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**Josh Green, M.D.**  
*Governor*

**John De Fries**  
*President and Chief Executive Officer*

**BRANDING STANDING  
COMMITTEE MEETING  
HAWAII TOURISM AUTHORITY  
Wednesday, February 15, 2023, at 1:00 p.m.**

**Virtual Meeting**

**MINUTES OF THE BRANDING STANDING COMMITTEE MEETING**

<b>MEMBERS PRESENT:</b>	Dylan Ching (Chair), Mike White (Vice-Chair) James McCully, Sig Zane, George Kam, Ben Rafter, Stephanie Iona
<b>MEMBER NOT PRESENT:</b>	David Arakawa
<b>HTA STAFF PRESENT:</b>	John De Fries, Kalani Ka'anā'anā, Maka Casson-Fisher
<b>GUESTS:</b>	Mitsue Varley, Luke Terramoto, Darragh Walshe
<b>LEGAL COUNSEL:</b>	John Cole

**1. Call to Order**

Chair Ching called the meeting to order at 1:04 p.m.

**2. Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic**

Mr. Casson-Fisher did the roll call. All confirmed in attendance and that they were alone, except for Mr. Ching, whose wife was in another room.

**3. Opening Cultural Protocol**

Mr. Casson-Fisher did the opening protocol.

#### **4. Approval of Minutes of the November 16, 2022 Branding Standing Committee Meeting**

Chair. Ching asked for a motion to approve the November 16, 2022 minutes. Mr. McCully made a motion, and Chair Ching seconded. Mr. Casson-Fisher did the roll call, and the motion passed unanimously.

#### **5. Presentation, Discussion, and/or Action on the 2023 Hawai'i Tourism Japan Brand Marketing Plan**

Mr. Ka'anā'anā said the members would hear from two markets, the 2023 Brand Marketing Plans for Japan and Oceania . They are plans where they are seeking Board approval. He said they request comments, reviews, and recommendations to the full Board as the Branding Standing Committee, intending that the BOD will vote yes or no for the BMP for Japan and Oceania for 2023. The reason for having both in the current month is because the contracts are in place and ready, so the BMPs are ready.

As the procurements for China, Canada, and the others are complete, they will bring the part-year BMPs to the Board for approval to take them through the second half of the calendar year 2023. He gave the floor to Ms. Varley.

Ms. Varley presented the Japan BMP. She spoke about the market situation, target audience, the BMP strategy, and the key campaigns and programs. Japan's economic recovery in 2022 Q4 was good. The overall GDP was up by 1.5%. For 2023 the Japanese government's forecast is 0.8% to 1%. Consumer spending rose 2.5% in 2022; the forecast is 1.1% for 2023. The Yen has weakened to 134 Yen per Dollar, but in the last few months, it was stable between 127 to 130. In Q2 or Q3, it will be 125 to 130 Yen. The Government stimulus package for domestic travel is coming in during the last quarter and 2023 first quarter. Domestic travel has risen. Subways, airport and restaurants are busy. Inbound travel is coming back. Domestic travel is increasing. Outbound travel will also return in about three or four months. All industry partners want to put sales promotions efforts in for Spring to Summer.

Japan's border reopened in October 2022, and the positive news is that the government just announced that on March 13, the mask mandate would be lifted. On May 8, 2023 the Japanese government will announce that COVID-19 will be level 5, the same as influenza/flu, which will influence corporate travel and the media. Group bookings are increasing, especially for incentive groups. The 3,000-people Construction Group was booked in the summer, followed by 400 to 500 people insurance companies. The outbound recovery is slow, but it is because of the sentiment to go outside of Japan. Japan is focusing on domestic travel now. After speaking to the online travel agents, they said spring bookings are increasing, especially for individual travelers. They are in double digits compared to 2019.

Wholesalers' packages are also growing toward the Golden Week in summer. COVID-19 is under control. There is movement toward Spring.

The fiscal year in the Japanese market starts in April, so everyone is getting ready in March for FY23. Hawai'i is a top-of-mind travel destination. Regarding research, Hawai'i is Japan's number one desired destination. Number two is Europe, and number three is Taiwan. Booking destinations is slightly different, as short-haul Asia, especially Korea, is getting popular as the number one destination. Number two is Bangkok and Taiwan, and number three is Hawai'i.

