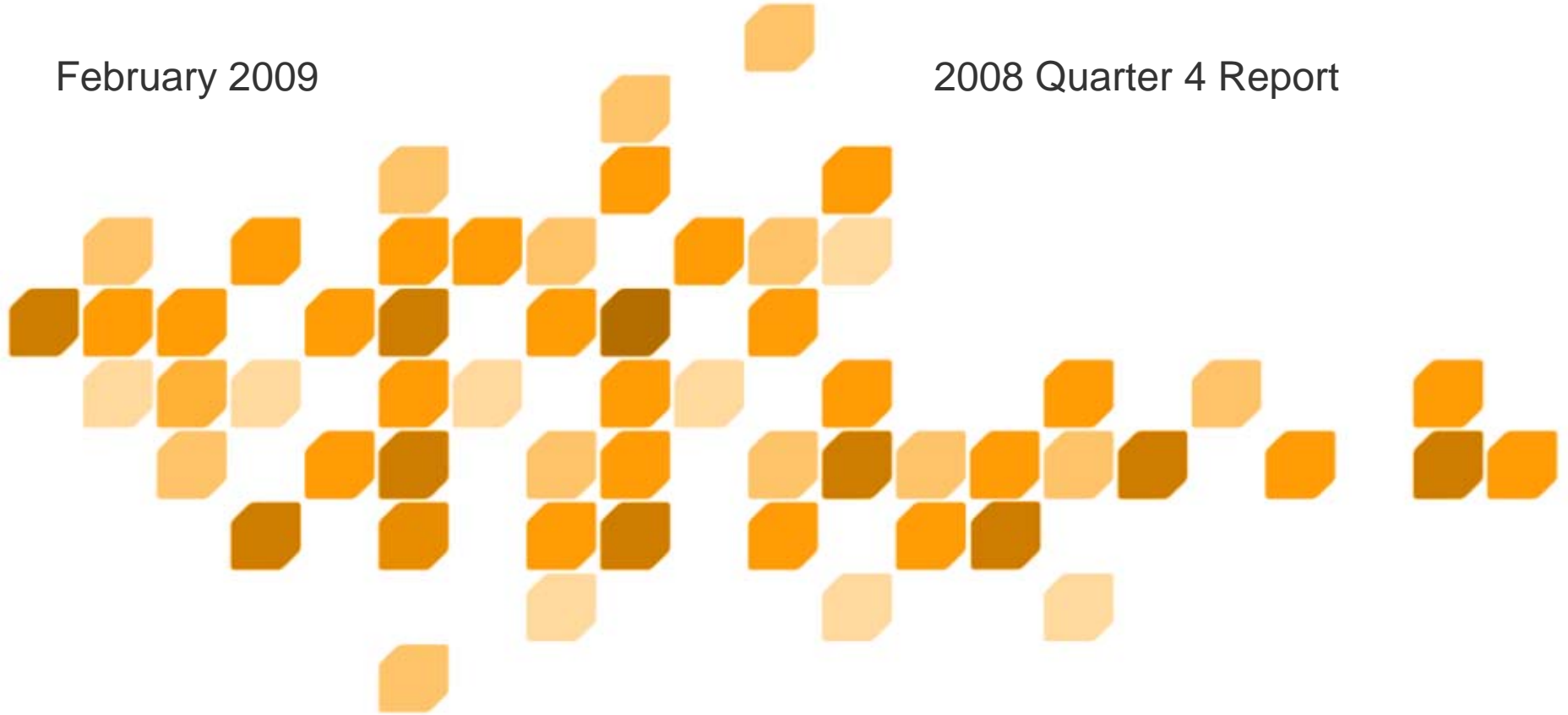


February 2009

2008 Quarter 4 Report



# Purposes and Methodology



# Research Objectives

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This is the 24<sup>nd</sup> quarterly report of a tracking study for Hawaii.

Over time, this research tracks the impact and effectiveness of advertising campaigns. This wave (Q4, 2008) is the eighth 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

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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 October 09 and December 22, 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 October 03 and December 15, 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

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	Total	Eastern US	Western US	Japan
<b>Quarter 4, 2008</b>				
Mailout	6,893	3,180	3,180	533
Qualified	1,166	384	381	401
<b>Quarter 3, 2008</b>				
Mailout	6,893	3,180	3,180	533
Qualified	1,191	392	396	403
<b>Quarter 2, 2008</b>				
Mailout	6,893	3,180	3,180	533
Qualified	1,226	408	415	403
<b>Quarter 1, 2008</b>				
Mailout	6,893	3,180	3,180	533
Qualified	1,173	386	384	403

# Summary and Implications



# Summary

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## Background and General Characteristics

This summary presents the Fourth 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 4, 2008 vs. Quarter 4, 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 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)

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## 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 is used 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)

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### Competitive Preference for HAWAII (Q4 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 (8), including ties, on 15 of the 28 image attributes. Overall, **Hawaii** shares the lead with **Florida** on *safe/secure* (the most important item), and leads on *clean environment*, *friendly local people*, *unique scenery*, *nature-based activities*, *romantic place*, and *adventure activities* (the latter shared with the **Caribbean**). 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). **Florida** (ranking first on 7 attributes) clearly wins on the second most important one (*value for the money*) and matches **Hawaii** on the very most important (*safe/secure*). However, **Hawaii** receives the highest recognition for *clean environment*, the third most important.
- **Since the end of 2007:** Preference for Hawaii during 2008 generally remains the same or improves for each image attribute.
- **Considered Destinations:** As in the past within the **Eastern Market**, Florida (35%) and the Caribbean (32%) exceed other destination areas in interest. Further, a higher proportion of long distance travelers in this market also consider traveling to California (25%), Las Vegas (25%), and Europe (21%) for a vacation over Hawaii (18%). Hawaii slimly maintains its edge over Mexico (17%). 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 (36%) still ranks third – behind Florida (42%) and the Caribbean (41%), but ahead of Las Vegas (30%), Europe (30%), California (27%), and Mexico (22%).

# Summary (cont'd)

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## Behavior Segments: Preference for HAWAII (Q4 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* (2<sup>nd</sup> in importance vs. 11<sup>th</sup> 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 6<sup>th</sup> place from 25<sup>th</sup> 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 2<sup>nd</sup> from 15<sup>th</sup> and *variety of cultural activities* to 4<sup>th</sup> from 17<sup>th</sup>). 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*, *shopping*, and *good place for family/children*. Most attributes reflect little to no change.
  - **Adventure Seekers:** As anticipated, Adventure Seekers place much greater emphasis on *adventure activities* (importance jumps to 5<sup>th</sup> from 26<sup>th</sup> and *wide variety of recreational choices* moves to 10<sup>th</sup> from 18<sup>th</sup>) than other travelers. Their image of Hawaii closely mirrors last year, but a few slip slightly from last year: *good value for the money*, *always more to keep coming back*, and *different experience than other places*. 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 (28<sup>th</sup> of the 28 items) to first. The small sample of this group is subject to considerable volatility. Most attributes in this behavioral segment remain static or improve except for the two most important (*golf* and *safe/secure*), which place below last year.

## Summary (cont'd)

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### Competitive Preference for HAWAII (Q4 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 more than half (16) of the 28 items (including four on which it shares the lead with another destination: *safe/secure*, *accommodations*, *special events/festivals*, and *nightlife*). 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, and shares the lead on *safe and secure*, the most important item. Next are: **Mexico** (leads/shares the lead on 5, including the second-most important *value for the money*), **Australia** (leads/shares the lead on 5), and the **Caribbean** (ties **Hawaii** for the lead on *variety of nightlife*).
- **Since the end of 2007:** Images during 2008 generally remain the same. Only minor (insignificant) shifts appear, the largest gap (downward) occurs for *easy to get there*.
- **Considered Destinations:** Western long distance travelers prefer Hawaii among its competitive set, in this order: Hawaii (36%), Las Vegas (32%), Alaska (26%), Europe (25%), Mexico (25%), the Caribbean (22%), and Australia (13%). **Past Hawaii visitors** find Hawaii strikingly more enticing than other destinations (54% consider it vs. 32% in a tie for second-place between Las Vegas and Alaska).

# Summary (cont'd)

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## Behavior Segments: Preference for HAWAII (Q4 2008 YTD) – Western Long Distance Travelers:

- Preference for Hawaii remains static/slightly dips 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* (2<sup>nd</sup> in importance vs. 14<sup>th</sup> 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 5<sup>th</sup> place from 25<sup>th</sup> 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 1<sup>st</sup> place from 12<sup>th</sup> while *variety of cultural activities* moves to 3<sup>rd</sup> from 17<sup>th</sup>). 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 3<sup>rd</sup> from 26<sup>th</sup> and *wide variety of recreational choices* moves to 11<sup>th</sup> from 18<sup>th</sup>) than other Western US travelers. *Great place to get away from it all* rises to first place (from 3<sup>rd</sup>). Adventure Seekers' image of Hawaii loosely mirrors last year, with differences occurring both above and below 2007. The most striking gains appear for *unique scenery*, *different experience than other places*, and *shopping* while *easy to get there* and *romantic* 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 (28<sup>th</sup> 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)

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## 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 is used 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)

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### Competitive Preference for HAWAII (Q4 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 two-thirds (20) of the 30 dimensions (including three ties with Australia) and ranks second place on yet 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.
- **Competitor results:** As in the Western US Market, the four key competitors (**Thailand**, **Australia**, **Guam/Saipan**, and **China**) trail **Hawaii**. Including the three items (*safe/secure*, *value for the money*, and *entertainment*) which tie with **Hawaii**, **Australia** maintains the second-strongest image (leading on 11). **Guam/Saipan** and **China** outperform others on only one dimension each; **Thailand** on none.
- **Since the end of 2007:** Hawaii's 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 (36%) in second place among a short list of international competitors: Europe (49%), Hawaii (36%), Australia (34%), Korea (25%), Guam/Saipan (22%), Thailand (19%), and China (15%). Of course, **past Hawaii visitors** hold it in much higher esteem – Hawaii (64%) leads second Europe (46%) and third place Australia (39%) by a wide margin.

# Summary (cont'd)

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## Behavior Segments: Preference for HAWAII (Q4 2008 YTD) – Japanese International Travelers:

- Although results from Q4 2008 vs. Q4 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* (5<sup>th</sup> in importance vs. 14<sup>th</sup> among the total Japanese Market). Preference for Hawaii mirrors the year ago level for most dimensions. Only one notably slips, and that by a modest degree: *easy to get there*. Results suggests a static image of Hawaii among those in this behavioral segment.
  - **Romance Seekers:** These travelers emphasize *romance* (it moves to 7<sup>th</sup> place from 22<sup>th</sup> in importance). Of all the dimensions, Hawaii remains in place or slips slightly compared to a year ago, with the most notable dip occurring 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 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 2<sup>nd</sup> from 6<sup>th</sup> and *variety of cultural activities* to 9<sup>th</sup> from 21<sup>st</sup>). Hawaii's preference remains stable on most attributes except for minor dips on *variety of accommodations*, *always new experiences for the visitor*, and *many things to do for active lifestyles* and an increase for *different experience than other places*. This segment reflects a generally static image in the Japanese Market although minor slippage occurs on less important items.
  - **Adventure Seekers:** As defined and anticipated, Adventure Seekers place much greater emphasis on *adventure activities* (importance jumps to 8<sup>th</sup> from 28<sup>th</sup>). Adventure Seekers' image of Hawaii loosely mirrors last year, with these more noteworthy slips: *adventure activities*, *friendly local people*, *variety of cuisine/dining options*, and *nature-based activities*. Overall results for this behavior segment point toward a somewhat static image of Hawaii that could use a boost.
  - **Golfers:** Golfers move the importance of *golfing* from last place (30<sup>th</sup> 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), that hint of some deterioration in Hawaii's image among those in this behavioral segment.

# Travel Patterns

Eastern Market



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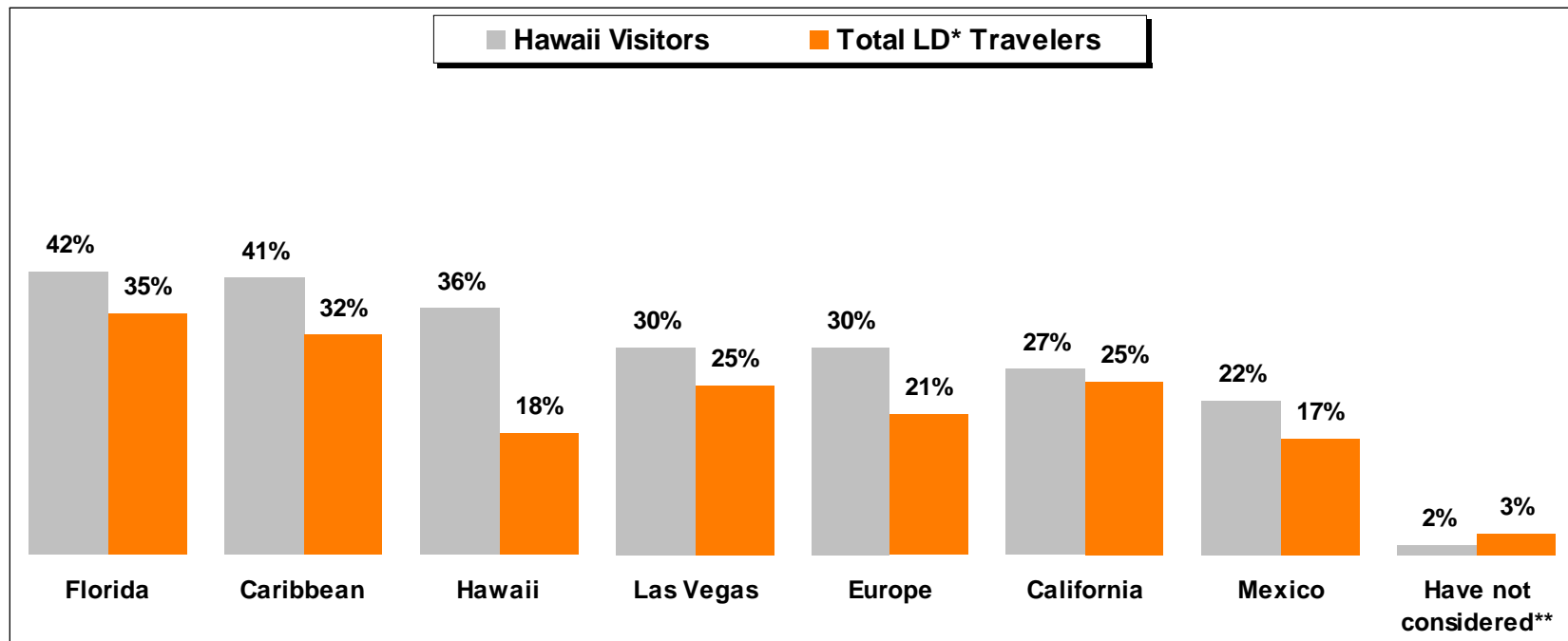
# Considered Destinations (Q3)

## 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, no exceptions. Of course, Hawaii appeals to past visitors (that is why they have been there), but as noted in prior waves, Florida (42%) and the Caribbean (41%) exceed Hawaii (36%) even for them (past visitors). Las Vegas and Europe receive equal levels of interest (30%) for the future, followed by California (27%). Mexico, which enjoyed a brief bounce in Quarter 2, remains in last place.
- Among **all Eastern long distance travelers**, Hawaii (18%) remains ahead of only Mexico (17%), 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"

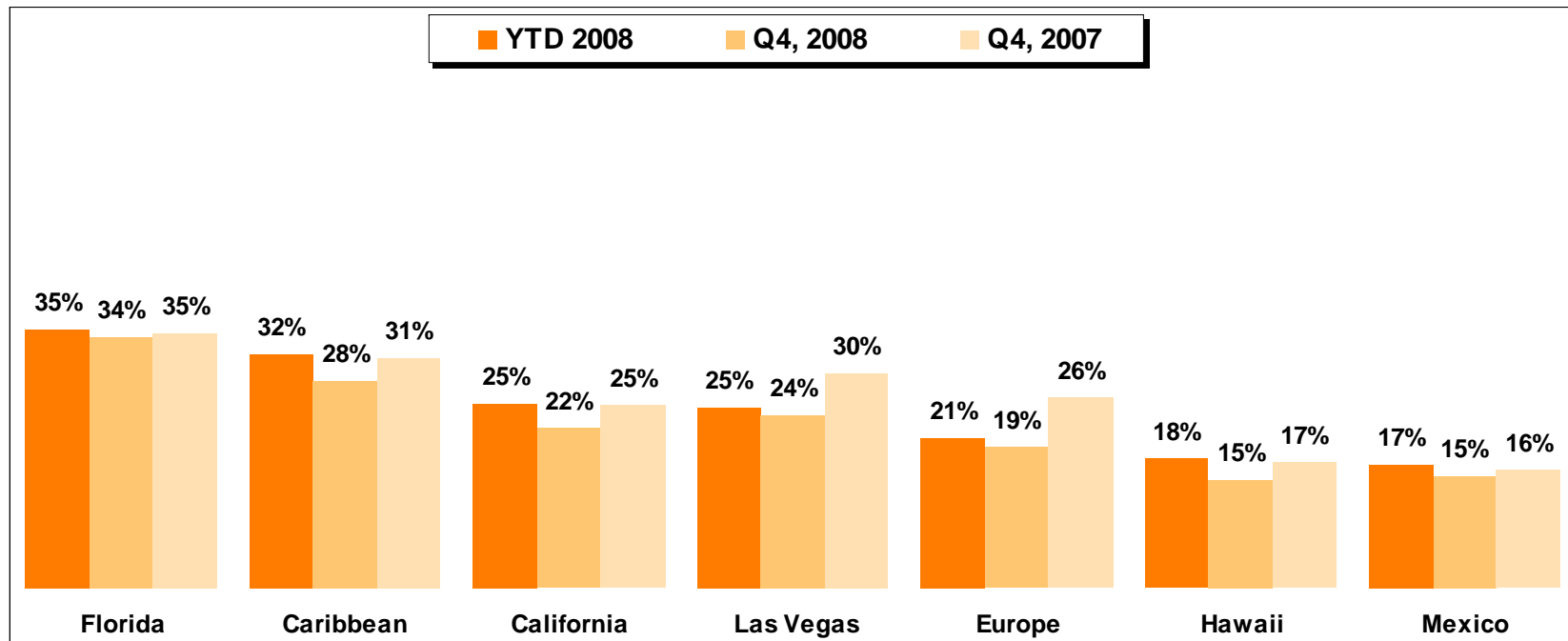
# Considered Destinations (Q3)

## 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 returned to last place, behind Hawaii, in Quarter 3 and stays there this wave:

- Interest in two of the seven listed destinations remain near the level noted a year ago (Florida and Mexico). Hawaii, California, and the Caribbean dip slightly; Las Vegas and Europe drop substantially.
- Compared to calendar year 2007 (not shown), 2008 (YTD) consideration of Hawaii remains the same (18%). These destinations also remain at about the same level: Florida (35% from 33%), the Caribbean (32% from 31%), Las Vegas (25% from 27%), California (25% from 24%), and Mexico (17% from 16%). Europe drops somewhat (21% from 24%).

