



Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815
kelepona tel 808 973 2255
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David Y. Ige
Governor

Chris Tatum
President and Chief Executive Officer

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

**REGULAR BOARD MEETING
HAWAII' TOURISM AUTHORITY**

**Po'ahā, lā 31 o 'Okakopa 2019, 9:30 a.m.
Thursday, October 31, 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 September 26, 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 September 2019:
 - Major Market Management including Destination Marketing Management Services, Global Meetings, Conventions and Incentives (MCI) Program Management Services, Japan Summit – Hawai'i Island, Fall Tourism Update, and Responsible Tourism
 - Community Outreach Video of the LA Rams, AVP, LA Clippers
 - The CEO and/or Designate will Provide an After Action Report on the West Coast Bus Tour
5. *Nā'ana I Ka Ho'omana'o Piha Makahiki ma Bruyères, Palani*
Overview of the 100th/442nd 75th Anniversary Celebration in Bruyères, France



6. *Hō'ike A Ka Honolulu Festival Foundation*

Presentation by the Honolulu Festival Foundation Regarding Multi-Cultural and Community Engagement

7. *Hō'ike 'Ikepili Noi'i 'Oihana Ho'omāka'ika'i*

Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets, Including the United States, Japan, Canada, Oceania, Other Asia, Europe, and Cruise

8. *Hō'ike, Kūkākūkā a Ho'oholo No Nā Mo'okālā*

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

9. *Hō'ike No Ka Papahana Ho'oponopono*

Update on the Status of the 2018 Audit Action Plan

10. *Hō'ike No Ka Hana A Ke Kōmike Noi'i Papahana Ho'okele*

Report of the Strategic Plan Investigative Committee's Activities

11. *Hō'ike Hanana Kikowaena Hālāwai O Hawai'i*

Presentation by AEG Regarding an Update of the Hawai'i Convention Center Recent Operational Activities and Sales Initiatives

12. *Kūkākūkā a 'Āpono I Ka Mo'ohelu Kālā Kūikawā A Ke Kikowaena Hālāwai*

Discussion and Approval of the FY20 Convention Center Enterprise Special Fund Budget

13. *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.*



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**** 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.

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; 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), 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; 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
September 26, 2019 Board
Meeting**



REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, September 26, 2019
Hawaii Convention Center
1801 Kalākaua Avenue, Honolulu, Hawaii 96815

MINUTES OF REGULAR BOARD MEETING

MEMBERS PRESENT:

Rick Fried (Chair), Micah Alameda, David Arakawa, Daniel Chun, George Kam, Kyoko Kimura, and Kimi Yuen

MEMBER NOT PRESENT:

Fred Atkins, Ku'uipo Kumukahi, Sherry Menor-McNamara, Benjamin Rafter, and Kelly Sanders

HTA STAFF PRESENT:

Chris Tatum, Keith Regan, Karen Hughes, Marc Togashi, Marisa Yamane, Jadie Goo, Kalani Ka'anā'anā, Jennifer Chun, Carole Hagihara, Chris Sadayasu, Joseph Patoskie, Laci Goshi, Lawrence Liu, Maile Carvalho, Minh-Chau Chun, Ronald Rodriguez, Maka Casson-Fisher, Evita Cabrera, Deann Howa, and Tracey Fermahin

GUESTS:

Representative Richard Onishi, Senator Glenn Wakai, Guy Sibilla, Jon Itomura, Lynn Miyahara, John Monahan, John Knox, Randall Tanaka, Mari Tait, Lee Conching, Erin Kahn, Nathan Kam, Malia Sanders, Roth Puahala, David Baronfeld, Allison Schaefer, Trisha Watson, Brandon Askew, Kehau Pe'a, Dan Gluck, and Michelle Phelps.

LEGAL COUNSEL:

Gregg Kinkley

1. Call to Order and Pule

HTA Board Chair Rick Fried called the meeting to order at 9:38 a.m. Kalani Ka'anā'anā introduced Maka Casson-Fisher, who gave a chant to open the meeting.

Mr. Casson-Fisher introduced Kehau Pe'a, who gave a presentation to the Board on the history of pā'ū riding. Ms. Pe'a informed the Board that she would ride in the Aloha Festival as the pā'ū queen and that she has participated in a pā'ū unit in the Aloha Festival parade for several years. She explained that within a single pā'ū unit, there are seven riders: a princess, who is the only person allowed to weave the road on horseback, a page, female attendants, and male outriders.

Ms. Pe'a also provided the Board with a brief history of the tradition. She explained that the history of the tradition dates back to 1793, when Captain James Vancouver gifted Kamehameha I with black longhorn cows, and in 1803, Richard Cleveland gifted Kamehameha I with horses. Kamehameha I placed a kapu on the black longhorn cows and horses so that no person was allowed to kill them.

2. Approval of Minutes of the August 22, 2019 Board Meeting

Chair Fried requested a motion to approve the minutes of the August 22, 2019 Board meeting. George Kam so moved and Benjamin Rafter seconded the motion, which was unanimously approved by all Board members present.

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

Chair Fried asked the Board whether there were any permitted interactions to report, and there were none.

Chair Fried took this time for announcements. He announced that Karen Hughes' last Board meeting was today. He thanked several legislative aids, Representative Richard Onishi, and Senator Glenn Wakai for being present. He also thanked Mr. Kam for bringing food to the Board meetings.

4. Report Relating to Staff's Implementation of HTA's Programs During August 2019

Chair Fried acknowledged HTA CEO Chris Tatum to provide a report on HTA's activities in August 2019. Mr. Tatum said that HTA worked with the University of Hawai'i to sponsor their football game against the University of Washington. He stated that the total budget for the promotion was \$50,000. Activities included the University of Hawai'i and University of Washington cheerleaders visiting Seattle's Children's Hospital, which was then taped and played during the game in front of the entire stadium. He said that on Friday night during an event, a representative from the University of Hawai'i's President's office and football head coach Nick Rolovich both expressed their appreciation of HTA's support of the University of Hawai'i's athletics. Mr. Tatum added that he hoped this event would be a benchmark to continue working with University of Hawai'i's athletics program to achieve HTA's goals.

Mr. Tatum added that HTA was working with the University of Hawai'i Shidler Business School

to improve their scholarship program and will present the plan to the HTA Board upon its completion.

Mr. Tatum acknowledged the Association of Volleyball Professionals' (AVP) beach volleyball tournament was held recently in Waikiki. He added that players held clinics in different areas in the State. Mr. Tatum said that HTA will evaluate the event's impact, but that he received positive feedback regarding the event.

Mr. Tatum stated that HTA sponsored the Council for Native Hawaiian Advancement (CNHA) Conference at the Hawai'i Convention Center. He added that HTA was the title sponsor for over one-thousand attendees over three days. He added that the CNHA allowed him to speak at the event, during which he expressed HTA's appreciation for CNHA's focus and that culture was a major pillar for HTA's success. Mr. Ka'anā'anā added that attendees told him that they appreciated HTA's President and CEO speaking earnestly, and that no other person from HTA had ever addressed the community in that way. He added that HTA moved the needle of addressing concerns of HTA's authenticity in presenting Hawaiian culture in the tourism industry.

Mr. Tatum stated that Ms. Hughes had done a great job in reorganizing HTA's marketing efforts and doing requests for proposals (RFPs) for the Asia markets. He added that HTA was finalizing the project within the next week and would have presentations on the topic.

Mr. Tatum said that HTA led a bus tour on the west coast of the United States, from San Diego to Washington State. He added that the bus tour was solely to market Hawai'i Island. Mr. Ka'anā'anā added that there was great inclusion of Hawaiian practitioners in the marketing effort.

Mr. Tatum addressed that the Los Angeles Clippers were arriving the following week. He stated that there were multiple clinics planned, and HTA would ensure that local children would attend the games.

Mr. Tatum said he was invited by Brand U.S.A. to attend a China Tourism Summit. He said that tourism from China has slowed down nationwide and not just in Hawaii. He added that the Summit addressed the reason Chinese visitors have declined has been due in part to the fact that the U.S. has not taken more efforts to welcome Chinese travelers. The facts that the U.S. market does not have people in the visitor industry and Chinese credit cards do not work in the U.S. were primary reasons why visitors from China have slowed down in recent years. Mr. Tatum stated that the idea that trade wars between the U.S. and China have slowed down the Chinese visitors industry is a misperception.

5. Presentation by the Hawaii State Ethics Commission Regarding an Overview of the State Ethics Code for State Board Members

Chair Fried acknowledged Dan Gluck, Director of the Hawaii State Ethics Commission, to

present an overview of the State's Ethic Code for State Board members. Mr. Gluck began his presentation by stating that the Ethics Code applies to every person with a state title, with the exception of judges and justices. The Ethics Code applies even to volunteers and elected officials.

Mr. Gluck stated that the Ethics Code prohibits the disclosure of confidential information. Further, State employees may not use confidential information for their own or others' benefit.

Mr. Gluck stated that the Ethics Code prohibits the acceptance of gifts if it is reasonable to infer that the gift is offered to influence or reward an official governmental action. Mr. Gluck explained that gifts are defined as anything of value, which can include plane tickets, concert tickets and food. He added that gifts are considered using three factors: 1) value; 2) relationship of the donor and recipient; and 3) whether the gift benefits the State. Mr. Gluck clarified that it is acceptable to accept items that are part of a negotiated contract, for example, if a sponsorship gives tickets for promotional purposes. However, the tickets should only be used if the recipient is attending the event in their capacity as a State employee, i.e., to ensure that the contract is being fulfilled. Mr. Gluck also discussed receiving free airfare for work purposes. He said that this most frequently happens when a State employee is invited to a trade show, and that these situations are typically acceptable so long as the organization is not a lobbying group. He added that the State Ethics Commission has forms available to accept airfare or other gifts. Last, Mr. Gluck stated that the Ethics Code requires employees to report gifts from the same donor if the value of those gifts over time is equal or greater than \$200.00.

Mr. Gluck stated that the Ethics Code requires fair treatment of all State employees. He stated that State employees cannot engage in financial transactions with any subordinates. In line with these rules, private fundraising is prohibited because it may be considered coercive to coworkers who may feel obligated to donate due to their working relationship. He stated that the exception to this rule is for State-sanctioned fundraisers, such as for Aloha United Way. Mr. Gluck further stated that the Ethics Code prohibits the use of State resources for private business purposes.

Mr. Gluck stated that the Ethics Code requires State employees to avoid transactions that pose a conflict of interest. He said that there are three basic rules to determining whether a conflict of interest exists. The first is that a State employee cannot be on both sides of a single transaction. The second is that a State employee cannot create new conflicts, for example, accepting an engagement with a party that has an agreement with the State. The third is that a State employee cannot represent any person or entity on a matter before a governmental agency on a matter he or she worked on while employed by the State.

Mr. Gluck stated that the last consideration is that the Ethics Code is the bare minimum standard of conduct and that agencies are permitted to create stricter rules.

The Board meeting recessed at 11:02 a.m.

The Board meeting reconvened at 11:18 a.m.

6. Presentation and Discussion of Current Market Insights and Conditions in Hawaii and Key Major Hawaii Tourism Markets, Including the United States, Japan, Canada, Oceania, Other Asia, Europe, and Cruise

Chair Fried acknowledged Jennifer Chun to provide the current market insights for July 2019 and August 2019. Ms. Chun stated that HTA's visitor statistics were published the morning of the meeting. She stated that expenditures were approximately \$1.5 billion, and total visitor arrivals were at 928,178 visitors, up 9.8% from August 2018. She stated that no out-of-state cruise ships visited Hawai'i in the month of August and that total visitor days increased 7.6%. She stated that spending increased from the previous year on all islands except Moloka'i, and air seats increased by 4.3% to approximately 1.2 million.

As of Thursday, September 19, 2019, RevPar was at \$244, up 10.7%, ADR at \$190, up 3.4%, and occupancy at 84.3% up 5.5% from the previous year. Ms. Chun added that the increase in statistics were in part due to Hurricane Lane's negative impact on tourism in August 2018.

Ms. Chun stated that HTA engaged with Omnitrak Group to survey State residents on different aspects of the tourism industry, and that the survey would have the same questions as the previous year except for questions pertaining to the public's perception of HTA. Kyoko Kimura asked whether there were questions on the primary drivers of public perception on tourism. Ms. Chun responded that in the previous year, Omnitrak's driver analysis found that HTA could improve by having the public have a voice in decision-making, presenting Hawaiian culture in an authentic manner, and working to preserve Hawaiian culture and language. She added that in previous years, the largest driver for public perception on tourism has been the economy, and that public opinion changes from year to year. Ms. Kimura asked whether there would be questions on illegal vacation rentals on the survey. Ms. Chun responded that part of the survey would be what people think about illegal vacation rentals, and her perception was that residents are most concerned on illegal vacation rentals' impact on the average cost of living. Mr. Fried asked why the Leadership Team decided to remove questions pertaining to the public's perception of HTA. Ms. Chun replied that the questions on HTA and what the public knew about HTA were not important, and cutting those questions would improve the survey by making it shorter with more segmentation of specific questions. Mr. Tatum added that he believed the questions on HTA were self-serving, and that whether the community's support of HTA is not important to measure compared to the community's support of tourism.

Representative Onishi stated that the public's perception of HTA is important to the Legislature because it is a factor which drives some of the State's policies. He said that previously, the public perception was that HTA was not involved or engaged in the community, but that the perception has improved over time. He added that he still believed that a gauge on public perception of HTA would be beneficial.

Ms. Kimura asked whether cruise ships were contributing to expenditures. Ms. Chun replied

that for cruise ships, average spending per person tends to be lower because visitors have paid a significant amount to be on the cruise. She added that, more significantly statistics showed lower spend per day from Japanese visitors.

7. Presentation, Discussion and Action on HTA's Financial Reports for August 2019

Chair Fried acknowledged Keith Regan, whom provided financial reports for August 2019. Mr. Regan explained that over the next eight to nine months, the Board will become more familiar with the budget statement. He explained that the budget breaks out larger categories to give the reader an easier time understanding how funds are allocated and distributed. He added that the reader can notice that as HTA begins to allocate funds, each budget category will include more information on how funds have been allocated to specific programs. Mr. Regan stated that in August HTA did not issue any contracts but would issue several in the month of September.

Mr. Regan pointed the Board to the next tab in the financial statements, showing HTA's reallocation for major budget categories. Mr. Regan added that on average \$6.6 million in transient accommodation tax transfers to the tourism special fund and based on HTA's projection HTA expects to have 27.5% of funds unallocated or unassigned at the end of June 2020. He added that this amount will continue to change overtime.

8. Update on the Status of the 2018 Audit Action Plan

Chair Fried acknowledged Mr. Regan to provide an update on the status of the 2018 Audit Action Plan. Mr. Regan stated that HTA has been actively working on a new procedure for procurement and that HTA's financial procurement team reviewed the procedure and had no specific changes. He added that although the update in the Board packet states that the procedures are only 75% complete, it is close to being complete. The remaining items in the Audit Action Plan address HTA's administrative expenses as addressed by the auditor. He stated that for this task, HTA would continue to work with the Attorney General's office and the State Legislature. However, due to the nature of the issue, it was difficult to commit to a date for when these items will be accomplished. He added that HTA will look toward the chairs of the House and Senate Tourism Committees to address these issues.

David Arakawa asked whether there was a procedure to request an opinion from the Attorney General's office. Gregg Kinkley replied that the best way would be to send a letter to the Attorney General's office.

9. Report of the Strategic Plan Investigative Committee's Activities

Chair Fried recognized Strategic Plan Investigative Committee Chair Kimi Yuen to discuss the committee's recent activities. She thanked HTA's Leadership Team for their many hours of reviewing the first draft of the next Five-Year Strategic Plan. Ms. Yuen stated that the committee has been going through each overarching goal and the vision under the four pillars

of brand marketing, community, culture and natural resources. She added that they are discussing the strategic plan with over forty stakeholders.

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

Chair Fried acknowledged Teri Orton to present the update of the Hawai'i Convention Center's recent operational activities and sales initiatives for the month of August. Ms. Orton said that thirteen events were held in the month of August, generating a total of \$14.6 million in revenue and \$1.4 million in tax revenue to the State. Ms. Orton explained that the bottom line results are a net loss of \$329,000 for the month of August. She added that the year-to-date reforecast reflects gross revenue at \$15.8 million and a net loss of \$2.7 million.

Ms. Orton stated that some initiatives to close the gap of revenue loss include picking up a corporate piece of business with approximately 800 delegates, spending \$75,000 in rent and \$50,000 and food and beverage. She further stated that they are also looking at hosting more local events in their vacant spaces, including a Pa'ina Christmas package for local corporations to host their holiday events at the Convention Center.

Ms. Orton stated that for August, food and beverage revenue came in at \$754,700, with a net income of \$250,200. She added that the year-to-date reforecast is revenue of \$10.2 million with a net income of \$3.7 million. The total revenue generated by the Hawai'i Convention Center in 2019 is \$218.1 million, with a return on investment (ROI) of \$14.58 for every dollar spent to the State.

Ms. Orton acknowledged Mari Tait for an update on capital improvement projects in the Hawaii Convention Center. Ms. Tait provided the following updates on certain capital improvement projects. The project for boiler replacement is currently in permitting and has a target installation of December 2019. AEG issued an addendum to the RFPs for the cooling tower replacement project. The project for the Ala Wai waterfall repair has been awarded and the contractor was issued a notice to proceed. AEG awarded a contract for improvements to facility equipment, and the target delivery for that project is February 2020. AEG issued an RFP for the camera, network video recording, and access control, with the deadline for proposals being the end of September. AEG issued an RFP for the trellis renovation project, with proposals due in mid-October. Last, AEG plans to issue an RFP for the ADA lift replacement project in the month of October.

Ms. Orton stated that the Hawai'i Convention Center planned a new initiative for the holiday season. The Hawai'i Convention Center will host a Winter Wishes Holiday Festival from November 29 through December 24, 2019.

Orton acknowledged Lee Conching to provide a report on recent sales initiatives. He informed the Board that for the HCC pace report there are still gaps for years 2021 and 2023, but they have had recent activity that will increase the definite and tentative room nights between 2021

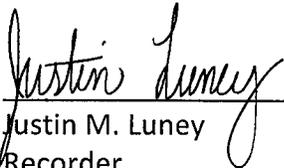
and 2024. Mr. Conching stated that their sales team attended an annual meeting at the American Society of Association Executives in Columbus, Ohio, and secured nine leads. He said that they also attended the Connect Market Place held in Louisville, Kentucky, which is a trade fair that brings together planners from the meetings and events industry markets. He said that their representative had thirty-seven appointments, which led to securing three leads.

Last, Ms. Orton acknowledged Michelle Phelps to provide the Board with information regarding their holiday event, Winter Wishes. She explained that the Hawaii Convention Center partnered with Olympic figure skater Kristi Yamaguchi's Always Dream Foundation, and proceeds from ticket sales will go toward her foundation. She added that they are looking for corporate sponsors as well, and that one of their sponsors, Matson, Inc., donated the shipping cost for the skating rink as part of their sponsorship. She added that the Convention Center reached out to the market to help promote the Winter Wishes event.

11. Adjournment

Chair Fried requested a motion to adjourn the meeting. Mr. Kam made a motion and Ms. Yuen seconded the motion, which was unanimously approved by the Board. The meeting was adjourned at 12:18 p.m.

Respectfully submitted


Justin M. Luney
Recorder

Agenda Item

4

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



AUTHORITY

MEMORANDUM

TO: HTA Board of Directors
FROM: Chris Tatum, President and CEO
DATE: October 31, 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 September 26, 2019. The narrative also describes the actions conducted by the staff to implement the Hawai'i Tourism Authority (HTA) budget previously approved by the Board.

I. AWARENESS, CONVICTION AND ACCESS

A. Major Market Management – September Update

Destination Marketing Management Services

HTA has completed the request for proposal (RFP) process for inbound destination marketing management services regarding the major market areas of Korea, China, Southeast Asia and Taiwan. HTA issued a press release announcing the four RFP winners on October 10. The winning contractors are: ITRAVLOCAL Limited (China), AVIAREPS Korea (Korea), AVIAREPS Malaysia (Southeast Asia), and BrandStory Asia (Taiwan).

Fall Tourism Update

The Market Management team continued to prepare for the Fall Tourism Update to be held at Hilton Waikoloa Village from November 18-19, 2019. The agenda has been set, speakers and session overviews are confirmed and complete, and registration opened on September 27, 2019.

Global Marketing Team Marketing Plans (BMP)

HTA staff is in the process of reviewing and finalizing all 2020 marketing plans (Brand Management Plans). HTA provided feedback to GMTs on 2020 plans and final updated plans were due to HTA on October 4, 2019. Templates were developed to ensure consistent 2020 BMP presentations to the HTA leadership team in the week of October 21, Marketing Standing Committee meeting on November 13, and Fall Tourism Update on November 19.

MMA Contracting Update

The Market Management team has worked with the Contracts team to update the MMA contract terms for 2020. Contract procurement planning worksheets are being submitted to the Contracts team for review and approval. All 2020 MMA contracts are to be fully executed by December 2019.

II. UNIQUE AND MEMORABLE EXPERIENCES

A. Hawaiian Culture Initiative

1. Kūkulu Ola Program

HTA program staff and contracting are currently working to send out contracts to the 2020 awardees. Pending those being sent for execution, program staff is working on following up with contractors who were granted no cost extensions to complete their work and final reporting.

2. Native Hawaiian Hospitality Association

HTA and the Native Hawaiian Hospitality Association (NaHHA) continue to build stronger ties between the Hawaiian community and the tourism industry. Cultural industry resource meetings are held to bring together many of the industry's Hawaiian cultural advisors to discuss items of interest. HTA received great feedback from the participants as to their value of collaboration in moving the needle on culture in the industry.

3. Native Hawaiian Festivals and Events

Queen Lili'uokalani Long Distance Canoe Race

Kai 'Ōpua Canoe Club successfully hosted the Queen Lili'uokalani Long Distance Canoe Race in Kona from August 29 through September 2. There were 100 men's crews and 105 women's crews during the main long-distance race on Saturday. HTA staff is now working with the contractor to close out this year's contract and plan for the 2020 event.

Aloha Festivals

The 2019 Aloha Festivals was held in September across the state. The new concert at Queen's Beach called In the Southern Sun was a great success and added another dimension to a mature festival. HTA staff will now work with the various contractors to close out the current year contracts and begin initial planning for 2020 events.

2020 Polynesian Football Hall of Fame

HTA staff met with Polynesian Football Hall of Fame organizers and reached agreement on a three-year contract with two one-year extensions. Funding will continue to support the game and other activities. Added to the new contract terms are statewide clinics and outreach with Polynesian Football Hall of Fame inductees, active NFL players and other leaders to help mentor and inspire Hawai'i youth. Appropriate paperwork will be drafted to move the approval process forward.

4. Kāhea Greetings Program

Harbors

Contracts for the various harbor greeting programs have been executed. Implementation has begun at the ports in Nāwiliwili, Honolulu, Lahaina, Hilo and Kona. Work will include, but is not limited to, hula, mele, lei making, maps and other collateral, as well as lei greeting with fresh flower lei. Discussions

with DOT Harbors are underway to include more art and other improvements to enhance the harbor and port user experience.

Airports

HTA staff continues to work closely with DOT Airports to enhance airport greetings statewide. We have included an expansion of performances in the most current MOA with DOT Airports to cover the two busiest departure cycles at DK1 (Honolulu). We have also worked closely with DOT Airports to encourage the incorporation of community-based hālau hula and Hawaiian cultural practitioners. For reference, performance greetings are held at Līhu'e, Honolulu, Kahului, Hilo and Kona. We continue to encourage DOT Airports to consider additional improvements, such as the inclusion of more art and other cultural inclusions to enhance the airport user experience.

5. Resort Area Hawaiian Culture Initiative

Contracts are finalized for 2019 events with workplans having been submitted for various programs in Waikīkī, Lahaina, Hilo and Kona. New to the Waikīkī program this year is a seven-month pilot program to bring back Sunset on the Beach which began on May 11. The Waikīkī Improvement Association is producing the Sunset on the Beach events, which feature Hawaiian music concerts with hula preceding the screenings of films. Residents are the target audience for the new events. HTA has done media outreach to promote the events. The third screening took place on July 6 featuring the movie "Mary Poppins Returns."

6. Hawai'i Investment Ready 2019 Cohort

HTA and Hawai'i Investment Ready (HIR) finalized a new contract which supports a cohort of social enterprises with a tourism focus, all who previously received funding through the Community Enrichment, Kūkulu Ola or Aloha 'Āina programs. The intent is to elevate these social enterprises to seek other forms of capital to enhance and improve its programs. HIR has completed modules 1-4 and is now working to prepare for module 5.

7. Center for Hawaiian Music and Dance

HTA staff will conduct internal planning meetings now that the law has been amended to remove the Hawai'i Convention Center as the location of the proposed Center for Hawaiian Music and Dance.

8. HTA Legacy Awards

Planning is underway for a theme and other logistics for the 2019 HTA Legacy Awards to be held in conjunction with the Fall Tourism Update on Hawai'i island in November. The theme will focus on 'Ōhi'a Lehua and will recognize the people and organizations who have committed to perpetuating the Hawaiian culture and preserving this keystone species for generations to come.

9. Ma'ema'e

HTA is working closely with the GMT to assess their needs for staff training to more accurately incorporate the Hawaiian culture into their efforts. Allocations have remained level year-over-year.

10. Market Support

HTA staff had no missions for the month of September. Logistics for NaHHA's participation in the Aloha Canada Mission 2019 have been finalized.

B. Natural Resources

1. Aloha ‘Āina (Natural Resources) Program

HTA program staff and contracting are currently working to send out contracts to the 2020 awardees. Pending those being sent for execution program staff is working on following up with contractors who were granted no cost extensions to complete their work and final reporting.

2. DLNR Partnership

HTA staff continues to work in partnership with the Department of Land and Natural Resources (DLNR) to protect natural and cultural resources on state lands. Below are details regarding various initiatives underway or in the planning stages.

Nā Ala Hele Trails and Access

HTA staff and DLNR have finalized an agreement for \$530,000 in FY2020, providing DLNR with funds to conduct a statewide trail assessment and brushing/clearing of trails.

Mālama Hawai‘i

Current year funding is supporting placement of Mālama Hawai‘i collateral in roughly 24,000 hotel rooms statewide. Funding has also been provided to produce and distribute seven new 30-second public service announcements. Hawaiian Airlines and AirAsia X have already committed to sharing the content with its guests in-flight. HTA is currently negotiating with Japan Airlines and All Nippon Airways to have the content included on its flights as well.

Rapid ‘Ōhi‘a Death

Funding in 2019 was used for tour operator bio-sanitation trainings across the state. Public service announcements on quarantine rules, as well as airport ad placements, were also part of the funding. In addition, two aerial survey flights with the Carnegie Airborne Observatory were conducted for Hawai‘i Island and Kaua‘i. Both islands now have confirmed cases of both species of Rapid ‘Ōhi‘a Death. HTA staff, in partnership with the state, placed visitor-focused tips to help reduce the spread of the disease, as well as hosted a full-length documentary to help others better understand the significance of ‘Ōhi‘a to Hawaiian culture and native ecosystems.

Carbon Sequestration Certification

DLNR has selected and awarded a contract for carbon sequestration certification. The certification will allow DLNR to quantify and value the carbon offsets from its reforestation work in order to move the department and DOFAW toward self-reliance.

Social Media Specialist

HTA continues its work with DLNR’s social media specialist, a tourism funded position aimed at mitigating illegal tours on state lands, as well as develop visitor messaging focused on responsible behavior while exploring Hawai‘i. Since the position was funded, DLNR reactivated its previously suspended social media accounts.

Ambassador Program

Funds have been committed to pilot an ambassador program in FY2020. The statewide program will be implemented in state parks and on trails. A total of \$500,000 has been set aside for this effort. Initial budget estimates allocate \$62,000 per position which would fund nine ambassadors. HTA has not

received the workplan by DLNR identifying the areas where those positions would be deployed. No further work will continue until HTA is in receipt of the workplan.

3. Hawai'i State Park Survey

HTA's contracting staff is working to finalize the draft request for proposals (RFPs). The project is expected to survey all state parks over a one-year period. The data and insights collected by the survey will help HTA and DLNR manage resources better to protect natural and cultural assets.

4. Hawai'i Ecotourism Association

The Hawai'i Ecotourism Association and HTA have finalized the scope of work for the 2019-2020 program. The primary focus of this work will continue to be on the training of certified tour operators statewide and enhancing their training capacity. Further, it will provide for trainings that will be made available online, including YouTube.

5. Hawai'i Green Business Program

HTA has finalized a memorandum of agreement (MOA) with the Hawai'i Green Business Program. The primary focus of this work is 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 savings and waste diversion, which are three key metrics in HTA's strategic plan. The Hawai'i Green Business Program Ceremony took place on August 1.

6. Hawai'i Green Growth

Hawai'i's sustainable future is dependent upon our ability to measure and define what sustainable tourism is moving forward. In partnership with Hawai'i Green Growth, HTA staff is in discussions regarding the current year contract to support the convening of a diverse group of stakeholders toward this goal and others. HTA staff is also considering a comprehensive survey of the visitor industry's efforts to "green" itself.

C. Safety and Security – September Update

Visitor Assistance Program (VAP)

HTA currently has four contracts, one in each county, to provide funding support for the visitor assistance program. These contracts are:

- **CON 17031** – Visitor Aloha Society of Hawai'i (O'ahu) with total funding of \$368,000 and a contract expiration date of 4/1/2020. A total of \$240,000.00 has been invoiced and paid, which leaves a remainder of \$128,000.00 of the total funding.
- **CON 17032** – VASHI – Island of Hawai'i VAP with total funding of \$168,000 and a contract expiration date of 4/1/2020. A total of \$122,000.00 has been invoiced and paid, which leaves a remainder of \$46,000.00 of the total funding.
- **CON 17034** – MVCB – Maui VAP with total funding of \$46,000 and a contract expiration date of 4/1/2020. A total of \$33,000.00 has been invoiced and paid, which leaves a remainder of \$13,000.00 of the total funding.
- **CON 17033** – VASK – Kaua'i VAP with total funding of \$53,000 and a contract expiration date of 4/1/2020. A total of \$40,000.00 has been invoiced and paid, which leaves a remainder of \$13,000.00 of the total funding.

During the month of September:

- Maui County's program handled 16 cases and helped 30 visitors (year-to-date: 173 cases/393 visitors).
- Hawai'i County's program handled 63 cases and provided assistance to 82 visitors (year-to-date: 321 cases/655 visitors).
- City and County of Honolulu's program VASH handled 62 cases and helped 168 visitors (year-to-date: 591 cases/1,341 visitors).
- Kaua'i County's program handled 1 case and provided assistance to 1 visitor (year-to-date: 45 cases/136 visitors).

Lifeguard Support Program

HTA has agreements in place with the four counties to provide each with funding of \$125,000 based on a one-for-one match for the purpose of purchasing ocean safety equipment. The agreements for all four counties have been fully executed and the program is underway. All counties have communicated that they will be submitting invoices within the next 30 days. The Kaua'i Lifeguard Association has been paid \$112,500.00 out of the \$125,000.00 total funding and the City and County of Honolulu has also been paid \$112,500.00 out of the \$125,000.00 total funding.

Waikiki Camera Program

MOA 19010, which provides the City and County of Honolulu with \$300,000 in funding to purchase security cameras in Waikiki, has been executed and is set to expire on 12/31/2019. HTA received the first invoice with amount \$270,000.00 during the week of August 5, which was then sent to DAGS for processing and payment.

Ocean Safety Advertising Campaign

HTA, through its contracts with SKYHI MEDIA (CON 18176 S1 - \$108,376.92) and Pacific Media Group (CON 18189 S2 - \$143,006.60), is supporting the displaying of ocean safety videos at airports throughout Hawai'i. These videos run primarily in the baggage claim areas during normal airport operating hours. The agreements have been extended to continue showing these videos in FY2020 and both contracts will expire on 6/30/2020. Payments for both contracts have been made up to September 2019.

Snorkel Safety Study

HTA has executed a contract (CON 19171) with the Hawaiian Lifeguard Association (HLA) for \$131,000 to conduct a snorkel safety study with an expiration date of 6/30/2021. The purpose of this two-year study is to formally assess the causes and risk factors in snorkel-related fatalities and near fatal drownings. HLA will collect and analyze data, conduct scientific research, conduct surveys and interviews, and will consult with experts in the appropriate fields. The State of Hawai'i Department of Health and the City and County of Honolulu lifeguards are collaborating on the study. HLA has collected information on the cases of snorkeling-related accidents. The first of three payments were issued to the contractor and the second invoice payment request has been received and processed in September in accordance with the terms of the contract.

Hā'ena Emergency Support

MOAs have been executed with DLNR for \$54,860 and with the Kaua'i Police Department (KPD) for \$41,140 providing officers to support the enforcement of the "no parking" zone along a two-mile stretch of Kūhiō Highway. KPD has been submitting requests for reimbursement. DLNR has not submitted requests for reimbursement to date.

D. Community Enrichment Program (CEP) – September Update

2020 Programs

The 2020 Community Enrichment program awardees were notified of their selection. There were 95 projects awarded statewide totaling \$2,649,700. HTA staff has sent 50 of 92 contracts to the 2020 CEP organizations who were awarded funding. Below is a breakdown of the 2020 CEP projects by island and a listing of the projects being funded:

Island	No.	Amount
Kaua'i	22	\$ 536,300
O'ahu	25	\$ 658,000
Moloka'i	3	\$ 65,000
Lāna'i	2	\$ 39,000
Maui	16	\$ 374,500
Hawai'i	18	\$ 396,900
Statewide	9	\$ 580,000
TOTAL:	95	\$2,649,700

Statewide

- Hawai'i Food & Wine Festival
- 40th Annual Hawai'i International Film Festival
- Moloka'i 2 O'ahu Paddleboard World Championship
- Kanu Hawai'i – Volunteer Week Hawai'i
- Japanese Cultural Center of Hawai'i – Statewide Japanese Cultural Exchange
- Honolulu Theatre for Youth – The Royal School / Ke Kula Keiki Ali'i
- Kumu Kahua Theatre – 49th & 50th Season Contemporary Hawai'i Plays
- Hawaiian Mission Houses – Traveling History Theatre
- Nā'ālehu Theatre – Hawaiian Music Masters Community Reinvestment, including Youth Outreach
- Music Instruction (Waimānalo and Kailua-Kona), Gabby Pahinui Waimānalo Kanikapila, Live from Waimānalo, and He Huakai E Pana Na I Ke Ea (Kailua-Kona), along with the Aloha Shirt Festival

O'ahu

- 26th Annual Honolulu Festival
- Pan-Pacific Festival
- 38th Annual Hawaiian Slack Key Guitar Festival "Waikīkī Style"
- 38th Annual Okinawan Festival
- 50th Annual 'Ukulele Festival Hawai'i
- Mango Jam Honolulu
- Parade of Farms
- 18th Annual Waikīkī SPAM JAM®
- 28th Annual Filipino Fiesta
- POW! WOW! Hawai'i
- Hawai'i Polo Life Summer Invitational
- Hale'iwa Interpretative Signage Project and Walking Tour Map
- Hawai'i Book, Arts, & Music Festival
- Hawai'i Gay Flag Football League – Gay Bowl XX

- Honolulu Rainbow Film Festival
- Pu'uhonua Society – CONTACT 2020
- Hawai'i's Woodshow: Na Lā'au o Hawai'i
- Hawaiian Makahiki Series
- Wai'anae Economic Development Council – 'Āina Momona
- Waikalua Fishpond Cultural & Music Festival
- Hawai'i Scottish Festival and Highland Games
- VegFest O'ahu
- Pearl Harbor Aviation Museum – "You Are Here" Pavilion/Exhibit Project
- Waikīkī Aquarium – Ho'ike'ike Pili Kai
- Hawai'i Symphony Orchestra – Symphony Experience – New Year Celebration

Island of Hawai'i

- 50th Annual Kona Coffee Cultural Festival
- Kahilu Theatre 2020 Season
- Ka'ū Coffee Festival
- Hawai'i Performing Arts Festival 2020 Season
- HawaiiCon
- Hawai'i Kuauli Pacific and Asia Cultural Festival
- 5th Annual Hawai'i Island Festival of Birds
- Hawai'i Institute of Pacific Agriculture – North Kohala Farm Tours & Tastings
- Big Island Chocolate Festival
- Pōhāhā I Ka Lani – Mahina 'Ai
- Volcano's 'Ōhi'a Lehua Half Marathon, 5K and Keiki Dash
- Kona Historical Society – Hanohano 'O Kona: Wahi Pana Lecture Series
- XTERRA Hawai'i Island Off-Road Triathlon
- 100% Pure Kona Coffee Marathon & Half Marathon
- Legacy Reef Foundation – Coral Education Center
- 24th Annual Hawaiian Slack Key Guitar Festival "Kona Style"
- Hāmākua Harvest Farm Festival
- 2nd Annual Experience Volcano Festival

Kaua'i

- Waimea Town Celebration: Heritage of Aloha 2020
- Kōloa Plantation Days Festival
- 28th Annual Hawaiian Slack Key Guitar Festival "Kaua'i Style"
- E Kanikapila Kakou 2020 – "Mele, Hula & Mo'olelo"
- 12th Annual Kaua'i Marathon and Half Marathon
- Lawai International Center – Cultural Awareness Events
- Kaua'i Matsuri Festival
- Heiva I Kaua'i
- Po'ipū Food & Wine Festival
- Kaua'i Chocolate & Coffee Festival
- Kaua'i Okinawan Festival
- Kaua'i Museum Association – 40th Annual Irmalee and Walter Pomroy May Day Lei Contest
- 4th Annual Kaua'i Old Time Gathering
- Po'ipū Beach Foundation – New Year's Eve Celebration at Po'ipū Beach Park
- 2nd Annual Garden Island Boogie Board Classic
- Equine Therapy, Inc.

- ‘Ahaui Kīwila Hawai‘i O Mo‘ikeha – Ka Moku O Manokalanipō Pā‘ani Makahiki and May Day by the Bay
- He Ino No Kaumuali‘i – Makana Poinaole
- Kaua‘i Museum Cultural Exhibit
- Storybook Theatre of Hawaii – Princess Ka‘iulani Keiki Hula & Story Fest

Maui

- 20th Anniversary Maui Matsuri – A Japanese Festival
- Maui Film Festival
- Maui Nui Botanical Gardens – Lā ‘Ulu – Breadfruit Day
- 29th Annual Hawaiian Slack Key Guitar Festival "Maui Style"
- Maui Marathon
- Maui Arts & Cultural Center – Visual Arts Exhibition Program and Maui ‘Ukulele Festival
- Hui No‘eau – Hui Holidays
- 40th Annual Maui Whale Festival
- Maui Pops Orchestra 2020 Concerts
- Jazz Maui 5th Annual East Meets West Festival
- Maui Classical Music Festival
- Hāna Arts Presents! – A Workshops & Events Program in East Maui
- Maui Sunday Market
- 12th Annual Paddle for Life – Voyage to Lāna‘i
- Maui Bicycling League – Exploring Maui's Greenways and Bike Paths

Moloka‘i

- Moloka‘i Canoe Festivals Presents – Kulaia Ho‘olaule‘a
- Moloka‘i Holokai Ho‘olaule‘a
- Moloka‘i Agricultural Festival

Lāna‘i

- Lāna‘i Community Association – Annual Tree Lighting Festival
- Lāna‘i Culture & Heritage Center – Lāna‘i Guide App

Existing Contracts (2019)

HTA staff continues to evaluate final reports from contractors who have finished their events for 2019 and work on the closing of these contract files. The 2019 CEP program includes 71 awardees statewide with total funding of more than \$1.2 million allocated. For a listing of 2019 CEP awardees visit: <https://www.hawaiiourismauthority.org/what-we-do/hta-programs/community-enrichment-programs/>.

October Events

Event Name	Organization	Island(s)	Start Date	End Date
‘Emalani Festival - Eo e ‘Emalani I Alaka‘i	Hui o Laka dba Kōke‘e Natural History Museum	Kaua‘i	10/12/2019	10/12/2019
Maui Marathon & Half Marathon	Valley Isle Road Runners, Inc. dba Valley Isle Road Runners	Maui	10/13/2019	10/13/2019

Kaua'i Chocolate & Coffee Festival 2019	Hanapēpē Economic Alliance	Kaua'i	10/18/2019	10/19/2019
HONOLULU PRIDE Parade, Festival and LGBT Youth Education	Hawai'i LGBT Legacy Foundation	O'ahu	10/19/2019	10/19/2019
Hawai'i's Woodshow, Na Lā'au o Hawai'i 2019	Hawai'i Forest Industry Association	O'ahu	10/20/2019	10/27/2019

CEP Year-Round Projects

Event Name	Organization	Island(s)
Hāna Arts Presents! - A Workshops & Events Program for East Maui	Hāna Arts	Maui
Visual Arts Exhibition Program 2019	Maui Arts & Cultural Center	Maui
History Theatre	The Hawaiian Mission Children's Society dba Hawaiian Mission Houses Historic Site and Archives	Maui, Kaua'i, Hawai'i
Market of Possibilities	AccesSurf Hawai'i Inc.	O'ahu
Kahilu Theatre 2019 Season	The Kahilu Theatre Foundation dba The Kahilu Theatre	Hawai'i
travel2change	travel2change	All islands
Volcano Art Center's Hula Arts at Niaulani	Volcano Art Center	Hawai'i
Hui No'eau Art Exhibitions 2019	Hui No'eau dba Hui No'eau Visual Arts Center	Maui
Hands on History at the Kona Coffee Living History Farm	Kona Historical Society	Hawai'i
Creating Unforgettable Experiences on Remote Beaches of Hawai'i	Sustainable Coastlines Hawai'i	O'ahu
Ho'omau Ka Hana No'eau o Waipi'o	Pohaha I Ka Lani	Hawai'i
Biki Bike Audio Tours	Bikeshare Hawai'i	O'ahu
Cultural Awareness Events 2019	'Ahā Hui E Kālā dba Lāwa'i International Center	Kaua'i
Hololea Visitor Tour Program	Mālama Loko Ea Foundation	O'ahu
North South East West Festival 2019	Ebb & Flow Arts	Hawai'i, Maui, O'ahu
Exploring Maui's Greenways, Bike and Walking Paths	Hawai'i Bicycling League	Maui
'Ohina Short Film Showcase	'Ohina LLC	O'ahu, Maui, Hawai'i Island

Anaina Hou Community Park Enrichment Programming 2019	Anaina Hou Community Park	Kaua'i
Hawaiian Cultural Events and Kaua'i Mokihana Festival 2019	Malie Foundation	Kaua'i
Maui Pops Orchestra 2019 Concerts	Maui Pops Orchestra, Inc.	Maui
The New Year's 'Ohana Festival / Shichi Go San: Keiki Kimono Dressing	Japanese Cultural Center of Hawai'i	O'ahu

Major Festivals/Events

October Events

Event Name	Organization	Island(s)	Start Date	End Date
Hawai'i Food & Wine Festival		Hawai'i, Maui, & O'ahu	10/5/2019	10/27/2019

November Events

Event Name	Organization	Island(s)	Start Date	End Date
Kona Coffee Festival		Hawai'i	11/1/2019	11/10/2019
Hawai'i International Film Festival		Oahu Maui, Kauai, Hawaii Island	11/7/2019 11/21/19	11/17/2019 11/24/19

E. Ho'okaulike – September Update

Honolulu Parks Security Cameras - MOA 19194

HTA partnered with the City and County of Honolulu's Department of Parks and Recreation to provide funding of \$204,000 for the installation of 192 surveillance cameras in 13 parks. The MOA has been fully executed, and the work is underway. HTA received and processed the first invoice on September 9, 2019 for \$183,600.00 as per the agreement. Parks and Recreation will provide updates as they move forward.

Kaua'i Safety Signage

MOA 18196 (Supplemental 1) with Kaua'i County was extended through October 31, 2019, due to the delay in approval of placement locations, regulatory approvals, and signage materials. HTA has communicated regularly with Kaua'i County on this project and they have stated that most of the signs should be installed by the end of October. The first payment was made in the amount of \$72,500. Funding for this project will expire as of December 31, 2019.

Hawai'i Island Safety Signage

MOA 18194 (Supplemental 1) with the County of Hawai'i has been extended through October 31, 2019, to ensure the work is completed on time. The first payment was made in the amount of \$72,500. The second progress report and invoice was submitted and HTA has processed the payment in the amount of \$50,750.00. Funding for this project will expire as of December 31, 2019.

Hawai'i Island Strategic Plan

MOA 19157 with the County of Hawai'i (\$35,000) was executed to assist in the update of the Hawai'i Island Tourism Strategic Plan (2001-2015). HTA has been working closely with County staff to receive updates on the status of this project. A request to extend the MOA to June 30, 2020 was received and is currently in process.

Maui Coral Reef Signage

CON 19169 has been fully executed with the Maui Marine Resource Council for \$47,144 and is set to expire on 12/31/2019. The contractor has been working to replace existing signs and create new signs related to the coral reef on Maui. The sign design is being reviewed by the Maui Visitors and Convention Bureau (MVCB) for final approval. Once reviewed and approved by MVCB, they will send it to HTA for final approval. It is estimated that printing and shipping will take 4-6 weeks once finalized.

Additionally, the contractor is working with the County on acquiring the necessary permits, including an SMA assessment (possibly a minor SMA permit) and obtaining right of entry to the County park sites, which is contingent on approval of the SMA permit. The contractor is hopeful that the permitting process will be expeditious, and that they should be able to install the signs before the end of the grant period (12/31). The contractor requested an extension of six additional months (6/30/20) due to the additional time required to work through the County process.

III. KNOWLEDGE AND COLLABORATION

A. Communication and Outreach: September 2019

News Releases/Reports Issued

- News Release: HTA Awards Funding to Support Community Events and Programs (Sept. 5)
- News Release: HTA Rolls Out a Campaign to Educate Visitors (Sept. 9)
- Report: August Hawai'i Hotel Performance Report (Sept. 19)
- News Release with Hawaiian Airlines: Teenage Eco-Ambassadors Clean Up Plastic Trash from Hawai'i's Shoreline (Sept. 20)
- News Release: HTA Awards Funding to Support Natural Resources Programs (Sept. 23)
- News Release: Hawai'i Visitor Statistics Released for August 2019 (Sept. 26)

Media Relations

- **Media Interviews:** Coordinated and/or assisted with the following interviews:

- KHON: Caroline Anderson (CA) and John Hart (Nā'ālehu Theatre) live interview on the KHON2 News on KHII at 7pm regarding the Community Enrichment Program awardees. (Sept. 6)
- Hawai'i Public Radio: Jay Talwar (JT) of HVCB interview with digital producer Casey Harlow regarding the Kuleana Campaign videos. (Sept. 9)
- Travel Weekly: JT interview with writer Tovin Lapan regarding the Kuleana Campaign videos. (Sept. 9)
- KHON: JT interview with reporter Kimberlee Speakman regarding the Kuleana Campaign videos. (Sept. 9)
- Hawai'i News Now: Chris Tatum (CT) interview with reporter Ashley Nagaoka regarding HTA funding events leading to the University of Hawai'i vs. University of Washington game. (Sept. 10)
- KHON: JT interview on Take2 regarding the Kuleana Campaign. (Sept. 17)
- KHON: Kalani Ka'anā'anā (KK) and Rebecca Mattos (Sustainable Coastlines Hawai'i) interview on the KHON2 News on KHII at 7pm to talk about the Aloha 'Āina program. (Sept. 26)
- Hawai'i News Now: Responded to request from producer Josh Benton for an interview with CT on Sunrise ahead of the Clippers game. CT interview scheduled for October 3. (Sept. 30)
- **Publicity Support: Provided the following information and/or assistance:**
 - The Washington Post: Responded to reporter Andrea Sachs who wanted more information about tourism management. Provided her with information about HTA's shift in priorities. (Sept. 3)
 - KITV: Responded to request from Island Life host Taizo Braden for information about events HTA is sponsoring before the UH vs. UW game. (Sept. 4)
 - KITV: Responded to information request from reporter Paul Drewes for a follow-up story regarding Bill 89. Suggested he call a realtor to find out if new listings are up, and to contact major hotel chains like Aston. Per Jennifer Chun (JC), HTA does not have the data yet for August, and typically August is a high month for tourism. (Sept. 4)
 - Lanai96763.com: Sent email asking them to spread the word about the upcoming Lanai AVPFirst clinics. (Sept. 5)
 - Hawai'i News Now: Reached out to business reporter Howard Dicus to inquire about the source of his August visitor arrival statistics. (Sept. 5)
 - Resent press release announcing HTA's 2020 Community Enrichment program recipients to the Honolulu Star-Advertiser, Maui Now, KHON, The Garden Island, and Cindy McMillan of Governor Ige's office with a personal message. (Sept. 5)

- KHON: Responded to request from reporter Kimberlee Speakman for information on the latest tourism numbers and how HTA is helping to increase safety. Provided links to HTA's website - research and news sections, and an excerpt from the CEO report regarding safety and security. (Sept. 6)
- Hawai'i Magazine: Responded to request for an interview from editor Catherine Toth regarding the Kuleana Campaign. Forwarded to John Monahan, Jay Talwar and Darlene Morikawa of HVCB. She also requested to put the videos on Hawai'i Magazine's Facebook page. (Sept. 9)
- West Hawai'i Today: Responded to request from associate editor Chelsea Jensen regarding HTA's Hawai'i Hotel Performance Report. Provided her the link to HTA's Infrastructure Research page. (Sept. 9)
- Hawai'i Public Radio: Responded to request for information from host Catherine Cruz regarding HTA's survey on airplanes. Referred her to JC. (Sept. 9)
- The Washington Post: Responded to request for more information from reporter Andrea Sachs regarding how HTA is helping to enhance the visitor experience. (Sept. 10)
- Summit Media Hawai'i: Responded to president Andrew Rosen's request to use the Kuleana Campaign videos on their digital site. (Sept. 10)
- Big Island Now: Sent reminder about the AVPFirst clinics in Hilo. (Sept. 11)
- Hawai'i Tribune-Herald: Sent reminder about the AVPFirst clinics in Hilo. (Sept. 11)
- Honolulu Star-Advertiser: Responded to request from sports reporter Ferd Lewis for information on HTA-funded events leading up to the UH vs. UW game. Marisa Yamane (MY) spoke with him. (Sept. 12)
- Honolulu Civil Beat: Responded to request for information from reporter Stewart Yerton regarding the Kuleana videos. Referred him to Darlene Morikawa and Jay Talwar of HVCB. (Sept. 13)
- Los Angeles Times: Responded to request by reporter Hugo Martin regarding Mexico closing its tourism bureau, as he wondered if Hawai'i will court those mainland travelers to visit the Hawaiian Islands instead. Referred him to HVCB. (Sept. 18)
- KITV: Responded to request from reporter Annalisa Burgos regarding potential effects of Bill 89. Declined to comment since HTA doesn't forecast or speculate about impacts. (Sept. 20)
- Honolulu Civil Beat: Responded to request from reporter Stewart Yerton for HTA comment on University of Hawai'i Economic Research Organization's (UHERO) outlook regarding impacts on O'ahu's ban on short-term rentals. Declined to comment since HTA doesn't forecast or speculate about impacts. (Sept. 20)
- Hawai'i News Now: Responded to request for information regarding Thomas Cook travel group suddenly shutting down and the effect, if any, it's having in Hawai'i. Told him it's too early to tell. Also provided a link to information on monthly and annual United

- Kingdom visitors to Hawai'i, but emphasized that it's unclear how many or if any used the company, and that Thomas Cook operated in 16 countries. (Sept. 23)
- KHON: Reached out to producer Tina DeMello offering a live interview on the KHON2 News on KHII at 7pm regarding the Aloha 'Āina awardees. (Sept. 24)
 - Honolulu Civil Beat: Sent reporter Stewart Yerton information on HTA's new priorities, measures of success and four pillars. (Sept. 24)
 - Resent Maui Now, Honolulu Star-Advertiser, and The Maui News the Aloha 'Āina press release. (Sept. 24)
 - KHON: Responded to request for information by Take2 producer Kristy Tamashiro regarding the Clippers community events. Advised her they haven't been finalized yet and we'll keep her posted. (Sept. 25)
 - KHON: Responded to reporter Sara Mattison for information regarding visitor statistics, and in response to DFS laying off 165 workers. Suggested she contact Tina Yamaki of Retail Merchants of Hawai'i for an interview. (Sept. 26)
 - West Hawai'i Today: Responded to request for additional information from reporter Elizabeth Pitts on why visitor spending is not up. Told her that HTA releases all of its information on visitor spending in its press release. (Sept. 26)
 - KHON: Responded to FOIA request from sports director Rob DeMello for a copy of the Rams and AVP contracts. (Sept. 27)
 - Pacific Business News: Responded to request for information on visitor statistics from reporter Megan Fernandes. Forwarded her the August visitor statistics press release. (Sept. 27)
 - Hawai'i News Now: Connected Clippers PR Joe Quinn with producer Josh Benton. (Sept. 30)
 - KHON: Connected Clippers PR Joe Quinn with producer Kristy Tamashiro. (Sept. 30)
 - PBS Hawai'i: Contacted Joy Chong-Stannard to decline opportunity for Keith Regan or another HTA representative to be on Insights on PBS Hawai'i. (Sept. 30)

Community Initiatives and Public Outreach

- O'ahu Visitors Bureau: Responded to request for talking points on Bill 89, overtourism and Maunakea for upcoming media blitz. (Sept. 4)
- AVPFirst Clinics
 - Representative Belatti: Sent an email about the AVP Hawai'i Open and photos from the AVPFirst clinic in Honolulu to share in a future newsletter or other correspondence to her constituents. (Aug. 29)

- Representative Kobayashi: Sent an email about the AVP Hawai'i Open and photos from the AVPFirst clinic in Honolulu to share in a future newsletter or other correspondence to his constituents. (Aug. 29)
- Representative Nishimoto: Sent an email about the AVP Hawai'i Open and photos from the AVPFirst clinic in Honolulu to share in a future newsletter or other correspondence to his constituents. (Aug. 29)
- Representative Saiki: Sent an email about the AVP Hawai'i Open and photos from the AVPFirst clinic in Honolulu to share in a future newsletter or other correspondence to his constituents. (Aug. 29)
- Senator Moriwaki: Sent an email about the AVP Hawai'i Open and photos from the AVPFirst clinic in Honolulu to share in a future newsletter or other correspondence to her constituents. (Aug. 29)
- Senator Taniguchi: Sent an email about the AVP Hawai'i Open and photos from the AVPFirst clinic in Honolulu to share in a future newsletter or other correspondence to his constituents. (Aug. 29)
- Senator Favella: Sent an email about the AVP Hawai'i Open and photos from the AVPFirst clinic in Ewa Beach to share in a future newsletter or other correspondence to his constituents. (Sept. 3)
- Senator Gabbard: Sent an email about the AVP Hawai'i Open and photos from the AVPFirst clinic in Ewa Beach to share in a future newsletter or other correspondence to his constituents. (Sept. 3)
- Senator Gates: Sent an email about the AVP Hawai'i Open and photos from the AVPFirst clinic in Wai'anae to share in a future newsletter or other correspondence to his constituents. (Sept. 3)
- Senator Shimabukuro: Sent an email about the AVP Hawai'i Open and photos from the AVPFirst clinic in Wai'anae to share in a future newsletter or other correspondence to her constituents. (Sept. 3)
- Senator Thielen: Sent an email about the AVP Hawai'i Open and photos from the AVPFirst clinic in Kailua to share in a future newsletter or other correspondence to her constituents. (Sept. 3)
- Representative Cabanilla: Sent an email about the AVP Hawai'i Open and photos from the AVPFirst clinic in Ewa Beach to share in a future newsletter or other correspondence to her constituents. (Sept. 3)
- Representative Eli: Sent an email about the AVP Hawai'i Open and photos from the AVPFirst clinic in Ewa Beach to share in a future newsletter or other correspondence to her constituents. (Sept. 3)

