MARKETING STANDING COMMITTEE MEETING
HAWAI’I TOURISM AUTHORITY
Thursday, July 26, 2018
Hawai‘i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai‘i 96815

MINUTES OF MARKETING STANDING COMMITTEE MEETING

COMMITTEE MEMBERS PRESENT:  Sean P. Dee (Chair), Fred Atkins, George Kam, Kelly Sanders, Sherry Menor-McNamara

COMMITTEE MEMBERS NOT PRESENT:

BOARD MEMBER PRESENT:  Rick Fried

HTA STAFF PRESENT:  George Szigeti, Marc Togashi, Charlene Chan, Kalani Ka‘anā’anā, Jadie Goo, Minh-Chau Chun, Caroline Anderson, Chika Miyauchi, Laci Goshi, Naomi Sjoquist, Christina Wieand

GUESTS:  John Monahan, Jay Talwar, Katherine Stokoe, Rep. Richard Onishi, Peter Honig (by phone)

LEGAL COUNSEL:  Gregg Kinkley

1. Call to Order

Presiding Officer Sean P. Dee called the meeting to order at 7:32 a.m. Presiding Officer Sean Dee acknowledged Kalani Ka‘anā’anā, who offered an oli.

2. Approval of the Minutes from the June 27th, 2018 HTA Marketing Standing Committee Meeting

Mr. Dee requested a motion to approve the minutes from the June 27, 2018 Marketing Standing Committee meeting. Mr. Kam so moved. Mr. Sanders seconded the motion, which
was approved by all committee members present.

3. **HVCB Island of Hawai‘i Recovery Plan Proposal**

Mr. Dee acknowledged Jay Talwar and John Monahan from the Hawai‘i Visitors Convention Bureau (“HVCB”) who began their presentation by reporting visitor statistics through July 12, 2018. Mr. Talwar presented that HVCB’s objective in its Island of Hawai‘i Recovery Plan Proposal was to balance negative news coverage and show prospective visitors an opportunity to visit, and that one of the ways HVCB was doing so was by working with partners on Hawai‘i Island to coordinate activities and to create social media content, using the hashtag #exploreislandofhawaii. He stated that, in connection to Hawai‘i Island’s recovery plan, HVCB participated in 46 media interviews and 63 in-bound media inquiries. Mr. Talwar explained that in-bound media inquiries are when HVCB provides information to media outlets concerning what is taking place on-island.

Mr. Talwar explained that he worked with Jeanie Cooper in creating a Travel Weekly native advertising editorial. Mr. Dee commented on a Travel Weekly forum and asked Mr. Talwar to consider focusing on unique story-telling, including touching on Pele and the story of creation.

Mr. Talwar explained that HVCB performed a Satellite Media Tour and worked with the head of Geology at the University of Hawai‘i at Hilo to tell a balanced and clear story of the volcanic activity on Hawai‘i Island. He explained that the geologist travelled on the Satellite Media Tour, which was broadcasted live across the country and picked up on 32 TV and radio stations. Mr. Talwar also explained that a photoshoot was planned for August to supplement partner-provided #exploreislandofhawaii content. He explained that the content was intended to highlight a multitude of activities in different locations, to display Hawai‘i’s unique culture beyond the volcano, to show that visitors can still have an amazing experience on Hawai‘i Island.

Mr. Monahan explained that hard numbers on the success of the Hawai‘i Island Recovery Plan were difficult to track down due to statistics received on an individual basis. Mr. Monahan stated that arrivals and expenditures were up 12.5 percent from the previous year. He stated that arrivals were down 1.6 percent and spending was up 3.3 percent for May compared to this time last year. Mr. Monahan explained that, from statistics received from partner wholesalers that share their booking statistics, those wholesalers were up 20 percent prior to the volcanic eruption in April compared to the same time last year; in May, booking rate was down 46 percent, and in June, booking rate was down 43 percent. Mr. Monahan further explained that occupancy rate for Hawai‘i Island was up 6 percent, but was down 11 percent in the Kohala Coast. Revenue per available room (“RevPAR”) was up 5 percent in Hawai‘i, but down 8 percent on Hawai‘i Island and down 11 percent in the Kohala Coast. Mr. Monahan explained that the low statistics for Hawai‘i Island and Kohala Coast were due to tourists wishing to avoid being “vogged out,” even though they may understand that they are safe travelling to Hawai‘i, as well as tourists wishing to see the volcanic activity. Mr. Monahan explained that these statistics were most likely the lowest numbers we can expect.
Mr. Atkins asked Mr. Monahan whether these statistics included the impact from cruise ship arrivals. Mr. Monahan, in response to Mr. Atkins’ question, stated that the statistics were solely looking at accommodations, so the statistics did not take visitor arrivals through cruise ships into account.

