

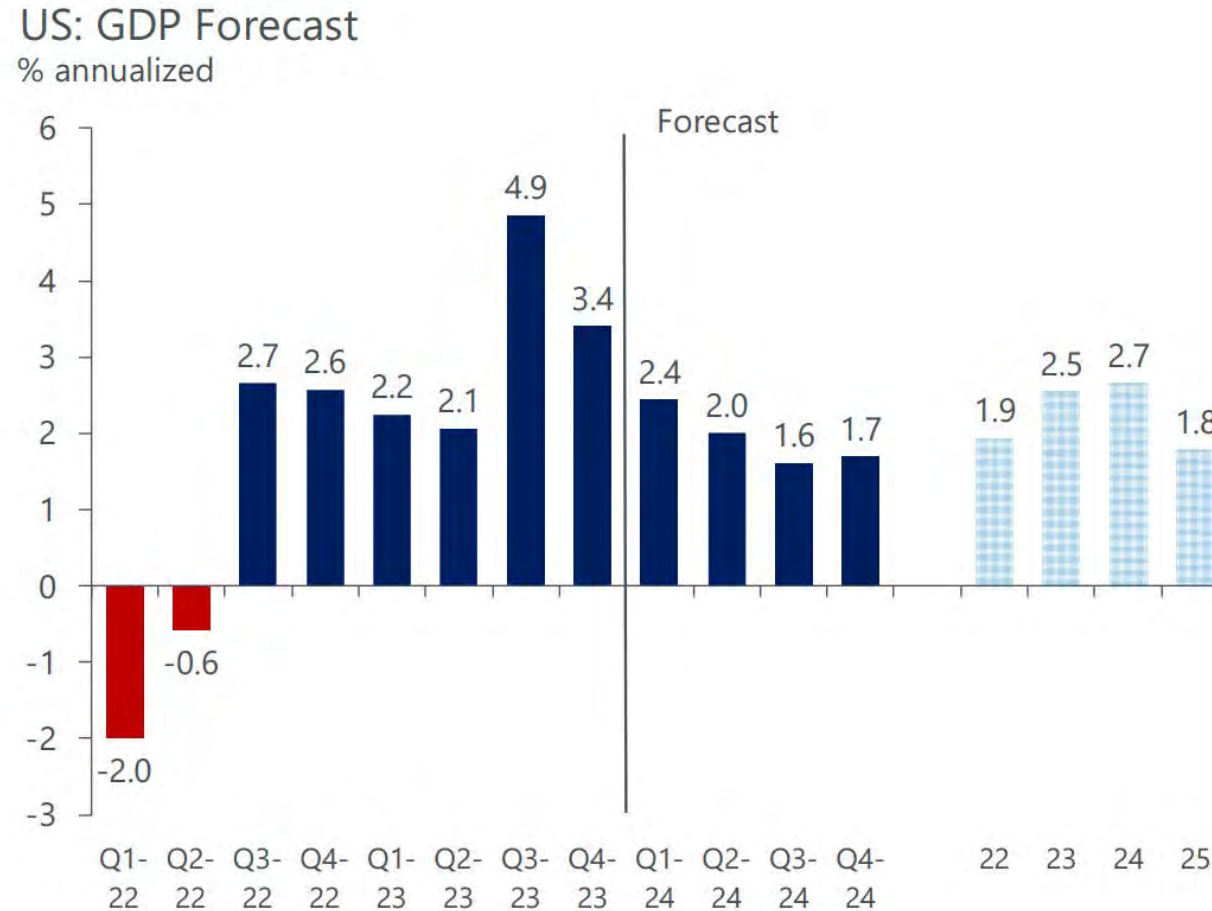
# Hawai'i Tourism Authority Branding Standing Committee

May 16, 2024

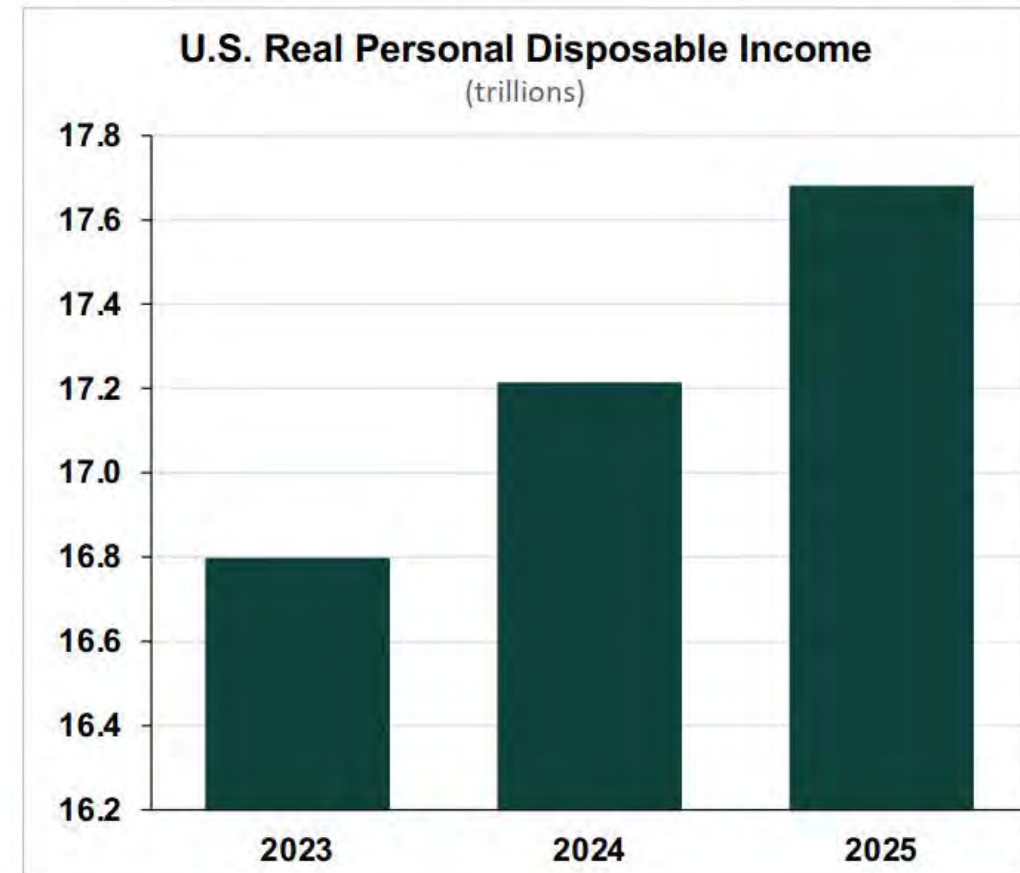
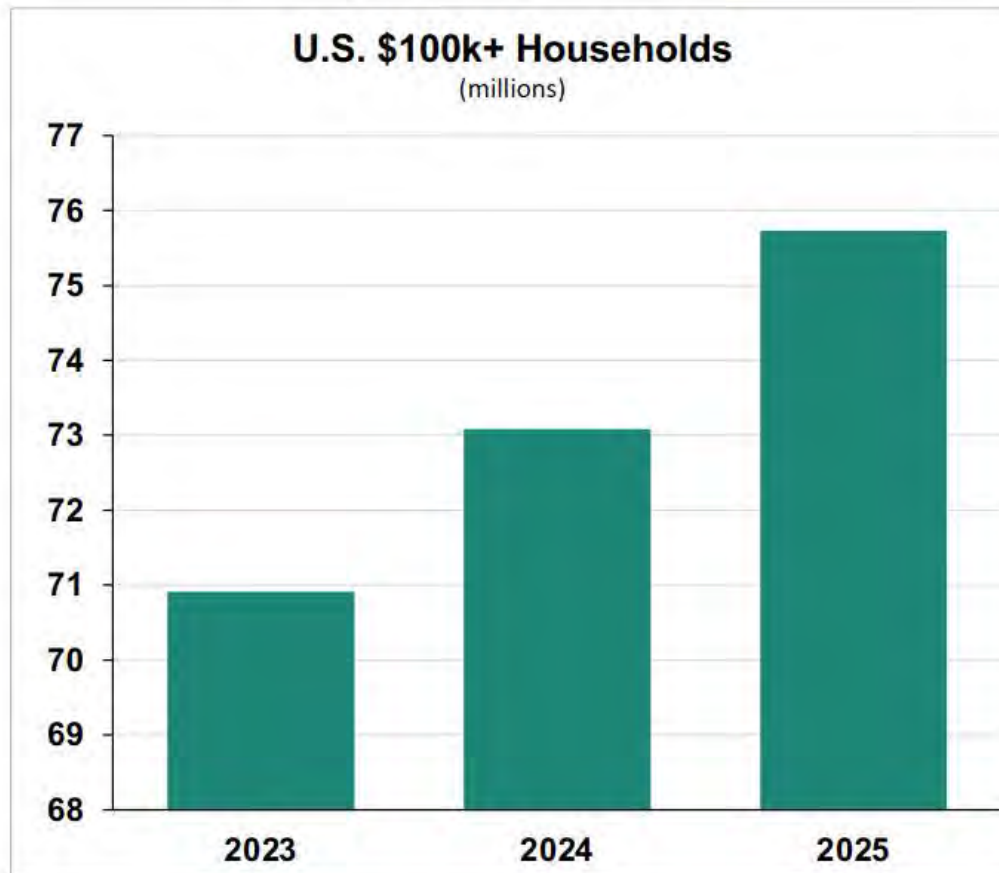
March