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)

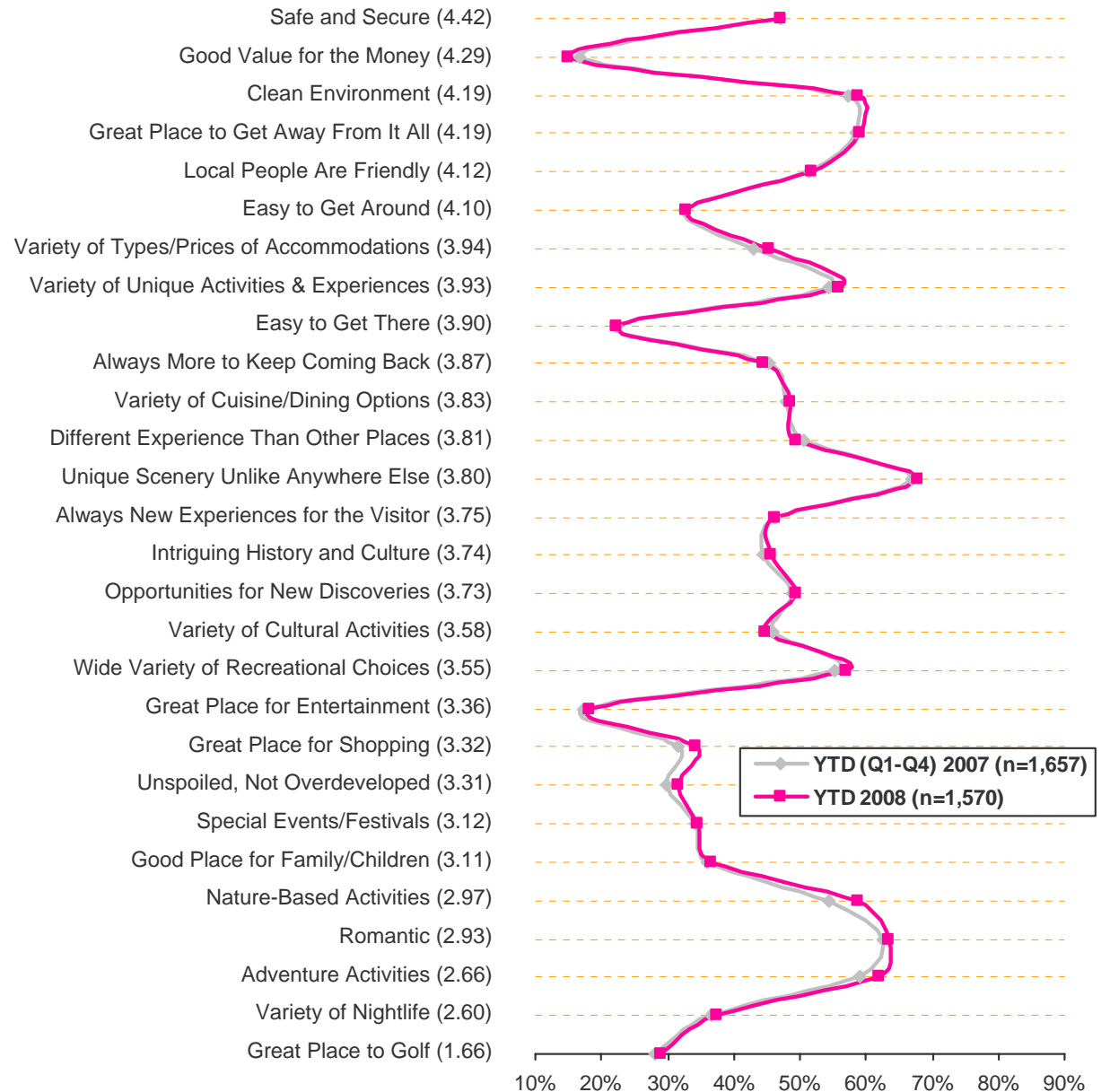
## Eastern Market

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 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)

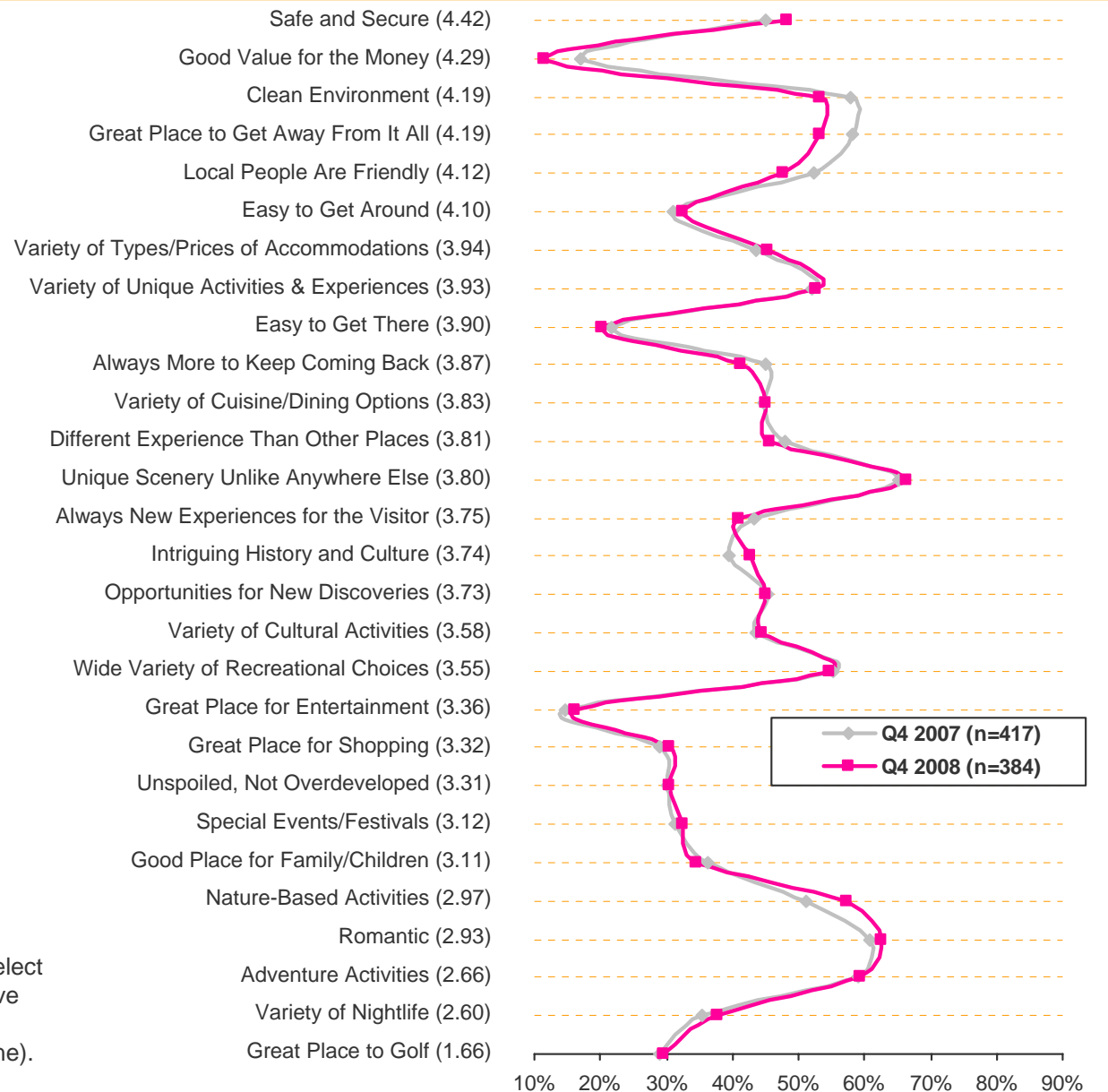
## Eastern Market

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 fourth quarter 2008 results generally match the year-ago quarter on most images, but lag on a few: *good value for the money, clean environment, great place to get away from it all, and friendly local people.* On the other hand, it receives higher marks for *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

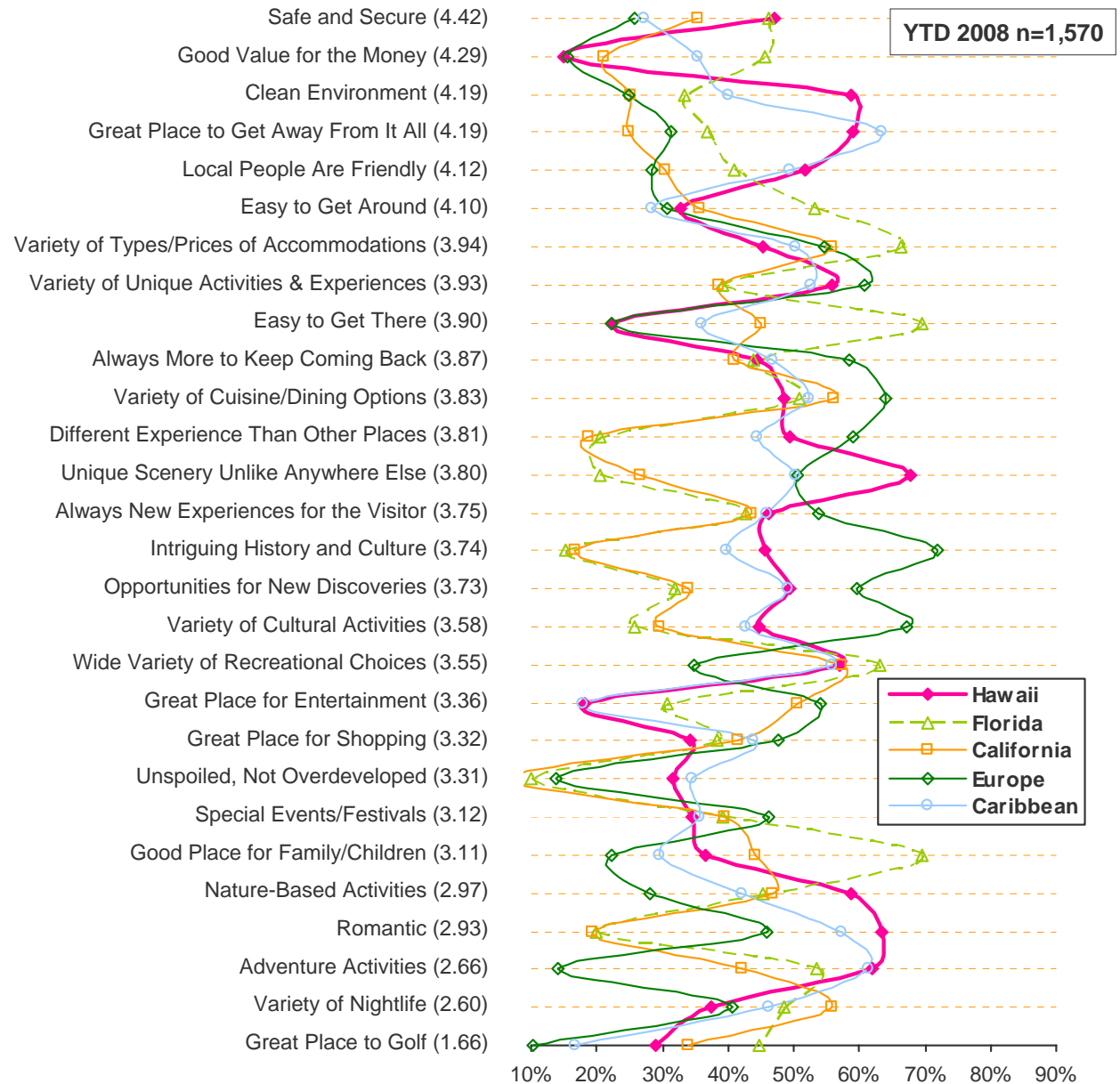


# Prefer Hawaii by YTD (Q5)

## 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)

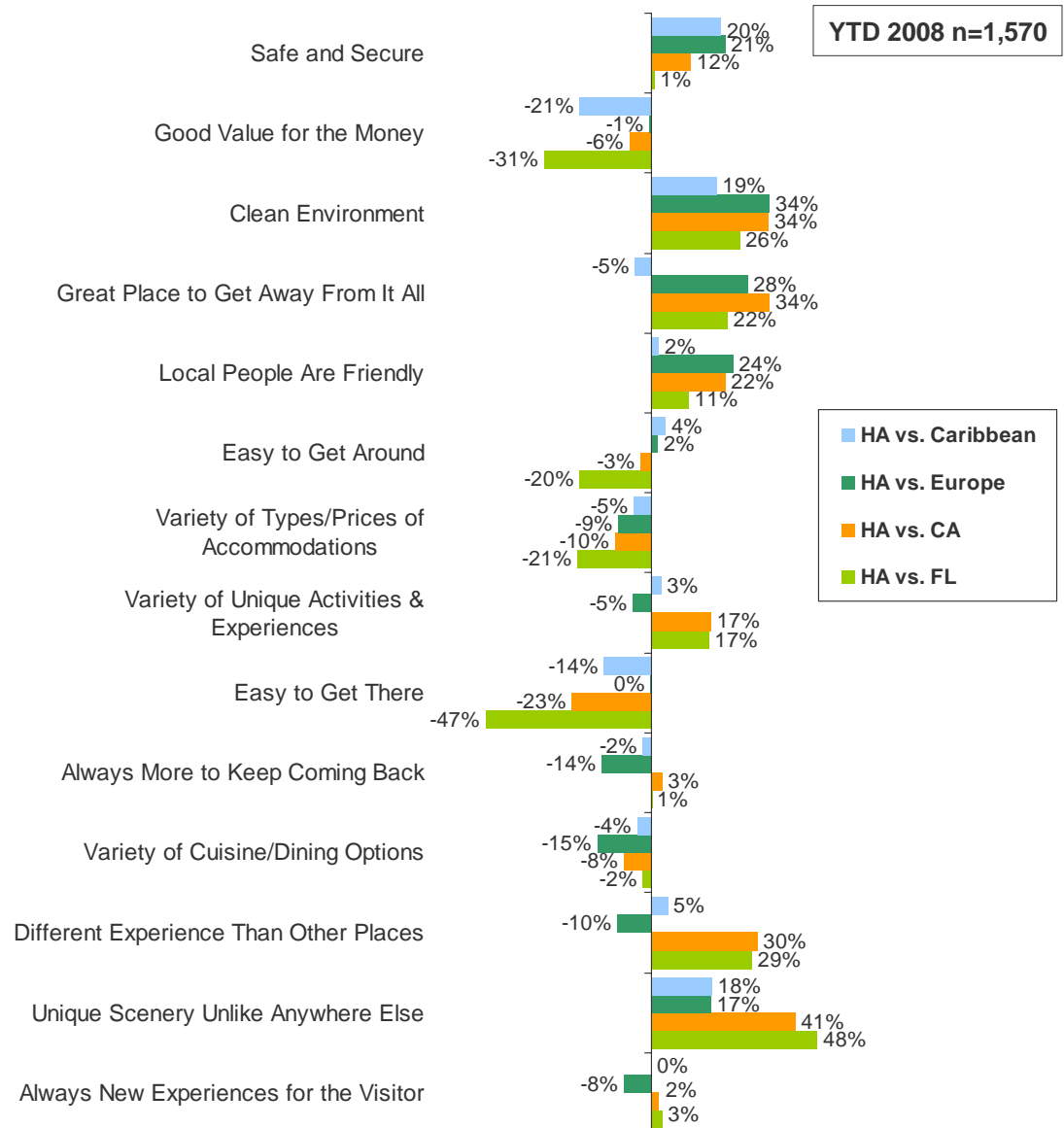
## Eastern Market

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*) and ties Hawaii on *safe and secure*.
- Besides matching **Florida** on *safe/secure* (the most important feature), **Hawaii** leads/ties the lead 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*. Plus, it ranks second on eight other attributes.
- **Hawaii** and the **Caribbean** lead all others by a wide margin on *unspoiled*, with the **Caribbean** slightly ahead of **Hawaii**. The **Caribbean** also leads/ties the lead on *great place to get away from it all* and *adventure 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

Preference for Hawaii Minus Preference for Competitor



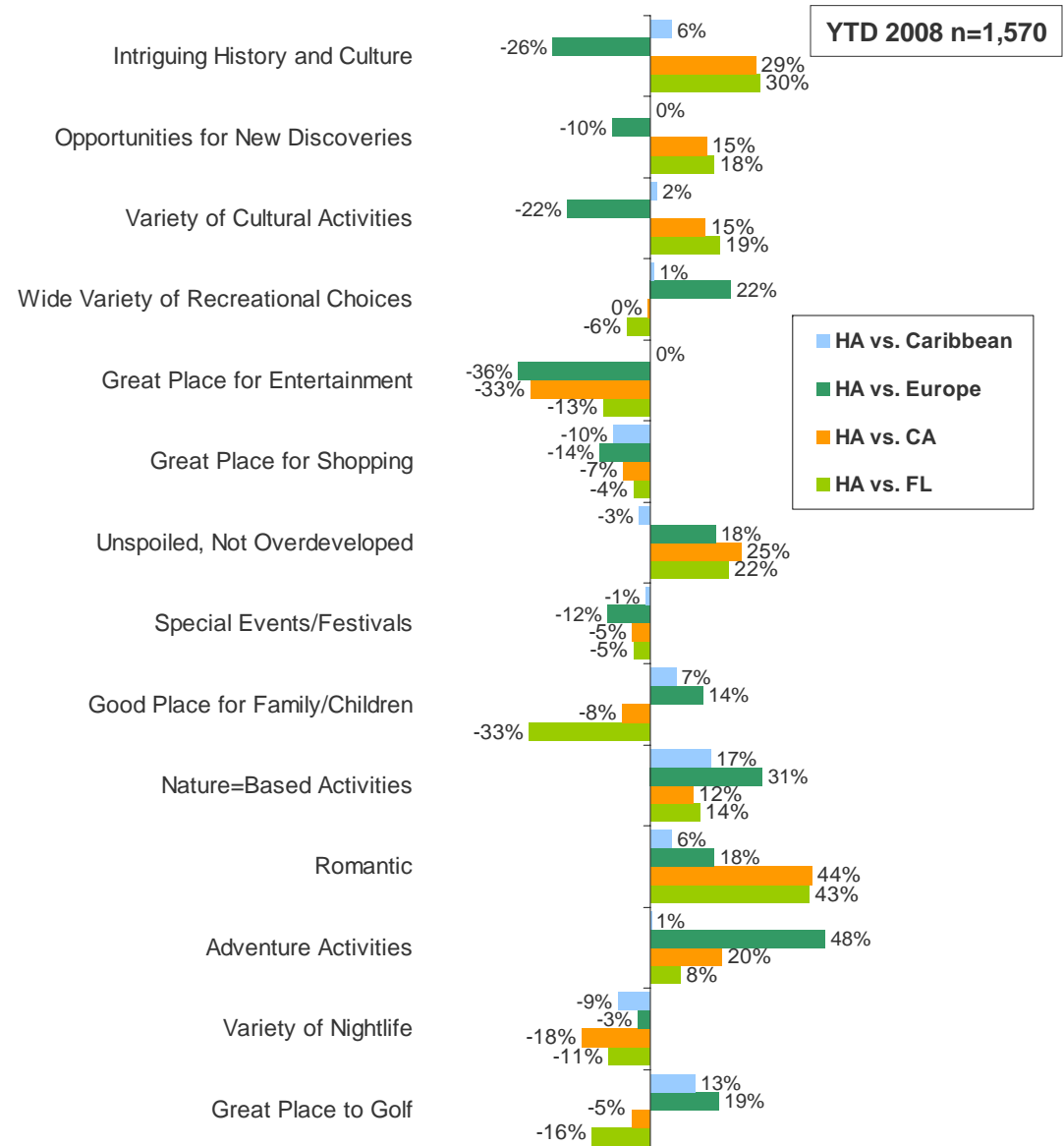
# Preference for Hawaii (Gap Over Competitors) continued

