



Ke'ena Kuleana Ho'opipa O Hawai'i
1801 Kalākaua Avenue
Honolulu, Hawai'i 96815
kelepona tel 808 973 2255
kelepa'i fax 808 973 2253
hawaii tourismauthority.org

**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, April 25, 2024, 9:30 a.m.**

Hybrid In-Person & Virtual Meeting

Hawai'i Convention Center
Parking Level | Executive Boardroom A
1801 Kalākaua Avenue
Honolulu, Hawai'i 96815

MINUTES OF THE REGULAR BOARD MEETING

MEMBERS PRESENT:

Mufi Hannemann (Chair), Mahina Paishon-Duarte (Vice Chair), Kimberly Agas (Zoom), David Arakawa, Dylan Ching, Stephanie Iona, James McCully, Sherry Menor-McNamara (Zoom), Blaine Miyasato, James Tokioka (Ex Officio, DBEDT Director), Mike White

MEMBER NOT PRESENT:

Sig Zane

HTA STAFF PRESENT:

Daniel Nāho'opi'i, Kalani Ka'anā'anā, Isaac Choy, Talon Kishi, Caroline Anderson, Ilihia Gionson, Iwalani Kaho'ohanohano, Maka Casson-Fisher, Carole Hagihara-Loo, Dede Howa

GUESTS:

Kauilani Arce, Puka Asing, Kylie Butts, Jennifer Chun, Tyler Gomes, Laci Goshi, Mondy Jamshidi-Kent, Nathan Kam, Erin Khan, Noelle Liew, Lawrence Liu, Guillaume Maman, Jessica Lani Rich, Teri Orton, Hose

Inigu Santos, Kainalu Severson, Allison
Schaefers, Mari Tait, Jay Talwar

LEGAL COUNSEL:

John Cole

1. Call to Order

Chair Hannemann called the meeting to order at 9:35 a.m.

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

Mr. Gionson did the roll call, and members were in attendance except for Ms. Menor-McNamara and Mr. Zane, who were excused. Member who attended via Zoom was by herself.

3. Opening Protocol

Mr. Casson-Fisher did the opening cultural protocol.

4. Report of Permitted Interactions at Informational Meetings or Presentations Not Organized by the Board Under HRS section 92-2.5(e)

There was no input on Permitted Interaction Groups.

5. Approval of Meeting Minutes of the March 28, 2024 Regular Board Meeting

Dir. Tokioka made a motion to approve the minutes. Mr. White seconded, and the motion passed unanimously.

6. CEO Report

Mr. Nāho'opi'i spoke about the HTA goal in the fiscal year starting in July 2024: the recovery from issues in Maui, recovering demand for Maui from the U.S. and Canada. To make up for that, the HTA is working to increase international visitations and promote the other islands. In year two, they continue to move towards integrating the DMAPs and the destination managers. The Board had approved the plan back in July to focus more on the island level and respond to what was happening between the islands. There are differences in the needs for tourism and the community. They are looking at strengthening the destination manager's on-

island representation, evaluating plans in the future, and producing new localized plans. The five-year goal is about the regenerative tourism model. They just had a conference at the HCC on local 2030 communities of practice focusing on regenerative tourism on various islands, so there is representation from all the Pacific islands as well as the Caribbean, Indian Ocean, and Europe as well.

Regarding conservation, one cannot just lock the land if looking at natural resources. On an island, the land still has to produce jobs and support the community. They had spoken about island models of regenerative tourism and island models of conservation. In the past, they had followed more global tourism, but they have to work on what works well in Hawai'i and what will sustain them as a community regarding economic development, natural resources, and cultural preservation.

Information about the Maui Wildfires Recovery action is in the full report. Mr. Nāho'opi'i spoke about the Maui marketing recovery program. Additional campaigns and action with travel agents, tour operators, and missions have been developed. To enhance the GoHawaii app, it was mentioned that they need to highlight Maui during travel missions and on the site itself. He spoke about changing the message to what is available and reiterated that Maui is open. The Maui Mākaukau campaign is running into May. The resident-facing campaign resonated well with their B2Bs and travel trade. He said they have been using after-arrival messaging for visitors arriving in Maui, but Maui has changed, and there are different rules and regulations. The HTA put additional money into the system, creating additional messaging advising where visitors can go, what they need to do and avoid, etc., and what they can do that supports the community.

Lahaina was a major venue for businesses to sell their wares, which is now missing. The HTA is working with the county and the CNHA to create a venue for local Maui businesses. He spoke about expanding tourism products in Maui. Many are out of business or might have to change their business model. The HTA has contracts with HTUSA and Kilohana to help them develop new products and understand how to get involved more in the visitor industry and take advantage of that. The HTA also supports Maui businesses on trade missions in the U.S. and abroad.

Mr. Nāho'opi'i spoke about supporting long-term housing for wildfire-impacted households living in visitor-type accommodations. He said the CNHA created communication efforts to encourage residents in visitor accommodations to move to those temporary housing steps out of the hotel system. The HTA is also working on other projects as well such as Lele Aloha, trying to finalize the contract and scope of work on finding semi-permanent placement for displaced families, to get out of short-term housing, which impacts the industry as a whole as it is utilizing resources that could be utilized in the visitor industry.

The HTA is continuing with the governance study. The aim is to have the study done before the end of the fiscal year. The Better Destinations submitted their second internal contract deliverable, including a situational analysis. They also did another set of five ideation sessions and fine-tuned them to what they wanted to see in Hawaii's tourism. The stakeholder survey is complete, and the results are being reported back and for Board members to start interviews. The staff had an ideation session to go over their findings. He spoke about the public affairs list, including ClimbHI, the workforce development for high school students. They recorded stories about various roles in the visitor industry to explain what they could achieve in the future. He spoke about Merrie Monarch Festival interviews and the IPW, which is the largest international trade show selling in the U.S. The HTA has been working on the media marketplace, talking to media, and setting up appointments. He spoke about social media and the metrics. They are hitting 84,000 on Facebook and Instagram regarding engagement, response, etc. For DMAPs, they have pilot programs they have been working on and a trail system. He spoke about the Kahea harbor greetings and said a desk is set up for information on how to visit.

Part of the Kilohana contract is the Quality Assurance program. The best way to ensure a quality experience is to work with industry partners to ensure they know what is considered good quality regarding everything involved with travel. The HTA is also busy finalizing the needs assessment of organizations involved in the tourism industry to ensure they are more integrated and to increase their business demands. It has been three years since the DMAPs were created, and it is time to evaluate before starting on the next set. They hired an evaluator to find out how successful the programs were and the processes involved so they could prepare for another three years of plans.

For Brand and Marketing, they spoke about EDA funding and federal funding, which were integrated into cooperation programs in the U.S. marketing contract. It was a long process as the federal guidelines are stringent. They have added an additional \$750,000 to the contract.

