



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

MINUTES OF MARKETING STANDING COMMITTEE MEETING

- COMMITTEE MEMBERS PRESENT:** Kelly Sanders (Chair), Fred Atkins, George Kam, Sherry Menor-McNamara
- COMMITTEE MEMBERS NOT PRESENT:** Sean Dee, Kyoko Kimura
- BOARD MEMBER PRESENT:** Rick Fried
- HTA STAFF PRESENT:** Chris Tatum, Keith Regan, Karen Hughes, Ronald Rodriguez, Caroline Anderson, Laci Goshi, Jennifer Chun, Kalani Ka'anā'anā, Isabella Dance
- GUESTS:** John Monahan, Eric Takahata, Ross Birch, Tom Mullen, Stephanie Donoho, Jay Talwar, Mitsue Varley, Jay Rubenstein, Brad Doell, Rob Pacheco, Teri Orton, Noelle Liew, David Baronfeld
- LEGAL COUNSEL:** Gregg Kinkley

1. Call to Order

Presiding Officer Kelly Sanders called the meeting to order at 1:01 p.m.

2. Approval of Minutes from the February 27, 2019 HTA Marketing Standing Committee Meeting.

Mr. Sanders requested a motion to approve the minutes from the February 27, 2019 HTA Marketing Standing Committee Meeting. George Kam so moved, and Fred Atkins seconded the motion, which approved by all Committee members present.

3. Hawai'i Island Recovery Results - HTJ FY 2018 Emergency Marketing Fund

Karen Hughes introduced Eric Takahata, Managing Director of Hawai'i Tourism Japan (HTJ), to present the results from the recovery funding that was taken from FY 2018. \$250,000 was released in May and \$450,000 was released in June. Mr. Takahata explained that the money was used in three phases. Phase one was damage control and involved immediately getting the right information to the media, the Japanese public, and potential travelers.

About \$250,000 was spent on phase two. Mr. Takahata said that phase two was still damage control but shifted messaging directly to consumers through customer resource management. HTJ created a hashtag campaign, and worked in sync with media including newspapers and major digital platforms. HTJ conducted a press tour, inviting members of the major media to visit so that they could see that Hawai'i Island is safe and stop reporting that toxic gases were being released. A press briefing and travel agent briefing were held to ensure that the proper information was disseminated. The events were well-attended by 26 major media outlets, resulting in approximately 2,162,143,252 impressions. Mr. Takahata stated that different members of the Hawai'i Island community were engaged to provide their perspective in video messaging that Hawai'i Island is safe to visit.

Mr. Takahata explained that phase two also included a full page ad in the major Japanese newspaper, Yomiuri Shimbun, and a promotional video that was available on YouTube. In television media, HTJ was able to move television shows that had planned to film in Oahu to Hawai'i Island. Towards the end of phase two, HTJ engaged more with the travel trade, and worked with Japan Airlines and Hawai'ian Airlines to do a press event at Tommy Bahama in Ginza.

About \$450,000 was spent on phase three. HTJ had already created a promotional video that was shot before the eruption, so when the eruption occurred, the video was expanded to more outlets and HTJ worked with travel trade to promote it. HTJ also created a 3D virtual reality tour using videos and special boxes that use the motion detection technology in phones to create a 360 degree experience. HTJ also worked with T Point Japan, a widely-used point card system, to set up a survey to educate survey-takers on Hawai'i. Mr. Takahata directed the committee to the meeting packet for more detailed statistics on HTJ's efforts.

Mr. Takahata said that wholesalers created Hawai'i Island-specific packages with special pricing. HTJ continued wholesaler education and consumer-direct information. In regards to results, Mr. Takahata said that there was a positive effect on Hawai'i Island numbers from April 2019 to June 2019, it is close to returning to 2018 numbers and closer to July and September it is anticipated that the booking pace will get higher. Chris Tatum pointed out that last year there were volcanoes erupting so there is an expectation that this year will be better than last year.

Mr. Atkins asked how the ideas for this effort came about and asked whether there was any feedback from HTJ's partners in Japan that they felt that HTA could have done better. Mr. Takahata stated that HTJ drove the ideas. He added that it was puzzling for the industry why the recovery is not happening quicker because HTJ is messaging and in lock step with the

industry, but the recovery lag time is frustrating. Mitsue Varley pointed out that during this same period, Japan also experienced natural disasters including a devastating hurricane comparable to Hurricane Katrina. Mr. Takahata added that the 6.5 earthquake in Hokkaido also had an effect.

