

HAWAII TOURISM™

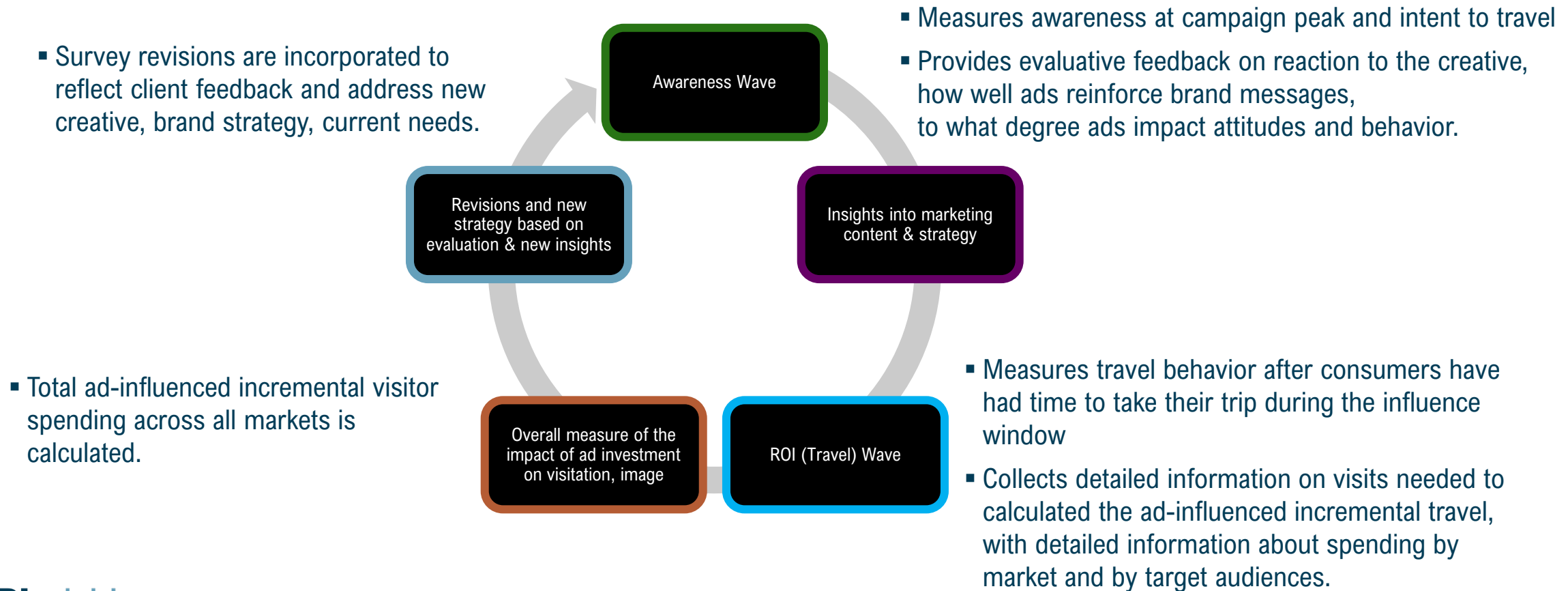
AUTHORITY

**Campaign Effectiveness
Calendar Year 2023**

April 2024

SMARInsights

Methodology Overview

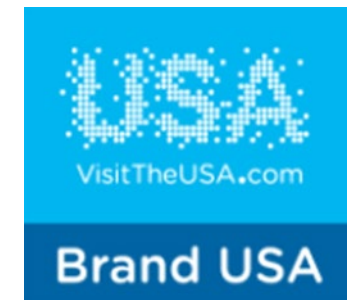


Incremental (Ad-Influenced Travel) Overview

- SMARInsights' methodology for measuring the impact of destination advertising relies on establishing a base rate of travel. Certainly, there would be travel to Hawai'i even without any paid advertising. Thus, not all visitation, or even visitation by aware households, is attributable to the ads. In this evaluation, the level of travel among unaware households is considered the base and what the area would see without the marketing campaign. Accordingly, any travel above that base by ad-aware households is what is considered influenced. As such, this is a conservative measure of influence.

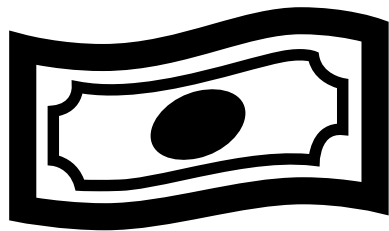


Current State/National Tourism Clients



Return on Investment Summary


ROAS
 (Return on Advertising Spend)



(Tax Return on Advertising Spend)

Return on Investment	Domestic ROI	Japan ROI	Calendar Year ROI
Influenced Trips	583,430	75,282	658,712
Visitor Spending	\$5,800	\$4,083	\$5,604
Influenced Spending	\$3,383,895,660	\$307,400,696	\$3,691,296,356
2024 Media Spending	\$8,320,330	\$932,500	\$9,252,830
Return on Investment	\$407	\$330	\$399

Tax Return on Investment	Domestic Tax ROI	Tax ROI	Calendar Year Tax ROI
Total influenced spending	\$3,383,895,660	\$307,400,696	\$3,691,296,356
General Excise Tax	\$152,275,305	\$13,833,031	\$166,108,336
Influenced Lodging Spending	\$1,040,605,748	\$110,891,427	\$1,151,497,175
State Transient Accommodation Tax	\$106,662,089	\$11,366,371	\$118,028,460
County Transient Accommodation Tax	\$31,218,172	\$3,326,743	\$34,544,915
Total Taxes Generated	\$290,155,566	\$28,526,145	\$318,681,711
Media Investment	\$8,320,330	\$932,500	\$9,252,830
Tax ROI	\$35	\$31	\$34

An aerial photograph of a tropical coastline. In the foreground, a large bay with clear, vibrant blue water is visible. The water transitions from a deep blue to a lighter turquoise near the shore. The coastline is rugged, with dark, layered rock formations and some white surf where waves break. In the background, a range of green, forested mountains stretches across the horizon under a bright blue sky with scattered white clouds. A small town or village is visible on a hillside to the right of the bay. The text 'HAWAII TOURISM AUTHORITY' is overlaid on the image, with 'HAWAII TOURISM' in a large, white, serif font and 'AUTHORITY' in a smaller, white, sans-serif font below it. A horizontal line with a color gradient from red to blue passes behind the text.

