

Resident Sentiment Survey

Prepared for:



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Research Objectives

1. The Hawai'i Tourism Authority (HTA) developed the Hawai'i Tourism Strategic Plan 2005-2015 (TSP) to establish a vision for Hawai'i tourism. The TSP describes nine strategic initiatives, including Research and Planning, under which the Resident Sentiments on Tourism Survey (RSS) is conducted. Specifically, the RSS analyzes resident attitudes toward tourism and the tourism industry, both statewide and by county, including various actions or activities that are supported by the industry through the Transient Accommodations Tax (TAT) collections.
2. The RSS has been conducted six times since 1999, with the last survey in 2007. The RSS has as its primary objectives:
 - To track key resident attitudes toward tourism in Hawai'i over time.
 - To identify perceived positive and negative impacts of the visitor industry on local residents and to compare these ratings relative to other major industries.
 - To identify for the visitor industry and HTA, issues or concerns regarding tourism expressed by residents.

Sample (1 of 2)

- The sample frame for Hawai'i's study was a multi-staged sampling frame. First, a random sample of statewide households was drawn. Next, County and island samples were augmented to meet OmniTrak-established quotas to ensure sufficient numbers of Neighbor Island respondents for analysis purposes.
- Statewide sampling produced a total of n=1,650 respondents, a total of 600 O'ahu residents and 1,050 Neighbor Island residents.
- The resulting sample of residents was weighted proportionate to population distribution per the State Census 2008 update.

Sample (2 of 2)

The survey sample was distributed as follows:

| SAMPLING QUOTAS | O'AHU COUNTY | HAWAII COUNTY | MAUI COUNTY | KAUA'I COUNTY | TOTAL | Sampling Error |
|-----------------|--------------|---------------|-------------|---------------|-------|----------------|
| Random Sample | 600 | 450 | 400 | 200 | 1,650 | +/- 3.0% |
| Weighted Sample | 1,155 | 226 | 187 | 82 | 1,650 | |
| Weighted % | 71% | 13% | 11% | 5% | 100% | |
| Industry Sample | 277 | 50 | 91 | 28 | 446 | +/- 5.0% |
| Industry % | 24% | 22% | 49% | 34% | 27% | |

Within the sample, Visitor Industry employees were segmented for differences in attitudes vs. non-Industry residents.

Methodology

- The methodology used was a Computer Assisted Telephone Interview (CATI).
- All calls were placed from OmniTrak's continuously quality-controlled calling center in the Davies Pacific Center building in downtown Honolulu.
- Field Dates: August 27 to September 20, 2009.
- Statistical Analysis Sample Differences -- Within the reports' tables, a shaded or boxed area signifies a statistically significant difference across two or more respondent segments at the 95% level of confidence.

EXECUTIVE SUMMARY & CONCLUSIONS

Executive Summary (1 of 3)

1. TOURISM POSITIONING OVERALL

- Hawai'i residents have a multi-dimensional perspective of the visitor industry and see “trade-offs” between economic benefits and the industry’s downsides. On the one hand, they hold a favorable attitude toward the visitor industry primarily because of economic factors: The visitor industry is recognized as an “economic engine” of the State and is perceived as having the strongest multiplier effect. Further, an historic analysis of resident perceptions vs. Gross State Product shows that support of tourism is higher in bad times. It is thus not surprising, given the State’s current fiscal condition and availability of jobs, that residents at this time strongly recognize tourism’s economic contributions.
- Outside of economic benefits, however, residents are less certain about the industry’s contributions. On the positive side, a near-80% majority agree that tourism brings more net benefits than problems, and those who strongly agree exceed those who disagree by a margin of +13 percentage points.
- A potential vulnerability, however, is low satisfaction on other areas of visitor industry involvement and its relationship with the larger community. In particular, residents are not satisfied with the dominant industry’s role in solving community problems, and lean negative on its role in helping to preserve Hawaiian culture and sustain natural resources. These are important issues because good corporate citizenry is critical in maintaining community support and Native Hawaiian culture and natural beauty are perceived by visitors as assets of this destination.

Executive Summary (2 of 3)

2. VISITOR INDUSTRY VS. ITS COMPETITIVE SET

- In terms of positive perceptions, tourism currently ranks second behind the military in Hawai'i, and ahead of the health care and financial industries. Its mean rating of 7.3 is 4% lower than defense and 4% higher than health care. One third (30%) are industry advocates (those who give 9 or 10 ratings on a 10 point scale). This is comparable to health care (29%) and -9 points below defense.
- Residents generally do not see tourism as primarily responsible for negative impacts like traffic, overcrowding and higher costs. There is no broad consensus about tourism impacts, however, and perceptions vary significantly across the state. Particularly on Maui and Kaua'i, many feel that tourism worsens traffic and overcrowded conditions, and that *“this island is run for tourists at the expense of the local people.”*

3. TOURISM AS “ECONOMIC ENGINE” AND CORE SUPPORTERS

- The public clearly appreciates the Industry's position as the state's economic “engine.” The challenge, however, is that few appreciate the non-economic role tourism plays in the State. Resident's positive view of tourism's “Net Benefit” is driven primarily by job creation and the multiplier effect on the economy.
- “Core support” for tourism consists mainly of Industry-employed households, older residents and the Filipino communities, which comprise a higher percentage of industry employment. The audiences less favorable to tourism tend to be 1) Neighbor Island residents, particularly on Maui and Kaua'i, and 2) Native Hawaiians across the State. Targeting these audiences in particular in future communications is recommended.

Executive Summary (3 of 3)

4. TOURISM ISSUES

- While the overall view on tourism is favorable, satisfaction related to particular areas of visitor industry involvement is generally low. Residents lean towards dissatisfaction in 4 of 7 areas tested and do not feel the industry...
 - Takes a leadership role in solving community problems
 - Helps to sustain Hawai'i's natural resources
 - Helps to preserve Native Hawaiian language and culture
 - Works to make Hawai'i a safe place for residents and visitors
- A potential influencer of lower satisfaction in these areas is that *awareness* of visitor industry involvement in areas outside the visitor industry is not strong, averaging 50% across the areas tested. Best-known are the Industry-sponsored sports and cultural events; least-known are its investment in workforce training and support of Hawaiian cultural practices.
- Aside from awareness, the Industry areas of involvement do not appear to be strongly aligned with the needs and values of local communities, and are not seen as making a difference in residents' quality of life. Boosting awareness may increase opinion incrementally – but another dimension of concern persists among some residents that the Industry is essentially insular and is not doing enough to give back to the welfare of broader local communities in which it operates. This is the issue of corporate responsibility which contributes to sustainable support for business.
- In short, the public does not see the Industry as contributing significantly to local communities outside of employment. To move the needle on opinion, the Industry needs to make a bigger impact on residents' quality of life via its involvement in various areas to improve the welfare of both resident and visitor communities.

Key Conclusions and Recommendations (1 of 3)

1. **WORK ON QUALITY OF LIFE AS WELL AS ECONOMIC BENEFITS** --- As shown in the OmniTrak Driver Analysis TM, perceptions of the visitor industry being of net benefit to residents is dependent on perceptions of not only economic, but also quality of life benefits and mitigation of downsides. Since the latter -- traffic, development and impact on cost of living - are difficult to manage and have less direct impact on an increase in perceptions of net tourism benefits than the quality of life dimension, focusing on quality of life benefits may be strategically more feasible and effective.

Quality of life divides into two categories --- social benefits and community benefits. Social benefits include perceptions of how the industry enriches life in the Islands and includes entertainment, a sustainable economic environment, etc. Community benefits relate more specifically to good corporate citizenry. Corporate responsibility begins with the premise that businesses should give back to the communities they serve. In the case of the visitor industry, its dominance in Hawai'i and government support leads to high expectations. Residents are more likely to agree that tourism is of net benefit to the Islands if they also perceive the industry as taking a leadership role in solving the problems of the broader communities which tourists visit. Further, the issues on which residents place priority are those that are of value to both residents and visitors: Safety, preservation and respect of the State's multi-cultural heritage, especially among Native Hawaiians, sustainability of natural resources and sports events. It should also be noted that natural resource sustainability is a clear "need gap" area among residents, meaning that expectations exceed satisfaction. Because improvement of quality of life and the natural environment also relates to the in-destination visitor experience, and visitors in turn report that residents are a key driver of in-destination satisfaction,* these areas are potentially win-win.

* Based on findings of a 2000 O'ahu Visitor Survey conducted for the State DBEDT by OmniTrak Group.

Key Conclusions and Recommendations (2 of 3)

- 2. RAISE AWARENESS OF AREAS OF INVOLVEMENT AND SUPPORT ---** Despite efforts and support in community areas, residents have low awareness of what the industry helps to support through TAT collections. This in turn leads to low satisfaction. For the industry to derive “credit” for its efforts to improve quality of life, it is imperative that awareness of current programs be substantially increased. Increased awareness will also facilitate assessment of where residents and the industry are aligned and not aligned on quality of life benefits and corporate responsibility. It is thus recommended that the visitor industry invest in communications that will increase awareness of support for its areas of involvement. This communications strategy ideally would not solely be awareness and promotion but also stronger branding of the Hawai'i Tourism Authority, its core values, and its role in enriching the visitor experience and residents' quality of life.
- 3. FOCUS ON NATIVE HAWAIIANS –** Resident Sentiment Survey results clearly indicate that Native Hawaiians have a lower level of support for the visitor industry. Further, they are less aware of current initiatives and support. We thus suggest strengthening current initiatives to preserve the Native Hawaiian language and cultural practices. In the public view, and especially among Native Hawaiians, the visitor industry does not have the reputation of respecting Hawaiian culture and of presenting the Hawaiian arts authentically and accurately.

Key Conclusions and Recommendations (3 of 3)

4. **EXPAND VISITOR/ COMMUNITY LINKS** – As a long-term goal, consider reducing physical and psychological barriers separating the Visitor Industry and local communities. In (unofficial) focus groups,* residents expressed a certain desire to interact with visitors but felt excluded from tourism venues and locales like Waikiki. On Maui, residents sometimes feel negatively that visitors' needs takes precedence over their own needs.
5. **INDUSTRY-WIDE EFFORT** – Moving the needle on resident opinion and support will likely require a broad-based Visitor Industry effort that includes HTA, key Industry players and resort developers as well, who are viewed as part of the Industry catering to visitors and offshore buyers (and not to the local market).**
6. **ECONOMIC DIVERSIFICATION** – Results from OmniTrak's public opinion newsletter, The People's Pulse, and from resident focus groups on the economy, continue to suggest a high level of concern that Hawai'i is too dependent on tourism. While there is agreement that tourism has a high multiplier, there is little awareness that the visitor industry lends support to other economic sectors. We therefore suggest strengthening efforts to communicate the visitor industry's role in economic diversification, such as use of agricultural products by hotels, biotechnology conferences in the Convention Center, etc.

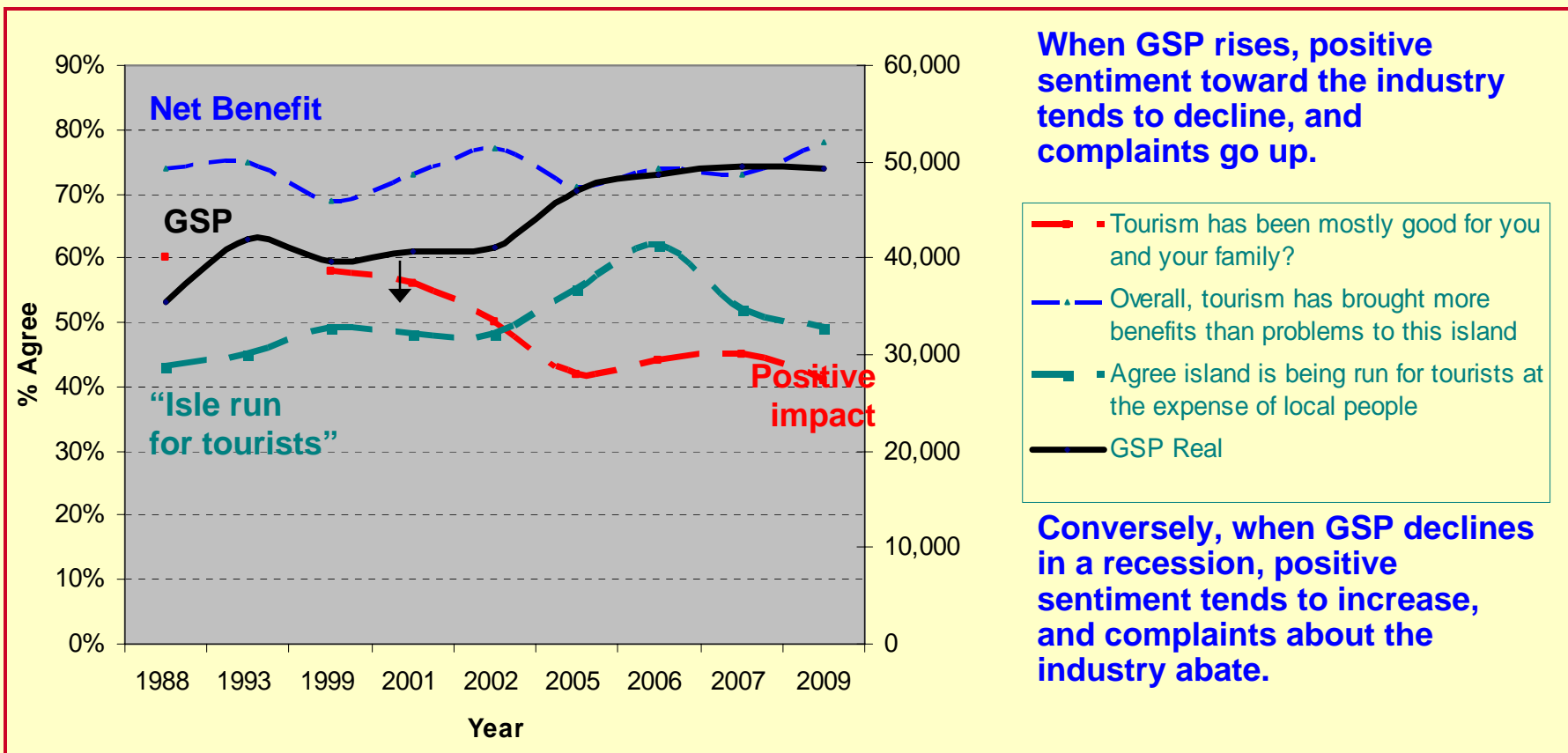
* In June 2009, OmniTrak volunteered to conduct 2 focus groups for HTA as unofficial, non-contractual research exploring tourism issues among residents with the goal of deriving input for the design of the survey questions.

** Also a finding from the unofficial focus groups as well as qualitative responses from the September survey, this refers to high-end resort destination homes that are clearly targeted to visitors and non-local buyers, and viewed by local residents as part of the "visitor industry." Developers of these luxury homes may not see themselves as part of the visitor industry, but local residents clearly do.

Tracking Key Metrics vs. GSP: Impact of Economy on Tourism Attitudes

Tracking GSP vs. Key Survey Metrics: 1988-2009

To better understand resident attitudes toward Hawai'i's visitor industry in the context of external factors, OmniTrak ran a regression analysis of key perceptions in relation to the State's economic conditions as measured by Gross State Product (GSP). Attitudes toward the Visitor Industry correlate with the economy. In good times, residents are more critical; in bad times, they value tourism more.* This may be due to the industry's role as employer, as other OmniTak data suggests jobs are the main economic concern of residents.



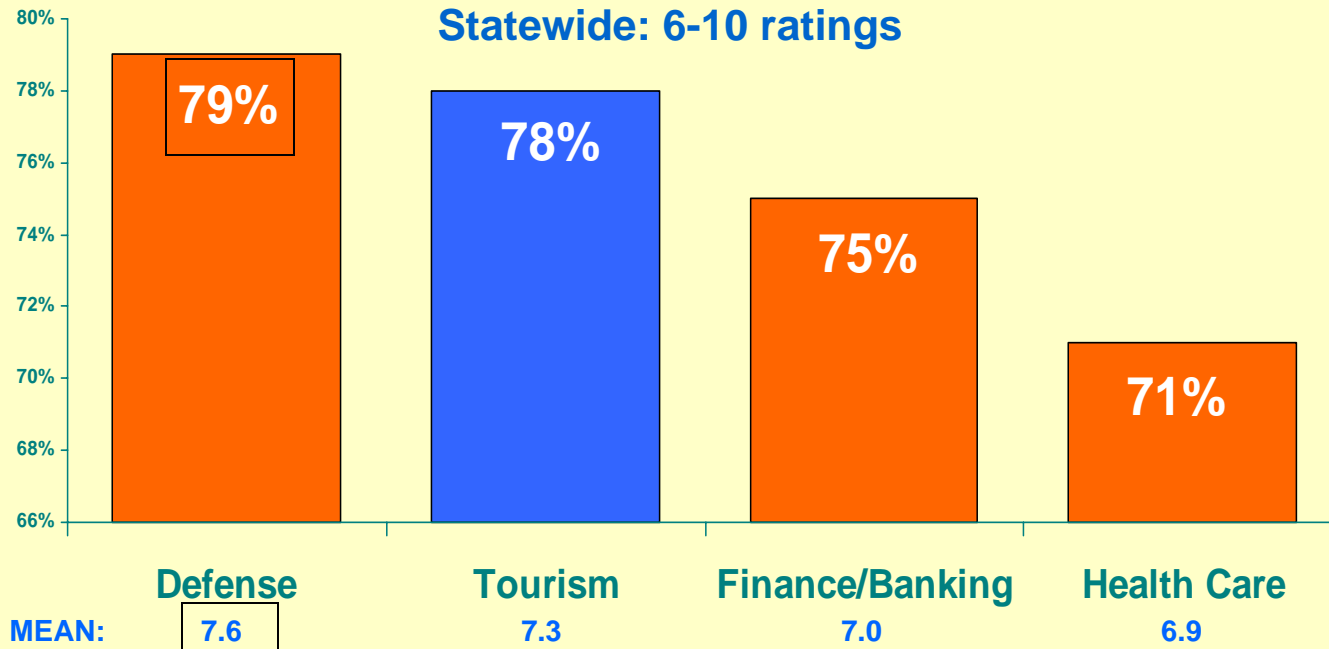
* Source for GSP: State of Hawai'i, 2009 Data Book, 1988 - 2007

Tourism Industry Competitive Set

Tourism vs. the Competitive Set: Total Favorable

Within the competitive set of Hawai'i's key industries, tourism ranks second to defense (4% lower based on mean ratings) in residents' esteem but above the health care and banking industries. Almost 80% of residents hold favorable opinions of both tourism and defense.

“Using a 10-point scale where 10-extremely favorable and 1-not favorable at all, please give me your opinion of each...?”



Despite tourism outstripping defense in state GSP terms, it does not get full credit for the economic contribution.

The military sector ranks highest, particularly on O'ahu where most military facilities are located.

Shaded areas signify statistically significant differences between segments at the 95% level of confidence.

| | O'AHU | HAWAI'I | MAUI | KAUA'I |
|--------------------------------|-------|---------|------|--------|
| Defense | 81% | 75% | 76% | 69% |
| Tourism | 79% | 76% | 79% | 70% |
| Health Care & Medical Services | 73% | 61% | 71% | 70% |
| Financial Services & Banking | 76% | 72% | 66% | 73% |

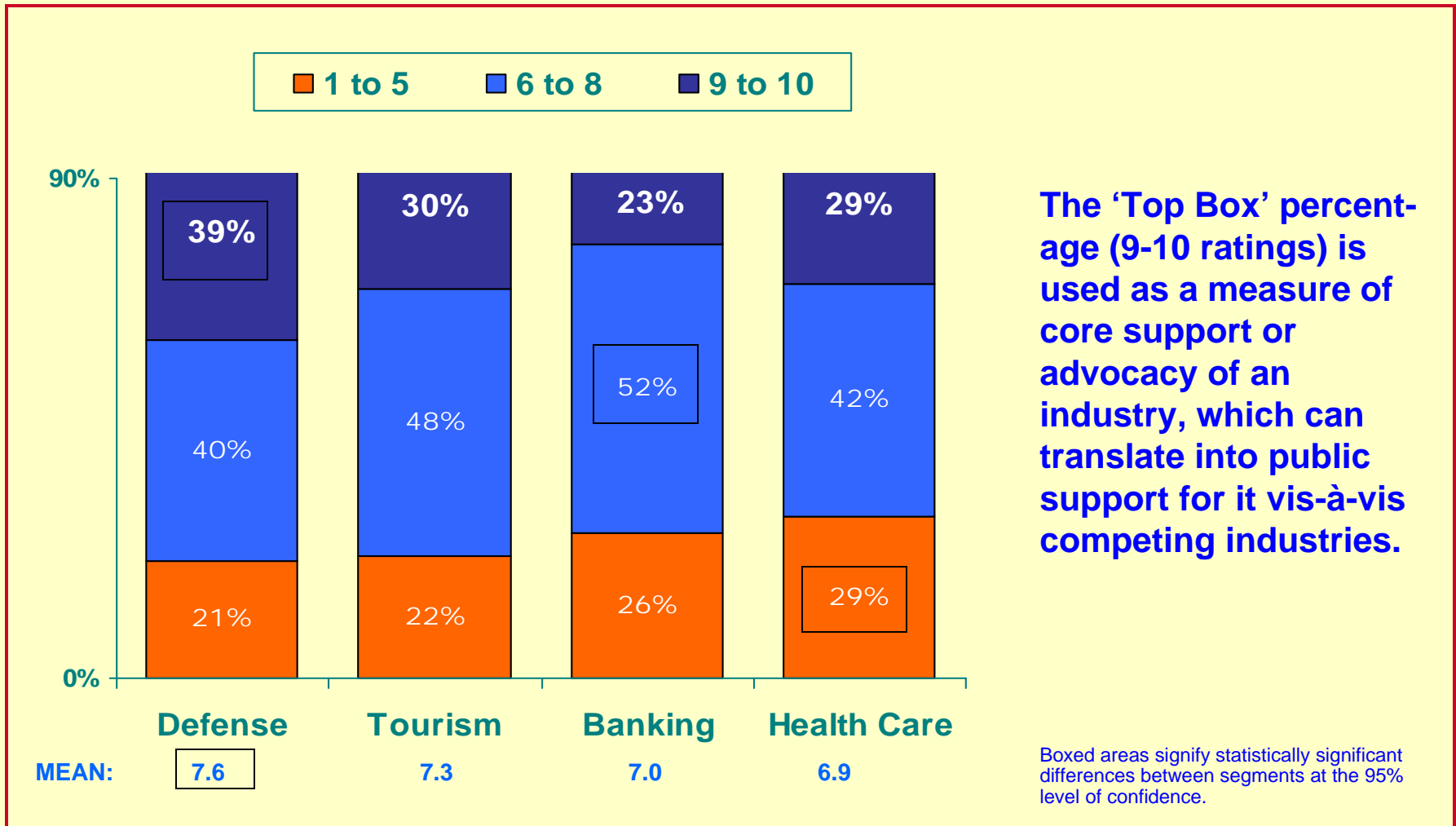
Base: 1,650 statewide residents in 2009

* In OmniTrak's analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

Q1: "I'd like to read you a list of various industries in Hawai'i. Using a 10-point scale where 10 means extremely favorable and 1 means not favorable at all, please give me your opinion. First..."

Tourism vs. Competitive Set: Top, Mid & Bottom Ratings

While tourism and defense enjoy similar favorability overall, defense ranks higher due to its level of 'top box' or strongly favorable ratings (9-10 of 10).



The 'Top Box' percentage (9-10 ratings) is used as a measure of core support or advocacy of an industry, which can translate into public support for it vis-à-vis competing industries.

Base: 1,650 statewide residents in 2009

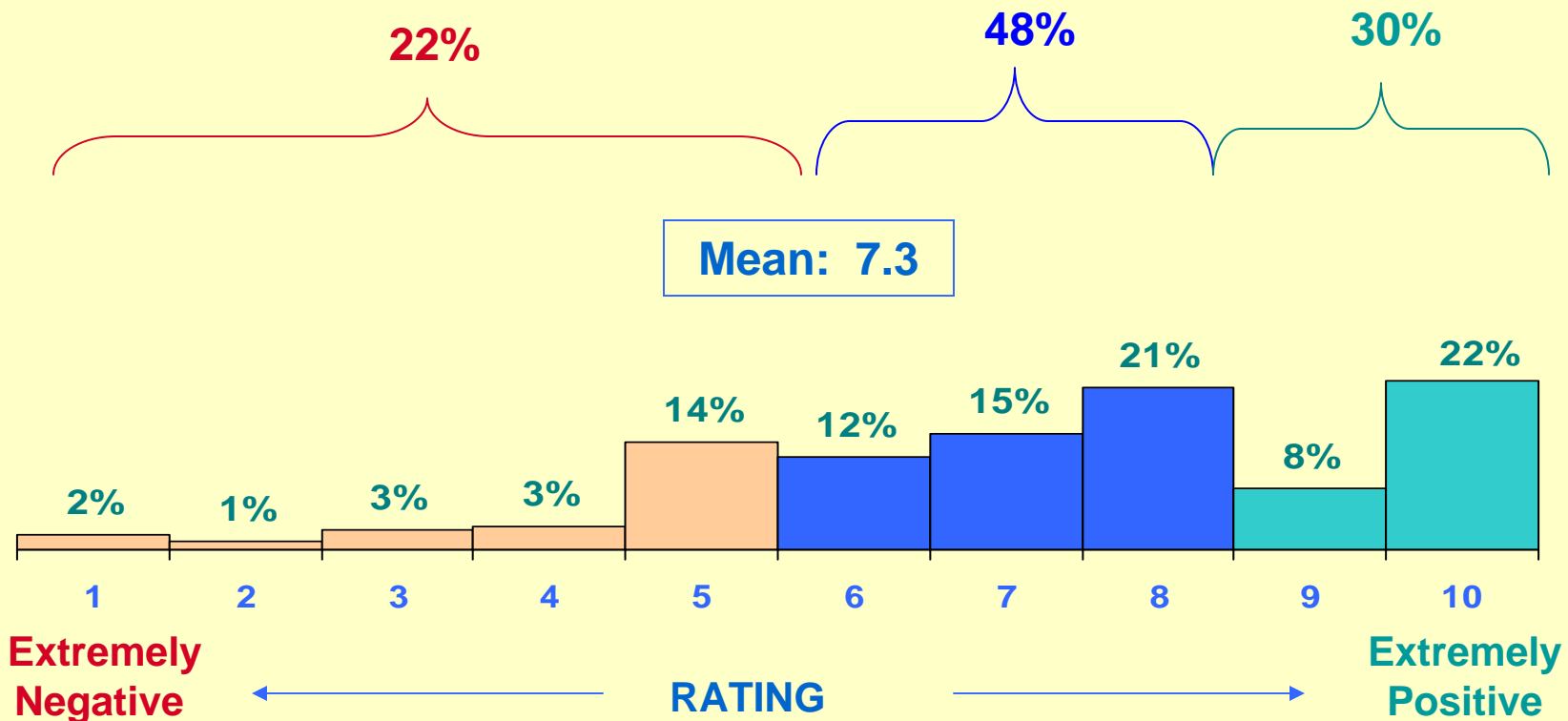
* In OmniTrak's analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

Q1: "I'd like to read you a list of various industries in Hawai'i. Using a 10-point scale where 10 means extremely favorable and 1 means not favorable at all, please give me your opinion. First..."

Ratings of Tourism: 2009 Data

Survey data in 2009 belies the notion that many residents view tourism unfavorably. In fact, few (9%) are extremely negative or rate it below 5 on the 10-point scale, while a significant number (30%) give it top 9 or 10 rating for favorability.

“Using a 10-point scale where 10 means extremely favorable and 1 means not favorable at all, please give me your opinion of tourism.”