- Representative Lee: Sent an email about the AVP Hawai'i Open and photos from the AVPFirst clinic in Kailua to share in a future newsletter or other correspondence to his constituents. (Sept. 3)
- Representative Thielen: Sent an email about the AVP Hawai'i Open and photos from the AVPFirst clinic in Kailua to share in a future newsletter or other correspondence to her constituents. (Sept. 3)
- Representative Lynn DeCoite: Sent e-mail to see if she has reached out to her constituents to remind them about the upcoming Lāna'i AVPFirst clinics. (Sept. 5)
- Representative Richard Onishi: Sent a reminder about the AVPFirst clinics in Hilo. (Sept. 11)
- Representative Lynn DeCoite: Sent an e-mail thanking her for reminding people on Lāna'i about the AVPFirst clinics, which were a success. Asked her to share the photos. (Sept. 12)
- Hawai'i Lodging and Tourism Association (HLTA): Sent Edgar Palafox photos and links to photos of the AVPFirst clinics and Los Angeles Rams game. (Sept 23)
- I Love Kailua Town Party: Responded to request for funding from president Diane Harding. Told her about CEP. (Sept. 6)
- Kuleana Campaign Videos
 - Turtle Bay Resort: Responded to director of marketing communications Laura Purdy's request to use the Kuleana Campaign videos in their guest rooms. (Sept. 9)
 - City and County of Honolulu: Responded to request from social media specialist Michael Colon in Mayor Caldwell's office to use the Kuleana videos on the Mayor's social media. (Sept. 10)
 - Airbnb: Responded to request from PR representative Shane Peters to share the Kuleana videos with their guests and hosts. Connected Shane with HVCB. (Sept. 19)
 - Holiday Inn Express Waikiki: Responded to request from reservations manager and cultural advisor Chelsie Castillo to play the Kuleana videos in their guest rooms and public areas. Connected her with HVCB for technical information. (Sept. 16)
- Professional Tour Guide Certificate and Customer Service in Hawai'i Certificate classes at Kapi'olani Community College: Drafted and distributed e-blast regarding registration on Constant Contact. (Sept. 10)
- Database List Management: Created separate Constant Contact lists for each of the four County Councils, as well as the state legislators (House of Representatives and Senate). (Sept. 10)
- Spoke with Michael Kitchens, who's helping to build a race track in Campbell Industrial Park, and its connection to tourism. (Sept. 11)

- Responded to request from travel consultant Theresa Fowler-Wallace of Detroit who asked for free passes and discounts to activities in Kona. Referred her to HVCB. (Sept. 18)
- Kaua'i Visitors Bureau: Provided executive director Sue Kanoho with talking points for World Tourism Day regarding how tourism dollars are helping Kaua'i programs. (Sept. 19)
- Carnival Cruise Line: Responded to request from manager of entertainment experience Alex Crow for possible entertainment when the cruise ship docks in Hilo at the end of September. Referred him to Ross Birch of IHVB. (Sept. 23)
- Sea Cleaners Project: Sent emails to Senator Kanuha and Representatives Richard Creagan and Ruderman about the project so they can use photos and information in their newsletters. (Sept. 23)
- Helped to edit press release with HLTA: Hawai'i Visitor Industry Provides Seed Funding to IHS to Launch Waikiki SMART Program. (Sept. 23)
- U.S. Travel Association REAL ID Webinar: Drafted and distributed e-blast on Constant Contact regarding free webinar. (Sept. 23)
- Department of Agriculture: Responded to request for information or guidance on how to educate hotel guests about Hawai'i's pet quarantine law, especially for service animals. Referred to HLTA. (Sept. 24)
- Hawai'i Agriculture Conference:
 - Created and distributed e-blast using conference flyer on Constant Contact. (Sept. 16)
 - Responded to conference PR Jennifer Armstrong about ideas for stories on agritourism. (Sept. 25)
- Responded to request for rental car statistics from Raniele Reyes of Representative Sharon Har's office. Connected him with JC. (Sept. 26)
- 2020 Pan-Pacific Festival: Drafted CT welcome letter. (Sept. 30)
- Los Angeles Clippers Partnership: Reviewed and provided edits to the Clippers' media advisory, "Clippers to Open Newly Renovated Computer Lab at a Honolulu Middle School and Host Youth Clinics at the University of Hawai'i at Mānoa." (Sept. 30)

Social Media Posts on HTA's Facebook Page

- September 1: Post sharing AVPFist's youth beach volleyball clinic at the Hale Pono Boys & Girls Club in 'Ewa Beach. **Total Reach 509 | Total Reactions 15**
- September 2: Post on the 3rd annual La 'Ulu Breadfruit Day at Maui Nui Botanical Gardens. **Total Reach 838 | Total Reactions 61**
- September 4: Post sharing Aloha Festivals' *In the Southern Sun* event. **Total Reach 268 | Total Reactions 3**
- September 5: Post on HTA's Community Enrichment Program and the awardees for 2020. **Total Reach 746 | Total Reactions 66**

- September 5: Post on HTA hiring for two positions – Finance Assistant and Administrative Assistant. **Total Reach 3,023 | Total Reactions 268**
- September 5: Post sharing registration information for Na Wahine O Ke Kai's 41st race. **Total Reach 271 | Total Reactions 8**
- September 5: Post on the Professional Tour Guide Certificate and Customer Service in Hawai'i Certificate classes at Kapi'olani Community College. **Total Reach 693 | Total Reactions 80**
- September 9: Post on Sunset on the Beach. **Total Reach 1,444 | Total Reactions 182**
- September 10: Post sharing KHON's story about HTA's Kuleana Campaign. **Total Reach 434 | Total Reactions 23**
- September 10: Post sharing Hawai'i News Now's story about HTA's Kuleana Campaign. **Total Reach 563 | Total Reactions 32**
- September 10: Post sharing KITV's story about HTA's Kuleana Campaign. **Total Reach 392 | Total Reactions 25**
- September 10: Post sharing Hawai'i News Now's story about the 'Bows heading to Seattle with funding boost from HTA. **Total Reach 690 | Total Reactions 35**
- September 11: Post on HTA's workshops to help people grow the success of their festival or event. **Total Reach 513 | Total Reactions 36**
- September 11: Post on the 2019 Pailolo Challenge. **Total Reach 134 | Total Reactions 6**
- September 12: Post sharing UH Athletics' post about the UH cheerleaders visiting Seattle Children's Hospital. **Total Reach 508 | Total Reactions 33**
- September 12: Post sharing AVPFirst's youth beach volleyball clinic on Lāna'i. **Total Reach 560 | Total Reactions 30**
- September 12: Video post of CT speaking on a panel on Maui about the "Paradigm Shift on Kaua'i's North Shore." **Total Reach 212 | Total Reactions 4**
- September 12: Post sharing Senator Glenn Wakai's post about helping HTA to partner with UH Athletics. **Total Reach 481 | Total Reactions 31**
- September 12: Post sharing Mayor Kirk Caldwell's post about the Kuleana Campaign. **Total Reach 175 | Total Reactions 12**
- September 13: Post on the Hawai'i Agriculture Conference and registration information. **Total Reach 321 | Total Reactions 4**
- September 13: Post on the UH and UW cheerleaders coming together to visit kids at Seattle Children's Hospital ahead of the football game. **Total Reach 1,422 | Total Reactions 209**
- September 14: Post on the UH tailgating party on the UW campus. **Total Reach 678 | Total Reactions 61**

- September 15: Post sharing Bishop Museum’s “Living Culture Presentation: Hawaiian Health and Well-Being Series.” **Total Reach 424 | Total Reactions 8**
- September 16: Post on the upcoming AVP Hawai’i Open in Waikīkī. **Total Reach 389 | Total Reactions 11**
- September 16: Post sharing The Shops at Kukui’ula ’s post about the Kuleana Campaign. **Total Reach 300 | Total Reactions 11**
- September 17: Post on the bus tour happening on the U.S. Mainland west coast to promote Hawai’i Island. **Total Reach 1,569 | Total Reactions 412**
- September 18: Post on the Aloha Festivals’ 67th Annual Waikīkī Ho’olaule’a. **Total Reach 726 | Total Reactions 37**
- September 19: Post sharing the live KHON interview featuring HVCB’s Jay Talwar regarding the Kuleana Campaign. **Total Reach 625 | Total Reactions 33**
- September 20: Post on IHVB and Hawai’i County’s Pono Pledge. **Total Reach 1,977 | Total Reactions 276**
- September 20: Post on the Sea Cleaners’ beach cleanup on Hawai’i Island ahead of International Coastal Cleanup Day. **Total Reach 378 | Total Reactions 36**
- September 20: Video post from the Sea Cleaners’ beach cleanup on Hawai’i Island, with a message of thanks to Hawai’i Tourism. **Total Reach 281 | Total Reactions 5**
- September 20: Video post sharing AVPFirst’s video recapping all the youth beach volleyball clinics they held across Hawai’i. **Total Reach 456 | Total Reactions 19**
- September 20: Post on the first day of the 2019 AVP Hawai’i Open. **Total Reach 456 | Total Reactions 19**
- September 21: Post sharing AVPFirst’s youth beach volleyball clinics in Hilo. **Total Reach 567 | Total Reactions 34**
- September 23: Post reminding people about the October 2020 deadline to get a gold star on their driver’s license for traveling as part of REAL ID. **Total Reach 1,184 | Total Reactions 79**
- September 23: Post on the 18th Annual Native Hawaiian Convention, with remarks by CT. **Total Reach 247 | Total Reactions 18**
- September 23: Post on Aloha Festivals’ 73rd Annual Floral Parade. **Total Reach 676 | Total Reactions 57**
- September 24: Post on the Big Island Invasive Species Committee and its efforts to fight the spread of Little Fire Ants. **Total Reach 517 | Total Reactions 14**
- September 26: Post on Hāna Arts’ events and workshops. **Total Reach 310 | Total Reactions 9**

- September 26: Post sharing AVP Pro Beach Volleyball Tour's post showing how clean the beach is after the AVP Hawai'i Open. **Total Reach 424 | Total Reactions 21**
- September 27: Post on HTA's Fall Tourism Update, and that registration is now open. **Total Reach 360 | Total Reactions 18**
- September 27: Post on Bishop Museum's program, "Protecting Hawai'i's Natural Resources." **Total Reach 568 | Total Reactions 33**
- September 27: Post on an HTA job opening for Contracts and Administrative Manager. **Total Reach 2,559 | Total Reactions 177**
- September 28: Post on Mālama na Honu. **Total Reach 857 | Total Reactions 55**
- September 30: Post on the Coral Reef Alliance. **Total Reach 524 | Total Reactions 28**

Social Media Posts on HTA's Instagram Page

- September 2: Post on the 3rd annual La 'Ulu Breadfruit Day at Maui Nui Botanical Gardens.
- September 9: Post on Sunset on the Beach.
- September 11: Post on HTA's workshops to help people grow the success of their festival or event.
- September 11: Post on the 2019 Pailolo Challenge.
- September 16: Post on the upcoming AVP Hawai'i Open in Waikīkī.
- September 18: Post on the Aloha Festivals' 67th Annual Waikīkī Ho'olaule'a.
- September 23: Post on Aloha Festivals' 73rd Annual Floral Parade.
- September 24: Post on the Big Island Invasive Species Committee and its efforts to fight the spread of Little Fire Ants.
- September 27: Post on Bishop Museum's program, "Protecting Hawai'i's Natural Resources."
- September 28: Post on Mālama na Honu.
- September 30: Post on the Coral Reef Alliance.

Social Media Posts on HTA's Twitter Page

- September 2: Post on the 3rd annual La 'Ulu Breadfruit Day at Maui Nui Botanical Gardens.
- September 9: Post on Sunset on the Beach.
- September 11: Post on HTA's workshops to help people grow the success of their festival or event.
- September 11: Post on the 2019 Pailolo Challenge.
- September 16: Post on the upcoming AVP Hawai'i Open in Waikīkī.

- September 18: Post on the Aloha Festivals' 67th Annual Waikīkī Ho'olaule'a.
- September 23: Post on Aloha Festivals' 73rd Annual Floral Parade.
- September 24: Post on the Big Island Invasive Species Committee and its efforts to fight the spread of Little Fire Ants.
- September 27: Post on Bishop Museum's program, "Protecting Hawai'i's Natural Resources."
- September 28: Post on Mālama na Honu.
- September 30: Post on the Coral Reef Alliance.

Communications Strategy

- Contract signed by the contractor who won the request for qualifications (RFQ no. 20-12) for producer/writer services to help create a series of video stories on Community Enrichment, Aloha 'Āina, and Kūkulu Ola programs that HTA funds. Stories will be placed on HTA's YouTube page and promoted on social media. (Sept. 18)
- Contract signed by the contractor who won the request for qualifications (RFQ no. 20-11) for videographer/editor services to help create a series of video stories on Community Enrichment, Aloha 'Āina, and Kūkulu Ola programs that HTA funds. Stories will be placed on HTA's YouTube page and promoted on social media. (Sept. 18)

HTA Initiatives

- Fall Tourism Update
 - Coordinated with HHVISA president Jerry Dolak to be a speaker at the Fall Tourism Update. (Sept. 2)
 - Reached out to Paul Ouimet to get his headshot for the registration page. (Sept. 24)
 - Drafted and distributed e-blast on Constant Contact announcing the Fall Tourism Update, and also the early bird registration rate. (Sept. 27)
 - Big Island Now: Responded to request for media credentials from editor Max Dible for the Fall Tourism Update. Connected him with Lee-Ann Choy. (Sept. 30)
- University of Hawaii vs. University of Washington Football Game
 - Councilman Ron Menor: Responded to request for tickets to HTA-sponsored events in Seattle ahead of the UH vs. UW game. Referred him to Darlene Morikawa of HVCB. (Sept. 11)
 - Helped coordinate visit by UH cheerleaders to Seattle Children's Hospital, along with Hawaiian Airlines Serenaders ahead of the game. (Sept. 13)
 - Contacted videographer Nick Stubberfield to give him guidance regarding frame rate for upcoming shoot at the Seattle UH alumni event. (Sept. 5)
 - Marisa Yamane emceed UH tailgating party ahead of the game. (Sept. 14)
- Sea Cleaners

- Marisa Yamane and Kalani Ka'anā'anā attended a beach cleanup alongside teenage eco-ambassadors from New Zealand, Australia and Japan as part of a responsible tourism project. (Sept. 20)
- Recorded quotes from Hawaiian Airlines' soundbites and b-roll for press release. (Sept. 20)
- Growing Success III Workshops
 - Drafted and distributed e-blast announcing registration details on Constant Contact. (Sept. 12)
 - Drafted and distributed reminder e-blast on Constant Contact to register. (Sept. 30)

Internal Communications

- AVP Hawai'i Open/AVPFirst Clinics
 - Updated staff, HTA board, Senator Wakai and Representative Onishi about the AVP Hawai'i Open. (Sept. 4)
 - Forwarded AVP Day 1 results to staff, HTA board, Senator Wakai and Representative Onishi. (Sept. 20)
 - Forwarded AVP Day 2 results to staff, HTA board, Senator Wakai and Representative Onishi. (Sept. 21)
 - Forwarded AVP Day 3 results to staff, HTA board, Senator Wakai and Representative Onishi. (Sept. 22)
 - AVPFirst: Emailed link to the video of the clinics to staff, HTA board, Senator Wakai and Representative Onishi. (Sept. 27)
- Sent out notice to staff, Board members, Senator Wakai and Representative Onishi about HTA's Caroline Anderson being on the KHON2 News on KHII. (Sept. 6)
- Hawai'i Convention Center: Assisted marketing manager Natalie Shiinoki with possible messaging for the media in anticipation of a protest outside of the HCC. (Sept. 11)
- Storm Watch
 - Updated staff and GMTs about Tropical Depression Twelve-E. (Starting Sept. 4)
 - Participated in daily conference calls hosted by the Hawai'i Emergency Management Agency (HI-EMA). (Starting Sept. 4)
 - Sent out weather alert to GMTs and staff about the Japan typhoon (Sept. 8)
- REAL ID webinar: Sent notes from webinar to staff, HTA board, HLTA and HVCB (Sept. 24)

2020-2025 Strategic Plan

- Drafted and distributed e-blast on Constant Contact regarding HTA extending the survey deadline for receiving input on the strategic plan. (Sept. 5)

Departmental Communications

- Uploaded photos and finished HTA's section of DBEDT annual report. (Sept. 18)
- Wrote the nominations for HTA's Procurement team and Kalani Ka'anā'anā for DBEDT and the Governor's annual awards. (Sept. 25)

International News Bureau

- Media and Public Assistance
 - Australia: Responded to request for a meeting with Griffith Business School associate professor Sarah Gardiner regarding marketing and China. Referred to Karen Hughes (KH) for a response. (Sept. 11)
 - Brazil: Responded to request from editor Bruno Rosa Rodrigues of the Viagem Sem Escalas tourism blog. Declined partnership but sent him the link to GoHawaii.com. (Sept. 11)
 - India: Responded to request from photographer Riddhi Debh for free lodging. Declined offer but sent him the link to GoHawaii.com. (Sept. 18)
 - Netherlands: Responded to request to meet for a sales pitch for a mobile app for Japan from Appury founder Nate Kawasaki. Declined offer. (Sept. 19)
 - China: Responded to request from Jing Travel's director of Chinese culture content Diana Cerqueria for information on Hawai'i events and travel. Referred her to GoHawaii.com and HTA's news releases page. (Sept. 24)
 - Italy: Provided Meridiani magazine editor Emanuele Bompan with O'ahu suggestions for upcoming short story on the best places to get poke. Also referred him to Hawaiian tattoo artist Keone Nunes regarding his inquiry about tattoo parlors in Hawai'i. (Sept. 20)
 - Italy: Provided Meridiani magazine and Elle magazine Italia contributor Marta Ghelma with contact information for O'ahu, Maui and Hawai'i Island accommodations, Hawaiian tattoo artists, tours along the Road to Hāna, and Kona coffee. Also provided the link to GoHawaii.com. (Sept. 19) In addition, provided contact information for Kahua Ranch tour operators and Parker Ranch's self-guided tours of its historic homes, for upcoming trip and coverage. (Sept. 30)

B. Research and Planning

The Tourism Research Division (TRD) issued the August 2019 monthly visitor statistics on September 26, 2019, including monthly arrivals by country, category expenditures for major markets, and monthly visitor characteristics for each major market area.

TRD posted the Airline Seat Capacity Q4 2019 report and Seat Outlook data tables for October 2019 through December 2019 to the Infrastructure Research Section of the HTA website.

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

TRD issued the August Hawai'i Hotel Performance Report on September 18, 2019. The report and related August 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.

Jennifer Chun and Chael Kekona presented to University of Hawai'i West O'ahu BUSA 482 Executive Lecture Series class on September 3, 2019.

Jennifer Chun emceed Pacific Asia Travel Association Hawai'i Chapter's 2019 Airports Updated event on September 5, 2019.

Jennifer Chun met with the University of Hawai'i TIM School TIM 601 Research Applications in Travel Industry Management class on September 13, 2019 and the 2019 STR Student Market Study Competition Undergraduate team on September 20, 2019.

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 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
- Island of Hawai'i visitor spending and arrival data 2017-June 2019 for AFAR Magazine.
- 2019 updated cruise estimates, for DBEDT.
- 2016 visitor participation in golf by travel companion by island for HVCB.

Update of the 2020 Tourism Strategic Plan

HTA staff finalized the second draft of the plan's strategic goals and choices, and the four pillars (Brand Marketing, Community, Hawaiian Culture, and Natural Resources), as a result of the stakeholder interview feedback. The Strategic Planning Investigative Committee (SPICOM) met on October 14 to review the feedback from the stakeholder interviews and second draft of the sections noted above. SPICOM will meet on November 8 to review and discuss overall draft plan before it goes before full board for presentation in the November board meeting. The 2020-2025 Tourism Strategic Plan is scheduled to be approved by the HTA board at its December 2019 meeting.

C. Career Development

University of Hawai'i – Kapi'olani Community College

University of Hawai'i - Kapi'olani Community College and Maui College offer the Certificate for Customer Service in Hawai'i Training Program and Certification for Hawai'i's Professional Tour Guides for the Fall 2019. HTA is assisting with support of 50% of student class fees (with the employer paying the other 50%). University of Hawai'i's Kaua'i College and Hawai'i College courses were postponed to next Spring due to no enrollment and ability to find instructors respectively.

D. Educational Workshops

Growing Success III - 2019 Hawai'i Capacity Building Workshops

HTA, in partnership with the International Festivals and Events Association, conducted all-day workshops on O'ahu (October 15), Maui (October 16), Kaua'i (October 17) and Hawai'i Island (October 18). These workshops are targeted to festivals and event planners and are geared toward enhancing the success of their events/projects in the areas of revenue generation, developing successful volunteer programs, succession planning, risk management and event safety. There were 53 people who signed up on O'ahu, 34 on Maui, 40 on Kaua'i, and 54 on Hawai'i Island.

2019 Ag Conference

HTA supported Agricultural Leadership Foundation of Hawai'i's 2019 Hawai'i Agriculture Conference with \$2,500. The Conference took place on October 15-16 at the Hawai'i Convention Center. HTA also had a table at the Expo, where staff shared with the agriculture community opportunities to partner with HTA through its Community Enrichment Program, as it supports agritourism initiatives.

Ho'ola Na Pua

HTA contracted with Ho'ola Na Pua to conduct four workshops across the state of Hawai'i to train and educate the visitor industry, particularly the hotel industry, on the topic of sex trafficking. By participating in the workshop, attendees will be able to know the signs of illegal acts of trafficking so it can be appropriately identified and reported. The 2019 workshop dates are November 4 (O'ahu), November 5 (Maui), November 6 (Hawai'i Island), and November 7 (Kaua'i). Deadline to sign up is October 29.
<https://hoolanapua.org/event/safer/>

IV. STRATEGIC OVERSIGHT AND GOVERNANCE

Contracts List

A list of contracts executed in the month of September is attached.

Hawai'i Tourism United States 2019 Monthly Leisure Marketing Report – September

Market Intelligence/Market Conditions

Economy

- Sentiment in the U.S. rose more than expected this month as consumers felt more confident about current and future economic conditions, according to preliminary data by the University of Michigan.
- September consumer sentiment rose to 92 from 89.8 in August. Economists polled by Dow Jones expected sentiment to rise to 91. The economic conditions index also rose to 106.9 from 105.3.
- Real gross domestic product (GDP) increased at an annual rate of 2.0 percent in the second quarter of 2019, according to the second estimate released by the Bureau of Economic Analysis. The increase in real GDP in the second quarter reflected positive contributions from federal, state and local government spending that were partly offset by negative contributions from private inventory investment, exports, residential fixed investment, and nonresidential fixed investment.
- The Conference Board *Consumer Confidence Index*[®] declined marginally in August, following July's rebound. The Index now stands at 135.1 (1985=100), down from 135.8 in July.
- The *Present Situation Index* – based on consumers' assessment of current business and labor market conditions – increased from 170.9 to 177.2.
- The *Expectations Index* – based on consumers' short-term outlook for income, business and labor market conditions – declined from 112.4 last month to 107.0 this month, according to *Conference Board Consumer Confidence Index*[®].

Outbound Travel Market

- Southwest Vacations launched new functionality for multi-island bookings. This allows for a seamless process to add multiple Hawai'i destinations to one booking. They are in the final implementation phase and are ramping up for their growth in January 2020.

Competitive Environment

- Nassau Paradise Island tourism board wants travelers to know that, despite the high-profile *Hurricane Dorian* that barreled through the Bahamas, it is still open and ready for tourists. It released a new video and campaign, alerting people that it was unaffected by the storm. The perception of the impact may result in some book-away for the upcoming winter. Hawai'i will most likely not be a large beneficiary of this particular weather event.

Consumer Trends

- No substantial change in trends since last month.

Travel Trends

- *Travel Trends Index* (TTI) finds that travel to and within the U.S. grew 3.2 percent in July 2019 compared to July 2018, a slight rebound from June's nine-month low.
- Domestic travel, which was up 3.8 percent, improved travel's overall performance due to solid growth in both the leisure and business segments. Domestic leisure travel surpassed its six-month

average and increased by a robust 4.2 percent. Domestic business travel grew by 2.2 percent in July, recovering from its -0.2 percent decline in June.

- International inbound travel contracted once again in July, falling by 1.2 percent. The decline follows a disappointing June performance, which saw the sector's six-month trend fall below zero for the first time since September 2015.
- The predictive portions of the TTI anticipate that domestic travel will moderate and grow by 2 percent through January 2020, while international inbound travel will experience a slight decline during this timeframe, settling around -0.4 percent.

Media Trends

- *Facebook* is testing a new post type which would funnel viewers through to a private chat group on *Messenger*. The new post type would essentially enable users to promote a private *Messenger* chat group and link their connections to it.
- With the latest versions of both Android and iOS including new prompts warning users when an app is using their location data in the background, *Facebook* is anticipating a fresh round of user concerns and controversies. To get ahead of this, *Facebook* this week published a news post which explains exactly how its apps use location data, and why users should not be overly concerned with this prompt. *Facebook*, ideally, wants users to leave these tracking options on in order to gather relevant audience data points while also serving users more relevant prompts and, of course, ads.

Airlift

- The U.S. domestic carriers to Hawai'i for the months of September and October operate a slightly reduced schedule between Labor Day and the Thanksgiving holidays. U.S. non-stop seats for September are 711,805, an +3.6 percent increase over 2018. October and November are 760,879, and 759,747, respectively, a +8.5 percent and +7.7 percent increase over 2018. Much of the increase in capacity is the addition of the markets that Southwest has added as well as the addition of the Boston flight on Hawaiian.
- All U.S. domestic carriers as well as Air Canada and WestJet have extended grounding of the Boeing MAX through 2019.
- Air Canada and Southwest Airlines, which have the highest number of MAX aircrafts, have anticipated that the aircraft will be out of commission until next year, in January 2020 at the earliest.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

HTUSA is monitoring the conditions contributing to concerns over slowing growth in visitation for the rest of 2019 and into 2020. Insights from the recent TTRA Marketing Outlook Forum will be analyzed for implications for Hawai'i travel. As enforcement of O'ahu's new ban on illegal vacation rentals has begun, HTUSA will continue to monitor possible impact on overall visitation.

Leisure Activity Update

Consumer

- On-line

Digital Campaign September Estimates – Estimated Impressions Per Island

PARTNERS	Central	OVB	MVB	KVB	IHVB	LVB	DMVB
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Zefr	-	674,387	1,044,903	812,335	1,160,163	299,095	299,119
Trip Advisor	-	448,891	340,173	564,507	705,345	103,291	103,291
Programmatic	-	1,989,049	3,730,571	2,252,430	2,705,126	208,130	208,130
Search	-	6,321	14,234	15,689	13,642	6,531	6,531
Reddit	-	8,239	16,685	11,262	13,605	1,048	877
Facebook	15,695,698	605,001	969,542	726,483	2,121,581	405,383	370,458
Instagram	10,762,060	-	-	-	-	-	-
Total	26,457,758	3,731,888	6,116,108	4,382,706	6,719,462	1,023,478	988,406

- Advanced Television/Digital Video. HTUSA launched a national flight Sept. 3-Nov. 17 to reach the Avid Explorer target audience and showcase *Hawai'i Rooted* video creative, which included four 30-second brand videos (one per major island) and four 30-second co-op spots with partner ends tags for Alaska Airlines. Fall flight media partners included ROKU (the current market leader in over-the-top devices), HULU (the largest ad-supported streaming service), VideoAmp (target premium video environments) and Programmatic Video (complement direct video partners, drive efficiencies and leverage video programmatically across a variety of platforms).
- IHVB deployed Nmedia email co-op with Four Seasons Hualālai and Fairmont Orchid, Sept. 17 to San Diego/Phoenix, Sept. 18 to San Francisco/Los Angeles and Sept. 19 to Seattle/Portland. Distributions targeted subscribers 28-55 years old with a household income of \$100K+.

Travel Trade

- Paid trade media – September (2,758,966 impressions)
 - *Travel Agent Academy* (travAlliance), newsletter (Affiliate Link), 26,000 impressions, Sept.
 - *Travel Agent Academy* (travAlliance), dedicated email, 8,500 impressions, Sept. 4
 - *TravelPulse.com* (travAlliance), display, 450,000 impressions, Sept. 1-28
 - *Travel Age West Hawaii*, (Northstar), newsletter (banner), 13,000 impressions, Sept. 5
 - *TravelAge Daily Muse*, (Northstar), 300x250 banner, 40,000 impressions, Sept. 16
 - *Travel Weekly Hawaii*, (Northstar), 600x100 banner, 31,000 impressions, Sept. 5
 - *Northstar*, dedicated email, 40,000 impressions, Sept. 17
 - *Northstar*, Run of Site Display (300x600 banner), 125,000 impressions, Sept. 1-30
 - *Travel Agent University* (Questex), dedicated email, 65,000 impressions, Sept. 17
 - *Luxury Travel Advisor* (Questex), dedicated email, 2,300 impressions, Sept. 23
 - *LuxuryTraveler.com and TravelAgency.com* (Questex), Homepage takeover, 200,000 impressions, Sept. 23
 - *MiQ*, Cross-Device Display, 1,142,857 impressions, Sept.-Nov.
 - *AdAptive*, Cross-Device Display, 555,555 impressions, Sept.-Nov.
 - *Facebook*, Cross-Device paid social 59,754 impressions, September

Public Relations

- HTUSA

- HVCB provided travel assistance to *AFAR, Travel + Leisure, Condé Nast Traveler* freelance writer, Annie Daly, who visited the island of Hawai'i and O'ahu. Annie's primary objective was to include Hawai'i in her first-ever travel book that will focus on health and wellness from various perspectives around the world, as well as to pitch to her contributing publications. She sought experiences that allowed her to explore the meaning behind the *aloha* spirit and how living an *aloha* life can contribute to overall well-being. Annie connected with various cultural practitioners, Four Seasons Resort Hualālai and O'ahu's cultural programming and tours, where she experienced first-hand how *aloha* is defined through Hawaiian perspectives.
- KVB
 - Kaua'i was featured in the following media:
 - *Craveable Carolinas* (circ. 12,000). Coverage resulted from Sara Kendall's participation in the Together on Kaua'i press trip in November 2018.
 - *Travel Weekly* (459,031 uvpm; circ. 37,005). Coverage resulted from the distribution of "What's Blooming on the Garden Island" news release.
 - *USA Today* (36,989,744 uvpm; circ. 1,621,091). Coverage resulted from providing a media press kit.
 - *Wanderlustyle* (6,123 uvpm). Coverage resulted from providing Kaua'i points of interest across the island.
 - Liaised with 38 media in September.
- OVB
 - O'ahu was featured in:
 - *Thrillist* (11,511,314 uvpm). Coverage resulted from Lizbeth Scordo's individual media visit in June 2019. Her article, "Why You Shouldn't Leave Honolulu Without Visiting Chinatown," highlights Fete, Lucky Belly, The Pig & The Lady, Brick Fire Tavern, SALT at Kaka'ako, The Laylow and Surfjack Hotel & Swim Club.
 - *TripSavvy* (14,423 uvpm) Coverage was a result of an individual media visit by Taylor McIntyre in August 2019. Her article, "The Best Foodie Destinations of 2019," features Senia.
 - *Forbes* (29,788,885 uvpm). Coverage resulted from requested media assistance by Laura Manske in September 2019. Her article, "Trafalgar Travel Temptations: 100+ Ways To Fall In Love With Hawai'i," includes Outrigger, Blue Note Hawai'i, Ala Moana Center, Nu'uuanu Pali Lookout, 'Iolani Palace, Pearl Harbor, Polynesian Cultural Center and other attractions.
- MVCB
 - Maui was featured in the following publications and websites:
 - *Travel Pulse* (295,110 uvpm), "The Best Sandy Beaches on Each Hawaiian Island."
 - *Condé Nast Traveler* (2,469,300 uvpm), "A Voyage of Discovery on Lanai."
 - *Shermans Travel* (1,048,260 uvpm), "8 Ways to Indulge in Hawaii This Fall and Winter."
 - *Islands Magazine* (100,000 uvpm), "Hawaii's Best Two-Island Combos for Every Travel Style."
 - *PureWow* (631,710 uvpm), "What to Do in Hawaii: 25 Things You Must Do and See."
 - *Forbes* (142,969,500 uvpm), "100+ Ways to Fall in Love With Hawaii."
 - Distributed MVCB's bi-monthly e-newsletter, *Message from Maui Nui*. The latest Maui Nui news and events were shared with over 500 national and local media, travel agents and industry partners.
 - Liaised with 25 media in September.
- IHVB
 - The island of Hawai'i was featured in:
 - *Instinct Magazine* (1,153,596 uvpm), "Travel Thursday, Island of Hawaii Revisited," as a result of hosting JR Pratts in July 2019.

- Liaised with 19 media in September.

Sales Activities

Sales Calls

	Airline	Wholesaler/TA/TO/OTA	Other	Total
HTUSA	-	20	123	143
KVB	-	4	-	4
OVB	-	7	-	7
MVCB	-	6	-	6
IHVB	-	11	1	12

- HTUSA
 - For September, HTUSA conducted a total of 20 educational events, including 6 trade shows, and had the opportunity to meet with or present to more than 1,292 travel advisors.
 - HTUSA participated in the Cruise Planners Land Symposium, in Punta Cana, Dominican Republic, Sept. 5-8. HTUSA exhibited at the supplier trade show, conducted 13 appointments with travel advisors and facilitated a destination training in partnership with Classic Vacations.
 - The Affluent Traveler Collection's Affluent Travel Symposium was held in Dana Point, CA, Sept. 11-14. In addition to a trade show, general session presentation and 13 appointments, HTUSA and Journese co-sponsored a Hawaiian Luau for the symposium's evening reception.
 - Signature Travel Network held their annual owners' meeting in Austin, TX, Sept. 11-14, drawing 430 participants. HTUSA conducted a destination presentation, participated in 20 one-on-one appointments and attended sessions and networking events. It was announced that Maui will be the host destination for the 2021 meeting. As part of the sponsorship, HTUSA co-hosted the final dinner with Crystal Cruises and Globus Family of Brands. Hawai'i partners in attendance included Pleasant Holidays, Classic Vacations, Apple Leisure Group and Norwegian Cruises.
 - HTUSA was a sponsor for Classic Vacations' 2019 Elite Education Experience (E3) event in Cabo San Lucas, Mexico, Sept. 11-13. There were 47 pre-qualified, luxury travel advisors, 25 percent were millennials. HTUSA conducted 47 one-on-one appointments, presented a Hawaiian Islands update for all attendees and engaged in networking opportunities. Hawai'i partners in attendance included Aulani, Hyatt Hotels Hawai'i and Montage Kapalua Bay.
 - Apple Leisure Group held their Ascend Conference in Valley Forge, PA, Sept. 16-18. HTUSA conducted workshops, presented to 500 advisors and participated in the tradeshow with KVB. Hawai'i partners in attendance included Aqua-Aston, Courtyard Marriott O'ahu North Shore, Fairmont Kea Lani, Fairmont Orchid, Hawaiian Hotels & Resorts, Hilton, Marriott and Outrigger.
 - HTUSA participated in Questex's Travel Industry Exchange in New Orleans, LA, Sept. 16-18 and conducted 30 one-on-one appointments with pre-qualified travel advisors. HTUSA participated in a panel focused on Hawai'i updates with Outrigger and Albatross Golf Tours.
 - As a sponsor for Delta Vacations University, HTUSA conducted training sessions and participated in tradeshows in Detroit, MI, Sept. 21-22. Hawai'i partners in attendance included Aloha VIP, Aqua-Aston, Halekulani/Halepuna Waikiki, Holiday Inn Express Waikiki, Fairmont

Kea Lani and Fairmont Orchid, Hawaiian Hotels & Resorts, Highgate, Hilton Hotels & Resorts, Hyatt Hotels, Kā’anapali Beach Hotel, Marriott Hawai’i, Outrigger and Sheraton Kaua’i Coconut Beach Resort. This event drew 2,000 travel advisors of which 43 percent were new attendees.

- HTUSA conducted two HDS trainings for the AAA East Central branches in Allentown, PA, Sept. 25. HTUSA broadcasted the trainings via webinar for 96 advisors across Kentucky, New York, Ohio, Pennsylvania and West Virginia.
- HTUSA sponsored a Hawai’i Night with the PTANA Baltimore Chapter in Linthicum, MD, Sept. 26, and conducted destination training and a trade show. Hawai’i partners in attendance included Apple Leisure Group, Hilton, Outrigger and Pleasant Holidays.
- An estimated 491 travel advisors are anticipated to have taken one or more of the online educational modules available at *agents.gohawaii.com* for the month of September. The August monthly metrics report showed a total of 1,061 online graduates having earned either their Hawai’i Destination Specialist or Island Specialist certification.

Key Performance Indicators - Leisure Market

Consumer

Digital Campaign August Actuals – Estimated Impressions Per Island

PARTNERS	Central	OVB	MVB	KVB	IHVB	LVB	DMVB
Zefr	-	854,746	1,393,462	1,049,153	1,203,901	115,475	140,155
Trip Advisor	-	539,973	1,549	226,677	423,108	368,546	78,092
Programmatic	-	1,755,000	2,273,647	2,168,374	1,952,606	387,416	897,732
Search	-	8,545	9,247	10,484	9,260	44,860	26,854
Reddit	-	-	501,429	-	511,380	-	47,632
Facebook	10,512,842	529,360	620,978	366,015	1,357,408	259,453	236,792
Instagram	5,451,599	-	-	-	-	-	-
Total	15,964,441	3,687,624	4,800,312	3,820,703	5,457,663	1,175,750	1,427,257

Public Relations

- Month-end impressions and publicity values for articles that included Hawai’i – August Results

Impressions and Publicity Values for August

AUGUST	Impressions	Publicity Values
Print	11,153,437	\$8,052,131

Online	35,050,168,156	\$22,963,553
Broadcast	385,804,265	\$43,464,043
Total	35,447,125,858	\$74,480,043

Summary of Contributing Factors Related to Major KPI Variances

- Consumer Ad Measures
 - Digital Gross Impressions – Total Audience: Launch date for native placements was revised to accommodate adjustments to Phase I creative. With the revised launch date, Q3 and Q4 will see higher delivery than originally projected (22% over KPI target).
 - Digital Video Gross Impressions – Total Audience: Original KPIs did not include the Added Value impressions that were secured for VideoAmp since those values were not finalized at that point. It was scheduled to run during the Q3 (September) flight. Additionally, there were in-market optimizations with HULU that contributed to the heaving up of impressions during the key fall television show premieres in September. This resulted in overperforming Q3 target by 38 percent.
- Public Relations
 - No. of Media/PR Calls: The PR teams met with more media in-market during media blitzes and in Hawai'i than originally anticipated which resulted in exceeding the quarter goal by 42 percent.
 - Publicity Value: Actual publicity values across print, online and broadcast continued to far exceed KPIs (+1101%, 343% and 8016% respectively). HVCB will increase these KPIs for 2020 to more accurately reflect the level of publicity Hawai'i receives.
 - Number of Impressions/Print: Print media continued to decline as a travel messaging vehicle with fewer and fewer placement opportunities. This resulted in a -85 percent shortfall compared to quarterly KPI target. HVCB will lower this KPI for 2020 in acknowledgement of the diminishing role of print.
 - Number of Impressions/Online and Broadcast: These metrics continue to outstrip KPI targets – 382 percent and 18465 percent, respectively. HVCB will increase these KPIs for 2020 to more accurately reflect the level of publicity Hawai'i receives.
 - Group Media FAMs/No. of Articles Generated: Articles from Q3 FAMs are expected to be published in future quarters. In 2020, the KPI will be reset to reflect the expected number of articles in any given quarter regardless of when the FAM took place.
 - Individual Press Trips/No. of Articles Generated: Although the number of individual press trips was -7 percent off Q3 KPI, the earlier mentioned increase in individual press calls and meetings resulted in more articles being published which exceeded KPI by 132 percent.

- Travel Trade
 - Digital Gross Impressions – Total Audience: Digital gross impressions exceeded KPIs by 568 percent. It was the first full year implementing trade media tactics with MMGY and received unanticipated valued-added exposure at no cost.
 - No. of Trade Shows: The team had more than anticipated opportunities to participate in trade shows and events. The first full year of representation in the West Coast, Midwest and East Coast allowed for participation in more trade shows. This resulted in 95 percent over goal for the No. of Trade Shows.
 - No. of Appointments (at trade shows): In addition, more events have embraced the one-on-one appointment format which allowed the HVCB central and Island Chapter teams to have more appointments, producing 247 percent of KPI for No. of Appointments at trade shows.
 - No. of Trade Education Sessions: The number of trade education sessions grew significantly (84% over KPI) due to the increased focus, especially on the East Coast, on conducting destination training and Hawai'i Destination Specialist (HDS) courses. The team was given additional opportunities as a result of strong relationships with tour operator BDMs (business development managers) in key East Coast markets.
 - Number of Participants (in trade education sessions): By extension, the larger number of sessions resulted in a higher number of participants (98% over quarterly KPI).
- Social Media Metrics
 - *Facebook*
 - Total Impressions Gained: Campaign optimizations including the expansion of ads across new *Facebook* placements (Audience Network, Messenger, In-Stream and Instant Articles) resulted in an overall decrease in cost per million (CPM). This, in turn, extended the reach of ad dollars which delivered more impressions than originally targeted for the *Facebook* campaigns (69% over Q3 KPI).
 - Increase in Fans: The greater than expected increase in page fans (697% over Q3 KPI) may have been a result of peak summer travel. New page likes may have come from people using *Facebook* to research for an upcoming or future vacations in the busy summer season.
 - Total Posts: In Q3, the total number of posts on *Facebook* were increased to accommodate two *Hawai'i Rooted* episode pushes: Isaac Bancaco for Maui in August and Kyle Reutner for O'ahu in July.
 - Total Engagements: The optimizations described earlier that brought down overall ad delivery costs also had a positive impact on average cost per engagement on *Facebook*. Also, high priority was given to the promotion of video content which typically drives the most engagements among the different content types. All of this resulted in engagements exceeding quarterly KPI by 106 percent.
 - *Twitter*
 - Total Impressions Gained: The higher than forecasted impressions (16% over KPI) were likely a result of two tweets that were retweeted by accounts with a significant following. One tweet was retweeted by Visit the USA (38k followers) while another tweet was retweeted by

radio host Dan Barreiro (116k followers).

- Increase Fan Count: The follower size has grown steadily over the previous quarters; however, it appears that follower growth is beginning to slow (-15% short of KPI for Q3). This could be for a variety of reasons including *Twitter's* overall decline in new users.
 - Total Engagements: Despite garnering more impressions than the target, engagements did not exceed target (-40%). This often happens when content doesn't resonate with the audience it reaches. Two larger *Twitter* accounts retweeted content but their audience did not engage with the retweets beyond seeing it in their feed which would bring the overall engagement rate of the post lower.
- *Instagram*
- Total Impressions Gained: Optimization strategies were implemented on *Instagram* so content could be served across *Instagram* News Feed and *Instagram* Stories simultaneously to find the most cost-effective placement in real time. These types of tactics help to drive down delivery cost and increase impressions (187% over KPI). Another component could also be that over the last year *Instagram's* average CPM has decreased.
 - Increase in Fans: While the total follower count was only one percent off forecast, the increase in fan base missed the Q3 KPI by -39 percent. It is likely to be part of a more general slowdown of organic reach that many brands noticed starting in June. While not confirmed officially, many believe *Instagram* has been adjusting the organic algorithm recently to make more room for more paid ad posts.
 - Total Posts: This year, there has been a significant increase in the use of *Instagram* Stories among Avid Explorers. To feed this interest, from time to time the team publishes additional content to Stories beyond what had been planned at the beginning of the year (44% over KPI).
 - Total Engagements: Making improvements in ad delivery costs by bringing down CPM also resulted in a decrease in the cost per engagement on *Instagram*. Similar to *Facebook*, video content was prioritized and allocated more paid budget on *Instagram* since video consistently drives the most engagement among content types. In Q3, this strategy produced total engagements that exceeded Q3 KPI by 137 percent.

Countermeasures

HTUSA has largely met or exceeded program KPI for Q3. Where there was a shortfall, it was due to changes in the media landscape and changing social media platform algorithms. Beyond ongoing programmatic adjustments such as those that produced reduced CPM and Added Value benefits, countermeasures are not necessary at this time.

Regarding marketplace trends, HTUSA continues to monitor market conditions as described in the Market Intelligence/Market Conditions section. At this time, there are no negative trends that require countermeasures.

Brand Experience Update

- HTUSA
 - Five road trip ideas on various islands were featured in the September *Islands of Aloha Express* (IOAX) enewsletter (200,000 consumers), along with small features on the Maui Jim Maui Invitational and the Kaua'i Chocolate and Coffee Festival. MAMo Wearable Art Show was featured in the Upcoming Events section in both the September IOAX and *E-xpressly for Travel Professionals* (EXTP) enewsletter (120,000 travel professionals). Other events highlighted in the Events section included Kaua'i Old Time Gathering, Mele No Kalākaua, MAMo at the MACC, and Hula Arts at Kīlauea.
 - In September, the travel trade team participated in trade shows and industry events while sharing overall destination information with travel agents. The team highlighted major Hawai'i news, all-island updates including festivals and events, shared the Ma'ema'e Hawaiian Cultural Tool Kit and promoted *Hawai'i Rooted* and *Tourism Kuleana*. Many presentations included specific island of Hawai'i updates for the island of Hawai'i recovery initiative as well as the new rules for the North Shore of Kaua'i.
 - Delivered media assets for HTA-supported sponsorships, events and initiatives.
 - Association of Volleyball Professionals. Reviewed media/exposure on behalf of HTA for the AVP Hawai'i Invitational
 - Los Angeles Clippers. Reviewed media/exposure on behalf of HTA for the Los Angeles Clippers sponsorship.
 - Continued to provide assets and review media/exposure on behalf of HTA for Ironman.
 - LOTTE Championship. Reviewed media/exposure on behalf of HTA for the LOTTE Championship (LPGA golf).
 - Hawai'i International Film Festival. Included a print ad for their program guide.
 - SONY Open. Included a print ad for their program guide.
- KVB
 - Continually promoted Signature and Community Enrichment Programs (CEP) by including a slide about key Kaua'i festivals and events in all presentations.
 - Promoted and supported HTA product enrichments during the month.
 - Discussions with agents and walk-in visitors included but was not limited to information about the following local events and festivals on the island, with mention of *kauaifestivals.com*:
 - Kaua'i Marathon 2019
 - Kaua'i Mokihana Festival
 - Kaua'i Folk Festival
- OVB
 - Featured the following CEP, HTA Heritage Sites and Signature and Hawaiian Culture Events in its consumer, media and/or travel agent enewsletters:
 - Aloha Festivals
 - Hawai'i Food & Wine Festival
 - Honolulu Pride Parade and Festival
 - Hawai'i International Film Festival
 - King Kamehameha Celebrations (2020)
 - Prince Lot Hula Festival (2020)

- Promoted the following HTA Signature and CEP Events in social media channels and *TripAdvisor* tourism pages:
 - Bishop Museum Living Culture Series
 - Diamond Head (Lē‘ahi) State Monument
 - Pearl Harbor National Memorial
 - ‘Iolani Palace
 - Nu‘uanu Pali Lookout
 - Aloha Festivals
 - Hawai‘i Food & Wine Festival
 - Honolulu Pride Parade and Festival
 - Hawai‘i International Film Festival
 - King Kamehameha Celebrations (2020)
 - Prince Lot Hula Festival (2020)
- MVCB
 - Recommended visits to coincide with upcoming HTA sponsored events.
 - Recommended visits to cultural attractions and activities.
 - Promoted the following HTA Signature and CEP Events in correspondence, social media channels, and media visits to coincide whenever possible:
 - First Friday in Wailuku
 - Second Friday in Lāhainā
 - Third Friday in Makawao
 - Fourth Friday in KThei
 - Fifth Friday on Lāna‘i
 - Lāna‘i Farmers Market
 - Moloka‘i Farmers Market, Kaunakakai
 - Festivals of Aloha in Lāhainā
 - Maui’s International Coastal Cleanup Events
 - Maui Jim Maui Invitational
- IHVB
 - Promoted the following upcoming HTA Signature and CEP events during presentations, to walk-ins, in visitor correspondence and whenever possible:
 - Hilo Hula Tuesday at the Bandstand
 - Kōkua Kailua in Historic Kailua Village
 - Kona Coffee Cultural Festival
 - Kona Historical Society Hands on History at the Kona Coffee Living History Farm
 - Hula Arts at Kīlauea
 - Hawai‘i Island Festival – 30 Days of Aloha
 - Blayne Asing Concert
 - Hawai‘i Food & Wine Festival
 - Three Maui Divas
 - Kanikapila Nights
 - Taste of Hilo
 - Hawaiian Sunset Saturdays
 - Hawai‘i Island Festival of Birds
 - Kona Coffee Cultural Festival
 - Hawaiian Steel Guitar Festival

- Waimea Ocean Film Festival

International Contractors Engagement Update

- KVB
 - Hawai'i Tourism Canada (HTCAN)
 - Conducted a travel agent training webinar on Sept. 18; 38 agents attended.
 - Hawai'i Tourism Oceania (HTO)
 - Provided welcome amenity and met with freelance writer, Brett Atkinson, of *Lonely Planet*. KVB arranged and hosted a helicopter tour, Nāpali Snorkel Sail, and meal, Sept. 17- Oct. 4.
- OVB
 - Hawai'i Tourism China (HTC)
 - Assisted with itinerary development and supported ground transportation for Sports/Outdoor Adventure Media FAM, Sept. 27-29. Attendees included six media, one HTC escort.
 - Hawai'i Tourism Oceania (HTO)
 - Assisted with suggestions and development of itinerary for: Claire Sutherland, *Escape* magazine, Sept. 10-15. Jonathan Thompson, *Qantas Magazine*, Sept. 12-16. Kristie Kellahan, *Mindfood Magazine*, Sept. 21-24.
- MVCB
 - Hawai'i Tourism Canada (HTCAN)
 - Hosted Vancouver-based Travel Guys Television Program, Sept. 26-29, including activities and ground transportation on Maui. Featured activities included Maui Tropical Plantation and Maui Ocean Center; highlighted resorts included Wailea Beach Resort and Kā'anapali Beach Resort. Two hosts, one radio announcer and one cameraman participated.
 - Hawai'i Tourism China (HTC)
 - Hosted Sports and Outdoors Adventure FAM, Sept. 23-25, including activities, meals, and ground transportation on Maui and Lāna'i. Five media, one travel executive and one HTC manager/escort participated.
- IHVB
 - Hawai'i Tourism Oceania (HTO)
 - HTO Australia. Provided the National Geographic film project with itinerary suggestions, arranged for a private guide from Friends of Hawai'i Volcanoes National Park, as well as a cultural representative (Leilehua Yuen), Sept. 16-24.
 - HTO New Zealand. Supported the Sea Cleaners events, Sept. 18-23, involving youth leadership from New Zealand, Australia, and Japan. Assisted with accommodations for the group at Sheraton Kona, an evening manta snorkel at Keauhou, and provided reef-safe sunscreen made on Hawai'i Island. IHVB also provided *kukui* nut *lei* for the welcome event and arranged for a performance by *keiki hālau*.

"Coming Attractions" for Leisure Market

	What	When	Where
HTUSA	HVCB Culinary Press Trip	Oct. 16-22	Maui and O'ahu

	Individual Media Trip: Jenn Rice (<i>Food & Wine, Vogue, Tasting Table</i>)	Oct. 28-Nov.4	O'ahu and island of Hawai'i
	ASTA Small Business Network Conference	Sept. 29-Oct. 1	Aurora, CO
	ALG Hawai'i Dinner Events	Oct. 15-17	Atlanta, GA; Baltimore, MD; Pittsburgh, PA
	NEST FEST	Oct. 15-19	Vancouver, BC, Canada
	Ensemble Travel Group Conference	Oct. 23-27	Seattle, WA
	ALG Hawai'i Events	Nov. 5-7	Chicago, IL; St. Louis, MO; Kansas City, MO
	CruiseWorld	Nov. 13-15	Fort Lauderdale, FL
	MAST Sales Sensation	Nov. 19	Chicago, IL
	Signature Travel Network Conference	Dec. 2-5	Las Vegas, NV
	Oasis Travel Network Conference	Dec. 5-7	Las Vegas, NV
KVB	Kaua'i Master Specialist	Oct. 13-18	Kaua'i
	Kaua'i Escape – Romance Press Trip	Oct. 21-26	Kaua'i
	Signature Travel Network Conference	Dec. 2-5	Las Vegas, NV
	Oasis Travel	Dec. 5-7	Las Vegas, NV
	Post Travel Agent Seminar	Dec. 9	Las Vegas, NV
OVB	Mailpound Webinar	Oct. 7	
	Wedding Salon	Oct. 14	Los Angeles, CA
	Wedding Salon Post Sales Training	Oct. 15-19	Marina Del Rey, CA; Newport Beach, CA
	Pleasant Holidays/Journese OMS FAM	Oct. 21-26	Honolulu, HI
	Pleasant Holidays Mid Atlantic Ad Hoc FAM Destination Training/Excursion	Oct. 22	Honolulu, HI
	Destination Hawai'i Pre-FAM	Nov. 1-5	Honolulu, HI
	Hawaiian Airlines FAM	Nov. 4-9	Honolulu, HI
	Hyatt Regency Waikīkī (Ad Hoc); Top Producer Mid-West FAM Destination Training/Excursion	Nov. 7-11	Honolulu, HI
	Sports & Outdoor Adventure Press Trip	Nov. 14-19	Honolulu, HI
	Mailpound Webinar	Nov. 21	
	Signature Travel Network Conference	Dec. 2-5	Las Vegas, NV
	Signature Travel Network Conference Post Sales Training	Dec. 6-10	TBD
MVCB	Media Blitz	Oct. 7-11	Boston, MA; Minneapolis, MN; Washington, DC
	Destination Hawai'i Pre-FAM	Nov. 2-4	Maui
	Destination Hawai'i FAM	Nov. 5-7	Maui
	Travel Leaders Maui Nui Master Specialist Program	Nov. 6-12	Maui, Moloka'i, Lāna'i
	EABE Maui	Nov. 10-13	Maui
	Signature Travel Network Conference	Dec. 2-8	Las Vegas, NV

	Oasis Travel	Dec. 9-10	Las Vegas, NV
IHVB	New York Media Blitz (without partners)	Oct. 7-11	New York, NY
	Travel Agent FAM (Classic Vacations)	Oct. 9	Island of Hawai'i
	Travel Agent FAM (Royal Expressions Travel)	Oct. 17	Island of Hawai'i
	Cuisine and Culture Press Trip	Oct. 23-28	Island of Hawai'i
	Master Specialist FAM (Millennial)	Nov. 3-8	Island of Hawai'i
	Mālama 'Āina Press Trip	Nov. 11-16	Island of Hawai'i
	Travel Agent FAM (Pleasant Holidays)	Nov. 15	Island of Hawai'i
	Signature Travel/Oasis Conference	Dec 2-7	Las Vegas, NV

Hawai'i Tourism Japan 2019 Monthly Leisure Marketing Report – September

Market Intelligence/Market Conditions

Economy

- The Japanese economy grew at a slower rate than originally anticipated in Q2 at 1.3% (annualized), vs the preliminary reading of 1.8%. Net exports declined again by 0.3% while domestic demand however added 0.6%. The consumption tax hike to 10% threatens the economy by leaving it with less drivers for growth.
- Household spending increased 0.8% year over year in July but was slower than the median forecast of a 1.1% gain. Despite the sluggish growth, this marks the longest span of growth since comparable data became available in 2000.