HAWAII TOURISM AUTHORITY

Domestic Return on Advertising Spending

SMARInsights

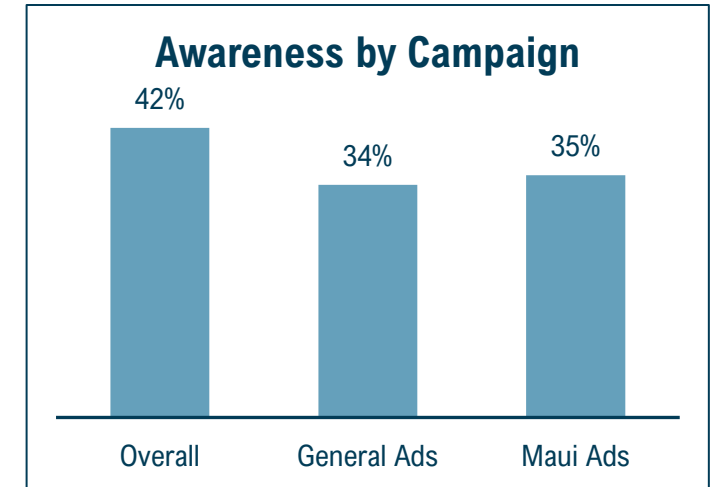
Awareness Review

- In order to evaluate the impact of the calendar year investment, the reach of the media at the highest point throughout that evaluation process is used in the calculations of influence. Given it was in Q4 that the media reached 42% of the targeted households, the 6.5 million aware households measure in that wave will be used as the base for potentially influenced travel.

SMARInsights'
Benchmark =
\$0.47

Aware Households by Quarter	Q1	Q2	Q3	Q4
Qualified HHs*	15,479,965	15,479,965	15,479,965	15,479,965
Awareness	40%	41%	37%	42%
Aware HHs	6,191,986	6,346,786	5,727,587	6,501,585
Media Investment	\$3,703,982	\$2,419,470	\$1,031,126	\$1,165,752
Cost per Aware HH	\$0.60	\$0.38	\$0.18	\$0.18

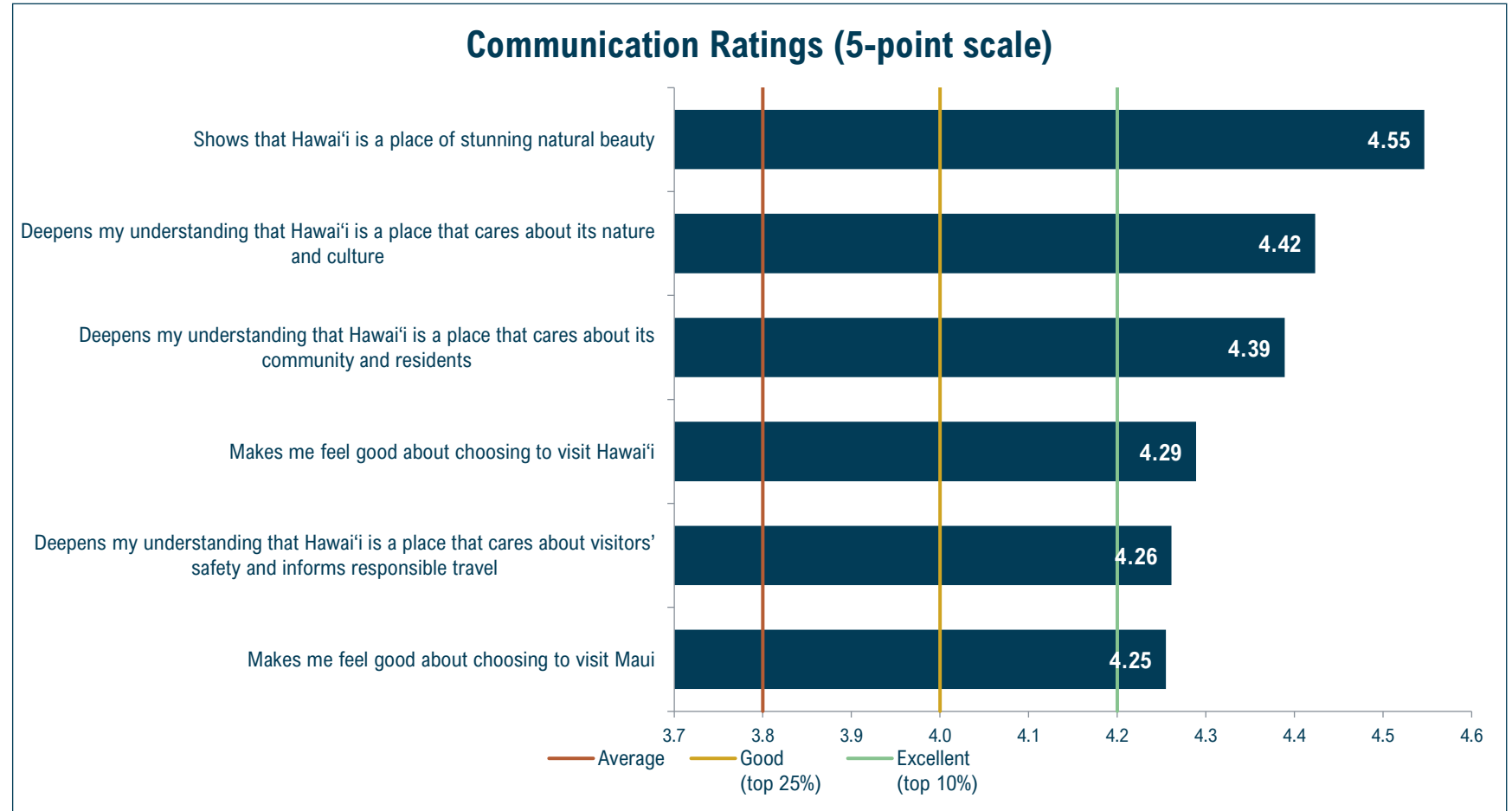
*Qualified households represents domestic travelers who have taken a trip by air of more than 500 miles in the last year and meet the other screening criteria. This can be estimated from survey incidence considerations but ultimately can be calibrated based on the sample's reported visitation to Hawai'i and the actual level of this visitation. This has been done to most accurately estimate population sizes of those surveyed.



