



**HĀLĀWAI PAPA ALAKA'I KŪMAU**  
**KE'ENA KULEANA HO'OKIPA O HAWAII'**

**REGULAR BOARD MEETING**  
**HAWAII' TOURISM AUTHORITY**

***Po'ahā, 21 Nowemapa 2019, 9:30 a.m.***  
**Thursday, November 21, 2019 at 9:30 a.m.**

***Kikowaena Hālāwai O Hawai'i***  
***Lumi Papa Ho'okō A***  
***1801 Alaākea Kalākaua***  
***Honolulu, Hawai'i 96815***

**Hawai'i Convention Center**  
**Executive Board Room A**  
**1801 Kalākaua Avenue**  
**Honolulu, Hawai'i 96815**

***Papa Kumumana'o***  
**AGENDA**

1. *Ho'omaka A Pule*  
Call to Order and Pule
2. *'Āpono I Ka Mo'o'ōlelo Hālāwai*  
Approval of Minutes of the October 31, 2019 Board Meeting
3. *Hō'ike Lālā*  
Report of Permitted Interactions at an Informational Meeting or Presentation Not Organized by the Board Under HRS section 92-2.5(c)
4. *Hō'ike A Ka Luna Ho'okele*  
Report of the CEO Relating to Staff's Implementation of HTA's Programs During October 2019:
  - Major Market Management including Destination Marketing Management Services, Global Meetings, Conventions and Incentives (MCI) Program Management Services, Fall Tourism Update, and Responsible Tourism
5. *Hō'ike A Ka Māhele Kahua Mokulele, 'Oihana Alakau*  
Presentation by the State Department of Transportation Airports Division on Improvement Projects Currently Underway and Scheduled to Occur Throughout the State
6. *Hō'ike No Ke Ku'ikahi Me Ke Kulanui O Hawai'i*  
Update on HTA's Partnership with the University of Hawaii, Shidler Business College, School of Travel Industry Management and the Ho'oilina Scholarship Program



7. *Hō'ike No Ka Pāhana Ho'opakele Kahakai Ma Waikīkī*  
Update on the Royal Hawaiian Groin Construction to Begin in January 2020
8. *Hō'ike DestinationNEXT*  
Presentation by Paul Oiumet of the DestinationNEXT Report
9. *Hō'ike 'Ikepili Noi'i 'Oihana Ho'omāka'ika'i*  
Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets, Including the United States, Japan, Canada, Oceania, Other Asia, Europe, and Cruise
10. *Hō'ike, Kūkākūkā a Ho'oholo No Nā Mo'okālā*  
Presentation, Discussion and Action on HTA's Financial Reports for October 2019
11. *Hō'ike No Ka Papahana Ho'oponopono*  
Update on the Status of the 2018 Audit Action Plan
12. *Hō'ike No Ka Hana A Ke Kōmike Noi'i Papahana Ho'okele*  
Report of the Strategic Plan Investigative Committee's Activities
13. *Hō'ike Hanana Kikowaena Hālāwai O Hawai'i*  
Presentation by AEG Regarding an Update of the Hawai'i Convention Center Recent Operational Activities and Sales Initiatives
14. *Ho'oku'u*  
Adjournment

\*\*\* *'Aha Ho'okō: Ua hiki i ka Papa Alaka'i ke mālama i kekahi hālāwai kūhelu i kū i ka Hawai'i Revised Statutes (HRS) § 92-4. E mālama 'ia kēia hālāwai kūhelu nei ma lalo o ka § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) no ka pono o ko ka Papa Alaka'i kūkā a ho'oholo 'ana i nā nīnūnē a nīnau i pili i ko ka Papa Alaka'i kuleana me ko ka Papa Alaka'i loio. He hālāwai kūhelu kēia i 'ole paulele 'ia ka 'ikepili a i mea ho'i e mālama kūpono ai ko Hawai'i 'ano, he wahi i kipa mau 'ia e nā malihini.*



Hawai'i Convention Center  
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815  
**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
**kahua pa'a** web [hawaiiitourismauthority.org](http://hawaiiitourismauthority.org)

**David Y. Ige**  
Governor

**Chris Tatum**  
President and Chief Executive Officer

**\*\* Executive Session:** The Board may conduct an executive session closed to the public pursuant to Hawai'i Revised Statutes (HRS) § 92-4. The executive session will be conducted pursuant to § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) for the purpose of consulting with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities; and to discuss information that must be kept confidential to protect Hawai'i's competitive advantage as a visitor destination.

*Kono 'ia ka lehulehu i ka hālāwai no ka ho'olohe a hāpai mana'o waha paha no nā kumuhana i helu 'ia ma ka papa kumumana'o. Inā hoihoi i ka hāpai mana'o kākau, hiki ke ho'ouna 'ia i ke Ke'ena Kuleana Ho'okipa O Hawai'i ma mua o ka hālāwai ma o ka leka uila iā [carole@gohta.net](mailto:carole@gohta.net); ma o ka leka i ka helu wahi o luna; a i 'ole ma o ke kelepa'i i ka helu o luna. Inā pono ke kōkua ma muli o kekahi kīnānā, e ho'omaopopo aku iā Carole Hagihara (973-2255 a i 'ole [carole@gohta.net](mailto:carole@gohta.net)), he 'ekolu lā ma mua o ka hālāwai ka lohi loa.*

Members of the public are invited to attend the public meeting and provide oral testimony on any agenda item. Written testimony may also be provided by submitting the testimony prior to the meeting to by email to [carole@gohta.net](mailto:carole@gohta.net); by mail at the above address; or by facsimile transmission. Any person requiring an auxiliary aid/service or other accommodation due to a disability, please contact Carole Hagihara (973-2255) no later than 3 days prior to the meeting so arrangements can be made.

# **Agenda Item**

## **2**

**Approval of Minutes of the  
October 31, 2019 Board  
Meeting**



**REGULAR BOARD MEETING**  
**HAWAII TOURISM AUTHORITY**  
**Thursday, October 31, 2019**  
**Hawaii'i Convention Center**  
**1801 Kalākaua Avenue, Honolulu, Hawaii'i 96815**

**MINUTES OF REGULAR BOARD MEETING**

**MEMBERS PRESENT:**

Rick Fried (Chair), Micah Alameda, David Arakawa, Daniel Chun, George Kam, Kyoko Kimura, Kimi Yuen, Fred Atkins, Ku'uipo Kumukahi, Benjamin Rafter, and Kelly Sanders

**MEMBER NOT PRESENT:**

Sherry Menor-McNamara

**HTA STAFF PRESENT:**

Chris Tatum, Keith Regan, Marc Togashi, Marisa Yamane, Jadie Goo, Kalani Ka'anā'anā, Jennifer Chun, Carole Hagihara, Chris Sadayasu, Joseph Patoskie, Laci Goshi, Minami Aoki, Lawrence Liu, Maile Carvalho, Cynthia Morita, Maka Casson-Fisher, Evita Cabrera

**GUESTS:**

Representative Richard Onishi, Randall Tanaka, Allison Schaefer, Aldric Ulys, Roth Puahala, John Monahan, Erin Khan, Teri Orton, Mari Tait, Noelle Liew, Lee Conching, Brad Gessner, Irish Barber, Edgar Palafox, Tatsuo Watanabe, Joy Watanabe, David Baronfeld,

**LEGAL COUNSEL:**

Gregg Kinkley

**1. Call to Order and Pule**

HTA Board Chair Rick Fried called the meeting to order at 9:34 a.m. Chair Fried introduced Maka Casson-Fisher to give the oli. After giving the oli, Casson-Fisher explained that in the Hawaiian calendar, the current season is known as "makahiki." Makahiki is a period of reflection, prosperity, and collective abundance.

## **2. Approval of Minutes of the September 26, 2019 Board Meeting**

Chair Fried requested a motion to approve the minutes of the September 26, 2019 Board meeting. George Kam so moved and Benjamin Rafter seconded the motion, which was unanimously approved by all Board members present.

## **3. Report of Permitted Interactions at an Informational Meeting or Presentation Not Organized by the Board Under HRS § 92-2.5(c)**

Chair Fried asked the Board whether there were any permitted interactions to report, and there were none.

## **4. Report Relating to Staff's Implementation of HTA's Programs During September 2019**

Chair Fried acknowledged HTA CEO Chris Tatum to provide a report on HTA's activities in September 2019. Mr. Tatum introduced HTA Communications Director Marisa Yamane to discuss recent community outreach from the L.A. Rams, L.A. Clippers, and (Association of Volleyball Professionals) AVP events.

Ms. Yamane said that the clinics associated with the sporting events have been successful, and involved all six major islands. The Rams' "Character for Cleats" program was held at Farrington High School, with help from Hawaiian Lodging and Tourism Association (HLTA). The Rams also hosted football clinics for 300 players from eight teams from across the state. Clinics were also hosted for three hundred cheerleaders. AVP held clinics on all six major islands and donated volleyball nets and balls. The Clippers held day-long clinics for approximately 400 children. HTA funds helped bring students to the clinics from neighbor islands.

Mr. Tatum thanked HLTA and the Board for supporting community outreach efforts. He added that the Hawai'i Tennis Open will take place in December 2019, and Maria Sharapova will be playing. It is scheduled to take place at the Stan Sheriff Center. Mr. Tatum also noted that the Triple Crown of Surfing is happening, and HTA is working with WSL to sponsor the announcements for the Olympic team that is going to the 2020 Olympics in Tokyo. He said that he believes Hawai'i needs to do a better job of connecting surfing to its home in Hawaii

HTA is continuing to work with Dave Matlin from the University of Hawai'i (UH) and is working with the men's volleyball team to coordinate international games and help UH recruit from other parts of the world. Mr. Tatum added that HTA will continue the scholarship program that it started last year. HTA will also be contributing to scholarships at UH West Oahu which has a hospitality program. More information will be provided at the next meeting.

Mr. Tatum announced that HTA is sponsoring an opportunity to learn about how to combat sex trafficking in the hospitality industry. HTA is working with Jessica Munoz for training throughout the state.

HTA is hosting its Tourism Update Conference on November 18 and 19 on Hawai'i Island. HTA's contractors will be in attendance, including four new contractors from China, Korea, Southeast Asia, and Taiwan. Laci Goshi stated that it is anticipated that there will be 360 participants.

Mr. Tatum said that HTA is working with the group the state has identified to commemorate the anniversary of the end of World War II. HTA will be helping to fund that effort to show appreciation to the residents of Hawai'i that experienced and sacrificed during World War II.

Mr. Tatum recognized John Monahan to discuss the West Coast bus tour to promote Hawai'i Island. The bus tour was two weeks long, and kicked off in San Diego. The tour targeted to visit 558 customers but actually visited 638. The tour received positive feedback from customers, partners, and cultural ambassadors who participated. Mr. Monahan then discussed overall tourism trends and noted that 2019 has recovered from 2018, which was a weak year due to the eruption of Kīlauea, and in some respects has surpassed 2017. Unemployment on Hawai'i Island, which increased significantly because of the Kīlauea eruption, has improved to historically normal numbers. Mr. Monahan acknowledged Darlene Morikawa, Director of Public Relations for HVCB, and the Hawai'i Island team's contribution to the success.

Rep. Onishi noted that prior to March 2019 unemployment was still increasing but the efforts during summer in providing funding to marketing partners began to pay off in March where unemployment claims in 2019 began to dip below the 2018 numbers. Kuuipu Kumukahi emphasized the importance of not using the term "Big Island" to refer to Hawai'i Island. Daniel Chun asked Ms. Morikawa to expand on the public relations component of the bus tour. Darlene responded that Hawai'i Island had been promoted in Los Angeles in 2018, so this year they appeared on KTLA in Los Angeles but focused more on Seattle, including a travel trade event. They met with about eight media in that market.

Mr. Arakawa asked Rep. Onishi about funds given by the legislature to Hawai'i Island for recovery. Rep. Onishi responded that the legislature gave \$20 million in direct funding and \$40 million in loans, but most of it was directed towards infrastructure recovery. He said the federal government has released additional funds to help businesses and for the national park. Mr. Arakawa said that that should help keep unemployment numbers down.

## **5. Overview of the 100th/442nd 75th Anniversary Celebration in Bruyères, France**

Chair Fried then discussed his recent trip to France to honor the 100<sup>th</sup> Infantry Battalion and the 442<sup>nd</sup> Infantry Regiment, and their contribution to the Allied victory in World War II. Chair Fried attended at the invitation of the French consul. The 442nd Regiment was made up exclusively of Nisei American soldiers, many of which were from Hawaii. Eight hundred men of the 442<sup>nd</sup> were wounded, dead, or missing in action, to save a battalion of 200 men and liberate Bruyères. A ceremony was held in Bruyères, a sister city of Honolulu, to commemorate the

event, and was attended by Mayor Kirk Caldwell and Congressman Ed Case.

## **6. Presentation by the Honolulu Festival Foundation Regarding Multi-Cultural and Community Engagement**

Minami Aoki, Market Manager for Japan and Korea, introduced Tatsuo Watanabe, Honolulu Festival Foundation Executive Director, and Joy Watanabe of JTB. Mr. Watanabe said that this year's event commemorated 25 years. Honolulu Festival is an event that celebrates the connection between Japan and Hawaii. The Honolulu Festival Foundation is a nonprofit organization that promotes cultural exchange activities. Mr. Watanabe explained that the program began in 1995 but has grown into an international event, including participants from more than a dozen countries. The mission is to promote ethnic harmony and greater cultural understanding by introducing diverse cultures of the Pacific Rim region to the people of Hawai'i and visitors. The main events of the most recent Honolulu Festival took place at Hawai'i Convention Center (HCC), Waikiki Beachwalk, Ala Moana Center, and International Marketplace. There was also an educational tour offered to students in Hawai'i ranging from kindergarten to college students, which offered hands-on participation. The 2019 Honolulu Festival also brought Kabuki to Hawai'i for the first time in 50 years. There were a total of seven performances and each was sold out. There was also a Japanese film festival held at HCC.

In 2019, Honolulu Festival brought a total of 5,865 out-of-state participants resulting in an economic impact of \$8.9 million to the State of Hawaii. For next year, the goal is to increase participating visitors by 5%. Honolulu Festival also participates in environmental sustainability efforts. The 2020 Honolulu Festival will take place from March 6-8, 2020.

## **7. Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets, Including the United States, Japan, Canada, Oceania, Other Asia, Europe, and Cruise**

Chair Fried recognized Jennifer Chun to provide the latest market insights and conditions, which were included in the Board Packet. She noted that the visitor statistics press release had been released that morning.

Chair Fried recognized Jennifer Chun to provide the latest market insights and conditions. Ms. Chun discussed the market insights included in the Board Packet. She noted that the visitor statistics press release had been released that morning.

Ms. Chun explained that for September, expenditures were \$1.25 billion, a decrease from last year. This was driven by a decrease in per person/per day spending. There was an increase from U.S. East, but all other markets decreased. She stated that there was an increase in arrivals of 3.5% higher than last September, but that statistic is affected by the fact that Hurricane Olivia impacted Hawai'i last September.



Spending on Hawai'i Island has increased over 2018, and the number of day trips to Hawai'i Island has increased by approximately 20%. Arrivals to Kaua'i are still down from last year. Through June, the State collected \$600.3 million in TAT, an increase of 8.2% compared to FY 2018 through June 2018. HTA also released hotel performance numbers, which showed 78.2% occupancy for September. Ms. Chun added that HTA will begin its inaugural vacation rental. Ms. Chun noted that there was an increase of seats from the U.S. West and decreases from other areas like Japan, Korea, and China. In September there was no direct Beijing service.

Chair Fried noted that occupancy was flat for all the islands except Kaua'i, which was down, and asked if Ms. Chun had any comment. Ms. Chun responded that they were seeing fewer people going to Kaua'i, in general. Mr. Tatum noted that, in the context of 2018 when Kaua'i received more visitors diverting to Kaua'i from Hawai'i Island, the numbers are actually increased from 2017. Mr. Atkins said that there are a variety of factors that HTA should monitor. Ms. Chun said another issue of concern is the elimination of direct service from Vancouver due to the grounding of the Boeing 737 Max plane. Ms. Kimura asked about the impact of vacation rentals. Ms. Chun responded that there was a decrease in vacation rentals from July to September.

Chair Fried announced a break at 10:38 a.m. The meeting resumed at 10:53 a.m.

## **8. Presentation, Discussion and Action on HTA's Financial Reports for October 2019**

Chair Fried acknowledged Keith Regan, who provided financial reports and the budget statement for September 2019, contained in the Board Packet. He noted that, going forward in the fiscal year, more funds are being allocated to various components of the major categories of the budget. He said that the information in the report will become more detailed as the fiscal year progresses and money is allocated. Mr. Regan stated that HTA is on track, particularly with financing and allocating funds for Kukulu Ola, Aloha Aina, and community outreach enrichment programs.

Mr. Regan discussed the Executive Summary, which provides a snapshot of activities that occurred in September. The Tourism Special Fund includes \$5 million in the emergency fund, which cannot be accessed absent permission from the Governor. HTA receives about \$6.6 million dollars per month from the State, via the Transient Accommodation Tax, that goes into the Tourism Special Fund. Mr. Regan also noted prior year encumbrances, and reiterated that HTA is pushing to ensure those funds are expended properly. He stated that out of the \$86.8 million budget approved by the Board, \$15.7 million is being utilized, which puts HTA on track. Mr. Regan also said that there is approximately \$12.7 million in the Enterprise Special Fund, which increased due to a transfer of funds from the State from TAT revenues. These funds go to support activities of HCC.

Chair Fried asked about an item called "Budget Remaining," which shows the amount encumbered for community enrichment as "activity". Mr. Regan clarified that the activity is the allocation of the funding. Mr. Atkins noted that for Hawaiian community programs, there

was a difference of about \$1 million between the allocation and the original budget. Kalani said that some of that funding is for market support, Ma'ema'e fund, and the opportunity fund. Marc Togashi noted that money for the Hawaiian Center for Music and Dance is also included in that and that has not been allocated yet. Mr. Atkins asked why it was not a separate line item. Mr. Ka'anā'anā responded that those funds are still with HTA but are reflected in the larger Hawaiian programs line item.

Mr. Regan asked for a motion to approve the budget. Mr. Kam made a motion seconded by Ms. Kumukahi. The budget was unanimously approved.

## **9. Update on the Status of the 2018 Audit Action Plan**

Chair Fried acknowledged Mr. Regan to provide an update on the status of the 2018 Audit Action Plan. Mr. Regan said that they are in the process of finalizing the last few outstanding items which are related to administrative costs. They are working internally on a request to the Attorney General (AG)'s office to get an answer to resolve that process. David Arakawa noted that the next legislative session is coming up and requested that the request to the AG's office be added to the next agenda.

## **10. Report of the Strategic Plan Investigative Committee's Activities**

Chair Fried recognized Strategic Plan Investigative Committee Chair Kimi Yuen to discuss the committee's recent activities. Ms. Yuen said that a meeting was held on October 14 to assess feedback collected from stakeholder interviews and meets, and to refine the "pillars" of the plan. She said that the Committee anticipated getting a full plan from their consultant the following Monday to go over the plan in more detail. The Committee anticipates presenting the plan to the Board at the November meeting. She thanked the participants for their work on this matter.

## **11. Presentation by AEG Regarding an Update of Hawai'i Convention Center Recent Operational Activities and Sales Initiatives**

Chair Fried introduced Teri Orton to present the update of the Hawai'i Convention Center (HCC)'s recent operational activities and sales initiatives for September, also contained in the Board Packet. In September there were 19 licensed events generating \$1.3 million in gross revenue, on target with budget expectations. She noted that both the Okinawan Festival and the OceanObs Conference exceeded expectations, including budget expectations.

Ms. Orton recognized Mari Tait to provide an update on Capital Improvement Projects (CIP). Ms. Tait said that HCC initiated seven projects, listed in the Board Packet. Ms. Tait said that one of the projects will be completed this year, and the rest will be completed in 2020. HCC has developed a page on its website which announces the procurement of RFPs and the awards. Mr. Regan said that HTA has been involved in HCC CIP with Ms. Tait and her team. He commended the team for their work on the RFPs, and their efforts ensuring that funding is

being expended in the best way possible.

Ben Rafter asked about the study on the life cycle of the roof. Ms. Orton said that there are about two years of safe usage of the roof before repairs are required. Mr. Tatum said that HTA is working with a consultant on how to be the most productive with the use of the roof. He anticipates an update being provided by the end of the year. Mr. Arakawa asked if there were currently any restrictions on the usage of the roof. Ms. Orton responded that there were not. Mr. Arakawa asked how long the roof would be unusable during repairs. Ms. Orton responded that it would be approximately 1.5 to 2 years. She said they are trying to plan the repairs for a period when they have the least business, which is 2021.

Ms. Orton then discussed the Pace Report and recognized John Monahan to discuss sales and marketing. She said that the objective of the sales team remains to close business, travel, and sales and marketing initiatives. Mr. Monahan noted that HVCB was the only respondent for sales and marketing for HCC and city-wides. He said that HVCB has entered into a process to build up their structure and their team. They are also conducting research to compare similar convention centers and cities to develop best practices. The city-wide sales structure is being built, search for a sales and marketing leader is underway, and they are contracting with industry experts. Mr. Monahan said HVCB would also be working with local stakeholders.

Mr. Tatum said that in some of the other markets, they brought together the big players in the market and reviewed the booking base together to determine where booking was needed. He said that the sales team should incentivize to book in lean times.

Mr. Arakawa asked how HVCB would handle local events. Mr. Tatum stated that HVCB will not be handling local bookings and that would be handled by HCC. In the event that there was a conflict, they would evaluate them and, if need be, move someone.

Ms. Orton introduced Lee Conching to discuss HCC's sales and marketing efforts. Mr. Conching also responded to Mr. Arakawa's concern and noted that local events are confirmed approximately 12 months out but that more groups are looking at shorter lead times. He stated that the sales team is focusing on the next six weeks, which is when there are significant closings for the year.

Mr. Conching pointed out that the current event being hosted at HCC is SACNAS, the Society for Advancement of Chicanos/Hispanics and Native Americans in Science. He said that HCC has been working for eight years to bring this organization to Hawaii. The event has approximately 5,000 attendees and the event has opened the door for similar events. Mr. Tatum noted that the event was a collaborative effort with the University of Hawaii.

Mr. Conching said that HCC recently attended the IMEX Americas annual trade fair in Las Vegas, NV which is attended by executives from across the country. HCC is also working with third-party planners like HelmsBriscoe.

## **12. Discussion and Approval of the FY20 Convention Center Enterprise Special Fund Budget**

Ms. Orton also discussed the HCC budget, which was broken out into a budget for facilities and a separate budget for sales and marketing. Ms. Orton explained how the budget would be split between HCC and HVCB for sales and marketing. Mr. Tatum clarified that of the \$16.5 million from TAT, \$6.5 million usually goes towards sales and marketing, and \$10 million goes to facilities. Now, out of the \$6.5 million for sales and marketing, \$1 million will go to HCC for local sales, \$1 million will go to the HCC's reserve for facility maintenance, and the remaining funding will go towards HVCB. HVCB will also receive an addition \$2.5 from HTA's budget for a total of approximately \$7 million for sales and marketing. Ms. Orton also discussed HCC's food and budget, salary, contract labor, utilities, and supplies budgets.

Ms. Orton said that for on-call security, HCC will create a part-time, on-call pool of retired or off-duty police officers that HCC could call from for event security, because their contractors have not been able to consistently fill the schedule. The cost is more, but that cost is passed on to meeting planners. Mr. Tatum asked whether HCC was charging events for this service and Ms. Orton confirmed that they were.

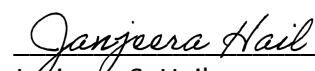
Mr. Tatum said that HTA had reviewed the salary and benefits of HCC staff in detail and had concluded that some of the salaries were not in line with the market. Adjustments to those salaries were made to ensure that HCC is competitive.

Ms. Orton introduced Brad Gessner, from AEG. Mr. Gessner discussed AEG's efforts to support transferring sales and marketing to HVCB. AEG merged with SMG, effective October 1, and is now ASM Global. Moving forward, Mr. Gessner will be involved in ASM Global as a consultant and will continue to work with Hawaii. Mr. Regan asked for a motion approving the budget. Mr. Kam made a motion. Mr. Atkins seconded the motion, which was unanimously approved.

## **13. Adjournment**

Chair Fried requested a motion to adjourn the meeting. Mr. Kam made a motion and Ms. Yuen seconded the motion, which was unanimously approved by the Board. The meeting was adjourned at 12:18 p.m.

Respectfully submitted

  
\_\_\_\_\_  
Janjeera S. Hail  
Recorder

# **Agenda Item**

## **4**

**Report of the CEO Relating  
to Staff's Implementation of  
HTA's Programs During  
October 31, 2019**



AUTHORITY

## MEMORANDUM

TO: HTA Board of Directors  
FROM: Chris Tatum, President and CEO  
DATE: November 21, 2019  
RE: Report of the CEO

The following narrative utilizes the 2019 Brand Management Plan's four core areas (Awareness, Conviction & Access; Unique & Memorable Experiences; Knowledge & Collaboration; and Strategic Oversight & Governance) to outline the various matters the staff is currently working on or has completed since the last CEO Report dated October 31, 2019. The narrative also describes the actions conducted by the staff to implement the Hawai'i Tourism Authority (HTA) budget previously approved by the Board.

### **I. AWARENESS, CONVICTION AND ACCESS**

#### **A. Major Market Management – October Update**

##### **Marketing Standing Committee Meeting**

All nine Global Marketing Teams (GMTs) will present their 2020 brand management plans to the Marketing Standing Committee on November 13. The presentations will include two Q&A sessions.

##### **MMA Internal Meeting**

HTA, the GMTs and Island Chapters will hold a group meeting and multiple individual meetings on November 14 to discuss topics including branding, global shared resources and assets, Global MCI, online marketing, familiarization trip protocols, the travel trade website and training, ADA compliance, crisis communication, sports, and updates on the Kūkulu Ola, Aloha 'Āina and Community Enrichment programs.

##### **Fall Tourism Update**

HTA's 2019 Fall Tourism Update will be held at the Hilton Waikoloa Village on Hawai'i Island from November 18-19. The conference will include an opening lunch and concurrent sessions focused on the topics of cultural tourism, natural resources, sustainable tourism, and tourism trends. A Hawai'i Island Product and Community Partner Showcase will feature more than 20 exhibitors. The second day will include GMT presentations of the 2020 brand management plans, updates on the MCI segment, and the Tourism Legacy Awards lunch honoring individuals and organizations working to stop the spread of Rapid 'Ōhi'a Death.

## **MMA Contracting Update**

The Market Management team has worked with the Contracts team to update the MMA contract terms for 2020. All 2020 MMA contracts are being executed.

## **II. UNIQUE AND MEMORABLE EXPERIENCES**

### **A. Hawaiian Culture Initiative**

#### **1. Kūkulu Ola Program**

HTA program staff and contracting are currently working to send out contracts to the 2020 awardees. Pending those being sent for execution, program staff is working on following up with contractors who were granted no cost extensions to complete their work and final reporting.

#### **2. Native Hawaiian Hospitality Association**

HTA and the Native Hawaiian Hospitality Association (NaHHA) continue to build stronger ties between the Hawaiian community and the tourism industry. Cultural industry resource meetings are held to bring together many of the industry's Hawaiian cultural advisors to discuss items of interest. HTA received great feedback from the participants as to their value of collaboration in moving the needle on culture in the industry.

#### **3. Native Hawaiian Festivals and Events**

##### 2020 Polynesian Football Hall of Fame

HTA staff met with Polynesian Football Hall of Fame organizers and reached agreement on a three-year contract with two one-year extensions. Funding will continue to support the game and other activities. Added to the new contract terms are statewide clinics and outreach with Polynesian Football Hall of Fame inductees, active NFL players and other leaders to help mentor and inspire Hawai'i youth. Appropriate paperwork will be drafted to move the approval process forward.

#### **4. Kāhea Greetings Program**

##### Harbors

Contracts for the various harbor greeting programs have been executed. Implementation has begun at the ports in Nāwiliwili, Honolulu, Lahaina, Hilo and Kona. Work will include, but is not limited to, hula, mele, lei making, maps and other collateral, as well as lei greeting with fresh flower lei. Discussions with DOT Harbors are underway to include more art and other improvements to enhance the harbor and port user experience.

##### Airports

HTA staff continues to work closely with DOT Airports to enhance airport greetings statewide. We have included an expansion of performances in the most current MOA with DOT Airports to cover the two busiest departure cycles at DKI (Honolulu). We have also worked closely with DOT Airports to encourage the incorporation of community-based hālau hula and Hawaiian cultural practitioners. For reference, performance greetings are held at Līhu'e, Honolulu, Kahului, Hilo and Kona. We continue to encourage DOT Airports to consider additional improvements, such as the inclusion of more art and other cultural inclusions to enhance the airport user experience.

## **5. Resort Area Hawaiian Culture Initiative**

HTA staff is preparing contractors to begin compiling their year-end reports and submitting their 2020 proposals for contract renewals.

## **6. Hawai'i Investment Ready 2019 Cohort**

HTA and Hawai'i Investment Ready (HIR) finalized a new contract which supports a cohort of social enterprises with a tourism focus, all who previously received funding through the Community Enrichment, Kūkulu Ola or Aloha 'Āina programs. The intent is to elevate these social enterprises to seek other forms of capital to enhance and improve its programs. HIR has completed modules 1-4 and is now working to prepare for module 6.

## **7. Center for Hawaiian Music and Dance**

HTA staff is preparing the appropriate PPWs and other work to issue the solicitation.

## **8. HTA Legacy Awards**

Planning is underway for the 2019 HTA Legacy Awards to be held in conjunction with the Fall Tourism Update on Hawai'i Island in November. The theme will focus on 'Ōhi'a Lehua and recognize the people and organizations who are committed to perpetuating the Hawaiian culture and preserving this keystone species for generations to come. This year's awardees will be announced at the Fall Tourism Update.

## **B. Natural Resources**

### **1. Aloha 'Āina (Natural Resources) Program**

HTA program staff and contracting are currently working to send out contracts to the 2020 awardees. Pending those being sent for execution, program staff is working on following up with contractors who were granted no cost extensions to complete their work and final reporting.

### **2. DLNR Partnership**

HTA staff continues to work in partnership with the Department of Land and Natural Resources (DLNR) to protect natural and cultural resources on state lands. Below are details regarding various initiatives underway or in the planning stages.

#### Nā Ala Hele Trails and Access

HTA staff and DLNR have finalized an agreement for \$530,000 in FY2020, providing DLNR with funds to conduct a statewide trail assessment and the brushing/clearing of trails.

#### Mālama Hawai'i

Current year funding is supporting placement of Mālama Hawai'i collateral in roughly 24,000 hotel rooms statewide. Funding has also been provided to produce and distribute seven new 30-second public service announcements. HTA staff has also confirmed the air dates for the second tv documentary for television to air on November 8 and 14, 2019.

#### Rapid 'Ōhi'a Death

Funding in 2019 was used for tour operator bio-sanitation trainings across the state. Public service announcements on quarantine rules, as well as airport ad placements, were also part of the funding. In addition, two aerial survey flights with the Carnegie Airborne Observatory were conducted for Hawai'i



Island and Kaua'i. Both islands now have confirmed cases of both species of Rapid 'Ōhi'a Death. HTA staff, in partnership with the state, placed visitor-focused tips to help reduce the spread of the disease, as well as hosted a full-length documentary to help others better understand the significance of 'Ōhi'a to Hawaiian culture and native ecosystems.

#### Carbon Sequestration Certification

DLNR has selected and awarded a contract for carbon sequestration certification. The certification will allow DLNR to quantify and value the carbon offsets from its reforestation work in order to move the department and DOFAW toward self-reliance.

### **3. Hawai'i State Park Survey**

HTA's contracting staff is working to finalize the draft request for proposals (RFPs). The project is expected to survey all state parks over a one-year period. The data and insights collected by the survey will help HTA and DLNR manage resources better to protect natural and cultural assets.

### **4. Hawai'i Ecotourism Association**

The Hawai'i Ecotourism Association and HTA have finalized the scope of work for the 2019-2020 program. The primary focus of this work will continue to be on the training of certified tour operators statewide and enhancing their training capacity. Further, it will provide for trainings that will be made available online, including on YouTube.

### **5. Hawai'i Green Business Program**

HTA has finalized a memorandum of agreement (MOA) with the Hawai'i Green Business Program. The primary focus of this work is to assist and recognize businesses that strive to operate in an environmentally, culturally and socially responsible manner. The program has a proven record of reducing energy consumption, water savings and waste diversion, which are three key metrics in HTA's strategic plan. The Hawai'i Green Business Program Ceremony took place on August 1.

### **6. Hawai'i Green Growth**

Hawai'i's sustainable future is dependent upon our ability to measure and define what sustainable tourism is moving forward. In partnership with Hawai'i Green Growth, HTA staff is in discussions regarding the current year contract to support the convening of a diverse group of stakeholders toward this goal and others. HTA staff is also considering a comprehensive survey of the visitor industry's efforts to "green" itself.

## **C. Safety and Security – October Update**

### **Visitor Assistance Program (VAP)**

HTA currently has four contracts, one in each county, to provide funding support for the visitor assistance program. These contracts are:

- **CON 17031** – Visitor Aloha Society of Hawai'i (O'ahu) with total funding of \$368,000 and a contract expiration date of 4/1/2020. A total of \$310,000.00 has been invoiced and paid, which leaves a remainder of \$58,000.00 of the total funding.
- **CON 17032** – VASHI – Island of Hawai'i VAP with total funding of \$168,000 and a contract expiration date of 4/1/2020. A total of \$148,000.00 has been invoiced and paid, which leaves a remainder of \$20,000.00 of the total funding.

- **CON 17034** – MVCB – Maui VAP with total funding of \$46,000 and a contract expiration date of 4/1/2020. A total of \$33,000.00 has been invoiced and paid, which leaves a remainder of \$13,000.00 of the total funding.
- **CON 17033** – VASK – Kaua'i VAP with total funding of \$53,000 and a contract expiration date of 4/1/2020. A total of \$40,000.00 has been invoiced and paid, which leaves a remainder of \$13,000.00 of the total funding.

During the month of October:

- Maui County's program handled 14 cases and helped 25 visitors (year-to-date: 187 cases/418 visitors).
- Hawai'i County's program handled 78 cases and provided assistance to 228 visitors (year-to-date: 399 cases/883 visitors).
- City and County of Honolulu's program VASH handled 79 cases and helped 166 visitors (year-to-date: 670 cases/1,507 visitors).
- Kaua'i County's program handled 1 case and provided assistance to 1 visitor (year-to-date: 46 cases/137 visitors).

### **Lifeguard Support Program**

HTA has agreements in place with the four counties to provide each with funding of \$125,000 based on a one-for-one match for the purpose of purchasing ocean safety equipment. The agreements for all four counties have been fully executed and the program is underway. All counties have communicated that they will be submitting invoices within the next 30 days. The Kaua'i Lifeguard Association has been paid \$112,500.00 out of the \$125,000.00 total funding and the City and County of Honolulu has also been paid \$112,500.00 out of the \$125,000.00 total funding.

### **Waikiki Camera Program**

MOA 19010, which provides the City and County of Honolulu with \$300,000 in funding to purchase security cameras in Waikiki, has been executed and is set to expire on 12/31/2019. HTA received the first invoice with amount \$270,000.00 during the week of August 5, which was then sent to DAGS for processing and payment.

### **Ocean Safety Advertising Campaign**

HTA, through its contracts with SKYHI MEDIA (CON 18176 S1 - \$108,376.92) and Pacific Media Group (CON 18189 S2 - \$143,006.60), is supporting the displaying of ocean safety videos at airports throughout Hawai'i. These videos run primarily in the baggage claim areas during normal airport operating hours. The agreements have been extended to continue showing these videos in FY2020 and both contracts will expire on 6/30/2020. Payments for both contracts have been made up to October 2019.

### **Snorkel Safety Study**

HTA has executed a contract (CON 19171) with the Hawaiian Lifeguard Association (HLA) for \$131,000 to conduct a snorkel safety study with an expiration date of 6/30/2021. The purpose of this two-year study is to formally assess the causes and risk factors in snorkel-related fatalities and near fatal drownings. HLA will collect and analyze data, conduct scientific research, conduct surveys and interviews, and will consult with experts in the appropriate fields. The State of Hawai'i Department of Health and the City and County of Honolulu lifeguards are collaborating on the study. HLA has collected information on the cases of snorkeling-related accidents. The first of three payments were

issued to the contractor and the second invoice payment request has been received and processed in September in accordance with the terms of the contract.

**Hā’ena Emergency Support**

MOAs have been executed with DLNR for \$54,860 and with the Kaua’i Police Department (KPD) for \$41,140 providing officers to support the enforcement of the “no parking” zone along a two-mile stretch of Kūhiō Highway. KPD has been submitting requests for reimbursement. DLNR has not submitted requests for reimbursement to date.

**D. Community Enrichment Program (CEP) – October Update**

**2020 Programs**

The 2020 Community Enrichment program awardees were notified of their selection in September. There were 95 projects awarded statewide totaling \$2,649,700. HTA staff has sent 62 of 91\* contracts to the 2020 CEP organizations who were awarded funding. Below is a breakdown of the 2020 CEP projects by island and a listing of the projects being funded:

<b>Island</b>	<b>No.</b>	<b>Amount</b>
Kaua’i	22	\$ 536,300
O’ahu	25	\$ 658,000
Moloka’i	3	\$ 65,000
Lāna’i	2	\$ 39,000
Maui	16	\$ 374,500
Hawai’i	18	\$ 396,900
Statewide	9	\$ 580,000
<b>TOTAL:</b>	<b>95</b>	<b>\$2,649,700</b>

**Statewide**

- Hawai’i Food & Wine Festival
- 40<sup>th</sup> Annual Hawai’i International Film Festival
- Moloka’i 2 O’ahu Paddleboard World Championship
- Kanu Hawai’i – Volunteer Week Hawai’i
- Japanese Cultural Center of Hawai’i – Statewide Japanese Cultural Exchange
- Honolulu Theatre for Youth – The Royal School / Ke Kula Keiki Ali’i
- Kumu Kahua Theatre – 49th & 50th Season Contemporary Hawai’i Plays
- Hawaiian Mission Houses – Traveling History Theatre
- Nā’ālehu Theatre – Hawaiian Music Masters Community Reinvestment, including Youth Outreach
- Music Instruction (Waimānalo and Kailua-Kona), Gabby Pahinui Waimānalo Kanikapila, Live from Waimānalo, and He Huakai E Pana Na I Ke Ea (Kailua-Kona), along with the Aloha Shirt Festival

**O’ahu**

- 26th Annual Honolulu Festival
- Pan-Pacific Festival
- 38th Annual Hawaiian Slack Key Guitar Festival "Waikīkī Style"
- 38th Annual Okinawan Festival
- 50th Annual ‘Ukulele Festival Hawai’i

- Mango Jam Honolulu\*
- Parade of Farms
- 18th Annual Waikīkī SPAM JAM®
- 28th Annual Filipino Fiesta
- POW! WOW! Hawai'i
- Hawai'i Polo Life Summer Invitational
- Hale'iwa Interpretative Signage Project and Walking Tour Map
- Hawai'i Book, Arts, & Music Festival
- Hawai'i Gay Flag Football League – Gay Bowl XX
- Honolulu Rainbow Film Festival
- Pu'uhonua Society – CONTACT 2020
- Hawai'i's Woodshow: Na Lā'au o Hawai'i
- Hawaiian Makahiki Series
- Wai'anae Economic Development Council – 'Āina Momona
- Waikalua Fishpond Cultural & Music Festival
- Hawai'i Scottish Festival and Highland Games
- VegFest O'ahu
- Pearl Harbor Aviation Museum – "You Are Here" Pavilion/Exhibit Project
- Waikīkī Aquarium – Ho'ike'ike Pili Kai
- Hawai'i Symphony Orchestra – Symphony Experience – New Year Celebration

\* The City & County declined HTA's 2020 CEP award. Thus, there will be only 91 contracts for CEP.

#### **Island of Hawai'i**

- 50th Annual Kona Coffee Cultural Festival
- Kahilu Theatre 2020 Season
- Ka'ū Coffee Festival
- Hawai'i Performing Arts Festival 2020 Season
- HawaiiCon
- Hawai'i Kuauli Pacific and Asia Cultural Festival
- 5th Annual Hawai'i Island Festival of Birds
- Hawai'i Institute of Pacific Agriculture – North Kohala Farm Tours & Tastings
- Big Island Chocolate Festival
- Pōhāhā I Ka Lani – Mahina 'Ai
- Volcano's 'Ōhi'a Lehua Half Marathon, 5K and Keiki Dash
- Kona Historical Society – Hanohano 'O Kona: Wahi Pana Lecture Series
- XTERRA Hawai'i Island Off-Road Triathlon
- 100% Pure Kona Coffee Marathon & Half Marathon
- Legacy Reef Foundation – Coral Education Center
- 24th Annual Hawaiian Slack Key Guitar Festival "Kona Style"
- Hāmākua Harvest Farm Festival
- 2nd Annual Experience Volcano Festival

#### **Kaua'i**

- Waimea Town Celebration: Heritage of Aloha 2020
- Kōloa Plantation Days Festival
- 28th Annual Hawaiian Slack Key Guitar Festival "Kaua'i Style"
- E Kanikapila Kakou 2020 – "Mele, Hula & Mo'olelo"
- 12th Annual Kaua'i Marathon and Half Marathon
- Lawai International Center – Cultural Awareness Events

- Kua'i Matsuri Festival
- Heiva I Kua'i
- Po'ipū Food & Wine Festival
- Kua'i Chocolate & Coffee Festival
- Kua'i Okinawan Festival
- Kua'i Museum Association – 40th Annual Irmalee and Walter Pomroy May Day Lei Contest
- 4th Annual Kua'i Old Time Gathering
- Po'ipū Beach Foundation – New Year's Eve Celebration at Po'ipū Beach Park
- 2nd Annual Garden Island Boogie Board Classic
- Equine Therapy, Inc.
- 'Ahahui Kīwila Hawai'i O Mo'ikeha – Ka Moku O Manokalanipō Pā'ani Makahiki and May Day by the Bay
- He Ino No Kaumuali'i – Makana Poinaole
- Kua'i Museum Cultural Exhibit
- Storybook Theatre of Hawaii – Princess Ka'iulani Keiki Hula & Story Fest

### **Maui**

- 20th Anniversary Maui Matsuri – A Japanese Festival
- Maui Film Festival
- Maui Nui Botanical Gardens – Lā 'Ulu – Breadfruit Day
- 29th Annual Hawaiian Slack Key Guitar Festival "Maui Style"
- Maui Marathon
- Maui Arts & Cultural Center – Visual Arts Exhibition Program and Maui 'Ukulele Festival
- Hui No'eau – Hui Holidays
- 40th Annual Maui Whale Festival
- Maui Pops Orchestra 2020 Concerts
- Jazz Maui 5th Annual East Meets West Festival
- Maui Classical Music Festival
- Hāna Arts Presents! – A Workshops & Events Program in East Maui
- Maui Sunday Market
- 12th Annual Paddle for Life – Voyage to Lāna'i
- Maui Bicycling League – Exploring Maui's Greenways and Bike Paths

### **Moloka'i**

- Moloka'i Canoe Festivals Presents – Kulaia Ho'olaule'a
- Moloka'i Holokai Ho'olaule'a
- Moloka'i Agricultural Festival

### **Lāna'i**

- Lāna'i Community Association – Annual Tree Lighting Festival
- Lāna'i Culture & Heritage Center – Lāna'i Guide App

The 2020 Community Enrichment program contractor meetings will be held on O'ahu, Maui, Hawai'i Island and Kua'i the week of November 4. Meetings on Lāna'i and Moloka'i will be held on November 15 and 26, respectively. New this year, HTA staff created a handbook for the 2020 CEP contractors. In addition, a social media workshop will be conducted by Anthology Marketing Group. These meetings are mandatory so the contractor will know how to work with HTA in terms of contracting, invoicing, reporting, marketing and support.

## Existing Contracts (2019)

HTA staff continues to evaluate final reports from contractors who have finished their events for 2019 and work on the closing of these contract files. The 2019 CEP program includes 71 awardees statewide with total funding of more than \$1.2 million allocated. For a listing of 2019 CEP awardees visit:

<https://www.hawaiitourismauthority.org/what-we-do/hta-programs/community-enrichment-programs/>.

### November Events

Event Name	Organization	Island(s)	Start Date	End Date
'Aha Makahiki	MC Events LLC	O'ahu	11/16/19	11/16/19
3rd Annual Kaua'i Old Time Gathering	Hale Puna	Kaua'i	11/21/19	11/24/19
Hawaiian Slack Key Guitar Festival	Kī-hō'alu Foundation	Kaua'i	11/24/19	11/24/19

### December Events

Event Name	Organization	Island(s)	Start Date	End Date
Festivals of Lights	Friends of the Festival of Lights	Kaua'i	12/6/19	12/31/19
New Years Eve Celebration At Po'ipū Beach Park	Po'ipū Beach Foundation	Kaua'i	12/31/19	12/31/19

### CEP Year-Round Projects

Event Name	Organization	Island(s)
Hāna Arts Presents! - A Workshops & Events Program for East Maui	Hāna Arts	Maui
Visual Arts Exhibition Program 2019	Maui Arts & Cultural Center	Maui
History Theatre	The Hawaiian Mission Children's Society dba Hawaiian Mission Houses Historic Site and Archives	Maui, Kaua'i, Hawai'i
Market of Possibilities	AccesSurf Hawai'i Inc.	O'ahu
Kahilu Theatre 2019 Season	The Kahilu Theatre Foundation dba The Kahilu Theatre	Hawai'i
travel2change	travel2change	All islands
Volcano Art Center's Hula Arts at Niaulani	Volcano Art Center	Hawai'i
Hui No'ēau Art Exhibitions 2019	Hui No'ēau dba Hui No'ēau Visual Arts Center	Maui
Hands on History at the Kona Coffee Living History Farm	Kona Historical Society	Hawai'i

Creating Unforgettable Experiences on Remote Beaches of Hawai'i	Sustainable Coastlines Hawai'i	O'ahu
Ho'omau Ka Hana No'eau o Waipi'o	Pōhāhā I Ka Lani	Hawai'i
Biki Bike Audio Tours	Bikeshare Hawai'i	O'ahu
Cultural Awareness Events 2019	'Ahā Hui E Kālā dba Lāwa'i International Center	Kaua'i
Hololea Visitor Tour Program	Mālama Loko Ea Foundation	O'ahu
North South East West Festival 2019	Ebb & Flow Arts	Hawai'i, Maui, O'ahu
Exploring Maui's Greenways, Bike and Walking Paths	Hawai'i Bicycling League	Maui
'Ohina Short Film Showcase	'Ohina LLC	O'ahu, Maui, Hawai'i Island
Anaina Hou Community Park Enrichment Programming 2019	Anaina Hou Community Park	Kaua'i
Hawaiian Cultural Events and Kaua'i Mokihana Festival 2019	Malie Foundation	Kaua'i
Maui Pops Orchestra 2019 Concerts	Maui Pops Orchestra, Inc.	Maui
The New Year's 'Ohana Festival / Shichi Go San: Keiki Kimono Dressing	Japanese Cultural Center of Hawai'i	O'ahu

**Major Festivals/Events**

November Events

Event Name	Organization	Island(s)	Start Date	End Date
Hawai'i International Film Festival		O'ahu	11/7/2019	11/17/2019
		Maui, Kaua'i, Hawai'i Island	11/21/19	11/24/19

## **E. Ho'okaulike – October Update**

### **Honolulu Parks Security Cameras - MOA 19194**

HTA partnered with the City and County of Honolulu's Department of Parks and Recreation to provide funding of \$204,000 for the installation of 192 surveillance cameras in 13 parks. The MOA has been fully executed, and the work is underway. HTA received and processed the first invoice on September 9, 2019 for \$183,600.00 as per the agreement. Parks and Recreation will provide updates as they move forward.

### **Kaua'i Safety Signage**

MOA 18196 (Supplemental 1) with Kaua'i County was extended through December 31, 2019, due to the delay in approval of placement locations, regulatory approvals, and signage materials. HTA has communicated regularly with Kaua'i County on this project and they have stated that most of the signs should be installed soon. The first payment was made in the amount of \$72,500. Funding for this project will expire as of December 31, 2019.

### **Hawai'i Island Safety Signage**

MOA 18194 (Supplemental 1) with the County of Hawai'i has been extended through December 31, 2019, to ensure the work is completed on time. The first payment was made in the amount of \$72,500. The second progress report and invoice was submitted and HTA has processed the payment in the amount of \$50,750.00. Funding for this project will expire as of December 31, 2019.

### **Hawai'i Island Strategic Plan**

MOA 19157 with the County of Hawai'i (\$35,000) was executed to assist in the update of the Hawai'i Island Tourism Strategic Plan (2001-2015). HTA has been working closely with County staff to receive updates on the status of this project. A request to extend the MOA to June 30, 2020 was received and is currently in process.

### **Maui Coral Reef Signage**

CON 19169 has been fully executed with the Maui Marine Resource Council for \$47,144 and is set to expire on December 31, 2019. The contractor has been working to replace existing signs and create new signs related to the coral reef on Maui. The sign design is being reviewed by the Maui Visitors and Convention Bureau (MVCB) for final approval. Once reviewed and approved by MVCB, they will send it to HTA for final approval. It is estimated that printing and shipping will take 4-6 weeks once finalized.

Additionally, the contractor is working with the County on acquiring the necessary permits, including an SMA assessment (possibly a minor SMA permit) and obtaining right of entry to the County park sites, which is contingent on approval of the SMA permit. The contractor is hopeful that the permitting process will be expeditious, and that they should be able to install the signs before the end of the grant period (12/31/19). The contractor requested an extension of six additional months (6/30/20) due to the additional time required to work through the County process. This extension is currently in process.

## **III. KNOWLEDGE AND COLLABORATION**

### **A. Communication and Outreach: October 2019**



### **News Releases/Reports Issued**

- News Release: HTA Appoints Pattie Herman as Vice President of Marketing and Product Development (Oct. 7)
- News Release: HTA Awards Funding to Hawaiian Cultural Programs (Oct. 9)
- News Release: HTA Awards Marketing Contracts for China, Korea, Southeast Asia, and Taiwan (Oct. 10)
- Report: Hawai'i Hotel Performance Report through Third Quarter 2019 (Oct. 21)
- News Release with the Hawai'i Open and Ward Village: Ward Village and Hawai'i Tourism Named Co-Presenting Sponsors of the Hawai'i Open (Oct. 23)
- News Release: Hawai'i Visitors Statistics Released for the First Three Quarters of 2019 (Oct. 31)

### **Media Relations**

- **Media Interviews:** Coordinated and/or assisted with the following interviews:
  - Hawai'i News Now: Chris Tatum (CT) live interview with host Steve Uyehara on HNN's Sunrise morning show regarding the Los Angeles Clippers' training camp in Hawai'i, pre-season games against the Houston Rockets and Shanghai Sharks, and community outreach. (Oct. 3)
  - KHON: Mufi Hannemann (MH) of HLTA live interview on the KHON2 News on KHII at 7pm regarding the Clippers' clinics and donation, and how tourism dollars helped to bring 100 neighbor island kids and coaches to O'ahu for the clinics. (Oct. 4)
  - Summit Media: Kalani Ka'anā'anā (KK) taped interview with radio host Shannon Scott at Summit Media studios. Segment later aired on both KCCN and Hawaiian 105. (Oct. 29)
  - Hawai'i Public Radio: Jennifer Chun (JC) interview with reporter Casey Harlow for a segment about the newly released visitor industry statistics. (Oct. 31)
- **Publicity Support:** Provided the following information and/or assistance:
  - Resent the Los Angeles Clippers press release to local media contacts with a personal message about the upcoming clinics and donation to a school. (Oct. 2)
  - Honolulu Civil Beat: Responded to request from reporter Brittany Lyte for information about a possible green fee on tourists. KK was unavailable to do an interview. Referred her to DLNR. (Oct. 2)
  - Honolulu Civil Beat: Marisa Yamane (MY) responded to reporter Nathan Eagle's request for information regarding snorkeling data, HTA's surveys and full-face snorkel masks. (Oct. 3)

- KHON: Continued to reach out to the Clippers after receiving request from producer Kristy Tamashiro to see if they would appear on KHON's Take2 morning show. The Clippers declined the opportunity. (Oct. 3)
- Hawai'i News Now: Responded to request from producer Linda Siu for photos and/or video of the Clippers donation and clinics. Connected her with HLTA. (Oct. 4)
- Honolulu Star-Advertiser: Sent reporter Allison Schaefer an embargoed advance copy of the press release, "HTA Appoints Pattie Herman (PH) as Vice President of Marketing and Product Development". Also provided PH's headshot. (Oct. 4)
- KHON: Responded to reporter Sam Spangler's request for interviews regarding the effects of the vacation rental bill, and if a UFC event in Hawai'i remains a possibility should UFC be willing to negotiate its price down. Declined the interview as it was still too early to tell about the effects of the vacation rental bill and HTA's research team hadn't received the data yet. Regarding UFC, advised him that UFC hadn't approached CT yet but HTA considers every offer, while especially looking at the branding and media value, and community outreach efforts. (Oct. 7)
- Alaska Beyond: Responded to request from correspondent Eric Lucas who was writing a 10-page feature on the Kuleana Campaign in Alaska Airlines' in-flight magazine. Connected him with Darlene Morikawa, John Monahan and Jay Talwar at HVCB. (Oct. 9)
- Blogger: Responded to request from Aakanksha who requested a free trip to Hawai'i for her blog. Declined request but referred her to GoHawaii.com for ideas in the event she visits on her own. (Oct. 9)
- KITV: Responded to request for information from reporter TJ Horgan regarding the City Council bill for the Keep Hawai'i Hawai'i pledge. Connected him with Sue Kanoho of the Kauai Visitors Bureau and Ross Birch (RB) of the Island of Hawai'i Visitors Bureau. (Oct. 9)

### **Community Initiatives and Public Outreach**

- Kona International Film Festival: Responded to Dennis Foster, who inquired about sponsorship. Gave him information about HTA's RFP process for nonprofits. (Oct. 3)
- Kilauea Lodge & Restaurant: Responded to request from general manager Janet Coney regarding heritage town signs and how they can get them in the Volcano area. Reached out to RB at IHVB and provided her with information. (Oct. 3)
- 41st Annual Pan-Pacific Festival: Provided CT welcome letter for the 2020 festival pamphlet. (Oct. 2)
- Responded to email from visitor Warren Boyer, who said his wedding ring was stolen while he was in Waikīkī. Recommended him to call and file a report with the Honolulu Police Department. (Oct. 6)

- Sunset on the Beach
  - Responded to Janet Maduli (JM) that HTA will promote the upcoming event on social media and include information about the entertainment and food vendors. (Oct. 7)
  - Sunset on the Beach: Reached out to JM to receive more photos for HTA's social media post on the upcoming event. (Oct. 8)
- Hawai'i Lodging and Tourism Association: Reached out to MH and Jared Ellis to get video and photos from the Clippers and Rams clinics to put together a slideshow video for the HTA October board meeting. (Oct. 7)
- Economist: Responded to request from economist Michael Markrich who was conducting marketing surveys and had clients interested in applying for HTA funding. Provided information on HTA's Kūkulu Ola, Community Enrichment and Aloha 'Āina programs, the online listing of 2019 sporting events supported by HTA, and information on HTA's process in reviewing all sporting event proposals especially for branding and media reach, and community outreach components. (Oct. 7)
- Hawai'i Pacific University: Responded to request from HPU student Matteo Odone to interview a tourism leader for his research paper. Forwarded to CT. (Oct. 8)
- 20North Marketing: Responded to request for information from CEO Lee Ladyga regarding a list of tourism companies in Hawai'i. Referred her to Activities & Attractions Association of Hawai'i (A3H.org). (Oct. 9)
- Hawai'i Scottish Association: Responded to request by Maryellen Markley for assistance regarding their 2020 CEP award. Connected her with Caroline Anderson (CA). (Oct. 9)
- Hawaiian Airlines: Sent links to the National Geographic videos of the Sea Cleaners project to external communications senior specialist Marissa Villegas. (Oct. 10)
- AVPFirst: Reached out to executive director Tony Giarla to get more information on how many kids participated in the statewide clinics. (Oct. 10)
- Responded to request for information on HTA's Kūkulu Ola program from Bobby Camara of Volcano, specifically how much money is given. Sent him the link on HTA's website that lists the dollar amounts, and also explained that HTA awards contracts and doesn't give out grants. (Oct. 10)
- Governor Ige's office: Requested communication's director Cindy McMillan post to the Governor's website the HTA press release about the Kūkulu Ola awards that were announced to nonprofits and government agencies that help to perpetuate the Hawaiian culture. (Oct. 10)
- NCIS Hawai'i Field Office: Received request for information from criminal intelligence specialist Christopher Meana regarding visitor statistics to include in their annual report. Provided the link to the research section of HTA's website. (Oct. 15)

- Hawaiian Airlines Diamond Head Classic: Provided HTA boilerplate to executive director Daryl Garvin for inclusion in their press release announcing tickets going on sale. (Oct. 15)
- HVCB: Created and distributed e-blast on Constant Contact about HVCB's upcoming Cultural Training session. (Oct. 16)
- HVS: Responded to request from senior vice president Desiree Flanary for information regarding tourism trends and statistics. Provided the link to the research section of HTA's website. (Oct. 17)
- Hawai'i Open: Provided CT quote and follow-up revisions to be included in the Hawai'i Open press release. (Oct. 17, 18)
- PacRim Marketing: Responded to senior integrated marketing manager Denise Park about the GMT's 2020 sales missions for China, Korea, Southeast Asia and Taiwan. Advised her that the 2020 opportunities to partner will be included in the GMT presentations during the Fall Tourism Update and available on the HTA website thereafter. (Oct. 18)
- Responded to request for funding and Fall Tourism Update scholarships from Jill Lowry, executive director of Anaina Hou Community Park. Advised her that the registration fee is already heavily subsidized, and also informed her about the Community Enrichment, Kūkulu Ola and Aloha 'Āina programs, and to apply for funding next summer. (Oct. 19)
- Red Varden Studios: Responded to pitch from principal Zig Gauthier of Los Angeles to produce tourism commercials. Referred to Darlene Morikawa at HVCB. She declined the offer. (Oct. 19)
- Responded to email from resident Eric Carr, who had complaints about the proposed Keep Hawai'i Hawai'i pledge and proposed to have a Visa program for visitors to Hawai'i. Advised him to contact the council members since it's a council bill and also that regulating interstate travel falls under federal laws. (Oct. 22)
- Responded to request for information on the Hawai'i Island heritage town signs by Volcano resident Lorna Larsen-Jeyte. Responded on behalf of DBEDT's Charlene Chan with the information received from RB. (Oct. 24)
- University of Hawai'i Athletics: Reached out to director of media relations Derek Inouchi regarding the new HTA/UH partnership to sponsor a Japanese volleyball team to come to Hawai'i to play UH in 2020. (Oct. 29)
- Wrote and sent HTA's contribution to the Capitol Connection to Cindy McMillan, regarding the department's top accomplishments for 2019 in accordance with Gov. Ige's priorities for his second term – sustainability and moving forward together. (Oct. 30)
- State Department of Transportation (DOT): Sent Tim Sakahara an advanced embargoed copy of HTA's visitor statistics for September to use in the Oct. 31 DOT press release regarding WestJet adding flights and Maui route. (Oct. 30)

- City and County of Honolulu: Sent advance notice to Mayor Caldwell's PR team regarding HTA's vacation rental report coming out the following day. Also sent an advanced embargoed copy. (Oct. 31)
- Hawai'i Pacific University: Marketing coordinator Jada Santos reached out asking if Keith Regan (KR) was available to participate in a segment with HPU on Living808 to talk about eSports. Keith was unable to participate due to prior conflicts. (Oct. 31)

### **Social Media Posts on HTA's Facebook Page**

- October 1: Post reminding people that Oct. 4 is the deadline to sign up for the International Festivals and Events Association workshop. **Total Reach 383 | Total Reactions 11**
- October 1: Post on the IRONMAN Triathlon World Championship in Kona. **Total Reach 471 | Total Reactions 24**
- October 2: Post on the 2019 Honolulu Pride. **Total Reach 389 | Total Reactions 23**
- October 2: Post sharing the County of Maui's update on the brush fires. **Total Reach 571 | Total Reactions 20**
- October 3: Post sharing the Maui Police Department's update on the fires and road closures. **Total Reach 929 | Total Reactions 47**
- October 3: Post sharing the County of Maui's update on the brush fires. **Total Reach 356 | Total Reactions 11**
- October 3: Post sharing the Maui Police Department's traffic alert due to the fires. **Total Reach 565 | Total Reactions 18**
- October 3: Post sharing the County of Maui's update on the brush fires. **Total Reach 320 | Total Reactions 5**
- October 3: Post sharing a Pacific Business News article regarding the L.A. Clippers' community donation in partnership with HTA. **Total Reach 500 | Total Reactions 8**
- October 3: Post on Hawai'i Tourism being thanked at the Clippers vs. Rockets game. **Total Reach 533 | Total Reactions 49**
- October 4: Post on travel2change. **Total Reach 858 | Total Reactions 45**
- October 6: Post on the Auwahi Forest Restoration project. **Total Reach 773 | Total Reactions 42**
- October 7: Post sharing the Honolulu Star-Advertiser article announcing Pattie Herman joining HTA's executive team. **Total Reach 914 | Total Reactions 63**
- October 7: Post sharing the L.A. Clippers Foundation's video of the team's donation to a local school. **Total Reach 227 | Total Reactions 2**
- October 8: Post about HTA RFP 20-13 for Public Relations, Communications, and Outreach Services for 2020. **Total Reach 803 | Total Reactions 73**

- October 8: Post about the 31st Annual 'Emalani Festival. **Total Reach 5,485 | Total Reactions 309**
- October 9: Post about the 49th Annual Maui Marathon and Half Marathon. **Total Reach 372 | Total Reactions 7**
- October 9: Post sharing National Geographic Eco-Traveller's video of the Sea Cleaners beach cleanup in Hawai'i. **Total Reach 534 | Total Reactions 45**
- October 9: Post about the Kōke'e Resource Conservation Program. **Total Reach 733 | Total Reactions 46**
- October 10: Post about Sunset on the Beach. **Total Reach 1,374 | Total Reactions 101**
- October 10: Post about HTA's job opening for an Administrative Assistant. **Total Reach 2,942 | Total Reactions 379**
- October 10: Post about Ebb & Flow Arts' "Naomi Niskala in Recital." **Total Reach 386 | Total Reactions 6**
- October 10: Post about HTA's announcement awarding funding to 43 programs through the Kūkulu Ola program in 2020. **Total Reach 488 | Total Reactions 59**
- October 10: Post about the Volcano Art Center's Hula Arts program. **Total Reach 624 | Total Reactions 34**
- October 11: Post about the Moloka'i Hoe. **Total Reach 656 | Total Reactions 33**
- October 12: Post about the North Shore Community Land Trust. **Total Reach 876 | Total Reactions 41**
- October 14: Post about the Bishop Museum's Living Culture Series. **Total Reach 605 | Total Reactions 29**
- October 15: Post about the Hawai'i Agriculture Conference, which HTA is helping to sponsor. **Total Reach 717 | Total Reactions 60**
- October 15: Post about the IFEA Growing Success III workshop to help festival and event planners. **Total Reach 563 | Total Reactions 20**
- October 15: Post about the Kaua'i Chocolate & Coffee Festival. **Total Reach 5,426 | Total Reactions 219**
- October 16: Post about the Hawai'i Woodshow. **Total Reach 611 | Total Reactions 30**
- October 17: Post about the Edit Kanaka'ole Foundation and its traditional dye experiments and workshops. **Total Reach 706 | Total Reactions 25**
- October 21: Post about the Hawai'i Food and Wine Festival. **Total Reach 548 | Total Reactions 29**
- October 23: Post about the Kohala Center. **Total Reach 672 | Total Reactions 29**

- October 23: Post sharing the Hawai'i Open's press release regarding Ward Village and Hawai'i Tourism being sponsors. **Total Reach 373 | Total Reactions 8**
- October 23: Post about HTA sponsoring the Hawai'i Food and Wine Festival and the Brews & BBQ event. **Total Reach 1,305 | Total Reactions 304**
- October 24: Post about the Kohala Center's Uku Koakoa project. **Total Reach 589 | Total Reactions 32**
- October 25: Post about the XTERRA World Championship on Maui. **Total Reach 503 | Total Reactions 19**
- October 25: Post about Mālama Loko I'a. **Total Reach 668 | Total Reactions 45**
- October 28: Post about the Maui Nui Botanical Gardens. **Total Reach 762 | Total Reactions 54**
- October 29: Post about the Hawaiian Mission Houses' Historic Site and Archives History Theater program. **Total Reach 591 | Total Reactions 29**
- October 30: Post sharing 'Aha Makahiki's video. **Total Reach 335 | Total Reactions 19**
- October 30: Post about Ka Leo O Na Kupa. **Total Reach 609 | Total Reactions 33**
- October 30: Post about Biki Hawai'i's free audio tours through a video created by HTA. **Total Reach 982 | Total Reactions 93**

#### **Social Media Posts on HTA's Instagram Page**

- October 1: Post on the IRONMAN Triathlon World Championship in Kona. **Total Reactions 15**
- October 2: Post on the 2019 Honolulu Pride. **Total Reactions 29**
- October 4: Post on travel2change. **Total Reactions 19**
- October 6: Post on the Auwahi Forest Restoration project. **Total Reactions 25**
- October 8: Post about the 31st Annual 'Emalani Festival. **Total Reactions 17**
- October 9: Post about the 49th Annual Maui Marathon and Half Marathon. **Total Reactions 15**
- October 9: Post about the Kōke'e Resource Conservation Program. **Total Reactions 23**
- October 10: Post about Sunset on the Beach. **Total Reactions 19**
- October 10: Post about the Volcano Art Center's Hula Arts program. **Total Reactions 30**
- October 11: Post about the Moloka'i Hoe. **Total Reactions 25**
- October 12: Post about the North Shore Community Land Trust. **Total Reactions 16**
- October 14: Post about the Bishop Museum's Living Culture Series. **Total Reactions 21**
- October 15: Post about the Kaua'i Chocolate & Coffee Festival. **Total Reactions 20**
- October 16: Post about the Hawai'i Woodshow. **Total Reactions 10**

- October 17: Post about the Edit Kanaka'ole Foundation and its traditional dye experiments and workshops. **Total Reactions 21**
- October 21: Post about the Hawai'i Food and Wine Festival. **Total Reactions 18**
- October 22: Post about Biki Hawai'i's audio tours. **Total Reactions 46**
- October 22: Post about the Kohala Center. **Total Reactions 10**
- October 24: Post about the Kohala Center's Uku Koakoa project. **Total Reactions 12**
- October 25: Post about the XTERRA World Championship on Maui. **Total Reactions 7**
- October 25: Post about Mālama Loko I'a. **Total Reactions 20**
- October 28: Post about the Maui Nui Botanical Gardens. **Total Reactions 19**
- October 29: Post about the Hawaiian Mission Houses' Historic Site and Archives History Theater program. **Total Reactions 11**
- October 30: Post about Ka Leo O Na Kupa. **Total Reactions 14**
- October 30: Post about Biki Hawai'i's free audio tours through a video created by HTA. **Total Reactions 17**

#### **Social Media Posts on HTA's Twitter Page**

- October 2: Post on the IRONMAN Triathlon World Championship in Kona.
- October 2: Post on the 2019 Honolulu Pride.
- October 6: Post on the Auwahi Forest Restoration project.
- October 8: Post about the 31st Annual 'Emalani Festival.
- October 9: Post about the 49th Annual Maui Marathon and Half Marathon.
- October 9: Post about the Kōke'e Resource Conservation Program.
- October 10: Post about Sunset on the Beach.
- October 10: Post about the Volcano Art Center's Hula Arts program.
- October 11: Post about the Moloka'i Hoe.
- October 12: Post about the North Shore Community Land Trust.
- October 14: Post about the Bishop Museum's Living Culture Series.
- October 15: Post about the Kaua'i Chocolate & Coffee Festival.
- October 16: Post about the Hawai'i Woodshow.
- October 17: Post about the Edit Kanaka'ole Foundation and its traditional dye experiments and workshops.
- October 21: Post about the Hawai'i Food and Wine Festival.



