



Hawai'i Convention Center  
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815  
**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
**kahua pa'a** web [hawaii-tourismauthority.org](http://hawaii-tourismauthority.org)

**David Y. Ige**  
*Governor*

**Chris Tatum**  
*President and Chief Executive Officer*

**HĀLĀWAI PAPA ALAKA'Ī KŪMAU  
KE'ENA KULEANA HO'OKIPA O HAWAII'**

**REGULAR BOARD MEETING  
HAWAII'Ī TOURISM AUTHORITY**

***Po'ahā, 28 Malaki 2019, 9:30 a.m.***  
**Thursday, March 28, 2019 at 9:30 a.m.**

***Kikowaena Hālāwai O Hawai'i  
Lumi Papa Ho'okō A  
1801 Alaākea Kalākaua  
Honolulu, Hawai'i 96815***

**Hawai'i Convention Center  
Executive Board Room A  
1801 Kalākaua Avenue  
Honolulu, Hawai'i 96815**

***Papa Kumumana'o***  
**AGENDA**

1. *Ho'omaka A Pule*  
Call to Order and Pule
2. *'Āpono I Ka Mo'o'ōlelo Hālāwai*  
Approval of Minutes of the February 28, 2019 Board Meeting
3. *Hō'ike Lālā*  
Report of Permitted Interactions at an Informational Meeting or Presentation Not Organized by the Board Under HRS section 92-2.5(c)
4. *Hō'ike A Ka Luna Ho'okele*  
Report of the CEO Relating to Staff's Implementation of HTA's Programs During February 2019
5. *Hō'ike 'Ikepili Noi'i 'Oihana Ho'omāka'ika'i*  
Presentation and Discussion of Current Market Insights and Conditions in Key Major Hawai'i Tourism Markets
6. *Hō'ike, Kūkākūkā a Ho'oholo No Nā Mo'okālā*  
Presentation, Discussion and Action on HTA's Financial Reports for February 2019



7. *Hō'ike No Ka Papahana Ho'oponopono*  
Update on the Status of the 2018 Audit Action Plan
8. *Hō'ike No Ke Kau 'Aha'ōlelo 2019*  
Update Relating to the 2019 Legislative Session and Related Bills Relevant to HTA
9. *Hō'ike A Ke Kōmike Hokona Kūmau*  
Report of the Marketing Standing Committee with the Committee's Recommendations to Support Various Marketing Proposals, for Discussion and Approval by the Board
10. *Hō'ike Hanana Kikowaena Hālāwai O Hawai'i*  
Presentation by AEG Regarding an Update of Hawai'i Convention Center Recent Operational Activities and Sales Initiatives
11. *No Ka Ho'opiha I Nā Kūlana Luna Ho'okele Ka'a'ike, Manakia Hokona Ho'okipa (lāpana/Kōlea), a Laekahi Palapala 'Aelike\*\*\**  
Recommendation to the Board for the Hiring of Candidates to Fill the Vacant Positions for HTA Director of Communications & Public Relations, HTA Tourism Brand Manager (Japan/Korea), HTA Contracts Specialist and Possible Action\*\*\*
12. *Ho'oku'u*  
Adjournment

\*\*\* *'Aha Ho'okō: Ua hiki i ka Papa Alaka'i ke mālama i kekahi hālāwai kūhelu i kū i ka Hawai'i Revised Statutes (HRS) § 92-4. E mālama 'ia kēia hālāwai kūhelu nei ma lalo o ka § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) no ka pono o ko ka Papa Alaka'i kūkā a ho'oholo 'ana i nā nīnūnē a nīnau i pili i ko ka Papa Alaka'i kuleana me ko ka Papa Alaka'i loio. He hālāwai kūhelu kēia i 'ole paulele 'ia ka 'ikepili a i mea ho'i e mālama kūpono ai ko Hawai'i 'ano, he wahi i kipa mau 'ia e nā malihini.*

\*\*\* Executive Session: The Board may conduct an executive session closed to the public pursuant to Hawai'i Revised Statutes (HRS) § 92-4. The executive session will be conducted pursuant to § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) for the purpose of consulting with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities; and to discuss information that must be kept confidential to protect Hawai'i's competitive advantage as a visitor destination.



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*Kono 'ia ka lehulehu i ka hālāwai no ka ho'olohe a hāpai mana'o waha paha no nā kumuhana i helu 'ia ma ka papa kumumana'o. Inā hoihoi i ka hāpai mana'o kākau, hiki ke ho'ouna 'ia i ke Ke'ena Kuleana Ho'okipa O Hawai'i ma mua o ka hālāwai ma o ka leka uila iā [carole@gohta.net](mailto:carole@gohta.net); ma o ka leka i ka helu wahi o luna; a i 'ole ma o ke kelepa'i i ka helu o luna. Inā pono ke kōkua ma muli o kekahi kīnānā, e ho'omaopopo aku iā Carole Hagihara (973-2255 a i 'ole [carole@@gohta.net](mailto:carole@@gohta.net)), he 'ekolu lā ma mua o ka hālāwai ka lohi loa.*

Members of the public are invited to attend the public meeting and provide oral testimony on any agenda item. Written testimony may also be provided by submitting the testimony prior to the meeting to by email to [Carole@gohta.net](mailto:Carole@gohta.net); by mail at the above address; or by facsimile transmission. Any person requiring an auxiliary aid/service or other accommodation due to a disability, please contact Carole Hagihara (973-2255) no later than 3 days prior to the meeting so arrangements can be made.

# **Agenda Item**

## **2**

Approval of Minutes of the  
February 28, 2019 Board  
Meeting



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## **REGULAR BOARD MEETING**

### **HAWAII TOURISM AUTHORITY**

**Thursday, February 28, 2019 at 9:30 a.m.**

**Hawai'i Convention Center**

**1801 Kalākaua Avenue, Honolulu, Hawai'i 96815**

### **MINUTES OF REGULAR BOARD MEETING**

#### **MEMBERS PRESENT:**

Richard Fried (Chair), Micah Alameda, David Arakawa, Fred Atkins, Sean Dee, George Kam, Kyoko Kimura, Ku'uipo Kumukahi, Sherry Menor-McNamara, Craig Nakamura, Benjamin Rafter, Kelly Sanders

#### **MEMBER NOT PRESENT:**

None

#### **HTA STAFF PRESENT:**

Chris Tatum, Keith Regan, Karen Hughes, Marc Togashi, Charlene Chan, Jadie Goo, Jennifer Chun, Kalani Ka'anā'anā, Caroline Anderson, Carole Hagihara, Joseph Patoskie, Lawrence Liu, Minh-Chau Chun, Noriko Sloan, Ronald Rodriguez, Laci Goshi, Chris Sadayasu

#### **GUESTS:**

Representative Richard Onishi, Senator Glenn Wakai, Mufi Hannemann, John Monahan, Roth Puaahala, Jared Higashi, Edgar Palafox, Ferd Lewis, Teri Orton, Mari Tait, Lee Conching, Noelle Liew, Patrick Dugan, Erin Khan, Nathan Kam, Malia Sanders, John DeFries, Allison Schaefer, David Baronfeld, Eric Takahata, Mahina Paishon Duarte, Anukrite Hittle, Brandon Askew, Sara Maimone (HTA Research Intern)

#### **LEGAL COUNSEL:**

Gregg Kinkley

## **1. Call to Order and Pule**

**Chair Rick Fried called the meeting to order at 9:32 a.m.**

Kalani Ka'anā'anā offered pule to open the meeting. He recognized February as Hawaiian Language Month, and invited Mahina Paishon-Duarte, member of Kanaeokana, to share a presentation on Hawaiian language and history, from the Renaissance era to the present.

Ms. Paishon-Duarte offered a presentation on the history of Hawaiian language, from the ban of Hawaiian language in 1896 to the formation of Pūnana Leo in 1984. She explained that Kanaeokana is a collective of preschools to universities to strengthen lāhui, or kuleana to Hawai'i, and that one of Kanaeokana's focuses on how to ensure proper spending and allocation of resources while cultivating the next generation. Ms. Paishon-Duarte thanked the Hawaii Tourism Authority for its work and for helping to cultivate the next generation workforce.

Mr. Atkins commented that he has done business on Kaua'i with a Pūnanaleo school, and that for hoteliers, Pūnanaleo is an excellent place to give back to the community. Mr. Tatum thanked Ms. Paishon-Duarte for coming to the Board Meeting, and stated that taking advantage of Hawai'i's tremendous cultural resource and matching with education was one of the best aspects of working for Hawaii Tourism Authority.

## **2. Approval of the Minutes of the November 29, 2018 Board Meeting**

Chair Fried asked for a motion to approve the minutes of the January 31, 2019 Board Meeting. Ku'uipo Kumukai so moved, and Sean Dee seconded the motion, which was approved by all members present.

## **3. Report of Permitted Interactions at an Information Meeting or Presentation Not Organized by the Board Under HRS section 92-2.5(c)**

Chair Fried asked for the members of the Board to report of any permitted interactions. Mr. Dee informed the Board that he attended as an observer a customer advisory board meeting at the Hawai'i Convention Center, in which other Board members had attended and Chief Executive Officer Chris Tatum had participated in an active role.

## **4. Report of the CEO Relating to Staff's Implementation of HTA's Programs During January 2019**

Mr. Tatum recognized Senator Glenn Wakai and Representative Richard Onishi for their support in Hawaii Tourism Authority's initiatives and advice and guidance of how government works.

Mr. Tatum stated that he has met with several legislators over the past several months, and every person has been sharing of their perspective of Hawai'i tourism, how HTA can perform better, and how it can engage in the community. Mr. Tatum emphasized that part of HTA's role is to manage tourism in addition to marketing, and that the Legislature can help to ensure HTA gets the right message out into the community.

Mr. Tatum recognized Karen Hughes, Vice President of Marketing and Product Development, to offer more detail into HTA's implementation of programs. Ms. Hughes stated that Mr. Tatum's changes to HTA's programming, sometimes referred to as "reprogramming money" to put resources into where it has the biggest impact, includes getting residents back into Waikiki and developing the next generation to be future leaders in the State's tourism industry. Mr. Tatum asked Mufi Hannemann to provide the Board with a brief update of a scholarship program HTA is working on to identify students from Hawai'i high schools for scholarships to Hawai'i universities. Mr. Hannemann stated that the industry would like to see more general managers and executive positions filled by candidates who are from Hawai'i. He stated that the purpose of the scholarship program would be to provide incentives for students who wish to enter the hospitality industry in culinary, management, or other programs.

Mr. Tatum then discussed HTA's support of sports programs. Mr. Tatum stated that all contractors have a straightforward vetting process, and each contractor is responsible for measuring the success of their programs by metrics provided by HTA. Mr. Tatum stated that the Los Angeles Rams should be announcing a date and opposing team in the near future. He stated that the Rams will engage with kids and will have clinics for local high school football programs. Mr. Tatum also stated that the Association of Volleyball Professionals were coming in September, and that it plans to have volleyball clinics on every island.

Mr. Tatum stated that at least one legislator has expressed that HTA should be more involved with University of Hawai'i's athletics programs. Mr. Tatum stated that University of Hawai'i's women's programs have been particularly successful, and that UH is a good opportunity to get HTA's branding out. Mr. Tatum also addressed HTA's desire to develop the market in Southeast Asia. He stated that, last year, HTA decided to move out of the Southeast Asia market, and he believes that it was a mistake. He stated that HTA should engage now so that it is present as the market continues to grow, and that the Southeast market is typically known as a high-spend market. Last, he addressed the challenges facing Hawai'i island. Mr. Tatum expressed that HTA needs creative ideas to support tourism efforts on Hawai'i island, and that recently Ms. Hughes has been working with Mr. Monahan and Hawai'i Tourism Japan on incremental marketing plans including a new bus tour. He emphasized that Hawai'i island has much more to offer than the volcano.

David Arakawa stated that, following up on Mr. Hannemann's scholarship efforts, Waipahu high school is leading in hospitality and culinary programs. He stated that it would be beneficial for Board members to visit Waipahu high school, or for the Board to have one of its meetings at the high school. Mr. Arakawa further explained that the previous U.S. Secretary of Education, Arnie Duncan, had positive remarks on Waipahu's program. He also expressed that a local program, Coaching Boys into Men, will be asking the Los Angeles Rams to consider speaking to their group about domestic violence. Mr. Arakawa stated that the Los Angeles Rams could provide more than just sports clinics, but life-changing experiences to Hawai'i's children.

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

Chair Fried recognized Jennifer Chun to present the current market insights and conditions in key major Hawai'i Tourism Markets. Ms. Chun stated that in January 2019, visitor spending was down 3.8 percent and arrivals grew 3 percent compared to January 2018. She stated that revenue per available room decreased by 2.2 percent and occupancy decreased by 2.8 percentage points. Ms. Chun stated that tax collections through October 2018 showed an increase of 16.7 percent from the previous year, but because there was a tax increase, the adjusted increase is really closer to only 5.4 percent.

Mr. Dee asked if HTA can provide numbers for hotel forecasts, noting that some organizations note and provide such forecasts. Mr. Tatum stated that in his experience hotels would never release such forecasts in order to maintain a competitive edge. He expressed skepticism for accuracy of projections for time periods over two quarters into the future. Mr. Tatum expanded by stating that HTA is working with Hawai'i Tourism China and Hawai'i Tourism Japan about different creative and engaging ways to drive business. Mr. Tatum stated that it will likely be on the agenda for the next board meeting because it would involve a substantial movement of dollars from one market to another. Mr. Dee stated concern that tax forecast will be off if three to four percent if hotel bookings continue to be lost due to alternative accommodations that do not pay their share of transient accommodations tax.

Chair Fried recognized Mr. Dee's leadership of the Marketing Committee and his preparation for moving Marketing Committee forward.

## **6. Presentation by the Hawai'i Climate Change Mitigation and Adaption Committee Regarding the Commission's Work, its Vision and the Tourism Industry**

Chair Fried acknowledged Anu Hittle, a member of the State's Climate Change Mitigation and Adaptation Committee, to offer an introduction to the Commission's work.

Ms. Hittle began her presentation by recognizing a trend in Hawai'i with more hot days during the summer months. She stated that since 1980, temperatures have increased by 2.5 degrees Fahrenheit. Mr. Hittle also recognized a decrease in average precipitation in various locations in the State and erosion occurring from high tide on O'ahu's North Shore. Ms. Hittle shared that projections for sea level rise in Hawai'i are foreboding; she stated that in extreme scenarios, sea levels will rise three feet by 2060 and to over four feet by 2100. She explained that the State created Hawaii Climate Adaptation and Mitigation Commission as a response to climate change conditions. She explained that part of the Commission's responsibility is to navigate through the State's goals and coordinate among various government bodies. The Climate Adaptation and Mitigation Commission includes 20 members, including the Hawaii Tourism Authority's chairperson, the Department of Land and Natural Resources, four legislators, four county planning directors, and seven directors and chairs of other state departments and boards. The Commission meets quarterly and attempts to help form policy for the state of Hawaii to deal with climate change. Ms. Hittle reiterated that the Commission's mission is to recognize the urgency of climate threats and needs to act quickly.

Ms. Hittle stated that HTA fits into the Climate Adaptation and Mitigation Commission's mission through two primary areas: domestic aviation and tourism branding. She stated that ground transportation and domestic aviation make up approximately half of the greenhouse gas emissions in the State. She further stated that HTA could brand Hawai'i as a clean, environmentally friendly destination and encourage visitors to understand the importance of the environment and participate.

Mr. Arakawa asked Ms. Hittle how climate change will impact the tourism industry, and followed with further questions including what would the impact be if the State went carbon neutral and whether that would decrease the availability of flights to the State. Ms. Hittle replied that air transportation is the most difficult area to deal with. She stated that the first step may be to decide what Hawai'i's critical interests are and make policy choices accordingly. Ms. Hittle used the example of seawalls, where the use of seawalls will decrease beach areas.

Mr. Arakawa asked Ms. Hittle whether she would agree that having input by tourism stakeholders is important. Ms. Hittle responded that she believed every person in the State should have input. Mr. Arakawa stated that he wants the Commission to reach out to the tourism industry in making its policy decisions. Ms. Hittle responded to Mr. Arakawa's comment by explaining that the Commission is in an early stage, and at this point has only held four public meetings. Mr. Arakawa stated that the Commission has released recommendations with its findings, and that the Legislature is currently considering several bills that would impact hotels in Waikiki by preventing further construction. Ms. Hittle responded that she could not answer what the Commission's or DLNR's policy positions would be, and that her personal role

with the Commission includes staffing. Chair Fried clarified that he believes the concern in the tourism industry is that legislation may not be completely thought through.

## **7. Presentation, Discussion and Action on HTA's Financial Reports for January 2019**

Chair Fried acknowledged Marc Togashi, Vice President of Finance, to discuss HTA's Financial Reports for January 2019.

Mr. Togashi referenced a Budget Reallocation Summary through January 31, 2019. He explained that funds were moved to support an emergency fund to support the continued operation of the Arizona Memorial during the federal government shutdown.

Mr. Togashi requested a motion to approve the January 2019 HTA Financial Reports. Mr. Kam so moved, and Mr. Arakawa seconded the motion, which was approved by all Board members present.

## **8. Presentation of, Discussion and Action on Resolution 2019-2-1 Authorizing the Transfer of an Unencumbered Appropriation Balance of \$500,000 from the Major Market Management Category, FY2019 Budget to a New Budget Objective Entitled Career Development - Scholarship Program**

Chair Fried acknowledged Mr. Regan for presentation and discussion on Resolution 2019-2-1, which would authorize the transfer of \$500,000 from the Major Market Management Category to a new budget objective, entitled Career Development - Scholarship Program. Mr. Regan stated that HTA was asking its Board to approve the reallocation of funds from its appropriation for Canada to a newly developed scholarship program.

Mr. Regan introduced Mr. Hanneman to deliver a presentation on the Ho'olina Career Development Scholarship. Mr. Hanneman explained the Legacy Career Development Scholarship is designed for high school seniors and community college students who have completed their second year for hospitality, tourism or culinary education and career. He stated that the allocation represents the ability of the scholarship program to provide five four-year scholarships and ten two-year scholarships. He stated that the scholarship was for \$12,000 per student per year and available to public Hawai'i high school students with a grade point average of 3.5. For the scholarships designed for community college students, the scholarship program would include students admitted into University of Hawaii's Tourism Management program with a minimum grade point average of 3.0. The scholarship would select two students from each county and two additional students at large.

Mr. Hanneman stated that the proposed committee for the scholarship program included Chris Tatum and Mufi Hannemann as co-chairs, and Glenn Vergara, Keith Hayashi, Jerry Agrusa, David Preece, Wendy Lam, Dean Nakasone, Lee-Ann Choy, Chuck Brady, Lorelle Peros, Donna Domingo, Keli'i Gouveia, and Stephanie Donoho as committee members.

Mr. Hannemann explained that the scholarship funds will go to the Hawai'i Lodging and Tourism Association's pre-existing foundation which implements a scholarship and mentorship program. Mr. Hannemann explained that part of the scholarship program's requirements is internships in the industry as well as community service. He stated that he would like to start the program this school year, by publicizing the scholarship in March and selecting students in May.

Mr. Tatum added that mentoring is vital to the industry but also the responsibility of leaders in charge. He stated that the purpose of the fund goes beyond work force management, and that he wishes for recipients to become general managers of Hawai'i hotels and businesses. Ms. Kumukahi stated that, because the scholarship program uses the Hawaiian word Ho'oilina, there should be a Hawaiian language and cultural components. Mr. Ka'anā'anā agreed. Mr. Arakawa commented that he would like to see the scholarship opened to not only public school students, as many private school students attend their respective institutions thanks to need-based scholarships. Mr. Tatum stated that his thoughts with advising the scholarship to public schools was based on the fact that the funds were from the State, and should benefit students from public institutions, but that he is open to consider Mr. Arakawa's comments.

Benjamin Rafter asked why HTA desires to move spending out of one of its major markets, and asked why HTA specifically chose the Canada market. Mr. Tatum responded that Canada is an important market, but that in the past years HTA has tripled its expenditures toward the Canada market, but there is overlap with HTA's targeted efforts to the U.S. market, and that HTA's primary focus should be on Asia. Mr. Nakamura asked whether HTA is allocating money to address transient vacation units. Mr. Tatum replied that the counties of Maui and Kaua'i have done a good job in enforcing transient vacation units, and that the City Council for Honolulu was currently reviewing bills regarding enforcement. Mr. Kam asked if there were better measures on data for the number of transient vacation units. Jennifer Chun responded that HTA would like to award a contract in the next month, and that HTA is requiring an eighty percent response rate for each island. Mr. Arakawa added that, while Hawaii Lodging and Tourism Association has its hands full, it could take the lead on implementing research and HTA could hire a consultant to help the City and County of Honolulu to assist in creating ordinances. Mr. Hanneman stated that the problem with the City Council is reaching a consensus.

Mr. Atkins asked for specifics regarding the transfer of funds from HTA to the Hawaii Lodging and Tourism Association's foundation. Mr. Hanneman responded that the money goes to a

501(c)(3) corporation that does not charge any management fee, and that all of the funds will go toward scholarships. Mr. Atkins asked where current funds come from for their scholarships, in which Mr. Hanneman replied they either come from pre-existing funds or are raised through charity events.

Mr. Regan asked the Board for a motion to approve Board Resolution 2019-2-1. Mr. Dee moved, and Mr. Kam seconded the motion, which was approved by all Board members present.

**The Board recessed at 11:59 a.m.**

**The Board reconvened at 12:45 p.m.**

**9. Presentation of, Discussion and Action on Resolution 2019-2-2 Authorizing the Transfer of an Unencumbered Appropriation Balance of \$200,000 from the Major Market Management Category - Canada, FY 2019 Budget to a New Budget Objective Entitled Major Market Management - Southeast Asia**

Mr. Regan stated that, while the transfer was less than the amount required for Board approval, HTA wished to include this in the agenda to provide the Board with notice of major changes in the budget. Mr. Dee stated that the Marketing Committee supports HTA's direction of moving funds for the Southeast Asia market. Craig Nakamura asked, though he agrees with the purpose of the resolution, how HTA determined to designate funds to Southeast Asia after pulling out of the market just one year prior. Mr. Tatum responded that, while Canada is an important market, the data did not support the tripling of those funds. He stated that there are opportunities with emerging markets and that Southeast Asia and China appear to be the future, with both markets tending to have high-spend visitors. He also stated that emerging markets need consistent efforts, and that emerging markets do not show immediate response to marketing in the same way other markets do. Mr. Atkins stated that he did not believe the Marketing Committee discussed HTA's prior decision to pull out of Southeast Asia.

Mr. Fried asked for motion to approve Resolution 2019-2-2. Mr. Kam moved and Mr. Dee seconded the motion, which was approved by all Board members present.

**10. Update on the Statue of the 2018 Audit Action Plan**

Chair Fried acknowledged Mr. Regan to discuss the 2018 Audit Action Plan. Mr. Regan stated that part of the 2018 Audit Action Plan includes reviewing and updating HTA's internal policies and procedures. Mr. Regan also stated the he is working with HTA staff for procedures to make sure process for internal review of personnel and related responsibilities is in place. Mr. Arakawa asked whether HTA's standard contract provisions require that HTA or the State have ownership rights of intellectual property, and stated that the Auditor's comments included

criticism that HTA did not own the intellectual property rights for a previous contract. Mr. Regan stated that HTA has language in its standard contracts that include that HTA has ownership rights of what is created under contract, but that in most cases intellectual property rights may have to be shared and are often negotiated based on the contractor.

#### **11. Discussion and Action on HTA's Updated Policies on Board Operations & Oversight, Finance & Accounting, Operations, Administration, and Information Technology**

Mr. Regan stated that updated policies for HTA included the change of position from Chief Operating Officer to Chief Administrative Officer, names of other positions, and other examples. He stated that more substantive changes included revising the chart of accounts guiding HTA's fiscal operations and eliminating policies regarding labelling and formatting of accounts and changing such policies into procedural guidelines.

Chair Fried asked for a motion to approve the updated policies. Mr. Kam so moved, and Mr. Atkins seconded the motion, which was approved by all Board members present.

Mr. Atkins asked for clarification regarding Policy number 600-4. After discussion regarding the interpretation and ambiguity of Policy number 600-4, Craig Nakamura offered an amendment by replacing the phrase "e-mail content" with "State email account."

Chair Fried asked for a motion to amend Policy 600-4 by replacing the phrase in paragraph 1), "e-mail content" with "State e-mail account." Mr. Kam so moved, and Mr. Nakamura seconded the motion, which was approved by all Board members present.

#### **12. Discussion and Action on HTA's Updated Bylaws to Address Definitions, Committees, Succession, and Position Titles**

Chair Fried acknowledged Mr. Regan to discuss HTA's updated bylaws. Mr. Regan stated that HTA included a definition for temporary absence when individuals are not present under Article V. Mr. Regan also discussed modifications to the Audit Standing Committee under Article IV. Mr. Regan also added that amendments were made to the Administrative Standing Committee, also under Article IV. Mr. Arakawa suggested that HTA present findings of fact so that the Board could make decisions based on such findings. He proposed making two amendments to Section 4.3 of the updated bylaws, so that it would read as follows: "Section 4.3. Administrative Standing Committee. There is established an Administrative Standing Committee for the purpose of reviewing existing policies, making findings and recommendations to modify, amend and/or replace existing policies relating to the administration of the Authority, establishing criteria and making recommendations related to the evaluation of the President & Chief Executive Officer."

Chair Fried asked for a motion to approve HTA's Updated Bylaws to address definitions, committees, succession, and position titles, with the two amendments to Section 4.3 as suggested by Mr. Arakawa. Mr. Kam so moved, and Mr. Dee seconded the motion, which was approved by all Board members present.

### **13. Update Relating to the 2019 Legislative Session and Related Bills Relevant to HTA**

Chair Fried asked Mr. Regan for an update relating to the 2019 Legislative Session. Mr. Regan stated that Mr. Tatum, himself, and Mr. Ka'anā'anā have been actively visiting the Legislature, following bills, and submitting testimony. Mr. Regan stated that the bills being monitored or supported are included in the Board's packets. Mr. Regan noted some particular bills, including HB420, Relating to Hawaiian Culture, which eliminates the requirement that the Hawaiian Center and Hawaiian Museum of Music and Dance be located at the Hawai'i Convention Center, and HB422, Relating to Tourism, which repeals the requirement that the contract for marketing all uses of the Hawai'i Convention Center include the management of the facility.

Mr. Regan also noted HB548, which gives HTA oversight of the Special Land and Development Fund implemented by DLNR. Mr. Tatum commented that HTA has a good working relationship with HLTA, and it was the House Representatives' idea to give HTA decision-making authority with DLNR to submit project proposals. Mr. Ka'anā'anā noted SB364, which would create a task force to determine whether it is practical and beneficial for tour guides to have certain certifications.

Mr. Arakawa requested that Mr. Tatum and Mr. Regan consider monitoring bills relating to sea levels and climate change, which affect the tourism industry. Mr. Regan commented that HTA also submitted testimony on SR15 and SCR20, which requests a joint task force between the Department of Agriculture and HTA to review the efficiency of declaration forms on airplanes.

### **14. Report of the Marketing Standing Committee with the Committee's Recommendations to Support Various Marketing Proposals, for Discussion and Approval by the Board**

Mr. Fried acknowledged Mr. Dee to report on the Marketing Standing Committee's recommendations. Mr. Dee stated that there were no high-end action items or specific items for recommendation before the Marketing Standing Committee. Mr. Dee stated that item number three on the Marketing Standing Committee's amended agenda for its February 27, 2019 meeting was the Discussion Regarding Previous Initiatives Approved Outside of the Brand Management Plan and in Need of Committee Update from Contractors. Mr. Dee discussed that funds provided to Hawai'i Visitors Convention Bureau and Hawai'i Tourism Japan, for relief measures on Hawai'i Island and Kaua'i, would be exhausted soon and that those entities would

be providing the Committee with a final report. Mr. Dee also stated that the Marketing Standing Committee discussed the reallocation of funds for key major markets, as discussed earlier. Mr. Dee mentioned that the Marketing Standing Committee also discussed the Sports Strategy Update, in agenda item six, including the Los Angeles Rams and Pacific Rim tournament. Mr. Tatum commented that, while HTA has used a sports consultant in the past, HTA planned to move forward without a sports consultant and will be using HTA's existing contractors and Board members as resources.

#### **15. Presentation by AEG Regarding an Update of Hawai'i Convention Center Recent Operational Activities and Sales Initiatives**

Chair Fried recognized Teri Orton to deliver a presentation regarding the Hawai'i Convention Center's recent operational activities and sales initiatives. Ms. Orton stated that January is historically a slow month, and that events included a Sony Gala dinner, conference on education, and combined volleyball and basketball event. Ms. Orton reported a net loss of \$336,000 for the month of January and a net loss of \$8 million in the reforecast. Ms. Orton stated that the current revenue generated shows that the return on investment for the Hawai'i Convention Center is \$7.04 for every dollar spent.

Ms. Orton reported that the final numbers for 2018 showed the Hawai'i Convention Center generated 233,721 room nights. Ms. Orton also reported having a client advisory board meeting in late February, including several national associations which gave guidance on how Hawai'i Convention Center can improve. She commented that the Honolulu airport came up often and that it was not a good arrival experience due to long walking distances and confusion in transportation from the airport. Ms. Orton also commented that the Hawai'i Convention Center has designated two nursing pods, which are fully air conditioned, and that nursing pods or designated nursing areas are required by many of their event contracts. Mr. Arakawa asked how economic impact is measured. Ms. Hughes commented that economic impact is measured by a formula provided for by the Department of Economic Development and Tourism, which considers total spend, among other factors.

#### **16. Adjournment**

Chair Fried asked for a motion to adjourn the meeting. Mr. Kam so moved, and Ms. Kumukahi seconded the motion, which was approved by all Board members present.

**The meeting was adjourned at 1:50 p.m.**

Respectfully submitted

*Justin Luney*

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Justin M. Luney  
Recorder

# **Agenda Item**

## **4**

**Report of the CEO Relating  
to Staff's Implementation of  
HTA's Programs During  
February 2019**



**MEMORANDUM**

TO: HTA Board of Directors  
FROM: Chris Tatum, President and CEO  
DATE: March 28, 2019  
RE: Report of the CEO

The following narrative utilizes the 2019 Brand Management Plan's four core areas (Awareness, Conviction & Access; Unique & Memorable Experiences; Knowledge & Collaboration; and Strategic Oversight & Governance) to outline the various matters the staff is currently working on or has completed since the last CEO Report dated February 28, 2019. The narrative also describes the actions conducted by the staff to implement the Hawaii'i Tourism Authority (HTA) budget previously approved by the Board.

**I. AWARENESS, CONVICTION AND ACCESS**

**A. Access**

No report this month.

**B. Major Market Management**

**Spring Tourism Update**

HTA's Global Marketing Team was in Hawaii'i from March 1-9 to participate in internal meetings, Hawaiian cultural training, the public Spring Tourism Update, and meetings with industry and community partners on O'ahu and Kaua'i.

Nearly 600 people attended the Spring Tourism Update, March 6, at the Hawaii'i Convention Center. The day-long forum focused on managing tourism for Hawaii'i's future. HTA provided updates on Hawaiian culture, natural resources, community programs, and overall strategy, while the Global Marketing Team addressed activities currently underway and an update on brand management planned for this year in each market. The tourism luncheon panel featured four state lawmakers providing insights on the current legislative session and measures relating to tourism. For the second straight year, HTA worked with the Native Hawaiian Hospitality Association to hold the Kipa Aloha Hawaiian Culture Workshop.

Following the Spring Tourism Update, the Kaua'i Visitors Bureau organized a roundtable meeting with industry partners on Kaua'i to discuss tourism management and marketing efforts for the island.

To view the Spring Tourism Update presentations, visit <https://www.hawaiitourismauthority.org/what-we-do/tools-resources/2019-spring-update-presentations/>

## **II. UNIQUE AND MEMORABLE EXPERIENCES**

### **A. Hawaiian Culture Initiative**

#### **Kūkulu Ola Program**

HTA continues to work with one 2017 Kūkulu Ola awardee to close out their work and complete the final evaluation. This program was granted a no-cost contract extension for extenuating circumstances. HTA staff is in receipt of many final reports for the 2018 Kūkulu Ola programs, a majority of which completed their work on December 31, 2018. The final reports were due by the end of January. The Kūkulu Ola 2019 program includes 28 awardees statewide with total funding of \$1.223 million allocated. Contracts were distributed over the two-day period of December 12-13, 2018. Contracting and payments made through the State Department of Accounting and General Services (DAGs) were delayed, as DAGs was seeking to establish a new payment process via purchase order instead of contract payments. HTA resolved the issue with DAGs and has begun to move forward with the payments and processing of contracts.

#### **Strategic Partnerships (Hawaiian Culture Initiative)**

HTA and the Native Hawaiian Hospitality Association (NaHHA) continue to build stronger ties between the Hawaiian community and tourism industry. A primary change in this year's contract was bolstering support of Hawaiian culture training within the industry. NaHHA's work also includes Hawaiian translation work and the hosting of statewide Hawaiian cultural advisor meetings.

HTA staff and the Kālaïmoku Group are in negotiations for programming in 2019. HTA is currently evaluating the 2018 program and attendance. HTA is also looking at the theme and awards focus for the May Day program. No contract has been signed for 2019 as of this board meeting.

HTA staff is exploring a possible contract extension with Hawai'i Investment Ready to support a cohort of 12 social enterprises that have a tourism focus. Hawai'i Investment Ready previously received funding through the Community Enrichment, Kūkulu Ola, or Aloha 'Āina programs to build capacity for its program. The intent is to elevate these social enterprises to seek other forms of capital to enhance and improve their programs. Hawai'i Investment Ready has completed the first four modules, which cover individual enterprise assessments, theory of change and social business model canvas. Modules 5-8 are being completed this year.

### **B. Natural Resources**

#### **Aloha 'Āina (Natural Resources) Program**

HTA continues to work with two 2017 Aloha 'Āina awardees to close out their work and complete the final evaluations. These two programs were granted no-cost contract extensions due to extenuating circumstances. HTA staff is in receipt of many final reports for the 2018 Aloha 'Āina programs, a majority of which completed their work on December 31, 2018. The final reports were due by the end of January. The Aloha 'Āina 2019 program includes 28 awardees statewide with total funding of \$1.124 million allocated. Contracts were distributed over the two-day period of December 12-13, 2018. Contracting and payments made through the State Department of Accounting and General Services (DAGs) were delayed, as DAGs was seeking to establish a new payment process via purchase order instead of contract payments. HTA has resolved the issue with DAGs and has begun to move forward with payments and processing of contracts.

## **Hawai'i Ecotourism Association**

HTA and the Hawai'i Ecotourism Association (HEA) are negotiating the terms and scope of work for the 2019-2020 program. The primary focus of HEA's work would be a continued focus on the training of certified tour operators statewide and enhancing their training capacity. In addition, HTA would provide trainings that can be accessed via the Internet and YouTube.

## **Hawai'i Green Business Program**

HTA staff is finalizing a Memorandum of Agreement with the Hawai'i Green Business Program. The primary focus of this work will be to assist and recognize businesses that strive to operate in an environmentally, culturally and socially responsible manner. The program has a proven record of reducing energy consumption, water usage and waste, which are three key metrics of HTA's strategic plan.

## **C. Safety and Security**

**Visitor Assistance Program (VAP):** This program was transferred to the Chief Administrative Officer (CAO) in February. The CAO attended a Visitor Aloha Society of Hawai'i-sponsored event on February 16 entitled "We Care," a "healing and inspirational event for the victims of the Kaka'ako car accident and for those in the community who care about the victims and what happened to them." The event was well-attended as numerous speakers shared their thoughts on the incident and how the community may be able to move forward in addressing these kinds of senseless accidents. HTA Board Chair Rick Fried shared his words of wisdom with the attendees. Overall, the VAPs in all four counties continue to support Hawai'i's visitors and provide necessary services to those in need.

**Lifeguard Support Program:** Funding contracts for equipment to support lifeguard operations are in various stages of execution. On February 14, the Maui County Council's Economic Development and Budget Committee heard and passed an amendment to accept funding for the program from HTA. On March 8, the Maui County Council passed the amendment and ordered it to print. The agreement is currently with the Mayor's Office. The lifeguard programs for the City and County of Honolulu, as well as the island of Hawai'i, have been executed. The first payment for the Kaua'i Lifeguard Association was processed and routed to the State Department of Accounting and General Services, which will generate the check.

**Waikiki Camera Program:** A Memorandum of Agreement with the City and County of Honolulu has been executed. On February 27, the CAO attended a press conference, held by Mayor Caldwell, in Waikiki to announce the installation of the first camera and expansion of the overall program. Mayor Caldwell was very appreciative and complimentary of HTA for the support being provided to the County to help improve safety for residents and visitors.

**Airport Ocean Safety Survey:** HTA staff is working with the Department of Health and OmniTrak on a survey at all five airports statewide.

**Ocean Safety Advertising Campaign:** HTA, through contracts with SKYHI MEDIA and Pacific Media Group, is showing ocean safety videos at airports throughout the State of Hawai'i. The videos are being shown primarily at each baggage claim. HTA staff met with representatives of SKYHI MEDIA to review the efficacy of the program and began discussing agreement renewals that would allow the videos to continue running through the next fiscal year. The discussions are ongoing.

## **D. Community Enrichment Program**

HTA staff is closing out the remaining (approximately 10) 2018 Community Enrichment Program (CEP) contracts, which ended on December 31, 2018. All but one 2019 CEP award has been executed. HTA staff is reviewing the 2019 deliverables and processing first payments. The 2019 CEP program includes 72 awardees statewide with total funding of more than \$1.2 million allocated. The following 2019 CEP awardees will not be funded due to the events being cancelled:

- Mauna to Mauna on Hawai'i Island
- Hawai'i Island Steel Guitar Festival

For a listing of 2019 CEP awardees, visit <https://www.hawaiiourismauthority.org/what-we-do/hta-programs/community-enrichment-programs/>

In addition to the CEP awardees, HTA is allocating funding to support the following 2019 events:

- Pana'ewa Stampede Rodeo
- Waimea Town Celebration
- Honolulu Biennial
- Honolulu Festival
- Hawai'i Food & Wine Festival
- Celebration of the Arts
- Kōloa Plantation Days
- Moloka'i 2 O'ahu (Stand Up Paddling race)
- Kona Coffee Cultural Festival

## **A. Communication and Outreach: February 2019**

### **News Releases/Reports Issued**

- Report: January 2019 Hawai'i Hotel Performance Report (February 26)
- News Release: Hawai'i Visitor Statistics Released for January 2019 (February 28)

### **Media Relations**

- **Media Interview:** Coordinated and/or assisted with the following interview:
  - Hawai'i Public Radio: Chris Tatum (CT) with reporter Ku'uwehi Hiraishi about HTA's sports marketing strategy, tied to the industry's support of the Pacific Rim Cup (February 1).
- **Publicity Support:** Provided the following information and/or assistance:
  - Associated Press: Reene Ho-Phang, managing director of Hawai'i Tourism China, provided reporter Audrey McAvoy with comment on the November 2018 visitor statistics for China (February 2).
  - KHON/Take2: Charlene Chan declined request for HTA to do an interview providing comments about Southwest's plans in the Hawaiian Islands and economic impact (February 5).

- Miscellaneous: Responded to request and provided O'ahu-based book author Tom Coffman the 2018 Resident Sentiment Survey for research about visitor capacity in Hawai'i (February 7).
- Pacific Business News: Directed reporter Christina O'Connor to HTA Board Chair Rick Fried and HTA President and CEO Selection Committee Chair Kelly Sanders per her request to interview two Board members on CT's hiring for the February 15 issue (February 8).
- USA TODAY: Directed reporter Kristin Lam to Chip Fletcher, Associate Dean for Academic Affairs and Professor, Department of Earth Sciences, at the School of Ocean and Earth Science and Technology (SOEST), University of Hawai'i at Mānoa, for article on climate change and its potential impacts on tourism (February 11).
- KHON: Provided HTA statement to reporter Erika Engle about the Miss USA organization's proposal to hold its May event in Honolulu (February 15).
- Pacific Business News: Declined request by reporter Christina O'Connor for images of CT during his first Board meeting for February 15 article (February 12).
- Pacific Business News: Kalani Ka'anā'anā declined participation in the publication's annual tourism roundtable on March 1 (February 19).
- Honolulu Star-Advertiser: Directed reporter Ferd Lewis to the Rams' organization for information on the August preseason game and opponent (February 26).
- Hawai'i News Now: Directed reporter Ashley Nagaoka to the Rams' organization for information on the August preseason game and opponent (February 27).
- Hawai'i News Now: Directed producer Kekoa Carlson to the Rams' organization for information on the August preseason game and opponent (February 27).
- City and County of Honolulu News Release: Assisted CT in providing a quote for inclusion in the news release issued by the City and County of Honolulu about Mayor Caldwell's Waikīkī public safety package (February 27).
- KHPR: Declined request for HTA to do an interview on *The Conversation* in response to a prior show, "How Much Tourism is Too Much" (February 27).
- Honolulu Star-Advertiser: Declined request for HTA to do an interview providing comments about Southwest receiving FAA approval (February 27).
- KHON: Jennifer Chun (JC) declined request by reporter Erika Engle for an interview about the economic impact of Southwest's Hawai'i routes (February 27).
- Pacific Business News: JC responded to reporter Christina O'Connor about the January 2018 visitor statistics (February 28).
- KHON/KHII: Declined request for HTA to do an interview providing comments about the January 2018 visitor statistics (February 28).

## **Public Outreach**

- Pacific Rim Cup: Drafted talking points for John Monahan for the February 6 press conference being held by Pacific Rim Cup organizers (February 4).
- Spring Tourism Update:
  - Assisted Laci Goshi with developing the Spring Tourism Update invitation on Constant Contact and registration form (February 10).
  - Distributed announcement/invitation via Constant Contact (February 14).
  - Distributed reminder e-blast (February 21).
  - Assisted Allison Schaefer, reporter for Honolulu Star-Advertiser, with receiving complimentary access to attend the Spring Tourism Update (February 21).
  - Assisted Casey Harlow, reporter for Hawai'i Public Radio, with receiving complimentary access to attend the Spring Tourism Update (February 22).
  - Distributed last-call e-blast for registrations (February 25).
- Ka Huina: Distributed invitation to attend the Native Hawaiian Hospitality Association's Ka Huina event, supported by Hawai'i tourism (February 27).

### **Brand Management**

- Requests for Funding: Assisted Karen Hughes (KH) in drafting various response letters to requests for funding (respond to RFP, need proposal, received proposal – next steps, decline) (February 8).
- Winter Storm - HTA Website-Alert Page:
  - Created special alert page with links to official government resources about the storm (February 9).
  - Assisted KH with drafting a message about the approaching storm for the special alert page and posting on HTA's website (February 9).
  - Distributed special alert page link to partners and stakeholders via Constant Contact (February 9).
  - Updated storm alert page with the latest information and encouraged visitors to check with attraction and activity operators for their current hours of operation before heading to them (February 10).
- New HTA Vision: Assisted KH in revising the document about the new vision for HTA's leadership based on CT's president's report to HTA's board of directors in January (February 20).

### **International News Bureau**

- **Media Assistance:** Assisted the Global Marketing Team and provided other support, as noted:
  - **Hawai'i Tourism Canada**

- Reviewed and forwarded a request by Jared Gelfand of Global Tours to Hawai'i Tourism Canada (February 26).

- **Miscellaneous**

- Reviewed and vetted a request by Singapore blogger Isabel Leong of Bel Around the World. Declined partnership proposal on behalf of HTA and provided GoHawaii.com website (February 7).
- Reviewed and vetted a request by Spain blogger David Suarez of Mi Mundo En Una Maleta. Declined partnership proposal on behalf of HTA and provided GoHawaii.com website (February 26).
- Provided Brazilian journalist Marcel Vincenti the Barberstock image library link and information on the Hawaiian Islands for upcoming article (February 28).

### **Social Media**

- **Facebook Posts:**

- Post on the HTA alert page created in anticipation of the winter storm approaching Hawai'i. **Total Reach** 1,249 | **Total Reactions** 107 (February 9).
- Post on storm update. **Total Reach** 918 | **Total Reactions** 31 (February 10).

- **Twitter Posts:**

- Post on the HTA alert page created in anticipation of the winter storm approaching Hawai'i. (February 9).
- Post on storm update. (February 10).

### **B. Research and Planning**

The Tourism Research Division (TRD) issued the January 2019 monthly visitor statistics on February 28, including monthly arrivals by country, category expenditures for major markets, and monthly visitor characteristics for each major market area.

TRD posted the Air Seat Outlook data tables for March through May 2019 and issued the 2019 Air Lift Forecast to the Infrastructure Research Section of the HTA website.

State, major market and island fact sheets were updated with the January 2019 data and posted to the Board site. State and market fact sheets were published on the website.

TRD issued the January Hawai'i Hotel Performance Report on February 26. The report and related January 2019 data tables were posted to the Infrastructure Research section of the HTA website. The Hawai'i Hotel Performance Report is produced using hotel survey data compiled by STR, Inc., the largest survey of its kind in Hawai'i.

The Third Quarter 2018 Visitor Satisfaction and Activity Report was posted to the HTA website on February 11.

TRD continued to work with the State Attorney General's office to analyze visitor data related to the impacts of the national travel ban on inbound travel from seven affected countries.

TRD is participating in the redesign process for the HawaiiTourismAuthority.org website.

Jennifer Chun participated in the Pacific Asia Travel Association Hawai'i Chapter and Travel & Tourism Research Association Hawai'i Chapter's Annual Economic Outlook and Forecast event on February 7.

Jennifer Chun was a guest lecturer at the University of Hawai'i at Mānoa's TIM 425 Destination Development and Marketing class on February 12.

TRD continues to reply to requests for information from HTA's Global Marketing Team, industry, media, and the general public. Data requests completed include:

- Additional detailed visitor statistic data for UHERO and DBEDT/READ for their databases, and the monthly data requests
- Research inquiries routed through DBEDT
- Visitor arrivals from Kansai, Japan, for KITV-TV
- Visitor participation in hiking/walking on Maui, for DLNR Maui Branch
- Visitor spending, arrivals, hotel performance, and activity participation data on Maui for the Kings Gardens Maui
- Visitor arrival, expenditure, and economic impact data for Hawaiian Airlines
- Resident Sentiment Survey data for John Knox

### C. Career Development

**Ho'oilina Scholarships.** HTA and the Hawai'i Lodging & Tourism Association (HLTA) have partnered to jointly fund Ho'oilina (meaning "legacy" in Hawaiian) Scholarships for Hawai'i high school graduates who are planning to pursue degrees in the tourism, hospitality or culinary fields. HLTA President and CEO Mufi Hannemann presented information about the scholarships to the HTA board during the February board meeting. HLTA informed Hawai'i high schools and the public about the Ho'oilina Scholarships. The application is available on HLTA's website and the deadline to apply is April 9, 2019. The Ho'oilina Scholarship recipient selection committee will be co-chaired by Chris Tatum and Mufi Hannemann, while members will include leaders from across the state in the fields of hospitality, culinary arts, and education, as well as labor representatives and Hawaiian cultural specialists.

**LEI (Leadership, Exploration, and Inspiration).** The purpose of this one-day program on Kaua'i, O'ahu and Maui (two-day program on the island of Hawai'i) is to motivate and inspire Hawai'i's high school students interested in the travel and hospitality industry, and encourage them to pursue post-secondary education. Hotel partners participate in the program by providing students with opportunities to learn about their operations and see the inner workings firsthand. The day concludes with a career fair. HTA staff will join the program's career fair with a designated table on O'ahu, Maui and Kaua'i. While the island of Hawai'i LEI program does not include a career fair, HTA staff will be present to participate and provide support. Below are the upcoming dates for the LEI program on each island:

- April 3: Kaua'i – Sheraton Kaua'i
- April 8: O'ahu – Hawai'i Convention Center
- April 16-17: Island of Hawai'i – Westin Hāpuna Beach Resort and Mauna Kea Beach Resort
- April 18: Maui – Sheraton Maui

**Department of Education's Career and Technical Education Partnership.** HTA staff convened a meeting with the Hawai'i State Department of Education's Career and Technical Education (DOE CTE) department and the University of Hawai'i's Kapi'olani Community College (UH KCC). The DOE CTE is interested in using UH KCC's customer service curriculum and trainers to help its high school CTE

teachers further develop students who are enrolled in the CTE Hospitality track. The purpose is to build the DOE's hospitality curriculum. The DOE CTE will provide HTA with a revised partnership proposal.

**Certificate for Customer Service in Hawai'i and Certification for Hawai'i's Professional Tour Guides.** HTA has partnered with the University of Hawai'i's Kapi'olani Community College and its sister community colleges on the neighbor islands to offer the Certificate for Customer Service in Hawai'i and Certification for Hawai'i's Professional Tour Guides. As part of the agreement, HTA has worked with the University to offer this training at no cost to qualified employers who are part of the service industry and their employees. The training pathway includes the following modules:

- Introduction to the Hawai'i Visitor Industry (2 hours)
- Servicing the Global Customer (6 hours)
- Ho'okipa Me Ke Aloha (8 hours)
- Foundations of Hawai'i (8 hours)
- Communicate with Impact: Talking Story about Hawai'i (4 hours)
- Know Your Island (8 hours)

Below are the class dates on each island:

- O'ahu: March 5-May 18
- Maui: March 4-May 18
- Island of Hawai'i: April 6-June 1
- Kaua'i: April 9-June 6

#### **IV. STRATEGIC OVERSIGHT AND GOVERNANCE**

**Contracts List.** A list of contracts executed in the month of February is attached.

## Hawai'i Tourism United States Monthly Marketing Report February 2019

### Leisure

#### **SUMMARY OF MARKET INTELLIGENCE/MARKET CONDITIONS**

The U.S. hotel industry is projected to report a further slowdown in performance growth in 2019 and 2020, according to STR and Tourism Economics' latest forecast just released at the Americas Lodging Investment Summit. "Late in 2018, RevPAR growth weakened as strong demand was offset by lower-than-expected ADR growth," said Amanda Hite, STR's president and CEO. "Now demand is softening, and although supply growth is stabilized, we expect our first year without an increase in occupancy since 2009. Performance growth of any rate will still take the industry to another record-breaking level nationally, but plenty of individual markets and hotels are feeling the slowdown on their bottom line."

For 2019, the U.S. hotel industry is projected to report flat occupancy at 66.2%, a +2.3 percent rise in average daily rate (ADR) to US\$132.81 and a +2.3 percent lift in revenue per available room (RevPAR) to US\$87.94. RevPAR increased +2.9 percent in both 2018 and 2017—that growth level was the lowest RevPAR percentage change for the country since 2009.

Domestic travel is expected to grow +2.6 percent year-over-year through June 2019, with business and leisure both contributing to the expansion. The business segment remains poised to outperform the leisure segment over the next six months, supported by strong but decelerating business investment. Leisure travel growth is expected to remain around +2.2 percent as wage growth continues to firm and gasoline prices remain low.

The latest *U.S. Travel Barometer* reported that of U.S. residents searching for lodging in December, 86 percent searched within the U.S., up significantly from the 69 percent searching domestically the same time the year prior. For the year, the share of resident searches within the U.S. rose to an average of 85 percent, up from 76 percent in 2017.

Green travel is not a new concept. As more and more tourists show their interest in vacationing responsibly, we are seeing ecotourism initiatives pop up around the globe. "Striking a balance between celebrating the natural surroundings and creating a stunning environment will be an interesting juxtaposition we feel we'll increasingly see more of in 2019," said James Cabourne, owner of Paradise Beach in St. Kitts and Nevis. These business practices run the gamut from fully sustainable boutique hotels to resorts that are going green with one aspect of their operations.

The concept of solo travel continues to grow. Fueled by the need to explore at your own pace, the idea is no longer niche. In 2019, it is only expected to grow more; according to a study by Travel Leaders Group, 36 percent of respondents said their future travels would include at least in part one solo trip.

#### **Economy**

The Conference Board *Consumer Confidence Index*<sup>®</sup> increased in February, following a decline in January. The Index now stands at 131.4, up from 121.7 in January. Consumer Confidence rebounded in February, following three months of consecutive Expectations, which had been negatively impacted in recent months by financial market volatility and the government shutdown. Looking ahead,

consumers expect the economy to continue expanding. However, according to The Conference Board's economic forecasts, the pace of expansion is expected to moderate in 2019.

GDP in the January report points to a solid economic forecast for 2019. The U.S. economy grew at a solid pace in the fourth quarter, boding well for the outlook this year and next. According to the delayed release of GDP data, the economy grew by +2.6 percent in the fourth quarter, this despite consumers slowing down compared to the middle of 2018. The latest surveys show consumer attitudes deteriorated during the government shutdown but quickly showed signs of recovery thereafter. With solid job growth and continued wage gains, consumers will increase their spending at a moderate pace in 2019 and 2020, with some upside exuberance possible. Existing home sales were down again in January, falling for the third consecutive month and extending an ugly trend that began in early 2017. Foreign trade was not a big factor in last quarter's economic growth, with both exports and imports growing at about the same pace.

### **Competitor Update**

According to the USTOA and PriceWaterhouseCoopers, Italy will be a top destination for Americans in 2019. The strong dollar along with strong land and cruise offerings make this destination popular for all ages of Americans. In addition, the study also identified their top off-the-beaten path or emerging destinations; Iceland again ranked first, and Cambodia came in second. They were followed by Croatia, Colombia, Vietnam, Portugal, Bhutan, Bolivia, Myanmar and Ethiopia. "It's interesting to see five destinations – Iceland, Cambodia, Colombia, Vietnam and Portugal – appear on both the hot destinations and emerging destinations lists," says Terry Dale, president and CEO of USTOA. "This tells us that off-the-beaten path travel experiences continue to grow in popularity."

Immersive and culturally rich travel are forefront in 2019. About 82 percent of USTOA's members are offering art and culture travel experiences, the highest ranked experiential tour type last year based on sales volume. Looking past the Millennials, Generation Z which is typically defined as those born from the mid-1990s to the early 2000s, is starting to travel and many destinations are noticing them. Gen Z travelers expect *Instagrammability*, good internet connectivity, and off-the-beaten track destinations.

### **Airlift**

Seat capacity to Hawai'i will grow a modest one percent March-May 2019 when compared to the same three-month period the year prior. This forecast does not yet consider the new Southwest Airlines service announced March 4<sup>th</sup>. Seat capacity from the U.S. West will be up +1.3 percent and flights will be up +3.2 percent. This is due to addition of seats from Anchorage (OGG, KOA), Bellingham (OGG, KOA), Denver (OGG), Oakland (LIH), Portland (HNL, OGG, KOA, LIH), Sacramento (OGG) and Seattle (HNL, OGG, KOA, LIH). Seat capacity from the U.S. East will be up +2.5 percent and the number of flights will be up +1 percent, attributed to the addition of seats to Honolulu from Boston, Chicago and Minneapolis.

## **LEISURE ACTIVITIES**

### **Consumer**

#### **On-line**

February firmwide digital campaign estimates: Central 17.2 million impressions; KVB 4.7 million impressions; OVB 3.6 million impressions; MVCB 5.7 million impressions; LVB 962,000 impressions; DMVB 914,000 impressions; IHVB 5.1 million impressions.

#### **Social Media**

In February, HTUSA continued the *Hawai'i Rooted* video series which featured park ranger Keoni Kaholo'a'a through an adapted *Facebook* mini-story, as well as *Instagram* teaser ads.

#### Advanced Television/Digital Video

HTUSA continued a national flight in February with a broad reach of advanced television/digital video to reach the Hawai'i target audience and showcase the newest *Hawai'i Rooted* video creative: 1) Four 30-second brand videos in the *#LetHawaiiHappen – Hawai'i Rooted* campaign (one per major island); 2) Four 30-second brand video co-op spots with partner tags for Hawaiian Airlines (one per major island).

- HGTV Full Episode Player (FEP). Flight continued into early February (Jan. 7-Feb. 3) with media that included video in content/programming that the Hawai'i target audience is streaming on devices of their choice.
- ROKU - the market leader in OTT (over-the-top) devices. Flight continued in February (Jan. 7-Mar. 31) with media that included in-stream video.
- HULU - the largest ad-supported streaming service. Flight continued in February (Jan. 7-Mar. 31) with media that included video in HULU's Original Series Sponsorship and pre-roll and mid-roll video.
- VideoAmp. Flight continued in February (Jan. 7-Mar. 31) with media that included targeting premium video environments with the capability to re-target TV viewership across second screens, modeling a competitor's TV campaigns to re-target their audiences and showing *Hawai'i Rooted* video around relevant travel, culture and adventure content.
- Programmatic Video. Flight continued in February (Jan. 7-Mar. 31) to complement direct video partners, drive efficiencies and leverage video programmatically across a variety of platforms.

#### Cinema

In-theater media continued in February (Jan. 18-Feb. 21) to amplify video efforts in an intimate and captive environment. Thirty-second brand videos ran with Spotlight in a select network of high-end cinema movie theaters concentrated in Hawai'i's top markets, with timing leading into Academy Awards season. Audiences were re-contacted with location-based mobile targeting after leaving the theaters.

#### Golf

The 2019 *Aloha Season* on Golf Channel (pre-promotion Dec. 1-Mar. 31) provided a national cable television golf platform for Hawai'i that extended into February. Paid media promotion included the following:

- A flight of 30-second commercials ran that featured PGA TOUR players, with each professional engaging in an activity that he enjoys experiencing with others in Hawai'i:
  - o Bryson DeChambeau – ziplining (Maui)
  - o Jon Rahm – helicopter (Maui)
  - o Wesley Bryan – blue water rafting (Maui)
  - o Jhonattan Vegas – whale watching (Maui)

#### **Travel Trade**

HTUSA and the Island Chapters conducted the U.S. East Leisure Sales Blitz which included travel agent training, a supplier trade show, roundtables, live Hawaiian music, cultural demonstrations and *hula* lessons on the East Coast in Boston, MA; Garden City, NY; West Orange, NJ; Philadelphia, PA; and Baltimore, MD, from Jan. 28-Feb. 1. By the end of the week, HTUSA trained 99 agents in Hawai'i Destination Specialist (HDS) workshops, 87 agents trained in Island Chapter workshops and 263 agents attended the overall week of training workshops/trade shows and roundtables. Hawai'i suppliers present included Aqua-Aston Hospitality, Castle Resorts & Hotels, Courtyard by Marriott Kaua'i Coconut Beach, Courtyard Marriott O'ahu North Shore, Delta Vacations, Four Seasons Resort Lāna'i,

GOGO Worldwide Vacations, Hawaiian Airlines, Hawaiian Hotels & Resorts, Highgate Hawai'i, Hyatt Hotels in Hawai'i, Marriott Hawai'i, Norwegian Cruise Line, OneALG Apple Leisure Group, Outrigger Hotels & Resorts, Pleasant Holidays, Polynesian Cultural Center, Queen Kapiolani Hotel Waikīkī Beach, Shoreline Hotel Waikīkī & Coconut Waikīkī Hotel and Waikīkī Beachcomber by Outrigger.

