



**MARKETING STANDING COMMITTEE MEETING**  
**HAWAII TOURISM AUTHORITY**  
**Wednesday, August 21, 2019**  
**Hawaii Convention Center**  
**1801 Kalākaua Avenue, Honolulu, Hawaii 96815**

**MINUTES OF MARKETING STANDING COMMITTEE MEETING**

**COMMITTEE MEMBERS PRESENT:**

Kelly Sanders (Chair), Fred Atkins, George Kam, Sherry Menor-McNamara, Kyoko Kimura, Benjamin Rafter

**HTA BOARD MEMBERS PRESENT:**

**HTA STAFF PRESENT:**

Chris Tatum, Keith Regan, Karen Hughes, Laci Goshi, Kalani Ka'anā'anā, Isabella Dance, Chris Sadayasu, Jadie Goo, Minami Aoki, Marisa Yamane, Jennifer Chun, Marc Togashi

**GUESTS:**

John Monahan, Jay Talwar, Richard Fried, David Baronfeld, Representative Richard Onishi, Eric Takahata, Lee Conching, Ridely Sujisaka

**LEGAL COUNSEL:**

Gregg Kinkley

**1. Call to Order**

Marketing Committee Chair Kelly Sanders called the meeting to order at 12:31 p.m.

**2. Approval of Minutes from the February 27, 2019 HTA Marketing Standing Committee Meeting.**

Mr. Sanders requested a motion to approve the minutes from the June 26, 2019 HTA Marketing Standing Committee Meeting. George Kam moved, and Sherry Menor-McNamara seconded the motion, which was approved by all committee members present. Mr. Sanders announced that Karen Hughes will be leaving HTA at the end of September.

**3. Update on Current Status of Korea, China, SE Asia and Taiwan RFP Applications, Timeline and Process**

Mr. Sanders recognized Karen Hughes to discuss the status of RFP Applications. Ms. Hughes

said that, although HTA had to disqualify some proposals for not adhering to the guidelines, HTA has received a terrific response. For China, there were 15 proposals, but three were disqualified, for a total of 12. For Korea, there were four proposals. Southeast Asia and Taiwan each had three. She said that the proposals were creative and it will be a difficult selection process. Ms. Hughes said that the next step is to meet with the selection committee, then host live proposals, with a selection expected to be made in the first part of October.

#### **4. Review Potential New Proposals**

Mr. Sanders began the discussion with a proposal submitted by the Miss USA competition. He said that this is the third year that the competition has approached HTA, and in previous years they had approached HTA in the spring to host an early summer event. Mr. Sanders said that he believed that HTA's response in the past was that there was not enough time, so this year Miss USA has submitted its proposal earlier to give HTA an opportunity to review the materials. Last year, Miss USA requested \$900,000 from HTA to support the event, but HTA has learned that the event went to Reno, Nevada for \$350,000 which is significantly less than the preliminary "ask." Mr. Sanders said that he spoke to Miss USA's local representative, who indicated that if HTA could come in with a counter offer that incorporated market-wide support.

Ms. Menor-McNamara noted that last year concerns had been raised regarding safety issues at the Blaisdell Arena. Mr. Sanders said that he understood that the event, were it to be held in Hawai'i, would be at the Stan Sheriff Center.

Ms. Hughes expressed concerns about the branding alignment. She said she spoke to Reno's Director of Marketing who had managed this event for them and it had resulted in significantly less paid room nights than they had initially requested in Hawai'i. Their marketing team thought that, at best, the event was worth \$100,000 to Reno. Ms. Hughes noted that Hawai'i's competition to host the event is Galveston, Texas.

John Monahan said that Miss USA had approached Reno after Hawai'i declined last year. He explained that when Miss USA approached HTA in previous years, HTA consultant OMD analyzed the proposal using its formula at the time, assessing marketing value and economic impact to the state. He said that they ran the marketing value through their media buyer, who responded that the event was not the right target for Hawai'i. Mr. Monahan recommended that Miss USA make another proposal. He said that it was also difficult to estimate the media value because it is so heavily weighted to international media. The estimated value provided by Miss USA was \$18.8 million. OMD also assessed brand "fit" and felt that it was not an ideal fit. Mr. Monahan said that HTA has a form that it can provide to Miss USA to direct them so that they can provide a proposal that is tailored to the things that HTA is now looking for.