Base: 1,650 statewide residents in 2009

* In OmniTrak's analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

Q1: "I'd like to read you a list of various industries in Hawai'i. Using a 10-point scale where 10 means extremely favorable and 1 means not favorable at all, please give me your opinion. First..."

Ratings of Tourism: By County

Residents across the state view tourism quite favorably. Nearly 80% of residents on O‘ahu, Maui and Hawai‘i rate tourism either in the ‘top’ or the ‘mid’ boxes, with a plurality in the ‘mid-box.’ Kaua‘i is relatively less favorable at 12 percentage points below other islands’ ‘mid box’ ratings.

Shaded areas signify statistically significant differences between segments.

| <i>“Please give me your opinion of tourism.”</i> | O‘AHU | HAWAI‘I | MAUI | KAUA‘I |
|--|-------|---------|------|--------|
| BASE | 893 | 168 | 144 | 57 |
| Top Box (9-10) | 30% | 32% | 30% | 32% |
| Mid-Box (6-8) | 49% | 44% | 49% | 37% |
| Bottom Box (1-5) | 21% | 24% | 21% | 31% |
| MEAN | 7.3 | 7.3 | 7.3 | 6.9 |

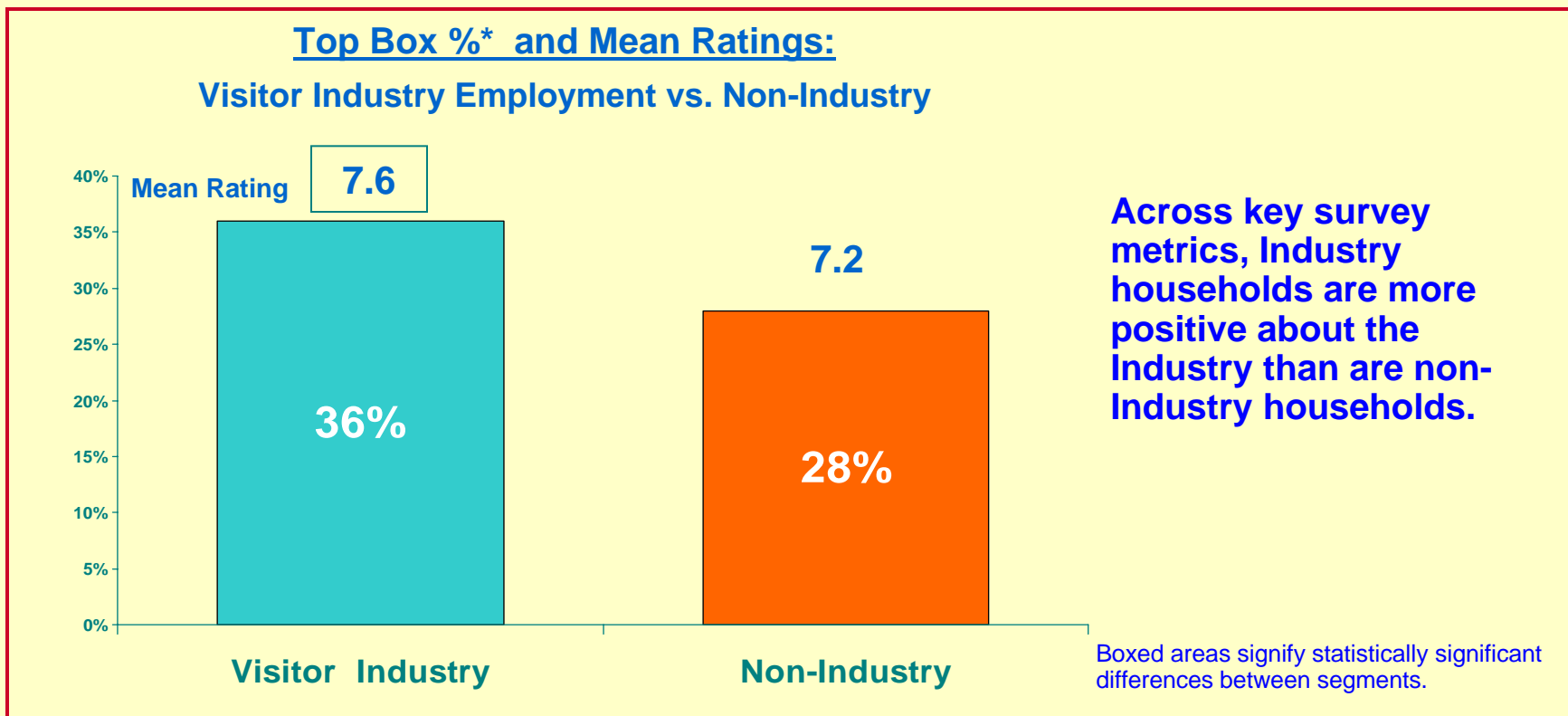
Base: 1,650 statewide residents in 2009

* In OmniTrak’s analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

Q1: “I’d like to read you a list of various industries in Hawai‘i. Using a 10-point scale where 10 means extremely favorable and 1 means not favorable at all, please give me your opinion. First...”

Favorable To Tourism: By Visitor Industry Households

Over 1 in 4 (27%) statewide households have members employed in the Visitor Industry. Not surprisingly, Visitor Industry-employed households rate tourism higher for favorability. However, a mean rating of 7.6 on a 10-point scale and a 6% premium over the non-industry mean (0.4 of 7.2) from a segment economically dependent on the industry is not particularly strong since advocacy usually correlates with higher top box and mean ratings.



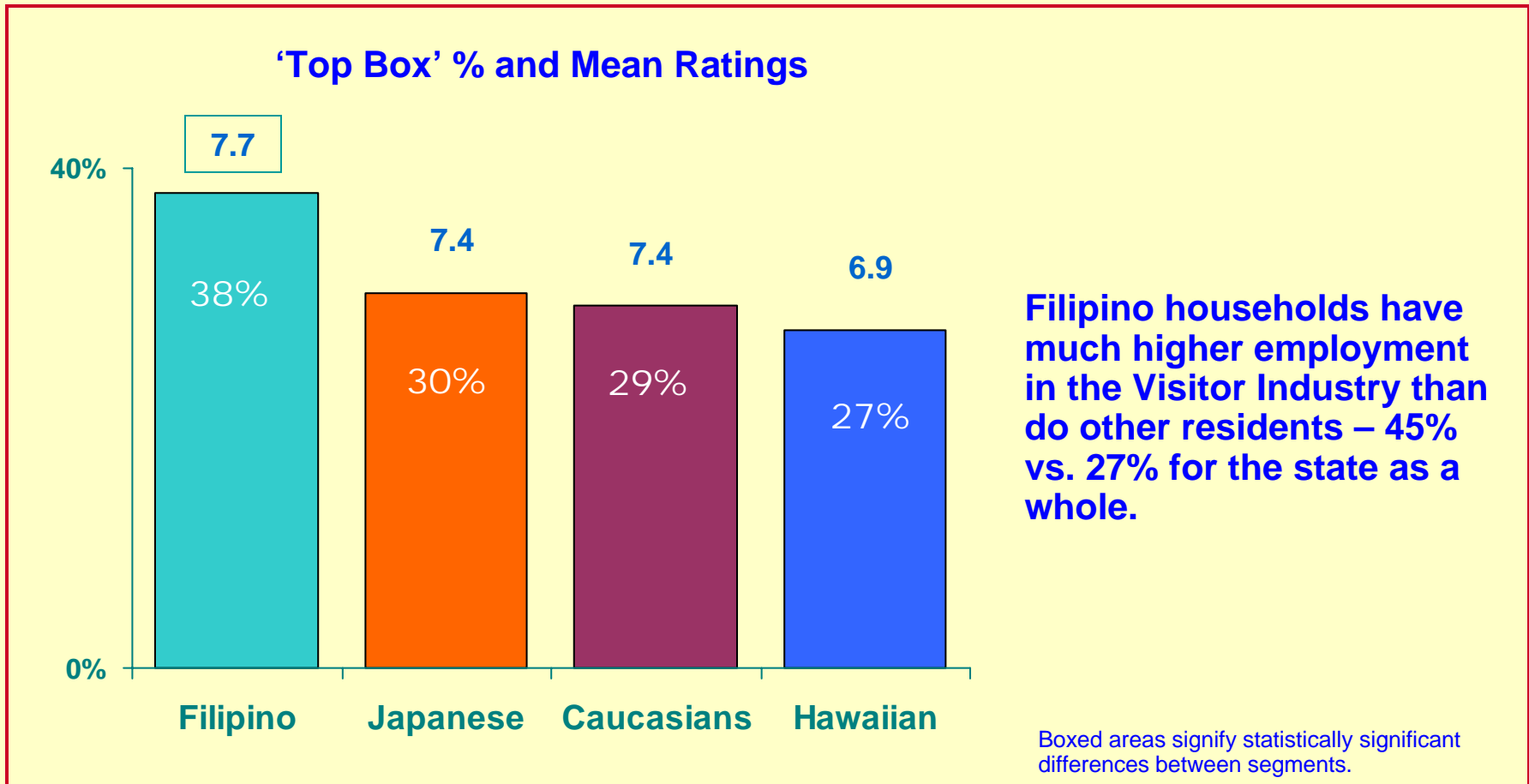
Base: 446 residents where a household member is employed in tourism and 1204 households with no one employed in tourism.

* In OmniTrak's analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

Q1: "Using a 10-point scale where 10 means extremely favorable and 1 means not favorable at all, please give me your opinion. First...tourism."

“Top Box” Opinion: Ethnic Segments

Hawai‘i’s major ethnic communities perceive tourism differently, with Filipino residents most favorable, overall, and Native Hawaiians least favorable.



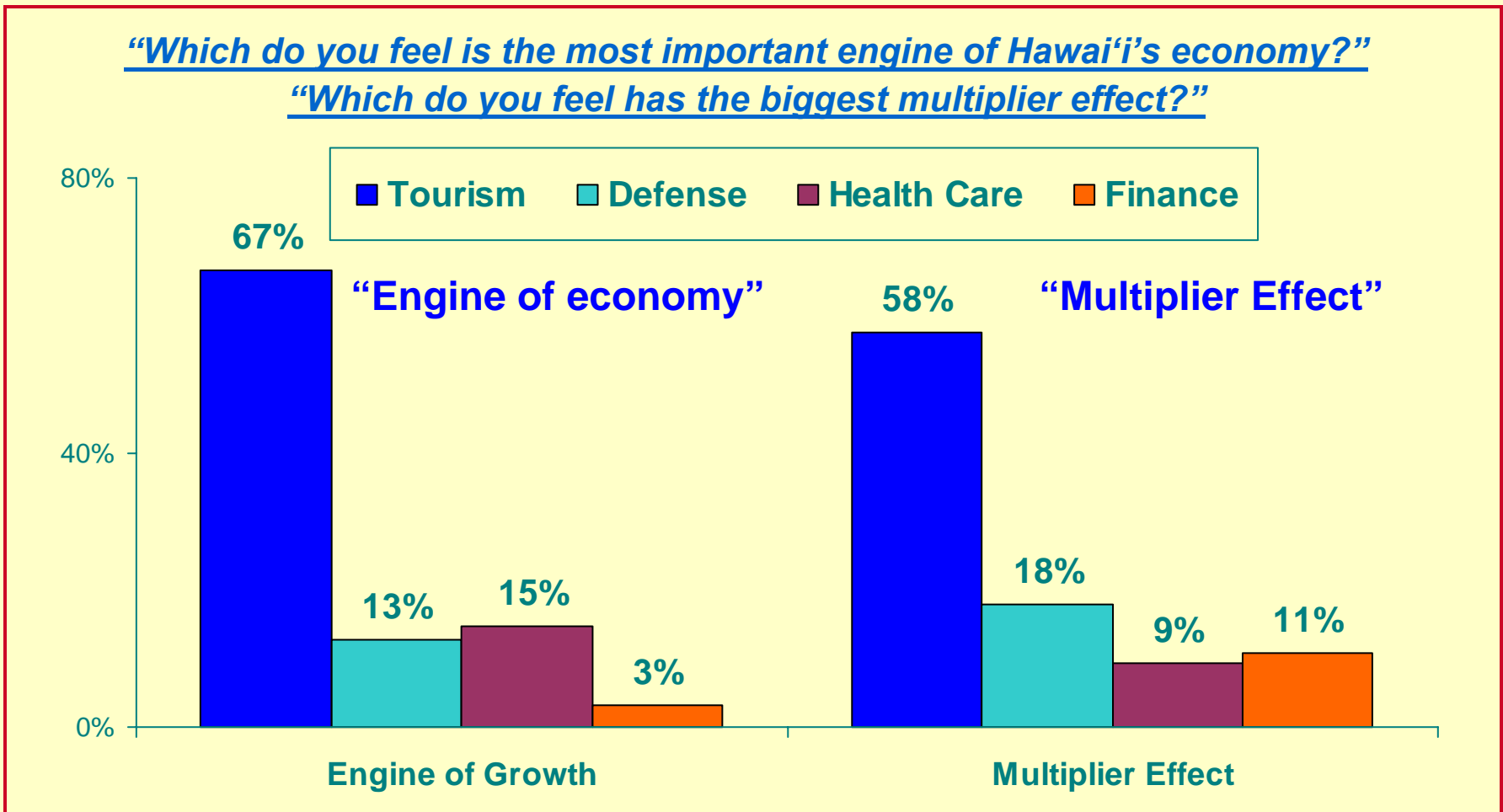
Base: 336 Caucasian, 289 Japanese, 401 Hawaiian and 115 Filipino residents statewide.

* In OmniTrak’s analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

Q1. “Using a 10-point scale where 10 means extremely favorable and 1 means not favorable at all, please give me your opinion of tourism.”

“Economic Engine” and “Multiplier Effect” of Tourism

Residents clearly acknowledge that *tourism* is the state’s economic “engine” and identify it as having the greatest “multiplier effect” (described as the sector “most supporting other businesses and jobs in Hawai‘i”).



Base: 1,650 statewide residents in 2009

Q1a: “And of these industries, which do you feel is the most important “engine” of Hawai‘i’s economy?”

Q1b: “Which do you feel has the biggest multiplier effect, that is, it most supports businesses and jobs in Hawai‘i?”

Tourism as “Economic Engine”: By Island

Tourism has greatest perceived economic impact on Maui, where 77% of residents name it the “engine of the economy” and as having the “biggest multiplier effect” – compared to 64% and 53% of O‘ahu residents, respectively.

Shaded areas signify statistically significant differences between segments.

| <i>% Choosing <u>tourism</u> as...</i> | O‘AHU | HAWAI‘I | MAUI | KAUA‘I |
|---|-------|---------|------|--------|
| BASE | 893 | 168 | 144 | 57 |
| <i>...being the “most important ‘engine”</i> | 64% | 73% | 77% | 69% |
| <i>...having the “biggest multiplier effect?”</i> | 53% | 62% | 77% | 65% |

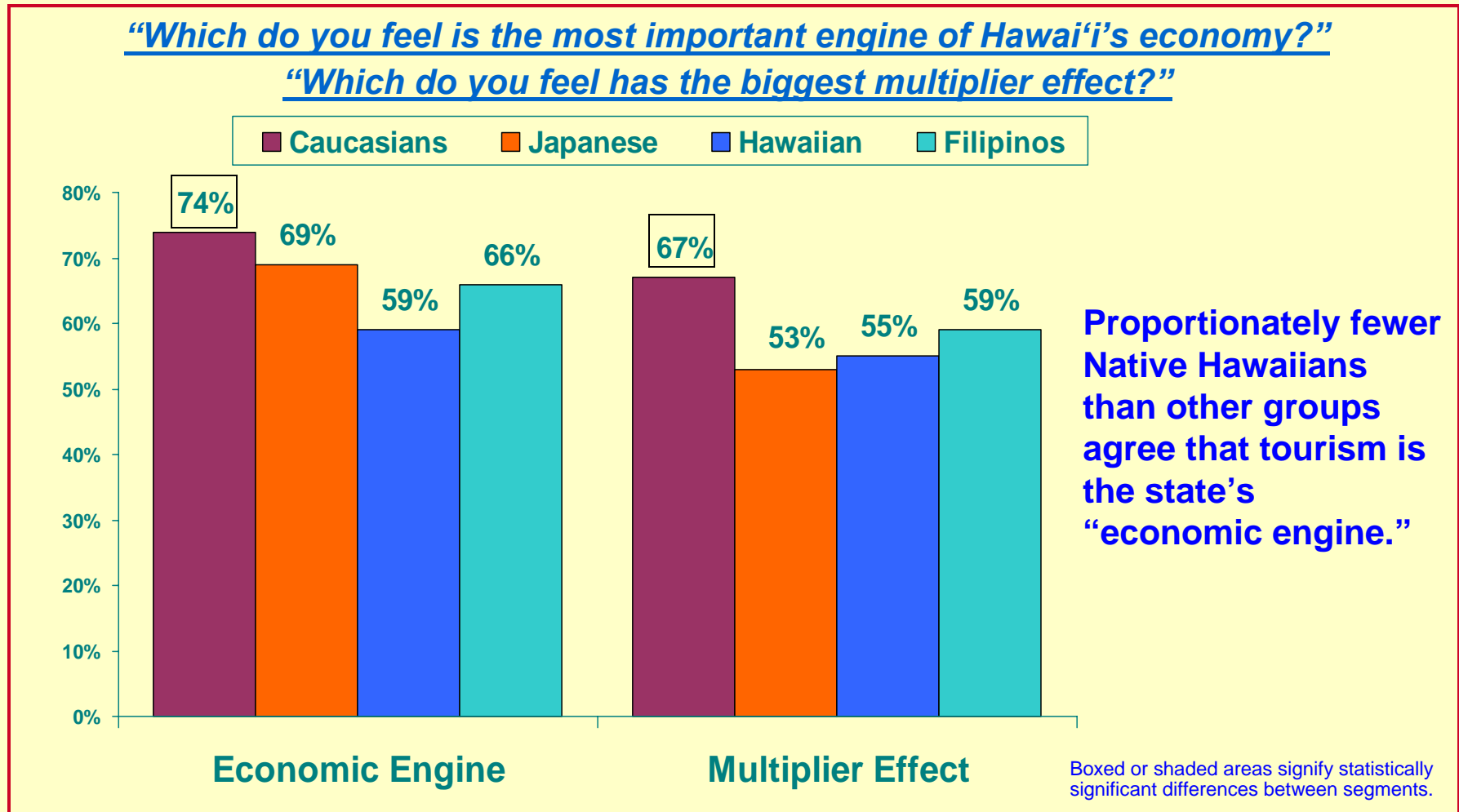
Base: 1,650 statewide residents in 2009

Q1a: “And of these industries, which do you feel is the most important “engine” of Hawai‘i’s economy?”

Q1b: “Which do you feel has the biggest multiplier effect, that is, it most supports businesses and jobs in Hawai‘i?”

Tourism as “Economic Engine”: By Ethnic Segment

Generally speaking, Native Hawaiian residents tend to be less positive about tourism than are other residents.



Bases: 336, 289, 401 and 195 Caucasian, Japanese, Hawaiian and Filipino residents statewide, respectively.

Q1a. “Which do you feel is the most important ‘engine’ of Hawai‘i’s economy?”

Q1b. “Which do you feel has the biggest multiplier effect, that is, it most supports other businesses and jobs in Hawai‘i?”

Tracking Perceived Impact of Tourism On Residents

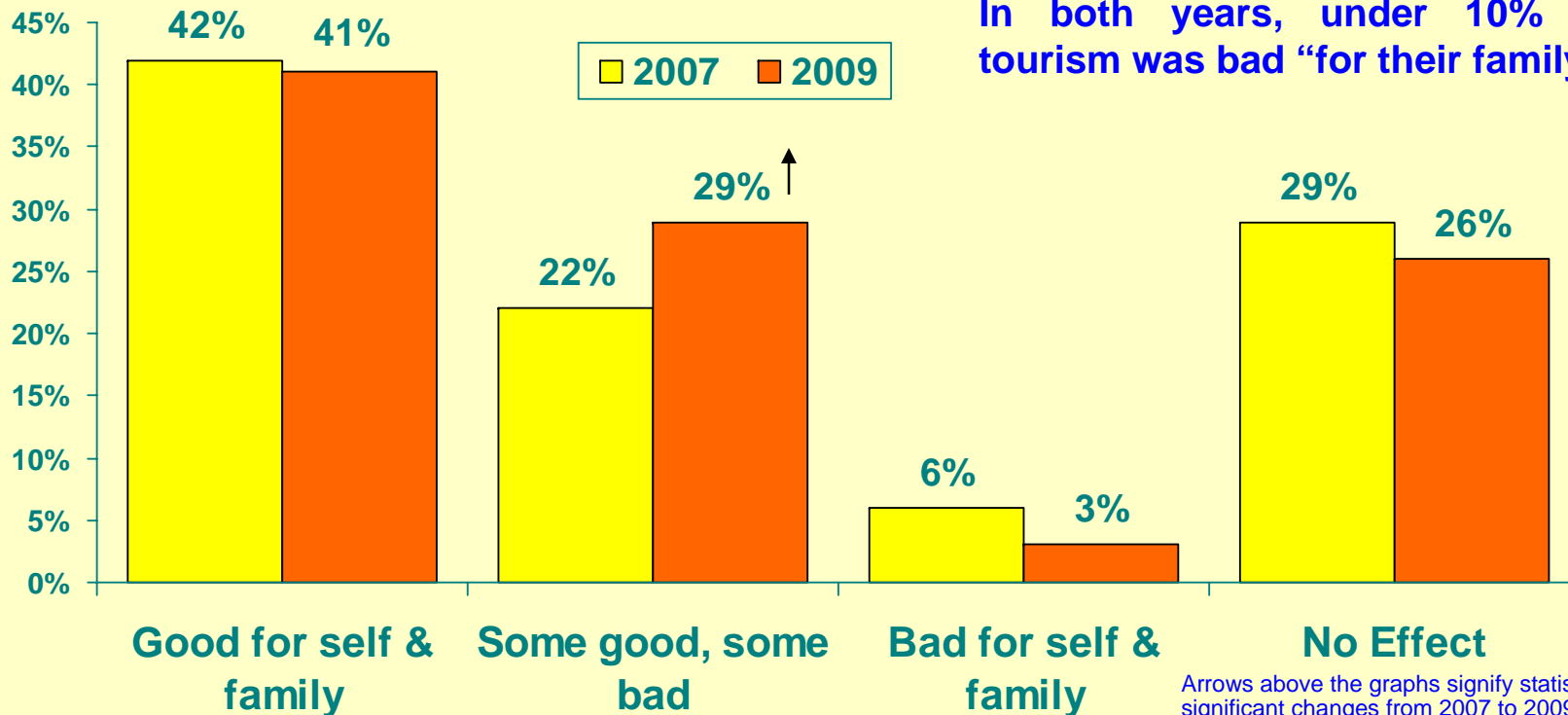
Tracking Impact of Tourism: 2007 & 2009

- (2007) *“What about you personally? Overall, has tourism been mostly good for you and your family, bad for you and your family, some good, some bad for you and your family, or no effect at all?”*
- (2009) *“Using a 10-point scale where 10 means extremely positive and 1 means extremely negative, how would you rate the overall impact tourism has on you and your family? If tourism has no impact on you and your family, please tell me.”*

Tracking Impact of Tourism: 2007 to 2009

Despite the change in question wording,* tracking data shows relative stability in perceptions of the impacts of tourism “on me and my family.” In both 2007 and 2009, just over 40% said tourism was good for their family. That said, it is still somewhat surprising that a quarter feel that State’s largest industry has no effect on them.

“Would you say that tourism has been...?”
2007 to 2009



Note: * In 2009, responses to the question changed from a choice of four responses: “good for you and your family,” “bad for you and your family,” “some good, some bad” and “no effect” to a 10-point scale where 10=very positive and 1=very negative.

Base: 1,644 and 1,650 statewide residents in 2007 and 2009, respectively.

Tracking Impact of Tourism: 1988-2009

While there is a clear trend over the past 20 years for fewer residents to agree that tourism “has been mostly good” for their families, the trend has stabilized at slightly over 40% in recent years.

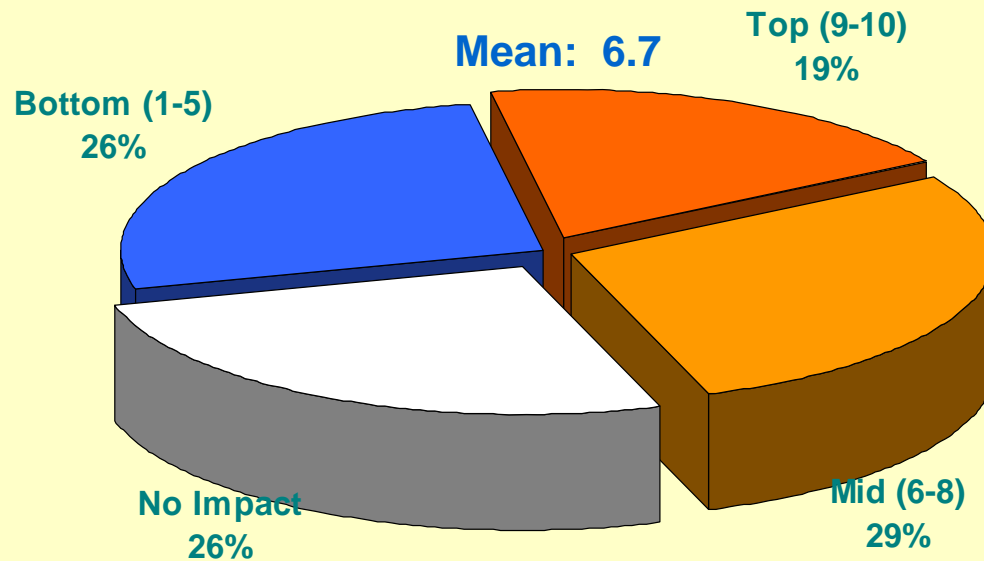


Q2a: “What about you personally? Overall, has tourism been mostly good for you and your family, bad for you and your family, some good, some bad for you and your family or no effect at all?”* In 2009, responses to the question changed from a choice of four responses to a 10-point scale where 10=very positive impact and 1=very negative impact.

Rating Tourism's Impact on Residents: 2009

Use of a more robust 10-point scale in 2009 indicates that the public is split down the middle on this question, with about half indicating a positive impact and half indicating either a negative impact or “no impact.”

“Using a 10-point scale where 10=extremely positive and 1=extremely negative, how would you rate the overall impact tourism has on you and your family?”



More Maui residents than other residents reported positive impacts on their families from tourism (see table).

| | O'AHU | HAWAI'I | MAUI | KAUA'I |
|-------------------------|-------|---------|------|--------|
| “Top Box” % (rate 9-10) | 17% | 18% | 33% | 26% |
| No Impact | 29% | 28% | 11% | 17% |
| Mean Rating | 6.6 | 6.8 | 7.2 | 6.8 |

Base: 1,650 statewide residents.

