



SPOTLIGHT ON: SOCIAL MEDIA LANDSCAPE PG2

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.

Photo courtesy of HTA / Daeja Fallas

MARKET INSIGHTS UPDATE

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Social Media Landscape for 2018

From the moment the alarm clock goes off to the second their head hits the pillow, Americans spend on average nearly half their day staring at a screen. Increased screen time is credited to the rise of smartphones and tablets. The proliferation of mobile devices has also come hand-in-hand with increased social media usage; the average American now spends nearly two hours a day on social channels.

The shift towards near constant access to online media means travelers are consuming information in ways different than in the past. With the availability of essentially unlimited resources, Americans have new insight into travel long before they even consider booking a vacation. From a Facebook Live stream of a popular influencer exploring a foreign country to a friend's in-flight selfie, consumers are increasingly exposed to new types of media and messaging. As a result, social platforms have become

a revolutionary channel for destination marketing, and the travel industry has rapidly embraced this change.

Seeing this opportunity, many businesses have blindly jumped into social media marketing, often with disappointing results. Consumers are bombarded with digital advertisements during every minute of screen time, meaning it is becoming increasingly difficult to catch their eyes. At best, consumers' have shorter attention spans and are less willing to engage with content. At worst, they no longer find a marketed product or service distinguishable from the rest. As a result, using social media marketing effectively is becoming increasingly difficult, particularly within the travel space. This month's *Market Insights Update* explores changing social media trends and provides insight into how to best break through the noise and capture the attention of target consumers. *Continued on PG2*



TRAVEL INTENTIONS

Hawai'i travel intentions rebounded from the sharp drop seen in the first half of 2017. Despite strong demand, the cost of travel still remains a major barrier to visiting for many travelers. A significant increase in air seat capacity in the first half of 2018, however, is expected to help alleviate some cost concerns.

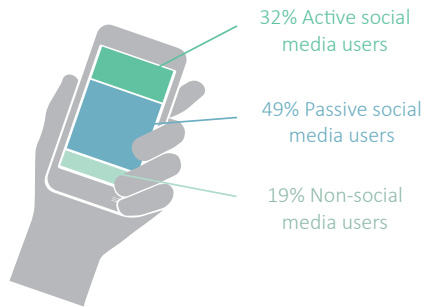
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Social Media Landscape for 2018

Social Media Engagement Among U.S. Overseas Travelers



Source: HVCB analysis of TravelStyles USA 2015-16 data

The Rise of Social

Undoubtedly, we live in a digital era where mobile-first is the new lifestyle. Engagement with social media has increased among U.S. overseas travelers; as of 2015, 32 percent are considered active social media users and 49 percent are categorized as passive social media users. Two-thirds (67%) of active social media users fall into the Millennial and Gen X demographics. These trends are unlikely to reverse any time soon. With Millennials accounting for the vast majority of active social media users, the share of travelers using these platforms is only going to increase over time.

Nine out of ten American outbound travelers who consider themselves active social media users utilize Facebook on a regular basis, while 49 percent watch YouTube videos, and 40 percent have an Instagram account. These percentages continue to grow.

While Facebook reigns king among social channels, it has also evolved into a platform focused on monetization on reach and engagement. Over the past several years, organic reach on Facebook has plummeted by -42 percent, while average engagement has declined by -22 percent. Some of this decline can be attributed to changing algorithms, but much of the blame also lies in the sheer volume of Facebook con-

tent competing for users' attention.

The reach of social platforms anchored in visual media has grown dramatically, particularly amongst younger audiences. One example of this is the photo-sharing app Instagram, which has become a social media powerhouse in recent years. More than 250 million people worldwide now use the app's popular "stories" feature on a daily basis. Between 2013 and 2016, the share of Americans overseas travelers who are active social media users and have an Instagram account grew from 31 percent to 40 percent. Another surprising breakout in the competition for social media users is Snapchat. Originally launched as a private messaging app in 2011, Snapchat has since grown into a popular social platform for 18 to 34 year olds. Nearly one in five (18%) of American overseas travelers who are active social media users have a Snapchat account.

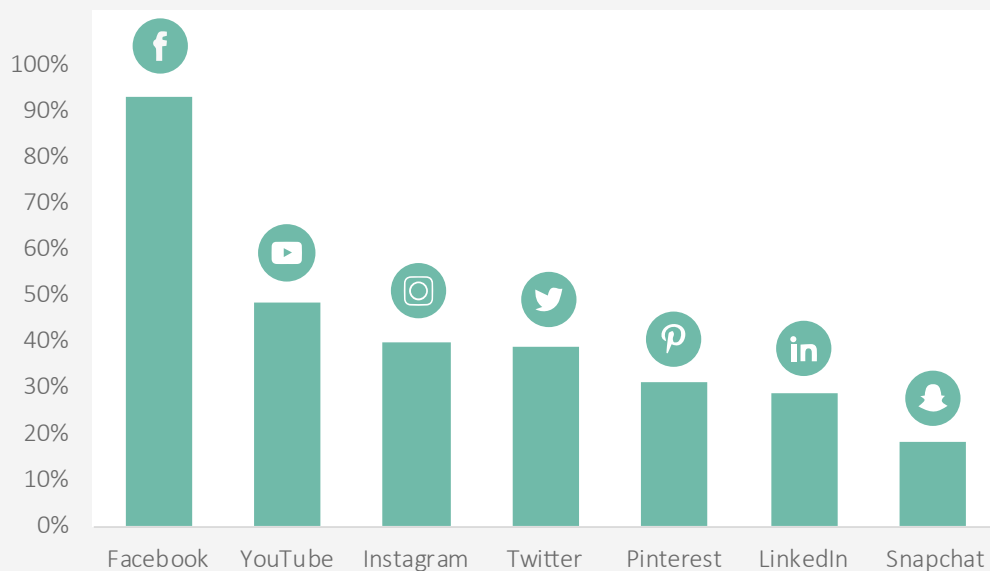
Generating Compelling Content

Given the considerable amount of time U.S. consumers spend on social media, it is incumbent on travel-related businesses to have a robust Internet and social media presence to maximize their exposure. With that said, it is important to understand the type of content that has the most influence on travelers' path to purchase.

