



MARKETING STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY
Wednesday, June 26, 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, Kyoko Kimura
HTA BOARD MEMBERS PRESENT:	Richard Fried
HTA STAFF PRESENT:	Chris Tatum, Keith Regan, Karen Hughes, Ronald Rodriguez, Laci Goshi, Kalani Ka'anā'anā, Isabella Dance, Chris Sadayasu, Jadie Goo, Minami Aoki, Marisa Yamane, Minh-Chau Chun
GUESTS:	John Monahan, Mitsue Varley, Jay Talwar, Kara Imai, Teri Orton, Lynn Surayan, David Baronfeld, Representative Richard Onishi
LEGAL COUNSEL:	Gregg Kinkley

1. Call to Order

Marketing Committee Chair Kelly Sanders called the meeting to order at 12:34 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 March 27, 2019 HTA Marketing Standing Committee Meeting. George Kam moved, and Sherry Menor-McNamara seconded the motion, which was approved by all committee members present.

3. Update on Wrap of GoHawaii.com Redesign

Mr. Sanders recognized Karen Hughes to provide an update on the GoHawaii.com redesign. Ms. Hughes began by introducing Kara Imai, HVCB Senior Director of Digital Marketing, to

provide an update on the major accomplishments that have occurred since the last update. Ms. Imai began with an introduction of the new content pages that have been created including which include an LGBT content page, a Rapid 'Ōhi'a Death campaign, and new sports and cruise content. She also discussed personalization optimization, which provides specialized content based on where page viewers are visiting from.

Ms. Imai then discussed year-to-date key performance indicators (KPIs). She noted that visitors to the site have increased over the years but organic search traffic has decreased slightly. She said that, looking forward through to the next year, they will do research on how potential visitors in HTA's target audience's utilize digital channels and role of each in selecting their next vacation destination. Ms. Imai noted that this is a good opportunity to look at what comparable organizations are doing. Together with the research team, they are working in two phases. Phase I is to gather and analyze existing research and insights to determine what additional research is needed to achieve their research objectives. The target completion for Phase I is the end of June. Phase II will be to conduct original research and determine appropriate methods, scope, design and budget for that original research.

Ms. Hughes said that she has been meeting with Ms. Imai weekly to go through every budget line item and make sure that all projects are on track. Mr. Sanders asked whether all the foreign language sites have been launched and Ms. Imai responded that they have, but some of the new content pages have yet to be translated.

4. Update on Hawai'i Island Recovery

Ms. Hughes then provided a high level overview of the status of Hawai'i Island recovery since funding was approved. The major HVCB project was the development of the "blue sky" assets. The photos from that project, including those showcasing the beautiful blue skies of Hawai'i Island, have been distributed to all contractors. The next major project is the influencer fam project in May and June. In July and August, the digital media campaigns, public relations and social media campaigns also continue. Ms. Hughes said that the bus tour event will begin in September and go through the month. In October, November, and December, the Equinox gym campaign will begin with comprehensive digital and public relations.

Ms. Hughes said that the U.S. market did not take as big a hit for Hawai'i Island as the Japan market did. Mr. Fried noted that Southwest Airlines had had plans to fly to Hilo but that there were problems with the Boeing 737, and so those plans were put on hold. He asked whether Ms. Hughes had any further information about that flight. Ms. Hughes responded that she believes that that is on hold until the FAA clears those planes for flight. Mr. Fried said that hotel occupancy in Hilo has been down. HTA CEO Chris Tatum said that they will continue to track two-year growth from 2017 because an increase compared to 2018 (which was affected by Kilauea) is not as insightful.

Mr. Tatum added that he visited Hilo the day before the marketing meeting and that the town was active, and he received good feedback from the community. He said that there should be a more consistent product and offering for those visiting Hilo, and there is a need to describe the

new volcano experience. Mr. Kam asked whether Mr. Tatum had an opportunity to visit Waipi'o. Mr. Tatum responded that he had not on this trip, but that Micah Alameda, who is on the HTA Board, has a strong knowledge of Waipi'o, and that there should be a similar approach to Waipi'o as to the North Shore of Kaua'i where there is a desire to bring in visitors but that it should be controlled.

