

Hawai'i Tourism Asia

Market Update Webinar



Korea





Challenges



- ❁ Unstable currency exchange rate as a result of Europe's economic crisis



- ❁ 13.8% appreciation in 2 months making dollar denominated destinations more expensive

❁ August 1:	1050.50 won/dollar
❁ September 26	1195.80 won/dollar

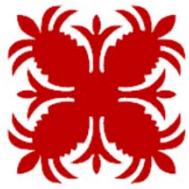


- ❁ Leap-year every four years (Superstition)



- ❁ Avoid wedding ceremonies and travel abroad in a Leap-year (2012) as part of this ancient Korean superstition



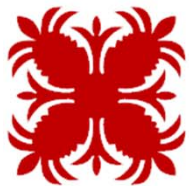


Challenges

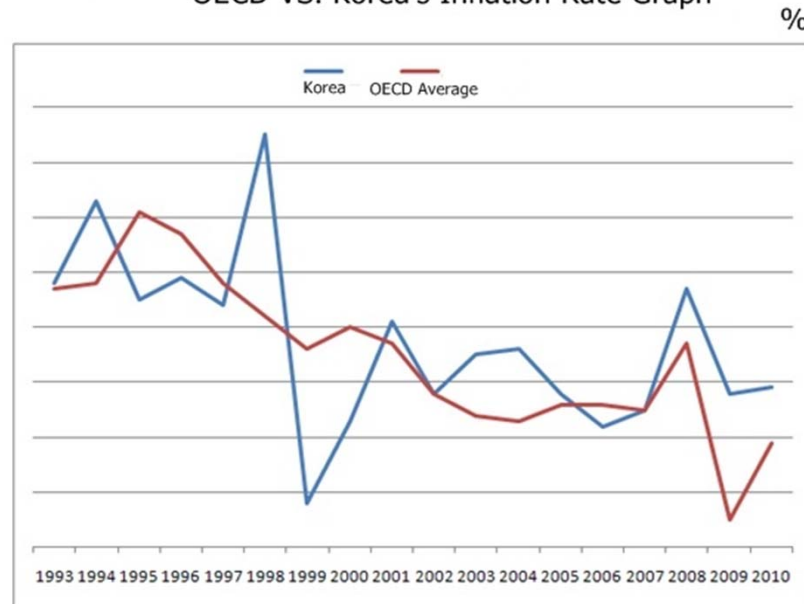


High Inflation Rate

- Korea's inflation rate in March & April was the 2nd highest among OECD nations (March – 4.54% / April – 4.7%)
- Korea's Inflation Rate is much higher than the OECD average



OECD VS. Korea's Inflation Rate Graph



Source: OECD & CCEJ



Opportunities



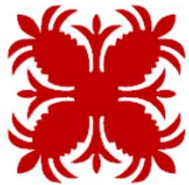
- ❁ Rapidly Growing #of Air Seats to Hawaii
 - ❁ Asiana Airlines is aggressively preparing to launch daily service between ICN and HNL from July 2012

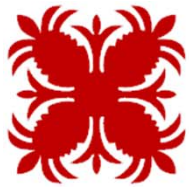


- ❁ Full implementation of Five-Day School Week from 2012



- ❁ 116 days holiday (including weekends) in 2012





2012 Airlift Update



Airlift Projection 2012



	2011 Operating / Week	Remark	2012 Operating / Week ^P	Remark
Korean Air	14 flights	MAR 2011 ~	14 flights	-
Hawaiian Airlines	4 flights	JAN 2011 ~	4 flights	-
Asiana Airlines	2 flights	SEP 2011 ~	7 flights ^P	JUL 2012



2011 – 2012 Total Air Seat Projection

	2011	2012	%	2012 ^P	%
TTL Air Seats	264,000	313,000	+ 18.5%	348,000	+ 31.8%





Korea Targets



2010

2011

2012



Visitor Number
% Change

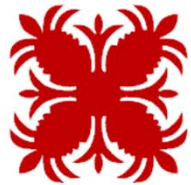
81,900

127,000

165,000

56%

29%



Total Spend (millions)
% Change

\$145

\$259

\$316

78%

22%






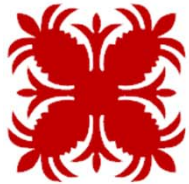
MARKETING PLAN OVERVIEW



Co-ops with Key Airlines




-  Continue to co-op with Korean Air, Hawaiian Airlines and other airline partners on large-scale marketing campaigns to boost load factors and Hawaii travel bookings, targeting week-day flights



-  Aggressively work with Asiana Airlines to ensure operation of scheduled flights, and eventually daily service in 2012.