Mr. Nāho'opi'i spoke about the Campaign Effectiveness study to see how successful the U.S. and Japan campaigns were. A China mission is coming up in May, and a trade show, ITB China. They will also take twenty partners to restart the market and meet with government officials to start negotiations to get a non-stop service to China. The draft of the budget bill showed \$63 million in operating budget for the HTA, 30 positions were announced, and a \$34 million increase in expenditure ceiling - \$14 million for operations, R&M another \$20 million to accelerate many major projects. Also announced was the CIP funding for general obligation bonds, which cost \$64 million for roof repair.

Mr. Nāho'opi'i spoke about regenerative tourism at the state level, and said they are all working on that. 2563 is the Smart Destination app, and within that are the HCC naming rights. They are waiting to hear about two Bills. One is related to internships. The other is related to state funding. To address the Maui Wildfire needs, BNF will take \$1.3 million from the Tourism Special Fund, and \$11 million was part of the Convention Center Enterprise Fund that the HTA borrowed from BNF the previous year to pay for the current year. They said they would return the money once the ceiling was open. There were no further questions.

7. Board Chair Report

Chair Hannemann congratulated Mr. Miyasato on being confirmed to the HTA Board. Chair Hannemann said that the HTA made a significant achievement in getting the \$63 million. He thanked everyone for their involvement and input. He said it is important that SB3364 is passed and that they are supportive. He said Destination Management is very important. All the partnerships are very important. He informed everyone that the Smart Destination app and the HCC naming rights are still alive. The hospitality industry is directly related to education. There are workforce shortages in all sectors of the community, and they will do their best to help. He mentioned ClimbHI conference and asked that they include state senators on the island to address the young people; Sen. Kouchi addressed conferees from Kauai, Sen. Dela Cruz for 'Oahu, Sen. DeCoite for Maui, and Sen. Richards for the Hawai'i Island. He mentioned the exciting presentation that the HVCB would preview in their marketing efforts with the Mālama theme. Leading up to that point, he emphasized the importance of the Mākaukau campaign, which has led to positive reinforcement across the board.

Chair Hannemann said the Mākaukau campaign is ending; there are 16,000 plus users visited MākaukauMaui.com with views of over 18,000, which was mentioned in the media. They ran radio campaigns on all fourteen radio stations on Maui, 11 television stations, other programs such as Living 808, Hawaii Now Daily, Island Life Live, and print advertisements. All of this was funded by the Emergency Appropriation they received earlier. He also shared the result of this campaign, also a collaboration with Kilohana to address the housing issues.

8. Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets

Ms. Jennifer Chun began her presentation by informing the Board that the latest visitor statistics were not yet available because the airports were changing the format of the airline carrier reports to provide much more information. However, Transportation Security Authority statistics for March showed that Kahului Airport was slightly behind, while Honolulu and Hilo were higher, but Lihue had not changed.

Information about hotel performance had been published the previous week, and that same morning for vacation rentals. Hotels had been 75% occupied for March, slightly lower than in 2023 and much lower than in 2019, but the average daily rate (ADR) was lower for 2024 than for 2023 but significantly higher than for 2019. Vacation rentals were less than 60% occupied, and the ADR was much lower than that of hotels. Hotel demand had been much greater than vacation rental demand.

\$68.9 million had been collected in Transient Accommodation Tax (TAT) for the State during March in respect of February. This was lower than for previous months, but it might be because February was a shorter month. This gave a year-to-date (YTD) total of \$627.2 million TAT, a reduction of 3.6% compared with fiscal 2023. Ms. Chun reminded the Board that information about TAT collected by the Counties was not yet available.

Fewer nonstop airline seats had been available for March 2024 than for March 2023. Domestic seats to Kahului had been lower, domestic seats to Honolulu had been higher, and seats to Kona had been slightly higher, reflecting Canadian traffic. The number of seats for April was similar to those for 2023, with a decrease in domestic seats to Kahului. May was slightly higher overall compared with 2023, with increased domestic and international seats in Honolulu and decreased domestic and international seats in Kahului, Kona, and Lihue. June 2024 was expected to be ahead of June 2023, but this situation might change as time went on.

The Skift Travel Health Index, reflecting global market insights and trends, stood at 107%. Ms. Chun reminded the Board that this index was now calculated on a year-over-year basis rather than in comparison to 2019, as had been the case previously. The index was higher than its value in March 2023 but was on a downward turn. More detailed travel statistics were available in the information packet provided to Board members.

Based on February data, the national outlook showed a decrease in overseas arrivals, but it was expected that international arrivals would exceed pre-pandemic levels in 2024. However, the Asian markets were not reviving, and international arrivals from Europe and South America were more important. It was likely that Hawai'i would still experience a lag in progress.

The Spring 2024 edition of "The Portrait of American Travelers," published on the HTA website, was a quarterly survey by MMTY. It showed that interest in Hawai'i was lower than previously, with a level of 63% for February 2023 and 64% in February 2024. This reflected interest in visiting Hawai'i for the U.S. market only over the next two years. Interest remained higher for the younger population. Data was presented comparing 2023 and 2024 by age and income group. The only income group that showed reduced interest was that of \$100,000 – \$149,000 per household.

The report showed that the major deterrents to travel to Hawai'i had not changed, principally the cost of airfare, hotel accommodation, and the duration of flights. Information had been gathered from people who had considered visiting Hawai'i but then changed their minds. Reducing this number and encouraging visitors to maintain their bookings was important. Data showed that 35% of prospective visitors had changed their minds. 40% of travelers reported that the Maui wildfires had somewhat impacted their plans to visit Hawai'i over the next two years. Some had changed their minds but were still interested in an eventual visit.

The visitor satisfaction and activity report was available on the HTA and DBEDT websites. These values were important key performance indicators (KPIs) for the HTA and showed good market ratings. An analysis of 2016 showed that most data was steady over the period, even though some markets had not been active during the pandemic.

66.3% of Korean visitors had reported that their expectations had been exceeded by their visit to Hawai'i. Most visitors reported that they were likely to recommend Hawai'i to friends and family, although a few visitors from China stated that they were unlikely to do so. There was an upward trend in the likelihood of a return visit during the next five years for visitors from the U.S. West. Those who did not plan a return visit cited reasons such as expense, their intention to visit a new destination, and their perception that it was too soon to plan a return visit. Other concerns were the flight's duration, cost issues, other financial obligations, and concerns about poor health and age. 65% of Japanese travelers felt that travel to Hawai'i was too expensive, which was also mentioned by the majority of Canadian travelers, some of whom also complained about the duration of the flight.

Most visitors considered that Hawai'i offered a variety of different and unique experiences, and they rated it highly as a safe and secure destination with environmentally friendly practices. Travelers from Japan rated Hawai'i lower on sustainability. Volunteer and giving-back activities were highly rated, especially by English-speaking travelers.

Data for the booking pace of air tickets was presented for the six months starting from April. U.S. bookings were low for the summer period, but the shorter booking window trend gave hope that it would improve. Japan was approaching the pre-pandemic booking pace, and Canada looked favorable to the fall. Korea had almost recovered with a good booking pace for July, August, and September.