* In OmniTrak's analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

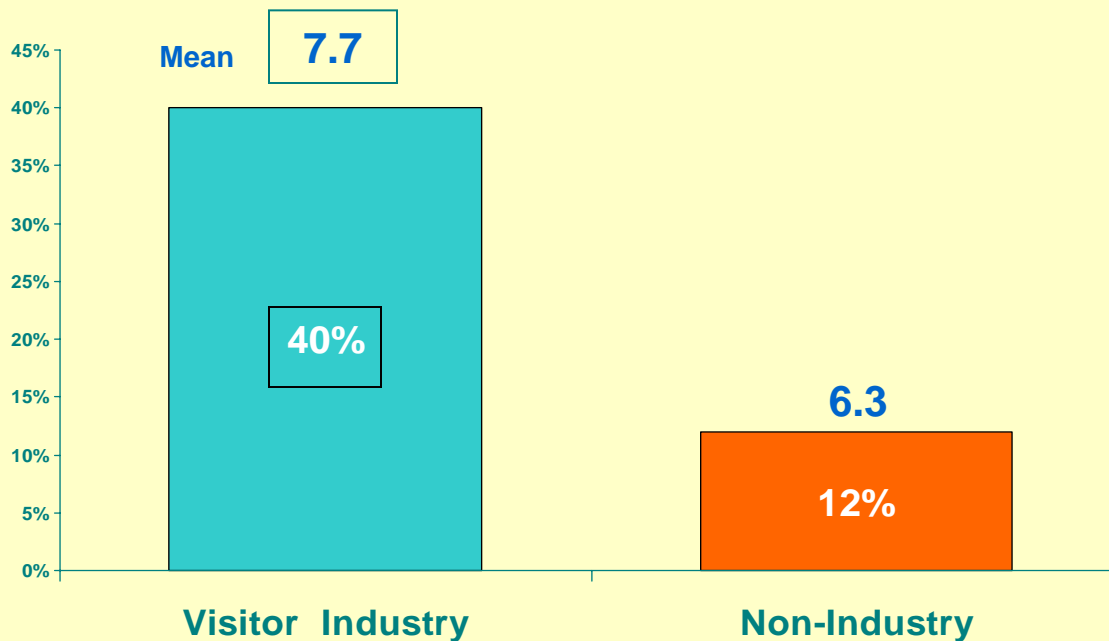
Q2a. “Using a 10-point scale where 10 means extremely positive and 1 means extremely negative, how would you rate the overall impact tourism has on you and your family?”

Impact of Tourism by Visitor Industry Employment

The “impact-related” metric is largely a gauge of Industry employment, with much of the positive sentiment coming from those employed or dependent on the industry. Visitor industry employees give 22% higher mean ratings than non-Industry residents. The latter segment leans negative, with an average rating of 6.3 out of 10.

Top Box % and Mean Ratings:

Visitor Industry Employment vs. Non-Industry



Over three times as many Industry households as non-Industry households said that the tourism impact was positive.

Only 12% of non-industry households felt that tourism’s impact was positive on their families, while 60% felt no or a negative impact from tourism.

Because proportionately more Filipinos are employed in tourism, ethnic segmentation shows that this ethnic group is significantly more positive toward tourism than other ethnic groups.

Base: 446 residents where a household member is employed in tourism and 1,204 households with no one employed in tourism.

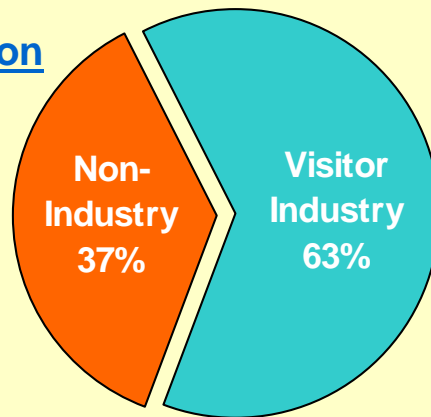
Q2a. “Using a 10-point scale where 10 means extremely positive and 1 means extremely negative, how would you rate the overall impact tourism has on you and your family?”

Tourism “Supporters”: Industry vs. Non-Industry Households

In general, positive sentiment toward tourism is driven by employment. Tourism “supporters,” i.e., those with a favorable opinion of tourism or saying it has a positive impact on them, tend to be employed in the industry.

Residents Rating Tourism in the “Top Box” for...

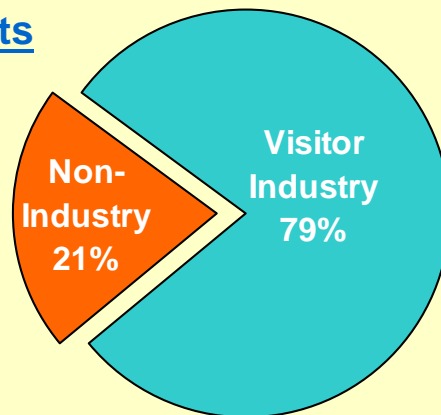
...Favorable Opinion



Most of the “supporters” or favorable audience for tourism consist of Industry employees, currently 27% of the adult population.

Only a minority of “supporters” come from outside the industry.

...positive impacts on Family

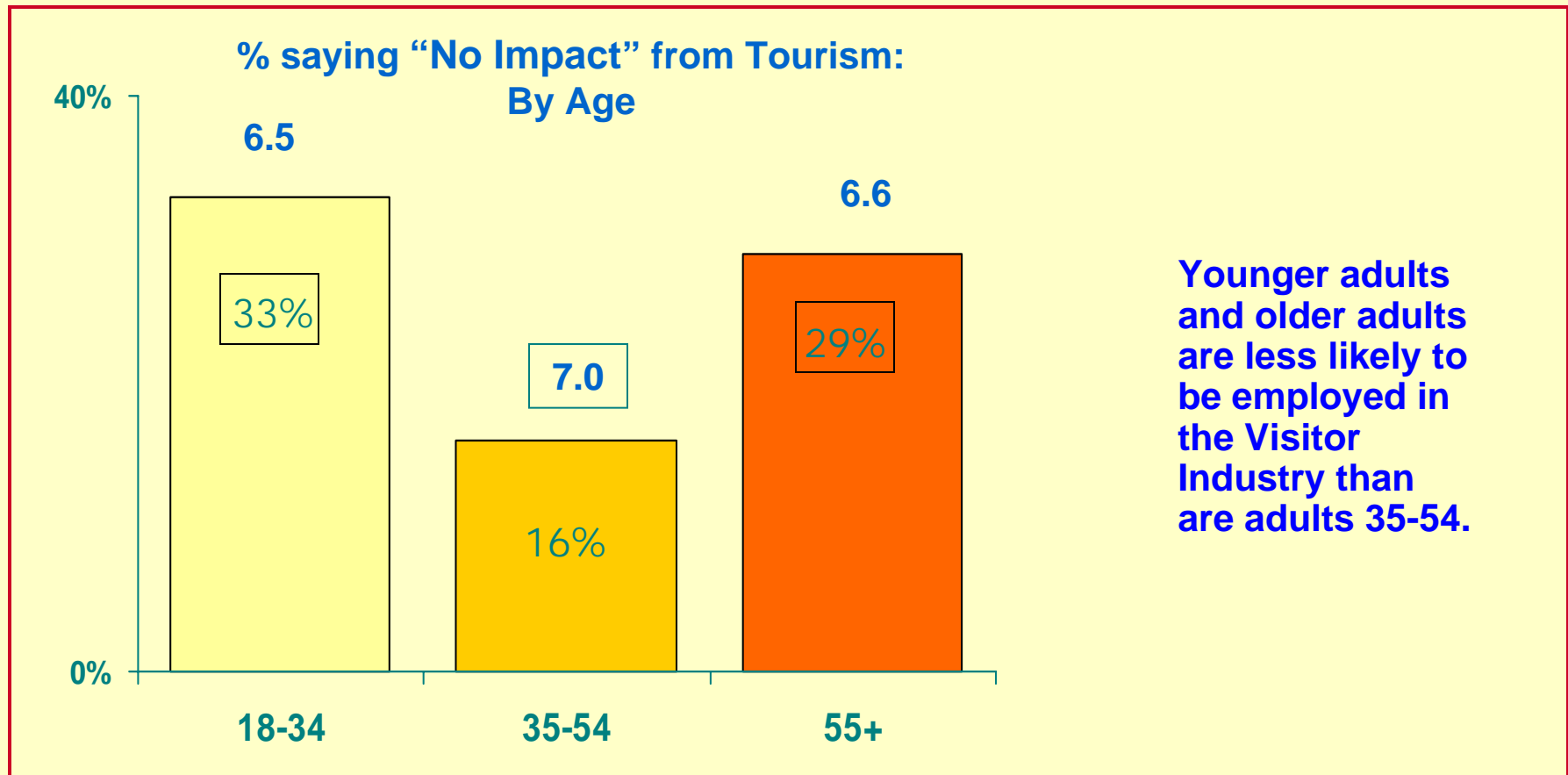


Increasing the number of “supporters” from outside the Industry would potentially boost positive sentiment for the Industry going forward.

Base: 408 and 320 statewide residents who rated tourism 9 to 10 on the 10-point scale for favorability (as an industry) and positive impact (“on you and your family.”).

No Impact from Tourism: By Age Segments

Younger (18-34) and older (55+) adults are less affected by tourism, as compared to adults aged 35-54 -- the group representing the largest segment employed by the Visitor industry.



Younger adults and older adults are less likely to be employed in the Visitor Industry than are adults 35-54.

Base: 474, 541 and 530 adults 18-34, 35-54 and 55+, respectively.

Q2a. "Using a 10-point scale where 10 means extremely positive and 1 means extremely negative, how would you rate the overall impact tourism has on you and your family?"

Profile: Impacts of Tourism

Key differences: Converting residents who feel a negative or no impact from tourism is a key step in improving opinion of tourism. This group - rating the impacts of tourism in the ‘bottom box’ or saying “no impact” -- includes more younger adults 18-34 and more Oahu residents than do those rating tourism impacts in the “top box.”

| | Rating Impact of Tourism | | |
|--------------------------|--------------------------|-------------|------------|
| | Top Box* | Bottom Box* | No Impact |
| BASE | 320 | 423 | 431 |
| AGE | | | |
| 18-34 | 29% | 31% | 39% |
| 35-54 | 42% | 32% | 22% |
| 55+ | 29% | 37% | 39% |
| Average (years) | 46.5 years | 47.1 years | 47.8 years |
| INCOME | | | |
| Less than \$35K | 21% | 21% | 23% |
| \$35K to \$75K | 39% | 32% | 31% |
| \$75K+ | 40% | 46% | 47% |
| ETHNIC | | | |
| Caucasian | 19% | 22% | 24% |
| Hawaiian | 21% | 22% | 22% |
| Japanese | 17% | 17% | 19% |
| Filipino | 19% | 12% | 13% |
| Other | 25% | 27% | 22% |
| ISLE OF RESIDENCE | | | |
| O‘ahu | 62% | 71% | 77% |
| Hawai‘i | 12% | 12% | 14% |
| Maui | 19% | 11% | 5% |
| Kaua‘i | 7% | 6% | 3% |

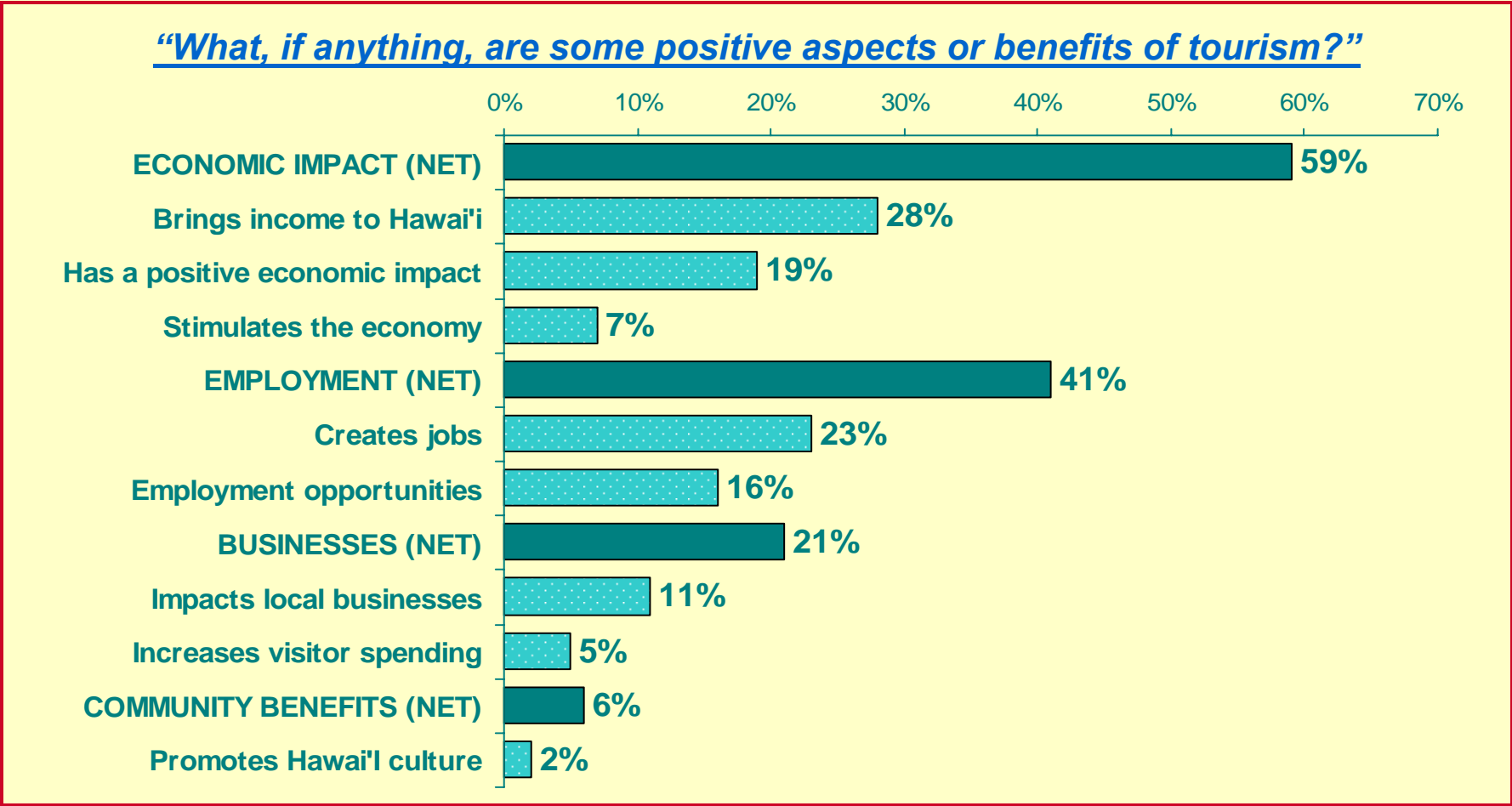
Base: 1,650 statewide residents.

* In OmniTrak’s analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

Perceptions of Tourism: Positive vs. Negative Tradeoffs

Positive Benefits of Tourism: Unaided Responses

Residents acknowledge that tourism provides economic, business and employment in the state. However, there is little spontaneous appreciation of other contributions, such as environmental or community benefits.

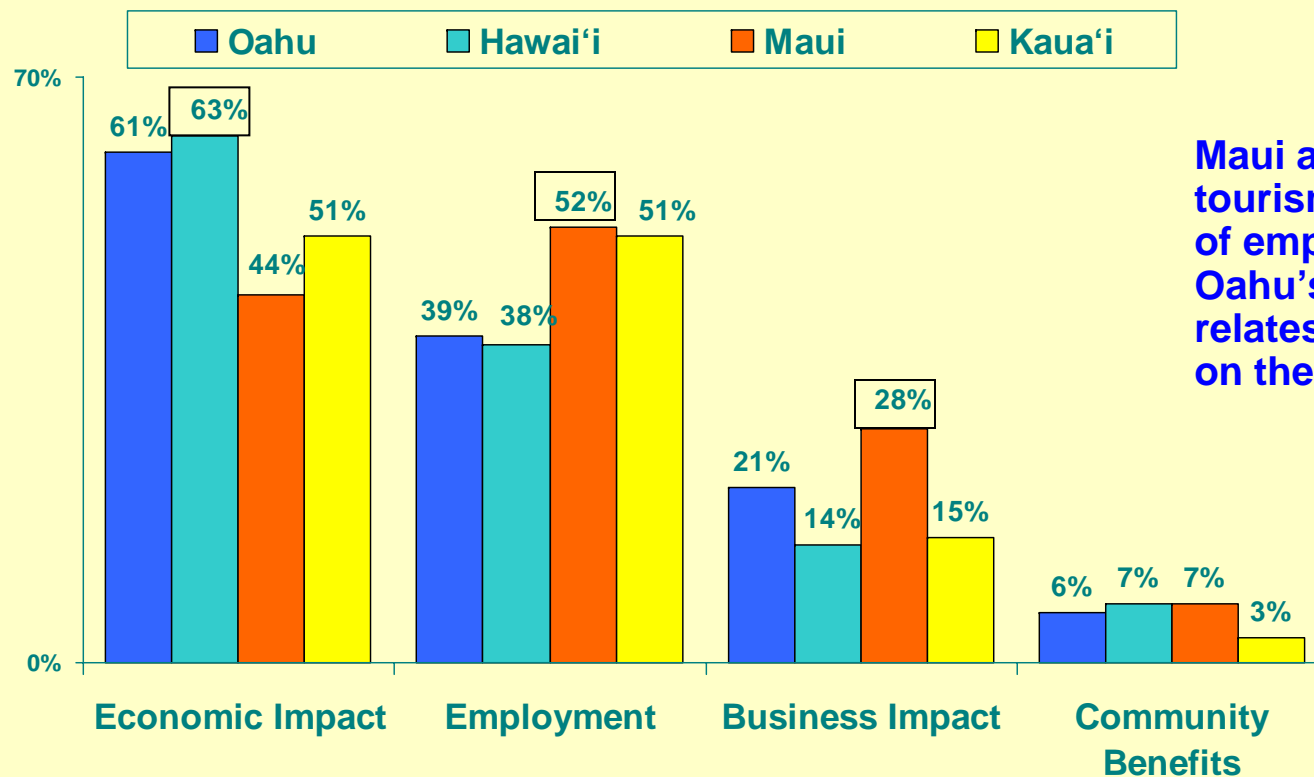


Base: 1,650 statewide residents.
 Q2b: “What, if anything would you say are some positive aspects or benefits of tourism?”

Positive Benefits of Tourism: By County

Neighbor island residents see tourism's benefits more narrowly in terms of jobs and business growth than do O'ahu residents.

“What would you say are some positives or benefits of tourism?”



Maui and Kaua'i see tourism mainly as a driver of employment, while Oahu's and Hawai'i's view relates to its broad impact on the overall economy.

Bases: 1,155, 226, 187 and 82 residents of O'ahu, Hawai'i, Maui and Kaua'i, respectively.
 Q2b. "What, if anything, would you say are some positive aspects or benefits of tourism?"

Sample Responses:

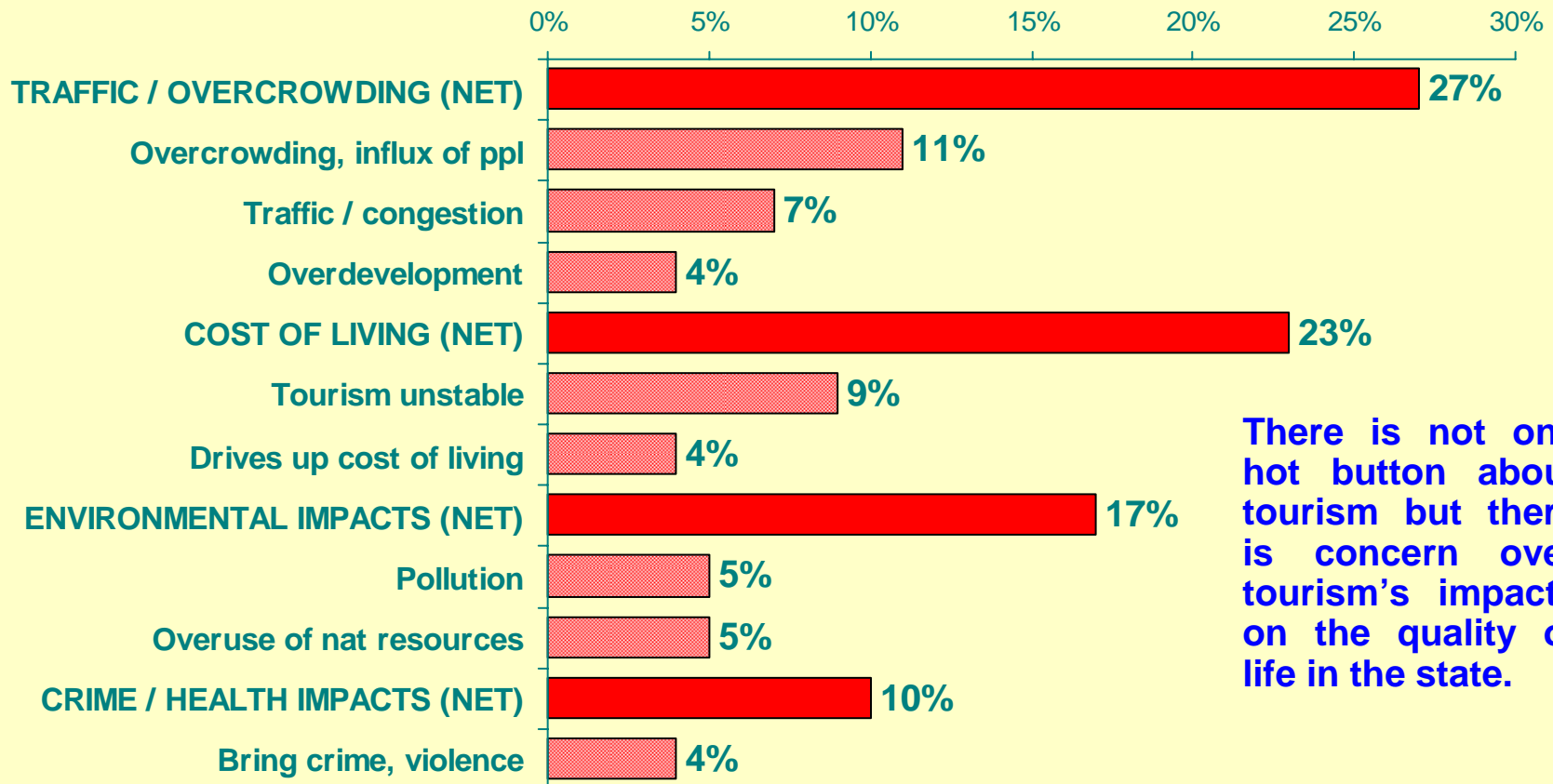
“What are some positive aspects or benefits?”

- ⇒ *“If we did not have tourism, Hawai‘i would not survive.”*
- ⇒ *“It provides jobs and with jobs come purchases. It makes everything go around and what we all make contributes to one another’s living.”*
- ⇒ *“More tourists come and I get more jobs because I’m a construction worker. They give businesses to stores and I get renovation work on hotels.”*
- ⇒ *“It’s the multiplier effect. The hotel room tax that the tourists pay. The airline tickets they purchase. The fact that the tourists leave their money here and go home.”*
- ⇒ *“Tourism employs a number of people at the lower end of the education scale, like in housekeeping staff and food service.”*
- ⇒ *“When tourism is good, the number of jobs is great. When tourism goes down, the jobs are cut and people’s hours are cut.”*
- ⇒ *“It brings diversity into the islands and it brings in new ideas, opening our eyes and helping us to see things differently.”*
- ⇒ *“It helps the environment because you have to keep Waikīki clean and keep the ocean pristine.”*

Negatives of Tourism: Unaided Responses

Negative feedback about tourism is more diffuse, ranging from a sense that tourism brings overcrowding and traffic congestion, impacts cost of living, and exacerbates pollution of the environment.

“What, if anything, are some negative aspects or downsides of tourism?”



There is not one hot button about tourism but there is concern over tourism’s impacts on the quality of life in the state.

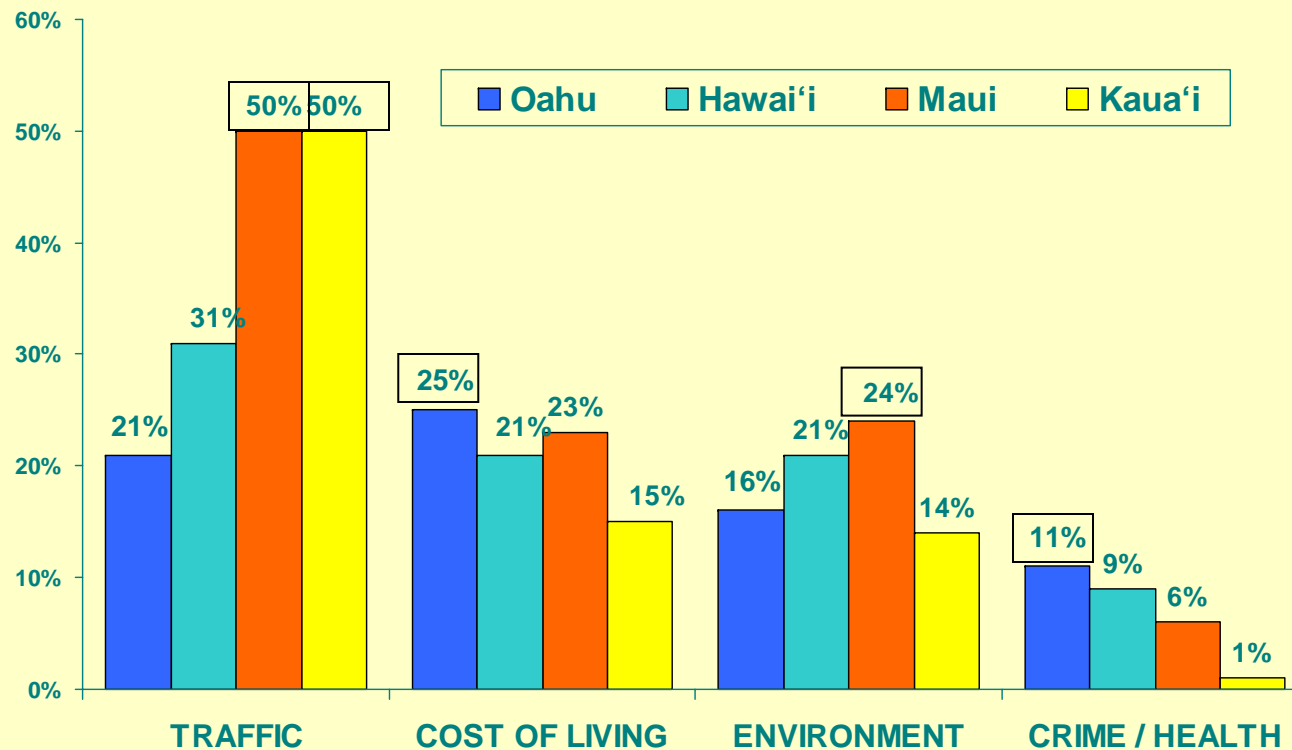
Base: 1,650 statewide residents.

Q2b: “What, if anything, would you say are some negative aspects or downsides of tourism?”

Key Negatives of Tourism: By County

Neighbor Island residents are more conscious of tourism's impacts on road traffic and on the environment than are O'ahu residents.

"What some negative aspects or downsides of tourism?"



