



Photo courtesy of HTA / Tim Johnson



**SPOTLIGHT ON:
CULTURE & ARTS
TRAVEL** 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 | June 2016

In This Issue

Culture & Arts Traveler Profile

Experiencing new and different cultures is one of the top drivers for travel among Americans. A segment of U.S. overseas leisure travelers actively seek to learn about and experience the unique history, arts, and culture of a destination. Authenticity is key to the Culture & Arts traveler and this group will often search for off-the-beaten-path places that locals frequent.

Culture & Arts travelers are attracted to the juxtaposition of the traditional and contemporary. U.S. travelers have a particular affinity for traditional culture – nearly 60 percent strongly agree with the statement ‘I am drawn to historical attractions and traditional culture’. At the same time, American travelers demonstrate a growing interest in experiencing the contemporary culture and lifestyle of the places they visit. More than

four in ten strongly agree with the statement ‘I want to experience the contemporary lifestyle of the places I visit’, up from 34 percent a decade ago. These travelers are especially drawn to places where they can connect with the local people and experience local culture and everyday life.

This month's *Spotlight On* takes an in-depth look at the Culture & Arts segment of the U.S. overseas leisure traveler population. Their desire to explore unique cultures and their high activity participation rates make Culture & Arts travelers an attractive segment for Hawai'i. Hawai'i ranks among the top destinations for Culture & Arts travelers. From their demographics to travel planning sources and preferred vacation activities, learn more about what attracts this unique segment.

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TRAVEL INTENTIONS

Hawai'i travel intentions among U.S. air leisure travelers have reached a new second quarter record high. More than half of travelers say they are very or extremely likely to visit the destination in the next two years. At the same time, however, an increasing number of travelers say they have previously considered visiting but decided not to after all. Financial and structural constraints remain the top reasons.

PG4





Culture & Arts Traveler Profile

At a Glance:

75th Anniversary of Pearl Harbor

2016 marks the 75th anniversary of the attack on Pearl Harbor. From December 1st through the 11th, the 75th Commemoration will aim to foster reflection, remembrance, and understanding among both locals and visitors alike.

The World War II Valor in the Pacific National Monument (specifically the USS *Arizona* Memorial) welcomes more than 1.8 million visitors each year. The 75th Commemoration will have particular appeal to those interested in learning more about and honoring the past. The Commemoration will include receptions, memorials, speakers, film screenings, concerts, and performances. For more information, please visit: www.pearlharbor75thanniversary.com.

Demographics

Travelers who participate in culture and arts activities while on vacation are represented by all age groups. Millennials make up 26 percent of the Culture & Arts segment, followed by boomers at 20 percent. Culture & Arts travelers tend to have higher household incomes (averaging \$117,000 per year), are more likely to be married (67.3%), and are less likely to have children at home (64.3% have no dependents). This segment is most likely to reside in major metropolitan areas, including New York (10.1%), Los Angeles (9.8%), San Francisco Bay Area (6.9%), and Chicago (5.7%).

Top Destinations

Compared to the general overseas leisure traveler, Culture & Arts travelers are more likely to gravitate towards major cosmopolitan cities such as New York (+2.6 points),

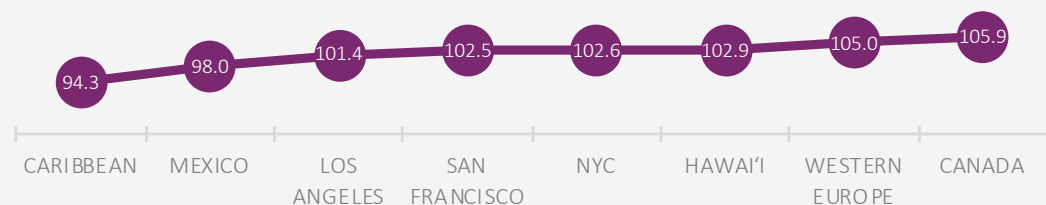
Los Angeles (+1.4 points), and San Francisco (+2.5 points). More than one-quarter (25.8%) have visited Hawai'i in the last three years, slightly above the total overseas leisure traveler population (+2.9 points).