# U.S. Landscape

# GDP slows as we move through 2024 and into 2025

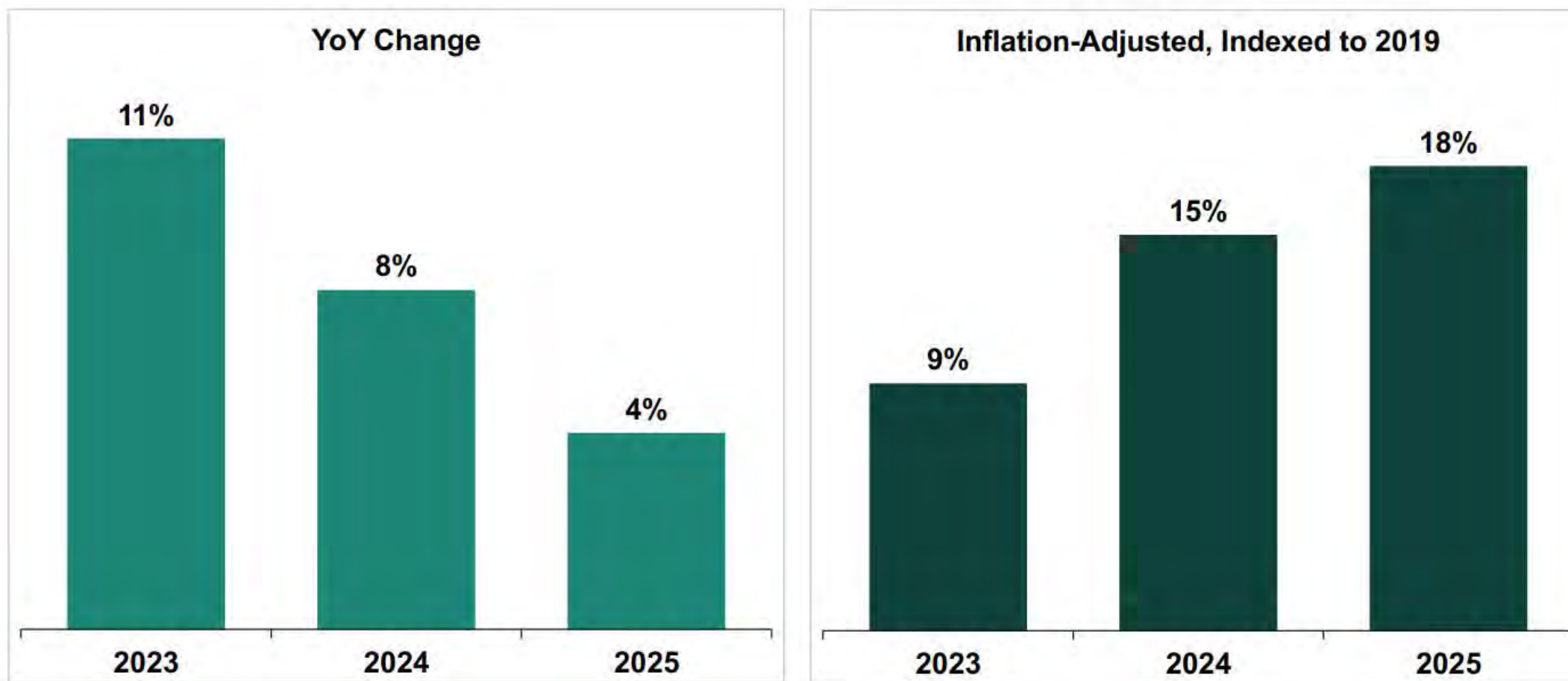


# Affluent U.S. households with the means to travel increases



Source: CoStar/Tourism Economics – April 2024

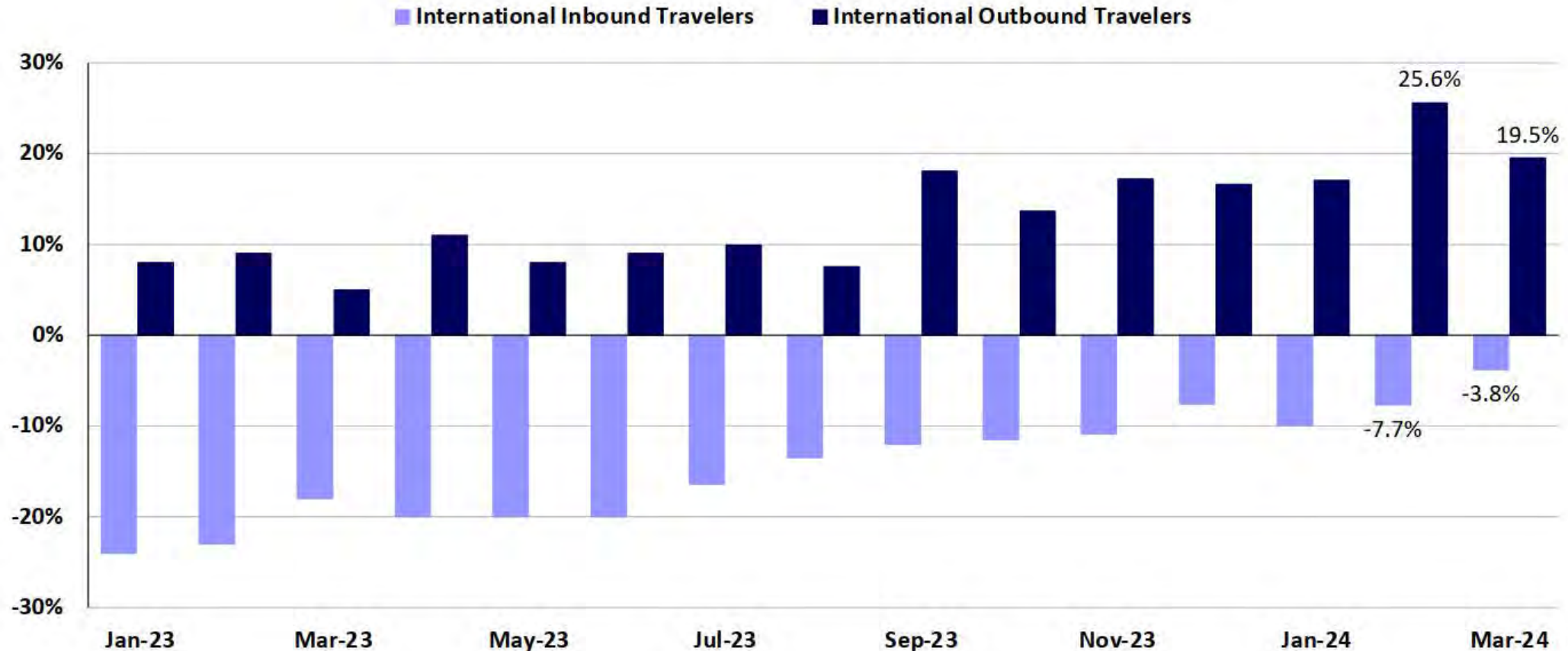
# Leisure travel will continue to grow, albeit a slower rate