Mr. Atkins noted that he did not see golf featured as one of the activities in the promotional videos, and that HTA spends a significant amount of sports marketing funding on golf. Ms. Varley responded that golf is a targeted market and for golf, HTJ works with golf membership tours. Mr. Atkins whether golf has diminished compared to other activities. Mr. Takahata said it has diminished because of the cost. Mr. Tatum said that HTA needs to feature phenomenal golf experiences on Hawai'i Island. Rick Fried asked whether over-saturation was an issue at golf courses on Hawai'i Island and Mr. Atkins said that some golf courses are struggling. Mr. Sanders asked Mr. Takahata to explain how HTA worked on the co-op marketing piece for the \$450,000. Mr. Takahata said that HTJ usually does a 3-to-1 template.

Mr. Fried noted that, for decades, there was a peaceful lava flow into the ocean but that he has heard that experts now say that may not occur for months and that another explosion may not occur for decades. Ross Birch stated that that is what has been predicted by volcanologists, and it may be many years before that kind of volcanic activity occurs again.

4. Hawai'i Island Recover Results - HTUSA FY 2019 Emergency Marketing Fund

Ms. Hughes stated that funding for Hawai'i Tourism USA came out of the 2019 fiscal year budget. She introduced John Monahan and Jay Talwar to present. HTUSA worked closely with the private business on Hawai'i Island to coordinate a shared hashtag social media promotion. The major hoteliers had the resources to provide photography and in August, HTUSA shot off-property activities to round out the perception of Hawai'i Island and highlight activities that you can only do on Hawai'i Island. In October, HTUSA supplemented its Hawai'i-rooted campaign with a Hawai'i Volcanoes National Park ranger who shared an engaging personal story for the campaign. In October, HTUSA had a large, well-coordinated event with Norwegian Cruise Line. In November, HTUSA worked with its industry partners on a conversion program which was developed with media which drove visitors to a shared landing page where properties could provide their best offers and engage with visitors directly. In December and January, public relations and social media continued. These campaigns continued through March 2019, and ended with the Hawai'i Island-rooted video to round out the story of Hawai'i Island.

Mr. Talwar played a video with the tag line that "There is Never a Better Time to Visit Hawai'i Island than Now". He said that HTUSA worked with Lonely Planet to create a digital program and articles that look like editorial. On the public relations side, in May the news outlets were primarily showing images of the small portion of the island affected by lava and HTUSA worked to counter that narrative. Mr. Talwar noted that there was greater traction with media when they engaged a subject-matter expert so HTUSA worked with a volcanologist to appear on television. Mr. Talwar discussed various news outlets that published stories promoting why now is the best time to visit Hawai'i Island.

In terms of metrics, Mr. Talwar said that they do not know how many rooms were booked because hotels do not share that type of information, but they do know that the promotion was able to direct more visitors to their sites. He then discussed the timeline of events, pointing out that, in addition to the volcanic eruption, there were also Hurricanes Hector, Lane and Olivia. Mr. Monahan noted that the hurricanes were the “icing on the cake” that took Hawai’i Island out of the booking cycle for FIT travelers and group business.

Mr. Monahan said that the first quarter will be difficult, based on his conversations with wholesalers. He noted that the wholesalers say that business increases after May 4th, 2019. In January, air seats hit more than 40% into Kona. On the Hilo side, there has been more hurt which is also lift related because of a reduction of seats.

Mr. Fried said that he had heard that Southwest Airlines was considering adding a flight to Hilo. Mr. Atkins asked if there had been a significant loss in air seats. Mr. Monahan said that there has been a bit of pull back but nothing significant. Airlines are demand driven. Mr. Atkins asked whether Airbnb occupancy was down similarly to hotels. Ross Birch responded that Airbnbs are aggressively pricing themselves to compete.

5. Hawai’i Island Recovery Efforts - Proposal for Continued Emergency Funding HTJ

Ms. Hughes said that the booking pace is getting better but will still require a great deal of work to continue the momentum. She stated that Japan and the US represent the best opportunity to help recovery happen as soon as it can. Mr. Takahata presented on HTJ’s plan for continued recovery. He proposed funds be used to expand the reach of the Hawai’i Island rebranding campaign, since they will no longer be able to market the volcano.