Ms. Varley hopes outbound sentiment will rise and the booking pace will catch up, which is needed. Air seats are returning from different cities. For February, they have 240 flights, for March, they have 327; and for April, they have 450 flights. This is 70% compared to 2019. Hawaiian Airlines direct flight to Fukuoka is coming back at the end of April, and Delta is thinking of coming back on March 26, but might push back to the end of April. Flights are increasing, and airline partners are putting out a lot of sales promotions and wholesale packages. ANA's Honu A380 flight will be daily from April 19.

Ms. Varley spoke about the competitive landscape. Hong Kong announced putting in \$320 million for free airline tickets. Singapore is paying about \$50 per person for the incentive groups, with group sizes between 100 and 400. Saipan and Guam was incentivized at \$300 per person to book until June. So, there is a lot of competition getting into the Japanese market. For long-haul destinations, their competitors are Europe, Canada, and Australia. There are also doing a lot of seminars, FAM tours, and promotions.

She said the target audience is affluent travelers, romantic couples, experience seekers, the ethical, younger generation, and multi-generation family. Currently, the majority of visitors from the Japanese market are affluent travelers and somewhat experience seekers. They are all individual travelers booking various ways, but they also have timeshare. Later in spring to summer, they focus on romantic couples for weddings and honeymoons, golfers, and high-end families. Depending on the target, they have to choose the platform for messaging, and are working with the wholesalers and media to reach those people.

She spoke about the Brand Marketing Management messages. The core brand message is Mālama Hawai'i. They have been doing a lot of different education through social media. They created different types of assets. For 2023 they will create new Mālama Hawai'i campaign assets, messages, and videos. They will also work with HVCB, Hawai'i Tourism U.S., or other GMTs that share different assets and choose the best assets for the Japanese market. The short-term strategy is to accelerate immediate recovery efforts by regaining direct flight access and implementing targeted promotions to build travel momentum. They

are working with industry partners. Airlines and wholesalers have strategies. They are working with the timing of their sales, promotions, and campaigns, trying to work together for the target audience.

They also keep educating consumers, travel industry partners, and media. Promoting regenerative tourism growth on all islands is also important. The regenerative message is well received in Japan. They have been attending several seminars. The Japanese government and the destination within Japan, is focusing on sustainable tourism. They are looking at Hawai'i as a case study destination and a lead destination for regenerative tourism. They have been exchanging information on working together for two-way tourism. There are many good relations between Hawai'i and Japan, so it will increase many different activities.

In terms of education, it is important to do pre- and post-arrival education. They will utilize their Aloha Hawai'i specialist program. They have 393 satellite offices certified as Hawai'i specialist offices throughout Japan and will keep messaging in the lounges, the mālama campaigns, promotions, messaging, education, workshop, and creating the Mālama Hawai'i packages. HIS and JTB, the top two wholesalers, just launched new Mālama Hawai'i packages. They have been working with island chapters to educate on DMAP implementation. They translated all the strategies on the media travel trade website to Japanese. Contact with local residents is important. They have Japanese media on the island. They have also been working with Hawai'i news, trying to message how they connect with Japan and Hawai'i, and educating about regenerative and sustainable tourism.

Ms. Varley spoke about the key campaigns and programs for 2023. They have been doing the Mālama Hawai'i campaign with taxi ads, inflight videos, B2C events, and out-of-home advertising. They will utilize different channels to target different audiences. The major cities where there are direct flights, they focus on those advertising campaigns. Digital marketing is growing in importance. They have been doing YouTube adverts, and other digital platforms where they could target the audience. They have been collaborating with influencers and ambassadors, doing additional media campaigns. She said media relations is important to educate the consumer. They have Mālama Hawai'i 100, working with editors, and freelance writers, and they also have individual press trips and many articles on Mālama Hawai'i cultures, etc. Those are well received. They get a lot of media exposure, and they also get proposals from the media.