Outbound Travel Market

- The Japan Tourism Agency announced that expenditures on travels handled by the major travel agencies declined by 2.4% in July. Reduction in expenditures is attributed to social tensions such as the Hong Kong demonstrations along with the longer than usual rainy season in Japan.
- The Hong Kong demonstrations and tensions with Korea are causing visitors to Asian regions to decline with inbound tourism to Japan from these countries. Travels to Korea are severely impacted as roughly 230 total flights have been cancelled over 10 weeks. If the issues are to continue over a long term, further cancellations and withdrawal of flights may occur. Many travelers instead traveled to nearby destinations such as Taiwan and Vietnam as an alternative.
- As demand for cruise travel grows, Japan was included in a part of expansion of services by luxury cruise line operator Cunard. Cruise travels have been garnering the attention of Japanese consumers and expansion of the market is likely to continue.

Competitive Environment

- Japanese visitors to Taiwan have been growing consistently with July YTD visitors exhibiting 8.81% growth. They have been successful in capturing the millennial market with their new millennial market campaign to attract FIT consumers. Because their global promotion theme will be the year of exploring mountains, mountain climbing and hiking activities will be promoted.
- LCC Skymark Airlines officially announced the launch of service from Narita to Saipan. This will be Skymark's first regularly scheduled international flight. Since suspension of services by Delta in May 2018, this is the only scheduled flight between Japan and the Northern Mariana Islands.
- Although global visitors to Tahiti has been exhibiting strong growth of 13.9% in 2019, declining trends have been observed from the Japanese market. The Japanese market still remains as Tahiti's third largest market, prompting the tourism authority of Tahiti to increase marketing funds to achieve record level Japanese arrivals.

Consumer Trends

- Studies on Senior citizens' behaviors (citizens aged from 50 – 79) found that the segment views travels as what they look forward to the most. Although slightly more popular amongst women, both women and men showed mostly equal interest in travels. Other relevant subjects such as gourmet options, wellness and children also ranked within the top 10.
- Japanese consumers view safety and security as a priority for beach travels. The same studies also found that average days spent on trips were under four days, with Hawai'i ranking in second behind Okinawa as the beach destination they would most like to visit.
- Consumer survey studies on what they would like to do before the consumption tax hike to 10% found that most people did not have anything special planned, followed by travels, albeit by a large margin. More consumers expect little to no changes in consumption after the tax hike, as purchases for necessity goods will have to be made regardless.

Travel Trends

- Starting in mid-October, Expedia Group will become the exclusive distributor of Marriott International wholesale and promotional room rates, availability and content to bedbanks and other redistributors for clients with no direct connection to Marriott. This will be affecting travel agencies, airlines and other entities without direct ties to the hotel forcing them to form ties with Expedia's BtoB unit.
- As dynamic packages increase in popularity, Rakuten Travel and Japan Airlines began sales of collaborative dynamic package products, marking the first time a Japanese carrier and an OTA collaborated. Consumers can choose and combine Japan Airlines' ticket offerings with the accommodations and optional tour offerings on Rakuten Travel's site. The two entities are hopeful for significant use by travelers to Hawai'i and Asian destinations.
- Many destinations are beginning to recognize the importance of sustainable tourism. Japan recently established a Sustainable Tourism Promotion Committee, while Canada and Monaco introduced incentive funds support to event organizers and developed apps showcasing initiatives taken.
- In addition to destinations, various entities / businesses have also shown an interest in the trend. Narita Airport announced goals to achieve zero plastic waste by 2025 at all facilities. Similarly, Hilton Nagoya established a water station at their hotel, where all visitors, including non-guests can fill up their own water bottles.
- As Japan faces a consumption tax hike, airports have been announcing increases to passenger service facility charges and passenger security service charges. The fee hikes begin on 10/1 and accommodates the burden placed on operation of the airport from the tax hike.

Media Trends

- Fashion and lifestyle magazine Vogue launched a video promotion for Canada through a tie-up. Trends of Japanese media diversifying business have become prevalent. Although reach of each individual media may not be as large, promotions made on the mediums are effective as they allow for pre-sorting of desired audiences to desired target segments.

- TV remains a relevant form of media amongst mothers. Stay-at-home mothers show a high affinity to TV with 25% viewing for over 5 hours each day. Conversely, career women have shown inclinations to favor online video contents, but viewing times are significantly less at under an hour.

Airlift

- Haneda Airport has allocated 12 additional slots to the USA. The new expansion will result in growth of 50 flights each day, with 24 being flights to the USA. Final approvals were given to flights with Delta Air Lines and Hawaiian Airlines to Hawai'i. Delta began sales for their new Haneda – Honolulu flight, along with plans for construction of a lounge at Haneda also beginning.
- ANA implemented automated luggage check-in machines at Narita for international flights. Although already in use for domestic flights, this is the first implementation for international service. ANA aims to alleviate congestion at the airport from the high volume of consumers utilizing the A380.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

Japanese seniors have shown tendencies to view travels as something to look forward to with their children and/or grandchildren. It will be important to effectively approach the active senior consumer segment when promoting to the affluent market to capture this segment with growth potential.

Japanese consumers continue to hold safety and security as a high priority concern for travels in general, indicative of typical Japanese characteristics. With Hawai'i ranking in as the second most desired beach destination to visit amongst Japanese consumers, Hawai'i is still viewed as a relatively safer destination compared to other beach destinations. Leveraging upon this, HTJ will work to more proactively promote Hawai'i through the state's conservation and sustainable initiatives and link it with initiatives undertaken in Japan to express the affinity.

With the consumption tax hike being implemented from October, various businesses have begun "pre-tax hike sales", creating potential for growth in the travel segment. However, because international travels are exempted from the consumption tax, significant changes may not be seen after implementation. Portions of costs for traveling such as service fees and airport facility usage fees will be affected by the tax hike.

The Japanese visitor market to Hawai'i has been relatively strong. Although Delta and Scoot suspended services ANA launched their second Airbus A380, filling much of the lost seats. Because airlines are allowing for bookings to be made a year in advance, bookings are starting to be made earlier. This is allowing for positive outlook for the year end holiday season, which will feature up to 9 consecutive days off. Some charter flights are also being arranged from Tokyo, Sendai, Osaka and Hiroshima mainly with China Airlines, but attraction to these flights are weaker.

Leisure Activity Update

Consumer

- Various effective promotions from August were continued in September including on popular TV program on Hawai'i, "Hawai'i ni Koishite" obtaining 159,315 impressions per week, along with radio advertisements on FM Northwave recording 314,285 listeners each month.

- 6 new Hakken Hawai'i videos were created, including basic information and trivia on the four major islands to promote Hawai'i. These short films will be used on OOH ads and SNS to continue promoting Hawai'i through statistical facts.
- Continued displaying romantic Hawai'i ad videos throughout taxis' digital signage boards in the Tokyo area, reaching up to 558,608 consumers per week.
- The user account feature was added into the allhawaii portal site in June, allowing users to register and create their own page to clip desired information, check in and leave reviews of spot pages visited. To increase users, HTJ launched a CRM campaign on 9/15, set to run through October, resulting in 5,790 applying for the campaign in September. A Facebook ad was also conducted from 9/25 – 30 to raise awareness, generating reach of 22,456 and 36,920 impressions.
- Preparations for the collaborative campaign with CCC (Culture Convenience Club) began. The purpose of the campaign is to further establish branding for the Island of Hawai'i, utilizing CCC's well established base amongst consumers. Their strong presence at retail outlets and online will be leveraged by arranging Island of Hawai'i display events, talk shows and establishing a special campaign landing site.
- Supported arrangement and accompanied youth ambassador program POOLO's Hawai'i camp trip for close to 40 members. Members participated in fishpond restoration activities and experienced poi pounding. Attendees learned about Hawaiian culture and understood the importance of sustainability.
- Began preparations for the Tourism Expo Osaka in October, where the HTJ pavilion will be held with responsible tourism as the main theme. Japanese students participating in the beach cleanup event on Island of Hawai'i will be creating a sea turtle sculpture from trash to appeal the importance of protecting our environment. The Malama Hawai'i videos will also be played at the event to help disperse its message. The MX4D attraction will be implemented to instigate desires to visit.
- Supported an outrigger canoe race event in the city of Hayama, called the "Hayama Hoe Va'a" on 9/22. The event was held together with Maui's "Hui O Wa'a Kaulua" NPO. The event was held to promote Hawaiian culture and ocean safety to the 350 consumers attending.
- Various events, webinars and seminars were held under the Aloha Program to share authentic Hawaiian culture and the importance of the environment. Over 200 Hawai'i Specialists attended the events for Japanese consumers, along with 16 members attending a tour on Oahu. Contents covered included basic information of Hawai'i, Hawaiian mythology, Hawaiian history and Olelo Hawai'i. HTJ also worked with Japanese Hawai'i media "Aloha Express" to raise awareness of the Aloha Program and benefits of becoming a member.

Travel Trade

- Collaborated with Hawaiian Airlines for a FAM tour for travel agencies' planning department staff on the Island of Hawai'i and Oahu. With the upcoming return of direct service from Fukuoka in November, most attendees oversaw planning within the Fukuoka market. Attendees were shown both the Kohala and Hilo areas including various hotel site inspections and visits to Volcanoes National Park. The FAM was very effective as attendees were all in charge of tour development, expressing and expressed intent to strengthen product development for the Island of Hawai'i.

- HTJ worked with JALPAK to arrange a 2 year anniversary event for JAL’s direct flight service to Hawai’i for 60 consumers. Special guests included the pilot and co-pilot of the inaugural flight of the service, which held a talk-show for attendees. Staff from JALPAK also explained on the appeals of tours to the Island of Hawai’i.
- Approached the major travel agencies to facilitate usage of the Kuleana and Share Aloha videos for pre and post arrival education. JTB, JALPAK and HIS are currently processing use of the films on websites and local lounges, with Rakuten Travel and JCB Credit Card also considering use.
- The SNS campaign launched together with JAL, JTB and KNT continued in September, reaching 355 images being posted with campaign page views reaching 4,262 views. HTJ aims to raise awareness of the Island of Hawai’i through the contents generated.
- Aloha Program curator Mr. Sumio Kondo held a seminar on Hawai’i’s natural resources and endemic plants for 22 of HIS’ staff in Honolulu.

Public Relations

- HTJ generated a total 12 exposures, 309,533,246 impressions and \$13,478,455,898 AVE.
- Began preparations for the media event on Oct. 29 - 30 for the 20 local partner participants. Started communicating with partners on guidelines and scheduling of the event.
- In September, HTJ received 8 media inquiries; 5 magazines, 1 TV and 2 online.
- HTJ provided information relating to golf, activities for families to enjoy, luxury market oriented activities for the affluent market, workations, and information on traveling to the Island of Hawai’i.
- Information on surfing and its roots in Hawai’i were also shared to leverage on the sport being selected as an official sport for the 2020 Olympics in Japan. As the sport is often misconstrued to be from the US West Coast, HTJ properly linked the sport’s origins with Hawai’i and explained its affinity with Japan.
- The press tour arranged in May continued to yield new media exposures in September, resulting in four online articles with a total 288,000,000 impressions.
- Continued encouraging media to feature the Island of Hawai’i to encourage travels to the island. Sustainable tourism related practices were also introduced to ensure visits from high quality visitors.

Sales Activities

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
5	19	38	62

Travel Agencies

- Travel agencies are reporting recovering performance through Fall with most agencies reporting pax handled to be over 100% year over year, with some product lines reaching up to 80% growth. With high load factors on many flights, trends are arising where agencies purchase seats at PEX rates and sell them on a later date when supply is lacking.

- Travel bookings are being made from earlier periods. As airlines allow for bookings to be made one year in advance, agencies have been moving to secure bookings earlier. Agencies are offering various benefits such as discounts or accommodation vouchers for customers who book early.
- Performance slightly dips during the year-end holiday season with clear distinctions between strong and weak periods. With some travel agencies arranging charter flights service during the season, there are impressions of a slight oversupply in seats, creating concerns for price wars.

Fukuoka Market

- As the launch of Hawaiian Airlines' direct flight service from Fukuoka approaches, travel agencies are increasing promotional initiatives. Ads on various mediums are being placed such as subway ads, newspapers and TV commercials. The enhanced ad initiatives are resulting in strong load factor outlook for the direct flight through March 2020.
- Various events are being held in Fukuoka as the launch of service nears. Starting from the collaborative seminar between Fukuoka Convention & Visitors Bureau and Hawaiian Airlines, consumer events at shopping centers and travel agencies' original events are being held. On November 27 when the service launches, ceremonies and a reception party with VIP guests including politicians from Fukuoka City are being arranged.

Osaka Market

- Overall performance for the Fall season has relatively strong with up to 20% growth. While package products are exhibiting significant growth, group travel bookings remain low.
- HIS has been strengthening sales of JAL products in addition to their traditional focus on LCC products with Air Asia X. Conversely, JTB has begun incorporating Air Asia products into itineraries indicating the diversification of travel agencies.
- Charter flight products for the year-end holiday season have been sluggish with roughly only 20% of seats booked. Price wars for these products are anticipated as all agencies are finding it difficult to sell these products.

Key Performance Indicators - Leisure Market

A summary of contributing factors for any major variances (+/- 15% of quarterly target)

- Public Relations Measures: The number of issued press releases were reduced to focus on organic exposures and digital advertisements, resulting in lower exposures for online and print. However, exposure on a major TV show allowed for targets to be surpassed.
- Travel Trade Ad Measures (Digital Gross Impressions): Although no quarterly targets have been established for Travel Trade Ad Measures, the five travel trade media invited to the Japan Summit on the Island of Hawai'i published various articles and featured interviews, leading to great exposures.
- Trade Shows (Number of Appointments): Various appointments were arranged at the Japan Summit on the Island of Hawai'i between local marketing partners and the Japanese travel industries. Because these were not direct appointments with HTJ, they were not included within the

KPI results. However, very effective appointments were carried out, resulting in 22 new product developments over KPI targets of 15.

- Trade Education (No. of Trade Education Sessions): Various seminars on the utilization of charter flight services in target regional cities were planned but not carried out from a lack of demand with major changes in the Japan – Hawai'i airline market. The number of seminars will be increased in Q4 with the launch of direct flight service from Fukuoka and the year-end charter flight services.
- Social Media Metrics: Posts on Facebook and Instagram were reduced to accommodate for the sensitive nature of Japanese consumers to natural disasters, during the hurricane season. Inactivity on the accounts resulted in lower than targeted KPI results. Twitter related KPI statistics greatly exceeded targets from the certified product campaign with Mc Donald's Japan redirecting consumers to HTJ's Twitter page.

Describe the countermeasures to reverse any negative trends and/or KPI results

- Maintained close communication with agents and airlines to understand directionality of the market. Monthly updates were provided on pax handled and package product trends to understand the trends of the Japanese travel market. This resulted in sales call initiatives far exceeding KPI targets.
- Collaborated with Japanese Hawai'i travel industry stakeholders to hold seminars and workshops in target regional cities to strengthen education of agents to increase pax handled for Hawai'i.

Brand Experience Update

- HTJ connected the Hawai'i Food and Wine Festival with Diners Club Japan, which announced a special promotion for card members participating in the event where they will be eligible to receive an amenity bag.
- To assist in dispersion of the Malama Hawai'i videos and its message, HTJ posted an column on the allhawaii site on protecting the Ohia Lehua. The column contents were then republished on travel trade media Travel Vision's website which records 1.3 million PVs per month.
- Worked with NOAA and UH Hilo ROD Research to support translation and creation of collaterals.
- Held meetings with local NPOs, PVS / Oiwi TV, Blue Planet Foundation, Malama Loko Ea, Sustainable Coastlines Hawai'i, Paepae O Heeia and Mana Ai to discuss ways to promote their activities through the Aloha Program and Millennial market initiatives.

Island Chapters Engagement Update

- Discussed with HVCB on creation of the Maui and Kauai edition of the Kuleana video, and their translation. All videos are targeted for completion by mid-October, whereby HTJ will begin promotion through HTJ owned channels, SNS and direct distributions to partners.
- Supported OVB for creation of an extended version of their Kuleana video.
- Worked with all Island Chapters to prepare for the annual Mahalo Reception event on November 22. Event arrangements and wholesaler invitation lists were discussed.

“Coming Attractions” for Leisure Market

What	When	Where
Hawai'i Specialist Beginner Seminar	Oct. 16	Hiroshima
Hawai'i Specialist Beginner Seminar	Oct. 25	Sendai
Tourism Expo Japan	Oct. 24 – 27	Osaka
Media Event	Oct. 29	Tokyo
Delta / Korean Air FAM	Nov. 14 – 18	O'ahu
Hawai'i Seminar at National Museum of Japanese History	Nov. 18	Chiba
Fall Tourism Update	Nov. 18 – 19	Island of Hawai'i
JHTA Bi-monthly Meeting	Nov. 21	O'ahu
Island Chapter Mahalo Reception	Nov. 22	O'ahu
HTJ 4 th Quarter Partners' Meeting	Nov. (TBD)	O'ahu

Hawai'i Tourism Canada 2019 Monthly Leisure Marketing Report – September

Market Intelligence/Market Conditions

Economy

Economic growth surged in the second quarter, mainly driven by soaring export growth. However, fundamentals looked less impressive as domestic demand contracted due to a decline in investment and paltry household spending growth. Turning to Q3, economic growth is seen slowing, as export growth wanes. Moreover, private spending should expand at a more modest pace as consumers remain wary of the future economic climate, as seen by July's only slight uptick in retail sales, despite robust wage growth and a tight labor market. On the upside, the housing market continues to improve amid lower borrowing costs, which bodes well for residential investment in Q3. In the political arena, federal elections will be held on 21 October. Recent polls suggest Prime Minister Justin Trudeau has likely lost the chance of forming a majority government and the Conservatives look set to capitalize on his slip in the polls.

Moving to 2020, growth should pick up as the energy sector returns to normal production levels. The U.S.-China trade war, volatile oil prices, and elevated household debt pose downside risks to the 2020 outlook, however. Some analysts expect growth of 1.5% in 2019 and 1.6% in 2020, which is down 0.1 percentage points compared to last month's forecast.

During the period, the average CAD/USD exchange rate was just \$0.75 and it has been stable in the past months.

Outbound Travel Market

Canadians made 19.6 million overnight trips to the U.S. and other outbound destinations throughout the first seven months of 2019, an estimated increase of 1.3 per cent compared to the same period in 2018. Of this total, almost 15.2 million trips were for leisure purposes. During the period, overseas leisure travel increased 0.5 per cent, while leisure activity to the U.S. grew an estimated 1.4 per cent. The first half of the 2019 summer travel season saw Canadians take 7.9 million overnight outbound trips, a 1.5 per cent increase compared to 2018.

Canadians made an estimated 11.76 million overnight trips to the U.S. between January-July 2019, compared to 11.5 million in 2018. During the period, overnight trips by automobile declined -2.2 percent while overnight travel by other modes grew 7.1 percent. Many of the tracked destinations in Florida, California, Texas, Nevada and Hawai'i posted increases in direct air arrivals so far this year. During the period, the CAD/USD exchange rate averaged 75 cents. This was the same average reported each month so far in 2019 but represents a YTD decline of -3.6 percent compared to the same time last year.

The first eight months of 2019 recorded 366 thousand visitors from Canada compared with 361 thousand during the same period in 2018. So far in 2019, there has been a 5.3% increase in direct arrivals, while indirect arrivals have declined -8.8%. The share of direct arrivals accounted for 75% of total visits during the period, up from 73% last year. On a monthly basis, YOY arrivals declined in three of the past eight months (Jan, May, and July).

Competitive Environment

There were more than 2 million Canadian arrivals in key destinations in the Asia/Pacific region in the first seven months of 2019, a slight increase (0.4%) compared to the previous year. During the period, Japan, Singapore and Australia saw the largest proportional increases in visitors, while arrivals in Cambodia, China, Hong Kong, India and Sri Lanka declined. The first half of the summer travel season recorded a slight drop in activity to the region (-0.8%), primarily due to fewer visitors to China (-10.0%), Hong Kong (-3.4%) and Sri Lanka (-41.2%).

There were 3.7 million Canadian arrivals in destinations in Mexico, the Caribbean, and Central America throughout the first seven months of 2019, a YOY increase of 4.3 percent. Of the larger volume destinations, arrivals in Mexico have increased 7.9 percent so far this year, while travel to Cuba grew slightly (0.4%) and the Dominican Republic saw a decline (-0.7%). During the period, Mexico accounted for 40.7 per cent of activity in the region; up from 36.6 per cent two years ago (2017). However, July 2019 was the first month since Aug 2016 that a year-over-year decline in visitation to Mexico was registered. The first half of the summer season saw overall activity in the region decline -1.2 per cent primarily due to a decrease in arrivals in Cuba (-8.7%) and the Dominican Republic (-5.4%).

Consumer Trends

The national consumer confidence rating fell to 111.3 points in September, its lowest level since January. The decline was largely due to a deterioration in views regarding household finances. Despite worsening responses to questions about finances, compared to last month, there was a slight uptick in the share of respondents who said now would be a good time to make a major purchase. In September, 31.5 percent of respondents indicated now would be a good time to make a major purchase, compared to 30.9 percent in August.

Travel Trends

- During the period, there was a 5.3% increase in direct arrivals, while indirect declined -8.8%.
- A reduction in direct service along with little growth in indirect activity is forecast to result in 151 thousand visitors throughout the summer travel season (-1.4%).
- Direct capacity is not expected to change through 2019, resulting in an estimated 403,000 visitors.

Media Trends

No news to report.

Airlift

- Throughout the first eight months of 2019, Air Canada and WestJet offered more than 341 thousand direct seats to Hawai'i.
- So far this year, Air Canada has offered 3.8% more seats than in 2018 and WestJet increased direct capacity by 5.8%.
- However, almost all of the growth occurred in the first quarter. Both carriers are reporting capacity reductions throughout the rest of 2019, resulting in a similar overall volume of annual direct seats as last year (-0.2%).

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- Spending should expand at a modest pace as consumers are wary of the future economic climate.

- Federal elections will be held on October 21.
- Despite robust wage growth and a tight labor market, economic growth is seen slowing down.
- National consumer confidence fell to 111.3 points in September, its lowest level since January.

Leisure Activity Update

Consumer

- HTCAN was able to secure a promotional spot with the launch of the movie Midway. Movenver is the main sponsor of this launch will reach out to over a million Canadians. HTCAN partnered up with Flights.ca and United Airlines for a prize to be raffled during this campaign.

Travel Trade

- Aloha Canada approved with 15 partners plus the Island Chapters. Cultural practitioners will engage the attendees with a Kupe’e making workshop, hula dancing and chants.
- Spoiled Agent Webinars are running from July through December, each one of the six islands will have a 30 minute webinar.
- Plans and communications to arrange the Flight Centre/Flight Centre Holidays O’ahu and Island of Hawai’I FAM. Air Canada will sponsor tickets for 10 agents.

Public Relations

- Outreach for individual press trips for the remainder of 2019.
 - Leslie Yip: working on securing accommodations in Kaua’i. Story angle is luxury/honeymoons and undiscovered islands and experiences.
 - Celeste Moure: traveling to O’ahu, staying at Four Seasons. Requested for support on flights and activity suggestions.
 - Brandy Yanchyk, producing series known as Seeing the USA. Her travel is confirmed in December and her itinerary has been confirmed. She is traveling to Moloka’i, Lana’i and Island of Hawai’i.
 - Kim Pemberton: Traveling to Maui, she secured her own accommodation. HTCAN assisting her on flights and itinerary.
 - Parm Parmar: would like to travel to Maui in November or December. She is trying to secure assignments.
- Group press trip confirmed for November 3-8 for Island of Hawaii. Confirmed 6 media. Itinerary in development.
- Press release distribution: 10 Authentic Ways to Discover Hawai’i.
- Begun outreach for 2020 individual press trips. Secured the following for TBC. Dates and Islands are to be confirmed:
 - Alyssa Schwartz - Freelance, off the beaten path Hawai’i
 - Corrine McDermott - Freelance, family travel and famous movie sites
 - Alison McGill – Wedding Bells, Romance and honeymoon story angle
 - Simone Olivero – Today’s Parent, family travel
 - Grant Fraser – Golf focus
- Planning for 2020 group press trip – affluent market focus. Possible islands are Lana’i and Kaua’i.

Sales Activities

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
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3	31		33
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- Holidays and Getaways Travel Agency, Canso, NS – Rosetta Burrige, Travel Consultant
- Romantic Planet, Burlington, ON – Anita McLean, Senior Travel Professional
- Travel Agent Next Door, Calgary, AB – Margarita Montaner, Luxury Vacation & Cruise Consultant
- Flight Centre, Vancouver, BC – Christina Kragh, Certified International Travel Agent
- Bon Voyage Travel & Cruise Centre, Delta, BC – Sandra Pringle, Destination Wedding & Specialist
- Centre Holidays, Mississauga, ON – Eileen Rust, Travel Advisor
- Travel Masters, Calgary, AB– Dawn Kodama, Senior Travel Consultant
- Vision Travel, Calgary, AB. – Karina Fong, Luxury Travel Advisor
- TPI, Rimbey, AB - Babette Baskerville, Certified Travel Counselor
- AMA Travel, Calgary, AB – Jean Irving, Travel Counselor

Key Performance Indicators - Leisure Market

A summary of contributing factors for any major variances (+/- 15% of quarterly target)

- Advertising KPIs haven't come out yet and HTCAN is waiting for the final results of the campaigns conducted in the beginning of the year. The campaign conducted with TravelWeek is being very successful and by the end of the year the KPI goals will be reached.
- Public Relations KPIs have been highly surpassed in terms of Digital publicity value and impressions, on the Print side, the goal is a bit behind but will be reached after the media FAM programmed for November. Canadian publications are migrating to digital and is harder to get print.
- On the Trade KPIs HTCAN is within reasonable variances, but in the trade shows that the appointments in those have been very high. Hawai'i is a very popular destination amongst agents and they all want information about it.
- Spredfast system has no data and we believe that by mid-October we'll be able to retrieve it from the past two months.

Describe the countermeasures to reverse any negative trends and/or KPI results

- Most of the advertising goals have been surpassed. HTCAN will continue to work on this to get the best ROI possible.
- As HTCAN is behind in reaching the Print goal for PR, they will target more print media.
- In terms of participation in education sessions, the upcoming Aloha Canada trade mission will help in reaching those numbers.

Brand Experience Update

HTCAN continues to actively promote events and festivals through e-communications, social media activity and to journalists.

Island Chapters Engagement Update

- 6 webinars were offered to the Island Chapters: O'ahu and Island of Hawai'i are already booked for August. One island a month was proposed for the following months:
 - July 18th – Island of Hawai'i
 - August 29th – O'ahu
 - September 18th – Kaua'i
 - October 15th – Maui

- November 20th – Moloka'i
- December 18th – Lana'i
- All Island Chapters have confirmed their participation in Aloha Canada 2019
- O'ahu, and Island of Hawai'i have been working with HTCAN about the Flight Centre FAM trip
- Island of Hawai'i has been working with HTCAN on the Media FAM
- IHVB, OVB, and MCVB have been working with HTCAN on the individual FAMs

“Coming Attractions” for Leisure Market

What	When	Where
Spoiled Agent webinars	September 18th – Kaua'i October 15th – Maui November 20th – Moloka'i December 18th – Lana'i	Across Canada
Aloha Canada shows	October 22 - 24	Toronto, Calgary, Vancouver
Fall Market Update	November 13 - 19	O'ahu and Island of Hawai'i
Media FAM	November 3 – 8	Island of Hawai'i
Trade Fam	December 11 - 18	O'ahu and Island of Hawai'i

Hawai'i Tourism Oceania 2019 Monthly Leisure Marketing Report – September

Market Intelligence/Market Conditions

Economy

Australia

In September, the Australian dollar continued to trade at a ten-year low of around US\$0.67. Economists are predicting it could fall further by the end of 2019, ahead of another potential interest rate cut in November by the Reserve Bank of Australia. Trade figures for the June quarter show some growth in exports, which offset weakening domestic demand. The real estate market is expected to pick up as Australia moves into the summer season and more favorable lending conditions are introduced. Uncertainty around global growth outlook and resurging trade tensions continues to affect business confidence and investment.

New Zealand

Recent government figures show a record surplus for the economy which is a great sign and hopefully will spur on more government spending to ignite the economy. The NZ dollar however is still languishing in the low US\$0.60 range.

Outbound Travel Market

Australia

Top 10 Destination Countries – July 2019 (ABS)

The three most popular destinations for travel in July 2019 were: New Zealand (119,800 trips) - +0.5% YOY; Indonesia (115,200) - +8.9% YOY; and USA (88,900) - -3.1% YOY

A mid-year report by the US Department of Commerce ranked Australia as the 11th largest inbound visitor market in 2018. Last year, the United States ranked as the number one long haul travel destination for Australians, with Hawaii the second most popular destination (27.1%), after California (44.5%). The majority of Australians (87%) travelled for leisure and the most popular time to visit the US is April-October and December-January.

New Zealand

The number of New Zealand residents travelling on overseas trip in July 2019 was down 4,900 from July 2018, to 340,200. The biggest changes were in arrivals from: United Kingdom (up 2,100); Australia and Fiji (both down 2,100); United States (down 1,400).

Competitive Environment

Australia

- Fiji has reported a 4.2% increase in visitor arrivals for the year ending June 2019, with consistent annual growth from Australia and New Zealand
- Maldives Tourism has reported that Australian visitor numbers are increasing, with Australia now the tenth largest source market for the destination
- North Queensland is launching one of its biggest marketing campaigns, with the Queensland State Government and Cairns Regional Council each contributing \$1 million to Tourism Tropical North

Queensland for the promotion of the region as the “perfect next holiday destination”. The campaign will focus on domestic visitation with a combination of tactical and brand awareness components.

New Zealand

Air Canada have introduced seasonal non-stop flights between Auckland and Vancouver. These will run between December and March, 4 times per week.

Consumer Trends

Australia

Recent research by Lonely Planet found that people are more likely to book a holiday based on what they want to experience, rather than a specific destination. The survey of 7,500 members of the Lonely Planet community of travelers from all over the world found that nearly two-thirds of those surveyed think the experience is more important than the destination when planning a holiday. This supports HTOs experience led branding strategy.

Travel Trends

Australia

- Tempo Holidays and Bentours business entered into voluntary administration, following ongoing financial troubles of its parent company, Cox & Kings India.
- Webjet has forecast that the demise of Thomas Cook will reduce the financial year 2020 TTV for its WebBeds business by \$150-\$200 million.
- Ignite Travel Group has been 100% acquired by Flight Centre Travel Group (FCTG). FCTG previously held a 49% stake in the company and has brought forward the full purchase of Ignite's Australian and New Zealand businesses to capitalize on its highly successful 'readymade' holiday package model. Ignite will continue to operate within the group's emerging brands division, remain a separate entity on the Gold Coast, and remain under the leadership of current CEO Ryan Thomas.

New Zealand

Recent stats released in the NZ market show a trend from short-haul trips to medium-haul. This is good for Hawaii (which sits as a mid-haul destination from New Zealand). Although it also reflects the rise in travel to Asia this year due to increased airlift, and reduced airfares.

Media Trends

No news to report.

Airlift

Australia

Hawaiian Airlines has announced a schedule change for its Brisbane-Honolulu flights to make connections onward to the US mainland smoother. From January 2020 flights will depart at 8.25pm rather than 9.45pm, giving better links to Los Angeles, Las Vegas, Seattle and San Francisco.

New Zealand

Air New Zealand has announced their new CEO as New Zealander Greg Foran who is currently President and CEO of Walmart US. This follows a successful trend of recruiting from outside the travel industry.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

Australia

Visitor arrivals in August were down 8.2% and YTD figures show a 6.6% decline in Australian visitors. Cruise arrivals have been positive all year and were up 49% in August. For air arrivals there is a shift towards condo accommodation (+8.9%) as opposed to hotels. With the declining exchange rate impacting on international travel decisions, HTOs brand activities are focused on the high value traveler and promoting the experiential aspects of the Hawaiian Islands. We are rolling out a number of campaigns in the next quarter to inspire and inform consumers including with TripAdvisor and Luxury Escapes.

New Zealand

August declines of 18% followed the airlift decline seen in the market. On the positive side, the Island of Hawai'i saw an increase of 59% in Kiwi arrivals and is performing very well.

Leisure Activity Update

Consumer

- Sea Cleaners initiative (September 18 - 24)
 - This is the second year of an initiative involving New Zealand not-for-profit environmental leader, 'Sea Cleaners' working with aligned Hawai'i organizations to focus on the importance of reducing plastics in the Pacific. This year's partnership will bring people of the Pacific together and see youth ambassadors from New Zealand, Australia (who include Billabong junior surfers) and Japan travelling to the Island of Hawai'i to participate in beach clean-ups as well as collaborating with local schools and youths on solutions to this problem.
 - Responsible Tourism elements have been incorporated into the Sea Cleaners itinerary to provide synergy and to showcase the Island of Hawai'i as a destination which represents 'pono' when it comes to the community, culture and environment.
 - Video and photo content from the initiative will be shared through HTO's digital channels.
 - All partners/sponsors who supported the initiative will also amplify content through their own digital channels. Partners include: Sea Cleaners, Hawaiian Airlines, Billabong, Hawaii Wildlife Fund.
 - The initiative has been filmed by National Geographic who will broadcast a short segment on the initiative as well as include it as part of a larger eco-traveler themed series.
- National Geographic Eco Traveller filming (September 16-24)
 - National Geographic travelled to the Island of Hawaii to film two episodes that will broadcast on the national Geographic Channel. This includes a short bespoke documentary film on Sea Cleaners initiative and an Eco Traveller episode showcasing the island of Hawaii.
 - The filming shoot is part of a wider multi-channel campaign partnership between HTO and National Geographic and will be amplified across National Geographic's multi-platform network.
 - Both episodes will broadcast and digital content will be live by mid-October.
 - Advertising value: AU\$147,168

- Brand USA/ Nine media partnership (September 15 – December 31)
HTO participated in Brand USA's multi-destination cooperative campaign to encourage travel to the USA. This integrated campaign will include content on key experiences across Kaua'i, O'ahu, Maui and the Island of Hawai'i. Content will be featured across Nine Media's channels including traveler.com.au and Fairfax press nation-wide. Brand USA will work with Flight Centre as the call to action partner throughout this campaign who will be advertising touring product from Globus/Cosmos. Through a content-led approach, this campaign will give HTO the opportunity to highlight the diversity of authentic and local experiences the Hawaiian Islands has to offer, while driving Traveller readers to book travel through a campaign call-to-action partner. Advertising is AU\$254,666.

Travel Trade

- Online Training Program with MTA Travel (September 1–14)
 - We have produced a catalogue of educational videos with in-depth destination knowledge on the destination. Our intention with these videos is to provide education for regional and home-based agents that we otherwise may not have an opportunity to train in person.
 - In September, HTO partnered with Mobile Travel Agents (MTA) on an online training incentive to encourage agents to learn. By using their existing training platform, they were able to promote and distribute education to their network of agents. The incentive required agents to watch four videos and complete accompanying quizzes.
 - 37 agents completed the training.
- Virtuoso Lunch and Learn, September 18
HTO partnered with tourism board representatives from Abu Dhabi and New York City for a lunch and learn event with 30 Virtuoso members. Under the wider The Walshe Group brand, we were able to attract members to attend an update with three destinations whilst networking over lunch.
- Trade e-newsletter, released September 5
 - This was the fourth edition of our trade newsletter that was sent on September 5 featuring our consumer campaign with Expedia, along with providing park updates, upcoming events and festivals. The newsletter received a 33% open rate (5% decrease from the July newsletter). Top three articles clicked were the Expedia campaign, Island of Hawai'i Famil and Aloha Down Under wrap up and sales material. We will continue to alternate sending trade newsletter with the MICE Trade eDM so that we are providing updates to our agents every month.
- Aloha Fridays: Every second Friday Travel Weekly will include an 'Aloha Friday wrap' featuring Hawai'i news in their Friday digital newsletter that goes out to 14,200 people in the travel industry. This month the articles featured the following activities:
 - Youth ambassadors say "aloha" to responsible travel.
 - Hawai'i Tourism Oceania promotes romantic getaways in new digital campaign.
 - How your clients can celebrate romantic milestones in the Hawaiian Islands.
 - 10 Hawaiian locales that are perfect for celebrating love.

Public Relations

During September, Hawai'i Tourism Oceania worked with a diverse range of media on their upcoming trips to Hawai'i, as well as amplifying the Sea Cleaners initiative and Eco-Traveller episode on the

Island of Hawai'i. In September, Hawai'i Tourism Oceania also assisted with a smaller film project for online lifestyle platform, Man of Many.

A number of media travelled to Hawai'i during September.

- Jonathan Thompson is a freelance writer who was commissioned by Qantas Magazine to write a city guide to Honolulu. Jonathan's family to Honolulu included different activities such as culinary experiences, soft adventure and culture.
- Claire Sutherland is a writer for national publication ESCAPE. Claire travelled to O'ahu on a family that focused on two areas, sustainability and cuisine. Claire is commissioned to write two pieces for ESCAPE.
- Kristie Kellahan is a freelance writer who was commissioned by MiNDFOOD to travel to O'ahu for a romance themed family.
- Claire Knight is a writer for digital platform 9Honey and 9Travel. These online news portals are affiliated with Fairfax and Channel Nine in Australia. Claire travelled to O'ahu and the Island of Hawai'i to take part in a soft adventure themed family.

Hawai'i Tourism Oceania worked with National Geographic on two projects on the Island of Hawai'i. The first project centered around a responsible tourism activity, and the second project was the filming of an episode of National Geographic's Eco-Traveller.

The Sea Cleaners initiative involved Hawai'i Tourism Oceania, National Geographic, Sea Cleaners, Billabong Australia and Hawaiian Airlines. Youth ambassadors from Australia, New Zealand and Japan travelled to the Island of Hawai'i to clean up a remote beach. This activity was filmed by National Geographic and is being produced into a short documentary (around 3 – 5 minutes) to be released in October 2019. The beach clean-up took place on International Coastal Clean up Day (September 21) and a press release was distributed to Australian consumer and trade media along with photos and video content from the day.

The smaller film project for online lifestyle platform, Man of Many, took place on O'ahu in mid-September. HTO connected the small crew with a fixer and assisted in obtaining permits and guiding the editorial direction. Man of Many were working with American Express to promote three destinations across the globe (Sydney, Auckland and Honolulu). The footage of their time in Honolulu will be displayed on the Man of Many website later this year.

HTO assisted the following media in September:

- Jessica Campbell from GQ on her upcoming trip to Hawai'i
- Carla Grossetti on her upcoming trip to Hawai'i
- Amanda Woods on her upcoming trip to Hawai'i
- Kristie Kellahan on her commission with MindFood
- National Geographic on their upcoming work in Hawai'i
- Frank Arthur from Man of Many on his upcoming film project in Hawai'i
- Paige Pellivan regarding an upcoming television shoot in Hawai'i
- Claire Sutherland on her upcoming trip to Hawai'i
- Jonathan Thompson on his commissioned piece for Qantas Magazine

HTO had meetings with the following media/clients in September:

- Michael Gebicki from Traveller
- Josh O'Loughlin from Southern Cross Austero

- Sam Boynton and Tom Abood from National Geographic
- Claire Sutherland from Escape
- Jonathan Thompson from Qantas Magazine
- Kristie Kellahan from Mindfood
- Nancy Erger, Fixer from the Island of Hawai'i
- Richard Bunting from Luxury Travel Magazine/Signature Media
- Sherrine Youssef from Stellar Magazine
- Francesca Baldi from TravMedia
- Paige Pellivan from House of Wellness
- Frank Arthur from Man of Many

HTO created the following press releases in September:

- International Coastal Cleanup Day – Youth Ambassadors Say Aloha to Responsible Tourism. Resulted in 8 articles, reaching 717,886 people and totaling AU\$53,682 in PR value.
- Hawai'i Tourism Oceania focuses on romance in September.

PR Value Total: \$2,470,615.00

- Broadcast Value: N/A
- Print Value: \$2,367,709.26
- Online Value: \$102,905.74

Reach Total: 12,886,176

- Broadcast Reach: N/A
- Print Reach: 11,428,796
- Online Reach: 1,457,380

Sales Activities

Sales Calls			
Airline	Wholesaler/TA/TO/OTA	Other	Total
2	1	3	6

- Trade Sales Calls
 - Hawaiian Airlines – monthly meeting, recap on current initiatives in market and partnership opportunities
 - Outrigger Hotels
 - Norwegian Cruise Lines
 - Travel You presentation
 - Marriott Hotels Update

Key Performance Indicators - Leisure Market

A summary of contributing factors for any major variances (+/- 15% of quarterly target)

Area	2019 KPI (full year)	Result (YTD)	% variation	Comments

Visitor numbers	389,577	243,469 (Aug)	-8.7%	Numbers are down reflecting reduced airlift from NZ and by Jetstar ex Melbourne. The strong US dollar is also affecting outbound travel. NI – only Kaua’i tracking well. There is still a challenge in that 3 of the 4 airlines ex AU & NZ don’t have NI add-on fares.
Neighbor Island visitation			-8.3%	
Oah’u		207,868	-8.8%	
Maui County		36,338	+8.7%	
Kaua’i		19,270	-15.8%	
Island of Hawai’i		25,220		
Leisure visitor expenditure	\$984,100	\$602,700 (Aug)	-11.3%	The decline reflects lower numbers, reduced PPPD spending as a strong USD impacts spending
Publicity value	\$30,000,000	\$37,341,721	+124%	Very good publicity wins. Particularly print making the difference
Number of media fams	15	24	+160%	KPI achieved Individual press trips are generating multiple articles
Articles generated	30	38	+126%	
Number of travel agents reached (sales calls)	50	41	-20%	On track to reach YTD targets
Number of travel agents completed training program	200	467	+233%	Benefited by additional Month of Lei IC events and targeted training blitzes
Social media fan base (Facebook)	150,000	120,161	-20%	Growth slightly slower than planned as IG increases in engagement and popularity
Travel trade ad measures	n/a	n/a	n/a	Consistent always on ‘Aloha Friday’ segment AU and NZ and promotion of trade events/initiatives
Travel trade fam participants	40	48	+20%	KPI achieved after a busy quarter of FAMs

Describe the countermeasures to reverse any negative trends and/or KPI results

- HTOs program of organizing individual press trips has resulted in generous print promotion and one trip generating multiple editorials across several months.
- Online training numbers are up as HTO promotes the Northstar training program to several agency groups servicing high value travelers.
- FAM numbers increased due to an additional Brand USA/HTO product managers trip in August.
- Sales calls are tracking slightly lower due to a busy August with Aloha Down Under. Will pick up in final quarter.
- Facebook fan base increasing slowly whereas the trend is to follow Instagram which is seeing a substantial increase in engagement.
- HTOs activities are focused on the high value traveler to increase visitor expenditure and PP daily spend. HTO continues to promote the experiential aspects of the Hawaiian Islands. HTO will

execute a number of activities in the next quarter to inspire and inform consumers including with TripAdvisor, Luxury Escapes, media activities with the NZ All Blacks (golf) and Fish of the Day TV filming.

Brand Experience Update

- Sea Cleaners Responsible Tourism Initiative

Island Chapters Engagement Update

- HTO has scheduled bi-monthly conference calls with each of the Island Chapter teams. We are currently working on the below activities with:
 - All Island Chapters – pre-planning for Month of Lei roadshow May 2020
 - KVB – working on upcoming Travel Counsellors famil in December, four nights on Kaua’i
 - OVB – working on upcoming Travel Counsellors famil in December, stopover two night on O’ahu
 - MVB – working on Media famil in November
 - IHVB – MCI famil in October and media famil in November
 - IHVB – Sea Cleaners and National Geographic filming

“Coming Attractions” for Leisure Market

What	When	Where
Ignite families Coop	October	Australia
Luxury Escapes Co-op	November 25 – December 9	Australia
Trip advisor Campaign	November 2019 – Jan 2020	Australia
Group Media famil	November 1 - 7	Maui and Island of Hawai’i
TV Filming – Fish of the Day	November	O’ahu & Island of Hawai’i

Hawai'i Tourism China 2019 Monthly Leisure Marketing Report – September

Market Intelligence/Market Conditions

Economy

China Mainland

- In mid-September, the Trump Administration announced to delay the tariff on \$250 billion Chinese goods by two weeks from October 1 to 15. In return, China has exempted agricultural products such as pork and soybean from the new tariff on U.S. goods. China's economy saw a stable GDP growth rate at 6.3% YOY in the first half of 2019 amidst the Sino-U.S. trade war. The unemployment rate had also decreased to 3.61% in Q2 2019, a record low since 2002. Consumer confidence decreased from 125.9 to 124.4 Index Points in July. The Chinese Yuan fell to 7.1 CNY per USD since August, which will likely influence Chinese buying power for outbound travel.

Hong Kong

- Hong Kong's economy expanded modestly by 0.5% YOY in Q2 2019. With the escalating China-U.S. trade tensions and the dampening domestic consumption and investment sentiments, government's forecast for Hong Kong's economic growth 2019 is revised downwards from 2-3% in May to 0-1%. The unemployment rate increased slightly from 2.8% to 2.9%. Hong Kong dollar and U.S. dollar maintained an exchange rate of 7.84 HKD to 1 USD as of September 26. Travel and retail players express uncertainty in business as Hong Kong steps deeper into political tension.

Outbound Travel Market

China Mainland

- According to China Tourism Academy, a total of 81.29 million Chinese travelers opted for outbound travel during the first half of 2019, a 14% increase YOY. Over 4.8 million Chinese tourists are forecasted to travel overseas during the upcoming National Holidays; the U.S. is ranked in 4th place after Japan, Thailand and Malaysia as Ctrip's top recommended outbound destinations.
- Many Chinese travel agencies have suspended large-scale promotions for U.S. destination products (including U.S. mainland plus Hawai'i products) in light of the development of the Sino-U.S. trade war.

Hong Kong

- Due to the ongoing protests in Hong Kong, the Travel Industry Council indicated that Hong Kong Outbound travel demand has dropped by 10% - 20% in Q3 2019. Many travel agents have cut down the group travel package prices by 10% and 30% for long-haul and short-haul destinations respectively to maintain their business. Most of the travel agents and tour guides are now on unpaid leave. Airlines such as United Airlines and Turkish Airlines also saw a 30% drop in future booking for Q4.

Competitive Environment

China Mainland

- Alipay and Fliggy announced a collaboration with Brand USA and the San Diego Tourism Authority (“SDTA”) to promote San Diego as a leading travel destination offering Alipay-friendly services to Chinese tourists. The collaboration encompasses a comprehensive digital marketing campaign as well as Alipay merchant integration for Chinese tourists' payment convenience. Fliggy's app also launched a San Diego City-specific page featuring itinerary recommendations, travel tips and promotions on products.
- Tourism Tahiti organized its 2019 China Mission "Meet the island of Tahiti" spanning across Beijing, Shenzhen and Shanghai from September 16 - 20. Around 150 Chinese travel agents connected with 7 Tahiti partners.

Hong Kong

- Cathay Pacific expressed that the demand for premium class travel had fallen more significantly compared to economy, especially so in China Mainland and Northeast Asia. However, Australia and New Zealand numbers were more positive.

Consumer Trends

China Mainland

- Consumption of cruise travel is seeing popularity during the 7-day China National Day holidays, owing to the new, well-facilitated cruise ships and an increase in professional services offered. The most famous lines are America-Canada-Alaska & surrounding Mediterranean, both operated by Pride of America NCL. Source: China Tourism Academy
- According to China Travel News, the application of AI technology could have a significant impact on consumer choices. Ctrip launched an AI voice guide to introduce the local culture and destination highlights of 8,000 global attractions to Chinese travelers. It becomes more affordable and convenient for travelers to get travel information and enrich their travel experiences.

Hong Kong

- A surge in migration applications suggests more Hong Kongers are looking for new homes abroad. The authorities in Australia, Malaysia and Taiwan have reported spikes in migration inquiries, and property agents from Melbourne to Vancouver said their phones are running hot.

Travel Trends

China Mainland

- As reported by Ctrip, Chinese group travel patterns have shifted from the traditional bus-loads sightseeing tours to small, customized & private groups averaged at 3.3 travelers per group. Travelers choosing private groups are Millennials born in 70s and 80s with high income. The top outbound destinations for them are Japan, Indonesia, Singapore, U.A.E. and the U.S.

- ITB China states that culture travel is on a fast-growth track, with 62% of the respondents expecting a growth of 30% or more over the next three years. Travelers wish to experience the local culture of a destination and learn more about its history and customs through experiential programs and exploring the scenery.

Hong Kong

- Cathy Pacific planned capacity cuts on their winter flight schedule, in particular to U.S. routes, as demand for Hong Kong travel falls following months of anti-government protests. The inbound traffic to Hong Kong dropped by 38% in August, while outbound traffic dipped by 12%.

Media Trends

China Mainland

- In September, popular American entertainment media Variety launched its Chinese version. Variety China is a multi-channel media with print magazines and digital presence on Weibo, WeChat, TikTok and Zhihu. There are many collaboration opportunities for Hawai'i as it is home to many famous movie filming sites.

Hong Kong

- With the increase of millennial families, young parent influencers are leading a thriving social space, tapping on social media to share their parenting experiences and advice to struggling parents.

Airlift

China Mainland

- As stated by CAAC, China civil aviation is facing a situation where flight demands far outweighed the airport's support capability. Considering the safety factor, new flight requests (inclusive of chartered flights) will be rejected starting from August until October 10. This may impact the application of the charter flights during Chinese New Year period for Hangzhou – Honolulu. HTC will continue to monitor the situation.

Hong Kong

- ANA is significantly growing its presence in the Hong Kong market by deploying the "Flying Honu" A380s, increasing capacity from Tokyo to Honolulu. Meanwhile, United Airlines has suspended the flight between Hong Kong and Guam, a key transit region to Hawai'i, which caused an increase in Hong Kong travelers transiting via Japan instead.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

China Mainland

- Chinese group travel patterns have changed from traditional mass tourism to new, smaller group tours with customizable themed offerings due to the rising travel demand and increase of luxury

tour operators. HTC will continue to target more sophisticated and high-value visitors to Hawai'i through a deepened relationship with major luxury tour players like HH travel, Zanadu, Kuaibangxing and Great-expectation, positioning The Hawaiian Islands as the 'Diamond of Islands' in its 2019 marketing initiatives.

- The popularity of culture activities presents the perfect opportunity to promote Hawai'i's rich cultural experiences, for instance, hula, luau, historical museums and heritage sites.

Hong Kong

- The on-going social unrest has tumbled the Hong Kong outbound travel market. The outbound travel demand has decreased by 10%-20% while the demand for long-haul destinations, including Hawai'i, is estimated to drop by over 40% if the anti-government protest carries on. The Hong Kong government has been trying to launch measures to relieve the current tension, but it is uncertain when the demonstrations will end. HTC-HK will closely monitor the situation and follow up with the industry partners.

Leisure Activity Update

Consumer

China Mainland

- **The Diamond of Islands – Sounds of Aloha Hawai'i**

The heightened interest in ukulele amongst the Chinese multi-generational families presents an opportunity for HTC to educate them on the unique world-class musical and cultural resources of Hawai'i. HTC partnered with leading travel media in South China, Travel Lion, and Four Points by Sheraton Heshan to kick off the initiative 'Sounds of Aloha Hawai'i – Ukulele Lawn Festival'.

The festival invited 20 VIP families, famous travel influencers and travel journalists in the Greater Bay Area in China to indulge in the beautiful ukulele tunes and soak in the Aloha atmosphere. The event is promoted through the partners' media channels as well as Sohu and HTC official WeChat and Weibo, gathering over 300,000 impressions.

Hong Kong

- **Aloha Hawai'i by HK Travel and Lifestyle Influencer Jacky**

Popular Hong Kong travel and lifestyle influencer, Jacky, launched 24 Hawai'i stories on his social media channels which included 2 videos capturing his dreamlike moments in O'ahu and Island of Hawai'i. The stories showcased the distinct Hawai'i nature offerings and culture experiences, such as exploring the Hawai'i Volcano National Park and botanical gardens, dancing the Hula in the Polynesian Cultural Centre, helicopter tours and standup paddling in North Shore. HTC-HK supported with responsible travel tips and itinerary suggestions for Jacky's trip, which garnered a total of 89,800 impressions and a PR value of USD 12,000.

Travel Trade

- **Mid-Autumn Festival Greetings to 104 Travel Trade Partners & 55 Medias Nationwide**
To strengthen relationships as well as express gratitude for their continuous support to Hawai'i, HTC sent festival greetings to 104 airlines and travel trade partners as well as 55 travel and lifestyle media partners.
- **HTC & China Eastern Airlines Joint Roadshow in Chengdu, Guangzhou & Shenzhen**

To overcome the negative impacts of Air China suspending their Beijing-Honolulu route, HTC proactively invited China Eastern Airlines (MU) to conduct a joint roadshow covering South-western and Southern China. Preferred airfares were promoted for Chengdu/Guangzhou/Shenzhen to Honolulu via Shanghai by MU.

- In Chengdu, HTC collaborated with China Eastern Airlines for an educational seminar on September 10 to feature Hawai'i and the Chengdu-Honolulu route via Shanghai. As HTC's valued partners, China Eastern Airlines Sichuan Branch launched favorable airfare rates. A total of 25 agents from wholesalers, luxury tours and OTAs attended the seminar and showed great interest in promoting mono Hawai'i products.
 - In Guangzhou & Shenzhen, HTC conducted a VIP trade seminar with China Eastern Airlines Guangzhou Branch on September 18, attended by 25 key agencies from Guangzhou and Shenzhen. The seminar highlighted the route from South China to Hawai'i and MU distributed flight tickets policy to the agencies. In addition, HTC took the opportunity to inspire trade partners with the charming scenery and abundant tourism resources of The Hawaiian Islands.
 - Following Chengdu, Guangzhou and Shenzhen, the joint roadshow will cover Northern China via Beijing in October.
- **2019 'Ohana Fun' with Korean Air**

HTC partnered with Korean Air for 2019 'Ohana Fun' Hawai'i airfare promotion starting from September. Korean Air provided HTC with advertising banners on their official website as well as online flagship stores on Fliggy and Qunar. HTC actively secured the sponsorships from Hawai'i partners: Sheraton Waikīkī, Ala Moana Hotel, Atlantis Submarines Waikīkī, Surfing Goat Dairy, DFS, Germaine's Lū'au, Sealife Park Hawai'i, Kualoa Ranch, Roberts Hawai'i, USS Missouri Memorial Association, Hard Rock Café Honolulu, Ruth's Chris Steak House, and Ala Moana Center.

