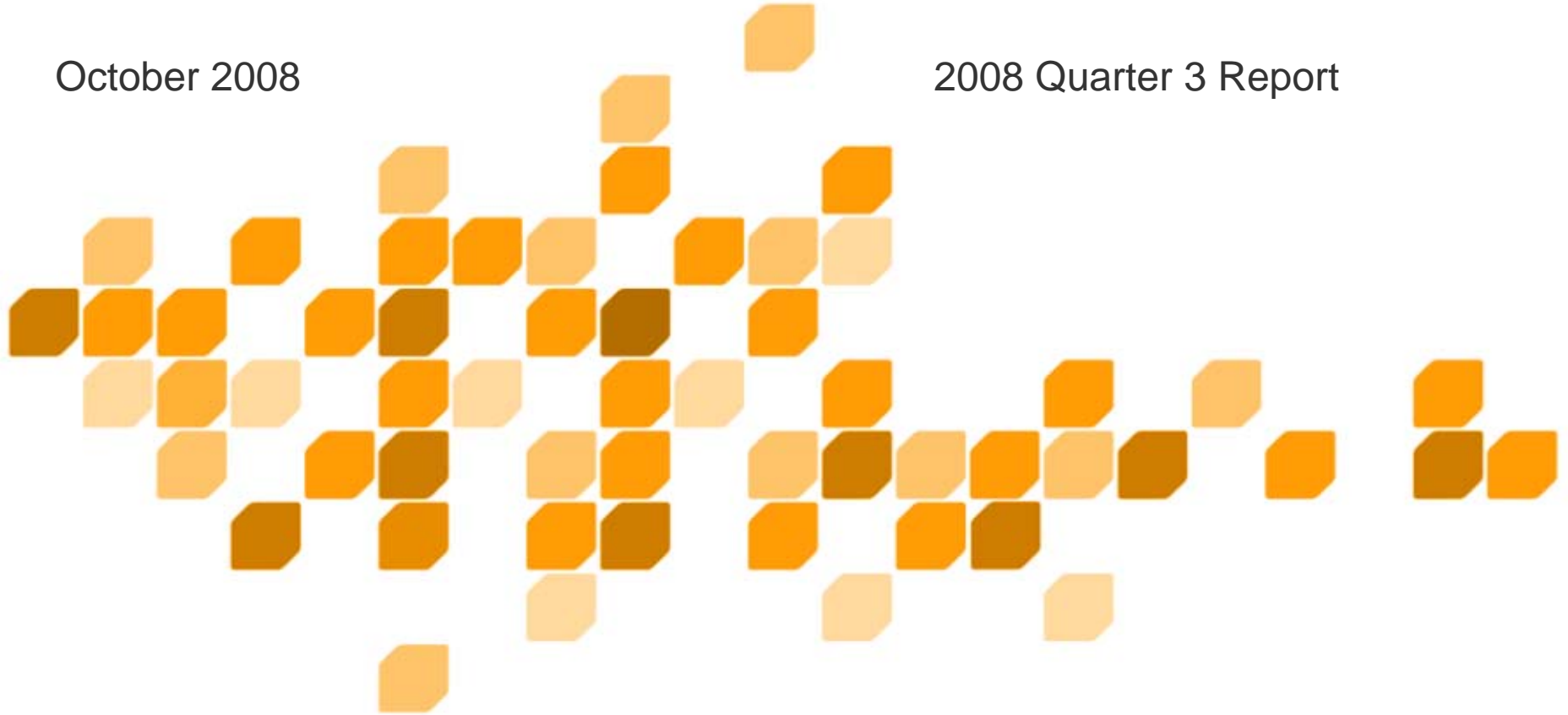


October 2008

2008 Quarter 3 Report



Purposes and Methodology



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Research Objectives

This is the 23rd quarterly report of a tracking study for Hawaii.

Over time, this research tracks the impact and effectiveness of advertising campaigns. This wave (Q3, 2008) is the seventh wave using a new assessment of Hawaii vis-à-vis its competition (with year-to-year comparisons). For each of various image attributes, respondents indicate which one(s), if any, of the listed destinations they **prefer**. TNS believes that being **preferred** on an attribute is far more relevant because it suggests that, when selected, Hawaii persuades people about that item and is a bigger achievement than simply creating awareness. If travelers prefer a destination, they perceive it as a leader.

Specifically, the study measures and monitors changes for the key topics listed below.

- Consideration of Hawaii as a Destination
- Importance of Attributes
- Preference for Hawaii over time (Ranked by Importance)
- Preference for Hawaii by Behavioral Segments (Ranked by Importance Assigned by Each Segment)
- Hawaii vs. Competitors on Each Image Attribute (Ranked by Importance)

In addition, the study tracks data on these topics as well (in the appendix):

- Intent and/or Actual Visits to Hawaii
- Travel Patterns and Info on Hawaii Trip (Accommodations, Length of Visit, Frequency, Satisfaction)
- Since Q3, 2006, Japanese Travelers Indicate Reasons for Not Intending/Considering Hawaii

Methodology

Research methods for Hawaii:

- Beginning in Quarter 1, 2006, the Hawaii tracking study shifted research methods from distributing mail-out questionnaires to posting an online survey.
- For this quarter, between July 7 and September 29, 2008, 530 survey invitations (265 in the East and 265 in the West) were e-mailed each week in the US. Overall, 6,360 survey invitations were sent in the US.
- In Japan, potential respondents were pre-screened for international leisure trips in the past 2 years. Between July 4 and September 26, 2008, 41 surveys were e-mailed each week. Overall, 533 invitations were sent in Japan.
- Qualified respondents have taken an overnight leisure trip of 500 miles (US) or an international trip (Japan) in the past 24 months.

Mailout and Qualified Returns

	Total	Eastern US	Western US	Japan
Quarter 4, 2008				
Mailout				
Qualified				
Quarter 3, 2008				
Mailout	6,893	3,180	3,180	533
Qualified	1,191	392	396	403
Quarter 2, 2008				
Mailout	6,893	3,180	3,180	533
Qualified	1,226	408	415	403
Quarter 1, 2008				
Mailout	6,893	3,180	3,180	533
Qualified	1,173	386	384	403

Summary and Implications



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Summary

Background and General Characteristics

This summary presents the Third Quarter 2008 results of this ongoing tracking study (sixth year). As in the previous waves, three markets are evaluated: Eastern US long distance travelers, Western US long distance travelers, and Japanese international travelers. The findings of this research compare results from Quarter 3, 2008 vs. Quarter 3, 2007 (one year ago), and/or year-to-date results, as appropriate.

Beginning with the first wave in 2007, the image measurements shift from ratings of Hawaii and competitors to a preference for Hawaii vs. competitors. TNS believes that being *preferred* on an attribute is far more relevant because it suggests that, when selected, Hawaii persuades people about that image item and is a bigger achievement than simply creating awareness. If travelers prefer a destination, they perceive it as a leader. Thus, 2008 is the first year that year-to-year attribute preference comparisons can be made.

As noted in prior reports, Hawaii is a strong destination:

- The TNS American Traveler Survey (ATS) routinely places Hawaii at the top of its destination growth indices (not shown in this report).
- It provides a high level of satisfaction that competes favorably with top destinations of the world, as shown in this report and verified by ATS as well.

Demographics and Hawaii Visitor Characteristics

Hawaii draws relatively **upscale visitors from both of the US plus the Japanese markets**. Even when compared to others who travel long distances by air, Hawaii visitors typically earn more and travel more.

By age, Hawaii visitors from the US are usually *older* than other long distance travelers (except the West in Q1, 2008) while Japanese visitors to Hawaii tend to be *about the same age* as other long distance/international travelers.

Some **travel patterns** between the US and Japan are notably different as well. US travelers stay longer (usually 7+ days) than Japanese visitors (less than a week). However, roughly half of both US and Japanese visitors travel in pairs.

Summary (cont'd)

What's Important to US Long-Distance Travelers?

Respondents indicate the importance of each of 28 attributes as well as how well (preference) Hawaii performs on each. While Eastern and Western markets generally consider the same attributes to be important, a few subtle differences appear (ranking is based to the total 2007 sample to increase stability and will be used for preference scores throughout 2008):

Eastern US Market (Attributes Rated 3.4+):

- Safe/Secure (4.42)
- Good Value for the Money (4.29)
- Clean Environment (4.19)
- Great Place to Get Away From It All (4.19)
- Local People Are Friendly (4.12)
- Easy to Get Around (4.10)
- Variety of Types/Prices of Accommodations (3.94)
- Variety of Unique Activities & Experiences (3.93)
- Easy to Get There (3.90)
- Always More to Keep Coming Back (3.87)
- Variety of Cuisine/Dining Options (3.83)
- Different Experience Than Other Places (3.81)
- Unique Scenery Unlike Anywhere Else (3.80)
- Always New Experiences for the Visitor (3.75)
- Intriguing History and Culture (3.74)
- Opportunities for New Discoveries (3.73)
- Variety of Cultural Activities (3.58)
- Wide Variety of Recreational Choices (3.55)

Western US Market (Same Top Attributes As East):

- Safe/Secure (4.31)
- Good Value for the Money (4.24)
- Great Place to Get Away From It All (4.09)
- Local People Are Friendly (4.07)
- Clean Environment (4.06)
- Easy to Get Around (4.03)
- Variety of Unique Activities & Experiences (3.92)
- Variety of Types/Prices of Accommodations (3.89)
- Different Experience Than Other Places (3.87)
- Unique Scenery Unlike Anywhere Else (3.87)
- Always More to Keep Coming Back (3.85)
- Intriguing History and Culture (3.80)
- Easy to Get There (3.78)
- Variety of Cuisine/Dining Options (3.77)
- Opportunities for New Discoveries (3.74)
- Always New Experiences For the Visitor (3.69)
- Variety of Cultural Activities (3.57)
- Wide Variety of Recreational Choices (3.44)

Summary (cont'd)

Competitive Preference for HAWAII (Q3 2008 YTD) -- Long Distance Travelers from the East:

- Generally place **Hawaii** in a relatively competitive position on the various image elements, ranking first (7) or second (9, including ties) on 16 of the 28 image attributes. Overall, **Hawaii** leads all competitors on *safe/secure* (edging ahead of **Florida**), *clean environment*, *friendly local people*, *unique scenery*, *nature-based activities*, *romantic place*, and *adventure activities*. In contrast, it ranks/ties for last on eight: *good value for the money*, *variety (prices/types) of accommodations*, *easy to get there*, *variety of cuisine/dining options*, *entertainment*, *shopping*, *special events/festivals*, and *variety of nightlife*.
- **Competitor results:** Of the four key competitors (**Florida**, **California**, **Caribbean**, and **Europe**), **Europe** leads in the number of top image attributes (11), although **Florida** (7) has the edge for the second most important one (*value for the money*) and nearly matches **Hawaii** on the very most important (*safe/secure*). By a wide margin, **Hawaii** receives the highest recognition for the third most important (*clean environment*).
- **Since the end of 2007:** Preference for Hawaii during the first nine months of 2008 generally remains the same or improve for each image attribute.
- **Considered Destinations:** As in the past within the **Eastern Market**, Florida (36%) and the Caribbean (33%) exceed other destination areas in interest. Further, a higher proportion of long distance travelers in this market also consider traveling to California (26%), Las Vegas (25%), and Europe (21%) for a vacation over Hawaii (19%). Hawaii slimly maintains its edge over Mexico (18%). Even when travelers have visited Hawaii in the past, Hawaii still faces stiff competition. Although **past Hawaii visitors** assign higher percentages for considering Hawaii than total Eastern Market travelers, Hawaii (34%) still ranks third – behind Florida (41%) and the Caribbean (39%), but ahead of Las Vegas (30%), Europe (29%), California (26%), and Mexico (25%).

Summary (cont'd)

Behavior Segments: Preference for HAWAII (Q3 2008 YTD) – Eastern Long Distance Travelers:

- Consistent placement of Eastern Market travelers' preference for Hawaii indicates the challenge in strengthening image:
 - **Cuisine Seekers:** This group places a relatively greater focus on *variety of cuisine/dining options* (2nd in importance vs. 11th among the total US Eastern Market). Overall, they generally express increased preference for Hawaii, with the exception of a slight concern about the cost (value) of the trip.
 - **Romance Seekers:** These travelers emphasize *romance* (it moves to 6th place from 25th in importance). Of the few dimensions that indicate a change from a year ago, the most noticeable are that fewer prefer Hawaii for *variety of recreational choices* and *variety of cultural activities*. Overall, this group prefers Hawaii at about the same level as a year ago.
 - **High Experiential Seekers:** Hawaii generally tends to stay in place on most dimensions, reflecting little shift in image. The minor changes that do appear tend to be positive.
 - **Culture Seekers:** These travelers rearrange attribute importance in predictable ways (*intriguing history/culture* jumps to 2nd from 15th and *variety of cultural activities* to 4th from 17th). Hawaii lags a year ago on a couple of less important attributes: *always more to keep coming back* and *variety of cuisine/dining options*, but it gains on *unspoiled, not overdeveloped*. Most attributes reflect little to no change.
 - **Adventure Seekers:** As anticipated, Adventure Seekers place much greater emphasis on *adventure activities* (importance jumps to 5th from 26th and *wide variety of recreational choices* moves to 10th from 18th) than other travelers. Their image of Hawaii closely mirrors last year, but a few small differences appear: *Intriguing history and culture* gains while *always more to keep coming back* and *different experience than other places* slip from last year. However, *adventure activities* and *wide variety of recreational choices* (items that are much more important to this segment than others) match last year, indicating a rather static image of Hawaii.
 - **Golfers:** Golfers dramatically reassign the importance of Golf from last place (28th of the 28 items) to first. The small sample of this group is subject to considerable volatility. Although no clear shift in Hawaii's image appears among those in this behavioral segment, most attributes remain static or improve except for the two most important (*golf* and *safe/secure*).

Summary (cont'd)

Competitive Preference for HAWAII (Q3 2008 YTD) -- Long Distance Travelers from the West:

- Consider **Hawaii** a more viable vacation destination than those in the Eastern US, placing **Hawaii** at the top on half (14) of the 28 items (including the lead that it shares on *variety of nightlife* with Caribbean). Further, those from the West never place **Hawaii** last and near last only twice (*good value for the money* and *unspoiled/not overdeveloped*).
- **Competitor results:** Of the four key competitors (**Mexico**, **Alaska**, **Australia**, and the **Caribbean**), none provide much threat to **Hawaii**. **Alaska** ranks a distant second in the number of strong images (seven -- particularly for *cleanliness*, *unique scenery*, and *unspoiled* attributes), followed by **Mexico** (leads on 4, including the second-most important *value for the money*), **Australia** (leads on 3), and the **Caribbean** (ties **Hawaii** for the lead on *variety of nightlife*).
- **Since the end of 2007:** Images during the first half of 2008 generally remain the same. Only minor (insignificant) shifts appear, the largest gap (downward) occurs for *special events/festivals*.
- **Considered Destinations:** Western long distance travelers prefer Hawaii among its competitive set, in this order: Hawaii (36%), Las Vegas (33%), Alaska (27%), Europe (26%), Mexico (25%), the Caribbean (23%), and Australia (14%). **Past Hawaii visitors** find Hawaii strikingly more enticing (54% consider it vs. 32% in a three-way tie for second-place among Las Vegas, Alaska, and Europe).

Summary (cont'd)

Behavior Segments: Preference for HAWAII (Q3 2008 YTD) – Western Long Distance Travelers:

- Preference for Hawaii generally remains static to a slight dip within the US Western Market, but continues to outperform competitive destinations:
 - **Cuisine Seekers:** This group places a relatively greater focus on *variety of cuisine/dining options* (2nd in importance vs. 14th among the total US Western Market). Preference for Hawaii mirrors the year ago level for most dimensions, but of those that change, the direction tends to be very slightly downward, most notably for *easy to get there*. The general patterns suggests a static image of Hawaii among this group, perhaps needing a promotional boost.
 - **Romance Seekers:** These travelers emphasize *romance* (it moves to 5th place from 25th in importance). Generally, Hawaii tends to stay in place or lose momentum, slipping most notably on *variety of accommodations*, *easy to get there*, and *wide variety of recreational choices*. However, it posts very small gains on *shopping* and *nature-based activities*. Overall, Hawaii's image appears to deteriorate slightly within this group.
 - **High Experiential Seekers:** Overall, most dimensions stay in place with minor slippage for *accommodations*, *opportunities for new discoveries*, *easy to get there*, and *special events/festivals* while *clean environment* improves.
 - **Culture Seekers:** These travelers rearrange attribute importance in predictable ways (*intriguing history/culture* jumps to 1st place from 12th while *variety of cultural activities* moves to 3rd from 17th). Hawaii's preference slips somewhat on the three most important items, *intriguing history and culture*, *safe and secure*, and *variety of cultural activities*. Results indicate a static to slightly deteriorating image that could benefit from additional promotions, but still exceeds all competitors.
 - **Adventure Seekers:** As defined, Adventure Seekers place much greater emphasis on *adventure activities* (importance jumps to 3rd from 26th and *wide variety of recreational choices* moves to 11th from 18th) than other Western US travelers. *Great place to get away from it all* rises to first place (from 3rd). Adventure Seekers' image of Hawaii loosely mirrors last year, with differences occurring both above and below the first nine months of a year-ago. The most striking gains appear for *clean environment* and *shopping* while *easy to get there* and *special events/festivals* decline. The lack of a clear shift in preference indicates a very static image of Hawaii among this group.
 - **Golfers:** Golfers dramatically shift the importance of Golf from last place (28th of the 28 items) to first. The small sample of this group is subject to considerable volatility and inconsistent changes (sometimes improving from a year ago, sometimes staying in place, and sometimes declining), indicating no clear shift in Hawaii's image.

Summary (cont'd)

What's Important to Japanese International Travelers?

Respondents indicate the importance of each of 30 attributes as well as how well (preference) Hawaii performs on each. Similar attributes top the list as in the US markets, although a few difference elements appear (ranking is based to the total 2007 sample to increase stability and will be used for preference scores throughout 2008):

Japanese Market (Attributes Rated 3.4+):

- Safe/Secure (4.41)
- Good Value for the Money (4.27)
- Always More to Keep Coming Back (4.19)
- Great Place to Get Away From It All (4.18)
- Unique Scenery Unlike Anywhere Else (4.16)
- Intriguing History and Culture (4.08)
- Variety of Unique Activities & Experiences (4.00)
- Different Experience Than Other Places (3.99)
- Clean Environment (3.98)
- Opportunities for New Discoveries (3.92)
- Variety of Types/Prices of Accommodations (3.88)
- Local People Are Friendly (3.84)
- Easy to Get Around (3.83)
- Variety of Cuisine/Dining Options (3.66)
- Easy to Get There (3.64)
- Unspoiled, Not Overdeveloped (3.58)
- Always New Experiences For the Visitor (3.47)
- Many Things To Do For Active Lifestyles (3.44)
- Good Place for Family/Children (3.41)

Summary (cont'd)

Competitive Preference for HAWAII (Q3 2008 YTD) – Japanese International Travelers:

- View **Hawaii** as competitively strong as long distance travelers from the West US Market. Travelers prefer Hawaii to all other destinations on more than half (18) of the 30 dimensions, plus it ties Australia on two more, and ranks (or ties for) second place on yet four more. Except for *unspoiled/ overdeveloped*, **Hawaii** never ranks last and is next-to-last on only three *unique-* and *intriguing-*related items. As in the Western US Market, no destination seriously threatens **Hawaii's** lock on image.
- **Competitor results:** As in the Western US Market, the four key competitors (**Thailand**, **Australia**, **Guam/Saipan**, and **China**) trail **Hawaii**. Including the two items (*value for the money* and *entertainment*) which tie with **Hawaii**, **Australia** maintains the second-strongest image (leading on 10). **Guam/Saipan** and **China** outperform others on only one dimension each; **Thailand** on none.
- **Since the end of 2007:** Hawaii's first half-year results meet or exceed last year on all but three dimensions (*variety of cuisine/dining options*, *easy to get there*, and *variety of nightlife*) and then by only a small degree.
- **Considered Destinations: Japanese international leisure flyers** place Hawaii (37%) in second place among a short list of international competitors: Europe (49%), Hawaii (37%), Australia (33%), Korea (24%), Guam/Saipan (22%), Thailand (19%), and China (15%). Of course, **past Hawaii visitors** hold it in much higher esteem – Hawaii (65%) leads second Europe (47%) and third place Australia (38%) by a wide margin.

Summary (cont'd)

Behavior Segments: Preference for HAWAII (Q3 2008 YTD) – Japanese International Travelers:

- Although results from Q3 2008 vs. Q3 2007 indicate minor slippage, the YTD preference for Hawaii generally remains static within the Japanese Market, suggesting that it maintains its already superb competitive image:
 - **Cuisine Seekers:** This group places a relatively greater focus on *variety of cuisine/dining options* (5th in importance vs. 14th among the total Japanese Market). Preference for Hawaii mirrors the year ago level for most dimensions. Two slip by a modest degree: *easy to get there* and *variety of nightlife*. The results suggests a static image of Hawaii among those in this behavioral segment.
 - **Romance Seekers:** These travelers emphasize *romance* (it moves to 7th place from 22th in importance). Of all the dimensions, Hawaii remains in place almost universally compared to a year ago, except Hawaii slightly dips on *variety of nightlife*.
 - **High Experiential Seekers:** Among the top dozen dimensions in importance, Hawaii meets or improves (especially on *great place to get away from it all*) on each compared to January – September 2007. Hawaii hovers near last year on the remaining elements. Over all dimensions, Hawaii generally reflects a stable to slightly positive shift in image for this segment.
 - **Culture Seekers:** These travelers rearrange attribute importance in predictable ways (*intriguing history/culture* jumps to 2nd from 6th and *variety of cultural activities* to 9th from 21st). Hawaii's preference remains nearly the same on most attributes except for minor dips on *variety of types/prices of accommodations* and *always new experiences for the visitor* and an increase for *different experience than other places*. This segment reflects a generally static image in the Japanese Market.
 - **Adventure Seekers:** As defined and anticipated, Adventure Seekers place much greater emphasis on *adventure activities* (importance jumps to 8th from 28th). Adventure Seekers' image of Hawaii loosely mirrors last year, with these more noteworthy slips: *adventure activities*, *easy to get around*, *nature-based activities*, *variety of cuisine/dining options*, and *variety of nightlife*. Overall results for this behavior segment point toward a static image of Hawaii that could use a boost.
 - **Golfers:** Golfers move the importance of *golfing* from last place (30th of the 30 items for total Japanese International travelers) to third. The small sample of this group is subject to considerable volatility and inconsistent changes (sometimes improving from a year ago, more often declining), indicating no clear shift in Hawaii's image among those in this behavioral segment.