-  Encourage development of new routes such as scheduled or chartered flights to Kona out of Korea and to Hawaii out of Busan, Korea's second largest city

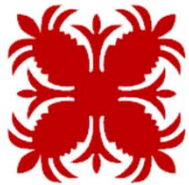





MARKETING PLAN OVERVIEW



Co-ops with Key Agents




-  Continue to conduct large-scale promotions with key wholesale agents to boost partner investment in Hawai'i both online and off-line

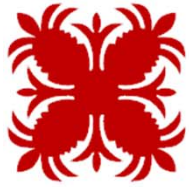


-  Ensure increased package development incorporating multi-neighbor island tours and Hawaii's signature festivals/events



-  Support agents to feature 'reasonably priced' Hawai'i packages and prevent heavily discounted packages which generates a negative impact on the image of Hawai'i as a premium destination





MARKETING PLAN OVERVIEW




Co-ops with Key Media




-  Develop extensive media tie-up campaigns to expand existing awareness and position Hawaii's six islands as a world-class luxury destination



-  Increase individual media visits to generate more in-depth media coverage of Hawai'i targeting specific niche segments – golf, FIT, wellness, family, and MICE



-  Work with social media to boost buzz on neighbor islands and Hawaii's cultural festivals, and move away from typical package tours to Hawai'i

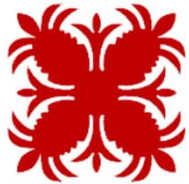




MARKETING PLAN OVERVIEW




Co-ops with Key Consumer Brands




-  Initiate large-scale promotions with carefully selected consumer brands most popular with Koreans



-  Promote Hawai'i with global consumer brands using their database of customers who are potential visitors to Hawai'i during shoulder seasons

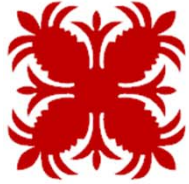


-  Boost Korea consumer promotions with neighbor island messaging and capitalizing on Hawaii's signature events and cultural festivals

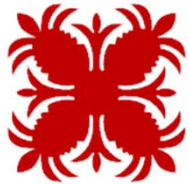





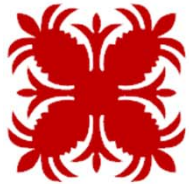
MARKETING PLAN OVERVIEW




Co-op Online and via Mobile Apps




-  Increase investment in online/mobile co-op programs in keeping with the explosion of internet and smart phones as information sharing and travel booking vehicle



-  Ensure that all promotions include an online component to reach out to a larger pool of netizens and to deliver concrete online call-to-action messages



-  Upgrade and develop high-quality online/mobile collaterals in Korean including an online map and Hawai'i travel guide mobile app





KOREA LEISURE STRATEGIES



Market Segmentation



Diversification of market segments:

- Continue targeting high-yielding honeymoon & luxury travel markets
- Further develop niche segments such as golf, shopping, sports events and festivals



Boost traffic to neighbor islands:

- Increase focus on PR & Marketing efforts
- Boost agent co-op promotions involving neighbor islands





KOREA MICE STRATEGIES



❁ Aggressive MICE Marketing targeting both corporate and travel management companies



- ❁ Launch travel agent incentive program

- ❁ Asia Super FAM (w/MICE specialized agents)

- ❁ PRIME (w/Corporate end-users)



- ❁ MICE Workshops & Seminars for agents/corporates

- ❁ Co-op with selected agents to attend key industry trade show and to promote global conference in Hawai'i



- ❁ Support travel agent presentations for target company's travel destination bidding





WHAT'S NEW FOR 2012



'Just Married' TV Promotion

-  When: Honeymoon Season(Mar~Jun or Sep~Nov)
-  Target: Honeymoon couples
-  Working with industry partners, film MBC 'Just Married' on O'ahu and Maui, a major national network TV entertainment/reality program with a powerful viewership of 7.5% (3.7 million)
-  Produce 'Just Married in Hawai'i' honeymoon packages that includes the itineraries featured in the network TV program
-  Support major Korean agents' sales activities for 'Just Married in Hawai'i' honeymoon packages via sales contests and supporting promotional giveaways
-  Advertising Value: over \$2 million