- October 23: Post about the Kohala Center.
- October 22: Post about Biki Hawai'i's audio tours.
- October 24: Post about the Kohala Center's Uku Koakoa project.
- October 25: Post about the XTERRA World Championship on Maui.
- October 25: Post about Mālama Loko I'a.
- October 28: Post about the Maui Nui Botanical Gardens.
- October 30: Post about Ka Leo O Na Kupa.
- October 30: Post about Biki Hawai'i's free audio tours through a video created by HTA.

### **Communications Strategy**

- RFP 20-13 Public Relations, Communications, and Outreach Services
  - MY compiled a list of public relations companies in Hawai'i and sent them to Ronald Rodriguez, along with the e-mail address for the Public Relations Society of America – Hawai'i Chapter. (Oct. 6)
- HTA Social Media Videos
  - Worked with producer contractor Mokihana Aki and videographer contractor Marcus Reimel to start making social videos about various programs that HTA supports, and on how to invoice HTA.
  - Requested CA reach out to Bikeshare Hawai'i to share the Biki Audio Tours video on social media, and sent message about this to HTA staff, HTA board members, Senator Wakai and Representative Onishi. (Oct. 30)

### **HTA Initiatives**

- Fall Tourism Update
  - Drafted and distributed reminder e-blast on Constant Contact about the Fall Tourism Update and early bird registration rate. (Oct. 8)
  - Invited Honolulu Star-Advertiser Waikiki Bureau chief Allison Schaefer or an editorial colleague to attend the Fall Tourism Update with a complimentary registration fee. Allison confirmed; connected her with contracted event organizer Lee-Ann Choy and Laci Goshi (LG) to register. (Oct. 8, 15)
  - Drafted and distributed e-blast on Constant Contact regarding the Fall Tourism Update and one day remaining for the early bird registration rate. (Oct. 14)
  - Updated Security, Safety, and Sustainability panel speaker list by replacing Hawai'i County Police Department Captain Sherry Bird with Captain Reed Mahuna. (Oct. 17)
  - Sent an e-mail updating panelists Captain Mahuna, Karen Rose (VASH) and Jerry Dolak (HHVISA) about the Fall Tourism Update. (Oct. 17)

- Hawai'i Public Radio: Responded to request for a press pass by reporter Casey Harlow to attend the Fall Tourism Update. Connected him with Lee-Ann Choy. (Oct. 17)
- Sent official Fall Tourism Update invitation letter to Captain Mahuna. (Oct. 21)
- Ho'ōla Nā Pua (HNP)
  - Drafted an invitation letter on behalf of CT and MH letting people know about the upcoming sex trafficking awareness symposiums sponsored by HTA and in partnership with HLTA. (Oct. 11)
  - Created and distributed e-blast on Constant Contact announcing the sex trafficking awareness symposiums. (Oct. 11)
  - KITV: Helped coordinate interview with reporter Nicole Tam ahead of the sex trafficking awareness symposiums. Worked with HNP's public relations coordinator. (Oct. 16)
  - Sent sex trafficking symposium flier to Jerry Dolak to distribute to HHVISA members. (Oct. 17)
  - Drafted press release on behalf of HNP, HTA and HLTA, "Tourism Industry Takes A Stand Against Sex Trafficking". (Oct. 28)
  - Created and distributed reminder e-blast on Constant Contact about the sex trafficking awareness symposiums. (Oct. 28)
- HTA Administrative Assistant Position for Research, Marketing and PR
  - Sent job opening notice to Dean Vance Roley at UH's Shidler School of Business and Holly Itoga of the Travel Industry Management program at UH West O'ahu. (Oct. 11)
  - HTA reviewed applications (Oct. 18) and interviewed applicants (Oct. 21-22).
- Social Media Workshops for 2020 Community Enrichment Programs
  - Provided draft outline of the one-hour workshops to be conducted by Anthology on O'ahu, Maui, Hawai'i Island, Kaua'i and Moloka'i (video conference) in November. (Oct. 22)

### **Internal Communications**

- Updated HTA staff, HTA board members, Senator Wakai and Representative Onishi about the Maui fires and its effects. (Oct. 3)
- Sent out notice to staff, HTA board members, Senator Wakai and Representative Onishi about MH being on the KHON2 News on KHII at 7pm. (Oct. 4)
- Sent the Los Angeles Clippers video of their donation to a local school to HTA staff, HTA board members, Senator Wakai and Representative Onishi. (Oct. 7)
- Sent e-mail to staff, HTA board members, Senator Wakai and Representative Onishi with a link to National Geographic's coverage of the Sea Cleaners beach cleanup on Hawai'i Island and the video that was created for the Oceania market. (Oct. 8)

- Updated HTA staff, GMTs, HVCB and HLTA about Typhoon Hagibis in Japan. (Oct. 10-11)
- Drafted a summary of the Rams, AVPFirst and Clippers youth and coaches clinics per CT's request. (Oct. 10)
- Sent information to HVCB about Diamond Head State Monument's temporary closure for repairs. (Oct. 19)
- Sent updates on the Kapalua, Maui brush fire to HVCB. (Oct. 22)
- Forwarded the Hawai'i Open press release to HTA staff, HTA board members, Senator Wakai and Representative Onishi. (Oct. 23)
- Sent CA a review of the Hawai'i Food and Wine Festival event – Brews and BBQ. (Oct. 25)
- Emailed Hawai'i Open press release about tennis star Maria Sharapova confirmed to play to HTA staff, HTA board members, Senator Wakai, Representative Onishi, HLTA, HVCB, and the local media. (Oct. 30)
- MY presented slideshow video showing the Rams, AVPFirst and Clippers youth clinics during the CEO Report at the HTA board meeting. (Oct. 31)
- HTA 2019 Annual Report to the Legislature: Compiled information and photos, and created the layout. (Throughout October)

#### **HTA 2020-2025 Strategic Plan**

- Reviewed and provided edits to the Oct. 10 draft of the strategic plan. (Oct. 10)
- Reviewed and provided edits to the Oct. 29 draft of the strategic plan. (Oct. 31)

#### **International News Bureau**

##### **Media and Public Assistance**

- Latin America: Responded to a request for a free press trip for Grindr growth manager and Viajay founder Fernando Sandes and his partner, who will be coming to Hawai'i in mid-October. Declined request but referred him to GoHawaii.com. (Oct. 1)
- India:
  - Clarified a request for partnership with travel journalist Subhasish Chakraborty who inquired with the Maui Visitors and Convention Bureau about having her Tahiti feature included in MVCB's press room. (Oct. 1)
  - Responded to a request for sales and marketing support in the India market from Magadhi Bam, cofounder of Estuary Labs. Shared invitation with HTA and advised her that HTA would reach out should there be interest in connecting. (Oct. 4)
- Australia:

- Responded to a request for sponsorship by Sara Cooper on behalf of DJ Carl Cox, who will be performing in Hawai'i on New Year's Eve. Declined the request. (Oct. 8)
- Responded to request by travel journalist Julia D'Orazio for a press tour to Hawai'i Island. She will already be visiting O'ahu through the O'ahu Visitors Bureau. Suggested she contact IHVB and also connected her with Chris Sadayasu. (Oct. 30)
- Switzerland: Responded to project manager for Visit USA Alina Edelmann who invited HTA to be an exhibitor at the Visit USA Seminar at the Moevenpick Hotel Zurich-Regensdorf on February 5, 2020. Shared invitation with HTA and advised her that HTA would reach out should there be interest in participating. (Oct. 15)
- Italy:
  - Responded to blogger Enzo De Chiara of The Italian Guest who inquired about travel assistance to Maui in January 2020. Declined request but referred him to GoHawaii.com. (Oct. 16)
  - Responded to chief editor Consuelo Gennari of online travel magazine and blog K Around the World, and producer for documentaries on GEO, who inquired about complimentary press trips and travel support to visit Hawai'i. Declined request but referred him to GoHawaii.com. (Oct. 31)
- Netherlands: Responded to a request for an internship at HTA from Dennis Greiff, a student in the Netherlands. Advised him that HTA doesn't have any internship opportunities as he requested. (Oct. 18)
- Europe:
  - Responded to email from Sophie Theisen in Luxembourg who asked if HTA would like to participate in the LuxExpo tourism fair in January. Forwarded information to LG to send to Hawai'i Tourism Europe (HTE). (Oct. 23)
  - United Kingdom: Responded to request from Eclectic Motion Media Senior Media Planner Liam Robertson regarding a sales pitch to do work for HTA. Connected him with LG and HTE. (Oct. 31)
  - Belgium: Responded to sales pitch from Cyclelive Magazine to advertise in their magazine. Connected him with LG and HTE. (Oct. 31)
- Germany: Responded on behalf of DBEDT's Charlene Chan to Juergen Schoenauer, who requested printed brochures. Sent him a link to the GoHawaii.com page where he could order them. (Oct. 25)
- Russia:
  - Responded to senior manager Maria Udovenko of Aspera Explorations who inquired about including Hawai'i photos on their website. Provided Barberstock link with usage information. (Oct. 15)

- Responded to email from Lolani Poa regarding making a complaint against bus drivers on Hawai'i Island. Sent him a link to the state Public Utilities Commission. (Oct. 30)

## **B. Research and Planning**

The Tourism Research Division (TRD) issued the September 2019 monthly visitor statistics on October 31, 2019, including monthly arrivals by country, category expenditures for major markets, and monthly visitor characteristics for each major market area.

TRD posted Seat Outlook data tables for November 2019 through January 2020 to the Infrastructure Research Section of the HTA website.

State, major market and island fact sheets were updated with the September 2019 data and posted to the Board site. State and market fact sheets were published on the website.

TRD issued the September Hawai'i Hotel Performance Report on October 21, 2019. The report and related September 2019 data tables were posted to the Infrastructure Research section of the HTA website. The Hawai'i Hotel Performance Report is produced using hotel survey data compiled by STR, Inc., the largest survey of its kind in Hawai'i.

TRD posted the 2<sup>nd</sup> Quarter 2019 Visitor Satisfaction and Activity Report and Infographics on October 11, 2019 on the HTA website.

Jennifer Chun attended the Hawai'i Economic Association Annual Conference on October 4, 2019 and was on the conference committee for this event.

Jennifer Chun attended the Travel and Tourism Research Association's Marketing Outlook Forum on October 7-9, 2019. She and Jeffrey Eslinger from HVCB gave a presentation on the use of airline data.

Jennifer Chun presented a tourism overview to the Pacific Island Tourism Professional Fellows Program, which is hosted by the East-West Center and funded by the U.S. State Department.

Jennifer Chun was interviewed on Hawai'i Public Radio – KHPR on October 31, 2019 regarding the September 2019 visitor statistics.

TRD continued to work with the State Attorney General's office to analyze visitor data related to the impacts of the national travel ban on inbound travel from seven affected countries.

TRD continues to reply to requests for information from HTA's Global Marketing Team, industry, media, and the general public. Data requests completed include:

- Additional detailed visitor statistic data for UHERO and DBEDT/READ for their databases, and the monthly data requests
- Research inquiries routed through DBEDT
- 2018 and 2017 returning resident data, for DBEDT

## **Update of the 2020 Tourism Strategic Plan**

HTA staff finalized the second draft of the plan's strategic goals and choices, and the four pillars (Brand Marketing, Community, Hawaiian Culture, and Natural Resources), as a result of the stakeholder interview feedback. The Strategic Planning Investigative Committee (SPICOM) met on October 14 to review the feedback from the stakeholder interviews and second draft of the sections noted above. SPICOM will meet on November 8 to review and discuss the overall draft plan before it goes before the full HTA Board of Directors for presentation at the November board meeting. The 2020-2025 Tourism Strategic Plan is scheduled to be approved by the HTA board at its December 2019 meeting.

### **C. Career Development**

#### **University of Hawai'i – Kapi'olani Community College**

The University of Hawai'i - Kapi'olani Community College and Maui College offer the Certificate for Customer Service in Hawai'i Training Program and Certification for Hawai'i's Professional Tour Guides for the Fall 2019. HTA is assisting with the support of 50% of student class fees (with the employer paying the other 50%). The University of Hawai'i's Kaua'i College and Hawai'i College courses were postponed to Spring 2020 due to no enrollment and ability to find instructors respectively.

### **D. Educational Workshops**

#### **Growing Success III - 2019 Hawai'i Capacity Building Workshops**

HTA, in partnership with the International Festivals and Events Association, conducted all-day workshops on O'ahu (October 15), Maui (October 16), Kaua'i (October 17) and Hawai'i Island (October 18). These workshops are targeted to festivals and event planners and are geared toward enhancing the success of their events/projects in the areas of revenue generation, developing successful volunteer programs, succession planning, risk management and event safety. There were 53 people who signed up on O'ahu, 34 on Maui, 40 on Kaua'i, and 54 on Hawai'i Island.

#### **2019 Hawai'i Agriculture Conference**

HTA supported the Agricultural Leadership Foundation of Hawai'i's 2019 Hawai'i Agriculture Conference with funding of \$2,500. The conference was held from October 15-16 at the Hawai'i Convention Center. HTA also had a table at the Expo, where staff shared with the agriculture community various opportunities to partner with HTA through its Community Enrichment Program, as it supports agritourism initiatives.

#### **Ho'ōla Nā Pua**

HTA contracted with Ho'ōla Nā Pua to conduct four workshops across the state in efforts to train and educate the visitor industry, particularly the hotel industry, on the topic of sex trafficking. By participating in the workshop, attendees will be able to know the signs of illegal trafficking so it can be appropriately identified and reported. The 2019 workshop dates are November 4 (O'ahu), November 5 (Maui), November 6 (Hawai'i Island), and November 7 (Kaua'i).

## **IV. STRATEGIC OVERSIGHT AND GOVERNANCE**

### **Contracts List**

A list of contracts executed in the month of October is attached.

## Hawai'i Tourism United States 2019 Monthly Leisure Marketing Report – October

### Market Intelligence/Market Conditions

#### Economy

Despite warnings of possible economic fragility, jobs creation remains relatively steady and personal incomes continue to grow, both of which could sustain the financial system during rough patches ahead. Not all analysts believe a recession is imminent and point to other metrics that paint a much sunnier picture. The consensus seems to be that when the next recession hits, it will be less severe than the last one.

- U.S. GDP growth is decelerating and, during the near-term, increases are anticipated to remain modest.
- The Conference Board's consumer confidence index fell to 125.1 in September, down from a revised August 2019 reading of 134.2.
- Trade with Canada and Mexico falls into the same uncertainty now gripping U.S. relations with China and Europe.
- The Federal Reserve Bank of New York's recession probability indicator, which gauges the likelihood of a recession within the coming 12 months, rose steeply from around 10 percent at the beginning of 2019 to 37.9 percent in August. Real gross domestic product (GDP) increased at an annual rate of 1.9 percent in the third quarter of 2019, according to the "advance" estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 2.0 percent. Disposable personal income increased \$181.7 billion, or 4.5 percent, in the third quarter, compared with an increase of \$192.6 billion, or 4.8 percent, in the second quarter.
- The Conference Board *Consumer Confidence Index*<sup>®</sup> fell to 125.9 in October, down from September 2019 reading of 126.3.
- The *Present Situation Index* – based on consumers' assessment of current business and labor market conditions – increased from 170.6 to 172.3.
- The *Expectations Index* – based on consumers' short-term outlook for income, business and labor market conditions – declined from 96.8 last month to 94.9 this month.

#### Outbound Travel Market

- Pleasant Holidays has reported that they are seeing strong bookings for the holiday season as well into the winter. They feel this is related to two things: Issues in the Caribbean (hurricane in Bahamas and negative press in the Dominican Republic) and recent enforcement of short-term rentals on O'ahu.

## Competitive Environment

- Caribbean tourism groups are regrouping in the wake of Thomas Cook's demise, particularly in the Eastern Caribbean, where annual arrival numbers included visitors on Thomas Cook packages. The Caribbean was expecting more than 400,000 travelers from the U.K. and Europe this winter through Thomas Cook, representing a significant portion of the region's more than 30 million annual visitors, according to Patricia Alfonso-Dass, president of the Caribbean Hotel and Tourism Association.

## Consumer Trends

No substantial change in trends since last month.

## Travel Trends

- *Travel Trends Index* (TTI) finds that travel to and within the U.S. grew 3 percent year-over-year in August, according to the U.S. Travel Association, marking the industry's 116th straight month of growth.
- Domestic travel, expanded by 4 percent, while vacation intentions reached their highest level in 2019. However, forward-looking bookings and search data indicate there may be uncertainty on the horizon for the domestic segment: The Leading Travel Index (LTI), TTI's predictive element, projects that domestic travel growth will soften to just 1.8 percent in the coming six months.
- Domestic travel grew by 3.4 percent, dragged down slightly by a weakening domestic business travel segment (1.2 percent), though business travel is expected to pick up again and expand 1.6 percent over the next six months.
- International inbound travel—which has experienced a roller coaster of growth spurts and contractions in 2019—was flat in August. While this is a slight improvement from the 1.2 percent decline registered in July, it is not the hoped-for sign of international inbound travel's revival. Over the next six months, the LTI projects the segment will decline by 0.6 percent as it faces continuing obstacles in the form of trade tensions and the strength of the dollar.

## Media Trends

- *Google* has never yet gotten social right. By incorporating social into search, 2020 will be the year that search engine result pages become even stronger. *Google* was granted patent 9632972, which outlines a process for identifying an influential user in a social community.
- User-generated content in search. More user-generated content from social sites like *Reddit*, *Quora*, *Stack Exchange* and *Twitter* will appear in *Google* search results. Appearing in search results gives brands, marketers and users incentive to participate more in these niche sites because of greater visibility.
- Other noteworthy trends: Standing up for privacy and reducing the sharing of information with third parties (paywall) that resell data.

## Airlift



- The U.S. domestic carriers to Hawai'i for the months of November through January 2020 will operate on an expanded schedule as we approach the holidays and the winter season. U.S. non-stop seats for November are 764,326, an +8.3 percent increase over 2018. December and January are 897,622, and 843,437, respectively, a +9.7 percent and +10.5 percent increase over 2018. Much of the increase in capacity is due to the addition of the markets that Southwest has added as well as the addition of the Boston flight on Hawaiian and increased frequencies on American out of Chicago and Dallas.
- All U.S. domestic carriers as well as Air Canada and WestJet have extended grounding of the Boeing MAX into 2020. This continues to have impact on direct neighbor island service from the mainland as seen in route suspension or decreased frequencies.

**Market Intelligence/Market Conditions Impact on Hawai'i Travel**

For the second consecutive year, the Bureau of Economic Analysis released national and state level data defining outdoor recreation's impact on the U.S. economy. Highlights from the report include the fact that outdoor recreation makes up 2.2 percent of U.S. GDP, generating \$778 billion in gross output and supporting 5.2 million jobs. In terms of economic output, boating/fishing, motorcycling/ATVing, hunting/shooting/trapping and equestrian sports are the five largest conventional outdoor recreation activities. The top five states where outdoor recreation accounts for the largest percentage of each states' total GDP are *Hawai'i*, Montana, Maine, Vermont and Wyoming.

**Leisure Activity Update**

**Consumer**

On-line

**Digital Campaign October Estimates – Impressions Per Island**

<b>PARTNERS</b>	<b>Central</b>	<b>OVB</b>	<b>MVB</b>	<b>KVB</b>	<b>IHVB</b>	<b>LVB</b>	<b>DMVB</b>
<b>Zefr</b>	-	706,578	974,894	793,755	1,473,910	43,534	43,482
<b>Trip Advisor</b>	-	448,891	340,173	564,507	705,345	103,291	103,291
<b>Programmatic</b>	-	1,989,049	3,730,571	2,252,430	2,705,126	208,130	208,130
<b>Search</b>	-	6,321	14,234	15,689	13,642	6,531	6,531
<b>Condé Nast</b>	-	-	477,914	-	1,053,235	477,914	-
<b>Matador</b>	-	839,444	-	1,246,613	-	-	-
<b>Reddit</b>	-	23,213	22,642	31,728	15,743		282
<b>Facebook</b>	16,874,408	417,232	518,626	618,440	1,024,625	271,821	239,897

<b>Instagram</b>	12,281,675	-	-	-	-	-	-
<b>Total</b>	29,156,083	4,430,728	6,079,054	5,523,162	6,991,626	1,111,221	601,613

In October, HTUSA continued the *Hawai'i Rooted* video series which featured pro surfer and chemist Cliff Kaponu through an adapted *Facebook* mini-story, as well as *Instagram* teaser ads. Advanced Television/Digital Video. HTUSA continued a national flight in October (Sept. 3-Nov. 17) to reach the Avid Explorer target audience and showcase *Hawai'i Rooted* video creative, which included four 30-second brand videos (one per major island) and four 30-second co-op spots with partner end tags for Alaska Airlines. Fall flight media partners included ROKU (the current market leader in over-the-top devices), HULU (the largest ad supported streaming service), VideoAmp (target premium video environments) and Programmatic Video (complement direct video partners, drive efficiencies and leverage video programmatically across a variety of platforms).

### Travel Trade

- Paid trade media – October (2,098,266 impressions)
  - *Travel Agent Academy* (travAlliance), Enewsletter (Affiliate Link), 26,000 impressions, October
  - *Travel Agent Academy* (travAlliance), Dedicated Email, 8,500 impressions, Oct. 23
  - *TravelAge Daily Muse* (Northstar), 40,000 impressions, 300x250, Oct. 14
  - *TravelAge Daily Muse* (Northstar), 40,000 impressions, 300x250, Oct. 21
  - *TravelWeekly Hawaii* (Northstar), 31,000 impressions, 600x100, Oct. 14
  - Run of Site Display (Northstar), 125,000 impressions, 300x600, Oct. 1-31
  - *Dedicated Email to Travel Agent University* (Questex), 65,000 impressions, Dedicated Email, Oct. 9
  - *Luxury Travel Advisor* (Questex), 2,300 impressions, Dedicated Email, Oct. 7
  - *Luxury Travel Advisor* (Questex), 2,300 impressions, Dedicated Email, Oct. 18
  - *Cross-Device Display* (MiQ), 1,142,857 impressions, Cross-Device Display, September-November
  - *Cross-Device Display* (AdDaptive), 555,555 impressions, Cross-Device Display, September-November
  - *Paid Social, (Facebook)*, 59,754 impressions, In-Feed Social, October

### Public Relations

- HTUSA
  - As a result of HVCB's travel assistance to Lāna'i and O'ahu, *Forbes* contributing writer, Sherrie Nachman, generated three *Forbes* stories titled "Four Seasons Lanai Has The Best Hawaiian Activities", "Hawaii's Newest Luxury Hotel Is About To Open On Waikiki Beach" and "Can An Airline Be Green? Hawaiian Airlines Has Made Major Steps Toward Sustainability." The journalist's experiences aimed to gather a sense of wellness from a Hawaiian perspective, destination activities and the new much-anticipated resort opening of Halepuna.
  - As a result of pitching efforts, Tiana Attride, included Ala Kukui in the latest *Here Magazine* Volume 10 print edition. Ala Kukui of Hāna was mentioned as a retreat which funds year-round cultural activities for the local community, bridging a gap between visitors and Native Hawaiians.

- Stacey Mckenna produced an *Outside Magazine* online story titled “8 Guides and Tours to Honor Indigenous Cultures” as a result of attending HVCB’s culture press trip in July 2019. The story highlighted island of Hawai‘i’s Anelakai Adventures Manta Night Snorkel tour to help visitors connect to the ocean while respecting the indigenous culture. In addition, the story encouraged visitors to take the Pono Pledge and travel righteously.
- HVCB hosted a mini culinary press trip to Maui and O‘ahu with Ian Centrone (*Saveur, Men’s Journal, Tasting Table*), Hannah Lott-Schwartz (*Travel + Leisure, Food & Wine*) and Paul Jebara (*Condé Nast Traveler, Thrillist*). The group was able to gain an appreciation for Hawai‘i’s cuisine and spirits as they relate to Hawaiian culture while engaging with community programs and cultural practitioners. The group explored the agricultural-rich Maui and O‘ahu’s interconnection of traditional Hawaiian staples with modern practices.
- Media coverage highlights:
  - “2019 is a strange time to work in the travel industry” – *Here Magazine* – Tiana Attride – Volume 10
  - “Four Seasons Lanai Has The Best Hawaiian Activities” – *Forbes* – Sherrie Nachman – Oct. 3
  - “Hawaii’s Newest Luxury Hotel Is About To Open On Waikiki Beach” – *Forbes* – Sherrie Nachman – Oct. 4
  - “Can An Airline Be Green? Hawaiian Airlines Has Made Major Steps Toward Sustainability” – *Forbes* – Sherrie Nachman – Oct. 10
  - “8 Guides and Tours to Honor Indigenous Cultures” – *Outsideonline* – Stacey Mckenna – Oct. 14.
- KVB
  - Kaua‘i was featured in the following media:
    - *EDGE Media Network* (140,465 uvpm). Coverage resulted from a KVB-hosted individual media visit, July 2019.
    - *San Francisco Chronicle* (840,770 uvpm; circ. 163,307). Coverage resulted from a KVB-hosted individual media visit, April 2018, with follow up for quotes from KVB.
    - *Forbes Travel Guide* (99,022 uvpm). Coverage resulted from a KVB-hosted individual media visit, September 2019.
  - Hosted four writers and their significant others on a romance themed press trip, Kaua‘i Escape, October 21-25. The media in attendance wrote for various publications, including *AFAR*, *5280 Magazine*, *Los Angeles Times*, *The New York Times*.
  - Liaised with six media in October.
- OVB
  - O‘ahu was featured in:
    - *Travel + Leisure* (uvpm: 3,168,640). Coverage resulted from requested media assistance by Annie Daly in June 2019. Her article “Hawaiians Want You to Understand These Local Traditions Before You Visit” highlights Kahulu De Santos and Manakō Tanaka.
    - *TripSavvy* (uvpm 14,423). Coverage was a result of an individual media visit by Taylor McIntyre in August 2019. Her article “The 6 Best Affordable Hotels in Waikiki” features Shoreline Hotel, Coconut Waikīkī, Queen Kapiolani Hotel, Vive Hotel and Renew.
    - *EDGE Media Network* (uvpm not available). Coverage was a result of an individual media visit by Matthew Wexler in July 2019. His article “Oahu: 72 Hours in the Heart of Hawaii” features Ala Moana Center, Diamond Head Lū‘au, Pearl Harbor, The Pig & The Lady, ‘Alohilani Resort, Scarlet Honolulu and others.
  - Liaised with 42 media in October.

- MVCB
  - MVCB's PR team met with over 40 media from Boston, MA, Washington, DC, and Minneapolis, MN, during a media blitz, Oct. 7-11. As a result, MVCB has extended invitations to four media to attend the scheduled 2020 press trips and also set up two individual media visits in 2020.
  - Maui was featured in the following publications and websites:
    - *Alaska Airlines* (1,075,649 uvpm), "Island Golf."
    - *Delta Sky* (6,000,000 uvpm), "Kaanapali Beach Hotel Canoe Tours."
    - *All Recipes* (35,629,740 uvpm), "These Fruit Jewels Are the Tropical Treat Your Cheese Board Needs."
    - *Forbes* (142,969,500 uvpm), "Four Seasons Lanai Has The Best Activities In Hawaii."
    - *Los Angeles Times* (32,000,000 uvpm), "Why your visits to Lanai and Molokai will be very different from each other."
    - *San Francisco Chronicle* (227,073 circ. on Sundays), "*Is overtourism killing Hawaii's spirit?*"
    - *Goop* (3,389,940 uvpm), "A Weekend on Hawaii's Most Secluded Island."
  - Distributed bi-monthly e-newsletter, *Message from Maui Nui*. The latest Maui Nui news and events were shared with over 500 national and local media, travel agents and industry partners.
  - Liaised with 98 media in October. The higher number is a result of preparation for the media blitz appointments and actual meetings during the blitz.
  
- IHVB
  - The island of Hawai'i was featured in:
    - *San Francisco Chronicle* (840,770 uvpm), "One Day One Place: Hawaii's Hamakua Coast," as a result of hosting Pam Mandel in 2019.
    - *Los Angeles Times* (uvpm 23,975,350), "Where to Find Cheap Meals on Hawaii Island," after providing Rosemary McClure with island of Hawai'i suggestions.
    - *San Francisco Chronicle* (uvpm 840,770), "Is Overtourism Killing Hawaii's Spirit?" as a result of coordinating interview with R. Birch and Jeanne Cooper.
    - *ShermansTravel* (uvpm 1,988,349), "The World's Most Beautiful Hotel Pools," from Casey Anderson (Hilton Waikoloa) pitching Laura Dana during media blitz, Sept. 30-Oct. 4
  - Liaised with 11 media in October.
  - IHVB New York Media Blitz took place Sept. 30-Oct 4. Island of Hawai'i was represented by: Micah Kamohoali'i, cultural ambassador; Casey Anderson, Hilton Waikoloa Village; and Kate Logan, Hawai'i Tropical Botanical Garden. The delegation met with 30 media and social influencers to share newsworthy updates and pitch story angles.
  - IHVB Post Media Blitz took place Oct. 7-11. Met with 13 additional media/influencers who were unable to meet during the media blitz.
  - During the IHVB Culture + Cuisine Mini Press Trip Oct. 23-28, two writers joined Anthology in week-long visit to Hawai'i Island. Partners included: Mauna Lani Point, Grand Naniloa Hotel Hilo, Nāpua restaurant, Kailani Tours, Pono Pledge Ambassador/Mauna Kea Resort Cultural Ambassador Healani Kimitete (sunrise protocol) Hulihe'e Palace, Waimea Butcher Shop, Hula Hulas, 'Imiloa Astronomy Center, Shaka Tea and Na'au (private chef pop-up/foraging), and Palms Cliff House Inn. Cultural Ambassadors Danny Akaka, Jr., and Earl Regidor were invited to spend some time with the group. The group also attended the first-time CEP-sponsored event, Traditional Tātoō Festival, at Kohala Institute.
  - Coordinated and distributed bi-monthly e-newsletter with partner news to media.

## Sales Activities

### Sales Calls, Trade Shows, Training Events

	<b>Airline</b>	<b>Wholesaler/TA/TO/OTA</b>	<b>Other</b>	<b>Total</b>
<b>HTUSA</b>	-	23	82	105
<b>KVB</b>	-	3	-	3
<b>OVB</b>	-	7	-	7
<b>MVCB</b>	-	5	-	5
<b>IHVB</b>	-	5	1	6

### Summary of Key Sales Activities

#### HTUSA

- For the month of October, the HTUSA regional team conducted a total of 13 educational training presentations, participated in 10 trade shows, held 82 appointments and had the opportunity to meet or share information on the Hawaiian Islands with more than 2,068 travel advisors.
- ASTA Global Convention was held in Fort Lauderdale, FL, Sept. 29-Oct.1. HTUSA conducted a destination presentation for 100 travel advisors, presented during a panel discussion on sustainable travel and exhibited during the two-day trade show that drew 500 travel advisors.
- HTUSA was a destination sponsor at the International Travel Agent Forum in Cancun, Mexico, Oct. 3-5, and participated in a trade show and one-on-one appointments with 32 advisors. HTUSA conducted two destination trainings for 86 conference attendees.
- HTUSA participated in Apple Leisure Group's Hawai'i Dinner Event series in Atlanta, GA, Baltimore, MD, and Pittsburgh, PA, Oct. 15-17. The events included a trade show and destination updates for a total of 94 advisors. Hawai'i partners in attendance included Fairmont Orchid, Hawaiian Hotels & Resorts, Highgate Hotels, Outrigger Hotels & Resorts and Marriott International Hawai'i.
- At Nexion's On the Road event in Baltimore, MD, on Oct. 22, HTUSA participated in a supplier trade show and conducted a destination training for 33 advisors.
- Ensemble Travel Group held their international conference in Seattle, WA, Oct. 23-27. HTUSA conducted three presentations to 155 travel advisors and exhibited at a trade show reaching 700 advisors.
- HTUSA participated in the 2019 WESTA Winter Educational Seminar series in Bellevue, WA, on Oct. 25. HTUSA presented an all-island update and exhibited at the trade show for 50 travel advisors. Hawai'i partners in attendance included Pleasant Holidays, UnCruise Adventures, Goway Tours, Delta Vacations and Waimea Plantation Cottages.
- An estimated 500 travel advisors are anticipated to have taken one or more of the online educational modules available at [agents.gohawaii.com](http://agents.gohawaii.com) during the month of October. The September monthly metrics report showed a total of 491 online graduates who earned either their Hawai'i Destination Specialist or Island Specialist (Kaua'i, Maui Nui, O'ahu or island of Hawai'i) certification.

**Key Performance Indicators - Leisure Market  
 Consumer**

**Digital Campaign September Actuals - Impressions Per Island**

<b>PARTNERS</b>	<b>Central</b>	<b>OVB</b>	<b>MVB</b>	<b>KVB</b>	<b>IHVB</b>	<b>LVB</b>	<b>DMVB</b>
<b>Zefr</b>	-	739,391	1,257,253	932,474	1,104,447	105,829	126,911
<b>Trip Advisor</b>	-	552,147	1,810	217,583	413,962	425,088	87,015
<b>Programmatic</b>	-	1,547,077	2,048,966	2,188,608	1,692,343	427,057	1,135,715
<b>Search</b>	-	7,905	8,835	9,352	8,534	1,866	1,311
<b>Condé Nast</b>	-	-	153,021	-	968,955	153,021	-
<b>Matador</b>	-	1,851,484	-	1,485,475	454,048	-	-
<b>Reddit</b>	-	-	501,429	-	511,380	-	47,632
<b>Facebook</b>	15,848,117	417,296	518,576	144,198	1,024,751	272,002	240,429
<b>Instagram</b>	11,538,832	-	-	-	-	-	-
<b>Total</b>	27,386,949	5,115,300	4,489,890	4,977,690	6,178,420	1,384,863	1,639,013

**Public Relations**

- Month-end impressions and publicity values for articles that included Hawai'i – September Results

**Impressions and Publicity Values for September**

<b>SEPTEMBER</b>	<b>Impressions</b>	<b>Publicity Values</b>
Print	9,249,333	\$1,341,299
Online	26,906,862,046	\$16,833,361
Broadcast	211,887,525	\$13,803,943
<b>Total</b>	<b>27,127,998,904</b>	<b>\$31,978,603</b>

## **Brand Experience Update**

### HTUSA

- Five road trip ideas on various islands were featured in the October *Islands of Aloha Express* (IOAX) enewsletter (200,000 consumers), along with small features on the Vans Triple Crown of Surfing and the XTERRA Championship events. Mele No Kalākaua was featured in the Upcoming Events section in both the October IOAX and *E-xpressly for Travel Professionals* (EXTP) enewsletter (120,000 travel professionals). Other events highlighted in the Events section included the Po'ipū Food and Wine Festival, MAMo Wearable Art Show, Kula Harvest Festival and the Hawaiian Steel Guitar Festival.
- In October, the travel trade team participated in trade shows and industry events while sharing overall destination information with travel agents. The team highlighted major Hawai'i news, provided all-island updates including festivals and events, shared the Ma'ema'e Hawaiian Cultural Tool Kit and promoted *Hawai'i Rooted* and *Tourism Kuleana*. Many presentations included specific island of Hawai'i updates for the island of Hawai'i recovery initiative, as well as updates regarding the North Shore of Kaua'i.
- Delivered media assets for HTA-supported sponsorships, events and initiatives.
  - Maui Jim Maui Invitational. Provided assets on behalf of HTA and MVCB for their Maui Jim Maui Invitational sponsorships, including television commercials and television-visible, in-arena signage, including LED courtside banners, baseline banners and arm stanchions.
  - Sony Open. Reviewed media/exposure on behalf of HTA for the Sony Open golf tournament.
  - Pan Pacific Festival. Included a print ad for their program guide.
  - 'Aha Kū Makahiki of the Association of Hawaiian Civic Clubs. Included a print ad for their program guide.
  - Traditional Tattoo Festival. Included a print ad for their program guide.

### KVB

- Continually promoted Signature and Community Enrichment Programs (CEP) by including a slide about key Kaua'i festivals and events in all presentations.
- Promoted and supported HTA product enrichments during the month.
- Discussions with agents and walk-in visitors and on social media platforms included but not limited to information about the following local events and festivals on the island, with mention of *kauaifestivals.com*:
  - 'Emalani Festival
  - Matsuri Kaua'i 2019
  - Kaua'i Chocolate and Coffee Festival

### OVB

- Featured the following CEP, HTA Heritage Sites and Signature and Hawaiian Culture Events in its consumer, media and/or travel agent enewsletters:
  - Aloha Festivals
  - Hawai'i Food & Wine Festival
  - Honolulu Pride Parade and Festival
  - Hawai'i International Film Festival
  - King Kamehameha Celebrations (2020)
  - Prince Lot Hula Festival (2020)

- Promoted the following HTA Signature and CEP Events in social media channels and *TripAdvisor* tourism pages:
  - Makapu'u Point Lighthouse
  - Diamond Head (Lē'ahi) State Monument
  - Pearl Harbor National Memorial
  - 'Iolani Palace
  - Hawai'i Food & Wine Festival

#### MVCB

- Recommended visits to coincide with upcoming HTA sponsored events.
- Recommended visits to cultural attractions and activities.
- Promoted the following HTA Signature and CEP Events in correspondence, social media channels, and media visits to coincide whenever possible:
  - First Friday in Wailuku
  - Second Friday in Lāhainā
  - Third Friday in Makawao
  - Fourth Friday in Kīhei
  - Fifth Friday on Lāna'i
  - Lāna'i Farmers Market
  - Moloka'i Farmers Market, Kaunakakai
  - Hawaiian Airlines Made in Maui County Festival
  - Maui Jim Maui Invitational
  - Annual Lighting of the Banyan Tree in Lahaina

#### IHVB

- Arranged for mini-press trip participants to attend Traditional Tattoo Festival at Kohala Institute
- Promoted the following upcoming HTA Signature and CEP events during presentations, to walk-ins, in visitor correspondence and whenever possible:
  - Hilo Hula Tuesday at the Bandstand
  - Kōkua Kailua in Historic Kailua Village
  - Kona Coffee Cultural Festival
  - Kona Historical Society Hands on History at the Kona Coffee Living History Farm
  - Hula Arts at Kīlauea
  - Kanikapila Nights
  - Alfred Hitchcock Film Series
  - The Farmers Market at Hāmākua Harvest
  - 100% Pure Kona Coffee Marathon & Half Marathon
  - Hawai'i Veterans Day Parade
  - Hawaiian Sunset Saturdays
  - Koku Kailua in Historic Kailua Village
  - 17<sup>th</sup> Annual 'Ukulele & Slack Key Guitar Festival
  - Christmas with the Chefs

#### **International Contractors Engagement Update**

#### KVB

- Hawai'i Tourism Canada (HTCAN)
  - Attended Aloha Canada Trade Mission, Oct. 22-24, in Toronto, Calgary and Vancouver, during which KVB met with five media in Toronto and one in Vancouver. Approximately 160 agents attended the events.



OVB

- Hawai'i Tourism Canada (HTCAN)
  - Assisted with itinerary suggestions and contacts for Jessica Lam, blogger, *Diary of a Toronto Girl*, Oct. 2-5.
- Hawai'i Tourism Oceania (HTO)
  - Assisted with coordination of an interview between local O'ahu chef and critic for *Qantas* magazine.
- Hawai'i Tourism Taiwan (HTT)
  - Assisted with development of itinerary and coordination for media visit by vlogger, Ili How, Oct. 6-9.

IHVB

- Hawai'i Tourism Canada (HTCAN)
  - Attended HTCAN's *Aloha Canada* events in Toronto, Calgary, and Vancouver (estimated 160 agents), Oct. 22-24. Island Chapter updates, partner updates, and media interviews were part of the three-city event.

**"Coming Attractions" for Leisure Market**

	<b>What</b>	<b>When</b>	<b>Where</b>
<b>HTUSA</b>	Individual Media Trip: Jenn Rice ( <i>Food &amp; Wine, Vogue, Tasting Table</i> )	Oct. 28-Nov.4	O'ahu and island of Hawai'i
	Individual Media Trip: Eric Lucas ( <i>Alaska Beyond</i> )	Nov. 3-11	O'ahu, island of Hawai'i and Kaua'i
	Netflix's <i>Somebody Feed Phil</i>	Nov. 14-21	Island of Hawai'i and O'ahu
	Individual Media Trip: Leslie Westbrook ( <i>Ventana, AFAR, Alaska Beyond</i> )	Nov. 19-Dec.5	Moloka'i, island of Hawai'i, and O'ahu
	WESTA Educational Seminar Series	Nov. 1	Portland, OR
	ALG Hawai'i Events	Nov. 5-7	Chicago, IL, St. Louis, MO, Kansas City, MO
	Classic Vacations President's Circle	Nov. 3-6	Honolulu, HI
	CruiseWorld	Nov. 13-15	Fort Lauderdale, FL
	MAST Sales Sensation	Nov. 19	Chicago, IL
	Cruise Planners HDS Training	Nov. 21	Indianapolis, IN
	Cruise Planners Annual Convention	Dec. 2-5	Fort Lauderdale, FL
	Signature Travel Network Conference	Dec. 2-5	Las Vegas, NV
	Oasis Travel Network Conference	Dec. 5-7	Las Vegas, NV
	PNW 'Ohana Holiday Event	Dec. 12	Seattle, WA
	Family Travel Advisor Forum	Jan. 6-9	Montego Bay, Jamaica
	HVCB Leisure Sales Blitz	Jan. 20-23	Scottsdale, AZ; Denver, CO; Austin and San Antonio, TX
	Virtuoso Forum	Jan. 29-Feb. 1	Las Vegas, NV
	Hawai'i Training with Pleasant Holidays	Jan. 30	Harrisburg, PA

<b>KVB</b>	Signature Travel Network Conference	Dec. 2-5	Las Vegas, NV
	Oasis Travel	Dec. 5-7	Las Vegas, NV
	Post Travel Agent Seminar	Dec. 9	Las Vegas, NV
<b>OVB</b>	Destination Hawai'i Pre-FAM	Nov. 1-5	Honolulu, HI
	Hawaiian Airlines FAM	Nov. 4-9	Honolulu, HI
	Hyatt Regency Waikīkī (Ad Hoc); Top Producer Mid-West FAM Destination Training/Excursion	Nov. 7-11	Honolulu, HI
	Sports & Outdoor Adventure Press Trip	Nov. 14-19	Honolulu, HI
	Mailpound Webinar	Nov. 21	
	Signature Travel Network Conference	Dec. 2-5	Las Vegas, NV
	Signature Travel Network Conference Post Sales Training	Dec. 6-10	TBD
	HVCB Leisure Sales Blitz	Jan. 20-24	Phoenix, Scottsdale, AZ; Denver, CO; Austin, San Antonio, TX
	East Coast Media Blitz	Jan. 27-Feb. 4	Birmingham, AL; New York, NY; Boston, MA
<b>MVCB</b>	Destination Hawai'i Pre-FAM	Nov. 2-4	Maui
	Destination Hawai'i FAM	Nov. 5-7	Maui
	Travel Leaders Maui Nui Master Specialist Program	Nov. 6-12	Maui, Moloka'i, Lāna'i
	EABE Maui	Nov. 10-13	Maui
	Signature Travel Network Conference	Dec. 2-8	Las Vegas, NV
	Oasis Travel	Dec. 9-10	Las Vegas, NV
<b>IHVB</b>	Master Specialist FAM (Millennial)	Nov. 3-8	Island of Hawai'i
	Mālama 'Āina Press Trip	Nov. 11-16	Island of Hawai'i
	Travel Agent FAM (Pleasant Holidays)	Nov. 15	Island of Hawai'i
	Signature Travel/Oasis Conference	Dec 2-7	Las Vegas, NV

## Hawai'i Tourism Japan 2019 Monthly Leisure Marketing Report – October

### Market Intelligence/Market Conditions

#### Economy

- Typhoon Hagibis made landfall in Japan on 10/12, devastating many Japanese cities including the greater Tokyo metro region. The disaster is estimated to be one of the costliest disasters in 2019 with costs speculated to reach \$10 billion. Over 90 citizens were killed, with more than 93,000 structures being damaged or destroyed.
- The Japanese Government maintained assessment that the economy has fallen into a recession, despite key composite index of economic indicators making an upswing in September. The growth in indicators was attributed to the surge in household spending ahead of the consumption tax hike to 10% starting 10/1.

#### Outbound Travel Market

- Japanese outbound travel maintained strong growth and is on track to reach 2,000,000 travelers in 2019. Outbound travelers in September alone grew by 7.4%, with 7.6% growth on a YTD basis. Growth in just two of the remaining months of the year will allow for outbound travelers to reach 2,000,000.
- While outbound travelers to Hong Kong, Macao and Korea have been negatively impacted from the social unrest, other competitive Asian destinations appear to be taking much of the travelers, allowing for continued overall growth. Particularly popular destinations include Vietnam, Malaysia and Philippines. It is speculated that much of the consumers originally planning to travel to Hong Kong, Macao and Korea have decided to visit the closer Asian destinations as itineraries can be formed with similar budgets and time frames.

#### Competitive Environment

- The Tourism Association of Kyoto formed a committee on increasing affluent international travelers. The committee will be working with hotels and their concierge teams to provide the best treatment possible for guests. Regular meetings will be held where sample inquiries and resources will be shared to develop relationships amongst the industry.
- Philippines announced intents to expand their cruise travel industry from Asian countries. Lack of infrastructure had limited the country from heavily expanding in the segment, but recent development of ports is allowing for more cruise travels to be accepted. Because the nation is an archipelago, cruise travels is ideal for the country.

#### Consumer Trends

- Consumers are rapidly moving towards a cashless society with 32.8% of samples from a study stating that the majority of their purchases are made without cash. Consumers also reported that many shops in foreign destinations did not accept cash at restaurants and cafes, indicating a global shift towards a cashless society.

- Japanese consumers including senior citizens are increasingly relying on the internet to plan and book trips, with popularity surpassing physical retail outlets. Strong growth in use of the internet from older generations have been observed. This is attributed to the internet offering numerous travel plans, matching their rich travel experience to help facilitate discovery of new trips.
- Consumers are expressing split opinions on the consumption tax hike to 10% in October, with 94.3% responding to be either clearly affected or unaffected. Consumers report being most conscious for saving on food, clothing, followed by hobbies and leisurely travels. As tendencies to save rise, use of points have risen. A significant portion of women in their 20s use points/rewards on travels and/or accommodations.

### **Travel Trends**

- Studies found that many Japanese consumers view Hawai'i as a destination they would like to more frequently visit for longer durations and/or for workations, the more they travel to Hawai'i. It was also the destination that most consumers wanted to visit for the year-end holiday season.
- Millennials maintain interest in Hawai'i as it was the third most popular destination for graduation trips amongst students, behind Korea and Taiwan respectively. Average travel budgets were between \$700 - \$1,500 for most students.
- Gastronomy tourism has been garnering attention by consumers globally. Many view this form of tourism to be highly beneficial in sharing the nation's culture and developing regional areas, while also facilitating grounds for development of sustainable tourism. This will be beneficial for Hawai'i from the Government's initiatives to realize and develop local foods.

### **Media Trends**

- Media entities continue to delve into the travel industry. Affiliate company of Yomiuri, Yomiuri Travel Service recently expanded presence by opening an informational site relating to travel. Editors and posters for the company regularly post travel related contents to inspire various forms of travels with different perspectives from traditional guidebooks and pamphlets.
- Consumers are increasingly relying on new platforms as media such as SNS. Studies found that users on the Instagram app grew by 15% year over year as of June. Instagram was particularly popular amongst millennial females, with close to 70% of the segment using the app. As the amount of users on SNS grows, targeted ads on SNS will increasingly become essential.

### **Airlift**

- The Department of Transportation (DoT) declined antitrust immunity requested by JAL and Hawaiian Airlines for the formation of their joint venture. The DoT was cited as saying that there was a lack of increased consumer benefits from the joint venture initiatives, over those experienced with their current cooperative alliance.
- ANA debuted a new special immigration lane for their first-class customers. This initiative was implemented to alleviate congestion at the customs area; ANA is the first airline to implement this at HNL. The first-class passengers will be directed to an exclusive immigration lane via a shuttle.
- JAL has been enhancing initiatives to improve customer satisfaction. One unique service recently implemented was a service allowing customers to see which seats families with babies are sitting

at. Similarly, JAL introduced smart check-in services at Narita Airport, including a self-service baggage drop-off and facial recognition technology.

### **Market Intelligence/Market Conditions Impact on Hawai'i Travel**

Following typhoon Faxai in September, a major typhoon Hagibis made landfall in October and greatly affected citizens' lives. Continuing from 2018 when typhoon Jebi devastated the Kansai region, causing the closure of Kansai Airport, Japan has been facing greater amounts of natural disasters which have had significant impacts on travel. As the typhoon season coincides with high travel season during summer vacation, should similar trends continue, positive Japanese outbound trends may become reversed.

The consumption tax hike to 10% has affected Japanese consumers. While direct effects on travel costs are minimal, consumers' inclination to save money on leisurely activities including travels is likely to affect the industry.

As the proportion of FIT travelers rises the growth of older citizens utilizing the internet to book travels highlights a market segment with potential for great growth. Older consumers have experienced the Japanese bubble economy, allowing many to have diverse experiences with travel compared with millennials who have relatively fewer experiences with travel, causing outbound travel from the segment to be lower. The lack of experience with travels by millennials makes them more reliant on travel agencies for booking trips. HTJ will continue the education of travel agents through the Hawai'i Specialist program as education of agents will remain valuable in capturing the market.

### **Leisure Activity Update**

#### **Consumer**

- HTJ participated in JATA's Tourism Expo in Osaka from 10/24 – 27. Responsible tourism was held as the main theme for HTJ's booth, much of which was constructed with eco-friendly products. A turtle sculpture made from trash collected at a beach cleanup in Japan by the same students attending the beach cleanup event in September with HTO was displayed at the event to share the importance of the environment.
- Issued a press release to media on HTJ's booth at the Tourism Expo and its concept to have them feature initiatives taken in Hawai'i amongst their audience. Live TV broadcasts and interviews were also engaged at the event, resulting in a total of 68 exposures, 2,353,100,036 impressions and AVE of \$217,029.02.
- HTJ inserted Japanese captions into HVCB's "Share the Aloha" videos to raise awareness of valuable travel tips amongst consumers. HTJ introduced the movies on official websites, SNS and at the Tourism Expo Japan to promote Hawaiian culture, customs and proper etiquette.
- In October, continued taxi signage board advertisements in Tokyo with the Romantic Hawai'i ad videos, reaching approximately 794,340 consumers per week. HTJ also prepared a 30 second infographic promotional video for the Hawaiian Islands to be broadcasted on taxi signage boards throughout Tokyo from 11/4 – 11/24.

- Continued SNS campaign, “Shiritai Island of Hawai‘i” through October to increase images and contents of Island of Hawai‘i on SNS. As of October, 553 images have been posted, with 12,976 campaign page views.
- HTJ issued historic guidebooks for Hilo and Kona on the Island of Hawai‘i to promote the island amongst consumers through its history. Contents covered various iconic locations in Hilo and Kona with descriptions of what happened. Print files to be shared at events, meetings, etc. along with ebooks on allhawaii.jp and the Aloha Program site were prepared.
- Various benefits for a total of 137 Aloha Program members continued in October. Benefits included seminars and webinars for members in Japan. Topics covered included Hawaiian culture and history, along with a highlight of historical spots that can be visited on Oahu to see how the island developed to what it is today.
- The Aloha Program will invite up to 200 members to a special exhibition on Japanese immigrants to Hawai‘i at the National Museum of Japanese History. This initiative is being carried out to provide consumers with an opportunity to learn and/or deepen their knowledge on the ties between Hawai‘i and Japan.

### **Travel Trade**

- HTJ provided B2B sessions with 11 partners from the Hawai‘i Association of Japan to facilitate discussions between suppliers and travel agents on the two travel industry days of JATA’s Tourism expo. Responsible tourism was raised as the theme for HTJ’s booth to promote Hawaiian Culture and Malama Hawai‘i.
- Worked with the attraction partners from Hawai‘i to support their booths held at the Tourism Expo in the “Adventure Tourism” area. HTJ planned initiatives linking the partners’ booths with HTJ’s booth and shared with attendees, information about the booths to raise awareness to ensure strong presence of Hawai‘i amongst the other destinations.
- Worked with JTB to create a new Island of Hawai‘i tour. The tour came with a round island tour with stays at a deluxe hotel. The tour was very popular, and attracted over 1,000 consumers. HTJ also provided original goods to attendees in exchange for participation in a survey to collect CRM data. Results of the survey found that the inability to climb Mauna Kea did not affect consumers too greatly. Findings from the survey will be used to create more products to the Island of Hawai‘i, while incorporating elements as applicable for products to the other islands.
- Attended a meeting arranged by the Japan Hawai‘i Wedding Association to discuss the current situation at Waimanalo as many couples visit Sherwood Beach for photo opportunities. Board members expressed serious concerns for the situation whereby locals are protesting commercial activities at the beach. The association has been holding various meetings and discussions with local community leaders and the City & County of Honolulu Park Services to ease the situation.

### **Public Relations**

- HTJ conducted a Media Event at The Peninsula Tokyo on 10/29. 20 partners and 115 media participated. A seminar on updates and trends was provided by HTJ, followed by networking opportunities for local partners to connect with the Japanese media. To express gratitude to the media for featuring Hawai‘i, a Mahalo reception was held in the evening. HTJ will continue to work with partners and media by providing effective contents on Hawai‘i.

- A CRM campaign was launched from 9/15 – 10/31 to increase the number of users on the allhawaii portal site since the launch of the user platform. A total of 6,071 consumers participated in the campaign. The surveys found that most participants had traveled to Hawai'i 5 – 9 times with average travel cost per person for overseas travel being 200,000 yen. The majority of participants also favored travels with either their families or spouses.
- HTJ filmed on the Island of Hawai'i and Oahu for a new promotional video during the first week of October. The video will convey the similarities and ties between Japanese society and Hawai'i. The video is set for completion in November.
- Assisted 8 media partners in October and followed up with 12 different media entities from previous months. Information on workations, the Island of Hawai'i, and surfing were shared with the media partners.
- Began planning for a press tour set in December. The central theme of the press tour will be the Island of Hawai'i and surfing. Approach to various media and newspapers was started.

**Sales Activities**

Sales Calls			
Airline	Wholesaler/TA/TO/OTA	Other	Total
8	32	15	55

**Travel Agencies**

- Fall bookings had been strong prior to typhoon Faxai making landfall in September. Although bookings were recovering as infrastructure returned, the even stronger typhoon Hagibis making landfall in October prompted numerous cancellations of flights, totaling roughly 10,000 seats and affecting an estimated 8,000 passengers. Because this happened to fall on a 3-day holiday for Japan, it greatly affected performance of travel agencies.
- Travel agencies are struggling in crafting plans for 2020 as airlines are refraining from finalizing schedules until the announcement of Japanese airlines' allocation of slots at Haneda in November. Should airlift from Haneda grow by the forecasted 80 – 100%, price wars are expected. To avoid the lower prices, agencies are pushing for early bookings to be made with discounted rates.
- Continuing from the 2019 Global Destination Campaign, JTB expressed intent to continue investment in the destination to maintain their position as the market leaders to Hawai'i.
- HIS will be celebrating their 40<sup>th</sup> anniversary in November, whereby various 40<sup>th</sup> anniversary campaigns will be engaged. Hawai'i remains a key target destination for the travel agency, and will be a focus destination for the campaigns.
- A webinar was held for travel trade partners on 10/22 at the Halepuna Waikiki by Halekulani to showcase the new facility. Close to 50 travel agents participated in the live webinar and actively engaged with the representatives from Halepuna.

**Fukuoka Market**

- As the inaugural flight of Hawaiian Airlines' direct flight service to Fukuoka nears, travel agencies have been greatly increasing out-of-home advertisements, newspaper ads and consumer

events. Various TV programs in the region have also been picking up topics on Hawai'i, greatly increasing buzz within the market.

- HTJ and Hawaiian Airlines participated in various Hawai'i seminars for relevant travel industry partners in Fukuoka.
- Booking pace for Hawaiian Airlines' Fukuoka route has been performing exceptionally well. This is mainly attributed to consumers in the region refraining from travels until the return of direct flight service.

#### Island of Hawai'i Market

- Load factors for direct flight service to Kona by both JAL and Hawaiian Airlines has recovered to levels around 90% or greater.
- Certain products released by media affiliated travel industry divisions have exhibited particular growth, with some attracting over 1,000 customers.
- Travel agencies stated that they have received very few inquiries on the TMT protests. The industry is speculating that negative effects from the protests are not as big as initially speculated.

#### **Brand Experience Update**

- Incorporated the sharing of responsible tourism related elements throughout most facets at the Tourism Expo in Osaka. Starting with the aforementioned sea turtle sculpture made from trash, contents of local entities such as NOAA and Hawai'i Marine Animal Response were shared with attendees. The Share the Aloha videos were also shared with visitors to HTJ's booth to share travel tips for their visit.
- A column on protecting coral reefs on allhawaii was featured on industry media Travel Vision, which records 1.3 million average views per month.
- HTJ worked with Sony on a new endorsed product to share the concerns relating to rapid ohia death. The product is Sony's "Aromastick" product with 5 new scents, one of which was the Ohia Lehua. Information on rapid ohia death was also shared on the product site to raise awareness of the issue.
- Worked with JALPAK to broadcast the Japanese versions of the "Share the Aloha" videos on ground transportation from the airport to customers starting from 11/1. JALPAK will also be sharing the videos on their Twitter page in the near future.
- Supported translation of materials to Japanese for NOAA to protect the marine animals, Eco-tourism Association for reef safe sunscreen use, the Lifeguard Association for ocean surveys and Blue Planet Foundation for contents on renewable energy.
- Discussed with the Polynesian Voyaging Society to acquire appropriate promotional materials including images, videos and information sheets to prepare for translation.
- Discussed with Hawai'i Green Growth Initiative on ways to share promotions of sustainable tourism in Japan and support the Aloha+ Challenge.