Mr. Kam questioned whether it made sense to continue to pursue this proposal if the event is not a brand fit. Ms. Hughes said that if it makes sense for the hotels as a group to go after this event and provide incentive funding then they should pursue it, but she questioned whether it was worthy of destination funding. Mr. Rafter said that, considering the event would take place

in May, it may result in some displacement or compression to provide 3,000 rooms. Mr. Sanders said that Miss USA was requesting 350 complimentary room nights. Mr. Atkins said that HTA should consider whether the event fits Hawai'i's brand, regardless of how many room nights are generated.

Mr. Sanders asked what HTA's response had been to Miss USA in the past because he believed that HTA had told the organization that the requests had come in too late and the budget had already been allocated. Marc Togashi said that, in the past, HTA had requested certain documents to review and the organization was not able to provide them in time to consider the event.

Mr. Monahan asked about Reno's response to having the event held there. Ms. Hughes responded that Reno had communicated that they felt they did well from a social media standpoint but it was not a great fit for branding so they may not consider it a great value for the destination. Mr. Sanders said that about 50% of Miss USA's target audience is 18-24 year olds. Mr. Rafters noted that Hawai'i generally does not target that demographic, but that those individuals are Hawai'i's future travelers.

Mr. Sanders said that he would ask Miss USA provide a more comprehensive proposal that incorporates HTA's new form/criteria, and let them know that HTA has concerns regarding branding.

Mr. Sanders then recognized Richard Fried to discuss a proposal from the U.S. Tennis Association (USTA) for Hawai'i to host the Davis Cup. The request is for \$200,000 in funding from HTA and 150 available room nights (not complimentary rooms). USTA would be responsible for getting the rooms. The U.S. is now in the "world group" and would be playing against countries like Spain, France, and England. Under the proposed three-year arrangement, hosting is contingent on which country the U.S. is playing and whether their last meeting was in the U.S. or in the challenging country. Depending on which country is drawn, there is a possibility that none of the matches would be played in Hawai'i. Ms. Hughes asked whether HTA would still need to make a contribution if the event did not come to Hawai'i and Mr. Fried responded that it would not. Mr. Atkins asked how the event would be marketed if there was not certainty as to whether the event would be hosted in Hawai'i. Mr. Fried said that there would at least be several months' notice, and added that, based on attendance at previous events, there has been enough lead time for successful marketing.

Ms. Hughes said that this event would be a good brand fit and recommended that Mr. Monahan send the organizers HTA's proposal template. Mr. Monahan said that he would communicate with the organizers directly. Ms. Kimura noted that the date of the event overlaps with Honolulu Festival and there would be competition for hotel rooms. Mr. Atkins asked when the organizers needed a response from HTA and Mr. Fried responded that he did not know. HTA CEO Chris Tatum said that they are not looking at these sporting events from the perspective of how many people will come to Hawai'i for the event, but more so ensuring that the event is branding and promoting Hawai'i appropriately. The important factors are the media value, the demographics, whether it positions Hawai'i correctly, and community

engagement. Mr. Sanders said that the next step would be for the organizers to return information to Mr. Monahan for assessment. Mr. Fried then exited the meeting.

## **5. Global MCI RFI – Review of Sole Applicant and Next Steps in the Process**

Ms. Hughes reminded the committee that the global MCI RFI is to request specific qualifications and requirements to determine whether to put the contract out for RFP. HTA received one response to the RFI that met the requirements, from HVCB. Ms. Hughes said that the next step is to put together a template for HVCB to present a marketing plan and budget. HTA will then review that and provide a recommendation to the committee on how to move forward.

## **6. Update on the Status of the LA Rams and University of Hawai'i Football Programs**

Mr. Sanders recognized Mr. Monahan to discuss the LA Rams football game. Mr. Monahan said that they are in the evaluation stage and will meet with the Stadium Authority next week to discuss the positive and negatives. He said that it is HVCB's opinion that the Rams is probably one of the most professional organizations that they have ever worked with. He got the impression that, although HTA demanded a lot of community involvement, the Rams would have done it anyway. For example, their Cleats for Character program provided free football cleats to the Farrington High School team and sent a speaker. From a community standpoint, Mr. Monahan said he did not hear any negatives.