Travel Patterns

Eastern Market



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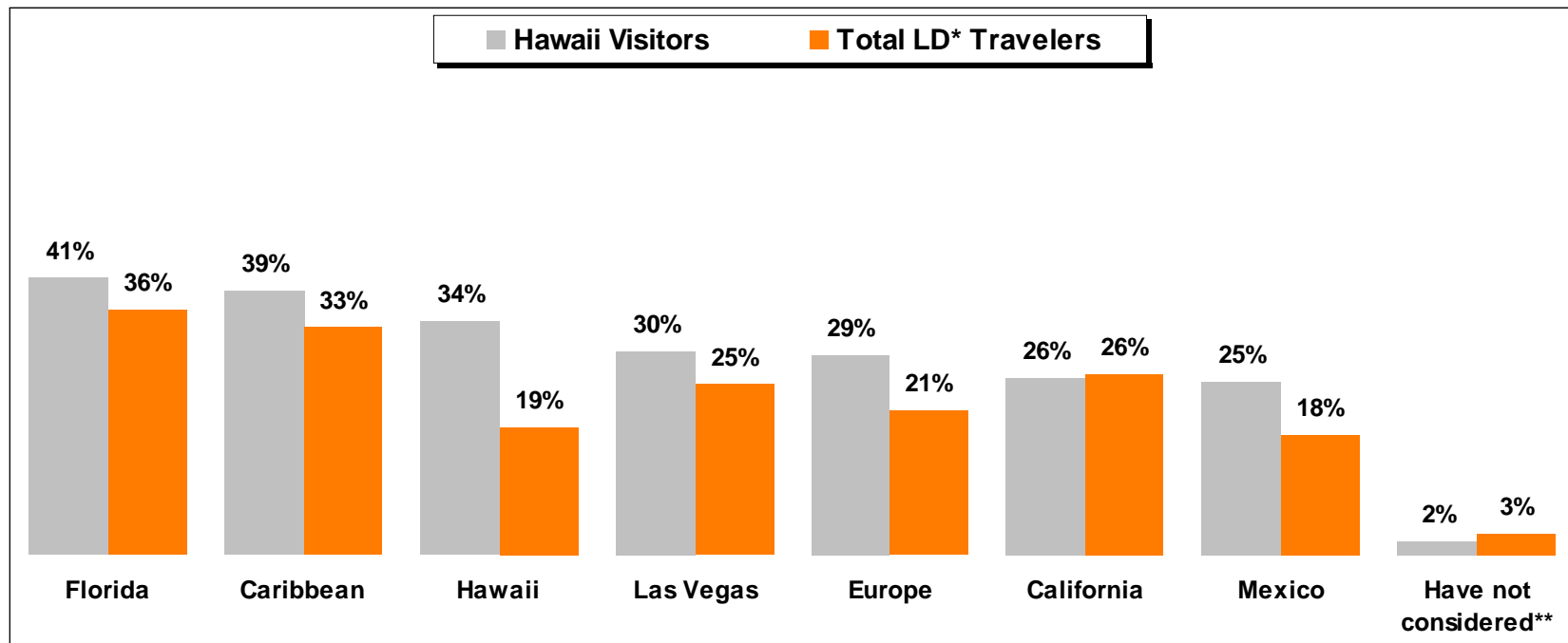
Considered Destinations (Q3)

Eastern US Market

The top destinations selected by Eastern US 500+ mile air travelers rank differently than those selected by Hawaii visitors:

- Proportionately more **Hawaii visitors** choose every destination, except California. Of course, Hawaii appeals to past visitors (that is why they have been there), but as noted in prior waves, Florida (41%) and the Caribbean (39%) exceeds Hawaii (34%) even for them (past visitors). Las Vegas and Europe receive roughly equal levels of interest (29% to 30%) for the future, followed by California (26%). Mexico, which enjoyed a brief bounce last quarter, returns to last place this wave.
- Among **all Eastern long distance travelers**, Hawaii (19%) remains ahead of only Mexico (18%), as noted in prior waves.

YTD 2008



LD* = Long-distance: 500+ mile air travelers

**Pre-2006 data does not include, "Have not considered any future vacation destinations"

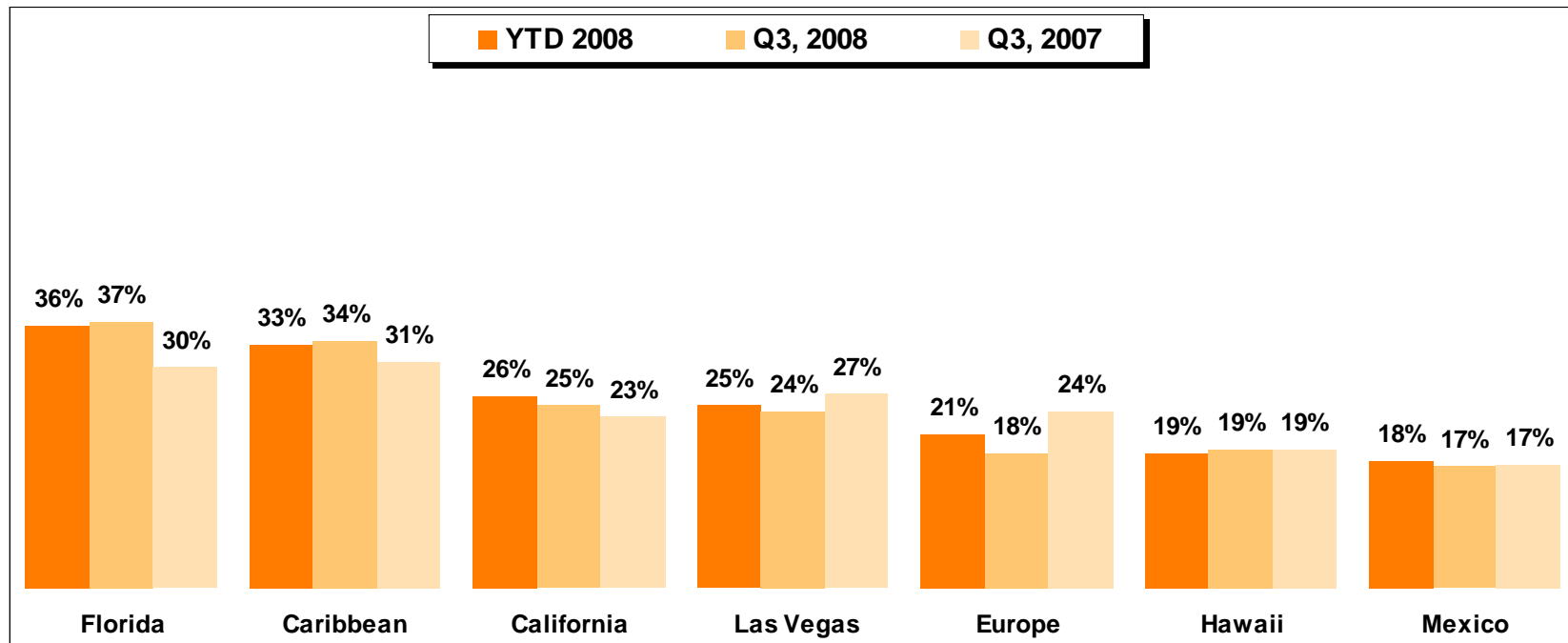
Considered Destinations (Q3)

Eastern US Market

With minor differences, Eastern US travelers tend to **rank** their list of considered destinations similarly from wave to wave. Although Mexico edged into sixth place in Quarter 2, it returns to last place, behind Hawaii, this wave:

- Interest in three of the seven listed destinations remain near the level noted for the same quarter a year ago (California, Hawaii, and Mexico). Florida and the Caribbean post gains; Las Vegas and, especially Europe, dip.
- Compared to calendar year 2007 (not shown), 2008 (YTD) consideration of Hawaii remains nearly the same (19% from 18%) as does California (26% from 24%), Las Vegas (25% from 27%), Europe (21% from 23%), and Mexico (18% from 16%). Florida (36% from 33%) and the Caribbean (33% from 30%) gain.

Total LD* Travelers



*LD=Long-distance travelers: 500+ Mile Air Trip in Past 12 Months

Importance of Attributes and Preferences for Hawaii and Competitors

Eastern Market



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Prefer Hawaii by YTD (Q5)

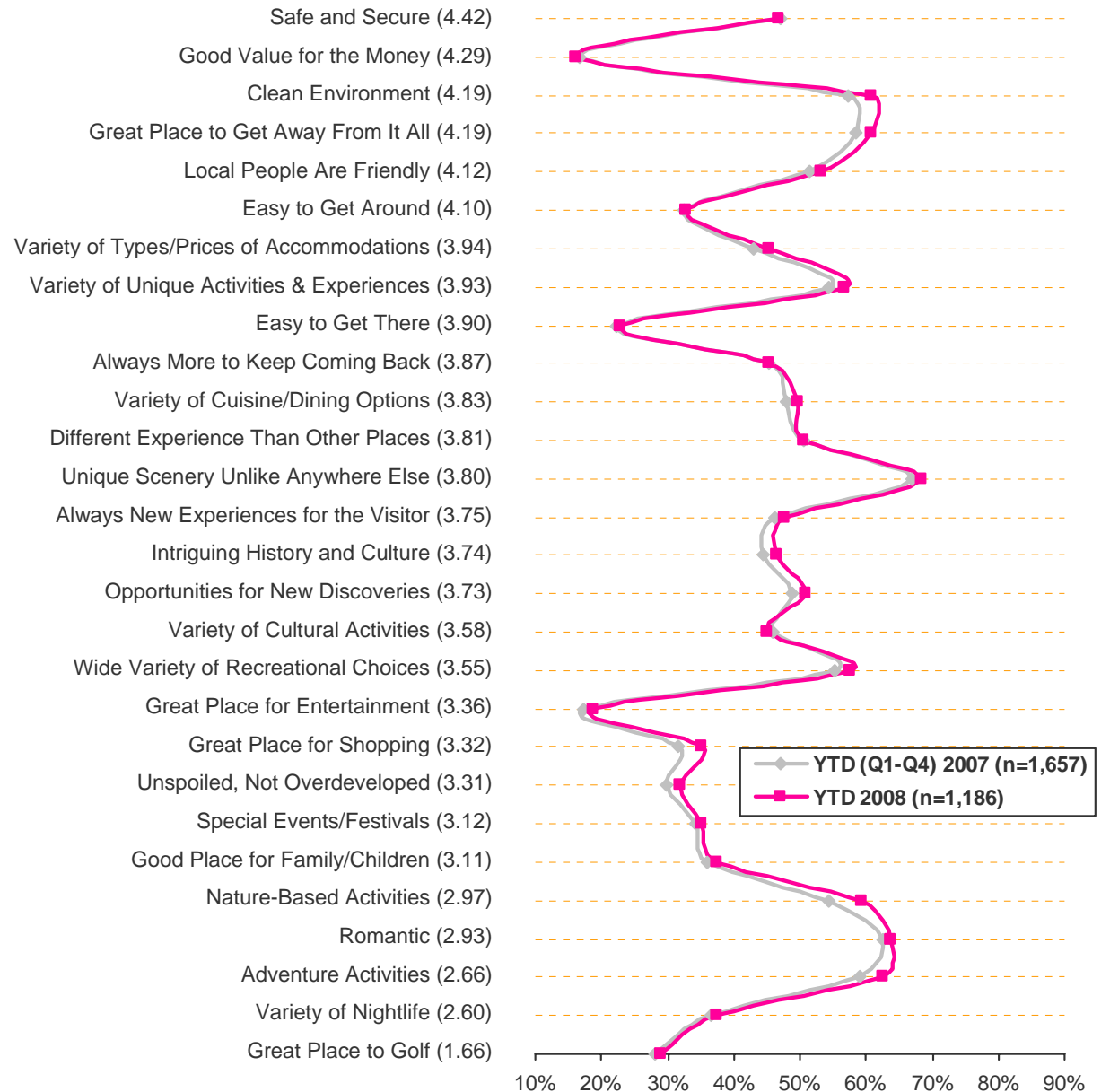
Eastern Market

Travelers consider the following as Hawaii's strongest features:

- *Clean environment, a great place to get away, friendly, unique activities and experiences, unique scenery, wide variety of recreational choices, romantic, and a place for nature-based and adventuresome activities.*
- Hawaii's first half of 2008 results generally match or exceed last year.

Prefer Hawaii (% for Each Attribute)

Ranked by Average Importance (2007 YTD) for Eastern Market Noted in Labels



Q5. For each attribute listed below, please select the destination(s) you prefer, whether you have been to the destination or not. (Hawaii, California, Caribbean, Europe, Florida, or None). Base noted in legend

Prefer Hawaii by Quarter (Q5)

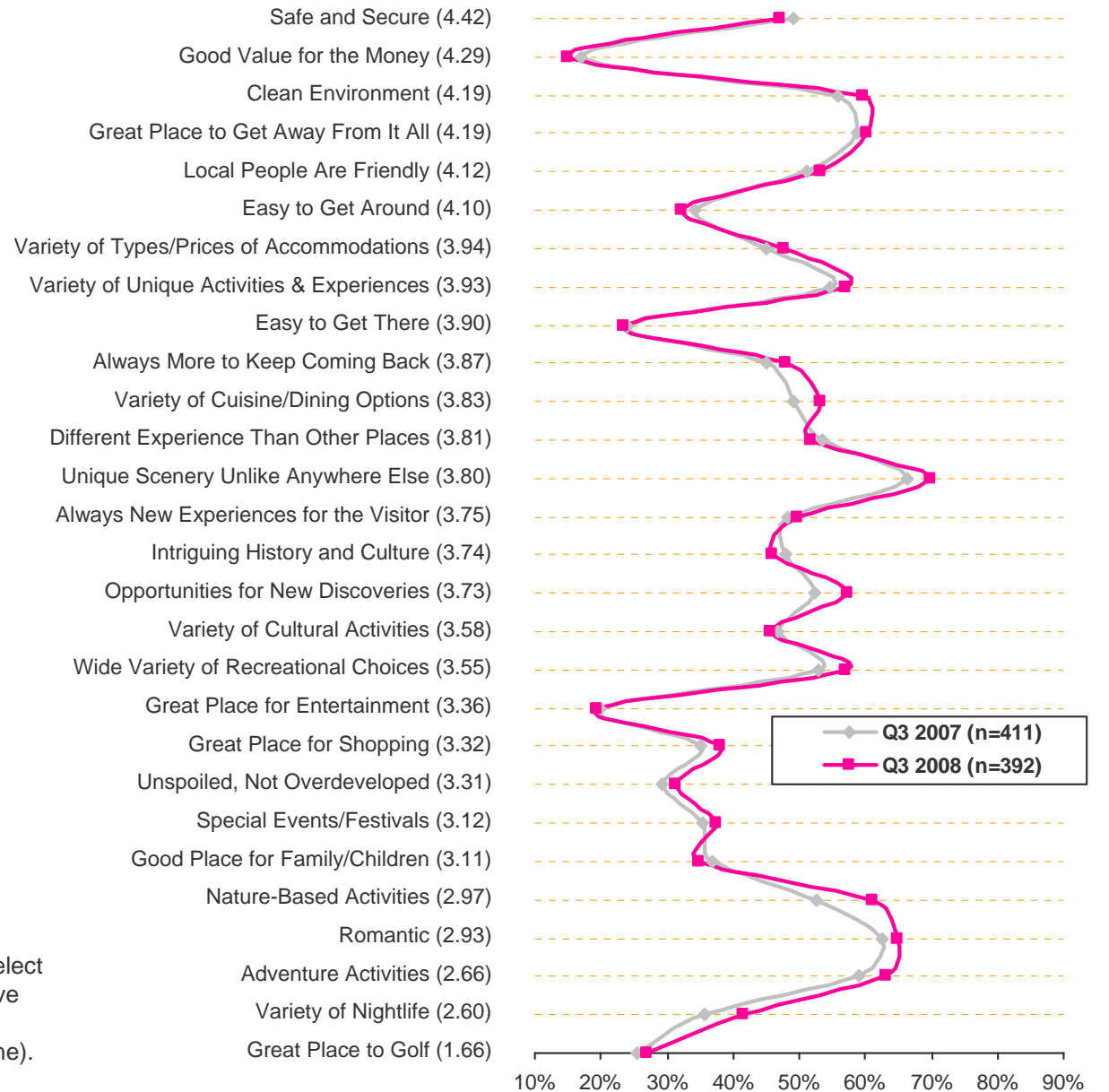
Eastern Market

As just noted, travelers consider the following as Hawaii's strongest features:

- *Clean environment, a great place to get away, friendly, unique activities and experiences, unique scenery, wide variety of recreational choices, romantic, and a place for nature-based and adventuresome activities.*
- *Hawaii's second quarter 2008 results exceed the year-ago quarter on most images, especially: variety of cuisine/dining options, unique scenery, opportunities for new discoveries, wide variety of recreational choices, and nature-based activities.*

Q5. For each attribute listed below, please select the destination(s) you prefer, whether you have been to the destination or not. (Hawaii, California, Caribbean, Europe, Florida, or None). Base noted in legend

Prefer Hawaii (% for Each Attribute)
Ranked by Average Importance (2007 YTD) for Eastern Market Noted in Labels

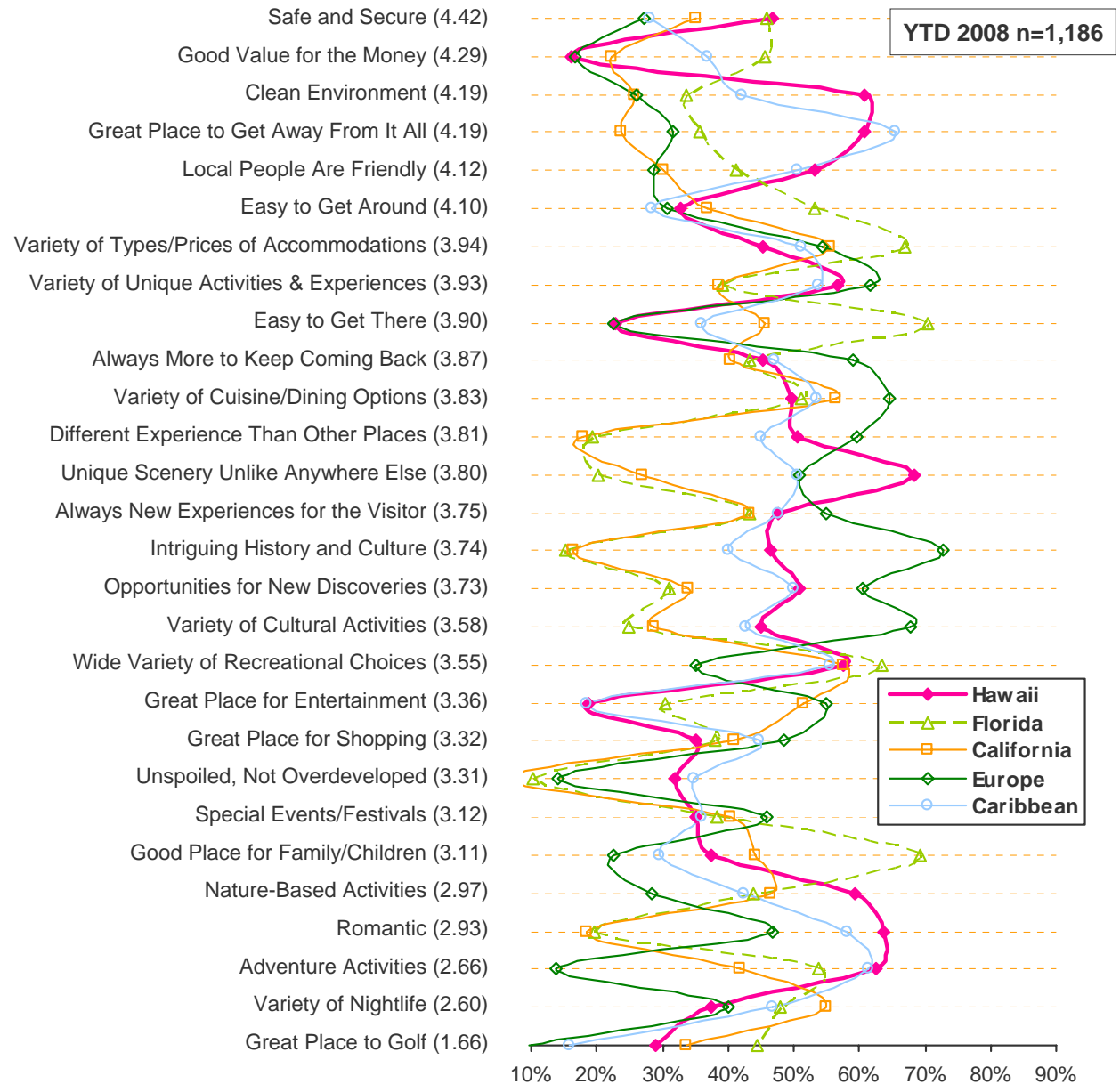


Prefer Hawaii by YTD (Q5)

Eastern Market

Competitively, each of these destinations have strengths and opportunities. Hawaii's position on each attribute is shown more clearly on the following two charts.