- **Joint Trade Event with All Nippon Airways (ANA)**

ANA hosted a trade event together with HTC in Guangzhou on September 17 to showcase their A380 "Flying Honu" aircraft that takes flight to Hawai'i via Tokyo. HTC presented Hawai'i to a total of 31 wholesalers, MICE agents and flight ticketing agents.

- **HTC Co-op with Ctrip Featuring Hawai'i**

HTC collaborated with the biggest OTA in China, Ctrip.com, for 'Diamond of Islands' online promotions via advertisements, Hawai'i Travel Experience online store as well as Ctrip's social media channels. The campaign featured Hawai'i's abundant offerings in sightseeing and attraction,

experiential activities, airfares, hotels as well as the latest mono-Hawai'i products (including sports, family, golf and honeymoon-themed packages). The co-op successfully concluded in September with **bookings increased 8.81% YOY to 75,771 pax and a total of 5,856,024 impressions garnered.**

- **HTC In-house Training Covering Northern China**

- **Educational Seminar Targeting Customized Group of Northern China Market:** HTC conducted in-house training at Footmark, a travel agency focused on customized and themed (golf and family) group products, sharing the most updated Hawai'i tourism information to the top 5 sales professionals in attendance. In addition, a social media co-op targeting Chinese consumers will be conducted following the training.
- **Educational Seminar Targeting FIT Market:** An in-house training was held at Wannar.com office on September 6 to promote mono-Hawai'i products. The OTA's operations, sales and product manager attended the training to enhance their professional information on The Hawaiian Islands.

- **WeWork 1st Anniversary Goes Aloha**

Coworking space WeWork Chengdu Pinnacle One goes Aloha-themed to celebrate its one-year anniversary on September 6. This event attracted over 150 members and 24 corporate companies. HTC brought airline partner China Eastern Airlines Sichuan Branch onsite to promote favorable airfares for their Chengdu-Honolulu route via Shanghai. The tech and startup professionals in attendance showed great interest at the stunning scenery, rich tourism resources and vibrant Hawai'i elements. HTC also prepared unique gifts such as ukulele to deepen the impressions of Hawai'i.

Public Relations

China Mainland

In September, HTC secured a total of 31 media exposures (2 print media and 29 online media), achieving over **8.8 million impressions and a total PR value of USD 693,900.**

- **HTC Sports & Outdoor Adventures Media FAM**

To promote Hawai'i's inspirational nature resources and eco-tour experiences, HTC invited 5 media partners to visit Maui, Lāna'i, and O'ahu in September. The total media exposure from National Geographic Traveler (时尚旅游), Adventure Magazine (户外), City Zine (城市画报), Jiemian.com (界面) and Sina Travel (新浪旅游) is expected to reach 11 million impressions.

The FAM trip was largely supported by MVB, OVB, Four Seasons Resort Lāna'i, Kaanapali Beach Hotel, Hilton Hawaiian Village Waikīkī Beach Resort, Doubletree by Hilton Alana Waikīkī, Kualoa Ranch and Royal Hawaiian Center. The group experienced various local activities including Haleakalā sunset tour with Polynesian Adventures, Discover Molokini tour with Trilogy Excursions, cocktail sunset tour with Hawai'i Nautical and hiking tour with North Shore Eco-tours.

- **The Summer Vibe in Hawai'i by Ginger Magazine**

The high-end lifestyle publication, Ginger Magazine, released a 4-page article to introduce the various experiences in Hawai'i. Highlights include Kualoa Ranch tour, snorkeling at Molokini, and sunrise tour at Haleakalā National Park, garnering **200,000 impressions and a PR value of USD 201,200.**

- **Gateway from The Busy City, Enjoying Leisure Travel in Hawai'i**

HTC released an article to promote outdoor adventures on The Hawaiian Islands. The story covers Atlantis Submarine, Allerton Garden tour, Diving with Manta Ray, and Self-driving the Hamakua Heritage Corridor, achieving **2.4 million impressions and PR value of USD 192,800.**

- **Social Media**

- In September, HTC Weibo followers saw 117,443 followers with total impressions reached 3,061,412. Meanwhile, the number of WeChat followers increased 584 to 28,802 and the 8 articles this month gained 22,732 page views, a 7% growth compare to last month.

- **Joint Social Media Campaign with Korean Air – Hawai'i Festival Calendar**

As the Golden Week is coming soon, HTC cooperated with Korea Air to launch a join social media campaign by promoting the most representative Hawai'i festivals and events in Q4 2019. Through the promotional post, HTC showcased Hawai'i as a Aloha state with various activities, such as Aloha Festival, Hawai'i Food and Wine Festival and The Vans Triple Crown of Surfing. These posts reached more than 140,000 travel lovers.

Hong Kong

- **Media Exposure**

Media Highlight – “The Luxury of Place” in Hawai'i

Hong Kong's first luxury-lifestyle magazine, Prestige Hong Kong has featured 2-pager “The Luxury of Place” in Hawai'i in September. The #prestigetrip story showcased the beauty of Hawai'i and highlighted the dazzling Mauna Kea Beach Hotel. Including the Prestige publication, a total of 11 articles with USD 132,993 PR value and 931,465 impressions has been garnered in September.

- **Social Media**

A total of 18 Hawai'i arts and culture stories have been shared on Instagram and Facebook, gathering 383,847 digital gross impressions in September. The Kona Coffee Cultural Festival and the murals in Kaka'ako engaging videos and portraits have been boosted to capture attention from arts and culture lovers. The content included Gohawaii.com links with in-depth travel information.

Sales Activities

China Mainland

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
16	72	3	91

- In Northern China markets, HTC accomplished a total of 19 sales calls. HTC worked with Footmark and Wannar.com to jointly host seminars in Beijing. Moreover, HTC also launched ‘Ohana Fun’ campaign working with Korean Air.
- In Eastern China markets, HTC accomplished a total of 21 sales calls. With the arrival of Mid-Autumn Festival, HTC delivered the seasonal greeting during the sales activities to strengthen relationships with them. Through efforts on positioning Hawai‘i as a luxury destination, AITS, Zhejiang Everbright Bravo shows great interests in designing high-end products to meet demands from various clients.
- In South-western China markets, HTC accomplished a total of 25 sales calls. In light of Mid-autumn Festival, HTC sent seasonal greetings through sales calls. During the visits, Toursforfun, Tourscool, Air China, China Eastern Airlines showed interest in developing more Mono-Hawai‘i products.
- In South China markets, HTC accomplished a total of 26 sales calls. Likewise, seasonal greeting were delivered during the sales activities. Among the agents, Roman International Travel, Travel Plus, China Eastern Airlines expressed interest in developing more Mono-Hawai‘i products. Singme Travel is also looking to send more groups to Hawai‘i.

Hong Kong

Sales Calls			
Airline	Wholesaler/TA/TO/OTA	Other	Total
4	9	2	15

- Affected by the on-going protest, Hong Kongers have been way more reserved in expenditures. Many outbound agents have seen a 40 - 50% drop in bookings to long-haul destinations. They forecasted a continuous drop for Hong Kong outbound travel demand in short term till the protests die down.

Key Performance Indicators - Leisure Market

A summary of contributing factors for any major variances (+/- 15% of quarterly target)

China Mainland

- Travel Trade: In Q3, HTC took part in 2 tradeshows amounting to 27 appointments, a 50% surplus of the Q3 target owing to the proactive attendance of U.S. Consulate at the TTWG roadshow in Hangzhou and Wenzhou. 1 out of 2 trade FAMs was accomplished in Q3, while HTC has transferred 1 trade FAM to Q4 due to the cancellation of GTS in September. In order to overcome the negative impacts of the suspension of the Air China Beijing-Honolulu route, a total of 10 joint education sessions with Hawaiian Airlines, All Nippon Airways, China Eastern Airlines and key travel agencies were conducted, outreaching 276 trade professionals in Q3. This surpassed 66% and 84% in ‘No. of Trade Education Sessions’ and ‘No. of Participants’ respectively.

Describe the countermeasures to reverse any negative trends and/or KPI results

- HTC recognized 2 negative trends that impacted Chinese travel to Hawai‘i:

- Both Hawaiian Airlines and Air China suspended its Beijing-Honolulu air services in October 2018 and August 2019 respectively, which caused a significant drop in air seats in 2019.
- The trade disputes between China and the U.S are still ongoing; the Chinese Yuan fell to 7.1 CNY per USD since August, which will likely influence Chinese buying power for outbound travel.
- Based on the current situation, HTC intensified activities to roll-out Promotional Roadshows with China Eastern, ANA and Hawaiian Airlines to support the industry. Objectives for the upcoming Roadshows taking place in Shanghai, Beijing, Chengdu and Guangzhou from August to October 2019 include:
 - HTC and Airline Partners to jointly present on-site to promote and boost confidence in travel to The Hawaiian Islands amidst challenging business and political environment.
 - HTC to actively extend on-the-ground destination support to travel sales intermediaries to minimize the potential lost of business and to connect trade intermediaries to alternative airline partners for business collaborations.
 - To introduce ongoing and upcoming special promotions and policies by China Eastern, ANA and Hawaiian Airlines.

Hong Kong

- Most of the KPIs in Q3 2019 have been achieved, except the social media impressions and fans growth which were affected by the political situation in the city. We had shifted the social media strategy to gain more impressions by branding Hawai'i as the soul-enriching getaway destination to escape from the city tension.

Brand Experience Update

China Mainland

- HTC promoted Aloha Festival, Hawai'i Food and Wine Festival and The Vans Triple Crown of Surfing through social media channels and sales calls to attract cultural travelers, foodies and surfing lovers.

Hong Kong

- HTC-HK promoted Kona Coffee Cultural Festival through social media channels, PR calls and sales calls to attract coffee lovers and cultural travelers.

“Coming Attractions” for Leisure Market

What	When	Where
HTC Attend Lushu.com Strategy Conference	October 10	Beijing, China
HTC & China Eastern Airlines Joint Roadshow	October 16	Beijing, China

Korean Air 'Ohana Fun'	October - November	China
Rainbow Routes Hawai'i	October	China
Sounds of Aloha Hawai'i	October - November	China
Aloha Jam Hawai'i Stop	November	Hawai'i

Hawai'i Tourism Korea 2019 Monthly Leisure Marketing Report – September

Market Intelligence/Market Conditions

Economy

- South Korea's economy grew at a slower than expected pace in the second quarter due to sluggish exports and smaller government spending. Revised Bank of Korea data showed the country's gross domestic product expanded 1% in the April-June period, rebounding from a 0.4% quarter-on-quarter contraction in the first quarter. The reading, however, represents a slight decrease from July's estimate of a 1.1% quarter-on-quarter expansion. The economy is expected to be further weighed down by an escalating trade dispute with Japan and the ongoing U.S.-China trade war. The OECD also slashed its growth outlook for South Korea's economy this year to 2.1% amid a slowdown in global trade.
- There are growing concerns about possible deflation as South Korea's consumer price growth heads for a record low this year. Statistics Korea reported that consumer prices crept up by only 0.5% in the January-August period, the lowest figure since 1965. In August alone, consumer prices remained unchanged, staying below the 1% threshold for the eighth consecutive month.
- A think-tank report has found that as the average annual salary of Korean employees rose 4.6% in 2018 from a year earlier, the income gap between conglomerates and small businesses also narrowed over the period. South Korean wage workers earned 36.3 million won (\$30,347) annually on average last year, up 1.59 million won (\$1,331) from 2017, according to a report by Korea Economic Research Institute (KERI). The data also showed the average salary of the top 10% of employees was 69.5 million won (\$58,159). The number of employees earning more than 100 million won, considered a high salary in Korea, was around 460,000, accounting for roughly 3% of all wage workers.
- The average USD/WON exchange rate in September was 1192.72 won, a slight decrease from the previous rate of 1209.00 won in August. The won is still weak against other major currencies. Fuel surcharges were also still imposed in September up to 98,400 won (\$82.41) for a round trip between Korea and the U.S.

Outbound Travel Market

- Korea Tourism Organization (KTO) reported the number of Korean outbound travelers in August 2019 was 2,427,634, a year-on-year slight decrease of 3.7%.

Month	Departures	Growth (%)
January	2,912,331	1.5%
February	2,617,946	13.3%
March	2,334,153	3.6%
April	2,246,417	0.7%

May	2,401,204	3.0%
June	2,495,798	7.0%
July	2,642,585	6.0%
August	2,427,634	-3.7%
Total	20,078,068	3.9%

- Hana Tour and Mode Tour, the nation’s top two wholesalers, reported year-on-year decreases of 27.4% (to 173,000 pax) and 8% (to 143,000 pax) respectively in their overall outbound sales in September. According to Hana Tour, the downturn in travel demand for package products was mainly due to the continuing travel boycott on Japan and cancellations for Hong Kong due to protest turmoil. It also reported that for destination market share in September, Southeast Asian countries such as Thailand, Philippines, Taiwan, and Malaysia accounted for more than half with 51.4%, followed by China (15.4%), Europe (12.8%), Japan (9.7%), South Pacific region (6.0%), and the U.S. (4.7%). In the meantime, overall sales bookings for U.S. destinations increased by 1.9% while they fell 15.1% for competitive destinations in Europe.
- The total number of South Koreans who took overseas travel during the Chuseok (Korean Thanksgiving Day) holiday, dipped 4.1% year-on-year to an average of 179,000 per day. The daily average of 25,230 Koreans who traveled to or from Japan via Incheon International Airport was down 29.1% on last year’s holiday. The tally was calculated from September 11 to 15 and included the three-day holiday that started on September 12. Incheon International Airport Corp. attributed the fall in users of flights to Japan to the recent anti-Japan campaign as well as the relatively short holiday break. A survey by Trip.com also showed that domestic hotel bookings rose 230% from last year’s holiday, indicating that South Koreans chose to stay in country rather than travel abroad.

Competitive Environment

- Delta Air Lines introduced its new A330-900neo aircraft on the ICN-SEA route from September 17. The airline has ordered 35 of the model which allows four booking categories: 29 seats in Delta One Suite, 28 in Delta Premium Select, 56 in Delta Comfort Plus, and 168 in Main Cabin.
- Asiana Airlines is expanding its networks by aggressively launching chartered flights to competitive long-haul destinations to capture the high demand in the busy winter travel season. It will be starting direct flights to Lisbon, Portugal, with a two-flight weekly schedule from October 28, 2019 to March 25, 2020. The airline will be also operating chartered flights to Egypt and Melbourne, Australia, from December.
- Low-cost carrier, Air Seoul, a subsidiary of Asiana Airlines, will be inaugurating daily services to Hanoi, Vietnam, a competitive beach destination for Hawai’i in the Korean market, starting from December 16, 2019.

Consumer Trends

- Online shopping transactions hit a record high in August in Korea, reflecting changes in lifestyle amid a surge in single-person households preferring to stay in and have groceries and meals

delivered, latest data showed. Statistics Korea monthly data showed the total value of online transactions was 11.25 trillion won (US\$9.3 billion) in August, up 21.4% from the same period a year ago. It is the highest monthly figure since the agency began compiling such data in 2001. The previous highest was in May, when the value reached 11.23 trillion won.

Travel Trends

- Sustainability and responsible tourism was put under the spotlight by Korea Tourism Organization (KTO) which introduced in June an eco-friendly tour program. It is part of KTO's efforts to raise awareness of the need to end a reliance on single-use items, particularly plastics, while traveling, and eventually to send nothing to landfills. The zero-waste campaign came as global tourist attractions, such as the Philippines' Boracay, Indonesia's Bali and Thailand's Maya Bay on the island of Phi Phi, are struggling with increasing waste. KTO will promote a sustainable environment-oriented tour program in cooperation with relevant organizations.

Media Trends

- In a country with the world's fastest aging population, active Korean seniors are proving to be a substantial blue ocean. Whereas the senior citizens of the past often lacked the means for consumption, the new active seniors wield substantial buying power bolstered by home ownership, savings and social protection. Active seniors are also increasingly using social media to obtain information and showed the biggest jump in viewing time of YouTube content over the past four months. Those aged 50 and older saw their YouTube usage time surge 15.4% compared with an April survey, while those in their 30s and 40s increased usage by 11.8% and 8.5%, respectively.

Airlift

- To serve growing demands for Hawai'i during the winter peak season, Korean Air will add regular KE051 flights on the ICN-HNL route from early December. It will redirect its A330s which had been deployed on Japan routes to other profitable destinations, including Hawai'i. The flights will be 4 times weekly and generate about 16,000 additional seats during the three-month service period from December 9, 2019 through February 29, 2020.
- Asiana Airlines is operating daily services on the ICN-HNL route until March 31, 2020. The flights will generate an additional 4,675 seats in 2019 and 7,150 in 2020.
- Jin Air is internally discussing the timing of its return to ICN-HNL services after a second round of suspension from August 26.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- Statistics Korea announced in early September that travel accounted for 13.5% of total online shopping transactions in June, with a value of 1.43 trillion won (\$1.20 billion). The market share is enhancing the focus of the e-commerce industry on the travel sector, particularly OTAs. For example, G Market recorded 11% year-on-year growth in travel theme sales volume and 11 Street has had a 2.5-fold increase in the past four years. The latter's air ticket sales have increased 255% and its accommodation sales have upped 260% since 2016. Major Korean e-commerce companies such as G Market, 11 Street, We Make Price, TMON and SSG.com have developed travel-specialized platforms that integrate travel and leisure activities (We Make Price), partnered with global OTAs such as Agoda (TMON), or developed their own platform (SSG.com). As Hawai'i is becoming FIT-friendly destination, the Korea team will be actively partnering with global OTAs to

boost sales volumes and extensively deliver the key message of Kuleana to capture the increasing number of FITs on online booking platforms.

Leisure Activity Update

Consumer

- **Hawaiian Lifestyle Yoga Class:** HTK partnered with Men's Health, a leading health & lifestyle magazine in Korea, to develop a Hawaiian Lifestyle Yoga Class inviting top influencers in Seoul on October 4. The aim was to encourage patrons to experience healthy Hawaiian living through outdoor yoga and Hawaiian styled food catering. Participants enjoyed an after-party with healthy finger food and Hawaiian beer. The event venue was decorated with Hawai'i images and tropical designs to create a Hawaiian mood and the HTK logo was exposed as official sponsorship partner. The event went viral through the influencers' social media and Men's Health channels.
- **Aloha Report Season 4:** HTK will start the Aloha Report Season 4, a new chapter for the on-going in-house video series with local correspondents based on the island. The 1-minute video will cover a diverse range of events and festivals as well as tourist attractions, restaurants and landscapes in the Hawaiian Islands. The content will be released via HTK's official social media channels, Instagram and YouTube, every week.

Travel Trade

- **Luxury Hawai'i campaign:** HTK has rolled out a luxury Hawai'i campaign with nation's leading OTA Interpark to position it as a premium destination and to target an increasing number of family package/FIT groups. It involved Korean Air and a high-end line-up of hotel partners such as 'Alohilani Resort Waikiki Beach, Hilton Hawaiian Village, Sheraton Waikiki, and Aulani, A Disney Resort & Spa to develop luxury Hawai'i products. The promotion will be extensively advertised through the travel agency's owned and paid channels, including its official websites, social channels, E-DM, Naver, and multi-product advertisements on Facebook. The promotion is expected to draw a total of 350 pax, achieving year-on-year growth of 30% during the three-month campaign from October to December.
- **Consumer Branding Campaign:** HTK joined Korea's largest music event, Jarasum Jazz Festival which features world-famous artists and attracts about 100,000 spectators. During three-day festival (October 4-6), HTK has operated promotional booths to deliver authentic aloha hospitality to attending families, friends, and couples. It will run various consumer events, such as the wittily named You Quiz on Hawai'i and social media follower events that offer Hawai'i-themed giveaways sponsored by the Korea team.
- **Airlines Promotion:** HTK will be implementing B2B/B2C promotions to commemorate the Korean Air's additional regular flights (KE051) and also to stabilize load factors during the service period from December 2019 to February 2020. For the B2B sales promotion, KE will involve leading travel agencies in launching new Hawai'i package products in conjunction with the kick-off of KE051. It will also do banner advertising on their multiple channels to generate massive media buzz. Also, the Korea team and the airline are currently developing an online consumer promotion to be featured on Korean Air's official website. It is intended to highlight cultural and historical aspects of Hawai'i and deliver the key messages of the Kuleana campaign.

Public Relations

- **Individual Media Visit - Joongang Daily Newspaper:** HTK will be hosting an individual media visit by leading newspaper Joongang Daily from November 14 to 20 with a Hawai'i Surfing (Surfing &

Hiking) theme. The media will visit Kaua'i and O'ahu to feature the islands as ideal surfing destinations. HTK will start to develop the itinerary in partnership with each IC. In Kaua'i, the itinerary will highlight Waimea Valley hiking and include a helicopter tour. In O'ahu, various surfing activities such as Hawaiian Pro surfing lessons will be included.

- **OVB Sports and Outdoor Adventure Press Trip:** HTK will participate in OVB's upcoming global press trip in November by inviting Vogue Korea, a leading fashion & lifestyle magazine.

Sales Activities

Sales calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
5	24	10	39

- **Airlines:** HTK made regular sales calls to airline partners to share airlift updates and partnership opportunities in the second half of 2019, as follows: Korean Air for extra chartered flights and additional regular flights; Asiana Airlines for airlift updates and co-op online branding campaign; Jin Air for airlift updates; Hawaiian Airlines for Neighbor Island promotions and joint Fam; Delta Air Lines for future partnership opportunities.
- **Tour operators:** HTK had sales meetings with Korea's leading wholesalers, retailers, OTAs and receptive operators to develop various Hawai'i campaigns and sales promotion.
- **Others:** HTK cultivated working relationship with industry partners from hotels, DMOs, transportation, attractions and consumer brands to discuss further co-op promotions and events.

Key Performance Indicators - Leisure Market

- In Q3, the actual KPI result for publicity value ended with -30% due to lower exposure value on print media. As the consumption of printed media such as newspapers and magazines continue to decrease while the demand of online/digital media is in growth, most of the media groups have been focusing their effort more on online contents than prints. Such phenomenon is also obvious in the result of the number of impressions for Q3 as the online impression has recorded +59% while print impression has closed with -82%. For media fams, 1 individual press trip scheduled in Q3 has been postponed to November.
- In terms of travel trade marketing activities, No. of Trade Shows ended up with -50% (actual number was 1 versus KPI target of 2 trade shows) as HTK decided not to attend the Brand USA Sales Mission in Korea. Regarding the Travel Trade FAMs (-100% over Q3 of BMP KPI), it was due to the rearrangement of Celebrity Golf Fam which was scheduled in August. It has been moved to November and total number of KPI target will be achieved at the end of this year.

Brand Experience Update

- HTK secured publication during the month of September in a total of 102 media outlets, with an estimated advertising value of \$781,500 and 54,880,000 impressions.
- Press Releases:
 - 2019 Hawai'i Food and Wine Festival
 - HTK X Men's Health Executed Hawai'i Lifestyle Yoga Class

Island Chapter Engagement Update

- **Kaua'i Visitor Bureau (KVB):** HTK and KVB are collaboratively developing the customized itinerary for an upcoming Celebrity Golf Fam scheduled in November. On behalf of HTK, KVB has been reaching out to partners for accommodation, golfing and attractions to optimize the theme of the Fam tour.
- **Island of Hawai'i Visitors Bureau (IHVB):** HTK and IHVB are jointly curating the itinerary for an upcoming Celebrity Golf Fam scheduled in November. On behalf of HTK, IHVB has been reaching out to partners for accommodation, golfing and attractions to optimize the theme of the Fam tour.

"Coming Attractions" for Leisure Market

What	When	Where
Celebrity Golf Fam	Nov 6 – Nov 13 (6N/8D)	Kaua'i & Island of Hawai'i

Hawai'i Tourism Taiwan 2019 Monthly Leisure Marketing Report – September

Market Intelligence/Market Conditions

Economy

- Taiwan's government revised its GDP growth rate to 2.4% for the second quarter of 2019 compared to the same period last year. GDP is predicted to grow 2.46% and 2.58% respectively in 2019 and 2020.
- The unemployment rate in August was 3.89%, increased by 0.07% compared to the previous month.
- Taiwan's consumer confidence index (CCI) increased by 1.12 points to 80.86 in September compared to the previous month.
- The currency exchange of New Taiwan Dollar appreciated to 31.142 (average) in September when compared to 31.413 in August.

Outbound Travel Market

- According to Taiwan Tourism Bureau, the overall number of outbound visitors from Taiwan was 1,481,669 in August 2019 with a 1.45 % increase compared to August 2018. The outbound number to U.S. decreased by 5.09% to 48,151 in August 2019 compared to the same period last year.

Competitive Environment

- Short-haul competition from East/Southeast Asian destinations remains strong in August 2019: Philippines (+52.36%), Cambodia (+31.97%), Vietnam (+31.29%) and Thailand (+26.74%) have seen greater growths because of their affordable pricing and proximity to Taiwan. Furthermore, Thailand will extend its waiver on visa-on-arrival fees until October 2019, expecting to bring in even more Taiwanese visitors in the second and third quarter.
- Long-haul competition from New Zealand continues to be strong with 59.46% visitation growth YOY (YTD August 2019) due to favorable currency exchange rates and the new direct flight between Taipei and Auckland. However, the ongoing measles outbreak is expected to overshadow the tourism outlook for the country.

Consumer Trends

- KKday, a Taiwan-based OTA that specializes in local in-destination tours and activities, pointed out that in-depth experiential travel has become the trend in Taiwan since 2018 as the company has seen a 60% growth in its experiential products purchased by Taiwanese consumers across Asia Pacific, Europe and North America.

Travel Trends

- According to according to Mastercard's Asia Pacific Destinations Index, Bangkok, Singapore, Kuala Lumpur, Tokyo and Seoul retain the top five destinations in the region, primarily driven by explosive growth in outbound travel from mainland China. These five cities are also capturing 25.2% of total international travel spending in Asia Pacific.

Airlift

- Given the positive outlooks for travel and business between Taiwan and the West Coast of the United States, China Airlines announced that it will add three more direct flights per week between Taipei and Los Angeles starting October 28, providing a total of 17 weekly flights serving the Greater Los Angeles Area.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- Overall booking pace for Hawai'i has been positive. The Taiwanese arrival number to Hawai'i increased by 54.1% to 2,145 in August 2019 when compared to the same period last year, which was contributed by China Airlines' special airfare promotion after launching its additional direct flight between Taipei and Honolulu since May 2019.
- As summer is the peak season for outbound travel for Taiwanese consumers, China Airlines' load factor has been performing well since the beginning of the summer: 85.8% in June, 87.5% in July and 79.1% in August.
- To prevent the potential dip in visitor statistics in the fourth quarter which is traditionally a slower period for outbound travel, HTT has been scheduling the release of print and video coverage from fashion media and vloggers from August to November, aiming to continue the strong momentum from the summer.

Leisure Activity Update

Consumer

- **Vlogger FAM with Ili How:** Since August, HTT has been working on the next vlogger FAM. The core message of this FAM is to promote Hawai'i as the top destination for ecotourism and outdoor activities. After reviewing several candidates, HTT has secured a Taiwanese fitness influencer named "Ili How". Ili is an anchorwoman of FOX Sports Taiwan and is one of top influencers of the triathlon field in Taiwan. With her positive public image, Ili would be a great candidate to promote Hawai'i's fun activities and to introduce the 2019 Ironman World Championship in Kona. The crew will visit O'ahu and the Island of Hawai'i from October 6 to October 13.
- **Vlogger FAM with Candy Wang:** HTT has been developing an itinerary for Candy Wang, a top fitness and wellness influencer and model in Taiwan. The theme for the FAM is "finding inner peace and wellness by traveling solo in Hawai'i" and Candy will focus on filming the natural landscape and cultural activities on O'ahu.
- **Radio Advertising for Hawai'i:** HTT has been developing radio advertising programs for Hawai'i since August to target the white-collar segments age 30-55 who live in Taipei, Taichung and Kaohsiung. The advertising program has been aired since September and will run until the end of October.

Travel Trade

- **2019 Travel Agent FAM:** Since August, HTT has been arranging the 2019 agent FAM. The purpose of this familiarization trip is to strengthen the relationship with travel trade partners and to help these Taiwanese agents keep updated on the travel trends and offerings in Hawai'i. The itinerary will be finalized by mid-October. Currently SET Tour, Lion Travel, FTS Tour and KKday have confirmed to participate in the FAM trip.
- **MCI and High-End Agent Sales Calls:** HTT has been making appointments to support Trump International Hotel Waikiki's sales visit to connect with local agents and wholesalers who specialize in MCI market and have high-spending customers. As of October 10, Phoenix Tours, SET Tour and Lion Travel have confirmed to meet with the hotel sales representatives.

Public Relations

- **Media Monitoring (Clippings & Publicity Calendar):** In September 2019, Hawai'i Tourism Taiwan secured 104 PR coverage publications on an unpaid basis. The estimated advertising value is USD\$2,317,257.

Sales Activities

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
3	11	0	14

- **Airlines:** China Airlines: HTT continues to work with China Airlines to promote the additional direct flight on Fridays between Taipei and Honolulu. Additionally, HTT will sponsor hula performances at China Airlines' booth during ITF in November.
- **Travel Trade:** HTT discussed the GIT products at Air-Cruise International Travel Service and Lion Travel when providing Hawai'i maps and brochures to them. This month HTT also invited agents from SET Tour, Lion Travel, FTS Tour and KKday to participate in the travel trade FAM in November.

Key Performance Indicators - Leisure Market

A summary of contributing factors for any major variances (+/- 15% of quarterly target)

- **Public Relations Measures:** HTT has surpassed its KPI targets in the third quarter in publicity value, number of impressions, number of press releases issued and number of media by at least 25% for the following reasons: First of all, it hosted its annual signature event "Hawai'i Aloha Festival 2019" in July which received print and online media coverage. Secondly, the radio advertising program for China Airlines' additional direct flight has been aired since September and will run until the end of October. Lastly, the fashion media outlets VOGUEme and Elle Taiwan have been releasing its coverage since late August, receiving substantial impressions and engagements on its websites and social media.

- **Travel Trade:** HTT decided to change the date of its travel agent FAM from September to November, so the KPI for the number of travel trade FAM will be fulfilled in the fourth quarter instead.
- **Social Media Metrics:** HTT has met the KPI targets of the majority of social media metrics in the third quarter except for the total impressions on Instagram because its follower base is still small (a total of 2,165 followers as of September 30). With fewer followers, it is more challenging to gain a significant number of impressions even if the team has been developing more posts than requested by KPI targets on Instagram.

Describe the countermeasures to reverse any negative trends and/or KPI results

- To address the gap in total impressions on HTT’s Instagram account, HTT will develop more visually-appealing video content and then invest in Instagram advertising slots to acquire new followers in the fourth quarter. In addition, HTT will leverage and repost the content produced by the partnering fashion media and influencers to convert their fans into HTT’s followers.

Island Chapters Engagement Update

- Since August, HTT has been working closely with IHVB and OVB to develop itineraries for the FAM in October 2019 for Ili How and local travel agents. HTT aimed to encourage Taiwanese consumers to spend more on cultural/experiential activities and to highlight the diverse offerings in Hawai’i. In addition to itinerary recommendations, IHVB and OVB connected HTT with a variety of industry partners to meet the theme of each FAM trip.

“Coming Attractions” for Leisure Market

What	When	Where
Radio advertising for Hawai’i	September/October	Taipei, Taichung and Kaohsiung, Taiwan
2019 vlogger FAM with Ili How	October 6 to 13	O’ahu and Island of Hawai’i
2019 fashion media FAM with ELLE Taiwan: Online exposure and printed coverage	October/November	Taiwan
2019 fashion media FAM with VOGUEme: Online video coverage	October/November	Taiwan
International Travel Fair 2019	November 8 to 11	Taipei, Taiwan

Hawai'i Tourism Europe 2019 Monthly Leisure Marketing Report – September

Market Intelligence/Market Conditions

Economy

- The Pound Sterling is trading at \$1.23, whilst the Euro is trading at \$1.12, and the Swiss Franc is trading at \$1.1.
- UK GDP remains down by 0.2%, with an unemployment rate of 3.8%.
- German GDP remains the same at -0.1%. Germany's unemployment rate is currently 3.1%.
- Swiss GDP is currently 0.3%, whilst Ireland's has grown by 0.7% in the second quarter continuing its strong start to the year.

Outbound Travel Market

- Airlines in the UK will continue to be able to operate flights between the EU and the UK until at least 24 October 2020, after the European Commission extended their deadline in their unilateral contingency legislation. The deadline, which was originally set for March 2020, now means that customers can book flights to the EU further in advance with the knowledge that flight schedules should not be affected following the UK's departure from the EU. The extension follows lobbying efforts by ABTA with key EU destinations. Chief Executive, Mark Tanzer, commented, "ABTA has been pushing hard for this extension, which is to the mutual benefit of UK customers and the EU, and we are encouraged that the European Commission has responded today by extending the deadline."
- The network airlines Lufthansa, Swiss and Austrian Airlines together carried around 10.2 million passengers in August, 3.3% more than in the same month of the previous year.

Competitive Environment

- Caribbean – The cruise company Royal Caribbean has unveiled a range of new incentives for agents selling its product, such as extra spending money on their own holidays on sailings in Europe and at their resort CocoCay island, Bahamas.
- Maldives – The Indian Ocean islands are set to add another luxury hotel to their repertoire in October, as JW Marriott Maldives Resort & Spa nears completion. The resort will feature an open-air cinema, an over-the-water gym, and five restaurants.
- Singapore – The flagship airline for the country, Singapore launches a program for transfer passengers. For only CHF 1 per night at the hotel, passengers can book the Singapore Stopover Holiday (SSH) program. The fare applies to a connection with a flight in Eco or Business Class for the first night per person in a double room in a category A hotel, as well as airport transfer and catering.

Consumer Trends

- Millions of protestors across 150 countries gathered protest of climate change, having been inspired by teenage activist Greta Thunberg. As part of a week-long protest, there are around 200 demonstrations across the UK, with tens of thousands of people taking part in the events.
- Sir David Attenborough said that people are starting to open their eyes to climate change and announced that it is the "greatest possible honor" that had been bestowed on him, after the UK's

new £200 million polar research ship was officially named the "Sir David Attenborough" after the famous English BBC broadcaster and natural historian.

- In a survey by GfK, it concluded that more than half of Germans look for reviews or customer feedback on the Internet (56.4%) or visit the company's website (54.9%). When it comes to which sources of information particularly influence consumers in their purchasing decisions, recommendations from friends and acquaintances was at 47.2 %.

Travel Trends

- One of the UK's oldest and most recognized tour operators, Thomas Cook, was liquidated on 23 September with a deficit of over £3 billion, despite several attempts to bail the firm out. The collapse of the tour operator has now led to the Civil Aviation Authority, the CAA, conducting its largest ever repatriation operation, faced with bringing over 150,000 Brits back to the UK. The industry so far has shown solidarity with both employees and customers, with a wave of job offers for sales agents, as well as operators rectifying consumers' lost holidays.
- Brand USA hosted their inaugural Travel Week in the second week of September 2019, a B2B trade show that connects US destinations and suppliers with buyers from various European markets. 95 exhibitors from across the USA travelled to London for the show. During the show, Brand USA rolled out a five-year plan that will see the show take place in Germany, France, and the Netherlands, as well as the UK again.
- Leading travel specialists from ATOL have warned that the market could radically change following the collapse of Thomas Cook, in particular, pointing to potential increases in travel insurance costs and more onerous credit card-acquiring terms.
- The German cruise market is likely to reach a new record of three million passengers in the coming years despite environmental debates, according to the Seatrade Europe conference in Hamburg.
- 88% of Swiss travelers travel at least once a year or travel for at least three days. With an average of 2.8 longer trips compared to 2.6 short trips, Swiss people prefer longer trips. 62% choose their destination based on a personal recommendation from friends and relatives, 50% rely on review portals and 19% rely on personal advice from travel agencies and event organizers.
- The German Thomas Cook companies filed for insolvency on 25 September. Thomas Cook will cancel all trips until the end of October. For travel with an entry date after 31 October 2019, the further course of action will be examined in coordination with the insolvency insurance.

Media Trends

- The European Commission revealed plans to launch a fact-checking hub. The European Digital Media Observatory hub will bring fact-checkers and academic researchers together to collaborate with media organizations and media literacy experts.
- Times and Sunday Times are the first newspapers on board for UK launch of paid Apple News service. Having launched in the US and Canada in March, with more than 300 titles signed up, Apple News Plus has now reached the UK and Australia. For £9.99 per month, UK subscribers can access over 150 magazines signed up so far, including Empire, Grazia, Cosmopolitan UK, Esquire UK, Four Four Two, Hello, Q and Men's Health UK.
- Evening Standard are set to launch their first daily news podcast – "voice of the paper". The 15-minute-long episodes will go live each weekday at 4pm hosted by broadcast journalist David Marsland and will feature journalists and editors from the Standard newsroom.
- TI Media closed Marie Claire UK in print after 31 years – November will be the final issue. The publishing house said it is pursuing a "digital-first future". The publication will continue to lead conversations that matter most to women.

- Instagram removes 'following' tab. The tab which serves as a detailed list of the likes, comments and follows that friends make on photos will be removed from 7th October as it "may no longer be useful for our community". There have been questions over the privacy of the feature, which has been somewhat replaced by the Explore tab, designed to help users find new users to follow.
- According to a survey by ARD/ZDF (public TV stations), Netflix, YouTube and others passed the whole TV landscape when it comes to the age group 14-29. In total, the media outlet video stays number one, audio and copy are down compared to the year before. The media consumption of the German speaking population 14 years and older is seven hours per day (14 minutes less compared to 2018). Videos have the largest share with 202 minutes. However, taking the whole population in consideration, TV is still number one with 165 minutes of consumption per day.
- According to studies executed by PwC, Virtual Reality may outgrow the niche market in the near future. According to PwC, in Germany, the revenues generated through VR increased by 38% to 116 million Euro (126,84 million US\$) compared to 2018. Until 2023, the company expects a yearly increase by 19% on average.
- Swiss publishing houses count on podcasts. Similar to ten to fifteen years ago, when blogs were the new big thing, podcasts are now becoming increasingly popular with Swiss media outlets. With approximately two dozen podcasts, the big players such as NZZ, Tamedia and Ringier are showing more presence in this area than ever. Approximately 23% of the Swiss-Germans are listening to podcasts at least once a month. In Germany, more than one third of the population listens to podcasts, 13% daily, 25% weekly, and 22% monthly – most of the listeners are at home (73%) when consuming podcasts.

Airlift

- Virgin Atlantic has released plans that show they could more than quadruple its current 19 routes from Heathrow if action is taken to break British Airways owner IAG's stronghold of the airport. Plans involve new routes, including 12 domestic services to airports including Belfast, Glasgow and Manchester. Other route proposals include flights to 37 European cities, including Madrid and Dublin, along with 35 new mid to long-haul destinations including Jakarta and Buenos Aires.
- BA pilots went on strike for 3 days in September, after 93% of members of union, British Airline Pilots' Association (Balpa), voted in favour of industrial action. The dates of the strike, which were originally threatened over the summer period, took place on Monday 9 September, Tuesday 10 September and Friday 27 September.
- United Airlines: The carrier will expand its flight program in Frankfurt in the summer of 2020. In addition to the existing daily connection to New York-Newark, a second daily flight will be added.
- The German Thomas Cook companies filed for insolvency on 25 September. However, Condor (the daughter company) continues to fly throughout the winter, thanks to a bridging loan from the Hesse government. There are currently several prospective buyers interested in Condor airlines and initial talks have begun.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

Recent reports have continued to demonstrate European Travelers' enthusiasm in pursuing travel despite economic uncertainty. Sustainability has also sustained its popularity as a trend in travel – consumers are increasingly likely to choose their holiday destination based on environmental factors, as well as the destination's own attractions.

The collapse of Thomas Cook has had a massive impact on the travel industry across Europe, with thousands needing repatriation, and thousands of jobs lost across the continent. However, the travel industry has shown solidarity with both employees and customers, with tour operators seeking to hire

former Thomas Cook employees, as well as working hard to fill holidays originally lost, following the collapse of the giant. Fortunately, travelers coming from Europe going to, or currently in Hawai'i, shouldn't be too affected as the tour operator operated as largely room-night only.

The increase in flights from Virgin, WestJet, and Hawaiian Airlines from several US and Canadian hubs has also allowed the European traveler greater scope to travel to Hawai'i, using a variety of hubs.

Leisure Activity Update

Consumer

- Responded to consumer requests for information on Hawai'i

Travel Trade

- During Aloha Germany Sales Mission trained 135 sales agents during day and evening events
- Conducted a webinar with Not Just Travel for 75 agents
- Trained 80 sales agents at Thomas Cook USA day
- Trained 40 agents at Destinology USA day
- Confirmed webinar with Hawaiian Airlines for November
- Confirmed webinar with Abercrombie & Kent

Public Relations

- Liaison and pitching with key media in UK/Ireland
- Distributed press release: "Gordon Ramsay Showcases Hawai'i's Hāna Coastline in New National Geographic Series 'Uncharted'"
- Held a cultural workshop with Kanoelani Davis and the PoMahina Designs team, in London for London Pacific Fashion Week (LPCFW). HB also organized an influencer meet and greet with the group to discuss Hawaiian culture and the influence on Kanoelani's designs
- Ongoing liaison with key media pitching Hawai'i story ideas
- Working on potential individual trip with freelancer Jonathan Thompson, for Q1 2020 'BA Highlife Magazine' feature on surfing culture. Enquiries being made with the Island Chapters
- Provided Brand USA with information on top Hawaiian chefs for a planning meeting with Masterchef UK. Potential for inclusion in 2020 filming, awaiting feedback
- Liaising with Alex Mead, Contributing Editor of Gourmet Traveler features ref. potential story ideas
- Provided additional information to Pól Ó Conghaile, National Geographic Traveler following on from his recent trip – collating a list of budget accommodations for inclusion in his feature and receiving a tailored fact box package from UK tour operator Trailfinders
- Liaised with the following influencers enquiring about collaborations: Netherlands influencer Niamh and Katharina (Travel a Lut); Italian influencer Luana Gazzara
- Met with ITV Mornings broadcast producer Lyndsey Evans ref. potential celebrity filming opportunities for 2020. Follow up meeting to be held in December
- Ongoing liaison with German key media pitching Hawai'i story ideas
- Working on individual fam trip for ELLE magazine in fall 2019 (O'ahu & Hawai'i Island) – Halepuna and Halekulani were confirmed, Four Seasons Resort Hualalai TBC
- TV feature about Four Seasons Resort O'ahu at Ko Olina will be broadcast on November 1, 2019
- German Freelance Jörg Michel met up with OVB to discuss future story ideas
- Provided feedback on media requests which were directly forwarded to IC and partners
- Requested updates and information on specific media requests from IC

Sales Activities

Sales Calls			
Airline	Wholesaler/TA/TO/OTA	Other	Total
2	6		8

- Trailfinders:
 - Reviewed contra marketing activity as part of the Share the Aloha Campaign
- United Airlines:
 - Discussed future cooperation/marketing campaigns
 - Partner Airline during Aloha Germany
 - Confirmed prize details for Share the Aloha campaign in the UK
- Hawaiian Airlines
 - Discussed future cooperation/marketing campaigns
 - Confirmed webinar for November (free of charge for HTE)
 - Confirmed prizes details for Share the Aloha campaign in the UK
- FTI Touristik
 - Met with Nadine Mirbach (Product Manager) during Aloha Germany Sales Mission and discussed collaboration for our Influencer Campaign
 - In-house training during Aloha Germany
- Reiseagentur Brandner
 - Met with Vanessa Perret and her team to discuss including more Hawaiian product in their portfolio
- CANUSA Touristik
 - Very interested in joint marketing for 2020. Will be in touch again once budget is confirmed
- Fairflight Touristik
 - Sent proposal regarding joint marketing, declined due to budget

Key Performance Indicators - Leisure Market

A summary of contributing factors for any major variances (+/- 15% of quarterly target)

The annual KPIs for almost all public relations measures have been exceeded for 2019. This is in part because the majority of press trips have taken place in Q1 and Q2 generating excellent articles, impressions and publicity value.

KPIs for travel trade continue to look strong. Whilst majority of targets have already been achieved, HTE have added to their figures, particularly in terms of trade education. This is mainly down to swapping smaller training sessions for larger days including 'USA days' and webinars, where it's easier and more practical for agents to participate. As a result, the number of agents who've completed the training program has also increased healthily. Target numbers for FAMs is expected to be filled in Q4.

The social media metrics for HTE were boosted by the influencer trip. Across both Facebook and Instagram both fans and fan growth has grown strongly according to this, aided also by consistent posting, which is on track to meet the annual target. Q3 has built on the success of Q2 for interactions, set to move past the annual target set on Instagram, and increasing by 6,000 for Facebook, which had been behind target for the previous 2 quarters. In particular, an increase in the use of videos has helped to move forward to achieving higher figures. Whilst the targets for impressions are still lower than what they should be, Q3 has seen significant rises across both platforms that points to stronger figures in the future.

Describe the countermeasures to reverse any negative trends and/or KPI results

The only KPI which has currently not been met is broadcast impressions (-39%). The team has subsequently organized meetings with ITV and MasterChef to discuss potential filming opportunities. Any further broadcast activities may need to be scheduled for 2020 due to the re-allocation of PR budget to support the 2019 influencer group trip.

Brand Experience Update

Successful Trade Mission in Germany with 4 Hawaiian Partners (Marriott, Kā'anapali Beach Hotel, Hyatt Regency and MVCB).

Island Chapters Engagement Update

Continued to assist with Dial-A-flight Fam to O'ahu and Maui
Continued to liaise with the Island Chapters regarding the Share the Aloha campaign
Reviewed Share the Aloha microsite content with ICs
Reviewed videos from influencer trip with respective Island Chapters
Assisted OVB and KVB with several marketing campaigns on the German market

"Coming Attractions" for Leisure Market

What	When	Where
Influencer Campaign	October/ November	UK / DE

Hawai'i Tourism South East Asia 2019 Monthly Leisure Marketing Report – September

Market Intelligence/Market Conditions

Economy

Malaysia

- The economy appears to have lost some momentum in the third quarter following a strong GDP outturn in the second quarter. This is due to lack of demand in the electronics industry and the drop of demand in oil crude.
- Currency Exchange: USD 1 = MYR 4.19 as of September 30, 2019, vs USD 1 = MYR 4.2 as of August 31, 2019.

Singapore

- Singapore's economy likely dodged a technical recession with two straight quarters of economic contraction. The Q3 GDP growth predicted to come in at a sluggish 0.2 percent year on year, while Q2 registered a nearly flat growth of 0.1%. The official full-year growth forecast is between zero and 1% for 2019. Meanwhile, core inflation remained at a three-year low of 0.8% in August amid lower energy prices. The impending goods and services tax (GST) hike by two percentage points to 9% is slated to kick in between 2021 and 2025.
- Currency Exchange: USD 1 = SGD 1.3822 as of September 30, 2019, vs SGD 1.3875 as of August 31, 2019.

Indonesia

- The government has a plan to lower corporate tax, aiming to boost Indonesia's competitiveness to attract more foreign investment and revive the country's manufacturing sector, which accounted for less than 20% of GDP in the Q2 2019 compared to 26% a decade ago.
- Currency Exchange: USD 1 = IDR 14.007 as of September 30, 2019, vs IDR 14.131 as of August 31, 2019.

Thailand

- Thai economy for the rest of 2019 will be under a lot of pressure due to the U.S.- China trade war that will continue to affect Thailand, as well as the trade dispute between Korea and Japan, and Brexit. These factors will slow down Thai exports and possibly tourism for the rest of 2019. Meanwhile, domestic consumption is likely to be affected by drought and the floods in the North and Northeast of Thailand.
- Currency Exchange: USD 1 = THB 30.60 as of September 30, 2019, vs THB 32.78 as of August 31, 2019.

Outbound Travel Market

Malaysia

- Muslims travelers are increasingly seeking out travel packages that are halal in nature or Muslim-friendly destinations to better enjoy their holiday. Halal tourism is gaining huge popularity not just among Muslims in Malaysia, but globally.

Singapore

- Singapore outbound travel is still buoyant with Europe continuing to be the evergreen holiday destination for year-end travel. Meanwhile, South America is also gaining popularity among Singaporeans.

Thailand

- The strong baht is expected to affect the inbound tourism industry, many tour operators are concerned that if the baht continues to appreciate, it will affect operators' performance as stiff competition is preventing them from marking up the prices of package tours. On the contrary, the strong baht does benefit Thais traveling abroad, but operators of outbound tours say the business is still tepid, till the end of September, as there is no long holiday and they do not earn much from currency exchange as most packages are sold in baht.

Competitive Environment

Malaysia

- **Korean Tourism Organization Malaysia (KTO):** Ongoing is the fourth edition of Halal Restaurant Week Korea, a two-month promotional event designed to attract Muslim visitors to South Korea, from September 1 to October 31, 2019. The annual event, which partners 150 Muslim-friendly restaurants in South Korea to offer special discounts, is designed to promote South Korea cuisine to tap the rising importance of the global Muslim tourism market. [Source: KTO]
- **Taiwan Tourism Bureau (TTB):** Taiwan returned as Asia's Favorite Destination for the fifth time at the Malaysian Association of Tour and Travel Agents (MATTA) Fair in September. To attract more Malaysian tourists to the country, TTB promoted the Taiwan Small Town Ramble Year, by highlighting about 40 small towns to visitors. [Source: TTBKL]

Singapore

- **Japan National Tourism Organization(JNTO)** jointly with Singapore Airlines, Japan Airlines, and Air Nippon Airways and 12 travel agencies have launched a digital campaign to promote Japan Travel Fair that was held on September 27-29, 2019. [Source: JNTO]
- **Korea Tourism Organization (KTO)** Singapore has been aggressively embarking on marketing campaigns with Asiana Airlines and OTAs (CheapTickets, Expedia, Giamso, Trip.com, and UOB Travel) to promote Korea by offering airfare and 3 nights' accommodation from SGD789 (USD576). In addition, KTO has a separate partnership campaign with CheapTickets to promote Korea. [Source: KTO]

Indonesia

- **Korea Tourism Board (KTO)** organized a consumer travel fair in September 2019 and exposed to approximately 10,000 customers who visited the 3 day travel fair. This fair was part of the commemoration of 50th-anniversary diplomatic relations between Korea & Indonesia as the highlight to attract customers to visit Korea. [Source: KTO]

Thailand

- **Korea Tourism Board (KTO)** is using the popularity of K-Pop to attract more MCI groups to South Korea with the promise of a special performance by famous Korean celebrity. This is noticeable with the KTO agreement with SM Entertainment that represents many popular singers in Korea). [Source: KTO]

Travel Trends

Malaysia

- Effective September 1, 2019, all outbound air travelers will be required to pay a departure levy for ticket purchased on/after the implementation date, following the directive from the Malaysian Government. A departure levy of RM8 will be charged on Economy Class passengers and RM50 on Business class passengers flying from Malaysia to ASEAN (Association of Southeast Asian Nations) destinations. Meanwhile, passengers flying all other international destinations beyond ASEAN will be charged with a departure levy of RM20 for Economy Class and RM150 for Business Class.

Singapore

- An increasing number of Singaporean travelers venturing to far-flung destinations in Eastern Europe and Africa, driven by a growing desire for exotic experiences. Other destinations that are also in demand include Turkey, Morocco, Madagascar, and Ukraine where sightseeing and cultural experiences are big draws. To enhance the appeal of these destinations and attract more customers, some agencies have rolled out unique packages that add a new dimension to the exotic travel. For instance, CTC Travel has been marketing “celebrity” tours with the company’s Managing Director as the tour guide.

Media Trends

- According to Think with Google, more than half of consumers say online video has helped them decide which destinations to travel for their vacation. They seek out comparison, review and even educational video content to be part of their filtering process. On top of that, hotels and flights are booked in advance of 12 weeks prior to the trip. The search increases further for experiences nearing to the travel date.

Airlift

Malaysia

- Malaysia Airlines have commenced 2 new routes to Indonesia, including service to Pekanbaru and Solo (Surakarta). Both routes are operated by Boeing 737-800 that flies twice weekly.
- AirAsia has launched a new route to Da Lat from Kuala Lumpur, further expanding its footprint in Vietnam. The four times weekly service to Da Lat, capital of Lam Dong province in the Central Highlands Vietnam, will commence on December 20, 2019.

Thailand

- Asiana Airlines is offering a special rate for their Bangkok - New York route with a roundtrip offer starting at THB 21,035 (USD 690.48).

Leisure Activity Update

Consumer

- No news to report

Travel Trade

Malaysia

- HTSEA organized the 4th annual Aloha SEA Trade Mission from September 10 – 11, 2019. The mission in Malaysia, held in Kuala Lumpur, were attended by 9 Hawai'i stakeholders and 80 trade partners in Malaysia.
- HTSEA attended the MATTA (Malaysian Association of Tour and Travel Agents) Fair that was held on September 6 - 8, 2019, in Putra World Trade Center (PWTC). This is the biggest consumer travel fair in Malaysia with 293 total exhibitors and recorded 101,789 visitors who came for the 3 days event.

Indonesia

- Aloha SEA Trade Mission in Indonesia was held in Jakarta on September 13, 2019 with 70 Indonesian trade partners and 7 Hawai'i partners in attendance.

Public Relations

Malaysia

- The team has conducted media roundtable during the SEA Trade Mission and 40 media have attended the session. HTSEA shared with the media on destination knowledge such as cuisine and various offerings from the Hawaiian Islands.
- Gohawaii's Facebook followers stand at 14,022 (+29), while Instagram followers stand at 1,211 (+18) in the month of September. A travel itinerary and travel tips to Hawai'i were published by a famous blogger – Wander Baz.

Sales Activities

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
1	10	13	24

Key Performance Indicators - Leisure Market

A summary of contributing factors for any major variances (+/- 15% of quarterly target)

KPI	Q3 Target	Q3 Actual	Contributing Factors
Travel Trade Sales Calls	75	86	The team pushed for more sales calls to promote Hawai'i in the long-haul packages.
Travel Trade in-house training	30	142	More local agents attended the trade mission in September.
Online Training for Travel Trade	20	0	No agents completed the Hawai'i online training program; will encourage them to do so with possible incentives.
Media / PR Calls	29	51	The team conducted more PR calls to update media on Hawai'i and for the trade mission media roundtable event.
PR Value	USD 100,000 print USD 100,000 online	USD 10,000 print USD 22,500 online	Change in media trend: media prioritizes paid partnership which has impacted our non-paid results.
PR Impression	150,000 print 350,000 online	15,000 print 290,802 online	Change in media trend: media prioritizes paid partnership which has impacted our non-paid results.
Facebook	230,016 total impressions gained 10,425 total interaction 422 increase in fans 26 total posts	19,317 total impressions gained 434 total interaction 82 increase in fans 39 total posts	Due to the relaunch and re-integrate into HTA's global FB page, HTSEA's FB page wasn't up and running until the beginning of June, thus impacting the YTD social media KPIs.
Instagram	31,128 total impressions gained 11,744 total interaction 212 increase in fans 51 total posts	14,116 total impressions gained 1,164 total interaction 23 increase in fans 56 total posts	The initial paid social media roll-out plan is brought forward to October.

