



SPOTLIGHT ON:
ROMANCE
TRAVEL PG2



Photo courtesy of HITA / Tor Johnson

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

United States | February 2017

In This Issue

Romance Travel Segment

While the idea of romance travel seems inherently appealing, there is more to it than just short-term enjoyment; a growing body of evidence points to such trips as beneficial to the long-term health of a romantic relationship. A 2013 survey found that almost two-thirds of couples felt traveling together rekindled their romance, compared to the less than one-sixth of respondents who felt similarly about large and expensive gifts such as jewelry.

For many of these romance-minded travelers, Hawai'i makes for an ideal destination. Indeed, romance travel in general – and wedding / honeymoon travel in

particular – remain a core element of Hawai'i's visitor industry. Preliminary 2016 data shows that Hawai'i welcomed nearly 235,000 wedding and honeymoon visitors from the U.S. last year, accounting for 4.3 percent of total domestic visits to the islands and a disproportionately high share of visitor expenditures. Hawai'i is so popular as a wedding destination that six out of every ten weddings performed in 2015 were for non-residents.

The following explores both the U.S. and Hawai'i romance travel markets, as well as why they are so important to the continued strength of Hawai'i's broader visitor industry.

Continued on PG2



Airfare Update

The average U.S. airfare to Hawai'i increased slightly in the third quarter of 2016, driven by record demand and higher oil prices. Though fares will likely continue to rise modestly in the early months of 2017, the effect on arrivals thus far appears negligible.

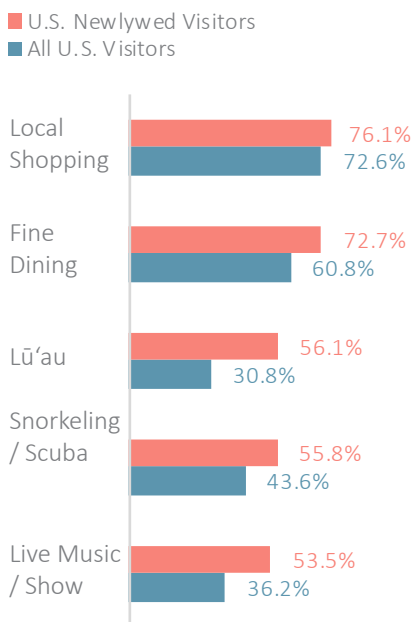
PG4





Romance Travel

Popular In-Destination Activities of U.S. Romance Travelers to Hawai'i



Source: HVCB analysis of Hawai'i Tourism Authority data, 2015

Romance Travel in the U.S.

It should come as no surprise that romance travel makes up a significant share of the U.S. outbound travel market. All told, more than half of overseas special-occasion travelers and 17.2 percent of all U.S. overseas travelers cited their primary reason for travel as being related to romance (i.e., for a wedding, honeymoon, or anniversary). Moreover, such travel has increased in popularity in recent years. Honeymooners and destination wedding travelers have grown as a share of the total U.S. outbound market by +1.2 points and +1.1 points respectively since 2011. Of the three major romance travel sub-markets, the largest by far is wedding anniversary travel. More than a quarter (27.2%) of overseas special-occasion travelers indicated that their latest overseas trip was to celebrate an anniversary. These travelers are representative of all generations, though they skew slightly older.

Overseas honeymoon couples and wedding attendees, conversely, tend to be overwhelmingly young. Some 60.3 percent of all honeymooners are Millennials, while 62.0 percent of destination wedding attendees belong to either Gen X or Gen Y. Both of these groups make up a much smaller proportion of the

U.S. outbound travel market, accounting for only 4.2 percent and 3.9 percent of total outbound travelers respectively. What these sub-markets lack in volume, however, they make up for with a high propensity for spending. For one, the price of American weddings are at an all-time high, costing more than \$35,000 on average. Much of this money goes to venues and vendors in and around the wedding location. Likewise, honeymooners have a high tendency to splurge as they celebrate their nuptials. The median spend of a honeymooning a couple is \$2,200, +14.9 percent more than other travelers.

