



SPOTLIGHT ON: GOLF TRAVELER PROFILE 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.

MARKET INSIGHTS UPDATE

North America | February 2016

In This Issue

Golf Travel Market

With a penchant for the outdoors, high household incomes, and a taste for luxury vacations, golfers are attractive visitors for Hawai'i as a destination. This market travels frequently, spends significantly more while on vacation, and participates in a variety of travel loyalty programs. Passion for the game permeates many aspects of avid players' lives, particularly where they choose to spend their vacation time.

According to the National Golf Foundation, there are nearly 25 million golfers in the U.S. Of these, 13.6 million are considered avid golfers who play eight or more rounds

per year. While general enthusiasm for golf has waned in recent years, the market for overseas trips dedicated to golf has remained stable. One in ten U.S. travelers (9.7%) say they would take an overseas golfing vacation, a market of 5.1 million persons.

With over 70 courses on six different islands, travelers who golf make up an import segment of Hawai'i's target visitor market. This month's *Spotlight On* takes a deeper look at golf travelers, including their preferred destinations, travel planning sources, and the activities they participate in while on vacation.

Continued on PG2



AIRFARE UPDATE

Recently released data shows airfares to Hawai'i from the U.S. mainland fell for the third consecutive quarter in Q3 2015. Record air seats coupled with lower gas prices helped keep the cost of air travel low.

PG4

VISITOR ARRIVALS

North American visitor arrivals to Hawai'i reached a new high in 2015. Strong travel demand and lower airfares helped boost arrivals through the end of the year.

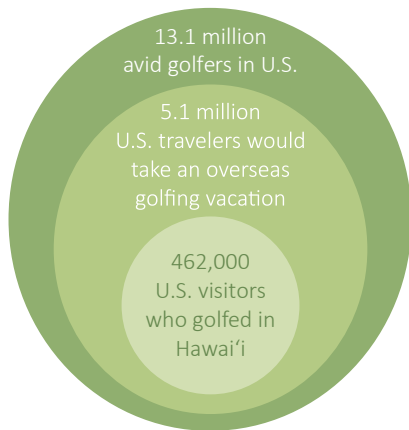
PG5





Golf Travel Market

Size of U.S. Golf Travel Market



Source: HVCB analysis of National Golf Foundation data, HTA Visitor Satisfaction & Activity Report data, 2014

Profile of the Golf Traveler

Demographics

Nearly two-thirds (64.1%) of U.S. air leisure travelers who golfed while on vacation in the past year have an annual household income greater than \$100,000. This is significantly higher than the overall U.S. air leisure traveler population, where just over half (51.3%) make more than \$100,000 per year.

Male travelers are more likely than female travelers to be dedicated golfers (14.5% versus 5.1%). However, when it comes to actually playing a round of golf while on vacation, the split is relatively even (50.8% male versus 49.2% female). This is likely due to the fact that golf

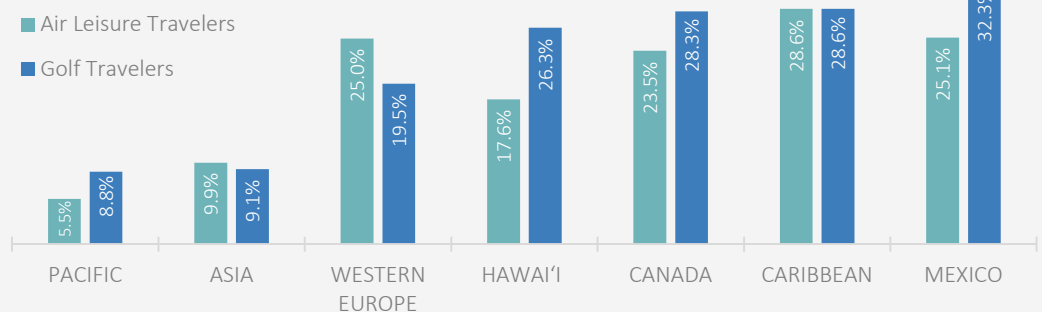
travelers tend to take vacations accompanied by their spouse or family. Travelers who participate in golf while on vacation are also more likely to be married compared to the general U.S. air leisure traveler (70.1% versus 63.0%).

Preferred Destinations

Travelers who golf have a higher affinity for overseas destinations. Mexico, the Caribbean, and Canada are among the most popular. Hawai'i also ranks highly – more than 26 percent of golf travelers having visited the state in the past three years, compared to 17.6 percent of all U.S. air leisure travelers.