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Top Channels Used by Active Social Media Users

Among U.S. Overseas Travelers



Source: HVCB analysis of TravelStyles USA 2015-16 data

Speaking to the right audience is important, but successfully *engaging* your target audience is equally critical. Modern travelers are more receptive to authentic and personalized messages. In the competitive digital arena, marketers are finding themselves carefully curating content to specifically appeal to their target audience. A successfully curated message often drives up consumers' engagement. Rather than focusing on the volume of posts, quality of message is often the more important component.

Another trend is towards visual content, i.e. pictures, videos, and other media that draw the viewer's eyes. These visual messages are often short and concise, yet allow room for consumer engagement. The rapid rise of photo-sharing and short video-sharing apps like Snapchat and Instagram is evidence enough, but there is also no shortage of statistics showing that visual content is more engaging: tweets with pictures generate 150 percent more retweets, visual Facebook posts get 2.3 time more engagement than pure text, and infographics have grown to be one of the most popular forms of content. More importantly, visual media better prime consumers to make purchase decisions. Similarly, videos that are shorter in length (less than five minutes), content that is optimized for mobile, and content that is streamed in real-time via features like Facebook Live are all more likely to grab users' attention.

in comparison to the new gold rush of social media marketing: influencers. A catch-all phrase for celebrities, Internet personalities, and really anyone else with a significant reach on social platforms, influencers have exploded onto the content marketing landscape in recent years. Influencers can wrack up hefty fees because, well, their influence works. Influencer marketing delivers up to 11 times the return on investment as other forms of social media outreach. Thanks to their large fan base, influencers are able to engage with the target audience and deliver authentic messages through storytelling.

Partnering for Added Reach

For many businesses, diving into social media marketing may be intimidating, especially knowing that channels are oversaturated and consumers are quick to shift from one platform to the next. As a result, building a brand and audience through social media is no easy feat. Adding to the risk is the high price tag. For companies with limited budgets, curating quality digital content and working with well-known influencers can come at a very high cost. The good news, however, is that through partnerships and collaborations with Hawai'i Visitors and Convention Bureau, businesses are able to extend their reach and tap into resources while helping build destination awareness, desire, and intent to visit Hawai'i.

Source: HVCB analysis of TravelStyles USA 2013-2014 and 2015-16 data, and Phocuswright 'The Year in Review and the Year Ahead'.





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Travel Intentions

Sneak Peek at Next Month



2018 Market Outlook

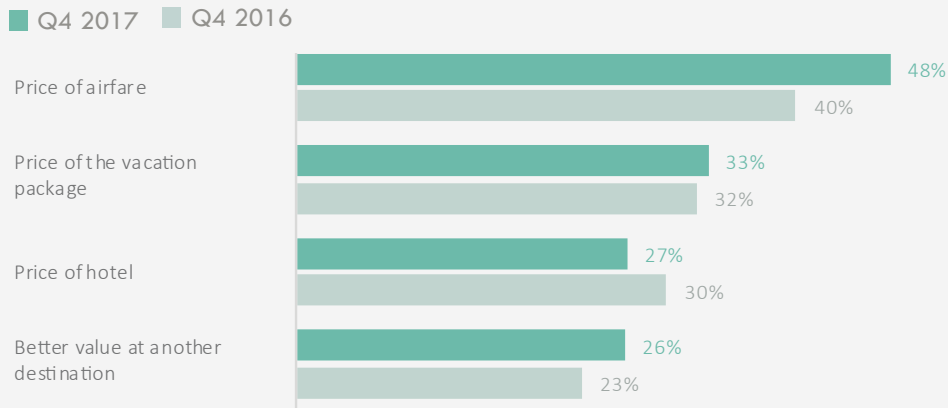
Despite faltering in the first two quarters of 2017, Hawai'i travel intentions hit a new record high in the fourth quarter of 2017. According to the latest MMGY Global *travelhorizons* data, nearly half of U.S. air leisure travelers (45%) said that they are very or extremely likely to visit Hawai'i in the next 24 months. This is slightly behind Q4 2016, a difference of -2.0 percentage points.

Although travel intentions are strong, Hawai'i is still susceptible to a range of travel barriers. As of Q4 2017, one third of U.S. air leisure travelers (35%) have previously considered traveling to Hawai'i but decided not to after all. The cost of travel to Hawai'i remains the highest ranked barrier, with nearly half of

U.S. air leisure travelers (48%) saying the price of airfare was their biggest travel deterrent, followed by the cost of a vacation package (33%) and the price of a hotel room (27%).

Air travel cost concerns are expected to alleviate some in the first half of 2018, when air seat capacity to Hawai'i from the U.S. mainland is expected to grow +15 percent, totaling more than 600,000 seats. A surplus of seats typically correlates to a drop in airfares. The last time Hawai'i saw double digit growth in air seats (Q2 2015, +13%), fares dropped -6 percent in the same quarter. This bodes well from the consumer perspective, with lower costs helping to drive actual Hawaiian Island vacation bookings.

Hawai'i's Top Travel Barriers by U.S. Air Leisure Travelers



Source: HVCB analysis of MMGY Global *travelhorizons* data