- Created flyers on Malama Hawai'i to be distributed at events, to travel agencies and to schools. The flyer covered topics on endangered species, endemic species and marine wildlife.

**Island Chapters Engagement Update**

- Planned with island chapter partners to arrange details for their annual Wholesaler/OTA Mahalo Luncheon on 11/22. Invitations were sent to 10 travel agencies and 3 airline partners, with close to 100 representatives expected to attend.
- Worked with HVCB to create Japanese insertions for the Share the Aloha videos for Kauai and Maui. Completion is targeted for November.

**“Coming Attractions” for Leisure Market**

<b>What</b>	<b>When</b>	<b>Where</b>
Hawai'i Association Seminar & Workshop	Nov. 4	Okinawa
Hawai'i Specialist Seminar in Okinawa	Nov. 13	Okinawa
Delta / Korean Air FAM	Nov. 14 – 18	Oahu
Hawai'i Seminar at National Museum of Japanese History	Nov. 18	Chiba
Fall Tourism Update	Nov. 18 – 19	Island of Hawai'i
JHTA Bi-monthly Meeting	Nov. 21	Oahu
Island Chapter Mahalo Luncheon	Nov. 22	Oahu
Hawai'i Specialist Seminar in Sendai	Nov. 27	Sendai
HTJ 4 <sup>th</sup> Quarter Partners' Meeting	Nov. (TBD)	Oahu

## **Hawai'i Tourism Canada 2019 Monthly Leisure Marketing Report – October**

### **Market Intelligence/Market Conditions**

#### **Economy**

October was a month that defined the shape of the Canadian economy in the next few years. While PM Justin Trudeau was reelected for another 4-year term but this time with a minority in the Parliament opposed to last time when the Liberal Party held a majority. Also, the Prairie provinces, specially Alberta and Saskatchewan were well-defined Conservatives, which will make the Liberal PM focus in the relationship with these provinces.

While minority governments tend to be short-lived, that does not necessarily mean Canada is set for policy gridlock and a quick return to the polls. With the balance of power resting in the hands of the New Democratic party, whose electoral platform intersects with that of his own Liberal party, Prime Minister Trudeau is likely to find support for some of his proposed policies.

Economic growth likely softened in the third quarter, after surging in Q2 as easing production curtailments in Alberta's oil sands led to a notable jump in exports. The external sector likely weakened in Q3 due to paltry foreign demand for Canadian manufactured products and subdued energy exports, boding poorly for economic growth. That said, domestic demand should have strengthened in Q3: Household credit growth year-on-year was solid in August, while the unemployment rate ticked down in September, suggesting stronger private consumption growth. Moreover, business lending growth was rapid in annual terms in August, while manufacturing sales rebounded robustly in the same month, boding well for investment.

Growth should pick up in 2020 as the energy sector returns to normal production levels. Moreover, recent positive developments in the housing market should boost residential investment next year. The U.S.-China trade war, volatile oil prices and elevated household debt pose downside risks to the 2020 outlook, however. Economic experts expect growth of 1.6% in 2020, which is unchanged from last month's forecast and 1.7% in 2021.

Other than a slight uptick to 76 cents in July, the average monthly value of the Canadian dollar was stable around 75 cents each month so far in 2019. However, the YTD average is -3.3 per cent lower than the value recorded throughout the same period in 2018.

#### **Outbound Travel Market**

Canadians made almost 23.17 million overnight trips to the U.S. and other outbound destinations throughout the eight seven months of 2019, an estimated increase of 1.6 per cent compared to the same period in 2018. Of this total, 17.9 million trips were for leisure purposes. During the period, overseas leisure travel increased 1.3 per cent, while leisure activity to the U.S. grew an estimated 1.2 per cent. The first four months of the 2019 summer travel season saw Canadians take 11.35 million overnight outbound trips, a 2.3 per cent increase compared to 2018.

Canadians made 14.2 million overnight trips to the U.S. throughout Jan-Aug 2019, compared to 13.9 million in 2018 (2.0%). During the period, overnight trips by automobile declined an estimated -1.0

percent while travel by other modes grew 5.9 per cent.<sup>2</sup> Most of the tracked destinations in Florida, California, Texas, Nevada and Hawaii posted increases in direct air arrivals so far this year.

To Hawai'i specifically, there were 388,000 visitors from Canada throughout the first three quarters of 2019 compared with 394,000 during the same period in 2018. So far in 2019, direct arrivals have increased just 0.3%, while indirect arrivals have declined -6.4%. Direct arrivals accounted for 74% of total visits during the period, a similar share as recorded for the past two years.

## **Competitive Environment**

Almost 4.0 million Canadians visited destinations in Mexico, the Caribbean, and Central America throughout the first eight months of 2019, a year-over-year increase of 3.9 per cent. Of the larger volume destinations, arrivals in Mexico increased 7.6 per cent so far this year, while travel to Cuba grew was mostly unchanged (0.3%) and the Dominican Republic saw a -1.8 per cent decline in activity. During the period, Mexico accounted for 40.3 per cent of arrivals in the region; up from 36.2 per cent two years ago (2017). The first four months of the summer season saw overall activity in the region decline -1.5 per cent primarily due to a decrease in arrivals in Cuba (-7.1%) and the Dominican Republic (-8.1%).

There were 2.3 million Canadian arrivals in key destinations in the Asia/Pacific region throughout the first eight months of 2019, the same volume as recorded in 2018. During the period, Japan, Singapore and Australia saw the largest proportional increases in visitors, while arrivals in China, Hong Kong, and Sri Lanka recorded the largest declines. The first four months of the summer travel season recorded a -1.2 per cent drop in activity to the region, primarily due to fewer arrivals in China (-10.1%) and Hong Kong (-8.3%).

## **Consumer Trends**

The national consumer confidence rating fell to 109.2 points in October, its lowest level since January. The overall index was dragged down by negative sentiment regarding respondents' attitudes towards the evolution of their finances over the past six months. In addition, respondents are becoming more pessimistic about the future as the share who felt their finances and job prospects would improve both recorded declines in October.

## **Travel Trends**

- While direct arrivals from Canadian airports saw little change throughout the first three quarters of 2019 (0.3%), arrivals via U.S. airports decreased -6.4%.
- With year-over-year declines registered in four of nine months, there has been almost 7 thousand fewer indirect arrivals so far in 2019.
- The number of independent travelers reached 314 thousand throughout Jan-Sep 2019; a similar volume as recorded in 2018.

## **Media Trends**

No news to report

## **Airlift**

- Air Canada and WestJet offered almost 357 thousand direct seats to Hawai'i throughout the first three quarters of 2019.
- So far this year, Air Canada has offered 2.0% more seats than in 2018 and WestJet increased direct capacity by 5.2%.
- However, almost all the growth occurred in the first quarter. Both carriers have reported capacity reductions throughout the rest of 2019, resulting in a -0.9% decline in overall volume compared to 2018.
- Compared to 2018, direct capacity from Canada fell to 108 thousand seats (-8.6%) throughout summer 2019.
- During the season Air Canada offered 43 thousand direct seats (-17.7%) and WestJet offered 65 thousand available seats (-1.3%).
- While load factors have been higher than last year, the reduction in direct capacity along with little growth in indirect activity resulted in an estimated 151 thousand visitors throughout the summer, a decline of -1.5%.

## **Market Intelligence/Market Conditions Impact on Hawai'i Travel**

- Private spending should expand at a more modest pace as consumers remain wary of the future economic climate.
- Minority government with strong opposition.
- The labor market growth got to a peak point after a 4-month period reaching to historic numbers and now it has slowed down.
- The national consumer confidence rating fell to 109 points in October, its lowest level since January.

## **Leisure Activity Update**

### **Consumer**

- HTCAN was able to secure a promotional spot with the launch of the movie Midway. Movember is the main sponsor of this launch will reach out to over a million Canadians. HTCAN partnered up with Flights.ca and United Airlines for a prize to be raffled during this campaign. One of the O'ahu Kuleana videos will be broadcasted in the prescreening on November 6.

### **Travel Trade**

- Aloha Canada took place from October 22 to 25 in Toronto, Calgary and Vancouver having an overall turnout of 185 people.
- Spoiled Agent Webinars are running from July through December, each one of the six islands will have a 30-minute webinar.
- Plans and communications to arrange the Flight Centre/Flight Centre Holidays O'ahu and Island of Hawai'i. Air Canada will sponsor the tickets for 10 agents 5 flying out of YVR and 5 flying out of YYZ.

### **Public Relations**

- Attended Discover America Canada Day, which is a media marketplace. HTCAN had 14 high value media appointments.

- Outreach for individual press trips for the remainder of 2019.
  - Leslie Yip: Due to the short lead time, we moved this to 2020.
  - Brandy Yanchyk, producing series known as Seeing the USA. Her travel is confirmed in December and her itinerary has been confirmed. She is traveling to Moloka'i, Lana'i and Island of Hawai'i.
  - Kim Pemberton: Traveling to Maui, she secured her own accommodation. Flights have been booked, HTCAN is assisting with organizing activities.
  - Parm Parmar: would like to travel to Maui in 1st week of December. She is trying to secure assignments and is working on accommodation.
- Group press trip confirmed for November 3-8 for Island of Hawai'i. Confirmed 6 media. Itinerary has been confirmed.
- Press release distribution: Escape to The Hawaiian Islands this winter.
- Begun outreach for 2020 individual press trips. Secured the following:
  - Alyssa Schwartz is traveling in February; her focus is off the beaten path and urban travel. Her islands of choice are O'ahu and Kaua'i.
  - Corrine McDermott - Freelance, family travel and famous movie sites
  - Alison McGill – Wedding Bells, Romance and honeymoon story angle
  - Simone Olivero is traveling in February; her focus is family travel. Her islands of choice are O'ahu and Kaua'i.
  - Grant Fraser – Golf focus. His islands of choice are Maui and Island of Hawai'i.
  - Jody Robins would like to travel end March beginning April. Her focus is also family and her islands of choice are Island of Hawai'i and O'ahu or Kaua'i.
- Planning for 2020 group press trip in discussion – luxury focus. Possible islands are Lana'i, O'ahu and Kaua'i.

**Sales Activities**

List # of SALES CALLS

Airline	Wholesaler/TA/TO/OTA	Other	Total
3	26	1	30

Maritime Travel, Sudbury, ON – Stacey Zayette, Travel Consultant.  
 Get Away with Compass, Calgary, AB – Kim Tillmar, Senior Travel Professional.

McPhail Travel, Brandon, MB – Cassandra Jamieson, Owner/CTC.

The Bridal Fantasy Group, Toronto, ON – Carmen Schutz, Account Executive ▪ Show Director.

Flight Centre, Toronto, ON – Emily Giberson, Independent Travel Agent.

Expedia CruiseShipCenters, Burnaby, BC – Joyce Spencer, Cruise & Vacation Consultant.

TravelBoecker Adventures, Burnaby, BC – Christine Boecker, Personal Travel Designer.

CWT Vacations, Sarnia, ON – Liz Noyle, Travel Advisor.

An Appetite For Travel (The Travel Agent Next Door), Vancouver, BC – Heather Biddell, Travel Advisor.

Flight Centre Vancouver- Vancouver, BC – Michael Michiel, Travel Manager.

Marlin Travel - Vancouver, BC – Bill Allen, Senior Travel & Cruise Consultant.

Flight Centre West - Vancouver, BC – Lindsay Fichaud, General Manager.

Flight Centre Vancouver- Vancouver, BC – Sally Wu, Travel Manager.

**Brand Experience Update**

- HTCAN continues to actively promote events and festivals through e-communications, social media activity and to journalists.
- With support of Elevation Pictures, Movember Canada and Flights.ca, HTCAN put together a contest for a trip for two to O’ahu and supported all the launch campaign of the movie Midway. All communication was revised and okayed by HTA and a Kuleana will be shown across Canada in the pre-screening movie theatres on November 6.
- Hawaiian culture was showcased in Aloha Canada 2019 with the participation of cultural practitioners. Hawaiian music, dances and kupe’ē making workshops took place in the three cities.

**Island Chapters Engagement Update**

- 6 webinars were offered to the Island Chapters. The four larger islands have had their webinars, the remaining two are Moloka’i and Lana’i.
- One island a month was proposed for the following months:
  - July 18th – Island of Hawai’i
  - August 29th – O’ahu
  - September 18th – Kaua’i
  - October 15th – Maui
  - November 20th – Moloka’i
  - December 18th – Lana’i
- All Island Chapters attended Aloha Canada 2019
- O’ahu, and Island of Hawai’i have been working with HTCAN about the Flight Centre FAM trip
- Island of Hawai’i has been working with HTCAN on the Media FAM
- IHVB, OVB, and MCVB have been working with HTCAN on the individual FAMs

**“Coming Attractions” for Leisure Market**

<b>What</b>	<b>When</b>	<b>Where</b>
Spoiled Agent webinars	November 20th – Moloka’i December 18th – Lana’i	Across Canada
Kuleana video showcase	November 6	Across Canada
Fall Market Update	November 13 to 19	O’ahu and Island of Hawai’i
Media FAM	November 3 – 8	Island of Hawai’i
Trade Fam	December 11 to 18	O’ahu and Island of Hawai’i

## Hawai'i Tourism Oceania 2019 Monthly Leisure Marketing Report – October

### Market Intelligence/Market Conditions

#### **Economy**

##### Australia

The Australian dollar remains sensitive to global economic conditions and particularly to that of the US-China trade debate. Australia is deeply connected to the economic success of China's export heavy economy and trade headlines have been the biggest source of currency volatility over the past quarter.

The Reserve Bank of Australia cut the official interest rate by 0.25 basis points to a historic low of 0.75%, noting that the economy has not changed from three months ago. However, unemployment remains low and the real estate market is rebounding which is positive news for domestically focused industry sectors. The Australian dollar lifted slightly, trading at US\$0.68 at the end of October.

##### New Zealand

The International Monetary Fund (IMF) says the New Zealand economy is operating at "close to potential", but warns the future outlook is "tilted to the downside". In its latest review of how New Zealand is doing, the IMF praised its low unemployment figures and rising wages, crediting boosts to the minimum wage. "New Zealand's economic expansion is still solid," it said. "Despite the loss of momentum in economic activity and a cooling in housing markets, output has remained close to potential, and the unemployment rate has continued to decline. The NZ\$ gained a little back on the US\$ during the month – ending at US\$0.64.

#### **Outbound Travel Market**

##### Australia

In August, the number of Australian residents travelling on an overseas trip increased by 3.2% on the same time last year, with 955,800 departures. The most popular destinations were: New Zealand (121,600); Indonesia (119,400); and USA (89,500).

The highest annual increases were recorded for Japan (12.5%), Indonesia (12.5%) and India (7.1%). The USA recorded a year on year decrease of -1.6%.

##### New Zealand

The number of New Zealand residents travelling overseas in August 2019 was down by 300 from August 2018 to 284,500. The biggest changes were in New Zealand residents arriving from: Australia (up 3,000); Indonesia (up 1,100); Fiji (down 2,500); and Vietnam (down 1,300).

#### **Competitive Environment**

##### Australia

Luxury Escapes has reported that 70,000 of its members travelled to the country on a luxury escape last year. The company's 2018 numbers represented 6% of total Australian travel to the island country, with almost 200,000 room nights generated and an average stay of seven nights in length.

##### New Zealand

October saw the announcement of a number of new airline routes to the US, including Christchurch to LAX and Auckland to Dallas with American Airlines. These routes are in addition to the Auckland to New York route with Air NZ.

## **Consumer Trends**

No news to report.

## **Travel Trends**

### **Australia**

The Council of Australian Travel Operators (CATO) released an International Leisure Travel Trends report, drawing on information compiled by the Australian Bureau of Statistics and an independent consumer survey. In 2018, 6.3 million Australians took an overseas leisure trip, representing 25.1 per cent of market penetration. Australians spent more than \$46 billion, with an average of \$7,300 per person on holidays, visited 3.3 countries and enjoyed an average of 22 days on holiday per trip. In terms of destinations, South East Asia was the most popular region for a break (accounting for 35 per cent of all holiday departures) and Indonesia the favorite country, ahead of United States and New Zealand. While the appeal of an overseas holiday was strong across almost all age groups, the report reveals that older travelers (51+ years) tended to operate with larger holiday budgets, took longer breaks and were more inclined to explore long-haul destinations such as Europe. It also highlighted the fact in 2018 almost a quarter of Australians traveled alone on a holiday.

## **Media Trends**

### **Australia & New Zealand**

TripAdvisor has officially launched on Facebook and Instagram to make it possible for their advertisers to reach targeted and highly engaged audiences outside of the TripAdvisor website and app.

## **Airlift**

### **Australia**

Jetstar is experiencing significant decline on its HNL route, according to their Head of Commercial – International Airports. The strong US\$ is having a significant impact on Jetstar's price sensitive consumer market. HTO is in discussion with Jetstar to identify potential marketing initiatives to stimulate bookings for Q1 2020.

### **New Zealand**

The new scheduling and reduced capacity by Air New Zealand and Hawaiian Airlines appears to have settled down. However, the aim of increased loads and yields is still work in progress

## **Market Intelligence/Market Conditions Impact on Hawai'i Travel**

### **Australia**

Visitor arrivals in September were down 10.5% and YTD figures show a 12% decline in Australian visitors. However, cruise arrivals continue to remain strong and are up 39.9% YTD. With a strong US\$ in play, HTO continues to focus on consumer direct activities to inspire, engage and educate and keep Hawai'i's brand top of mind for travelers.



## New Zealand

September arrival declines both monthly and YTD have been trending in line with airlift reductions in the market. The main positive is that Neighbor Island visitation has out-performed the reduction, in particular the Island of Hawai'i and Kaua'i.

## Leisure Activity Update

### Consumer

- National Geographic Partnership launch (Oct 8 - Dec 1)
  - The bespoke documentary film on the Sea Cleaners initiative and an Eco Traveller episode showcasing the island of Hawai'i went live on the National Geographic channel on fox.
  - Both episodes are live on National Geographic's Eco Traveller website/content-hub. This content hub also houses native articles including an article on the Sea Cleaners initiative and an article on the responsible tourism experiences on the island of Hawai'i.
  - Content has been promoted across Nat Geo's social media, display advertising on the Nat Geo website and on the National Geographic TV channel.
  - Advertising value: AU\$147,168.
- Expedia Romance Campaign results (Aug 15 - Sept 28)
  - HTO in conjunction with Expedia and Hawaiian Airlines launched integrated digital campaign featuring several initiatives across consumer direct, trade and PR activity across Australia and New Zealand.
  - The weak AU\$ to US\$ is still impacting overall outbound visitors from this market to the United States, but we are anticipating higher production numbers in 2020. This campaign did a lot of work in building awareness and inspiration of our consumer audience of Hawai'i through the interactive Trip Discovery format.

### Sales

- US\$1.3M in booking revenue
- 4.1k room nights
- 2.1k pax
- Average length of stay was 4.7 nights
- During the campaign we saw +11.3% PoP (period on period) room nights/day compared to the 14 days prior to the campaign.

### Media

- 3M impressions and 0.07% CTR.
- 6,297 page views of the campaign landing page.
- 509,755 social media impressions, 4,771 clicks and 6,156 engagement. The highest clicks on a Facebook social post to date in the AU market
- 42,631 total views of the Trip Discovery microsite, 74% engagement rate, 85% completion rate, 77% lead capture rate. This is one of the best performing Trip Discovery's run in any market globally.

### Paid social amplification

- 45,921 link clicks
- 7,529 competition entries
- \$1.44 CPC
- 810,954 reach
- 1,728,060 impressions

## Travel Trade

- Ignite (MyHawaii) Romance Cooperative Campaign (July 18 – Sept 20) results:
  - Overall the campaign exceeded campaign objectives
  - 807 bookings
  - 1,978 Passengers
  - 16,089 Total passenger bed nights
  - Average length of stay of 8 nights
  - Average booking value AU\$5,744
  - AU\$4.5 million advertising value
- Ignite (MyHawaii) family holiday campaign (Oct 5 – Nov 23)
  - HTO partnered with Ignite and Hawaiian Airlines to launch an integrated cooperative campaign to promote Hawai'i as a family holiday destination
  - Hawaiian Airlines provided a special fare of \$299 for kids under 13.
  - Packages will include product across multiple hotel brands including Marriott, Hyatt and Highgate.
  - The campaign will be promoted across press, broadcast, digital and social media.
  - The campaign will include product across the 4 main islands.
  - Advertising value is more than AU\$1.7 million.
- Aloha Fridays: Every second Friday Travel Weekly will include an 'Aloha Friday wrap' featuring Hawai'i news in their Friday digital newsletter that goes out to 14,200 people in the travel industry. This month the articles featured the following activities:
  - Island of Hawai'i update: what's new, and things you probably don't know.
  - HTO showcases Hawaiian Islands during MICE famil.
  - Hawai'i Tourism Oceania rubs shoulders with Australian and NZ consul generals.
  - 6 intimate Hawaiian experiences for couples.
- House of Travel Co-op: Results have come in from the recent House of Travel Neighbor Island co-op. The promotion generated some excellent stand-alone coverage for Kaua'i, Maui and the Island of Hawai'i. In terms of bookings, Maui was the stand-out with Kaua'i and Island of Hawai'i seeing small booking numbers. But the value of return, particularly due to the coverage and brand messaging was still very good.

## Public Relations

### Highlights in October

During October, HTO worked with broadcast, print and digital media on a number of different opportunities. Our focus in October was on sustainability and the Hawai'i Food & Wine Festival. A major project came to fruition in October, which was the release of National Geographic's Eco-Traveller episode on the Island of Hawai'i. HTO worked with the National Geographic team to film this episode in late September. During October, HTO worked closely with the National Geographic team to edit and finalize the segment. The episode of Eco-Traveller will air on the Australian National Geographic channel until mid-November. The viewership figures and broadcast reach will be available in mid-November after the episode has completed airing. Additionally, the episode of Eco-Traveller can be viewed online through a dedicated online hub. This online hub also houses the "Sea The Future" short documentary film which showcases HTO's work with Sea Cleaners on the Island of Hawai'i in September.

During October, HTO worked with Hawaiian Airlines on an individual famil for Vacations & Travel magazine. This famil focused on the Hawai'i Food & Wine Festival, and the journalist attended the Hawaiian Airlines SWIRL event. Additionally, the journalist viewed two new Waikīkī properties, Beachcomber by Outrigger and ESPACIO. The journalist also travelled to Maui.

**HTO assisted the following media in October:**

- Jessica Campbell from GQ on her upcoming trip to Hawai'i
- Carla Grossetti on her upcoming trip to Hawai'i
- Amanda Woods on her upcoming trip to Hawai'i
- National Geographic on their episode of Eco-Traveller
- Qantas magazine on an upcoming Honolulu feature
- Trish White from Helloworld Television Show
- Andrea Black from ESCAPE
- Janek and Craig from Urban Polo
- Lauren Whicker from Brand USA
- Katrina Holden from Vacations and Travel on her upcoming trip to Hawai'i
- Kerri Elstub from 9honey on her upcoming trip to Hawai'i
- Sherine Yousef from Stellar Magazine on her upcoming trip to Hawai'i

**HTO had meetings with the following media/clients in October:**

- Sam Boynton and Tom Abood from National Geographic
- Sherrine Youssef from Stellar Magazine
- The Red Republic to discuss social media content
- Leigh-Ann Pow from International Traveller
- The Hawaiian Airlines Public Relations Team
- Tony Sarno from Fitness First Magazine
- Cynthia Rankin from Hilton
- Gerry Campbell from The Today Show
- Julie Henderson from Sunrise
- Sean Nicholls from Linkmi Media
- Mark Chipperfield (freelance)
- Amanda Woods (freelance)
- Allison Yee from Bauer Media
- Katrina Holden from Vacations and Travel
- David Stark from Jack & Jill Publishing

**HTO created the following press releases in October:**

- Hawai'i Tourism Oceania partners with National Geographic to release latest episode of Eco-Traveller
- Hawai'i Tourism Oceania release 2020 Meet Hawai'i Guide

**Sales Activities**

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
2	4	1	7

- Trade Sales Calls October
  - Hawaiian Airlines – monthly meeting, recap on current initiatives in market and partnership opportunities
  - MasterCard
  - Ignite to discuss 2020 activity
  - Flight Centre to discuss 2020 activity
  - Qantas Hotels to discuss Q1 campaign
  - Jetstar Airways
  - Billabong on 2020 partnership opportunities

**Brand Experience Update**

- Sea Cleaners Responsible Tourism Initiative
- MCI Famil attended the Hawai'i Food & Wine Festival

**Island Chapters Engagement Update**

- HTO has scheduled bi-monthly conference calls with each of the Island Chapter teams. We are currently working on the below activities:
  - All Island Chapters – pre-planning for Month of Lei roadshow May 2020
  - KVB – working on upcoming Travel Counsellors famil in December, four nights on Kaua'i
  - OVB – working on upcoming Travel Counsellors famil in December, stopover two night on O'ahu; Plus discussions around Midway movie and WWII Surrender opportunities
  - MVB – working on Media famil in November
  - IHVB – MCI famil in October and media famil in November

**“Coming Attractions” for Leisure Market**

What	When	Where
Luxury Escapes Co-op	November 25 – December 9	Australia
Trip advisor Campaign	November 2019 – January 2020	Australia
Group Media famil	November 1-7	Maui and Island of Hawai'i
TV Filming – Fish of the Day	November 5-15	O'ahu & Island of Hawai'i
All Blacks Rugby Golf PR	November	O'ahu & Island of Hawai'i

## Hawai'i Tourism China 2019 Monthly Leisure Marketing Report – October

### Market Intelligence/Market Conditions

#### Economy

##### China Mainland

- After numerous rounds of talks and a significant escalation of tariffs, the year-long trade war has finally taken a turn for the better with a tentative “phase one” deal in October. The interim trade agreement could bring a real breakthrough in the hostile trade dispute in the coming weeks. China’s economy saw a stable GDP growth rate at 6.2% YOY in the first 9 months of 2019 amidst the Sino-U.S. trade war. The unemployment rate had also decreased to 3.61% in Q2 2019, a record low since 2002. Consumer confidence decreased from 124.4 to 122.4 Index Points in August. Meanwhile, the Chinese Yuan fell to 7.1 CNY per USD since August, which will likely influence Chinese buying power for outbound travel.

##### Hong Kong

- Hong Kong steps deeper into political tension, adding anxiety to the tourism and retail business. The advanced estimate showed that the Hong Kong economy shrank 2.9% YOY in Q3, after expanding 0.4% previously. It was the first yearly economic contraction since 2009. The unemployment rate remained unchanged at 2.9% in October 2019. Private consumption and fixed investment dropped while government spending grew at a faster pace. On currency, Hong Kong dollar and U.S. dollar maintained an exchange rate of 7.84 HKD to 1 USD as of October 30.

#### Outbound Travel Market

##### China Mainland

- Chinese tourists made nearly 7.5 million overseas trips during the week-long National Day holiday in early October. According to a report by Ctrip, its registered users from over 500 Chinese cities have booked flights to 100 countries and regions online for the holiday starting from October 1. America still ranks as one of the top destinations among the outbound Chinese travelers.

##### Hong Kong

- Hong Kong's travel industry was thrown a lifeline with a government backed cash incentive worth USD 13 million to encourage outbound and inbound business. Travel agents will be offered a cash incentive of USD 13 per outbound tourist, with a maximum of 500 tourists per agent.

#### Competitive Environment

##### China Mainland

- San Francisco Travel Association and San Diego Tourism Authority joined forces to launch “Best of California”, a program promoting a holistic trip to the West Coast targeting Chinese FITs. The

campaign launched a landing page on Ctrip in August, inviting travelers to customize their ideal Californian vacation that outreached 31 million engagements. San Francisco increased 34% room nights booking YOY, while San Diego saw a 40% YOY increase in room night bookings. The focused campaign won U.S. Travel's 2019 ESTO Awards in the International Marketing category.

- The 2019 Business Events Australia Greater China Showcase by Tourism Australia was held in Wuzhen from September 24 - 26. The fair attracted 39 Australian-related service providers and 80 key buyers from Greater China regions. Australia's unique tourism destinations, tourism products and variety of business awards were highlighted, and the showcase provided opportunities for one-on-one communication between travel trade professionals from both sides. Source: guajialvye.com

## **Hong Kong**

- In response to the escalating challenges in the market, Hong Kong Airlines will discontinue its scheduled services between Hong Kong and Los Angeles from February 2020.

## **Consumer Trends**

### **China Mainland**

- A recent survey conducted by China Youth Daily showed that 60.7% of Chinese millennials (post-1980s and post-1990s) prefer in-depth travel. Only 30.7% would opt for short and quick 'check-ins' to popular sites, where they capture photos just to show the attractions visited on their social media.
- Chinese travelers' outbound travel expenditure reached USD 127.5 billion in H1 2019, where more than half was spent in Asian destinations. The spending on international education continued to increase as Chinese residents were keen to invest in education. Bank card payment statistics showed that the total spending on overseas education increased by 20%, while the expenditure on shopping remained largely the same. Source: China's State Administration of Foreign Exchange

## **Hong Kong**

- The Financial Health Index conducted by the financial comparison platform GoBear has shown that 65% of Hong Kongers' biggest motivation for saving money is lifestyle choices. Preparations for retirement and emergencies came second, while travel and holidays were ranked third. The study also showed that plenty of young people saved money for short term goals. 52% of respondents (aged 18 to 25) positioned travel as their top financial goal.
- Hong Kong economy analysts say Hong Kong retail sales drop 18.3% in September as ongoing protests and trade war continue to batter consumer sentiment. Consumer spending dropped to HKD 29.9 billion for the month after a record 22.9% fall in August.

## **Travel Trends**

### **China Mainland**

- There is increased potential for themed travel among Chinese travelers. Research by Mintel finds that 3 in 5 urban Chinese respondents (of 3,000 surveyed online, aged 20-49) are motivated to try themed travel because they create suitable hobbies (66%) and offer an in-depth travel experience

(64%). Opportunities for socializing is another big factor, as 45% of respondents expressed their desire to meet people with similar interests during their themed travels. More than half of Chinese travelers (53%) would choose slower transport to reduce their carbon footprints, and 68% of travelers are willing to spend more time experiencing the travel journey. 69% of tourists spend more time trying different transportations such as bicycles, trams, sleds, ships, and even on foot to make the trip more exciting. Source: Booking.com

## **Hong Kong**

- Senior management at American Airlines said Hong Kong routes are 'doing better than expected' and pledged to continue investing in Hong Kong. They saw the opportunity to expand its corporate frequent-flier scheme to win a greater market share in Hong Kong.

## **Media Trends**

### **China Mainland**

- According to the National Day Tourism Fun Report by Mafengwo, many young people have chosen "Cloud Travel" during the Golden Week: watching the travel content shared by other travelers online via social media to jot destinations on their bucket list. The top archived outbound island destinations are Maldives, Hawai'i, and Mauritius.

### **Hong Kong**

- Booking.com research reveals that 59% of respondents want technology to offer them discovery options introducing entirely new spots in the coming year. The study predicts that apps with AI that tailored suggestions of destinations, accommodations, and things to do based on travelers' current preferences, previous trips, and vital contextual factors – such as weather and popularity – will rise.

## **Airlift**

### **China Mainland**

- According to the overall passenger reservation situation of China Eastern Airlines during China National Days, passengers are relatively concentrated on September 30, October 1 and 6 - 7. Travelers highly favor Hawai'i, Singapore, Bali, and Jeju Islands. To celebrate the 70th anniversary of the founding of the People's Republic of China, China Eastern Airlines has also launched preferential items for passengers on selected routes, including the direct flight from Shanghai to Hawai'i. The passenger load has reached more than 90%.

### **Hong Kong**

- ANA announced that they are downsizing operations between Hong Kong and Tokyo, the key transit destination to Hawai'i, during certain periods from December 2019. The route will be reduced from 2 daily flights to 1.

## **Market Intelligence/Market Conditions Impact on Hawai'i Travel**

### **China Mainland**

- Chinese group travel patterns have changed from traditional mass tourism to new, smaller group tours with customizable themed offerings due to the rising travel demand and increase of luxury tour operators. HTC will continue to target more sophisticated and high-value visitors to Hawai'i through a deepened relationship with major luxury tour players like HH travel, Zanadu, Kuaibangxing and Great-expectation, positioning the Hawaiian Islands as the 'Diamond of Islands' in its 2019 marketing initiatives.
- The popularity of themed activities presents the perfect opportunity to promote Hawai'i's variety of experiences, such as adventured-themed, eco-tourism themed, family-themed and golf-themed. HTC will continue to drive the length of stay and island dispersal for Chinese tourists.

## **Hong Kong**

- Hong Kong's outbound travel market is still suffering from ongoing social unrest. Airlines are cutting flight frequency and shifting their focus to business travelers. Meanwhile, the government offered incentives to boost business for travel agents. We will closely monitor the situation.
- The Aloha Festival – Hawai'i Trip has been cancelled due to the unstable political environment in Hong Kong.

## **Leisure Activity Update**

### **Consumer**

#### **China Mainland**

- **Hawai'i – Fantastic Movie Filming Destination for the Fast & Furious**

With the hit of the "Fast & Furious Presents: Hobbs & Shaw" in China, HTC collaborated with leading video and movie KOL J&J Boys (菊椒男孩) to conduct an interview with superstar Mr. Dwayne Johnson. The interview aimed to encourage Fast & Furious fans and movie lovers to travel to Hawai'i and visit the filming locations.

A vlog of Mr. Dwayne Johnson's interview and an article of The Hawaiian Islands were presented through J&J Boys (菊椒男孩) 's digital platforms via Weibo, WeChat, Tencent.com and Bilibili.com.. This promotion positioned Hawai'i as one of the most famous movie shooting destinations, outreaching over 2,000,000 movie lovers with a PR value of USD 101,948.

#### **Hong Kong**

- **TVB Informative Quiz show "Do Did Eat" featuring Hawai'i responsible travel tips**

Television Broadcasts Limited (TVB), the No.1 Hong Kong-based television broadcasting company, has featured Hawai'i responsible travel tips on the informative quiz show "Do Did Eat (Season 3)" hosted by popular Hong Kong TV celebrities Dodo Cheng and FAMA. Celebrity guests on the show were quizzed on how tourists shall respect the local communities and nature environment during their Hawai'i trip. The show was broadcasted during the peak hours 8 pm - 9 pm on Sunday, generating a total of 1,380,000 impressions and USD 90,000 in PR value.



## Travel Trade

- **Driven by July Trade FAM – New Luxury Products from HHtravel**

In a bid to attract more high-spending travelers to Hawai'i, HTC collaborated with HHtravel, Ctrip's luxury travel brand, to create new luxury products after HTC Luxury Fam. This series of new Mono-Hawai'i products included business class, luxury hotels and restaurants, with prices ranging from USD8,000 to USD15,000. Targeting high-end guests, HHtravel has promoted these new products via their official website and sales channels.

- **HTC & China Eastern Airlines Joint Roadshow in Beijing**

To overcome the negative impact of Air China suspending their Beijing-Honolulu route and following the successful collaboration with China Eastern Airlines in Chengdu, Guangzhou & Shenzhen last month, HTC again joined hands with China Eastern Airlines Beijing team to conduct another successful Hawai'i roadshow in Beijing on October 16. The roadshow featured the Beijing-Hawai'i route via Shanghai operated by the airlines and Hawai'i's abundant tourism resources. A total of 28 trade professionals from 16 leading travel agencies in Northern China attended the roadshow.

- **HTC at Lushu.com Strategy Conference**

Lushu.com, an emerging customized tour operator in China, invited HTC to join their brand strategy upgrade press conference. Lushu.com focuses on 2 aspects in its 2020 marketing strategy including educating more professional customized travel advisors and "Lushu X plan" where HTC will join hands to arrange more in-house trainings and online campaigns.

## Public Relations

### China Mainland

- In October, HTC secured a total of 41 media exposures (3 print media and 38 online media), achieving over 12,050,000 impressions and a total PR value of USD 811,200.

- **Media Highlight — “Diversified Aloha, Long lasting memory” by Golf People**

Golf People, the prestige high-class golf publication, released a 10-page article to introduce the features of Island of Hawaii, Maui, O'ahu and Kaua'i as well as the Hawaiian culture, festivals and food. This coverage reached 30,000 impressions with a PR value of USD 127,020.

- **Social Media**

In October, the number of HTC Weibo followers increased to 126,356, and the total impressions in 2019 of HTC Weibo reached 3,366,733. Meanwhile, the number of WeChat followers increased to 29,434. In total, all WeChat posts in 2019 together gained 211,616 page views.

### **#EnjoyAutumnSeasoninHawai'i#Campaign**

HTC co-launched the social media campaign #EnjoyAutumnSeasoninHawai'i# with Weibo at the end of September. As of October, the campaign posts reached over 126,000 travel lovers and generated lots of engagements with the followers.

**Hong Kong**

- **Media Highlight – 【ANA】 First class return trip from Tokyo to Hawai‘i**

Hong Kong-based online news portal, HK01, has published an article regarding the airline to Hawai‘i from Tokyo by All Nippon Airways (ANA) in October. It summarizes and evaluates the writer’s experience of sleeping and eating on ANA flight to Hawai‘i. Including this publication, USD 43,553 PR value and 370,000 impressions have been garnered in October.

- **Social Media**

A total of 24 Hawai‘i arts and culture stories has been shared on Instagram and Facebook, generating 118,856 digital gross impressions in October. The videos and portraits featuring Hawai‘i culinary culture and buddy travel greatly stimulated interest for Hawai‘i.

**Sales Activities**

**China Mainland**

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
6	21	1	28

- In Northern China market, HTC has accomplished a total of 10 sales activities. In October, HTC successfully cooperated with China Eastern Airlines to host the Beijing products seminar. HTC also launched the online campaign ‘Ohana Fun 2019’ second landing page with Korean Air.
- In the South-western China market, HTC accomplished a total of 10 sales calls. HTC met with the biggest wholesalers in Chengdu, such as DTA, Champion Holiday, Damei and China Eastern Airlines Sichuan Branch to discuss air ticket policy.
- In the Southern China market, HTC accomplished 8 sales calls. Among which, HTC met with U-Choice & Singme Travel and assisted them with MICE groups. In addition, HTC also helped the tailor-made travel agencies to develop Hawai‘i products.

**Hong Kong**

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
2	5	6	13

- The leading luxury travel planner Quintessentially Travel brought a number of high-end, small families and couples to Hawai‘i in Q3. Clients were satisfied with the natural wonders and cultural experience in Hawai‘i. Meanwhile, Hong Kong protests show no sign of slowing down and key travel trade partners, such as Korean Air, Jetour Travel and United Vacations continue to suffer from a double-digit decrease on outbound travel demand.

**Brand Experience Update**

**China Mainland**

HTC promoted Hawai'i Food and Wine Festival through public relations and social media platforms, and Kona Coffee Cultural Festival through social media and media calls to attract cultural travelers and foodies.

**“Coming Attractions” for Leisure Market**

<b>What</b>	<b>When</b>	<b>Where</b>
Korean Air ‘Ohana Fun’	October - November	China
Hawaiian Airlines Offline Seminar	November	Chengdu, China
OVB Sports and Outdoors Adventure Press Trip Media: Voyage (新旅行)	November	O’ahu

## Hawai'i Tourism Korea 2019 Monthly Leisure Marketing Report – October

### Market Intelligence/Market Conditions

#### Economy

- South Korea's ranking in global competitiveness has risen to 13th place, up two notches from a year ago. The World Economic Forum's annual global competitiveness report said the nation topped the list of 141 countries surveyed for macroeconomic stability and adoption of information and communications technology. Singapore ranked 1st this year followed by the U.S., Hong Kong, the Netherlands and Switzerland.
- Bank of Korea said the prolonged trade war between the U.S. and China had lowered South Korea's economic growth by up to 0.4%. According to the BOK, the dispute itself may have directly impacted growth by about 0.2% by reducing overall exports. This in turn may have led to an additional drop of 0.2% due to slowed investment and spending. The IMF's and OECD's projections for South Korean growth are 2% and 2.1%, respectively.
- South Korea's employment rate for people aged 15 or older reached 60.8% in the second quarter of this year. According to Statistics Korea and latest data from the OECD, the country ranked 10th among member nations in terms of employment rate over the period. Countries ranked above Korea included New Zealand, Switzerland, the Netherlands, Austria, Canada, Sweden, Norway, Israel and England. The U.S. ranked 11th with 60.6%, followed by Japan with 60.4%.
- The average USD/WON exchange rate in October was 1182.35 won, a slight decrease from the previous rate of 1192.72 won in September. Fuel surcharges were imposed in October up to 75,400 won (\$63.77) for a round trip between Korea and the U.S.

#### Outbound Travel Market

- Korea Tourism Organization (KTO) reported the number of Korean outbound travelers in September 2019 was 2,049,830, a year-on-year slight decrease of 7.9%.

• Month	Departures	Growth (%)
January	2,912,331	1.5%
February	2,617,946	13.3%
March	2,334,153	3.6%
April	2,246,417	0.7%
May	2,401,204	3.0%
June	2,495,798	7.0%
July	2,642,585	6.0%
August	2,427,634	-3.7%
September	2,049,830	-7.9%
<b>Total</b>	<b>22,127,898</b>	<b>2.6%</b>

- Hana Tour and Mode Tour, the nation's top two wholesalers, reported steep year-on-year declines of 33.2% (to 195,000 pax) and 26% (to 133,000 pax) respectively in their overall outbound sales in October. According to Hana Tour, the slump in travel demand for package products was largely due to the ongoing travel boycott against Japan. The industry insider noted that depressed consumer sentiment triggered by the No-Japan campaign in Korea's outbound travel market was expected to continue to early next year on the back of decreased sales data for November (-27.6%) and December (-14.2%). In terms of the outbound destination market share in October, Southeast Asian countries accounted for more than half (53.3%), followed by China (16.2%), Europe (11.2%), Japan (8.7%), South Pacific region (5.6%), and the U.S. (5.0%). Meanwhile, sales bookings for long-haul resort destinations have been on the rise as winter season nears, as follows; Middle East countries (▲118.2%), Mediterranean Western European countries (▲7.5%), and Hawai'i (▲15.1%).

### **Competitive Environment**

- National flag carrier Korean Air will redirect its flight services from Japan to not only Hawai'i but also Oceania and South East Asia destinations to counteract falling revenues from Japan. It will boost flights for Incheon-Auckland to 7 times weekly, Incheon-Manila to 4 times weekly, and Incheon-Guam to 20 times weekly.
- Asiana Airlines will temporarily suspend its Seoul-San Francisco service from March 1 to April 14, 2020 after earlier saying the suspension period would be from March 3 to April 16, 2020. South Korea's Supreme Court upheld its decision to suspend the airline's daily Seoul-San Francisco flight for 45 days as a penalty for its fatal plane crash in San Francisco in 2013.

### **Consumer Trends**

- Despite the inconvenience of leaving home and camping in the great outdoors, there is no sign among Koreans of the popularity of camping slowing down. With the new government mandated 52-hour workweek, people have spare time to enjoy their hobbies at leisure and, with increasing entertainment programs featuring camping, the number of people venturing outdoors is on the rise. Sales of tents, tarps and other temporary shelters are estimated to have increased 57% compared to the same period last year. The popularity of camping gear is linked to cable channel JTBC's entertainment show "Camping Club" which features four members of the hugely popular, but now defunct, girl group Fin.K.L. After "Camping Club" was aired, related products used or worn by Fin.K.L members dominated real-time search words on portal sites and triggered a surge in spending on gear.

### **Travel Trends**

- A Trip.com analysis of air ticket purchasing trends by Koreans from 2017 to 2019 shows a gradual increases in travel periods of more than two weeks. The analysis showed that the number of Koreans who traveled over 14 nights, according to air tickets purchases, increased 1.9-fold from 2017 to 2018 and 2.2-fold from 2018 to 2019. The sales of air tickets enabling Koreans to travel more than 30 nights also grew, up 1.8-fold from 2017 to 2018 and 2-fold from 2018 to 2019.
- A report by Trip.com has thrown new light on Koreans' preferences related to hotel selection, such as services and facilities, key factors, and the purpose of using a hotel. The study showed Koreans' favorite service offered by a hotel is breakfast (37%), followed by internet (20%), airport transfer (19%) and 24-hour front desk (10%). Also, nearly half of Koreans chose a pool as a facility that they wanted to use during their stay (48%). Spas (20%), restaurants (13%) and

rooftops (6%) followed in terms of preference. And when Koreans choose a hotel, they consider location the most (35%), followed by rate (27%), facilities (25%) and service (6%). The global OTA said these preference trends resulted from travelers' focus on "staycations" or "hocance."

- Airline companies have maintained the lead in selling their own seats over travel apps and websites, according to a study by Consumer Insight's Consumer Trend Research Lab. Their purchase rate held 1st place at 41.6% in the 1st half of 2019 as travel apps' and websites' rate increased to 29.5%. Skyscanner is leading the challenge to the airlines with a landslide 54.2% of market share among apps/websites. It is well ahead of second-placed Naver (11.4%). On the other hand, the rate of air ticket purchases through travel agencies has declined by 7.9% in the past two years to 15.6%.

### **Media Trends**

- Naver, Korea's No.1 portal site, announced that its goals for next year include boosting functions for influencers while going global. Korea's largest internet portal said it would add a function that allows users to search for specific influencers. It hopes to increase connections between influencers and web crawlers, and with advertisers, to offer them higher profits. After some changes, Naver users will be able to locate influencers who upload posts with certain key words. The added function will make it easier for users to access influencer's main pages and subscribe to them. Ads can be shown on an influencer's main page.

### **Airlift**

- Korean Air will add regular KE051 flights on the ICN-HNL route from December 9, 2019 through March 28, 2020 following the chartered flights targeting Korea's golden holiday week in early October. It will fly 4 times weekly on Mondays, Wednesdays, Fridays, and Sundays using A330-200Q aircraft with 281 seats. The additional direct flights are expected to generate a total of 3,052 incremental seat supplies in 2019 and 10,464 seat supplies in 2020 respectively.
- Amid tendering for new ownership, Asiana Airlines is currently operating daily services on the ICN-HNL route until March 31, 2020. The daily flights have provided an additional 4,675 and 7,150 seats in 2019 & 2020 respectively.
- Jin Air is suspending its service to Hawai'i from August 27 until winter season as its parent company, Korean Air, has decided to add a service on the same route.

### **Market Intelligence/Market Conditions Impact on Hawai'i Travel**

- September booking data on TMON, Korea's leading e-commerce company, showed Hawai'i ranked top destination in terms of ticket sales volume for the winter peak season between December and February. It's largely attributed to the continuing No-Japan travel boycott that has led travelers to pick Hawai'i and South East Asian destinations, including Vietnam, Thailand and Taiwan, over Japan. TMON also noted the drop in flight ticket sales to Japan indicates the boycott is spreading among younger generations (its primary users are aged in their 20s and 30s).
- The estimated number of South Korean tourists to Japan fell 58.1% to 201,200 in September, the sharpest drop since May 2011 when the figure plummeted 58.3% after the Great East Japan Earthquake on March 11 that year. Korean outbound travelers are focusing on alternative destinations in China, Europe and other Asian countries. The Ministry of Land, Infrastructure and

Transport (MOLIT) said demand on Chinese routes jumped 13% in August and patronage of other Asian and European routes rose 15% and 10% respectively. As a result, airlines have diversified their networks by reducing the number of flights to Japan and increasing flights on non-Japanese routes. Korean Air launched services to Nanjing from September 27 and to Hangzhou and Zhangjiajie from September 28. No-frills carriers T'way Air and Jeju Air also added services to Beijing, increasing the number of China routes from 57 to 66 and frequency from 449 to 588. Asiana Airlines will start air services to Kaohsiung, Phu Quoc, Lisbon and Melbourne, while Jeju Air will start services to Bohol.

## **Leisure Activity Update**

### **Consumer**

- **2019 Hawai'i Food & Wine Festival:** To promote the Hawaiian Islands as an ideal culinary destination, HTK invited its local correspondent Jinyoung Lee to HFWF on October 26 to create video content featuring the Life's a Beach event at Ko Olina Resort. The 1-minute video will be uploaded on HTK's official social media channels, including Instagram, Facebook and YouTube, in November.

### **Travel Trade**

- **Educational seminar for Seoul Metropolitan Council:** HTK ran an educational seminar on October 1 at Seoul Metropolitan Council (SMC) prior to its visit to Honolulu City Council on October 14. During the two-hour seminar at the council, the Korea team introduced historical background about Hawai'i that had mutually affected Korea's history. It also shared a blueprint of sustainable tourism initiatives developed by the state government and provided latest destination information.
- **Luxury Hawai'i campaign:** HTK is running a luxury Hawai'i campaign with the nation's leading OTA, Interpark, to position it as a premium destination and to target an increasing number of family package/FIT groups. The campaign involves Korean Air and a high-end line-up of hotel partners such as 'Alohilani Resort Waikiki Beach, Hilton Hawaiian Village, Sheraton Waikiki, and Aulani, A Disney Resort & Spa to develop luxury Hawai'i products. The promotion will be extensively advertised through the travel agency's owned and paid channels, including its official websites, social channels, E-DM, Naver, and multi-product advertisements on Facebook. The promotion is expected to draw a total of 350 pax, achieving year-on-year growth of 30% during the three-month campaign from October to December.
- **Airline co-op promotion:** HTK has partnered with Korean Air to expand post-arrival Kuleana B2B/B2C campaigns in conjunction with the airline's additional regular flights (KE051). For the B2B sales promotion, the airline will involve 5 leading travel agencies – Hanjin Travel, Lotte Tour, Very Good Tour, Tidesquare, and Interpark Tour – to launch new Hawai'i package products and showcase the Kuleana video. It will also do banner advertising on their multiple channels to generate extensive media buzz. In addition, the Korea team and the airline are currently developing an online consumer promotion to be featured on Korean Air's official website. It is intended to highlight cultural and historical aspects of Hawai'i and deliver the key messages of the post-arrival/Kuleana campaign.
- **Industry collaboration with Hawai'i partner:** HTK attended the 2019 Fairmont Hawaiian Night held in Myeongdong, Seoul, Korea on October 22. The networking dinner event was hosted by Fairmont Orchid, Hawai'i and Fairmont Kea Lani, Maui to deliver up-to-date property information

and forge a strong connection with trade partners. The Korea team also shared latest market trends with 20 attending travel agencies and Ms. Gwen Kekua-Hays, Fairmont’s Regional Director Asia Sales – Hawai’i.

**Public Relations**

- **Individual Media Visit - Joongang Daily Newspaper:** The travel date for Joongang Daily’s individual media visit has been moved from November to December 9-15. The media will visit Kaua’i and O’ahu to feature the islands as ideal surfing (surfing & hiking) destinations. HTK will start to develop the itinerary in partnership with each IC. In Kaua’i, the itinerary will highlight Waimea Valley hiking and include a helicopter tour. In O’ahu, various surfing activities, such as Hawaiian Pro surfing lessons, will be included.
- **OVB Sports and Outdoor Adventure Press Trip:** HTK will participate in OVB’s upcoming global press trip in November by inviting Vogue Korea, a leading fashion & lifestyle magazine.
- **TV Film Project – JTBC ‘Let’s Eat Together’:** HTK is developing a TV reality show project in partnership with JTBC, a leading cable TV network in Korea. The network’s TV reality show 'Let’s Eat Together' is a variety program that traces the journey of two men who are called as "National MCs" in finding local dinner mates in different cities/countries. During the host’s journey in Hawai’i, the program will cover various attractions and activities in the Island such as Kualoa Ranch, Dole Plantation, North Shore and Waikiki. HTK will be involved in location recommendation and filming permit process. The actual filming will take place over November 27 to 29 and the tentative airing date is December 11 and 18.

**Sales Activities**

Sales calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
5	20	4	29

- **Airlines:** HTK made regular sales calls to airline partners to share airlift updates and partnership opportunities in the second half of 2019, as follows: Korean Air for regular flights and follow-up branding campaign; Asiana Airlines for airlift updates and co-op OTA branding campaign; Jin Air for airlift updates; Hawaiian Airlines for joint Fam; Japan Airlines Busan for future partnership opportunities.
- **Tour operators:** HTK had sales meetings with Korea’s leading wholesalers, retailers, OTAs and receptive operators to develop various Hawai’i campaigns and sales promotions.
- **Others:** HTK cultivated working relationships with industry partners from hotels (Fairmont Hawai’i and Westin Maui), DMOs, transportation, attractions and consumer brands to discuss further co-op promotions and events.

**Brand Experience Update**

- HTK secured publication during September in a total of 160 media outlets, with an estimated advertising value of \$1,543,500 and 172,580,000 impressions.
- Press Release:



- HTA reappointed AVIAREPS Korea to represent Hawai'i in the Korea market.

**Island Chapter Engagement Update**

- **Kaua'i Visitor Bureau (KVB):** HTK and KVB are collaboratively developing a customized itinerary for an upcoming Celebrity Golf Fam scheduled in November. On behalf of HTK, KVB has been reaching out to partners for accommodation, golfing and attractions to optimize the Fam theme.
- **Island of Hawai'i Visitors Bureau (IHVB):** HTK and IHVB are jointly curating the itinerary for an upcoming Celebrity Golf Fam scheduled in November. On behalf of HTK, IHVB has been reaching out to partners for accommodation, golfing and attractions to optimize the Fam theme.

**"Coming Attractions" for Leisure Market**

<b>What</b>	<b>When</b>	<b>Where</b>
Celebrity Golf Fam	Nov 6 – Nov 13 (6N/8D)	Kaua'i & Island of Hawai'i

## Hawai'i Tourism Taiwan 2019 Monthly Leisure Marketing Report – October

### Market Intelligence/Market Conditions

#### **Economy**

- Taiwan's government revised its GDP growth rate to 2.4% for the second quarter of 2019. GDP is predicted to grow 2.46% and 2.58% respectively in 2019 and 2020.
- The unemployment rate in September was 3.80%, decreased by 0.09% compared to the previous month.
- Taiwan's consumer confidence index (CCI) rose by 0.11 points to 80.97 in October compared to the previous month.
- The currency exchange of New Taiwan Dollar depreciated to 30.731 (average) in October when compared to 30.142 in September.

#### **Outbound Travel Market**

- According to Taiwan Tourism Bureau, the overall number of outbound visitors from Taiwan was 1,372,190 in September 2019 with a 6.11 % increase compared to September 2018. The outbound number to U.S. increased by 3.36% to 48,570 in September 2019 compared to the same period last year.

#### **Competitive Environment**

- Short-haul competition from Southeast Asian destinations remains strong in September 2019: Vietnam (+31.3%), Philippines (+29.6%) and Thailand (+29.2%) have seen greater growths because of their affordable pricing and proximity to Taiwan.
- Long-haul competition from New Zealand continues to be strong with 60.7% visitation growth YOY (YTD September 2019) due to favorable currency exchange rates and the new direct flight between Taipei and Auckland. Meanwhile, major destinations in North America and Europe have seen declines in September 2019.

#### **Consumer Trends**

- Taiwan's Cruise Industry is Shipshape. Increasing numbers of international cruise operators have shrewdly put together packages customized for the Taiwan local market. The cruises usually embark from Keelung, Taiwan and destined for Japan. Most of the voyages last three to six nights, in contrast to the longer cruises common in North America and Europe. According to Taiwan Business Topics, one of the favorite activities of Taiwanese tourists is shopping. For cruise passengers, they have no limit to their luggage weight. If consumer wants to load up on heavy souvenirs or local products, they would prefer to choose cruise tours than to travel through air.

## **Travel Trends**

- Visitors from Taiwan can now enjoy multiple entries to Turkey, as the country has relaxed visa restrictions for the island to boost tourism. According to the Ministry of Foreign Affairs, the two countries have been introducing reciprocal measures to promote tourism since May 2013, with the multiple-entry e-visa program the latest to be implemented. The moves have helped draw more Taiwanese citizens to Turkey, the annual number currently standing at approximately 90,000, according to the Tourism Bureau statistics.
- Hanoi Tourism Bureau hosted a workshop in the Vietnamese city of Da Nang to promote its initiative called "Taiwan Quality Tour" for travel operators that provide Vietnamese visitors with tourism products and services in Taiwan. In an effort to increase the number of visitors from the region and promote Taiwan as one of the best tourist destinations in Asia, the tourism bureau set up its 14th overseas tourism office in Ho Chi Minh City in March this year, and organized a slew of events such as travel expos, to promote tourism in Taiwan in the Southeast Asian country.

## **Airlift**

- Taiwanese start-up airline Starlux has revealed its first three destinations: Da Nang, Vietnam, Macau and Penang, Malaysia from its hub in Taipei. Its first aircraft, a new Airbus A321neo, is undergoing test flights and will begin operations in January. The airline also said that it is planning flights to Japan and South Korea in the second half of next year.

## **Market Intelligence/Market Conditions Impact on Hawai'i Travel**

- Overall booking pace for Hawai'i has been positive. The Taiwanese arrival number to Hawai'i increased by 25.1% to 1,863 in September 2019 when compared to the same period last year, which was contributed by China Airlines' special airfare promotion between Taipei and Honolulu since May 2019.
- To prevent the potential dip in visitor statistics in the fourth quarter which is traditionally a slower period for outbound travel, HTT has been scheduling the release of print and video coverage from fashion media and vloggers from August to November, aiming to continue the strong momentum from the summer.

## **Leisure Activity Update**

### **Consumer**

- **Vlogger FAM with Ili How:** Since August, HTT started working on the vlogger FAM. The core message of this FAM is to promote Hawai'i as the top destination for ecotourism, voluntourism and outdoor activities. After reviewing several candidates, HTT has secured a Taiwanese fitness influencer named "Ili How". Ili is an anchorwoman of FOX Sports Taiwan and is one of top influencers of the triathlon field in Taiwan. The crew visited O'ahu and the Island of Hawai'i from October 6 to October 13. During this FAM trip, the filming crew participated in various activities such as volunteering activities with travel2change, electric bike tour at Kualoa Ranch, Manta Ray Snorkeling with Anelakai Adventures and introducing the 2019 Ironman World Championship in Kona. The video coverage will be released in December 2019.

- **Vlogger FAM with Candy Wang:** HTT has been developing an itinerary for Candy Wang, a top fitness and wellness influencer and model in Taiwan. The theme for the FAM is “finding inner peace and wellness by traveling solo in Hawai’i”. Candy will focus on filming the natural landscape and cultural activities on O’ahu.
- **2019 Taipei International Travel Fair (ITF):** The 2019 ITF is the largest travel fair in Taiwan. It took place from November 8 to November 11 at the Taipei Nangang Exhibition Center. During the four-day event, Maui Visitors Bureau, Kaua’i Visitors Bureau, and Marriott Resorts Hawai’i participated in the Hawai’i booth. HTT’s consumer activities included Hawaiian language lessons, sweepstakes, and hula performances on the HTT stage and China Airline’s stage.

**Travel Trade**

- **2019 Travel Agent FAM:** Since October, HTT started arranging the 2019 agent FAM. The purpose of this familiarization trip is to help these Taiwanese agents keep updated on the travel trends and offerings in Hawai’i. Five agents including KKDay, Lion Travel, SET Tour, FTS Tour and Wodsey Co. Ltd have confirmed to participate in the 2019 Agent FAM trip. The agents will visit O’ahu and the Island of Hawai’i from November 20 to November 27. The itinerary will be finalized by mid-November.
- **B2B Event/Trade Mission:** HTT hosted a B2B event on November 7 and three Hawai’i industry stakeholders participated and gave presentations to the Taiwan travel agents. A total of ten agents from six Taiwanese trade partners attended the event. HTT believed that the trade mission has facilitated communications and created more opportunities between Hawai’i stakeholders and Taiwanese agents.
- **Sales Calls for Trump International Hotel Waikīkī:** HTT supported the Trump International Hotel Waikīkī with its sales calls in Taiwan to connect with local agents and wholesalers who specialize in MCI market and have high-spending customers. The Director of Sales and Marketing and Sales Manager of the hotel met the agents from Wodsey Co., Ltd, Phoenix Tours, SET Tour and Lion Travel.

**Public Relations**

- **Media Monitoring (Clippings & Publicity Calendar):** In October 2019, Hawai’i Tourism Taiwan secured 89 PR coverage publications on an unpaid basis. The estimated advertising value is USD\$ 1,783,034.

**Sales Activities**

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
2	8	0	10

- **Airlines:** HTT discussed marketing plans to continue working with China Airlines to promote the direct flights between Taipei and Honolulu. HTT also reached out to ANA to discuss potential marketing opportunities for ITF 2019 to drive ticket sales of the Hawai’i route.

- **Travel Trade:** HTT invited agents from SET Tour, Lion Travel, FTS Tour, Wodesy and KKday to participate in the travel trade FAM in November.

**Island Chapters Engagement Update**

- Since August, HTT has been working closely with IHVB and OVB to develop itineraries for the travel trade FAM in November. HTT aimed to encourage Taiwanese agents to incorporate and eventually sell more cultural, eco-friendly and experiential activities to be consistent with HTA’s strategic direction in targeting high-value responsible visitors. In addition to itinerary recommendations, IHVB and OVB connected HTT with a variety of industry partners to meet the requests from each agent.

**“Coming Attractions” for Leisure Market**

<b>What</b>	<b>When</b>	<b>Where</b>
2019 fashion media FAM with ELLE Taiwan: Online exposure and printed coverage	November	Taipei, Taiwan
2019 fashion media FAM with VOGUEme: Online video coverage	November	Taipei, Taiwan
2019 fashion media FAM	November 13 - 17	O’ahu
2019 Travel trade FAM	November 20 - 27	Island of Hawai’i & O’ahu

## Hawai'i Tourism Europe 2019 Monthly Leisure Marketing Report – October

### Market Intelligence/Market Conditions

#### **Economy**

- The Pound Sterling has risen significantly to \$1.28, whilst the Euro is trading at \$1.1, and the Swiss Franc is trading at \$1.00.
- UK GDP remains down 0.2%, whilst Ireland showed a strong rise of 2.4% in its first quarter.
- German GDP remains unchanged at -0.1%. Germany's unemployment rate remains consistent at 3.1%.
- Swiss economy remains consistent with a GDP of 0.3% and the unemployment rate sits at 2.1%.