When it comes to traveling internationally, Western Europe and Canada rank among the top destinations visited by Culture & Arts travelers in the last three years. But with their penchant for the new and unexplored, Culture & Arts travelers are much less likely to have visited the Caribbean (-5.7 points) and Mexico (-2.0 points) compared to the general U.S. overseas leisure traveler.

In terms of where Culture & Arts travelers plan to vacation overseas in the next two years, Western Europe (36.5%), Canada (27.1%), the Caribbean (26.0%), Mexico (23.1%), and Hawai'i (20.8%) rank among their top choices.

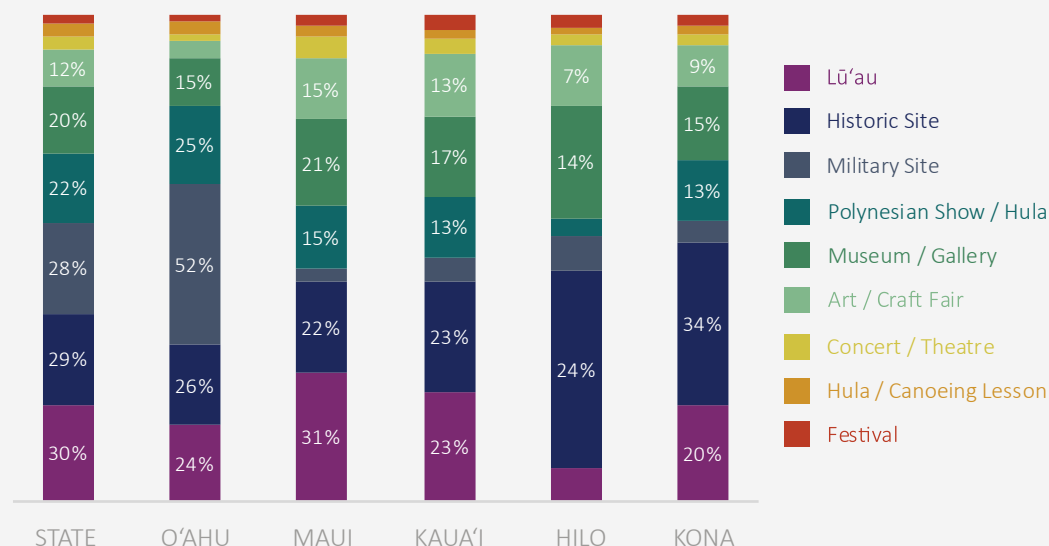
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Index of Culture & Arts Travelers' Top Destinations



Source: HVCB analysis TNS TravelsAmerica 2015 data, visited last three years compared to total U.S. overseas leisure travelers

Culture & Arts Activity Participation by Island



Source: HVCB analysis HTA Visitor Satisfaction & Activity Report, U.S. visitors only, 2015

Travel Planning Sources

When planning a vacation, Culture & Arts travelers are much more reliant on online travel sources than the general overseas travel population. Their most favored online sources include search engines (37.9%), social media (37.5%), travel provider websites (34.8%), and official destination websites (29.8%). Culture & Arts travelers also collect information from offline sources, such as friends and relatives (29.8%) and past travel experiences (29.7%). Indicative of their more adventurous spirit, Culture & Arts travelers are slightly less likely to use their past travel experience as a planning resource compared to the general overseas leisure traveler.

Top Activities

While on vacation, Culture & Arts travelers are likely to partake in a variety of activities, many of which are centered around their key interests. Compared to the overall U.S. overseas travel population, Culture & Arts travelers are much more likely to check out historic sites and churches (48%, +20.7 points), visit museums (44.2%, +19.1 points), and go urban sightseeing (42.6%, +12.5 points). Like most travelers, their most popular activity is shopping, with just over half (50.5%) going shopping on a trip, well above that of the overall U.S. overseas air leisure traveler population (+10.5 points). While more than one-quarter (26.6%) go to the beach on vaca-

tion, they are less likely to enjoy the sun and sand compared to the general overseas leisure travelers (-2.6 points).