Prefer Destination (% for Each Attribute)
 Ranked by Average Importance (2007 YTD) for Eastern Market Noted in Labels



Q5. For each attribute listed below, please select the destination(s) you prefer, whether you have been to the destination or not. (Hawaii, California, Caribbean, Europe, Florida, or None). Base noted in legend

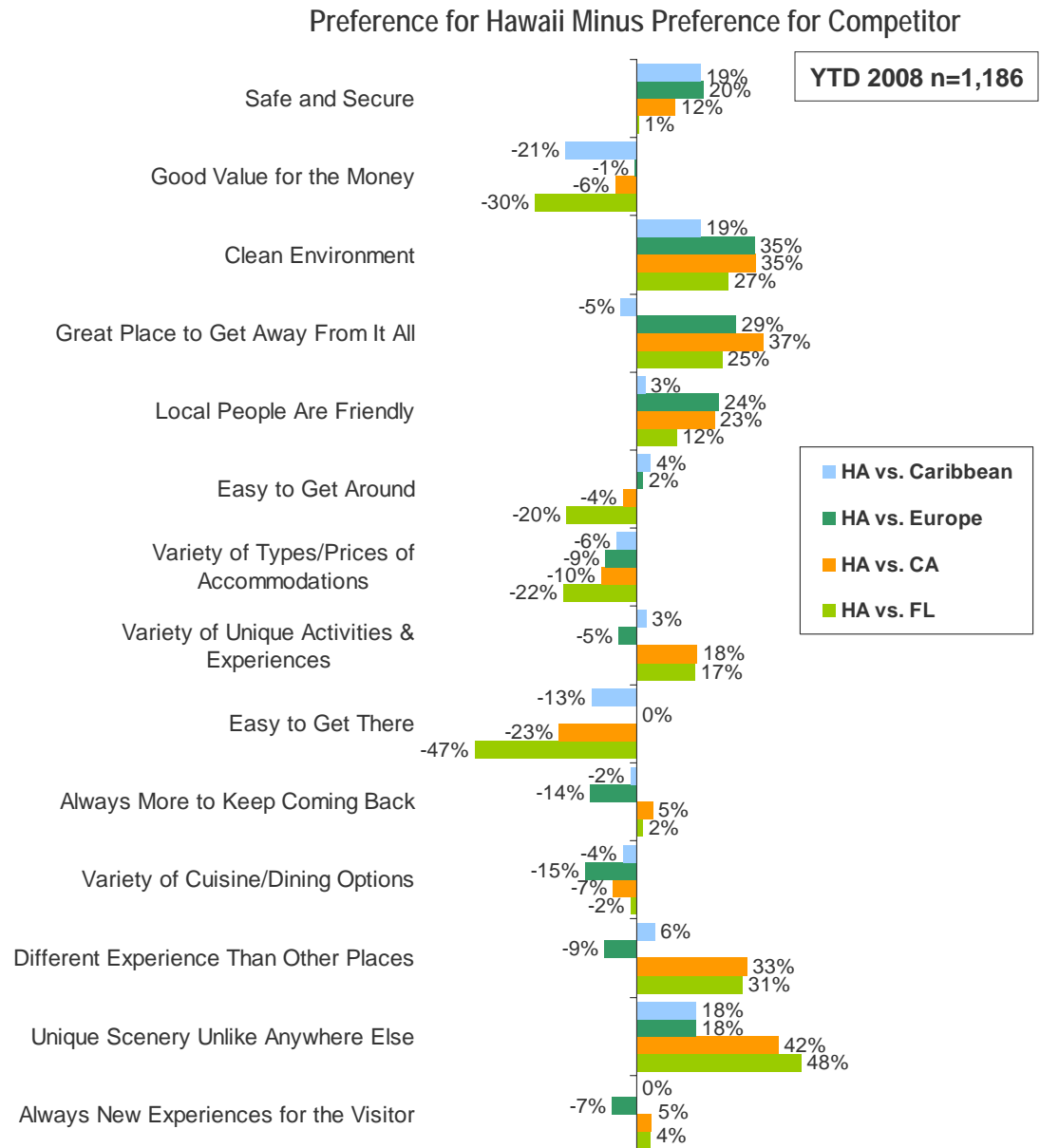
Preference for Hawaii (Gap Over Competitors)

Eastern Market

Competitively (all attributes from another viewpoint):

- The attribute preferences underscore **Florida's** and **Europe's** strong images. **Europe** leads on 11 dimensions (particularly historical and cultural features) while **Florida** leads on seven, most strikingly on *value for the money*, *accommodations*, *easy to get there*, *family/children*, and *golfing*).
- **Hawaii** slightly surpasses **Florida** on *safe/secure* (the most important feature) and leads on six others: *clean environment*, *friendly locals* (these two features also place in the top five in importance), *unique scenery*, *nature-based activities*, *romantic*, and *adventure activities*. Further, it ranks second on nine other attributes.
- Similarly, **Hawaii** and the **Caribbean** lead all others by a wide margin on *unspoiled*.

Q5. For each attribute listed below, please select the destination(s) you prefer, whether you have been to the destination or not. (Hawaii, California, Caribbean, Europe, Florida, or None). Base noted in legend



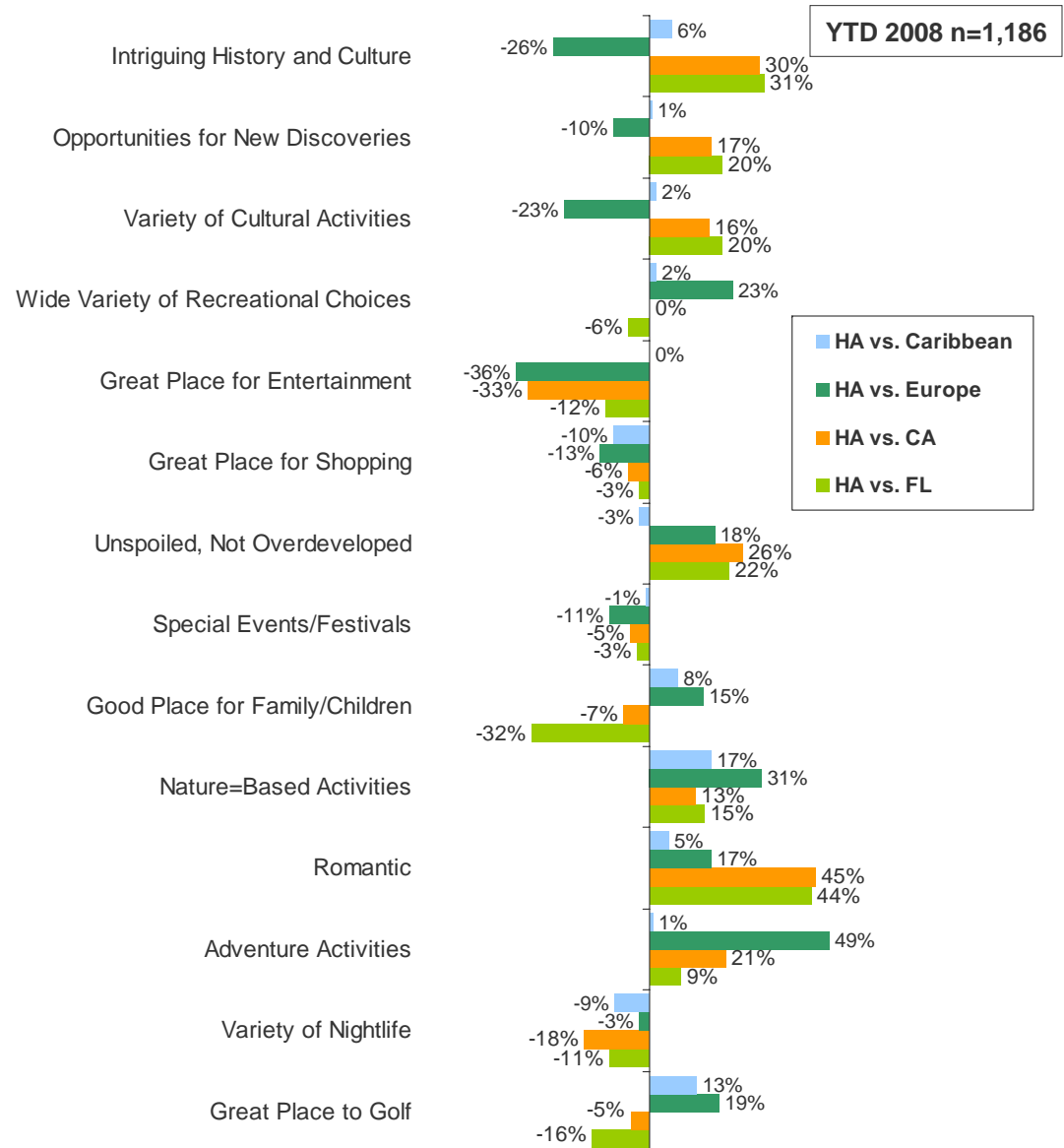
Preference for Hawaii (Gap Over Competitors) continued

Eastern Market

Competitively (all attributes continued):

- In contrast, **Hawaii** lags (last or ties for last) most competitors on *good value for the money* (the second most important), *accommodations, easy to get there, variety of cuisine/dining options, entertainment, special events/festivals, and variety of nightlife*.

Preference for Hawaii Minus Preference for Competitor



Q5. For each attribute listed below, please select the destination(s) you prefer, whether you have been to the destination or not. (Hawaii, California, Caribbean, Europe, Florida, or None). Base noted in legend

Travel Patterns

Western Market



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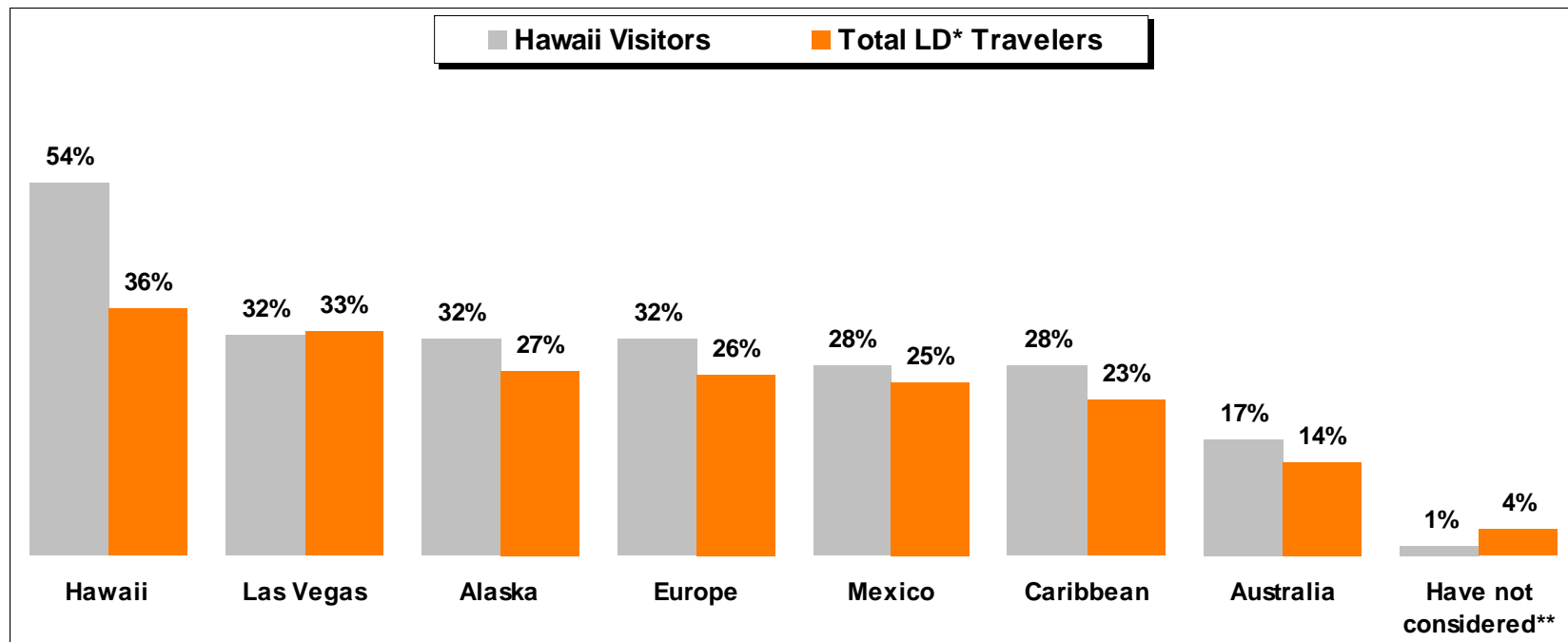
Considered Destinations (Q3)

Western US Market

The top destinations considered by Western US 500+ mile air travelers rank similarly to those considered by Hawaii visitors:

- Hawaii ranks first for both groups. Las Vegas, Alaska, and Europe rank in that order for total long-distance travelers, but each vies for a distant second-place among Hawaii visitors. Beyond those destinations, Hawaii visitors show equal interest in the Caribbean and Mexico while the total West slightly prefers Mexico. Australia lags for both groups.
- Those who visited Hawaii in the past three years are more likely to choose each of these destinations (except Las Vegas) than other travelers – and more than half (54%) are likely to consider visiting Hawaii again.

YTD 2008



LD* = Long-distance: 500+ mile air travelers

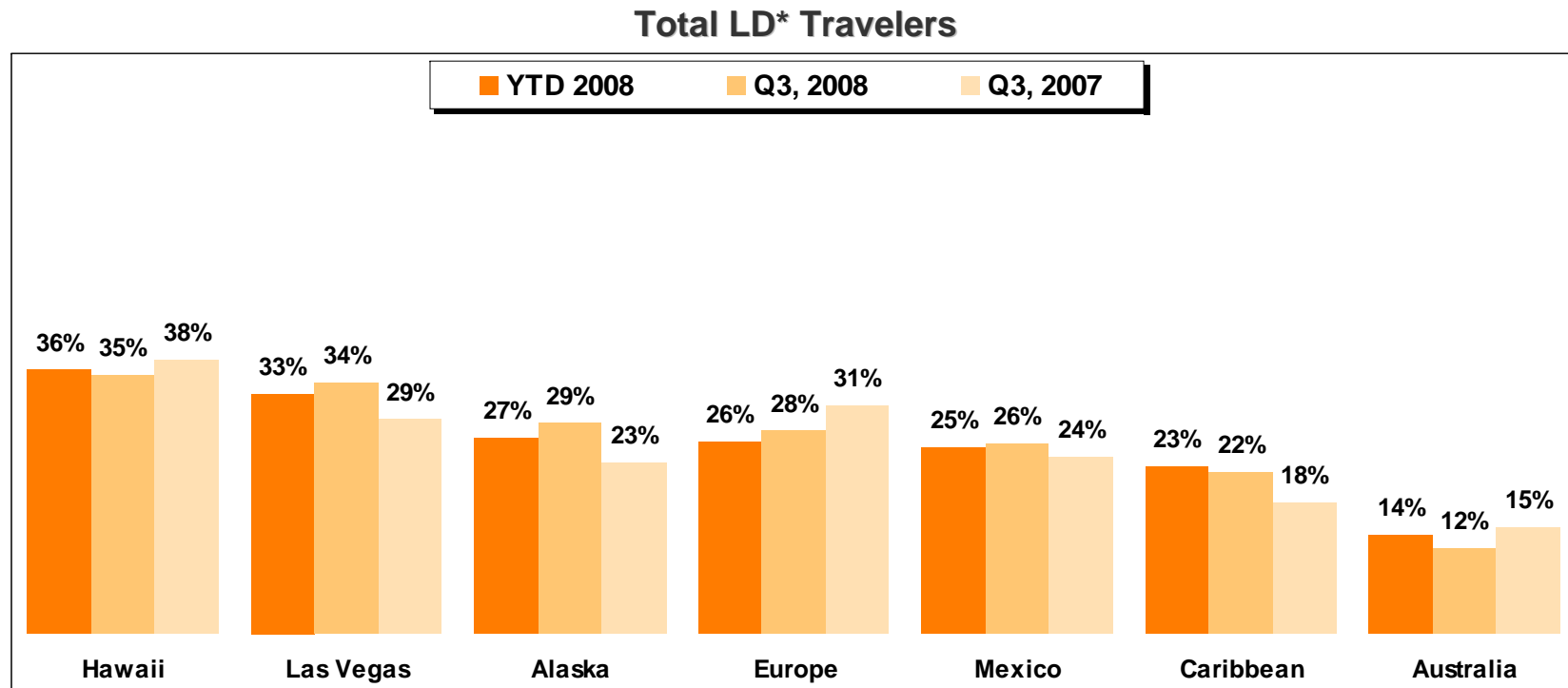
**Pre-2006 data does not include "Have not considered any future vacation destinations"

Considered Destinations (Q3)

Western US Market

Quarter 3, 2008 highlights:

- Among Western long-distance travelers, Hawaii consistently leads competing destinations, but with only a very thin lead over Las Vegas.
- This quarter vs. Q3 a year ago, Hawaii, Europe, and Australia fall in interest; Las Vegas, Alaska and the Caribbean gain; and Mexico remains about the same.



*LD=Long-distance travelers: 500+ Mile Air Trip in Past 12 Months

Importance of Attributes and Preferences for Hawaii and Competitors

Western Market



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Prefer Hawaii by YTD (Q5)

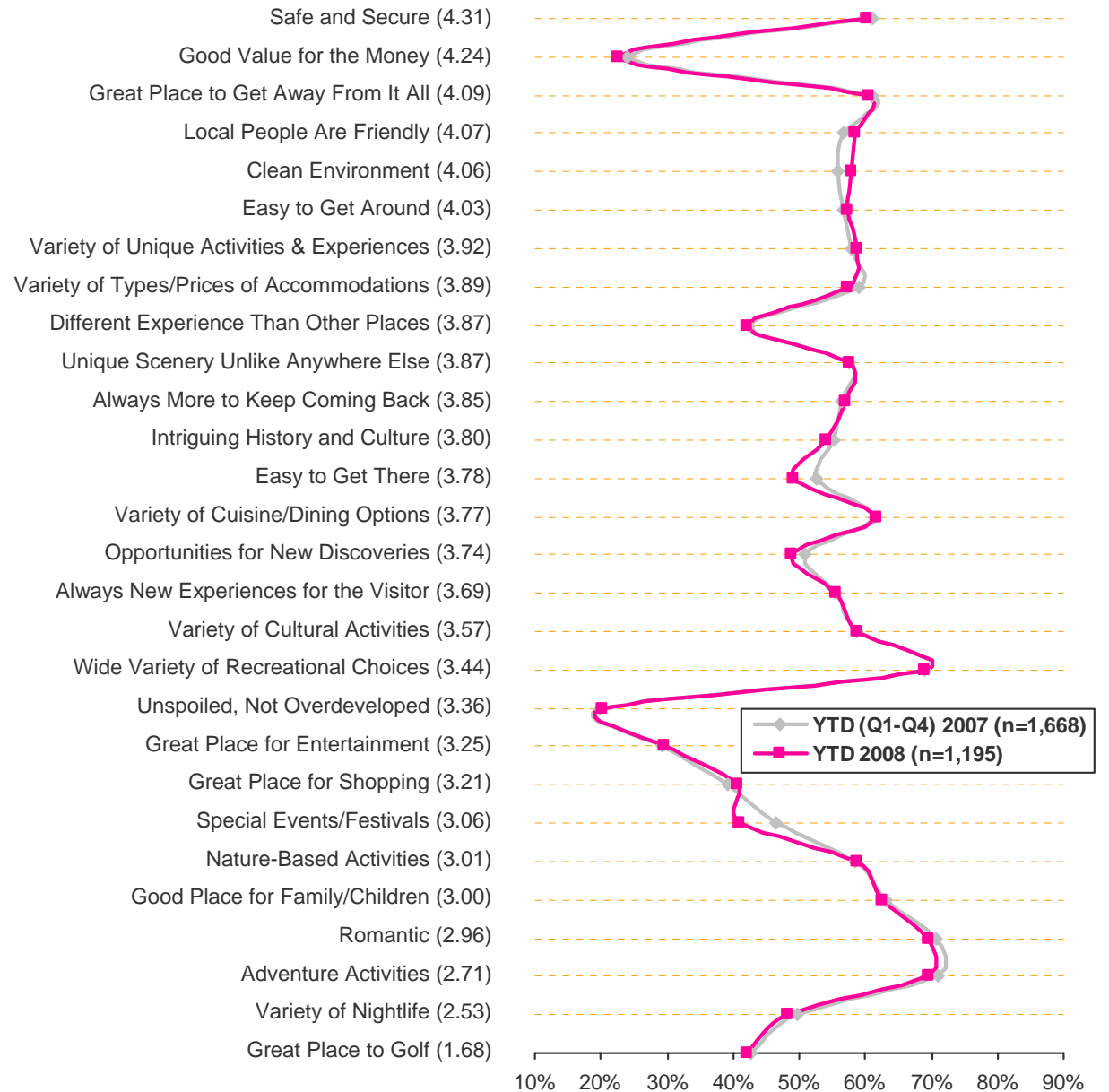
Western Market

Travelers from the Western Market consider Hawaii as very strong on most features – so much so that it is easier to cite the exceptions than list its strengths. Hawaii falls short on only a few features:

- Value for the money, unspoiled/not overdeveloped, and entertainment.
- Hawaii closely mirrors its year-ago image. The largest gap is a dip for special events/festivals.

Prefer Hawaii (% for Each Attribute)

Ranked by Average Importance (2007 YTD) for Western Market Noted in Labels



Q5. For each attribute listed below, please select the destination(s) you prefer, whether you have been to the destination or not. (Hawaii, Alaska, Caribbean, Australia, Mexico, or None). Base noted in legend

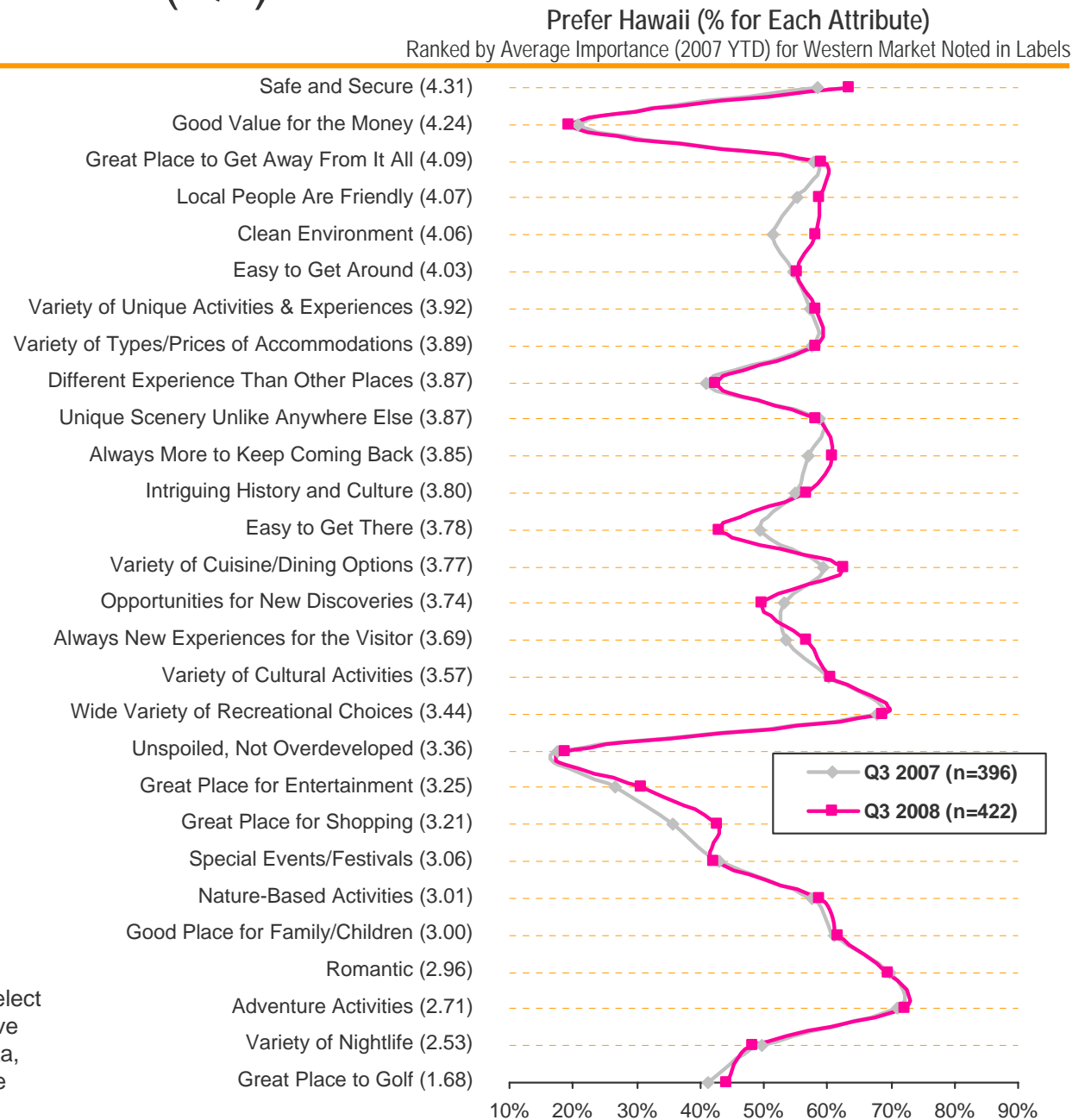
Prefer Hawaii by Quarter (Q5)

Western Market

Comparing only the quarter to quarter results also show few shifts in image:

- A few items improve, but only to a minor degree – most notably, *clean environment to get there and shopping*.
- Only a couple of items slip below the year ago level, particularly *easy to get there*.

