



KA HĀLĀWAI KŪMAU A KE KŌMIKE ALOWELO
KE'ENA KULEANA HO'OKIPA O HAWAII'

**BRANDING STANDING COMMITTEE MEETING
HAWAII' TOURISM AUTHORITY**

HĀLĀWAI KELEKA'A'IKE
VIRTUAL MEETING

Pō'ahā, 16 Mei 2024, 1:00 p.m.
Thursday, May 16, 2024 at 1:00 p.m.

E ho'olele 'iwa'ia ka hālāwai ma o ka Zoom. Meeting will be live streaming via Zoom.

<https://us06web.zoom.us/j/82462210785>

E noi 'ia paha 'oe e kāinoa me kou inoa a leka uila paha. E 'olu'olu, e ho'okomo i kou inoa piha akā hiki nō iā 'oe ke ho'ohana i ka inoa kapakapa e like me kou makemake.

You may be asked to enter your name or email. The Board requests that you enter your full name, but you may use a pseudonym or other identifier if you wish to remain anonymous.

Kelepona / Call In: 16694449171
Helu Hālāwai / Webinar ID: 824 6221 0785

Hiki i ka lehulehu ke hō'ike mana'o ma o ka palapala a i 'ole ma o ka waha. E kau palena 'ia ka hō'ike mana'o waha (ma ke kino a i 'ole ma o ka Zoom) he 'elima minuke ka lō'hi no kēlā me kēia kumuhana. E kāinoa no ka hō'ike mana'o waha ma ke pākaukau ho'okipa ma ka lumi hālāwai. E kāinoa no ka hō'ike mana'o waha ma o ka Zoom ma o ke pihi "Q&A."

Members of the public may provide written or oral testimony on agenda items. Oral testimony (in-person or via Zoom) will be limited to five minutes for each testifier per agenda item. Signup for oral testimony via Zoom will be accepted through the Q&A feature on Zoom.

E ho'ohui 'ia nā palapala hō'ike mana'o i hiki ma ka pū'olo hālāwai. E leka uila 'ia nā palapala iā Carole Hagihara-Loo ma carole@gohta.net, a i 'ole, e lawe kino 'ia i ke ke'ena. No nā palapala hō'ike mana'o i hō'ea mai ma hope o ka pa'a o ka pū'olo hālāwai ('elua lā ma mua o ka hālāwai), e kāka'ahi 'ia nā kope i ke kōmike a e mākaukau no ka 'ike 'ia e ke anaina ma ka hālāwai.

Written testimony received ahead of the preparation of the committee packet will be included in the packet. Email written testimony to Carole Hagihara-Loo at Carole@gohta.net or hand-deliver or send via postal mail to the Hawaii'i Tourism Authority office, 1801 Kalākaua Avenue, 1st Floor, Honolulu, HI 96815. Written testimony received after the issuance of the committee packet (two business days prior to the meeting) will be distributed to the committee and available for public inspection at the meeting.

AGENDA

1. *Ho'omaka a Wehena*
Call to Order and Opening Protocol
2. *Kikolā*
Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic
3. *Wehena*
Opening Protocol
4. *'Āpono Mo'olelo Hālāwai*
Approval of Minutes of the April 12, 2024 Branding Standing Committee Meeting
5. *Hō'ike'ike a Kūkā no ka Hi'onaina Ho'okipa a me ka Wā Ma Hope no ka Papahana Honoka Puni Honua a ka HTA*
Presentation and Discussion on the Tourism Landscape and HTA's Future Global Brand Marketing and Management Strategies
6. *Hō'ike'ike a Kūkā no ke Ka'akālai Hokona Alowelo no ka Mākeke Kūloko, pili pū me ke Ka'akālai Ho'omāhele Kālā ma mua o ka 'Āpono 'ana o ka Mo'ohelu Kālā Hana FY25 me FY26****
Presentation and Discussion on the 2025 U.S. West, U.S. East Major Market Area Brand and Marketing Strategy, Including Allocation Strategy Prior to Fiscal Year 2025 and 2026 Operating Budget Approval***
7. *Hō'ike'ike a Kūkā no ke Ka'akālai Hokona Alowelo no ka Mākeke Kanaka, pili pū me ke Ka'akālai Ho'omāhele Kālā ma mua o ka 'Āpono 'ana o ka Mo'ohelu Kālā Hana FY25 me FY26****
Presentation and Discussion on the 2025 Canada Major Market Area Brand and Marketing Strategy, Including Allocation Strategy Prior to Fiscal Year 2025 and 2026 Operating Budget Approval***
8. *Hō'ike'ike a Kūkā no ke Ka'akālai Hokona Alowelo no ka Mākeke Iāpana, pili pū me ke Ka'akālai Ho'omāhele Kālā ma mua o ka 'Āpono 'ana o ka Mo'ohelu Kālā Hana FY25 me FY26****
Presentation and Discussion on the 2025 Japan Major Market Area Brand and Marketing Strategy, Including Allocation Strategy Prior to Fiscal Year 2025 and 2026 Operating Budget Approval***
9. *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 i 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 Hawai'i Revised Statutes (HRS) § 92-4. The executive session will be conducted pursuant to HRS § 92-5 (a) (2), § 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; to consider hiring and evaluation of officers or employees, where consideration of matters affecting privacy will be involved; and to discuss information that must be kept confidential to protect Hawai'i's competitive advantage as a visitor destination.

