



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

**David Y. Ige**  
Governor

**Chris Tatum**  
President and Chief Executive Officer

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

**REGULAR BOARD MEETING  
HAWAII' TOURISM AUTHORITY**

**Po'ahā, 19 Kekemapa 2019, 9:30 a.m.  
Thursday, December 19, 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  
AMENDED AGENDA***

1. *Ho'omaka A Pule*  
Call to Order and Pule
2. *'Āpono I Ka Mo'o'ōlelo Hālāwai*  
Approval of Minutes of the November 21, 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 November 2019:
  - Major Market Management including Destination Marketing Management Services, Global Meetings, Conventions and Incentives (MCI) Program Management Services, Responsible Tourism, Social Media and Posts
5. *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



6. *Hō'ike, Kūkākūkā a Ho'oholo No Nā Mo'okālā*  
Presentation, Discussion and Action on HTA's Financial Reports for November 2019
7. *Hō'ike A Ke Kōmike Hō'ike Kūmau No Ka Loilo Mo'okālā 2019*  
Board Discussion and Action on the Presentation of the Report of the Audit Standing Committee on the Financial Audit for Fiscal Year 2019
8. *Hō'ike No Ka Papahana Ho'oponopono*  
Update on the Status of the 2018 Audit Action Plan
9. *Hō'ike No Ke Kau 'Aha'ōlelo 2020*  
Update Relating to the 2020 Legislative Session and Related Bills Relevant to HTA
10. *Hō'ike A Ke Kōmike Noi'i Papahana Ho'okele*  
Report from the Strategic Plan Investigative Committee and Presentation of the Hawaii Tourism Authority 5-year Strategic Plan 2020-2025
11. *Hō'ike Hanana Kikowaena Hālāwai O Hawai'i*  
Presentation by AEG Regarding an Update of the Hawaii Convention Center Recent Operational Activities and Sales Initiatives
12. *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.*

\*\* Executive Session: The Board may conduct an executive session closed to the public pursuant to Hawaii 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 Hawaii's competitive advantage as a visitor destination.



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*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  
November 21, 2019 Board  
Meeting**



**REGULAR BOARD MEETING**  
**HAWAII TOURISM AUTHORITY**  
**Thursday, November 21, 2019**  
**Hawaii'i Convention Center**  
**1801 Kalākaua Avenue, Honolulu, Hawaii'i 96815**

**MINUTES OF REGULAR BOARD MEETING**

**MEMBERS PRESENT:**

Rick Fried, Jr. (Chair), David Arakawa, Fred Atkins, George Kam, Ku'uipo Kumukahi, Sherry Menor-McNamara, Kimi Yuen

**MEMBER NOT PRESENT:**

David Arakawa, Daniel Chun, Kyoko Kimura, Ben Rafter, Kelly Sanders

**HTA STAFF PRESENT:**

Chris Tatum, Keith Regan, Marc Togashi, Marisa Yamane, Jadie Goo, Jennifer Chun, Caroline Anderson, Carole Hagihara, Chris Sadayasu, Joseph Patoskie, Minami Aoki, Laci Goshi, Lawrence Liu, Maile Carvalho, Cynthia Morita, Maka Casson-Fisher, Minh Chau Chun

**GUESTS:**

Representative Richard Onishi, Randall Tanaka, Aldric Ulys, Eric Takahata, John Monahan, Mufi Hannemann, Erin Khan, Nathan Kam, Teri Orton, Mari Tait, Noelle Liew, Christine Ulanpez, Vance Roley, Rod Antone, Lynn Araki Regan, Paul Ouimet, Brandon Eskew, John DeFries, Ross Higashi

**LEGAL COUNSEL:**

Gregg Kinkley

**1. Call to Order and Pule**

Chair Fried called the meeting to order at 9:34 a.m. Maka Casson-Fisher gave a pule to open the meeting. He discussed the "fuel" that Hawaii'i runs on, the sun, which provides the energy to fuel and inspire.

## **2. Approval of Minutes of the October 31, 2019 Board Meeting**

Chair Fried requested a motion to approve the meeting minutes from the October Board meeting. George Kam made a motion, which was seconded by Ku'uipo Kumukahi. The motion was unanimously approved.

## **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 October 2019**

CEO Chris Tatum thanked Laci Goshi and the rest of the HTA staff for their work on the Fall Tourism Update. Mr. Tatum noted that HTA just finished a deal to sponsor a UH-Japan Nitaidai University of Japan volleyball game February 26-28, 2020 which will provide exposure in a key market and supports the University of Hawaii.

Mr. Tatum said that HTA held Sex Trafficking seminars on from O'ahu, Kaua'i, and Hawai'i Island, and discussed participant survey responses.

Mr. Tatum said that he also had an opportunity to speak at Campbell High School. He said they will be working on doing more outreach to high schools.

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

Chair Fried announced that, due to scheduling issues, agenda items 5 and 6 would be switched in the order. He introduced the Dean Vance Roley of Shidler Business School and Mufi Hannemann to provide an update on the partnership between HTA and University of Hawai'i (UH). Mr. Hannemann discussed the Hawai'i Tourism Ho'oilina Scholarship Program. Dean Roley is the dean of Shidler and the interim dean of the School of Travel Industry Management (TIM). Mr. Hannemann thanked the legislature for its support with the program. He said that eight of the scholarships will be for UH Manoa, two will be for UH West O'ahu, and two will be for community college students. Mr. Hannemann discussed the details of the program, which are also contained in the Board packet.

Dean Roley noted that the goal is to reestablish the TIM school as one of the top travel industry management programs in the United States. Dean Roley discussed the Direct Admit Program and the cohort format of the scholarship. Mr. Arakawa asked whether the scholarship was limited to public school students. Dean Roley replied that the scholarship is available to all

Hawai'i school students. Ms. Kumukahi asked whether there was a Hawaiian program for the TIM scholarship. Dean Roley said that there is currently one class at the TIM school on Hawaiian but that there are classes throughout the campus focusing on Hawaiian culture.

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

Chair Fried introduced Ross Higashi to discuss developments with the State of Hawai'i Department of Transportation Airports Division. Mr. Higashi provided an update on the airport's capital improvement projects, which were also contained in the Board packet. Mr. Higashi began the presentation with background information about the airports. He noted that the Hawai'i Airports System is self-supporting. Approximately half of all revenue is from airline payments and the other half is from concession revenues and other nonairline revenue.

Among the major projects Mr. Higashi discussed, he said that at the Daniel K. Inouye International Airport construction of a new Mauka concourse is underway. The new 250,000 square foot terminal is scheduled for completion on December 2020, with a construction cost of \$310 million. The intent is to alleviate the traffic between 10 a.m. and 2 p.m. during the day, and open up gates in the Ewa concourse. A consolidated rental car facility is also being constructed. The project began in July 2016 and is expected to be completed in October 2021, for a construction cost of \$340 million. The airport is also updating terminal and roadway signage, which expected to be completed in December 2019, for a construction cost of \$31 million. Mr. Higashi stated that construction is also underway to renovate and enlarge 52 public restrooms in Terminal 2. The project is estimated for completion in March 2021, for a cost of \$22 million.

Randy Tanaka asked when the airport portion of the rail would be completed. Mr. Higashi responded that HART has not provided a firm completion date, but there will be a station at the airport. Mr. Higashi said he believed that it would be completed in the next 1.5 years. Mr. Higashi then discussed improvements at the Kahului Airport including the new rental car facility, an enclosed walkway connecting holdrooms, and bathroom renovations. Mr. Higashi also discussed the improvements at the Ellison Onizuka Kona International Airport at Keahole. Those improvements include a terminal modernization, a new Federal Inspection Services facility, and an all-hazard, multi-agency training facility. At the Hilo International Airport, the airport is undergoing restroom renovations and enclosing open areas of the second floor of the existing arcade building. At the Lihue Airport, construction will be done to enlarge hold rooms to increase ticketing and queuing space.

Fred Atkins asked if there were any plans for additional gates at the Kaua'i airport. Mr. Higashi says there are currently eight gates and there is interest from Southwest Airlines, but there are no current plans for new gates. He noted that each capital improvement project must be approved by the airlines because these improvements are paid for by the airlines. Mr. Atkins noted that there have been more direct flights to Kaua'i and asked how the scheduling is determined. Mr. Higashi said that gate plans are changed every year but the airport ultimately

controls the uses of the gates.

Mr. Arakawa asked whether Mr. Higashi had any insight on having an airport corporation. Chair Fried noted that for three years the airlines have lobbied heavily for a corporation but that they are getting frustrated. Mr. Higashi said that the Airports Division has studied different airports and only three are still public - Maryland, Alaska, and Hawaii. He said that they have tried hard to get the legislation passed but it was stonewalled based on the issue of procurement. He said that they have approval from the Senate but are having trouble with the House. He said he believes the corporation would be able to get things done sooner than later. The Airports Division is trying to be proactive and created a pilot program with the state procurement officer to address some of these issues. He noted that the HRS and procurement code are rigid, and the protest process can delay a project for up to a year. He also noted that the legislature is only open five months a year but a Board could meet every month or whenever there was a special project that needed approval. Mr. Higashi said that a Board that could meet regularly would help things get approved outside the four-month legislature window. He said that there is inconsistency when there is momentum that is disrupted by a new administration that appoints new leadership.

Ms. Menor-McNamara asked whether the airport workforce falls under the Airports Division and who trains those employees. Mr. Higashi responded that there is a visitor information program to greet visitors, staffed by state employees. Mr. Tatum asked whether the security was state or contracted and whether they received hospitality training. Mr. Higashi said that they do get hospitality training. Ms. Menor-McNamara noted that many are contracted but asked which are specifically state employees. Mr. Higashi said that maintenance, accounting, personnel, operations, and controllers are all state employees.

Chair Fried asked about what his sense is on when the rail will be completed so that people can use it to get to the airport. Mr. Higashi responded that they meet with HART monthly and he expects it will be completed in a year and half.

Chair Fried announced a break in the meeting at 10:48 a.m. Chair Fried resumed the meeting at 11:03 a.m.

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

Chair Fried announced that agenda item 10 would be taken out of order. Keith Regan discussed HTA's budget, which was contained in the Board packet. Mr. Regan pointed out the detailed budget allocations, by category. He noted that significant funds were reallocated to Hawaiian culture, Kuku Ola and Aloha 'Āina programs. Mr. Regan also noted that the back of the CEO report included a list of the all the contracts that were issued. He noted that HTA continues to receive its monthly TAT allocation, which goes into the Tourism Special Fund and the Convention Enterprise Special Fund. HTA also received an allocation of about \$481,000 in investment income which is made up of the investment revenue that the State is holding. It is interest earned, not money that is budgeted. HTA does not know how much revenue is going



to be earned until it is given to HTA.

Mr. Arakawa asked where the money is being invested, and Mr. Regan responded that he did not know. Mr. Regan added that \$5 million is set aside in the emergency fund, which can only be utilized with the approval of the Governor. Mr. Atkins asked about the potential \$3.5 million carryover and whether that was above line item expenditures. Marc Togashi said that that carryover are funds outside of the budget that they anticipate being able to use in the next fiscal year. Mr. Tatum said that HTA has a maximum that they are allowed to spend every year and that \$3.5 million is over above the maximum. Mr. Regan requested a motion to approve the budget. Ms. Kumukahi made the motion and Kimi Yuen seconded the motion. The budget was unanimously approved.

## **8. Update on the Royal Hawaiian Groin Construction to Begin in January 2020**

Chair Fried introduced Dolan Eversole to discuss comprehensive improvement efforts in Waikiki. Mr. Eversole is a faculty member at UH through a program at Sea Grant, a national network affiliated with NOAA, which does outreach and education related to coastal issues.

Mr. Eversole began by discussing the background of the Waikīkī Beach Special Improvement Zone. He also discussed the Waikīkī Beach Management Plan, a comprehensive vision for Waikiki Beach. He discussed the Waikīkī Beach Economic Valuation Study through the UH Department of Economics. The estimated economic value of Waikīkī Beach is \$2 billion per year. Mr. Eversole noted that a Waikīkī Beach Community Advisory Committee was recently created, which helps to identify priorities for stakeholders and community members. The Committee is diverse and helps to identify issues in the area. Some of the major concerns of the Committee were erosion, wave run-up, and structural damage. The specific areas of concern were Halekulani Hotel, Royal Hawaiian Hotel, and Kuhio Beach. The legislature has appropriated \$10 million to DLNR for Waikīkī capital improvement projects. Mr. Eversole pointed out that the money is not earmarked for a particular project. The first two projects Mr. Eversole discussed, which are already approved and underway, are the Kuhio Beach sandbag groin project and the Royal Hawaiian Groin project. The sandbag groin is meant to be a temporary solution for about 20 years before a more permanent solution is developed and implemented.

Mr. Eversole noted that the Royal Hawaiian Groin is a critical area and is in urgent need of repair. It is estimated to cost \$2.5 million. The Waikīkī Improvement district is committed to funding half of it. The expected beginning date is spring 2020. The project is expected to last two to three months and will involve beach closures. Mr. Eversole also discussed beach maintenance, stating that the last time sand was brought in was 2012. He said that something needs to be done about every 10 years as maintenance.

Chair Fried recommended that Board members could reach out to Mr. Eversole for further questions.

## **9. Presentation by Paul Oiumet of the DestinationNEXT Report**

Chair Fried introduced Paul Oiumet to discuss the DestinationNEXT Report, which was also contained in the Board packet. Mr. Oiumet explained that there are two parts to DestinationNEXT: 1) the futures study which is an overview of trends and strategies for destination organizations worldwide, and 2) the destination model. Mr. Oiumet said that they have determined that there were two critical success factors for any destination: 1) how strong the destination is from a product standpoint, and 2) how much community support and engagement there is for tourism.

DestinationNEXT used ten variables to assess destination strength and ten variables for community support. Mr. Oiumet said that they compared the results for about 225 destinations from around the world. DestinationNEXT did assessments in June including live assessments on each island. Mr. Oiumet said that Hawai'i has an abundance of attractions, but has a very low infrastructure score. Another significant piece is that each category of stakeholders had similar perceptions of community alignment. Mr. Oiumet discussed Hawaii's scores compared to the industry average. Hawai'i received good scores for convention facilities but low scores for mobility and access and on communication and internet infrastructure. Mr. Oiumet said that to elevate a destination requires community support to address infrastructure issues.

Chair Fried asked what effect the improvements at the airport might have. Mr. Oiumet said the airport is a critical piece of infrastructure so those improvements will improve the situation. He noted that he used to work for a firm that did airport planning, and he believes that the US airport system has not kept pace with other nations. Privatization and public-private partnerships are innovative ways to create more funding and equity for improving airports, with a great emphasis on commercialization and spending more time on passenger experience. Mr. Kam asked who the top three destinations are. Mr. Oiumet responded that Sydney, Australia is a successful destination in both leisure and business, Vancouver, Canada, and Denver, Colorado.

Mr. Atkins asked about the assessment tools DestinationNEXT uses and asked Mr. Oiumet to explain the three different categories. Mr. Oiumet said that they try and get industry leaders, business leaders, community leaders, and government leaders to provide input. In this case, DestinationNEXT did not survey meeting planners but focused on industry leaders and community leaders. Mr. Arakawa asked what Hawai'i needs to do to get better. Mr. Oiumet explained that in the futures study, DestinationNEXT identified areas that destinations need to improve: destination stewardship, community alignment, and digital conversion. Mr. Oiumet said that he believes Hawai'i should be more proactive about sustainability issues and communicate it on a consistent basis with local residents.

Chair Fried called a break at 12:23 p.m. for lunch. The meeting resumed at 12:42 p.m.

## **10. 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 present an update on current market insights and conditions. Ms. Chun stated that, due to scheduling the Board meeting early in the month, the visitor statistic reports were not available yet. Ms. Chun discussed global market insights and said that she would provide October statistics at next month's meeting.

Mr. Higashi asked about the source of HTA's data. Ms. Chun says that they look at four surveys, including flights coming from the US mainland, surveys of visitors as they are leaving at the end of their trip, island departure surveys, and cruise surveys. Ms. Chun noted that they print about 9 million forms, receive about 4 million forms back, and there are about 7 million visitors, so response is very good. She thanked Mr. Higashi for the carrier reports that HTA receives directly from DOT. Ms. Yuen asked whether HTA compares the load carrier reports with the surveys.

Mr. Arakawa noted that tourism officials from Japan sat down with DBEDT to discuss visitor statistics and Ms. Chun was able to explain visitor statistics to them.

Chair Fried stated that Hawai'i is hosting the Davis Cup in March 2020 and the draw will be at 12pm on Sunday to see who the United States will play and determine whether the event will be held in Hawaii. He said there is about a 60% chance that it will come to Hawaii. Mr. Arakawa asked about the other David Cup venues and whether they were outdoor or indoor courts. Chair Fried responded that most of them were indoor. Mr. Arakawa asked whether Hawai'i should consider creating a larger outdoor arena. Chair Fried said that has been discussed.

### **11. 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 have circulated a draft letter to the Attorney General's office relating to administrative costs, and are close to finishing the last piece of the audit action plan.

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

Chair Fried introduced Ms. Yuen to provide an update on the Strategic Plan Investigative Committee's Activities. She said that they will hold a meeting on December 5<sup>th</sup> and they will bring the draft plan to the December Board meeting. Mr. Arakawa asked how much of the plan is new and whether the plan could be reviewed and approved in a single meeting. Ms. Yuen said that technically they have to post and give a recommendation at one meeting and it has been accepted at a separate meeting.

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

Chair Fried introduced Teri Orton to provide an update on the Hawai'i Convention Center (HCC). Ms. Orton discussed the information in the slide presentation and noted that there were 34 events in October, generating \$1.7 million in gross revenue. The 2019 year-end forecast has improved significantly, with gross revenue at \$16.6 million and net loss at \$1.9 million.

Ms. Orton recognized Mari Tait to provide an update on HCC's capital improvement projects. Ms. Tait presented a list of current projects. Of the nine projects, five have been awarded and two request for proposals are in review. Ms. Tait said they are also working on LED light upgrades which will be positive for electricity.

Ms. Orton shared an update on advertising and sales initiatives. Ms. Orton discussed HCC's Winter Wishes event which will run to November 29 to December 24 featuring an ice skating rink in HCC. The tree lighting and opening ceremony will be on Black Friday.

Mr. Arakawa noted that in the report of the sales update is based on room nights and asked, once the report comes out, whether the groups that book HCC will have a sustainability or community engagement score. Mr. Tatum said that as they develop their strategy and incentives, it will be driven by the time of year and the type of customer that they are looking for, and these pieces will be part of the parameters for the sales force.

### **14. Adjournment**

The meeting ended at 1:13 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  
November 2019**



AUTHORITY

## MEMORANDUM

TO: HTA Board of Directors  
FROM: Chris Tatum, President and CEO  
DATE: December 19, 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 November 21, 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 – November Update**

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

HTA's 2019 Fall Tourism Update was held at the Hilton Waikoloa Village on Hawai'i Island from November 18-19. The conference included 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 featured 20 exhibitors. The second day included 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. The presentations and a post-event survey were distributed, and discussions to plan next year's events have begun.

##### **MMA Contracting Update**

The Market Management team has worked with the Contracts team to update the MMA contract terms for 2020. Contracts for the Canada, China, Europe, Japan, Korea, Southeast Asia, and Taiwan MMAs have been fully executed. Contracts for USA and Oceania are in the process of being executed.

##### **MMA Reporting**

The Market Management team is working on updating templates and outlines for the 2020 MMA monthly, mid-year, and year-end reports to HTA.

## **Industry Partners Meetings**

The Market Management team is planning island-based industry partners meetings by sector (e.g. Hotel, Vendor, Wholesale/Tour Operator). The first meeting is targeted for O'ahu in early 2020.

## **China Summit**

HTA and Hawai'i Tourism China will collaborate and organize a China Summit to be held at the Hawai'i Convention Center in early March 2020. This summit is intended to provide the tourism industry with the latest China outbound travel trends, including information on Chinese mobile payment systems, to make Hawai'i more attractive to this market and increase Chinese visitors' in-destination spending.

## **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 remaining 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. HTA staff are also processing encumbrances for the signed and returned contracts for Q1 first payments in the contract period.

#### **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.

## **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**

This year's theme was 'Ōhi'a Lehua and recognized three people and their organizations who are committed to perpetuating the Hawaiian culture and preserving this keystone species for generations to come. The 2019 awardees were Bill Buckley from the Big Island Invasive Species Committee, Bill Stormont from the Department of Land and Natural Resource's (DLNR) Division of Forestry and Wildlife, and Corie Yanger with the University of Hawai'i's College of Tropical Agriculture & Human Resources.

## **B. Natural Resources**

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

HTA program staff and contracting are currently working to send out contracts to the remaining 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. HTA staff are also processing encumbrances for the signed and returned contracts for Q1 first payments in the contract period.

### **2. DLNR Partnership**

HTA staff continues to work in partnership with DLNR to protect natural and cultural resources on state lands through various initiatives underway or in the planning stages. HTA staff is also working on the final closeout of the current MOA with DLNR.

### **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. HTA staff is awaiting the Uber media project's first data set to assess where gaps in the data exist. Based on this information, the park survey RFP will be adjusted to ensure maximum coverage for future data collection.



#### **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 – November 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. Final payment is due on or about February 15, 2020.
- **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. Final payment is due on or about February 15, 2020.
- **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. Final payment is due on or about February 15, 2020.
- **CON 17033** – VASK – Kaua'i VAP with total funding of \$53,000 and a contract expiration date of 4/1/2020. A total of \$48,000.00 has been invoiced and paid, which leaves a remainder of \$5,000.00 of the total funding. Final payment is due on or about February 15, 2020.

During the month of November:

- Maui County's program handled 20 cases and helped 40 visitors (year-to-date: 207 cases/458 visitors).
- Hawai'i County's program handled 31 cases and provided assistance to 100 visitors (year-to-date: 430 cases/983 visitors).

- City and County of Honolulu's program VASH handled 71 cases and helped 167 visitors (year-to-date: 741 cases/1,674 visitors).
- Kaua'i County's program handled 4 case and provided assistance to 6 visitor (year-to-date: 50 cases/143 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. Payment for CON 18176 S1 has been made up to December 2019 and payment for CON 18189 S2 has been made up to November 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 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) – November 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 80 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
- Kaua'i Matsuri Festival
- Heiva I Kaua'i
- Po'ipū Food & Wine Festival
- Kaua'i Chocolate & Coffee Festival
- Kaua'i Okinawan Festival
- Kaua'i Museum Association – 40th Annual Irmalee and Walter Pomroy May Day Lei Contest
- 4th Annual Kaua'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
- Kaua'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 were held on O'ahu, Maui, Hawai'i Island and Kaua'i the week of November 4, on Lāna'i November 15, and Moloka'i November 26. New this year, HTA staff created a handbook for the 2020 CEP contractors. In addition, a social media workshop was 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/>.

December 2019 CEP 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

January 2020 CEP Events

Event Name	Organization	Island(s)	Start Date	End Date
Japanese Cultural Center of Hawai'i	JCCH's Statewide Japanese Cultural Exchange – 'Ohana Festival	O'ahu	1/12/20	1/12/20
Hawai'i Symphony Orchestra	Symphony Experience – New Year Celebration	O'ahu	1/4/20	1/5/20
Garden Island Arts Council	E Kanikapila Kakou 2020 – "Mele, Hula & Mo'olelo"	Kaua'i	1/20/20 1/27/20	1/20/20 1/27/20

2020 CEP Year-Round Projects

Event Name	Organization	Island(s)
Honolulu Theatre for Youth	The Royal School/Ke Kula Keiki Ali'i	Statewide
The Hawaiian Mission Children's Society dba Hawaiian Mission Houses Historic Site and Archives	Hawaiian Mission Houses' Traveling History Theatre	Statewide
Haleiwa Main Street dba North Shore Chamber of Commerce	Haleiwa Interpretative Signage Project and Walking Tour Map	O'ahu
Pearl Harbor Aviation Museum	"You Are Here" Pavilion/Exhibit Project	O'ahu
Hawai'i Youth Livestock Association	Animal Husbandry, Cultural & Environmental Education & Food Production Program	Maui
Maui Arts & Cultural Center	Visual Arts Exhibition Program 2020	Maui
Maui Chamber of Commerce	Keeping Maui County Top of Mind Through Endearing Cultural Manufacturing Stories	Maui
Aha Hui E Kala	Cultural Awareness Events 2020	Kaua'i
Friends Of King Kaumuali'i	He Inoa No Kaumuali'i-Na Makana Poina'ole	Kaua'i
Equine Therapy, Inc.	Public Relations, Training, Camps, Special Events and Supporting Equipment	Kaua'i
Kona Historical Society	Hanohano 'O Kona: Wahi Pana Lecture Series	Hawai'i
Legacy Reef Foundation	Coral Education Center	Hawai'i
Pōhāhā I Ka Lani	Mahina 'Ai	Hawai'i
The Kahilu Theatre Foundation	Kahilu Theatre 2020 Season	Hawai'i

Hawai'i Institute Of Pacific Agriculture	Expanding Agritourism in North Kohala through Farm Tours & Tastings	Hawai'i
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### **County Support Services**

HTA issued a supplemental agreement for each of the counties to continue providing project evaluation for HTA's 2020 Community Enrichment, Aloha 'Āina and Kūkulu Ola program recipients, and technical assistance for 2021 potential RFP applicants. For 2020, HTA is also working with Maui County to utilize one staff member on Moloka'i to assist with the six project evaluations in addition to helping HTA coordinate Moloka'i's Tourism Strategic Plan. This was one of the outcomes from HTA's June DestinationNext community meetings.

### **E. Ho'okaulike – November 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 \$72,500.00. 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 \$72,500.00. The second progress report and invoice was submitted and HTA has processed the payment in the amount of \$50,750.00. The final invoice and report was received on November 29, 2019, and payment of \$21,750.00 has been processed. 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: November 2019**

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

- News Release: HTA Publishes the 2018 Annual Visitor Research Report (Nov. 1)
- Report: Hawai'i Vacation Rental Performance Report for September 2019 (Nov. 1)
- News Release in partnership with Ho'ōla Nā Pua: Tourism Industry Takes a Stand Against Sex Trafficking (Nov. 4)
- News Release in partnership with the University of Hawai'i Athletics: BYU Accepts Invitation to SoFi Hawai'i Bowl (Nov. 16)
- Report: October 2019 Hawai'i Hotel Performance Report (Nov. 21)
- Report: Hawai'i Vacation Rental Performance Report for October 2019 (Nov. 22)
- News Release: Hawai'i Visitor Statistics Released for October 2019 (Nov. 27)

#### **Media Relations**

- **Media Interviews:** Coordinated and/or assisted with the following interviews:
  - Hawai'i Public Radio: Responded to request by reporter Ryan Finnerty for an interview with Jennifer Chun (JC) regarding HTA's latest figures on Chinese visitors to Hawai'i. Forwarded to Jadie Goo, who set up an interview with Reene Ho-Phang of Hawai'i Tourism China on Nov. 7. (Nov. 1)
  - Honolulu Star-Advertiser: Responded to request by reporter Allison Schaefer for an interview with Caroline Anderson (CA) regarding the importance of workforce development programs like LEI/ClimbHI, which HTA funds. CA submitted written answers to her questions. (Nov. 8)
- **Publicity Support:** Provided the following information and/or assistance:



- Coastal Living: Responded to request from Krislyn Hashimoto, who represents the O‘ahu Visitors Bureau (OVB), regarding who she should reach out to for an upcoming article on Honolulu being named as one of the best places to live. Suggested she contact Andrew Perreira, Honolulu Mayor Kirk Caldwell’s communications director. (Nov. 5)
- Responded to request from Los Angeles-based vlogger Kyle Isao, who wanted help in setting up interviews for his blog. Suggested he identify the hotels and restaurants he’s interested in featuring then contacting them directly or the public relations departments for those companies. (Nov. 6)
- KITV: Responded to request by reporter TJ Horgan for an interview regarding the economic impact of the Honolulu Marathon. Suggested he contact Dr. Jerry Agrusa at the UH Travel Industry Management School, or businesses and exhibitors that benefit from the Marathon. (Nov. 7)
- Adventure Cycling: Responded to sales pitch by Brian Bonham, who said he can help attract cyclers to Hawai‘i. Referred him to HVCB. (Nov. 7)
- Summit Media: Responded to request by CEO Andrew Rosen for permission to use the Kuleana videos and possible publicity opportunities. Referred to HVCB. (Nov. 8)
- Hawai‘i Public Radio: Responded to request from host Noe Tanigawa regarding the presentation at HTA’s November board meeting about the Kūhiō Beach groin and king tides. Advised her that the board meeting is open to the public and she is welcome to attend. Introduced her to HTA leadership at the board meeting. (Nov. 20)
- Honolulu Star-Advertiser: Responded to request from reporter Dave Segal for HTA comments regarding the October Hotel Performance Report. JC provided response regarding Kaua‘i hotel statistics. (Nov. 21)
- Hawai‘i Public Radio: Responded to request from assignment reporter Ashley Mizuo regarding the Hawai‘i Vacation Rental Performance Report. Referred her to the Counties for comment. (Nov. 22)
- TravelAge West: Responded to request for information from Joy Goto, representing OVB, regarding Sony Open photos. Provided her with HTA’s contact for the Sony Open. (Nov. 26)

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

- Capitol Connection: Sent photos and captions of Kūkulu Ola and Aloha ‘Āina examples to Libby Young, who works on the Governor’s Capitol Connection newsletter. (Nov. 1)
- Followed up with Honolulu Mayor Kirk Caldwell’s Communications Director Andrew Perreira regarding the September vacation rentals report. (Nov. 1)
- Ho‘ōla Nā Pua (HNP):
  - Drafted press release for HNP’s sex trafficking awareness symposiums. (Nov. 4)

- Attended the O'ahu symposium at the Royal Hawaiian Hotel. (Nov. 4)
- Notified media on Maui, Hawai'i Island and Kaua'i about the sex trafficking awareness symposiums coming to their islands to help drive attendance. (Nov. 4)
- Responded to request from Hawai'i resident Jen Russo, who wanted to receive HTA's updates. Suggested she sign up through HTA's website to be placed on the mass distribution list. (Nov. 4)
- UH Athletics: Followed up with director of media relations Derek Inouchi regarding HTA funding UH volleyball matches against Nittaidai University from Japan. UH Athletics plans to make the announcement as part of their entire 2020 schedule. (Nov. 5)
- Responded to request from Lani Sidman, VELTRA travel agent relations manager, for a schedule of travel trade shows. Suggested she contact HVCB. (Nov. 6)
- DLNR: Provided input to communications director Dan Dennison regarding the DLNR's Saving Coral TV special, which HTA helped fund. (Nov. 12)
- Maui Bicycling League: Responded to marketing coordinator Kelsey Colpitts regarding their press releases mentioning Hawai'i Tourism. (Nov. 19)
- And You Creations: Responded to request for cultural and historical information on popular visitor sites by Allison Kronberg of this Oahu tour company. Connected her with Maka Casson-Fisher. (Nov. 21)
- Sent Andrew Pereira and the Mayor's communications team an advance copy of the vacation rental report. (Nov. 21)
- Responded to email from Hawai'i resident Rod Martin, who had suggestions for new tourist attractions in Hawai'i. (Nov. 21)
- Keep the Hawaiian Islands Beautiful: Responded to request from Linda O'Brien for ways to reach more people through airlines, hotels and conventions with their message. Suggested she reach out to HVCB. (Nov. 22)
- Responded to request for permission from University of Oregon student Kelly Kondo to use information from HTA's website for her school project. (Nov. 22)
- Governor David Ige's office: Drafted a script for Gov. Ige's welcome message on TV for the Hawai'i Open. (Nov. 25)
- Outrigger Hospitality Group: Responded to request for information by director of cultural experiences Kaipo Ho regarding any strategy to deal with a cultural protest if one should happen. (Nov. 26)
- Green Island Films: Responded to request by producer Anthony Aalto to interview CT. CT declined the opportunity. (Nov. 27)

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

- November 1: Post on the Maui Visitors and Convention Bureau's annual marketing meeting. Keith Regan (KR) spoke at the meeting. **Total Reach** 907 | **Total Reactions** 173
- November 1: Post on the Kona Coffee Cultural Festival. **Total Reach** 331 | **Total Reactions** 66
- November 4: Post sharing KITV's story, "The Hawai'i tourism industry is getting involved with sex trafficking awareness." **Total Reach** 392 | **Total Reactions** 19
- November 4: Post sharing Hawai'i News Now's story, "Authorities seek ways to protect children in the islands from sexual exploitation." **Total Reach** 395 | **Total Reactions** 20
- November 4: Video post on AccesSurf. **Total Reach** 724 | **Total Reactions** 64
- November 5: Post sharing Hawai'i News Now's story, "Training recognizes key role hotel industry could play in cracking down on sex trafficking." **Total Reach** 390 | **Total Reactions** 11
- November 5: Post sharing Maui Now's story, "Sex trafficking awareness symposium on Maui today." **Total Reach** 349 | **Total Reactions** 5
- November 7: Post on Hui No'eau. **Total Reach** 770 | **Total Reactions** 49
- November 8: Post sharing Alaska Airlines' "swell deals" to Hawai'i. **Total Reach** 327 | **Total Reactions** 11
- November 8: Post on Kalanihale. **Total Reach** 617 | **Total Reactions** 45
- November 11: Post sharing Honolulu Star-Advertiser's article, "Hawai'i's visitor industry hopes to bolster workforce by recruiting teen students early." **Total Reach** 624 | **Total Reactions** 53
- November 11: Post on the Kaua'i Old Time Gathering. **Total Reach** 330 | **Total Reactions** 6
- November 12: Post on Kua'aina Ulu 'Auamo. **Total Reach** 315 | **Total Reactions** 11
- November 12: Post on the Hawai'i International Film Festival, sharing Honolulu Magazine's video post. **Total Reach** 139 | **Total Reactions** 4
- November 13: Post on Ulu A'e Learning Center's Kaiāulu project. **Total Reach** 583 | **Total Reactions** 57
- November 14: Video post on Kua'aina Ulu 'Auamo. **Total Reach** 481 | **Total Reactions** 60
- November 15: Post on HTA's Global Marketing Team visiting Halepuna Waikīkī ahead of the Fall Tourism Update. **Total Reach** 861 | **Total Reactions** 281
- November 15: Post on the special tours at Hawai'i Mission Houses Historic Site and Archives. **Total Reach** 751 | **Total Reactions** 62
- November 16: Post sharing the Global Marketing Team's visit to Hawai'i Volcanoes National Park ahead of the Fall Tourism Update. **Total Reach** 676 | **Total Reactions** 121
- November 17: Post on the Global Marketing Team participating in Mālama 'Āina Day at Kaloko o Kīholo ahead of the Fall Tourism Update. **Total Reach** 671 | **Total Reactions** 106

- November 17: Post on the Fall Tourism Update. **Total Reach 485 | Total Reactions 44**
- November 17: Post on the Global Marketing Team visiting the Kohala Institute ahead of the Fall Tourism Update. **Total Reach 511 | Total Reactions 84**
- November 18: Post on the XTERRA Trail Run World Championship. **Total Reach 337 | Total Reactions 21**
- November 18: Video post of Day 1 of the Fall Tourism Update's opening luncheon. **Total Reach 207 | Total Reactions 26**
- November 18: Post on Day 1 of the Fall Tourism Update mentioning the Hawai'i Island Product and Community Partner Showcase. **Total Reach 852 | Total Reactions 176**
- November 19: Post on Day 1 of the Fall Tourism Update highlighting the panel discussions, and participants engaging and networking. **Total Reach 1,251 | Total Reactions 711**
- November 19: Post on Day 2 of the Fall Tourism Update. Chris Tatum (CT) provided welcome remarks. **Total Reach 381 | Total Reactions 33**
- November 19: Post on KUPA Friends of Ho'okena Beach Park. **Total Reach 366 | Total Reactions 25**
- November 20: Post sharing the Honolulu Star-Advertiser's story, "Hawai'i Tourism Authority marketing now includes teaching tourists to be responsible." **Total Reach 864 | Total Reactions 129**
- November 20: Post sharing UH Athletics' press release on the 2020 men's volleyball schedule, which includes support from HTA. **Total Reach 4,806 | Total Reactions 508**
- November 20: Post on the Pacific Century Fellows – Marianas Chapter visiting HTA. **Total Reach 569 | Total Reactions 35**
- November 20: Post on the Legacy Tourism Award recipients. **Total Reach 530 | Total Reactions 74**
- November 20: Post on the Maui Jim Invitational. **Total Reach 483 | Total Reactions 32**
- November 21: Post on the Kohala Institute at 'Iole's 'āina-based excursions and workshop. **Total Reach 356 | Total Reactions 14**
- November 25: Video post on the Hawaiian Mission Houses Historic Site and Archives' 2019 Mele Series. **Total Reach 4,275 | Total Reactions 652**
- November 26: Post on the Ma Ka Hāna Ka 'Ike Workshops at Mānoa Heritage Center. **Total Reach 674 | Total Reactions 84**
- November 27: Post on HTA's job posting for an administrative assistant/receptionist. **Total Reach 389 | Total Reactions 24**
- November 27: Post on Hui o Ko'olaupoko's He'eia Estuary Restoration Project. **Total Reach 567 | Total Reactions 33**

- November 29: Post on Pōhāhā I Ka Lani's Mālama Waipi'o Project. **Total Reach 525 | Total Reactions 20**

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

- November 1: Post on the Kona Coffee Cultural Festival. **Total Reactions 15**
- November 4: Video post on AccesSurf. **Total Reactions 25**
- November 7: Post on Hui No'eau. **Total Reactions 15**
- November 8: Post on Kalanihale. **Total Reactions 16**
- November 11: Post on the Kaua'i Old Time Gathering. **Total Reactions 13**
- November 12: Post on Kua'aina Ulu 'Auamo. **Total Reactions 21**
- November 13: Post on Ulu A'e Learning Center's Kaiāulu project. **Total Reactions 19**
- November 14: Video post on Kua'aina Ulu 'Auamo. **Total Reactions 21**
- November 15: Post on the special tours at Hawai'i Mission Houses Historic Site and Archives. **Total Reactions 22**
- November 18: Post on the XTERRA Trail Run World Championship. **Total Reactions 18**
- November 18: Video post of Day 1 of the Fall Tourism Update's opening luncheon. **Total Reactions 28**
- November 18: Post on Day 1 of the Fall Tourism Update mentioning the Hawai'i Island Product and Community Partner Showcase. **Total Reactions 47**
- November 19: Post on Day 1 of the Fall Tourism Update highlighting the panel discussions, and participants engaging and networking. **Total Reactions 42**
- November 19: Post on Day 2 of the Fall Tourism Update. CT provided welcome remarks. **Total Reactions 26**
- November 19: Post on KUPA Friends of the Ho'okena Beach Park. **Total Reactions 35**
- November 20: Post on the Legacy Tourism Award winners. **Total Reactions 25**
- November 20: Post on the Maui Jim Invitational. **Total Reactions 14**
- November 21: Post on the Kohala Institute at 'Iole's 'āina-based excursions and workshop. **Total Reactions 13**
- November 25: Video post on the Hawaiian Mission Houses Historic Site and Archives' 2019 Mele Series. **Total Reactions 32**
- November 26: Post on the Ma Ka Hāna Ka 'Ike Workshops at Mānoa Heritage Center. **Total Reactions 18**
- Nov 27: Post on Hui o Ko'olaupoko's He'eia Estuary Restoration Project. **Total Reactions 16**

- Nov 29: Post on Pōhāhā I Ka Lani's Mālama Waipi'o Project. **Total Reactions 16**

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

- November 1: Post on the Kona Coffee Cultural Festival.
- November 4: Video post on AccesSurf.
- November 7: Post on Hui No'eau.
- November 8: Post on Kalanihale.
- November 11: Post on the Kaua'i Old Time Gathering.
- November 12: Post on Kua'aina Ulu 'Auamo.
- November 13: Post on Ulu A'e Learning Center's Kaiāulu project.
- November 14: Video post on Kua'aina Ulu 'Auamo.
- November 15: Post on the special tours at Hawai'i Mission Houses Historic Site and Archives.
- November 18: Post on the XTERRA Trail Run World Championship.
- November 19: Post on KUPA Friends of the Ho'okena Beach Park.
- November 20: Post on the Maui Jim Invitational.
- November 25: Video post on the Hawaiian Mission Houses Historic Site and Archives' 2019 Mele Series.
- November 26: Post on the Ma Ka Hāna Ka 'Ike Workshops at Mānoa Heritage Center.
- November 29: Post on Pōhāhā I Ka Lani's Mālama Waipi'o Project.

### **Communications Strategy**

- Social media workshops (developed and conducted by Anthology Marketing Group) for Community Enrichment Program awardees:
  - O'ahu (Nov. 4)
  - Maui (Nov. 5)
  - Hawai'i Island (Nov. 6)
  - Kaua'i (Nov. 7)
  - Moloka'i (Nov. 25 via GoToMeeting)
- Added social media tools and resources to the PR Toolkit made available to the CEP, Kūkulu Ola and Aloha 'Āina recipients.
- HTA Social Media Videos (featuring programs HTA funds):
  - AccesSurf (Nov. 4)
  - Kua'aina Ulu 'Auamo (Nov. 14)

- Hawaiian Mission Houses' 2019 Mele Series (Nov. 25)

### **HTA Initiatives**

- Fall Tourism Update
  - Coordinated the Sustainable Tourism breakout session (Safety, Security, and Sustainability).
    - Panelists: Jerry Dolak of HHVISA, Karen Rose of VASH, Hawai'i Island Police Department Captain Reed Mahuna. Moderator: Blaine Lavarias, retired Honolulu Police Department Lt.
    - Drafted potential questions and provided them to the panelists prior to the session.
    - Marisa Yamane (MY) did the introduction for the session, and KR did the closing remarks. (Nov. 18)
  - Drafted and distributed e-blast on Constant Contact regarding the Hawai'i Island Product & Community Partner Showcase and including speaker headshots. (Nov. 8)
  - Attended HTA internal marketing partners meeting. (Nov. 14)
  - Attended a FAM tour of Halepuna Waikīkī with HTA's Global Marketing Team. (Nov. 14)
  - Provided edits to the Tourism Legacy Award letter to the awardees. (Nov. 14)
  - MY worked with HTA's Global Marketing Team to draft the emcee script for the second day of the conference.
  - MY served as the emcee on the second day of the conference. (Nov. 19)
  - Drafted and distributed e-blast on Constant Contact regarding the Fall Tourism Update survey and presentations available online. (Nov. 27)

### **Internal Communications**

- Emailed HTA staff, board members, Senator Glenn Wakai and Representative Richard Onishi about HTA's new social media video on AccesSurf. (Nov. 4)
- Emailed HTA staff, board members, Sen. Wakai and Rep. Onishi about HTA's new social media video on Kua'aina 'Ulu 'Auamo. (Nov. 4)
- Emailed HTA staff, GMTs, Sen. Wakai and Rep. Onishi about HTA partnering with UH Athletics again, this time for UH men's volleyball. (Nov. 21)
- Emailed HTA staff, board members, Sen. Wakai and Rep. Onishi about HTA's new social media video on the Hawaiian Mission Houses' 2019 Mele Series (Nov. 25)
- RFP 20-13 Public Relations, Communications and for Outreach Services
  - MY reviewed applications and oral presentations.

- HTA's leadership team selected Anthology Marketing Group to support HTA with PR and communication services for 2020.

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

- Edited HTA's Strategic Plan. (Nov. 1)
- Participated in Strategic Plan Investigative Committee meeting to discuss plan. (Nov. 8)
- Met with John Knox & Associates to provide input on the plan. (Nov. 15)

### **International News Bureau**

- **Media and Public Assistance**
  - Switzerland: Responded to request by assistant Linda Husser for CT to meet with Monocle's editor-in-chief Tyler Brûlé to discuss upcoming projects. Told her that CT was unavailable during that timeframe requested. (Nov. 7)
  - China: Responded to request from Dia Wang of Chinese National Geography regarding a special issue on America. Forwarded to Hawai'i Tourism China. (Nov. 19)
  - France: Liaised with lifestyle journalist Carrie Solomon of ELLE magazine in France who will be visiting the Hawaiian Islands on assignment at the end of December/early January. Vetted opportunity; confirming travel dates and island-specific requests for O'ahu, Maui and Kaua'i. (Nov. 20)
  - Scandinavia: Replied to request from Albatros Travel leader Stellan Danielsson for photos of Hawai'i. Sent him information about accessing HTA's Barberstock images. (Nov. 21)
  - France: Responded to request from Sandrine Chenot of TF1 Production for help in obtaining authorizations to shoot video in Hawai'i. Referred to Hawai'i Tourism Europe and sent him a link to the Hawai'i Film Office's website. (Nov. 22)
  - India: Responded to request from journalist Shilpa Nair of The Hindu daily newspaper who inquired about visiting Kaua'i during Christmas. Provided the GoHawaii.com calendar for holiday events and Kaua'i Visitors Bureau's latest What's Blooming press release. (Nov. 27)

## **B. Research and Planning**

The Tourism Research Division (TRD) issued the October 2019 monthly visitor statistics on November 27, 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 December 2019 through February 2020 to the Infrastructure Research Section of the HTA website. The 2019 Air Seat Projection was also updated with data through October 28, 2019.



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

TRD issued the October Hawai'i Hotel Performance Report on November 21, 2019. The report and related October 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 issued the October Hawai'i Vacation Rental Performance Report on November 22, 2019. The report and related October 2019 data tables were posted to the Infrastructure Research section of the HTA website. This report utilizes data compiled by Transparent Intelligence, Inc.

TRD provided support to DBEDT for the Q4 Quarterly Statistical & Economic Report (QSER) and Tourism Forecast.

Jennifer Chun (JC) conducted a tourism research user training session with the Marriott International Hawai'i Brand, Marketing & Digital team on November 6, 2019.

Keith Regan (KR), Minami Aoki and JC presented a Hawai'i tourism overview to Mayor Tetsuji Matsumoto of Urasoe, Okinawa on November 12, 2019. The same day, they also gave a presentation to the Okinawa Prefecture Government Tourism group hosted by HTA board member David Arakawa.

KR and JC attended the Hawai'i Economic Association's November 7, 2019 meeting regarding affordable housing.

JC participated in the TRUE Initiative Committee meeting on November 15, 2019. The TRUE Initiative is part of the CHANGE Framework created by the Hawai'i Community Foundation.

JC attended the 2019 Fall Tourism Update on November 18-19, 2019 at Hilton Waikoloa and presented a brief Hawai'i tourism overview on November 19.

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
- Visitor characteristics for travelers who indicated that they stayed in Ko Olina Resort

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

HTA staff finalized the draft of the strategic plan. The Strategic Planning Investigative Committee (SPICOM) met on November 25 to review the plan. SPICOM will meet to finalize the plan on December 3 before it goes before the full HTA board at the December board meeting. The 2020-2025 Tourism Strategic Plan is scheduled to be approved by the HTA board at its January 2020 meeting.

## **C. Career Development**

### **Ho‘oilina Scholarship**

HTA staff is finalizing the contracts with the University of Hawai‘i at Mānoa’s Shidler School of Business, School of Travel Industry Management, and the University of Hawai‘i at West O‘ahu for the promotion and execution of the 2020 Ho‘oilina Scholarship.

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

### **Contracts List**

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

## Hawai'i Tourism United States 2019 MONTHLY LEISURE MARKETING REPORT – November

### Market Intelligence/Market Conditions

#### Economy

While the record-long expansion has continued, the state of the economy is mixed. On one hand, the pace of economic growth has slowed. Business investment has stalled, and exports have declined; the manufacturing sector is challenged as well. On the other hand, the labor market has remained strong, consumer confidence is elevated, wage growth has remained solid and consumer spending has continued to grow.

- U.S. GDP growth is decelerating and, during the near-term, increases are anticipated to remain modest.
- Trade with Canada and Mexico falls into the same uncertainty now gripping U.S. relations with China and Europe.
- For Hawai'i's economy, DBEDT expects that visitor expenditures will grow at a higher rate than projected in the previous forecast for 2019, and the real GDP growth rate will be slightly higher than projected in the previous forecast.
- Overall, Hawai'i's economy, as measured by real GDP, is projected to show a +1.2 percent increase in 2019, 0.1 percentage point above the growth rate forecast last quarter. The real GDP growth forecast for 2020 is +1.2 percent, the same as the previous forecast.
- The Conference Board *Consumer Confidence Index* decreased in November, following a slight decline in October. The Index now stands at 125.5, down from 126.1 in October.
- The *Present Situation Index* – based on consumers' assessment of current business and labor market conditions – decreased from 173.5 to 166.9.
- The *Expectations Index* – based on consumers' short-term outlook for income, business and labor market conditions – increased from 94.5 last month to 97.9 this month.

## Outbound Travel Market

- An airline partner has reported that advance purchase for their vacation packages are now at 120 days for all islands. Maui and Kaua'i are furthest out at 126 days and Island of Hawai'i (KOA) is 101 days. Average length of stay is 5.2 nights with Maui at 5.9 nights and O'ahu at 4.6 nights. They are seeing strong advance bookings through the winter and spring.

## Competitive Environment

- Over the next 6 years, the tourism industry in Mexico will benefit from the largest ever private investment in tourism infrastructure, as shown in the National Private Sector Infrastructure Investment Agreement. Tourist destinations will periodically receive investments until reaching 252,764 million pesos (about US \$12.9 billion), which will mostly be used for the construction of new hotel rooms in Mexico City, Los Cabos, Cancun, Riviera Maya, Guanajuato, and Monterrey. According to the agreement, there are plans for the construction of several hotels, tourist accommodations, theme parks, natural and water parks, a convention center, apartment buildings and even a university for hospitality and tourism.
- Marriott announced it currently has 60 hotels under construction in Mexico, which are set to open in the next three years with chains such as Ritz Carlton, Westin, Marriott, among others.

## Travel Trends

- *Travel Trends Index* (TTI) finds that travel to and within the U.S. grew +2.2 percent year-over-year in August, according to the U.S. Travel Association, marking the industry's 117th straight month of growth.
- Domestic Travel. Once again, the segment has expanded 2.4 percent in September, buoyed by domestic leisure travel's +3 percent growth. While vacation intentions remain elevated, there may be trouble ahead for both the business and leisure sectors of domestic travel as forward-looking bookings and search data indicate uncertainty on the horizon. The *Leisure Travel Index* (LTI) projects domestic travel growth will slow to 1.4 percent in the coming six months.
- International Inbound Travel. Overseas visitation to the U.S. increased by +1 percent through the first nine months of 2019, according to the National Travel and Tourism Office's (NTTO) most recent estimates. Just under 3.5 million overseas visitors traveled to the U.S. in September 2019, a -0.5 percent year-over-year decrease from September 2018. However, almost 30.5 million overseas visitors traveled to the U.S. year-to-date through September 2019, which is a +1 percent increase from the first nine months of 2018.

## Media Trends

- Videos will be behind about 80 percent of consumer traffic by 2020. Innovations in video marketing are going to take over the social media industry. 2019 also saw its share of evolutions in video marketing. In 2019, *Instagram* introduced its IGTV landscape mode to make video consumption a better experience. The update allows the creators and users to enjoy the content in their desired way. One-minute *Instagram* videos on the feed also form an integral part of social media strategies. Meanwhile, live videos will continue to be used to generate engagement online.
- **More regulatory control and legal scrutiny are on the horizon for social media platforms.** While there are numerous benefits of social media, there are certain negatives that have come to light in recent years. Data privacy and security are two such issues that have made the headlines for social networks like *Facebook*. Social media can be used very easily to gather information about anyone and be misused. There are allegations that certain social networks even sell their user data to other companies. Social networks and regulatory bodies will put more policies in place.

## Airlift

- The U.S. domestic carriers to Hawai'i for the months of December through February 2020 will operate on an expanded schedule during the holidays and the winter season. U.S. non-stop seats for December are 897,508, an +9.7 percent increase over 2018. January and February are 842,818, and 785,263, respectively, a +10.4 percent and +15.6 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 suspensions or decreased frequencies.

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

- **Purpose-Driven Travel.** More people will travel with intention in 2019, making mindful decisions about where and how they travel. These "belief-driven buyers" will choose destinations where their visit will make a meaningful impact on the community, and more will choose brands (travel and other) that align with their own personal values.

**Leisure Activity Update**

**Consumer**

- On-line

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

<b>PARTNERS</b>	<b>Central</b>	<b>OVB</b>	<b>MVCB</b>	<b>KVB</b>	<b>IHVB</b>	<b>LVB</b>	<b>DMVB</b>
<b>Zefr</b>	-	801,193	880,076	814,525	1,797,032	59,673	57,145
<b>Trip Advisor</b>	-	883,302	669,372	1,110,804	1,387,937	203,250	203,250
<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>	-	-	541,823	-	1,952,125	29,650	-
<b>Matador</b>	-	406,183	-	603,202	-	-	-
<b>Reddit</b>	-	14,976	20,819	27,912	21,234	-	1,357
<b>Facebook</b>	7,576,131	376,325	276,870	717,188	935,064	269,299	237,059

<b>Instagram</b>	10,339,894	-	-	-	-	-	-
<b>Total</b>	17,916,025	4,477,349	6,133,765	5,541,750	8,812,160	776,533	713,472

- Advanced Television/Digital Video. HTUSA continued a national flight in November (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 – November (2,215,768 impressions)
  - *Travel Agent Academy* (travAlliance), Enewsletter (Affiliate Link), 26,000 impressions, Nov.
  - *Travel Agent Academy* (travAlliance), Dedicated Email, 8,500 impressions, Nov. 5
  - *Travel Agent Academy* (travAlliance), Dedicated Email, 8,500 impressions, Nov. 13
  - *TravelAge Daily Muse* (Northstar), 300x250, 40,000 impressions, Nov. 11
  - *TravelAge Daily Muse* (Northstar), 300x250, 40,000 impressions, Nov. 25
  - *Northstar* (Northstar), Dedicated Email, 40,000 impressions, 600x100, Nov. 14
  - *Northstar.com* (Northstar), Run of Site Display, 300x600, 125,000 impressions, Nov. 1-30
  - *Luxury Travel Advisor* (Questex), Dedicated Email, 2,300 impressions, Nov. 23
  - *Luxury Travel Advisor* (Questex), Dedicated Email, 2,300 impressions, Nov. 25
  - *LuxuryTraveler.com & TravelAgency.com* (Questex), Gravity Ad-Homepage Takeover, 15,000 impressions, Nov.1-5
  - *TravelAgent Central.com* (Questex), Run of Site Display, 150,000 impressions, Nov. 1-30
  - *MiQ Website* (MiQ), Cross-Device Display, 1,142,857 impressions, September-November
  - *AdAptive Website* (AdAptive), Cross-Device Display, 555,557 impressions, Sep.-Nov.
  - *Facebook* (Facebook), Cross-Device Paid Social, 59,754 impressions, November

## Public Relations

- HTUSA
  - From collaborative efforts with Hawai'i Food and Wine Festival and to continue to elevate Hawai'i as a culinary destination, HVCB provided travel assistance to freelance journalist Jenn Rice (*Food & Wine*, *AFAR*, *Vogue*) to extend her visit on O'ahu and to visit the island of Hawai'i. During her stay she explored O'ahu's North Shore culture and the hyper-local cuisine of Waimea on the island of Hawai'i.

- HVCB provided travel assistance to Eric Lucas, who was on assignment for *Alaska Air Beyond*, for an eight- to ten-page feature on HVCB's *Kuleana* campaign for its January 2020 issue. The journalist engaged with various *Kuleana* ambassadors and experiences that embody the themes within the *Kuleana* campaign.
- Resulting from HVCB's mini culinary press trip to Maui and O'ahu, freelance journalist Hannah Lott-Schwartz produced a *Fortune* story titled "This Maui Restaurant and Bar Gets Its Inspiration From Hawaii's Sugarcane History." In the story she highlights the Mill House's tribute to the sugarcane era in its food and beverage program and the perspective of head bartender and sustainability coordinator, Dane Dostert.
- As part of island of Hawai'i recovery efforts, Shane Mitchell produced a *Food52* story titled "The 102-Year-Old Hawaiian Hotel Where Pork Chops Are King." The story featured Manago Hotel's restaurant, known for its historic charm and famous pork chops. Mitchell recounts her experience with local friends as they share a cultured meal there.
- As a result of pitching efforts, HVCB partnered with Netflix's *Somebody Feed Phil*, produced by Zero Point Zero Productions, for an episode featuring Hawai'i that is expected to air Summer 2020. Host Philip Rosenthal, best known as the creator of the long-running sitcom, *Everybody Loves Raymond*, takes viewers on a goodwill eating tour of the world. Along for the ride are Phil's friends and family, as well as his trademark quirky humor. The production visited O'ahu and the island of Hawai'i, taking viewers on a culinary tour sharing dishes and connections Phil made throughout shooting with the Hawaiian Canoe Racing Association, Hank's Haute Dogs, The Pig and the Lady, Uncle Clay's House of Pure Aloha, Ahi Assassins, Senia, Kōkua Foundation, Mud Hen Water, Hawai'i Forest and Trail, GJ's Huli Chicken and The Feeding Leaf.
- HVCB provided travel assistance to freelance journalist Megan Murphy (*Travel + Leisure*, *Food & Wine*, *AFAR*) to O'ahu and the island of Hawai'i. Megan also worked with Netflix's *Somebody Feed Phil* in integrated efforts to elevate the episode and the islands' culinary destinations. Megan appeared in the shoot for Senia in *Somebody Feed Phil*, explored small towns on each island and experienced various culinary destinations along her travels.
- Media coverage highlights:
  - "Blue Hawai'i" – *AAA Journey Magazine* – Leslie Forsberg – November/December Edition
  - "Culinary Festivals Around the Country Worth Traveling For" – *Departures* – Megan Murphy – Nov. 11
  - "The 10 Best Beaches in Maui" – *AFAR* – Amanda Castleman – Nov. 14
  - "This Maui Restaurant and Bar Gets Its Inspiration From Hawaii's Sugarcane History" – *Fortune* – Hannah Lott-Schwartz – Nov. 24
- KVB
  - Kaua'i was featured in the following media:
    - *Forbes Travel Guide* (99,022 uvpm). Coverage resulted from a KVB-hosted individual media visit by Lanee Lee, September 2019.
    - *Travel Pulse* (840,770 uvpm; circ. 163,307). Coverage resulted from a KVB-hosted individual media visit by Scott Laird, September 2019.
    - *Hemispheres Magazine* (circ. 562,038). Coverage of the front cover and feature resulted from a KVB-hosted individual media visit by Ellen Carpenter, August 2019.
    - *The Manual* (153,298 uvpm). Coverage resulted from HVCB's multi-island tour for Chase McPeak and Genevieve Poblano. KVB assisted with the itinerary; its partners provided media and complimentary rates.
  - Hosted Jay Jones on a KVB-hosted individual media visit, Nov. 10-16. The story focused on activities and things to do in Kapa'a.
  - Liaised with four media in November.



- OVB
  - O'ahu was featured in:
    - *The Manual* (uvpm 114,407). Coverage resulted from an individual media visit by Genevieve Poblano in May 2019. Her articles "Hawaii Travel Guide - The Best Hotels in Hawaii: Where to Book Your Next Stay," "The Best Resorts in Hawaii for a Relaxing Getaway," and "The Ultimate Hawaiian Adventure Guide to Oahu and Kauai" highlight The Laylow, Equus Hotel, The Royal Hawaiian, Atlantis Adventures, 'Iolani Palace, Moniz Family Surf, Kualoa Private Nature Reserve and more.
    - *Curbed* (uvpm 3,166,423). Coverage was a result of Leilani Labong's participation in the Millennial Ecotourism press trip in May 2019. Her article, "The 18 best things to do in Honolulu if you love design," features Pearl Harbor, POW! WOW!, Honolulu Museum of Art, The Surfjack Hotel & Swimclub, Moana Surfrider and more.
    - *UPROXX* (uvpm 10,172,463). Coverage resulted from Steve Bramucci's participation in the Sports & Outdoor Adventure press trip in November 2019. His article, "Travel Writers And Influencers Tell Us Their Favorite Destinations For Winter," features Turtle Bay Resort, Vans Triple Crown of Surfing and One Ocean Diving.
  - Liaised with 52 media in November.
- MVCB
  - Maui was featured in the following publications and websites:
    - *Canada* (3,690,000 uvpm), "Magical Molokai is old-time Hawaii at its best"
    - *East West Bank* (226,560 uvpm), "Hang & Eat: Must Eats in Maui, a Romantic Food Paradise"
    - *Insider* (14,370 uvpm), "13 of the world's most beautiful sites that are incredibly difficult to get to"
    - *Red Tricycle* (13,236,600 uvpm), "17 Winter Vacation Ideas to Book Now"
    - *Travel Pulse* (119,244 uvpm), "One New Thing to Check Out on Every Hawaiian Island"
    - *Travel Awaits* (140,832 uvpm), "The Best Things To Do Along Maui's Wailea Beach"
    - *San Diego Magazine* (182,550 uvpm, circ. 807,000), "Hawaii Your Winter Getaway in the Islands of Aloha"
    - *Alaska Airlines Magazine* (circ. 1,075,649 California,) "Finding the Perfect Souvenir to Remind You of Paradise"
    - *Golf Course Management* (24,060 uvpm), "A Fresh look For an Old Favorite"
    - *Wanderlust Style* (26,370 uvpm), "Tea Chest Hawaii x Maui Tea Farm Unveiling of Exclusive Tea"
    - *AFAR* (836,910 uvpm), "The Ten Best Beaches in Maui," "What Hula teaches us about connecting to the Environment in Maui"
    - *Hudson & Emily* (76,380 uvpm), "Best Things to do on Maui – Hawaii Travel Guide"
    - *Forbes* (107,480,610 uvpm), Use Your Accrued Vacation Days: Micro Trips To Take Before The New Year
    - *GolfTripX* (6,300 uvpm), "Winter Spring Summer or Fall, Lanai is a heavenly golf escape for all"
    - *Lonely Planet* (13,652,940 uvpm), "How to avoid the crowds at 7 popular Maui attractions"
  - Liaised with 32 media in November.

- IHVB
  - The island of Hawai'i was featured in:
    - *Fodor's Travel* (4,746,829 uvpm), "These Are the 10 Most Beautiful Hikes in Hawaii," as a result of providing Carl Yu with recommendations and access to image, Aug 15.
    - *Thrillist* (uvpm 11,511,314), "The Very Best Beaches on Hawaii's Big Island," from providing Lizbeth Scordo with information, Sept 10.
  - Liaised with 14 media in November.
  - Hosted four media during Mālama 'Āina Press Trip, Nov. 9-16, 2019.

## 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>	-	6	34	40
<b>KVB</b>	-	23	82	105
<b>OVB</b>	1	3	1	5
<b>MVCB</b>	-	1	1	2
<b>IHVB</b>	-	2	1	3

### Summary of Key Sales Activities

- HTUSA
  - For the month of November, the HTUSA regional team conducted a total of three educational training presentations, participated in three trade shows, held 34 appointments and had the opportunity to meet or share information on the Hawaiian Islands to more than 704 travel advisors.
  - *Travel Weekly* held their Cruise World event in Ft. Lauderdale, FL, on Nov. 14. In addition to a trade show and 34 advisor appointments, HTUSA conducted a Hawai'i training for 71 advisors.
  - HTUSA sponsored the MAST Sales Sensation in Oak Brook, IL, on Nov. 19 and participated in a trade show and presented to 398 advisors. Hawai'i partners in attendance included Apple Leisure Group, Classic Vacations, Delta Vacations, Hyatt Resorts in Hawai'i, Norwegian Cruise Line and Pleasant Holidays.
  - HTUSA took part in the 2019 Western Association of Travel Agencies' (WESTA) Educational Conference in Vancouver, WA, from Nov. 1-2. The event consisted of a trade show and destination presentation, which included a focus on the Hawaiian culture and tourism *kuleana*, for 100 travel advisors. Hawai'i partners in attendance included GoWay Tours, Halepuna Waikīkī by Halekūlani, Nāpili Kai Beach Resort, Norwegian Cruise Line, Pleasant Holidays, UnCruise Adventures and Waimea Plantation Cottages
  - Classic Vacations held their 7<sup>th</sup> annual President's Circle Event in Honolulu, HI, Nov. 3-5. HTUSA was a featured speaker during their opening session to 15 highly qualified travel advisors, agency owners and host agency executives.
  - HTUSA partnered with Apple Leisure Group at their Hawai'i Dinners in Chicago, IL; St. Louis, MO and Kansas City, MO, Nov. 5-7. The evening included a trade show and a destination

presentation highlighting *Hawai'i Rooted* and *Tourism Kuleana* for 40 travel advisors in each city. Hawai'i partners in attendance included Fairmont Kea Lani Maui, Four Seasons Hotel Lāna'i at Kō'ele – A Sensei Retreat, Hawaiian Hotels & Resorts, Marriott Hawai'i and Outrigger Hotels & Resorts.