Q5. For each attribute listed below, please select the destination(s) you prefer, whether you have been to the destination or not. (Hawaii, Alaska, Caribbean, Australia, Mexico, or None). Base noted in legend

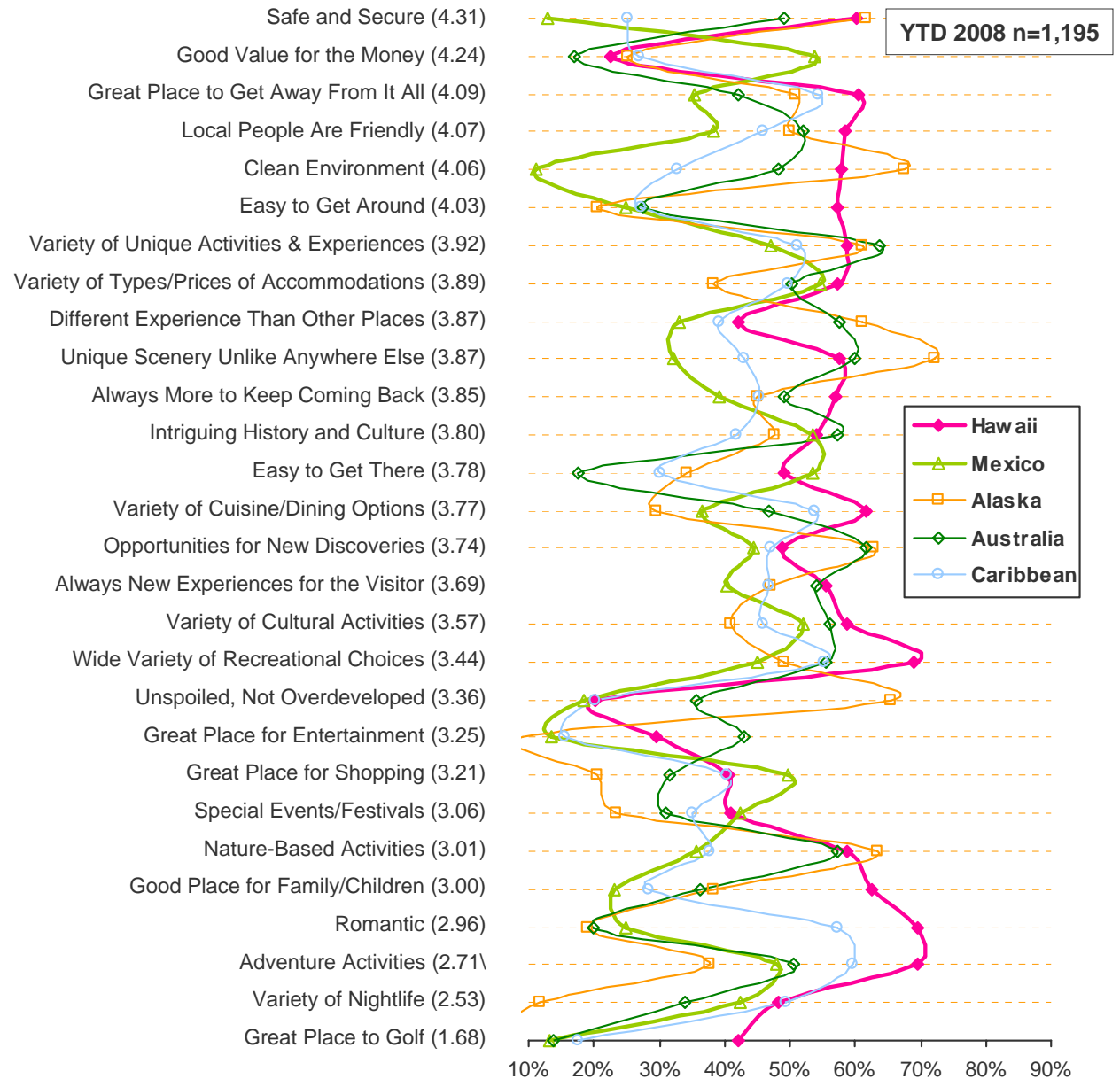


Prefer Hawaii by YTD (Q5)

Western Market

Competitively, each of these destinations have strengths and opportunities. Hawaii's position on each attribute is shown more clearly on the following two charts.

Prefer Destination (% for Each Attribute)
Ranked by Average Importance (2007 YTD) for Western Market Noted in Labels



Q5. For each attribute listed below, please select the destination(s) you prefer, whether you have been to the destination or not. (Hawaii, Alaska, Caribbean, Australia, Mexico, or None). Base noted in legend

Preference for Hawaii (Gap Over Competitors)

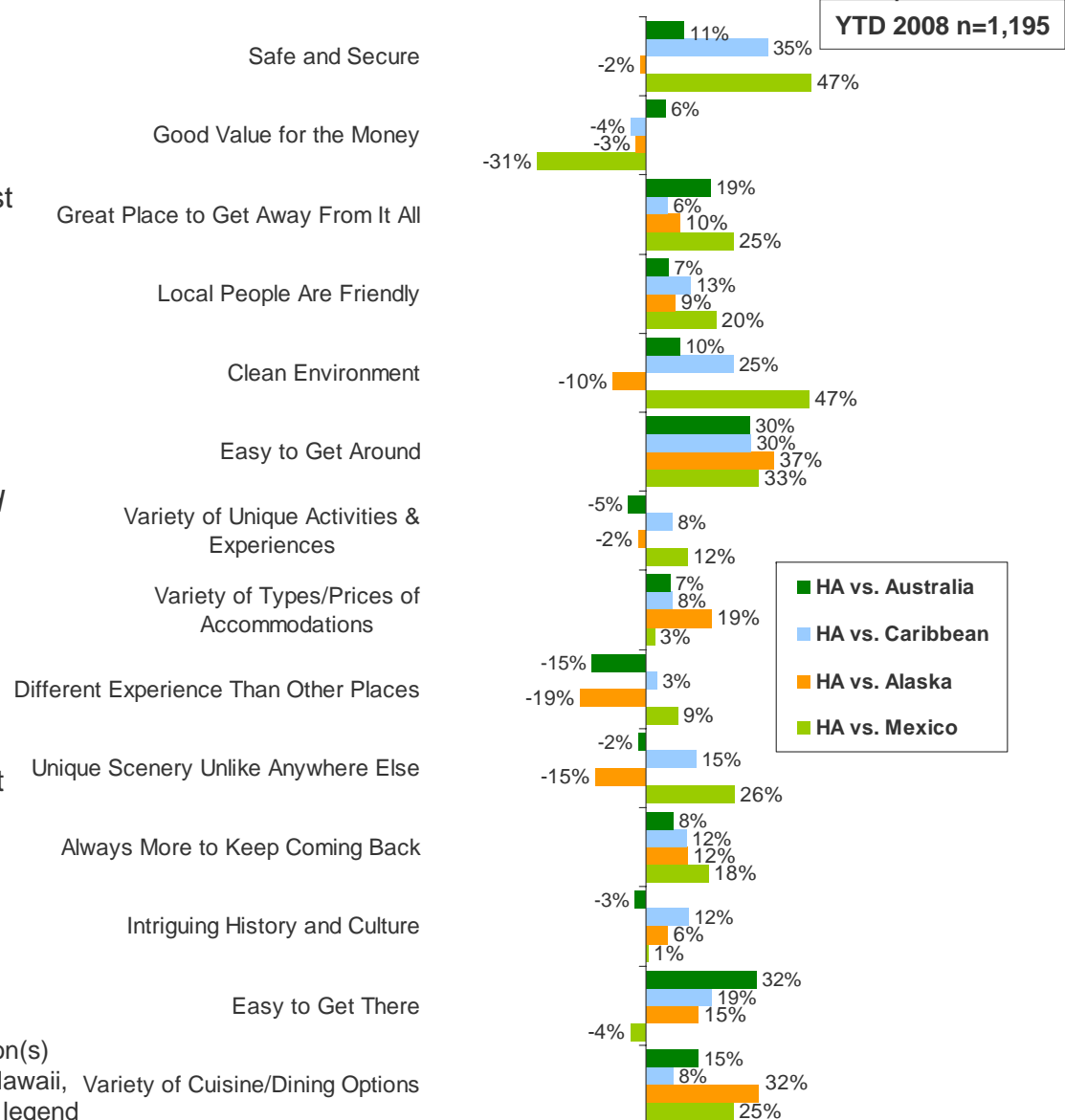
Western Market

Competitively:

- **Hawaii** emerges as the clear winner – with those in the Western Market placing Hawaii at the top on half (14) of the 28 items (including a virtual tie on *nightlife*).
- Further, **Hawaii** never ranks last, next-to-last only twice (*good value for the money* and *unspoiled*). No competitor poses much threat to **Hawaii**.
- **Alaska** ranks a distant second in the number of strong preferences, leading on seven, particularly for *cleanliness*, *unique scenery*, and *unspoiled* attributes. It also leads on the most important item – *safe and secure* although **Hawaii** nearly matches it.
- **Australia** leads on three: *variety of unique activities/experiences*, *intriguing history/culture*, and posts a clear “win” on *entertainment*. It nearly matches **Alaska** on *new discoveries*.
- **Mexico** leads on the second most important attribute – *good value for the money* – and places at the top on three others: *easy to get there*, *shopping*, and *special events/festivals*.
- The **Caribbean** leads (with Hawaii) on *variety of nightlife*.

Q5. For each attribute listed below, please select the destination(s) you prefer, whether you have been to the destination or not. (Hawaii, Alaska, Caribbean, Australia, Mexico, or None). Base noted in legend

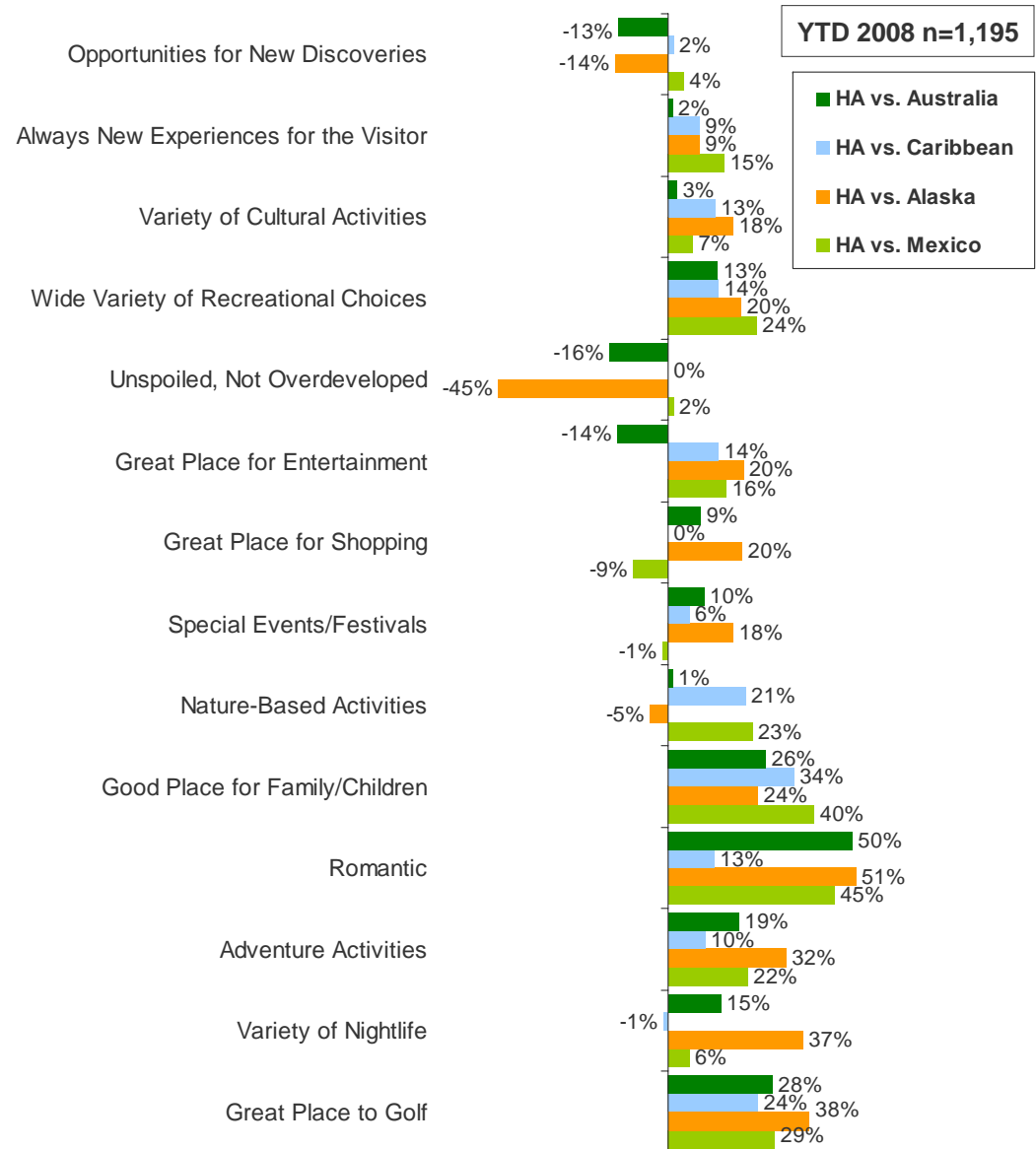
Preference for Hawaii Minus Preference for Competitor



Preference for Hawaii (Gap Over Competitors) continued

Western Market

Preference for Hawaii Minus Preference for Competitor



Q5. For each attribute listed below, please select the destination(s) you prefer, whether you have been to the destination or not. (Hawaii, Alaska, Caribbean, Australia, Mexico, or None). Base noted in legend

Travel Patterns

Japanese Market



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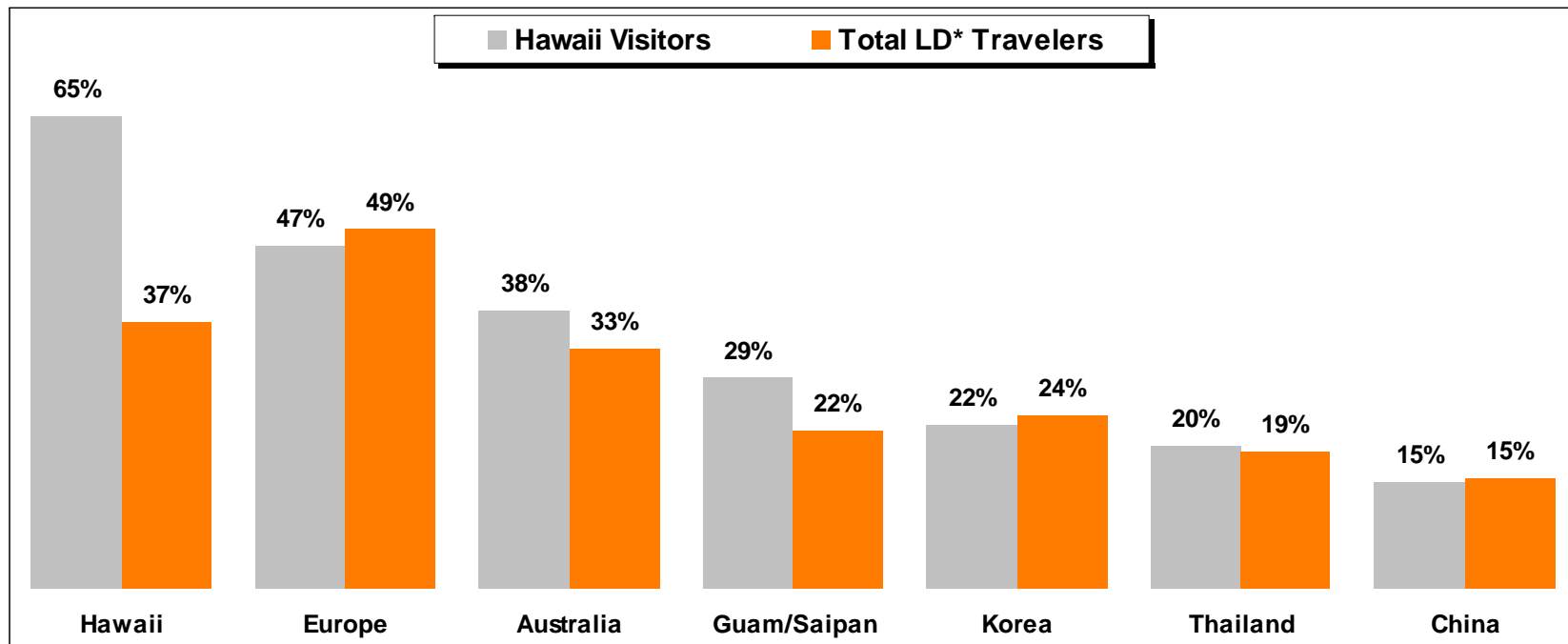
Considered Destinations (Q3)

Japanese Market

The ranking of the top destination choices of Japanese international travelers varies by whether they have been to Hawaii in the past or not:

- Generally, Hawaii visitors exhibit similar to greater interest in all destination than other international travelers.
- As in prior reports, Hawaii visitors still express much greater future interest in Hawaii (+28%-points over total international travelers). Much smaller gaps occur for other destinations: Europe (-2%), Australia (+5%), Guam/Saipan (+7%), Thailand (+1%), Korea (-2%), and China (+0%).
- Those who have been to Hawaii want to return (65%, but Europe (47%) and Australia (38%) also attract them.
- Europe leads among total international travelers (49%) while Hawaii (37%) holds second place, outpacing Australia by 4-percentage points.

YTD 2008



LD* = Long-distance: International travelers

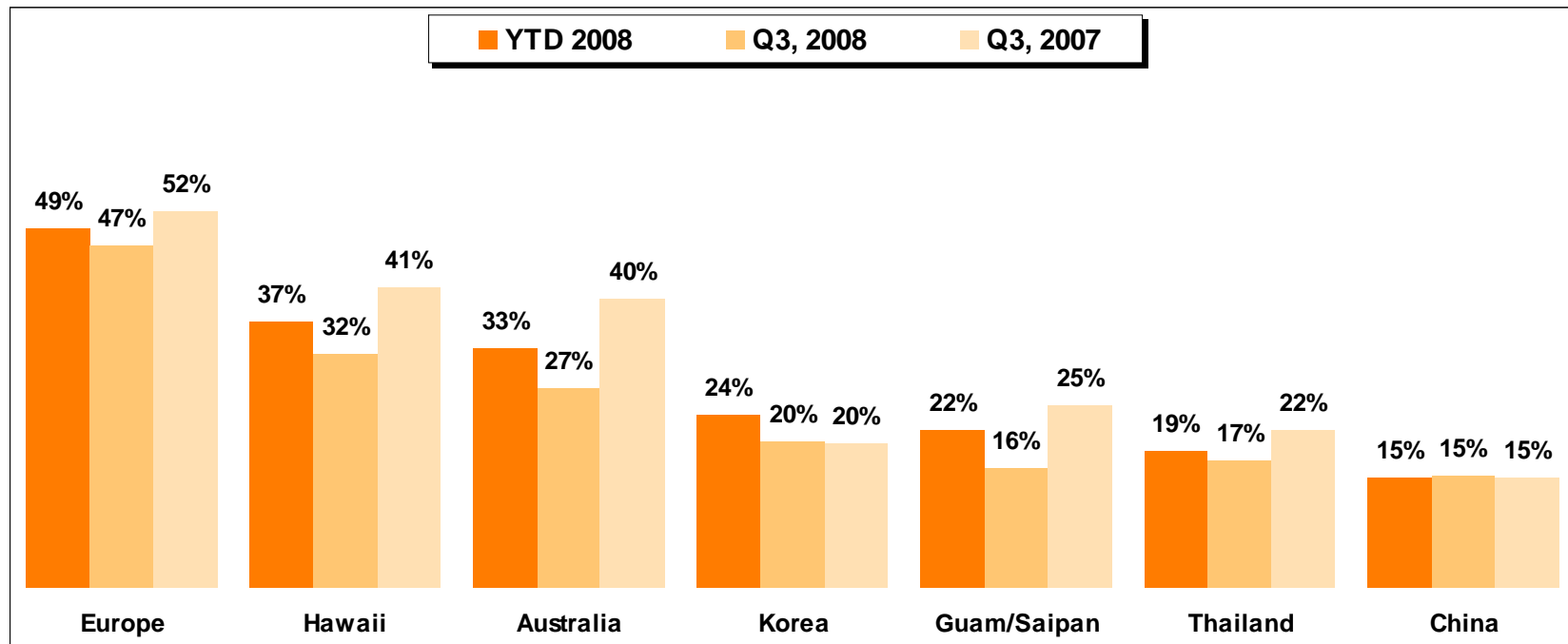
Considered Destinations (Q3)

Japanese Market

Quarter 3, 2008 highlights:

- Respondents indicate a substantial dip in interest in Hawaii this quarter compared to the same time last year (32% from 41%). Most other destinations slide as well: Europe (-5%), Australia (-13%), Guam/Saipan (-9%), and Thailand (-5%). Korea and China post no change.
- Interest in Hawaii (37% YTD) remains near the same level that it was for 2007 total year (38%).

