



Editor's Message

Aloha!! On behalf of our staff at J Compass Inc. dba Hawaii Tourism Japan, we wanted wish you a happy holidays. It has been a great privilege to have had the opportunity to work with all of you for the past eight years as HTA's marketing contractor in Japan. We are grateful for your support, partnerships and friendship.

The new Japan marketing contractor a.link, has been hard at work to ease the transition process. We know you will

welcome their familiar faces and work together to develop great opportunities for Hawaii tourism in Japan (P4).

Please read on to learn about the latest visitor statistics (P1-3) and what else has been going on in Japan (P2-3). For future visitor statistics, please refer to the HTA website as noted below (P2).

We wish you all the best in the new year! Mahalo nui loa and aloha!

Visitor Statistics

Total Arrivals: October 2011

October visitor statistics were all positive, with increases in: total visitor arrivals (+2%), average length of stay (+1%), visitor days (+3%), per person per day (+12%) and per trip spending (+13%), and total expenditures (+16%).

Year-to-date (YTD) Hawaii's visitor industry continues to improve in comparison to the same period last year. Increases were reported in: visitor arrivals (+3%), average length of stay (+1%), visitor days (+4%), per person per day spending (+10%), per trip spending (+12%) and total expenditures (+15%).

| Total Arrivals | Oct 2011 | % Change |
|------------------------|----------------|----------|
| Total Visitor Arrivals | 587,711 | 2.3% |
| Avg Length of Stay | 8.99 | 0.7% |
| Visitor Days | 5,283,231 | 3.0% |
| PPPD Spending | \$198.90 | 12.2% |
| PPPT Spending | \$1,787.80 | 13.0% |
| Total Expenditures | \$1,050.7-mil | 15.6% |
| Total Arrivals | YTD 2011 | % Change |
| Total Visitor Arrivals | 6,024,104 | 2.6% |
| Avg Length of Stay | 9.41 | 1.4% |
| Visitor Days | 56,780,723 | 4.1% |
| PPPD Spending | \$181.60 | 10.3% |
| PPPT Spending | \$1,708.70 | 11.9% |
| Total Expenditures | \$10,310.6-mil | 14.8% |

Japanese Arrivals: October 2011

Japanese visitor arrivals improved for the second consecutive month, exhibiting recovery in the market. Visitor arrivals grew (+1%) in conjunction with average length of stay (+4%), total visitor days (+4%), per person per day (+9%) and per trip (+13%) spending, resulting in positive growth in total expenditures (+13%) for the month of October. Hopefully this upward trend in monthly arrivals will result in positive growth for the year 2011

YTD, Japanese arrivals (-6%) and visitor days (-4%) are showing smaller declines. Average length of stay remains positive (+3%) along with average spending per day (+11%), per trip (+14%), along with total expenditures (+7%).

| Japanese Arrivals | Oct 2011 | % Change |
|------------------------|---------------|----------|
| Total Visitor Arrivals | 103,735 | 0.6% |
| Avg Length of Stay | 5.76 | 3.7% |
| Visitor Days | 597,831 | 4.3% |
| PPPD Spending | \$316.50 | 8.7% |
| PPPT Spending | \$1,824.10 | 12.8% |
| Total Expenditures | \$189.2-mil | 13.4% |
| Japanese Arrivals | YTD 2011 | % Change |
| Total Visitor Arrivals | 971,715 | -6.3% |
| Avg Length of Stay | 6.04 | 2.7% |
| Visitor Days | 5,865,343 | -3.8% |
| PPPD Spending | \$285.70 | 11.2% |
| PPPT Spending | \$1,724.30 | 14.2% |
| Total Expenditures | \$1,675.6-mil | 7.0% |

Japanese Arrivals: October 2011 (Per Island & Travel Trends)

Japanese travel to all islands continued to increase during the month of October. Total arrivals to O'ahu slightly increased (+2%), along with O'ahu-only visitors (+3%), slowly improving statistics YTD. Kauai's total Japanese arrivals significantly improved in October (+48%), while Kauai-only arrivals slightly declined (-2%). YTD both remain up for total arrivals (+7%) and island-only arrivals

(+38%). Maui County sustained positive Japanese arrivals (+9%). While total arrivals to Maui was up (+7%), island-only arrivals dropped (-13%) during the month. YTD, Japanese arrivals to Maui are slightly down across the board. Japanese arrivals to the island of Hawaii continues to decline in comparison to the same period last year, when Japan Airlines offered its last month of direct service.

