahead, Hawai'i is well-positioned to capture its share of North American arrivals in the near term. With air seat capacity from the U.S. and Canada expected to continue to grow in the upcoming months, market indicators suggest a strong performance from Hawai'i as a destination.



SELECTING A DESTINATION

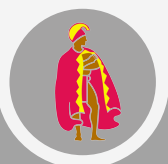
North American leisure travelers look for a variety of characteristics when selecting a vacation destination. Understanding what travelers consider to be important can help you better meet potential and future visitors' needs.

PG4

VISITOR ARRIVALS & AIR SERVICE

Visitor arrivals from the North American market were up in the first two months of 2015, due in part to increased air seat capacity as well as strong demand. Scheduled seats are expected to remain strong year-over-year in the months ahead.

PG5



HAWAI'I VISITORS AND CONVENTION BUREAU



Photo courtesy of H&A / Tor Johnson

Social Media & the Travel Industry

At a Glance: The Shift to Mobile

Mobile device ownership is quickly becoming universal. Nearly two-thirds of U.S. overseas travelers (65.3%) own a smartphone as of 2013, up from just 18.1 percent in 2009. Tablet devices are also becoming more common, with nearly one-third of U.S. travelers (31.7%) having an iPad or other tablet computer. The amount of time spent online using mobile as opposed desktop is also increasing. More than 30 percent of travelers report now spending more than half of their time online on a mobile device.

Continued on PG3

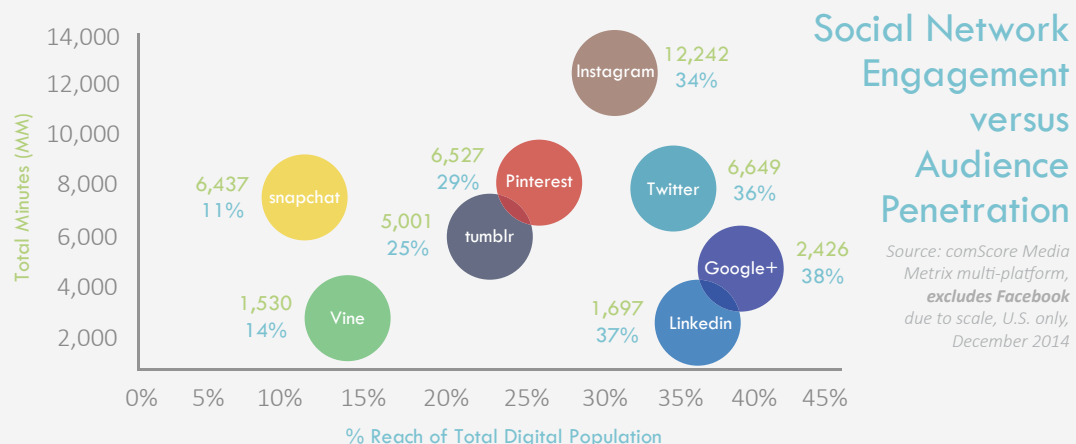
Social Media's Reach

Digital media's unique ability to create a two-way dialogue between consumers and businesses is unprecedented and the sheer volume alone is impressive. In 2013, digital media overtook television for the first time ever in terms of the amount of time people spend using it. By November 2014, the Internet's U.S. audience totaled 250 million people, who spent more than 82 hours per unique visitor online a month.

Ten years after its founding, Facebook remains the behemoth of social media. The social network leads the way with an 81 percent reach of the total digital population and nearly 230 billion minutes of user engagement. Facebook sees 18 times more time spent on site than the next biggest social network, Instagram, whose popular photo sharing site

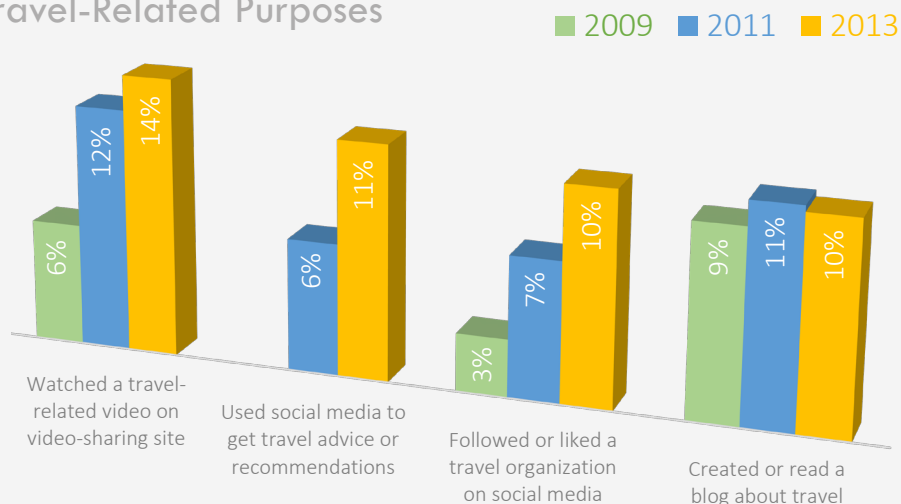
reaches more than one-third of the U.S. digital population with more than 12 billion minutes spent on the channel. Twitter, on the other hand, sees a slightly larger reach than Instagram (36%), but lower overall engagement.

