



SPRING TOURISM UPDATE

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OVERVIEW- MARKET CONDITIONS

GDP

0.9%-1.0%

2018

0.7%-1.0%

2019

**Unemployment
Rate**

2.4%

Dec 2018

**Exchange
Rate**

¥109

Jan 2019

**Consumer
Confidence**

41.9%

Jan 2019

**Consumption
Tax Increase**

10%

Oct 2019



**Abdication of
Emperor
4.30.19**

COMPETITION AND BRANDING

Destinations Gaining Japanese Visitor Market Share

Korea | Thailand | China | Australia

Hawai'i Brand Positioning

- *Promote* Hawai'i's unique brand story on culture, community and natural beauty
- *Showcase* Hawai'i's broad appeal over limited appeal of competing destinations
- *Deliver* targeted messages to reach millennial to senior audiences
- *Reinforce* Hawai'i's safe track record and ideal year-round climate



COMPETITION AND BRANDING

Hawai'i Price Positioning

Guam	4 nights	¥ 94,850	\$ 948.50
Saipan	4 nights	¥125,208	\$1,252.08
Europe	5 nights	¥155,300	\$1,553.00
Australia	3 nights	¥152,400	\$1,524.00
Hawai'i	3 nights	¥162,600	\$1,626.00

- Japanese government's focus on inbound versus outbound travel
- Domestic travel trend
- Rise of travel in Southeast Asia

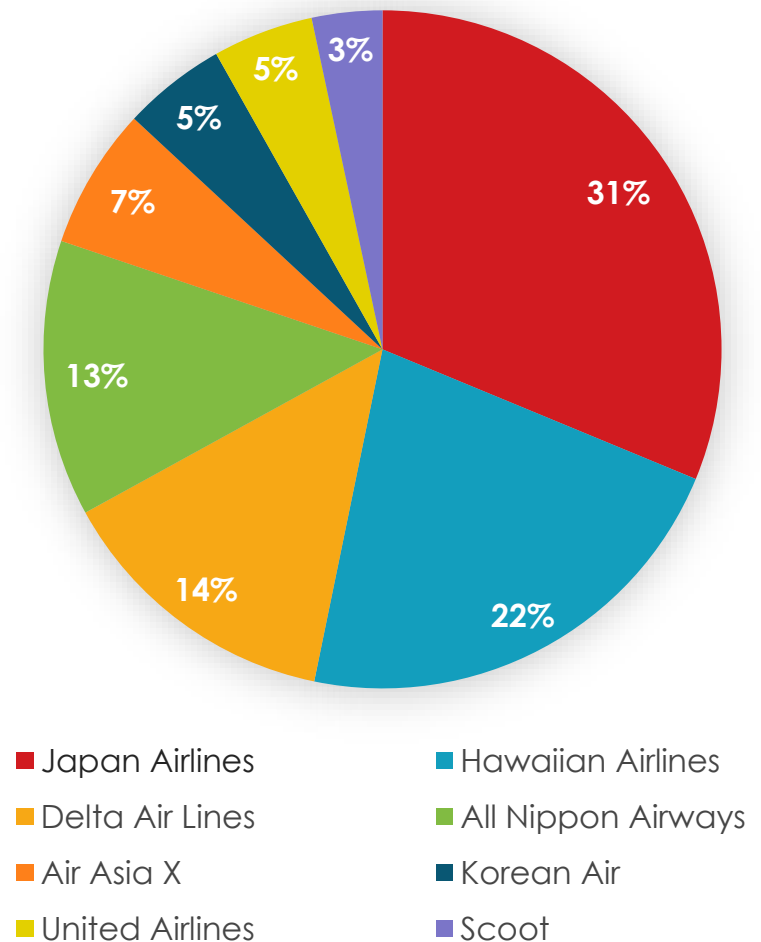


AIRLIFT

Airlift Volatility

- JAL (KIX) **-1,442** seats in April; Scoot (KIX)/DAL (FUK) **-2,441** in June
- ANA (NRT) **+1,560** seats in June and **+3,640** seats in July
- Oahu load factor at 80–90%; Hawai'i Island at 50–60%
- Fuel surcharge increase from 17,000 to 22,000 yen (February 2019)
- 25–30 charter flights from secondary cities (May–December 2019)

39,204 Seats Weekly



RESPONSIBLE TOURISM

Framework for Sustainable Tourism

- *Educate* industry partners
- *Develop* new products that connect visitors and community
 - Create and support events/festivals from Japan that promote positive visitor and local community exchange/interaction
- *Attract* high-value, responsible visitors by collaborating with partners
- *Target* the romance market for low impact, high quality tourists