Hotel bookings improved in October (+1%), showing slow recovery YTD (-7%) with less significant declines. While condo bookings declined during the month (-6%) timeshare bookings increased (+3%). YTD, both remain positive (+4%).

While there were less vacation travelers (-5%) in Hawai'i during the month of October, there more honeymooners (+10%) traveling to the islands. Due to a drastic increase in Japanese weddings in October (+54%), Hawai'i's Japanese wedding market posted positive results YTD

(+1%), up from the previous month's YTD statistic (-6%). The MICE market slightly declined in October (-4%) but remains strong YTD (+15%).

Most Japanese traveling to the islands continue to be repeat visitors (57%). While the majority arrange travel through group (-18%) or package (-6%) deals, these booking methods are on the decline. The trend toward non-package (+22%) and independent travel (+25%) are becoming more popular, resulting in positive growth YTD.

| Arrivals | Oct 2011 | % | YTD 2011 | % |
|----------------------------|----------|--------|----------|--------|
| Arrivals Per Island | | | | |
| O'ahu | 100,682 | 1.7% | 933,040 | -5.7% |
| * O'ahu only | 85,243 | 2.5% | 788,176 | -4.4% |
| Kaua'i | 2,221 | 47.9% | 18,369 | 6.7% |
| * Kaua'i only | 244 | -1.9% | 2,490 | 38.0% |
| Maui County | 5,061 | 9.4% | 50,898 | -2.0% |
| * Maui | 4,788 | 6.9% | 49,426 | -3.1% |
| * Maui only | 781 | -12.8% | 9,253 | -3.7% |
| Hawai'i | 12,773 | -18.2% | 130,112 | -18.9% |
| *Hawai'i only | 1,867 | -31.0% | 24,407 | -28.3% |
| Accommodations | | | | |
| Hotel | 92,873 | 1.3% | 839,609 | -7.4% |
| Condo | 8,505 | -6.0% | 105,775 | 4.4% |
| Timeshare | 3,032 | 2.9% | 35,832 | 4.3% |

| Arrivals | Oct 2011 | % | YTD 2011 | % |
|------------------------|----------|--------|----------|--------|
| Purpose of Trip | | | | |
| Pleasure | 86,615 | -0.5% | 843,128 | -7.5% |
| *Honeymoon | 24,205 | 10.4% | 158,083 | -4.7% |
| *Get Married | 7,771 | 53.5% | 46,233 | 0.6% |
| *Vacation | 61,544 | -4.6% | 679,124 | -8.0% |
| MICE | 3,308 | -3.6% | 37,112 | 15.2% |
| Other | 3,281 | NA | 44,698 | NA |
| Travel Status | | | | |
| First-timers | 45.0% | -3.5% | 40.7% | -0.4% |
| Repeaters | 55.0% | 3.5% | 59.3% | 0.4% |
| Group Tour | 25,778 | -16.2% | 268,918 | -20.4% |
| Package | 79,871 | -0.1% | 703,773 | -9.2% |
| No Package | 23,864 | 2.7% | 267,942 | 2.4% |
| Independent | 20,090 | 1.7% | 230,321 | 3.0% |

For monthly visitor arrival statistics, visit the Hawai'i Tourism Authority (HTA) website: <http://hawaii-tourismauthority.org/research>.

Japan Outbound Travel: Oct 2011

Japanese outbound travel continues to improve with the fourth consecutive monthly increase (+5%) in October 2011. As a result, YTD Japanese overseas travelers in on the rise (+1%) and will hopefully remain positive through the end of the year.

