



SPOTLIGHT ON FAMILY TRAVEL MARKET PG2

Photo courtesy of HITA / Ter Johnson



MARKET INSIGHTS UPDATE

North America | June 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

School is almost out and summer family vacations are upon us. Family-centric travel makes up nearly 20 percent of U.S. outbound overseas vacations, with Hawai'i being one of the top destination for families. This month's *Spotlight On: Family Travel Market* examines the family travel industry, including market size, seasonality, and preferred destinations.

For Hawai'i, the family visitor segment is unique and differs from the general North American traveler. Travel planning information sources, activities participated in, and even islands visited vary from the overall visitor population. Understanding the nuances of the family traveler can help you better target this distinct segment.

Then looking ahead, new data tells us that nearly four-in-ten U.S. air leisure travelers say they are very or extremely likely to visit Hawai'i in the next two years. At the same time, however, a similar percentage report they have previously considered visiting Hawai'i but decided not to after all. Among the reasons cited, the cost of airfare and hotel have held the top two positions for the past year. The average cost of a Hawai'i vacation grew more than +5 percent in 2014. Although strong interest in a Hawai'i vacation coupled with record air seat capacity helped boost arrivals in the first four months of the year, rising travel costs may have a dampening effect on travel from the North American market.



BARRIERS TO TRAVEL

More than 40 percent of the U.S. air leisure traveler population reports they had previously planned to visit Hawai'i but changed their minds, mainly due to the cost of travel.

PG4



HAWAII VISITORS AND
CONVENTION BUREAU

Produced by Market Insights
808.923.1811 | insights@hvcb.org
www.hvcb.org/insights



Family Travel Market

At a Glance:

Family Reunion Travel

The market for overseas family reunions is small but growing. Nearly four percent of outbound travelers – 1.8 million persons – report their most recent overseas vacation was to attend a family reunion, up from 2.5 percent in 2001. The top overseas destinations for family reunions include the Caribbean (22.4%), Mexico (14.9%), and Europe (12.3%). Cruising tends to be the most popular form of a family reunion vacation, capturing more than one-quarter of the market.

A much smaller percentage of travelers visit Hawaii for family reunions. Only 2.0 percent of U.S. visitors cited a family gathering or reunion as their primary purpose of travel in 2013.

Family Travel Trends

With kids out of school and parents looking for a respite from the monotony of winter, summer marks the official family vacation season. Family travel – defined as a party consisting of one or more adults with children under 18 – to overseas destinations is growing. Nearly one-in-five outbound leisure travelers (18.5%) made their most recent overseas trip a family vacation, up from 15.9 percent a decade ago. Of travelers with children under 18, more than half (54.5%) took them along on their most recent overseas vacation.

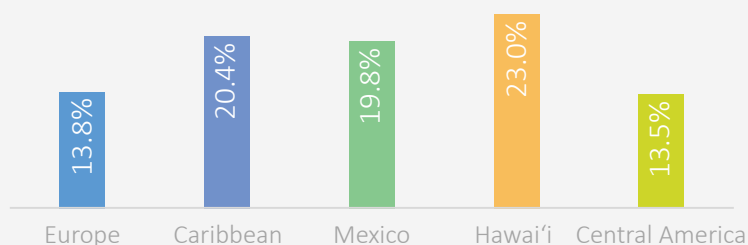
More families traveled to Hawai'i (23%) on their most recent overseas vacation as compared to other destinations. Mexico and the Caribbean follow

in a close second, capturing 20.4 percent and 19.8 percent of family travelers respectively. Finally, Europe and Central America trail, with just over 13 percent of family travelers choosing either for their most recent overseas vacation.

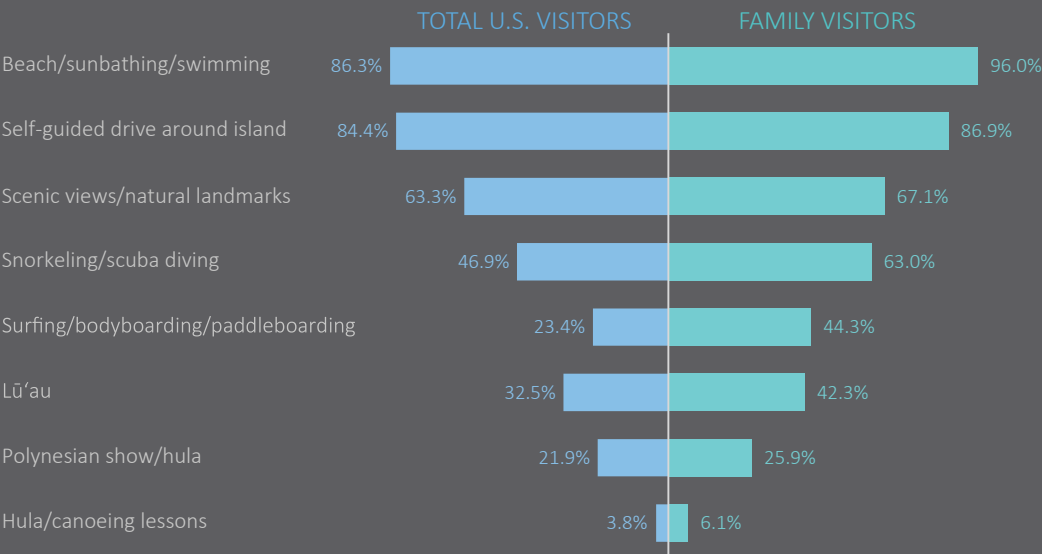
Approximately one-in-five U.S. travelers to Hawai'i fall within the family lifestyle segment, accounting for just over one million visitors in 2013. Hawai'i's percentage of family visitors has remained relatively stable over the last ten years, hovering around the 20 percent mark. The family travel market is also seasonal and heavily concentrated around the peak summer months.