Inā he lawelawe a mea like paha e pono ai ke kīnānā, e ho'oka'a'ike aku me Carole Hagihara-Loo ma (808)-973-2289 a ma ka leka uila e like me ka wikiwiki i hiki, 'a'ole ho'i a ma 'ō aku o ka 'ehā lā ma mua o ka hālāwai. Inā 'ike 'ia he noi i ka lā ma mua o ka hālāwai, e ho'ā'o mākou e 'imi i ka lawelawe a mea like paha, 'a'ole na'e ho'i e hiki ke ho'ohiki 'ia ke kō o ua noi lā. Ua noa pū kēia ho'olaha ma nā kino 'oko'a e like me ka mea pono.

If you need an auxiliary aid/service or other accommodation due to a disability, contact Carole Hagihara-Loo at (808) 973-2289 or carole@gohta.net as soon as possible, preferably no later than 3 days prior to the meeting. **Requests made as early as possible have a greater likelihood of being fulfilled.** Upon request, this notice is available in alternative/**accessible** formats.

E like nō me ka 'ōlelo o ke Kānāwai Hawai'i i ho'oholo 'ia māhele 92-32.7, e mālama ana ke Ke'ena Kuleana Ho'okipa o Hawai'i i kekahi wahi e hiki ai ka po'e o ka lehulehu ke noho a komo pū ma nā hālāwai ma o ka ho'ohana 'ana i ka 'enehana pāpaho (ICT). Aia ana kēia 'enehana pāpaho ma ka papahale mua o ka lumi ho'okipa i mua o ke Ke'ena Kuleana Ho'okipa o Hawai'i ma ka Hale 'Aha. 'O 1801 Kalākaua Avenue, Honolulu, Hawai'i, 96815 ka helu wahi.

In accordance with HRS section 92-3.7, the Hawai'i Tourism Authority will establish a remote viewing area for members of the public and board members to view and participate in meetings held using interactive conference technology (ICT). The ICT audiovisual connection will be located on the 1st Floor in the Lobby area fronting the Hawaii Tourism Authority at the Hawai'i Convention Center at 1801 Kalākaua Avenue, Honolulu, Hawai'i, 96815.

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**Approval of Minutes of the
April 12, 2024 Branding Standing Committee
Meeting**



**BRANDING STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY
Wednesday, April 12, 2024, at 10 a.m.**

Virtual Meeting

MINUTES OF THE BRANDING STANDING COMMITTEE MEETING

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|-----------------------------|--|
| MEMBERS PRESENT: | Blaine Miyasato (Chair), Sig Zane (Vice-Chair), David Arakawa, Mufi Hannemann, James McCully |
| MEMBERS NOT PRESENT: | Dylan Ching, Sherry Menor-McNamara |
| HTA STAFF PRESENT: | Daniel Nāho'opi'i, Jadie Goo, Ross Willkom, Maka Casson-Fisher, Iwalani Kūali'i Kaho'ohanohano |
| GUESTS: | Alisha Valentine, Eric Takahata, Tom Mullen, Jay Talwar |
| LEGAL COUNSEL: | John Cole |

1. Call to Order and Opening Protocol

Chair Miyasato called the meeting to order at 10:05 a.m. Mr. Casson-Fisher conducted the opening cultural protocol.

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

Ms. Kaho'ohanohano conducted the roll call, and members were confirmed in attendance by themselves. Mr. Ching and Ms. Menor-McNamara were excused.

3. Approval of Minutes of the March 27, 2024 Branding Standing Committee Meeting

Mr. Hannemann made a motion to approve the minutes, and Mr. Zane seconded. Ms. Kaho'ohanohano conducted the roll call, and the motion passed unanimously.

4. Presentation and/or Discussion on HTA's Messaging and Marketing Insights

Mr. Nāho'opi'i gave a presentation following up on the previous month. He informed the committee that related topics would be discussed over the next few months preparing for the long-term brand marketing strategy for Fiscal and Calendar Years 2025 which would be reviewed by the full Board during the budget planning and approval sessions during May and June.

Mr. Nāho'opi'i reminded the committee that the objective of brand marketing was to strengthen the presence of the Hawai'i brand by protecting and enhancing its global competitive brand in a way that was coordinated, authentic, and market-appropriate and to provide insights that would be used during Fiscal and Calendar Years 2025.

