HAWAI'I TOURISM AUTHORITY

U.S. Fact Sheet

United States Overview

The U.S. West and U.S. East are Hawai'i's two largest source markets for visitors, with domestic air seats accounting for 68 percent of total seats to the state in 2017. U.S. West includes visitors who travel to the Hawaiian Islands from the 12 Pacific states west of the Rockies, and U.S. East includes all other states.

Interest in Hawai'i is expected to remain strong, although value continues to be a deciding factor. The HTA continues to work with Hawai'i Tourism U.S.A. to market and promote Hawai'i to reach the "avid travelers" and now the "avid explorers." In 2017, some new activities occurring in the market include: 1) a New York City market activation involving out-of-home; digital, social, travel trade and influencer events; 2) evolution of the #LetHawaiiHappen – 'Journeys'; 3) use of 360 and Virtual Reality content for online marketing and training; 4) hosting of a Millennial Travel Professional Summit; 5) developing and refining tools and technology to reach meeting planners.

March 2017 Quick Facts[1]

Visitor Expenditures:	$2,670.2 million
Primary Purpose of Stay:	Pleasure (1,100,105) vs. MCI (100,193)
Average Length of Stay:	9.88 days
First Time Visitors:	25.0%
Repeat Visitors:	75.0%

U.S. West

U.S. WEST MMA (by Air)	2015	2016P	% Change 2016P vs 2015	2017 Forecast (Mar. 2017)	% Change 2016P vs 2017 Forecast	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
Visitor Expenditures* ($ Millions)	5,275.7	5,602.2	6.2%	5,650.6	0.9%	1,535.2	1,320.3	16.3%
Visitor Days	32,561,688	33,497,107	2.9%	33,471,947	-0.1%	7,978,102	7,840,095	1.8%
Arrivals	3,507,652	3,658,380	4.3%	3,656,608	0.0%	848,432	833,991	1.7%
Per Person Per Day Spending* ($)	162.0	167.2	3.2%	170.6	2.0%	192.4	168.4	14.3%
Per Person Per Trip Spending* ($)	1,504.0	1,531.3	1.8%	1,545.3	0.9%	1,809.5	1,583.1	14.3%
Length of Stay (days)	9.28	9.16	-1.4%	9.15	0.0%	9.40	9.40	0.0%

Excludes supplemental business spending

[1] 2016 and 2017 data are preliminary.

U.S. East

U.S. EAST MMA (by Air)	2015	2016P	% Change 2016P vs 2015	2017 Forecast (Mar. 2017)	% Change 2016P vs 2017 Forecast	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
Visitor Expenditures* ($ Millions)	3,674.6	3,845.3	4.6%	3,980.5	3.5%	1,135.1	1,033.8	9.8%
Visitor Days	18,580,408	19,097,032	2.8%	19,617,545	2.7%	5,518,300	5,292,994	4.3%
Arrivals	1,803,670	1,869,826	3.7%	1,921,265	2.8%	517,888	492,069	5.2%
Per Person Per Day Spending* ($)	197.8	201.4	1.8%	204.4	1.5%	205.7	195.3	5.3%
Per Person Per Trip Spending* ($)	2,037.3	2,056.5	0.9%	2,071.8	0.7%	2,191.7	2,101.0	4.3%
Length of Stay (days)	10.30	10.2	-0.9%	10.21	0.0%	10.7	10.8	-0.9%

**Excludes supplemental business spending*

Contact Information

Hawai‘i Tourism Authority: Caroline Anderson, Tourism Brand Manager
Tel: (808) 973-2273
caroline@gohta.net

Hawai‘i Visitors & Convention Bureau:
Jay Talwar, Senior Vice President & Chief Marketing Officer
Hawai‘i Visitors & Convention Bureau
2270 Kalākaua Avenue, Suite 801
Honolulu, Hawai‘i 96815
Telephone: (808) 924-0220
jtalwar@hvcb.org

Market Summary

U.S. West

- In 2016, growth in arrivals (+4.3% to 3,658,380 visitors) and higher daily spending (+3.2% to $167.2 per person) contributed to a 6.2% gain in visitor expenditures to $5.6 billion. Through March 2017, growth in arrivals (+1.7% to 848,432 visitors) and higher daily spending (+14.3% to $192.4 per person) contributed to a 16.3% gain in visitor expenditures to $1,535.2 million.
- Airlift: In 2016, air seats increased 1.5% to 7,324,285 compared to 7,217,348 in 2015 for U.S. West. The largest growth in inbound seat inventory were from San Francisco and Seattle. Through March 2017, scheduled seats from U.S. West dropped 4.0 percent from the first three months of 2016

