



**MARKETING STANDING COMMITTEE MEETING  
HAWAII TOURISM AUTHORITY  
Wednesday, February 27, 2019  
Hawaii Convention Center  
1801 Kalākaua Avenue, Honolulu, Hawaii 96815**

**MINUTES OF MARKETING STANDING COMMITTEE MEETING**

<b>COMMITTEE MEMBERS PRESENT:</b>	Sean P. Dee (Chair), Fred Atkins, George Kam, Kyoko Kimura
<b>COMMITTEE MEMBERS NOT PRESENT:</b>	Kelly Sanders, Sherry Menor-McNamara
<b>BOARD MEMBER PRESENT:</b>	Rick Fried
<b>HTA STAFF PRESENT:</b>	Chris Tatum, Karen Hughes, Keith Regan, Minh Chau-Chun, Ronald Rodriguez, Joseph Patoskie, Caroline Anderson, Lawrence Liu, Chris Sadayasu, Laci Goshi, Marc Togashi, Jadie Goo, Kalani Ka'anā'anā
<b>GUESTS:</b>	Rep. Richard Onishi, John Monahan, Eric Takahata, David Baronfeld
<b>LEGAL COUNSEL:</b>	Gregg Kinkley

**1. Call to Order**

Presiding Officer Sean Dee called the meeting to order at 12:05 p.m. Kalani Ka'anā'anā offered pule. Mr. Ka'anā'anā noted that February is 'Ōlelo Hawaii Month.

Mr. Dee stated that Terryl Vencl, the Maui County Mayor's Tourism Liaison, was listening on the line, and that there were no plans to go into Executive Session.

**2. Approval of Minutes from the November 28, 2018 HTA Marketing Standing Committee Meeting.**

Mr. Dee requested a motion to approve the minutes from the November 28, 2018 HTA Marketing Standing Committee Meeting. George Kam so moved and Fred Atkins seconded the

motion, which was approved by all Committee members present.

### **3. Discussion Regarding Previous Initiatives Approved Outside of the Brand Management Plan and in Need of Committee Update from Contractors**

The Committee discussed Hawaii Island relief statistics. John Monahan stated that funding through the end of February will be expended, and marketing has seen strong results in the West Coast. A comprehensive report of the results will be ready in March, and a Japan report will be ready on March 15th.

Kyoko Kimura noted that Japan Airlines' Kona flight is not doing well, and a recent flight only had 70 passengers despite a maximum capacity of 300 passengers. Chris Tatum said that the load factor is concerning, but that HTA is aware and will develop creative solutions to prevent losing flights.

Mr. Atkins stated that marketing funding had also been approved on Kauai. There was a downturn in January of about 9.7% which, he said, should put Kauai on the radar from a marketing standpoint. Mr. Atkins added that Kauai may need support for the reopening of roads and parks (which were closed due to flooding). Mr. Tatum stated that once Haena Park is reopened it is important to manage the situation and talk to the community about what can be done regarding enforcement of restrictions on visitors and parking. Mr. Fried asked whether the park would be open to all of the public or just buses. Mr. Atkins responded that it was a radical plan but that it is also an opportunity to become a model for the state.

Mr. Fried said that it is taking longer than expected for the Arizona Memorial to be repaired. Mr. Tatum said that he had had a discussion with a representative from Senator Brian Schatz's office. The repair is complicated because it is not only about funding, but rather the process and ensuring that things are done right.

### **4. 2019 Contractor Updates**

Mr. Dee recognized Karen Hughes to provide an update on HTA's marketing contractors. She began her presentation by stating that the meeting, conventions, and incentives team (MCI) has been eliminated and its duties and responsibilities will be redistributed to existing contractors.