Source: CoStar/Tourism Economics – April 2024

# U.S. leisure outbound travel continues to dominate inbound

## U.S. international inbound/outbound change indexed to 2019

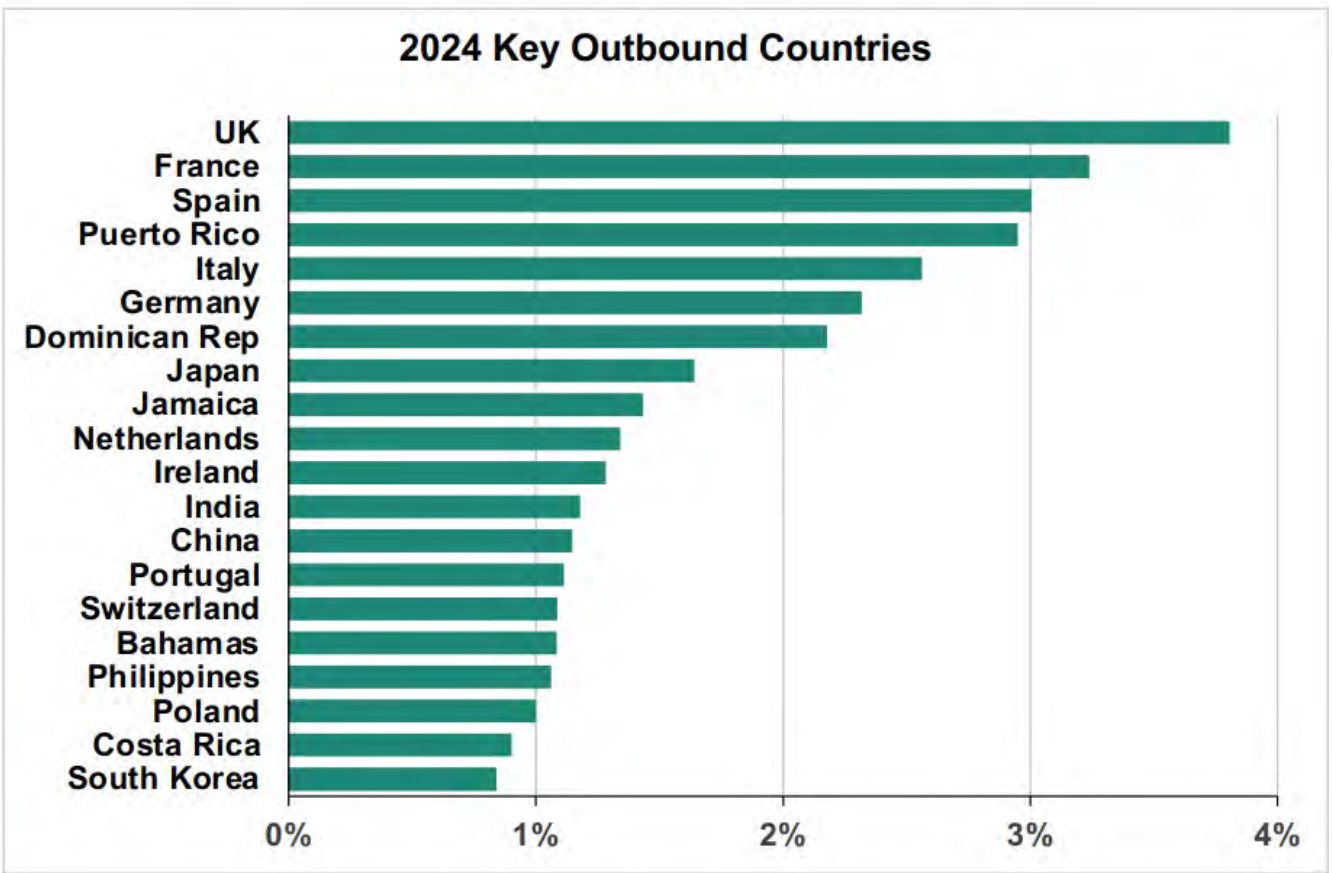
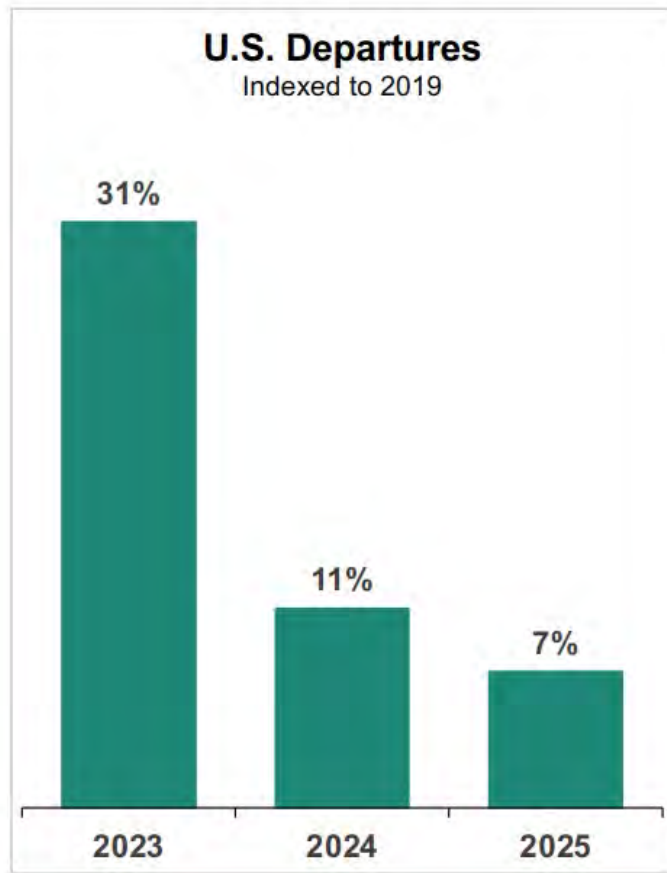


Source: APIS/I-92 Monitor (trade.gov)

Source: Costar/Tourism Economics - April 2024

# UK, France, Spain & Italy top countries for U.S. leisure travelers

U.S. outbound departures, % of all departures, excludes Canada and Mexico



Source: APIS/I-92 Monitor (trade.gov)

Source: Costar/Tourism Economics - April 2024

# Economic Assumptions

The US economy is expected to grow slower in 2024 but avoid a recession. Here's the breakdown:

- Slower growth: Inflation is moderating, and consumers still have money to spend, thanks to a strong job market.
- Stronger outlook than expected: The economy is more resilient than predicted.
- Consumers are key: Even with a slow start, consumer spending is expected to keep the economy going.
- Labor market is adjusting: More immigrants are entering the workforce, easing some labor shortages.
- Inflation might linger: Oil prices and rents are keeping inflation high, but it should still go down later in the year. Recession is less likely: The chance of a recession is lower than usual.
- Risks remain: Consumers might cut spending and businesses might hold off on investments due to uncertainty.