Mr. Fried said that he had heard that the museum at Kilauea had been irreparably damaged. Representative Onishi responded that he had not heard about plans for repairing the museum but said that many of the artifacts and items had been given to the Volcano Arts Center and a non-profit in Pahoa with the idea that the non-profit could set up a museum and a program to view the fissures. Rep. Onishi also noted that yesterday was "boat day" and there were more visitors in Hilo because of the cruise ship.

Mr. Kam asked about efforts to increase day tours to Hilo. Mitsui Varley discussed the challenges for day trips to Hilo in light of the fact that there are more direct flights to Kona and so where tour packages limit time to each island, they usually stay on the Kona side of Hawai'i Island. Rep. Onishi said that he has seen a Japanese presence in the lobbies of hotels on the Hilo side.

Mr. Sanders said that he just returned from a trip to Japan and he saw the promotion for Hawai'i and Hawai'i Island everywhere, especially in taxi cabs. Ms. Hughes said that the taxi ads have been played three million times in April, and five million times in May.

Shifting to Japan, Ms. Hughes noted that the Japan market has taken the larger hit and so the focus has been to bring people back to Hawai'i Island. She noted that May statistics are showing positive results and that the efforts are having an impact. The taxi ads began in April and will run through September. The Hakken campaign, with added focus on Hawai'i Island, is running in the trains and train stations. HTJ will have a Hawai'i Island summit in September. Mr. Tatum asked where the summit would be held. Ms. Hughes said that the summit will take place on Hawai'i Island and Ms. Varley added that events will take place at hotels throughout the Kona side of Hawai'i Island but that executives will also have an opportunity to see some Hilo properties. Mr. Tatum added that he would like to discuss promoting the Hilo rodeo in Japan. He also asked whether local Hawai'i Island businesses were invited to be a part of the bus tour. Jay Talwar confirmed that they were.

5. Review of HTA 2020 Marketing Strategy

Ms. Hughes said that she had provided the committee members with a narrative of the 2020 Marketing Strategy, and how it ties into the budget. She asked for questions and invited committee members to read through it and ask questions after the meeting.

Mr. Sanders said that he had read through the meeting and said that it was well done with projections and updates on what is happening in each of the markets. Ms. Hughes said that the intent was to make the strategy actionable.

6. Review of Asia (China, Korea, SE Asia, Taiwan) RFP's Scope, Process and Committees

Ms. Hughes began by explaining that the RFP had been provided to committee members. Ms. Hughes noted that a great deal of work was put into refining the RFP and it has been reduced from 100 pages to 42 pages. The RFP shows what the expectations are, what HTA is asking from bidders, and what the requirements are. Ms. Hughes said that the selection committees are in place and include representatives from the hotel industry, the retail industry, and attractions. There were also efforts to ensure that there was participation from every island. Mr. Fried asked whether the deadlines for each RFP was the same and Ms. Hughes responded that the requirements for each RFP is the same.

7. Review of the MCI RFP Scope

Ms. Hughes also discussed the Meetings, Conventions and Incentives (MCI) RFP. After writing the scope and the requirements, the team determined that HTA cannot afford to take several years for whoever is selected to “ramp up” and therefore the requirements are such that there will be a Request for Information (RFI) to determine whether there are entities that meet the minimum requirements, which are tight and comprehensive.

Mr. Fried asked how many bidders were expected, but Ms. Hughes says she does not have an estimate at this time. Ms. Hughes responded that based on the requirements are such that if there is not already an infrastructure in place they will not be able to bid. Mr. Tatum said he expected it to be significantly less than it was before. He said someone in the market who is doing this kind of work already should be able to take on the MCI piece and not have additional cost to do the ancillary things that they were doing. He added that right now in the budget there is \$8.6 million but he expects the bid to be significantly less than that.

Ms. Kimura noted that the requirements are very difficult and asked whether they would consider a “Plan B” of shopping it out to the Major Market Areas (MMA). Ms. Hughes said that each MMA will play a role in driving MCI business.