General Campaign Communications Ratings

The advertising continues to excel in communicating key messages.

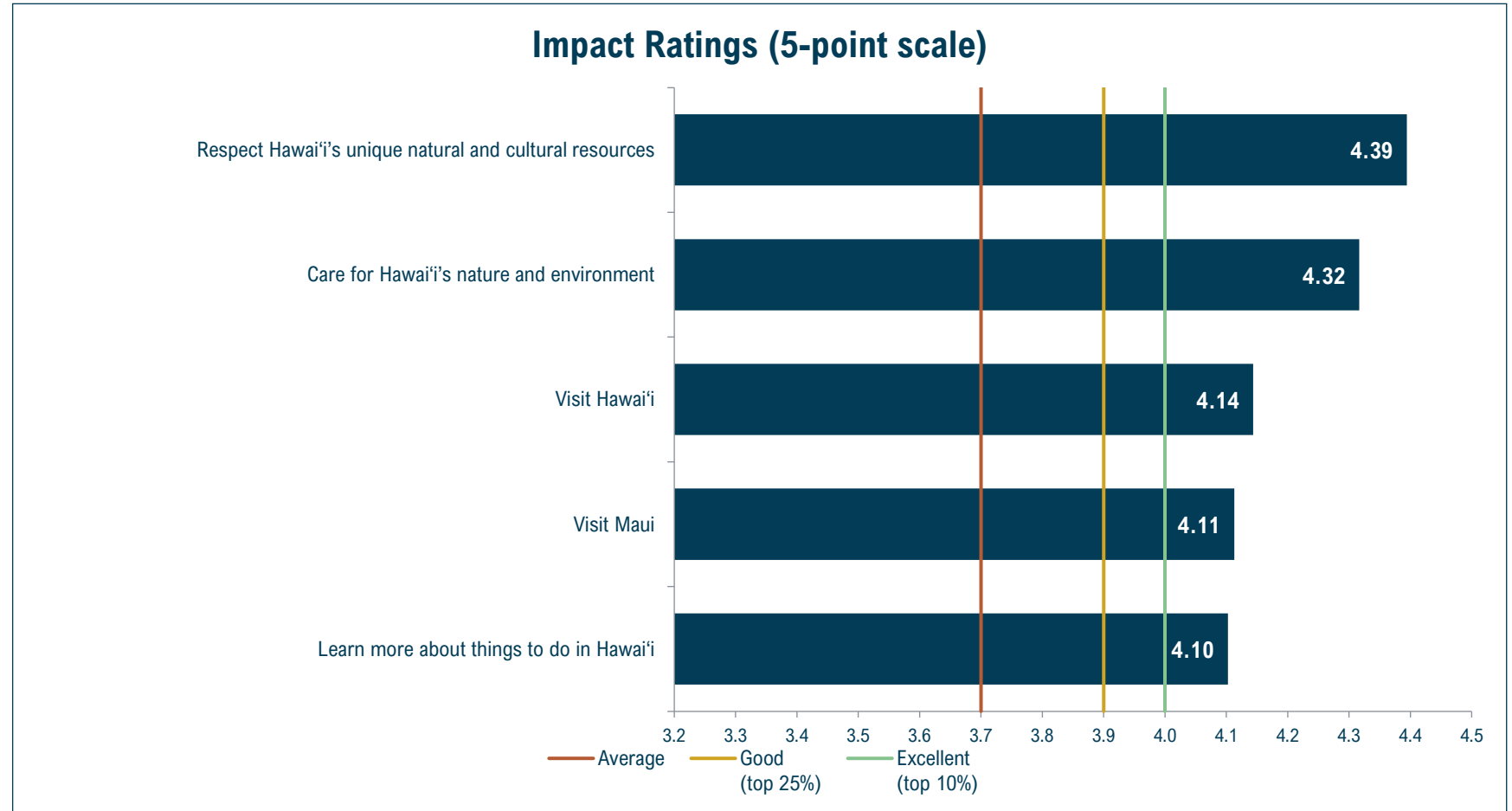
- Many of the messages were rated above the benchmark for excellence (top 10% of all ads tested), led by showing the “stunning natural beauty” of Hawai‘i.
- This indicates that the campaign is communicating the majority of its intended messages effectively and has done so for the past 12 months.



General Campaign Impact Ratings

The advertising impacts consumer behavior.

- Like the communication ratings, many of the impact ratings achieved excellent status (top 10%).
- Though the creative is effective at generating interest in visiting Hawai'i and Maui specifically, it garners the highest ratings for making consumers willing to respect natural and cultural resources.



Please indicate how much you agree that these ads make you want to...
5-point scale where 1=Strongly disagree and 5=Strongly agree.

Message Correlation

- Brand perception is strong with strong understanding of the product. Because of this, some of the most important attributes have little correlation with incremental increases in likelihood to visit. Everyone already thinks Hawai'i is:
 - A good place to relax
 - Has beautiful scenery
 - A place to explore new things
- Where marketing can have the most influence is on attributes with the strongest correlation between likelihood to visit Hawai'i and important qualities for leisure trips:
 - Voluntourism opportunities
 - The ability to give something back to the destination
 - Nightlife and entertainment
 - A destination that practices sustainability



Image Lift

The campaign tends to lift the lower rated attributes of Hawai'i.

- As with the general ads, barriers like “easy to get to” and “affordability” and “value” have some of the largest impacts.
- Voluntourism opportunities are clearly effectively communicated, achieving an average rating among ad-aware travelers.
- Image attributes that scored high are impacted less by the advertising, largely an effect of their high scores leaving less room for growth.