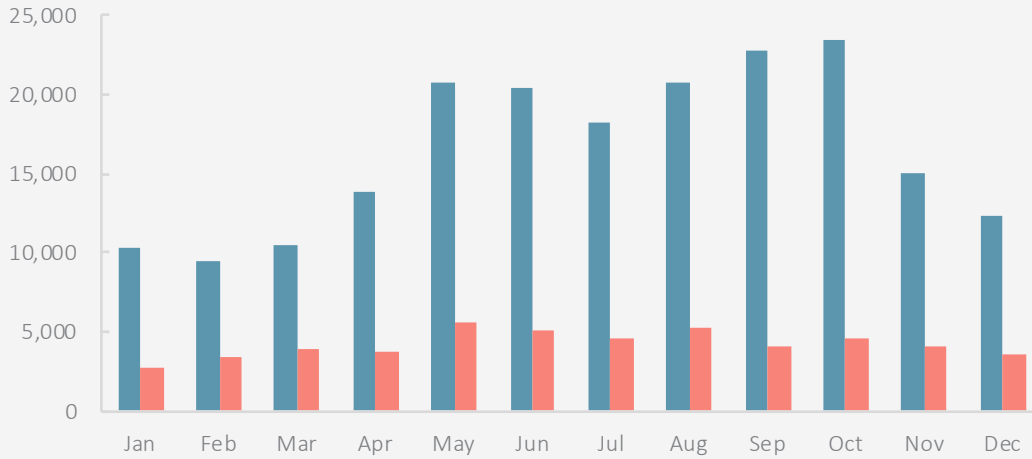
Honeymoon and Wedding Visitors to Hawai'i

When it comes to overseas honeymoon destinations for American newlyweds, Hawai'i is almost unrivaled in its popularity. 2016 brought nearly 200,000 honeymooners from the U.S. mainland alone, making it the number one destination for such couples. Hawai'i is also quite popular for destination weddings (ranking fourth behind the Caribbean, Asia, and Europe), roughly 25,000 mainland couples choose to celebrate their weddings here each year.

In general, the arrival patterns of U.S.

Seasonality of U.S. Honeymoon & Wedding Visitors to Hawai'i

■ U.S. Honeymoon Visitors
 ■ U.S. Get Married Visitors



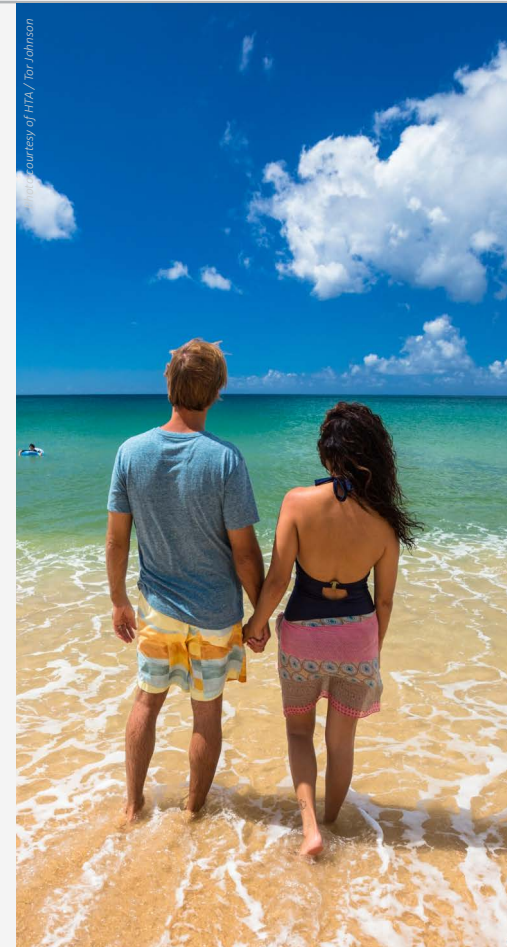
Source: HVCB analysis of Hawai'i Tourism Authority data, 2016

wedding and honeymoon visitors do not follow the seasonal trends of the broader U.S. visitor market. Instead of peaks in the summer and winter months, wedding and honeymoon visitors peak from May through October and are considerably slower in the other months. October is the single most popular month, bringing a combined 26,500 U.S. wedding and honeymoon visitors to Hawai'i in 2016.

But the importance of the romance travel segment extends beyond its significant contribution to visitor arrivals. In many ways, engaged couples and newlyweds represent the ideal, long-term visitors Hawai'i wants to cultivate. To start with, the average Hawai'i wedding is +43.0 percent more expensive than the U.S. as a whole, with much of that money going to directly into the local economy. Moreover, these travelers' spending habits extend well beyond wedding expenses.