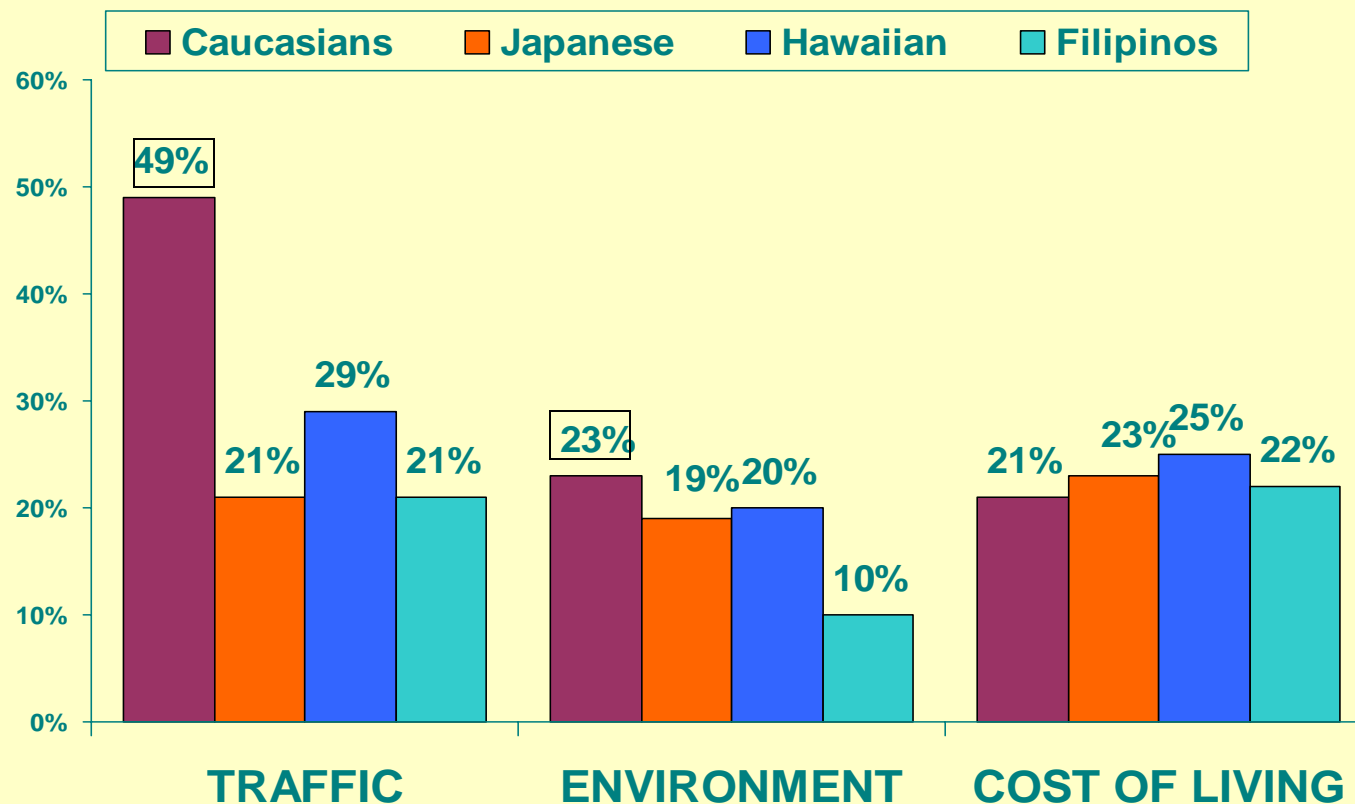
More Maui and Kaua'i residents see tourism as causing over-crowding, traffic and congestion at visitor locations on these islands.

Bases: 1,155, 226, 187 and 82 residents of O'ahu, Hawai'i, Maui and Kaua'i, respectively.
Q2b. "What, if anything, would you say are some negative aspects or downsides of tourism?"

Tourism Negatives: By Ethnic Segment

Caucasian residents statewide are more vocal about tourism negatives, particularly impacts on traffic and congestion.

“What are some negative aspects or downsides of tourism ?”



Bases: 336, 289, 401 and 195 Caucasian, Japanese, Hawaiian and Filipino residents statewide, respectively.
Q2b. “What, if anything, would you say are some negative aspects or downsides of tourism?”

Sample Responses:

“What are some negative aspects or downsides?”

- *“The load on infrastructure (water, traffic, natural resources) and the fact that our beaches are crowded.”*
- *“The tourism industry has pimped our aloha, it has turned aloha into a money-grubbing industry.”*
- *“It keeps prices higher than they would be ordinarily and increases traffic and overcrowding.”*
- *“Ecological damage and strain on natural resources. Also, I live close to the Polynesian Cultural Center and traffic is very bad!”*
- *“Our government thinks tourists are more important than local people.”*
- *“We used to be more self-sustaining. We used to have sugar and local industries that provided us money. We have no source any more. There is nothing that comes from Hawai‘i that the world wants.”*
- *“The mushrooming of useless vacation rentals and overdevelopment of Hawai‘i end or luxury residences at the expense of affordable housing.”*
- *“I wish they wouldn’t keep building hotels. We don’t need the Trump hotel, let him build his big hotel elsewhere.”*

Net Benefit of Tourism

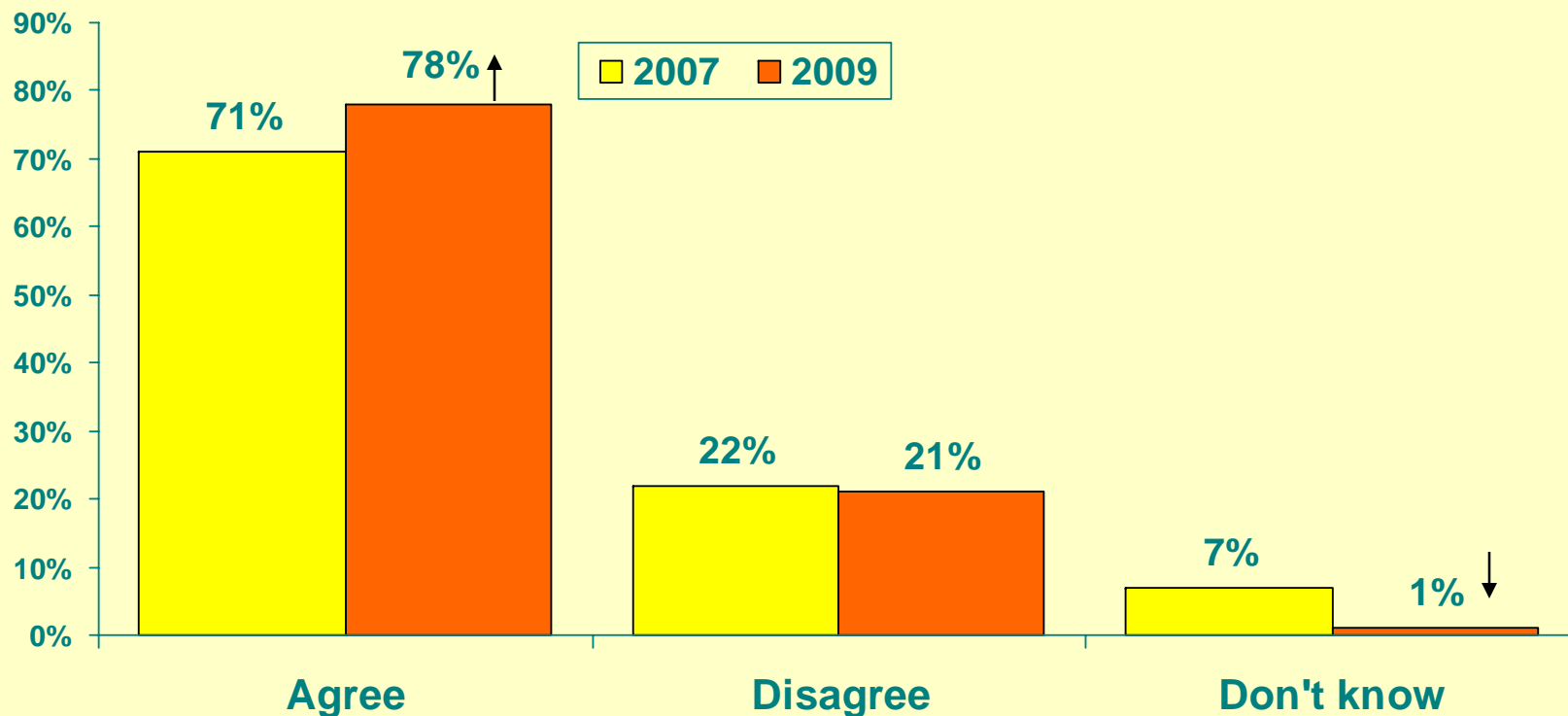
Tracking “Net Benefit” of Tourism: 2007 & 2009

- (2007) *“Please tell me if you strongly agree, somewhat agree, somewhat disagree or strongly disagree that overall, tourism has brought more benefits than problems to this island.”*
- (2009) *“Using a 10-point scale where 10 means completely agree and 1 means do not agree at all, how much do you agree or disagree that overall, tourism has brought more benefits than problems to the state of Hawai‘i?”*

Tracking Results: 2007 to 2009

Tracking results remained positive despite the change in questioning method.* In both 2007 and 2009, over 70% of residents agreed that tourism's benefits outweigh the negatives.

"Tourism has brought more benefits than problems:" 2007 to 2009



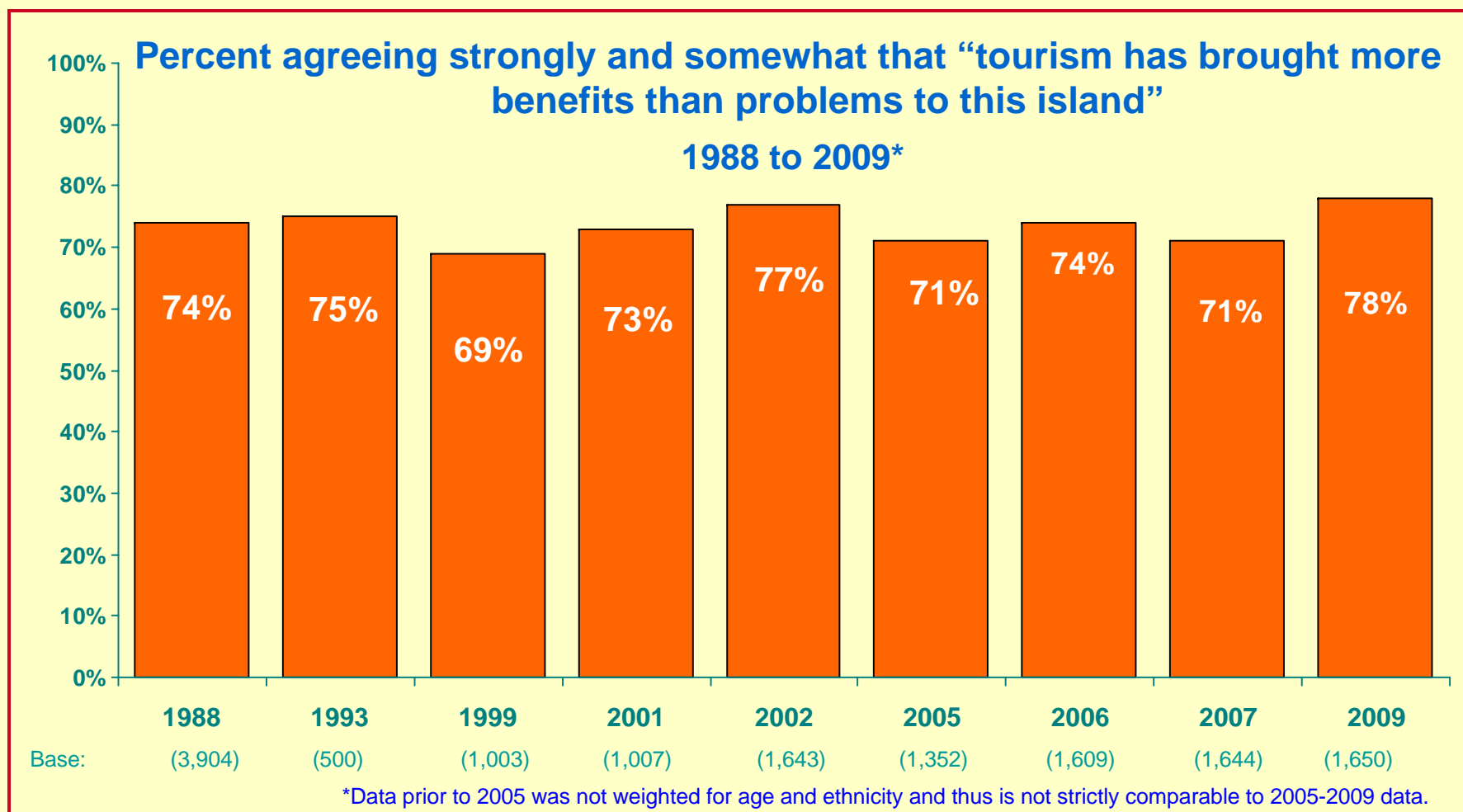
Arrows above the graphs signify statistically significant changes from 2007 to 2009.

Note: * In 2009, responses to this question changed from a choice of "strongly agree," "somewhat agree," "somewhat disagree," and "strongly disagree" to a 10-point scale where 10=completely agree and 1=do not agree at all."

Base: 1,644 and 1,650 statewide residents in 2007 and 2009, respectively.

Tracking Results: 1988-2009

Over the long-term, about three-quarters of residents have consistently agreed that tourism delivers a “net benefit” to the state, with a small but significant upswing in sentiment in recent years (since 2007).

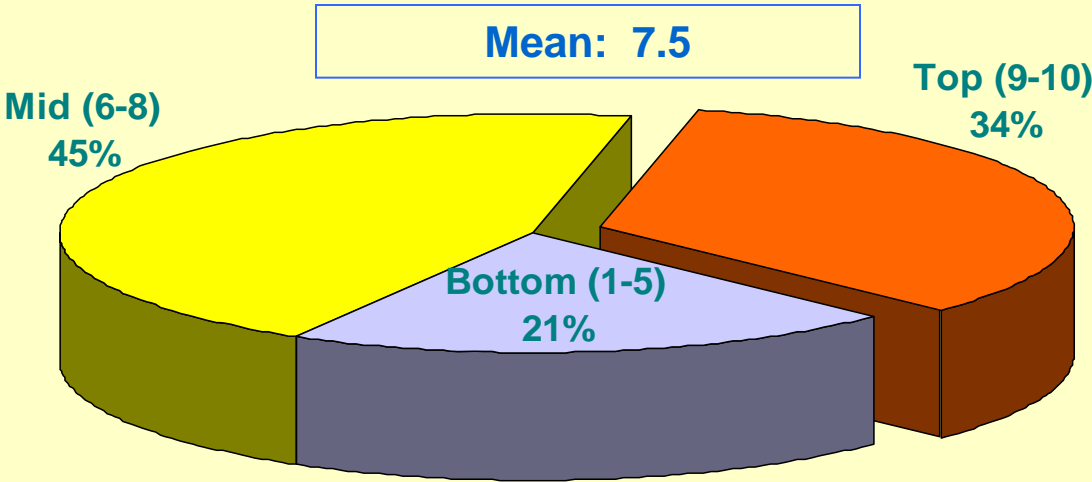


Q3: “Please tell me if you strongly agree, somewhat agree, somewhat disagree or strongly disagree that overall, tourism has brought more benefits than problems to this island?” In 2009, responses to the question changed from a choice of four responses to a 10-point scale where 10=completely agree and 1=do not agree at all.

Net Benefit of Tourism: 2009 Data

In 2009, one-third of the public rated tourism’s “net benefit” in the top box on the 10-point scale, i.e., strongly agreeing that tourism has brought “*more benefits than problems to the state.*”

“How much do you agree or disagree that overall, tourism has brought more benefits than problems to the state?”



Results are consistent across the state. About one-third in each county strongly agrees with this statement (below).

| | O’AHU | HAWAI’I | MAUI | KAUA’I |
|----------------|-------|---------|------|--------|
| Top Box % * | 35% | 33% | 31% | 29% |
| Mid Box %* | 44% | 47% | 49% | 47% |
| Bottom Box % * | 21% | 19% | 20% | 24% |
| Mean | 7.5 | 7.6 | 7.5 | 7.3 |

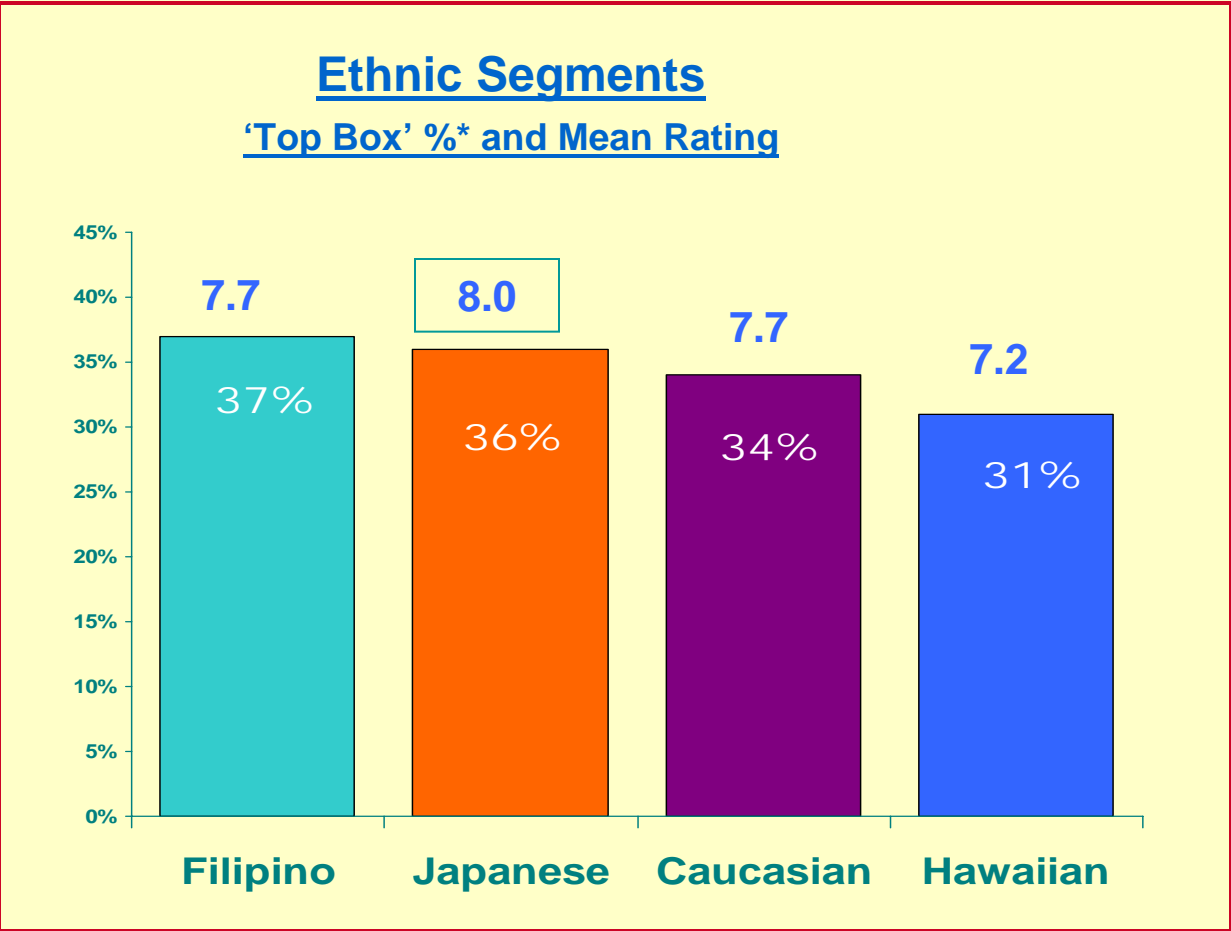
Base: 1,650 statewide residents.

* In OmniTrak’s analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5

Q3. “Using a 10-point scale where 10 means completely agree and 1 means do not agree at all, how much do you agree or disagree that overall, tourism has brought more benefits than problems to the state of Hawai’i?”

'Top Box' Agreement on Net Benefit: Ethnic Segments

Among ethnic communities, Native Hawaiians are least in agreement with tourism's "Net Benefit" based on each group's 'top box' ratings of agreement.



Base: 278, 245, 295 and 153 Caucasian, Japanese, Hawaiian & Filipino residents, respectively.

* In OmniTrak's analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5

Q3. "Using a 10-point scale where 10 means completely agree and 1 means not agree at all, how much do you agree or disagree that overall, tourism has brought more benefits than problems to the State of Hawaii?"

Profile: Top vs. Bottom Box Ratings of Net Benefit

Residents who completely agree that tourism brings a Net Benefit tend to be older, with slightly higher incomes, than those who do not agree with this notion.

| | TOTAL | Rating Net Benefit of Tourism | |
|--------------------------|------------|-------------------------------|-------------|
| | | Top Box* | Bottom Box* |
| BASE | 1,650 | 490 | 358 |
| AGE | | | |
| 18-34 | 31% | 20% | 46% |
| 35-54 | 35% | 40% | 28% |
| 55+ | 34% | 40% | 26% |
| Average (years) | 46.2 years | 50.8 years | 42.2 years |
| INCOME | | | |
| Less than \$35K | 22% | 25% | 28% |
| \$35K to \$75K | 33% | 31% | 26% |
| \$75K+ | 45% | 44% | 46% |
| ETHNIC | | | |
| Caucasian | 21% | 21% | 18% |
| Hawaiian | 25% | 23% | 32% |
| Japanese | 18% | 19% | 13% |
| Filipino | 12% | 13% | 13% |
| Other | 23% | 23% | 24% |
| ISLE OF RESIDENCE | | | |
| O'ahu | 70% | 72% | 70% |
| Hawai'i | 14% | 13% | 13% |
| Maui | 11% | 10% | 11% |
| Kaua'i | 5% | 4% | 6% |

Base: 1,650 statewide residents.

* In OmniTrak's analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

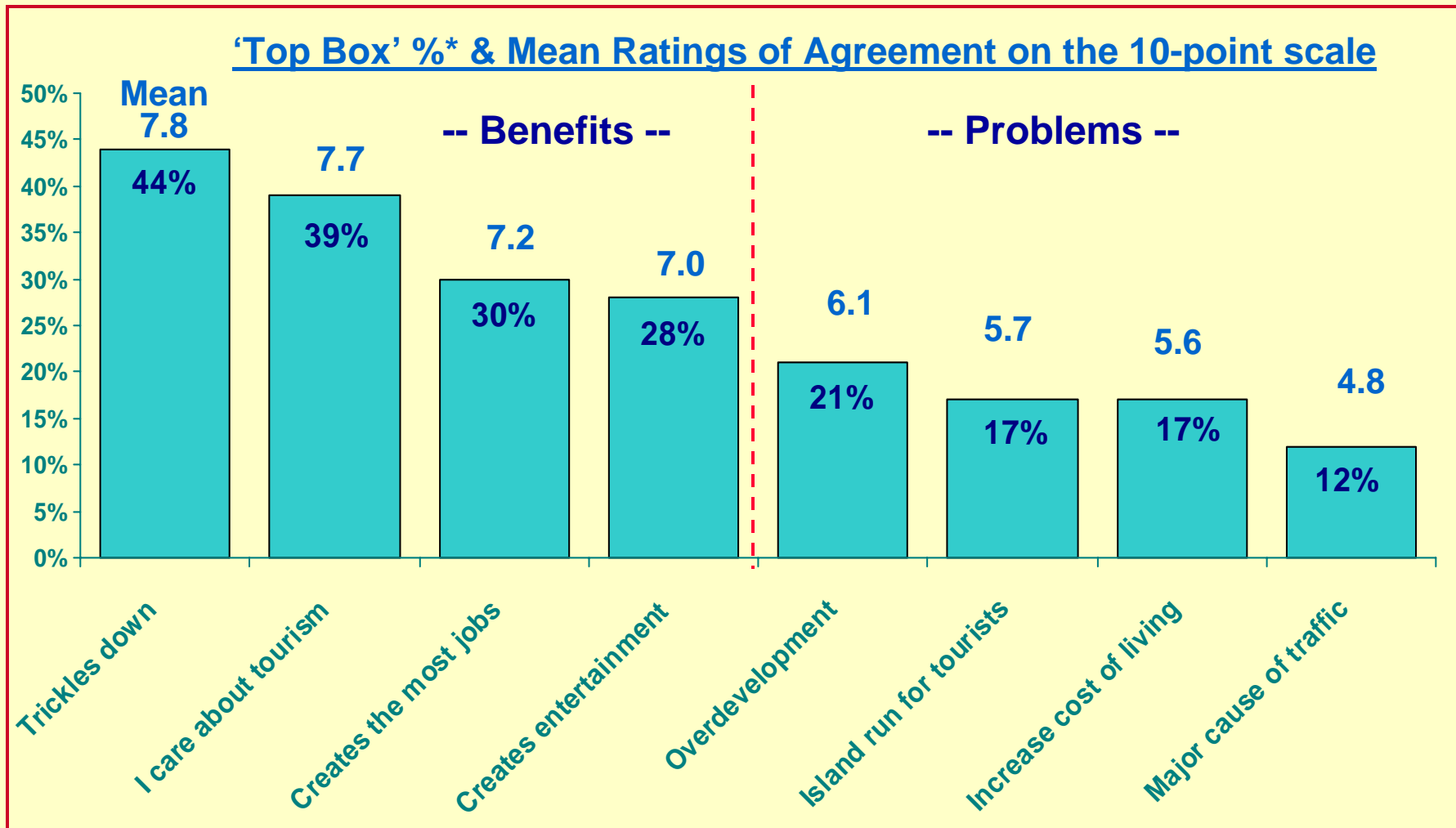
Statements about Tourism: Benefits vs. Problems

Tourism: Statements of Agreement

- “Using a 10-point scale where 10 means completely agree and 1 means do not agree at all, how much do you agree or disagree that _____”
- *Tourism spending trickles down to local businesses*
 - *Tourism is an industry whose success I care about*
 - *Tourism generates the most jobs for residents*
 - *Tourism creates entertainment and enrichment opportunities*
 - *This island is being run for tourists at the expense of local people*
(TRACKING)
 - *Tourism is mainly responsible for over-development*
 - *Tourism is most responsible for Hawai‘i’s high cost of living*
 - *Tourism is the major cause of traffic*

8 Statements About Tourism: Statewide Results

The good news: Residents primarily agree with statements touting tourism’s benefits. Residents are divided on the issue of tourism as the cause of overdevelopment and a higher cost of living, as well as on the issue of the islands’ “being run for tourists.”



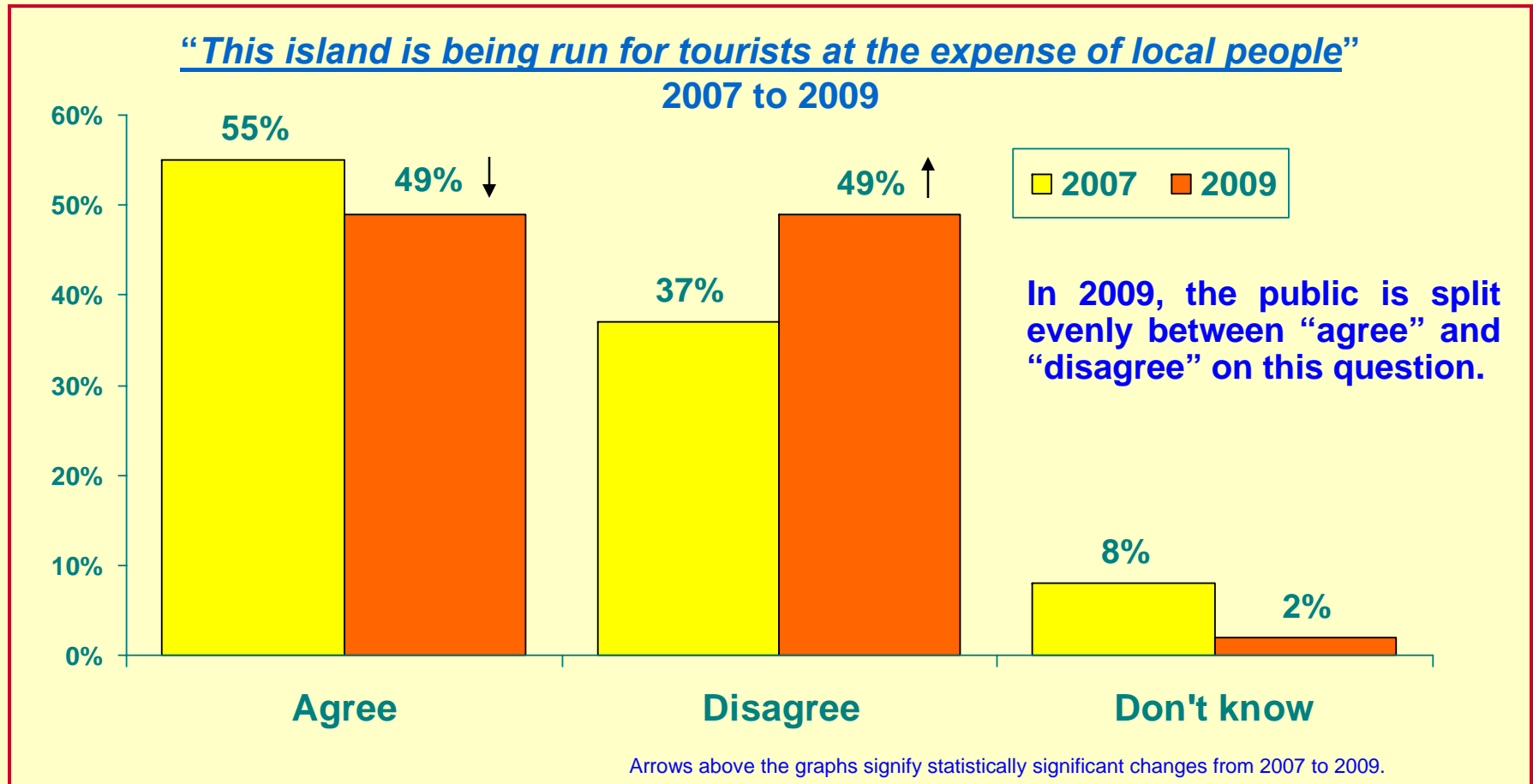
Base: 1,650 statewide residents

* In OmniTrak’s analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

Q4. “Using a 10-point scale where 10 means completely agree and 1 means do not agree at all, how much do you agree that ___ ?”