U.S. East

- In 2016, arrivals increased (+3.7% to 1,869,826 visitors) as did visitor expenditures (+4.6% to $3.85 billion). Daily spending of $201.4 per person (+1.8%) was higher compared to 2015. Through March 2017, arrivals increased (+5.2% to 517,888 visitors) as did visitor expenditures (+9.8% to $1,135.1 million). Daily spending of $205.7 per person (+5.3%) was up from year-to-date 2016.
- Airlift: For 2016, growth in scheduled air seats (-0.5% to 923,602) was flat in compared to 2015. Growth in seats out of Minneapolis, New York JFK and Houston were offset by fewer seats from Chicago, Atlanta and Dallas. Through March 2017, scheduled seats from U.S. East rose 11.2%.

Market Conditions

Overall U.S.

- While demand for travel to Hawai‘i remains strong among U.S. air leisure travelers, rising travel prices continue to play a factor with converting this demand into actual Hawai‘i vacations.
- “Affordability” and “value” continue to play a large role in consumer willingness to travel.
- According to the Travelzoo Spring 2017 Travel Trends Survey, Americans are planning vacations with security in mind. Sixty percent of those surveyed cited a trip within the U.S. as their primary vacation destination for 2017. The top negative factors impacting their booking choices were terrorism, anti-American sentiment and political unrest, crime and personal safety.
- Following healthy gains in February 2017, the U.S. Consumer Confidence Index has again jumped significantly in March to 125.6 (1985 = 100). This is the highest the Index has reached since December 2000, and reflects both greater consumer optimism towards the present situation and higher expectations for the future.
- The U.S. unemployment decreased -0.1 points in February to 4.7 percent. This level of unemployment remains consistent with both recent historical norms as well as current expectations of the U.S. labor market.
- Between April and June 2017, U.S. airlift to Hawai‘i is expected to increase +0.3 percent compared to the same period in 2016. Approximately 2.1 million air seats are bound for Hawai‘i from the U.S. mainland over the course of the next three months.
    - In the U.S. West market, Denver (+18.0%), and Seattle (+3.1%) have added capacity relative to 2016, but these gains are not enough to offset the loss of capacity from cities like San Jose (-8.4%), Phoenix (-8.2%), and Oakland (-3.6%). Overall, U.S. West scheduled airlift is expected to be down -1.4 percent in the April through June period.

- Meanwhile, capacity from the U.S. East market has continued to grow with April through June scheduled air seats up +14.5 percent from the previous year. Dallas (+13.5%) added significant capacity relative to 2016, while the continuation of the Minneapolis to Honolulu route through the Spring months has added an additional +22,561 seats that were not flown last year.

- As the global leisure market continues to grow and mature, consumers are placing a greater emphasis on unique, personalized trips and experiences. This emphasis has increased the popularity of activities such as small tour groups with guides who are knowledgeable of both local history and local customs. Unique food and beverage options are another important aspect of this dynamic; infographic firm Venngage reported that 69.4 percent of millennials consider themselves "food & cuisine driven travelers," while San Francisco-based market research firm Destination Analyists found 62.7 percent of Baby Boomers were similarly motivated. *Source: Food & Beverage Magazine*

Visitor Statistics

U.S. West

U.S. WEST MMA (by Air)	2015	2016P	% Change 2016P vs 2015	2017 Forecast (Mar. 2017)	% Change 2016P vs 2017 Forecast	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
Visitor Expenditures* ($ Millions)	5,275.7	5,602.2	6.2%	5,650.6	0.9%	1,535.2	1,320.3	16.3%
Visitor Days	32,561,688	33,497,107	2.9%	33,471,947	-0.1%	7,978,102	7,840,095	1.8%
Arrivals	3,507,652	3,658,380	4.3%	3,656,608	0.0%	848,432	833,991	1.7%
Per Person Per Day Spending* ($)	162.0	167.2	3.2%	170.6	2.0%	192.4	168.4	14.3%
Per Person Per Trip Spending* ($)	1,504.0	1,531.3	1.8%	1,545.3	0.9%	1,809.5	1,583.1	14.3%
Length of Stay (days)	9.28	9.16	-1.4%	9.15	0.0%	9.40	9.40	0.0%

**Excludes supplemental business spending*

U.S. East

U.S. EAST MMA (by Air)	2015	2016P	% Change 2016P vs 2015	2017 Forecast (Mar. 2017)	% Change 2016P vs 2017 Forecast	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
Visitor Expenditures* ($ Millions)	3,674.6	3,845.3	4.6%	3,980.5	3.5%	1,135.1	1,033.8	9.8%
Visitor Days	18,580,408	19,097,032	2.8%	19,617,545	2.7%	5,518,300	5,292,994	4.3%
Arrivals	1,803,670	1,869,826	3.7%	1,921,265	2.8%	517,888	492,069	5.2%
Per Person Per Day Spending* ($)	197.8	201.4	1.8%	204.4	1.5%	205.7	195.3	5.3%
Per Person Per Trip Spending* ($)	2,037.3	2,056.5	0.9%	2,071.8	0.7%	2,191.7	2,101.0	4.3%
Length of Stay (days)	10.30	10.2	-0.9%	10.21	0.0%	10.7	10.8	-0.9%

