



SPOTLIGHT ON: Family Travel



Photo courtesy of Hawaii Tourism Authority (HTA)

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 | July 2019

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School's out and millions of Americans are preparing to hit the road for one of America's most time-honored traditions: the summer family vacation. Summer vacation no longer just means a road trip to visit the grandparents; a growing percentage of Americans are including their children on overseas, long-haul travel.

Among travelers with children under the age of 18, over six in ten brought them along on their most recent overseas vacation, up from 38 percent two decades ago. This means that approximately 20 percent of all overseas travel is classified as a family vacation. Families with school-age children make up the largest share of travelers. Nearly 20 percent brought along children between the ages of six and 17, and just five

percent brought along children under the age of six. While a much smaller portion of the traveler population participates in multi-generational travel (9% of those with grandchildren), it has remained a steady and viable niche over the past decade.

The number one most cited benefit of traveling with kids is spending quality time together as a family. More than 90 percent of parents say they personally enjoy planning family vacations, but most only plan the basics and leave everything else to spontaneous decision-making. Learn about where they plan to go and what they like to do in this month's *Market Insights Update*.

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Accommodations Update

A newly passed bill will reduce short-term vacation rentals on O'ahu by over 75 percent, limiting the number of units to just 2,500. Around one in ten U.S. visitors stays in a vacation home rental when visiting the Hawaiian Islands, nearly double the amount from just five years ago. PG4





Family Travel Market

Top Overseas Destinations for Kids

- 1 Hawai'i
- 2 Central America
- 3 Caribbean
- 4 Mexico
- 5 Europe

Source: TravelStyles USA 2017

Overseas Family Travelers

Hawai'i is the number one most desired family vacation destination and is increasing in popularity. Nearly three in ten travelers with an annual household income of \$125,000 or more whose most recent vacation was to Hawai'i (29%) traveled as part of a family grouping, up from 21 percent a decade ago.

While the Caribbean and Mexico have long been established as family-friendly destinations, Europe is also seeing a surge in those bringing children along. One in five travel parties to Europe (18%) are families, an increase of +8 percentage point over the last ten years. Overseas family travel is fairly evenly split between ocean cruising, package travel, and custom-designed trips. One quarter of those who traveled as a family on their most recent overseas trip took an ocean cruise (25%), while 24 percent booked a vacation package, and 22 percent used a custom-designed itinerary. Just 5 percent traveled as part of an escorted group tour.

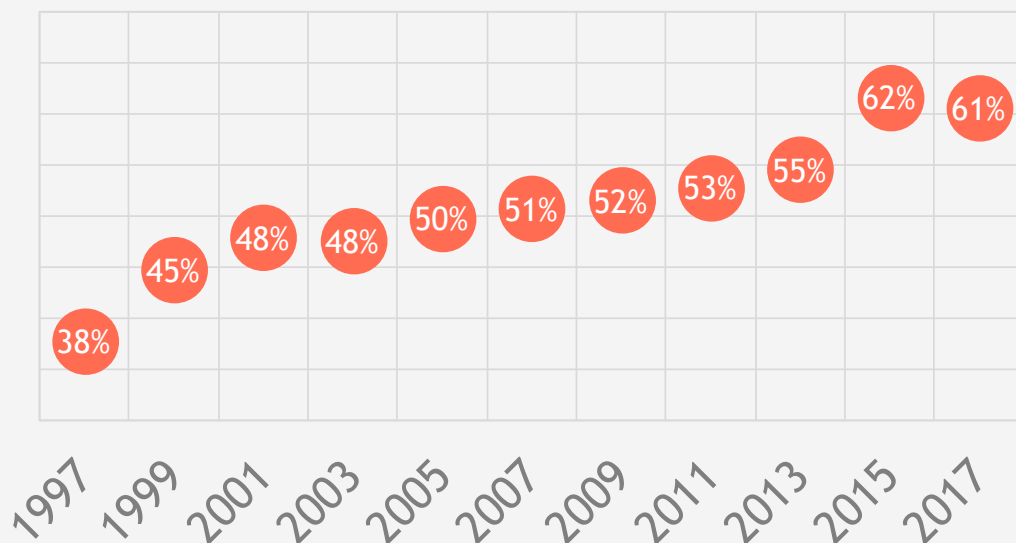
The continued growth in family travel may be attributed in an increasing number of Americans who see international travel as an enhancement to their child's education.