According to AB-Road Research Center, year-end and *oshogatsu* (New Year's) is expected to rise, after already having received a 10% increase in overseas travel inquiries. One factor may be attributed to the favorable combination of national holidays this season, as well as the strong exchange rate and pent-up demand.

The survey showed Seoul, Korea as the most popular destination in terms of travel inquiries (9.2%), followed by O'ahu (8.6%), Taipei (7.9%) and Guam (7.6%). Singapore has also become especially popular due to its new integrated resorts and recent destination features in Softbank's nationwide advertising campaign.

Travel companies are also anticipating increases in overseas travel during the year-end/*oshogatsu* holidays.

Based on research including airline reservations, industry trends and consumer polls, JTB reported that Asian destinations will be most popular, particularly South Korea and China. Europe is third in terms of volume of travelers, followed by Hawai'i, which so far is boasting a double-digit surge in bookings (+10.64%) compared to last year. Peak departure dates during this period are December 29th and 30th from Japan and is expected to continue through January 3rd.

Similarly, H.I.S. is reporting a significant rise in tour package and airline reservations for South Korea. As far as beach destinations, Honolulu is the top ranking destination, followed by Guam, Bali Island, Saipan and Cebu Island.

| YTD Oct 2011 | Arrivals | %Change |
|-----------------|------------|---------|
| TOTAL | 14,027,546 | 0.69% |
| Asia | | |
| Bali, Indonesia | 172,836 | -19.84% |
| China | 3,024,800 | -5.00% |
| Hong Kong | 1,034,598 | -4.45% |
| Macau | 315,819 | -7.54% |
| Malaysia***** | 86,351 | -16.45% |
| Singapore* | 474,821 | 23.34% |
| South Korea | 2,658,261 | 5.56% |
| Taiwan | 1,039,775 | 17.43% |
| Thailand* | 997,589 | 24.30% |
| Vietnam | 384,473 | 8.16% |
| Oceania | | |
| Australia | 270,989 | -17.85% |
| New Zealand | 55,283 | -22.21% |
| N.Marianas | 120,325 | -24.46% |

| YTD Oct 2011 | Arrivals | %Change |
|----------------------|----------|---------|
| Europe * | | |
| Austria* | 333,959 | 5.79% |
| Croatia* | 142,826 | -11.21% |
| Denmark* | 82,880 | 2.25% |
| France**** | 899,087 | -1.25% |
| Germany* | 874,439 | 10.89% |
| Spain | 867,586 | 5.34% |
| UK***** | 113,000 | 8.65% |
| North America | | |
| Canada* | 163,582 | -12.12% |
| Guam | 678,250 | -9.77% |
| Hawai'i | 971,715 | -6.29% |
| US Mainland* | 952,720 | -1.99% |
| Middle East | | |
| Dubai***** | 13,648 | -5.98% |
| Turkey | 159,449 | -3.00% |

Source: Japanese National Tourist Organization (JNTO) -Missing figures: *Oct **Sep ***Aug **Jul ***June ****May *****Apr *****Mar *****Feb *****Jan * Includes Sep figures ♦ Figures reflect total room nts

What's Happening: Nov Highlights

Seminars: HTJ participated in various seminars in November, including the JTB Look College Seminar (Nov. 8 in Tokyo), Axess Hawai'i Seminar (Nov. 15 in Tokyo), H.I.S. Niigata Hawai'i Seminar (Nov. 16, Niigata), United Airlines Hawai'i Seminar (Nov. 22, Naha), and HPCE Hawai'i Seminar (Nov. 30, Tokyo). HTJ conducted destination presentations and distributed

collateral materials to attending travel agents in order to promote travel to Hawai'i. The majority of agents had traveled to Hawai'i before, while less than half had been to a neighbor island. Therefore, these seminars offered good opportunities to present new travel options and generate interest in the neighbor islands.