- An estimated 800 travel advisors are anticipated to have taken one or more of the online educational modules available at *agents.gohawaii.com* during the month of November. The October monthly metrics report showed a total of 1,184 online graduates having 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 October Actuals - Impressions Per Island**

<b>PARTNERS</b>	<b>Central</b>	<b>OVB</b>	<b>MVCB</b>	<b>KVB</b>	<b>IHVB</b>	<b>LVB</b>	<b>DMVB</b>
<b>Zefr</b>	-	1,441,619	2,412,722	1,841,787	2,419,689	172,947	221,518
<b>Trip Advisor</b>	-	1,235,659	1,752	512,920	961,398	879,468	180,822
<b>Programmatic</b>	-	2,524,333	3,052,406	4,493,930	3,494,291	744,909	1,931,207
<b>Search</b>	-	26,955	28,082	20,991	16,199	4,091	2,580
<b>Condé Nast</b>	-	-	2,273,464	-	1,813,354	70,441	-
<b>Matador</b>	-	732,132	-	940,038	372,841	-	-
<b>Reddit</b>	-	2,642,776	1,839,442	5,095,890	1,156,221	-	93,520
<b>Facebook</b>	7,623,841	470,400	334,900	215,968	1,169,320	338,514	297,069
<b>Instagram</b>	10,402,076	-	-	-	-	-	-
<b>Total</b>	18,025,917	9,073,874	9,942,768	13,121,524	11,403,313	2,210,370	2,726,716

**Public Relations**

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

**Impressions and Publicity Values for OCTOBER**

OCTOBER	Impressions	Publicity Values
Print	53,747,910	\$8,794,199.55
Online	25,069,731,910	\$15,524,337.20
Broadcast	174,628,235	\$9,892,871.27
<b>Total</b>	<b>25,298,108,055</b>	<b>\$34,211,408.02</b>

**Brand Experience Update**

- HTUSA
  - Information on whale watching season and where to do it was featured in the November *Islands of Aloha Express* (IOAX) enewsletter (200,000 consumers), along with small features on the Hawaiian Airlines Diamond Head Classic and Honolulu City Lights events. 'Aha Makahiki was featured in the Upcoming Events section in both the November IOAX and *E-xpressly for Travel Professionals* (EXTP) enewsletter (120,000 travel professionals). Other events highlighted in the Events section included the Craft Fair at the National Tropical Botanical Garden, Pacific Islands Art Festival, Maui Gift and Craft Fair, Waimea Ocean Film Festival and the Hawaiian Steel Guitar Festival
  - In November, 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, all-island updates including festivals and events, shared the Ma'ema'e Hawaiian Cultural Tool Kit and promoted *Hawai'i Rooted* and *Tourism Kuleana*.
  - Delivered media assets for HTA-supported sponsorships, events and initiatives.
    - ESPN: Hawaiian Airlines Diamond Head Classic, SoFi Hawai'i Bowl and Wooden Legacy. Provided media assets on behalf of HTA for their event sponsorships, including television commercials and television-visible, in-arena video board signage, billboards, PA announcement and print ad for program guide.

- Los Angeles Clippers. Provided an end spot graphic to be included on a player commercial developed by the Clippers for HTA to air in the Los Angeles spot market.
  - Duke’s OceanFest. Provided an O’ahu commercial spot to run as bonus exposure for HTA.
  - Sony Open. Reviewed creative assets on behalf of HTA for the Sony Open golf tournament.
  - Sentry Tournament of Champions. Provided a print ad for the tournament program guide.
  - Enterprise/National Drive Guide Magazines. Provided a *Kuleana* post-arrival print ad for the O’ahu drive guide, which was extended as bonus media.
- 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*:
      - 4<sup>th</sup> Annual Po’ipū Food & Wine Festival
      - The Kaua’i Poke Fest
      - Kaua’i Old Time Gathering
- OVB
    - Featured the following CEP, HTA Heritage Sites and Signature and Hawaiian Culture Events in its consumer, media and/or travel agent newsletters:
      - 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:
      - Diamond Head (Lē’ahi) State Monument
      - Pearl Harbor National Memorial
      - ‘Iolani Palace
- 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
      - Maui Jim Maui Invitational

- IHVB
  - Promoted the following upcoming HTA Signature and CEP events during presentations, to walk-ins, in visitor correspondence and whenever possible:
    - Hawai'i Nei Art Exhibit
    - Hilton Waikoloa's 'Ohana Christmas Craft Fair
    - Hilo Hula Tuesday at the Bandstand
    - Kōkua Kailua in Historic Kailua Village
    - Kona Historical Society Hands on History at the Kona Coffee Living History Farm
    - Hula Arts at Kīlauea
    - Volcano Village Art Studio Weekend
    - Muliwai Market
    - 100% Pure Kona Coffee Marathon & Half Marathon
    - Hawai'i Veterans Day Parade
    - Hawaiian Sunset Saturdays
    - 17<sup>th</sup> Annual 'Ukulele & Slack Key Guitar Festival
    - Christmas with the Chefs

### **Island Chapters Engagement Update**

- KVB
  - Hawai'i Tourism Europe (HTE)
    - Assisted with itinerary development, coordination and securing of all details for a product managers FAM, Nov. 22-25. Twelve product managers and two HTE escorts participated.
  - Hawai'i Tourism Japan (HTJ)
    - Co-hosted 100 wholesalers for lunch at Halekūlani on O'ahu, Nov. 22. Provided omiyage bags for each attendee and an island stay prize package that was supplied by island partners.
  - Hawai'i Tourism Korean (HTK)
    - Assisted with itinerary development, coordination and securing of all details (except transportation) for a celebrity golf FAM, Nov. 9-12. Nine celebrities, 1 photographer and 2 HTK escorts participated.
  - Hawai'i Tourism Taiwan (HTT)
    - Attended HTT's Trade Mission and the International Travel Fair in Taiwan. The Travel Fair saw 375,000 attendees. Twelve travel agents attended a KVB training seminar on Thursday, Nov. 7.
- OVB
  - Hawai'i Tourism Europe (HTE)
    - Assisted with itinerary (supported Kualoa Ranch excursion activities and transportation) and met with the group of 14 agents and one Dial a Flight escort, Nov. 11-15.
  - Hawai'i Tourism Taiwan (HTT)
    - Assisted with development of itinerary and coordination for Vlogger media visit for King Man Leung, Shopping Design, Nov. 13-17.
    - Assisted with development of itinerary and activity coordination for HTT Travel Trade FAM that brought five agents and two HTT escorts, Nov. 24-26.

- MVCB
  - Hawai'i Tourism Canada (HTCAN)
    - Assisted with recommendations and itinerary development for journalist visiting Maui from Winnipeg Free Press, Nov. 16-25.
  - Hawai'i Tourism China (HTC)
    - Created a co-op with C-Trip to affect travel in Q1 2020.
  - Hawai'i Tourism Europe (HTE)
    - Supported the Dial A Flight FAM, Nov. 15-19, by providing ground transportation, two meals and two activities. Fifteen agents attended.
  - Hawai'i Tourism Japan (HTJ)
    - Assisted in creating a Meeting Planner Guide for use in Japan.
  
- IHVB
  - Hawai'i Tourism Authority GMT FAM
    - Developed two-day itinerary for this year's HTA GMT FAM, Nov. 15-17. Partners included Grand Naniloa Hotel Hilo-a Double Tree by Hilton, Hula Hulas Restaurant, Hawai'i Forest & Trail (Volcano Unveiled), Volcano House, Polynesian Adventure Tours, Ken's House of Pancakes, The Nature Conservancy/Hui Aloha Kīholo, The Feeding Leaf, and Fairmont Orchid (Binchōtan).
  - Hawai'i Tourism Canada (HTCAN)
    - Developed full itinerary and provided support for HTCAN Press Trip, Nov. 3-8. Group included six media and one HTCAN representative. Partners included Hilton Waikoloa Village, Hilo Hawaiian Hotel, Kailani Tours (Kuleana Rum Tour) Wasabi Tours (Volcano), Polynesian Adventure Tours, The Umaumau Experience, and Hawai'i Forest & Trail (Hilo Tour).
  - Hawai'i Tourism Oceania (HTO) Australia
    - Provided itinerary assistance and activity/ground support for HTO Australia Press Trip, Nov. 1-4. Group included four media and one HTO representative. Participating partners included The Inn at Kūlaniapia, Mauna Kea Beach Hotel, Roberts Hawai'i, Manta Ray Advocates, and Speedi Shuttle.

**“Coming Attractions” for Leisure Market**

	<b>What</b>	<b>When</b>	<b>Where</b>
<b>HTUSA</b>	Individual Media Trip: Leslie Westbrook ( <i>Ventana, AFAR, Alaska Beyond</i> )	Dec. 19-Jan.5	Moloka'i, island of Hawai'i, and O'ahu
	Individual Media Trip: Matt Crossman ( <i>Cowboys and Indians</i> )	Feb. 3-10	O'ahu and island of Hawai'i
	Press Trip: TBD	February TBC	O'ahu and Kaua'i
	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
	TravelSavers Supplier Event	Dec. 13	New York, NY
	Travel Weekly Reader's Choice Awards	Dec. 13	New York, NY

	Family Travel Advisor Forum	Jan. 6-9	Montego Bay, Jamaica
	Cruise Planners HDS Training	Jan. 14	Jacksonville, FL
	HVCB U.S. Central Leisure Sales Blitz	Jan. 20-23	Scottsdale, AZ; Denver, CO; Austin and San Antonio, TX
	Hawai'i Training with Pleasant Holidays + AAA Radio Interview	Jan. 30	Harrisburg, PA
	NorCal 'Ohana Meeting	Feb. 6	San Francisco, CA
	GIFTE Book More Travel Workshop	Feb. 5-7	Charlotte, NC
	Inteletravel TravelQuest	Feb. 19-22	Las Vegas, NV
<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
	HVCB Leisure Sales Blitz	Jan. 20-23	Scottsdale, AZ; Denver, CO; Austin and San Antonio, TX
<b>OVB</b>	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
	Mailpound Webinar	Feb. TBA	
	Wedding Salon Event	Feb. 3	New York, NY
	Wedding Salon Post Sales Training Seminars	Feb. 4-9	East Coast Cities TBA
	Romance Press Trip	Feb.28-Mar. 4	O'ahu
<b>MVCB</b>	Signature Travel Network Conference	Dec. 2-8	Las Vegas, NV
	Oasis Travel	Dec. 9-10	Las Vegas, NV
	HVCB Leisure Sales Blitz	Jan. 18-24	Phoenix, Scottsdale, AZ; Denver, CO; Austin, San Antonio, TX
	Ho'olauna Maui Nui SE	Feb. 7-14	Tennessee, Alabama, Louisiana
	MVCB Media Blitz	Feb. 22-28	Seattle, Portland & Denver
<b>IHVB</b>	Signature Travel/Oasis Conference	Dec 2-7	Las Vegas, NV



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

### Market Intelligence/Market Conditions

#### Economy

- Prime Minister Shinzo Abe announced plans to spend close to \$120 billion to stimulate the Japanese economy as it slows down from the declining demand from China, tensions with South Korea and the series of natural disasters. The government hopes for the stimulus package to boost spending by up to 13 trillion yen.
- Although many firms and economists speculate the Tokyo Olympics to bolster demand and spur economic expansion, many remain wary of a contractionary phase after the Olympic games. As consumption takes a hit from the consumption tax hike, along with the series of natural disasters, the potential for growth that the Olympics brings will be highly valuable.

#### Outbound Travel Market

- All months in 2019 were able to record growth year over year. Growth rates in October was however lower at roughly 1% to 1.66 million travelers. The stunted growth is attributed to the torrential rains and Typhoon Hagibis. International travels are most popular with Japanese females in their early 20s, while seniors aged in their late 60s was the only segment expressing a decline.
- Narita Airport is launching a discount for airlines launching new long-haul routes at the Airport. Airlines deciding to operate a regularly scheduled flight with distances over 70,000 km from Narita will be waived landing fees at the airport for three years. This creates potential for direct flight services to new destinations, greatly expanding options for consumers.

#### Competitive Environment

- Okinawa's world heritage site, Shuri Castle was destroyed by a fire. Okinawa Convention & Visitor Bureau stated that the loss of the castle will have strong lasting impacts on their tourism industry. The prefecture reaffirmed the importance of such sites and ensure the continued development of Okinawa to strengthen attractions for visitors.
- Guam seeks to leverage on the growing transition to digital platforms. Guam Visitors Bureau launched their Shop Guam e-Festival from 11/10 – 2/10. Visitors are able to participate in the event by downloading their free app to receive various benefits and discounts. The event is unfolded on locations throughout the entire island with 142 vendors participating.
- Tokyo launched a new portal site under the name, "Accessible Tourism Tokyo" to allow people of all physical capacities to enjoy their stay. The site highlights various barrier-free locations to visit, divided under the two categories of travelers and businesspersons. Information listed also includes accommodations, shopping spots and public transportation, with other user friendly features such as the vocalization of text.

#### Consumer Trends

- Development of technology is greatly improving convenience for travelers in foreign destinations. Google announced the integration of translation features within Google Maps on

the basis that it will improve convenience for travelers to convey where they are trying to visit to the local people such as taxi drivers, passersby, etc.

- Studies performed by Expedia Japan found that unlike Western consumers, Japanese consumers prioritized in-room amenities at hotels, as opposed to the hotel facilities favored by others. Results show that Japanese consumers did not expect to spend significant time in the various facilities prepared at hotels such as spa and gyms. Pricing, location and the availability of free WiFi were the most influential factors for making reservations.
- Dentsu's surveys found that travels remained as a popular activity amongst millennials, with high budgets allocated for travels, relative to average disposable income. Millennials show tendencies to prefer purchases with reason over those that are made simply for discounts, indicating their desire for value from purchases. This same generation also frequents crowdsourced forums, blogs and/or SNS to obtain realistic opinions from their peers.

### **Travel Trends**

- As the digital native generation grows, consumers are increasingly utilizing SNS as a source for travel inspiration. More consumers are reducing posts made, and simply browse SNS as media. Studies performed by JTB's research division found that a greater proportion of these people have traveled to places based on inspiration from SNS. These trends are particularly prevalent amongst females under 30, with growth in the segment by over 50%.
- Booking.com announced findings on consumer views for 2020 travel trends. Studies found that the development of technology is allowing for travelers to feel affinity with destinations and their people, leading to heightened attention for contributing to preventing over tourism. Over half of respondents stated desires to use apps, websites and/or services that encourage positive contributions to host destinations.
- Younger generations are increasingly taking loyalty programs into account when selecting accommodations and airlines for travel. However, of the younger generations, the majority of respondents reported subscribing to loyalty programs with just one entity. This segment is showing tendencies to be overwhelmed by information and relies on simple tried and true methods for bookings that they have become familiar with, resulting in the loyalty.

### **Media Trends**

- The digital advertisement market continues strong growth. In 2019, the market is forecasted to end with 13% growth YoY at over \$680 million. The market is expected to continue strong growth with estimations for the market to grow by up to 70% by 2023. Digital advertisements in transportation services such as trains, taxis and buses continue to hold the largest proportion.
- As SNS becomes embedded within consumers' lives, use of influencers for advertising products are becoming increasingly prevalent. Studies on a sample group of 233 influencers that had advertised products on their SNS found that over 40% of them had advertised products, upon request from entities over 30 times in a one-year timespan. Entities are finding the use of influencers to be effective in promoting to the evolving consumers who are seeking information from peers they feel closer with, such as SNS influencers.

## **Airlift**

- JAL announced plans for utilization of the expansion of slots at Haneda Airport as they prepare for the heightened demand during the Olympic year. JAL will be rescheduling two of their four flights to Honolulu from Narita to be operated from Haneda. ANA did not announce changes or additional flights for their Honolulu routes.
- Hawaiian Airlines successfully began their direct flight service between Honolulu and Fukuoka on 11/26. The service is operated four times per week.
- Hawaiian Airlines began sales of the new additional direct flight service from Haneda. To meet the heightened demand during the Summer season, they will also be increasing frequency of their direct flight service to Honolulu from Kansai in August.
- Combined international flight usage by JAL and ANA declined by 0.2% year over year. Of the two airlines, while ANA's pax handled maintained similar performance, JAL's pax handled declined by 0.5%, causing the slight overall decline. ANA's North America / Hawai'i route usage grew drastically by 8.9%, attributed to the introduction of the Airbus A380.

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

The incorporation of digital marketing is essential in conveying appropriate branding for the neighbor islands, responsible tourism and attracting new first timer visitors. With this information, HTJ will further strengthen the utilization of SNS and mixed media within media plans. As part of initiatives to strengthen initiatives, HTJ began operating two Twitter pages; one geared for repeaters and the other for first timers. Contents created by HVCB will be effectively utilized, along with the expansion in video libraries with Japanese subtitles to reach specific target classes.

The expansion of international flight slots at Haneda provides a great opportunity for growth of the Japanese market. It will be increasingly important to maintain high demand for Hawai'i amongst Japanese consumers to meet the growth in supply. HTJ will continue closely monitoring the effects that the airlift situation may bring to develop direct consumer initiatives with airlines and regional city promotions with wholesaler partners.

## **Leisure Activity Update**

### **Consumer**

- The Japanese versions of the Share the Aloha videos with Japanese subtitles began being broadcast on all of Japan Airlines' domestic flights. The video reached approximately 1,197,356 individuals.
- A 30 second infographic Hakken Hawai'i movie is being broadcasted on taxis from 11/4 - 12/1. Contents cover facts from all of the Hawaiian Islands and reaches approximately 185,094 consumers each day. Part 3 of the Hakken Hawai'i hunter campaign with a grand prize of a four island cruise ended on 11/30, resulting in total growth of 2,731 for new unique CRM consumer data.
- A new campaign page was launched together with Culture Convenience Club, which operates a nationwide chain of video and bookstores. Island of Hawai'i promotion sections were created at their retail outlets in Tokyo, Osaka and Fukuoka where books on the Island of Hawai'i and made

in Hawai'i products are being sold. On the campaign page, an "Island of Hawai'i Travel Style Chart" was added, where visitors answer 3 – 5 questions and an ideal travel plan on the Island is suggested. Concurrent with this new feature, an SNS campaign was launched whereby winners will win a pair of round-trip tickets to the Island by sharing their results. 3,113 Tweets were made for the campaign with reach being close to 1.5 million.

- Various consumer campaigns for the Island of Hawai'i were carried out. The SNS campaign on new findings on the Island, "Shiritai Island of Hawai'i", continued in November. A total 608 images have been posted with campaign page views reaching 14,406.
- HTJ posted an article on the Tourism Expo Japan on the allhawaii.jp, along with national Newspaper Asahi Newspaper's digital publication. Topics covered the trash sculpture of a sea turtle created by the students from the International Coastal Cleanup event on display at the event, the donations made to the Hawai'i Marine Animal Response and activities organized at the expo.
- Briefings on the Hawai'i Expo Fukuoka event, planned for 3/28 – 3/29 were held for partners in Japan on 11/8 and in Hawai'i on 11/20. HTJ began accepting applications for partners to participate in the expo on 11/20, with 11 companies already confirming intent to hold booths.
- HTJ endorsed an event, "the day of Honolulu", commemorating the 60<sup>th</sup> anniversary of sister city relations with Hiroshima and Honolulu. The event featured a greeting from the Managing Director of the City and County of Honolulu and entertainment by Hawaiian musicians, attracting roughly 400. The event served as a good opportunity to appeal the strong ties between the cities.
- Benefit programs for Aloha Program members continued in November to raise awareness of the Aloha Program and knowledge of Hawai'i amongst consumers. A seminar, webinar and invitation to a special exhibition on Japanese immigrants to Hawai'i was offered to members. 174 consumers attended the arranged events and learned about accurate information pertaining to Hawai'i.
- Advertisements to raise awareness of the Aloha Program and benefits of becoming a member were carried out. Media featuring the Aloha Program in November included local free paper "alohastreet", Japanese magazine on Hawai'i "Aloha Express", Japanese TV program "Hawai'i ni Koishite" and Hokkaido's radio program FM North Wave. Close to 800,000 consumers were reached.

## **Travel Trade**

- HTJ worked with Korean Air and Delta Air Lines to arrange a luxury market FAM on Oahu. Agents from JTB, HIS, KNT, NTA, AirTrip and Hankyu Travel participated in the FAM. Itineraries included experiences catered for the luxury market such as a charter boat cruises and an e-bike tour of Manoa Falls. Highly positive feedback was received from the agents, many of which had never known about the unique experiences. Agents expressed intent for the inclusion of the tours experienced into relevant products on their return.
- Supported a FAM tour for executives from 10 private railway companies on the Island of Hawai'i. Assistance provided included scheduling of various sites to visit on the Island on 11/21, along with a visit to Volcanoes National Park to learn about the current situation on the Island of Hawai'i and what it has to offer for visitors.

- Supported Hawaiian Airlines' Fukuoka inaugural flight reception event in Fukuoka. Attendees included representatives from Fukuoka Airport, US Embassy, Fukuoka Prefectural Assembly and close to 120 travel agents. HTJ provided a presentation at the event whereby information on responsible tourism was shared, along with naming rights to 10 trees from the reforestation initiative with Hawaiian Legacy Hardwoods.
- Working together with 6 travel agencies, a new shuttle bus service connecting Kona and Hilo on the Island of Hawai'i was officially announced to launch in April 2020. Participating agencies are JTB, KNT, NTA, JALPAK, ANA Sales and Tobu Top Tours, allowing for all of their customers to utilize the service. The service will be operated three times per week with an excursion around Hilo Town and returning to Kohala Coast.
- A travel trade webinar was held on 11/27 to provide travel agents with recent updates on the four major islands. Contents shared included developments with hotels and attractions, along with developments towards responsible tourism. Over 130 travel agents applied to attend the webinar.
- Assisted creation of a new tour product by Club Tourism, whereby tour guides will accompany customers until their return to Japan. The product includes stays on Oahu and Kauai and seeks to give consumers peace of mind from the fear of difficulty communicating upon their arrival.
- Participating travel agency from the planning department FAM tour held in September, Nishitetsu Travel created a tour guide accompanied product with stays in Hilo in the Island of Hawai'i. Overall lack of tour products with stays in Hilo are garnering attention to this product. Itineraries include various sites visited during the FAM tour.

## **Public Relations**

- HTJ received 13 inquiries from various media entities. Information on various topics including golf and farm to table concepts (Island of Hawai'i) was shared while also connecting key individuals. HTJ also pitched the media to cover stories on surfing and the sustainable practices being carried out on the Hawaiian Islands.
- Prepared for a newspaper on the Island of Hawai'i from 12/5 – 12/9 and a surfing related press tour on Oahu from 12/15 – 12/18.
- Facebook ads were conducted on romance on the Island of Hawai'i, attractions on Oahu and the Share the Aloha video on Ocean Conservancy, generating total reach of 100,639 and 200,891 impressions.
- Collaborated with SNS micro-influencer, Mr. Koji Kido to promote Oahu and the Island of Hawai'i from October through November through his Instagram page. A total of 196 unique uploads including stories on Oahu were posted with average engagement rates of 3.3%. Reports for uploads on the Island of Hawai'i will be collected in December.
- Assisted Japanese magazine Aera, which will be featuring contents on Hawai'i. HTJ shared the concepts and details of workations with the magazine.

## Sales Activities

### Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
3	23	15	41

### Travel Agencies

- Travel Agencies are working to secure their final sales for 2019, while preparing for the sales of the 2020 January through the Golden Week holidays. Agents continue to exhibit difficulty in filling seats on the charter flights with some only filled to 70%, likely resulting in discounted rates. Difficulties filling charter flights may prompt the reduction of charter flight usage by travel agencies.
- Although capacity of Haneda is expected to grow by roughly 80% from April, because rates for usage of the Airport remain the same, travel agencies' products from Haneda have maintained price levels. However, because capacity is expected to increase during the shoulder season (April – June), a situation for price wars arises. This is also fueled by the potential for additional airlift being introduced by LCC brand under JAL, Zip Air starting in Summer 2020.

### Fukuoka Market

- Hawaiian Airlines successfully began service for its direct flight service between Fukuoka and Honolulu. Travel agencies have been arranging various events and outdoor advertisements to maintain market demand, resulting in very strong load for the flight. Travel agencies attribute this surge in demand to Fukuoka's Hawai'i fans refraining from travels until the return of direct flight service.
- Because the new service is operated only four times per week, agents have reported some difficulties in creating itineraries. Sales initiatives with Hawaiian Airlines will be strengthened in the region to ensure an increase in flight frequency to five times per week.
- Fukuoka Airport has also been strongly backing the new flight as it is their longest distance service. They aim to increase sales initiatives to nearby regions Oita, Kumamoto, Saga and Nagasaki to maintain demand for the direct flight.

### Tokyo Market

- Sales have begun for some of the airlines utilizing the additional slots at Haneda Airport. Although Delta has shifted all flights from Narita to Haneda, direct bookings received for service from Haneda has been struggling. Additionally, through the joint venture initiatives between Delta and Korean Air, aircrafts used are expected to change to one with greater capacity. As business class seats in particular, will be seeing growth to roughly 54 seats, sales initiatives to travel agencies are being strengthened.

### Okinawa

- A seminar with the Hawai'i Association was held for the first time in Okinawa on 11/5, with a total 61 travel agents participating. Views of Hawai'i from people in the region were similar to those of other regional cities, viewing Hawai'i as a destination mainly for their honeymoons. Contrary to common belief, because people of Okinawa refrain from going into the ocean, main purpose of travels are frequently shopping.

- Okinawa holds close ties to Hawai'i through sister-city relationships with Hawai'i, and many Japanese immigrants to Hawai'i being from Okinawa. Despite the strong ties, pax handled from the region to Hawai'i remains very small at under 500 pax booked via package products. Because 2020 will be the 35<sup>th</sup> anniversary of sister city relationships, agents are forecasting the growth of smaller scale group travels

#### Partner Relations

- Participated in the bi-monthly JHTA meeting on 11/21. Together with Ms. M. Aoki from HTA, updates from the Fall Tourism Update was shared with 32 representatives. HTA's 4 pillars, KPI statistics, along with the importance of responsible tourism and brand marketing was also shared.
- Discussed with Kamehameha Schools to discuss their Chorus Group's visit to Tokyo to perform a concert. The chorus teacher, Ms. L. Bright expressed strong desire and the importance for sharing Hawaiian culture via music in the Japanese market for her students. Details on this plan is being formulated along with ways to collaborate.
- HTJ assisted translation of the Sustainable Tourism Association's flyers on reef safety. HTJ will also distribute the information via allhawaii.jp, while also sharing information to travel trade partners.

#### **Brand Experience Update**

- HTJ continued working with travel trade partners to promote the Kuleana videos. Share the Aloha Videos are now being played at JALPAK Hawai'i's lounge in Waikiki, while HIS Hawai'i posted the Ocean Safety and Ocean Conservancy message videos on their website, promoting to Japanese consumers planning or are traveling in Hawai'i.
- HTJ continued working with the Rapid Ohia Death Research team of UH Hilo to raise awareness of efforts being made to prevent the spread of the disease. Work for creating a page on the gohawaii.jp site on rapid ohia date with HVCB, along with the translation of a documentary video is nearing completion.

#### **Island Chapters Engagement Update**

- HTJ supported MVB, IHVB and KVB to arrange the annual Mahalo Luncheon on 11/22 at the Halekulani Hotel. Over 80 wholesalers and OTA agents attended the event. The Island Chapters expressed their gratitude for their continued initiatives towards neighbor island promotions.
- Shared planned 2020 Japan market initiatives and plans for each island at the Island Chapter breakout meetings. Discussed the 2020 Japan Summit and Japan Mission (TBD) with IHVB, and FAM tours, press tours and responsible tourism initiatives with the other island chapters.
- Participated in the OVB Annual Member meeting held at the HCC on 11/26. HTJ was shared OVB's directionality in 2020 for travel trade, marketing and PR. From the presentation provided, HTJ will be working with OVB to promote the 75<sup>th</sup> anniversary of the end of WW2.

**“Coming Attractions” for Leisure Market**

<b>What</b>	<b>When</b>	<b>Where</b>
Satellite Office FAM Tour	12/1 – 12/5	Oahu
Island of Hawai'i Press Tour	12/5 – 12/9	Island of Hawai'i
Japan Sub-Committee Meeting	12/13	Oahu
Attraction Partners Meeting	12/13	Oahu
PR & Marketing Partners Meeting	12/13	Oahu
Ahahoopono Industry Training Program	12/14	Oahu
Surfing Press Tour	12/15 – 12/18	Oahu
HA x HTJ Responsible Tourism FAM	2/29 – 3/3	Oahu



## Hawai'i Tourism Canada

### 2019 Monthly Leisure Marketing Report – November

#### Market Intelligence/Market Conditions

##### **Economy**

Global economic growth is slowing as trade tensions impact businesses' investment decisions and households' purchasing power. Gaining nearly 4 percent in the second quarter, growth in the Canadian economy is expected to moderate over the remainder of the year. Real GDP is forecast to increase by 1.6 percent this year. Canadian labor markets have performed very well over the first half of the year, but job growth will slow over the second half of the year alongside a weaker economy. Tight labor markets will help sustain wage growth and consumer spending over the near term, despite the debt-service ratio reaching an all-time high in the second quarter. The housing market is recovering as strong employment and population growth, coupled with lower mortgage rates, is supporting demand.

It has been another weak year for business investment in Canada; however, 2020 looks more promising with energy investment poised for a small rebound and as pipeline projects move forward. The export sector will feel the impact of slowing global demand.

The Canadian economy was projected to grow by 2 percent in 2018 and 2019. However, growth is expected to slow to below 2 percent beginning in 2020. The economy has been driven by robust household spending in recent years. This has been spurred in part by high home prices and a large increase in consumer debt.

Over the next few years, employment growth will be constrained by slow labour force growth and low unemployment. This will combine with high household debt and rising interest rates to temper real consumer spending.

Non-residential business investment has not yet recovered from its decline following the commodities price crash of 2014. The current weakness is largely the result of low investment in mining. Business investment is expected to post solid growth as the new US–Mexico–Canada trade deal lowers uncertainty and businesses respond to high levels of capacity utilization. The economy has operated below full capacity over the last several years. However, it is projected to reach full capacity in 2020. After that, economic growth will be limited to an average of 1.7 or 1.8 percent.

The loonie averaged USD \$0.75 throughout the summer; a -1.7% decline compared to 2018 and the lowest seasonal value in more than a decade.

##### **Outbound Travel Market**

Canadians made 25.76 million overnight trips to the U.S. and other outbound destinations throughout the first three quarters of 2019, an estimated increase of 1.7 percent compared to the same period in 2018. Of this total, 19.9 million trips were for leisure purposes. During the period, overseas leisure travel increased 1.2 per cent, while overnight leisure trips to the U.S. grew an estimated 1.4 percent. The first five months of the 2019 summer travel season saw Canadians take a 14.0 million overnight outbound trips for all purposes.

Canadians made 15.9 million overnight trips to the U.S. throughout the first three quarters of 2019, compared to 15.6 million last year. During the period, overnight trips by automobile declined an estimated -0.8 percent while travel by other modes grew 6.0 per cent. Many of the tracked destinations in Florida, California, Texas, Nevada and Hawai'i posted increases in direct air arrivals so far this year, though growth has not been as robust as previous years. While the value of the loonie has been fairly stable, averaging around 75 cents each month, the year-to-date average is -3.1 percent lower than the average throughout Jan-Sept 2018.

To Hawai'i specifically, there were 420 thousand visitors from Canada throughout the first ten months of 2019 compared with 425 thousand during the same period in 2018. Between January and October 2019, direct arrivals have decreased -0.4% and indirect arrivals have declined -3.1%. Direct arrivals recorded year-over-year decreases for the past five months, while indirect arrivals started to see positive growth in June when the availability of direct air capacity started to decline.

### **Competitive Environment**

More than 4.1 million Canadians visited destinations in Mexico, the Caribbean, and Central America throughout the first three quarters of 2019, a year-over-year increase of 3.4 percent. Of the larger volume destinations, travel to the Dominican Republic saw a -2.7 percent decline in activity so far this year and visits to Cuba were mostly unchanged (-0.4%). On the other hand, arrivals in Mexico increased 7.1 percent during the period. But both July and Sept 2019 recorded a decline in activity to Mexico; the only months since Aug 2016 that a year over-year drop occurred. The first five months of the summer season saw total visitation to the region decline -2.7 percent primarily due to a decrease in visitation to Cuba (-8.5%) and the Dominican Republic (-10.0%).

There were 2.5 million Canadian arrivals in key destinations in the Asia/Pacific region throughout the first three quarters of 2019, a similar 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 five months of the summer travel season recorded a -1.4 percent drop in activity, primarily due to fewer arrivals in China (-10.9%) and Hong Kong (-11.4%).

### **Consumer Trends**

After dropping to the lowest level of the year last month, the national consumer confidence rating increased to 112.0 points in November. While this was a higher rating than recorded in each of the past two months, consumer confidence was -2.2-points lower than a year ago. Nationally, 30.4 percent of respondents indicated now would be a good time to make a major purchase, a larger share than last year at this time but the lowest overall proportion recorded in nine months.

### **Airlift**

- Air Canada and WestJet offered 378 thousand direct seats to Hawai'i throughout Jan-Oct 2019.
- This is 3.1% more direct seats than offered during the same period in 2018 but almost all of the growth occurred in the first quarter.
- So far this year, WestJet increased direct capacity by 4.6% and Air Canada offered 1.0% more seats than in 2018.
- Further reductions are expected throughout the remainder of 2019, resulting in an overall decline in service compared to 2018 (-0.9%).

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

- Overall the growth of the Canadian economy was slow but constant.
- The labor market growth got to a peak point after a 4-month period reaching to historic numbers and now it has slowed down but will remain in a low rate.
- The national consumer confidence rating fell to its lowest point in the year in October, and finally in November it is showing a recovery. It is still 2.2 percent lower than a year ago.

## **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. The campaign ran through all November and we are expecting the results.
- Plans and communications to run a campaign focused on shoulder-season bookings.
- A campaign with Flight Centre tying up the agent FAM with the consumer was negotiated.

### **Travel Trade**

- The Aloha Canada report was sent to the participating partners as well as to HTA and we are still waiting for some of the partners to reply on the Aloha Canada survey to send this report to HTA.
- Spoiled Agent Webinars are running from July through December, each one of the six islands will have a 30 min webinar. The webinar for Moloka'i took place on November 20<sup>th</sup> and the only remaining one is the for Lana'i on December 18<sup>th</sup>.
- 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 group press trip to Island of Hawai'i in November
  - Followed up with each journalist for any information/images required.
- Planning for Individual press trips for the remainder of 2019.
  - Brandy Yanchyk, producing series known as Seeing the USA. Traveling in December – all confirmed
  - Kim Pemberton: Traveled to Maui in November, followed up with her for any information/images required
  - Parm Parmar: traveling to Maui in December, secured her hotel accommodation.
  - Mhairri Woodhall traveling to Island of Hawaii on assignment for BC Living. Accommodation secured by HTCAN
  - Richard and Chris from Inspired Living traveling to Island of Hawai'i, HTCAN assisted with activities.
- Individual press trips for 2020 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 Island of Hawai'i. Confirmed her accommodation, development of itinerary in progress

- Alison McGill – Wedding Bells, Romance and honeymoon story angle. Pitched OVB global FAM to her. Waiting for feedback
- Simone Olivero is traveling in February; her focus is family travel. Her islands of choice are O’ahu and Kaua’i. Confirmed her accommodation, itinerary development in progress
- Grant Fraser – Golf focus. His islands of choice are Maui and Island of Hawai’i.
- Barry Choi – Freelance Journalist visiting Maui in May.
- Press release distribution: What’s New in the Hawaiian Islands in 2020
- Confirmed group press trip to Maui and Kaua’i in June 2020 – focus is culture and culinary

**Sales Activities**

Airline	Wholesaler/TA/TO/OTA	Other	Total
2	26	1	29

UNIGLOBE Adventure House Travel Inc, Oakville, ON – Karen Oliver, Travel Consultant.  
 Marlin Travel, Victoria, BC – Suzanne Sheppard, Senior Consultant & Office Administrator.  
 Vacations Away, Inc, Saskatoon, SK – Becky Reid, Travel Consultant.  
 Flight Centre Business Travel Retail, Vancouver, BC – Karen Wazny, Team Leader.  
 Goway Travel, Toronto, ON – Katherine Samsonkina, Destination Consultant.  
 Downunder Travel, Vancouver, BC – Jane Osborne, Destination Specialist.  
 Celebration Travel, White Rock, BC – Sheryl Stewart, Travel Advisor.  
 Expedia CruiseshipCenter Fish Creek, Calgary, AB – Marjorie Cousins, Cruise Expert.  
 An Appetite For Travel, Vancouver, BC – Heather Biddell, Travel Advisor.  
 Vision Travel, Calgary, AB – Norma Robinson, Travel Expert.

**Island Chapters Engagement Update**

- 6 webinars were offered to the Island Chapters. Four 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
- All Island Chapters have been working with HTCAN on individual FAMs

**“Coming Attractions” for Leisure Market**

What	When	Where
Spoiled Agent Webinars	December 18th – Lana’i	Across Canada
Trade FAM	December 11th to 18th	O’ahu and Island of Hawai’i
Expedia Campaign	December to January	Across Canada
Flight Centre Canada Campaign	December to January	Across Canada

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

### Market Intelligence/Market Conditions

#### **Economy**

##### Australia

The outlook for the Australian economy remains unchanged. GDP growth over the first half of 2019 was stronger than it was over the second half of last year and figures suggest that growth will continue at a moderate pace. The labor market and inflation forecasts are also little changed although wage growth is no longer expected to pick up. Year-end GDP is forecast to increase to 2.75% over 2020 and around 3% over 2021. This is supported by the low level of interest rates, recent tax cuts, ongoing spending on infrastructure and an upswing in housing prices in some markets. During November, the Australian dollar remained at a similar level to the previous month. The exchange rate hovered between US\$0.67 and US\$0.68 to AU\$1.00.

##### New Zealand

It was a positive month for the New Zealand dollar with the value reaching US\$0.65. There were no major economy changes to report for the month.

#### **Outbound Travel Market**

##### Australia

In September 2019, the number of Australian residents travelling on an overseas trip increased by 3.4% on the same time last year, with 960,600 trips during the month. Travel to New Zealand accounted for 13% of all trips. The most popular destinations were: New Zealand (124,000); Indonesia (122,500); and USA (89,400). The highest annual increases were again (consecutive months) recorded for Japan (15.1%), Indonesia (14.1%) and India (9.2%). The USA recorded a small year on year decrease of -1.0%.

##### New Zealand

The number of New Zealand residents travelling on overseas trip in September 2019 was up by 1,100 from September 2018 to 279,800. The biggest changes were: Australia (up 2,700); Indonesia (up 1,500); Japan (up 1,300); Vietnam (down 1,000). USA was down 2.7%.

#### **Competitive Environment**

##### Australia

The 2020 Queensland events calendar is set to inject \$880 million into the state's economy, up from \$380 million in 2015. The program features new events across multiple destinations, creating a driver for domestic tourism.

Srilankan Airlines is promoting new fares from Sydney to Colombo via Melbourne with Qantas, as it builds demand towards the introduction of direct flights in 2020.

##### New Zealand

The destinations receiving additional airline push have been Bali and New York.

## **Consumer Trends**

### **Australia**

Australians are increasingly seeking out solo travel in order to escape from work, according to Klook's Solo Travel study, which polled nearly 21,000 respondents across 16 markets. The survey found that 76% have either travelled alone or are considering it and the main motivator for solo travel was to reward oneself and get some "me-time". The study also revealed that "fear of loneliness" was a primary barrier to solo travel for over 50% of respondents, followed by safety (46%), and planning & booking the itinerary on their own (25%).

## **Travel Trends**

### **Australia**

New research published by Luxury Escapes (LE) has confirmed the ongoing aspiration by Australians to travel overseas, with 40% of the company's clientele planning to take two or more international trips in 2020. The report, titled Travel 2020: Forecasting the new decade of travel, was compiled by research firm Nature, surveying LE's own 3.2 million strong customer base as well as a broader cohort of Australian consumers, with almost 20,000 responses overall.

Key trends highlighted included top destinations to travel to in the next decade. Canada was the most popular, followed by the USA, Italy and the United Kingdom. In terms of repeat destinations Japan was top of the list, followed by New Zealand, the United Kingdom, USA and Italy. In terms of travel interests, food was at the top of the list, cited by 59% of respondents, just ahead of local culture at 55%. The report also confirmed the scale of Luxury Escapes, noting the firm's total passenger numbers of over 500,000 so far in 2019.

## **Media Trends**

### **Australia & New Zealand**

No news to report.

## **Airlift**

### **Australia**

As reported last month, in meetings with Jetstar the airline expressed concerns regarding a decline in numbers on flights to Hawai'i. Following further discussions with Jetstar's marketing agency, HTO is partnering on a marketing campaign with the airline in Q1 2020. HTO will produce inspirational destination content for distribution via print, online and video.

Both Hawaiian Airlines and Qantas are maintaining similar flight schedules in 2020.

### **New Zealand**

Nothing new on the Hawai'i front. Both Air NZ and Hawaiian have indicated that their capacity levels will be similar in 2020.

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

### **Australia**

While visitor arrivals in October were down 4.7%, this is a more positive result than the previous months of August and September. The Australian school holidays will have influenced these figures. YTD figures show an overall 11.3% decline in Australian visitors. However positively, travelers to Maui and Kaua'i were up for the month, compared to the same time last year. 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**

October 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 (which is up by 2.2%) and Kaua'i.

## **Leisure Activity Update**

### **Consumer**

- Trip Advisor Campaign (Nov 2019 – Feb 2020)
  - HTO launched a campaign across trip advisor channel across Nov-Feb.
  - Digital banners and ads will push to the Hawai'i page on TripAdvisor and drive users to gohawaii.com/au.
  - The campaign is aimed at inspiring TripAdvisor users and ensuring it is front of mind.
  - During the first campaign burst in November and December, the campaign will target couples and will utilize the video and photo assets from our previous Expedia romance campaign.
  - The Second burst will be focused on multi-island holidays.
- PR/Influencer partnership with members of the All Black's Rugby Team
  - Partnership with Hawaiian Airlines, with assistance from IHVB and OVB
  - Four stars of the New Zealand national rugby team (called the All Blacks) travelled to Hawai'i post-season.
  - Coverage included their popular social channels. Impressions still being calculate

### **Travel Trade**

- Online Training Program, Helloworld/Viva Holidays – November 1 to 14
  - We have produced a catalogue of educational videos with in-depth destination knowledge on the destination. Our intention with these videos is to provide education for regional and home-based agents that we otherwise may not have an opportunity to train in person.
  - In November, HTO partnered with Helloworld/Viva Holidays on an online training incentive to encourage agents to learn. By using their existing training platform, they were able to promote and distribute education to their network of agents. The incentive required agents to watch four videos and complete accompanying quizzes.
- Face-to-face Training Session – Flight Centre, November 8
  - Flight Centre, together with Infinity Holidays, held a training day in their Brisbane head office. Over 60 travel agents ranging from novices to senior travel agents attended and were given the choice to attend multiple training sessions, hosted by 8 product and tourism partners, across

multiple rooms and times. HTO completed 3 training sessions over the course of the afternoon and was visited by 35 agents in total, more than half of those attending.

- Face-to-face Training Session – Hoot Holidays, November 13
  - Hoot Holidays are a wholesaler who specialize in tropical holidays and sell exclusively to TravelManagers and consumers via online. With some internal growth, HTO gave training to new and existing wholesale agents, 8 in total.
- Face-to-face Training Session – Mana Toa Travel, November 13
  - Mana Toa Travel is a boutique travel agency specializing in South Pacific destinations, originally from New Zealand, they have recently opened an office in Australia. HTO facilitated a 1-hour training session providing overall destination update for 7 agents.
- Face-to-face Training Session – Concierge Traveller, November 14
  - After attending our Virtuoso training session, we were asked to visit and give an update to the staff at Concierge Traveller's head office. HTO gave an update of the Hawaiian Islands to 4 staff.
- Face-to-face Training Session – Helloworld Travel Blacktown, November 19
  - Helloworld Travel Blacktown asked for face-to-face training and an update on new and redeveloped properties.
- Face-to-face Training Session – Best & Less Travel Blacktown, November 19
  - Best & Less Travel have 3 Sydney stores and 1 in Melbourne. Their Parramatta store books the most Hawai'i travel and they want to increase their sales in Blacktown. HTO gave an in-depth training session to 3 agents in store and will visit their Burwood and Parramatta stores early in the New Year.
- Trade e-newsletter, released November 14
  - This was the fifth edition of our trade newsletter that was sent on November 14 featuring our GoHawaii blog article, "Ten Natural Wonders of the Hawaiian Islands", along with providing partner updates. The newsletter received a 30.3% open rate. Top three articles clicked was our feature blog, Hawaiian Airlines anniversary update and NCL, Pride of America special offer. We will continue to alternate sending trade newsletter with the MICE Trade eDM so that we are providing updates to our agents every month.
- 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:
  - Hawai'i Tourism Oceania releases 2020 Meeting Guide
  - Eco-friendly activities across the Hawaiian Islands
  - Hawai'i Tourism Authority rolls out campaign to educate visitors
  - Hawai'i Tourism Oceania attends first-ever Fall Tourism Update
  - What's new in marvellous Maui?
  - The Kaua'i catch-up
- **NZ Trade Fams:** It has been a busy period of HTO supported fam trips. The month of November saw two high quality retail travel groups visiting Hawai'i with HTO itinerary involvement and support. This groups included the Travel Managers Top Sellers group as well as the Aspire Travel Group.



## Public Relations

- During November, HTO executed the second group media famil, taking three journalists to the Island of Hawai'i, Maui and O'ahu. The group media famil focused on a range of topics including nature and farm-to-table dining, as well as experiencing a range of accommodations from family friendly, to unique and luxury. Throughout the trip the group took part in activities such as manta ray snorkeling, canoeing on a wa'a, visiting Hawai'i Volcanoes National Park and exploring culinary hot spots.

The journalists who travelled on the famil were:

- Carla Grossetti (Freelance writer with commissions for International Traveller magazine)
- Amanda Woods (Freelance writer with commissions for ESCAPE)
- Jessica Campbell (In-house writer at GQ Magazine, commissioned digitally)

In late October and early November, two episodes of House of Wellness aired, that were filmed in Hawai'i. The episodes focused on wellness activities across O'ahu and the Island of Hawai'i. HTO assisted producers in the planning stages, advising on themes as well as possible suppliers to reach out to. The television show had their own fixer in Hawai'i, so HTO assisted with ideas for content. The two episodes of House of Wellness were the highest rating episodes of the season, with a combined total of 412,047 viewers across both episodes.

- During November, the first of two videos by Man of Many and AMEX was released. The short online film follows the protagonist and his fiancée through a number of luxury experiences in Hawai'i including spa treatments at a hotel, dinner and shopping. The second video is due to be released during December.
- In New Zealand, HTO brought a high rating fishing show to Hawai'i – "Fish of the Day". This challenging, yet rewarding project saw the crew (which includes the partner of the NZ Prime Minister) film on O'ahu and the Island of Hawai'i. The show will go to air in the new year.
- HTO distributed the following press release in November
- Hawai'i Tourism Oceania attends Fall Tourism Update
- HTO assisted the following media in November
  - Julia D'Orazio after the OVB famil
  - Sherine Youssef ahead of her upcoming visit in January
  - Kerri Elstub ahead of her upcoming visit in January
  - Markeeta Waddington ahead of her upcoming visit in January
  - Charis Perkins regarding inclusion of HTO in an article
  - Amy Dale from Australian Law Society Journal
  - Jon Underwood from TravelTalk Magazine
  - Emma Mulholland from Qantas magazine ahead of a feature
  - Lachlan Daddo and Cathy Wagstaff regarding an upcoming visit
  - Alexandra Davies from Women's Health magazine regarding an upcoming feature
  - Allison Yee from Bauer Media regarding an upcoming visit
  - Katrina Holden from Vacations & Travel regarding a recent visit
  - Shandelle Battersby - Freelance
- HTO had the following PR meetings in November

- Dara Young from Marriott
- Cynthia Rankin from Hilton
- Ann Magnisses from Matchbox Pictures
- Sean Nicholls from The Bachelor
- Saskia Baker from Outrigger
- Tarquin Samuels from SFX Media

**Sales Activities**

October Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
2	0	5	7

- Trade Sales Calls October
  - 2020 Planning Meeting with Hawaiian Airlines
  - Meeting with Waikiki Complex Marriot Team
  - Meeting with HA head office Honolulu
  - Meeting with Joy Tomita, Prince Resorts
  - Meeting with Cynthia Rankin and Valerie Okamoto, Hilton Hawaiian Village
  - Katey Matthews, Trump Hotels
  - Meeting with Southwest Airlines during Fall Tourism Update

**Brand Experience Update**

No activities to report.

**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 with:
  - 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. All Blacks golf visit November.
  - MVB – executed Media famil November and planning for Maui coop promotion Januar.y
  - IHVB – MCI famil in October and media famil in November
  - IHVB – All Blacks Golf visit November
  - IHVB & OVB – Fish of the Day filming

**“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
Flight Centre Expos	February 2020	Australia and New Zealand
Expedia Campaign	December 26 – January 13	Australia
Helloworld Expo	January 19	Australia
Wedding Expo	January 18 – 19	Australia

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

### Market Intelligence/Market Conditions

#### Economy

##### China Mainland

After numerous rounds of negotiations, both China and the U.S. stepped closer to inking the 'phase-one' trade deal. China's economy saw a stable GDP growth rate of 6.2% YOY in the first 9 months of 2019 amidst the Sino-U.S. trade war. The unemployment rate remained at 3.61% in Q3 from Q2, a record low since 2002. Consumer confidence increased from 122.4 to 124.1 Index Points in September. Meanwhile, the Chinese Yuan strengthened to 7 CNY per USD in November.

##### 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 rose to 3.1% in October from 2.9%. Given the slump in consumer sentiments, the government is forecasting Hong Kong's consumer prices to increase by 2.7% in 2019. Private consumption and fixed investment dropped while government spending grew at a faster pace. On currency, the Hong Kong dollar and U.S. dollar maintained an exchange rate of HKD 7.83 per USD as of November.

#### Outbound Travel Market

##### China Mainland

- On November 21, China government released the 2020 holiday schedule. Within an hour, Qunar's international air ticket searches increased by 5 times. Travel periods are mainly focused during Labor Day Holiday (May 1-5) and the Golden Week (October 1-8). Popular destinations for the Labor Day Holiday are mostly nearby countries, with long-haul destinations favored during the Golden Week. Most of the bookings also happened at Trip.com (Previously known as Ctrip) and Fliggy platform. (*Source: Travel Weekly & Yicai Global*)
- According to Fliggy, travel products are a new favorite of Chinese consumers during the Singles Day (November 11) shopping spree. In the past five years, the number of travel product orders on Singles Day has seen a compound annual growth rate of nearly 60%. This year, more than 5 million people booked overseas trips on Fliggy and total transaction volume of international flight tickets jumped 50% YOY.

##### Hong Kong

- According to Cathay Pacific Airlines, inbound traffic to Hong Kong in August had fallen by 38% and outbound traffic by 12% compared with the previous year as anti-government protests in Hong Kong hit demand.

## Competitive Environment

- Tourism Fiji China Mission 2019 was held in 4 cities from November 25-28 with over 16 suppliers and 400 travel agents in attendance. Fiji offers Chinese travelers a diverse range of experiences, a tropical climate and ease of accessibility with year-round, direct air services to Nadi (the largest airport in Fiji) from Hong Kong. Chinese citizens can enjoy a holiday in Fiji on visa-free entry. (Source: *Guojialvye.com*)

## Consumer Trends

- The "Solo Traveler Report 2019" by ELong and ly.com showed that people traveling alone by air pay more attention to the safety and reliability of their journeys. 54.33% of them will take the initiative to purchase aviation accident insurance, and they are more likely to own delay insurance and refund insurance. Single travelers are also inclined to book transfers, airport meals, VIP lounges, and other services. In terms of accommodation, women tend to stay in higher-quality hotels, possibly due to safety concerns.
- Tuniu.com released the "Millennial Generation Global Travel Consumption White Paper 2019" in early November, stating that 66% of the vacation-goers are the Millennials. Numbers in outbound travel, domestic travel, and short-haul travel are almost evenly distributed. In terms of favored destinations, half of the top ten destinations are in tropical regions.

## Travel Trends

- The "Global Travel Forecast" annual report implies that after a sharp increase in 2019, the global tourism industry's price increment will slow down next year. Prices may increase slightly for air tickets (1.2%), hotel (1.3%) and car rental (1%). Although the global economy is performing well overall and is expected to achieve a 3.6% growth in 2020, uncertain factors will affect pricings. (Source: *CWT and Global Business Travel Association*)
- China's burgeoning appetite for sustainable travel is creating new opportunities within the world's most lucrative travel market, according to Booking.com Chairwoman, Gillian Tans. Booking.com had recorded a recent uptick in demand from Chinese tourists looking for responsible travel alternatives as they are becoming more conscious of over-tourism, bringing the country closer in line with a broader shift in global travel trends. (Source: *CNBC*)

## Media Trends

- Video sharing platform Tik Tok's unveiled their aim to break into the OTA industry with their recent addition of travel information services in May 2019 and travel mode "Tik Tok Check-in". Tik Tok Cultural Travel grew by 104 times in 2018, and the daily playback volume of travel-related videos on the platform was 2.53 billion. (Source: *CTA Travel News*)

## Airlift

- Hong Kong Airlines will discontinue its scheduled services to Los Angeles effective from February 8, 2020 and the last Hong Kong – Los Angeles flight would be on February 6, 2020. This may affect travelers from South China traveling to West Coast U.S. and Hawai'i.

- Cathay Pacific Airways Ltd would cut capacity for the upcoming winter season after reporting an 11.3% fall in passenger numbers in the month of August as anti-government protests in Hong Kong hit demand.

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

### **China Mainland**

- Travel safety is considered as an important factor for Chinese travelers when choosing a destination, especially for those who travel alone. Hawai'i is a destination with safe, peaceful and friendly environment which has a huge attractiveness towards Chinese solo travelers.
- Chinese group travel patterns have changed from traditional mass tourism to new, smaller group tours with customizable themes 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.

### **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. The Aloha Festival – Hawai'i stop initiative has been cancelled due to the unstable political environment in Hong Kong.

## **Leisure Activity Update**

### **Consumer**

- **Marketing Initiatives for RESPONSIBLE TOURISM – RAINBOW ROUTES**

To promote the unique marketing initiative "Rainbow Routes - Hawai'i" and Responsible Tourism, HTC cooperated with FM98.2 Beijing Youth Radio to further introduce ecotourism resources in Hawai'i to Chinese travelers. The campaign efforts achieved a captive reach of 255,000 travel lovers in Beijing and neighboring cities.

FM98.2 Beijing Youth Radio is the first professional travel radio channel to broadcast via both radio and live stream in China. Social media influencer Mars (张京), leading sports and outdoor adventure enthusiast, was invited to share his first eco-vacation at the awe-inspiring Hawaiian Islands and all about Responsible Travel. HTC also presented the idea of Travel Pono during the radio program.

### **Travel Trade**

- **HTC & HA Joint Educational Seminar for China Southwestern Market**

With the growing number of visitors from Southwest China to Hawai'i, Hawaiian Airlines selected Chengdu as the third stop of tour training after Beijing and Shanghai. HTC worked with Hawaiian Airlines Chengdu team to promote Hawai'i transit routes and inter-island air routes on November 8.

The event attracted 30 key agencies from wholesale tour operators, ticket agents and luxury travel agencies as Hawaiian airlines shared their favorable airfare policy while HTC introduced Hawai'i beautiful nature as well as the unique culture.

- **HTC at the Northeast Asia International Wedding Expo**

Together with Trip.com (previously known as Ctrip), HTC showcased Hawai'i as a perfect Honeymoon destination in the 2019 Northeast Asia International Wedding Expo held in Shenyang, China. During the 2-day event, Trip.com successfully received over 148 customized enquires and 66 honeymoon trip orders outreaching 10,000 consumers.

- **2019 'Ohana Fun' Campaign with Korean Air (KE)**

Partnering with Korean Air, the 2019 'Ohana Fun' Campaign was successfully held from September to November. Korean Air Official social media platforms promoted the campaign, outreaching over 220,000 Weibo fans and 90,000 WeChat followers to achieve 27,294 total pageviews. The Hawai'i banner on KE official website was showcased to over 700,000 Korean Air members with estimated 1,504,198 clicks. In addition, the 'Ohana Fun' newsletter reached 284,426 KE SkyPass members.

## **Public Relations**

In November, HTC secured a total of 56 media exposures (1 broadcast and 55 online media), achieving over **15 million impressions and a total PR value of USD 711,600.**

- **Media Highlight - "A Nature and Outdoor adventure in Hawai'i" by Sina Travel**

Sina Travel, a channel of China's leading portal Sina Weibo, released a full article to introduce the nature resource and eco-tour experiences in Maui, Lāna'i, and O'ahu. Highlights include Lahaina Fish in Lahaina town, Sail Trilogy snorkeling tour, Manele Golf Course, Blue Hawaiian Helicopter tour, garnering **550,000 impressions and a PR value of USD 42,600.**

- **Social Media**

In November, the number of HTC Weibo followers increased to 186,238 and the 2019 total impressions on HTC Weibo reached 3,684,367. Meanwhile, the number of WeChat followers increased to 30,032, with all posts achieving a total of 232,692 page views.

### **Highlight - HTC cooperated with Insta360 to promote outdoor activities in Hawai'i**

HTC cooperated with Insta360 to promote various outdoor activities in Hawai'i. The social media activity indicated Hawai'i as an ideal holiday destination for outdoor enthusiasts and tourists. Several fascinating, outdoor-related resources of the Hawaiian Islands were featured, such as surfing at Waikīkī Beach, diving at Kona Coast, mountain tubing in the Kaua'i, Umauma Zipline. This social media promotion has successfully generated over 420,000 impressions.

## Sales Activities

### China Mainland

#### Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
1	45	1	47

- In the Eastern China market, HTC accomplished a total of 21 sales calls meeting up with the key agency in Eastern China like AITS, Utour, CITS, Diamond, CTS to get the most update market trends.
- In the Northern China market, HTC accomplished a total of 11 sales calls. In November, HTC successfully cooperated with Trip.com (previously known as Ctrip) for the Northeast Asia International Wedding Expo in Shenyang which attracted over 10,000 consumers, earning 148 customized enquires and 66 honeymoon trip orders.
- In the Western China markets, HTC conducted 8 sales call in Chengdu and Xi'an. HTC introduced Hawai'i resource to Xi'an luxury agents, such as Emax, BSD Travel and Meitu.
- In the Southern China market, HTC accomplished 7 sales calls. Among which, HTC met with Shenzhen CTIS and got the lead that they are introducing Hawai'i to companies for their incentive trip in April 2020. In addition, HTC also helped the tailor-made travel agencies develop more Hawai'i products.

### Hong Kong

#### Sales Calls

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

- HTC-HK and the industry met and exchanged insights, news and information on travel to Hawai'i during the Antor Holiday party.

## Brand Experience Update

### China Mainland

HTC promoted Honolulu Marathon, Vans Triple Crown of Surfing and Kona Coffee Cultural Festival through social media channels to attract outdoor enthusiasts and foodies.

### “Coming Attractions” for Leisure Market

What	When	Where
“The Story of Hawai'i Sacred Mountain” hula show joint promotion	December	China
Media FAM Exposures Collection: <i>National Geographic Traveler</i> (时尚旅游), <i>Adventure Magazine</i> (户外), <i>City Zine</i> (城市画报), <i>Jiemian.com</i> (界面) and <i>Sina Travel</i> (新浪旅游)	November - December	China

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

### Market Intelligence/Market Conditions

#### Economy

- South Korea has logged one of the sharpest drops in its potential growth rate among advanced economies in the world. An outlook by the Organization for Economic Cooperation and Development (OECD) estimated the country's potential growth rate for this year at 2.7%. The projection represents a drop of 0.4% compared with the 3.1% growth outlook by the OECD in 2017.
- South Korea's employment rate reached a 23-year high in October as the jobless rate hit a six-year low. Government data showed the number of employed people totaled 27.5 million, up 419,000 from a year earlier. It marked the third straight month the number of added jobs had exceeded 300,000. Thanks to these additions, the nation's unemployment rate fell 0.5% year-on-year to 3%, the lowest figure for any October since 2013. The number of unemployed people stood at 864,000 in October, down by 109,000 compared to last year. In particular, the unemployment rate for young adults aged 15 to 29 fell to 7.2% last month from 8.4% a year earlier.
- The average USD/WON exchange rate in November was 1163.27 won, a slight decrease from the previous rate of 1187.60 won in October. Fuel surcharges were imposed in November up to 98,400 won (\$83.52) 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 October 2019 was 2,153,847, a year-on-year slight decrease of 8.3%.

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%
October	2,153,847	-8.3%
<b>Total</b>	<b>24,281,745</b>	<b>1.6%</b>

- Hana Tour and Mode Tour, the nation's top two wholesalers, reported steep year-on-year declines of 38.1% (to 183,000 pax) and 29.5% (to 121,000 pax) respectively in their overall



outbound sales in November. According to Hana Tour, the slump in travel demand for package products was largely due to the ongoing travel boycott against Japan and decreased demand for Hong Kong due to its continuing turmoil. 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. In terms of outbound destination market share in November, Southeast Asian countries still ranked no. 1, accounting for more than half (58.5%), followed by China (19.2%), Europe (7.0%), Japan (4.4%), South Pacific region (7.4%), and the U.S. (2.4%).

## Competitive Environment

- Air New Zealand flight NZ75 started service from Auckland to South Korea on November 25 for the first time in more than two decades to accommodate growing travel demand for the destination. The airline is currently operating the ICN-AKL route three times a week and it will be increased to five times a week from late December until mid-February.

## Consumer Trends

- Korea Consumer Agency reported that South Koreans' spending priorities were moving beyond the bare essentials, with food, clothing and shelter all losing ground in the number of consumers who listed them as their main concern. The three basics have consistently dominated South Korean consumers' top living concerns. While food still topped the agency's most recent survey, with 21% of 8,000 respondents listing it as the most important category, it had almost halved from the 2013 figure of 40.8%. Housing and furniture also fell sharply but ranked second at 12%.

## Travel Trends

- A survey by KLOOK resulted in 93% of Koreans responding positively to solo travel, while 76% of respondents from other countries said they had either traveled alone or were considering it. In comparing generational preferences, 42% of Generation Z respondents (18 to 24-year-old) and 63% of Millennials (25-39) said they had already traveled alone or would be keen to plan a trip. Roughly 51% of Generation X (40-54) and Baby Boomers (55+) said they had traveled alone. When asked about their reasons for solo travel, 77% of respondents said they wanted to escape from daily life with a vacation. And 52% said they wanted to enjoy uninterrupted 'me time' or reward themselves, suggesting that travelers valued their independence more than ever.
- Consumer Insight announced the results of its research into Koreans' usage rate of online travel agencies (OTAs) and meta search engines. They confirmed that Yanolja had retained its status as the top travel product platform. In terms of usage rate, Yanolja has been the leader for the past 3 years at 15.2%, ahead of Agoda (11.2%), Skyscanner and Good Choice (both 10.5%). They were followed by Hotels.com (9.2%), Airbnb (8.6%), Hotels Combined (8.4%), Naver (7.8%), Booking.com (5.3%) and Expedia (4.8%). The three global OTAs, Hotels.com (+0.3%), Booking.com (+0.1%) and Expedia (-0.5%), held almost the same share as last year.

## Media Trends

- Netflix Inc. had an estimated 2 million paid viewers in South Korea at end of October, more than double the number of subscribers from a year earlier. Netflix patronage in South Korea has been rising steadily since February last year when it was only 400,000. The data showed that 38% of Netflix users in South Korea were in their 20s, followed by 31% in their 30s and 18% in their 40s. Those aged 50 or older took up the remainder.

## **Airlift**

- Korean Air will kick off an additional regular flight, KE051, on the ICN-HNL route from December 9, 2019 through March 28, 2020. This follows the success of chartered flights during Korea's golden holiday week in early October. KE051 is scheduled 4 times weekly on Mondays, Wednesdays, Fridays, and Sundays using A330-200Q aircraft with 281 seats. The added direct flights are expected to generate an additional 3,052 seats in 2019 and 10,464 in 2020.
- 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 and 2020 respectively.
- Jin Air is still 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**

The KakaoTalk Channel (formerly KakaoTalk Plus Friend) has emerged as a highly efficient alternative sales channel for home-shopping. KakaoTalk Channel costs 17 won per message and the reservation rate is expected to grow to the same level as home-shopping. Both channels are effective in drawing many customers in a short period, but KakaoTalk Channel's cost is only 10% of home-shopping's. This helps to reduce expenses and provide more benefits to customers. Average CTR is 10~12% and CVR is 1~2%. Travel agencies which run KakaoTalk Channel (and their memberships) are: Mode Tour – 1.7 million, Interpark Tour – 900,000, Hana Tour – 776,000, Yellow Balloon Tour – 412,000, Very Good Tour – 318,000, Online Tour – 103,000, Lotte Tour – 80,000, and KRT – 59,000. This will decrease the level of dependence on conventional TV home-shopping channels that many tour operators continue to use as a primary marketing tool to boost short-term sales of Hawai'i products.

## **Leisure Activity Update**

### **Consumer**

- **Kuleana Video Production with JTBC+:** To position the Hawaiian Islands as a sustainable destination and to increase awareness of responsible tourism while visiting, HTK would like to produce a Kuleana video in partnership with JTBC+, a digital content production company owned by JTBC, one of the largest nationwide TV networks. HTK will create the video by inviting the production crew to the Islands in December. The video will be released in January and, to maximize the viral effect of the video, HTK will run social media advertising through Instagram.
- **Influencer Marketing Event:** HTK will partner with Korea's leading celebrity/influencer marketing platform 'Stage For' for the Hawai'i-themed Influencer Marketing Event to be held on December 9 at Millennium Hilton Hotel. The event is designed as a marketplace to match tourism industry partners with KOLs who are highly interested in co-ops with travel trade partners. It will involve Hertz, Hilton Hawaiian Village, Hawaiian Airlines and Twitter as well as consumer brands and leading or rising KOLs in the Korean market. During the networking session, all delegates will present their destination, products and properties and KOLs will share their own strengths that can enhance the influence of company marketing initiatives. The Korea team will sponsor the event with giveaways for about 50 attendees.