Tracking Responses to: “Island being run for tourists”

Fewer residents in 2009 agree with the statement that “*this island is being run for tourists at the expense of local people*” than agreed in 2007. As noted earlier, this statement correlates with Gross State Product.

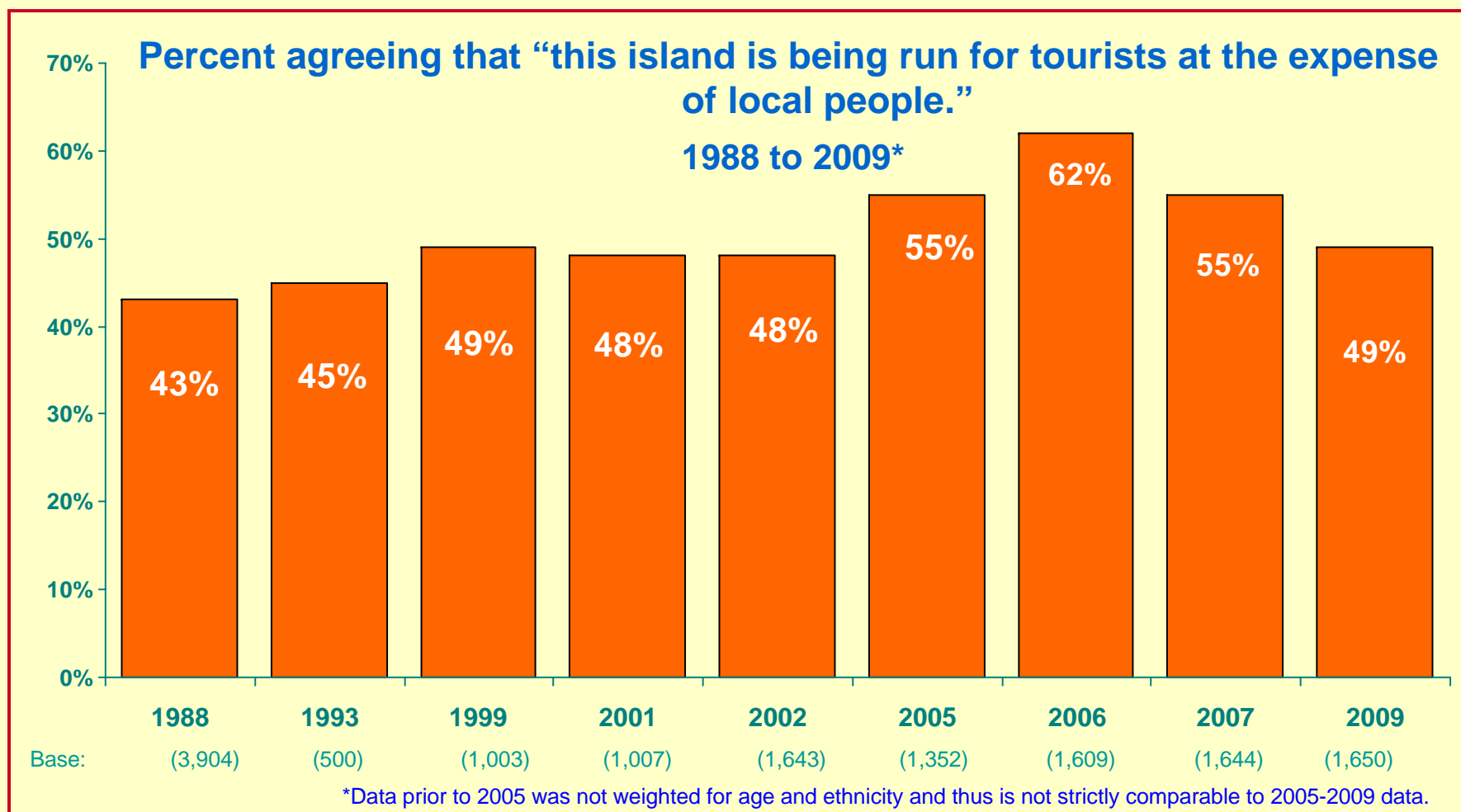


Note: * In 2009, responses to this question changed from a choice of “strongly agree,” “somewhat agree,” “somewhat disagree,” and “strongly disagree” to a 10-point scale where 10=completely agree and 1=do not agree at all.”

Base: 1,644 and 1,650 statewide residents in 2007 and 2009, respectively.

Tracking “Isle Being Run For Tourists”: 1988-2009

After peaking in 2006, agreement with this statement is declining, signaling a lessening of resentment toward a perceived preference for tourists over local people, and consistent with the economic decline in the visitor industry since 2007.

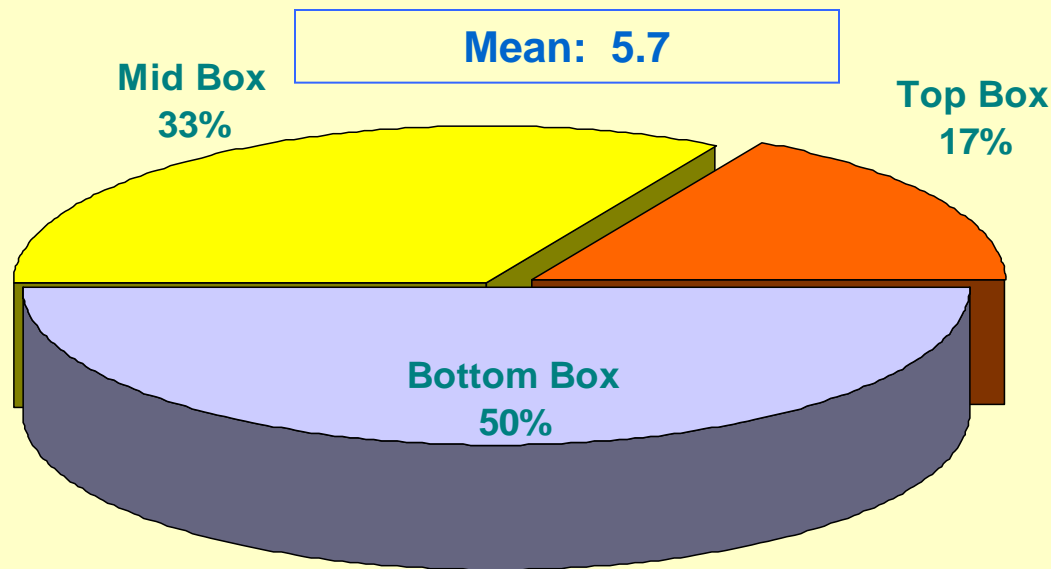


Q3: “Please tell me if you strongly agree, somewhat agree, somewhat disagree or strongly disagree that overall, this island is being run for tourists at the expense of local people.” In 2009, responses to the question changed from a choice of four responses to a 10-point scale where 10=completely agree and 1=do not agree at all.

Rating “Isle Being Run for Tourists:” 2009 Data

Use of the 10-point scale reaffirms that the state as a whole is divided on this question. Half of the public agrees and half disagrees that “*this island is being run for tourists at the expense of local people.*”

“How much do you agree or disagree that “this island is being run for tourists at the expense of the local people?”



Under one in five give top box responses, agreeing completely with this statement.

In the counties, Maui stands out as being most in agreement with this statement.

| | O’AHU | HAWAII | MAUI | KAUA’I |
|---------------|-------|--------|------|--------|
| Top Box %* | 16% | 18% | 27% | 14% |
| Mid Box %* | 32% | 32% | 32% | 52% |
| Bottom Box %* | 52% | 50% | 41% | 35% |
| Mean | 5.5 | 5.8 | 6.3 | 6.2 |

Base: 1,650 statewide residents.

* In OmniTrak’s analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

Q3. “Using a 10-point scale where 10 means completely agree and 1 means do not agree at all, how much do you agree or disagree that this island is being run for tourists at the expense of local people?”

8 Statements: 'Top Box' % by Island

There is more concern on the Neighbor Islands with tourism impacts. More Maui residents than those in other counties agree strongly that tourism causes overdevelopment and traffic (next slide).

| <i>Top Box %*: Agreeing that tourism...</i> | O'AHU | HAWAI'I | MAUI | KAUA'I |
|---|-------|---------|------|--------|
| BASE | 1,155 | 226 | 187 | 82 |
| <i>...spending trickles down to businesses</i> | 43% | 50% | 46% | 39% |
| <i>...is an industry I care about</i> | 39% | 36% | 41% | 36% |
| <i>...generates the most jobs for residents</i> | 28% | 32% | 38% | 36% |
| <i>...creates entertainment opportunities</i> | 29% | 28% | 25% | 24% |

| <i>Top Box %* Agreeing that...</i> | O'AHU | HAWAI'I | MAUI | KAUA'I |
|--|-------|---------|------|--------|
| <i>...tourism is responsible for overdevelopment</i> | 18% | 27% | 31% | 26% |
| <i>...this island is being run for tourists</i> | 16% | 18% | 27% | 14% |
| <i>...tourism is responsible for higher living costs</i> | 16% | 19% | 22% | 17% |
| <i>...tourism is a major cause of traffic</i> | 7% | 14% | 28% | 25% |

Base: 1,650 statewide residents in 2009

* In OmniTrak's analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

Q4. "Using a 10-point scale where 10 means completely agree and 1 means do not agree at all, how much do you agree or disagree that..."

Profile: Agreeing that “island being run for tourists”

Residents who strongly agree that their island is “being run for tourists” tend to be younger and less affluent than those who believe otherwise. The former group also includes higher proportions of Native Hawaiians and Maui residents than do those who disagree with this statement.

| | TOTAL | Rating “ <i>this island is being run for tourists at the expense of locals</i> ” | |
|--------------------------|------------|--|-------------|
| | | Top Box* | Bottom Box* |
| BASE | 1,650 | 282 | 802 |
| AGE | | | |
| 18-34 | 31% | 40% | 25% |
| 35-54 | 35% | 33% | 35% |
| 55+ | 34% | 28% | 41% |
| Average (years) | 46.2 years | 44.2 years | 50.5 years |
| INCOME | | | |
| Less than \$35K | 22% | 31% | 18% |
| \$35K to \$75K | 33% | 37% | 27% |
| \$75K+ | 45% | 32% | 55% |
| ETHNIC | | | |
| Caucasian | 21% | 14% | 27% |
| Hawaiian | 25% | 43% | 19% |
| Japanese | 18% | 11% | 19% |
| Filipino | 12% | 13% | 9% |
| Other | 23% | 18% | 25% |
| ISLE OF RESIDENCE | | | |
| O‘ahu | 70% | 65% | 74% |
| Hawai‘i | 14% | 13% | 13% |
| Maui | 11% | 18% | 9% |
| Kaua‘i | 5% | 4% | 3% |

Base: 1,650 statewide residents in 2009

* In OmniTrak’s analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

Awareness & Satisfaction with Key Visitor Industry Areas of Involvement

Visitor Industry Involvement Areas

The questionnaire was designed to measure awareness in five specific areas of industry involvement and satisfaction in seven areas of involvement.

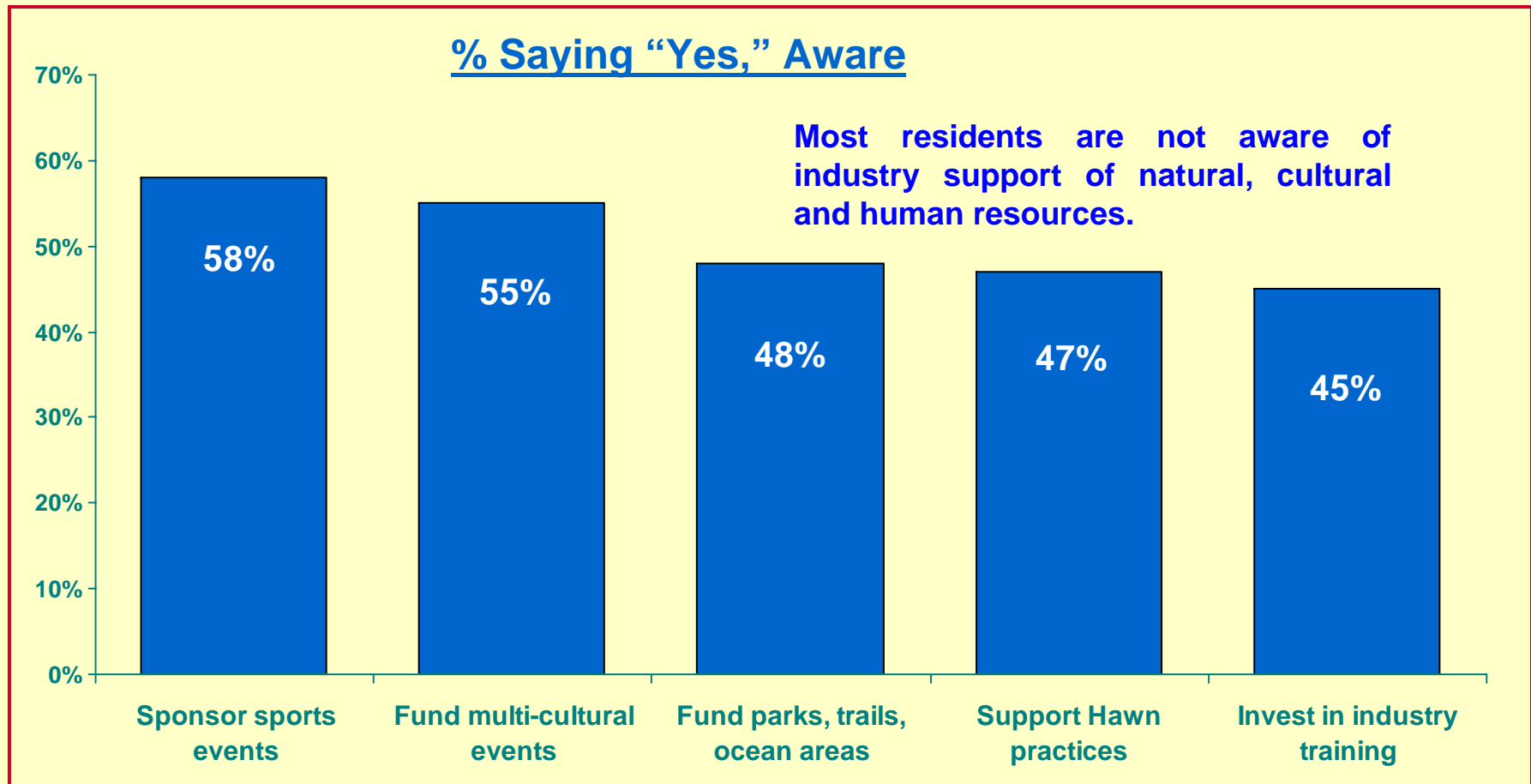
| AWARENESS that tax revenues generated from tourism go to... | SATISFACTION that Visitor Industry... |
|---|---|
| Invest in the visitor industry workforce through job training programs | Contributes to a sustainable economy in Hawai'i |
| Fund multi-cultural events such as ethnic festivals, parades and attractions | Respects Hawai'i's multi-cultural heritage |
| | Works to make Hawai'i a safe place for residents and visitors |
| Sponsor sport events like the Hawai'i Bowl and Ironman Triathlon | Sponsors sports events for residents and visitors |
| Support Native Hawaiian cultural practices such as hula, lei-making and music | Helps to preserve Native Hawaiian language and culture |
| Fund maintenance and enhancement of parks, trails and ocean areas | Helps to preserve Hawai'i's natural resources |
| | Takes a leadership role in solving community problems |

[IF RATED 1-3 ON THE 10-POINT SCALE, ASK:]

“Why did you rate the Visitor Industry _____ out of 10 for ____? Any other reasons?”

Awareness of Tourism Support - Statewide

In 3 of 5 areas tested, a majority are not aware of visitor industry support. More than half are unaware of industry support of workforce training, Native Hawaiian cultural practices, and natural resource maintenance. Although low, just over half are aware of events with mass market appeal, such as *sports events* (like Hawai'i Bowl) and *cultural events* (like festivals and parades).

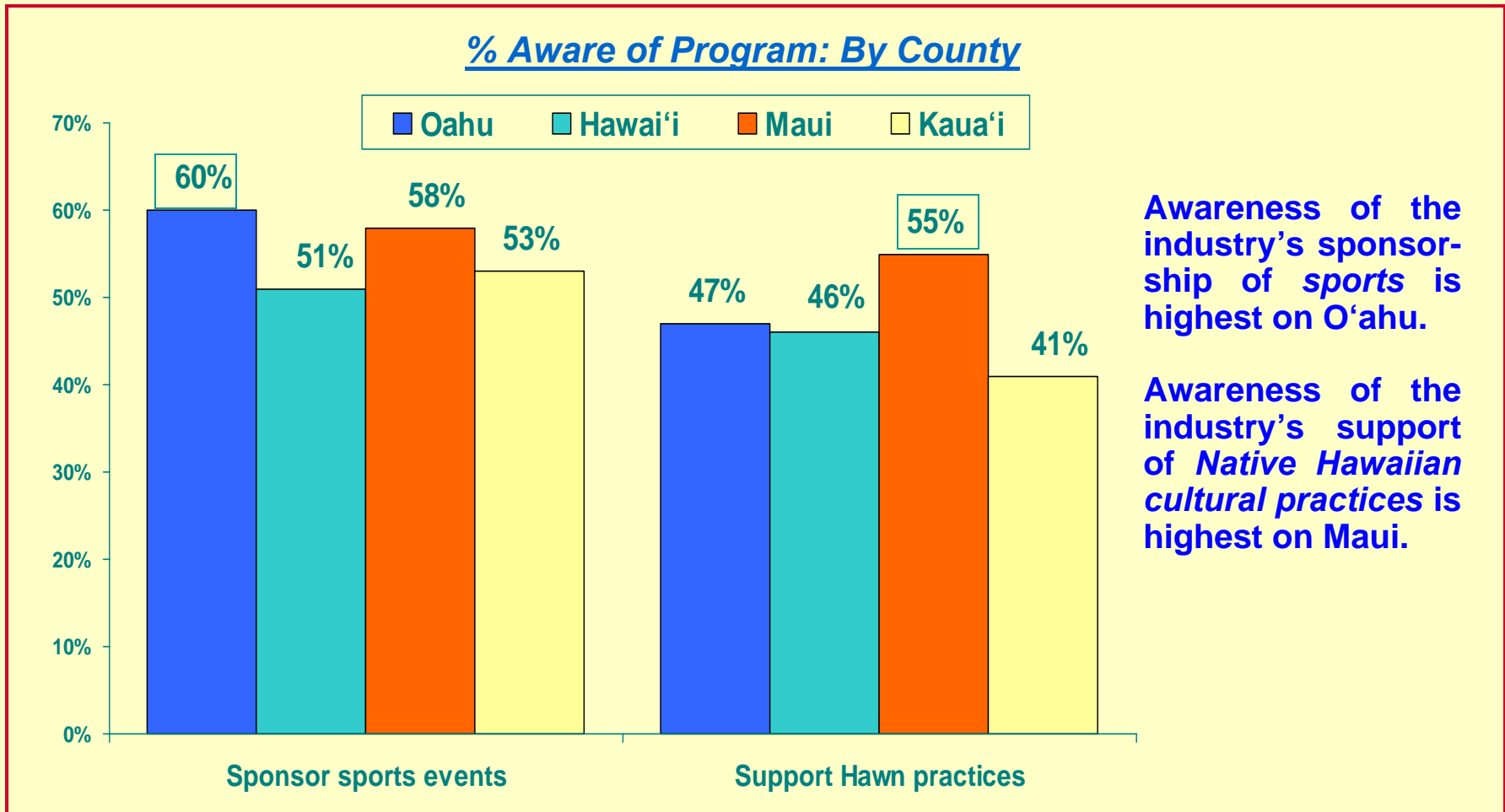


Base: 1,650 statewide residents.

Q5. "Are you aware that tax revenues generated from tourism go to...?"

Awareness of Tourism Support: By County

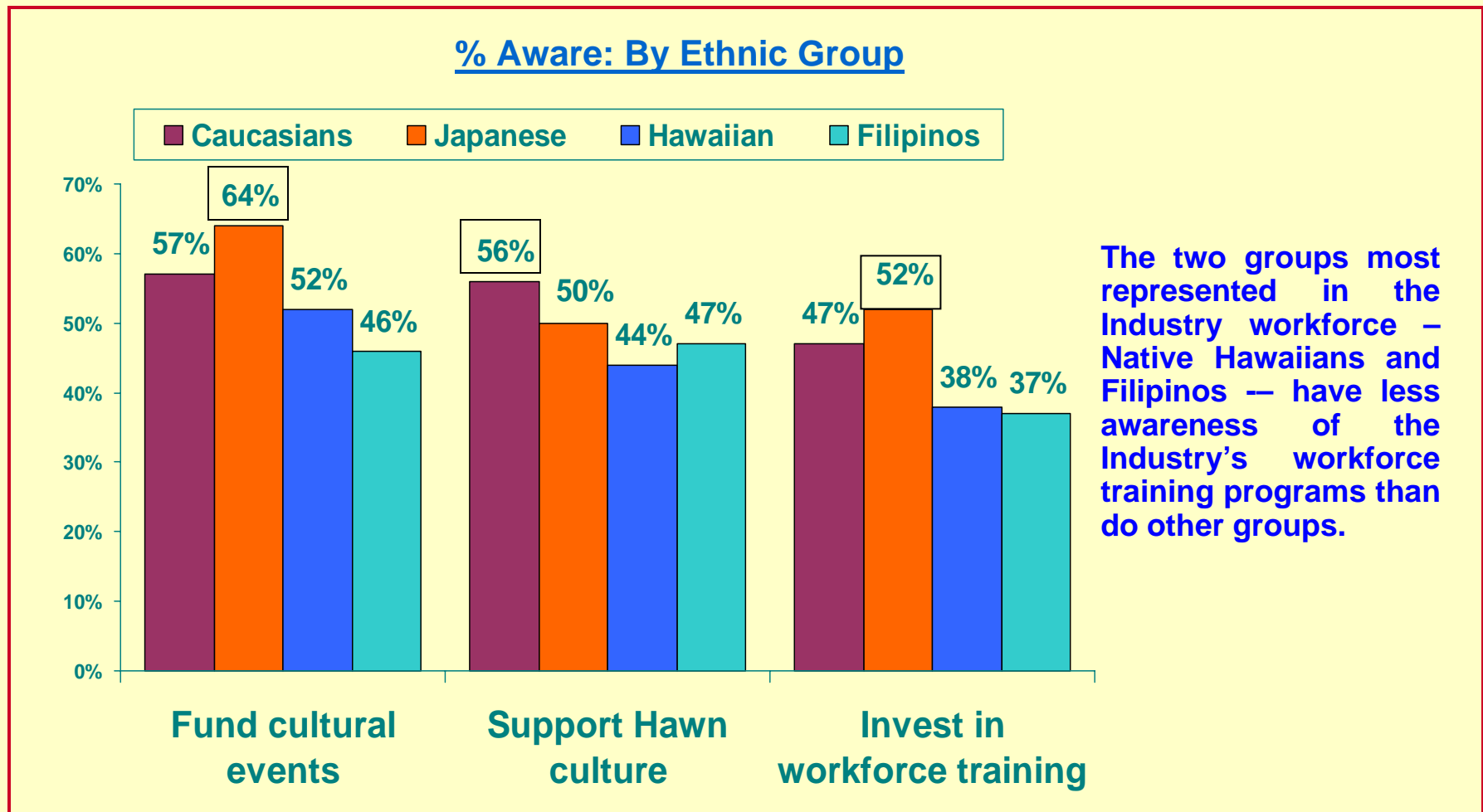
Generally, awareness levels did not vary much across the state. The only statistically significant differences in awareness were seen in *sports sponsorship* and *support of Hawaiian practices*.



Bases: 1,155, 226, 187 and 82 residents of O'ahu, Hawai'i, Maui and Kaua'i, respectively.
Q5. "Are you aware that the tax revenues generated from tourism go to...?"

Awareness: By Ethnic Segment

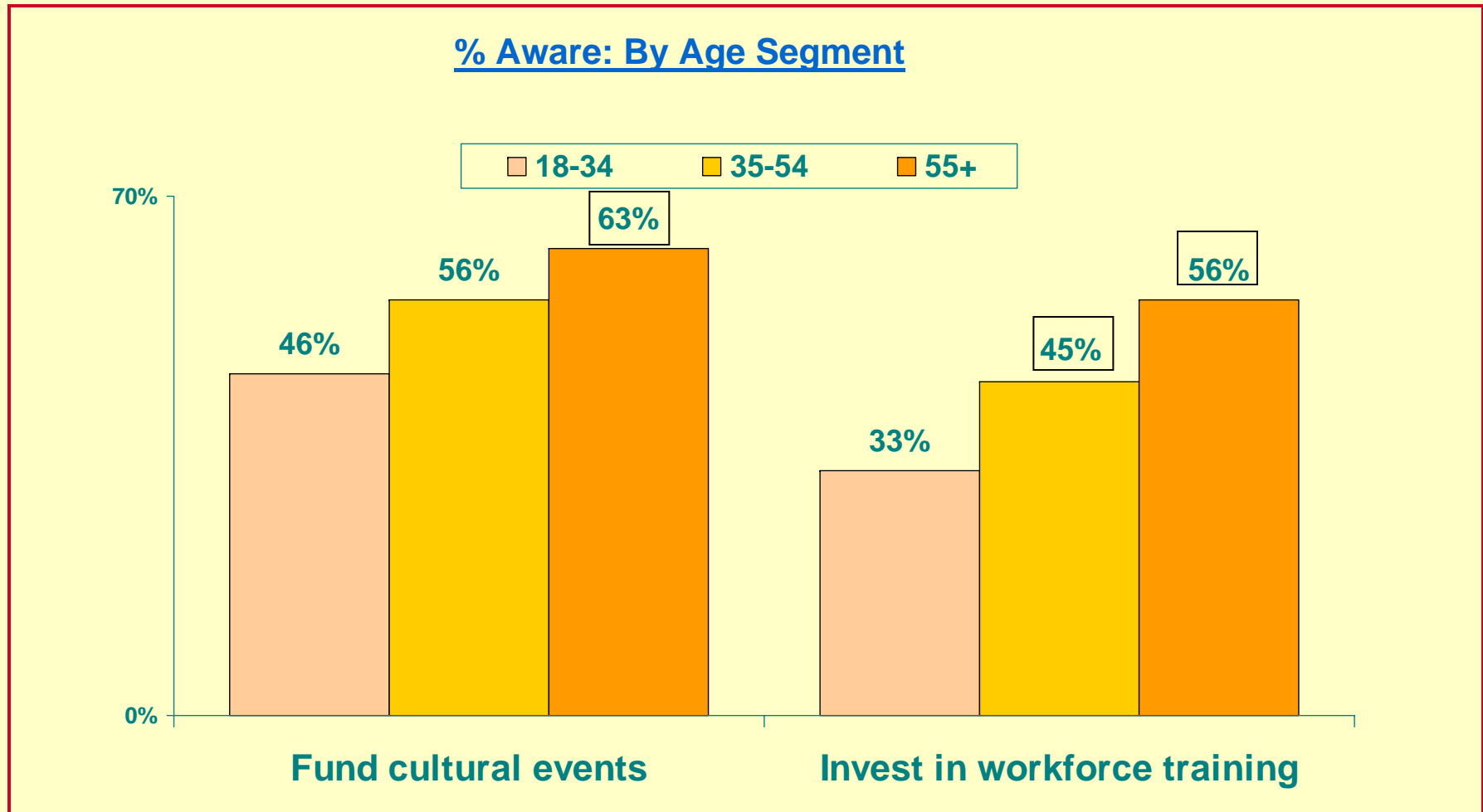
Among ethnic communities, Native Hawaiians are less aware of the Industry's *support of Hawaiian cultural practices* than are other groups.