HTUSA participated in a Virtuoso Travel Week regional event in Washington D.C. on Feb. 6 & 7 which included 88 one-on-one appointments with 110 Virtuoso advisors. Hawai'i suppliers present included Classic Vacations and GOGO Worldwide Vacations.

The GIFTE Book More Travel Workshop took place in Charlotte, NC from Feb. 20-22. HTUSA was the opening reception sponsor and provided fresh flower *lei* and Hawaiian entertainment to start the conference. The following day, HTUSA presented to 300 advisors and had a booth in the conference room all day on Feb. 20 & 21. HTUSA also participated in the trade show on Feb. 21.

HTUSA was a platinum sponsor for the Houston ASTA Chapter trade show in Houston, TX on Feb. 25. As a platinum sponsor, HTUSA received a prime location in the trade show area and delivered a 15-minute presentation to 150 advisors.

HTUSA partnered with Delta Vacations to conduct a Hawai'i training in Detroit, MI on Feb. 13 in anticipation of the new non-stop flight from Detroit to Honolulu. A total of 48 agents attended the training. On Feb. 12, HTUSA conducted the same training for 7 travel agents at Cadillac Travel, a Delta Vacations Diamond-level agency in Detroit.

HTUSA supported a consumer event with two agents from Culture Traveler in Detroit, MI on Feb. 12 and presented the Hawaiian Islands to an audience of 20.

HTUSA attended the NorCal 'Ohana Meeting in San Jose, CA on Feb. 7. The meeting objective was to plan events to promote the Hawaiian Islands throughout 2019. Hawai'i suppliers present included Alaska Airlines, Apple Vacations, Classic Vacations, Hawaiian Hotels & Resorts, Kā'anapali Beach Hotel, Nāpili Kai Beach Resort, Marriott Hawai'i, Outrigger Hotels & Resorts and Pleasant Holidays.

HTUSA attended the Pacific Northwest 'Ohana meeting in Seattle, WA on Feb. 19. This group of travel professionals established 2019 initiatives, including the summer Coco Nuts & Bolts event, to promote the Hawaiian Islands this year. Hawai'i suppliers present included All About Tours, Classic Vacations, Goway Tours, Nāpili Kai Beach Resort and UnCruise Adventures.

HTUSA participated in OneALG Apple Leisure Groups' Hawai'i events in Sacramento, Oakland and San Jose, CA Feb. 26-28. The events consisted of a *lei* greeting, Hawaiian music, trade show and presentations promoting the Hawaiian Islands as well as new air lift from Southwest Airlines to the Hawaiian Islands. HTUSA's *Hawai'i Rooted* Campaign was well received by 45 travel advisors at each event. Hawai'i suppliers present included Fairmont Orchid, Hawaiian Hotels & Resorts, Highgate Hawai'i, Hilton Hawai'i, Hyatt Place Waikīkī, Kā'anapali Beach Hotel, Marriott Hawai'i, Outrigger Hotels and Resorts and Queen Kapi'olani Hotel Waikīkī Beach.

### **Public Relations**

The HTUSA PR team worked with Tremendous Entertainment to film two Hawai'i episodes for ABC's "Rock the Park," which aired in January. The Maui episode covered a snorkeling tour to Molokini with Pacific Whale Foundation while the island of Hawai'i episode addressed the recent Kīlauea eruption and showcased Hawai'i Volcanoes National Park, 'Akaka Falls and Big Island Divers. The show averages 1.3 million viewers and the Hawai'i episodes are scheduled to re-air in June.

As a result of a press trip for the Hawai'i Food & Wine Festival, writer Brad Japhe produced a *Forbes* story titled, "[Sipping Your Way Through The Cocktails and Spirits of Maui.](#)" Partners mentioned included The Mill House, Mama's Fish House, Travaasa Hana, Fairmont Kea Lani, Andaz Maui and Lineage.

KVB. Kaua'i was featured eight times online resulting in an estimated 4.8 million unique visitors per month (uvpm) and five times in print, estimated circulation of 1.5 million.

OVB. O'ahu was featured three times online resulting in 71.7 million in estimated uvpm.

MVCB. Maui was featured three times online resulting in an estimated 7.4 million uvpm and once in print for an estimated circulation of 27,000.

IHVB. The Island of Hawai'i was featured once online for an estimated total of 3.2 million uvpm.

In January, HTUSA generated:

- 29.6 million social media impressions (*Facebook, Instagram*)
- January impressions and publicity values for articles that included Hawai'i:
  - o 16.9 million print impressions
  - o 26.5 billion online impressions
  - o 107.3 million broadcast impressions

#### **"COMING ATTRACTIONS" FOR LEISURE MARKET**

The travel trade team will participate in the AAA Travel Show w/Pleasant Holidays, Boston, MA, Mar. 1-3; Pleasant Holidays Aloha Days, Olympia, Tacoma, & Bremerton, WA, Mar. 4; HDS Training with Allied Travel, Des Moines, IA, Mar. 6-7; IntelTravel Conference, Norwegian Cruise departing from Port Canaveral, FL Mar. 2-7; 2019 Liberty Travel Expo, Edison, NJ, Mar. 10; Virtuoso Travel Week On Tour, Beverly Hills, CA, Mar. 22-23; Uniglobe Conference, Long Beach, CA, Mar. 27-30; OneALG Apple Leisure Group Hawai'i Dinner Training, Dallas, TX, Mar. 19; Trainings and Sales Calls with OneALG Apple Leisure Group and Norwegian Cruise Line, Buffalo, NY, Rochester, NY, Mar. 25-26; New Jersey ASTA Training and Trade Show, Totowa, NJ, Mar. 27; Sales Calls and Training with Norwegian Cruise Line, Poughkeepsie, NY, Mar. 28; HTUSA U.S. West Leisure Sales Blitz, San Diego, Los Angeles, San Francisco, CA; Portland, OR; Seattle, WA; Mar. 11-15; Travel Agent Forum, Las Vegas, NV, Mar. 20-23; OneALG Apple Leisure Group Hawai'i Dinner Events, Denver, CO & Salt Lake City, UT; Mar. 26-27; OneALG Apple Leisure Group Hawai'i Dinner Events, San Diego, Orange County and Los Angeles, CA, Apr. 9-11; PNW 'Ohana Meeting, Seattle, WA, Apr. 16.

The HTUSA PR Team is coordinating an upcoming mini-press trip focused on the island of Hawai'i and Maui with Olivia Horner (*Vogue*) and other media from *Condé Nast*. For future media visits, associate editor Samantha Saiyavongsa (*Goop.com*) will showcase wellness and experiential travel, and freelance writer Joe Yogerst will gather story ideas for CNN Travel, *National Geographic Travel* and other outlets.

## Hawai'i Tourism Japan Monthly Marketing Report February 2019

### SUMMARY OF MARKET INTELLIGENCE/ MARKET CONDITIONS

#### Economy

- Average consumption amongst Japanese households grew by 1.9% year over year in nominal terms to 329,271 yen for December 2018, providing grounds for steady economic growth.
- Although the economy continues moderate growth, uncertainty for the future is creating potential for decline. The deceleration of overseas economies such as China and Europe are prompting exports to decline, with effects becoming apparent in capital investment and production values.

#### Outbound Travel Market

- 2018 Japanese outbound travelers totaled 18,954,017, recording levels that have not been achieved in over 50 years. A 6% growth was observed vs 2017 total outbound travelers.
- The previously discussed departure tax is now implemented for all persons departing from Japan. The fee is a flat rate of 1,000 yen, imposed on both citizens and visitors departing from the country. Funds raised from the tax will be utilized towards maintaining Japan's resources and the betterment of the tourism industry.

#### Competitive Environment

- Guam Visitors Bureau announced arrival goals for 2019 from Japan to be 640,000 visitors. With 2018 finishing at roughly 563,000 visitors, Guam Visitors Bureau is aiming for a strong 14% growth from the Japanese market.
- Japan and Hong Kong are marking 2019 as the year of tourism between the two destinations. Travel agencies and airlines will be working closely together to boost loads on direct flights operated from 17 airports throughout Japan.
- Visit Finland and Japanese travel agency Tabikobo planned and launched a special tour product to commemorate 100 years of diplomatic relations. The tour holds sustainable tourism as a central theme and incorporates accommodations and activities which invest in conservational efforts.

#### Consumer Trends

- The Japanese Government is establishing laws for firms to require employees to obtain a minimum of five days of paid time off each year. 74% of respondents stated being pleased with this new law, with 68% stating that they will be dividing the days throughout the year to avoid feelings of guilt when taking extended vacations.
- My Navi performed survey studies on 4,656 college students graduating in 2020 on their awareness of SNS. The three most recognized and popular platforms were LINE, Twitter and Instagram. Study participants on average reported being connected with 294.7 people on SNS.
- Information found on Twitter is particularly effective for Japanese consumers. Many consumers respond when using Twitter for informational purposes, prompting numerous entities to utilize Twitter for promotions.

#### Travel Trends

- New passports issued in 2018 grew by 5.3% to 4.33 million, indicating four consecutive years of growth. Passport holder rates remain relatively low at 22.9% on average amongst citizens. All but three prefectures in Japan including HTJ's target regional cities were able to maintain passport holder rates above 10%

- Japan Airlines and Seibu Holdings announced the start of glamping services at the Westin Hapuna Beach Resort. The two entities have agreed to continue collaborating on product development for the island of Hawaii.
- Statistics announced by Narita Airport found that airport usage grew to record levels for 5 consecutive years, with 2018 growth being 5% to over 42.6 million for all departures.

### **Media & Online Trends**

- The Japan Travel and Tourism Association announced rankings for the most popular travel related websites in Japan. “Jalan Net”, Rakuten Travel and Tripadvisor respectively ranked as the most used websites by Japanese consumers for travel related information. Success of these sites are attributed to their targeted promotions and the enrichment of contents.
- NTT Docomo and local tour operator MAPPLE collaborate to offer customers booking optional tours/activities in Hawaii D points issued by the former. The new initiative aims to encourage participation in various events by leveraging upon trends favoring online payment.
- As media shifts focus towards online mediums, popular women’s magazine Vivi opened an official page on the social media app, Tik Tok. This is a video sharing app with a rapidly growing user base from the millennial generation. Vivi aims to boost engagement with readers through the new account.

### **Airlift**

- Although fuel surcharge rates have grown to 22,000 yen, reports have been received for decline to 8,000 yen by April 2019. Because such levels have not been achieved since early 2018, this will greatly benefit the visitor industry.
- Haneda Airport announced that they will be accepting applications for growth by roughly 50 flights per day. Delta Air Lines and Hawaiian Airlines both submitted requests to increase flight frequency for their Haneda – Honolulu routes. The airport has strong access from feeder flights and is a popular option for airlines.
- All Nippon Airways and private aircraft charter service provider SKYTREK announced an alliance allowing for mileage points from the former to be used to book private jets from Oahu to the six major islands. This greatly supports growth in the affluent market through both ANA’s first class service on the A380 along with the private jet service.

## **LEISURE ACTIVITIES**

### **Hawai’i Island / Neighbor Island Promotion**

- Island of Hawai’i recovery promotions continue together with travel agencies, aiming to capitalize on the extended golden week holidays and reduced fuel surcharge rates.
- The lowering of the surcharge rates allowed Hankyu Travel to resume sales of their affordable island of Hawaii tour with stays at the Hilton Waikoloa Village. Over 100 bookings were secured in February alone, prompting many to be hopeful for revitalization of travels to be imminent.
- JALPAK and Trippiece have been collaborating on product development for the island of Hawaii to develop new markets. One product being strongly considered is a product where visitors explore the island with rental cars.
- Began preparations to support HIS Osaka’s neighbor island fair to be held in March. During the third week of March, special seminars from hotels and HTJ will be provided to consumers visiting their branch. Special tour products to each of the neighbor islands will also be offered with more planned to be created after the fair as well.

- 2 posts for the island of Hawaii were uploaded on to the HTJ official Instagram page, with a reach of **58,955**.
- Approached a popular Japanese morning TV program, “Mezamashi TV” to film on the island of Hawaii. Producers agreed to start filming in late March. The show will feature the various appeals of the island, along with the current status of Volcanoes National Park. The segment is set to air on April 13, with an estimated **reach of 7.5 million**.

#### **Hakken Hawaii (2019 New Promotion)**

- HTJ conducted **19 media calls** to introduce the new Hakken Hawaii promotion to increase media exposure throughout Japan. A total of **23 exposures, 605,249,223 impressions** and **\$96,156 ad value** were generated.
- A condensed video highlighting the contents at the press conference for the Hakken Hawaii press conference in January was created and dispersed via SNS platforms, attracting **72,036 views** in one month.
- Since the launch of the campaign, **18,315 consumers** participated in the Hakken Hawaii exam. Many of the consumers were very eager to learn about Hawaii, often retaking the exam if they were not able to get a passing score. Exam results were shared on **9,685 posts** on Instagram, **4,597 tweets** on Twitter and **2,617 posts** on Facebook.
- Provided materials on one of the Hakken Hawaii promotion’s main creatives, the Mauna Kea poster, to free paper LaniLani. Estimated reach for the creative from this is **450,000**.
- The 2019 Hakken Hawaii campaign incorporated numerous facts relating to the island of Hawaii to ensure effective promotion for the island from the overarching campaign.

#### **Aloha Program / Responsible Tourism**

- HTJ hosted a FAM tour for Hawaii Specialists in the travel trade industry on the island of Hawaii. **10 travel agents** from different satellite offices throughout Japan attended to learn about products on the island of Hawaii.
- Sites visited during the FAM tour included the Grand Naniloa, Imiloa Astronomy Center, Big Island Candies, Hawaiian Legacy Hardwood, Sheraton Kona and many other locations unrelated to Volcanoes National Park to raise awareness of the other opportunities on the island.
- A webinar highlighting the history of the battleship Missouri was held for Hawaii Specialist members. 126 people reserved to attend the webinar with **92 specialists** attending to deepen their knowledge of Hawaiian history.
- In efforts to continue strong growth of culturally aware visitors to Hawaii, a Hawaii Specialist Campaign was launched from February 10 – 26. The campaign aimed to increase intermediate and advance specialists.
- Through the campaign, the Aloha Program successfully attracted **148 members** to transition from regular membership status to specialists.
- Aloha Program delivered **2 email blasts** with an average click through rate of **7.94%**.
- Aloha Program site statistics: **Unique users at 21,481; Page Views at 216,731; Average Browse Time at 6:10**.
- Aloha Program members totaled 610 youth, 10,239 beginners, 5,257 intermediate and 6,396 advanced members for a total of **22,502 specialists**. (**Total of 37,861 Aloha Program Members**)

### **HTJ Certified “Konin” Product Campaign**

- Sales of the HTJ certified Kona Coffee product at **220** Tully’s Coffee retail outlets throughout Japan began on February 15. Throughout the participating outlets, **30,000** postcard sized informational materials were placed to help disperse information on the island of Hawaii.
- A tasting event for Japanese media was arranged with Tully’s Coffee, where HTJ explained about Kona coffee and the annual Kona Coffee Cultural Festival on February 7. **15 media** participated in the event and published **9 articles** as of February 20, leading to **121 exposures, 3,804,031,680 impressions** and **\$450,120 ad value**.
- A survey campaign is ongoing with the certified product campaign to acquire consumer data. To encourage consumer participation, round trip tickets to the island of Hawaii are being offered as a prize.

### **Travel Trade**

- HTJ joined a special sub-committee working to promote Hawaii. Discussions focused on what is necessary to revitalize popularity for the island of Hawaii. Key level executives from the top wholesalers and airlines serving Hawaii were present and discussed market conditions and strategies. The sub-committee stressed the importance of segmenting promotions, placing high value on the senior and family markets.
- The annual Three City Seminar & Workshop’s third day in Tokyo was held on 2/1. Throughout the three cities, a total of **816 participants** and support from **68 representatives** from **40 suppliers** in Hawaii were received. While effectively conveying HTJ’s 2019 major marketing initiatives, the local partners from Hawaii and the Japanese partners including planners and agents from retail outlets were able to extensively exchange information.
- ANA Sales and HTJ together held a seminar for general consumers from 2/22 – 2/24. Themes were changed for each of the three days as follows: Photogenic Hawaii, Historic Hawaii and Latest Updates on Hawaii. Over **200 consumers** attended over the three days and showed positive responses. Effectiveness will continue to be monitored.

### **Public Relations**

- HTJ generated a total of **52 exposures, 4,292,225,078 impressions** and **\$3,714,590 ad value** in February.
- Continued work with various media to share information and images relating to golf, sustainable tourism initiatives and activities/restaurants for romance visitors to enjoy.
- Preparations for a media specific newsletter which will focus on the neighbor islands continued to be issued in April.

**Sales Activities** – HTJ conducted **17 sales calls** and met with **47 agents** to promote Hawaii.

#### **Wholesaler Performance**

- Wholesalers report quarter 1 performance to be at roughly 90%, while products for the island of Hawaii remain lower.
- Second quarter performance has been reported to be stronger at 100 – 110%, with products for the island of Hawaii beginning to gain attention. Stronger performance is attributed to the extended Golden Week holidays.
- Wholesalers speculate that the lackluster performance in the first quarter is caused by the rise in fuel surcharge rates to 22,000 yen, along with consumers refraining from traveling until the extended holidays.
- Sales for the Golden Week period alone have been exceptionally strong with wholesalers reporting 120 – 150% growth in sales against the 2018 holidays. 12 charter flights being arranged is also contributing greatly to growth.

Island of Hawaii Market

- The Japanese travel trade industry has been observing gradual recovery, with sales reaching 70 – 80% vs 2018.
- Hawaiian Airlines expressed numbers to be returning for the direct flight service to Kona. Stronger performance of the travel agents is contributing heavily to the revitalization as agents have shown tendencies to utilize Hawaiian Airlines in products.
- Japan Airlines continues to struggle in reobtaining the market on their direct flight service to Kona. With higher price points in comparison to Hawaiian Airlines, agents have found it more difficult to utilize this service.

Osaka Market

- With JTB set to begin the Global Destination Campaign for Hawaii, the Japanese travel trade industry has been greatly strengthening efforts for Hawaii.
- JTB in particular has been aggressively promoting Hawaii, becoming price leaders within the market. This is prompting other wholesalers to also lower prices, creating price wars between the travel agencies.
- Air Asia X has secured strong shares of the Kansai market through the second quarter. With roughly 60% of seats already filled on all flights, they expect strong load factors to continue for most flights in the second quarter.

Honolulu Office Activities

- The HTJ sales team in Hawaii conducted sales calls to several wholesalers to learn about booking pace relative to the extended Golden Week holidays. Wholesalers overall reported strong demand for the holidays.
- Booking pace for products utilizing charter flights, including those from regional cities have been performing exceptionally well with some being very close to being sold out.
- The travel agents expressed the withdrawal of Delta Air Lines from the Fukuoka market providing a difficult hurdle to overcome to promote travels to Hawaii from Fukuoka.

Partner Relations

- HTJ conducted the quarterly local partners meetings for the Japan sub-committee, attraction partners and PR/marketing partners on February 6. HTJ shared on current market trends, future airlift dynamics, and major marketing initiatives for 2019. **24 partners** attended the quarterly meetings.
- Individual meetings were held with **8 partners** in Hawaii, including JCB International, Atlantis Adventures, Halekulani/Halepuna, Queen Kapiolani Hotel, International Market Place and other entities to discuss product development ideas for the Japanese market, marketing initiatives, and various market specific updates.

Island Chapters Engagement Update

- IHVB: Worked with IHVB to create the itinerary for the Hawaii Specialist FAM Tour

“COMING ATTRACTIONS” FOR LEISURE MARKET

#	Event Name	Date	Location
1	JALPAK Seminar	3/17 & 3/24	Tokyo & Chiba
2	HIS Neighbor Island Seminar	3/22 – 3/25	Osaka
3	JTB Sales Staff Seminar	3/28	Tokyo

## **Hawai'i Tourism Canada Monthly Marketing Report February 2019**

### **Leisure**

#### **SUMMARY OF MARKET INTELLIGENCE/MARKET CONDITIONS**

Currently there is some instability and uncertainty in the Canadian economy. That said, economists seem to disagree as to whether this is short or longer term. The uncertainty is contributing to reduced consumer confidence which impacts outbound travel. While the exchange rate is currently slightly above \$0.75, there is some volatility that contributes to traveler's considerations.

Key Canadian Vacation travel partners are still seeing a soft Q1 for bookings, but improvement on the horizon.

As the strategy for Canada further prioritizes HVTs vs. just a total visitor metric, HTCAN will continue to closely monitor the spend metrics.

#### **Economy**

Positive (and unexpected) job market news in that the Canadian economy added 55,900 new jobs in February, making the two-month streak of healthy increases, the strongest start to a year since 1981. Unfortunately, the job results are seen as a bright-spot, as stress in the oil sector, weakening housing markets, volatility in global financial markets and waning consumer and business confidence, paint a challenging picture overall.

Canada's statistics agency reported the nation's economy grew by 0.1% in the final 3 months of 2018. Most economists expect the sluggishness to persist in the first 6 months of 2019, before growth picks up later in 2019.

Economists are now predicting overall economic growth is expected to come down from close to 2% in 2018 to 1.6% in 2019 with the exchange rate staying in the 73 – 76 US range for the foreseeable future.

#### **Consumer Confidence**

The national consumer confidence rating was 111.5 points in February, a slight decrease compared to one year ago (-0.5), but a 1.8-point increase compared to January 2019. Notwithstanding this overall increase, consumer confidence recorded month-over-month declines in Ontario, Manitoba/Saskatchewan, and BC. At the same time, the overall attitude regarding purchase intentions was up 0.8 points compared to February 2018 and up 1.5 points from January 2019.

#### **Outbound Travel Market & Competitive Environment**

##### **Total Canadian Outbound Travel**

Canadians made 33.4 million overnight trips to the U.S. and other outbound destinations in 2018, an increase of 2.2 percent compared to 2017. Of this total, an estimated 24.4 million trips were for leisure purposes. Throughout the year, overseas leisure trips increased an estimated 2.2 per cent and travel to the U.S. grew 2.6 percent. The first two months of the winter travel season (Nov-Dec) recorded 4.8 million overnight outbound trips, 2.4 percent more than the same period in 2017-18.

### **Canadian Travel to the United States**

Canadians took an estimated 21.0 million overnight trips to the U.S. in 2018, compared to 20.4 million in 2017.

After recording year-over-year declines every month from August-November, cross-border auto traffic accounted for 52 per cent of activity throughout the year. Up until 2015, when more direct capacity was made available, and the Canadian Dollar's value started to decline, this proportion was 60 per cent. In 2018, the Canadian dollar averaged 77.2 cents USD. This was the same exchange rate as in 2017, however all of the gains experienced at the beginning of the year were countered by a drop in value every month from June through December.

### **Canadian Travel to the Caribbean, Mexico, and Central America**

There were more than 5.3 million Canadian arrivals in destinations in Mexico, the Caribbean, and Central America in 2018, an increase of 4.6 per cent compared to 2017. Throughout the year, the largest proportional increases were recorded in Antigua and Belize—destinations where new direct flights from Canada were recently introduced. Of the larger volume destinations, arrivals in Mexico grew 8.6 per cent in 2018, while the Dominican Republic recorded an increase of 8.0 per cent. In contrast, travel to Cuba declined -2.2 per cent—the third annual consecutive decline. Mexico and the Dominican Republic accounted for 56.9 per cent of activity in the region in 2018; this proportion was 50.2 per cent just three years ago (2015).

### **Canadian Travel to Europe**

There were almost 6.0 million Canadian arrivals in European destinations in 2018 (based on reporting by 26 countries). This represents an increase of 6.1 per cent compared to the previous year.

Throughout the year, Eastern European destinations, such as Slovenia, Turkey, Croatia, and Poland, recorded some of the largest proportional increases in Canadian visitors. The first two months of the winter travel season saw 535,000 Canadian arrivals in various European destinations, compared to 545,000 during the same period in 2017-18. The largest year-over-year change was in Spain, where there were -38.1 per cent fewer visitors than the previous year.

### **Canadian Travel to Asia and the South Pacific**

There were more than 3.5 million Canadian arrivals in key destinations in the Asia/Pacific region throughout 2018, a 5.8 per cent increase compared to the previous year. During the year, destinations in the South Pacific, including Malaysia, Singapore, Sri Lanka, and the Philippines, recorded the largest proportional increases in arrivals. The largest volume destination—China—saw an estimated 753,000 Canadian arrivals in 2018, a similar volume as 2017.

### **Travel Trends**

- Compared to 2018, visits to O'ahu grew 2.2% while visits to Hawai'i fell -4.7%.
- Prior to Kilauea's eruption, visits to Hawai'i were up 5.6%, however Jun-Dec saw activity decline by 9.7% compared to 2017.
- Visits to Maui also decreased during the month (-3.4%) but still accounted for about four-in-ten visits, a similar proportion as previous years.

Canadian Visits by Island (Jan each year)			
	2018	2019	% change
O'ahu	25,678	26,250	2.2%
Kaua'i	10,738	10,671	-0.6%
Maui	35,285	34,101	-3.4%
Moloka'i	563	485	-13.9%
Lāna'i	859	946	10.1%
Hawai'i	14,942	14,246	-4.7%
<b>TOTAL</b>	<b>88,065</b>	<b>86,699</b>	<b>-1.6%</b>

*Note: As visits to more than one island can be made during a single trip, the number of visits by island adds up to more than the overall number of visits made to Hawaii.*

**Airlift**

- Air Canada and WestJet offered almost 489,000 direct seats to Hawai'i in 2018; an annual increase of 5.6%.
- Continuing this upward trend, more than 529,000 direct seats are currently being reported for 2019.
- In January 2019, both Air Canada (14.8%) WestJet (8.6%) offered more direct seats than in January 2018.
- Air Canada's overall increase in capacity notwithstanding, the carrier offered fewer direct seats from both Calgary and Toronto during the month, increasing service from Vancouver instead.

Number of Direct Seats by City			
January 2018	Air Canada	WestJet	Total
Calgary	3,666	6,812	10,478
Edmonton		2,358	2,358
Toronto	1,128		1,128
Vancouver	19,740	31,248	50,988
<b>Total</b>	<b>24,534</b>	<b>40,418</b>	<b>64,952</b>
January 2019	Air Canada	WestJet	Total
Calgary	2,704	8,634	11,338
Edmonton	--	2,358	2,358
Toronto	624	--	624
Vancouver	24,843	32,886	57,729
<b>Total</b>	<b>28,171</b>	<b>43,878</b>	<b>72,049</b>
% change	Air Canada	WestJet	Total
Calgary	-26.2%	26.7%	8.2%
Edmonton	--	0.0%	0.0%
Toronto	-44.7%	--	-44.7%
Vancouver	25.9%	5.2%	13.2%
<b>Total</b>	<b>14.8%</b>	<b>8.6%</b>	<b>10.9%</b>

Source: CHG, US #15

## **LEISURE ACTIVITIES**

### **Consumer**

February was one of the extensive months for television activity for 2019. While the 30-second commercials have been running, HTCAN has seen a significant increase in the volume of Vacation Planner requests. Social media activity has been ongoing for Twitter, Instagram, and Facebook.

### **Travel Trade**

- Extensive planning and communication to arrange the TripCentral Top Performer Maui FAM with island partners and TripCentral
- Preparations for Spring Travel Agent shows for TravelBrands and WestJet Vacations are ongoing
- An adjusted vision for October's Aloha Canada events is being discussed

### **Public Relations**

- 2019 to date: 23 media calls have been made, 4 journalists have travelled via HTCAN, with **72 total articles published online and print as a result of HTCAN's media relations endeavors.**
  - o **5 articles published in print for the month of February with 38 online**; appearing in top-tier daily newspapers, travel-trade publications, and online news hubs.
  - o Canada's largest newspaper network, Sun Media, had a feature on Kaua'i appear across all of their newspapers, which was a result of an individual familiarization trip in fall 2018.
  - o enRoute Magazine (the Air Canada inflight publication) featured The Island of Hawai'i on a cover and feature piece; this as a result of pitching to the publication and working with a writer and photography team in Q4 2018.
  - o Group Media FAMs from 2018 are still producing pieces across Sun Media as well as in the key target markets of travel-trade and British Columbia.
- After hitting our largest month of coverage ever with HTCAN, we have opted to significantly increase our KPIs for Online Coverage from 25,000,000 to 40,000,000 impressions for 2019.
- HTCAN coordinated a cover shoot with enRoute Magazine (Air Canada's magazine) for in late 2018; this appeared in their most recent issue (and one of Canada's most read publications).
- HTCAN coordinating a number of individual FAMs with top-tier consumer and trade publications in key markets; this is ongoing, while determining dates, themes, and itinerary with island chapters in O'ahu, The Island of Hawai'i, and Maui.
- Determining 2019 group media FAM and what islands to promote; current outlook is late summer/early fall 2019 under the theme of outdoor adventure + culture on the Island of Hawai'i and Kaua'i.

### **Sales Activities**

#### **Weddings by Escapes, Vancouver, BC – Jason Mills, Business Development Manager**

- Fully committed to promoting Hawai'i and Hawaiian weddings; they are the first Canadian retailer to include pre-packaged wedding options for Hawai'i on their website

#### **Island of Hawai'i Trade FAM (Dec 2 to 8, 2018) Follow-Up**

- Follow-up of participants' sales and marketing initiatives since returning from the FAM

- All commented that the FAM increased their confidence in promoting and selling the island of Hawaii

**Expedia CruiseShipCenters**, Don Mills, ON – Renee Siao, Cruise & Vacation Consultant

- Island of Hawai'i FAM participant feedback - Renee is working on a group of 50+ guests for next year's 'Ohana Hula Hawai'i Tour; July 16-19 staying at Kaua'i Shores and July 19 to 25 at Courtyard Marriott Waikiki
- Sixteen cabins for Royal Caribbean Ovation of the Seas from Vancouver to Hawai'i in Sept 2020, hosted by Renee; she will begin marketing the cruise March 2019
- 5th Annual AlohaFest on Saturday, July 27; Expedia CruiseShipCenters will be promoting Hawai'i

**Edmonton Travel**, Edmonton, AB – Lea-Ann Burant, Senior Travel Consultant

- Island of Hawai'i FAM participant feedback - Three people I have in Maui are booked at the Hyatt Regency for 41 nights with multiple family members also staying for 2 to 3-week periods, 7 rooms in total

**“COMING ATTRACTIONS” FOR LEISURE MARKET**

- **TravelBrands Tradeshows – April 9 & 10, Edmonton & Vancouver**
- **WestJet Expos – April 29 to May 2, Vancouver, Langley, Edmonton, Calgary**
- **WestJet Campus Tradeshows – May 2, Calgary**

## Hawai'i Tourism Oceania Monthly Marketing Report February 2019

### Leisure

#### SUMMARY OF MARKET INTELLIGENCE/ MARKET CONDITIONS

##### Economy

###### **Australia:**

Economic indicators are giving mixed signals on the performance of the economy at the start of 2019. This follows a fourth quarter during which international trade appears to have supported growth, counterbalancing soft domestic demand. Australian bank shares soared in early February, following the release of a report on finance-sector misconduct, which essentially backed the existing structure of the banking system. The Australian dollar traded at an average of US\$0.71, a decline from January. GDP sits at 3.3% and is up 0.5% compared to the beginning of 2018.

###### **New Zealand:**

The main economic news is that a Tax Working Group has recommended the Government adopt a Capital Gains Tax which would bring in more than \$8 billion of revenue over the next five years. A top economist says a capital gains tax would lead to higher living standards for Kiwis, but is warning it would also slow the economy in the short term. Meanwhile the currency continues to maintain stable levels around US\$0.67.

#### Outbound Travel Market & Competitive Environment

##### **Australia:**

Short-term resident returns to Australia during December 2018 increased 0.5% when compared with November 2018. In December 2018, short-term resident returns were 6.4% higher than in December 2017, indicating a strong increase in international travel for 2018. Travel to Indonesia has soared 20% in the 12 months to December 2018, reflecting the popularity of destinations such as Bali and Java for Australian tourists. The top five destinations for departures with increases year on year were: Indonesia (+20.8%); Japan (+9.9%); India (+9.8%); China (+6.8%); and UK (+6.7%).

Source: ABS

##### **New Zealand:**

The number of New Zealand residents returning from an overseas trip in December 2018 was up 7,200 from December 2017 to 174,300. The biggest changes were in arrivals from: Australia (up 3,600); Indonesia (up 1,200); UK (up 700); and Cook Islands (up 700). 2018 was a record year for Kiwi overseas travel – exceeding 3 million departures for the first time (up 6%).

Source: Statistics New Zealand

#### Travel Trends

New tech company, Klook enters the Australian market to change the way travelers book experiences. Founded in 2014, the platform hosts popular attractions, tours, local transportation, connectivity (WiFi, SIM cards), best foods, and unique experiences around the world on its website and award-winning app. Across the website and the app, Klook receives over 20 million visits to the site per month and has over 5 million reviews for consumers to read and digest before choosing an activity, tour, experience or attraction booking.

Webjet has recorded substantial growth in first half of 2019 financial year, following the acquisition of JacTravel and Destinations of the World. The company's underlying net profit was \$31 million for the six months to December 31, 2018 – up 59% on the prior corresponding period. Webjet's revenue soared 28% to \$168.4 million, and its total transaction value (TTV) jumped 24% to just under \$1.8 billion.

A recent report in NZ publication Travel Today has revealed that more Kiwi millennials are moving away from the trend of traveling on a tight budget, and leaning towards exclusive, shareable and unique experiences instead, industry commentators say. Commentators within the industry are saying millennial travelers have different priorities compared to previous generations. "Buying a house isn't at the top of their list, but buying experiences is."

### Airlift

Air Canada has announced that they will begin flying direct to Auckland from Vancouver over the NZ summer, commencing at the end of 2019. This airlift will be targeting the Canada ski season and also outbound Canada, and may have some impact on Hawai'i stopover patterns.

## LEISURE ACTIVITIES

### Consumer

- **"Infinite Experiences" Multi-island Brand Campaign (Feb 12 – April):** HTO has launched a consumer direct brand campaign to inspire and inform the consumer on the experiential offerings on the Hawaiian Islands. HTO produced five 15 and 30 second videos on Kaua'i, O'ahu, Maui, the Island of Hawai'i and one general video featuring all the islands. These videos will be promoted via paid/organic social, blog content and e-newsletter. There will be a spotlight on each island at different times during the campaign, with social media content, blog articles, and e-newsletter to our consumer database and advertising aligning with this spotlight. The campaign launched with Kaua'i and is now highlighting the Island of Hawai'i.
- **New Instagram TV:** HTO has launched a new Instagram TV channel on @gohawaiiiau releasing the new videos 'Infinite Experiences' campaign. Link to the New IG TV Channel: <https://www.instagram.com/gohawaiiiau/channel/>
- **Flight Centre Co-op campaign (Feb 14-27):** HTO and Flight Centre in conjunction with Hawaiian Airlines and Norwegian Cruise Lines launched an integrated multi-island co-op campaign. This multi-channel campaign was promoted across broadcast, digital, POS, direct, OOH channels and activations with advertising exposure worth over \$420K.
- **Flight Centre Expos World Travel Expos:** The annual World Travel Expos (by Flight Centre) are consumer expos we attended throughout the month of February. HTO attended the major cities – Sydney, Melbourne, Brisbane and Auckland. With an estimated 20,000 registered attendees at each show.
- **Sydney Kings Hawaii Game Day (Feb 8):** HTO in partnership with the Sydney Kings launched a Hawai'i game day activation. The Hawai'i themed activation included a competition encouraging fans to dress up in aloha wear. There was prize giveaways and Hawai'i themed entertainment and promo items.

### Travel Trade

- **HTO Ohana Industry Update (Feb 17):** HTO Australia held its annual "Ohana Industry Update", inviting key industry partners and media to attend a lunch event and presented the

latest HTA statistics, our newest research and HTO strategic direction for this year. We saw representation from 60 key partners across our local travel industry.

- **Flight Centre Hawaii Incentive (Feb 14-27):** As part of the FC National Co-operative campaign and in alignment with the Flight Centre World Travel Expos, HTO partnered with Flight Centre and Hawaiian Airlines Flight Centre famil/sales incentive to encourage agents to sell trips to Hawai'i. Selected agents will be the top sellers during the campaign only and required to complete our training videos submitted to their online platform, Compass. This famil will be hosted at the end of March and hero Kaua'i.
- **Visit USA Expos (Feb 18-20):** HTO also attended Visit USA Expos held in Melbourne, Brisbane and Sydney. There were 700 agents across 3 events. HTO also attended the annual B2B event taking individual meetings and networking with 25+ buyers.
- **Brand USA Expos:** In New Zealand the comparative expos are run by Brand USA, with events in Wellington and Auckland. The shows provided an opportunity to have presence and interaction with the travel agency attendees.

### Public Relations

- **Sunday Night Takeaway:** The premier of Australia's Sunday Night Takeaway took place on Sunday February 24 in front of a live studio audience. The show was a success, with nearly half a million viewers tuning in to the first episode. The segment on Hawai'i took about seven minutes within the ninety-minute show and included a personalized plane branded with "The Hawaiian Islands" logo, authentic Hula dancers and lei for the television hosts. HTO worked with Outrigger Hotels and Kualoa Ranch to put together prizes for the show and each of these partners was given significant broadcast coverage as well.
- **International Media Marketplace:** HTO attended International Media Marketplace (IMM), a networking event created by TravMedia to bring public relations representatives and journalists together. The day includes a networking lunch and cocktail function after 25 scheduled meetings with various journalists and media. On the day, HTO was informed by organizers that we were the most-requested appointment out of 150 exhibitors.
- **Mumbrella Travel Awards:** HTO was shortlisted for "Social Idea of the Year" for last year's Aloha Apprentice digital campaign that celebrated Hawaiian culture. The Mumbrella Travel Awards will take place in mid-April 2019.

### Sales Activities

The HTO Team has met with key partners during the month, to plan 2019 campaign and PR activities.

#### "COMING ATTRACTIONS" FOR LEISURE MARKET

- Ignite (My Hawaii) Cooperative campaign – March-April 2019
- SeaCleaners Hawaii – Hawaii youth leaders visit to Auckland – March 2019
- Excite Month of Lei Co-op Campaign – May
- Helloworld coop campaign - May
- Month of May / Month of Lei. Various activities including IC agent seminars – May 2019
- Travel Associates Maui Famil - May

## Hawai'i Tourism China Monthly Marketing Report February 2019

### SUMMARY OF MARKET INTELLIGENCE/ MARKET CONDITION

#### Economy

##### a) China Mainland

- **GDP:** China's GDP grew by 6.6% year-on-year in 2018, on par with government forecasts.
- **Currency:** In February, market sentiments showed an optimistic turn as Chinese Yuan appreciated to 6.8 per USD in light of positive trade negotiations between the U.S. and China.
- **Unemployment rate:** Unemployment rate in China decreased to 3.80% in Q4 2018, reaching a record low since 2002.
- **Consumer confidence:** Consumer confidence in China increased in Q4, standing at 122.1 Index Points from 118.6 in Q3. Confidence index scoring over 100 points showed that Chinese consumers are optimistic about the present and future economic trends.

##### b) Hong Kong

- **Economy:** Hong Kong's economy expanded by 1.3% year-on-year in Q4 2018, after the growth of 2.8% in the preceding quarter.
- **Currency:** Hong Kong dollar and U.S. dollar maintained the exchange rate of 7.85 HKD per USD.
- **Unemployment rate:** The seasonally adjusted unemployment rate stood at 2.8% as of January 2019, the lowest level in more than 20 years.
- **Consumer prices:** Overall consumer prices rose by 2.4% in January 2019 year-on-year, dipping slightly compared to the 2.5% in December 2018.

#### Outbound Travel Market

##### a) China Mainland

- China overtook the U.S. to become the largest source market for international travel in 2014 and China's outbound visits are projected to climb 11% this year, reaching over 166 million.
- According to Ministry of Culture and Tourism of China, 7.22 million Chinese travel abroad during the Chinese New Year holiday. Skyscanner and Ctrip both reported that Beijing, Shanghai, Guangzhou, Shenzhen and Chengdu are the top departure ports for outbound tourism.

##### b) Hong Kong

- Hong Kong citizens made 92.21 million departures in 2018, averaging 12.4 departures per person. Total revenue of outbound package tours in the year grew 8.1%. A survey found 23% of its

respondents listing overseas vacation as the largest spending of their salary, excluding rent or mortgage.

## **Consumer Trends**

### **a) China Mainland**

- Alipay is accepted in over 40 overseas traveling destinations during 2019 Chinese New Year as reported by Alibaba. Middle-aged travelers are catching up with the millennials in terms of mobile payment usage; Alipay app downloads have doubled as total consumption in this age group increased 2.5 times year-on-year.
- The total value of transactions made through UnionPay, the biggest Chinese bank card provider, during 2019 Chinese New Year holiday exceeded RMB 1 trillion (USD 147.3 billion) for the first time. The tally reached RMB 1.16 trillion (USD 171 billion) during the one-week holiday period that ended on February 10, a 71% increase from last year according to Shanghai-based financial media firm, Yicai Global.

### **b) Hong Kong**

- AlipayHK smart payment popularity index increased by 8.3 points while user's acceptance level index increased by 10.4 points, indicating that Hong Kong consumers and vendors are transitioning towards smart payments. Smart payments availability has expanded to integrated aspects of living such as transportation and paying bills for added convenience of consumers.

## **Travel Trends**

### **a) China Mainland**

- OpenJaw Technologies, an IT and services global leader to the travel industry, stated that the expanding global aviation industry and the emergence of China's middle class are rapidly shifting Chinese travelers' preferences towards long-haul travel, luxurious accommodation and upscale shopping. Chinese travelers are also ranked among the top spenders on a per-trip basis.
- Chinese travelers are purchasing travel insurance at rates higher than ever, according to Ctrip. The number of Chinese holidaymakers buying travel cover for their outbound trips grew by 20% in 2018 compared to the year before, a trend driven mainly by an increasing number of elderly traveling, more affordable exotic vacation options, and travelers packing valuable gadgets for the trip.

### **b) Hong Kong**

- Mastercard's recent survey revealed that Hong Kongers' sentimental spending during Valentine's Day rose 62% over the past 3 years, the highest growth rate among the Asia market. Outbound travel increased 205% in 2018 and 23% of couples' expenses were spent on the romantic vacation.

## **Airlift**

### **a) China Mainland**

- According to the *Greater Bay Area Development Plan* released by Chinese government in February, the next most significant step is to upgrade the 5 airports and respective air routes in the bay area (Hong Kong, Macao, Shenzhen, Guangzhou, and Zhuhai). The plan also emphasized developing air routes between Guangzhou and North American to increase convenience for South China visitors traveling to the U.S.
- Flight validation tests had started at New Beijing Daxing International Airport as it gets ready to open doors in September. Beijing is also going to construct new intercity rails connecting the airport to Beijing, Hebei and Tianjin for higher accessibility.

### **b) Hong Kong**

- Hong Kong Airlines will suspend flights to Auckland from May 22, turning to focus on more profitable Asian destinations such as Japan, Thailand and Vietnam.

## **LEISURE ACTIVITIES**

### **Consumer**

#### **a) China Mainland**

##### **Marketing Initiatives – Diamond of Islands – Up Close Personal Hawai'i**

To position The Hawaiian Islands as the 'diamond' of all islands and the ideal destination to 'seize the moment' for Chinese YOLOs and affluent travelers, HTC collaborated with The Beast, a creative luxury lifestyle brand to launch "Diamond of Islands – Up Close & Personal Hawai'i" initiative on Weibo and Miaopai - leading online short-video platform with 42 million daily users.

20 Beast offline branded shops were decorated with Hawai'i style backdrops. These luxury stores were located in the high-traffic shopping centers in 8 cities including Beijing, Shanghai, Guangzhou, Chengdu, Hangzhou, Shenzhen, Nanjing and Chongqing. Couples were encouraged to participate in the mini-video contest with their romantic and fun-loving moments at these Beast shops.

This mini-video contest attracted over 300 couples to submit their loving moments. The initiative generated over 1.37 million page views through Weibo, Miaopai and The Beast App.

#### **b) Hong Kong**

NIL

### **Travel Trade**

#### **a) China Mainland**

##### **HTC Attended 2018 Champion Holiday Chengdu Roadshow**

Targeting the Southwest China market, HTC worked together with Champion Holiday to showcase Hawai'i's unique appeal. HTC introduced Hawai'i's beautiful landscapes and breathtaking experiences of whale watching through professional videos and photos. A lucky winner also walked away with a specially

prepared Ukulele in the lucky draw session. This roadshow attracted 300 agencies from Chengdu, Mianyang, Deyang and Yibin.

### **HTC Cooperated with Tongcheng to Promote New Travel Product in GITF**

HTC cooperated with Tongcheng to promote their new FIT product – 8D6N Mono-Hawai'i Tour – during Guangzhou International Travel Fair from February 21 to 23. Tongcheng delivered 10,000 leaflets to audiences as well as showcased Hawai'i Statewide video through the booth's LED screen, reaching over 150,000 visitors at the fair.

### **HTC Attend AITS B2B Roadshow in Jiangsu and Zhejiang Province**

To broaden sales distribution channels, HTC attended AITS B2B Roadshow in Hangzhou on February 20. Together with an all-year promotion rate from China Eastern Airlines, 4 new Mono-Hawai'i packages were introduced to over 100 agents from 35 travel agencies. The products are estimated to bring 1,500 travelers from Zhejiang Province to the Hawaiian Islands.

### **b) Hong Kong**

#### **Chinese New Year Celebration with Trade Partners**

To celebrate the Year of the Boar and strengthened relationships with industry partners, HTC-HK participated in many celebration events, meeting with over 30 trade agents and industry partners.

### **Public Relations**

#### **a) China Mainland**

#### **Press Release – A Guide to Hawai'i Restaurants by Renowned Chefs**

To engage more travel enthusiasts for the annual Hawai'i Food and Wine Festival (HFWF) and promote the unique Hawaiian cuisine, HTC released an article to introduce the founders of HFWF Chef Alan Wong and Chef Roy Yamaguchi. Following the theme of healthy and organic Hawaiian cuisine, Hawai'i restaurants such as Alan Wong's Restaurant, Roy's Restaurant, Fish House, Sam Choy's Kai Lanai and Haliimaile General Store were recommended.

The press release was featured in Chinaluxus and other 8 lifestyle and travel media, outreaching over 1.8 million impressions and a total PR value of USD 178,000.

#### **Media Highlight – *Eastern Mall* 12 Pages featured The Hawaiian Islands**

China Eastern Airlines inflight magazine *Eastern Mall* recently launched an advertorial to introduce the breathtaking sceneries on O'ahu, Maui and Island of Hawai'i. Hawai'i Volcanoes National Park, Rainbow Falls, 'Akaka Falls, and Mauna Kea Summit Star Gazing, Haleakala National Park, Hāna Road Self-driving are some of the highly recommended spots. It also highlighted popular local restaurants such as Uncle Robert's 'Awa Bar and Farmers Market, Mill House.

The publication was estimated to reach 350,000 passengers with USD 688,000 PR Value.

#### **Media Highlight – *Traveler* 4 Pages Article featured Lāna'i**

*Traveler*, China's leading travel magazine with 340,000 circulations, published a 4-page article about Lāna'i Island. This article introduced a variety of outdoor activities in Hawai'i, including trekking along Hulopoe Bay, UTV, shooting and horse riding. Nobu Lāna'i and Blue Ginger Restaurants were also featured.

**Social Media Highlight – #DiamondofIslands# Chinese Spring Festival Campaign**

HTC initiated a Chinese Spring Festival social media campaign to ignite travelers' interests in sharing photos and videos of their Hawai'i trip on social media platforms Weibo and WeChat. Family-friendly attractions in Hawai'i like Waikīkī, Kualoa Ranch, the Hawai'i Volcanoes National Park, Kaimu Beach Park, Allerton Garden and Haleakalā National Park were highly popular among participants. This activity has successfully generated over **10 million page views** and **2,000 engagements**.

**b) Hong Kong**

**Marketing Initiatives – The Awe-inspiring nature media FAM**

To boost eco-tourism of Hawai'i and increase sensitization towards environmental conservation, HTC-HK partnered with the most watched TV channel in Hong Kong, TVB. Featuring 2 up-and-coming celebrities as hosts, the 9D8N media shooting took place from February 25th to March 5th, 2019, with local partners including hotels and attractions involved. The 2 episodes program (30 minutes each) has over 9 million reach for Hong Kong and overseas Chinese audience in major Asian markets. The tentative broadcast dates are March 23 and 30, 2019.

**COMING ATTRACTIONS**

**China & Hong Kong SAR**

No	Event Name	Date	Location
1	Diamond of Islands - Olympic Dreams Hawai'i	Mar, 2019	China
2	Korean Air: Let's Say Aloha	Mar, 2019	China
3	2019 Camp Aloha! China Trade Mission	Apr 15 - 19, 2019	Beijing, Chengdu, Shenzhen
4	The Awe-inspiring Trade Education FAM	Apr, 2019	O'ahu and Island of Hawai'i

## Hawai'i Tourism Korea Monthly Marketing Report February 2019

### Leisure

#### **SUMMARY OF MARKET INTELLIGENCE/MARKET CONDITIONS**

- South Korea's traditional travel agencies faced hardship in 2018 as they failed – or refused to – follow consumer preferences toward non-packaged travel, online and mobile bookings, and online travel agencies and new travel start-ups. Fifty-nine percent of South Korea's outbound travelers were FITs in the first half of 2018, according to a report, Travel Industry Lab and Consumer Insight, by Sejong University. Online travel agencies took as much as 70% share of international accommodation bookings, the report said.
- In terms of market conditions, South Korean airlines announced on February 19 they would lift fuel surcharges on international routes for March to reflect rising oil prices. The carriers currently charge fuel surcharges of up to 19,200 won (\$17) for one-way travel tickets on long-haul routes. The one-way travel fuel surcharge on international routes will rise to 34,800 won starting in March, airline officials said. Fuel surcharges imposed on customers increase every time the average jet fuel price on the Singapore exchange rises by \$1.50 per gallon. If prices fall under 150 cents a gallon, they don't collect surcharges.

#### **ECONOMY**

- South Korea's current account surplus for December shrank to its smallest in eight months as exports weakened on reduced memory chip demand. This has raised concerns about a snap in the surplus streak that had extended to 21 reporting periods in 2018. Preliminary balance of payments data released by Bank of Korea on February 13 showed the nation's current account surplus had narrowed to \$4.82 billion in December from \$5.22 billion in November. The surplus had been maintained since May 2012 but has been at its smallest since April last year. The surplus in goods accounts was \$6.53 billion, the lowest since February last year. This was due to exports falling to \$49.57 billion in December from \$51.72 billion a month earlier, registering the first year-on-year fall (1.4%) in three months.
- Rapid increases in debt among self-employed individuals in South Korea have raised alarms about a weakening in the sector that makes up around a quarter of the work force. Outstanding bank loans held by self-employed people stood at 432.21 trillion won (\$384.2 billion) at end of 2018, up 13.69% from 380.15 trillion won the previous year. The figure has soared 44.9% over the past three years from 298.11 trillion won in late 2015, according to data submitted by rating agency NICE Information Service to a Democratic Party lawmaker on February 17.
- South Korea's household income inequality hit a record high in the fourth quarter of 2018, government data showed, prompting officials to step up efforts to implement measures to support low-income people. An average household earned 4.6 million won (\$4,000) per month in the October-December period, up 3.6% from the previous year, according to Statistics Korea data. The monthly average income of the bottom 20% income bracket dropped 17.7% year-on-year to 1.23 million won. This was due mainly to a sharp decline in the number of people employed and an increased number of households with a head aged 70 years or older.

#### **OUTBOUND TRAVEL MARKET & COMPETITIVE ENVIRONMENT**

- Korea Tourism Organization (KTO) reported the number of Korean outbound travelers in January 2019 was 2,912,331, a year-on-year increase of 1.5%. In regard to the top 20 outbound destinations for Korean travelers in 2018, the U.S. was the only long-haul destination, defeating competitive European countries according to KTO survey. Total number of Korean outbound trips the U.S. in 2018 would be the same of dropped 1% slightly to 2,335,000 pax compared to

2017, due to natural disaster issues happened last year in the states such as Hawai'i's volcano eruption and California's wildfire, which considerably impacted on both major destination's tourism industry.

### **CONSUMER TRENDS**

- Led by transformations in sales channels and customer demand, South Korean consumer trends for 2019 will center on subscription e-commerce, faster delivery and eco-packaging, according to market experts. Subscription e-commerce, a field of business that involves curating products and delivering them on a regular basis, has been gaining in popularity because it meets needs for tailored services, value and convenience. Industry data indicates subscriber-based businesses are undergoing an explosive expansion, having grown globally from 241 trillion won in 2000 to 470 trillion won in 2015. Industry experts expect that number to surpass 594 trillion won by 2020.
- Direct purchases by South Korean's from foreign countries rose 31% in 2018 from a year earlier due to increased consumer demand for cheaper and higher quality products, customs data showed on February 25. South Korean shoppers bought US\$2.75 billion worth of foreign goods directly via overseas Internet shopping malls in 2018, compared with \$2.11 billion a year earlier, according to Korean Customs Service. The number of overseas direct purchases jumped 37% year-on-year to 32.25 million transactions over the same period, the data showed.

### **TRAVEL TRENDS**

- Overseas spending by South Koreans reached a new record high last year as international travel becomes an increasingly common way to take holidays. Bank of Korea data released on February 20 showed Koreans spent \$31.97 billion overseas last year for travel or study, the largest amount since records were started in 2006. However, travel expenditure grew just 0.9% year-on-year, the slowest pace since 2009 during the global financial crisis. This compares with an 8.3% increase in the number of Korean outbound travelers, meaning that more people went overseas last year than the previous year, but they spent less money. The average spending per traveler was \$1,114 in 2018, down from \$1,196 in 2017.

### **MEDIA & ONLINE TRENDS**

- Digital media research company Nielsen Koreanclick reported that half of the total Korean population (about 25 million people) access the YouTube mobile app every month. Following this trend, already-established celebrities are heading toward the platform themselves. From K-pop stars to comedians and actors of different ages, a number of Korean celebrities have recently opened their own YouTube channels to actively communicate with fans. A local culture critic noted that "The new media is moving toward mobile phones. Previous mass media giants - most representatively, TV networks - are now losing strength."

### **AIRLIFT**

- **Asiana Airlines S19 Honolulu Frequency changes:** Korea's flag carrier Asiana Airlines (OZ) will increase the frequency of its ICN-HNL route to make it a daily during following periods; first daily flight services between April 30 and May 18, 2019, and second daily services from August 16 through to October 26, 2019. The airline is currently operating 5 flights weekly - on Sunday, Monday, Wednesday, Thursday, and Saturday. With its increased airlift, the daily flight services will add about 6,325 seat supplies to the market by the end of this year. Meanwhile, OZ reported that it will be likely to continue its daily flight services from October 27 until March 2020 to primarily serve increasing FIT demands.
- Incheon International Airport Corp reported handling a total of 1,414,417 passengers in the first week of February 2019. This involved an average of 202,060 passengers a day, an increase of 6.1% on last year's Lunar New Year season. The corporation said 225,254 travelers used Incheon airport on February 2 alone, a figure that broke the airport's daily passenger traffic record of 219,365 set on August 5, 2018.
- Airlines in Korea are planning to hire nearly 4,000 new workers this year amid an air travel boom.

The airline industry has seen fiercer competition as budget carriers have expanded their business to accommodate increasing overseas travel. This has prompted airlines to add more planes to their fleets and recruit more staff. Korean Air plans to hire 1,180 new workers, up 9% from last year. Asiana Airlines will employ 750 new workers, up 47% from last year, and budget carrier Jeju Air will recruit 300 workers in the first half, compared to 180 in the same period last year.

## **LEISURE ACTIVITIES**

### **Consumer**

- **#AlohaEverywhere Influencer Fam trip:** HTK is holding a YouTuber Fam trip in March in partnership with magazine *The Traveller* for a 5-night stay on the islands from March 4 to March 10. The trip will involve two influencers who are active both on Instagram and YouTube visiting two islands, O'ahu and Kaua'i. HTK has secured partner sponsorship, such as airfares, hotels and F&B, for the visit.
- **Luxury/Romance Promotion with Minjoo Yoo:** in celebration of the wedding of Minjoo Yoo, HTK successfully sent the couple to the three islands for her once-in-a-lifetime honeymoon. The pay-off was a series of social media posts targeting the luxury and romance market audiences. A total of 40 posts were generated, equivalent to about \$60,000 in pure AVE.
- **'Rising Photographer' with Lonely Planet:** HTK is in discussion with Lonely Planet, the monthly travel magazine, to feature Hawai'i in its biggest annual campaign called 'Rising Photographer.' The aim is to discover new photographers and photogenic spots in overseas destinations. Once confirmed, the campaign will take place as a year-round project starting in April. It will involve an online campaign, actual photo shooting and offline photo exhibition.

### **Travel Trade**

- **2019 Spring HTK Council:** HTK hosted the 2019 Spring HTK Council networking dinner on March 5, at Seoul Jung of Waikiki Resort Hotel, in conjunction with the Spring Tourism Update. The Korean team discussed upcoming partnership opportunities and shared latest market updates with 6 invited major Korea tour operators based in Hawai'i.
- **Asiana Airlines OTA Sales Contest:** HTK and Asiana Airlines completed an FIT sales boosting promotion involving Korea's top eight online travel agencies as follows; YB Tour, Tidesquare, ModeTour, Interpark Tour, Club Rodem (WhyPayMore), Jau Tour, Web Tour, and Online Tour. The promotion ran from February 18 through to March 3 and primarily targeted the honeymoon peak season between September and November. During the two-week promotion, it generated a total of 1,805 pax bookings, a year-on-year growth of 63.7%, and drew a great deal of attention from online advertising exposed through the invited OTA's multiple owned and paid media channels. In late March, HTK will award the top three travel agents – YB Tour, Tidesquare, and Mode Tour – with cash incentives according to their sales result.
- **Korean Air #LuxuryHawaii Promotion:** HTK successfully completed the online #LuxuryHawaii-themed consumer promotion from December 4 to February 1 in collaboration with Korean Air. The aim was to position Hawai'i as the trendiest premium destination. The promotion involved an ICN-HNL Ticket Purchase Event that targeted consumers who bought Korean Air flights for the route. For online sweepstakes event, five trade partners – The Ritz-Carlton Residences, Waikiki Beach, Hyatt Regency Waikiki Beach Resort & Spa, Trump International Hotel Waikiki, Hertz, and Mariposa – fully and actively sponsored door prizes. As a result, it drew a total of 5,477 ticket sales, a year-on-year increase of 15 %, and generated 1,211 participations to the event during the two-month promotion. The promotion was advertised through multiple channels generating extensive media buzz; online banner advertisement via a total of 27 media outlets and newsletter distribution to 119,597 with an open rate of 87.8%.
- **Jin Air Sales Contest:** HTK is conducting a sales contest in line with Jin Air's returning ICN-HNL flights from December 29 to boost sales volume and stabilize the carrier's load factors. Involving

five leading package travel agencies and the top 10 OTAs, the two-phase sales contest started on December 29 and will run through to March 2.