Hawai'i Specialists FAM: HTJ organized its annual Hawai'i Specialists FAM tour from November 16-21. This year the FAM tour included seven travel agents from the Tokyo area, which visited O`ahu and Hawai'i Island. The group experienced Hawaiian Airlines' direct flight from Haneda Airport, which the agents found more convenient than flying via Narita Airport. Accommodations were provided by Hapuna Beach Prince on Hawai'i Island and Sheraton Princess Kaiulani Hotel on O`ahu. The group experienced: (Hawai'i Island) site inspections at Maunakea Beach Hotel, Courtyard King Kamehameha Kona Beach, Maunakea summit, UCC Kona Coffee Farm, Waikoloa Land, (O`ahu) site inspections at Westin Moana Surfrider and The Royal Hawaiian Hotel, Kualoa Ranch, Polynesian Cultural Center, dinner at Sarentos and the weekly Tabi

Spo group running program. Since nearly all participants had never been to Hawai'i, the FAM tour offered a good opportunity for them to learn about the island and promote more neighbor island travel.



Good News! Hawai'i Media Exposures

Active Hawai'i: Two major magazines featured sports travel to Hawai'i in November: *Tarzan* and *Regina*. *Tarzan*, a bi-monthly magazine targeting active businessmen promoted Hawai'i Island in its feature, "Who is the Toughest and Fastest Athlete in the World," which highlighted the Ford Ironman Championship Triathlon in Kona, and HTJ's *Tabi Spo* (sports travel) Hawai'i campaign. The six-page article resulted in nearly \$400,000 in ad value for the island.



Regina, a popular, quarterly Japanese female golf magazine, highlighted a “Trip to Golf Paradise, Hawai`i for Couples and Friends,” in its fall issue. The extensive, 17-page feature included: (O`ahu) Ko Olina Golf Club, Hawai`i Prince Golf Club, Hawai`i Kai Golf Course Executive Course, Kapolei Golf Course, Royal Kunia Country Club and Turtle Bay Resort Gold Club Arnold Palmer Course, Aston Waikiki Sunset and Hyatt Regency Waikiki Beach Resort and Spa, Dining Spa and Shops on O`ahu, (Maui) Grand Wailea, Golf Course on Maui: Wailea Golf Club Emerald Course, in addition to general info on playing golf throughout Hawai`i and

HTJ's *Tabi Spo Hawai`i* campaign. The exposure resulted in more than \$1-million in ad value for Hawai`i.



Kuchikomi Hawai`i: In line with HTJ's “My Hawai`i” *kuchikomi* (word-of-mouth) campaign, *Geijutsu Shincho*, a monthly art enthusiast magazine, dedicated 10-pages to a feature on O`ahu. The article highlighted favorite places of the late famous actress, Hideko Takamine, including: Honolulu Academy of Arts, Bishop Museum, The Royal Hawaiian Hotel, Iolani Palace, Queen Emma

Summer Palace, Ala Moana Center, Ala Moana Beach Park, National Memorial Cemetery of the Pacific, downtown Honolulu restaurants and traditional and contemporary Hawaiian cuisine. In addition, the feature included an interview with a close colleague of Takamine, about her life in Hawai`i. The feature resulted in \$260,000 in ad value for Hawai`i.

Did You Know?

This section includes snippets of new travel trends and marketing insight to help you align your company's services and offerings with Japanese consumer interests and needs.

Industry Updates: Every year, the Japan Tourism Marketing Co. releases its JTB Report, which is one of the major market research references in the Japan's travel industry.

2. Italy (9.2)
3. Korea (7.6)
4. France (6.4)
5. Australia (5.4)

Below are major findings from the recent JTB Report 2011, which includes an opinion survey of overseas travel preferences, gathered from 1,200 respondents nationwide, except for Okinawa. For additional information included in the report, please contact the Japan Tourism Marketing Co. to purchase your copy of the report. URL: www.tourism.jp.

Purpose of Travel (Hawai`i): The main purpose of travel to Hawai`i is for vacation and then honeymoons.

1. Tourism (82.9%)
2. Other (6.8%)
3. Honeymoon (6.5%)
4. Visit Family/Friends (1.2%)
5. Conferences (0.9%)
6. Business/School Trips/Training (0.3%)

Overseas Travel Experience By Destination: Hawai`i is the top most visited overseas destination, amongst those that have traveled abroad in the past.