## 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*, *shopping*, *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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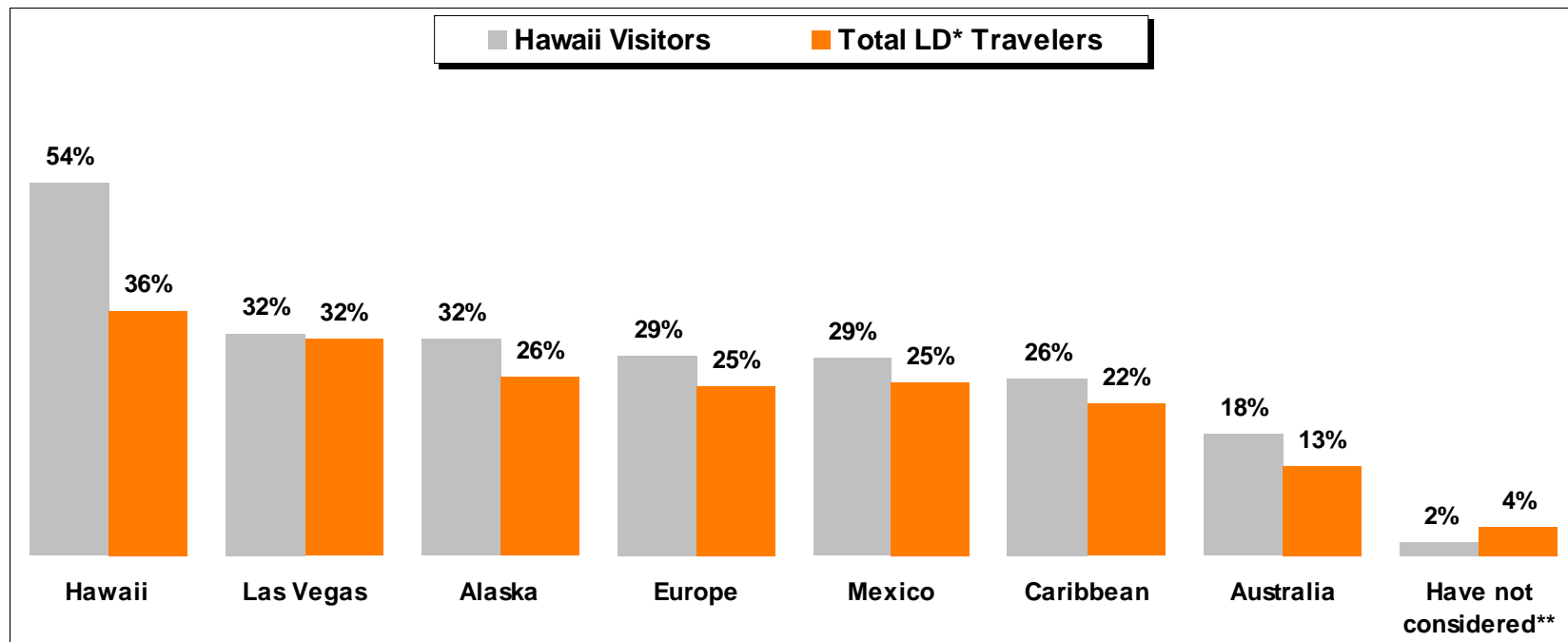
# Considered Destinations (Q3)

## 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 and Alaska rank next for total long-distance travelers, but each vies for a distant second-place among Hawaii visitors. Beyond those destinations, both Hawaii visitors and the total West show equal interest in Europe and Mexico, with the Caribbean not far behind them. Australia lags for both groups.
- Those who visited Hawaii in the past three years are more likely to choose each of these destinations 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"

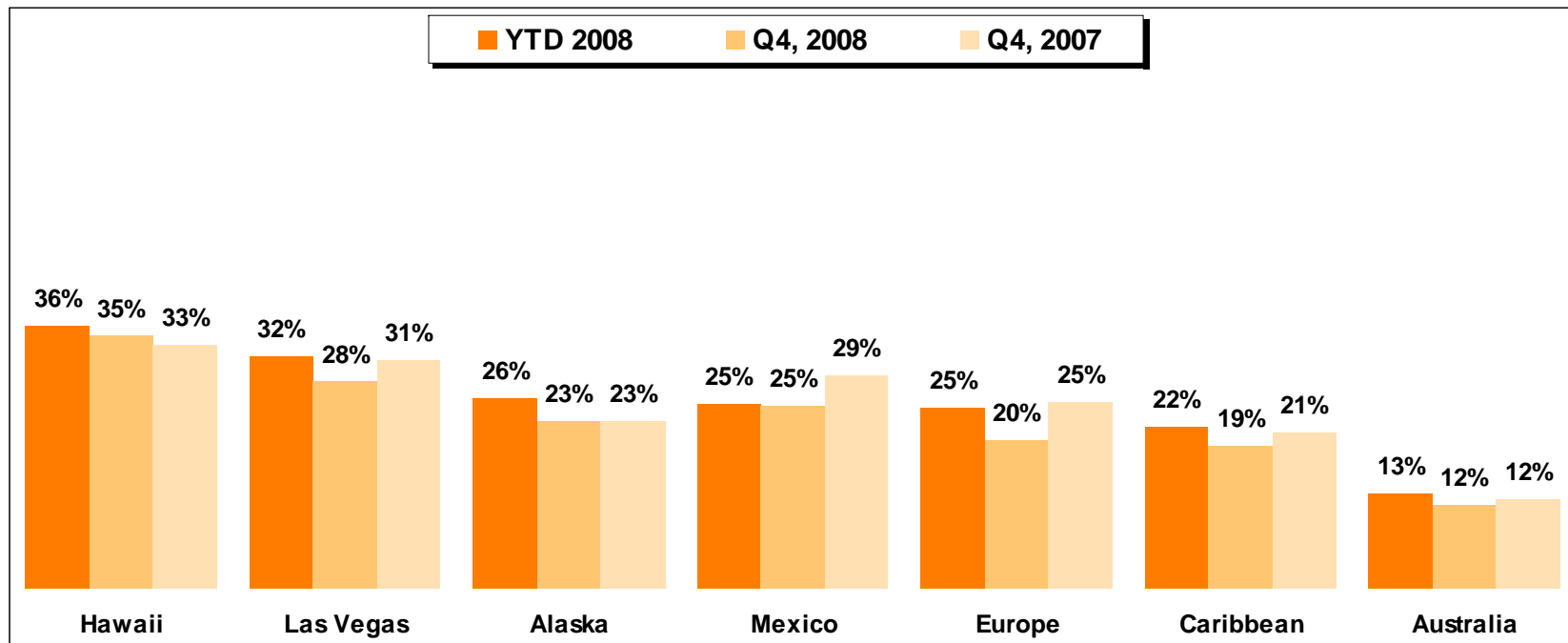
# Considered Destinations (Q3)

## Western US Market

Quarter 4, 2008 highlights:

- Among Western long-distance travelers, Hawaii consistently leads competing destinations, with a wider lead over second-place Las Vegas than a year ago.
- This quarter vs. Q4 a year ago, Hawaii is the only destination that gains (slightly) in interest. Europe and Mexico post the largest dips while Las Vegas and the Caribbean also decline. Alaska and Australia remain about the same.
- YTD, interest in Hawaii (36%) matches 2007 (not shown).

Total LD\* Travelers



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

# Importance of Attributes and Preferences for Hawaii and Competitors

Western Market



# Prefer Hawaii by YTD (Q5)

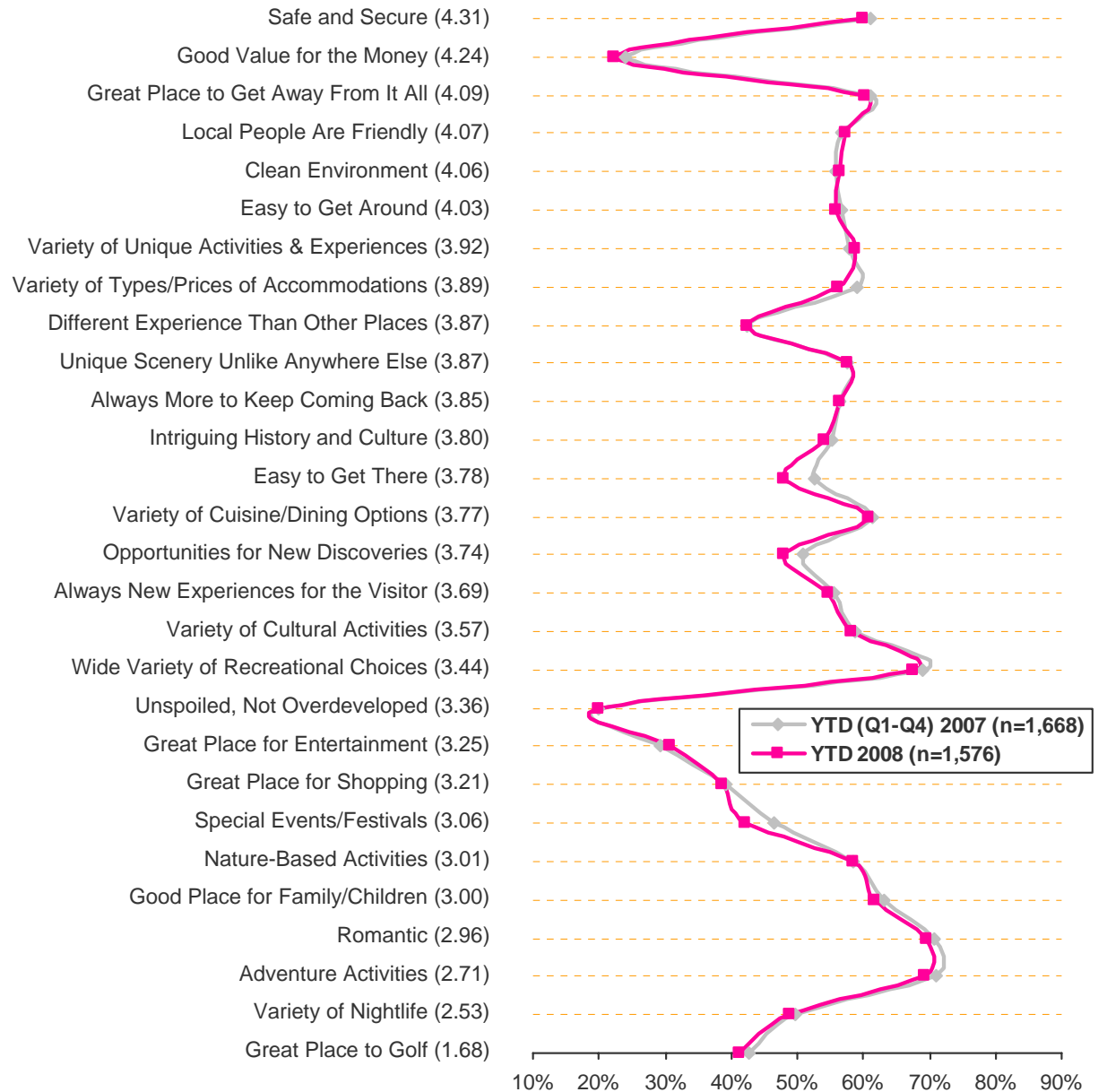
## Western Market

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:

- Hawaii closely mirrors its year-ago image.
- The largest gap is a dip for *easy to get there*.

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

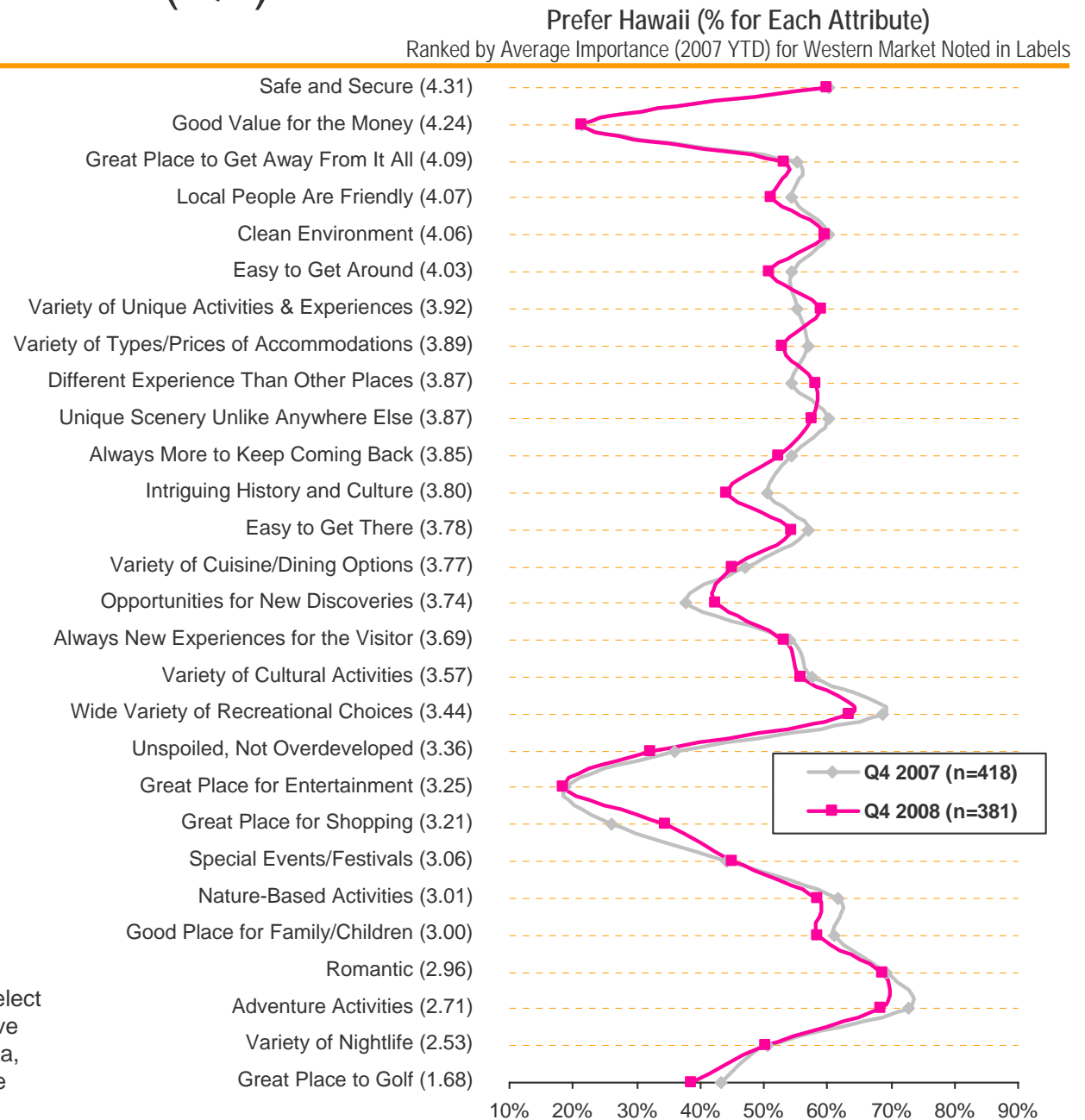
# Prefer Hawaii by Quarter (Q5)

## 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, *shopping*.
- Several items slip below the year ago level, particularly *intriguing history/culture* and *wide variety of recreational choices*.

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

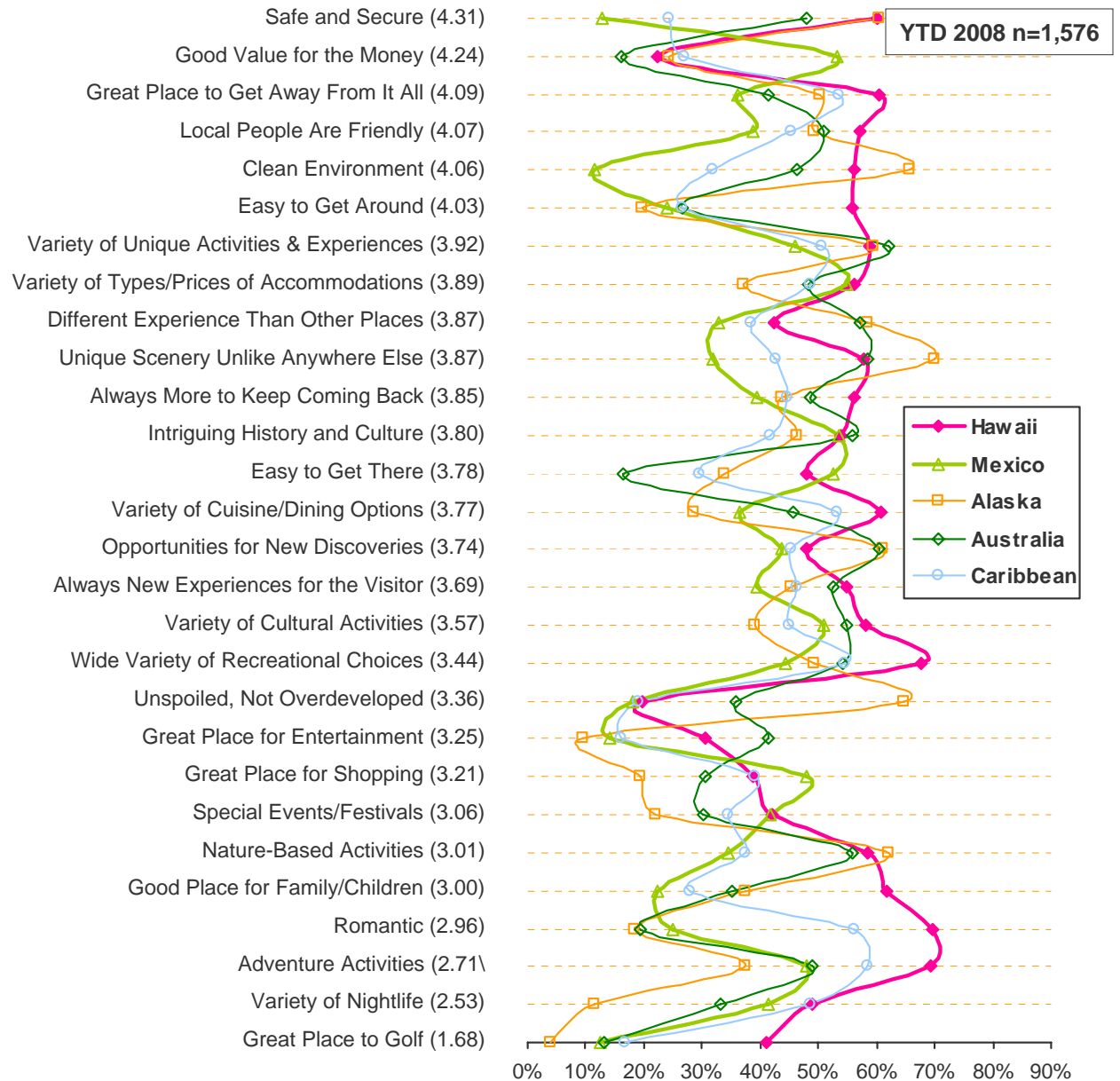


# Prefer Hawaii by YTD (Q5)

## 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)

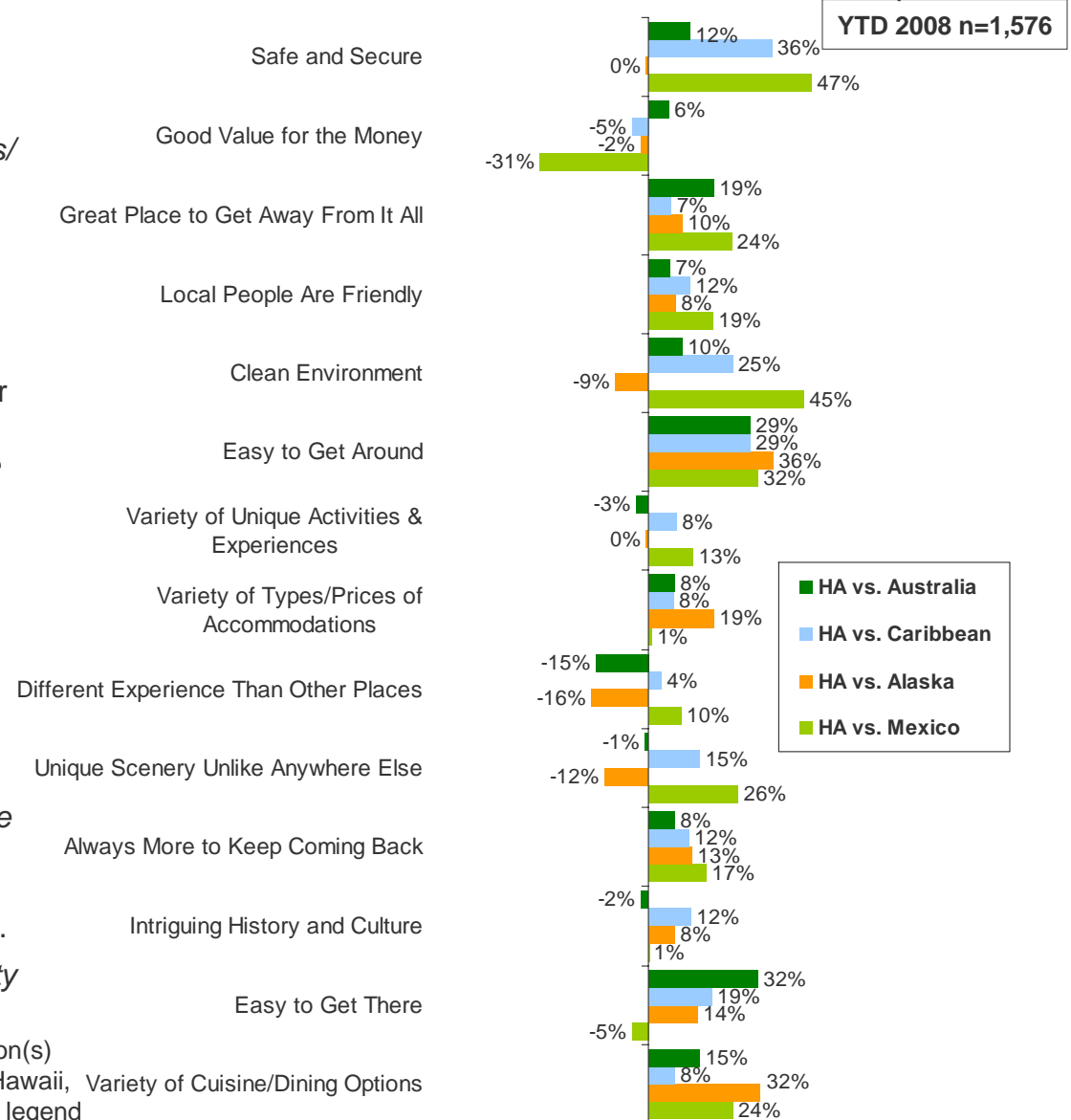
## Western Market

Competitively:

- **Hawaii** emerges as the clear winner – with those in the Western Market placing Hawaii at the top on over half (16) of the 28 items (including ties on *safe/secure*, *special events/festivals*, *accommodations*, and *nightlife*).
- Further, **Hawaii** never ranks last and ranks near last only twice (*good value for money* and *unspoiled*). No competitor poses much threat to **Hawaii**.
- **Alaska** ranks a distant second in the number of strong preferences, leading/tying the lead on seven, particularly for *cleanliness*, *unique scenery*, and *unspoiled* attributes. It shares the lead on the most important item – *safe and secure* – with **Hawaii**.
- **Australia** leads/shares the lead on five: *unique activities*, *different experiences*, *intriguing history/culture*, *new discoveries*, and clearly “wins” on *entertainment*.
- Travelers place **Mexico** in the lead on the second most important attribute – *good value for money* – and at/sharing the top on four others: *difference experience*, *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, Variety of Cuisine/Dining Options, Alaska, Caribbean, Australia, Mexico, or None). Base noted in legend

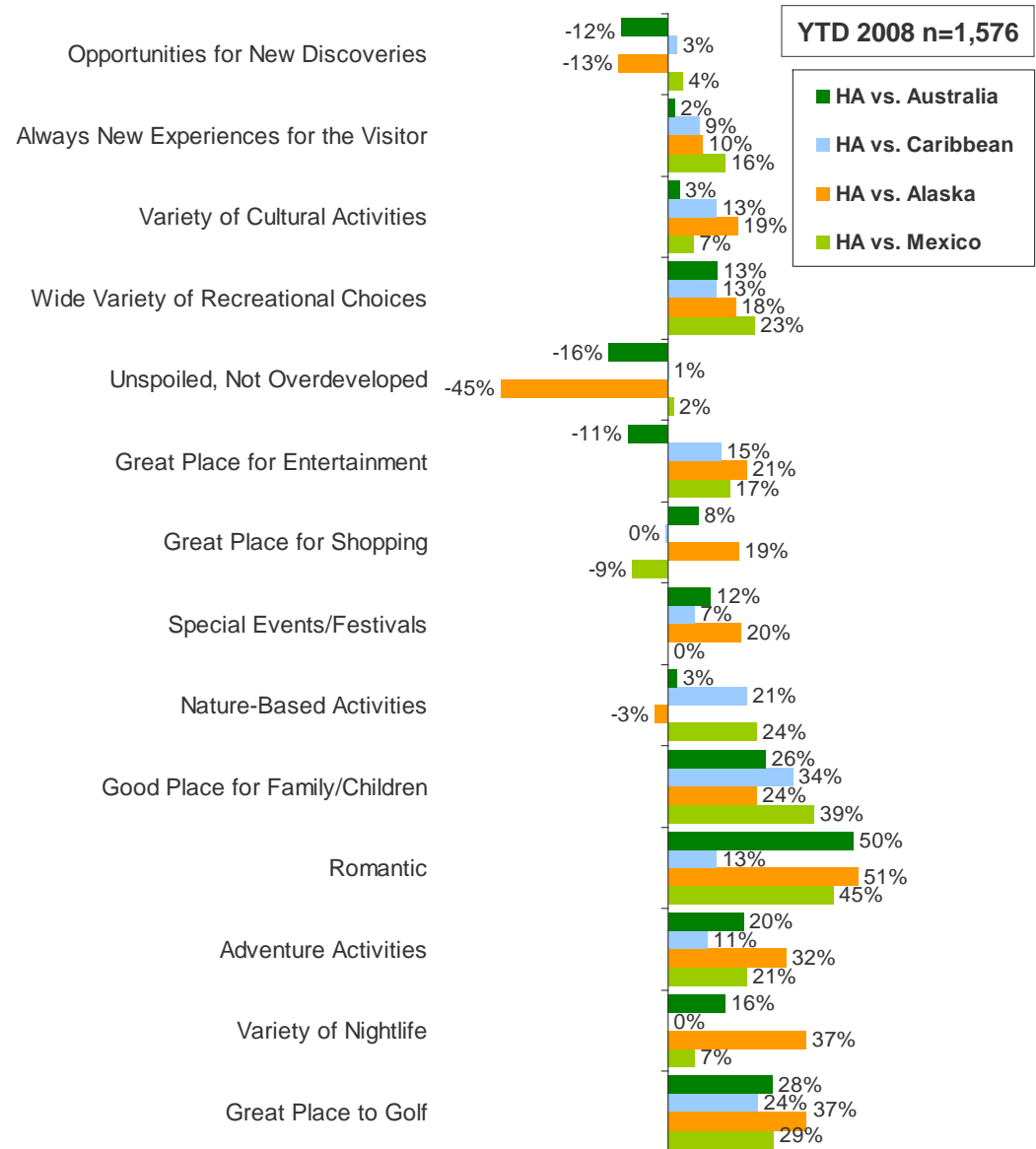
Preference for Hawaii Minus Preference for Competitor



# 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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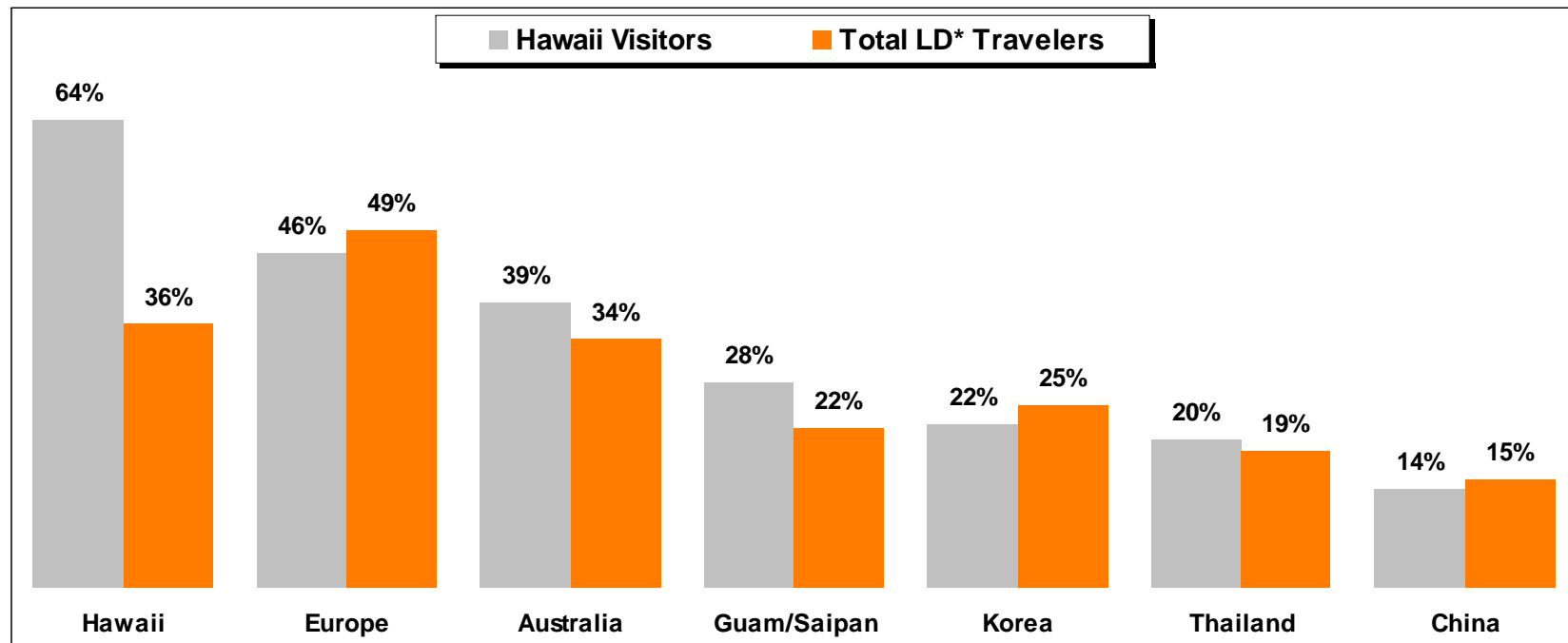
# Considered Destinations (Q3)

## 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 (-3%), Australia (+5%), Guam/Saipan (+6%), Thailand (+1%), Korea (-3%), and China (-1%).
- Those who have been to Hawaii want to return (64%, but Europe (46%) and Australia (39%) also attract them.
- Europe leads among total international travelers (49%) while Hawaii (36%) holds second place, but outpaces Australia (34%) by only 2-percentage points.

### YTD 2008



LD\* = Long-distance: International travelers

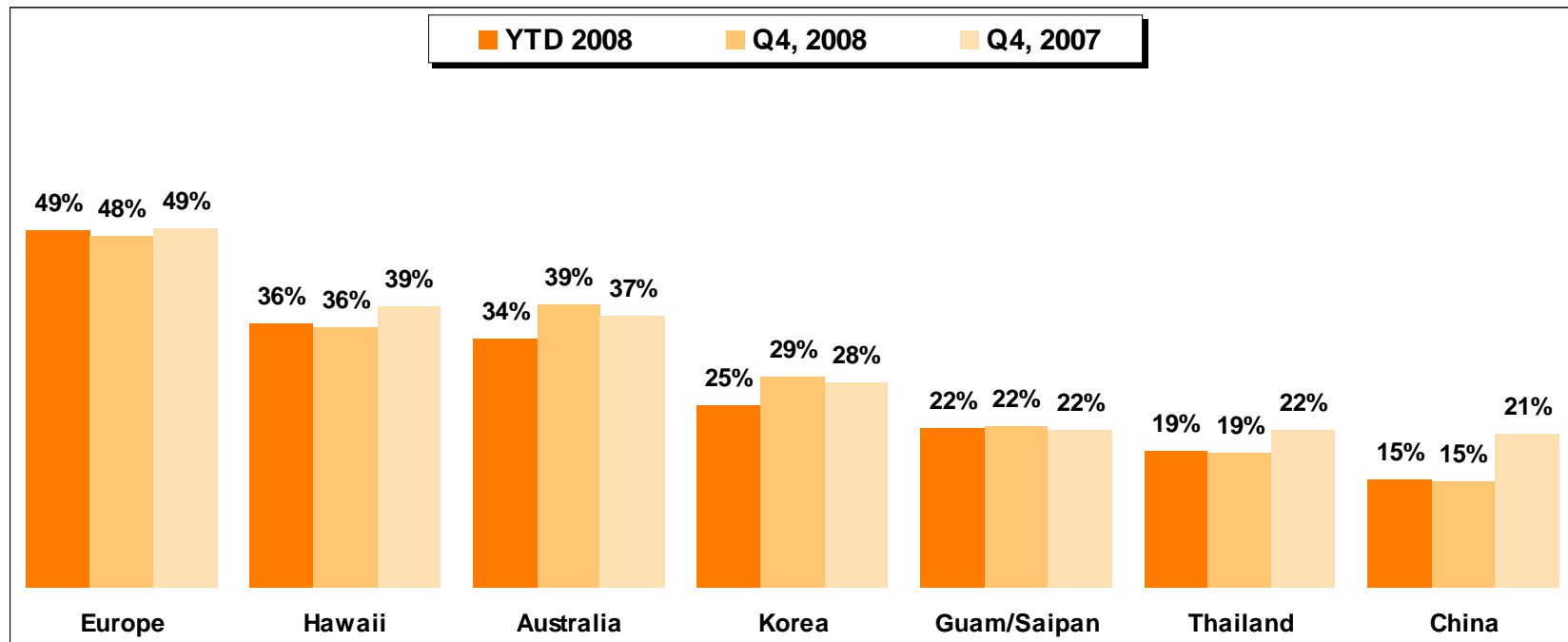
# Considered Destinations (Q3)

## Japanese Market

Quarter 4, 2008 highlights:

- Respondents indicate a dip in interest in Hawaii this quarter compared to the same time last year (36% from 39%). Two of the other destinations slide notably as well: China (-6%) and Thailand (-3%). The others post little to no change: Europe (-1%), Australia (+2%), Korea (+1%), Guam/Saipan (0%).
- Interest in Hawaii (36% YTD) remains near the same level that it was for 2007 (37%).

Total LD\* Travelers



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

# Importance of Attributes and Preferences for Hawaii and Competitors

Japanese Market



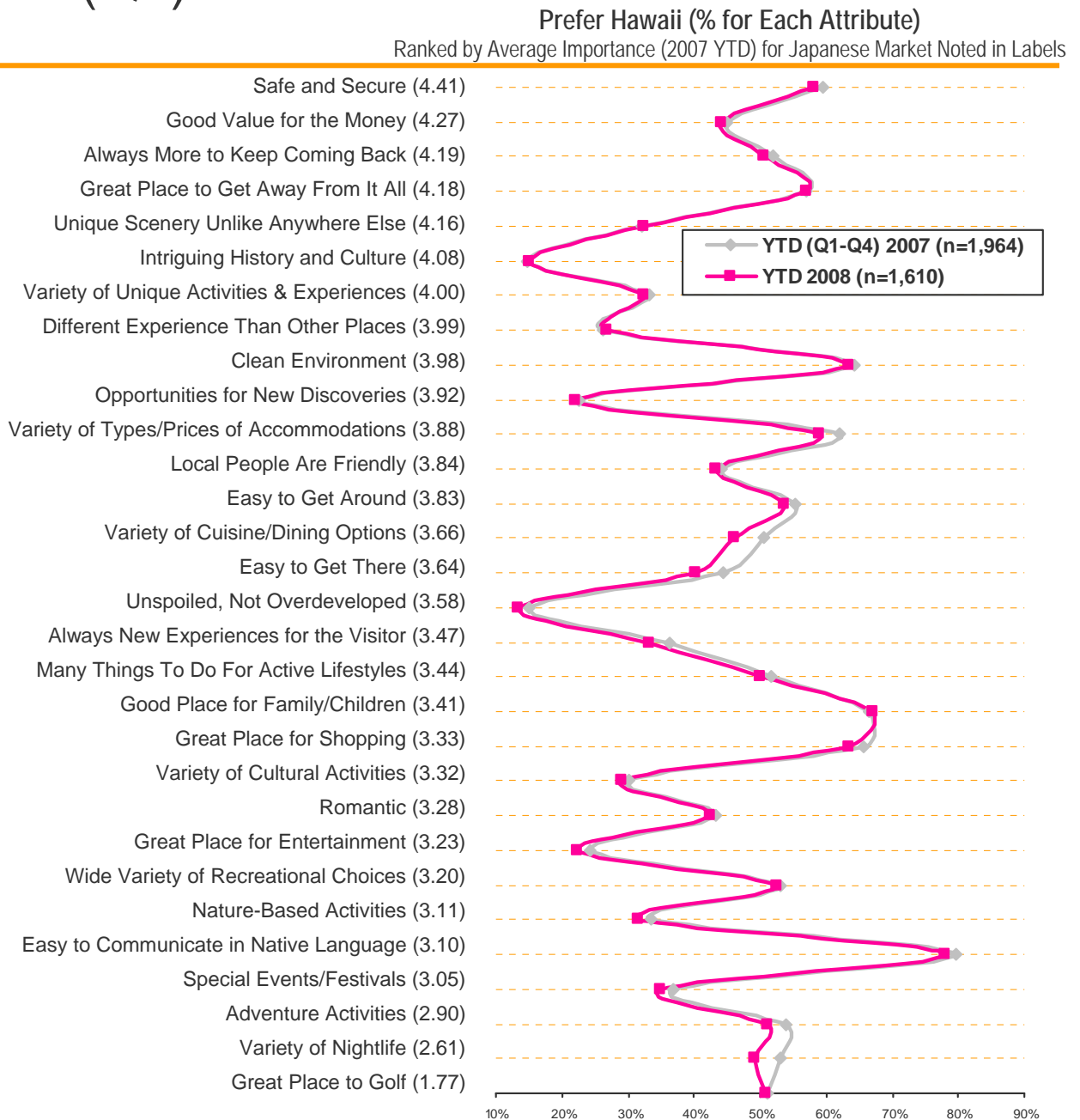
# Prefer Hawaii by YTD (Q5)

## 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 2008 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)

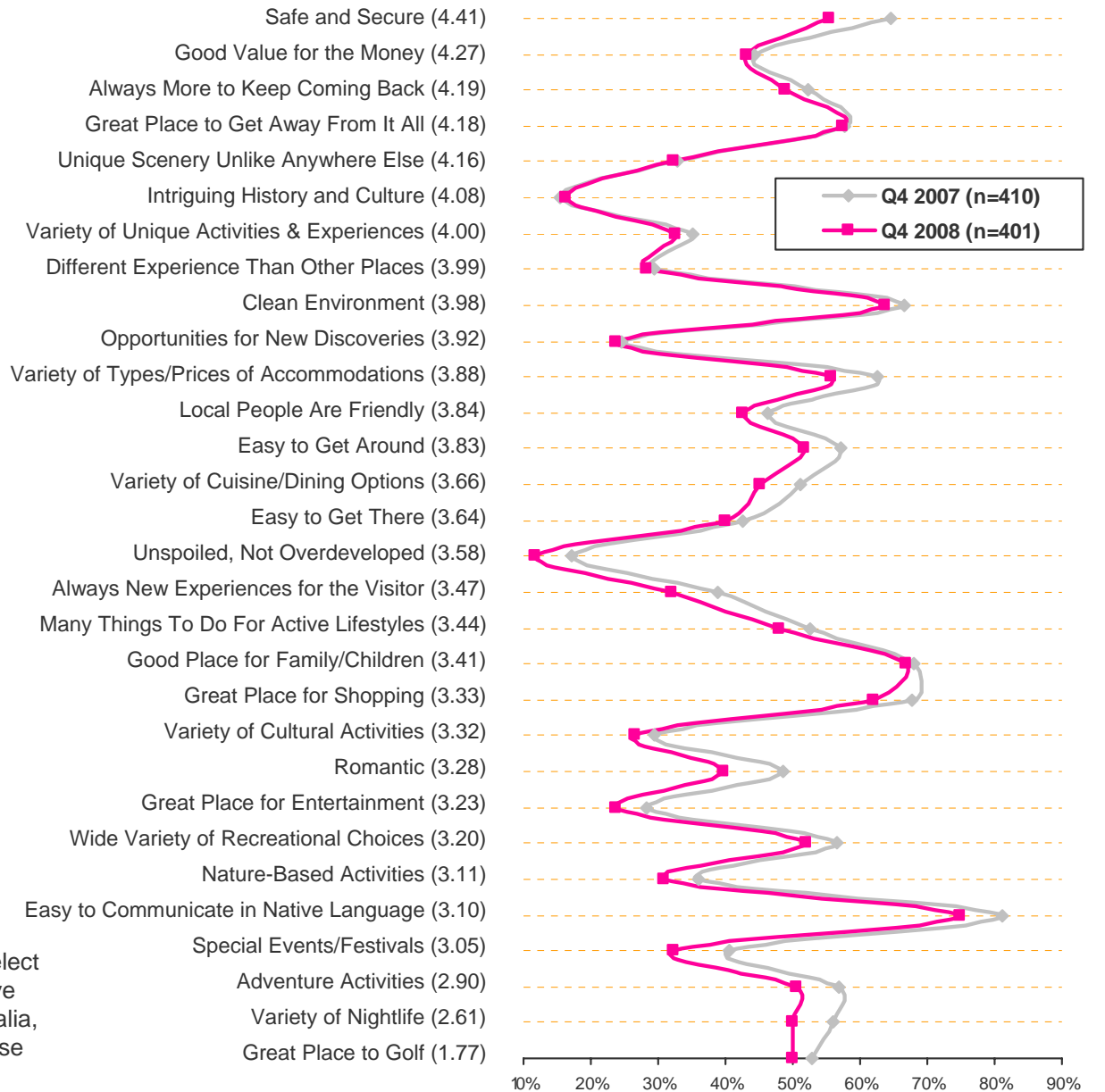
## Japanese Market

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

The changes that appear generally place below the year-ago quarter, most notably: *safe and secure, variety of accommodations, romantic, special events/festivals, adventure activities, and 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, 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

