

2007

**Visitor Satisfaction
Monitoring Report**

**First Quarter
(January - March)**



State of Hawaii
Department of Business, Economic Development & Tourism
Research & Economic Analysis Division

SUMMARY

Most visitors in the first quarter of 2007 were highly satisfied with their overall experience in Hawai'i. In the first quarter of 2007, the ratings from every MMA except Japan were higher compared to the first quarter of 2005 or 2006.

- U.S. West visitors were more satisfied (65.9%) in the first quarter of 2007 than they were in the same period of 2006 (53.2%). U.S. East visitors were similarly more satisfied in the first quarter of 2007 (71.9%) than a year ago (62.2%).
- First quarter 2007 satisfaction ratings by Japanese visitors was the lowest level of satisfaction ratings (47.9%) since 2005.
- In the first quarter of 2007, two out of five U.S. East visitors (40%) felt that Hawai'i exceeded their expectations as a vacation destination; a vast improvement compared to the first quarter of 2006 (32.6 %).
- First quarter ratings for exceeding expectations from Canadian visitors improved from 27.5 percent in 2006 to 39.3 percent in 2007.
- Most North American visitors - U.S. West (90.5%), U.S. East (90.7%), and Canada (90.5%), said they were very likely to recommend Hawai'i. More than two-thirds (67.9%) of Japanese visitors were very likely to recommend Hawai'i.
- In the first quarter, U.S. visitors were the least satisfied with their experience on Maui (66.1%) since 2005 (74.9%). U.S. visitors' experiences on O'ahu (60.7%), Hawai'i Island (54.9%) and Kaua'i (71.4%) improved from the previous quarter.
- Japanese visitors from first quarter 2007 who were very satisfied with O'ahu (48%) felt similarly for the Big Island of Hawai'i (45.3%) and Kaua'i (43.6%)
- Canadians were more satisfied with Kaua'i (74.4%) than the rest of the islands in Quarter One of 2007.
- O'ahu continued to be the most highly recommended island by Japanese visitors from the beginning of 2005, to the first quarter of 2007. Although advocacy for Maui was low in the first quarter of 2007 (54.6%) it improved from the same time in the previous year.
- The number of U.S. visitors who were very satisfied with O'ahu's golf increased 18.5 percentage points in the first quarter of 2007 to 84.5 percent compared to the first quarter of 2006 and 34 percentage points compared the first quarter of 2005.
- Barely half of the Japanese Internet users within the first quarter of 2007 (51.2%) made rental car reservations less than one month before arrival. Historically, almost two-thirds would have made reservations just before coming or while here in Hawai'i.
- U.S. visitor's usage of the Internet to make airline reservations continued to increase from 72.4 percent of Internet users in the first quarter of 2006 to 77.7 percent in 2007.

This report is available in Adobe Acrobat form on the DBEDT Website, <http://www.hawaii.gov/dbedt/info/visitor-stats/vsat>. For further information about obtaining visitor data and other sources, contact the DBEDT Library at (808) 586-2424, or e-mail library@dbedt.hawaii.gov or DBEDT Research and Economic Analysis Division at (808) 586-2466.

INTRODUCTION

This monitoring report presents selected preliminary statistics for the 2007 Visitor Satisfaction and Activity survey. The survey measures the opinions of visitors, regarding their satisfaction with Hawai'i as a visitor destination, from the top five major marketing areas: U.S. West, U.S. East, Japan Canada and Europe (see Definition and Survey Methodology). The report highlights survey respondents' evaluation of the vacation experience, including: overall satisfaction with the most recent vacation to Hawai'i, trip expectations, likelihood to recommend Hawai'i, likelihood to revisit Hawai'i, reasons for not revisiting Hawai'i, satisfaction by island and trip planning timeline.

This report of partial year data is due to an initiative by DBEDT Tourism Research Branch to increase the frequency of reporting to quarterly and half-year intervals when possible. This brief report tracks only the major satisfaction indicators. The annual 2007 Visitor Satisfaction and Activity Report, which includes a more complete analysis for the full calendar year 2007, is scheduled for release in August 2008. It is hoped that visitors' feedback reported here will help Hawai'i's businesses take proactive measures in promotion, maintenance and improvement in these essential areas. Sectors of industries may also use these data to assess their performance.

CONDITION OF VISITOR INDUSTRY

The first three months of 2007 were very lively. The State of Hawai'i entertained a total of 1,782,579 visitors, a decrease of 1.1 percent over the same time last year. U.S. West continued to grow with 705,365 visitors (+7.5%) in the first quarter. However, U.S. East with 501,974 visitors (-6%), Canada with 107,428 visitors (-0.8%) and Japan with 324,429 visitors (-7.3%) all experienced a decline in visitor arrivals. The proportion of repeat visitors to the State continued to inch up from 64.4 percent in the first three months of 2006 to 65.5 percent in 2007.

RESULTS

Visitor Satisfaction Ratings

Visitor satisfaction is an important indicator of industry performance. This measure provides vital feedback on how well services are delivered and how well the industry meets expectations. High satisfaction is also a leading-indicator of customer retention and loyalty. Satisfying visitors' needs and expectations encourages return trips to Hawai'i. Satisfied customers also develop a fondness for the destination which results in a higher likelihood to recommend Hawai'i to others.

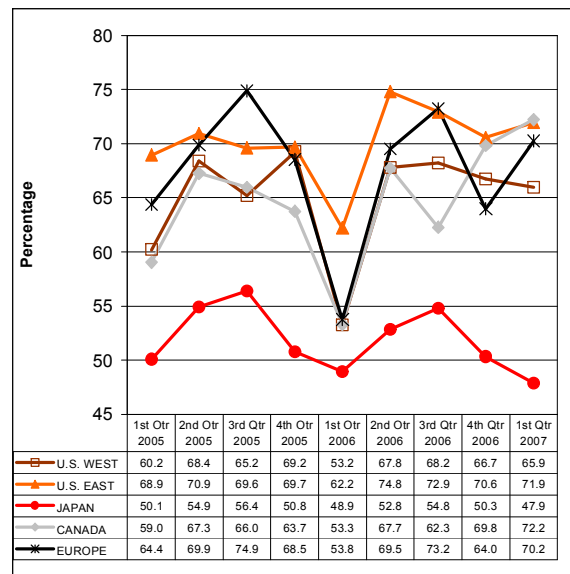
Vacation to Hawai'i Was Rated Excellent

In nearly every quarter more than half of the visitors rated their most recent trip to Hawai'i as *excellent* (see Figure 1). Interestingly, this indicator of visitor satisfaction demonstrated a very seasonal pattern, with typically the first quarter reported the lowest rating for each year. Ratings from almost every MMA, except Japan, gave higher ratings in the first quarter of 2007 than in 2005 or 2006.

- U.S. West visitors have been fairly consistent in their rating of Hawai'i since the second quarter of 2006. Many more U.S. West visitors had an excellent trip (65.9%) in the first quarter of 2007 than in the same period of 2006 (53.2%).
- Since the second quarter 2006, U.S. East visitors have reported higher ratings than the same period 12 months before. Likewise, more visitors were satisfied in the first quarter of 2007 (71.9%) than a year ago (62.2%).
- The first quarter of 2007 was the lowest rating for Japanese visitors (47.9%) in the past two years.