- **Lotte JTB LPGA Promotion:** HTK is developing a co-promotion with leading travel agency Lotte JTB to develop golf tour products and online/offline promotions in conjunction with the 2019 LOTTE LPGA Championship in April. These will pitch Hawai'i as a year-round premium golf destination in the Korean market in line with the target audience's demographics and purchasing powers. Through agents' and partners' multiple media channels, HTK will generate not only growth in visitors and their spending but also attract the interest of the B2B and B2C sectors.

### Public Relations

- **TV Film Project – MBC's 'Single Life':** HTK has successfully completed a co-op TV project with MBC's most popular variety show, 'Single Life'. Cast member and top fashion model, Hyejin Han, visited O'ahu with her friend to celebrate the 20th anniversary of her debut. Two episodes covering their travel story were aired on February 22 and March 1. It's a great success, with an average audience share of 11.5%, equivalent to 6 million impressions per episode. As a result, the show has generated \$70 million in PR value, including five re-runs of the two episodes.

### Sales Activities

- The Korea team had 42 meetings in February with industry trade partners for regular sales calls and to discuss co-op opportunities as follows:
  - **Airlines** (4): Korean Air for follow-up on #LuxuryHawaii promotion and airlift updates; Asiana Airlines for OTA promotion and daily flights; Jin Air for co-op promotion supporting the airline's return on December 29; and Hawaiian Airlines for Neighbor Island promotions.
  - **Travel Agents** (24): Hana Tour, Mode Tour, YB Tour, Very Good Tour, Hanjin Travel, Jau Tour, Lotte JTB, JTB Global Hawai'i, Tidesquare, Interpark Tour, Club Rodem (WhyPayMore), Jau Tour, Web Tour, Online Tour, The Mice, Redcap Tour, Hana Biz, Busan Blue, I Am Tour Busan, Tournet Hawai'i, Royal Hawai'i, Koreana Tour Service, Trava, and Central Hawaii.
  - **Hotels** (6): Hilton Namhae, Park Hyatt Busan, Hilton Busan, Four Seasons Hotel Seoul, and Westin Hotel Chosun
  - **Rent-a-car/Transportation/Attractions** (3): Alamo Rent-a-car, Hertz and Roberts Hawai'i
  - **DMOs, U.S. Government/Organizations** (3): U.S. Embassy & Consulate in Korea, AMCHAM, Brand USA, and San Francisco Travel.
  - **Consumer Brands** (2): Naver Snow and KOHICA.

### "COMING ATTRACTIONS" FOR LEISURE MARKET

- OVB Fam with Naver Tour+ (Mar)
- TV Film Project 'Single Life' (Mar)
- Lotte JTB - LPGA Promotion (Apr)
- Hana Tour International Travel Show (June 7 - 9)
- 2019 Korea Trade Mission (Jun 10 – 11)

## Hawai'i Tourism Taiwan Monthly Marketing Report February 2019

### SUMMARY OF MARKET INTELLIGENCE/ MARKET CONDITIONS

#### Economy

- Taiwan's GDP growth for 2018 closed at 2.63%, slightly lower than its previous forecast of 2.66%. Taiwan's government further trimmed its 2019 economic growth to 2.27% due to slowing global expansion and trade tensions between China and the U.S. The unemployment rate for 2018 was 3.71%, the lowest in the past 18 years. The unemployment rate in January was 3.64%, decreased by 0.02 points compared to December 2018.
- Taiwan's Consumer Confidence Index (CCI) continued to climb to 84.69 points in February, up 1.06 points from January, with rising faith reflected in all six sub-indexes. Of the six factors, the sub-index for faith in the stock market posted the highest rise at 1.80 points to reach 95.60, followed by an increase of 1.15 points to 83.95 for local economic climate, and a 1.05-point rise to 48.10 in consumer prices. Consumer confidence also improved in terms of the likelihood of durable goods purchases, family finances and employment in that order.
- The Taiwan currency exchange rate went up to 30.816 (average) in February, which decreased by 0.014 when compared to the previous month.

#### Outbound Travel Market

According to the Taiwan Tourism Bureau, the overall number of outbound visitors from Taiwan was 1,299,722 in January 2019 with a 7.25% growth compared to January 2018. The outbound number to U.S. increased by 3.6% to 53,377 in January 2019 compared to the same period last year.

#### Competitive Environment

##### **Price Hikes in Admission Fees of Key Attractions in Southeast Asia**

Visitors are paying higher prices in Southeast Asia's key destinations/attractions as admission fees have been raised to pay for environmental conservation measures and infrastructure building. For instance, Wat Pho, a temple in Bangkok that attracts over 3 million visitors each year, doubled its admission fee to 200 baht (\$6.39) in January, the first hike in seven years. In Indonesia, there is talk of raising entry fees for foreign tourists to Komodo National Park to \$500, 50 times the current level. The price hikes are aimed at making the industry more sustainable, but some in the industry fear the increases may deter foreign tourists from coming to Southeast Asia, where low costs add to the region's popularity.

#### Consumer Trends

##### **Forbes Travel Guide Announced 14 Top Destinations of 2019**

Forbes Travel Guide announced its top travel destinations for 2019, which focus on locations that are having "monumental moments." For example, Anguilla makes the list having recovered from a devastating hurricane that hit the island in 2017. Meanwhile, Singapore earns its place courtesy of a starring appearance in the movie Crazy Rich Asians. Other destinations include Hudson Yards (New York), Williamsburg (Virginia), California's Central Coast, Vietnam, Grand Canyon, St. Barts, Istanbul, San Diego, Muscat (Oman), Perth, Amsterdam and Paris.

#### Travel Trends

##### **WTTC: Travel & Tourism Continues Strong Growth Above Global GDP**

According to the World Travel & Tourism Council (WTTC), global travel and tourism sector grew at 3.9% to contribute a record \$8.8 trillion and 319 million jobs to the world economy in 2018, above the growth rate of world GDP (at 3.2%) for the eighth consecutive year. Travel and tourism is the second-fastest growing sector

in the world, ahead of healthcare (+3.1%); information technology (+1.7%) and financial services (+1.7%), behind only manufacturing, which grew by 4%.

## **Media Trends**

### **Lonely Planet Has Acquired ArrivalGuides**

Lonely Planet announced that it has acquired ArrivalGuides, the world's largest distributor of destination content based in Gothenburg, Sweden. ArrivalGuides works as a hub for destination content, functioning as an all-in-one travel ecosystem that meets all the content, marketing and booking needs of B2B clients. The ArrivalGuides destination content library comes directly from travel experts, tourism bureaus and DMOs around the world. All content is then screened and curated by the in-house team of destination editors and travel experts. Given ArrivalGuides' position as the leading destination content provider in the B2B space, Lonely Planet is now able to explore more aggressively its B2B strategy and partner with companies in new ways.

## **Airlift**

### **Tigerair Taiwan to Launch Direct Flights to Boracay in the Philippines Starting April 2019**

Tigerair Taiwan announced in February that it will launch three direct flights per week from Taipei to Kalibo (Boracay, the Philippines) starting April 2nd. The flights will take off from Taiwan at 0:15 a.m. to arrive on Boracay between 2:00 and 3:00 a.m. It will be Tigerair Taiwan's second route to the Philippines.

## **LEISURE ACTIVITIES**

### **Consumer**

#### **HTT Hosted "Yoga with Aloha" Experiential Classes in Taipei and Taichung**

Since January, HTT has been working with the leading fitness clothing brand Roxy and fitness studio/gym True Yoga to launch its "Yoga with Aloha" campaign featuring a social media yoga challenge and an offline yoga class. In the social media yoga challenge, the three partners have been promoting to respective VIP members, brand enthusiasts and social media followers to post photos/videos of their yoga practice with Hawai'i elements on either Facebook or Instagram. In addition, HTT hosted two yoga classes with Hawai'i décor and ukulele music in Taipei and Taichung on February 23rd and 24th respectively. To integrate cultural elements in the campaign, HTT invited local hula dancers to perform to the live ukulele music played by the yoga instructor in the class. In the meantime, True Yoga secured the venue and instructors for the yoga classes while Roxy provided goodie bags for participants. The Yoga with Aloha campaign will run until March 10th and final results will be announced in the end of March.

#### **2019 Fashion Media FAM**

HTT has been partnering with Vogue Taiwan and Marie Claire Taiwan to promote Hawai'i as the prime destination for pampering experiences (including high-end accommodations and fine dining options) and for eco-tourism (diverse natural landscapes and cultural activities). Since January, HTT has been working with OVB to develop itineraries for the two fashion media outlets. Meanwhile, HTT has finalized the itineraries and collected additional materials from the stakeholders for the editors' preview. Vogue Taiwan will visit Hawai'i from March 6th to 10th while Marie Claire Taiwan from March 6th to 13th.

## **Travel Trade**

### **HTT Invited to Participate in ANA's New Airbus A380 "Flying Honu" Product Launch in Taipei**

ANA hosted a seminar for the travel trade on February 20th in Taipei to promote its new Airbus A380 "Flying Honu" starting May 2019. With the launch of the new A380, ANA plans to double the number of seats connecting Honolulu and Tokyo by 2020, providing Taiwanese consumers with more flexibility and options to travel to Hawai'i. HTT was invited to speak at ANA's product launch and introduced Hawai'i's diverse offerings in natural landscapes, cultures, outdoor activities, shopping and dining to the travel trade.

### **Public Relations**

Media Monitoring (Clippings & Publicity Calendar): In February 2019, Hawai'i Tourism Taiwan secured 102 PR coverage publications on an unpaid basis. The estimated advertising value was USD\$1,293,670.

### **Sales Activities**

<b>Company</b>	<b>Name</b>	<b>Location</b>
Lion Travel	Manager, Mr. James Huang Hawai'i Line Route Planner, Ms. Jean Wu	Taipei
Phoenix Tour	Vice General Manager, Mr. Stanley Shao	Taipei
Cola Tours	MICE Dept. Vice General Manager, Ms. Julia Hsu	Taipei
Life Tour	MICE Dept. Vice Manager Mr. Ray Ko	Taipei
Dragon Tours	American Line Manager, Ms. May Sun	Taipei
KKDay	Senior Business Developer, Nina Huang	Taipei
China Airlines	Assistant Manager Mr. Sung Tao Ming	Taipei

### **COMING ATTRACTIONS**

- **January to March [2019 Yoga with Aloha Online Campaign & Offline Classes], Taiwan**
- **March [Fashion Media FAM – Vogue Taiwan & Marie Claire Taiwan], Hawai'i**
- **April to June [Planning of Vlogger FAM], Taiwan**

## Hawai'i Tourism Europe Monthly Marketing Report February 2019

### Leisure

#### European summary of market intelligence/market conditions

#### Economy

- The travel and tourism sector grew faster than the rate of world GDP growth (3.2%) for the eighth consecutive year. Global travel and tourism grew at 3.9% last year to contribute a record \$8.8 trillion and 319 million jobs to the world economy, the World Travel and Tourism Council (WTTC) has reported.
- The KOF economic barometer fell to 92.4 points in February from a revised 96.2 points in January.
- The economy in France during the fourth-quarter of 2018 was stable, landing roughly in line with analysts' expectations. External demand was upbeat; particularly, export growth jumped on the euro's weakness against the dollar.

#### Exchange rate

- The GBP/USD: \$1.31
- EUR/ USD: €1 = \$1.13

#### Consumer Confidence

- Consumer sentiment has been stable according to the GfK Group Consumer Climate index.
- Throughout Swiss households, consumer sentiment improved in the November–January period, with the index prepared by the State Secretariat for Economic Affairs rising.
- Looking ahead, French consumer confidence recovered at the outset of the current quarter. The consumer confidence indicator currently stands at 92.

#### Unemployment

- The seasonally adjusted number of persons unemployed in Ireland has fallen in February and shows a decrease of 1,600 when compared to February of 2018 a recent report by TradingEconomics has shown. Specifically, youth unemployment has reported to have decreased over the last month.
- Germany's unemployment rate fell more than expected in February, boosting expectations that private consumption will underpin growth in Europe's largest economy this year. The unemployment rate remained at 5.0 percent; the lowest since German reunification in 1990.

#### European Outbound Travel Market & Competitive Environment

- The Sri Lanka Tourism Promotion Bureau (SLTPB) has teamed up with an esteemed and recognised wildlife producer Nicola Brown to create a nature documentary enticing travellers to visit the island. The film evokes the destination's new branding, So Sri Lanka, which aims to entice experience-seeking travellers to visit Sri Lanka
- A recent report showed that one of eight German holidaymakers took a long-haul trip in

2018. Among non- European destinations, North America was the second most popular destination.

- From March 2019, Air France have revealed they will operate a new direct flight between Paris and Dallas.

### **European Consumer Trends**

- EuroMonitor's recent report of 'Top 10 Global Consumer Trends 2019' outlines the importance of experiences over material goods. Tourist boards are set to focus their efforts on this key consumer demand throughout 2019.
- That isolation and escapism are increasingly top of the list when it comes to travellers' wishes, according to a recent report. For Abercrombie & Kent, the trend translates into immersive travel experiences far away from conventional attractions.
- A recent ABTA study reveals that nearly twice as many UK consumers on a budget would sooner reduce eating out if they needed to save money, rather than cut back on their holidays; 25% versus 13%.
- German consumers use the internet for information and booking holiday services; however, the most frequently used tool for inspiration and information is still printed material. Online travel portals and videos on YouTube are popular with the younger traveller.

### **European Travel Trends**

- Corporate travel leaders and airlines have dismissed concerns that Brexit could hit demand for travel from the UK. Steve Norris, Flight Centre Travel Group corporate managing director for Europe and Africa, said: "We've had record trading months. February is strong [and] we saw our largest year-on-year growth to date in the UK in January".
- Kuoni predicts 2019 will be the 'year of the long-haul trip' with sales to further afield destinations up 4% according to recent trends report. The USA ranked 6<sup>th</sup> in Top 10 destinations for 2019 as part of their Worldwide Travel Report.
- In a roundtable discussion at the tourism ITB convention in Berlin, Manuel Butler, the Executive Director of the World Tourism Organisation (WTO) spoke out about the growth of global tourism and importance of investment into the public and private sector; specifically, the transport infrastructure.

### **European Media & Online Trends**

#### **UK and Ireland**

- The global editor-in-chief of UK magazine i-D, Holly Shackleton, is leaving the style brand after 14 years to join Vogue International as editor-in-chief in April.
- Financial Times global media editor, Matthew Garrahan, has been named as the newspaper's next news editor, replacing Peter Spiegel. Garrahan has worked at the FT for 20 years in various roles. He takes over from Spiegel, who has been appointed US managing editor.
- Global Radio will enlarge its news teams across the UK but cut the number of hours of locally-made programming at its regional stations as part of a restructure designed to help it compete with BBC radio. The broadcaster will launch UK-wide national breakfast shows on

Capital, Heart and Smooth by the end of this year, which it said will enable it to offer 'true national competition' to BBC Radio 1 and 2's morning shows.

### **Germany/Switzerland**

- Whilst the usage of social media platforms increased by 9% worldwide, Germany shows no sign of change and is regarded as conservative when it comes to social media when compared to other western states. There are 79.13 million internet users, 38 million active social media users, and 30 million mobile social media users.
- In Switzerland, 95% of the population are online and 4.4 million are active on social media. Compared to 2018, this is an increase of 6% regarding online usage and an increase of 1% regarding social media usage. Google and Facebook are still leading the way; however, consumers are showing an interest in new platforms.
- The publishing house Gruner + Jahr will discontinue the German license of the science magazine National Geographic by the end of 2019. It has not yet been confirmed whether another publishing house will acquire it.

### **France**

- According to the Lastminute.com study conducted by Onepoll, 43% of Europeans are continuing to use their smartphones whilst on holidays, and 51% for the French people. They use their phone during their travels to take pictures, check-in to flights, find activities nearby or to keep in touch with their friends on social networks.
- Reech, the Influencer Marketing Platform drew the portrait of influencers in France. Statistics showed that the most used social network is Instagram and showed that 47% of influencers have a community between 1,000 and 10,000 followers. Most of them independently manage their own networks, and their partnerships are mostly product placement or promo code. 63% of influencers are not paid for the partnerships, but for those who are, 87% receive a payment of less than €500.

### **European Airlift**

- Qantas Group plans to become the world's first airline to reuse, recycle and compost at least three-quarters of its general waste by the end of 2021, targeting the removal of 100 million single use plastic items including cups, cutlery and headrest covers with sustainable alternatives.
- Airlines operating out of Heathrow could reduce passenger charges by between 10-20% if they hit load factor targets, the airport has announced. Heathrow says its new "landmark" deal with airlines, supported by the Civil Aviation Authority, is worth hundreds of millions of pounds and will help it drive up passenger numbers from the airport while keeping airport charges "close to 2016 levels".
- Flybe completed the sale of its airline to the Connect Airways consortium which includes Virgin Atlantic. The regional airline "will be rebranded to a Virgin Atlantic brand in due course" but will be run by Connect Airways which "will operate independently to Virgin Atlantic".
- United launched a valentine's special from Germany to several US destinations including

Honolulu; driving further passengers to the islands.

## **Leisure Activity Update & Plan Variance**

### **UK & Ireland**

- Compiled revised marketing plan for 2019 for Head Office
- Submitted End of Year report for Head Office
- Coordinated plans ahead of Spring Summit in March
- Ongoing liaison with CTA partners following the completion of Experience our Aloha campaign
- Preparations ahead of consumer shows in Scandinavia; Swanson's and FDM Travel
- Close monitoring of content posting on both social channels to ensure an increasingly high engagement rate throughout the month

### **Germany**

- Continued to update GoHawaii DE website
- Ongoing monitoring of 'Experience our Aloha' digital consumer campaign
- Requested post report for 'Experience our Aloha' campaign
- Provided information to UK team for updated 2019 Marketing Plan

### **Travel Trade**

#### **UK and Ireland**

- Held a meeting with Kuoni to discuss current Hawai'i performance and how HTE UK can support
- Held a meeting with Trailfinders to discuss current Hawai'i performance and recent results from the EOA campaign
- Held a meeting with American Sky to discuss current Hawai'i performance
- Ongoing liaison with Flight Centre, following completion of Experience our Aloha campaign
- Reached out and scheduled Product Manager meetings ahead of Unite: Visit USA
- Attended the Visit USA Aspire Forum training 50 sales agents throughout the day
- Continued to liaise with Trailfinders regarding training days across the UK
- Ongoing 'Hawai'i on Screen' campaign activity; continued plans for screening event of Jumanji 2 for trade and media
- Continued to monitor all Tour Operator performance to the Hawaiian Islands
- Ongoing updates to Trade Account Management Matrix Segmentation and brochure audit; updates continue to be made from trade survey, sales calls, and training

#### **Scandinavia**

- Ongoing liaison with coordinators of the Scandinavia Travel Shows ahead of the events in 2019
- Continued liaison with NYHaven Rejser to discuss joint marketing creative and content

### **Germany and Switzerland**

- Ongoing liaison with CANUSA regarding Experience our Aloha campaign
- Requested booking numbers from all major tour operators for 2018 and forecast for 2019 to be shared with HTA in Q1
- Ongoing liaison with all major tour operators regarding current Hawai'i performance
- Meeting with tour operator Hawai'i.de and restaurant Aloha Poke to finalize marketing campaign to go live in Q1 2019
- Confirmed training with HM Touristik close to Munich
- Conducted two webinars in partnership with Outrigger resorts

### **France**

- Ongoing liaison with two operators

### **Public Relations**

#### **United Kingdom and Ireland**

- Drafted press release ready for distribution to all European markets
- Held media meetings with key editors from national newspapers and consumer magazines
- Ongoing media liaison and press trip organisation across target European markets

### **Germany**

- Ongoing support of individual media trips, planning of group press trips 2019
- Proactive pitching – general and specific/niche topics
- Regular posting across Facebook and Instagram channels

### **France**

- 1 Press release will be sent in the next days
- 2 journalists communicated with in February

### **Sales Activities**

#### **UK and Ireland/Germany**

- Ongoing liaison with trade
- 20 sales calls carried out in total

### **France**

- Ongoing liaison with trade

- 2 sales calls carried out in total

## **Upcoming Activities for Leisure Market**

### **UK, Ireland & Scandinavia**

- Visit USA Unite B2B event in March
- Trailfinders training days in March, April and June

### **Germany**

- Hawaii.de & Aloha Poke promotion in Q1 2019
- VUSA consumer show F.R.E.E. in Munich February 2019



## Group Sales Status Report –February 2019

### OVERVIEW

Following the announcement of several major hotel chains’ decision to slash third-party commissions from 10 to 7 percent, M&C and MeetingJobs.com surveyed 165 independent planners about current pricing structures and whether they are changing their business models. Sixty-two percent reported that their income would be affected by the reduction in commissions. Out of those planners who accept commissions, 20 percent expect to lose at least \$20,000 USD annually due to the cuts. CMP Meeting Services managing director David Bruce shared that his agency lost about \$40,000 USD in 2018 due to the changes, and he anticipates least another \$60,000 USD this year.

When asked about their business outlook over the next few years, 32 percent of planners reported that they will need to find new revenue streams, 17 percent stated that they will need to change their business model to be profitable, and 20 percent expect their revenue to decline but will remain in business. These findings were echoed in a recent article by Skift, which interviewed executives from several third-party planner agencies.

21st Century Group’s vice president of meetings and events Alex Doyle reported that his company is evaluating how they can offset the loss by contracting with clients to share the result of the savings negotiated by the third-party planner and shifting emphasis to the added value they bring to clients beyond simply assisting with site selection. The Alliance of Independent Meeting Professionals, formed in response to the commission cuts, is working with convention and visitor bureaus (CVBs) to offset the revenue loss by procuring discounts, other added values, and special incentives for member planners. Increasingly, third-party planners are reimagining themselves as full-service providers who work to secure discounts for a variety of meetings-related services to stay competitive.

### SALES PRODUCTION (in the month for any year)

Table 1: Total Sales Production – February 2019

	Month			Year-to-Date		
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year
<b>Room Nights</b>						
Definite & Assist-Definite	38,590	46,579	-17%	57,159	55,761	3%
Tentative & Assist-Tentative	124,278	85,582	45%	169,934	190,469	-11%

Beginning January 2018 production is categorized by MCI and non-MCI group sales. See Definitions at the end of this report for a general description of the new categories. Database cleansing is ongoing and may result in changes to previously reported year-to-date figures.

**Table 2a: Hawai'i Convention Center (HCC) Citywide Sales Production**  
**February 2019**

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>Room Nights</b>								
Definite	19,708	25,782	-24%	28,963	27,707	5%	TBD	TBD
New to Hawai'i	1,044	0	N/A	6,624	155	4174%		
Tentative	62,300	25,950	140%	28,963	89,196	-68%		
<b>MCI</b>								
<b>Room Nights</b>								
Definite	13,519	19,550	-31%	22,774	19,550	16%		
New to Hawai'i	344	0	N/A	5,664	0	N/A		
Tentative	62,040	25,950	139%	22,774	87,041	-74%		
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite	6,189	6,232	-1%	6,189	8,157	-24%		
New to Hawai'i	700	0	N/A	960	155	519%		
Tentative	260	0	N/A	6,189	2,155	187%		

HCC database updates with regard to MCI and non-MCI categories are ongoing and may result in changes to previously reported year-to-date figures.

<b>COMMENTS</b>
<p><i>February saw a total of 19,708 room nights added to definite production, bringing the year-to-date (YTD) total to 28,963 room nights and showing a five percent increase over the previous year. Highlights include a medical association's convention arriving in 2021 with 1,700 attendees and a manufacturing corporation's convention with 1,300 attendees.</i></p> <p><i>62,300 room nights were also added to the tentative pipeline in February.</i></p> <p><i>This month saw the first off-shore convention for the year, a medical association's conference with a total attendance of 5,176. Other groups that arrived in the month include a comic convention, a volleyball competition, and an educational scientific association convention.</i></p> <p><i>The Hawai'i Convention Center (HCC) Client Advisory Board meeting took place with 11 of HCC's top influential customers in attendance, including a legal association, an engineering association, a nutrition association, a number of medical associations, and a representative from a major third-party planner company.</i></p> <p><i>A great exchange of information was shared with HCC's hospitality stakeholders that included positive comments on the destination, culture and the cohesive working relationship between hotels. Clients also shared the challenges of rising room rates, lower blocks and the</i></p>

*need for improvements with some hotel products and airports. The number of attendees booking outside of the housing block has increased, ranging from 20 percent to as much as 60 percent of attendees going outside of the block.*

*A hotel General Managers Meeting was held to coincide with the Advisory Board, allowing each group to share challenges and ideas on how to improve.*

*The initial meeting also took place with the local host committee for a major service association's convention scheduled for 2020. This group will be meeting monthly to plan for both attendance-building promotions in Hamburg, Germany for this year's convention in June and for 2020, when 20,000 association members will be in attendance for the convention in Hawai'i.*

**Table 2b: Hawai'i Tourism USA (HTUSA) Single Property Sales Production  
 February 2019**

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>Room Nights</b>								
Definite	15,456	11,523	34%	22,457	14,147	59%	187,000	12%
New to Hawai'i	6,402	8,122	-21%	9,650	10,423	-7%	75,000	13%
Tentative	50,357	40,292	25%	120,284	67,391	78%	TBD	TBD
<b>MCI</b>								
<b>Room Nights</b>								
Definite	15,456	10,328	50%	22,437	12,932	73%		
New to Hawai'i	6,402	6,927	-8%	9,630	9,208	5%		
Tentative	47,691	38,834	23%	117,480	65,653	79%		
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite	0	1,195	-100%	20	1,215	-98%		
New to Hawai'i	0	1,195	-100%	20	1,215	-98%		
Tentative	2,666	1,458	83%	2,804	1,738	61%		

**COMMENTS**

**Market Conditions and Industry Trends**

*For 2019 thus far, medical, legal and financial segments of the Midwest association market are the strongest for Hawai'i, followed by trade associations. The building trades also continue to show growth within the Midwest and should result in potential business from this market for the Hawaiian Islands.*

*According to the Professional Convention Management Association (PCMA), biodegradable meeting spaces, artificial intelligence and serendipity are expected to play a significant role in the future of meetings and business events. A recent study conducted by research firm Fahrenheit 212 and presented at the PCMA Convening Leaders program identified five trends with the potential to transform the industry:*

- *Emotional Intelligence: how to design events with the end-user in mind;*

- *Orchestrated Serendipity: engineering unexpected but meaningful moments;*
- *Multi-modal Design: creating adaptive spaces that are biodegradable and 3D-printed;*
- *Bigger than Oneself: focusing on what is social impactful, sustainable and meaningful; and*
- *Clear Sense of Place: leveraging the surroundings where business events are held.*

*Trends for the year thus far indicate that meeting space itself is shifting. According to IACC's most recent global "Meeting Room of the Future" report, 72 percent of member venue executives say more planners are requesting changes in meeting space design. There has also been an increase in requests for "homey" event settings, utilizing sofas, comfy chairs and other furniture. Director of Sales and Marketing for the Rizzo Center, Nancy Lindemer shared that there is new emphasis on "making a comfortable environment for connecting and collaborating, and that is something we'd expect to continue into 2019."*

### **Sales Production vs. Goals Analysis**

*Definite conversions this month exceeded 2018 February production by 34 percent and increased year-to-date by 59 percent compared to same time last year. Tentative room nights added to the pipeline for February also exceeded same time last year by 25 percent. These are positive signs as Hawai'i Tourism United States begins to close the first quarter of the new year.*

### **Highlights of Any Key Definites**

- *Convention — trade association, October 2025 (3,302 room nights)*
- *Convention — technology association, June 2022 (2,410 room nights)*
- *Convention — technology association, June 2024 (2,410 room nights)*
- *Incentive — high tech corporation, May 2019 (2,039 room nights)*
- *Convention — engineering association, July 2020 (1,622 room nights)*

### **Public Relations and Advertising**

*Advertising efforts included:*

#### *1. MCI February Paid Media Recap:*

- *Northstar destination guide banners (728x90, 970x250) – 1,500 Impressions (combined)*
- *Digital Northstar destination guide – 420 impressions/views*
- *Successfulmeetings.com ROS banners (300x250) – 8,000 impressions*
- *Successfulmeetings.com ROS banners (728x90) – 7,500 impressions*
- *Meetingsandconventions.com ROS banners (300x250) – 10,000 impressions*
- *Meetingsandconventions.com ROS banners (728x90) – 8,500 impressions*
- *Northstarmetings.com ROS banners (300x250) – 5,000 impressions*
- *Northstarmetings.com ROS banners (728x90) – 4,750 impressions*

*Public Relations efforts on behalf of HTUSA Meet Hawai'i included:*

#### *1. Activity highlights include:*

- *The PR team fielded a request from Maria Lenhart / Meetings Today regarding visiting Kaua'i.*
- *The team is working with Mary Neister to identify meeting planners of single-property events to collect testimonials.*

#### *2. Media Coverage Highlights:*

- “Food Traditions, Food Trends” – Smart Meetings – January 1 – PDF available upon request
  - “Hawai’i” – Successful Meetings – January 1 – PDF available upon request
  - “Hawai’i Convention Center to host major medical conference” – Pacific Business News – January 15 – <https://bit.ly/2t8MPBG>
3. *January Impressions and Publicity Values for Articles that included Hawai’i:*
- | January        | January          |
|----------------|------------------|
| Impressions    | Publicity Values |
| Print: 97,250  | Print: \$97,883  |
| Online: 44,636 | Online: \$3,356  |
| Broadcast: 0   | Broadcast: \$0   |
| Total: 141,886 | Total: \$101,239 |

**Table 2c: Hawai’i Tourism Canada Single Property Sales Production  
 February 2019**

	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>COMBINED - TOTAL</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	1,757	-100%	0	1,757	-100%	TBD	TBD
New to Hawai’i	0	835	-100%	0	835	-100%	TBD	TBD
Tentative & Assist-Tentative	921	1,740	-47%	1,047	4,315	-76%	TBD	TBD
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	1,757	-100%	0	1,757	-100%		
New to Hawai’i	0	835	-100%	0	835	-100%		
Tentative & Assist-Tentative	921	1,740	-47%	1,047	2,065	-49%		
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	0	N/A	0	0	N/A		
New to Hawai’i	0	0	N/A	0	0	N/A		
Tentative & Assist-Tentative	0	0	N/A	0	2,250	-100%		

**COMMENTS**

**Market Conditions**

***Total Canadian Outbound Travel***  
*Canadians made 33.4 million overnight trips to the U.S. and other outbound destinations in 2018, an increase of +2.2 percent compared to 2017. Of this total, an estimated 24.4 million trips were for leisure purposes.*

***Canadian Visits to Hawai’i – Conference Board of Canada***  
*There were almost 534,000 Canadian trips to Hawai’i in 2018, a new record volume. Despite a slowdown in travel activity since July, total arrivals increased +2.7 percent throughout the year. Visiting friends and relatives (VFR) trips declined -11 percent in 2018. At the same time, trips for meetings, conventions and incentive (MCI) purposes and other business decreased -*

1.1 percent and -0.4 percent, respectively. Non-pleasure trips accounted for just 6.9 percent of activity throughout the year—the lowest proportion ever recorded.

**Sales Production vs. Goals Analysis**

Hawai'i Tourism Canada (HTCAN) had a slow month in February due to significant changes within the Hawai'i Tourism Authority and uncertainty regarding whether HTCAN would be continuing past March 2019. With the changes confirmed, HTCAN has picked up with the Canadian market and March numbers should trend much higher.

**Highlights of Any Key Definites**

N/A

**Sales and Marketing Activities**

HTCAN is working with a third-party planner to bring a meeting to Hawai'i for 1,100 room nights in October 2019. Maui has offered food and beverage (F&B) credit and the clients are traveling to Maui in March for a site visit. While Maui has been mandated as the meeting location by the client's chief executive officer (CEO), HTCAN has suggested possibly looking at the Grand Hyatt Kaua'i as well, as space in Maui is tight during the group's proposed arrival dates.

**Advertising and Public Relations**

HTCAN worked with new incentive magazine The Incentivist on banner ads, e-blasts, etc. Colin Wood is working with the publication to complete advertisements prior to end of March.

**Table 2d: Hawai'i Tourism China Single Property Sales Production  
 February 2019**

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>Room Nights</b>								
Definite & Assist-Definite	816	100	716%	1,162	100	1062%	TBD	TBD
New to Hawai'i	816	100	716%	1,162	100	1062%	TBD	TBD
Tentative & Assist-Tentative	1,600	8,174	-80%	4,084	9,121	-55%	TBD	TBD
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	600	100	500%	690	100	590%		
New to Hawai'i	600	100	500%	690	100	590%		
Tentative & Assist-Tentative	1,600	8,174	-80%	2,880	8,919	-68%		
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	216	0	N/A	472	0	N/A		
New to Hawai'i	216	0	N/A	472	0	N/A		
Tentative & Assist-Tentative	0	0	N/A	1,204	202	496%		

**COMMENTS**

## **Market Conditions**

### **A. China Economy**

- **GDP** – China's gross domestic product (GDP) grew by +6.6 percent year-over-year in 2018, on par with government forecasts.
- **Currency** – In February, market sentiments took an optimistic turn as the Chinese Yuan appreciated to 6.8 against the U.S. dollar in response to positive results from trade negotiations between the U.S. and China.

### **B. Outbound Travel Market**

- China overtook the U.S. to become the largest source market for international travel in 2014 and is also currently the world's largest business travel market. China's outbound visits are projected to climb +11 percent this year, reaching over 166 million trips.
- In the last three months, the U.S. visa refusal rate increased for Chinese citizens due to the tense bilateral trade war, as well as the temporary shutdown of the U.S. federal government. A majority of MCI groups faced challenges in obtaining U.S. visas, according to travel agencies' feedback and Sohu news. Hawai'i Tourism China (HTC) will continue to monitor the situation and provide related assistance.

### **C. Travel Trends**

- According to MICE China, Chinese MICE operators are stepping up their game to provide quality services. The agencies are channeling efforts to analyze offerings from different destinations to provide good recommendations to their clients when organizing MICE tours.
- A MICE China survey showed a gradual shift in Chinese MICE tourists' preference towards a prolonged stay in one destination rather than hopping across multiple cities. MICE groups are showing interest in booking more day-tours for an in-depth exploration of their chosen destination.

#### **Impact on Hawai'i:**

As a diverse and well-facilitated MCI destination, Hawai'i has huge untapped potential to attract business travelers.

#### **Strategy & Action:**

HTC will be following up with MCI intermediaries handling small but high-quality corporate groups.

#### **Sales Production vs. Goals Analysis**

HTC has secured 1,162 definite and assist-definite room nights, totaling 297 pax as of February. A total of 4,084 tentative and tentative-assist room nights have been posted so far.

HTC will direct more efforts to developing new channels with potential MCI intermediaries to secure more bookings on smaller, high-yield MCI groups in 2019. Also, HTC is working with Pride of America Norwegian Cruise Line and airline partners to create package products to be promoted to MCI intermediaries and corporate end-users.

#### **Highlights of any Key Definites**

- Technology incentive, February 2019 (168 room nights)
- Educational school group, February 2019 (216 room nights)

**Advertising and Public Relations**

*To build attendance for the Hawai'i Food and Wine Festival (HFWF) and connect with MCI intermediaries, HTC published a press release "A Guide to Hawai'i Restaurants by Renowned Chefs" to introduce the founders of HFWF, chefs Alan Wong and Roy Yamaguchi, and promote the healthy and organic cuisine of Hawai'i restaurants such as Alan Wong's Restaurant, Roy's Restaurant, Fish House, Sam Choy's Kai Lanai and Hali'imaile General Store. The press release was featured in Chinaluxus and eight other lifestyle and travel media, reaching over 1.8 million impressions and a total PR value of USD 178,000. The press release was featured in Chinaluxus and other 8 lifestyle and travel media, achieving over 1.8 million impressions and a total PR value of USD 178,000.*

**Table 2e: Hawai'i Tourism Europe Single Property Sales Production  
 February 2019**

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>Room Nights</b>								
Definite & Assist-Definite	0	0	N/A	0	0	N/A	TBD	TBD
New to Hawai'i	0	0	N/A	0	0	N/A	TBD	TBD
Tentative & Assist-Tentative	438	0	N/A	3,708	395	839%	TBD	TBD
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	0	N/A	0	0	N/A		
New to Hawai'i	0	0	N/A	0	0	N/A		
Tentative & Assist-Tentative	438	0	N/A	3,708	48	7625%		
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	0	N/A	0	0	N/A		
New to Hawai'i	0	0	N/A	0	0	N/A		
Tentative & Assist-Tentative	0	0	N/A	0	347	-100%		

**COMMENTS**

**Market Conditions**

**French Economic Forecast**

*The Italian recession added pressure to an already sluggish French economy. The Italian economy shrank by -0.2 percent in the last three months of 2018. If Italy were to face a debt crisis reminiscent of the Greek crisis, it would cause problems throughout the Eurozone. The Italian recession is another concern for the French government, which is already facing the Yellow Vest protests and Brexit.*

**German Economic Forecast**

*The Ifo Institute for Economic Research released data confirming that Germany avoided a recession by just 0.2 percentage points at the end of 2018. Confidence among businesses weakened in February, but the outlook is not completely bleak. Healthy increases in*

consumption and investment indicate a pickup in coming months, but it is not the strong rebound that many economists hoped for.

**UK Economic Forecast**

After a sharp contraction at the end of 2018, the UK economy expanded at its slowest annual rate since 2012. Growth in the year was 1.4 percent, down from 1.8 percent in 2017. The Chancellor, Philip Hammond, however, asserts that the economy is still “fundamentally strong” and he does not foresee a recession. However, Honda has announced it will be closing a plant in the UK, bringing a loss of 3,500 jobs, and Nissan has elected to manufacture a new model of car in Japan rather than Britain.

Regarding Brexit, as many as 25 cabinet ministers have challenged Theresa May, threatening to vote for a Brexit delay unless she agrees to rule out a “no deal” Brexit. With only one month left, the situation continues to be unclear.

**Highlights of Any Key Definites**

N/A

**Table 2f: Hawai'i Tourism Japan Single Property Sales Production  
 February 2019**

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>Room Nights</b>								
Definite & Assist-Definite	452	5,145	-91%	1,816	6,552	-72%	TBD	TBD
New to Hawai'i	452	2,220	-80%	896	3,627	-75%	TBD	TBD
Tentative & Assist-Tentative	6,026	5,390	12%	7,390	8,772	-16%	TBD	TBD
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	452	4,435	-90%	1,816	5,842	-69%		
New to Hawai'i	452	1,510	-70%	896	2,917	-69%		
Tentative & Assist-Tentative	6,026	4,680	29%	7,390	7,237	2%		
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	710	-100%	0	710	-100%		
New to Hawai'i	0	710	-100%	0	710	-100%		
Tentative & Assist-Tentative	0	710	-100%	0	1,535	-100%		

**COMMENTS**

**Market Conditions**

**Economy**

Economists have emphasized the potential harm that drastic growth in consumption may occur prior to the consumption tax hike to 10 percent. Consumption may drastically fall after the tax hike, causing an overall negative effect to the Japanese economy.

### **Competitive Environment**

*United Airlines announced additional flight service to Guam during the 2019 holiday season. In addition to the usual three daily flights, United will operate three charter flights during the Spring Break season and six charter flights during the 10-day Golden Week holiday.*

### **Travel Trend**

*Overtourism has been gaining attention in Japan as major wholesaler JTB begins talks with entities to discuss solutions. A lottery-based system that limits visitors who can book travel has had success in Gifu Prefecture, incorporating many elements which could be implemented into MCI business for Hawai'i.*

*HIS has begun sales of "cancellation insurance," which can be applied towards cancellation of trips due to unforeseen events. Because cancellation conditions tend to be less flexible for group business, the new policy would be highly beneficial to the MICE industry, if applied to group tours.*

*Growth in inbound travel has expanded airlift to closer and cheaper destinations, prompting many entities to select Asian destinations for MICE trips.*

### **Airlift**

*Haneda Airport announced 24 new slots for international flights by 2020, prompting Hawaiian Airlines and Delta Air Lines to submit requests for additional slots to Hawai'i. Hawaiian Airlines is requesting three round-trip flights to be added per week, while Delta is requesting to increase frequency to two daily flights.*

*ANA announced alliance with small aircraft charter service provider SKYTREK whereby the sharing of mileage member benefits will be enabled for flights between Japan and Hawaii.*

### **Sales Production vs. Goals Analysis**

*In February, Hawai'i Tourism Japan (HTJ) was able to secure a family incentive trip as a definite lead and a junior high school excursion as a tentative lead for Hawai'i. The family incentive is repeat business and marks their fourth trip to Hawai'i, attracting around 500 pax each year. The junior high school has tentatively selected Hawai'i for their annual excursion for both 2019 and 2020, for roughly 140 pax. HTJ will maintain communications with organizers for both groups and provide information, promotional goods, etc. as requested.*

### **Highlights of any Key Definites**

- *Family incentive, April 2019 (452 room nights)*

### **Advertising and Public Relations**

- *MICE in Hawai'i feature in consumer magazine Weekly Economist – 80,000 print impressions*
- *Special Hawai'i issue in Wing Travel – 36,000 print impressions, 140,000 online impressions*

**Table 2g: Hawai'i Tourism Korea Single Property Sales Production  
 February 2019**

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>Room Nights</b>								
Definite & Assist-Definite	1,523	1,286	18%	2,045	4,428	-54%	TBD	TBD
New to Hawai'i	994	787	26%	1,195	2,315	-48%	TBD	TBD
Tentative & Assist-Tentative	1,523	826	84%	1,523	3,348	-55%	TBD	TBD
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	1,523	1,286	18%	2,045	4,428	-54%		
New to Hawai'i	994	787	26%	1,195	2,315	-48%		
Tentative & Assist-Tentative	1,523	826	84%	1,523	3,348	-55%		
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	0	N/A	0	0	N/A		
New to Hawai'i	0	0	N/A	0	0	N/A		
Tentative & Assist-Tentative	0	0	N/A	0	0	N/A		

**COMMENTS**

**Market Conditions**  
**Travel Market Trends**  
 South Korea's traditional travel agencies faced hardship in 2018 as they failed – or refused – to follow consumer preferences toward non-packaged travel, online and mobile bookings, online travel agencies and new travel start-ups. Fifty-nine percent of South Korea's outbound travelers were FITs in the first half of 2018, according to the Travel Industry Lab and Consumer Insight report published by Sejong University. Online travel agencies took as much as 70 percent of the share of international accommodation bookings, the report said.

**Sales Production vs. Goals Analysis**  
 Hawai'i Tourism Korea's MCI team secured 2,045 definite and definite-assist room nights for February YTD of which 1,195 room nights were new business. Incentive groups were a major contributor to these results.

**Highlights of any Key Definites**

- Multi-level marketing incentive (380 room nights)
- Manufacturing incentive (282 room nights)
- Educational incentive (155 room nights)
- Corporate incentive (115 room nights)
- Manufacturing incentive (104 room nights)

**Table 2h: Hawai'i Tourism Oceania Single Property Sales Production  
 February 2019**

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>Room Nights</b>								
Definite & Assist-Definite	635	986	-36%	716	1,070	-33%	TBD	TBD
New to Hawai'i	635	986	-36%	635	1,070	-41%	TBD	TBD
Tentative & Assist-Tentative	1,033	3,210	-68%	2,855	7,931	-64%	TBD	TBD
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	635	986	-36%	635	1,070	-41%		
New to Hawai'i	635	986	-36%	635	1,070	-41%		
Tentative & Assist-Tentative	1,033	3,138	-67%	2,695	7,355	-63%		
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	0	N/A	81	0	N/A		
New to Hawai'i	0	0	N/A	0	0	N/A		
Tentative & Assist-Tentative	0	72	-100%	160	576	-72%		

<b>COMMENTS</b>
<p><b><u>Market Conditions</u></b></p> <p><i>The final report of Australian Royal Commission on the financial sector was released on February 4th, unveiling 76 recommendations, all of which the Federal Government and Labor Party say they will support and implement, which will challenge key aspects of banking, superannuation, financial industry regulators, and the rural lending industries. These changes will set the tone of Australian economy as they will gradually impact how companies invest and spend their budgets for the rest of the year.</i></p> <p><b><u>Sales Production vs. Goals Analysis</u></b></p> <p><i>Hawai'i Tourism Oceania (HTO) is keeping an eye on the market and ensuring that clients are aware of Hawai'i's variety of accommodation and activity options to suit any budget, which is critical to maintaining and growing the market share of business travel for Hawai'i. HTO will continue to monitor the market, including any fluctuations in the exchange rate which may affect MCI business to Hawai'i.</i></p> <p><b><u>Highlights of any Key Definites</u></b></p> <ul style="list-style-type: none"> <li>• Meeting — travel corporation, August 2019 (252 room nights on O'ahu)</li> <li>• Meeting — trade association, October 2019 (200 room nights on O'ahu)</li> <li>• Incentive — medical group, May 2019 (183 room nights on O'ahu and the Island of Hawai'i)</li> </ul>

**Advertising and Public Relations**

During the Asia Pacific Incentives Meeting Event (AIME), HTO provided updates and raised awareness about the different islands of Hawai'i among the media represented. AIME also granted media exposure for the Hawaiian Islands through various media outlets such as:

- AIME press release;
- AIME Directory, which was distributed to all buyers and visitors during the event;
- Article published in Latte Luxury News (<https://bit.ly/2H6HrZa>)
- Article published in Luxury Australian Travel Trade E-News (<https://bit.ly/2H6HrZa>)
- Article published in The Nibbler (<https://bit.ly/2EWFImL>)

HTO was also covered by New Zealand travel media during the post-AIME function in Auckland. Both Travel Today and Travel Inc Memo covered the event and Travel Inc Memo is also rolling out individual articles on each of the Hawaiian partners that attended over the next couple of weeks.

**Table 2i: Other International Single Property Sales Production  
 February 2019**

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
<b>Room Nights</b>								
Definite & Assist-Definite	0	0	N/A	0	0	N/A	N/A	N/A
New to Hawai'i	0	0	N/A	0	0	N/A		
Tentative & Assist-Tentative	80	0	N/A	80	0	N/A		
<b>MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	0	N/A	0	0	N/A		
New to Hawai'i	0	0	N/A	0	0	N/A		
Tentative & Assist-Tentative	80	0	N/A	80	0	N/A		
<b>Non-MCI</b>								
<b>Room Nights</b>								
Definite & Assist-Definite	0	0	N/A	0	0	N/A		
New to Hawai'i	0	0	N/A	0	0	N/A		
Tentative & Assist-Tentative	0	0	N/A	0	0	N/A		

**Table 3: Island Distribution of HTUSA Single Property Sales  
 Year-to-Date February 2019**

Island	Tentative Room Nights	Definite Room Nights				Lead-to-Booking Conversion (Room Nights)	
	YTD Actual*	Annual Goal	Monthly Actual	YTD Actual	Percent of Goal	Goal	Actual
O'ahu	66,920	TBD	9,323	9,609	TBD	TBD	14%
Kaua'i	36,644	TBD	771	2,308	TBD	TBD	6%
Maui County	68,611	TBD	3,762	6,067	TBD	TBD	9%
Hawai'i	49,352	TBD	1,600	4,473	TBD	TBD	9%
<b>Total</b>	<b>221,527</b>	<b>TBD</b>	<b>15,456</b>	<b>22,457</b>	<b>TBD</b>		

\*Tentative room nights do not match those in Table 2b because many leads are distributed to more than one island.

**'ELELE PROGRAM**

<b>COMMENTS</b>
<p><i>February meetings and updates from Deborah Zimmerman, 'Elele Program Director from New Millennium Meetings (NMM):</i></p> <p><i>The 'Elele Program Director participated in a scientific society CEO conference in Kiawah Island, funded by the Hawai'i Convention Center. The director represented both Hawai'i and the Hawai'i Convention Center at this conference, which attracted more than 60 CEOs. The highlight of the meeting was the HCC-sponsored Hawai'i breakfast, where the director gave a six-minute presentation on the islands for East/West scientific gatherings. The executives were fully engaged by a video documenting the experience of another scientific society's meeting. Afterwards, one of the Executive Directors expressed interest in learning more. Likewise, the Executive Director for another society expressed interest in hosting their 2025 Pacific Rim meeting in Hawai'i.</i></p> <p><i>The director also extended support for an American cultural heritage association. Working with 'Elele ambassadors, the director helped to secure a \$250,000 sponsorship from the University of Hawai'i for this meeting. Additionally, director connected the client with other potential sponsors including Kamehameha Schools, the Office of Hawaiian Affairs, and the Native Hawaiian Chamber of Commerce. These activities should significantly support future bid efforts.</i></p> <p><i>The 'Elele director assisted the HTUSA's east coast regional director on an opportunity with a medical association to host their 2019 meeting in Hawai'i.</i></p>

**LOST BUSINESS**

**Table 4: Lost Business – February 2019**

HTUSA SINGLE PROPERTY – HIGH PROFILE

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
MCI: Incentive (9994)	Multi Level Marketing	1,000	500	08/13/2019 - 08/17/2019	Initially, Hawai'i only	Client selected Hawai'i for only their winter program.
MCI: Convention - Domestic (10473)	Scientific	3,000	1,000	04/05/2020 - 04/10/2020	Austin, TX, Houston, TX, Albuquerque, NM, Santa Fe, NM and O'ahu	Program lost to San Diego, CA.
Non-MCI: Special Event (12098)	Business Services, Consulting	170	105	09/10/2019 - 09/13/2019	Initially, Maui only	Program lost to an undisclosed destination.
MCI: Convention - Domestic (12173)	Scientific	830	550	03/04/2020 - 03/08/2020	Puerto Rico, Hawai'i, Huntington Beach, CA, and Orange County, CA	Program lost to Puerto Rico.
MCI: Convention - International (12300)	Fraternal, Service	1,530	1,000	06/26/2022 - 07/02/2022	Initially, Hawai'i only	Program lost to Rochester, NY.
MCI: Convention - International (12407)	High Tech	3,955	1,000	05/07/2019 - 05/09/2019	Portland, OR, Denver, CO, Dallas, TX, Singapore, Macau, and Hawai'i	Program lost to New Orleans, LA, due to high cost of food & beverage in Hawai'i.
MCI: Convention - Domestic (13098)	Real Estate	2,100	600	12/07/2019 - 12/13/2019	Greece, Canada, Mexico, Argentina, Uruguay, Chile, Dominican Republic, Costa Rica, Peru, Ecuador, Puerto Rico, Aruba, Bahamas, Jamaica, Utah, and Hawai'i	Program lost to Mayakoba, Mexico.
MCI: Convention - Domestic (13642)	Educational	2,004	400	10/03/2020 - 10/07/2020	Southern California, Alaska, and Hawai'i	The overall cost of holding the program in Hawai'i was too high.
MCI: Convention - Domestic (13677)	Business Services, Consulting	1,410	450	04/05/2021 - 04/14/2021	Mainland U.S. and Canada	Program has been postponed.
MCI: Convention - International (13719)	Trade Assns	4,050	2,500	07/05/2024 - 07/12/2024	Anaheim, CA, Miami, FL, Chicago, IL, and Singapore	The overall cost of holding the program in Hawai'i was too high.
MCI: Convention - Domestic (13726)	High Tech	2,900	1,000	09/29/2019 - 10/05/2019	Phoenix, AZ	Program lost to Las Vegas, NV.
MCI: Convention - Domestic (14964)	Sports	748	400	09/10/2020 - 09/13/2020	Orlando, FL, Houston, TX, and Hawai'i	Program lost to Tampa Bay, FL
MCI: Meeting (15075)	A: Trade Assns	1,275	600	03/24/2023 - 04/02/2023	Maui and Florida	Rates in Hawai'i are too high for this program.
MCI: Incentive (15078)	Unknown	630	180	02/03/2020 - 02/10/2020	Initially, Hawai'i only	Program lost to an undisclosed destination.

**INTERNATIONAL SINGLE PROPERTY**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
HT Oceania: MCI Meeting (11816)	3rd Party	1,923	485	10/14/2019 - 10/18/2019	Sri Lanka and Shanghai	Hawai'i is well-above the client's budget with due to USD exchange rate.
HT Oceania: MCI Meeting (12704)	3rd Party	60	20	07/24/2019 - 07/26/2019	Initially, Hawai'i only	Third-party planner lost the bid for this program.
HT Oceania: MCI Meeting (13352)	Medical, Healthcare	420	105	07/22/2019 - 07/25/2019	Unknown	Third-party planner lost the bid for this program.

**HAWAI'I CONVENTION CENTER**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
Non MCI: Sports (2034)	Sports	2,500	1,000	06/25/2019 - 07/02/2019	Unknown	Client is seeking another year.
Non MCI: Banquet (2077)	Entertainment	13,250	5,000	10/02/2019 - 10/07/2019	Unknown	Headliner's availability, budget constraints and other factors. Client decided to go with overseas.
MCI: Convention (1277)	Religious	25,500	10,000	11/12/2019 - 11/18/2019	Unknown	Client decided to not pursue event in Hawaii.
MCI: Convention (1278)	Religious	25,500	10,000	11/19/2019 - 11/26/2019	Unknown	Client decided to not pursue event in Hawaii.
MCI: Meeting (2042)	Technology	11,179	4,000	07/09/20 - 07/17/20	Unknown	Client is not ready to finalize dates.
MCI: Meeting (1320)	Real Estate	4,000	4,500	03/18/21 - 03/24/21	Las Vegas	Lost bid to Las Vegas.
MCI: Convention (2059)	Scientific	1,420	900	09/10/21 - 09/16/21	Unknown	Costs and risk of selecting a "farther" destination.
MCI: Convention (1374)	Financial	3,935	1,500	06/08/2024 - 06/14/2024	Unknown	Hawaii did not make the short list.
MCI: Meeting (1375)	Financial	3,935	1,500	06/07/2025 - 06/13/2025	Unknown	Hawaii did not make the short list.
MCI: Incentive (2035)	Manufacturing	2,600	1,200	01/20/20 - 01/25/20	Maui, Miami	No response from client.

**NEW-TO-HAWAI'I DEFINITE BOOKINGS**

**Table 5: New to Hawai'i Definite Bookings – February 2019**

**HTUSA SINGLE PROPERTY - HIGH PROFILE**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
MCI: Convention - International (9626)	Trade Assns	3,302	1,000	10/20/2025 - 11/02/2025	U.S. West Coast
MCI: Convention - Domestic (13728)	Engineering	1,622	600	07/11/2020 - 07/16/2020	Initially, Hawai'i only
MCI: Incentive (15066)	Multi Level Marketing	800	400	01/20/2020 - 01/23/2020	Cabo, Mexico, Cancun, Mexico, and a Caribbean cruise

**INTERNATIONAL SINGLE PROPERTY**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
HT Oceania: MCI: Incentive (13551)	Medical, Healthcare	113	70	05/11/2019 - 05/14/2019	Unknown
HT Oceania: MCI: Incentive (14975)	Medical, Healthcare	70	70	05/10/2019 - 05/11/2019	Initially, Hawai'i only
HT China: Non-MCI: Other (specify) (15081)	Educational	168	48	02/10/2019 - 02/18/2019	Initially, Hawai'i only
HT China: Non-MCI: Other (specify) (15082)	Educational	48	48	02/14/2019 - 02/16/2019	Initially, Hawai'i only
HT Oceania: MCI: Meeting (15104)	Travel	252	70	08/18/2019 - 08/23/2019	Initially, Hawai'i only
HT China: MCI: Incentive (15106)	Technology	600	97	02/11/2019 - 02/15/2019	Initially, Hawai'i only
HT Oceania: MCI: Meeting (15127)	Trade Assns	200	40	06/12/2019 - 06/16/2019	Initially, Hawai'i only
HT Korea: MCI: Incentive (15133)	Manufacturing, Distrib.	44	25	02/10/2019 - 02/13/2019	Initially, Hawai'i only
HT Korea: MCI: Incentive (15137)	Hobby	44	21	02/12/2019 - 02/15/2019	Initially, Hawai'i only
HT Korea: MCI: Incentive (15138)	Travel	36	22	02/16/2019 - 02/19/2019	Initially, Hawai'i only
HT Korea: MCI: Incentive (15145)	Hobby	75	29	02/18/2019 - 02/22/2019	Initially, Hawai'i only
HT Japan: MCI: Incentive (15160)	Entertainment, Media	452	150	04/21/2019 - 04/25/2019	Hong Kong
HT Korea: MCI: Incentive (15163)	Consumer Products	96	49	02/20/2019 - 02/24/2019	Initially, Hawai'i only
HT Korea: MCI: Incentive (15164)	Food, restaurants	60	29	02/27/2019 - 03/02/2019	Initially, Hawai'i only
HT Korea: MCI: Incentive (15171)	Religious	155	62	02/14/2019 - 02/18/2019	Initially, Hawai'i only
HT Korea: MCI: Incentive (15172)	Manufacturing, Distrib.	104	52	02/23/2019 - 02/26/2019	Initially, Hawai'i only
HT Korea: MCI: Incentive (15180)	Multi Level Marketing	380	171	02/16/2019 - 02/21/2019	Initially, Hawai'i only

<b>TOTAL NEW TO HAWAI'I GMT BOOKINGS FOR THE MONTH</b>	<b>22</b>
<b>TOTAL ROOM NIGHTS FOR NEW TO HAWAI'I GMT BOOKINGS</b>	<b>9,299</b>

**HAWAI'I CONVENTION CENTER**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
MCI: Convention (1986)	Educational	3,655	3,200	03/22/2022 - 03/28/2022	Unknown

<b>TOTAL NEW TO HAWAI'I CITYWIDE BOOKINGS FOR THE MONTH</b>	<b>1</b>
<b>TOTAL ROOM NIGHTS FOR NEW TO HAWAI'I CITYWIDE BOOKINGS</b>	<b>3,655</b>

New to Hawai'i bookings are accounts that have never met in Hawai'i before or, in the case of citywides, have not met in Hawai'i in the last 10 years or for single property bookings, not in the past five years.