Describe the countermeasures to reverse any negative trends and/or KPI results

- **PR Value and Impression:** The team will leverage on trade partners and third-party resources and platforms to further promote the destination for Q4. This is to tackle the current media trend of “pay to play” as well as the budget constraint that Hawai'i Tourism Southeast Asia is facing.
- **Social Media Metrics:** The team will make up the KPIs through sponsored social media campaign which is expected to roll out in the month of October.

Brand Experience Update

- Continued to highlight some of the events such as Hawai'i International Film Festival, Hawai'i Food & Wine Festival, Aloha Festival, Kona Coffee Festival, etc. to some of the leisure and MCI agents.
- Encouraged agents to understand more about major festivals and events and understand cultures, traditions, people and unique characteristics of the Hawaiian Islands by visiting gohawaii.com.

Island Chapters Engagement Update

- Maui Visitor Bureau (MVB) joined HTSEA at the media roundtable that focuses on educating the media on the six islands of Hawai'i.

“Coming Attractions” for Leisure Market

What	When	Where
Awe-inspiring Journey to Paradise (digital campaign)	September – November	Singapore
MY Hawai'i Fiesta	October 31 – November 3	Sunway Velocity, Kuala Lumpur



Group Sales Status Report – September 2019

OVERVIEW

Millennials are poised to replace Baby Boomers as the global travel industry's cash cow. According to a SnapShot survey by GlobalData, Millennials now represent the most lucrative segment for business travel. They will reach their peak earning and spending power in the next decade and their earning potential is likely to be a strong driver for the tourism sector.

According to the survey, 86 percent of millennial travelers placed preference for the expediency of a flight schedule over flight cost. They also preferred to explore international locations over domestic destinations and demonstrated keen interest in extending their business trips and creating "bleisure" experiences. Nearly 70 percent of millennial travelers are likely to take "bleisure" trips, according to Expedia. In 2017, approximately 60 percent of business trips were extended to leisure trips both in the U.S. and globally, an increase of 40 percent since 2016.

Seventy-five percent of young professionals in the U.S. see business travel as a major work perk, with 65 percent considering it a status symbol, according to a recent survey commissioned by Hilton Hotels & Resorts. The survey of business travelers ages 23-35 revealed overwhelmingly positive feelings towards traveling for work. Findings also illuminated sources of tension and challenges for today's new business travelers. For instance, 43 percent often misunderstand what can be expensed and end up owing their company money. Furthermore, despite its growing popularity, "bleisure" travel is also a source of stress for Millennials: 46 percent of respondents admit they feel guilty about extending their trip for leisure and 44 percent even worry it makes them look bad in the eyes of senior leadership.

The future of meetings and business travel looks safe in the hands of the next generation. The vast majority (81%) of respondents said they accomplish more with a face-to-face meeting, and more than half (56%) of them say they create reasons to travel for business.

SALES PRODUCTION (in the month for any year)

Table 1: Total Sales Production – September 2019

	Month			Year-to-Date		
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year
Room Nights						
Definite & Assist-Definite	24,057	39,599	-39%	233,371	281,070	-17%
Tentative & Assist-Tentative	80,760	68,562	18%	817,476	732,670	12%

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 September 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		
Room Nights								
Definite	1,815	2,373	-24%	61,421	75,970	-19%	195,000	31%
New to Hawai'i	100	0	N/A	20,921	14,740	42%		
Tentative	28,370	17,836	59%	229,237	243,507	-6%		
MCI								
Room Nights								
Definite	300	863	-65%	38,879	59,608	-35%		
New to Hawai'i	100	0	N/A	13,011	8,000	63%		
Tentative	28,370	16,712	70%	214,476	232,007	-8%		
Non-MCI								
Room Nights								
Definite	1,515	1,510	0%	22,542	16,362	38%		
New to Hawai'i	0	0	N/A	7,910	6,740	17%		
Tentative	0	1,124	-100%	14,761	11,500	28%		

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.

COMMENTS

In addition to the booking numbers as summarized herein, this past September, the Hawai'i Convention Center (HCC) sales team participated in one trade show as outlined below.

COMMENTS

- *The IMEX Americas annual meeting in Las Vegas, NV included senior and mid-level executives from various types of organizations, e.g. corporations, travel agencies, professional congress organizations and associations, from the Americas and select countries. Three members of the HCC sales team participated and provided information about Hawai'i and submitted single property leads to the Hawai'i Tourism USA (HTUSA) team for travel agent and corporate group/incentive type programs.*

Two members of the HCC's IT/USI administration team traveled to St. Louis, MO in September for an advanced training program on the Ungerboeck (USI) software system to support HCC's goal of ensuring a smooth transition to the system used by HTUSA. In addition, all HCC sales coordinators underwent a USI update training on processes to help ensure accurate reporting. HCC is currently in negotiations with a major third party meeting planner company to orchestrate a sales account executives familiarization visit to O'ahu before year-end 2019. Also, all sales directors are focused on securing License Agreements for select bookings, which currently have Letters of Commitment.

Advertising and Public Relations Efforts

PR efforts for the month of September included a news release promoting the OceanObs'19 Conference from September 16-20, 2019. Coverage for OceanObs'19 also includes a client interview on Hawai'i Public Radio published on September 16th. HCC was also featured on Sports Destination Management's September issue. This "Destination Spotlight" article showcased HCC's sports courts, new sporting events booked and recent developments at the Center. HCC's Executive Chef Hans Lentz was also included in Association Conventions & Facilities magazine's Healthy Catering Trends article. Another meeting trade coverage included a cover story on Facilities & Destinations Fall 2019 issue. Lastly, local media coverage in September featured HCC's official announcement of Winter Wishes, A Holiday Festival. Coverage included articles in Honolulu Magazine, Honolulu Family, Star Advertiser and KHON2 news.

North America placements in September include a full-page ad on Facilities & Destinations and a full-page ad with matching advertorial in Meeting Professionals International (MPI)'s September issue (Convention Center Supplement). Ongoing North America placements include the digital retargeting campaign with American Society of Association Executives (ASAE), which started March 1st until fulfillment of 400,000 impressions.

Sports advertising print placements include a full-page ad + destination spotlight feature in Sports Destination Management's September issue and a full-page ad on SportsEvents Magazine's September issue (Guide to Convention Centers, Civic Centers & Arenas). Digital ad placements include placement in SportsTravel magazine's website, and dedicated eblasts with the National Association of Sports Commissions (NASC) to about 800 event owners and with Sports Destination Management to about 9,500 subscribers. Ongoing sports placements include website retargeting campaign on the National Association of Sports Commissions (NASC) website (until Jan. 31, 2020).

Local ad placement to promote HCC's Holiday Pā'ina (holiday party package) is also ongoing with a 3/8 page, full color placement in Pacific Business News on September 20th.

**Table 2b: Hawai'i Tourism USA (HTUSA) Single Property Sales Production
 September 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		
Room Nights								
Definite	14,366	24,594	-42%	113,498	126,718	-10%	187,000	61%
New to Hawai'i	2,426	2,087	16%	45,370	51,661	-12%	78,750	58%
Tentative	44,684	32,098	39%	501,804	361,390	39%	500,000	100%
MCI								
Room Nights								
Definite	14,311	24,314	-41%	112,835	122,462	-8%		
New to Hawai'i	2,371	2,087	14%	44,707	47,685	-6%		
Tentative	44,139	29,895	48%	490,848	354,660	38%		
Non-MCI								
Room Nights								
Definite	55	280	-80%	663	4,256	-84%		
New to Hawai'i	55	0	N/A	663	3,976	-83%		
Tentative	545	2,203	-75%	10,956	6,730	63%		

COMMENTS

Market Conditions and Industry Trends

According to Smart Meetings Magazine, despite the fact that every industry comes with unpredictability and uncertainty, the meetings and events space continue to see positive growth every day. This is reflected by AMEX M&E's 2020 Global Meetings and Events Forecast, which also reports that meeting professionals predicted bigger budgets in the industry, a shift in demand for experiences over logistics, increased policy compliance adoption and an optimistic outlook on tech. It is also noted that young travelers and attendees are traveling not to escape, but to gather experiences and perspectives. It is projected that next year, 54.5 percent of meeting planners will prioritize attendee experience instead of logistics.

The incentive market sentiment among planners indicate Hawai'i as a destination remains in contention for many incentives sourcing years 2020-22. While Hawai'i looks to be rather "soft" moving into 2021, it appears to be moving in the right direction for year end. In addition, the discussion of China tariff's may prove to be an issue for the automotive and agriculture industries. The medical association market in the Midwest are proving to be strong for 2022. Furthermore, there is a great deal of interest in some financial and legal associations sourcing Hawai'i, providing solid booking opportunities in those markets.

Sales Production vs. Goals Analysis

COMMENTS

During the month of September, the team's attention was primarily focused on IMEX, the major MCI event of the year, the planning and execution of the University of Hawai'i's Alumni Event in Washington, and planning and accomplishment of the Island of Hawai'i Bus Tour on the West Coast. Therefore, the collection of signed contracts for the month slipped resulting in the second consecutive month of YOY shortfall in monthly definite production. The definite year-to-date variance of -10 percent is no cause for concern due to the healthy year-to-date pace for tentatives of +39 percent ahead of last year.

Once follow up is completed from leads received during August and September activities, focusing on the collection of signed contracts from hotel partners, the pace will level out and move forward to a strong close for year end.

Highlights of Any Key Definites

- *Incentive – high tech corporation, April 2020 (2,396 room nights)*
- *Incentive – business services corporation, October 2020 (2,072 room nights)*
- *Incentive – medical corporation May 2021 (1,784 room nights)*
- *Incentive – insurance corporation, April 2021 (1,471 room nights)*
- *Convention – medical association, June 2021 (1,110 room nights)*

Highlights of Any Key Tentatives

- *Convention – high tech corporation, January 2020 (3,530 room nights)*
- *Incentive – manufacturing corporation, January 2023 (3,031 room nights)*
- *Convention – trade association, December 2022 (2,983 room nights)*
- *Incentive – high tech corporation, May 2021 (2,800 room nights)*
- *Incentive – confidential group, January 2021 (2,644 room nights)*

Advertising efforts

- *Meetings, conventions and incentives (MCI) August Paid Media Recap*
 - *Northstar Destination Guide banners (728x90) – 1,300 impressions*
 - *Northstar Destination Guide banners (970x250) – 600 impressions*
 - *Northstar Destination Guide online Hawai'i Destination Guide – 1,800 page views*

Public Relations efforts on behalf of HTUSA Meet Hawai'i

- *Activity highlights include:*
 - *Fielded request from D. LeBreck, Meetings Today, requesting additional information on island of Hawai'i.*

- *Media Coverage Highlights:*
 - *"Kukakuka with Mary Neister" – Meetings Today*
 - *"Hawaiian Haven?" – Meetings Today*
 - *"3 Exciting Days in Honolulu" – Smart Meetings*
 - *"What's New in Hawai'i for 2019: Hotel and Event Venues Highlights" – Meetings Today*

COMMENTS

- *August Impressions and Publicity Values for Articles that included Hawai'i:*

<i>August</i>	<i>August</i>
<u><i>Impressions</i></u>	<u><i>Publicity Values</i></u>
<i>Print: 82,100</i>	<i>Print: \$90,000</i>
<i>Online: 100,000</i>	<i>Online: \$8,200</i>
<i>Broadcast: 0</i>	<i>Broadcast: \$0</i>
<i>Total: 182,100</i>	<i>Total: \$98,200</i>

**Table 2c: Hawai'i Tourism Canada Single Property Sales Production
 September 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		
Room Nights								
Definite & Assist-Definite	0	395	-100%	1,305	3,044	-57%	3,150	41%
New to Hawai'i	0	395	-100%	1,305	2,122	-39%	2,085	63%
Tentative & Assist-Tentative	472	1,288	-63%	6,724	13,529	-50%	19,500	34%
MCI								
Room Nights								
Definite & Assist-Definite	0	260	-100%	1,080	2,867	-62%		
New to Hawai'i	0	260	-100%	1,080	1,945	-44%		
Tentative & Assist-Tentative	472	1,153	-59%	6,499	10,852	-40%		
Non-MCI								
Room Nights								
Definite & Assist-Definite	0	135	-100%	225	177	27%		
New to Hawai'i	0	135	-100%	225	177	27%		
Tentative & Assist-Tentative	0	135	-100%	225	2,677	-92%		

COMMENTS

Market Conditions and Industry Trends

Planners are mentioning that Hawai'i is cyclical and will come around again for reconsideration. The destination is still quite popular and is considered as a bucket list destination for their clients. Also, hotel pricing is too high in comparison to the all-inclusive market. Although this comes up frequently, Hawai'i Tourism Canada (HTCAN) has mentioned that the CAD versus Euro situation is quite similar. HTCAN is still in contact with the planners on a regular basis, providing newsletters and updates on the islands. HTCAN also believes that budget and incentive support would help position Hawai'i as a truly competitive destination. HTCAN has several RFPs on the pipeline and is waiting on confirmation in the fall after site inspections have taken place.

Sales Production vs. Goals Analysis

September was a slightly busier month with receipt of three RFPs out of Canada. HTCAN is working on several tentative bookings that will confirm shortly, pending site inspections in October. This would add 800-1,000 room nights to the definite/assist definite KPI numbers. HTCAN has had an overall decrease in RFP leads thus far in 2019.

For the month, HTCAN has only secured 2,828 tentative/assist tentative room nights, which is 69 percent of its Q3 tentative/assist tentative target of 6,000 room nights, which is 32 percent of its annual tentative/assist tentative goal. HTCAN has reached 18 percent of its Q3 definite/assist definite

COMMENTS

target of 1,000 room nights, which is only 41 percent of its annual definite/assist definite goal. Reduced budgets, activities and time spent on the HT account leads to part of this issue. October is already looking promising with RFP requests and communication with planners.

Highlights of any Key Definites

None to report for September.

Highlights of Any Key Tentatives

- Incentive – consumer products corporation, April 2021 (472 room nights)

Highlights of Any Key Prospects

- Incentive – confidential group, May 2020 (308 room nights)
- Incentive – trade association, March 2021 (332 room nights)
- Incentive – retail corporation, May 2021 (831 room nights)

Public Relations and Advertising

None to report for September.

**Table 2d: Hawai'i Tourism China Single Property Sales Production
 September 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		
Room Nights								
Definite & Assist-Definite	1,509	72	1996%	8,190	7,890	4%	12,480	66%
New to Hawai'i	1,509	72	1996%	6,555	7,890	-17%	9,984	66%
Tentative & Assist-Tentative	900	0	N/A	19,618	15,258	29%	24,960	79%
MCI								
Room Nights								
Definite & Assist-Definite	1,509	72	1996%	4,463	7,688	-42%	9,360	48%
New to Hawai'i	1,509	72	1996%	2,828	7,688	-63%	7,488	38%
Tentative & Assist-Tentative	900	0	N/A	17,613	15,056	17%	18,720	94%
Non-MCI								
Room Nights								
Definite & Assist-Definite	0	0	N/A	3,727	202	1745%	3,120	119%
New to Hawai'i	0	0	N/A	3,727	202	1745%	2,496	149%
Tentative & Assist-Tentative	0	0	N/A	2,005	202	893%	6,240	32%

COMMENTS

Market Conditions and Industry Trends

China Economy
 In mid-September, the Trump Administration delayed the tariff on \$250 billion Chinese goods. In return, China has exempted agricultural products, such as pork and soybeans, from the new tariff on U.S. goods. China's economy saw a stable GDP growth rate at +6.3 percent YOY in the first half of 2019 amidst the Sino-U.S. trade war. The unemployment rate had also decreased to 3.61 percent in Q2 2019, a record low since 2002. Consumer confidence decreased from 125.9 to 124.4 Index Points in July 2019. However, the Chinese Yuan fell to 7.1 CNY per USD since August, which will likely influence Chinese buying power for outbound travel.

Outbound Travel Market

- The friendliness of visa policies plays an important factor for Chinese business travelers and corporates' decision-making process. Several tourism boards have issued advanced visa policies for Chinese travelers. China became the first country to utilize Japan's electronic visa system starting September. Thailand is offering visa exemptions to visitors from China and India for a year, while Spain has moved towards accelerated and simplified visa application process for the Chinese tourists.
- Chinese business travelers to Europe, a major U.S. competitor in long-haul business destinations, saw visitor numbers increasing by four times YOY in the first half of 2019. This is

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due to the increased direct flights from China to Europe, and well-facilitated meeting and tourism resources.

Travel Trends

- *CWT Meeting & Events division states that millennials will become the leading force of global business travel by 2024, followed by Generation Z. Born in the smart-tech era, these business travelers seek to experience innovative events with the latest technology.*
- *CWT's survey showed that Chinese travelers intend to upkeep their healthy workout and dietary habits on their business trips. 60 percent of the respondents seek to stick to their daily routines even when working overseas, taking full advantage of the hotels' fitness facilities, swimming pools, as well as participate in yoga and hiking activities.*

Impact on Hawai'i:

As a well-facilitated and inspiring MCI destination with many experiential tourism resources and smart-technology meeting facilities, Hawai'i has a huge untapped potential to attract Chinese MCI groups.

Strategy & Action:

To enrich business travel experiences, Hawai'i Tourism China (HTC) will be introducing more tourism resources and well-facilitated meeting facilities to MCI intermediaries handling high-quality MCI groups, like the Hawai'i Convention Center. Hawai'i's comprehensive accommodation options will also be updated to MCI intermediaries continuously.

Sales Production vs. Goals Analysis

HTC has secured 8,190 definite/assist definite room nights as of September and achieved 66 percent of the KPI for 2019 definite/assist definite room nights. With a total 19,618 tentative/assist tentative room nights so far, HTC has achieved 79 percent of the KPI for 2019 total tentative/assist tentative room nights.

To overcome visa issues, HTC will focus on developing new channels with potential MCI intermediaries to secure more bookings on smaller, high-yield MCI groups in 2019. Also, HTC will work closely with HCC events to connect China MCI intermediaries, associations, and corporates with Hawai'i and contribute to attendance building.

Highlights of any Key Definites

- *(7) Meetings – travel corporation, October 2019 (364 room nights total)*

Highlights of Any Key Tentatives

- *Incentive – travel corporation, December 2019 (525 room nights)*

Public Relations and Advertising

To promote the variety of fun leisure activities on the Hawaiian Islands to Chinese MCI intermediaries, HTC released an article to introduce the Atlantis Submarine, Allerton Garden tour, Diving with Manta Ray, and Waipio Valley. This article has reached 400,000 audiences with a total PR value of USD 110,000.

**Table 2e: Hawai'i Tourism Japan Single Property Sales Production
 September 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		
Room Nights								
Definite & Assist-Definite	3,689	11,137	-67%	33,580	43,595	-23%	54,450	62%
New to Hawai'i	2,817	10,555	-73%	21,033	28,263	-26%	20,000	105%
Tentative & Assist-Tentative	3,689	10,340	-64%	32,659	44,200	-26%	40,000	82%
MCI								
Room Nights								
Definite & Assist-Definite	3,689	9,332	-60%	32,908	35,460	-7%	40,850	81%
New to Hawai'i	2,817	8,750	-68%	20,361	20,348	0%	7,000	291%
Tentative & Assist-Tentative	3,689	8,750	-58%	31,987	35,145	-9%	30,000	107%
Non-MCI								
Room Nights								
Definite & Assist-Definite	0	1,805	-100%	672	8,135	-92%	13,600	5%
New to Hawai'i	0	1,805	-100%	672	7,915	-92%	13,000	5%
Tentative & Assist-Tentative	0	1,590	-100%	672	9,055	-93%	10,000	7%

COMMENTS

Market Conditions and Industry Trends

The Japanese economy has been weakening from the consumption tax hike and social unrest abroad. The Hong Kong demonstrations and poor relations with Korea are creating negative images for the travel industry. MICE business including edu-tourism and incentive travels are being cancelled and/or reevaluating destinations, but monetary constraints are reducing potential for Hawai'i to be an alternative destination, with Taiwan selected as a popular alternative.

With Hawai'i enhancing initiatives to enforce six of the targets from the United Nation's sustainable development goals (SDG), Hawai'i Tourism Japan (HTJ) has been strengthening initiatives to support the cause through the Aloha+ Challenge, Malama Hawai'i and Share Aloha initiatives. For incentive and edu-tourism leads, the segment's affinity with the area is being leveraged with the help of travel agencies.

HTJ worked with Hawai'i Tourism Oceania (HTO), Hawaiian Airlines and environmental non-profit organizations (NPO) to arrange a beach cleanup event on the Island of Hawai'i on International Coastal Cleanup Day. The opportunity was arranged as a part of responsible tourism initiatives to inspire similar events in the future.

5 Target Pillar Condition/Support

COMMENTS

Incentive:

- *Third quarter leads average groups with 40-60 attendees, with most bookings being made 8-10 months in advance. Leads also favor 3-4 nights for duration.*
- *Travel agencies are finding it difficult to pitch Hawai'i from just monetary, location and content perspectives. This raises the value of corporate social responsibility (CSR) initiatives with relevance to Hawai'i, creating a need for in-depth knowledge to resolve issues. HTJ has been receiving more requests for such information, making continued work with local entities important.*
- *ANA Sales began accepting inquiries for group travels on their website for groups of 10 or greater.*

Edu-Tourism:

- *Total edu-tourism bookings have grown to a market with roughly 179,910 attendees annually. Growth from public schools were the most apparent with 10 percent growth in schools arranging trips. Taiwan remains as the most popular destination, with 50 percent growth, followed by the U.S.*
- *Studies found that awareness of SDG initiatives is rapidly growing amongst students. A beach cleanup event organized with HTO was held in September on the Island of Hawai'i, with participants from New Zealand, Australia and Japan. HTJ invited students and faculty from a Japanese school, along with two professional lifesavers, industry media and business media to raise awareness and facilitate effective exposures. The Japanese students will hold a similar beach cleanup event in Japan, whereby the trash collected will be used to create a trash sculpture of a sea turtle to be displayed at the JATA Tourism Expo. The exhibit's aim is to raise awareness of protecting the world's natural resources.*

Sports:

- *The Rugby World Cup will be held from September 20 to November 2, 2019 in Japan. Sports events will be held across 12 Japanese cities, attracting up to 1.8 million attendees with an estimated 400,000 being from abroad. HTJ will monitor the activity of travelers during the duration to understand their interests and incorporate positive aspects in Hawai'i during the 2020 Tokyo Olympics to encourage viewing the games in Hawai'i.*
- *Registration for the Honolulu Marathon has begun and with the multitude of available marathon events, tour operators are planning programs with various benefits to encourage attendance.*

Entertainment:

- *HTJ is working with a travel agency to secure a fan club tour to Hawai'i for a famous Japanese voice actor. Although initially expected to attract 200 attendees, over 500 applications were received. From overwhelming popularity, capacity for the tour was increased to 400. Because the tour was highly popular this year, HTJ will continue working with the travel agency to arrange for the fan club event to be held in Hawai'i again next year.*

Attendance Building:

- *HTJ supported NTA's FAM with a seminar, where basic information, facilities and past events at the Hawai'i Convention Center (HCC) were explained. Pamphlets were given to the agents and a*

COMMENTS

request was made for them to incorporate a site inspection to the HCC. HTJ also participated in their networking event in Hawai'i with 15 partner entities and explained about sustainable and responsible tourism initiatives in Hawai'i to facilitate new business.

- HTJ is supporting the planning of HCC's Vice President of Conventions' sales call initiatives in Japan, scheduling to meet with various travel agencies, which HTJ will accompany.

Sales Production vs. Goals Analysis

In September, HTJ successfully obtained four leads as assist definite bookings to Hawai'i with a total 3,689 room nights, with 2,817 room nights being new to Hawai'i. Two entities were from the educational segment, one from the technology industry and the fourth being from the automotive segment. HTJ obtained 3,689 assist tentative room nights in September.

Highlights of any Key Definites

- Incentive – high tech corporation, October 2019 (1,088 room nights)
- Meeting – educational group, September 2019 (1,075 room nights)
- Incentive – automotive corporation, October 2019 (654 room nights)
- Meeting – educational group, November 2019 (872 room nights)

Highlights of any Key Tentatives

- Incentive – high tech corporation, October 2019 (1,088 room nights)
- Meeting – educational group, September 2019 (1,075 room nights)
- Incentive – automotive corporation, October 2019 (654 room nights)
- Meeting – educational group, November 2019 (872 room nights)

Public Relations and Advertising

Four Seasons Resort Ko Olina Travel Media Luncheon

Upon request from Four Seasons Resort Ko Olina, HTJ arranged a media luncheon with representatives from Four Seasons and Japanese media. Articles to be generated will introduce the resort's initiatives to improve services to the Japanese market, along with the well-established and diverse infrastructure of their properties.

Wing Travel: Circulation 8,900; 30,000 PV

Publishing date for Wing Travel's special Hawai'i exclusive feature was selected as October 14. Contents will feature the International Coastline Beach Cleanup event which HTJ attended, along with other contents relating to sustainable tourism in Hawai'i.

**Table 2f: Hawai'i Tourism Korea Single Property Sales Production
 September 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		
Room Nights								
Definite & Assist-Definite	180	480	-63%	8,702	16,678	-48%	21,840	40%
New to Hawai'i	138	480	-71%	4,937	7,684	-36%	14,040	35%
Tentative & Assist-Tentative	180	1,138	-84%	8,632	16,350	-47%	43,680	20%
MCI								
Room Nights								
Definite & Assist-Definite	144	480	-70%	8,591	16,678	-48%	16,380	52%
New to Hawai'i	102	480	-79%	4,826	7,684	-37%	10,530	46%
Tentative & Assist-Tentative	144	1,138	-87%	8,521	16,350	-48%	32,760	26%
Non-MCI								
Room Nights								
Definite & Assist-Definite	36	0	N/A	111	0	N/A	5,460	2%
New to Hawai'i	36	0	N/A	111	0	N/A	3,510	3%
Tentative & Assist-Tentative	36	0	N/A	111	0	N/A	10,920	1%

COMMENTS

Market Conditions and Industry Trends

South Korea's economy grew at a slower than expected pace in the second quarter due to sluggish exports and smaller government spending. Revised Bank of Korea data showed the country's gross domestic product expanded 1 percent in the April-June period, rebounding from a 0.4 percent quarter-on-quarter contraction in the first quarter. The reading, however, represents a slight decrease from July's estimate of a 1.1 percent quarter-on-quarter expansion. The economy is expected to be further weighed down by an escalating trade dispute with Japan and the ongoing U.S.-China trade war. The Organization for Economic Co-operation and Development (OECD) also slashed its growth outlook for South Korea's economy this year to 2.1 percent amid a slowdown in global trade.

The average USD/WON exchange rate in September was 1192.72 won, a slight decrease from the previous rate of 1209.00 won in August. The won is still weak against other major currencies. Fuel surcharges were also still imposed in September up to 98,400 won (\$82.41) for a round trip between Korea and the U.S. Starting in October, South Korean airlines will lower fuel surcharges on international routes to reflect a decline in jet fuel prices. The surcharges on international routes will be imposed up to 69,600 won (\$58.35) for a round trip.

Sales Production vs. Goals Analysis

COMMENTS

Hawai'i Tourism Korea's (HTK) MCI team missed its KPI targets in the following measures in September 2019. The targeted number of total definite/assist definite room nights was 1,950 room nights, but HTK only produced 180 assist definite room nights. Total new to Hawai'i definite/assist definite room nights were 78 room nights versus KPI target of 1,270 room nights. Also, in terms of total out-of-state attendees, HTK's MCI team attracted 114 attendees, missing its KPI target of 130 attendees. The downturn was largely due to: 1) Korea's recent sluggish economic conditions that negatively impacted business sentiment; and 2) the nation's biggest holiday, Chuseok, from September 12 to 15 made corporates reluctant to plan any MCI trips during September.

Highlights of any Key Definites

- *Special Event – Culture, Arts group, September 2019 (36 room nights)*
- *Incentive – religious group, September 2019 (102 room nights)*
- *Incentive – insurance corporation, September 2019 (42 room nights)*

Highlights of Any Key Tentatives

- *Special Event – Culture, Arts group, September 2019 (36 room nights)*
- *Incentive – religious group, September 2019 (102 room nights)*
- *Incentive – insurance corporation, September 2019 (42 room nights)*

Public Relations and Advertising

None to report for September.

**Table 2g: Hawai'i Tourism Oceania Single Property Sales Production
 September 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		
Room Nights								
Definite & Assist-Definite	2,498	282	786%	6,675	6,562	2%	16,640	40%
New to Hawai'i	2,498	282	786%	6,051	4,988	21%	12,480	48%
Tentative & Assist-Tentative	2,465	5,154	-52%	14,972	26,761	-44%	34,320	44%
MCI								
Room Nights								
Definite & Assist-Definite	0	77	-100%	2,571	4,994	-49%	12,640	20%
New to Hawai'i	0	77	-100%	2,408	3,492	-31%	9,360	26%
Tentative & Assist-Tentative	2,335	2,666	-12%	13,325	21,483	-38%	25,820	52%
Non-MCI								
Room Nights								
Definite & Assist-Definite	2,498	205	1119%	4,104	1,568	162%	4,000	103%
New to Hawai'i	2,498	205	1119%	3,643	1,496	144%	3,120	117%
Tentative & Assist-Tentative	130	2,488	-95%	1,647	5,278	-69%	8,500	19%

COMMENTS

Market Conditions and Industry Trends

- *Currencies – The U.S.-China trade war still appears to have an impact on the New Zealand dollar which fell to a 4-year low at the end of September and was sitting at USD 0.62. The Australian dollar is sitting at USD 0.67.*
- *Australia's unemployment rate rose to 5.3 percent in August. The unemployment rate has been rising since hitting a seasonally adjusted decade low of 4.9 percent in February, and is now at its highest point since June last year.*
- *The Tempo Holidays and Bentours business entered into voluntary administration after the companies had been in the industry for almost 40 years. The collapse sent a shockwave across the industry where other travel companies offered support to affected agents and clients. Hawai'i Tourism Oceania (HTO) is monitoring the market closely to stay on top of the current situations in the Australian and New Zealand markets.*
- *The MICE market is becoming more competitive with many destinations offering exotic experiences and more affordable accommodation options. This is becoming more apparent as exchange rates continues to drop and Hawai'i room rates continue to increase. There were several MICE events during the month of September, which indicated how competitive the market share is with new destinations, such as Sri Lanka MICE roadshow in Sydney and Melbourne and Jumeirah Hotels Roadshow (Dubai) in Sydney, Melbourne and Perth.*

COMMENTS
<p><u>Sales Production vs. Goals Analysis</u> The exchange rate for AUD & NZD continue to be one of HTO's main challenges for meeting planners who are looking for additional value when booking conference, meeting and incentive groups. Many meeting planners and main group contacts from Australia and New Zealand were away at IMEX in Vegas during September 10-12 with two pre & post FAMs taking place in the Hawaiian Islands.</p>
<p><u>Highlights of any Key Definites</u></p> <ul style="list-style-type: none"> • Special Event – sports group, March 2020 (2,498 room nights)
<p><u>Highlights of Any Key Cancellations</u> None to report for September.</p>
<p><u>Highlights of Any Key Tentatives</u></p> <ul style="list-style-type: none"> • Sleeping Rooms Only – government group, June 2020 (130 room nights) • Convention – confidential group, April 2021 (2,250 room nights) • Incentive – high tech corporation, January 2020 (45 room nights) • Incentive – confidential group, May 2021 (40 room nights)
<p><u>Public Relations and Advertising</u> HTO worked with Meeting Newz to include four pages in a Pacific Business Events supplement that was distributed with Meeting Newz Magazine in September. Hawai'i was also featured on the front and back cover of the supplement. The four pages included key ideas for group activities and events throughout the Hawaiian Islands.</p>

**Table 2h: Other International Single Property Sales Production
 September 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		
COMBINED - TOTAL								
Room Nights								
Definite & Assist-Definite	0	266	-100%	0	613	-100%	N/A	N/A
New to Hawai'i	0	266	-100%	0	613	-100%		
Tentative & Assist-Tentative	0	708	-100%	3,830	11,675	-67%		
MCI								
Room Nights								
Definite & Assist-Definite	0	266	-100%	0	266	-100%		
New to Hawai'i	0	266	-100%	0	266	-100%		
Tentative & Assist-Tentative	0	708	-100%	3,788	11,328	-67%		
Non-MCI								

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		
Room Nights								
Definite & Assist-Definite	0	0	N/A	0	347	-100%		
New to Hawai'i	0	0	N/A	0	347	-100%		
Tentative & Assist-Tentative	0	0	N/A	42	347	-88%		

As of April 2019, Table 2h includes production for Hawai'i Tourism Europe as well as all Other International sales.

**Table 3: Island Distribution of HTUSA Single Property Sales
 Year-to-Date September 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	286,278	54,000	4,791	24,735	46%	17%	9%
Kaua'i	105,565	19,000	4,534	11,046	58%	14%	10%
Mau'i County	309,007	79,000	3,470	49,600	63%	26%	16%
Hawai'i	215,022	35,000	1,571	28,117	80%	16%	13%
Total	915,872	187,000	14,366	113,498	61%		

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

'ELELE PROGRAM

COMMENTS
<p><i>September meetings and updates from Deborah Zimmerman, 'Elele Program Director from New Millennium Meetings (NMM):</i></p> <p><i>New Definites</i></p> <ul style="list-style-type: none"> <i>With support from an 'Elele from the University of Hawai'i, College of Engineering, a technical society has verbally confirmed Hawai'i for their annual meeting in June 2021, with 400 attendees. The 'Elele wrote a letter assuring the decision makers there would be local volunteers to support the conference.</i> <i>Additionally, under leadership of the Chief of Surgery at John A. Burns School of Medicine (JABSOM), a surgery society has booked their annual meeting in Honolulu for September 2020, with 300 attendees.</i> <p><i>Promising Prospects and Tentatives</i></p>

COMMENTS
<ul style="list-style-type: none"> <i>In support of Hawai'i's bid for an international conference for July 2024, with 1,800 attendees, the 'Elele director recruited the Director of Cyber Infrastructure at the University of Hawai'i to meet with the customers during a site visit on November 22.</i> <i>In support of an engineering conference, the 'Elele director recruited an 'Elele from the National Solar Observatory Daniel K. Inouye Telescope and an 'Elele from the Canada, France Hawai'i telescope to participate on a zoom call during the customer's site inspection on October 7.</i> <i>In pursuit of future meeting opportunities with a medical association, 'Elele from the Tripler Army Medical Center and the 'Elele director entertained key decision influencers who were in town for another event.</i> <p>Support for Definite Conventions</p> <ul style="list-style-type: none"> <i>'Elele director has been working actively with the University of Hawai'i to support their sponsorship of a scientific association's convention. Currently, the 'Elele director serves on the Exhibit Committee, the National Diversity of STEM committee and the Reception Committee.</i>

LOST BUSINESS

Table 4: Lost Business – September 2019

HAWAI'I CONVENTION CENTER						
Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
Convention (2026)	Medical	2,170	1,100	4/17/2023 - 4/22/2023	N/A	Lack of Follow-up
Convention (2067)	Educational	9,300	5,000	5/30/2021 - 6/5/2021	N/A	Alternate Dates Selected
Convention (2068)	Educational	9,300	5,000	5/29/2022 - 6/4/2022	N/A	Alternate Dates Selected
Convention (2142)	Scientific	5,300	1,500	8/18/2024 - 8/24/2024	N/A	Board Preference
Convention (2144)	Other	16,800	11,000	8/22/2025 - 8/28/2025	N/A	Cost - Hotel
Meeting (2141)	Other	5,150	1,300	2/22/2024 - 3/2/2024	Sydney	Other City Selected
Meeting (2159)	Technology	5,135	1,000	10/18/2020 - 10/26/2020	N/A	Meeting/Group Cancelled
Meeting (2163)	Other	1,050	2,000	9/9/2020 - 9/13/2020	N/A	Other City Selected
Meeting (2168)	Medical	1,743	900	2/21/2021 - 2/27/2021	N/A	Other City Selected
Other (1306)	Culture & Arts	10,127	3,000	11/1/2020 - 11/10/2020	N/A	Did Not Materialize
Trade Show (1274)	Culture & Arts	9,000	2,000	11/3/2019 - 11/12/2019	N/A	Did Not Materialize
Trade Show (1348)	Culture & Arts	11,250	4,000	10/31/2021 - 11/9/2021	N/A	Did Not Materialize

Trade Show (1351)	Culture & Arts	12,377	5,000	10/29/2022 - 11/7/2022	N/A	Did Not Materialize
Trade Show (1355)	Culture & Arts	13,500	6,000	11/4/2023 - 11/13/2023	N/A	Did Not Materialize
Trade Show (1358)	Culture & Arts	14,627	7,000	11/2/2024 - 11/11/2024	N/A	Did Not Materialize
Trade Show (1362)	Culture & Arts	15,750	8,000	10/25/2025 - 11/3/2025	N/A	Did Not Materialize
Trade Show (1364)	Culture & Arts	16,877	9,000	11/7/2026 - 11/16/2026	N/A	Did Not Materialize

HTUSA SINGLE PROPERTY – HIGH PROFILE

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
MCI: Convention - Domestic (14949)	Food, restaurants	6,800	1,500	04/23/2023 - 04/27/2023	West Coast Destinations	Program lost to Marco Island.
MCI: Incentive (16603)	Finance, Banking	848	300	05/10/2021 - 05/15/2021	Greece and Croatia	Program lost to Athens.
MCI: Incentive (15052)	Insurance	635	200	07/13/2020 - 07/19/2020	Initially, Hawai'i only	Program lost to Cabo San Lucas.
MCI: Convention - Domestic (16787)	Trade Assns	2,160	900	09/02/2022 - 09/08/2022	Initially, Hawai'i only	Program lost to San Diego.
MCI: Convention - Domestic (15079)	Consumer Products	1,030	250	09/16/2019 - 09/20/2019	Florida and California	Program has been postponed.
MCI: Incentive (13633)	Unknown	900	300	10/06/2019 - 10/12/2019	Initially, Hawai'i only	Program has been postponed.
MCI: Convention - Domestic (15264)	Consumer Products	900	600	10/10/2019 - 10/13/2019	Los Cabos, Cancun, Bahamas, Las Vegas, Hollywood, Miami Beach, Orlando, Fort Lauderdale, Puerto Rico, and Puerto Vallarta.	Program lost to Cancun.

INTERNATIONAL SINGLE PROPERTY

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
HT Oceania: MCI: Meeting (16502)	Real Estate	180	80	08/07/2020 - 08/10/2020	Initially, Hawai'i only	Client no longer considering Hawai'i due to overall cost.

HT China: MCI: Incentive (16568)	Incentive	240	60	10/20/2019 - 10/23/2019	Initially, Hawai'i only	Program has been postponed.
HT China: MCI: Incentive (16569)	Incentive	240	60	10/24/2019 - 10/27/2019	Initially, Hawai'i only	Program has been postponed.
HT Oceania: MCI: Meeting (16892)	Travel	84	30	11/20/2019 - 11/24/2019	Initially, Hawai'i only	Program has been postponed.

NEW-TO-HAWAI'I DEFINITE BOOKINGS

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

HTUSA SINGLE PROPERTY - HIGH PROFILE

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
MCI: Meeting (15086)	Manufacturing	660	175	04/16/2021 - 04/23/2021	Santa Barbara, CA and Dana Point, CA
MCI: Incentive (16708)	Multi Level Marketing	500	250	01/13/2020 - 01/16/2020	Initially, Hawai'i only

INTERNATIONAL SINGLE PROPERTY

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
HT China: MCI: Meeting (16882)	Travel	182	52	10/08/2019 - 10/14/2019	Initially, Hawai'i only
HT China: MCI: Meeting (16883)	Travel	182	52	10/12/2019 - 10/18/2019	Initially, Hawai'i only
HT China: MCI: Meeting (16884)	Travel	182	52	10/17/2019 - 10/23/2019	Initially, Hawai'i only
HT China: MCI: Meeting (16885)	Travel	182	52	10/20/2019 - 10/26/2019	Initially, Hawai'i only
HT China: MCI: Meeting (16886)	Travel	182	52	10/24/2019 - 10/30/2019	Initially, Hawai'i only
HT China: MCI: Meeting (16887)	Travel	182	52	10/29/2019 - 11/04/2019	Initially, Hawai'i only
HT China: MCI: Meeting (16888)	Travel	182	52	10/31/2019 - 11/06/2019	Initially, Hawai'i only
HT Korea: Non-MCI: Special Event (18010)	Culture, Arts	36	23	09/03/2019 - 09/05/2019	Initially, Hawai'i only
HT Korea: MCI: Incentive (18050)	Religious	102	65	09/23/2019 - 09/25/2019	Initially, Hawai'i only
HT Japan: MCI: Incentive (18056)	High Tech	1,088	345	10/21/2019 - 10/25/2019	Initially, Hawai'i only

HT Japan: MCI: Meeting (18057)	Educational	1,075	230	09/09/2019 - 09/15/2019	Initially, Hawai'i only
HT Japan: MCI: Incentive (18060)	Automotive	654	219	10/07/2019 - 10/11/2019	Initially, Hawai'i only

TOTAL NEW TO HAWAI'I GMT BOOKINGS FOR THE MONTH	33
TOTAL ROOM NIGHTS FOR NEW TO HAWAI'I GMT BOOKINGS	6,970

HAWAI'I CONVENTION CENTER

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
Meeting (2165)	Travel	100	2,500	9/9/2019 - 9/12/2019	Unknown

TOTAL NEW TO HAWAI'I CITYWIDE BOOKINGS FOR THE MONTH	1
TOTAL ROOM NIGHTS FOR NEW TO HAWAI'I CITYWIDE BOOKINGS	100

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 September:

- 5 educational events
 - HTUSA
 - Professional Convention Management Association (PCMA) Quarterly Meeting, Rosemont, IL, September 18
 - International GMTs
 - HTC – Footmark Educational Seminar, Beijing, China, September 2
 - HTC – Joint Roadshow with China Eastern Airlines, Chengdu, China, September 10
 - HTC – All Nippon Airways Trade Event, Guangzhou, China, September 17
 - HTC – Joint Roadshow with China Eastern Airlines, Guangzhou, China, September 18

- 4 trade shows
 - HTUSA
 - Incentive Travel, Meetings and Events (IMEX), Las Vegas, NV, September 10-12
 - HCC
 - Incentive Travel, Meetings and Events (IMEX), Las Vegas, NV, September 9-12
 - International GMTs
 - HTC – China International Business and Award Tourism Exhibition, Beijing, China, September 4
 - HTC – Toursforfun Travel Cooperation, Chengdu, China, September 9

- 8 major site visits and familiarization (FAM) tours with clients and potential clients
 - HTUSA
 - 2 site visits, Kaua'i
 - 1 site visit, O'ahu
 - HCC
 - 2 site visits, O'ahu
 - International GMTs
 - 1 site visit, O'ahu and Lāna'i
 - 1 site visit, O'ahu and Island of Hawai'i
 - 1 site visit, O'ahu

FUTURE SALES AND MARKETING ACTIVITIES

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

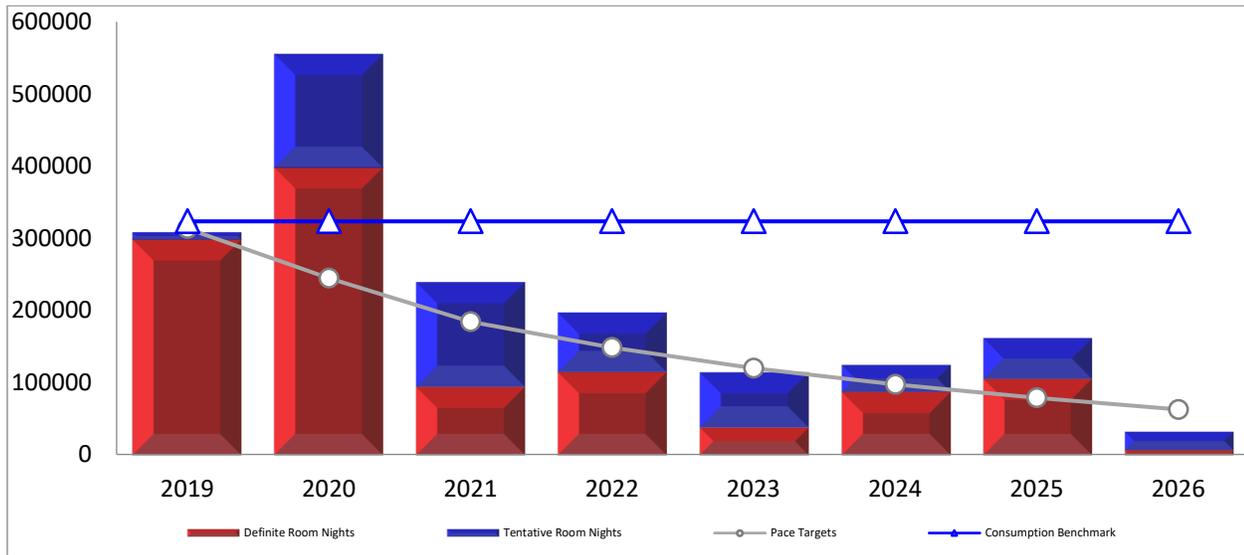
Oct. 2019			
Oct. 16	Joint Roadshow with China Eastern Airlines, Guangzhou, China	Educational Event	HTC
Oct. 20-22	National Franchise Convention, Gold Coast, Australia	Trade Show	HTO
Oct. 24	JATA Tourism Expo, Tokyo, Japan	Trade Show	HTJ
Oct. 24-27	Tourism Expo 2019 Osaka, Osaka, Japan	Trade Show	HTJ
Oct. 27-30	58 th International Congress and Convention Association (ICCA) Conference, Houston, TX	Trade Show	HCC
TBD	SITE Education Day, Toronto, Canada	Educational Event	HTCAN
Nov. 2019			
Nov. 3-5	Destination Hawai'i Pre-FAM, Maui, HI	FAM	HTUSA
Nov. 5-8	Destination Hawai'i, Maui, HI	Sales Blitz	HTUSA
Nov. 6-7	Prestige, San Jose and San Francisco, CA	Trade Show	HTUSA
Nov. 6-8	Professional Convention Management Association (PCMA) Asia Pacific Annual Conference, Macau, China	Sales Blitz	HCC
Nov. 10-13	Aloha Business Exchange (ABE), Maui, HI	FAM	HTUSA
Nov. 10-15	TEAMS Conference and Expo, Anaheim, CA	Sales Blitz	HCC
Nov. 15-22	IBTM World, Barcelona, Spain	Trade Show	HCC
Nov. 19	Pacific Area Incentives and Conferences Expo (PAICE), Auckland, New Zealand	Trade Show	HTO
Nov. 29-Dec.1	Cievents Conference 2019, Hamilton Island, Australia	Trade Show	HTO
Dec. 2019			
TBD	MCI VIP Reception, Seoul, Korea	Client Promo	HTK

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 September 30, 2019**
 Report Date: October 7, 2019



Hawai'i R/N

	2019	2020	2021	2022	2023	2024	2025	2026	Total
Definite Room Nights	297,318	396,601	94,620	114,848	38,480	87,233	105,508	7,014	1,141,622
Pace Targets	313,218	244,672	184,136	148,344	119,617	97,262	78,327	62,381	1,247,957
Variance	(15,900)	151,929	(89,516)	(33,496)	(81,137)	(10,029)	27,181	(55,367)	(106,335)
Consumption Benchmark	323,263	323,263	323,263	323,263	323,263	323,263	323,263	323,263	2,586,104
Pace Percentage	95%	162%	51%	77%	32%	90%	135%	11%	91%
Total Demand Room Nights	889,138	756,577	414,429	292,139	127,825	145,228	178,798	88,254	2,892,388
Lost Room Nights	591,820	359,976	319,809	177,291	89,345	57,995	73,290	81,240	1,750,766
Conversion Percentage	33%	52%	23%	39%	30%	60%	59%	8%	39%
Tentative Room Nights	10,602	157,500	144,509	82,464	76,455	37,537	56,619	25,441	591,127

Hawai'i Events

Definite Events	360	188	64	39	13	15	11	4	694
Pace Targets	322	135	58	31	16	11	7	4	584
Variance	38	53	6	8	(3)	4	4	0	110
Consumption Benchmark	348	348	348	348	348	348	348	348	2,784
Pace Percentage	112%	139%	110%	126%	81%	136%	157%	100%	119%
Total Demand Events	892	433	141	66	32	28	18	8	1,618
Lost Events	532	245	77	27	19	13	7	4	924
Conversion Percentage	40%	43%	45%	59%	41%	54%	61%	50%	43%
Tentative Events	38	318	174	46	27	15	10	5	633

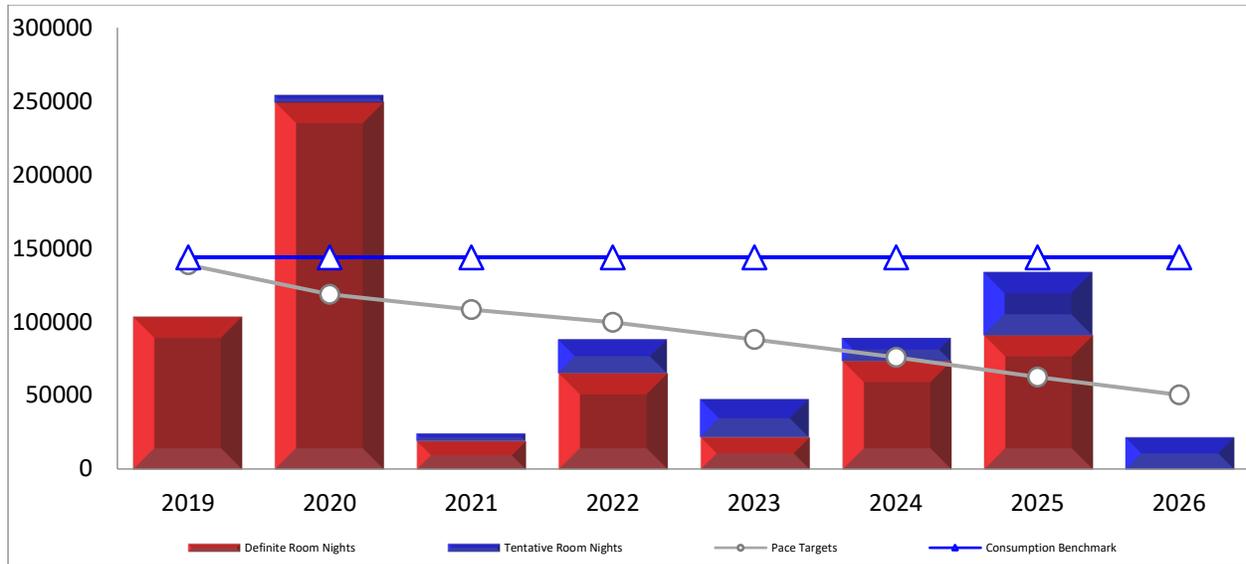
The number of events reported in TAP is slightly higher than the actual number of events due to a number of overflow programs and the splitting of some bookings into two in order to track shared credit.

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

THE TAP REPORT

Hawai'i
 Convention Center

Period Ending September 30, 2019
 Report Date: October 7, 2019



Hawai'i R/N

	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Definite Room Nights	103,552	248,684	19,250	65,270	21,939	73,540	91,055	0	623,290
Pace Targets	138,783	118,844	108,372	99,675	88,094	75,906	62,514	50,392	742,580
Variance	(35,231)	129,840	(89,122)	(34,405)	(66,155)	(2,366)	28,541	(50,392)	(119,290)
Consumption Benchmark	143,909	143,909	143,909	143,909	143,909	143,909	143,909	143,909	1,151,272
Pace Percentage	75%	209%	18%	65%	25%	97%	146%	0%	84%
Total Demand Room Nights	397,965	413,919	275,213	227,146	94,208	120,672	164,345	81,240	1,774,708
Lost Room Nights	294,413	165,235	255,963	161,876	72,269	47,132	73,290	81,240	1,151,418
Conversion Percentage	26%	60%	7%	29%	23%	61%	55%	0%	35%
Tentative Room Nights	0	5,250	5,250	23,250	25,785	15,850	42,942	21,951	140,278

Hawai'i Events

Definite Events	30	20	5	9	3	7	5	0	79
Pace Targets	24	17	13	10	10	7	5	0	86
Variance	6	3	(8)	(1)	(7)	0	0	0	(7)
Consumption Benchmark	27	27	27	27	27	27	27	27	216
Pace Percentage	125%	118%	38%	90%	30%	100%	100%	0%	92%
Total Demand Events	76	63	40	27	16	17	12	4	255
Lost Events	46	43	35	18	13	10	7	4	176
Conversion Percentage	39%	32%	13%	33%	19%	41%	42%	42%	31%
Tentative Events	0	3	2	5	5	8	5	4	32

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.

Glossary of TAP Report Terms

<p>Consumption Benchmark – The average number of definite room nights produced by Meet Hawai'i for each month and year for the last three twelve month periods. Each month the “oldest” month is dropped from the calculation and the most recent month is added.</p>
<p>Conversion Index - A measurement for each month and year of the client city's Conversion Percentage compared to the Peer Set's Conversion Percentage. A value greater than 100 indicates that the client city is converting more demand to definite room nights than the Peer Set. A number less than 100 indicates that the client city is converting less demand to definite room nights than the Peer Set.</p>
<p>Conversion Index Rank - The position of the client's Conversion Index compared to the Peer Set.</p>
<p>Conversion Percentage - The percentage of Total Demand Room Nights that Meet Hawai'i converts to Definite Room Nights for each month and year at the time the report is published.</p>
<p>Definite Room Nights – Number of definite room nights, confirmed by Meet Hawai'i for each month and year at the time the report is published.</p>
<p>Definite Room Night Share % – A percentage indicating the client city's portion of the Peer Set's Definite Room Nights.</p>
<p>Lost Room Nights – The number of room nights, both definite and tentative, that have been lost for each month and year at the time the report is published.</p>
<p>Pace Index - A measurement for each month and year of the client city's Pace Percentage compared to the Peer Set's Pace Percentage. A value greater than 100 indicates that the client city's Pace Percentage is higher than that of the Peer Set. A number less than 100 indicates that the client city's Pace Percentage is less than that of the Peer Set.</p>
<p>Pace Index Rank - The position of the client's Pace Index compared to the Peer Set.</p>
<p>Pace Percentage – The percentage of Definite Room Nights compared to the Pace Target. If Meet Hawai'i continues to book at current trends the same percentage can be applied to the Consumption Benchmark when each month and year passes.</p>
<p>Pace Target – Number of definite room nights that should be confirmed for each month and year at the time the report is published (updated every month). Pace targets are determined by analyzing a minimum of the last three years definite room nights and all definite room nights confirmed for the future. The analysis is completed by comparing the date a booking was confirmed to that of the arrival date for each confirmed booking and computing the number of months in advance of arrival that each booking was confirmed.</p>
<p>Room Night Demand Share % – A percentage indicating the client city's portion of the Peer Set's Demand.</p>
<p>Tentative Room Nights – The number of tentative room nights pending for each future month and year at the time the report is published.</p>
<p>Total Demand Room Nights - Number of total lead room nights issued by Meet Hawai'i for each month and year at the time the report is published.</p>
<p>Variance – The difference between the Definite Room Nights and the Pace Target.</p>

CONVENTION CENTER PERFORMANCE

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

PERFORMANCE MEASURE	YTD	TARGET	VARIANCE
Occupancy	37%	31%	6%
Total Events	154	136	18
Total Attendance	240,031	238,872	1,159
Visitor Spending	\$188,672,072	\$188,672,072	\$0
Tax Revenue	\$18,301,191	\$18,301,191	\$0
Revenue per Attendee	\$45.56	\$44.49	\$1.07

COMMENTS

For the month ended August 31, 2019, the Hawai'i Convention Center (HCC) hosted 13 licensed events of which an international event generated over \$14.6 million in State visitor spending and \$1.4 million in State tax revenue. At HCC, an international event generated \$614,500 or 61 percent of the \$1 million in gross revenues for the month, which was \$150,200 less than budget. HCC's bottom line results for the month was a net loss of \$329,000 which was \$93,500 more than budgeted.