Bases: 336, 289, 401 and 195 Caucasian, Japanese, Hawaiian and Filipino residents statewide, respectively.
Q5. "Are you aware that the tax revenues generated from tourism go to...?"

Awareness: By Age Segments

Younger adults 18-34 in the population have less awareness of the Industry's *funding of multi-cultural events* than do older adults 35+.

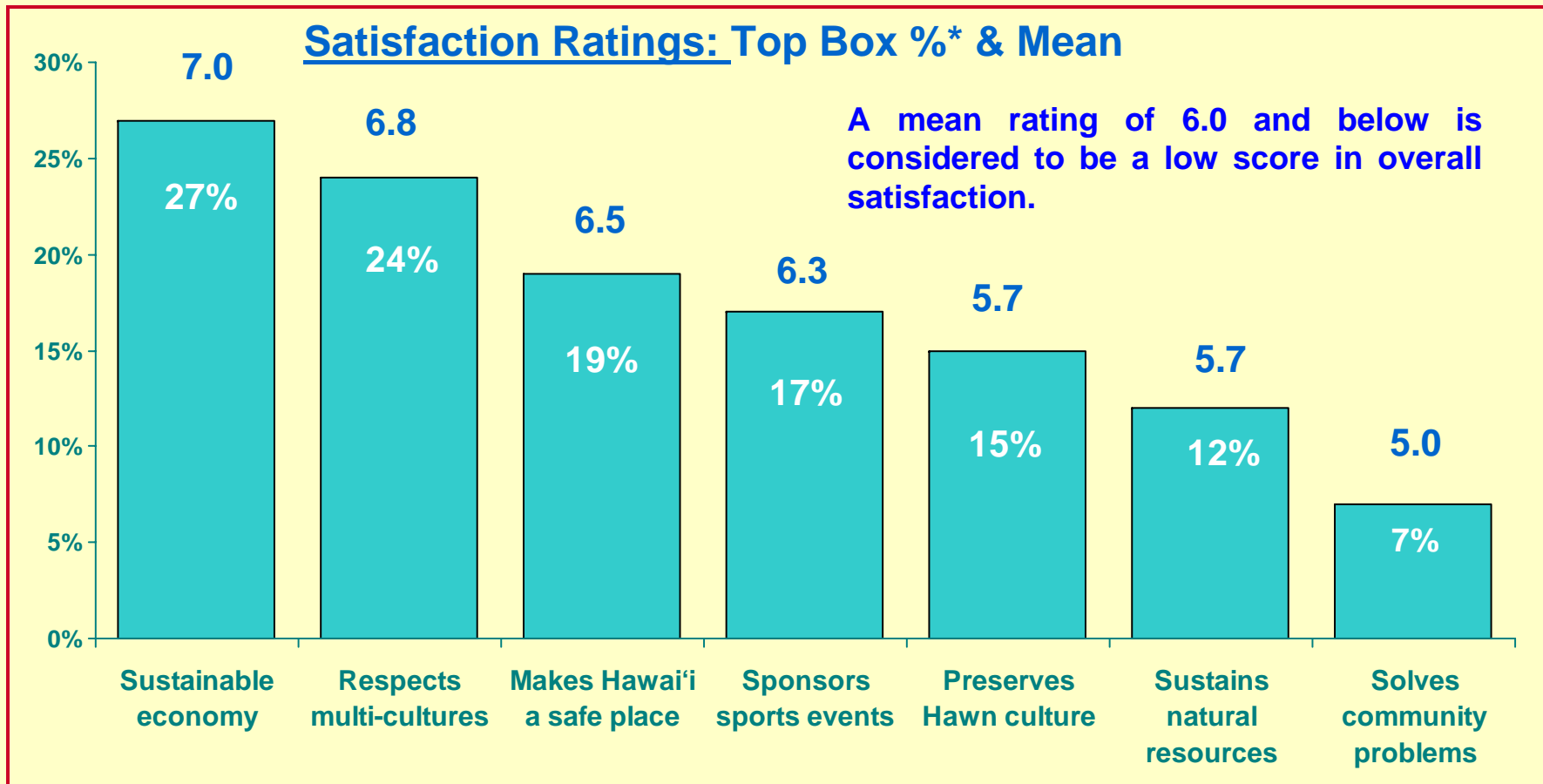


Base: 474, 541 and 530 adults 18-34, 34-54 and 55+, respectively.

Q5. "Are you aware that the tax revenues generated from tourism go to...?"

Satisfaction with Industry Involvement: Top Ratings

Besides measuring awareness of areas funded by tourism taxes, the survey evaluated satisfaction in seven areas of industry involvement. Satisfaction is highest on the economy, but is low on taking a *leadership role in community problems*, in helping to *sustain natural resources*, and in *preserving Native Hawaiian Culture*.



Base: 1,650 statewide residents.

* In OmniTrak's analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

Q6. "Using a 10-point scale where 10 means extremely satisfied and 1 means not satisfied at all, how satisfied are you overall that the Visitor Industry...?"

'Top Box' Satisfaction: By Island

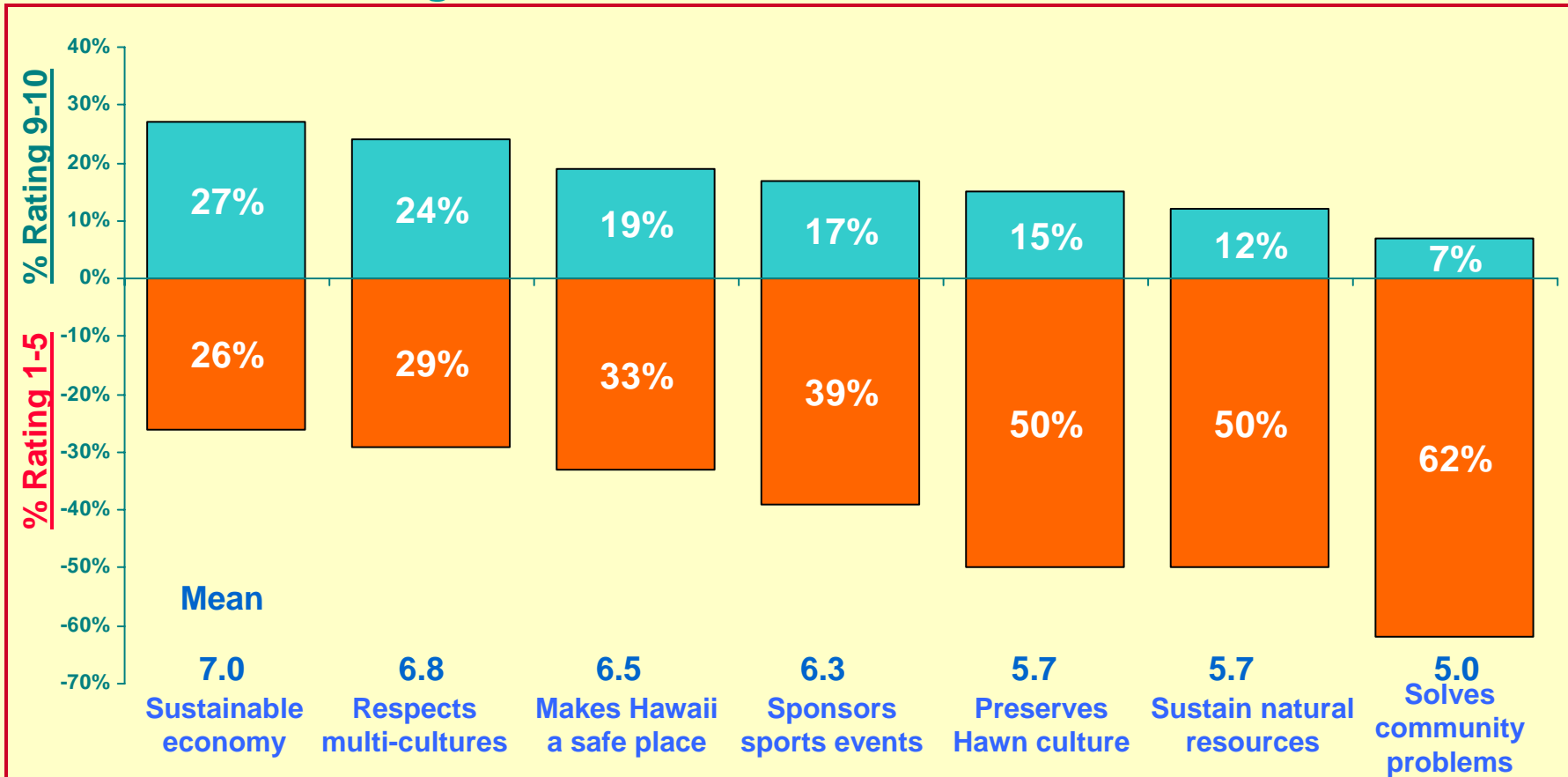
The counties showed no statistically significant differences in 'top box' satisfaction. Across the state, the industry's contribution to a "sustainable economy" ranked highest, while its leadership role in "solving community problems" ranked lowest in 'top box' satisfaction.

| <i>'Top Box' %*: Satisfaction with Industry</i> | O'AHU | HAWAI'I | MAUI | KAUA'I |
|--|-------|---------|------|--------|
| BASE | 1,155 | 226 | 187 | 82 |
| <i>Contributes to sustainable economy</i> | 27% | 23% | 25% | 29% |
| <i>Respects Hawai'i's multi-cultural heritage</i> | 26% | 23% | 25% | 29% |
| <i>Works to make Hawai'i a safe place for residents and visitors</i> | 20% | 17% | 16% | 17% |
| <i>Sponsors sports events for residents/visitors</i> | 18% | 16% | 16% | 13% |
| <i>Helps to preserve Hawn. Language & culture</i> | 16% | 13% | 13% | 18% |
| <i>Helps to sustain Hawai'i's natural resources</i> | 12% | 13% | 13% | 16% |
| <i>Leadership role in solving community problems</i> | 7% | 6% | 6% | 9% |

Bases: 1,155, 226, 187 & 82 residents of O'ahu, Hawai'i, Maui and Kaua'i, respectively. * In OmniTrak's analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.
 Q6. "Using a 10-point scale where 10 means extremely satisfied and 1 means not satisfied at all, how satisfied are you overall that the Visitor Industry...?"

Dissatisfaction: Statewide Results

Satisfaction is highest on the economy, but is low on taking a *leadership role in solving community problems*, in helping to *sustain natural resources*, and in *preserving Native Hawaiian Culture*. Neighbor Island dissatisfaction is higher than that on Oahu.



Base: 1,650 statewide residents.

* In OmniTrak's analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

Q6. "Using a 10-point scale where 10 means extremely satisfied and 1 means not satisfied at all, how satisfied are you overall that the Visitor Industry...?"

'Bottom Box' Dissatisfaction: By Island

'Bottom box' ratings (1-5 on the 10-point scale) reveal more dissatisfaction on the Neighbor Islands than on O'ahu with the industry's involvement in *solving community issues, sponsoring sports events and respecting the state's multi-cultural heritage*.

| 'Bottom Box' %* | O'AHU | HAWAI'I | MAUI | KAUA'I |
|---|-------|---------|------|--------|
| BASE | 1,155 | 226 | 187 | 82 |
| ...solves community problems | 59% | 71% | 68% | 61% |
| ...helps to sustain natural resources | 49% | 54% | 55% | 45% |
| ...helps to preserve Hawaiian culture | 49% | 48% | 56% | 49% |
| ...sponsors sports events | 36% | 50% | 46% | 50% |
| ... works to make Hawai'i a safe place | 32% | 38% | 41% | 29% |
| ... respects Hawaii's multi-cultural heritage | 26% | 33% | 37% | 34% |
| ... contributes to a sustainable economy | 23% | 33% | 33% | 21% |

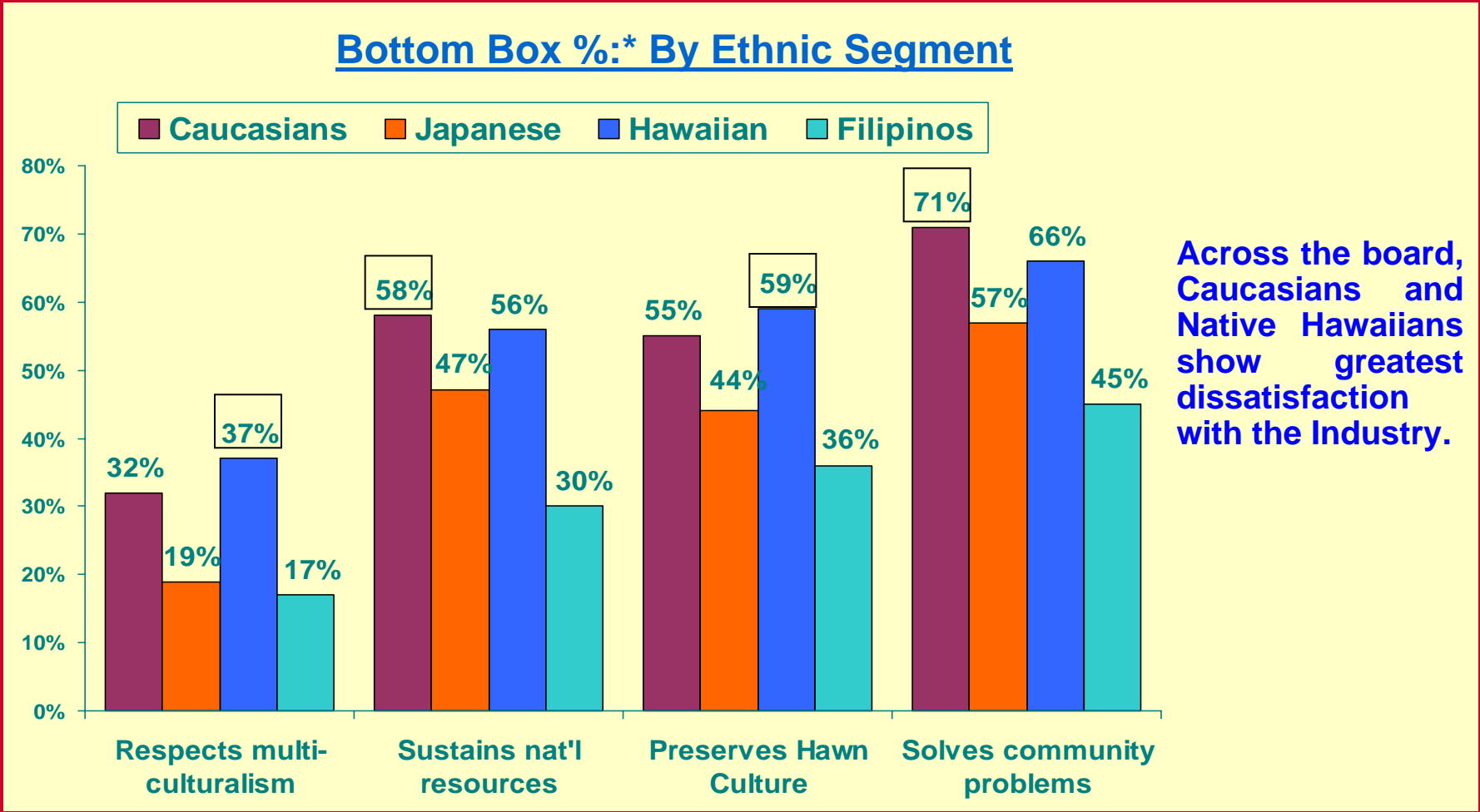
Bases: 1,155, 226, 187 & 82 residents of O'ahu, Hawai'i, Maui and Kaua'i, respectively.

* In OmniTrak's analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

Q6. "Using a 10-point scale where 10 means extremely satisfied and 1 means not satisfied at all, how satisfied are you overall that the Visitor Industry...?"

Dissatisfaction: By Ethnic Segment

Native Hawaiians, overall, are not satisfied with Visitor Industry efforts to preserve their language and culture.



Bases: 336, 289, 401 and 195 Caucasian, Japanese, Hawaiian and Filipino residents statewide, respectively.

* In OmniTrak's analysis, Top Box=9-10; Mid-Box=6-8; Bottom Box=1-5.

Q6. "Using a 10-point scale where 10 means extremely satisfied and 1 means not satisfied at all, how satisfied are you overall that the Visitor Industry...?"

Factors Influencing Low Satisfaction With Visitor Industry Involvement/Support

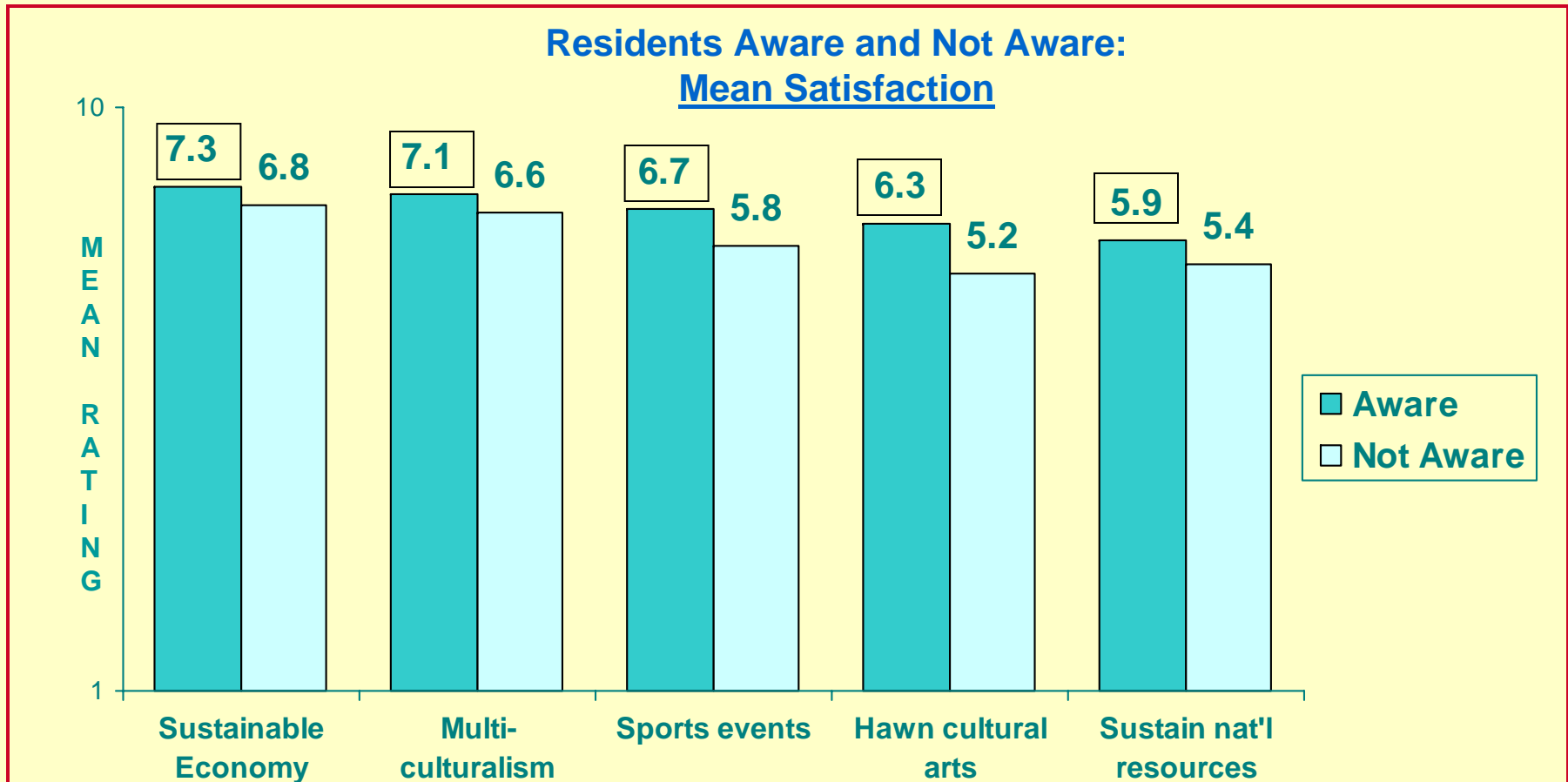
Reminder: Visitor Industry Involvement Areas

The next slide compares *awareness* of areas of involvement/support to resident *satisfaction* with the corresponding seven areas of industry contributions, as follows:

| AWARENESS that tax revenues generated from tourism go to... | SATISFACTION that Visitor Industry... |
|---|---|
| Invest in the visitor industry workforce through job training programs | Contributes to a sustainable economy in Hawai'i |
| Fund multi-cultural events such as ethnic festivals, parades and attractions | Respects Hawai'i's multi-cultural heritage |
| | Works to make Hawai'i a safe place for residents and visitors |
| Sponsor sport events like the Hawai'i Bowl and Ironman Triathlon | Sponsors sports events for residents and visitors |
| Support Native Hawaiian cultural practices such as hula, lei-making and music | Helps to preserve Native Hawaiian language and culture |
| Fund maintenance and enhancement of parks, trails and ocean areas | Helps to preserve Hawai'i's natural resources |
| | Takes a leadership role in solving community problems |

Awareness of Tourism Funding Impacts On Satisfaction with Areas of Involvement

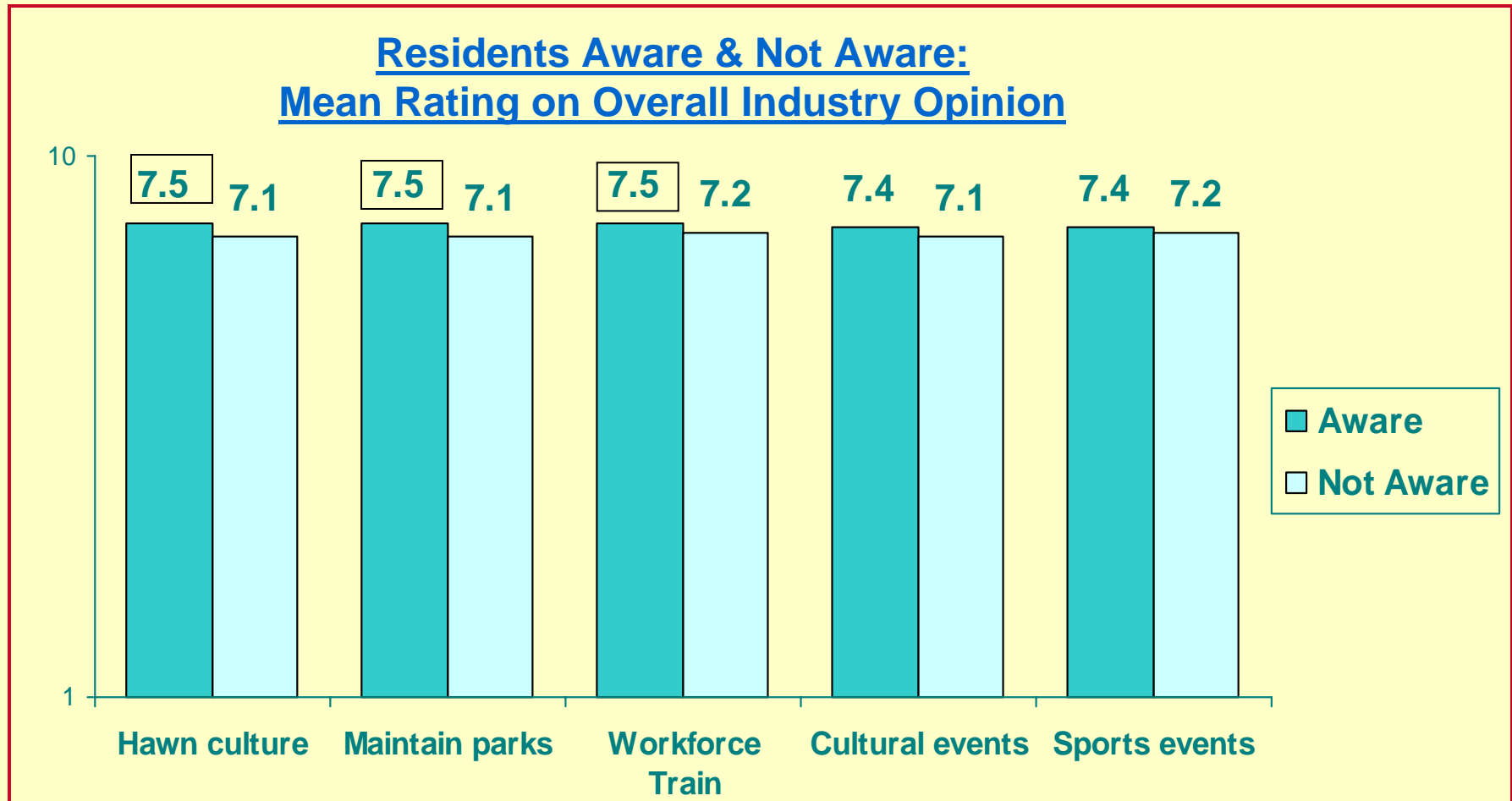
Awareness of visitor industry support significantly impacts satisfaction. As shown in the graph below, those who are aware of tourism tax revenues funding areas of involvement give consistently higher satisfaction scores. Among those aware of tourism funding, the ratings premium over those not aware is substantial: +21% on Hawaiian culture and arts; +16% on sports events; +9% on sustainable natural resources; +8% on multi-culturalism and +7% on sustainable economy.



Q5: "Are you aware that the Visitor Industry...?"
 Q6: "How satisfied are you overall that the Visitor Industry... ..?"

Importance of Awareness on Favorable Opinion of Tourism

Increasing awareness may improve overall opinion of tourism by about 5 percentage points specifically in areas relating to *Hawaiian cultural support, maintaining parks/ocean areas and workforce training.*



Base: 1,650 statewide residents

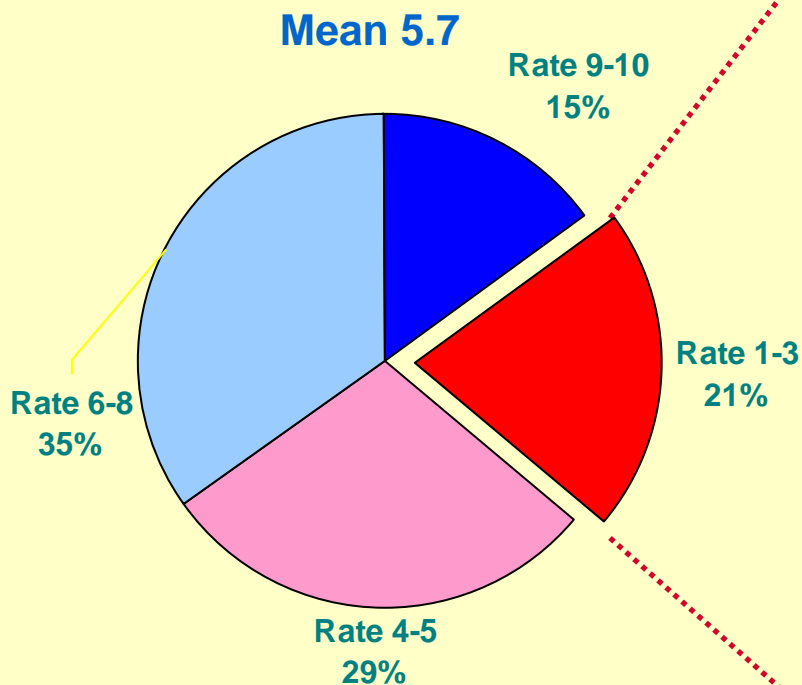
Q1. "Using a 10-point scale where 10 means extremely favorable and 1 means not favorable at all, please give me your opinion of tourism...".