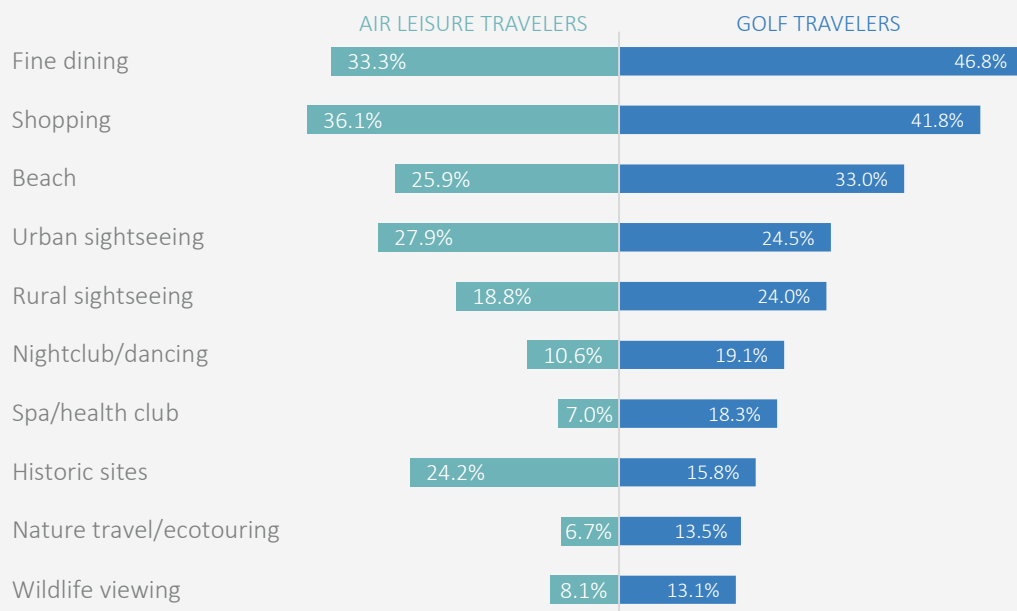
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Golf Travelers' Top Overseas Destinations visited last three years



Source: HVCB analysis of TNS TravelsAmerica data, destinations visited in last three years, Q1 2014 - Q3 2015

Golf Travelers' Top Vacation Activities



Source: HVCB analysis of TNS TravelsAmerica data, Q1 2014 - Q3 2015

Top Activities Beyond Golf

Golfers are exceptionally avid travelers who have a high propensity for participating in a variety of non-golf related activities while on vacation. Their top activities include fine dining (46.8%), shopping (41.8%), the beach (33%), and sightseeing (24.5%). Golfers are also much more likely to participate in these activities than the general U.S. air leisure traveler. Golfers have a significantly higher affinity for fine dining (+13.5 points), spas/health clubs (+11.3 points), and nightclubs/dancing (+8.5 points) while on vacation, making them an extremely attractive visitor for Hawai'i.

Vacation Planning Sources

Among their top travel planning resources, travelers who golf use both online and offline sources, though they tend to rely slightly more on offline (74.8% vs. 70.2%).

Golfers most often utilize their own previous experience (39.0%) and friends and relatives (36.6%) when planning a vacation. Travel provider websites (36.6%), online travel agencies (24.3%), and social media (24.2%) make up golfers' preferred online travel planning sources.

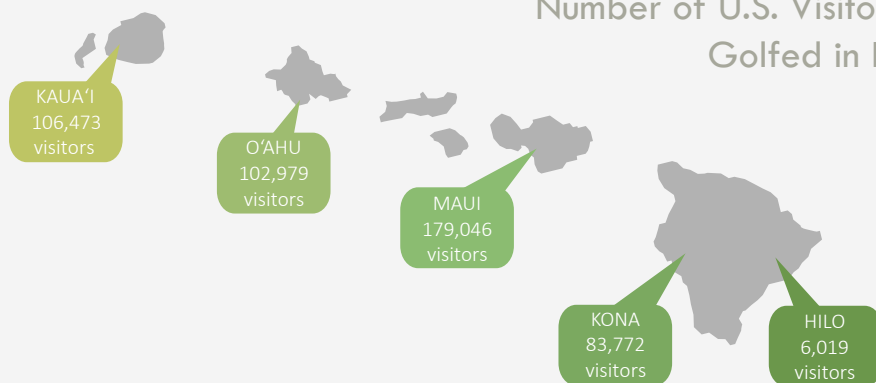
Golfing in Hawai'i

In 2014, more than 460,000 U.S. visitors (9.2%) played golf in Hawai'i. Maui, Kaua'i, and O'ahu rank among the most popular islands for the game in terms of visitor volume. One in ten (10%) U.S. visitors to Maui golf while on island, accounting for nearly 180,000 visitors in 2014. Kaua'i follows in second, with nearly 107,000 visitors who golfed in 2014, making up 11.7 percent of U.S. arrivals to the island. While only 4.1 percent of U.S. arrivals to O'ahu golf, they still totaled nearly 103,000 visitors in 2014.



