



SPOTLIGHT ON: HAWAI'I'S TARGET TRAVELER PG2

Photo courtesy of HHA / 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

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In This Issue

The Hawai'i Target Traveler

Every business has their target market – a group of customers who are likely to buy a product or service and share similar characteristics, such as age, location, income, and lifestyle. A clear definition of your target market can help your business better reach customers through marketing efforts.

For Hawai'i as a destination, the target market consists of an experiential, higher spending customer who has a propensity for overseas travel and views vacations as an integral part of his or her lifestyle. These customers, known as Hawai'i Target Travelers (HTTs), are largely identified by their psychographic profile, that is, their travel behaviors and attitudes. This group values

distinctive travel experiences that include a variety of activities, demand high levels of service, and are attracted by what makes a destination unique or different. Most importantly, Hawai'i Target Travelers have expressed strong interest in visiting the destination in the next five years. It is this group that represents the long-term, ideal customer that Hawai'i wants to cultivate.

There are currently 26.7 million Hawai'i Target Travelers residing in the U.S., accounting for 51 percent of all outbound mainland leisure travelers. This group is active on social media and is increasingly reliant on mobile devices. Learn how to reach this target audience in this month's *Market Insights Update*.

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AIRFARE UPDATE

Recently released data shows airfares to Hawai'i from the U.S. mainland fell in the second quarter of 2016, due in part to near record air seat capacity to the islands and lower fuel prices.

PG4





The Hawai'i Target Traveler

Hawai'i Target Traveler Profile

Household Income	\$97,317
Dependent Children	32.6%
College Graduate	74.1%
Never Visited Hawai'i	32.8%
Previously Visited Hawai'i	67.2%
Median Stay	8.5 nights
Median Spend	\$2,223
Traveled with Spouse	73%
Traveled as Family	30%

Demographics

Hawai'i Target Travelers are well represented in all age groups. Approximately one in five are considered millennials (22%) or young boomers (19%), while around one-quarter are Gen Xers (26%) or older boomers (24%). Nearly one-third of HTTs have dependent children (33%), while the remaining two-thirds are split between empty nesters (33%) and no children (35%). Hawai'i Target Travelers are generally well educated – nearly three-quarters are college graduates (74%) and one-third have a post-graduate degree (30%). HTTs are also likely to be more affluent, with an average household income over \$97,000. More than 30 percent of Hawai'i Target Travelers have an annual household income above \$125,000.

Regionally, the West Coast is home to

the largest share of Hawai'i Target Travelers (26%), followed by the South Atlantic region (18%), then the Middle Atlantic (17%). In terms of those most likely to visit Hawai'i, Pacific residents have the highest propensity to visit Hawai'i, followed by the Middle Atlantic, then the Mountain states. While California is the state with the largest concentration of Hawai'i Target Travelers (5.6 million), New York City is the largest metro area, home to 3.0 million HTTs.

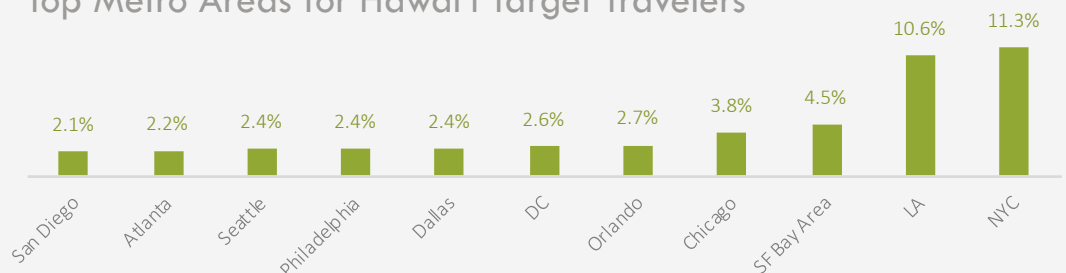
Travel Motivators & Activities

Above all, Hawai'i Target Travelers see a vacation as time to learn about the world around them (67%), rest and relax (59%), immerse themselves in other cultures (56%), and see and do as much as possible (55%).

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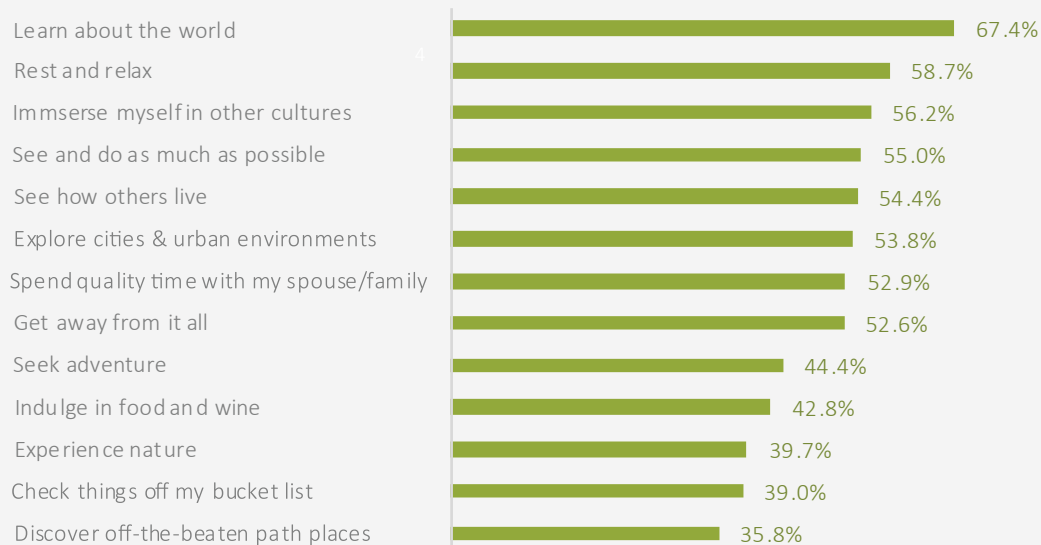
Source: HVCB analysis of TravelStyles data, 2015-16

Top Metro Areas for Hawai'i Target Travelers



Source: HVCB analysis of TravelStyles data, 2015-16

“For me, a vacation is time to...”