Q5. "Are you aware that the tax revenues generated from tourism go to...?"

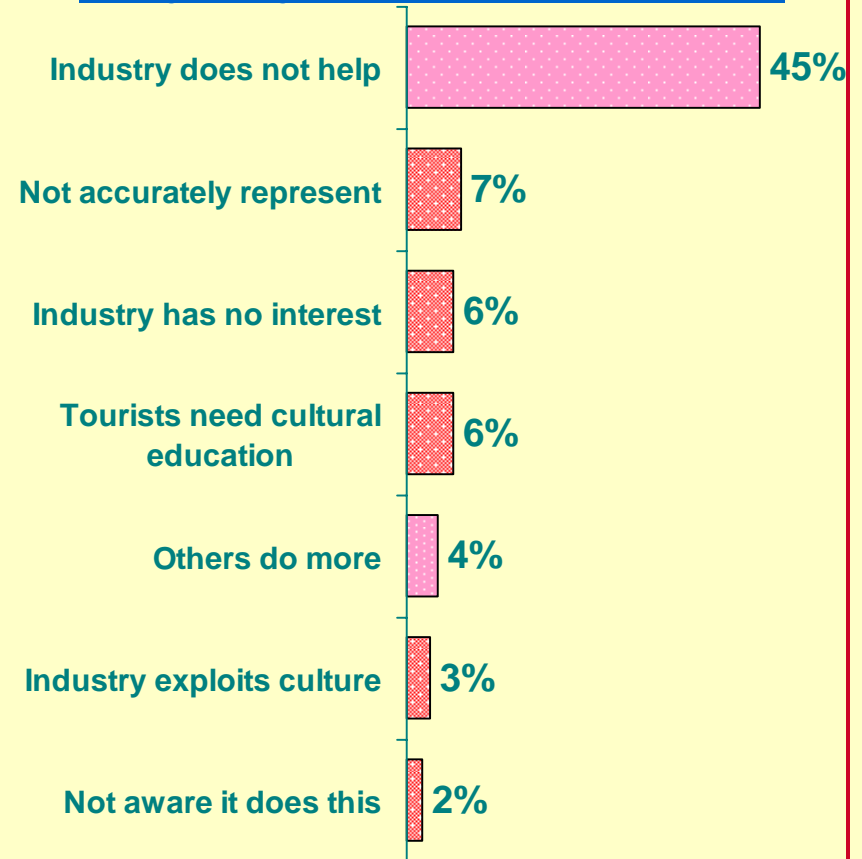
Rating Industry Low for: Preserving Hawaiian Culture

One in five residents gave low (1-3) ratings in this area, and most low raters do not think the Industry does anything positive for Native Hawaiian culture.

“How satisfied that the Visitor Industry helps to preserve Hawaiian culture?”



“Why did you rate (1-3) out of 10?”



Base: 315 residents who rated the Visitor Industry 1-3 on the 10-point scale.

Q7a. “Why did you rate the Visitor Industry _____ out of 10? Any other reasons?”

Respondent Comments: *Preserve Hawaiian Culture*

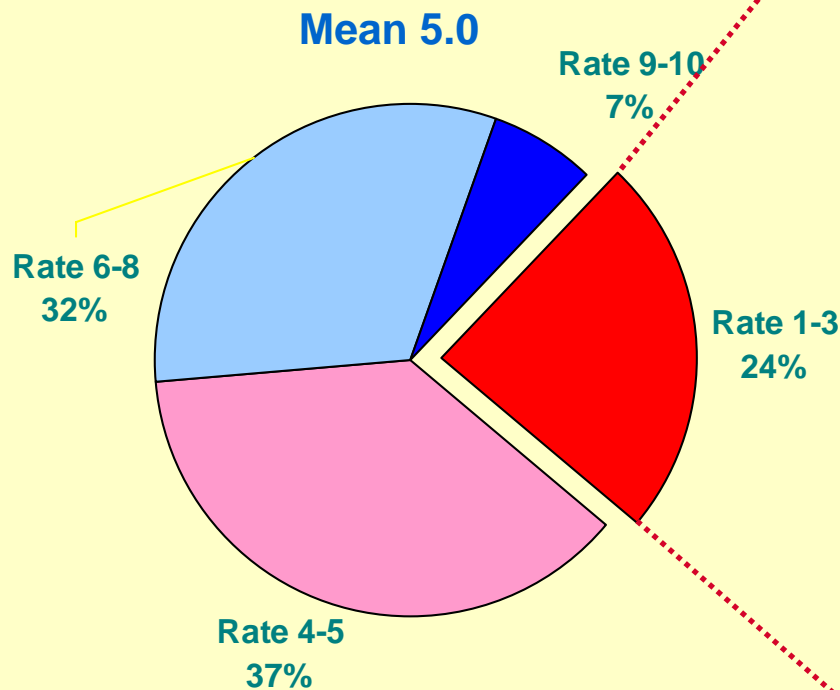
“Why did you rate the Visitor Industry [1-3] out of 10 for “helps to preserve Native Hawaiian language and culture?”

- ⇒ “Speaking as a part-Hawaiian, I don’t see where tourism has any effect on Native Hawaiian language and culture.”*
- ⇒ “Because they have not done anything until recently. There are only 2 or 3 hotels that do anything for tourists having to do with Hawaiian culture. On Maui, there is only one hotel teaching people about Hawaiian language.”*
- ⇒ “The Hawaiian culture that the tourists see is very tourist-oriented. Tourists don’t see the authentic culture... they put on leis and sing ‘Tiny Bubbles’.”*
- ⇒ “You go to any restaurant or hotel and you don’t see any Hawaiian stuff around, you don’t hear Hawaiian music, you don’t see hula dancers. There is nobody teaching people about Hawaiian culture.”*
- ⇒ “Visitors don’t care about the Hawaiian language and culture. They come here to go to the beaches.”*
- ⇒ “Sometimes they have a hula festival, but I don’t see the Visitor Industry supporting the Hawaiian Immersion schools where the language is taught.”*

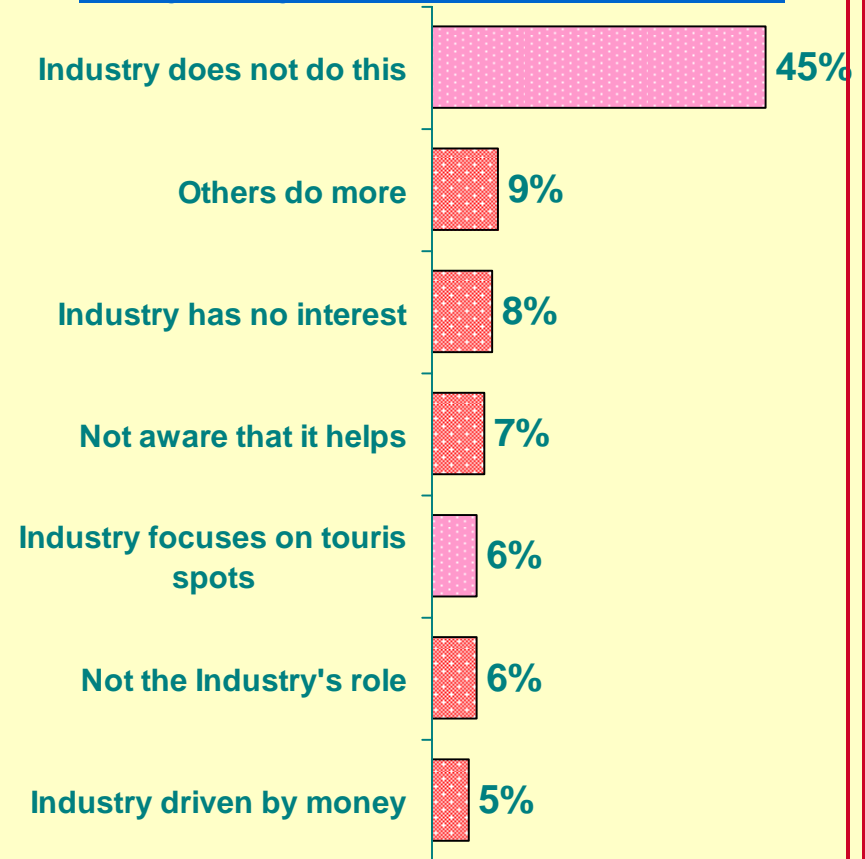
Low Ratings For: Leadership Role in Communities

Residents who rated the Industry low in this area have great difficulty believing that the Industry plays a role in helping local communities.

“How satisfied that the Visitor Industry takes a leadership role in solving community problems?”



“Why did you rate (1-3) out of 10?”



Base: 366 residents who rated the Visitor Industry 1-3 on the 10-point scale.

Q7g. “Why did you rate the Visitor Industry _____ out of 10? Any other reasons?”

Respondent Comments: *Role in Local Communities*

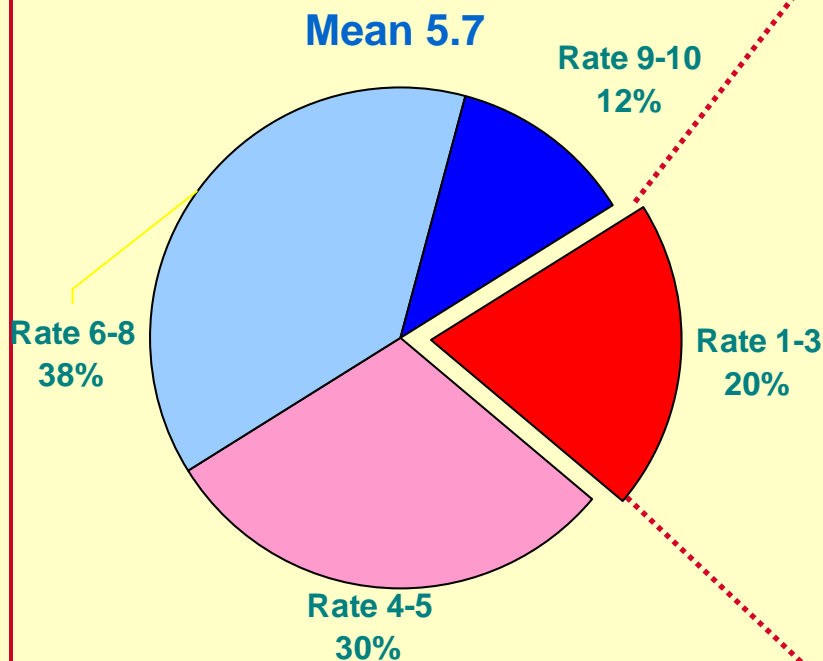
“Why did you rate the Visitor Industry [1-3] out of 10 for “takes a leadership role in solving community problems?”

- ⇒ “I never saw or heard anything about this.”*
- ⇒ “I don’t feel they care about the community. They are run as a business.”*
- ⇒ “I never heard the visitor industry doing this. Maybe only in Waikiki, but not in other communities. The industry only wants to protect the Waikiki tourist.”*
- ⇒ “The visitor industry could do more in areas other than Waikiki to solve community problems. They should be involved throughout the island.”*
- ⇒ “The industry is not really involved in the community. The employees come home to their communities and they are the ones helping to make communities into better places.”*
- ⇒ “I live in Pahoehoe and I don’t know anything the visitor industry does to solve community problems.”*
- ⇒ “Except for financial things and paying for street lights in some areas, the visitor industry does nothing to solve community problems.”*
- ⇒ “The visitor industry is all about money, not taking care of local people.”*

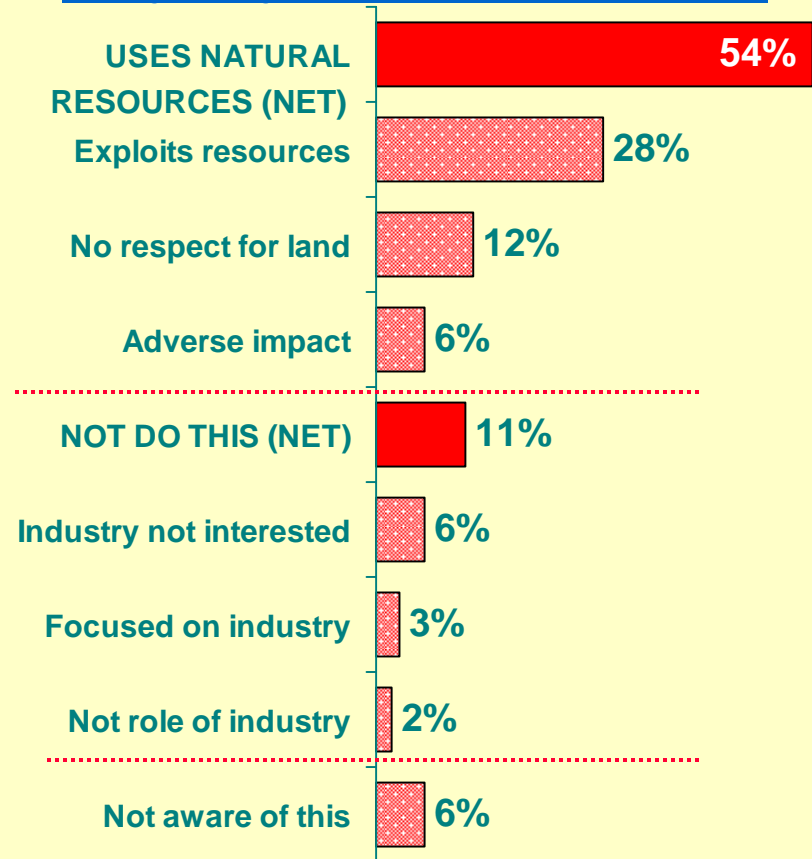
Low Ratings for: Helps to Sustain Natural Resources

Many dissatisfied residents believe that the Industry, far from sustaining resources, consumes or exploits Hawai'i's natural resources.

“How satisfied that the Visitor Industry helps to sustain Hawai'i's natural resources?”



“Why did you rate (1-3) out of 10?”



Base: 309 residents who rated the Visitor Industry 1-3 on the 10-point scale.
 Q7b. “Why did you rate the Visitor Industry _____ out of 10? Any other reasons?”

Respondent Comments: *Sustains Natural Resources*

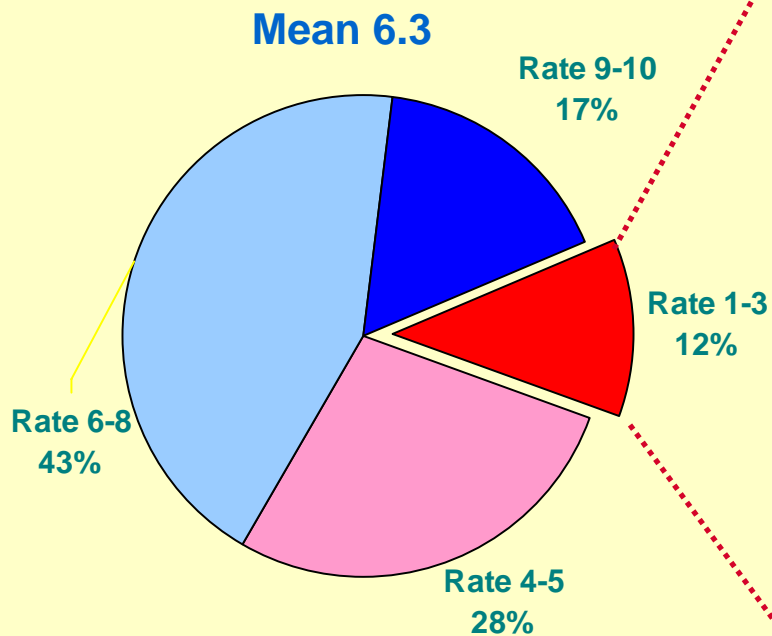
“Why did you rate the Visitor Industry [1-3] out of 10 for “helps to sustain natural resources?”

- “A tremendous amount of resources is consumed to keep the industry going.”*
- “The visitor industry depletes our natural resources. Building hotels and golf courses creates runoff that goes into the ocean and damages reefs.”*
- “Because wherever they go, tourists use up our land, our water, our fish. They are horrible to our natural habitat. They use up our environment without any regard for it.”*
- “Huge time share and residential developments have been built on the west side of Maui, and the reefs have been harmed and will never come back.”*
- “They could gear the tourist industry more toward eco-tourism, to preserve the beauty of Hawai‘i’s natural resources.”*
- “I believe they can do a better job and do things in tourism that are more sustainable and more eco-friendly. Tourists need to be educated regarding the ecology of Hawai‘i.”*
- “The public is not aware of what the industry does to sustain natural resources because they do not give us an awareness of what they are doing.”*

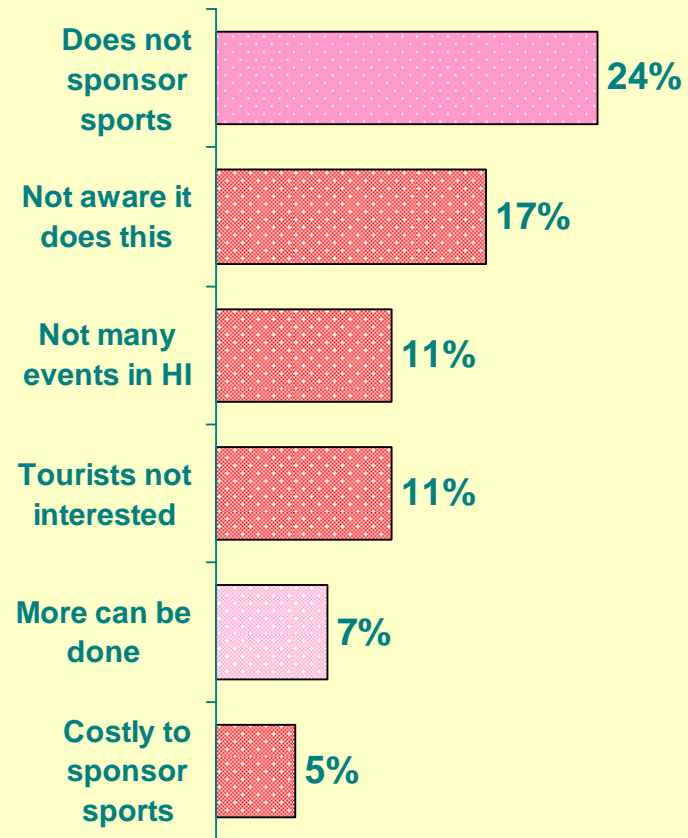
Low Ratings for: Sponsors Sports Events

Low raters do not feel the Industry plays a big role in local sports events, which they attribute to organizations other than those in the Visitor Industry.

“How satisfied that the Visitor Industry sponsors sports events for residents and visitors?”



“Why did you rate (1-3) out of 10?”



Base: 173 residents who rated the Visitor Industry 1-3 on the 10-point scale.
 Q7d. “Why did you rate the Visitor Industry _____ out of 10? Any other reasons?”

Respondent Comments: *Sponsors sports events*

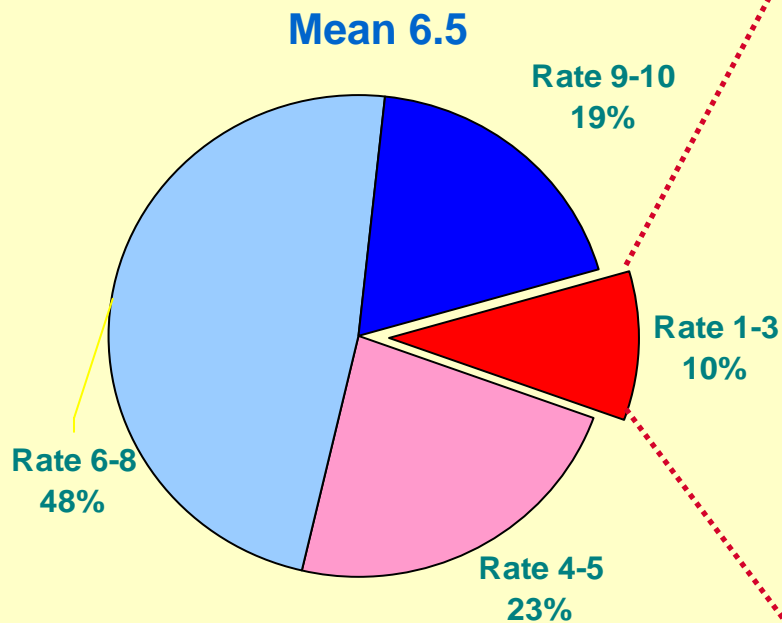
“Why did you rate the Visitor Industry [1-3] out of 10 for “sponsors sports events for residents and visitors?”

- ⇒ “They don’t sponsor any sports events that I know of.”*
- ⇒ “I don’t know of anything sponsored by the tourist industry except the Ironman Triathlon. I don’t know of any other sporting events.”*
- ⇒ “The only one I know that they sponsor is the Hula Bowl.”*
- ⇒ “I can’t think of any sports event except for golf.”*
- ⇒ “I can’t think of when the visitor industry gave money to support high school sports.”*
- ⇒ “The visitor industry is good at promoting the Triathlon but the local people don’t benefit from it. The triathletes don’t really spend any money here.”*
- ⇒ “I feel they could do more since we are losing the Pro Bowl. The tourism industry could save the Pro Bowl because it brings a lot of money here.”*

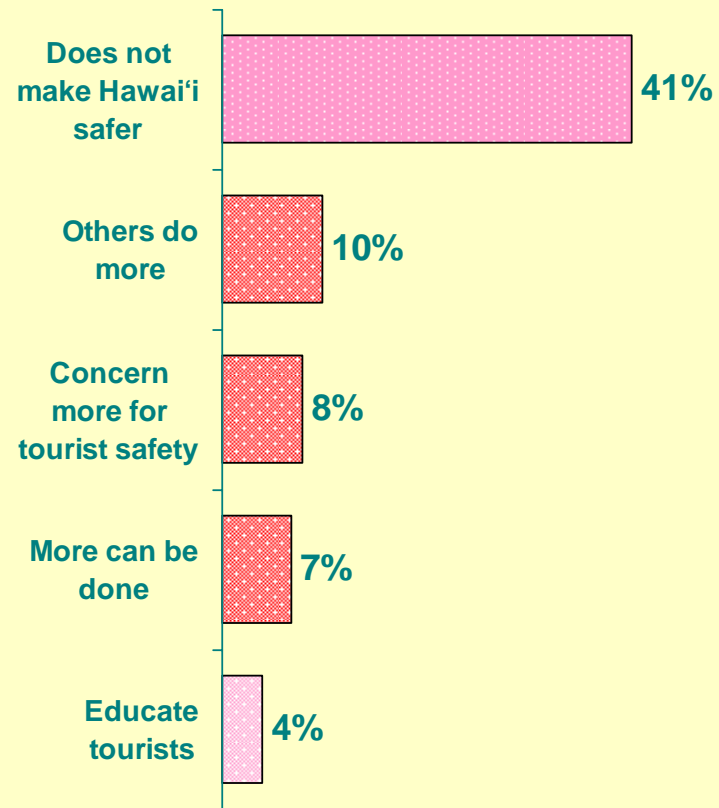
Low Ratings for: Works to Make Hawai'i a Safer Place

Low raters are not convinced the Industry does much in the way of safety and security, particularly for residents.

“How satisfied that the Visitor Industry works to make Hawai'i a safe place for residents and visitors?”



“Why did you rate (1-3) out of 10?”



Base: 158 residents who rated the Visitor Industry 1-3 on the 10-point scale.
Q7f. “Why did you rate the Visitor Industry ____ out of 10? Any other reasons?”

Respondent Comments: Make Hawai'i a Safer Place

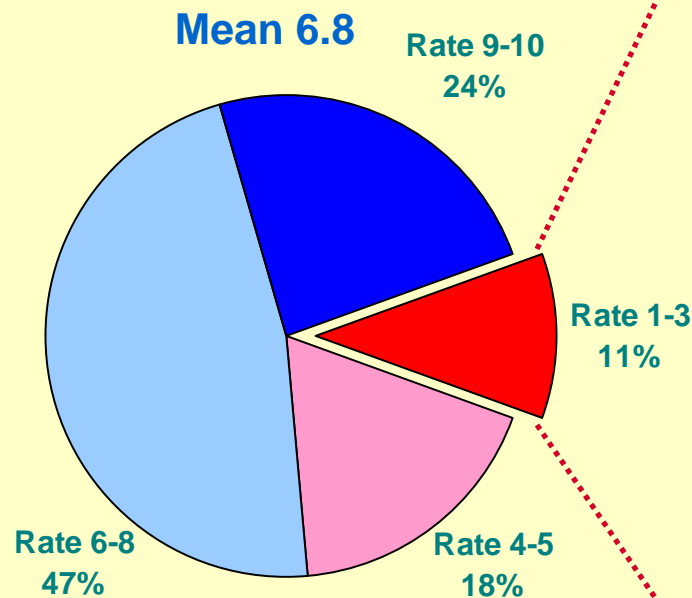
“Why did you rate the Visitor Industry [1-3] out of 10 for “helps to make Hawai'i a safe place for residents and visitors?”

- “The industry is not doing anything to make things safer for the tourists.”*
- “Because I don't know what the industry does. I think they warn the tourists. to watch their belongings. Does the industry support the police force?”*
- “The industry is not doing anything to make things safe for the tourists. You hear about things happening to them, being mugged and robbed.”*
- “It is nearly impossible to make it safer. Let's face it, some people just don't like tourists. Hiring more policemen will not make it safer.”*
- “I don't think the visitor industry tries to make Hawai'i a safer place. They bring the tourists in and depend on the government to make it safer.”*
- “Because it doesn't. There are horrible crimes in Waikiki, Ewa, Waipahu and they don't do anything about it.”*
- “They don't seem to focus on the safety of the island or the safety of residents. They need to strike a happy medium between the safety of locals and guests.”*

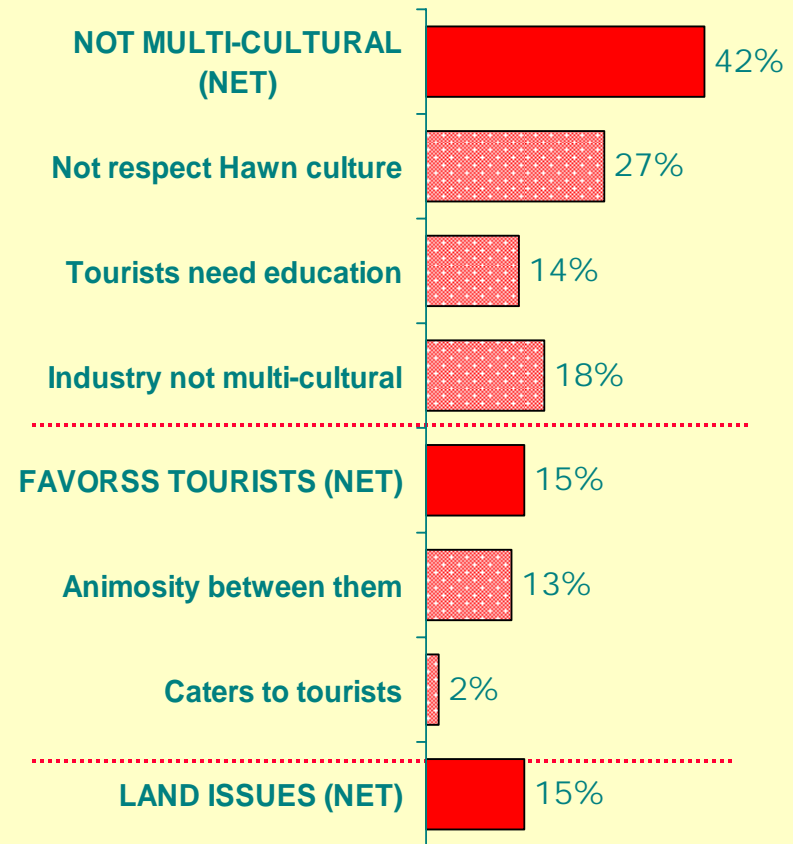
Low Ratings for: Respect Multi-Cultural Heritage

Many low raters do not feel the industry respects Hawaiian culture or other local cultures or promotes harmony between visitors and local people.

