



2023 BMP

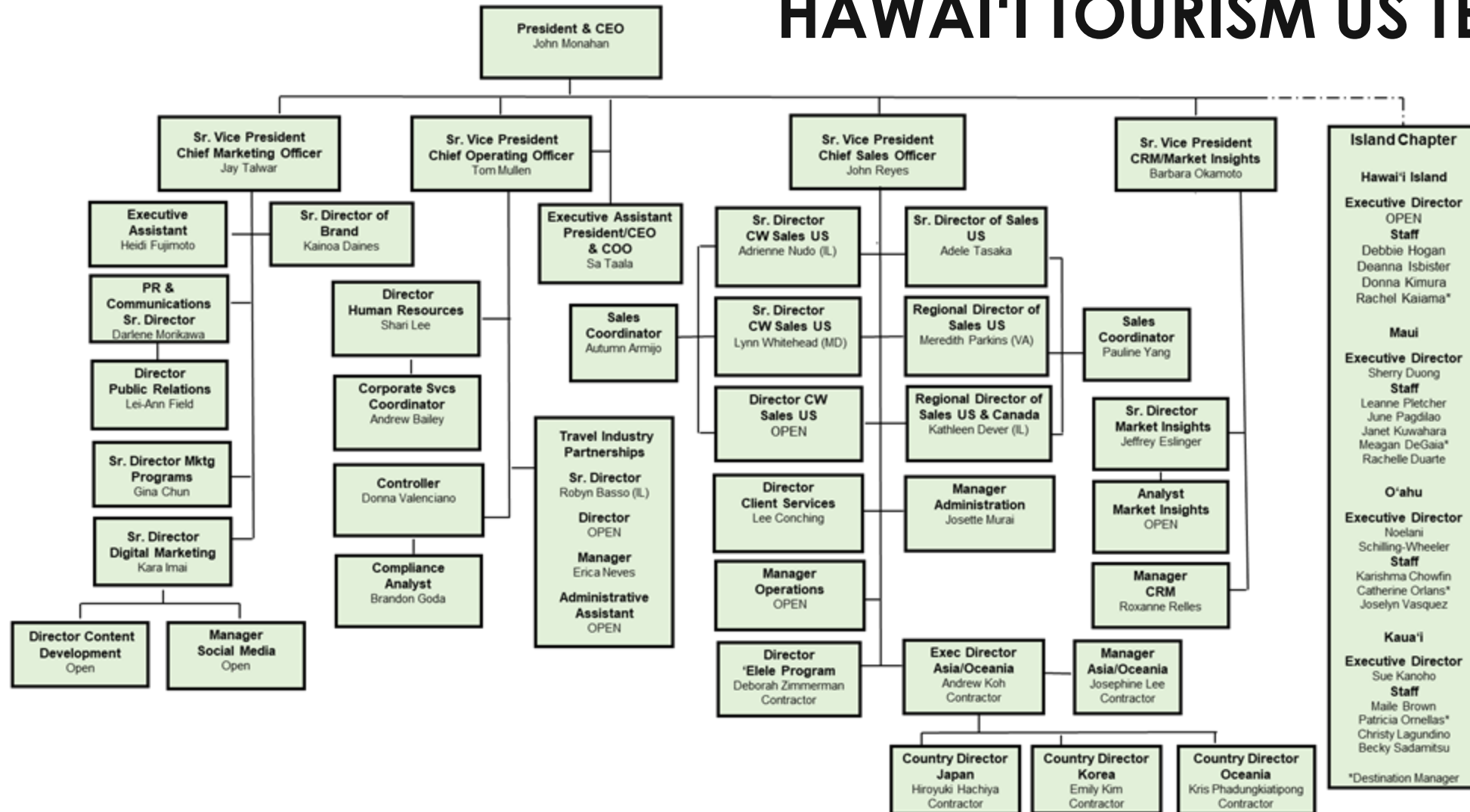
Jay Talwar
CMO



AGENDA

- Hawai'i Tourism United States Team
- 2023 BMP
 - Market Situation
 - Economy
 - Traveler Sentiment
 - Airlift
 - Lodging
 - Competitive Landscape
 - Marketing Programs
 - Target Audiences
 - Paid Media
 - Earned Content
 - Travel Sellers
 - Key Performance Indicators
 - Industry Cooperative

HAWAII TOURISM US TEAM



MARKET SITUATION

MARKET SITUATION: GENERAL ECONOMY

Threat of recession looms over the general population, though:

1. Household balance sheets remain strong – personal debt continues to remain lower than it was prior to the previous recession.
2. Households in the upper quartile (\$150K+) hold more than 70% of savings of all U.S. households.