## MAJOR SALES AND MARKETING ACTIVITIES

Meet Hawai'i participated in the following MCI events in February:

- 2 client promotional events
  - International GMTs
    - HTO – Client Appreciation Event, Sydney, February 21
    - HTO – Destination Marketing Services (DMS) Connect Sydney, February 28
- 7 educational events
  - HCC
    - Japan Trade Seminar and Workshop by HTJ, Osaka, Nagoya, Tokyo, Japan, February 1-3
    - Customer Advisory Board, Honolulu, Hawaii, February 20-22
  - International GMTs
    - HTE – Fast Forward 15 (FF15) Industry Event, London, United Kingdom, February 28
    - HTC – Champion Holiday Chengdu Roadshow
    - HTC – AITS MCI Seminar Roadshow, Hangzhou, China, February 20
    - HTJ & HCC – Japan Trade Seminar and Workshop by HTJ, Tokyo, Japan, February 1
    - HTJ – NTA MICE Seminar, Tokyo, Japan, February 4
- 5 trade shows
  - HTUSA
    - Independent Planners Educational Conference (IPEC) Hosted Buyer Program, San Antonio, TX, February 3-5
  - HCC
    - Asia-Pacific Incentives Meeting Event (AIME), Melbourne, Australia, February 15-22 (with HTO)
    - CESSE CEO Meeting, Kiawah Island, South Carolina, February 24-27
    - MPI NCC Annual Conference & Expo, San Francisco, California, February 26-28
  - International GMTs
    - HTO – Asia Pacific Incentives Meeting Event (AIME), Melbourne, Australia, February 17-20
- 2 sales blitzes
  - HTUSA
    - Post Independent Planners Educational Conference (IPEC) Sales Calls, San Antonio, TX, February 6
  - International GMTs
    - Post Asia Pacific Incentives Meeting Event (AIME) Sales Calls, Auckland, New Zealand, February 21-22

- 13 major site visits and familiarization (FAM) tours with clients and potential clients
  - HTUSA
    - 1 site visit, Kaua'i and Maui
    - 1 site visit, Kaua'i
    - 2 site visits, Maui
    - 5 site visits, O'ahu
  - HCC
    - 2 site visits, O'ahu
  - International GMTs
    - HTO – 2 site visits, O'ahu

## FUTURE SALES AND MARKETING ACTIVITIES

Meet Hawai'i will participate in the following MCI events in the upcoming months:

<b>Mar. 2019</b>			
Mar. 3-5	Incentive Live	Trade Show	HTUSA
Mar. 3-7	Conference Direct Annual Partner Meeting, Atlanta, GA	Educational Event	HCC
Mar. 3-8	Meet New York/Northeast Sales Blitz	Sales Blitz	HTUSA
Mar. 6	NYSAE & Meet NY Sales Blitz, New York, NY	Trade Show	HCC
Mar. 7-9	Meeting Space 2019	Forum	HTE
Mar. 7-11	Aquaculture America 2020, New Orleans, LA	Client Promo	HCC
Mar. 8	Honolulu Festival 40 <sup>th</sup> Anniversary Event; JTB DMO Forum	Promotional Event	HTJ
Mar. 9-15	Meetings Industry Council (MIC), CO and Sales Calls	Trade Show	HTUSA
Mar. 10-12	Toxicology, Baltimore, MD	Client Promo	HCC
Mar. 12-15	Experient Envision Conference, Las Vegas, NV	Trade Show	HCC
Mar. 17-19	ASAE Great Ideas Conference, Colorado Springs, CO	Educational Event	HCC
Mar. 23-24	Meet Hawai'i Corporate Event	Client Event	HTK
Mar. 24-27	Pharma Forum, New York, NY	Trade Show	HCC

Mar. 24-30	Goldschmidt and American Astronomical Society Site Inspections, Honolulu, HI	Site Visit	HCC
Mar. 27-29	International Studies Associates (ISA) Attendance Promo/Annual Convention, Toronto, Canada	Trade Show	HTUSA
Mar. 30	"The Taste" HCC Showcase, Tokyo, Japan	Trade Show	HCC
TBD	Sales Calls, St. Louis, MN and IA	Sales Blitz	HTUSA
TBD	Meet Hawai'i Corporate Event	Educational Event	HTK
TBD	MICE Sales Calls to JTB & Nippon Travel Agency (NTA)	Sales Blitz	HTJ
<b>Apr. 2019</b>			
Apr. 2-3	Prestige, OR and WA	Trade Show	HTUSA
Apr. 8	All Things Meeting, CA	Trade Show	HTUSA
Apr. 17	NYSAE Annual Synergy Awards Luncheon, TBD	Trade Show	HCC
Apr. 29	Minnesota Sales Calls, MN	Sales Blitz	HCC
29-May 3	Southwest Sales Calls, TX, AZ, CO	Sales Blitz	HCC
Apr. 29 – May 1	California Society of Association Executives (CalSAE) Elevate and Sales Calls, CA	Trade Show / Sales Blitz	HTUSA
Apr. 30	Missouri Sales Calls, MO	Sales Blitz	HCC
TBD	LPCA Lotte Championship	Promotional Event	HTK
TBD	Destination Representatives Event	Trade Show	HTUSA
TBD	Association Calls, MN	Sales Blitz	HTUSA
TBD	Sales Blitz, UT	Sales Blitz	HTUSA
<b>May 2019</b>			
May 1-9	AP-CHI 2020, Glasgow, UK	Client Promo	HCC
May 5-9	National Association of Sports Commission, Knoxville, TN	Trade Show	HCC

May 8	Prestige, CA	Trade Show	HTUSA
May 9-13	AP- Immunology 2020, San Diego, CA	Client Promo	HCC
May 13-17	May Day Lei Day Sales Calls & Cohosted Reception HVCB, Dallas/ Houston, TX	Sales Blitz	HCC
May 17-24	IMEX Frankfurt Trade Fair, Frankfurt, Germany	Trade Show	HCC
May 21-23	Connection Sports Leadership Summit, Honolulu, HI	Educational Event	HCC
May 26-31	AP – PRiME, Dallas, TX	Client Promo	HCC
May 29-31	HelmsBriscoe Annual Business Conference Partner Fair, Houston, TX	Trade Show	HCC
May 30-June 6	AP- Rotary International, Germany	Client Promo	HCC
May 31	Wisconsin Sales Calls	Sales Blitz	HCC
TBD	Sales Blitz, TX	Sales Blitz	HTUSA
TBD	Connect Hawai'i	Trade Show	HTUSA

## CONVENTION CENTER PERFORMANCE

Table 8: Convention Center Performance – January 31, 2019 Year-to-Date

PERFORMANCE MEASURE	YTD	TARGET	VARIANCE
Occupancy	22%	31%	-9%
Total Events	16	13	3
Total Attendance	15,611	8,870	6,741
Visitor Spending	\$9,456,629	\$9,456,629	\$0
Tax Revenue	\$917,293	\$917,293	\$0
Revenue per Attendee	\$59.12	\$81.11	(\$21.99)

## COMMENTS

*January is historically a slower month for the Hawai'i Convention Center. The Center hosted repeat events like an educational conference and several sporting events including a major volleyball event, to name a few of the 16 licensed events in house. Gross revenues closed at \$932,400, which exceeded budget by \$212,000, and the net loss closed at \$336,100, which was \$141,800 better than anticipated. The attendance recorded was 15,611, — 6,700 more than expected — with the positive increase primarily coming from the volleyball event, which more than doubled in year-over-year growth from 3,066 attendees to 7,000. Visitor spending and tax revenue generated for the month was \$9.4 million and \$917,000, respectively and on target with budget. Occupancy and revenue per attendee were shy of meeting targets by nine percent and \$21.99, respectively. The increased attendance as a result of the volleyball event contributed to the negative variance in revenue per attendee.*

*The Hawai'i Convention Center is already facing a challenging year ahead. The team was advised of the cancellation of Gibraltar, an international incentive client expected to return in June 2019, bringing the year-end reforecast net loss to \$2.189 million, nearly \$200,000 more than planned.*

## CONSUMPTION

The TAP Reports on the next page show the number of events and room nights on the books for each year 2019-2026 against a rolling 36-month consumption benchmark.

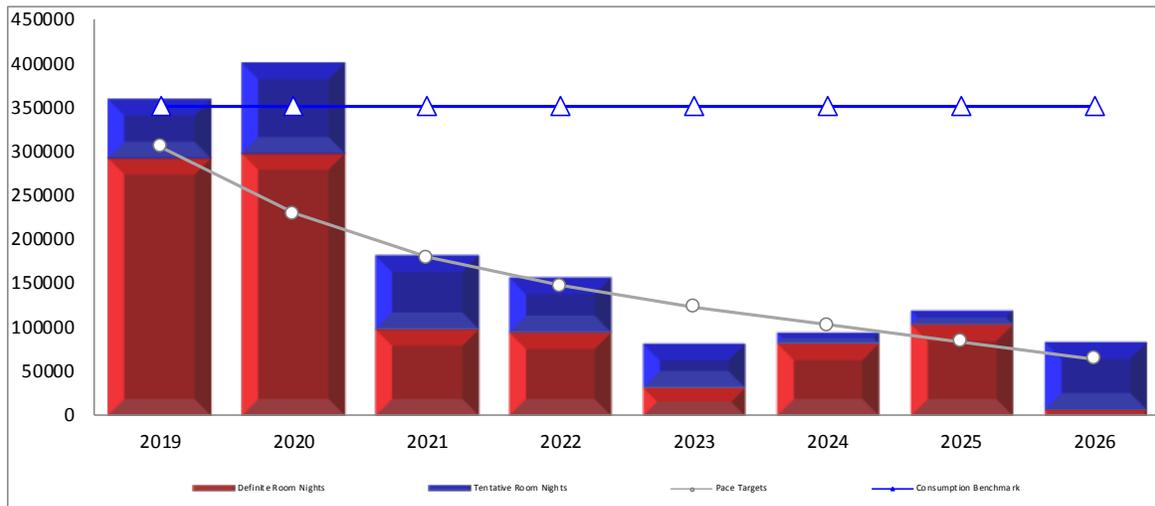
**Table 6: The TAP Report: Hawai'i 8-year Pace (citywide and single property)**

### THE TAP REPORT

### Hawai'i

Period Ending February 28, 2019

Report Date: March 11, 2019



<i>Hawai'i R/N</i>	2019	2020	2021	2022	2023	2024	2025	2026	Total
Definite Room Nights	290,962	296,690	99,414	94,745	32,310	82,959	104,687	7,014	1,008,781
Pace Targets	304,268	228,919	178,525	146,545	121,985	102,129	82,671	63,482	1,228,524
Variance	(13,306)	67,771	(79,111)	(51,800)	(89,675)	(19,170)	22,016	(56,468)	(219,743)
Consumption Benchmark	350,808	350,808	350,808	350,808	350,808	350,808	350,808	350,808	2,806,464
Pace Percentage	96%	130%	56%	65%	26%	81%	127%	11%	82%
Total Demand Room Nights	799,256	574,456	310,608	226,340	96,155	115,779	144,677	36,218	2,303,489
Lost Room Nights	508,294	277,766	211,194	131,595	63,845	32,820	39,990	29,204	1,294,708
Conversion Percentage	36%	52%	32%	42%	34%	72%	72%	19%	44%
Tentative Room Nights	68,026	103,705	82,974	63,042	51,002	11,682	16,183	77,477	474,091

### *Hawai'i Events*

Definite Events	262	130	40	26	10	12	10	4	494
Pace Targets	216	86	41	22	15	10	6	2	398
Variance	46	44	(1)	4	(5)	2	4	2	96
Consumption Benchmark	325	325	325	325	325	325	325	325	2,600
Pace Percentage	121%	151%	98%	118%	67%	120%	167%	200%	124%
Total Demand Events	616	285	80	41	23	18	14	6	1,083
Lost Events	354	155	40	15	13	6	4	2	589
Conversion Percentage	43%	46%	50%	63%	43%	67%	71%	67%	46%
Tentative Events	166	173	67	32	19	10	6	7	480

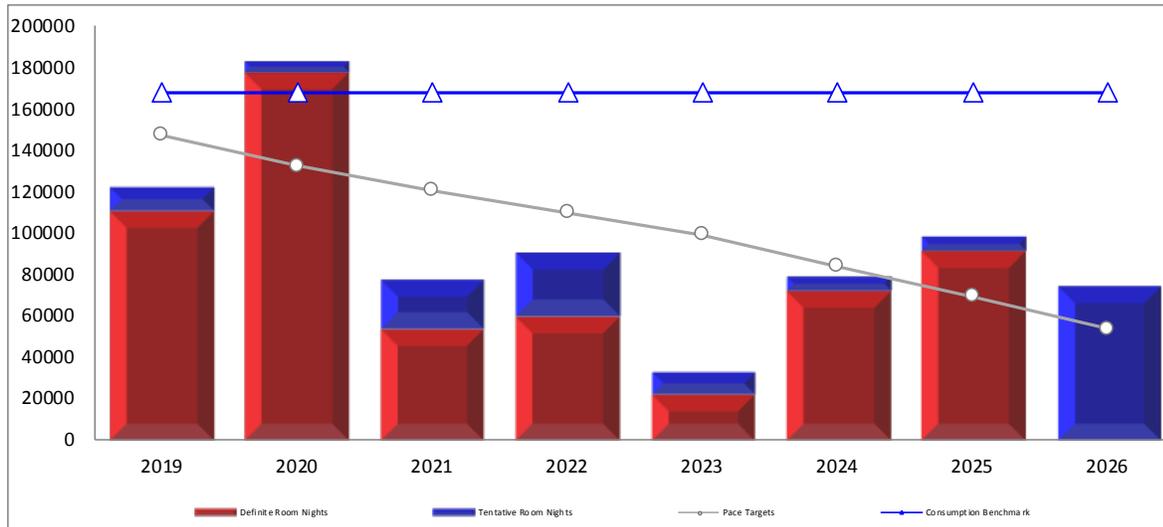
The number of events reported in TAP is slightly higher than the actual number of events due to a number of overflow programs and the splitting of some bookings into two in order to track shared credit.

**Table 7: The TAP Report: Convention Center 8-year Pace (citywide only)**

**THE TAP REPORT**

**Hawai'i**  
 Convention Center

Period Ending February 28, 2019  
 Report Date: March 11, 2019



<i>Hawai'i R/N</i>	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Definite Room Nights	110,252	176,817	53,851	59,681	21,939	72,330	91,055	0	585,925
Pace Targets	147,112	132,342	120,311	109,752	98,785	83,533	69,033	53,281	814,149
Variance	(36,860)	44,475	(66,460)	(50,071)	(76,846)	(11,203)	22,022	(53,281)	(228,224)
Consumption Benchmark	167,947	167,947	167,947	167,947	167,947	167,947	167,947	167,947	1,343,576
Pace Percentage	75%	134%	45%	54%	22%	87%	132%	0%	72%
Total Demand Room Nights	385,115	309,585	225,521	187,036	77,708	97,662	131,045	29,204	1,442,876
Lost Room Nights	274,863	132,768	171,670	127,355	55,769	25,332	39,990	29,204	856,951
Conversion Percentage	29%	57%	24%	32%	28%	74%	69%	0%	41%
Tentative Room Nights	11,497	5,250	23,521	30,471	10,785	6,850	6,850	73,987	169,211

<i>Hawai'i Events</i>	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Definite Events	27	15	6	7	3	6	5	0	69
Pace Targets	23	17	12	10	10	6	3	0	81
Variance	4	(2)	(6)	(3)	(7)	0	2	0	(12)
Consumption Benchmark	29	29	29	29	29	29	29	29	232
Pace Percentage	117%	88%	50%	70%	30%	100%	167%	0%	85%
Total Demand Events	67	43	28	19	12	10	9	2	190
Lost Events	40	28	22	12	9	4	4	2	121
Conversion Percentage	40%	35%	21%	37%	25%	60%	56%	56%	36%
Tentative Events	6	3	5	6	5	7	3	6	41

The number of events reported in TAP is slightly higher than the actual number of events due to a number of overflow programs and the splitting of some bookings into two in order to track shared credit.

## DEFINITIONS

- **Single Property Group:** A group that can be booked into a single hotel for both guest rooms and meeting space.
- **Citywide Group:** A group that books Hawai'i Convention Center for meeting space; and which needs two or more hotels and has a minimum of 1,000 out-of-town attendees.
- **Group Bookings:** The total number of group room nights booked for the future. A group is defined as needing a minimum of 10 hotel rooms.
- **MCI and Non-MCI Bookings:** Both MCI and Non-MCI Bookings must primarily be off-shore bookings requiring attendees to stay in visitor accommodations. An MCI booking is an association or corporate meeting, convention or incentive program that requires meeting space. A Non-MCI booking requires off-site meeting space or no meeting space, or is public/consumer-facing like expos, sporting events, etc.
- **Definite Room Night:** Room nights associated with groups that have a signed contract or letter of commitment with the convention center and or a signed contract with a hotel.
- **Tentative Room Night:** Room nights associated with groups that have indicated interest in holding a meeting or convention in Hawai'i and a lead has been sent to the convention center and/or the hotels. Citywide leads are considered tentative when space is blocked at the convention center. Includes leads generated by partners at HVCB coordinated trade shows.
- **Economic Impact:** The direct and induced spending generated from a group meeting in Hawai'i. The economic impact formulas are based on research of attendee spending patterns.
- **Lead-to-Booking Conversion:** Conversion of tentative leads into definite bookings as measured by dividing tentative room nights generated in the month/year by definite room nights for the same month/year.
- **Consumed Room Night:** Room nights generated from groups that have convened in Hawai'i. For citywide events, this figure is calculated from the number of attendees. For single property meetings, the figure is the contracted room nights.
- **Goal:** A level of achievement that has been determined through the goal setting process that includes industry stakeholders and the HTA board.
- **International Markets:** Current areas of focus for international groups. These markets are supported by contractors of HTA.
- **New to Hawai'i – New Business:** A group that has never met, or has not had a single property meeting in Hawai'i over the past five years or a citywide meeting within the past 10 years.

- **Repeat Business:** A group that has had a single property meeting in Hawai'i within the past five years or a citywide meeting in Hawai'i within the past 10 years.
- **Island Distribution:** The breakdown of room nights that have been booked on the neighboring islands. This includes Maui, Kaua'i, O'ahu and the Island of Hawai'i.
- **Pace:** A calculation that evaluates the annual sales activity level by comparing production to the same time frames for previous years. This calculation shows if the current year-to-date room night bookings are at the same or higher/lower levels than the past year.
- **Need Period:** A future timeframe where the projections for room night demand are lower, therefore warranting specific sales strategies to attract business.
- **Lost Business:** A group where a lead has been generated due to client interest and Hawai'i was not chosen for the meeting or convention.
- **Total Events:** Total licensed events held at the Hawai'i Convention Center
- **Total Attendance:** Total delegate attendees at licensed events at the Hawai'i Convention Center
- **Visitor Spending:** State economic impact of offshore licensed events
- **Tax Generation:** State tax generation of offshore licensed events

<b>February 2019</b>					
<b>Contract No.</b>	<b>Contractor</b>	<b>Description</b>	<b>Dollar Amount</b>	<b>Start Date</b>	<b>End Date</b>
16011 S5	Access Cruise, Inc.	Services related to achieving or exceeding cruise targets with managed distribution to all islands.	(+ \$18,000.00) \$661,930.40	12/30/2018	9/30/2019
17001 S4	Business Events Hawai'i	Global MCI	(- \$407,000.00) \$1,230,500.00	2/19/2019	3/31/2019
17068 S2	Hawaii Ag and Culinary Alliance	SIGNATURE Hawaii Food & Wine Festival 2017	(+\$0.00) \$600,000.00	2/11/2019	2/28/2019
17005 S2	County of Honolulu	Services related to technical assistance to support HTA programs in Honolulu County	(+\$70,000.00) \$210,000.00	2/14/2019	3/31/2020
17191 S3	Aloha Week Hawaii, Inc. dba Aloha Festivals	SIGNATURE Aloha Festivals 2019	(+ \$150,000.00) \$450,000.00	2/27/2019	2/29/2020
16016 S7	JWI Marketing Taiwan	For services related to marketing services in the Taiwan MMA.	(+ \$294,000.00) \$1,157,800.00	2/8/2019	12/31/2019
17036 S2	Anthology Marketing Group	Services related to Communications, Public Relations and Outreach Services	(+ \$185,500.00) \$927,500.00	1/31/2019	6/30/2019

Contract Type:  
 • Sole Source  
 † Procurement Exemption

18167 S2	Paragon Events, Inc.	2018 Global Tourism Summit Reimbursables	(+ \$6,750.00) \$446,750.00	1/29/2019	1/31/2019
18173 S3	Hui O Wa'a Kaulua	26th Annual Celebration of the Arts	(+ \$0.00) \$35,000.00	1/29/2019	3/31/2019
18197 S1	Hawaiian Canoe Racing Association	2020 IVF Vaa World Sprints Championship	(+ \$0.00) \$25,000.00	2/25/2019	5/31/2019
19146	InsideOut Sports & Entertainment, LLC	Invesco Champions Cup 2019	\$150,000.00	2/8/2019	10/31/2019
19151	Hawai'i Horse Owners, Inc. dba Hawai'i Horse Owners	Pana'ewa Stampede Rodeo 2019	\$35,000.00	2/13/2019	9/30/2019
19104	County of Kaua'i – OED	Ka Leo O Na Kupa-Ni'ihau Language Preservation Program	\$51,000.00	2/8/2019	3/31/2020
17232 S4	International Festivals & Events Association	Festivals & Events CFEE Certification and Workshops	(+ \$24,000.00) \$103,000.00	2/27/2019	12/31/2019
17221 S3	Cades Schutte	HTA Board of Directors/Standing Committee Meeting Minutes	(+ \$6,500.00) \$38,900.00	2/27/2019	7/31/2019
18171 S1	Anthology Marketing Group, Inc	Global MCI Public Relations	(+ \$67,500.00) \$217,500.00	2/27/2019	12/31/2019

18181 S1	Kemper Sports Marketing, Inc.	Maui Jim Maui Invitational 2018	(+ \$0.00) \$50,000.00	2/27/2019	5/31/2019
19010	City & County of Honolulu	Waikīkī Security Program	\$300,000.00	2/27/2019	12/31/2019
19154	Aviareps Malaysia dba Aviareps SDN BHD	Southeast Asia Leisure Tourism Destination Representation 2019	\$200,000.00	2/27/2019	12/31/2019
19138	University of Hawai'i	Rapid 'ōhi'a Death Seed Banking Initiative	\$47,000.00	2/13/2019	3/31/2020

# **Agenda Item**

## **5**

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

## Market Insights – February 2019

The HTA Monthly Market Insights reports on the most recent key performance indicators that the Hawai'i Tourism Authority (HTA) uses to measure success. The following measures provide indicators of the overall health of Hawai'i's visitor industry and help to gauge if the HTA is successfully attaining its goals.

### **Report on Economic Impact**

For the first two months of 2019, Hawai'i's tourism economy experienced:

- \$3.01 billion in visitor spending, a decrease of 2.4 percent compared to the first two months of 2018. On a statewide level, average daily visitor spending was down (-2.4% to \$199 per person) compared to the same period last year.
- Total arrivals to Hawai'i increased 1.8 percent to 1,603,205 visitors, with growth in arrivals by air service (+1.8% to 1,575,390) and by cruise ships (+3.9% to 27,814). However, a shorter length of stay (-1.8% to 9.43 days) resulted in no growth in total visitor days<sup>1</sup>.
- Hawai'i's tourism economy experienced \$351.7 million in generated state tax revenue, down 2.4 percent (-\$8.7 million) compared to the first two months of 2018.
- Through December 2018, the state collected \$282.6 million in TAT, an increase of 15.0% compared to FY 2018 through December 2017.
  - The TAT rate increased from 9.25% to 10.25% as of January 2018.
  - Per Board request, FY 2019 TAT collections amount was recalculated using the 9.25% rate for an "apples to apples" comparison to FY 2018 collections.
  - Adjusted FY 2019 collections through December 2018 is \$255.1 million or an increase of 3.8% compared to FY 2018.
- Total air capacity into Hawai'i grew slightly (+0.8%) to 2,145,143 seats.

**Table 1: Overall Key Performance Indicators – Total (Air + Cruise) – Year-to-Date February 2019**

	% of Forecast	YOY Rate <sup>2</sup>	Feb YTD	Forecast
Arrivals	100.6%	1.8%	1,603,205	1,594,142
Visitor Spending (\$mil) <sup>2</sup>	90.9%	-2.4%	3,013.0	3,313.2
Visitor Days	97.4%	0.0%	15,124,887	15,532,150
Daily Spend (\$pppd)	93.4%	-2.4%	199.2	213.3
Airlift (scheduled seats)	100.0%	0.8%	2,133,307	2,132,805

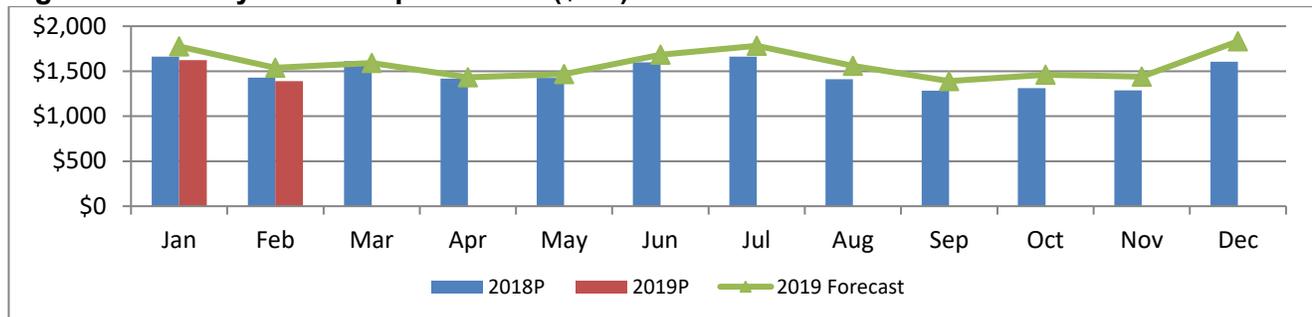
*DBEDT Forecasts (Quarter 4 2018), Excludes Supplemental Business Expenditures*

<sup>1</sup> Aggregate number of days stayed by all visitors.

<sup>2</sup> Technical Notes: The HTA received revised hotel room and package rates for the first quarter of 2018 which warranted revisions to the published preliminary statistics (visitor expenditures, per person per day spending and per person per trip spending) for first quarter 2018. Updated data tables are available on the HTA website. 2018 visitor statistics will be finalized for the 2018 Annual Visitor Research Report.

In February 2019, visitors to the Hawaiian Islands spent a total of \$1.39 billion, a decrease of 2.7 percent compared to February 2018. A total of 782,484 visitors (+0.5%) came to Hawai'i in February 2019, up slightly from the same month last year. Arrivals by air service (+0.3% to 766,293) were comparable to last February while arrivals by cruise ships (+12.1% to 16,291) increased. However, total visitor days declined (-1.9%) versus February 2018 due to a shorter average length of stay by visitors from most markets. The average daily visitor spending was down slightly (-0.9% to \$200 per person) in February year-over-year.

**Figure 1: Monthly Visitor Expenditures (\$mil)**



## Major Market Areas (MMAs)

### USA

**Table 2: Key Performance Indicators - U.S. Total**

	% of Forecast	YOY Rate <sup>2</sup>	Feb YTD	Forecast
Arrivals	102.2%	3.7%	988,008	966,978
Visitor Spending (\$mil) <sup>2</sup>	93.7%	-1.3%	1,893.6	2,020.6
Visitor Days	98.1%	0.8%	9,726,933	9,911,208
Daily Spend (\$pppd)	95.5%	-2.0%	194.7	203.9
Airlift (scheduled seats)	100.0%	0.7%	1,442,996	1,442,494

*DBEDT Forecasts (Quarter 4 2018), Excludes Supplemental Business Expenditures*

- The Conference Board Consumer Confidence Index increased in February, following a decline in January. The Index now stands at 131.4, up from 121.7 in January. Consumer Confidence rebounded in February, which had been negatively impacted in recent months by financial market volatility and the government shutdown. Looking ahead, consumers expect the economy to continue expanding. However, according to The Conference Board's economic forecasts, the pace of expansion is expected to moderate in 2019.
- GDP in the January report points to a solid economic forecast for 2019. The U.S. economy grew at a solid pace in the fourth quarter, boding well for the outlook this year and next. According to the delayed release of GDP data, the economy grew by 2.6 percent in the fourth quarter, this despite consumers slowing down compared to the middle of 2018. The latest surveys show consumer attitudes deteriorated during the government shutdown but quickly showed signs of recovery thereafter. With solid job growth and continued wage gains, consumers will increase their spending at a moderate pace in 2019 and 2020.
- With a softening of the global travel market, competition for American dollars is expected to heat up. Despite increased safety concerns, Mexico tourism officials are still forecasting an increase in both visitors and spending in 2019. Mexico is the sixth most visited country

in the world, with tourism arrivals having climbed 3.4 percent in 2018, reaching a new record of 39.3 million foreign visitors. 2019 is expected to top that, with an estimated 44.8 million arrivals (+5.8% year-over-year).

- Seat capacity to Hawai'i is expected to grow by 1.1 percent from March to May 2019 compared to the same period last year. This forecast does not yet consider the new Southwest Airlines service announced March 4th.

## US WEST

**Table 3: Key Performance Indicators - U.S. West**

	% of Forecast	YOY Rate <sup>2</sup>	Feb YTD	Forecast
Arrivals	105.2%	5.5%	631,064	599,648
Visitor Spending (\$mil) <sup>2</sup>	95.2%	-0.8%	1,061.2	1,115.1
Visitor Days	100.5%	1.6%	5,835,249	5,804,156
Daily Spend (\$pppd)	94.7%	-2.4%	181.9	192.1
Airlift (scheduled seats)	100.0%	1.0%	1,259,601	1,259,099

*DBEDT Forecasts (Quarter 4 2018), Excludes Supplemental Business Expenditures*

- In February 2019, the U.S. West market reported a 4.7 percent increase in visitor spending to \$503.3 million. Arrivals were up 6.5 percent to 313,174 visitors and daily visitors spending rose to \$184 per person (+1.2%).

## US EAST

**Table 4: Key Performance Indicators - U.S. East**

	% of Forecast	YOY Rate <sup>2</sup>	Feb YTD	Forecast
Arrivals	97.2%	0.7%	356,943	367,330
Visitor Spending (\$mil) <sup>2</sup>	91.9%	-1.8%	832.5	905.6
Visitor Days	94.8%	-0.5%	3,891,684	4,107,052
Daily Spend (\$pppd)	97.0%	-1.4%	213.9	220.5
Airlift (scheduled seats)	100.0%	-1.3%	183,395	183,395

*DBEDT Forecasts (Quarter 4 2018), Excludes Supplemental Business Expenditures*

- In February 2019, spending by U.S. East visitors declined (-6.7% to \$370.9 million) as a result of decreased arrivals (-0.9% to 174,766 visitors), length of stay (-1.8% to 10.11 days) and daily spending (-4.1% to \$210 per person) compared to a year ago.

## CANADA

**Table 5: Key Performance Indicators – Canada**

	% of Forecast	YOY Rate <sup>2</sup>	Feb YTD	Forecast
Arrivals	97.9%	0.7%	133,915	136,843
Visitor Spending (\$mil) <sup>2</sup>	96.1%	-0.4%	318.3	331.2
Visitor Days	96.5%	0.3%	1,796,733	1,861,749
Daily Spend (\$pppd)	99.6%	-0.7%	177.2	177.9
Airlift (scheduled seats)	100.0%	10.9%	137,674	137,674

*DBEDT Forecasts (Quarter 4 2018), Excludes Supplemental Business Expenditures*

- Spending by Canadian visitors dropped slightly (-0.7%) to \$150.7 million in February 2019. Arrivals increased (+2.5% to 65,453 visitors), however, the average length of stay (-2.1% to 12.53 days) and daily spending (-1.0% to \$184 per person) were down from a year ago.

- Currently, there is some instability and uncertainty in the Canadian economy, but economists seem to disagree as to whether this is short or longer term. The uncertainty is contributing to reduced consumer confidence which impacts outbound travel. While the exchange rate is currently slightly above \$0.75, there is some volatility that contributes to traveler considerations.
- Canada's statistics agency reported the nation's economy grew by 0.1% in the final 3 months of 2018. Most economists expect the sluggishness to persist in the first 6 months of 2019, before growth picks up later in 2019. Economists are now predicting overall economic growth is expected to come down from close to 2 percent in 2018 to 1.6 percent in 2019 with the exchange rate staying in the 73 – 76 U.S. range for the foreseeable future.
- The national consumer confidence rating was 111.5 points in February, a slight decrease compared to one year ago (-0.5), but a 1.8-point increase compared to January 2019. Notwithstanding this overall increase, consumer confidence recorded month-over-month declines in Ontario, Manitoba/Saskatchewan, and British Columbia. At the same time, the overall attitude regarding purchase intentions was up 0.8 points compared to February 2018 and up 1.5 points from January 2019.
- Key Canadian travel partners continue to report a soft first Quarter 2019 for bookings, but with improvement on the horizon.
- Hawai'i Tourism Canada will be participating in tradeshows/expos with WestJet and Travel Brands in April in Vancouver, Langley, Edmonton, and Calgary.

## JAPAN

**Table 6: Key Performance Indicators – Japan**

	% of Forecast	YOY Rate <sup>2</sup>	Feb YTD	Forecast
Arrivals	102.5%	3.3%	251,488	245,346
Visitor Spending (\$mil) <sup>2</sup>	90.2%	-3.8%	349.6	387.5
Visitor Days	101.8%	0.6%	1,467,190	1,440,872
Daily Spend (\$pppd)	88.6%	-4.4%	238.3	269.0
Airlift (scheduled seats)	100.0%	6.1%	332,260	332,260

*DBEDT Forecasts (Quarter 4 2018), Excludes Supplemental Business Expenditures*

- In February 2019, spending by Japanese visitors declined slightly (-0.8%) to \$170.1 million. Arrivals (+1.1% to 125,984 visitors) and daily visitor spending increased (+3.3% to \$238 per person) but the average length of stay was shorter (-5.0% to 5.66 days) compared to February of last year.
- Japan's economy remains on a moderate path to recovery with unemployment at 2.5 percent and the exchange rate stabilizing at approximately 110.36 JPY to USD.
- Hawai'i remains the number one outbound travel destination for Japanese weddings. The state captured a 65 percent market share with an average spending amount of under two million yen (\$20,000 USD.).
- Steady recovery from the heightened volcanic activity at Kīlauea has been observed as a result of the co-op funds spent for the market by the wholesalers and HTJ. Current updates on wholesalers' booking paces indicate that stronger results will be seen in the second quarter of 2019.
- Competitive destinations remain strong, with markets such as Taiwan, Australia, and Hong Kong exhibiting particular popularity for their more affordable pricing and proximity to

Japan. Visitors to Europe have also been recovering as the terroristic activities in the region subside. Travel trade destination workshops by various countries and number of commemorative anniversaries are encouraging collaborations including governmental relations.

- Fuel surcharge rates for March have been lowered to 11,000 yen, with potential for change again in April.
- Delta Air Lines announced the withdrawal from the Fukuoka market after May 8. The Fukuoka market will no longer have direct flight service to Hawai'i.
- A shift in the Kansai market is expected for 2019 with the cessation of services by Scoot and the end of a second daily service by JAL. The market is expected to see the effects of rising fuel costs in the coming months.
- The launch of the first Airbus A380 Aircraft by ANA this coming May 24th (3 days/week) and a second aircraft on July 1st (7 days/week) will greatly increase media exposure for Hawai'i in 2019, while changing the dynamics of the seat distribution for Hawai'i-Japan route.
- Major airlines are strengthening efforts on Loyalty Programs (Mileage Programs) and direct bookings to better accommodate the growing FIT market to Hawai'i.

## OCEANIA

**Table 7: Key Performance Indicators – Oceania**

	% of Forecast	YOY Rate <sup>2</sup>	Feb YTD	Forecast
Arrivals	97.2%	1.2%	53,827	55,373
Visitor Spending (\$mil) <sup>2</sup>	84.2%	-4.3%	131.8	156.5
Visitor Days	96.2%	0.9%	512,169	532,144
Daily Spend (\$pppd)	87.5%	-5.1%	257.3	294.2
Airlift (scheduled seats)	100.0%	0.7%	79,163	79,163

*DBEDT Forecasts (Quarter 4 2018), Excludes Supplemental Business Expenditures*

- There were 16,830 visitors from Australia in February 2019, down 3.3 percent from a year ago. Arrivals dropped slightly through the first two months of 2019 (-0.5% 45,557) compared to the same period last year.
- GDP growth for Australia is forecast at 3 percent for 2019 and 2020, supported by substantial activity in public spending, business investment and exports.
- There has been an increase in the number of flights available from Australia to U.S. destinations, resulting in very competitive fares and providing travelers with more choice on where to holiday in the USA.
- The number of Australians taking overseas trips is growing. Figures from November 2018 show a 5.8 percent increase in outbound departures over 2017, while travel to the USA is also up slightly (+1.7%).
- Visitor arrivals from New Zealand grew in both February (+3.6% to 2,769) and through the first two months of 2019 (+12.1% to 8,270).
- The New Zealand economy is predicted to see GDP growth of between 2.5 percent and 3.5 percent over the next few years.

- After a long period of stability, the New Zealand dollar weakened against the USD during 2018 but rallied towards the latter part of the year. The NZD began 2019 at US\$0.67cents.
- In 2018, outbound travel from New Zealand reached record levels with over 3 million departures.

## EUROPE

**Table 8: Key Performance Indicators – Europe**

	% of Forecast	YOY Rate <sup>2</sup>	Feb YTD	Forecast
Arrivals	98.7%	-1.5%	16,400	16,618
Visitor Spending (\$mil) <sup>2</sup>	69.2%	25.5%	33.1	47.8
Visitor Days	98.2%	0.1%	226,147	230,368
Daily Spend (\$pppd)	70.5%	25.4%	146.5	207.7
Airlift (scheduled seats)	NA	NA	NA	NA

*DBEDT Forecasts (Quarter 4 2018), Excludes Supplemental Business Expenditures*

- Combined visitor arrivals from the United Kingdom, France, Germany, Italy and Switzerland dropped in both February (-4.8% to 8,593) and through the first two months of 2019 (-1.5% to 16,400).
- Despite Brexit uncertainty, households' assessment of their personal finances improved due to falling inflation and higher wages and employment. Corporate travel leaders and airlines have dismissed concerns that Brexit could hit demand for travel from the UK. Key travel partners have reported a strong start for 2019 with high year-over-year growth.
- Consumer sentiment has been stable according to the GfK Group Consumer Climate index.
- Throughout Swiss households, consumer sentiment improved in the November 2018–January 2019 period, with the index prepared by the State Secretariat for Economic Affairs rising.
- Looking ahead, French consumer confidence recovered at the outset of the current quarter. The consumer confidence indicator currently stands at 92.
- The German economy is very stable encouraging consumers to spend more on leisure activities. A recent report showed that one of eight German holidaymakers took a long-haul trip in 2018. Among non- European destinations, North America was the second most popular destination.

## CHINA

**Table 9: Key Performance Indicators – China**

	% of Forecast	YOY Rate <sup>2</sup>	Feb YTD	Forecast
Arrivals	73.6%	-23.3%	20,036	27,230
Visitor Spending (\$mil) <sup>2</sup>	63.8%	-20.3%	56.8	89.1
Visitor Days	69.8%	-20.9%	176,648	253,104
Daily Spend (\$pppd)	91.4%	0.8%	321.8	352.1
Airlift (scheduled seats)	100.0%	-26.1%	22,022	22,022

*DBEDT Forecasts (Quarter 4 2018), Excludes Supplemental Business Expenditures*

- Visitor arrivals declined in both February (-25.1% to 10,907) and through the first two months of 2019 (-23.3% to 20,036) year-over-year.

- The Chinese economy expanded 6.6 percent year over year in 2018. For 2019, China set its GDP growth target at between 6 percent and 6.5 percent as the country pursues higher-quality development amid mounting uncertainties in the international economic landscape, according to the annual Government Work Report delivered by Premier Li on March 5th.
- Currency exchange rate is stable at approximately 6.7 CNY to USD.
- As reported by the China Tourism Academy, outbound tourism recorded 140 million trips at the end of 2018, an increase of 13.5 percent compared to 2017. Chinese travelers' outbound trips are expected to exceed 166 million in 2019. Total arrivals to the U.S. in 2018 are expected to reach 3.2 million according to the U.S. Department of Commerce.
- As of February 2019, a total of 72 destinations/countries were offering Chinese visitor's visa waivers or visas upon arrival to entice the market. Many competing destinations have loosened up their visa policies for Chinese travelers.
- Competition continues to intensify as countries and the continental U.S. destinations invest heavily on accessing the China market. The overall increase in airlift from Tier 1 and Tier 2 China cities to the continental U.S. has increased convenience and destination offerings to Chinese travelers, raising competition to the Hawaiian Islands.
- Hawaiian Airlines suspended its Beijing - Honolulu air services in October 2018 resulted in a drop of 11,221 air seats in Q1 2019.
- The launch of the first Airbus A380 Aircraft by ANA in 2019 will double ANA's capacity to Hawai'i. More marketing and trade cooperation will be conducted with ANA China offices to promote the transit air routes.
- Hawai'i ranked second among outbound tourism destinations for Chinese Luxury travelers, according to the latest joint report by Hurun Report and International Luxury Travel Market (ILTM). HTC 2019 Marketing strategy continues to target more sophisticated and high value visitors to Hawai'i.

## KOREA

**Table 10: Key Performance Indicators – Korea**

	% of Forecast	YOY Rate <sup>2</sup>	Feb YTD	Forecast
Arrivals	76.1%	-31.8%	39,988	52,530
Visitor Spending (\$mil) <sup>2</sup>	75.2%	-28.8%	83.5	111.0
Visitor Days	78.6%	-28.2%	330,863	420,797
Daily Spend (\$pppd)	95.7%	-0.8%	252.3	263.7
Airlift (scheduled seats)	100.0%	-22.8%	63,972	63,972

*DBEDT Forecasts (Quarter 4 2018), Excludes Supplemental Business Expenditures*

- Visitor arrivals decreased in both February (-37.0% to 18,092) and year-to-date 2019 (-31.8% to 39,988).
- The central bank trimmed its outlook for the Korean economy this year as a combination of a slowdown in the global economy, weaker-than-expected exports and trade disputes take their toll. The Bank of Korea (BOK) cut its projection for GDP growth by 0.1 percent to 2.6 percent and estimated 2020's growth at the same level. Increasing uncertainties, especially outside Korea, were cited as primary factors.
- The average USD/WON exchange rate in February was 1,122.18 won, a slight increase from the previous rate of 1,120.44 won in January 2019.

- South Korean airlines announced on February 19 they would lift fuel surcharges on international routes for March to reflect rising oil prices. The carriers currently charge fuel surcharges of up to 19,200 won (\$17) for one-way travel tickets on long-haul routes. The one-way travel fuel surcharge on international routes will rise to 34,800 won starting in March, according to airline officials.
- Korea's Asiana Airlines (OZ) will increase the frequency of its ICN-HNL route to daily during the following periods: first daily flight services between April 30 and May 18, 2019, and second daily services from August 16 to October 26, 2019. The airline is currently operating 5 flights weekly on Sunday, Monday, Wednesday, Thursday, and Saturday. With its increased airlift, the daily flight services will add about 6,325 seat supplies to the market by the end of this year. Meanwhile, OZ reported that it will be likely to continue its daily flight services from October 27 until March 2020 to primarily serve increasing FIT demands.
- Jin Air has temporarily suspended flights from March 3 to mid-July and will again from October to December 2019.
- HTK partnered with: 1) Korean Air on a "Luxury Hawai'i" promotional campaign; 2) Asiana Airlines for a FIT sales boosting promotion; 3) Jin Air to support the airline's return from December 29; and 4) Hawaiian Airlines for neighbor island promotions.
- HTK continues to promote the individual Hawaiian Islands in efforts to increase island distribution by collaborating with key airline partners and tour operators.

## TAIWAN

**Table 11: Key Performance Indicators – Taiwan**

	% of Forecast	YOY Rate <sup>2</sup>	Feb YTD	Forecast
Arrivals	103.0%	5.2%	3,434	3,335
Visitor Spending (\$mil) <sup>2</sup>	121.1%	37.6%	9.2	7.6
Visitor Days	119.3%	17.0%	34,759	29,140
Daily Spend (\$pppd)	101.5%	17.6%	265.6	261.7
Airlift (scheduled seats)	100.0%	0.0%	5,202	5,202

*DBEDT Forecasts (Quarter 4 2018), Excludes Supplemental Business Expenditures*

- Visitor arrivals declined in February (-15.4% to 1,344) but increased through the first two months of 2019 (+5.2% to 3,434).
- Taiwan's government trimmed its GDP growth forecast for 2019 to 2.3 percent due to slowing global expansion and trade tensions between China and the U.S.
- Currency exchange rate fluctuations play a critical role in Taiwanese consumers' decision-making in oversea travel destination and spending. In 2018, due to favorable currency exchange rate, Australia and New Zealand experienced double- and triple-digit growths (+14.6% and +205.3%, respectively) in visitor arrivals in 2018, impacting the long-haul outbound travel to Hawai'i and the U.S.
- Taiwanese outbound travel to the U.S. increased by 3.6 percent to 53,377 in January 2019 compared to the same period last year.
- China Airlines will add one more direct flight providing a total of three weekly flights between Taipei and Honolulu starting May 2019.
- According to Expedia's latest report on the most popular destinations for the Taiwanese in 2018, the top ten destinations are all located in Asia, including Hong Kong, Tokyo,

Bangkok, Seoul, Osaka, Shanghai, Cebu, Singapore, Macau and Kuala Lumpur. Expedia indicated that the increasing popularity of low-cost carriers and New Southbound Policy by Taiwan’s government contributed to the visitor traffic to these Asian destinations. Expedia also pointed out that beach and island destinations that include resorts, tropical ambience, and cultural elements are a top-ranked travel option for Taiwanese consumers.

- In February, HTT hosted two yoga classes with Hawai’i décor in Taipei and Taichung to promote the “Yoga with Aloha” campaign. HTT invited local hula dancers to perform to the live ukulele music played by the yoga instructor in class. HTT’s campaign partners True Yoga (a leading yoga studio/gym chains) secured the venue and instructors for the classes while Roxy (a female fitness clothing brand) provided giveaways for participants. The “Yoga with Aloha” campaign will run until March 10 and final results/winners will be announced at the end of March.

## LATIN AMERICA

**Table 122: Key Performance Indicators – Latin America**

	% of Forecast	YOY Rate <sup>2</sup>	Feb YTD	Forecast
Arrivals	81.4%	-24.7%	4,186	5,144
Visitor Spending (\$mil) <sup>2</sup>	108.6%	6.2%	11.5	10.6
Visitor Days	84.0%	-21.9%	47,665	56,720
Daily Spend (\$pppd)	129.3%	36.0%	241.9	187.2
Airlift (scheduled seats)	NA	NA	NA	NA

*DBEDT Forecasts (Quarter 4 2018), Excludes Supplemental Business Expenditures*

- Visitor arrivals from Mexico, Brazil and Argentina declined in both February (-26.4% to 1,727) and through the first two months of 2019 (-24.7% to 4,186).

## Island Distribution

- **O’ahu:** Visitor spending decreased in February 2019 (-1.6% to \$613.0 million) year-over-year. Total visitor days was flat (-0.2%) and daily spending was lower (-1.4% to \$197 per person) compared to February 2018. There were 456,820 visitors to O’ahu in February, similar to a year ago. The average daily census showed 110,885 visitors (-0.2%) in February 2019.

Through the first two months, visitor spending rose 3.5 percent to \$1.32 billion. Visitor days (+4.0%) and visitor arrivals (+3.4% to 948,742) increased, while there was no growth in daily spending (-0.4% to \$195 per person) compared to the same period last year.

- **Maui:** Visitor spending increased 1.2 percent in February to \$413.0 million. Visitor days (+1.3%) increased but while daily spending (-0.1% to \$220 per person) was similar to last February. Arrivals grew 1.5 percent to 220,801 visitors. The average daily census rose 1.3 percent to 67,078 visitors in February.

Through the first two months, visitor spending fell 6.5 percent to \$885.6 million. Visitor days (+0.6%) and visitor arrivals (+1.3% to 474,121) increased but daily spending (-7.1% to \$219 per person) declined.

- **Island of Hawai'i:** Visitor spending dropped in February (-17.5% to \$192.3 million), as a result of decreases in visitor days (-12.4%) and daily spending (-5.8% to \$182 per person). Arrivals were down 14.8 percent to 137,502 visitors. The average daily census decreased 12.4 percent to 37,818 visitors in February.

Through the first two months, both visitor spending (-10.3% to \$445.8 million) and arrivals (-10.7% to 285,628) decreased compared to a year ago.

- **Kaua'i:** Visitor spending increased in February (+4.7% to \$153.5 million) year-over-year, boosted by higher daily spending (+6.3% to \$193 per person) which offset a drop in visitor days (-1.5%). Visitor arrivals (+0.2% to 104,167) were comparable to February 2018. The average daily census dropped 1.5 percent to 28,399 visitors in February.

Through the first two months, both visitor spending (-1.4% to \$329.9 million) and arrivals (-1.4% to 210,231) declined versus the same period last year.

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q4 2018

Hawai'i Tourism Authority Report Date: **Feb-19** Preliminary

Visitor Industry Performance Measures

Market: **OVERALL**

Key Performance Indicators

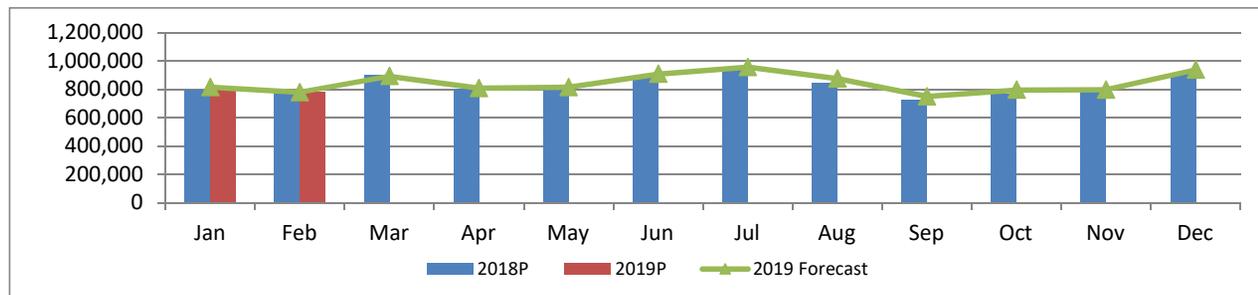
	% of Forecast*	YOY Rate	YTD	Forecast
Arrivals	➔ 100.6%	1.8%	1,603,205	1,594,142
Visitor Spending (\$mil)*	⬇ 90.9%	-2.4%	3,013.0	3,313.2
Visitor Days	⬇ 97.4%	0.0%	15,124,887	15,532,150
Daily Spend (\$pppd)	⬇ 93.4%	-2.4%	199.2	213.3
Airlift (scheduled seats)	➔ 100.0%	0.8%	2,133,307	2,132,805

Arrivals	YOY Rate	YTD
O'ahu	3.4%	948,742
Maui	1.3%	454,121
Moloka'i	1.0%	11,147
Lāna'i	1.3%	12,622
Kaua'i	-1.4%	210,231
Hawai'i Island	-10.7%	285,628

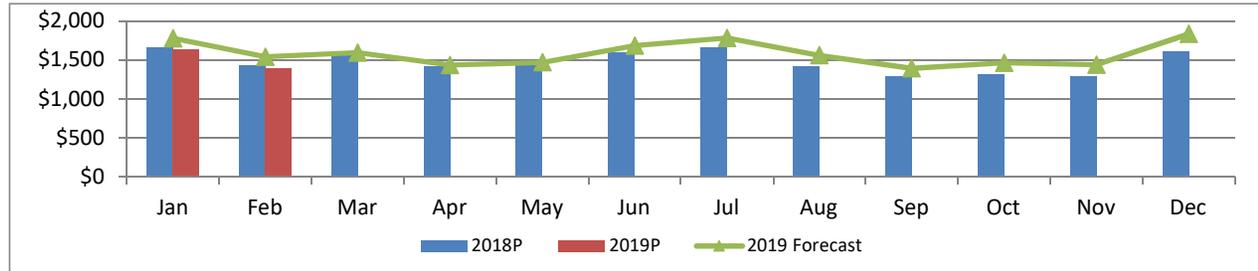
\*DBEDT Forecast as of Q4 2018

Monthly Indicators

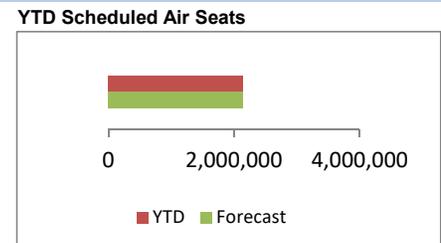
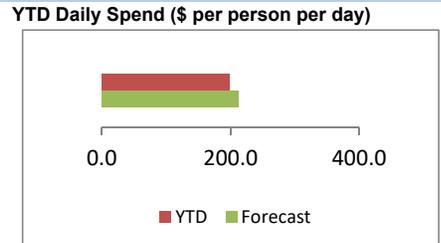
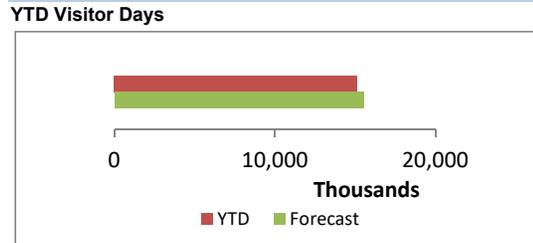
Monthly Arrivals



Monthly Visitor Expenditures (\$mil)



Annual Indicators



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q4 2018

Hawai'i Tourism Authority Report Date: **Feb-19** Preliminary

Visitor Industry Performance Measures

Market: **U.S. TOTAL**

Key Performance Indicators

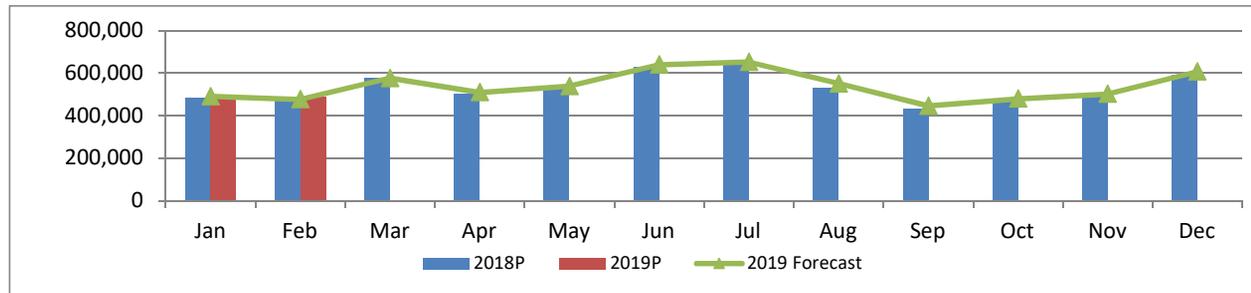
	% of Forecast*	YOY Rate	YTD	Forecast
Arrivals	↑ 102.2%	3.7%	988,008	966,978
Visitor Spending (\$mil)*	↓ 93.7%	-1.3%	1,893.6	2,020.6
Visitor Days	↔ 98.1%	0.8%	9,726,933	9,911,208
Daily Spend (\$pppd)	↓ 95.5%	-2.0%	194.7	203.9
Airlift (scheduled seats)	↔ 100.0%	0.7%	1,442,996	1,442,494

Arrivals	YOY Rate	YTD
O'ahu	7.2%	475,799
Maui	0.9%	335,211
Moloka'i	-5.8%	7,699
Lāna'i	-6.4%	8,647
Kaua'i	-3.4%	165,512
Hawai'i Island	-6.5%	193,284

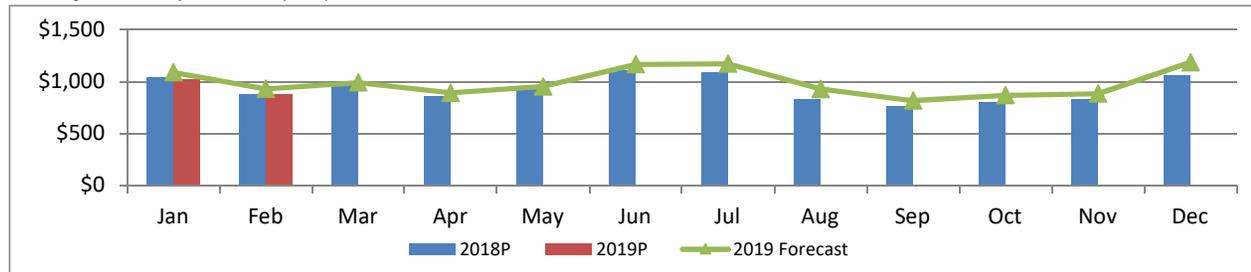
\*DBEDT Forecast as of Q4 2018

Monthly Indicators

Monthly Arrivals

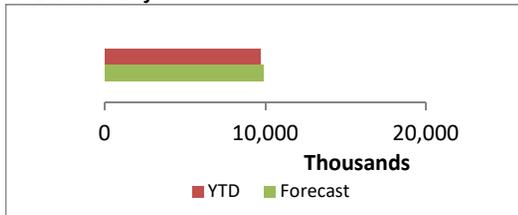


Monthly Visitor Expenditures (\$mil)

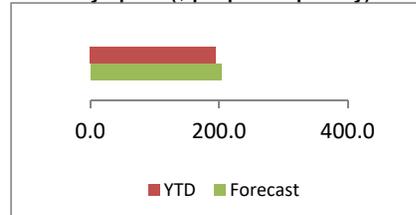


Annual Indicators

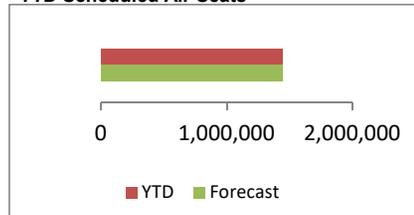
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q4 2018

