2020 BMP - USA

Jay Talwar
Chief Marketing Officer
MARKET CONDITIONS
YEAR-OVER-YEAR U.S. GDP GROWTH

Source: HVCB analysis of Economist Intelligence Unit 09/2019
U.S. DOLLAR FORECASTED TO GROW AT SLOWER RATE

Source: HVCB analysis of Economist Intelligence Unit data as of 1/2019
## U.S. Arrivals & Spend as of Q3 2019P

<table>
<thead>
<tr>
<th></th>
<th>Expenditures</th>
<th>PPPD</th>
<th>Visitor arrivals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. West</strong></td>
<td>$5.17 billion (+5.3%)</td>
<td>$173.79 (-1.32%)</td>
<td>3.46 million (+10.5%)</td>
</tr>
<tr>
<td><strong>U.S. East</strong></td>
<td>$3.59 billion (+2.5%)</td>
<td>$212.08 (1.19%)</td>
<td>1.75 million (+4.0%)</td>
</tr>
<tr>
<td><strong>Total U.S.</strong></td>
<td>$842 billion (+4.1%)</td>
<td>$187.68 (-0.52%)</td>
<td>5.21 million (+8.2%)</td>
</tr>
</tbody>
</table>

Source: HVCB analysis of HTA Q3 2019P data
NONSTOP AIR SEATS TO HAWAIʻI HIT RECORD HIGHS IN 2019

Scheduled nonstop air seats U.S. Mainland to Hawaiʻi

Source: HVCB analysis of Diio Mi data
# U.S. Airlift Growth Continues

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019F</th>
<th>Volume Change</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska Airlines</td>
<td>1,689,975</td>
<td>1,770,772</td>
<td>+81,086</td>
<td>+4.8%</td>
</tr>
<tr>
<td>American Airlines</td>
<td>1,420,718</td>
<td>1,425,763</td>
<td>+5,045</td>
<td>+0.4%</td>
</tr>
<tr>
<td>Delta Air Lines</td>
<td>1,195,571</td>
<td>1,137,366</td>
<td>-58,205</td>
<td>-4.9%</td>
</tr>
<tr>
<td>Hawaiian Airlines</td>
<td>2,268,013</td>
<td>2,352,206</td>
<td>+84,193</td>
<td>+3.7%</td>
</tr>
<tr>
<td>Southwest Airlines</td>
<td></td>
<td>284,025</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Sun Country</td>
<td>16,632</td>
<td>47,139</td>
<td>+30,507</td>
<td>+183.4%</td>
</tr>
<tr>
<td>United Airlines</td>
<td>2,628,724</td>
<td>2,728,919</td>
<td>+100,156</td>
<td>+3.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9,219,633</strong></td>
<td><strong>9,746,190</strong></td>
<td><strong>+526,557</strong></td>
<td><strong>+5.7%</strong></td>
</tr>
<tr>
<td>Region</td>
<td>Total U.S. Outbound Travelers</td>
<td>Market Share of Outbound U.S. Travelers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------</td>
<td>------------------------------</td>
<td>----------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
<td>Percent Change</td>
<td>2018</td>
</tr>
<tr>
<td>Hawai‘i</td>
<td>6,368,851</td>
<td>5,841,530</td>
<td>+9.0%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Mexico (by air)</td>
<td>10,075,187</td>
<td>9,810,713</td>
<td>+2.7%</td>
<td>16.0%</td>
</tr>
<tr>
<td>Caribbean</td>
<td>8,702,217</td>
<td>8,320,516</td>
<td>+4.6%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Europe</td>
<td>17,742,258</td>
<td>15,792,769</td>
<td>+12.3%</td>
<td>28.2%</td>
</tr>
<tr>
<td>Asia</td>
<td>6,252,903</td>
<td>5,770,890</td>
<td>+8.4%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Canada (by air)</td>
<td>4,591,876</td>
<td>4,815,830</td>
<td>-4.7%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>62,809,722</td>
<td>58,795,531</td>
<td>+6.8%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Americans are regaining sanity (but 768 mn days still unused)

**AMERICA’S VACATION TREND**

- **20.3 days** Long Term Average (1978 to 2000)
- **21.2 Days** usage of paid time off peaked in 1981
- **(2005-2010)** Americans took an average of 18.1 days annually.
- **17.4 days taken**

If Americans returned to vacation patterns seen between 1976 and 2000 (averaging 20.3 days per year), this would equate to 447 million additional days of vacation used.
Travel continues to gain American wallet share

Consumer spending on lodging
Real, per capita GDP and spending on lodging

Percentage change since 1980

271%
Spending on lodging has increased 271% since 1980 (real, per capita basis)

91%
GDP has increased 91% since 1980 (real, per capita basis)

Note: Measures leisure travel spending on lodging by US households. Data through the first quarter of 2019.
Source: Bureau of Economic Analysis, Oxford Economics
TRAVEL TRENDS
DOMESTIC TRAVEL SPENDING TO GROW

U.S. Domestic leisure travel forecast

![Bar chart showing travel expenditures and person trips for 2019F and 2020F]

- **Travel Expenditures**
  - 2019F: 2.9%
  - 2020F: 3.8%

- **Person Trips**
  - 2019F: 1.8%
  - 2020F: 1.7%

Source: U.S. Travel Association
Interest, Time, Personal Finances and Affordability Remain Positive

<table>
<thead>
<tr>
<th>Compared to one year ago, how would you rate the following?</th>
<th>Less/worse</th>
<th>About the same</th>
<th>More/better</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest in travel</td>
<td>Q3 2019: 5%</td>
<td>45%</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>Q3 2018: 5%</td>
<td>50%</td>
<td>45%</td>
</tr>
<tr>
<td>Time for travel</td>
<td>Q3 2019: 14%</td>
<td>46%</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>Q3 2018: 15%</td>
<td>50%</td>
<td>35%</td>
</tr>
<tr>
<td>Personal finances</td>
<td>Q3 2019: 16%</td>
<td>45%</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>Q3 2018: 17%</td>
<td>49%</td>
<td>34%</td>
</tr>
<tr>
<td>Affordability of travel</td>
<td>Q3 2019: 23%</td>
<td>50%</td>
<td>28%</td>
</tr>
<tr>
<td></td>
<td>Q3 2018: 24%</td>
<td>52%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: HVCB analysis of MMGY Global travelhorizons Wave III 2019 data
U.S. AIR TRAVELER SENTIMENT TRACKS CLOSELY WITH ARRIVALS