Total LD* Travelers



*LD=Long-distance travelers: International Trip in Past 2 Years

Importance of Attributes and Preferences for Hawaii and Competitors

Japanese Market



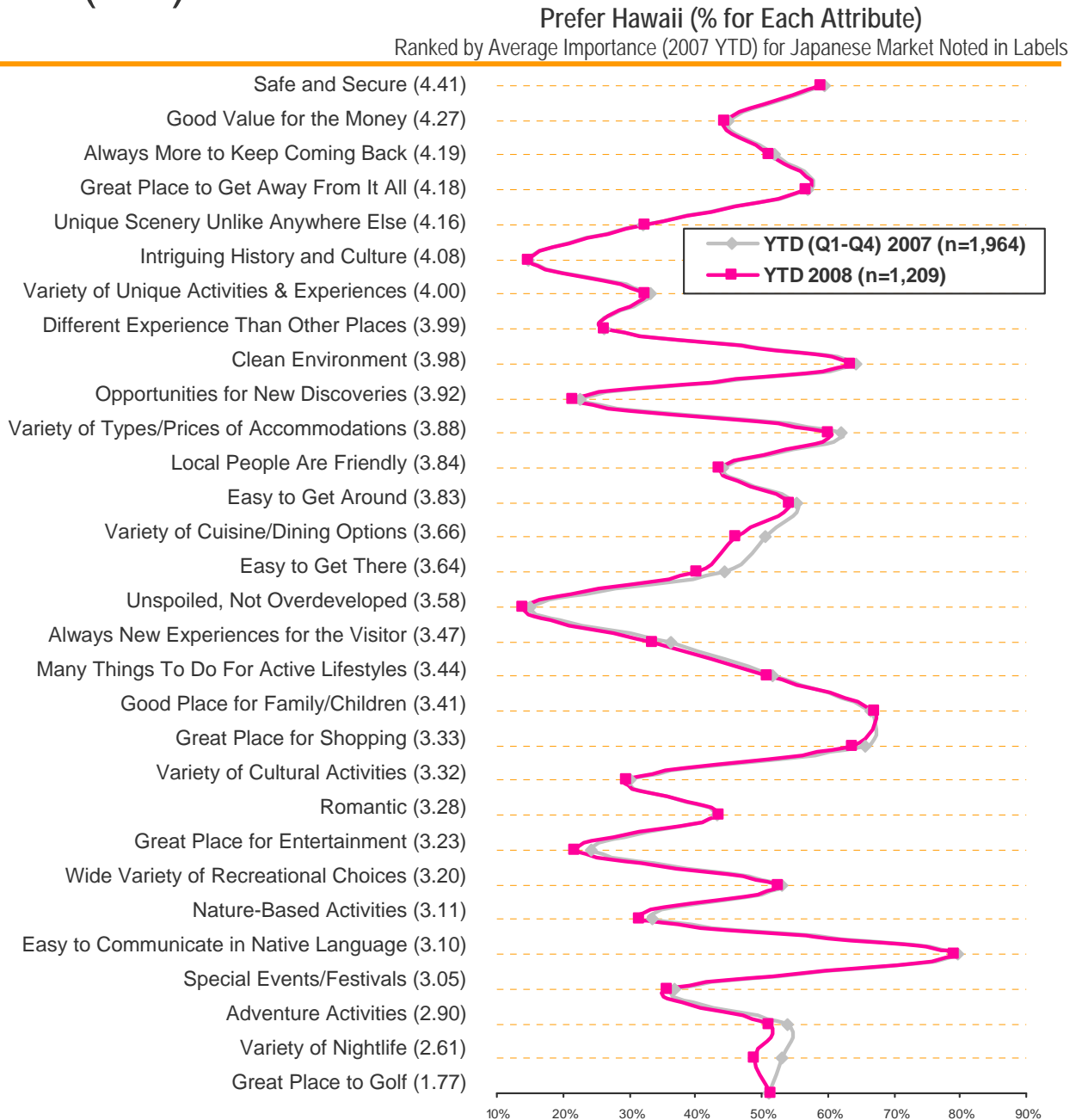
Prefer Hawaii by YTD (Q5)

Japanese Market

As with the Western Market, travelers from Japan consider Hawaii as very strong on most features – so much so that it is easier to cite the exceptions than list its strengths in this market as well as the Western Market. Hawaii falls short on only a few features:

- *Intriguing history and culture, different experience than other places, opportunities for new discoveries, unspoiled/not overdeveloped, and entertainment.*
- Hawaii's first half-year results essentially meets or exceeds last year on all but three dimensions (*variety of cuisine/dining options, easy to get there, and variety of nightlife*) and then by only a small degree.

Q5. For each attribute listed below, please select the destination(s) you prefer, whether you have been to the destination or not. (Hawaii, Australia, China, Guam/Saipan, Thailand, or None). Base noted in legend



Prefer Hawaii by Quarter (Q5)

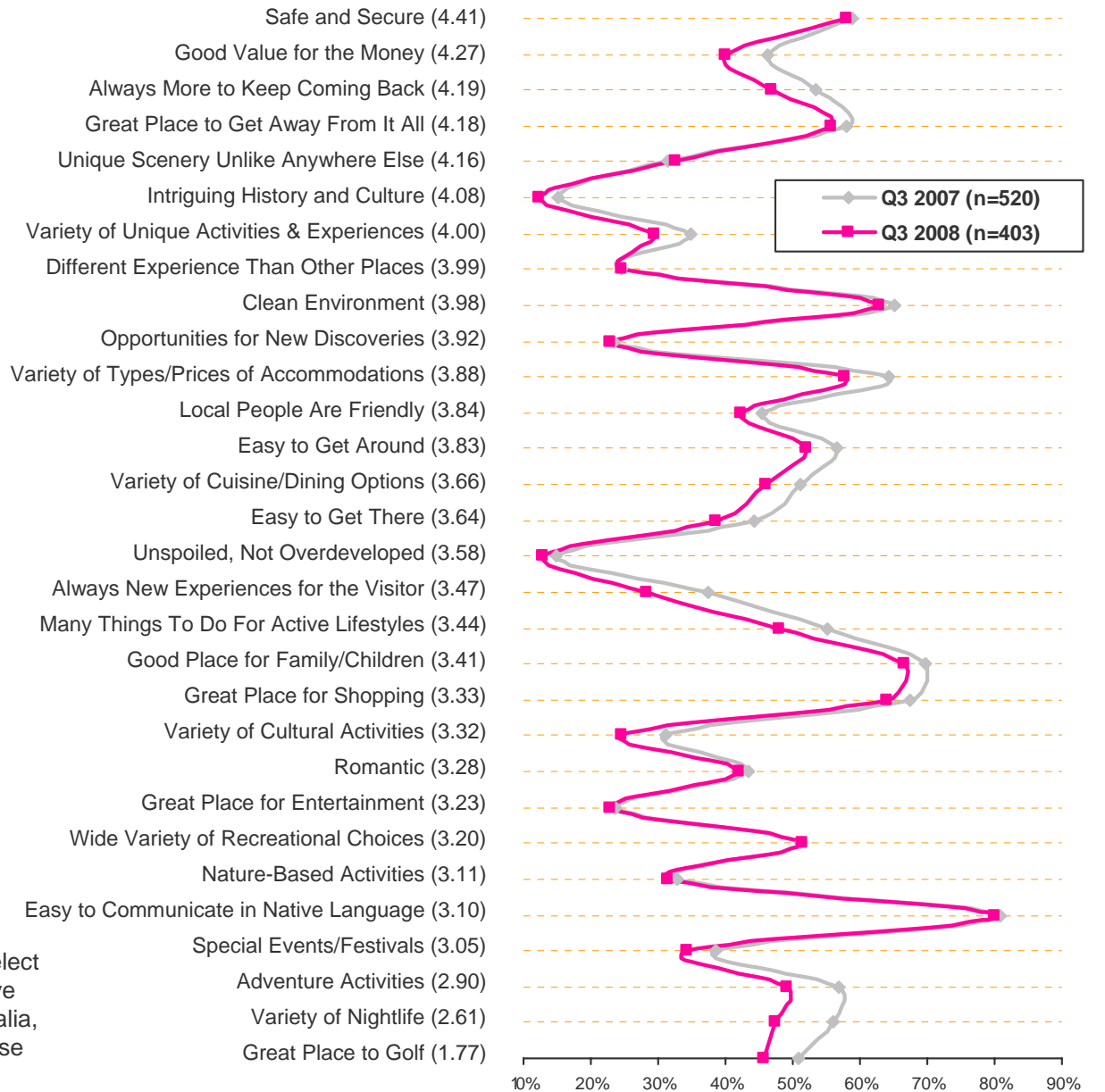
Japanese Market

A comparison of the quarter to year-ago quarter results shows a steady to slightly downward shift in image.

The notable changes that appear generally place below the year-ago quarter, most notably: *good value for the money, always more to keep coming back, variety of accommodations, always new experiences for the visitor, many things to do for active lifestyles, variety of cultural activities, adventure activities, variety of nightlife, and golf.*

Q5. For each attribute listed below, please select the destination(s) you prefer, whether you have been to the destination or not. (Hawaii, Australia, China, Guam/Saipan, Thailand, or None). Base noted in legend

Prefer Hawaii (% for Each Attribute)
Ranked by Average Importance (2007 YTD) for Japanese Market Noted in Labels

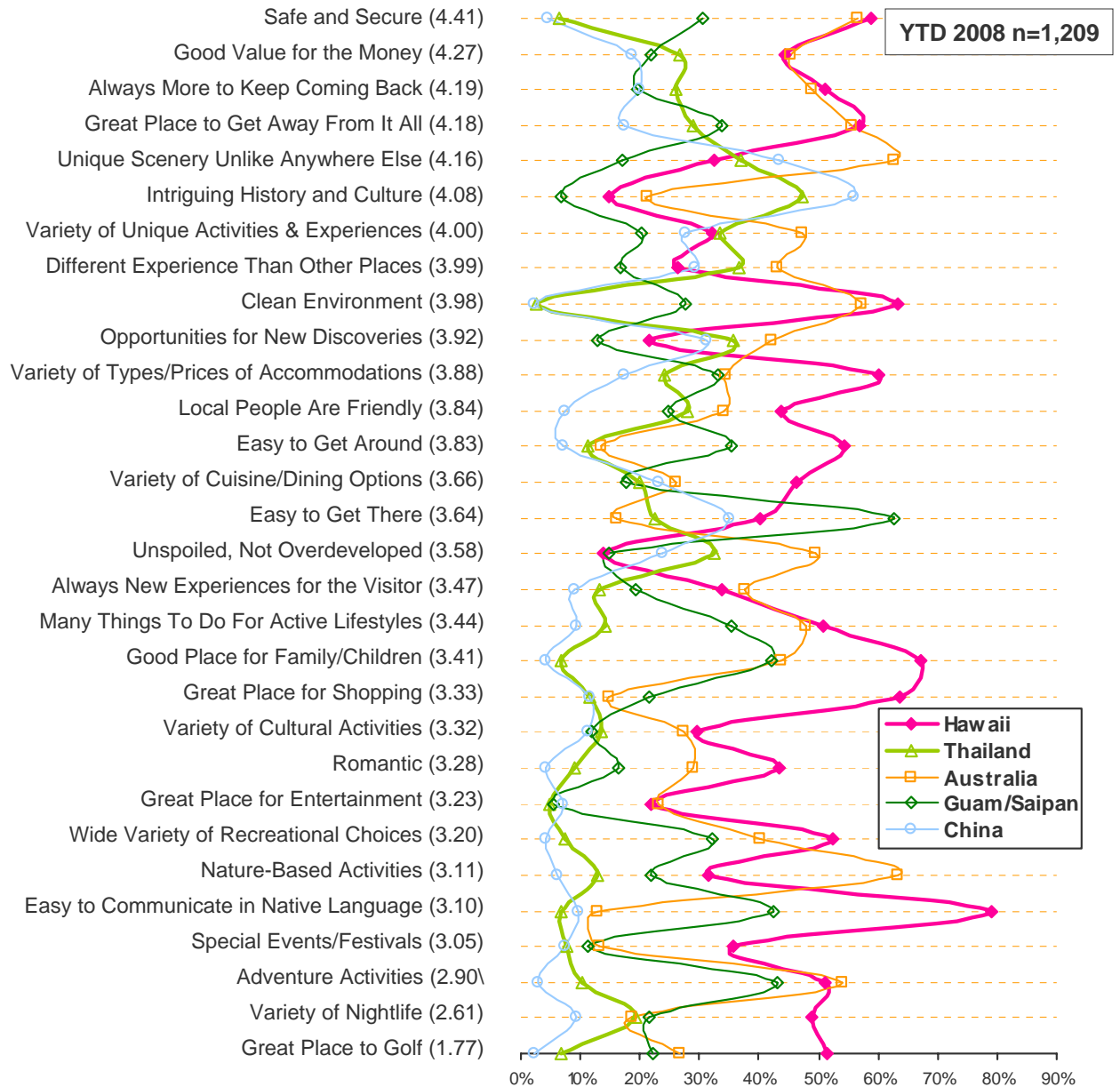


Prefer Hawaii by YTD (Q5)

Japanese Market

Competitively, each of these destinations have strengths and opportunities. Hawaii's position on each attribute is shown more clearly on the following two charts.

Prefer Destination (% for Each Attribute)
 Ranked by Average Importance (2007 YTD) for JapaneseMarket Noted in Labels



Q5. For each attribute listed below, please select the destination(s) you prefer, whether you have been to the destination or not. (Hawaii, Australia, China, Guam/Saipan, Thailand, or None). Base noted in legend

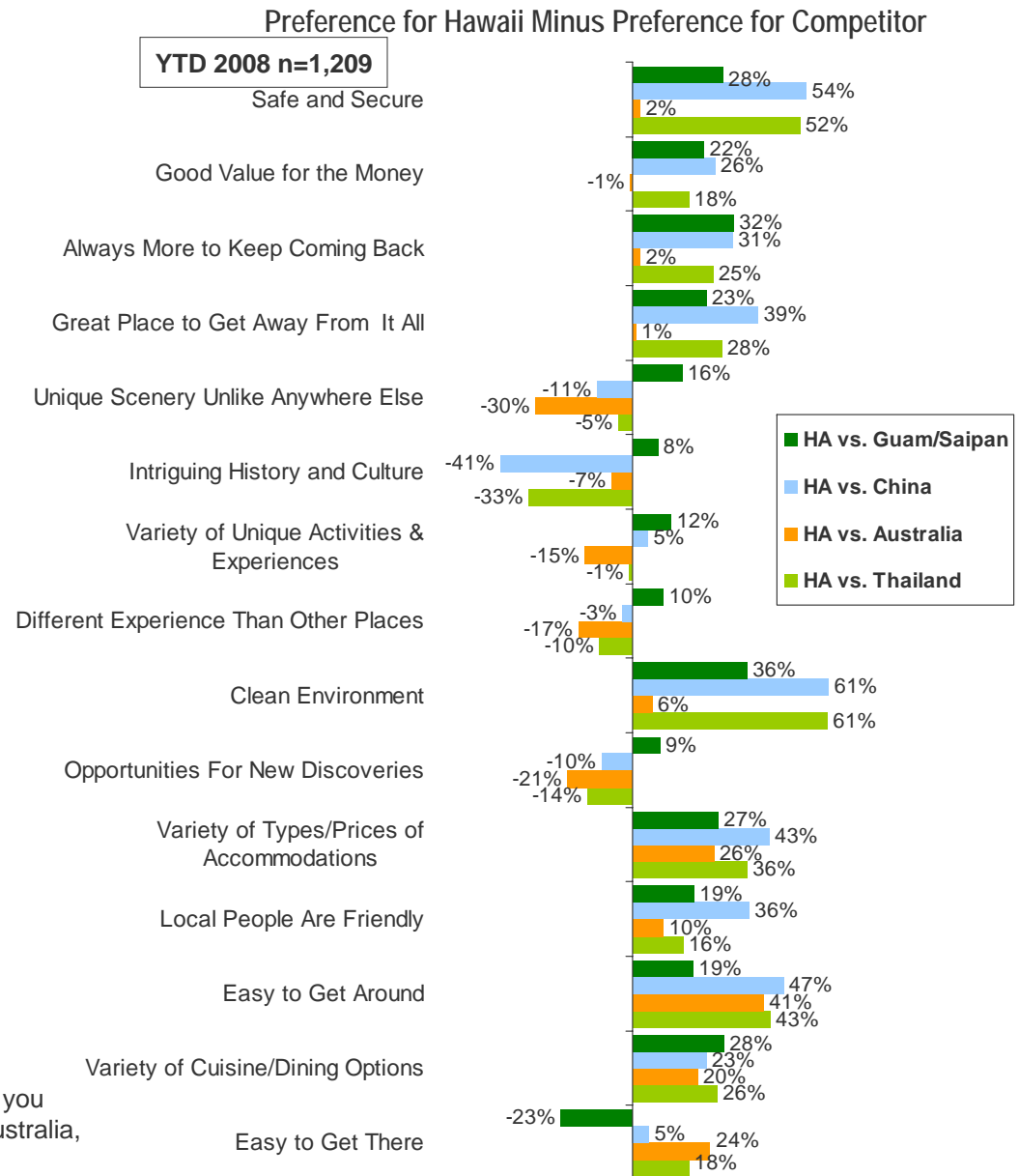
Preference for Hawaii (Gap Over Competitors)

Japanese Market

Competitively:

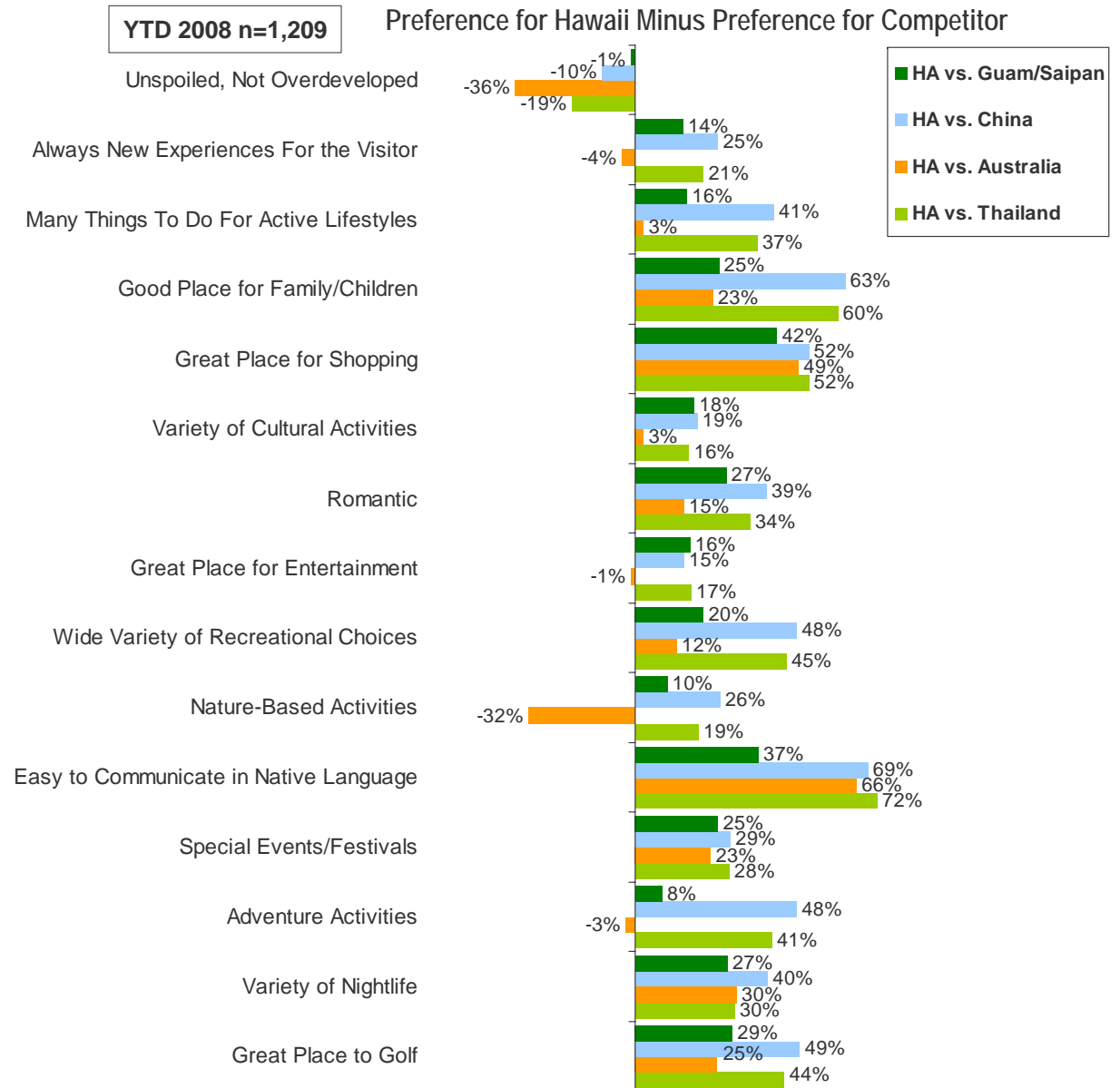
- **Hawaii** emerges as the clear winner for the Japanese Market as well as the Western US Market. More than half of the attributes (18 of 30) show Hawaii leading all competitors in preference. In addition, it ties Australia for first on two more and ranks (or ties for) second on another four.
- Except for *unspoiled/ overdeveloped*, **Hawaii** never ranks last and is next-to-last on only three *unique-* and *intriguing-*related items. As in the Western US Market, no destination seriously threatens **Hawaii's** lock on image.
- **Australia** ranks second in the number of strong preferences, leading on 10 (including the two items which tie **Hawaii: value for the money** and *great place for entertainment*); it particularly excels on *unique scenery*, *unspoiled*, and *nature-based activities*.
- **Guam/Saipan** leads on only one dimension, *easy to get there*, which is not really an attribute easily controlled by Hawaii.
- **China** also leads on only one: *intriguing history and culture*.
- **Thailand** always trails others.