Having temporarily taken over the Chair, Vice-Chair Paishon gave an opportunity for questions.

Mr. Miyasato thanked Ms. Chun for her report but pointed out that the load factor for air travel would be more meaningful than the availability of air seats. Ms. Chun replied that the overall

load factor was published every month. Mr. Miyasato pointed out that airlines sought profit and would assign seats to routes where this would occur. There was no correlation between available seats and number of seats filled. He had been part of three recent delegations to Japan, and a topic of concern on every trip was increasing travel from the U.S. to Japan, which resulted in greater provision of inbound air seats and Japanese consumers were not traveling because the weakness of the Yen was drawing in visitors. Travel to Japan from Hawai'i was increasing because of the weakness of the Yen. The travel balance from Japan had formerly been outbound, but it had now become mostly inbound.

Ms. Chun commented that a press release from ANA stated that 16,000 tickets to Hawai'i had been booked, but it was difficult to understand this figure because it would correspond to 1.2 times the travel for Golden Week in 2019 and 1.5 times that of 2023. On the other hand, Mr. Takahata of HTJ had reported that he did not believe Golden Week travel would be strong this year. Ms. Chun was still waiting for more details from ANA.

Mr. McCully asked whether it would be possible to compare outgoing satisfaction surveys from competing destinations such as Mexico or the Caribbean. Ms. Chun replied that Hawai'i carried out more frequent visitor satisfaction surveys than other markets, which might do so annually or every few years. She promised to research the answer to the member's question.

Regarding "exceeding expectations," Mr. McCully asked how many respondents were first-time visitors. Ms. Chun responded that in the full report, this data was broken down into first-time versus repeat visitor, lifestyle versus life-stage, children versus no children, and so on, but these details had not been presented to the Board. First-time travelers were hopeful but had no idea what to expect. Ms. Chun sometimes received emails recounting the disappointment of visitors, but their expectations might have been unreal. Surveys did not ask what the visitors expected.

There were no further comments or questions from Board members or members of the public, and Vice-Chair Paishon-Duarte yielded the Chair back to Chair Hannemann.

9. Update on the 13th Festival of Pacific Arts & Culture, June 6 – 16, 2024

Chair Hannemann informed the Board that he had specifically asked for this item to be included on the agenda. He had attended similar events on Pacific islands, including the Pacific Games, and to have this festival in the State of Hawai'i was a great privilege and opportunity.

As Chairman of the Festival Commission, Mr. Ka'anā'anā introduced the Festival Director, Dr. Aaron Sala.

Dr. Sala expressed his pleasure in appearing before the Board in such pleasant circumstances and stated that he was privileged to act as the Director of this 13th Festival of Pacific Arts and Culture (FestPAC).

Dr. Sala informed the Board that the festival's history had begun in 1965 when a group of South Pacific elders, mainly Fijian, met to discuss diminishing cultural practices amongst young people. It took seven years for the festival's first iteration to be inaugurated in Fiji, sponsored by the Fiji Arts Council. In 2024, FestPAC had now grown into a robust multinational, multicultural engagement. It had returned to its initial values, which were the preservation of cultural practices across the region, with exploration of what others were doing and exploration of new ways of practicing traditional culture, along with awareness of trends in indigenous cultural practice across the world beyond the Pacific. In addition, the festival aimed at maintaining, nurturing, establishing, and reestablishing standards of excellence around cultural practice, kindling, and rekindling relationships with mother tongues.

Hawai'i was to have hosted the festival in 2020, but due to the pandemic, the State was allowed a full four-year reprieve to step back, reassess, and prepare for 2024. Hence, the Commission had decided to retheme the engagement to Ho'oulu Lāhui, Regenerating Oceania, a motto of King David Kalākaua.

King Kalākaua came to power in a dynamic but tension-filled period of Hawai'i history. His goal was to replenish the earth with Hawai'i, and he concentrated on what it meant to be a Hawaiian as a member of a nation among nations.

Dr. Sala pointed out that, on the one hand, Hawai'i was a nation among the nations of the Pacific, while, on the other hand, Hawai'i was a state within the United States and acted as such. The festival would provide an opportunity to engage in dynamic discourse, not just about cultural practice and its role in the world, but also involving multilateral meetings amongst the government dignitaries who were to be present.

The tried-and-true programming was to start with the usual cultural practices, performing visual heritage and arts opening ceremonies and protocols, along with a parade of nations, presentation of gifts, an ecumenical service to honor the Sabbath in the Pacific way, a Governors' Round Table, a First Ladies' Round Table, and many other robust and dynamic engagements over the course of the festival.

The Emerging Leaders' Engagement was had been funded by the U.S. Embassy in New Zealand in partnership with the Hawai'i Pacific Foundation. The Young Pacific Leaders' Foundation was building a long-term strategy to enable young leaders to be part of economic driving, governmental leadership, and creative industries. The Protecting Oceania conference was to be

produced through a partnership between the Center for Pacific Island Studies and the Hawai'i nuiākea School for Hawaiian Knowledge at the University of Hawai'i. Dean Jon Osorio deserved kudos for spearheading this work.

An Expo in Marketplace was to be held at the HCC, and Dr. Sala thanked Ms. Orton and her team for their cooperation.

There was also to be 'Aha Moananuiākea, a series of symposia drawing on partnerships across sectors. The largest partnership was to be with Kamehameha Schools, building discussions on how the work of cultural practitioners could be elevated, and how bridges could be built into the economic development and governmental aspects of that work through the engagement of creative industries.

Dr. Sala presented slides showing preparations for the festival. There was to be a wa'a arrival on June 5 at Kualoa, the birthplace of Hōkūle'a. The opening ceremonies would take place on June 6 at Stan Sheriff Center. On Friday, June 7, the festival village would be opened, and a schematic of the village would be presented later. There were to be Sister City signings between the Cook Islands and Honolulu. The Governors' Round Table, the First Ladies' Round Table, and lei draping across the street.

The festival was to be a beautiful ballet in which no one would be allowed to fall. Even though there was much work to be done over the ten days of the festival, the team did their best to curate and choreograph all the activities. Dr. Sala showed slides to give a sense of the integration and collectivity of the programming. Performing Arts was to include a heritage dance, live music, theatre, oratorical arts, and choral performances. Heritage arts consisted of wa'a carving, weaving, kapa making, tatau, mea'ai, and storytelling. Each element was its own festival, and during the post-festival debriefing, the hosts would articulate the challenges they had to overcome. The ultimate aim was to create an endeavor where countries would collaborate and work collectively. This had not been the case in the past, and countries had come together to carry out their own activities. Hawai'i was bringing people to the table together to share how weaving or growing of Harakeke had evolved over the years due to climate change and how this had affected economic development and government policy in the region.

Hawai'i's robust and mature infrastructure made it possible to set up a platform to transcend the power of culture and examine the power of culture as it would play into all the other sectors. Everyone lived on a bedrock of culture, which was the driver of everything around it.