# The Mindful Hawai'i Target Traveler



## CORE SEGMENT

The Mindful  
Hawai'i Target Traveler

## SUB-SEGMENTS



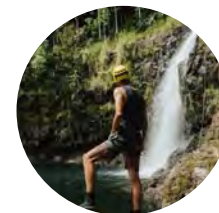
The Eco-Conscious



The Culturally  
Curious



The Service-Minded



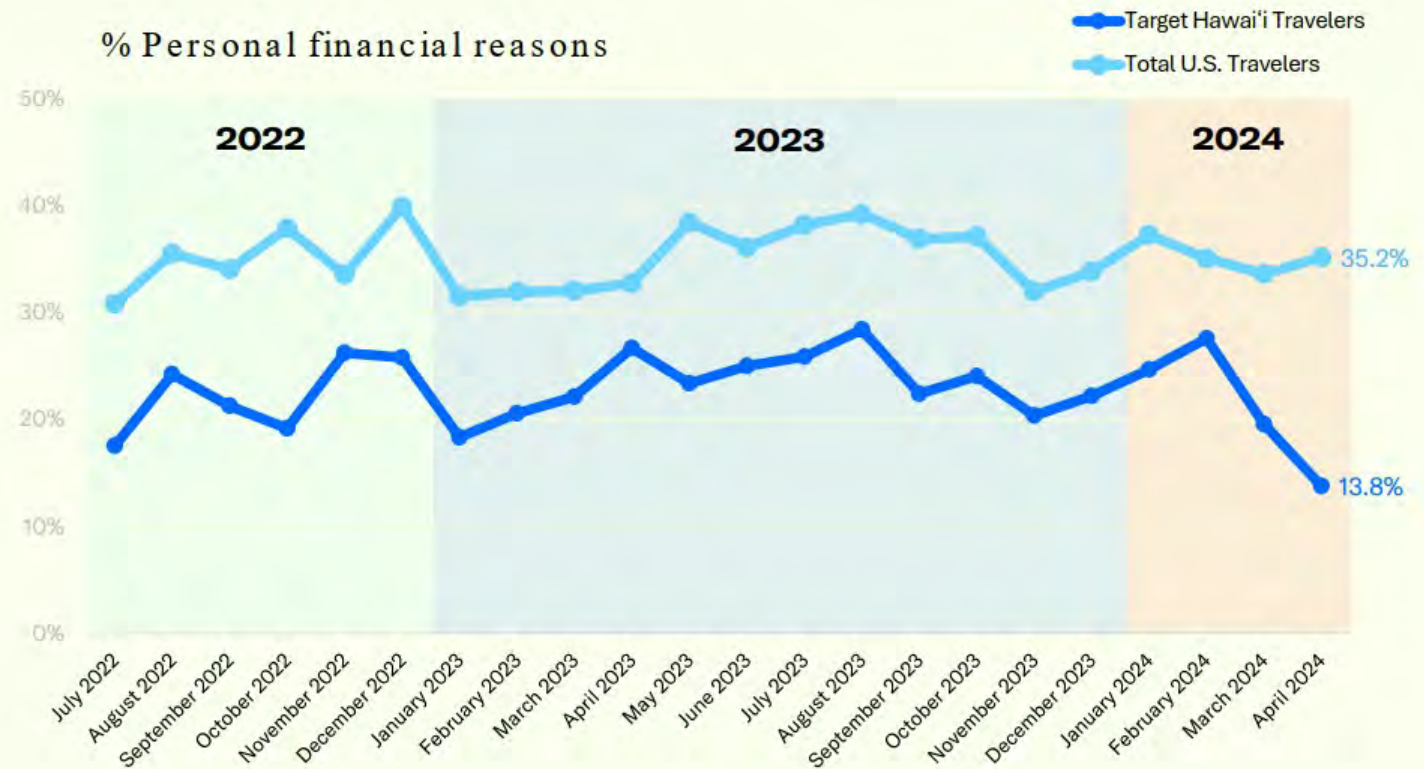
The Unobtrusive  
Explorer

# Mindful Hawai'i Target Traveler Insights

# Mindful Hawai'i Target Travelers are less likely to cite personal finances as reason for not traveling

**Question:**

In the PAST SIX (6) MONTHS, which (if any) of the following have kept you from traveling more than you would have otherwise preferred?



Source: Future Partners State of the American Traveler – May 2024

# However, travel being too expensive has been increasing as a deterrent, even for the Mindful Hawai'i Target Traveler

**Question:**

In the PAST SIX (6) MONTHS, which (if any) of the following have kept you from traveling more than you would have otherwise preferred?

% Travel is too expensive right now



Source: Future Partners State of the American Traveler – May 2024

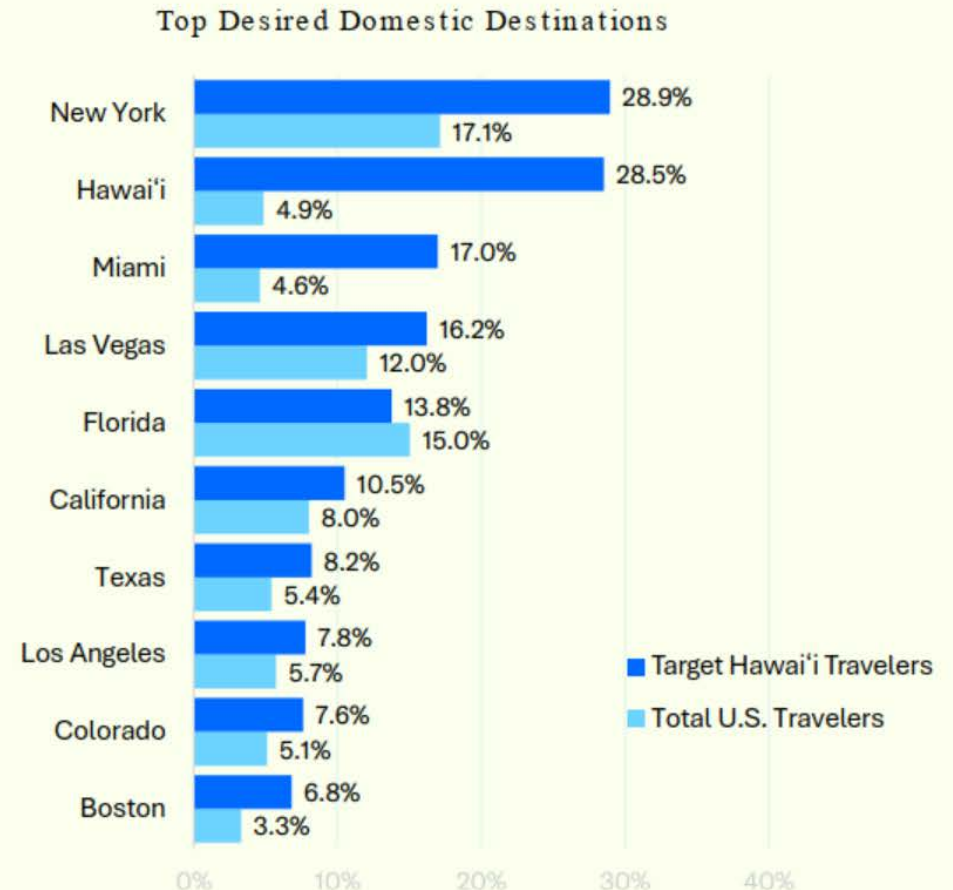
# Mindful Hawai'i Target Travelers expect to spend more than double on leisure travel in the next year



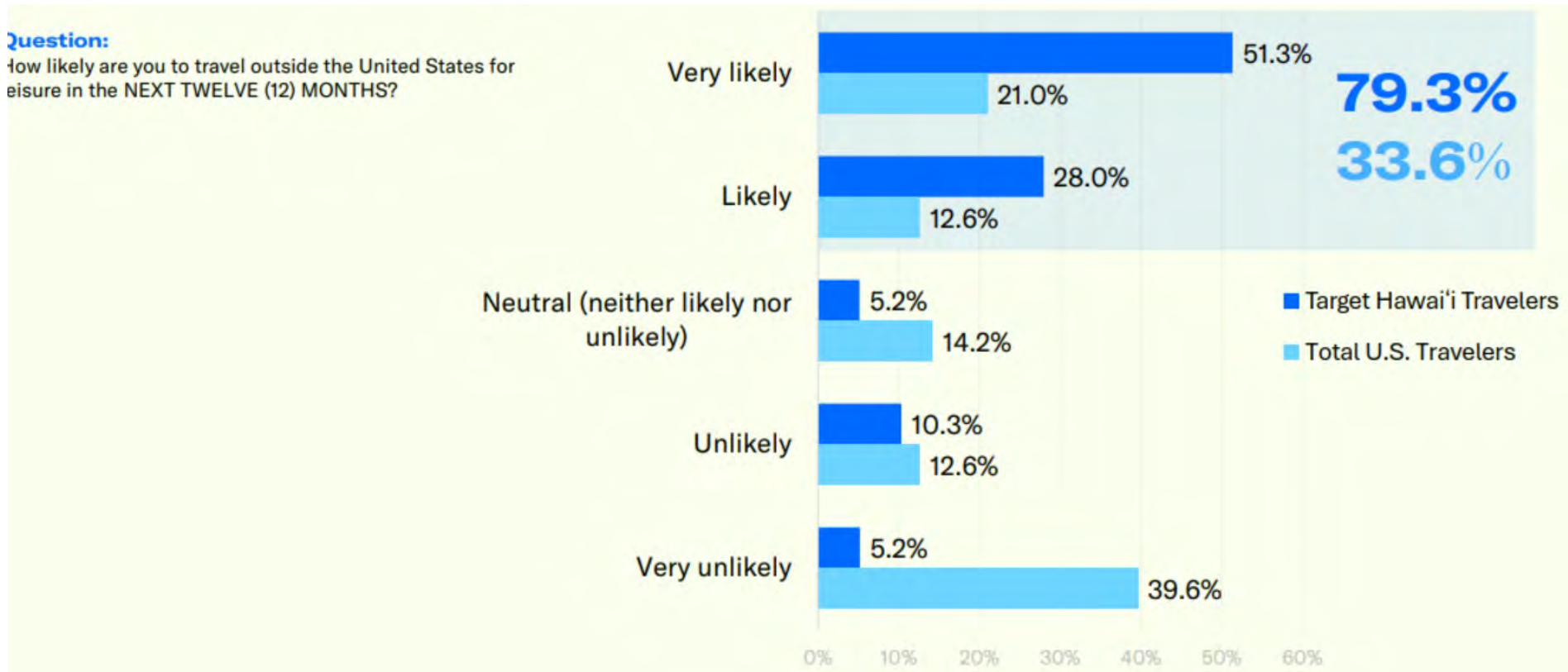
# Hawai'i ranks second as most desired domestic destination among Mindful Hawai'i Target Travelers

**Question:**

Which DOMESTIC DESTINATIONS do you most want to visit in the NEXT TWELVE (12) MONTHS? (Write in up to five)