Ms. Hughes then discussed regional marketing. The Canada contract has moved from \$2.2 million to \$800,000 because HTA's spend over time tripled but revenue has remained about the same. The Europe contract went from \$850,000 to \$400,000. Europe and Canada were the only two markets where HTA spent significantly more over the last five years but could not demonstrate that the revenue withstood that. There has been an update on the Europe and Canada marketing plans that will be presented at the next contractors meeting. Ms. Hughes added that she hopes that HTA will be able to maintain its brand presence with the adjusted funding.

Mr. Atkins asked whether the current exchange rate has any effect. Ms. Hughes responded that in Canada the exchange rate declined 7.6% last year which has definitely had an impact. She added that Air Canada is upgrading their Rouge flight service to the Dreamliner which will appeal to a higher level customer.

In regards to Southeast Asia, Ms. Hughes said there is potential for demand to increase so \$200,000 was put back into that market through the same company that HTA was working with before, AVIAREPS. AVIAREPS was able to quickly turn around a marketing plan over the Chinese New Year, and AVIAREPS will be at the Spring Update meeting. Ms. Hughes and Mr. Tatum clarified that Taiwan is separate and the Southeast Asia plan covers mainly Thailand, Malaysia, and Singapore. Mr. Tatum said that they had gone out to the hotels to find out where they felt the opportunities were, and the feedback was that they saw opportunity from Southeast Asia from the group side. For example, Cathay Life is coming in April. Mr. Tatum added that even in China, with ongoing visa challenges, it is important to be a part of the market now so that when changes occur we are already a part of it. Therefore, HTA is looking at all of these markets.

Mr. Dee asked for clarification that HTA has restored the funding for Southeast Asia and restored the incumbent marketing firm. Ms. Hughes confirmed. Mr. Dee said that he estimated, based on Ms. Hughes' presentation that there was a net \$1.8 million in savings and asked whether that funding would be allocated immediately or carried over. Mr. Tatum responded that HTA is working with HVCB and HTJ to do another program for Hawai'i Island, which will likely be presented at the next meeting.

Ms. Hughes said that there is a call scheduled for the next week with Brand USA, which has had good experience in the Chinese market and Asia overall. They will be sharing information on their RFP process, how they measure the political climate, and visa situations. Mr. Dee noted that the ITB Asia event is coming up in Singapore, and although it may not be appropriate for Hawaii to present because of the return on investment, Brand USA does have a large presence. He said that Hawaii currently does not have a presence within Brand USA, but it used to and he asked Ms. Hughes to ask Brand USA what the current status.

## **5. Spring Tourism Update Process and Input**

Mr. Dee recognized Ms. Hughes to provide information on the Spring Tourism Update. Ms. Hughes said that there are 530 registered participants so far, despite the fact that this is the first year that HTA is charging a fee to attend. There will be an internal meeting on Monday for contractors, where Mr. Tatum will discuss HTA's new vision, strategic updates, and a brand review. Mr. Monahan will HVCB will present on branding to ensure consistency, sharing the process of branding, what assets are available, and how to coordinate so that marketing efforts are needlessly duplicated. The public meeting will begin with a presentation on Community Enrichment and Hawaiian Culture by Mr. Ka'anā'anā and Caroline Anderson, to signal that that is the core message and everything that HTA does revolves around that. Mr. Tatum will present

a strategy update, Ms. Hughes will present a marketing update, each of the contractors will do an update, there will be an update with government leaders led by Mr. Tatum, and there will be a workshop led by Mr. Ka'anā'anā and his team.

Mr. Dee asked Mr. Tatum to explain the shift in branding from Hawaii Tourism Authority to Hawaii Tourism. Mr. Tatum said that the change reflects a philosophy and thought process because tourism generates revenue and the State allocates the money, so HTA wants to make sure that people know it is not just about the revenue generated by taxes, but also investing back in the community. HTA is working with its public relations company to make sure that the community knows that what the industry does invests back in the community.

Mr. Atkins asked how we can let the public know that HTA is working on more than just the tourism industry (ie also investing back in the community)? Mr. Tatum responded that HTA is looking for candidates for the Director of Communications, and HTA is working with the public relations company to provide direction on their goal. He stated that, ideally, HTA will be more engaged in everything including activities like paddling and hula.