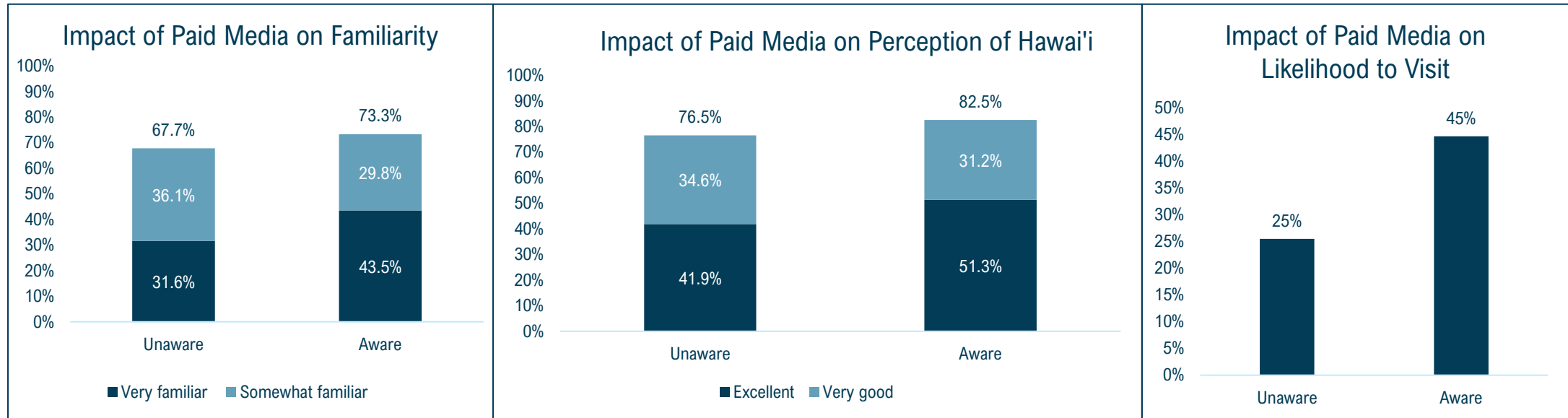
Benchmarks	
4.0 or higher	Excellent
3.75 or higher	Good
3.5 or below	Below Average

Q. How much do you agree that Hawai'i has or is each of the following?
5-point scale from 1=Not at all to 5=Very much.

	Unaware	Aware	Lift
Easy to get to	3.1	3.6	0.5
Affordable	2.8	3.3	0.5
Voluntourism opportunities	3.1	3.5	0.4
Value for the money	3.4	3.7	0.4
Great shopping	3.6	3.9	0.3
Interesting architecture	3.5	3.8	0.3
Variety of festivals and events	3.8	4.0	0.3
Good museums and attractions	3.6	3.8	0.3
Nightlife and entertainment	3.7	4.0	0.3
A destination that practices sustainability	3.8	4.0	0.2
Easy to get around once you're there	3.8	4.0	0.2
Opportunities to personally connect with locals	3.9	4.1	0.2
Family friendly	4.2	4.4	0.1
Exciting	4.2	4.4	0.1
Good customer service	4.0	4.1	0.1
Upscale experiences	4.2	4.3	0.1
Vibrant	4.3	4.4	0.1

Impact of Media on KPIs

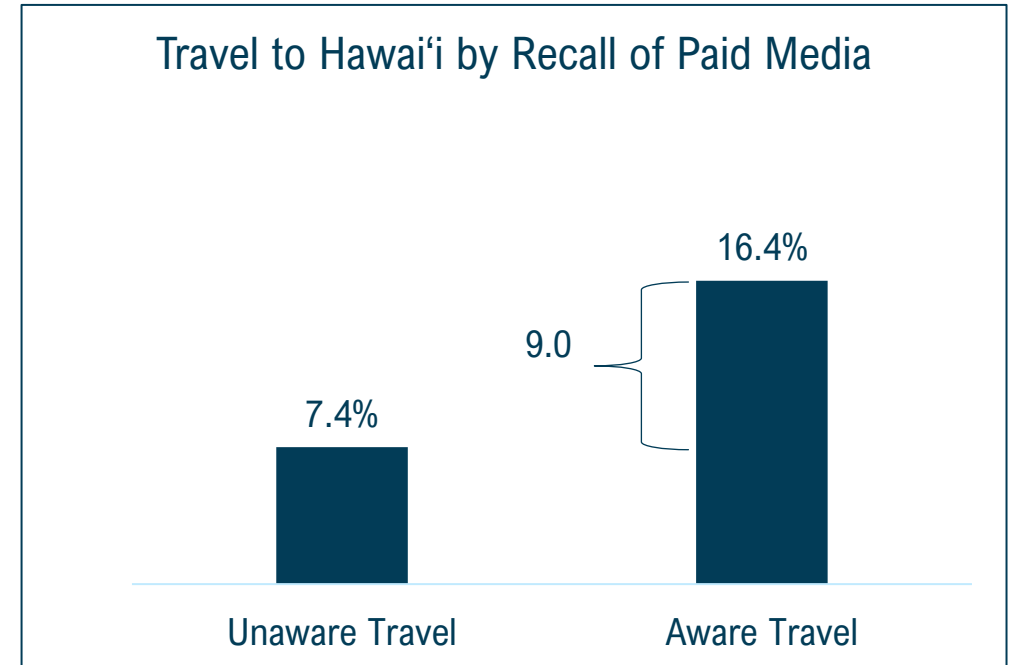
Campaigns can communicate ideals and inform travelers, but the ultimate objectives are to motivate and drive interest and visitation. The lift in overall rating and preference for the state indicates that the advertising is doing just that, even with an already high baseline.