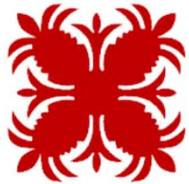


WHAT'S NEW FOR 2012



3rd edition of Hawai'i Travel Guidebook

-  When: Jun ~ July
-  Target: General consumers, FIT travelers
-  Publish the 3rd edition of the Hawai'i Travel Guidebook by updating current edition with new information on attractions, hotels, restaurants, and activities on six islands
-  Organize a production visit to each island in June with a professional travel writer to feature new tourism elements of Hawai'i
-  Provide advertising opportunities for Hawai'i partners interested in Korea market to promote their business, products, and services
-  Distribute to consumers and travel agents





WHAT'S NEW FOR 2012



Hawai'i Travel Guide App

- 🌸 When: August ~ September
- 🌸 Target: General consumers, FIT travelers
- 🌸 Produce top quality mobile app to attract the nearly 20-million smart phone users in Korea
- 🌸 Develop/incorporate the newly updated Korean Hawai'i guidebook into a mobile app
- 🌸 Provide key travel information on Hawai'i in Korean language including famous attractions, hotels, restaurants, and activities along with location map and direction guide
- 🌸 Launch and promote Hawai'i Travel Guide App. by conducting a consumer event where downloaders receive various Hawai'i giveaways





WHAT'S NEW FOR 2012



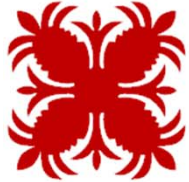
Hawai'i Festival Tour Promotions (Sep, Nov)

-  Target: FITs in their 20s~30s
-  Target Festivals:
 -  Hawai'i Food & Wine Festival (Sept)
 -  Kona Coffee Cultural Festival (Nov)
-  Bring Korea network TV with popular Korean celebrity to Hawai'i during the festival
-  Develop packaged tour products with travel agents, which include festival events and a reception with the invited celebrity
-  Increase number of Korean visitors to the neighbor islands and with festivals as part of their Hawai'i travel itinerary





WHAT'S NEW FOR 2012



Hawai'i Destination Workshop

-  When: October or November
-  Target: Industry partners in Korea and Hawai'i
-  Organize a 2-day workshop in Korea inviting 20~30 key industry partners from Korea with a few partners from Hawai'i.
-  The purpose of the workshop is to provide a more in-depth, sales-oriented knowledge of Hawai'i to Korean travel trade and to foster the growth of true "Hawai'i Experts"
-  The 2-day workshop will include seminars, one-on-one business meetings, workshops, and outdoor activities which will provide partners from Hawai'i with an opportunity to build a much deeper relationship with the key travel agents.









KOREA MARKET RECOMMENDATIONS





Seasonal travel trends

-  Honeymooners travel Mar~Jun, Sep~Nov mostly departing on weekends
-  Jul~Aug, Dec~Jan are the hottest travel season in Korea (targeting FIT & package travelers)
-  Lunar new year & Chuseok (Thanksgiving) holidays are peak travel week
-  MICE groups travel in low season (Mar~early Jul & Sep~early Dec)



Korean travel trends

-  Most Koreans now research travel destinations via the internet: recommend creating Korean website, SNS and Blog
-  Love visiting famous tourist attractions related/associated with popular celebrities





KOREA OPPORTUNITIES TO PARTNER



Mission / Trade Shows



ACTIVITY	DATE
Mahalo Month Promotion	APR - MAY
Hawai'i Travel Mission	MAY
Hana Tour Travel Fair	MAY
Honeymoon Campaign Seoul and Busan	DEC – MAR JUL - AUG
Trade Appreciation Day	DEC





KOREA OPPORTUNITIES TO PARTNER



Trade FAM Trips



ACTIVITY	DATE
Asia Super FAM	MAR
Seoul Honeymoon Agents FAM	MAY
Busan Honeymoon Agents FAM	JUN
PRIME / MICE FAM	SEP
FIT Travel Agents FAM	OCT