International Economic Impacts:

1. Concerns as China continues their zero-COVID policy while its economy and manufacturing sector see further disruption.
2. Russian / Ukraine conflict continues to impact the global economy with restrictions on airlines and the use of airspace and the impacts on food and fuel costs.

MARKET SITUATION: TRAVELER SENTIMENT

Economic Anxiety - and Desire to Tighten Purse Strings - are Increasing

American travelers expect the U.S. to enter a recession and report they are being careful with their money. However, over half report travel remains a budget priority.

Americans Surpass a COVID-19 Milestone – In a Good Way

For the first time since start of pandemic, U.S. travelers say they unconcerned about contracting COVID has surpassed those concerned. The lowest percentage (38%) since Destination Analysts started tracking in March 2020.

International Travel Expectations Still Healthy

Taking advantage of the strong USD, over one-third of Americans report they more interested in traveling outside of the United States in the next 12 months. Europe, Canada, Mexico and the Caribbean Islands are top of the list.



MARKET SITUATION: AIRLIFT

U.S. Non-Stop Transpacific Seats for January – June 2023 are above that of 2019 but flat to down slightly when compared to 2022.

	# of SEATS Jan - June 2019	# of SEATS Jan - June 2022	# of SEATS Jan - June 2023P	% Change 23/19	% Change 23/22
O'ahu	2,413,284	2,808,974	2,861,046	18.6%	1.9%
Maui	1,275,965	1,620,331	1,558,623	22.2%	-3.8%
Kona	581,808	678,715	660,380	13.5%	-2.7%
Kaua'i	481,642	581,931	529,671	10.0%	-9.0%
Hilo	21,654	19,993	1,162	-94.6%	-94.2%
Total	4,774,353	5,709,944	5,610,882	17.5%	-1.7%

MARKET SITUATION: LODGING

ADR and RevPAR to Finish 2022 at Record Highs, Economic Headwinds Threaten Pace of Recovery for 2023.

Demand Recovery Slows

Travel demand skyrocketed in 2022 due to the ease of domestic travel restrictions and pent-up demand with continued foreign travel restrictions. In Q1 2023 travelers remain cautious about the changing economic environment and potential emergence of more potent variants of the virus during the winter months.

Strength of U.S. Dollar

The strength of the U.S. traveler vs foreign currencies will allow U.S. travelers to stay at more upscale/luxury properties than money will allow in Hawai'i.