For the year to date, financial results reflect gross revenues of \$11,117,300, which is \$483,000 more than planned and a net loss of \$584,00, which is \$206,600 better than planned. HCC's 2019 year-end reforecast, however, reflects a net loss of \$2,717,400, which is \$722,400 higher than the budget of \$1,995,000.

The summary below highlights why the year-end reforecast is not meeting budget:

- 1) *Cancellations resulting in over \$1.57 million in lost revenue.*
 - a. *An insurance corporation, 1,500 delegates, budgeted \$54,000 in event revenue and \$258,000 in F&B revenue in September 2019. Cancelled due to financial services investigation.*
 - b. *A religious association, 24,000 delegates, budgeted \$195,000 in event revenue and \$566,000 in F&B revenue in November 2019. The headquarters in NY chose not to include Hawai'i in its international convention for this year. HCC is working with the local group to see if Hawai'i can be included in one of HCC's upcoming need years in 2021-2023. If successful, HCC will move their 2024 program to a new future year.*
 - c. *A tourism industry event, budgeted \$199,000 in event revenue and \$298,000 in F&B revenue in September 2019, cancelled as the program has moved to the Island of Hawai'i.*
- 2) *Rental income not meeting budget expectations.*
 - a. *Offshore events, medical society in March 2019, (\$34,000) and a national medical association in July 2019, (\$84,000).*
- 3) *Food & Beverage ROI budgeted at 43 percent but forecasting at 37 percent for the year.*

COMMENTS

For the year to date, HCC's performance metrics for occupancy, events, attendance, visitor spending, tax revenue and revenue per attendee are at and/or exceeding targets. Revenue per attendee increased by \$1.07 to \$45.56 this month from \$44.74 last month.

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.

CONTRACTS EXECUTED BY THE HAWAI'I TOURISM AUTHORITY

September 2019					
Contract No.	Contractor	Description	Dollar Amount	Start Date	End Date
17221 S4	Cades Schutte	HTA Board of Directors/Standing Committee Meeting Minutes	(+ \$4,800.00) \$43,700.00	8/13/2019	10/31/2019
19002 S1	OmniTrak Research & Marketing Group Inc. dba OmniTrak Group Inc	Resident Sentiment for Fall 2019	+ \$43,000.00 \$86,000.00	8/26/2019	9/30/2020
•19180 S1	The Kalaimoku Group Inc.	May Day Waikīkī 2019	+ \$0.00 \$100,000.00	8/29/2019	12/31/2019
20003	Marcus A Reimel	Videographer/Editor for Video Series	\$16,200.00	9/23/2019	12/31/2019
20004	Mokihana Aki	Producer/Writer for Video Series	\$10,700.00	9/23/2019	12/31/2019
16011 S6	Access Cruise, Inc.	Services related to achieving or exceeding cruise targets with managed distribution to all islands.	(+ \$69,275.43) \$731,205.83	9/23/2019	9/30/2020
•20001	Na Wahine O Ke Kai	Na Wahine O Ke Kai 2019	\$20,000.00	9/26/2019	2/28/2020
•18146 S2	Hale Mua Cultural Group	2020 King Kamehameha Day Celebration Parade – Kona	(+ \$20,000.00)	9/26/2019	9/30/2020

Contract Type:
 • Sole Source
 † Procurement Exemption

			\$60,000.00		
•18147 S2	Hale Mua Cultural Group	2020 Kamehameha Festival – Hilo	(+\$20,000.00) \$60,000.00	9/27/2019	9/30/2020
•18148 S2	Lōkahi Pacific	Na Kamehameha commemorative Pa`u Parade and Ho`olaule`a 2020	(+\$20,000.00) \$60,000.00	9/27/2019	9/30/2020
•20005	The Hawaii Lodging & Tourism Association	LA Clippers Youth Basketball and Coaches Clinic Reimbursables	\$30,000.00	10/2/2019	11/30/2019
17029 S9	Hawai'i Visitors and Convention Bureau	USA MMA 2019 - UH Entertainment by HI Airlines Serenaders	(+ \$50,000.00) \$74,535,000.00	10/2/2019	12/31/2019
•18001 S2	Pro Tennis Group, LLC	Hawai'i Open Tennis 2019	(+\$225,000.00) \$675,000.00	10/2/2019	2/28/2020

Agenda Item

6

Presentation by the Honolulu
Festival Foundation Regarding
Multi-Cultural and Community
Engagement

HTA SIGNATURE EVENTS PROGRAM 2019 HTA RFP 16-09 FINAL REPORT



“Looking Back to Create the Future: 25 years of Aloha”

Organization: Honolulu Festival Foundation

RFP Contact: Tatsuo Watanabe

Address: P.O. Box 8494

Honolulu, HI 96820

Phone: (808) 228-1932

Email: twatanabe@honolulufestival.com

Support Amount: \$138,000.00

Honolulu Festival website: www.honolulufestival.com



Our Mission

Purpose

To promote ethnic harmony and greater cultural understanding by introducing diverse cultures of the Pacific Rim region to the people of Hawaii and visitors from all over the world. It is our hope to cultivate friendship among people and to perpetuate traditions and cultures for future generations.

Objectives

- ✿ To provide educational and cultural programs while promoting a greater sense of understanding and respect for the diversity of people.
- ✿ To provide economic support to Hawai'i.
- ✿ To present the annual Honolulu Festival for citizens of Hawai'i and visitors with free admission.

With the generous support received from the Hawai'i Tourism Authority, we were able to successfully present the 25th Anniversary Honolulu Festival on March 8-10, 2019.

The 25th Anniversary Honolulu Festival's sub-theme, "Looking Back to Create the Future: 25 years of Aloha" paid tribute to our sponsors, volunteers, performers, residents, organizations and visitors in appreciation for their contribution to the success of the festival for the past 25 years.





Main Events at the Hawaii Convention Center March 9-10

The Hawaii Convention Center was the main location of multi-cultural exhibits, demonstrations, stage performances, an Ennichi Corner (children's games), and Bon Dancing. A total of 120 booths consisted of local and international crafts, exhibits, food, workshops, Cosplay and Art & Flea. Free admission.



Ennichi Corner



Workshops



Demonstrations



Exhibits



Performances



Bon Dance



Educational School Tour Friday, March 8th

Hawai'i's school children were invited to a "Behind the Scenes" educational school tour at the Hawai'i Convention Center. Students were given hands-on opportunities to interact with performers and artisans before the festival began. 16 schools participated for a total of 886 students.





Stage Performances

Ala Moana Center



Hawaii Convention Center



Waikiki Beach Walk



International Market Place





Special Events

Kabuki Night

The Friendship Gala “Kabuki Night” Special Event was held at the Hawai’i Convention Center on March 8th in commemoration of the 25th Honolulu Festival. The featured event was an authentic Kabuki performance with acclaimed performers, Nakamura Shikan and his three sons who performed “Renjishi”, a story about a father lion who tests his son’s strength and courage by pushing him off a cliff. The sold out show captivated an audience of 1500 local residents and visitors. This rare performance marked the first time Kabuki performed in Hawai’i in more than 50 years. The Kabuki performance was the only paid event where funds raised benefit local students through cultural exchange programs sponsored by the Honolulu Festival Foundation.



Japanese Film Festival

A Japanese Film Festival sponsored by the Consulate General of Japan Hawaii was held on Saturday and Sunday featuring five movies: Thermae Romae, Yoko the Cherry Blossom, Sing My Life, A living Promise and The Vancouver Asahi. A total of 1,511 attended the film festival.



Volunteers:

- **Voluntourism** - Japan: 140 students from nine High Schools volunteered at the festival and earn school credit.
- **Local:** 300 students from Kaimuki High, Roosevelt High and Lahainaluna High volunteered at the festival. Other local volunteers were utilized at the Convention Center and during parade.
- Volunteers were present throughout the Hawai'i Convention Center assisting with the flow of entry, helping with inquiries, programs, Ennichi Corner, and participating in the Parade.





Other Highlights-2019 Ohana Awards

The following groups were honored for their many years of contributions to the Honolulu Festival. Each group has demonstrated the spirit of the Festival by promoting worldwide friendship and cultural exchange.

- Yasuko Shimizu and her fellow singers - 21 years
- Honolulu Daijyama Booster Group - 20 years
- Komaki Kei ABC Academy Hula Halau - 17 years
- Saitama Ryujin Matsuri Kai - 16 years
- Hirosaki Neputa Manji Kai - 15 years
- International Flower Arrangement Association - 15 years
- Japan Nankin Tamasudare Association - 14 years
- Sonoda Gakuen High School - 14 years
- Lahainaluna High School - 14 years
- Japan High School of Music - 10 years
- The City of Nagaoka - 9 years
- Akita Kanto Festival - 8 years





Event Schedule

Mar 8 (Fri)

09:00 - 13:00 Educational School Tours – Hawaii Convention Center

12:00 - 13:30 Governor's Luncheon Reception-Washington Place

09:00 - 18:15 Ike Pono Ma Honolulu - Honolulu Hula Formal (Prince Waikiki)

02:00 - 18:15 Destination Management Organization Forum – Hawaii Convention Center

17:45 - 18:30 Ohana Award Ceremony – Hawaii Convention Center

19:00 - 20:30 Friendship Gala - Special Event “Kabuki Night”- Hawaii Convention Center





Mar 09 (Sat)

09:00 - 18:15 Honolulu Hula Formal - Prince Waikiki

10:00 - 17:40 Movies - Japanese Film Festival – Hawaii Convention Center

Thermae Romae, Yoko the Cherry Blossom, Sing My Life, A living Promise

10:00 - 18:00 Craft Fair / Ennichi Corner / Food Corner – Hawaii Convention Center

10:00 - 18:00 Stage Performances – Hawaii Convention Center / Ala Moana Center

Waikiki Beach Walk / International Market Place

10:30 - 13:30 Aloha Dance Convention Workshop – Hawaii Convention Center

12:00 - 12:15 Maui Mikoshi Unveiling Ceremony – Hawaii Convention Center

13:00 - 13:35 Bon Dance – Hawaii Convention Center

15:00 - 15:35 Bon Dance – Hawaii Convention Center

17:00 - 17:40 Honolulu Rainbow EKIDEN 2018 “Kick Off NIGHT!”

Aloha Dance Convention – Hawaii Convention Center





Mar 10 (Sun)

- 08:00 - 13:00 Honolulu Rainbow EKIDEN – Kapiolani Park
- 10:00 - 13:00 WaikiKitchen
- 10:00 - 15:00 Craft Fair / Ennichi Corner / Food Corner – Hawaii Convention Center
- 10:00 - 15:00 Stage Performances – Hawaii Convention Center / Ala Moana Center
Waikiki Beach Walk / International Market Place
- 10:00 - 15:00 Movies – Japanese Film Festival – Hawaii Convention Center
Thermae Romae, The Vancouver Asahi
- 13:55 - 14:30 Bon Dance – Hawaii Convention Center
- 16:15 - 16:30 Grand Parade Opening Performance – Kalakaua Avenue
- 16:30 - 19:30 Grand Parade through Kalakaua Avenue
- 20:30 - 20:55 Nagaoka Fireworks off Waikiki Beach (25 minutes)





Participating Groups from Japan

Kanto

- Tokyo Korean School[Dance/Performance]
- Moralodium [Dance/Performance]
- Dokkyo University Calligraphy club[Craft/Demonstration]
- Aoyama Gakuin University Uluwehi[Hula]
- BUNKYO GAKUIN UNIVERSITY & TAKASAKI SHOKA UNIVERSITY[Volunteer]
- S.A.L. Student organisation officially approved by the Keio University[Craft/Demonstration]
- Hula Spot Koa [Hula]
- TOKYO AMAMIKAI [Dance/Performance]
- Hula o Makana & Ribbonlei Honolulu Festival [Hula]
- Meiji University Boys' Cheerleading team ANCHORS [Dance/Performance]
- Bunkyo University YAMAGUCHI Research Seminar [Volunteer]
- ANEKO [Other Sponsors]
- Kimono Higuchiya goodwill friendship party [Craft/Demonstration]
- MIYABIHULA [Hula]
- NEOLD Team Noh Kyogen[Craft/Demonstration]
- SHADOW ART A.B.CUBE KWS[Craft/Demonstration]
- GRANDS [Dance/Performance]
- Tokyo Metropolitan University RITZ[Dance/Performance]
- Ferris University Hula Pua Anela [Hula]
- Keio Univ UNICORNS Songleaders[Dance/Performance]
- Taikonotatsujin Nintendo Switch version Elementary school students Furi Furi King team [Oth Sponsors]
- Sophia University JESTY[Dance/Performance]
- KANDA UNIVERSITY OF INTERNATIONAL STUDIES Volunteer[Volunteer]
- Shinozaki System Kids[Dance/Performance]
- Hālau 'O Kealani [Hula]
- ZENNOA FIRST CLASS [Hula]
- kalikopualehua [Hula]
- Alohappy ! – We are Japanese Regional Characters – Honuppi [Other Sponsors]
- Alohappy ! – We are Japanese Regional Characters – Kota [Other Sponsors]
- Waseda University Tsugaru Shamisen Club Mitsudomoe [Music Performance]
- Tokyo University of Foreign Studies Amity [Dance/Performance]
- Sophia Hula Team Hau'oli [Hula]
- International Flower Association[Dance/Performance]
- Yasuko Shimizu and Her Fellow Singers[Music Performance]
- Chigasaki City -Sister City of Honolulu-[Craft/Demonstration]
- BEST BODY INTERNATIONAL IN HONOLULU 2019 [Dance/Performance]
- CLUB TEAM TWISTERS[Dance/Performance]
- K&K Aloha Hula Co. [Hula]
- HOA ALOHA [Hula]
- TOKYO VISUAL ARTS[Dance/Performance]
- Sophia University Cheerleading Team EAGLES [Dance/Performance]
- Komaki Kei ABC Academy Hula Halau[Hula]
- Anela. Hula Studio [Hula]
- SAITAMA RYUJIN MATSURI KAI[Traditional Performance]
- Japan High School of Music [Music Performance]
- HULA O POHAI KE ALOHA [Hula]





Hokkaido/Tohoku

- Hokkaido Taisho-koto Hukyukai Kotobikai [Music Performance]
- Akan Ainu Culture Preservation Society [Traditional Performance]
- Enormous Patchwork Group [Craft/Demonstration]
- HOKKAIDO FAIR and AINU Culture Special [Other Sponsors]
- Akita Kanto Festival [Traditional Performance]
- Hirosaki neputa manji kai [Traditional Performance]
- Hula o Hokkaido [Hula]

Shinetsu/Hokuriku

- SANJYO-GINSENKAI [Dance/Performance]
- The City of Nagaoka [Craft/Demonstration]
- Let's Enjoy Easy Nagaoka Chanoyu (Tea Ceremony) [Craft/Demonstration]
- Teikyo Nagaoka High School Cheerleading Club TWINKLES [Dance/Performance]
- Nagato Fudo Daiko [Music Performance]
- KagaMorita-ryu Nankintamasudare [Traditional Performance]

Chubu/Tokai

- Gifu Souden Japanese Drums Team [Music Performance]
- Kaitouryu Kaguradaiko [Music Performance]

Kinki

- KYOTO TACHIBANA UNIV SHODOBU [Dance/Performance]
- Na Hui Mamo Hula Studio [Hula]
- Hālau Na Mamo O Kaipolani [Hula]
- Ka Pua Kea Tsuji Hula Hālau [Hula]
- KANSAI UNIVERSITY Global Ambassador [Volunteer]
- ohana [Dance/Performance]
- Career Training in HONOLULU [Volunteer]
- TRUE BEAUTY [Dance/Performance]
- Kwansei Gakuin University Kukui [Hula]
- JAPAN NANKIN TAMASUDARE ASSOCIATION [Traditional Performance]
- SONODA GAKUEN HIGH SCHOOL [Dance/Performance]
- Kokualoha [Hula]
- LOVE JUNX [Dance/Performance]
- DANCE MAGIC [Dance/Performance]

Chugoku

- OKAYAMA RYUKOKU HIGH SCHOOL [Dance/Performance]
- Ka Pā Kū Kau'ioku'upualehua [Hula]

Kyushu/Okinawa

- HAWAIIAN MANA'O [Other Sponsors]
- RT Studio Tahiti and Hula [Hula]
- Honolulu Daijayama Booster Group [Traditional Performance]
- Remember 3.11 KyushuHulaGirlCaravan [Hula]





Participating Groups from Pacific Rim / Other Countries

Canada

- Soramaru Takayama [Other Sponsors]
- Mark Takeshi McGregor [Music Performance]
- GLOBAL DRUMS – University of Lethbridge / Lethbridge Twinning Society [Music Performance]

Brazil

- Samba School Aguia de Ouro [Dance/Performance]

Australia

- Wagana Aboriginal Dancers [Dance/Performance]

Poland

- Folk Dance Ensemble “Poligrodzianie” [Dance/Performance]

Taiwan

- Kaviyangan Ballad Troupe / Hawaii Taiwanese Center [Music Performance]

South Korea

- Tokyo Korean School [Dance/Performance]





Participating Groups from Hawaii and U.S. Mainland

- Bandalan Doce Pares Hawaii [Dance/Performance]
- Shawnee Mission East High School Orchestra – Kansas City [Music Performance]
- China feat. Mika Otsuka [Music Performance]
- Dabawenyos Community Foundation [Other Sponsors]
- Farrington Filipino American Club [Dance/Performance]
- Lucie Lynch [Music Performance]
- Kamuela Kahoano [Music Performance]
- The Monkey Performers [Dance/Performance]
- Raqs Sharqi Hawaii [Dance/Performance]
- HALAU HULA 'O NAWAHINE [Hula]
- Rissho Kosei-Kai [Other Sponsors]
- Izumo Taisha Mikoshi [Other Sponsors]
- The DISTRICT 50 HAWAII LIONS CLUBS [Other Sponsors]
- Hawaii Taiwanese Center/Hung Tsun Hu [Music Performance]
- Taiwanese Association of America – Hawaii Chapter / Shih Chien University [Dance/Performance]
- 808 Martial Arts [Traditional Performance]
- Kona Coffee Cultural Festival, Miss Aloha Hawaii [Other Sponsors]





Participating Groups from Hawaii and U.S. Mainland

- Miss Oahu Filipina [Other Sponsors]
- Middle Eastern Dance Artists of Hawaii [Dance/Performance]
- Hawaii Miyazaki Kenjin Kai [Music Performance]
- Hawaii United Okinawa Association [Other Sponsors]
- Minna Unicycle Club [Other Sponsors]
- Yosakoi Tao [Dance/Performance]
- Honolulu Daijayama [Other Sponsors]
- Chinagu Eisa Hawaii [Dance/Performance]
- Hawaii Shibashukai [Traditional Performance]
- Ryukyukoku Matsuri Daiko Hawaii [Music Performance]
- Dance Junction Hawaii [Music Performance]
- Madoka No kai [Music Performance]
- Team Legacy Hawaii [Dance/Performance]
- Tamagusuku Ryu Senjukai [Dance/Performance]
- Royal Hawaiian Band [Music Performance]
- Hawaii Kokuseiryu Shiginkai [Traditional Performance]
- BIBAK Hawaii [Dance/Performance]





OUTCOME

- Free giveaways! The first 500 attendees on Saturday, 3/9 and Sunday, 3/10 at the Hawai'i Convention Center received a Honolulu Festival tote bag. This campaign to increase attendance proved very successful as hundreds of attendees waited in line before doors opened at 10 am.

Festival attendees lined up to enter the Festival at HCC on Saturday, March 9.



Number of Participating Groups

Participating groups from Japan: 80

Participating groups from Hawaii: 34

Participating groups from Other Countries:

Australia: 1

Canada: 4

U.S. Mainland: 1

Taiwan: 1

Brazil: 1

Poland: 1

DMO International Forum: 250 Japan participants (pay-invitation only)





II. Economic Impact - Participants

The 2019 Honolulu Festival brought in a total of 5865 out-of-state participants resulting in an economic impact of \$8.9 million to the State of Hawaii down from 9.8 million in 2018. Our goal to increase Japan's participants to 6,222 was almost achieved with 5,530 participants up from 2018's 5185 participants. We increased U.S. Mainland and others by 34% with 335 participants, up from 2018's 250 participants. Although participants increased in 2019, visitor average spending per trip decreased in 2019 (\$1620.6) from 2018 (\$1,726.7) per visitor statistics*. In 2020, our goal is to promote the Honolulu Festival on a global level utilizing global marketing strategies. We will continue to promote Pacific Rim multi-cultures and other regions of the world along with Voluntourism from Japan to increase participation by 5%.

2019 Honolulu Festival (Preliminary)

Market Total Impact:	<u>Japan</u>	<u>U.S. Mainland / Others</u>
Number of Participants (Actual)	5530	335
*Average dollar expenditure per trip:	\$1,620.6	\$1,620.6
Total:	\$8,961,918	\$542,901

*Ref Source: HTA Visitor Statistics March 2019 Arrivals at a Glance, 2019P (Preliminary Data)

*PER PERSON PER TRIP SPENDING (\$), "Total by air"

2020 Honolulu Festival (Projected)

Market Total Impact: (Increase by 5%)	<u>Japan</u>	<u>U.S. Mainland / Others</u>
Number of Participants	5806	350
Average dollar expenditure per trip: (Increased by 2.5%)	\$1,661.1	\$1,661.1
Total:	\$9,644,346	\$581,385





Attendance

25th Honolulu Festival Attendance counts

As of
3/21/19

HCC	25th	PY%	24th	23rd	22nd
Exhibition	19,127	113.7%	16,826	18,414	21,664
Education Program	886	-	1,588	-	-
Symposium		-		-	120
Movie	1,511	80.5%	1,876	923	1,400
Gala Party	1,500	115.0%	1,304	1,150	1,130
DMO	250	-			
Gannen mono Event		-	200	-	-
Sugihara Chiune Speech / Movie		-		840	-
Peace on your wings		-		-	365
Total at HCC	23,274	106.8%	21,794	21,327	24,679
Waikiki / AMC	25th	PY%	24th	23rd	22nd
Waikiki Beach Walk stage	953	52.9%	1,800	1,350	900
Ala Moana Center stage	2,337	89.9%	2,600	1,800	2,000
International Market Place stage	270	-			
Grand Parade	66,678	106.8%	62,438	58,353	53,732
Nagaoka Fireworks	45,789	100.7%	45,463	42,489	39,125
Koi Donation Celemony		-			100
Total at Other Location	116,027	103.3%	112,301	103,992	95,857
Grand Total	139,301	103.9%	134,095	125,319	120,536





Grand Parade March 10

The weekend of festivities concluded with the highly anticipated Grand Parade through Kalakaua Avenue featuring participants of the Festival.





Finale Event – Nagaoka Fireworks March 10

The 25th Annual Honolulu Festival culminated with 25 minutes of the 8th Annual Nagaoka Fireworks display over Waikiki Beach in commemoration of the Festival's 25th Anniversary.





Cultural Exchange Program supported by the Honolulu Festival Foundation

Maui Mikoshi Design Contest

Maui High School students were the winners of this year's Maui Mikoshi Design Contest. The contest is held annually to promote participation of all Maui High Schools to create a winning Mikoshi design; giving the opportunity for the winning school to come to Honolulu and unveil their mikoshi design during the Honolulu Festival. The unveiling of Maui High School's mikoshi design was held at the Hawaii Convention Center on Saturday, March 9. The proud students carried their winning mikoshi in the Grand Parade on Sunday, March 10.



25th Annual **HONOLULU Festival**
Maui Mikoshi Design Contest by Maui High School

Maui High School's Maui Mikoshi Design

Storytelling is an integral factor in all societies. We learn about our own unique past and cultures and it shapes who we are. Thus, to incorporate this year's theme, "Looking Back to Create the Future: 25 Years of Aloha," we wanted to share the cultural stories and history of our islands through our design.

Moved by the sacrifice and strength of the Japanese immigrants who began their lives in Hawaii, we expressed their hope and "rebirth" through the waves and cranes on the roof. The koi fish, which displays the balance of Ying and Yang, represent perseverance in adversity. The sakura and hibiscus flowers symbolize harmony as the Japanese kanji, "Chouju," for longevity, graces the forefront of the Mikoshi. We believe that similar to the beauty of the flowers, the passing of joy and stories of each generation will never fade.



HONOLULU Festival
OUTRIGGER
HAWAIIAN AIRLINES





Cultural Exchange Program supported by the Honolulu Festival Foundation

Hawai'i High School Cultural Exchange Trip to Nagaoka City

The Honolulu Festival Foundation offers an educational cultural exchange program for State of Hawaii High School students to travel to Nagaoka City in Niigata Prefecture, Japan. This year, Kaimuki High School was selected to participate in the five day program giving four students and a teacher the opportunity to travel to Japan in February 2019.



The students met with Nagaoka students for a discussion on peace,



Performance at a Cross-Cultural party

While in Japan, the students were immersed in the Japanese language and culture for the first time as they traveled around Tokyo and stayed with their homestay host families in Nagaoka. The program included visits to the Yukishika Snow Festival, Admiral Isoroku Yamamoto Memorial Museum, Nyozezo Museum and the Nagaoka War Damage Exhibit Hall which many felt it deepened their understanding of peace as they learned the history between Nagaoka and Honolulu's relationship during the war.



Environmental Initiative

KOA TREE PLANTING PROJECT



In an effort to protect Hawai'i's natural environment, the Honolulu Festival supports the Koa Tree Planting Project on the island of Hawai'i.



2020 HONOLULU FESTIVAL IS GOING “GREEN”

The 26th Annual Honolulu Festival will take steps to implement “green” practices during the festival for the purpose of saving Hawaii’s natural resources. These practices will include education, conserving and saving water, energy and lowering the amount of solid waste generated during the festival. By initiating these practices, we seek to protect the environment and contribute to Hawaii’s sustainability for our future generations.

26th Annual HONOLULU Festival

Pacific Harmony
March 6-8, 2020



EDUCATION



CULTURAL EXCHANGE



ENVIRONMENT

**“Making the World a Better Place For Our Future,
From the Pacific to the World”**

www.honolulufestival.com



THANK YOU FOR YOUR
SUPPORT!



HONOLULU Festival

Honolulu Festival Foundation





**For more information about the Honolulu Festival
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Honolulu, HI 96820

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Agenda Item

7

**Presentation and Discussion of
Current Market Insights and
Conditions in Hawai'i and Key
Major Hawai'i Tourism
Markets, Including the United
States, Japan, Canada,
Oceania, Other Asia, Europe,
and Cruise**



Market Insights – September 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 Impact¹

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

- \$13.35 billion in visitor spending, similar (-0.1%) to the first nine months of 2018. On a statewide level, average daily visitor spending was down (-2.9% to \$195 per person) compared to the same period last year.
- Total visitor arrivals increased 5.5 percent to 7,858,876 in the first nine months of 2019, supported by growth in arrivals from air service (+5.4% to 7,764,441) and cruise ships (+23.6% to 94,435). Total visitor days² rose 2.9 percent compared to the first nine months of 2018.
- Hawai'i's tourism economy experienced \$1.56 billion (-0.1%) in generated state tax revenue, about the same as last year.
- Through June 2019, the state collected \$600.3 million in TAT, an increase of 8.2 percent compared to FY 2018 through June 2018.
 - The TAT rate increased from 9.25% to 10.25% as of January 2018.
 - Per Board request, FY 2019 TAT collection amounts from July to December 2018 were recalculated using the 9.25% rate for an “apples to apples” comparison to FY 2018 collections.
 - Adjusted FY 2019 collections through June 2019 is \$572.8 million or an increase of 3.2% compared to FY 2018.
- Total air capacity into Hawai'i grew 2.5 percent to 9,217,268 seats.

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

	% of Forecast	YOY Rate	Sep. YTD	Forecast
Visitor Spending (\$mil)*	100.3%	7.3%	13,347.0	13,311.0
Daily Spend (\$pppd)	98.9%	-1.5%	194.6	196.8
Visitor Days	101.4%	8.9%	68,580,257	67,640,563
Arrivals	100.2%	11.7%	7,858,876	7,844,717
Airlift (scheduled seats)	100.0%	2.4%	10,160,180	10,160,216

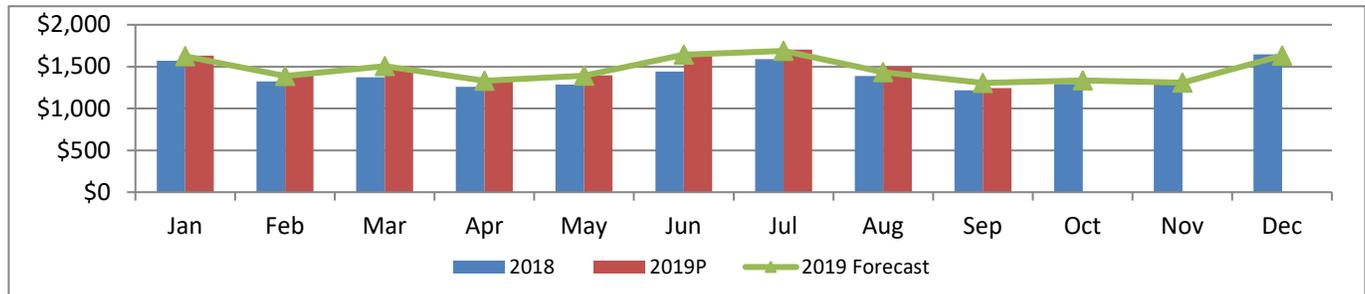
DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

¹ Technical Notes: January – June 2019 International data for Japan, Other Asia, Oceania, Europe and Latin America countries were revised with updated immigration statistics from the National Travel and Tourism Office (NTTO). 2018 data are the final numbers and reflect updated immigration statistics from NTTO, updated air fare statistics from DIIO Mi airline database, and final reports from airlines and cruise ships.

² Aggregate number of days stayed by all visitors.

For the month of September, total visitor spending dropped 3.9 percent to \$1.25 billion. Total visitor arrivals increased 3.5 percent to 741,304 visitors, boosted by growth in arrivals from air service (+2.4% to 723,341 visitors) and cruise ships (+86.5% to 17,963 visitors). Total visitor days increased 1.0 percent compared to September 2018. However, the average daily visitor spending decreased to \$199 per person in September (-4.9%) due to lower spending by visitors from most markets except for the U.S. East (+5.7%).

Figure 1: Monthly Visitor Expenditures (\$mil)



Major Market Areas (MMAs)

USA

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

	% of Forecast	YOY Rate	Sep. YTD	Forecast
Visitor Spending (\$mil)*	101.9%	12.8%	8,773.9	8,610.8
Daily Spend (\$pppd)	100.1%	0.8%	187.7	187.4
Visitor Days	101.8%	11.8%	46,750,390	45,937,732
Arrivals	101.9%	17.3%	5,213,170	5,115,748
Airlift (scheduled seats)	100.0%	4.7%	7,323,256	7,323,205

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Real gross domestic product (GDP) increased at an annual rate of 2.0 percent in the second quarter of 2019, according to the second estimate released by the Bureau of Economic Analysis. The increase in real GDP in the second quarter reflected positive contributions from federal, state and local government spending that were partly offset by negative contributions from private inventory investment, exports, residential fixed investment, and nonresidential fixed investment.
- Sentiment in the U.S. rose more than expected this month as consumers felt more confident about current and future economic conditions, according to preliminary data by the University of Michigan. September consumer sentiment rose to 92.0 from 89.9 in August. The economic conditions index also rose to 106.9 from 105.3. Unemployment is forecast to continue at the current rate of about 3.9 percent.
- Increase in capacity for U.S. non-stop seats in September and October are attributable to the addition of markets that Southwest Airlines has added as well as the addition of the Boston flight on Hawaiian Airlines. All U.S. domestic carriers have extended their grounding of the MAX through 2019.

- Effective Nov. 6, Alaska Airlines will discontinue seasonal flights from Bellingham to Maui and Kona and will add a third daily flight from Seattle to Maui. This winter season, the airline will average 32 daily flights to Hawai'i from the West Coast, more than any other carrier.
- Southwest Vacations launched new functionality for multi-island bookings, allowing for a seamless process to add multiple Hawai'i destinations to one booking. They are in the final implementation phase and are ramping up for their growth in January 2020.

US WEST

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

	% of Forecast	YOY Rate	Sep. YTD	Forecast
Visitor Spending (\$mil)*	101.5%	14.6%	5,177.2	5,101.4
Daily Spend (\$pppd)	99.4%	0.1%	173.8	174.8
Visitor Days	102.1%	14.5%	29,791,011	29,189,083
Arrivals	102.1%	20.2%	3,460,697	3,388,289
Airlift (scheduled seats)	100.0%	4.6%	6,413,400	6,413,349

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- In September 2019, the U.S. West market reported a 2.2 percent gain in visitor spending to \$468.5 million. Visitor arrivals (+5.5% to 308,921 visitors) and visitor days (+3.0%) increased but daily visitors spending was slightly lower (-0.7% to \$179 per person) compared to September 2018.

US EAST

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

	% of Forecast	YOY Rate	Sep. YTD	Forecast
Visitor Spending (\$mil)*	102.5%	10.2%	3,596.7	3,509.4
Daily Spend (\$pppd)	101.2%	2.5%	212.1	209.5
Visitor Days	101.3%	7.5%	16,959,379	16,748,649
Arrivals	101.4%	11.9%	1,752,473	1,727,459
Airlift (scheduled seats)	100.0%	5.4%	909,856	909,856

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- In September 2019, spending by U.S. East visitors was down slightly (-0.8% to \$295.4 million). Decreases in visitor arrivals (-1.7% to 136,981 visitors) and visitor days (-6.2%) offset higher daily visitor spending (+5.7% to \$230 per person) compared to a year ago.

CANADA

Table 5: Key Performance Indicators – Canada

	% of Forecast	YOY Rate	Sep. YTD	Forecast
Visitor Spending (\$mil)*	99.4%	5.0%	783.9	788.5
Daily Spend (\$pppd)	99.5%	2.4%	166.8	167.7
Visitor Days	100.0%	2.6%	4,700,077	4,701,848
Arrivals	99.9%	5.5%	387,962	388,376
Airlift (scheduled seats)	100.0%	4.0%	356,885	356,885

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- In September 2019, spending by Canadian visitors declined 2.7 percent to \$40.5 million. Arrivals were flat (-0.5% to 21,988 visitors) but a longer length of stay (+5.9% to 11.63 days) led to a 5.4 percent growth in visitor days. However higher daily spending (-7.7% to \$158 per person) was lower compared to September 2018.
- Amidst trade wars, political uncertainty, and instability in emerging markets, Canada's economy is expected to grow just 1.4 percent in 2019. Nevertheless, job and wage growth remain strong and household income is on the rise. Furthermore, even though consumer spending has slowed, it is expected to pick up again in the latter half of 2019.
- Bank of Canada expects the economy to grow 1.5 percent in 2020 and 2.0 percent in 2021.
- While the exchange rate is currently around 75 U.S. cents, there is some volatility that contributes to traveler's considerations. Economists are predicting the exchange rate to move to 77 U.S. cents by the end of 2020.
- The national consumer confidence rating fell to 111.3 points in September, its lowest level since January. The decline was largely due to a deterioration in views regarding household finances. Despite worsening responses to questions about finances, compared to last month, there was a slight uptick in the share of respondents who said now would be a good time to make a major purchase.
- Year-to-date, Air Canada has offered 3.8 percent more seats than in 2018 and WestJet has increased direct capacity by 5.8 percent. However, almost all the growth occurred in the first quarter. Both carriers are reporting capacity reductions throughout the rest of 2019, resulting in a similar overall volume of annual direct seats as last year (0.2%). Air Canada and WestJet have extended their grounding of the MAX through 2019.

JAPAN

Table 6: Key Performance Indicators – Japan

	% of Forecast	YOY Rate	Sep. YTD	Forecast
Visitor Spending (\$mil)*	97.2%	-1.8%	1,609.3	1,656.3
Daily Spend (\$pppd)	99.6%	-0.7%	235.2	236.2
Visitor Days	97.6%	-1.1%	6,843,530	7,012,854
Arrivals	97.0%	-0.1%	1,152,900	1,188,340
Airlift (scheduled seats)	100.0%	-1.8%	1,498,414	1,498,414

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- In September 2019, spending by Japanese visitors dropped 2.3 percent to \$188.0 million. Visitor arrivals (+7.3%) and visitor days (+7.0%) increased. However, daily spending decreased (-8.7% to \$231 per person) compared to a year ago.
- The exchange rate was at 107.41 JPY to USD in September 2019. Economic outlook is declining as uncertainties from the trade wars occurring between Japan and Korea continue.
- Trade disputes between Japan and Korea continue, causing significant strains on both countries' economies. Impacts are being seen in the travel market with Korean visitors to Japan dropping by close to 60 percent year over year. In October, signs of the two nations working to mend relations have been seen as leaders from the two nations agreed to discuss the issues during the Korean leaders' visit to Japan for the emperor's enthronement ceremony.

- Traditionally popular competitive destinations in Asia, Guam and Europe are exhibiting strong popularity amongst travelers. Competitive Asian beach destinations such as Danang, Guam, Ko Samui, etc. are rapidly garnering the attention of travelers as increased air routes improve access, together with strong growth to Guam as political concerns decline. Despite trade wars with Korea, it also remains a highly popular destination for Japanese travelers to visit.
- Social unrest in Hong Kong may prompt Japanese visitors to alter travel itineraries to other destinations including Hawai'i from the traditionally popular destination. Japanese consumers show frequent tendencies to be risk averse and avoid potentially dangerous situations. Japanese visitors to Hong Kong declined by 25.2 percent in August.
- Round trip fuel surcharge rates were lowered to 12,000 yen for tickets issued from October 1.
- ANA continues operation of their first and second Airbus A380 aircraft in the ANA blue livery and emerald green livery, with frequency of the A380 at 10 flights per week.
- Approvals were given to Hawaiian Airlines and Delta Air Lines for additional slots at Haneda Airport. Amongst the approved routes one route for Honolulu was allotted for each of the carriers. Announcements will be made on a later date for domestic carriers.
- Delta Air Lines has announced that all air service from Tokyo including service to Honolulu will be shifted from Narita to Haneda starting in March 2020. This is beneficial for Japanese travelers as Haneda Airport is located much closer to the city center, greatly improving convenience for consumers.

OCEANIA

Table 7: Key Performance Indicators – Oceania

	% of Forecast	YOY Rate	Sep. YTD	Forecast
Visitor Spending (\$mil)*	91.4%	-13.5%	671.5	734.5
Daily Spend (\$pppd)	97.0%	-3.2%	259.8	267.8
Visitor Days	94.2%	-10.6%	2,584,842	2,742,877
Arrivals	94.4%	-9.0%	274,122	290,494
Airlift (scheduled seats)	99.9%	-6.0%	376,768	376,957

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from Australia decreased in the first nine months of 2019 (-12.0% to 217,334) and the month of September (-10.5% to 32,268) versus a year ago.
- In September, the Australian dollar continued to trade at a ten-year low of around U.S. \$0.67. Economists are predicting it could fall further by the end of 2019, ahead of another potential interest rate cut in November by the Reserve Bank of Australia. Trade figures for the June quarter show some growth in exports, which offset weakening domestic demand. The real estate market is expected to pick up as Australia moves into the summer season and more favorable lending conditions are introduced. Uncertainty around global growth outlook and resurging trade tensions continues to affect business confidence and investment.
- 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.

- Recent government figures show a record surplus for the economy which is a great sign and hopefully will spur on more government spending to ignite the economy. The NZ dollar however is still languishing in the low U.S. \$0.60 range.
- 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	Sep. YTD	Forecast
Visitor Spending (\$mil)*	89.2%	-11.2%	211.6	237.2
Daily Spend (\$pppd)	91.7%	-7.1%	157.8	172.0
Visitor Days	97.3%	-4.4%	1,341,215	1,378,794
Arrivals	98.7%	-5.1%	103,506	104,879
Airlift (scheduled seats)	NA	NA	NA	NA

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from the United Kingdom, France, Germany, Italy and Switzerland decreased in the first nine months of 2019 (-6.8% to 103,506) and in September (-2.1% to 14,066).
- Overall, the German economy remains stable. Focus Economics Consensus Forecast panelists expect the German economy to increase 0.9 percent in 2019, and 1.4 percent in 2020. The unemployment rate remains consistent at 3.1 percent.
- According to Trading Economics, Germany has had the fastest increase in household spending in eight years. The World Tourism Barometer reports that Germany was the third top spender for international tourism expenditure last year with 94.2 billion USD.
- The Pound Sterling is trading at \$1.23, whilst the Euro is trading at \$1.12. UK GDP remains down 0.2 percent, with an unemployment rate of 3.8 percent.
- The last quarter has seen the European market continue on relatively strongly, despite economic circumstances like Brexit. Combined with consumers' willingness to carry on spending and taking on holidays, despite economic uncertainty, points to travel between Europe and Hawai'i continuing well in the long-term, despite a short-term decline.
- One of the UK's most recognized tour operators, Thomas Cook, was liquidated in September. Its collapse has had a massive impact on the travel industry across Europe, however, the industry has been working to fill holidays lost. Travelers coming from Europe to Hawai'i shouldn't be affected as Thomas Cook operated as largely room night only.
- The increase in flights from Virgin, WestJet, and Hawaiian Airlines from several U.S. and Canadian hubs allows the European traveler greater scope to travel to Hawai'i.

CHINA

Table 9: Key Performance Indicators – China

	% of Forecast	YOY Rate	Sep. YTD	Forecast
Visitor Spending (\$mil)*	88.7%	-31.9%	193.8	218.5
Daily Spend (\$pppd)	94.8%	-1.0%	320.6	338.1
Visitor Days	93.5%	-31.2%	604,333	646,165
Arrivals	93.0%	-33.8%	75,057	80,713
Airlift (scheduled seats)	105.9%	-22.9%	98,973	93,471

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from China declined in the first nine months of 2019 (-26.1% to 75,057) and in September (-49.5% to 5,641) versus a year ago.
- The Chinese economy expanded 6.6 percent year-over-year (YOY) in 2018. China sets its 2019 GDP growth at between 6 to 6.5 percent to pursue quality growth amid mounting uncertainties in the international economic landscape this year. In the first nine months of the year, China's GDP grew 6.2 percent. Since August, Chinese Yuan depreciated to 7.1 CNY to 1 USD.
- In early June, multiple travel alerts to the U.S. have been issued by Chinese government to remind Chinese tourists to assess safety risks before traveling to the U.S. According to the industry insiders, safety is the most important factor for Chinese travelers and these travel alerts would impact Chinese in choosing their travel destinations.
- A total of 75 destinations, including countries along China's One Belt Road initiative, are offering visa waiver or visa-upon-arrival to entice the Chinese market. Competition continues to intensify as destinations are investing heavily to gain access to the Chinese travel market.
- In the Shanghai market, air capacity from China Eastern Airlines remain stable in 2019. In the Beijing market, industry players are working closely with HTC to find alternative airline partners for their leisure and MCI groups to Hawai'i. Air China ended thrice-weekly flights to HNL from August 27, stating unfavorable business conditions, Beijing airport repairs and the need to service new routes aligned with the One Belt Road initiative as key reasons.
- With the new A380 "Flying Honu", ANA made a strategic decision to enter the China market for Hawai'i and has been working with HTC to target upscale Chinese travelers transiting via Tokyo.
- HTC continues to target more sophisticated and high-value visitors to Hawai'i by positioning the Hawaiian Islands as the 'Diamond of Islands' in its 2019 marketing initiatives.

KOREA

Table 10: Key Performance Indicators – Korea

	% of Forecast	YOY Rate	Sep. YTD	Forecast
Visitor Spending (\$mil)*	107.6%	-12.7%	346.3	321.9
Daily Spend (\$pppd)	97.7%	-4.7%	266.0	272.2
Visitor Days	110.1%	-8.4%	1,302,006	1,182,646
Arrivals	107.9%	-14.2%	166,555	154,365
Airlift (scheduled seats)	100.0%	-11.0%	244,014	243,924

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from Korea were down in the first nine months of 2019 (-5.7% to 166,555) and in September (-12.1% to 16,362).
- South Korea's economy will achieve 2.6 percent to 2.7 percent growth in 2019 if the government maintains expansionary fiscal policies to support growth according to International Monetary Fund (IMF).
- The average USD/WON exchange rate in September was 1192.72 won, a slight decrease from the previous rate of 1209.00 won in August
- Fuel surcharges were imposed in August up to 98,400 won (\$81.29) for a round trip between Korea and the U.S.
- Korea's flag carrier Korean Air (KE) will kick off its additional regular flights KE051 (ICN-HNL) from December 9, 2019 through March 28, 2020, following the chartered flights targeting Korea's golden holiday week in early October. It will fly 4 times weekly on Mondays, Wednesdays, Fridays, and Sundays with aircraft A330-200Q of 281 seats. With the additional direct flights, it is expected to generate a total of 3,052 incremental seat supplies in 2019 and 10,464 seat supplies in 2020 respectively.
- Korea's flag carrier Asiana Airlines (OZ) is currently operating daily services on the ICN-HNL route until March 31, 2020. The daily flight has generated additional 4,675 and 7,150 seats in 2019 & 2020 respectively.
- HTK has collaborated with Mode Tour to boost the sales of Hawaii travel products. During the 2019 Mode tour Travel Mart, known as one of the largest travel fairs in Korea, it generated 1,336 pax sales bookings (a year-on-year growth of 32%) for Hawaii package products with the travel window between September and December this year.
- According to the September booking data of TMON, nation's leading e-commerce company, Hawai'i ranked top destination in terms of the ticket sales volume for this winter peak season. It's largely attributed to continuing pervasive No-Japan travel boycott that led travelers to pick Hawai'i, South East Asian destinations, including Vietnam, Thailand, Taiwan over Japan.
- HTK partnered with; 1) Korean Air on a premium package promotion; 2) Asiana Airlines on an FIT promotion; 3) Jin Air on a sales promotion; 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, tour operators, media and celebrities and influencers.

TAIWAN

Table 11: Key Performance Indicators – Taiwan

	% of Forecast	YOY Rate	Sep. YTD	Forecast
Visitor Spending (\$mil)*	118.0%	57.1%	47.4	40.2
Daily Spend (\$pppd)	102.8%	-3.2%	250.9	244.1
Visitor Days	114.8%	62.3%	189,073	164,659
Arrivals	117.3%	37.0%	20,771	17,715
Airlift (scheduled seats)	100.0%	28.2%	30,600	30,600

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from Taiwan increased in the first nine months of 2019 (+52.8% to 20,771) and in September (+25.1% to 1,863) versus a year ago.
- Taiwan's government revised its 2019 economic growth forecast to 2.5 percent from the previous 2.2 percent due to an improving domestic economy in the first and second quarters and increasing local investments by Taiwan businesses returning from overseas in the second half of this year.
- Currency exchange rate fluctuations play an important role in Taiwanese consumers' decision-making in oversea travel destination and spending.
- Short-haul competition from East/Southeast Asian destinations remains strong in August 2019: Philippines (+52.4%), Cambodia (+32.0%), Vietnam (+31.3%) and Thailand (+26.7%) have seen greater growths because of their affordable pricing and proximity to Taiwan. Furthermore, Thailand will extend its waiver on visa-on-arrival fees until October 2019, expecting to bring in even more Taiwanese visitors in the third quarter.
- Long-haul competition from New Zealand continues to be strong with 59.5 percent visitation growth YOY (YTD August 2019) due to favorable currency exchange rates and the new direct flight between Taipei and Auckland. However, the ongoing measles outbreak is expected to overshadow the tourism outlook for the country.
- According to Expedia's latest report on the most popular overseas destinations for the Taiwanese in 2018, the top ten destinations are all located in Asia. 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.

LATIN AMERICA

Table 122: Key Performance Indicators – Latin America

	% of Forecast	YOY Rate	Sep. YTD	Forecast
Visitor Spending (\$mil)*	91.1%	-10.3%	42.9	47.1
Daily Spend (\$pppd)	90.8%	-16.0%	207.0	227.9
Visitor Days	100.3%	6.8%	207,242	206,552
Arrivals	100.7%	9.0%	19,670	19,538
Airlift (scheduled seats)	NA	NA	NA	NA

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from Mexico, Brazil and Argentina declined in the first nine months 2019 (-6.7% to 19,670) but increased in September (+13.0% to 2,057) compared to last year.

Island Distribution

- **O'ahu:** For September, visitor spending declined 4.8 percent to \$610.1 million. Total visitor days were up (+1.9%), but daily spending declined (-6.6% to \$197 per person). Arrivals rose 2.3 percent to 463,963 visitors. The average daily census increased 1.9 percent to 103,177 visitors.

Through the first nine months of 2019, both visitor spending (+2.1% to \$6.18 billion) and arrivals (+5.9% to 4,690,139) grew compared to same period last year.

- **Maui:** In September, visitor spending rose slightly (+0.7% to \$341.1 million) year-over-year. Visitor days declined (-1.5%) as a shorter length of stay (-2.2%) offset a modest growth in arrivals (+0.6% to 212,114). Daily spending was higher (+2.3% to \$217 per person) compared to September 2018. The average daily census decreased 1.5 percent to 52,389 visitors.

Through the first nine months of 2019, both visitor spending (+0.8% to \$3.85 billion) and visitor arrivals (+4.7% to 2,321,871) increased.

- **Island of Hawai'i:** In September, visitor spending grew (+2.9% to \$146.2 million), supported by growth in visitor days (+5.6%) which offset lower daily spending (-2.5% to \$182 per person). Arrivals increased 10.4 percent to 111,809 visitors. The average daily census grew 5.6 percent to 26,716 visitors.

Through the first nine months of 2019, visitor spending declined (-4.5% to \$1.72 billion) while visitor arrivals increased (+1.7% to 1,335,330) compared to a year ago.

- **Kaua'i:** In September, Visitor spending declined (-17.6% to \$128.6 million) as a result of decreased visitor days (-7.0%) and lower daily spending (-11.4% to \$195 per person). Visitor arrivals dropped 6.2 percent to 94,332 visitors. The average daily census dropped 7.0 percent to 21,958 visitors.

Through the first nine months of 2019, visitor spending (-6.3% to \$1.45 billion) and visitor arrivals (-1.7% to 1,043,309) were down compared to the same period last year.