Mr. Ka'anā'anā added that from the perspective of the Festival Commission, it had been important to bring people together in a cross-pollination of quasi-tribal groups. Another aspect

had been to reintroduce Hawai'i as a nation of the region. Hawai'i had tended to look toward the colonists and the continental U.S. as their primary focus, but there was a broad and robust conversation going on in the Pacific in which it was important for Hawai'i to take part, whether tourism-related businesses like Outrigger, which had properties in the region, or Hawaiian Airlines which flew to destinations in the region or Cook Islands or Samoa. Hawai'i needed to consider how to engage in this conversation.

For the first time in thirty years, there was to be 100% participation of countries in the festival. In addition to the 27 participating nations, including 22 members of the Council for Pacific Arts and Culture along with invited guests, there would be delegations from Taiwan, which has participated since 2012, and the Solomons and Guam. The HCC was to host the Festival Village, the Expo Marketplace, artistic programs, a film festival, a fashion gala, literary arts, strategic programs, the Young Pacific Leaders' Program, and the Indigenous Philosophies Conference. Much hard work would be required from Ms. Orton and her team.

The Convention Center was to be the hub of the festival. This was a departure from the norm because the Festival Village would traditionally be constructed outdoors, open to the elements and the environment. The Festival Commission had decided to take advantage of the Hawai'i infrastructure and celebrate it. The result would be that elders would have no concerns about heat or the distance to facilities. This design brought a sense of evolution to the festival regarding practitioners and delegates coming to Hawai'i.

The carvers and the tatau showcase were to be housed in the Bishop Museum during the festival and would have an 'aha 'āina after church. Observing the Pacific tradition of honoring the Sabbath, there would be a church service at the Stan Sheriff Center on the morning of June 9, followed by a quick lunch. Afterwards delegates, government dignitaries, and traditional leaders would take a traditional mid-afternoon luau meal together in the Bishop Museum, which would be closed to the public that day. In the Pacific tradition, the Sabbath rest would be respected for the rest of the day.

Over the course of the ten days of the festival, there will be heritage artist exchanges. Capitol Modern, the Hawai'i State Art Museum, in partnership with the State Foundation on Culture and the Arts, was to host a 50th Anniversary exhibit of the festival, with a curated exhibit named Our Sea of Islands, in honor of Tongan-Fijian scholar Epeli Hau'ofa. He had been responsible for transforming the perception of the ocean from a separation to a connection between nations. Delegation collaboratives and a performance stage were to be hosted over the course of the festival.

The University of Hawai'i, which was a strong partner of the festival, was to house delegates. Hosting the festival had become expensive in Hawai'i because Pacific rules of hospitality held that while the guests were responsible for making their way to one's home, once they arrived,

it was the host's responsibility to feed, transport, house, and entertain them. Delegates were expected to make their own way to Hawai'i, but once they arrived, Hawai'i, as the host, would pick them up from the airport, take them to their housing, and provide their lodging, transport, and three daily meals for the duration of the festival.

The university was to provide beds for 1,534 delegates, and several hotels across the State had partnered with the festival to house other delegates. Opening and closing ceremonies and the ecumenical service were to take place at the Stan Sheriff Center.

The Board was shown the performance and ancillary venues, with the comment that opportunities had been provided for the visitor industry to engage. Ultimately, the festival was intended to celebrate culture with community engagement opportunities. The presentation showed the Windward Mall, the Royal Hawaiian Center, and SALT at Kaka'ako, all of which were owned by native Hawaiians. The Kamehameha Schools and the Palama settlement housed the largest concentration of Micronesians in the diaspora outside Micronesia. Efforts were made to use the infrastructure of Hawai'i to provide opportunities for cultural workers and to show what a popup is like in a professional setting, such as Bloomingdales or Ala Moana Mall.

Mr. Ka'anā'anā added that he had challenged Dr. Sala and his team to consider regenerative tourism principles and culture's role in hospitality. This concept was not necessarily the norm everywhere in the region. Colleagues in the hospitality industry across the region were encouraged to incorporate regenerative tourism into their practices, and this festival provided an excellent opportunity for them to see what was possible.

The arrival ceremony was to take place on June 5, the day before the festival's official opening. It would not be promoted publicly because the area of Kualoa Regional Park was narrow, and traffic navigation would be difficult. The park side would remain public, but the arrival ceremony would take place in Campground A, the area of Hakipu'u where Hōkūle'a was born and had its initial launch. Wa'a will be staged at Mōkapu and sail across Kaneohe Bay before entering the islet. Dr. Sala was grateful to Bonnie Kahape'a and Kānehūnāmoku Voyaging Academy as representatives of 'Ohana Wa'a and Polynesia Voyaging Society. They were to maintain some 500 people on the water during the festival. The Coast Guard and Indo-PACOM had also cooperated. Dr. Sala was grateful to Mayor Blangiardi and Kēhaulani Pu'u at the Department of Parks and Recreation, Calvin Ho, and his sons, for their assistance in preparing for the Wa'a arrival ceremony.

Mr. Ka'anā'anā reminded the Board that this year the Kānehūnāmoku Polynesian Voyaging Academy had been a recipient of a Kukulu Ola award, one of the HTA funding programs, and the Wa'a arrival ceremony would be the culmination of their curriculum and program.

Due to a request from the funder, the U.S. Embassy in New Zealand, the Young Pacific Leaders Conference was to be rebranded. It was intended to bring together young leaders from 18 to 35

years of age to engage in cultural practices, international diplomacy, and creative industries. The goal was to bring together a dynamic group of thinkers with a Pacific worldview. Hawai'i infrastructure would enable them to introduce innovative technologies or establish a nurturing relationship with innovative technologies, seeking a solutions-oriented future.

There was no interest in a three-, five- or seven-year strategy; the intention was to examine strategies for the next 25, 50, 75, or 100 years and how that reality could begin in the present day. An example was Minister Kofi, now in Tuvalu, who had made stark and strong remarks at COP26 and COP27. He recounted at COP26 how he stood in ankle-deep water on the road where he had played as a child. At COP27, he had spoken about the need for Tuvalu to reinvent and redesign itself into the metaverse because it would no longer exist by the end of his lifetime. The Montevideo doctrine stated that when a state ceased to occupy a certain area of land, it ceased to act as a state. This initiated Tuvalu's need to respond to climate change by using innovative technologies to empower that response. He noted that Tuvalu also owned the domain ".tv," so everything ".tv" paid a royalty to Tuvalu, making an annual income of \$5 to \$8 million. Hawai'i needed to be part of the response to climate change, although it was at an advantage because of its high mountains.

The presence of the Iolani Palace in Hawai'i gave a reason to call for a summit of traditional leaders. In King Kalākaua's own lifetime, the palace had never realized the purpose for which it was built. The festival was partnering with the Kawānanakoa family to bring traditional leaders together and to consider their role in the 21st, 22nd, and 23rd centuries. The Royal Order of the Star of Oceania, Ka Hōkū o Osiania, had been established by King Kalākaua in 1886 and was a "pay-to-play" medal, whereby those who bought into the program were awarded this Royal Order. King Kalākaua had used the funding to send Hawaiians out into the world to learn the powers of the world in order to bring those powers back to Hawai'i. He sent young men to Italy to learn carving and young men and women to China to learn engineering. FestPAC would be an opportunity to fulfil King Kalākaua's goal For Hawai'i to sit as a nation among nations.