Incremental Travel & Influenced Trips

- Although international travel and domestic cruises have been slow to recover post-COVID, HTA's data points to nearly 8% more domestic air arrivals for 2023 than four years prior. SMARInsights maintains a database of all reported domestic travel for hundreds of thousands of survey respondents annually. In 2023, overall visitation to Hawai'i was 5.6%, up from 3.2% in 2019.
- Of course, HTA has a much narrower target than all U.S. households. Among this target audience, the visitation rate by those who did not see the advertising was 7.4%. But the advertising is especially effective at motivating travel, with a visitation rate of 16.4% by those who were exposed. The result is a 9-point lift in travel, generating more than 583,000 influenced trips.

	Influenced Trips
Aware HHs	6,501,505
Travel Increment	9.0
Influenced Trips	583,430



Influenced Visitor Spending

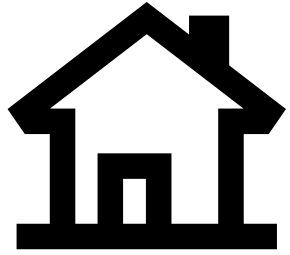
- U.S. travel parties spent close to \$6,000 per trip. With party sizes averaging just over 3 people, the per person spending amounts to about \$1,900.
- Given the number of incremental trips, this generated over \$3 billion in influenced visitor spending. With over \$8 million in targeted spending in the continental U.S., this results in a return on investment of \$407 for every \$1 invested in paid media.
- This ROI is 43% above average. SMARInsights implements this same methodology for dozens of state travel offices, and post-COVID the average return on investment for state DMOs is \$285. However, for state offices with paid media investment over \$5 million since 2021, the average ROI is \$219, making the return on the 2023 media buy 86% higher than the average competitor.



	Influenced Spending
Influenced Trips	583,430
Visitor Spending	\$5,800
Influenced Spending	\$3,383,895,660
2023 Spending	\$8,320,330
Return on Investment	\$407

Category	Spending
Lodging	\$1,960
Food and Beverage	
Restaurant food	\$594
Dinner shows and cruises	\$290
Groceries and snacks	\$234
Food and Beverage Subtotal	\$1,118
Entertainment and Recreation	
Attractions/entertainment	\$327
Recreation	\$208
Other activities & tours	\$156
Entertainment Subtotal	\$691
Transportation	
Rental vehicles	\$492
Ground transportation	\$103
Interisland airfare	\$251
Gasoline, parking, etc.	\$131
Transportation Subtotal	\$977
Shopping	
Fashion and clothing	\$316
Jewelry and watches	\$123
Cosmetics, perfume	\$68
Leather goods	\$96
Hawai'i food products	\$184
Souvenirs	\$149
Shopping Subtotal	\$936
Other expenses	\$118
Total	\$5,800

Influenced Trips



6,501,505

Ad-Aware
Households



9.0

Travel Increment
(Ad-Influenced Travel)



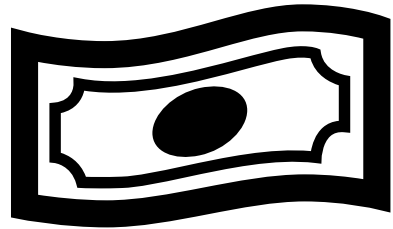
583,430

Ad-Influenced Trips
(Incremental Trips)



\$5,800

Average Trip
Expenditures



\$3,383,895,660

Total Ad-Influenced
Visitor Spending



\$8,320,330

Media Expenditures



ROAS

\$407

Return on
Advertising Spend

An aerial photograph of a tropical coastline. In the foreground, a deep blue bay with turquoise water curves around a rocky shore. The middle ground shows a small town with white buildings nestled in a valley. In the background, there are lush green mountains under a blue sky with scattered white clouds. The text 'HAWAII TOURISM AUTHORITY' is overlaid on the image.

HAWAII TOURISM AUTHORITY

Japan Return on Advertising Spending

SMARInsights

Advertising Efficiency

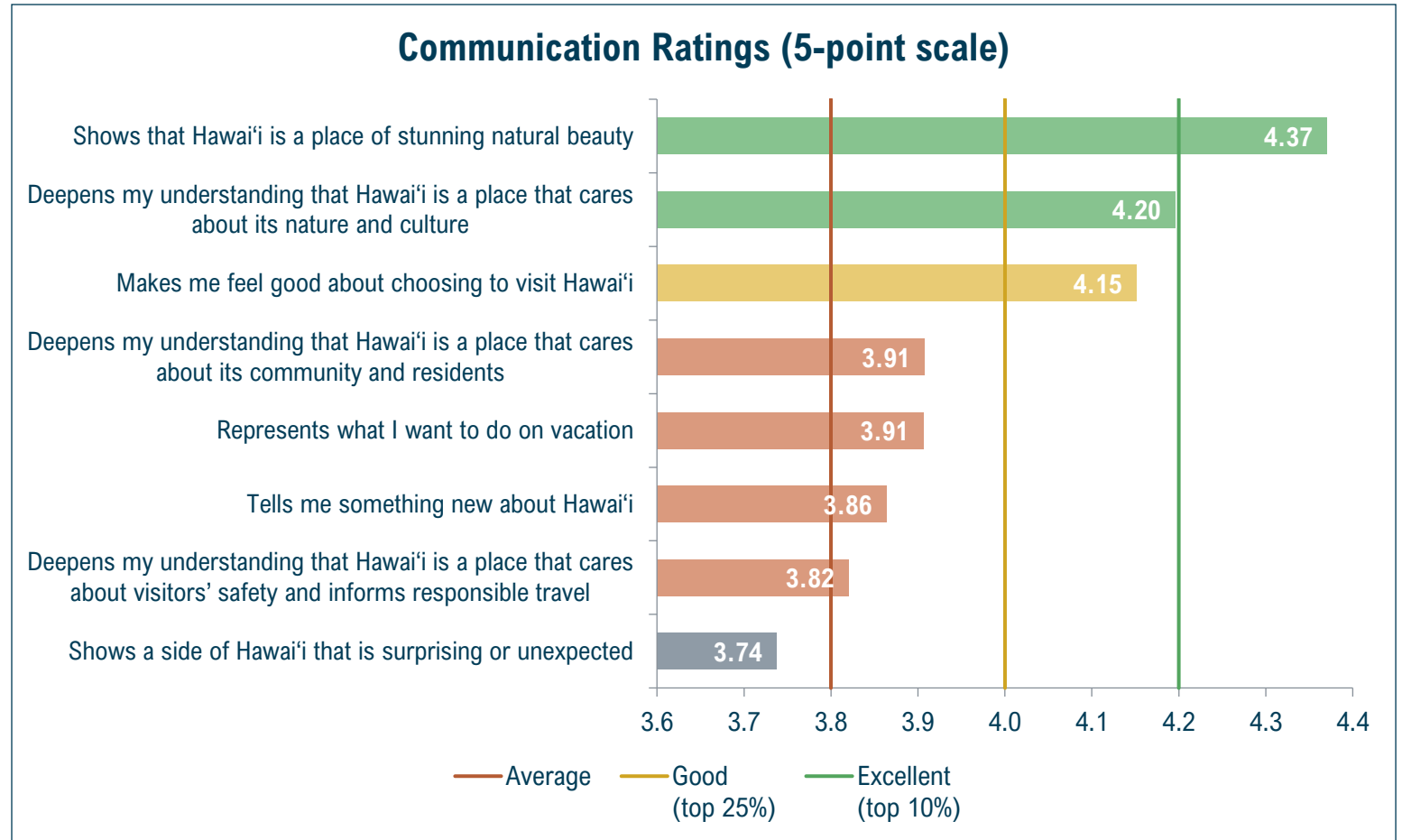
- The efficiency of the advertising (as determined by cost per aware household) fluctuated over the course of the year.
- The most efficient quarter, Q3, experienced the highest level of awareness (51%). This is likely to a diversified media investment plan (TV, OOH, print, and digital buy). No other quarter included TV advertising.
- The second quarter focused heavily on out-of-home advertising with a spend of \$355,000, more than any total from the other quarters. Consequently, the efficiency of that month was the worst and the awareness generated during that time was only 38%.