The vast majority of travelers now use social media in some form. Nearly half of overseas U.S. travelers (47.6%) report they are passive social media users, while nearly a third (29%) identify as active users. Nearly two-thirds (64.7%) of U.S. overseas travelers who are active social media users fall into the Generation X and Generation Y demographic, ranging in age from 18 to 48 years old. This group spends more time online than other travelers, are more likely to have a smartphone, and spend a considerably larger amount of time on mobile devices.



U.S. Overseas Travelers' Use of Social Media

for Travel-Related Purposes



Source: Travel Styles 'Americans as International Travelers' 2013-2014

Social Media Usage Among U.S. Travelers

Throughout the vacation process, consumers are influenced by and engaged with digital media in different ways. For travelers, social channels are first and foremost an outlet for sharing travel with friends and communicating with brands. Social channels begin as a source of inspiration while planning a trip, falling just behind 'friends and family' and 'word of mouth' sources for travel ideas. Social media has essentially become an extension of these more traditional information sources.

Social channels have less presence, however, in travel planning and shopping, where online travel agencies and search engines reign supreme. Nearly 55 percent of U.S. travelers rely on OTAs for comparing and choosing a leisure travel product, while 47 percent use search. Only 13 percent of U.S. travelers utilize social media when planning and purchasing travel.

Facebook is still the dominant social media platform for U.S. overseas travelers - virtually all active and passive social media users access Facebook regularly. At the same time, Facebook's penetration of the U.S. outbound travel market has not increased since 2009, holding steady around 65 percent.

Fewer than three in ten U.S. overseas travelers regularly use other major social media sites besides Facebook. It is mostly the active social media users who account for the bulk of activity on social media sites beyond Facebook. Active social media users regularly use three core social media sites

beyond Facebook - YouTube, Twitter, and Instagram. More than one-quarter (28.3%) of U.S. outbound overseas travelers and half (50.4%) of active users regularly access YouTube, which is considered the second most popular search tool in the world after Google. Although Twitter receives far less use overall by all overseas travelers (14%), more than one-in-three (34.6%) active social media users access the platform. Approximately one-third (31.3%) of travelers who are active social media users also use Instagram, while only one-tenth (11.4%) of all travelers do.

Comparatively fewer travelers use social media specifically for travel-related purposes, however the share who have done so is growing. Just over one-in-ten (11.4%) U.S. overseas travelers used social media to get travel advice or recommendations in 2013, up from 6.4 percent in 2011. Nearly 14 percent of travelers watched a travel-related video on YouTube or other video-sharing site, up from just 5.9 percent in 2009. Finally, more than one-in-ten (10.2%) U.S. overseas travelers followed or liked a travel organization on social media in 2013, up from just 2.8 percent in 2009.

U.S. overseas travelers are more commonly using social media to share experiences while traveling. Nearly one in four (24.5%) travelers posted photos or videos to social media while on a vacation, while 21.1 percent updated their status or location on social media while traveling.

Sources include: Deloitte 'Social? That's for consumers. For travel companies, social media means business' 2015, Travel Styles 'Americans as International Travelers' 2013-2014, comScore '2015 U.S. Digital Future in Focus' 2015


#LetHawaiiHappen

HVCB officially launched the social media-based Let Hawai'i Happen campaign at the start of 2015.


To access the Let Hawai'i Happen video playlist, visit hawi.in/LHHPlaylist.

To see #LetHawaiiHappen hashtag uses, visit hawi.in/LHHhashtag.

To date, the campaign has achieved:

 81.3 million social impressions

 1.8 million video views

 27,500 hashtag uses

The Shift to Mobile

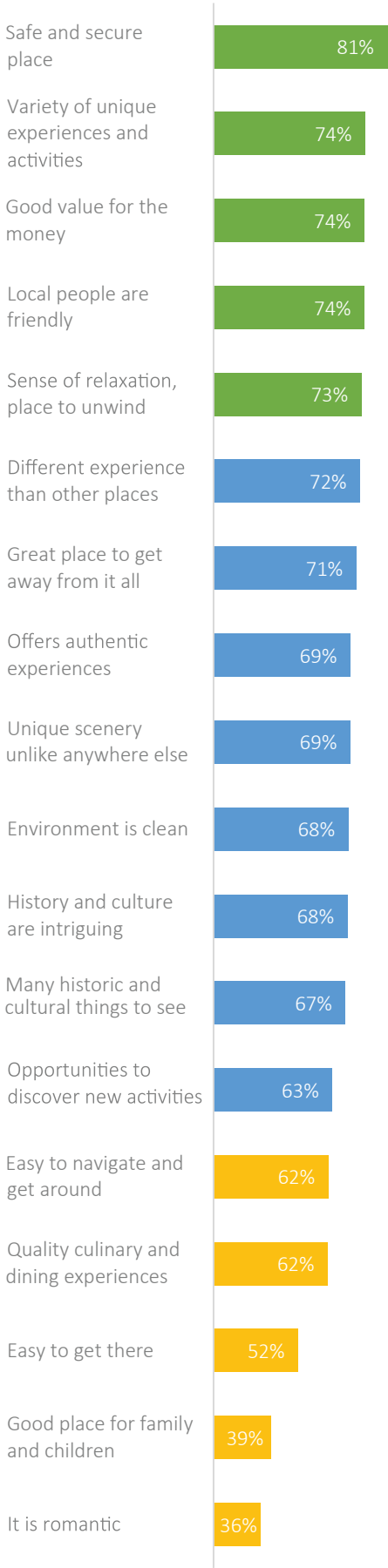
from PG2

Travelers are increasingly using mobile for travel planning and booking purposes. Nearly one-quarter of U.S. overseas travelers (23.2%) used a mobile device to research or plan travel in 2013, up +8.0 percentage points over 2011. Similarly, more than 14 percent of U.S. overseas travelers used a mobile device to book or purchase travel in 2013, up from 8.5 percent in 2011.

Travelers are also using their mobile devices even more so while traveling. Smartphones have become the primary tool for documenting a travel experience, navigating new locales, and finding information on a destination. More than 40 percent of U.S. overseas travelers report taking a photo or video on their mobile device while traveling, while 30.3 percent used their device to find local services or attractions, and 15.1 percent downloaded a travel app.

The growth of the mobile web and social media are interlinked. The vast majority of active social media users (85.6%) own a smartphone, where they spend nearly two-thirds of their online time. Mobile-only social networks are also encouraging this shift, disabling features for desktop users and further impacting how travelers use and engage with content online.

Travelers' Top Factors When Selecting a Vacation Destination



Source: DK Shifflet & Associates survey data, Top 2 Box Extremely/Very Important, Q1 2015



Selecting a Leisure Destination

Destination Characteristics Considered by Travelers

It is important to understand what travelers are looking for in a destination in order to better deliver desired experiences to current and future visitors. North American travelers have a short list of criteria that they consider to be very or extremely important when selecting a vacation destination, ranging from the atmosphere of a place to activities offered.

By far and away, leisure travelers are looking for a safe place to vacation. More than 80 percent of U.S. and Canadian travelers cite safety and security as extremely or very important when selecting a leisure destination.

Leisure travelers are also seeking a destination that offers a variety of unique experiences and activities. Nearly three-quarters (73.7%) of North American leisure travelers report this to be very or extremely important when selecting a vacation destination.

Having welcoming people also entices U.S. and Canadian travelers, with nearly 74 percent of reporting that friendly locals are important when choosing where to vacation.

Travelers are also concerned with the

value they receive from a vacation, particularly in terms of money spent. Nearly three-quarters of U.S. and Canadian travelers consider good value for money to be very or extremely important.

Just over half of North American travelers consider a destination's ease of access important when deciding on a vacation destination. With 52 percent saying it is extremely or very important that a destination is easy to get to, maintaining efficient and affordable air service is vital for Hawai'i.

A smaller percentage of North American leisure travelers seek destinations that are family-friendly. With 39 percent saying it is extremely or very important for a destination to be a good place for families and children, the family market is more of a niche segment of the travel population.

Similarly, a smaller percentage of travelers are looking for a romantic destination. This is again due to the romance market being a smaller segment that appeals to a narrower range of travelers. Only 36 percent of U.S. and Canadian air leisure travelers say a romantic destination is extremely or very important when choosing where to vacation.



Photo courtesy of HITA/Tor Johnson

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Visitor Arrivals & Air Service

North American Arrivals and Air Seats Up Year-Over-Year

Strong demand for a Hawai'i vacation, coupled with a record number of air seats to the state, helped drive visitation from the North American market in the opening months of 2015. Arrivals from the U.S. and Canada grew +2.8 percent year-over-year in January 2015, while visitor arrivals were up +3.2 percent in February. This puts 2015 +3.0 percent ahead of 2014 year-to-date.

Visitor arrivals from the North American market are expected to remain strong in the months ahead. Air seat capacity from the U.S. and Canada continues to pace well ahead of last year, with scheduled air seats for the next six months currently up +8.9 percent from the U.S. and +23.1 percent from Canada.

SNEAK PEEK AT NEXT MONTH

-  Summer 2015 Outlook for Hawai'i
-  Latest airfare data through December 2014
-  Update on Hawai'i's competition



**HAWAI'I VISITORS and
CONVENTION BUREAU**

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