TARGET AUDIENCE
## AVID EXPLORER
### INFLUENCE OF SOCIAL MEDIA

<table>
<thead>
<tr>
<th>Have Selected a Destination Based at Least Partially on Information Viewed on Social Media</th>
<th>Total</th>
<th>Interested in Visiting Hawai‘i</th>
<th>Not Interested in Visiting Hawai‘i</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>67%</td>
<td>70%*</td>
<td>55%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Have Selected a Destination Based at Least Partially on Information Viewed on Social Media</th>
<th>Total</th>
<th>Interested in Visiting Hawai‘i</th>
<th>Not Interested in Visiting Hawai‘i</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>62%</td>
<td>63%*</td>
<td>55%</td>
</tr>
<tr>
<td>Instagram</td>
<td>53</td>
<td>54*</td>
<td>45</td>
</tr>
<tr>
<td>YouTube</td>
<td>53</td>
<td>53</td>
<td>51</td>
</tr>
<tr>
<td>Pinterest</td>
<td>36</td>
<td>37</td>
<td>30</td>
</tr>
<tr>
<td>Twitter</td>
<td>24</td>
<td>24</td>
<td>21</td>
</tr>
<tr>
<td>Snapchat</td>
<td>23</td>
<td>23</td>
<td>19</td>
</tr>
</tbody>
</table>
# AVID EXPLORER MEDIA CONSUMPTION

<table>
<thead>
<tr>
<th>Media Channel</th>
<th>Usage</th>
<th>Usage Highlights</th>
</tr>
</thead>
</table>
| Digital       | Heavy | - Spends on avg. 29 hours per week online  
- Digital guides their lives completely and they would feel disconnected without it (125). They use it for entertainment, communication and rely on it to keep them up to date with latest styles and trends (151)  
- Very active on social media and checks it throughout their day (127) |
| Outdoor       | Moderate | The Avid Explorer Never Been’s notice transit ad placements, such as ads in airports (223) and ads inside taxis (227) when they are out on the go |
| In-Cinema     | Heavy to Moderate | The Avid Explorer Never Been targets love adventure and are eager to watch films in theaters that reflect that sentiment (147) |
| Magazine      | Light | They are not heavy magazine readers (85) and only use them when convenient or faced with few other options |
| TV            | Light | The Avid Explorer Never Been does not usually tune-in to Linear TV live (66), but instead chooses to watch the content on their own time and on their own devices/streaming services (192) |

Source: GfK/MRI 2018 Doublebase Study
CONSUMER STRATEGY
HTA PILLARS

Community  Hawaiian Culture  Natural Resources  Marketing
A look ahead to 2020.
2020 NATIONAL BASELINE CAMPAIGN
Building Island Brands
Advanced TV

hulu  Roku  fire tv
Cinema

SPOTLIGHT
CINEMA NETWORKS
SOCIAL MEDIA
PUBLIC RELATIONS

Continue to deliver cost-effective contemporary storytelling in an editorial context

Coordinate
With Statewide, Island Chapters, GMTs, and industry partners

Focus
Key storylines along Cuisine, Culture, Authentic Soft Adventure

Connect
Develop deeper long-term relationships with the evolving landscape of content developers
TRADE STRATEGY
Maintain leisure arrivals to Hawai`i, drive high value visitation & extend the Hawaiian Islands Brand
TRADE STRATEGY

• Trade communications
• Travel agent portal
• Training programs – live / on-line / webinars
• Sales blitzes
• Industry conferences / tradeshows
• Trade media – communicate branding and drive certifications
• Tactical cooperative marketing
RESPONSIBLE TOURISM
Educating Visitors Through
On-Island Kuleana Messaging
In Alignment with HTA’s pillars

- Marketing
- Hawaiian Culture
- Natural Resources
- Community
Educating Visitors Through On-Island Kuleana Messaging

- A total of 20 videos were created for Maui, O‘ahu, island of Hawai‘i, Kaua‘i and statewide versions
- Select videos were translated and subtitled in Japanese, Korean and Chinese
- Maui videos launched in 2018 and have already generated over a million impressions
- Paid social for all islands started in June 2019 and will run through December; YTD have garnered almost 11mm* impressions
- For Q4, videos will run on in-room channel (Hōkū TV, Real Hawai‘i TV, WHERE TV, Outrigger TV, Spectrum In-room) and Robert’s Hawai‘i Airport Express Shuttle

*Impressions as of 10/29/19
THE HAWAIIAN ISLANDS
# Brand Guidelines

## Brand Story
- History
- Challenges

## Our Brand
- Brand purpose
- Unique positioning
- Things to avoid
- Messaging

## Our Island Brands
- Kaua‘i
- O‘ahu
- Moloka‘i
- Lanai
- Maui
- Island of Hawai‘i

## Our Brand Assets
- Our brand voice
- Core elements
- Logo usage
- Color palette
- Typography
- Photography

## Brand Application
- Digital
- TV
- Print

---

November, 2019
MARKET CONDITIONS
MARKET CONDITIONS

- Lowest unemployment rate
- Steady wage rising
- Economic growth 1.7%
- Canada US Mexico Agreement
- Canadians spending in travel but carefully
- Minority Gov’t PM Trudeau
- Exchange rate $0.76
### MARKET CONDITIONS

<table>
<thead>
<tr>
<th>State</th>
<th>2018</th>
<th>2019p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>328,359</td>
<td>314,373</td>
</tr>
<tr>
<td>California</td>
<td>1,578,057</td>
<td>1,594,673</td>
</tr>
<tr>
<td>Florida</td>
<td>1,438,063</td>
<td>1,523,726</td>
</tr>
<tr>
<td>Nevada</td>
<td>604,684</td>
<td>619,051</td>
</tr>
<tr>
<td>Texas</td>
<td>642,402</td>
<td>677,462</td>
</tr>
<tr>
<td>Hawai’i</td>
<td>261,829</td>
<td>275,600</td>
</tr>
</tbody>
</table>

- **21.17 million trips**
- **14.2 million overnights to the US**
- **+2.0% vs 2018**
## Number of Direct Seats by City