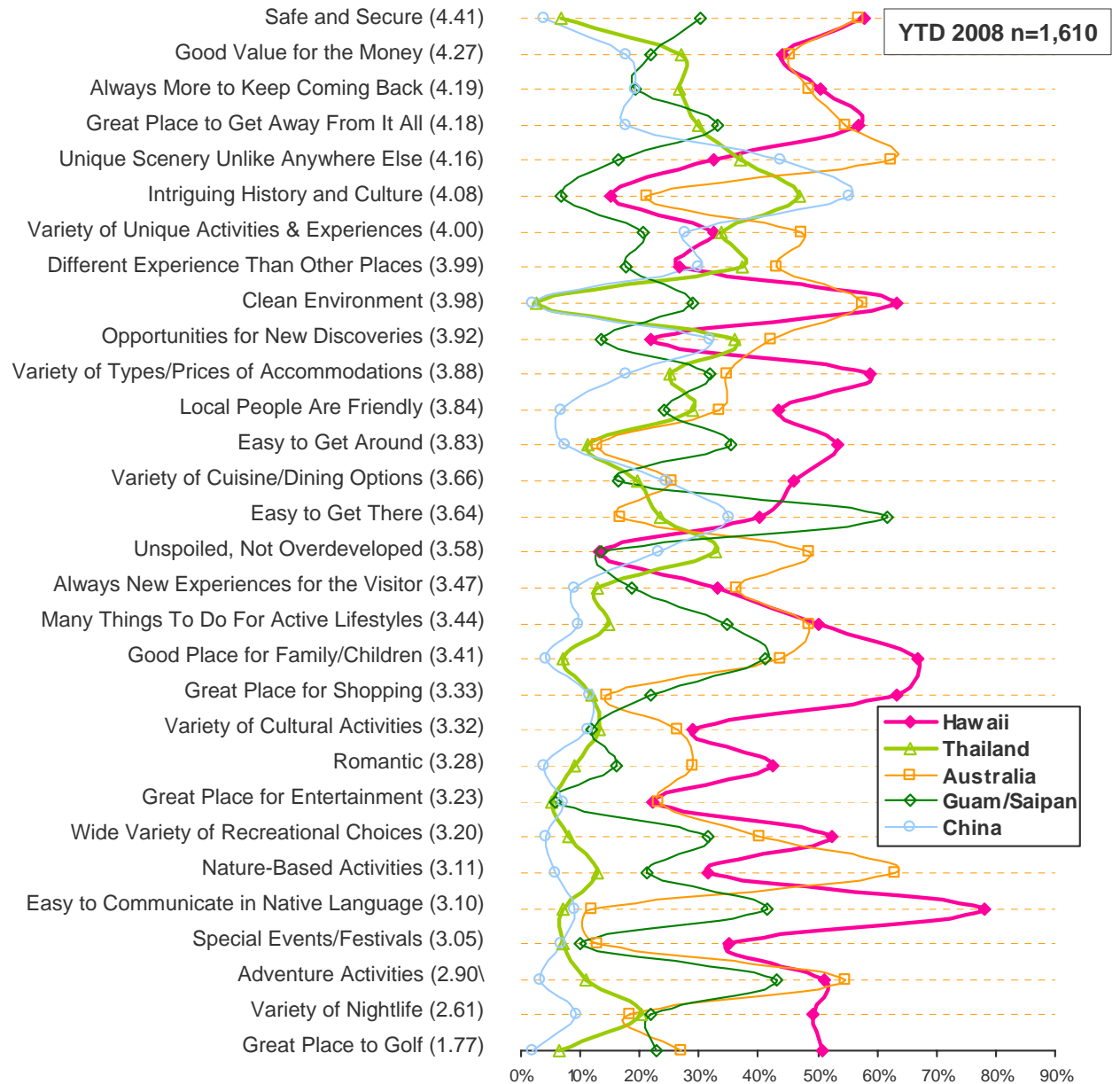


# Prefer Hawaii by YTD (Q5)

## 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

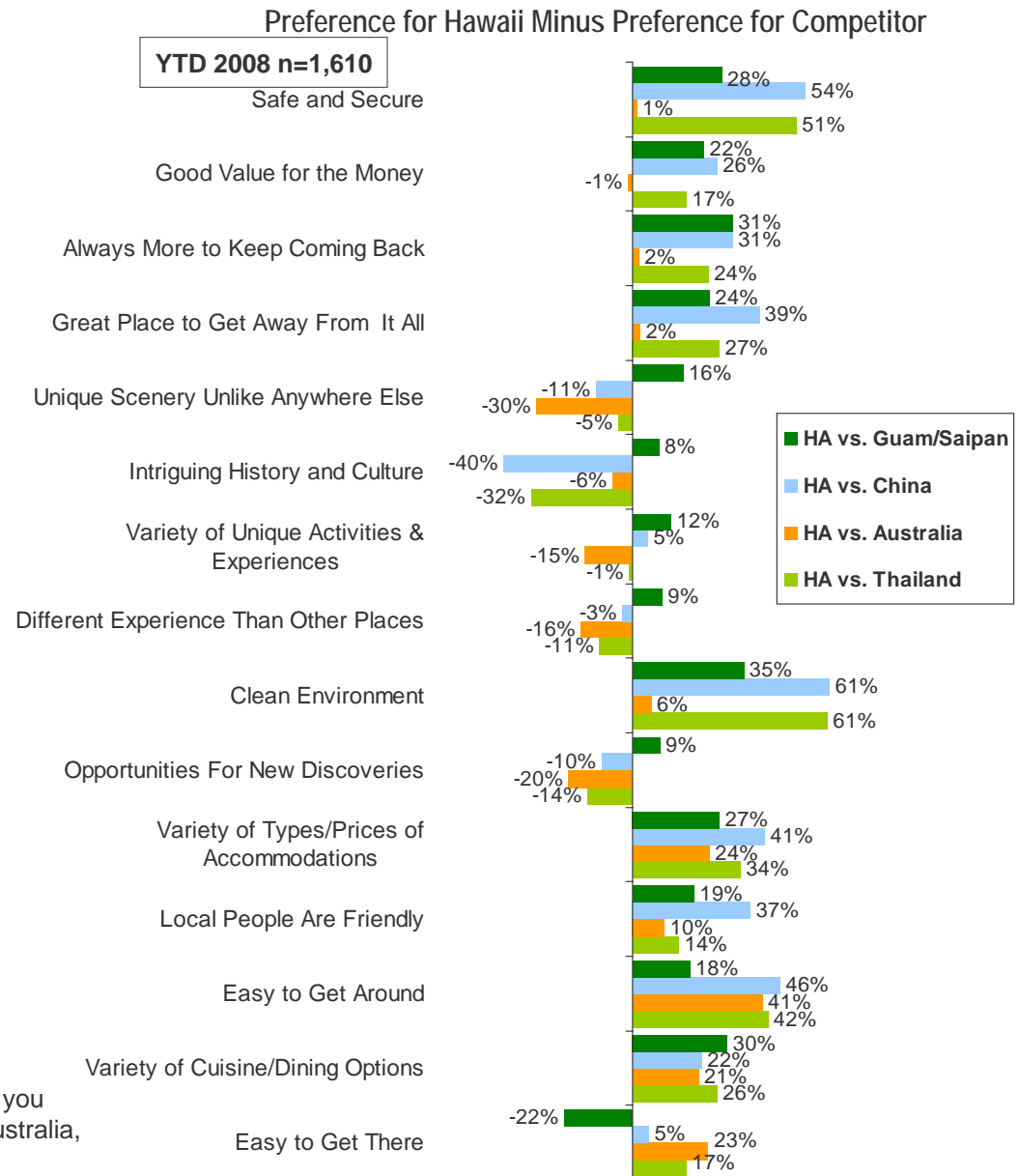
# Preference for Hawaii (Gap Over Competitors)

## Japanese Market

Competitively:

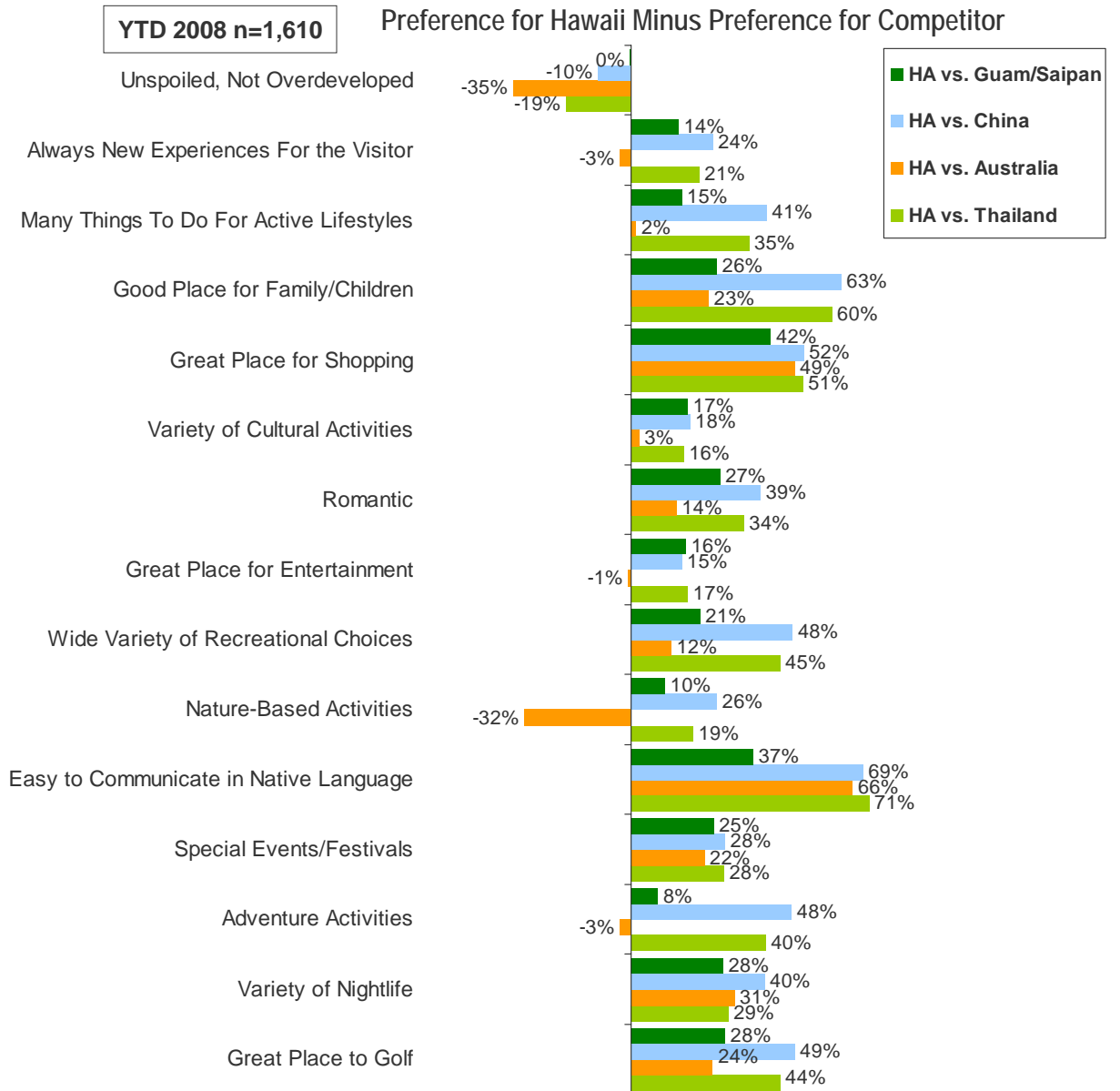
- **Hawaii** emerges as the clear winner for the Japanese Market as well as the Western US Market. More than two-thirds of the attributes (20 of 30) show **Hawaii** leading all competitors in preference, including three that tie with **Australia**. In addition, it ranks second on another four.
- Except 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 11 (including the three items which tie **Hawaii**: *safe/secure*, *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 at least one other.

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	Q4: Oct-Dec 07	Q1: Jan-Mar 08	Q2: Apr-Jun 08	Q3: Jul-Sep 08	Q4: Oct-Dec 08
<b>EASTERN US</b>							
Median Age	51	50	56	52	58	56	56
Median Income	\$58,500	\$60,700	\$61,300	\$68,300	\$75,000	\$70,000	\$77,500
# LD* Trips Annually	2.5	2.4	3.4	3.0	4.2	3.8	3.3
<b>WESTERN US</b>							
Median Age	49	52	53	45	51	55	56
Median Income	\$59,800	\$65,200	\$69,100	\$70,700	\$75,600	\$74,300	\$67,200
# LD* Trips Annually	2.7	2.8	3.7	4.1	2.8	3.1	3.7
<b>JAPAN</b>							
Median Age	48	50	53	50	49	50	46
Median Income	\$57,400	\$58,800	\$65,200	\$65,900	\$71,300	\$62,800	\$66,200
# Int'l Trips Past 2 Years	2.2	2.1	3.0	2.5	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	Q4: Oct-Dec 07	Q1: Jan-Mar 08	Q2: Apr-Jun 08	Q3: Jul-Sep 08	Q4: Oct-Dec 08
<b>EASTERN US</b>							
Average # LD Overnight Trips	2.5	2.4	3.4	3.0	4.2	3.8	3.3
% Reporting "No Change" in Travel in Previous 12 Months	61%	60%	62%	71%	67%	46%	62%
NET Change: More/Fewer Trips	+4	+5	-8	-4	-7	-2	+4
<b>WESTERN US</b>							
Average # LD Overnight Trips	2.7	2.8	3.7	4.1	2.8	3.1	3.7
% Reporting "No Change" in Travel in Previous 12 Months	58%	58%	55%	67%	68%	59%	57%
NET Change: More/Fewer Trips	+6	+4	+5	+7	+8	-4	-6
<b>JAPAN</b>							
Average # LD Overnight Trips	2.2	2.1	3.0	2.5	2.5	2.5	2.5
% Reporting "No Change" in Travel in Previous 12 Months	52%	52%	51%	51%	52%	60%	53%
NET Change: More/Fewer Trips	+1	-1	+4	+1	-15	+4	-5

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

# Appendix B: Travel Patterns

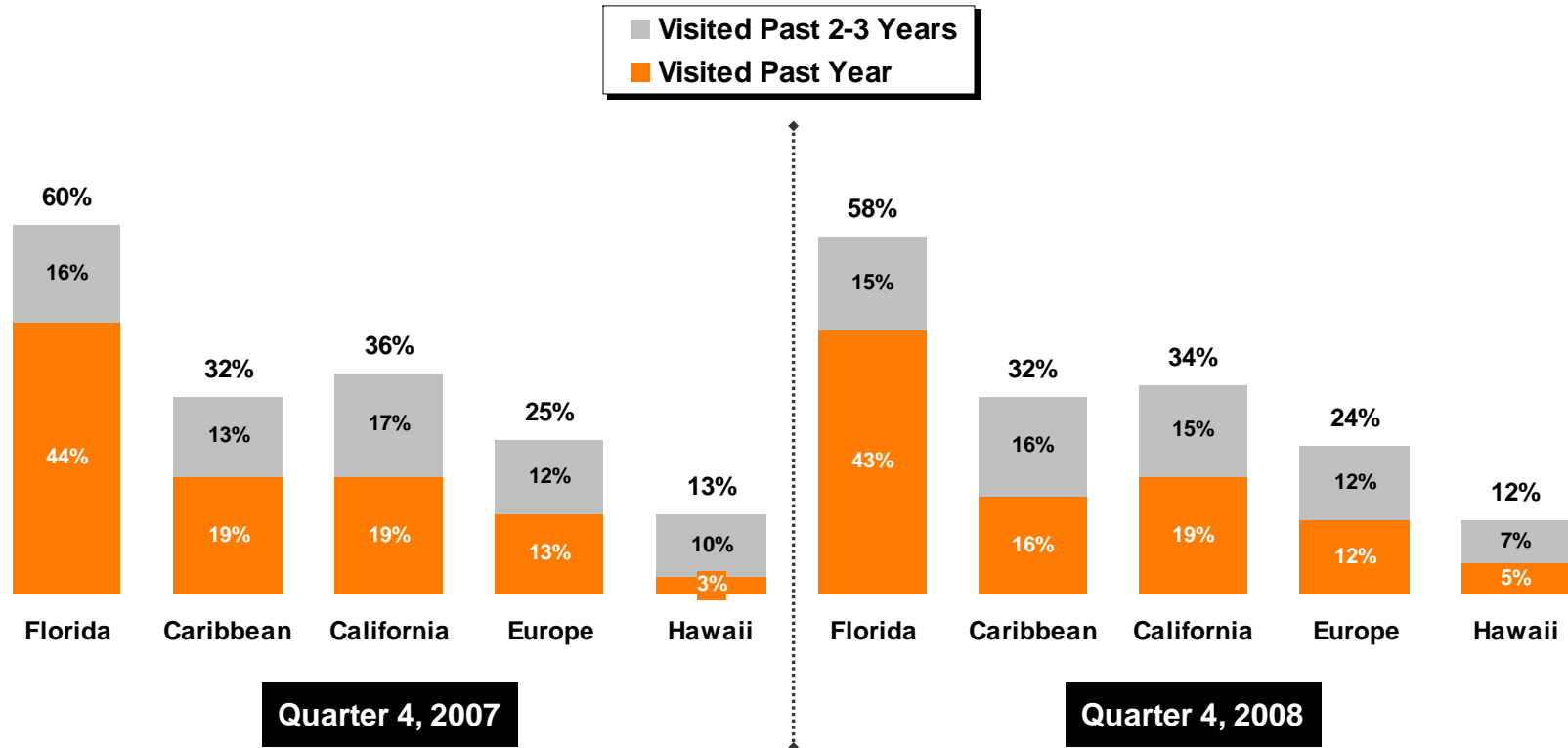
Eastern US Market



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# Destinations Visited Past Year/Past 3 Years (Q6)