#### **Outbound Travel Market**

- Hays Travel, the UK's largest independent travel agent, headquartered in Sunderland, UK, is set to acquire the entire portfolio of Thomas Cook shops which total up to just over 500. Hays Travel has also employed over 25% of former Thomas Cook employees saving 2,500 jobs. Hays Travel is a private company, jointly owned and managed by John Hays, Managing Director, and Irene Hays, Chair of the Hays Travel Group. Irene said, "Thomas Cook was a much-loved brand and a pillar of the UK and the global travel industry. We will build on the good things Thomas Cook had – not least its people – and that will put us in even better stead for the future. "We all share a passion for the travel industry and we want to continue to build the company's reputation for first class service and being a great place to work and develop a career."
- Following the collapse of Thomas Cook on 23rd September 2019, the Civil Aviation Authority (CAA) launched a repatriation mission of British Holidaymakers to the UK, flying 127,000 Thomas Cook customers back to the UK in the first ten days of the operation. The two-week flight program, costing £100 million, has so far chartered over 130 aircrafts. CAA Chief Executive Richard Moriarty said on Wednesday 3rd October, "With just four days until the end of our flight program and 19,000 people left to bring back to the UK, we are beginning to combine more Thomas Cook flights into single CAA flights". Some passengers may not return to their original departure airport however CAA will assist with onward journeys in the UK.
- A UK-wide recruitment drive to hire former Thomas Cook employees is already underway, with appointments made to former Thomas Cook chiefs Chris Mottershead, Kathryn Darbandi and Nicki Tempest-Mitchell to project manage Barrhead's nationwide expansion plan. The expansion team will work strategically to implement new store openings across the country. Barrhead president Jacqueline Dobson, said: "Chris and the expansion team will bring valuable insights and experience to help extend Barrhead Travel's quality service to new communities and we look forward to the first of many new store openings under this initiative."
- The German airports produced 24.2 million passengers in September, 0.2 percent less than in the corresponding month of the previous year. That's only a minimal decline.

- However, last month was a positive month across the entire Lufthansa Group. A total of 14 million passengers were transported, which is 2.3% more than in the same month last year.

### **Competitive Environment**

- Kempinski Group – The hotel group has announced plans to have 100 hotels in operation by 2021. Over the next 12 months, nine new hotels will be opened, including three in the Caribbean, as well as other locations, including Tel Aviv, Bangkok and Brazzaville.
- Israel – Israel is once again setting a visitor record: around 3.3 million people from all over the world visited the country on the eastern Mediterranean in the months from January to September 2019. In the same period last year there were 2.9 million tourists. This represents an increase of 13 percent within a year and 30 percent in a two-year comparison. From Switzerland, 45,600 passengers came to Israel in the first three quarters of 2019 - 14 percent more than in the previous year and 35 percent more than in 2017.
- Saudi Arabia – Saudi Arabia has introduced a tourist visa for visitors from 49 countries. The e-visa for the price of about 110 euros can be applied for online. In addition to a valid passport of at least 6 months at the time of entry, they also require an official invitation letter which several German tour operators such as Diamir Erlebnisreisen will provide for their guests.

### **Consumer Trends**

- The UK's Office for National Statistics (ONS) has started to analyze internet data usage for the first time. The new study makes use of data from the London Internet Exchange (Linx) which connects service providers and content delivery networks. Whilst the ONS is still working on the statistics (which are not currently conclusive), early trends indicate that internet traffic in the UK increases in winter, peaking at 21:00 on weekdays, particularly midweek. Traffic falls between 16:00 and 18:00 on weekdays and Saturday night is lowest data flow.
- According to Brand USA, the top 5 channels used by travelers from the DACH (Germany/Austria/Switzerland) market for Destination Selection for the last intercontinental trip are; Websites via computer (53%), Personal advice from family/ friends (38%), Information in print travel guidebooks (31%), Websites/ applications via tablet (26%), Personal advice from travel professionals/ travel agents (23%)
- Germans are still reluctant to use mobile payment. Only 5 percent of Germans paid by mobile phone last year.

### **Travel Trends**

- AIG, BA's parent company, has committed to net-zero carbon flying by 2050. BA will offset all domestic flight emissions from 2020. This would be done through using sustainable fuels and replacing older aircrafts in operation. The aviation industry has set a general target of a 50% cut in emissions from 2005 levels by 2050, largely through offsetting via the Corsia scheme set up by the UN aviation agency, ICAO. IAG is responsible for about 3% of global aviation's emissions, which equates to 29.9m tonnes of CO2 per annum out of the industry's 915m tonnes. To achieve its offsetting targets BA says it will not fly its remaining 33 Boeing 747 jumbos, which are the heaviest consumers of fuel, after 2024.

- According to a study by Brand USA, the top 5 Destinations of interest for the DACH market are; California (50%), New York (43%), Florida (41%), Hawaii (33%), Texas (21%).
- The German branch of the Thomas Cook Group, Neckermann-Reisen, now has their website back online as a travel portal. However, currently only offers from other known promoters are sold.

### **Media Trends**

- Instagram has confirmed it has removed its 'Following' tab in the app, previously enabling users to see what content their friends and connections engaged with. Instagram launched this tab as a feature back in 2011 and this became the best way to discover new content. Once the 'Explore' tab debuted it quickly established itself as the primary means of identifying current news, meaning the 'Following' feature became more redundant. This is a minor change in the app, but one that makes potential discovery more succinct.
- Most Swiss major daily newspapers (German speaking) were able to increase their readership compared to 2018 and 2017 numbers by increasing and/or introducing their online offers. According to a survey executed by Wemf AG, e.g. the free of charge paper "20 Minuten" records a total of additional 66,000 readers (compared to 2017). For the first time, the esteemed newspaper NZZ reaches more users online than via print. However, in total, most Swiss media outlets still reach their readers with print products. The same development – online increase – applies to Swiss magazines.
- According to a study executed by the German public TV stations ARD and ZDF, approx. 90% of the German population uses the internet occasionally – no change compared to 2018. Referring to the total population, 71% state to be online daily (67% in 2018), the so-called daily reach of those between 14 and 29 years old is 98%. Just a little over 90% of those who are younger than 50 are using the internet occasionally while being on the way, the share of those who are older than 70 is a third. In regards to the usage: the internet is used 41% for watching videos, listening to audios and reading copy – videos are in the lead with 25%, followed by copy (22%) and audio (19%). The total German population spends an average of 87 minutes with media content online, five minutes more than in 2018.
- In spring 2020, the publishing house Burda will launch the online version of the German esquire magazine. The magazine will target men (30 years and older) who live a sustainable lifestyle, are culturally interested and fashion-conscious and who love to incorporate beautiful things in lives. The title will comprise a website, social media and a podcast.

### **Airlift**

- Virgin Atlantic has revealed plans for 43,000 extra seats to leisure destinations from Manchester airport for summer 2020. The airline hopes to make Manchester a hub. Las Vegas is one of the airports that is benefitting from the additional flights, with two additional flights to begin in 2020 during the peak season, adding an extra 10,000 seats into one of Europe's key gateways to Hawaii.
- British Airways has started its first transatlantic service using the new Airbus A350. The aircraft made its first long-haul service to Dubai in September 2019, following the 15,400 miles flown between London and Madrid after delivery in early 2019. The first transatlantic route will fly between Toronto and London Heathrow. BA North America sales vice president



Gerard McEvoy said: "We're thrilled to be launching our new A350 from Toronto, a city we've flown to and from for nearly 60 years." Additionally, Air France has taken delivery of its first A350-900 this week. The aircraft will be deployed on transatlantic and Asia routes and is the first of a total order of 28 planes.

- Norwegian will increase flights from Gatwick to four U.S. destinations, including San Francisco and Tampa, for summer 2020 "in response to demand". The low-cost carrier will add frequencies on four transatlantic routes from Gatwick to the U.S. from 29 March 2020. Gatwick to San Francisco will become a daily service for summer 2020, up from five per week, and there will also be one extra weekly service to Austin (up to four weekly), Denver (four weekly) and Tampa (three weekly). Matthew Wood, Norwegian's senior vice-president, commercial, said: "In line with our business strategy of moving from growth to profitability we are ensuring that we concentrate on key routes across our network where we see strong demand."
- European airport trade body, ACI Europe, has given an update on the progress airports have made to deliver on their commitment to reach 100 carbon neutral airports by 2030. With the successful upgrade of six Lapland Airports operated by Finavia, there are now 50 carbon neutral airports in Europe. Carbon neutral airports at Level 3+ of the Airport Carbon Accreditation have to provide evidence of undertaking all the actions required by the programme. This includes mapping their emissions, reducing them and engaging operational stakeholders on the airport site to do the same, before investing in carbon offsets.
- The world's longest ultra-long-haul commercial flight took place on Sunday 20th October, from New York to Sydney, lasting 19 hours and 16 minutes. Numerous tests were carried out during the flight, to assess potential effects of the 19-hour non-stop service. This included tracking of pilot brain waves, alertness and melatonin levels. Passengers also had the opportunity to take part in exercise classes. Plans to test a direct flight from London to Sydney are in the pipeline by the end of 2019. "This is a really significant first for aviation" said Alan Joyce, Qantas Group Chief Executive.
- Thomas Cook's German airline Condor has won EU approval for a vital €380 million loan for the forthcoming weak winter season.
- LOT Polish Airlines is expanding its range of flights to North America and will be flying from Warsaw to San Francisco four times a week from 5 August 2020. The new flights are interesting for German and Austrian travellers, as the flight times of the feeder flights from many cities allow rapid changes in Warsaw without much loss of time.

### **Market Intelligence/Market Conditions Impact on Hawai'i Travel**

Recent developments in European politics have indicated confidence in the economy looks set to increase. Whilst the market has continued well despite concerns around Brexit, progress towards a more definitive solution to the debate have marked improvements as markets can adapt to the prospective climate.

Air traffic from Europe to major US hubs and new flights from WestJet and Hawaiian Airlines to Hawaii looks set to facilitate a wider variety of options for the European traveller and make the islands even more accessible.

## **Leisure Activity Update**

### **Consumer**

- Responded to consumer requests for information on Hawai'i
- Set UK microsite live for Share the Aloha campaign

### **Travel Trade**

- Webinar with Hawaiian Airlines was moved from November to December (free of charge)
- Webinar with Abercrombie and Kent for around 18 agents
- Webinar with Travel Counsellors for around 25 agents

### **Public Relations**

- Liaison and pitching with key media in UK/Ireland.
- Provided information to Barry Johnston, PR for Hertz car rentals for new 'road trip' story ideas for 2020.
- Reached out to all Island Chapters with an opportunity to assist French ELLE journalist on her December trip.
- Attended a PR event for Pendry and Montage Hotels in London 17<sup>th</sup> October. Meeting held with marketing team for Montage Kapalua Bay. They would be very interested in hosting any media FAM trips and will keep us updated of any news angles for potential media pitching.
- Sent information to Liz Harper – freelance writer for a potential family travel Hawaii feature. She is looking to pitch to Family Traveller, House & Garden, Harrods Magazine, Harrods Travel Magazine, The Independent, National Geographic Traveller Family, amongst others
- Sent images of Mauna Kea golf course to Tamara Hinson for inclusion in a roundup of spectacular golf courses for Metro.
- Working on potential individual trip with freelancer Jonathan Thompson, for Q1 2020 'BA Highlife Magazine' feature on surfing culture. Feedback from the Island Chapters has now been shared with Jonathan and liaison is ongoing.
- Sent information to Aggie MacKenzie – freelance writer for Sainsbury's Magazine and My Weekly on foodie news in Hawaii.
- Ongoing liaison with German key media pitching Hawai'i story ideas.
  - Working on individual FAM trip for ELLE magazine in fall 2019 (O'ahu & Hawai'i Island).
  - German Freelance Jörg Michel (based on Hawai'i Island) is interested in going to Moloka'i – details TBC.

- Provided feedback on media requests which were directly forwarded to ICs and partners.
- Requested updates and information on specific media requests from ICs.

**Sales Activities**

- Trailfinders:
  - Held a meeting with Katie Moore for updates and to discuss future partnership opportunities
  - Liaised with the travel agent regarding microsite content
  - Updated Trailfinders on social posts timed with Share the Aloha campaign
    - Hertz
  - Held a sales call with Hertz to discuss marketing opportunities and updates on Hawaii activity
    - United Airlines
  - Liaised with United Airlines regarding microsite content and social posts

**SALES CALLS**

Airline	Wholesaler/TA/TO/OTA	Other	Total
1	11	2	14

**Island Chapters Engagement Update**

- Continued to assist with Dial-A-flight FAM to O’ahu and Maui
- Liaised with Island Chapters regarding videos and microsite content from influencer campaign
- Liaised with all island chapters regarding upcoming FAM trips

## Hawai'i Tourism Southeast Asia 2019 Monthly Leisure Marketing Report – October

### Market Intelligence/Market Conditions

#### Economy

##### Malaysia

- The World Bank maintained Malaysia's economic growth at 4.6 percent in 2019, underpinned by the continued robust growth in private consumption amid stable labor market conditions. The World Bank said the weakness in the external sector is likely to persist over the near term, with heightened uncertainty surrounding the external environment and softening global demand for electronics and electrical products constraining export growth.
- Currency Exchange: USD 1 = MYR 4.17 as of October 31, 2019 vs USD 1 = MYR 4.16 as of September 30, 2019.

##### Singapore

- Even though Singapore's economy grew a dismal 0.1 percent in the third quarter from the same period last year, economists noted that Singapore has averted a recession and is on track to record positive full-year growth. The economy is forecasted to grow by 0.3% to 0.6% for 2019. The overall unemployment rate went up from 2.2 percent to 2.3 percent, which is the highest since December 2009.
- Currency Exchange: USD 1 = SGD 1.36054 as of October 31, 2019 vs SGD 1.3875 as of September 30, 2019.

##### Indonesia

- According to Statistics Indonesia, Indonesian Rupiah and stock prices remain under pressure as a report on Indonesia's trade deficit sent negative sentiment into the country's financial market. Indonesia suffered a trade deficit of USD 160 million in September in a reversal from the trade surplus of USD 80 million in August, partly due to the decline in exports and the rise in oil and gas imports.
- Currency Exchange: USD 1 = IDR 14.025 as of October 31, 2019 vs IDR 14.167 as of September 30, 2019.

##### Thailand

- Thai economy began to show signs of growth as private consumption continued to grow steadily at 2.6 percent. Meanwhile, tourist arrivals grew faster (4.7 percent) in September as both Chinese and Indian tourists visiting Thailand increases.
- Currency Exchange: USD 1 = THB 30.59 as of October 31, 2019, vs THB 32.78 as of September 30, 2019.

## Outbound Travel Market

- According to Skyscanner data that there will be a ticket price decrease to key interest cities, from Southeast Asian in the coming year. Skyscanner saw an average flight discount of 12%-15% to key cities such as Los Angeles, San Francisco, Orlando, Portland, and Dallas. Whereas in Asia, they saw an 11% decrease to Busan in South Korea, a 10%-12% discount to Leh and Kolkata in India, a 14% discount to Male in Maldives, and a 10% discount to Bali, Indonesia. Additionally, prices to Taiwan, Greece and the Philippines are also expected to decrease by an average of 4% – 6% next year.

## Competitive Environment

### Malaysia

- **Korean Tourism Organization Malaysia (KTO):** KTO organized a contest where chosen participants will get the chance to meet their chosen Korean friend and experience the real Korea. The prizes are including round-trip flight tickets, hotel stay and many more. The event dates are from September 27 – October 31, 2019. [Source: KTO]
- **Macau Government Tourism Office (MGTO):** MGTO held “The Wonders of Macao” roadshow at Starling Mall in Kuala Lumpur from October 11 – October 13. There are deals on Macao travel packages and an appearance by singer Hao Ren, who recounted his personal story about Macao. [Source: MGTO]

### Singapore

- **Los Angeles Tourism & Convention Board (LATCB):** LATCB held its first trade outreach and networking session in Singapore on October 16, 2019. LATCB plans to return to Singapore to further drive the potential MICE market. [Source: Los Angeles Tourism & Convention Board]
- **Azerbaijan Tourism Board (ATB):** ATB made its debut presence at ITB Asia this year to explore collaborative opportunities with Asia’s travel agencies through its ‘Take Another Look’ campaign. For Southeast Asia market, 3 countries (Singapore, Malaysia, and Indonesia) are on the radar for ATB, as outbound travelers from these three markets are on the rise. [Source: Azerbaijan Tourism Board]

### Indonesia

- **Macau Government Tourist Organization (MGTO):** MGTO has been promoting events such as Grand Prix and Art Festival as part of the attraction to go to Macau. [Source: MGTO]

### Thailand

- **Switzerland Tourism (ST):** ST has organized a familiarization trip that will take place in the third week of December. Agent who will be invited are key wholesalers in the market such as

Quality Express, One World Tour, Avenue Travel Inter. Agents will promote both destinations in 2020.

## **Travel Trends**

### **Malaysia**

- To beat the heat, one-third of Malaysian travelers opt for winter holidays: According Club Med's Asia-Pacific Snow Brand Study 2019, over one in three Malaysian travelers polled preferred to embark on snow holidays to escape the hot tropical weather, which they usually prefer to stay longer, with at least one week for a full experience. The study shows that the market size grew to 151 million tourists to winter holiday destinations, a 10 percent increase in market size, which is bigger than the average tourism market growth of 6 percent. It is also been known that 68 percent of the winter holiday goers are among "millennials".

### **Singapore**

- Singaporean travelers are ticking Central Asia off their bucket list as the region enjoys greater accessibility and connectivity to the city-state. Tour operator in Kazakhstan has seen a 10% year-on-year increase of Singaporean travelers to Kazakhstan, and it is expected to rise further with growing airline capacity. The groups from Singapore usually visit a single country for a short time of up to seven days.

## **Media Trends**

- Demand for traditional print media has been decreasing especially with the increase of digital consumption with southeast Asian millennials that are paving the way on how they consume news and entertainment. A few print news have announced their permanent closure and this includes Utusan Malaysia, Mingguan Malaysia, Kosmo!, and Kosmo! Ahad.

## **Airlift**

### **Malaysia**

- Xiamen Airlines reportedly launched four times weekly Harbin-Fuzhou-Kuala Lumpur service with Boeing 737 aircraft on October 27, 2019. The airline is the sole operator on route, according to OAG.
- Malindo Air at the launch of winter 2019/20 season plans to offer Kuala Lumpur – Da Nang service, its latest service launch to Vietnam. The airline's Boeing 737-800 aircraft will operate this route 4 times weekly, effective November 1, 2019.

### **Thailand**

- Asiana Airlines is offering a special rate for their Bangkok - New York route with a roundtrip offer starting at THB 21,035 (USD \$690.48).

## **Leisure Activity Update**

## Consumer

- **MY Hawai'i Fiesta.** A large scale consumer event that was held in Sunway Velocity Shopping Mall in Kuala Lumpur from October 31 to November 3, 2019 to raise brand awareness for Hawai'i as the ultimate long haul vacation destination for Southeast travelers. This event attracted 10,000 visitors with 575 people signed up for the lucky draw. HTSEA invited two travel agencies – CIT Travel and Apple Vacations, and two airlines partners – Philippines Airlines and Hawaiian Airlines, to participate as exhibitors to promote airfare and tour packages to Hawai'i. Additionally, interactive activities were held such as Hula performances, Aloha Contest (where the kids in the best Aloha attire wins a grand prize worth of RM 1,000 (USD \$250), and Lucky Draw for a trip to Hawai'i and three GoPro Hero 7.
- **Celebrity Influence Promotion.** HTSEA worked with Daphne Iking, a celebrity influencer to conduct a meet and greet session to share her recent trip experience to O'ahu and Island of Hawai'i. She shared her travel highlights in a video with the consumers. Many consumers were interested in Hawai'i after watching the video.

## Travel Trade

### Malaysia

- HTSEA has been discussing with Philippines Airlines and Hawaiian Airlines on a joint campaign to promote special fare from Malaysia to Honolulu with offerings to the other Hawaiian Islands. All parties will revert back by November after further discussing the opportunity with their management.
- Go Pro has agreed to work with HTSEA in a consumer campaign in 2020 that will feature Hawai'i with GoPro influencer family. List of participants will be finalized before end of this year.

### Indonesia

- Dwidaya Tour. HTSEA supported Dwidaya Tour to assist a trading company who sent a group of 24 employees on an incentive trip to Honolulu on October 23 – 24 and to Kona on October 25 – 26, 2019.

## Public Relations

### Malaysia

- HTSEA engaged the mainstream Malaysian-Chinese online news portal – Tan Tan News to promote MY Hawaii Fiesta event. The online coverage came out before the event to share what the public can expect when they visit the event. Total impression reached 402,927 through Tan Tan News' website, online banners and its social media channel.
- HTSEA issued a press release to 6 media outlets to promote MY Hawai'i Fiesta consumer event.

- In October, Gohawaii’s Facebook followers stand at 14,359 with 334 in fan =growth, while Instagram followers stand at 1,244 (+136). HTSEA Facebook pages experienced a significant increase in followers organically through the 4 days consumer event.

**Sales Activities**

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
2	11	11	24

- **Airlines:** HTSEA continued to work with Philippine Airlines to promote the connectivity from Kuala Lumpur-Manila-Honolulu which will increase its frequency to five times a week starting from November 18, 2019.
- **Travel Trade:** HTSEA engaged with partners such as GTT and Sedunia Travel in Malaysia to discuss further on the current bookings to Hawai’i and trade partnership for 2020. HTSEA in Bangkok also met with Bee Line Tour to assist in creating a package to Hawai’i.

**Brand Experience Update**

- Promotional videos of each island have been played throughout the 4-day consumer event to promote the unique feel and personality of the Hawaiian Islands to the consumers.

**Island Chapters Engagement Update**

- HTSEA reached out to island chapters (OVB, IHVB, MVB, and KVB) for support for the 4-day consumer event “My Hawai’i Fiesta”. Island chapters provided island brochures and sponsored giveaways for the event.

**“Coming Attractions” for Leisure Market**

What	When	Where
Awe-inspiring Journey to Paradise (digital campaign)	September – November	Singapore





## Group Sales Status Report – October 2019

### OVERVIEW

Business travel continues to be a significant contributor to the overall tourism industry. Skift recently released the State of Business Travel 2020, a report that investigates the current attitudes of business travelers and corporate travel manager on emerging industry trends. The report identifies three key shifts in the industry: new innovations in the business travel ecosystem for product distribution, the consumerization of the business travel experience, and changing attitudes towards business travel. New technological advances (such as the airline industry’s New Distribution Capability) now provide travel suppliers greater control over how they market their products to business travelers. This distribution change is also having a big impact on how business travelers, distributors, and corporate travel buyers make decisions about which ancillaries are selected for work trips. There is also a growing desire among business travelers to use digital booking and trip management tools for their work trips that provide the same level of ease, convenience, and instant gratification as the tools they use to plan their leisure trips. This is playing out in several different sectors of business travel, including new ride-hailing services that target business travelers and increased competition to provide sharing-economy accommodations for corporate travelers.

Interestingly, respondents have stated that they do not anticipate global issues, such as trade tensions between the U.S. and China and the United Kingdom’s ongoing Brexit negotiations with the European Union, will have any serious effect on their companies’ business travel as most of their long-term commitments have already been made. In fact, the vast majority of respondents (90.6% of corporate travel managers, 91.3% of business travelers) said that business travel remains a critical component of their company’s growth. Moreover, in an era of increasing digital connectivity where virtual meeting options are becoming more prominent, in-person meetings continue to hold value for businesses. 86.1 percent of business travelers still felt that meeting in person is more effective than meeting virtually.

### SALES PRODUCTION (in the month for any year)

**Table 1: Total Sales Production – October 2019**

	Month			Year-to-Date		
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year
<b>Room Nights</b>						
Definite & Assist-Definite	32,847	28,194	17%	266,218	309,264	-14%
Tentative & Assist-Tentative	45,035	108,033	-58%	861,836	840,675	3%

Beginning January 2018 production is categorized by MCI and non-MCI group sales. See Definitions at the end of this report for a general description of the new categories. Database cleansing is ongoing and may result in changes to previously reported year-to-date figures.

**Table 2a: Hawai'i Convention Center (HCC) Citywide Sales Production  
October 2019**

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>Room Nights</b>								
Definite	700	1,510	-54%	62,121	77,480	-20%	195,000	32%
New to Hawai'i	0	0	N/A	20,921	14,740	42%		
Tentative	0	29,868	-100%	229,237	273,495	-16%		
<b>MCI</b>								
<b>Room Nights</b>								
Definite	0	0	N/A	38,879	59,608	-35%		
New to Hawai'i	0	0	N/A	13,011	8,000	63%		
Tentative	0	21,557	-100%	214,476	252,184	-15%		
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite	700	1,510	-54%	23,242	17,872	30%		
New to Hawai'i	0	0	N/A	7,910	6,740	17%		
Tentative	0	8,311	-100%	14,761	21,311	-31%		

HCC database updates with regard to MCI and non-MCI categories are ongoing and may result in changes to previously reported year-to-date figures.

**COMMENTS**

*In addition to the booking numbers as summarized herein, this past October, the Hawai'i Convention Center (HCC) sales team participated in one trade show as outlined below.*

- The International Congress and Convention Association (ICCA) annual congress in Houston, TX, offered member suppliers with communication channels to prospect and receive leads from international associations with meetings that rotate globally. HCC's ICCA membership allows access and use of the ICCA database, which is key to the successful solicitation of international congresses. The HCC sales team met with professional congress organizers (PCO), participated in educational seminars, and secured two leads, one in 2023 with 1,000 delegates and another in 2024 with 4,000 delegates.*

*HCC sales team continues to fine-tune reports and processes to help ensure a seamless transition of sales to Hawai'i Tourism USA (HTUSA). Also, all sales directors are focused on securing License Agreements for select bookings, which currently have Letters of Commitment.*

**Advertising and Public Relations Efforts**

*PR efforts for the month of October included a news release promoting the 2019 Society for Advancement of Chicanos/Hispanics & Native Americans in Science (SACNAS) – The National Diversity in STEM Conference. HCC also published a release that highlights its first ever Zero Waste event that was executed during the 2019 Pacific Trade Expo. HCC also assisted Health Span Hawai'i Summit in distributing their news release to local media to promote their upcoming meeting.*

*North America placements in October include a full page ad with Northstar publication's Meetings & Conventions magazine under the Destination Hawai'i supplement. This ad was also published in Northstar's Successful Meetings magazine. Ongoing North America placements include the digital retargeting campaign with American Society of Association Executives (ASAE), which started March 1<sup>st</sup> until fulfillment of 400,000 impressions.*

*Sports advertising print placements include a website homepage adlet with SportsEvents magazine along with an eblast feature in Sports Destination Management's SDM Blitz E-Newsletter. Ongoing sports placements includes website retargeting campaign on the National Association of Sports Commissions (NASC) website (until January 31, 2020).*

*Asia placements include a Top Leaderboard ad on ICCAWorld.org for the month of October.*

*Local ad placement to promote HCC's Holiday Pā'ina (holiday party package) is also ongoing with a 3/8 page, full color placement in Pacific Business News on October 18th along with the start of the advertising campaign to promote Winter Wishes a Holiday Festival.*

**Table 2b: Hawai'i Tourism USA (HTUSA) Single Property Sales Production  
October 2019**

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>Room Nights</b>								
Definite	24,299	21,737	12%	137,797	148,455	-7%	187,000	74%
New to Hawai'i	18,538	5,738	223%	63,908	57,399	11%	78,750	81%
Tentative	35,101	69,005	-49%	536,915	430,247	25%	500,000	107%
<b>MCI</b>								
<b>Room Nights</b>								
Definite	23,765	21,607	10%	136,600	144,069	-5%		
New to Hawai'i	18,466	5,608	229%	63,173	53,293	19%		
Tentative	33,100	67,164	-51%	523,958	421,676	24%		
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite	534	130	311%	1,197	4,386	-73%		
New to Hawai'i	72	130	-45%	735	4,106	-82%		
Tentative	2,001	1,841	9%	12,957	8,571	51%		

**COMMENTS**

**Market Conditions and Industry Trends**

According a recent report by CWT Meetings and Events, the meetings and events markets continue to emerge and expand, but on a global scale. Although the demand in North America continues to increase, the pace has fallen compared to previous years. Latin America destinations like Panama have become a more attractive option due to low costs, while Asia Pacific destinations like Vietnam, Thailand and Indonesia are gaining favor with strong government incentives.

The incentive market continues to be a major source of potential opportunity for Hawai'i. In addition, interest from associations in both medical and legal market segments from the Midwest are proving to be strong. Lost opportunities have resulted due to fierce competition with other affordable destinations like Mexico and Canada. The IMEX incentive offer has been instrumental in closing some business for Hawai'i. However, overall costs with airfare and the need to take an extra day away from the office for travel and room rates being above \$300 per night are key factors that have left Hawai'i out of consideration.

**Sales Production vs. Goals Analysis**

Year-over-year (YOY) monthly production has exceed the same time last year by +12 percent, despite year-to-date (YTD) definite production slipping below last year (-7%) for the third consecutive month. While experiencing a significant decline for tentatives YOY for the month of October, the YTD pace is at a healthy +25 ahead of last year. The team continues to focus on the collection of signed contracts from hotel partners and expects additional leads into the pipeline prior to year-end.

**Highlights of Any Key Definites**

- Incentive – manufacturing corporation, December 2022 (6,122 room nights)
- Incentive – travel corporation, April 2021 (1,740 room nights)
- Convention – engineering association, September 2022 (1,495 room nights)
- Convention – medical association, September 2021 (1,480 room nights)
- Incentive – high tech corporation, January 2021 (1,155 room nights)

**Highlights of Any Key Tentatives**

- Incentive – insurance corporation, January 2022 (3,232 room nights)
- Convention – government, November 2021 (2,814 room nights)
- Convention – confidential group, September 2023 (2,365 room nights)
- Convention – educational association, May 2022 (1,851 room nights)
- Incentive – high tech corporation, May 2021 (1,330 room nights)

**Advertising efforts**

- Meetings, conventions and incentives (MCI) September Paid Media Recap
  - Northstar Destination Guide banners (728x90) – 800 impressions
  - Northstar Destination Guide banners (970x250) – 450 impressions
  - Northstar Destination Guide online Hawai'i Destination Guide – 900 page views
  - Destination Hawai'i Supplement – 50,000 impressions

**Public Relations efforts on behalf of HTUSA Meet Hawai'i**

- Activity highlights include:
  - Fielded request from E. Carrus, Successful Meetings, requesting additional information on the Hawaiian Islands.
  - Fielded request from M. Chestnut, Successful Meetings, requesting additional information from the Director of Sales and Marketing for each Island Chapter.
  - Fielded request from L. Grimaldi, Northstar Meetings Group, requesting restaurant information on the island of O'ahu.
- Media Coverage Highlights:
  - "The Right Incentive Travel Destinations Do More Than Motivate Employees, They Create Memories of a Lifetime?" – Corporate & Incentive Travel
- September Impressions and Publicity Values for Articles that included Hawai'i:

<u>September Impressions</u>	<u>September Publicity Values</u>
Print: 0	Print: \$0
Online: 50,000	Online: \$2,500
Broadcast: 0	Broadcast: \$0
Total: 50,000	Total: \$2,500

**Table 2c: Hawai'i Tourism Canada Single Property Sales Production  
October 2019**

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>Room Nights</b>								
Definite & Assist-Definite	0	0	N/A	1,305	3,044	-57%	3,150	41%
New to Hawai'i	0	0	N/A	1,305	2,122	-39%	2,085	63%
Tentative & Assist-Tentative	2,520	375	572%	9,244	13,904	-34%	19,500	47%
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	0	N/A	1,080	2,867	-62%		
New to Hawai'i	0	0	N/A	1,080	1,945	-44%		
Tentative & Assist-Tentative	2,520	375	572%	9,019	11,227	-20%		
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	0	N/A	225	177	27%		
New to Hawai'i	0	0	N/A	225	177	27%		
Tentative & Assist-Tentative	0	0	N/A	225	2,677	-92%		

**COMMENTS**

***Market Conditions and Industry Trends***

*Hawai'i is still very popular destination and has been getting more interest in the Canadian market within the last month. However, hotel pricing is still too high in comparison to the all-inclusive market or other popular U.S. destinations, and with the exchange rate, clients are foregoing Hawai'i at this time. Although this comes up frequently, Hawai'i Tourism Canada (HTCAN) has mentioned that the CAD versus Euro situation is quite similar. HTCAN is still in contact with the planners on a regular basis, providing newsletters and updates on the islands. HTCAN also believes that budget and incentive support would help position Hawai'i as a truly competitive destination. HTCAN has several RFPs on the pipeline and is waiting on confirmation in the fall after site inspections have taken place.*

***Sales Production vs. Goals Analysis***

*October was a slightly busier month with communications with planners with a total of three RFPs out of Canada, accounting for 2,520 in tentative/assist tentative room nights. HTCAN is still working on several tentative bookings, hoping to confirm before year-end, many of which have been in the works since early 2019. This would add an additional 800-1,000 room nights to the definite/assist definite KPI numbers.*

*HTCAN has reached 42 percent of its Q4 Tentative target of 6,000 room nights, which is 47 percent of its annual tentative/assist tentative goal of 19,500 room nights. HTCAN has also reached 0 percent of its Q4 definite/assist definite target of 1,000 room nights, which is only 41 percent of its annual definite/assist definite goal. Reduced budgets, activities and time spent on the HT account leads to part of this issue. November is already looking promising with RFP requests and confirmation of two groups totaling 600 room nights*

**Highlights of any Key Definites**

*None to report for October.*

**Highlights of Any Key Tentatives**

- *Convention – medical association, November 2020 (1,405 room nights)*
- *Incentive – travel corporation, May 2021 (783 room nights)*
- *Incentive travel corporation, March 2021 (332 room nights)*

**Public Relations and Advertising**

*None to report for October.*

**Table 2d: Hawai'i Tourism China Single Property Sales Production  
October 2019**

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>Room Nights</b>								
Definite & Assist-Definite	1,158	2,223	-48%	9,348	10,113	-8%	12,480	75%
New to Hawai'i	1,158	873	33%	7,713	8,763	-12%	9,984	77%
Tentative & Assist-Tentative	0	6,558	-100%	18,953	21,816	-13%	24,960	76%
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	1,158	2,123	-45%	5,621	9,811	-43%	9,360	60%
New to Hawai'i	1,158	773	50%	3,986	8,461	-53%	7,488	53%
Tentative & Assist-Tentative	0	3,600	-100%	16,948	18,656	-9%	18,720	91%
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	100	-100%	3,727	302	1134%	3,120	119%
New to Hawai'i	0	100	-100%	3,727	302	1134%	2,496	149%
Tentative & Assist-Tentative	0	2,958	-100%	2,005	3,160	-37%	6,240	32%

**COMMENTS**

***Market Conditions and Industry Trends***

***China Economy***

*After numerous rounds of discussion and a significant escalation of tariffs, the year-long trade war has finally taken a turn for the better with a tentative “phase one” deal in October. The interim trade agreement could bring a real breakthrough in the hostile trade dispute in the coming weeks. China’s economy saw a stable GDP growth rate at +6.2 percent YOY in the first 9 months of 2019 amidst the Sino-U.S. trade war. The unemployment rate had also decreased to -3.61 percent in Q2 2019, a record low since 2002. Consumer confidence decreased from 124.4 to 122.4 Index Points in August. Meanwhile, the Chinese Yuan fell to 7.1 CNY per USD since August, which will likely influence Chinese buying power for outbound travel.*

***Outbound Travel Market***

- 2019 China Business Travel Market Survey Report shows that more Chinese companies are considering integrating their business travel management services into a single business partner. The change is due to corporations’ demand for simplification and integration (65%), optimization of costs (63%), improving and increasing transparency and compliance (58%). Forty-seven percent of the companies said that employing one business travel management supplier helps them achieve significant cost savings.*
- According to the 2019 China Business Travel Market Survey Report, nearly a quarter of the surveyed companies expect their business travel budget to grow in 2020, and 71 percent of respondents believe their budget will remain stable. This indicates that Chinese companies are still optimistic about the business travel market environment.*



### **Travel Trends**

- Millennial generation are expected to be the world's largest group of business travelers after 2024, followed by the Z generation. Business travel is prevalent for millennials compared to previous generations. While millennial business travelers hope to attend conferences held at popular destinations, they also place an increased importance on sustainability: to respect the environment and protect the local community.
- According to the 2019 Deloitte Global Millennial Annual Survey, millennials are most concerned about climate change. In light of this situation, companies and conference planners are taking various countermeasures, including carbon-neutral flight mileage projects, reducing overuse of plastic products, purchasing local produce, or choosing suppliers that meet the code of conduct.

### **Impact on Hawai'i:**

As a well-facilitated and inspiring MCI destination with many experiential tourism resources and high eco-tourism encouragements, Hawai'i has a huge untapped potential to attract Chinese MCI groups, especially the millennial generation.

### **Strategy & Action:**

To enrich business travel experiences, HTC will be introducing more tourism resources and well-facilitated meeting facilities to MCI intermediaries handling high-quality MCI groups, as well as promoting responsible tourism among Chinese corporates. Hawai'i's various eco-tourism activities will also be updated to MCI intermediaries continuously.

### **Sales Production vs. Goals Analysis**

HTC has secured 9,348 definite/assist definite room nights as of October and achieved 75 percent of the KPI for 2019 definite/assist definite room nights. With a total 18,953 tentative/assist tentative room nights so far, HTC has achieved 76 percent of the KPI for 2019 total tentative/assist tentative room nights.

To overcome visa issues, HTC will focus on developing new channels with potential MCI intermediaries to secure more bookings on smaller, high-yield MCI groups in 2019. Also, HTC will work closely with HCC events to connect China MCI intermediaries, associations, and corporates with Hawai'i and contribute to attendance building.

### **Highlights of any Key Definites**

- Convention – finance corporation, November 2019 (1,068 room nights)
- Meeting – confidential group, February 2020 (90 room nights)

### **Highlights of Any Key Tentatives**

None to report for October.

### **Public Relations and Advertising**

#### ***"Diversified Aloha, Long lasting memory" by Golf People***

Golf People, the prestige high-class golf publication, released a 10-page article to introduce highlights of Island of Hawai'i, Maui, O'ahu, Kaua'i, as well as the Hawaiian culture, festivals and food. Golfing spots featured include the three golf clubs: Waikoloa Beach Resort Golf, Princeville Makai Golf Club and Kapalua Golf Club. Reach of 30,000 impressions with a PR value of USD 42,340.

**Table 2e: Hawai'i Tourism Japan Single Property Sales Production  
October 2019**

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>Room Nights</b>								
Definite & Assist-Definite	5,799	515	1026%	39,379	44,110	-11%	54,450	72%
New to Hawai'i	2,939	0	N/A	23,972	28,263	-15%	20,000	120%
Tentative & Assist-Tentative	5,799	515	1026%	38,458	44,715	-14%	40,000	96%
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	4,049	515	686%	36,957	35,975	3%	40,850	90%
New to Hawai'i	2,939	0	N/A	23,300	20,348	15%	7,000	333%
Tentative & Assist-Tentative	4,049	515	686%	36,036	35,660	1%	30,000	120%
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	1,750	0	N/A	2,422	8,135	-70%	13,600	18%
New to Hawai'i	0	0	N/A	672	7,915	-92%	13,000	5%
Tentative & Assist-Tentative	1,750	0	N/A	2,422	9,055	-73%	10,000	24%

**COMMENTS**

***Market Conditions and Industry Trends***

*Starting from typhoon Faxai in September, followed by typhoon Hagibis, significant damages have occurred at various regions of Japan from natural disasters, delaying group travel from Japan. However, the potential for new leads in voluntourism market has conversely increased from corporations' desire to assist others.*

*The Hawai'i Tourism Japan (HTJ) MCI team participated in JATA's Tourism Expo in Osaka from October 24-27. The beach cleanup event on the Island of Hawai'i was leveraged at the event to raise awareness on the importance of responsible tourism through the creation of a sea turtle display using ocean trash collected by the same participants in Japan. Various meetings were held with travel agency representatives from Kagoshima, Chushikoku, Nagasaki, Oita, Osaka and Nagoya, where the responsible tourism elements were linked with incentive and edu-tourism travels.*

*Sustainable development goal (SDG) related initiatives are garnering attention in Japan and globally by governments and companies alike. Sharing of Hawai'i's initiatives, such as the Aloha+ Challenge, Share Aloha and Malama Hawai'i through exposures will be beneficial in creating potential leads as the public become more aware of the issues. Related initiatives were started by HTJ by proactively working with entities such as the Hawai'i Green Growth, University of Hawai'i (UH) and National Oceanic and Atmospheric Administration (NOAA) to instill the image of Hawai'i being an ideal destination, rich with sustainable/responsible tourism related contents.*

***5 Target Pillar Condition/Support***

*Incentive:*

- *Anniversary related travel show tendencies to be booked closer to the departure date. Groups with roughly 30 attendees have especially shown such tendencies with planning times as short as three months.*
- *Leads are favoring hotels with high name value, but relatively low costs. With price levels in Hawai'i continuing to rise, Hawai'i is becoming a difficult destination with regard to budget constraints.*
- *Incentive travel groups of 100 to 200 attendees are exhibiting growth as opposed to the traditionally popular group sizes of 30 to 50, creating a need for an increase in options to suggest.*

#### *Edu-Tourism:*

- *To leverage on a valuable event on renewable energy in Hawai'i, HTJ invited eight students and faculty to attend the Student Energy Summit, hosted by the Blue Planet Foundation. Unlike previous edu-tourism trips, students will voluntarily participate to encourage active learning.*
- *After working with Urawa Jitsugyo Gakuen High School for the past three years, decisions were made for 490 students to participate in the youth exams. HTJ is continuing to work with the school to encourage the sharing of Hawaiian culture and history.*

#### *Sports:*

- *Various competitive destinations are increasing focus on boosting sports tourism opportunities from Japan to leverage on the heightened sports market demand with the Tokyo Olympics. California will be strengthening promotions of road trips and sports tourism with surfing, climbing, and BMX becoming official sports at the Olympics. Other destinations such as the Mariana Islands are aiming to appeal to consumers through establishment of an official sports blog to share about occurrences relating to sports.*

#### *Entertainment:*

- *Discussions with several fan clubs with 200 attendees for early 2020 have begun. HTJ is assisting by sharing information on various venues.*
- *HTJ supported the organization of an opera event in November with the UH Symphony Orchestra. The orchestra's performance will be followed by the Sawakami Opera Foundation's Italian Opera performance, which will also include Japanese songs.*
- *HTJ continued preparations with ANA for the ANA Honolulu Music Week. The event will be held annually by ANA and aims to serve as grounds for an exchange for the local community and visitors.*

#### *Attendance Building:*

- *HTJ introduced the temporary ice skating rink to be established at the HCC, along with the charity event it is supporting to industry magazine Wing Travel to be featured in its exclusive Hawai'i edition.*
- *HTJ appealed the HCC as a facility that can accommodate groups of all sizes at the Tourism Expo in Osaka and the various meetings held with the travel agencies in the area. Pamphlets on the HCC were also distributed to relevant individuals during the meetings.*

#### **Sales Production vs. Goals Analysis**

*In October, HTJ successfully obtained six leads as assist definite bookings to Hawai'i with a total of 5,799 room nights, with 2,939 assist definite room nights being new to Hawai'i. Two entities were from the educational segment, two from the manufacturing industry and one each from the trade association and high tech segments. HTJ obtained 5,799 assist tentative room nights in October.*

**Highlights of any Key Definites**

- *Special Event – educational group, November 2019 (1,750 room nights)*
- *Incentive – trade association, January 2020 (1,600 room nights)*
- *Incentive – manufacturing corporation, January 2020 (1,075 room nights)*
- *Incentive – high tech corporation, December 2019 (630 room nights)*
- *Meeting – educational group, January 2020 (480 room nights)*

**Highlights of Any Key Tentatives**

- *Special Event – educational group, November 2019 (1,750 room nights)*
- *Incentive – trade association, January 2020 (1,600 room nights)*
- *Incentive – manufacturing corporation, January 2020 (1,075 room nights)*
- *Incentive – high tech corporation, December 2019 (630 room nights)*
- *Meeting – educational group, January 2020 (480 room nights)*

**Public Relations and Advertising**

***Wing Travel Hawai'i Special Issue; Print 18,000; Online 140,000***

*Wing Travel's special Hawai'i issue is published twice per year with roughly 40 pages on an A3 size sheet of paper. Wing Travel publishes 18,000 copies in Spring and Fall. A digital version of the publication will also be made available online. The MICE section of the issue will cover responsible tourism initiatives, intertwining of responsible initiatives with incentive and edu-tourism travels, sports exchange opportunities and a feature of the ANA Honolulu Music Week.*

**Table 2f: Hawai'i Tourism Korea Single Property Sales Production  
October 2019**

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>Room Nights</b>								
Definite & Assist-Definite	442	1,186	-63%	9,144	17,864	-49%	21,840	42%
New to Hawai'i	24	587	-96%	4,961	8,271	-40%	14,040	35%
Tentative & Assist-Tentative	442	680	-35%	9,074	17,030	-47%	43,680	21%
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	442	1,186	-63%	9,033	17,864	-49%	16,380	55%
New to Hawai'i	24	587	-96%	4,850	8,271	-41%	10,530	46%
Tentative & Assist-Tentative	442	680	-35%	8,963	17,030	-47%	32,760	27%
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	0	N/A	111	0	N/A	5,460	2%
New to Hawai'i	0	0	N/A	111	0	N/A	3,510	3%
Tentative & Assist-Tentative	0	0	N/A	111	0	N/A	10,920	1%

**COMMENTS**

***Market Conditions and Industry Trends***

- *The average USD/WON exchange rate in October was 1187.60 won, a slight decrease from the previous rate of 1192.72 won in September. Fuel surcharges were also still imposed in October up to 75,400 won (\$82.41) for a round trip between Korea and the U.S.*
- *Nation's largest low-cost carrier Jeju Air's parent group Aekyung and investment company Stone Bridge Capital have collaborated to participate in the auction to acquire a controlling 31 percent stake in Asiana Airlines as strategic investor and financial investor. Aekyung has been the most aggressive of the bidders, stressing it is the only strategic investor that has 13 years of experience and know-how in operating an airline.*
- *Sentiment among South Korean businesses over economic situations remain low this month on the global economic slump that weighed down on the export-driven economy according to central bank data released on October 29, 2019.*

***Sales Production vs. Goals Analysis***

*Hawai'i Tourism Korea's (HTK) MCI team missed its KPI targets in the following measures during October 2019. The targeted number of total definite/assist definite room nights was 1,950 room nights, but HTK only produced 442 assist definite room nights in October. Also, in terms of total out-of-state attendees, HTK's MCI team attracted 297 attendees, missing its KPI target of 650 attendees. The downturn was largely due to: 1) Korea's recent sluggish economic conditions that negatively impacted business sentiment; and 2) nation's golden week in early October between two national holidays on October 3rd and 9th, which made corporates reluctant to plan any business MCI trips.*

**Highlights of any Key Definites**

- *Incentive – multi-level marketing corporation, October 2019 (274 room nights)*
- *Incentive – insurance corporation, October 2019 (144 room nights)*
- *Meeting – government group, October 2019 (24 room nights)*

**Highlights of Any Key Tentatives**

- *Incentive – multi-level marketing corporation, October 2019 (274 room nights)*
- *Incentive – insurance corporation, October 2019 (144 room nights)*
- *Meeting – government group, October 2019 (24 room nights)*

**Public Relations and Advertising**

*None to report for October.*

**Table 2g: Hawai'i Tourism Oceania Single Property Sales Production  
October 2019**

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>Room Nights</b>								
Definite & Assist-Definite	449	1,023	-56%	7,124	7,585	-6%	16,640	43%
New to Hawai'i	449	1,023	-56%	6,500	6,011	8%	12,480	52%
Tentative & Assist-Tentative	1,173	1,032	14%	16,125	27,793	-42%	34,320	47%
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	150	1,023	-85%	2,721	6,017	-55%	12,640	22%
New to Hawai'i	150	1,023	-85%	2,558	4,515	-43%	9,360	27%
Tentative & Assist-Tentative	900	718	25%	14,205	22,201	-36%	25,820	55%
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	299	0	N/A	4,403	1,568	181%	4,000	110%
New to Hawai'i	299	0	N/A	3,942	1,496	164%	3,120	126%
Tentative & Assist-Tentative	273	314	-13%	1,920	5,592	-66%	8,500	23%

**COMMENTS**

***Market Conditions and Industry Trends***

- *Currencies – The NZ Dollar sat at USD 0.64 at the end of October, which is a small increase compared to the last few months. The Australian Dollar was repelled from a three-month high sitting at USD 0.68 at the end of October.*
- *The Australian dollar has fallen 7 percent in value against the U.S. dollar since the start of the year, which makes travelling overseas and imports more expensive. Prices of recreational and more discretionary items such as clothing are rising. One of the biggest increases among recreational and culture items was international travel prices – up +6.1 percent in the September alone due to the falling of the AUD. This greatly impacts the planning stage for MCI programs.*
- *Air New Zealand announced that it will introduce a new direct AKL-NYC service from October 2020. At the same time, it will also cease operating its LAX-LON service. American Airlines announced that it will also operate new direct services from Auckland to Dallas and from Christchurch to L.A. commencing in October 2020. These direct services often see competitive mainland U.S. pricing enter the NZ market and it also opens new opportunities for mainland U.S. group travel.*

***Sales Production vs. Goals Analysis***

*The exchange rate for AUD & NZD continue to be one of Hawai'i Tourism Oceania's (HTO) main challenges for meeting planners who are looking for additional value when booking conference, meeting and incentive groups. Following HTO's presence at the National Franchise Convention in the Gold Coast, HTO received several feedback from franchise owners/decision makers that Hawai'i is still*

listed as one of the desirable destinations for conference and incentive program. However, financial support/incentives are required to make the idea possible due to the continuous fall of AUD.

**Highlights of any Key Definites**

- Sports Event – sports group, October 2019 (265 room nights)
- Meeting – entertainment corporation, October 2019 (100 room nights)
- Incentive – automotive corporation, October 2019 (50 room nights)

**Highlights of Any Key Tentatives**

- Convention – automotive corporation, August 2020 (840 room nights)
- Meeting – finance corporation, June 2020 (60 room nights)

**Public Relations and Advertising**

- Following the MCI FAM on the Island of Hawai‘i and O‘ahu, HTO leveraged PR opportunities through various MCI digital medias such as Travel Weekly (<https://bit.ly/2NGiUe0>), LATTE (<https://bit.ly/2JWemzi>) and the Nibbler.
- HTO also obtained additional exposures during the National Franchise Convention (NFC) as a Gala Awards Night Prize Sponsor, featuring a half page ad on the NFC booklet, a one-page insert in the delegate satchel and also Meet Hawai‘i logo on NFC 2019 website.
- HTO published the new Meet Hawai‘i Guide, which is available online (<https://bit.ly/2NmsMec>). An article about the Meet Hawai‘i Guide is featured on the Nibbler (<https://bit.ly/33oll5d>), and 6,000 copies will be distributed through Spice Magazine in November.
- HTO promoted Meet Hawai‘i through LinkedIn ads attracting interest among MCI clients.

**Table 2h: Other International Single Property Sales Production  
October 2019**

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>Room Nights</b>								
Definite & Assist-Definite	0	0	N/A	0	613	-100%	N/A	N/A
New to Hawai‘i	0	0	N/A	0	613	-100%		
Tentative & Assist-Tentative	0	0	N/A	3,830	11,675	-67%		
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	0	N/A	0	266	-100%		
New to Hawai‘i	0	0	N/A	0	266	-100%		
Tentative & Assist-Tentative	0	0	N/A	3,788	11,328	-67%		
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	0	N/A	0	347	-100%		
New to Hawai‘i	0	0	N/A	0	347	-100%		
Tentative & Assist-Tentative	0	0	N/A	42	347	-88%		

As of April 2019, Table 2h includes production for Hawai‘i Tourism Europe as well as all Other International sales.



**Table 3: Island Distribution of HTUSA Single Property Sales  
Year-to-Date October 2019**

Island	Tentative Room Nights	Definite Room Nights				Lead-to-Booking Conversion (Room Nights)	
	YTD Actual*	Annual Goal	Monthly Actual	YTD Actual	Percent of Goal	Goal	Actual
O'ahu	304,870	54,000	5,239	29,974	56%	17%	10%
Kaua'i	115,093	19,000	1,030	12,076	64%	14%	10%
Maui County	334,973	79,000	7,777	57,377	73%	26%	17%
Hawai'i	229,153	35,000	10,253	38,370	110%	16%	17%
<b>Total</b>	<b>984,089</b>	<b>187,000</b>	<b>24,299</b>	<b>137,797</b>	<b>74%</b>		

\*Tentative room nights do not match those in Table 2b because many leads are distributed to more than one island.

## 'ELELE PROGRAM

COMMENTS
<p>October meetings and updates from Deborah Zimmerman, 'Elele Program Director from New Millennium Meetings (NMM):</p> <p><b>Tentatives</b></p> <ul style="list-style-type: none"> <li>Thanks to grassroots lobbying by local chapter leaders, an information systems group has given Hawai'i the opportunity to bid on their Global Leadership Conference for September 2022, with 450 attendees. HTUSA's Midwest regional director is the lead on this new opportunity.</li> <li>The 'Elele director is working in partnership with HTUSA's VP, MCI and East Coast regional director in producing a PowerPoint to present to a scientific association for the opportunity to bid on their October 2022 with 750 attendees. A decision is expected any day.</li> </ul> <p><b>Promising Prospects</b></p> <ul style="list-style-type: none"> <li>In pursuit of a future scientific program in October 2025 with 2,000 attendees, the 'Elele director partnered with the Vice Chair of a scientific organization to present and speak with the national president about future meeting possibilities for Hawai'i. Once the local chapter is strong again, Hawai'i is extremely well positioned to capture this meeting.</li> <li>The 'Elele director with the 'Elele to discuss Hawai'i's interest in pursuing a mathematical association's annual meeting, which is currently being completely reorganized. Once the association determines what it will look like going forward, these 'Elele will be important ambassadors for Hawai'i.</li> </ul> <p><b>Support for Definite Meetings</b></p> <ul style="list-style-type: none"> <li>'Elele director has been working actively with the University of Hawai'i to support their sponsorship of a scientific association's convention. As reported previously, the University of Hawai'i invested \$250,000 to serve as the "Premier Sponsor" for this meeting. The 'Elele director serves on the Exhibit Committee, the National Diversity of STEM committee and the Reception Committee.</li> <li>The 'Elele director, along with an 'Elele who has assisted several other surgery related groups for both single property and citywide programs, attended an organizational meeting for a medical association's program in September 2020 for 300 attendees.</li> </ul>

# LOST BUSINESS

**Table 4: Lost Business – October 2019**

## HAWAI'I CONVENTION CENTER

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
Convention (2190)	Scientific	2,850	600	9/7/2022 - 9/16/2022	Unknown	Not Shortlisted
Convention (2199)	Scientific	2,340	1,400	4/18/2022 - 4/24/2022	Unknown	Alternate Dates Selected
Meeting (2173)	Medical	4,922	2,200	10/27/2028 - 11/4/2028	Unknown	Alternate Dates Selected

## HTUSA SINGLE PROPERTY – HIGH PROFILE

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
MCI: Convention - Domestic (13327)	Educational	2,076	550	07/10/2020 - 07/17/2020	Initially, Hawai'i only	Client no longer considering Hawai'i due to overall cost.
MCI: Convention - Domestic (15202)	Other (add tags)	1,080	360	01/04/2021 - 01/09/2021	Hawai'i, West Coast of Mexico, Central America	Program lost to Mexico.
MCI: Convention - Domestic (16465)	Trade Assns	675	250	03/04/2020 - 03/07/2020	Hawai'i, California	Program no longer seeking alternate venue/hotel.
MCI: Convention - Domestic (16696)	Unknown	3,105	1,200	07/24/2020 - 07/29/2020	Initially, Hawai'i only	Program lost to Paris.
MCI: Incentive (16762)	Food, restaurants	984	270	12/02/2019 - 12/06/2019	Initially, Hawai'i only	Program lost to Dana Point, CA due to budget.
MCI: Convention - Domestic (16809)	Food, restaurants	1,478	500	04/15/2021 - 04/25/2021	Colorado, Florida, Georgia, South Carolina, Arizona, Bahamas, California, Hawai'i.	Program lost to Florida.
MCI: Convention - Domestic (16814)	MCI, Travel	1,225	600	05/03/2021 - 05/10/2021	IGLTA Member USA, Canadian and Mexican CVBs/DMOs	Client no longer considering Hawai'i due to overall exhibitor concerns.
MCI: Convention - Domestic (17924)	Government	5,200	400	07/12/2020 - 07/25/2020	Initially, Hawai'i only	Program was awarded to another third party.
MCI: Meeting (18042)	Engineering	595	150	12/05/2022 - 12/08/2022	Initially, Hawai'i only	Program lost to Austin, TX.

**INTERNATIONAL SINGLE PROPERTY**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
HT China: MCI: Incentive (16729)	Insurance	1,050	250	04/01/2020 - 04/06/2020	Initially, Hawai'i only	Program has been postponed.
HT Canada: MCI: Convention - Domestic (16916)	Manufacturing	2,520	700	03/15/2022 - 03/25/2022	Palm Springs	Client no longer considering Hawai'i due to overall cost.
HT Oceania: Non-MCI: Sleeping Rooms Only (17966)	Travel	77	22	07/14/2020 - 07/20/2020	Initially, Hawai'i only	Client no longer considering Hawai'i due to overall cost.

**NEW-TO-HAWAI'I DEFINITE BOOKINGS**

**Table 5: New to Hawai'i Definite Bookings – October 2019**

**HTUSA SINGLE PROPERTY - HIGH PROFILE**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
MCI: Incentive (17988)	Manufacturing, Distrib.	6,122	433	12/31/2022 - 01/19/2023	Initially, Hawai'i only
MCI: Convention - Domestic (18107)	Multi Level Marketing	2,058	800	01/06/2023 - 01/14/2023	Initially, Hawai'i only
MCI: Incentive (16854)	Travel	1,740	350	04/18/2021 - 04/27/2021	California
MCI: Convention - Domestic (14969)	Engineering	1,495	700	09/15/2022 - 09/21/2022	Honolulu, HI, Long Beach, CA, San Francisco/Oakland, CA.
MCI: Convention - Domestic (16636)	Medical, Healthcare	1,480	350	09/26/2021 - 10/02/2021	Initially, Hawai'i only
MCI: Incentive (16748)	High Tech	1,155	518	01/11/2021 - 01/18/2021	Initially, Hawai'i only
MCI: Convention - Domestic (16637)	Medical, Healthcare	1,025	350	09/25/2022 - 10/01/2022	Initially, Hawai'i only
MCI: Convention - Domestic (16638)	Medical, Healthcare	1,025	350	09/24/2023 - 09/30/2023	Initially, Hawai'i only
MCI: Convention - Domestic (12793)	Scientific	825	600	03/12/2020 - 03/14/2020	O'ahu, Maui, Island of Hawai'i, U.S. West Coast
MCI: Meeting (16430)	Trade Assns	695	170	01/23/2021 - 02/01/2021	St. Kitts, Turks and Caicos, Maui, Island of Hawai'i, Lāna'i
MCI: Convention - Domestic (16819)	Trade Assns	660	300	11/14/2020 - 11/21/2020	Maui, Kaua'i, Florida/Cruise
MCI: Incentive (13598)	Multi Level Marketing	560	500	12/06/2020 - 12/09/2020	Hawai'i, Bora Bora, Europe

**INTERNATIONAL SINGLE PROPERTY**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
HT Oceania: MCI: Incentive (16563)	Automotive	50	20	10/11/2020 - 10/15/2020	Initially, Hawai'i only
HT Oceania: MCI: Meeting (16767)	Entertainment, Media	100	30	10/05/2019 - 10/08/2019	Initially, Hawai'i only
HT China: MCI: Meeting (18009)	Unknown	90	120	02/09/2020 - 02/12/2020	Guam, Bali
HT Oceania: Non-MCI: Sports (18113)	Sports	265	20	10/04/2019 - 10/13/2019	Initially, Hawai'i only
HT Korea: MCI: Meeting (18159)	Government	24	11	10/12/2019 - 10/15/2019	Initially, Hawai'i only
HT Oceania: Non-MCI: Sleeping Rooms Only (18209)	Unknown	34	20	02/22/2020 - 02/25/2020	Initially, Hawai'i only
HT Japan: MCI: Incentive (18214)	Manufacturing	1,075	230	01/15/2020 - 01/20/2020	Initially, Hawai'i only
HT Japan: MCI: Incentive (18216)	Trade Assns	1,600	340	01/17/2020 - 01/22/2020	Initially, Hawai'i only
HT Japan: MCI: Incentive (18219)	Manufacturing, Distrib.	264	125	10/30/2019 - 11/03/2019	Initially, Hawai'i only

<b>TOTAL NEW TO HAWAI'I GMT BOOKINGS FOR THE MONTH</b>	33
<b>TOTAL ROOM NIGHTS FOR NEW TO HAWAI'I GMT BOOKINGS</b>	24,154

**HAWAI'I CONVENTION CENTER**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
Sports (2175)	Sports	700	700	2/15/2020 - 2/17/2020	Unknown

<b>TOTAL NEW TO HAWAI'I CITYWIDE BOOKINGS FOR THE MONTH</b>	1
<b>TOTAL ROOM NIGHTS FOR NEW TO HAWAI'I CITYWIDE BOOKINGS</b>	700

New to Hawai'i bookings are accounts that have never met in Hawai'i before or, in the case of citywides, have not met in Hawai'i in the last 10 years or for single property bookings, not in the past five years.