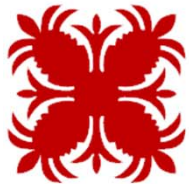
KOREA OPPORTUNITIES TO PARTNER



Major Public Relations Programs



ACTIVITY	DATE
'Just Married' TV Promotion	MAR or SEP
3 rd edition of Hawai'i Travel Guidebook Production	JUN - JUL
Hawai'i Travel Guide App. Production	AUG - SEP
Hawai'i Festival Tour Promotions with Hawai'i Food & Wine Festival And Kona Coffee Cultural Festival	SEP & NOV
Golf Media FAM Trip	NOV





KOREA OPPORTUNITIES TO PARTNER



Consumer Promotions

ACTIVITY	DATE
Hawai'i Theme Festival	MAY
Online Ad Campaign	SEP - OCT



Travel Trade Education

ACTIVITY	DATE
Honeymoon Seminars Seoul and Busan	DEC – MAR JUN - AUG
Hawai'i Destination Workshop	OCT or NOV

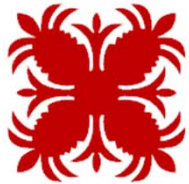









2012 KOREA SUMMARY



 Things to look forward to in 2012 from the Korea market



-  Massive Airlift growth from Korea to Hawai'i
-  Rising Neighbor Island travel
-  Rising MICE group travel
-  Asia Super FAM: Meeting w/ buyers in Honolulu
-  Asia Travel Mission: Meeting w/ buyers in Korea



China



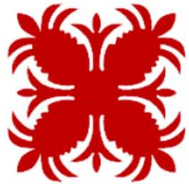


CHINA Update – Challenges:



US visa barrier

-  In high season, June – September it can take up to 2 months to secure a US visa interview appointment
-  Many visitors who plan a trip to Hawai'i may choose other destinations which require no visa
-  Frequently moving US visa officials in each consulate means the US visa approval rate is unstable when a new group of visa officials first come to China



Limited direct air service

-  Concerned by the US visa situation, airlines are cautious about launching new service to Hawai'i from China



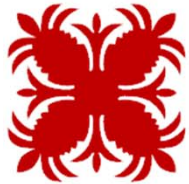


CHINA Update – Opportunities:



❁ China's strong economy

- ❁ Projected 9% GNP growth in 2011



❁ Strong RMB foreign exchange rate

- ❁ Strong RMB -- 6% appreciation versus the US Dollar in 2011 making travel to US-dollar denominated destinations less expensive for Chinese



❁ Chinese are now the #1 spenders in Hawaii

- ❁ New data from the US Commercial Service shows each Chinese travelers spent US\$6,250 per trip to the US in 2010
- ❁ Chinese are now the #1 spending visitors to Hawai'i per person per day at over **\$350 ppd**





CHINA Update – Opportunities:







Strong travel demand in China

-  2010 total China outbound: up 13.3% to 65 million



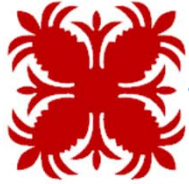
Travel trends in China

-  Sun & Beach + City shopping: this combination is the new leisure travel trend being promoted by leading agencies in China. Hawai'i is the ideal destination
-  Chinese no longer hurry to see all of the US in one trip
-  Visitors less interested in tour package to US with only 2 nights in Hawai'i
-  Hawai'i only packages are rapidly become more popular with 5 – 8 night stays including one or more neighbor islands






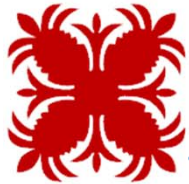


CHINA Update – Opportunities:



China High-end FIT:

-  At least 4 nights stay (40% choose neighbor islands)
-  4-5 star hotels only
-  At least 1 day for shopping





Honeymoon:

-  One or two neighbor islands included
-  5 star hotel
-  Luxury goods shopping



Golf:

-  Group size of 5–10 organized by golf clubs
-  Neighbor island is preferred



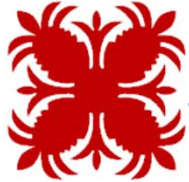
Family Travel:

-  Family with children during school holiday



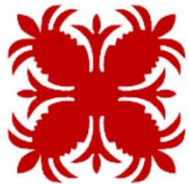


CHINA UPDATE - AIRLIFT



China Eastern direct flight details

- More than 10,000 seats added in 2011
- Regularly scheduled flights on China Eastern Airlines with 260 seats, and each flight blocked by Ctrip in the first 6 months
- China Eastern has confirmed its intention to continue the Honolulu direct flight service in 2012, with 15,000 total seats