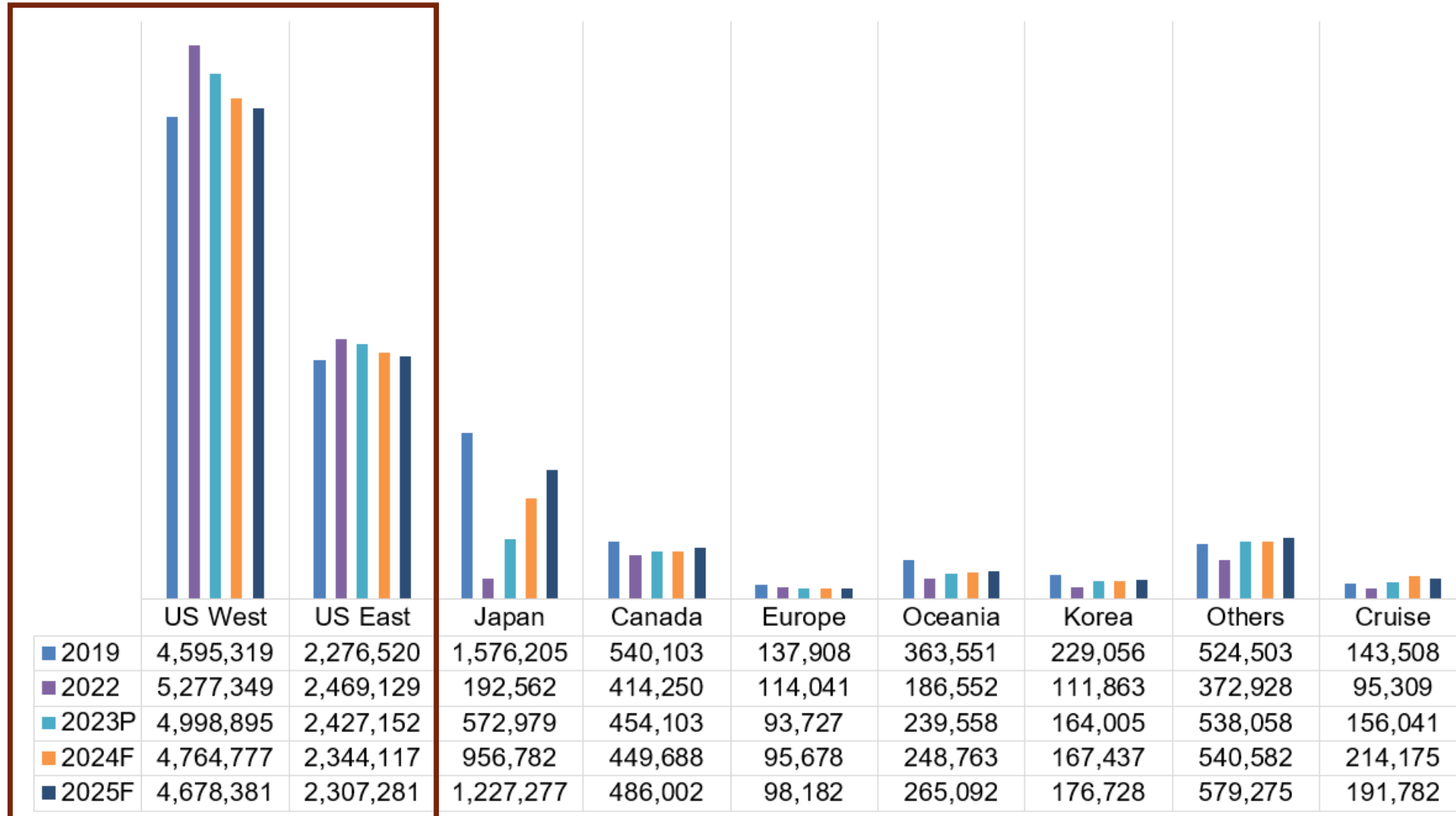


# Mindful Hawai'i Target Travelers are more likely to take an international trip in the next 12 months



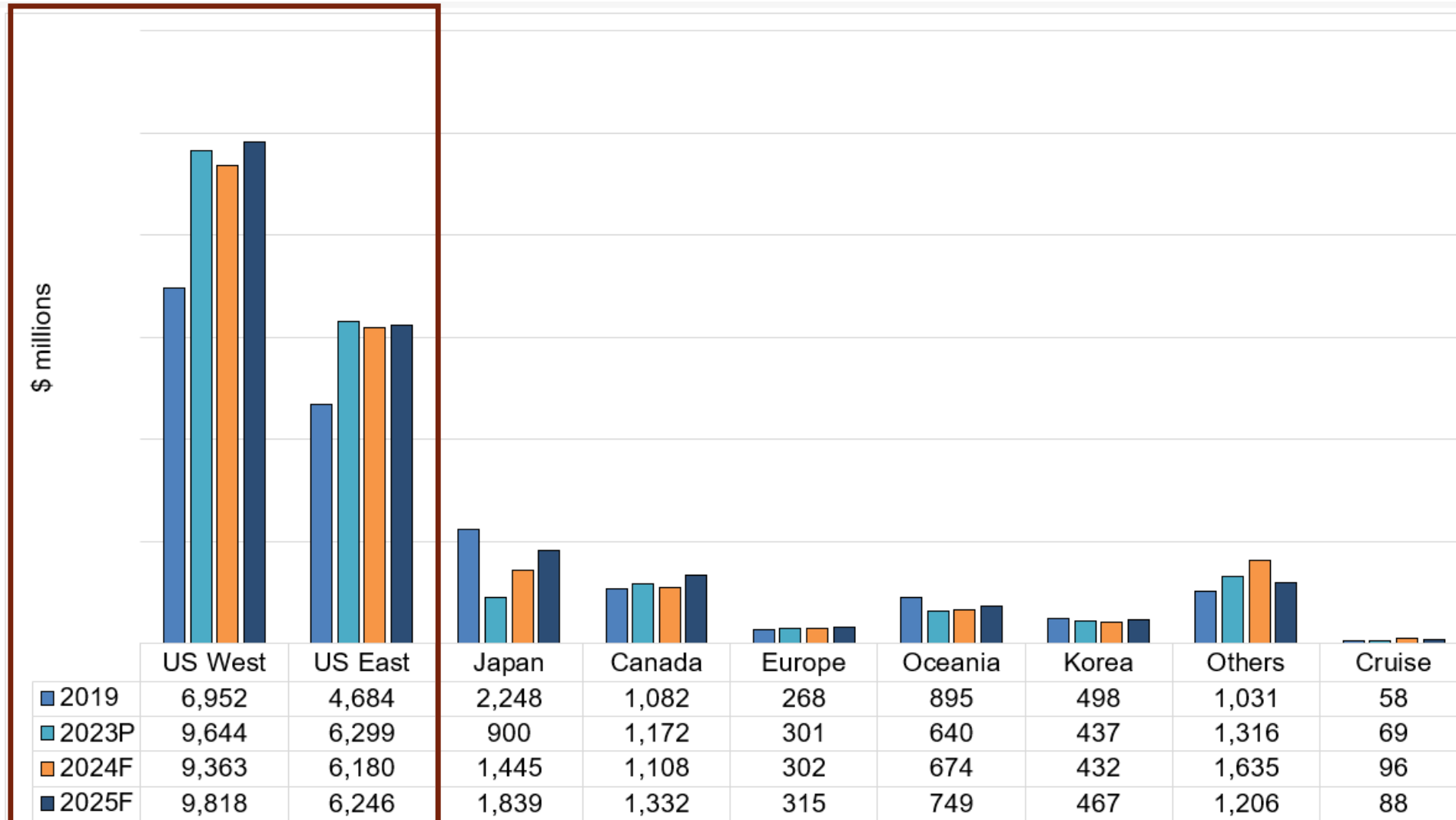
Source: Future Partners State of the American Traveler – May 2024