Mr. Atkins said that this year HTA had allotted \$500,000 to Kauai and the local community had contributed matching funds. The Chamber of Commerce wanted to have an event in which HTA presented the check to show HTA's buy-in. Mr. Atkins asked whether this might be a conflict with HTA's direction. Mr. Tatum said that if that is what they want and they believe it will help accomplish our goals in the community then that's great. HTA should not be saying how great it is but it is something tourism-generated, so we want to make sure that we are showing that.

## **6. Sports Strategy Update**

Mr. Dee recognized Ms. Hughes to provide the sports strategy update. Ms. Hughes stated that there is \$1.5 million in the strategic sports fund, the total fund is \$8.135 million, and about \$33,000 is left after all of the outstanding contracts. Mr. Atkins asked if that included the money that was saved when the sports consultant contract ended. Ms. Hughes responded affirmatively but later corrected her response and said that there is \$258,000 left that was supposed to have been spent on the sports consultant. Mr. Fried asked whether HTA would be hiring another sports consultant and Mr. Tatum responded that it would not. Mr. Tatum said that there are great programs coming up including the LA Rams in August and the LA Clippers in October. HTA will be evaluating all of the programs to make sure that they are executed well and are worthwhile.

Mr. Tatum stated AVP will be returning in September. HTA recently held a meeting with AVP in which HTA asked AVP to be more engaged in the community, including clinics on the neighbor islands. He noted that the response from AVP was positive. In response to Mr. Fried's question, Mr. Tatum said that with input from the industry, board members, and the community, HTA will be able to vet the sports programs appropriately. Mr. Fried noted that the sports consultants had said they would bring events that HTA would not otherwise have had

access to, but he was not sure if they had actually delivered on that. However, they provided good metrics on how to evaluate these events.

Mr. Tatum said that there was a productive call with the LA Rams that week. The Rams are excited about coming to Hawaii and HTA is working with them to conduct clinics. Mr. Atkins asked for more information about what the Rams plan to do with the community around the island. Mr. Tatum responded that HTA is going to work with the Rams to start doing activities starting in June. John Monahan is working on media exposure and Mufi Hannemann from HLTA is working on engaging with the schools.

Ms. Hughes directed the Committee to the meeting packet which included a work plan that each sport event has that includes actions and deliverables. Mr. Dee said that these work plans have been missing in the past but they are put into contracts and allow for an effective debrief so that plans can be optimized. Mr. Dee asked whether the intent was to have these work plans for AVP and all future marquee events and Ms. Hughes responded in the affirmative.

Mr. Atkins asked whether any of the 2019-2020 marketing dollars will be needed to execute sports events in 2018-2019, and whether the Rams and Clippers are paid for in the 2018-2019 budget. Mr. Tatum said that the budget was reviewed and there was about \$4 million out the \$79 million left. With those leftover funds, HTA then looked at what could be done in regards to Hawai'i Island, a scholarship fund, and other projects. Mr. Togashi added that one multi-year is the PGA contract. Mr. Dee said that AVP is approved and the PacRim contract still to be evaluated for the future. Mr. Atkins asked whether the Rams was a one-time deal. Mr. Tatum said that the discussion with the Rams is to see how it goes and whether there's positive feedback from the community and from the exposure. Mr. Dee thanked the HTA staff for their work on the Rams deal, because the project plan in the Rams contract is detailed and unambiguous, and provides the best opportunity for a return to the state. On the AVP deal, there was a strong push for community involvement. The event was the season-ending tournament, with eight countries representatives, and HTA insisted on a purse that was equal for men and women.

Mr. Dee noted that the last strategy deck is still on Ascendent letterhead and AVP and a couple of other things are not included because they had not been finalized yet, but that he would send it to Ms. Hughes for her reference.