- Canadian visitors' ratings have risen to 72.2 percent in first quarter of 2007 in comparison to 53.3 percent in the first quarter of 2006.
- European visitors rated the first quarter of 2007 (70.2%) a considerable 16.4 percentage points higher than the first quarter of 2006 (53.8%).

Figure 1: Overall Rating of Trip
[Percentage of visitors who rated most recent trip "Excellent" by MMA]



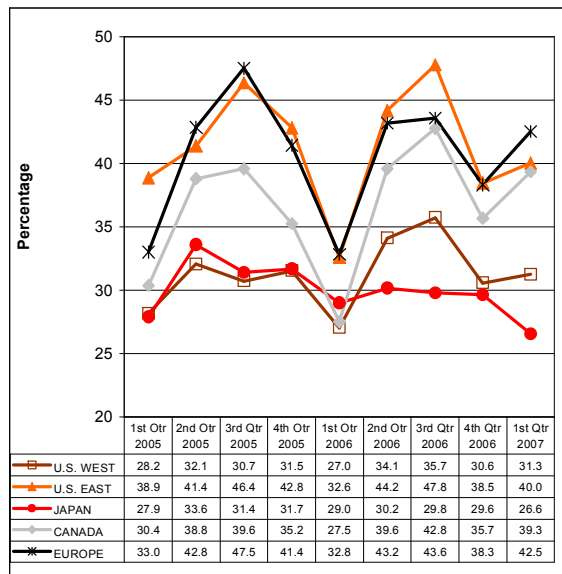
Exceeded Expectations

The visitors' evaluation of the trip is influenced not only by the attributes and characteristics of the service but also by the needs, motivations and interests of the visitors. Therefore, it is important to measure how well the destination was able to provide the experience that was expected. Similar to the overall ratings, the ability to *exceed expectations* exhibits a seasonal pattern, with the first quarter lower than other times of the year. However, in almost every MMA, except Japan, more visitors felt that their trip exceeded expectations compared to the first

quarter of 2006. In addition, more visitors felt that their trip exceeded expectations in the first quarter of 2007 than the previous quarter (see Figure 2).

- U.S. West visitors reported higher marks for the first quarter of 2007 (31.3 %) over the first quarter of 2006 (27%).
- In the first quarter of 2007, two out of five U.S. East (40%) felt that Hawai'i exceeded their expectations as a vacation destination. This is a substantial increase over the first quarter of 2006, when only one-third (32.6%) gave Hawai'i a high rating.
- The number of Japanese visitors that felt that their trip to Hawai'i exceeded expectations decreased to 26.6 percent in first quarter 2007 visitors, lower than the first quarters of both 2005 and 2006.
- First quarter ratings from Canadian visitors greatly improved from 27.5 percent in 2006 to 39.3 percent in 2007.

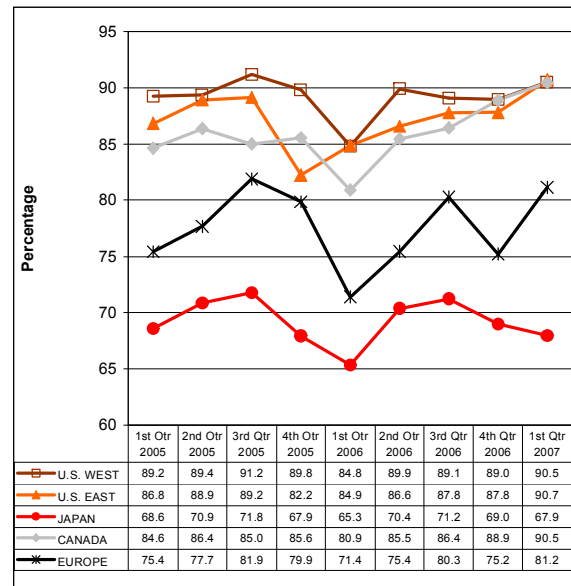
Figure 2: Trip Exceeds Expectations
[Percentage of visitors who said this trip "Exceeded Expectation" by MMA]



Very Likely to Recommend Hawai'i

When visitors are highly satisfied with their trip, they may be more likely to recommend the destination to friends and family. Many Hawai'i visitors reported to be *very likely to recommend* this destination to others. Word-of-mouth advertising is important in marketing Hawai'i. These referrals, in time, develop more first time visitors to Hawai'i and encourage previous visitors to return.

Figure 3: Very Likely to Recommend to Friends and Relatives
[Percentage of visitors who are "Very Likely" to recommend Hawai'i as a vacation place by MMA]



- In the first quarter of 2007, almost all of the North American visitors - U.S. West (90.5%), U.S. East (90.7%), and Canada (90.5%), said they would recommend Hawai'i to friends or relatives (Figure 3).
- U.S. West, U.S. East and Canadian visitors gave their highest rating since the first quarter of 2005
- Even though Japanese visitors are the least likely to recommend Hawai'i as a vacation place, many (67.9%) were still

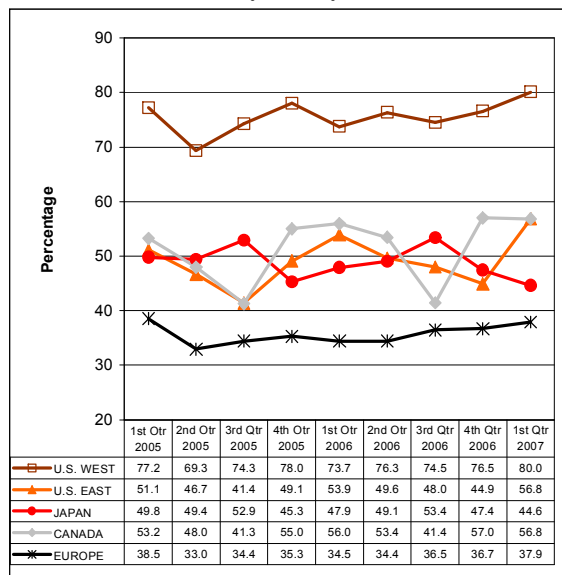
very likely to recommend Hawai'i in the first quarter of 2007.

- European visitors were more likely to recommend Hawai'i to their family and friends in the first quarter of 2007 (81.2%) than the previous quarter (75.2%).

Likelihood to Revisit Hawai'i

A visitor's decision to return to Hawai'i is influenced by positive experiences on the most recent trip and also other factors such as curiosity for new experiences, available time, financial situation, and other commitments. Likelihood to revisit Hawai'i, as an indicator, helps to estimate future demand and changes in desires. Visitors appeared to be satisfied with their vacations and their sentiments toward returning in the near future seemed positive. The percentage of visitors who were *very likely to return to Hawai'i in the next five years* remained at a consistent level for most MMA and was not affected by seasonal variations (see Figure 4).