<table>
<thead>
<tr>
<th></th>
<th>Jan-Sept, 2018</th>
<th>Air Canada</th>
<th>WestJet</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calgary</td>
<td>14,382</td>
<td>25,152</td>
<td>39,534</td>
<td></td>
</tr>
<tr>
<td>Edmonton</td>
<td>--</td>
<td>8,646</td>
<td>8,646</td>
<td></td>
</tr>
<tr>
<td>Toronto</td>
<td>4,512</td>
<td>--</td>
<td>4,512</td>
<td></td>
</tr>
<tr>
<td>Vancouver</td>
<td>118,722</td>
<td>171,624</td>
<td>290,346</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>137,616</strong></td>
<td><strong>205,422</strong></td>
<td><strong>343,346</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Jan-Sept, 2019</th>
<th>Air Canada</th>
<th>WestJet</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calgary</td>
<td>12,121</td>
<td>32,284</td>
<td>44,405</td>
<td></td>
</tr>
<tr>
<td>Edmonton</td>
<td>--</td>
<td>8,646</td>
<td>8,646</td>
<td></td>
</tr>
<tr>
<td>Toronto</td>
<td>5,161</td>
<td>--</td>
<td>5,161</td>
<td></td>
</tr>
<tr>
<td>Vancouver</td>
<td>123,455</td>
<td>175,218</td>
<td>298,673</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>140,347</strong></td>
<td><strong>216,148</strong></td>
<td><strong>356,885</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>% change</th>
<th>Air Canada</th>
<th>WestJet</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calgary</td>
<td>-15.7%</td>
<td>28.4%</td>
<td>12.3%</td>
<td></td>
</tr>
<tr>
<td>Edmonton</td>
<td>--</td>
<td>0.0%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Toronto</td>
<td>14.4%</td>
<td>--</td>
<td>14.4%</td>
<td></td>
</tr>
<tr>
<td>Vancouver</td>
<td>4.0%</td>
<td>2.1%</td>
<td>2.9%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2.0%</td>
<td>5.2%</td>
<td>3.9%</td>
<td></td>
</tr>
</tbody>
</table>

*Source: OAG, US BTS*
TRAVEL TRENDS

HAWAI‘I TOURISM™
CANADA
### Top Motivators

<table>
<thead>
<tr>
<th>Motivation</th>
<th>% Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beaches/Seaside Attractions</td>
<td>54%</td>
</tr>
<tr>
<td>Cultural Historical Attractions</td>
<td>48%</td>
</tr>
<tr>
<td>Local Lifestyle</td>
<td>44%</td>
</tr>
<tr>
<td>Dining/Gastronomy</td>
<td>38%</td>
</tr>
<tr>
<td>Urban Attractions/Nightlife</td>
<td>34%</td>
</tr>
</tbody>
</table>

- **59%** Websites via computer
- **40%** Personal recommendations from family and friends
- **28%** Websites/Applications via mobile phone
- **28%** Websites/applications via tablet
- **19%** Personal advice from travel professionals/agents

Giving back and sustainability is important to Canadian travelers.
OTAs AND SEARCH ENGINES ARE LEADING PLANNING RESOURCES

Q35. Please indicate all of the resources you used when you planned your last trip? (Please select all that apply)
TARGET AUDIENCE
Canada’s Zoomer (45-plus) population controls about 70% of the nation’s wealth & accounts for 60% of all consumer spending.

**Segmenting Millennials**

- **Broad Audience**: 60%
- **Subsegments**: Student, New Professional, Mature Adult
Affluent Traveler

Romance

Experience seekers

Affluent traveler

Snowbirds/Retirees

Romance

Priority Markets:
British Columbia (Vancouver)
Alberta (Calgary and Edmonton)
Ontario (Toronto)
Balance of Canada (Montreal)
CONSUMER STRATEGY
CONSUMER STRATEGY

- Social Media (Organic and Paid)
- Digital Media (Display and Video)

- Adara travel segments
- Custom white list
- Retargeting
- Native

23%
77%
General approach

- Extend season
- Increase stay
- Increase spend
- Multiple island

Branding message

- Unique experiences
- Culture: Aloha Spirit, friendly & welcoming
- Natural Resources: sustainable
- Safe
- Bucket list travel
- Diverse accommodations
CONSUMER STRATEGY

- luxury/affluent: 70,000 – 80,000
- romance: 35,000 – 40,000
- experience seekers: 1,500,000 – 2,000,000
- snowbirds: 10,000 – 15,000
CONSUMER STRATEGY

Valentine’s Day Contest with W Network

John Catucci and Big Food Bucket List
Take Hawai‘i

Hawai‘i Promotion with eTalk

Public Relations focus:
• Luxury/affluent
• Romance
• Culture/culinary
• Adventure/outdoors/nature
• Family
TRADE STRATEGY
Communication:
• Trade publications campaign
• Eblast
• Newsletters
TRADE STRATEGY

Education:
• Aloha Canada 2020
• Webinars
• Trade shows
• FAM trips
• Hawai‘i Destination Specialist Program
Target: Top 20 corporations PCOs/Travel firms

SITE shows

MCI Fam

Strategies:
- Leads
- Conversion
- Partnerships
- High-need periods
- Education/training
- PR & Communications
Ignite Campaign

Total unique subscribers:
28,165 planners
3,234 suppliers
RESPONSIBLE TOURISM

Consumer:
- Digital
- HTCAN Social networks
- E-blasts
- Editorial

MCI:
- Branding
- Culture
- Community
- Resources
- Education

Trade:
- Educational
- Partners
- Newsletters
- Aloha Canada
RESPONSIBLE TOURISM

Kuleana Campaign partnerships
2020 BMP - OCEANIA

Darragh Walshe, Giselle Radulovic & Charis Ricafuente
New Zealand/ Australia
MARKET CONDITIONS
**MARKET CONDITIONS - AUSTRALIA**

**ECONOMY**

- Personal tax cuts and low interest rates stimulating discretionary spending
- 10 year low and may fall further
- GDP growth has slowed to 2.75% for 2019

**MARKET CONDITIONS - AUSTRALIA**

AUD$.068 = USD$1

GDP 2.75%
**MARKET CONDITIONS - AUSTRALIA**

**TRENDS**

- Domestic tourism increase in 2019
- Seniors (55+ yrs) emerging

**AIRLIFT**

- Drop in capacity between 2018/2019
- Cancelations by Jetstar reduced availability in first 6 months
MARKET CONDITIONS - NEW ZEALAND

ECONOMY

Record economic surplus, yet business confidence low due to slow growth

Lowest point in a decade and expected to hover around this level

AUD$.063 = USD$1

GDP STEADY
MARKET CONDITIONS
NEW ZEALAND

TRENDS

• Subject to global market impacts
• Outbound tourism continues to grow
• Trend towards shorter but more frequent holidays

AIRLIFT

• 2018 - a unique situation of almost 50,000 new air-seats flooding the market
• 2019 and beyond - a return to normal capacity
• Focus on increased loads and yield
TRAVEL TRENDS
HTO working with trade partners to focus on the higher yielding, experiential customer

Legacy of 2018 increases in airlift to Hawai‘i and airline competition created a change in perception and customer mix
General Travel Trends:

• Hawai’i has strong emotional equity and brand momentum compared to competitor destinations - Fiji, Bali, Thailand

• More than a tropical getaway - associated with awe inspiring nature, adventure and a family and friends destination