# Visitation forecast for USW and USE will remain flat into 2025





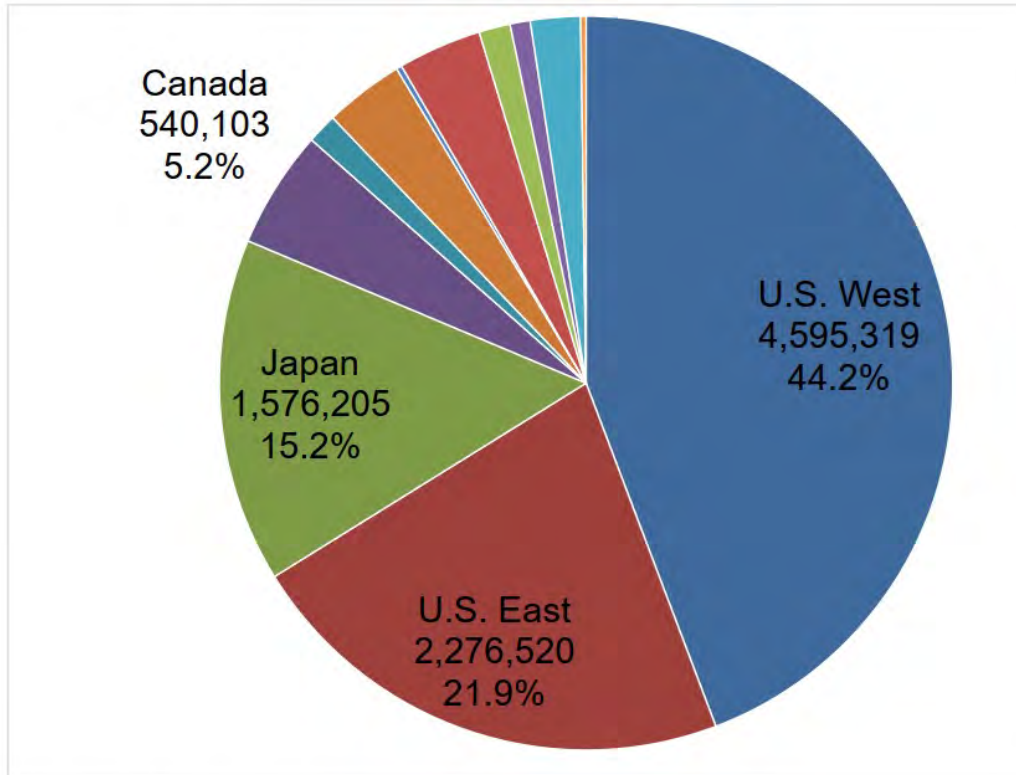
# DBEDT forecasts total spending for USW to increase while USE to be flat into 2025



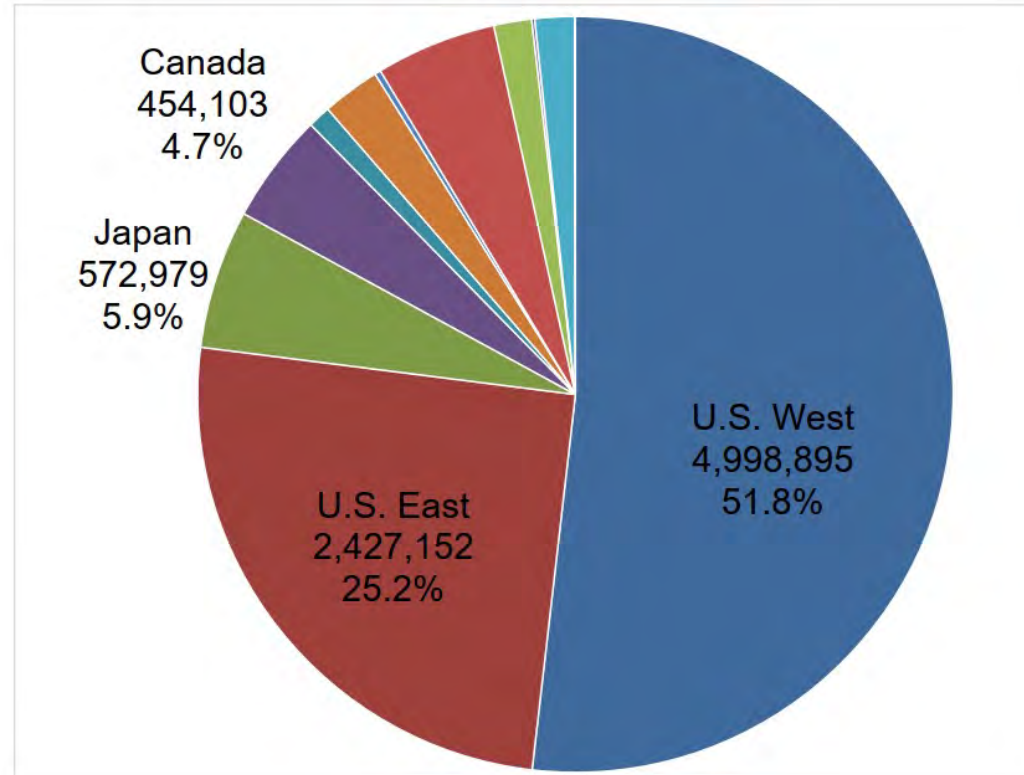
Source: State of Hawai'i Department of Business, Economic Development & Tourism

# U.S. West and U.S. East visitation has grown since 2019

2019



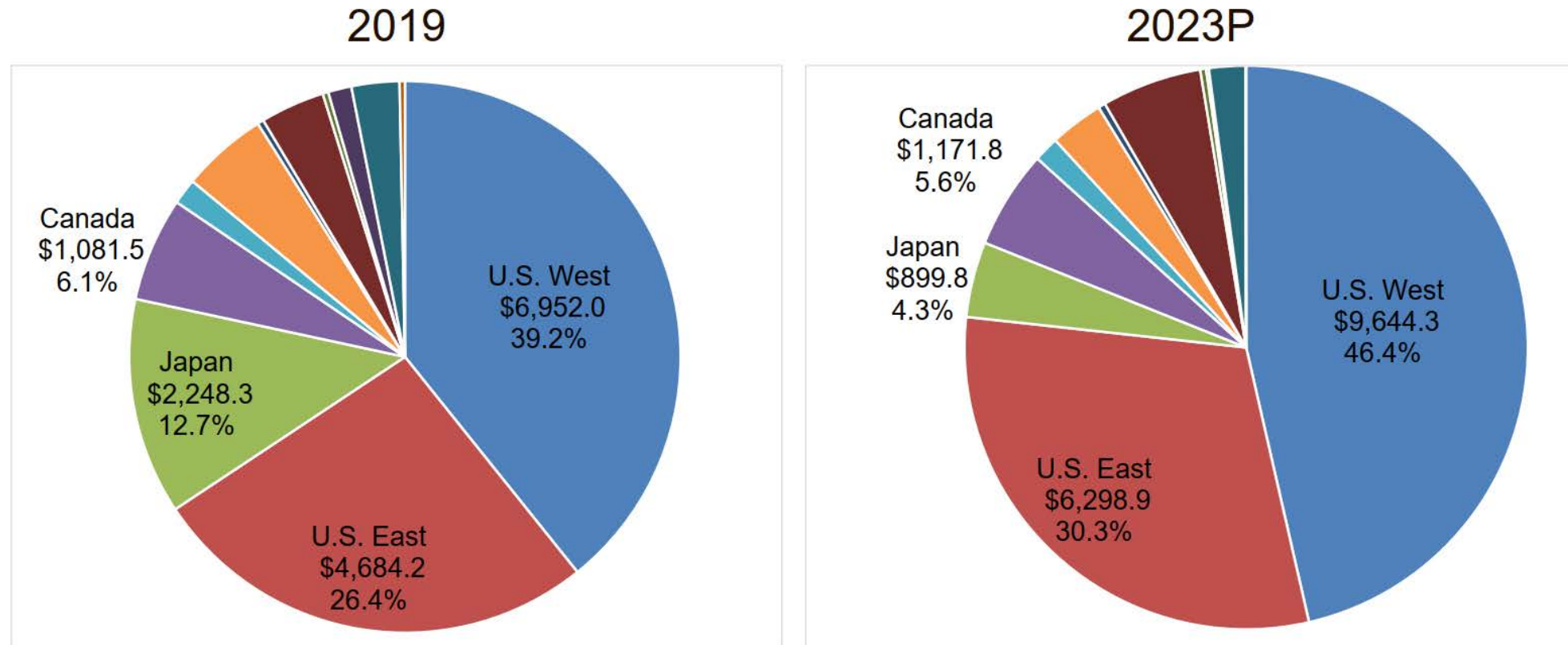
2023P



Note: 2023 figures are preliminary.