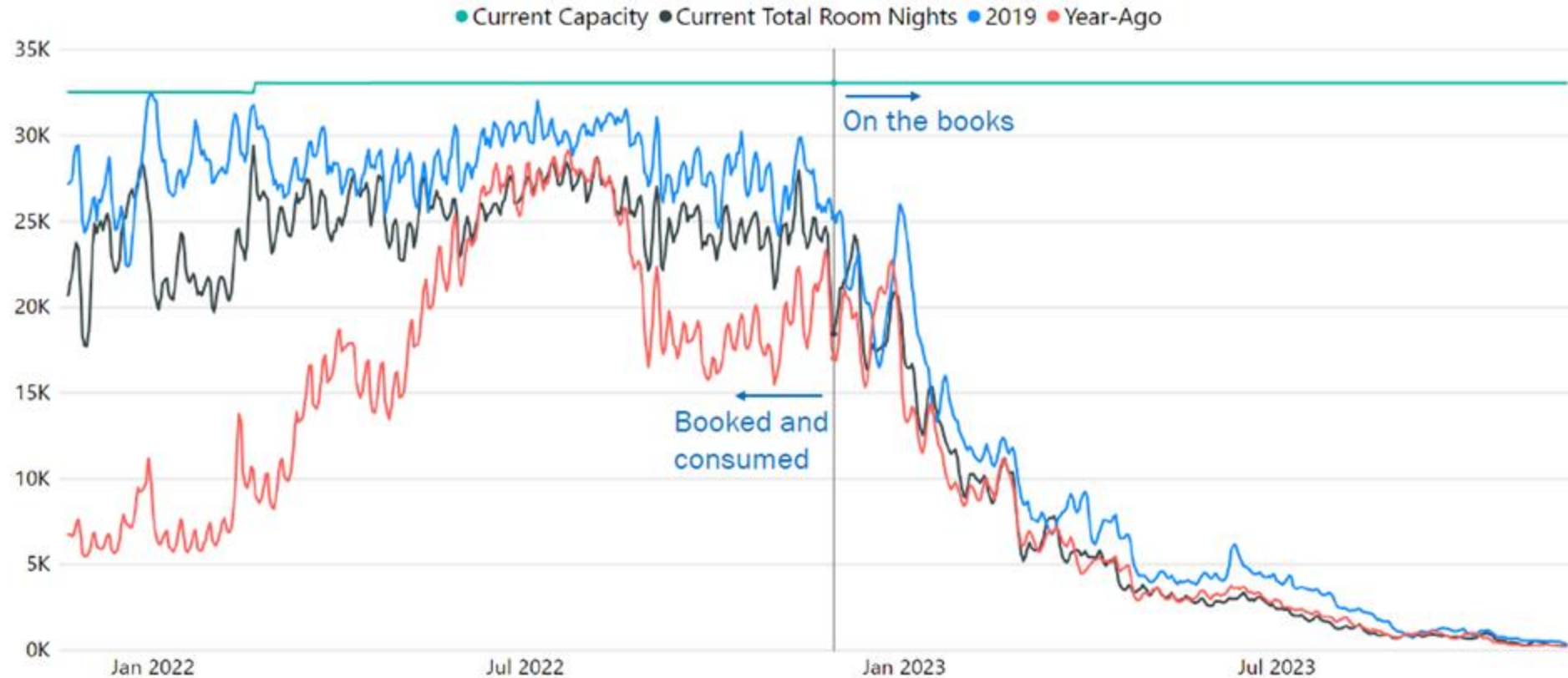
In Hawai'i ADR Contribution to Impact RevPAR

ADR is expected to be important driver of RevPAR gains through 2023, as demand growth moderates, even though inflation may remain constant.



MARKET SITUATION: LODGING

State of Hawai'i Total Room Nights on the Books January 1, 2021 through October 2023 YOY (as of November 20, 2022)



MARKET SITUATION: COMPETITIVE LANDSCAPE

The Pandemic Has Amplified The Notion That Travel Should Not Be Take For Granted

Stepping out of the comfort zone

Travelers are looking to experience and immerse themselves in a new culture where they seek a destination with completely different cultural experiences and getting off the beaten track. The globe is our competitive set.

A Healthy mind In a healthy body

Destinations offering the ability to refocus with mindfulness trips and allow the traveler to focus on mental health and life milestones.

Traveling with value without depriving yourself

Travelers will seek to prioritize travel while seeking value for the money. In this context, they are willing to increase their spending, or even splurge on the elements of their trip that matter most to them.



MARKETING PROGRAMS

MARKETING PROGRAMS: APPROACH



NOV	DEC	JAN	FEB	MAR
Update/Refresh <ul style="list-style-type: none">• MHTT• Media• Travel Sellers• Industry Partners• Residents Marketing <ul style="list-style-type: none">• Earned media• Coop• Social		Marketing <ul style="list-style-type: none">• Long-term brand building• Earned content• Travel Sellers• Education• Motivation• Cooperative Marketing• Conversion		

TARGET AUDIENCE

TARGET AUDIENCE TRENDS

How are US travelers the same/different?

- What are their travel motivations?
- How are their media habits changing?
- Pandemic-related challenges?
- Economic impacts?
- Competitive destinations globally?
- When is the best time to reach them?

How are US media the same/different?

- Where are they?
- What are their travel habits?
- How do we best reach them?
- How do we gain meaningful engagements?

How are US travel sellers the same/different?

- Competitive destinations and products?
- What are Hawai'i's key differentiators?
- Pandemic-related challenges?
- Resources needed to educate clients?



TARGET AUDIENCE – UPDATED KNOWLEDGE

- Mindful Hawai'i Target Traveler (MHTT): HTUSA is working with its research and media partners to revise and update our understanding of our core target market. This is be accomplished through secondary and primary research on messaging and media usage.
- Earned Media: Conducting quantitative and qualitative research studies to gain insights regarding the effectiveness of virtual/in person meetings, messaging resonation, and to further understand how to approach and present to media.
- Travel Sellers: In the field with a survey to over 30,000 of HTUSA's travel advisors. This research will provide insights on strength of booking pace for Hawai'i, the competitive landscape, and educational resource preferences.
- Industry Partners – HTUSA is the process of conducting interviews with key tourism stakeholders. Once completed, a quantitative survey will be fielded among the larger tourism community.
- Residents – Continuously monitoring and listening sentiment via the HTA Resident Sentiment Survey, virtual and in person town halls, county meetings.