Hawai'i Tourism Authority Report Date: **Feb-19** Preliminary

Visitor Industry Performance Measures

Market: **U.S. WEST**

Key Performance Indicators

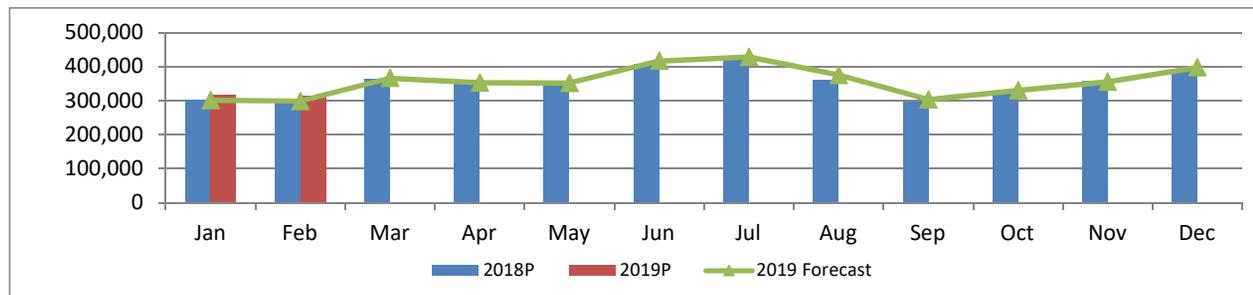
	% of Forecast*	YOY Rate	YTD	Forecast
Arrivals	↑ 105.2%	5.5%	631,064	599,648
Visitor Spending (\$mil)*	↓ 95.2%	-0.8%	1,061.2	1,115.1
Visitor Days	→ 100.5%	1.6%	5,835,249	5,804,156
Daily Spend (\$pppd)	↓ 94.7%	-2.4%	181.9	192.1
Airlift (scheduled seats)	→ 100.0%	1.0%	1,259,601	1,259,099

Arrivals	YOY Rate	YTD
O'ahu	9.2%	279,103
Maui	3.6%	205,599
Moloka'i	14.8%	4,636
Lāna'i	4.7%	4,476
Kaua'i	-1.2%	98,335
Hawai'i Island	-0.3%	119,668

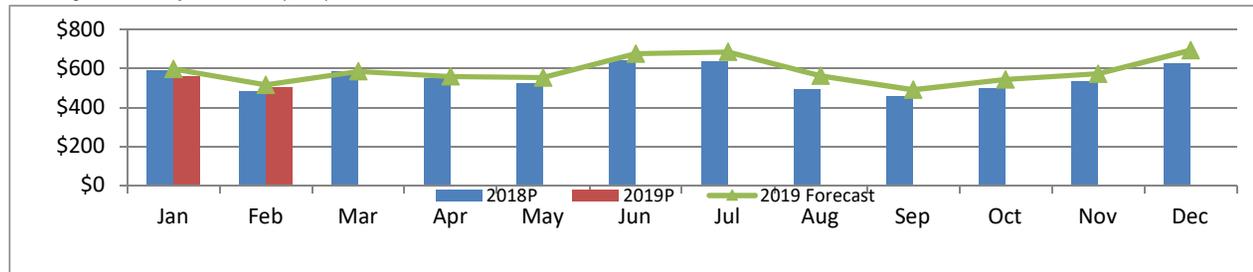
\*DBEDT Forecast as of Q4 2018

Monthly Indicators

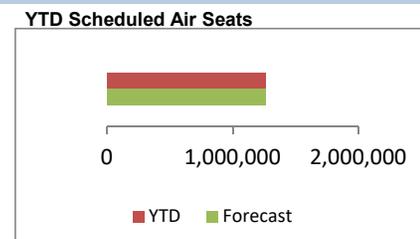
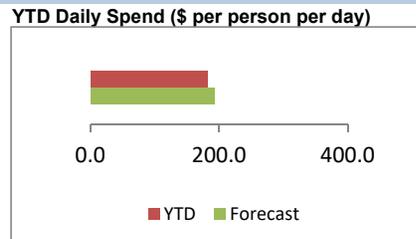
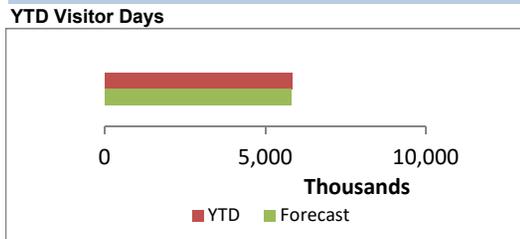
Monthly Arrivals



Monthly Visitor Expenditures (\$mil)



Annual Indicators



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q4 2018

Hawai'i Tourism Authority Report Date: **Feb-19** Preliminary

Visitor Industry Performance Measures

Market: **U.S. EAST**

Key Performance Indicators

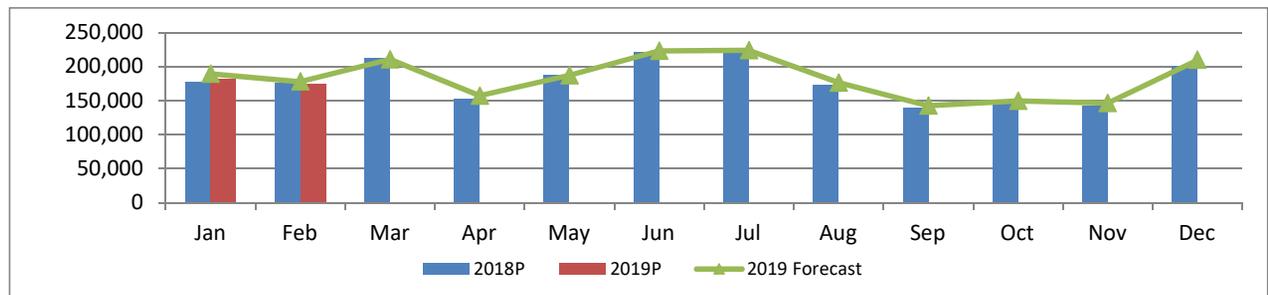
	% of Forecast*	YOY Rate	YTD	Forecast
Arrivals	↓ 97.2%	0.7%	356,943	367,330
Visitor Spending (\$mil)*	↓ 91.9%	-1.8%	832.5	905.6
Visitor Days	↓ 94.8%	-0.5%	3,891,684	4,107,052
Daily Spend (\$pppd)	↓ 97.0%	-1.4%	213.9	220.5
Airlift (scheduled seats)	→ 100.0%	-1.3%	183,395	183,395

Arrivals	YOY Rate	YTD
O'ahu	4.6%	196,696
Maui	-3.0%	129,612
Moloka'i	-25.9%	3,063
Lāna'i	-16.0%	4,171
Kaua'i	-6.3%	67,177
Hawai'i Island	-15.0%	73,616

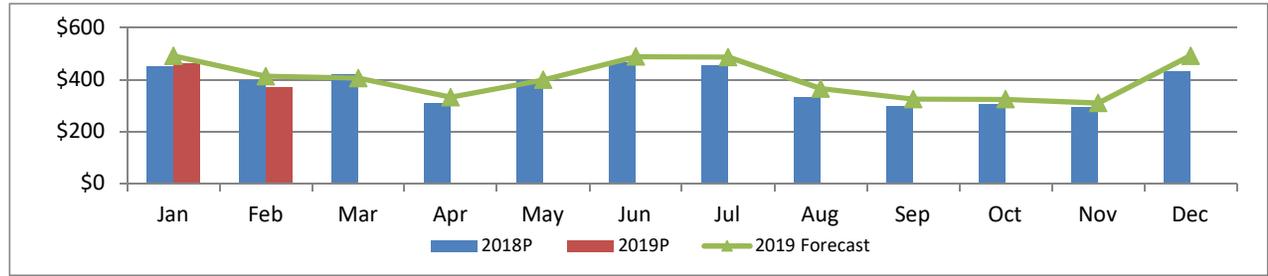
\*DBEDT Forecast as of Q4 2018

Monthly Indicators

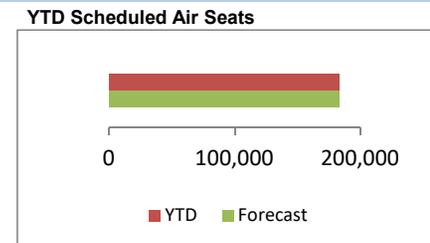
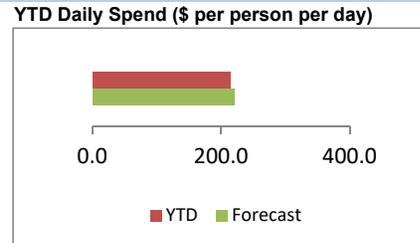
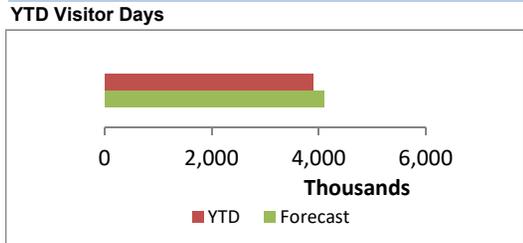
Monthly Arrivals



Monthly Visitor Expenditures (\$mil)



Annual Indicators



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q4 2018

Hawai'i Tourism Authority Report Date: **Feb-19** Preliminary

Visitor Industry Performance Measures

Market: **CANADA**

Key Performance Indicators

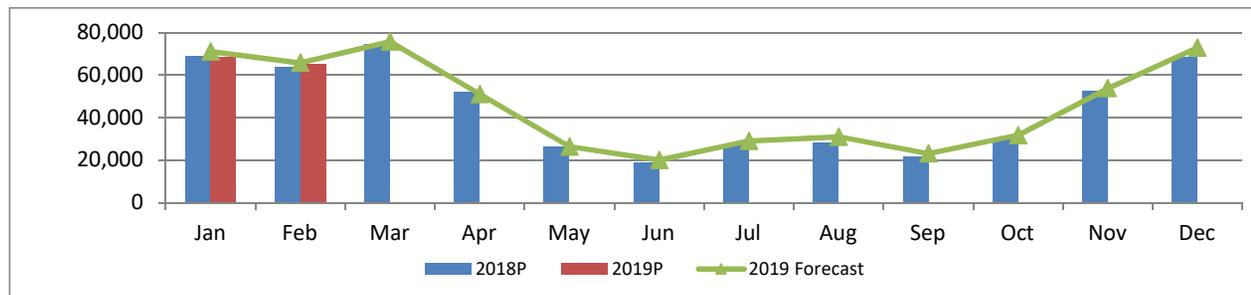
	% of Forecast*	YOY Rate	YTD	Forecast
Arrivals	↓ 97.9%	0.7%	133,915	136,843
Visitor Spending (\$mil)*	↓ 96.1%	-0.4%	318.3	331.2
Visitor Days	↓ 96.5%	0.3%	1,796,733	1,861,749
Daily Spend (\$pppd)	→ 99.6%	-0.7%	177.2	177.9
Airlift (scheduled seats)	→ 100.0%	10.9%	137,674	137,674

Arrivals	YOY Rate	YTD
O'ahu	4.3%	52,098
Maui	0.1%	66,363
Moloka'i	44.0%	1,417
Lāna'i	33.7%	1,847
Kaua'i	6.9%	21,310
Hawai'i Island	-7.8%	26,586

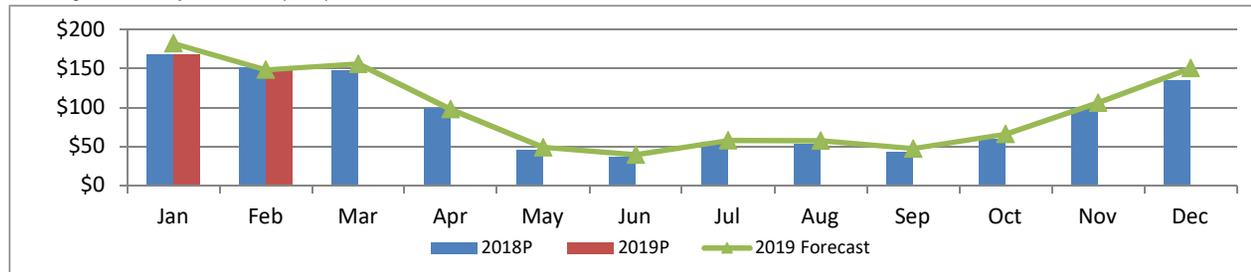
\*DBEDT Forecast as of Q4 2018

Monthly Indicators

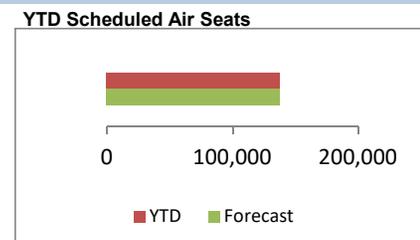
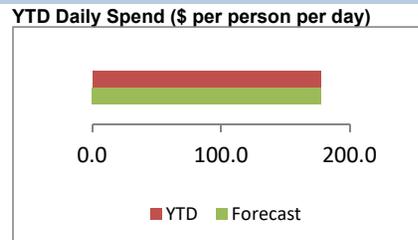
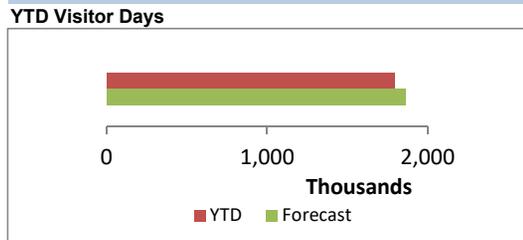
Monthly Arrivals



Monthly Visitor Expenditures (\$mil)



Annual Indicators



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q4 2018

Hawai'i Tourism Authority Report Date: **Feb-19** Preliminary

Visitor Industry Performance Measures

Market: **JAPAN**

Key Performance Indicators

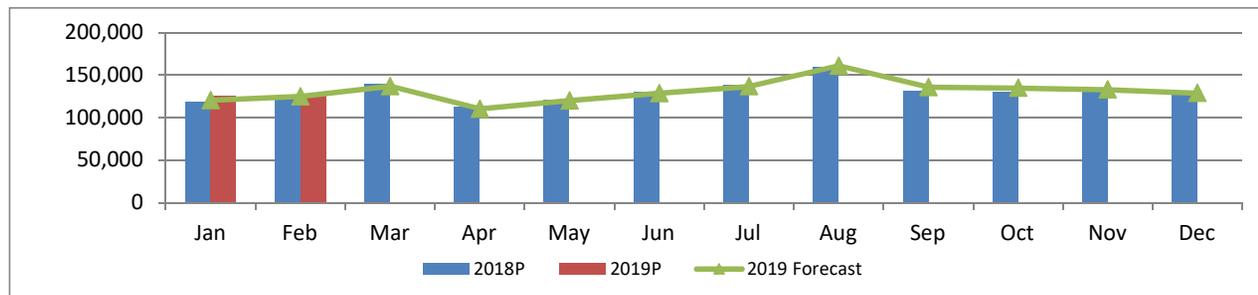
	% of Forecast*	YOY Rate	YTD	Forecast
Arrivals	↑ 102.5%	3.3%	251,488	245,346
Visitor Spending (\$mil)*	↓ 90.2%	-3.8%	349.6	387.5
Visitor Days	↔ 101.8%	0.6%	1,467,190	1,440,872
Daily Spend (\$pppd)	↓ 88.6%	-4.4%	238.3	269.0
Airlift (scheduled seats)	↔ 100.0%	6.1%	332,260	332,260

Arrivals	YOY Rate	YTD
O'ahu	5.6%	240,041
Maui	5.0%	8,951
Moloka'i	-35.8%	126
Lāna'i	73.9%	320
Kaua'i	8.4%	4,756
Hawai'i Island	-26.8%	24,699

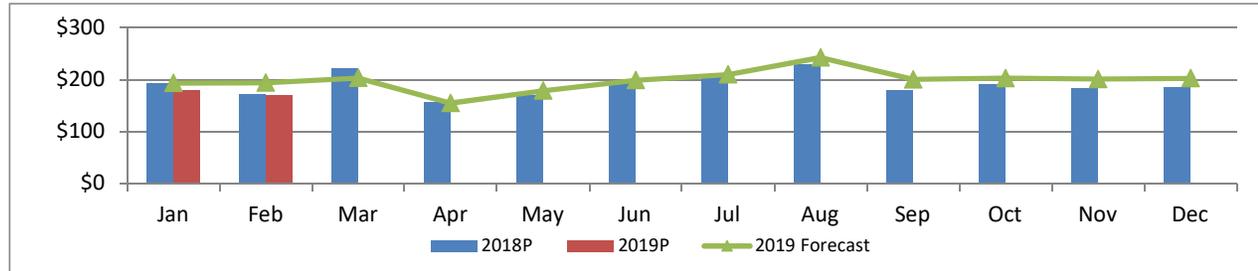
\*DBEDT Forecast as of Q4 2018

Monthly Indicators

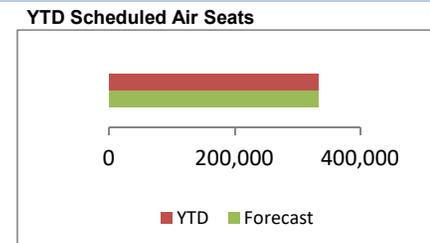
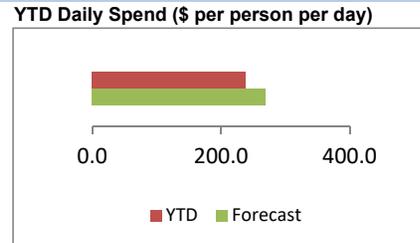
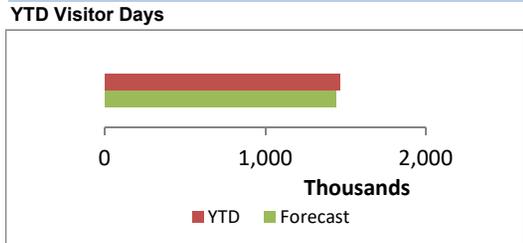
Monthly Arrivals



Monthly Visitor Expenditures (\$mil)



Annual Indicators



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q4 2018

Hawai'i Tourism Authority Report Date: **Feb-19** Preliminary

Visitor Industry Performance Measures

Market: **CHINA**

Key Performance Indicators

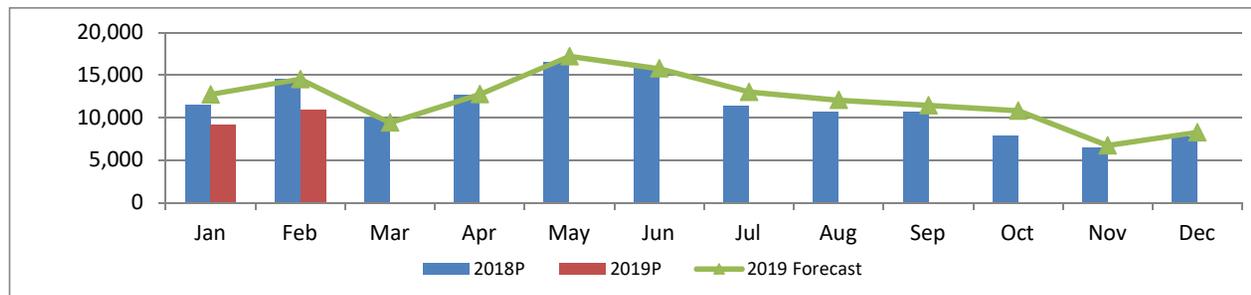
	% of Forecast*	YOY Rate	YTD	Forecast
Arrivals	↓ 73.6%	-23.3%	20,036	27,230
Visitor Spending (\$mil)*	↓ 63.8%	-20.3%	56.8	89.1
Visitor Days	↓ 69.8%	-20.9%	176,648	253,104
Daily Spend (\$pppd)	↓ 91.4%	0.8%	321.8	352.1
Airlift (scheduled seats)	→ 100.0%	-26.1%	22,022	22,022

Arrivals	YOY Rate	YTD
O'ahu	-24.5%	19,290
Maui	-16.6%	5,232
Moloka'i	-46.5%	110
Lāna'i	-0.6%	240
Kaua'i	30.4%	970
Hawai'i Island	-24.4%	8,569

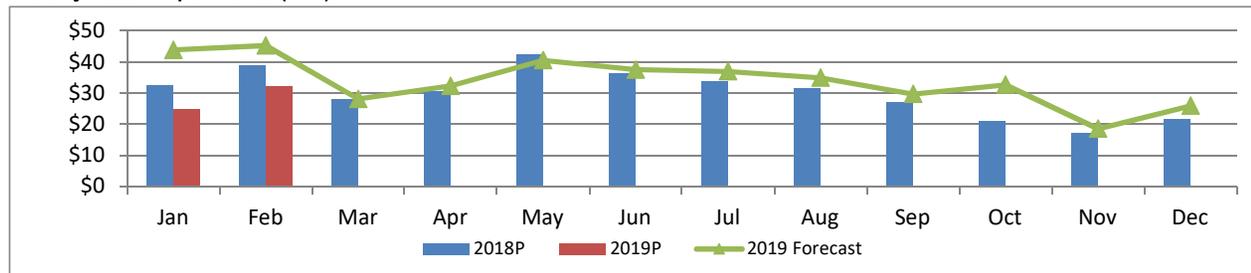
\*DBEDT Forecast as of Q4 2018

Monthly Indicators

Monthly Arrivals

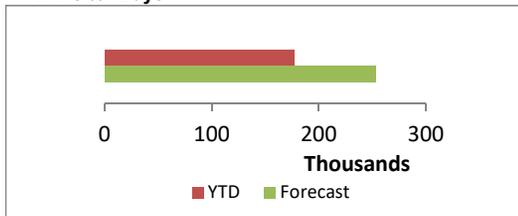


Monthly Visitor Expenditures (\$mil)

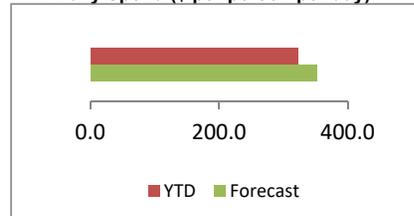


Annual Indicators

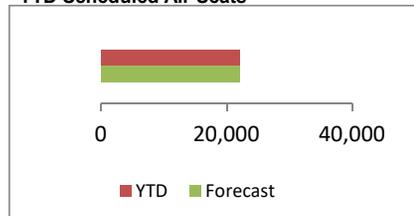
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q4 2018

Hawai'i Tourism Authority Report Date: **Feb-19** Preliminary

Visitor Industry Performance Measures

Market: **KOREA**

Key Performance Indicators

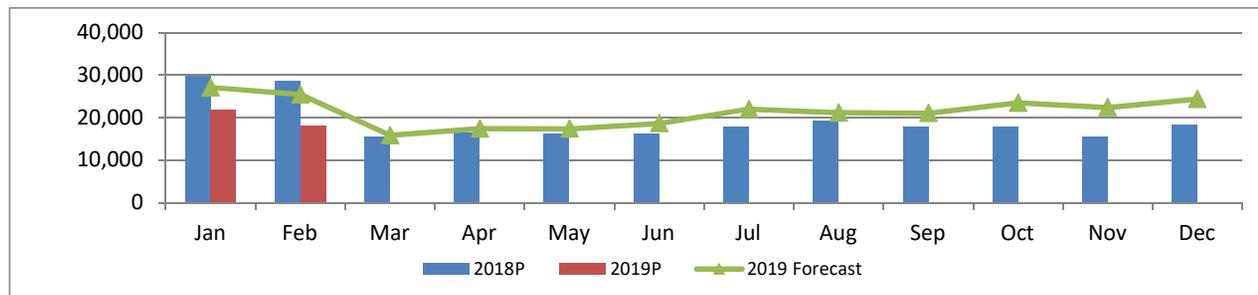
	% of Forecast*	YOY Rate	YTD	Forecast
Arrivals	↓ 76.1%	-31.8%	39,988	52,530
Visitor Spending (\$mil)*	↓ 75.2%	-28.8%	83.5	111.0
Visitor Days	↓ 78.6%	-28.2%	330,863	420,797
Daily Spend (\$pppd)	↓ 95.7%	-0.8%	252.3	263.7
Airlift (scheduled seats)	→ 100.0%	-22.8%	63,972	63,972

Arrivals	YOY Rate	YTD
O'ahu	-31.8%	39,304
Maui	-7.9%	5,516
Moloka'i	-7.1%	238
Lāna'i	4096.7%	226
Kaua'i	-35.4%	1,590
Hawai'i Island	-26.1%	6,451

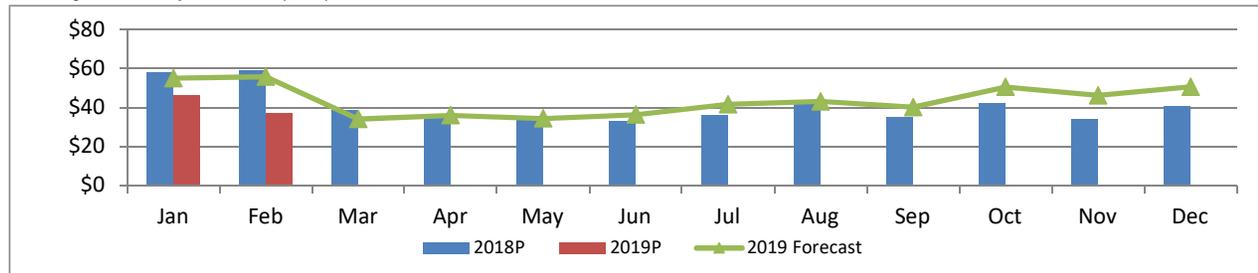
\*DBEDT Forecast as of Q4 2018

Monthly Indicators

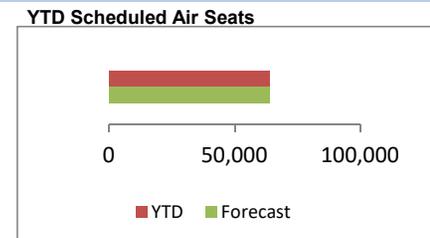
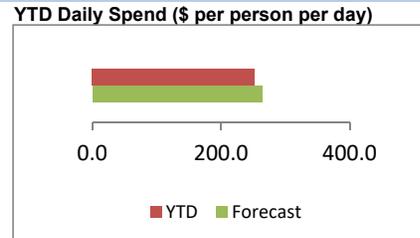
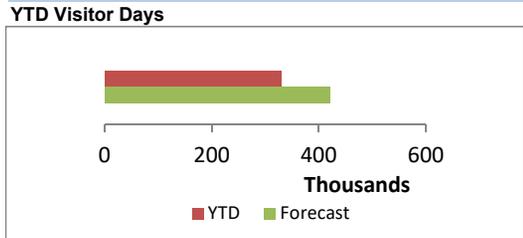
Monthly Arrivals



Monthly Visitor Expenditures (\$mil)



Annual Indicators



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q4 2018

Hawai'i Tourism Authority Report Date: **Feb-19** Preliminary

Visitor Industry Performance Measures

Market: **TAIWAN**

Key Performance Indicators

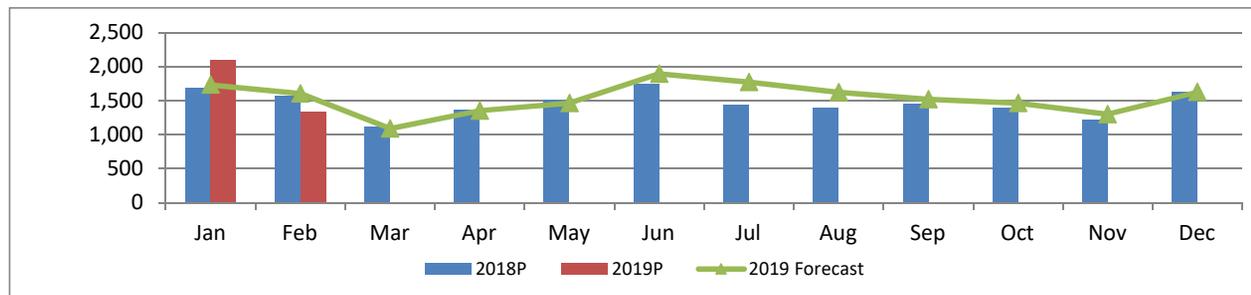
	% of Forecast*	YOY Rate	YTD	Forecast
Arrivals	↑ 103.0%	5.2%	3,434	3,335
Visitor Spending (\$mil)*	↑ 121.1%	37.6%	9.2	7.6
Visitor Days	↑ 119.3%	17.0%	34,759	29,140
Daily Spend (\$pppd)	↔ 101.5%	17.6%	265.6	261.7
Airlift (scheduled seats)	→ 100.0%	0.0%	5,202	5,202

Arrivals	YOY Rate	YTD
O'ahu	5.5%	3,361
Maui	63.1%	754
Moloka'i	-100.0%	-
Lāna'i	-96.3%	2
Kaua'i	445.6%	331
Hawai'i Island	-29.9%	791

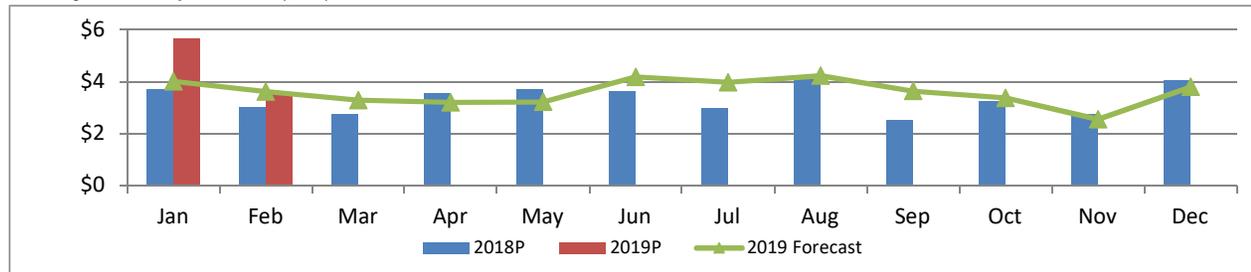
\*DBEDT Forecast as of Q4 2018

Monthly Indicators

Monthly Arrivals

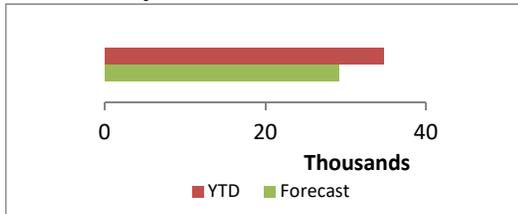


Monthly Visitor Expenditures (\$mil)

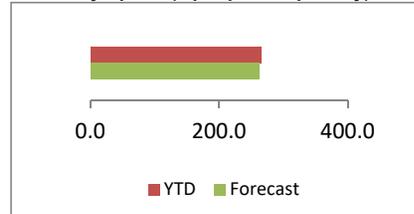


Annual Indicators

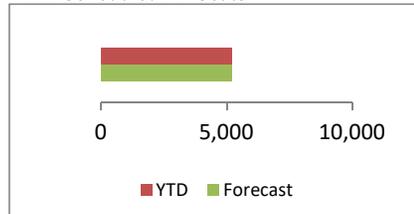
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q4 2018

Hawai'i Tourism Authority Report Date: **Feb-19** Preliminary

Visitor Industry Performance Measures

Market: **OCEANIA**

Key Performance Indicators

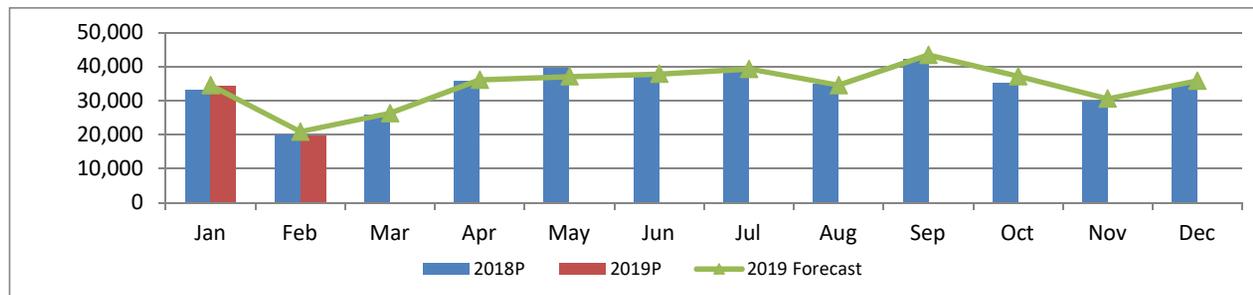
	% of Forecast*	YOY Rate	YTD	Forecast
Arrivals	↓ 97.2%	1.2%	53,827	55,373
Visitor Spending (\$mil)*	↓ 84.2%	-4.3%	131.8	156.5
Visitor Days	↓ 96.2%	0.9%	512,169	532,144
Daily Spend (\$pppd)	↓ 87.5%	-5.1%	257.3	294.2
Airlift (scheduled seats)	→ 100.0%	0.7%	79,163	79,163

Arrivals	YOY Rate	YTD
O'ahu	0.8%	52,365
Maui	-9.3%	8,185
Moloka'i	62.3%	658
Lāna'i	33.3%	882
Kaua'i	14.4%	4,822
Hawai'i Island	-26.2%	5,247

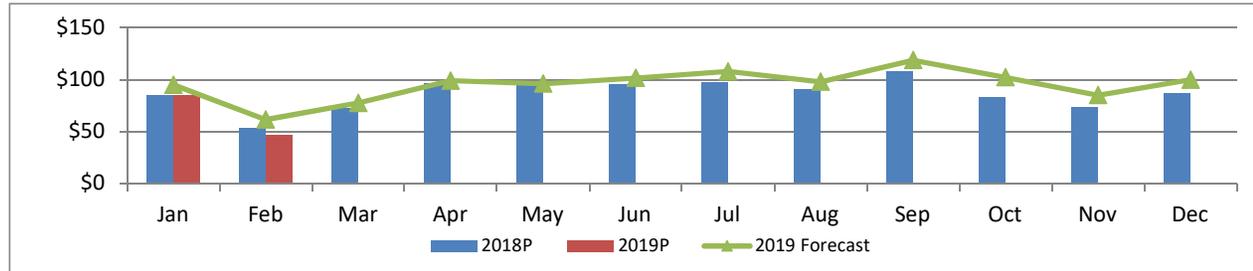
\*DBEDT Forecast as of Q4 2018

Monthly Indicators

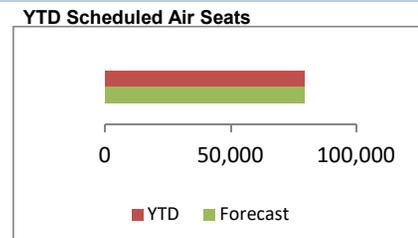
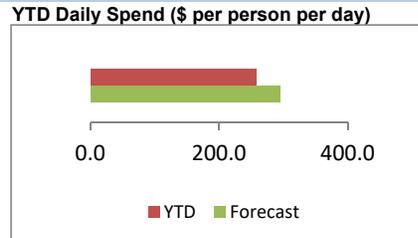
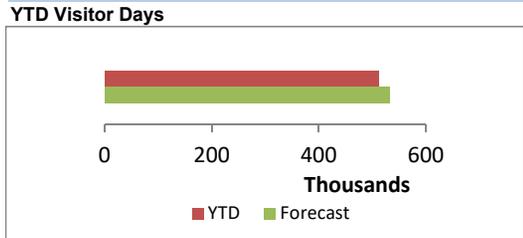
Monthly Arrivals



Monthly Visitor Expenditures (\$mil)



Annual Indicators



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q4 2018

Hawai'i Tourism Authority Report Date: **Feb-19** Preliminary

Visitor Industry Performance Measures

Market: **EUROPE**

Key Performance Indicators

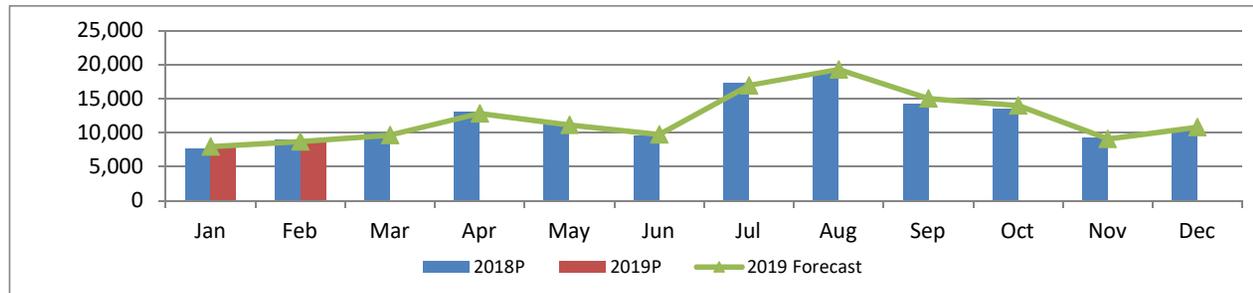
		% of Forecast*	YOY Rate	YTD	Forecast
Arrivals	👉	98.7%	-1.5%	16,400	16,618
Visitor Spending (\$mil)*	👇	69.2%	25.5%	33.1	47.8
Visitor Days	👉	98.2%	0.1%	226,147	230,368
Daily Spend (\$pppd)	👇	70.5%	25.4%	146.5	207.7
Airlift (scheduled seats)		NA	NA	NA	NA

Arrivals	YOY Rate	YTD
O'ahu	-1.1%	11,949
Maui	32.4%	7,178
Moloka'i	8.6%	243
Lāna'i	-39.5%	121
Kaua'i	22.6%	3,915
Hawai'i Island	-17.5%	4,906

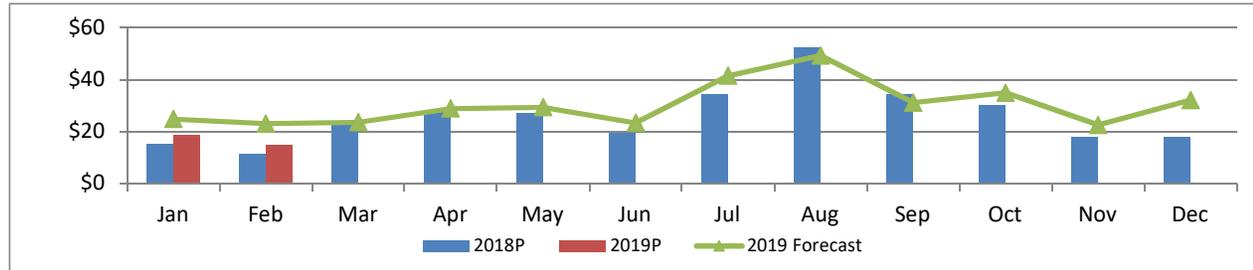
\*DBEDT Forecast as of Q4 2018

Monthly Indicators

Monthly Arrivals

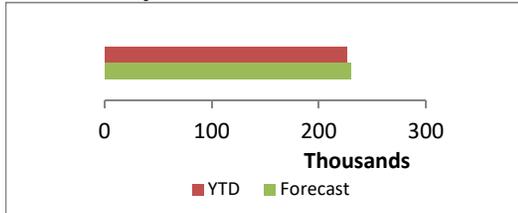


Monthly Visitor Expenditures (\$mil)

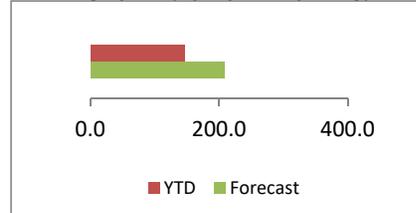


Annual Indicators

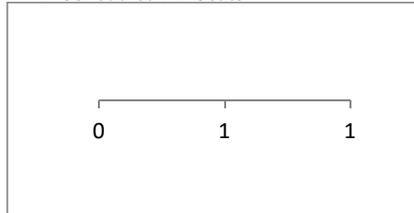
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



\* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q4 2018

Hawai'i Tourism Authority Report Date: **Feb-19** Preliminary

Visitor Industry Performance Measures

Market: **LATIN AMERICA**

Key Performance Indicators

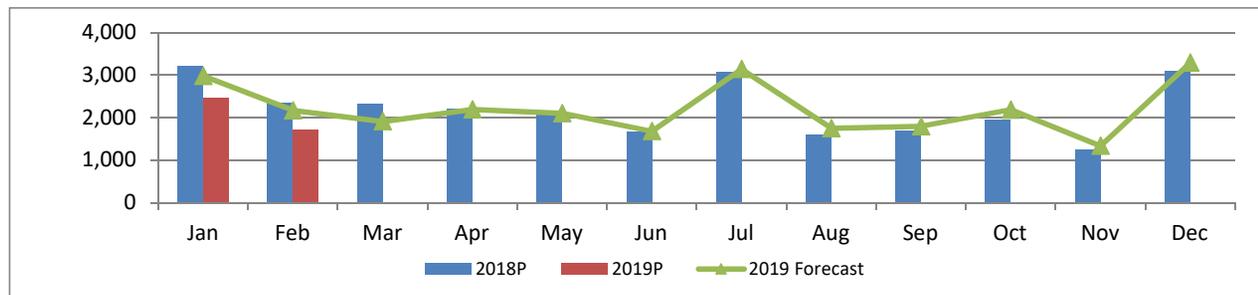
	% of Forecast*	YOY Rate	YTD	Forecast
Arrivals	↓ 81.4%	-24.7%	4,186	5,144
Visitor Spending (\$mil)*	↑ 108.6%	6.2%	11.5	10.6
Visitor Days	↓ 84.0%	-21.9%	47,665	56,720
Daily Spend (\$pppd)	↑ 129.3%	36.0%	241.9	187.2
Airlift (scheduled seats)	NA	NA	NA	NA

Arrivals	YOY Rate	YTD
O'ahu	-24.4%	3,309
Maui	-25.8%	1,501
Moloka'i	-87.4%	19
Lāna'i	-88.2%	19
Kaua'i	-21.5%	498
Hawai'i Island	-45.3%	637

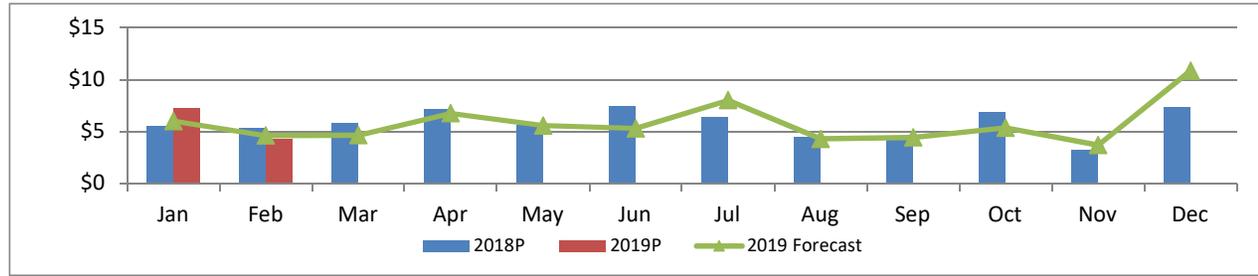
\*DBEDT Forecast as of Q4 2018

Monthly Indicators

Monthly Arrivals

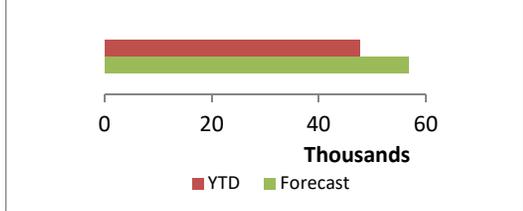


Monthly Visitor Expenditures (\$mil)

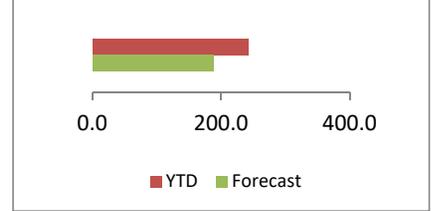


Annual Indicators

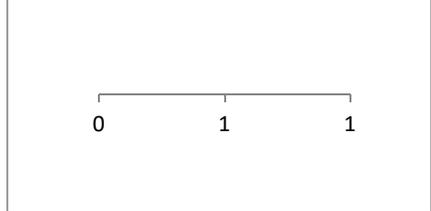
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



\* Excludes Supplemental Business Expenditures

# **Agenda Item**

## **6**

**Presentation, Discussion and  
Action on HTA's Financial  
Reports for February 2019**

Hawaii Tourism Authority  
Budget Statement - Summary  
FY 2019  
As of February 28, 2019

Category	Tourism Special Fund				Convention Center Enterprise Special Fund			
	Fiscal Year 2019				Fiscal Year 2019			
	Budget	YTD Amount of Budget Used	Balance	Activity for February 2019	Budget	YTD Amount of Budget Used	Balance	Activity for February 2019
<b>Revenues</b>								
TAT Revenue Allocation	79,000,000	52,666,667	26,333,333	6,583,333	16,500,000	11,000,000	5,500,000	1,375,000
Prior Year Carryover	8,459,108	8,459,108	-	-	-	-	-	-
Other	-	174,543	-	10,884	-	-	-	-
	<u>87,459,108</u>	<u>61,300,318</u>	<u>26,333,333</u>	<u>6,594,217</u>	<u>16,500,000</u>	<u>11,000,000</u>	<u>5,500,000</u>	<u>1,375,000</u>
<b>Expenditures</b>								
<b>Sales and Marketing</b>								
Salaries & Wages	713,872	691,673	22,199 *	-	70,000	56,438	13,562 *	-
Major Market Management	45,746,000	42,036,265	3,709,735	203,103				
Communications	636,000	216,718	419,282	188,095				
Sports	8,135,000	5,274,566	2,860,434	390,007				
Brand Development Projects	275,000	3,640	271,360	-				
Business Destination Management	1,155,000	736,000	419,000	500,000				
Access	2,713,000	762,630	1,950,370	-				
Industry Collaboration & Coordination	55,000	12,443	42,557	-				
Digital Marketing Projects	1,400,000	344,289	1,055,711	27,083				
Industry Relations	1,357,000	313,970	1,043,030	63,233				
Subtotal	<u>62,185,872</u>	<u>50,392,194</u>	<u>11,793,678</u>	<u>1,371,521</u>	<u>70,000</u>	<u>56,438</u>	<u>13,562</u>	<u>-</u>
<b>Culture, Community &amp; Natural Resources</b>								
Salaries & Wages	371,226	277,404	93,822 *	-	-	-	-	-
Hawaiian Culture Initiatives	3,735,000	1,451,138	2,283,862	138,087				
Community	4,056,000	2,104,721	1,951,279	155,000				
Greetings	1,200,000	206	1,199,794	206				
Other Product Development	654,000	245,781	408,219	24,000				
Festivals & Events	2,308,000	861,000	1,447,000	-				
Safety & Security	1,910,000	1,799,080	110,920	258,080				
Career Development	720,000	80,000	640,000	-				
Natural Resources	2,180,000	1,129,846	1,050,154	627				
Subtotal	<u>17,134,226</u>	<u>7,949,176</u>	<u>9,185,050</u>	<u>576,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Research</b>								
Salaries & Wages	384,180	380,880	3,300 *	-	-	-	-	-
Tourism Research	4,231,214	1,860,982	2,370,232	343,770				
Subtotal	<u>4,615,394</u>	<u>2,241,862</u>	<u>2,373,532</u>	<u>343,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Hawai'i Convention Center</b>								
Sales & Marketing	-	-	-	-	6,967,896	6,967,896	-	2,444,574
Operations	-	-	-	-	2,240,280	7,274,248	(5,033,968)	5,327,432
Major Repair & Maintenance	-	-	-	-	5,414,443	5,414,443	-	5,414,443
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,622,619</u>	<u>19,656,587</u>	<u>(5,033,968)</u>	<u>13,186,449</u>
<b>Administration</b>								
Salaries & Wages	825,625	944,946	(119,321) *	-	297,491	311,054	(13,563) *	-
Operations	660,700	314,484	346,216	36,436				
Subtotal	<u>1,486,325</u>	<u>1,259,430</u>	<u>226,895</u>	<u>36,436</u>	<u>297,491</u>	<u>311,054</u>	<u>(13,563)</u>	<u>-</u>
<b>Organizationwide Costs</b>								
Fringe Costs	1,315,992	1,315,992	-	-	187,676	187,676	-	-
Governance - Board	266,300	134,197	132,103	(21,757)	230,000	88,380	141,620	(25,078)
Contract Services	120,000	-	120,000	-	89,833	-	89,833	-
Travel	334,999	59,238	275,761	838	-	-	-	-
Subtotal	<u>2,037,291</u>	<u>1,509,427</u>	<u>527,864</u>	<u>(20,919)</u>	<u>507,509</u>	<u>276,056</u>	<u>231,453</u>	<u>(25,078)</u>
<b>Total Expenditures</b>	<u>87,459,108</u>	<u>63,352,089</u>	<u>24,107,018</u>	<u>2,306,808</u>	<u>15,497,619</u>	<u>20,300,135</u>	<u>(4,802,516)</u>	<u>13,161,371</u>
<b>Budgeted Revenues vs Expenditures</b>	<u>0</u>				<u>1,002,381</u>			
Administrative Cap (3.5%)	2,765,000	2,765,000						
Administrative Costs (AG Definition)	1,486,325	1,259,430						
	1,278,675	1,505,570						

\* Nets to \$0 when summed all together.

(March 22 2019)

# HAWAII TOURISM

AUTHORITY

## Financial Statements – Executive Summary February 1, 2019 – February 28, 2019

### ***Tourism Special Fund:***

1. \$86.4M in cash and investments
  - a. Includes \$5M in Emergency Fund held as investments
  - b. Decrease from January of \$3.1M due primarily to the following:
    - i. Recording \$6.6M in TAT revenues
    - ii. Offset by \$9.6M in expenditures
2. \$14.2M of prior year encumbrances being spent down
3. \$22.5M in Board allocations projected for June 30, 2019. A supporting schedule is embedded in these financial statements to provide greater detail. This number includes:
  - a. \$5M in Emergency Fund established under statute;
  - b. \$3M allocated by the Board for use during a significant economic downturn;
  - c. \$4.15M in funds held for the Center for Hawaiian Music & Dance;
  - d. \$9M earmarked for specific obligations, such as EUTF, ERS, and accrued vacation.
4. \$63.4M of the \$87.4M FY 2019 Budget utilized; contract paperwork currently being submitted for this year's expenditures. Further detail on the budget is included in these financial statements.
5. Operating Income:
  - a. Recorded \$6.6M in TAT for February 2019, and \$52.7M in TAT YTD.
  - b. Incurred \$9.6M in program and other expenditures for February 2019.

### ***Convention Center Enterprise Special Fund:***

6. \$35.5M in cash
  - a. Increase of \$1.7M from January due to the following:
    - i. Receiving \$1.4M in TAT and \$292K in HCC operating revenue.

7. \$20.4M in cash with contractor or with DAGS, for R&M projects (as of December 2018).
  - a. Includes \$2M Emergency
  - b. Of the \$20.4M in cash, \$1.1M is contracted for ongoing projects.
  - c. Remaining encumbered or budgeted toward specific projects such as cooling tower replacement, furnishings and enhancements, wall rehabilitation, boiler replacement, and various equipment purchases and upgrades.
  - d. Reflects \$10.8M spent on current and future projects (in-progress costs or preliminary work); this includes recent costs expended on meeting room roof repairs.
8. \$20.5M in Board allocations projected for June 30, 2019. This includes funds targeted to fund future repair and maintenance projects, large equipment purchases, convention center operating contingencies, operating capital, and convention center incentives. The HTA Board instituted a budgeting practice of allocating approximately 4% of each year's budgeted gross expenditures toward increasing HCC's Repairs and Maintenance reserve.
9. \$860K of prior year encumbrances being spent down.
10. Operating Income:
  - a. Recorded \$1.4M in TAT for February 2019, and \$11.0M in TAT YTD.
  - b. Convention Center operations:
    - i. \$1.9M operating loss year-to-date (As of February 2019).
11. Spending according to Budget.

**Hawaii Tourism Authority**

Balance Sheet

348 - Tourism Special Fund

As of 2/28/19

	<u>Current Year</u>
Assets	
Current Assets	
Checking 348	81,433,394.18
Petty Cash	<u>5,000.00</u>
Total Current Assets	81,438,394.18
Accounts Receivable	
Accounts Receivable	10.00
Total Accounts Receivable	<u>10.00</u>
Total Assets	<u>81,438,404.18</u>
Fund Balance	
Current year payables	
Accounts Payable	(2,629.59)
Credit Card Payable	<u>1,205.90</u>
Total Current year payables	(1,423.69)
Current year net assets	<u>9,310,792.97</u>
Total Current year net assets	9,310,792.97
Prior years	
Total Prior years	<u>72,129,034.90</u>
Total Fund Balance	<u>81,438,404.18</u>

**Hawaii Tourism Authority**  
Balance Sheet  
361- Convention Center Enterprise- Special Fund  
As of 2/28/19

	<u>Current Year</u>
Assets	
Current Assets	
Checking 361	<u>35,476,443.94</u>
Total Current Assets	35,476,443.94
Total Assets	<u>35,476,443.94</u>
Fund Balance	
Current year net assets	
	<u>14,657,404.06</u>
Total Current year net assets	14,657,404.06
Prior years	
Total Prior years	<u>20,819,039.88</u>
Total Fund Balance	<u>35,476,443.94</u>

HTA Allocations  
FY 2019

HTA Allocations:

<p><b>Annual Budgets:</b>  <b>-\$87.5M HTA Tourism Special Fund</b>                  (\$79M TAT + \$4.9M prior year carryover + \$3.6M Funds set aside last year by HTA Board for FY19)</p> <p><b>-Convention Center Fund</b> (\$16.5M Revenues, \$15.5M Expenses, \$1M to R&amp;M Reserve)</p>
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\$8M Emergency Funds	
<p><b>\$5M Emergency Fund Reserve</b>                  (Established by Statute as a separate fund, to be used upon declaration of a tourism emergency by the Governor)</p>	<p><b>\$2.98M Mandated by Board</b> (to be used in the event of a significant economic downturn upon Board approval)                  [\$4.3M at June 30 2018; In FY 19, the Board allocated an additional \$1.25M out of this fund for Hawaii'i Island.]</p>

	Tourism Special Fund Long-Term Obligations and Commitments:		Convention Center Fund Long-Term Obligations and Commitments:	
	6/30/2018	Projected 6/30/2019	6/30/2018	Projected 6/30/2019
Carryover of FY 2018 to FY 2019 Budget (Use in FY 19)	4,269,476	-	1,512,988	1,512,988
Use of Funds Held Last Year for FY 2019 Budget	939,632	-	16,090,071	18,254,948
FY 2020 Budget / Operating Reserve	2,002,969	2,969	750,000	750,000
International Access Funding (incl Kona)	1,125,233	1,125,233		
Center for Hawaiian Music & Dance	4,153,000	4,153,000		
Accrued Health Liability (Based on liability at FY17)	2,430,000	2,430,000		
Accrued Retirement Liability (FY 17)	6,300,000	6,300,000		
Accrued Vacation Liability	442,245	442,245		
HCC MFF Commitments *	-	-		
<b>Total Long-Term Obligations and Commitments</b>	<b>21,662,556</b>	<b>14,453,448</b>	<b>18,353,059</b>	<b>20,517,936</b>
<p>** In an effort to build available funds for future significant HCC R&amp;M projects, staff recommends a practice of allocating approximately 4% of each year's budgeted gross expenditures toward increasing HCC's R&amp;M reserves.</p>				

\*Used to replenish Emergency Funds.