Figure 4: Very Likely to Revisit Hawai'i [Percentage of visitors who are "Very Likely" to revisit Hawai'i in the next five years by MMA]



- For the first quarter of 2007, U.S. West continued to be the group most likely to return in five years. At 80 percent, this rate was the highest at anytime in the past two years.
- U.S. East visitors who came in the first quarter of each year were usually more likely to revisit than visitors who came at other times. In 2007 this rating jumped to 56.8 percent.
- Less than half of Japan visitors (44.6%) were very likely to return in the next five years, a smaller proportion compared to the first quarter of 2005 (49.8%) and 2006 (47.9%).
- The fraction of Canadian visitors in the first quarter of 2007 (56.8%) remained consistent from the previous quarter (56%).
- Due to varied factors such as distance and exchange rates, fewer Europeans (37.9% in 1st Quarter 2007) were very likely to return in the next five years. However, the amount of those who were very likely to return has increased 3.4 percentage points from the first quarter of 2006 (34.5%).

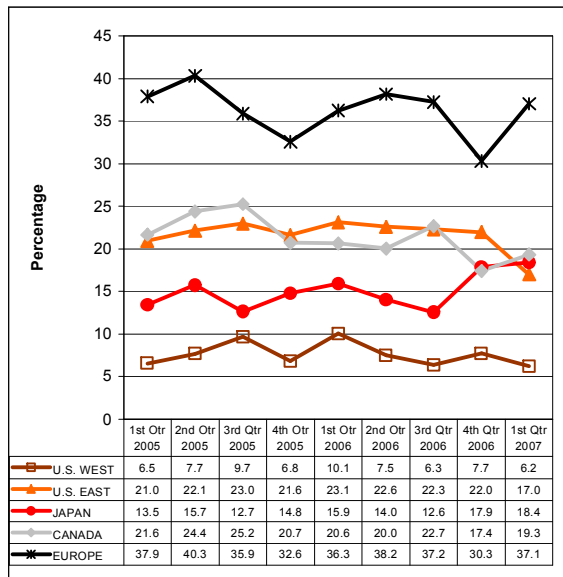
Not Likely to Revisit Hawai'i

The percentage of respondents who answered that they were *"Not too likely" or "Not at all likely" to visit Hawai'i in the next five years* is fairly low among U.S. West and slightly higher for U.S. East, Japan and Canadian visitors. European respondents have the highest percentage of those who will not revisit the islands in the next five years (see Figure 5).

- The unlikeliness to revisit Hawai'i in the next five years by U.S. East decreased to 17 percent in the first quarter of 2007.
- Compared to the first quarter of 2006, Japanese visitors not likely to revisit

Hawai'i in the next five years increased 2.5 percent (18.4% vs. 15.9%). The amount of Japanese visitors has remained higher than the normal, for the past two quarters (17.9 percent in 4th Quarter 2006 and 18.4 percent in 1st Quarter 2007).

Figure 5: Not Likely to Revisit Hawai'i
[Percentage of visitors who are "Not too likely" or "Not at all likely" to visit Hawai'i in the next five years" by MMA]



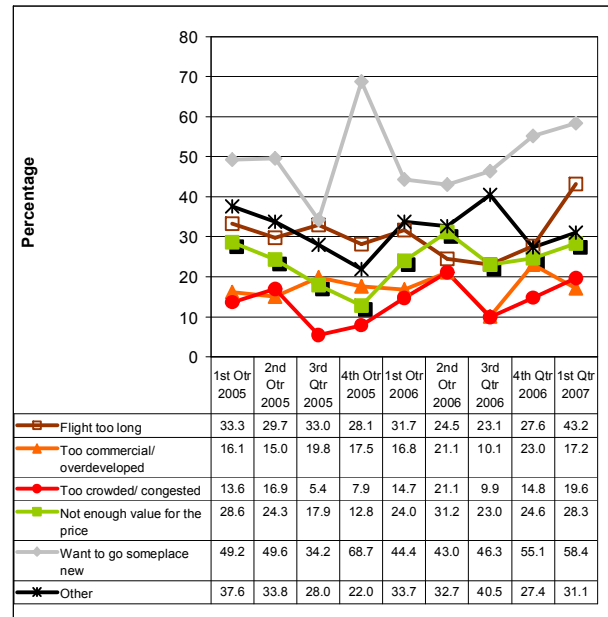
Reasons for Not Revisiting Hawai'i

Many of the visitors not planning to return in the next five years tell us that it is because they want to go someplace else (Figure 6 and Figure 7).

- Continuously over the past two years, nearly half of U.S. visitors who do not plan to return, had a desire to visit a new destination.
- In the first quarter of 2007, the fraction of U.S. visitors that felt that the flight was too long increased to 43.2 percent, mainly U.S. East visitors.
- "Too crowded/congested" has been typically the lowest response. However the proportion of U.S. visitors who reported this issue appeared to have

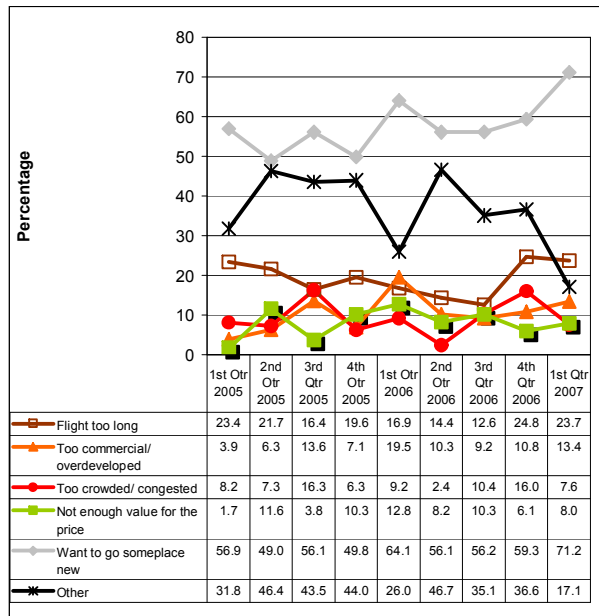
increased compared to the first quarter of 2006 (19.6% vs. 14.7%).

Figure 6: Reasons for Not Revisiting Hawai'i - U.S. [Percentage of visitors who were not likely to revisit]



- For the Japanese visitors in the 1st Quarter of 2007, the desire to visit someplace else has increased to 71.2 percent, 7.1 percentage points higher than a year ago.
- A "flight too long" has increased as a major concern to Japanese visitors 16.9 percent in the first quarter of 2006 to 23.7 percent in 2007. However, the ratings in the first quarters of both 2005 and 2007 are similar.

Figure 7: Reasons for Not Revisiting Hawai'i - Japan [Percentage of visitors who were not likely to revisit]



Individual Island Experience

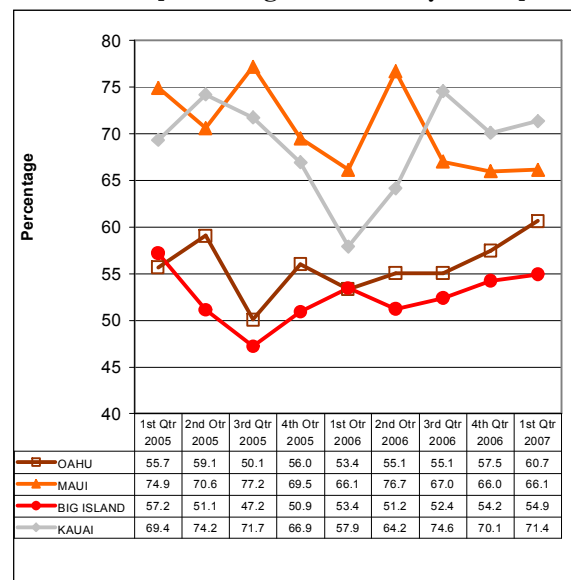
Each island has unique characteristics, activities and products which result in varied visitor experiences. Consequently, visitors were also asked to rate their experience on each island that they visited during their most recent trip. In general, the majority of visitors felt that the islands they visited were excellent. However, the sentiment towards each island does vary by Major Market Area.