## MAJOR SALES AND MARKETING ACTIVITIES

Meet Hawai'i participated in the following MCI events in October:

- 1 client promotional event
  - HCC
    - International Foundation of Employee Benefit Plans Services (IFEBP) 2019, San Diego, CA, October 17-23
  
- 1 educational event
  - International GMTs
    - HTCAN – Society for Incentive Travel Excellence (SITE) Education Day, Toronto, Canada, October 29
  
- 3 trade shows
  - HCC
    - 58th International Congress and Convention Association (ICCA) Conference, Houston, TX, October 27-30
  - International GMTs
    - HTJ – Tourism Expo 2019, Osaka, Japan, October 24-27
    - HTO – National Franchise Convention, Gold Coast, Australia, October 25
  
- 1 sales blitz
  - HCC
    - Sales Blitz, Washington, DC, October 20-25
  
- 7 major site visits and familiarization (FAM) tours with clients and potential clients
  - HTUSA
    - 2 site visits, Kaua'i
    - 2 site visits, O'ahu
    - 1 site visit, Kaua'i and Maui
  - HCC
    - 1 site visit, O'ahu
  - International GMTs
    - 1 site visit, O'ahu and Island of Hawai'i

## FUTURE SALES AND MARKETING ACTIVITIES

Meet Hawai'i will participate in the following MCI events in the upcoming months:

<b>Nov. 2019</b>			
Nov. 3-5	Destination Hawai'i Pre-FAM, Maui, HI	FAM	HTUSA
Nov. 5-7	Destination Hawai'i, Maui, HI	Trade Show	HTUSA

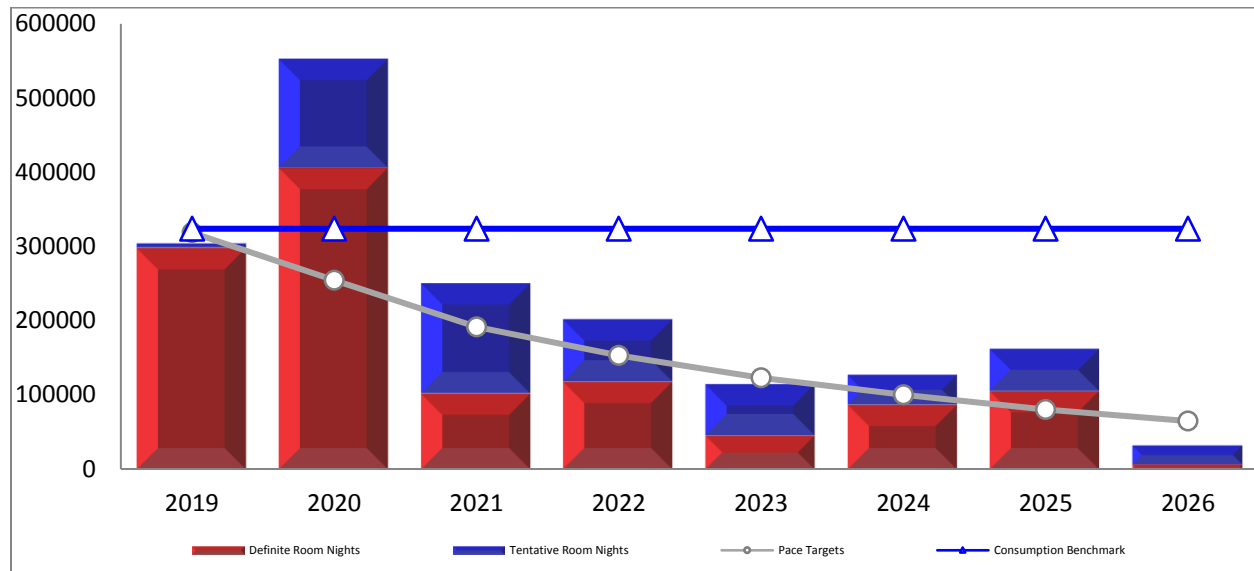
Nov. 5-9	Travel Managers Group New Zealand, High Achievers FAM, O'ahu, HI	FAM	HTO
Nov. 6-8	Professional Convention Management Association (PCMA) Asia Pacific Annual Conference, Macau, China	Sales Blitz	HCC
Nov. 6-9	Prestige, San Jose and San Francisco, CA	Trade Show	HTUSA
Nov. 7	Mahalo Event, Sydney, Australia	Client Promo	HTO
Nov. 9	Franchise Association Awards Night, Auckland, New Zealand	Client Promo	HTO
Nov. 10-15	TEAMS Conference and Expo, Anaheim, CA	Sales Blitz	HCC
Nov. 12-19	MCI Incentive Trip with Air New Zealand, O'ahu, HI	FAM	HTO
Nov. 13-19	Government Program Presentation, Washington, DC	Sales Blitz	HCC
Nov. 15-22	IBTM World, Barcelona, Spain	Trade Show	HCC
Nov. 19	Pacific Area Incentives and Conferences Expo (PAICE), Auckland, New Zealand	Trade Show	HTO
Nov. 29- Dec. 1	Cievents Conference 2019, Hamilton Island, Australia	Trade Show	HTO
<b>Dec. 2019</b>			
Dec. 1-7	Southeast Sales Blitz	Sales Blitz	HTUSA
Dec. 6-12	Meet Hawai'i Corporate FAM with Hawaiian Airlines, O'ahu and Island of Hawai'i, HI	FAM	HTK
Dec. 10-13	Northstar Meetings Group Leadership Forum 2019, Sea Island, GA	Educational Event	HTUSA
Dec. 16-17	California Society of Association Executives (CalSAE) Seasonal Spectacular 2019, Sacramento, CA	Trade Show	HTUSA
Dec. 17	Association Forum Holiday Showcase 2019, Chicago, IL	Trade Show	HTUSA
TBD	MCI VIP Reception, Seoul, Korea	Client Promo	HTK
<b>Jan. 2020</b>			
Jan. 5-8	Professional Convention Management Association (PCMA)	Trade Show	HTUSA
Jan. 24-27	Society for Incentive Travel Excellence (SITE) Global Conference 2020, Vancouver, Canada	Trade Show	HTUSA

# CONSUMPTION

The TAP Reports on the next page show the number of events and room nights on the books for each year 2019-2026 against a rolling 36-month consumption benchmark.

**Table 6: The TAP Report: Hawai'i 8-year Pace (citywide and single property)**

**THE TAP REPORT** **Hawai'i** **Period Ending October 31, 2019**  
**Report Date: November 5, 2019**



## Hawai'i R/N

	2019	2020	2021	2022	2023	2024	2025	2026	Total
Definite Room Nights	297,710	404,708	102,362	118,008	45,627	87,233	105,508	7,014	1,168,170
Pace Targets	318,523	254,535	191,275	153,088	122,862	99,960	80,201	64,590	1,285,034
Variance	(20,813)	150,173	(88,913)	(35,080)	(77,235)	(12,727)	25,307	(57,576)	(116,864)
Consumption Benchmark	323,807	323,807	323,807	323,807	323,807	323,807	323,807	323,807	2,590,456
Pace Percentage	93%	159%	54%	77%	37%	87%	132%	11%	91%
Total Demand Room Nights	869,450	778,319	426,109	300,754	134,972	145,228	178,798	88,254	2,921,884
Lost Room Nights	571,740	373,611	323,747	182,746	89,345	57,995	73,290	81,240	1,753,714
Conversion Percentage	34%	52%	24%	39%	34%	60%	59%	8%	40%
Tentative Room Nights	5,660	146,856	147,559	83,926	69,214	39,837	56,619	25,441	575,112

## Hawai'i Events

	2019	2020	2021	2022	2023	2024	2025	2026	Total
Definite Events	366	208	72	42	15	15	11	4	733
Pace Targets	342	167	72	38	20	12	7	5	663
Variance	24	41	0	4	(5)	3	4	(1)	70
Consumption Benchmark	353	353	353	353	353	353	353	353	2,824
Pace Percentage	107%	125%	100%	111%	75%	125%	157%	80%	111%
Total Demand Events	843	477	153	72	34	28	18	8	1,633
Lost Events	477	269	81	30	19	13	7	4	900
Conversion Percentage	43%	44%	47%	58%	44%	54%	61%	50%	45%
Tentative Events	21	324	187	49	27	16	10	5	639

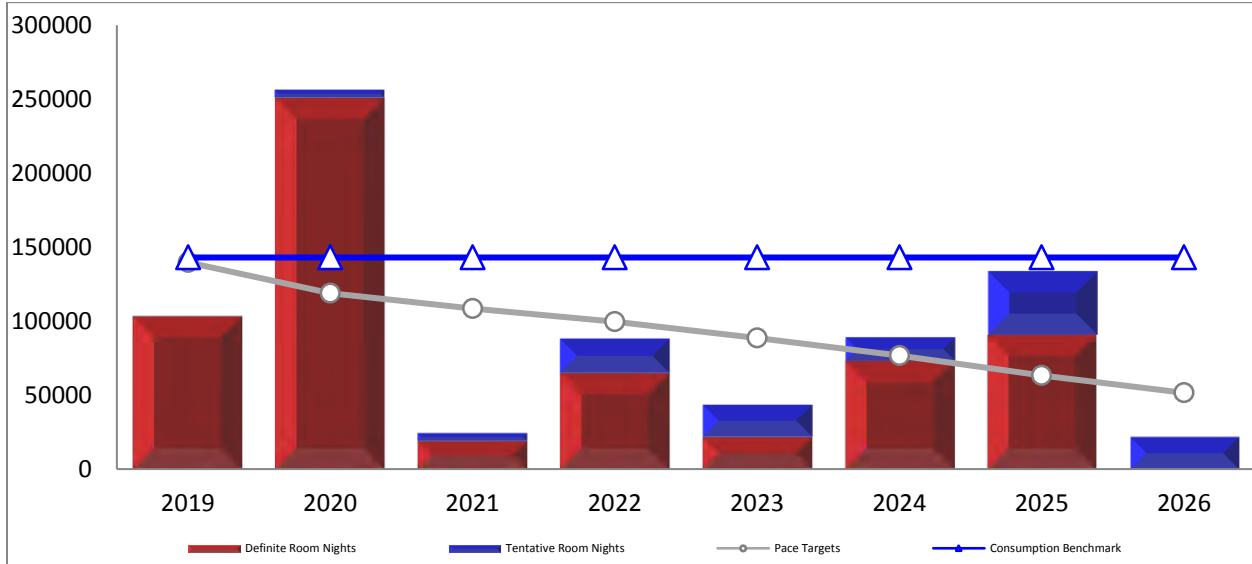
The number of events reported in TAP is slightly higher than the actual number of events due to a number of overflow programs and the splitting of some bookings into two in order to track shared credit.

Table 7: The TAP Report: Convention Center 8-year Pace (citywide only)

**THE TAP REPORT**

**Hawai'i**  
Convention Center

Period Ending October 31, 2019  
Report Date: November 5, 2019



**Hawai'i R/N**

	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Definite Room Nights	103,552	250,899	19,250	65,270	21,939	73,540	91,055	0	625,505
Pace Targets	139,731	118,973	108,404	99,747	88,682	76,806	63,260	51,572	747,175
Variance	(36,179)	131,926	(89,154)	(34,477)	(66,743)	(3,266)	27,795	(51,572)	(121,670)
Consumption Benchmark	143,014	143,014	143,014	143,014	143,014	143,014	143,014	143,014	1,144,112
Pace Percentage	74%	211%	18%	65%	25%	96%	144%	0%	84%
Total Demand Room Nights	397,965	416,134	275,213	229,486	94,208	120,672	164,345	81,240	1,779,263
Lost Room Nights	294,413	165,235	255,963	164,216	72,269	47,132	73,290	81,240	1,153,758
Conversion Percentage	26%	60%	7%	28%	23%	61%	55%	0%	35%
Tentative Room Nights	0	5,250	5,250	23,250	21,850	15,850	42,942	21,951	136,343

**Hawai'i Events**

Definite Events	30	22	5	9	3	7	5	0	81
Pace Targets	27	17	14	10	10	7	5	0	90
Variance	3	5	(9)	(1)	(7)	0	0	0	(9)
Consumption Benchmark	27	27	27	27	27	27	27	27	216
Pace Percentage	111%	129%	36%	90%	30%	100%	100%	0%	90%
Total Demand Events	76	67	40	28	16	17	12	4	260
Lost Events	46	45	35	19	13	10	7	4	179
Conversion Percentage	39%	33%	13%	32%	19%	41%	42%	42%	31%
Tentative Events	0	2	2	5	5	8	5	4	31

The number of events reported in TAP is slightly higher than the actual number of events due to a number of overflow programs and the splitting of some bookings into two in order to track shared credit.



## Glossary of TAP Report Terms

<p><b>Consumption Benchmark</b> – The average number of definite room nights produced by Meet Hawai'i for each month and year for the last three twelve month periods. Each month the “oldest” month is dropped from the calculation and the most recent month is added.</p>
<p><b>Conversion Index</b> - A measurement for each month and year of the client city's Conversion Percentage compared to the Peer Set's Conversion Percentage. A value greater than 100 indicates that the client city is converting more demand to definite room nights than the Peer Set. A number less than 100 indicates that the client city is converting less demand to definite room nights than the Peer Set.</p>
<p><b>Conversion Index Rank</b> - The position of the client's Conversion Index compared to the Peer Set.</p>
<p><b>Conversion Percentage</b> - The percentage of Total Demand Room Nights that Meet Hawai'i converts to Definite Room Nights for each month and year at the time the report is published.</p>
<p><b>Definite Room Nights</b> – Number of definite room nights, confirmed by Meet Hawai'i for each month and year at the time the report is published.</p>
<p><b>Definite Room Night Share %</b> – A percentage indicating the client city's portion of the Peer Set's Definite Room Nights.</p>
<p><b>Lost Room Nights</b> – The number of room nights, both definite and tentative, that have been lost for each month and year at the time the report is published.</p>
<p><b>Pace Index</b> - A measurement for each month and year of the client city's Pace Percentage compared to the Peer Set's Pace Percentage. A value greater than 100 indicates that the client city's Pace Percentage is higher than that of the Peer Set. A number less than 100 indicates that the client city's Pace Percentage is less than that of the Peer Set.</p>
<p><b>Pace Index Rank</b> - The position of the client's Pace Index compared to the Peer Set.</p>
<p><b>Pace Percentage</b> – The percentage of Definite Room Nights compared to the Pace Target. If Meet Hawai'i continues to book at current trends the same percentage can be applied to the Consumption Benchmark when each month and year passes.</p>
<p><b>Pace Target</b> – Number of definite room nights that should be confirmed for each month and year at the time the report is published (updated every month). Pace targets are determined by analyzing a minimum of the last three years definite room nights and all definite room nights confirmed for the future. The analysis is completed by comparing the date a booking was confirmed to that of the arrival date for each confirmed booking and computing the number of months in advance of arrival that each booking was confirmed.</p>
<p><b>Room Night Demand Share %</b> – A percentage indicating the client city's portion of the Peer Set's Demand.</p>
<p><b>Tentative Room Nights</b> – The number of tentative room nights pending for each future month and year at the time the report is published.</p>
<p><b>Total Demand Room Nights</b> - Number of total lead room nights issued by Meet Hawai'i for each month and year at the time the report is published.</p>
<p><b>Variance</b> – The difference between the Definite Room Nights and the Pace Target.</p>

## CONVENTION CENTER PERFORMANCE

**Table 8: Convention Center Performance – September 30, 2019 Year-to-Date**

PERFORMANCE MEASURE	YTD	TARGET	VARIANCE
Occupancy	32%	31%	1%
Total Events	173	149	24
Total Attendance	292,867	257,822	35,045
Visitor Spending	\$194,338,217	\$194,338,217	\$0
Tax Revenue	\$18,850,837	\$18,850,837	\$0
Revenue per Attendee	\$42.03	\$46.49	(\$4.46)

### COMMENTS

*During the month ending September 30, 2019, 19 licensed events came through the Hawai'i Convention Center (HCC) generating gross revenue of \$1,388,600, on target with budget expectations, and net income of \$101,500, which was \$150,900 more than planned. Two notable events to highlight include a scientific offshore event with 1,554 delegates, and an international cultural festival with 45,000 attendees, which returned for the second year in a row. Both of these events outperformed expectations.*

*For the year-to-date, financial results reflect gross revenues of \$12,505,900, which is \$511,900 more than planned and a net loss of \$482,300, which is \$357,700 better than planned. HCC's 2019 year-end reforecast has improved since last month and now reflects a net loss of \$2,502,100 which is \$507,100 higher than the budget of \$1,995,000.*

*The summary below highlights why the year-end reforecast is not meeting budget:*

- 1) *Cancellations resulting in over \$1.57 million in lost revenue.*
  - a. *An insurance corporation, 1,500 delegates, budgeted \$54,000 in event revenue and \$258,000 in F&B revenue in October 2019. Cancelled due to financial services investigation.*
  - b. *A religious association, 24,000 delegates, budgeted \$195,000 in event revenue and \$566,000 in F&B revenue in November 2019. The headquarters in NY chose not to include Hawai'i in its international convention for this year. HCC is working with the local group to see if Hawai'i can be included in one of HCC's upcoming need years in 2021-2023. If successful, HCC will move their 2024 program to a new future year.*
  - c. *A tourism industry event, budgeted \$199,000 in event revenue and \$298,000 in F&B revenue in September 2019, cancelled as the program has moved to the Island of Hawai'i.*
- 2) *Rental income not meeting budget expectations.*
  - a. *Offshore events, medical society in March 2019, (\$34,000) and a national medical association in July 2019, (\$84,000).*

*For the year to date, HCC's performance metrics for occupancy, events, attendance, visitor spending and tax revenue are at and/or exceeding targets, with the exception of revenue per attendee. Revenue per attendee is at \$42.03 which is \$4.46 less than planned. It has been diluted due to the higher than expected attendance to date.*

## DEFINITIONS

- **Single Property Group:** A group that can be booked into a single hotel for both guest rooms and meeting space.
- **Citywide Group:** A group that books Hawai'i Convention Center for meeting space; and which needs two or more hotels and has a minimum of 1,000 out-of-town attendees.
- **Group Bookings:** The total number of group room nights booked for the future. A group is defined as needing a minimum of 10 hotel rooms.
- **MCI and Non-MCI Bookings:** Both MCI and Non-MCI Bookings must primarily be off-shore bookings requiring attendees to stay in visitor accommodations. An MCI booking is an association or corporate meeting, convention or incentive program that requires meeting space. A Non-MCI booking requires off-site meeting space or no meeting space, or is public/consumer-facing like expos, sporting events, etc.
- **Definite Room Night:** Room nights associated with groups that have a signed contract or letter of commitment with the convention center and or a signed contract with a hotel.
- **Tentative Room Night:** Room nights associated with groups that have indicated interest in holding a meeting or convention in Hawai'i and a lead has been sent to the convention center and/or the hotels. Citywide leads are considered tentative when space is blocked at the convention center. Includes leads generated by partners at HVCB coordinated trade shows.
- **Economic Impact:** The direct and induced spending generated from a group meeting in Hawai'i. The economic impact formulas are based on research of attendee spending patterns.
- **Lead-to-Booking Conversion:** Conversion of tentative leads into definite bookings as measured by dividing tentative room nights generated in the month/year by definite room nights for the same month/year.
- **Consumed Room Night:** Room nights generated from groups that have convened in Hawai'i. For citywide events, this figure is calculated from the number of attendees. For single property meetings, the figure is the contracted room nights.
- **Goal:** A level of achievement that has been determined through the goal setting process that includes industry stakeholders and the HTA board.
- **International Markets:** Current areas of focus for international groups. These markets are supported by contractors of HTA.
- **New to Hawai'i – New Business:** A group that has never met, or has not had a single property meeting in Hawai'i over the past five years or a citywide meeting within the past 10 years.
- **Repeat Business:** A group that has had a single property meeting in Hawai'i within the past five years or a citywide meeting in Hawai'i within the past 10 years.

- **Island Distribution:** The breakdown of room nights that have been booked on the neighboring islands. This includes Maui, Kaua'i, O'ahu and the Island of Hawai'i.
- **Pace:** A calculation that evaluates the annual sales activity level by comparing production to the same time frames for previous years. This calculation shows if the current year-to-date room night bookings are at the same or higher/lower levels than the past year.
- **Need Period:** A future timeframe where the projections for room night demand are lower, therefore warranting specific sales strategies to attract business.
- **Lost Business:** A group where a lead has been generated due to client interest and Hawai'i was not chosen for the meeting or convention.
- **Total Events:** Total licensed events held at the Hawai'i Convention Center.
- **Total Attendance:** Total delegate attendees at licensed events at the Hawai'i Convention Center.
- **Visitor Spending:** State economic impact of offshore licensed events.
- **Tax Generation:** State tax generation of offshore licensed events.

## CONTRACTS EXECUTED BY THE HAWAII TOURISM AUTHORITY

<b>October 2019</b>					
<b>Contract No.</b>	<b>Contractor</b>	<b>Description</b>	<b>Dollar Amount</b>	<b>Start Date</b>	<b>End Date</b>
20030	SJ Foundation	18th Annual Waikiki SPAM JAM	\$5,000.00	10/29/2019	9/30/2020
20089	Kaua'i Museum Association, Limited	Kaua'i Museum Cultural Exhibit Program	\$23,000.00	10/23/2019	4/30/2021
•18135 S3	ClimbHI	LEI Program 2020	(+ \$104,000.00) \$254,000.00	10/8/2019	10/31/2020
19161 S1	Hawai'i AG and Culinary Alliance dba Hawai'i Food & Wine Festival	Hawai'i Food & Wine Festival 2019	(+ \$5,000.00) \$305,000.00	10/18/2019	1/31/2020
20021	Honolulu Festival Foundation	26th Annual Honolulu Festival	\$138,000.00	10/24/2019	8/31/2020
•20002	O'ahu Hawaiian Canoe Racing Association Hawai'i	Moloka'i Hoe 2019	\$20,000.00	10/11/2019	3/31/2020
20101	Na'alehu Theatre	Hawaiian Music Masters Community Reinvestment	\$25,000.00	10/29/2019	10/31/2020
20032	'Ukulele Festival Hawaii	50th Annual 'Ukulele Festival Hawai'i	\$20,000.00	10/29/2019	12/31/2020
20045	Maui Arts & Cultural Center	Visual Arts Exhibition Program 2020	\$30,000.00	10/18/2019	4/30/2021
20083	Kaua'i Museum Association, Limited	40th Annual Irmalee and Walter Pomroy May Day Lei Contest	\$5,000.00	10/23/2019	10/31/2020
20085	Kōloa Plantation Days, Inc.	Kōloa Plantation Days Festival 2020	\$65,000.00	10/29/2019	12/31/2020
20040	Hui Noeau dba Hui Noeau Visual Arts Center	Hui Holidays 2020	\$10,000.00	10/21/2019	4/30/2021
20038	Hāna Arts	Hāna Arts Presents! - A Workshops & Events Program in East Maui	\$25,000.00	10/21/2019	4/30/2021
20066	The Kahilu Theatre Foundation dba The Kahilu Theatre	Kahilu Theatre 2020 Season	\$30,000.00	10/22/2019	4/30/2021
20068	Kona Coffee Cultural Festival	50th Annual Kona Coffee Cultural Festival	\$75,000.00	10/22/2019	4/30/2021

Contract Type:

• Sole Source

† Procurement Exemption

20053	Pacific Whale Foundation	40th Maui Whale Festival	\$40,000.00	10/29/2019	7/31/2020
20048	Maui Food Technology Center, Inc. dba Maui Food Technology Center	Maui Sunday Market	\$25,000.00	10/24/2019	11/30/2020
20044	Maui Arts & Cultural Center	Maui 'Ukulele Festival 2020	\$15,000.00	10/18/2019	2/28/2021
20029	Pearl Harbor Aviation Museum	You Are Here Pavilion/Exhibit Project	\$50,000.00	10/29/2019	4/30/2021
20084	Kaua'i Rodeo & Roping Club	21st Paniolo Heritage Rodeo at the Kōloa Plantation Day Festival (aka Paniolo Heritage Rodeo)	\$17,000.00	10/23/2019	12/31/2020
20033	University of Hawai'i - Waikiki Aquarium	Ho'ike'ike Pili Kai	\$12,000.00	10/2/2019	4/30/2021
20046	Maui Classical Music Festival	Maui Classical Music Festival 2020	\$8,000.00	10/29/2019	10/31/2020
20012	Hale'iwa Main Street dba North Shore Chamber of Commerce	Hale'iwa Interpretative Signage Project and Walking Tour Map	\$20,000.00	11/1/2019	4/30/2021
20016	Hawai'i Gay Flag Football League Inc. dba HIGFFL	Gay Bowl XX	\$20,000.00	11/1/2019	3/31/2021
20023	Ki-ho'alu Foundation	Hawaiian Slack Key Guitar Festivals	\$38,000.00	10/30/2019	3/31/2021
20043	Lāna'i Culture & Heritage Center	Lāna'i Guide App Enhancements	\$35,000.00	11/1/2019	4/30/2021
20060	Hamakua Harvest, Inc.	Growing Agritourism Opportunities at Hamakua Harvest	\$7,000.00	11/1/2019	4/30/2021
20070	Lifesource Community Center dba Legacy Reef Foundation	Coral Education Center	\$30,000.00	10/31/2019	4/30/2021
20097	Honolulu Theatre for Youth	The Royal School/Ke Kula Keiki Ali'i	\$30,000.00	10/30/2019	4/30/2021
20098	Japanese Cultural Center of Hawai'i	Statewide Japanese Cultural Exchange	\$20,000.00	10/29/2019	4/30/2021
20055	Youth in Motion dba Stand Up Paddle Association of Moloka'i	Moloka'i Holokai Ho'olaule'a	\$20,000.00	10/31/2019	11/30/2020
20056	Aloha Tri Sports	XTERRA Hawai'i Island Off-Road Triathlon	\$15,000.00	10/30/2019	1/31/2021
20067	Kona Cacao Association Inc.	Cacao Education and Culinary Exploration - Big Island Chocolate Festival 2020	\$10,000.00	10/30/2019	10/31/2020

Contract Type:

• Sole Source

† Procurement Exemption

20073	Aha Hui E Kala dba Lawai International Center	Cultural Awareness Events 2020	\$30,000.00	10/30/2019	4/30/2021
20074	Equine Therapy, Inc. dba Healing Horses Kaua'i	Public Relations, Training, Camps, Special Events and Supporting Equipment	\$20,000.00	10/29/2019	4/30/2021
20075	Garden Island Arts Council	E Kanikapila Kakou 2020 - " Mele, Hula & Mo'olelo"	\$40,000.00	10/31/2019	8/31/2020
20081	Kaikeha, INC.	2nd Annual Garden Island Boogie Board Classic	\$5,400.00	11/1/2019	10/31/2020
20061	Hawai'i Institute of Pacific Agriculture	Expanding Agritourism in N. Kohala through Farm Tours & Tastings	\$15,000.00	11/1/2019	4/30/2021
20054	Valley Isle Road Runners, Inc. dba Valley Isle Road Runners	Maui Marathon	\$25,000.00	11/1/2019	3/31/2021
20094	Epic Sports Foundation Inc. dba Epic Sports Foundation	Moloka'i 2 O'ahu Paddleboard World Championship	\$35,000.00	11/1/2019	12/31/2020
20049	Maui Nui Botanical Gardens Inc.	Lā 'Ulu – Breadfruit Day	\$8,000.00	11/1/2019	2/28/2021

Contract Type:

• Sole Source

† Procurement Exemption

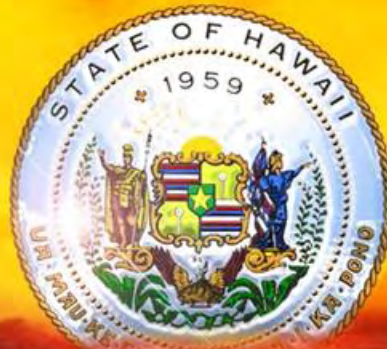
# **Agenda Item**

## **5**

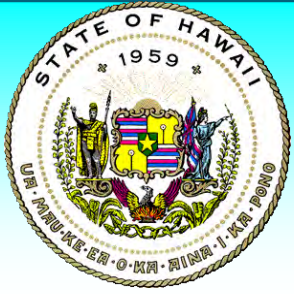
Presentation by the State  
Department of  
Transportation Airports  
Division on Improvement  
Projects Currently Underway  
and Scheduled to Occur  
Throughout the State



**Hawaii Tourism Authority  
Board Meeting  
November 21, 2019**

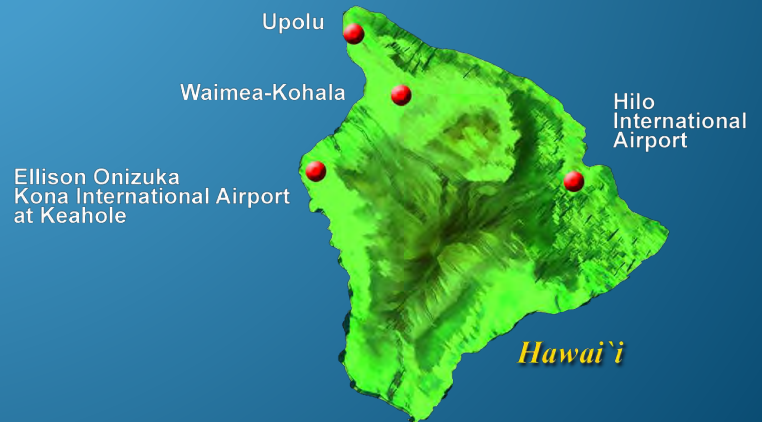


**State of Hawaii  
Department of Transportation  
Airports Division**



# Department of Transportation AIRPORTS DIVISION – Overview

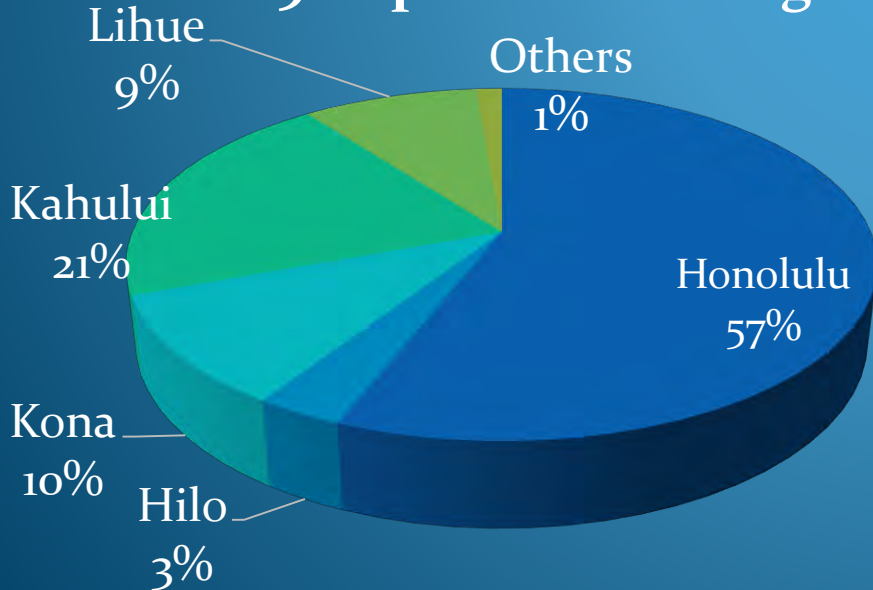
**State System of 15 Airports  
Services 37 million passengers a year**

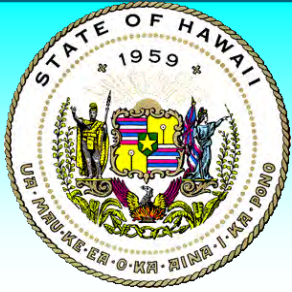


*Hawai'i*

Hilo International Airport

## FY 2019 Enplaned Passengers





## Department of Transportation AIRPORTS DIVISION

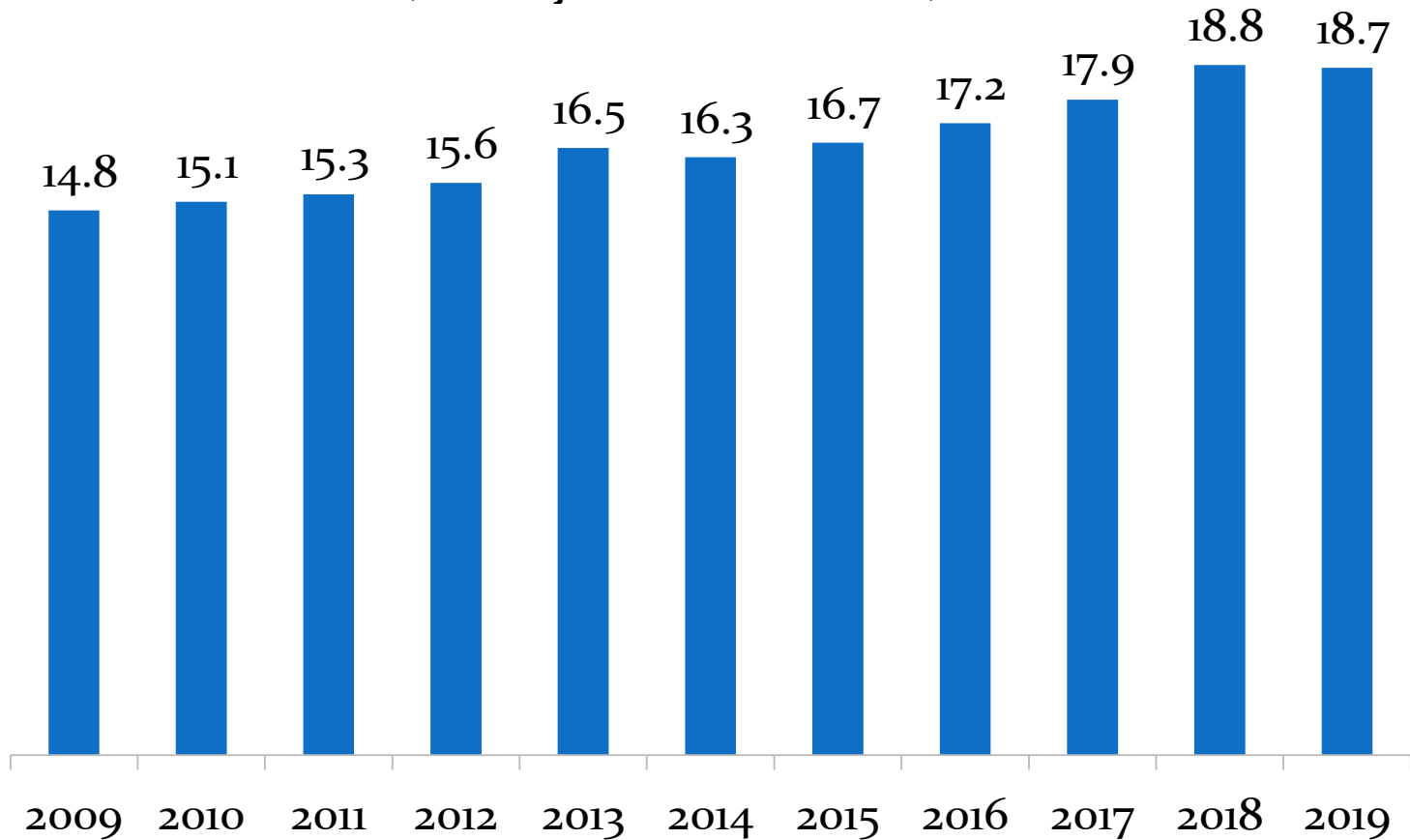
# The Hawaii Airports System Is Self-Supporting

- The State of Hawaii's General Fund (tax revenues) does not fund the operation of the Airports System.
- Rather, the Airports System generates its own revenues and pays for its own expenses from concession and airline revenue.
- The Airports System is a Special/Enterprise Fund similar to a private sector entity.

Primary Sources of Funds	Primary Uses of Funds
<ul style="list-style-type: none"><li>• Airline revenues: landing fees, terminal rentals, etc.</li><li>• Nonairline revenues: passenger concession fees, parking revenues, etc.</li><li>• Federal grants and Passenger Facility Charge revenues</li></ul>	<ul style="list-style-type: none"><li>• Operating expenses (personnel, contractual services, utilities, etc.)</li><li>• Debt service payments</li><li>• Capital expenditures (facilities, equipment, etc.)</li></ul>

# AIRPORTS DIVISION

## Enplaned Passengers (Fiscal years; in millions)



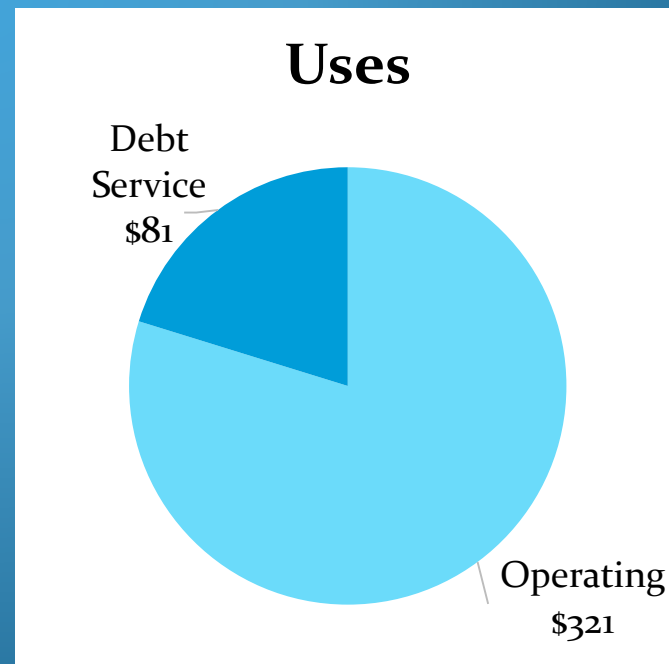
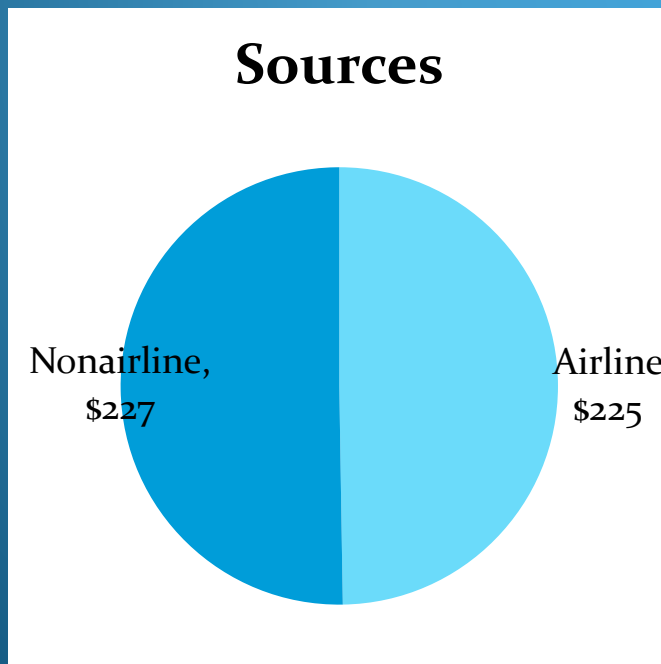
Source: Hawaii Airports System.

# AIRPORTS DIVISION

## DOTA Sources and Use of Funds

- Approximately half of all revenues from airline payments, with the other half from concession revenues and other nonairline revenues.
- Approximately 75-80% of expenditures on operating expenses, and 20-25% on debt service.

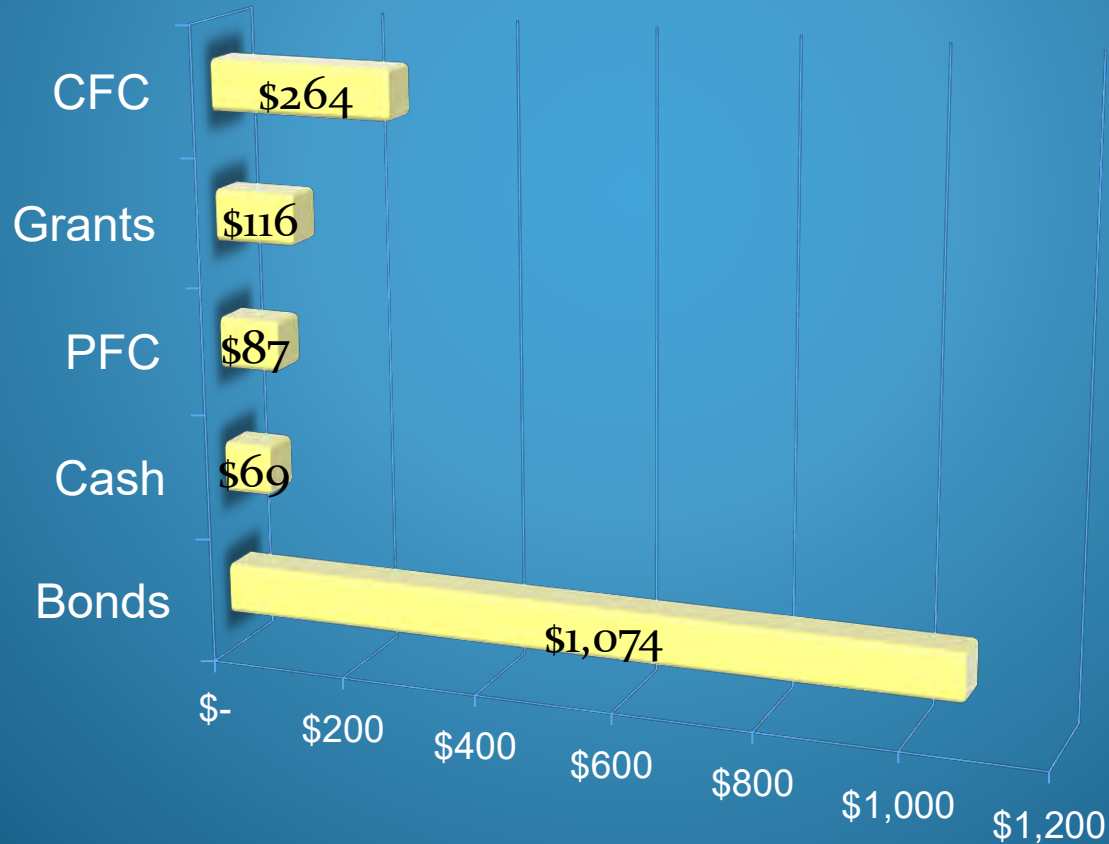
### FY 2019 Estimated Financial Results (in millions)

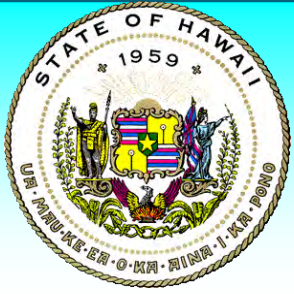


# AIRPORTS DIVISION

## Planned Funding Sources For Future CIP

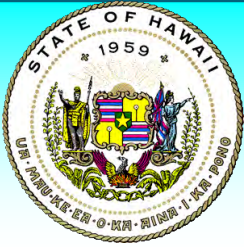
(as of 6/30/2019; in Millions)





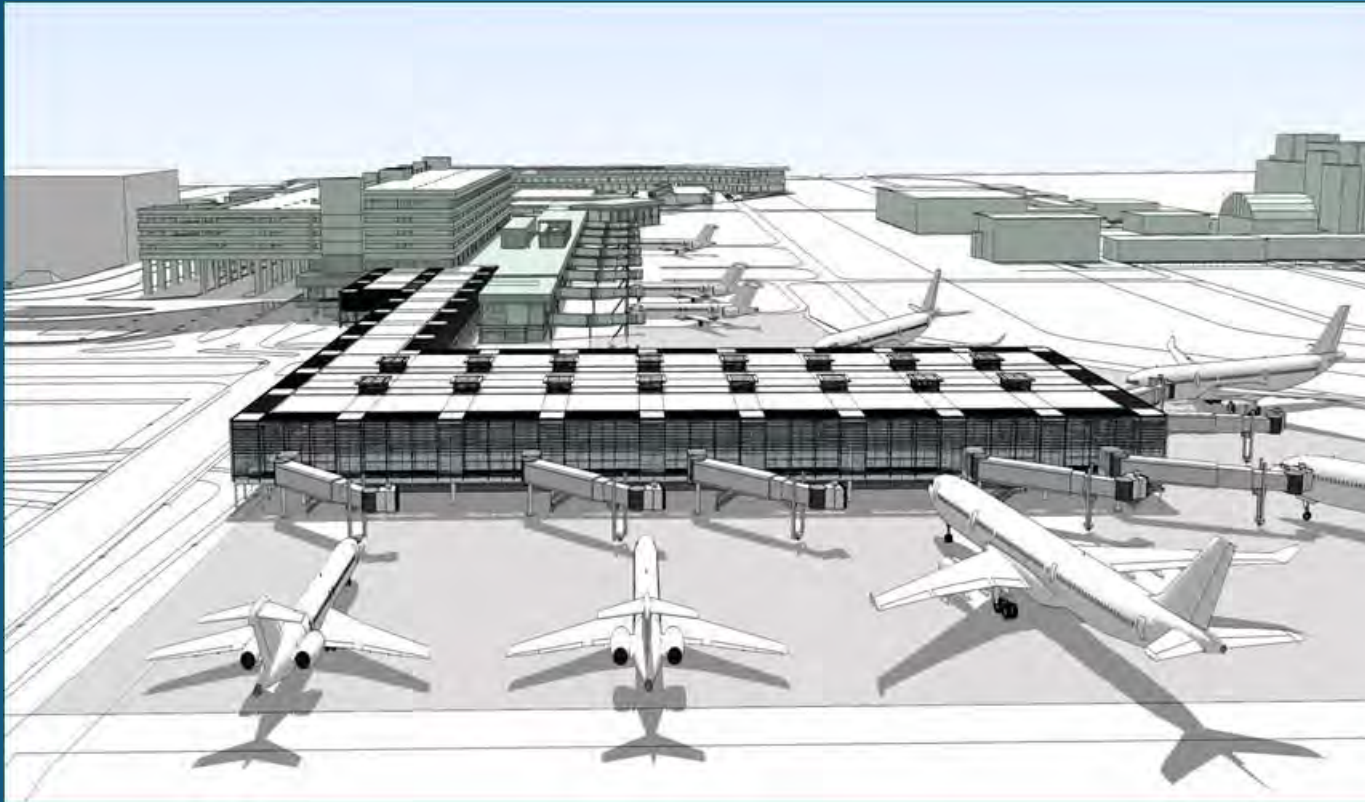
# Department of Transportation AIRPORTS DIVISION – Daniel K. Inouye International Airport Projects





# Mauka Concourse

## Daniel K. Inouye International Airport



### DESCRIPTION

New 250,000 SF terminal with 6 wide body or 11 narrow body gates.

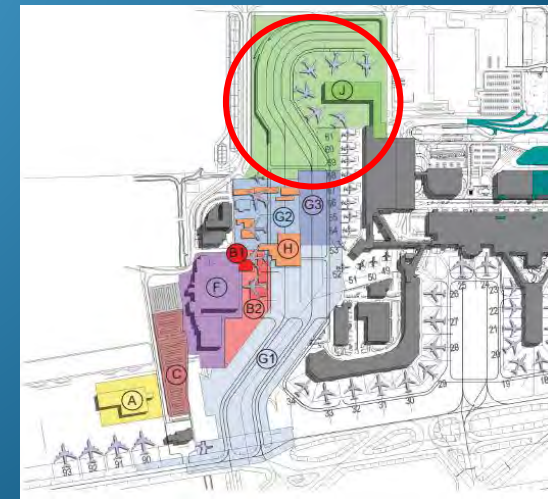
### CONSTRUCTION COST

\$310M

### SCHEDULE

Start June 2018

Est. Completion Dec 2020







# Mauka Concourse

Daniel K. Inouye International Airport

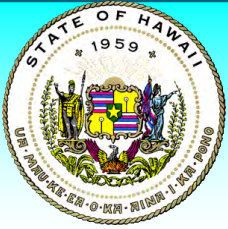


Project Site: 7/13/18  
Approx. 15% completed



Project Site: 8/23/19  
Approx. 47% completed





# Consolidated Rental Car Facility

## Daniel K. Inouye International Airport



### *DESCRIPTION*

New Consolidated Rental Car Facility to consist of a Customer Service Building, Ready/Return, Quick Turnaround Area, common bussing, and improvements to the Airport roadway system.

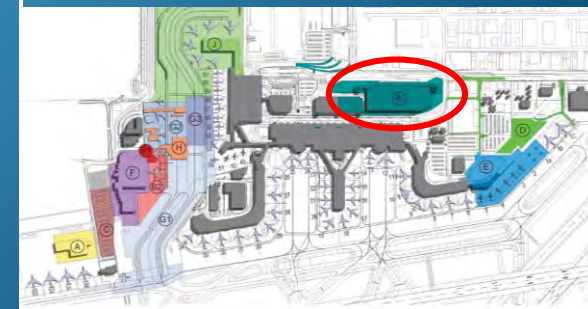
### *CONSTRUCTION COST*

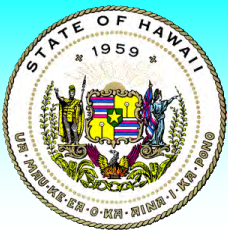
\$340M

### *SCHEDULE*

Start July 2016

Est. Completion Oct 2021





# Roadway/Terminal Signage Improvements

Daniel K. Inouye International Airport



## DESCRIPTION

Replace the roadway, parking garages, and terminal way finding signage, including rename the terminals and gates to alpha-numeric, and baggage claims to numeric.

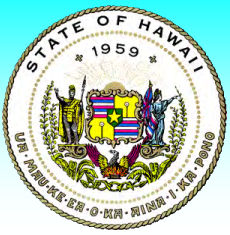
## CONSTRUCTION COST

\$31M

## ROADWAY SCHEDULE

Start May 2017

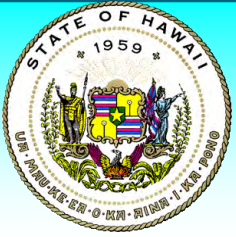
Est. Completion Dec 2019



# Roadway/Terminal Signage Improvements

## Daniel K. Inouye International Airport

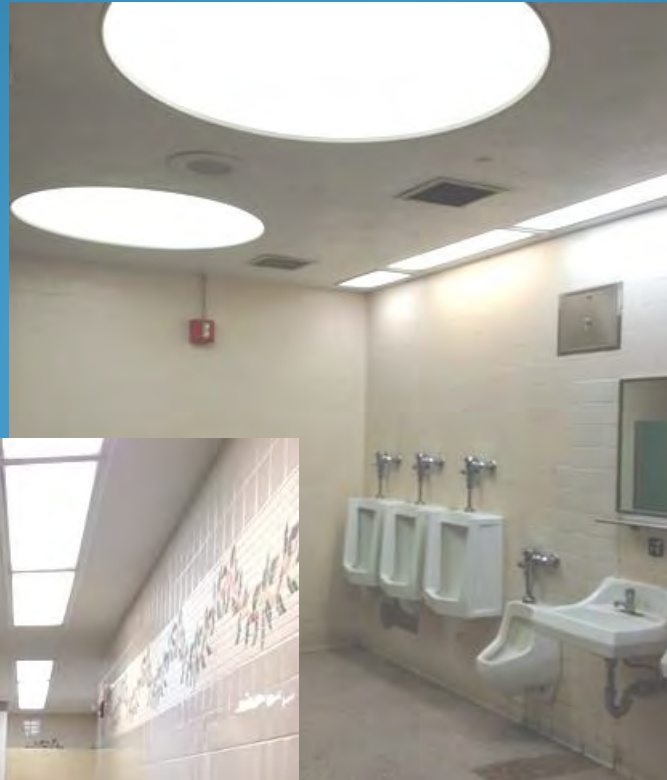




# Restroom Improvements

## Daniel K. Inouye International Airport

### Existing



### *DESCRIPTION*

Renovate and/or enlarge 52 public restrooms at Terminal 2 (baggage claim, ticket lobbies, OST concourse walkway, and Central Concourse).

### *CONSTRUCTION COST*

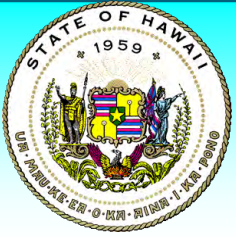
\$22M

Ewa and DH Concourses completed under the respective Concession Improvements project.

### *SCHEDULE*

Start Sept 2018

Est. Completion Mar 2021



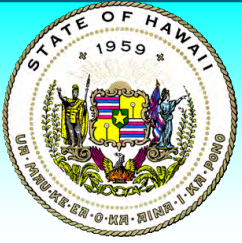
# Restroom Improvements

Daniel K. Inouye International Airport



**New**





# Baggage Handling System Improvements, Phase 2 & Ticket Lobby Renovations

Daniel K. Inouye International Airport



## *DESCRIPTION*

Replace Terminal 1 & 2 Baggage Handling Systems; Renovate Ticket Lobby 4, 5 & 6 to match Lobbies 7 & 8.

## *CONSTRUCTION COST*

\$160M

## *SCHEDULE*

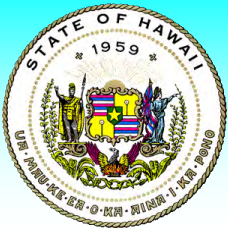
Est. Start Feb 2020

Est. Completion Feb 2022

**Lobby 8**

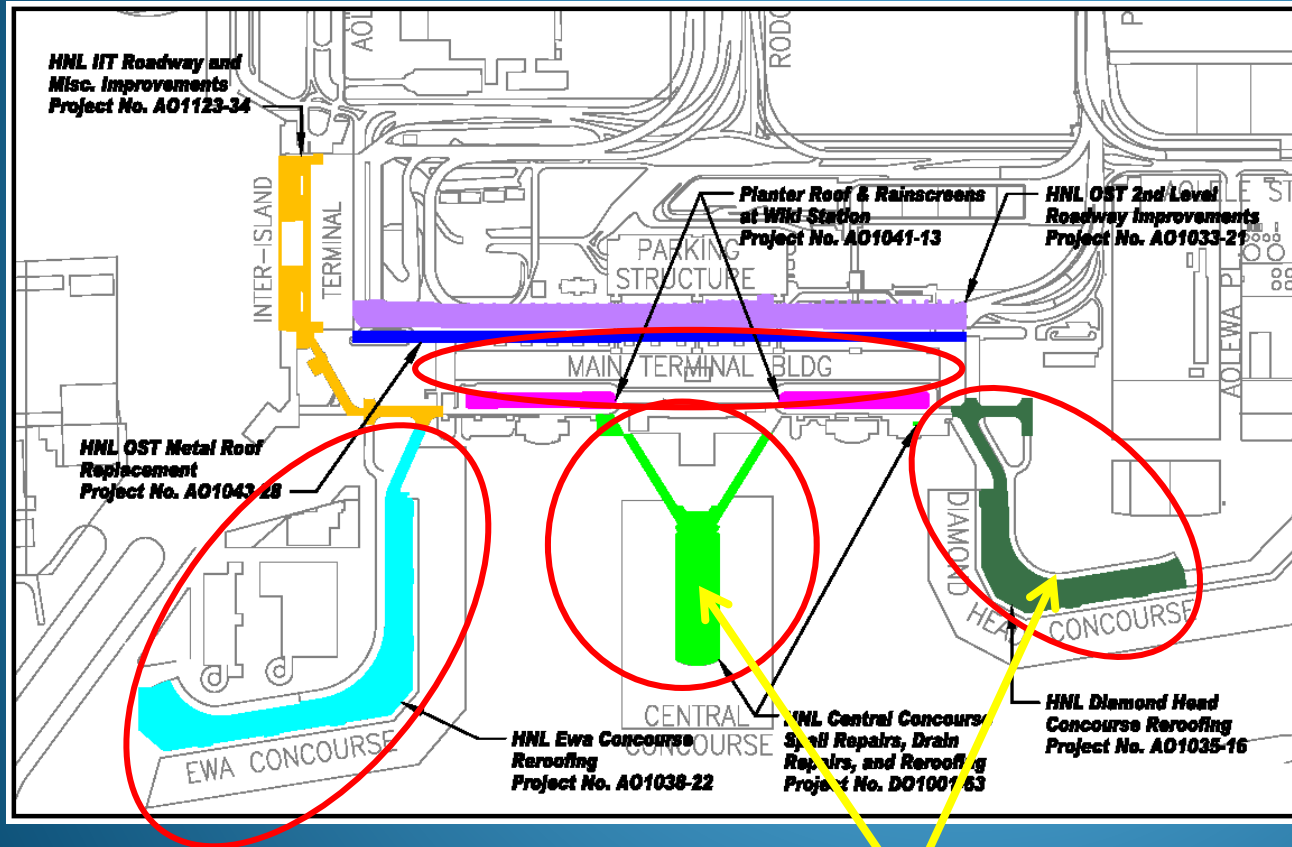
**Lobby 7**





# Reroofing Projects

Daniel K. Inouye International Airport



**Completed**

## DESCRIPTION

Reroof the Ewa Concourse and Terminal 2 Ticket Lobby, including replacing drain lines, expansion joints, and concrete spall repairs.

Central and DH Concourses completed.

## CONSTRUCTION COST

\$10M each

## SCHEDULE

Ewa Concourse

Start July 2019

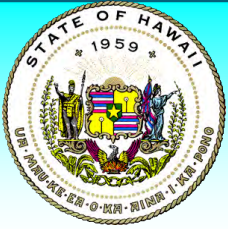
Est. Completion Feb 2021

Terminal 2 Ticket Lobby

Est Start May 2021

Est. Completion May 2022





# Ewa Concourse Concession Improvements

Daniel K. Inouye International Airport



## DESCRIPTION

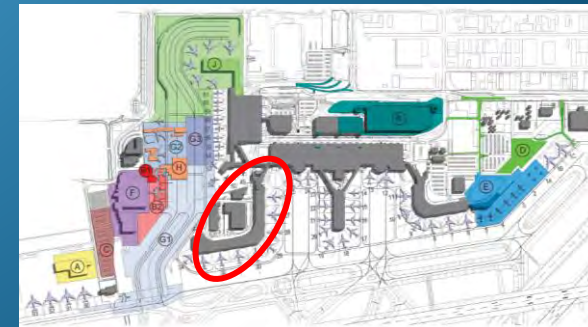
Provide additional concession spaces by enclosing the exterior sidewalk, and demolishing and/or renovating existing restrooms.

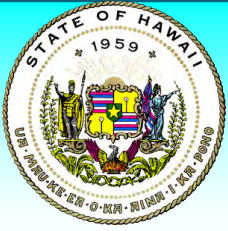
## CONSTRUCTION COST

\$14M

## SCHEDULE

Completed Summer 2017





# A380 Improvements

## Daniel K. Inouye International Airport

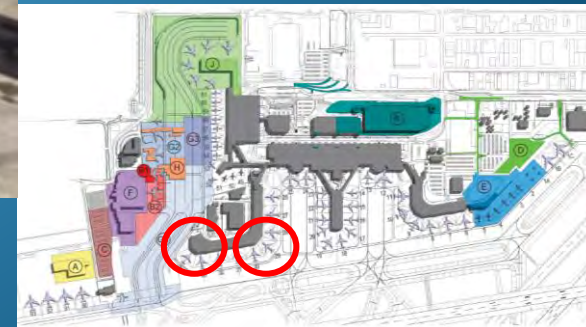


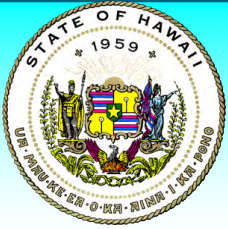
### *DESCRIPTION*

Improvements to Gates C4 & C9 to accommodate an A380 (double deck) aircraft, including third level loading bridges, pavement reconstruction, and sterile corridor.

*CONSTRUCTION COST*  
\$14M

*SCHEDULE*  
Completed Spring 2019





# DH Concourse Concession Improvements

Daniel K. Inouye International Airport



## **DESCRIPTION**

Provide additional concession spaces by enclosing the exterior sidewalk, and demolishing and/or renovating existing restrooms. Consistent w/ other 2 terminals

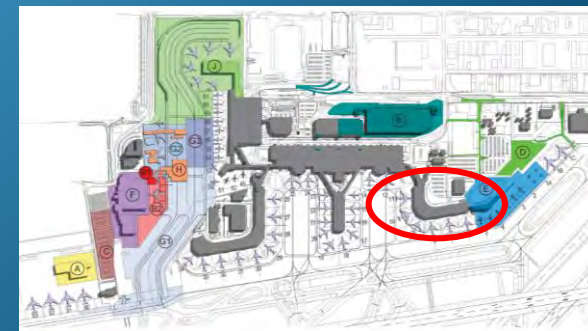
## **CONSTRUCTION COST**

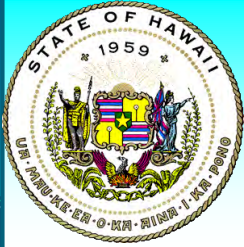
\$17M

## **SCHEDULE**

Start Sept 2017

Completed Fall 2019





# Four Added Gates at the DH Concourse

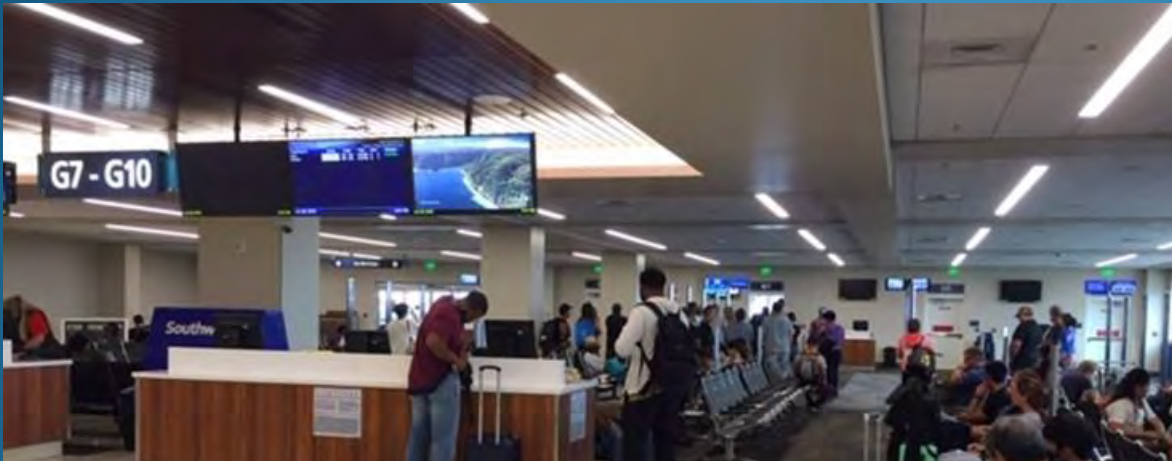
## Daniel K. Inouye International Airport

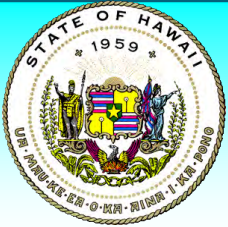
### *DESCRIPTION*

Four ground level holdroom and gates, including concession spaces and restrooms (Gates G7–G10).