## **7. Island of Hawaii Recovery Program**

Karen introduced a promotional video produced by HTJ that markets Hawaii Island to Japan. She noted that some of the shots showing lava may be removed. Ms. Hughes said that she and Eric Takahata have talked to some of the key hotels and their sales people for the Japanese market, and they expressed that they wanted something that tugged at the heartstrings but also with the message that the "Discover Hawaii" campaign articulates. Ms. Hughes said that she believed that the promotional video struck that balance. She added that the engagement on the video is approximately three minutes.

Ms. Hughes said that there is a brand ambassador named Nicole Ishida, a Japanese model, tv host, and journalist, whose favorite island is Hawai'i Island. There are plans for her to come to Hawaii Island to do a tie-in with a Japanese breakfast show, and to expand the "Discover Hawaii" campaign with outdoor expansion to Osaka, Nagoya, Sapporo, and Fukuoka. Although Delta Airlines is pulling out of Fukuoka, Hawaiian Airlines may be pulling in.

A Committee member asked who produced the promotional video. Ms. Hughes responded that HTJ produced it. Mr. Takahata said that the company that did the video is based in Japan and that it is the first video they have done for HTJ. They came and filmed once, but HTJ and the focus group were not satisfied so they returned and re-shot it. He noted that while retention on videos on Youtube is normally just a few seconds, the retention on this video is nearly three minutes.

Ms. Hughes said that HVCB going to Hawaii Island to do photoshoot to take advantage of the blue skies. The message is "the Story of Creation." There is new land, new beaches, and a crater that was once about 78 cubic yards is now 1.2 billion cubic yards. The messaging will also be that there has never been a better time to visit Hawaii Island and we have checked with our contractors and partners to ensure that there are good deals and that there are value offers to go along with the messaging.

Ms. Hughes recognized Mr. Tatum to present a project that he has been working on to promote Hawaii Island. Mr. Tatum said that HTA will be doing a bus tour to promote Hawaii Island, beginning on the West Coast and working its way up California. The tour plans to engage the television shows and wholesalers to get them excited about Hawaii Island. He added that an update will be provided at the next Board meeting. Mr. Monahan said that the volcano has changed and so this is a rebranding effort to show that this is the new brand of Hawaii. There is a new volcano, new black sand beaches, and a new crater. The bus tour is a kickstart of this rebranding effort. Mr. Atkins said that the air quality and visibility on Hawaii Island is vastly improved.

Kyoko Kimura asked whether this would be funded through emergency funding. Mr. Tatum said that this would be funded through new requests for money that HTA has not spent yet this year, but not from emergency funding. Mr. Dee said that he has heard from constituents, owners, and partners that they are struggling so anything that can be done will be appreciated.

Mr. Dee asked Rep. Onishi for the status of the short and long-term prospects for the recovery of Volcanoes National Park. Mr. Onishi said there have been challenges because the park administrator is currently on assignment to the mainland, so it has been challenging trying to communicate between the park service and the county. Right now, large tour buses are not being allowed in so the tour buses are off loaded outside of the park and visitors board smaller buses to enter the bus. He said that we need to figure out what the park service needs to address safety concerns, especially with the roadways. It would be a large step to be able to get the larger buses to the ranger station because that is where the visitor information and displays are. The county has been working with private land owners in Pahoehoe to see if they can

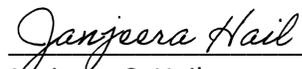
open a museum with artifacts from the Jagger facility, which was damaged but the artifacts contained therein were stored in various places. Part of the money being provided by the legislature is being put towards kick starting this effort.

## **8. Adjournment.**

Mr. Dee thanked the Committee members for attending. He noted that there were no action items to report to the Board and that he would provide a summary to the Board about the meeting overall. Mr. Dee asked for a motion to adjourn the meeting. Mr. Kam so moved, and Mr. Atkins seconded the motion, which approved by all Committee members present.

The meeting was adjourned at 1:12 p.m.

Respectfully submitted:



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Janjeera S. Hail  
Recorder