## Travel Trade

- **Internal Marketing Partner Meetings:** HTK had internal marketing meetings with Hawai'i partners – High Gate and Hyatt Regency Waikiki – to discuss partnership opportunities for 2020. The meetings were held during the visit to the islands for 2019 FTU.
- **Luxury Hawai'i branding campaign with KALPAK:** In collaboration with Korea's leading high-end tour operator KALPAK, a subsidiary of Hanjin Travel, HTK will be promoting a premium Hawai'i initiative from November. The aim is to position Hawai'i as a world-class high-end destination that can offer any luxury and splurging options for accommodation and attractions. For the luxury Hawai'i branding campaign, the travel agent will also partner with Four Seasons O'ahu and Lana'i and luxury attractions. It will feature them through multiple channels such as Korean Air's premium in-flight magazine Morning Calm, E-DM distributed to SKYPASS members, KALPAK Class Magazine, Shinsegae department store's magazine, and in-app advertising with ANATI, a prestigious resort and golf course brand.
- **Luxury Hawai'i campaign with OTA:** 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. They will run 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.

## Public Relations

- **Individual Media Visit - Joongang Daily Newspaper:** Joongang Daily will visit Kaua'i and O'ahu from December 9 to 15 to feature the islands as ideal surfing (surfing & hiking) destinations. HTK is partnering with OVB and KVB to provide various itinerary activities on respective islands. The coverage will be published in January.
- **OVB Sports and Outdoor Adventure Press Trip:** HTK participated in OVB's global press trip (November 14 to 19) by inviting Vogue Korea, a leading fashion & lifestyle magazine. The coverage will be featured in the magazine in January and related posts will be uploaded on Vogue's Instagram channel.

- **TV Film Project – JTBC ‘Let’s Eat Together’:** HTK successfully hosted filming of reality TV show ‘Let’s Eat Together’ in partnership with JTBC from November 27 to 30 in O’ahu. The program will be aired on December 11 and 18.

**Sales Activities**

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
5	12	15	32

- **Summary of Key Sales Activities**
  - **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; 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 Hawai’i hotels, transportation, attractions, and communities during the 2019 Fall Tourism Update in November and discussed partnership opportunities with Korean consumer brands.

**Key Performance Indicators - Leisure Market**

- In October, total Korean visitor arrivals increased 4.3% to 18,842 pax and Visitor Days also rose 6.3% to 134,416 days compared to the same period last year. The increase was mainly attributed to Korea’s golden holiday week between two national holidays on October 3 and 9 as well as Korean Air’s related charter flight. Year-to-date Visitor Expenditure slightly declined 8.0% to \$385.8 million (YTD October 2019) and Per Person, Per Day Spending (PPPDS) was \$268.6, down by 6.6% (YTD October 2019) from a year ago. However, Korean visitors extended their length of stay on the islands to 7.75 days on average in the year-to-date October 2019, up 3.5% over the same timeframe the previous year.

**Brand Experience Update**

- HTK secured publication during November in a total of 79 media outlets, with an estimated advertising value of \$847,500 and 69,640,000 impressions.
- Press Release: HTA’s Kuleana Campaign 2020

**Island Chapter Engagement Update**

- **Island of Hawai’i Visitors Bureau (IHVB):** HTK and IHVB are jointly developing an itinerary for the upcoming Meet Hawai’i Corporate Fam Tour scheduled in December. On behalf of HTK, IHVB has been reaching out to partners for accommodation and attractions to optimize the Fam theme.

- **O'ahu Visitor Bureau (OVB):** HTK and OVB are collaboratively working on itinerary development for the MCI Corporate Fam in December.

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

### Market Intelligence/Market Conditions

#### **Economy**

- Taiwan's government revised its GDP growth rate to 2.4% for the second quarter of 2019 compared to the same period last year. GDP is predicted to grow 2.46% and 2.58% respectively in 2019 and 2020.
- The unemployment rate in October was 3.77%, decreased by 0.03% compared to the previous month.
- Taiwan's consumer confidence index (CCI) fell by 0.6 points to 80.37 in November compared to the previous month.
- The currency exchange of New Taiwan Dollar appreciated to 30.479 (average) in November when compared to 30.731 in October.

#### **Outbound Travel Market**

- According to Taiwan Tourism Bureau, the overall number of outbound visitors from Taiwan was 1,517,174 in October 2019 with a 9.18% increase compared to October 2018. The outbound number to U.S. increased by 6.9% to 44,920 in October 2019 compared to the same period last year.

#### **Competitive Environment**

- Short-haul competition from Southeast Asian destinations remains strong in October 2019: Philippines (+51.6%), Vietnam (+45.4%), and Thailand (+30.5%) have seen greater growths because of their affordable pricing and proximity to Taiwan. On the other hand, Hong Kong has seen consistent declines over the past three months due to the ongoing protests and demonstrations.
- Long-haul competition from New Zealand continues to be strong with 74.3% visitation growth YOY (YTD October 2019) due to favorable currency exchange rates and the new direct flight between Taipei and Auckland. The U.S. (+6.9%) and Canada (+0.7%) were on a steady growth in October 2019. Meanwhile, Netherlands (+26%) and France (+9.8%) have seen substantial growths.

#### **Travel Trends**

- Klook, a world-leading travel activities and services booking platform, commissioned a Solo Travel study which found that the vast majority of global travelers are interested in hitting the road alone regardless of age, gender or nationality. Klook polled 21,000 respondents across 16 markets and found that 84% of the Taiwanese consumers have either traveled alone or are considering it, the second highest percentage among other markets. Furthermore, over 60% of the Taiwanese

respondents traveled alone because they wanted to enjoy uninterrupted “me time,” which suggests that travelers value their independence more than ever.

## **Airlift**

- Due to the positive outlook of the travel market in the Philippines, China Airlines will launch a Taipei (Taoyuan) - Cebu service on March 29, 2020 with six flights each week. Cebu will be the second destination in the Philippines after Manila to receive regular scheduled services as part of China Airlines' long-term push to expand its network in Southeast Asia.

## **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 66.1% to 2,021 in October 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 visitations to Hawai'i 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 has started working on the next 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 participate 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. As of the end of November, HTT has secured 19 Instagram posts, 74 Instagram Stories, and 11 Facebook posts. The complete video coverage will be released on December 2, 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” and Candy will focus on filming the natural landscape and cultural activities on O'ahu, featuring the sunrise, protocol and Hi'uwai ceremony, jungle waterfall meditation yoga and free-diving. As of the end of November, HTT has secured seven Instagram posts and four Facebook posts (including one free-diving video clip). Additionally, Candy will publish a book about this journey in the first quarter of 2020.
- **2019 Taipei International Travel Fair:** The 2019 Taipei International Travel Fair (ITF) is the biggest travel fair in Taiwan. The 2019 ITF took place from November 8 to November 11 at the Taipei Nangang Exhibition Center. A total of 384,834 visitors attended the event. During the four-

day show, HTT is very privileged to have Maui Visitors Bureau, Kaua'i Visitors Bureau and Marriotts Resorts Hawai'i to participate in the 2019 ITF. Since October, HTT has been working on designing giveaways and consumer activities, including Hawaiian language lessons, sweepstakes as well as hula performances on the HTT stage and China Airline's stage. Many visitors were interested in HTT's stage activities and therefore came to HTT's booth to obtain more information about visiting Hawai'i.

- **Shopping Design Taiwan Media FAM:** HTT is partnering with Shopping Design, a leading design and lifestyle magazine in Taiwan to promote the contemporary design, art and culture in Hawai'i. The co-op will feature 6-page articles in its physical magazine, three online articles, online banners, and at least three posts on Shopping Design's social media platforms. The editor traveled to Hawai'i and filmed in O'ahu from November 13 to 17. As the theme of this FAM trip focus on design and eco-tourism, the crew traveled to O'ahu and interviewed the designers/founders of Kō Hana Rum Distillery, Manaola, POW! WOW! HAWAII and Lola Pilar Hawai'i. The articles will be published in the December issue.

**Travel Trade**

- **2019 Travel Trade FAM:** Since August, HTT has been working with OVB and IHVB on the itineraries of the 2019 agent FAM to strengthen the relationship with travel trade partners and to help these Taiwanese agents keep updated on the travel trends and offerings in Hawai'i. Five Taiwan agents including KKDay, Lion Travel, SET Tour, FTS Tour and Wodesy participated in the 2019 Agent FAM trip. The agents visited O'ahu and the Island of Hawai'i from November 20 to November 27.
- **2019 HTT Trade Mission:** HTT hosted a trade mission on November 7 and three Hawai'i stakeholders including Kaua'i Visitors Bureau, Maui Visitors Bureau, as well as Marriott Resorts Hawai'i participated in this B2B event and gave presentation to the Taiwan travel agents. A total of ten agents from six Taiwanese trade partners attended the mission. HTT believed that the trade mission has facilitated communications and created more sales opportunities between Hawai'i stakeholders and Taiwanese agents.

**Public Relations**

- **Media Monitoring (Clippings & Publicity Calendar):** In November 2019, Hawai'i Tourism Taiwan secured 94 PR coverage publications on an unpaid basis. The estimated advertising value is USD\$ 1,812,656.

**Sales Activities**

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
3	7	0	10

- **Airlines**
  - China Airlines: HTT discussed marketing plans to continue working with China Airlines to promote the existing two direct flights between Taipei and Honolulu after the Friday flights have been cancelled starting November. Additionally, HTT confirmed to sponsor hula performances at China Airlines' booth during ITF in November.



- ANA: HTT reached out to ANA to discuss potential marketing opportunities for ITF 2019 to drive ticket sales of the Hawai'i route.
- AirAsia: HTT reached out to AirAsia to discuss potential marketing opportunities for ITF 2019 to promote the awareness of the Hawai'i route.
- **Travel Trade:** HTT reached out to seven travel agencies/wholesalers (Wodesy, Phoniex Tour, Best Tour, FTS Tour, SET Tour, Lion Travel and KKday) to set up sales calls for Hawai'i Global Holiday on November 4 and for HTT Travel Trade Mission on November 7.

**Island Chapters Engagement Update**

- Since August, HTT has been working closely with IHVB and OVB to develop itineraries for the travel trade FAM trip from November 20 to 27. 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 visitors. In addition to itinerary recommendations, IHVB and OVB connected HTT with a variety of industry partners to meet the requests from each agent. Respective itineraries were finalized by the first week of November.

**"Coming Attractions" for Leisure Market**

<b>What</b>	<b>When</b>	<b>Where</b>
International Travel Fair 2019	November 8 to 11	Taipei, Taiwan
2019 fashion media FAM with Shopping Design	November 13 to 17	O'ahu
Travel trade FAM	November 20 to 27	Island of Hawai'i & O'ahu

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

### Market Intelligence/Market Conditions

#### **Economy**

- The Pound Sterling has risen slightly over November to \$1.29, whilst the Euro is trading at \$1.01, and the Swiss Franc is trading at \$0.99.
- UK GDP grew by 0.3% during its third quarter, whilst Irish GDP continued to grow strongly at 0.7%. Unemployment rates have continued at low rates of 3.8% in the UK and 4.3% in Ireland.
- German GDP grew to 0.1% as private and public spending increased at a faster pace and investment in construction rebounded. The unemployment rate was unchanged for the sixth straight month at 3.1 percent, the lowest in 39 years. The Swiss economy grew with a GDP of 0.4%, beating market expectations of 0.2%. The unemployment rate increased to a non-seasonally adjusted 2.2 percent from 2.1 percent.

#### **Outbound Travel Market**

- Virgin Atlantic has increased flights from Manchester, while Virgin Holidays has announced the opening of five new stores. Virgin Atlantic will add 30,000 seats from Manchester for winter 2019, as announced in September, and expand its summer schedule from Manchester to Orlando, Barbados and Las Vegas, increasing capacity on these routes by 11% with a total of 43,000 additional seats. Meanwhile Virgin Holidays will be investing in five new retail stores, all scheduled to open this year, in Birmingham, Derby, Peterborough, Romford and Stoke-on-Trent, which will create 28 new jobs.
- Virgin Atlantic also announced a new weekly service to San Francisco from London Heathrow, in addition to their current offering, as part of their Summer 2020 schedule.
- Ultra-long-haul travel made further progress, as Qantas' non-stop research flight from London to Sydney was successful. The trip took a total of 19 hours and 19 minutes. The Dreamliner is believed to have set a long-distance record for a passenger jet. The flight was conducted to research the effects on crew and passengers of ultra-long-haul services which are under consideration by the airline.
- Last month, German airports handled almost 23.5 million passengers. Whilst this was a decrease of 1.4% from the same month last year, long-haul travel actually saw an upturn. Air traffic beyond the borders of Europe increased by 3.5% to 3.9 million passengers.

#### **Competitive Environment**

- Emirates – the airline has purchased over 30 Boeing 787-9 Dreamliners. The deal will see the first aircraft added to Emirates' fleet in 2023, whilst the order will be completed over the following five years. The chairman and chief executive called it an "important investment and addition to their future fleet", as the airline seeks to increase its versatility as it grows and develops its global routes
- Royal Caribbean Cruises – the cruise ship Oasis of the Seas has returned to service following a \$165 million refurbishment. The ship began services on November 24<sup>th</sup>, running

a route from Miami to the Caribbean. The company has also announced plans to operate a Royal Beach Club collection, with the first set to open in Antigua in 2021.

- Panama – over the past five years, Panama has more than doubled its visitor numbers from Germany to 36,000. The tourism minister suggested that they should promote more cultural and biodiversity to capitalize on interest in the destination.
- South Africa – South Africa have relaxed requirements for families to enter the country, a move which will positively impact travel to South Africa, according to Home Affairs minister Aaron Matsoaledi. Children from destinations that don't require a visa, including the UK, Germany, and France, will no longer require supporting documents to travel to the country. The relaxation in requirements makes South Africa more accessible for families travelling from Europe.

### **Consumer Trends**

- UK inflation rose at its lowest pace in almost three years last month as the energy cap kept a lid on the price of electricity, gas and other fuels, according to official statistics. The Office for National Statistics (ONS) said consumer prices rose 1.5 percent in October, against 1.7 percent in September. Energy regulator Ofgem lowered price caps last month. The slower pace of price rises could boost household spending power as wages are rising faster than inflation.
- Two-thirds of Brits worried about 'fake news' but only 15% prepared to pay for trusted journalism: A new YouGov poll shows that 64% of UK respondents were concerned about fake news – higher than Italy, Germany, the Netherlands and Sweden. Brits were also most likely to think fake news will increase in the next few years.
- According to a Travelport study, Instagram is considered the most influential social media platform for Generation Z in Germany. Older Millennials, Generation X or Baby Boomers, on the other hand, prefer Facebook. In addition, every second German from generation Z appreciates augmented or virtual reality experiences when planning travel. One in three of the Millennials surveyed would like this, with one fifth of the baby boomers would like to use virtual reality.

### **Travel Trends**

- World Travel Market London took place from November 4th to 6th, with a variety of exhibitors, trade, and media convening at the ExCel Centre in East London for the tradeshow. The biggest travel trade show in the UK continued to be successful, with a variety of talks and events held over the week and the weekend preceding, with sustainable travel as one of the core topics over the period, as the trend continues to grow in the UK and Ireland.
- An ABTA report launched on November 25<sup>th</sup> using market information and consumer insights has forecast a rise in slow and personalized travel, the development of electric aircraft, focus on climate change and further spotlight on digital customer service. "In last year's report, we also predicted that 2019 would be the year that sustainability issues would go mainstream and that has proved to be the case, with a spotlight thrown on climate change in particular," said Mark Tanzer, ABTA's chief executive. The report also predicted interest in package holidays would continue through 2020.
- Last month's travel bookings ended well, as outbound tourism increased by 5% in Germany. But according to Tats-Reisebüro-Spiegel, the new bookings are almost 13% below the same

month last year. It is suspected that this could be a consequence of Thomas Cook's bankruptcy, which could have led customers to be more cautious.

- Thomas Cook in Germany has cancelled all travel for 2020. Thomas Cook Touristik GmbH discontinued business on 1 December as they unfortunately couldn't find a buyer.

## 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.
- Telegraph marks 'huge milestone' as number of digital subscribers surpasses print: The Telegraph now has more paying subscribers online than in print for the first time in its 164-year history, with digital subscriptions (420,000) double what they were last year
- News podcast boom: 12,000 news podcasts have been released globally this year within nine months – an increase of one third according to a new study by Reuters Institute. The study has identified almost 60 daily news podcasts in five countries – US, UK, Australia, France and Sweden – the majority of which have launched within the last 18 months. This includes Beyond Today by the BBC, The Leader by the Evening Standard, The Intelligence by the Economist, Sky News Daily, FT News Briefing, and Today in Focus by The Guardian.
- Snapchat releases latest update on trending topics on the platform: this week the platform published its latest 'Snap Chatter' report, which looks at the key topics, celebrities, and trends that are generating increased discussion among the app's users.
- TikTok has reported it has 5.5 million monthly users in Germany: The app is one of the most downloaded apps worldwide with growing success across Europe. Since January, TikTok has more than one million new users. Digiday published a document showing that the German market is the biggest one for TikTok in Europe. The app users are 60% men and 40% women, the average usage time is 50 minutes, the total number of video views per month is 13.4 billion on average. Compared to Facebook (32 million active users) and Instagram (15 million active users), TikTok is still small, although the platform's numbers are speculated as being close to Twitter and Snapchat (who don't publish their user numbers).
- The publishing house Springer has launched Germany's largest travel magazine: Reiselust. The first edition of the magazine is available on November 16, a supplement in selected issues of the daily newspaper Bild. The travel magazine is also included in the Sunday edition of Bild and in Berlin's daily newspaper B.Z. – which, according to the publishing house, brings the total circulation to more than 1,5 million, making it Germany's biggest travel magazine. The next issue will be published on February 29 and March 1, 2020, just before ITB Berlin. It is scheduled to be published quarterly following on from this date.
- Gruner + Jahr's travel magazines "Geo Special" and "Geo Saison" were relaunched. Both magazines are presented with a "travel guide" and coffee table book character. "Geo Special" is monothematic and will now be published in a new format and new look, inside and outside. "Geo Saison" covers multiple topics and was also designed in a new look. In addition, the content will be presented in creative ways, e.g. with column which introduces hotel legends. There will also be a 10-16-page section focusing on sustainable travel.
- Media trust among Germans decreased slightly according to a survey executed by WDR (radio station). 61% of all interviewees claimed they generally trusted the media in general,

a 4% fall from 2018. Of all media platforms, Germans trust the public radio most (78%), followed by daily print newspapers (76%) and public TV (74%).

## **Airlift**

- The Civil Aviation Authority (CAA) has approved a £3.3 billion spend on initial work for Heathrow's third runway. The move marks a positive step forward to expand the airport, although it still must receive full planning approval and will still face legal obstacles before the plans can begin to be executed.
- EasyJet became the first major airline to go completely carbon neutral on 19th November, after it began to offset emissions released for all of its aviation activity. The move has gone ahead of other leading airlines including BA and its parent company, IAG, who have set a target of being carbon neutral by 2050. Lufthansa have set up a scheme where any corporate customers fares include offsetting. The chief executive of EasyJet admitted offsetting is only an 'interim measure', but is a good way to take action on carbon emissions 'now', as aviation looks to 'reinvent itself as quickly as it can'.
- Lufthansa is planning a new low-cost brand for long-haul travel. The new brand is planned for 2020 and will start in the Frankfurt and Munich hubs. The name has not yet been determined.
- The German airline Condor, plans to present a restructuring plan at the end of December, with the sale scheduled for spring. The airline has recently reverted back to its old logo of an arrow headed bird as the airline moves away from Thomas Cook.
- The German parliament decided on a new climate law, which will increase the tax on airline tickets from April 2020. The air traffic tax for domestic and EU flights will increase by over €5 to €13.03 per ticket, and for routes up to 6000 kilometers by nearly €10 to €33.01. Longer flights than this will have to pay €59.43, around €18 more than before. The airlines will pass this tax increase at least partially on to ticket prices.

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

Routes to major US hubs have continued to grow, in particular to Los Angeles, and San Francisco, and Las Vegas, all key stopover destinations for travel to Hawai'i from Europe. Additionally, GDP across Europe has seen a steady upturn. A more stable economy and increased access to Hawai'i are both positive indicators for travel to the islands in 2020.

In the longer term, Qantas' successful direct flight to Sydney from London is a promising step towards making long-haul destinations much more accessible.

## **Leisure Activity Update**

### **Consumer**

- Responded to consumer requests for information on the Hawaiian Islands
- Continued to maintain and update the UK microsite for "Share the Aloha" campaign
- Launched the German microsite for "Share the Aloha" campaign

## Travel Trade

- Took 6 UK product managers and 6 German product managers to Hawai'i Island, Kaua'i and O'ahu following the Fall Tourism Update
- Liaised with product managers regarding attendees for December FAM trip to Maui

## Public Relations

- Liaison and pitching with key media in UK/Ireland.
- Shared National Geographic Traveller coverage PDF with participating partners following Pól Ó Conghaile's visit in June.
- Meeting held with Appeal TV – a leading UK television production company working with high profile celebrities on a variety of shows, predominantly featured on ITV – the largest and most popular commercial television channel in the United Kingdom. The team shared an exciting proposal for a new show 'Nicole's Secret Hawai'i', featuring international celebrity Nicole Scherzinger and her journey 'back home' to discover her favourite parts of Hawai'i and discover the history and traditions of her family, many of whom still live on O'ahu. They are looking for support with on-the-ground arrangements, accommodation, local guides to assist with the production. Discussions are ongoing and they would be looking to film in May 2020. More details to be confirmed shortly.
- Press release drafted on the new 'Share the Aloha' marketing campaign. This was distributed to targeted UK consumer travel publications, national and regional newspaper Travel Editors, online news and lifestyle site Travel Editors and travel trade publications.
- Daily Express Online reporter Matt Atherton is planning to travel to Hawai'i for his honeymoon mid-October 2020. The PR team has offered to assist him with recommendations and Island Partner contacts, as his trip could not be supported within the 2020 budget for individual media trips.
- The team responded to various requests for sponsorship and trip support from influencers in November, including: @auboutdumondeblog
- Liaison is ongoing with freelancer Jonathan Thompson regarding his 'surfing culture' story idea for 2020. More details to be shared as available.
- Meeting scheduled with Abercrombie & Kent PR team to discuss their PR plans for 2020 and opportunities to work together throughout the year.
- Ongoing liaison with key media pitching Hawai'i story ideas.

## Sales Activities

- 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 run, which went out mid-November
- Travelled to O'ahu and Island of Hawai'i for Fall Tourism Update – met with all Island Chapters on O'ahu and discussed 2020 plans
- Attended the OVB Annual Update on O'ahu
- Conducted FAM trip to Island of Hawai'i, Kaua'i and O'ahu
- Liaised with MVCB regarding upcoming FAM trip to Maui

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

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

#### **Economy**

##### **Malaysia**

- Malaysia economy expanded 4.4 percent year-on-year in the third quarter of 2019, following a 4.9 percent growth in the previous quarter. This was the weakest GDP growth since the third quarter last year with heightening global uncertainty and ongoing trade tensions between U.S. and China. Growth was mainly driven by rises in both private consumption and government spending, with net exports contributing positively, while fixed investment contracted further.
- Currency Exchange: USD 1 = MYR 4.17 as of November 29, 2019 vs USD 1 = MYR 4.19 as of October 31, 2019.

##### **Singapore**

- Singapore economy staged a recovery in the third quarter, growing 0.5 percent compared with the same period last year. The economy is expected to grow by 0.5 to 1 percent in 2019 and expected to grow by 0.5 to 2.5 percent in 2020. Full-year core inflation is tipped to come in at the lower end of the 1 to 2 percent official forecast range, while overall inflation is seen at around 0.5 percent.
- Currency Exchange: USD 1 = SGD 1.3678 as of November 30, 2019 vs SGD 1.36054 as of October 31, 2019.

##### **Indonesia**

- Indonesia economic growth reached 5.02 percent in the third quarter of 2019, the lowest in 2 years due to the current trade war between the U.S.A and China. According to Bank Indonesia, foreign investment inflows in the domestic financial market has touched IDR 217.14 trillion on October 31, 2019, thereby indicative of high confidence among investors to manage the national economy and confidence in the leadership of the Indonesian government and lead to a good prospect in the future. Foreign investment inflows comprised of IDR 165.2 trillion through state bonds, IDR 49.9 trillion through the stock market and IDR 2.06 trillion through corporate bonds.
- Currency Exchange: USD 1 = IDR 14.108 as of November 30, 2019 vs IDR 14.025 as of October 31, 2019.



## **Thailand**

- Fiscal Policy Report in October 2019 reported that the Thai economy in the year-end 2019 is expected to grow at 2.8 percent, slowing down from the previous year which expanded by 4.1 percent.
- Currency Exchange: USD 1 = THB 30.18 as of November 30, 2019, vs THB 30.23 as of October 30, 2019

## **Outbound Travel Market**

### **Malaysia**

- Mid-November would be the starting of the school holidays period for Malaysia as the school will be closed for 6 weeks before reopening back in the first week of January. This is considered the peak traveling period for Malaysian that usually plans holiday 3-6 months in advance for a long-haul holiday. Top long-haul destinations would be European countries such as England, France, and Sweden.

### **Singapore**

- Singapore travelers are searching and booking in January for holidays over the Chinese New Year and National Day periods. As such, travel retailers started launching their campaigns from November 15 to ride the demand wave. Some 32% of Singapore travelers are searching for more than 91 days ahead and 46% are booking for trips within the same month.

### **Indonesia**

- New offering for Indonesian travelers is to the Africa continent specifically to Uganda, Kenya, Tanzania, and Zanzibar. Package up to 19 days is giving a new experience for leisure groups that focus on the travel period during the Christmas & New Year holiday.

### **Thailand**

- October and November are school holiday season in Thailand, 80 percent are government school which holiday started from October 1, 2019, to November 5, 2019. Based on group report from Quality Express, there were more than 100 groups traveled to Europe during this period and expected to continue until the end of December due to the winter holiday and new year celebration.

## **Competitive Environment**

### **Malaysia**

- **Taiwan Tourism Bureau Kuala Lumpur (TTBKL)** has officially launched the “Salam Taiwan” slogan and “Salam Taiwan 2020” campaign to attract more Muslim visitors. “Salam Taiwan 2020” promotional campaign will run from December 2019 to September 30, 2020,

for Malaysian tourism operators and travel agencies who are co-operating with TTBKL for the initiative. *[Source: TTBLK]*

- **Korea Tourism Organization (KTO)** hosted “Korea Snow Fiesta” in collaboration with Gangwon Province and Jeju Special Self-Governing Province to bring a winter story to Malaysians fans. The roadshow ran from November 15 – 17, 2019 at North Court, IOI Puchong shopping mall. *[Source: KTO]*

## Singapore

- **Tourism New Zealand (TNZ)** and Singapore Airlines mounted a digital campaign with promotional airfare from SGD 1,298 (approximately USD 961). *[Source: Tourism New Zealand]*
- **Switzerland Tourism (ST)** and the Swiss Travel System and EU Holidays has jointly launched an outdoor campaign advertisement at Downtown MRT station to promote the Winter Grand Train Tour. *[Source: Switzerland Tourism]*

## Indonesia

- **Austria Tourism Board (ATB)** organized a table-top session in Jakarta and invited 80 travel agents to attend the event that promotes Austria as the best destination for MCI & leisure purposes. *[Source: Austria Tourism Board]*

## Thailand

- **Tourism Authority of Thailand (TAT)** with the Embassy of Pakistan (in Thailand) joined forces to exchange tourism between the 2 countries. This dual cooperation draws entrepreneurs to attend Pakistan Travel Mart (PTM) that showcased interesting tourism products in Pakistan. This event also gave the opportunity for 14 Pakistani sellers to meet and discuss business with 14 Thai buyers in order to promote tourism exchange between the two countries. *[Source: Tourism Authority of Thailand]*

## Travel Trends

- Southeast Asian travelers prefer slow leisurely trips over short micro getaways with an increased interest in new destinations especially the off beaten holiday destination such as Trivandrum (the capital city of Kerala) for culture, and Kunming (Yunnan) for its views of snow-capped mountains and rice terraces. According to Skyscanner, flight class booking for Singapore market also saw a positive increase with premium economy saw a 50% increase in bookings while the business class went up 18% largely driven by long haul routes to Europe and U.S.A.

## Media Trends

- Grabbing consumer attention has become more challenging than ever, especially on smartphones as mobile users are being bombarded with a global average of 600 messages per day. Hence, machine learning (A.I – Artificial Intelligence) is becoming an important tool

to turn data into actionable insights. For instance, a destination brand marketer can create multiple variations of the same video ad and then use machine learning to serve the most relevant creative to the right audience. By leaning into machine learning, a marketer can tailor both video creative and deliver according to the viewers' interests and make the most in promoting the destination.

## **Airlift**

### **Malaysia**

- The first **Ipoh (Malaysia) - Guangzhou (China)** flight launched at the Sultan Azlan Shah Airport (LTSAS) on November 27, 2019. Operated by Scanda Sky, this would be two flights per week on Wednesday and Saturday.

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

- US Federal Aviation Administration (FAA) has downgraded Malaysia air safety rating from Category 1 to Category 2. The newly assigned rating means that the air carriers from Malaysia will not be able to start or add new services and are restricted to current levels of any existing service to the U.S.A. To add, all the Malaysian carriers would also be subject to additional inspections at U.S. airports. Currently, AirAsia X is the only Malaysian carrier that provides airline routes to the United States via Osaka to Honolulu.

### **Leisure Activity Update**

#### **Consumer**

- HTSEA has met with GoPro to further discuss the influencer's fam trip which will kick-off tentatively in April 2020. The discussion involves selecting the influencer candidates from 3 countries namely Malaysia, Singapore, and Thailand. Content angle was also discussed and one of the main topics being focus on was responsible travel where HTSEA will ensure that the chosen influencers will promote and practice conscious traveling when in Hawai'i.
- HTSEA conducted a Facebook Live in the first week of November. The purpose of the Facebook Live was to educate the airlift connectivity of Philippine Airlines to Hawai'i as well as to conduct a live lucky draw to pick the winners. The grand prize was a return air ticket sponsored by Philippine Airlines, a complimentary two nights stay by Prince Waikīkī, and O'ahu return airport transfer by Roberts Hawai'i.

#### **Travel Trade**

- **AIG Insurance MCI group**

HSTEA is working and assisting CIT Travel that has secured a 280 pax from AIG Insurance that will be coming to Hawai'i for a conference in May 2020. This will be for AIG Insurance group from various countries including Mainland China, Thailand, Hong Kong, Singapore, Malaysia, and South Korea.

- **Year-End Promotion with CIT Travel**

HTSEA partnered with CIT Travel to promote packages to Hawai'i with the booking period from November to December 31, 2019. The airfare from Kuala Lumpur to Honolulu starts at RM 2760 (approximately USD 690) and ground package including accommodation start at USD 502 per person. Traveling period would be from January 5 to March 31, 2020.

**Public Relations**

- Gohawaii Facebook followers increased to 14,473 in November, while Instagram followers stand at 1,243, similar to the previous month. Both social media channels have received relatively stable engagement on the content postings.
- HTSEA has started posting Kuleana videos on gohawaiisea social media channels to educate audience on travel safety and responsible travel topics.

**Sales Activities**

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
1	19	21 (MCI)	41

**Island Chapters Engagement Update**

- HTSEA is working with Island Chapters (Maui, Kaua'i, O'ahu & Island of Hawai'i) to arrange itineraries for the familiarization trip in 2020 that will coincide with major festivals celebration in Hawai'i such as POW! WOW!, Merrie Monarch, and the Food and Wine Festival.

**"Coming Attractions" for Leisure Market**

What	When	Where
Awe-inspiring Journey to Paradise (digital campaign)	September – November	Singapore
Year-End Sales with CIT Travel	November - December	Malaysia



## Group Sales Status Report – November 2019

### OVERVIEW

In the wake of growing awareness regarding the negative impact air travel has on climate change, the British band Coldplay recently announced they would not go on tour to promote their newest album. This announcement aligns with a report recently released by the Professional Convention Management Association (PCMA), as part of their event industry forecast for 2020. It noted that *Flygskam*, Swedish for “flight-shame”, was listed as the top travel trend expected to change the events industry. Commercial flying currently accounts for about two percent of global carbon emissions; international aviation is projected to see a +70 percent increase in emissions in 2020 compared to 2005 levels. In a similar report, EventMB also highlighted that “unnecessary flying will be a key target of green company policies” in the coming year as the meetings industry makes a stronger commitment to sustainability.

This trend is anticipated to impact attendance for the meetings industry, as well as the structure and format of meetings in the future. *Associations Now* suggests that the industry could see corporations reducing how often their employees can fly, or association members increasingly seeking to lower their carbon footprints by flying less. This could mean conferences will be diversified, with more regional events or roadshows taking the place of large national meetings, as well as the addition of virtual components to meetings for attendees unable or unwilling to fly.

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

**Table 1: Total Sales Production – November 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	58,683	26,186	124%	323,826	335,450	-3%
Tentative & Assist-Tentative	60,296	81,749	-26%	921,794	922,829	0%

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  
November 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	2,495	11,557	-78%	64,616	89,037	-27%	195,000	33%
New to Hawai'i	1,260	9,252	-86%	20,921	23,992	-13%		
Tentative	1,510	23,042	-93%	230,747	299,337	-23%		
<b>MCI</b>								
<b>Room Nights</b>								
Definite	1,705	4,150	-59%	40,584	63,758	-36%		
New to Hawai'i	1,260	1,845	-32%	13,011	9,845	32%		
Tentative	1,510	14,446	-90%	215,986	270,930	-20%		
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite	790	7,407	-89%	24,032	25,279	-5%		
New to Hawai'i	0	7,407	-100%	7,910	14,147	-44%		
Tentative	0	8,596	-100%	14,761	28,407	-48%		

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 in Table 2a, this past November, the Hawai'i Convention Center (HCC) sales team participated in the following trade shows:*

- *Professional Convention Management Association (PCMA) Asia Pacific Annual Conference 2019 in Macau, China. HCC provided information about Hawai'i and submitted two single property leads to the HVCB team for travel agent and corporate small group/incentive type programs.*
- *IBTM World 2019 in Barcelona, Spain, is a leading annual global trade show for the meetings, incentives, conferences and events industry. HCC met with association executives and professional congress organizers (PCO), and secured the seven international leads. Participation at IBTM continues to show promise for future opportunities.*
- *Travel, Events and Management in Sports (TEAMS) Conference & Expo 2019, which took place in Anaheim, CA, is the world's leading conference and expo for the sports-event industry. HCC provided information about Hawai'i and secured a lead from a sports association for 2023 with 1,300 delegates.*

*HCC sales team continues to fine-tune reports and processes to help ensure a seamless transition of sales to the Hawai'i Visitors and Convention Bureau (HVCB). 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 November included a news release announcing the latest awards received by the Hawai'i Convention Center, including the 2019 Prime Site Awards, Stella Awards for Best*

*Convention Center Far East and Levy Restaurants' President's Excellence Award. HCC also announced two new promotions to its management team via a news release this month. PR Coverage for Winter Wishes – A Holiday Festival continues, with TV coverage by Hawaii News Now, KITV, and KHON, as well as the Star-Advertiser. PR efforts are ongoing for the upcoming scientific association's conference, including meetings with the association and University of Hawai'i representatives and media planning.*

*North America advertising in November included a full-page ad and advertorial in Northstar's Stella Awards supplement.*

*Sports advertising in November included a dedicated email bulletin from SportsEvents magazine, plus an added value website leaderboard placement along with a digital ad placements on Sports Travel magazine's website. Ongoing sports placements includes website retargeting campaign on the National Association of Sports Commissions (NASC) website (until January 31, 2020).*

*Asia placement for November included a top leaderboard digital ad for PCMA Asia's "Communique" newsletter.*

*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 November 15th. Advertising for Winter Wishes a Holiday Festival included placements in the Star-Advertiser, radio ads with iHeart Radio, Ohana Broadcast and Summit media, TV spots on Spectrum cable and Hawai'i News Now and social media ads.*

**Table 2b: Hawai'i Tourism USA (HTUSA) Single Property Sales Production  
November 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	45,891	7,967	476%	183,688	156,422	17%	187,000	98%
New to Hawai'i	19,658	5,497	258%	83,566	62,896	33%	78,750	106%
Tentative	45,832	42,654	7%	586,197	470,901	24%	500,000	117%
<b>MCI</b>								
<b>Room Nights</b>								
Definite	45,685	7,791	486%	182,285	151,860	20%		
New to Hawai'i	19,452	5,497	254%	82,625	58,790	41%		
Tentative	43,828	42,138	4%	571,236	461,814	24%		
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite	206	176	17%	1,403	4,562	-69%		
New to Hawai'i	206	0	N/A	941	4,106	-77%		
Tentative	2,004	516	288%	14,961	9,087	65%		

**COMMENTS**

**Market Conditions and Industry Trends**

*In the November issue of The Meeting Professional, the Meetings Outlook results from a recent survey of MPI members highlighted an interesting difference between planners' perceptions and those of suppliers. Forty percent of planners say that business conditions are favorable while suppliers are more optimistic at 60 percent. Overall, a total of 64 percent of respondents say that the economic uncertainty is affecting business decisions, while 53 percent believe that it is due to political uncertainty. The survey also showed a slight uptick in respondents citing international trade wars as negatively affecting their meetings/events.*

*According to Association Trends.com, How Associations will Thrive or Die: The 2020 Rules of Millennial Engagement indicates that 2020 is a tipping point for associations as millennials become the majority of the workforce, reaching up to 75 percent in 2025, despite only representing 19 percent of association membership. Bridging this divide will be critical to an association's relevance and survival in this next decade. According to the article, millennials want purpose, community, and simplicity. This hyper-connected demographic loves building social ties and collaborating on their terms. However, most associations are not prepared to meet these demands. Old technology and engagement techniques like forums and gamification do not work anymore, and social media continues to eat away at membership.*

**Sales Production vs. Goals Analysis**

*Year-over-year (YOY) monthly production exceeded the same time last year by over +400 percent, with year-to-date (YTD) definite production surpassing last year by +17 percent. The YTD pace for tentatives is at a healthy +24 percent ahead of the prior year, with YOY comparison for the month of November at +7 percent. New to Hawai'i also had a very healthy booking month, with monthly production exceeding*



the same time last year by over +200 percent and is running at a healthy +33 percent ahead of same time last year in the year-to-date.

**Highlights of Any Key Definites**

- Incentive – high tech corporation, February 2022 (11,827 room nights)
- Convention – medical corporation, January 2023 (3,968 room nights)
- Convention – medical corporation, January 2025 (3,968 room nights)
- Incentive – consumer products corporation, April 2022 (3,396 room nights)
- Incentive – high tech corporation, May 2021 (3,289 room nights)

**Highlights of Any Key Tentatives**

- Convention – food corporation, June 2023 (5,170 room nights)
- Convention – medical association, April 2022 (4,220 room nights)
- Convention – engineering association, December 2022 (4,188 room nights)
- Convention – medical association, January 2025 (4,086 room nights)
- Convention – medical corporation, July 2021 (1,775 room nights)

**Advertising efforts**

- Meetings, conventions and incentives (MCI) October Paid Media Recap
  - Northstar Destination Guide banners (728x90) – 750 impressions
  - Northstar Destination Guide banners (970x250) – 400 impressions
  - Northstar Destination Guide online Hawai'i Destination Guide – 750 page views
  - Guide to Excellence – 50,000 impressions

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

- Activity highlights include:
  - Fielded request from V. Alonzo, Northstar Meetings Group, requesting fact checking of Hawai'i updates.
  - Fielded request from G. Diedrichs, Smart Meetings, requesting interview with K. Daines regarding latest CSR activities for groups visiting Maui and island of Hawai'i. K. Daines participated in phone interview on November 25.
  - Communicated with D. Smith, Travel42, regarding updates to her February 2020 visit to the Hawaiian Islands.
- Media Coverage Highlights:
  - “Bring in the Food Trucks” – Successful Meetings
- October Impressions and Publicity Values for Articles that included Hawai'i:

<u>October Impressions</u>	<u>October Publicity Values</u>
Print: 50,000	Print: \$49,468
Online: 0	Online: \$0
Broadcast: 0	Broadcast: \$0
Total: 50,000	Total: \$49,468

**Table 2c: Hawai'i Tourism Canada Single Property Sales Production  
November 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	2,059	1,147	80%	11,303	15,051	-25%	19,500	58%
<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	2,059	1,147	80%	11,078	12,374	-10%		
<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 Tourism Canada (HTCAN) had a good month for RFPs. Planners advise that Hawai'i is still a viable destination for their clients. However, hotel pricing and F&B planning are in many cases over program budgets. Therefore, clients are opting for the Caribbean all-inclusive option, which can be purchased in Canadian dollars instead of USD, saving the cost on the current exchange rate. 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.

**Sales Production vs. Goals Analysis**

November was a solid month with tentative RFPs totaling 2,059 tentative/assist tentative room nights. HTCAN has reached 76 percent of its Q4 target of 6,000 tentative/assist tentative room nights, which is 58 percent of its annual goal of 19,500 room nights. HTCAN has also reached 0 percent of its Q4 target of 1,000 definite/assist definite room nights, which is only 41 percent of its annual definite/assist definite goal. Production issues are due to reduced budgets, activities and time spent on the HT account. However, should decisions be made before the end of the year, December definite numbers look promising to meet definite/assist definite KPIs for 2019.

**Highlights of any Key Definites**

None to report for November.

**Highlights of Any Key Tentatives**

- Convention – medical association, April 2022 (1,510 room nights)

- *Incentive – consumer products corporation, February 2021 (472 room nights)*
- *Incentive – manufacturing corporation, May 2020 (77 room nights)*

**Public Relations and Advertising**

*Ignite Magazine produced a standalone Hawai'i guide as an insert in its November issue. This guide reaches 19,500 planners and provides advertisements and editorials on all the islands. HTCAN is featured with contact info for MCI representative, which is a great tool to use for tradeshow, sales calls, resulting in some planners reaching out with RFPs.*

**Table 2d: Hawai'i Tourism China Single Property Sales Production  
November 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	620	-100%	9,348	10,733	-13%	12,480	75%
New to Hawai'i	0	620	-100%	7,713	9,383	-18%	9,984	77%
Tentative & Assist-Tentative	0	3,347	-100%	18,953	25,163	-25%	24,960	76%
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	60	-100%	5,621	9,871	-43%	9,360	60%
New to Hawai'i	0	60	-100%	3,986	8,521	-53%	7,488	53%
Tentative & Assist-Tentative	0	2,655	-100%	16,948	21,311	-20%	18,720	91%
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	560	-100%	3,727	862	332%	3,120	119%
New to Hawai'i	0	560	-100%	3,727	862	332%	2,496	149%
Tentative & Assist-Tentative	0	692	-100%	2,005	3,852	-48%	6,240	32%

**COMMENTS**

**Market Conditions and Industry Trends**

***China Economy***

*After numerous rounds of negotiations, both China and the U.S. stepped closer to inking the “phase-one” trade deal. China’s economy saw a stable GDP growth rate of +6.2 percent YOY in the first nine months of 2019 amidst the Sino-U.S. trade war. The unemployment rate remained at 3.61 percent in Q3 from Q2, a record low since 2002. Consumer confidence increased from 122.4 to 124.1 Index Points in September. Meanwhile, the Chinese Yuan strengthened to 7 CNY per USD in November.*

***Outbound Travel Market***

- China Outbound MICE Travel & Tourism market is showing escalating growth and is expected to reach a total market value of over USD 31 billion by 2026. Some of the major MICE destinations for Chinese travelers are reportedly Thailand, South Korea, Singapore, United States, United Arab Emirates (UAE), Germany, Switzerland and Russia.*
- According to the annual China Business Travel Market Survey Report, 23 percent of the companies surveyed have increased their MICE budget in the past year. Business and trade development from the Asia Pacific (50%) and China (36%) were key factors driving the growth of their MICE activities. The regulation of conference activities is gaining much attention.*

***Travel Trends***

- The recently released Future of Sustainable Development Activities Report showed that in 2020, sustainability will still be the primary concern of the market worth up to USD 840 billion, making it an important business focus for the billion-dollar conference and event industry.*

- According to the latest joint survey by Global Business Travel Association and Cvent, more than 40 percent of their business travelers are millennials; many of them would like their company's travel policies to provide more customer-centric travel experience. However, only one in five business travel buyers stated that the company had changed its business travel policy to accommodate the new requirements.

***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, Hawai'i Tourism China (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 November 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***

*None to report for November.*

***Highlights of Any Key Cancellations***

*None to report for November.*

***Highlights of Any Key Tentatives***

*None to report for November.*

***Public Relations and Advertising***

*None to report for November.*

**Table 2e: Hawai'i Tourism Japan Single Property Sales Production  
November 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	9,964	4,665	114%	48,268	48,775	-1%	54,450	89%
New to Hawai'i	4,175	2,740	52%	27,072	31,003	-13%	20,000	135%
Tentative & Assist-Tentative	8,575	5,920	45%	47,033	50,635	-7%	40,000	118%
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	9,964	4,355	129%	45,846	40,330	14%	40,850	112%
New to Hawai'i	4,175	2,430	72%	26,400	22,778	16%	7,000	377%
Tentative & Assist-Tentative	8,575	5,920	45%	44,611	41,580	7%	30,000	149%
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	310	-100%	2,422	8,445	-71%	13,600	18%
New to Hawai'i	0	310	-100%	672	8,225	-92%	13,000	5%
Tentative & Assist-Tentative	0	0	N/A	2,422	9,055	-73%	10,000	24%

**COMMENTS**

***Market Conditions and Industry Trends***

*As Haneda Airport expands international slots from 3/29, ANA and JAL will be operating 12 and nine new routes to Western destinations respectively. The growth in seats may lead to price wars for the Hawai'i market. Negative effects, such as strict cancellation policies, submission of names 60 days in advance and higher fares for blocking seats early, may fuel continued difficulty in securing seats for large scale leads. However, the growth in seats will allow for same day access to regional cities, aiding in developing new markets.*

*Negative economic outlooks persist, from the consumption tax hike, lackluster public investment and the effects of the series of typhoons. Studies also found that 50.1 percent of firms are reporting a lack of regular staff, greatly limiting expansion.*

*Japan, China and Korea released a joint statement highlighting its collective agreement towards reducing plastic waste. With countries beginning collective initiatives to reduce plastic wastes, the topic will continue growing as a key topic for all facets. Japanese Minister of Environment Mr. Koizumi Shinjiro stated that the new agreement better positions the alliance to reevaluate the directionality of the global environment.*

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

*Incentive:*

- *There will be over 150,000 companies celebrating a major anniversary in 2020, with 1,176 companies celebrating their 100th anniversary. The majority of companies celebrating their*

10th anniversary is in the service industry; 30th and 50th anniversaries were in construction; and 100th anniversary in manufacturing industries.

- With insurance and financial entities still having complications arranging incentive trips, Hawai'i Tourism Japan (HTJ) will approach construction and manufacturing companies to educate and promote the various opportunities including those related to Sustainable development goals (SDG) as applicable.

#### *Edu-Tourism:*

- Studies found that close to 60 percent of schools incorporate experience-based learning in school trips. Schools have been placing value on providing opportunities for students to learn and think through actual experiences over simple site visits.
- HTJ worked with the Blue Planet Foundation for their 5th Student Energy Summit, inviting six students from Japan. The Japanese students were able to exchange opinions and engage in active learning with over 250 students from Hawai'i to learn about Hawai'i's SDG related initiatives within youth groups. The attending students indicated intent to share with their peers and engage in related practices upon their return.
- Eight agents from the group department of three wholesalers were invited to the summit to better understand the event concept and develop possibilities for future exchange programs with Japanese school groups.

#### *Sports:*

- Promotional planning continues for the selection of surfing as an official sport at the 2020 Olympics, including marketing initiatives with the creation of a video utilizing professional Olympic surfer, Igarashi Kanoa and Roxy are underway.
- Although plans were being made for promotions of the 2019 Hawai'i Tennis Open, Nishikori Kei's announcement for surgery in his right elbow has postponed the promotion to next year.
- HTJ began preparations for supporting arrangement of the volleyball exhibition match between Nippon Sport Science University and the University of Hawai'i in February 2020.

#### *Entertainment:*

- Macau's resort, hospitality and gaming company, Galaxy Entertainment Group announced the opening of their Galaxy International Convention Center and large-scale event facility, the Galaxy Arena in early 2021. With the opening of the Hong Kong-Zhuhai-Macau bridge as well, the destination is garnering attention from the MICE market.

#### *Attendance Building:*

- HTJ worked with organizers for a February 2020 conference amongst professors and a lead in June for an anniversary event with 80 attendees and 100 attendees respectively. HTJ checked with various facilities on the availability of facilities and is providing various informational materials to secure the lead.

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

In November, HTJ successfully obtained eight leads as assist definite bookings to Hawai'i with a total 9,964 room nights. Three entities were from the high-tech segment, and one each from academic, manufacturing, food/restaurant, travel and consumer product industries. Total tentative/assist tentative room nights obtained were 8,575, with 4,175 assist definite room nights being new to Hawai'i.

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

- Meeting – high tech corporation, January 2020 (2,375 room nights)

- *Convention – travel corporation, June 2020 (1,758 room nights)*
- *Incentive – consumer products corporation, April 2020 (1,500 room nights)*
- *Meeting – educational association, February 2020 (1,440 room nights)*
- *Incentive – high tech corporation, February 2020 (1,210 room nights)*

**Highlights of Any Key Cancellations**

*None to report for November.*

**Highlights of Any Key Tentatives**

- *Meeting – high tech corporation, January 2020 (2,375 room nights)*
- *Convention – travel corporation, June 2020 (2,344 room nights)*
- *Meeting – educational association, February 2020 (1,440 room nights)*
- *Incentive – high tech corporation, February 2020 (1,210 room nights)*
- *Incentive – consumer products corporation, April 2020 (600 room nights)*

**Public Relations and Advertising**

***Nikkei Business Publications; Print 190,918***

*Began planning contents and layouts for the featured interview to be included in an advertorial within the Nikkei Business Publication. The medium mainly targets top and/or middle management individuals and provides useful information on economics and management. Details on contents will be shared once finalized.*

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

*Design and contents of the special Wing Travel Hawai'i issue reported last month will be completed by the end of December, with printing set to be completed by the end of January.*



**Table 2f: Hawai'i Tourism Korea Single Property Sales Production  
November 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	333	820	-59%	9,477	18,684	-49%	21,840	43%
New to Hawai'i	188	304	-38%	5,149	8,575	-40%	14,040	37%
Tentative & Assist-Tentative	342	1,585	-78%	9,416	18,615	-49%	43,680	22%
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	333	820	-59%	9,366	18,684	-50%	16,380	57%
New to Hawai'i	188	304	-38%	5,038	8,575	-41%	10,530	48%
Tentative & Assist-Tentative	342	1,585	-78%	9,305	18,615	-50%	32,760	28%
<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***

- South Korea has logged one of the sharpest drops in its potential growth rate among advanced economies in the world. An outlook by the Organization for Economic Cooperation and Development (OECD) estimated the country's potential growth rate for this year at 2.7 percent. The projection represents a drop of -0.4 percent compared with the 3.1 percent growth outlook by the OECD in 2017.
- South Korea's employment rate reached a 23-year high in October as the unemployment rate hit a six-year low. Government data showed the number of employed people totaled 27.5 million, up 419,000 from a year earlier. It marks the third straight month the number of added jobs has exceeded 300,000. Thanks to these additions, the nation's unemployment rate fell 0.5 percent year-over-year to 3 percent, the lowest figure for any October since 2013. The number of unemployed people stood at 864,000 in October, down by 109,000 compared to last year. In particular, the unemployment rate for young adults aged 15 to 29 fell to 7.2 percent last month from 8.4 percent a year earlier.
- The average USD/WON exchange rate in November was 1163.27 won, a slight decrease from the previous rate of 1187.60 won in October. Fuel surcharges were imposed in November up to 98,400 won (\$83.52) for a round trip between Korea and the U.S.
- A consortium led by construction firm HDC Hyundai Development has been named as the preferred bidder to acquire Asiana Airlines. The company believes acquisition of the airline will help to diversify its business portfolio, which currently ranges from construction, hotels and resorts to duty-free shops. The acquisition price of new Asiana shares will exceed 2 trillion won (US\$1.70 billion) and will drive down the airline's debt-to-equity ratio from 660 percent to below 300 percent at end of June.

**Sales Production vs. Goals Analysis**

*Hawai'i Tourism Korea's (HTK) MCI team missed its KPI targets in the following measures during November 2019. The targeted number of total definite/assist definite room nights was 2,730 room nights, but HTK only produced 333 assist definite room nights in November. Also, in terms of total out-of-state attendees, HTK's MCI team attracted 190 attendees, missing its KPI target of 910 attendees. The decline in November MCI leads was mainly due to nation's economic downturn, which negatively impacted corporations' revenue and plans for incentive tours.*

**Highlights of any Key Definites**

- *Meeting – hobby association, November 2019 (60 room nights)*
- *Incentive – retail corporation, November 2019 (128 room nights)*
- *Meeting – government group, November 2019 (145 room nights)*

**Highlights of Any Key Tentatives**

- *Meeting – hobby association, November 2019 (66 room nights)*
- *Incentive – retail corporation, November 2019 (128 room nights)*
- *Meeting – government group, November 2019 (148 room nights)*

**Public Relations and Advertising**

*None to report for November.*

**Table 2g: Hawai'i Tourism Oceania Single Property Sales Production  
November 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	557	-100%	7,124	8,142	-13%	16,640	43%
New to Hawai'i	0	460	-100%	6,500	6,471	0%	12,480	52%
Tentative & Assist-Tentative	1,850	3,704	-50%	17,975	31,497	-43%	34,320	52%
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	387	-100%	2,721	6,404	-58%	12,640	22%
New to Hawai'i	0	290	-100%	2,558	4,805	-47%	9,360	27%
Tentative & Assist-Tentative	1,850	3,340	-45%	16,055	25,541	-37%	25,820	62%
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	170	-100%	4,403	1,738	153%	4,000	110%
New to Hawai'i	0	170	-100%	3,942	1,666	137%	3,120	126%
Tentative & Assist-Tentative	0	364	-100%	1,920	5,956	-68%	8,500	23%

**COMMENTS**

**Market Conditions and Industry Trends**

The NZ Dollar sat at USD 0.64 and the Australian Dollar sat at USD 0.67 at the end of November. With the strong USD, more business events are likely to stay on shore in 2020.

**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.

**Highlights of any Key Definites**

None to report for November.

**Highlights of Any Key Tentatives**

- Incentive – automotive corporation, November 2020 (85 room nights)
- Incentive – technology association, June 2021 (195 room nights)
- Convention – franchise corporation, August 2021 (650 room nights)
- Convention – technology association, January 2021 (920 room nights)

**Public Relations and Advertising**

- Over 5,000 copies of the new Meet Hawaii Guide was distributed via Spice Magazine.
- Meet Hawai'i was featured as a sponsor at the Cievents Conference with its logo was displayed at the conference and featured on the event app.
- Coverage of FAM trips from New Zealand was included in Travel Today and Travellnc Memo.

**Table 2h: Other International Single Property Sales Production  
November 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	128	350	-63%	170	11,630	-99%		
<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	128	350	-63%	128	11,630	-99%		
<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	0	N/A		

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 November 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		344,626	54,000	1,655	31,629	59%	17%	9%
Kaua'i		126,277	19,000	12,497	24,573	129%	14%	19%
Maui County		356,105	79,000	17,323	74,700	95%	26%	21%
Hawai'i		249,182	35,000	14,416	52,786	151%	16%	21%
<b>Total</b>		<b>1,076,190</b>	<b>187,000</b>	<b>45,891</b>	<b>183,688</b>	<b>98%</b>		

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

## 'ELELE PROGRAM

### COMMENTS

*November meetings and updates from Deborah Zimmerman, 'Elele Program Director from New Millennium Meetings (NMM):*

#### ***New Definite***

*An 'Elele did a bid presentation for a scientific meeting on behalf of the destination. Hawai'i successfully captured the business, which will be held in October 2022 for 750 delegates.*

#### ***Promising Prospects and Tentatives***

*In pursuit of a world congress, 'Elele Program Director worked with the University of Hawai'i (UH) to submit an "Expression of Interest" in order to formally bid for its June 2022 program with 1,500 delegates.*

#### ***Support for Definite Conventions***

*'Elele Program Director actively engaged UH to capitalize on its \$250,000 sponsorship of a scientific association's convention by executing its graduate student recruitment presentation/reception and actively participating in the meeting and exhibit. While networking with UH administrators and association's exhibitors and participants, four other prospective meetings for the Hawai'i Convention Center discovered, as well as one single property opportunity.*

*Additionally, the 'Elele Program Director and an 'Elele spent several days visiting venues with the meeting planner for an international medical association's prospective program in October 2021 for 2,000 delegates.*

# LOST BUSINESS

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

## HAWAI'I CONVENTION CENTER

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
Convention (2070)	Medical	15,000	4,250	9/2/2023 - 9/8/2023	Unknown	Other City Selected
Convention (2187)	Medical	15,000	4,250	8/25/2023 - 9/1/2023	Unknown	Other City Selected

## HTUSA SINGLE PROPERTY – HIGH PROFILE

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
MCI: Incentive (16828)	Insurance	2,470	800	06/08/2021 - 06/13/2021	Southern California and Vancouver	Client is no longer considering Hawai'i.
MCI: Incentive (15155)	Finance, Banking	1,148	600	07/12/2020 - 07/17/2020	Bermuda, Puerto Rico, Riviera Maya, Punta Mita	Program has been postponed.
MCI: Incentive (13052)	Unknown	1,080	320	01/18/2020 - 01/24/2020	Initially, Hawai'i only	Program has been postponed.
MCI: Convention - International (13337)	Unknown	1,035	650	04/20/2022 - 04/24/2022	Albuquerque, Dallas, Las Vegas, Miami, Palm Springs, Phoenix, Salt Lake City, San Antonio, San Diego, San Francisco, San Jose	Another 3rd party planner booked the program.
MCI: Incentive (16822)	Unknown	960	320	01/03/2021 - 01/09/2021	Costa Rica, St. Kitts	Program lost to Costa Rica due to overall cost.
MCI: Convention - Domestic (18108)	Engineering	925	300	04/15/2020 - 04/17/2020	Initially, Hawai'i only	Program lost to Orlando due to overall cost and travel time.
MCI: Incentive (14970)	Insurance	803	400	06/17/2021 - 06/21/2021	San Francisco	Client is no longer considering Hawai'i.
MCI: Incentive (13190)	Medical, Pharm	777	300	04/28/2020 - 05/03/2020	Costa Rica, Aruba, Iceland and San Francisco	Program lost to Aruba.
MCI: Convention - Domestic (18142)	Educational	705	300	11/13/2019 - 11/18/2019	Belize, Peru, Costa Rica, Mexico, South America	Program has been postponed.

MCI: Incentive (16903)	Business Services, Consulting	550	250	05/11/2020 - 05/15/2020	Costa Rica	Program has been postponed.
MCI: Incentive (16713)	Food, restaurants	541	230	04/11/2021 - 04/15/2021	Caribbeanand Mexico	Program lost to the Riviera Maya.
MCI: Incentive (13104)	Insurance	500	90	03/03/2021 - 03/07/2021	Cabo	Program lost to Costa Rica.

#### INTERNATIONAL SINGLE PROPERTY

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
HT Oceania: MCI: Meeting (16806)	Medical, Healthcare	135	45	05/03/2020 - 05/05/2020	Initially, Hawai'i only	Another 3rd party planner booked the program.
HT Oceania: MCI: Meeting (16807)	Medical, Healthcare	90	45	05/06/2020 - 05/07/2020	Initially, Hawai'i only	Another 3rd party planner booked the program.

## NEW-TO-HAWAI'I DEFINITE BOOKINGS

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

### HTUSA SINGLE PROPERTY - HIGH PROFILE

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
MCI: Incentive (16527)	High Tech	11,827	4,000	02/23/2022 - 03/05/2022	Orlando, FL
MCI: Incentive (16472)	High Tech	3,289	1600	05/07/2021 - 05/17/2021	Caribbean; Miami, FL; Whistler, Canada
MCI: Convention - Domestic (15153)	Medical, Healthcare	1,833	650	01/30/2025 - 02/06/2025	Initially, Hawai'i only
MCI: Incentive (16538)	High Tech	1,183	396	09/27/2020 - 10/08/2020	Bali

### INTERNATIONAL SINGLE PROPERTY

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
HT Japan: MCI: Incentive (18214)	Manufacturing	1,075	230	01/15/2020 - 01/20/2020	Initially, Hawai'i only
HT Korea: MCI: Incentive (18355)	Retail	128	72	11/25/2019 - 11/28/2019	Initially, Hawai'i only
HT Korea: MCI: Meeting (18356)	Hobby	60	22	11/27/2019 - 12/02/2019	Initially, Hawai'i only
HT Japan: MCI: Incentive (18365)	High Tech	1,210	254	02/01/2020 - 02/13/2020	Initially, Hawai'i only
HT Japan: MCI: Incentive (18366)	Food, restaurants	390	150	02/29/2020 - 03/04/2020	Taiwan, Guam, Okinawa
HT Japan: MCI: Incentive (18370)	Consumer Products	1,500	300	04/20/2020 - 04/26/2020	Initially, Hawai'i only

<b>TOTAL NEW TO HAWAI'I GMT BOOKINGS FOR THE MONTH</b>	24
<b>TOTAL ROOM NIGHTS FOR NEW TO HAWAI'I GMT BOOKINGS</b>	24,176

### HAWAI'I CONVENTION CENTER

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
Meeting (2169)	Scientific	1,260	400	10/11/2020 - 10/16/2020	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>	1,260

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 November:

- 1 client promotional event
  - HCC
    - American Academy of Periodontology (AAP) 2020 Annual Meeting, Chicago, IL, November 2-5
  
- No educational events
  
- 6 trade shows
  - HTUSA
    - Prestige Global Meetings, San Jose and San Francisco, CA, November 6-7
  - HCC
    - Professional Convention Management Association (PCMA) Asia Pacific Annual Conference 2019, Macau, China, November 6-8
    - Travel, Events and Management in Sports (TEAMS) Conference and Expo 2019, Anaheim, CA, November 10-15
    - IBTM World 2019, Barcelona, Spain, November 15-22
  - International GMTs
    - HTO – Pacific Area Incentives and Conferences Expo (PAICE), Auckland, New Zealand, November 19
    - HTO – Cievents Conference 2019, Hamilton Island, Australia, November 29-December 1
  
- No sales blitzes
  
- 15 major site visits and familiarization (FAM) tours with clients and potential clients
  - HTUSA
    - 1 site visit, Kaua'i
    - 1 site visit, O'ahu
    - 1 site visit, O'ahu and Island of Hawai'i
    - 1 site visit, Kaua'i, O'ahu, Maui, and Island of Hawai'i
    - 2 site visits, Maui
    - 4 site visits, Island of Hawai'i
  - HCC
    - 1 site visit, O'ahu
  - International GMTs
    - 1 site visit, Kaua'i and Island of Hawai'i
    - 3 site visits, O'ahu

## FUTURE SALES AND MARKETING ACTIVITIES

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

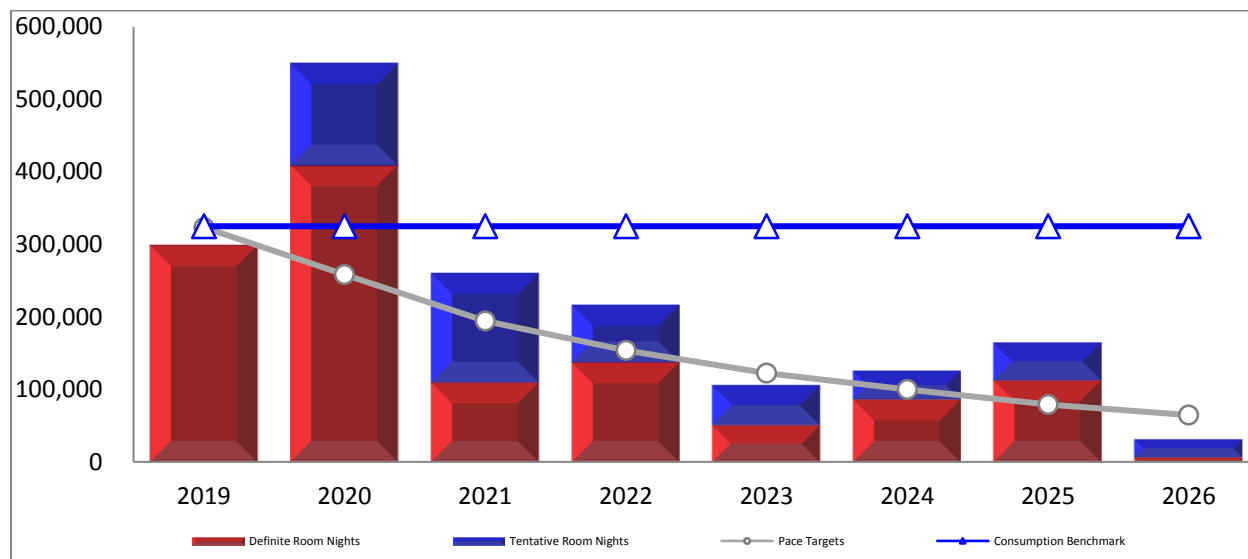
<b>Dec. 2019</b>			
Dec. 2-8	Southeast Sales Blitz	Sales Blitz	HTUSA
Dec. 3-7	International Association of Exhibitions and Events (IAEE) Annual Meeting & Exhibition 2019, Las Vegas, NV	Trade Show	HCC
Dec. 6-12	Meet Hawai'i Corporate FAM with Hawaiian Airlines and Hana Tour, O'ahu and Island of Hawai'i, HI	FAM	HTK
Dec. 9-13	Northstar Meetings Group Leadership Forum 2019, Sea Island, GA	Educational Event	HTUSA
Dec. 11	Society for Incentive Travel Excellence (SITE) Canada Holiday Social 2019, Toronto, Canada	Sales Blitz	HTCAN
Dec. 16-18	California Society of Association Executives (CalSAE) Seasonal Spectacular 2019, Sacramento, CA	Trade Show	HTUSA
<b>Jan. 2020</b>			
Jan. 5-8	Professional Convention Management Association (PCMA) Convening Leaders 2020, San Francisco, CA	Trade Show	HTUSA
Jan. 24-27	Society for Incentive Travel Excellence (SITE) Global Conference 2020, Vancouver, Canada	Trade Show	HTUSA
TBD	MCI VIP Reception, Seoul, Korea	Client Promo	HTK
<b>Feb. 2019</b>			
TBD	Meet New York Sales Blitz, New York, NY	Sales Blitz	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 November 30, 2019**  
Report Date: December 6, 2019



<i>Hawai'i R/N</i>	2019	2020	2021	2022	2023	2024	2025	2026	Total
Definite Room Nights	298,639	408,391	110,236	138,296	51,754	87,233	113,468	7,014	1,215,031
Pace Targets	323,327	258,033	194,399	153,543	122,509	99,801	79,254	64,493	1,295,359
Variance	(24,688)	150,358	(84,163)	(15,247)	(70,755)	(12,568)	34,214	(57,479)	(80,328)
Consumption Benchmark	324,922	324,922	324,922	324,922	324,922	324,922	324,922	324,922	2,599,376
Pace Percentage	92%	158%	57%	90%	42%	87%	143%	11%	94%
Total Demand Room Nights	901,228	790,856	439,515	322,077	156,099	145,228	186,758	88,254	3,030,015
Lost Room Nights	602,589	382,465	329,279	183,781	104,345	57,995	73,290	81,240	1,814,984
Conversion Percentage	33%	52%	25%	43%	33%	60%	61%	8%	40%
Tentative Room Nights	409	141,568	151,607	79,895	55,507	39,837	52,364	25,441	546,628

### *Hawai'i Events*

Definite Events	374	220	79	46	17	15	14	4	769
Pace Targets	349	157	69	35	17	11	7	4	649
Variance	25	63	10	11	0	4	7	0	120
Consumption Benchmark	353	353	353	353	353	353	353	353	2,824
Pace Percentage	107%	140%	114%	131%	100%	136%	200%	100%	118%
Total Demand Events	938	511	166	77	38	28	21	8	1,787
Lost Events	564	291	87	31	21	13	7	4	1,018
Conversion Percentage	40%	43%	48%	60%	45%	54%	67%	50%	43%
Tentative Events	7	318	200	54	27	16	8	5	635

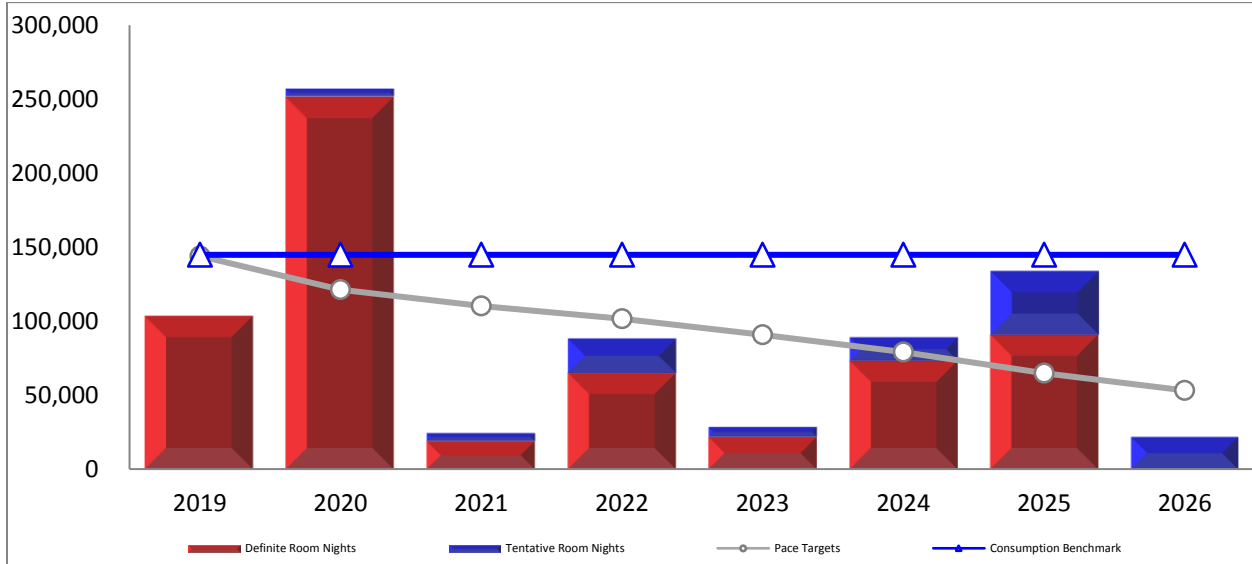
The number of events reported in TAP is slightly higher than the actual number of events due to a number of overflow programs and the splitting of some bookings into two in order to track shared credit.