### *SCHEDULE*

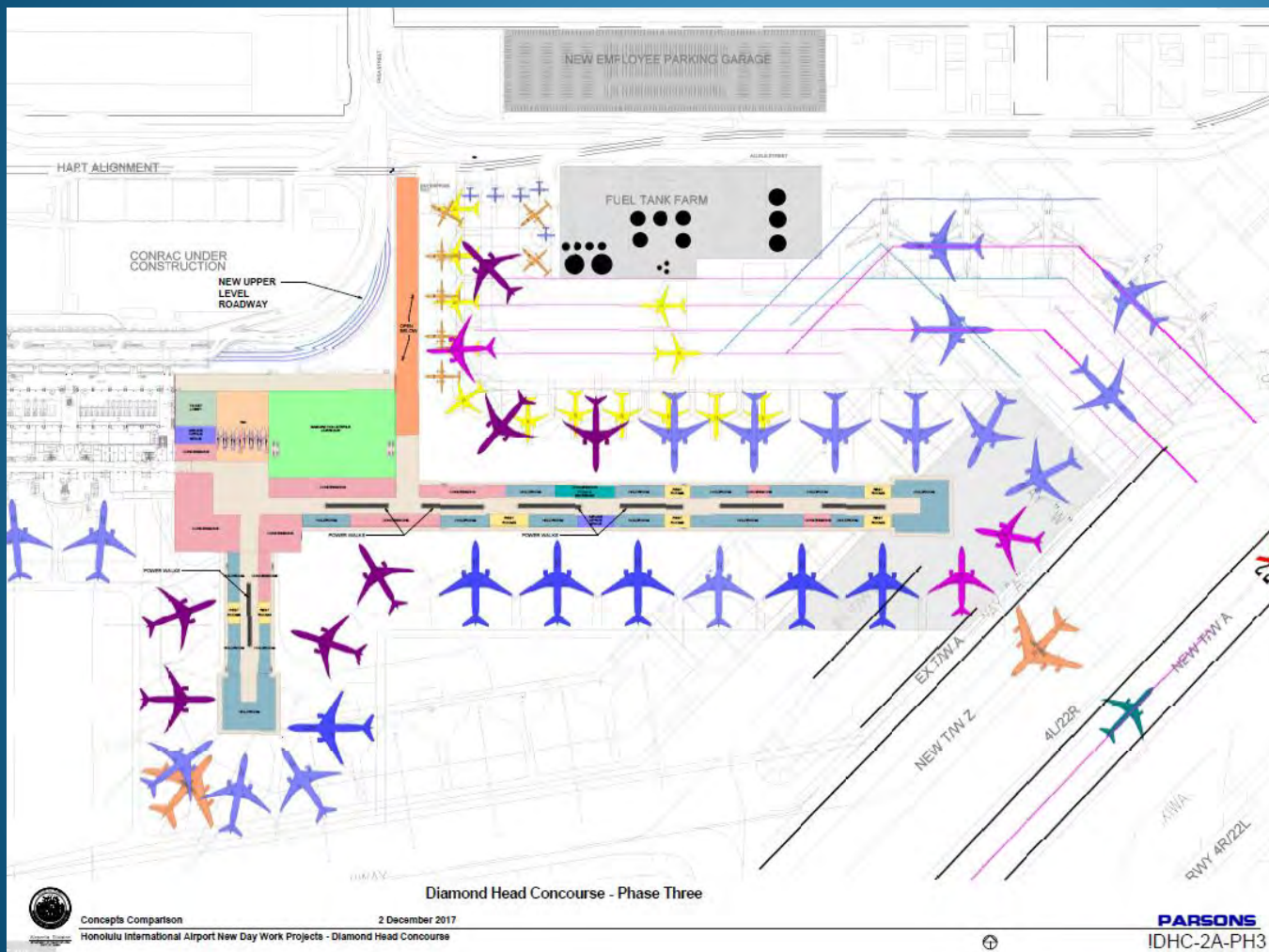
Completed Summer 2018





# DH Extension Modernization Program

## Daniel K. Inouye International Airport



### DESCRIPTION

A \$1.1B program to extend the DH side of the airport, providing 15-20 additional gates, including necessary landside facilities (i.e. roadway access, parking, ticket lobbies, baggage claim, security checkpoints, and concessions). A second FIS facility and Intra-Terminal Transportation System to replace the Wiki-Wiki Buses will be considered.

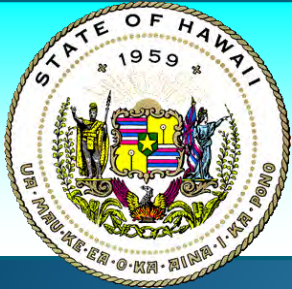
### CONSTRUCTION COST

\$1.1B All-in Cost

### SCHEDULE

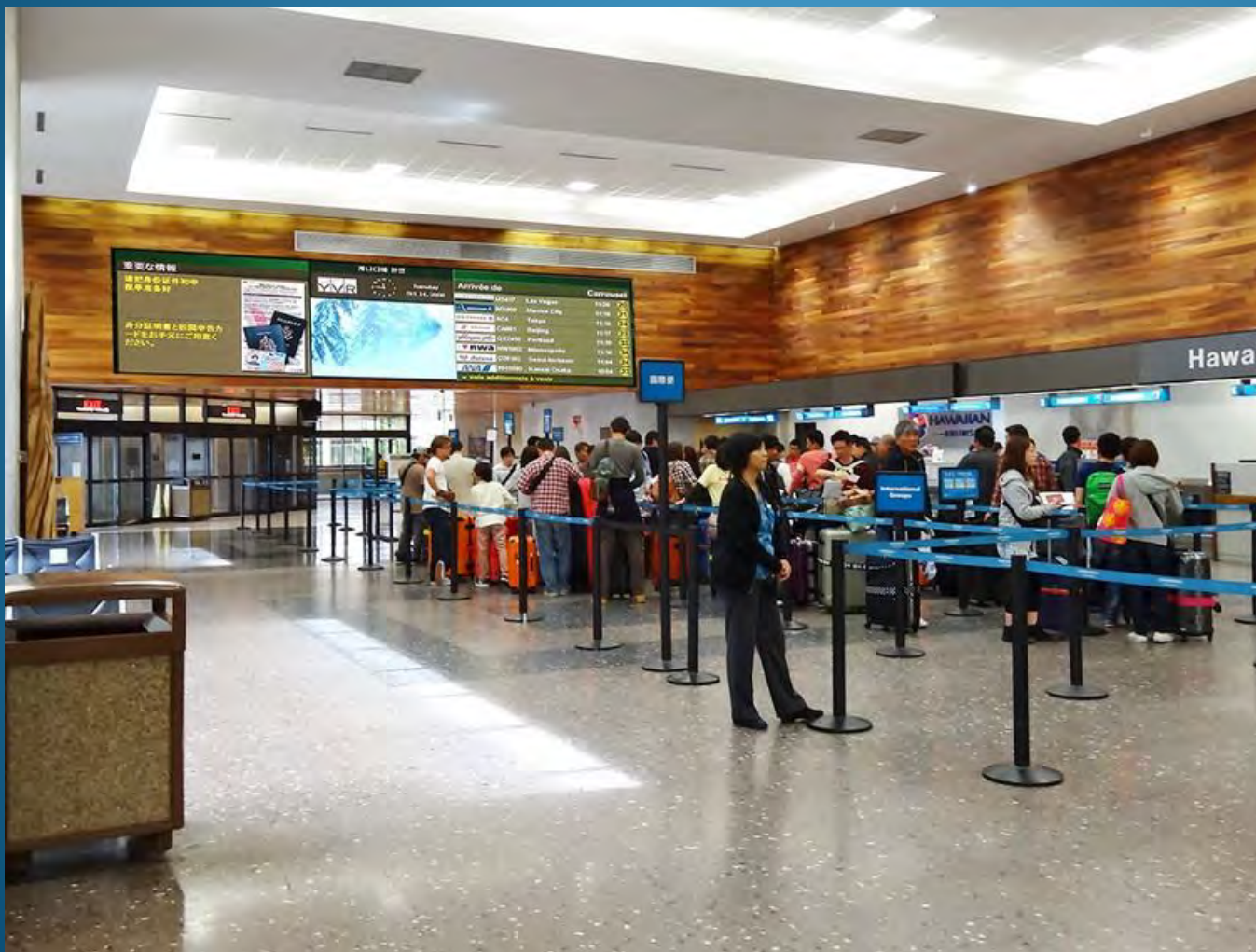
Est. Start Jan 2020

Est. Completion Dec 2031



# Replacement of FIDS

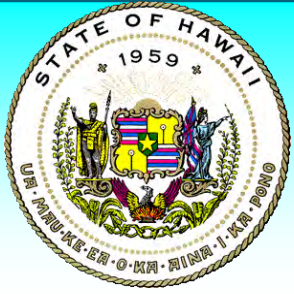
## Daniel K. Inouye International Airport



**DESCRIPTION**  
New flight information display panels (6) at Terminals 1 & 2.

**CONSTRUCTION COST**  
\$3M

**SCHEDULE**  
Completed Summer 2015



# Department of Transportation AIRPORTS DIVISION – Kahului Airport Projects

Kapalua Airport

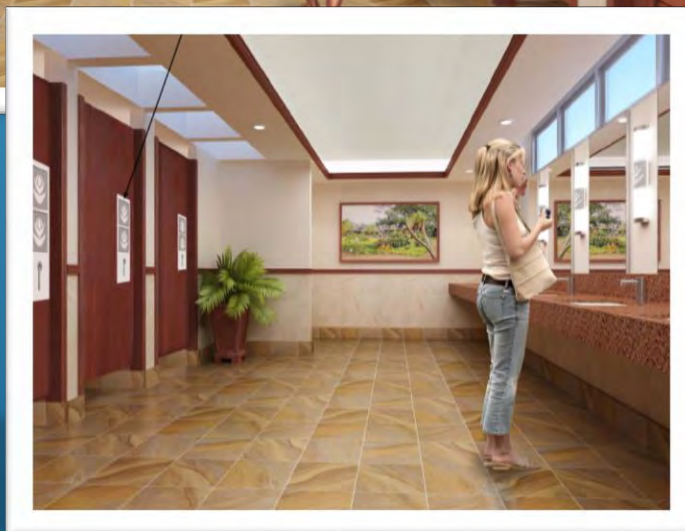
Kahului Airport

Hana





# Holdroom A, B & E Restroom Improvements Kahului Airport



## *DESCRIPTION*

3<sup>rd</sup> Phase in the OGG Restroom Renovation project, which includes restrooms in Holdrooms A, B & E.

## *CONSTRUCTION COST*

\$11M

## *SCHEDULE*

Start July 2019

Est. Completion Dec 2020





# Holdroom and Gate Improvements Kahului Airport



## *DESCRIPTION*

Enclose the exterior walkway and connect Holdrooms A & B.

## *CONSTRUCTION COST*

\$37M

## *SCHEDULE*

Est. Start July 2020

Est. Completion Dec 2021



# OGG ConRAC Facility

## Kahului Airport



### *DESCRIPTION*

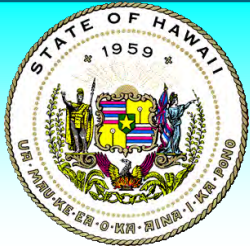
Provide a new consolidated rental car facility with quick turnaround, ready return, customer service building, tram system and airport roadway connections.

### *CONSTRUCTION COST*

\$350M

### *SCHEDULE*

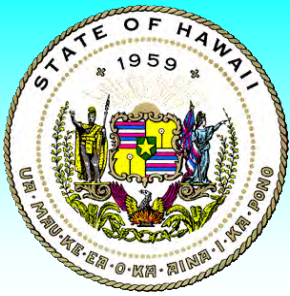
Completed May 2019



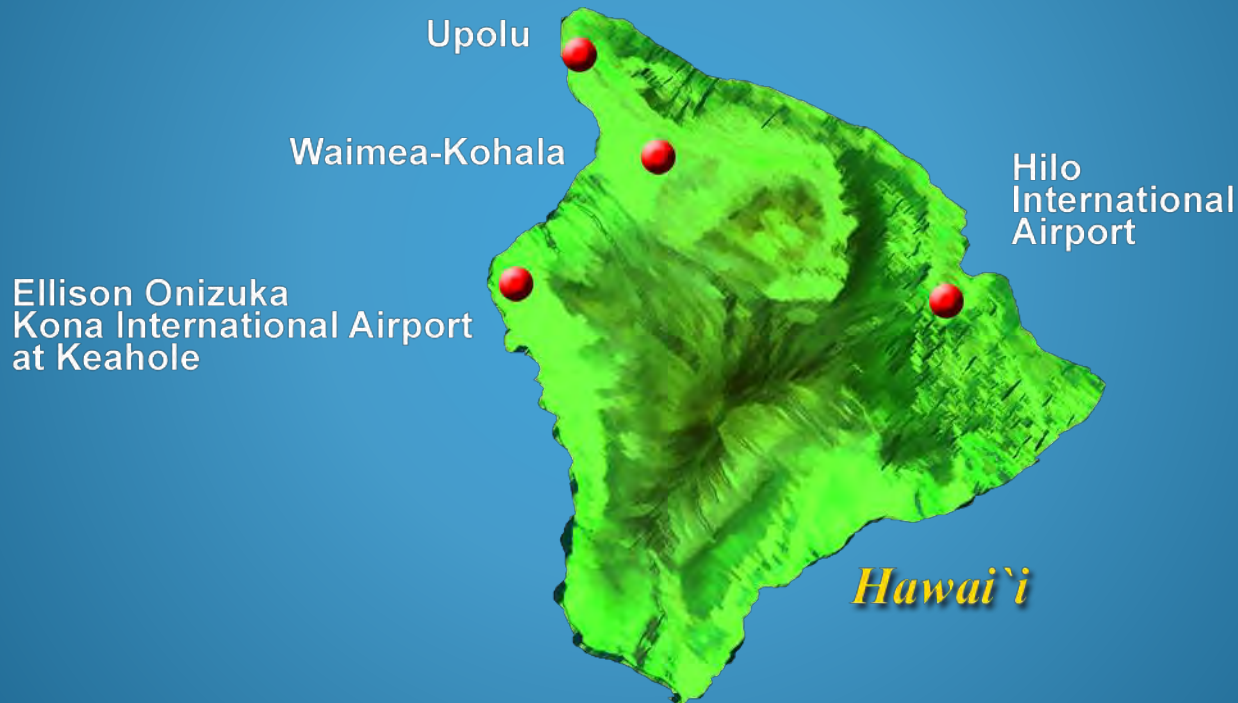
# OGG ConRAC Facility Kahului Airport

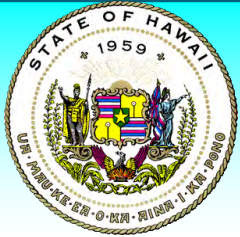
The new Conrac is a three-level structure encompassing rental car offices, customer service counters, ready and return rental car spaces, and Quick-Turn-Around (QTA) areas with 72 fuel positions, 12 car wash bays and 11 maintenance and mechanic stations to service rental car fleets.





# Department of Transportation AIRPORTS DIVISION – Ellison Onizuka Kona International Airport at Keahole Projects





# Terminal Modernization, Ph. I

Ellison Onizuka Kona International Airport at Keahole

**New Baggage Handling System**

**New Security Checkpoint**



## **DESCRIPTION**

Terminal Modernization to include centralized security checkpoint, In-Line Baggage Handling System, connectivity of the north and south holdrooms for improved passenger experience and airline/airport operations.

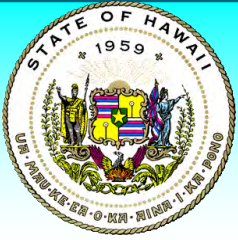
## **CONSTRUCTION COST**

\$82M

## **SCHEDULE**

Start Feb 2017

Est. Completion Feb 2020



# FIS Facility

Ellison Onizuka Kona International Airport at Keahole

**T-Hangars and tie-down parking to be relocated**



## *DESCRIPTION*

New Federal Inspection Services Facility to replace the temporary facility, including aircraft parking, holdroom, and ground transportation.

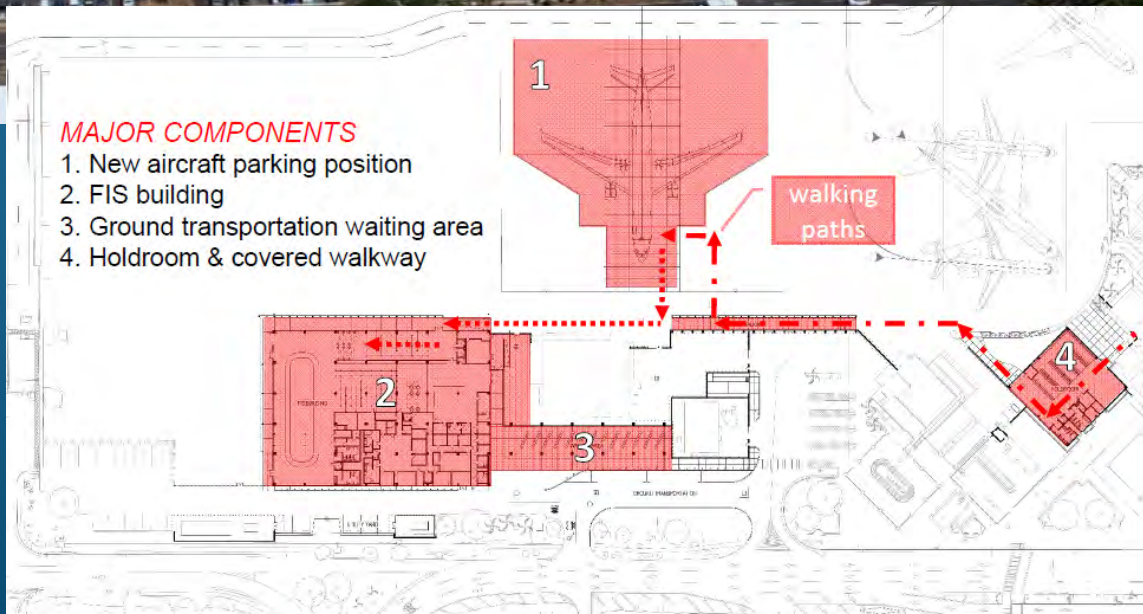
## *CONSTRUCTION COST*

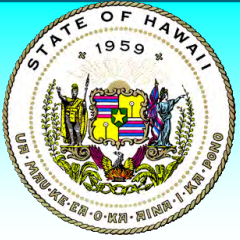
\$60M

## *SCHEDULE*

Est. Start Apr 2020

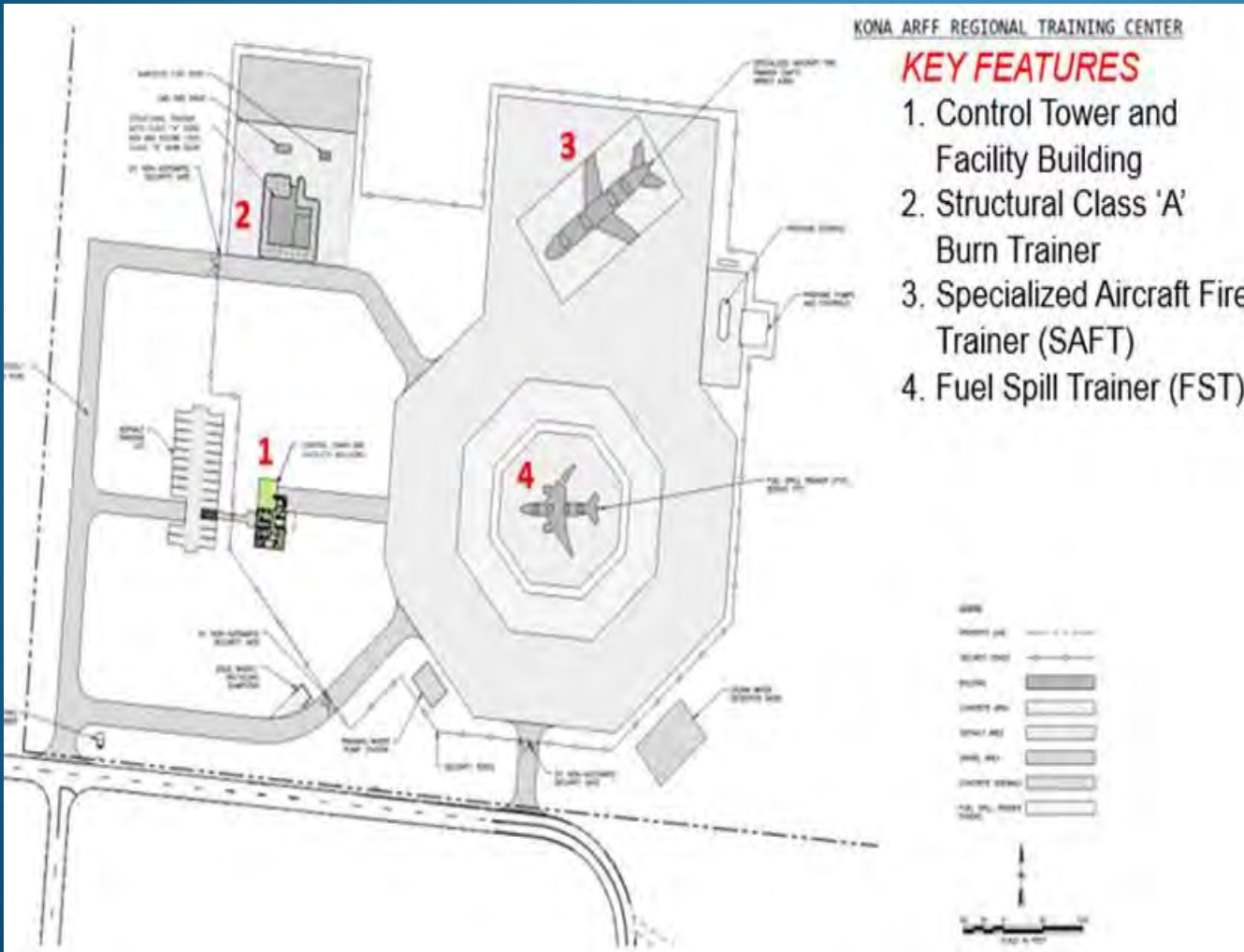
Est. Completion Sept 2021





# ARFF Regional Training Facility

Ellison Onizuka Kona International Airport at Keahole



## DESCRIPTION

Construction of an all-hazard, multi-agency training facility.

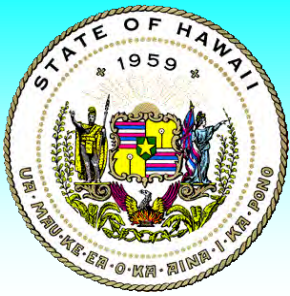
## CONSTRUCTION COST

\$27M

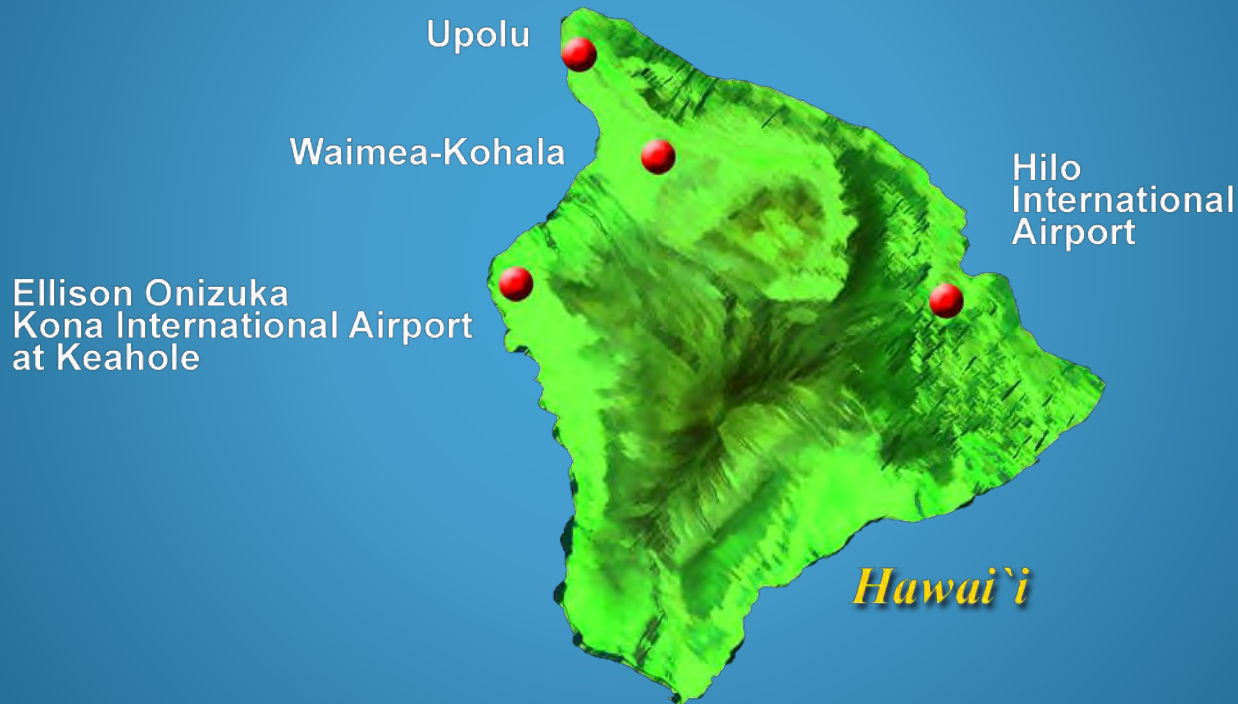
## SCHEDULE

Est. Start Jul 2020

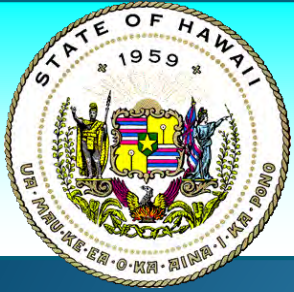
Est. Completion Jun 2022



# Department of Transportation AIRPORTS DIVISION – Hilo International Airport Projects







# Restroom Improvements

## Hilo International Airport



### *DESCRIPTION*

Renovate 4 pairs of restrooms located on the ground floor.

### *CONSTRUCTION COST*

\$9M

### *SCHEDULE*

Est. Start July 2020

Est. Completion June 2021



# Arcade Air Conditioning Improvements

Hilo International Airport



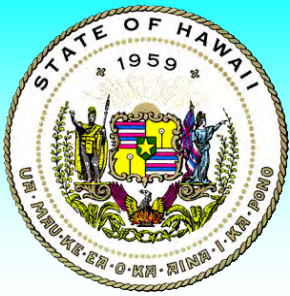
## *DESCRIPTION*

Enclose the open areas of the second floor of the existing arcade building. Improvements include air conditioning, lighting and insulation.

## *CONSTRUCTION COST*

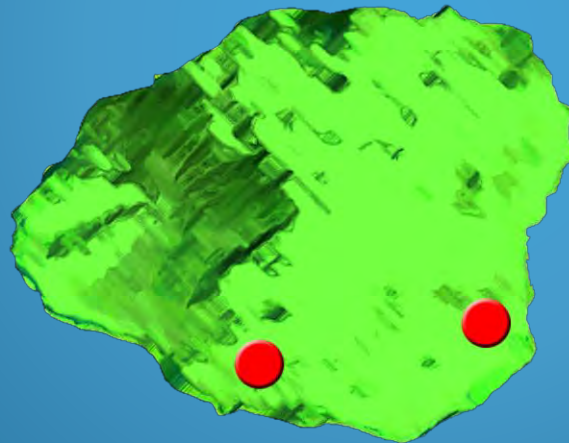
\$17M

Anticipated Start of  
Construction: September 2021  
Est. Completion June 2023



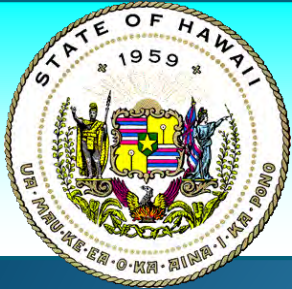
# Department of Transportation AIRPORTS DIVISION – Lihue Airport Projects

*Kaua`i*



Port Allen

Lihue Airport



# Ticket Lobby Improvements

## Lihue Airport

### DESCRIPTION

Demolish planter boxes fronting the ticket lobby. Enlarge hold rooms to increase ticketing and queuing space.

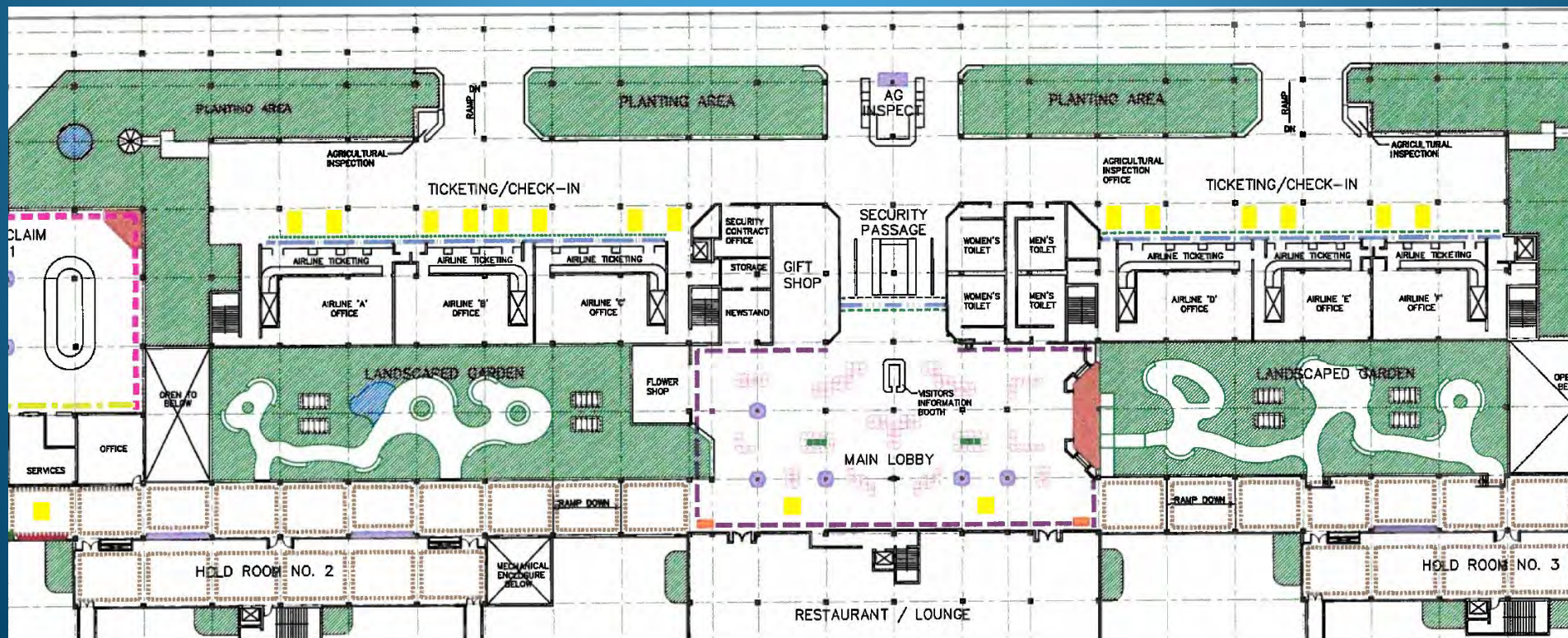
### CONSTRUCTION COST

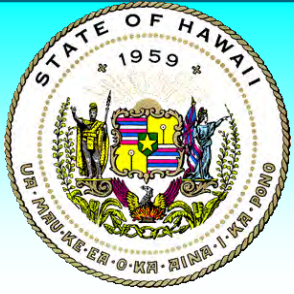
\$8M

### SCHEDULE

Est. Start Jun 2020

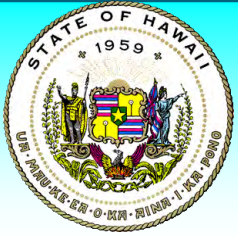
Est. Completion Jun 2021





# Department of Transportation AIRPORTS DIVISION – Sustainability Projects

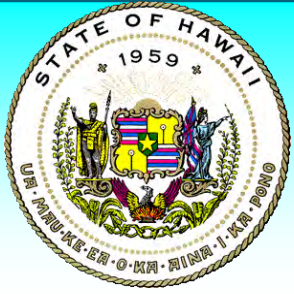




# Department of Transportation Energy Savings Performance Contract Statewide

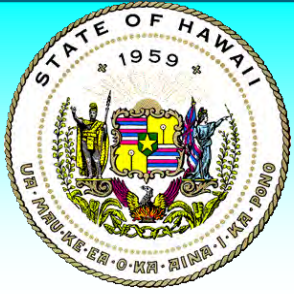
## Energy Conservation Measures

- Lighting replacement with LED
- HVAC replacements and upgrades
- Transformer replacements
- Photovoltaic – 24,000 panels
- Cost \$200M; Gross Savings \$606M; Net of Debt Service \$283M



# Department of Transportation AIRPORTS DIVISION – Sustainability Projects

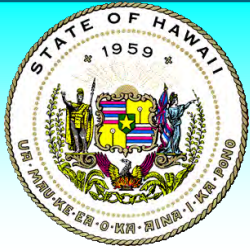




# Department of Transportation AIRPORTS DIVISION – Sustainability Projects







# Water Scalping Initiative

Airports Division - Statewide



## *DESCRIPTION*

HB 1394 water scalping bill for a feasibility study on the use of water scalping technology on State airport facilities.

Currently the Kona airport uses R-1 recycled water from its sewage treatment plant for landscape irrigation.

Scalping plant under construction to extract R-1 water from a Kahului wastewater reclamation plant for irrigation use.



***Mahalo***



# **Agenda Item**

## **6**

**Update on HTA's Partnership  
with the University of Hawaii  
Shidler Business College,  
School of Travel Industry  
Management and the Ho'oilina  
Scholarship Program**

**Hawai'i Tourism Ho'oilina (Legacy) Scholarships Summary Description  
School Years 2020-2023**

**Budget**

Hawai'i Tourism Authority (HTA) will transfer up to **\$500,000** to University of Hawai'i system.

**Goal**

Hawai'i Tourism Ho'oilina Scholarships are awarded to either:

- 1) college-bound **public Hawai'i high school seniors** based on demonstrated academic achievement, leadership skills and an expressed interest in pursuing a hospitality, tourism or culinary education and career; or
- 2) **community college students** who are Hawai'i residents, graduated from a Hawai'i public high school, completed their associates degree in hospitality, tourism, or culinary, and are transferring into the junior academic school year.

Students are to be admitted and attend the following public universities: 1) University of Hawai'i at Mānoa, Shidler College of Business, School of Travel Industry Management, 2) University of Hawai'i – West O'ahu, Business Administration Program with a concentration in Hospitality and Tourism, or 3) University of Hawai'i – West O'ahu, Bachelor of Applied Science in Culinary Management.

**Details for Scholarship Awards for the Four-Year Scholarship (Freshman to Senior Academic School Year)**

No. of Awards	Description Four-Year	Status	University	School/Program	\$ Amount
8	Four (4) year scholarships (Freshman to Senior academic school year)	Full-time	University of Hawai'i at Mānoa	School of Travel Industry Management	\$12,000/year for a total of \$48,000 for 4 years
2	Four (4) year scholarships (Freshman to Senior academic school year)	Full-time	University of Hawai'i – West O'ahu	Business Administration Program with a concentration in Hospitality and Tourism <b>OR</b> Bachelor of Applied Science in Culinary Management	\$8,000/year for a total of \$32,000 for 4 years

General Eligibility Criteria for the 4-Year Hawai'i Tourism Ho'oilina Scholarship

1. Resident of Hawai'i and graduate of Hawai'i public high school, admitted into the hospitality, tourism or culinary program, entering Freshman year (academic school year):
  - The University of Hawai'i at Mānoa, Shidler College of Business, School of Travel Industry Management OR
  - The University of Hawai'i – West O'ahu's Business Administration Program with a concentration in Hospitality and Tourism.
2. Commitment to pursue a hospitality, tourism or culinary career in Hawai'i.
3. Two Letters of Reference
  - Academic
  - Personal

4. Respond to two essay questions relating to career objective:
  - Tourism has been our major contributor to Hawaii’s economy, however we cannot afford to be complacent or to rest on our laurels. Therefore, how do you propose to make a difference and contribute meaningfully to Hawai’i’s hospitality industry? (350 or less words)
  - Why is it important for employees in the hospitality industry to be knowledgeable and well-versed in our native Hawaiian culture and history? (350 or less words)

Conditions of the 4-Year Hawai’i Tourism Ho’oilina Scholarship

1. **Maintain 3.0 GPA.** Failure to maintain the cumulative 3.0 GPA during the academic year will result in the forfeit of additional scholarship benefits/funds. GPA will be tracked by the University of Hawai’i and any forfeiture of a scholarship will be reported to the HTA.
2. **Community Service.** Volunteer 200 hours over the 4-year scholarship period (approved, tracked and reported by the University of Hawai’i, Shidler Business College, School of Travel Industry Management or University of Hawai’i – West O’ahu).
3. **Internship.** 200 hours (approved, tracked and reported by the University of Hawai’i, Shidler Business College, School of Travel Industry Management or University of Hawai’i – West O’ahu)
4. **Hawaiian Culture/Language.** Enroll in Hawaiian Culture and/or Language classes – (designated by Hawai’i Tourism Authority)
5. **Leadership.** Evidence of leadership involvement (e.g. officer position in a travel-related or student association such as Travel Industry Management Student Association (TIMSA), Pacific Asia Travel Association Hawai’i STIM Satellite Chapter, Meeting Professionals International (MPI) Student Chapter, etc.).
6. **Penalty for Changing Major.** Dropping out of program or changing major from hospitality, tourism or culinary will result in the forfeit of scholarship benefits, and the scholarship money paid out must be reimbursed in full to the University of Hawai’i, Shidler Business College or University of Hawai’i – West O’ahu within 120 days.

**Details for Scholarship Awards for the Two-Year Scholarship (Junior to Senior Academic School Year)**

No. of Awards	Description	Status	University	School/Program	\$ Amount
2	Two (2) year scholarships (Junior/Senior academic school year)	Full-time	University of Hawai’i – West O’ahu	Business Administration Program with a concentration in Hospitality and Tourism <b>OR</b> Bachelor of Applied Science in Culinary Management	\$8,000/year for a total of \$16,000 for 2 years
		Full-time	University of Hawai’i at Mānoa	School of Travel Industry Management	\$12,000/year for a total of \$24,000 for 2 years

\*Either two 2-year scholarships to University of Hawai’i – West O’ahu or University of Hawai’i at Mānoa OR one 2-year scholarships to University of Hawai’i – West O’ahu and one 2-year scholarship to University of Hawai’i at Mānoa.

Eligibility Criteria for 2-Year Hawai’i Tourism Ho’oilina Scholarship

1. Completed associates degree in hospitality, tourism, or culinary from a Community College.
2. Resident of Hawai’i and graduate of Hawai’i public high school.
3. Entering Junior (academic school year).

4. Accepted by and transferring into:
  - The University of Hawai'i, Shidler Business College, School of Travel Industry Management Program (Junior Academic School Year); OR
  - The University of Hawai'i – West O'ahu, Business Administration Program with a concentration in Hospitality and Tourism (Junior Academic School Year); OR
  - University of Hawai'i – West O'ahu, Bachelor of Applied Science in Culinary Management (Junior Academic School Year).
5. Respond to two essay questions relating to career objective:
  - Tourism has been our major contributor to Hawaii's economy, however we cannot afford to be complacent or to rest on our laurels. Therefore, how do you propose to make a difference and contribute meaningfully to Hawai'i's hospitality industry? (350 or less words)
  - Why is it important for employees in the hospitality industry to be knowledgeable and well-versed in our native Hawaiian culture and history? (350 or less words)

#### Conditions of the 2-Year Ho'oloina Scholarship

1. **Maintain 3.0 GPA.** Failure to maintain the cumulative 3.0 GPA during the academic year will result in the forfeit of additional scholarship benefits/funds. GPA will be tracked by the University of Hawai'i and any forfeiture of a scholarship will be reported to the HTA.
2. **Community Service.** Volunteer 200 hours over the 4-year scholarship period (approved, tracked and reported by the University of Hawai'i, Shidler Business College, School of Travel Industry Management or University of Hawai'i – West O'ahu).
3. **Internship.** 200 hours (approved, tracked and reported by the University of Hawai'i, Shidler Business College, School of Travel Industry Management or University of Hawai'i – West O'ahu)
4. **Hawaiian Culture/Language.** Enroll in Hawaiian Culture and/or Hawaiian Language classes – (designated by Hawai'i Tourism Authority)
5. **Leadership.** Evidence of leadership involvement (e.g. officer position in a travel-related or student association such as Travel Industry Management Student Association (TIMSA), Pacific Asia Travel Association Hawai'i STIM Satellite Chapter, Meeting Professionals International (MPI) Student Chapter, etc.).
6. **Penalty for Changing Major.** Dropping out of program or changing major from hospitality, tourism or culinary will result in the forfeit of scholarship benefits, and the scholarship money paid out must be reimbursed in full to the University of Hawai'i, Shidler Business College or University of Hawai'i – West O'ahu within 120 days.

#### **Application Evaluation Process**

1. Initial review of applicants conducted by University of Hawai'i, Shidler Business College.
2. The Final Ho'oilina Scholarship Selection Committee will have twelve to fourteen (12-14) members:
  - Eight (8) from the University of Hawai'i, Shidler Business College, School of Travel Industry Management Advisory Council
    - Chris Tatum, President & CEO, Hawai'i Tourism Authority and Mufi Hannemann, President & CEO of Hawai'i Lodging & Tourism Association will Co-Chair the Final Ho'oilina Scholarship Selection Committee. Hawai'i Tourism Authority and Hawai'i Lodging & Tourism Association are part of the University of Hawai'i, Shidler Business College, School of Travel Industry Management's Advisory Committee
  - Four to six (4-6) members comprised of community, visitor industry, tourism, union, educational leaders throughout the state selected by the Mr. Tatum and Mr. Hannemann.

**Hawai'i Tourism Ho'oilina (Legacy) Scholarship**  
APPLICATION FORM  
High School Graduate – 4 Year Scholarship

Student Applicant's Name: \_\_\_\_\_

Birthdate: \_\_\_\_\_ Gender: M [ ] F [ ]

Home Address (street, city, ZIP): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact: Phone Number \_\_\_\_\_  
Email Address \_\_\_\_\_

High School Name: \_\_\_\_\_ GPA: \_\_\_\_\_

Counselor: \_\_\_\_\_  
Phone: \_\_\_\_\_

Post-High-School Plans Name any post-high-school institutions you'd like to attend and whether you have been accepted for admission: \_\_\_\_\_ Yes \_\_\_ No \_\_\_

Degree and major you plan to pursue: \_\_\_\_\_

Extracurricular Activities and Community Service (Attach additional sheets, if necessary)  
\_\_\_\_\_

Student Government: School activities (sports, clubs, etc.): \_\_\_\_\_

Awards, community service, other notable activities: \_\_\_\_\_

Personal Essay: Submit a brief essay in response to the two questions below. (Write on the back of this application or attach additional sheets.)

1. Tourism has been our major contributor to Hawaii's economy, however we cannot afford to be complacent or to rest on our laurels. Therefore, how do you propose to make a difference and contribute meaningfully to Hawai'i's hospitality industry? (350 or less words)

2. Why is it important for employees in the hospitality industry to be knowledgeable and well-versed in our native Hawaiian culture and history? (350 or less words)

I hereby declare that I have read all statements on the application form and that, to the best of my knowledge and belief, they are correct and completed along with a transcript showing class rank and GPA, letters of recommendation, and any other relevant information.

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Hawai'i Tourism Ho'oilina (Legacy) Scholarship**  
APPLICATION FORM  
2-Year Scholarship

Student Applicant's Name: \_\_\_\_\_

Birthdate: \_\_\_\_\_ Gender: M [ ] F [ ]

Home Address (street, city, ZIP): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact: Phone Number \_\_\_\_\_  
Email Address \_\_\_\_\_

Community College Attended: \_\_\_\_\_ GPA: \_\_\_\_\_

High School Graduated: \_\_\_\_\_ Date: \_\_\_\_\_

Accepted into Travel Industry Management (TIM) School, University of Hawai'i at Mānoa:

Yes [ ] No [ ] Date: \_\_\_\_\_

Accepted into University of Hawai'i – West O'ahu Business Administration Program with a concentration in Hospitality and Tourism:

Yes [ ] No [ ] Date: \_\_\_\_\_

Accepted into University of Hawai'i – West O'ahu, Bachelor of Applied Science in Culinary Management:

Yes [ ] No [ ] Date: \_\_\_\_\_

Extracurricular Activities and Community Service (Attach additional sheets, if necessary)

\_\_\_\_\_

College activities (sports, clubs, etc.): \_\_\_\_\_

Awards, community service, other notable activities: \_\_\_\_\_

Personal Essay: Submit a brief essay in response to the two questions below. (Write on the back of this application or attach additional sheets.)

1. Tourism has been our major contributor to Hawaii's economy, however we cannot afford to be complacent or to rest on our laurels. Therefore, how do you propose to make a difference and contribute meaningfully to Hawai'i's hospitality industry? (350 or less words)



2. Why is it important for employees in the hospitality industry to be knowledgeable and well-versed in our native Hawaiian culture and history? (350 or less words)

I hereby declare that I have read all statements on the application form and that, to the best of my knowledge and belief, they are correct and completed along with a transcript showing class rank and GPA, letters of recommendation, and any other relevant information.

Signature \_\_\_\_\_

Date\_\_\_\_\_

# **Agenda Item**

## **7**

Update on the Royal Hawaiian  
Groin Construction to Begin in  
January 2020

# Waikiki Beach – 2019 Projects Update

**Dolan Eversole-** Waikīkī Beach Special Improvement District Association  
Hawai'i Tourism Authority Board 11/21/19



# Waikīkī Beach Special Improvement District Association (WBSIDA)



# WAIKIKI BEACH SPECIAL IMPROVEMENT DISTRICT ASSOCIATION

- Public-Private Partnership (P<sup>3</sup>)
- Cost share with State on beach improvements
- Develop/facilitate Waikīkī beach improvements



WBSIDA  
Waikiki Beach  
SPECIAL IMPROVEMENT  
DISTRICT ASSOCIATION



WAIKĪKĪ  
IMPROVEMENT  
ASSOCIATION



# Waikīkī Beach Management Plan

*Forward looking plan for the beach and nearshore*



Comprehensive “vision” for Waikīkī Beach under future scenarios and priorities.

- Stakeholder-driven management and improvements plan.
- Potential cost vs benefit economic assessment of various alternatives.
- Community/stakeholder and visitor surveys of beach experience.



# Waikīkī Beach Economic Valuation Study

- Update to 2008 *Hospitality Advisors* report.
- Partnership with the University of Hawai‘i Dept. of Economics and UH Sea Grant.
- **Economic value estimated at \$2 Billion/year.**



University of Hawai‘i Sea Grant College Program

## Economic Impact Analysis of the Potential Erosion of Waikīkī Beach A 2016 Update

Nori Tarui  
Department of Economics, University of Hawai‘i at Mānoa and  
University of Hawai‘i Economic Research Organization (UHERO), nori@hawaii.edu  
Marcus Peng  
Department of Economics, University of Hawai‘i at Mānoa, marcuspe@hawaii.edu  
Dolan Eversole  
University of Hawai‘i Sea Grant College Program, eversole@hawaii.edu



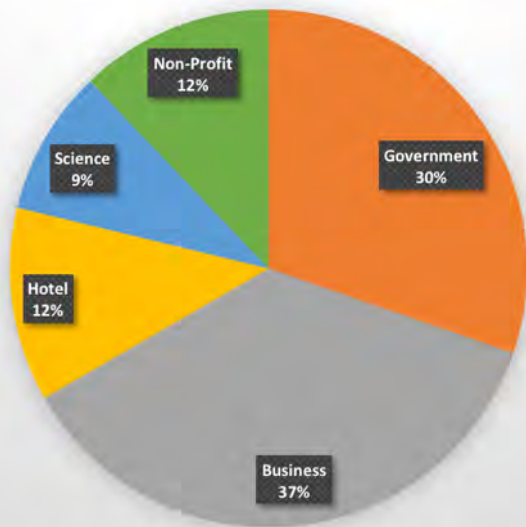
Final Draft  
April 6, 2018

# Waikīkī Beach Community Advisory Committee

## 33 Member Committee



Waikīkī Beach Community Advisory Committee Composition



### Projects

- ENVISION WAIKIKI BEACH
- WAIKIKI BEACH COMMUNITY ADVISORY COMMITTEE
- ROYAL HAWAIIAN GROIN
- WAIKIKI BEACH ECONOMIC STUDY
- KING TIDES IN HAWAII

### Waikiki Beach Community Advisory Committee

- [Download Committee Summary](#)
- [COMMITTEE MEETING #1 SUMMARY](#)
- [DOWNLOAD 11/7/2017 PRESENTATION](#)

The Waikīkī Beach Community Advisory Committee will help to address the complex issues associated with beach sustainability by building consensus and identifying and resolving conflicts relating to Waikīkī Beach management. The committee will provide important guidance for planning and prioritizing future beach management projects at Waikīkī.

#### Waikīkī Beach Advisory Committee Goals

- ADVISE THE WBSIDA, THE DLNR AND UH SEA GRANT ON THE DEVELOPMENT AND IMPLEMENTATION OF A WAIKIKI BEACH MANAGEMENT PLAN.
- ENSURE THAT FUTURE BEACH MANAGEMENT PROJECTS ADDRESS THE ISSUES AND CONCERNS OF THE WAIKIKI COMMUNITY AND LOCAL STAKEHOLDERS.
- ADVISE THE STATE, COUNTY AND PRIVATE STAKEHOLDERS ON SPECIFIC BEACH MANAGEMENT PROJECTS IN WAIKIKI.
- PROVIDE COMMUNITY COORDINATION, EDUCATION, AND OUTREACH EFFORTS ABOUT BEACH MANAGEMENT ISSUES AND PROJECTS IN WAIKIKI.

### Waikiki Beach Community Meetings

February 2018						
SU	MO	TU	WE	TH	FR	SA
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

### WAIKIKI BEACH COMMUNITY ADVISORY COMMITTEE COMPOSITION



- Business (37%)
- Government (30%)
- Non-Profit (12%)
- Hotel (12%)
- Science (10%)



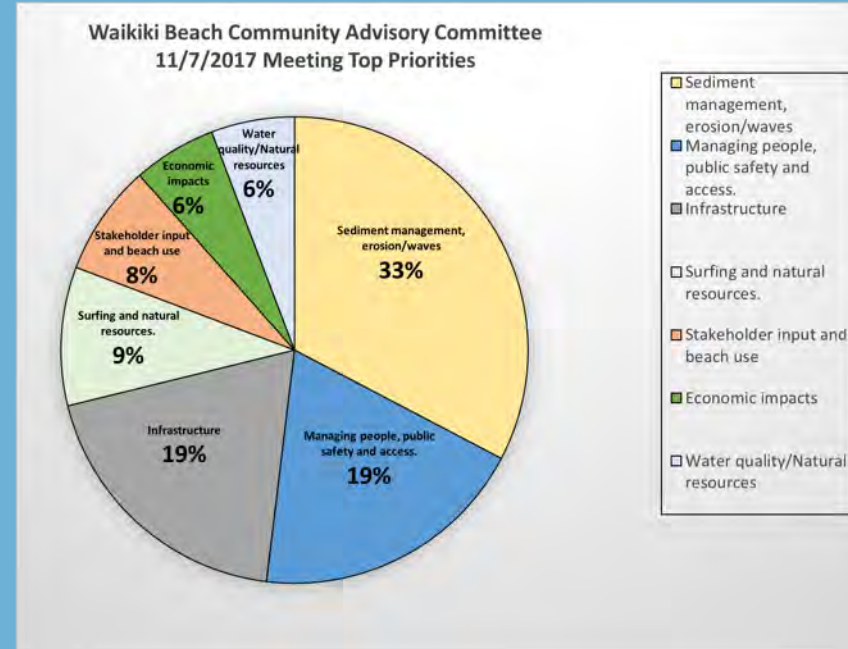


## First meeting November 7, 2017

### Waikāikī Beach Advisory Committee

#### Goals:

- Advise the WBSIDA, the DLNR and UH Sea Grant on the development and implementation of a Waikāikī Beach Management Plan.
- Ensure that future beach management projects address the issues and concerns of the Waikāikī community and local stakeholders.
- Provide community coordination, education, and outreach efforts about beach management issues and projects in Waikāikī.
- Provide diverse perspectives and guidance for future beach management and planning activities in Waikāikī.



**71% Identified erosion, infrastructure or public safety as the top priority.**

# Waikīkī Beach Community Advisory Committee

## PRIORITY AREAS

- The Royal Hawaiian Cell ranked the #1 priority.

## PRIORITY ASSET

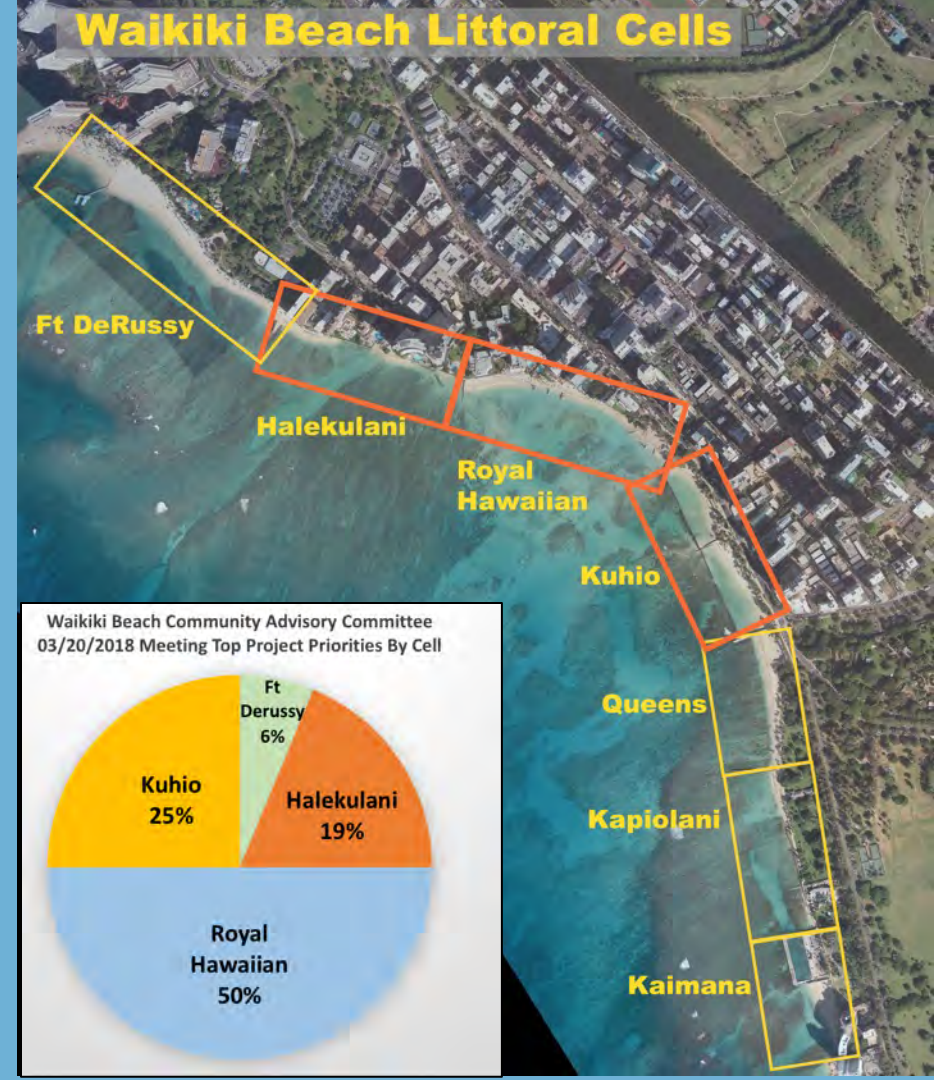
- The top asset identified for Waikīkī included the general economic/social value of the beach.

## PRIORITY PROBLEM

- The top problem varied greatly by cell but included erosion/wave run-up and structural damage.

## PRIORITY SOLUTION

- The top solution varied by cell but included beach maintenance using local sand sources.



## Waikiki Beach Littoral Cells

# Waikīkī Beach 2019 Funding

## \$10 Million State Appropriation

- \$10 million is not earmarked for specific projects yet.
- \$3 million identified as match from the WBSIDA.



# Waikīkī Beach Management Projects

2012 Waikīkī Beach Maintenance



WBSIDA  
Waikīkī Beach  
SPECIAL IMPROVEMENT  
DISTRICT ASSOCIATION



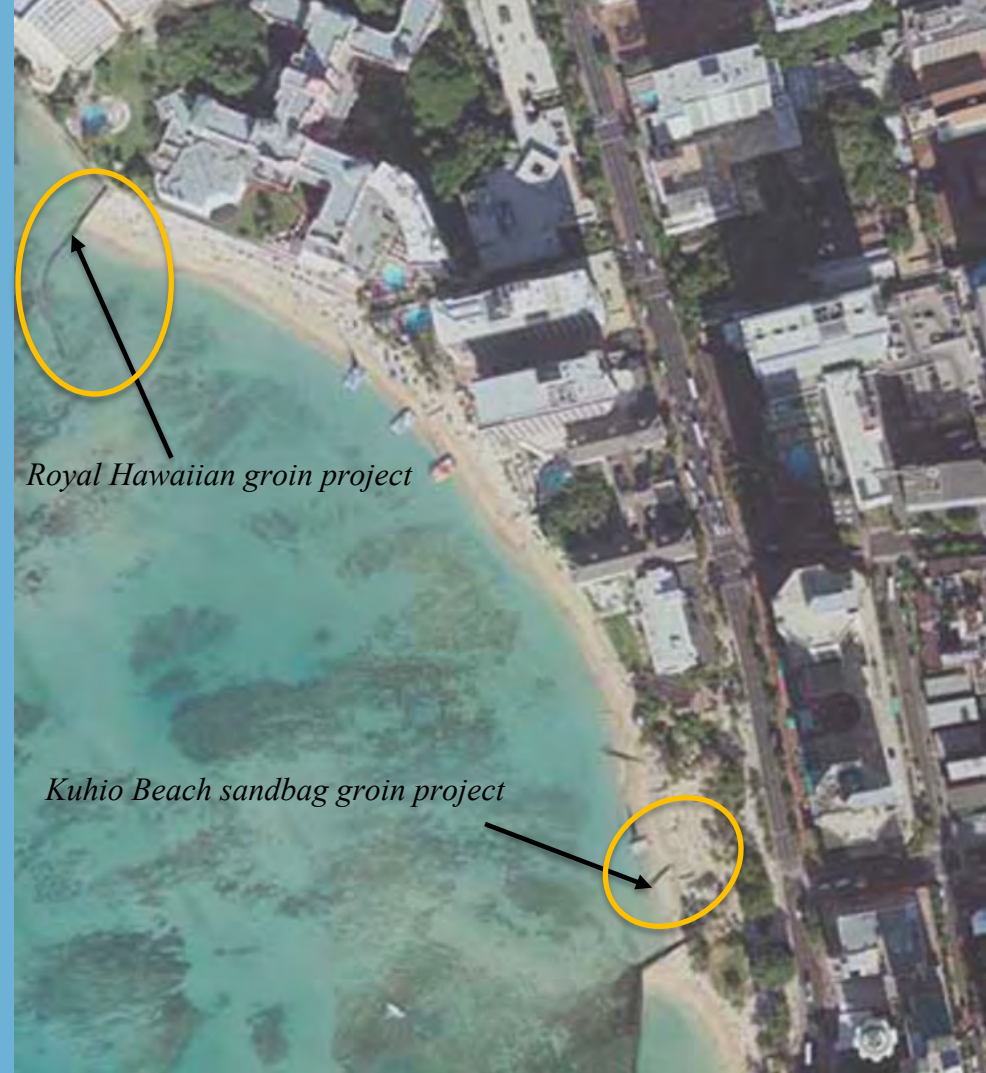
WAIKĪKĪ  
IMPROVEMENT  
ASSOCIATION



# Waikīkī Beach Improvements Approved Projects (2019)

1. **Royal Hawaiian Groin Project**  
(\$2.5 million- Estimated Spring, 2020)
2. **Kuhio Beach sandbag groin project**  
(\$635,000- November, 2019)

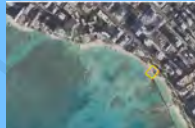
**THESE WILL BE THE FIRST  
CONSTRUCTION PROJECTS IN  
WAIKIKI IN 50 YEARS.**



# KUHIO BEACH, WAIKIKI SANDBAG STUB GROIN



Kuhio Beach Stub Groin Project Areas



**Project Construction:**  
**November 4th-30th, 2019**  
Monday-Friday 7am-5:30pm

The Waikiki Beach Special Improvement District in partnership with the Department of Land and Natural Resources (DLNR) is kicking off a new beach improvement project for Waikiki Beach. The project includes:

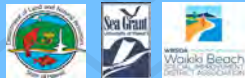
- A 95 foot-long x 18 foot wide x 4.5 foot high sandbag stub groin;
- The transfer of 700 cubic yards of beach sand from the Diamond Head swim basin of Kuhio Beach to the area between the groin and the Ewa rock groin at Kuhio Beach.

## Project information:

<https://www.wbsida.org/kuhio-beach-sandbag-groin>

## DLNR Contact:

Sam Lemmo- sam.j.lemmo@hawaii.gov (808) 587-0377



# Royal Hawaiian Groin Project



# Royal Hawaiian Groin

- Replacement for the Royal Hawaiian groin
- **\$2.5 million** estimated total construction cost
- WBSIDA 50% public/private cost share with state.
- **Estimated start date Spring 2020.**





# 2012 Beach Maintenance



- State DLNR Project
- 25,000 cy of sand
- 1700 linear feet
- Added ~30 feet of width
- \$2.7 million cost
- \$500,000 private match
- 10 year expected lifespan



# Waikīkī Beach Master Plan

## *Ho'omau O Waikīkī Kahakai - “Waikīkī Perpetuates itself”*

### Phased Scope of Work:

1. *Feasibility Study* providing detailed assessment of a variety of alternatives for beach improvements and maintenance.
2. *Environmental Impact Statement (EIS)* detailing potential impacts from preferred and alternative beach maintenance activities and coastal engineering improvements.
3. *Permitting and design* for maintenance activities and beach improvement projects for implementation in the next 3-4 years through the results of the Feasibility Study and EIS.

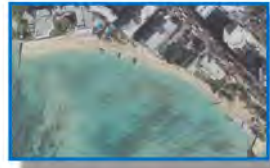
# Waikīkī Beach Priority Areas

1. Ft DeRussy Sand Back-passing
2. Halekulani Beach Stabilization
3. Waikīkī Beach Maintenance (Royal Hawaiian)
4. Kuhio Beach Swim Basin Improvements

## Outreach and Stakeholder Engagement:

- Priority areas developed through stakeholder and community advisory committee input.
- Conceptual designs are evaluated through an ongoing DLNR Technical Feasibility Study for Waikīkī Beach.
- The WBSIDA is hosting the Waikīkī Beach Community Advisory Committee to evaluate various alternatives.