Ms. Kimura said that the feedback from the Maui Visitor Bureau was that neighbor island students had an opportunity to attend the clinics, but not many people knew about the event or how HTA contributed. Marisa Yamane noted that it was in the local newspapers and on Maui Now. Mr. Regan said that, anecdotally, he received very positive feedback about HTA's role in bringing the Rams and the Cowboys to Hawai'i. Mr. Monahan said that both teams were shocked by how warmly they were welcomed. He said that there are interesting dynamics about attracting a game. In this case, the Rams stadium was under construction and they needed a place to play but that will not always be the case. Hawai'i has shown that it will sell the tickets, including the Clippers game that recently sold out, so Mr. Monahan said that he anticipates that there will be interest in hosting future events in Hawai'i.

Ms. Menor-McNamara said that the LA Rams' Kevin Demoff spoke at the Annual Hawai'i Chamber of Commerce meeting and was well-received. Mr. Monahan said that he would provide a full report as soon as all the data comes in. Mr. Atkins asked whether that would be available at the next marketing committee meeting. Mr. Monahan said that he may be able to provide the marketing value by the next meeting. The game was shown in LA, Dallas, and local markets but was not picked up on the NFL Network. Representative Onishi said that they he hosted a party to watch the game where many of his guests asked why HTA was sponsoring the event and did not understand the community impact of the event or that neighbor island students participated in Rams events. Mr. Tatum asked for feedback for the best ways to let the community know about HTA's efforts. Mr. Onishi said that it may be important for people to go to the neighbor islands as opposed to bringing the teams to O'ahu. There may be a

better value to the local community to have someone visit them. Marisa Yamane noted that they had informed all the newspapers, Maui Now television, and through social media. Mr. Tatum said that it will be interesting to compare the response to AVP, which is having a community outreach event on every island.

Mr. Tatum and Mr. Monahan then discussed the status of HTA's partnership with the University of Hawai'i (UH). Mr. Tatum said that the genesis of this was based on the feedback he received from the community and legislators where one of the things that emerged was a feeling that there was a lack of integration with UH. Mr. Tatum met with UH's Dave Matlin and they determined that the best way to partner would be to do on a project-by-project basis. UH's first big football away game is at the University of Washington (UW) and HTA is hosting an event in conjunction with that game. This region is a great market for Hawai'i. Mr. Tatum said that this event will be a benchmark of what HTA can do with UH moving forward, and is an opportunity for HTA to help fundraise for UH and promote the Hawai'i brand.

Mr. Monahan noted that the cheerleaders usually only go to one away game a year but HTA will be helping fly them out for this game. Marisa Yamane is setting up a Seattle Children's Hospital visit by Hawai'i entertainers on Friday September 13, 2019. There will also be an alumni relations event, and HTA has invited key supporters of UH and members of the travel industry. Mr. Monahan added that HTA is sponsoring a game-day alumni event for 400 UH supporters. HTA is providing ti leaf for the UH supporters at the game, and a local Hawaiian band will provide music. Arrangements have been made for a videographer to film the event so that it can be sent to local media. UW is playing in the Diamondhead Classic so HTA will also be promoting that event to encourage UW fans to come to Hawai'i to support their team. HTA has set \$50,000 for this event.

Ms. Hughes asked about the upcoming AVP beach volleyball tournament. Mr. Monahan said that volleyball clinics throughout the islands, including Molokai and Lanai, would begin the following week. Ms. Hughes said that she believes this event is a great example of a well rounded sporting event because there is real branding media attached to it and good community involvement.