Cost per Aware Household by Quarter	Q1	Q2	Q3	Q4
Qualified HHs*	1,158,926	1,158,926	1,158,926	1,158,926
Awareness	35%	38%	51%	46%
Aware HHs	410,485	445,159	595,688	532,797
Media Investment	\$112,000	\$424,500	\$151,000	\$245,000
Cost per Aware HHs	\$0.27	\$0.95	\$0.25	\$0.46

**Stats Bureau of Japan, Non-Institutional Homes and persons per household applied to the U.S. arrivals in 2019 per International Trade Associations (NTTO) APIS/I-92 Monitor arrivals to Hawai'ian airports with further calculations using screening questions within the survey.*

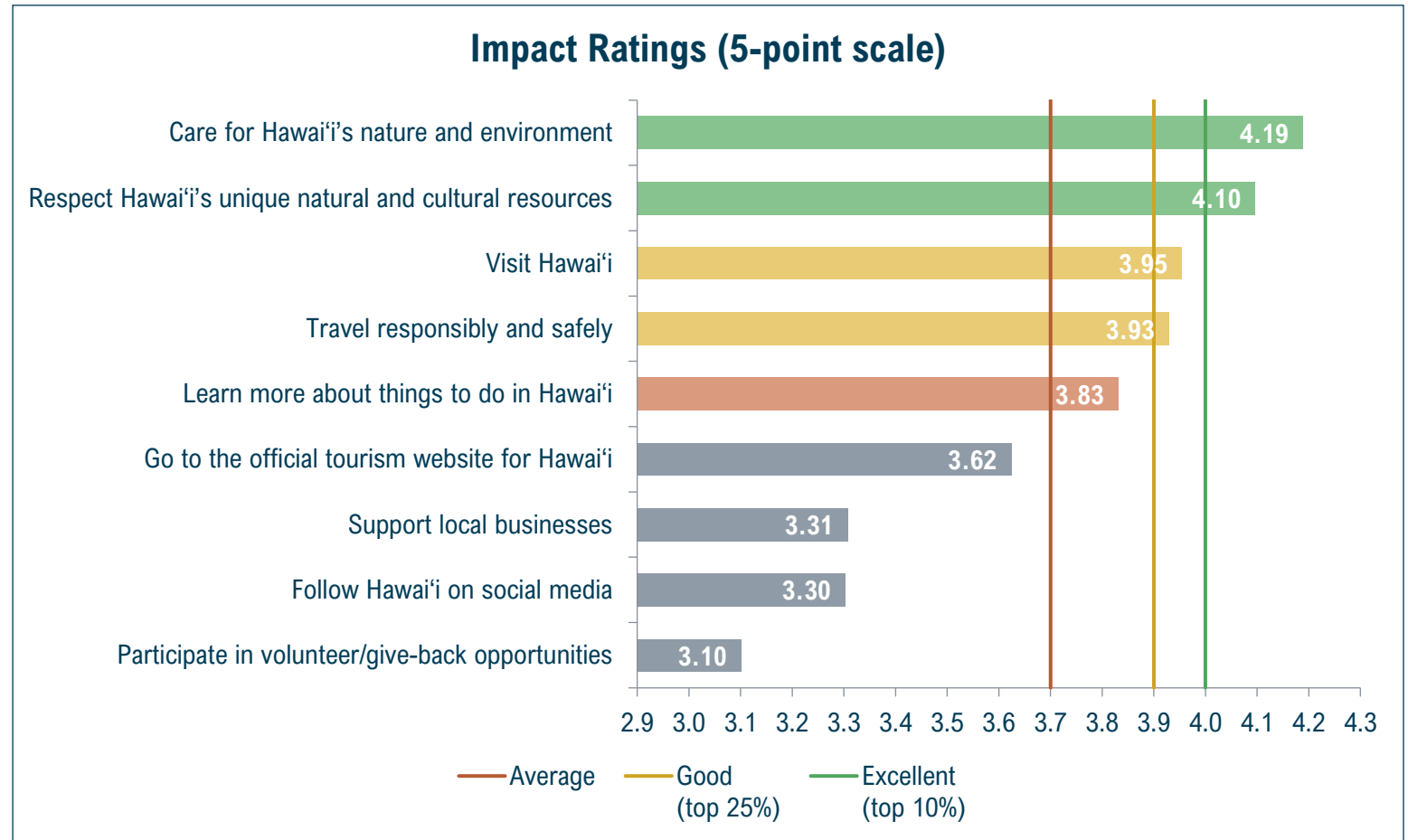
Communication Ratings

- SMARInsights has developed benchmarks for destination creative based on the evaluation of hundreds of campaigns. On a 5-point scale, the average rating for something the creative is attempting to communicate is 3.8, with campaigns in the top 10% generating ratings of 4.2 or higher.
- The Q4 ads did an excellent job of communicating that Hawai'i is a place with stunning beauty and deepening the viewer's understanding that Hawai'i cares about its nature and culture.
- The ads are less successful in showing a surprising/expected side of the state, but this is not necessarily a negative finding. Many consumers have a very positive perception of Hawai'i and the ads fit that message.



Impact Ratings

- Because it is more difficult to motivate a consumer to take an action than it is to communicate a message, the rating benchmarks for impact attributes are slightly different, with 3.7 as the average on a 5-point scale, and only the top 10% of destination marketing generating ratings of 4.0 or above.