The expected outcomes were to attract visitors who were avid and high-spending travelers and who could be expected to travel responsibly. The role of the HTA was to ensure the continued economic contribution of tourism to the Hawai'i economy through visitor spending, local purchasing, and shopping.

The long-term outcomes were reaching out to the right kind of visitors and increasing the percentages of visitors who recalled seeing and hearing about safe and responsible travel to Hawai'i, as well as visitors considering a return visit, and tracking avid travelers. SMARInsights conducted the research study into the effectiveness of the marketing campaign. This contract began at the start of Calendar Year 2023 (CY23) and considered the performance of the U.S. and Japan brand marketing and advertising campaigns during each of the four quarters of CY24.

Ms. Valentine presented information about this study on brand marketing campaign effectiveness, beginning by summarizing what had been learned about the return on investment (ROI) during CY23. She explained that the results showed how well the brand marketing had produced the desired effect. This information would also help plan for subsequent years and adjust existing campaigns.

Ms. Valentine explained that the study measured only the effectiveness of the advertising component of brand marketing and would not consider other aspects of branding, such as travel trade, travel agents, education, and media development.

Ms. Valentine stated that Strategic Marketing and Research Insights (SMARInsights) had measured the effect of brand marketing during the period in question and had provided reports on the effectiveness of the marketing reach and its ability to communicate campaign goals and motivate consumers to be interested in Hawai'i. The study examined the influence of consumer marketing on travel in the U.S. domestic and Japanese markets, particularly in paid investment. Previous studies had examined the effectiveness of earned media components in which Hawai'i obtained significant coverage, but the present study examined only paid media investment.

Ms. Valentine noted that four waves of awareness measurements had been used to understand reach and changes in campaigns. Marketing had changed, and the materials shown had changed. For instance, a Maui-specific campaign was launched in September/October; these components were included in the study. This meant that it was now possible to report the actual influence of campaigns on travel and visitor spending.

The study used standard methods accepted by the marketing industry. It was necessary to understand that marketing campaigns could not take credit for all travel to Hawai'i by aware consumers. Consideration of incremental travel was how destination marketing organizations had proved their value. Clearly, there would be travel to Hawai'i without any marketing, so the study had to start by evaluating basic unaware travel so that additional travel by aware travelers could be measured. This was a conservative form of measurement, and SMARInsights was conducting similar work for other state competitors such as California, Texas, Florida, and Puerto Rico. A similar methodology was used by Brand USA and many big-city destination management organizations (DMOs), such as the Los Angeles Tourism Agency. Ms. Valentine repeated that the method used in the study was the industry standard used to measure the quantity of visitor income for which marketing by DMOs could take credit.

Ms. Valentine informed the committee that she would go through the calculations step by step. She assured them that SMARI had conducted similar work for many DMOs and brand or image positioning. She had done similar work with the internal research unit of Discover Puerto Rico when it started as a new DMO. The unit examined the activities of Hawai'i as a competitor. It was time to examine several DMOs to evaluate what each was doing.

Summarizing the results, Ms. Valentine stated that the overall return on advertising spending for the domestic U.S. and Japanese markets was about \$400. For other DMOs whose advertising budget was a size similar to Hawai'i, between \$10 million and \$20 million, the average return on investment (ROI) was about \$220, and Hawai'i had reached almost double that amount. This implied that Hawai'i was targeting the right consumers with the right message. Return on investment came not only in terms of visitor spending but also in terms of tax dollars.

Ms. Valentine presented a detailed tabulation of ROI showing that for every \$1 of public tax spending, the return was about \$35, generated from General Excise Tax, State Transient Accommodations Tax, and County Transient Accommodations Tax. This was defined as total influenced spending, including the State and County TAT which were classified as influenced lodging spending.

Quarterly tracking of the U.S. domestic market showed that the fourth quarter had the highest level of recall, with 42% of the targeted audience reached. This was a narrow audience defined as avid travelers who were responsible and interested. The cost of advertising per aware household had been calculated as an average of \$0.37 over a calendar year, well below the average for similar-sized DMOs. Ms. Valentine noted that it was important to evaluate performance in terms of what competitors were doing. The value of 42% recall was obtained by combining the general marketing campaign with the Maui-specific campaign. This was used as a baseline for calculations and was estimated at 6.5 million aware households as a base for potentially influenced travel.

Consumer surveys were conducted over the course of five interview periods, during which more than 7,500 consumers were interviewed. This was a reliable sample size. These consumers had been shown actual advertising and had been asked how well it communicated the desired messages of the campaign. SMARI used a five-point scale to evaluate hundreds of DMO campaigns annually and saw that a score of about 4.2 was usually the top 10% of all DMO advertising campaigns. In all attributes, Hawai'i scored above and beyond this top 10% benchmark. A major unique message was the stunning beauty of Hawai'i, and consumers also grasped that Hawai'i was a place that cared about nature and culture and deepened their understanding of caring for the community and residents.