Hawai'i and Competitive Destinations

Destination	Year-To-Date September 2019								
	Occupancy			Average Daily Rate (USD)			RevPAR (USD)		
	2019	2018	% Pt. Δ	2019	2018	% Δ	2019	2018	% Δ
State of Hawai'i	81.3%	81.5%	-0.3%	\$280.81	\$275.66	1.9%	\$228.22	\$224.77	1.5%
O'ahu	84.5%	84.8%	-0.3%	\$238.41	\$235.55	1.2%	\$201.43	\$199.72	0.9%
Maui	78.4%	77.3%	1.1%	\$397.31	\$387.27	2.6%	\$311.44	\$299.33	4.0%
Kauai	73.6%	79.3%	-5.7%	\$283.82	\$289.08	-1.8%	\$208.97	\$229.30	-8.9%
Hawai'i Island	77.1%	76.3%	0.8%	\$264.47	\$257.51	2.7%	\$203.95	\$196.58	3.7%
Aruba	76.2%	75.4%	0.8%	\$344.77	\$318.69	8.2%	\$262.58	\$240.25	9.3%
Bali	69.6%	70.4%	-0.8%	\$112.25	\$101.38	10.7%	\$78.11	\$71.39	9.4%
Bangkok	77.7%	79.6%	-2.0%	\$108.17	\$104.77	3.2%	\$84.02	\$83.44	0.7%
Beijing	75.7%	76.9%	-1.2%	\$91.35	\$94.09	-2.9%	\$69.13	\$72.34	-4.4%
Cabo San Lucas	50.6%	50.9%	-0.3%	\$349.90	\$373.20	-6.2%	\$177.13	\$189.91	-6.7%
Cancun	68.2%	73.1%	-4.9%	\$192.87	\$201.90	-4.5%	\$131.63	\$147.65	-10.9%
Caribbean	65.0%	67.2%	-2.1%	\$221.97	\$207.11	7.2%	\$144.32	\$139.11	3.7%
Costa Rica	67.1%	70.0%	-2.9%	\$176.75	\$163.07	8.4%	\$118.63	\$114.14	3.9%
Fiji	72.5%	73.3%	-0.8%	\$158.06	\$160.20	-1.3%	\$114.66	\$117.50	-2.4%
French Polynesia	69.8%	66.1%	3.7%	\$565.51	\$553.80	2.1%	\$394.66	\$365.85	7.9%
Hong Kong	81.3%	87.5%	-6.2%	\$169.10	\$179.63	-5.9%	\$137.46	\$157.13	-12.5%
Los Angeles/Long Beach, CA	80.8%	80.7%	0.1%	\$182.20	\$182.39	-0.1%	\$147.23	\$147.24	0.0%
Maldives	66.4%	65.7%	0.7%	\$527.91	\$524.50	0.7%	\$350.63	\$344.72	1.7%
Miami/Hialeah, FL	76.2%	77.6%	-1.5%	\$196.01	\$198.20	-1.1%	\$149.29	\$153.85	-3.0%
New Zealand	77.8%	78.9%	-1.1%	\$125.24	\$134.09	-6.6%	\$97.38	\$105.75	-7.9%
Orlando, FL	76.2%	78.9%	-2.7%	\$126.01	\$125.65	0.3%	\$96.06	\$99.17	-3.1%
Philippines	67.5%	68.1%	-0.6%	\$102.45	\$94.64	8.3%	\$69.19	\$64.44	7.4%
Phuket	70.2%	74.2%	-4.0%	\$120.87	\$126.99	-4.8%	\$84.90	\$94.23	-9.9%
Puerto Rico	65.0%	72.3%	-7.4%	\$213.89	\$202.98	5.4%	\$138.93	\$146.83	-5.4%
Puerto Vallarta	68.0%	65.2%	2.8%	\$88.24	\$92.89	-5.0%	\$59.99	\$60.58	-1.0%
San Diego, CA	79.1%	80.5%	-1.4%	\$172.25	\$169.69	1.5%	\$136.20	\$136.63	-0.3%
San Francisco/San Mateo, CA	83.0%	83.7%	-0.7%	\$253.77	\$243.32	4.3%	\$210.57	\$203.56	3.4%
Seoul	70.9%	65.5%	5.4%	\$133.31	\$147.60	-9.7%	\$94.56	\$96.73	-2.2%
Shanghai	70.8%	72.3%	-1.5%	\$91.75	\$98.46	-6.8%	\$64.92	\$71.18	-8.8%
Sydney	82.2%	83.6%	-1.4%	\$149.89	\$167.15	-10.3%	\$123.17	\$139.69	-11.8%
Taiwan	63.0%	60.8%	2.2%	\$161.98	\$168.80	-4.0%	\$102.03	\$102.70	-0.6%
Vancouver	81.6%	81.4%	0.2%	\$171.65	\$169.46	1.3%	\$140.15	\$138.02	1.5%
Vietnam	57.2%	62.7%	-5.5%	\$119.47	\$123.12	-3.0%	\$68.35	\$77.25	-11.5%

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

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

Visitor Industry Performance Measures

Market: **OVERALL**

Key Performance Indicators

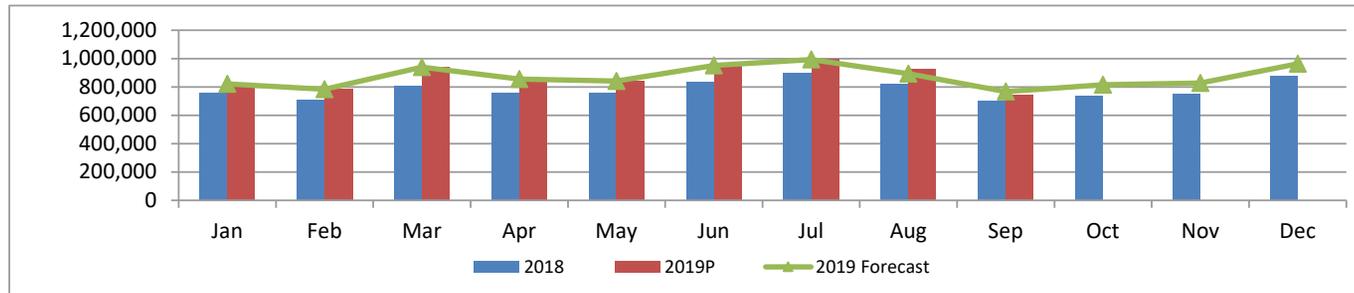
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	➔ 100.3%	7.3%	13,347.0	13,311.0
Daily Spend (\$pppd)	👉 98.9%	-1.5%	194.6	196.8
Visitor Days	👈 101.4%	8.9%	68,580,257	67,640,563
Arrivals	➔ 100.2%	11.7%	7,858,876	7,844,717
Airlift (scheduled seats)	➔ 100.0%	2.4%	10,160,180	10,160,216

Arrivals	YOY Rate	YTD
O'ahu	5.9%	4,690,139
Maui	4.7%	2,321,871
Moloka'i	11.4%	49,772
Lāna'i	18.4%	68,151
Kaua'i	-1.7%	1,043,309
Hawai'i Island	1.7%	1,335,330

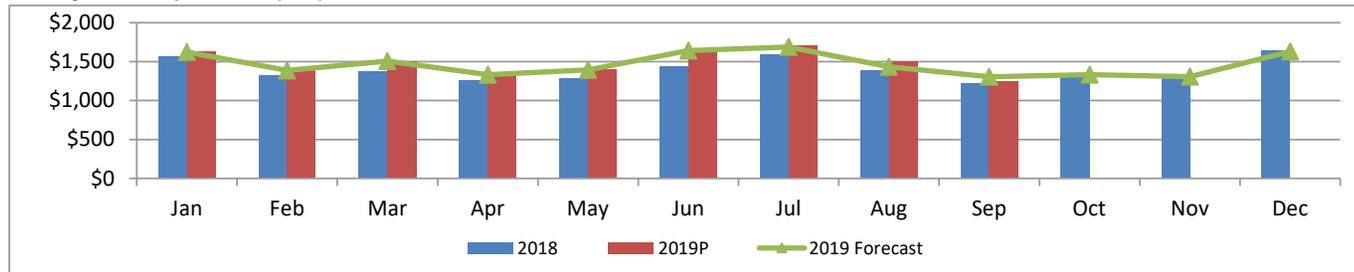
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

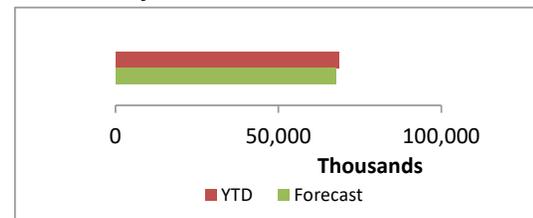


Monthly Visitor Expenditures (\$mil)

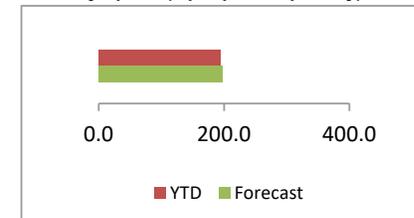


Annual Indicators

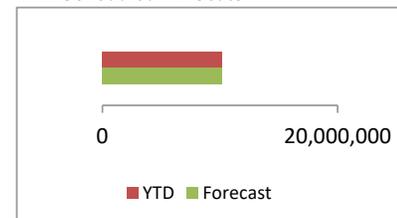
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

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

Visitor Industry Performance Measures

Market: **U.S. TOTAL**

Key Performance Indicators

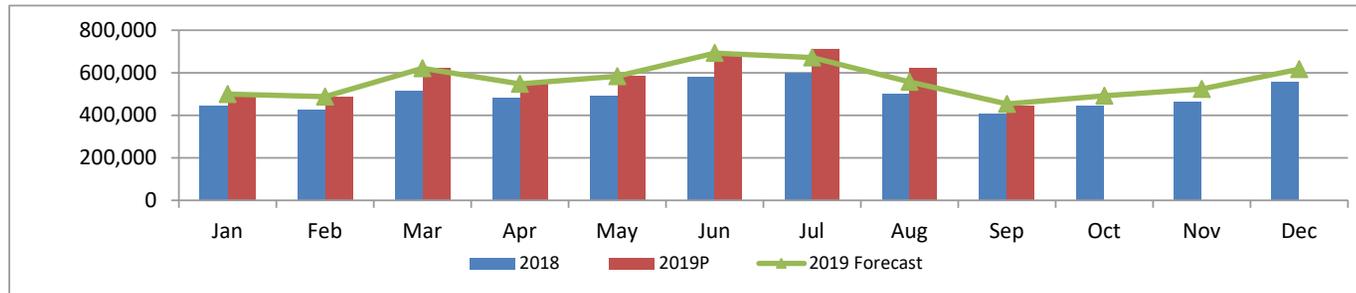
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	101.9%	12.8%	8,773.9	8,610.8
Daily Spend (\$pppd)	100.1%	0.8%	187.7	187.4
Visitor Days	101.8%	11.8%	46,750,390	45,937,732
Arrivals	101.9%	17.3%	5,213,170	5,115,748
Airlift (scheduled seats)	100.0%	4.7%	7,323,256	7,323,205

Arrivals	YOY Rate	YTD
O'ahu	10.7%	2,530,296
Maui	6.5%	1,853,184
Moloka'i	2.5%	32,040
Lāna'i	7.9%	45,800
Kaua'i	-0.6%	862,638
Hawai'i Island	4.2%	943,554

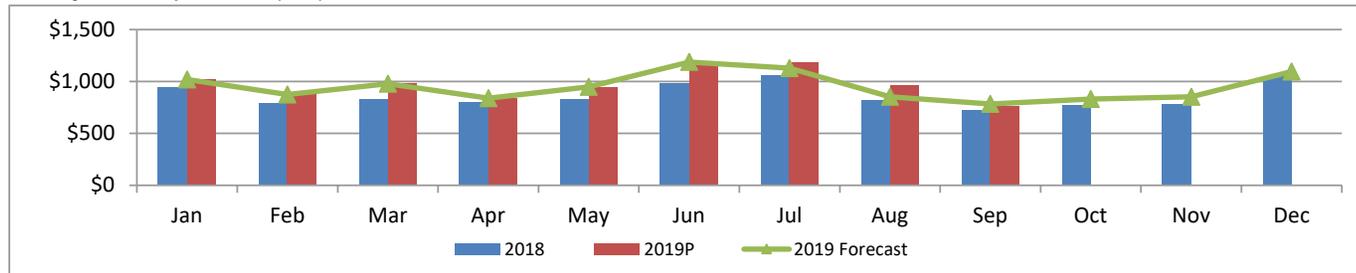
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Monthly Indicators

Monthly Arrivals

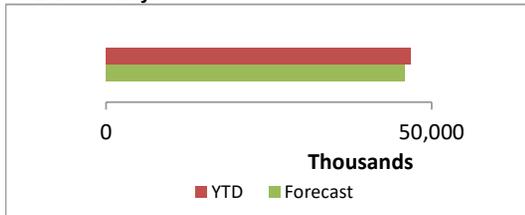


Monthly Visitor Expenditures (\$mil)

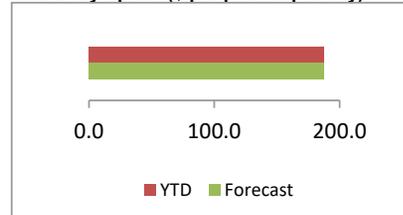


Annual Indicators

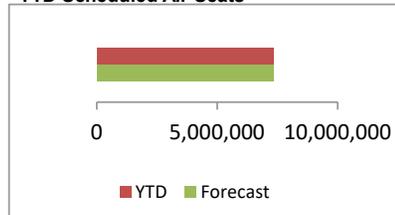
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

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

Visitor Industry Performance Measures

Market: **U.S. WEST**

Key Performance Indicators

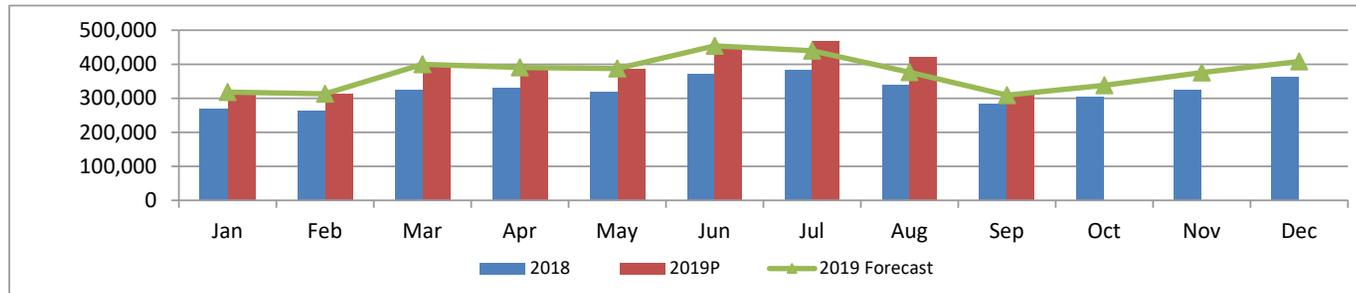
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↘	101.5%	14.6%	5,177.2	5,101.4
Daily Spend (\$pppd)	→	99.4%	0.1%	173.8	174.8
Visitor Days	↑	102.1%	14.5%	29,791,011	29,189,083
Arrivals	↑	102.1%	20.2%	3,460,697	3,388,289
Airlift (scheduled seats)	→	100.0%	4.6%	6,413,400	6,413,349

	YOY Rate	YTD
O'ahu	14.9%	1,520,697
Maui	8.5%	1,209,451
Moloka'i	9.6%	19,347
Lāna'i	15.8%	23,577
Kaua'i	1.2%	548,237
Hawai'i Island	7.2%	584,829

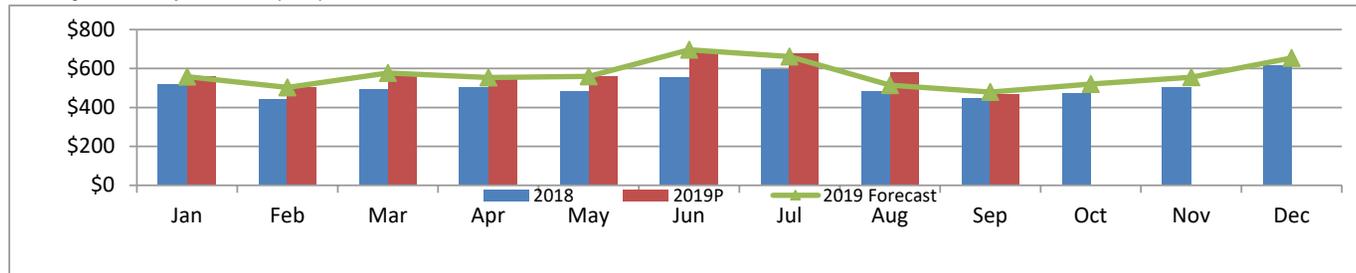
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

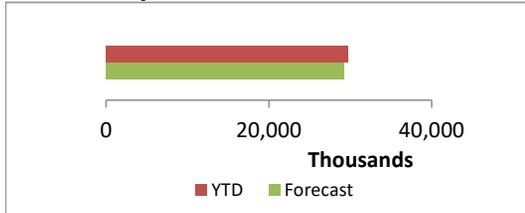


Monthly Visitor Expenditures (\$mil)

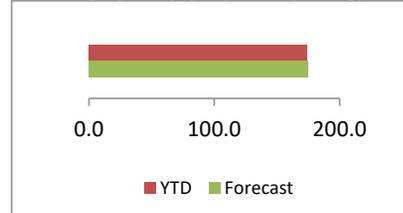


Annual Indicators

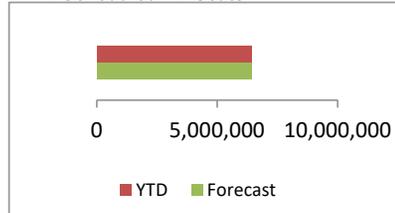
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

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

Visitor Industry Performance Measures

Market: **U.S. EAST**

Key Performance Indicators

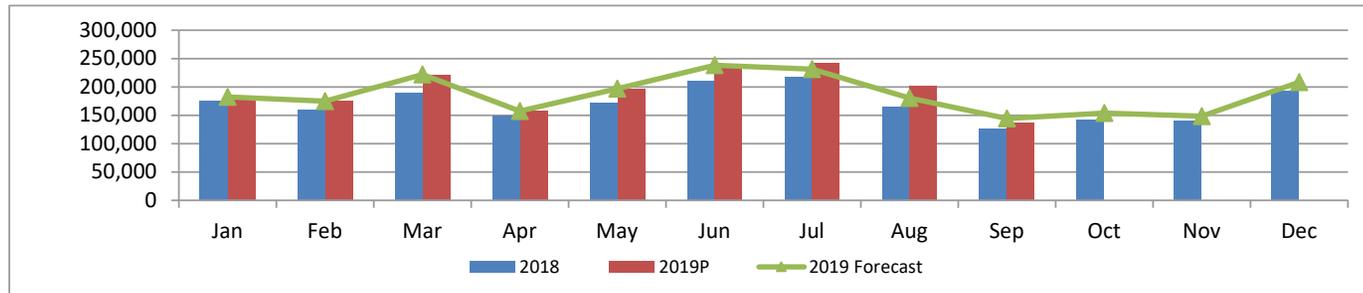
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↑	102.5%	10.2%	3,596.7	3,509.4
Daily Spend (\$pppd)	↔	101.2%	2.5%	212.1	209.5
Visitor Days	↔	101.3%	7.5%	16,959,379	16,748,649
Arrivals	↔	101.4%	11.9%	1,752,473	1,727,459
Airlift (scheduled seats)	→	100.0%	5.4%	909,856	909,856

	Arrivals	YOY Rate	YTD
O'ahu		4.8%	1,009,599
Maui		2.9%	643,733
Moloka'i		-6.6%	12,693
Lāna'i		0.6%	22,223
Kaua'i		-3.7%	314,401
Hawai'i Island		-0.4%	358,725

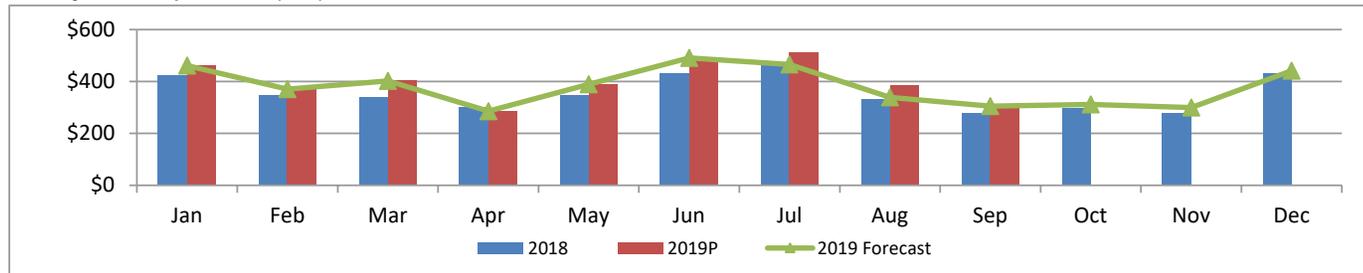
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

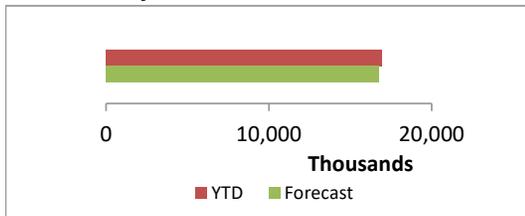


Monthly Visitor Expenditures (\$mil)

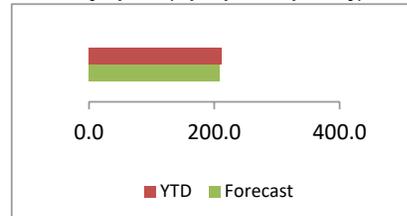


Annual Indicators

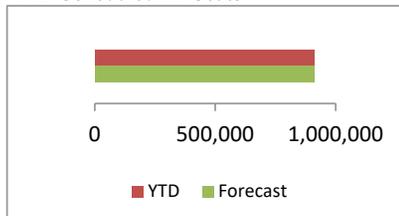
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

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

Visitor Industry Performance Measures

Market: **JAPAN**

Key Performance Indicators

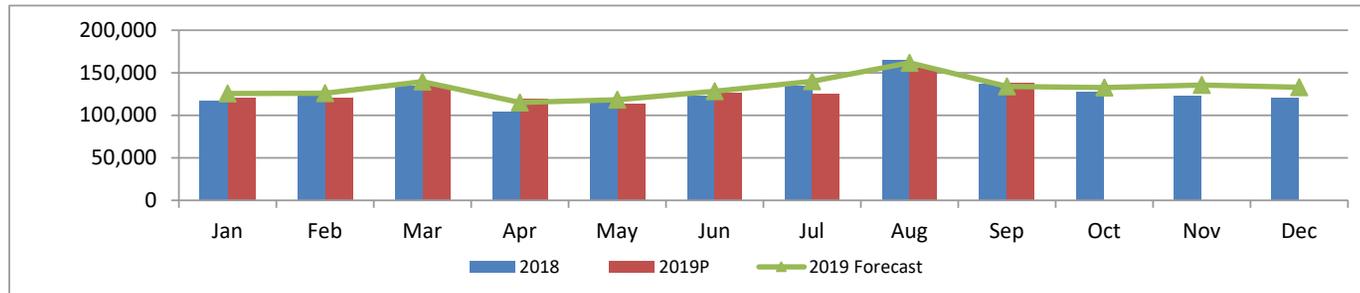
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↓ 97.2%	-1.8%	1,609.3	1,656.3
Daily Spend (\$pppd)	→ 99.6%	-0.7%	235.2	236.2
Visitor Days	↓ 97.6%	-1.1%	6,843,530	7,012,854
Arrivals	↓ 97.0%	-0.1%	1,152,900	1,188,340
Airlift (scheduled seats)	→ 100.0%	-1.8%	1,498,414	1,498,414

	YOY Rate	YTD
Arrivals		
O'ahu	4.5%	1,092,092
Maui	-0.4%	36,480
Moloka'i	56.7%	1,346
Lāna'i	33.8%	1,632
Kaua'i	0.0%	18,364
Hawai'i Island	-12.4%	121,209

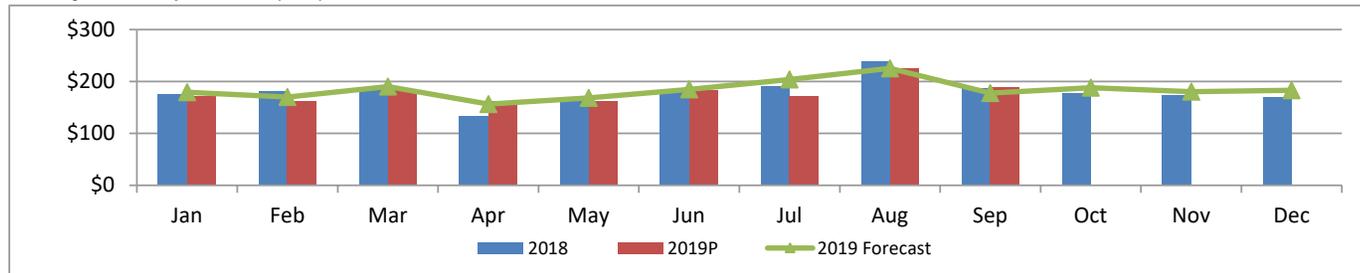
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

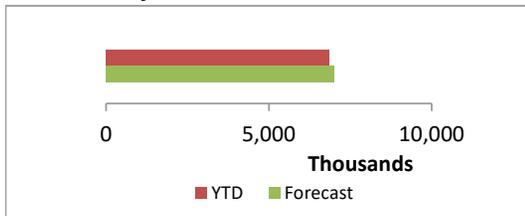


Monthly Visitor Expenditures (\$mil)

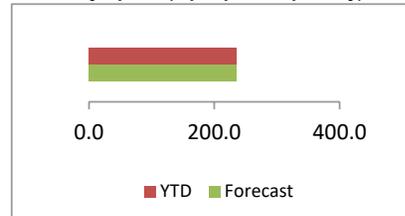


Annual Indicators

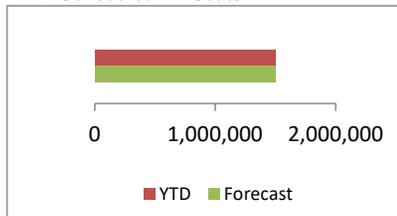
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

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

Visitor Industry Performance Measures

Market: **CHINA**

Key Performance Indicators

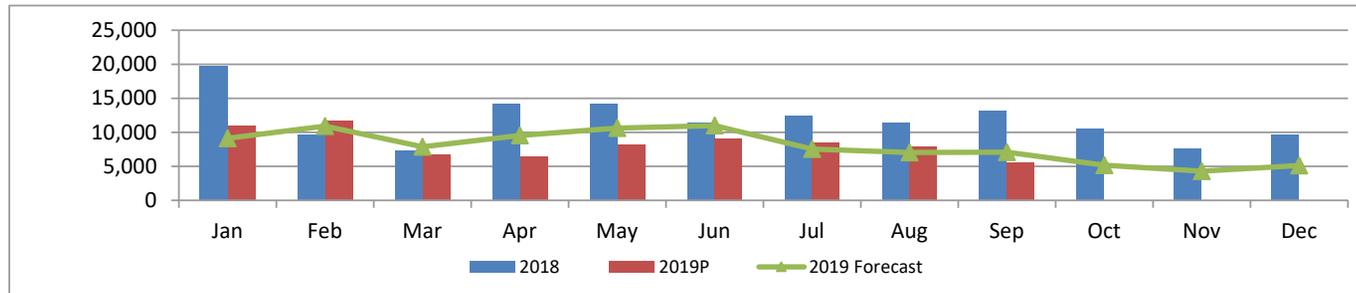
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↓	88.7%	-31.9%	193.8	218.5
Daily Spend (\$pppd)	↓	94.8%	-1.0%	320.6	338.1
Visitor Days	↓	93.5%	-31.2%	604,333	646,165
Arrivals	↓	93.0%	-33.8%	75,057	80,713
Airlift (scheduled seats)	↑	105.9%	-22.9%	98,973	93,471

	Arrivals	YOY Rate	YTD
O'ahu		-26.7%	72,524
Maui		-25.1%	16,244
Moloka'i		-36.6%	594
Lāna'i		6.2%	727
Kaua'i		-5.7%	3,050
Hawai'i Island		-17.0%	28,479

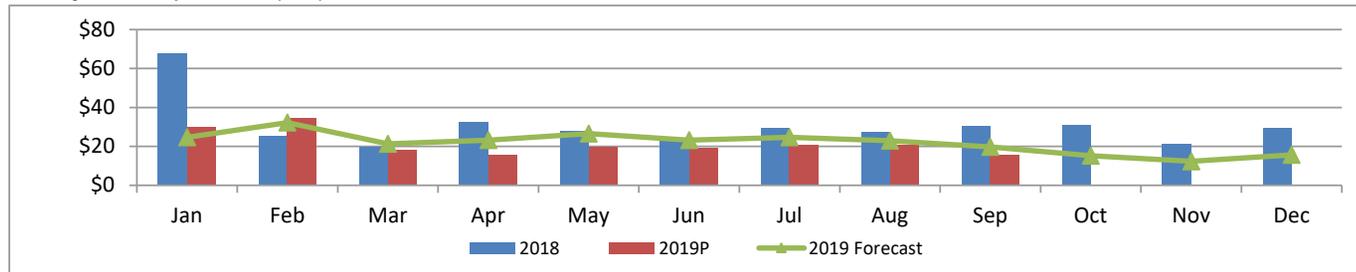
*DBEDT Forecast as of Q3 2019

Monthly Indicators

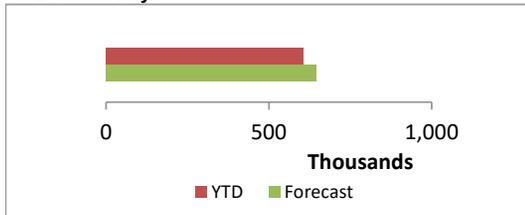
Monthly Arrivals



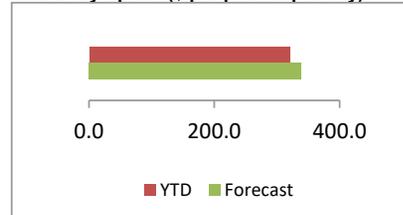
Monthly Visitor Expenditures (\$mil)



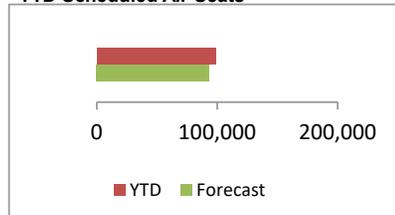
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

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

Visitor Industry Performance Measures

Market: **KOREA**

Key Performance Indicators

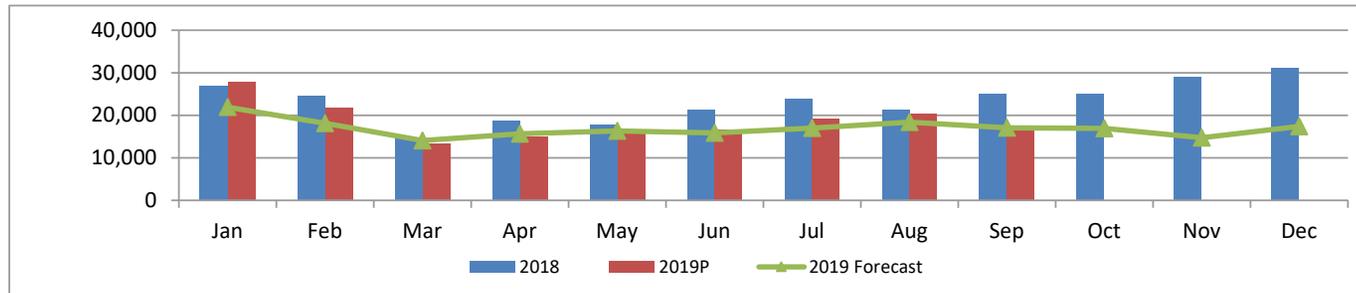
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↑	107.6%	-12.7%	346.3	321.9
Daily Spend (\$pppd)	↓	97.7%	-4.7%	266.0	272.2
Visitor Days	↑	110.1%	-8.4%	1,302,006	1,182,646
Arrivals	↑	107.9%	-14.2%	166,555	154,365
Airlift (scheduled seats)	→	100.0%	-11.0%	244,014	243,924

	Arrivals	YOY Rate	YTD
O'ahu		-4.8%	163,933
Maui		-12.9%	21,420
Moloka'i		-28.1%	474
Lāna'i		-8.6%	458
Kaua'i		-28.8%	5,310
Hawai'i Island		2.6%	20,297

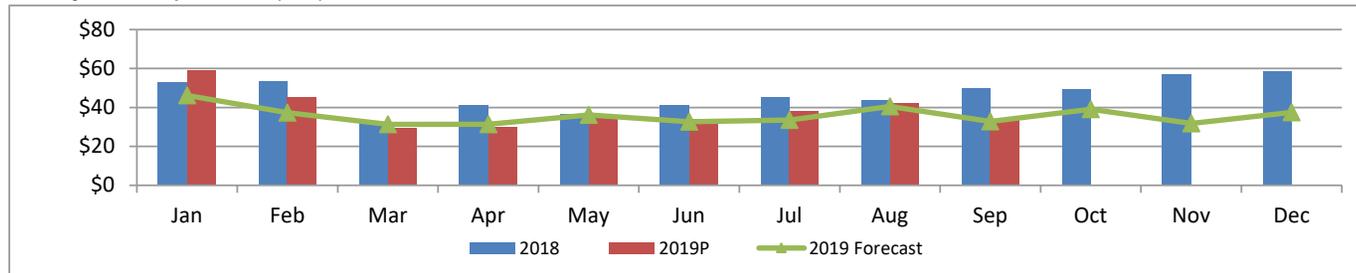
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

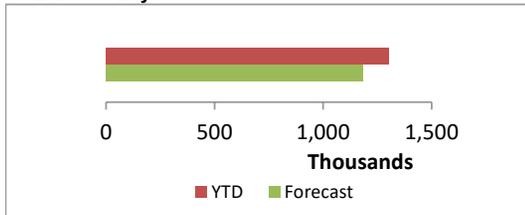


Monthly Visitor Expenditures (\$mil)

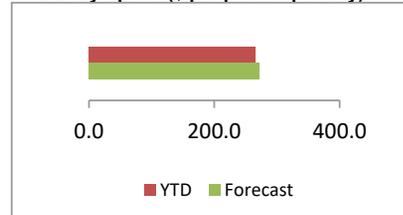


Annual Indicators

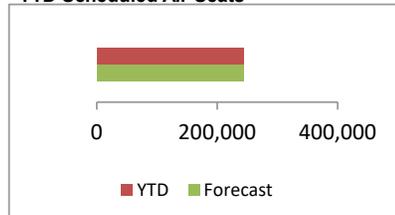
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

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

Visitor Industry Performance Measures

Market: **TAIWAN**

Key Performance Indicators

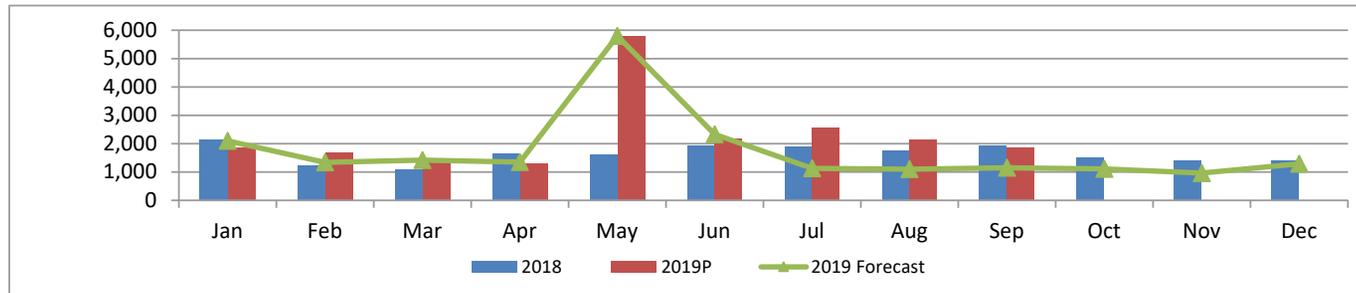
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↑	118.0%	57.1%	47.4	40.2
Daily Spend (\$pppd)	↑	102.8%	-3.2%	250.9	244.1
Visitor Days	↑	114.8%	62.3%	189,073	164,659
Arrivals	↑	117.3%	37.0%	20,771	17,715
Airlift (scheduled seats)	→	100.0%	28.2%	30,600	30,600

	Arrivals	YOY Rate	YTD
O'ahu		54.9%	20,363
Maui		21.4%	3,486
Moloka'i		-79.4%	19
Lāna'i		-46.6%	126
Kaua'i		48.9%	765
Hawai'i Island		34.3%	5,054

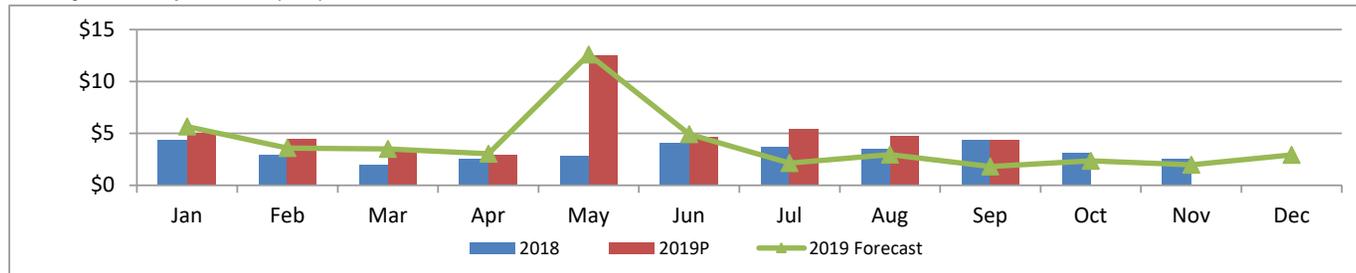
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

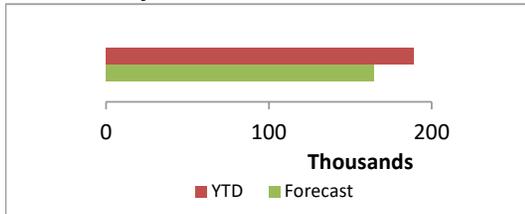


Monthly Visitor Expenditures (\$mil)

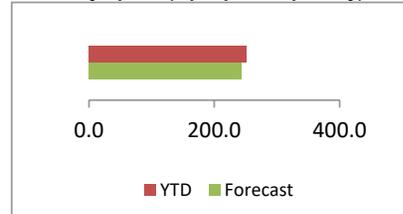


Annual Indicators

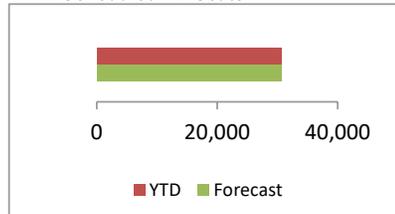
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

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

Visitor Industry Performance Measures

Market: **OCEANIA**

Key Performance Indicators

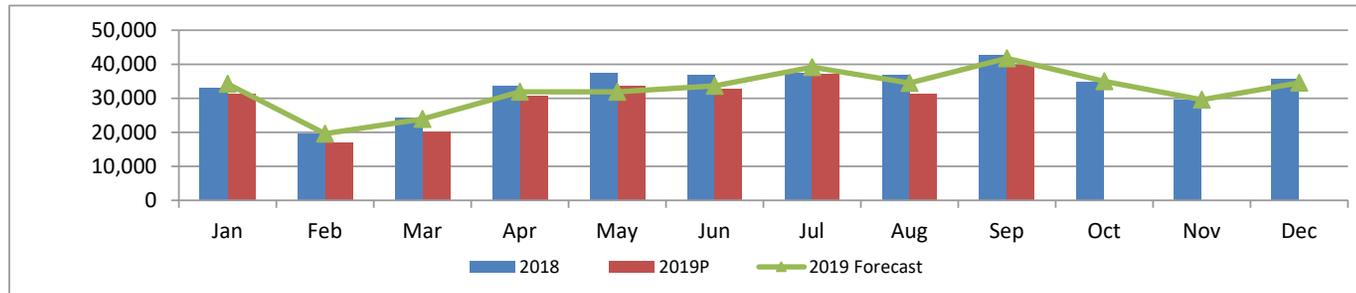
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↓ 91.4%	-13.5%	671.5	734.5
Daily Spend (\$pppd)	↓ 97.0%	-3.2%	259.8	267.8
Visitor Days	↓ 94.2%	-10.6%	2,584,842	2,742,877
Arrivals	↓ 94.4%	-9.0%	274,122	290,494
Airlift (scheduled seats)	→ 99.9%	-6.0%	376,768	376,957

Arrivals	YOY Rate	YTD
O'ahu	-13.8%	268,580
Maui	-12.2%	47,290
Moloka'i	43.4%	3,853
Lāna'i	31.6%	5,028
Kaua'i	1.6%	25,396
Hawai'i Island	-10.7%	35,160

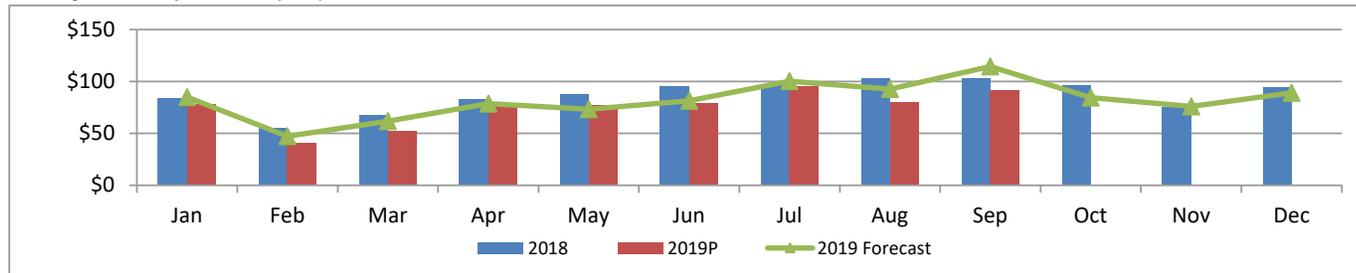
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

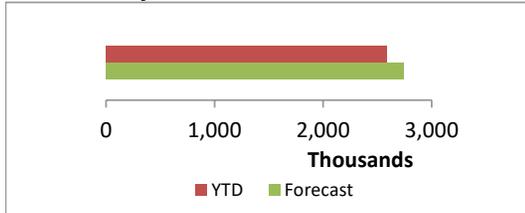


Monthly Visitor Expenditures (\$mil)

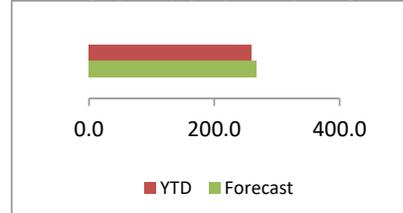


Annual Indicators

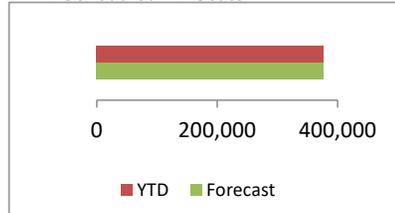
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

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

Visitor Industry Performance Measures

Market: **EUROPE**

Key Performance Indicators

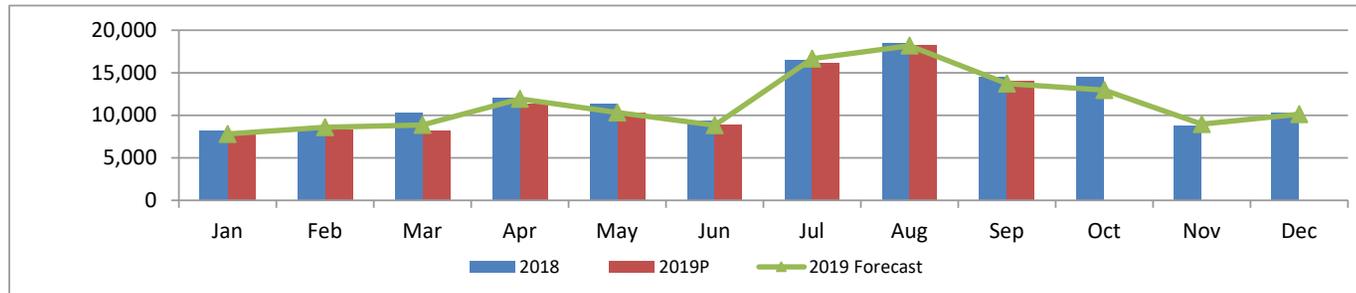
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↓ 89.2%	-11.2%	211.6	237.2
Daily Spend (\$pppd)	↓ 91.7%	-7.1%	157.8	172.0
Visitor Days	↓ 97.3%	-4.4%	1,341,215	1,378,794
Arrivals	👉 98.7%	-5.1%	103,506	104,879
Airlift (scheduled seats)	NA	NA	NA	NA

Arrivals	YOY Rate	YTD
O'ahu	-6.7%	77,377
Maui	-2.5%	46,313
Moloka'i	-44.1%	1,317
Lāna'i	13.5%	1,368
Kaua'i	-7.5%	26,527
Hawai'i Island	-13.5%	31,925

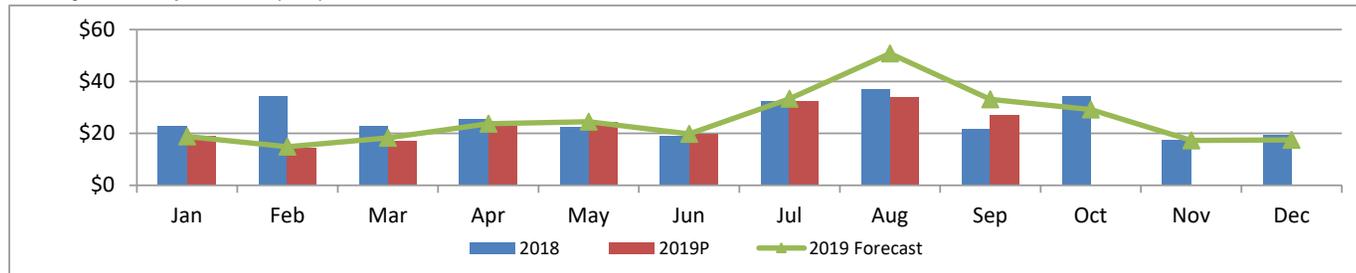
*DBEDT Forecast as of Q3 2019

Monthly Indicators

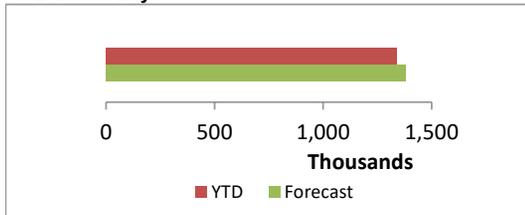
Monthly Arrivals



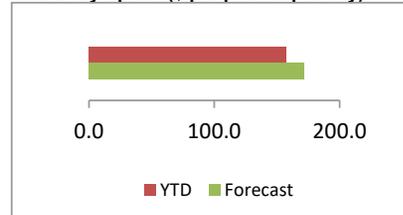
Monthly Visitor Expenditures (\$mil)



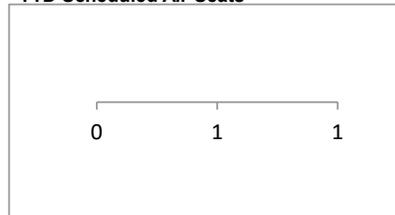
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

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

Visitor Industry Performance Measures

Market: **LATIN AMERICA**

Key Performance Indicators

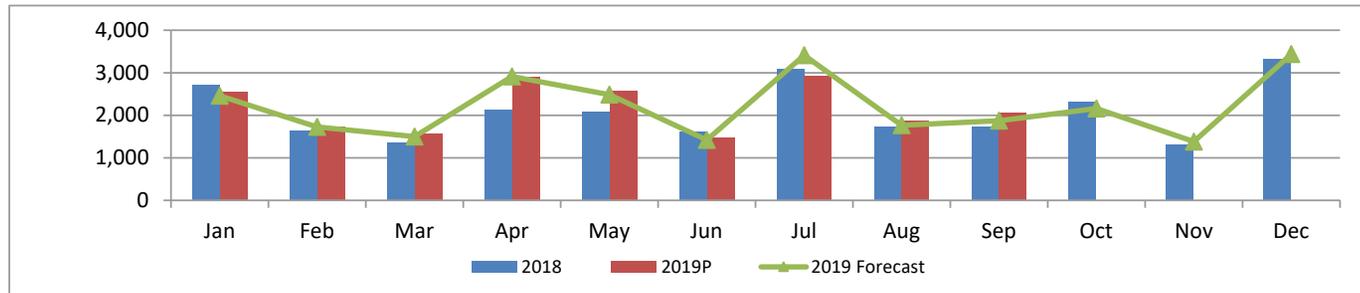
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↓	91.1%	-10.3%	42.9	47.1
Daily Spend (\$pppd)	↓	90.8%	-16.0%	207.0	227.9
Visitor Days	→	100.3%	6.8%	207,242	206,552
Arrivals	→	100.7%	9.0%	19,670	19,538
Airlift (scheduled seats)		NA	NA	NA	NA

	YOY Rate	YTD
O'ahu	-8.2%	15,061
Maui	-10.1%	6,701
Moloka'i	-16.5%	146
Lāna'i	46.1%	289
Kaua'i	-13.1%	2,464
Hawai'i Island	-14.0%	3,934

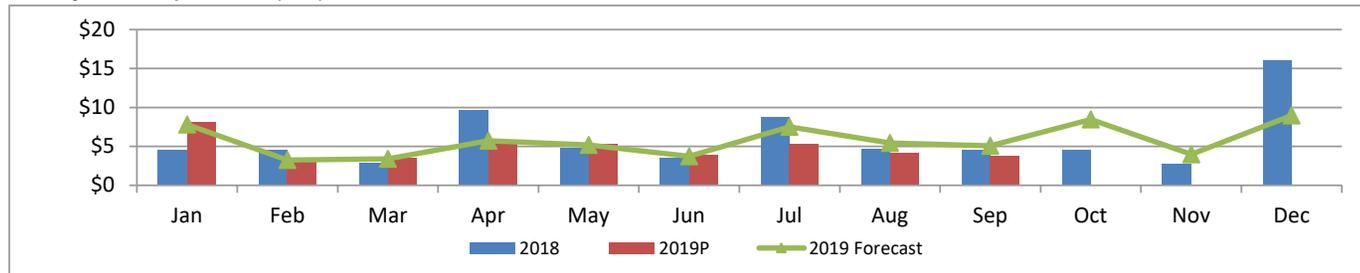
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

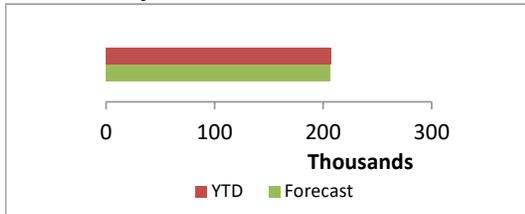


Monthly Visitor Expenditures (\$mil)

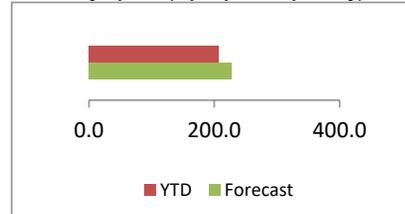


Annual Indicators

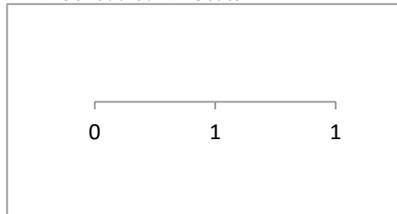
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

Agenda Item

8

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

Category	Tourism Special Fund				Convention Center Enterprise Special Fund			
	Fiscal Year 2020				Fiscal Year 2020			
	Budget	YTD Amount of Budget Used	Balance	Activity for September 2019	Budget	YTD Amount of Budget Used	Balance	Activity for September 2019
Revenues								
TAT Revenue Allocation	79,000,000	19,750,000	59,250,000	6,583,333	16,500,000	4,125,000	12,375,000	1,375,000
Prior Year Carryover	7,790,788	-	7,790,788	-	-	-	-	-
Other	-	16,046	(16,046)	-	-	-	-	-
	<u>86,790,788</u>	<u>19,766,046</u>	<u>67,024,742</u>	<u>6,583,333</u>	<u>16,500,000</u>	<u>4,125,000</u>	<u>12,375,000</u>	<u>1,375,000</u>
Expenditures								
Perpetuating Hawaiian Culture								
Hawaiian Culture Programs	7,795,500	145,627	7,649,873	145,376	-	-	-	-
In-House Contracted Staff - Hawaiian Culture	-	-	-	-	-	-	-	-
State Employee Salaries - Hawaiian Culture	285,000	262,353	22,647	-	-	-	-	-
Subtotal	<u>8,080,500</u>	<u>407,980</u>	<u>7,672,520</u>	<u>145,376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Natural Resources (Statute: \$1M minimum)								
Natural Resources Programs	3,980,000	-	3,980,000	-	-	-	-	-
In-House Contracted Staff - Natural Resources	-	-	-	-	-	-	-	-
State Employee Salaries - Natural Resources	66,950	66,950	-	-	-	-	-	-
Subtotal	<u>4,046,950</u>	<u>66,950</u>	<u>3,980,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community								
Community Programs	5,804,752	2,662,132	3,142,620	2,661,293	-	-	-	-
In-House Contracted Staff - Community	-	-	-	-	-	-	-	-
State Employee Salaries - Community	210,000	198,472	11,528	-	-	-	-	-
Subtotal	<u>6,014,752</u>	<u>2,860,604</u>	<u>3,154,148</u>	<u>2,661,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Branding								
Branding Programs	51,022,000	4,528,713	46,493,287	71,593	-	-	-	-
In-House Contracted Staff - Branding	-	-	-	-	-	-	-	-
State Employee Salaries - Branding	539,050	526,589	12,461	-	-	-	-	-
Subtotal	<u>51,561,050</u>	<u>5,055,302</u>	<u>46,505,748</u>	<u>71,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sports								
Sports Programs	7,200,000	2,461,364	4,738,636	305,000	-	-	-	-
Subtotal	<u>7,200,000</u>	<u>2,461,364</u>	<u>4,738,636</u>	<u>305,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Safety and Security (Statute: 0.5% minimum = \$395,000)								
Safety and Security Programs	2,150,000	404,400	1,745,600	-	-	-	-	-
Subtotal	<u>2,150,000</u>	<u>404,400</u>	<u>1,745,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tourism Research								
Tourism Research Programs	3,600,394	1,355,058	2,245,336	47,330	-	-	-	-
In-House Contracted Staff - Tourism Research	-	-	-	-	-	-	-	-
State Employee Salaries - Tourism Research	393,000	392,322	678	-	-	-	-	-
Subtotal	<u>3,993,394</u>	<u>1,747,380</u>	<u>2,246,014</u>	<u>47,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Hawai'i Convention Center								
Sales & Marketing	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Major Repair & Maintenance	-	-	-	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Administrative (Statute: Cannot exceed 3.5% = \$2,765,000)								
Operations	801,700	148,228	653,472	47,361	-	-	-	-
In-House Contracted Staff - Admin	-	-	-	-	-	-	-	-
State Employee Salaries - Admin	1,075,000	1,047,630	27,370	-	-	-	-	-
Subtotal	<u>1,876,700</u>	<u>1,195,858</u>	<u>680,842</u>	<u>47,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Organizationwide Costs								
State Employee Fringe	1,481,142	1,481,141	1	-	-	-	-	-
Organization-Wide	240,000	-	240,000	-	-	-	-	-
Governance - Board/Others	146,300	9,276	137,024	9,051	-	-	-	-
Subtotal	<u>1,867,442</u>	<u>1,490,417</u>	<u>377,025</u>	<u>9,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>86,790,788</u>	<u>15,690,255</u>	<u>71,100,533</u>	<u>3,287,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues vs Expenditures	<u>-</u>	<u>4,075,791</u>			<u>16,500,000</u>	<u>4,125,000</u>		
Administrative Cap (3.5%)	2,765,000	2,765,000						
Administrative Costs (AG Definition)	1,876,700	1,195,858	1.5%					
	888,300	1,569,142						

Hawaii Tourism Authority
Budget Statement
FY 2020 - As of September 30, 2019

Program Code	Program Title	Budget - FY20	YTD Encumbered (Budget Used)	Budget Remaining	September 2020 Activity
1	Perpetuating Hawaiian Culture				
200	Hawaiian Culture Programs - Unallocated	1,095,000	116	1,094,884	116
201	Kukulu Ola: Living Hawaiian Cultural Prog	1,585,000	2,065	1,582,935	2,065
202	Hawaiian Culture Initiative	500,000	279	499,721	279
203	Ma'ema'e HTA	300,000	13,166	286,834	13,166
204	Market Support	300,000	-	300,000	-
205	Aloha Festivals	250,000	-	250,000	-
206	Kahea Program - Harbor Greetings	250,000	-	250,000	-
207	Kahea Program - Airport Greetings	1,500,000	-	1,500,000	-
210	King Kamehameha Celebration	150,000	60,000	90,000	60,000
211	Prince Lot Hula Festival	75,000	-	75,000	-
212	Merrie Monarch Hula Festival	150,000	-	150,000	-
213	Prince Kuhio Celebration	75,000	-	75,000	-
215	Hawaiian Culture Opportunity Fund	200,000	26,080	173,920	26,080
216	Olelo Hawaii	500,000	-	500,000	-
297	Memberships and Dues - Hawaiian Culture	500	-	500	-
298	Travel - Hawaiian Culture	15,000	3,921	11,079	3,670
373	Duke's OceanFest	50,000	-	50,000	-
374	Surfing	150,000	-	150,000	-
713	Mele Mei & Na Hoku Music Festival (formerly	150,000	-	150,000	-
715	Canoe Regatta	90,000	40,000	50,000	40,000
716	May Day	85,000	-	85,000	-
718	Resort Area Hawaiian Cultural Initiative	325,000	-	325,000	-
932	Salaries - Hawaiian Culture	285,000	262,353	22,647	-
Subtotal 1	Perpetuating Hawaiian Culture	8,080,500	407,980	7,672,520	145,376
2	Natural Resources				
400	Natural Resources Programs - Unallocated	-	-	-	-
402	Aloha Aina (formerly NR and Leg Prov NR)	2,081,000	-	2,081,000	-
406	Visitor Impact Program	1,649,000	-	1,649,000	-
407	Hawaii Eco Tourism Association	50,000	-	50,000	-
415	Natural Resources Opportunity Fund	200,000	-	200,000	-
936	State Employee Salaries - Natural Resources	66,950	66,950	-	-
Subtotal 2	Natural Resources	4,046,950	66,950	3,980,000	-
3	Community				
701	Community Enrichment Program	3,464,200	2,649,852	814,348	2,649,852
702	Community Training Workshops (formerly Ca)	404,000	6,160	397,840	6,160
705	Community Programs - Unallocated	1,171,052	-	1,171,052	-
797	Memberships and Dues - Community	500	-	500	-
798	Travel - Community	15,000	6,120	8,880	5,280
802	Current Workforce Development (Industry Ca	75,000	-	75,000	-
803	Future Workforce Development (LEI)	175,000	-	175,000	-
805	Scholarship Program	500,000	-	500,000	-
933	State Employee Salaries - Community	210,000	198,472	11,528	-
Subtotal 3	Community	6,014,752	2,860,604	3,154,148	2,661,293
4	Branding				
004	Cruise Infrastructure Improvements and Arriv	250,000	69,275	180,725	69,275
102	Hawai'i Tourism Summit	300,000	-	300,000	-
306	Island-Based International Marketing	800,000	-	800,000	-
316	MICE Asia (formerly MCI Global - Managemer	350,000	-	350,000	-
318	gohawaii.com (formerly Online Website Coorc	350,000	-	350,000	-
320	Island Chapters Staffing and Admin	3,170,000	-	3,170,000	-
321	US (formerly North America)	22,525,000	-	22,525,000	-
322	Canada	800,000	-	800,000	-
323	Japan	10,000,000	-	10,000,000	-
324	Korea	1,400,000	1,400,000	-	-
325	Oceania	1,900,000	-	1,900,000	-
326	Europe	400,000	-	400,000	-
329	China	2,000,000	2,000,000	-	-
330	Taiwan	500,000	500,000	-	-
331	Meetings, Convention & Incentives	2,300,000	-	2,300,000	-
336	Southeast Asia	500,000	500,000	-	-
339	Global Digital Marketing Strategy (former Intl	500,000	-	500,000	-
350	Global Mkt Shared Resces (formerly Intellect I	797,000	-	797,000	-
380	Marketing Opportunity Fund	2,000,000	-	2,000,000	-
397	Memberships and Dues - Branding	100,000	57,312	42,688	192
398	Travel - Branding	50,000	2,126	47,874	2,126
723	Hawaii Film Office Partnership	30,000	-	30,000	-
934	State Employee Salaries - Branding	539,050	526,589	12,461	-
Subtotal 4	Branding	51,561,050	5,055,302	46,505,748	71,593
5	Sports				
312	PGA Tour Contracts	2,156,364	2,156,364	-	-
347	Soccer	50,000	-	50,000	-
370	Tennis	225,000	225,000	-	225,000
377	Polynesian Football HoF	155,000	-	155,000	-
378	UH Athletics Branding Partnership	50,000	50,000	-	50,000
379	Sports Programs - Unallocated	4,533,636	-	4,533,636	-
382	Sports Community Outreach	30,000	30,000	-	30,000
Subtotal 5	Sports	7,200,000	2,461,364	4,738,636	305,000
6	Safety and Security				
601	Visitor Assistance Programs	650,000	-	650,000	-
602	Crisis Management	100,000	4,014	95,986	-

Hawaii Tourism Authority
Budget Statement
FY 2020 - As of September 30, 2019

Program Code	Program Title	Budget - FY20	YTD Encumbered (Budget Used)	Budget Remaining	September 2020 Activity
603	Lifeguard Program	700,000	-	700,000	-
604	Preventative Programs	400,000	394,386	5,614	-
606	Safety and Security Opportunity Fund	300,000	6,000	294,000	-
Subtotal 6	Safety and Security	2,150,000	404,400	1,745,600	-
7	Tourism Research				
501	Data Dissemination	54,000	-	54,000	-
505	Est of Visitor Arrivals by Country by Month	6,000	-	6,000	-
506	Infrastructure Research (Accomodations and	556,330	204,500	351,830	-
512	Visitor Arrivals and Departure Surveys	1,314,540	699,517	615,023	313
513	Evaluation and Performance Studies	1,148,405	410,860	737,545	43,000
514	Marketing Research	498,797	35,976	462,821	-
597	Memberships and Dues - Research	7,322	1,553	5,769	1,498
598	Travel - Research	15,000	2,652	12,348	2,519
935	State Employee Salaries - Research	393,000	392,322	678	-
Subtotal 7	Tourism Research	3,993,394	1,747,380	2,246,014	47,330
8	Administrative				
101	Community-Industry Outreach & Public Relati	250,000	40,000	210,000	40,000
103	hawaiitourismauthority.org (formerly HTA wel	100,000	-	100,000	-
901	General and Administrative	401,700	102,472	299,228	1,812
930	State Employee Salaries - Admin	1,075,000	1,047,630	27,370	-
998	Travel - Admin	50,000	5,736	44,264	5,529
Subtotal 8	Administrative	1,876,700	1,195,858	680,842	47,361
9	Governance and Organization-Wide				
915	Organization-Wide	240,000	-	240,000	-
919	Governance - Gen Board/Others	146,300	9,276	137,024	9,051
931	State Employees Fringe	1,481,142	1,481,141	1	-
Subtotal 9	Governance and Organization-Wide	1,867,442	1,490,417	377,025	9,051
Total	FY 2020 Funds	86,790,788	15,690,255	71,100,533	3,287,004

Budget Reallocation Summary
Through September 30, 2019

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations
			(3,980,000)	
To:				
Aloha 'āina	402	-	2,081,000	2,081,000
Environmental Sustainability Fund	406	-	1,649,000	1,649,000
Hawai'i EcoTourism Association	407	-	50,000	50,000
Natural Resources Opportunity Fund	415	-	200,000	200,000
			-	-
			-	-
			-	-
			-	-
			3,980,000	
<hr/>				
Community				
From:				
Community Programs - Unallocated	705	5,789,252	(4,618,200)	1,171,052
				-
				-
			(4,618,200)	
To:				
Community Enrichment Program	701	-	3,464,200	3,464,200
Community Training Workshops	702	-	404,000	404,000
Current Workforce Development	802	-	75,000	75,000
Future Workforce Development	803	-	175,000	175,000
Scholarship Program	805	-	500,000	500,000
				-
			4,618,200	
<hr/>				
Branding				
From:				
None				-
				-
				-
			-	
To:				
				-
				-
				-
				-
			-	

Budget Reallocation Summary
Through September 30, 2019

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations
Sports				
<i>From:</i>				
Sports Programs - Unallocated	379	7,200,000	(2,666,364)	4,533,636
				-
				-
			(2,666,364)	
<i>To:</i>				
PGA Tour Contracts	312	-	2,156,364	2,156,364
Soccer	347	-	50,000	50,000
Tennis	370	-	225,000	225,000
Polynesian Football Hall of Fame	377	-	155,000	155,000
UH Athletics Branding Partnership	378	-	50,000	50,000
Sports Community Outreach	382	-	30,000	30,000
			2,666,364	
Safety and Security				
<i>From:</i>				
None				-
				-
				-
			-	
<i>To:</i>				
				-
				-
				-
				-
			-	
Tourism Research				
<i>From:</i>				
None				-
				-
				-
			-	
<i>To:</i>				
				-
				-
				-
				-
			-	

Budget Reallocation Summary
Through September 30, 2019

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations
			-	
Administration and Organizationwide Costs				
<i>From:</i>				
None				-
				-
				-
			-	
<i>To:</i>				
				-
				-
				-
			-	
Governance and Organization-Wide				
<i>From:</i>				
None				-
				-
				-
			-	
<i>To:</i>				
				-
				-
				-
			-	
Board Allocations				
<i>From:</i>				
None				-
			-	
			-	

HAWAII TOURISM

AUTHORITY

Financial Statements – Executive Summary September 1, 2019 – September 30, 2019

Tourism Special Fund:

1. \$86.8M in cash and investments
 - a. Includes \$5M in Emergency Fund held as investments.
 - b. Increase from August of \$1.8M due to:
 - i. Recording \$6.6M in TAT revenues. This was offset by \$4.8M in expenditures.
2. \$33.5M of prior year encumbrances being spent down.
3. \$25.7M in Board allocations projected for June 30, 2020. 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. \$5.2M in funds held for the Center for Hawaiian Music & Dance;
 - d. \$9M earmarked for specific obligations, such as EUTF, ERS, and accrued vacation.
 - e. \$3.4M of funds available for the FY 2021 Budget or other emergency purposes.
4. \$15.7M of the \$86.8M FY 2020 budget utilized; contract paperwork currently being submitted for this year's expenditures.
 - a. A summary of year-to-date budget reallocations is included in these financial statements.
5. Operating Income:
 - a. Recorded \$6.6M in TAT for September 2019, and \$19.7M in TAT YTD.
 - b. Incurred \$4.8M of program and other expenditures for September 2019.