## **7. Review of Hawai'i Island Recovery Effort Bus Tour Schedule, Partner Participation and Marketing Targets**

Mr. Sanders recognized Mr. Monahan to discuss the Hawai'i Island Recovery efforts. Mr. Monahan said HTA is launching their West Coast bus tour blitz the same week as the UH-UW game. It will begin in San Diego and make its way up the coast. There are 33 companies traveling either on the bus or alongside it. The event is targeting 550 travel trade and MCI customers including AAA Travel, Pleasant Holidays, and All About Tours. He said that nine travel ambassadors will also be traveling, to ensure that Hawai'i's uniqueness and traditions come forward. He noted that Kilauea is no longer the main attraction and the main purpose of this event is to showcase all the other wonderful things to do on Hawai'i Island. Visitors from the U.S. Mainland have increased, but international business has not come back as strong. The

U.S. West customer is more aware that there is more to Hawai'i Island than Kīlauea. Mr. Monahan said that the Hilo side is also improving, and numbers are getting close to what they were in 2017.

Jay Talwar noted that the bus tour will take advantage of media in the Los Angeles market. Mr. Rafter asked how they will measure success with these micro targets. Mr. Monahan responded that it is difficult to measure success when a destination loses its main attraction but that he would call it a success when they feel like they have been able to fully expose the wonders of Hawai'i Island to the consumer. It is a concern that international has been slower to recover but also understandable because Kīlauea was such a big draw. In the U.S. mainland, the Hawai'i brand was more robustly built out and that has allowed it to jump back in more quickly.

Mr. Tatum said that another way to measure success is to see when the Hawai'i Island numbers start matching the growth and trends on the other islands. He said that HTA probably needs to do a better job going to stakeholders and asking whether HTA's efforts are working. Mr. Monahan said it is also a great sign that Southwest Airlines has added flights to Hilo.

Ms. Hughes asked Eric Takahata for an update on efforts to market Hawai'i Island to Japan. He said that they are in the process of re-educating the market and engaging with Japan airlines and stakeholders in the market to educate the Japanese visitors. He said that load factors are in the 90s, and from September the pace is at about 70%. Mr. Atkins noted that HTA provided a lot of funding for recovery and asked whether all those funds have been expended. Mr. Takahata responded that the funding goes through February of 2020.

Rep. Onishi thanked Mr. Takahata for bringing the Japan Summit to Hawai'i Island. He said that he spoke to summit participants who were appreciative of the opportunity to go to Hawai'i Island. He said that he believes that the activities planned showed what Hawai'i Island is capable of being, and members of the community were appreciative of having the event hosted on Hawai'i Island. They are also more aware of the level of marketing and product development required now that Kīlauea is not the major attraction. For example, he is working with museums to develop content to keep visitors engaged by teaming up and supporting each other. Rep. Onishi said that he looks at Hawai'i Island unemployment information every week, which is produced by DBEDT. Starting in May, unemployment has been below last year every week. In some weeks the difference is as much as 25%.

Mr. Monahan thanked Ross Birch of the Hawai'i Island Visitors Bureau for being instrumental in helping with the bus tour. Mr. Takahata agreed and said they are already planning on holding next year's Japan Summit on Hawai'i Island.

Mr. Atkins asked how they plan to respond to potential inquiries about Kīlauea that they may receive during the bus tour, and whether guests may still visit. Mr. Monahan said that Volcanoes National Park is coming along slowly. Rep. Onishi said that the head of the park took a temporary promotion off-island which affected recovery, but she has become more engaged in the last couple months. They are opening up other parts of the park, but the lava tube has

not been geologically assessed yet. The most interesting thing is the crater that has been created. Mr. Birch has been working with the people in Pahoā to try to establish a viewing of the lake.

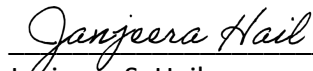
Mr. Ka'anā'anā said that, from a cultural standpoint, it is important to address the volcano by its name, Kīlauea. He said there are opportunities to rebrand, but Halemaumau is still amazing. It is also important to make sure that visitors and tour operators are aware that the park is trying to manage red fire ants so they are not spread to other areas in the island.

Mr. Tatum said that he has spoken to Congressman Ed Case, who informed him that the Arizona Memorial will be opened by December 7, 2019.

## **8. Adjournment**

Mr. Sanders asked for a motion to adjourn the meeting. Mr. Kam so moved, and Mr. Atkins seconded the motion, which was approved by all Committee members present. The meeting was adjourned at 1:52 p.m.

Respectfully submitted:



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Janjeera S. Hail  
Recorder