**Excludes supplemental business spending*

Distribution by Island

U.S. West

U.S. WEST MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
O'ahu	1,525,939	1,567,646	2.7%	361,016	356,618	1.2%
Maui County	1,263,378	1,336,658	5.8%	293,585	292,347	0.4%
...Maui	1,244,689	1,314,432	5.6%	288,226	287,113	0.4%
...Moloka'i	26,145	25,521	-2.4%	5,838	6,291	-7.2%
...Lāna'i	22,422	25,800	15.1%	5,670	5,214	8.7%
Kaua'i	603,519	619,321	2.6%	137,311	132,323	3.8%
Island of Hawai'i	631,224	649,422	2.9%	174,064	157,619	10.4%

U.S. East

U.S. EAST MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
O'ahu	1,072,333	1,089,757	1.6%	282,834	269,088	5.1%
Maui County	676,007	707,408	4.6%	197,781	185,545	6.6%
...Maui	665,964	695,708	4.5%	194,697	182,140	6.9%
...Moloka'i	18,996	14,932	-21.4%	4,138	4,427	-6.5%
...Lāna'i	17,727	20,212	14.0%	4,973	4,885	1.8%
Kaua'i	344,210	354,150	2.9%	99,658	89,348	11.5%
Island of Hawai'i	400,979	413,937	3.2%	120,796	109,025	10.8%

Airlift

	2017					2016					2017 vs. 2016 (%)				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
US WEST	**1,717,063**	**1,828,516**	**1,880,665**	**1,744,589**	**7,170,833**	**1,789,501**	**1,864,300**	**1,916,172**	**1,754,312**	**7,324,285**	**-4.0%**	**-1.9%**	**-1.9%**	**-0.6%**	**-2.1%**
Anchorage	25,758	15,105	13,356	17,013	71,232	27,058	15,648	13,366	16,827	72,899	-4.8%	-3.5%	-0.1%	1.1%	-2.3%
Bellingham	10,176	318	0	6,519	17,013	16,789	9,454	0	6,376	32,619	39.4%	96.6%	0.0%	2.2%	47.8%
Denver	55,803	47,594	46,163	45,487	195,047	37,711	43,786	42,633	43,478	167,608	48.0%	8.7%	8.3%	4.6%	16.4%
Las Vegas	70,514	74,594	72,283	69,678	287,069	71,218	73,182	74,846	71,891	291,137	-1.0%	1.9%	-3.4%	-3.1%	-1.4%
Los Angeles	548,722	647,273	683,992	591,321	2,471,308	566,998	656,656	700,502	601,033	2,525,189	-3.2%	-1.4%	-2.4%	-1.6%	-2.1%
													-		
Oakland	84,571	102,543	111,954	88,559	387,627	90,998	108,098	125,824	89,400	414,320	-7.1%	-5.1%	11.0%	-0.9%	-6.4%
Phoenix	113,046	116,441	127,980	118,016	475,483	124,805	125,441	126,852	116,476	493,574	-9.4%	-7.2%	0.9%	1.3%	-3.7%
Portland	89,913	70,341	65,644	79,636	305,534	95,402	72,934	68,880	83,900	321,116	-5.8%	-3.6%	-4.7%	-5.1%	-4.9%
Sacramento	37,620	38,038	38,456	38,456	152,570	38,402	38,402	38,824	38,624	154,252	-2.0%	-0.9%	-0.9%	-0.4%	-1.1%
Salt Lake City	26,370	23,751	24,012	25,836	99,969	23,751	23,751	21,402	26,060	94,964	11.0%	0.0%	12.2%	-0.9%	5.3%
San Diego	67,164	72,705	75,384	69,342	284,595	69,297	75,165	81,327	70,824	296,613	-3.1%	-3.3%	-7.3%	-2.1%	-4.1%
San Francisco	282,102	308,396	326,012	297,059	1,213,569	298,387	309,314	320,519	291,519	1,219,739	-5.5%	-0.3%	1.7%	1.9%	-0.5%
San Jose	68,414	80,365	88,360	81,841	318,980	82,183	88,154	90,464	83,378	344,179	16.8%	-8.8%	-2.3%	-1.8%	-7.3%
Seattle	236,890	231,052	207,069	215,826	890,837	246,502	224,315	210,733	214,526	896,076	-3.9%	3.0%	-1.7%	0.6%	-0.6%
US EAST	**261,362**	**255,075**	**256,372**	**220,525**	**993,334**	**235,057**	**222,627**	**229,607**	**236,311**	**923,602**	**11.2%**	**14.6%**	**11.7%**	**-6.7%**	**7.6%**
Atlanta	26,370	26,663	26,956	26,956	106,945	26,663	26,663	27,182	26,956	107,464	-1.1%	0.0%	-0.8%	0.0%	-0.5%
Chicago	36,120	36,856	37,128	42,588	152,692	34,033	35,776	34,400	40,592	144,801	6.1%	3.0%	7.9%	4.9%	5.4%
Dallas	79,026	79,211	81,510	66,857	306,604	65,738	69,806	70,851	65,928	272,323	20.2%	13.5%	15.0%	1.4%	12.6%
Houston	30,960	32,284	33,488	33,488	130,220	31,304	31,304	31,648	31,648	125,904	-1.1%	3.1%	5.8%	5.8%	3.4%
														-	
Minneapolis	24,612	22,561	13,478	0	60,651	21,271	0	0	15,319	36,590	15.7%	NA	NA	100.0%	65.8%
New York JFK	39,094	25,298	25,576	23,630	113,598	27,250	26,166	27,048	28,386	108,850	43.5%	-3.3%	-5.4%	-16.8%	4.4%
Newark	19,130	21,070	22,264	20,472	82,936	21,538	22,022	22,264	20,948	86,772	11.2%	-4.3%	0.0%	-2.3%	-4.4%
Washington D.C.	6,050	11,132	15,972	6,534	39,688	7,260	10,890	16,214	6,534	40,898	16.7%	2.2%	-1.5%	0.0%	-3.0%