Additional direct charters under negotiation in the China market

- Holiday charters to Honolulu, especially targeting January 22–28, 2012, the Chinese New Year holiday

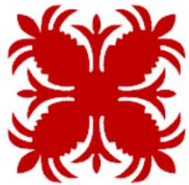






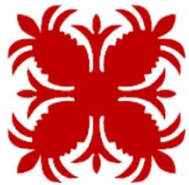
China Targets





	<u>2010</u>	<u>2011</u>	<u>2012</u>
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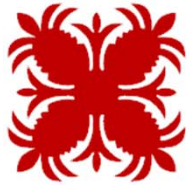


 Visitor Number	62,000	91,000	125,000
 % Change		48%	37%

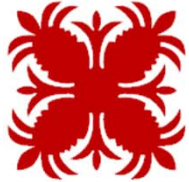


 Total Spend (millions)	\$129	\$201	\$267
 % Change		57%	33%






2012 CHINA Marketing Plan Overview




Airlift is Key

Expand Educated Trade Networks:

-  Educate and motivate travel trade nationwide throughout China to package Hawai'i more aggressively, and to boost investment in Hawai'i promotions




Promote Neighbor Islands:

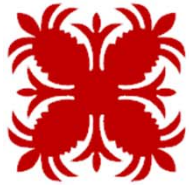
-  Increase number of Chinese visitors to neighbor islands such as Maui, Kaua'i and Hawai'i, the Big Island, by ensuring development of a greater range of neighbor island tour products, and generating more overnight stays on the neighbor islands



Build Web Presence:

-  continue to develop the web platform as a key channel to reach consumers, media, and trade throughout the region





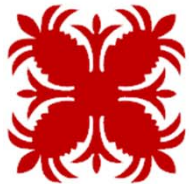
CHINA 2012 PLAN UPDATE

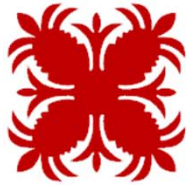
LEISURE STRATEGIES



2012 New Chinese Positioning:

- New Brand features and positioning in 2012:
- Easy access to this “paradise-on-earth” by new direct airline services that make paradise that much closer
- Flexible choice of either 4 Night/6 Day Hawai’i tour packages or 7 Night/9 Day multi-island tours
- Direct non-stop access makes Hawai’i the dream Meetings and Incentive destination now as well.





CHINA 2012 PLAN UPDATE

MICE STRATEGIES



CHINA MICE TRADE PROGRAMS



- ❁ Training Seminars/Workshops: to promote Hawai'i as high end MICE destination to key Chinese MICE planners

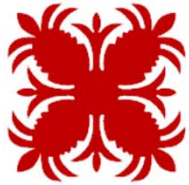


- ❁ Work closely with the MICE planners to convince their corporate clients to choose Hawai'i as their next incentive destination.



- ❁ Jointly support the MICE programs with partners as China Eastern and the visa offices of the US embassy /consulates





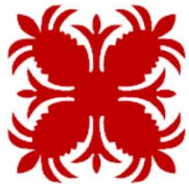
CHINA 2012 PLAN UPDATE

MICE STRATEGIES



PRIME & MICE fam tours:

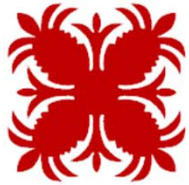
- ❁ To organize MICE Fams and invite the key Chinese MICE planners, and designed to motivate participants to promote Hawai'i as a MICE destination and to allow them to develop their Hawai'i MICE human networks along with destination knowledge.



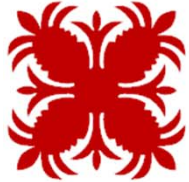
MICE Trade Shows:

- ❁ To promote Hawai'i as a world-class destination, the China MICE team will participate in two important annual MICE exhibitions, IT&CM in Shanghai and CIBTM in Beijing with HCC in 2012.