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

**THE TAP REPORT**

**Hawai'i**  
Convention Center

Period Ending November 30, 2019  
Report Date: December 6, 2019



<i>Hawai'i R/N</i>	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Definite Room Nights	103,552	251,249	19,250	65,270	21,939	73,540	91,055	0	625,855
Pace Targets	143,973	121,333	110,237	101,535	90,666	79,011	64,890	53,181	764,826
Variance	(40,421)	129,916	(90,987)	(36,265)	(68,727)	(5,471)	26,165	(53,181)	(138,971)
Consumption Benchmark	144,819	144,819	144,819	144,819	144,819	144,819	144,819	144,819	1,158,552
Pace Percentage	72%	207%	17%	64%	24%	93%	140%	0%	82%
Total Demand Room Nights	397,965	416,484	275,213	229,486	109,208	120,672	164,345	81,240	1,794,613
Lost Room Nights	294,413	165,235	255,963	164,216	87,269	47,132	73,290	81,240	1,168,758
Conversion Percentage	26%	60%	7%	28%	20%	61%	55%	0%	35%
Tentative Room Nights	0	5,250	5,250	23,250	6,850	15,850	42,942	21,951	121,343

<i>Hawai'i Events</i>	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Definite Events	31	22	5	9	3	7	5	0	82
Pace Targets	29	19	14	12	10	7	5	2	98
Variance	2	3	(9)	(3)	(7)	0	0	(2)	(16)
Consumption Benchmark	29	29	29	29	29	29	29	29	232
Pace Percentage	107%	116%	36%	75%	30%	100%	100%	0%	84%
Total Demand Events	77	67	40	28	18	17	12	4	263
Lost Events	46	45	35	19	15	10	7	4	181
Conversion Percentage	40%	33%	13%	32%	17%	41%	42%	42%	31%
Tentative Events	0	2	2	5	3	8	5	4	29

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 Hawaii 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 Meet Hawaii's Conversion Percentage compared to the Peer Set's Conversion Percentage. A value greater than 100 indicates that Meet Hawaii is converting more demand to definite room nights than the Peer Set. A number less than 100 indicates that Meet Hawaii is converting less demand to definite room nights than the Peer Set.</p>
<p><b>Conversion Index Rank</b> – The position of Meet Hawaii's Conversion Index compared to the Peer Set.</p>
<p><b>Conversion Percentage</b> – The percentage of Total Demand Room Nights that Meet Hawaii 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 Hawaii for each month and year at the time the report is published.</p>
<p><b>Definite Room Night Share %</b> – A percentage indicating the Meet Hawaii'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 Meet Hawaii's Pace Percentage compared to the Peer Set's Pace Percentage. A value greater than 100 indicates that the Meet Hawaii's Pace Percentage is higher than that of the Peer Set. A number less than 100 indicates that the Meet Hawaii's Pace Percentage is less than that of the Peer Set.</p>
<p><b>Pace Index Rank</b> – The position of the Meet Hawaii'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 Hawaii 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 Meet Hawaii'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 Hawaii 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 – October 31, 2019 Year-to-Date**

PERFORMANCE MEASURE	YTD	TARGET	VARIANCE
Occupancy	31%	31%	0%
Total Events	207	168	39
Total Attendance	318,358	275,722	42,636
Visitor Spending	\$194,810,396	\$194,810,396	\$0
Tax Revenue	\$18,896,638	\$18,896,638	\$0
Revenue per Attendee	\$43.94	\$47.63	(\$3.69)

### COMMENTS

*October is historically a very busy event month for the facility, and this held true again this year with 34 events in house, which is nearly twice the monthly event average for the Hawai'i Convention Center (HCC), and generating just under \$1.7 million in gross revenues and close to break-even operations.*

*Year-to-date financial results reflect gross revenues of \$14,201,300, which is \$1,058,400 more than planned and a net loss of \$497,000, which is \$557,000 better than planned. HCC's 2019 year-end reforecast has significantly improved since last month and now reflects a net loss of \$1,506,000, which is \$488,800 less than the budget of \$1,995,000.*

*While 2019 was initially challenged with cancellations of an insurance corporation and a religious association, HCC has been able to rebound from in the year for the year events, outperforming budgeted expectations from both the local and offshore markets. For example, a scientific association generated \$676,000 in food and beverage, \$400,000 more than originally planned, and the pick-up of a corporate event that is expected to spend more than \$700,000 in food and beverage.*

*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 \$43.94, which is \$3.69 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>November 2019</b>					
<b>Contract No.</b>	<b>Contractor</b>	<b>Description</b>	<b>Dollar Amount</b>	<b>Start Date</b>	<b>End Date</b>
16023 S9	Hills Balfour Limited	For services related to marketing services in the Europe MMA 2020.	(+ \$400,000.00) \$4,004,527.00	11/15/2019	12/31/2020
20036	`Aha Kukui O Moloka'i	Moloka'i Canoe Festivals Presents ~ Kulaia	\$25,000.00	11/5/2019	2/28/2021
20039	Hawai'i Bicycling League	Exploring Maui's Greenways and Bike Paths	\$15,000.00	11/5/2019	12/31/2020
20041	Japanese Cultural Society of Maui, Inc.	20th Anniversary Maui Matsuri - A Japanese Festival	\$30,000.00	11/6/2019	10/31/2020
20062	Hawai'i Wildlife Center	5th Annual Hawai'i Island Festival of Birds	\$30,000.00	11/6/2019	3/31/2021
20065	HawaiiCon Inc dba HawaiiCon	HawaiiCon 2020	\$20,000.00	11/5/2019	2/28/2021
20071	Pohaha I Ka Lani	Mahina 'Ai	\$12,250.00	11/6/2019	4/30/2021
20112	Hōlani Hāna Inc.	Kūkulu Hale Hawai'i	\$20,000.00	11/6/2019	3/31/2021
20163	Hawai'i Marine Mammal Alliance Inc. dba Hawai'i Marine Animal Response	Stewardship and Conservation of Hawai'i 's Protected Marine Animals	\$49,000.00	11/15/2019	3/31/2021
20107	Pohaha I Ka Lani	Ka Lau o Ke Kāhuli	\$75,000.00	11/15/2019	3/31/2021
20008	AVIAREPS SDN BHD dba AVIAREPS MALAYSIA	Hawai'i Tourism Inbound Destination Marketing Management Services in the Southeast Asia Major Market Area	\$500,000.00	11/15/2019	12/31/2022
20009	HAPPY TRAVELLER LLC dba Brandstory Inc Pte Ltd	Hawai'i Tourism Inbound Destination Marketing Management Services in the Taiwan Major Market Area	\$500,000.00	11/15/2019	12/31/2022
20092	'Ahahui Kiwila Hawai'i O Mo'ikeha	May Day by the Bay	\$20,000.00	11/13/2019	10/31/2020
20047	Maui Economic Development Board, Inc.	Maui Film Festival	\$85,000.00	11/13/2019	11/30/2020

Contract Type:

• Sole Source

† Procurement Exemption

20037	Arts Education for Children Group	Jazz Maui 5th Annual East Meets West Festival 2020	\$18,500.00	11/13/2019	12/31/2020
20080	Ka'Imi Na'auao o Hawai'i Nei Institute dba Ka'Imi Na'auao o Hawai'i Nei	Heiva I Kaua'i 2020	\$16,500.00	11/13/2019	1/31/2021
20072	Hawai'i Island Pacific & Asia Cultural Celebration, Inc.	Hawai'i Kuauli Pacific and Asia Cultural Festival	\$25,000.00	11/13/2019	10/31/2020
20091	'Ahahui Kiwila Hawai'i O Mo'ikeha	Ka Moku O Manokalanipō Pā'ani Makahiki	\$15,400.00	11/13/2019	7/31/2020
20024	Kintetsu Intl Express (USA) Inc, dba Kintetsu International Hawai'i Company	Pan-Pacific Festival 2020	\$138,000.00	11/13/2019	11/30/2020
20011	Green Wave Projects LLC	VegFest O'ahu 2020	\$10,000.00	11/13/2019	2/28/2021
20172	DLNR - Division of Forestry and Wildlife	Alaka'i Boardwalk Replacement & Trailhead Interpretive Signs	\$118,000.00	12/2/2019	3/31/2021
17017 S6	VOX International Inc.	Canada MMA Marketing Management Services 2020	(+ \$800,000.00) \$6,250,000.00	11/26/2019	12/31/2020
19185 S1	Hawai'i Academy of Recording Arts	Na Hōkū Hanohano Awards 2020	(+ \$50,000.00) \$100,000.00	11/26/2019	11/30/2020
19196 S1	Moanalua Gardens Foundation, Inc.	43 <sup>rd</sup> Annual Prince Lot Hula Festival	(+ \$75,000.00) \$150,000.00	11/26/2019	11/30/2020
20014	Hawai'i Alliance for Arts Education dba Hawai'i Arts Alliance	POW! WOW! Hawai'i 2020	\$20,000.00	11/26/2019	7/31/2020
20103	Edith K. Kanaka'ole Foundation	Ha'a - Research and management of the health and wellness of Hula dancers	\$20,000.00	11/26/2019	3/31/2021
20115	Maui Nui Botanical Gardens Inc.	Increasing Capacity for Visitor and Community Activities with Hawaiian Ethnobotany	\$20,000.00	11/26/2019	3/31/2021
20123	Hawaiian Islands Land Trust	Maunawila Heiau Preservation & Education Program	\$50,000.00	11/26/2019	3/31/2021
20153	Friends of Auwahi Forest Restoration Project	Planting Together	\$90,000.00	11/26/2019	3/31/2021
20176	Hawaiian Islands Land Trust	Cultural & Ecological Restoration Program	\$50,000.00	11/26/2019	3/31/2021

Contract Type:

• Sole Source

† Procurement Exemption

20006	ITRAVLOCAL LIMITED	Hawai'i Tourism Inbound Destination Marketing Management Services in the China Major Market Area	\$2,000,000.00	11/21/2019	12/31/2022
20019	Hawai'i United Okinawa Association	38th Annual Okinawan Festival	\$30,000.00	11/21/2019	2/28/2021
20050	Maui Pops Orchestra, Inc.	Maui Pops Orchestra 2020 Concerts	\$20,000.00	11/21/2019	4/30/2021
20059	Big Island Resource Conservation and Development Council	Ka'u Coffee Festival	\$25,000.00	11/21/2019	10/31/2020
20069	Kona Historical Society	Hanohano `O Kona: Wahi Pana Lecture Series	\$30,000.00	11/21/2019	10/31/2020
20078	Historic Waimea Theater and Cultural Arts Center	Waimea Town Celebration: Heritage of Aloha 2020	\$65,000.00	11/21/2019	7/31/2020
20106	Hui Mālama I Ke Ala 'Ulili	HoAMa Youth Mentorship Programs	\$50,000.00	11/21/2019	3/31/2021
20139	Na Kahu o Hoai, Inc.	Educational and Restoration Internships at Kamalo'ula Cultural Preserve	\$20,000.00	11/21/2019	3/31/2021
20144	Hula Preservation Society	Bringing Hula Ki'i To Life	\$20,000.00	11/21/2019	3/31/2021
20156	Maui Nui Botanical Gardens Inc.	Seed Banking, Crop Storage, and Public Access to Maui Nui Plants	\$60,000.00	11/21/2019	3/31/2021

Contract Type:

• Sole Source

† Procurement Exemption

# **Agenda Item**

## **5**

**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

## Lodging Tax Rates

### United States

HVS prepares an annual report of lodging tax rates for the United States. The report includes data for all 50 states and 150 of the largest cities in the U.S.

- Hawai'i was the third highest state for 2018 total taxes. Note, HVS used 4.0% GET as the State average. If O'ahu's 4.5% GET were factored in, Hawai'i would be number 2.
- Hawai'i was the top for total lodging tax revenues
- O'ahu ranked 57<sup>th</sup> among the top 150 top US Urban Centers

STATES RANKED BY TOTAL AD VALOREM TAX RATES ON LODGING ACCOMMODATIONS 2018

Rank	State	Sales Tax Rate	Lodging Tax Rate	Total Rate	Rank	State	Sales Tax Rate	Lodging Tax Rate	Total Rate
1	Connecticut		15.00%	15.00%	21	South Dakota	4.50%	1.50%	6.00%
2	Maine	5.50%	9.00%	14.50%	21	Texas		6.00%	6.00%
3	<sup>1</sup> Hawaii	4.00%	10.25%	14.25%	21	West Virginia	6.00%		6.00%
4	Rhode Island	7.00%	6.00%	13.00%	29	Ohio	5.75%		5.75%
5	<sup>2</sup> New Jersey	6.63%	5.00%	11.63%	30	Massachusetts		5.70%	5.70%
6	New Hampshire		9.00%	9.00%	31	Arizona		5.50%	5.50%
6	Vermont		9.00%	9.00%	32	New Mexico	5.13%		5.13%
8	Arkansas	6.50%	2.00%	8.50%	33	Utah	4.70%	0.32%	5.02%
9	Delaware		8.00%	8.00%	34	Iowa		5.00%	5.00%
9	Idaho	6.00%	2.00%	8.00%	34	Louisiana	5.00%		5.00%
11	Indiana	7.00%		7.00%	34	North Dakota	5.00%		5.00%
11	Kentucky	6.00%	1.00%	7.00%	34	Wisconsin	5.00%		5.00%
11	Mississippi	7.00%		7.00%	38	North Carolina	4.75%		4.75%
11	Montana		7.00%	7.00%	39	Oklahoma	4.50%		4.50%
11	South Carolina	5.00%	2.00%	7.00%	40	<sup>3</sup> Virginia	4.30%		4.30%
16	Tennessee	7.00%		7.00%	41	Missouri	4.23%		4.23%
17	Minnesota	6.88%		6.88%	42	<sup>4</sup> Alabama		4.00%	4.00%
18	Kansas	6.50%		6.50%	42	Georgia	4.00%		4.00%
18	Nebraska	5.50%	1.00%	6.50%	42	New York	4.00%		4.00%
18	Washington	6.50%		6.50%	42	Wyoming	4.00%		4.00%
21	Florida	6.00%		6.00%	46	Nevada		3.38%	3.38%
21	Illinois		6.00%	6.00%	47	Colorado	2.90%		2.90%
21	Maryland	6.00%		6.00%	48	Oregon		1.80%	1.80%
21	Michigan	6.00%		6.00%	49	Alaska			0.00%
21	Pennsylvania		6.00%	6.00%	49	California			0.00%

<sup>1</sup> Additional .5% state sales tax in O'ahu.

<sup>2</sup> New Jersey State Occupancy Fee is imposed at a rate of 1% in cities that also impose local taxes or fees on hotel/motel occupancies.

<sup>3</sup> As of July 1, 2013, the general sales tax rate for Virginia is 5.3% (4.3% state ; 1% local). There is an additional 0.7% state tax imposed in Northern Virginia and Hampton Roads. The 1% local tax is included in the state rate. The .7% is included in the city rate, where applicable.

<sup>4</sup> Additional 1% tax on counties within the Alabama Mountain Lakes region.

Source: HVS 2019 Lodging Tax Report – USA

RANK OF STATES BY 2018 LODGING TAX REVENUES (MILLIONS)

2018 Rank	State	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Trend
1	<sup>1</sup> Hawaii	\$535.5	\$586.5	\$614.4	\$637.8	\$704.3	\$757.5	
2	Texas	\$473.6	\$507.5	\$548.2	\$537.3	\$528.9	\$595.8	
3	<sup>2</sup> Illinois	\$234.5	\$240.6	\$265.5	\$269.2	\$410.4	\$411.3	
4	Massachusetts	\$204.7	\$217.2	\$238.1	\$252.3	\$255.6	\$257.2	
5	Pennsylvania	\$197.7	\$203.0	\$198.3	\$203.0	\$207.9	\$207.5	
6	Nevada	\$154.0	\$166.1	\$176.8	\$193.5	\$203.1	\$199.7	
7	<sup>3</sup> Arizona	\$128.5	\$132.9	\$152.2	\$158.4	\$168.2	\$179.5	
8	<sup>4</sup> Connecticut	\$109.5	\$109.4	\$120.3	\$122.3	\$122.8	\$126.6	
9	New Jersey	\$97.0	\$90.1	\$98.7	\$100.5	\$101.2	\$102.9	
10	<sup>5</sup> Utah	\$65.4	\$68.4	\$74.4	\$83.1	\$90.8	\$99.9	
11	<sup>6</sup> Maine	\$57.1	\$67.3	\$71.1	\$81.1	\$86.0	\$91.8	
12	<sup>7</sup> Alabama	\$56.5	\$58.8	\$63.0	\$66.3	\$69.0	\$72.4	
13	New Hampshire	\$47.2	\$49.3	\$53.0	\$54.6	\$56.8	\$60.6	
14	Montana	\$42.1	\$43.7	\$48.4	\$50.5	\$51.3	\$55.5	
15	<sup>8</sup> Vermont	\$39.7	\$41.8	\$41.1	\$42.3	\$47.7	\$49.7	
16	Iowa	\$47.2	\$44.7	\$48.7	\$48.7	\$48.5	\$49.2	
17	Oregon	\$14.2	\$16.1	\$18.4	\$19.1	\$31.4	\$37.5	
18	Rhode Island	\$15.6	\$16.2	\$17.8	\$19.8	\$19.6	\$21.0	
19	<sup>9</sup> Arkansas	\$13.4	\$14.2	\$15.3	\$15.8	\$15.9	\$16.0	
20	Delaware	\$12.5	\$12.7	\$13.5	\$14.0	\$14.8	\$14.5	
21	Kentucky	\$10.3	\$10.7	\$12.8	\$12.8	\$12.7	\$13.2	
22	Idaho	\$7.9	\$8.4	\$9.1	\$10.3	\$11.3	\$12.3	
23	<sup>10</sup> South Dakota	\$7.6	\$7.9	\$8.6	\$9.1	\$8.9	\$8.9	
24	Nebraska	\$4.8	\$5.1	\$5.4	\$5.6	\$5.5	\$5.6	
25	<sup>11</sup> South Carolina	\$53.6	\$58.1	\$61.6	\$64.2	\$69.6	NA	

<sup>1</sup> Calendar year revenue from combined lodging and sales tax. Combined rate 14.25% after January 1, 2018.

<sup>2</sup> Beginning 2017, Illinois only reports collections remitted to the State Comptroller.

<sup>3</sup> Estimated using taxable receipts.

<sup>4</sup> Only 2014 estimated from taxable receipts.

<sup>5</sup> Estimated using taxable receipts.

<sup>6</sup> Estimated using taxable receipts.

<sup>7</sup> Revenue for fiscal year ended September 30. Includes addt'l 1% on lodging in Alabama Mountain Lakes counties.

<sup>8</sup> Estimated using taxable receipts.

<sup>9</sup> Calendar year.

<sup>10</sup> Estimated using taxable receipts.

<sup>11</sup> 2017 Department of Revenue Annual Report not released

Source: HVS 2019 Lodging Tax Report – USA

## Caribbean

Caribbean Destination	Taxes
Antigua and Barbuda	8.5 percent tax, 10 percent service tax
Bahamas	7.5 percent
Barbados	7.5 percent, plus 10 percent service tax
Dominica	18 percent plus 10 percent service tax
Dominican Republic	18 percent sales tax, 10 percent service tax
Grenada	8 percent
Haiti	10 percent
Jamaica	10-15 percent, depending upon hotel size
St. Kitts and Nevis	7 percent
St. Lucia	8 percent
St. Maarten	5 percent
St. Vincent and the Grenadines	10 percent
Trinidad and Tobago	10 percent
U.S. Virgin Islands	12.5 percent

Source: <https://www.cndenglish.com/en/business/these-caribbean-countries-levy-taxes-tourists>

## Mexico

- Hotel tax depends on the state where the hotel is located. Generally it is 16% tax plus 2% lodging tax all over Mexico, with exception of the state Quintana Roo; there the tax is only 10% plus the 2% lodging tax.
- Cancun and the Mayan Riviera [Playa del Carmen] are located in the state of Quintana Roo

Source: <https://travelyucatan.com/mexico-travel-information/>



# Market Insights – October 2019

The HTA Monthly Market Insights reports on the most recent key performance indicators that the Hawai'i Tourism Authority (HTA) uses to measure success. The following measures provide indicators of the overall health of Hawai'i's visitor industry and help to gauge if the HTA is successfully attaining its goals.

## Report on Economic Impact<sup>1</sup>

For the first ten months of 2019, Hawai'i's tourism economy experienced:

- \$14.67 billion in visitor spending (+0.2%) which was comparable to a year ago. On a statewide level, average daily spending by visitors decreased (-2.6% to \$195 per person) compared to the same period last year.
- Total visitor arrivals increased 5.5 percent to 8,659,324 in the first ten months of 2019, supported by growth in arrivals from air service (+5.3% to 8,544,350) and cruise ships (+16.4% to 114,974). Total visitor days<sup>2</sup> rose 2.9 percent compared to the first ten months of 2018.
- Hawai'i's tourism economy experienced \$1.71 billion (+0.2%) in generated state tax revenue, about the same as last year.
- Through August 2019, the state collected \$61.2 million in TAT, an increase of 14.7% compared to FY 2019 through August 2018.
- Total air capacity into Hawai'i grew 2.5 percent to 11,293,484 seats.

**Table 1: Overall Key Performance Indicators – Total (Air + Cruise) – Year-to-Date October 2019**

	% of Forecast	YOY Rate	Oct. YTD	Forecast
Visitor Spending (\$mil)*	100.2%	0.2%	14,672.1	14,644.3
Daily Spend (\$pppd)	98.8%	-2.6%	194.8	197.3
Visitor Days	101.5%	2.9%	75,305,875	74,225,828
Arrivals	100.0%	5.5%	8,659,324	8,660,644
Airlift (scheduled seats)	100.0%	2.5%	11,217,225	11,217,654

*DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures*

Visitors to the Hawaiian Islands spent a total of \$1.33 billion in October 2019, a slight increase of 0.9 percent compared to October 2018. Total visitor arrivals increased 4.8 percent to 800,448 visitors in October, supported by growth in arrivals from air service (+5.2% to 779,909) which offset fewer arrivals by cruise ships (-8.3% to 20,539). Total visitor days increased 3.4 percent compared to October 2018. However, the average daily visitor spending declined (-2.4% to \$197

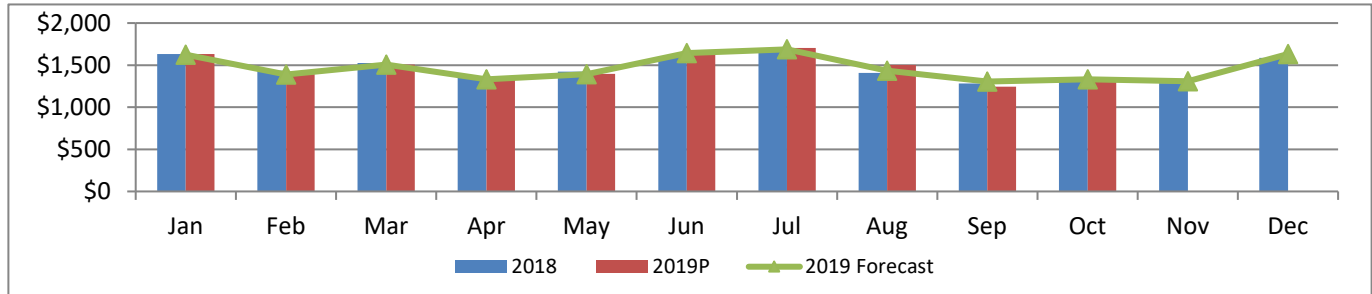
<sup>1</sup> Technical Notes: January – June 2019 International data for Japan, Other Asia, Oceania, Europe and Latin America countries were revised with updated immigration statistics from the National Travel and Tourism Office (NTTO). 2018 data are the final numbers and reflect updated immigration statistics from NTTO, updated air fare statistics from DIIO Mi airline database, and final reports from airlines and cruise ships.

<sup>2</sup> Aggregate number of days stayed by all visitors.



per person) in October year-over-year due to lower spending from most markets except U.S East (+3.2%) and U.S West (-0.3%)

**Figure 1: Monthly Visitor Expenditures (\$mil)**



## Major Market Areas (MMAs)

### USA

**Table 2: Key Performance Indicators - U.S. Total**

	% of Forecast	YOY Rate	Oct. YTD	Forecast
Visitor Spending (\$mil)*	101.8%	4.1%	9,617.2	9,442.7
Daily Spend (\$pppd)	100.0%	-0.4%	187.9	187.9
Visitor Days	101.8%	4.5%	51,175,173	50,253,062
Arrivals	102.0%	8.0%	5,718,881	5,607,256
Airlift (scheduled seats)	100.0%	5.0%	8,084,241	8,084,084

*DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures*

- The U.S. economic outlook is healthy according to key economic indicators. The gross domestic product is expected to remain between two and three percent. During the near-term, increases are anticipated to remain modest.
- The Conference Board *Consumer Confidence Index*<sup>®</sup> fell to 125.9 in October, down from September 2019 reading of 126.3.
- Domestic travel, up 3.8 percent, improved travel's overall performance due to solid growth in both the leisure and business segments.
- 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. Much of the increase in capacity is due to markets that Southwest has added, as well as the addition of the Boston flight on Hawaiian Airlines, and increased frequencies on American out of Chicago and Dallas.
- All U.S. domestic carriers have extended the 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.

## US WEST

**Table 3: Key Performance Indicators - U.S. West**

	% of Forecast	YOY Rate	Oct. YTD	Forecast
Visitor Spending (\$mil)*	101.7%	5.3%	5,717.1	5,622.2
Daily Spend (\$pppd)	99.3%	-1.2%	174.1	175.3
Visitor Days	102.4%	6.6%	32,839,410	32,079,107
Arrivals	102.5%	10.3%	3,817,895	3,726,118
Airlift (scheduled seats)	100.0%	5.0%	7,098,353	7,098,196

*DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures*

- In October 2019, the U.S. West market reported a 6.2 percent gain in visitor spending to \$539.9 million. Visitor arrivals (+8.8% to 357,197 visitors) and visitor days (+5.9%) increased while daily visitors spending was relatively similar (+0.3% to \$177 per person) to October 2018.

## US EAST

**Table 4: Key Performance Indicators - U.S. East**

	% of Forecast	YOY Rate	Oct. YTD	Forecast
Visitor Spending (\$mil)*	102.1%	2.3%	3,900.1	3,820.5
Daily Spend (\$pppd)	101.2%	1.3%	212.7	210.2
Visitor Days	100.9%	0.9%	18,335,763	18,173,955
Arrivals	101.1%	3.6%	1,900,986	1,881,137
Airlift (scheduled seats)	100.0%	5.7%	985,888	985,888

*DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures*

- In October 2019, spending by U.S. East visitors was down slightly (-0.6% to \$303.5 million). There was a decline in visitor arrivals (-1.1% to 148,513 visitors) and visitor days (-3.6%). However, daily visitor spending increased 3.2 percent to \$220 per person compared to last year.

## CANADA

**Table 5: Key Performance Indicators – Canada**

	% of Forecast	YOY Rate	Oct. YTD	Forecast
Visitor Spending (\$mil)*	99.8%	-2.8%	846.9	848.8
Daily Spend (\$pppd)	99.4%	-0.1%	166.8	167.8
Visitor Days	100.4%	-2.7%	5,077,772	5,058,192
Arrivals	100.3%	-1.1%	420,205	419,065
Airlift (scheduled seats)	100.0%	3.1%	378,268	378,258

*DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures*

- In October 2019, spending by Canadian visitors rose 3.1 percent to \$63.0 million boosted by growth in visitor arrivals (+3.6% to 32,243) and visitor days (+3.7%). Daily spending (-0.6% to \$167 per person) was slightly lower compared to October 2018.
- The national consumer confidence index 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.
- With a population of over 36 million, Canadians made 14.2 million overnight trips to the U.S. throughout Jan-Aug 2019, compared to 13.9 million in 2018 (+2.0%). Most of the

tracked destinations in Florida, California, Texas, Nevada and Hawai'i posted increases in direct air arrivals so far this year.

- Year-to-date, Air Canada has offered 2.0 percent more seats than in 2018 and WestJet increased direct capacity by 5.2 percent. 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 percent decline in overall volume compared to 2018. Canadian carriers have extended the grounding of the Boeing MAX into 2020.

## JAPAN

**Table 6: Key Performance Indicators – Japan**

	% of Forecast	YOY Rate	Oct. YTD	Forecast
Visitor Spending (\$mil)*	97.4%	0.5%	1,795.9	1,844.4
Daily Spend (\$pppd)	99.8%	-1.7%	236.5	237.1
Visitor Days	97.6%	2.2%	7,593,361	7,780,082
Arrivals	97.0%	3.4%	1,281,848	1,321,060
Airlift (scheduled seats)	100.0%	-2.1%	1,664,725	1,664,691

*DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures*

- In October 2019, spending by Japanese visitors rose 1.1 percent to \$186.6 million. Visitor arrivals (+4.4%) and visitor days (+2.7%) increased. However, daily spending decreased (-1.5% to \$249 per person) compared to a year ago.
- The exchange rate was at 108.12 JPY to USD in October 2019. Economic outlook is declining as uncertainties from the trade wars occurring between Japan and Korea continue.
- Social unrest in Hong Kong may prompt Japanese visitors to alter travel itineraries to other destinations including Hawai'i from the traditionally popular destination. Japanese consumers show tendencies to be risk averse and avoid potentially dangerous situations. Japanese visitors to Hong Kong declined by 39.3 percent in September.
- Approvals were given to Hawaiian Airlines and Delta Air Lines for additional slots at Haneda Airport. Amongst the approved routes, one route for Honolulu was allotted for each of the carriers. Although details are yet to be announced for Japanese carriers, ANA is set to maintain more total slots at Haneda over JAL as part of restrictions imposed on JAL during its taxpayer bailout.
- The launch of Hawaiian Airlines' direct flight service to Fukuoka will occur on November 26th, departing Honolulu on Tuesdays, Fridays, Saturdays and Sundays. Additionally, Hawaiian Airlines also began sales for their third daily service from Haneda Airport. Hawaiian Airlines' new daily service from Haneda is set to launch on March 28, 2020.

## OCEANIA

**Table 7: Key Performance Indicators – Oceania**

	% of Forecast	YOY Rate	Oct. YTD	Forecast
Visitor Spending (\$mil)*	91.2%	-16.3%	746.6	818.9
Daily Spend (\$pppd)	97.4%	-0.7%	259.6	266.5
Visitor Days	93.6%	-15.7%	2,876,272	3,072,637
Arrivals	94.4%	-13.5%	307,224	325,464
Airlift (scheduled seats)	99.9%	-6.2%	420,873	421,298

*DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures*

- Visitor arrivals from Australia decreased in October (-4.7% to 27,099) and through the first 10 months of 2019 (-11.3% to 244,433) versus a year ago.
- 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 percent, 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.
- Visitor arrivals from New Zealand also dropped in October (-27.3% to 6,003) and through the first 10 months of 2019 (-21.2% to 62,791).
- 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.

## EUROPE

**Table 8: Key Performance Indicators – Europe**

	% of Forecast	YOY Rate	Oct. YTD	Forecast
Visitor Spending (\$mil)*	89.9%		239.4	266.4
Daily Spend (\$pppd)	91.1%	-11.2%	156.5	171.8
Visitor Days	98.7%	-7.1%	1,529,811	1,550,157
Arrivals	100.7%	-5.3%	118,712	117,846
Airlift (scheduled seats)	NA	NA	NA	NA

*DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures*

- Visitor arrivals from the United Kingdom, France, Germany, Italy and Switzerland rose in October (+6.4% to 15,206), but decreased through the first 10 months of 2019 (-5.3% to 118,712).
- The Pound Sterling has risen significantly to \$1.28. UK GDP remains down 0.2 percent, with an unemployment rate of 3.8 percent.

- 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 percent 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.

## CHINA

**Table 9: Key Performance Indicators – China**

	% of Forecast	YOY Rate	Oct. YTD	Forecast
Visitor Spending (\$mil)*	88.9%	-28.8%	207.6	233.6
Daily Spend (\$pppd)	94.4%	-7.6%	322.2	341.2
Visitor Days	94.1%	-23.0%	644,476	684,658
Arrivals	93.7%	-26.1%	80,485	85,886
Airlift (scheduled seats)	106.2%	-23.1%	107,351	101,063

*DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures*

- Visitor arrivals declined in October (-25.9% to 5,429) and through the first 10 months of 2019 (-26.1% to 80,485).
- In early October, Chinese tourists made nearly 7.5 million overseas trips during the week-long National Day holiday.
- Beijing Daxing International Airport (PKX), the second international airport in Beijing opened on September 29, 2019, providing an alternative option for travelers flying from North China to America.

## KOREA

**Table 10: Key Performance Indicators – Korea**

	% of Forecast	YOY Rate	Oct. YTD	Forecast
Visitor Spending (\$mil)*	106.9%	-8.0%	385.8	361.0
Daily Spend (\$pppd)	96.7%	-6.6%	268.6	277.9
Visitor Days	110.6%	-1.5%	1,436,422	1,299,016
Arrivals	108.2%	-4.8%	185,397	171,287
Airlift (scheduled seats)	100.1%	-10.6%	270,515	270,372

*DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures*

- Visitor arrivals rose in October (+4.3% to 18,842), but decreased year-to-date (-4.8% to 185,397).
- South Korea's economy will achieve 1.8 percent to 2.0 percent growth in 2019 due to sluggish economy and declined consumers' consumptions.
- The average USD/WON exchange rate in October was 1182.35 won, a slight decrease from the previous rate of 1209.40 won in Sept.
- Fuel surcharges were imposed in October 2019, up to 75,400 won (\$63.77) for a round trip between Korea and the U.S.

## TAIWAN

**Table 11: Key Performance Indicators – Taiwan**

	% of Forecast	YOY Rate	Oct. YTD	Forecast
Visitor Spending (\$mil)*	121.3%	58.2%	51.6	42.5
Daily Spend (\$pppd)	102.7%	6.2%	250.7	244.0
Visitor Days	118.1%	49.0%	205,951	174,372
Arrivals	121.1%	53.9%	22,792	18,820
Airlift (scheduled seats)	100.0%	29.9%	34,578	34,578

*DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures*

- Visitor arrivals increased in October (+4.3% to 18,842), but decreased year-to-date (\$ .8% to 185,397).
- 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 percent visitation growth YOY (YTD September 2019) due to favorable currency exchange rates and the new direct flights between Taipei and Auckland.

## LATIN AMERICA

**Table 122: Key Performance Indicators – Latin America**

	% of Forecast	YOY Rate	Oct. YTD	Forecast
Visitor Spending (\$mil)*	84.4%	-21.7%	46.9	55.6
Daily Spend (\$pppd)	83.5%	-18.7%	204.4	244.6
Visitor Days	101.0%	-3.7%	229,427	227,071
Arrivals	100.5%	-6.1%	21,814	21,696
Airlift (scheduled seats)	NA	NA	NA	NA

*DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures*

- Visitor arrivals from Mexico, Brazil and Argentina were flat in October (-0.4% to 2,145) and declined through the first 10 months of 2019 (-6.1% to 21,814).

## ISLAND VISITATION:

- **O'ahu** In October, visitor spending increased (+2.8% to \$608.6 million) in October year-over-year. Total visitor days were up (+1.4%) and daily spending was higher (+1.3% to \$198 per person) compared to October 2018. Arrivals also rose 2.8 percent to 473,499 visitors. The average daily census increased 1.4 percent to 99,343 visitors in October.

Through the first ten months, both visitor spending (+2.4% to \$6.79 billion) and arrivals (+5.6% to 5,163,637) grew compared to a year ago.

- **Maui:** In October, visitor spending decreased (-1.1% to \$377.1 million) year-over-year. Visitor days increased (+7.3%), but daily spending was lower (-7.9% to \$204 per person) compared to the previous year. Arrivals were up 10.9 percent to 240,135 visitors. The average daily census grew 7.3 percent to 59,770 visitors in October.

Through the first ten months, both visitor spending (+0.8% to \$4.23 billion) and visitor arrivals (+5.3% to 2,562,006) increased.

- **Island of Hawai'i:** Visitor spending grew (+3.9% to \$177.0 million) in October, supported by growth in visitor days (+9.0%) which offset lower daily spending (-4.7% to \$189 per person). Arrivals increased 14.5 percent to 131,947 visitors. The average daily census grew 9.0 percent to 30,156 visitors in October.

Through the first ten months, visitor spending declined (-3.6% to \$1.90 billion), while visitor arrivals increased (+2.8% to 1,467,277) compared to a year ago.

- **Kaua'i:** In October, visitor spending declined (-4.6% to \$140.7 million) as a result of decreased visitor days (-3.2%) and lower daily spending (-1.5% to \$195 per person). Arrivals dropped slightly (-0.8%) to 102,632 visitors. The average daily census dropped 3.2 percent to 23,278 visitors.

Through the first ten months, visitor spending (-5.9% to \$1.59 billion) and visitor arrivals (-1.6% to 1,145,941) decreased compared to a year ago.

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Oct-19** *Preliminary*

Visitor Industry Performance Measures

Market: **OVERALL**

Key Performance Indicators

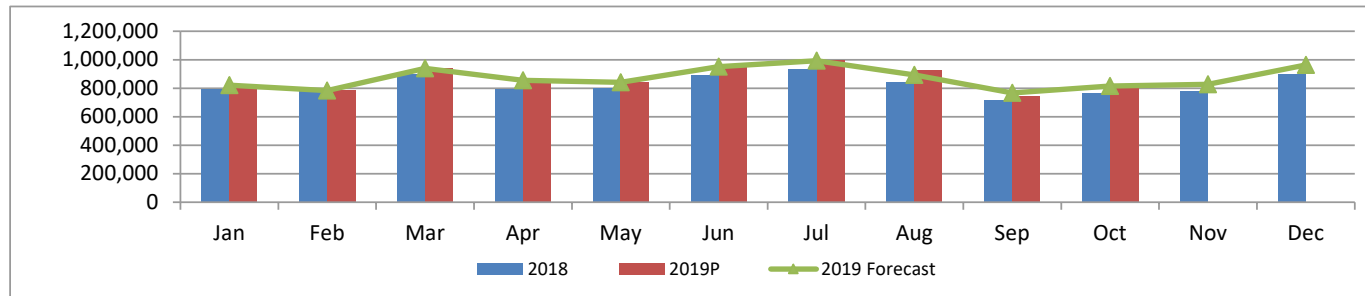
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	➔ 100.2%	0.2%	14,672.1	14,644.3
Daily Spend (\$pppd)	👉 98.8%	-2.6%	194.8	197.3
Visitor Days	👈 101.5%	2.9%	75,305,875	74,225,828
Arrivals	➔ 100.0%	5.5%	8,659,324	8,660,644
Airlift (scheduled seats)	➔ 100.0%	2.5%	11,217,225	11,217,654

Arrivals	YOY Rate	YTD
O'ahu	5.6%	5,163,637
Maui	5.3%	2,562,006
Moloka'i	10.2%	54,284
Lāna'i	19.1%	75,213
Kaua'i	-1.6%	1,145,941
Hawai'i Island	2.8%	1,467,277

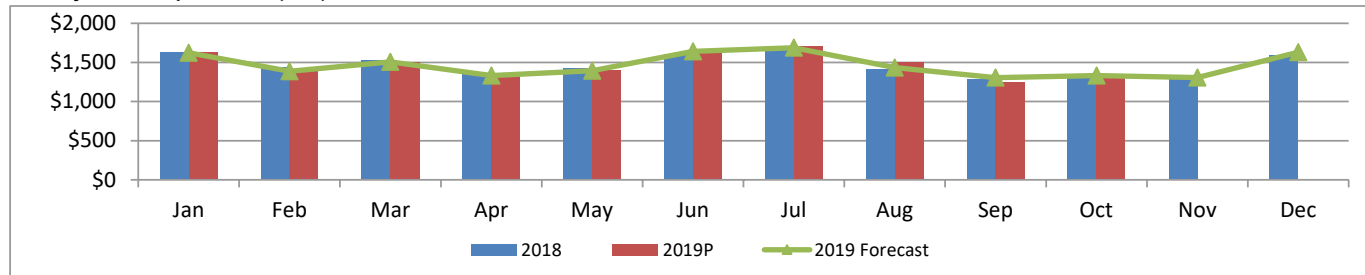
\*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

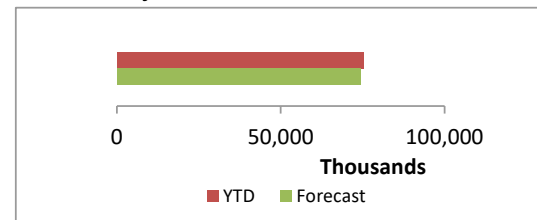


Monthly Visitor Expenditures (\$mil)

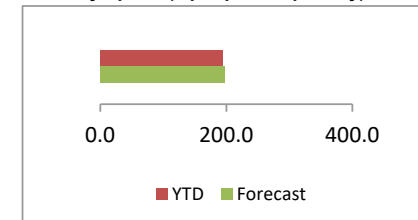


Annual Indicators

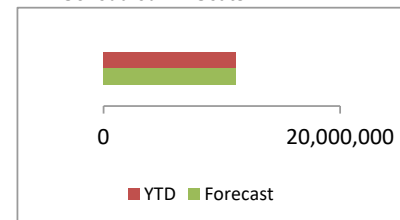
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



\* Excludes Supplemental Business Expenditures



HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Oct-19** Preliminary

Visitor Industry Performance Measures

Market: **U.S. TOTAL**

Key Performance Indicators

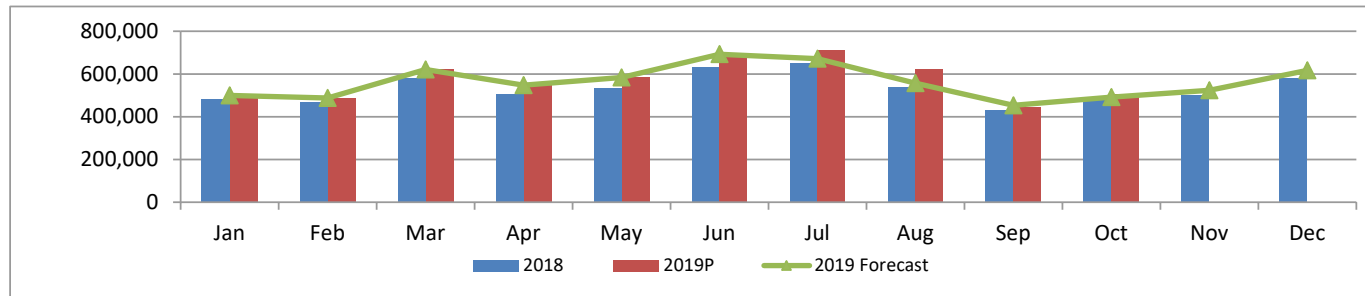
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	101.8%	4.1%	9,617.2	9,442.7
Daily Spend (\$pppd)	100.0%	-0.4%	187.9	187.9
Visitor Days	101.8%	4.5%	51,175,173	50,253,062
Arrivals	102.0%	8.0%	5,718,881	5,607,256
Airlift (scheduled seats)	100.0%	5.0%	8,084,241	8,084,084

Arrivals	YOY Rate	YTD
O'ahu	10.0%	2,772,939
Maui	6.8%	2,041,502
Moloka'i	1.9%	34,739
Lāna'i	9.0%	50,489
Kaua'i	-0.7%	946,916
Hawai'i Island	4.9%	1,031,016

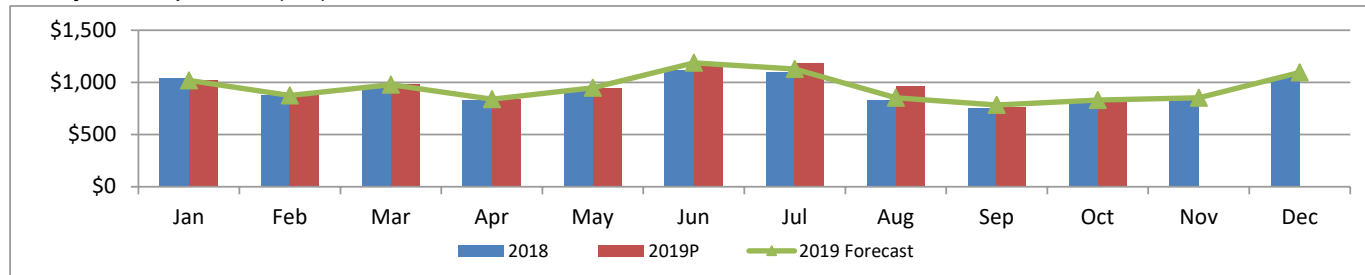
\*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

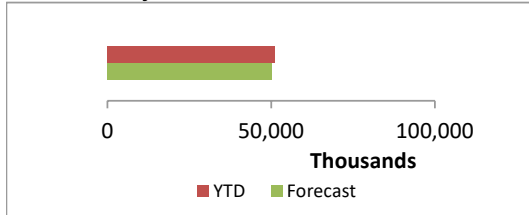


Monthly Visitor Expenditures (\$mil)

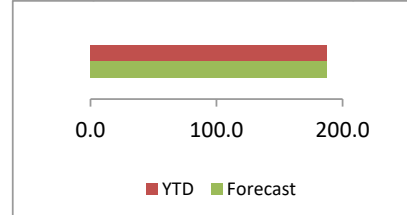


Annual Indicators

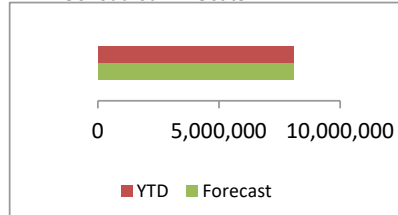
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Oct-19** *Preliminary*

Visitor Industry Performance Measures

Market: **U.S. WEST**

Key Performance Indicators

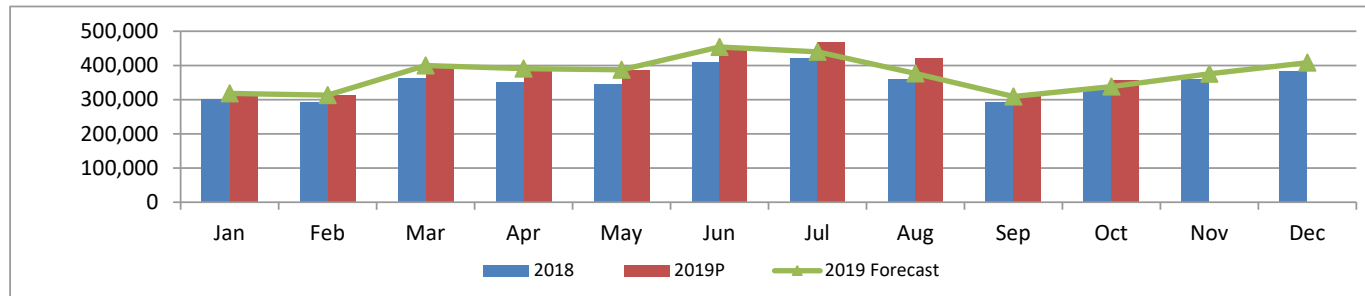
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↘	101.7%	5.3%	5,717.1	5,622.2
Daily Spend (\$pppd)	→	99.3%	-1.2%	174.1	175.3
Visitor Days	↑	102.4%	6.6%	32,839,410	32,079,107
Arrivals	↑	102.5%	10.3%	3,817,895	3,726,118
Airlift (scheduled seats)	→	100.0%	5.0%	7,098,353	7,098,196

	Arrivals	YOY Rate	YTD
O'ahu		14.1%	1,676,555
Maui		9.0%	1,342,684
Moloka'i		8.0%	20,979
Lāna'i		18.7%	26,728
Kaua'i		1.3%	605,854
Hawai'i Island		8.0%	640,944

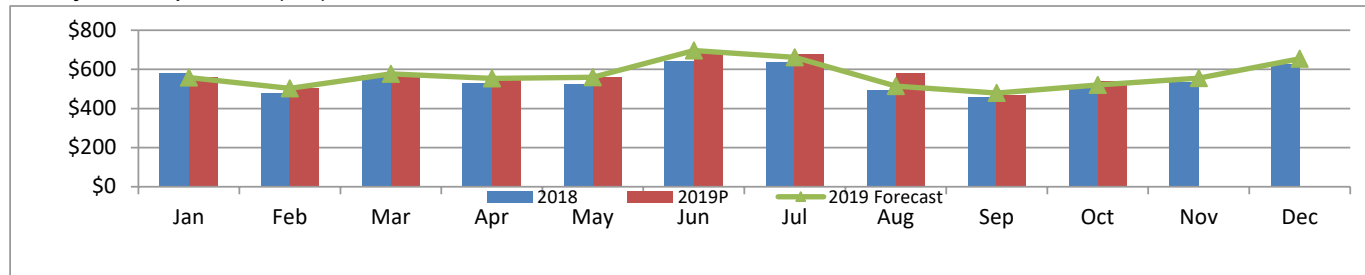
\*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

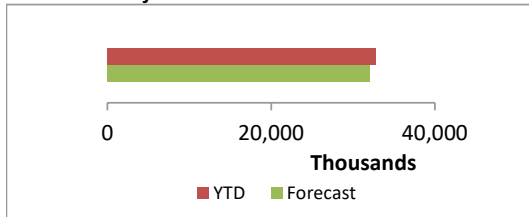


Monthly Visitor Expenditures (\$mil)

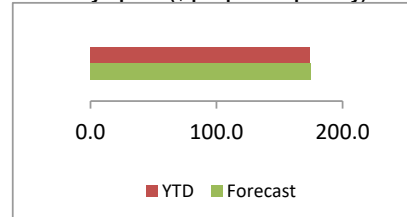


Annual Indicators

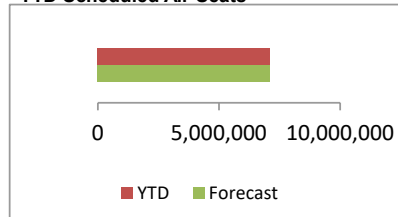
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Oct-19** *Preliminary*

Visitor Industry Performance Measures

Market: **U.S. EAST**

Key Performance Indicators

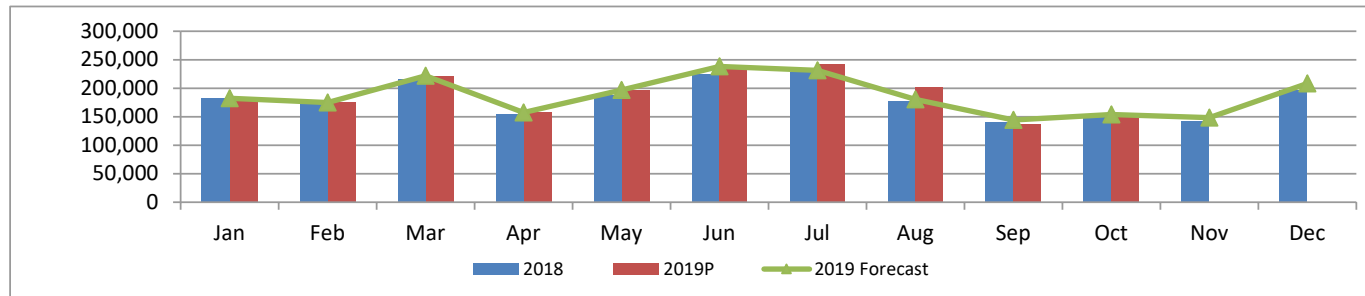
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↑ 102.1%	2.3%	3,900.1	3,820.5
Daily Spend (\$pppd)	↔ 101.2%	1.3%	212.7	210.2
Visitor Days	→ 100.9%	0.9%	18,335,763	18,173,955
Arrivals	↔ 101.1%	3.6%	1,900,986	1,881,137
Airlift (scheduled seats)	→ 100.0%	5.7%	985,888	985,888

	YOY Rate	YTD
O'ahu	4.2%	1,096,383
Maui	2.9%	698,817
Moloka'i	-6.2%	13,760
Lāna'i	-0.1%	23,762
Kaua'i	-4.0%	341,062
Hawai'i Island	0.2%	390,072

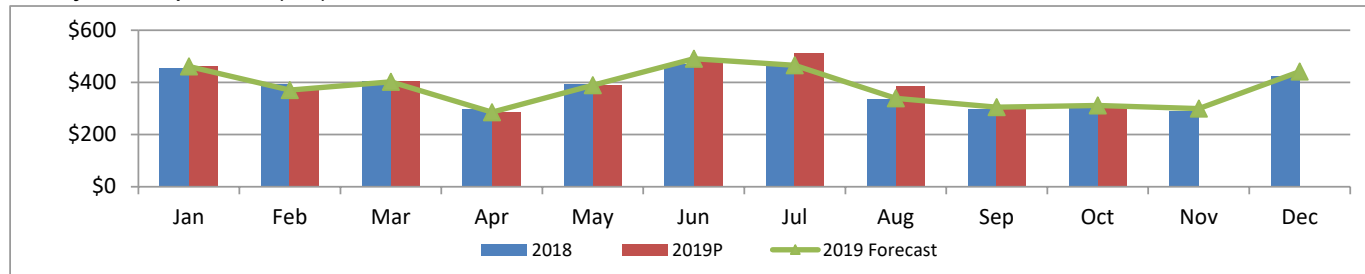
\*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

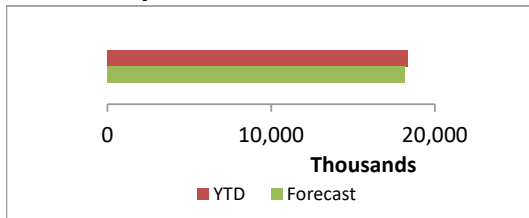


Monthly Visitor Expenditures (\$mil)

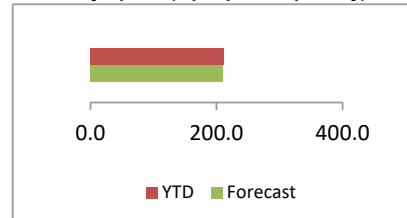


Annual Indicators

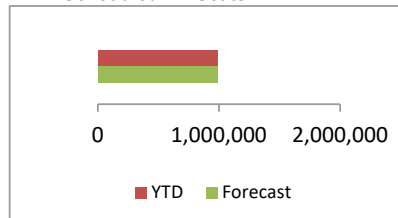
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Oct-19** *Preliminary*

Visitor Industry Performance Measures

Market: **CANADA**

Key Performance Indicators

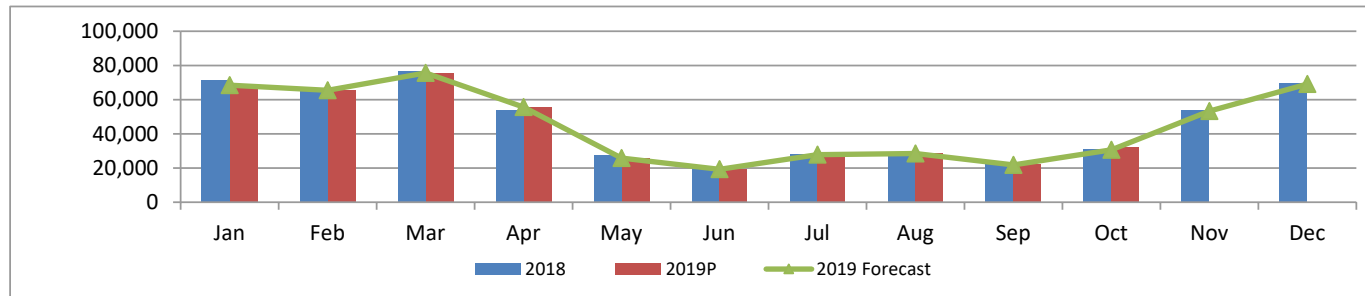
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	➔ 99.8%	-2.8%	846.9	848.8
Daily Spend (\$pppd)	➔ 99.4%	-0.1%	166.8	167.8
Visitor Days	➔ 100.4%	-2.7%	5,077,772	5,058,192
Arrivals	➔ 100.3%	-1.1%	420,205	419,065
Airlift (scheduled seats)	➔ 100.0%	3.1%	378,268	378,258

Arrivals	YOY Rate	YTD
O'ahu	-4.4%	178,526
Maui	0.9%	218,734
Moloka'i	15.9%	3,667
Lāna'i	-12.5%	4,555
Kaua'i	-13.8%	60,510
Hawai'i Island	4.1%	75,140

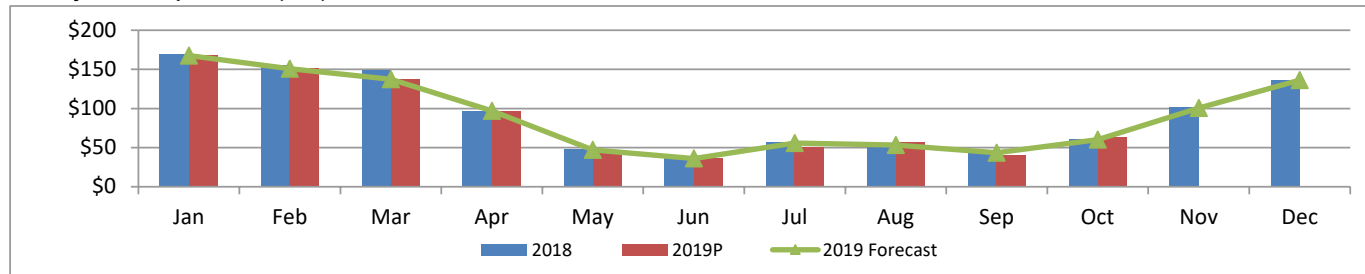
\*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

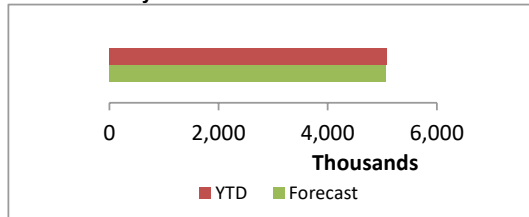


Monthly Visitor Expenditures (\$mil)

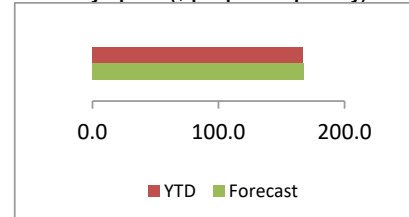


Annual Indicators

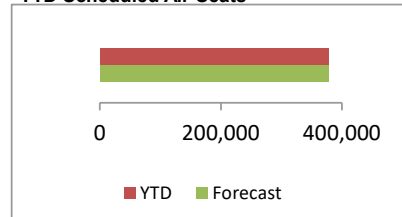
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



\* Excludes Supplemental Business Expenditures

Hawai'i Tourism Authority Report Date: **Oct-19** *Preliminary*

**Visitor Industry Performance Measures**

Market: **JAPAN**

**Key Performance Indicators**

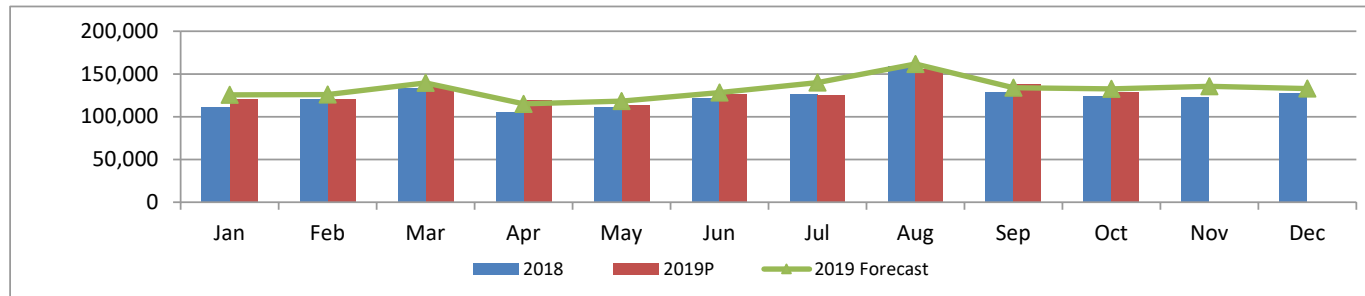
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↓	97.4%	0.5%	1,795.9	1,844.4
Daily Spend (\$pppd)	→	99.8%	-1.7%	236.5	237.1
Visitor Days	↓	97.6%	2.2%	7,593,361	7,780,082
Arrivals	↓	97.0%	3.4%	1,281,848	1,321,060
Airlift (scheduled seats)	→	100.0%	-2.1%	1,664,725	1,664,691