Source: HVCB analysis of TravelStyles data, 2015-16

Nature and adventure are attractive to Hawai'i Target Travelers. While on vacation, nearly three-quarters of HTTs (73%) are likely to visit natural wonders such as volcanoes and waterfalls, while 64 percent say they would take a scenic boat tour, and 47 percent say they would visit a national park or wilderness area. HTTs are also likely to participate in a wide range of water activities, such as swimming (54%) and snorkeling (39%).

On vacation, HTTs seek out cultural enrichment. Nearly two-thirds (65%) would visit a museum or gallery, 60 percent like to attend local festivals, while 45 percent enjoy local music or dance performances.

Cuisine and dining are also important pursuits for HTTs. More than half (58%) would take a vacation focused on food and wine. Nearly 53 percent say they are likely to visit a brewery or winery while on vacation, while 51 percent are interested in seeing how local foods are made, and 44 percent are interested in visiting a farmer's market.

Romance trips are driving the growth in special occasion travel to Hawai'i. Nearly 43 percent of HTTs who visited Hawai'i on their most recent vacation did so to celebrate a special occasion, up from 39 percent in 2011. Nearly 14 percent visited Hawai'i to celebrate a wedding anniversary, while nine percent came for a honeymoon, and seven percent for a wedding.

Travel Planning

On average, HTTs spend a median of 16 hours on the internet each week, with a roughly

equal split between desktop/laptop and mobile devices. Hawai'i Target Travelers tend to rely on desktops for planning and booking, including hotel websites/apps (59%) and airline websites/apps (58%). Mobile devices are popular for in-destination information, including weather sites/apps (50%), map sites/apps (41%), and food/restaurant guides (30%).

Nearly 83 percent of Hawai'i Target Travelers are social media users and are actively engaged with the greatest range and frequency on social channels. Nearly 36 percent of HTTs use social media to post travel photos or videos, while 27 percent update their status or location while traveling, and 23 percent use it to follow a destination, hotel, or travel company. HTTs preferred social media channels include Facebook (72%), YouTube (37%), and Instagram (25%).

Email marketing may surprisingly be the most effective method of direct promotion to Hawai'i Target Travelers. Nearly 35 percent have purchased travel in response to an email offer in the past three years. Just over half of HTTs (52%) subscribe to one to three travel-related email lists, while 25 percent subscribe to four or more.

When planning a trip to Hawai'i, nearly three-quarters of HTTs (71%) who visited on their most recent vacation requested information from a tourist office. This was mostly done by the internet (62%), while 20 percent used social media to request information.

Sources: TravelStyles USA 2015-16

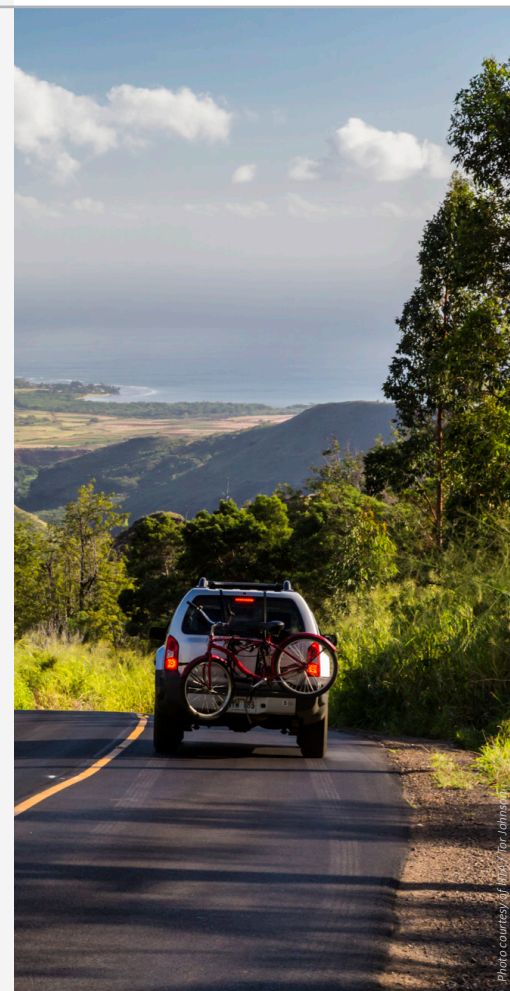


Photo courtesy of TripAdvisor

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Airfare Update

Sneak Peek at Next Month



Visiting Friends & Relatives (VFR) Travel



Latest Traveler Sentiment

Airfares Dip in Second Quarter of 2016

Airfares from the U.S. mainland to Hawai'i fell slightly in the second quarter of 2016, according to recently released data from the Bureau of Transportation Statistics. The average cost of a flight to Hawai'i from the U.S. Mainland totaled just over \$664 in Q2 2016, a -1.2 percent decrease year-over-year. A drop in fares from major U.S. gateways pulled down overall domes-

tic fares to Hawai'i, including a -5.6 percent decrease from New York City and -2.8 percent from San Francisco.

Almost 2.1 million air seats were bound for the Hawaiian Islands from the U.S. mainland in the April through June period. Near record highs in air seat capacity and low oil prices put downward pressure on airfares in the second quarter.

Average Round Trip Airfare to Hawai'i Q2 2016