Continued on PG2

Top Overseas Family Travel Destinations



Family Traveler Activities in Hawai'i



Source: HVCB analysis of HTA Visitor Satisfaction Survey 2013

When planning a trip to Hawai'i, family travelers are more likely to rely on personal experience, recommendations from friends and family, information from hotels, and online booking sites than the general visitor population. More than two-thirds (66.8%) of families used personal experience as a source of information for planning their trip to Hawai'i in 2013 and just over 57 percent relied on recommendations from friends and family. Hotels and resorts are also an important source of information, with more than half (52%) of family visitors using them when planning a trip to Hawai'i.

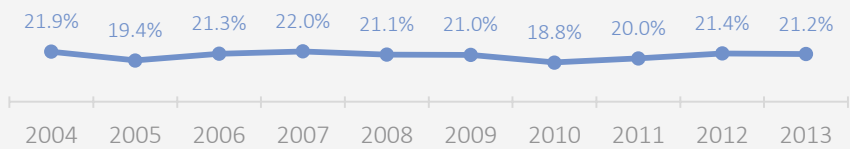
Family travelers from the U.S. tend to spread out more evenly among the Hawaiian Islands as compared to the general visitor. Just over one-third of U.S. family travelers visited Maui in 2013, while approximately one-fifth of families went to Kaua'i and another fifth to Hawai'i Island. Families are less likely to visit O'ahu, however, as compared to general U.S. visitors. Just 43 percent of families traveled to O'ahu in 2013,

compared to 50 percent of all U.S. visitors. When in Hawai'i, family travelers tend to be more active than the general U.S. visitor, with a much higher likelihood to engage in outdoor recreational activities (98.8% versus 95% of total U.S. travelers). Overall, beach activities are the most popular among families, in which almost all (96%) participate. Nearly two-thirds of families (63%) go snorkeling or scuba diving, while more than two-fifths (44.3%) surf, paddleboard, or bodyboard while in Hawai'i. Families are also slightly more inclined to take a self-guided tour around the island while they are visiting (86.9%) and visit a scenic view or national landmark (67.1%). Nearly three-quarters (74.1%) of families participate in cultural activities while on vacation in Hawai'i, higher than the average U.S. visitor (71%). Families are more likely to attend a lū'au (42.3%), see a Polynesian show (25.9%), or take a hula dancing or canoeing lesson (6.1%).

Sources: TravelStyles Americans as International Travelers 2013-2014, HTA Visitor Satisfaction Survey 2013



Family Travelers as Percent of U.S. Visitors to Hawai'i



Source: HVCB analysis of HTA Visitor Satisfaction Survey 2004 - 2013



Photo courtesy of HITA / Tor Johnson

Barriers to Travel

New Data Shows Cost Still Major Travel Deterrent

As of May 2015, nearly four-in-ten U.S. air leisure travelers report they are very or extremely likely to visit Hawai'i in the next two years. At the same time, however, 40.6 percent of travelers say they have considered visiting Hawai'i but decided not to after all, up from 38.5 percent at the same time last year.

Not surprisingly, the cost of travel to Hawai'i is a growing deterrent for many U.S. travelers, given the average vacation cost rose +5.2 percent last year. Nearly 47 percent say the price of airfare is their main reason for not visiting Hawai'i, up from

42.3 percent at the same time last year. Similarly, 39.8 percent cite the cost of hotel as one of the major reasons for not visiting, up from just 27.3 percent in Q2 2014.

Just over 37 percent of travelers who previously considered visiting Hawai'i but decided not to after all say the price of a vacation package is a barrier to travel, while 28.3 percent cite better value at another destination. While these factors are less of a deterrent than they were the same time last year, they still act as a major barrier to travel for a significant percentage of U.S. leisure traveler population.



Photo courtesy of HITA / Tor Johnson

Sneak Peak at Next Month

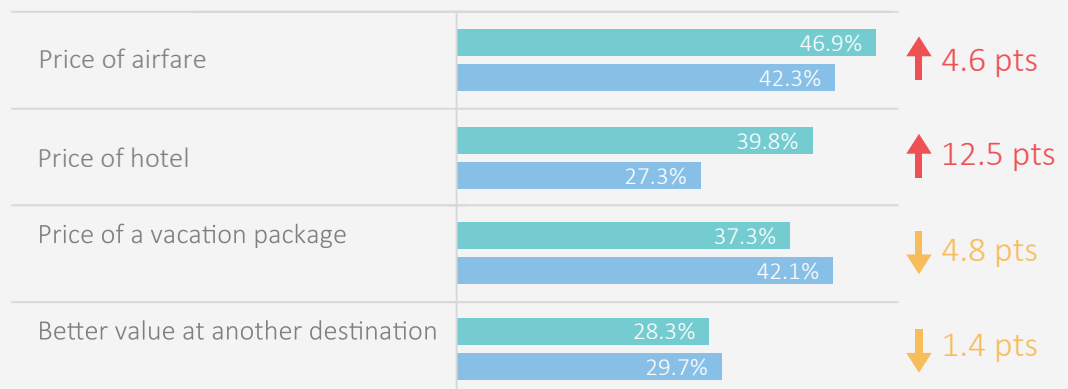


Spotlight On:
The Affluent Traveler

For more information regarding this issue of the Market Insights Update, to subscribe to the distribution list or submit topic requests for future issues, please contact insights@hvcb.org.

Hawai'i's Top Barriers to Travel

■ 2015 Q2 ■ 2014 Q2



Source: HVCB analysis of MMGY Global travelhorizons data Wave II 2014 - 2015