	Arrivals	YOY Rate	YTD
O'ahu		4.4%	1,214,038
Maui		-3.1%	40,016
Moloka'i		46.1%	1,520
Lāna'i		31.7%	1,983
Kaua'i		-0.2%	21,108
Hawai'i Island		-9.4%	136,975

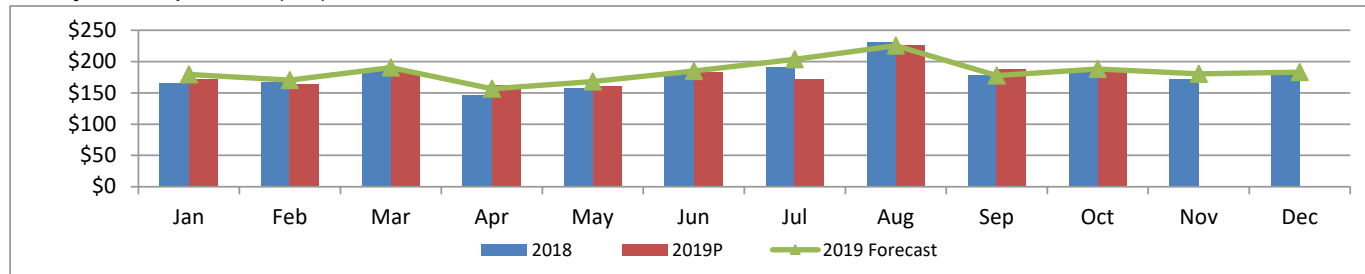
\*DBEDT Forecast as of Q3 2019

**Monthly Indicators**

**Monthly Arrivals**

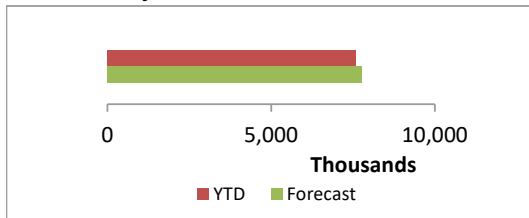


**Monthly Visitor Expenditures (\$mil)**

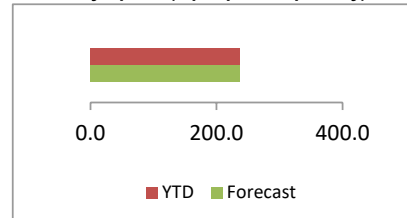


**Annual Indicators**

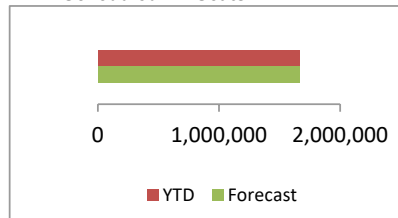
**YTD Visitor Days**



**YTD Daily Spend (\$ per person per day)**



**YTD Scheduled Air Seats**



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Oct-19** *Preliminary*

Visitor Industry Performance Measures

Market: **CHINA**

Key Performance Indicators

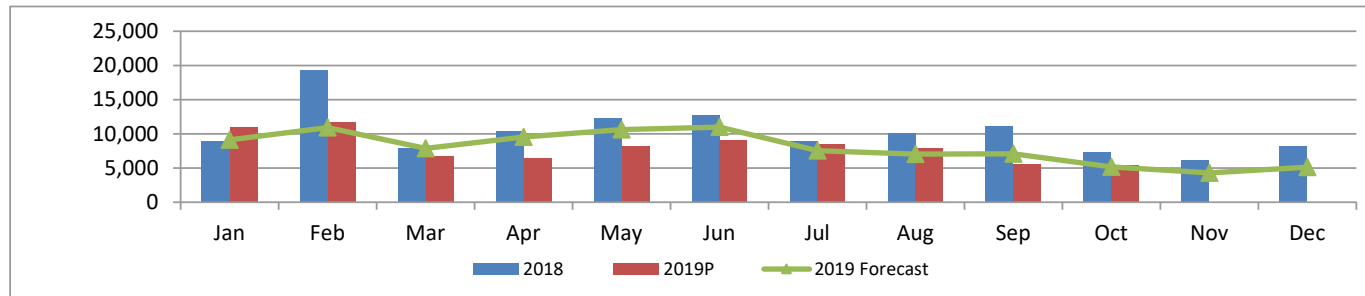
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↓	88.9%	-28.8%	207.6	233.6
Daily Spend (\$pppd)	↓	94.4%	-7.6%	322.2	341.2
Visitor Days	↓	94.1%	-23.0%	644,476	684,658
Arrivals	↓	93.7%	-26.1%	80,485	85,886
Airlift (scheduled seats)	↑	106.2%	-23.1%	107,351	101,063

	Arrivals	YOY Rate	YTD
O'ahu		-26.7%	77,760
Maui		-26.1%	17,208
Moloka'i		-36.6%	616
Lāna'i		8.5%	780
Kaua'i		-10.0%	3,174
Hawai'i Island		-17.7%	29,973

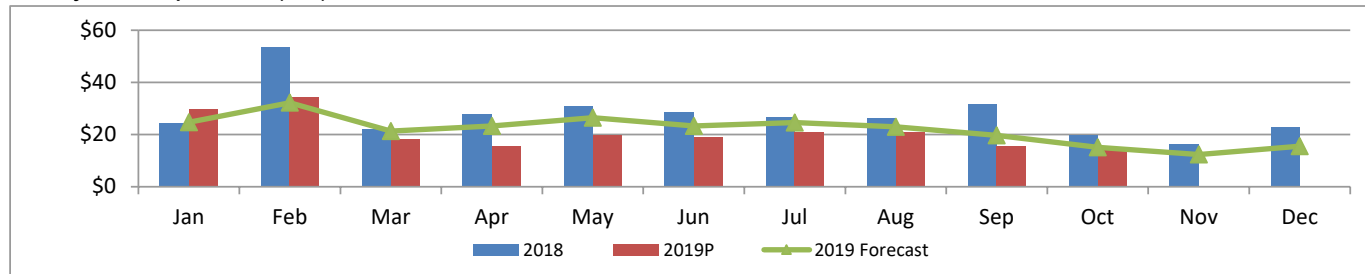
\*DBEDT Forecast as of Q3 2019

Monthly Indicators

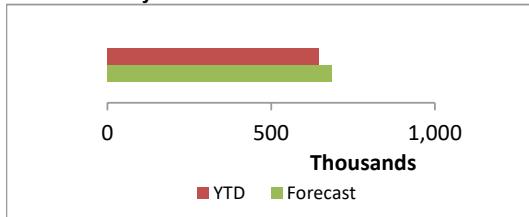
Monthly Arrivals



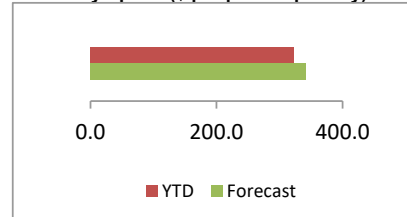
Monthly Visitor Expenditures (\$mil)



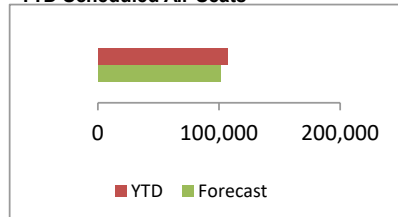
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Oct-19** *Preliminary*

Visitor Industry Performance Measures

Market: **KOREA**

Key Performance Indicators

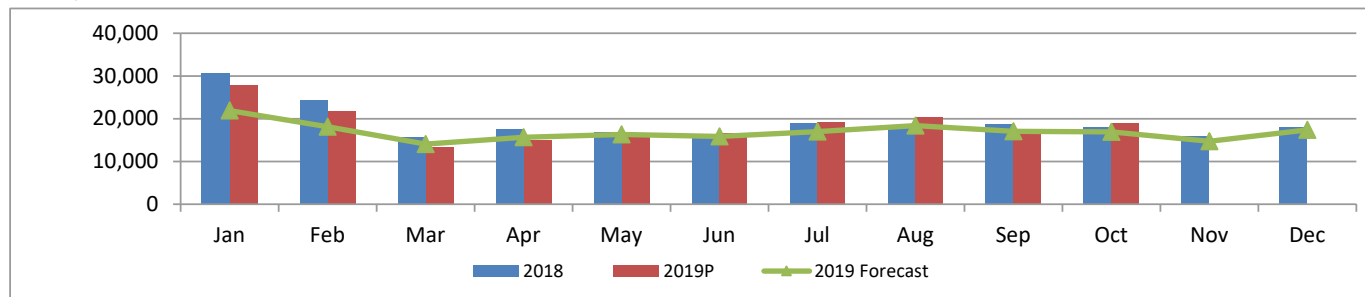
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↑	106.9%	-8.0%	385.8	361.0
Daily Spend (\$pppd)	↓	96.7%	-6.6%	268.6	277.9
Visitor Days	↑	110.6%	-1.5%	1,436,422	1,299,016
Arrivals	↑	108.2%	-4.8%	185,397	171,287
Airlift (scheduled seats)	→	100.1%	-10.6%	270,515	270,372

	Arrivals	YOY Rate	YTD
O'ahu		-3.9%	182,497
Maui		-10.6%	23,996
Moloka'i		1.3%	704
Lāna'i		-8.3%	493
Kaua'i		-27.0%	5,751
Hawai'i Island		2.6%	21,621

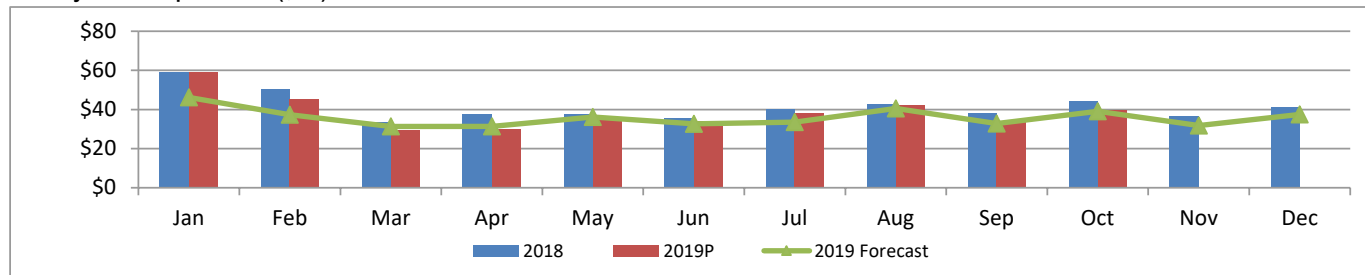
\*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

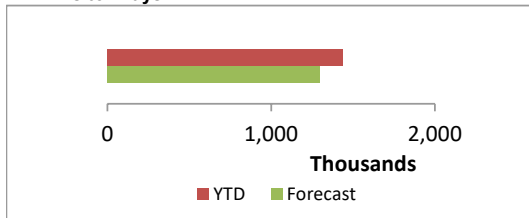


Monthly Visitor Expenditures (\$mil)

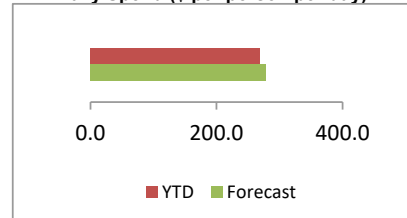


Annual Indicators

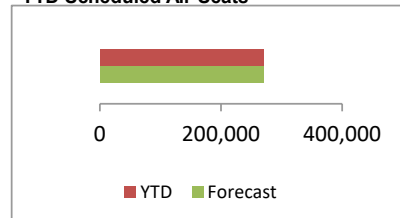
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Oct-19** *Preliminary*

Visitor Industry Performance Measures

Market: **TAIWAN**

Key Performance Indicators

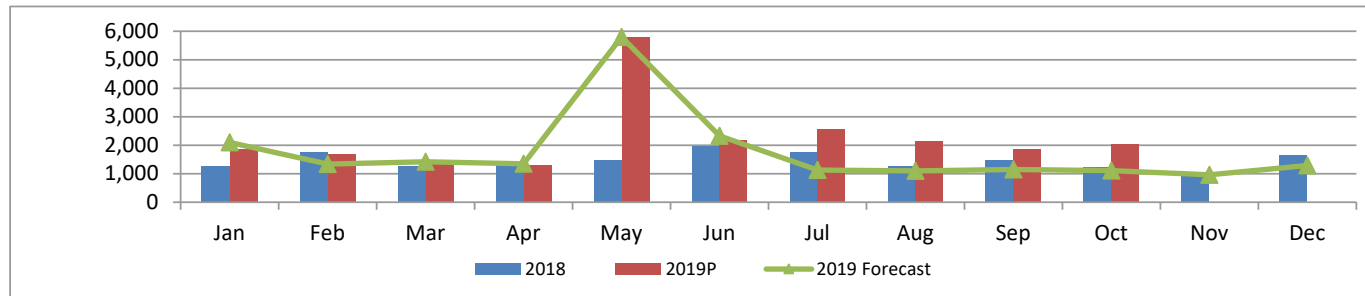
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↑	121.3%	58.2%	51.6	42.5
Daily Spend (\$pppd)	↑	102.7%	6.2%	250.7	244.0
Visitor Days	↑	118.1%	49.0%	205,951	174,372
Arrivals	↑	121.1%	53.9%	22,792	18,820
Airlift (scheduled seats)	→	100.0%	29.9%	34,578	34,578

Arrivals	YOY Rate	YTD
O'ahu	56.5%	22,346
Maui	18.2%	3,740
Moloka'i	-63.5%	34
Lāna'i	-49.6%	126
Kaua'i	42.8%	780
Hawai'i Island	36.5%	5,614

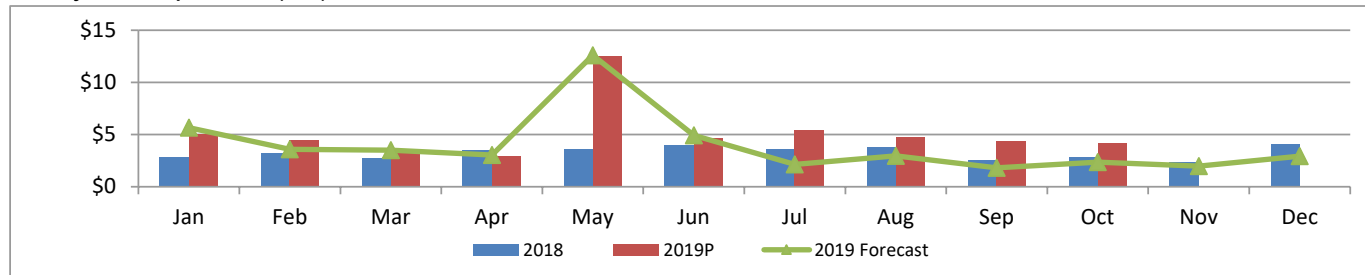
\*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

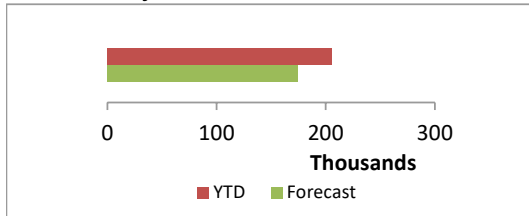


Monthly Visitor Expenditures (\$mil)

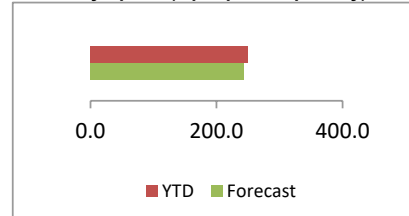


Annual Indicators

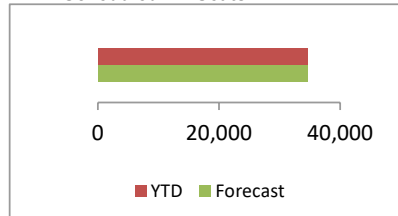
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



\* Excludes Supplemental Business Expenditures



HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Oct-19** *Preliminary*

Visitor Industry Performance Measures

Market: **OCEANIA**

Key Performance Indicators

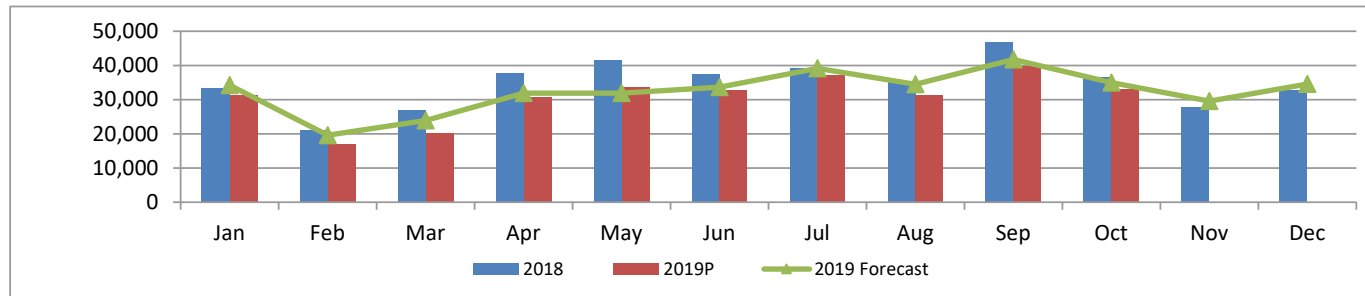
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↓ 91.2%	-16.3%	746.6	818.9
Daily Spend (\$pppd)	↓ 97.4%	-0.7%	259.6	266.5
Visitor Days	↓ 93.6%	-15.7%	2,876,272	3,072,637
Arrivals	↓ 94.4%	-13.5%	307,224	325,464
Airlift (scheduled seats)	→ 99.9%	-6.2%	420,873	421,298

Arrivals	YOY Rate	YTD
O'ahu	-13.4%	301,020
Maui	-11.8%	52,479
Moloka'i	28.5%	4,146
Lāna'i	31.0%	5,498
Kaua'i	0.1%	27,827
Hawai'i Island	-10.1%	39,537

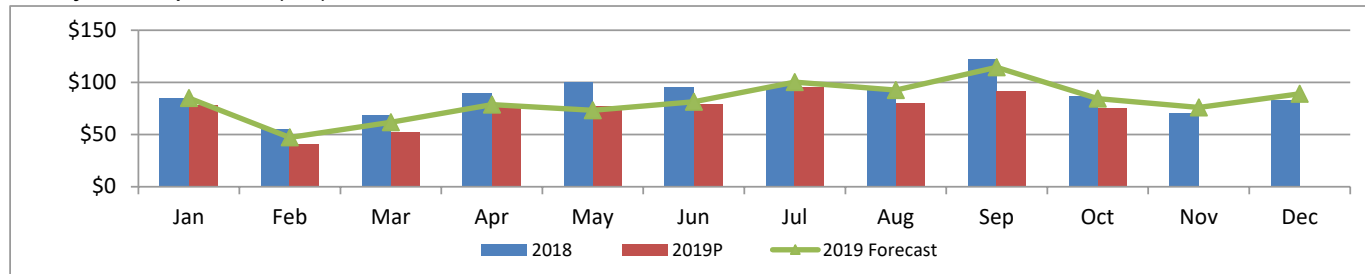
\*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

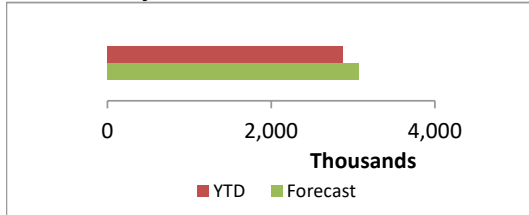


Monthly Visitor Expenditures (\$mil)

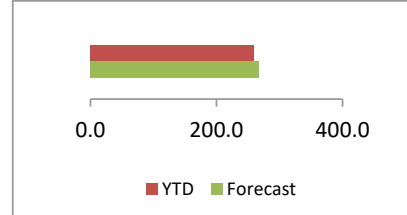


Annual Indicators

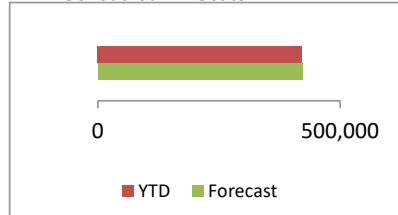
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Oct-19** *Preliminary*

Visitor Industry Performance Measures

Market: **EUROPE**

Key Performance Indicators

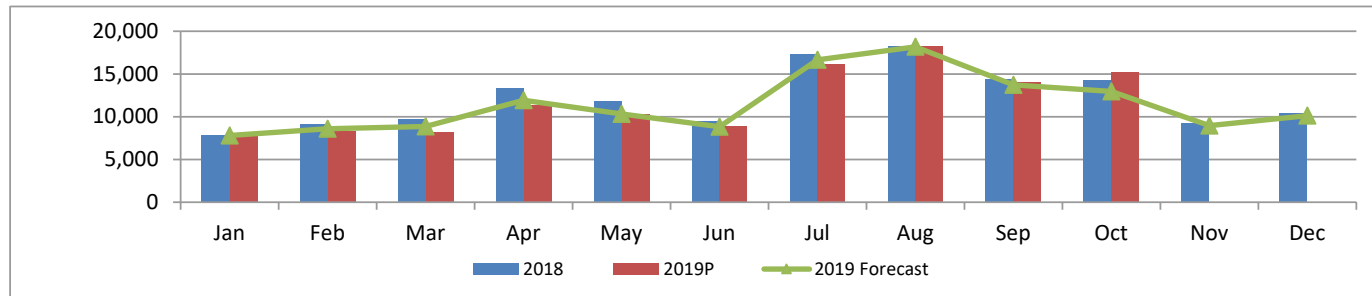
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↓ 89.9%	-17.5%	239.4	266.4
Daily Spend (\$pppd)	↓ 91.1%	-11.2%	156.5	171.8
Visitor Days	↔ 98.7%	-7.1%	1,529,811	1,550,157
Arrivals	↗ 100.7%	-5.3%	118,712	117,846
Airlift (scheduled seats)	NA	NA	NA	NA

Arrivals	YOY Rate	YTD
O'ahu	-5.3%	87,814
Maui	-2.9%	52,594
Moloka'i	-40.3%	1,496
Lāna'i	13.0%	1,468
Kaua'i	-7.5%	30,409
Hawai'i Island	-13.1%	37,656

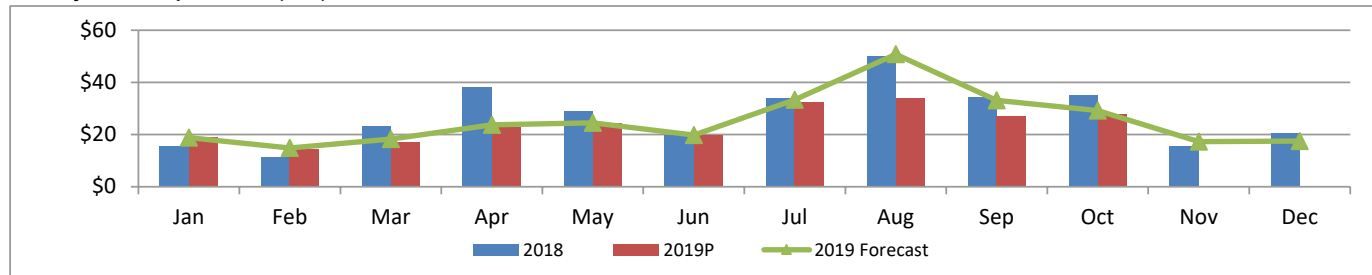
\*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

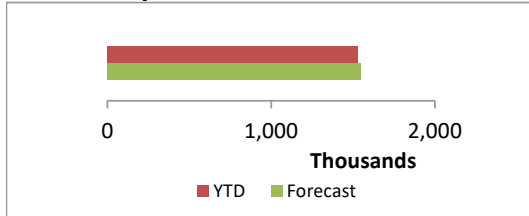


Monthly Visitor Expenditures (\$mil)

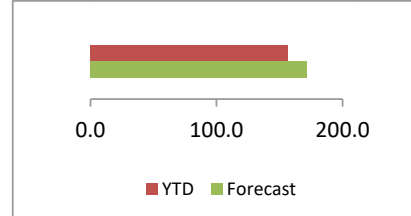


Annual Indicators

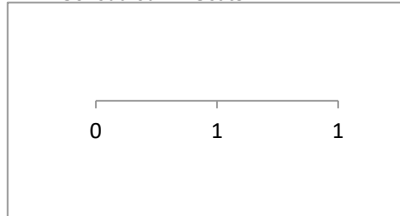
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Oct-19** *Preliminary*

Visitor Industry Performance Measures

Market: **LATIN AMERICA**

Key Performance Indicators

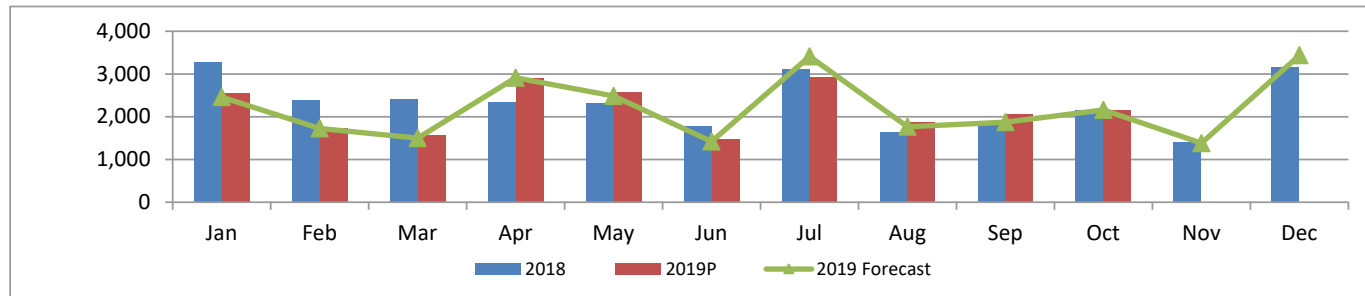
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↓ 84.4%	-21.7%	46.9	55.6
Daily Spend (\$pppd)	↓ 83.5%	-18.7%	204.4	244.6
Visitor Days	↗ 101.0%	-3.7%	229,427	227,071
Arrivals	↗ 100.5%	-6.1%	21,814	21,696
Airlift (scheduled seats)	NA	NA	NA	NA

Arrivals	YOY Rate	YTD
O'ahu	-7.5%	16,503
Maui	-8.4%	7,409
Moloka'i	42.5%	263
Lāna'i	76.8%	360
Kaua'i	-10.0%	2,755
Hawai'i Island	-9.3%	4,678

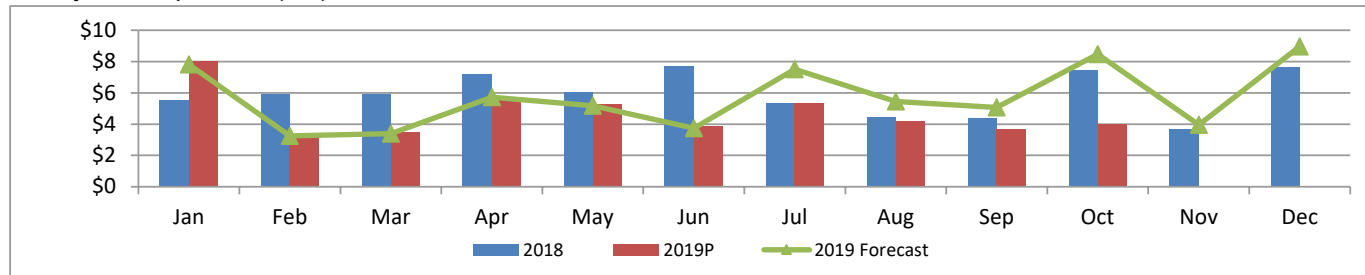
\*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

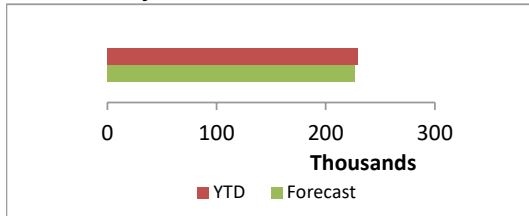


Monthly Visitor Expenditures (\$mil)

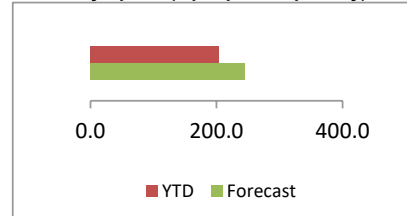


Annual Indicators

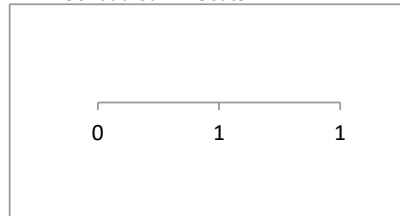
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



\* Excludes Supplemental Business Expenditures



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# 2019 HVS LODGING TAX REPORT - USA

**Thomas Hazinski, MPP**  
*Managing Director*

**Joseph Hansel, MPP**  
*Research Analyst*



## Introduction

*In this eighth annual Lodging Tax Study, HVS Convention, Sports & Entertainment Consulting surveys lodging tax rates and revenues across the United States. Our study includes a broad range of cities and tracks policy trends in lodging tax impositions. This research identifies the lodging tax rates levied at the state, county, city, and special district levels. We provide data on the collection and distribution of revenue from lodging taxes levied in all 50 States and the 150 largest cities in the United States.*

### Lodging Tax Imposition

Lodging taxes are typically ad valorem taxes (levied as a percentage of value) on short-term<sup>1</sup> overnight stays at hotels, motels, bed-and-breakfasts and other lodging accommodations. States authorize the imposition of lodging taxes, except in home rule cities.<sup>2</sup> States may tax lodging as a part of general sales and use tax, a specific lodging tax, or both. For most lodging taxes, state legislation defines the tax base, determines who is exempt from the lodging tax, and establishes collection procedures. States and municipal governments may distribute lodging tax revenues to their general funds, special revenue funds, or to local governments and special districts. Certain state and local governments also impose excise taxes on lodging, at a fixed amount per unit, such as a \$1.00 per night fee for the furnishing of a hotel room.

In certain cities, state and municipal governments have formed special districts to levy additional lodging taxes on hotels located within a defined geographic subset of the city. Different districts within a city may have varying rates of lodging taxes. For example, Sacramento charges a higher special district rate of 3.00% for hotels in Downtown Sacramento and lowers the rate as hotels get further from the downtown area. Revenues from

special district assessments frequently support the development of convention centers that generate room revenue for the hotel properties located in the district.

From a political perspective, lodging taxes may be easier to impose than other taxes because visitors that use lodging accommodations are not constituents of the local municipalities. Typically, hotel operators collect the tax from guests and receive a small administrative fee of one or two percent of collections.

While the legal incidence of the tax may fall on the consumer, the economic burden of the lodging tax is shared by both providers of lodging accommodations and their guests. The lodging market is competitive, and in a competitive market, the tax burden is shared between buyer and seller. A lodging tax raises the price of lodging accommodations. Depending on the elasticity of the supply and demand for lodging, the hotel manager may not be able to increase rates by the full amount of the tax. Since the elasticity of supply and demand changes depending on market conditions, the true incidence of a lodging tax varies as market conditions change. This study makes no attempt to estimate the economic incidence of lodging taxes.

Hotel owners are often willing to cooperate with local governments to impose lodging taxes dedicated to tourism promotion and convention center construction. For hotel owners, tourist-oriented public facilities and advertising serve as drivers of room demand. All of the hotels in a given market can benefit from programs that bring tourists and convention attendees to a city. Sponsoring these types of programs would be prohibitively expensive for any individual hotel. In the case of convention centers funded by a lodging tax, the hotels and individuals who benefit from the center pay for its construction and maintenance. Municipalities seek to benefit from visitor spending and the associated tax revenue that convention centers generate. Through the imposition of lodging taxes, those who benefit pay

<sup>1</sup>Typically defined in ordinances as being fewer than thirty days.

<sup>2</sup> Home rule cities are cities that have their own taxing authority, have adopted home rule charter for their self-

governance, and are not limited to exercising only those powers that the state expressly grants to them.

for advertising, marketing and sales efforts funded by lodging tax revenue.

Some states, particularly those with large tourism industries, prevent municipalities from depositing hotel tax revenue into their general funds. For example, Florida allows only a series of special purpose taxes for tourist development. Texas requires that local transient occupancy taxes fund convention center development or tourism promotion.

Since the 1970's, lodging taxes have become commonplace across the country. Of the 150 largest U.S. cities examined in this study, more than 120 impose a dedicated tax, and all of them collect some form of taxation on hotel room revenue. In small suburban cities and major tourist destinations alike, lodging taxes have become an important source of funding for economic development initiatives. This study attempts to survey hotel tax implementation across the country to provide information for those who wish to compare the structure and revenue capacity of lodging taxes in a diverse set of markets.

## Methodology

HVS's nationwide study examined lodging taxes levied at the state and local level for the 150 most populous United States cities. HVS used data sources deemed to be reliable, including the following: comprehensive annual financial reports, annual adopted budgets, municipal codes, revenue reports, media sources, and interviews with government finance officials to determine the rate, collection, and distribution of lodging taxes at the state, county, city, and special district levels. In most cases, annual revenue figures were drawn from consistent sources year over year. All lodging tax rates, revenues, and distributions are reported in nominal dollars unless otherwise noted.

## Local Rate Changes

Three states, three counties, and three cities passed into law rate changes that took effect during or immediately following fiscal year 2018. Recent changes in lodging taxes in cities include the following:

### CHANGES FOR FISCAL YEAR 2018

Location	Effective Date	Description of Change
<b>State Rate Changes</b>		
New Jersey	1-Jan-18	Beginning January 1, 2017 the state sales tax rate decreased from 7% to 6.875%. Beginning January 1, 2018 the state sales tax rate decreased to 6.625%.
Louisiana	1-Jul-18	The state sales tax rate decreased from 5% to 4.45%.
Hawaii	1-Jan-18	The transient accommodations tax rate increased from 9.25% to 10.25%. Revenue will be allocated to fund Honolulu Rail Transit construction.
Utah	1-Jan-18	Beginning January 1, 2018, Utah imposed a 0.32% State Transient Room Tax.
<b>County Rate Changes</b>		
Broward County, FL	1-Jan-18	The local option tourist development tax rate increased from 5% to 6%.
Greene County, MO	1-Apr-18	The Greene County sales tax increased from 1.25% to 1.75%.
Bernalillo County, NM	1-Jul-17	The Bernalillo County sales tax increased by 0.1875%.
<b>City Rate Changes</b>		
Gilbert, AZ	1-Jul-17	The Additional Tax on Hotels for Hotels/Vacation Rentals dropped from 3.00% to 2.8%.
District of Columbia	1-Oct-17	The Hotel/Transient accommodation tax rate increased from 14.5% to 14.8%.
Huntsville, AL	1-Oct-17	The City Lodging Tax increased from 7% to 9% and the City Lodging Tax Surcharge Fee increased from \$1 per room/night to \$2 per room/night.

In addition to the local rate changes that took place during fiscal year 2018, HVS projects the following changes for fiscal year 2019:

**PROJECTED CHANGES FOR FISCAL YEAR 2019**

Location	Effective Date	Description of Change
<b>State Rate Changes</b>		
Louisiana	1-Jul-18	The Louisiana Stadium and Exposition District Hotel Occupancy Tax is in lieu of two percent state sales tax levied on hotel/motel room rentals. The 2.45% sales tax still applies to hotel/motel room rentals.
Oregon	1-Jul-16	The lodging tax rate increased from 1% to 1.8%. The rate will decrease to 1.5% in 2020.
<b>County Rate Changes</b>		
Hillsborough County, FL	1-Jan-19	Imposes both a School Capital Outlay Surtax of 0.5% and a Charter County and Regional Transportation System Surtax of 1%.
Lee County, FL	1-Jan-19	Imposes a School Capital Outlay Surtax of 0.5%.
St. Lucie County, FL	1-Jan-19	Imposes a Local Government Infrastructure Surtax of 0.5%.
Broward County, FL	1-Jan-19	Imposes a Charter County and Regional Transportation System Surtax of 1%.
<b>City Rate Changes</b>		
City of Baton Rouge, LA	1-Apr-19	The City Sales Tax rate increased from 5% to 5.5%.
Chicago, IL	1-Dec-18	Imposes 4.5% tax of the gross rental or leasing charge. For vacation rentals and shared housing units, a 6% surcharge in addition to the 4.5% base rate for a total City rate of 10.5%
Mesa, AZ	1-Mar-19	The Transaction Privilege Tax increased from 1.75% to 2%.
Scottsdale, AZ	1-Feb-19	The Transaction Privilege Tax increased from 1.65% to 1.75% and the Use Tax rate increased from 1.45% to 1.55%.
District of Columbia	1-Oct-18	The Hotel/Transient Accommodations Tax increased from 14.8% to 14.95%.
Kansas City, MO	1-May-18	In 2017, Kansas City imposed a 0.125% Central City Economic Development Sales Tax. This tax first appears in FY19 documents.
Norfolk, VA	1-Jul-18	The Norfolk Lodging Excise Tax increased from \$2 to \$3.
San Jose, CA	1-Jul-18	The San Jose Hotel Business Improvement District was re-established. For lodging businesses with 80 or more rooms an additional \$1 to \$2.50 excise tax will be assessed.

## State Tax Rates

All but two states impose a sales tax, a lodging tax, or both on overnight transient accommodations. Municipal governments impose lodging taxes in two states (Alaska and California) that do not tax hotel lodging. Twenty-five states impose lodging taxes that are not part of a broader sales or use tax. The table provided on the following page lists the sales tax, lodging tax, and total tax rate levied on lodging accommodations. It ranks the 50 states by the total tax rate applied to lodging.

States with high lodging tax rates typically have more restrictions on the imposition of local lodging taxes. To illustrate, Connecticut has the highest statewide lodging tax rate at 15% but forbids all local authorities from

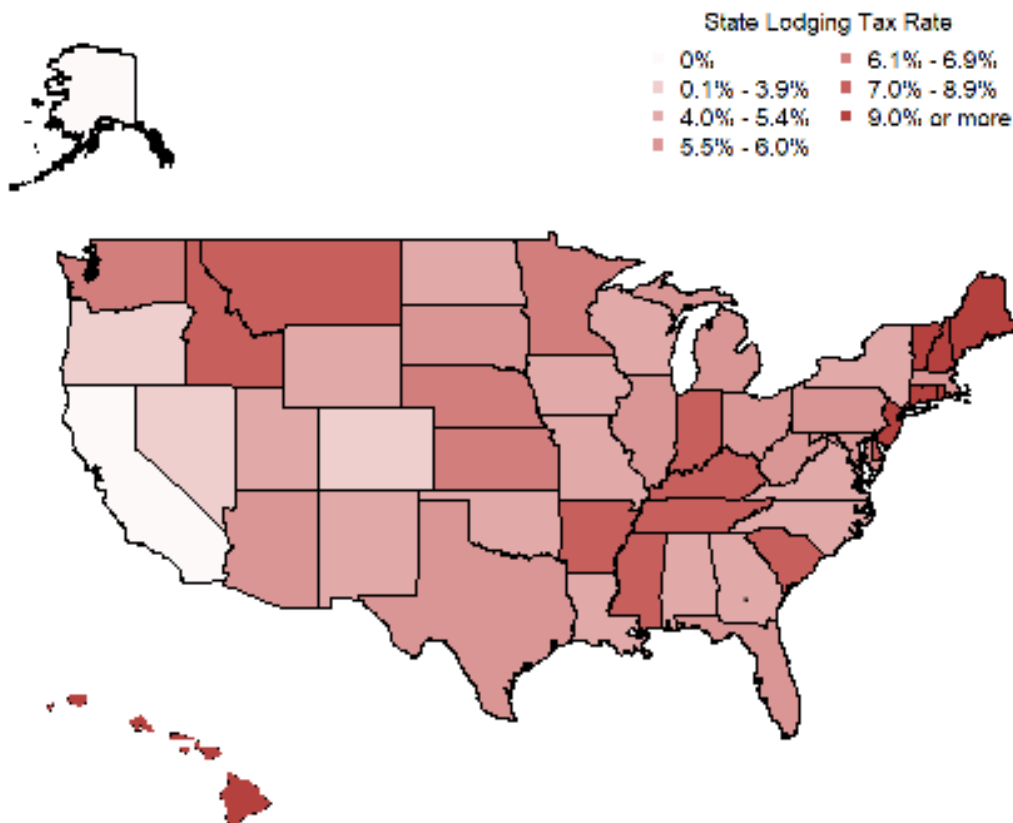
imposing additional lodging taxes. On the other hand, Oregon imposes a low state lodging rate but does not restrict local taxes.

### Total Lodging Tax Rates— All 50 States

Maximum	15.00%
Minimum	0.00%
Median	6.00%
Average	6.32%
Mode	6.00%

Appendix A presents a detailed description of each state's lodging taxes and annual revenue collections.

STATE LODGING AND SALES TAXES IMPOSED ON HOTELS





STATES RANKED BY TOTAL AD VALOREM TAX RATES ON LODGING ACCOMMODATIONS 2018

Rank	State	Sales Tax Rate	Lodging Tax Rate	Total Rate	Rank	State	Sales Tax Rate	Lodging Tax Rate	Total Rate
1	Connecticut		15.00%	15.00%	21	South Dakota	4.50%	1.50%	6.00%
2	Maine	5.50%	9.00%	14.50%	21	Texas		6.00%	6.00%
3	<sup>1</sup> Hawaii	4.00%	10.25%	14.25%	21	West Virginia	6.00%		6.00%
4	Rhode Island	7.00%	6.00%	13.00%	29	Ohio	5.75%		5.75%
5	<sup>2</sup> New Jersey	6.63%	5.00%	11.63%	30	Massachusetts		5.70%	5.70%
6	New Hampshire		9.00%	9.00%	31	Arizona		5.50%	5.50%
6	Vermont		9.00%	9.00%	32	New Mexico	5.13%		5.13%
8	Arkansas	6.50%	2.00%	8.50%	33	Utah	4.70%	0.32%	5.02%
9	Delaware		8.00%	8.00%	34	Iowa		5.00%	5.00%
9	Idaho	6.00%	2.00%	8.00%	34	Louisiana	5.00%		5.00%
11	Indiana	7.00%		7.00%	34	North Dakota	5.00%		5.00%
11	Kentucky	6.00%	1.00%	7.00%	34	Wisconsin	5.00%		5.00%
11	Mississippi	7.00%		7.00%	38	North Carolina	4.75%		4.75%
11	Montana		7.00%	7.00%	39	Oklahoma	4.50%		4.50%
11	South Carolina	5.00%	2.00%	7.00%	40	<sup>3</sup> Virginia	4.30%		4.30%
16	Tennessee	7.00%		7.00%	41	Missouri	4.23%		4.23%
17	Minnesota	6.88%		6.88%	42	<sup>4</sup> Alabama		4.00%	4.00%
18	Kansas	6.50%		6.50%	42	Georgia	4.00%		4.00%
18	Nebraska	5.50%	1.00%	6.50%	42	New York	4.00%		4.00%
18	Washington	6.50%		6.50%	42	Wyoming	4.00%		4.00%
21	Florida	6.00%		6.00%	46	Nevada		3.38%	3.38%
21	Illinois		6.00%	6.00%	47	Colorado	2.90%		2.90%
21	Maryland	6.00%		6.00%	48	Oregon		1.80%	1.80%
21	Michigan	6.00%		6.00%	49	Alaska			0.00%
21	Pennsylvania		6.00%	6.00%	49	California			0.00%

<sup>1</sup> Additional .5% state sales tax in O’ahu.

<sup>2</sup> New Jersey State Occupancy Fee is imposed at a rate of 1% in cities that also impose local taxes or fees on hotel/motel occupancies.

<sup>3</sup> As of July 1, 2013, the general sales tax rate for Virginia is 5.3% (4.3% state ; 1% local). There is an additional 0.7% state tax imposed in Northern Virginia and Hampton Roads. The 1% local tax is included in the state rate. The .7% is included in the city rate, where applicable.

<sup>4</sup> Additional 1% tax on counties within the Alabama Mountain Lakes region.

## State Lodging Tax Revenue

HVS analyzed annual state lodging tax revenues as stated in comprehensive annual financial reports, the majority of which report revenues on a modified accrual basis. In a few states where the final audited information was not available for fiscal year 2018, HVS recorded government estimates from budget reports. In some cases, government agencies provided annual lodging tax collection data instead of modified accrual data. Accrued revenues are recorded in the period in which the liability for tax payment occurs. Cash collections typically lag the period of liability by at least one month.

Depending on the size of their tax liabilities, taxpayers may remit payments monthly, quarterly, or annually.

Administrative charges, payment of back taxes, and penalties may also affect the level of reported revenues, but the amounts are not substantial. In some states, only sales tax revenues in the accommodations sector were available. Whereas lodging taxes are typically applied only to hotel room charges, sector-wide taxable sales might include other sources of taxable revenue such as food and beverage revenue. We did not attempt to estimate the percentage of taxable sales due solely to overnight stays.

**States with Highest Lodging Tax Revenue Growth Year-over-year**

1	Oregon	16.36%
2	Texas	11.23%
3	Colorado	9.98%
4	Utah	9.08%

**States with Lowest Lodging Tax Revenue Growth Year-over-year**

1	New York	-5.41%
2	Minnesota	-1.89%
3	Delaware	-1.76%
4	Nevada	-1.69%


























Among the states that collect a lodging tax, revenue grew at an average rate of 2.92% from 2017 to 2018.

This growth is lower than the average change from 2017 of 4.6% (and from 2016 of 5.22%) after adjusting for changes in inflation.

Oregon reported the largest change in revenue from fiscal year 2017 to 2018. Texas experienced a significant growth in its lodging tax revenue due to the stabilization of the lodging market following the effects of Hurricane Harvey in 2017. Beginning in 2018, Utah charges a statewide tax on transient lodging, which may account for its growth.

The following table presents a six-year history of lodging tax revenue for each of the twenty-five states that have imposed a dedicated lodging tax. Revenue reported from past years has been adjusted for inflation. Data is presented in millions of dollars, and the states are ranked by 2018 revenues.

RANK OF STATES BY 2018 LODGING TAX REVENUES (MILLIONS)

2018 Rank	State	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Trend
1	<sup>1</sup> Hawaii	\$535.5	\$586.5	\$614.4	\$637.8	\$704.3	\$757.5	
2	Texas	\$473.6	\$507.5	\$548.2	\$537.3	\$528.9	\$595.8	
3	<sup>2</sup> Illinois	\$234.5	\$240.6	\$265.5	\$269.2	\$410.4	\$411.3	
4	Massachusetts	\$204.7	\$217.2	\$238.1	\$252.3	\$255.6	\$257.2	
5	Pennsylvania	\$197.7	\$203.0	\$198.3	\$203.0	\$207.9	\$207.5	
6	Nevada	\$154.0	\$166.1	\$176.8	\$193.5	\$203.1	\$199.7	
7	<sup>3</sup> Arizona	\$128.5	\$132.9	\$152.2	\$158.4	\$168.2	\$179.5	
8	<sup>4</sup> Connecticut	\$109.5	\$109.4	\$120.3	\$122.3	\$122.8	\$126.6	
9	New Jersey	\$97.0	\$90.1	\$98.7	\$100.5	\$101.2	\$102.9	
10	<sup>5</sup> Utah	\$65.4	\$68.4	\$74.4	\$83.1	\$90.8	\$99.9	
11	<sup>6</sup> Maine	\$57.1	\$67.3	\$71.1	\$81.1	\$86.0	\$91.8	
12	<sup>7</sup> Alabama	\$56.5	\$58.8	\$63.0	\$66.3	\$69.0	\$72.4	
13	New Hampshire	\$47.2	\$49.3	\$53.0	\$54.6	\$56.8	\$60.6	
14	Montana	\$42.1	\$43.7	\$48.4	\$50.5	\$51.3	\$55.5	
15	<sup>8</sup> Vermont	\$39.7	\$41.8	\$41.1	\$42.3	\$47.7	\$49.7	
16	Iowa	\$47.2	\$44.7	\$48.7	\$48.7	\$48.5	\$49.2	
17	Oregon	\$14.2	\$16.1	\$18.4	\$19.1	\$31.4	\$37.5	
18	Rhode Island	\$15.6	\$16.2	\$17.8	\$19.8	\$19.6	\$21.0	
19	<sup>9</sup> Arkansas	\$13.4	\$14.2	\$15.3	\$15.8	\$15.9	\$16.0	
20	Delaware	\$12.5	\$12.7	\$13.5	\$14.0	\$14.8	\$14.5	
21	Kentucky	\$10.3	\$10.7	\$12.8	\$12.8	\$12.7	\$13.2	
22	Idaho	\$7.9	\$8.4	\$9.1	\$10.3	\$11.3	\$12.3	
23	<sup>10</sup> South Dakota	\$7.6	\$7.9	\$8.6	\$9.1	\$8.9	\$8.9	
24	Nebraska	\$4.8	\$5.1	\$5.4	\$5.6	\$5.5	\$5.6	
25	<sup>11</sup> South Carolina	\$53.6	\$58.1	\$61.6	\$64.2	\$69.6	NA	

<sup>1</sup> Calendar year revenue from combined lodging and sales tax. Combined rate 14.25% after January 1, 2018.

<sup>2</sup> Beginning 2017, Illinois only reports collections remitted to the State Comptroller.

<sup>3</sup> Estimated using taxable receipts.

<sup>4</sup> Only 2014 estimated from taxable receipts.

<sup>5</sup> Estimated using taxable receipts.

<sup>6</sup> Estimated using taxable receipts.

<sup>7</sup> Revenue for fiscal year ended September 30. Includes addtl 1% on lodging in Alabama Mountain Lakes counties.

<sup>8</sup> Estimated using taxable receipts.

<sup>9</sup> Calendar year.

<sup>10</sup> Estimated using taxable receipts.

<sup>11</sup> 2017 Department of Revenue Annual Report not released

### Total Lodging Tax Rates

HVS researched the total tax rate applied to lodging accommodations in the 150 most populous United States cities as projected from the 2010 census. The total tax rate is comprised of all state, county, city, and

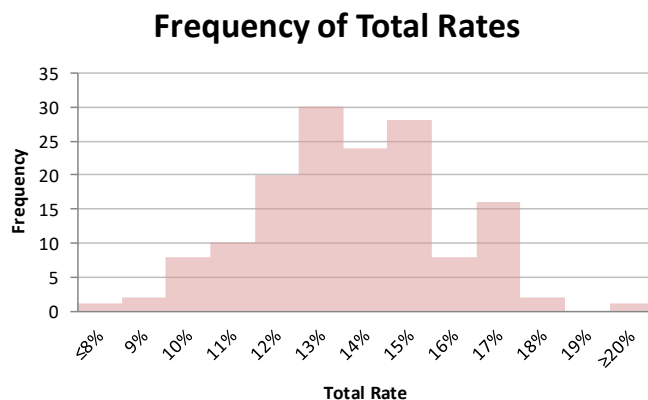
special district taxes levied on lodging facilities within the urban center of the city where the highest special district taxes may be applied. The following tables list the tax rate applied to overnight stays at lodging facilities at the state, county, city, and special district levels, as well as the total rate imposed on an overnight

stay at a lodging facility in the urban center of each of the 150 largest cities in the United States.

<b>Total Lodging Tax Rates— 150 Largest US Cities</b>	
Maximum	20.50%
Minimum	8.00%
Median	14.00%
Average	13.97%
Mode	13.00%

To calculate the special district rate, HVS calculated the tax rate an overnight visitor would pay to stay at the hotel with the highest tax rate within a special taxing district. Due to special taxing districts, the tax rate at a particular hotel can be influenced by its location, size, or other factors that determine tax rates.

The figure below shows a distribution of combined lodging tax rates in the 150 largest U.S. cities.

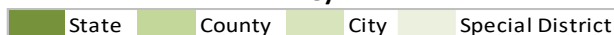


The table on the following page ranks 150 cities by total lodging tax rate. This enables a comparison of the cities and provides a breakdown of tax rates by unit of government.

TOP 150 URBAN CENTERS TOTAL LODGING TAX RATE RANKING 2018

City	Total	City	Total	City	Total
1 Omaha, NE	20.50%	45 Irving, TX	15.00%	94 Huntington Beach, CA	13.00%
2 St. Louis, MO	18.93%	45 Long Beach, CA	15.00%	94 Jacksonville, FL	13.00%
3 Overland Park, KS	18.10%	45 Sacramento, CA	15.00%	94 Lubbock, TX	13.00%
4 New Orleans, LA	17.75%	45 Montgomery, AL	15.00%	94 Plano, TX	13.00%
4 Memphis, TN	17.75%	45 Little Rock, AR	15.00%	94 Providence, RI	13.00%
6 San Antonio, TX	17.50%	56 Washington, DC	14.80%	94 Riverside, CA	13.00%
6 Cincinnati, OH	17.50%	57 New York, NY	14.75%	94 Moreno Valley, CA	13.00%
6 Birmingham, AL	17.50%	57 Honolulu, HI	14.75%	94 North Las Vegas, NV	13.00%
6 Columbus, OH	17.50%	59 Madison, WI	14.50%	94 St. Petersburg, FL	13.00%
6 El Paso, TX	17.50%	60 Boston, MA	14.45%	110 Salt Lake City, UT	12.92%
11 Chicago, IL	17.39%	60 Worcester, MA	14.45%	111 Greensboro, NC	12.75%
12 Knoxville, TN	17.25%	62 Laredo, TX	14.25%	111 Winston-Salem, NC	12.75%
12 Toledo, OH	17.25%	63 Oklahoma City, OK	14.13%	113 Phoenix, AZ	12.57%
12 Chattanooga, TN	17.25%	63 Saint Paul, MN	14.13%	114 Orlando, FL	12.50%
15 Houston, TX	17.00%	65 Tempe, AZ	14.07%	114 San Diego, CA	12.50%
15 Indianapolis, IN	17.00%	66 Mesa, AZ	14.02%	114 Tallahassee, FL	12.50%
15 Anaheim, CA	17.00%	67 Mobile, AL	14.00%	117 Spokane, WA	12.10%
15 Garden Grove, CA	17.00%	67 Augusta, GA	14.00%	118 Tucson, AZ	12.05%
15 Arlington, TX	17.00%	67 Fort Wayne, IN	14.00%	119 Des Moines, IA	12.00%
20 Kansas City, MO	16.98%	67 Jersey City, NJ	14.00%	119 Santa Clarita, CA	12.00%
21 Atlanta, GA	16.90%	67 Newark, NJ	14.00%	119 Anchorage, AK	12.00%
22 San Francisco, CA	16.75%	67 Newport News, VA	14.00%	119 Bakersfield, CA	12.00%
23 Cleveland, OH	16.50%	67 Norfolk, VA	14.00%	119 Glendale, CA	12.00%
24 Wichita, KS	16.25%	67 Oakland, CA	14.00%	119 Lincoln, NE	12.00%
25 Louisville, KY	16.07%	67 Pittsburgh, PA	14.00%	119 Stockton, CA	12.00%
26 Baton Rouge, LA	16.00%	67 Rochester, NY	14.00%	119 Tampa, FL	12.00%
26 Columbus, GA	16.00%	67 San Jose, CA	14.00%	119 Fort Lauderdale, FL	12.00%
28 Denver, CO	15.75%	67 Chesapeake, VA	14.00%	119 Pembroke Pines, FL	12.00%
28 Charlotte, NC	15.75%	67 Detroit, MI	14.00%	119 Oxnard, CA	12.00%
30 Shreveport, LA	15.60%	67 Hialeah, FL	14.00%	130 Yonkers, NY	11.88%
30 Springfield, MO	15.60%	67 Miami, FL	14.00%	131 Gilbert, AZ	11.77%
32 Seattle, WA	15.50%	82 Scottsdale, AZ	13.92%	132 Chandler, AZ	11.67%
32 Los Angeles, CA	15.50%	83 Buffalo, NY	13.75%	133 Oceanside, CA	11.50%
32 Virginia Beach, VA	15.50%	83 Ontario, CA	13.75%	133 Port St. Lucie, FL	11.50%
32 Baltimore, MD	15.50%	85 Tulsa, OK	13.52%	135 Cape Coral, FL	11.00%
32 Philadelphia, PA	15.50%	86 Durham, NC	13.50%	135 Grand Rapids, MI	11.00%
32 Huntsville, AL	15.50%	86 Reno, NV	13.50%	135 Santa Ana, CA	11.00%
32 Lexington, KY	15.50%	86 Albuquerque, NM	13.50%	135 Santa Rosa, CA	11.00%
39 Portland, OR	15.30%	86 Fresno, CA	13.50%	135 Jackson, MS	11.00%
40 Nashville, TN	15.25%	90 Minneapolis, MN	13.40%	140 Vancouver, WA	10.40%
40 Akron, OH	15.25%	91 Las Vegas, NV	13.38%	141 Colorado Springs, CO	10.25%
42 Glendale, AZ	15.17%	92 Richmond, VA	13.30%	142 Chula Vista, CA	10.00%
43 Tacoma, WA	15.13%	93 Raleigh, NC	13.25%	142 Fremont, CA	10.00%
44 Milwaukee, WI	15.10%	94 Aurora, CO	13.00%	142 Irvine, CA	10.00%
45 Peoria, IL	15.00%	94 Boise, ID	13.00%	142 Rancho Cucamonga, CA	10.00%
45 Austin, TX	15.00%	94 Brownsville, TX	13.00%	142 San Bernardino, CA	10.00%
45 Amarillo, TX	15.00%	94 Fayetteville, NC	13.00%	142 Sioux Falls, SD	10.00%
45 Corpus Christi, TX	15.00%	94 Garland, TX	13.00%	148 Aurora, IL	9.00%
45 Dallas, TX	15.00%	94 Grand Prairie, TX	13.00%	148 Modesto, CA	9.00%
45 Fort Worth, TX	15.00%	94 Henderson, NV	13.00%	150 Fontana, CA	8.00%

Key



TAX RATES IN TOP 150 URBAN CENTERS 2018

City	State	County	City	Special Districts	Total	Notes
Akron, OH	5.75%	6.50%	3.00%		15.25%	
Albuquerque, NM	5.13%	1.31%	6.06%	1.00%	13.50%	Albuquerque Hospitality Fee Assessment
Amarillo, TX	6.00%		7.00%	2.00%	15.00%	Amarillo-Potter Texas Events Venue Assessment
Anaheim, CA			15.00%	2.00%	17.00%	Resort District Tax Assessment
Anchorage, AK			12.00%		12.00%	
Arlington, TX	6.00%		9.00%	2.00%	17.00%	Arlington TPID Assessment
Atlanta, GA	4.00%	3.00%	9.90%		16.90%	\$5 per night excise tax
Augusta, GA	4.00%		10.00%		14.00%	\$5 per night excise tax
Aurora, CO	2.90%	1.00%	8.00%	1.10%	13.00%	Colorado CD and RTD; Maximum rate amongst 3 counties.
Aurora, IL	6.00%		3.00%		9.00%	
Austin, TX	6.00%		9.00%		15.00%	
Bakersfield, CA			12.00%		12.00%	
Baltimore, MD	6.00%		9.50%		15.50%	
Baton Rouge, LA	5.00%		9.00%	2.00%	16.00%	Baton Rouge North EDD Assessment
Birmingham, AL	4.00%	7.00%	6.50%		17.50%	
Boise, ID	8.00%		5.00%		13.00%	
Boston, MA	5.70%		8.75%		14.45%	
Brownsville, TX	6.00%		7.00%		13.00%	
Buffalo, NY	4.00%	9.75%			13.75%	
Cape Coral, FL	6.00%	5.00%			11.00%	
Chandler, AZ	5.50%	1.77%	4.40%		11.67%	
Charlotte, NC	4.75%	10.50%		0.50%	15.75%	Transit County Sales and Use Tax
Chattanooga, TN	7.00%	6.25%	4.00%		17.25%	
Chesapeake, VA	4.30%		9.70%		14.00%	\$1 per night excise tax
Chicago, IL	6.00%	1.00%	4.50%	5.89%	17.39%	ISFA, MPEA Assessment
Chula Vista, CA			10.00%		10.00%	
Cincinnati, OH	5.75%	7.75%	4.00%		17.50%	
Cleveland, OH	5.75%	7.75%	3.00%		16.50%	
Colorado Springs, CO	2.90%	1.23%	5.12%	1.00%	10.25%	PPRTA Assessment
Columbus, GA	4.00%		12.00%		16.00%	\$5 per night excise tax
Columbus, OH	5.75%	6.65%	5.10%		17.50%	
Corpus Christi, TX	6.00%		9.00%		15.00%	
Dallas, TX	6.00%		7.00%	2.00%	15.00%	TPID Dallas Assessment
Denver, CO	2.90%		10.75%	2.10%	15.75%	Denver CD and RTD Assessment, TPID Tax
Des Moines, IA	5.00%		7.00%		12.00%	
Detroit, MI	6.00%		6.00%	2.00%	14.00%	6.0% City Rate (160+ Room Hotels Only), CTM Fee
Durham, NC	4.75%	8.75%			13.50%	
El Paso, TX	6.00%	2.50%	9.00%		17.50%	
Fayetteville, NC	4.75%	8.25%			13.00%	
Fontana, CA			8.00%		8.00%	
Fort Lauderdale, FL	6.00%	6.00%			12.00%	
Fort Wayne, IN	7.00%	7.00%			14.00%	
Fort Worth, TX	6.00%		9.00%		15.00%	
Fremont, CA			10.00%		10.00%	
Fresno, CA			12.00%	1.50%	13.50%	TBID Assessment
Garden Grove, CA			14.50%	2.50%	17.00%	
Garland, TX	6.00%		7.00%		13.00%	
Gilbert, AZ	5.50%	1.77%	4.50%		11.77%	
Glendale, AZ	5.50%	1.77%	7.90%		15.17%	
Glendale, CA			12.00%		12.00%	

TAX RATES IN TOP 150 URBAN CENTERS 2018 - CONTINUED

City	State	County	City	Special Districts	Total	Notes
Grand Prairie, TX	6.00%		7.00%		13.00%	
Grand Rapids, MI	6.00%	5.00%			11.00%	
Greensboro, NC	4.75%	5.00%	3.00%		12.75%	
Henderson, NV	3.38%		9.63%		13.00%	
Hialeah, FL	6.00%	8.00%			14.00%	
Honolulu, HI	14.25%		0.50%		14.75%	
Houston, TX	6.00%	2.00%	7.00%	2.00%	17.00%	
Huntington Beach, CA			10.00%	3.00%	13.00%	
Huntsville, AL	4.00%	2.50%	9.00%		15.50%	\$2 per night city excise tax, Alabama Mountain Lakes
Indianapolis, IN	7.00%		10.00%		17.00%	
Irvine, CA			8.00%	2.00%	10.00%	Irvine Hotel Improvement District Assessment
Irving, TX	6.00%		9.00%		15.00%	
Jackson, MS	7.00%		4.00%		11.00%	\$0.75 per night Jackson Occupancy Tax
Jacksonville, FL	6.00%	7.00%			13.00%	
Jersey City, NJ	7.63%		6.00%		13.63%	
Kansas City, MO	4.23%	1.38%	10.38%	1.00%	16.98%	KC Downtown CC HQ Hotel CID, KC Downtown Arena Fee
Knoxville, TN	7.00%	7.25%	3.00%		17.25%	
Laredo, TX	6.00%	1.00%	7.00%	0.25%	14.25%	Laredo CTD Assessment
Las Vegas, NV	3.38%		10.01%		13.38%	
Lexington, KY	7.00%		8.50%		15.50%	
Lincoln, NE	6.50%		5.50%		12.00%	
Little Rock, AR	8.50%	1.00%	5.50%		15.00%	
Long Beach, CA			12.00%	3.00%	15.00%	Long Beach TBIA Assessment
Los Angeles, CA			14.00%	1.50%	15.50%	LA TMD Assessment
Louisville, KY	7.00%		9.07%		16.07%	
Lubbock, TX	6.00%		7.00%		13.00%	
Madison, WI	5.00%	0.50%	9.00%		14.50%	
Memphis, TN	7.00%	7.25%	3.50%		17.75%	
Mesa, AZ	5.50%	1.77%	6.75%		14.02%	
Miami, FL	6.00%	8.00%			14.00%	
Milwaukee, WI	5.00%	3.10%	7.00%		15.10%	
Minneapolis, MN	6.88%	0.65%	5.63%	0.25%	13.40%	Transit Improvement Area (Ended 9/30/2017)
Mobile, AL	4.00%	2.00%	8.00%		14.00%	
Modesto, CA			9.00%		9.00%	
Montgomery, AL	4.00%		11.00%		15.00%	\$2.25 Montgomery County Room Fee
Moreno Valley, CA			13.00%		13.00%	
Nashville, TN	7.00%		8.25%		15.25%	Additional \$2.50 per night city hotel excise tax
New Orleans, LA	5.00%	7.00%	4.00%	1.75%	17.75%	TSA, \$1.50-\$3 Excise Tax (dependent on hotel size)
New York, NY	4.00%		10.38%	0.38%	14.75%	MCTD, \$1.50 state excise; \$0.50-\$2.00 city excise tax.
Newark, NJ	7.63%		6.00%		13.63%	
Newport News, VA	4.30%		9.70%		14.00%	Additional \$1.00 per night excise tax
Norfolk, VA	4.30%		9.70%		14.00%	Additional \$2.00 per night excise tax
North Las Vegas, NV	3.38%		9.63%		13.00%	
Oakland, CA			14.00%		14.00%	
Oceanside, CA			10.00%	1.50%	11.50%	OTMD Assessment
Oklahoma City, OK	4.50%		9.63%		14.13%	
Omaha, NE	6.50%	4.00%	7.00%	3.00%	20.50%	Enhanced Employment Area Assessment
Ontario, CA			11.75%	2.00%	13.75%	Greater Ontario TMD Assessment
Orlando, FL	6.00%	6.50%			12.50%	
Overland Park, KS	6.50%	1.48%	10.13%		18.10%	

TAX RATES IN TOP 150 URBAN CENTERS 2018 - CONTINUED

City	State	County	City	Special Districts	Total	Notes
Oxnard, CA			10.00%	2.00%	12.00%	Ventura-Oxnard-Camarillo TBID Assessment
Pembroke Pines, FL	6.00%	6.00%			12.00%	
Peoria, IL	6.00%		8.00%	1.00%	15.00%	Business Development District Tax
Philadelphia, PA	6.00%		9.50%		15.50%	
Phoenix, AZ	5.50%	1.77%	5.30%		12.57%	
Pittsburgh, PA	6.00%	8.00%			14.00%	
Plano, TX	6.00%		7.00%		13.00%	
Port St. Lucie, FL	6.00%	5.50%			11.50%	
Portland, OR	1.80%	5.50%	6.00%	2.00%	15.30%	Portland Tourism Improvement District Assessment
Providence, RI	13.00%				13.00%	
Raleigh, NC	4.75%	8.50%			13.25%	
Rancho Cucamonga, CA			10.00%		10.00%	
Reno, NV	3.38%	9.63%	0.50%		13.50%	\$3 per night excise on downtown hotels with gaming
Richmond, VA	4.30%		9.00%		13.30%	
Riverside, CA			13.00%		13.00%	
Rochester, NY	4.00%	10.00%			14.00%	
Sacramento, CA			12.00%	3.00%	15.00%	STMD Downtown Sacramento Assessment
Saint Paul, MN	6.88%	0.50%	6.50%	0.25%	14.13%	Transit Improvement Area (Ended 9/30/2017)
Salt Lake City, UT	5.02%	6.90%	1.00%		12.92%	
San Antonio, TX	6.00%	1.75%	9.00%	0.75%	17.50%	San Antonio ATD and MTA Assessment
San Bernardino, CA			10.00%		10.00%	
San Diego, CA			10.50%	2.00%	12.50%	TMD Assessment
San Francisco, CA			14.00%	2.75%	16.75%	TID, Moscone Expansion District Assessment
San Jose, CA			10.00%	4.00%	14.00%	CCFD Assessment
Santa Ana, CA			11.00%		11.00%	
Santa Clarita, CA			10.00%	2.00%	12.00%	Santa Clarita TMD Assessment
Santa Rosa, CA			9.00%	2.00%	11.00%	Sonoma BIA Assessment
Scottsdale, AZ	5.50%	1.77%	6.65%		13.92%	
Seattle, WA	6.50%	2.00%	7.00%		15.50%	\$2 per night excise tax on hotels with more than 60 rooms
Shreveport, LA	5.00%	6.00%	4.60%		15.60%	
Sioux Falls, SD	6.00%		4.00%		10.00%	
Spokane, WA	6.50%	2.30%	3.30%		12.10%	Up to \$2 per night excise tax
Springfield, MO	4.23%	1.75%	7.13%	2.50%	15.60%	College Station, Downtown Springfield Taxing District
St. Louis, MO	4.23%		12.70%	2.00%	18.93%	St. Louis CC Hotel CID and TDD Assessment
St. Petersburg, FL	6.00%	7.00%			13.00%	
Stockton, CA			8.00%	4.00%	12.00%	TBID Assessment
Tacoma, WA	6.50%		8.60%	0.03%	15.13%	\$1.50 per night excise tax, GTRCCPF Assessment
Tallahassee, FL	6.00%	6.50%			12.50%	
Tampa, FL	6.00%	6.00%			12.00%	
Tempe, AZ	5.50%	1.77%	6.80%		14.07%	
Toledo, OH	5.75%	11.50%			17.25%	
Tucson, AZ	5.50%	0.55%	6.00%		12.05%	Additional \$4 per night excise tax.
Tulsa, OK	4.50%	0.37%	8.65%		13.52%	
Vancouver, WA	6.50%	2.00%	1.90%		10.40%	Additional \$2 per night excise tax
Virginia Beach, VA	4.30%		9.70%	1.50%	15.50%	Sanbridge Special Service District Assessment
Washington, DC			14.80%		14.80%	
Wichita, KS	6.50%	1.00%	6.00%	2.75%	16.25%	TBID Tourism Fee
Winston-Salem, NC	4.75%	8.00%			12.75%	
Worcester, MA	5.70%		8.75%		14.45%	
Yonkers, NY	4.00%	4.50%	3.00%	0.38%	11.88%	Yonkers MTA Assessment



## City Lodging Tax Revenue

The following tables describe the lodging tax revenue that the 150 most populous cities collected from lodging taxes. Unless otherwise noted, the tax rate and revenue listed only pertains to the citywide lodging tax and does not include special district taxes or city sales taxes. Consequently, the revenue figures presented for comparable cities can diverge greatly. For example, a city in California with an average lodging tax rate will show greater revenue year over year than a similar city in Nevada, where taxes are levied primarily at the state and special district level. For individual cities, revenues are reported from consistent sources each year.