Source: Diio Mii airline schedules

Group vs. FIT; Leisure vs. Business

U.S. West

U.S. WEST MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
Group vs FIT						
Group tour	64,081	63,032	-1.6%	17,731	15,803	12.2%
True Independent	2,838,902	2,978,339	4.9%	714,929	697,897	2.4%
Leisure vs business						
Pleasure (Net)	2,927,726	3,049,420	4.2%	692,341	682,230	1.5%
MCI (Net)	148,434	144,646	-2.6%	49,036	47,325	3.6%
Convention/Conf.	90,948	86,866	-4.5%	30,604	29,121	5.1%
Corp. Meetings	37,329	37,929	1.6%	12,051	11,830	1.9%
Incentive	25,785	25,141	-2.5%	7,998	7,952	0.6%

U.S. East

U.S. EAST MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
Group vs FIT						
Group tour	81,159	84,232	3.8%	25,335	25,510	-0.7%
True Independent	1,399,790	1,451,828	3.7%	411,733	391,237	5.2%
Leisure vs business						
Pleasure (Net)	1,422,020	1,473,704	3.6%	407,764	383,270	6.4%
MCI (Net)	145,486	136,409	-6.2%	51,157	47,088	8.6%
Convention/Conf.	86,872	79,557	-8.4%	33,005	29,794	10.8%
Corp. Meetings	29,187	29,264	0.3%	10,205	9,835	3.8%
Incentive	36,252	34,036	-6.1%	9,811	9,282	5.7%

First Timers vs. Repeat Visitors

U.S. West

U.S. WEST MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
1st timers (%)	18.8	19.0	1.3%	17.3	17.4	-0.1
Repeaters (%)	81.2	81.0	-0.3%	82.7	82.6	0.1

U.S. East

U.S. EAST MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
1st timers (%)	40.9	41.5	1.4%	37.4	36.5	1.0
Repeaters (%)	59.1	58.5	-1.0%	62.6	63.5	-1.0

Tax Revenue

U.S. West

U.S. WEST MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
State tax revenue generated* ($ Millions)	561.86	653.92	16.4%	179.20	154.12	16.3%

**State government tax revenue generated (direct, indirect, and induced)*

U.S. East

U.S. EAST MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
State tax revenue generated* ($ Millions)	391.35	448.84	14.%	132.49	120.67	9.8%

**State government tax revenue generated (direct, indirect, and induced)*

Industry

Major Tour Operators
Presently, the top 10 tour operators for The Hawaiian Islands, based on room night production reports and confirmation from in-market supplier partners, are:

- Expedia
- Costco Travel
- Liberty/GoGo (Flight Center USA)
- Pleasant Holidays
- Travelocity
- Blue Sky Tours
- Funjet Vacations
- MLT/Delta Vacations
- Classic Vacations
- United Vacations