WHAT'S NEW FOR 2012






SOCIAL MEDIA PROMOTIONS

-  Expand promotion through 2 major social media channel – weibo.com & t.qq.com.
-  Seek support from Hawai'i partners and initiate interactive promotions



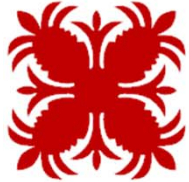
MEDIA FAMS SUPPORTING THEME PACKAGES BEING PROMOTED IN CHINA

-  Family travel
-  Romantic travel (honeymoon, wedding, anniversary, etc.)
-  Outdoor activities





WHAT'S NEW FOR 2012



HAWAI'I CULTURE AND ARTS

- Increased on-line emphasis on major events and festivals through press releases, blogs, micro-sites and encourage media visit to these events.
- Encourage Chinese media coverage of Hawaii's signature events and festivals.





2012 CHINA Opportunities to Partner

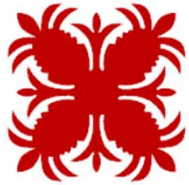


2012 Opportunities - Mission / trade shows



ACTIVITY	DATE
Incentive Travel & Conventions Meetings (IT & CM)	Apr 17 - 19
The 3 rd Hawai'i Asia Travel Mission	May 28 - 29
NTA / US consulate organized US Tourism Road Show	October
CITM 2012, Shanghai	November
China Eastern Airlines Travel Mission	TBC





2012 CHINA Opportunities to Partner



2012 Opportunities - Fam trips



Fam trip	DATE
Media Fam - Family Theme	January/ February
Asia Super Fam – trade and media	March
PRIME & MICE Fam - trade	June
Media Fam – Outdoor/ Romance	October/ November
Golf Media FAM (additional opportunity)	May/June



2012 CHINA Opportunities to Partner



2012 Opportunities - Consumer promotions



Activities	DATE
Ad/ Editorial in the 2012 Hawai'i Honeymoon Guide (renewal)	June
Hangzhou International Leisure Industry Expo	September
China Guilin International Tourism Expo 2011	September
Promotional Material Distribution	All year round
Brand Cooperation	All year round

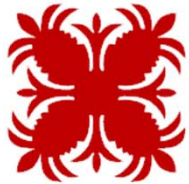


2012 CHINA Summary



Top 5 things to look forward to in 2012

-  Number of Chinese visitors to exceed 100,000 for the first time in 2012 with another annual increase of over 35%
-  Stable operation of the China Eastern direct scheduled flights throughout the year and the possibility of increasing to 3 flights weekly
-  Neighbor islands visitor number from China expected to increase by over 30%
-  Daily spend at over \$350 per Chinese visitor per day and growing rapidly
-  Asia Travel Mission – China (May 28 - 29)



Taiwan & Other Asia





TAIWAN OUTBOUND TRAVEL



❁ Taiwan sales of Group Tours to Hawai'i this summer doubled



❁ Taiwan total outbound from Jan – August 2011 increased 1.18 %, but to USA dropped 12.8%, Reason: Visa Waiver granted by European countries.

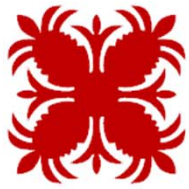


❁ The Philippines is also reporting significant increases in Hawai'i bookings in 2011 vs. 2010



❁ Load factors on Hawaiian Airlines and Philippine Airlines remain extremely strong

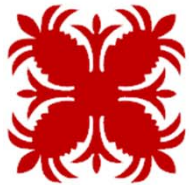




Major Development: US Visa Waiver



❁ The Taiwan and US Governments are in the final stages of talks to approve US Visa Waiver for Taiwan



❁ Taiwan has now passed all requirements



❁ Timetable: end of 2011 or early 2012



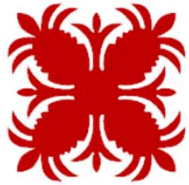
❁ China Airlines and Eva Air are expected to resume direct non-stop flights to Hawai'i once US Visa Waiver is granted



❁ Travel Agencies are closely watching -- hence increased fam tours to Hawai'i

Asia Outreach





ASIA OUTREACH



❁ **Opportunities to Partner** – see handout

❁ **Press Releases** – 10/month in 3 languages



❁ **Newsletters** – 3 separate newsletters

❁ **Website Content** – 3 separate websites



❁ **Asia Super Fam** – 90 Hawaii partners

❁ **Asia Travel Mission** – Seoul, Shanghai, Beijing



❁ **Workshops/Seminars** – held monthly across Asia – brochure distribution

❁ **Fam Hosting** – 20+ options during the year



❁ **Hawai'i Tourism Asia Newsletter** – your best source of information



Mahalo!