Mr. Atkins asked about the hoteliers’ perspective on the MCI market. Mr. Sanders said that 2019 is a weak year for group business globally. He said that 2020 is better with large, peaked conventions at the Hawai’i Convention Center, but there is still opportunity to fill in 2020. He said that meeting sizes are trending smaller. Mr. Atkins asked whether the booking window continues to be smaller on the hotel side. Mr. Sanders said that this year has been very short term but beginning 2020, more people are planning farther out. He said that there has been more interest in 2020 from Japan, and Australia continues to have large opportunities from an MCI standpoint.

Ms. Hughes also pointed out the challenges of building an infrastructure (as it relates to the MCI RFI), and why they have such strict requirements for bidders. These challenges include technology, like CRM and lead-sourcing tools, sales people familiar with each island, destination management organization experience, and operational infrastructure. Ms. Hughes

added that there is a need for both MCI specialists based in the market and also based in Hawai'i, so there is someone in the market generating leads who can then hand off that customer to someone in Hawai'i who is aligned with HTA's strategy, and has relationships with the hotels and local businesses. There are different roles all connected to a global MCI strategy. Mr. Tatum said that he would like to have more goals and accountability for its contractors so that, everyone who represents Hawai'i can have that in mind.

Mr. Atkins asked how they have performed in the major market areas. Mr. Sanders says that it has not been tracked before. Ms. Hughes said that only Taiwan and Southeast Asia did not have an MCI goal but now every market will have goals of leads they are expected to generate. Mr. Atkins asked whether there were incentives. Ms. Hughes said that there are not but that is probably an element they would like to see from a potential MCI contractor.

Rep. Onishi said that he had read the Convention Center audit and some of the findings in the audit were that there was an impact in terms of hotel occupancy in Hawai'i and its relationship to being able to attract MCI business to Hawai'i. He asked if that was a trend in other major convention markets and whether hotel occupancy and rates all move the same way in those markets compared to Hawai'i. The audit also said that Hawai'i is generally a leisure market, which has high occupancy, which competes with the potential convention market. He asked if that is something that we will be looking at year to year in Hawai'i and compare to other major convention cities. Ms. Hughes said that success in the group market is always an indicator of a good year overall. Groups expect a lower rate because they are bringing in a large group of people, but it does not always track that way because giving a low rate and a large inventory of rooms many years out is difficult when the current market is strong. She said that San Francisco is having the same issues, adding that it is difficult to give a discount when the market is so strong. She said it is a trend throughout the country.

Mr. Sanders said a challenge for this market is that, over the years, our inventory has shrunk compared to ten years ago. Investment in total hotel projects in terms of upgrading rooms has been in the billions of dollars, which requires an increase in rate. He said that he believes there is an opportunity for a convention center hotel focused on Hawai'i Convention Center. Mr. Tatum said that the challenge for that is the rate that they will have to drive, considering the proximity to the ocean.

Rep. Onishi said that the Convention Center rooftop discussion has opened the door to look at what are the reasonable option for HCC moving forward, and how is it going to play a role in Hawai'i. Mr. Tatum said that he had discussed that with HVS that morning, specifically how to entice corporate customers. He said that the challenge that they will continue to face is rates. HTA will be meeting with hotel general managers to work together on this issue. If Hawai'i loses additional inventory, HTA needs to drive a better quality of customer. Hawai'i is right in the middle of Asia and the U.S. so it should have the facilities to drive East meets West corporate business.

Mr. Sanders said that, in terms of sustainability, MCI has the least impact on our resources

because the customers are here for meetings. Mr. Tatum added that they also spend more per person. Mr. Atkins asked that, as they are doing this study, whether they will also factor in what they should do to make the Convention Center viable. Rep. Onishi said that they are waiting on the study to see what options are available to the State and then it will be a leadership decision as to the State's commitment. He noted that the goal is to get it through HTA as soon as possible so that it can be brought before the legislature.

Chair Fried asked about the impact of the local pushback to the reopening of the road on the North Shore of Kaua'i. He said that he believed that the road may have been opened too soon and that if there had been a couple of more weeks, the pushback may have been avoided. He said that the pushback was from a vocal minority that was disappointed in what happened. He said there is one more chance when the bridge must be closed for two days. He said that he hopes that discussions occur.

8. 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 S. Hail
Recorder