In addition to communicating a message, advertising also has to motivate consumers. Motivation had different benchmarks because it was difficult to cause an impact on consumer behavior. The benchmark for the top 10% shifted to 4.0 and above on a five-point scale. Hawai'i was in the top 10% threshold, especially for consumers who wanted to respect

the Hawai'i cultural heritage, nature, and environment, or those wanting to visit Hawai'i or Maui. Consumers felt good about choosing to visit Hawai'i or Maui.

The study considered how this research could be used to guide future messaging by examining the relation between the product and increases in the likelihood of visiting. Traditional motivating products such as Hawai'i being a good place to relax or a place with beautiful scenery were not important because that was how Hawai'i was regarded by all consumers, not just those with an interest in visiting.

The study examined what motivated consumers to consider a leisure travel destination and what made Hawai'i unique in meeting that need. The results were opportunities for voluntourism, the ability to give back to the destination, sustainability practices, and a place for nightlife and entertainment. This validated the messaging that the HTA had already been using.

Destination marketing had goals other than motivating travel. It improved the perception of a place and the familiarity with a product, as well as increasing the likelihood of visiting, giving an image of Hawai'i as a travel destination with specific types of products and messaging. Attributes of Hawai'i, such as being vibrant, providing upscale experiences, and offering great customer service, were familiar even to consumers unaware of Hawai'i marketing. Marketing had the greatest influence on factors such as "easy to get to," "affordable," "offering value for money," and "giving voluntourism opportunities." Running correlations against these attributes, the greatest increases were in the lowest-ranked qualities, such as "easy to get to," "affordable," and "offering value for money."

As Mr. Nāho'opi'i had earlier mentioned, these attributes were important to the travel trade. They were major key performance indicators (KPIs) showing the impact of paid media on familiarity, perception, and likelihood to visit. Most DMOs were paying attention to these attributes in terms of the lift of their campaign. It was necessary to consider incremental lift because Hawai'i was a brand that even consumers who had never visited still had a perception of. Hawai'i branding campaigns had less influence on familiarity and perception than other destinations. Regarding a significant lift in the likelihood of visiting, the likelihood to visit was 25% for the unaware, but this increased to 45% when they were exposed to marketing.

Ms. Valentine explained that the basis of the technology was the incremental difference between unaware and aware consumers. 7.4% of unaware households visited Hawai'i, and 16.4% of aware households visited the state, meaning there was an increase of 9%. The

baseline value of 6.5 million households equated to 580,000 influenced trips with an average of 3 persons per trip. Given the average trip spending per person of about \$1,900, the increment in total visitor spending amounted to about \$3.4 billion in direct visitor spending. Comparing this with \$8.3 million spent on U.S. domestic media campaigns gave a \$407 return on investment per advertising dollar spent.

Applying the same process to Japan, Ms. Valentine explained that advertising spending for the Japanese market was only one-eighth of U.S. domestic spending. Interviews with the targeted audience had taken place each quarter. The Japan advertising campaign reached about 1.2 million households and had different goals from those of the U.S. domestic market. The campaign encouraged consumers to consider traveling to Hawai'i and directed them toward greater familiarity with the product and the need to become more comfortable with the idea of travel. The campaign showed Hawai'i as a place that cared about the community and residents. The benchmarks were still considered above average in terms of metrics of communication of goals. Impact ratings examined the interest of consumers in visiting Hawai'i, and a correlation existed between the likelihood of visiting and product attributes such as beautiful beaches, luxury accommodations, and special experiences. Over the calendar year, the Japan team had considered this and changed the messaging to "Beautiful Hawai'i."

Examining lift for the Japanese market, the perception of the product and the impact on the likelihood of a visit showed similar gains. The Japanese market was less familiar with the attributes of the Hawai'i destination than the U.S. domestic market. 6.5% of unaware and 19.1% of aware consumers visited Hawai'i, giving a 12.6% lift. This was exceptional since the average increment for most destinations was 3% or less. This meant that the Japanese marketing campaign had been effective and had impacted the mental block on the travel of many Japanese consumers.

Calculations gave 75,000 influenced trips with an average spending per person of about \$1250, resulting in a total value of influenced trips of \$307 million. Dividing this by the \$932,000 cost of advertising gave a return on advertising spend (ROAS) of \$330 for Japan.

Combining the two markets gave an overall average ROAS of about \$400. This was outstanding compared with a \$220 ROAS for other destinations with similar advertising budgets of between \$30 million and \$40 million. The highest return on investment was \$416 from the U.S. competitor, with the largest advertising budget and the most direct competitor.