Iolani Palace was built and presented to the world in 1882 and would be the venue for the ceremonial protocol and traditional leaders' summit. This summit would convene King Kalākaua's dream. At the end of the summit on the 9th, after church, when everyone went to the Bishop Museum, the traditional leaders would have their final discussions in the Throne Room at the Iolani Palace. It was hoped that in response to G7, a P6 could be established to examine the power of a traditional understanding of the world, and its role in governance and policymaking concerning people and their land.

Previous FestPAC Festival Villages had been constructed outdoors, but the present village is to be situated in the Exhibition Hall of the Convention Center. The schematic of the village was in the form of the Pacific, with the entrance through a mauloa, a double-hulled voyaging canoe, This is an extension of the Wa'a arrival at Kualoa, after which one arrived at the Convention

Center. The canoe pointed to a star compass, allowing participants to move in several directions, such as Micronesia, Melanesia, and Polynesia. The goal was to unite people rather than isolate them in their own subregions. The stage was a Merrie Monarch-sized stage, giving an idea of the gargantuan nature of the hall.

Dr. Sala presented slides showing five parallel lines forming an immersive exhibit, like Beyond Van Gogh, to bring the pae 'āina of Hawai'i into this space. There would be footage from Maui, Lanai, Molokai, and Hawai'i, ensuring that close attention would be paid to the Hawai'i identity.

The Board viewed a slide showing the timeline and was informed that funding had been received from the HTA. Dr. Sala thanked the HTA team for their support and appealed to the Board to ensure that the HTA was well-represented throughout the festival. He thanked the Board for their attention.

Chair Hannemann thanked Dr. Sala for his presentation and stated that FestPAC provided an opportunity for the power of diplomacy as well as that of culture and the arts. He noted that China presented a major threat in the Pacific region, and this festival would give an opportunity to demonstrate the affinity of the U.S. for the Pacific Islands, which was transmitted on behalf of the United States through the State of Hawai'i. Chair Hannemann had been encouraging members of the administration in Washington D.C. to learn more about this festival with the hope that either the President or the Vice President would attend this large and infrequent event. Chair Hannemann thanked Mr. Ka'anā'anā for his role as Chair of the Festival Commission and his work hand in hand with Dr. Sala, noting that the latter was beautifully attired in Polynesian wear. He extended the thanks of the Board members for being included in this enterprise.

In response to a question, Mr. Ka'anā'anā stated that the number of bona fide delegates was likely to be about 2,300, and including entourages, it would amount to about 2,500. The festival organizers are expected to be responsible for about 2,200 delegates. There was a lot of interest because the festival had not occurred for eight years and was to be held in Hawai'i. Several high-level government dignitaries were expected to attend, and several Prime Ministers, Heads of State, and Heads of Government had already confirmed their attendance, in addition to the traditional leaders who were to be present. These were to include King Tūheitia from New Zealand. A regret had not yet been received from the King of Tonga, and it was hoped that he would attend. Probably about 100,000 people would be moving through the Festival Village during the festival.

Mr. Nāho'opi'i added that this was a major festival, a signature event, and the global marketing teams promoted it in their markets to encourage visitors to attend. As host of this festival, Hawai'i was different from other hosts, apart from Australia and New Zealand, in that no other

host had had the infrastructure to handle a large volume of incoming visitors. It was unclear how many people would travel purposefully to the festival because it had never been held in a destination with Hawai'i's level of visitor facilities, although it seemed likely that the attendance would be huge.

Ms. Iona asked about the implications for 100,000 visitors, and Ms. Orton stated that about 50,000 or more visitors were expected to pass through the Convention Center, possibly more on the weekend. The staff expected an influx of public visitors in the evenings and weekends.

Ms. Paishon-Duarte thanked Dr. Sala and Mr. Ka'anā'anā for their presentation and their leadership and appreciated the work of the staff who had supported this multiyear planning effort. She informed the Board that her attendance at FestPAC in Tonga had been a life-changing experience and recommended that Board members and the HTA staff to encourage family, colleagues, and friends to attend. Hawai'i had been part of many conferences and stood to benefit from this festival. She thanked the HTA and the State administration for their financial support and asked if other support was needed.

Mr. Ka'anā'anā responded that the Hawai'i legislature had appropriated \$5 million, the Governor and First Lady had appropriated \$5 million from the Governor's discretionary fund, and the Festival Commission had raised about \$7 million over the past four months. The total funds were about \$3 million short of the \$20 million budget the Commission approved. The Commission intended to produce and host a festival that they could afford to produce and host. He expected that the shortfall would be made up before the festival, but if not, a \$17 million festival would be produced. The intention was to host in the Pacific way, with the responsibility for feeding and transporting guests as the most important component of hospitality. Everything else would be done collaboratively, especially by ensuring people were on the ground to help with hosting.

The Native Hawaiian Hospitality Association was a group of institutions that had come together to train volunteers in methods of Pacific and Hawaiian cultural practices. There were expected to be about 300 volunteers in the Convention Center over the course of each day, but this did not include Kualoa or the Bishop Museum, so it was likely that there would be a total of 500 or 600 volunteers every day of the festival. Volunteers from the Polynesian diaspora would be needed. This would be a multilayered service that would be different from the service provided in the hospitality industry. Service and hosting in the Pacific was different, relating to how and when to serve elders, and who sat alongside the elders to ensure they were properly taken care of. Someone had to be available to read the room. Hawai'i had been an effective East-West gateway, but it now had to reestablish its North-South relationship as the nation of Hawai'i and not just a state within the United States.

Hawai'i was the second youngest nation in the Pacific; only New Zealand was younger. In traditional thinking, Hawai'i was considered as heaven, so once one arrived there, they did not leave. Part of the goal of the festival was to remind the other Pacific nations that they had a responsibility to reintegrate Hawai'i into the Pacific family. FestPAC was an opportunity to challenge the other Pacific Island nations to bring Hawai'i back into the fold.

Dir. Tokioka reminded the Board that this festival was a massive effort, starting when Sen. Keohokalole, Rep. Onishi, and Sen. DeCoite had been at the forefront. First Lady Green had also been a great advocate for the festival. Dir. Tokioka thanked members of the DBEDT team for their hard work.

Chair Hanneman underlined the uniqueness of the Pacific way, where the host did everything for their guest. He reminded Dr. Sala and Mr. Ka'anā'anā to be very creative in extending the Hawai'i Aloha financially and ensuring that everyone understood the Pacific way and how Hawai'i could reciprocate it to their guests. It was necessary to be cognizant of the importance of the occasion and how key community members could be brought together to hear and understand the message. He reiterated Dir. Tokioka's comment about First Lady Green informed Board members that she felt this opportunity had to be seized because of her Hawaiian ancestry. Chair Hannemann reminded the Board that everyone had to help in the most effective way possible.