- Among U.S. visitors, visitors to Maui and Kaua'i were more likely to say they had an excellent experience than visitors to O'ahu or the Big Island of Hawai'i (see Figure 8).
- In the first quarter of 2007, satisfaction ratings on Kaua'i among U.S. visitors were 13.5 percentage points more than the first quarter of 2006.
- U.S. visitors' experiences on O'ahu (60.7%), Hawai'i Island (54.9%) and Kaua'i (71.4%) improved compared to the first quarter of 2006. However, Hawai'i Island (54.9%) decreased slightly

compared to the first quarter of 2005 (57.2%).

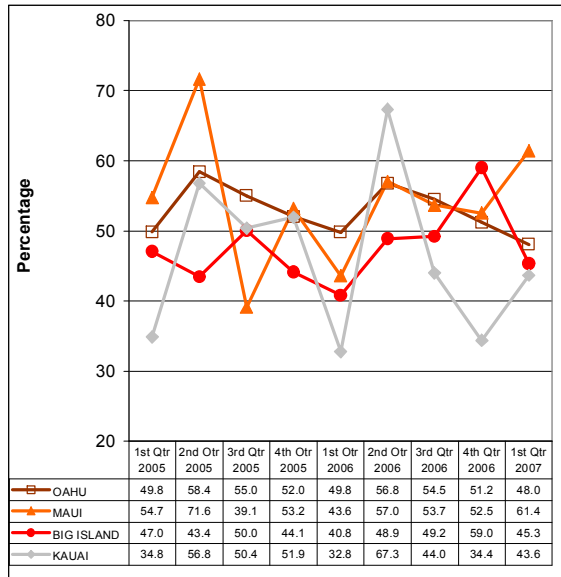
- On Maui, the number of U.S. visitors who rated their experience excellent in the first quarter of 2007 (66.1%) was similar to the first quarter of 2006 (66.1%) but lower by 8.8 percentage points compared to the first quarter of 2005 (74.9%).

Figure 8: Island Experience Rated as Excellent – U.S. [Percentage of visitors by Island]



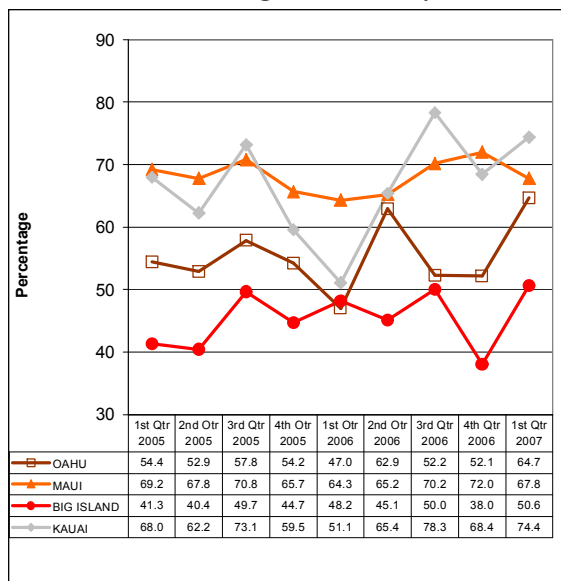
- Maui was the most highly rated island (61.4%) by Japanese visitors in the first quarter of 2007.
- Japanese visitors from first quarter 2007 who were very satisfied with O'ahu (48%) felt similarly for the Big Island of Hawai'i (45.3%) and Kaua'i (43.6%) (see Figure 9).

Figure 9: Island Experience Rated as Excellent - Japan
[Percentage of visitors by Island]



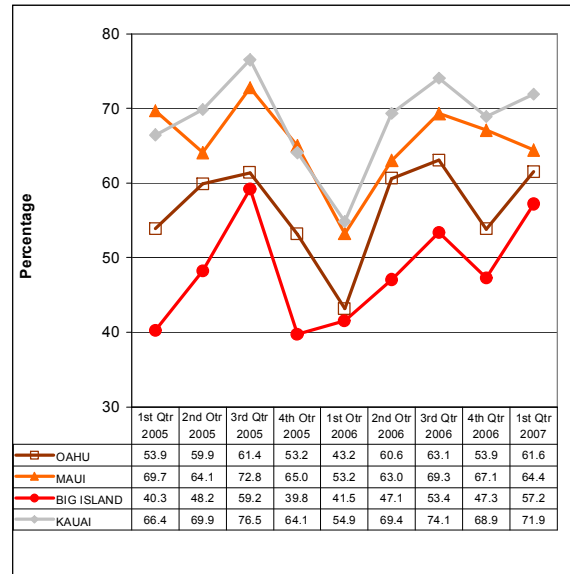
- Notably more Canadians found Kauai (74.4%) excellent in the first quarter of 2007 than in first quarter 2006 (51.1%) (see Figure 10).

Figure 10: Island Experience Rated as Excellent - Canada
[Percentage of visitors by Island]



- European visitors reported better ratings for all islands in the first quarter of 2007 than they did in the first quarters of 2006 (see Figure 11).

Figure 11: Island Experience Rated as Excellent - Europe
[Percentage of visitors by Island]

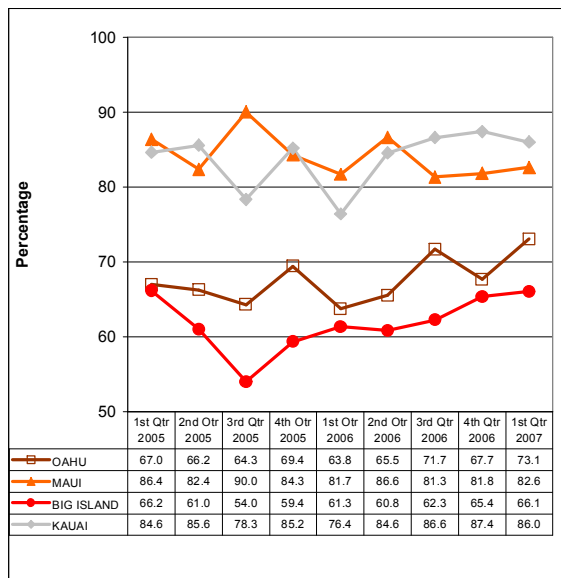


Individual Island Recommendation

Again, when visitors are highly satisfied with the destination they visited, they will be more likely to recommend the place to friends and family.