Highest Lodging Tax Revenue Growth		
1	Fort Lauderdale, FL*	27.99%
2	Pembroke Pines, FL*	27.99%
3	Moreno Valley, CA	23.52%
4	Los Angeles, CA	18.12%
5	Jersey City, NJ	17.97%
6	Miami, FL**	17.35%
7	Hialeah, FL**	17.35%
8	Birmingham, AL	17.10%
9	Shreveport, LA***	16.95%
10	Irvine, CA	15.77%

\* Reflects 1% increase in TDT

\*\* Reflects 1% increase in sales surtax

\*\*\* Reflects Parish Revenue

Lowest Lodging Tax Revenue Growth		
1	North Las Vegas, NV	-19.26%
2	Sioux Falls, SD	-9.28%
3	Peoria, IL	-8.88%
4	Minneapolis, MN	-7.60%
5	Santa Ana, CA	-7.60%
6	Santa Clarita, CA	-6.41%
7	Overland Park, KS	-4.26%
8	Fayetteville, NC	-4.08%
9	Baltimore, MD	-3.64%
10	New Orleans, LA	-3.60%

In some states and cities, lodging taxes are imposed by the county rather than city level. For example, cities in Florida, Indiana, and parts of New York do not levy municipal lodging taxes. In such cases, we list county lodging tax revenues. Year-over-year revenue changes may reflect tax rate changes and underlying changes in taxable receipts for lodging.

Fort Lauderdale, FL and Pembroke Pines, FL reported equal increases in lodging tax revenue from 2017 to 2018 because reporting is performed at the county level for Broward County, Florida. Additionally, Hialeah and Miami, Florida experienced the same increase in their tax revenue due to both municipalities reporting revenue for Miami-Dade County, Florida. The tax rate in Miami-Dade and Broward Counties increased by 1.0%. Additional tax rate increases are projected for fiscal year 2019 for Florida counties. Irvine, California reported that the opening new hotels and remodeling of existing properties contributed to the increase in lodging tax revenue.

When compared to the cities experiencing the highest lodging tax revenue growth, those cities experiencing the lowest growth are largely located away from traditional tourist destinations in both California and Florida. The Las Vegas Convention and Visitors Authority reported a slight decline in citywide occupancy for 2018, which may account for the impact on revenue for North Las Vegas. According to news sources, Santa Ana, CA (and, more broadly, Orange County) is experiencing continued decline in lodging business due to the rise in Airbnb and other comparable services. Additional factors such as weather events, seasonality, or budgeted declines in revenue can cause lodging tax revenue to decline from year to year.

**REPORTED LODGING TAX REVENUES IN TOP 150 URBAN CENTERS (\$ MILLIONS)**

City	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Notes
<sup>4</sup> Akron, OH	NA	NA	NA	NA	NA	NA	
Albuquerque, NM	\$11.2	\$11.4	\$12.1	\$12.4	\$12.5	\$13.1	
Amarillo, TX	\$6.1	\$6.3	\$6.7	\$7.1	\$6.8	\$6.9	
Anaheim, CA	\$111.0	\$116.8	\$126.9	\$143.9	\$153.2	\$154.9	
<sup>1</sup> Anchorage, AK	\$24.8	\$26.5	\$26.5	\$26.1	\$26.6	\$27.8	
<sup>2</sup> Arlington, TX	\$9.2	\$10.0	\$10.7	\$11.3	\$11.8	\$11.9	
Atlanta, GA	\$58.7	\$61.5	\$68.2	\$76.2	\$74.4	\$78.4	
<sup>1</sup> Augusta, GA	\$5.2	\$5.9	\$5.9	\$6.1	\$6.2	\$7.0	
<sup>1</sup> Aurora, CO	\$6.0	\$7.0	\$8.1	\$8.8	\$8.9	\$9.0	
<sup>1,5</sup> Aurora, IL	\$0.5	\$0.5	\$0.6	\$0.5	\$0.6	NA	
<sup>2</sup> Austin, TX	\$65.1	\$75.0	\$87.3	\$92.8	\$94.8	\$99.2	
Bakersfield, CA	\$8.9	\$9.4	\$10.1	\$9.9	\$9.8	\$9.6	
Baltimore, MD	\$28.6	\$30.2	\$33.9	\$35.7	\$35.0	\$33.7	
<sup>1</sup> Baton Rouge, LA	\$2.4	\$2.3	\$2.6	\$2.5	\$2.3	\$2.3	Combined City-Parish revenue
Birmingham, AL	\$3.4	\$3.9	\$6.7	\$7.3	\$6.7	\$7.8	Reporting changed in 2015
<sup>2</sup> Boise, ID	\$4.8	\$5.1	\$5.9	\$6.6	\$7.2	\$7.7	Auditorium District tax only
Boston, MA	\$71.2	\$75.4	\$88.4	\$93.2	\$93.5	\$94.0	
<sup>2</sup> Brownsville, TX	\$1.4	\$1.6	\$1.7	\$1.6	\$1.4	\$1.5	
<sup>4</sup> Buffalo, NY	NA	NA	NA	NA	NA	NA	Erie County
Cape Coral, FL	\$28.7	\$30.4	\$39.2	\$41.2	\$40.4	\$42.4	Lee County
Chandler, AZ	\$2.5	\$2.6	\$3.1	\$3.1	\$3.5	\$3.7	
Charlotte, NC	\$40.9	\$42.5	\$47.8	\$51.3	\$53.2	\$56.4	
Chattanooga, TN	\$5.4	\$5.7	\$6.4	\$6.9	\$7.2	\$7.2	
Chesapeake, VA	\$5.4	\$5.5	\$5.9	\$6.1	\$6.2	\$6.5	
<sup>1</sup> Chicago, IL	\$96.9	\$106.5	\$113.8	\$114.6	\$134.8	\$130.4	
Chula Vista, CA	\$2.7	\$2.8	\$3.3	\$4.0	\$3.7	\$4.1	
Cincinnati, OH	\$2.1	\$4.6	\$4.8	\$3.5	\$3.7	\$3.7	Changed from CY to FY in 2013
<sup>1</sup> Cleveland, OH	\$5.1	\$5.5	\$6.4	\$6.9	\$6.4	\$7.0	
<sup>1</sup> Colorado Springs, CO	\$3.9	\$4.3	\$5.4	\$6.1	\$6.8	\$6.6	
Columbus, GA	\$5.4	\$6.3	\$5.2	\$5.1	\$5.1	\$4.9	
Columbus, OH	\$17.7	\$19.6	\$21.7	\$22.3	\$22.9	\$22.8	
<sup>2</sup> Corpus Christi, TX	\$14.2	\$18.1	\$16.0	\$18.5	\$19.0	\$19.2	
<sup>2</sup> Dallas, TX	\$48.7	\$53.4	\$57.1	\$62.0	\$61.2	\$65.3	
<sup>1</sup> Denver, CO	\$68.4	\$80.2	\$87.3	\$93.0	\$115.7	\$120.1	
Des Moines, IA	\$5.1	\$5.4	\$6.1	\$6.3	\$6.1	\$6.3	
<sup>2,5</sup> Detroit, MI	\$21.5	\$23.1	\$25.0	\$26.0	\$27.0	NA	Multi-county convention tax
Durham, NC	\$2.6	\$2.8	\$3.2	\$3.7	\$4.1	\$4.0	Durham County
<sup>3</sup> El Paso, TX	\$9.3	\$9.6	\$10.9	\$12.4	\$13.7	\$15.3	
Fayetteville, NC	\$1.4	\$1.3	\$1.5	\$1.4	\$1.6	\$1.5	Cumberland County
Fontana, CA	\$0.6	\$0.7	\$0.8	\$1.0	\$1.0	\$1.0	
Fort Lauderdale, FL	\$51.1	\$50.1	\$60.0	\$63.2	\$62.2	\$79.6	Broward County
<sup>2</sup> Fort Wayne, IN	\$3.2	\$3.4	\$3.7	\$3.9	\$4.1	\$4.4	
Fort Worth, TX	\$21.5	\$25.2	\$26.2	\$27.6	\$27.7	\$29.5	
<sup>2</sup> Fremont, CA	\$5.3	\$6.5	\$7.6	\$8.5	\$8.6	\$8.6	
Fresno, CA	\$9.9	\$10.6	\$11.7	\$12.6	\$13.4	\$13.9	
Garden Grove, CA	\$15.6	\$17.4	\$18.2	\$21.9	\$25.7	\$26.0	
Garland, TX	\$0.9	\$1.0	\$1.1	\$1.4	\$1.4	\$1.4	
<sup>2</sup> Gilbert, AZ	\$0.4	\$0.5	\$0.6	\$0.6	\$0.6	\$0.6	
<sup>4</sup> Glendale, AZ	NA	NA	NA	NA	NA	NA	
Glendale, CA	\$3.8	\$4.2	\$4.7	\$6.7	\$6.8	\$7.0	

<sup>1</sup> Calendar Year

<sup>2</sup> Fiscal Year ended September 30

<sup>3</sup> Fiscal Year ended August 31

<sup>4</sup> Data not reported at City Level

<sup>5</sup> FY2018 data yet to be released

<sup>6</sup> Reporting Difference from 2017 to 2018

**REPORTED LODGING TAX REVENUES IN TOP 150 URBAN CENTERS (\$ MILLIONS) - CONTINUED**

City	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Notes
<sup>2</sup> Grand Prairie, TX	\$1.6	\$1.6	\$1.8	\$1.9	\$2.1	\$2.2	
<sup>1</sup> Grand Rapids, MI	\$7.1	\$8.1	\$9.3	\$9.9	\$10.5	\$10.8	Kent County
Greensboro, NC	\$3.6	\$3.7	\$4.1	\$4.1	\$4.2	\$4.2	
Henderson, NV	\$2.7	\$2.9	\$3.2	\$3.5	\$3.6	\$3.6	
<sup>2</sup> Hialeah, FL	\$103.4	\$109.9	\$40.3	\$41.0	\$39.4	\$46.2	Miami-Dade County
<sup>4</sup> Honolulu, HI	NA	NA	NA	NA	NA	NA	State collects and reports tax
Houston, TX	\$82.3	\$95.6	\$96.1	\$92.7	\$85.0	\$89.4	
<sup>2,6</sup> Huntington Beach, CA	\$8.2	\$9.0	\$9.8	\$10.5	\$11.6	\$8.8	
<sup>2,5</sup> Huntsville, AL	\$6.6	\$7.7	\$8.0	\$8.2	\$8.7	NA	
Indianapolis, IN	\$46.6	\$48.1	\$56.8	\$55.1	\$54.3	\$56.0	Marion County
Irvine, CA	\$12.1	\$12.4	\$14.3	\$16.1	\$16.1	\$18.6	
<sup>2</sup> Irving, TX	\$22.5	\$24.4	\$26.1	\$27.0	\$26.9	\$26.2	
Jackson, MS	\$4.6	\$5.1	\$4.6	\$4.8	\$4.6	\$4.5	
<sup>3</sup> Jacksonville, FL	\$16.8	\$17.1	\$13.8	\$15.0	\$16.0	\$17.1	Duval County
<sup>1</sup> Jersey City, NJ	\$7.6	\$7.4	\$7.4	\$8.0	\$8.6	\$10.1	
Kansas City, MO	\$20.4	\$21.5	\$22.8	\$23.0	\$24.1	\$23.3	
Knoxville, TN	\$3.5	\$3.5	\$4.0	\$4.8	\$4.7	\$4.8	
Laredo, TX	\$4.5	\$4.6	\$4.5	\$4.0	\$4.0	\$4.2	
<sup>2</sup> Las Vegas, NV	\$554.0	\$598.2	\$53.0	\$57.0	\$60.4	\$59.5	State and all collecting entities
<sup>4</sup> Lexington, KY	NA	NA	NA	NA	NA	NA	
Lincoln, NE	\$27.4	\$27.4	\$27.9	\$27.8	\$27.8	\$27.4	
<sup>4</sup> Little Rock, AR	NA	NA	NA	NA	NA	NA	
Long Beach, CA	\$21.0	\$22.6	\$25.4	\$27.6	\$26.6	\$30.6	
<sup>2</sup> Los Angeles, CA	\$197.2	\$198.9	\$235.8	\$260.8	\$304.6	\$359.7	
<sup>5</sup> Louisville, KY	\$23.5	\$25.2	\$29.8	\$35.3	NA	NA	Jefferson County
Lubbock, TX	\$6.6	\$6.6	\$7.2	\$7.2	\$7.2	\$7.4	
<sup>2</sup> Madison, WI	\$11.7	\$13.0	\$14.6	\$15.3	\$15.9	\$16.3	
<sup>1</sup> Memphis, TN	\$4.5	\$4.5	\$4.9	\$11.2	\$15.9	\$17.2	
Mesa, AZ	\$2.1	\$2.0	\$2.2	\$2.4	\$2.6	\$2.6	
Miami, FL	\$103.4	\$109.9	\$40.3	\$41.0	\$39.4	\$46.2	Miami-Dade County
<sup>5</sup> Milwaukee, WI	\$12.3	\$13.1	\$14.0	\$14.4	\$14.7	NA	
<sup>1</sup> Minneapolis, MN	\$7.3	\$7.7	\$8.5	\$8.4	\$8.4	\$7.8	
<sup>1</sup> Mobile, AL	\$5.6	\$5.7	\$6.0	\$6.2	\$6.5	\$7.0	
<sup>2</sup> Modesto, CA	\$2.0	\$2.0	\$2.2	\$2.6	\$2.7	\$2.8	
Montgomery, AL	\$6.7	\$8.6	\$9.5	\$9.8	\$9.8	\$11.2	
<sup>2</sup> Moreno Valley, CA	\$0.9	\$1.1	\$1.3	\$1.5	\$1.9	\$2.3	
Nashville, TN	\$54.4	\$63.3	\$73.1	\$80.6	\$88.0	\$95.1	
New Orleans, LA	\$14.9	\$14.2	\$17.7	\$18.0	\$19.6	\$18.8	From city-retained 1.5%
New York, NY	\$552.3	\$574.2	\$593.1	\$594.3	\$596.7	\$606.7	
<sup>5</sup> Newark, NJ	\$6.6	\$6.6	\$6.8	\$7.2	\$7.4	NA	
<sup>5</sup> Newport News, VA	\$3.2	\$3.4	\$4.3	\$4.5	\$4.4	NA	
Norfolk, VA	\$8.7	\$8.3	\$8.9	\$9.2	\$9.7	\$10.8	
North Las Vegas, NV	\$0.4	\$0.4	\$0.5	\$0.6	\$0.6	\$0.5	
Oakland, CA	\$17.1	\$19.6	\$22.9	\$26.9	\$29.8	\$30.0	
Oceanside, CA	\$4.6	\$5.0	\$6.3	\$6.9	\$7.2	\$7.3	
Oklahoma City, OK	\$14.4	\$14.7	\$15.6	\$15.3	\$14.6	\$15.3	
<sup>5</sup> Omaha, NE	\$8.6	\$8.9	\$8.7	\$9.5	\$9.3	NA	
<sup>1</sup> Ontario, CA	\$10.5	\$11.3	\$12.8	\$13.7	\$14.2	\$14.6	
Orlando, FL	\$201.6	\$200.9	\$231.6	\$246.3	\$256.3	\$272.3	Orange County
<sup>2</sup> Overland Park, KS	\$9.1	\$10.0	\$10.7	\$11.1	\$10.5	\$10.1	

<sup>1</sup> Calendar Year

<sup>2</sup> Fiscal Year ended September 30

<sup>3</sup> Fiscal Year ended August 31

<sup>4</sup> Data not reported at City Level

<sup>5</sup> FY2018 data yet to be released

<sup>6</sup> Reporting Difference from 2017 to 2018

**REPORTED LODGING TAX REVENUES IN TOP 150 URBAN CENTERS (\$ MILLIONS) - CONTINUED**

City	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Notes
Oxnard, CA	\$4.1	\$4.5	\$4.9	\$5.3	\$5.3	\$5.7	
Pembroke Pines, FL	\$51.1	\$50.1	\$60.0	\$63.2	\$62.2	\$79.6	Broward County
Peoria, IL	\$9.7	\$9.7	\$9.3	\$10.1	\$10.2	\$9.3	
<sup>2</sup> Philadelphia, PA	\$53.9	\$56.0	\$60.8	\$61.2	\$68.8	\$69.5	
Phoenix, AZ	\$34.1	\$36.5	\$41.8	\$44.6	\$44.3	\$47.1	
<sup>1,5</sup> Pittsburgh, PA	\$32.5	\$33.6	\$36.3	\$36.1	\$34.8	NA	Allegheny County
<sup>2</sup> Plano, TX	\$5.5	\$6.3	\$7.8	\$8.6	\$8.9	\$9.2	
<sup>2</sup> Port St. Lucie, FL	NA	NA	\$3.5	\$3.5	\$3.9	\$4.2	St. Lucie County
Portland, OR	\$31.0	\$37.2	\$44.3	\$52.9	\$52.0	\$53.2	
Providence, RI	\$1.6	\$1.7	\$1.9	\$2.0	\$2.1	\$2.2	
Raleigh, NC	\$18.4	\$20.4	\$22.6	\$24.4	\$25.2	\$26.0	Wake County
Rancho Cucamonga, CA	\$2.2	\$2.7	\$2.9	\$3.2	\$3.4	\$3.6	
Reno, NV	\$23.5	\$23.5	\$25.1	\$33.5	\$36.5	\$39.8	
Richmond, VA	\$6.5	\$6.3	\$5.8	\$7.8	\$8.2	\$8.9	
Riverside, CA	\$3.8	\$4.4	\$5.6	\$6.4	\$6.8	\$6.8	
<sup>1</sup> Rochester, NY	\$6.8	\$6.8	\$7.5	\$8.0	\$8.4	\$8.8	Monroe County
Sacramento, CA	\$17.8	\$19.0	\$21.3	\$22.8	\$24.4	\$26.8	
<sup>4,5</sup> Saint Paul, MN	\$3.5	\$3.5	\$3.7	\$4.2	\$4.3	NA	
Salt Lake City, UT	\$2.6	\$2.7	\$2.9	\$3.2	\$3.4	\$3.6	
San Antonio, TX	\$78.4	\$81.7	\$83.9	\$85.0	\$87.9	\$91.6	
<sup>4</sup> San Bernardino, CA	\$3.1	\$3.1	\$3.3	\$4.5	\$4.6	\$5.0	
San Diego, CA	\$171.9	\$180.8	\$193.3	\$214.0	\$227.7	\$231.9	
San Francisco, CA	\$257.4	\$328.9	\$417.7	\$405.6	\$379.4	\$382.2	
San Jose, CA	\$27.2	\$31.5	\$39.2	\$43.0	\$46.6	\$48.9	
Santa Ana, CA	\$8.1	\$9.0	\$9.5	\$9.3	\$10.0	\$9.2	
Santa Clarita, CA	\$2.8	\$3.0	\$3.3	\$4.0	\$3.7	\$3.5	
Santa Rosa, CA	\$4.2	\$5.2	\$5.5	\$5.8	\$6.2	\$6.5	
Scottsdale, AZ	\$14.9	\$16.2	\$18.1	\$18.2	\$19.4	\$19.8	
Seattle, WA	\$61.4	\$69.5	\$77.5	\$80.7	\$85.7	\$89.8	
<sup>1,4</sup> Shreveport, LA	\$4.3	\$4.7	\$4.8	\$4.6	\$4.3	\$5.0	Caddo-Bossier Parish
<sup>1</sup> Sioux Falls, SD	\$2.6	\$2.9	\$3.1	\$3.2	\$3.1	\$2.8	
<sup>1,5</sup> Spokane, WA	\$2.6	\$3.3	\$3.5	\$4.0	\$4.1	NA	2% state-shared only
<sup>5</sup> Springfield, MO	\$4.2	\$4.4	\$4.7	\$5.1	\$5.2	NA	
St. Louis, MO	\$8.1	\$8.8	\$9.2	\$9.5	\$9.6	\$10.0	3.5% convention & sports tax
<sup>2</sup> St. Petersburg, FL	NA	NA	\$40.5	\$48.6	\$54.7	\$58.5	Pinellas County
Stockton, CA	\$2.2	\$2.2	\$2.5	\$2.8	\$3.1	\$3.2	
<sup>1,6</sup> Tacoma, WA	\$3.4	\$3.7	\$4.3	\$4.5	\$4.7	\$3.6	State-shared and local
Tallahassee, FL	\$4.5	\$4.5	\$5.3	\$5.5	\$5.8	\$5.9	Leon County
<sup>2</sup> Tampa, FL	\$23.2	\$23.9	\$28.3	\$30.2	\$31.1	\$33.5	Hillsborough County
Tempe, AZ	\$5.1	\$5.2	\$6.6	\$6.7	\$7.3	\$8.0	
<sup>1,5</sup> Toledo, OH	\$5.4	\$5.7	\$6.1	\$6.7	\$6.8	NA	Lucas County
Tucson, AZ	\$13.2	\$13.0	\$14.2	\$14.7	\$19.1	\$20.0	
Tulsa, OK	\$7.2	\$7.5	\$8.0	\$7.8	\$7.6	\$7.4	
<sup>1,6</sup> Vancouver, WA	NA	\$1.8	\$2.2	\$2.4	\$2.5	\$1.5	2% state-shared and 2% local
Virginia Beach, VA	\$29.3	\$29.1	\$30.4	\$32.0	\$33.6	\$35.5	
<sup>4</sup> Washington, DC	\$242.3	\$239.7	NA	NA	NA	NA	Reporting changed in FY2014
<sup>1,5</sup> Wichita, KS	\$6.9	\$7.2	\$7.7	\$7.5	\$7.2	NA	
<sup>1</sup> Winston-Salem, NC	\$0.6	\$0.6	\$0.7	\$0.8	\$0.8	\$0.8	
Worcester, MA	\$2.1	\$2.1	\$2.3	\$2.4	\$2.7	\$2.8	
<sup>5</sup> Yonkers, NY	\$5.7	\$5.9	\$6.5	\$6.6	\$6.6	NA	Westchester County

<sup>1</sup> Calendar Year

<sup>2</sup> Fiscal Year ended September 30

<sup>3</sup> Fiscal Year ended August 31

<sup>4</sup> Data not reported at City Level

<sup>5</sup> FY2018 data yet to be released

<sup>6</sup> Reporting Difference from 2017 to 2018

## Excise Taxes

In addition to percentage taxes on gross room revenues, some hotels are also subject to excise taxes on lodging transactions. States, cities, or special districts may charge a flat fee per room night on all hotel rooms within their boundaries. Excise taxes tend to be less volatile because their amount only depends on the occupancy and is not subject to room price variations. However, excise taxes do not grow with inflation or room rate increases.

Hotels in 22 cities are subject to a state, city-wide or special district excise tax. Excise taxes range from \$0.75 to \$5.00 per room night, with an average of \$2.50. HVS calculated each city's excise tax as a percent of its per

diem rate (in fiscal year 2018 dollars) to provide an example of effective rates. A city's "effective rate" indicates the average rate a person pays if the excise tax were included as a percent of total sale price. For this example, HVS used the per diem rates set by the U.S. General Services Administration (GSA). The per diem rates set by the GSA are usually lower than the average daily rates at hotels in the specified areas. The chart below is for illustrative purposes only.

On average, every dollar charged in excise tax is roughly equivalent to an ad valorem tax increase of 0.88% for 2018.

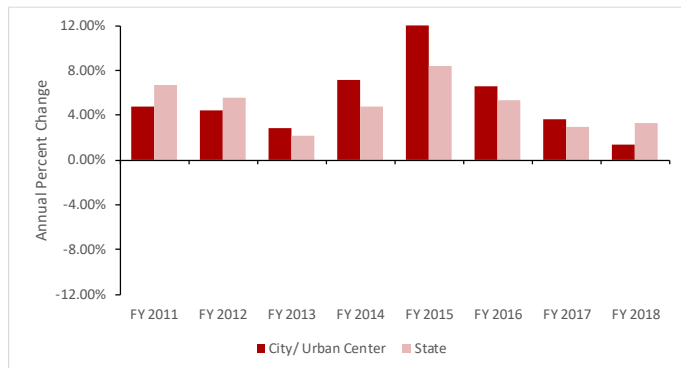
SELECTED EFFECTIVE RATES OF EXCISE TAXES

City	Excise Tax Amount	2017 Per Diem	Estimated %	Rate without Excise Tax	Effective Rate with Excise Tax
Columbus, GA	\$5.00	\$93	5.38%	16.00%	21.38%
Atlanta, GA	\$5.00	\$148	3.38%	16.90%	20.28%
Augusta, GA	\$5.00	\$101	4.95%	14.00%	18.95%
Tucson, AZ	\$4.00	\$93	4.30%	12.05%	16.35%
New York, NY	\$3.50	\$291	1.20%	14.75%	15.95%
Reno, NV	\$3.00	\$105	2.86%	13.50%	16.36%
Nashville, TN	\$2.50	\$170	1.47%	15.25%	16.72%
Montgomery, AL	\$2.25	\$93	2.42%	15.00%	17.42%
Seattle, WA	\$2.00	\$179	1.12%	15.50%	16.62%
Virginia Beach, VA	\$2.00	\$99	2.02%	15.50%	17.52%
Norfolk, VA	\$2.00	\$93	2.15%	14.00%	16.15%
San Jose, CA	\$2.00	\$93	2.15%	14.00%	16.15%
Huntsville, AL	\$2.00	\$93	2.15%	15.50%	17.65%
Spokane, WA	\$2.00	\$102	1.96%	12.10%	14.06%
Sioux Falls, SD	\$2.00	\$93	2.15%	9.00%	11.15%
Vancouver, WA	\$2.00	\$149	1.34%	10.40%	11.74%
New Orleans, LA	\$1.63	\$148	2.03%	22.75%	24.78%
Kansas City, MO	\$1.50	\$121	1.24%	16.98%	18.21%
Tacoma, WA	\$1.50	\$117	1.28%	15.13%	16.42%
Newport News, VA	\$1.00	\$93	1.08%	14.00%	15.08%
Chesapeake, VA	\$1.00	\$93	1.08%	14.00%	15.08%
Jackson, MS	\$0.75	\$93	0.81%	11.00%	11.81%

## Room Revenue Trends

Since reporting and payment of lodging taxes are mandatory, data on tax revenue provides a useful way to assess the performance of the lodging industry. HVS estimated the amounts of taxable room revenue in each state and city by dividing the tax revenues by the tax rate. Taxable room revenues are typically less than gross room revenues because most lodging tax laws provide some exemptions such as room rental paid by military personnel or government employees. The figure below shows estimated taxable room revenues for the states and cities for which data is available.

**ESTIMATED AVERAGE ANNUAL CHANGE IN TAXABLE ROOM REVENUE IN STATES AND CITIES (2018 \$MILLIONS)<sup>3</sup>**



<sup>3</sup> HVS estimated revenues for each year by computing the revenue change in each city or state for which data was

available, then averaging the revenue changes of all cities or states.

## Airbnb Lodging Tax Collections

Short-term home rental services such as Airbnb, HomeAway, and VRBO have grown popular among travelers, with Airbnb being the dominant player in the market. Often called parts of a sharing economy, these peer-to-peer platforms allow homeowners to rent out a spare room or an entire house or apartment to travelers seeking “unique travel experiences” and accommodations. Airbnb has exponentially grown since its founding. In September of 2019, Airbnb reported over six million listings across 100,000 cities on its website.

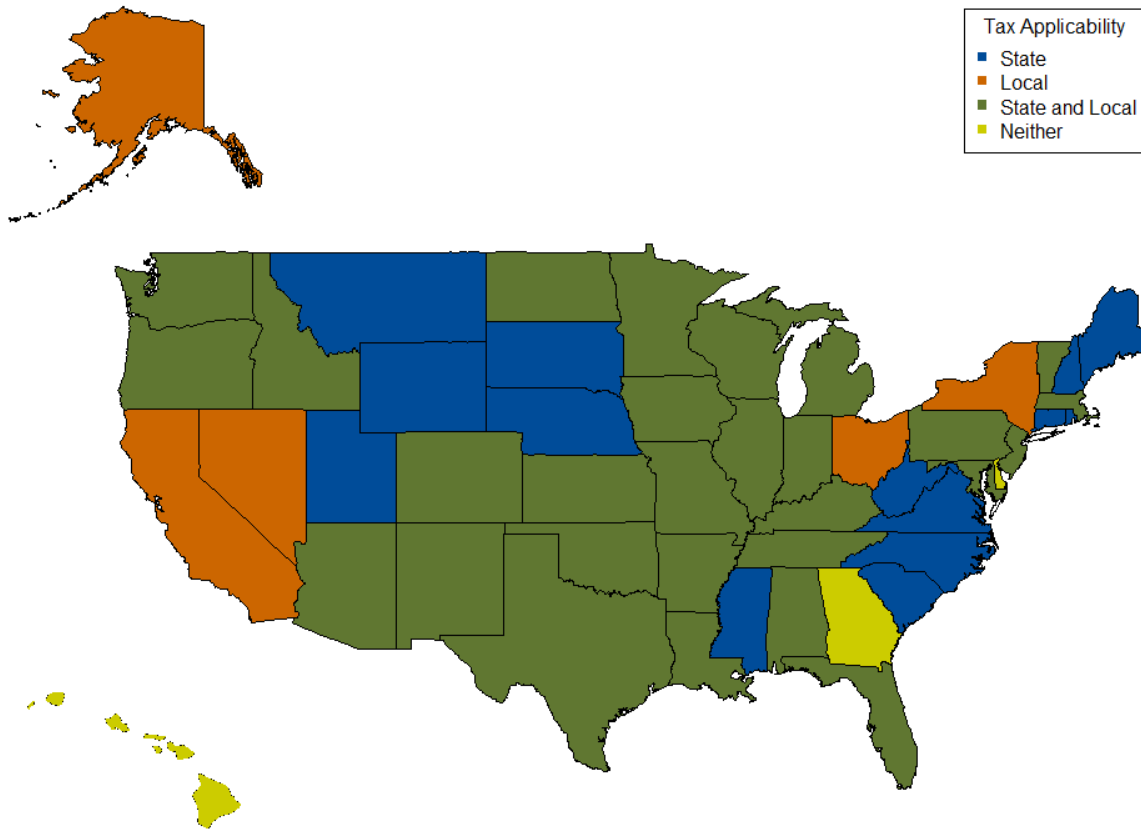
Airbnb does not make rental data publicly available. However, they provided Smith Travel Research (“STR”) with their data for analysis. STR published their “Airbnb & Hotel Performance” analysis to compare room rates, occupancy levels, room demand, and Airbnb’s impact on hotel compression nights by year.

In reaction to Airbnb’s growth, cities have been forced to confront challenges related to the impact of rapid growth in short-term rentals. Hoteliers have raised issues of fairness since short-term rentals are typically subject to a comparable level of regulation, permitting, and taxation. Residents have raised concerns over the neighborhood impacts of transient visitation. In response, many cities and states have imposed new taxes and regulations on short-term rentals.

To gain legitimacy and permanence within the United States, Airbnb has been urging local governments to allow it to collect and remit lodging taxes on the hosts’ behalf. In the past two years, states and cities have made considerable efforts to collect taxes from Airbnb.

The map below shows the states in which Airbnb applies only local lodging taxes or a combination of state and local lodging taxes.

AIRBNB LODGING TAX COLLECTION BY STATE



Sources: Airbnb and Institute on Taxation and Economic Policy

## Disclaimer

HVS's lodging tax study recognizes that lodging tax rates, collections, and distributions are in constant flux. The data presented herein is HVS's best attempt to gather the most recently available information. HVS used sources deemed to be reliable and assumes that this information is accurate. All questions, comments, or concerns are welcome in the continuing process to accurately present the current and historical trends of lodging taxes in the United States



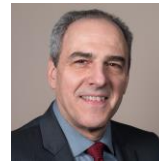


## About HVS

Hotel owners, developers, investors, lenders, management companies, and public agencies around the globe rely on HVS's life-cycle consulting expertise to make informed business decisions. Our commitment to excellence and unrivaled hospitality intelligence is delivered by more than 300 people in over 50 offices throughout the world who specialize in a wide range of hospitality assets including hotels, restaurants, casinos, shared ownership lodging, mixed-use developments, spas, and golf courses, as well as conventions, sports, and entertainment facilities.

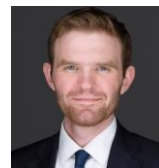
**HVS CONVENTION, SPORTS, & ENTERTAINMENT FACILITIES CONSULTING** has performed hundreds of assignments around the world analyzing the feasibility of convention and conference centers, headquarters hotels, arenas, stadiums, event and civic centers, performing arts facilities, hospitality developments, tourism attractions, water parks, entertainment/urban development districts and museums. Our service delivery methods set the industry standard with techniques based on sound economics and rigorous analytical methods.

## About the Authors



**Thomas Hazinski, MPP** is the Managing Director of HVS Convention, Sports, & Entertainment Facilities Consulting in Chicago, Illinois. His consulting practice is

dedicated to the market and financial analysis of public assembly facilities. Mr. Hazinski has over 30 years of experience as both a public official and a consultant. He specializes in providing economic and financial research to public agencies and private developers involved in economic development initiatives. Mr. Hazinski holds a master's degree in public policy from the University of Chicago's Harris School of Public Policy. He is currently serving as an adjunct professor at the Harris School and teaching a graduate degree course in State and Local Government Finance. Email: [thazinski@hvs.com](mailto:thazinski@hvs.com)



**Joseph Hansel, MPP** graduated from the University of Michigan and the Harris School of Public Policy at the University of Chicago. He is a Research Analyst for HVS

Convention, Sports, & Entertainment Facilities Consulting and is in his first year serving as project manager for the Lodging Tax study. Email: [jhansel@hvs.com](mailto:jhansel@hvs.com)

## APPENDIX A – STATE LODGING TAXES

### Alabama

The State of Alabama levies a transient lodging tax on renting or furnishing any room or rooms, lodging, or accommodations to transients. The statewide transient lodging tax is 4% in all counties except the Alabama Mountain Lakes counties of Blount, Cherokee, Colbert, Cullman, DeKalb, Etowah, Franklin, Jackson, Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall, Morgan, and Winston, where an additional 1% lodging tax is imposed. 50% of the 1% additional lodging tax is distributed to the Alabama Mountain Lakes Association, while the other 50% is distributed to the counties in which the tax was collected. 180 or more continuous days of occupancy and non-profit or privately operated lodging facilities for the recreation/education of students, children, or nonprofit members are exempt from the tax.

Alabama		
Year	Rate	Collections
2018	4.00%	\$74,212,467
2017	4.00%	68,995,437
2016	4.00%	64,885,867
2015	4.00%	60,894,942
2014	4.00%	56,824,348
2013	4.00%	53,703,169
2012	4.00%	51,777,820
2011	4.00%	49,704,019
2010	4.00%	43,340,743
2009	4.00%	43,754,584
2008	4.00%	47,185,948
2007	4.00%	44,683,652
2006	4.00%	41,274,184
2005	4.00%	35,634,232
2004	4.00%	34,073,086
2003	4.00%	31,510,872
2002	4.00%	30,733,336
2001	4.00%	29,158,729

### Alaska

The State of Alaska does not impose a statewide lodging tax or sales tax.

### Arizona

Transient lodging in Arizona is subject to Arizona's statewide transaction privilege tax, which is similar to a general sales tax. The tax base is the gross proceeds of sales or gross income derived from the business. Exemptions are granted for non-lodging business activity or the renting of lodging to a motion picture production company. The state deducts a .065% administrative fee for the administration of the tax. The tax rate increased to 6.5% in fiscal year 2011, but has returned to 5.5% as of June 1, 2013.

Arizona		
Year	Rate	Collections
2018	5.50%	\$183,863,915
2017	5.50%	168,226,449
2016	5.50%	155,052,891
2015	5.50%	147,153,473
2014	5.50%	128,390,496
2013	6.50%	122,158,268
2012	6.50%	118,627,527
2011	6.50%	112,160,756
2010	5.50%	107,221,518
2009	5.50%	116,403,922
2008	5.50%	132,163,437
2007	5.50%	132,475,665
2006	5.50%	124,483,456
2005	5.50%	113,372,263
2004	5.50%	100,713,460
2003	5.50%	93,417,455
2002	5.50%	91,286,854
2001	5.50%	102,905,472

## Arkansas

Arkansas' statewide sales tax applies to the furnishing of rooms to transient guests. The State also imposes a 2% tourism tax on lodging services. These taxes are in addition to local county and municipal sales taxes and transient lodging taxes. The below data pertains to collections of the 2% statewide tourism tax in calendar years. On July 1, 2013, the state sales tax increased from 6% to 6.5%.

Arkansas		
Year	Rate	Collections
2018	2.00%	\$16,428,648
2017	2.00%	15,897,536
2016	2.00%	15,461,541
2015	2.00%	14,815,702
2014	2.00%	13,677,981
2013	2.00%	12,716,494
2012	2.00%	12,405,781
2011	2.00%	12,025,504
2010	2.00%	11,492,218
2009	2.00%	11,378,831
2008	2.00%	12,005,267
2007	2.00%	11,571,123
2006	2.00%	11,089,224
2005	2.00%	10,177,191

## California

Local transient occupancy taxes can be imposed on hotels, motels, and other forms of transient lodging. Either a city or county (or both) may levy a tax on lodging for a period of fewer than 30 days, but the State of California does not. Incorporated cities are not subject to county lodging taxes. Special local taxing districts are permitted. Transient occupancy taxes are not levied on campgrounds and owners of time-shares. Other exceptions may be determined by local legislative bodies.

## Colorado

Units rented for less than 30 consecutive days are subject to the state sales tax. Hotels are also subject to local sales taxes and local hotel taxes.

The state sales tax is collected by the Colorado Department of Revenue, except for home-rule cities and counties. The state retains 2.22% of collections as a Service Fee. The below data pertains to the state sales tax rate and sales tax collections that came from lodging transactions.

Colorado		
Year	Rate	Collections
2018	2.90%	\$150,955,788
2017	2.90%	132,643,506
2016	2.90%	120,529,916
2015	2.90%	92,553,094
2014	2.90%	88,258,000
2013	2.90%	81,039,000
2012	2.90%	77,409,000
2011	2.90%	71,189,000
2010	2.90%	63,346,000
2009	2.90%	66,536,000
2008	2.90%	72,530,000
2007	2.90%	67,693,000
2006	2.90%	59,660,000
2005	2.90%	54,307,000
2004	2.90%	50,991,000
2003	2.90%	50,514,000

## Connecticut

Connecticut applies a room occupancy tax on hotel and lodging stays of 30 days or less. The Connecticut room occupancy tax was raised from 12% to 15% on July 1, 2011. The room occupancy tax is collected by the Connecticut Department of Revenue Services.

Connecticut		
Year	Rate	Collections
2018	15.00%	\$129,701,359
2017	15.00%	122,789,852
2016	15.00%	119,741,832
2015	15.00%	116,281,201
2014	15.00%	105,663,996
2013	15.00%	104,088,401
2012	15.00%	103,965,000
2011	12.00%	102,109,413

## Delaware

Delaware imposes an 8% accommodation tax upon every occupancy of a room or rooms in a hotel, motel or tourist home within the State. The accommodation tax is remitted to the Department of Finance. Exemptions are available for charitable, educational, or religious institutions, summer camps for children, nursing homes and hospitals, permanent residents, and employees of the U.S. government on official business. Municipalities and counties may not impose an additional accommodation tax.

Delaware		
Year	Rate	Collections
2018	8.00%	\$14,900,000
2017	8.00%	14,800,000
2016	8.00%	13,700,000
2015	8.00%	13,100,000
2014	8.00%	12,300,000
2013	8.00%	11,900,000
2012	8.00%	11,000,000
2011	8.00%	10,300,000
2010	8.00%	10,000,000
2009	8.00%	9,800,000
2008	8.00%	11,300,000
2007	8.00%	11,400,000
2006	8.00%	10,800,000
2005	8.00%	9,900,000
2004	8.00%	10,200,000
2003	8.00%	9,100,000
2002	8.00%	8,500,000
2001	8.00%	8,700,000

## Florida

Sales tax is due on rental charges or room rates paid for the right to use or occupy living or sleeping accommodations. Exemptions are granted for 6 or more months of continuous residence, full-time students enrolled in postsecondary education, and active duty military personnel in the community under official orders. A 2.5% collection allowance is granted for the remittance of the statewide sales tax. However, the State of Florida does not provide a breakdown of sales tax revenues derived from accommodation sales.

## Georgia

Georgia's statewide 4% sales tax applies to hotels. Although there is no statewide hotel tax, local municipal or county authorities can apply an excise tax to all accommodations that are regularly furnished for value for the first 10 days of occupancy. Local authorities can choose the rate of their transient hotel tax, between 3% and 8%. Exemptions to the hotel tax are granted for those staying in a room as a result of destruction to their home or those on official government business.

Georgia		
Year	Rate	Collections
2018	4.00%	\$330,594,000
2017	4.00%	307,790,000
2016	4.00%	295,999,000
2015	4.00%	269,134,000
2014	4.00%	239,002,000
2013	4.00%	221,699,000
2012	4.00%	208,044,000
2011	4.00%	201,754,000
2010	4.00%	181,437,000

## Hawaii

In addition to the statewide 4% general excise tax, the Transient Accommodations Tax is also levied upon the gross rental proceeds derived from the furnishing of transient accommodations for fewer than 180 days. The Transient Accommodations

Tax was raised to 8.25% for FY 2010, 9.25% for FY 2011, and 10.25% in FY 2018. Hawaii's general excise tax is 4%, the rate is 4.5% in Oahu.

Exemptions to the Transient Accommodations Tax are offered for health care facilities, school dormitories, nonprofit lodging, living accommodations for military personnel, renters receiving rental subsistence, renters to full-time postsecondary students, and accommodations for foreign diplomats. The data below pertains to the Transient Accommodations Tax rates and collections per calendar year.

Hawaii		
Year	Rate	Collections
2018	10.25%	\$554,912,000
2017	9.25%	508,357,000
2016	9.25%	446,781,000
2015	9.25%	420,981,000
2014	9.25%	395,242,000
2013	9.25%	354,082,000
2012	9.25%	308,974,000
2011	9.25%	271,755,000
2010	8.25%	214,219,000
2009	7.25%	199,594,000
2008	7.25%	222,685,000
2007	7.25%	219,831,000
2006	7.25%	213,226,000
2005	7.25%	198,774,000
2004	7.25%	181,848,000
2003	7.25%	170,865,000

### Idaho

Idaho levies a 6% statewide sales tax applied on hotels, plus an additional 2% Travel & Convention Hotel/Motel Tax on hotel or motel occupants and campground users for fewer than 30 continuous days. Local governments can also impose their own hotel taxes. Both the sales tax and the Travel and Convention Hotel/Motel Tax are remitted to the Idaho Tax Commission. The data below describes the rate and collections of the Travel

and Convention Hotel/Motel Tax.

Idaho		
Year	Rate	Collections
2018	2.00%	\$12,576,999
2017	2.00%	11,254,262
2016	2.00%	10,052,629
2015	2.00%	8,830,333
2014	2.00%	8,112,343
2013	2.00%	7,501,871
2012	2.00%	7,084,790
2011	2.00%	6,665,722
2010	2.00%	6,276,456
2009	2.00%	6,862,000
2008	2.00%	7,378,675
2007	2.00%	6,908,518
2006	2.00%	6,290,575
2005	2.00%	5,704,999
2004	2.00%	5,315,084
2003	2.00%	5,044,435
2002	2.00%	4,912,981

### Illinois

The Hotel Operators Occupation Tax is imposed on the occupation of renting, leasing, or letting rooms to persons for living quarters for periods of fewer than 30 days consecutive days. Illinois statewide sales tax is not imposed on hotels, but various county, municipal, and authority taxes are imposed on hotels. Exemptions to the Hotel Operators Occupation Tax are granted to foreign diplomats and permanent residents. Due to special district taxing, an effective rate of 6.17% is levied in the city of Chicago. Revenue reporting techniques were adjusted by the State of Illinois beginning in 2017, which accounts for the increase in lodging tax revenue.

Illinois		
Year	Rate	Collections
2018	6.00%	\$421,310,900
2017	6.00%	410,380,287
2016	6.00%	263,538,007
2015	6.00%	256,701,628
2014	6.00%	232,368,229
2013	6.00%	222,824,550
2012	6.00%	209,286,338
2011	6.00%	193,391,253
2010	6.00%	171,019,922
2009	6.00%	194,700,000
2008	6.00%	219,700,000
2007	6.00%	206,800,000
2006	6.00%	185,000,000
2005	6.00%	160,700,000
2004	6.00%	156,100,000
2003	6.00%	150,700,000

## Indiana

In addition to the 7% statewide sales tax, counties may impose a County Innkeeper Tax on the rental of rooms and accommodations for fewer than 30 days. The Indiana Department of Revenue only collects County Innkeeper Taxes for certain counties. Although the Department of Revenue reports County Innkeeper Tax revenue, it does not provide a breakdown of sales tax revenue derived from lodging sales.

Indiana		
Year	Rate	Collections
2018	7.00%	\$64,738,100
2017	7.00%	60,915,800
2016	7.00%	60,545,200
2015	7.00%	61,088,700
2014	7.00%	51,566,000
2013	7.00%	49,585,700
2012	7.00%	49,261,000
2011	7.00%	42,443,900

## Iowa

The statewide sales tax levied on hotels and motels is 5%. Additional local hotel/motel taxes at the city and county level may be imposed on the gross receipts from the renting of sleeping rooms for 31 consecutive days or less, but hotels are not

subject to local option sales taxes. Local hotel/motel taxes may not exceed 7%. Collection figures indicate sales and use tax paid by hotels and other lodging establishments.

Iowa		
Year	Rate	Collections
2018	5.00%	\$50,364,958
2017	5.00%	48,450,514
2016	5.00%	47,667,623
2015	5.00%	47,099,623
2014	5.00%	43,146,372
2013	5.00%	44,827,957
2012	5.00%	42,902,702
2011	5.00%	38,521,298
2010	5.00%	40,025,778
2009	5.00%	34,588,556
2008	5.00%	32,271,965
2007	5.00%	30,174,031
2006	5.00%	28,197,397
2005	5.00%	26,312,120
2004	5.00%	25,165,959
2003	5.00%	24,537,149
2002	5.00%	27,128,614
2001	5.00%	24,912,799

## Kansas

The rental of sleeping rooms by a hotel is subject to the 6.50% state sales tax on the total gross receipts. Exemptions from this sales tax are granted to the federal and state government, nonprofit organizations, and volunteer fire departments. Local taxing jurisdictions can also impose an additional Transient Guest Tax. Businesses remitting the state sales tax on hotel gross receipts may keep an administrative fee of 2% Transient Guest Tax revenue. Beginning FY 2016, the state sales tax increased from 6.15% to 6.5%.

Kansas		
Year	Rate	Collections
2018	6.50%	\$46,665,637
2017	6.50%	45,370,808
2016	6.50%	45,631,776
2015	6.15%	40,924,227
2014	6.15%	39,185,828
2013	6.30%	37,493,386
2012	6.30%	36,454,102
2011	6.30%	32,825,094
2010	6.30%	24,876,582
2009	6.30%	26,976,527
2008	6.30%	28,562,931
2007	6.30%	26,592,032
2006	6.30%	24,306,886
2005	6.30%	22,199,803
2004	6.30%	21,814,115
2003	6.30%	19,269,441

### Kentucky

All hotel rentals are subject to the statewide 6% sales tax and a 1% transient room tax. Local governing bodies may establish an additional transient room tax for rentals of 30 days or less. The data below pertains only to the 1% transient room tax.

Kentucky		
Year	Rate	Collections
2018	1.00%	\$13,491,000
2017	1.00%	12,686,000
2016	1.00%	12,528,000
2015	1.00%	12,393,000
2014	1.00%	10,373,498
2013	1.00%	9,800,144
2012	1.00%	9,270,886
2011	1.00%	8,949,223
2010	1.00%	8,187,581
2009	1.00%	8,638,454
2008	1.00%	8,786,179
2007	1.00%	8,271,470
2006	1.00%	7,526,491

### Louisiana

The furnishing of rooms by hotels is subject to the 4.45% statewide sales tax. Localities can also impose hotel occupancy taxes at the county, city,

and authority level. The State also imposes a 4% hotel occupancy tax in the Louisiana Stadium District (Orleans and Jefferson Parish), and a 3% New Orleans Morial Exhibition Hall Authority hotel occupancy tax (Orleans Parish), which includes a \$.50 excise on hotels with 10-299 rooms, \$1 excise on hotels with 300-999 rooms, and \$2 excise on hotels with 1000 rooms or more. The below data pertains to the combined Louisiana Stadium District and New Orleans Morial Exhibition Hall Authority tax rates and collection.

Louisiana		
Year	Rate	Collections
2018	7.00%	\$87,661,877
2017	7.00%	84,330,000
2016	7.00%	82,590,000
2015	7.00%	80,020,000
2014	7.00%	77,690,000
2013	7.00%	68,610,000
2012	7.00%	61,070,000
2011	7.00%	55,730,000
2010	7.00%	47,500,000
2009	7.00%	44,650,000
2008	7.00%	48,260,000
2007	7.00%	39,710,000
2006	7.00%	36,140,000
2005	7.00%	59,750,000
2004	7.00%	50,970,000
2003	7.00%	49,920,000
2002	7.00%	47,240,000

### Maine

Maine's sales tax applies to transient lodging rentals at the rate of 9%. In FY 2014, the rate increased to 8%, and in FY 2016, the rate increased to 9%. The tax is remitted to the Maine Department of Administrative and Financial Services. Sales tax revenue from lodging rentals is

estimated using taxable receipts data.

Maine		
Year	Rate	Collections
2018	9.00%	\$94,043,538
2017	9.00%	86,030,946
2016	9.00%	79,398,954
2015	8.00%	68,738,720
2014	8.00%	64,974,160
2013	7.00%	54,243,980
2012	7.00%	51,228,450
2011	7.00%	47,908,371
2010	7.00%	46,058,656
2009	7.00%	42,520,513
2008	7.00%	45,592,183
2007	7.00%	45,505,922
2006	7.00%	41,654,046
2005	7.00%	39,325,762
2004	7.00%	36,643,761
2003	7.00%	36,208,291
2002	7.00%	35,862,799

## Maryland

The statewide 6% sales tax is applied to hotel room sales. Local jurisdictions may impose a hotel occupancy tax in addition to the state sales tax.

Maryland		
Year	Rate	Collections
2018	6.00%	\$125,021,184
2017	6.00%	121,100,000
2016	6.00%	110,400,000
2015	6.00%	106,369,718
2014	6.00%	91,752,680
2013	6.00%	91,752,680
2012	6.00%	89,834,791
2011	6.00%	84,087,091
2010	6.00%	79,940,519
2009	6.00%	87,629,108
2008	6.00%	76,854,795
2007	5.00%	65,378,429
2006	5.00%	60,902,495
2005	5.00%	57,759,143
2004	5.00%	55,186,802
2003	5.00%	50,843,977
2002	5.00%	50,353,311

## Massachusetts

The 5.7% room occupancy excise tax is imposed on the transfer of occupancy, for \$15 or more, of

any room in a bed and breakfast establishment, hotel, lodging house, or motel for a period of ninety days or less. The room occupancy excise tax is imposed on transient lodging instead of the statewide sales tax. Cities or towns may also impose a local room occupancy excise tax. The maximum local room occupancy excise tax is 6% (6.5% in Boston). An additional 2.75% tax is levied in Boston, Worcester, Cambridge, Springfield, West Springfield, and Chicopee for convention center funding. Exemptions from the room occupancy excise tax are granted for nonprofit or government institutions, official duties of U.S. military personnel, private convalescent homes, summer camps, and bed and breakfast homes.

Massachusetts		
Year	Rate	Collections
2018	5.70%	\$263,448,681
2017	5.70%	255,644,040
2016	5.70%	247,026,426
2015	5.70%	230,198,100
2014	5.70%	209,749,000
2013	5.70%	194,577,000
2012	5.70%	183,707,000
2011	5.70%	167,300,000
2010	5.70%	152,233,000
2009	5.70%	160,933,000
2008	5.70%	174,157,000
2007	5.70%	157,515,000
2006	5.70%	144,808,000
2005	5.70%	133,487,000
2004	5.70%	120,178,000
2003	5.70%	119,991,000
2002	5.70%	123,306,000

## Michigan

Hotel room rentals are subject to the Michigan statewide 6% use tax. Local governments may impose their own hotel occupancy taxes. Lodging tax collections were included under a general use



tax listing in financial reports beginning in 2015.

Michigan		
Year	Rate	Collections
2018	6.00%	NA
2017	6.00%	NA
2016	6.00%	NA
2015	6.00%	NA
2014	6.00%	\$81,400,000
2013	6.00%	76,700,000
2012	6.00%	74,500,000
2011	6.00%	68,000,000
2010	6.00%	64,700,000
2009	6.00%	62,400,000
2008	6.00%	69,200,000
2007	6.00%	67,100,000
2006	6.00%	66,800,000
2005	6.00%	61,900,000
2004	6.00%	61,000,000
2003	6.00%	58,400,000
2002	6.00%	59,300,000
2001	6.00%	64,000,000

### Minnesota

The rental of a room or rooms for a temporary place to stay is subject to the state sales tax. Sales and use tax must be charged on lodging and related services furnished for a period of fewer than 30 days. Local governments may institute their own lodging taxes, but the total tax amount when added to the state sales tax may not exceed 13%. Only the Federal government and foreign diplomats are exempt.

Minnesota		
Year	Rate	Collections
2018	6.88%	\$155,136,847
2017	6.88%	154,306,155
2016	6.88%	145,645,178
2015	6.88%	139,402,523
2014	6.88%	131,199,165
2013	6.88%	134,815,694
2012	6.88%	123,817,353
2011	6.88%	121,569,413
2010	6.88%	113,635,639
2009	6.50%	104,217,067
2008	6.50%	115,655,852
2007	6.50%	116,180,529
2006	6.50%	105,724,392
2005	6.50%	95,909,029
2004	6.50%	89,346,174
2003	6.50%	85,177,750

### Mississippi

Hotels, motels, tourist courts or camps, and trailer parks are subject to the 7% statewide sales tax of their gross income. Local governments may impose their own local sales taxes on tourism-related business and services.

Mississippi		
Year	Rate	Collections
2018	7.00%	\$73,973,913
2017	7.00%	72,220,395
2016	7.00%	66,118,261
2015	7.00%	61,021,620
2014	7.00%	60,075,821
2013	7.00%	48,399,322
2012	7.00%	45,949,960
2011	7.00%	45,598,504
2010	7.00%	41,660,429
2009	7.00%	43,959,595
2008	7.00%	44,258,713
2007	7.00%	39,306,553
2006	7.00%	41,464,807
2005	7.00%	36,266,914
2004	7.00%	35,037,328
2003	7.00%	30,946,466
2002	7.00%	31,568,545
2001	7.00%	30,579,624

## Missouri

Missouri charges a 4.225% sales tax on the amount of charges for all rooms furnished for the public. Local governments may impose their own hotel taxes. The Missouri Department of Revenue collects both state and local taxes. Revenue data estimated from reported taxable receipts of hotels, motels, and boarding courts.

Missouri		
Year	Rate	Collections
2018	4.23%	\$85,782,711
2017	4.23%	82,253,340
2016	4.23%	73,384,352
2015	4.23%	70,379,376
2014	4.23%	65,204,093
2013	4.23%	60,049,607
2012	4.23%	58,199,584
2011	4.23%	56,338,736
2010	4.23%	53,456,321
2009	4.23%	50,349,261
2008	4.23%	55,395,130
2007	4.23%	54,117,842
2006	4.23%	51,370,135
2005	4.23%	48,318,063
2004	4.23%	45,858,844
2003	4.23%	46,624,160
2002	4.23%	44,277,883
2001	4.23%	44,960,897

## Montana

The Lodging Facility Use Tax (LFUT) and the Lodging Facility Sales Tax (LFST) are imposed on users of overnight lodging facilities. The LFUT rate is 4%, and the LFST (first imposed in 2003) rate is 3%, creating a total lodging tax rate of 7%. Exemptions from the lodging taxes are granted for units for rented 30+ continuous days, units located on an Indian reservation and rented to a member of the same reservation, the federal government, diplomats, youth camps, health care facilities, and facilities charging an average ADAC rate that is 60% or less than the state

reimbursement rate for a single room.

Montana		
Year	Rate	Collections
2018	7.00%	\$56,896,945
2017	7.00%	51,319,514
2016	7.00%	49,403,270
2015	7.00%	46,824,004
2014	7.00%	42,212,349
2013	7.00%	40,054,048
2012	7.00%	37,864,378
2011	7.00%	34,025,189
2010	7.00%	29,463,020
2009	7.00%	29,784,858
2008	7.00%	31,951,675
2007	7.00%	30,822,617
2006	7.00%	25,697,329
2005	7.00%	24,642,093
2004	7.00%	22,851,830

## Nebraska

The state 1% lodging tax is imposed on the total gross receipts charged for sleeping accommodations furnished by a hotel. This is in addition to the 5.5% statewide sales tax. Cities may impose a lodging tax. Counties may also impose a lodging tax of not more than 4%, as well as local sales taxes. Exemptions are granted for any organization that is exempt from sales tax. The state deducts a 3% administrative fee for its collection of sales and lodging tax. The below data pertains to the 1% state lodging tax in calendar years.

Nebraska		
Year	Rate	Collections
2018	1.00%	\$5,762,025
2017	1.00%	5,491,572
2016	1.00%	5,442,060
2015	1.00%	5,244,601
2014	1.00%	4,895,468
2013	1.00%	4,524,464
2012	1.00%	4,312,179
2011	1.00%	3,976,771
2010	1.00%	3,834,851
2009	1.00%	3,532,692
2008	1.00%	3,725,953
2007	1.00%	3,558,016
2006	1.00%	3,219,113
2005	1.00%	2,908,916
2004	1.00%	2,791,549
2003	1.00%	2,619,199
2002	1.00%	2,640,766
2001	1.00%	2,598,700

## Nevada

Nevada applies a tax of at least 3/8 of 1% on the gross receipts from the rental of transient lodging, which is retained by the county remitting in which the tax is remitted for local promotion of tourism. Beginning in fiscal year 2010, the State began charging an additional 3% tax for school support funding.

Nevada		
Year	Rate	Collections
2018	3.38%	\$204,579,868
2017	3.38%	203,082,002
2016	3.38%	189,474,099
2015	3.38%	170,949,256
2014	3.38%	160,397,406
2013	3.38%	146,370,186
2012	3.38%	143,767,397
2011	3.38%	128,203,856
2010	3.38%	111,513,747
2009	0.38%	18,163,309
2008	0.38%	19,076,477
2007	0.38%	18,363,565
2006	0.38%	17,279,556

## New Hampshire

The statewide Meals and Rentals Tax is assessed upon patrons of any facility with sleeping accommodations for 185 days or less. The rate was raised from 8% to 9% in FY 2009. Exemptions are granted for the state government, federal government, campsites, schools, and medical facilities. Operators are allowed to retain a 3% commission on the Meals and Rentals Tax remitted to the state. The below tax data is in calendar years.

New Hampshire		
Year	Rate	Collections
2018	9.00%	\$62,089,066
2017	9.00%	56,790,540
2016	9.00%	53,434,110
2015	9.00%	51,293,296
2014	9.00%	47,577,052
2013	9.00%	44,815,382
2012	9.00%	41,864,767
2011	9.00%	40,799,181
2010	9.00%	37,375,769
2009	9.00%	34,092,564
2008	8.00%	35,895,249
2007	8.00%	34,930,107
2006	8.00%	32,181,390
2005	8.00%	31,219,485
2004	8.00%	30,836,386
2003	8.00%	30,599,999
2002	8.00%	34,806,937

## New Jersey

The 5% State Occupancy Fee is imposed on the rent for every occupancy in a hotel, motel, or similar facilities. Atlantic City, Elizabeth, Jersey City and Newark hotels are instead charged at 1%, and hotels in The Wildwoods at 3.15%. This is in addition to the state 7% sales tax. Various local Municipal Occupancy Taxes are permitted. Exemptions are granted for state or federal agencies, religious, educational, and charitable organizations, organizations exempt from the sales tax, rooms rented for the purpose of assembly, or residents of 90+ days. The data below pertains to the 5% State Occupancy Fee.