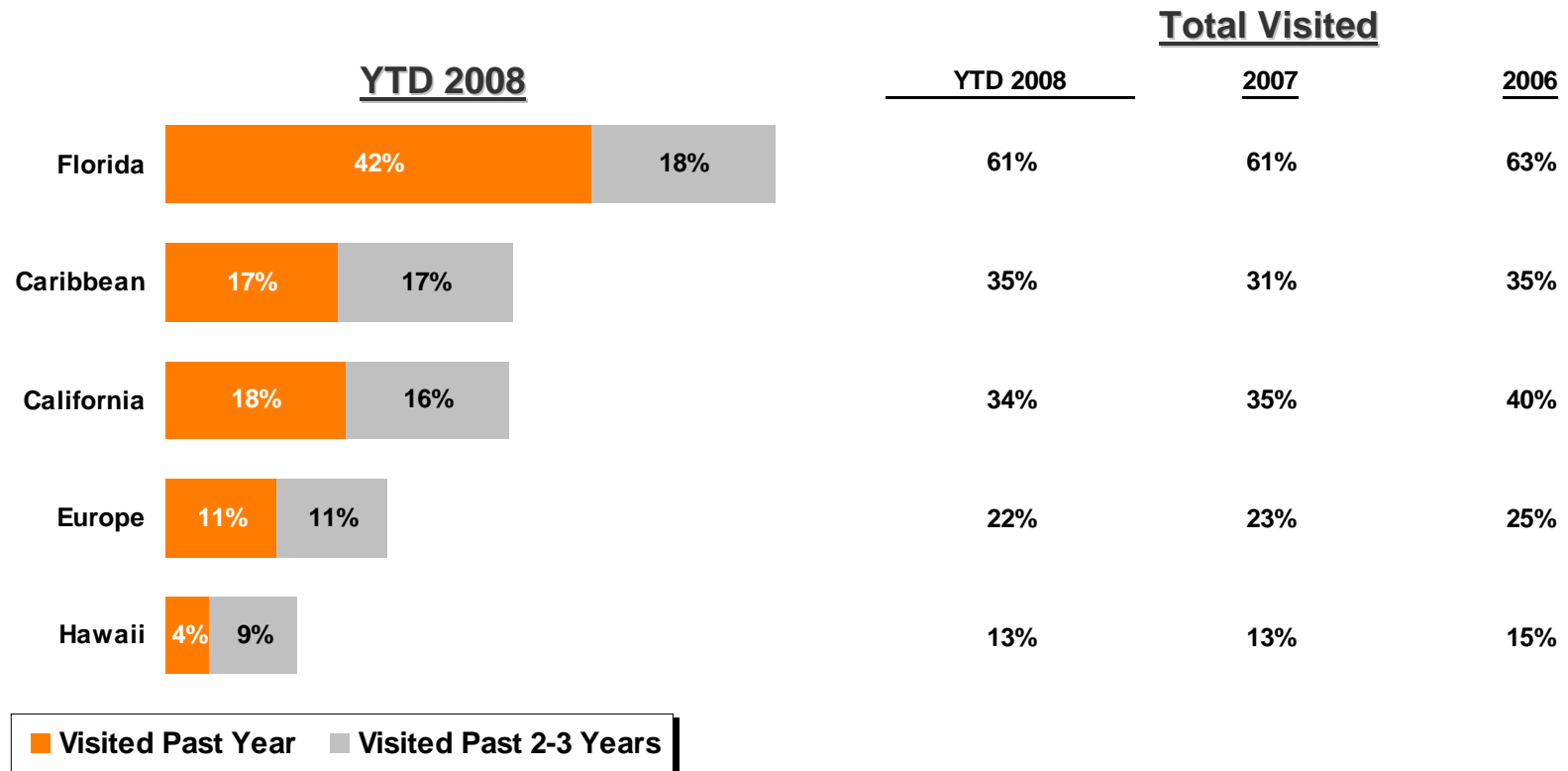
## *Eastern US Market*



# Destinations Visited Past Year/Past 3 Years (Q6)

## *Eastern US Market*

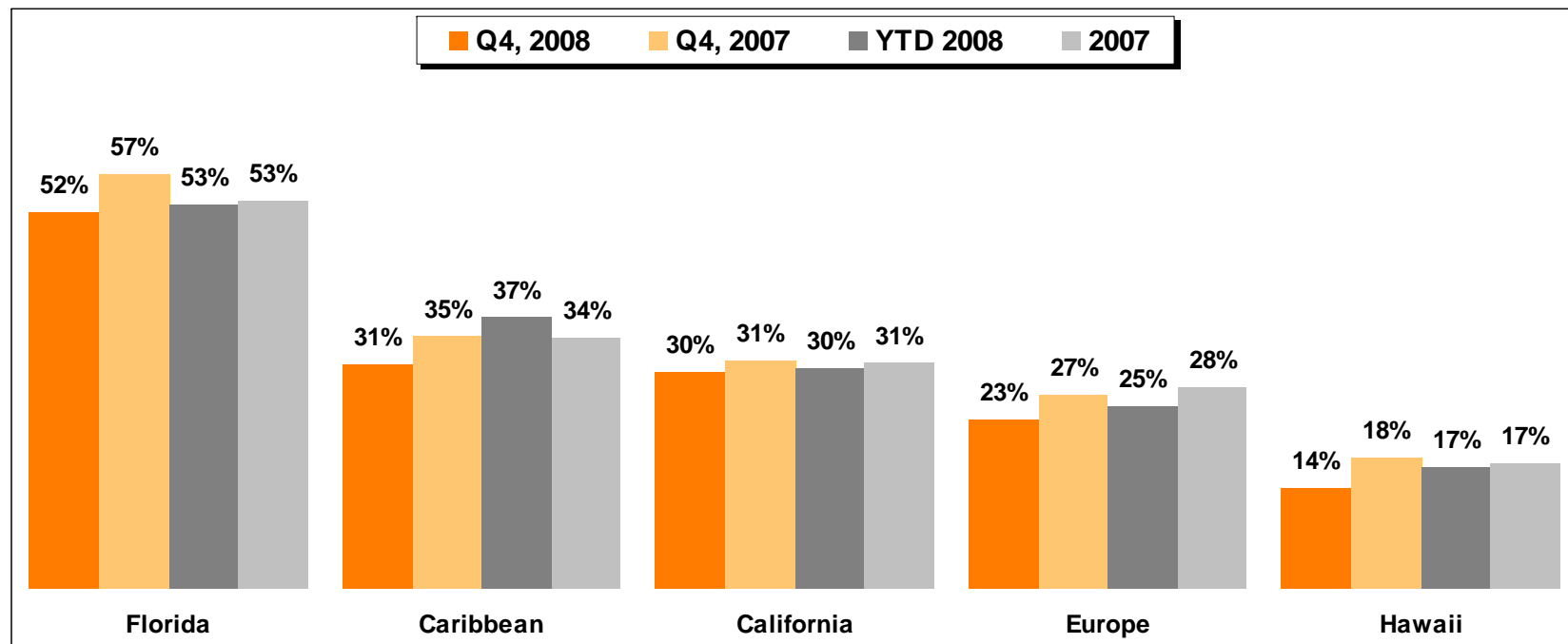
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# Destinations Planned for Leisure within 24 Months (Q6)

## *Eastern US Market*

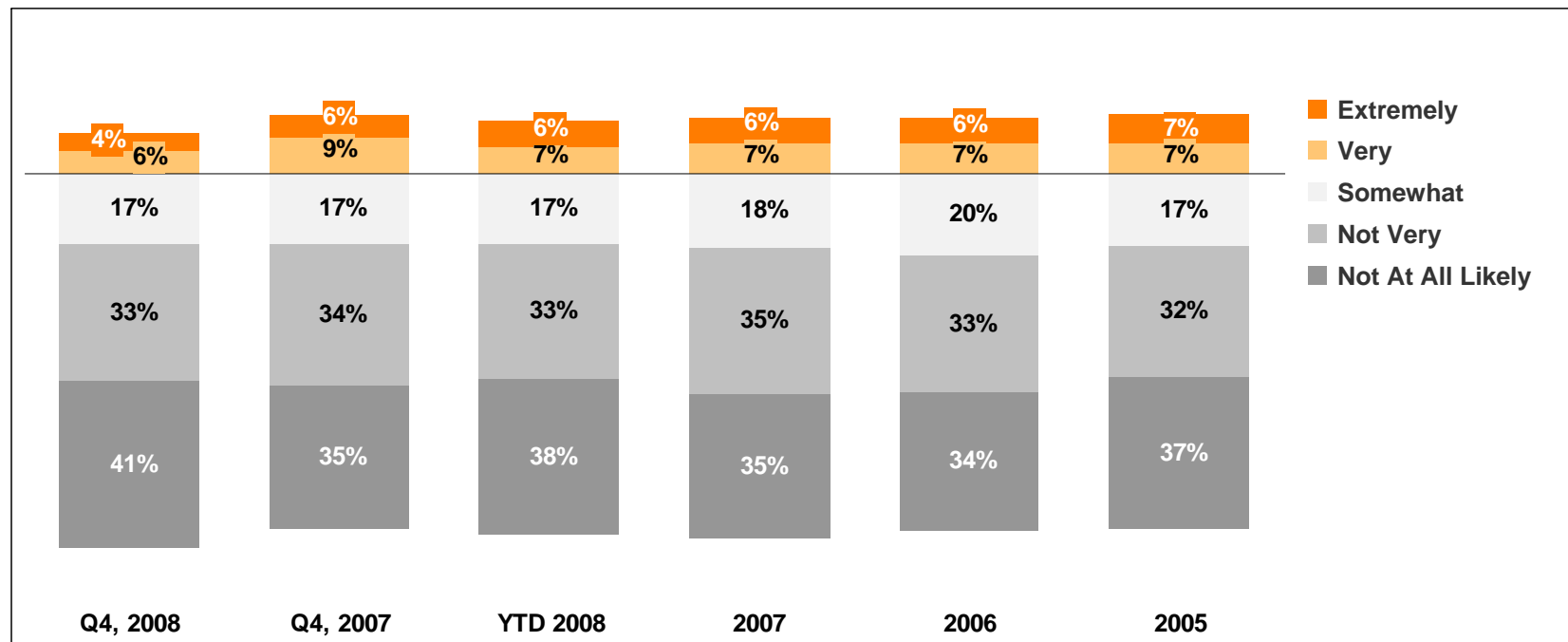
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# Likely to Visit Hawaii FOR LEISURE (Q14)

## 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 in the full year comparisons.
- However, Q4, 2008 shifts downward from Q4, 2007.

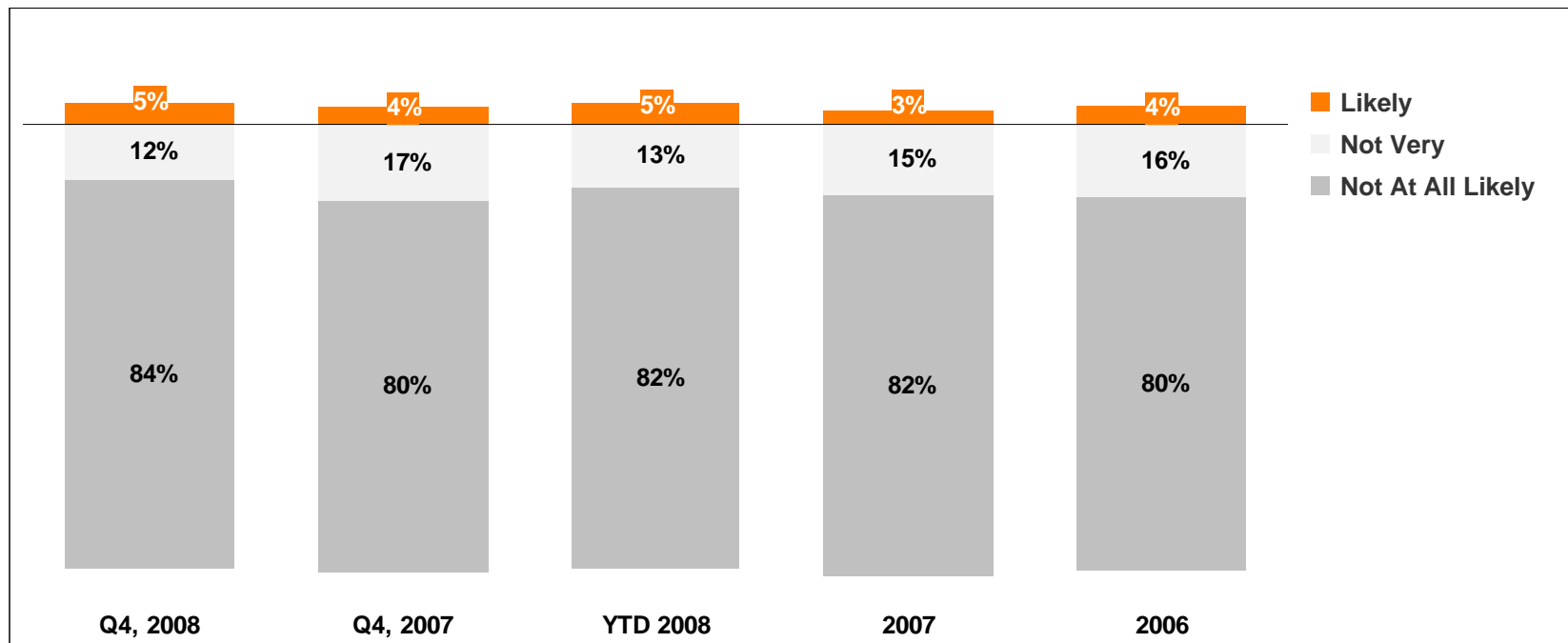


# Likely to Visit Hawaii FOR BUSINESS (Q15)

## *Eastern US Market*

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



# Appendix C: Travel Patterns

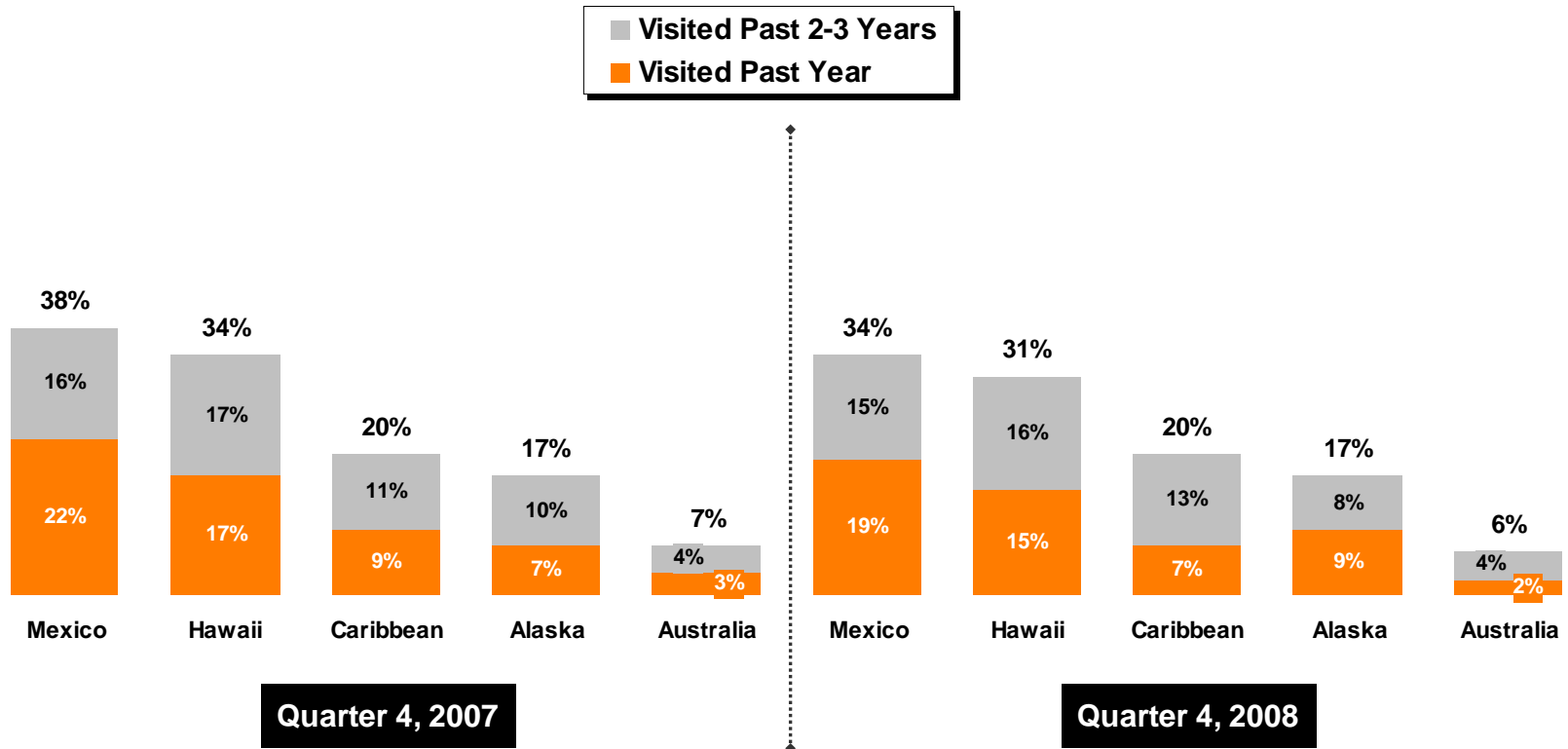
Western US Market



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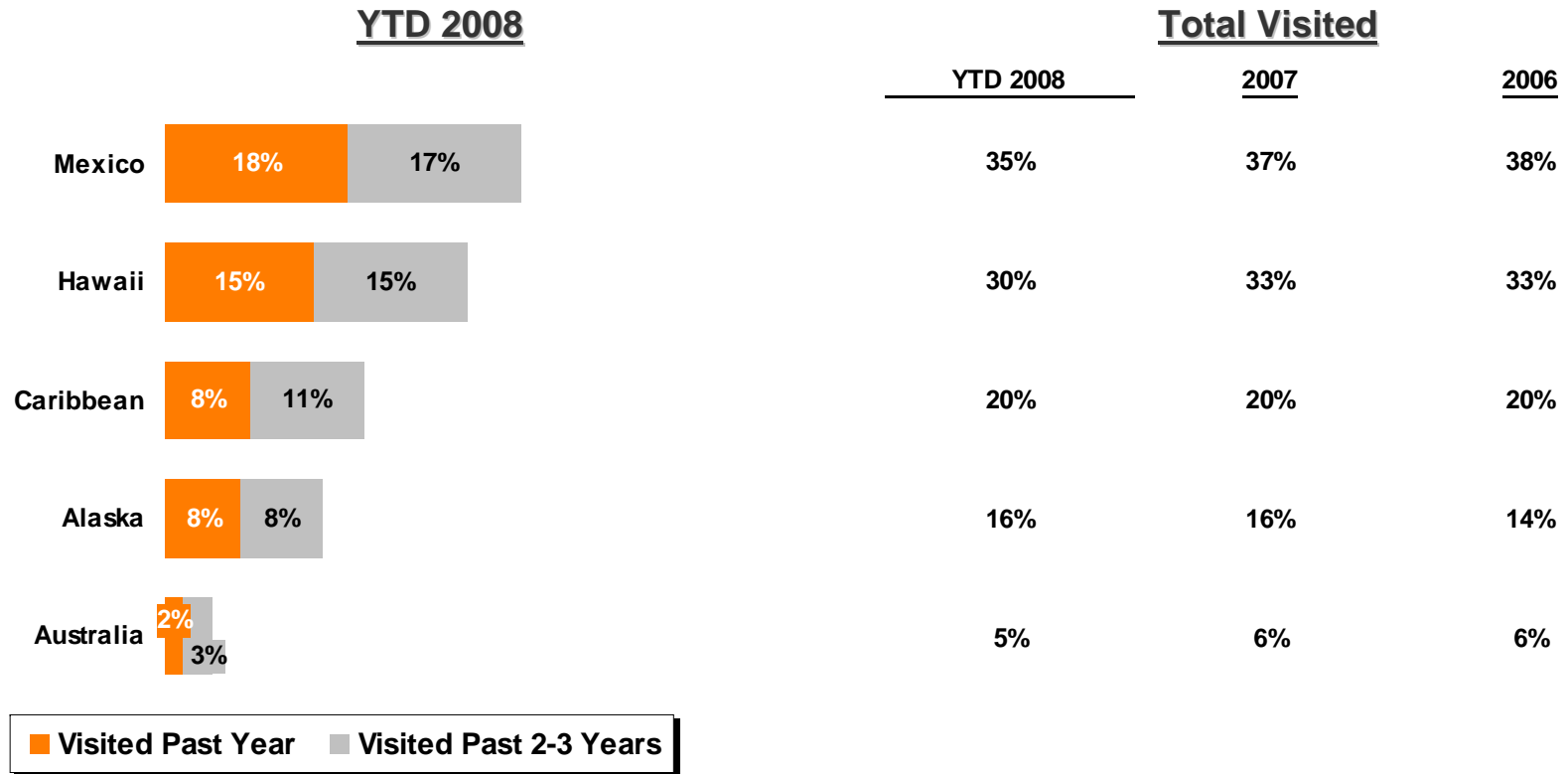
# Destinations Visited Past Year/Past 3 Years (Q6)