Q5. For each attribute listed below, please select the destination(s) you prefer, whether you have been to the destination or not. (Hawaii, Australia, China, Guam/Saipan, Thailand, or None). Base noted in legend



Preference for Hawaii (Gap Over Competitors) continued

Japanese Market



Q5. For each attribute listed below, please select the destination(s) you prefer, whether you have been to the destination or not. (Hawaii, Australia, China, Guam/Saipan, Thailand, or None). Base noted in legend

Appendix A: Demographics and Overall Travel Patterns All Markets



Hawaii Visitors vs. Total Travelers

Demographics

	Total All LD* Respondents		Hawaii Visitors Past 3 Years				
	Total 2007	YTD 2008	Q3: Jul-Sep 07	Q4: Oct-Dec 07	Q1: Jan-Mar 08	Q2: Apr-Jun 08	Q3: Jul-Sep 08
EASTERN US							
Median Age	51	50	53	56	52	58	56
Median Income	\$58,500	\$59,500	\$66,700	\$61,300	\$68,300	\$75,000	\$70,000
# LD* Trips Annually	2.5	2.5	2.5	3.4	3.0	4.2	3.8
WESTERN US							
Median Age	49	51	51	53	45	51	55
Median Income	\$59,800	\$65,700	\$70,600	\$69,100	\$70,700	\$75,600	\$74,300
# LD* Trips Annually	2.7	2.8	3.4	3.7	4.1	2.8	3.1
JAPAN							
Median Age	48	50	52	53	50	49	50
Median Income	\$57,400	\$58,200	\$67,600	\$65,200	\$65,900	\$71,300	\$62,800
# Int'l Trips Past 2 Years	2.2	2.1	2.8	3.0	2.5	2.5	2.5

*LD=Long-distance travelers: US=500+ Mile Air Trip in Past 12 Months; Japan=International Trip in Past 2 Years

Hawaii Visitors vs. Total Travelers

Travel Patterns

	Total All LD* Respondents		Hawaii Visitors Past 3 Years				
	Total 2007	YTD 2008	Q3: Jul-Sep 07	Q4: Oct-Dec 07	Q1: Jan-Mar 08	Q2: Apr-Jun 08	Q3: Jul-Sep 08
EASTERN US							
Average # LD Overnight Trips	2.5	2.5	2.5	3.4	3.0	4.2	3.8
% Reporting "No Change" in Travel in Previous 12 Months	61%	59%	72%	62%	71%	67%	46%
NET Change: More/Fewer Trips	+4	+6	+2	-8	-4	-7	-2
WESTERN US							
Average # LD Overnight Trips	2.7	2.8	3.4	3.7	4.1	2.8	3.1
% Reporting "No Change" in Travel in Previous 12 Months	58%	58%	54%	55%	67%	68%	59%
NET Change: More/Fewer Trips	+6	+6	-1	+5	+7	+8	-4
JAPAN							
Average # LD Overnight Trips	2.2	2.1	2.8	3.0	2.5	2.5	2.5
% Reporting "No Change" in Travel in Previous 12 Months	52%	51%	54%	51%	51%	52%	60%
NET Change: More/Fewer Trips	+1	+0	-6	+4	+1	-15	+4

*LD=Long-distance travelers: US=500+ Mile Air Trip in Past 12 Months; Japan=International Trip in Past 2 Years

Appendix B: Travel Patterns

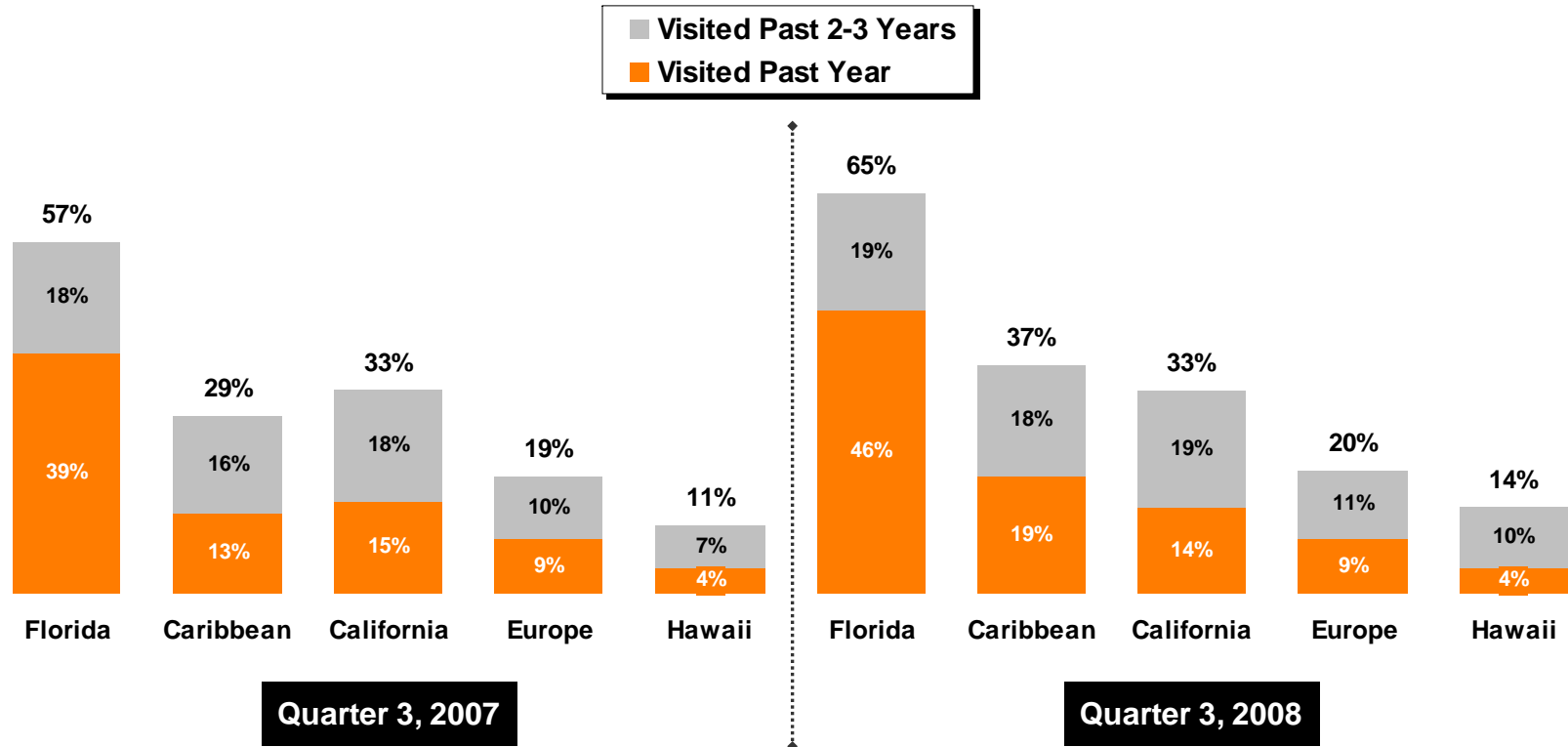
Eastern US Market



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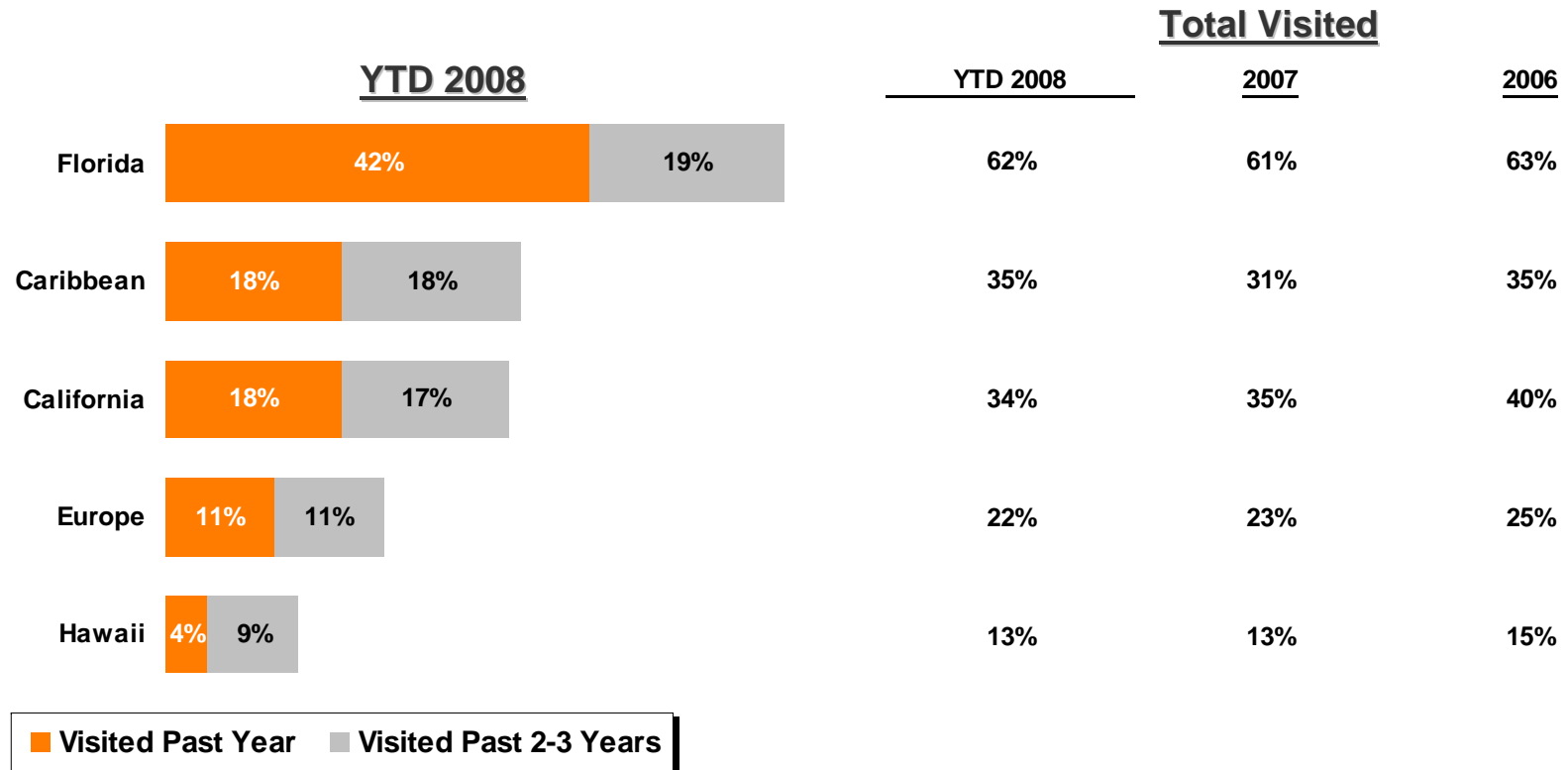
Destinations Visited Past Year/Past 3 Years (Q6)

Eastern US Market



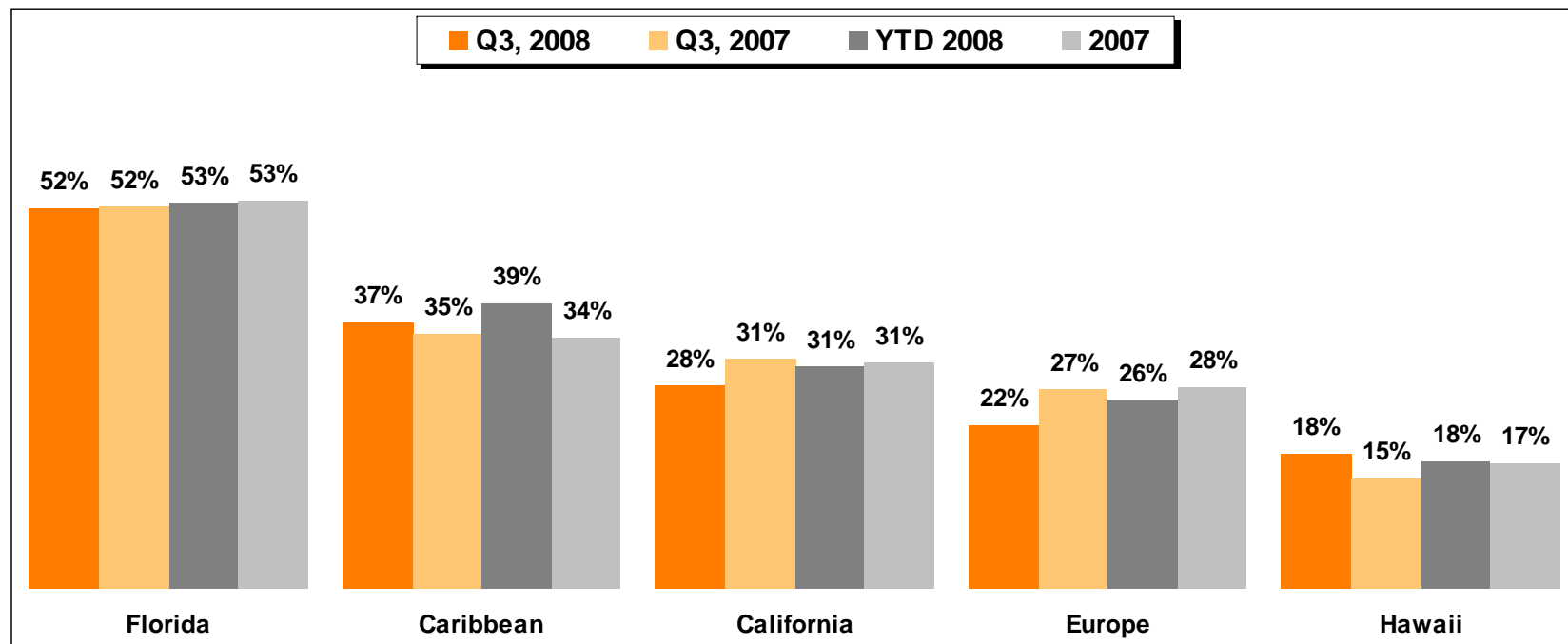
Destinations Visited Past Year/Past 3 Years (Q6)

Eastern US Market



Destinations Planned for Leisure within 24 Months (Q6)

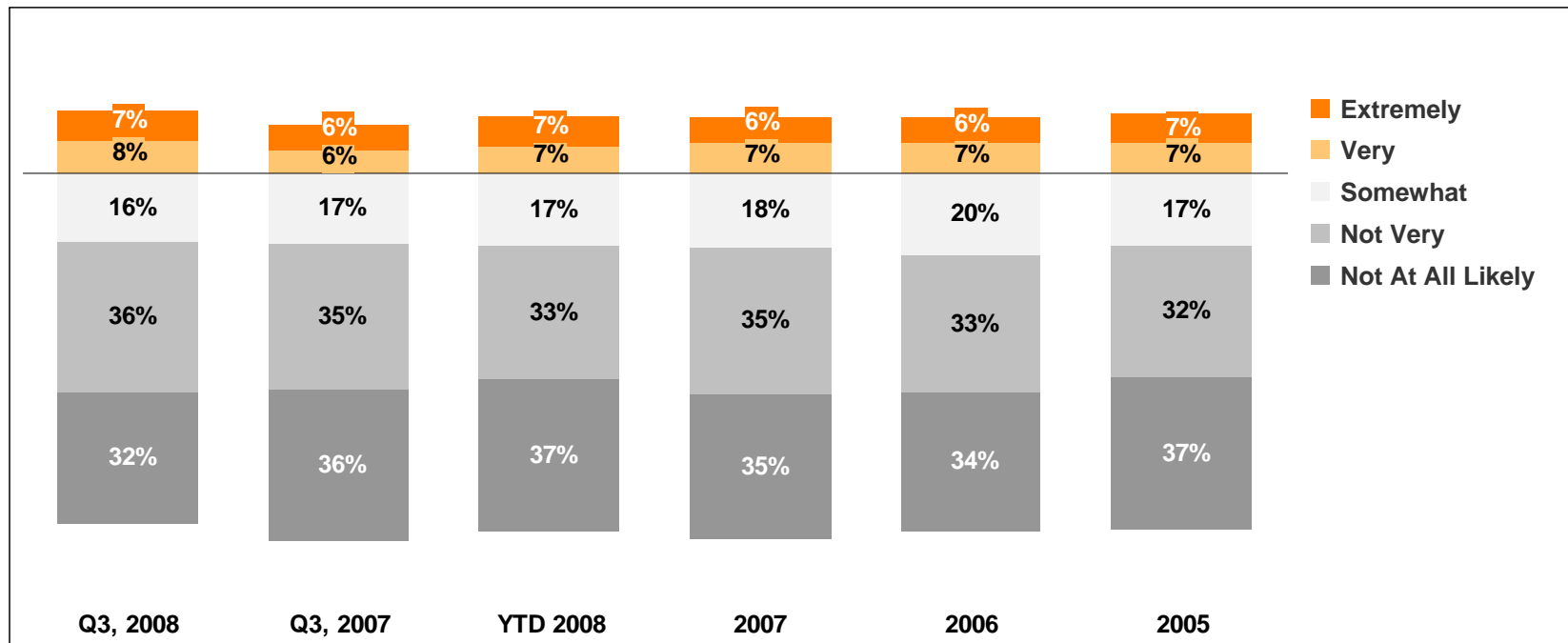
Eastern US Market



Likely to Visit Hawaii FOR LEISURE (Q14)

Eastern US Market

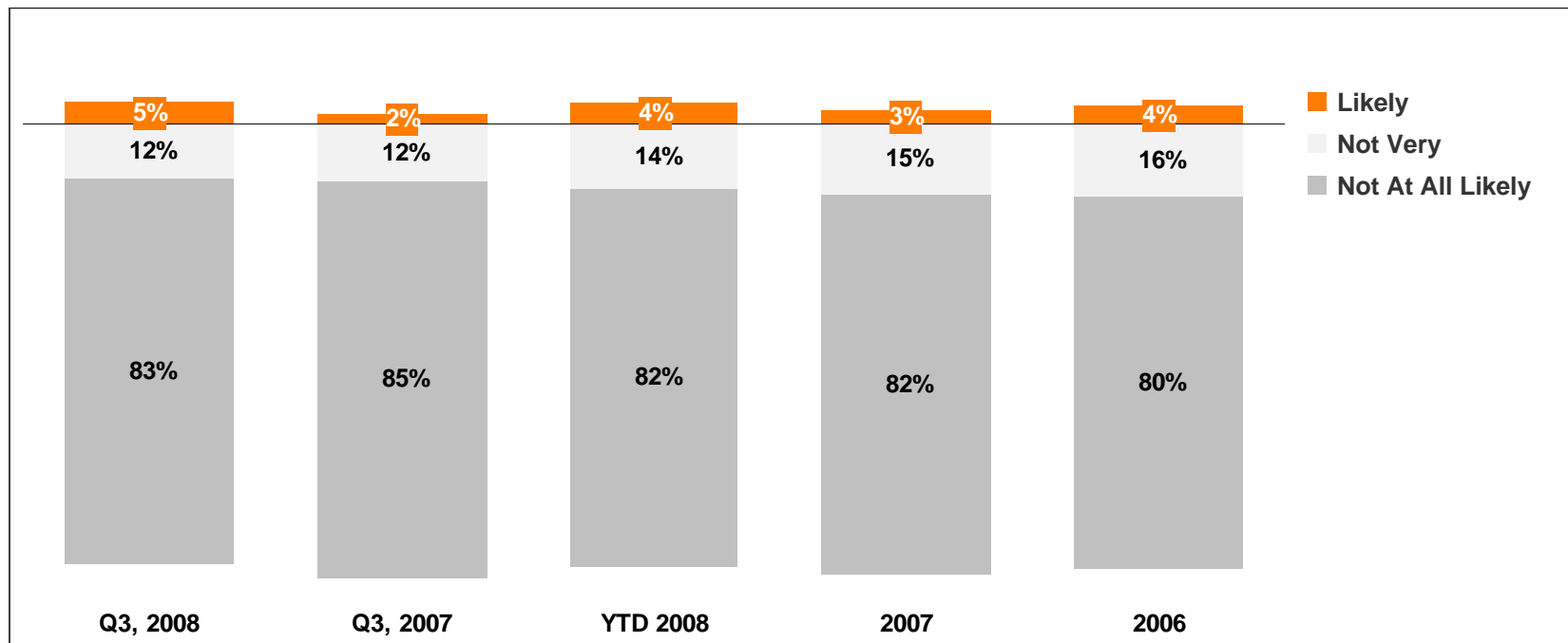
- Hawaii will continue to face the distance, time, cost, and competitive challenges in enticing Eastern US travelers to visit in the next 24 months. Eastern US travelers who are *extremely/very* likely to visit Hawaii remains virtually unchanged since 2003.



Likely to Visit Hawaii FOR BUSINESS (Q15)

Eastern US Market

- Travelers infrequently cite Hawaii as a business destination (next 24 months).