Ms. Valentine ended by reminding the committee that this had been a year-long evaluation process, providing five different pieces of reporting for each market. She believed that she had given the committee a reliable view of how the study had been conducted and the method of calculating the results.

Chair Miyasato thanked Ms. Valentine and reminded the meeting that they had often discussed how data could help in messaging, positioning, and marketing. He and Board-Chair Hannemann had recently appeared before the Senate Committee for their confirmation, and the frequent theme of questioning was about the perception that with or without marketing, people would visit Hawai'i anyway, so spending money on advertising was unnecessary. The data presented in the study was very valuable.

Asked whether Hawai'i obtained a higher return on investment than other domestic and international destinations, Ms. Valentine responded that among other clients for whom similar work had been done, only one outperformed Hawai'i by about \$10. The average ROAS was about \$220, and Hawai'i almost doubled this for the domestic campaign. Investment in Japan was very targeted, hence somewhat limited, but regarding the ROI for the U.S. domestic market, Hawai'i was spending one-third to one-quarter of what the competitor destination was spending. However, this destination had struggled to encourage visitors to return since the pandemic and was hoping for all the spending they could get. Hawai'i had a different mentality, position, and message for visitors.

Mr. Takahata from Japan Hawai'i Tourism asked about the sample size in the Japanese market, noting that the sample size for the U.S. domestic market was 7,500, but the Japanese market was more targeted. Ms. Goo responded that the sample size for the Japan survey was around 6,000. Mr. Takahata asked about the Japan advertising budget of the competitor mentioned by Ms. Valentine, but she was unable to state it, although she was aware of Brand USA's investment in the Japanese market.

Mr. Arakawa thanked Ms. Valentine for her presentation and noted that the lift figures for Japan were impressive. He asked how the newly pivoted messages of "Beautiful Hawai'i" and "It's gotta be Hawai'i" were developed. Mr. Takahata responded that this was a response to local industry leaders' comments in Hawai'i and Japan. The major stakeholders in Japan wanted tourism to pivot while keeping Mālama as a base. Chair Hannemann had been instrumental in convening several stakeholder meetings, which concluded that it was necessary to pivot. It was important to remember that Japan had only lifted all COVID-related restrictions in May 2023. Mālama had been the message during the pandemic, so the pivot could not be drastic but would be influential, moving towards more niche markets,

with romance as an example. This was creating bookings and driving demand. The Japan team collaborated with suppliers, airlines, wholesalers, and travel agents. The message to consumers was more aggressive, and the team was working with suppliers to drive bookings.

In response to Mr. Arakawa's repeated question about how the new message was developed, Mr. Takahata replied that it was a team effort resulting from discussions and study groups, including the 300,000–400,000 members of the Aloha group who helped with consultations and ideas. The core message was to work with advertising agencies to speak more emotionally to the Japanese consumer. An emotional appeal was important because of the low value of the yen versus the dollar.

Ms. Valentine believed that the pivoted messaging appeared to be causing an increase in bookings given the overlap between Mālama, "Beautiful Hawai'i," and "It's gotta be Hawai'i."

Chair Miyasato thanked Ms. Valentine and noted this would be a good segue into the next agenda item. The pivot of messaging was within the purview of the full Board and the Branding Committee. All messaging directions were to pass through the Branding Committee.

5. Presentation and/or Discussion on Japan Market Outlook, Insights and Related Marketing Campaigns

The committee now considered Agenda Item 6, Presentation and/or Discussion on Japan Market Outlook, Insights, and Related Marketing Campaigns, which was introduced by the Senior Brand Manager, Ms. Goo, who thanked Chair Miyasato for agreeing to take this agenda item out of order. This was because HTJ had a meeting scheduled with the executives of Japan Airlines who are in town for the Hapalua on Sunday. There were over 700 runners from Japan this year, 200 more than last year. Ms. Goo introduced Mr. Eric Takahata, the Managing Director of Hawai'i Tourism Japan. Mr. Takahata thanked the Board for allocating \$6.5 million with the increment of \$2.5 million. The packet supplied to committee members contained a detailed report on the activities of Hawai'i Tourism Japan. The number of visitors from Japan was at about 50% of the 2019 level, but the length of stay was increasing, and average spending had increased by 0.36%. At present, the exchange rate stands at 153 yen per U.S. dollar. Mr. Takahata pointed out that it now costs 60% more for a traveler to visit Hawai'i than in 2019. He expressed the hope that U.S. inflation and fuel surcharges would decrease. However, despite all these challenges, there were positive signs in the Japanese market, such as an increased length of stay.