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
348 - Tourism Special Fund  
19 - FY 2019 Funds  
From 2/1/2019 Through 2/28/2019

	Total Budget - FY19	Current Period Actual	Current Year Actual	Total Budget Variance - FY19
<b>Revenue</b>				
Transient Accomodations Tax	79,000,000.00	6,583,333.33	52,666,666.64	(26,333,333.36)
Interest and Dividends	0.00	10,350.24	9,848.88	9,848.88
Miscellaneous	0.00	533.51	12,852.25	12,852.25
Refunds	0.00	0.00	150,532.66	150,532.66
HCC Revenue	0.00	0.00	1,309.51	1,309.51
Industry Collaboration and Coordination	0.00	0.00	0.00	0.00
<b>Total Revenue</b>	<u>79,000,000.00</u>	<u>6,594,217.08</u>	<u>52,841,209.94</u>	<u>(26,158,790.06)</u>
<b>Expense</b>				
Hawaiian Culture	3,735,000.00	34,062.01	87,121.33	3,647,878.67
Natural Resources	2,180,000.00	0.00	1,071.68	2,178,928.32
Community	4,056,000.00	10,000.00	136,378.27	3,919,621.73
Communications	636,000.00	102.60	2,676.42	633,323.58
Career Development	1,220,000.00	0.00	50,000.00	1,170,000.00
Major Market Management	45,246,000.00	8,287,200.00	8,296,054.54	36,949,945.46
Business Destination Management	1,155,000.00	0.00	0.00	1,155,000.00
Access	2,713,000.00	12,500.00	188,200.00	2,524,800.00
Industry Collaboration and Coordination	55,000.00	0.00	12,442.78	42,557.22
Digital Marketing Projects	1,400,000.00	11,121.00	17,667.88	1,382,332.12
HTA Product Development	654,000.00	2,904.83	27,887.34	626,112.66
Sports Marketing	8,135,000.00	50,400.00	1,383,766.61	6,751,233.39
Festivals and Events	2,308,000.00	60,000.00	60,000.00	2,248,000.00
Brand Development Projects	275,000.00	0.00	3,640.06	271,359.94
Greetings	1,200,000.00	0.00	0.00	1,200,000.00
Safety and Security	1,910,000.00	100,000.00	105,000.00	1,805,000.00
Tourism Research	4,231,214.00	1,992.00	127,434.16	4,103,779.84
Governance	4,977,894.00	(18,506.10)	1,162,183.30	3,815,710.70
Industry Relations	1,357,000.00	2,850.00	86,332.00	1,270,668.00
<b>Total Expense</b>	<u>87,444,108.00</u>	<u>8,554,626.34</u>	<u>11,747,856.37</u>	<u>75,696,251.63</u>
<b>Net Income</b>	<u>(8,444,108.00)</u>	<u>(1,960,409.26)</u>	<u>41,093,353.57</u>	<u>49,537,461.57</u>

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
361 - Convention Center Enterprise Special Fund  
19 - FY 2019 Funds  
From 2/1/2019 Through 2/28/2019

	Total Budget - FY19	Current Period Actual	Current Year Actual	Total Budget Variance - FY19
Revenue				
Transient Accomodations Tax	16,500,000.00	1,375,000.00	11,000,000.00	(5,500,000.00)
Interest and Dividends	0.00	0.00	0.00	0.00
HCC Revenue	9,725,250.00	292,493.21	4,191,281.85	(5,533,968.15)
Total Revenue	<u>26,225,250.00</u>	<u>1,667,493.21</u>	<u>15,191,281.85</u>	<u>(11,033,968.15)</u>
Expense				
Governance	875,000.00	(25,077.85)	64,082.91	810,917.09
HCC Operating Expense	11,965,530.00	0.00	0.00	11,965,530.00
HCC Repair and Maintenance	5,414,443.00	0.00	0.00	5,414,443.00
HCC Sales and Marketing / MFF	6,967,896.00	0.00	0.00	6,967,896.00
Total Expense	<u>25,222,869.00</u>	<u>(25,077.85)</u>	<u>64,082.91</u>	<u>25,158,786.09</u>
Net Income	<u>1,002,381.00</u>	<u>1,692,571.06</u>	<u>15,127,198.94</u>	<u>14,124,817.94</u>

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
348- Prior Year Funds  
From 2/1/2019 Through 2/28/2019

	Total Budget - Revised	Current Period Actual	Current Year Actual	Total Budget Variance - Revised
<b>Revenue</b>				
Transient Accomodations Tax	0.00	0.00	0.00	0.00
Interest and Dividends	0.00	0.00	0.00	0.00
Miscellaneous	0.00	0.00	0.00	0.00
Refunds	0.00	0.00	0.00	0.00
Transfers - In	0.00	0.00	0.00	0.00
Business Destination Management	0.00	0.00	0.00	0.00
Industry Collaboration and Coordination	0.00	0.00	0.00	0.00
Governance	0.00	0.00	0.00	0.00
<b>Total Revenue</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Expense</b>				
Miscellaneous	0.00	0.00	0.00	0.00
Refunds	0.00	0.00	0.00	0.00
Transfers - In	0.00	0.00	0.00	0.00
Hawaiian Culture	1,703,716.94	30,271.00	650,205.83	1,053,511.11
Natural Resources	1,266,954.83	145,898.86	903,533.65	363,421.18
Community	1,465,470.95	35,000.00	658,888.77	806,582.18
Communications	434,050.58	28,731.25	269,823.92	164,226.66
Career Development	280,750.00	10,764.74	33,764.74	246,985.26
Major Market Management	24,998,960.33	118,588.95	20,579,768.53	4,419,191.80
Business Destination Management	623,119.53	110,234.25	446,146.33	176,973.20
Access	3,530,331.50	0.00	1,362,380.00	2,167,951.50
Industry Collaboration and Coordination	24,101.97	0.00	2,578.31	21,523.66
Digital Marketing Projects	2,465,107.02	283,908.00	916,063.01	1,549,044.01
HTA Product Development	120,794.30	6,000.00	67,362.01	53,432.29
Sports Marketing	2,775,102.26	0.00	2,024,909.27	750,192.99
Festivals and Events	958,381.11	38,000.00	634,945.00	323,436.11
Brand Development Projects	234,896.80	0.00	165,482.00	69,414.80
Greetings	905,595.44	0.00	452,750.00	452,845.44
Safety and Security	558,213.31	34,188.15	436,097.80	122,115.51
Tourism Research	2,152,865.34	121,568.74	1,322,041.11	830,824.23
Governance	946,904.96	7,950.18	260,177.33	686,727.63
Industry Relations	837,458.99	90,083.33	595,642.99	241,816.00
<b>Total Expense</b>	<u>46,282,776.16</u>	<u>1,061,187.45</u>	<u>31,782,560.60</u>	<u>14,500,215.56</u>
<b>Net Income</b>	<u>(46,282,776.16)</u>	<u>(1,061,187.45)</u>	<u>(31,782,560.60)</u>	<u>14,500,215.56</u>

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
361- Prior Year Funds  
From 2/1/2019 Through 2/28/2019

	Total Budget - Revised	Current Period Actual	Current Year Actual	Total Budget Variance - Revised
<b>Revenue</b>				
Transient Accomodations Tax	0.00	0.00	0.00	0.00
Interest and Dividends	0.00	0.00	0.00	0.00
Miscellaneous	0.00	0.00	0.00	0.00
Refunds	0.00	0.00	0.00	0.00
Transfers - In	0.00	0.00	0.00	0.00
HCC Revenue	0.00	0.00	0.00	0.00
HCC Operating Expense	0.00	0.00	0.00	0.00
<b>Total Revenue</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Expense</b>				
HCC Revenue	0.00	0.00	0.00	0.00
Governance	21,309.74	0.00	0.00	21,309.74
HCC Operating Expense	2,089,065.81	0.00	469,794.88	1,619,270.93
HCC Repair and Maintenance	0.00	0.00	0.00	0.00
HCC Sales and Marketing / MFF	354,962.93	0.00	0.00	354,962.93
Bond Debt Service	0.00	0.00	0.00	0.00
HCC Hawaiian Music and Dance Center	0.00	0.00	0.00	0.00
HCC Turtle Bay Conservation Due Diligence	27,356.00	0.00	0.00	27,356.00
<b>Total Expense</b>	<u>2,492,694.48</u>	<u>0.00</u>	<u>469,794.88</u>	<u>2,022,899.60</u>
<b>Net Income</b>	<u>(2,492,694.48)</u>	<u>0.00</u>	<u>(469,794.88)</u>	<u>2,022,899.60</u>

**Hawaii Convention Center**  
 Facility  
 Reforecast  
 From 3/01/2019 Through 12/31/2019  
 (In Whole Numbers)

	YTD Actual	Projected Next Month to 12/31/18	Reforecast	Budget	Variance	Prior Year Actual
Direct Event Income						
Rental Income (Net)	437,729	2,421,079	2,858,808	2,994,300	(135,492)	2,689,423
Service Revenue	211,483	745,724	957,207	776,800	180,407	819,497
Total Direct Event Income	649,212	3,166,803	3,816,015	3,771,100	44,915	3,508,920
Direct Service Expenses	359,698	1,644,527	2,004,225	1,952,004	(52,221)	1,787,798
Net Direct Event Income	289,514	1,522,276	1,811,790	1,819,096	(7,306)	1,721,122
Ancillary Income						
F&B Concession (Net)	80,032	563,966	643,998	629,200	14,798	600,981
F&B Catering (Net)	687,102	4,392,707	5,079,809	6,070,900	(991,091)	4,204,790
Event Parking (Net)	134,354	708,700	843,054	782,100	60,954	758,199
Electrical Services	39,143	135,700	174,843	159,400	15,443	195,243
Audio Visual	19,360	251,480	270,840	282,600	(11,760)	357,626
Internet Services	0	0	0	0	0	22,742
Rigging Services	32,850	53,200	86,050	85,400	650	77,983
First Aid Commissions	0	0	0	4,200	(4,200)	3,363
Total Ancillary Income	992,841	6,105,753	7,098,594	8,013,800	(915,206)	6,220,927
Total Event Income	1,282,355	7,628,029	8,910,384	9,832,896	(922,512)	7,942,049
Other Operating Income						
Non-Event Parking	10,525	48,750	59,275	58,500	775	56,763
Other Income	26,232	101,666	127,898	38,000	89,898	104,403
Total Other Operating Income	36,757	150,416	187,173	96,500	90,673	161,166
Total Gross Income	1,319,112	7,778,445	9,097,557	9,929,396	(831,839)	8,103,215
Net Salaries & Benefits						
Salaries & Wages	761,962	4,434,668	5,196,630	5,297,300	100,670	4,509,295
Payroll Taxes & Benefits	219,165	1,062,622	1,281,787	1,262,400	(19,387)	1,206,224
Labor Allocations to Events	(100,334)	(398,060)	(498,394)	(461,400)	36,994	(501,122)
Total Net Salaries & Benefits	880,793	5,099,230	5,980,023	6,098,300	118,277	5,214,397
Other Indirect Expenses						
Net Contracted Services	36,957	365,087	402,044	402,000	(44)	315,234
Operations	15,378	192,718	208,096	208,800	704	157,769
Repair & Maintenance	133,095	765,168	898,263	899,000	737	651,788
Operational Supplies	94,111	610,459	704,570	705,202	632	537,106
Insurance	20,214	137,223	157,437	157,900	463	169,614
Utilities	329,255	2,039,023	2,368,278	2,368,800	522	2,379,218
Meetings & Conventions	4,268	32,184	36,452	34,900	(1,552)	22,215
Promotions & Communications	28,300	3,167	31,467	42,400	10,933	38,831
General & Administrative	41,831	309,244	351,075	359,501	8,426	271,716
Management Fees	22,000	268,400	290,400	290,400	0	252,720
Other	3,610	47,766	51,376	57,200	5,824	214,097
Total Other Indirect Expenses	729,019	4,770,439	5,499,458	5,526,103	26,645	5,010,308
Net Income (Loss) before CIP Funded Expenses	(290,700)	(2,091,224)	(2,381,924)	(1,695,007)	(686,917)	(2,121,490)
CIP Funded Expenses	2,217	0	2,217	0	2,217	76,411
Net Income (Loss) from Operations	(288,483)	(2,091,224)	(2,379,707)	(1,695,007)	(684,700)	(2,045,079)
Fixed Asset Purchases	25,200	274,800	300,000	300,000	0	124,122
Net Income (Loss) after Fixed Asset Purchases	(313,683)	(2,366,024)	(2,679,707)	(1,995,007)	(684,700)	(2,169,201)

**Hawaii Convention Center**  
Facility  
Income Statement  
From 2/1/2019 Through 2/28/2019  
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance
Direct Event Income							
Rental Income (Net)	269,173	247,883	21,290	132,188	437,729	411,235	26,494
Service Revenue	144,519	90,975	53,544	31,569	211,483	126,870	84,613
Total Direct Event Income	<u>413,692</u>	<u>338,858</u>	<u>74,834</u>	<u>163,757</u>	<u>649,212</u>	<u>538,105</u>	<u>111,107</u>
Direct Service Expenses	<u>237,576</u>	<u>204,293</u>	<u>(33,283)</u>	<u>108,036</u>	<u>359,698</u>	<u>301,208</u>	<u>(58,490)</u>
Net Direct Event Income	<u>176,117</u>	<u>134,565</u>	<u>41,552</u>	<u>55,721</u>	<u>289,514</u>	<u>236,897</u>	<u>52,617</u>
Ancillary Income							
F&B Concession (Net)	56,496	48,479	8,017	27,618	80,032	65,234	14,798
F&B Catering (Net)	454,594	673,163	(218,569)	304,319	687,102	947,855	(260,753)
Event Parking (Net)	77,647	66,700	10,947	54,928	134,354	99,400	34,954
Electrical Services	39,143	31,000	8,143	4,211	39,143	31,300	7,843
Audio Visual	16,016	30,360	(14,344)	11,225	19,360	36,340	(16,980)
Internet Services	0	0	0	0	0	0	0
Rigging Services	18,167	9,600	8,567	0	32,850	27,600	5,250
First Aid Commissions	0	540	(540)	271	0	675	(675)
Total Ancillary Income	<u>662,063</u>	<u>859,842</u>	<u>(197,779)</u>	<u>402,572</u>	<u>992,841</u>	<u>1,208,404</u>	<u>(215,563)</u>
Total Event Income	<u>838,179</u>	<u>994,407</u>	<u>(156,228)</u>	<u>458,293</u>	<u>1,282,355</u>	<u>1,445,301</u>	<u>(162,946)</u>
Other Operating Income							
Non-Event Parking	3,740	4,875	(1,135)	3,970	10,525	9,750	775
Other Income	12,014	3,167	8,847	5,778	26,232	6,334	19,898
Total Other Operating Income	<u>15,754</u>	<u>8,042</u>	<u>7,712</u>	<u>9,748</u>	<u>36,757</u>	<u>16,084</u>	<u>20,673</u>
Total Gross Income	<u>853,933</u>	<u>1,002,449</u>	<u>(148,516)</u>	<u>468,041</u>	<u>1,319,112</u>	<u>1,461,385</u>	<u>(142,273)</u>
Net Salaries & Benefits							
Salaries & Wages	379,565	431,316	51,751	361,206	761,962	862,632	100,670
Payroll Taxes & Benefits	112,946	99,889	(13,057)	81,918	219,165	199,778	(19,387)
Labor Allocations to Events	(64,525)	(39,534)	24,991	(30,506)	(100,334)	(63,340)	36,994
Total Net Salaries & Benefits	<u>427,986</u>	<u>491,671</u>	<u>63,685</u>	<u>412,619</u>	<u>880,793</u>	<u>999,070</u>	<u>118,277</u>
Other Indirect Expenses							
Net Contracted Services	4,763	26,632	21,869	23,270	36,957	58,964	22,007
Operations	8,495	17,441	8,946	9,290	15,378	32,082	16,704
Repair & Maintenance	85,964	74,916	(11,048)	29,421	133,095	149,832	16,737
Operational Supplies	58,640	62,652	4,012	30,844	94,111	110,743	16,632
Insurance	11,926	15,226	3,300	8,485	20,214	24,677	4,463
Utilities	167,843	169,981	2,138	148,153	329,255	348,777	19,522
Meetings & Conventions	1,454	1,108	(346)	625	4,268	2,716	(1,552)
Promotions & Communications	3,790	3,533	(257)	4,459	28,300	7,066	(21,234)
General & Administrative	24,232	24,900	668	17,215	41,831	50,257	8,426
Management Fees	11,000	11,000	0	10,800	22,000	22,000	0
Other	200	4,717	4,517	1,844	3,610	9,434	5,824
Total Other Indirect	<u>378,307</u>	<u>412,106</u>	<u>33,799</u>	<u>284,405</u>	<u>729,019</u>	<u>816,548</u>	<u>87,529</u>
Net Income (Loss) before CIP Funded Expenses	<u>47,641</u>	<u>98,672</u>	<u>(51,031)</u>	<u>(228,982)</u>	<u>(290,700)</u>	<u>(354,233)</u>	<u>63,533</u>
CIP Funded Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,217</u>	<u>0</u>	<u>2,217</u>
Net Income (Loss) from Operations	<u>47,641</u>	<u>98,672</u>	<u>(51,031)</u>	<u>(228,982)</u>	<u>(288,483)</u>	<u>(354,233)</u>	<u>65,750</u>
Fixed Asset Purchases	<u>25,200</u>	<u>25,000</u>	<u>(200)</u>	<u>15,545</u>	<u>25,200</u>	<u>50,000</u>	<u>24,800</u>
Net Income (Loss) After Fixed Asset Purchases	<u>22,441</u>	<u>73,672</u>	<u>(51,231)</u>	<u>(244,527)</u>	<u>(313,683)</u>	<u>(404,233)</u>	<u>90,550</u>

**Hotel Convention Center**  
 Facility  
 Income Statement  
 From 2/1/2019 Through 2/28/2019  
 (In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
<b>Revenues</b>								
Food & Beverage	959,560	1,107,410	(147,850)	612,053	1,555,631	1,558,945	(3,314)	1,030,455
Facility	592,066	496,000	96,066	251,368	928,391	764,904	163,487	543,380
<b>Total Revenues</b>	<b>1,551,626</b>	<b>1,603,410</b>	<b>(51,784)</b>	<b>863,421</b>	<b>2,484,021</b>	<b>2,323,849</b>	<b>160,172</b>	<b>1,573,835</b>
<b>Expenses</b>								
Food & Beverage	560,540	574,396	13,856	423,574	1,070,154	904,308	(165,846)	723,737
Facility	943,445	930,342	(13,103)	668,830	1,704,568	1,773,774	69,206	1,319,202
<b>Total Expenses</b>	<b>1,503,985</b>	<b>1,504,738</b>	<b>753</b>	<b>1,092,403</b>	<b>2,774,722</b>	<b>2,678,082</b>	<b>(96,640)</b>	<b>2,042,939</b>
Net Income (Loss) before CIP Funded Expenses	47,641	98,672	(51,031)	(228,982)	(290,700)	(354,233)	63,533	(469,104)
CIP Funded Expenses	0	0	0	0	2,217	0	2,217	0
<b>Net Income (Loss) from Operations</b>	<b>47,641</b>	<b>98,672</b>	<b>(51,031)</b>	<b>(228,982)</b>	<b>(288,483)</b>	<b>(354,233)</b>	<b>65,750</b>	<b>(469,104)</b>
Fixed Asset Purchases	25,200	25,000	(200)	15,545	25,200	50,000	24,800	24,430
<b>Net Income (Loss) after Fixed Asset Purchases</b>	<b>22,441</b>	<b>73,672</b>	<b>(51,231)</b>	<b>(244,527)</b>	<b>(313,683)</b>	<b>(404,233)</b>	<b>90,550</b>	<b>(493,534)</b>

**Hawaii Convention Center**  
Sales and Marketing  
Reforecast  
From 3/1/2019 Through 12/31/2019  
(In Whole Numbers)

	YTD Actual	Projected Next Month to 12/31/19	Reforecast	Budget	Variance	Prior Year Actual
Other Operating Income						
Other Income	29	0	29	0	29	50
Total Other Operating Income	29	0	29	0	29	50
Total Gross Income	29	0	29	0	29	50
Net Salaries & Benefits						
Salaries & Wages	248,866	1,395,569	1,644,435	1,851,900	207,465	1,469,457
Payroll Taxes & Benefits	52,258	322,618	374,876	372,100	(2,776)	296,085
Total Net Salaries & Benefits	301,124	1,718,187	2,019,311	2,224,000	204,689	1,765,542
Other Indirect Expenses						
Net Contracted Services	24,644	189,000	213,644	250,200	36,556	138,779
Repair & Maintenance	13,444	90,700	104,144	101,700	(2,444)	97,227
Utilities	1,259	8,000	9,259	12,000	2,741	7,146
Meetings & Conventions	154,263	857,104	1,011,367	1,074,400	63,033	840,231
Promotions & Communications	67,590	814,436	882,026	857,800	(24,226)	1,343,225
Marketing Flexibility Fund	170,015	1,351,258	1,521,273	1,175,000	(346,273)	1,167,907
General & Administrative	13,993	29,150	43,143	59,300	16,157	84,331
Management Fees	22,000	215,600	237,600	237,600	0	165,360
Other	8,377	44,885	53,262	103,000	49,738	697
Total Other Indirect Expenses	475,585	3,600,133	4,075,718	3,871,000	(204,718)	3,844,903
Net Income (Loss) from Operations	(776,680)	(5,318,320)	(6,095,000)	(6,095,000)	0	(5,610,395)
Fixed Asset Purchases	0	0	0	0	0	13,054
Net Income (Loss) After Fixed Asset Purchases	(776,680)	(5,318,320)	(6,095,000)	(6,095,000)	0	(5,623,449)

**Hawaii Convention Center**  
Sales and Marketing  
Income Statement  
From 2/1/2019 Through 2/28/2019  
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Other Operating Income								
Other Income	14	0	14	4	29	0	29	45
Total Other Operating Income	14	0	14	4	29	0	29	45
Total Gross Income	14	0	14	4	29	0	29	45
Net Salaries & Benefits								
Salaries & Wages	127,490	138,700	11,210	90,627	248,866	277,400	28,534	196,254
Payroll Taxes & Benefits	24,926	27,100	2,174	9,449	52,258	54,200	1,942	33,647
Total Net Salaries & Benefits	152,416	165,800	13,384	100,076	301,124	331,600	30,476	229,901
Other Indirect Expenses								
Net Contracted Services	16,206	17,434	1,228	8,438	24,644	34,868	10,224	15,875
Repair & Maintenance	6,722	5,800	(922)	12,042	13,444	11,600	(1,844)	18,064
Operational Supplies	0	0	0	0	0	0	0	0
Utilities	486	1,000	514	526	1,259	2,000	741	1,014
Meetings & Conventions								
Mileage	115	200	85	0	115	400	285	0
Meals & Entertainment	834	1,000	166	1,453	975	2,000	1,025	1,594
Meetings & Conventions	81,407	24,800	(56,607)	22,286	150,585	129,600	(20,985)	66,838
Dues & Subscriptions	295	0	(295)	385	2,589	8,600	6,011	1,510
Total Meetings & Conventions	82,651	26,000	(56,651)	24,124	154,264	140,600	(13,664)	69,942
Promotions & Communications								
Site Visit	2,966	3,750	784	14,576	6,372	7,500	1,128	28,762
Photography	0	2,500	2,500	623	0	3,500	3,500	623
Advertising	6,833	29,000	22,167	(3,255)	27,376	58,000	30,624	(13,019)
Web Development & Maint	2,640	3,082	442	2,382	5,484	5,744	260	4,764
Market Research	0	0	0	0	4,800	4,800	0	4,800
Promotional	10,233	1,450	(8,783)	8,611	16,225	2,900	(13,325)	22,116
Attendance Promotion	(384)	5,000	5,384	4,366	7,333	10,000	2,667	14,792
Global Outreach	0	0	0	0	0	0	0	0
Total Promotions & Comm	22,288	44,782	22,494	27,303	67,590	92,444	24,854	62,838
Marketing Flexibility Fund	140,004	140,000	(4)	30,000	170,015	146,500	(23,515)	37,500
General & Administrative	3,296	1,575	(1,721)	2,063	13,993	3,350	(10,643)	4,962
Management Fees	11,000	11,000	0	10,800	22,000	22,000	0	21,600
Other	4,188	8,333	4,145	0	8,377	16,666	8,289	0
Total Other Indirect Expenses	286,841	255,924	(30,917)	115,296	475,586	470,028	(5,558)	231,795
Net Income (Loss) from Operations	(439,243)	(421,724)	(17,519)	(215,368)	(776,681)	(801,628)	24,947	(461,651)
Fixed Asset Purchases	0	0	0	0	0	0	0	5,071
Net Income (Loss) After Fixed Asset Purchases	(439,243)	(421,724)	(17,519)	(215,368)	(776,681)	(801,628)	24,947	(456,580)

# **Agenda Item**

## **7**

**Update Relating to the 2019  
Legislative Session and  
Related Bills Relevant to  
HTA**



## **Summary of 2019 Legislative Session Bill Tracking Efforts** **Updated: March 21, 2019**

This legislative session we are actively tracking priority bills to ensure that the Hawai'i Tourism Authority (HTA) is informed of important developments in the tourism industry and can continue meaningful discussions with the Legislature. We are monitoring bills that propose stronger regulation on illegal transient vacation rentals, propose changes to the collection and distribution of Transient Accommodation Tax (TAT) revenues and propose statutory amendments that could otherwise substantially impact or benefit HTA.

### **HTA Submitted Testimony in Support of the Following Bills:**

- **HB420 HD1 (Relating to Hawaiian Culture):** Removes a provision designating the Hawaii Convention Center as the location for operation of a Hawaiian Center and the Museum of Hawaiian Music and Dance.
  - 3/19: Hawaiian Affairs and Energy, Economic Development and Tourism heard the measure and both committees passed it with amendments.
  - 3/7: Passed first reading in Senate and referred to joint Hawaiian Affairs and Energy, Economic Development and Tourism committees, as well as to WAM.
  - 3/5: Passed 3<sup>rd</sup> reading in House and sent to Senate.
  - 2/20: House Finance committee recommended the measure be passed with amendments.
  - 2/15: House Tourism & International Affairs and House Water, Land & Hawaiian Affairs passed on second reading.
  - 2/12: House Tourism & International Affairs and House Water, Land & Hawaiian Affairs recommended the measure be passed unamended.
  
- **HB422 (Relating to the Hawai'i Tourism Authority):** Authorizes contracts entered by the Hawaii Tourism Authority for the marketing of all uses of the Hawaii Convention Center to be issued separately from the management, use, operation, or maintenance of the facility.
  - 3/20: The measure was referred to WAM.
  - 3/11: EET recommended the measure be passed without amendment.
  - 3/5: Referred to Energy, Economic Development and Tourism and WAM.
  - 2/28: The House passed this measure on third reading and transmitted to Senate.
  - 2/28: Reported from House Finance Committee with recommendation of passage on third reading.
  - 2/20: The House Committee on Finance recommended that the measure be passed, unamended. The Senate Committee on Ways and Means

recommended on 2/15 that the companion for this bill, SB992 (Relating to Tourism), be passed, with amendments.

- **HB548 HD2 (Relating to the Transient Accommodations Tax):** Allocates funds from TAT revenue to the Hawaii Tourism Authority, rather than the Special Land and Development Fund, to improve certain state resources and services. Requires DLNR to submit to HTA, an annual list of proposed projects in relation to the HTA Strategic Plan.
  - 3/18: joint Senate EET and Water and Land committees heard the measure and passed it with amendments.
  - 3/7: Referred to joint committee of EET and Water and Land, as well as WAM
  - 3/5: Passed third reading and transmitted to Senate.
  - 2/20: House Finance recommended the measure be passed with amendments.
  - 2/15: Measure passed second reading as amended and referred to House Finance.
  - 2/12: The House Committees on Tourism & International Affairs and Water, Land & Hawaiian Affairs recommended the measure be passed with amendments.
  
- **HB558 HD1 (Relating to Kekaha Kai State Park):** Appropriates funds from the State's general revenues for the employment of lifeguards and purchase of life-saving equipment at Kua Bay.
  - 3/15: The measure was referred to WAM.
  - 3/11: Senate's Water and Land Committee passed the measure unamended.
  - 3/5: Referred to Water and Land and to WAM.
  - 3/1: Passed third reading and transmitted to Senate.
  - 2/26: House Finance recommended passage.
  - 2/15: Reported from House Committee on Labor and Public Employment, recommending referral, unamended, to House Committee on Finance.
  - 2/12: The companion for this bill, SB654 SD1 (Relating to Kekaha Kai State Park), passed second reading in the Senate on 2/12.
  
- **HB739 HD1 (Relating to the Hawai'i Tourism Authority):** Appropriates \$141,483,409 to "BED113 - Tourism" for fiscal years 2019-20 and 2020-21.
  - 3/20: The measure was referred to WAM.
  - 3/11: EET committee heard the measure and passed it unamended.
  - 3/5: Referred to Senate's Energy, Economic Development, and Tourism committee and WAM.
  - 3/1: Passed third reading and transmitted to Senate.
  - 2/25: House Finance recommended passage.
  - 2/20: This bill is scheduled to be heard by the House Committee on Finance on Monday, February 25.

- **HB908 HD2 (Relating to the Transient Accommodations Tax):** Allocates and appropriates funds from transient accommodations tax revenues to the Hawaii Tourism Authority to implement initiatives, in conjunction with the Hawaii Lodging and Tourism Association, to address homelessness in tourist and resort areas. Requires the Hawaii Tourism Authority to report to the Legislature.
  - 3/20: EET passed the measure with amendments.
  - 3/7: Referred to EET and WAM.
  - 3/5: Passed third reading and transmitted to the Senate.
  - 2/20: The House Committee on Finance recommended that HB908 be passed with amendments, by blanking out the appropriation amount.
  
- **HB911 HD2 (Relating to Tourism):** Establishes the Convention Center Repair and Maintenance Special Fund and the Convention Center Emergency Special Fund. Allocates a portion of the transient accommodations tax to those funds. Removes repair and maintenance as permissible uses of the Convention Center Enterprise Special Fund. Requires annual reports to the Legislature.
  - 3/20: EET heard the measure and passed it with amendments.
  - 3/7: Referred to EET and WAM.
  - 3/5: Passed third reading and transmitted to Senate.
  - 2/20: The House Committee on Finance recommend that HB911 be passed, with amendments, by blanking out the appropriation amounts.
  
- **HB1375 HD2 SD1 (Relating to the State of Hawai'i Museum of Natural and Cultural History):** Beginning with the 2021-2023 fiscal biennium and each fiscal biennium thereafter, requires the governor to include in the executive budget a minimum amount per fiscal year as a recurring cost to be allocated to the State of Hawaii Museum of Natural and Cultural History. Appropriates funds to support the work of the State of Hawaii Museum of Natural and Cultural History.
  - 3/21: Referred to WAM.
  - 3/12: LCA heard and passed the measure with amendments.
  - 3/7: Referred to Labor, Culture, and the Arts (LCA) and WAM.
  - 3/5: Passed third reading and transmitted to Senate.
  - 2/20: The House Committee on Finance recommended that the measure be passed, with amendments, by blanking out the appropriation amount while noting the Attorney General's comments that the appropriation exceeds the Legislature's constitutional authority.
  
- **SB364 SD2 (Relating to Tourism):** Establishes a professional tour guide certification task force to determine whether it is appropriate to require persons who use various state resources for commercial purposes or apply for various commercial use permits to hold and maintain certification or meet certain minimum requirements, recommend existing certificates or certification programs that may be appropriate, and make recommendations and plans regarding any necessary certifications and certification renewals.

- 3/7: Referred to House joint committee of Tourism & International Affairs (TIA) and Water, Land, & Hawaiian Affairs (WLH), as well as Finance.
  - 3/5: Passed third reading and transmitted to the House.
  - 2/25: The Senate Committees on Ways and Means and Commerce, Consumer Protection and Health recommended the measure be passed with amendments.
  - 2/22: The Senate Committees on Ways and Means and Commerce, Consumer Protection and Health will hold a public decision making on this bill on 2/25 at 11:00AM.
- **SB666 SD2 HD1 (Relating to Airports Corporation):** Authorizes establishment of the Hawaii Airports Corporation (HAC) within the Department of Transportation for administrative purposes. Sets out appointment of members to the board of directors and powers and duties of HAC. Transfers aeronautics functions of the Department of Transportation to HAC. Makes HAC subject to Hawaii procurement code. Requires HAC to set rates and determine costs based on the residual method. Subjects HAC board and CEO to financial disclosure requirements. Appropriates funds.
    - 3/19: Measure was heard by Labor and passed with amendments.
    - 3/14: Re-referred to Transportation, Labor, and Finance.
    - 3/13: Transportation committee passed the measure with amendments.
    - 3/7: Referred to Transportation, Joint Labor and Judiciary, and Finance committees in the House (triple referral).
    - 3/5: Passed third reading and transmitted to House.
    - 2/15: The Senate Committee on Ways and Means recommended that the measure be passed, with amendments.
- **SB1292 SD2 HD1 (Relating to Transient Accommodations):** Adds definitions to the TAT law. Amends the definition of "transient accommodations" to include additional forms of transient accommodations. Makes any person who fails to register with DOTAX subject to a citation process and monetary fines. Requires hosting platforms that collect fees for booking services to register as collection agents on behalf of its operators and plan manager for GET and TAT.
    - 3/20: CPC/JUD heard the measure and both committees passed the measure with amendments. Referred to Finance.
    - 3/12: TIA heard the measure and passed it with amendments. Referred to CPC/JUD.
    - 3/7: Referred to TIA, CPC/JUD, and FIN
    - 3/5: Passed third reading and transmitted to the House.
    - 2/26: The Senate Committees on Judiciary and Ways and Means recommended that the measure be passed with amendments.
    - 2/21: The Senate Committees on Judiciary and Ways and Means will hold a public decision-making on this bill on 2/26.

## HTA Continues to Monitor the Following Bills:

- **SB198 SD2 (Relating to the Transient Accommodations Tax):** Authorizes counties to levy a county surcharge on transient accommodations tax in their respective counties pursuant to certain conditions. Sunsets on 12/31/2036.
  - 3/7: Referred to TIA and FIN.
  - 3/5: Passed third reading and transmitted to the House.
  - 2/21: The Senate Committee on Ways and Means recommended that the measure be passed, with amendments.
  
- **HB419 HD2 (Relating to Transient Accommodations):** Provides that a county shall be eligible to receive funds from the State for the purpose of enforcing all applicable laws and ordinances relating to transient accommodations, provided that no funds shall be released to a county until it has satisfactorily complied with specified conditions. Makes an allocation from TAT revenues. Requires reports from counties receiving funds for enforcement of transient accommodations and short-term vacation rentals ordinances.
  - 3/20: Passed EET and PSM committees with amendments. Referred to WAM.
  - 3/7: Referred to EET/PSM, and to WAM.
  - 3/5: Passed third reading and transmitted to the Senate.
  - 2/20: The House Committee on Finance recommended that the measure be passed, with amendments, by blanking out the appropriation amounts.
  
- **SB380 SD1 (Relating to the Transient Accommodations Tax):** Imposes TAT on mandatory resort fees and requires that those fees be included in gross rental or gross rental proceeds.
  - 3/12: TIA heard the measure and passed it unamended. Referred to Finance.
  - 3/7: Referred to TIA and Finance.
  - 3/5: Passed third reading and transmitted to the House.
  - 2/19: The Senate Committee on Ways and Means recommended that the measure be passed, unamended.
  
- **SB382 SD2 (Relating to Taxation):** Amends the formula for the amount of transient accommodations tax to be collected from time shares by increasing the base on which time share occupancy is taxed from one-half of the gross daily maintenance fees paid by the owner and attributable to the time share unit to an amount equal to all of those fees. Effective 1/1/2020.
  - 3/7: Referred to TIA and Finance.
  - 3/5: Passed third reading and transmitted to the House.
  - 2/19: The Senate Committee on Ways and Means recommended that the measure be passed, with amendments.
  
- **SB714 SD2 (Relating to the Transient Accommodations Tax):** Imposes the transient accommodations tax on resort fees that are calculated separately from the advertised transient accommodation's rate. Clarifies the calculation of the transient accommodations tax. Amends the formula for the amount of transient accommodations tax to be collected

from time shares by increasing the base on which time share occupancy is taxed from one-half of the gross daily maintenance fees paid by the owner and are attributable to the time share unit to one hundred per cent of the gross daily maintenance fees. Requires transient accommodations intermediaries to register with the director of taxation before arranging to furnish transient accommodations at noncommissioned negotiated contract rates. Specifies that the transient accommodations tax is to be collected from transient accommodations intermediaries who arrange transient accommodations at noncommissioned negotiated contract rates in the same manner as transient accommodations operators. Applies to taxable years beginning after 12/31/2019.

- 3/7: Referred to TIA and Finance.
- 3/5: Passed third reading and transmitted to the House.
- 2/19: The Senate Committee on Ways and Means recommended that the measure be passed, with amendments.

### **BILLS WITH NO FUTURE ACTION/MOVEMENT:**

- **HB1072 HD1 (Relating to Festival of Pacific Arts):** Appropriates \$5M in funds from the State's general revenue to the Commission on the 13th Festival of Pacific Arts to plan for the 13th Festival of Pacific Arts.
  - No further action at this time.
  - 2/14: Passed Second Reading in the House.
- **HB983 (Relating to Transient Accommodations Tax):** Increases the appropriation to the Special Land and Development Fund, administered by DLNR, from \$3M to \$10M; changes the distribution of TAT revenues to the counties from a fixed sum, \$103M, to 23.1% of the net TAT revenue after all other appropriations of TAT revenue are made.
  - No further action.
  - 2/5: The House Committee on Tourism and International Affairs recommended deferral.
- **SB836 (Relating to Transient Accommodations Tax):** Increases the appropriation to the Special Land and Development Fund, administered by DLNR, from \$3M to \$5M; expands purpose of fund to include beaches, trails and state parks.
  - No further action.
  - 2/8: The Senate Committees on Energy, Economic Development and Tourism and Water and Land deferred the measure.
- **SB1386 SD1 (Relating to the Department of Land and Natural Resources):** Requires DLNR to develop a State 2030 natural resources conservation goal action plan to be submitted to the Legislature no later than December 31, 2020; allocates one percent of TAT revenues to the Special Land and Development Fund for the development of the plan.
  - No further action.

- 2/15: SB1386 SD1 passed second reading and was referred to the Senate Committee on Ways and Means.
- **SB717 (Relating to Transient Accommodations):** Requires members in planned community associations subject to HRS 421J and unit owners in condominiums subject to HRS 514B to register units leased as transient accommodations.
  - No further action.
  - 2/1: The Senate Committee on Energy, Economic Development and Tourism deferred the measure.
- **SB803 (Relating to Hawaiian Culture):** Removes a provision designating the Hawai'i Convention Center as the location for operation of a Hawaiian Center and the Museum of Hawaiian Music and Dance.
  - No further action.
  - 2/8: Passed Second Reading in the Senate referred to WAM. The House Committee on Finance on 2/20 recommended that the companion to this bill, HB420, be passed, with amendments. (This measure has not been heard by WAM)
- **SB1007 (Relating to Hawaiian Music and Dance):** Redirects Tourism Special Funds allocated for the operation of the Hawaiian Center and Museum of Hawaiian Music and Dance at the Hawai'i Convention Center to the planning, design and construction of the same Hawaiian Center at the State of Hawai'i Museum of Natural and Cultural History.
  - No further action.
  - 2/12: Passed Second Reading in the Senate. The measure was referred to WAM and has not been scheduled for hearing.



Hawai'i Convention Center  
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815  
**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
**kahua pa'a** web hawaiiauthority.org

**David Y. Ige**  
*Governor*

**Chris Tatum**  
*President and Chief Executive Officer*

Statement of  
**CHRIS TATUM**

Hawai'i Tourism Authority  
before the  
**SENATE COMMITTEE ON HAWAIIAN AFFAIRS**  
**AND**  
**SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**  
Tuesday, March 19, 2019  
1:15PM  
State Capitol, Conference Room #016

In consideration of  
**HOUSE BILL NO 420 HD1**  
**RELATING TO HAWAIIAN CULTURE.**

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Chair Shimabukuro, Chair Wakai, Vice Chair Kahele, Vice Chair Taniguchi, members of the Senate Committee on Hawaiian Affairs and the Senate Committee on Energy, Economic Development, and Tourism: The Hawai'i Tourism Authority (HTA) **strongly supports** House Bill 420 HD1, which removes the provision designating the Hawai'i Convention Center (HCC) as the location for the operation of a Hawaiian center and museum of Hawaiian music and dance.

The concept of developing a Hawaiian Center and Museum of Hawaiian Music and Dance is one that we fully support; however, the challenge has been the requirement of locating the center at the Hawai'i Convention Center. By removing this requirement, we will then be allowed to work with the community to identify the best location for this very important facility.

We humbly request your support of this measure. Thank you for the opportunity to offer testimony in support of House Bill 420 HD1.



Hawai'i Convention Center  
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815  
**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
**kahua pa'a** web [hawaii tourism authority.org](http://hawaii tourism authority.org)

**David Y. Ige**  
*Governor*

**Chris Tatum**  
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Statement of  
**CHRIS TATUM**

Hawai'i Tourism Authority  
before the  
**SENATE COMMITTEE ON  
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

Monday, March 11, 2019  
2:45PM  
State Capitol, Conference Room #414

In consideration of  
**HOUSE BILL NO 422  
RELATING TO THE HAWAII TOURISM AUTHORITY.**

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Chair Wakai, Vice Chair Taniguchi, and members of the Senate Committee on Energy, Economic Development, and Tourism: The Hawai'i Tourism Authority (HTA) is in **support of** House Bill 422, which separates the management contract for the Hawai'i Convention Center from the contract for marketing for all uses of the facility.

Under the current law, the management contract for the Hawai'i Convention Center is required to include the marketing of the facility. By allowing the management contract to be separate from the marketing contract, HB422 will provide HTA with the ability to centralize the sales effort for all meetings, conventions and incentives (MCI) business, which is mostly driven by consistent customer requests, to a single point of contact. In addition, centralizing the sales effort will enable efficiencies in staffing, marketing, travel and sales technology as well as leverage existing destination branding and messaging for the MCI market.

It is for these reasons that the HTA **supports** HB422. We appreciate this opportunity to provide testimony.



Hawai'i Convention Center  
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815  
**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
**kahua pa'a** web hawaiiourismauthority.org

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*Governor*

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Statement of  
**CHRIS TATUM**

Hawai'i Tourism Authority  
before the  
**SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM  
AND  
SENATE COMMITTEE ON WATER AND LAND**

Monday, March 18, 2019  
3:20PM  
State Capitol, Conference Room #414

In consideration of  
**HOUSE BILL NO 548 HD2  
RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.**

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Chair Wakai, Chair Kahele, Vice Chair Taniguchi, Vice Chair Keith-Agaran, members of the Senate Committee on Energy, Economic Development, and Tourism, and member of the Senate Committee on Water and Land: The Hawai'i Tourism Authority (HTA) **supports** House Bill 548 HD2, which allocates funds from the transient accommodations tax (TAT) which would be used to protect, preserve, maintain, and enhance our natural resources including state parks, beaches, and trails.

HTA believes that safe, secure and well-maintained community infrastructure is essential to the quality of life for our residents and visitors who use state parks, trails, and beaches. Providing additional funding for this purpose will allow the further development and support of programs that will have a direct positive impact on these facilities that play such an important role throughout our state.

The HTA has been very supportive of programs that are in alignment with the purpose of these additional funds. In FY19, we provided the Department of Land and Natural Resources (DLNR) with \$550,000 to support their park programs and we funded a state parks survey (\$400,000) which will provide greater insight into the condition and usage of our state parks. If approved, the HTA will work closely with the DLNR to ensure these funds are expended in an efficient and effective manner.

HTA supports House Bill 548 HD2. We appreciate this opportunity to provide testimony.



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**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
**kahua pa'a** web hawaiiauthority.org

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Statement of  
**CHRIS TATUM**

Hawai'i Tourism Authority  
before the  
**SENATE COMMITTEE ON WATER AND LAND**

Monday, March 11, 2019  
1:15 PM  
State Capitol, Conference Room #229

In consideration of  
**HOUSE BILL NO. 558 HD1**  
**RELATING TO KEKAHA KAI STATE PARK.**

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Chair Kahele, Vice Chair Keith-Agaran and members of the Committee on Water and Land: the Hawai'i Tourism Authority (HTA) **supports** House Bill 558 HD1, which appropriates funds to employ lifeguards and purchase life-saving equipment for Kua Bay in Kekaha Kai State Park.

House Bill 558 HD1 would strengthen the State's community infrastructure, and ultimately, Hawai'i's brand, by making Kua Bay safer for both residents and visitors. Furthermore, HTA is actively involved in supporting State, county and community ocean safety programs, as well as programs focused on education and increasing visitor awareness of dangerous ocean conditions.

It is for these reasons that the HTA **supports** House Bill 558 HD1. We appreciate this opportunity to provide testimony.



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**kelepa'i** fax 808 973 2253  
**kahua pa'a** web hawaii-tourism-authority.org

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*Governor*

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Statement of  
**CHRIS TATUM**

Hawai'i Tourism Authority  
before the  
**SENATE COMMITTEE ON  
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

Monday, March 11, 2019  
2:45PM  
State Capitol, Conference Room #414

In consideration of  
**HOUSE BILL NO 739 HD1  
RELATING TO THE HAWAII TOURISM AUTHORITY**

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Chair Wakai, Vice Chair Taniguchi, and members of the Senate Committee on Energy, Economic Development, and Tourism: The Hawai'i Tourism Authority (HTA) **strongly supports** House Bill 739 HD1, which provides for funding in support of our mission and programs.

As mentioned in our previous testimony on this measure, we have conducted a systematic review of our operations, proposed and executed internal adjustments to align with our new vision of destination management, and analyzed our current and future resource requirements. Based on our analysis, we believe that House Bill 739, HD1, which appropriates \$141,483,409 and 32 positions for Fiscal Year 2020 and \$141,483,409 and 32 positions for Fiscal Year 2021, will allow us to fulfill our new vision's budgetary needs and would fund our operations at the appropriate level.

As part of our new vision, the HTA will be placing significant resources towards programs that support our host culture, career development, natural resources, and community enrichment. We believe that tourism, while being economically crucial to our state, must further engage our residents and support our communities. The funding provided through this measure will allow us to achieve these goals.

It is for these reasons that the HTA **strongly supports** House Bill 739 HD1. We appreciate this opportunity to provide testimony on this measure.



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**kahua pa'a** web hawaiiauthority.org

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*Governor*

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Statement of  
**CHRIS TATUM**

Hawai'i Tourism Authority  
before the  
**SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

Wednesday, March 20, 2019  
3:00PM  
State Capitol, Conference Room #414

In consideration of  
**HOUSE BILL NO 908 HD2**  
**RELATING TO TRANSIENT ACCOMMODATIONS TAX.**

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Chair Wakai, Vice Chair Taniguchi, and members of the Senate Committee on Energy, Economic Development, and Tourism: The Hawai'i Tourism Authority (HTA) is in **support of** House Bill 908 HD2, which proposes to allocate funds from transient accommodations tax (TAT) revenues to HTA to implement initiatives, in conjunction with the Hawaii Lodging and Tourism Association, to address homelessness in tourist and resort areas, provided no funds are released without dollar-for-dollar matching by the private sector.

As the State agency tasked with strategically managing, marketing and developing Hawai'i's visitor industry, HTA agrees that it is important to address homelessness in the State. A substantial homeless population affects the tourism industry. Our residents, visitors and homeless population deserve a coordinated effort on these issues. HTA supports the intent of the bill to address homelessness, strengthen our communities and maintain a positive experience for Hawai'i's visitors.

Last year, the Legislature passed House Bill 2010, which established the funding to HTA for the fiscal year 2018-19. Since then, we have worked collaboratively with the Hawaii Lodging and Tourism Association to implement and support homelessness initiatives. This bill would allow us to continue the partnership we've developed with the HLTA to positively impact homelessness in our resort and tourist areas.

We appreciate this opportunity to provide testimony in support of HB908 HD2.



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**kelepa'i** fax 808 973 2253  
**kahua pa'a** web hawaiiauthority.org

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Statement of  
**CHRIS TATUM**

Hawai'i Tourism Authority  
before the  
**SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

Wednesday, March 20, 2019  
3:00PM  
State Capitol, Conference Room #414

In consideration of  
**HOUSE BILL NO 911 HD2**  
**RELATING TO TOURISM.**

---

Chair Wakai, Vice Chair Taniguchi, and members of the Senate Committee on Energy, Economic Development, and Tourism: The Hawai'i Tourism Authority (HTA) **supports** House Bill 911 HD2, which establishes the convention center repair and maintenance special fund and the convention center emergency special fund.

The 1.1 million-square-foot Hawai'i Convention Center (HCC) was constructed over 20 years ago. Since then, the center hosted many local, national, and international events every year. As can be expected of a center of this size and age, there are growing needs for maintenance and repairs that will keep the center competitive in the meetings, conferences and incentives (MCI) business market.

We believe the creation of these two funds would help us by placing greater emphasis and focus on repairs and maintenance while also clearly showing the State's commitment to supporting both our residents and visitors during times of emergency.

It is for these reasons that the HTA **supports** House Bill 911 HD2. We appreciate this opportunity to provide testimony.



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**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
**kahua pa'a** web hawaiiauthority.org

**David Y. Ige**  
*Governor*

**Chris Tatum**  
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Statement of  
**CHRIS TATUM**

Hawai'i Tourism Authority  
before the  
**SENATE COMMITTEE ON LABOR, CULTURE AND THE ARTS**

Tuesday, March 12, 2019  
2:45PM  
State Capitol, Conference Room #224

In consideration of  
**HOUSE BILL NO 1375 HD2**  
**RELATING TO THE STATE OF HAWAI'I**  
**MUSEUM OF NATURAL AND CULTURAL HISTORY.**

---

Chair Taniguchi, Vice Chair Ihara, and members of the Senate Committee on Labor, Culture and the Arts: The Hawai'i Tourism Authority (HTA) **supports** House Bill 1375 HD2, which provides funding for the State of Hawai'i's museum of natural and cultural history which would allow the museum to hire additional staff and enhance their operations.

Residents and visitors alike appreciate and cherish the memories gained through experiencing firsthand the beautiful, unique, and significant natural and cultural history that Hawai'i has to share. Funding for the museum to support operations will allow the museum to continue their mission and ensure a bright future for future generations to enjoy.

Thank you for the opportunity to offer testimony in **support** of this measure.



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**kelepona** tel 808 973 2255  
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**kahua pa'a** web hawaiiauthority.org

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Statement of  
**CHRIS TATUM**

Hawai'i Tourism Authority  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**  
**SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION AND HEALTH**

Monday, February 25, 2019  
11:00 AM  
State Capitol, Conference Room #211

In consideration of  
**SENATE BILL NO 364 SD1**  
**RELATING TO TOURISM.**

---

Chairs Dela Cruz and Baker, Vice Chairs Keith-Agaran and Chang, and members of the Committees on Ways and Means and Commerce, Consumer Protection and Health: The Hawai'i Tourism Authority (HTA) **supports** Senate Bill 364 SD1, which establishes a task force to determine whether it is appropriate to require persons who use state resources for commercial purposes or who apply for commercial use permits to hold and maintain certification or meet minimum requirements. The HTA would also submit some amendments for consideration.

As the State agency tasked with strategically managing, marketing and developing Hawai'i's visitor industry, HTA agrees that it is important to ensure that our guests are presented with consistent and accurate information about Hawaiian history and cultural sites. Senate Bill 364 SD1 will help strengthen the tourism industry's efforts, and ultimately the Hawai'i brand, to ensure that Hawaiian culture is portrayed authentically and that the tourism industry and our visitors understand the importance of protecting Hawai'i's natural environment.

We would also recommend striking lines 11-21 on page 3 and lines 1-8 on page 4 and replace the task force members with the following:

- (1) Hawai'i tourism authority, who shall serve as co-chair;
- (2) State sustainability coordinator, who shall serve as co-chair;
- (3) Department of business, economic development and tourism;
- (4) Public utilities commission;

- (5) State parks administrator;
- (6) Na Ala Hele Trails & Access program manager;
- (7) Division of boating and recreation administrator;
- (8) Aha Moku Advisory Council
- (9) University of Hawaii at Hilo;
- (10) Hawai'i Community College;
- (11) Kapiolani community college;
- (12) Kauai community college;
- (13) Maui college;
- (14) Hawaii green business program;
- (15) Hawaii ecotourism association
- (16) Hawaii transportation association
- (17) Activities and attractions association of Hawaii, Inc.

It is for these reasons that the HTA **supports** Senate Bill 364 SD1. We appreciate this opportunity to provide testimony.



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**kelepa'i** fax 808 973 2253  
**kahua pa'a** web hawaii-tourism-authority.org

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Governor

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Statement of  
**CHRIS TATUM**

Hawai'i Tourism Authority  
before the  
**HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT**

Tuesday, March 19, 2019  
9:30AM  
State Capitol, Conference Room #309

In consideration of  
**SENATE BILL NO 666 SD2 HD1**  
**RELATING TO AN AIRPORTS CORPORATION.**

---

Chair Johanson, Vice Chair Eli and members of the House Committee on Labor & Public Employment, the Hawai'i Tourism Authority (HTA) **strongly supports** Senate Bill 666 SD2 HD1 which established a Hawai'i Airports Corporation within the Department of Transportation for administrative purposes.

HTA supports the creation of the Hawai'i Airports Corporation for the following reasons:

1. An independent airport corporation would provide flexibility and expedite facility improvements; and,
2. An independent airport corporation would allow funds generated by airport operations to be reinvested in operations and facilities without the need to seek executive or legislative approval; and,
3. An independent airport corporation would ensure our airports are developed to the highest standards, are well-maintained and are positioned to compete with other first-class facilities throughout the world; and
4. An independent airport corporation would help promote an enhanced experience at the point of entry and point of departure for both residents and visitors; and
5. An independent airport corporation, such as the one proposed here in this bill, is a model that has been proven successful in numerous world-class airports such as San Francisco International Airport and Dallas/Fort Worth International Airport.

It is for these reasons that the HTA **strongly supports** Senate Bill 666 SD2 HD1. We appreciate this opportunity to provide testimony.



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Statement of  
**CHRIS TATUM**

Hawai'i Tourism Authority  
before the  
**HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE**  
**AND**  
**HOUSE COMMITTEE ON JUDICIARY**

Wednesday, March 20, 2019  
2:00 PM  
State Capitol, Conference Room #329

In consideration of  
**SENATE BILL NO 1292 SD2 HD1**  
**RELATING TO TRANSIENT ACCOMMODATIONS.**

---

Chair Takumi, Chair Lee, Vice Chair Ichiyama, Vice Chair San Buenaventura and members of the Committee on Consumer Protection & Commerce and members of the Committee on Judiciary, the Hawai'i Tourism Authority (HTA) **supports SB 1292 SD2 HD1**, which will assist in the collection of Transient Accommodations Tax (TAT) and will provide a mechanism to address non-compliant transient accommodations throughout the state.

The Hawai'i Tourism Authority supports efforts at both the state and county level to address the proliferation of illegal, non-compliant, and potentially unsafe transient vacation rentals throughout our community. At its most recent board meeting, the HTA reaffirmed its position towards illegal vacation rentals. The HTA supports the elimination of illegal vacation rentals in order to ensure that Hawai'i remains a highly desirable place for residents by developing and enforcing laws related to illegal vacation rentals in an effort to improve the quality of life for our residents.

Thank you for the opportunity to offer testimony in **support** of this measure.