## Western US Market



# Destinations Visited Past Year/Past 3 Years (Q6)

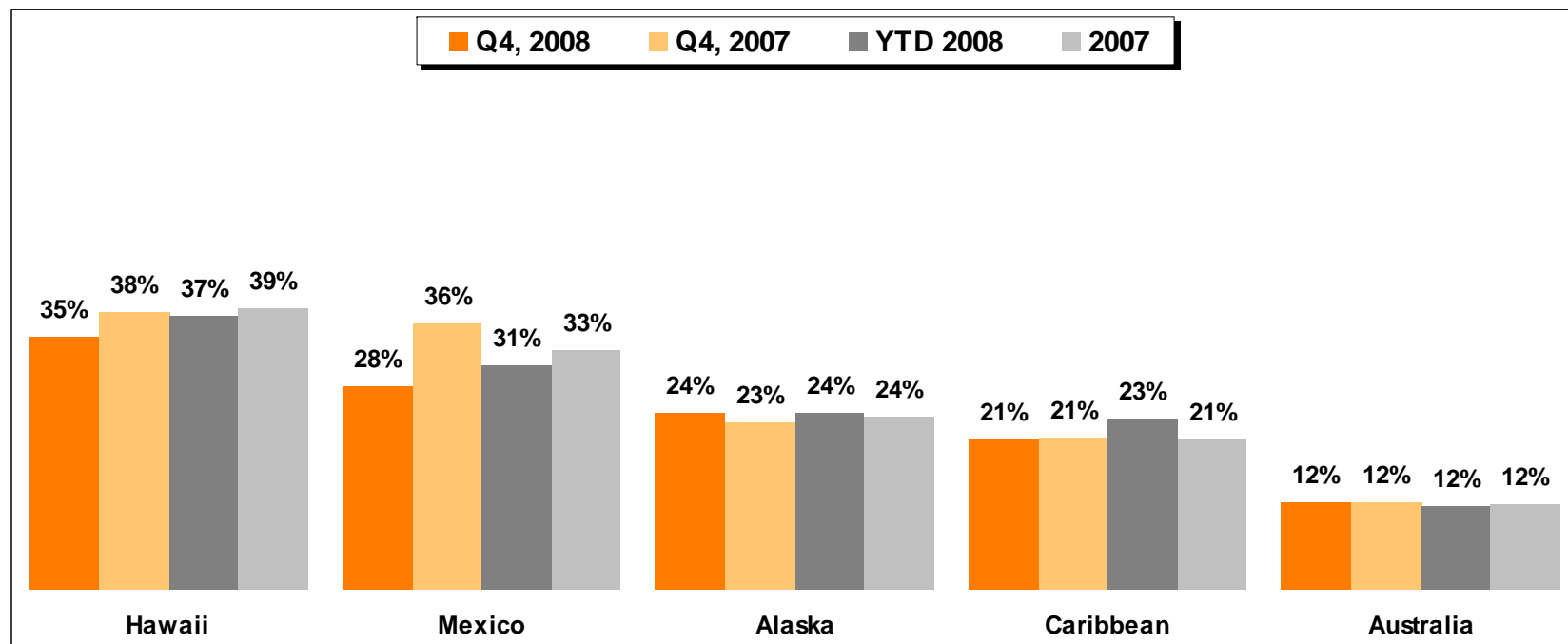
## Western US Market



# Destinations Planned for Leisure within 24 Months (Q6)

## *Western US Market*

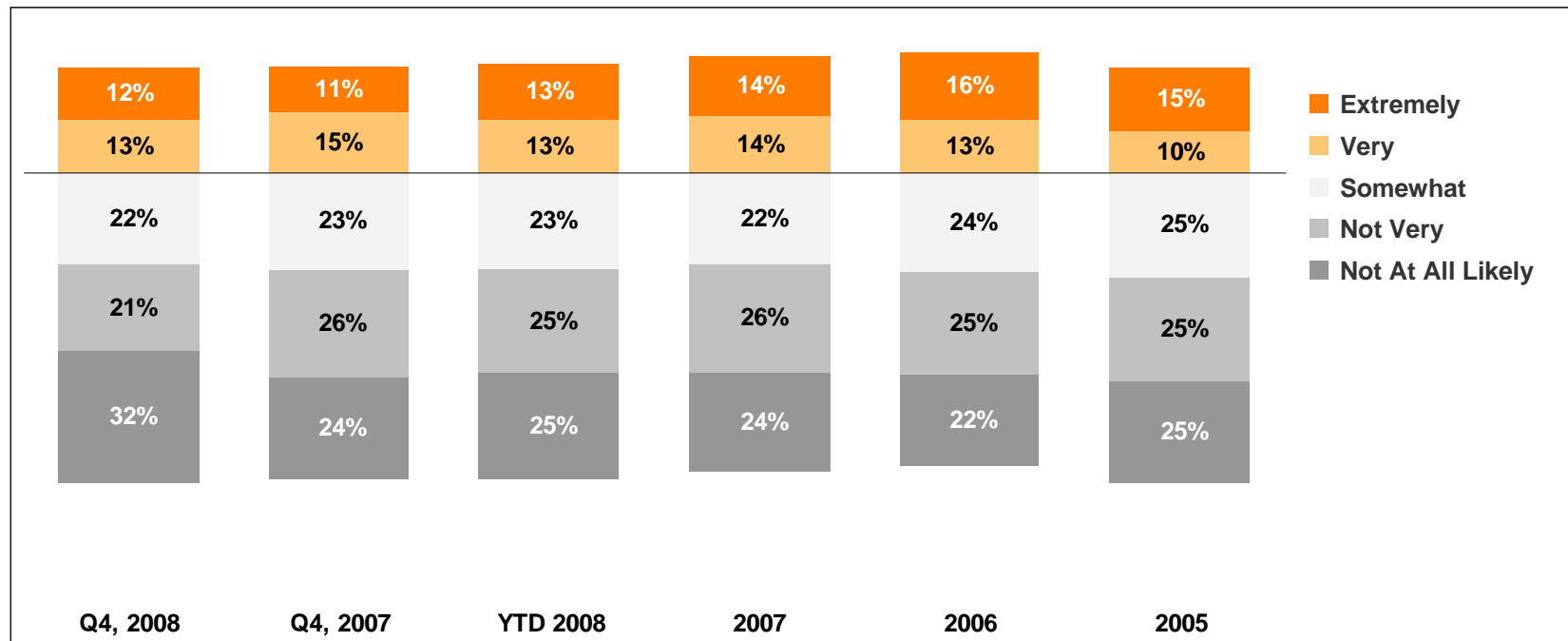
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# Likely to Visit Hawaii FOR LEISURE (Q14)

## Western US Market

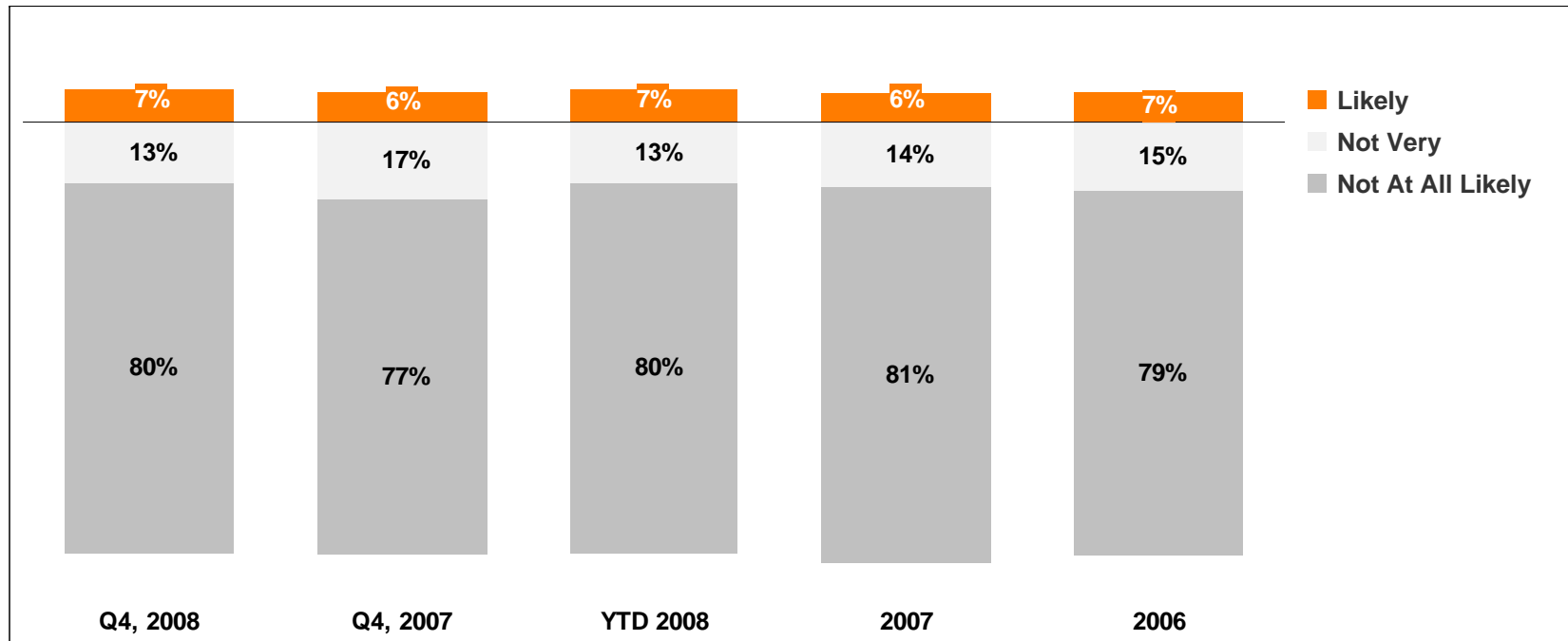
- The proportion of Western US travelers who report that they are *extremely likely* to visit Hawaii (13%) or *very likely* (13%) mirrors prior years (although dropping a percentage point in 2007 and two percentage points in 2008, it still remains above 2005).
- The total of likely visitors also remains 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

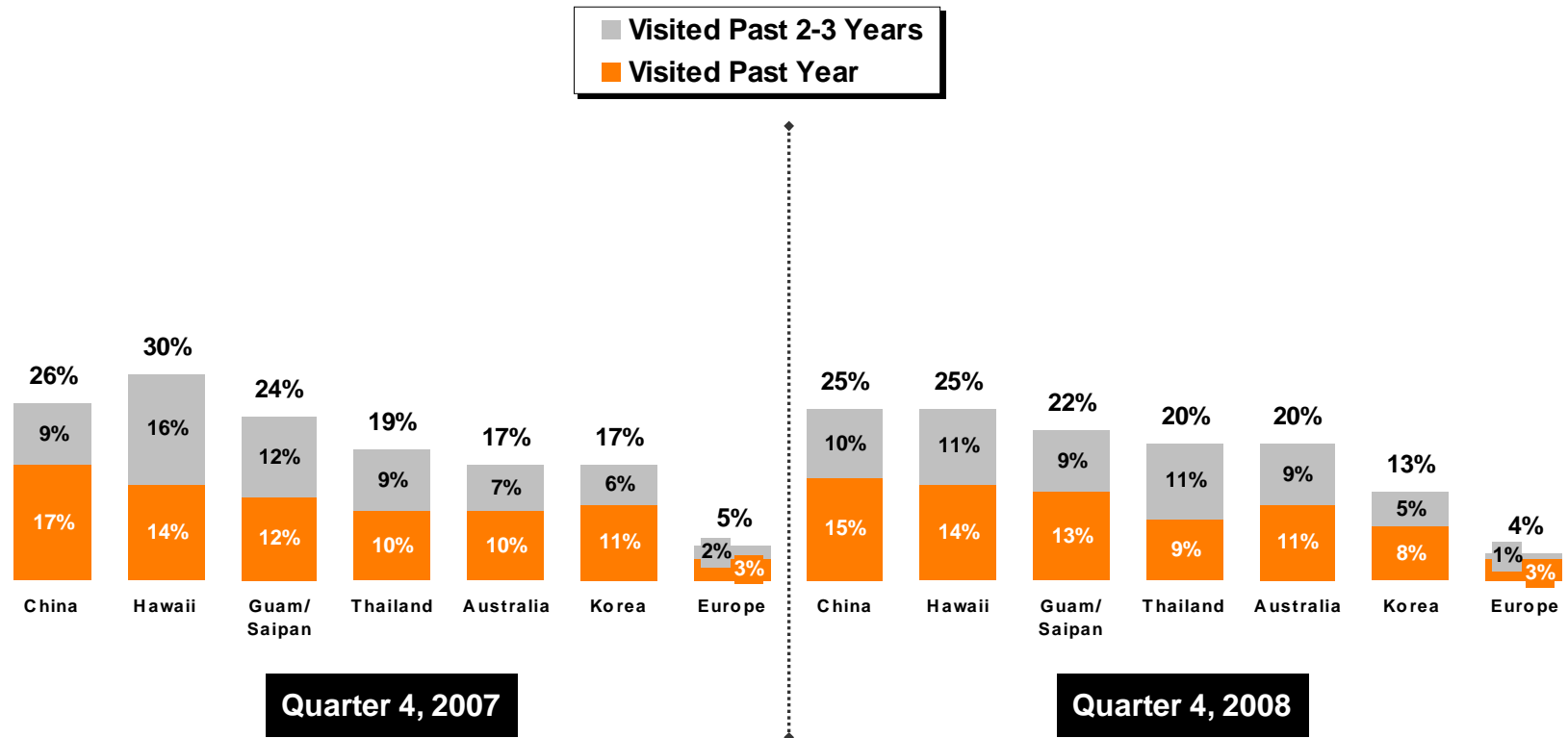
Japanese Market



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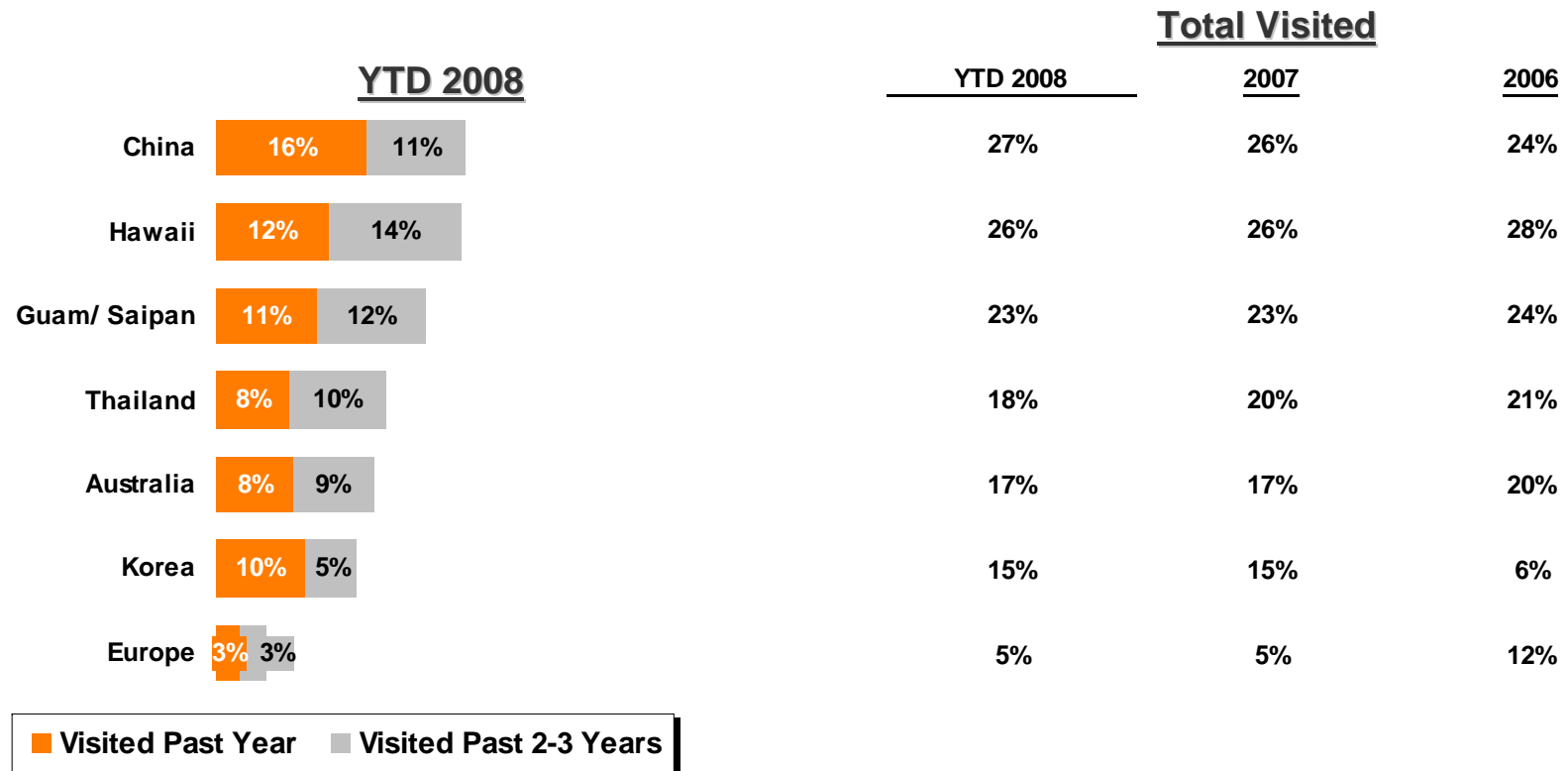
# Destinations Visited Past Year/Past 3 Years (Q6)

## *Japanese Market*



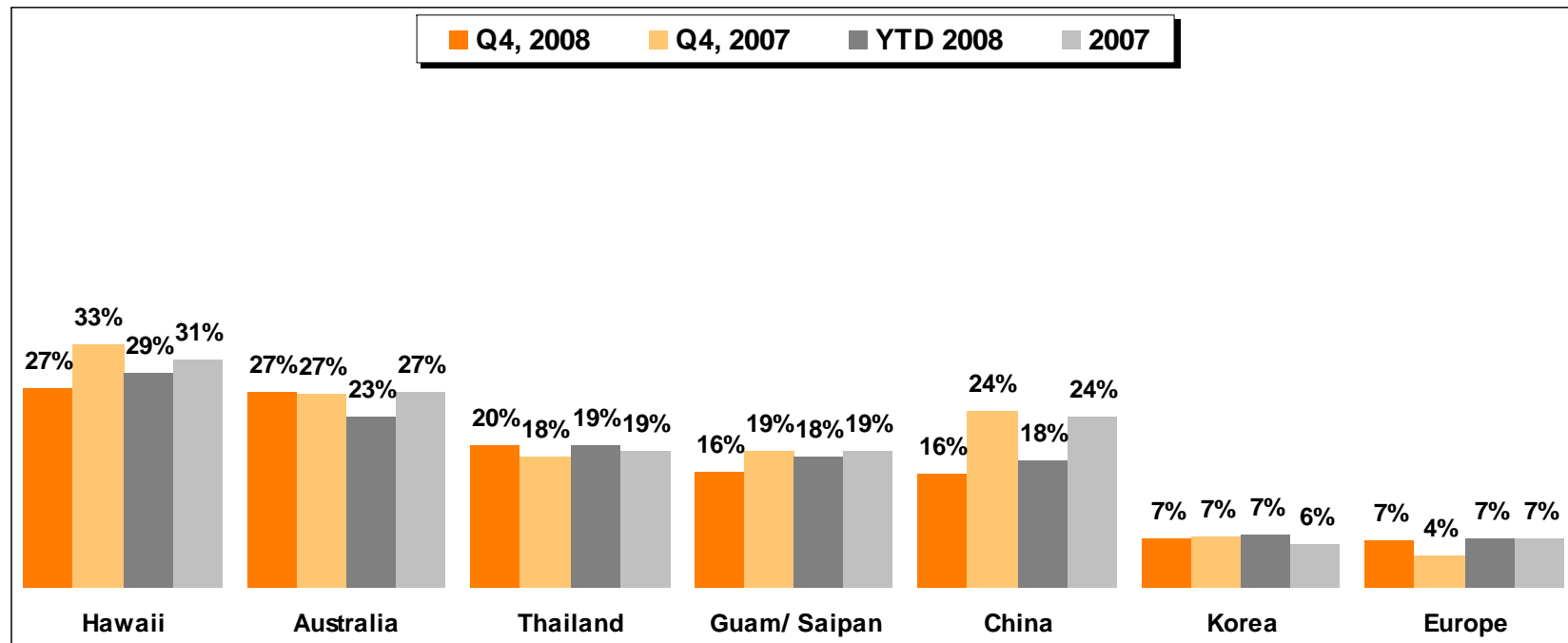
# Destinations Visited Past Year/Past 3 Years (Q6)