Source: State of Hawai'i Department of Business, Economic Development & Tourism

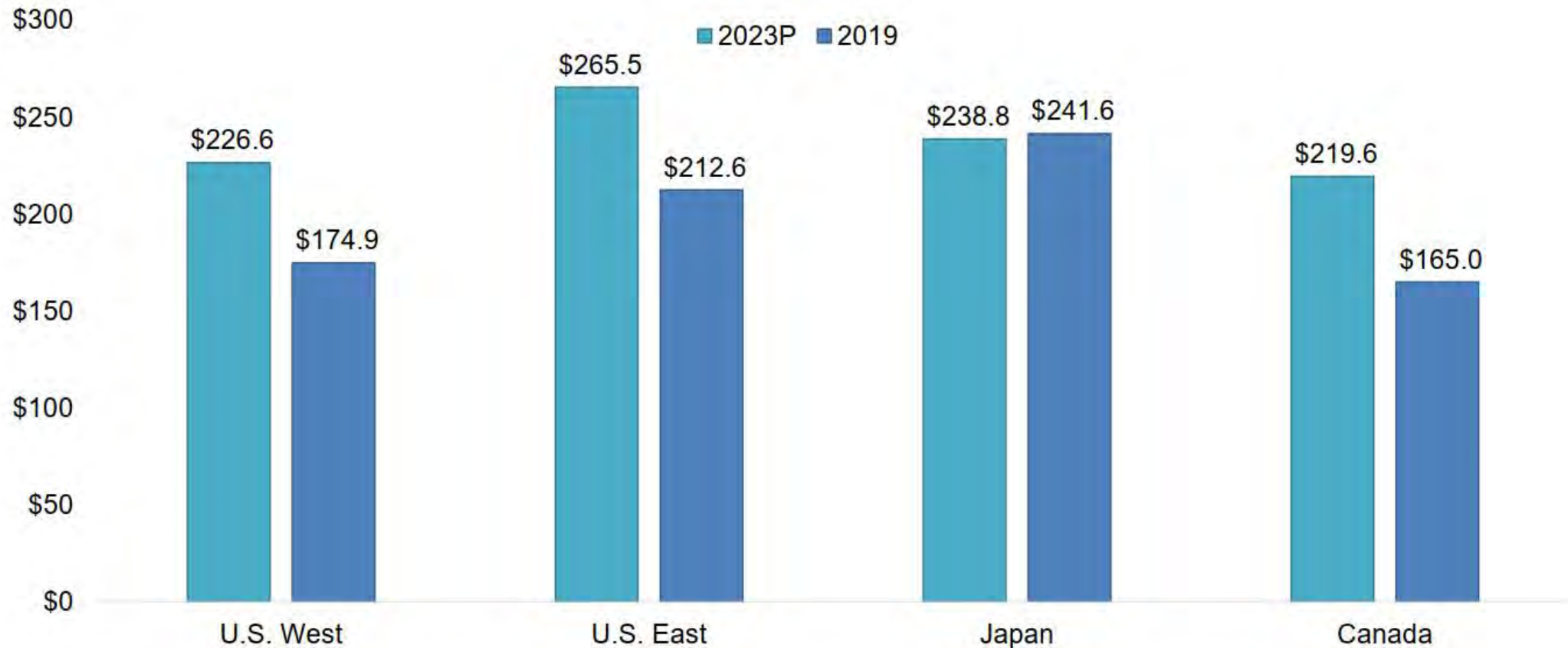
# Visitor Spending Mix 2023P vs. 2019



Note: 2023 figures are preliminary.

Source: State of Hawai'i Department of Business, Economic Development & Tourism

# Personal Daily Spending 2023P vs. 2019



Note: 2023 figures are preliminary.

Source: State of Hawai'i Department of Business, Economic Development & Tourism

# Travel Trends for the Mindful Hawai'i Target Traveler

- By the end of 2023, the size of the worldwide ecotourism market is anticipated to be \$22.48 billion
  - The market is estimated to be worth \$90.95 billion by the end of 2033
  - The growth can be attributed to the rising popularity of outdoor leisure activities and solo travel
  - Hotel chains are also studying the ecological and cultural impacts of ecotourism and are working on projects that prioritize energy efficiency, promote recycling, and reuse water
- 76% of travelers say they want to travel more sustainably
  - 43% of travelers are willing to pay extra for travel options that are sustainable
  - 51% of travelers believe there are not enough sustainable travel options

## WHAT ARE THE BARRIERS TO SUSTAINABLE TRAVEL?

Consumer attitudes to sustainable travel options



Methodology: 33,228 respondents across 35 countries and territories who had traveled at least once in the past 12 months and must be planning to travel in 2023.

Source: Booking.com



Booking.com statista

# Unlocking the Mindful Hawai'i Target Traveler

# Approach

Question

Understand context,  
audiences, challenges  
and opportunities

Solve

Leverage data and  
insights to direct the  
strategic approach

Activate

Deliver targeted  
messaging, monitor  
and optimize

Impact

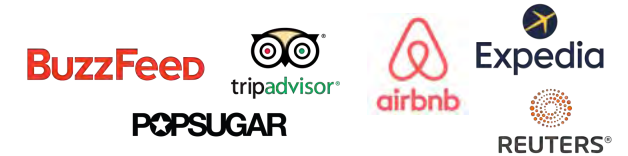
Demonstrate impact,  
learn and predict  
performance

# Mindful Hawai'i Traveler Target Insights

## Top Brands



## Top Sites



## Top Streaming Services







A travel aficionado, who cares about the environment, enjoys learning about different cultures, and will spend on their passion - travel

## Activities They Enjoy





# MHTT Media Consumption Insights

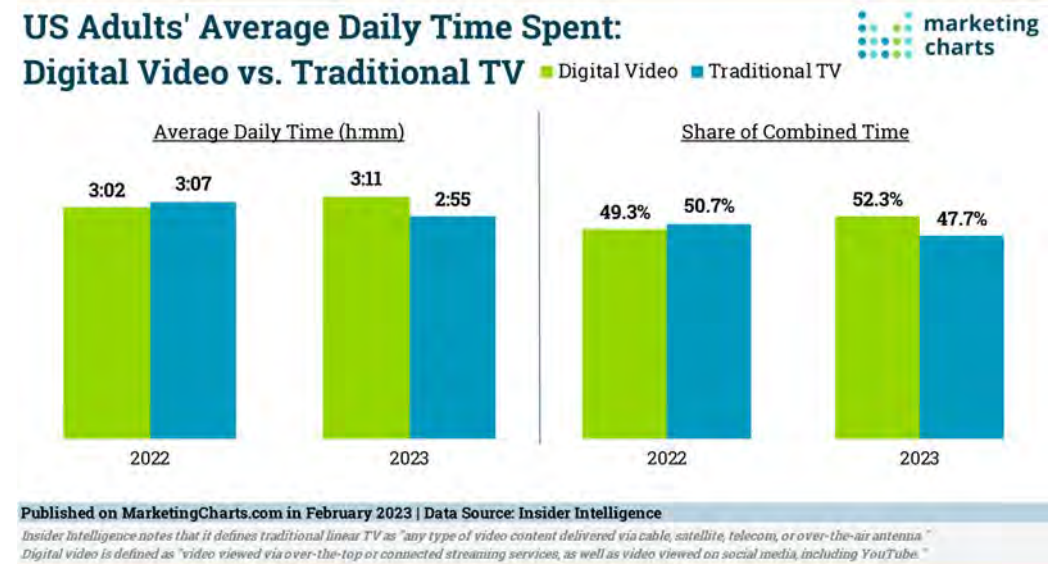
CHANNEL	CONSUMPTION			NOTES
	Light	← →	Heavy	
Digital				Digital still has the highest usage for our target with close to 20% of our MHTT being in the top two heaviest tiers of usage
Audio				Digital Audio and Podcasts are growing as a category, and with our target, as almost half now actively utilize both platforms
TV				TV's consumption has declined YoY, and our target is on the light end with hardly any top programming over indexing
Out Of Home				Our target has moderate to heavy OOH visibility and still sees ads in airports, transit stations, and on highways
Print				Print has moderate usage, but reach has continually decreased for last decade

# Media Landscape

# Shifting Screens

## Digital Video vs. Traditional TV Viewership Trends

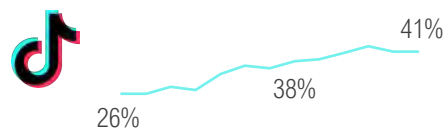
- For the first time ever, streaming across digital video platforms such as YouTube and Netflix is predicted to surpass traditional TV viewing
- In 2023, linear TV is expected to account for less than half of daily viewing (<50%) at under 3 hours, while average daily digital video watching will reach 52.3% with 3 hours and 11 minutes of viewing
  - The increase in digital video viewing is mainly driven by audiences spending more time watching videos on their biggest (connected TV) or smallest (smartphone) screens
- Given Gen Z's preferences for social and streaming over traditional TV, it can be expected that viewing trends will continue to shift in favor of digital



# MHTTs' Social Platform Evolution



▲ 1pt  
vs. Q1 2023  
▼ 4pt  
vs. Q1 2021



▲ 3pt  
vs. Q1 2023  
▲ 15pt  
vs. Q1 2021



▲ 4pt  
vs. Q1 2023  
▼ 1pt  
vs. Q1 2021



▲ 5pt  
vs. Q1 2023  
▲ 4pt  
vs. Q1 2021



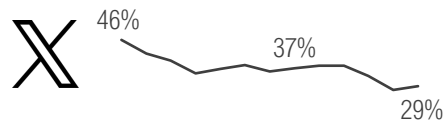
▲ 7pt  
vs. Q1 2023  
▲ 3pt  
vs. Q1 2021



▲ 5pt  
vs. Q1 2023  
▲ 9pt  
vs. Q1 2021



▲ 5pt  
vs. Q1 2023  
▼ 4pt  
vs. Q1 2021



▼ 7pt  
vs. Q1 2023  
▼ 16pt  
vs. Q1 2021



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vs. Q1 2023  
—  
vs. Q1 2021