Photo courtesy of HTA / Sri Maava Rusden

Number of U.S. Visitors Who Golfed in Hawai'i 2014



Source: HVCB analysis of HTA Visitor Arrival, Visitor Satisfaction & Activity Report data, 2014



Airfare Update

\$665

The average cost of a flight from the U.S. mainland to Hawai'i in Q3 2015 - 2% less expensive compared to one year ago.

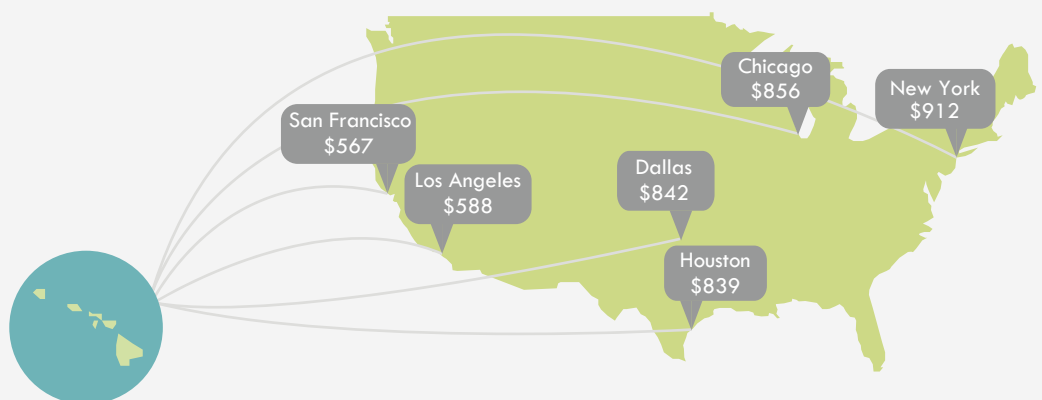
Airfares to Hawai'i Continue to Fall

Recently released airfare data shows the cost of air travel to Hawai'i continued to fall in the third quarter of 2015, the third consecutive quarter of decreased airfares since 2013. The cost of a flight to Hawai'i from the U.S. mainland averaged \$665 in the third quarter, -1.8 percent less expensive than the previous year. Airfares to many of Hawai'i's key source markets eased in the second quarter, including a -8.0 percent drop in fares from Houston, -4.0 percent from

New York, and -2.3 percent from Chicago.

Increased air seat capacity from the North American market has helped keep airfares low. Q3 2015 was a record quarter for air service to Hawai'i. Nearly 2.2 million seats were bound for the islands from the U.S. mainland in the July through September period, a +5.0 percent increase year-over-year and a new all-time high. The growth in air seat capacity, coupled with low oil prices, put downward pressure on airfares.

Average Round Trip Airfare to Hawai'i Q3 2015





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Visitor Arrivals

North American Visitor Arrivals Hit Record High in 2015

In 2015, North American visitor arrivals to Hawai'i surpassed pre-recession levels for the first time since 2007, reaching a new record high of 5.8 million persons. This growth from was largely fueled by strong demand for leisure travel, record levels of air service from the U.S. and Canada, as well as lower air travel costs. Overall, arrivals from the U.S. grew +5.7 percent in 2015, accounting for just over 5.3 million visitors. Meanwhile, Canadian arrivals totaled over 517,000 visi-

tors, down -1.7 percent year-over-year. It comes as no surprise that the Canadian market lagged behind in 2015, due to the significant drop in value of Canada's dollar. Other U.S. destinations have also reported lower Canadian arrivals. 2015 was a relatively stable year for U.S. travel, with no major economic, geopolitical, or safety disruptions. Hawai'i benefited from the mostly uneventful year, which helped keep North American arrivals on their record-setting path.

Sneak Peek at Next Month

- Spotlight On: Meetings, Conventions, & Incentives Travel
- Hotel industry update
- Latest on traveler sentiment

North American Visitor Arrivals