1. Hawai`i (46.8%)
2. Korea (30.2%)
3. Guam (22.5%)
4. Hong Kong/Macau (20.7%)
5. France (20.1%)

Travel Duration (Hawai`i): Consistent with DBEDT's monthly statistics, the majority of Japanese visitors stay in Hawai`i for an average of 5-7 days.

1. 5-7 Days (70.6%)
2. 8-14 Days (20.9%)
3. 1-4 Days (5.6%)
4. 15+ Days (2.9%)

Preferred Destinations: For the seventh year, Hawai`i ranked as the most preferred destination, in a multiple response survey.

1. Hawai`i (52.6)
2. Australia (45.1)
3. Italy (44.7)
4. France (41.6)
5. Korea (35.8)

Travel Companions (Hawai`i): Hawai`i is an especially popular destination for family and close friends, couples, acquaintances or by oneself.

1. Family/Friends (43.2%)
2. Spouse (31.8%)
3. Friends/Acquaintances (14.4%)
4. Alone (4.1%)
5. Employee Colleagues (3.8%)
6. Other (1.5%)

Desired Destination: In a single response survey, Hawai`i continues to rank as the number one most desired destination, for the 14th consecutive year.

1. Hawai`i (18.3)

Destination Activities (Hawai`i)

1. Shopping (79.9)
2. Nature & Scenery (77.6)

3. Gourmet Sampling (55.9)
4. Rest & Relaxation (53.6)
5. Swimming (31.6)
6. History & Culture (18.8)
7. Driving (16.1)
8. Day-Return Cruise (14.8)
9. Hiking/Trekking (12.5)
10. Other Sports (10.2)

Destination Repeat Visits (Hawai`i)

1. 3rd or more times (51.8%)
2. 2nd time (18.8%)
3. 1st time (27.6%)

Destination Booking Triggers (Hawai`i)

1. Family/Friend Recommendation (30.6)
2. Regular Traveler (30.3)

Miso Shiru: Since the weather is cooling down, we thought we'd also serve some soup for thought. For those of you in restaurants, something to think about next time you plan to serve miso or any other soup to Japanese customers is to consider their eating customs. There is a certain culture to eating and serving food in Japan that makes the experience more enjoyable. Many times, Japanese meals are served with the soup, main dish and rice at the same time, in a triangle setting. The

3. Pamphlet (28.9)
4. Internet (15.1)
5. Other (11.5)

Travel Booking Timeline (Hawai`i)

1. 1-2 months prior (38.2)
2. 2-3 months prior (22.0)
3. 3+ months prior (21.1)
4. 2 weeks-1 month prior (15.8)
5. 1-2 weeks prior (1.3)

Travel Arrangements (Hawai`i)

1. Package Tours (60.9%)* Mostly free-time pkg. tours
2. Individually Arranged (34.4%)
3. Group Travel (2.9%)
4. Other (0.9%)

proper eating etiquette is to eat soup first, then rice, then main dish, continuously in that order.

Therefore, if serving Japanese customers miso or other soup options, please feel free to ask them when they would like their soup served. For some, it may enhance their dining experience and show an acknowledgement and appreciation for their customs.

Marketing Opportunities

Please refer to the following link below for marketing opportunities in 2012. If you have any questions or would like further information on how to participate, please contact the new Japan MMA marketing contractors highlighted in red below.
<http://www.hawaiiourismauthority.org/default/assets/File/marketing/2012%20Opportunities%20to%20Partner%20Japan.pdf>

a.link LLC dba Hawai`i Tourism Japan

2012 ATMP: <http://www.hawaiiourismauthority.org/default/assets/File/marketing/Japan%20Presentation-webinar%20101311.pdf>

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If you would like to access past HTJ newsletters, please visit the HTA website link below and click on "Hawai`i Tourism Japan Newsletter" hyperlink in the left "Related Downloads" column:
<http://www.hawaiiourismauthority.org/brand-marketing/japan/>