Mr. Talwar stated that a recent nationwide survey conducted by HVCB showed Hawai‘i-targeted travelers have more fascination with the volcanic activity on Hawai‘i Island than fear. He said that, based on this information, HVCB is changing its marketing strategy to change prospective visitor’s perspectives to “this is the best time to visit Hawai‘i.”

Mr. Talwar then discussed tactics, grouped into five topics: content development; earned media; consumer advertising; travel agent/ sales channel; and MCI. First, Mr. Talwar stated that for content development, HVCB planned to find positive video and stills to build viewer fascination with volcanic activity and promote Hawai‘i using social media. He stated that HVCB plans to license additional stills and footage. Mr. Talwar stated that, for earned media, HVCB will continue to work on countering misconceptions on the extent and effect of volcanic activity. He stated that HVCB will work to round out the story of Hawai‘i Island, not solely about the volcano but for experiences around the entire island. Mr. Talwar stated that, for consumer advertising, HVCB would support a particular storyline to convey to its targeted audience, which include people who are interested and care about unique cultures around the world. He stated that HVCB would run a campaign—Hawai‘i Rooted integration—based on the cultural story of Pele and creation. He stated the campaign would include a relationship with the platform Great Big Story to create a video campaign with two to three editorial videos. Mr. Talwar stated that HVCB would continue to monitor data from travel agents regarding sales; he said that HVCB would like to help travel agents close sales by developing its own marketing program to focus on what HVCB believes will bring the most sales to Hawai‘i Island. Mr. Talwar stated that HVCB would connect with the MCI market through getting face-to-face opportunities with key partners in Hawai‘i and across the country.

Mr. Talwar stated that, in total, the amount HVCB requested was $1,200,000. That amount was broken down to $100,000 for content development, $100,000 for earned media, $700,000 for consumer advertising, $250,000 for supporting travel agent sales, and $50,000 for MCI marketing.

Mr. Atkins asked how HVCB has addressed vog created by volcanic activity on Hawai‘i island. Mr. Monahan responded that representatives need to respond truthfully to concerns over vog. Mr. Kam and Mr. Sanders noted that vog has always been present on Hawai‘i Island; in response, Mr. Monahan stated that he understands vog has been much more frequent. Representative Richard Onishi, in discussing Mr. Atkins’ question regarding vog, stated that the volcanic crater has subsided in major activity and no longer constantly releases ash. He stated that there is still a residual effect from the vog, but there have not been large ash clouds raining down. Rep. Onishi stated that, in summary, the vog is not an event that Hawai‘i Island has never dealt with before. He stated that one of the biggest problems from this most recent eruption
facing the County of Hawai‘i is earthquakes, occurring two to three times per week, that have created cracks in Highway Eleven on Hawai‘i Island. He also stated that the County of Hawai‘i has been searching for a new viewing site continuously for a month and a half, and that one of the options the County was considering was doing a “riding tour,” where guides will show visitors where the lava flow is occurring. He explained that, during these riding tours, no visitors will be allowed to get off the bus, in order to protect visitors from fumes. Last, Rep. Onishi stated that helicopter tours and boat tours have been doing very well due to visitors interested in the volcanic activity, and both are booked weeks in advance.

Mr. Atkins stated that Jack’s Tours, a Hawai‘i Island bus company, recently told its industry partners it intended to close at the end of the month of July, and that the volcanic activity on Hawai‘i Island was one of the reasons why Jack’s Hawai‘i announced its closing. Mr. Szigeti stated that, in finding a new viewing site, there are several moving parts, and that Mr. Monahan has also been assisting in trying to find a new viewing site. Mr. Atkins asked whether the bus tours have been able to find other activities to fill the void caused by the lack of a viewing site for the volcano. Rep. Onishi responded that there has been a positive response to the current bus tours that do not include the volcano. Mr. Kam asked on the status of businesses in Pahoa. Rep. Onishi stated that Pahoa is challenged because many restaurants depended on a large number of visitors to the national park in the area.