TARGET AUDIENCE

2023 Mindful Hawai'i Target Traveler (MHHT) Universe and Definition

Universe of Total Target Audience = 47 million MHHT U.S. residents

Age: 25-54

AND

HHI - \$110K+

AND

Visited Hawai'i in the Last 3 Years/Any Trip

OR

Foreign Travel in the Last 3 Years/Any Trip

AND

Preserving the Environment – Helping to Preserve Nature

OR

I am Interested in Finding Out How I Can Help the Environment

AND

I Like to Try Local Cuisine When I Travel



2023 STRATEGY

MARKETING PROGRAMS: MESSAGING STRATEGY



Pre-Destination Decision

- Mālama Hawai'i / Brand Messaging

Post-Decision: Enroute and On-island

- Kuleana Campaign / Travel Tips / Behavioral Messaging
- Coordinated with County's DMAP communication efforts eg Waze

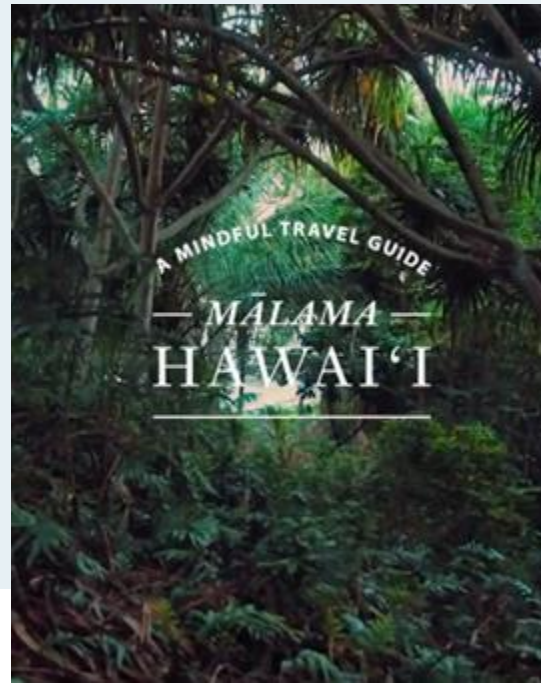
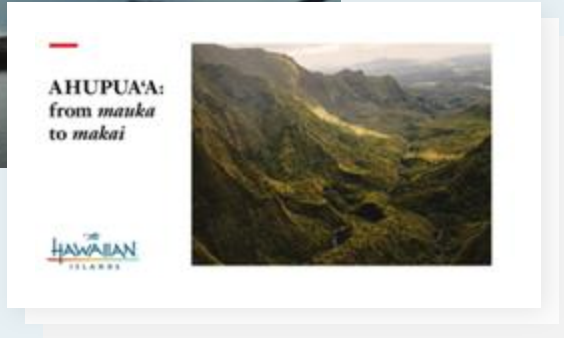


KEY CAMPAIGNS/PROGRAMS

An underwater photograph showing a person swimming near the surface of the water. The water is a deep teal color, and sunlight filters through the surface, creating a bokeh effect with bright, out-of-focus light spots. The person's arm and part of their torso are visible below the water line.

VISITOR EDUCATION

MARKETING PROGRAMS: MĀLAMA HAWAI'I

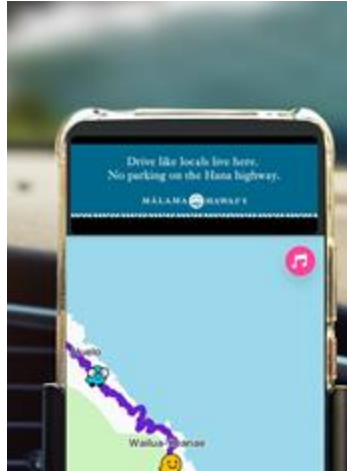


MARKETING PROGRAMS: PAID APPROACH



- Analyze media platforms to reach MHTTs
- Continue to implement journey-based audience targeting
- Extend flights of key content to maintain momentum and reinforce important messaging
- Pilot trending and emerging formats