Convention Center Enterprise Special Fund:

6. \$27.7M in cash
 - a. Increase of \$1.4M from August due to recording \$1.4M in TAT.
7. \$23.5M in cash with contractor or with DAGS, for R&M projects (as of August 2019).
 - a. Includes \$2M Emergency
 - b. These funds are encumbered or budgeted toward specific projects such as cooling tower replacement, furnishings and enhancements, wall rehabilitation, boiler replacement, and various equipment purchases and upgrades.
 - c. Reflects \$11.1M spent on current and future projects (in-progress costs or preliminary work); this includes recent costs expended on meeting room roof repairs.
8. \$22.4M in Board allocations projected for June 30, 2020. 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. \$1.1M of prior year encumbrances being spent down.
10. Operating Income:
 - a. Recorded \$1.4M in TAT for September 2019 and \$4.1M in TAT YTD.
 - b. Convention Center operations:
 - i. \$482K operating loss YTD per HCC financial statements.

Hawaii Tourism Authority

Balance Sheet

Tourism Special Fund

As of 9/30/19

	<u>Current Year</u>
Assets	
Current Assets	
Checking 348	81,775,471.72
Petty Cash	<u>5,000.00</u>
Total Current Assets	81,780,471.72
Total Assets	<u><u>81,780,471.72</u></u>
Fund Balance	
Current year payables	
Accounts Payable	135,174.29
Credit Card Payable	<u>636.24</u>
Total Current year payables	135,810.53
Encumbered Funds	
FY 2013 Funds	15,212.64
FY 2014 Funds	6,101.00
FY 2015 Funds	225,679.42
FY 2016 Funds	383,973.52
FY 2017 Funds	1,139,678.05
FY 2018 Funds	2,258,139.26
FY 2019 Funds	29,436,552.52
FY 2020 Funds	<u>15,539,872.69</u>
Total Encumbered Funds	49,005,209.10
Unencumbered Funds	
Total Unencumbered Funds	32,639,452.09
Total Fund Balance	<u><u>81,780,471.72</u></u>

Hawaii Tourism Authority
 Balance Sheet
 Convention Center Enterprise- Special Fund
 As of 9/30/19

	Current Year
Assets	
Current Assets	
Checking 361	27,660,664.40
Total Current Assets	27,660,664.40
Total Assets	27,660,664.40
Fund Balance	
Encumbered Funds	
FY 2018 Funds	295,003.00
FY 2019 Funds	780,599.23
Total Encumbered Funds	1,075,602.23
Unencumbered Funds	
Total Unencumbered Funds	26,585,062.17
Total Fund Balance	27,660,664.40

Hawaii Tourism Authority

Balance Sheet

Emergency Trust Fund

As of 9/30/19

	<u>Current Year</u>
Assets	
Current Assets	
Investments	5,040,884.09
Total Current Assets	<u>5,040,884.09</u>
Total Assets	<u><u>5,040,884.09</u></u>
Fund Balance	
Current year net assets	
	40,631.25
Total Current year net assets	<u>40,631.25</u>
Prior years	
Total Prior years	5,000,252.84
Total Fund Balance	<u><u>5,040,884.09</u></u>

HTA Allocations
FY 2019 and FY 2020 (Projected)

HTA Allocations:

<p>Annual Budgets: -\$86.8M FY 2020 HTA Tourism Special Fund (\$79M TAT + \$7.8M carryover)</p> <p>-FY 2020 Convention Center Fund TBD</p>
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\$8M Emergency Funds	
<p>\$5M Emergency Fund Reserve (Established by Statute as a separate fund, to be used upon declaration of a tourism emergency by the Governor)</p>	<p>\$3.0M Mandated by Board (to be used in the event of a significant economic downturn upon Board approval)</p>

	Tourism Special Fund Long-Term Obligations, Commitments and Allocations:		Convention Center Fund Long-Term Obligations, Commitments and Obligations:	
	6/30/2019	Projected 6/30/2020	6/30/2019	Projected 6/30/2020
Carryover of FY 2019 to FY 2020 Budget (Use in FY 20)	7,790,788	-	1,512,988	1,512,988
Carryover for FY 2021 Budget	3,424,735	3,424,735	20,117,074	20,117,074
Center for Hawaiian Music & Dance	5,198,568	5,198,568	750,000	750,000
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	383,849	383,849	80,000	80,000
Total Long-Term Obligations and Commitments	<u>25,527,940</u>	<u>17,737,152</u>	<u>22,460,062</u>	<u>22,460,062</u>
<p>* In an effort to build available funds for future significant HCC R&M projects, staff recommends a practice of allocating approximately 4% of each year's budgeted gross expenditures toward increasing HCC's R&M reserves.</p>				

Hawaii Tourism Authority
Statement of Revenues and Expenditures
348 - Tourism Special Fund
20 - FY 2020 Funds
From 9/1/2019 Through 9/30/2019

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
Transient Accomodations Tax	79,000,000.00	6,583,333.33	19,749,999.99	(59,250,000.01)
Refunds	0.00	0.00	16,046.38	16,046.38
Total Revenue	<u>79,000,000.00</u>	<u>6,583,333.33</u>	<u>19,766,046.37</u>	<u>(59,233,953.63)</u>
Expense				
Perpetuating Hawaiian Culture	8,080,500.00	1,253.16	1,253.16	8,079,246.84
Natural Resources	4,046,950.00	0.00	0.00	4,046,950.00
Community	6,014,752.00	3,297.50	3,297.50	6,011,454.50
Branding	51,561,050.00	57,312.00	57,312.00	51,503,738.00
Sports	7,200,000.00	0.00	0.00	7,200,000.00
Safety and Security	2,150,000.00	47,667.48	53,667.48	2,096,332.52
Tourism Research	3,993,394.00	33,801.09	33,801.09	3,959,592.91
Administrative	1,861,700.00	353.00	396.00	1,861,304.00
Governance and Organization-Wide	1,867,442.00	0.00	0.00	1,867,442.00
Total Expense	<u>86,775,788.00</u>	<u>143,684.23</u>	<u>149,727.23</u>	<u>86,626,060.77</u>
Net Income	<u>(7,775,788.00)</u>	<u>6,439,649.10</u>	<u>19,616,319.14</u>	<u>27,392,107.14</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
361 - Convention Center Enterprise Special Fund
20 - FY 2020 Funds
From 9/1/2019 Through 9/30/2019

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
Transient Accomodations Tax	16,500,000.00	1,375,000.00	4,125,000.00	4,125,000.00
Total Revenue	<u>0.00</u>	<u>1,375,000.00</u>	<u>4,125,000.00</u>	<u>4,125,000.00</u>
Net Income	<u>0.00</u>	<u>1,375,000.00</u>	<u>4,125,000.00</u>	<u>4,125,000.00</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
348 - Prior Year Funds
From 9/1/2019 Through 9/30/2019

	Total Budget	Current Period Actual	Current Year Actual	Total Budget Variance
Revenue				
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
Branding	0.00	0.00	0.00	0.00
Administrative	0.00	0.00	0.00	0.00
Total Revenue	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Expense				
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
Perpetuating Hawaiian Culture	3,546,744.58	528,227.92	965,165.08	2,581,579.50
Natural Resources	1,196,578.00	88,400.00	112,700.00	1,083,878.00
Community	2,604,719.50	369,480.79	841,761.53	1,762,957.97
Branding	26,084,684.49	2,769,548.99	4,953,127.39	21,131,557.10
Sports	2,790,463.45	25,000.00	632,600.00	2,157,863.45
Safety and Security	1,341,713.01	378,387.32	515,161.16	826,551.85
Tourism Research	3,804,989.32	318,439.86	758,932.10	3,046,057.22
Administrative	1,058,266.82	182,474.64	183,827.77	874,439.05
Governance and Organization-Wide	35,144.49	3,200.00	3,200.00	31,944.49
Total Expense	<u>42,463,303.66</u>	<u>4,663,159.52</u>	<u>8,966,475.03</u>	<u>33,496,828.63</u>
Net Income	<u>(42,463,303.66)</u>	<u>(4,663,159.52)</u>	<u>(8,966,475.03)</u>	<u>33,496,828.63</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
361 - Prior Year Funds
From 9/1/2019 Through 9/30/2019

	Total Budget	Current Period Actual	Current Year Actual	Total Budget Variance
Revenue				
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
Total Revenue	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Expense				
HCC Revenue	0.00	0.00	0.00	0.00
Branding	0.00	0.00	0.00	0.00
Administrative	0.00	0.00	0.00	0.00
HCC Operating Expense	954,383.40	0.00	0.00	954,383.40
HCC Repair and Maintenance	0.00	0.00	0.00	0.00
HCC Sales and Marketing / MFF	75,918.83	0.00	0.00	75,918.83
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	0.00	0.00	0.00	0.00
Governance and Organization-Wide	79,300.00	0.00	34,000.00	45,300.00
Total Expense	<u>1,109,602.23</u>	<u>0.00</u>	<u>34,000.00</u>	<u>1,075,602.23</u>
Net Income	<u>(1,109,602.23)</u>	<u>0.00</u>	<u>(34,000.00)</u>	<u>1,075,602.23</u>

Hawaii Convention Center
Facility
Reforecast
From 9/01/2019 Through 12/31/2019
(In Whole Numbers)

	YTD Actual	Projected Next Month to 12/31/19	Reforecast	Budget	Variance	Prior Year Actual
Direct Event Income						
Rental Income (Net)	2,151,189	478,466	2,629,655	2,994,300	(364,645)	2,689,423
Service Revenue	886,825	466,990	1,353,815	776,800	577,015	819,497
Total Direct Event Income	<u>3,038,014</u>	<u>945,456</u>	<u>3,983,470</u>	<u>3,771,100</u>	<u>212,370</u>	<u>3,508,920</u>
Direct Service Expenses	1,602,838	742,697	2,345,535	1,952,004	(393,531)	1,787,798
Net Direct Event Income	<u>1,435,176</u>	<u>202,759</u>	<u>1,637,935</u>	<u>1,819,096</u>	<u>(181,161)</u>	<u>1,721,122</u>
Ancillary Income						
Food & Beverage (Net)	4,568,543	1,325,274	5,893,817	6,700,100	(806,283)	4,805,771
Event Parking (Net)	667,532	184,900	852,432	782,100	70,332	758,199
Electrical Services	113,174	33,100	146,274	159,400	(13,126)	195,243
Audio Visual	204,054	48,374	252,428	282,600	(30,172)	357,626
Internet Services	13,373	21,785	35,158	0	35,158	22,742
Rigging Services	57,291	7,400	64,691	85,400	(20,709)	77,983
First Aid Commissions	0	0	0	4,200	(4,200)	3,363
Total Ancillary Income	<u>5,623,967</u>	<u>1,620,833</u>	<u>7,244,800</u>	<u>8,013,800</u>	<u>(769,000)</u>	<u>6,220,927</u>
Total Event Income	<u>7,059,143</u>	<u>1,823,592</u>	<u>8,882,735</u>	<u>9,832,896</u>	<u>(950,161)</u>	<u>7,942,049</u>
Other Operating Income						
Non-Event Parking	40,146	14,625	54,771	58,500	(3,729)	56,763
Other Income	132,501	48,497	180,998	38,000	142,998	104,403
Total Other Operating Income	<u>172,647</u>	<u>63,122</u>	<u>235,769</u>	<u>96,500</u>	<u>139,269</u>	<u>161,166</u>
Total Gross Income	<u>7,231,790</u>	<u>1,886,714</u>	<u>9,118,504</u>	<u>9,929,396</u>	<u>(810,892)</u>	<u>8,103,215</u>
Net Salaries & Benefits						
Salaries & Wages	3,565,698	1,333,700	4,899,398	5,297,300	397,902	4,509,295
Payroll Taxes & Benefits	976,726	363,399	1,340,125	1,262,400	(77,725)	1,206,224
Labor Allocations to Events	(501,068)	(130,366)	(631,434)	(461,401)	170,033	(501,122)
Total Net Salaries & Benefits	<u>4,041,356</u>	<u>1,566,733</u>	<u>5,608,089</u>	<u>6,098,299</u>	<u>490,210</u>	<u>5,214,397</u>
Other Indirect Expenses						
Net Contracted Services	234,359	157,374	391,733	401,996	10,263	315,234
Operations	99,143	99,391	198,534	208,800	10,266	157,769
Repair & Maintenance	503,289	384,738	888,027	899,000	10,973	651,788
Operational Supplies	422,292	267,440	689,732	705,202	15,470	537,106
Insurance	105,477	38,911	144,388	157,900	13,512	169,614
Utilities	1,837,195	835,642	2,672,837	2,368,799	(304,038)	2,379,218
Meetings & Conventions	27,868	14,120	41,988	34,900	(7,088)	22,215
Promotions & Communications	49,684	10,603	60,287	42,400	(17,887)	38,831
General & Administrative	216,771	94,372	311,143	359,500	48,357	271,716
Management Fees	99,000	165,000	264,000	290,400	26,400	252,720
Other	36,346	15,768	52,114	57,200	5,086	214,097
Total Other Indirect Expenses	<u>3,631,424</u>	<u>2,083,359</u>	<u>5,714,783</u>	<u>5,526,097</u>	<u>(188,686)</u>	<u>5,010,308</u>
Net Income (Loss) before CIP Funded	<u>(440,990)</u>	<u>(1,763,378)</u>	<u>(2,204,368)</u>	<u>(1,695,000)</u>	<u>(509,368)</u>	<u>(2,121,490)</u>
CIP Funded Expenses	2,268	0	2,268	0	2,268	76,411
Net Income (Loss) from Operations	<u>(438,722)</u>	<u>(1,763,378)</u>	<u>(2,202,100)</u>	<u>(1,695,000)</u>	<u>(507,100)</u>	<u>(2,045,079)</u>
Fixed Asset Purchases	43,568	256,432	300,000	300,000	0	124,122
Net Income (Loss) after Fixed Asset Purchases	<u>(482,290)</u>	<u>(2,019,810)</u>	<u>(2,502,100)</u>	<u>(1,995,000)</u>	<u>(507,100)</u>	<u>(2,169,201)</u>

Hawaii Convention Center
 Facility
 Income Statement
 From 9/1/2019 Through 9/30/2019
 (In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Direct Event Income								
Rental Income (Net)	151,986	203,017	(51,032)	213,246	2,151,189	2,284,135	(132,946)	1,964,176
Service Revenue	90,794	104,135	(13,341)	40,072	886,825	627,755	259,070	546,218
Total Direct Event Income	242,780	307,152	(64,373)	253,319	3,038,014	2,911,890	126,124	2,510,395
Direct Service Expenses	147,477	138,530	(8,947)	132,102	1,602,838	1,445,172	(157,666)	1,304,230
Net Direct Event Income	95,302	168,622	(73,320)	121,217	1,435,176	1,466,718	(31,542)	1,206,165
Ancillary Income								
Food and Beverage (Net)	624,117	620,681	3,436	137,753	4,568,543	5,175,553	(607,010)	3,475,979
Event Parking (Net)	61,765	34,000	27,765	61,627	667,532	595,600	71,932	589,708
Electrical Services	6,145	5,400	745	3,100	113,174	119,500	(6,326)	118,201
Audio Visual	24,490	63,080	(38,590)	16,320	204,054	225,300	(21,246)	242,591
Internet Services	3,560	0	3,560	142	13,373	0	13,373	1,451
Rigging Services	3,419	10,200	(6,782)	0	57,291	74,400	(17,109)	60,408
First Aid Commissions	0	250	(250)	121	0	3,235	(3,235)	2,573
Total Ancillary Income	723,495	733,611	(10,116)	219,063	5,623,966	6,193,588	(569,622)	4,490,911
Total Event Income	818,797	902,233	(83,436)	340,280	7,059,142	7,660,306	(601,164)	5,697,075
Other Operating Income								
Non-Event Parking	4,215	4,875	(660)	3,198	40,146	43,875	(3,730)	45,133
Other Income	18,096	3,167	14,929	7,368	132,501	28,503	103,998	40,180
Total Other Operating Income	22,311	8,042	14,269	10,566	172,646	72,378	100,268	85,313
Total Gross Income	841,108	910,275	(69,167)	350,846	7,231,788	7,732,684	(500,896)	5,782,389
Net Salaries & Benefits								
Salaries & Wages	307,415	431,316	123,901	326,465	3,565,698	3,881,844	316,146	3,287,536
Payroll Taxes & Benefits	85,684	99,889	14,205	94,419	976,726	899,001	(77,225)	858,607
Labor Allocations to Events	(49,375)	(33,547)	15,828	(37,367)	(501,068)	(331,035)	170,033	(365,346)
Total Net Salaries & Benefits	343,723	497,658	153,935	383,516	4,041,356	4,449,810	408,454	3,780,797
Other Indirect Expenses								
Net Contracted Services	34,088	32,232	(1,856)	43,054	234,359	285,988	51,629	240,782
Operations	6,850	14,641	7,791	25,831	99,143	137,369	38,226	104,602
Repair & Maintenance	37,558	74,916	37,358	40,287	503,289	674,244	170,955	439,619
Operational Supplies	33,187	58,654	25,466	35,367	422,292	523,451	101,158	402,191
Insurance	11,928	13,835	1,906	6,846	105,477	118,933	13,456	92,304
Utilities	210,814	195,433	(15,381)	180,465	1,837,195	1,711,935	(125,260)	1,637,628
Meetings & Conventions	1,448	1,608	160	2,089	27,868	17,652	(10,216)	15,312
Promotions & Communications	15,494	3,533	(11,961)	10,455	49,684	31,797	(17,887)	47,592
General & Administrative	17,979	26,404	8,424	23,640	216,771	254,403	37,631	182,367
Management Fees	11,000	11,000	0	10,800	99,000	99,000	0	97,200
Other	639	4,717	4,078	1,802	36,346	43,053	6,707	86,989
Total Other Indirect	380,985	436,972	55,987	380,637	3,631,425	3,897,824	266,399	3,346,586
Net Income (Loss) before CIP Funded Expenses	116,400	(24,355)	140,755	(413,308)	(440,993)	(614,950)	173,957	(1,344,994)
CIP Funded Expenses	0	0	0	0	2,268	0	2,268	19,488
Net Income (Loss) from Operations	116,400	(24,355)	140,755	(413,308)	(438,724)	(614,950)	176,226	(1,325,506)
Fixed Asset Purchases	14,876	25,000	10,124	15,545	43,568	225,000	181,432	103,426
Net Income (Loss) After Fixed Asset Purchases	101,524	(49,355)	150,879	(428,853)	(482,292)	(839,950)	357,658	(1,428,932)

**Hawaii Convention Center
Facility
Income Statement
From 9/1/2019 Through 9/30/2019
(In Whole Numbers)**

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Revenues								
Food & Beverage	1,016,479	927,321	89,158	333,520	8,150,391	7,925,563	224,828	6,380,910
Facility	372,131	432,424	(60,293)	351,946	4,355,529	4,068,503	287,026	3,678,128
Total Revenues	1,388,610	1,359,745	28,865	685,467	12,505,920	11,994,066	511,854	10,059,038
Expenses								
Food & Beverage	462,567	489,182	26,615	309,539	4,910,957	4,397,246	(513,711)	4,266,643
Facility	809,643	894,918	85,275	789,235	8,035,956	8,211,770	175,814	7,137,389
Total Expenses	1,272,210	1,384,100	111,890	1,098,774	12,946,913	12,609,016	(337,897)	11,404,032
Net Income (Loss) before CIP Funded Expenses	116,400	(24,355)	140,755	(413,308)	(440,993)	(614,950)	173,957	(1,344,994)
CIP Funded Expenses	0	0	0	0	2,268	0	2,268	19,488
Net Income (Loss) from Operations	116,400	(24,355)	140,755	(413,308)	(438,725)	(614,950)	176,225	(1,325,506)
Fixed Asset Purchases	14,876	25,000	10,124	15,545	43,568	225,000	181,432	103,426
Net Income (Loss) after Fixed Asset Purchases	101,524	(49,355)	150,879	(428,853)	(482,293)	(839,950)	357,657	(1,428,932)

Hawaii Convention Center
Sales and Marketing
Reforecast
From 10/1/2019 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	1,074	0	1,074	0	1,074	50
Total Other Operating Income	1,074	0	1,074	0	1,074	50
Total Gross Income	1,074	0	1,074	0	1,074	50
Net Salaries & Benefits						
Salaries & Wages	1,072,445	419,543	1,491,988	1,851,900	359,912	1,469,457
Payroll Taxes & Benefits	232,997	98,280	331,277	372,100	40,823	296,085
Total Net Salaries & Benefits	1,305,442	517,823	1,823,265	2,224,000	400,735	1,765,542
Other Indirect Expenses						
Net Contracted Services	152,641	72,936	225,577	250,200	24,623	138,779
Repair & Maintenance	52,225	14,790	67,015	101,700	34,685	97,227
Utilities	5,628	2,100	7,728	12,000	4,272	7,146
Meetings & Conventions	508,572	118,100	626,672	1,074,400	447,728	840,231
Promotions & Communications	474,273	712,303	1,186,576	857,800	(328,776)	1,343,225
Marketing Flexibility Fund	876,903	467,500	1,344,403	1,175,000	(169,403)	1,167,907
General & Administrative	40,378	7,985	48,363	59,300	10,937	84,331
Management Fees	99,000	72,600	171,600	237,600	66,000	165,360
Other	38,010	14,065	52,075	103,000	50,925	697
Total Other Indirect Expenses	2,247,630	1,482,379	3,730,009	3,871,000	140,991	3,844,903
Net Income (Loss) from Operations	(3,551,998)	(2,000,202)	(5,552,200)	(6,095,000)	542,800	(5,610,395)
Fixed Asset Purchases	0	0	0	0	0	13,054
Net Income (Loss) After Fixed Asset Purchases	(3,551,998)	(2,000,202)	(5,552,200)	(6,095,000)	542,800	(5,623,449)

Hawaii Convention Center
Sales and Marketing
Income Statement
From 9/1/2019 Through 9/30/2019
(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	136	0	136	1	1,074	0	1,074	166
Total Other Operating Income	136	0	136	1	1,074	0	1,074	166
Total Gross Income	136	0	136	1	1,074	0	1,074	166
Net Salaries & Benefits:								
Salaries & Wages	118,738	138,700	19,962	109,817	1,072,445	1,248,300	175,855	957,217
Payroll Taxes & Benefits	24,574	27,100	2,526	22,331	232,997	243,900	10,903	191,300
Total Net Salaries & Benefits	143,312	165,800	22,488	132,148	1,305,442	1,492,200	186,758	1,148,517
Other Indirect Expenses								
Net Contracted Services	19,812	17,934	(1,878)	7,438	152,641	160,406	7,765	73,938
Repair & Maintenance	4,930	5,800	870	6,272	52,225	80,000	27,775	67,463
Utilities	44	1,000	956	464	5,628	9,000	3,372	4,841
Meetings & Conventions								
Mileage	0	200	200	145	739	1,800	1,061	312
Meals & Entertainment	0	1,000	1,000	1,591	4,536	9,000	4,464	7,227
Meetings & Conventions	21,209	463,850	442,641	29,404	492,624	976,400	483,776	464,443
Dues & Subscriptions	0	0	0	17,917	10,673	26,680	16,007	31,326
Total Meetings & Conventions	21,209	465,050	443,841	49,057	508,572	1,013,880	505,308	503,308
Promotions & Communications								
Site Visit	2,694	3,750	1,056	4,660	20,158	42,250	22,092	53,972
Photography	63	1,000	937	0	7,798	14,500	6,702	15,689
Advertising	42,539	29,000	(13,539)	49,224	224,895	261,000	36,105	234,513
Web Development & Maint	6,175	2,662	(3,513)	2,146	48,617	43,478	(5,139)	27,278
Market Research	0	0	0	0	14,626	14,400	(226)	14,400
Promotional	6,389	21,450	15,061	25,976	103,580	219,800	116,220	197,084
Attendance Promotion	0	17,500	17,500	315	54,599	67,500	12,901	43,918
Global Outreach	0	0	0	0	0	10,000	10,000	0
Total Promotions & Comm	57,860	75,362	17,502	82,321	474,273	672,928	198,655	586,854
Marketing Flexibility Fund	25,010	0	(25,010)	(8,299)	876,903	336,500	(540,403)	318,862
General & Administrative	6,023	8,075	2,052	9,800	40,378	41,875	1,497	37,109
Management Fees	11,000	11,000	0	10,800	99,000	99,000	0	97,200
Other	4,188	8,333	4,145	4,188	38,010	76,497	38,487	30,366
Total Other Indirect Expenses	150,076	592,554	442,478	162,041	2,247,630	2,490,086	242,456	1,719,941
Net Income (Loss) from Operations	(293,252)	(758,354)	465,102	(294,188)	(3,551,998)	(3,982,286)	430,288	(2,868,292)
Fixed Asset Purchases	0	0	0	0	0	0	0	0
Net Income (Loss) After Fixed Asset Purchases	(293,252)	(758,354)	465,102	(294,188)	(3,551,998)	(3,982,286)	430,288	(2,868,292)

Agenda Item

11

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

September 2019

HTA Board of Directors Update
October 2019 Report



Agenda

- **Financial Update**
- **CIP Update**
- **Sales & Marketing Update**
- **2020 Budgets**

2019 Financial Update

	2019 September Actual	2019 Reforecast	2019 Budget	Variance	2018 Actual
Facility Occupancy	20%	31%	31%	-	29%
Facility Number of Events	19	232	200	32	206
Facility Gross Revenue	\$1,388,600	\$15,990,800	\$15,672,300	\$318,500	\$13,991,600
Facility Gross Expenses	\$1,287,100	\$18,492,900	\$17,667,300	(\$825,600)	\$16,160,800
Facility Net Loss	\$101,500	(\$2,502,100)	(\$1,995,000)	(\$507,100)	(\$2,169,200)
S&M Net Expenses	(\$293,300)	(\$5,552,200)	(\$6,095,000)	\$542,800	(\$6,221,100)
HCC Net Loss	(\$191,800)	(\$8,054,300)	(\$8,090,000)	\$35,700	(\$8,390,300)

2019 Food & Beverage Update

Food & Beverage	2019 September Actual	2019 Reforecast	2019 Budget	Variance	2018 Actual
F&B Revenue	\$1,016,500	\$10,327,000	\$10,406,100	(\$79,100)	\$8,817,300
F&B Expenses	\$462,600	\$6,339,500	\$5,910,300	(\$429,200)	\$5,825,400
Net Income	\$553,900	\$3,987,500	\$4,495,800	(\$508,300)	\$2,991,900
% of flow through	55%	39%	43%	(4%)	34%

2019 ROI

HCC Revenue + State Revenue + Tax Revenue
= \$225.7M

HCC Expense \$11.1M

***ROI = For every dollar spent by HCC we returned
\$13.65 to the State***

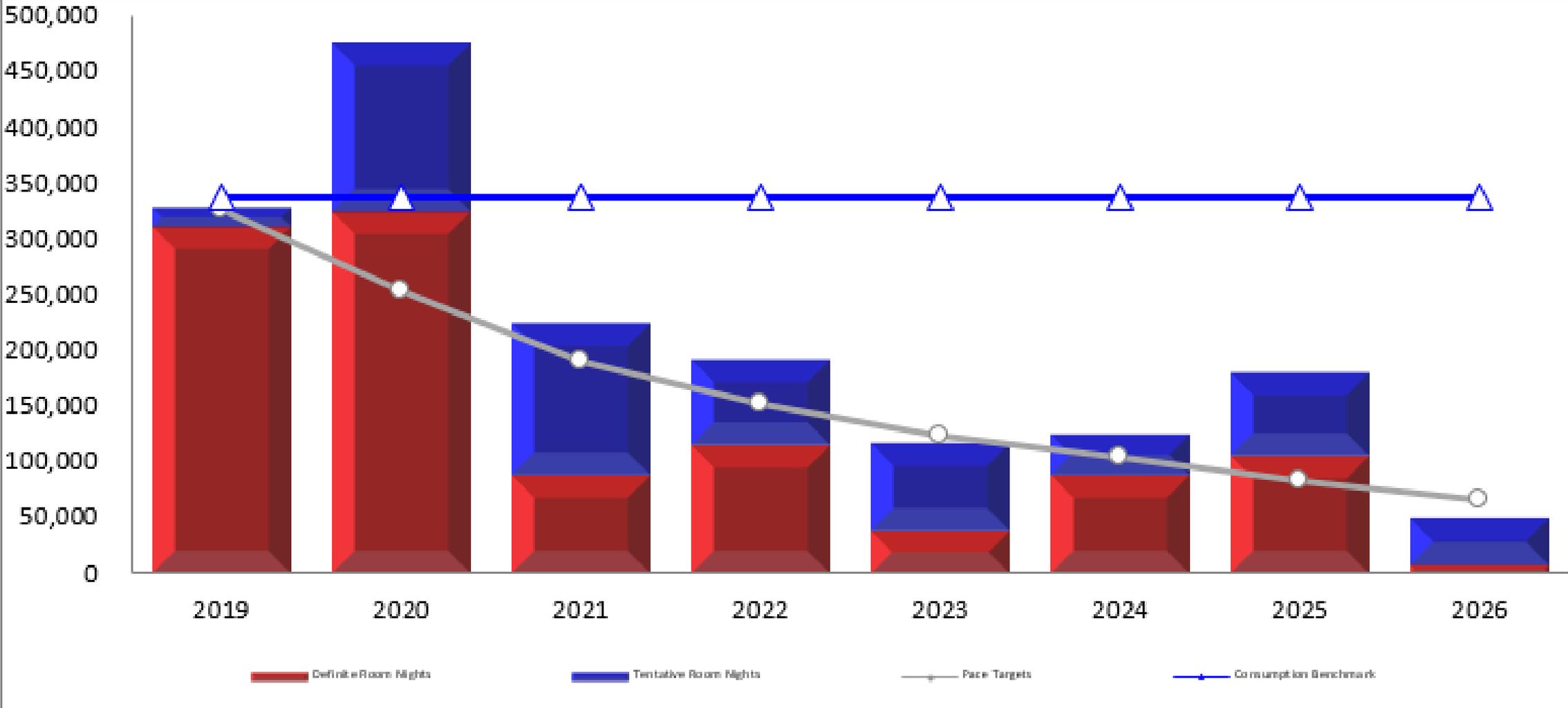
CIP Update

- Boiler Replacement - in permitting, target installation Dec 2019
- Cooling Tower Replacement – awarded, contracting
- Ala Wai Waterfall Repair - awarded, target start Dec 2019
- Facility Equipment - awarded, target delivery Feb 2020
- Camera, NVR and Access Control – presentations, BAFO
- Trellis Renovation – proposal received, presentation Nov 2019
- #320 Roof Repair – awarded, target start Nov 2019

HCC Sales Update

- 1,815 room nights closed in September 2019 bringing September YTD total to 61,421 room nights closed.
- Tentative pipeline September YTD total = 229,237 room nights

Hawai'i Convention Center Pace Report



Sales Initiatives

- Participated at the IMEX Americas annual trade fair in Las Vegas, NV. Prospective clientele included senior and mid-level executives from various types of organizations, i.e. Corporations, Travel Agencies, PCO's and Associations, from the Americas and select countries. The HCC sales team provided information about HI and leads submitted to the HVCB team for travel agent/PCO and corporate small group/incentive type programs.
- Two members of the HCC IT/USI administration team traveled to St. Louis, MO for an advanced training program on the Ungerboeck USI software system. The purpose of which is to support HCC's goal of ensuring a smooth transition of updated processes to the HVCB.

Sales Initiatives

- All HCC Sales Coordinators underwent USI training on updated processes to help ensure accurate reporting procedures.
- We are in the process of negotiations with the HelmsBriscoe organization to orchestrate a sales account executives familiarization visit to O'ahu before year-end 2019.
- HCC Sales to continue focusing on closing business by year end and secure License Agreements for select bookings with Letters of Commitments.

Advertising and PR

PR Coverage for September:



News release promoting OceanObs '19 Conference



Facilities & Destinations Fall 2019 cover story



Attendees have increased their demand for plant-based alternatives and brain-friendly foods. As a result, some chefs today are growing their own produce and herbs.

HCC Executive Chef Hans Lentz Included in Healthy Catering Trends article

Advertising and PR

PR Coverage for September:



TOP NEWS

Kristi Yamaguchi comes to town to announce new holiday ice skating rink

By [John Berger](#) - Today - Updated 10:16 a.m.



Launch of **Winter Wishes A Holiday Festival**
Coverage in Star Advertiser, Honolulu Family, Honolulu Magazine and KHON 2

Advertising and PR

Advertising (North America)

- Full page ads + feature story:
 - Facilities & Destinations Fall 2019 issue
 - Meeting Professionals International (MPI)

Other Advertising

- Full page ad + feature story in Sports Destination Mgt
- Dedicated Eblasts:
 - NASC (National Association of Sports Commission)
 - Sports Destination Management
- Local: Holiday Pā'ina ad placement in Pacific Business News (PBN)

DESTINATION SPOTLIGHT / HAWAII



Hawai'i Convention Center Offers Pacific Paradise for Sports

BY MICHAEL POPKE

ONLY FOUR YEARS HAVE PASSED since Teri Orton traveled from Honolulu to the West Coast to attend a sports-event industry conference. Her mission: To determine whether organizers would like to host tournaments in Honolulu, the largest city in Hawai'i.

"I found the biggest common denominator prohibiting sports directors from bringing tournaments here was the shipping of the courts," says Orton, general manager of the Hawai'i Convention Center — a striking 1.1 million-square-foot facility on O'ahu with open-air public spaces surrounded by lush landscaping.

One tournament director told Orton it would cost \$24,000 to ship 15 multi-purpose sport courts from Northern California to Hawai'i, an expense too great to recoup in tournament fees.

Soon after, the Center invested \$1.1 million in portable tournament-ready sports flooring, accommodating up to 28 volleyball/badminton courts, 19 basketball courts or 11 futsal courts. The flooring can be set up in the 200,000-square-foot Kahehanelua Exhibit Hall within days.

By 2017, the Hawai'i Convention Center was hosting Amateur Athletic Union (AAU) basketball tournaments, in which the majority of teams traveled from the mainland United States.

A year later, the Center and the Hawai'i Tourism Authority announced that three national sports organizations — AAU Basketball, AAU Volleyball and U.S. Futsal — would be hosting major tournaments there.

Last year, U.S. Futsal hosted the first of four annual Pacific Rim Futsal Cup tournaments on the courts.

"We are developing the sport of futsal throughout the Pacific Rim, and Hawai'i's central geographic location allows us to easily appeal to a wide variety of countries," Alexander Para, president and CEO of U.S. Futsal, said at the time the deal was announced. "Great soccer superstars such as Pele, Zico and Sócrates credit futsal with developing their skills, and we are excited to welcome both new and experienced players to this dynamic and fast-paced tournament."

The three-year agreement with AAU Basketball, from 2018 to 2020, brings the Jan On It Pacific Rim Championships to Hawai'i. And AAU Volleyball, the first organization to host a tournament on the Center's courts back in February 2017, created the Honolulu Grand Prix to celebrate its arrival in Hawai'i.

All events are sanctioned by the governing bodies of the sport, allowing participants to qualify for national tournaments. As a result, participants come from all over North America, as well as Asia, Europe, Australia and New Zealand, and incorporate vacations into their stay.

"If these events weren't sanctioned, I don't know if we would have the turnout we have," Orton says. "But because they are, some teams think it's worthwhile not to participate in one of the tournaments on the mainland and save up to come for a tournament in Hawai'i. Additionally, our focus is to grow the attendance of

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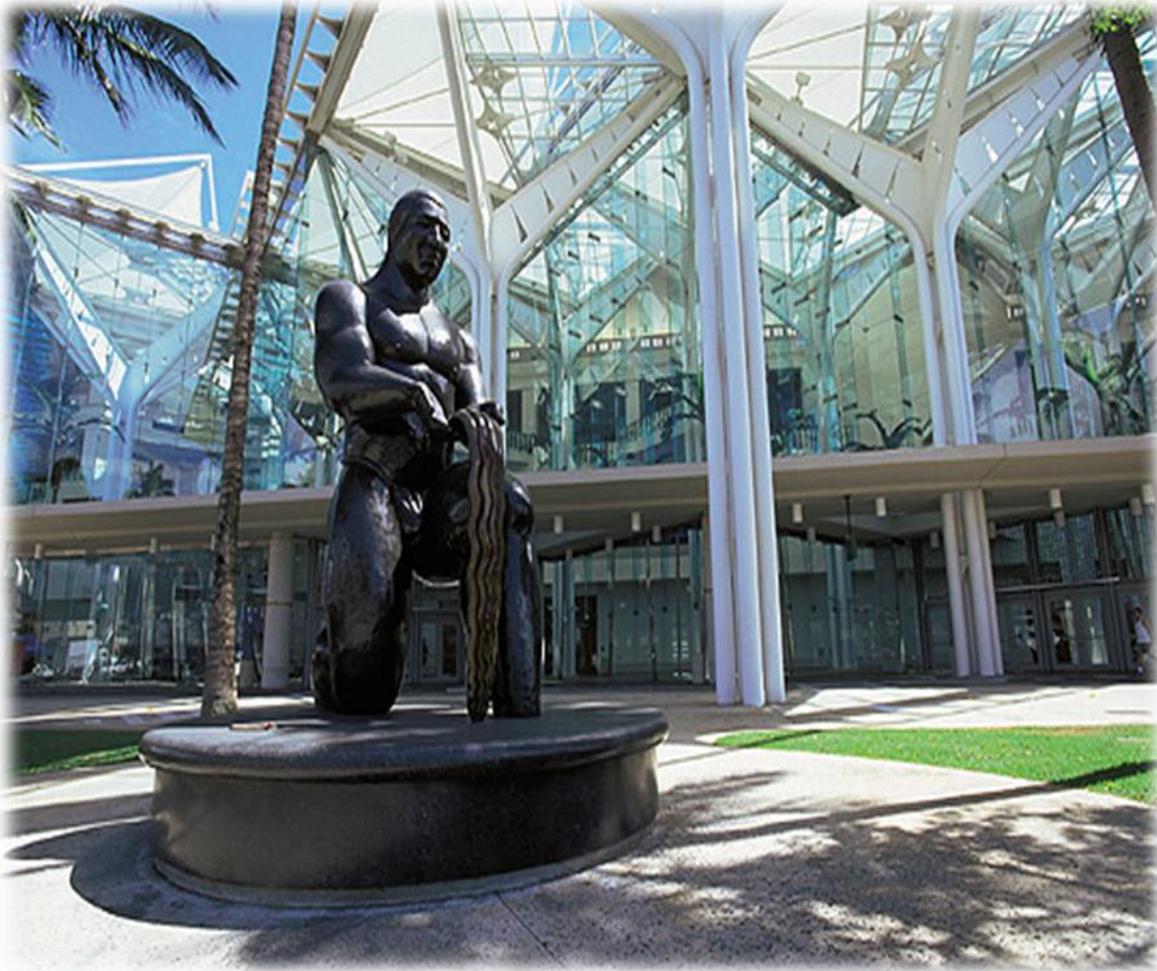
HAWAII
CONVENTION CENTER
Where Business and Aloha Meet

Celebrate your
Holiday Pā'ina
at the Hawai'i Convention Center!

Book by August 31, 2019
and qualify for complimentary venue rental
and free parking!

Call (808) 943-3500 or email info@hccaeg.com
to book your holiday party!

Hawai'i Convention Center

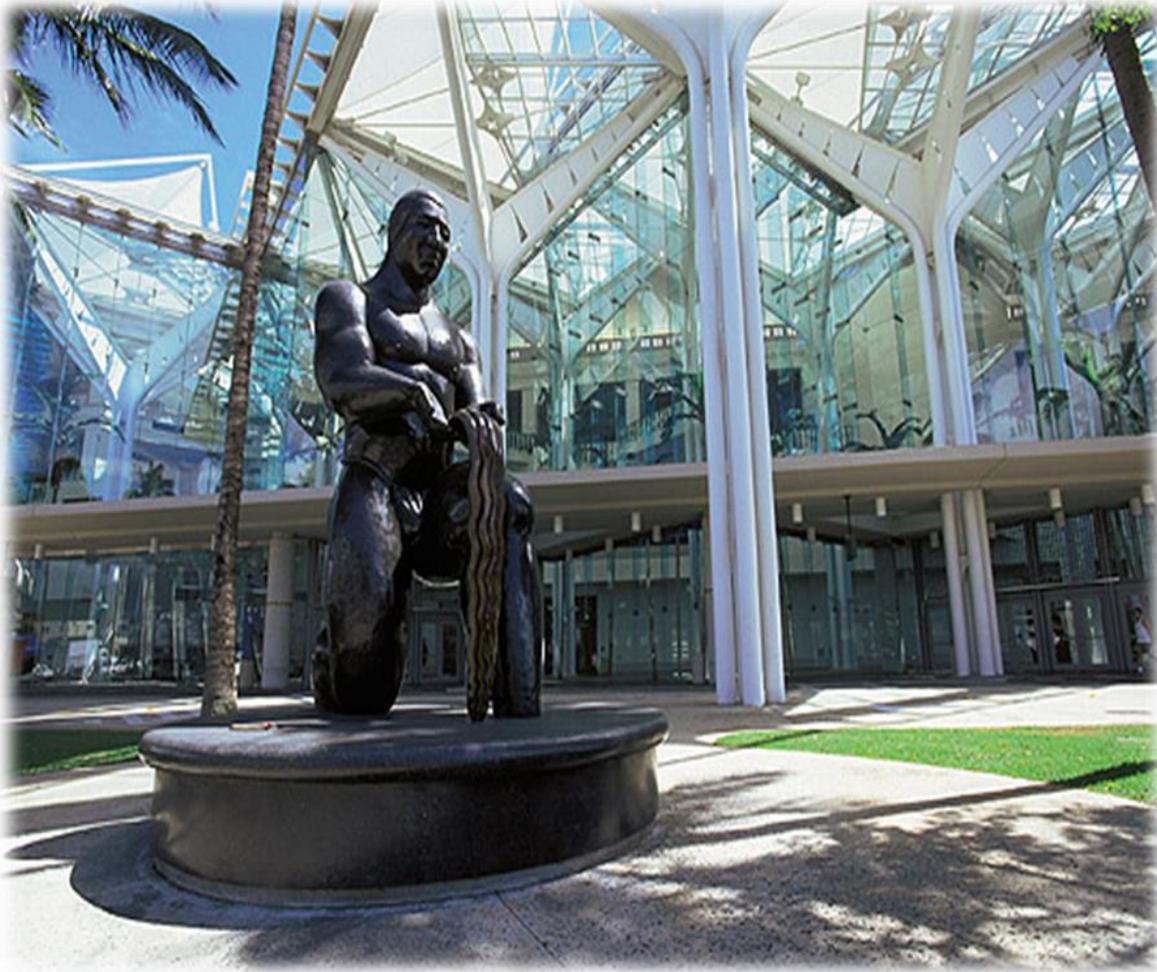


*2020
Local Sales
Budget*

2020 Local Sales Budget

Expenses	2020 Local Sales Budget		2019 Reforecast		Variance	2019 Budget	
Salaries & Benefits	70%	\$707,200	33%	\$1,823,300	(\$1,116,100)	36%	\$2,224,000
Promotions & Marketing	17%	\$171,800	15%	\$873,600	(\$701,800)	10%	\$609,800
Other	<u>13%</u>	<u>\$133,500</u>	<u>28%</u>	<u>\$1,510,900</u>	<u>(\$1,377,400)</u>	<u>35%</u>	<u>\$2,086,200</u>
S&M Operating Expenses	100%	\$1,012,500	76%	\$4,207,800	(\$3,195,300)	81%	\$4,920,000
MFF	<u>0%</u>	<u>\$0</u>	<u>24%</u>	<u>\$1,344,400</u>	<u>(\$1,344,400)</u>	<u>19%</u>	<u>\$1,175,000</u>
Total S&M Operating Expenses and MFF	100%	\$1,012,500	100%	\$5,552,200	(\$4,539,700)	100%	\$6,095,000

Hawai'i Convention Center



2020 Facility Budget

2020 Facility Budget Summary

Budget Summary	2020 Budget	2019 Reforecast	Variance	2019 Budget
Gross Revenue	\$16,516,400	\$15,990,800	\$525,600	\$15,672,300
Gross Expenses	<u>\$18,821,500</u>	<u>\$18,492,900</u>	<u>\$328,600</u>	<u>\$17,667,300</u>
Net Loss	(\$2,305,100)	(\$2,502,100)	\$197,000	(\$1,995,000)

2020 Facility Revenue

Revenue	2020 Budget	2019 Reforecast	Variance	2019 Budget
Rent	\$3,205,400	\$2,629,700	\$575,700	\$2,994,300
Food & Beverage	\$10,276,600	\$10,327,000	(\$50,400)	\$10,406,100
Event & Other	<u>\$3,034,400</u>	<u>\$3,034,100</u>	<u>\$300</u>	<u>\$2,271,900</u>
Total Revenue	\$16,516,400	\$15,990,800	\$525,600	\$15,672,300

2020 Facility Expenses

Expenses	2020 Budget	2019 Reforecast	Variance	2019 Budget
F&B Expenses	\$6,157,200	\$6,339,500	(\$182,300)	\$5,910,300
Salaries & Benefits, Facility	\$5,630,100	\$5,064,500	\$565,600	\$5,115,100
Contracted Labor, Facility	\$1,908,300	\$1,842,300	\$66,000	\$1,724,100
Utilities, Facility	\$2,498,500	\$2,672,800	(\$174,300)	\$2,466,100
R&M, Supplies, Other, Facility	<u>\$2,627,400</u>	<u>\$2,573,800</u>	<u>\$53,600</u>	<u>\$2,451,700</u>
Total Expenses	\$18,821,500	\$18,492,900	\$328,600	\$17,667,300

Mahalo!



Agenda Item

12

**Discussion and Approval of
the FY20 Convention Center
Enterprise Special Fund
Budget**

Convention Center Enterprise Special Fund
 Budget
 FY 2020

	FYE 6/30/20 Budget	FYE 6/30/19 Actual
Revenue:		
1 TAT	16,500,000	16,500,000
2 Total Revenue	<u>16,500,000</u>	<u>16,500,000</u>
Expenses:		
3 HCC Total Gross Revenues	15,593,687	15,467,746
4 Less: HCC F&B Expenditures	(6,051,876)	(6,232,705)
5 HCC Revenues, Net	<u>9,541,811</u>	<u>9,235,041</u>
6 HCC Total Other Gross Expenditures	(12,824,694)	(11,465,530)
7 HCC Net Operating Loss	<u>(3,282,883)</u>	<u>(2,230,489)</u>
8 Major Repair & Maintenance	(4,753,020)	(5,414,443)
9 Sales & Marketing	(6,414,097)	(5,895,173)
10 HTA Allocations	(850,000)	(554,075)
11 To HTA's Major R&M Reserve	(1,200,000)	(2,405,820)
12 Total CCESF Expenditures, Net of HCC Revenue	<u>(16,500,000)</u>	<u>(16,500,000)</u>
13 Net Revenues & Expenditures	<u>-</u>	<u>-</u>
14 Total CCESF Expenditures, Gross (excluding amount to Reserve)	<u>(24,841,811)</u>	<u>(23,329,221)</u>