Mr. Dee asked whether HTA had $4 million in its reserve. Mr. Togashi responded that HTA currently had approximately $4.2 million in reserve. Mr. Dee stated that supporting marketing efforts in response to the volcanic activity in Hawai‘i Island matches the intent of creating the reserve. Mr. Atkins asked if HVCB’s plan was flexible. Mr. Talwar replied that the plan is flexible and that several content creators are interested in coming to Hawai‘i Island.

4. Global Tourism Summit Update

Mr. Dee acknowledged Katherine Stokoe from Paragon Events, who presented an overview of HTA’s preparation for the Global Tourism Summit. Ms. Stokoe presented that 2018 presented increased goals from the 2017 Global Tourism Summit. She explained that booking for registrations with the Global Tourism Summit was on target with 233 current registrations, and that early bird pricing for registration would end on July 31, 2018. Ms. Stokoe stated that the opening keynote speaker is still pending, and that the Summit will now include a general session topic on illegal vacation rentals. Mr. Szigeti stated that the added topic of illegal vacation rentals was important, that the Summit will bring additional speakers, and that the event should be well-attended.

Ms. Stokoe stated that exhibit booths have increased by forty percent, and that confirmed sponsors include Alaska Airlines, HCC AEG Facilities, HanaTour USA, Rocky Mountain Sunscreen, Levy, and Honolulu Cookie Company. Mr. Szigeti added that the Summit was looking to add First Hawaiian Bank, as well as committing to luncheon and hotel sponsors. Ms. Stokoe stated that several sponsors are close to being finalized, including Enterprise, Kualoa Ranch, Southwest Airlines, Hawaiian Airlines, Japan Airlines, O’ahu Publishing, and Outrigger.
Ms. Stokoe explained that the Global Tourism Summit was advertising through media outlets, including the Star Advertiser and social media. Mr. Szigeti thanked Ms. Stokoe and commented that the Aloha Reception would showcase restaurants from all islands, and that major wholesalers are contributing. Mr. Szigeti added that the Global Tourism Summit is aiming for 3,000 attendees.

Mr. Atkins thanked Mr. Szigeti for aggressively pursuing key sponsors, and that large corporate sponsors bring the Global Tourism Summit prestige. Mr. Atkins expressed that the Global Tourism Summit was reaching its “critical mass” and has become an international event. Mr. Atkins suggested that the Global Tourism Summit advertise who its sponsors are to show the interest that the Summit has generated.

5. Sports Marketing Update

Mr. Dee acknowledged Peter Honig, Senior V.P. of Ascendent, who participated by phone, to discuss updates in sports marketing, including a follow-up proposal from the Los Angeles Rams and involving other stakeholders.

Mr. Dee stated that the Committee needed to enter into Executive session for the remainder of this topic, in order to protect proprietary information and confidential negotiations, and to protect Hawaiʻi’s competitive edge as an international destination. Mr. Dee added that Executive Session is allowed by Hawaiʻi Revised Statutes sections 201B-4(a)(1)&(2). Mr. Dee requested a motion to enter Executive Session. Mr. Kam moved for an Executive Session and Mr. Atkins seconded the motion, which was unanimously approved by all Committee members present. Mr. Dee invited Rep. Onishi, Mr. Talwar and Mr. Monahan to remain in the Executive session of the meeting.

The meeting was recessed for an Executive Session at 8:27 a.m.
Executive Session ended at 9:30 a.m.

6. Budget Update

The Marketing Committee did not address the budget update, due to time constraints.

7. Adjournment

Mr. Dee requested a motion to adjourn the meeting. Mr. Kam so moved. Mr. Sanders seconded the motion, which unanimously approved by all the Committee members present.
The meeting was adjourned at 9:30 a.m.

Respectfully submitted:

[Signature]

Justin M. Luney
Recorder