MARKETING PROGRAMS: KULEANA MESSAGING ON-ISLAND

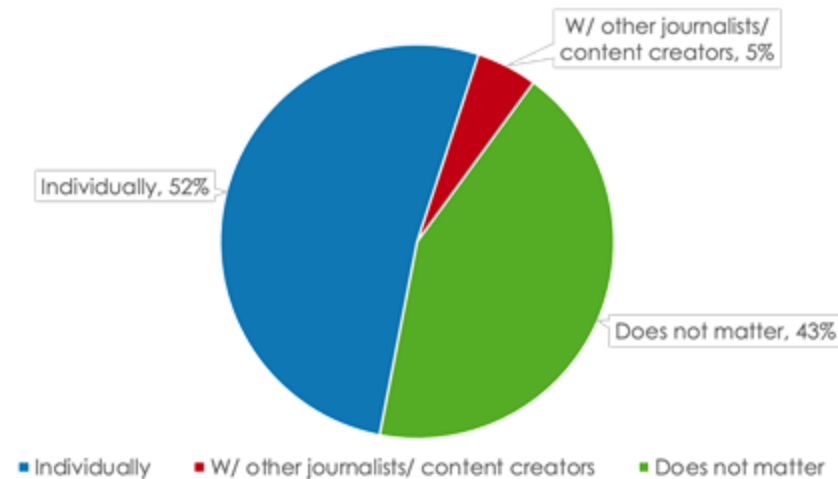


- Airport Messaging
- Hotel Shuttles
- Waze
- In-Room Video
- Social Media
- GoHawaii App

EARNED MEDIA

MARKETING PROGRAMS: EARNED MEDIA SURVEY

When traveling for work, do you prefer traveling individually or as part of a group (i.e. press trip)?



- What interests them most about Hawai'i?
- What challenges are they facing?
- Where are they working?
- What makes an event/activation enticing and valuable?
- What are their travel habits?
- What makes for meaningful engagement?
- What emerging communication channels can we influence?

MARKETING PROGRAMS: EARNED MEDIA

Q1 Approach to Earned

- Media Education: regenerative tourism, *mālama* messaging
- Build strong pipeline of media opportunities
- Virtual cultural webinar
- Identify story ideas and local ambassadors, relating to DMAP, CEP, Kūkulu Ola and Aloha ‘Āina programs