Ms. Varley said the romance market is important for them, especially for weddings. Hawai'i has a 60% share of this market. She said that the market is slow, so they have been working with wedding associations, produce companies, and industry partners to get together to create romance market promotions in 2023. Golf promotions also increased in Japan, and

they have been working with the island chapters, golf courses, and tour companies. In Japan, there are different golf membership clubs where they can reach the target audience, so they will be doing more golf promotions. She said they would bring the Hawai'i Expo back on May 27 and May 28 in Shibuya, Tokyo; they have already done the orientation to the travel trade partners. There is a lot of interest from partners in participating. She met the mayor of Shibuya, and a Tokyo group that owns many buildings. The city of Shibuya will be transformed into a city of Hawai'i. Besides the Hawai'i expo, there are many Hawai'i B2C events in Fukuoka, Aloha Tokyo, Nagoya Hawai'i Festival, Aloha Yokohama, and Hankyu Hawai'i Fair. With this, they can influence the direct consumers, along with wholesalers, airlines, and partners to promote Hawai'i to the direct consumer. There will be events in different cities almost every weekend in May and June.

Ms. Varley said they also collaborate with the private sector. The purpose of working with the private sector is to utilize their large databases. They have the power to reach different target audiences to keep Hawai'i in mass markets people's minds. They are speaking with the private sector to do the Hawai'i campaign.

The Japan summit is coming up in April. They are bringing hundreds of top wholesalers, retail agents, and planning department personnel to Hawai'i at the HCC, so they are organizing seminars, and FAM tours to the travel trade industry partners, which will happen from April 20 to April 25. They will work logistically to educate travel industry partners. Japan's Mission is from November 21 to 22. They go to Japan to educate travel trade partners. They usually have 300 to 400 travel agent seminars, VIP receptions, one-on-one trade shows, etc. The Japan summit and the Japan Mission are two major travel trade initiatives. In between, they do webinars every month. The Aloha program is going to expand. They currently have 65,000 program members who are studying the Hawaiian Culture, and the environment, to understand Hawai'i. They are increasing the ambassadors in Japan, taking the cultural practitioners to Japan, doing workshops and seminars to educate deeper for a connection to the 'āina and culture. The program will expand in 2023.

Ms. Varley spoke about the movie documentary showcased throughout the city last year. They will continue promoting educational programs in Japan. They want to keep educating on the importance of the ocean, the environment and the culture. She spoke about leveraging sister-city relationships. The summit is in July, and 31 sister cities will join, increasing the culture exchange program for the next generations. For advertisement, they will create new assets doing the campaigns. They have been messaging the target media, direct consumers, and working with the travel trade industries, so 2023 will be a busy year. Hopefully, the Japan market will recover soon from spring. Once the Japanese travelers start

coming back, it will be fast. 2023 focuses on 40% to 50%, and by 2024 the market will be recovered.

She showed the governor's message video, which is already showing at wholesaler tour lounges and airline inflight. Mr. Ka'anā'anā clarified that it is a welcome-back video for Japanese visitors to Hawai'i.

Mr. McCully asked about the air seat synopsis. He referred to the February and March projections showing a consistent increase. He asked about the December and January actual figures for the number of flights. Ms. Varley said January was in the 180 range and went up to the 200 range in February, then to the 300 range in March. She said it was stable. Mr. McCully asked about the projections. She said it is for available flights and seats, and the load factor for business class is usually 80 to 90%, but economy seats depend on the dates, and the load factor is between 40% to 70%. These figures are actual figures. Mr. McCully questioned whether they would make it anywhere near the numbers. Ms. Varley said the airlines have to keep flying to keep the routes. There is a waiver to pull out until April, but it will fall away after that. The airlines announce their air schedule every two months, so they cannot commit for the longer term. There is demand, and the supply is larger now. To keep the routes and momentum, the booking pace for spring vacation is going up. They also have lots of outbound flights from Hawai'i. In December, the load factor was high, but about 40% were local residents going to Japan. The load factor is now from Japanese visitors. Supply is larger than demand, but the airlines are increasing their seats.

Mr. Ka'anā'anā added that December had 296 flights and January had 287 flights. Load factors were high for most of the Japan flights. Scheduled flights do not necessarily mean that they are complete and the seats are filled. Many of airlines adjust their schedule on a dynamic basis depending on demand. They are tracking seats to keep updated on what the changes are.

An online attendee, Peter Young, asked if the local television station KIKU could be used as an additional messaging conduit for Japanese tourists. Ms. Varley said it is possible, but it depends on the programs and target audience. They are open to working with any media for the local market. The second question from an online participant was about the FY2023 budget for the Japanese program to be discussed on February 15th afternoon. Mr. Ka'anā'anā said it is \$6.5 million, which was approved by the Board.