Mr. Takahata discussed the Hakken campaign, which is based on the Japanese enthusiasm for numbers. Hakken Hawai’i means to discover Hawai’i, and the Hakken campaign promotes Hawai’i through numbers. The plan is to bias the Hakken campaign towards Hawai’i Island, and the rest towards the rest of the state of Hawai’i. The campaign will include outdoor signs, train signs, and taxis.

For Japan marketing, Mr. Takahata proposed spending \$600,000 on outdoor advertising, \$300,000 on digital marketing including YouTube, TVer, and TripAdvisor, and \$100,000 on public relations including TV tie-ups and regional newspaper promotion. The total request is for \$1 million. Ms. Hughes stated that HTJ is requesting \$1 million and HTUSA is requesting \$1.5 million, with \$500,000 to go towards creating new assets and content that will be utilized by both. Mr. Atkins asked where the funding would come from and Mr. Tatum responded that funds have been identified from the FY 2019 budget. The goal for the meeting was to support a recommendation that could then be presented for approval to the Board.

6. Hawai’i Island Recovery Efforts - Proposal for Continued Emergency Funding HTUSA

Mr. Talwar began by discussing the overarching message that there are a lot of amazing things to do on Hawai’i Island. Beginning in April and into May, HTUSA plans to conduct its “Blue-

sky” asset development project, to develop photography and social assets that can be shared with all the global teams. Public relations and social media campaigns will continue throughout the calendar, including a top-tier social media influencer in June. In July, HTUSA will begin the paid native campaign, in which HTUSA partners with an editorial outlet, provides messaging and a story, and the editorial outlet produces content in their own style so that it will better connect with their audience. In September, HTUSA will conduct a sales blitz and conversion campaign in coordination with a bus tour. These programs will run through the end of the paid media calendar.

The target for the general marketing program is the “avid explorer,” people who exhibit behavior that suggest that they are looking to book trips in the short term, and expanding the audience to people who exhibit similar behavior and are engaging with similar destinations. Mr. Talwar played examples of content that is being created with third-party voice. The assets that HTUSA will be creating will focus less on the volcano and more on other Hawai’i Island activities. Mr. Talwar said that, in an effort to attract a higher-yielding visitor, HTUSA has partnered with Equinox gym. Equinox gym is a high-end gym with an upper demographic audience, that are adventure/exploration travelers.

Mr. Tatum said that, in regards to these two major markets, the goal is to combine what they are trying to accomplish, and share and utilize the best of both to go after these markets. The idea is to put \$2.5 million towards the effort of Hawai’i Island. He emphasized that, moving forward it is important to be aligned in how they are moving forward, because this is a rebranding and there needs to be the same message across markets. Mr. Sanders said that it is important to get the creative assets done for Hawai’i Island is critical and that needs to happen before going out to the other markets, to align brand messaging globally.

Mr. Atkins asked for Mr. Birch’s perspective, and Mr. Birch said that there are bigger issues than just bringing the numbers back, like what story they are going to tell and getting out the right message. Mr. Kam asked about the status of Hawai’i Island infrastructure. Mr. Birch responded that Hawai’i Island has changed its customer over the last three years, and is hoping that they can attract visitors that do not over-inundate areas. He added that he hopes that this lull will give the county and state an opportunity to build up some of their assets to have more accessibility. Mr. Atkins noted that he hopes that Hilo and the volcano are not underestimated, and said that he had received positive feedback about the area and the volcano from recent visitors.

Mr. Tatum said that, historically, they have probably not been as sensitive as they should have been to what was promoted, but by working with Mr. Birch and the market, they want to make sure that whatever is promoted is prepared for visitors. Kalani Ka’anā’anā noted that Rapid ‘Ōhi’a Death and biosecurity are also concerns, so if HTA is turning its direction mauka it should also be mindful of the environment. He added that it was also important to call Kīlauea by its name, because just calling it “the volcano” takes its mana away.

The visitors from Hawai’i Island, Jay Rubenstein, Rob Pacheco, Brad Doell, and Stephanie

Donoho, also provided input. They said that one thing that could be improved is sharing information with major stakeholders. There had been concern among stakeholders regarding the process so having better communication and flow through, especially up front, about what is happening will help the comfort level. Mr. Kam asked whether there were any reservations about what they had seen during the presentation and they responded that the volcano is still a very dynamic place, and should not be discounted. Ms. Donoho reiterated the importance of communication and information-sharing, and said that she would like to see the HTA fall meeting hosted on the Kohala Coast on Hawai'i Island.