PENTA

Great Escapes: Maui, Where
Luxury Means Giving Back
to the Land



AFAR

TRAVEL INSPIRATION ART + CULTURE

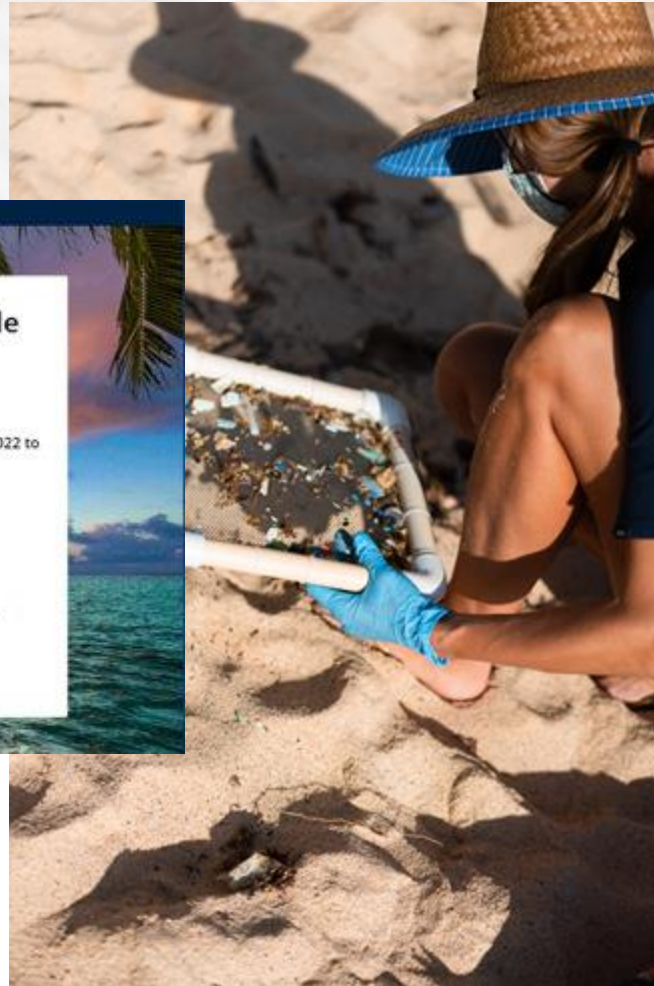
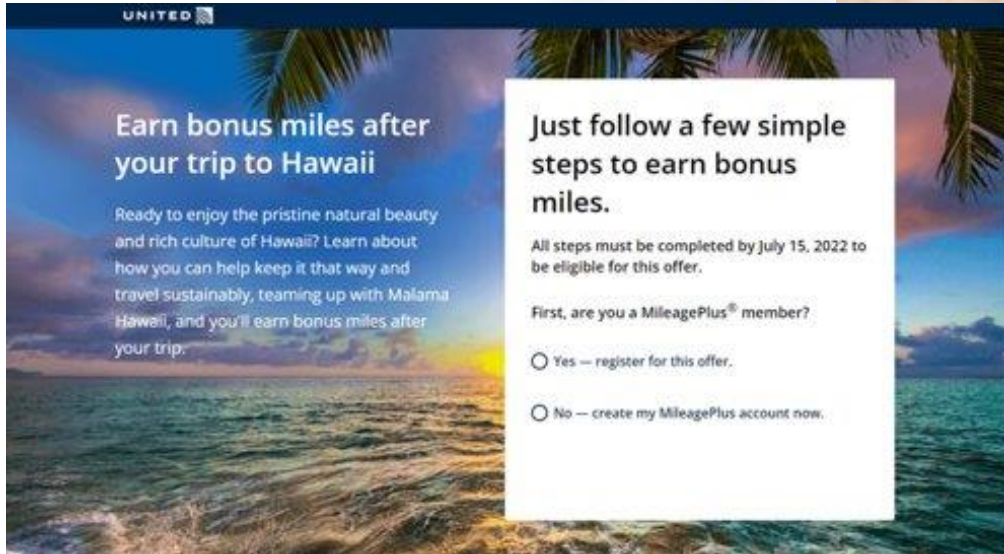
By Jennifer Flowers • August 25, 2022

Podcast: How to (and How
Not to) Engage in Cultural
Tourism



MĀLAMA HAWAI'I

MARKETING PROGRAMS: EVOLVING MĀLAMA HAWAI'I



- Focus on impact and benefits vs. offers
- Evolve offers
- Implementing tracking measures
- Community & industry engagement

TRAVEL TRADE

MARKETING PROGRAMS: TRAVEL ADVISOR EDUCATION

Travel trade continues to maintain long standing relationships and align with select travel partners and advisors across the continent through:

- **Communications**
 - Utilize HDS database
 - Reach qualified travel advisors encouraging HDS course completion
 - Develop pre and post travel advisor communications encouraging mindful travel
- **Content Updates & Development**
 - Expressly for Travel Professionals (EXTP) emails
 - Continue Hawai'i Destination Specialist (HDS) curriculum and travel trade website updates
- **Training**
 - Consortia and wholesale in-person and virtual events
 - HTUSA led educational webinars with key stakeholders



KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS

1. Visitor satisfaction
2. Resident sentiment
3. Per person per day expenditures
4. Total visitor expenditures

PARTNERSHIP OPPORTUNITIES



PARTNERSHIP OPPORTUNITIES

INDUSTRY COOPERATIVE MARKETING



Analytic approach to identifying MHTTs in key markets across the country:

- Profile past visitors and inquirers
- Create desired visitor profile
- Expand universe with look-alikes

Synchronized program:

- Timing coordinated with the long-term branding program, which creates interest in our destination.
- Aligned with the distribution of pre-arrival statewide and post-arrival island visitor guides, which educate visitors on our destination.
- Individualized cooperative marketing programs with partners seeking to expand their customer base with their conversion-oriented messaging.



PARTNERSHIP OPPORTUNITIES

- Hawai'i Statewide Official Visitors' Guide
- Official Visitor Guidebooks
 - Experience Kaua'i
 - Experience O'ahu
 - Experience Maui, Moloka'i, Lāna'i
 - Experience the island of Hawai'i
 - Contact: Karen Wataru Nakaoka
- Cooperative Marketing
 - Various opportunities available
 - Contact: Gina Chun





Mahalo