SHORT-TERM OPPORTUNITIES

Proactive Initiatives

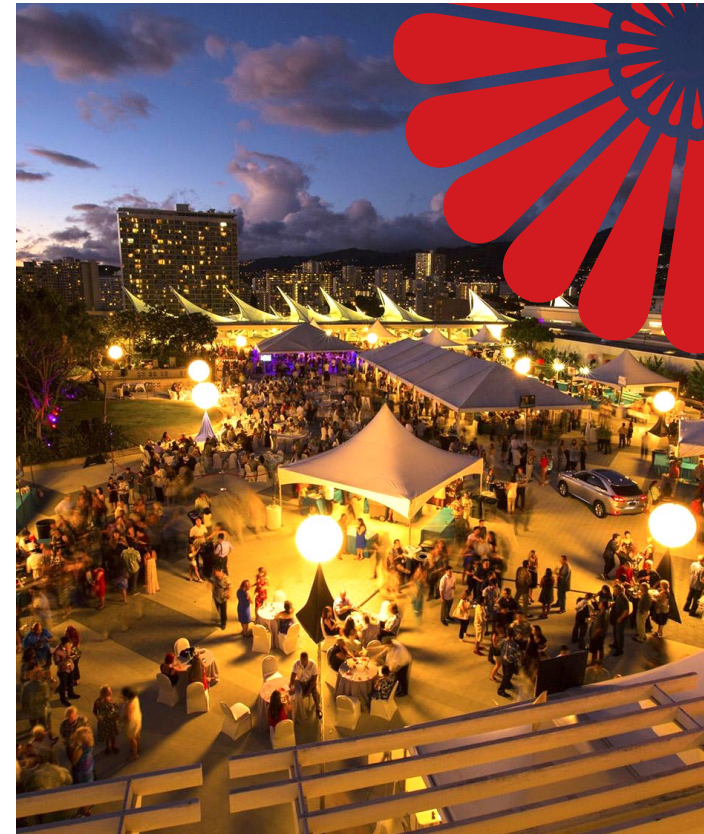
- *Neutralize* Japan's inbound focus by working with JATA, government agencies, industry stakeholders
- *Ramp up* post-recovery marketing efforts after 2018 natural disasters
- *Counteract* Southeast Asia travel growth by executing an integrated branding campaign promoting Hawai'i's unique assets (climate, safety, culture, nature, adventure)
- *Create* renewed brand consistency on all channels with travel partners (ex. Hakken Hawaii messaging efforts)



SHORT-TERM OPPORTUNITIES

New Approaches in 2019

- Community events as catalyst for new visitors
- JTB's Global Destination Campaign
- Hakken "Discover" Hawai'i Campaign
 - Generate renewed awareness, create new products, facilitate wholesaler collaboration and garner neighbor island interest
 - Promote in secondary cities to support upcoming air charter lift





SHORT-TERM OPPORTUNITIES

<https://www.youtube.com/watch?v=J3bm4U82b68>

HAWAI'I ISLAND

Hawai'i Island Initiatives

- Rebrand Hawai'i Island
 - TV, media exposure and virtual reality experiences (Ariyoshi, "Tabi Salad", "King's Brunch", MX4D)
- Develop infrastructure & new land tour products for Japanese market with local tour operators and wholesalers (customize tours for Japanese visitors)
- Increase awareness through Hakken campaign



MCI OVERVIEW

Challenges

- Incentive travel regulations
- Fuel surcharge
- Price point
- Airlift reduction

Tentative Bookings

- Incentive travel
- Dates: May – June 2019
and September 2019
- Attendees: 2,000 – 3,000
per group



Opportunities

- Small groups (50-100)
- Wholesaler/hotel alignment
- Attendance building*
- Airbus A380*
- Focus on entertainment,
sports and MLM*

*Hawai'i Convention Center (HCC) focus

MCI OVERVIEW

Closing Tactics

- Promote HCC as a priority venue
- Fully integrate with organizers and wholesalers' sales and marketing initiatives
 - Sales tool development (JTB, HIS, Top Tours)
 - Destination promotion seminars
 - Advertising opportunities
- Establish booking incentives (event support, air/hotel negotiation assistance)
- Develop CSR and experience based initiatives





HAWAII TOURISMTM
JAPAN

MAHALO!

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