• Path to purchase is not linear. Consumers research across multiple digital channels. Still a preference to book via travel agent or OTA

Source: My Travel Research “Powering the next phase of growth for Hawai’i in the Australian market” Jan 2019
**Australian Outbound Travel in 2017/2018**

<table>
<thead>
<tr>
<th>Country</th>
<th>Dec YE total 2017</th>
<th>Dec YE total 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Zealand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td></td>
<td></td>
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<tr>
<td>Japan</td>
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<tr>
<td>India</td>
<td></td>
<td></td>
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<tr>
<td>Indonesia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
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<td></td>
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<tr>
<td>Fiji</td>
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</tr>
</tbody>
</table>

**Top 5 USA destinations - Australian Inbound Travel 2018**

<table>
<thead>
<tr>
<th>State</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>44.54%</td>
</tr>
<tr>
<td>The Hawaiian Islands</td>
<td>27.18%</td>
</tr>
<tr>
<td>New York</td>
<td>22.93%</td>
</tr>
<tr>
<td>Nevada</td>
<td>19.12%</td>
</tr>
<tr>
<td>Florida</td>
<td>11.12%</td>
</tr>
</tbody>
</table>

Source: US Dept of Commerce

Source: Australian Bureau of Statistics
New Zealand Outbound Travel

New Zealand inbound travel to the U.S 2018

Hawai‘i 28%

↑ 15%
TARGET AUDIENCE
TARGET AUDIENCE

29% AS A COUPLE
24% FAMILY WITH CHILDREN
20% OTHER FAMILY OR FAMILY & FRIENDS

Average age: 36 years old

HAWAII TOURISM OCEANIA
TARGET AUDIENCE

AUSTRALIA
Eastern Seaboard: Sydney, Brisbane and Melbourne and major regional centres

NEW ZEALAND
Auckland, Wellington, Waikato/Bay of Plenty, Christchurch
TARGET AUDIENCE

HIGH-VALUE TRAVELERS

AUTHENTIC EXPERIENCERS*
• Tangible engagement
• History and culture
• Educated
• Mature traveller

CULTURAL EXPLORERS*
• Learning and discovery
• Local immersion
• Educated
• Families and couples

*Explorer Quotient market segmentation system
CONSUMER STRATEGY
CONSUMER STRATEGY

Six Hawaiian Islands, Infinite Experiences
General focus:

- Experience led strategy
- Focus on multi-island dispersal
- Highlighting Hawai’i’s outstanding nature
- Branded content across HTO channels
- Multi channel integrated campaigns
Public Relations:

• Media families aligned to brand themes
• Key story angles across mainstream print and digital channels
• National broadcast opportunities including television and radio
CONSUMER STRATEGY

- 120,000 fans
- 29,000 followers
- 170,000 subscribers
- 2 blogs per month
C O N S U M E R S T R A T E G Y

Inspiration - Trip Discovery

HTO channels
CONSUMER STRATEGY

Public Relations

Trade: Call-to-action
Targeted approach:

- Increased investment in social media – paid social
- Measuring trends on our digital channels - Social Media and EDM
- Market specific research informs content curation
Campaign Examples:

- Partner with non-tourism brands to leverage channels and activity e.g. Billabong
- Themes around adventure, nature and wellness that appeal to our high value traveller segment
- Multi-island campaign focusing on experiences
- Responsible tourism
Lei Day activation

- Appeal to cultural explorers and authentic experiencers
- May Day activity highlighting Hawaiian Culture and the spirit of Aloha
- Key brand campaign providing consumers an immersive experience of Hawai‘i in Oceania
TRADE STRATEGY
TRADE STRATEGY

- Consumers research across multiple channels yet prefer to book Hawai‘i via travel agent or OTA
- Trade play a role in inspiring, informing & educating the traveler
- Motivate ‘preferers’ to choose Hawai‘i over another destination
- Travel agents are influential in promoting neighbor island visitation
Engagement tactics:

• Trade education:
  o Online and face-to-face
  o Support travel brands that service high value travelers – Travel agent conferences

• Trade Shows
  o Month of Lei
  o Aloha Down Under Roadshow

• Famils – Travel agents and product managers
Engagement tactics:

- Cooperative campaigns:
  - Influence branding via external channels
  - Support our key trade partners and top producers - OTAs and retail travel agencies
  - Multi-island content/packages
  - Focus on increasing length of stay and spend in market
Deployment:

• Dedicated MCI resources building on existing in market relationships

• Advertising and promotion via online channels, hosted events, FAMs and branded collateral

• Hawai’i partner collaboration and product expertise
Key Vertical Segments:
- 3rd party meeting planner
- Automotive
- Entertainment/Media
- Healthcare/medical
- Sports
- Franchise/Direct Selling

Lead Development Strategy:
- Grow network of PCO relationships
- Meet Hawai‘i Down Under Sales Mission
- Conference and tradeshows
- HTO events
RESPONSIBLE TOURISM
Distribution of Rooted, Kuleana, and Travel Tips video:
- Amplified across paid and organic social media
- Included in trade and consumer communications
- Destination updates and Aloha Down Under

Marketing content and PR
- Editorial and advertorial consumer content
- Content and imagery in HTO produced content
Sea Cleaners Initiative:

- Partnership with non-profit environmental company, Sea Cleaners
- A true collaboration – HTA, HTO, HTJ, Industry partners, media
- Respecting & protecting culture & environment
- An exchange between Pacific Rim countries and Hawai‘i around the issue we have with plastic rubbish in the Pacific Ocean
- Expand the Pacific Rim connection to Hawai‘i
NATIONAL GEOGRAPHIC TRAVELLED TO HAWAI‘I
Brand Marketing
Hawaiian Culture
Natural Resources
Community
2020 BMP - EUROPE

Niamh Walsh, Senior Account Director
Holly Jordan, Account Manager
MARKET CONDITIONS
OVERVIEW - MARKET CONDITIONS

**GDP**
- UK: +1.5%
- Germany: +1.2%

**Unemployment**
- UK: 4%
- Germany: 3.3%

**Interest rates**
- UK: 0.75%
- Germany: 0%

**Currency exchange**
- GBP to USD: $1.28
- Euro to USD: $1.12

**BREXIT**
31st January 2020
37% UK travelers who believe Brexit will have an impact on travel to Europe

29% UK travelers who believe Brexit will have an impact on travel to int’l destinations other than Europe

TRAVEL FORECAST
LIMITED BREXIT IMPACT
OUTBOUND TRAVEL FROM EUROPE
Top 10 Source Markets

Europe Makes Up Well Over 50% of All International Departures

1. China
2. USA
3. Germany
4. UK
5. France
6. Russia
7. Australia
8. Italy
9. Spain
10. Canada
European Outbound Travel Reached An All Time High in 2018