Dir. Tokioka pointed out that DBEDT would send information through the State email system to any staff member who wished to volunteer. This event resembled how everyone wanted to be involved when the Olympic Games came to their city.

Mr. Ka'anā'anā agreed with the Olympic analogy and reminded the Board that the delegates would all be experts in their fields. A country would not send a new weaver who was still learning but would send an 80-year-old woman who had done it for her entire life. It was an honor and a once-in-a-lifetime opportunity to be chosen to represent one's county at FestPAC and to experience Pacific culture. The festival rotated around each subregion every four years and within each subregion. Hawai'i might not have this opportunity again for another 75 years. He extended his gratitude to Dr. Sala, and the Gravitas Pasifika team, the the contractor hired via DBEDT on behalf of the Festival Commission.

10. Report and Update by the BUDGET, FINANCE, AND CONVENTION CENTER STANDING COMMITTEE of their Meeting Held on March 22, 2024

Mr. Arakawa introduced this Agenda Item and pointed out that Agenda Items 10a and 10b referred to Financial Reports for March 2024, not April 2024, as the agenda showed. He expressed the hope that in the future, Committee Chairs would be able to review the Agenda of the Board meeting before it was published.

Chair Hannemann pointed out that the information packet submitted to Board members gave the month as March, but the agenda contained a typographical error.

Mr. Arakawa then apologized for including detailed material on the HTA policies and procedures in the information packet supplied to Board members. This material was available online and was not confidential, but it was to have been reviewed by the Budget and Finance Committee. Some confusion had been created by issuing this material to the entire Board. Mr. Arakawa regretted this error.

Chair Hannemann recommended that Committee Chairs collaborate with the CEO in the future rather than go directly to the HTA staff. On his part, the CEO promised to tighten up procedures. The material on policies and procedures was to have been given to Mr. Arakawa, not the entire Board. Any material destined for the full Board had to pass through the CEO.

a. Discussion and/or Action on HTA's Financial Report for March 2024

Mr. Arakawa proposed a motion to approve the HTA's Financial Report for March 2024, and the motion was seconded by Dir. Tokioka. The CEO clarified that a Standing Committee was permitted to make a motion to recommend, after which discussion returned to the Chair to run the business and call for the question.

Mr. Choy informed the Board members that the March financial statements were in their Board packet and that he would not go over the material. The fiscal team had tried to show the adjustments that had been made to the budget for the present fiscal year. He pointed out that as June 30 approached, the entire budget should be rounding up as Mr. Arakawa had requested.

Mr. Choy reminded the Board members that an additional column had been created on the financial statement for "Roof Project," and this would enable them to trace every cent spent on this project. The financial statements had been examined in detail during the Budget, Finance, and Convention Center.

There were no questions or comments from Board members or members of the public.

Dir. Tokioka pointed out, as a follow-up to Robert's Rules, which he conceded were not always followed at Board meetings, that Board members had previously suggested that Board meetings should run at a faster pace. Earlier in the meeting, he had not been aware that there was a timeslot for the presentation about FestPAC. When the Vice-Chair ran the meeting, He wished to ask a question but was informed that the time allowance had expired. He suggested that the Board be informed if time slots were assigned. Chair Hannemann responded that he

had not been aware of the timeslots, but the Vice-Chair had tried to compress the discussion to allow time for all questions.

Mr. Arakawa noted that this point was well taken. There were no further questions from Board members or the public. Mr. Gionson took the roll call vote, and the motion was carried unanimously.

Mr. Arakawa informed the Board that, based on the suggestion by Member Miyasato, the Chair of the Branding Standing Committee, discussions about the budget for the following year would begin during the next meeting.

b. Discussion and/or Action on the Hawai'i Convention Center's March Financial Report

Mr. Arakawa proposed a motion to approve the HCC's March Financial Report and the motion was seconded by Mr. McCully.

Mr. Arakawa informed the Board members that this presentation and report had been thoroughly reviewed and discussed at the Budget, Finance and Convention Center Standing Committee meeting.

Ms. Orton presented the event calendar for the Convention Center for March and noted that it had contained a variety of events. There had been one Citywide event, the NDIA (Pacific Operational Science and Technology) Conference, and many local events, including the Honolulu Festival and the Kawaii Kon, each of which had an attendance of over 24,000. This resulted in a total number of 26 events and total gross revenue for March of more than \$2.1 million, which was \$711,800 more than had been budgeted for the month. The net income for March had been \$91,000.

The reforecast for fiscal year 2024 (FY24) was a surplus of \$923,000, with a gross revenue of \$26 million expected by the year's end. It was likely that the year would end with over a million dollars in net positive income, which would save the State \$6.3 million in subsidies from the \$11 million received annually.

At present, the management team of the center is working with Mr. Choy to plan the rooftop repair project. The HTA had hired a project manager and an architect. The team was studying events that had already been scheduled for 2026 when construction was to start. Center staff were also preparing for the upcoming FestPAC, a huge undertaking. Meal service on the fourth floor was already being planned. Ms. Orton thanked Mr. Ka'anā'anā and the Festival

Commission for their hard work and stated that the Convention Center staff was committed to ensuring that this would be the best FestPAC that could be held in Hawai'i.

Regarding capital investment projects, the team was happy that \$64 million had been approved by the legislature and thanked the Chairs and Vice Chairs of the standing committees for their part in this. The expenditure ceiling of \$20 million would allow the HTA to expedite projects that had been postponed to manage cash flow.

Mr. McCully advised Board members to visit the wall outside Mr. Choy's office to see the details of the roof project that had been posted there. This information was also available in the Finance Committee packet.

There were no questions or comments from the Board or members of the public.

Mr. Gionson conducted the roll call vote, and the motion was carried unanimously.

11. Report and Update by the BRANDING STANDING COMMITTEE of their Meeting Held on April 12, 2024

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

Mr. Nāho'opi'i introduced this presentation by pointing out that the HTA's two largest contractors were Hawai'i Tourism USA and Hawai'i Tourism Japan, and questions were always asked about the effectiveness and return on investment of these large advertising campaigns. At the beginning of the last calendar year the HTA had commissioned a study by Strategic Marketing and Research Insights (SMARI). This organization had also carried out similar research on behalf of other destinations. SMARI conducted surveys during each quarter and carried out a wrap-up to recontact people who had seen the advertisements over that time period to find out the outcome. SMARI provided a reaction each quarter for each campaign in the market so that advertising and messaging could be readjusted based on the response to the previous campaign, and this could also be used as a basis for the next campaign.

Mr. Miyasato added that the committee had seen this presentation during their previous meeting, and the fact that it was data-based provided answers to questions about return on investment (ROI) for advertising initiatives. Mr. Miyasato introduced Ms. Alisha Valentine, who would give the presentation on behalf of SMARI.