The majority of travelers with children under 18 (62%) strongly agree with the statement 'I think of international travel as an important investment in the education of my children'. Not surprisingly, this sentiment increases with the education level of the parent.

As such, there is a growing trend in parents looking to give their children immersive and educational experiences while spending quality time together as a family. Family-friendly activities are now a firm priority for global travelers, with activity bookings growing over 200 percent on TripAdvisor since 2017. Travelers are looking for more immersive experiences that cater to the whole family and keep everyone engaged. This explains why 'Skip-the-Line' tickets to top attractions are the hottest selling items.

In order to stay present, more than one third of families say they are committed to unplugging from work and mobile devices while on vacation. Of those who turned off their devices on vacation, around four in ten said they enjoyed themselves more, had better conversations, felt more relaxed, and became closer as a family.

Families as Percent of Overseas Travelers with Kids



Source: TravelStyles USA 2017

Overseas Family Travelers Continued

Despite a commitment to stay unplugged, the reality is most still access social media while on vacation. Parents are in fact more likely to be influenced by social media when it comes to travel. More than 60 percent indicated that they have decided where to go or what to do on vacation based on pictures they have seen on social media, up 10 percentage points from one year ago. One fourth (28%) say that social media enhances their family vacations by providing research, ideas, or inspiration. And four in ten parents say they like to show off where they have been on their personal accounts.

Hawai'i as a Family Destination

Just over 20 percent of all U.S. visitors travel with their children and/or grand-children to Hawai'i. Given the long-haul nature of travel from the East Coast, the percentage of visitors who bring along children is higher among U.S. West residents compared to U.S. East (23% vs 16%). Family travelers are also slightly less likely to visit the Neighbor Islands compared to the general U.S. visitor. The most popular destination to visit as a family is O'ahu (54%), followed distantly by Maui (26%), Kaua'i (20%), Kona (17%), and Hilo (10%).

Family travelers to Hawai'i tend to be

very active while on vacation. Their top activities include going to the beach (94%), driving around the island (89%), swimming and/or snorkeling (89%), going to family restaurants (82%), visiting scenic views/natural landmarks (74%), and checking out local shops (67%). Their activity levels tend to be significantly higher than the general U.S. traveler, with a +27 percentage point increase of those going to family restaurants, +25 points for body- or paddle-boarding, +19 points swimming in the ocean, +12 points attending a lū'au, and +10 points visiting a mall. Family visitors are also more likely to go to the beach (+9 points), rent a car (+8 points), go surfing (+7 points), and visit local communities (+6 points).

Hawai'i provides high satisfaction levels among family travelers. Of those who traveled with children to Hawai'i in 2017, more than 88 percent of U.S. West visitors said their trip to Hawai'i was excellent, compared to 91 percent of those who reside in U.S. East. Similarly, nearly half of family visitors (48%) said that the trip exceeded their expectations. As a result, nearly 99 percent said they are likely to recommend Hawai'i to family and friends in the future and 89 percent are likely to return to Hawai'i in the next five years.



Sources: HVCB analysis of TravelStyles USA, HTA, TripAdvisor, & Alamo data

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Accommodations Update

Mayor Kirk Caldwell signed a new law that restricts vacation rentals on O‘ahu. The bill followed a year-long effort to develop a new regulatory framework for short-term vacation rentals. Current rules were put in place more than 30 years ago, long before the explosion of home-sharing and short-term booking engines like Airbnb and VRBO.

The bill allows for approximately 2,500 property owners to rent out individual rooms in their homes, but not their entire residence. Entire home rentals will still be allowed in Waikiki, Ko‘olina, and Turtle Bay. This number represents a significant decrease in the total number of short-term units available on O‘ahu, which is estimated to be in the 10,000 range.

In 2018, more than half of U.S. visitors to Hawai‘i stayed in a hotel (53%), on

par with five years ago. The percentage who stayed in a rental house, however, grew from 8 percent of arrivals to nearly 12 percent. While this increase appears small on the surface (+4 points), U.S. visitors staying in a rental house has nearly doubled since 2013. More than 75,000 U.S. arrivals used a short-term rental in 2018, up from just 39,600 just five years ago.

While a direct correlation has not yet been established, Hawai‘i’s hotel industry has been suffering. Statewide occupancy is down -2.6 percent year-to-date through April 2019, with the largest decreases seen on the Island of Hawai‘i (-6.1%) and Kaua‘i (-8.0%). Although Average Daily Rate has grown slightly at +0.6 percent, Revenue per Available Room is down -2.6 percent through April.