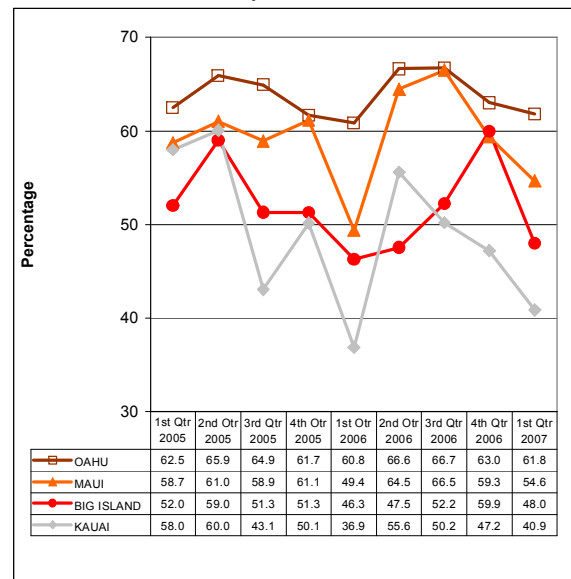
- Similar to their rating of experiences, U.S. visitors had a clear opinion that Maui and Kaua'i were more likely to be recommended over O'ahu and Hawai'i Island.

Figure 12: Very Likely to Recommend Island – U.S. [Percentage of visitors who are “Very Likely” to recommend Island as a vacation place by Island]



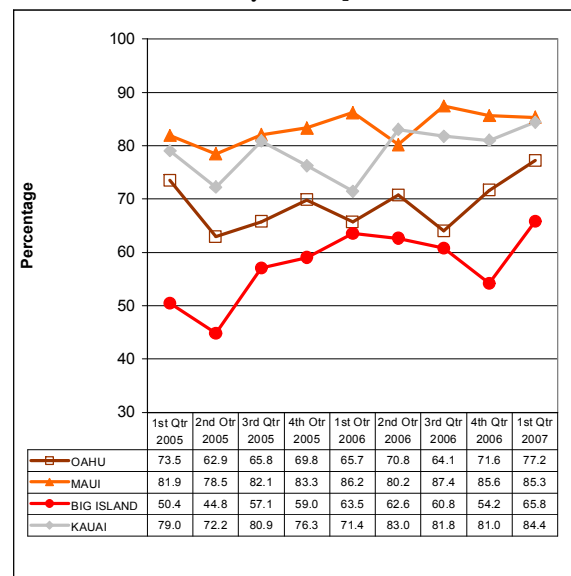
- Overall, O'ahu continued to be the most highly recommended destination by Japanese visitors since 2005. In the first quarter of 2007, each island was more likely to get a recommendation from Japanese visitors than Quarter One of 2006 (see Figure 13).

Figure 13: Very Likely to Recommend Island – Japan [Percentage of visitors who are “Very Likely” to recommend Island as a vacation place by Island]



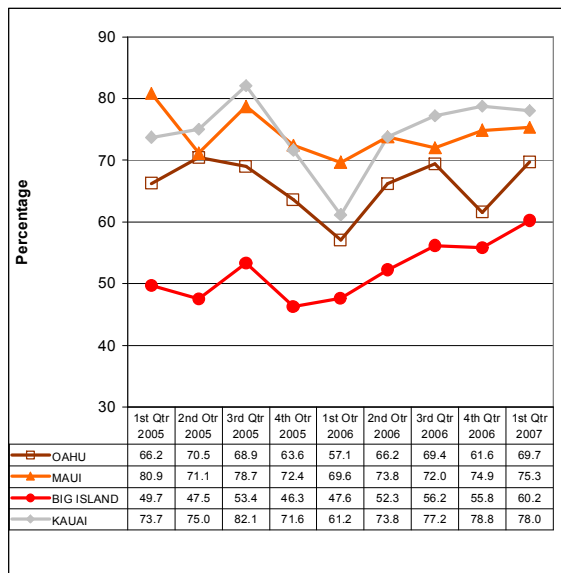
- Similar to U.S. visitors, Canadian visitors continued to feel that Maui (85.3%) and Kaua'i (84.4%) were highly recommendable destinations (see Figure 14).

Figure 14: Very Likely to Recommend Island – Canada [Percentage of visitors who are “Very Likely” to recommend Island as a vacation place by Island]



- Although Europeans are less likely to recommend the Big Island of Hawai'i; (60.2 percent gave a “very likely to recommend”) the share of Europeans visitors that are very likely to recommend Hawai'i Island has increased 10.5 percentage points since 2005 (see Figure 15).

Figure 15: Very Likely to Recommend Island - Europe [Percentage of visitors who are “Very Likely” to recommend Island as a vacation place by Island]



Attributes of Each Island

Analysis of the visitors' satisfaction with the specific attributes, activities and products of each island may help us to identify the underlying reasons for changes in individual island experiences.

- Compared to the first quarter of 2005 and 2006, U.S. visitors on O'ahu were more satisfied (74.1%) with the accommodations in quarter one of 2007.
- The number of U.S. visitors who were very satisfied with O'ahu's golf increased 18.5 percentage points in the first quarter of 2007 to 84.5 percent compared to the first quarter of 2006 and 34 percentage points compared the first quarter of 2005 (see Figure 16).

Figure 16: Detailed Satisfaction Ratings for O'ahu – U.S. [Percentage of U.S. visitors to O'ahu]

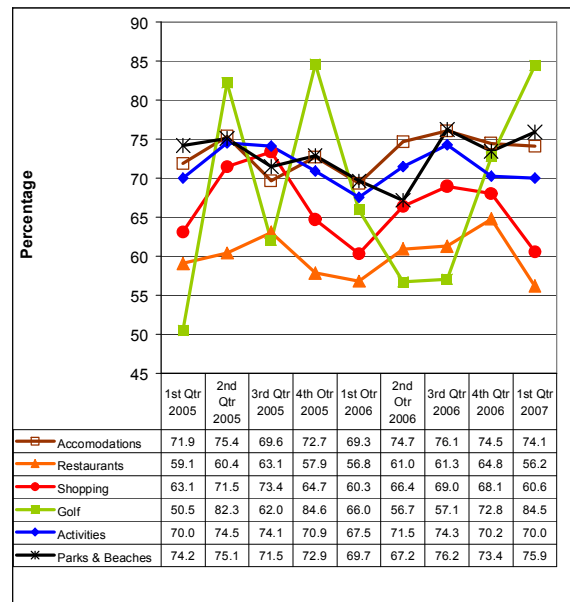
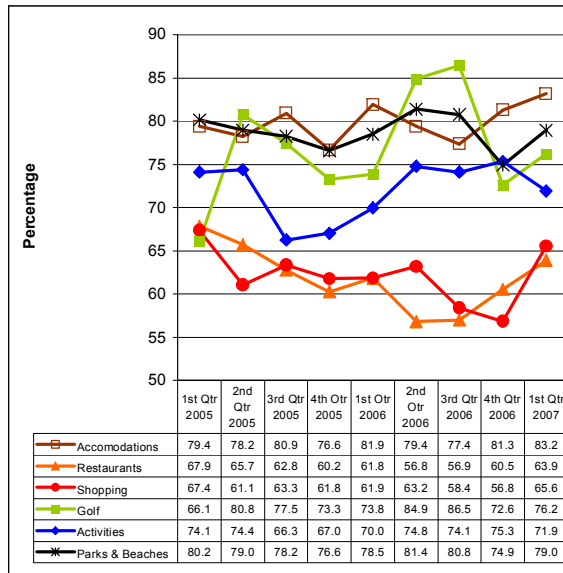
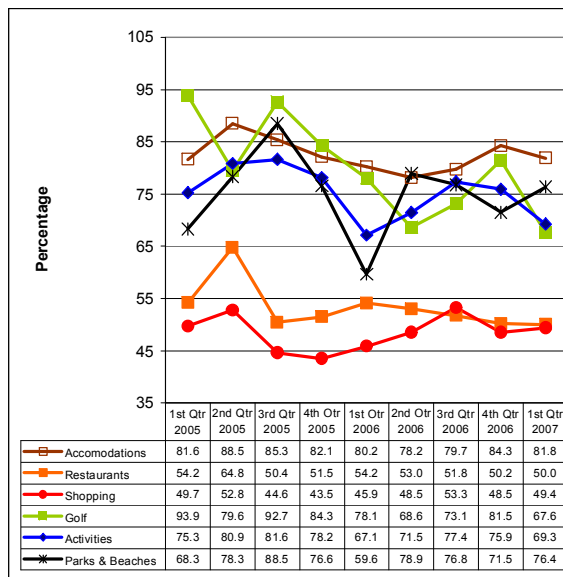