# Agenda Item

## 8

Presentation of, Discussion and Action on Resolution 2019-2-1 Authorizing the Transfer of an Unencumbered Appropriation Balance of \$500,000 from the Major Market Management Category, FY2019 Budget to a New Budget Objective Entitled Career Development – Scholarship Program



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**kelepa'i** fax 808 973 2253  
**kahua pa'a** web hawaiiitourismauthority.org

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### Audit Action Plan Update

As of

March 2019

The State of Hawai'i Auditor, in his February 2018 audit, provided 21 recommendations to the Hawai'i Tourism Authority. Since the issuance of the report, the Hawai'i Tourism Authority's staff has been actively working to implement these recommendations. We provide the following update to the Board on the status of these 21 recommendations:

#	Recommendation	Comments	Status	Completion Date
1	Update internal policies and procedures related to training, compliance reviews, and other quality assurance functions, to ensure they align with HTA's current organizational structure and personnel	Policy review completed and submitted to CEO and Board Chair for review and approval. Procedure reviews underway. <b>Update:</b> On 2/28/19, HTA Board approved the policies. Finalizing policies for posting to internal site.	50%	July 2019
2	Assign a senior manager to oversee HTA's quality assurance function and ensure it is a priority for the Authority. Such oversight should include ensuring HTA's quality assurance plan is updated and properly implemented.	CEO assigned CAO with this responsibility. Update: It was discovered that the HTA does not currently have a Quality Assurance Plan or clear quality control processes identified in the QAP. CAO is developing the QAP and gathering existing QCPs.	50%	July 2019
3	Update internal policies and procedures to clearly identify the HTA management and staff who are responsible for procurement, administration, and oversight of all contracts, and clearly delineate the responsibilities assigned to each.	Policy review completed and submitted to CEO and Board Chair for review and approval. Procedure reviews underway. <b>Update:</b> On 2/28/19, HTA Board approved the policies. Finalizing policies for posting to internal site.	50%	July 2019

#	Recommendation	Comments	Status	Completion Date
4	<p>Enforce policies and procedures that ensure HTA's actual procurement and contracting practices align with the best interests of the State and foster appropriate use of public funds, including:</p> <ul style="list-style-type: none"> <li>a) Requiring pre-solicitation market research to assess, among other things, market competition and estimated cost.</li> <li>b) Requiring proposals for each contract, contract amendment, and extension.</li> <li>c) Enforcing requirement that contractors provide evidence of a valid Certificate of Vendor Compliance (CVC) prior to contract execution.</li> <li>d) Requiring contracts to include specific performance criteria, performance benchmarks, and deliverables that are aligned with the contract objectives.</li> <li>e) Requiring contractors to provide regular progress reports.</li> <li>f) Evaluating contractor performance against performance criteria.</li> <li>g) Requiring written evaluation of contractor performance before amending, modifying, or extending any contract.</li> </ul>	<ul style="list-style-type: none"> <li>a) We are currently in process of addressing this recommendation.</li> <li>b) This item is complete. We require proposals for all contracts, contract amendments, and extensions.</li> <li>c) This item is complete. We require contractors to provide proof of a valid CVC prior to contract execution.</li> <li>d) This item is complete. We require our contracts to include specific performance criteria, performance benchmarks, and deliverable that are aligned with the contract's objectives.</li> <li>e) This item is complete. We require our contractors to provide us with regular progress reports.</li> <li>f) This item is complete. We are now evaluating contractor performance against performance criteria included in the contract.</li> <li>g) This item is complete. We require written evaluations of contractor performance prior to amending, modifying, or extending contracts.</li> </ul>	85%	September 2019
5	<p>Retain exclusive ownership of intellectual property created, developed, prepared, or assembled using State funds, absent extraordinary and unique circumstances. Require requests for waiver of the State's ownership of intellectual property to be thoroughly documented and approved by the Department of the Attorney General.</p>	<p>Recommendation implemented. Procurement implemented process to require waivers to be thoroughly documented, reviewed, and approved prior to execution.</p>	100%	Complete

#	Recommendation	Comments	Status	Completion Date
6	Regularly review and evaluate HTA management and staff performance of their respective procurement and contract-related duties and responsibilities.	The CAO is developing a process to conduct regular reviews and evaluations of HTA management and staff in the performance of their respective procurement and contract-related duties and responsibilities. Ongoing.	25%	September 2019
7	Require HTA management and staff who have procurement and contract-related responsibilities to receive regular training on the State Procurement Code, Chapter 103D, HRS, and the State Ethics Code, specifically, Section 84-15, HRS.	All HTA staff with procurement/contract related responsibilities receive regular training on state procurement code and state ethics.	100%	Complete
8	Limit sole source procurement to where a good or service is deemed available from only one source.	Process in place to review all requests for sole source procurement prior to contract execution.	100%	Complete
9	Require completed documentation to support use of sole source procurement.	Process in place to require requesting staff to provide in-depth information to justify sole source procurement. Sole Source Procurement Planning Worksheet (PPW).	100%	Complete
10	Require written confirmation and justification of sole source contract pricing.	Process in place to require requesting staff to provide in-depth information to justify sole source procurement. Sole Source Procurement Planning Worksheet (PPW).	100%	Complete
11	Develop a publicly accessible list of sole source procurement contracts.	Sole source procurements included in monthly board packets which are publicly available on website. In addition, we are developing a page on our HTA website to list all HTA sole source procurement contracts.	100%	Complete
12	Enforce existing contract provisions requiring AEG, and any other contractors who are reimbursed by HTA for costs they incur, to submit receipts and other supporting documentation for each cost invoiced to HTA for reimbursement or other payment.	Completed.	100%	Complete

#	Recommendation	Comments	Status	Completion Date
13	Develop and implement procedures to review and evaluate receipts and supporting documentation submitted for each cost that AEG, and any other contractors who are reimbursed by HTA for costs they incur, invoices HTA for reimbursement or other payment.	Completed. VP of Finance implemented the procedures to audit receipts from AEG as well as other contractors.	100%	May 2018
14	Develop and implement procedures to include additional monitoring and more frequent evaluation of contractors' performance.	Procedures are being developed to address this recommendation.	50%	August 2019
15	Require compliance with all material contract terms, including but not limited to HTA's prior written approval of all subcontracts.	Completed. <b>Update:</b> Final evaluations are required to be completed prior to final payment being issued to ensure compliance with material contract terms. Subcontractor pre-approval is required per all contracts.	100%	Complete
16	Require requests for written approval to subcontract to include, at a minimum: (1) an explanation of the need for the goods or services to be subcontracted; (2) a statement regarding subcontractor's qualifications to provide the goods or services; (3) a summary of process used to procure the goods or services, including the material terms of bids or other responses to provide the goods or services; and (4) the reason(s) for the selection of the subcontractor, including information used to determine the reasonableness of the subcontract amount.	Completed. A subcontractor approval form has been created and is being used with AEG and the MMA contractors.	100%	Complete
17	For current subcontracts without HTA's prior written approval, require justification for the subcontracts, including but not limited to the information required for approval to subcontract. For current subcontracts deemed unnecessary, unreasonable, or otherwise contrary to the State's best interest, consider requiring the goods or services to be re-procured.	Completed. A subcontractor approval form has been created and is being used with AEG and the MMA contractors.	100%	Complete

#	Recommendation	Comments	Status	Completion Date
18	Determine whether “agreements” and “arrangements” for goods or services relating AEG’s performance of the contract, including with AEG affiliates or related organizations, are subcontracts, requiring prior written consent.	Completed. Received written confirmation of AEG's relationship with Levy (June 26, 2018). Consulted with AG's office, and apprised HCC Investigative Committee (September 19, 2018). Confirmed that no further action required.	100%	Complete
19	Consult with the Department of the Attorney General regarding the concession services agreement between AEG and Levy, specifically, about action required to remedy AEG’s failure to competitively procure the concession services as required by law.	Consultation with Attorney General’s office regarding has been completed.	100%	Complete
20	Seek clarification from the Legislature regarding the term “administrative expenses,” as used in section 201B-11(c) (1), HRS, through legislation to define the term, including the specific types of expenses that are included within that term.	HTA received a guidance memo from the Attorney General’s office. Will work with legislators as recommended.	50%	August 2019
21	Until the Legislature provides clarification of the term, request a formal legal opinion from the Attorney General as to the meaning of the term “administrative expenses,” as used in section 201B-11(c)(1), HRS, that HTA can apply in developing its budget and to monitor its use of the Tourism Special Fund.	Guidance letter received from Attorney General’s office. Pending request for formal opinion.	50%	TBD

# **Agenda Item**

## **9**

Report of the Marketing Standing Committee with the Committee's Recommendations to Support Various Marketing Proposals, for Discussion and Approval by the Board



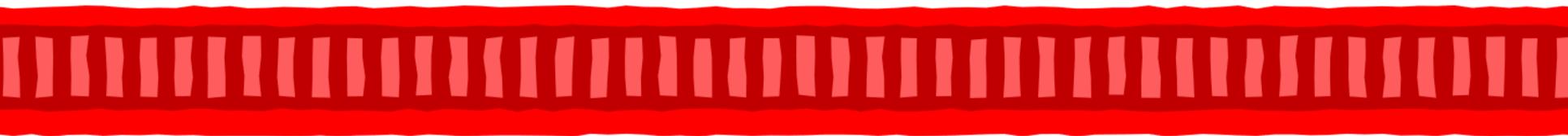
# Island of Hawai'i Recovery Phase 1, 2 & 3

March 27, 2019

HAWAII TOURISM

JAPAN

ハワイ州観光局



# HTJ Recovery Initiatives

## Phase 1 ~May 2018

**Distribution of accurate information to the right people** (consumers, travel industry partners and media)

**Monitor** the situation and media exposure on the volcanic activity

\$0

## Phase 2 June 2018~

**Approach Direct Consumers** via sns, mail magazine, events, and media exposure.

**Educate media** through briefing sessions and press tours

\$250,000

## Phase 3 July 2018~ March 2019

**Coop with travel agencies & airlines (JL & HA)** to promote travels by creating package tours; educate travel agencies through fam tours and seminars

HTJ, JL and HA to open a Island of Hawai'i café in **collaboration with Tommy Bahama Ginza**

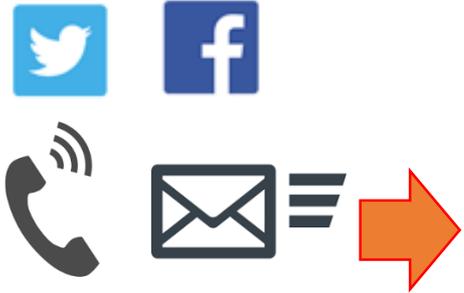
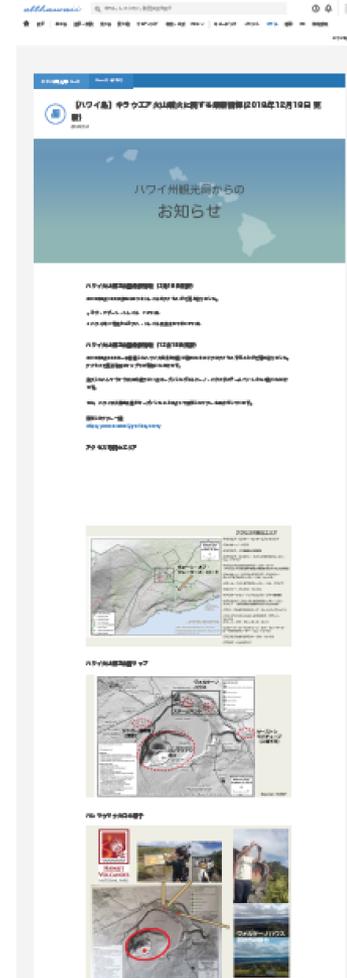
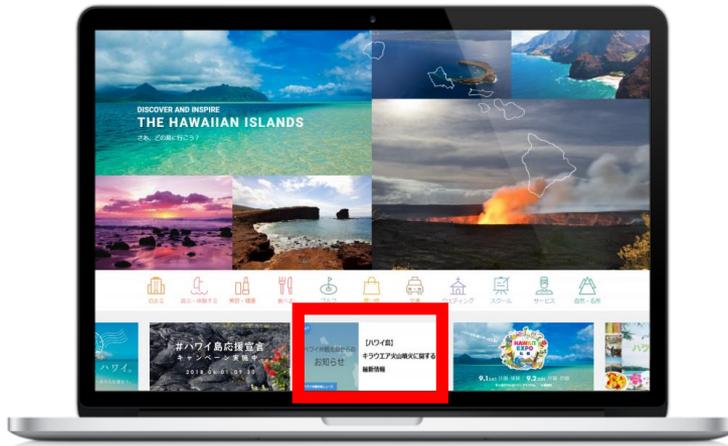
\$450,000

# Phase 1

# Phase 1: HTJ Volcanoes Latest News Alert

- Timely distribution of credible information and updates to Partners, Media and Consumers
- Close monitoring of market

<https://www.allhawaii.jp/htjnews/3009/>



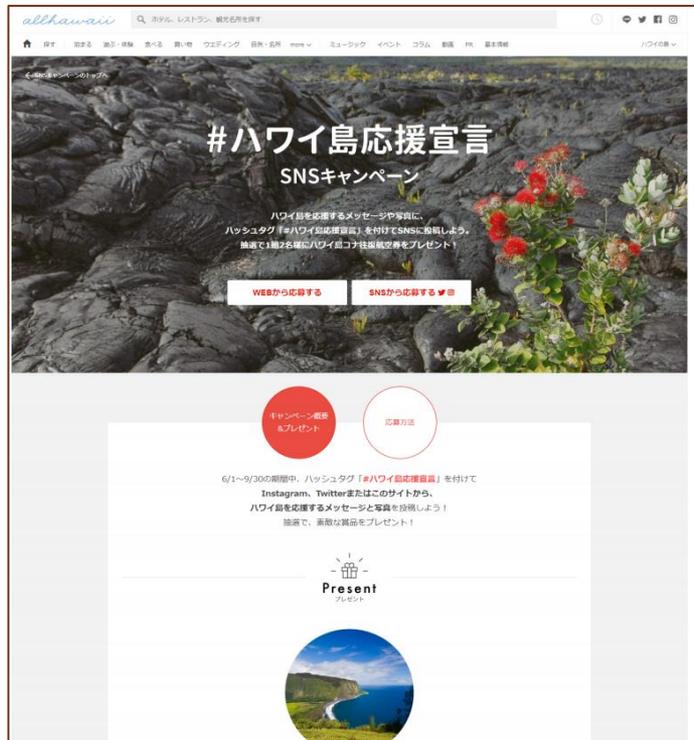
Phase 2  
\$250,000

# Phase 2: Consumer Campaigns (1)

Campaigns to promote and raise awareness of Hawai'i being safe:  
Survey Campaigns, SNS Campaigns, # Campaigns, Consumer Events

- Over **11,200 consumers** participants for campaigns
- **7,091 consumers** to visit by summer 2019
- **177,000 attendees** at event (Aloha Tokyo)

## Consumer Campaign



## Consumer Event



# Phase 2: SNS Campaign (2)

Campaign Period: 7/20 – 9/30

Involve consumers by posting photos with **#今こそハワイ島に行こう**.

- **6,296 photos** were posted.
- **123,046 PV** (allhawaii, JAL, Yomiuri Online, and HA website)
- **111,752 UU** (allhawaii, JAL, Yomiuri Online, and HA website)



#今こそハワイ島に行こう #と、みんなが言っています



## Phase 2: Press Tour 6/28-7/3

- Influential & effective media sources
- Total Instagram Impressions **500,000+++**
- Resulting exposure on online articles, SNS and Movie:
  - Online exposures : Total **14** articles
  - Impressions **153,955,375**
  - AVE **\$74,641.5**



# Phase 2: Media Briefing & Travel Agent Briefing 7/19/18

## Travel Agent & Media Briefing

- HTJ invited **37 journalists** and **34 travel agents** to a briefing session to diffuse accurate information
- HTJ created a detailed factbook which include facts on the volcano



## Resulting Media Exposure

- 26** media exposures
- 2,162,143,252** impressions
- \$936,796.59** AVE



## Phase 2: Community Engagement

- Digital distribution of video messages from local community on the island of Hawai'i
- Residents, visitors, National Park rangers, cultural instructors, etc.
- Page Views: **120,000** Unique Users: **104,000**

<https://www.allhawaii.jp/htjnews/3121/>



ハワイ島から日本のみなさんへメッセージをいただきました！

2018.07.03



## Phase 2: Community Engagement (Sample)

- Video message from Mr. Lanakila Managuil of the Hawaiian Culture Center of Hāmākua



# Phase 2: Yomiuri Newspaper Advertisement

- Full page ad on national newspaper
- **30,563,799** impressions

Yomiuri Newspaper Online:  
PV = 1,100,021



読売新聞

140年以上の歴史 世界最大の部数

読売新聞



**今こそハワイ島に、行こう。** Hawaii TOURISM

【8つの島からなるハワイ諸島】

**Geography** [8つの島からなるハワイ諸島]

**Mythology** [ハワイ島の神話]

**Wai'oale Valley** 神聖な「王の谷」

**Kaui'i coffee plantation** 世界最高峰のコーヒーが生まれる場所

**Molokai Night Sky** ハワイ島の夜をマンタと過ごす

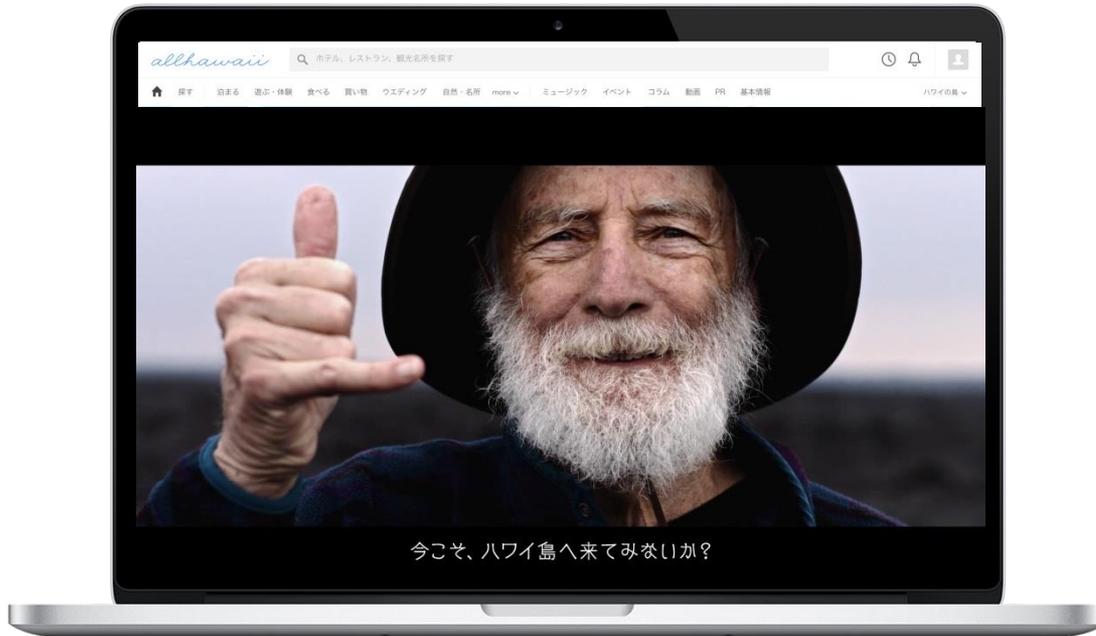
**Maui** 見上げれば、宇宙

**Hawaii Q&A**

**ハワイ観光光景** → <https://www.allworld.jp/gohawaii>

# Phase 2: Promotional Video Campaign

“Now is the time to go to the island of Hawai‘i” story video Launched 8/2/2018



Total Views: **796,149**

## Facebook Post & Advertisement

Duration: Jun. 2018 – Aug. 2018  
(Not Consecutive)

### Facebook

- Reach: **308,895**
- Impression: **426,395**

### YouTube

- Reach: **647,960**
- Impression: **324,593**



## Phase 2: Pure TV Exposure

Total Ad Value: **\$23,307,558.83**

Total Impression: **25,227,496**



World Business Satellite, TV Tokyo (7/19/2018)  
AVE: \$172,367 Imp: 2,844,380



Bankisha, Nihon TV (8/19/2018)  
AVE: \$306,702.65 Imp: 5,538,736



Miraiseiki, TV Tokyo (8/22/2018)  
AVE: \$448,043.18 Imp: 2,844,380



Ariyoshi Summer Holiday, Fuji TV (9/1/2018)  
AVE: \$22,380,446 Imp: 14,000,000

# Phase 2: Media Tie-ups & Assists

Total Impression: **10,792,271,518**

Ad Value: **\$6,012,333**



# Phase 2: Travel Agent Planning Dept. FAM Tour

- **15 representatives from 5 major wholesalers** (ANA Sales, H.I.S., JALPAK, JTB & KNT-CT) from 6/28 – 7/1
- Update current Kīlauea Volcano situation through collaborative initiatives with IHVB
- Conducted One-on-One meetings with island of Hawai'i Stakeholders (**7 companies**)



# Phase 2: Media & Consumer Event (JAL x HA x IHVB x HTJ)

- Events such as hula shows and ukulele performances were held from 7/20 – 9/30
- **30 journalists** attended preview event on 7/19/2018
- Media Exposure  
**152** online exposures, **1** TV exposure (5 min 20 sec)  
**7,999,898,508** impressions  
**\$737,807** AVE
- Over **10,000 consumers** reached



# Phase 2: JAL x HA x HTJ Campaign Site Launch

Launched on July 19, 2018

<https://www.allhawaii.jp/gohawaii>



SNS Campaign information

Travel Agent tour information

Tommy Bahama Ginza Fair Details

Events on island of Hawaii

Latest volcano information

Database (Sightseeing spots, shops, restaurant) on island of Hawaii

Phase 3  
\$450,000

# Phase 3: New Promotional Video Advertisement



Total Views: **2,551,129**



## Facebook and YouTube Advertisement

Duration: Nov. 2018 – Mar. 2019

ハワイ - gohawaii.com (JP) 広告

ハワイで最も新しく広大な島、ハワイ島。ハワイ島のキラウエア火山は、35年以上前から現在に至るまで、噴火活動を継続しています。ハワイ島の人々は、今も昔も変わらず自然と暮らし、噴火を受け入れ、生活してきました。そのようなハワイ島の文化や自然、人々の考え方を、今だからこそ、垣間見ることが出来ます。

今しかできない体験であり、今だからこそできる体験が、あなたを待っています。今こそハワイ島に、行きませんか？

<http://bit.ly/2LO7Y1I>



島津 卓史さん、他2,685人  
コメント27件 シェア149件

## Facebook

- Reach: **13,148**
- Impression: **27,153**

## YouTube

- Reach: **3,532,270**
- Impression: **1,335,958**

# Phase 3: 360° VR

- Created VR videos of the island of Hawai'i, featuring **12** activities other than Volcanoes National Park

<https://www.360ch.tv/>

- Monthly Viewers: **300,000 – 400,000**
- Online platform for virtual reality related contents



Hiking



Horseback Riding



Snorkeling



Helicopter Tour



Hilo Town



Kailua Kona Town



Kona Coffee Living History Farm



Lauhala Weaving

# Phase 3: Media Tie-ups & Assists

Total Ad Value: **\$12,264,986** Total Impression: **26,406,375**

## Media: Hawaii Style

Date: 9/25/2018; Pages: 6P  
AVE: \$138,267 Imp: 280,000



## Media: alohastreet

Date: 11/20/2018; 4 Pages  
AVE: \$111,032.78 Imp: 301,000



## Media: Otona no Hawaii

Date: 12/29/2018; 30 Pages  
AVE: \$1,691,900.77 Imp: 385,000



## Media: Aloha Express

Date: 4/20/2019; Pages: 25P  
AVE: \$54,997 Imp: 350,000



## Media: Nijiuro Jean (TV)

Date: 1/12/2019  
Duration: 20 min  
AVE: \$7,879.52  
Imp: 7,500,000



# Phase 3: CCC T-Point Card Member

(Largest nationwide point reward system; 67.8 million members)

- Refined the extensive T-Point consumer database to a target sample
  - Sample characteristics: Avid travelers, nature lovers; high potential to visit
  - Refined to 120,000 T-Point card members

## Campaign Overview

- Sample target received an appealing Q&A email highlighting the traits of the island
- Inquisitive questions creating desires to seek further information
- Respondents were directed to the island of Hawai'i landing page on allhawaii
- **83,348** consumers visited allhawaii through the campaign (**77,426 new**)



# T-POINT

答えてお得なQ & A

※ (\*) のマークがついた設問は、必須回答です。

### ■ Q2 \*

下記はハワイ州観光局からの質問です。

ハワイ島は、6つのハワイ諸島の中でも、最も新しく、四国の約半分と言われる広大な島です。  
ハワイ島は、オアフ島（ワイキキなどがある島）と異なり、雄大な大自然を感じることができます。



答えてお得なQ & A

※ (\*) のマークがついた設問は、必須回答です。

### ■ Q3 \*

下記はハワイ州観光局からの質問です。

ハワイ島を楽しむ上で欠かせないのは、火山・海・星空など豊かな自然とともにハワイの歴史・文化に触れることができるアクティビティです。



# Phase 3: Travel Trade Media

- Feature island of Hawai'i on various travel trade Media

Wing Travel  
Reach: 176,000

Travel Journal  
Reach: 7,000

Edu-Tourism Institute  
Reach: 82,000



# Phase 3: Wholesalers

## Exclusive Package Tours

Travel Agents	HIS, JALPAK, JTB and Hankyu
Number of Packages	Total <b>11</b> package brochures
Number of Bookings	<b>12,762</b> pax
Brochures Distributed	<b>1,838,000</b> copies
Exposure	<b>5,168,000</b>



alhhawaii

https://www.alhhawaii.jp/gohawaii

一生に一度は見たい絶景がここにある  
**Hawaii Island**

ハワイ島には驚き絶景が待っている。キラウエア火山の噴煙が、4,000m級の雄大な山頂から、大自然の雄姿を誇ったビッグアイランド、ハワイ島へ行くのです。

2017年9月15日より  
成田→ハワイ島(コナ空港)直行便開設

旅行の楽しみを必要に応じてハワイ島に滞在する期間を自由に決め、毎日観光で楽しむことができます。また、成田からハワイ島まで直行便が開設されたことで、JAL SKY WIDEで成田からハワイ島まで9時間以内で、この機会に是非ハワイ島を訪れてみてください。

成田(羽田)発	ハワイ島	21:25	09:25-10:15
ハワイ島発	成田(羽田)	11:35-12:05	16:00-16:35(東京)

ハワイ島おすすめのホテル

ザフェアモント、オーキッドハワイ、ヒルトンハワイコロア、シェラトン・コナリゾート

ハワイ島イブニングジャズ Evening Jazz

H.I.S.ならハワイ島でも安心! 24時間安心サポート

LOOK JTB

2019年4月20日▶2020年4月

成田 羽田 関空 名古屋 福岡

4月からの  
**ハワイアンアイランド**  
ハワイ島・マウイ島・カウアイ島・ラナイ島

満足が見える旅へ

LOOK JTB

2018年11月27日▶2019年11月27日

成田 羽田

ゴールデンウィーク・夏休み

パンフレット有効期間 2018年11月12日~2019年1月15日

**ハワイ**  
ホノルル・ハワイ島・マウイ島・カウアイ島

年々年初コはごちから  
12月20日~1月18日

燃油込み **124,000円~35,000円**

満足が見える旅へ

JAL 利用

**ハワイ**  
ホノルル・ハワイ島・マウイ島・カウアイ島

2018年11月 ▶ 2019年1月

¥139,800~¥366,800

早期予約割引がぜんぜんお得!!

得々60	¥10,000割引
得々90	¥15,000割引
得々120	¥20,000割引

当パンフレットお申込限定!  
JALの嬉しい3つの新特典

JALPAK

**ハワイ**  
オアフ島/ハワイ島/マウイ島/カウアイ島

2019年1月からのJALPAK

4月出発ならキッズ代金が45,000円!

成田空港近辺パーキング 駐車料金無料!

多機能Wi-Fiルーター 無料レンタル 大好評!

tropics

70th Anniversary

2018年12月

マカオ最新トピックス

総額7,000万円還元キャンペーン

10,000円の旅行券7,000円

# Phase 3: Wholesalers – Education

## Webinars & FAMs

### Webinar

- 60 travel industry representatives participated
- Shared updated information relating to the volcano
- Provided new developments on the island

### FAM

- Invited 21 representatives from 12 companies
- Meetings with local suppliers
- Participation in activities

What's New! Island of Hawaii



自然の力を、わたしの力へ。  
HAWAII  
ハワイ島

- ハワイ諸島で最大の島。
- 標高4205メートルのマウナケアはハワイ諸島で最も高い山
- ユネスコ世界遺産に登録されているハワイ火山国立公園
- 世界でも類をみない自然環境を誇る
- アメリカの最南端=サウスポイント
- カメハメハ大王はハワイ島生まれ
- 世界最大のフラの祭典、メリーモナーク

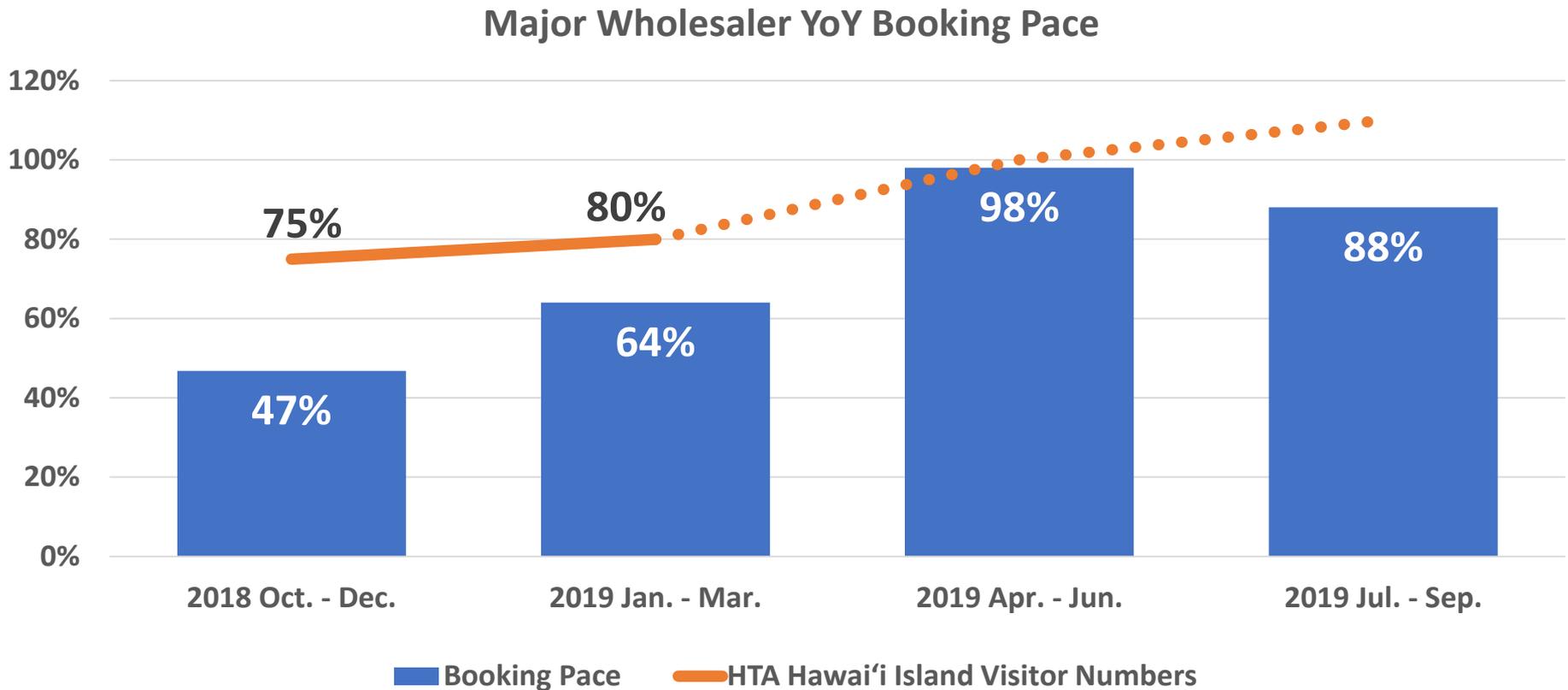
チャット

エミーダ  
マウナケア  
menehune  
キラウエア  
Kayo  
マウナケア山  
ともや  
マウナケア  
pua melia  
マウナケア!  
chi  
マウナケア



# Phase 3: Conclusion

- Gradual growth in visitors since the allocation of funds
- Aim for visitors to surpass 2018 levels by September (+110%)



\*2019 Jan. – Mar. “HTA Hawai'i Island Visitor Numbers” includes only data for January

## 2018 Hawai'i Island Recovery Campaign Report

### Overview:

Recovery funds were released to:

- Promote/message the safety of Hawai'i Island post eruption
- Stimulate downturn in bookings due to eruption event

Overall plan consisted of 3 phases

- Phase 1/Distribution of accurate information to consumer and industry (May 2018)
  - Monitoring
- Phase 2/Consumer direct messaging (June 2018 ~)
  - Media education
- Phase 3/Travel industry co-op/collaboration (July 2018 – March 2019)

Amount: \$700,000

Duration: June 2018 – March 2019

### Phase 1

#### ***HTJ Volcanoes Latest News Alert***

- Timely distribution of credible information to partners, media and consumers
- Close monitoring of market

### Phase 2: \$250,000

#### ***Consumer Campaigns:***

Campaigns to promote and raise awareness of Hawai'i Island and Hawai'i being safe  
Survey campaigns, SNS campaigns, hashtag campaigns, consumer events

- Over 11,200 consumer participants throughout campaigns
- 7,091 consumers declared visiting within one year
- 177,000 attendees at events
- 6,296 photos posted on SNS with campaign hashtag

#### ***Press Tour (6/28 – 7/3):***

Invited influential and effective media sources

Total Instagram impressions over 500,000

Resulting exposure:

- 14 total articles
- 153,955,375 impressions
- AVE of \$74,641.50

#### ***Media & Travel Agent Briefing (7/19):***

Organized briefing session for 37 journalists and 34 travel agents to diffuse accurate information

Created a factbook about the island as supplemental material

Resulting exposure:

- 26 media exposures
- 2,162,143,252 impressions
- AVE of \$936,796.59



**Community Engagement:**

Digital distribution of video messages from the local community including residents, visitors, park rangers and cultural instructors

allhawaii.jp page statistics:

- 120,000 page views
- 104,000 unique users

**Yomiuri Newspaper Advertisement:**

Commissioned full-page ad on national newspaper

- 30,563,799 impressions

Article was also published on the Yomiuri Newspaper’s online medium

- 1,100,021 page views

**Promotional Video Campaigns:**

The “Now is the time to go to the island of Hawai’i” story video was launched on YouTube (8/2/2018)

- 796,149 total views

Online advertisements on certain weeks between June and August

Facebook Ad:

- 308,895 reached
- 426,395 impressions

YouTube Ad:

- 647,960 reached
- 324,593 impressions



**Pure TV Exposure:**

Total Ad Value of \$23,307,558.83; Total impressions were 25,227,496

Name	Date	Network	AVE	Impressions
World Business Satellite	7/19	TV Tokyo	\$172,367	2,844,380
Bankisha	8/19	Nihon TV	\$306,702.65	5,538,736
Miraiseiki	8/22	TV Tokyo	\$448,043.18	2,844,380
Ariyoshi Summer Holiday	9/1	Fuji TV	\$22,380,446	14,000,000

**Media Tie-ups & Assists:**

Supported various travel related media such as AGORA, Skyward and Crea

- 10,792,271,518 total impressions
- \$6,012,333 ad value

**Travel Agent Planning Dept. FAM Tour (6/28 – 7/1):**

15 representatives from 5 major wholesalers (ANA Sales, H.I.S., JALPAK, JTB and KNT) participated

Shared updates on the situation relating to Kīlauea through collaborative initiatives with IHVB

Conducted one-to-one meetings with local stakeholders



**Media & Consumer Event (JAL x HA x IHVB x HTJ) (7/20 – 9/30):**

Events such as hula shows and ukulele performances were held at a Hawai'i themed venue

30 journalists attended a preview event on 7/19

Over 10,000 consumers reached

Resulting media exposure:

- 152 online exposures
- 1 TV exposure (5 min. 20 sec. run-time)
- 7,999,898,508 impressions
- AVE of \$737,807



**JAL x HA x HTJ Campaign Site launch:**

A special collaborative site was launched on 7/19

Contents include:

- SNS Campaign information
- Travel Agent product information
- Local events
- Volcano related updates
- Consumer event details
- Database (sightseeing spots, shops, restaurants)

**Phase 3: \$450,000**

**New Promotional Video Advertisements:**

- 2,551,129 total views

Online advertisements on certain weeks between Nov. 2018 – Mar. 2019

Facebook Ad:

- 13,148 reached
- 27,153 impressions

YouTube Ad:

- 3,532,270 reached
- 1,335,958 impressions

**360 Degree VR:**

Created VR videos of the island of Hawai'i, featuring 12 activities other than Volcanoes National Park

Diffused contents on an online platform for VR contents

- 300,000 – 400,000 monthly viewers

**Media Tie-ups & Assists:**

Total Ad Value of \$12,264,986; Total impressions were 26,406,375

Name	Date	Length	AVE	Impressions
Hawaii Style	9/25/2018	6 Pages	\$138,267	280,000
alohastreet	11/20/2018	4 Pages	\$111,032.78	301,000
Otona no Hawaii	12/29/2018	30 Pages	\$1,691,900.77	385,000
Nijihiro Jean	1/12/2019	20 Minutes	\$7,879.52	7,500,000
Aloha Express	4/20/2019	25 Pages	\$54,997	350,000

**CCC T-Point Card Member:**

CCC's T-Point is the largest nationwide point reward system; 67.8 million members

Refined the extensive T-Point consumer database to a target sample

- Sample Characteristics: Avid travelers, nature lovers; consumers with high potential to visit
- Refined to 120,000 T-Point card members

Campaign Overview:

- Sample target received an appealing Q&A email highlighting the traits of the island
- Inquisitive questions creating desires to seek further information
- Respondents were directed to the island of Hawai'i landing page on allhawaii
- 83,348 consumers visited allhawaii through the campaign (77,426 new visitors)

**Travel Trade Media:**

Feature island of Hawai'i on various travel trade media

- Wing Travel: reach of 176,000
- Travel Journal: reach of 7,000
- Edu-Tourism Institute: reach of 82,000



**Wholesalers:**

Exclusive package tours (H.I.S., JALPAK, JTB and Hankyu)

- Number of packages: 11 brochures
- Number of bookings: 12,762 pax
- Brochures distributed: 1,838,000 copies
- Exposure: 5,168,000

**Wholesalers – Education (Webinars & FAMs):**

Webinars

- 60 travel industry representatives participated
- Shared updated information relating to the volcano
- Provided new developments on the island

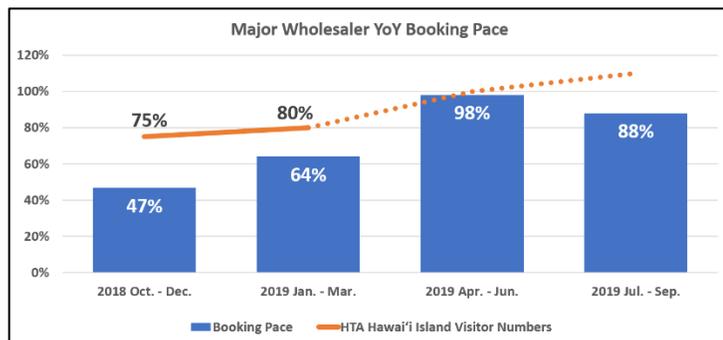
FAM

- Invited 21 representatives from 12 companies
- Meetings with local suppliers
- Participation in activities



**Conclusion:**

- Gradual growth in visitors since the allocation of funds
- Aim for visitors to surpass 2018 levels by September (+110%)



# **2019 Additional Branding Campaign**

## **3/14/2019**

# Overview

Additional funds will be utilized to expand the reach of the re-branding campaign

- Additional Hakken Hawai'i (Discover Hawai'i) branding campaign
- Adding additional Hawai'i Island assets to the digital campaign
- TV tie-ups
- Regional newspaper

# Hakken Hawai'i (Adventure in Hawai'i) Promotion Video



# Hakken Hawai'i (Adventure in Hawai'i) Campaign Concept

about 発見ハワイ

The promotional concept focuses on sharing various facts through **numbers**, relating to Hawai'i's vast nature, history, culture, activities and gourmet selections with **impactful** and/or **surprising** statistics to facilitate the **discovery** of unknown **appeals** that can be found in Hawai'i.

# Hakken Hawai'i (Adventure in Hawai'i)

## Poster



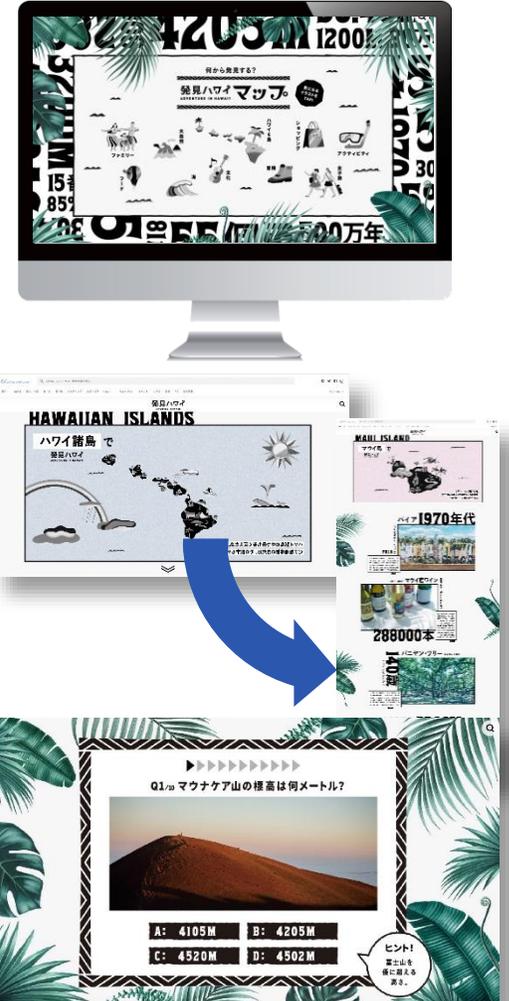
## Booklet



## Pamphlet



## Web (allHawaii)

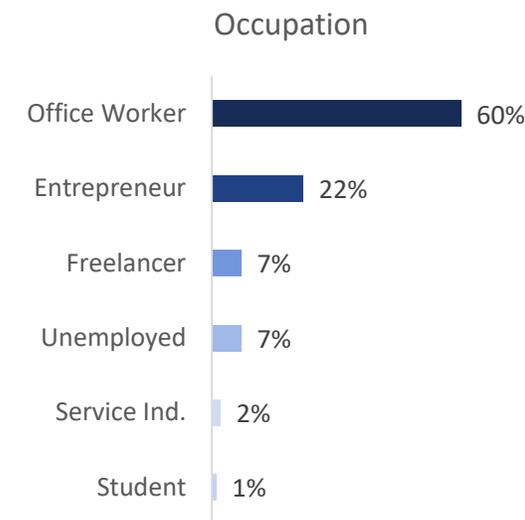
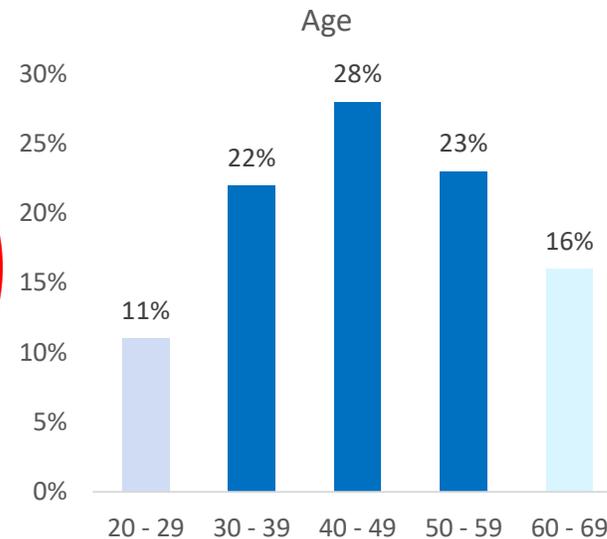
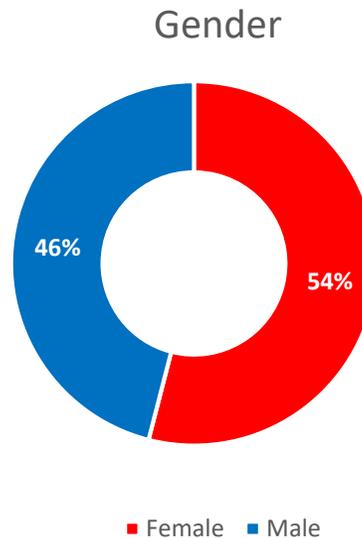


# Hakken Hawai'i (Adventure in Hawai'i) OOH Digital Signage (\$600K)



# Hakken Hawai'i (Adventure in Hawai'i)

## OOH Taxi Signage



### サイネージ導入タクシー会社一覧

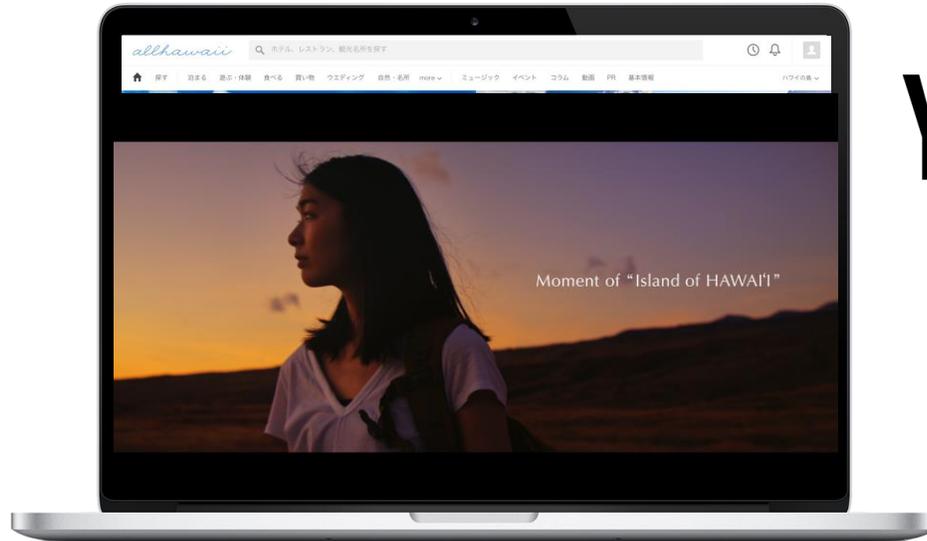


東京都内  
サイネージ設置台数※1  
**July**  
**32,000** taxi

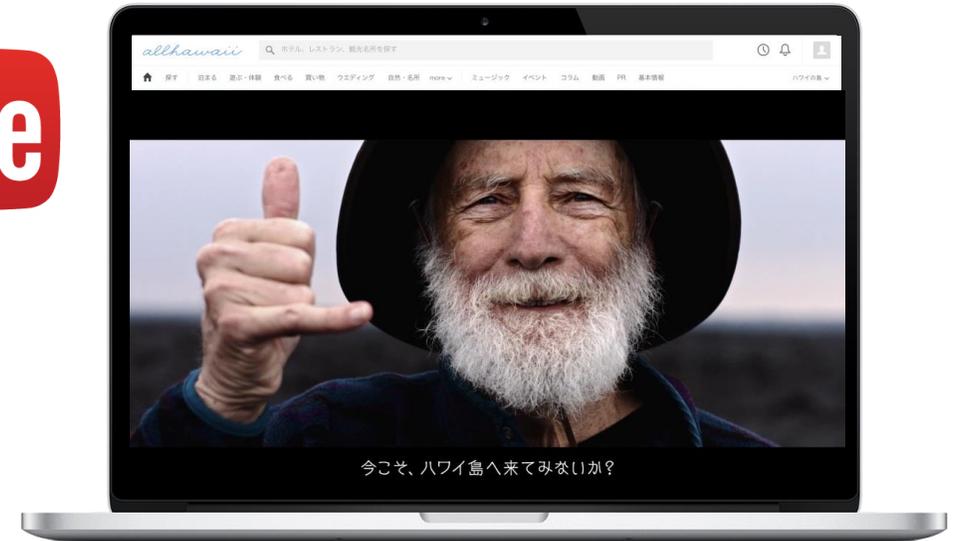
<p>月間リーチ人数 <b>700</b>万人</p>	<p>都内タクシー利用者 カバー率※2 <b>40</b>%</p>
<p>タクシー利用者 乗車平均時間 <b>18</b>分</p>	<p>ビジネス層利用率 (会社員・公務員・自営業・経営者) <b>80</b>%以上</p>
<p>タクシー利用頻度 月間平均11回以上 <b>30</b>%</p>	

# Digital Ad, and SNS Ad (\$300K)

“Moment of Island of Hawai‘i”  
Story Video



“Now is the time to visit the  
Island of Hawai‘i” Story Video



# Digital Marketing

## Tver ([TVer.jp](https://tver.jp))

Official portal site for public TV Stations

Users can view favorite shows at anytime from anywhere on any device

Sole platform to view TV contents digitally



### ランキング

直近24時間の再生数 (5分更新)

- |  |  |  |  |   |
|--|--|--|--|---|
|  |  |  |  |   |
| <b>1</b> 義母と娘のブルース<br>第6話<br>TBS 8月14日(火)放送分 | <b>2</b> 高嶺の花<br>第6話<br>日テレ 8月15日(水)放送分          | <b>3</b> 絶対零度~未然犯罪潜入捜査~<br>#6「制裁殺人の悲しき真実」<br>フジテレビ 8月13日(月)放送分 | <b>4</b> 健康で文化的な最低限度の...<br>#5【親子の謎を解け! 半田vs景極】<br>関西テレビ 8月14日(火)放送分 | <b>5</b> グッド・ドクター<br>#5「天才少年の歌声が病魔に! 漆、...」<br>フジテレビ 8月9日(木)放送分 |
|  |  |  |  |   |
| <b>6</b> この世界の片隅に<br>第5話<br>TBS 8月12日(日)放送分  | <b>7</b> 刑事7人 (2018)<br>第6話<br>テレビ朝日 8月15日(水)放送分 | <b>8</b> マツコの知らない世界<br>「手持ち花火&盆踊りの世界」<br>TBS 8月14日(火)放送分       | <b>9</b> サバイバル・ウェディング<br>第5話<br>日テレ 8月11日(土)放送分                      | <b>10</b> ラストチャンス~再生請...<br>第05話<br>テレビ東京 8月13日(月)放送分           |

# Digital Marketing

## 360 Channel ([360ch.tv/](https://360ch.tv/))

Online platform for viewing 360 degree VR contents

Multi-device compatible (e.g. VR Head-mount Display, Smartphones, PCs)

300,000 – 400,000 monthly views



急上昇動画 レンタル・購入

一覧を見る >



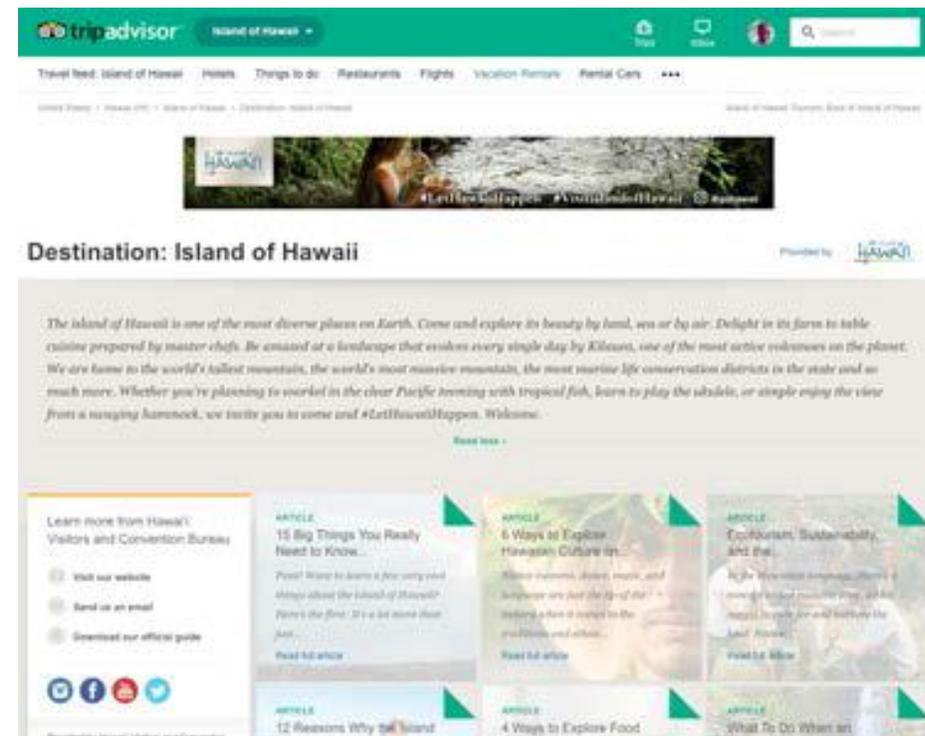
# Digital Marketing (Pending)

**Tripadvisor** ([tripadvisor.com/](https://www.tripadvisor.com/))

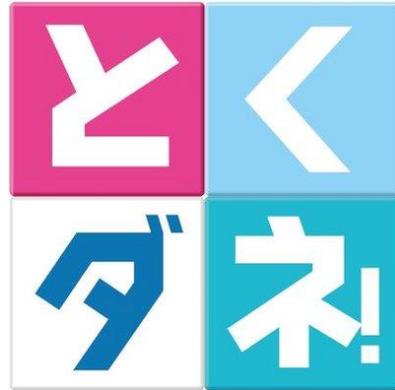
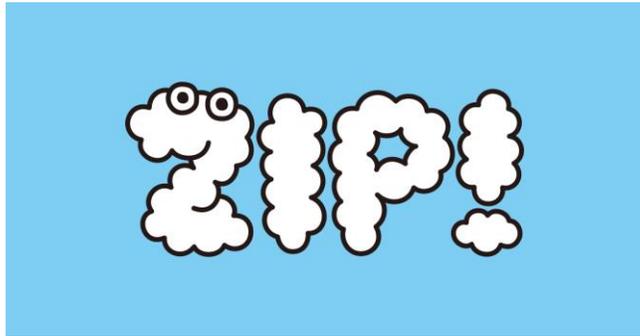
Campaign of display media and content, enhanced with Tripadvisor ratings and reviews

456 million unique monthly users

Weaving promotional messaging into the Tripadvisor platform



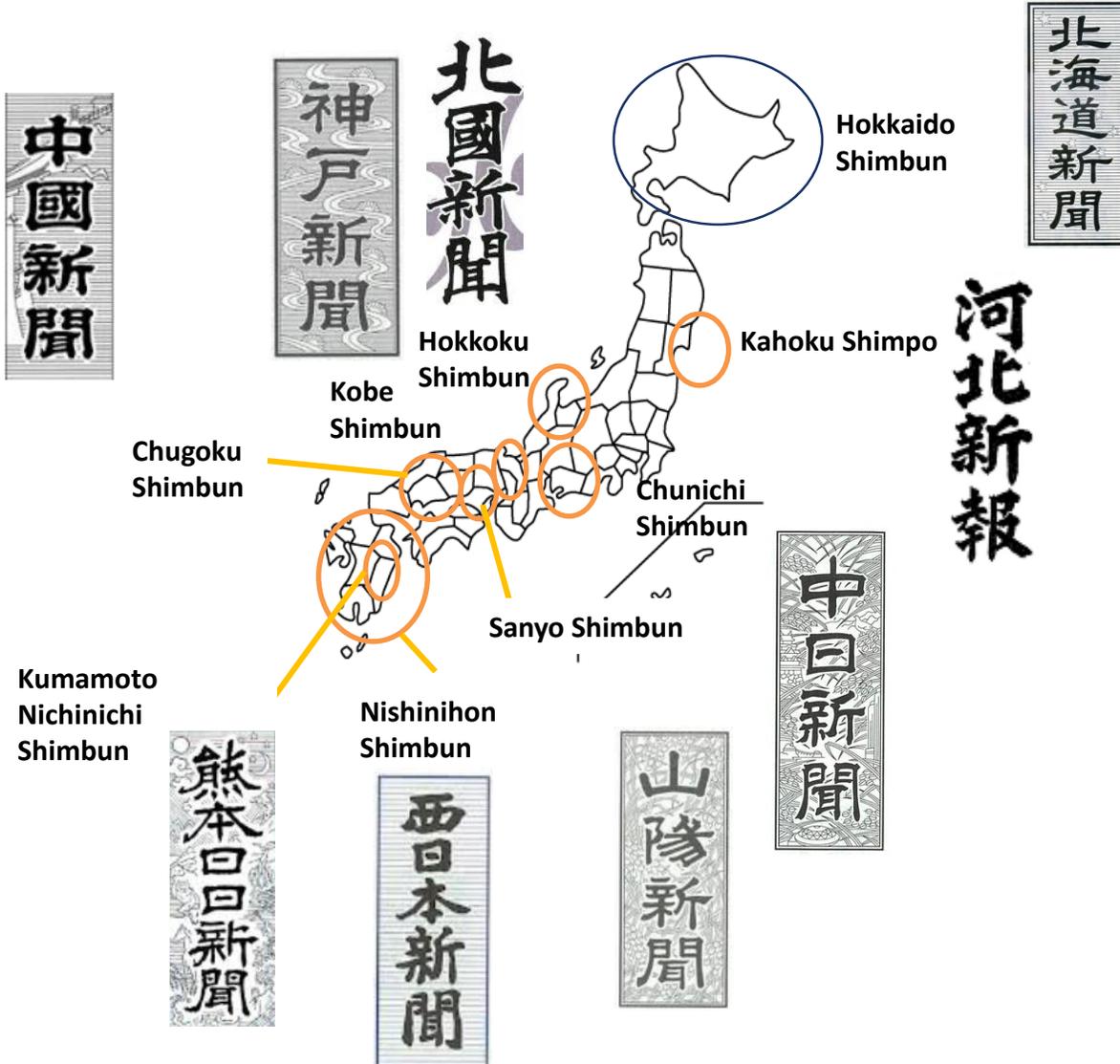
# TV Tie-ups (\$80K)



王様のブランチ



# Regional Newspaper Advertisement (\$20K)



**読売新聞**

140年以上の歴史 世界最大の部数

**読売新聞**

読売新聞 読売新聞

今こそハワイ島に、行こう。 HAWAII TOURISM JAPAN

思わず涙も止めてくなる観光スポットが盛りだくさんのハワイ島。ハワイ諸島で、最も広大で美しいハワイ島の多様な自然環境は、世界でも他に類を見ません。目の覚めるような青い、心を癒やす穏やかな海、そして、笑顔が溢れ出る旅人の姿。差し上げる地産のエスルギーを体験する旅へ、いませ。

**Geography** 【8つの島からなるハワイ諸島】

ハワイ諸島は8つの島からなる。ハワイ島、マウイ島、オアフ島、モロカイ島、カウアイ島、ホノルル島、マウナロア島、ハワイ島。日本でも馴染みのある島は、オアフ島とモロカイ島。ハワイ島の観光地は、オアフ島とモロカイ島よりも多く、自然環境も素晴らしい。ハワイ島の観光地は、オアフ島とモロカイ島よりも多く、自然環境も素晴らしい。

**Mythology** 【ハワイ島の神話】

ハワイ島の神話は、ハワイ島の歴史と文化を語る重要な要素です。ハワイ島の神話は、ハワイ島の歴史と文化を語る重要な要素です。

**World's Highest Coffee** 世界最高峰のコーヒーが生れる場所

ハワイ島のマウナロア山は、世界最高峰のコーヒーが生れる場所です。マウナロア山のコーヒーは、世界最高峰のコーヒーとして知られています。

**Maui Night Market** ハワイ島の夜をマウナロア山で過ごす

マウナロア山の夜は、ハワイ島の夜をマウナロア山で過ごすのに最適な場所です。マウナロア山の夜は、ハワイ島の夜をマウナロア山で過ごすのに最適な場所です。

**見上げれば、宇宙**

ハワイ島のマウナロア山は、見上げれば宇宙が見える場所です。マウナロア山の山頂からは、宇宙の星々を見ることが出来ます。

**ハワイ島でも Q&A**

① ハワイ島へ行くには？ ② 観光地はどこ？ ③ マウナロア山は？

① ハワイ島へ行くには？ ハワイ島へ行くには、飛行機でハワイ島のホノルル空港へ行くのが最も簡単です。② 観光地はどこ？ ハワイ島の観光地は、オアフ島、モロカイ島、マウイ島、カウアイ島、ハワイ島の8つの島からなる。③ マウナロア山は？ マウナロア山は、ハワイ島のマウナロア山で、世界最高峰のコーヒーが生れる場所です。

ハワイ州観光局 ▶ <https://www.allhawaii.jp/gohawaii/>

## 2019 Additional Branding Campaign

**Overview:** Additional funds will be utilized to expand reach of brand campaign initiatives, while continuing promotions of Hawai'i Island Recovery initiatives.

### HTJ 2019 Branding Campaign

“発見ハワイ”- Hakken Hawai'i (Discover Hawai'i)

Utilize statistical numbers to showcase the amplitude of Hawai'i, while simultaneously establishing brand characteristics for each island. (see attached information sheet)

Message: There are numerous facts that remain unknown about Hawai'i. When observing the various facts and numbers, you are sure to make new findings about the Hawai'ian Islands. There are a multitude of deep experiences and surprises still awaiting you.



### Hawai'i Island Promotion

Emphasis on promoting the island of Hawai'i must be maintained to ensure the continuation of direct flight service to Kona.

Island Catch Copy	自然の力を、私の力へ。 Empowerment through the power of nature
Highlighted Features	Dynamic nature, life style, exclusive experience; diversity of each area such as Kohala, Kona, Hilo, only one in the world
Target Market	Experience & activity seekers, nature lovers, educational tours

(see attached supplement for each island catch copy and target)

### Additional Branding Campaign Initiatives:

#### Advertising: \$600K

- Outdoor Advertising  
Expansion of outdoor advertising: eg. Digital Vision Boards at stations, Train Ads, Bus Wrapping in target cities (Tokyo, Osaka, Nagoya, Sapporo, Fukuoka) to increase awareness



#### Digital Marketing: \$300K

- YouTube AD – \$50K  
Moment of Hawai'i Island movie to share story of Hawai'i Island  
Targetting women and men in their 30s and 40s

- TVer & 360 Channel– \$150K  
Hakken Hawai'i CM and Romantic Hawai'i CM on the online platforms  
Tver:  
Monthly Active Users: 13,110,000  
(e.g., US version of “TV Everywhere”)  
360 Channel:  
Monthly Views: 300,000 – 400,000  
Online platform for viewing 360 degree VR contents
- Tripadvisor Promotion – \$100K  
Hawai'i Island focus to increase awareness and urgency to travel now

***PR: \$100K***

- TV tie-up: \$80K
  - Exposure on Morning News such as Mezamashi TV, Zip, Sukkiri (e.g., US equivalent of Good Morning America)
  - Media tie-up for popular TV shows to showcase island of Hawai'i  
\*More cost effective vs. commercial
- Newspaper Press Tour: \$20K
  - Invite AP and regional newspaper: eg. Hokkaidoshin, Kahokushinpu, Hokkoku news paper, Nishi Nihon newspaper, etc (see attached information)  
\*More cost effective vs. full page ads

***TOTAL: \$1 million***



# ISLAND OF HAWAII RECOVERY: RESULTS

March 27, 2019

# Island of Hawai‘i

## Program Overview & Timeline

FY'2019

JULY 2018

AUGUST 2018

SEPTEMBER 2018

OCTOBER 2018

NOVEMBER 2018

DECEMBER 2018

(Consumer Media, Travel Industry Crisis Communications, and #ExploreIslandofHawaii Social Media Program Continue)

Island-wide Photo Shoot. (Consumer Media, Travel Industry Crisis Communications, and #ExploreIslandofHawaii Social Media Program Continue)

Updated content from photo shoot utilized for #ExploreIslandofHawaii Social Media Program. (PR program continues)

Created Rooted Video assets w/HVNP Ranger. Hosted NCL media and customer event on-island. (PR & social media programs continue)

Industry-Partnership based Conversion Campaign launches. (Paid social and digital campaigns and PR continue)

HVNP Rooted Video media buy. (Industry-Partnership based Conversion Campaign, and PR & social media continue)

FY'2019 Phase II Budget: \$1,200,000

# Island of Hawai'i

## Program Overview & Timeline

FY'2019 (cont.)