531 MILLION
Outbound Trips in 2018

+5.3%  

Source: World Travel Monitor®, 2018, IPK International
WORLD’S TOP TOURISM SPENDERS

1. **CHINA**
   - Spend: 258 US$ Billion (+5%)

2. **USA**
   - Spend: 135 US$ Billion (+9%)

3. **GERMANY**
   - Spend: 89 US$ Billion (+9%)

4. **UK**
   - Spend: 71 US$ Billion (+2%)

5. **FRANCE**
   - Spend: 41 US$ Billion (+1%)
DESTINATIONS OF EUROPEAN OUTBOUND TRAVELERS IN 2018

- Asia & Oceania: 47%
- North America: 19%
- Latin America: 14%
- Africa: 20%

Source: World Travel Monitor®, 2018, IPK International
Europe – U.S.
Capacity has grown at an above-average rate

9.3%
AVIATION ACCESS

64 MILLION
Journeys Between USA And Europe

35 MILLION
Of Which Are Indirect

Source: World Travel Monitor®, 2018, IPK International
WHERE DO EUROPEANS WANT TO TRAVEL TO?

Destination Interest - Top 10 States

- California: 45%
- New York: 43%
- Florida: 39%
- Hawaii: 24%
- Texas: 15%
- Alaska: 15%
- Washington: 14%
- Nevada: 11%
- Colorado: 9%
- Arizona: 9%

Question: You indicated in a previous question that you have interest in visiting the U.S. sometime in the future. Which U.S. state(s) are you interested in visiting?
Base: U.K. intercontinental travelers with interest in visiting the United States (N=947)
Source: Brand USA Market Intelligence Study
Phocuswright Inc. on behalf of Brand USA • 149
Market Intelligence Survey 2018 Results Market Profiles
TRAVEL TRENDS
TRAVEL WITH A GREATER SENSE OF PURPOSE

Many travellers now identify sustainable travel as a key element in their booking decision.

45% of UK Travelers

57% of German Travelers
DISPERsal AND REPEAT Visitation

70% of travellers to the US are combining two or more destinations
MILLENNIALS MAKE UP

40% of Europe’s Outbound Travel

72% of Millennials would spend on experiences rather than possessions
Complexity of What Influences Decision Making

Every travel booking is now influenced by

45 Digital Touchpoints

and, before making a travel booking,

52 Related Travel Queries

are conducted

Source: Adara’s Luxury Travel Consumer report
TARGET AUDIENCE
TARGET AUDIENCE
UK

High Value Travelers - 30% based in London

27% of UK consumers planned to spend more on their holiday this year

16% of these plan to visit North America
High Value Travelers - predominantly couples/older families

33% of Germans plan to spend between $2,500 and $4,999 on their next Intercontinental trip.
TRIP PERSONA TARGETS

AUTHENTIC IMMERSERS
Conscientious travelers, nature lovers, seeking cultural immersion and local interaction

WANDER LUSTERS
Travelers looking for ‘new’ destinations and new experiences

EXCLUSIVITY THRIVERS
Core need is to relax and re-energize through authentic, historical and cultural experiences
CONSUMER STRATEGY
Inspire consumers

Educate travelers on the uniqueness of the Hawaiian Islands

Focus on the rise of wellness travel and its links to Hawaiian culture

‘Tradigital approach’

Build and elevate brand awareness

Influence and educate target audience through PR, promotions and paid media
MARKETING CHALLENGE

How do we stand out in a sea of sameness?
OUR MISSION

Elevating and amplifying The Hawaiian Islands brand internationally
Aloha Spirit

What does Aloha mean to you?
What makes Hawai‘i unique?
CONSUMER CAMPAIGN

Integrated partnership with Just Breathe

Six Hawai‘i inspired podcasts, featuring traditional Hawaiian chants, delving into the individual culture and stories of each island...
PR & SOCIAL MEDIA

- Press materials and proactive pitching
- Broadcast opportunities
- Influencer engagement
- Social media content and creation
- Regular face-to-face media meetings
- Group and individual press trips
TRADE STRATEGY
Many UK and German consumers (particularly HVT’s) continue to book through retail agents. It is therefore key that we continue to **educate, motivate and incentivise** the European travel trade, to promote Hawai’i to their customers.
SPOTLIGHT ON THE UK DEMOGRAPHIC SPLITS

‘I have used an agent to book international travel in the past 12 months…’

84% of millennials

88% of Generation Xers

97% of Baby Boomers
SPOTLIGHT ON GERMANY
DEMOGRAPHIC SPLITS

44% of the population are Generation Xers with a preference to plan and book through travel professionals.
TRADE STRATEGY OVERVIEW

Share The Aloha Challenge…

Agents from the UK and Germany will compete to win a place on our Trade Fam, where participants will document their trip on social media, using the hashtag #sharethealoha, taking part in voluntourism activities.
RESPONSIBLE TOURISM
Our 2020 Mission

Incorporate responsible tourism messaging into all of our trade activity
Work with the trade to promote sustainability
Proactively pitch sustainability travel
Distribute Rooted and Kuleana videos with trade and media to educate consumers

It is our kuleana to positively impact the Hawaiian islands by preserving the values and interests of the local community
WHAT DOES SUCCESS LOOK LIKE?

- Elevated awareness of Hawai‘i as a brand on the global stage
- Perpetuating the Hawaiian culture, preserving natural resources and supporting the community
- Increased expenditure and length of stay
- Increased tourism contributions to economy
2020 BMP - SOUTHEAST ASIA

Kelvin Ong, Regional Director
Dan Darby, Trade Marketing & MCI Manager
MARKET CONDITIONS
OUTBOUND TO USA

Source: U.S. National Travel and Tourism Office
OUTBOUND TO HAWAI‘I

SEA to Hawai‘i

2016
Malaysia: 4,277
Singapore: 9,092
Thailand: 9,103

2017
Malaysia: 24,782
Singapore: 5,254
Thailand: 9,103

2018
Malaysia: 35,312
Singapore: 4,695
Thailand: 10,440

2019 (September)
Malaysia: 15,833
Singapore: 4,280
Thailand: 23,151

HAWAI‘I TOURISM
SOUTHEAST ASIA
AIRLIFT ACCESSIBILITY TO HAWAIʻI

- **All Nippon Airlines** 31%
- **Japan Airlines** 12%
- **China Eastern Airlines** 14%
- **Air Asia X** 11%
- **Korean Air** 11%
- **Philippine Airlines** 8%

**Flight frequency and seat capacity:**
- **59 weekly flights**
  - **14,216 seats per week**
- **40 weekly flights**
  - **9,505 seats per week**
- **32 weekly flights**
  - **7,768 seats per week**
TRAVEL TRENDS
63% of the 662 million population of SEA use Internet daily.