New Jersey		
Year	Rate	Collections
2018	5.00%	\$105,450,123
2017	5.00%	101,206,200
2016	5.00%	98,400,760
2015	5.00%	95,430,338
2014	5.00%	86,975,867
2013	5.00%	92,179,102
2012	5.00%	85,182,162
2011	5.00%	78,238,345
2010	5.00%	72,808,464
2009	5.00%	74,261,839
2008	5.00%	86,285,708
2007	5.00%	84,194,930
2006	5.00%	78,949,297
2005	5.00%	78,023,679
2004	7.00%	85,198,185

New York		
Year	Rate	Collections
2018	4.00%	\$496,421,014
2017	4.00%	510,810,237
2016	4.00%	500,215,557
2015	4.00%	487,377,020
2014	4.00%	459,733,782
2013	4.00%	439,978,360
2012	4.00%	411,854,760
2011	4.00%	363,064,040
2010	4.00%	314,090,880
2009	4.00%	370,228,080
2008	4.00%	362,691,200
2007	4.00%	316,757,120
2006	4.00%	298,444,600
2005	4.00%	268,137,640
2004	4.00%	233,572,840
2003	4.00%	225,718,000

### New Mexico

Receipts from the rental of lodging in hotels, motels and facilities of the same nature are considered the sale of a license to use, and are subject to the 5.125% statewide gross receipts tax (a sales tax). Hotels are also subject to local sales and lodging taxes. The state of New Mexico does not provide a breakdown of sales tax revenue derived from lodging sales.

### North Carolina

The sales price of the rental of an accommodation is subject to North Carolina's state sales tax, as well as local sales taxes and hotel room occupancy taxes. Note that the sales tax rate was reduced to 4.75% in FY 2012. Exemptions are provided for residents of 90+ days or schools, camps, and similar entities.

### New York

The New York State 4% sales tax applies to room rentals in New York. Local sales taxes, MCTD taxes, and hotel room occupancy taxes can also be levied on room rentals. Exemptions are granted for the state and federal government, nonprofits, and permanent (180+ days) residents. Collection data is estimated using reported taxable receipts.

North Carolina		
Year	Rate	Collections
2018	4.75%	\$236,947,601
2017	4.75%	221,588,093
2016	4.75%	204,480,071
2015	4.75%	187,994,716
2014	4.75%	171,506,857
2013	4.75%	160,377,382
2012	4.75%	153,190,916
2011	5.75%	168,263,826
2010	5.75%	138,465,460
2009	4.50%	121,583,836
2008	4.50%	126,918,846
2007	4.50%	124,361,295
2006	4.50%	120,557,672
2005	4.50%	118,722,758
2004	4.50%	123,873,426
2003	4.50%	112,843,854
2002	4.50%	91,136,250
2001	4.50%	87,748,141

## North Dakota

Gross receipts from the rental of hotel, motel, or tourist court accommodations are subject to the North Dakota 5% state sales tax. The governing body of any city may impose an additional maximum 2% tax on hotel/motel accommodations, and a city may impose an additional 1% tax on lodging accommodations. The sales tax on lodging was increased from 5% to 6% from FY 2004 to FY 2007 for the promotion of Lewis and Clark bicentennial events. Exemptions are granted for federal, state, and local government and 30+ days of continuous residency. North Dakota does not provide a breakdown of sales tax revenue received from lodging sales.

## Ohio

The Ohio statewide 5.75% sales tax applies to the rental of hotel rooms or similar sleeping accommodations for fewer than 30 days by establishments with five or more sleeping rooms. This state sales tax is in addition to local sales taxes and municipal, county, or authority taxes that can be placed on hotels. Ohio does not provide a breakdown of sales tax revenue received from lodging sales.

## Oklahoma

Any form of lodging, excluding rental properties and rooms rented inside a home, is subject to the Oklahoma 4.5% statewide sales tax, as well as local sales taxes and lodging taxes. Oklahoma does not provide a breakdown of sales tax revenue received from lodging sales.

Oklahoma		
Year	Rate	Collections
2018	4.50%	\$2,824,264
2017	4.50%	2,513,038
2016	4.50%	2,340,898
2015	4.50%	2,139,650
2014	4.50%	1,836,963
2013	4.50%	1,651,152
2012	4.50%	1,458,393
2011	4.50%	1,318,334

## Oregon

The State 1.80% Lodging Tax is imposed on those who provide temporary overnight lodging. This tax is in addition to local city and county sales taxes or lodging taxes. Exemptions are granted for federal employees, lodgers for 30+ days, health care facilities, mental health facilities, facilities with fewer than 30 rentals/year, emergency temporary shelter, and nonprofits. A 5% administration fee retained from the total tax by providers. The data below pertains to collections in calendar years.

Oregon		
Year	Rate	Collections
2018	1.80%	\$38,404,715
2017	1.80%	31,355,646
2016	1.00%	18,661,787
2015	1.00%	17,797,802
2014	1.00%	15,508,927
2013	1.00%	13,527,916
2012	1.00%	12,377,707
2011	1.00%	11,505,246
2010	1.00%	11,085,176
2009	1.00%	10,492,522
2008	1.00%	11,718,287
2007	1.00%	11,690,021
2006	1.00%	10,720,797
2005	1.00%	9,087,486
2004	1.00%	8,361,090

## Pennsylvania

The Hotel Occupancy Tax applies to room rental charges for periods fewer than 30 days. It is imposed at the same rate as the Pennsylvania sales tax, at 6%, with a 1% local tax added to

purchases made in Allegheny County and a 2% local tax added to purchases made in Philadelphia. Local sales taxes and hotel occupancy taxes can also be imposed in addition to the statewide Hotel Occupancy Tax.

Pennsylvania		
Year	Rate	Collections
2018	6.00%	\$212,604,000
2017	6.00%	207,906,000
2016	6.00%	198,754,000
2015	6.00%	191,773,900
2014	6.00%	196,087,000
2013	6.00%	187,933,000
2012	6.00%	181,200,000
2011	6.00%	169,980,000
2010	6.00%	152,082,000
2009	6.00%	156,370,000
2008	6.00%	167,591,000
2007	6.00%	163,280,000

### Rhode Island

In addition to the 7% state sales tax, Rhode Island also imposes a 6% tax on the rental of rooms in hotels, motels, or lodging houses. The tax rate was raised from 5% to 6% for FY 2005, with the additional 1% allocated to the city or town in which the hotel is located. Hotels with fewer than three rooms are exempt from the tax. The data below pertains to the 6% hotel occupancy tax.

Rhode Island		
Year	Rate	Collections
2018	6.00%	\$21,532,607
2017	6.00%	19,599,832
2016	6.00%	19,369,329
2015	6.00%	17,219,528
2014	6.00%	15,690,500
2013	6.00%	14,809,420
2012	6.00%	14,057,464
2011	6.00%	13,012,244
2010	6.00%	11,919,275

### South Carolina

The rental of transient accommodations is subject to a statewide accommodations tax of 2% in addition to the statewide 5% sales tax and a

potential maximum of 2% local sales tax. Exemptions: rentals for 90+ days and room rentals in house with fewer than 6 bedrooms. The below data pertains to the state accommodations tax. The Department of Revenue did not release their annual report listing lodging tax revenues in FY2018 by the publication of this report.

South Carolina		
Year	Rate	Collections
2018	2.00%	NA
2017	2.00%	\$69,577,895
2016	2.00%	62,908,467
2015	2.00%	59,553,409
2014	2.00%	56,090,912
2013	2.00%	50,910,208
2012	2.00%	50,778,183
2011	2.00%	44,429,416
2010	2.00%	39,794,989
2009	2.00%	41,847,565
2008	2.00%	45,409,248
2007	2.00%	42,751,190
2006	2.00%	40,355,781
2005	2.00%	36,774,136
2004	2.00%	34,728,812
2003	2.00%	33,443,210
2002	2.00%	32,103,360

### South Dakota

The rentals of rooms or parking sites by lodging establishments or campgrounds to a transient guest for fewer than 28 days are subject to the state 4% sales tax and its 1.5% tourism tax, as well as municipal sales taxes and lodging taxes. The tourism tax is imposed on lodging, visitor attractions, motor vehicles, recreational vehicles, recreational services, spectator events, and visitor intensive businesses. The rate was changed on July 1, 2009 from 1% to 1.5%. The below data pertains to the statewide tourism tax collections

from lodging sales.

South Dakota		
Year	Rate	Collections
2018	1.50%	\$9,140,577
2017	1.50%	8,884,732
2016	1.50%	8,952,731
2015	1.50%	8,293,109
2014	1.50%	7,590,592
2013	1.50%	7,247,846
2012	1.50%	9,544,379
2011	1.50%	9,474,051
2010	1.50%	8,409,717
2009	1.00%	5,741,636
2008	1.00%	5,748,566
2007	1.00%	5,349,006
2006	1.00%	4,978,054
2005	1.00%	4,595,790
2004	1.00%	4,350,557
2003	1.00%	4,109,768
2002	1.00%	3,722,957
2001	1.00%	3,793,170

### Tennessee

Charges for the use of rooms or accommodations furnished for fewer than 90 days by hotels, motels, inns, or other tourist lodgings are subject to the state 7% sales tax, as well as local sales taxes and hotel occupancy taxes. Exemptions are granted for the federal government and movie production companies.

Tennessee		
Year	Rate	Collections
2018	7.00%	\$238,462,115
2016	7.00%	224,620,980
2015	7.00%	198,123,000
2014	7.00%	175,227,255
2013	7.00%	164,403,527
2012	7.00%	160,868,386
2011	7.00%	144,128,615
2010	7.00%	137,972,562
2009	7.00%	146,253,396
2008	7.00%	160,908,556
2007	7.00%	154,080,942
2006	7.00%	142,333,331
2005	7.00%	131,675,053
2004	7.00%	124,795,032

### Texas

A 6% statewide Hotel Occupancy Tax is imposed on a person who pays for a room or space in a hotel costing \$15 or more each day, or a sleeping room costing \$2 or more each day. Hotels are also subject to local sales taxes and hotel occupancy taxes.

Texas		
Year	Rate	Collections
2018	6.00%	\$610,389,725
2017	6.00%	528,923,364
2016	6.00%	526,107,469
2015	6.00%	530,086,141
2014	6.00%	490,111,083
2013	6.00%	450,129,053
2012	6.00%	401,411,015
2011	6.00%	348,796,113
2010	6.00%	330,809,436
2009	6.00%	343,544,448
2008	6.00%	370,979,724
2007	6.00%	340,634,147
2006	6.00%	308,018,897
2005	6.00%	262,092,112
2004	6.00%	238,861,664
2003	6.00%	227,899,404
2002	6.00%	230,909,206
2001	6.00%	246,813,166

### Utah

Beginning in FY 2018, Utah imposes a statewide tax on temporary lodging. In addition to the statewide 4.7% sales tax, a Transient Room Tax can be imposed by a county, city or town on the rent for temporary lodging for stays of fewer than 30 consecutive days. Sales tax collection estimated using reported taxable sales and the combined statewide sales and lodging tax.

Utah		
Year	Rate	Collections
2018	5.02%	\$102,330,624
2017	4.70%	90,825,442
2016	4.70%	81,403,955
2015	4.70%	71,895,888
2014	4.70%	66,065,589
2013	4.70%	62,171,182
2012	4.70%	58,444,659
2011	4.70%	54,320,265
2010	4.70%	47,530,304
2009	4.70%	42,502,883

### Vermont

The statewide 9% Meals and Room Tax is imposed on the purchaser of rental accommodations in hotels for 30 days or less, rather than Vermont's usual sales tax. The towns of Brattleboro, Stratton, Stowe, and Williston have a 1% local option on the rooms tax. The cities of Burlington and Rutland may impose their own rooms tax. Exemptions are granted for the state and federal government, diplomats, American Red Cross, and non-profit medical and hospital insurance organizations. Meals and Room Tax revenue estimated from reported taxable sales.

Vermont		
Year	Rate	Collections
2018	9.00%	\$50,885,083
2017	9.00%	47,669,180
2016	9.00%	41,441,204
2015	9.00%	39,754,091
2014	9.00%	40,365,629
2013	9.00%	37,736,569
2012	9.00%	34,613,640
2011	9.00%	33,444,580
2010	9.00%	30,723,207
2009	9.00%	31,031,768
2008	9.00%	34,041,787
2007	9.00%	31,007,119
2006	9.00%	30,570,783
2005	9.00%	29,761,865
2004	9.00%	29,027,418
2003	9.00%	28,758,828
2002	9.00%	28,233,496
2001	9.00%	28,724,393

### Virginia

Any county, city, or town may levy a transient occupancy tax on hotels, motels, boarding houses, travel campgrounds, and other facilities offering guest rooms rented out for continuous occupancy for fewer than 30 consecutive days. These local transient occupancy taxes are in addition to the 5.3% statewide sales tax. Collection data estimated using taxable receipts in calendar years. In CY 2005, Virginia adopted a new accounting system, making sales tax figures for individual business categories unavailable. In addition to the statewide sales tax, Virginia imposes a .7% sales tax in Northern Virginia and Hampton Roads and 1.7% hotel tax in the jurisdiction of the Northern Virginia Transportation Authority.

Virginia		
Year	Rate	Collections
2018	5.30%	\$165,668,788
2017	5.30%	160,720,378
2016	5.30%	154,200,014
2015	5.30%	148,268,247
2014	5.00%	139,062,077
2013	5.00%	154,691,854
2012	5.00%	155,145,856
2011	5.00%	149,387,770
2010	5.00%	141,842,166
2009	5.00%	140,210,350
2008	5.00%	153,314,795
2007	5.00%	153,959,963
2006	5.00%	149,990,419

### Washington

Transient lodging lasting fewer than 30 days is subject to the Washington State 5% sales tax. Local hotel/motel taxes, tourism promotion charges, and convention/trade center taxes may also be imposed. Exemptions are granted for the federal government and health care facilities.



Washington		
Year	Rate	Collections
2018	5.00%	\$149,005,000
2017	5.00%	132,423,000
2016	5.00%	102,605,000
2015	5.00%	95,829,000
2014	5.00%	84,362,000
2013	5.00%	78,564,000
2012	5.00%	75,201,000
2011	5.00%	146,449,613
2010	5.00%	137,444,863
2009	5.00%	129,322,140
2008	5.00%	136,756,688
2007	5.00%	134,894,829
2006	5.00%	122,473,985
2005	5.00%	110,746,125
2004	5.00%	99,255,624
2003	5.00%	99,380,193
2002	5.00%	97,711,942
2001	5.00%	95,047,855

### West Virginia

Any county or municipality may impose and collect a privilege tax upon the occupancy of hotel rooms within its taxing jurisdiction. Such hotel taxes are in addition to the 6% statewide sales tax. West Virginia does not provide a breakdown of sales tax revenue received from lodging sales.

### Wisconsin

Furnishing lodging to the same person or entity at a hotel for a continuous period of fewer than 30

days is subject to the 5% Wisconsin sales tax, as well as county, municipal, and authority sales taxes and hotel taxes. Data on sales tax revenue from lodging sales is not available for FY 2007.

Wisconsin		
Year	Rate	Collections
2018	5.00%	\$115,507,857
2017	5.00%	107,047,363
2016	5.00%	104,459,436
2015	5.00%	98,492,822
2014	5.00%	91,958,935
2013	5.00%	85,999,847
2012	5.00%	83,349,821
2011	5.00%	79,419,606
2010	5.00%	74,631,537
2009	5.00%	70,715,400
2008	5.00%	79,294,596

### Wyoming

Hotel room rentals are subject to the statewide 4% Wyoming sales tax, while local governments may impose their own sales taxes and lodging taxes of up to an additional 4%. Wyoming does not provide a breakdown of sales tax revenue received from lodging sales.

# **Agenda Item**

## **6**

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

Hawaii Tourism Authority  
 Budget Statement - Summary  
 FY 2020  
 As of November 30, 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 November 2019	Budget	YTD Amount of Budget Used	Balance	Activity for November 2019
<b>Revenues</b>								
TAT Revenue Allocation	79,000,000	32,916,667	46,083,333	6,583,333	16,500,000	6,875,000	9,625,000	1,375,000
Prior Year Carryover	7,790,788	-	7,790,788	-	-	-	-	-
Other	-	905,071	(905,071)	408,075	-	275,697	(275,697)	135,452
	<u>86,790,788</u>	<u>33,821,738</u>	<u>52,969,050</u>	<u>6,991,408</u>	<u>16,500,000</u>	<u>7,150,697</u>	<u>9,349,303</u>	<u>1,510,452</u>
<b>Expenditures</b>								
<b>Perpetuating Hawaiian Culture</b>								
Hawaiian Culture Programs	7,795,500	1,875,293	5,920,207	143,557	-	-	-	-
In-House Contracted Staff - Hawaiian Culture	87,000	-	87,000	-	-	-	-	-
State Employee Salaries - Hawaiian Culture	230,625	230,625	-	(31,728)	-	-	-	-
Subtotal	<u>8,113,125</u>	<u>2,105,918</u>	<u>6,007,207</u>	<u>111,829</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	-	-	-	-	-
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>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Community</b>								
Community Programs	5,804,752	2,779,469	3,025,283	1,348	-	-	-	-
In-House Contracted Staff - Community	32,000	-	32,000	-	-	-	-	-
State Employee Salaries - Community	190,000	190,000	-	(8,472)	-	-	-	-
Subtotal	<u>6,026,752</u>	<u>2,969,469</u>	<u>3,057,283</u>	<u>(7,124)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Branding</b>								
Branding Programs	51,022,000	43,344,434	7,677,566	28,809,651	-	-	-	-
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>43,871,023</u>	<u>7,690,027</u>	<u>28,809,651</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	-	-	-	-	-
Subtotal	<u>7,200,000</u>	<u>2,511,364</u>	<u>4,688,636</u>	<u>-</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	1,726,882	1,873,512	341,212	-	-	-	-
In-House Contracted Staff - Tourism Research	-	-	-	-	-	-	-	-
State Employee Salaries - Tourism Research	393,000	392,322	678	-	-	-	-	-
Subtotal	<u>3,993,394</u>	<u>2,119,204</u>	<u>1,874,190</u>	<u>341,212</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	(2,781,135)	6,064,018	(2,032,077)
Major Repair & Maintenance	-	-	-	-	4,753,020	-	4,753,020	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,450,000</u>	<u>(2,781,135)</u>	<u>17,231,135</u>	<u>(2,032,077)</u>
<b>Administrative (Statute: Cannot exceed 3.5% = \$2,765,000)</b>								
Operations	801,700	316,121	485,579	146,350	-	-	-	-
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>1,363,751</u>	<u>512,949</u>	<u>146,350</u>	<u>250,511</u>	<u>-</u>	<u>250,511</u>	<u>-</u>
<b>Organizationwide Costs</b>								
State Employee Fringe	1,436,517	1,436,517	-	(44,624)	187,389	-	187,389	-
Organization-Wide	240,000	-	240,000	31,927	340,000	250	339,750	250
Governance - Board/Others	146,300	43,287	103,013	-	-	-	-	-
Subtotal	<u>1,822,817</u>	<u>1,479,804</u>	<u>343,013</u>	<u>(12,697)</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>58,972,883</u>	<u>27,817,905</u>	<u>29,389,221</u>	<u>15,300,000</u>	<u>(2,780,885)</u>	<u>18,080,885</u>	<u>(2,031,827)</u>
<b>Revenues vs Expenditures</b>	<u>-</u>	<u>(25,151,145)</u>			<u>1,200,000</u>	<u>9,931,582</u>		
Administrative Cap (3.5%)	2,765,000	2,765,000						
Administrative Costs (AG Definition)	<u>1,876,700</u>	<u>1,363,751</u>	1.7%					
	888,300	1,401,249						

Hawaii Tourism Authority  
Budget Statement  
FY 2020 - As of November 30, 2019

Program Code	Program Title	Budget - FY20	YTD Encumbered (Budget Used)	Budget Remaining	November 2019 Activity
<b>Perpetuating Hawaiian Culture</b>					
200	Hawaiian Culture Programs - Unallocated	1,095,000	116	1,094,884	-
201	Kulaha Ole - Living Hawaiian Cultural Prog	1,965,000	1,963,179	21,821	1,115
202	Hawaiian Culture Initiative	500,000	262	499,738	8
203	Melania's HTA	300,000	13,166	286,834	-
204	Market Support	300,000	-	300,000	-
205	Alpha Festivals	250,000	-	250,000	-
206	Kahua Program - Harbor Greetings	250,000	1,076	248,924	-
207	Kahua Program - Airport Greetings	1,500,000	-	1,500,000	-
210	Kino Kamehameha Celebration	150,000	60,000	90,000	-
211	Prince Lot Hula Festival	75,000	75,000	-	75,000
212	Honua Moemaka Hula Festival	150,000	-	150,000	-
213	Prince Kuhio Celebration	75,000	-	75,000	-
215	Hawaiian Culture Opportunity Fund	200,000	46,960	153,040	15,000
216	Ohlo Hawaii	500,000	-	500,000	-
297	Memberships and Dues - Hawaiian Culture	500	-	500	-
298	Travel - Hawaiian Culture	15,000	9,554	5,446	2,439
299	In-House Contracted Staff - Hawaiian Culture	87,000	-	87,000	-
373	Duke's OceanFest	50,000	-	50,000	-
374	Surfing	150,000	-	150,000	-
713	Hale Mele & Na Hoku Music Festival (Formerly HAW Music Month)	150,000	50,000	100,000	50,000
715	Carolee Rucifata	90,000	56,000	34,000	-
716	Play Day	85,000	-	85,000	-
718	Honua Area Hawaiian Cultural Initiative	325,000	-	325,000	-
932	Salaries - Hawaiian Culture	230,625	230,625	-	(31,708)
<b>Subtotal</b>	<b>Perpetuating Hawaiian Culture</b>	<b>8,113,125</b>	<b>2,105,918</b>	<b>6,007,207</b>	<b>111,829</b>
<b>Natural Resources</b>					
400	Natural Resources Programs - Unallocated	-	-	-	-
402	Alpha Area (Formerly NR and Leo Proj NR)	2,081,000	2,081,000	-	-
406	Walker Impact Program	1,648,000	-	1,648,000	-
407	Hawaii Eco Tourism Association	50,000	-	50,000	-
415	Natural Resources Opportunity Fund	200,000	-	200,000	-
936	State Employee Salaries - Natural Resources	66,950	66,950	-	-
<b>Subtotal</b>	<b>Natural Resources</b>	<b>4,046,950</b>	<b>2,147,950</b>	<b>1,899,000</b>	-
<b>Community</b>					
701	Community Enrichment Program	3,464,200	2,655,830	808,370	87
702	Community Training Workshops (Formerly Casacth)	404,000	11,357	392,643	77
705	Community Programs - Unallocated	1,171,052	-	1,171,052	-
728	In-House Contracted Staff - Community (Formerly Prog Supp)	32,000	-	32,000	-
797	Memberships and Dues - Community	500	-	500	-
798	Travel - Community	15,000	8,482	6,518	1,384
802	Current Workforce Development (Industry Career Dev)	75,000	-	75,000	-
803	Future Workforce Development (IET)	176,000	194,000	-	-
805	Scholarship Program	500,000	-	500,000	-
933	State Employee Salaries - Community	190,000	-	190,000	(8,472)
<b>Subtotal</b>	<b>Community</b>	<b>6,026,752</b>	<b>2,966,469</b>	<b>3,059,283</b>	<b>(7,134)</b>
<b>Branding</b>					
4	Cruise Infrastructure Improvements and Arrival Experience	250,000	75,345	174,655	-
102	Hawaii Tourism Summit	300,000	-	300,000	-
306	Island-Based International Marketing	800,000	-	800,000	-
316	MI2C Asia (Formerly MI2 Global - Management)	350,000	-	350,000	-
318	go.hawaii.com (Formerly Online Website Coordination)	350,000	-	350,000	-
320	Island Chapters Staffing and Admin	3,170,000	3,170,000	-	3,170,000
321	ISL (Formerly North America)	22,525,000	22,525,000	-	22,525,000
322	Canada	800,000	800,000	-	800,000
323	Japan	10,000,000	10,000,000	-	-
324	Korea	1,400,000	1,400,000	-	-
325	Oceania	1,900,000	1,900,000	-	1,900,000
326	Europe	400,000	400,000	-	400,000
329	China	2,000,000	2,000,000	-	-
330	Taiwan	500,000	500,000	-	-
331	Marketing, Convention & Incentives	2,300,000	-	2,300,000	-
336	Southeast Asia	500,000	500,000	-	-
339	Global Digital Marketing Strategy (Former Int'l Online Strat)	500,000	-	500,000	-
360	Global MI2 Shared Ranges (Formerly Intellect Prop Data Bank)	797,000	-	797,000	-
380	Marketing Opportunity Fund	2,000,000	-	2,000,000	-
397	Memberships and Dues - Branding	100,000	62,812	37,188	5,590
398	Travel - Branding	50,000	11,276	38,724	9,151
723	Hawaii Film Office Partnership	30,000	-	30,000	-
934	State Employee Salaries - Branding	570,050	126,569	443,481	12,463
<b>Subtotal</b>	<b>Branding</b>	<b>51,561,950</b>	<b>43,871,623</b>	<b>7,690,327</b>	<b>28,809,651</b>
<b>Sports</b>					
312	PGA Tour Contracts	2,206,364	2,156,364	50,000	-
347	Soccer	-	50,000	(50,000)	-

Hawaii Tourism Authority  
Budget Statement  
FY 2020 - As of November 30, 2019

Program Code	Program Title	Budget - FY20	YTD Encumbered (Budget Used)	Budget Remaining	November 2019 Activity
370	Tennis	425,000	225,000	200,000	-
377	Polynesian Football Huf	155,000	-	155,000	-
378	UW Millikin Branding Partnership	200,000	50,000	150,000	-
379	Sports Programs - Unallocated	4,263,636	-	4,263,636	-
382	Sports Community Outreach	30,000	30,000	-	-
<b>Subtotal</b>	<b>Sports</b>	<b>7,200,000</b>	<b>2,511,364</b>	<b>4,688,636</b>	<b>-</b>
<b>Safety and Security</b>					
601	Visitor Assistance Programs	650,000	-	650,000	-
602	Crisis Management	100,000	4,014	95,986	-
603	Lifeguard Program	700,000	-	700,000	-
604	Recreation Programs	400,000	394,386	5,614	-
606	Safety and Security Opportunity Fund	300,000	6,000	294,000	-
<b>Subtotal</b>	<b>Safety and Security</b>	<b>2,150,000</b>	<b>404,400</b>	<b>1,745,600</b>	<b>-</b>
<b>Tourism Research</b>					
501	Data Dissemination	54,000	-	54,000	-
505	Et of Visitor Arrivals by Country by Month	6,000	-	6,000	-
506	Infrastructure Research (Accommodations and Airports)	556,330	234,500	321,830	-
512	Visitor Arrivals and Departure Surveys	1,214,540	1,024,382	190,158	214,883
513	Evaluation and Performance Studies	1,148,405	420,860	727,545	-
514	Marketing Research	496,797	68,976	427,821	25,080
597	Memberships and Dues - Research	7,322	1,839	5,483	311
598	Travel - Research	15,000	4,325	10,675	1,136
935	State Employee Salaries - Research	393,000	392,322	678	-
<b>Subtotal</b>	<b>Tourism Research</b>	<b>3,993,394</b>	<b>2,119,204</b>	<b>1,874,190</b>	<b>341,212</b>
<b>Administrative</b>					
101	Community-Industry Outreach & Public Relations Secs	250,000	173,169	76,831	132,109
103	hawaiiauthority.org (formerly HTA web/Global Social)	100,000	-	100,000	-
901	General and Administrative	401,700	126,344	275,356	7,464
909	Protocol Fund	-	-	-	-
930	State Employee Salaries - Admin	1,075,000	1,047,630	27,370	-
998	Travel - Admin	50,000	16,607	33,393	5,376
<b>Subtotal</b>	<b>Administrative</b>	<b>1,876,700</b>	<b>1,363,751</b>	<b>512,949</b>	<b>146,390</b>
<b>Governance and Organization-Wide</b>					
915	Organization-Wide	240,000	-	240,000	-
919	Governance - Gen Board/Others	146,300	43,287	103,013	31,927
931	State Employees Fringe	1,436,517	1,436,517	-	(46,624)
<b>Subtotal</b>	<b>Governance and Organization-Wide</b>	<b>1,822,817</b>	<b>1,476,804</b>	<b>346,013</b>	<b>(14,697)</b>
<b>Total</b>	<b>FY 2020 Funds</b>	<b>86,790,788</b>	<b>58,972,883</b>	<b>27,817,905</b>	<b>29,389,230</b>
<b>Convention Center Enterprise Special Fund</b>					
934	State Employee Salaries - Branding	72,100	-	72,100	-
	<b>Branding</b>	<b>72,100</b>	<b>-</b>	<b>72,100</b>	<b>-</b>
930	State Employee Salaries - Admin	250,511	-	250,511	-
	<b>Administrative</b>	<b>250,511</b>	<b>-</b>	<b>250,511</b>	<b>-</b>
850	HCC Operating Expense	12,824,694	-	12,824,694	-
850	HCC Operating Expense	12,824,694	-	12,824,694	-
860	HCC Repair and Maintenance	4,753,020	-	4,753,020	-
860	HCC Repair and Maintenance	4,753,020	-	4,753,020	-
870	HCC Sales and Marketing / MFP	6,414,097	-	6,414,097	-
870	HCC Sales and Marketing / MFP	6,414,097	-	6,414,097	-
915	Organization-Wide	340,000	250	339,750	-
931	State Employees Fringe	187,389	-	187,389	-
	<b>Governance and Organization-Wide</b>	<b>527,389</b>	<b>250</b>	<b>527,139</b>	<b>-</b>
<b>Total</b>	<b>FY 2020 Funds</b>	<b>24,041,811</b>	<b>250</b>	<b>24,041,561</b>	<b>-</b>

Budget Reallocation Summary  
Through November 30, 2019

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations
<b>Perpetuating Hawaiian Culture</b>				
<i>From:</i>				
Hawaiian Culture Programs - Unallocated	200	7,780,000	(6,685,000)	1,095,000
State Employees Salaries - Hawaiian Culture	932	285,000	(54,375)	230,625
			-	-
			-	-
			-	-
			-	-
			-	-
			(6,739,375)	
<i>To:</i>				
Kūkulu Ola: Living Hawaiian Cultural Program	201	-	1,585,000	1,585,000
Hawaiian Culture Initiative	202	-	500,000	500,000
Maemae HTA	203	-	300,000	300,000
Market Support	204	-	300,000	300,000
Aloha Festivals	205	-	250,000	250,000
Kahea Harbor Greetings	206	-	250,000	250,000
Kahea Airport Greetings	207	-	1,500,000	1,500,000
King Kamehameha Celebration	210	-	150,000	150,000
Prince Lot Hula Festival	211	-	75,000	75,000
Merrie Monarch Hula Festival	212	-	150,000	150,000
Prince Kūhiō Celebration	213	-	75,000	75,000
Hawaiian Culture Opportunity Fund	215	-	200,000	200,000
ʻōlelo Hawaiʻi	216	-	500,000	500,000
Duke's OceanFest	373	-	50,000	50,000
Surfing	374	-	150,000	150,000
Mele Mei & Na Hōkū Music Festival	713	-	150,000	150,000
Canoe Paddling	715	-	90,000	90,000
May Day	716	-	85,000	85,000
Resort Area Hawaiian Cultural Initiative	718	-	325,000	325,000
In-House Contracted Staff - Hawaiian Culture	299	-	87,000	87,000
			6,772,000	
<b>Natural Resources</b>				
<i>From:</i>				
Natural Resources Programs - Unallocated	400	3,980,000	(3,980,000)	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			(3,980,000)	

Budget Reallocation Summary  
Through November 30, 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
State Employees Salaries - Community	933	210,000	(20,000)	190,000
				-
			<b>(4,638,200)</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
In-House Contracted Staff - Community	728	-	32,000	32,000
				-
			<b>4,650,200</b>	
<hr/>				
<b>Branding</b>				
<b>From:</b>				
None				-
				-
				-
			-	
<b>To:</b>				
				-
				-
				-
			-	

Budget Reallocation Summary  
Through November 30, 2019

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations
<b>Sports</b>				
<i>From:</i>				
Sports Programs - Unallocated	379	7,200,000	(2,916,364)	4,283,636
				-
				-
			(2,916,364)	
<i>To:</i>				
PGA Tour Contracts	312	-	2,206,364	2,206,364
Soccer	347	-	-	-
Tennis	370	-	425,000	425,000
Polynesian Football Hall of Fame	377	-	155,000	155,000
UH Athletics Branding Partnership	378	-	100,000	100,000
Sports Community Outreach	382	-	30,000	30,000
				-
			2,916,364	
<b>Safety and Security</b>				
<i>From:</i>				
None				-
				-
				-
			-	
<i>To:</i>				
				-
				-
				-
				-
			-	
<b>Tourism Research</b>				
<i>From:</i>				
None				-
				-
				-
			-	



Budget Reallocation Summary  
Through November 30, 2019

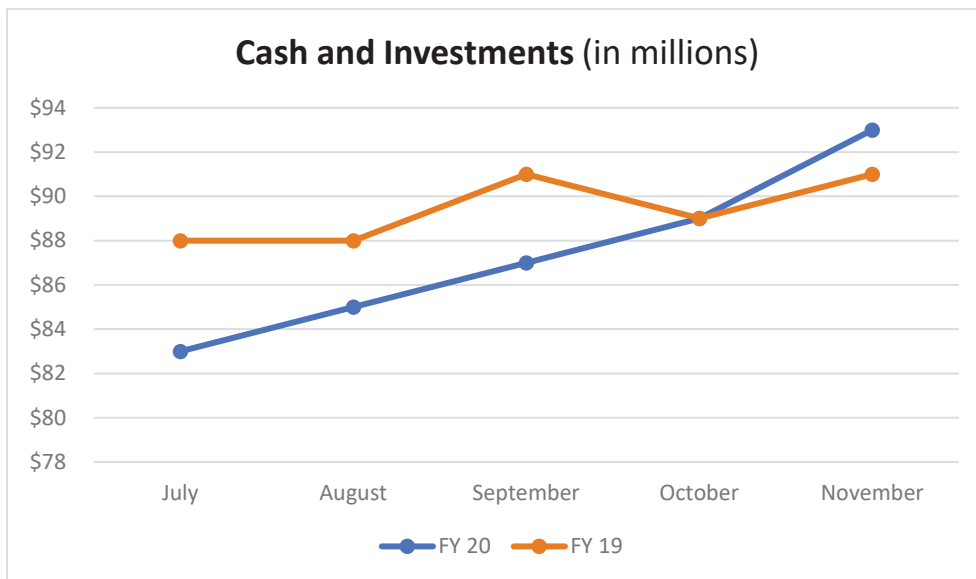
Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations
<b>To:</b>				-
				-
				-
				-
			-	
<hr/>				
<b>Administration and Organizationwide Costs</b>				
<b>From:</b>				
None				-
				-
				-
				-
			-	
<b>To:</b>				
				-
				-
				-
				-
			-	
<hr/>				
<b>Governance and Organization-Wide</b>				
<b>From:</b>				
State Employees Fringe	931	1,481,142	(44,625)	1,436,517
				-
				-
				-
			(44,625)	
<b>To:</b>				
				-
				-
				-
				-
			-	
<hr/>				
<b>Board Allocations</b>				
<b>From:</b>				
None				-
				-
				-
				-
			-	
<hr/>				

# HAWAII TOURISM AUTHORITY

Financial Statements – Executive Summary  
November 1, 2019 – November 30, 2019

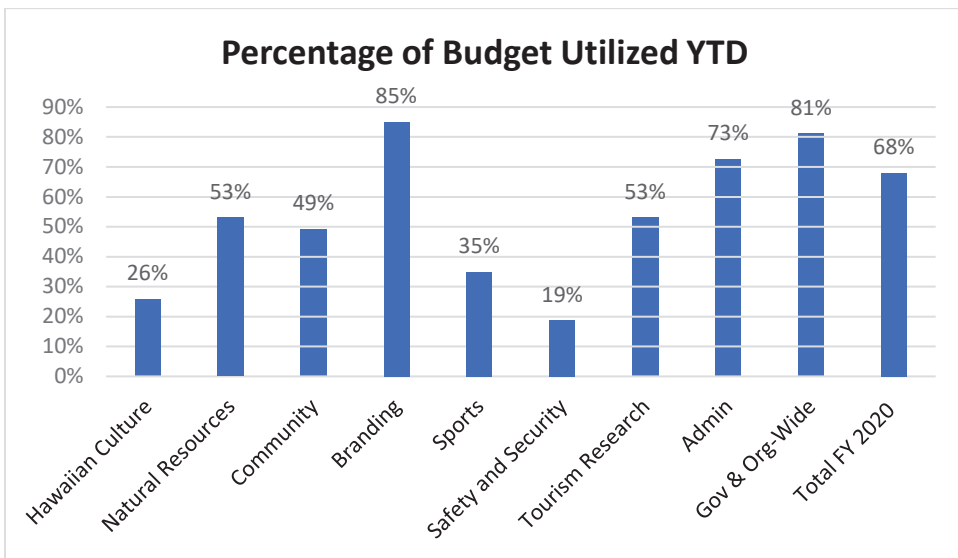
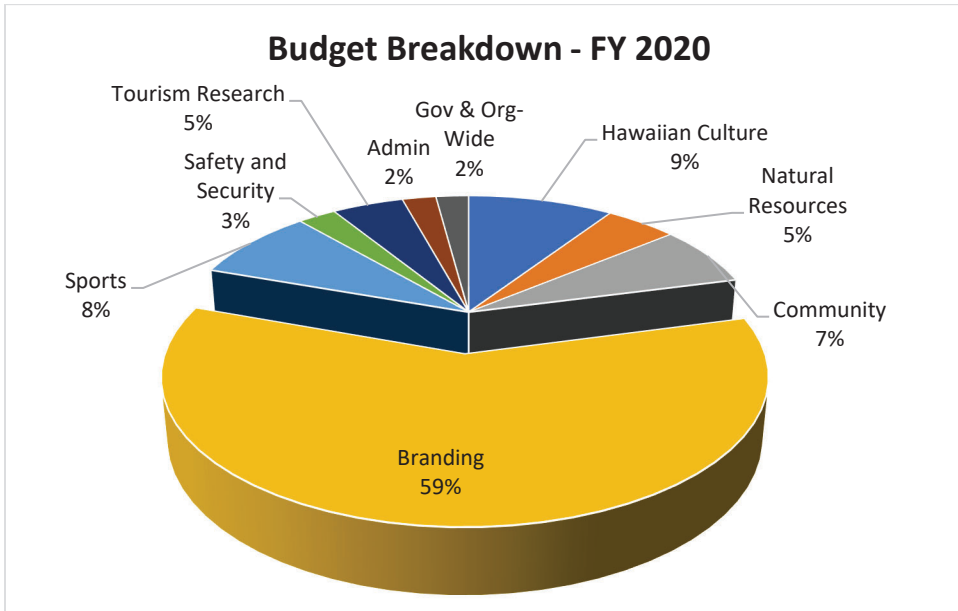
## **Tourism Special Fund:**

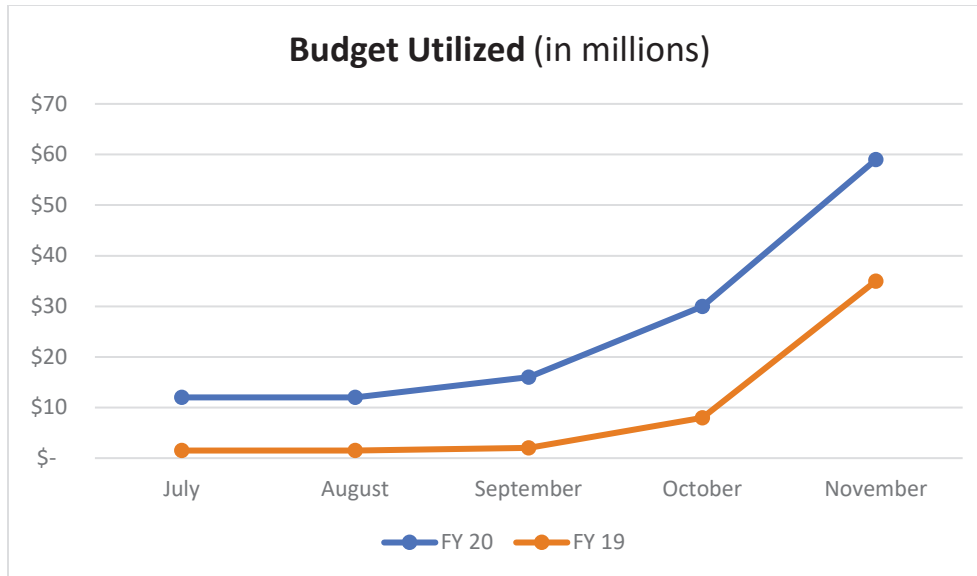
1. \$93.2M in cash and investments



- a. Includes \$5M in Emergency Fund held as investments.
  - b. Increase from October of \$4.0M due to:
    - i. Recording \$6.6M in TAT revenue and \$392K in investment income. This was offset by \$2.9M in expenditures.
2. \$26.2M 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. \$59.0M 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 November 2019, and \$32.9M in TAT YTD. Recorded \$873K in investment income YTD.
- b. Incurred \$2.9M of program and other expenditures for November 2019, and \$16.8M in expenditures YTD.

**Convention Center Enterprise Special Fund:**

7. \$33.4M in cash
  - a. Increase of \$3.5M from October due to recording \$1.4M in TAT, \$2.0M in HCC operations, and \$135K in investment income.
8. \$23.5M in cash with contractor or with DAGS, for R&M projects (as of October 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. This balance includes the \$1.2M the Board dedicated out of the FY

2020 budget toward increasing the Convention Center Major Repair & Maintenance Reserve.

10. \$1.0M of prior year encumbrances being spent down.

11. Operating Income:

- a. Recorded \$1.4M in TAT for November 2019 and \$6.9M in TAT YTD. Recorded \$275K in investment income YTD.
- b. Incurred \$33K in convention expenditures for November 2019, and \$67K in expenditures YTD.
- c. Convention Center operations:
  - i. \$482K operating loss YTD per HCC financial statements (as of October 2019).

**Hawaii Tourism Authority**

Balance Sheet

Tourism Special Fund

As of 11/30/19

	<u>Current Year</u>
Assets	
Current Assets	
Checking	88,153,760.38
Petty Cash	5,000.00
Total Current Assets	<u>88,158,760.38</u>
Total Assets	<u><u>88,158,760.38</u></u>
Fund Balance	
Current year payables	
Accounts Payable	128,921.32
Credit Card Payable	636.24
Total Current year payables	<u>129,557.56</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	1,838,735.49
FY 2019 Funds	22,576,372.49
FY 2020 Funds	58,514,897.79
Total Encumbered Funds	<u>84,700,595.40</u>
Unencumbered Funds	
Total Unencumbered Funds	3,328,607.42
Total Fund Balance	<u><u>88,158,760.38</u></u>

**Hawaii Tourism Authority**  
Balance Sheet  
Convention Center Enterprise Special Fund  
As of 11/30/19

	<u>Current Year</u>
Assets	
Current Assets	
Checking	33,434,512.80
Total Current Assets	<u>33,434,512.80</u>
Total Assets	<u><u>33,434,512.80</u></u>
Fund Balance	
Encumbered Funds	
FY 2018 Funds	295,003.00
FY 2019 Funds	747,866.26
Total Encumbered Funds	<u>1,042,869.26</u>
Unencumbered Funds	
Total Unencumbered Funds	32,391,643.54
Total Fund Balance	<u><u>33,434,512.80</u></u>

**Hawaii Tourism Authority**

Balance Sheet

Emergency Trust Fund

As of 11/30/19

	<u>Current Year</u>
Assets	
Current Assets	
Investments	5,083,461.14
Total Current Assets	<u>5,083,461.14</u>
Total Assets	<u><u>5,083,461.14</u></u>
Fund Balance	
Current year net assets	
	42,577.05
Total Current year net assets	<u>42,577.05</u>
Prior years	
Total Prior years	5,040,884.09
Total Fund Balance	<u><u>5,083,461.14</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>	<b>25,527,940</b>	<b>17,737,152</b>	<b>22,460,062</b>	<b>23,660,062</b>

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
348 - Tourism Special Fund  
20 - FY 2020 Funds  
From 11/1/2019 Through 11/30/2019

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
Transient Accomodations Tax	79,000,000.00	6,583,333.33	32,916,666.65	(46,083,333.35)
Miscellaneous	0.00	7,484.29	7,484.29	7,484.29
Refunds	0.00	8,934.07	24,980.45	24,980.45
Total Revenue	<u>79,000,000.00</u>	<u>6,599,751.69</u>	<u>32,949,131.39</u>	<u>(46,050,868.61)</u>
Expense				
Perpetuating Hawaiian Culture	8,113,125.00	46,962.57	79,921.42	8,033,203.58
Natural Resources	4,046,950.00	0.00	0.00	4,046,950.00
Community	6,026,752.00	2,269.28	7,787.59	6,018,964.41
Branding	51,561,050.00	11,569.60	70,233.33	51,490,816.67
Sports	7,200,000.00	0.00	168,750.00	7,031,250.00
Safety and Security	2,150,000.00	9,031.41	113,626.86	2,036,373.14
Tourism Research	3,993,394.00	26,235.71	60,592.30	3,932,801.70
Administrative	1,861,700.00	10,460.99	13,865.18	1,847,834.82
Governance and Organization-Wide	1,822,817.00	25,637.32	26,510.45	1,796,306.55
Total Expense	<u>86,775,788.00</u>	<u>132,166.88</u>	<u>541,287.13</u>	<u>86,234,500.87</u>
Net Income	<u>(7,775,788.00)</u>	<u>6,467,584.81</u>	<u>32,407,844.26</u>	<u>40,183,632.26</u>

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
361 - Convention Center Enterprise Special Fund  
20 - FY 2020 Funds  
From 11/1/2019 Through 11/30/2019

	<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	6,875,000.00	(9,625,000.00)
HCC Revenue	<u>0.00</u>	<u>2,032,076.75</u>	<u>2,781,134.66</u>	<u>2,781,134.66</u>
Total Revenue	<u>16,500,000.00</u>	<u>3,407,076.75</u>	<u>9,656,134.66</u>	<u>(6,843,865.34)</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	0.00	250.00	527,139.00
Total Expense	<u>24,841,811.00</u>	<u>0.00</u>	<u>250.00</u>	<u>24,841,561.00</u>
Net Income	<u>(8,341,811.00)</u>	<u>3,407,076.75</u>	<u>9,655,884.66</u>	<u>17,997,695.66</u>

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
348- Tourism Special Fund Prior Years  
From 11/1/2019 Through 11/30/2019

	Total Budget	Current Period Actual	Current Year Actual	Total Budget Variance
Revenue				
Interest and Dividends	0.00	391,657.17	872,607.11	872,607.11
Total Revenue	<u>0.00</u>	<u>391,657.17</u>	<u>872,607.11</u>	<u>872,607.11</u>
Expense				
Perpetuating Hawaiian Culture	3,546,744.58	192,392.35	1,320,402.64	2,226,341.94
Natural Resources	1,196,578.00	32,000.00	200,400.00	996,178.00
Community	2,604,719.50	148,119.15	1,251,370.29	1,353,349.21
Branding	26,084,684.49	2,073,204.71	10,218,438.59	15,866,245.90
Sports	2,790,463.45	6,550.00	1,004,150.00	1,786,313.45
Safety and Security	1,341,713.01	112,606.88	682,368.92	659,344.09
Tourism Research	3,804,989.32	193,530.63	1,151,617.24	2,653,372.08
Administrative	1,058,266.82	42,545.51	413,065.50	645,201.32
Governance and Organization-Wide	35,144.49	1,014.45	4,252.45	30,892.04
Total Expense	<u>42,463,303.66</u>	<u>2,801,963.68</u>	<u>16,246,065.63</u>	<u>26,217,238.03</u>
Net Income	<u>(42,463,303.66)</u>	<u>(2,410,306.51)</u>	<u>(15,373,458.52)</u>	<u>27,089,845.14</u>

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
361- Convention Center Enterprise Special Fund Prior Years  
From 11/1/2019 Through 11/30/2019

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
Interest and Dividends	0.00	135,452.42	275,696.71	275,696.71
Total Revenue	<u>0.00</u>	<u>135,452.42</u>	<u>275,696.71</u>	<u>275,696.71</u>
Expense				
HCC Operating Expense	954,383.40	0.00	0.00	954,383.40
HCC Sales and Marketing / MFF	75,918.83	0.00	0.00	75,918.83
Governance and Organization-Wide	79,300.00	32,732.97	66,732.97	12,567.03
Total Expense	<u>1,109,602.23</u>	<u>32,732.97</u>	<u>66,732.97</u>	<u>1,042,869.26</u>
Net Income	<u>(1,109,602.23)</u>	<u>102,719.45</u>	<u>208,963.74</u>	<u>1,318,565.97</u>

Hawaii 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
<b>Direct Event Income</b>								
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
<b>Total Direct Event Income</b>	<b>332,513</b>	<b>292,674</b>	<b>39,839</b>	<b>342,542</b>	<b>3,370,527</b>	<b>3,204,564</b>	<b>165,963</b>	<b>2,852,937</b>
<b>Direct Service Expenses</b>	<b>170,065</b>	<b>144,494</b>	<b>(25,571)</b>	<b>218,940</b>	<b>1,772,903</b>	<b>1,589,666</b>	<b>(183,237)</b>	<b>1,523,170</b>
<b>Net Direct Event Income</b>	<b>162,448</b>	<b>148,180</b>	<b>14,268</b>	<b>123,602</b>	<b>1,597,624</b>	<b>1,614,898</b>	<b>(17,274)</b>	<b>1,329,767</b>
<b>Ancillary Income</b>								
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
<b>Total Ancillary Income</b>	<b>745,658</b>	<b>590,618</b>	<b>155,040</b>	<b>885,051</b>	<b>6,369,624</b>	<b>6,784,206</b>	<b>(414,582)</b>	<b>5,375,961</b>
<b>Total Event Income</b>	<b>908,106</b>	<b>738,798</b>	<b>169,308</b>	<b>1,008,653</b>	<b>7,967,248</b>	<b>8,399,104</b>	<b>(431,856)</b>	<b>6,705,728</b>
<b>Other Operating Income</b>								
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
<b>Total Other Operating Income</b>	<b>19,293</b>	<b>8,042</b>	<b>11,251</b>	<b>38,015</b>	<b>191,940</b>	<b>80,420</b>	<b>111,520</b>	<b>123,328</b>
<b>Total Gross Income</b>	<b>927,399</b>	<b>746,840</b>	<b>180,559</b>	<b>1,046,668</b>	<b>8,159,187</b>	<b>8,479,524</b>	<b>(320,337)</b>	<b>6,829,057</b>
<b>Net Salaries &amp; Benefits</b>								
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)
<b>Total Net Salaries &amp; Benefits</b>	<b>492,537</b>	<b>487,857</b>	<b>(4,680)</b>	<b>428,332</b>	<b>4,533,893</b>	<b>4,937,667</b>	<b>403,774</b>	<b>4,209,129</b>
<b>Other Indirect Expenses</b>								
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
<b>Total Other Indirect</b>	<b>440,511</b>	<b>448,012</b>	<b>7,500</b>	<b>553,081</b>	<b>4,071,936</b>	<b>4,345,836</b>	<b>273,899</b>	<b>3,899,667</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>(5,152)</b>	<b>(189,029)</b>	<b>183,877</b>	<b>65,255</b>	<b>(443,877)</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>(14,678)</b>	<b>(214,029)</b>	<b>199,351</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**  
 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	1,156	0	1,156	0	1,156	50
Total Gross Income	1,156	0	1,156	0	1,156	50
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	1,450,452	366,439	1,816,891	2,224,000	407,109	1,765,542
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	2,453,349	1,249,316	3,702,665	3,871,000	168,335	3,844,903
Net Income (Loss) from Operations	(3,902,645)	(1,615,755)	(5,518,400)	(6,095,000)	576,600	(5,610,395)
Fixed Asset Purchases	0	0	0	0	0	13,054
Net Income (Loss) After Fixed Asset Purchases	(3,902,645)	(1,615,755)	(5,518,400)	(6,095,000)	576,600	(5,623,449)

**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**

## **10**

**Report from the Strategic  
Plan Investigative Committee  
and Presentation of the  
Hawaii Tourism Authority  
5-Year Strategic Plan  
2020-2025**

## Hawai'i Tourism Authority Strategic Plan 2020-2025

\*\*[Logo at bottom?]

**NOTE: Anything in red font is either a note or question to HTA, or tentative number/wording subject to review and change before finalization**

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## FOREWORD

Since our creation in 1998, the Hawai'i Tourism Authority has been guided by strategic plans that reflected their times. With HTA now in our third decade, this plan responds to new levels of tourism shaped by new technologies with new opportunities and new challenges.

What remains unchanged is HTA's mission: "To strategically manage Hawai'i tourism in a sustainable manner consistent with economic goals, cultural values, preservation of natural resources, community desires, and visitor industry needs." This plan represents our recommitment to that mission and, significantly, shifts more emphasis to address tourism's impacts. This shift recognizes the need for tourism to provide both a quality visitor experience and enhanced quality of life for Hawai'i residents, which, taken together, are the necessary ingredients for long-term success.

The mission is our *kuleana*, but it is not ours alone. This plan incorporates dialogue and input from the many stakeholders who are responsible for or affected by tourism in Hawai'i. Working together with the many government agencies, organizations, and individuals who are passionate about these islands, we are confident that tourism can continue to provide benefits far into the future.

## STRATEGIC PLAN OVERVIEW

### HTA's Evolving Set of Purposes

Act 156, SLH 1998 created the Hawai'i Tourism Authority. The law specifies a number of purposes and mandates, including:

- Strategic planning. This is a plan for HTA's own actions through 2025 – reflecting our legal powers, constraints, budget, and planning framework. Tourism will also be affected by many other private and public organizations that we cannot directly control, but the plan suggests ways we can coordinate and partner with these stakeholders.
- Hawaiian culture. The law requires us to perpetuate the uniqueness of the Native Hawaiian culture and community in the visitor industry experience.
- Marketing and brand management. This has traditionally been HTA's primary focus and will continue to be an area of emphasis.

The law also encourages HTA to develop programs that attract visitors, improve life for residents and heed both resident and visitor concerns over unintended tourism impacts.

As visitor numbers have grown more rapidly than visitor spending and as resident support for tourism has weakened in recent years, we have increased our focus on what is now commonly called **destination management**. This is the first strategic plan developed while HTA is rebalancing our attention from mainly marketing to greater emphasis on destination management.

Much of our new emphasis involves more time and funding to support Hawaiian culture, community and multicultural programs, and natural resources – as well as efforts to educate visitors about safety and responsible travel.

HTA is also legally empowered “to monitor, investigate, and respond to complaints about [tourism-related] problems ...”<sup>1</sup> We have historically responded to concerns about community impacts on an informal basis. Going forward this plan calls for a more systematic approach when invited by legislators and supported by affected communities.

### Strategic Directions and Accountability

HTA has been reorganized around four interacting “Pillars” supported by research and other administrative functions. This plan establishes a general goal for each Pillar.

**Natural Resources: *Respect for our natural and cultural resources.*** Dedicate resources to programs that enhance and support Hawai'i's natural resources and cultural sites to improve the quality of life for all of Hawai'i's residents and to enhance the visitor experience.

**Hawaiian Culture: *Support Native Hawaiian culture/community.*** *Ho'oulu* (grow) the uniqueness and integrity of the Native Hawaiian culture and community, and their significance in differentiating the destination, through genuine experiences for both visitors and residents.

**Community: *Ensure tourism and communities enrich each other.*** Work to make sure residents and local communities benefit from tourism by supporting programs valued by the community and aligned with the destination's brand and image; informing both residents and visitors of these programs and events; strengthening relations between residents and visitors; and forming partnerships to build a resilient tourism workforce and community.

**Brand Marketing: *Strengthen tourism's contributions.*** Take the lead in protecting and enhancing Hawai'i's globally competitive brand in a way that is coordinated, authentic, and market-appropriate; is focused on Hawai'i's unique cultures, diverse communities, and natural environment; and supports Hawai'i's economy.

Under the goal for each Pillar, this plan establishes several objectives and specific milestones or measures for tracking success.

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<sup>1</sup> Hawai'i Revised Statutes (HRS) §201B-3(a)(23)

The Pillars are intended to support an integrated destination management system, with four overall Key Performance Indicators (KPIs), representing the most important ways HTA will be accountable to our stakeholders:

- Resident Satisfaction
- Visitor Satisfaction
- Average Daily Visitor Spending
- Total Visitor Spending

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*Worldwide Perspective: “The good news is that tourism is growing, creating jobs and economic activity. The challenge is that this growth can put pressure on destinations.”*

*(World Travel & Tourism Council, McKinsey & Company,  
“Coping with Success: Managing Overcrowding in Tourism Destinations,” Dec. 2017)*

## 1.0 INTRODUCTION

Hawai'i tourism is at a point that requires a rebalancing of priorities. The continuous drive to increase visitor numbers has taken its toll on our natural environment and people, the very reason visitors travel to our islands. For this reason, **destination management** has become a major HTA focus and is at the heart of this 2020-2025 Strategic Plan update.

Our previous strategic plans have included attention to community benefits, Hawaiian culture, workforce training, and other destination concerns. What is different now is the greater emphasis and additional resources being directed to them.

At the same time, HTA is enabled by law<sup>2</sup> to “Have a permanent, strong focus on Hawai'i brand management”, primarily **marketing**. However, marketing can only do so much if we neglect the very resources that draw visitors to Hawai'i – our *‘āina*, our culture, our communities. By reinvesting in them, we strengthen the destination and better position ourselves to endure economic downturns.

### 1.1 Nature and Formation of This Strategic Plan

As noted in previous strategic plans, this update is envisioned to be the guiding document for HTA to carry out its legal mandate over the next five years.

The process for developing this plan began in June 2019 with stakeholder workshops on every island to discuss our new emphasis on destination management.

HTA staff then developed initial draft goals, objectives, and strategic choices for review and revision by the HTA Board's Strategic Plan Investigative Committee. This next version was reviewed by about 50 community, industry, and government stakeholders statewide. Their comments resulted in further review by staff and the Board's Committee, resulting in the final “Strategic Plan Contents” contained in Section 3.0 – the heart of the new plan.

HTA is investigating various tools to help measure progress on these issues, such as Aloha+ Challenge, annual Resident Sentiment surveys, and destination assessments .

### 1.2 Relationship of the Strategic Plan to the State Planning Act

The Hawai'i State Planning Act (HRS §226) of 1978 contains economic, social, and land-use objectives and policies, including broad policy guidelines to promote the economic health and quality of the visitor industry (HRS §226-103). The language in §226 relating to the “visitor industry” has been only lightly amended over the past 40 years.

Every State agency is charged with carrying out the policies in the State Planning Act. As such, the State Planning Act plays the role of a “State Plan,” and HTA understands and accepts our responsibility to ensure that our plans comply through implementation of our own strategic plan.

Figure 1 illustrates the alignment of the State Planning Act to HTA plans and reports.

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<sup>2</sup> HRS 201B-3(15)



Figure 1: HTA Plans and Reports

HTA strategic plans present goals, guiding principles, strategic choices, objectives, evaluation measurement criteria, and programmatic actions as guides for allocating HTA resources and efforts.

Using the Tourism Strategic Plan as a foundation, HTA’s annual operating plan (included in the “Tourism Marketing Plan” in Figure 2), organizes HTA for success. Additional short-term specific actions may be added in each “Marketing Plan.”

HTA accounts for our activities via our *Annual Report to the Hawai’i State Legislature*. The report reviews HTA expenditures and programs for the calendar year, including evaluations based on success measures in both the HTA Tourism Strategic Plan and the Tourism Marketing Plan.

**Relationship to the State’s Achievement of the United Nations Sustainable Development Goals.**

HTA supports the United Nations 17 Sustainable Development Goals (SDGs), and the UN 2030 Agenda for Sustainable Development. HTA will promote visitor industry alignment with the Aloha+ Challenge, Hawai’i’s recognized framework to achieve the UN SDGs, especially for energy, local food production and consumption, and water:

- ALOHA+ CLEAN ENERGY TRANSFORMATION: Business sector energy efficiency
- ALOHA+ LOCAL FOOD PRODUCTION AND CONSUMPTION: Local food production and consumption
- ALOHA+ NATURAL RESOURCE MANAGEMENT: Watershed forest area and native species

## HTA Mission

To strategically manage Hawai'i Tourism in a sustainable manner consistent with economic goals, cultural values, preservation of natural resources, community desires, and visitor industry needs.

## HTA Vision

By 2025, tourism in Hawai'i will:

- *Ho'oulu* (Grow) the uniqueness and integrity of the Native Hawaiian culture and community;
- Provide a unique, memorable and enriching visitor experience;
- Generate clear community benefits and responsibly manage tourism-related impacts and issues;
- Support a vital and sustainable economy.

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## 2.0 HAWAII TOURISM SITUATION ANALYSIS

The situation facing HTA, the visitor industry, and Hawai'i's communities has changed significantly since the 2016 HTA Strategic Plan was adopted.

**Overall Trends.** Visitor arrivals have set records each year since the 2016 plan, and the state is poised to reach the 10-million-annual-visitors milestone in 2019. While arrivals have been the traditional measure for tourism success, the “successful” increase in visitor numbers has created pressure on residential areas and visitor sites, threatening Hawai'i's quality of life and the visitor experience.

**Tourism Forecasts.** The United Nations World Tourism Organization (UNWTO) reported that 2018 global tourism arrivals totaled 1.4 billion (+5.4% over 2017), with receipts reaching \$1.45 trillion (+4.4%). UNWTO forecasts global tourism arrivals to continue to increase at about 3% annually.

The State Department of Business, Economic Development, and Tourism (DBEDT) forecasts that Hawai'i's visitor census (the number of visitors in the state on an average day) will increase to about 253,500 by 2025 and then continue growing by about 1% annually. For the first time, DBEDT also forecasts real daily spending to continue to decline in the future.

**Hawai'i's Strong Brand.** The Hawai'i brand remains strong and competitive, and it has been a source for growth since the last HTA strategic plan.

A strong commitment from Hawai'i's airline partners has resulted in a consistent increase in air seats to the state over the last nine years.

Hotels in Hawai'i enjoy some of the strongest performance results in the U.S. Hotel occupancy, revenue per available room, and average daily rates have all been strong, at least partially offsetting high operating costs in Hawai'i.

Along with the strength of Hawai'i's brand, high visitor satisfaction has also been a key reason for tourism growth. Roughly 90% of visitors from the U.S. and Canada rate their Hawai'i vacation experience “excellent” overall. About three-quarters of visitors from Japan rate their experience excellent. In surveys measuring perceptions of prospective visitors to Hawai'i, our islands have a very favorable image overall. Hawai'i also rates highly for important considerations such as safety, authenticity, and uniqueness.

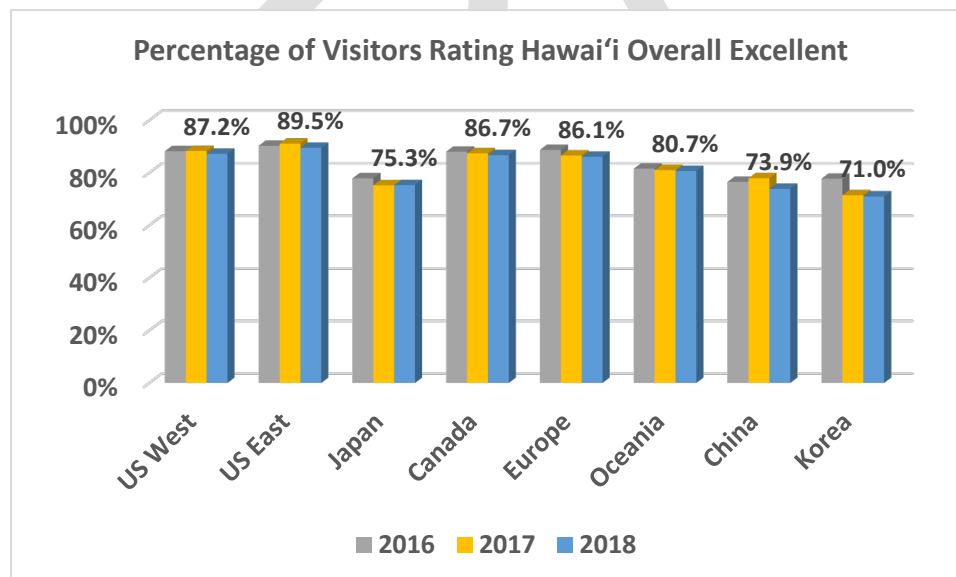


Figure 2: Visitor Satisfaction Scores by Major Markets

However, visitors find Hawai'i's value for the money to be a weak point, suggesting the need to continue to focus on creating and communicating high-quality experiences that justify Hawai'i's generally higher prices.

**Economic Contributions.** While Hawai'i's strong brand has been driving record numbers of visitors, tourism's percentage of Hawaii's GDP has declined. Tourism now accounts for about 17% of the state's gross domestic product (GDP) compared to about 25% two decades ago.

In eight of the last nine years, the average number of visitors in the state (the visitor census) has grown significantly faster than the rate of visitor daily spending. Inflation-adjusted visitor spending (per-person per-day) and total spending have both generally declined since mid-year 2018.

**Changes in Visitor Behavior.** Social media, global positioning technology, apps, peer review sites, and other advancements in technology provide visitors with much more control over their Hawai'i experience than ever before. Places that were once unknown to visitors are now often a challenge to manage. Many of these sites are culturally sensitive, on private land, or pose dangers to visitors.

Booking websites enable visitors to seek out lower-cost accommodations, including vacation rentals, many of which have been operating illegally. In 2018, about 1.3 million visitors stayed in bed and breakfasts, vacation rentals, or in shared accommodations.