Ms. Valentine informed the Board that SMARI was one of a handful of research firms specializing in the travel and tourism industry. She had been at the firm since 2006, apart from a break when she was employed as Director of Research for Discover Puerto Rico. She had

often made presentations to similar Board meetings and was impressed by the work being done by the HTA, particularly the planning going into FestPAC. Such events drove leisure travel.

The process she was to report had been designed to evaluate paid marketing efforts for Calendar Year 2023. Previous research by the HTA had included some earned and owned media, but this survey was specifically designed to examine only the paid component. The first quarterly evaluations were carried out in markets where media were being placed, and the first review was on the domestic and the Japan market. This ensured that the market being targeted was specifically addressed. Quarterly evaluation assessed the efficiency of the media buy, how the creative material performed, what kind of lift had been seen, and key performance indicators such as familiarity, perception of the destination, and likelihood to visit. The survey would evaluate the resultant travel, how much visitors spent, and how this translated to a return for the organization about the level of investment. They had showed consumers the actual creative material. They obtained feedback about how the material was performed, enabling the organization to adjust and grasp gaps in perception while planning future advertising to address these issues.

A key component of this research was its methodology. It was clear that even with no advertising, there would still be travel to Hawai'i, as would be the case for any destination, so this base level of travel had to be accounted for in the event of no investment in advertising. Travel above this base could be considered an increment due to advertising, and this was a conservative measure and was the industry standard. SMARI carried out this work for several large state destination management organizations (DMOs) and larger city DMOs, as well as for Brand USA. The same methodology was employed to estimate reach before understanding the actual influence on travel.

A DMO seeks to know what kind of return they get for their advertising expenditure, termed the "Return On Advertising Spending" (ROAS). Combining both domestic and Japan Hawai'i markets, there was an overall return of \$399. The return consisted not only of the money being spent by visitors but also the revenue generated by tax dollars. The General Excise Tax and State and County Transient Accommodations Tax (TAT) returned the money to government coffers because of investment by the HTA and would be evaluated.

In the domestic market, the quarterly reach of each investment was evaluated, including the launch in October 2023 of the Maui-specific campaign. Overall, the fourth quarter had the highest awareness even though its spending was not the highest, reaching more than 6.5 million targeted households. The average cost per targeted household was only \$0.18, while for other DMOs of similar size, the average cost was about \$0.47, so the HTA campaign was considerably more efficient than the average DMO. The research process enabled SMARI to

examine two effects of the creative material: whether it communicated the desired goals and whether it impacted consumers in the desired ways. These two effects were different since it was easier to communicate a message than to influence a consumer to take action.

On a five-point scale, a set of benchmarks were based on the average performance. Only the top 10% of DMOs generated scores of 4.2 and above for the communication goals. All the HTA components met that mark, especially those relating to the natural beauty of Hawai'i. However, the goals of the Hawai'i campaign were different from those of other DMOs, so it was important to ensure that the campaign was communicating that Hawai'i was a place that cared about its people and its culture, that it made them feel good about choosing to visit and specifically about choosing to visit Maui. It was important to ensure that the campaign showed beautiful Hawai'i and gave specific messages for domestic markets.

The benchmarks for impact on consumers were different, and only the top 10% of creative material generated results of 4.0 or more on a five-point scale for all these parameters. Visiting Hawai'i and Maui was especially important for the targeted consumers, and it encouraged them to respect Hawai'i's natural and cultural resources and care for the natural environment. Ms. Valentine reported that the campaign was doing a good job of communicating its goals.

The survey process also enabled an understanding of the product and personality attributes most correlated to interest in visiting. General travel attributes were important for most destinations, but for Hawai'i the highlights were the potential for voluntourism opportunities, the possibility of giving back to a destination, and the sustainability practices of the destination. This verified the direction of the campaign.

It was important to understand the lift in perception provided by advertising. Attributes for which Hawai'i was already known obtained minor or no lift from advertising, firstly because it was not the goal of the campaign to communicate that message, and secondly because these were attributes on which Hawai'i was already performing well. It wasn't easy to influence much improvement.

Opportunities for voluntourism were important for the target market. Ease of access was important for the travel trade. Regarding other key performance indicators (KPIs) such as familiarity, overall perception, and likelihood to visit, it was clear that even consumers who had never visited Hawai'i already had a perception of the destination, so very little change was possible because even unaware consumers already knew a lot about Hawai'i. However, there was a significant change in "interest in visiting" after exposure to advertising. The survey did not ask directly how likely they were to visit, but the recall of either the general or Maui campaigns almost doubled the likelihood of visiting.

Ms. Valentine explained that the research aimed to measure actual travel and place a dollar value on it, even if 25% or 45% of those polled expressed an interest in visiting. In reality, 7.4% of the targeted consumers who did not see the advertising visited Hawai'i, but 16.4% of those who saw the advertising visited, meaning that advertising was responsible for a 9% difference in actual travel. Multiplying this by the 6.5 million consumers reached by the advertising gave an increase in actual travel of 580,000 trips over the calendar year. Average per-party spending of about \$5,800 implied an average expenditure of about \$1,600 per person. This gave a \$407 return on advertising spending in the domestic market, while the average for other DMO's investing over \$5 million was about \$219, and \$407 was almost the maximum. Only one competitor had a ROAS of \$416 during the past calendar year, and this was Hawai'i's biggest competitor, spending six times more than the HTA and with a much broader audience. This DMO was relatively unselective and had experienced challenges since the pandemic.

In summary, for the domestic market, the HTA's advertising had achieved a 9-point increment, influencing 580,000 trips with a return on advertising investment of almost double the average DMO benchmark for their budget level.

The same process had been conducted for the Japan market, with interviews of 1,500 consumers each quarter, totaling more than 6,000 interviews over the calendar year. Not many DMOs were committed to that level of investment in research. The maximum level of recall for the Japan market was 51%, which was seen during the third quarter. This value was used moving forward with the calculation of return on investment. In general, international markets were regarded as less efficient than domestic markets, firstly due to the target population and secondly due to the level of investment, which was lower in Japan than in the domestic market.

The Japan market had been more difficult than the domestic market in terms of creative ratings. However, the communication benchmarks were still above average, not only for "a beautiful place which cares about its culture" but also for "telling me something new about Hawai'i," and "telling me how they want to care for the place." However, these resonated less than in the domestic campaign. During the fourth quarter, there had been a shift in the creative message for the Japan market.

The impact ratings demonstrated the difficulty of motivating consumers in the international market, but visiting Hawai'i was still in the top 25% for potential impact ratings. Impact regarding visits to Maui was not measured in the Japan market because no Maui-specific campaigns had been run. Consumers in Japan were motivated to visit Hawai'i because they were familiar with the product, and there was a high correlation with typical leisure trip activities such as beautiful beaches and luxury accommodations. The creative messaging had shifted during the year to reflect this understanding of consumer motivation.

In the Japan market, lift on the likelihood to visit was similar in aware versus unaware consumers throughout the entire calendar year. The survey evaluated product attributes in terms of product life, and while Hawai'i received good ratings overall, it was seen as a more affordable option for the Japan market.