Newspapers are still a credible source of information.

Radio is still one of the main go-to channels. S.E. Asians tune in for an average of 14 hours weekly.

Spend an average of 8 hours 5 mins online, which of the 4 hours are spent on mobile.

Source: Digital in Southeast Asia, WeAreSocial/Hootsuite 2019; SEA Media Landscape by Nielsen 2018; Business Today, 2019
Travelers initiate a **GOOGLE search** on lifestyle, social media sites for inspiration

64% Watch destination video content to get inspiration

70% Travelers rely on reviews to decide an attraction/restaurant to visit

40% Silver Travelers said their travel decision was influenced by newspaper informative ads

Source: Adara Luxury Travel Behavior

Source: Hootsuite 2019
Halal travel is on the rise as Muslims are increasingly seeking out travel packages that are Muslim-friendly.

Southeast Asian travelers prefer to book via Online Travel Agencies (OTA) as it has given them more flexibility in planning their trip.

Southeast Asian travelers are increasingly opting for shorter and more frequent breaks.

Conscious travel is on the rise. SEA travelers are seeking more than personal fulfillment, but also contributing to the local community.

There is a growing trend in SEA women travelers and this is more prominent with young working women.

TARGET AUDIENCE
TARGET AUDIENCE

**Affluent Travelers**
- Aged from 28 to 40
- Annual income: US$40,000-US$120,000
- Make an average of 12 international trips per year
- 46% of them spend their income on travel and leisure
- Prefer to rely on travel agencies for booking and itinerary planning

**Romance Lovebird**
- Travels around the world celebrating special occasions
- Digital savvy & source travel inspiration online
- Anniversary celebration and renewing marriage vows have become an emerging trend among Southeast Asian travelers

**Silver Travelers**
- Financially stable with the luxury of time
- Make an average of 27 travel days per year
- 66% of their travel destination are influenced by informative ads
- Prefer to indulge in a more relax yet luxurious travel experience
CONSUMER STRATEGY
CORE BRANDING MESSAGE

DISCOVER
ALOHA
CONSUMER STRATEGY

Based on the findings and key branding message of Discover Aloha, the general approach for our consumer strategy involves

01 CURIOSITY
Entice the curiosity of SEA travelers to discover more about the Hawaiian islands and the unique FEEL of each island.

02 DISCOVER
SEA travelers to discover the true meaning behind the word “to lead to a better understanding and appreciation of the authentic Hawaiian culture.

03 INSPIRE
By educating and inspiring travelers to understand the true and authentic Hawaiian culture and the unique FEEL of the six islands of Hawai‘i, travelers will learn to embrace the spirit of aloha.

04 RESPONSIBLE
As a result, SEA travelers will be more mindful when they travel in Hawai‘i. They will be respectful to Hawai‘i’s culture and heritage, its people and community.
CONSUMER STRATEGY

1 LEVERAGE ON DIGITAL PRESENCE
   • Expand brand visibility online that focus on our target audience from working women looking for a retreat, to couple looking for romantic getaway

2 TRADITIONAL MEDIA
   • Media such as newspaper, magazine and radio are still an important outlet for the silver travelers in the Southeast Asia region

3 BRAND PARTNERSHIP
   • Tapping into our partner brand’s loyal consumer. For example, HTSEA will be running a campaign with GoPro that showcase Hawai’i cultural and natural resources
TOOLS TO REFINING TARGETING

Leverage on these tools to track, analyze and reach our target audience in order to obtain real-time reporting/results.
CONSUMER CAMPAIGNS

Hawai‘i Community Lū‘au
To celebrate Hawai‘i Lei Day festival and promote Hawaiian culture & gastronomy

Aloha Facebook ChatBot
Tap into AI learning to further understand the behaviors of its potential travelers and their interest on Hawai‘i

SEA GoPro x Influencer Campaign
Promote Hawai‘i’s cultural & natural resources and festivals & events by tapping into GoPro’s massive loyal consumers & influencers

#DiscoverAloha Digital Interactive Campaign
Leverage on interactive digital game to educate and promote authentic Hawai‘i cuisine in conjunction with Food and Wine festival.
TRADE STRATEGY
WHY TRADE IS STILL IMPORTANT

HUMAN ELEMENT

SEA travelers still prefer trade for accountability and assistance.

CO-OP CAMPAIGN

Opportunity to leverage trade partners’ platforms & resources.

MCI

Large groups still rely on tour operators.

AFFLUENT TRAVELER

Planning made easy with trade.

HAWAII TOURISM SOUTHEAST ASIA
ENGAGEMENT WITH TRADE

1. **EDUCATE**
   - Constant trade engagement & training through aggressive sales visitation, in-house training, workshop, Aloha trade mission and Familiarization trip.

2. **DEVELOP**
   - Expand island coverage beyond single island. Develop multi island packages, touching unique feel of each Island.

3. **COLLABORATE**
   - Identified key local travel trade stakeholders specializing in long-haul destination to collaborate in joint-promotion.

4. **INTEGRATE**
   - Leveraging on trade partners’ internal and external assets to promote multi-channel marketing.

5. **AIRLINES & AIRLIFT**
   - Exchange market intel and constantly explore opportunity to partner in joint promotions to drive conversion and improve load factor.

---

HAWAII TOURISM
SOUTHEAST ASIA
MCI
HTSEA will continue to promote and develop MCI leads for Hawai‘i in all countries in Southeast Asia with the main focus in Malaysia, Singapore & Thailand.
LEAD DEVELOPMENT

- **SUPPORT**
  Giving necessary in-kind support especially during bidding. E.g. lei garlanding, hula performance

- **LEADS**
  Working with airlines and DMC in getting new leads.

- **WORKING DIRECT WITH CORPORATE**
  Destination awareness to incentive prone corporate companies in Southeast Asia

- **MCI EDUCATION**
  Education to the DMC that will include MCI specific familiarization trip to Hawai‘i

- **WORK WITH GLOBAL MCI TEAM**
  Collaborate and support attendance building, develop leads for citywide groups
RESPONSIBLE TOURISM
RESPONSIBLE TOURISM

- **PR & Communication Initiatives**
  - Sending press release with story angles on responsible tourism
  - Media content partnership for both MCI and Leisure touch base topics on society, economy, and environment impact.

- **IGTV Episodes**
  - Rooted and Kuleana series will be repurposed and adapted to IGTV format for the SEA audience.