Chair Ching asked for a motion to recommend to the full Board the approval of the marketing plan for Japan for 2023. Mr. White made a motion, and Mr. McCully seconded. Mr. Casson-Fisher did the roll call, and the motion passed unanimously.

## **6. Presentation, Discussion, and/or Action on the 2023 Hawai'i Tourism Oceania Brand Marketing Plan**

Mr. Ka'anā'anā said it is a different market but the same approach. They are seeking the committee's recommendation to the full Board regarding the BMP for 2023 for Oceania. He gave the floor to Mr. Walshe. He spoke about the team. He spoke about the BMP. The cost-of-living challenges have affected the market situation in Australia and New Zealand.

While Australia will likely avoid a recession next year, and the unemployment rate is low, they have seen a strengthening of the New Zealand Dollar and the Australian Dollar against the USD over the last few months, which is helpful. It has increased by over 15% compared to 2022, compensating for market challenges. The outbound market has changed a bit since 2019. A lot of that has to do with airlift and the re-opening of different markets. Indonesia and China featured high for the outbound market in 2019. They also offered shorter haul destination opportunities. He showed a graph with an increase for outbound travel. There has been growth from May, June and July 2022, which was the reopening of the markets. There has been excellent outbound growth from Australia and New Zealand. They recently had a consumer survey. 98% of respondents do intend to visit Hawai'i in the future. Three big months for travel are September, May, and October. The islands they want to visit are O'ahu, by default, then Maui, then the island of Hawai'i. The couples and family markets are the most popular types of travelers. The travel agents feature strongly, as do tourism board websites. 49% of the consumers they surveyed use travel agents to plan their future holidays. This is higher during booking time. The main reason for not visiting Hawai'i is the cost. It also reflects in terms of the HTA or DBEDT consumer satisfaction surveys.

The New Zealand and Australian markets are the big spenders per person per day, at \$280. Looking at the air seat synopsis, they are getting there. It is at 70% of the airlift capacity, compared to the 2019 peak. This presents opportunities, and there will be more increases. He spoke about the competitive landscape and highlighted four of them. Tourism Fiji has had a big campaign. Bali has always performed well, as it is cost-effective and has a balance between a sun destination and cultural variety. There has been some negative feedback about the law changes that may affect future visitor. From a USA perspective, Los Angeles and California have campaigns that provide opportunities for Hawai'i. The target audience is fun and fit families with teenagers looking for a cost-effective holiday during the school holidays. They are looking for cuisine experience, soft adventure, and activities that provide learning aligned to mālama. They are seeing a new generation, a mindful and responsible traveler interested in sustainability and travel responsibility, with a connection to culture, outdoor and mālama orientated experiences.

Mr. Walshe spoke about the 2023 strategy. They are aligned to the HTAs Strategic Plan, the pillars, and the concept of mālama. They will also showcase three core brand messages: connection, culture, and culinary. Connection is a key reason why people travel, and there is a strong connection between his market and Hawai'i. By focusing on the connection, they can delve deeper into the relationship that Hawaiians have with the land, the ocean, and the culture, to give visitors a deeper understanding of why the Hawaiian islands are so special. For culture, the spirit of Aloha and history make Hawai'i unique. For culinary, post-COVID food and drink is emerging as one of the strongest travel trends. Travelers are seeking culinary adventures. The cuisine also enables them to showcase the Hawaiian locals and the connection between the 'āina and the local communities. He highlighted some of the key campaigns and programs. He spoke about the theme of connections. They currently have a proposal to talk to key potential media partners about a specific connections campaign that will show how Hawai'i can stand out against other destinations through Aloha's heritage, culture, and spirit and connecting with the mālama concept. This will be via short videos highlighting the Hawaiian people and their connection to the land, ocean, and mountains.

He spoke about Aloha Down Under, an annual event where they bring industry to Australia and New Zealand as part of a multi-city roadshow, which incorporates the product in the destination training to the trade and some key brand messaging to trade and media. He spoke about the Month of Lei. They have expanded Lei day into the whole month of Lei, and it has provided a way to take ownership of the month, particularly to the trade, where they do a lot of training and focus on the islands and island personalities and bring them to life. It also incorporates consumer elements and social media, focusing on the destination. Travel Associates is one travel partner they have worked with successfully and will do so again, particularly because they tap into the luxury market. They will have a new innovative partnership for the year.