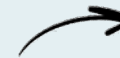
# MHTTs' Social Media Insights Guide Our Strategy

## % of MHTT who...

- Clicked on a promoted post or ad on IG (20%)
- Searched for something on TikTok (14%)
- Watched or Uploaded Content to IG Reels (35%)
- Use YouTube Shorts Weekly or More (18%)

	Δ vs. 2023	Δ vs. 2021
--	------------	------------

Clicked on a promoted post or ad on IG (20%)	32%	41%
Searched for something on TikTok (14%)	37%	106%
Watched or Uploaded Content to IG Reels (35%)	23%	91%
Use YouTube Shorts Weekly or More (18%)	–	–



TikTok-style content continues to take hold among MHTTs across the social landscape

## Among top 3 reasons for using social media, % of MHTT who chose...

- Filling spare time (30%)
- Posting about your life (17%)
- Finding inspiration for things (e.g., places to visit, things to buy, etc.) (25%)

Filling spare time (30%)	9%	40%
Posting about your life (17%)	4%	23%
Finding inspiration for things (e.g., places to visit, things to buy, etc.) (25%)	11%	40%



“Lean back” behavior is growing

## % of MHTT who say they hear about new products or services via...

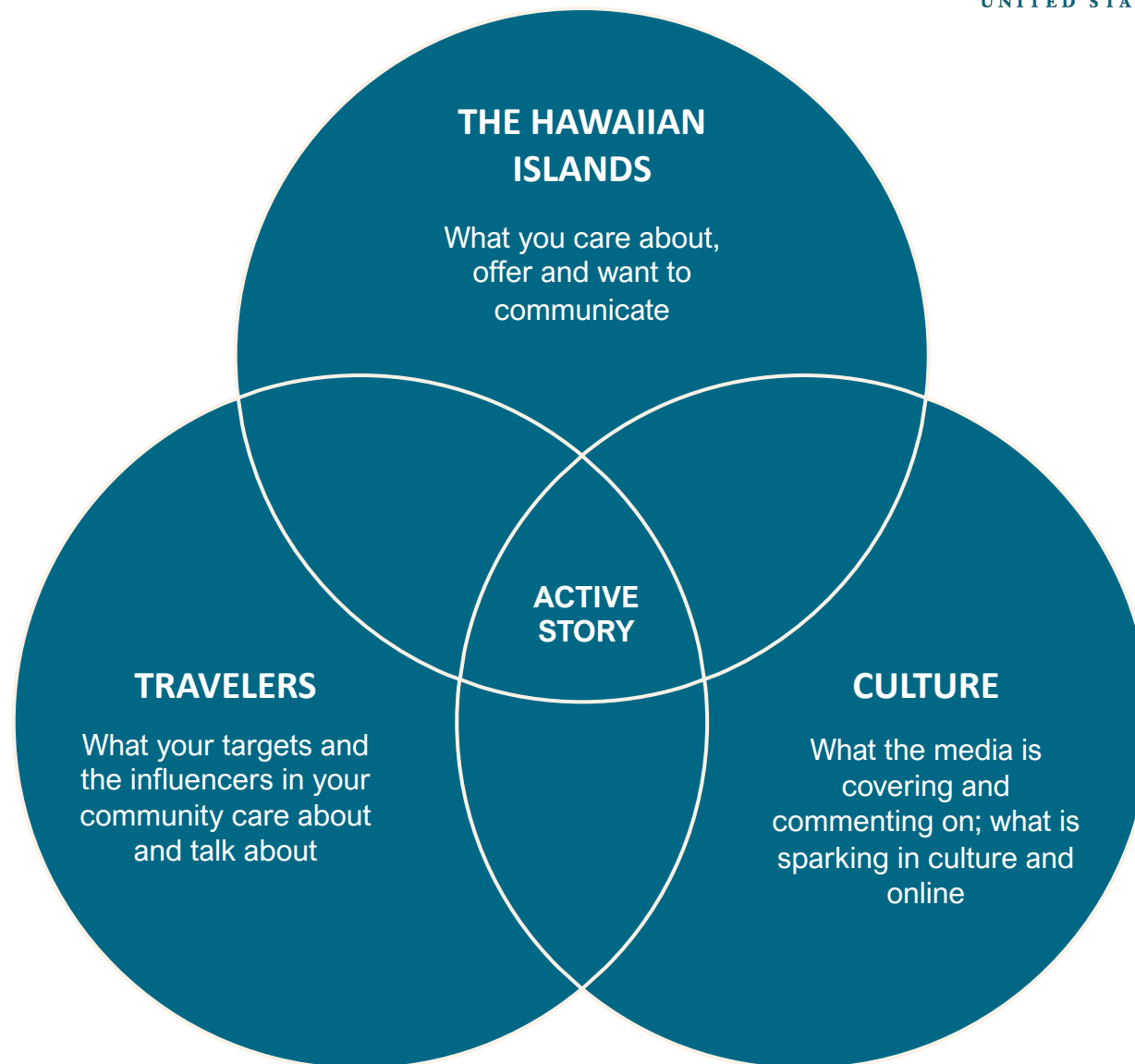
- “Social media posts” (47%)
- “Ads on social media” (50%)
- “Sponsored posts on social media” (32%)
- “Recommendations from Friends/Family” (45%)

“Social media posts” (47%)	12%	18%
“Ads on social media” (50%)	9%	24%
“Sponsored posts on social media” (32%)	31%	49%
“Recommendations from Friends/Family” (45%)	1%	20%



A combination of organic and paid social is critical for reaching and inspiring potential travelers

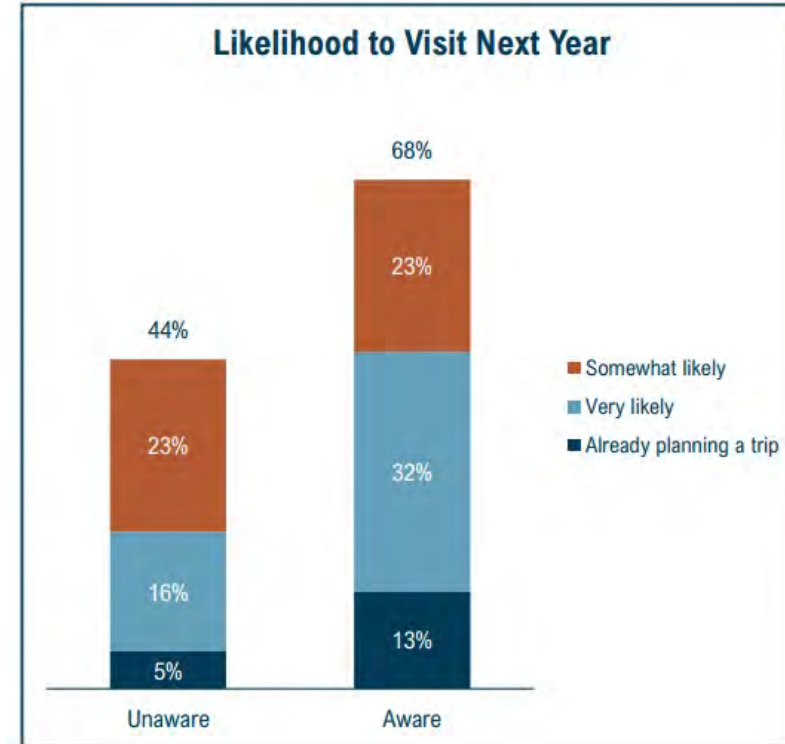
Go where a brand,  
audiences  
and the cultural  
conversation meet  
to find an active  
story



# Creative Messaging: Ensuring Impact and Effectiveness

The ultimate measure of impact or effectiveness will be an incremental travel metric (influenced trips and spending). Our best proxy in the meantime for the impact of the campaign is ad-aware lift in likelihood to visit. For Q4, that lift is 24 points (somewhat and very likely and already planning a trip).

- While not directly projectable into impacts, this large lift in likelihood foreshadows an excellent performance in advertising effectiveness and influenced trips in the final travel wave.



## Public Relations

### Hot 100 List

- Targeted list of outlets reaching the MHTT
- CRM database of top-tier journalists





## Travel Trade

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

- **Training**
  - Consortia and wholesale in-person and virtual events
  - Sales blitz events, recorded for on-demand
  - High touch, culturally rooted FAM tours on all islands
- **Content Updates & Development**
  - Expressly for Travel Professionals (EXTP) emails
  - Continue Hawai'i Destination Specialist (HDS) curriculum
- **Communications**
  - Utilize HDS database
  - Reach qualified travel advisors encouraging HDS course completion



*Mahalo*