- **Regional FAM**
  - Integrating trade, media and influencer FAM trip that incorporate areas of either society, economy, or environment impact.
HTSEA will ensure its core branding message and all promotions align with HTA’s 4 pillars.
HAWAI'I TOURISM

TAIWAN

2020 BMP - TAIWAN

Molly Jou
Trade & MCI Marketing Director
MARKET OVERVIEW

- **GDP Growth**: 2.9%↑
- **Unemployment Rate**: 3.8%↓
- **Outbound Visitors**: 63%↑
- **Exchange Rate**: USD$1 = TWD$30
- **Disposable Income**: 3%↑
- **Mobile Payment**: 50.3%↑

*HAWAI'I TOURISM - TAIWAN*
<table>
<thead>
<tr>
<th>Travel Destination</th>
<th>2018 Outbound Travel (units)</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>4,825,948</td>
<td>4.5% ↑</td>
</tr>
<tr>
<td>Mainland China</td>
<td>4,172,704</td>
<td>6.2% ↑</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>1,696,265</td>
<td>4.3% ↓</td>
</tr>
<tr>
<td>Korea</td>
<td>1,086,516</td>
<td>22.2% ↑</td>
</tr>
<tr>
<td>Thailand</td>
<td>679,145</td>
<td>22.6% ↑</td>
</tr>
<tr>
<td>Vietnam</td>
<td>659,123</td>
<td>16.8% ↑</td>
</tr>
<tr>
<td>Macao</td>
<td>605,468</td>
<td>2.7% ↑</td>
</tr>
<tr>
<td>USA</td>
<td>569,180</td>
<td>0.9% ↓</td>
</tr>
<tr>
<td>Singapore</td>
<td>354,667</td>
<td>8.5% ↑</td>
</tr>
<tr>
<td>Malaysia</td>
<td>316,926</td>
<td>6.9% ↑</td>
</tr>
</tbody>
</table>

Source: Taiwan Tourism Bureau, MOTC
INCOMING TAIWAN VISITORS

<table>
<thead>
<tr>
<th>Year (YTD)</th>
<th>USA</th>
<th>Hawai'i</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>574,512</td>
<td>19,463</td>
</tr>
<tr>
<td>2018</td>
<td>569,180</td>
<td>17,523</td>
</tr>
<tr>
<td>2019</td>
<td>304,251</td>
<td>20,771</td>
</tr>
</tbody>
</table>

Source: HTA Data & Taiwan Tourism Bureau
## Flight Synopsis

**Taipei – Honolulu**  
A350-900 Flight

<table>
<thead>
<tr>
<th>Year</th>
<th>Frequency</th>
<th>Capacity</th>
<th>Passenger</th>
<th>Load Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>104</td>
<td>31,824</td>
<td>25,660</td>
<td>80.6%</td>
</tr>
<tr>
<td>2017</td>
<td>105</td>
<td>31,223</td>
<td>27,277</td>
<td>87.4%</td>
</tr>
<tr>
<td>2016</td>
<td>105</td>
<td>32,475</td>
<td>26,101</td>
<td>79.7%</td>
</tr>
</tbody>
</table>
TRAVEL TRENDS
MARKET TRENDS

- Living Green
- Rapid Mobilization
- FIT Boom
- Experience First
- Travel Solo
CHALLENGES

Southbound Policy

Intense Competition

Presidential Elections
TARGET AUDIENCE
TARGET AUDIENCE
– HIGH VALUE TRAVELERS

Affluent Millennials – Avid Leisure
• Experienced, highly educated, well-traveled
• High propensity for Experiences
• Highly engaged with social media

Families – Reunion & Educational
• Parent-child bonding
• Cultural learning
• Filial piety by children

Romance Seekers – Include LG BTQ
• Getaways for urbanites
• Overseas weddings, honeymoons & babymoons
• LG BTQ community
CONSUMER STRATEGY
Hawaiʻi ~ Sanctuary of Aloha

《回歸初心 探索永續夏威夷》
MAJOR CAMPAIGNS

《回歸初心 探索永續夏威夷》

Malama ‘āina

Aloha Family Picnic Festival

Hawai‘i Sanctuary of Aloha

Lei for Love

Cuisine of Aloha
**Target Audience**: HVT – Millennials (Avid Travelers)
**Marketing Mix**: KOL Fam, Social Video, Advertising, PR, Trade

**MALAMA ‘ĀINA**

Digital Marketing
![YouTube](youtube.png) ![LINE](LINE.png) ![Facebook](facebook.png) ![Instagram](instagram.png)

**Year Round Social Media & PR**

**Potential Partners**

![Hawaiian Airlines](hawaiian-airlines.png)

![Hawaii Tourism](hawaii-tourism.png)

![Sustainable Tourism](sustainable-tourism.png)

![Green Hotels Association](green-hotels-association.png)

![Maui Tropical Plantation](maui-tropical-plantation.png)

![travel2change](travel2change.png)
ALOHA FAMILY PICNIC FESTIVAL

Target Audience: Families
Marketing Mix: Outdoor, PR, TV ADs, Social Content, KOL, Mini Trade Fair

Potential Partners

Year Round Social Media & PR

Digital Marketing
LEI FOR LOVE

Target Audience: Couples & LGBTQ
Marketing Mix: Floral Theme Itineraries, YouTube, Brand Alliance, Social Media, Trade

Digital Marketing

Year Round Social Media & PR

Potential Partners
CUISINE OF ALOHA

Target Audience: HVT - Millennials
Marketing Mix: Social Media, Online TV Channel, Celebrity Chefs, Food Trucks, Travel Fair

Digital Marketing
Year Round Social Media & PR

Potential Partners

ANA
HAWAIIAN AIRLINES
HAWAII FOOD & WINE FESTIVAL
天和鮮物
HAWAI’I TOURISM
TRADE STRATEGY
Objective:
- Secure leads for leisure & MCI business
- Educate partners on island dispersal
- Support partners in product development

Description:
- Leisure & MCI business
- Face-to-face business appointments
- Leisure trade, MCI Intermediaries, Incentive Planners, Corporates

Potential Partners:
- HAWAIIAN ISLANDS
- CHINA AIRLINES
- HAWAII TOURISM TAIWAN
MCI
LEAD DEVELOPMENT

Channel A

Corporation Clients
- Mega Group
- Large Group
- Mid-sized Group
- Small-sized Group