Mr. Takahata gave the committee some details about the so-called “Golden Week,” which in 2024 was to take place over Friday, Saturday, and Sunday, May 3, 4 and 5. Wholesalers and the travel trade generally preferred these days to fall within the working week, thus allowing workers extra days off. However, bookings have been better than they were the previous year and have reached about 50% of the 2019 level. There was no problem for affluent travelers, and business class seats were completely full. For this type of traveler, time was more important than money. Wholesalers reported that bookings were picking up for post-Golden Week bookings, such as summer vacation and “Silver Week” during September and end-of-year and New Year’s holidays. It was hoped that the third and fourth quarter bookings would show improvement.

According to a travel awareness survey with about 6,400 respondents, the average lead time was about 90 days. Most respondents planned to travel during the fourth quarter, between October and December, with a stay between five and eight nights. Air seat supply was about 70% recovered relative to 2019, and this trend was expected to continue in 2024 with about 60–70% of 2019 levels.

Competitor destinations were aggressively pursuing the Japanese market, and with Europe as a benchmark, an April package to Paris would cost about the same as a trip to Hawai‘i. For Golden Week bookings, the cost of Paris was less than that of Hawai‘i.

With respect to marketing implementation, during the first quarter, the pivot from Mālama to “Beautiful Hawai‘i” and “Yappari Hawai‘i” (“It’s gotta be Hawai‘i”) began to take place. The Board and the Branding Committee aimed to restore the Japanese market to the 2019 level, with amplification and targeting due to the incremental funding, and using all means of exposure, from transport to digital to home media, in the second phase of the Japan Hawai‘i campaign. This was to focus on families and couples gearing up for the summer. The team had created various digital campaigns and video assets, most of which were island-specific, with Maui as an example. Many also concentrated on romance. The team collaborated with stakeholders such as the Japan Golf Association and the Romance Association to obtain maximum leverage. The romance traveler traveled well, brought others with them, and was usually high-spending.

The targeted golf promotion was going well, and was working with personalities to expose their messaging. Partner agencies were encouraging urgency, and it was hoped to undertake a joint initiative with the City of Honolulu to encourage golfers to use other courses, with the possibility of using municipal courses being discussed. Public relations efforts continued, including working with general consumer media and travel trade media to obtain as much

earned publicity as possible. The Governor's Office had facilitated entry for Japanese news crews and photographers and had even involved the White House to resolve various issues. These news crews and photo shoots represented free advertising and marketing for Hawai'i.

Hawai'i continued to collaborate with various big brands including Calbee the top cereal brand consumed in Japan, whose packaging had been used to advertise Mālama Hawai'i and Beautiful Hawai'i. Such collaboration was an important means of messaging and market surveys. Industry partnerships and collaborations with cooperatives were important in driving bookings and this was partly responsible for the third and fourth quarters showing a promising trend as reported by airlines and wholesalers.

Cooperative initiatives continued to drive visitor demand, along with travel trade education. The team was working hand in hand with airlines and online travel agencies and suppliers, as well as various major consumer brands working with Hawai'i tourism.

The Japan Summit was to take place later in April, with 115 participants coming in from Japan and representing 26 companies, including three media companies, to cover the event in Hawai'i. In addition, 120 participants would represent 64 different companies from Hawai'i.

Japan Hawai'i Tourism was to participate in Hawai'i Expo 24, an annual consumer event of great importance for the travel trade and consumers.

Tourism Expo Japan was scheduled for September and was Asia's most prominent tourism show. Other destinations were expected to send their presidents or CEOs, and it was hoped that Hawai'i would also participate at the executive level this year.

Media and travel agent FAMs would continue to tell the Hawai'i story to as many people as possible with media, travel trade, and consumer representation.

The team was working with DBEDT and the HTA to publicize products that were made in Hawai'i. The team was working on an official name for Made in Hawai'i products. Last year, they organized a three-day pop-up shop in Haneda Airport, which showed record attendance and sales of food and other goods. This promoted the businesses concerned and provided resources for them.

Mr. Takahata's presentation to the committee included a detailed list of major Hawai'i events in Japan.

In response to a question from Chair Miyasato, Mr. Takahata stated that the Japan Summit was focused on the travel trade industry. Japan Tourism organized the Japan Expo, which was also focused on travel trade and had no government input. The Japan America Society of Hawai'i organized the Sister City Summit and worked with DBEDT since this agency collaborated with Sister Cities for the State of Hawai'i.

Mr. Takahata added that he believed the additional funding for Japan had been well spent, and increased bookings were expected for the third and fourth quarters. The additional funding made it possible to collaborate with suppliers, and the results would appear in the booking pace for quarters three and four, which is growing closer to the 2019 level.

Mr. Hannemann thanked Mr. Takahata for his presentation and noted that educating the HTA Board and staff about return on investment was important. Questions were always asked about investment in marketing rather than destination management. Made in Hawai'i products helped to achieve the regenerative tourism objective of enabling more local people and businesses to benefit from tourism. Mr. Hannemann encouraged Mr. Takahata to ensure that every mission to Japan includes products made in Hawai'i. He congratulated the Japan team on the appealing and inviting advertisements that they were running and looked forward to improved performance in the third and fourth quarters.