Mr. Walshe spoke about the Māori Television travel series filming through the Hawaiian islands. It is a travel series they will launch in a few months. It was an initiative that started from their office, where they approached Māori Television to talk about the connection around culture and how there might be an opportunity to showcase that through a travel series. The footprints will focus on ten Hawaiian indigenous operators and ten Māori indigenous tourism operators. It will also hopefully feature in-flight on Air New Zealand. He spoke about other campaigns they are working on. Agri-tourism and Made in Hawai'i products bring the Hawai'i locals into their market. The Made in Hawai'i project focuses on promoting Hawai'i-made products in Australia and New Zealand to grow the connection and help visitors see the quality and opportunity for experiencing those products when traveling to Hawai'i.



He showed the list of activities; the Newcastle Travel Expo, Flight Centre co-op, We Are Explorers campaign, My Hawai'i co-op, Travel Associates showcase, 'Ohana updates AU&NZ, Visit USA roadshow, Brand USA B2B, Ocean Film Festival sponsorship, TODAY show, IMM, Consumer campaign "connections," ADU venues and collateral, and Māori TV project. He spoke about partnerships and opportunities which incorporate some of the above initiatives. They are also working on the planning stages of sea cleaners and youth ambassador initiatives for later in the year. They are working closely with the industry regarding media, social media blogs, media blogs, etc. He provided a fact sheet for the industry.

Chair Ching asked about the additional laws. Mr. Walshe said the new laws are in Bali, where they are very strict on things like relationships that are outside of marriage, extending to residents and visitors.

There was no public testimony. Chair Ching asked for a motion to approve the plan for 2023 Oceania. Mr. White made a motion, and Mr. McCully seconded. Mr. Ka'anā'anā clarified that it is a recommendation to the full Board by the Branding Standing Committee. Mr. Casson-Fisher did the roll call, and the motion passed unanimously.

## **7. Update on the Hawai'i Tourism Destination Brand Management & Marketing Services for the United States Market RFP**

Mr. Ka'anā'anā gave an update on the RFP 23-03. He said those who are interested in learning more or bidding on the procurement, it will be conducted via Hiepro which is the Hawai'i State eProcurement System. He gave the link:  
<https://www.hawaiitourismauthority.org/rfps>.

He mentioned that Mr. Togashi is serving as procurement officer for the procurement, and any communication should go to Mr. Togashi, or Ms. Fermahin, the procurement specialist. He briefed them on important dates. He said the RFP was released on Monday, February 13, keeping with the commitment made by the staff to the Board and to others. He noted that they made the deadline. He showed other deadlines and markers, with the final due date for proposals on March 30 at 2 p.m. HST.

Mr. Peter Young from the online audience asked what the budget is for RFP 23-03. Mr. Ka'anā'anā said he would get it to him later, but he recalls there is a base amount of \$38,350,000 but said he would double check that amount. Those funds are already available through the FY2023 funds approved by the Board. In the procurement, they did include incremental funds. The Board has approved, as a maximum, not to exceed \$51,250,000 for the initial two-and-a-half-year term. The incremental funds are detailed in section 2.4 of the procurement. There was no action needed.

**8. Presentation, Discussion, and/or Action on the Incremental Funding for Canada and China\*\*\***

Mr. Ka'anā'anā requested that they conduct the agenda item in executive session pursuant to the statutes noted on their agenda but deferred to Mr. Cole, and then for the Board's vote. Mr. Cole said it would be the HTA section 201B for an exception to an open meeting and allowing an executive session to discuss information to be kept confidential to protect Hawai'i's competitive advantage as a tourism destination. Mr. Ka'anā'anā said they need to vote to go into an executive session to discuss the Canada and China incremental funding. Mr. White made a motion, and Mr. Zane seconded. Mr. Casson-Fisher did the roll call, and the motion passed unanimously. Chair Ching deferred item 8 to the full Board meeting.

**9. Adjournment**

Chair Ching asked for a motion to adjourn. Mr. White made a motion, and Mr. Rafter seconded. The motion passed unanimously. Mr. Casson-Fisher adjourned the meeting at 3:15 p.m.

Respectfully submitted,



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Sheillane Reyes

Recorder