Two-thirds of all visitors to the state are now repeat visitors. For the U.S. West, Hawai'i's most developed market, repeat visitors are 81% of arrivals. Repeat visitors often have different spending patterns than first timers. For example, they are less likely to stay in full-service hotels or visit commercial attractions.

Some higher-spending visitor segments (bridal/honeymoon, golf, meetings, and others) have declined as a percentage of total arrivals or stagnated since the last strategic plan.

**Resident Support for Tourism.** In 2018, there were nearly 243,000 visitors in the state on an average day, or about 14% of the total number of people present. In visitor-heavy Maui and Kaua'i counties, almost 30% of the people on island were visitors on an average day. Using new technologies, large numbers of these visitors are now going to sites that do not have the capacity to handle large crowds. The result has affected the experience of both visitors and residents, as traffic congestion and crowds change the character of popular sites and neighborhoods.

The increasing pressure caused by growth coincides with reduced resident support for tourism. HTA's resident sentiment surveys show the percentage of residents who feel that "tourism provides more benefits than problems" has declined from about 80% in 2010 to about 59% in 2018.

Statistical analysis of data in HTA's resident surveys indicates that having a voice in tourism development, presenting Native Hawaiian culture authentically, and preserving Native Hawaiian culture are the keys to improving resident sentiment. Support for tourism is weakest on the Neighbor Islands, especially Maui and Kaua'i counties, where tourism is increasingly blamed for traffic congestion.

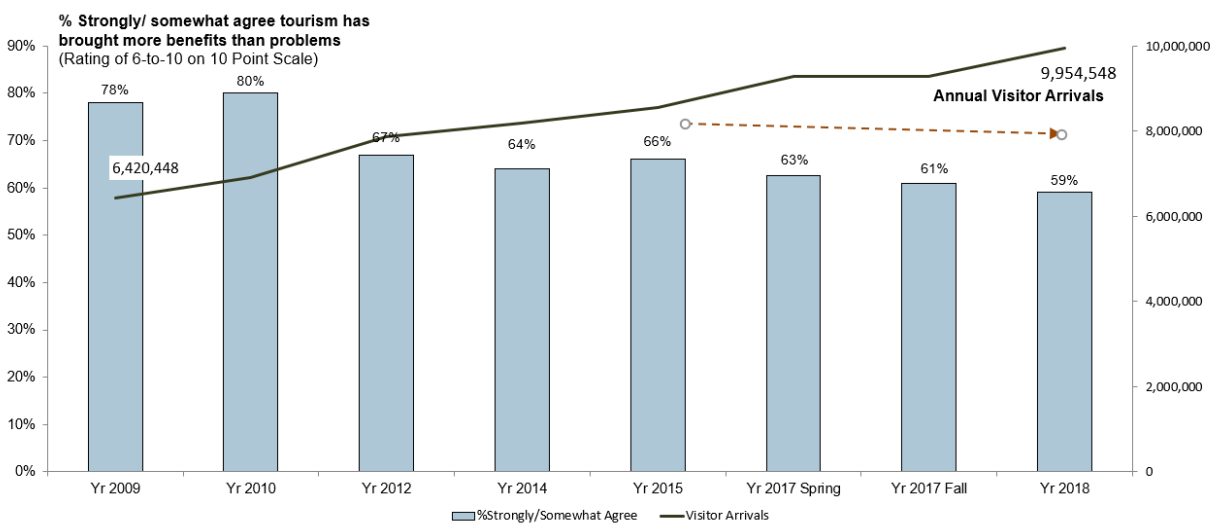


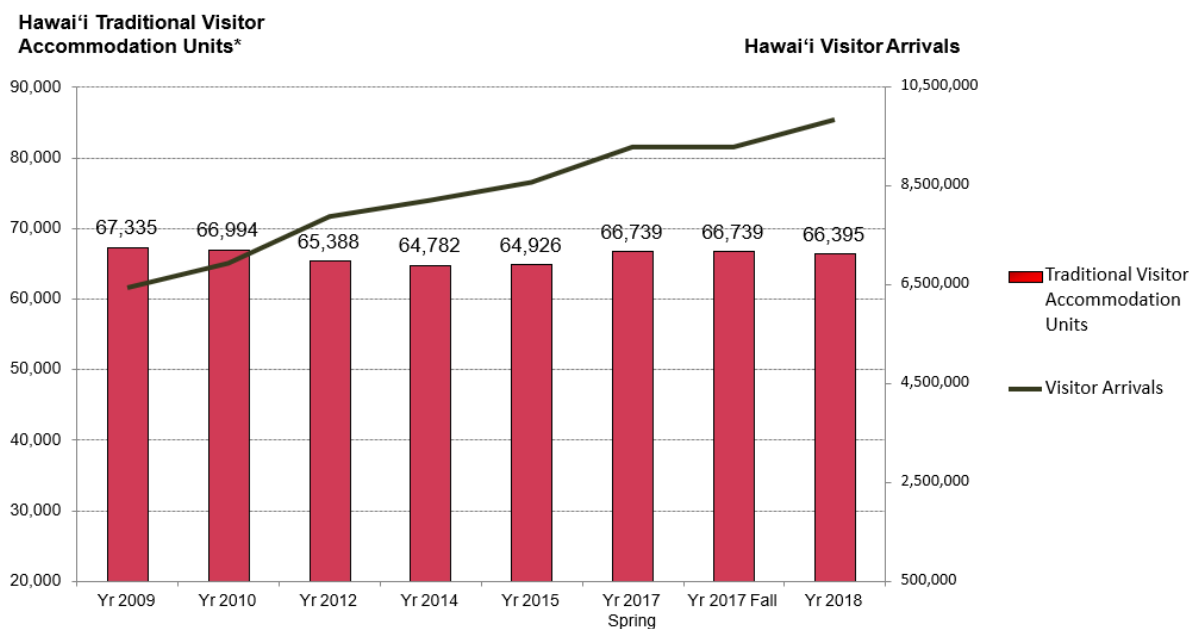
Figure 3: Resident Sentiment: "Tourism has brought more benefits than problems"

**Tourism Impacts and Destination Management.** Community concerns about tourism have appeared in numerous local articles about “overtourism,” highlighting overcrowding, traffic congestion, deteriorating conditions at parks and trails, and visitor encroachment in Hawai‘i neighborhoods.

Hawai‘i is not alone in dealing with the impacts of tourism growth. Tourism management plans have been developed in many destinations around the world to respond to growing concerns about tourism impacts. Tourism centers like Amsterdam, Barcelona, Rome, and Venice – as well as U.S. destinations such as Breckenridge in Colorado and the Columbia River Gorge in Oregon – have taken steps to control the effects of high-volume tourism.

**Emerging Technologies.** While technology has contributed to many of the negative issues related to visitor spending and visitor crowding, emerging technologies may also provide new tools for tourism management. Virtual and augmented reality, “big data,” advances in data analytics, 5G (the next generation of wireless), and other new technologies potentially enable destinations to more precisely target higher-spending visitors. They can also contribute to the management of visitor flows and safety.

**Accommodations.** The growth in arrivals over the past 10 years has primarily been driven by visitors staying in vacation rentals and other non-traditional accommodations, many of which were operating illegally, without a permit. While visitor arrivals have grown 53% since 2009, the number of accommodations traditionally located in resort areas (hotels, timeshare units, and condo hotels) declined by slightly less than 1%.



Source: Hawai‘i Tourism Authority

\*Note: Traditional units include hotel, condo hotel and timeshare units

Figure 4: Growth in Visitor Arrivals Compared to Growth in Traditional Accommodations

Hawai‘i’s counties have begun to implement stricter controls on illegal short-term vacation rentals following years of unregulated activity. Enforcement of limits will take many accommodation units off the market. While these changes respond to resident concerns about the encroachment of tourism into residential neighborhoods, stricter regulation may also affect the total number of visitors and the number of air seats to the state.

Hoteliers have invested in programs to expand, refresh, and diversify many hotel properties. Office buildings have been “repurposed” as hotels; older properties have been refurbished; and small properties have been upgraded as “boutique” hotels. While much of Hawai‘i’s hotel infrastructure is aging, these new initiatives are helping to keep Hawai‘i competitive with other destinations.

**Improvements in Meetings Management.** A recent change in the law allows marketing for both large meetings (those using multiple hotels or the convention center) and also smaller hotel-based meetings to be managed by the same contractor. HTA has conducted a search for a single organization to handle all of these aspects of marketing for meetings. The reorganized marketing effort will be better aligned with customer needs and is expected to improve the development of the higher-spending meetings market.

**Initial Tourism Management Initiatives.** Recognizing the increasing impact of high-volume tourism on attractions, sites, and residential neighborhoods, HTA has begun rebalancing our budgets to provide additional support for Hawaiian culture, community activities and visitor safety. HTA’s fiscal 2020 budget increased spending for Hawaiian culture, natural resources, and community programs by \$7.5 million compared to the previous year’s budget.

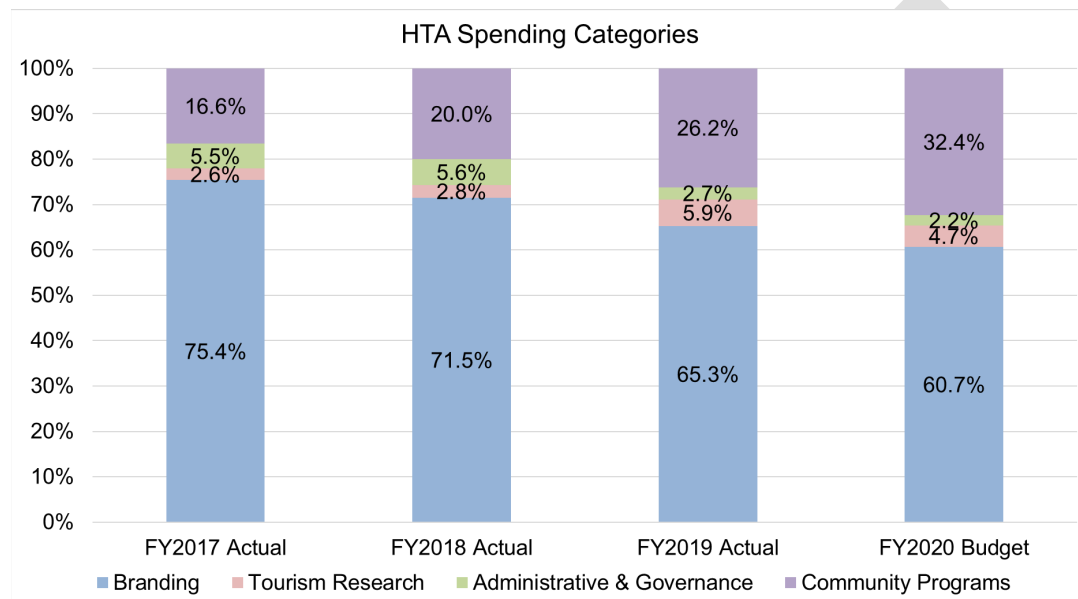


Figure 5: HTA Spending Categories

In order to respond to issues at specific sites that are managed by other agencies, HTA is collaborating with and providing funding for other agencies’ efforts to respond to tourism concerns at sites identified by elected officials and supported by the community.

**Potential Threats.** Tourism is often described as a fragile industry easily affected by weather or other events and crises, economic downturns, terrorism, and adverse publicity, beach erosion, or other unforeseen events. The Kīlauea volcano eruption on Hawai’i Island and the record rains on Kaua’i in 2018 are two recent examples of events that have impacted tourism.

International markets are especially sensitive to changes in currency values and political uncertainties. The most recent year-to-date arrivals from Oceania and what HTA calls “Other Asia” (China, Korea, Taiwan, Singapore, and Hong Kong) are down by more than 10%.

In preparation for future disasters, HTA has increased the resources we devote to safety and security, and we have established a close working relationship with the Hawai’i Emergency Management Agency (HI-EMA) to improve our ability to respond to potential future natural disasters and improve visitor safety.

Along with catastrophic threats like hurricanes and tsunamis, the Hawaiian Islands are vulnerable to global challenges like climate change and sea-level rise. HTA’s relationship with HI-EMA and other state planning agencies provides an important link to ensure tourism considerations are included in response plans.

The U.S. economy has experienced a record expansion since the 2008 economic crisis. The expansion will inevitably end, and a recession is always a possibility, though forecasting economic downturns is not a science. While currently there is no real downturn, visitor expenditures have been softening from mid-2018 through September 2019.

With the potential disruptions that can be caused by unforeseen events, HTA programs and contracts are designed to allow shifts in budgets and programs to respond to changing circumstances.

**Amount, Source, and Uses of Funds for HTA.** HTA operates with a fixed budget set by the State Legislature with funds from the Transient Accommodations Tax (TAT). The amount of TAT revenues provided to HTA’s Tourism Special Fund was capped in Fiscal Year (FY) 2014, and the cap was set at \$79 million in FY 2019.

A budget of \$79 million is a sizeable amount, but for perspective, it represented less than 0.5% of the total Hawai’i State executive budget (\$17.3 billion) for FY 2019.

**Tourism’s Economic Benefits.** Tourism supports a large portion of the state’s economy. The impacts can be described in many ways. However, the most common ways to describe tourism’s contribution are overall visitor spending and jobs. In 2018, visitor spending totaled \$17.6 billion, and the industry supported about 213,000 jobs.

In addition to the direct benefits of visitor spending, there are also indirect benefits, as employment and services not directly tied to tourism are also supported by the “ripple effects” of visitor spending.

The State government directly benefits from taxes collected from visitors – a total of \$1.33 billion in FY 2018 from all tax sources (the largest of which were general excise taxes and the TAT). The TAT was implemented in 1987 as a 5% tax collected from hotels and other accommodations. Since then, the tax has been increased periodically. The rate is now 10.25% (effective January 1, 2018) and generates over half a billion tax dollars (\$600.4 million in FY 2019).

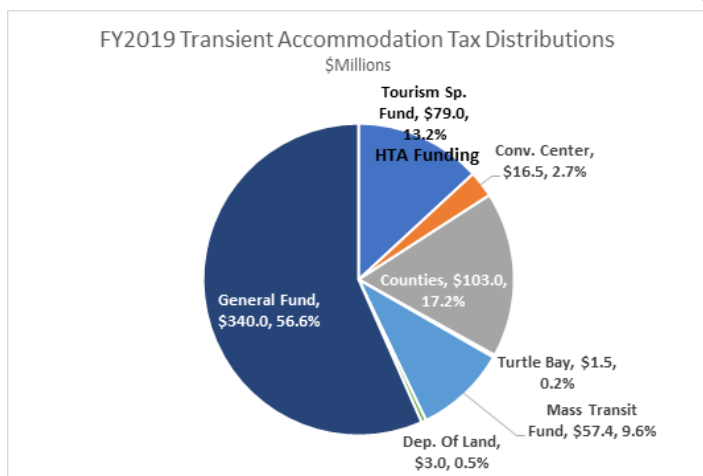


Figure 6: TAT Amounts Allocated to HTA and Other Purposes

Besides this Special Fund, other TAT revenues have been designated for additional purposes, including the Hawai’i Convention Center, assistance to the Department of Land and Natural Resources, and a Turtle Bay special fund to support a land management initiative on O’ahu’s North Shore. In FY 2019, the counties were allocated \$103 million of which City & County of Honolulu received \$45.4 million (or 44.1% of the counties’ allocation), County of Maui received \$23.4 million (22.8%), County of Hawai’i received \$19.2 million (18.6%), and County of Kaua’i received \$14.9 million (14.5%). The most recent change to the TAT was a 1% increase in 2018 to help fund the Honolulu Area Rapid Transit project (4% of receipts or \$23.6 million).

In addition to the direct tax visitors pay on accommodations, they also significantly contribute to the economy through other State taxes. In FY 2018, visitors generated \$716 million in general excise taxes, which go directly into the State’s general fund and support resident services ranging from education to highways. Resorts also support the counties’ tax bases, paying about \$135 million in property taxes.<sup>3</sup>

<sup>3</sup> FY 2018 tax data courtesy of Dr. Seth Colby, Tax Research and Planning Officer, Hawai’i State Dept. of Taxation



## SITUATION ANALYSIS SUMMARY

<p style="text-align: center;"><b>Strengths</b></p> <p>Hawai'i enjoys ...</p> <ul style="list-style-type: none"> <li>• Strong brand awareness</li> <li>• An intangible but real spirit of <i>aloha</i> and a distinct and vibrant Hawaiian host culture</li> <li>• Natural advantages for tourism including climate, natural beauty and environment</li> <li>• Unique characteristics that set it apart from other destinations including its history and heritage</li> <li>• A variety of experiences across six islands</li> <li>• A wide variety of accommodations and activities</li> <li>• A multiethnic resident population</li> <li>• A distinctive regional cuisine</li> <li>• A perception of relative safety</li> <li>• Strong levels of visitor satisfaction</li> <li>• Strong hotel occupancy and financials</li> <li>• Strong relationships with tour operators and airlines</li> <li>• Diversity in its source markets</li> </ul>	<p style="text-align: center;"><b>Opportunities</b></p> <p>Hawai'i can potentially take advantage of ...</p> <ul style="list-style-type: none"> <li>• Increasing the percentage of higher-spending visitors in its visitor mix</li> <li>• Smoothing seasonality</li> <li>• Growing interest in “voluntourism”</li> <li>• Communications programs fostering responsible and respectful tourism</li> <li>• Emerging technologies to manage tourism patterns and impacts</li> <li>• Improved abilities to sell business travel resulting from the reorganization of the sales process</li> <li>• Development of new international or long-haul markets resulting from extended air routes</li> <li>• Visa waivers and initiatives to streamline the visa application process</li> <li>• Island chapter presence in each county providing an on-the-ground resource to connect with local communities and issues</li> </ul>
<p style="text-align: center;"><b>Weaknesses</b></p> <p>Hawai'i faces ...</p> <ul style="list-style-type: none"> <li>• A relatively weak “value for the money” perception</li> <li>• Declining average daily visitor spending</li> <li>• Competition from destinations requiring shorter travel times and offering lower prices</li> <li>• Limited capacity for international flights to the Neighbor Islands</li> <li>• An aging visitor infrastructure</li> <li>• Overstressed and poorly maintained visitor sites and attractions; traffic congestion; airport inefficiencies</li> <li>• An increasing “visitor load” (average number of visitors as a percent of total population) causing stress, especially on Neighbor Islands</li> <li>• Eroding resident support for tourism</li> <li>• Limited financial resources</li> <li>• A perception that its strong leisure brand makes it an inappropriate business destination</li> <li>• Labor shortage</li> </ul>	<p style="text-align: center;"><b>Threats</b></p> <p>Hawai'i can be affected by ...</p> <ul style="list-style-type: none"> <li>• Natural disasters, hazards, crimes, and violence</li> <li>• Climate change</li> <li>• Beach erosion</li> <li>• Economic downturns</li> <li>• Lower visitor counts and total spending if recently enacted regulations on short-term vacation rentals significantly impact travel</li> <li>• Volatile international currencies, political events, and uncertainty</li> <li>• Increasing restrictions on visas</li> <li>• Adverse publicity generated by safety issues, unrest, or labor disputes</li> <li>• Health-related incidents and epidemics</li> <li>• Disruptions in air service</li> <li>• Reductions in air seats</li> <li>• Increased competition</li> </ul>

## **2.1 Conclusions About HTA's Evolving Role in Marketing Hawai'i**

Since our beginning, marketing has been a core part of HTA's mission. The role of marketing, though, has evolved as conditions have changed over time.

With roughly 10 million visitor arrivals, the focus of marketing is no longer set on driving volume.

With flat or declining per-person per-day visitor spending, strategic targeting to attract higher-spending visitors is more important than ever.

With visitors finding their way to residential, culturally sensitive, or unsafe sites, marketing has an expanded role in promoting safe and respectful traveling, and marketing programs now include initiatives to influence visitors after they arrive.

## **2.2 Conclusions About HTA's Emerging Role in Destination Management**

In 1902, the Hawai'i Promotion Committee was formed with a \$15,000 budget and a mission aptly reflected in its name: To promote travel to Hawai'i and grow the number of visitors here. That focus remained constant through the years.

However, within the last few years, the need to expand that focus became clear as visitor pressure on popular sites and residential areas grew, and the number of tourist arrivals approached 10 million annually.

Community leaders and government representatives have identified tourism issues and specific sites where tourism has affected the quality of life for residents and the quality of experience for visitors. Media coverage provides regular accounts of resident frustrations. Clearly, Hawai'i has reached a point where the impacts of tourism need to be actively managed.

In this environment, HTA has defined our role as a convener, collaborator, and supporter, working with other agencies and organizations that have direct authority or jurisdiction to manage Hawai'i's tourism challenges.

To ensure that management efforts are closely connected to community needs, HTA now relies on elected officials and community leaders to identify and prioritize issues and take the lead in working collaboratively for solutions.

To ensure that resources are available to address management issues, HTA is supporting other agencies within our ability and resources.

To ensure good stewardship of limited resources, all HTA projects are being linked to goals in the four "Pillars" of this plan: Natural Resources, Hawaiian Culture, Community, and Brand Marketing.

To maintain Hawai'i's position as a premier, world-class destination that delights its visitors and supports its residents' lifestyle and values, HTA has expanded its role in supporting destination management.

### 3.0 STRATEGIC PLAN CONTENTS

As noted in the Introduction, this plan is for HTA as an agency – focusing primarily on what HTA can do on its own, and secondarily, what it hopes to do in partnership with other public and private organizations.

The “destination management” side of Hawai'i tourism has many needs that HTA alone cannot usually meet. These include improvements to infrastructure (airports, roads, trails, etc.), clean bathrooms at parks, resort property upgrades, additional ocean-safety and environmental enforcement personnel, and other projects.

Addressing all of these would benefit residents as well as visitors. However, many of these are the legal or practical responsibility of other agencies (e.g., the State Department of Land and Natural Resources, State Department of Transportation, county governments, and elected officials).

HTA's strategic plan focuses on:

- Marketing and brand management aimed at bringing more high-spending, low-impact visitors;
- HTA-initiated contributions to community, cultural, and natural resource assets benefitting residents and visitors alike; and
- Reaching out to partner organizations, elected officials, and community groups to see if, when, and how we can work together to achieve destination management outcomes.

**Organization of HTA and of This Plan.** As currently organized, HTA has four “Pillars:”

- Natural Resources;
- Hawaiian Culture;
- Community (including community enrichment, workforce development, sports, safety and security); and
- Brand Management and Marketing (abbreviated here as Brand Marketing).

This plan is primarily organized by “Pillar.” However, there is substantial overlap and exchange among the “Pillars,” and together – along with support services and impact mitigation – they reinforce overall HTA operations. (See *Figure 7.*)

### 3.1 Definitions and Explanations of Terms Used in This Plan

**Elements of the Plan.** As used in this plan, the various parts, or elements, are defined as follows:

**Goal:** A broad overall end result, expressed in general language. Goals may be ongoing and usually lack measures of success. They are typically followed by one or more Objectives, which are more definite and measurable.

**Objective:** A more specific aspect of achieving a Goal. Objectives are expressed in ways suited to determining whether or not (or to what extent) they have been reached through Measures or Milestones.

**Measure of Success:** A quantitative (numerical) way of expressing whether (or to what extent) an Objective has been reached. A “measure” involves some change in dollars, percentages, or other number in explicitly or implicitly desirable ways.

**Milestone for Success:** A qualitative way of determining progress toward an Objective (e.g. accomplishing a specific defined action). This is typically a new thing (e.g. starting a new program, or acquiring a capacity that is currently lacking, etc.) needed to reach the Objective. A “milestone” describes an intended action that either gets done as intended (success) or not (lack of success).

**Guiding Principle:** A value statement about how to accomplish Goals and/or Objectives. (In the following Section 3.2, these are expressed as “Responsibilities” or *Kuleana*.)

**Strategic Choice:** An important overall or “high-level” decision about how to work toward Goals and/or Objectives. Most of the Strategic Choices on the following pages reflect different approaches being implemented from 2020 onward. However, a few are longstanding HTA choices of which the public is not always aware.

#### Other Terms Used in This Plan

**Responsible Tourism:** *Ua Mau ke Ea o ka ‘Āina i ka Pono (The life of the land is perpetuated in righteousness)*

Responsible Tourism has been defined as “making better places for people to live in and better places for people to visit.”<sup>4</sup> More specifically, Responsible Tourism is described as tourism that:

- “minimizes negative economic, environmental and social impacts;
- “generates greater economic benefits for local people and enhances the well-being of host communities, improves working conditions and access to the industry;
- “involves local people in decisions that affect their lives and life changes;
- “makes positive contributions to the conservation of natural and cultural heritage, to the maintenance of the world’s diversity;
- “provides more enjoyable experiences for tourists through more meaningful connections with local people, and a greater understanding of local cultural, social and environmental issues;
- “provides access for people with disabilities and the disadvantaged;
- “is culturally sensitive, engenders respect between tourists and hosts, and builds local pride and confidence.”

**Hawai‘i Brand:** As defined in Hawai‘i Revised Statutes §201B-6(a), “... the programs that collectively differentiate the Hawai‘i experience from other destinations.” A brand is the sum total of the physical, intangible, and perceived aspects of a product or service that distinguish it from alternatives.

**Globally Aligned or Globally Coordinated:** Hawai‘i tourism is marketed in nine major market areas (MMAs) that together include selected target markets around the world. To effectively communicate the

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<sup>4</sup> Responsible Tourism was defined in Cape Town in 2002 during the World Summit on Sustainable Development. This definition, the Cape Town Declaration, is now widely accepted and was adopted by the World Travel Market in 2007 for World Responsible Tourism Day.

essence of Hawai'i's brand, the core message must be consistent and aligned across markets. Within this core message, marketing contractors can adjust the message to reflect local market styles and preferences.

**Destination Management:** As defined in this plan, this includes attracting and educating responsible visitors; advocating for solutions to overcrowded attractions, overtaxed infrastructure, and other tourism-related problems; and working with other responsible agencies to improve natural and cultural assets valued by both Hawai'i residents and visitors.

**Envisioned Impact Planning Component.** On a long-term basis, this means moving toward a more organized approach to minimizing negative tourism impacts – both in responding to existing concerns and planning in order to prevent future ones. It also involves thinking more broadly about developing the necessary framework to achieve this end (inclusive of budgetary, staffing, legal authority, and inter-agency coordination).

The inclusion of such an “Envisioned Planning Component” in the following Figure 7 represents a commitment by HTA to explore these issues. There may be other steps needed beyond those listed in Figure 7. However, the steps shown – such as possibly adding a staff position for planning and community facilitation – currently seem the most likely for further exploration.

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### **3.2 HTA's Guiding Principles and Strategic Choices**

#### **HTA's Responsibilities (Our *Kuleana*)**

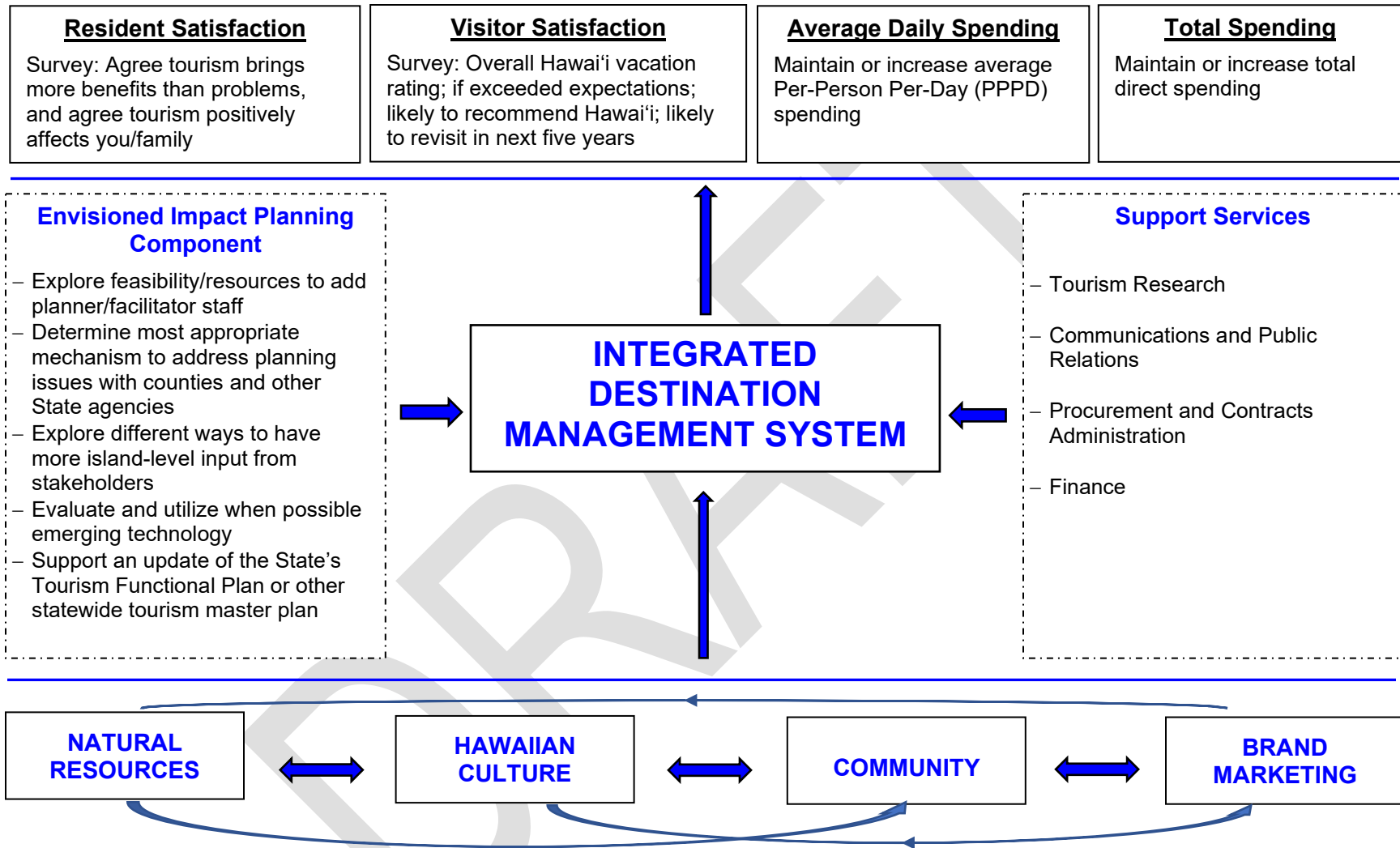
Above and beyond HTA's legal responsibilities, our *kuleana* is to:

- Actively address broad tourism issues by shifting more of HTA's resources into destination management, attracting and educating visitors, and working with other agencies to strengthen natural and cultural assets valued by both Hawai'i residents and visitors.
- Lead the visitor industry in supporting a strong Hawai'i economy. Even as we focus more on tourism management, it is also our *kuleana* to communicate tourism's economic benefits, such as providing jobs and tax revenues.
- Protect and market the Hawai'i "brand" while managing the destination. We understand this balance point will be a moving target over time.
- Place resident interests and benefits first. It is our responsibility to listen to tourism-related resident concerns, and to collaborate with industry, community, and government to work toward solutions.

#### **Strategic Choices for the Next Five Years: Clarifying and Increasing Destination Management**

HTA, like any organization, must make strategic choices about how to best use our limited resources. Hawai'i's economy depends on tourism, and we will continue to focus primarily on marketing the Hawai'i brand. However, as we put more emphasis on destination management, we will move forward with the following strategies:

- HTA is now spending proportionately more time and money on programs that strengthen what makes Hawai'i unique in the world and benefit the community. Our marketing efforts have more emphasis on educating visitors to travel responsibly and attracting visitors who create greater social and economic benefits.
- We are emphasizing growth in the social and economic benefits of tourism and reducing its impacts to our natural and cultural resources. We will focus on higher-spending visitors rather than growth in visitor numbers, and we will pay greater attention to impact management.
- We will continue to respond to specific tourism-related issues and contribute to solutions on a case-by-case basis – when invited by elected officials and supported by the community.
- We will explore ways to become more involved in destination planning and management at the county and state levels through collaboration with public and private sector partners. (See Figure 7 – “Envisioned Impact Planning Component”)
- We are focusing on destination management as an integrated system. This will include ongoing efforts to bring together county, state, federal, and private agencies to address specific tourism-related issues at overcrowded sites; offering timely responses to other community concerns; airport and harbor issues; visitor education; marketing to higher-spending, lower-impact visitors; and supporting organizations that strengthen social, cultural, and environmental activities for residents and visitors.
- HTA's integrated destination management system rests upon four “Pillars” of (1) Natural Resources; (2) Hawaiian Culture; (3) Community (including sports and safety); and (4) Brand Marketing. (See Figure 7.)



**The Four Pillars of HTA's Investments in Assets Benefiting Both Residents and Visitors**

*Figure 7: HTA Destination Management Based on Four Pillars*

### **3.3 Natural Resources Pillar**

*He ali'i ka 'āina, he kauwā ke kanaka.*  
The land is chief, and man is its servant.<sup>5</sup>

The reciprocal nature of our relationship to land is that we care for our natural resources and in return the land will care for us. In this symbiotic relationship, as people dedicate time and resources to the well-being of the land, the residents and visitors of this land will thrive.

#### **Goal: *Respect for our natural and cultural resources***

Dedicate resources to programs that enhance and support Hawai'i's natural resources and cultural sites to improve the quality of life for all of Hawai'i's residents and to enhance the visitor experience.

#### **Guiding Principles:**

- Support, nurture, and amplify conservation and natural resource management by communities, nonprofits, and county, state, and federal agencies.
- Engage and encourage active education and management strategies of natural resources in areas frequented by visitors.

#### **Strategic Choices:**

- Over the next five years, we are increasing our attention to improving and enhancing visitor-impacted infrastructure and natural resources, such as forests, parks, trails, cultural sites, beaches, and reefs.
- As we invest in the uniqueness and biodiversity of our islands, we are supporting sustainable management, responsible tourism, and educational outreach in areas with high visitor traffic.
- Recognizing the impacts of climate change and sea level rise, we will coordinate and collaborate with relevant organizations to make the tourism industry more resilient.

#### **Objectives and Associated Measures:**

Objective 1: Encourage and support sustainable and responsible tourism.

- **Milestone(s)/Measure(s)** for Obj. 1:
  - (a) Increasing number of training sessions provided for visitor industry partners.
  - (b) Increasing number of management level trainings.

Objective 2: Engage and encourage active natural and cultural resource management strategies in areas frequented by visitors.

- **Milestone(s)/Measure(s)** for Obj. 2:
  - (a) Maintained or increased funding by HTA to other agencies for improving and managing tourism-impacted natural and cultural sites in proportion to overall budget.
  - (b) **Identification of high impact areas by mobile location data tracking.**

Objective 3: Promote visitor industry alignment with the Aloha+ Challenge, Hawai'i's recognized model to achieve the United Nations Sustainable Development Goals, especially for energy and water.

- **Milestone(s)/Measure(s)** for Obj. 3:
  - (a) Increased number of partners/organizations joining the Hawai'i Green Business (HGB) Program.
  - (b) **Initiation of efforts to track sustainable efforts of the visitor industry, possibly in these key areas:**
    - Increased number of kilowatt hours saved;
    - Reduced amount of water consumed;
    - Increased number of renewable energy installations;
    - Reduced amount of petroleum used;
    - Reduced amount of plastic waste.

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<sup>5</sup> 'Ōlelo No'eaue – Hawaiian Proverbs & Poetical Sayings by Mary Kawena Pukui, Number 531



**Programmatic Actions:**

- Provide funding through requests for proposals (RFPs) to organizations whose projects manage, protect, and improve Hawai'i's natural resources.
- Support efforts that encourage the visitor industry to purchase local products and locally grown food whenever appropriate to reduce dependence on imports and increase local economic activity.
- Contract to provide sustainable tourism certification and industry training modules to partners.
- Assist and recognize visitor industry businesses that operate in an environmentally and socially responsible manner, including local food purchasing and products, waste reduction, and reducing petroleum-based energy, and water usage.
- Conduct a collaborative environmental sustainability program with natural resource partners to mitigate visitor impacts and support responsible tourism initiatives.
- Collaborate with other government agencies, business/property owners and senior management to protect and enhance recognition of Hawai'i as a green destination and to meet or exceed the state's climate change and sustainability goals through the Aloha+ Challenge.

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### **3.4 Hawaiian Culture Pillar**

*‘O ke aloha ke kuleana o kāhi malihini.*  
Love is the host in strange lands. Every guest is treated as family.<sup>6</sup>

*Ho‘okahi nō lā o ka malihini.*  
A guest for only a day.<sup>7</sup>

Feelings of affection, compassion, mercy, sympathy, kindness, grace, charity, and so much more are appropriate translations of *aloha*. Through *aloha*, visitors are no longer guests after a day. They are contributing members of the family having the same *kuleana* as we do to protect all that is Hawai‘i.

#### **Goal: Support Native Hawaiian Culture/Community**

*Ho‘oulu* (grow) the uniqueness and integrity of the Native Hawaiian culture and community, and their significance in differentiating the destination, through genuine experiences for both visitors and residents.

#### **Guiding Principles:**

- Strengthen the relationship between the visitor industry and the Hawaiian community.
- Strive to nurture the Hawaiian culture by creating visitor experiences, activities, and marketing programs that are respectful and accurate.
- Support Hawaiian programs and cultural practitioners, craftsmen, musicians, linguists, and other artists to help preserve and perpetuate Hawaiian culture.

#### **Strategic Choices:**

- We are giving increased emphasis to the Hawaiian language by preserving language resources past and present, and by encouraging appropriate use of the language.
- We are strengthening the interaction of the HTA with other Native Hawaiian-serving organizations in alignment with our goals and objectives.

#### **Objectives and Associated Measures:**

Objective 1: Support the everyday use of the Hawaiian language.

- **Milestone(s)/Measure(s)** for Obj. 1:
  - (a) Maintained or increased proportion of total budget for HTA cultural programs each year, specifically those focused on *‘ōlelo* preservation or education.
  - (b) Increased annual number of visits and unique visitors to the *Ma‘ema‘e* toolkit on the HTA website.

Objective 2: Ensure the accurate portrayal of Hawaiian culture by HTA’s marketing contractors.

- **Milestone(s)/Measure(s)** for Obj. 2:
  - (a) Establishment of criteria for cultural content of marketing materials.
  - (b) Assurance, through annual marketing contractor performance review of marketing and promotional materials and activities, that these materials and activities meet the standards of the cultural and language content criteria.

Objective 3: Encourage accurate portrayal of Hawaiian culture in visitor industry marketing and experiences for visitors.

- **Milestone(s)/Measure(s)** for Obj. 3:
  - (a) Sponsorship or co-sponsorship of a statewide conference bringing together industry decision makers, cultural practitioners active in the industry, and various Native Hawaiian cultural groups to review best practices in marketing and visitor experiences.
  - (b) Publication of recommendations from the conference, along with participants’ comments about the feasibility of carrying out the recommendations.

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<sup>6</sup> *‘Ōlelo No‘eau – Hawaiian Proverbs & Poetical Sayings* by Mary Kawena Pukui, Number 2453

<sup>7</sup> *‘Ōlelo No‘eau – Hawaiian Proverbs & Poetical Sayings* by Mary Kawena Pukui, Number 1078

Objective 4: Increase understanding and respect for cultural practitioners, cultural sites, and cultural resources.

- Milestone(s)/Measure(s) for Obj. 4:
  - (a) Establishment of a system for measuring and reporting the number of lodging industry entities with on-site cultural practice programs and practitioners, results to be tracked/reported annually.
  - (b) Numerical results of a survey (at least once during the next five years) of HTA's cultural training program graduates to determine extent of their activities.
  - (c) Development of a partnership with recognized Hawaiian cultural organizations to identify sites that are being used appropriately or inappropriately for touristic purposes.

Objective 5: Provide the visitor industry with opportunities for Native Hawaiian cultural education and training for its workforce.

- Milestone(s)/Measure(s) for Obj. 5:
  - (a) Establishment of a requirement in workforce cultural training contracts to assess and report on program effectiveness.
  - (b) Annual reporting data that indicate increased numbers of organizations offering products and services certified as meeting HTA standards.

#### **Programmatic Actions:**

- Provide funding for Native Hawaiian festivals and events that perpetuate the Hawaiian culture and community and create unique and memorable experiences for residents and visitors.
- Provide the visitor industry, including senior level management and business owners with access to comprehensive Hawaiian cultural training, curriculum and program.
- Work with contractors to enhance the visitor experience with programs that create and nurture a Hawaiian sense of place.
- Support Hawaiian cultural practitioners by creating opportunities in the visitor industry while enhancing the visitor experience.
- Fund programs that help to revitalize and normalize 'ōlelo Hawai'i (Hawaiian language).
- Enhance programs to provide meeting planners with an introduction to Hawaiian history and culture.
- Work with the University of Hawai'i to require that all HTA funded scholarships include coursework in Hawaiian Studies and Hawaiian Language.
- Elevate the position of Hawaiian cultural experts within the visitor industry to develop standards and practices.

### **3.5 Community Pillar**

*‘A‘ohe hana nui ke alu ‘ia.*

No task is too big when done together by all.<sup>8</sup>

What’s good for the community is good for tourism. Effective communication with local residents about tourism, its contributions, and how it affects their community is important. When opportunities to collaborate and support community projects present themselves, we can all, collectively, help diversify the visitor experience.

#### **Goal: *Ensure Tourism and Communities Enrich Each Other***

Work to make sure residents and local communities benefit from tourism by supporting projects valued by the community and aligned with the destination’s brand and image; informing both residents and visitors of these projects and events; strengthening relations between residents and visitors; and forming partnerships to build a resilient tourism workforce and community.

#### **Guiding Principles:**

- Work from the premise that “What’s good for the community is good for tourism.”
- Enhance the quality of life for residents and overall experience for visitors.
- Invest in programs that support community activities valued by residents and visitors for the social, economic, and environmental benefits they bring.

#### **Strategic Choices:**

- Our communications leadership position is now focusing on communications with local residents about tourism’s contributions to our communities.
- We are now requiring HTA-sponsored sports events to have clear and measurable community benefits and a strong nexus to tourism.
- We are expanding resources and support for safety-related programs that impact residents and visitors.
- As part of the new destination management emphasis, we are exploring how to create a stronger and more systematic approach to managing tourism impacts.

#### **Objectives and Associated Measures:**

Objective 1 (community enrichment): Generate and/or invest in initiatives and projects that provide for positive resident-visitor interaction, celebrate Hawai‘i’s multicultural heritage, and support better relations between communities and the tourism industry.

- **Milestone(s)/Measure(s) for Obj. 1:**
  - (a) Targeted attendee satisfaction is at least 85%.
  - (b) Targeted percentages of attendees/participants are at least 25% residents and at least 25% visitors.
  - (c) Number of new or improved projects funded.
  - (d) Improved Resident Sentiment Survey measure on “Tourism is good for me and my family.”

Objective 2 (workforce development): Help build a globally competitive visitor industry workforce with programs for residents starting from school age, to college students, and to those already in the visitor industry.

- **Milestone(s)/Measure(s) for Obj. 2:**
  - (a) Successful initiation of a schedule bringing together industry and education partners in a workforce committee to meet at least twice a year, beginning in the second half of 2020.
  - (b) HTA invest in at least three new programs as a result of the workforce committee.

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<sup>8</sup> *‘Ōlelo No‘eau – Hawaiian Proverbs & Poetical Sayings* by Mary Kawena Pukui, Number 142

Objective 3 (communications): Generate effective messages to enhance residents' understanding of how Hawai'i tourism helps perpetuate Hawaiian culture, preserve the environment, and support communities.

- **Milestone(s)/Measure(s)** for Obj. 3:
  - (a) Growing reach and engagement on all HTA social media platforms.
  - (b) Increased numbers of news stories about HTA-sponsored events and programs.

Objective 4 (safety and security): Support education and prevention programs to improve safety among visitors and residents and to maintain Hawai'i's reputation as a safe destination.

- **Milestone(s)/Measure(s)** for Obj. 4:
  - (a) Improved visitor awareness of ocean and hiking safety information, as measured by increase in the percentage of surveyed visitors that recall seeing or hearing a safety-related video or message.
  - (b) Annual Marketing Effectiveness Study (MES) results for selecting Hawai'i as "It is a safe and secure place" and reason to return to Hawai'i as "It is safe."
  - (c) Annual Visitor Satisfaction Survey (VSAT) results for item "Based on your most recent trip to Hawai'i, how would you rate the state of Hawai'i on being a safe and secure destination?"

Objective 5 (safety and security): Actively participate in Hawai'i Emergency Management Agency's (HI-EMA's) preparedness exercises and serve as a communications link to assist Hawai'i's visitor industry and visitors during times of crisis.

- **Milestone(s)/Measure(s)** for Obj. 5:
  - (a) Number of channels/tools available (and if needed, used) to inform and educate visitor industry businesses and visitors about various foreseeable types of emergencies.
  - (b) Maintained or improved exercise measurements as established by HI-EMA.

Objective 6 (mitigation): Identify, mitigate, and address key issues threatening community support for tourism and the integrity of Hawai'i's tourism industry by working with public agencies and private organizations.

- **Milestone(s)/Measure(s)** for Obj. 6:
  - (a) Number of issues identified by island.
  - (b) Number of issues addressed via stakeholder meetings by island.

Objective 7 (sports): Support sports programs that create community engagement, have marketing value, provide economic benefits, support Hawai'i's youth, and are aligned with Hawai'i's brand.

- **Milestone(s)/Measure(s)** for Obj. 7:
  - (a) Economic impact from high-profile sporting events.
  - (b) Number of communities reached/served through the sports programs.
  - (c) Number of youth participation through the sports programs.

#### **Programmatic Actions:**

- Provide funding through requests for proposals (RFPs) to support community projects that help diversify the visitor experience and align with our guiding principles.
- Provide development and training opportunities to build community organizations' effectiveness.
- Increase awareness of HTA-funded community programs.
- Expand programs that build a strong, globally competitive workforce for Hawai'i's visitor industry, providing quality employment opportunities for residents. Create a taskforce to determine how to meet employer and employee needs.
- Conduct communications outreach and a social media campaign to educate residents and local media about the breadth and depth of tourism's statewide benefits.
- Invest in safety promotion and injury prevention programs, such as ocean and hiking safety videos, to educate and inform visitors and residents.
- Support security programs to enhance safety and curtail criminal activity.
- Support statewide water safety programs to increase safety awareness at Hawai'i's beaches.
- Support visitor assistance programs such as the Visitor Aloha Society of Hawai'i (VASH) and its counterparts in each county.
- Actively participate in HI-EMA exercises and training that enhance HTA's ability to respond to crises.
- Convene community, government, and industry networks to support destination management and increase collaboration in responding to negative tourism impacts on Hawai'i's communities.
- Support sporting events that provide community benefits, as well as marketing and economic benefits.

### **3.6 Brand Marketing Pillar**

*Pā i ka leo.*

Touched by the voice.<sup>9</sup>

*Lei Mahiki i ka ua kōkō'ula.*

Mahiki wears a *lei* of rainbow-hued rain.<sup>10</sup>

Hawai'i is adorned with its unique culture and natural landscapes. The warm voice that calls out to visitors is inviting and welcoming. This voice also instructs us to *nihī ka hele*, to tread lightly, so that our travel activities are low-impact, coordinated, authentic, and market-appropriate. In the eyes of the beholder, Hawai'i is a destination paradise. It is important to educate residents and visitors on how to respect these voices of care and value.

#### **Goal: *Strengthen Tourism's Contributions***

Take the lead in protecting and enhancing Hawai'i's globally competitive brand in a way that is coordinated, authentic, and market-appropriate; is focused on Hawai'i's unique culture and natural environment; and supports Hawai'i's economy by effectively attracting higher-spending, lower-impact travelers.

#### **Guiding Principles:**

- Develop effective marketing plans for each of HTA's designated major market areas (MMAs) with a common brand message, communicated in a way that is market appropriate.
- Differentiate Hawai'i from its competition by focusing on our unique Hawaiian culture, authentic activities, natural environment, and attractions, by engaging Native Hawaiian organizations.
- Focus marketing on higher-spending, lower-impact prospects by developing data-driven plans based on a deep understanding of current visitors and the visitor of the future.
- Nurture partnerships with industry partners – especially airlines, wholesalers, hoteliers, cruise lines, and others in the travel distribution system.
- Align marketing programs with the responsible development of tourism, including appropriate elements of the Aloha+ Challenge.
- Use advances in technology to enhance marketing efficiency and effectiveness, reach intended audiences, and promote responsible tourism.

#### **Strategic Choices:**

- We are managing marketing programs by implementing a review system tied to measurable results, closely linking contractor performance to HTA marketing principles and objectives.
- We are focusing more on Responsible Tourism within our marketing plans, including post-arrival programs to promote visitor safety and responsible travel.
- We will be contracting with a centralized MCI (Meetings, Conventions, Incentives) sales and marketing organization to manage convention center, large multi-property, and single-property meetings; provide centralized global coordination; and improve credibility.
- We are collaborating with our contractors to coordinate the development of marketing materials for regions around the world with a common brand platform while allowing for market-specific nuances.

#### **Objectives and Associated Measures:**

**Objective 1:** Ensure that Hawai'i's brand image is globally aligned and consistent with marketing principles of authenticity, uniqueness, and Responsible Tourism.

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<sup>9</sup> *‘Ōlelo No‘eau – Hawaiian Proverbs & Poetical Sayings* by Mary Kawena Pukui, Number 2575

<sup>10</sup> *‘Ōlelo No‘eau – Hawaiian Proverbs & Poetical Sayings* by Mary Kawena Pukui, Number 1972

- **Milestone(s)/Measures for Objective 1:**
  - (a) Prospective visitors surveyed in the Marketing Effectiveness Survey (MES) who were aware of Hawai'i marketing materials but had never been to Hawai'i scoring statistically higher in perceptions of uniqueness of the destination than those who were unaware.
  - (b) Assurance, through annual contractor performance review and HTA oversight checklists, that marketing materials in each major market area have consistent branding, are aligned with core values, and are appropriately adapted for nuances in each market.

**Objective 2:** Ensure marketing is focused on higher-spending, lower-impact market segments in each market area.

- **Milestone(s)/Measures for Objective 2:**
  - (a) Development of an expanded target list of higher-spending, lower-impact market segments by each Global Marketing Contractor.
  - (b) Increased percentages of the marketing budget devoted to high-spending market segments, along with increased MCI arrivals.
  - (c) Annual results of a new Visitor Satisfaction survey question asking if visitors recall hearing or seeing information about safe and responsible travel.

**Objective 3:** Maintain or improve the strength of Hawai'i's brand relative to its competitors.

- **Milestone(s)/Measures for Objective 3:**
  - (a) Improved Hawai'i's ratings in the MES for "value" and "unique experiences."

**Programmatic Actions:**

- Contract for marketing in designated market areas and manage their programs in order to attract visitors to Hawai'i consistent with HTA's goals and guiding principles.
- Implement a Responsible Tourism marketing communications program to educate visitors both pre- and post-arrival with specific information about safe and respectful travel.
- Work with island-based organizations representing all six islands to maintain appropriate branding for each island, coordinate with all market contractors, and collaborate with island-based stakeholders.
- Work with subject matter experts to optimize the use of technology to take advantage of emerging applications and opportunities.

## ACKNOWLEDGMENTS

*The Hawai'i Tourism Authority extends our sincere appreciation to all of the people below, who each contributed their time and kōkua to this Strategic Plan. Mahalo!*

### HTA Board of Directors

*Italics indicate participation on Strategic Plan Investigative Committee (SPICOM)*

L. Richard Fried Jr. (Board Chair)  
Founding Member  
Cronin Fried Sekiya Kekina &  
Fairbanks  
Attorneys at Law

*Micah Alameda  
Marketing Manager  
Nā Leo TV*

*Fred Atkins  
Managing Partner  
Kaua'i Kilohana Partners*

David Z. Arakawa  
Executive Director  
Land Use Research Foundation of  
Hawai'i

Daniel Chun  
Director of Sales, Community &  
Public Relations – Hawai'i  
Alaska Airlines

George Kam  
Ambassador of Aloha

*Kyoko Kimura  
Director-Owner Relations  
Aqua-Aston Hospitality*

*Ku'uipo Kumukahi  
Director of Hawaiian Culture and  
Community Relations  
Hyatt Regency Waikiki Beach Resort  
& Spa*

Sherry Menor-McNamara  
President & CEO  
Chamber of Commerce Hawai'i

Benjamin Rafter  
CEO  
OLS Hotels & Resorts

Kelly Sanders  
Vice President of Operations  
Highgate

*Kimi Yuen (SPICOM Chair)  
Principal/Planner  
PBR Hawai'i & Associates, Inc.*

### HTA Key Leadership Staff

Chris Tatum  
President and CEO

Caroline Anderson  
Director of Community Enrichment

Jennifer Chun  
Director of Tourism Research

Pattie Herman  
Vice President, Marketing & Product  
Development (from Dec. 1, 2019)

Karen Hughes  
Vice President, Marketing & Product  
Development (through Oct. 4, 2019)

Kalani L. Ka'anā'anā  
Director of Hawaiian Cultural Affairs  
and Natural Resources

Keith Regan  
Chief Administrative Officer

Marc Togashi  
Vice President, Finance

Marisa Yamane  
Director of Communications & Public  
Relations

### HTA Staff

Minami Aoki  
Tourism Market Manager

Maile Carvalho  
Accounting Assistant

Maka Casson-Fisher  
Programs Specialist

Leslie Centeno  
CEP Coordinator

Minh-Chau Chun  
Tourism Research Manager

Isabella Dance  
Contracts & Administrative Manager

Jadie Goo  
Director of Marketing

Laci Goshi  
Tourism Market Manager

Dede Howa  
Manager of Hawaiian Cultural Affairs

Chael Kekona  
Programs Specialist

Talon Kishi  
Budget & Fiscal Officer

Lawrence Liu  
Tourism Research Statistician

Joseph Patoskie  
Tourism Research Manager

Ronald Rodriguez  
Contract Specialist

Chris Sadayasu  
Tourism Market Manager

Noriko Sloan  
Operations Manager

Vengie Talaro  
Administrative Assistant

Laurie Tam  
Administrative Assistant for Finance

### Strategic Plan Consultants

John M. Knox  
President  
John M. Knox & Associates, Inc.

Sara Bolduc  
Senior Research Associate  
John M. Knox & Associates, Inc.

Aja Kop  
Research Associate  
John M. Knox & Associates, Inc.

Frank Haas  
President  
Marketing Management, Inc.

### Creative Layout and Production Team: OrangeRoc

Melinda Mullis  
President

Katherine Von Thelen  
Design Team Lead



## **Interviewees**

### **Visitor Industry, Labor, and Landowners**

Julie Bicoy  
Director  
Destination Moloka'i  
Ross Birch  
Executive Director  
Island of Hawai'i Visitors Bureau

Doug Chang  
General Manager  
Ritz-Carlton Residences, Waikīkī  
Beach

Toni-Marie Davis  
Executive Director  
Activities & Attractions Association of  
Hawai'i, Inc.

Donna Domingo  
President  
ILWU Local 142

Sherry Duong  
Executive Director  
Maui Visitors & Convention Bureau

Jeffrey Eslinger  
Senior Director, Market Insights  
Hawai'i Visitors & Convention  
Bureau (HVCB)

Les Goya  
Vice President  
Queen Emma Land Co.

Mufi Hannemann  
President & CEO  
Hawai'i Hotel & Lodging Association

Peter Ingram  
President & CEO  
Hawaiian Airlines

Jason Ito  
Director, Administration  
Kyo-ya Management Company, Ltd.

Sue Kanoho  
Executive Director  
Kaua'i Visitors Bureau

Jonathan McManus  
Principal  
Private Label Collection

John Monahan  
President & CEO  
HVCB

Mary Neister  
Vice President, MCI  
HVCB

Barbara Okamoto  
Vice President, Market Insights &  
CRM  
HVCB

Chris Resich  
President  
MC&A, Inc.

Noelani Schilling-Wheeler  
Executive Director  
O'ahu Visitors Bureau

Peter Shaindlin  
President  
Halekūlani Hotel

Jay Talwar  
Sr. Vice President, Marketing  
HVCB

Eric Takahata  
President  
Hawai'i Tourism Japan

Andre Tatibouet  
President  
Hawai'i Hotel Consultants, LLC

Mitsue Varley  
Vice President, Marketing  
Hawai'i Tourism Japan

Cheryl Williams  
Regional Vice President, Sales &  
Marketing  
Highgate

Eric Workman  
Vice President & Chief Marketing  
Officer  
Polynesian Cultural Center

### **Safety**

Jerry Dolak  
Director of Safety & Security  
Hilton Hawaiian Village Waikīkī  
Beach Resort

Jessica Lani Rich  
Executive Director  
Visitor Aloha Society of Hawai'i

### **Culture**

John DeFries  
Executive Director  
Native Hawaiian Hospitality  
Association

Mehanaokalā Hind  
Director of Community Engagement  
Office of Hawaiian Affairs

Hōkūlani Holt-Padilla  
Director, Ka Hikina o Ka La  
University of Hawai'i Maui College

## **Natural Resources**

Suzanne Case  
Chair & Director  
State Department of Land & Natural  
Resources (DLNR)

Curt Cottrell  
Administrator, Division of State  
Parks  
DLNR

Mike Millay  
Nā Ala Hele Program Manager,  
Division of Forestry and Wildlife  
DLNR

Brian Neilson  
Administrator, Division of Aquatic  
Resources  
DLNR

Josh Stanbro  
Chief Resiliency Officer  
City & County of Honolulu

Trisha Kēhaulani Watson  
Principal  
Honua Consulting

## **County Government**

Hon. Derek Kawakami  
Mayor  
County of Kaua'i

Hon. Michael Victorino  
Mayor  
County of Maui

Kay Fukumoto  
Director, Office of Economic  
Development  
County of Maui

Edwin Hawkins  
Director, Office of Economic  
Development  
City and County of Honolulu

Diane Ley  
Director, Office of Economic  
Development  
County of Hawai'i

Robbie Melton  
Director, Office of Economic  
Development  
County of Kaua'i

Ipo Mossman  
HTA Liaison, Office of Economic  
Development  
County of Maui

Teryl Venci  
Community Liaison (Tourism), Office  
of the Mayor  
County of Maui

**State Government**

Linda Chu Takayama  
Chief of Staff  
Gov. David Ige

Rep. Richard Onishi  
Chair  
House Tourism Committee

Sen. Glenn Wakai  
Chair  
Senate Tourism Committee

Rep. Sylvia Luke  
Chair  
House Finance Committee

Mike McCartney  
Director  
Dept. of Business, Economic  
Development & Tourism

Ross Higashi  
Deputy Director (Airports)  
Dept. of Transportation

John Richards  
Dean of Business, Legal,  
Technology, Culinary & Hospitality  
Kapi'olani Community College

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**[May Be Inside Back Cover]**  
**The Aloha+ *Mālama* Mandate**

*On April 19, 2019, Hawai'i's island leaders signed the Aloha+ Mālama Mandate in honor of Global Goals on Local Action Day. This marked Hawai'i's designation as a United Nations Local2030 Hub – the first hub in the Pacific and Island hub worldwide. The Hawai'i Tourism Authority recognizes the importance of supporting the Mālama Mandate for the future Hawai'i, our residents, and as a premier visitor destination.*

The Hawai'i Tourism Authority commits to the *Mālama* Mandate as a Call to Action through 2025. Inspired by our love for Hawai'i, our collective ancestors and descendants, and our commitment to navigating towards a better future for Island Earth, we will:

- Perpetuate *mālama* values and the spirit of aloha within my personal life, my *'ohana*, my community, and with visitors, as well as through my work and the respective institutions we serve;
- Take action to advance the Aloha+ Challenge, Hawai'i's local framework to achieve the United Nations Sustainable Development Goals, through a *mālama 'āina* approach;
- Honor the legacy of the Native Hawaiian culture and knowledge, which are embodied in the legacy of Mālama Hawai'i and the message of *Mālama Honua* carried across the world's oceans by the *Hōkūle'a*;
- Build a global culture of sustainability for future generations, grounded in key values of *mālama*, *'ohana*, *kuleana*, and *aloha*.
- Acting together, Hawai'i can be the starlight that helps others find the balance and share an island worldview with the rest of the world.

**[Followed by signatures of all HTA Staff]**

[\*\* OUTSIDE BACK COVER: If like last year, just HTA contact info minor text over graphic]

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# **Agenda Item**

## **11**

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

# November 2019

HTA Board of Directors Update  
December 2019 Report



# ***Agenda***

- **Financial Update**
- **CIP Update**
- **Sales & Marketing Update**

# 2019 Financial Update

	2019 November Actual	2019 Reforecast	2019 Budget	Variance	2018 Actual
Facility Occupancy	30%	32%	31%	1%	29%
Facility Number of Events	21	239	200	39	206
Facility Gross Revenue	\$1,077,100	\$16,595,400	\$15,672,300	\$923,100	\$13,991,600
Facility Gross Expenses	\$1,307,400	\$17,870,100	\$17,667,300	(\$202,800)	\$16,160,800
Facility Net Loss	(\$230,300)	(\$1,274,700)	(\$1,995,000)	\$720,300	(\$2,169,200)
S&M Net Expenses	(\$433,600)	(\$5,274,600)	(\$6,095,000)	\$820,400	(\$6,221,100)
HCC Net Loss	(\$663,900)	(\$6,549,300)	(\$8,090,000)	\$1,540,700	(\$8,390,300)



# 2019 Food & Beverage Update

Food & Beverage	2019 November Actual	2019 Reforecast	2019 Budget	Variance	2018 Actual
<b>F&amp;B Revenue</b>	<b>\$766,400</b>	<b>\$10,972,500</b>	<b>\$10,406,100</b>	<b>\$566,400</b>	<b>\$8,817,300</b>
F&B Expenses	\$457,000	\$6,724,600	\$5,910,300	(\$814,300)	\$5,825,400
Net Income	\$309,400	\$4,247,900	\$4,495,800	(\$247,900)	\$2,991,900
% of flow through	41%	39%	43%	(5%)	34%

# 2019 ROI

HCC Revenue + State Revenue + Tax Revenue

= \$267.3M

HCC Expense \$19.6M

***ROI = For every dollar spent by HCC we returned  
\$13.60 to the State***

# CIP Update

- Boiler Replacement – Start installation Jan 2020
- Cooling Tower Replacement – awarded, issue NTP
- Ala Wai Waterfall Repair - awarded, target start Jan 2020
- Facility Equipment - awarded, target delivery end Jan 2020
- Camera, NVR and Access Control – awarded, contracting
- Trellis Renovation – awarded, contracting
- #320 Roof Repair – awarded, target start Jan 2020
- House Sound Audio System – issued RFP, proposals due Jan 2020
- FB China and Equipment Upgrade – issue RFP Dec 2019

# HCC Sales Update

- 2,495 room nights closed in November 2019 bringing YTD total to 64,616 room nights closed.
- Tentative pipeline November YTD total = 237,017 room nights

# Sales Initiatives

The following is a brief listing of other sales related activities.

- Sales mission to Washington, DC area with a focus on presenting an HCC bid proposal to the National Guard Association of the US 2024 Annual Meeting (9,620 rns) and the American Chemical Society Pacific Chem meeting in 2024 (40,000 rns).
- 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 Letters of Commitments.
- Continued implementation of updates/processes/upgrades of the Ungerboeck USI software by the HCC IT/USI administration team to help ensure a smooth HCC/HVCB transition.
- Preparations for participation at the Expo Expo trade fair hosted by IAEE (Intl Association for exhibitions and Events) in Las Vegas, NV December 3-5, 2019. An ASM Sales Meeting will also take place pre this trade fair.

# Sales Initiatives

The HCC sales team participated in the following trade fairs as outlined below.

## PCMA Asia Pacific Annual Conference in Macau.

Provided information about Hawai'i and submitted two single property type leads to the HVCB team for travel agent and corporate small group/incentive type programs.

## IBTM World in Barcelona, ES.

A leading annual global trade fair for the meetings, incentives, conferences and events industry. Met with association executives and PCO's.

Secured the following leads:

- World Parkinson Coalition (4,000 delegates in June 2025);
- Intl Brain Research Association (4,500 delegates in Sept 2027);
- Intl Society of Stem Cell Research (4,000 delegates in June 2026);
- Intl Chamber of Congress (1,200 delegates in June 2027);
- Intl Association of Applied Linguistics (1,600 delegates in August 2026);
- Poly [Plantronics + Polycom merged] (900 delegates in May 2021)

Participation at IBTM continues to show promise for future opportunities.

## TEAMS (Travel, Events And Management in Sports) Conference & Expo in Anaheim, CA

The world's leading conference and expo for the sports-event industry. Provided information about Hawai'i and secured a lead for the National Collegiate Roller Hockey Association (1,300 delegates in Spring of 2023).

# Advertising and PR

## PR Coverage for November:



News Release announcing HCC's latest awards:

2019 Prime Site Awards

Stella Awards and Levy Restaurants'

President's Excellence Award

News Release announcing two recent promotions to HCC's management team

# Advertising and PR

## PR Coverage for November:



Winter Wishes opening coverage on KHON2, KITV4, HNN, and the Star Advertiser. Ongoing coverage planned.





# Advertising and PR

## Advertising (North America)

- Full page ad + advertorial in Northstar's Stella Awards supplement

## Other Advertising

- Digital ads + eblast in SportsEvents Magazine
- Digital ads on SportsTravel magazine website
- Digital ad on PCMA Asia's "Communique" eblast

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# Advertising and PR

## Local Advertising

- Holiday Pā'ina ad placement in Pacific Business News
- Winter Wishes ad placements (radio, TV, social media and print campaign)



***HAPPY HOLIDAYS !!!***



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