Hawai'i as a Culture & Arts Destination

Rooted in a host culture that has its own language, stories, music, and dance, Hawai'i offers a distinct sense of place. Each island's unique culture is further enhanced by the evolving and diverse ethnic composition that delivers a vibrant mix of multicultural cuisine, performance and fine arts, and festivals.

When visiting Hawai'i, lū'au ranks among the most popular cultural activity for U.S. travelers, with nearly one-third of visitors (30.3%) attending a lū'au while on vacation. Maui is the most popular island for lū'au, with 30.6 percent of U.S. visitors to the island attending an event. Historic sites – including both cultural and military – come in a close second in terms of popularity. More than 28 percent of U.S. visitors go to a historic site while on vacation in Hawai'i. It comes as no surprise that O'ahu is the most popular island for visiting a historic military site, capturing more than half of U.S. visitors (52.3%). Polynesian and hula shows are also well-liked among travelers, with nearly one-fifth of U.S. visitors attending a show while in Hawai'i.

Sources: HVCB analysis of TNS TravelsAmerica 2015 data, MMGY Global Portrait of American Travelers 2015, HTA Visitor Satisfaction and Activity Report 2015, TravelStyles Americans as International Travelers 2015-2016



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.



Photo courtesy of HIA / Dana Edmunds

Travel Intentions

Sneak Peek at Next Month

- Outdoor recreation traveler profile
- Latest hotel data
- Competitor update

Hawai'i Travel Intentions Hit New Second Quarter High

Interest in a Hawaiian Island vacation hit a new second quarter record in 2016. According to the latest MMGY Global *travelhorizons* data, over half of U.S. air leisure travelers (51%) say they are very or extremely likely to visit Hawai'i in the next 24 months, up +12 percentage points over one year ago. Intent to travel to Hawai'i has grown dramatically over the last eight years, up from just 15 percent in 2008.

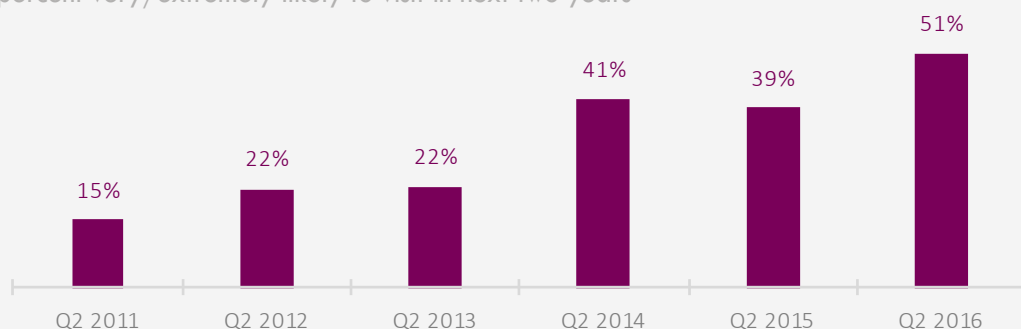
Although travel intentions are strong, Hawai'i continues to be susceptible to a variety of travel barriers. As of Q2 2016, nearly half of U.S. air leisure travelers (46%) have previously considered visiting

Hawai'i but decided not to after all, a +5.4 point increase over Q2 2015.

While the cost of travel is still the highest ranked barrier to visiting Hawai'i, the number of travelers who cited flight and vacation package prices has actually declined year-over-year. A leveling off of airfares to Hawai'i in 2015 likely helped mitigate some of the cost concerns among travelers. Meanwhile, there continues to be a significant increase in travelers who cite structural barriers to visiting Hawai'i that are difficult to fix, including accommodations not being available (+6.6 points) and the flight to Hawai'i being too long (+3.9 points).

Hawai'i Travel Intentions

percent very/extremely likely to visit in next two years



Source: HVCB analysis of MMGY Global *travelhorizons* data, Q2 2016