Appendix C: Travel Patterns

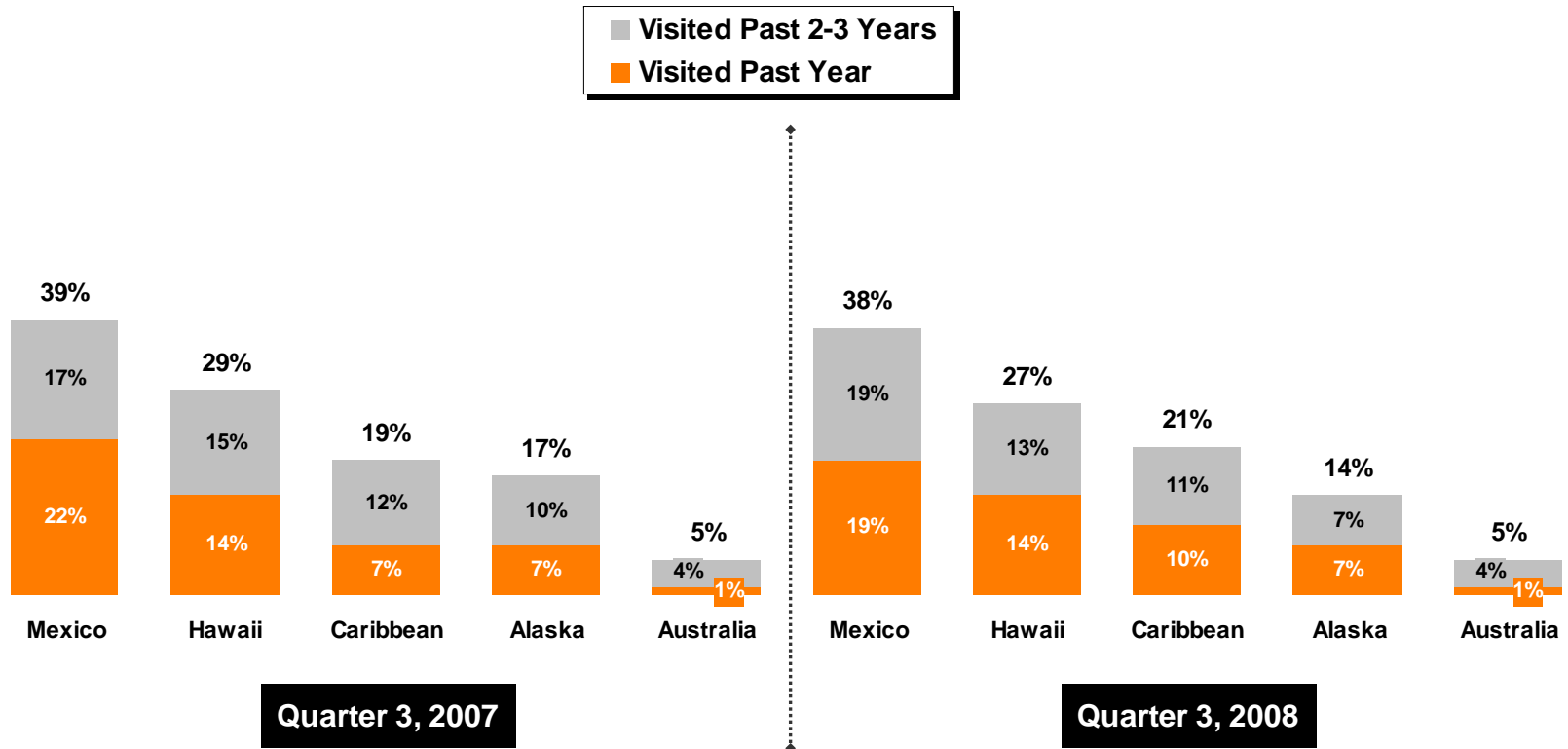
Western US Market



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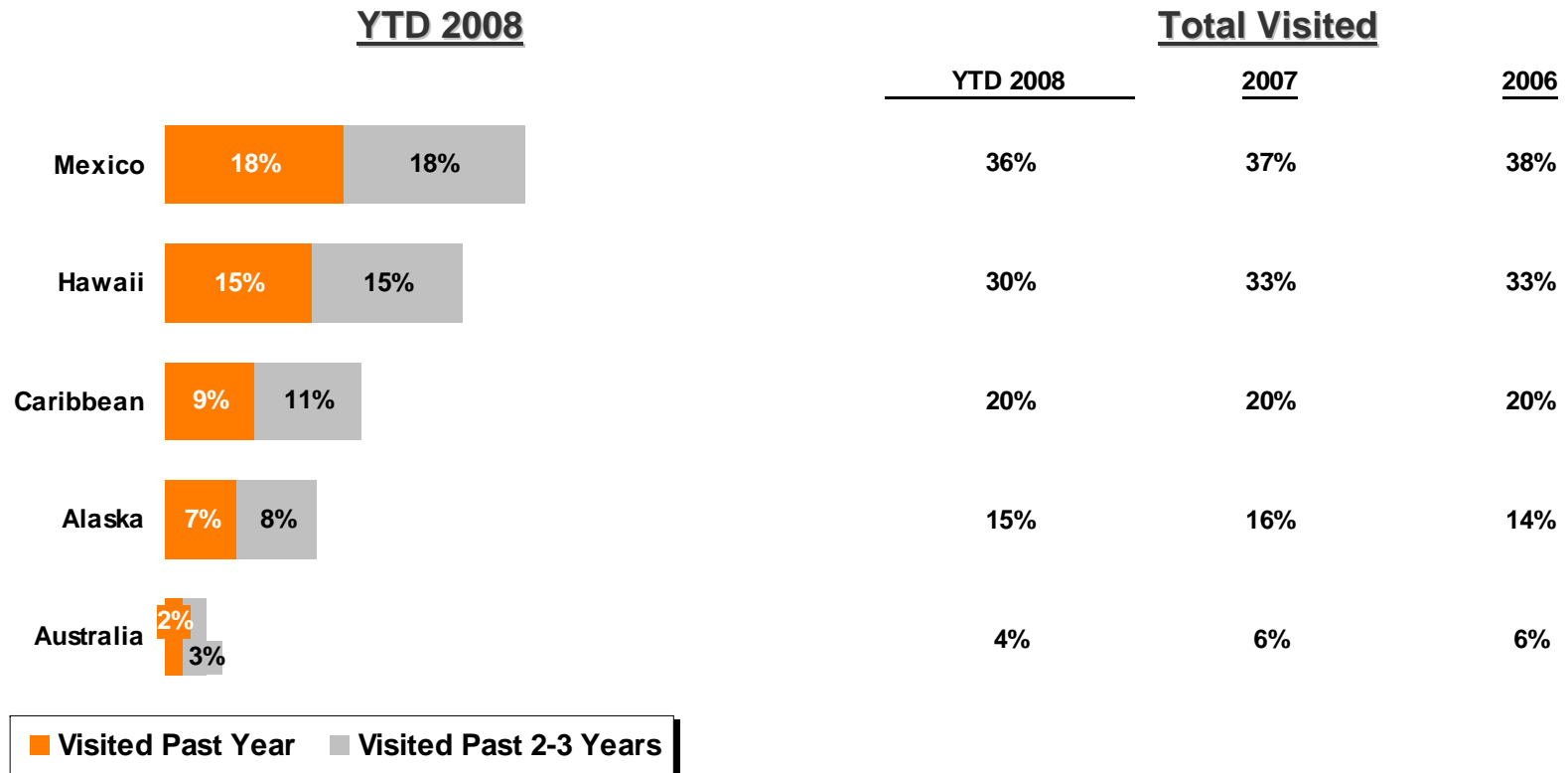
Destinations Visited Past Year/Past 3 Years (Q6)

Western US Market



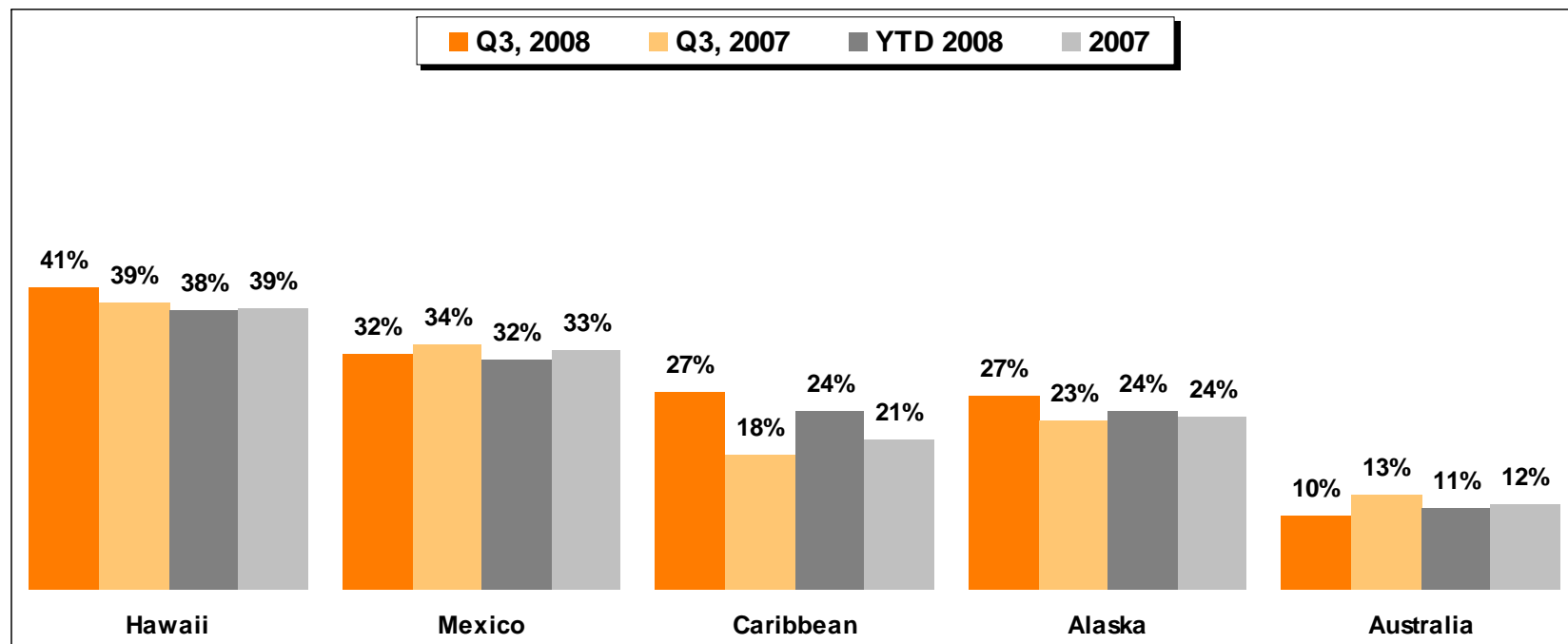
Destinations Visited Past Year/Past 3 Years (Q6)

Western US Market



Destinations Planned for Leisure within 24 Months (Q6)

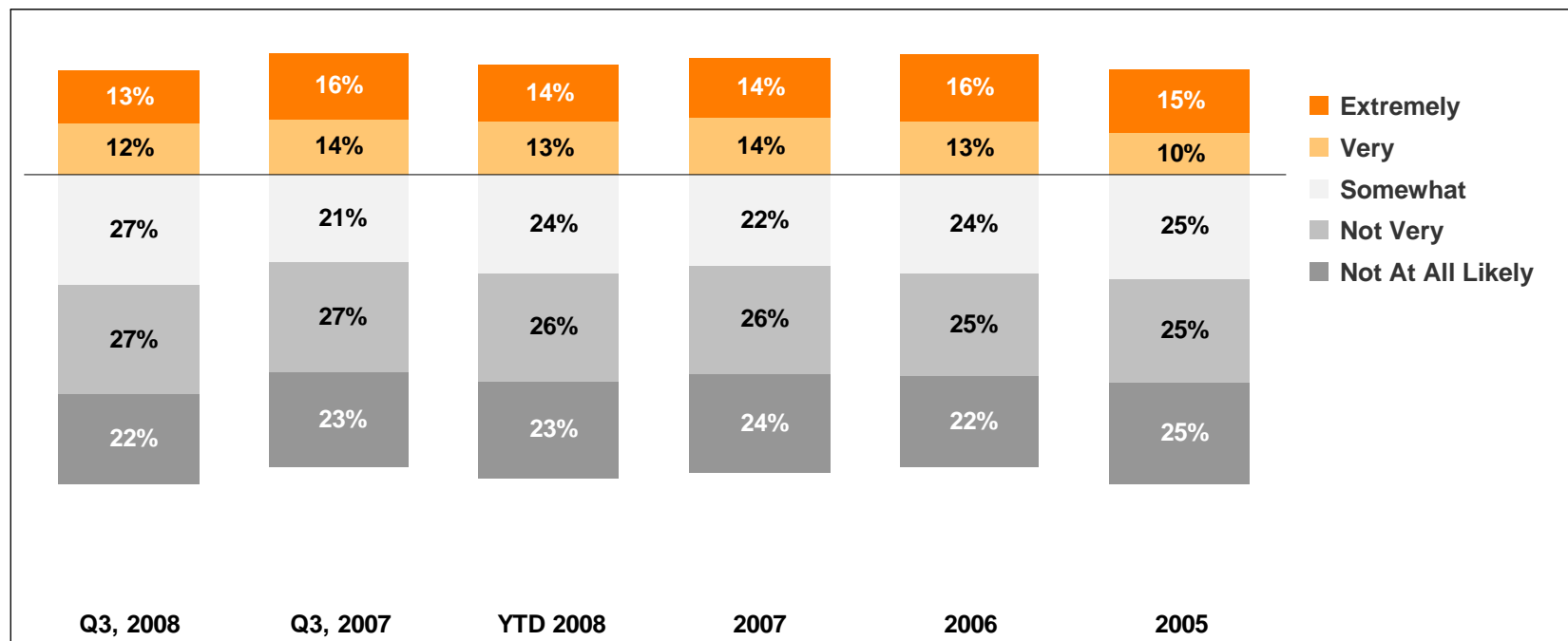
Western US Market



Likely to Visit Hawaii FOR LEISURE (Q14)

Western US Market

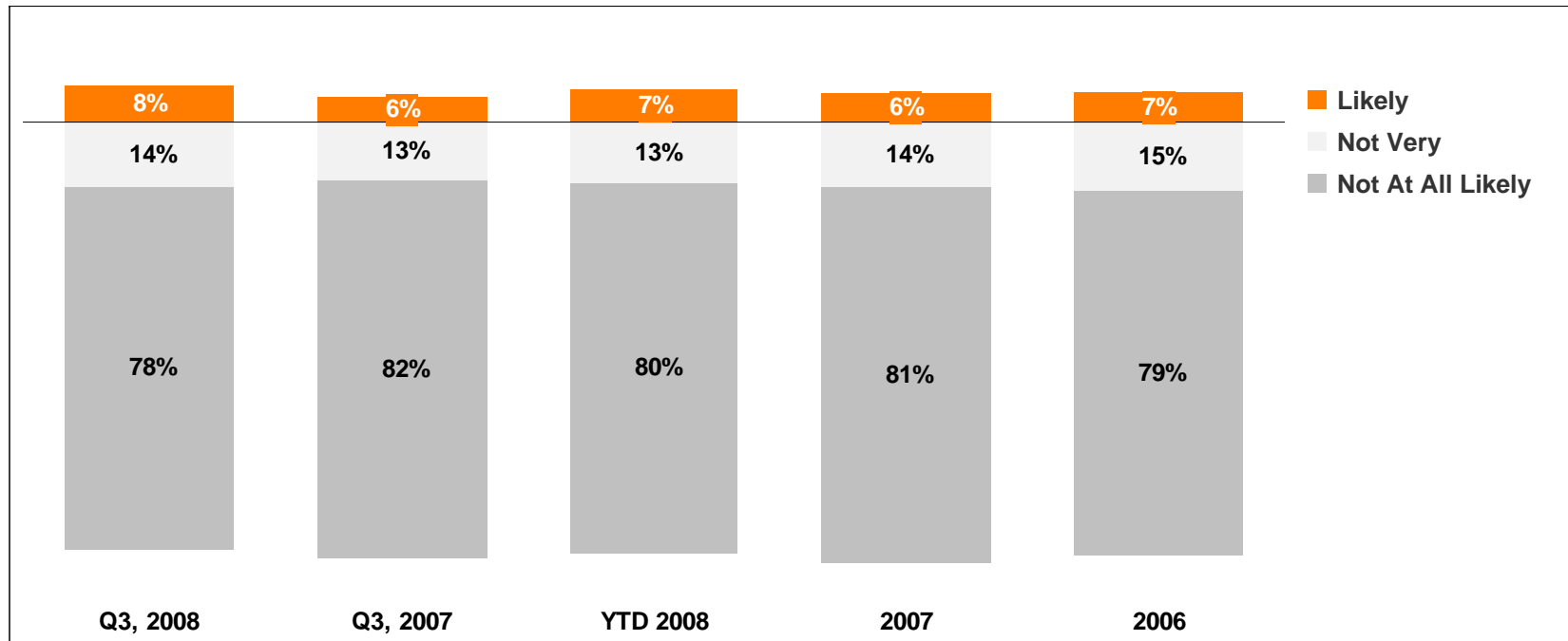
- The proportion of Western US travelers who report that they are *extremely likely* to visit Hawaii (13%) or *very likely* (12%) mirrors prior years. The total of likely visitors also remains much higher than among travelers from the East.
- Hawaii faces the same challenges in enticing Western US travelers to visit in the next 24 months as it does with Eastern travelers; specifically, distance and time (it is still a relatively long flight), cost, and competitor destinations.



Likely to Visit Hawaii FOR BUSINESS (Q15)

Western US Market

- Hawaii is usually selected more often for Western than Eastern US Market business travel. Nonetheless, Hawaii remains an infrequent business destination choice over the next 24 months.



Appendix D: Travel Patterns

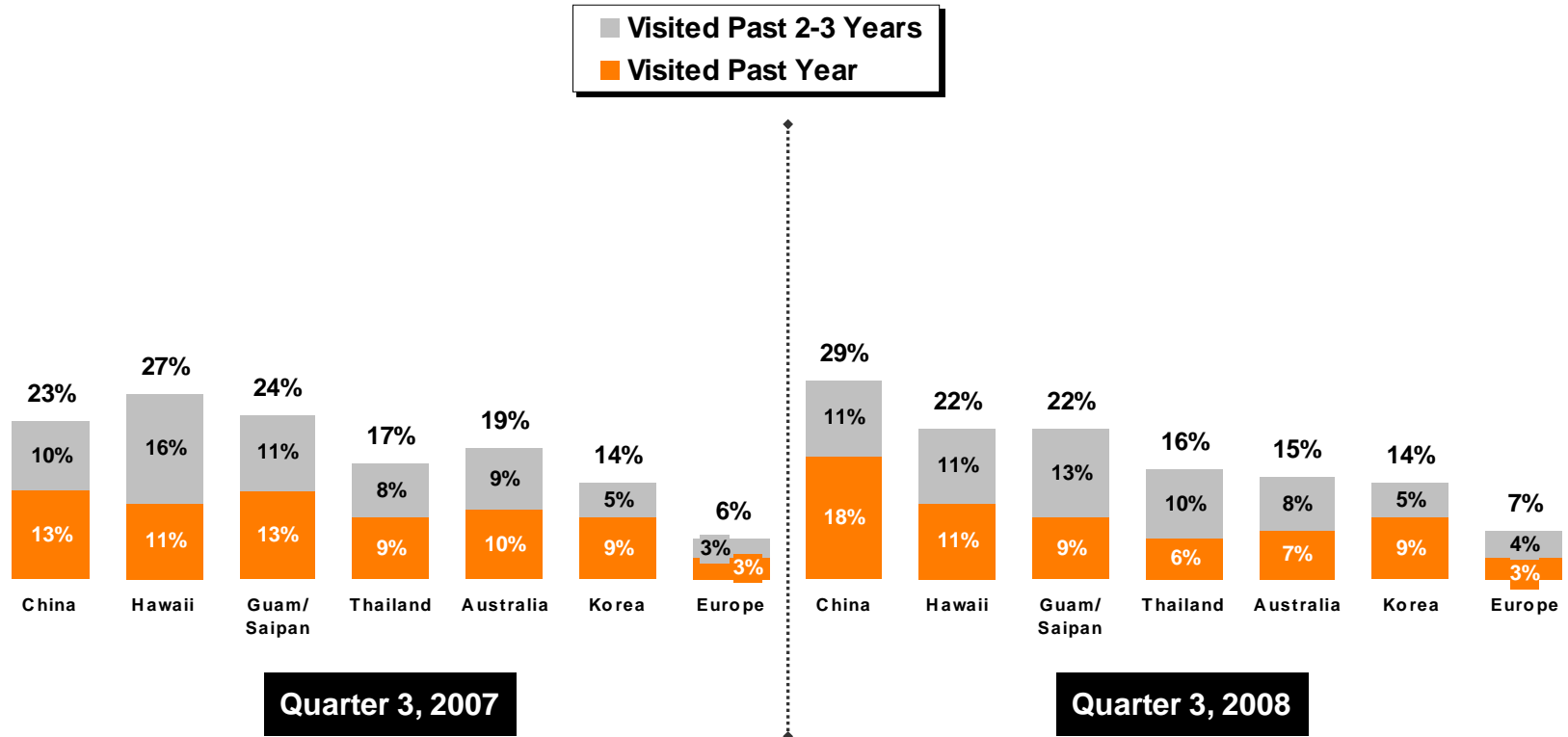
Japanese Market



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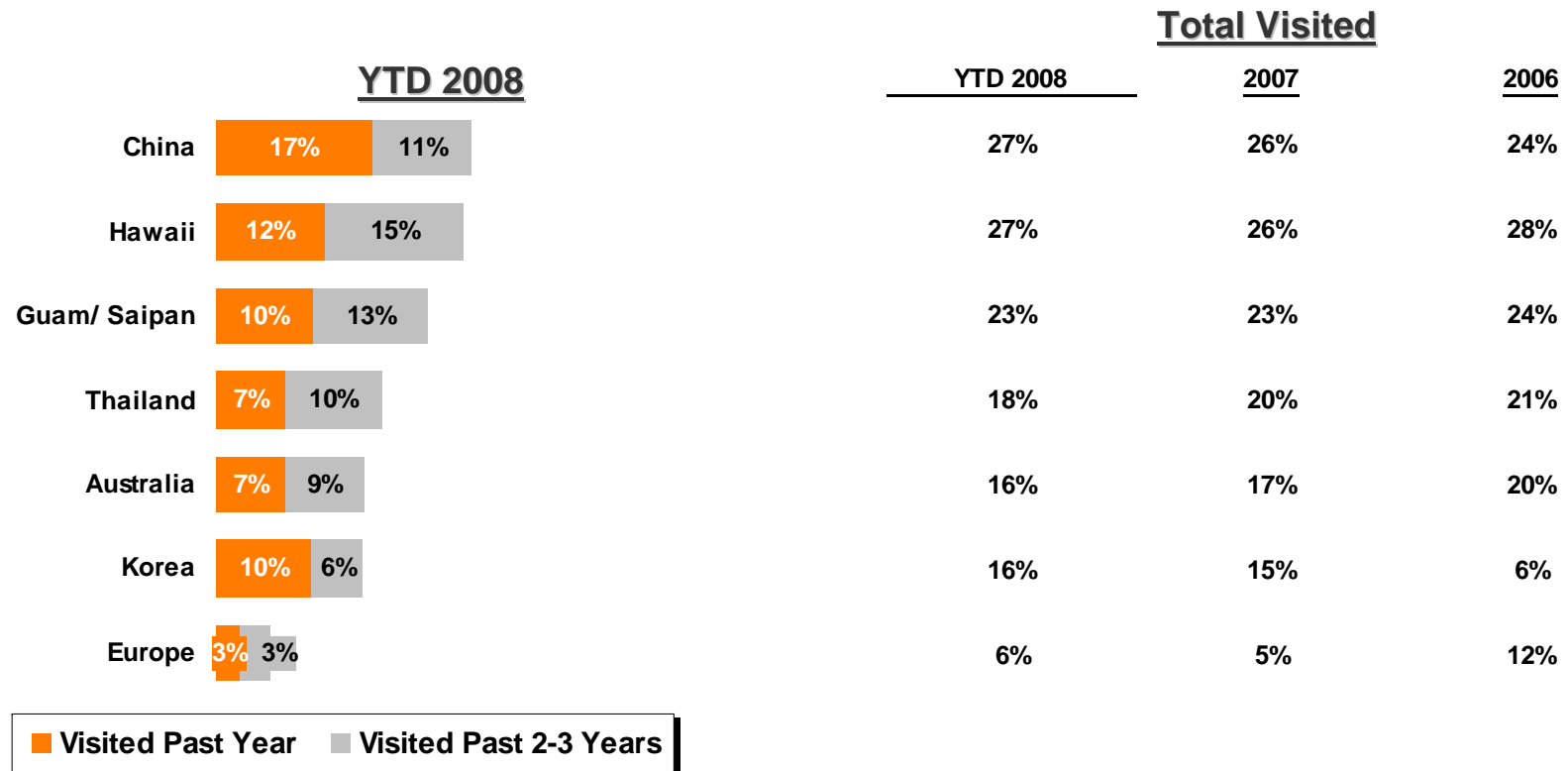
Destinations Visited Past Year/Past 3 Years (Q6)

