

Posted on: Thursday, April 3, 2003

Deals for kama'aina grow as tourism slows

By [Kelly Yamanouchi](#)
Advertiser Staff Writer

As travel slows during the war with Iraq, many in Hawai'i's tourism industry are trying hard to attract local residents and make up for the slide in Mainland and international visitors.

Just as they have done in years past, hotels and businesses catering to tourists are reaching out to kama'aina with sweet deals for hotel rooms to aloha shirts, and hoping that the war does not drag on.

"Whenever the market softens, you try to get business where you can and the kama'aina market is here," said Joseph Toy, president of hotel consultancy Hospitality Advisors.

Visitors coming to Hawai'i slowed slightly in February, with a 4.7 percent drop in arrivals from the Mainland being especially worrisome for the industry. But tourism executives say they expect to see traffic drop even more dramatically this month.

Tourism business is seasonal and "at the tail end of March it starts to drop off," said Starwood spokesman David Uchiyama. "(But) based on the booking pace and the call volume that we've seen drop off, it's going to be a little bit softer than in years past because of the war."

No one expects local traffic will fully cover for revenue losses as travelers nervous about war and terrorism stay home. But as a hedge against the declining market, a promotional strategy aimed at residents is seen as a smart business move right now.

Hotel chains have been running advertising for several weeks encouraging local residents to take advantage of room discounts.

Outrigger is offering specials with rates starting at \$103 at its condominium resorts and \$59 at its value-priced OHANA hotels. It is also sponsoring the Waikiki SPAM Jam Saturday to draw more kama'aina into Waikiki.

Starwood recently launched its annual kama'aina sale that runs through June at all properties, with rates starting at \$79 per night in Waikiki. The Aston chain has also run ads aimed at residents.

Although local residents often stay in visitor accommodations only for weekends and thus spend less than tourists, some in the industry find it worthwhile banking on kama'aina who are looking for vacation deals or may be worried about traveling too far from home.

"We're hoping that we'll be getting an even better response because of people who might have had plans for Mainland trips and elsewhere and decide they're going to play it safe and stay within the Islands," Uchiyama said.

Roughly 3 percent to 5 percent of Starwood's business for most of the year comes from local residents. That sometimes increases to 7 percent to 10 percent during the sales.

J. Alan Walker, regional vice president of Japan sales for the Polynesian Cultural Center, said the center is aggressively pursuing kama'aina customers.

"We've been doing several different programs to hopefully get them excited about coming out," Walker said. One offer provides coupons to residents who can get discounts on center passes.

Some tourist-oriented Hawai'i businesses have built up experience selling to the kama'aina market. Chocolate macadamia nut company Island Princess, for one, has been marketing Mele Macs to locals to offset decreases in the tourist trade. The effort since Sept. 11, 2001, has been so successful the company's local market now makes up about half of the company's business.

Carlton Kramer, Hilo Hattie's vice president of sales and marketing, said the retailer has been investing more in clothing lines targeted at kama'aina for years and has been successful in drawing more into its stores. The retailer recently held a garment sale to sell to more residents.

"A lot of the peaks and valleys are the opposite and that's very attractive to us," Kramer said. Early December, he explained, is usually a slow period for tourist traffic, but Hilo Hattie stores are crowded with local customers buying holiday gifts. As the slower spring season for tourism starts, businesses are again targeting kama'aina.

There are challenges as the industry attempts to expand its customer base. Industry officials have expressed concern that recent cutbacks in interisland flight schedules could prevent kama'aina from easily taking vacations to other islands.

"After 9/11 we had very successful business in the kama'aina market," said Outrigger Enterprises chief executive David Carey. "My major concern about the kama'aina business is the supply constraint in interisland air ... I think that's going to make it less effective than last time."

Hawaiian and Aloha Airlines have met with Neighbor Islanders to explain their financial reasons for the cutbacks in interisland flights, which have been made possible through a cooperation agreement designed to help the struggling carriers.

Reach Kelly Yamanouchi at 535-2470 or kyamanouchi@honoluluadvertiser.com.

[Back](#)

© COPYRIGHT 2007 The Honolulu Advertiser, a division of [Gannett Co.](#) Inc.

All materials contained on this site are protected by United States copyright law and may not be reproduced, distributed, transmitted, displayed, published or broadcast without the prior written permission of The Honolulu Advertiser. You may not alter or remove any trademark, copyright or other notice from copies of the content.