In regards to accommodations for instance, both honeymooners (81.9%) and wedding couples (67.2%) are much more likely than the typical visitor (54.4%) to stay exclusively in hotels instead of taking advantage of alternative lodging options. Likewise, in 2015 U.S. honeymoon visitors outspent the typical U.S. visitor by \$68 on a daily basis.

Honeymooners, in particular, represent a disproportionate share of a very enticing visitor segment: first-timers. In 2015, some 73.9 percent of all honeymoon visitors were making their first trip to Hawai'i, compared to just about one-third of the total visitor population. They also tended to be considerably younger than the typical visitor. Attracting honeymoon travelers to Hawai'i is about more than bringing lucrative, one-time visitors to the islands; it is a chance to shape young visitors' perceptions of the destination, and to create visitors for life.



Profile of Honeymoon & Wedding Visitors to Hawai'i

	Visitor Arrivals	Average Stay (Days)	% First-Time Visitors	% Stay in a Hotel Only	Average Age
All Visitors	8,563,018	9.1	34.4%	54.4%	45
Honeymoon	588,236	7.5	73.9%	81.9%	32
Get Married	109,921	8.5	49.5%	67.2%	37

Source: HVCB analysis of Hawai'i Tourism Authority data, 2015

Source: HVCB analysis of TravelStyles, theknot, The Wedding Report, and Hawai'i Tourism Authority data.


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Photo courtesy of HITA / Dana Edmunds

Airfare Update

Sneak Peek at Next Month

 Meetings, Convention, and Incentive Travel

 Hotel Update

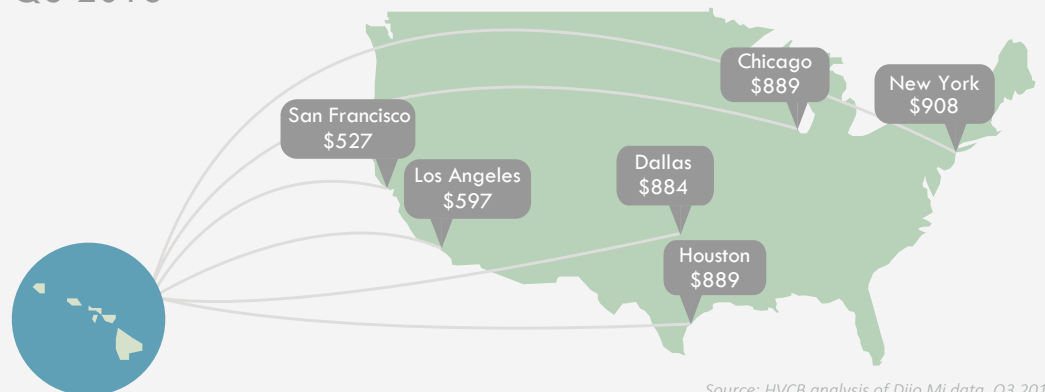
The average round trip airfare between the U.S. mainland and Hawai'i increased to \$678 in Q3 2016, up +1.2 percent from the same period in 2015. While some markets such as San Francisco (-7.0%) and Oakland (-0.5%) saw fares decline, these were offset by fare increases from Los Angeles (+1.6%), Seattle (+4.4%), and Phoenix (+2.1%).

Overall, these relatively small year-over-year fare increases were the result of global and Hawai'i-specific market conditions. While U.S. air lift to Hawai'i remained near record capacity, exceeding 2.1 million seats over the three-month period, oil prices

also continued to climb back during this period, which in turn led to increased fuel costs and higher ticket prices.

Moving ahead, Hawai'i should expect to see the continued but modest growth of air fares from the U.S. market. The price of oil has nearly doubled from the January 2016 low (+80.8%, to \$54 per barrel), and airlines have scaled back air seat capacity from Q1 2016 levels. With that said, however, U.S. air arrivals have remained strong throughout the start of the year; 582,787 visitors arrived from the U.S. mainland in January, up +2.3 percent from the January 2016 visitor arrivals.

Average Round Trip Airfare to Hawai'i Q3 2016



Source: HVCB analysis of Diio Mi data, Q3 2016