Japanese Market



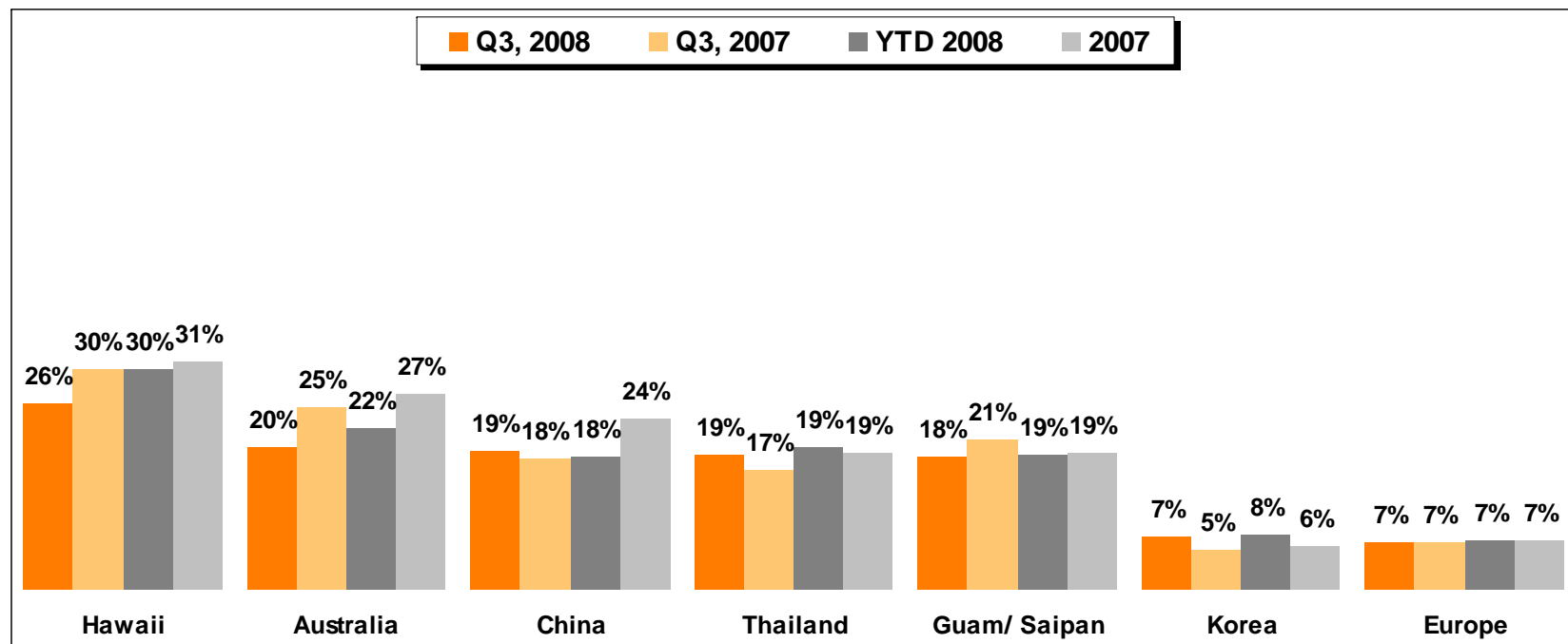
Destinations Visited Past Year/Past 3 Years (Q6)

Japanese Market



Destinations Planned for Leisure within 24 Months (Q6)

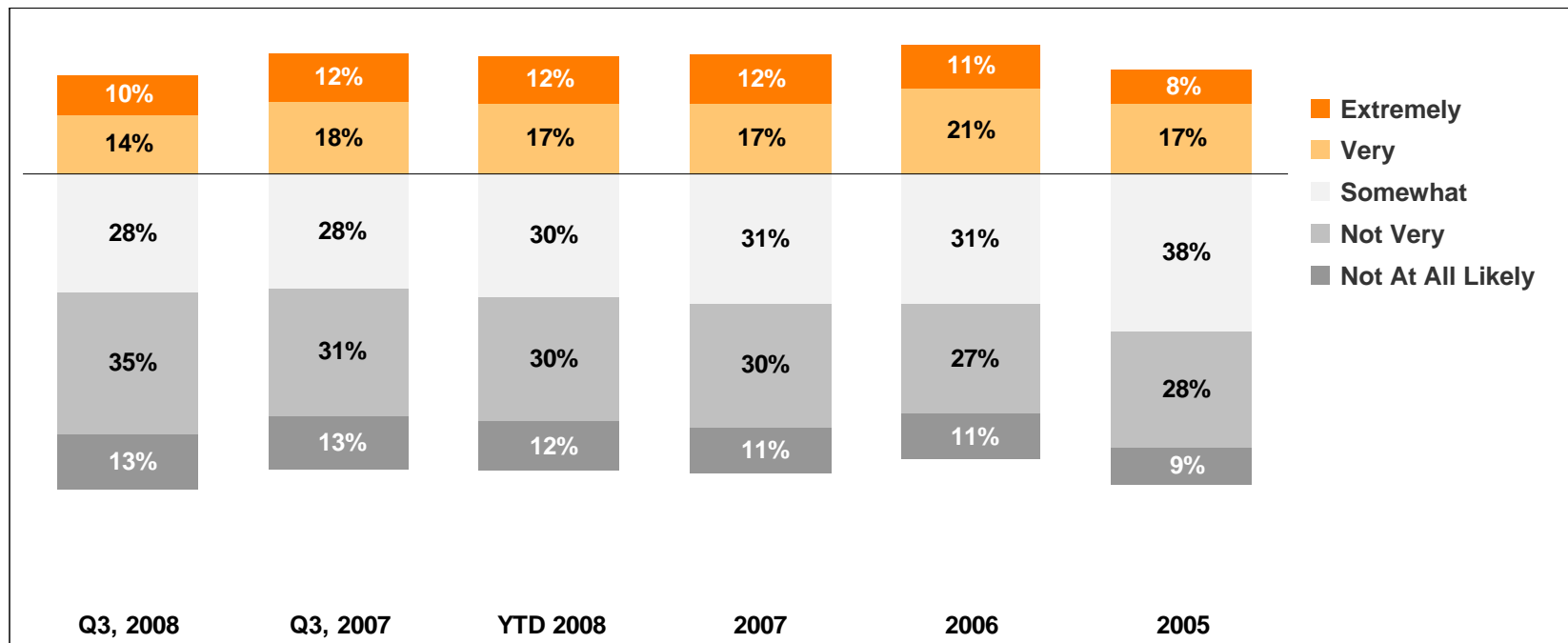
Japanese Market



Likely to Visit Hawaii FOR LEISURE (Q14)

Japanese Market

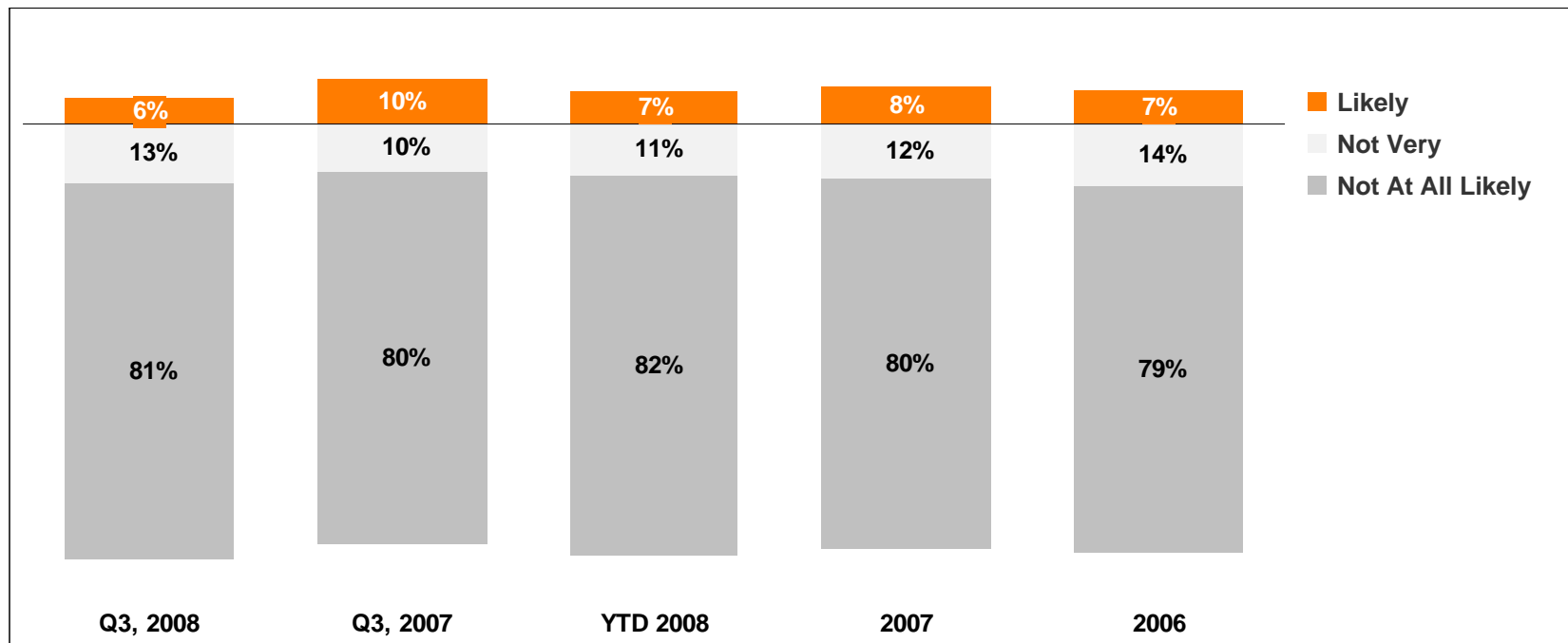
- In Q3, 2008, international Japanese travelers express a smaller likelihood in visiting Hawaii in the next 24 months than a year ago (24% vs. 30%), but 2008 YTD still meets the level set for 2007 in total (29% vs. 29%).
- Meanwhile, the subset of those who state that they are *extremely interested* (and the most likely to visit) slips below the last two years, but remains stronger than the 8% recorded in 2005).
- Of course, Hawaii faces challenges in Japan similar to those in the US in enticing potential visitors; specifically, distance and time, cost, and pressure from competitive destinations.



Likely to Visit Hawaii FOR BUSINESS (Q15)

Japanese Market

- Similar to US residents, Japanese travelers seldom cite Hawaii as a business destination (next 24 months).



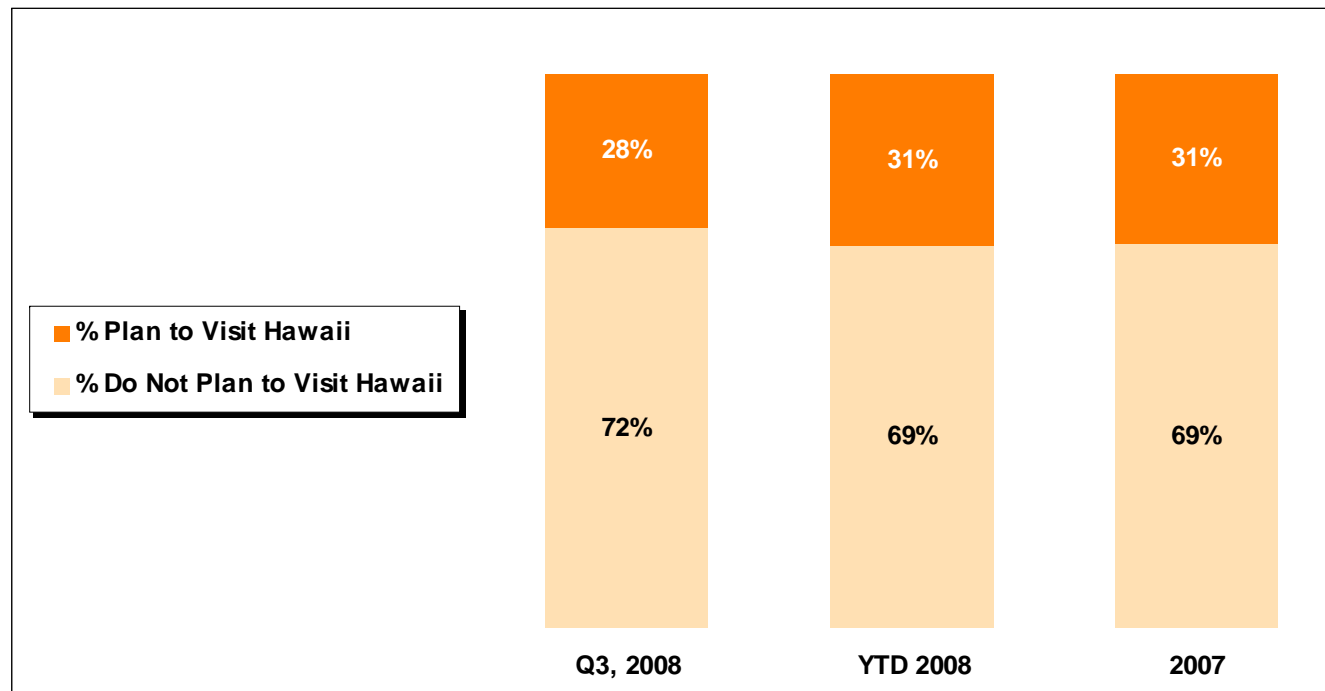
Appendix F: Concerns About Travel and Their Effect on Destination Choices (Japanese Int'l Travelers Only)



Consider Visiting Hawaii in Next 24 Months (Q21)

Japanese Market

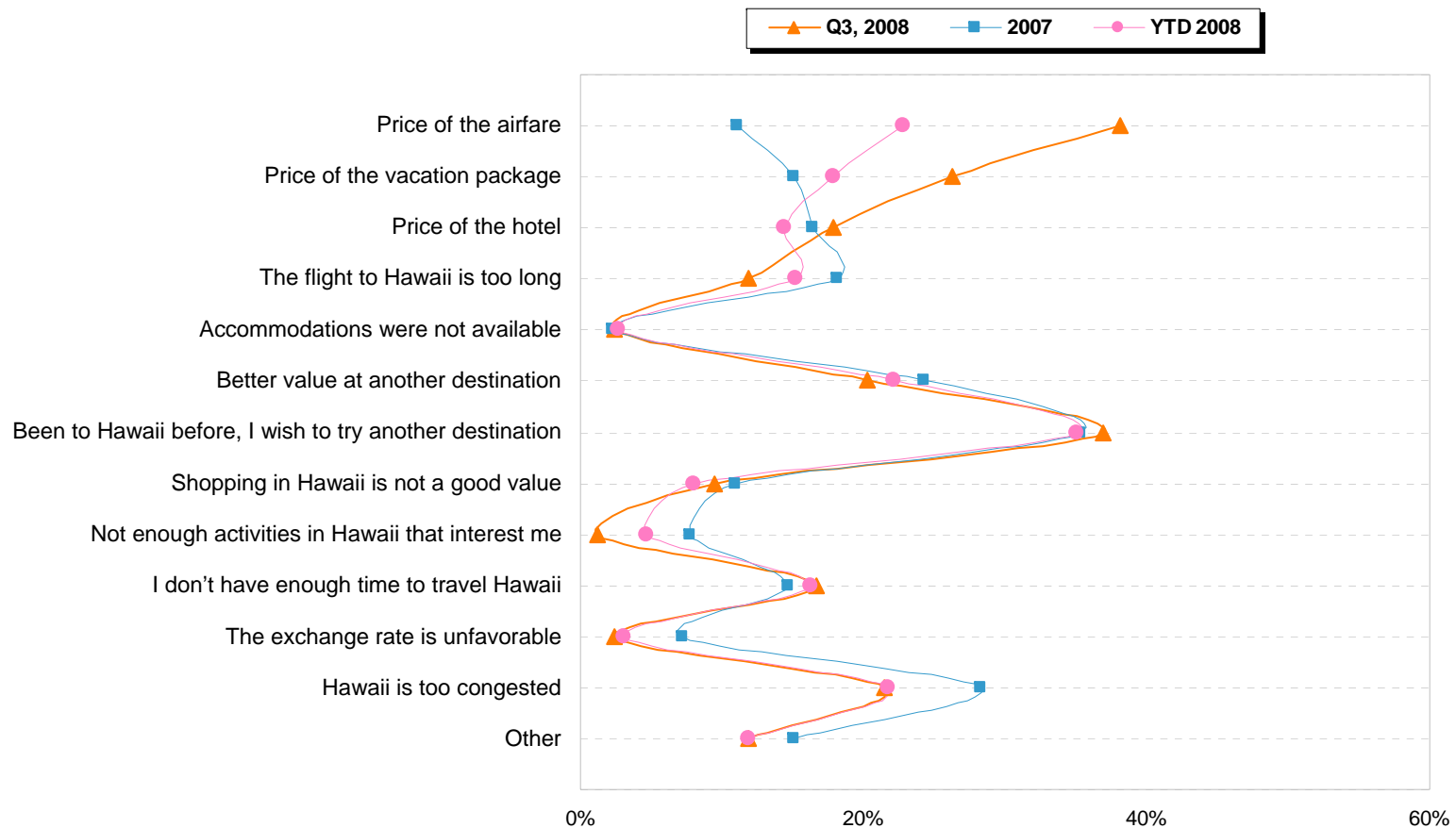
- Despite a dip in Q3, 2008, a third (31%) of Japanese respondents still consider visiting Hawaii in the next 24 months (based to those who answer), matching the level shown for total 2007.



Reasons Not Intending to Visit Hawaii in Next 24 Months (Q22)

Japanese Market

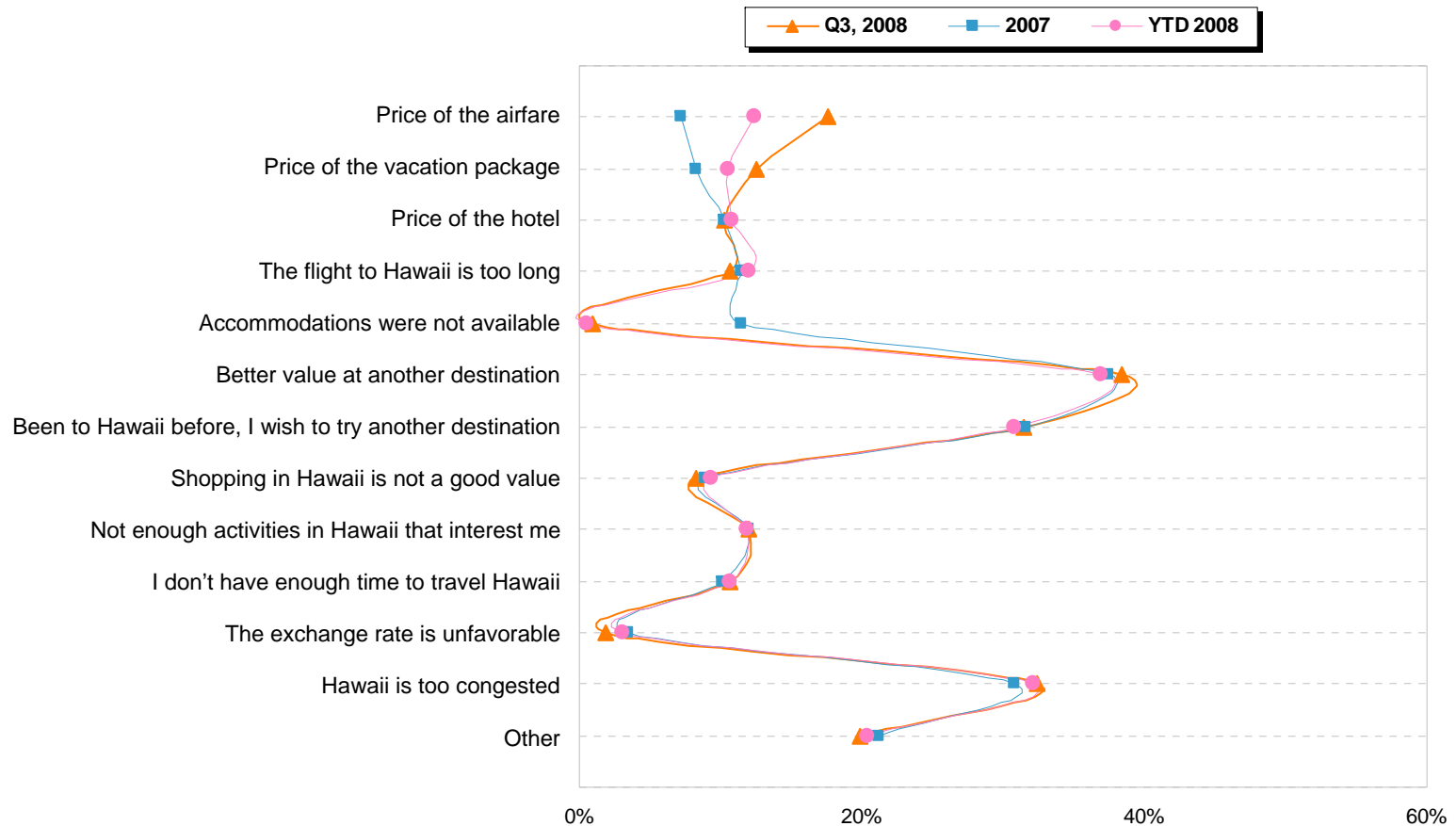
- Quarter 3, 2008: Of (21%) Japanese travelers considering a visit to Hawaii in the next 24 months, but not *intending* to visit, cost issues leap to the forefront. *Price of the airfare* (38%) pushes *been to Hawaii before and wish to try another destination* (37%) into second place (albeit a very close second). Meanwhile, more than twice as many travelers cite *price of the vacation package* (26%) than last quarter (11%). *Too congested* (21%) and *better value at another destination* (20%) remain important, while *price of the hotel* (18%), another cost issue, rises in concern (12% last quarter).
- YTD 2008 vs. YTD 2007 (Q1-Q4): The impact of costs issue alter the reasons for not intending to visit Hawaii. *Price of the airfare* and *vacation package* place notably above last year and *price of the hotel* rises from its position earlier in the year. However, *been to Hawaii before* remains the number one reason for not intending to visit.



Reasons Not Considering a Visit to Hawaii in Next 24 Months (Q23)

Japanese Market

- Quarter 3, 2008: Although costs issues become more of an issue, Japanese travelers who are not considering a visit to Hawaii still most often believe that they will discover a *better value at another destination* (38%). They also resist because they have *been there before* (32%) and want to avoid *congestion* (32%). Airfare (18% from 10% last wave) and price of the vacation package (13% from 9%) become more important at the secondary level.
- YTD 2008 vs. YTD 2007 (Q1–Q4): Issues revolving around costs rise in concern from last year (*airfare* and *vacation packages*) while most travelers no longer expect problems with *accommodations availability*.





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