One of the Hawai'i Island visitors asked whether there was a way to tap into mainstream television in the American market. Mr. Talwar responded that it would have to be a budget discussion. He noted that there has been a huge change in viewership habits, and a large part of the market has never been a cable television subscriber. Mr. Takahata said that Japan is headed in the same direction, but television still has a large reach. However, a lot of the focus is on digital media. He added that HTJ and HTUSA are working together to share creative assets.

Mr. Doell also noted that Mr. Takahata had discussed working with TripAdvisor and said that he was seeing a lot of activity from Expedia Japan. He asked whether HTJ had plans to work with Expedia Japan. Mr. Talwar responded that, in the US, Expedia is more commonly used at a particular phase in the cycle when properties are looking for short-term business. Ms. Varley said that Expedia Japan is more price-driven and do not have destination pages, so from a destination branding point of view there is not much of a platform. Mr. Takahata asked the visitors how their Rakuten business was and they responded that business from Rakuten is beginning to grow. Mr. Takahata said that they have been talking to Rakuten about doing a Hawai'i campaign.

Mr. Atkins noted the concerns about communication and asked if they could get feedback from stakeholders sooner than the fall meeting. Ms. Donoho said that they could help convene that. Mr. Talwar agreed but asked that such feedback not stall asset development. Mr. Tatum said that this will be an ongoing task and rebranding takes years. The funds are coming from the FY 2019 budget and the FY 2020 budget will also have funding. Mr. Monahan said that when they receive approval to run the program, they will present it to stakeholders on Hawai'i Island and there is still time to make adjustments.

Mr. Kelly requested a motion to recommend the plans at the next Board meeting. Mr. Atkins moved to approve the recommendation of \$2.5 million of funding, and Mr. Kam seconded the motion. The motion was unanimously approved by the committee.

7. Hawai'i Convention Center - 2019 US Conference of Mayors Marketing Flexibility Fund Update

Mr. Sanders said that initially there was approved \$500,000 for the US Conference of Mayors, which was made up of \$275,000 to go towards the reception to be held at the Hawai'i

Convention Center, and \$225,000 to go towards destination support to be used externally. Mr. Sanders introduced Teri Orton to provide an update. Ms. Orton said that Mary Charles has been hired to conduct and plan the Mayors Conference. She said that, to date, \$174,389.29 has been spent out of the \$225,000 for destination support, and \$275,000 still remains for the in-house reception. Mr. Sanders asked whether it has been clearly communicated to Mary Charles how the Convention Center's give is structured. Ms. Orton responded that yes, and that they have been providing her a running balance every time she invoices the Convention Center. Ms. Orton added that Ms. Charles request the Board to approve use of the \$275,000 that was designated for the Convention Center reception for external support.

Mr. Atkins asked whether there was any information on whether the Mayor had been able to raise funds elsewhere and she responded that she did not know but that some of the money for external support has been used to put deposits on the other event venues. Mr. Sanders clarified that all the funding came from the Convention Center. Ms. Orton said that some of the funding was also used to put a deposit on a fund development consultant that has been hired to solicit corporate sponsorship and help fundraise for the remaining funding needed to put the Mayors Conference on. She added that a portion of the funding also went to pay for the speaker, Caroline Kennedy, who is charging \$150,000.

8. HTA Spring Tourism Update Feedback

Ms. Hughes said that a survey has been distributed on March 21, regarding the HTA Spring Tourism Update, requesting feedback from everyone on the mailing list. Mr. Atkins asked how many people attended and Ms. Hughes responded that more than 600 attended. Mr. Atkins asked whether the Global Tourism Summit would be scaled back and Mr. Tatum responded in the affirmative, especially if they are planning on having it on Hawai'i Island. He said that HTA supports having the fall meeting on Hawai'i Island if HTA can get the same price as at the Convention Center.

Mr. Atkins noted that there was good attendance at the most recent update because there have been good speakers, and expressed his hope that they could continue to keep the numbers up. Mr. Tatum said that the update should not just be a data dump, but should be productive. He said that the event is an opportunity to talk to the market contractors and share the overall vision, and talk about what is actionable. He said that the other piece is providing feedback and sharing what HTA is doing in the community and perpetuating the Hawai'ian culture.

9. Adjournment

Mr. Sanders asked for a motion to adjourn the meeting. Mr. Kam so moved, and Mr. Atkins seconded the motion, which approved by all Committee members present.

The meeting was adjourned at 3:09 p.m.

Respectfully submitted:

Janjeera Hail

Janjeera S. Hail

Recorder