Figure 17: Detailed Satisfaction Ratings for U.S. Visitors to Maui
[Percentage of U.S. visitors to Maui]



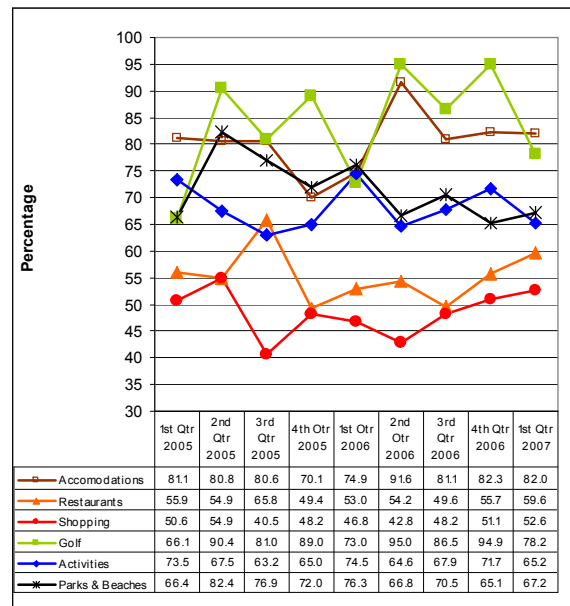
- For quarter one of 2007, satisfaction on Maui's accommodations (83.2%) was ranked the highest by U.S. visitors, followed by the island's parks and beaches (79%), golf (76.2%) and activities (71.9). Restaurants and shopping ratings also improved compared the first quarter of 2006 (see Figure 17).

Figure 18: Detailed Satisfaction Ratings for U.S. Visitors to Kaua'i
[Percentage of U.S. visitors to Kaua'i]



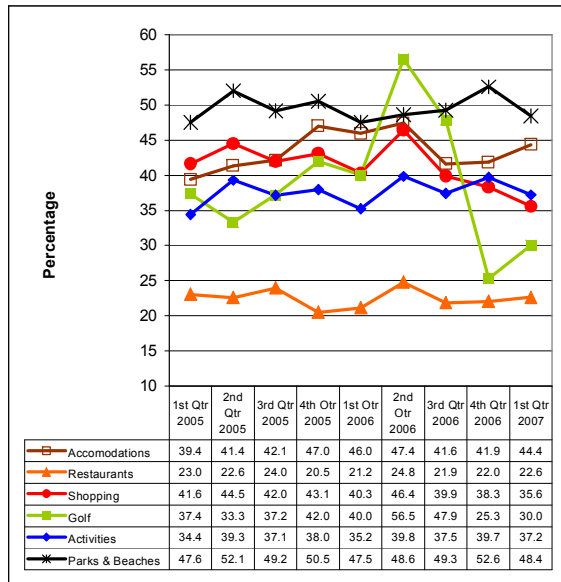
- U.S. Visitors to Kaua'i continued to be distinctively less satisfied with the restaurants and golf than the other attributes of their trip experience.

Figure 19: Detailed Satisfaction Ratings for U.S. Visitors to Kona
[Percentage of U.S. visitors to Kona]



- A higher percentage of U.S. Visitors to Kona during the first quarter of 2007 were very satisfied with the accommodations (82%), restaurants (59.6%), shopping (52.6%), and golf (78.2%) compared to U.S. visitors who visited Kona during the same quarter in 2005 and 2006.
- Fewer U.S. visitors in the first quarter of 2007 were very satisfied with the activities (65.2%) and parks and beaches (67.2%) in Kona compared to those who visited the area in first quarter 2006 (see Figure 19).

Figure 20: Detailed Satisfaction Ratings for O'ahu – Japan
[Percentage of Japan visitors to O'ahu]



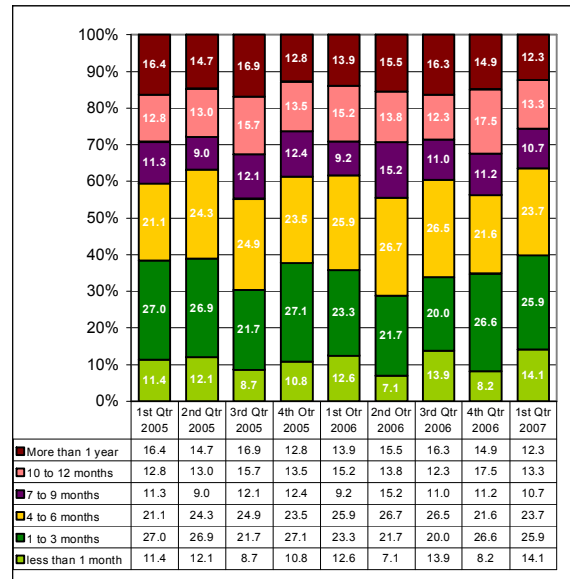
- Japanese visitors' satisfaction level with O'ahu showed improvements in restaurants (22.6%), activities (37.2%) and parks and beaches (48.4%) for the first quarter 2007 when compared to the same period in 2006. (see Figure 20).

Trip Planning Cycle

Information on how visitors plan their trips and when they make major decisions can greatly enhance preparation of effective marketing and promotion plans.

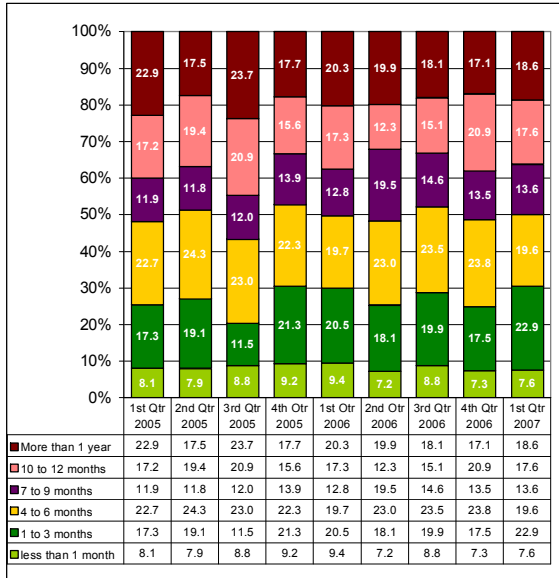
- In the first quarter of 2007, 64 percent of U.S. West visitors decided to come to Hawai'i six months or less before arriving, while 60 percent decided four months to more than one year ahead (Figure 21).