JANUARY 2019

FEBRUARY 2019

MARCH 2019

(Industry-Partnership based Conversion Campaign, and PR & social media continue, Significant Statewide Baseline media running nationally)

(Industry-Partnership based Conversion Campaign, and PR & social media continue, Significant Statewide Baseline media running nationally)

HVNP Rooted Video month-long media buy. West Coast statewide sales blitz. (PR & social media continue)

Continuation of FY'2019 Phase II Budget: \$1,200,000



# **PERFORMANCE RECAP**

## I. DIGITAL MEDIA

# PERFORMANCE

## #EXPLOREISLANDOFHAWAII



hitonwaikoloavillage - Following  
Hilton Waikoloa Village

hitonwaikoloavillage Trade winds and blue skies today! 🌴 1 #ExploreIslandOfHawaii #VisitIslandOfHawaii

Load more comments

forevermrs.young13 @i\_young816 I'm ready to go home to @hiltonwaikoloavillage

jennifer.r.crosas @hiltonwaikoloavillage thanks I was wondering the same thing. Did you say they are still offering helicopter tours to see the volcanoes?

hitonwaikoloavillage @jennifer.r.crosas yes, blue Hawaiian helicopters is across the highway from the resort

jbrsandiago81 @g\_nilsandiego

82,465 views

Add a comment...



waikoloabeachrnh - Follow  
Waikoloa, Hawaii

waikoloabeachrnh It's your first day in Waikoloa. Lay out by the pool or paddle out to sea?

View all 5 comments

arib127 @unijerry ALMOST TIME

aribedfamily See you next week! Can't wait!

waikoloabeachrnh @aribedfamily No can we! Paradise will be all yours in no time.

150 likes

Add a comment...

Reach: 4,876,231  
Impressions: 18,095,314  
Video Views: 179,607



fshualalai • Follow  
Four Seasons Resort Hawaii

fshualalai Dive right in to our evening sunsets. Nightly shows provided by Beach Tree pool #FSHualalai #FourSeasons @tetyanady

Load more comments

champagnebythesea Oh the perfect spot for a sunset! 🍷

vero\_foo Beautiful 🌴🌴🌴

iamsheyz @charlesedwardlow shall this be on our list?

charlesedwardlow @iamsheyz sure! Eastern Europe first?

iamsheyz @charlesedwardlow yes yes, definitely! Eastern Europe first!

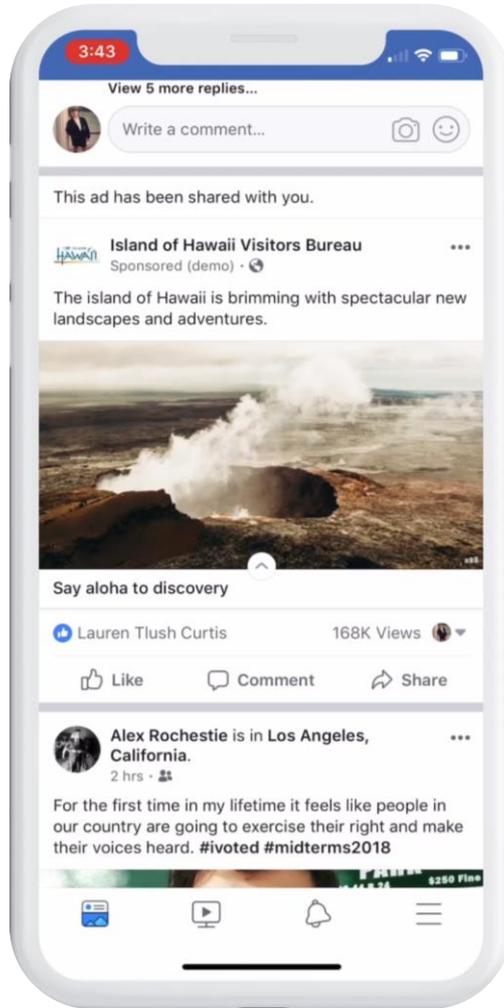
ariadna.photographs Love it

anntranfashion Stunning sunset

rihababihaidar @al\_nazha

2,459 likes

# PERFORMANCE



## Instant Experience

- **Reach:** 2,150,342
- **Impressions:** 6,061,145
- **Instant Experience View Time:** 00:19  
*(9.5x the average video view time for all 2018 video content)*

# PERFORMANCE



 **Island of Hawaii Visitors Bureau** ...  
Sponsored · 🌐

Land. Air. Sea. There are so many ways to #ExploreIslandOfHawaii and there's never been a better time to go.



👍 Like    💬 Comment    ➦ Share

Editorial Mini-Story

**Reach:** 1,119,965

**Impressions:** 6,693,185

# PERFORMANCE

## Video Moments/Clips



Pu'u'ō'ō



'Akaka Falls



Hawai'i Forest  
and Trail Waterfall



Umauma  
Zipline

**Reach:** 1,698,747

**Impressions:** 10,601,536

# PERFORMANCE

## Photo Carousels



**Island of Hawaii Visitors Bureau** Sponsored · 🌐

The island of Hawaii expanded its coastline from Kilauea's lava flow. Come see the new views. #ExploreIslandofHawaii



**From Kilauea Volcano** [Learn More](#) **to the new coastline**

Lava  
Carousel

**Island of Hawaii Visitors Bureau** Sponsored · 🌐

A romantic getaway that's so much more than just sandy beaches. #ExploreIslandofHawaii



**Ready?** [Learn More](#) **Set.**

Love  
Carousel

**Reach:**  
1,119,965  
**Impressions:**  
6,693,185

# PERFORMANCE

## Lonely Planet Articles



Lonely Planet  
Article 1



Lonely Planet  
Article 2



Lonely Planet  
Article 3

**Reach:** 1,106,428  
**Impressions:** 1,635,100



# **PERFORMANCE RECAP**

## II. PUBLIC RELATIONS

# NEWS BUREAU MEDIA OUTREACH AND PROACTIVE COMMUNICATIONS

## DAILY BEAST



LAVA TRIPS



### The Surprising Tourism Bump From Hawaii's Spewing Volcano



'If people are concerned, they shouldn't be,' one tourist said. 'They should come on. Other than a little haze in the air, they wouldn't know anything was happening.'



KIM STEUTERMANN ROGERS 05.30.18 4:42 AM ET

UPDATE

## Hawaii Eruptions Have Disrupted Tourism, but Fears May Be Exaggerated

The Hawai'i Volcanoes National Park remains closed, but the eruptions of Kilauea may actually be providing new options for travelers.

- Number of Interviews = 50
- Media Relations = 81

## Mashable

Science

### Don't let lava stop you from visiting Hawaii

## Los Angeles Times

NATION

### Hawaii assures travelers it's open for business as erupting volcano makes tourists skittish

By HEIDI CHANG MAY 28, 2018 | 3:00 AM | HONOLULU



# CNN Travel's 19 best places to visit in 2019

CNN Travel editors • Updated 3rd March 2019

## Hawaii Island, United States



Kilauea Volcano's Halemaumau crater is back to being a tourist attraction.

C. Parcheta/U.S. Geological Survey/AP

After a few shaky months, Hawaii Island is back, warmly welcoming visitors to its slice of paradise.

## Why This Year Is the Best Time to Visit Hawaii

By Lyndsey Matthews 2.11.2019

Mic *Out of Office*

**Native Hawaiians see a silver lining to destruction caused by recent volcanic eruptions**

By Jackie Bryant | Aug. 16, 2018

f t e l

**Skift** News Research Conferences Newsletters Advertising Skift Table W!

Destinations

### Hawaii Tourism Officials Seek to Calm Travelers After Volcano Eruption

Dan Peltier, Skift - May 07, 2018 5:35 pm

**AFAR** TRAVEL GUIDES INSPIRATION TIPS • NEWS HOTELS JOURNEYS SUBSCRIBE

Home > Travel Guides > United States > Hawaii

# CALLED ON TRUSTED TRAVEL EXPERTS

## TRAVEL WEEKLY

ADVERTISEMENT

### Hawai'i is Open for Business – and Beautiful as Always

By Joanne Cooper

From my cottage at Puukoa Ranch, near the northern tip of the island of Hawai'i, I can see a rainbow arching through the pale blue sky over the bright green hills, the wind gently rippling the deep blue ocean below. Native white hibiscus with jaunty pink stamens and fragrant white plumeria blossom all around me, while saffron finches flutter through swaying palm trees.

Some, including me, would call this paradise. But if I check my social media or news alerts, apparently I'm in hell.

A constant stream of videos and photos depict the island of Hawai'i (also known as the Big Island) as an inferno of fountaining lava, burning homes, billowing toxic clouds and raining ash. News reports that omit geographic and scientific context, and lead with fear-mongering headlines, imply no limit to the erupting Kilauea volcano's range, or reign, of destruction.

The problem is those images actually reflect only 1 percent of the island's 4,028 square miles, including a small portion of its south-eastern corner known as Lower Puna and the summit of Kilauea, both of which are now closed to visitors. The roughly 2,000 people who sadly have had to evacuate their homes in two Lower Puna neighborhoods also number about 1 percent of Hawai'i's total population.

So the relentless fire-and-brimstone coverage doesn't just miss the big picture, it creates a vividly distorted one that has understandably, if unnecessarily, frightened away prospective visitors to the island. By focusing on the negative impacts of a natural disaster confined to a remote area, social and news media are actually spreading financial hardship across the island and the state as cruise lines stop calling and reservations start falling.

This needless prevents many people from experiencing their own slice of paradise at one of the most exciting times to do so. As a travel writer and guidebook author who has visited Hawai'i many times over the last 20 years, I feel it's my *kaulana* (responsibility) to clear up as many misperceptions as I can. What follows is more of what travelers and their agents need to know.

#### ALL OF HAWAII'S ISLANDS ARE VOLCANOES

Guess what? If you've been to Hawai'i since 1983, you've experienced a volcanic eruption and lived to tell the tale.

All of the main islands of Hawai'i were formed by shield volcanoes, which built up from the sea floor as magma slowly oozed from the earth's oceanic crust between 700,000 and 5 million years ago. They do not explode like pyroclastic flow volcanoes such as Mount St. Helens or Vesuvius.

Despite what recent media reports suggest, Kilauea volcano did not suddenly spring into action in May. It has been erupting from a remote vent in its East Rift Zone – which descends into Lower Puna – since 1983. Most of Kilauea's lava flows in the 35 years since then have occurred in off-limits areas of Hawai'i Volcanoes National Park and forest reserves. But in 2013, over a period of seven months, one flow came close to cutting off road access to Lower Puna. In 2016, lava from the same vent, Pu'u'Ō'Ō, slowly spilled across a portion of the park's Chain of Craters Road and into the sea to the delight of hikers, mountain bikers, and lava boat and helicopter tour passengers who kept a safe distance from the spectacle.

#### IT'S EASY TO AVOID LAVA, LAZE, ASH AND VOG

To read many reports, you'd think these hazards of a volcanic eruption were everywhere, unexpected and unprecedented on Hawai'i's island. But that's simply not true, as the daily updates of the U.S. Geological Survey's Hawaiian Volcano Observatory, and state and local air quality monitoring, both show. The recent fissures that have created pools and fountains of lava first began as cracks in Kilauea's Lower East Rift Zone, appearing after a series of mostly small earthquakes that led the observatory to warn residents of possible eruptions.

For safety reasons, visitors are not allowed into the area where lava is flowing. Consequently, they are also not in danger of inhaling toxic haze, which forms when lava hits seawater.

"It's really only around the ocean entry that you will get super high concentrations of gases, so haze is not something that anybody should be worrying about," said USGS volcanologist Wendy Swartz.

Similarly, the spread of ashfall from eruptions at the summit of Kilauea, which some experts predict may last only a few more weeks based on similar activity in 1924, is limited to Volcano Village and isolated areas southwest of Kilauea. For those wanting to explore southern attractions such as Kau'i Coffee Mill in Pihaha



### HAWAII VOLCANO: What Agents and Travelers Need to Know

or Punalu'u Black Sand Beach, "having a little bit of ash fall onto the ground or vehicle is not something that's going to keep you from driving," according to Stovall.

Vog, an atmospheric haze formed by elevated levels of sulphur dioxide from volcanic emissions, has been an occasional presence on parts of Hawai'i's island since 1983 and whenever volcanoes were erupting before that. "Vog is like smog in Los Angeles," notes Gary Marrow, co-owner of KapohoKine Adventures, which offers a variety of volcano, zipline and other excursions from Hilo and Kona. "If you look right now at the air quality in Beijing or Tokyo, the cruise lines are still going there, and it's way worse than anything ever here on the Big Island."

Although vog can be irritating, particularly to those with sensitive respiratory systems, its intensity varies with wind patterns and emissions. Prevailing trade winds push vog toward Kona, but only stronger emissions creep toward the Kohala Coast, home to some of the island's most popular resorts. Visitors can always find at least one part of the island where skies are crystal clear on any given day. So, if vog is an irritant where you are, jump in a rental car and head to North Kohala, the cowboy town of Waimea or the lush Hāmākua Coast for clearer skies.

#### NEARLY ALL VISITOR ATTRACTIONS REMAIN OPEN AND SAFE

Although the Kilauea summit areas of Hawai'i Volcanoes National Park remain closed "out of an abundance of caution," according to park

spokeswoman Jessica Ferracane, there's still plenty to do on the island of Hawai'i, from active pursuits such as ziplining, snorkeling, surfing, horseback riding and hiking to indulgent pastimes such as shopping and dining.

Hilo and the east side of Hawai'i Island also offer opportunities for great road trips, according to Rob Pacheco, co-owner of Hawai'i Forest and Trail, another of the island's premier excursion operators. "There are great museums, including the 'Imiloa Astronomy Center, Lyman Museum, Pacific 'Iunani Museum, Mokuapapa Discovery Center, plus the shopping and food scene is all really interesting in Hilo. You also have waterfalls, the Waialua River, Onomea Scenic Drive, 'Akaka Falls and the little plantation towns along the Old Māmalahoa Highway."

At Hawai'i Volcanoes National Park, rangers have expanded hours and programs at the park's Kahauna Unit, a 116,000-acre preserve on the slopes of Maunaloa, an hour south of the Kilauea summit. Praising its "gorgeous" 'ōhi'a forest, which is currently in bloom, Ferracane says visitors can learn a lot about the 1868 eruption that formed the area. "In their time the flows were destructive, but you can see how they are also life in Hawai'i, and how the forest has just thrived so magnificently since. It's a testament to how quickly life springs back and requires volcanoes to live here."

#### THE HAWAIIAN ISLANDS



#### HAWAIIANS CELEBRATE PELE AS CREATION

Although everyone sympathizes with those who have lost homes in the current eruption – whose location is not far from similar eruptions that claimed homes in 1990, 1960 and 1955 – Native Hawaiians also celebrate the creation aspect of the natural force or deity they call Pele.

According to *hawa hula* (hula instructor) and cultural practitioner Micala Kamohai'i of Waimea, "We look at Pele, or the pole, meaning the lava, as creation. It's godly forces happening in front of us. It's like watching somebody give birth – you are completely enthralled with watching a life force being born out of something that's very profound. To me, and most of our native people, that's what's happening with this eruption. To see the birth of more land, the creation of something new, is very exciting."

In his view, there may be no better time to visit the island of Hawai'i. Says Kamohai'i, "How many can say they saw creation happen? It's not like the world is ending on Hawai'i Island. The world is beginning."



Top: Lili'uokalani Gardens in Hilo town  
Bottom: Ahi Drive in Kailua-Kona  
Photo: Hawai'i Tourism Authority (TTCO)/Sir Johnson



Former San Francisco Chronicle travel editor and Hawaii author Joanne Cooper writes frequently about the Hawaiian Islands for the Chronicle, magazine and radio.

# CALLED ON TRUSTED TRAVEL EXPERTS

**Forbes**

MAY 31, 2018 @ 01:33 PM 15,302

2 Free Issues of Forbes

## Don't Cancel Your Trip To The Big Island: Hawaii Is Not Only Safe To Visit, It Needs Our Love



**Kim Westerman**, CONTRIBUTOR

*Luxury and family travel, food destinations, wine and coffee trends.* [FULL BIO](#) ✓

Opinions expressed by Forbes Contributors are their own.



## Don't let volcanoes, other irrational travel fears, ruin your summer vacation

Christopher Elliott, Special to USA TODAY Published 6:00 p.m. ET June 3, 2018

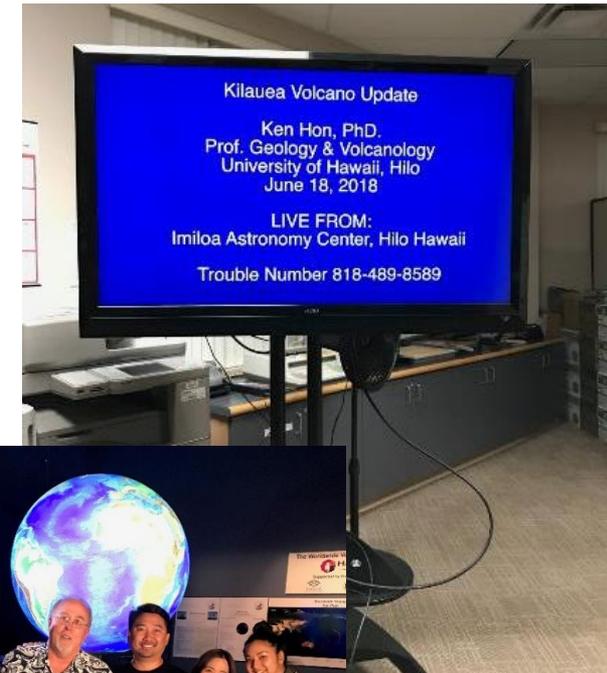
# SATELLITE MEDIA TOUR

## SMT Results

- Total number of TV and radio stations = 31
- Total broadcast audience to date = 12.3 million

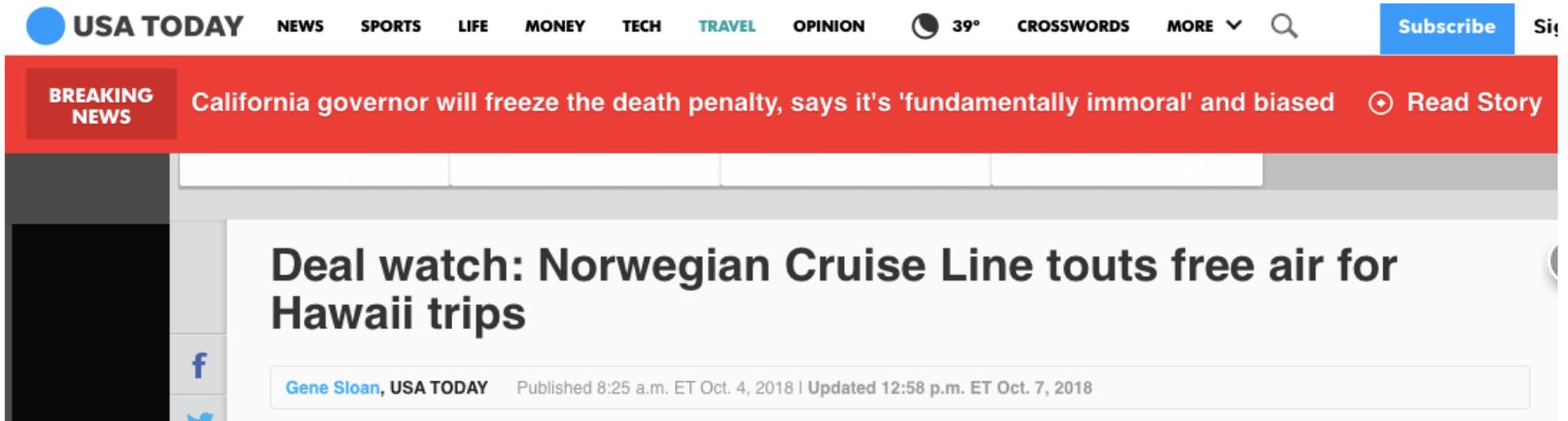
## Additional Activity

- Created VNR package and shared with GMTs



# NORWEGIAN CRUISE LINE EVENT

- Co-hosted private event in Hilo for media and travel trade partners
  - 12 media in attendance



The image is a screenshot of the USA Today website. At the top, the USA Today logo is on the left, followed by navigation links for NEWS, SPORTS, LIFE, MONEY, TECH, TRAVEL, and OPINION. To the right of these links is a weather icon showing 39 degrees, a link for CROSSWORDS, a MORE dropdown menu, and a search icon. Further right is a blue 'Subscribe' button and a 'Sign In' link. Below the navigation bar is a red banner with the text 'BREAKING NEWS' on the left and 'California governor will freeze the death penalty, says it's 'fundamentally immoral' and biased' in the center, with a 'Read Story' link on the right. Below the banner is a large article header with the title 'Deal watch: Norwegian Cruise Line touts free air for Hawaii trips'. Below the title is the author 'Gene Sloan, USA TODAY' and the publication information 'Published 8:25 a.m. ET Oct. 4, 2018 | Updated 12:58 p.m. ET Oct. 7, 2018'. On the left side of the article, there are social media sharing icons for Facebook and Twitter.

**USA TODAY** NEWS SPORTS LIFE MONEY TECH TRAVEL OPINION 39° CROSSWORDS MORE  [Subscribe](#) [Sign In](#)

**BREAKING NEWS** California governor will freeze the death penalty, says it's 'fundamentally immoral' and biased [Read Story](#)

## Deal watch: Norwegian Cruise Line touts free air for Hawaii trips

Gene Sloan, USA TODAY Published 8:25 a.m. ET Oct. 4, 2018 | Updated 12:58 p.m. ET Oct. 7, 2018

# MEDIA BLITZ – LA, SAN FRANCISCO, NYC

- Los Angeles
  - Met with 18 media
- San Francisco / New York
  - Met with 32 media/influencers



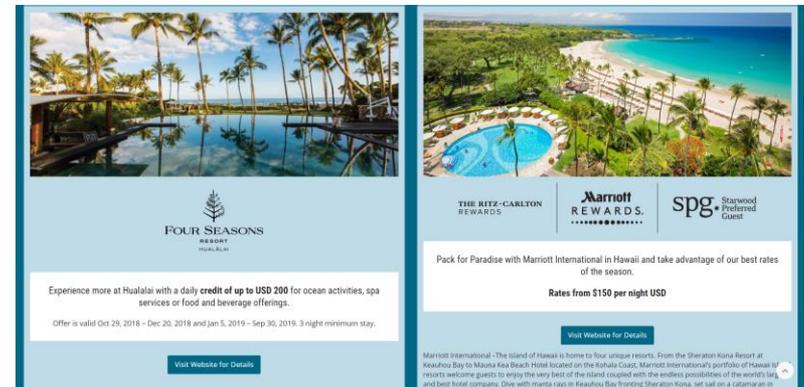
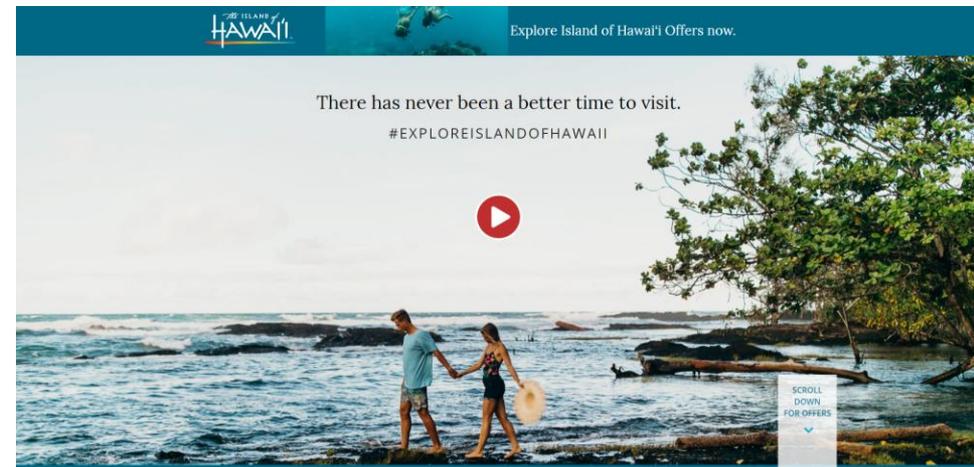


# **PERFORMANCE RECAP**

## III. COOPERATIVE MARKETING

# ISLAND OF HAWAII COOPERATIVE MARKETING

- A targeted and tactical conversion campaign to drive bookings to island of Hawai'i in Q4 2018 – Q1 2019
- Leverages off and flights in coordination with the consumer marketing brand media
- Tactical/conversion media drives to *HawaiiSpecialOffers.com* landing page featuring partner offers
- Direct book with island of Hawai'i partners



# ISLAND OF HAWAII COOPERATIVE MARKETING

- Fall Program

## Results to Date

- SEM Impressions 956,334  
+39% over delivery
- Sojern Impressions 7,619,110  
+34% over delivery
- Site Re-targeting 4,198,319  
+332% over delivery
- Clicks 59,451
- Number of Partners 8



**There has never been  
a better time to visit.**

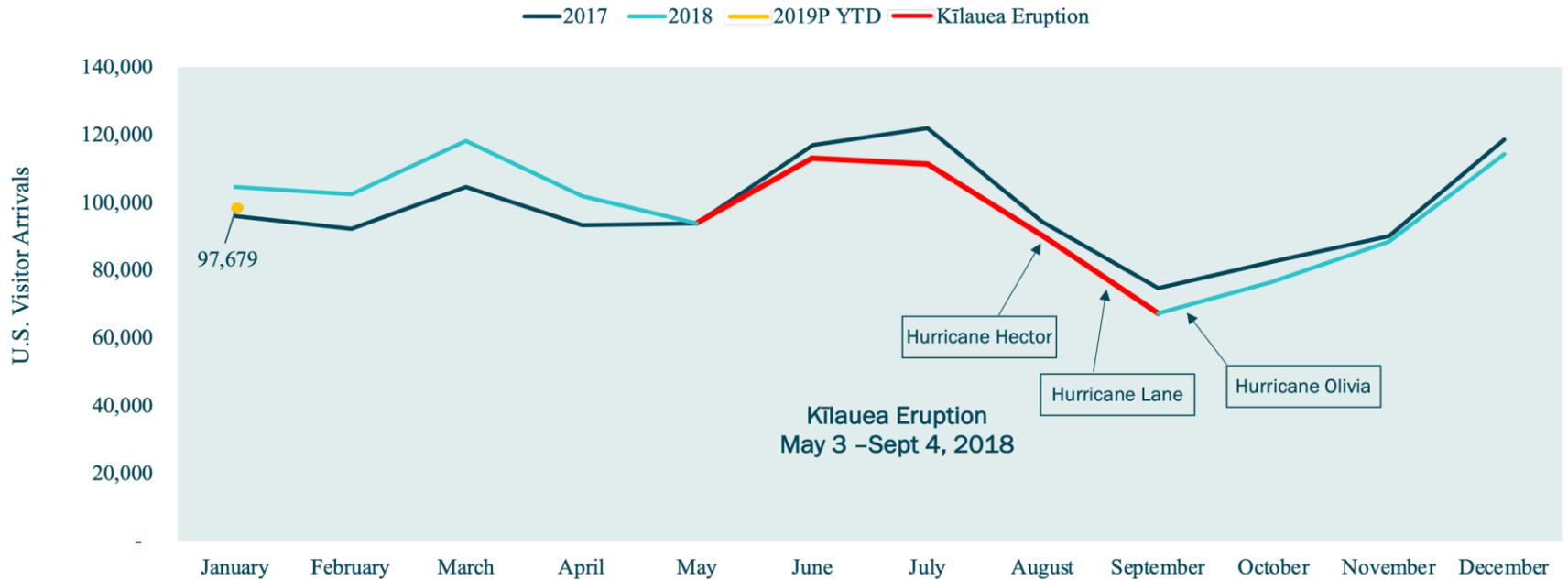
**EXPLORE OFFERS**

*The* ISLAND of  
**HAWAII**<sup>™</sup>

*One of the* HAWAIIAN ISLANDS

# Total Visitation to Island of Hawai'i

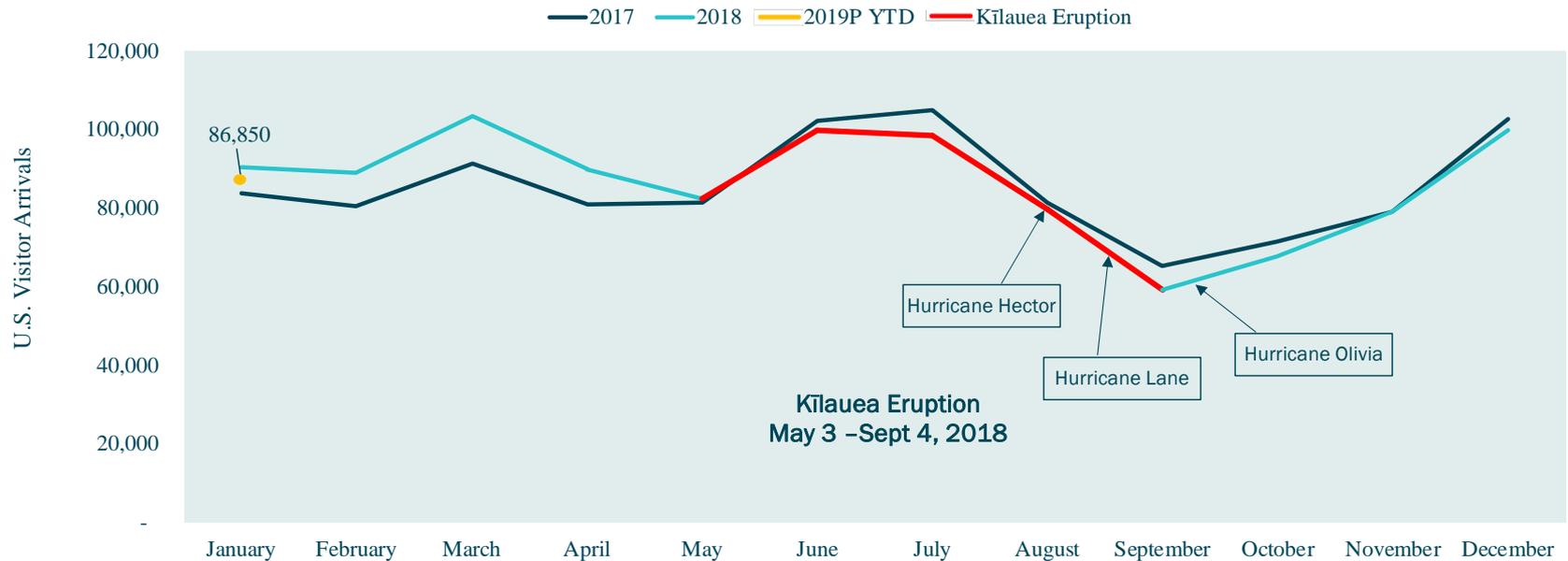
## Total U.S. Visitors



Source: HTUSA analysis of HTA data, 2017-P2019

# Visitation to Island of Hawai'i — Kona

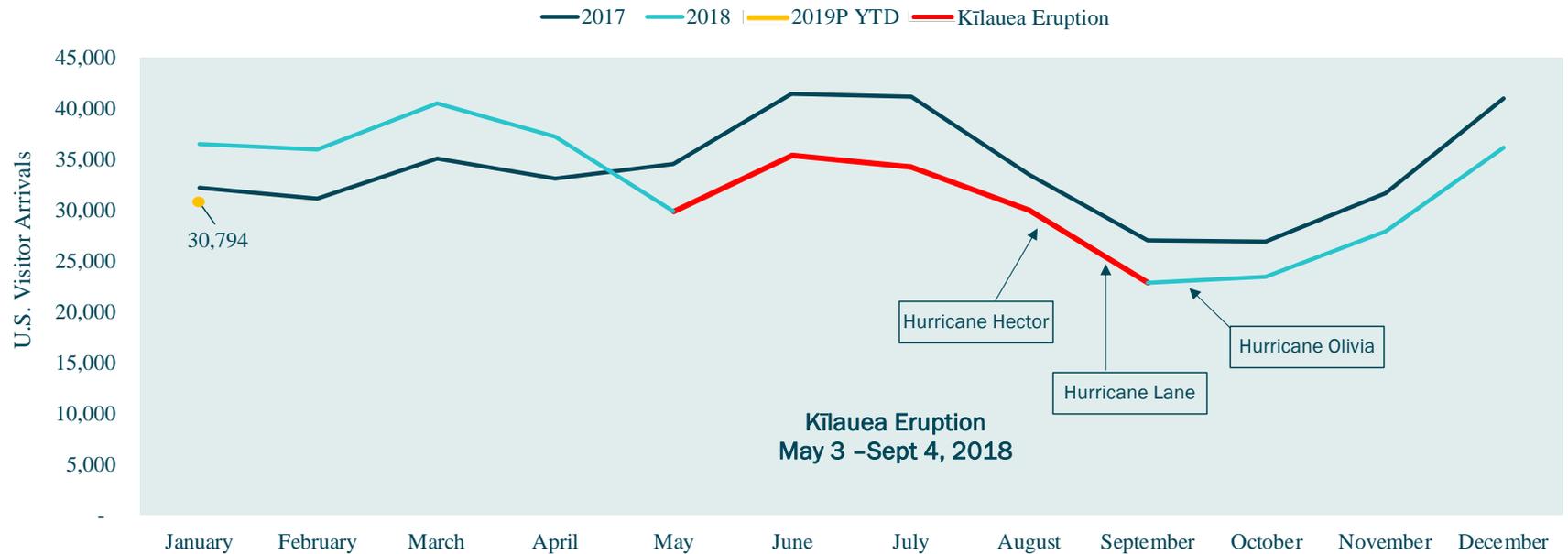
U.S. Visitor Arrivals to Kona



Source: HTUSA analysis of HTA data, 2017-P2019

# Visitation to Island of Hawai'i — Hilo

## U.S. Visitor Arrivals to Hilo



Source: HTUSA analysis of HTA data, 2017-P2019



MAHALO

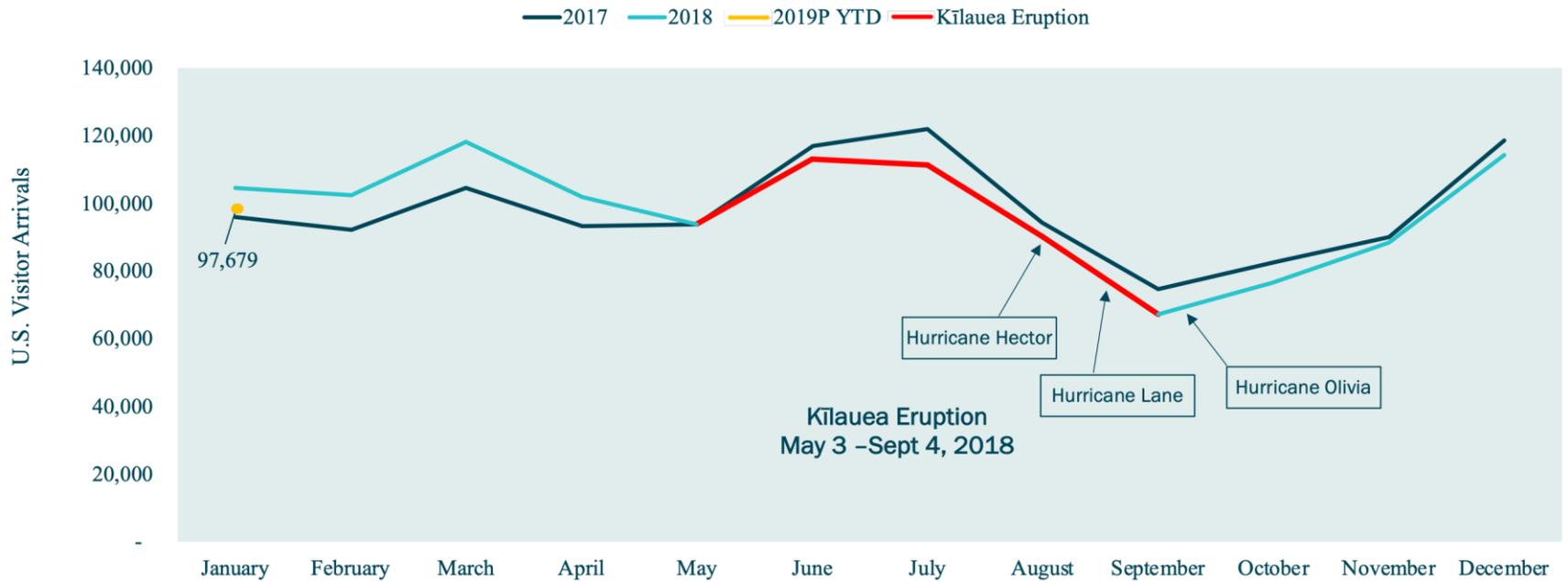


# ISLAND OF HAWAII RECOVERY: INCREMENTAL FUNDING

March 27, 2019

# Total Visitation to Island of Hawai'i

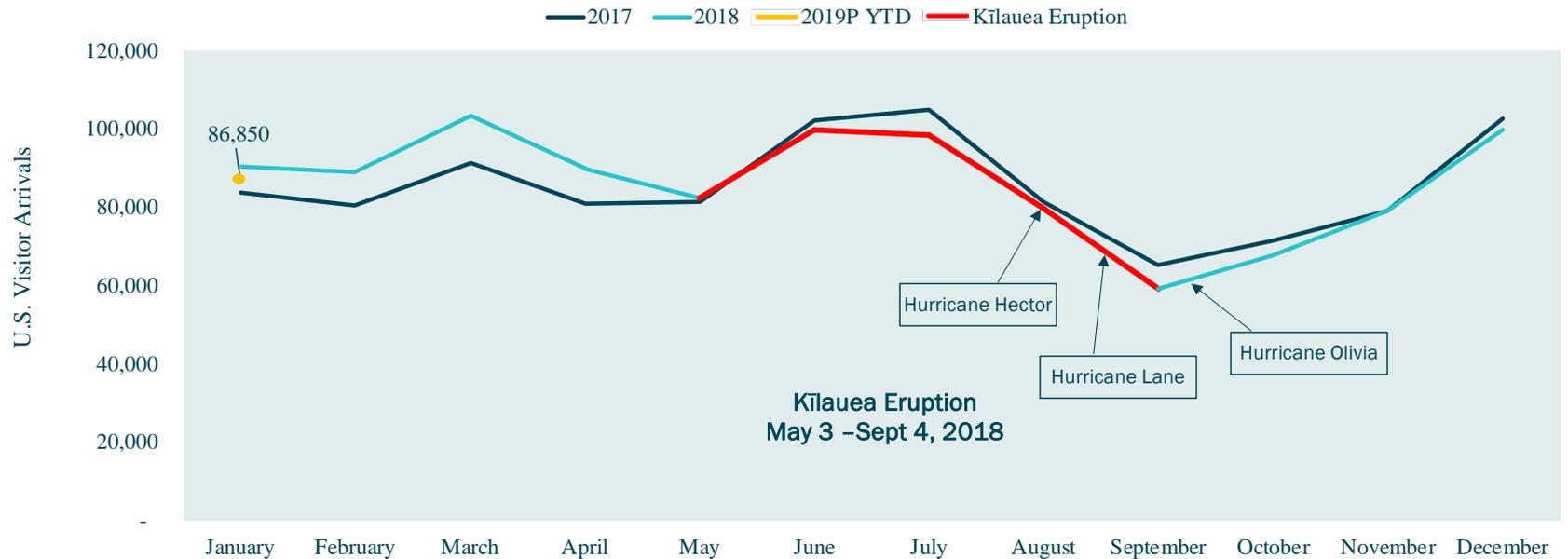
## Total U.S. Visitors



Source: HTUSA analysis of HTA data, 2017-P2019

# Visitation to Island of Hawai'i — Kona

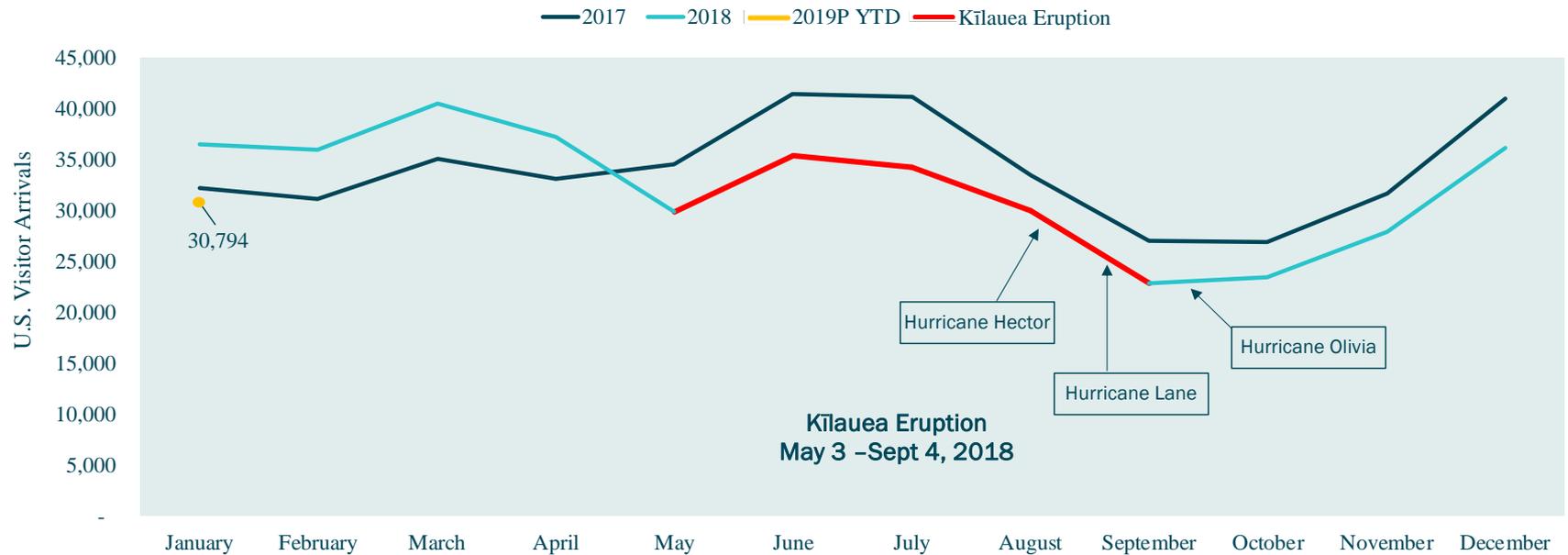
## U.S. Visitor Arrivals to Kona



Source: HTUSA analysis of HTA data, 2017-P2019

# Visitation to Island of Hawai'i — Hilo

## U.S. Visitor Arrivals to Hilo



Source: HTUSA analysis of HTA data, 2017-P2019

# OUR MISSION

Expand the island of Hawai'i brand.

- Communicate the unique cultural, cuisine, and adventure experiences that can only be had on the Island of Hawai'i.
- Expand the definition of what visitors typically associate with the island: volcanoes

# Island of Hawai‘i

## Program Overview & Timeline

FY'2019

APRIL 2019

MAY 2019

JUNE 2019

“Blue-sky” asset development shoot.  
(PR & social media programs continue)

Host top-tier digital influencer on-island.  
(PR & social media programs continue)

Initiate paid social media program for new influencer campaign.  
(PR continues)

FY'2019 Phase III Budget: \$1,500,000

# Island of Hawai‘i

## Program Overview & Timeline

FY'2020

JULY 2019



Paid digital native campaign starts.  
(Social Media & PR programs continue)

AUGUST 2019



Paid digital native campaign continues.  
(Social Media & PR programs continue)

SEPTEMBER 2019



USW Bus Tour hits the road.  
USW Cooperative Conversion Campaign begins.  
Digital native campaign begins.  
Equinox program begins.  
(Social Media & PR continue)

OCTOBER 2019



(Equinox, digital native media, cooperative conversion, and PR programs continue)

NOVEMBER 2019



(Equinox, digital native media, cooperative conversion, and PR programs continue)

DECEMBER 2019



(Equinox, digital native media, cooperative conversion, and PR programs continue)

Continuation of FY'2020 Phase III Budget: \$1,500,000



CONSUMER

# OUR OBJECTIVE

Activate digital, social & influencer programming to educate & drive awareness about island of Hawai'i, inspiring visitors to visit *now*

**Change perception from, "I want to visit..."**

“ *the  
volcano  
island.*”

**TO**

“ *the island of  
endless  
adventures.*”

# WHO WE'LL TARGET

## **Avid Explorers more likely to book travel in the near-term:**

- In-market for travel
- Interested in outdoor/adventure, cuisine and culture
- Have an affinity for Hawai'i and other competitive travel destinations

## **Additional relevant audiences that might lie outside of the Avid Explorer age range:**

- Existing IOH social fans and repeat visitors
- Lookalikes based on:
  - people actively engaging with IOH content on social
  - IOH website visitors
- People actively researching other competitive travel destinations

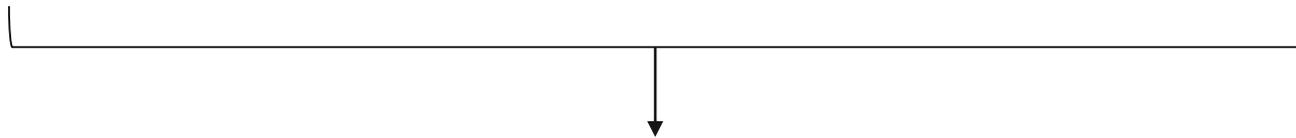
STRATEGY

# HOW WE'LL REACH THEM

**Owned content** to educate & inspire people to visit through the official voice of Go Hawai'i

**Digital content** to educate & inspire people to visit through the partner's editorial voice & style

**Influencers** with the appropriate built-in audiences to bring third-party credibility



**Creative platform** with consistent theme to drive cohesive storytelling about the island of Hawai'i

A scenic view of a grassy field with a utility vehicle and driftwood. The field is filled with tall, green grass. In the background, there are trees and a fence. A utility vehicle is parked on the right side of the field. Large, gnarled driftwood is scattered on the left side of the field.

# Creative Platform

---

The entire island of Hawai'i is filled with unique opportunities and experience that visitors can't see or do anywhere else. These activities include visiting cultural and historical sites, participating in soft adventure and enjoying local cuisine. No island of Hawai'i experience is the same. Let's immerse potential visitors in what their time on the island of Hawai'i could look like.

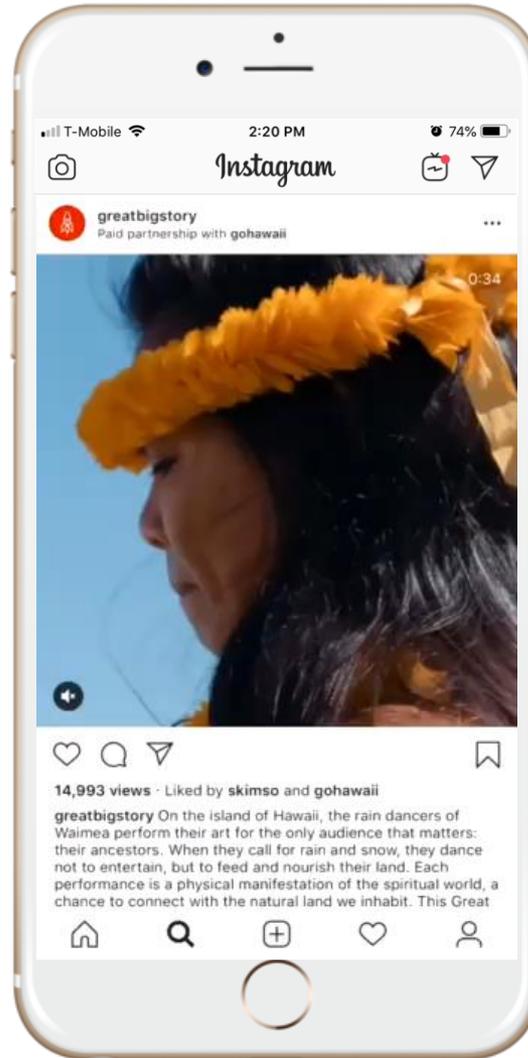
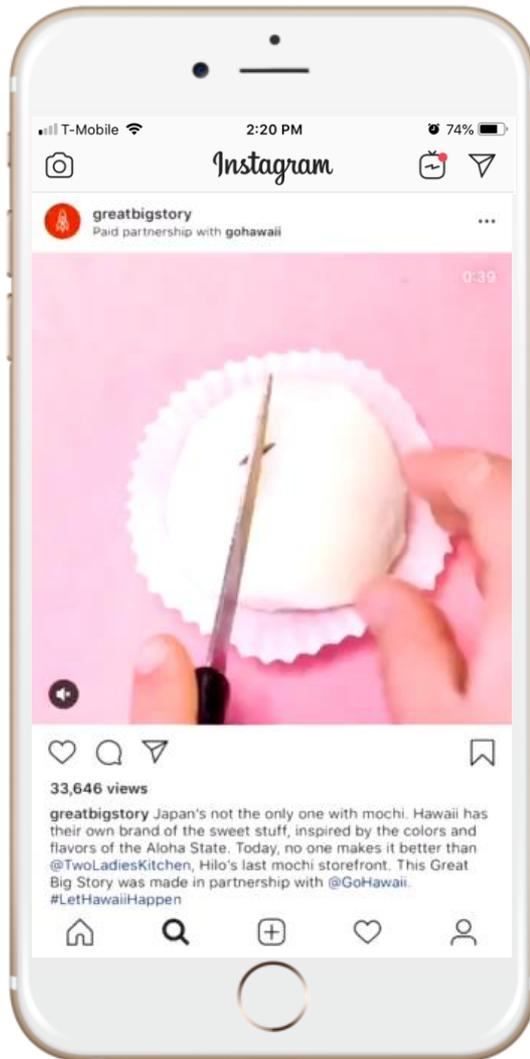
# ISLAND OF HAWAII

## CONSUMER - EXAMPLE

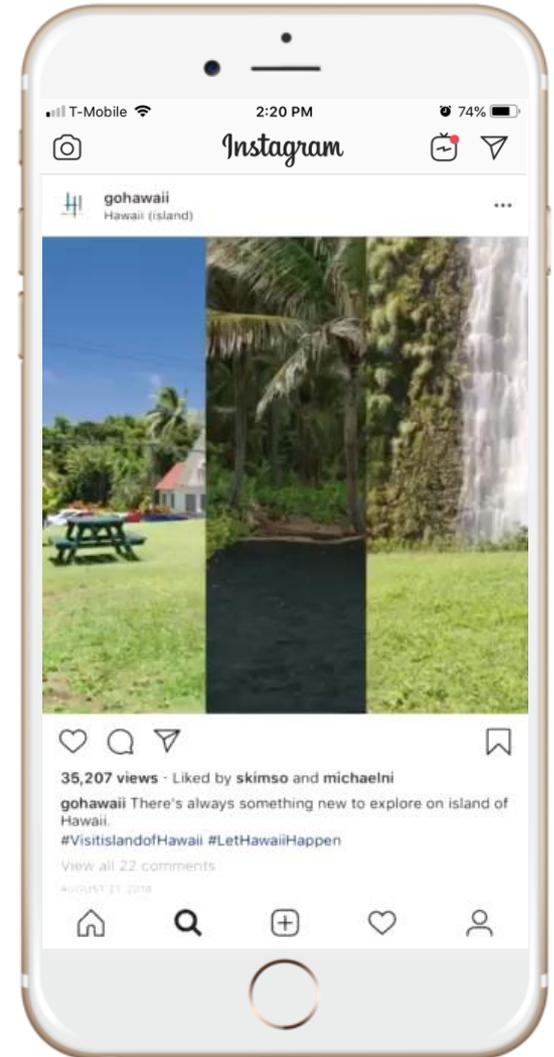
- Buzzfeed program March / April

<https://app.frame.io/presentations/48e142dd-045c-47f7-b0a5-8f692b429e7f>

# DIGITAL NATIVE EXAMPLES



# DIGITAL SOCIAL EXAMPLES





# ISLAND OF HAWAII

## CONSUMER OPPORTUNITY - EQUINOX

- 41% of our members have income above \$200K and 28% have income above \$300K
- 34% of our members describe themselves as adventurers and travel enthusiasts
- 86% of our members plan to take a vacation in the next six months
- 75% of our members value and invest in luxury products and travel
- Furthermore readers most often take Adventure/Exploration Centric trips





# EQUINOX

- Program Phase I Overview:
  - Content Creation
    - Custom creative developed on a multi-part Adventure Awaits featuring 2 Equinox members experiencing adventure on the island of Hawaii
  - Equinox membership communications and contest
    - HVCB to co-curate adventures across the island of Hawaii
  - Communications tools
    - Furthermore: editorial stories, emails, digital signage in 98 clubs, social posts
- Phase II Summary: Based on Equinox hotel opening on the island of Hawaii



SALES

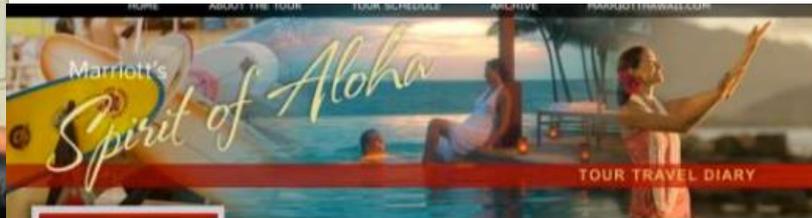
# ISLAND OF HAWAII

## SALES

- Visitors from the U.S. West continue to enjoy the IOH, we need to educate the sales channel of this opportunity
- Share the “beyond the volcano” island brand positioning
- Hawaii Tourism coordinated US West key market sales blitz
  - Multi-faceted Bus Tour in Fall
- In addition to sales team members, include “subject area experts”
  - Representative of Hawaii Rooted, Hawaii Forest and Trail, Snorkeling/Scuba-diving, Zip-lines, ATV's, Culturalists, Chefs, Farmers, Helicopter, Ranchers, Fishermen, Stargazing, etc

# ISLAND OF HAWAII

## SALES



### WE'RE BRINGING HAWAII TO YOU

Join us and hop aboard the first-ever **Marriott's Spirit of Aloha Tour** as we embark on a 25-day campaign blitz, visiting eight West Coast cities. It's all about bringing the islands of Hawaii to you, sharing our aloha and promoting Hawaii to travelers who are looking for a diverse range of experiences, mixing culture, adventure and great values with the luxury of a Marriott Hawaii resort.

February 5, 2009

### Up Early with Q13 Morning Show

Our Spirit of Aloha Tour greeted Seattle television viewers with an appearance on **Q13 FOX News'** morning show. Camile Velasco shared the anchor desk with hosts David Rose and Maria Arcega-Dunn and talked about life after American Idol, her new CD and how she's the ambassador of aloha on Marriott's Spirit of Aloha Tour.

### RECENT POSTS

February 5, 2009

### Up Early with Q13 Morning Show

Our Spirit of Aloha Tour greeted Seattle television viewers with an





CONVERSION

# ISLAND OF HAWAII

## 2019 COOPERATIVE MARKETING

- U.S. West Program:
  - Align with West Coast Saturation initiative - Fall 2019
  - Communicate re-branding messaging for island of Hawai'i
  - Support top Hawai'i markets with spot-market digital media flight (markets TBC)
  - Provide cooperative marketing opportunity for Island of Hawai'i partners

**SeattleMet**

**Portland** MONTHLY

**MARIN**  
MAGAZINE

**sacramento** sacmag.com

**Los Angeles**  
MAGAZINE  
THE BEST OF LA

**OrangeCoast**  
THE MAGAZINE OF ORANGE COUNTY

**San Diego**  
MAGAZINE



MAHALO

# **Agenda Item**

## **10**

Presentation by AEG Regarding an  
Update of Hawai'i Convention Center  
Recent Operational Activities and  
Sales Initiatives

# February 2019

HTA Board of Directors Update  
March 2019 Report



# ***Agenda***

- **Financials – February 2019**
- **HCC ROI**
- **Sales & Marketing Update**
- **CIP Update**

# 2019 Financial Update

	2019 February Actual	2019 Reforecast	2019 Budget	Variance	2018 Actual
Facility Occupancy	52%	30%	31%	(1%)	29%
Facility Number of Events	18	200	200	0	206
Facility Gross Revenue	\$1,551,600	\$14,795,100	\$15,672,300	(\$877,200)	\$13,991,600
Facility Gross Expenses	\$1,529,200	\$17,474,800	\$17,667,300	\$192,500	\$16,160,800
Facility Net Income(Loss)	\$22,400	(\$2,679,700)	(\$1,995,000)	(\$684,700)	(\$2,169,200)
S&M Net Expenses	(\$439,200)	(\$6,095,000)	(\$6,095,000)	\$0	(\$6,221,100)
Total HCC Net Loss	(\$416,800)	(\$8,774,700)	(\$8,090,000)	(\$684,700)	(\$8,390,300)

# 2019 Food & Beverage Update

Food & Beverage	2019 February Actual	2019 Reforecast	2019 Budget	Variance	2018 Actual
<b>F&amp;B Revenue</b>	<b>\$959,600</b>	<b>\$9,400,400</b>	<b>\$10,406,100</b>	<b>(\$1,005,700)</b>	<b>\$8,817,300</b>
F&B Expenses	\$560,500	\$5,539,000	\$5,910,300	\$371,300	\$5,825,400
Net Income	\$399,100	\$3,861,400	\$4,495,800	(\$634,400)	\$2,991,900
% of flow through	42%	41%	43%	(2%)	34%

## 2019 ROI

HCC Revenue + State Revenue + Tax Revenue  
= \$62.1M

HCC Expense \$3.6M

***ROI = For every dollar spent by HCC we returned  
\$17.36 to the State***

# HCC Sales Updates

- 19,706 room nights closed in February 2019 bringing February YTD to 28,963 room nights closed.
- 62,300 room nights was added to the tentative pipeline bringing February YTD to a total of 80,348 room nights.

# HCC Sales Updates

➤ Lost business:

APA-American Psychiatric 2021



IEEE PVSC-IEEE Photovoltaic Specialists 2021



CPCU-Chartered Property Casualty Underwriter 2026



# HCC CIP Update

- Boiler Replacement installation planned for Summer 2019.
- Cooling Tower Replacement RFP, bids due May 2019.
- Facility and F&B Equipment - RFP's to be issued in April 2019.
- Ala Wai Waterfall Repair – RFP to be issued in April 2019.
- Kalakaua Kitchen Wall Repair – RFP to be issued in April 2019.

# Executive Chef Han Lentz





HAWAII™

CONVENTION CENTER

Where Business and Aloha Meet