- Using these benchmarks, there are two attributes that perform in the top tier: care for nature and environment, and respect for Hawai'i's unique natural/cultural resources.
- Ultimately, the ads positively impact consumer desire to travel to Hawai'i and do so responsibly with an above average rating.



Message Correlation

- Consumers in Japan need more of a general product message about travel and Hawai'i. The strongest correlations between likelihood to visit and important qualities of a leisure trips include:
 - Beautiful beaches
 - Luxury accommodations and experiences



Impact of Media on KPIs

Campaigns can communicate ideals and inform travelers, but the ultimate objectives are to motivate and drive interest and visitation. The lift in overall rating and preference for the state indicates that the advertising is doing just that, even with an already high baseline.

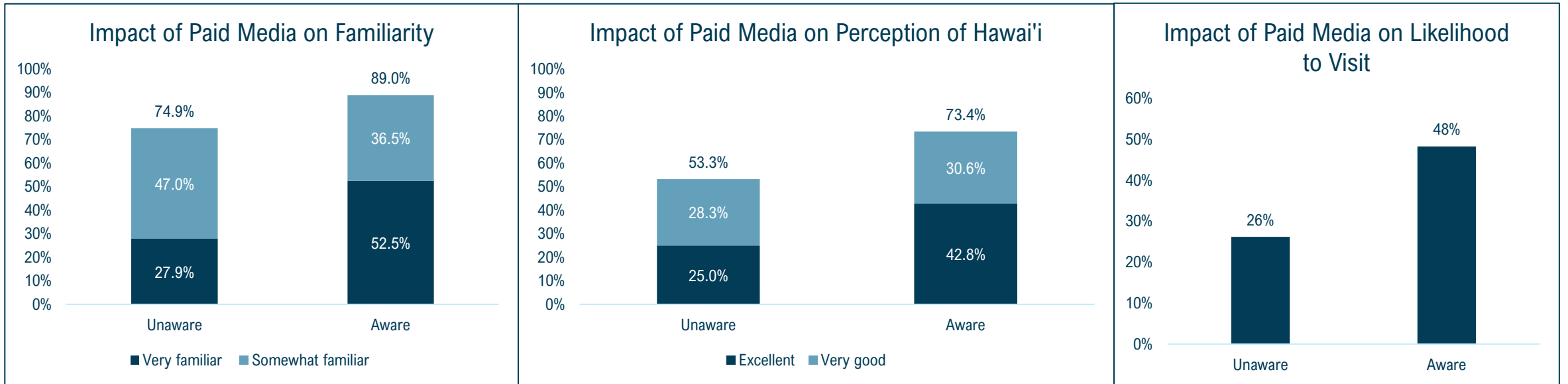


Image Lift

The advertising is still most effective in lifting the lowest-rated image perceptions.

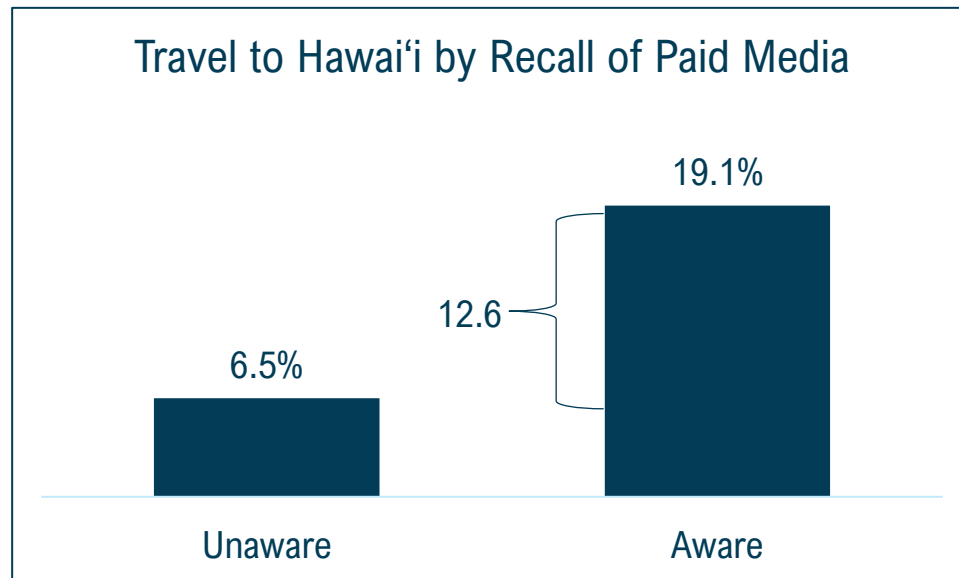
- The ads are broadening the image of Hawai'i. As with the past few studies, voluntourism and affordability are clearly communicated and result in the largest lift.
- Additionally, the ads draw attention to the rich cultural and historical amenities in Hawai'i, with interesting architecture and good museums & attractions also receiving significant lift.