## Waikīkī Beach Engineering Design Criteria

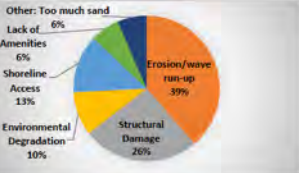


# ROYAL HAWAIIAN BEACH, WAIKIKI

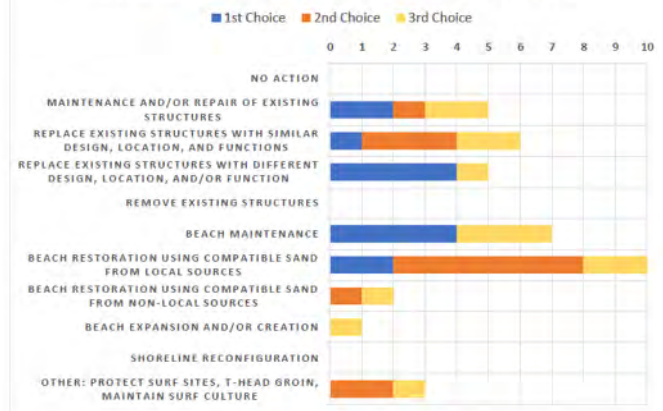
### ASSETS & VALUES



### ISSUES & PROBLEMS



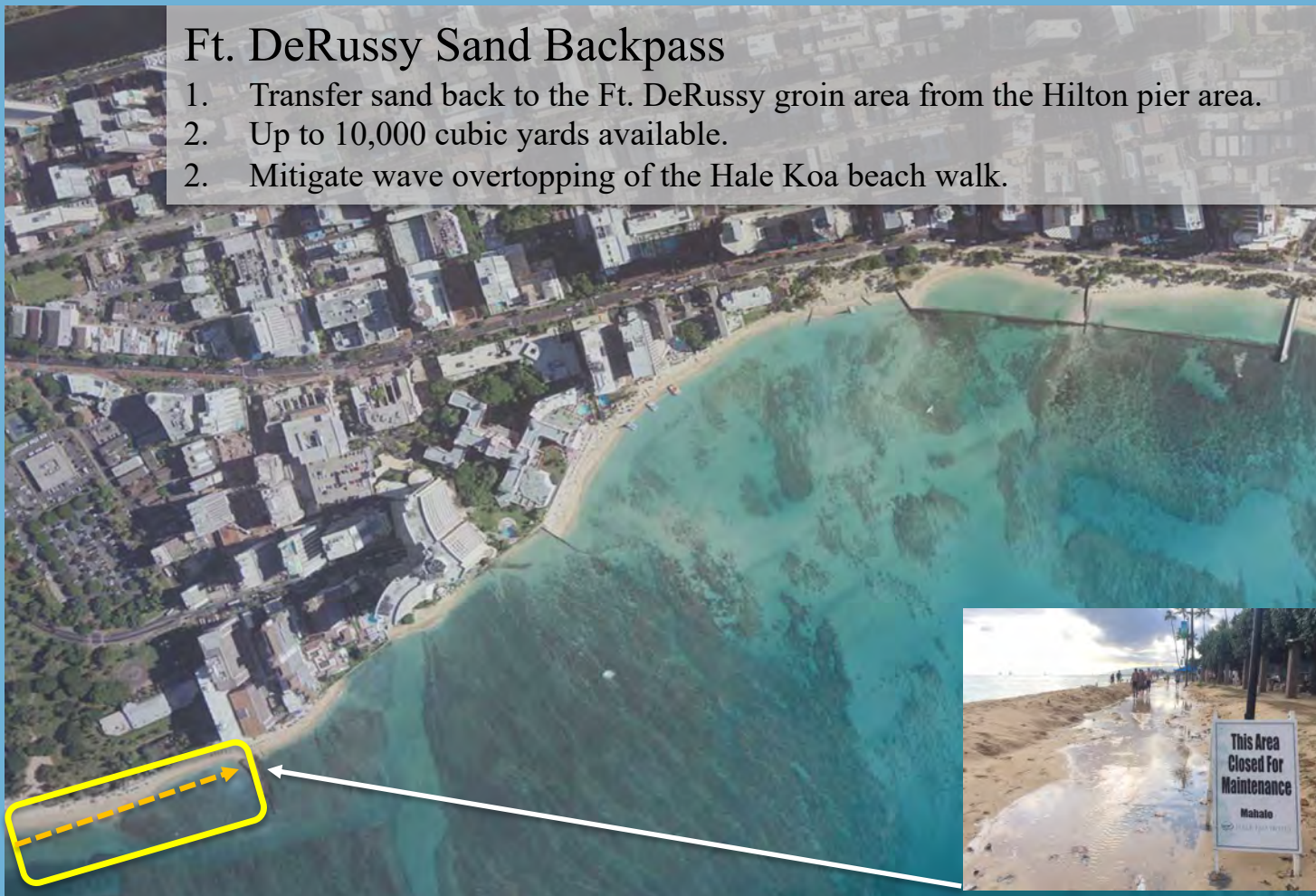
## ROYAL HAWAIIAN BEACH SOLUTIONS



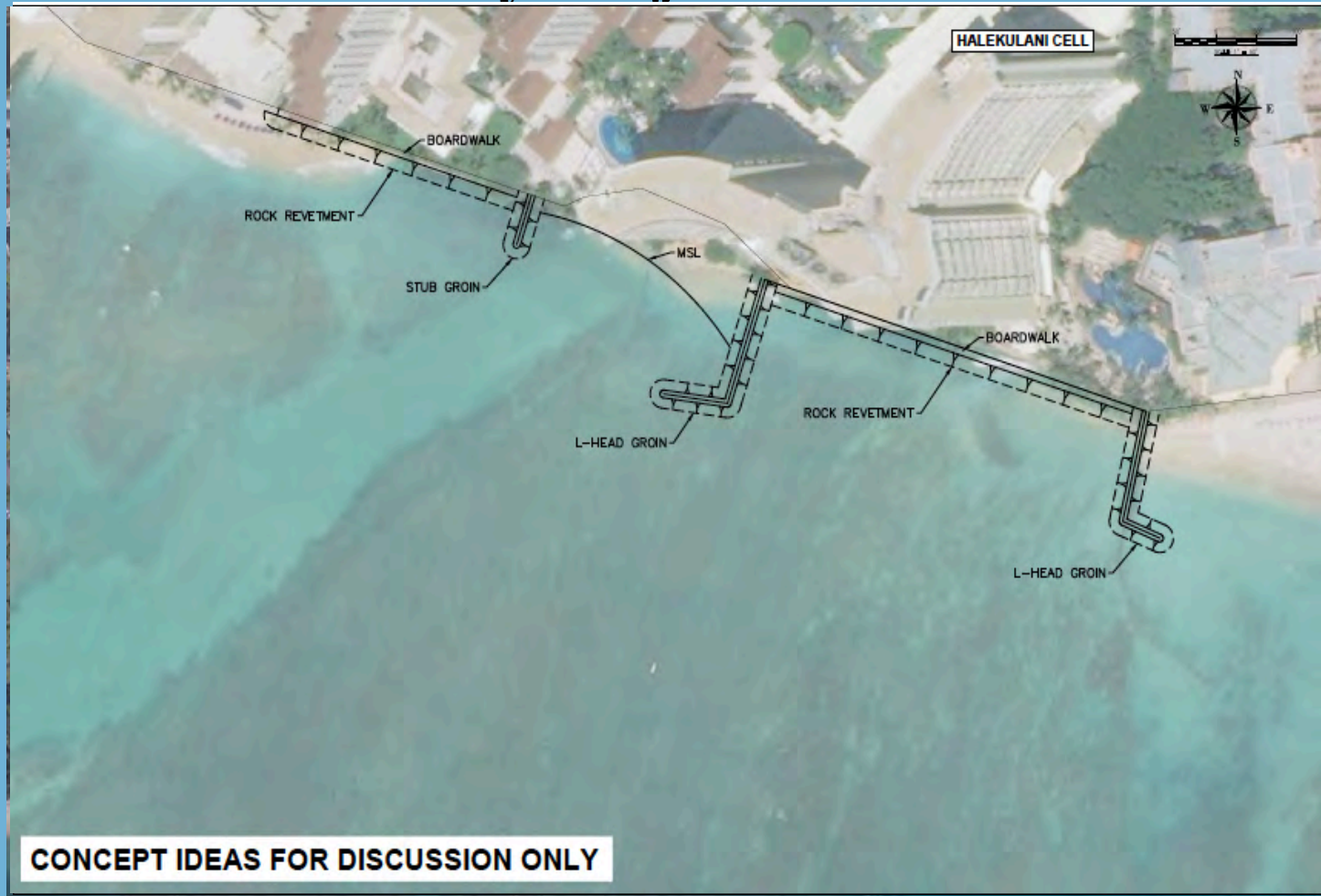
# Waikīkī Beach Priority Project Areas

## Ft. DeRussy Sand Backpass

1. Transfer sand back to the Ft. DeRussy groin area from the Hilton pier area.
2. Up to 10,000 cubic yards available.
2. Mitigate wave overtopping of the Hale Koa beach walk.



# Waikīkī Beach Priority Project Areas



# Waikīkī Beach Priority Project Areas

## Waikīkī Beach Maintenance

1. Maintain existing beach uses.
2. Utilize offshore sand for maintenance.
3. Develop small-scale pumping system.

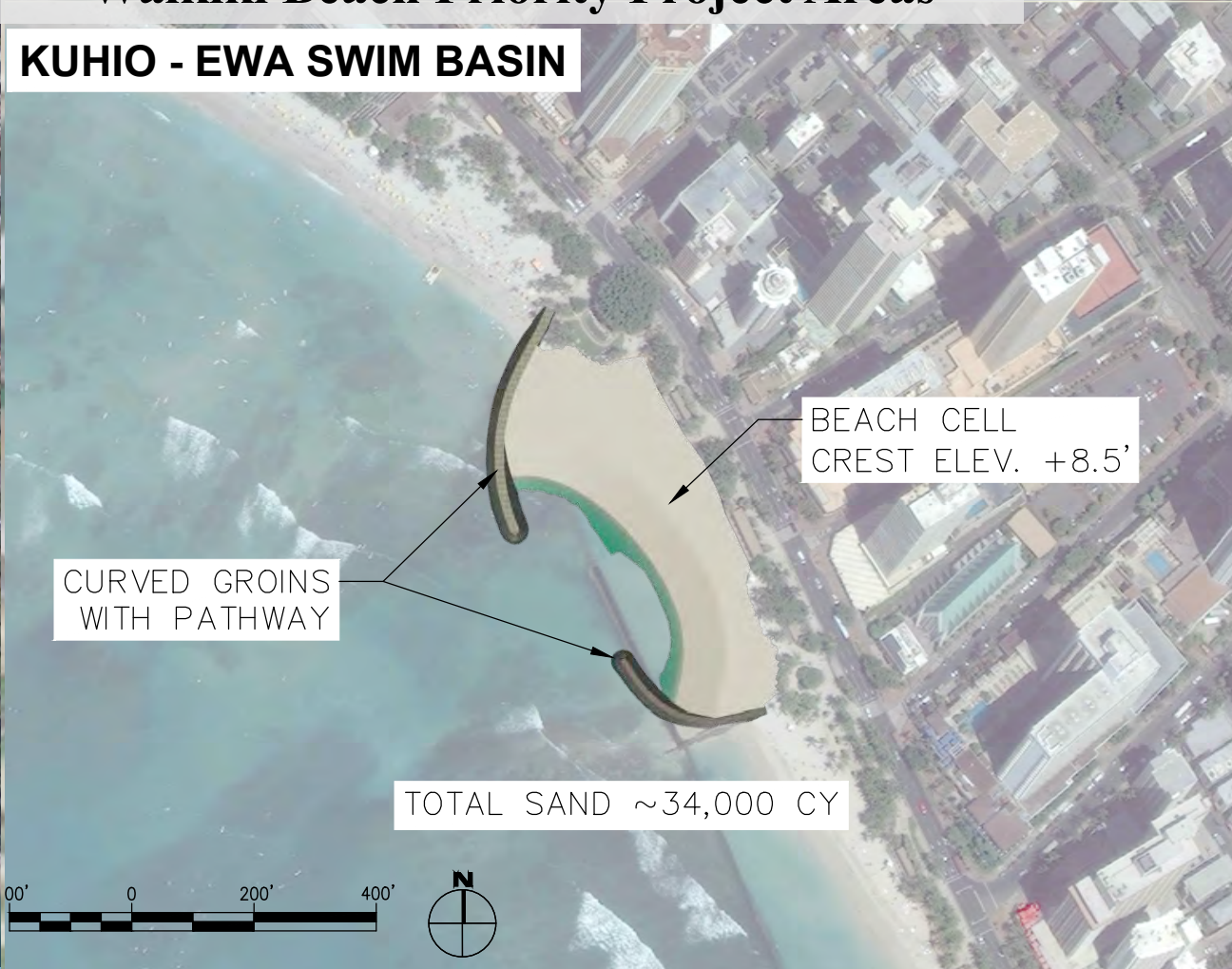


# Royal Hawaiian Cell



# Waikīkī Beach Priority Project Areas

## KUHIO - EWA SWIM BASIN







Mahalo







**Infrastructure damage**



**Inundation**



**Beach Loss**

# Waikīkī Beach Perceptions Surveys

1. Visitor intercept surveys starting in September.
2. Project is part of the Waikīkī Beach Management Plan.
3. Goal is to assess visitor perceptions of beach quality and value associated with infrastructure and environmental quality.



# Royal Hawaiian Groin Four Design Options Considered

- 160 FT LONG T-HEAD
- SLOPING RUBBLE MOUND DESIGN
- ENCAPSULATE EXISTING VERTICAL GROIN



Figure 2-1 Plan view of proposed 180-foot long groin



Figure 2-3 Plan view of 280-foot long groin



Figure 2-4 Adaptive Reuse groin plan view



Figure 2-6 Concrete wall groin plan view



# **Agenda Item**

**8**

Presentation by Paul Ouimet  
of the DestinationNEXT  
Report





# Hawai'i Tourism Authority DestinationNEXT Assessment

November 21, 2019

## THE FUTURES STUDY

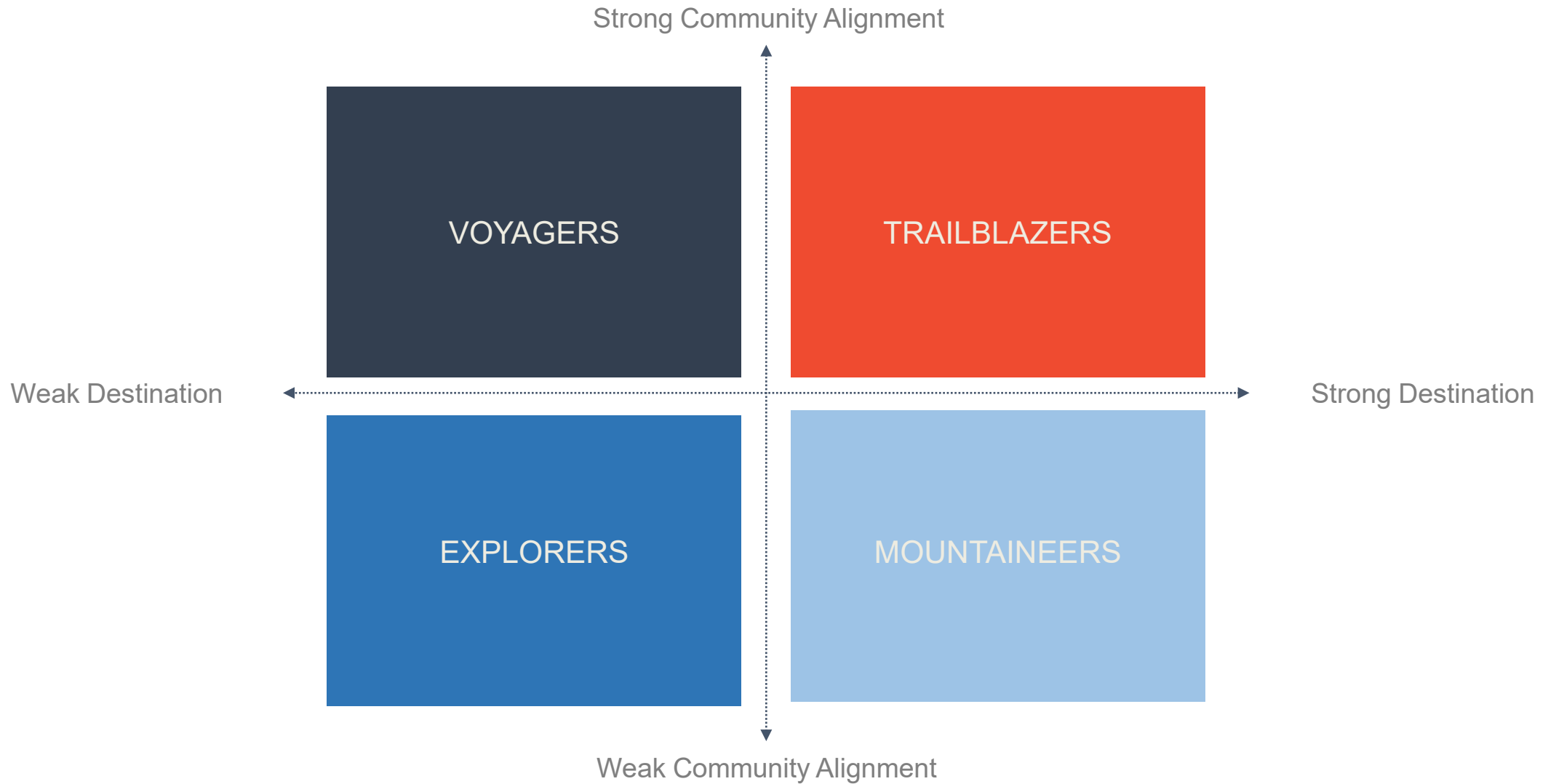
- Overview of trends and strategies for destination organizations worldwide
- Updated in 2014, 2017, 2019

## SCENARIO MODEL

- Assesses destination strength and community alignment
- 200+ destinations in 11 countries

# Scenario Model & Destination Assessments

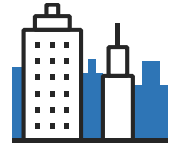
# Scenario Model



# Destination Strength Variables



**Brand**



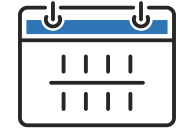
**Accommodation**



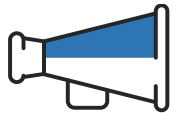
**Attractions &  
Entertainment**



**Conventions &  
Meeting Facilities**



**Events**



**Sports & Recreation  
Facilities**



**Communication  
Infrastructure**



**Mobility & Access**



**Air Access**



**International  
Readiness**

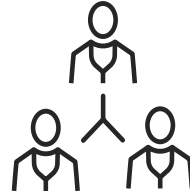
# Community Alignment Variables



**Organization  
Governance Model**



**Partnership  
Strength**



**Industry Support**



**Local Community  
Support**



**Regional  
Cooperation**



**Workforce**



**Hospitality Culture**



**Policy & Regulatory  
Environment**



**Funding Support  
& Certainty**



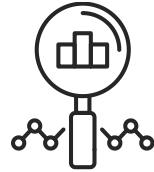
**Economic  
Development**

# Destination Assessments



**350**

destinations from 18 countries



**225**

detailed assessments completed in 11 countries:

---

USA, Canada, Mexico, Switzerland, Colombia, Korea, Guatemala, Taiwan, Denmark, Brazil, Australia



**45**

underway or planned, including:

---

Dominican Republic, El Salvador, Ecuador, South Africa



**50**

in discussion, including:

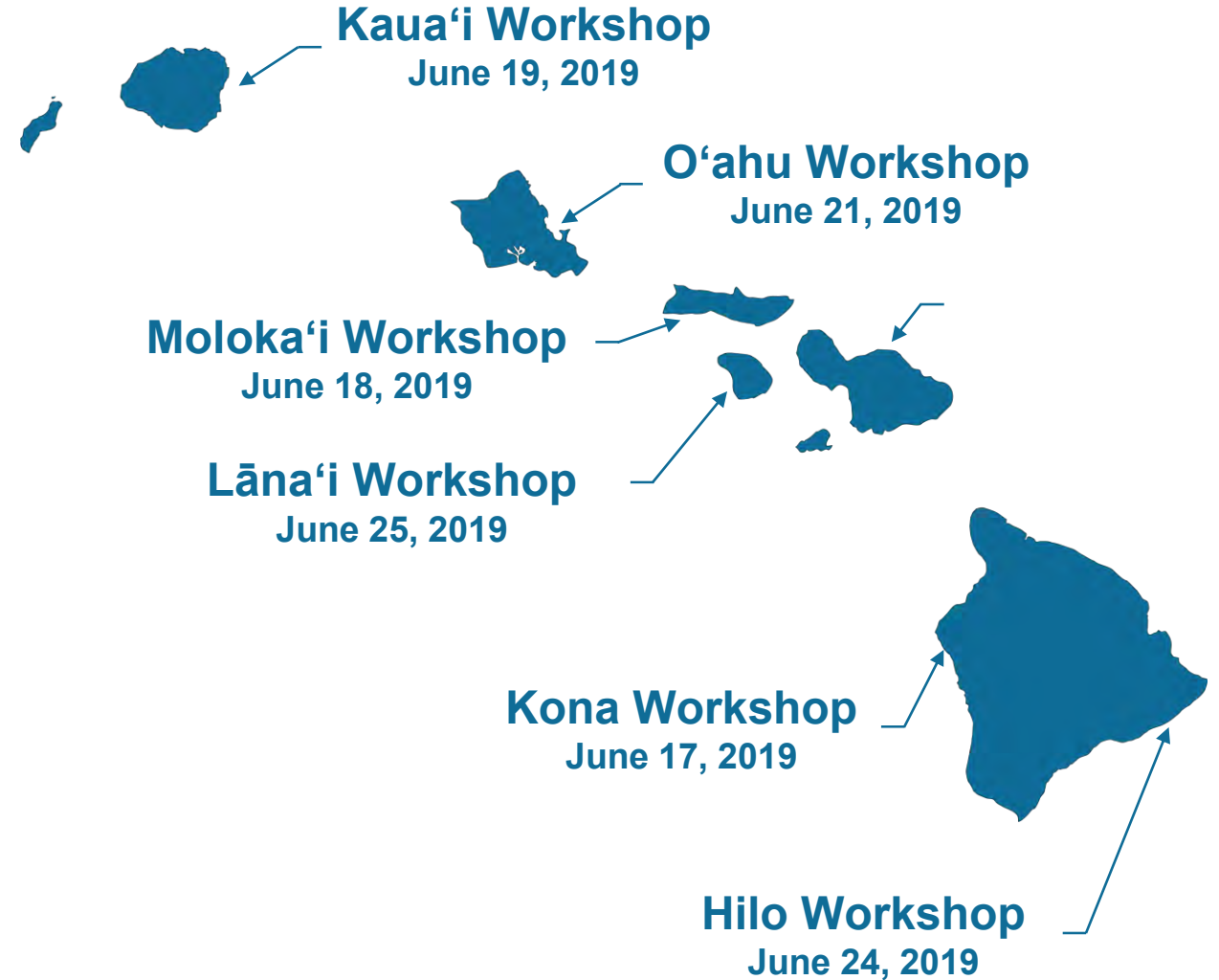
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Peru, Argentina, Dubai, Germany, Honduras, Chile, New Zealand, United Kingdom, Thailand, Micronesia, Philippines, Russia, Ghana, Nigeria

# Hawai'i Assessment

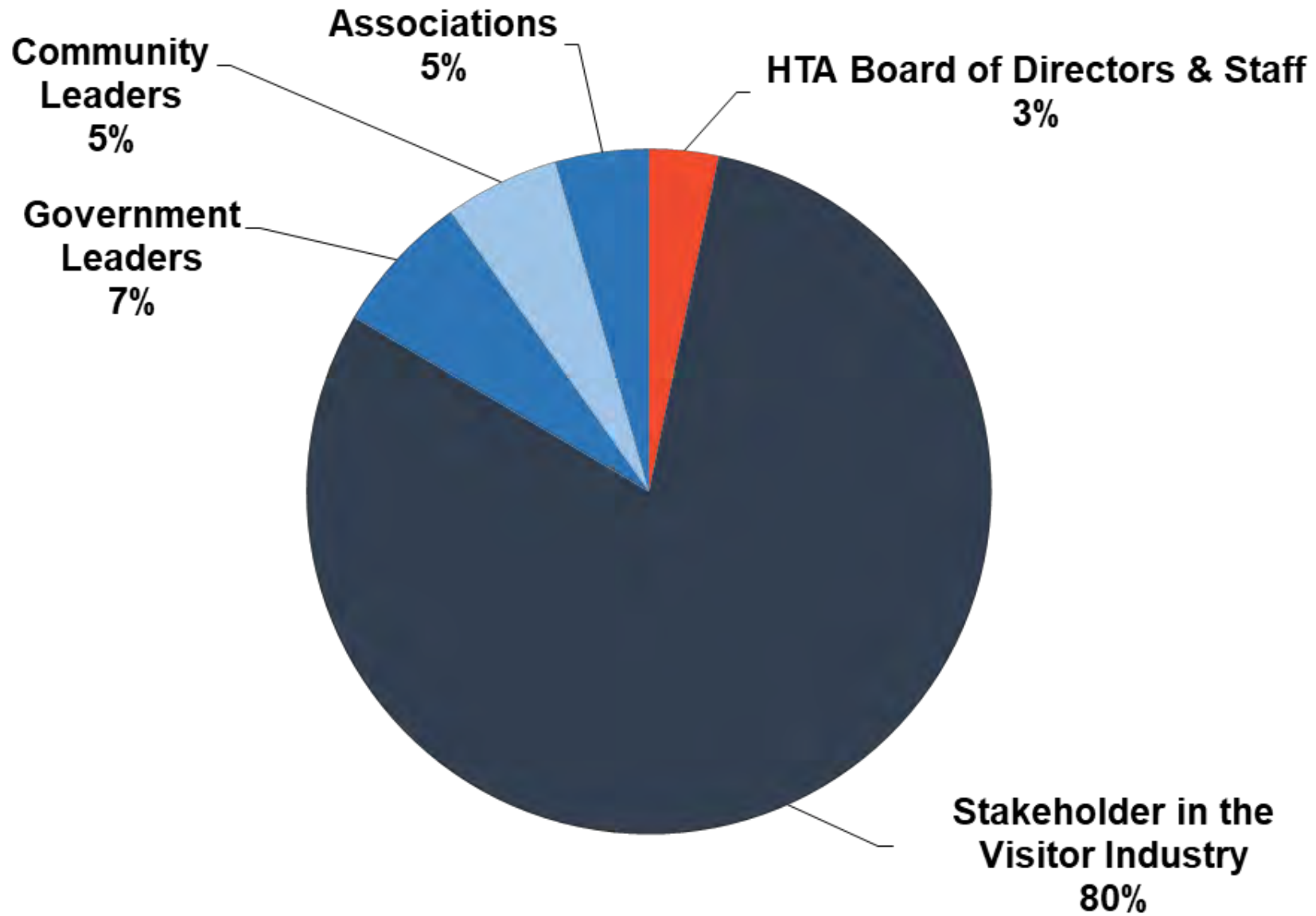
## Workshop Schedule

June 17	Kona
June 18	Moloka'i
June 19	Kaua'i
June 20	Maui
June 21	O'ahu
June 24	Lāna'i
June 25	Hilo

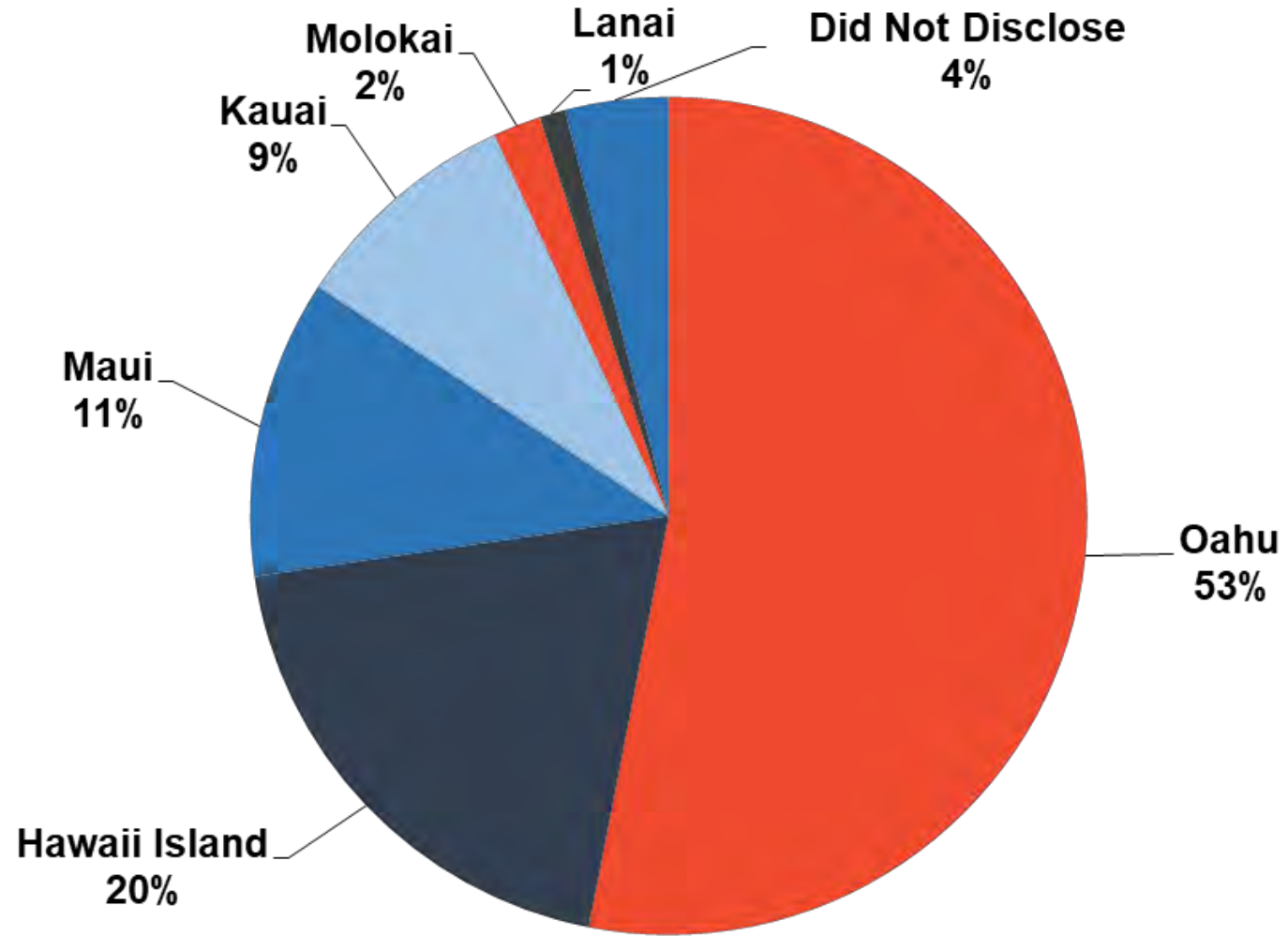




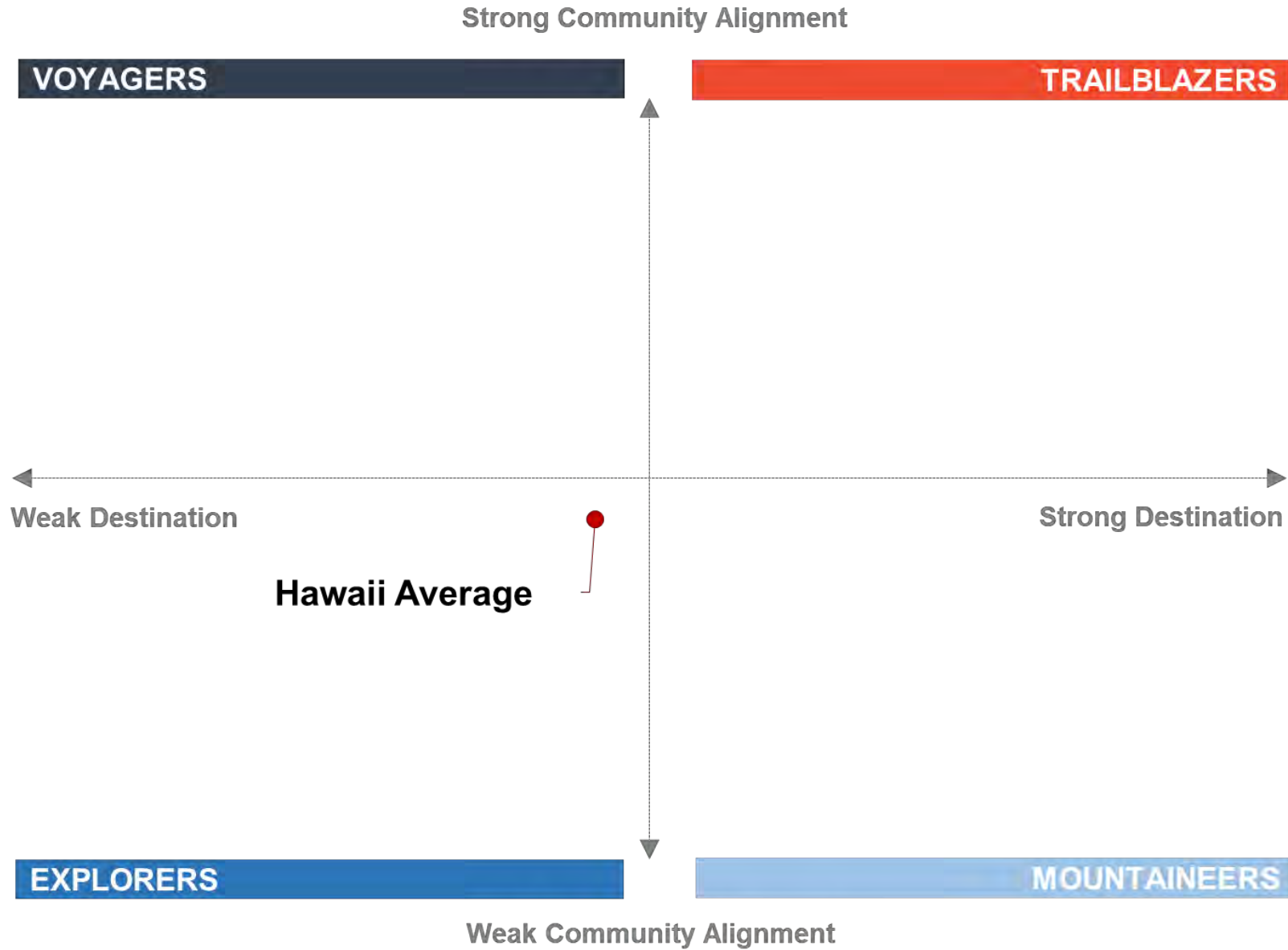
# 703 Responses



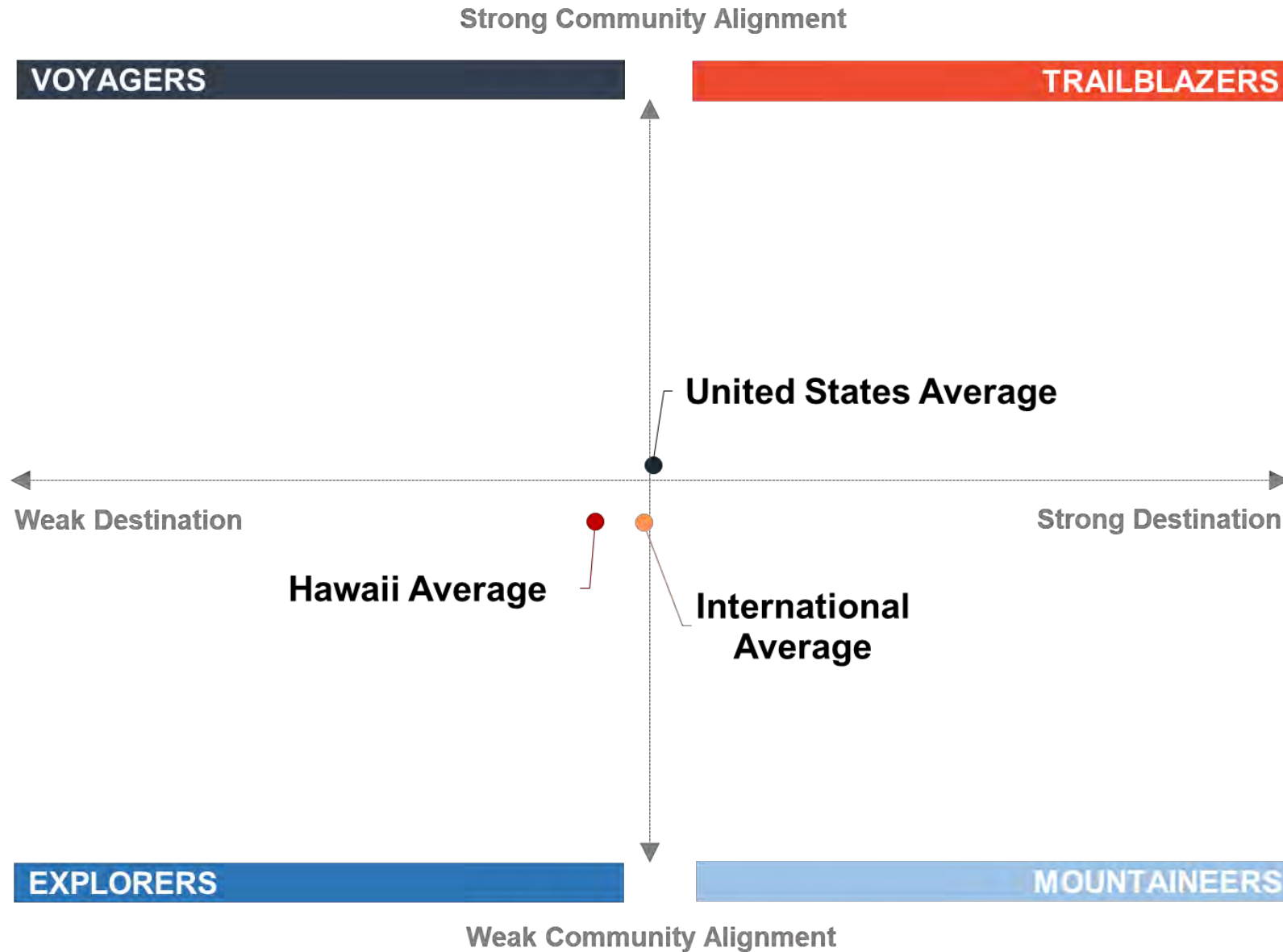
# By Location



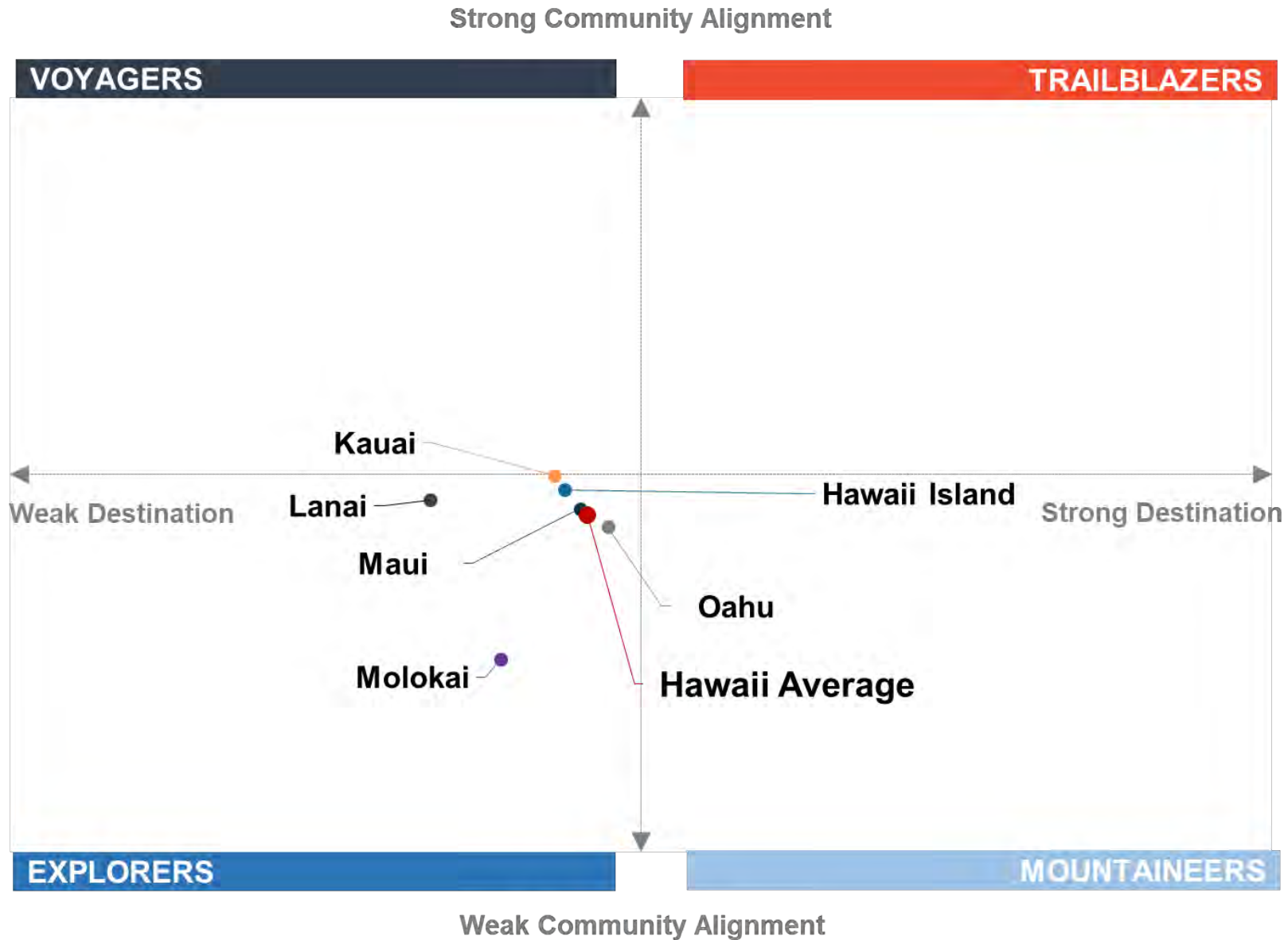
# Overall Assessment



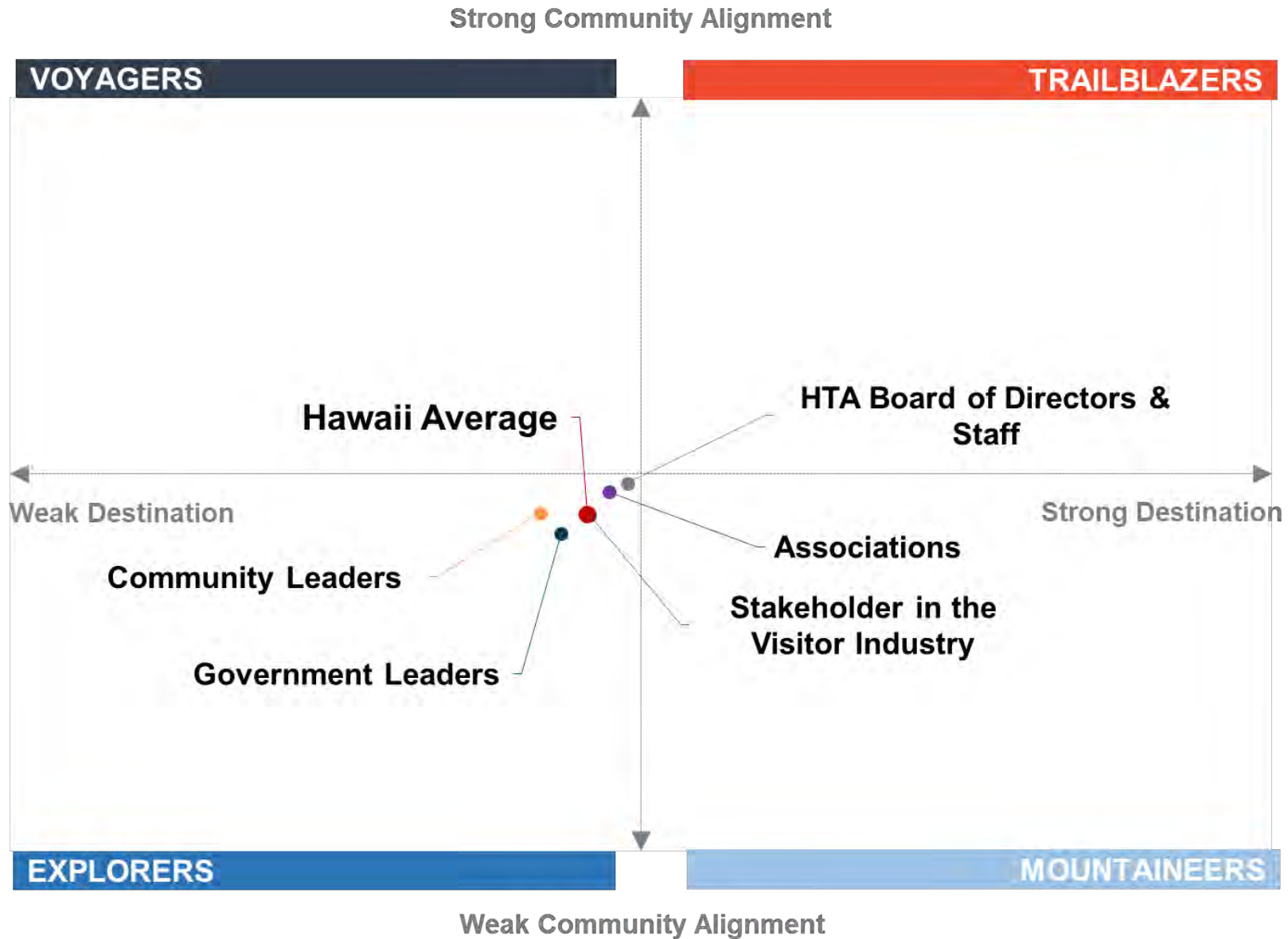
# Overall Assessment



# By Location



# Stakeholder Groups



# Destination Strength – Report Card

Variable	Relative Importance (0-100%)		Perceived Performance (1-5 scale)		
	Industry Average	Hawaii Average	Industry Average	Hawaii Average	Standard Deviation
Attractions & Entertainment	10.8%	10.9%	3.60	3.55	0.51
Mobility & Access	10.1%	10.7%	3.02	2.54	0.50
Air Access	9.1%	10.7%	3.10	3.07	0.64
Events	9.8%	10.4%	3.55	3.49	0.38
Accommodation	10.5%	10.3%	3.47	3.31	0.51
Communication & Internet Infrastructure	10.0%	10.2%	3.23	2.87	0.57
Convention & Meeting Facilities	9.8%	9.8%	3.07	3.52	0.34
Brand	10.4%	9.3%	3.46	3.44	0.45
Outdoor Recreation & Sports Facilities	9.5%	9.1%	3.19	3.10	0.41
International Readiness	10.0%	8.7%	3.13	3.00	0.55

**DESTINATION STRENGTH - Hawaii**

**3.19**

**INDUSTRY AVERAGE DESTINATION STRENGTH**

**3.36**

**RESULTING SCENARIO**

**EXPLORERS**

Note

**Green** signifies **overperforming** by greater than 0.2.

**Yellow** signifies **underperforming** by greater than 0.2 but less than 0.4.

**Red** signifies **underperforming** by greater than 0.4.

# Destination Strength Key Takeaways



## Opportunity for Improvement

Attractions & Entertainment

Mobility & Access

Air Access

Accommodation

Communication & Internet Infrastructure

Brand

International Readiness

Oahu

Hawaii Island

Maui

Kauai

Molokai

Lanai





# Community Alignment – Report Card

Variable	Relative Importance (0-100%)		Perceived Performance (1-5 scale)		
	Industry Average	Hawaii Average	Industry Average	Hawaii Average	Standard Deviation
Hawaiian Culture	9.1%	11.2%	3.50	3.28	0.78
Policy & Regulatory Environment	10.1%	10.7%	3.48	3.32	0.47
Industry Support	10.0%	10.7%	3.69	3.55	0.58
Organization Governance Model	9.5%	10.2%	3.67	3.35	0.64
Economic Development	10.3%	10.2%	3.89	3.62	0.48
Workforce	10.2%	10.1%	3.15	2.87	0.70
Hospitality Culture	10.3%	9.8%	3.61	3.48	0.69
Local Community Support	10.3%	9.7%	3.48	3.32	0.32
Regional Cooperation	10.1%	8.9%	3.63	3.50	0.59
Funding Support & Certainty	10.1%	8.6%	3.17	3.08	0.59
<b>COMMUNITY ALIGNMENT - Hawaii</b>					<b>3.34</b>
<b>INDUSTRY AVERAGE COMMUNITY ALIGNMENT</b>					<b>3.55</b>

**RESULTING SCENARIO**

**EXPLORERS**

Note

**Green** signifies **overperforming** by greater than 0.2.

**Yellow** signifies **underperforming** by greater than 0.2 but less than 0.4.

**Red** signifies **underperforming** by greater than 0.4.

# Community Alignment Key Takeaways



Opportunity for Improvement	Oahu	Hawaii Island	Maui	Kauai	Molokai	Lanai
Hawaiian Culture					—	✓
Effective Advocacy Program				✓	—	—
Industry Support		✓		✓	—	
Economic Development				✓	—	
Workforce					—	✓
Hospitality Culture			✓		—	✓
Regional Cooperation				✓	—	—

## Destination Strength

- Unique neighborhoods
- Mobility & access
- Airport quality
- Interisland air service
- Connectivity
- Innovative brand
- Sporting facilities
- Camping facilities
- Multi-language wayfinding

## Community Alignment

- Workforce
- Labour relations
- Resident support
- Tourism master plan
- Local leadership engagement

# Sustainability Index



Events are positive for the community & don't adversely affect quality of life



Number of international visitors is a positive for the area



Adequately handle the additional number of visitors during big events



Sufficient broadband to accommodate surge in visitors during peak periods



Number of visitors utilizing biking paths and walking trails are acceptable



Number of visitors utilizing outdoor recreation facilities are acceptable



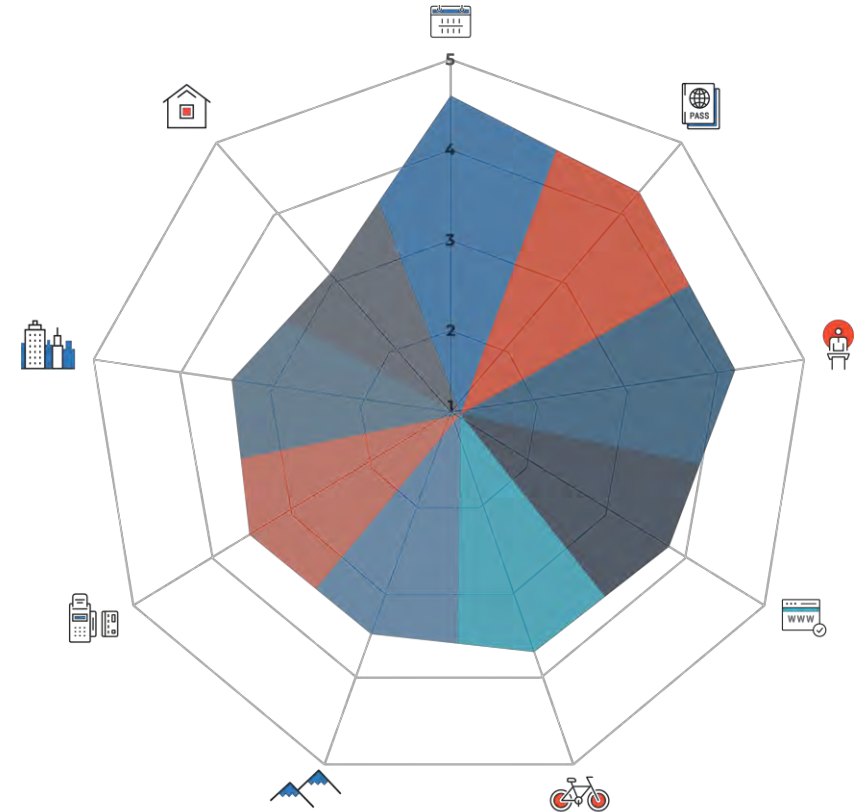
Visitors don't impede local residents' enjoyment of local amenities



Has adequate capacity and infrastructure to accommodate visitors



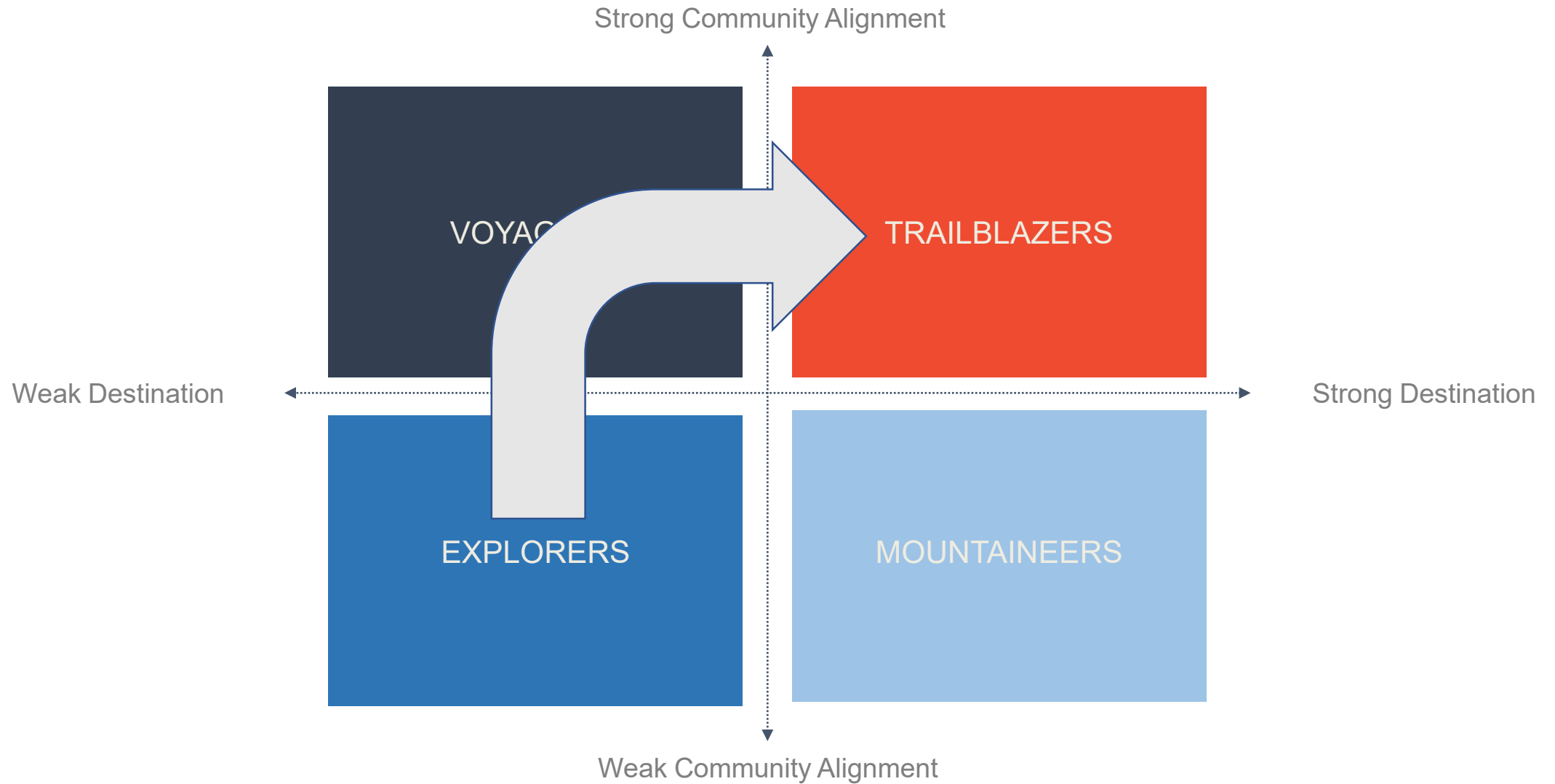
Sharing economy capacity is not impeding quality of life for locals



Note

Scale 1 – 5: 1 – Strongly Disagree; 5 – Strongly Agree

# Becoming a Trailblazer



# Thank You.

[paul.ouimet@nextfactorinc.com](mailto:paul.ouimet@nextfactorinc.com)

# **Agenda Item**

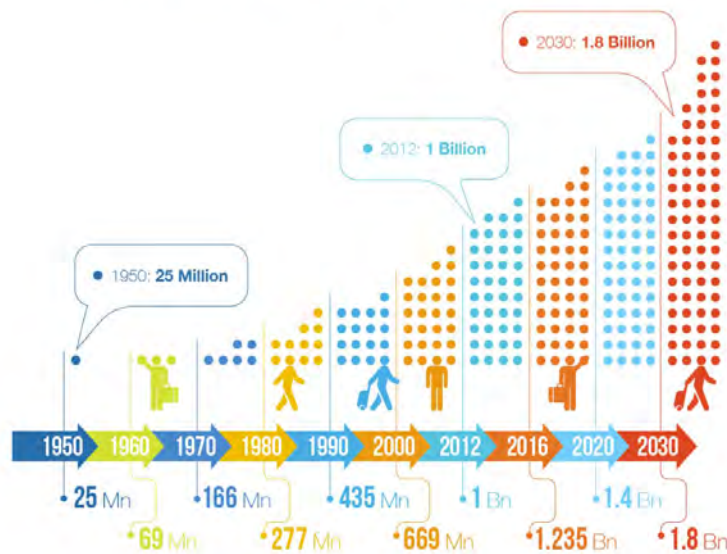
## **9**

**Presentation and Discussion  
of Current Market Insights  
and Conditions in Hawaii and  
Key Major Hawaii Tourism  
Markets, Including the United  
States, Japan, Canada,  
Oceania, Other Asia,  
Europe, and Cruise**

## Market Insights – November 2019

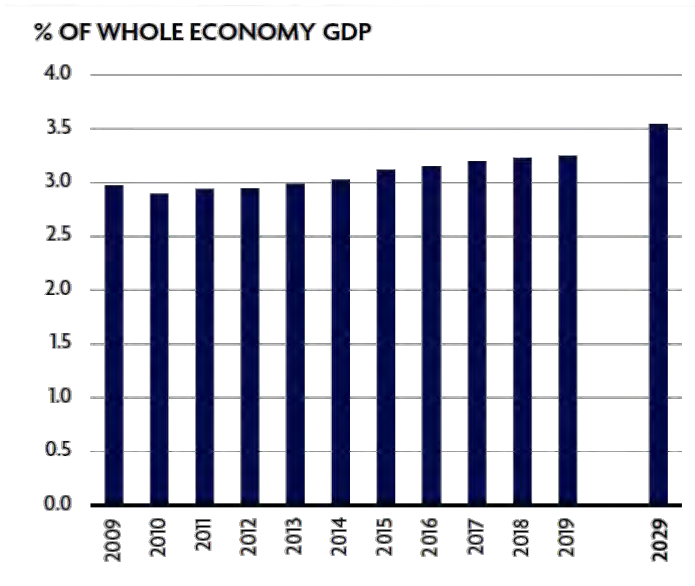
Tourism is one of the world’s largest economic sectors and has been rapidly growing since the middle of the last century. The World Tourism Organization (UNWTO) forecasts global international tourist arrivals to reach 1.8 billion in 2030.

### INTERNATIONAL TOURIST ARRIVALS 1950 - 2030



Source: World Tourism Organization (UNWTO)

World Travel & Tourism Council’s (WTTC) research reveals that the sector accounted for 10.4% of global GDP and 319 million jobs, or 10% of total employment in 2018.

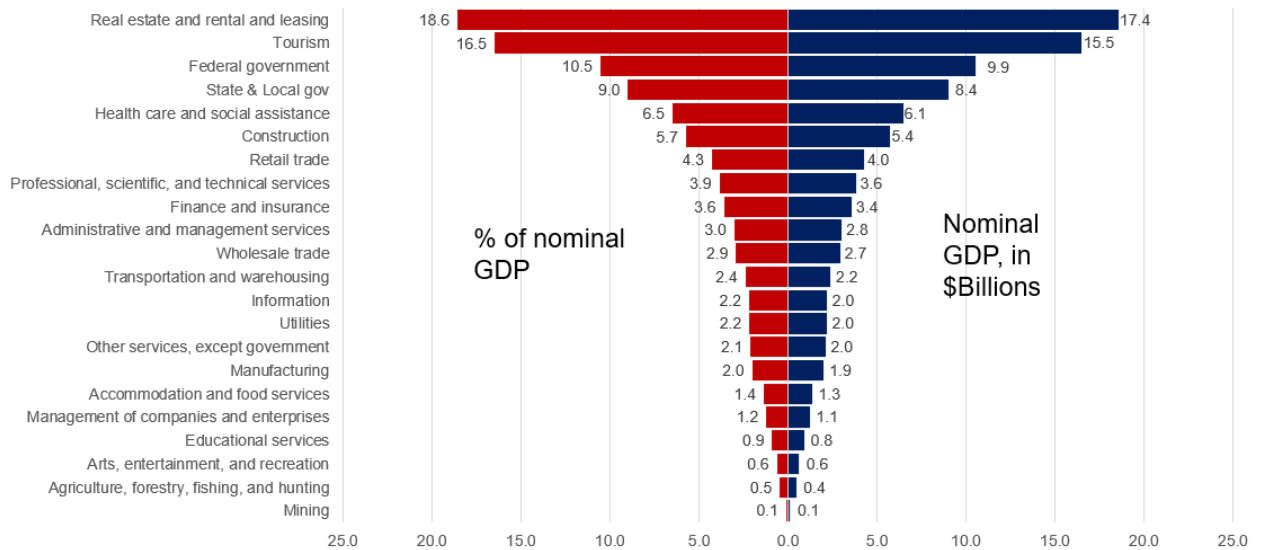


Source: World Travel & Tourism Council (WTTC)



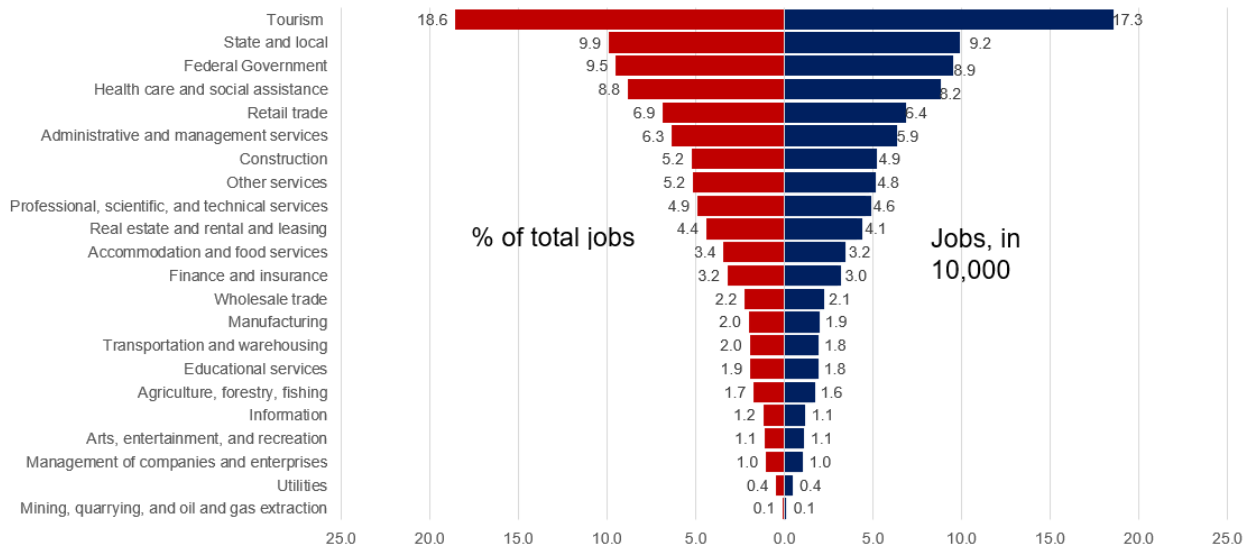
Tourism comprises 16.5% of Hawaii's Gross Domestic Product. Hawaii's #1 employer.