Figure 21: When Did U.S. West Visitors Decide to Visit Hawai'i in Advance of Departure [Percentage of U.S. West visitors]



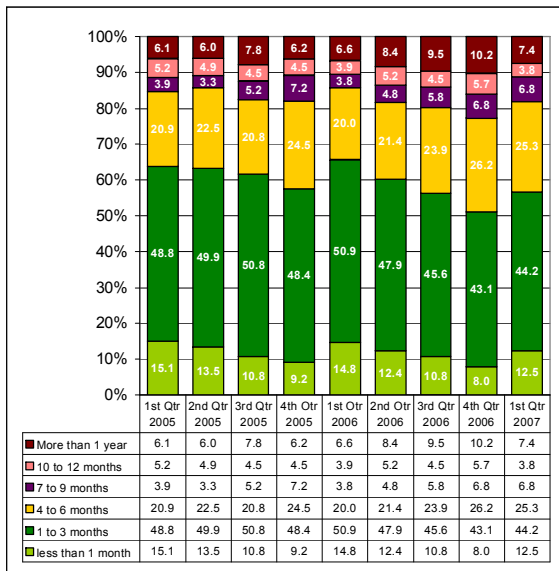
- Compared to previous quarters since 2005, U.S. East visitors in the first quarter of 2007 (69.4%) was the smallest in proportion of those who decided to come to Hawai'i no later than four months before arriving (see Figure 22).

Figure 22: When Did U.S. East Visitors Decided to Visit Hawai'i in Advance of Departure [Percentage of U.S. East visitors]



- Only 35 to 45 percent of Japan visitors will have decided earlier than four months before arrival. Most Japan visitors (56.7% in 1st Quarter 2007) decide on Hawai'i only three months or less before their actual arrival date (see Figure 23).

Figure 23: When Did Japan Visitors Decided to Visit Hawai'i in Advance of Departure [Percentage of Japanese visitors]



- Barely half of Japanese visitors in the first quarter of 2007 (51.2%) made rental car reservations less than one month before arrival. In the past almost two-thirds would have made reservations just before coming or while here in Hawai'i (61.9% in 1st quarter of 2006), but since the second quarter of 2006 rental cars are being booked earlier (see Figure 24).

Figure 24: When Did Japan Visitors Decided to Make Rental Car Reservations in Advance of Departure [Percentage of Japanese visitors]

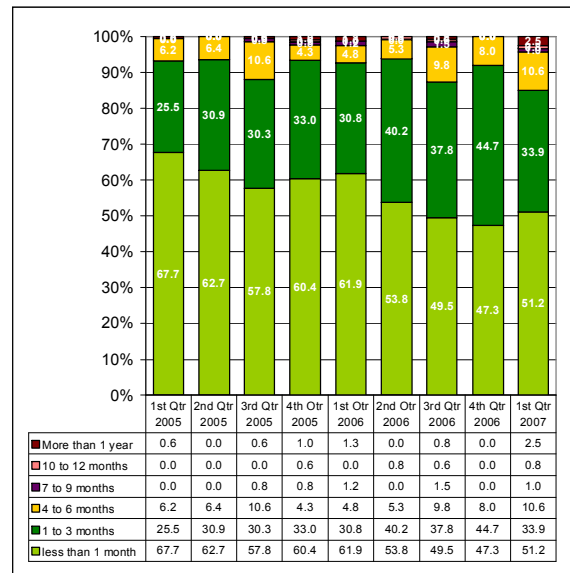
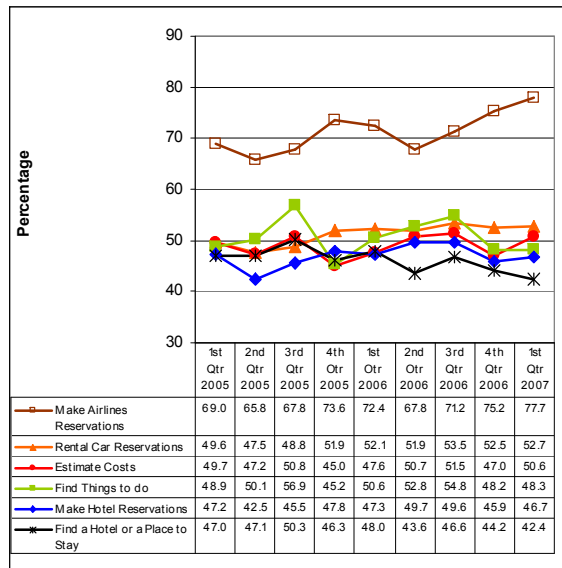
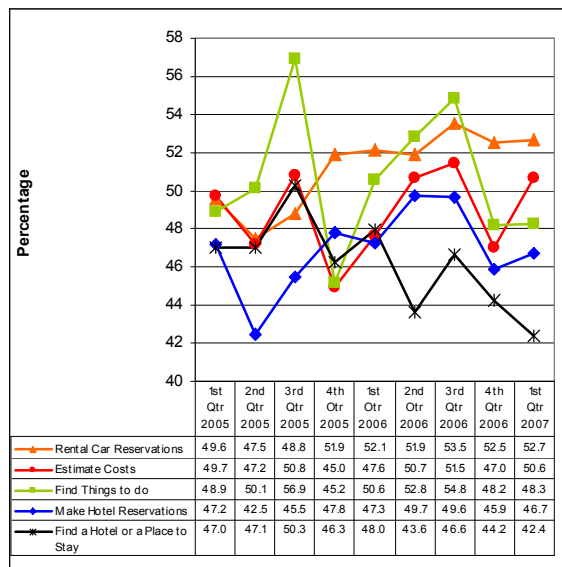


Figure 25: Internet Use – U.S. [Percentage of U.S. visitors who used the Internet]



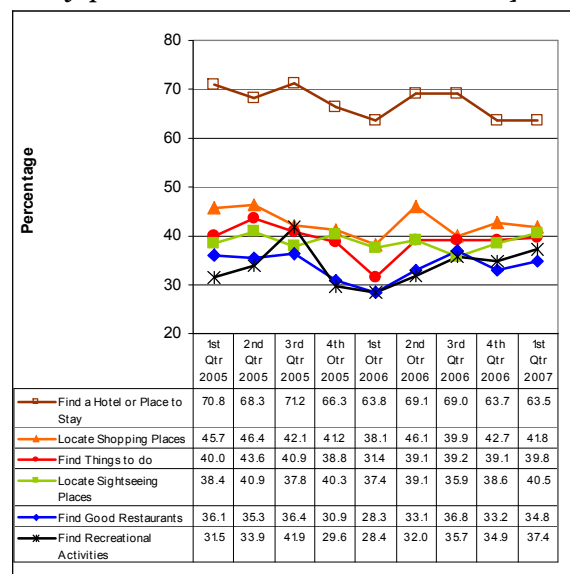
- In general, the use of the Internet for trip planning by U.S. visitors has increased from the year before. Particularly Internet usage to make airline reservations by Internet users continued to increase from 72.4 percent in the first quarter of 2006 to 77.7 percent in 2007 (see Figure 25).