The increment in travel of aware consumers versus unaware consumers was a 12.6% gain, a significant difference. The Japan market needed the "safe to travel" message. Multiplying the 12.6% lift by the number of aware households gave 75,000 influenced trips to Hawai'i with a return on investment of \$330. Ms. Valentine believed that obtaining these figures of return on investment was transparent and was the typical method used in the travel industry. She suggested that the legislature could review these figures, and other clients had been successful in using similar research to justify budget appropriations.

Chair Hannemann thanked Ms. Valentine for her presentation.

Mr. Miyasato also thanked Ms. Valentine for her educative presentation and commented that the legislature often asked about the return on investment. He thanked Mr. Nāho'opi'i for initiating this research. Mr. Nāho'opi'i thanked the team for their input on research from key performance indicators and also thanked the branding team for their understanding of objectives and goals. Continuing this study could be considered in the budget for the next fiscal year.

Chair Hannemann repeated his thanks to Ms. Valentine. He also informed the Board that thanks were due to Mr. Casson-Fisher for doing much of the detailed work in preparing for FestPAC even though Mr. Ka'anā'anā was the Chair of the Festival Commission.

Mr. Nāho'opi'i announced to Board members that the HTA annual Bake Sale in aid of the Hawai'i Food Bank was in progress in the Convention Center.

b. Presentation and/or Discussion on HTUSA's Advertising and Messaging Campaigns

Chair Hannemann called the meeting to order after the lunch break and wished Ms. Iona a happy birthday. Mr. Nāho'opi'i informed the Board that the birthday cake had been donated and was not purchased with State funds.

Before proceeding with Mr. Talwar's presentation on the new advertising and messaging campaign, Chair Hannemann announced that House Bill 25-63 concerning naming rights for the HCC had moved out of Congress and would be voted on the floor. A portion would be included in the budget, and it would be funded. He noted that meaningful relationships with members of the legislature were continuing.

Mr. Talwar, the Senior Vice President of Marketing for HVCB, was visiting his mother on the East Coast. However, he had made himself available to explain to the Board how messaging was to pivot from the very successful Mālama campaign. All messaging was to be targeted towards the mindful Hawai'i traveler who not only could afford a visit to Hawai'i but would also be mindful of environmental and safety issues, would care about the natural beauty and the culture of the places they visited, and would want to help to perpetuate their unique character.

Mr. Talwar reminded the Board that the Mālama messaging was created at the time of reopening after the pandemic. At that time, the atmosphere was different from the present. The Maui wildfires had created the need for a separate Mālama Maui campaign for which incremental funding had been allocated. After the wildfires, conversations with residents were used to create the Mākaukau campaign, in which residents recounted their experiences and requested visitors to return to provide economic support. The brand definition for Maui had been expanded by highlighting all the fantastic activities available on the island. January 2023 data showed the effectiveness of the Mālama campaign which had increased the "likelihood to visit" from 41% for unaware consumers to 55% for aware consumers, a 14% increase. The Mālama campaign had equally engaged potential visitors and made them more likely to visit.

From October to December 2023, interviews with potential visitors showed an increase from 16% to 32% for "very likely to visit" for unaware versus aware consumers. Those already planning to visit increased from 5% to 13%. The Mālama Hawai'i campaign was effective because it contained components, such as natural beauty and the Aloha spirit of the people, which had been attractive to visitors since the beginning of tourism.

Mr. Talwar pointed out that the global booking pace had reduced, with both Maui and West Maui lower, Hawai'i Island soft, and O'ahu with some uncertainty in fall and spring. Overall, the entire State of Hawai'i from March to December was red. Four consecutive waves of marketplace research had been consistently negative, although April seemed slightly better than March. Mr. Talwar appreciated the funding that the legislature had voted on.

The new campaign was to be based on a different tone and manner. Musicians, culturalists, artists, designers, lei-makers, farmers, fishermen, ranchers, and chefs will all come to life in the latest campaign. Some shots had been taken in the Kaua'i Hanalei small music store to share an experience that would cause visitors to be filled with joy and recommend Hawai'i to their friends. Mr. Talwar told the Board that this small music store became a popup venue for local musicians in the evenings, and both tourists and residents could enjoy the music. Visitors might even meet the musicians on the beach the following day. The campaign would feature a lei-making class, fashion artists and designers, and a food truck on Maui, where Chef Kyle's tip jar

was for the benefit of the people of Maui, not himself and his stall. Mr. Talwar noted that over the past ten years, almost a million dollars have been raised this way.

Mr. Talwar presented some clips from the latest campaign and asked the Board to remember that the music, colors, and titles had not yet been finalized.

Mr. Talwar explained that the Board had just seen two video spots, each finished with the logo of an island name, and the intention was to create one for each County. Maui needed support, and media spending was to be adjusted for each island, reinvigorating each brand. For the island of Hawai'i, they were to feature Kūha'o Zane, an artist whose family has deep cultural ties and a creator of fashion and design. The team was working on material that would allow the visitor to see and understand his background and motivation, giving more of a personal touch to visitors.

Chef Kyle was also featured since the cuisine was the audience's favorite. His story allowed visitors to connect with him and understand his drive to share Aloha. The team planned to develop more assets, which would be shared at the next Board meeting.

Mr. Miyasato thanked Mr. Talwar for the advertising segments. He noted that during the recent meeting of this committee, there had been some concern about pivoting the message. The committee described this change as an evolution rather than a pivot. The foundational message was still Mālama, but it was now evocative of where we would get to. Mr. Miyasato thanked Mr. Talwar for conveying this message without being too literal, particularly for respecting the distinction between invitation and admonition.

Mr. Talwar thanked the HTA team for their assistance.

Chair Hannemann appreciated the focus on Maui but expressed the hope that O'ahu, Kaua'i, and Hawai'i Island would also be part of the campaign. He thanked Mr. Talwar and his team, noting the collaboration of Mr. Miyasato in developing this campaign and hoping that this would not only bring back visitor numbers but also maintain the theme of the mindful, respectful traveler. Images of beautiful Hawai'i were important, but the lei-maker and the food truck were distinctively Hawaiian. Chair Hannemann believed that the new theme was the right choice at present.

Mr. Nāho'opi'i gave a historical reference to Dr. George Kanahela's concept of a sense of place, noting that the theme of "The People, The Place, Hawai'i" would be a natural evolution to the next stage.

Chair Hannemann thanked Mr. Talwar for his presentation.

Mr. McCully pointed out that this was the first year Kilohana had been engaged as a contractor and asked how they were performing about their mileposts and expectations. The Board received monthly reports from more experienced contractors, but this was Kilohana's first year. Chair Hannemann replied that tightening the agenda had been a priority, especially as the HTA was still dealing with the legislature. He promised that in the future, Kilohana would send a report along with a marketing report and a destination stewardship report.

12. Adjournment

Chair Hannemann thanked members for their participation and called for adjournment. The meeting adjourned at 12:52 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sheillane Reyes". The signature is written in black ink and is positioned above a horizontal line.

Sheillane Reyes
Recorder