In response to a question from Mr. Arakawa about Hawai'i's competitors and their tactics, Mr. Takahata replied that the major competitor was domestic travel inside Japan. Investment in infrastructure inside Japan was intended to encourage domestic and inbound tourism, with great experiences and more economy. Europe and Korea were the other major competitors. It was impossible to compete with Korea because it was so much cheaper, and this also applied to Australia, whose currency situation was similar to that of Hawai'i and which was increasing airlift to Sydney and other Australian destinations. Singapore was also increasing the booking pace and investing in marketing and infrastructure, with a similar flying time to that for Hawai'i. Singapore also had many public attractions and world heritage sites which were free and accessible. The challenge for Hawai'i was that many attractions were inaccessible to tour buses. Hawai'i could learn some lessons from Singapore.

Mr. McCully thanked Mr. Takahata for the presentation and apologized for arriving late for the meeting.

6. Presentation and/or Discussion on HTUSA'S Advertising and Messaging Campaigns

Ms. Kaho'ohanohano announced Agenda Item 5, a presentation and discussion on HTUSA's Advertising and Messaging Campaigns to be led by the Hawai'i Visitors and Convention Bureau's Senior Vice President and Chief Marketing Officer Mr. Jay Talwar.

Ms. Kaho'ohanohano reminded the committee that the base amount budgeted for the U.S. market for the second term of the HTUSA contract was \$15,280,000, with the addition of \$750,000 of EDA funds bringing the total to \$16,050,000. Incremental funding for the U.S. Maui Recovery Plan #2 had begun with a base of \$2.5 million, with an additional \$450,000 from the Tourism Emergency Special Fund to update the GoHawaii website, bringing the total to \$2.95 million.

Mr. Talwar expressed his appreciation for the hard work done by the HTA to obtain the necessary funding. He informed the committee that during the previous week, travel industry leaders had taken part in the Hawai'i leadership forum, and much interest had been shown in current marketing programs. Mr. Nāho'opi'i had represented the HTA leadership at this conference.

Mr. Talwar presented slides showing previous marketing campaigns, beginning with the "Hawai'i Rooted" campaign, which was launched in November 2017 in response to residents' challenges regarding visitor numbers, the main issue being the number of illegal home rentals at that time. This campaign examined how Hawai'i behaved as a destination, how it presented itself, and how visitors were expected to behave and engage. The "Hawai'i Rooted" campaign was an attempt to point out that Hawai'i was not just another playground with a beach but a place with a unique culture and indigenous knowledge worth learning from. This campaign had run through Calendar Year 2018 and had evolved during 2019 to look at experiences with which visitors could engage until the end of this campaign in March 2020.

During March 2020, Hawai'i marketing paused in reaction to the challenges posed by the pandemic. Several meetings with the HTA at the Convention Center tried to examine what had to be done for the destination to enable tourism to restart. The sensitivities of the resident population had seen a changed environment during the COVID lockdown, which developed into the Mālama Hawai'i campaign. This highlighted people in the community working to regenerate the island home and invited visitors to help them with their causes, aiming to enable visitors to work shoulder-by-shoulder with residents to do good things in the community, which would perpetuate natural beauty and cultural values. Industry partners such as airlines and lodging enterprises engaged with this message, activities, and volunteer organizations. Some hotels offered free nights for those who volunteered at the

destination. The Mālama Hawai'i campaign enabled the re-engagement of visitors into the destination, and these visitors were seen as being mindful and beneficial to the destination with their behavior. This campaign continued to run until it was transitioning to a new campaign that continued to share Hawai'i community values but added a more welcoming message.

Mr. Talwar stated that from a global point of view, booking data showed softness in several islands, especially West Maui, Maui, and the island of Hawai'i. O'ahu showed softness in the fall, and on a statewide basis, there was softness in the market compared with the previous year to February 2025. This change in the marketing environment had caused messaging to change to: "Hawai'i. The People. The Place. Welcomes You."

The Mālama Hawai'i and the Ola Maui campaigns continued through the end of March, with the Ola Maui campaign allowing residents to speak for themselves and invite visitors back. During April, the transition to the new messaging had begun in social media. Throughout March, all messaging had included an invitation to visit, but the invitation had become more prominent.

Mr. Talwar informed the committee that production of the new campaign material was in progress, and he shared some shots taken during a tour of the islands, showing interactions with makers, musicians, artists, and people who needed support in retail across the state. The overall strategy of the new campaign would ensure that a broader swath of the community would feel the benefits of tourism. Mr. Talwar presented some of the material that would be used, with Chef Kyle Kawakami as spokesperson, ending with the message "The People. The Place. Welcomes You." This material would be produced at different times and used for different purposes.