Figure 26: Internet Use – U.S. [Percentage of U.S. visitors who used the Internet continued]



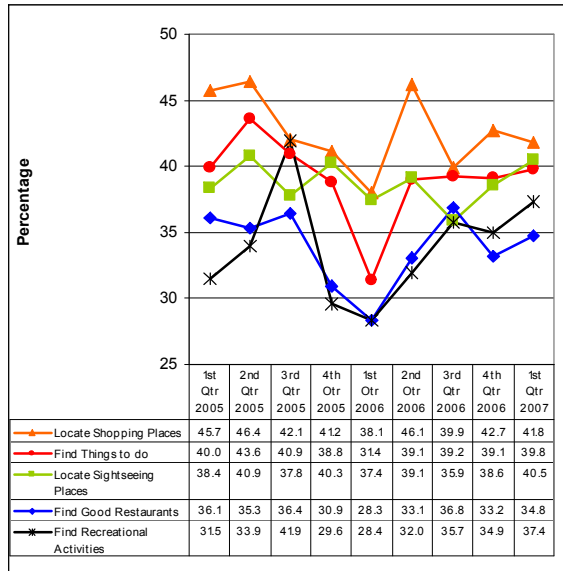
- Making rental car reservations remains the second most popular means of using the internet for U.S. visitors. Just over half have been making reservations since the 4th quarter of 2005 and 52.7 percent made reservations in the 1st quarter of 2007 (see Figure 26). Finding a hotel or place to stay is trending downward (42.4 percent for 1st quarter 2007 compared to 48 percent in 1st quarter 2006).

Figure 27: Internet Use – Japan [Percentage of Japanese visitors who used the Internet]



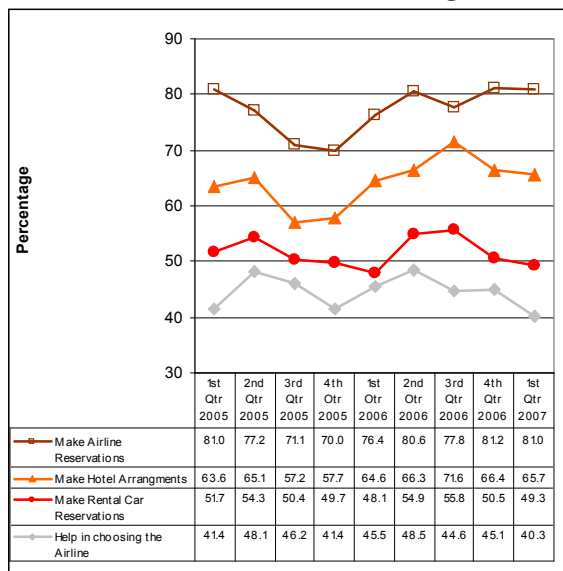
- 63.5 percent of Japanese visitors who used the Internet in trip planning used it to find a hotel or place to stay - the most common means of using the Internet for Japanese visitors (see Figure 27).

Figure 28: Internet Use – Japan [Percentage of Japanese visitors who used the Internet continued]



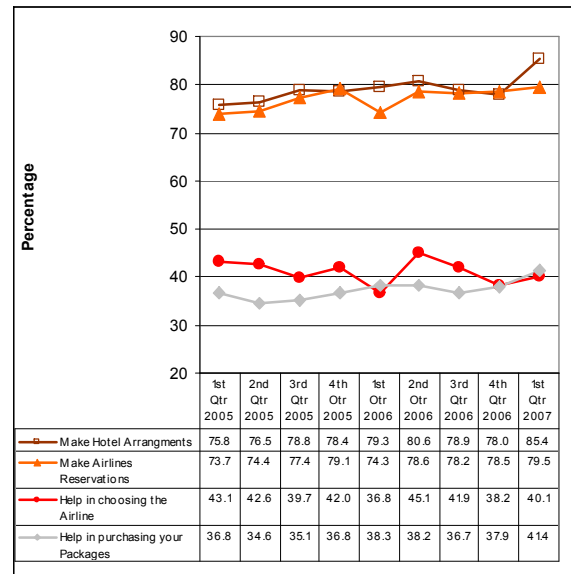
- Differing from U.S. visitors, Japanese visitor were more apt to use the Internet to locate shopping places (41.8%), find things to do (39.8%), locate sightseeing places (40.5%), find good restaurants (34.8%) and find recreational activities (37.4%). The frequency of use in the first quarter of 2007 has been relatively similar to previous levels since the first quarter of 2005 (see Figure 28).

Figure 29: Travel Agent Use – U.S. [Percentage of U.S. visitors who used a Travel Agent]



- The proportion of U.S. visitors who used a travel agent to make airlines reservations has been consistent the same compared to the first quarters of 2005 and 2006 (Figure 29).

Figure 30: Use of Travel Agent – Japan [Percent of Japanese visitors who used a Travel Agent]



- The preferred use of travel agents by Japanese visitors for the first quarter of 2007 was to make hotel arrangements (85.4%) and airline reservations (79.5%) (Figure 30).

DEFINITION AND SURVEY METHODOLOGY

Major Market Areas (MMAs): The following are defined by the Hawai'i Tourism Authority as the top five geographical areas for marketing purposes to make the State more globally competitive:

1. U.S. West – Pacific (Alaska, California, Oregon, Washington) and Mountain (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah and Wyoming) States.
2. U.S. East – Other States in the Continental U.S.
3. Japan
4. Canada
5. Europe

Survey questionnaires were mailed to selected U.S., Japanese, Canadian and European visitors after they have returned home. The U.S. samples were drawn from the completed Domestic In-Flight Survey forms (Basic Data Series). The Japanese, Canadian, and European samples were drawn from the completed International Departure Survey forms (Basic Data Series).

There are two versions of the Visitor Satisfaction Survey form, one in English and the other in Japanese. The English version was sent to U.S., Canadian and European visitors. The 2007 survey has 8 pages and 33 questions.

**Table 1: Sample Size
January – March 2007**

Area	Mail-out	Recv'd	Return Rate	Level of accuracy at 95% CI
Japan	2,850	882	30.9%	+/- 3.3
U.S.	4,500	1,309	29.1%	+/- 2.7
Canada Europe	3,000	982	32.7%	+/- 3.1

Due to the low number of samples achieved, data for Lāna'i and Moloka'i were not presented in most of the data tables in this report.

The collected data was weighted to adjust for differences with the actual visitor characteristics measured in the Basic Data Series caused by sampling and non-responses. Specifically, the data was weighted during analysis to reflect the actual visitor ratio of first-timers to repeat visitors and the proportion of O'ahu only and Neighbor island visitors.

This report is available in Adobe Acrobat form on the DBEDT Website, <http://www.hawaii.gov/dbedt/info/visitor-stats/vsat>.

For further information about obtaining visitor data and other sources, contact the DBEDT Library at (808) 586-2424, or e-mail library@dbedt.hawaii.gov or DBEDT Research and Economic Analysis Division at (808) 586-2466.