## *Japanese Market*



# Destinations Planned for Leisure within 24 Months (Q6)

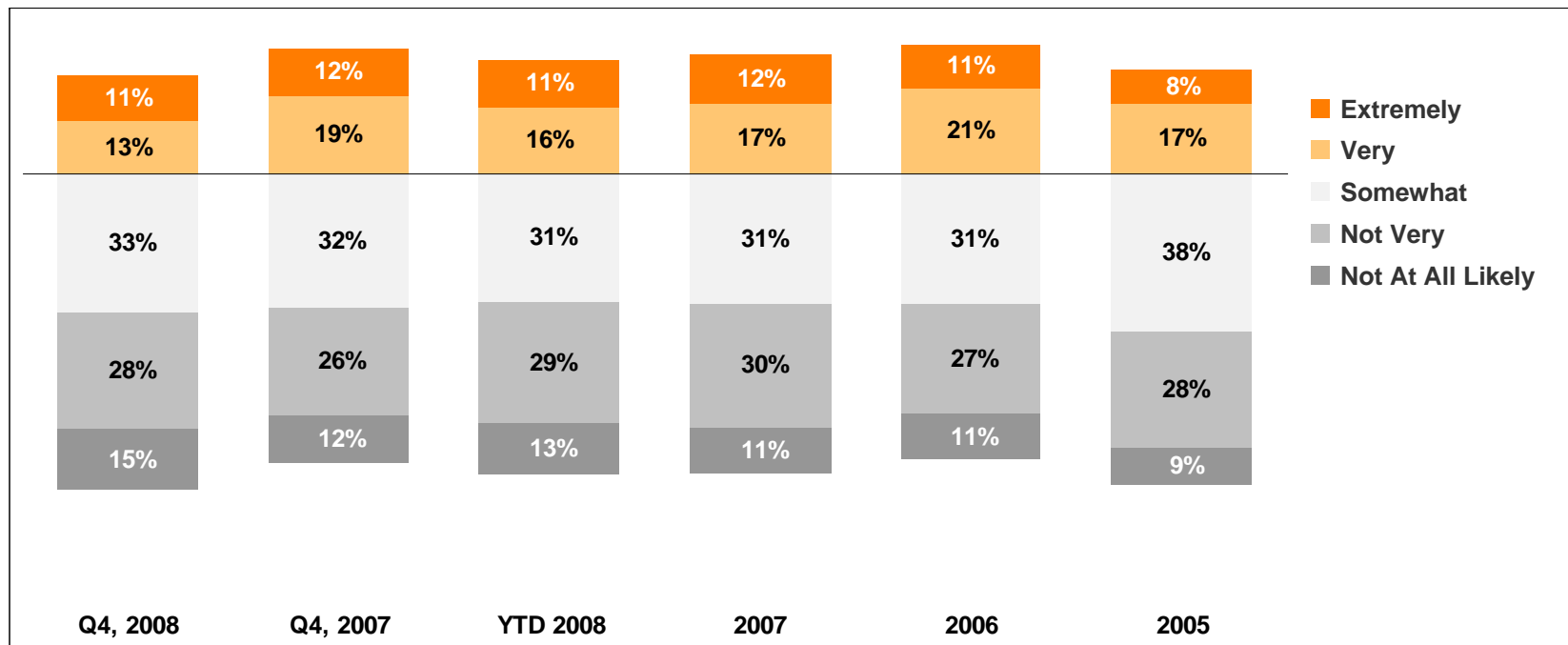
## *Japanese Market*



# Likely to Visit Hawaii FOR LEISURE (Q14)

## Japanese Market

- In Q4, 2008, international Japanese travelers express a smaller likelihood in visiting Hawaii in the next 24 months than a year ago (24% vs. 31%). Although 2008 YTD places below 2007 (27% vs. 29%), the drop is less severe.
- Meanwhile, the subset of those who state that they are *extremely interested* (and the most likely to visit) hovers between 11% and 12% over the last three 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.

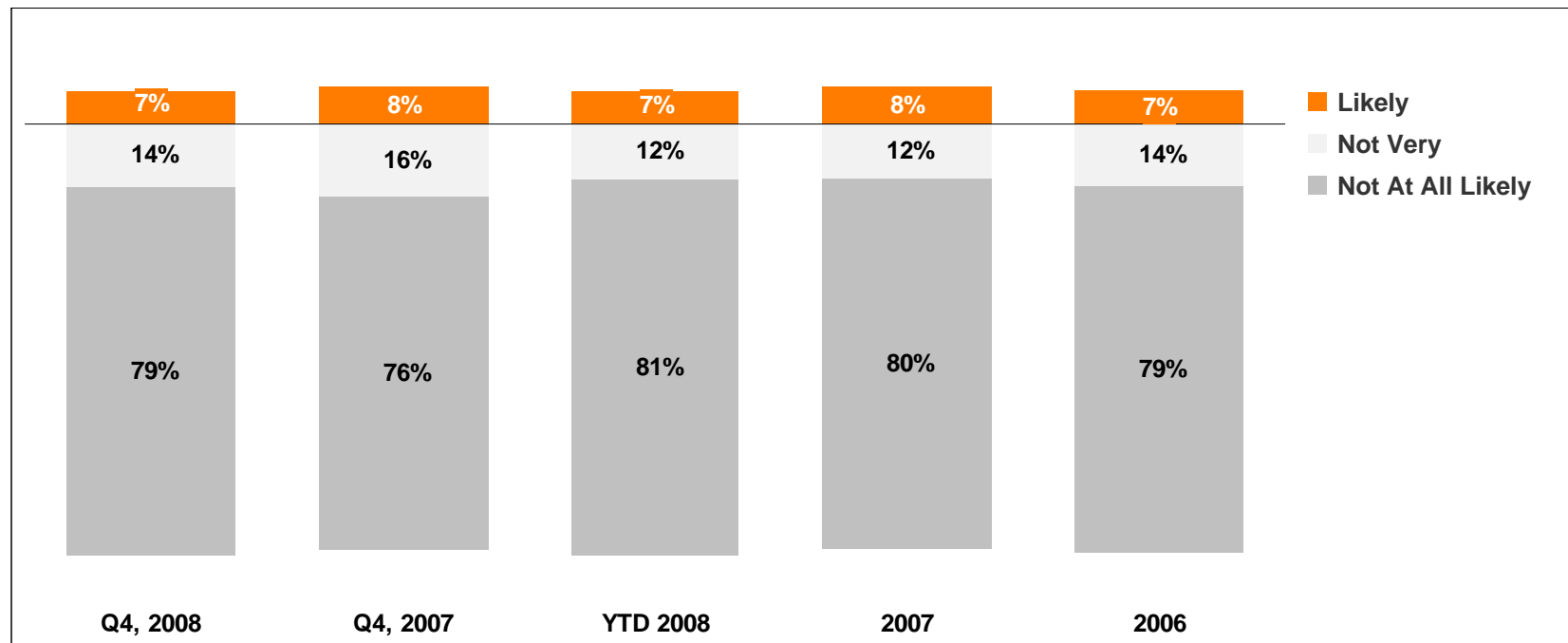


# Likely to Visit Hawaii FOR BUSINESS (Q15)

## *Japanese Market*

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- 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)

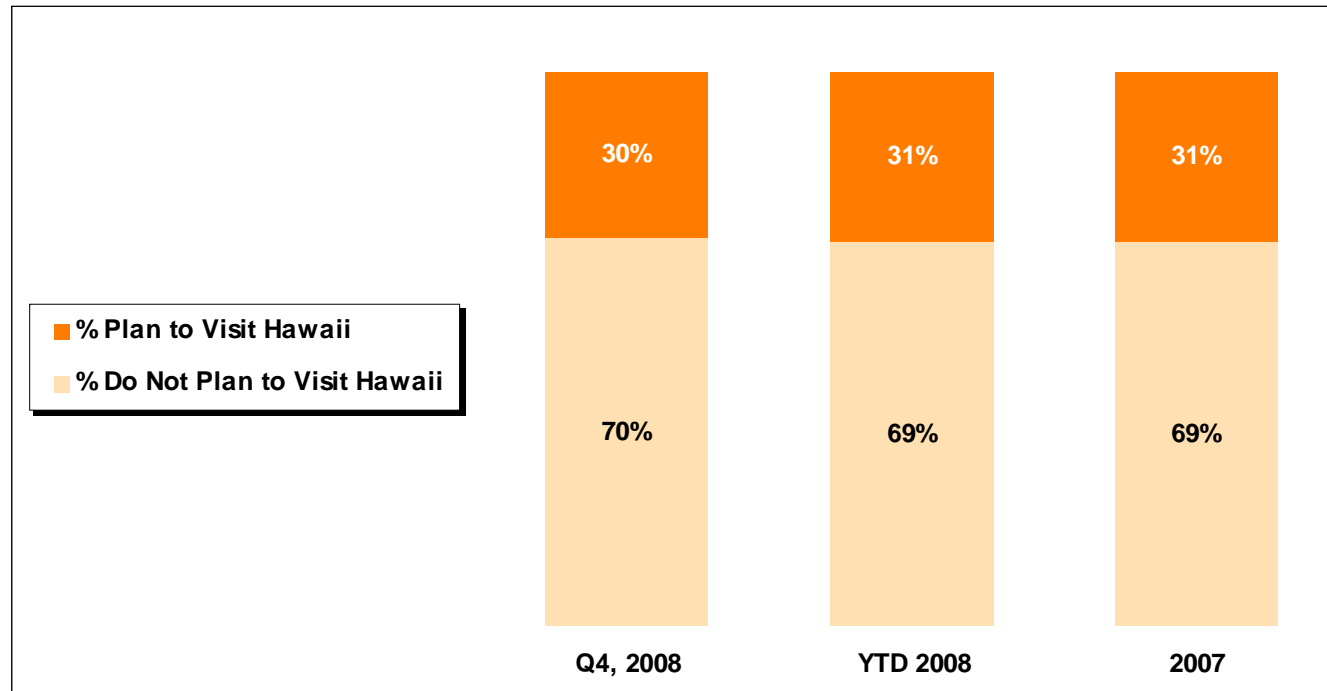


# Consider Visiting Hawaii in Next 24 Months (Q21)

## *Japanese Market*

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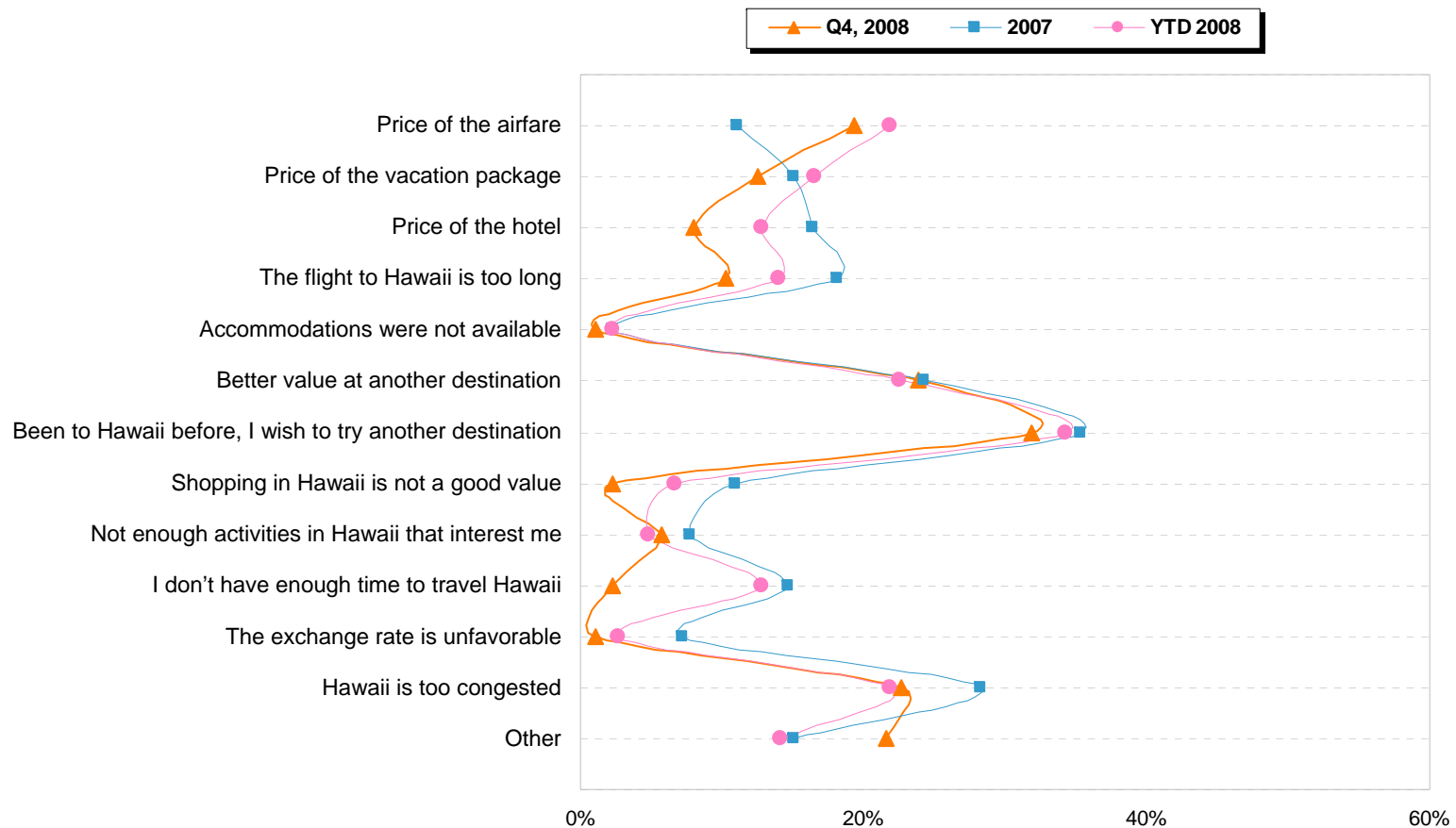
- A third (31%) of 2008 Japanese respondents still consider visiting Hawaii in the next 24 months (based to those who answer), matching the level shown for total 2007.



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

## Japanese Market

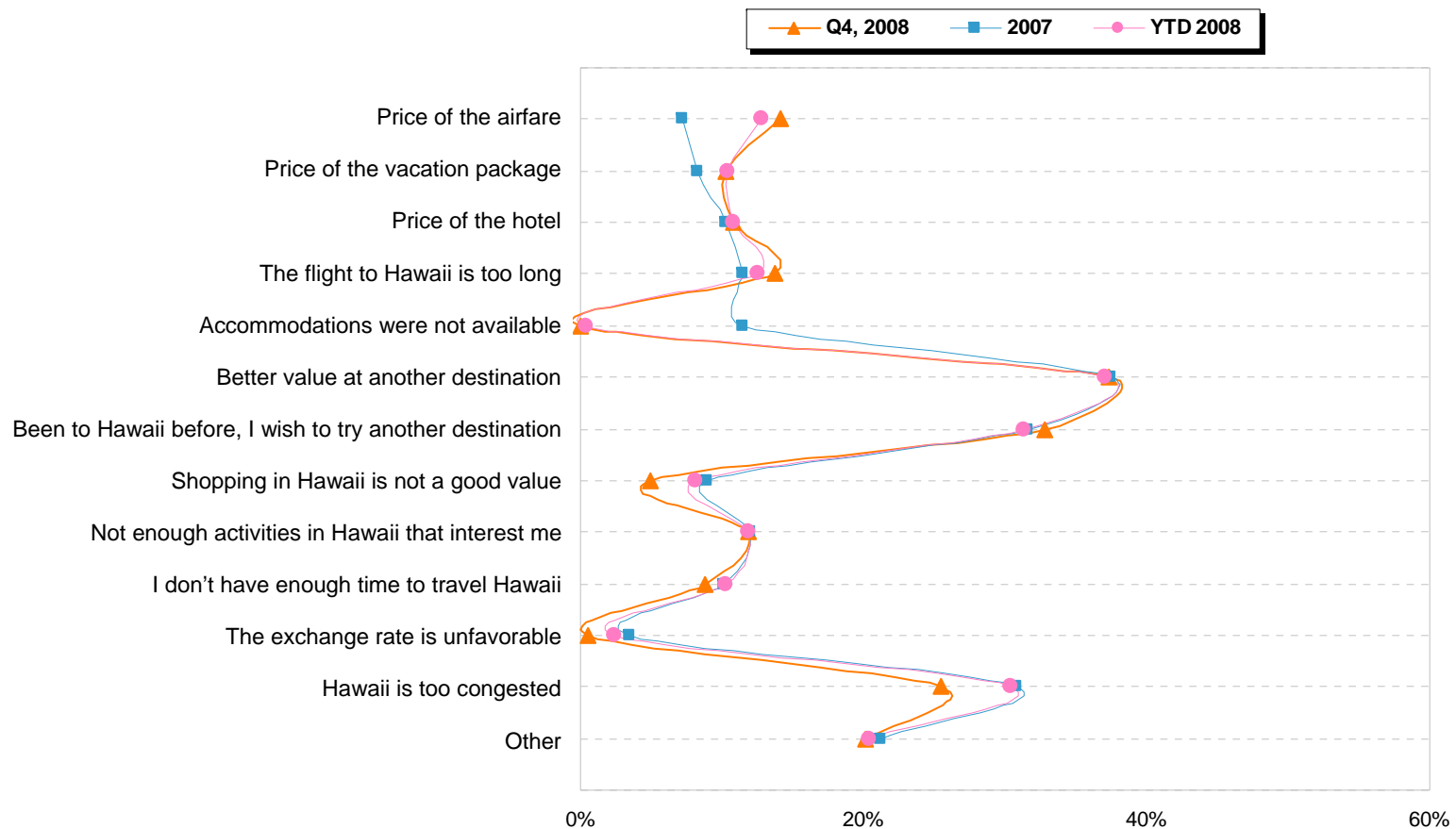
- Quarter 4, 2008: Of (22%) Japanese travelers considering a visit to Hawaii in the next 24 months, but not *intending* to visit, cost issues (which spiked last quarter) return to a secondary position. *Been to Hawaii before and wish to try another destination* (32%) is the main excuse. *A better value at another destination* (24%) remains important, as does *too congested* (21%). Potential visitors frequently cite price of the *airfare* (19%), *vacation package* (13%), and *hotel* (8%).
- YTD 2008 vs. YTD 2007: 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, but *price of the hotel* weakens as a concern. However, *been to Hawaii before* remains the number one reason for not intending to visit. *Congestion* and *long flights* appear less important than a year ago as well.



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

## Japanese Market

- Quarter 4, 2008: Japanese travelers who are not considering a visit to Hawaii still most often believe that they will discover a *better value at another destination* (37%). They also resist because they have *been there before* (33%) and want to avoid *congestion* (26%). *Airfare* (14%) and *long flight* (14%) remain important at the secondary level.
- YTD 2008 vs. YTD 2007: Issues revolving around costs rise in concern from last year (*airfare* and *vacation packages*) but fewer travelers expect problems with *accommodations* availability. However, *better value somewhere else* and *been there before* remain the key deterrents.





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