### Hawaii GDP by Industry: 2018 (in current dollars)



Source: U.S. Bureau of Economic Analysis and DBEDT

### Hawaii Jobs by Industry: 2018 (Includes payroll jobs and proprietors)



Source: U.S. Bureau of Economic Analysis and DBEDT

# **Agenda Item**

## **10**

**Presentation, Discussion and  
Action on HTA's Financial  
Reports for October 2019**

Hawaii Tourism Authority  
 Budget Statement - Summary  
 FY 2020  
 As of October 31, 2019

Category	Tourism Special Fund				Convention Center Enterprise Special Fund			
	Fiscal Year 2020				Fiscal Year 2020			
	Budget	YTD Amount of Budget Used	Balance	Activity for October 2019	Budget	YTD Amount of Budget Used	Balance	Activity for October 2019
<b>Revenues</b>								
TAT Revenue Allocation	79,000,000	26,333,333	52,666,667	6,583,333	16,500,000	5,500,000	11,000,000	1,375,000
Prior Year Carryover	7,790,788	-	7,790,788	-	-	-	-	-
Other	-	496,996	(496,996)	480,950	-	140,244	(140,244)	140,244
	<u>86,790,788</u>	<u>26,830,329</u>	<u>59,960,459</u>	<u>7,064,283</u>	<u>16,500,000</u>	<u>5,640,244</u>	<u>10,859,756</u>	<u>1,515,244</u>
<b>Expenditures</b>								
<b>Perpetuating Hawaiian Culture</b>								
Hawaiian Culture Programs	7,795,500	1,731,737	6,063,763	1,586,109	-	-	-	-
In-House Contracted Staff - Hawaiian Culture	-	-	-	-	-	-	-	-
State Employee Salaries - Hawaiian Culture	285,000	262,353	22,647	-	-	-	-	-
Subtotal	<u>8,080,500</u>	<u>1,994,090</u>	<u>6,086,410</u>	<u>1,586,109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Natural Resources (Statute: \$1M minimum)</b>								
Natural Resources Programs	3,980,000	2,081,000	1,899,000	2,081,000	-	-	-	-
In-House Contracted Staff - Natural Resources	-	-	-	-	-	-	-	-
State Employee Salaries - Natural Resources	66,950	66,950	-	-	-	-	-	-
Subtotal	<u>4,046,950</u>	<u>2,147,950</u>	<u>1,899,000</u>	<u>2,081,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Community</b>								
Community Programs	5,804,752	2,778,121	3,026,631	115,989	-	-	-	-
In-House Contracted Staff - Community	-	-	-	-	-	-	-	-
State Employee Salaries - Community	210,000	198,472	11,528	-	-	-	-	-
Subtotal	<u>6,014,752</u>	<u>2,976,593</u>	<u>3,038,159</u>	<u>115,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Branding</b>								
Branding Programs	51,022,000	14,534,783	36,487,217	10,006,070	-	-	-	-
In-House Contracted Staff - Branding	-	-	-	-	-	-	-	-
State Employee Salaries - Branding	539,050	526,589	12,461	-	72,100	-	72,100	-
Subtotal	<u>51,561,050</u>	<u>15,061,372</u>	<u>36,499,678</u>	<u>10,006,070</u>	<u>72,100</u>	<u>-</u>	<u>72,100</u>	<u>-</u>
<b>Sports</b>								
Sports Programs	7,200,000	2,511,364	4,688,636	50,000	-	-	-	-
Subtotal	<u>7,200,000</u>	<u>2,511,364</u>	<u>4,688,636</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Safety and Security (Statute: 0.5% minimum = \$395,000)</b>								
Safety and Security Programs	2,150,000	404,400	1,745,600	-	-	-	-	-
Subtotal	<u>2,150,000</u>	<u>404,400</u>	<u>1,745,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Tourism Research</b>								
Tourism Research Programs	3,600,394	1,385,670	2,214,724	30,612	-	-	-	-
In-House Contracted Staff - Tourism Research	-	-	-	-	-	-	-	-
State Employee Salaries - Tourism Research	393,000	392,322	678	-	-	-	-	-
Subtotal	<u>3,993,394</u>	<u>1,777,992</u>	<u>2,215,402</u>	<u>30,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Hawai'i Convention Center</b>								
Sales & Marketing	-	-	-	-	6,414,097	-	6,414,097	-
Operations	-	-	-	-	3,282,883	(749,058)	4,031,941	(749,058)
Major Repair & Maintenance	-	-	-	-	4,753,020	-	4,753,020	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,450,000</u>	<u>(749,058)</u>	<u>15,199,058</u>	<u>(749,058)</u>
<b>Administrative (Statute: Cannot exceed 3.5% = \$2,765,000)</b>								
Operations	801,700	169,771	631,929	21,564	-	-	-	-
In-House Contracted Staff - Admin	-	-	-	-	-	-	-	-
State Employee Salaries - Admin	1,075,000	1,047,630	27,370	-	250,511	-	250,511	-
Subtotal	<u>1,876,700</u>	<u>1,217,401</u>	<u>659,299</u>	<u>21,564</u>	<u>250,511</u>	<u>-</u>	<u>250,511</u>	<u>-</u>
<b>Organizationwide Costs</b>								
State Employee Fringe	1,481,142	1,481,141	1	-	187,389	-	187,389	-
Organization-Wide	240,000	-	240,000	-	340,000	250	339,750	250
Governance - Board/Others	146,300	11,360	134,940	2,084	-	-	-	-
Subtotal	<u>1,867,442</u>	<u>1,492,501</u>	<u>374,941</u>	<u>2,084</u>	<u>527,389</u>	<u>250</u>	<u>527,139</u>	<u>250</u>
<b>Total Expenditures</b>	<u>86,790,788</u>	<u>29,583,663</u>	<u>57,207,125</u>	<u>13,893,428</u>	<u>15,300,000</u>	<u>(748,808)</u>	<u>16,048,808</u>	<u>(748,808)</u>
<b>Revenues vs Expenditures</b>	<u>-</u>	<u>(2,753,334)</u>			<u>1,200,000</u>	<u>6,389,052</u>		
Administrative Cap (3.5%)	2,765,000	2,765,000						
Administrative Costs (AG Definition)	<u>1,876,700</u>	<u>1,217,401</u>	1.5%					
	888,300	1,547,599						

Hawaii Tourism Authority  
Budget Statement  
FY 2020 - As of October 31, 2019

Program	Code	Program Title	Budget - FY20	YTD Encumbered (Budget Used)	Budget Remaining	October 2020 Activity
	200	Hawaiian Culture Programs - Unallocated	1,095,000.00	116.24	1,094,883.76	0.00
	201	Kukulu Ola: Living Hawaiian Cultural Prog	1,585,000.00	1,562,064.57	22,935.43	1,560,000.00
	202	Hawaiian Culture Initiative	500,000.00	279.31	499,720.69	0.00
	203	Ma'ema'e HTA	300,000.00	13,166.43	286,833.57	0.00
	204	Market Support	300,000.00	0.00	300,000.00	0.00
	205	Aloha Festivals	250,000.00	0.00	250,000.00	0.00
	206	Kahea Program - Harbor Greetings	250,000.00	1,036.00	248,964.00	1,036.00
	207	Kahea Program - Airport Greetings	1,500,000.00	0.00	1,500,000.00	0.00
	210	King Kamehameha Celebration	150,000.00	60,000.00	90,000.00	0.00
	211	Prince Lot Hula Festival	75,000.00	0.00	75,000.00	0.00
	212	Merrie Monarch Hula Festival	150,000.00	0.00	150,000.00	0.00
	213	Prince Kuhio Celebration	75,000.00	0.00	75,000.00	0.00
	215	Hawaiian Culture Opportunity Fund	200,000.00	31,959.57	168,040.43	5,880.00
	216	Olelo Hawaii	500,000.00	0.00	500,000.00	0.00
	297	Memberships and Dues - Hawaiian Culture	500.00	0.00	500.00	0.00
	298	Travel - Hawaiian Culture	15,000.00	7,114.39	7,885.61	3,193.31
	373	Duke's OceanFest	50,000.00	0.00	50,000.00	0.00
	374	Surfing	150,000.00	0.00	150,000.00	0.00
	713	Mele Mei & Na Hoku Music Festival (formerly Ma	150,000.00	0.00	150,000.00	0.00
	715	Canoe Regatta	90,000.00	56,000.00	34,000.00	16,000.00
	716	May Day	85,000.00	0.00	85,000.00	0.00
	718	Resort Area Hawaiian Cultural Initiative	325,000.00	0.00	325,000.00	0.00
	932	Salaries - Hawaiian Culture	<u>285,000.00</u>	<u>262,353.00</u>	<u>22,647.00</u>	<u>0.00</u>
Subtotal	1	Perpetuating Hawaiian Culture	8,080,500.00	1,994,089.51	6,086,410.49	1,586,109.31
	400	Natural Resources Programs - Unallocated	0.00	0.00	0.00	0.00
	402	Aloha Aina (formerly NR and Leg Prov NR)	2,081,000.00	2,081,000.00	0.00	2,081,000.00
	406	Visitor Impact Program	1,649,000.00	0.00	1,649,000.00	0.00
	407	Hawaii Eco Tourism Association	50,000.00	0.00	50,000.00	0.00
	415	Natural Resources Opportunity Fund	200,000.00	0.00	200,000.00	0.00
	936	State Employee Salaries - Natural Resources	<u>66,950.00</u>	<u>66,950.00</u>	<u>0.00</u>	<u>0.00</u>
Subtotal	2	Natural Resources	4,046,950.00	2,147,950.00	1,899,000.00	2,081,000.00
	701	Community Enrichment Program	3,464,200.00	2,655,543.14	808,656.86	5,691.10
	702	Community Training Workshops (formerly Capaci	404,000.00	11,280.04	392,719.96	5,119.66
	705	Community Programs - Unallocated	1,171,052.00	0.00	1,171,052.00	0.00
	797	Memberships and Dues - Community	500.00	0.00	500.00	0.00
	798	Travel - Community	15,000.00	7,297.97	7,702.03	1,178.01
	802	Current Workforce Development (Industry Career	75,000.00	0.00	75,000.00	0.00
	803	Future Workforce Development (LEI)	175,000.00	104,000.00	71,000.00	104,000.00
	805	Scholarship Program	500,000.00	0.00	500,000.00	0.00
	933	State Employee Salaries - Community	<u>210,000.00</u>	<u>198,472.00</u>	<u>11,528.00</u>	<u>0.00</u>
Subtotal	3	Community	6,014,752.00	2,976,593.15	3,038,158.85	115,988.77
	4	Cruise Infrastructure Improvements and Arrival E	250,000.00	75,345.03	174,654.97	6,069.60
	102	Hawai'i Tourism Summit	300,000.00	0.00	300,000.00	0.00
	306	Island-Based International Marketing	800,000.00	0.00	800,000.00	0.00
	316	MICE Asia (formerly MCI Global - Management)	350,000.00	0.00	350,000.00	0.00
	318	gohawaii.com (formerly Online Website Coordina	350,000.00	0.00	350,000.00	0.00
	320	Island Chapters Staffing and Admin	3,170,000.00	0.00	3,170,000.00	0.00
	321	US (formerly North America)	22,525,000.00	0.00	22,525,000.00	0.00
	322	Canada	800,000.00	0.00	800,000.00	0.00
	323	Japan	10,000,000.00	10,000,000.00	0.00	10,000,000.00
	324	Korea	1,400,000.00	1,400,000.00	0.00	0.00
	325	Oceania	1,900,000.00	0.00	1,900,000.00	0.00
	326	Europe	400,000.00	0.00	400,000.00	0.00
	329	China	2,000,000.00	2,000,000.00	0.00	0.00
	330	Taiwan	500,000.00	500,000.00	0.00	0.00
	331	Meetings, Convention & Incentives	2,300,000.00	0.00	2,300,000.00	0.00
	336	Southeast Asia	500,000.00	500,000.00	0.00	0.00
	339	Global Digital Marketing Strategy (former Intl On	500,000.00	0.00	500,000.00	0.00
	350	Global Mkt Shared Resces (formerly Intellect Proj	797,000.00	0.00	797,000.00	0.00
	380	Marketing Opportunity Fund	2,000,000.00	0.00	2,000,000.00	0.00
	397	Memberships and Dues - Branding	100,000.00	57,312.00	42,688.00	0.00
	398	Travel - Branding	50,000.00	2,125.67	47,874.33	0.00
	723	Hawaii Film Office Partnership	30,000.00	0.00	30,000.00	0.00
	934	State Employee Salaries - Branding	<u>539,050.00</u>	<u>526,589.00</u>	<u>12,461.00</u>	<u>0.00</u>
Subtotal	4	Branding	51,561,050.00	15,061,371.70	36,499,678.30	10,006,069.60
	312	PGA Tour Contracts	2,156,364.00	2,156,364.00	0.00	0.00
	347	Soccer	50,000.00	50,000.00	0.00	50,000.00
	370	Tennis	225,000.00	225,000.00	0.00	0.00
	377	Polynesian Football HoF	155,000.00	0.00	155,000.00	0.00
	378	UH Athletics Branding Partnership	50,000.00	50,000.00	0.00	0.00
	379	Sports Programs - Unallocated	4,533,636.00	0.00	4,533,636.00	0.00
	382	Sports Community Outreach	<u>30,000.00</u>	<u>30,000.00</u>	<u>0.00</u>	<u>0.00</u>
Subtotal	5	Sports	7,200,000.00	2,511,364.00	4,688,636.00	50,000.00
	601	Visitor Assistance Programs	650,000.00	0.00	650,000.00	0.00
	602	Crisis Management	100,000.00	4,014.05	95,985.95	0.00
	603	Lifeguard Program	700,000.00	0.00	700,000.00	0.00
	604	Preventative Programs	400,000.00	394,386.12	5,613.88	0.00
	606	Safety and Security Opportunity Fund	<u>300,000.00</u>	<u>6,000.00</u>	<u>294,000.00</u>	<u>0.00</u>
Subtotal	6	Safety and Security	2,150,000.00	404,400.17	1,745,599.83	0.00

Hawaii Tourism Authority  
 Budget Statement  
 FY 2020 - As of October 31, 2019

Program	Code	Program Title	Budget - FY20	YTD Encumbered (Budget Used)	Budget Remaining	October 2020 Activity
	501	Data Dissemination	54,000.00	0.00	54,000.00	0.00
	505	Est of Visitor Arrivals by Country by Month	6,000.00	0.00	6,000.00	0.00
	506	Infrastructure Research (Accomodations and Airs	556,330.00	234,500.00	321,830.00	30,000.00
	512	Visitor Arrivals and Departure Surveys	1,314,540.00	699,517.12	615,022.88	0.00
	513	Evaluation and Performance Studies	1,148,405.00	410,860.00	737,545.00	0.00
	514	Marketing Research	498,797.00	35,976.20	462,820.80	0.00
	597	Memberships and Dues - Research	7,322.00	1,627.89	5,694.11	75.00
	598	Travel - Research	15,000.00	3,188.41	11,811.59	536.53
	935	State Employee Salaries - Research	<u>393,000.00</u>	<u>392,322.00</u>	<u>678.00</u>	<u>0.00</u>
Subtotal	7	Tourism Research	3,993,394.00	1,777,991.62	2,215,402.38	30,611.53
	101	Community-Industry Outreach & Public Relations	250,000.00	40,000.00	210,000.00	0.00
	103	hawaiitourismauthority.org (formerly HTA web/G	100,000.00	0.00	100,000.00	0.00
	901	General and Administrative	401,700.00	118,880.50	282,819.50	16,428.80
	930	State Employee Salaries - Admin	1,075,000.00	1,047,630.00	27,370.00	0.00
	998	Travel - Admin	<u>50,000.00</u>	<u>10,890.84</u>	<u>39,109.16</u>	<u>5,154.92</u>
Subtotal	8	Administrative	1,876,700.00	1,217,401.34	659,298.66	21,563.72
	915	Organization-Wide	240,000.00	0.00	240,000.00	0.00
	919	Governance - Gen Board/Others	146,300.00	11,360.05	134,939.95	2,084.17
	931	State Employees Fringe	<u>1,481,142.00</u>	<u>1,481,141.00</u>	<u>1.00</u>	<u>0.00</u>
Subtotal	9	Governance and Organization-Wide	<u>1,867,442.00</u>	<u>1,492,501.05</u>	<u>374,940.95</u>	<u>2,084.17</u>
Total		Tourism Special Fund	86,790,788.00	29,583,662.54	57,207,125.46	13,893,427.10



Budget Reallocation Summary  
Through October 31, 2019

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations
<b>To:</b>				
Aloha 'āina	402	-	2,081,000	2,081,000
Environmental Sustainability Fund	406	-	1,649,000	1,649,000
Hawai'i EcoTourism Association	407	-	50,000	50,000
Natural Resources Opportunity Fund	415	-	200,000	200,000
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			<b>3,980,000</b>	
<hr/>				
<b>Community</b>				
<b>From:</b>				
Community Programs - Unallocated	705	5,789,252	(4,618,200)	1,171,052
				-
				-
			<b>(4,618,200)</b>	
<b>To:</b>				
Community Enrichment Program	701	-	3,464,200	3,464,200
Community Training Workshops	702	-	404,000	404,000
Current Workforce Development	802	-	75,000	75,000
Future Workforce Development	803	-	175,000	175,000
Scholarship Program	805	-	500,000	500,000
				-
			<b>4,618,200</b>	
<hr/>				
<b>Branding</b>				
<b>From:</b>				
None				-
				-
				-
			-	
<b>To:</b>				
				-
				-
				-
			-	





Budget Reallocation Summary  
Through October 31, 2019

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations
<b>To:</b>				
			-	-
			-	-
			-	-
			-	-
			-	
<hr/>				
<b>Administration and Organizationwide Costs</b>				
<b>From:</b>				
None				-
				-
				-
			-	-
			-	
<b>To:</b>				
				-
				-
				-
			-	-
			-	
<hr/>				
<b>Governance and Organization-Wide</b>				
<b>From:</b>				
None				-
				-
				-
			-	-
			-	
<b>To:</b>				
				-
				-
				-
			-	-
			-	
<hr/>				
<b>Board Allocations</b>				
<b>From:</b>				
None				-
				-
			-	-
			-	
<hr/>				



Financial Statements – Executive Summary  
October 1, 2019 – October 31, 2019

***Tourism Special Fund:***

1. \$89.1M in cash and investments
  - a. Includes \$5M in Emergency Fund held as investments.
  - b. Increase from September of \$2.3M due to:
    - i. Recording \$6.6M in TAT revenue and \$481K in investment income. This was offset by \$4.7M in expenditures.
2. \$29.0M of prior year encumbrances being spent down.
3. \$22.3M reserved as Board allocations are projected for June 30, 2020. A supporting schedule is embedded in these financial statements to provide greater detail. This number includes:
  - a. \$5M in Emergency Fund established under statute;
  - b. \$3M allocated by the Board for use during a significant economic downturn;
  - c. \$5.2M in funds held for the Center for Hawaiian Music & Dance;
  - d. \$9M earmarked for specific obligations, such as EUTF, ERS, and accrued vacation.
4. \$3.4M of unreserved funds available for the FY 2021 Budget or other emergency purposes.
5. \$29.6M of the \$86.8M FY 2020 budget utilized; contract paperwork currently being submitted for this year's expenditures.
  - a. A summary of year-to-date budget reallocations is included in these financial statements.
6. Operating Income:
  - a. Recorded \$6.6M in TAT for October 2019, and \$26.3M in TAT YTD. Recorded \$481K in investment income.
  - b. Incurred \$4.7M of program and other expenditures for October 2019.

**Convention Center Enterprise Special Fund:**

7. \$29.9M in cash
  - a. Increase of \$2.3M from September due to recording \$1.4M in TAT, \$749K in HCC operations, and \$140K in investment income.
8. \$23.5M in cash with contractor or with DAGS, for R&M projects (as of September 2019).
  - a. Includes \$2M Emergency
  - b. These funds are encumbered or budgeted toward specific projects such as cooling tower replacement, furnishings and enhancements, wall rehabilitation, boiler replacement, and various equipment purchases and upgrades.
  - c. Reflects \$11.1M spent on current and future projects (in-progress costs or preliminary work); this includes recent costs expended on meeting room roof repairs.
9. \$23.6M reserved as Board allocations are projected for June 30, 2020. This includes funds targeted to fund future repair and maintenance projects, large equipment purchases, convention center operating contingencies, operating capital, and convention center incentives. The HTA Board instituted a budgeting practice of allocating approximately 4% of each year's budgeted gross expenditures toward increasing HCC's Repairs and Maintenance reserve.
10. \$1.1M of prior year encumbrances being spent down.
11. Operating Income:
  - a. Recorded \$1.4M in TAT for October 2019 and \$5.5M in TAT YTD. Recorded \$140K in investment income.
  - b. Convention Center operations:
    - i. \$482K operating loss YTD per HCC financial statements (as of September 2019).

**Hawaii Tourism Authority**

**Balance Sheet**

**Tourism Special Fund**

**As of 10/31/19**

	<u>Current Year</u>
Assets	
Current Assets	
Checking 348	84,108,599.80
Petty Cash	5,000.00
Total Current Assets	<u>84,113,599.80</u>
Total Assets	<u><u>84,113,599.80</u></u>
Fund Balance	
Current year payables	
Accounts Payable	141,039.04
Credit Card Payable	636.24
Total Current year payables	<u>141,675.28</u>
Encumbered Funds	
FY 2013 Funds	15,212.64
FY 2014 Funds	6,101.00
FY 2015 Funds	225,624.42
FY 2016 Funds	383,973.52
FY 2017 Funds	1,139,678.05
FY 2018 Funds	2,023,747.50
FY 2019 Funds	25,193,372.36
FY 2020 Funds	29,173,277.98
Total Encumbered Funds	<u>58,160,987.47</u>
Unencumbered Funds	
Total Unencumbered Funds	25,810,937.05
Total Fund Balance	<u><u>84,113,599.80</u></u>

**Hawaii Tourism Authority**  
**Balance Sheet**  
**Convention Center Enterprise- Special Fund**  
**As of 10/31/19**

	<u>Current Year</u>
Assets	
Current Assets	
Checking 361	29,924,716.60
Total Current Assets	<u>29,924,716.60</u>
Total Assets	<u><u>29,924,716.60</u></u>
Fund Balance	
Encumbered Funds	
FY 2018 Funds	295,003.00
FY 2019 Funds	780,599.23
Total Encumbered Funds	<u>1,075,602.23</u>
Unencumbered Funds	
Total Unencumbered Funds	28,849,114.37
Total Fund Balance	<u><u>29,924,716.60</u></u>

**Hawaii Tourism Authority**

**Balance Sheet**

**Emergency Trust Fund**

**As of 10/31/19**

	<u>Current Year</u>
Assets	
Current Assets	
Investments	5,069,773.73
Total Current Assets	<u>5,069,773.73</u>
Total Assets	<u><u>5,069,773.73</u></u>
Fund Balance	
Current year net assets	
	28,889.64
Total Current year net assets	<u>28,889.64</u>
Prior years	
Total Prior years	5,040,884.09
Total Fund Balance	<u><u>5,069,773.73</u></u>

HTA Allocations  
FY 2019 and FY 2020 (Projected)

HTA Allocations:

<p><b>Annual Budgets:</b>  <b>-\$86.8M FY 2020 HTA Tourism Special Fund</b>                  (\$79M TAT + \$7.8M carryover)  <b>-FY 2020 Convention Center Fund TBD</b></p>
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<b>\$8M Emergency Funds</b>	
<b>\$5M Emergency Fund Reserve</b> (Established by Statute as a separate fund, to be used upon declaration of a tourism emergency by the Governor)	<b>\$3.0M Mandated by Board</b> (to be used in the event of a significant economic downturn upon Board approval)

	Tourism Special Fund Long-Term Obligations, Commitments and Allocations:		Convention Center Fund Long-Term Obligations, Commitments and Obligations:	
	6/30/2019	Projected 6/30/2020	6/30/2019	Projected 6/30/2020
Carryover of FY 2019 to FY 2020 Budget (Use in FY 20)	7,790,788	-	1,512,988	1,512,988
Carryover for FY 2021 Budget	3,424,735	3,424,735	20,117,074	21,317,074
Center for Hawaiian Music & Dance	5,198,568	5,198,568	750,000	750,000
Accrued Health Liability (Based on liability at FY17)	2,430,000	2,430,000		
Accrued Retirement Liability (FY 17)	6,300,000	6,300,000		
Accrued Vacation Liability	383,849	383,849	80,000	80,000
<b>Total Long-Term Obligations and Commitments</b>	<u>25,527,940</u>	<u>17,737,152</u>	<u>22,460,062</u>	<u>23,660,062</u>

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
348 - Tourism Special Fund  
20 - FY 2020 Funds  
From 10/1/2019 Through 10/31/2019

	Total Budget	Current Period Actual	Current Year Actual	Total Budget Variance
Revenue				
Transient Accomodations Tax	79,000,000.00	6,583,333.33	26,333,333.32	(52,666,666.68)
Refunds	0.00	0.00	16,046.38	16,046.38
Total Revenue	<u>79,000,000.00</u>	<u>6,583,333.33</u>	<u>26,349,379.70</u>	<u>(52,650,620.30)</u>
Expense				
Perpetuating Hawaiian Culture	8,080,500.00	31,705.69	32,958.85	8,047,541.15
Natural Resources	4,046,950.00	0.00	0.00	4,046,950.00
Community	6,014,752.00	2,220.81	5,518.31	6,009,233.69
Branding	51,561,050.00	1,351.73	58,663.73	51,502,386.27
Sports	7,200,000.00	168,750.00	168,750.00	7,031,250.00
Safety and Security	2,150,000.00	50,927.97	104,595.45	2,045,404.55
Tourism Research	3,993,394.00	555.50	34,356.59	3,959,037.41
Administrative	1,861,700.00	3,008.19	3,404.19	1,858,295.81
Governance and Organization-Wide	1,867,442.00	873.13	873.13	1,866,568.87
Total Expense	<u>86,775,788.00</u>	<u>259,393.02</u>	<u>409,120.25</u>	<u>86,366,667.75</u>
Net Income	<u>(7,775,788.00)</u>	<u>6,323,940.31</u>	<u>25,940,259.45</u>	<u>33,716,047.45</u>



**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
**348 - Prior Year Funds**  
From 10/1/2019 Through 10/31/2019

	Total Budget	Current Period Actual	Current Year Actual	Total Budget Variance
<b>Revenue</b>				
Transient Accomodations Tax	0.00	0.00	0.00	0.00
Interest and Dividends	0.00	480,949.94	480,949.94	480,949.94
Miscellaneous	0.00	0.00	0.00	0.00
Refunds	0.00	0.00	0.00	0.00
Transfers - In	0.00	0.00	0.00	0.00
HCC Revenue	0.00	0.00	0.00	0.00
Branding	0.00	0.00	0.00	0.00
Administrative	0.00	0.00	0.00	0.00
<b>Total Revenue</b>	<u>0.00</u>	<u>480,949.94</u>	<u>480,949.94</u>	<u>480,949.94</u>
<b>Expense</b>				
Miscellaneous	0.00	0.00	0.00	0.00
Refunds	0.00	0.00	0.00	0.00
Transfers - In	0.00	0.00	0.00	0.00
Perpetuating Hawaiian Culture	3,546,744.58	162,845.21	1,128,010.29	2,418,734.29
Natural Resources	1,196,578.00	55,700.00	168,400.00	1,028,178.00
Community	2,604,719.50	261,489.61	1,103,251.14	1,501,468.36
Branding	26,084,684.49	3,192,106.49	8,145,233.88	17,939,450.61
Sports	2,790,463.45	365,000.00	997,600.00	1,792,863.45
Safety and Security	1,341,713.01	54,600.88	569,762.04	771,950.97
Tourism Research	3,804,989.32	199,154.51	958,086.61	2,846,902.71
Administrative	1,058,266.82	186,692.22	370,519.99	687,746.83
Governance and Organization-Wide	35,144.49	38.00	3,238.00	31,906.49
<b>Total Expense</b>	<u>42,463,303.66</u>	<u>4,477,626.92</u>	<u>13,444,101.95</u>	<u>29,019,201.71</u>
<b>Net Income</b>	<u>(42,463,303.66)</u>	<u>(3,996,676.98)</u>	<u>(12,963,152.01)</u>	<u>29,500,151.65</u>

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
361 - Convention Center Enterprise Special Fund  
20 - FY 2020 Funds  
From 10/1/2019 Through 10/31/2019

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
Transient Accomodations Tax	16,500,000.00	1,375,000.00	5,500,000.00	(11,000,000.00)
HCC Revenue	<u>0.00</u>	<u>749,057.91</u>	<u>749,057.91</u>	<u>749,057.91</u>
Total Revenue	<u>16,500,000.00</u>	<u>2,124,057.91</u>	<u>6,249,057.91</u>	<u>(10,250,942.09)</u>
Expense				
Branding	72,100.00	0.00	0.00	72,100.00
Administrative	250,511.00	0.00	0.00	250,511.00
HCC Operating Expense	12,824,694.00	0.00	0.00	12,824,694.00
HCC Repair and Maintenance	4,753,020.00	0.00	0.00	4,753,020.00
HCC Sales and Marketing / MFF	6,414,097.00	0.00	0.00	6,414,097.00
Governance and Organization-Wide	527,389.00	250.00	250.00	527,139.00
Total Expense	<u>24,841,811.00</u>	<u>250.00</u>	<u>250.00</u>	<u>24,841,561.00</u>
Net Income	<u>(8,341,811.00)</u>	<u>2,123,807.91</u>	<u>6,248,807.91</u>	<u>14,590,618.91</u>

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
**361 - Prior Year Funds**  
From 10/1/2019 Through 10/31/2019

	Total Budget	Current Period Actual	Current Year Actual	Total Budget Variance
<b>Revenue</b>				
Transient Accomodations Tax	0.00	0.00	0.00	0.00
Interest and Dividends	0.00	140,244.29	140,244.29	140,244.29
Miscellaneous	0.00	0.00	0.00	0.00
Refunds	0.00	0.00	0.00	0.00
Transfers - In	0.00	0.00	0.00	0.00
HCC Revenue	0.00	0.00	0.00	0.00
HCC Operating Expense	0.00	0.00	0.00	0.00
<b>Total Revenue</b>	<u>0.00</u>	<u>140,244.29</u>	<u>140,244.29</u>	<u>140,244.29</u>
<b>Expense</b>				
HCC Revenue	0.00	0.00	0.00	0.00
Branding	0.00	0.00	0.00	0.00
Administrative	0.00	0.00	0.00	0.00
HCC Operating Expense	954,383.40	0.00	0.00	954,383.40
HCC Repair and Maintenance	0.00	0.00	0.00	0.00
HCC Sales and Marketing / MFF	75,918.83	0.00	0.00	75,918.83
Bond Debt Service	0.00	0.00	0.00	0.00
HCC Hawaiian Music and Dance Center	0.00	0.00	0.00	0.00
HCC Turtle Bay Conservation Due Diligence	0.00	0.00	0.00	0.00
Governance and Organization-Wide	79,300.00	0.00	34,000.00	45,300.00
<b>Total Expense</b>	<u>1,109,602.23</u>	<u>0.00</u>	<u>34,000.00</u>	<u>1,075,602.23</u>
<b>Net Income</b>	<u>(1,109,602.23)</u>	<u>140,244.29</u>	<u>106,244.29</u>	<u>1,215,846.52</u>

**Hawaiian Convention Center**  
 Facility  
 Reforecast  
 From 11/01/2019 Through 12/31/2019  
 (In Whole Numbers)

	YTD Actual	Projected Next Month to 12/31/19	Reforecast	Budget	Variance	Prior Year Actual
Direct Event Income						
Rental Income (Net)	2,382,863	274,329	2,657,192	2,994,300	(337,108)	2,689,423
Service Revenue	987,664	454,530	1,442,194	776,800	665,394	819,497
Total Direct Event Income	<u>3,370,527</u>	<u>728,859</u>	<u>4,099,386</u>	<u>3,771,100</u>	<u>328,286</u>	<u>3,508,920</u>
Direct Service Expenses	<u>1,772,903</u>	<u>555,992</u>	<u>2,328,895</u>	<u>1,952,004</u>	<u>(376,891)</u>	<u>1,787,798</u>
Net Direct Event Income	<u>1,597,624</u>	<u>172,867</u>	<u>1,770,491</u>	<u>1,819,096</u>	<u>(48,605)</u>	<u>1,721,122</u>
Ancillary Income						
Food & Beverage (Net)	5,175,291	876,758	6,052,049	6,700,100	(648,051)	4,805,771
Event Parking (Net)	763,808	83,500	847,308	782,100	65,208	758,199
Electrical Services	124,760	21,200	145,960	159,400	(13,440)	195,243
Audio Visual	231,983	33,103	265,086	282,600	(17,514)	357,626
Internet Services	15,519	5,950	21,469	0	21,469	22,742
Rigging Services	58,263	5,319	63,582	85,400	(21,818)	77,983
First Aid Commissions	0	0	0	4,200	(4,200)	3,363
Total Ancillary Income	<u>6,369,624</u>	<u>1,025,830</u>	<u>7,395,454</u>	<u>8,013,800</u>	<u>(618,346)</u>	<u>6,220,927</u>
Total Event Income	<u>7,967,248</u>	<u>1,198,697</u>	<u>9,165,945</u>	<u>9,832,896</u>	<u>(666,951)</u>	<u>7,942,049</u>
Other Operating Income						
Non-Event Parking	43,378	9,750	53,128	58,500	(5,372)	56,763
Other Income	148,562	30,332	178,894	38,000	140,894	104,403
Total Other Operating Income	<u>191,940</u>	<u>40,082</u>	<u>232,022</u>	<u>96,500</u>	<u>135,522</u>	<u>161,166</u>
Total Gross Income	<u>8,159,188</u>	<u>1,238,779</u>	<u>9,397,967</u>	<u>9,929,396</u>	<u>(531,429)</u>	<u>8,103,215</u>
Net Salaries & Benefits						
Salaries & Wages	4,013,671	897,674	4,911,345	5,297,300	385,955	4,509,295
Payroll Taxes & Benefits	1,088,447	248,266	1,336,713	1,262,400	(74,313)	1,206,224
Labor Allocations to Events	(568,225)	(130,366)	(698,591)	(461,401)	237,190	(501,122)
Total Net Salaries & Benefits	<u>4,533,893</u>	<u>1,015,574</u>	<u>5,549,467</u>	<u>6,098,299</u>	<u>548,832</u>	<u>5,214,397</u>
Other Indirect Expenses						
Net Contracted Services	252,111	91,568	343,679	401,996	58,317	315,234
Operations	120,436	72,174	192,610	208,800	16,190	157,769
Repair & Maintenance	561,884	233,028	794,912	899,000	104,088	651,788
Operational Supplies	498,422	142,277	640,699	705,202	64,503	537,106
Insurance	122,815	43,419	166,234	157,900	(8,334)	169,614
Utilities	2,031,913	404,730	2,436,643	2,368,799	(67,844)	2,379,218
Meetings & Conventions	29,577	8,268	37,845	34,900	(2,945)	22,215
Promotions & Communications	58,657	26,000	84,657	42,400	(42,257)	38,831
General & Administrative	249,279	65,771	315,050	359,500	44,450	271,716
Management Fees	110,000	154,000	264,000	290,400	26,400	252,720
Other	36,843	(20,000)	16,843	57,200	40,357	214,097
Total Other Indirect Expenses	<u>4,071,937</u>	<u>1,221,235</u>	<u>5,293,172</u>	<u>5,526,097</u>	<u>232,925</u>	<u>5,010,308</u>
Net Income (Loss) before CIP Funded	<u>(446,642)</u>	<u>(998,030)</u>	<u>(1,444,672)</u>	<u>(1,695,000)</u>	<u>250,328</u>	<u>(2,121,490)</u>
CIP Funded Expenses	<u>2,766</u>	<u>0</u>	<u>2,766</u>	<u>0</u>	<u>2,766</u>	<u>76,411</u>
Net Income (Loss) from Operations	<u>(443,876)</u>	<u>(998,030)</u>	<u>(1,441,906)</u>	<u>(1,695,000)</u>	<u>253,094</u>	<u>(2,045,079)</u>
Fixed Asset Purchases	<u>53,094</u>	<u>11,200</u>	<u>64,294</u>	<u>300,000</u>	<u>235,706</u>	<u>124,122</u>
Net Income (Loss) after Fixed Asset Purchases	<u>(496,970)</u>	<u>(1,009,230)</u>	<u>(1,506,200)</u>	<u>(1,995,000)</u>	<u>488,800</u>	<u>(2,169,201)</u>

**Hawaii Convention Center**  
Facility  
Income Statement  
From 10/1/2019 Through 10/31/2019  
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Direct Event Income								
Rental Income (Net)	231,674	229,404	2,270	194,834	2,382,863	2,513,539	(130,676)	2,159,010
Service Revenue	100,839	63,270	37,569	147,708	987,664	691,025	296,639	693,927
Total Direct Event Income	<u>332,513</u>	<u>292,674</u>	<u>39,839</u>	<u>342,542</u>	<u>3,370,527</u>	<u>3,204,564</u>	<u>165,963</u>	<u>2,852,937</u>
Direct Service Expenses	<u>170,065</u>	<u>144,494</u>	<u>(25,571)</u>	<u>218,940</u>	<u>1,772,903</u>	<u>1,589,666</u>	<u>(183,237)</u>	<u>1,523,170</u>
Net Direct Event Income	<u>162,448</u>	<u>148,180</u>	<u>14,268</u>	<u>123,602</u>	<u>1,597,624</u>	<u>1,614,898</u>	<u>(17,274)</u>	<u>1,329,767</u>
Ancillary Income								
Food and Beverage (Net)	606,748	499,803	106,945	652,937	5,175,291	5,675,356	(500,065)	4,128,916
Event Parking (Net)	96,276	68,400	27,876	59,931	763,808	664,000	99,808	649,639
Electrical Services	11,586	5,100	6,486	62,532	124,760	124,600	160	180,733
Audio Visual	27,929	16,520	11,409	80,758	231,983	241,820	(9,837)	323,350
Internet Services	2,147	0	2,147	16,726	15,519	0	15,519	18,176
Rigging Services	972	500	472	11,766	58,263	74,900	(16,637)	72,174
First Aid Commissions	0	295	(295)	400	0	3,530	(3,530)	2,973
Total Ancillary Income	<u>745,658</u>	<u>590,618</u>	<u>155,040</u>	<u>885,051</u>	<u>6,369,624</u>	<u>6,784,206</u>	<u>(414,582)</u>	<u>5,375,961</u>
Total Event Income	<u>908,106</u>	<u>738,798</u>	<u>169,308</u>	<u>1,008,653</u>	<u>7,967,248</u>	<u>8,399,104</u>	<u>(431,856)</u>	<u>6,705,728</u>
Other Operating Income								
Non-Event Parking	3,233	4,875	(1,643)	2,888	43,378	48,750	(5,372)	48,021
Other Income	16,061	3,167	12,894	35,128	148,562	31,670	116,892	75,308
Total Other Operating Income	<u>19,293</u>	<u>8,042</u>	<u>11,251</u>	<u>38,015</u>	<u>191,940</u>	<u>80,420</u>	<u>111,520</u>	<u>123,328</u>
Total Gross Income	<u>927,399</u>	<u>746,840</u>	<u>180,559</u>	<u>1,046,668</u>	<u>8,159,187</u>	<u>8,479,524</u>	<u>(320,337)</u>	<u>6,829,057</u>
Net Salaries & Benefits								
Salaries & Wages	447,973	431,316	(16,657)	387,302	4,013,671	4,313,160	299,489	3,674,838
Payroll Taxes & Benefits	111,721	99,889	(11,832)	94,850	1,088,447	998,890	(89,557)	953,457
Labor Allocations to Events	(67,157)	(43,348)	23,809	(53,819)	(568,225)	(374,383)	193,842	(419,166)
Total Net Salaries & Benefits	<u>492,537</u>	<u>487,857</u>	<u>(4,680)</u>	<u>428,332</u>	<u>4,533,893</u>	<u>4,937,667</u>	<u>403,774</u>	<u>4,209,129</u>
Other Indirect Expenses								
Net Contracted Services	17,752	33,032	15,280	15,539	252,111	319,020	66,909	256,322
Operations	21,293	17,441	(3,852)	32,031	120,436	154,810	34,374	136,633
Repair & Maintenance	58,595	74,916	16,321	53,013	561,884	749,160	187,276	492,631
Operational Supplies	76,129	54,719	(21,411)	65,479	498,422	578,169	79,748	467,670
Insurance	17,338	12,406	(4,932)	14,370	122,815	131,339	8,524	106,673
Utilities	194,718	203,991	9,273	255,170	2,031,913	1,915,926	(115,987)	1,892,798
Meetings & Conventions	1,709	5,608	3,899	1,718	29,577	23,260	(6,317)	17,030
Promotions & Communications	8,973	3,533	(5,440)	5,408	58,657	35,330	(23,327)	52,999
General & Administrative	32,507	26,649	(5,858)	27,698	249,279	281,051	31,773	210,065
Management Fees	11,000	11,000	0	10,800	110,000	110,000	0	108,000
Other	497	4,717	4,220	71,856	36,843	47,770	10,927	158,845
Total Other Indirect	<u>440,511</u>	<u>448,012</u>	<u>7,500</u>	<u>553,081</u>	<u>4,071,936</u>	<u>4,345,836</u>	<u>273,899</u>	<u>3,899,667</u>
Net Income (Loss) before CIP Funded Expenses	<u>(5,650)</u>	<u>(189,029)</u>	<u>183,379</u>	<u>65,255</u>	<u>(446,642)</u>	<u>(803,979)</u>	<u>357,336</u>	<u>(1,279,739)</u>
CIP Funded Expenses	<u>497</u>	<u>0</u>	<u>497</u>	<u>0</u>	<u>2,766</u>	<u>0</u>	<u>2,766</u>	<u>58,222</u>
Net Income (Loss) from Operations	<u>(5,152)</u>	<u>(189,029)</u>	<u>183,877</u>	<u>65,255</u>	<u>(443,877)</u>	<u>(803,979)</u>	<u>360,102</u>	<u>(1,221,517)</u>
Fixed Asset Purchases	<u>9,526</u>	<u>25,000</u>	<u>15,474</u>	<u>15,545</u>	<u>53,094</u>	<u>250,000</u>	<u>196,906</u>	<u>115,517</u>
Net Income (Loss) After Fixed Asset Purchases	<u>(14,678)</u>	<u>(214,029)</u>	<u>199,351</u>	<u>49,710</u>	<u>(496,970)</u>	<u>(1,053,979)</u>	<u>557,008</u>	<u>(1,337,034)</u>

**Hawaii Convention Center**  
 Facility  
 Income Statement  
 From 10/1/2019 Through 10/31/2019  
 (In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
<b>Revenues</b>								
Food & Beverage	1,191,951	750,081	441,870	1,189,722	9,342,342	8,675,644	666,698	7,570,632
Facility	503,456	398,731	104,725	619,964	4,858,985	4,467,234	391,751	4,298,093
<b>Total Revenues</b>	<b>1,695,407</b>	<b>1,148,812</b>	<b>546,595</b>	<b>1,809,686</b>	<b>14,201,327</b>	<b>13,142,878</b>	<b>1,058,449</b>	<b>11,868,724</b>
<b>Expenses</b>								
Food & Beverage	793,072	429,902	(363,170)	735,021	5,704,029	4,827,148	(876,882)	5,001,663
Facility	907,984	907,939	(45)	1,009,411	8,943,940	9,119,709	175,769	8,146,800
<b>Total Expenses</b>	<b>1,701,056</b>	<b>1,337,841</b>	<b>(363,215)</b>	<b>1,744,432</b>	<b>14,647,969</b>	<b>13,946,857</b>	<b>(701,113)</b>	<b>13,148,464</b>
<b>Net Income (Loss) before CIP Funded Expenses</b>	<b>(5,650)</b>	<b>(189,029)</b>	<b>183,379</b>	<b>65,255</b>	<b>(446,642)</b>	<b>(803,979)</b>	<b>357,336</b>	<b>(1,279,739)</b>
<b>CIP Funded Expenses</b>	<b>497</b>	<b>0</b>	<b>497</b>	<b>0</b>	<b>2,766</b>	<b>0</b>	<b>2,766</b>	<b>58,222</b>
<b>Net Income (Loss) from Operations</b>	<b>(5,153)</b>	<b>(189,029)</b>	<b>183,876</b>	<b>65,255</b>	<b>(443,876)</b>	<b>(803,979)</b>	<b>360,102</b>	<b>(1,221,517)</b>
<b>Fixed Asset Purchases</b>	<b>9,526</b>	<b>25,000</b>	<b>15,474</b>	<b>15,545</b>	<b>53,094</b>	<b>250,000</b>	<b>196,906</b>	<b>115,517</b>
<b>Net Income (Loss) after Fixed Asset Purchases</b>	<b>(14,679)</b>	<b>(214,029)</b>	<b>199,350</b>	<b>49,710</b>	<b>(496,970)</b>	<b>(1,053,979)</b>	<b>557,008</b>	<b>(1,337,034)</b>

**Hawaii Convention Center**  
Sales and Marketing  
Reforecast  
From 11/1/2019 Through 12/31/2019  
(In Whole Numbers)

	YTD Actual	Projected Next Month to 12/31/19	Reforecast	Budget	Variance	Prior Year Actual
Other Operating Income						
Other Income	1,156	0	1,156	0	1,156	50
Total Other Operating Income	<u>1,156</u>	<u>0</u>	<u>1,156</u>	<u>0</u>	<u>1,156</u>	<u>50</u>
Total Gross Income	<u>1,156</u>	<u>0</u>	<u>1,156</u>	<u>0</u>	<u>1,156</u>	<u>50</u>
Net Salaries & Benefits						
Salaries & Wages	1,192,017	295,578	1,487,595	1,851,900	364,305	1,469,457
Payroll Taxes & Benefits	258,435	70,861	329,296	372,100	42,804	296,085
Total Net Salaries & Benefits	<u>1,450,452</u>	<u>366,439</u>	<u>1,816,891</u>	<u>2,224,000</u>	<u>407,109</u>	<u>1,765,542</u>
Other Indirect Expenses						
Net Contracted Services	171,662	65,178	236,840	250,200	13,360	138,779
Repair & Maintenance	61,358	11,160	72,518	101,700	29,182	97,227
Utilities	6,074	2,100	8,174	12,000	3,826	7,146
Meetings & Conventions	514,603	96,455	611,058	1,074,400	463,342	840,231
Promotions & Communications	614,882	597,827	1,212,709	857,800	(354,909)	1,343,225
Marketing Flexibility Fund	876,913	397,500	1,274,413	1,175,000	(99,413)	1,167,907
General & Administrative	55,658	7,620	63,278	59,300	(3,978)	84,331
Management Fees	110,000	61,600	171,600	237,600	66,000	165,360
Other	42,199	9,876	52,075	103,000	50,925	697
Total Other Indirect Expenses	<u>2,453,349</u>	<u>1,249,316</u>	<u>3,702,665</u>	<u>3,871,000</u>	<u>168,335</u>	<u>3,844,903</u>
Net Income (Loss) from Operations	<u>(3,902,645)</u>	<u>(1,615,755)</u>	<u>(5,518,400)</u>	<u>(6,095,000)</u>	<u>576,600</u>	<u>(5,610,395)</u>
Fixed Asset Purchases	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,054</u>
Net Income (Loss) After Fixed Asset Purchases	<u>(3,902,645)</u>	<u>(1,615,755)</u>	<u>(5,518,400)</u>	<u>(6,095,000)</u>	<u>576,600</u>	<u>(5,623,449)</u>

**Hawaii Convention Center**  
Sales and Marketing  
Income Statement  
From 10/1/2019 Through 10/31/2019  
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Other Operating Income								
Other Income	83	0	83	15	1,156	0	1,156	181
Total Other Operating Income	83	0	83	15	1,156	0	1,156	181
Total Gross Income	83	0	83	15	1,156	0	1,156	181
Net Salaries & Benefits								
Salaries & Wages	119,572	138,700	19,128	119,871	1,192,017	1,387,000	194,983	1,077,088
Payroll Taxes & Benefits	25,437	27,100	1,663	32,525	258,435	271,000	12,565	223,825
Total Net Salaries & Benefits	145,009	165,800	20,791	152,396	1,450,452	1,658,000	207,548	1,300,913
Other Indirect Expenses								
Net Contracted Services	19,021	17,934	(1,087)	8,438	171,662	178,340	6,678	82,375
Repair & Maintenance	9,133	5,800	(3,333)	6,272	61,358	85,800	24,442	73,735
Utilities	446	1,000	554	509	6,074	10,000	3,926	5,349
Meetings & Conventions								
Mileage	61	200	139	376	800	2,000	1,200	688
Meals & Entertainment	2,048	1,000	(1,048)	2,989	6,584	10,000	3,416	10,216
Meetings & Conventions	1,741	21,300	19,559	555,695	494,365	997,700	503,335	1,020,138
Dues & Subscriptions	2,181	0	(2,181)	154	12,854	26,680	13,826	31,481
Total Meetings & Conventions	6,031	22,500	16,469	559,214	514,603	1,036,380	521,777	1,062,523
Promotions & Communications								
Site Visit	6,779	18,750	11,971	11,495	26,937	61,000	34,063	65,467
Photography	20,614	2,500	(18,114)	0	28,411	17,000	(11,411)	15,689
Advertising	34,768	29,000	(5,768)	36,257	259,663	290,000	30,337	270,770
Web Development & Maint	38,118	2,662	(35,456)	2,120	86,735	46,140	(40,595)	29,399
Market Research	5,026	4,800	(226)	4,800	19,652	19,200	(452)	19,200
Promotional	25,563	25,700	137	37,703	129,142	245,500	116,358	234,787
Attendance Promotion	9,742	0	(9,742)	5,614	64,341	67,500	3,159	49,532
Global Outreach	0	0	0	0	0	10,000	10,000	0
Total Promotions & Comm	140,610	83,412	(57,198)	97,989	614,881	756,340	141,459	684,844
Marketing Flexibility Fund	10	10,000	9,990	1,548,394	876,913	346,500	(530,413)	1,867,256
General & Administrative	15,280	5,075	(10,205)	2,513	55,658	46,950	(8,708)	39,622
Management Fees	11,000	11,000	0	10,800	110,000	110,000	0	108,000
Other	4,188	8,333	4,145	4,188	42,199	84,830	42,631	34,555
Total Other Indirect Expenses	205,719	165,054	(40,665)	2,238,317	2,453,348	2,655,140	201,792	3,958,259
Net Income (Loss) from Operations	(350,645)	(330,854)	(19,791)	(2,390,698)	(3,902,644)	(4,313,140)	410,496	(5,258,991)
Fixed Asset Purchases	0	0	0	0	0	0	0	0
Net Income (Loss) After Fixed Asset Purchases	(350,645)	(330,854)	(19,791)	(2,390,698)	(3,902,644)	(4,313,140)	410,496	(5,258,991)



# **Agenda Item**

## **13**

Presentation by AEG  
Regarding an Update of  
Hawai'i Convention Center  
Recent Operational Activities  
and Sales Initiatives

# October 2019

HTA Board of Directors Update  
November 2019 Report



# ***Agenda***

- **Financial Update**
- **CIP Update**
- **Sales & Marketing Update**

# 2019 Financial Update

	2019 October Actual	2019 Reforecast	2019 Budget	Variance	2018 Actual
Facility Occupancy	26%	31%	31%	-	29%
Facility Number of Events	34	234	200	34	206
Facility Gross Revenue	\$1,695,400	\$16,601,300	\$15,672,300	\$929,000	\$13,991,600
Facility Gross Expenses	\$1,710,100	\$18,107,500	\$17,667,300	(\$440,200)	\$16,160,800
Facility Net Loss	(\$14,700)	(\$1,506,200)	(\$1,995,000)	\$488,800	(\$2,169,200)
S&M Net Expenses	(\$350,600)	(\$5,518,400)	(\$6,095,000)	\$576,600	(\$6,221,100)
HCC Net Loss	(\$365,300)	(\$7,024,600)	(\$8,090,000)	\$1,065,400	(\$8,390,300)

# 2019 Food & Beverage Update

Food & Beverage	2019 October Actual	2019 Reforecast	2019 Budget	Variance	2018 Actual
<b>F&amp;B Revenue</b>	<b>\$1,192,000</b>	<b>\$10,824,300</b>	<b>\$10,406,100</b>	<b>\$418,200</b>	<b>\$8,817,300</b>
F&B Expenses	\$793,100	\$6,703,100	\$5,910,300	(\$792,800)	\$5,825,400
Net Income	\$398,900	\$4,121,200	\$4,495,800	(\$374,600)	\$2,991,900
% of flow through	34%	38%	43%	(5%)	34%

# 2019 ROI

HCC Revenue + State Revenue + Tax Revenue

= \$227.8M

HCC Expense \$18.6M

***ROI = For every dollar spent by HCC we returned  
\$12.25 to the State***

# CIP Update

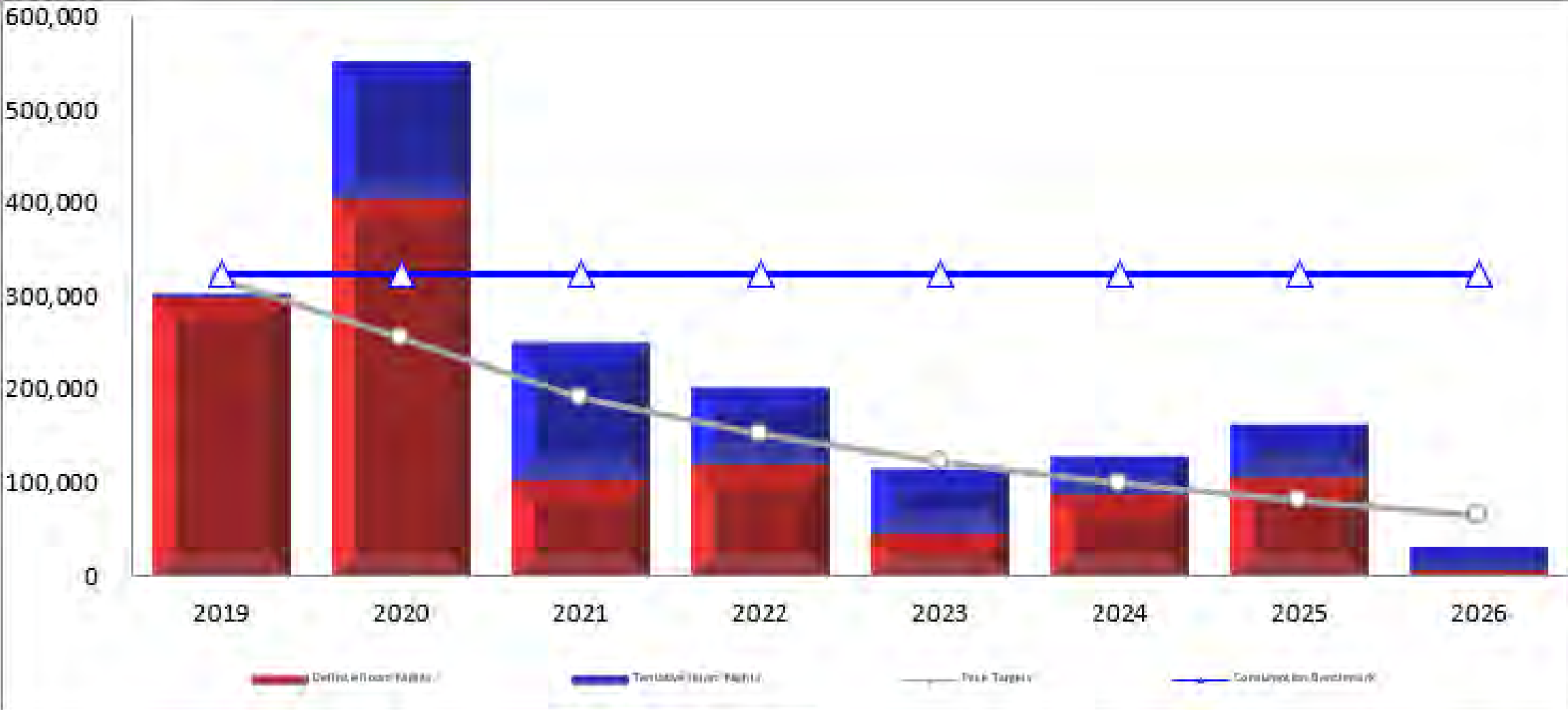
- Boiler Replacement - in permitting
- Cooling Tower Replacement – awarded, contracting
- Ala Wai Waterfall Repair - awarded, target start Dec 2019
- Facility Equipment - awarded, target delivery Feb 2020
- Camera, NVR and Access Control – reviewing BAFO
- Trellis Renovation – awaiting BAFO
- #320 Roof Repair – awarded, target start Dec 2019
- House Sound Audio System – issue RFP Nov 2019
- FB China and Equipment Upgrade – issue RFP Nov 2019

# HCC Sales Update

- 700 room nights closed in October 2019 bringing YTD total to 62,121 room nights closed.
- Tentative pipeline October YTD total = 229,237 room nights



# Hawai'i Convention Center Pace Report



# Sales Initiatives

- Continued fine-tuning of reports and processes working in concert with the HVCB and 2Synergize to help ensure a seamless transition of sales to the HVCB.
- Continued focus on securing License Agreements for select bookings with LOC's.
- Implement updates/processes the HCC IT/USI administrative team learned at the Ungerboeck USI software training in Sept. in St. Louis.
- Preparations for participation at the following trade fairs in November: Teams/19 Conference in Anaheim, CA; PCMA in Maucau; IBTM in Barcelona.

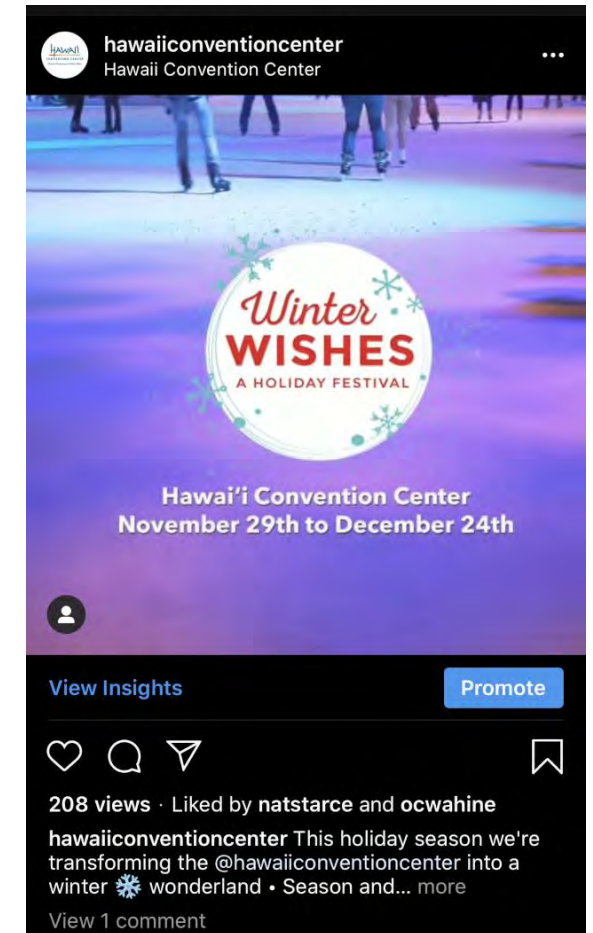
# Sales Initiatives

- The ICCA (International Congress and Convention Association) annual congress October 27-30 in Houston, TX. ICCA is an organization specializing in the International Association Meetings sector, offering member suppliers with communication channels to prospect and receive leads from this sector. The congress rotates globally. Last time in the US was in 1987. Participated in educational seminars, meet with PCO's and secured two leads, e.g. the Intl Freight Logistics Network (1,000 delegates in 2023) and the Intl Federation of Library Associations (4,000 delegates in 2024). The HCC membership in ICCA allows access and use of the ICCA database, which is key to the successful solicitation of Intl Associations with meetings that rotate globally.

# Advertising and PR

## Local Advertising

- Holiday Pā'ina ad placement in Pacific Business News
- Winter Wishes ad campaign begins (social media)



# Advertising and PR

## PR Coverage for October:



*2019 SACNAS - The National Diversity in STEM Conference  
October 31 - November 2 • Honolulu, Hawai'i*

News Release promoting:  
2019 SACNAS – The National Diversity  
in STEM Conference



News Release highlighting HCC's first ever  
ZERO WASTE event executed during the  
Pacific Building Trade Expo

# Advertising and PR

## Advertising (North America)

- Joint Meet Hawai'i full page ad in Meeting & Conventions magazine

## Other Advertising

- Digital ads in SportsEvents Magazine
- E-Newsletter feature in Sports Destination Mgt
- ICCAWorld.org top leaderboard ad placement



VERSATILE, INSPIRING  
VENUES. WITH *OR*  
WITHOUT WALLS.

**Meet HAWAII** **HAWAII**  
CONVENTION CENTER  
Where Business and Aloha Meet

 <b>28,000</b> Rooms Near the Hawai'i Convention Center	 <b>95%</b> Meeting Planner Satisfaction	 <b>100%</b> No-Brainer
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FOR EXPERT, LOCAL GUIDANCE AND ITINERARY HELP, VISIT [meethawaii.com](http://meethawaii.com)



***Mahalo!***