Chair Miyasato thanked Mr. Talwar. There were no questions from the committee or the public. The Chair pointed out that committee members had been educated by all the presenters in this session and had observed the transition of messaging into advertising and marketing.

Mr. Hannemann commended Mr. Talwar for his hard work and pointed out that responding to people's demands at our own pace and time was necessary. The timing was important, and the transition had to proceed properly. Mr. Takahata had mentioned this when speaking about the pivot from Mālama. It was important to remember that the U.S. was the most important market in terms of number of visitors. The transition of messaging had to be done in a way that would take the best of what had been done with Mālama while shifting to a

more inviting and welcoming message. Mr. Hannemann cited positive responses from those concerned about the future of the visitor industry.

Chair Miyasato agreed that what was taking place was not so much a pivot as an evolution in messaging. The fundamental message of mindful travelers remains the same but is now underscored by hospitality and welcome. He pointed out that an invitation was different from an admonition.

7. Presentation and/or Discussion on Sports Marketing and Related Campaigns

Ms. Kaho'ohanohano introduced Agenda Item 7, Presentation and/or Discussion on Sports Marketing and Related Campaigns, to be led by Brand Manager Ross Willkom.

Mr. Willkom presented the Sports Partnership Portfolio and reiterated that branding aimed to protect the Hawai'i global brand in a coordinated, authentic, and market-appropriate way. Mr. Willkom had had discussions with Board Chair Hannemann, newly appointed Branding Standing Committee Chair Miyasato, Mr. Ching, and Mr. Arakawa. These discussions helped to identify the pillars of partnerships and the metrics by which they would be evaluated.

It was necessary to switch from an event-space approach to a partnership approach because the HTA lacked the facilities to host some of the larger events. It was important to extend our thinking without neglecting existing partnerships. Examples were partnering with Japanese baseball to invest more in Japan or partnering with the NHL and hockey teams to impact Canada. To increase the presence of Hawai'i in Europe, discussions should be held with international soccer clubs. Incorporating international partnerships aligned with the Hawaiian Islands brand was a way to keep the Hawai'i messaging in front of passionate fan bases.

Mr. Willkom provided a detailed list of the Fiscal Year 2024 (FY24) partnerships, totaling \$4.1 million which represented 6.8% of the HTA's \$60 million budget. He reminded the committee that this investment of \$4 million would result in \$100 million in economic impact and hundreds of millions of dollars in marketing and branding reach globally. Mr. Willkom reminded the committee that the Big West Tournament was scheduled for the following week.

A list of target partnerships for FY25 was provided, totaling \$3.5 million. The Big West contract was to be renewed in July 2024. Mr. Willkom mentioned that baseball, NFL, and other international partnerships were being discussed. A number of teams from each league,

including college teams, had reached out to him, but he could not give details at that time since competitive advantage could not be compromised.

Several signature Calendar Year 2024 (CY24) events were listed, totaling \$1.3 million. These events were a good mixture, and Mr. Willkom was cautiously optimistic that additional funding would be assigned to the current budget. Since beginning this work in 2021, similar events have been scheduled and have worked well to draw fans and drive tourism, but there was now an opportunity to think critically to partner with teams, leagues, and players to expand into new markets and draw more tourism to Hawai'i.

There were no questions from the public.

Mr. Hannemann pointed out that one of the areas to be looked at is the youth and amateur sports by utilizing the Convention Center to host large-scale tournaments for basketball, volleyball, and pickleball. Hawai'i had the capability, and with a little support from the HTA, it could have been made possible. Legislators who were focused on sports were very interested in seeing this. When teams and fans came to Hawai'i, it was important to maximize the opportunities for professional athletes and coaches to interact with local communities, with activities not just for downtown or urban Honolulu, but also engaging leeward and windward Honolulu and neighbor islands. It was important to attract events to other venues throughout the State.

Mr. Hanneman hoped that the overtures he was receiving would be fruitful since many people had ties to Hawai'i and would like to plan events here and vice versa. This was in his mind because he was a National Tourism Advisory Board member. During the course of the coming decade, the United States was to host ten mega sports events, and even if these were not taking place in Hawai'i, there was an opportunity for fans to travel through Honolulu if they were coming from Asia, or for teams to train here before the next leg of the games.

Chair Miyasato agreed and thanked all the presenters for their data, which provided clear pointers for strategies for the future. He gave the example of Las Vegas, which was a place that was diversifying away from gambling. Many sports teams were based there, and stadiums were being built. This emphasized the importance of sports and what they could mean to the state's economy.

There were no further comments or questions from committee members or the public.

8. Adjournment

The adjournment was moved by Mr. Hannemann, seconded by Mr. McCully, and carried unanimously. The meeting was adjourned at 11:43 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sheillane Reyes".

Sheillane Reyes
Recorder