Benchmarks	
4.0 or higher	Excellent
3.75 or higher	Good
3.5 or below	Below Average

Destination Attribute (5-point scale)	Unaware	Ad-aware	Lift
Voluntourism opportunities	2.49	2.97	0.49
Interesting architecture	3.01	3.48	0.47
Good museums and attractions	3.15	3.56	0.41
Affordable	2.75	3.15	0.40
A destination that practices sustainability	3.32	3.70	0.38
Unique	3.34	3.71	0.37
Variety of festivals and events	3.44	3.80	0.36
Opportunities to personally connect with locals	3.42	3.78	0.36
Adventurous	3.30	3.65	0.35
Unique culinary options that are special to the destination	3.57	3.90	0.33
Rich with cultural experiences	3.49	3.81	0.33
Nightlife and entertainment	3.54	3.85	0.31
Opportunities to experience nature	3.93	4.23	0.30
Romantic	3.76	4.05	0.30
Exciting	3.99	4.28	0.29
Value for the money	3.57	3.86	0.28
Easy to get around once you're there	3.71	3.99	0.28
Good customer service	3.78	4.04	0.25
A destination that cares about its natural and cultural resources	3.89	4.14	0.25
Stunning natural beauty	4.09	4.34	0.25
Great shopping	3.82	4.06	0.24
Quality accommodations	3.95	4.18	0.23
Outdoor recreation	3.86	4.09	0.23
Upscale experiences	3.80	4.02	0.22
Easy to get to	3.74	3.95	0.21
Beautiful	4.21	4.41	0.20
Family friendly	3.86	4.06	0.20
Family friendly	3.89	4.08	0.19
Vibrant	4.07	4.25	0.18
Lush tropical landscape	4.06	4.24	0.18
Beautiful beaches	4.31	4.48	0.16
Relaxing	4.18	4.34	0.16
Authentic	3.81	3.96	0.15
Welcoming	4.10	4.25	0.15
Lots of water sports	4.00	4.12	0.12
Inclusive	4.12	4.24	0.12
Safe	3.86	3.97	0.11

Incremental Travel & Influenced Trips

- Post-COVID international travel continues to be constrained, especially from Asian markets. Among the Japan households targeted by HTA, the rate of travel to Hawai'i by those who did not see the paid media was 6.5%. But recall of the advertising is especially effective, with a visitation rate of 19.1% by those who were exposed. This 12.6-point increment is especially strong as SMARInsights often sees travel increments in the low single digits.



Influenced Trips	
Targeted Households	1,158,926
Recall	51%
Aware HHs	595,688
Travel Increment	12.6
Influenced Trips	75,282

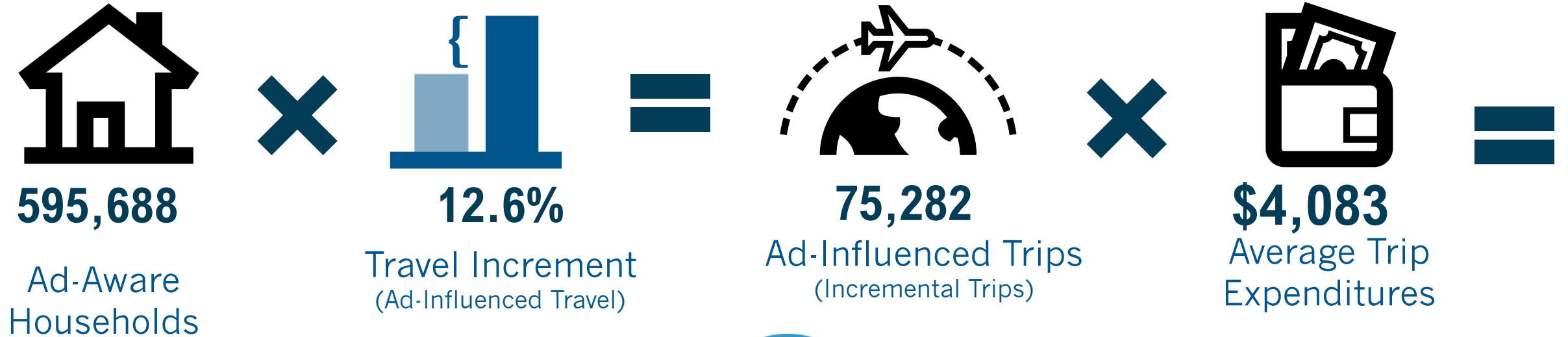
Influenced Visitor Spending

- Visitors from Japan spent a bit more than \$4,000 per trip. Given the number of incremental trips, this generated \$307 million in influenced visitor spending. Given that nearly \$1 million was spent in paid media for calendar year 2023, this results in a return on investment of \$330 for every \$1 in paid media.
- This ROI is 16% above average. SMARInsights implements this same methodology for dozens of state travel offices, and post-COVID the average return on investment for state DMOs is \$285.

	Return on Investment
Influenced Trips	75,282
Visitor Spending	\$4,083
Influenced Spending	\$307,400,696
2023 Media Spending	\$932,500
ROI	\$330

Category	Spending
Lodging	\$1,473
Food and Beverage	
Restaurant food	\$436
Dinner shows and cruises	\$174
Groceries and snacks	\$124
Food and Beverage Subtotal	\$734
Entertainment and Recreation	
Attractions/entertainment	\$112
Recreation	\$110
Other activities & tours	\$71
Entertainment Subtotal	\$293
Transportation	
Rental vehicles	\$77
Ground transportation	\$99
Interisland airfare	\$114
Gasoline, parking, etc.	\$57
Transportation Subtotal	\$346
Shopping	
Fashion and clothing	\$327
Jewelry and watches	\$283
Cosmetics, perfume	\$91
Leather goods	\$117
Hawai'i food products	\$91
Souvenirs	\$191
Shopping Subtotal	\$1,100
Other expenses	\$137
Total	\$4,083

Return on Advertising Spending



Mahalo!

SMARinsights