“How satisfied that the Visitor Industry respects Hawai‘i’s multi-cultural heritage?”



“Why did you rate (1-3) out of 10?”



Base: 167 residents who rated 1-3 on the 10-point scale.

Q7c. “Why did you rate the Visitor Industry [10-3] out of 10? Any other reasons?”

Respondent Comments: *Respect Multi-Cultural Heritage*

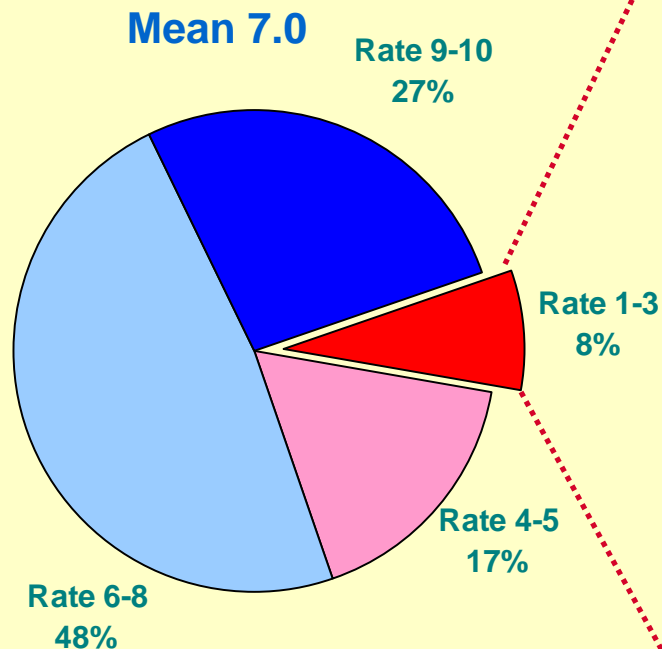
“Why did you rate the Visitor Industry [1-3] out of 10 for “respects Hawaii’s multi-cultural heritage?”

- ***“Tourists don’t come to see the real Hawai‘i. For them, it’s all about beaches, sunsets and romance.”***
- ***“The entertainment part of the industry has not been true to the honest multi-cultural aspect of life in Hawai‘i.”***
- ***“There is a show in Waikiki with Tahitian dancers. The dancers talk about Hawaiian culture but they aren’t informed correctly, though they don’t mean disrespect.”***
- ***“The industry doesn’t emphasize the different groups who live here. I bet most tourists who come to Hawai‘i don’t know there are Vietnamese, Filipino, Samoan or Korean cultures here. They think it’s just Caucasians and Hawaiians.”***
- ***“The visitor industry doesn’t respect the local people. They cater to the rich people from the mainland and local people can’t afford the hotels or plush accommodations.”***

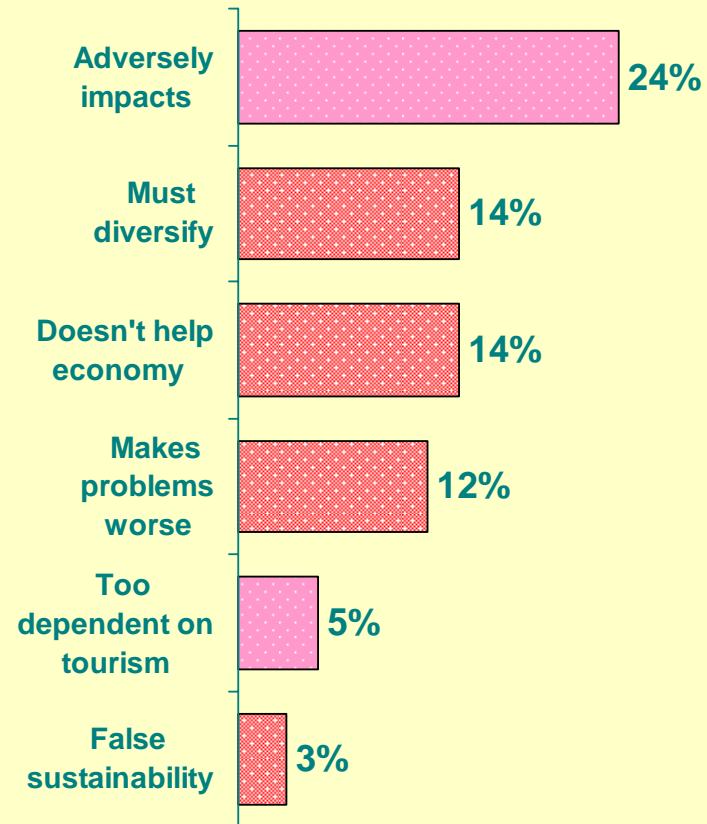
Low Ratings for: Contributes to Sustainable Economy

Low raters do not feel that tourism represents “sustainability” in the economy (defined by some as job stability or economic self-sufficiency).

“How satisfied that the Visitor Industry contributes to a sustainable economy in Hawai‘i?”



“Why did you rate (1-3) out of 10?”



Base: 129 residents who rated 1-3 on the 10-point scale.

Q7e. “Why did you rate the Visitor Industry [1-3] out of 10? Any other reasons?”

Respondent Comments: *Sustainable Economy*

“Why did you rate the Visitor Industry [1-3] out of 10 for “contributes to a sustainable economy?””

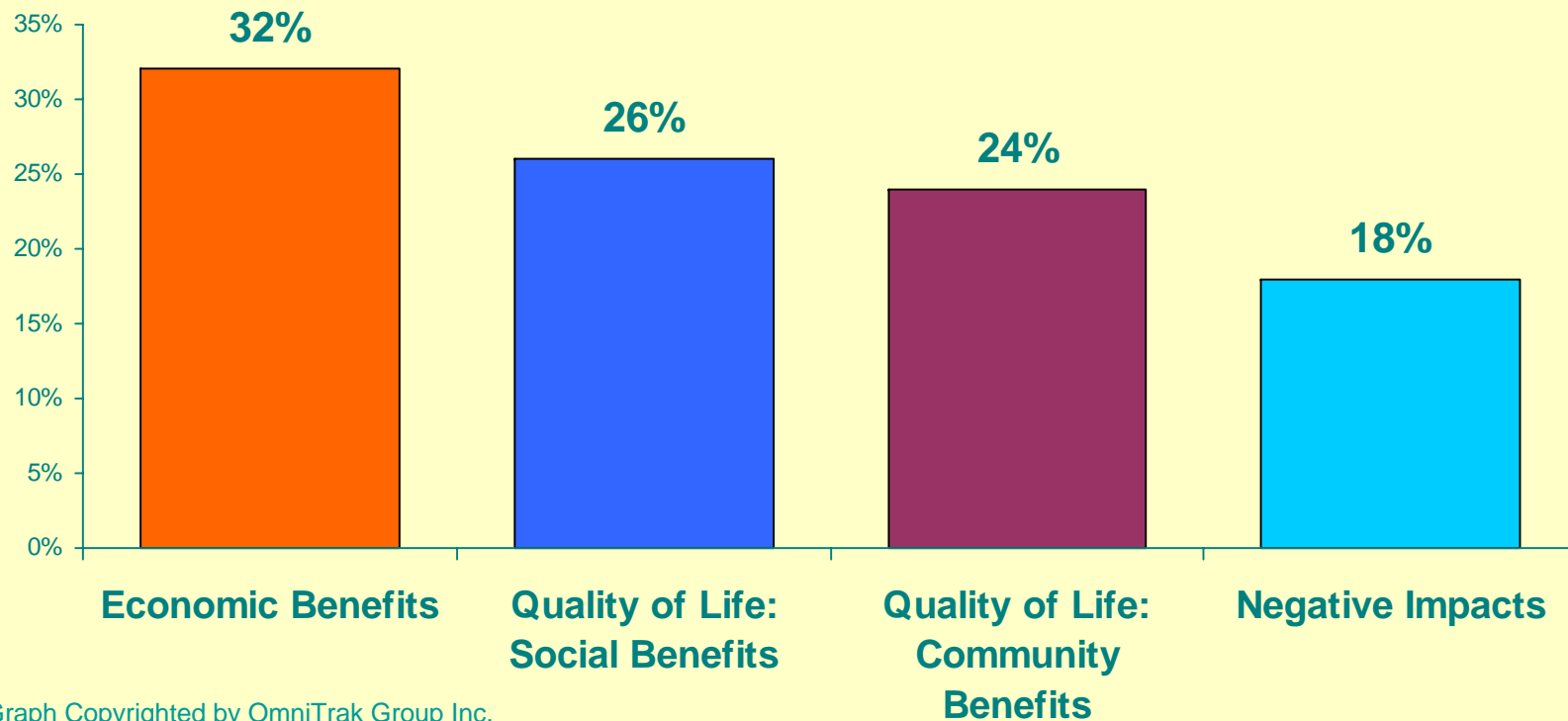
- “Because if the mainland economy is weak, you can’t fill the hotels. Tourism is based on the external market conditions.”*
- “Because it provides little, if any, long-term quality jobs for the people.”*
- “Whenever tourism goes down, the economy collapses. We need to diversify.”*
- “Hawai‘i needs more ways of bringing money into the state. We cannot depend on tourists anymore.”*
- “I would like to see more hotels and restaurants purchase more local beef, fruits and vegetables to make Hawai‘i more sustainable. They can do a better job on this.”*
- “Sustainable means that we can support ourselves. But tourism makes the people dependent on a single industry. It creates dependence, not sustainability.”*
- “The bottom line is: few people get the money that tourism brings in. Most of that money goes out of state.”*

Visitor Industry Key Drivers of Perceptions Of the Industry's Net Benefit

Strength of Driver Analysis™

To determine what would most drive an increase in residents agreeing that the visitor industry is of net benefit to the State, OmniTrak conducted a Driver Analysis. This shows that four dimensions influence net benefit attitudes. Although economic benefits are most important, accounting for one third of a 1-point increase in net benefit, the two quality of life dimensions account for half of a 1-point increase. Managing perceived downsides contributes almost one-fifth of an improvement. This suggests that residents expect the State's dominant industry to provide not only economic benefits but quality of life ones as well. And support of tourism is dependent on both.

KEY DRIVERS IN PERCEPTIONS OF "NET BENEFIT"



© Graph Copyrighted by OmniTrak Group Inc.

Q4: Using a 10-point scale where 10 means completely agree and 1 means do not agree at all, how much do you agree that ...?

Q6: Using a 10-point scale where 10 means extremely satisfied and 1 means not satisfied at all, how satisfied are you overall that the Visitor Industry...?

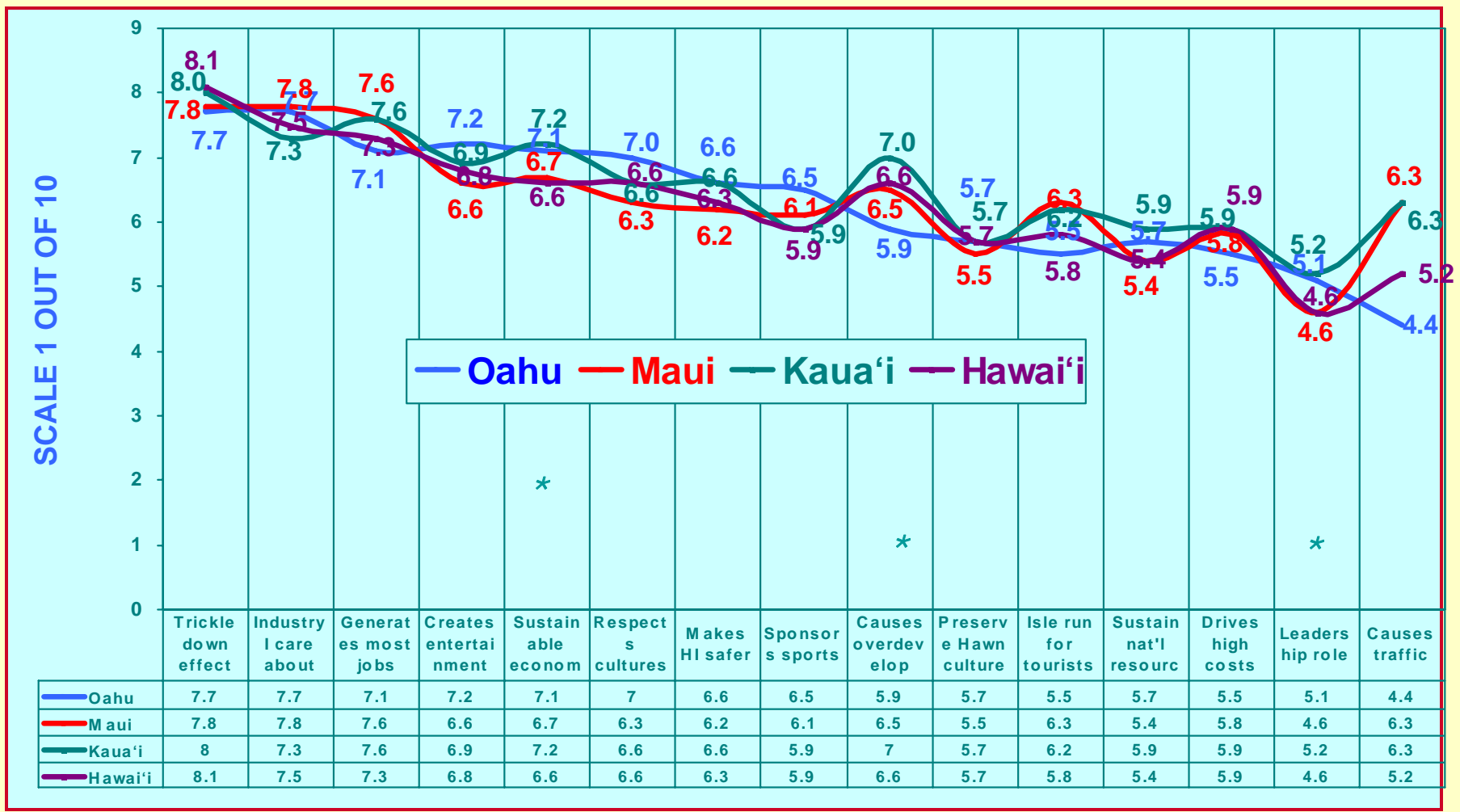
Visitor Industry Driver Analysis TM

The four drivers are composed of 15 specific attributes. They are shown in the order of importance within each driver. Within the economic benefits driver, the multiplier effect is somewhat more important to residents overall since not everyone seeks a job in the industry. In terms of social benefits, enrichment opportunities and a sustainable economy are most important. Residents also look toward the industry taking a leadership role in solving community problems such as safety and preservation of cultural resources. The most important negative impacts to mitigate are cost of living and overdevelopment.

| | | |
|---|---|--|
| <p>Tourism spending trickles down to local businesses</p> <p>Tourism generates the most jobs for residents</p> | } | Economic Benefits |
| <p>Creates entertainment & enrichment opportunities</p> <p>Contributes to a sustainable economy in Hawai'i</p> <p>Tourism is an industry I care about</p> | | |
| <p>Takes leadership role in solving community problems</p> <p>Works to make Hawai'i a safe place</p> <p>Helps to preserve Native Hawaiian language/culture</p> <p>Respects Hawai'i's multi-cultural heritage</p> <p>Helps to sustain Hawai'i's natural resources</p> <p>Sponsors sports events for residents and visitors</p> | } | Quality of Life: Community Benefits |
| <p>Tourism is most responsible for higher cost of living</p> <p>Tourism is mainly responsible for overdevelopment</p> <p>Tourism is the major cause of traffic</p> <p>This island run for tourists at the expense of residents</p> | | |
| | | Negative Impacts |

Factors in Perceptions of Tourism: Mean Ratings

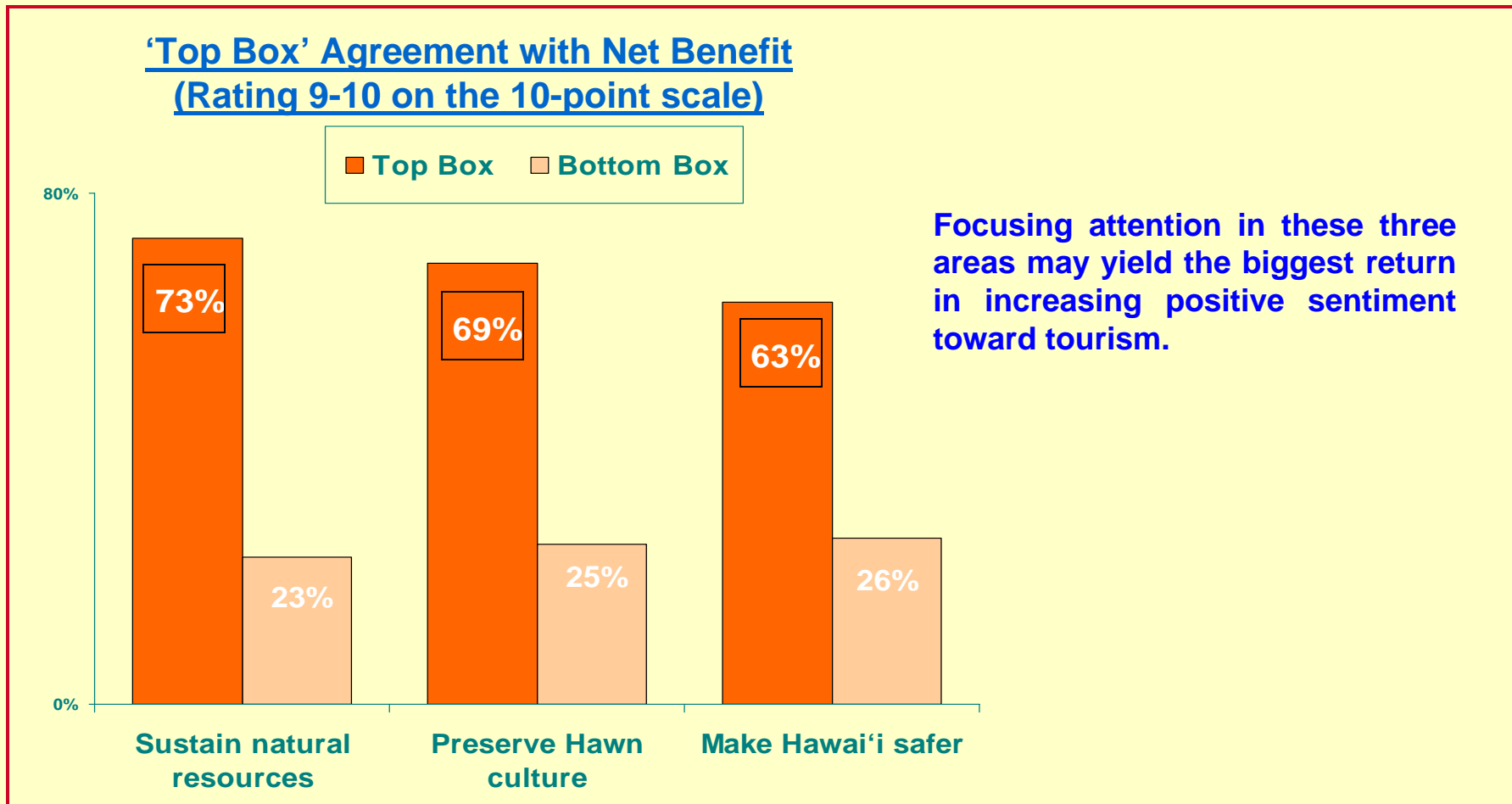
When it comes to tourism impacts, Neighbor Island residents' views diverge sharply from those of O'ahu residents' (right side of graph), in particular where traffic, overdevelopment, higher costs and political influence (i.e., "isle run for tourists...") are concerned.



Q4: Using a 10-point scale where 10 means completely agree and 1 means do not agree at all, how much do you agree that ...?
 Q6: Using a 10-point scale where 10 means extremely satisfied and 1 means not satisfied at all, how satisfied are you overall that the Visitor Industry...?

Areas to Improve Perceived Net Benefit

Residents who are satisfied with the key areas of industry involvement or support also perceive tourism has brought more benefit to the State and vice versa. This direct relationship implies that improving in these areas will improve residents' perception of tourism's net benefit.



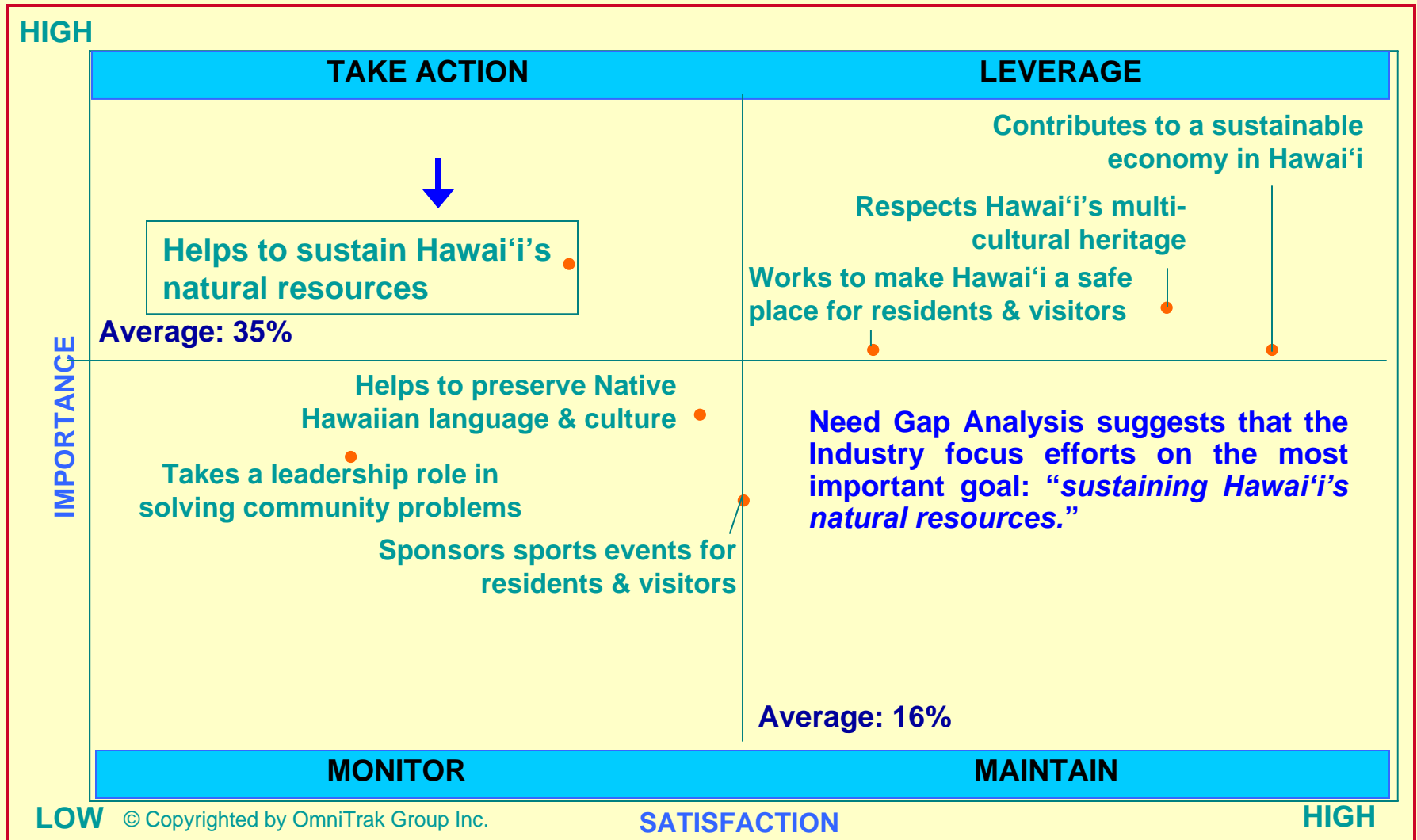
Bases: 1,650 statewide residents.

Q6. "Using a 10-point scale where 10 means extremely satisfied and 1 means not satisfied at all, how satisfied are you that the Visitor Industry...?"

Need Gap Analysis

Need Gap Analysis

“Need Gaps” occur when satisfaction lags perceived importance, implying a need to act to bring satisfaction up to par with expectations. In areas of tourism involvement, a need gap clearly exists on sustaining Hawai‘i’s natural resources. Native Hawaiian cultural preservation and the industry’s leadership in solving community problems are also areas to monitor as they are borderline.



APPENDIX: Profile of Respondents

Profile of Respondents

| | TOTAL STATE | O'AHU | HAWAI'I | MAUI | KAUA'I |
|---------------------------------|--------------|--------------|------------|------------|-----------|
| BASE | 1,650 | 1,155 | 226 | 187 | 82 |
| GENDER | | | | | |
| Male | 42% | 41% | 43% | 47% | 38% |
| Female | 58% | 59% | 57% | 53% | 62% |
| AGE * | | | | | |
| 18-34 | 31% | 32% | 30% | 24% | 32% |
| 35-54 | 35% | 33% | 36% | 45% | 35% |
| 55+ | 34% | 29% | 34% | 31% | 33% |
| Average | 47.2 | 45.8 | 47.2 | 47.3 | 45.8 |
| INCOME ** | | | | | |
| Less than \$35,000 | 22% | 19% | 29% | 29% | 26% |
| \$35,000 but less than \$75,000 | 33% | 29% | 42% | 46% | 34% |
| \$75,000 or more | 45% | 52% | 29% | 25% | 41% |

* Age distribution weighted to reflect statewide population as well as the population of each county according to US Census data.

** Income percentages do not include those who refused to respond.

Profile of Respondents

| | TOTAL STATE | OAHU | HAWAI'I | MAUI | KAUA'I |
|---------------------------|--------------|--------------|------------|------------|-----------|
| BASE | 1,650 | 1,155 | 226 | 187 | 82 |
| YEARS IN HAWAI'I | | | | | |
| Less than 5 years | 3% | 3% | 5% | 3% | 5% |
| 5 to 9 years | 7% | 6% | 9% | 9% | 6% |
| 10 to 19 years | 9% | 8% | 10% | 16% | 7% |
| 20 years or more | 23% | 21% | 23% | 31% | 28% |
| Born in Hawai'i | 58% | 62% | 53% | 41% | 53% |
| ETHNIC BACKGROUND | | | | | |
| Caucasian | 22% | 16% | 33% | 34% | 28% |
| Hawaiian/part-Hawaiian | 25% | 24% | 31% | 26% | 29% |
| Japanese | 18% | 21% | 12% | 9% | 12% |
| Filipino | 12% | 13% | 6% | 17% | 15% |
| Other * | 22% | 26% | 18% | 15% | 16% |
| TOURISM EMPLOYMENT | | | | | |
| Employed in Industry ** | 27% | 24% | 22% | 49% | 34% |
| Not employed | 73% | 76% | 78% | 51% | 66% |

* Other" encompasses anyone reporting an ethnic background not in the four major categories. This includes the smaller ethnic populations such as Chinese, Southeast Asians, African American, And Micronesians, to name a few, plus residents reporting themselves as mixed-race.

** Tourism Employment is defined as those currently employed in the Visitor Industry or those with household members employed in the Industry.