Large MCI Intermediaries

Hawai‘i Tourism Taiwan

3rd Parties
- AIT, DAC, ANTOR Associations

Global MCI

Island Chapters

Hawai‘i Industry Partners

Channel B

Small MCI Intermediaries
TARGET CORPORATIONS

Amway
HERBALIFE NUTRITION
南山人壽
NU SKIN. DISCOVER THE BEST YOU
倍力資訊
全球人壽
Softnext
AVON
NDC
台湾雲康
新光人壽
新光金控
新光人寿
台北市電腦公會
Cloudmed
台湾雷射科技應用協會
messe frankfurt
中華民國展覽暨會議商業同業公會
Taiwan Exhibition & Convention Association
Taiwan Association of Multilevel Marketing, R.O.C
中華民間多層次傳銷商業同業公會
TCA
中華民間全國商業總會

Jeunesse
YourSaa5
台塑
中華海洋生技
Hi-Q
中華民國醫事放射學會
International Ophthalmological BioTechnology

TICAA
中華國際現代藝術家協會
Taiwan International Contemporary Artist Association

Ubitus
"Enrich your cloud"
RESPONSIBLE TOURISM
RESPONSIBLE TOURISM

Year Round Social Media & PR

MALAMA ‘ĀINA

NATIONAL GEOGRAPHIC

BUSINESS WEEKLY

MALAMA 'ĀINA

ELLE

VOGUE
Community

Hawaiian Culture

Marketing

Natural Resources

Aloha "夏"之初心
Malama 'Aina

Aloha "夏"之音符
Family Picnic Festival

Aloha "夏"之花語
Lei for Love

Aloha "夏"之尋味
Cuisine of Aloha
2020 BMP - CHINA

Dennis Suo, CEO
Alexander Wong, COO
MARKET CONDITIONS
MARKET CONDITIONS

Chinese GDP and Currency, 2013–2018

Annual Chinese Visitation to the U.S., 2013–2018

Source: Oxford Economics

Source: U.S. Department of Commerce
MARKET CONDITIONS

TOP CHINESE LONG-HAUL DESTINATIONS AND SHARE OF LONG-HAUL TRAVEL FROM CHINA, 2015 AND 2018

<table>
<thead>
<tr>
<th>DESTINATION</th>
<th>SHARE OF LONG-HAUL TRAVEL, 2015</th>
<th>SHARE OF LONG-HAUL TRAVEL, 2018</th>
<th>VISITATIONS, 2018 (IN MILLIONS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 United States</td>
<td>15.3%</td>
<td>12.9% ▼</td>
<td>3.0</td>
</tr>
<tr>
<td>2 France</td>
<td>12.8%</td>
<td>9.1% ▼</td>
<td>2.1</td>
</tr>
<tr>
<td>3 Russia</td>
<td>6.7%</td>
<td>9.0% ▲</td>
<td>2.1</td>
</tr>
<tr>
<td>4 Germany</td>
<td>8.1%</td>
<td>6.9% ▼</td>
<td>1.6</td>
</tr>
<tr>
<td>5 Australia</td>
<td>6.0%</td>
<td>6.2% ▲</td>
<td>1.4</td>
</tr>
<tr>
<td>Total Long-Haul Travel</td>
<td>100%</td>
<td></td>
<td>23.1</td>
</tr>
</tbody>
</table>

Source: Tourism Economics and U.S. Department of Commerce (for U.S. arrivals)

CHINA MARKET SUMMARY, 2018

<table>
<thead>
<tr>
<th></th>
<th>3 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Visitations from China</td>
<td></td>
</tr>
<tr>
<td>Travel Spending</td>
<td>$18.3 billion</td>
</tr>
<tr>
<td>Average Spending Per Visitor</td>
<td>$6,950</td>
</tr>
<tr>
<td>Total U.S. Travel Exports</td>
<td>$34.5 billion</td>
</tr>
<tr>
<td>U.S. Travel Trade Balance</td>
<td>$29 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VWP Member</th>
<th>Free Trade Agreement</th>
<th>Global Entry</th>
<th>Preclearance</th>
<th>Open Skies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>
### International Visitors to the U.S. (2018)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Canada</td>
<td>21.2 million</td>
</tr>
<tr>
<td>2</td>
<td>Mexico</td>
<td>18.5 million</td>
</tr>
<tr>
<td>3</td>
<td>U.K.</td>
<td>4.7 million</td>
</tr>
<tr>
<td>4</td>
<td>Japan</td>
<td>3.5 million</td>
</tr>
<tr>
<td>5</td>
<td>China</td>
<td>3.0 million</td>
</tr>
<tr>
<td>6</td>
<td>S. Korea</td>
<td>2.2 million</td>
</tr>
<tr>
<td>7</td>
<td>Brazil</td>
<td>2.2 million</td>
</tr>
<tr>
<td>8</td>
<td>Germany</td>
<td>2.1 million</td>
</tr>
<tr>
<td>9</td>
<td>France</td>
<td>1.8 million</td>
</tr>
<tr>
<td>10</td>
<td>India</td>
<td>1.4 million</td>
</tr>
</tbody>
</table>

### 2018 U.S. Travel Exports (for all purposes including education)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China</td>
<td>$34.6 billion</td>
</tr>
<tr>
<td>2</td>
<td>Canada</td>
<td>$22.2 billion</td>
</tr>
<tr>
<td>3</td>
<td>Mexico</td>
<td>$20.9 billion</td>
</tr>
<tr>
<td>4</td>
<td>Japan</td>
<td>$16.3 billion</td>
</tr>
<tr>
<td>5</td>
<td>U.K.</td>
<td>$16.2 billion</td>
</tr>
<tr>
<td>6</td>
<td>India</td>
<td>$15.8 billion</td>
</tr>
<tr>
<td>7</td>
<td>Brazil</td>
<td>$12.3 billion</td>
</tr>
<tr>
<td>8</td>
<td>S. Korea</td>
<td>$9.5 billion</td>
</tr>
<tr>
<td>9</td>
<td>Australia</td>
<td>$8.6 billion</td>
</tr>
<tr>
<td>10</td>
<td>Germany</td>
<td>$8.3 billion</td>
</tr>
</tbody>
</table>

**MARKET CONDITIONS**
MARKET CONDITIONS

Visitation to U.S. Destinations % of Inbound

- Texas
- D.C. (Metro Area)
- Florida
- Hawaii
- Washington
- California
- Massachusetts
- Nevada
- Pennsylvania
- New York
- Illinois

Source: Tourism Economics and U.S. Department of Commerce (for U.S. arrivals)
CONSUMER TRENDS
# Consumer Trends

Industry players should rethink their assumptions about Chinese outbound tourists

<table>
<thead>
<tr>
<th>What they like to do</th>
<th>Myth</th>
<th>Reality</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shop! Shop! Shop!</td>
<td>Experience matters more</td>
</tr>
<tr>
<td></td>
<td>Exclusively visit iconic landmarks</td>
<td>Diverse travel needs</td>
</tr>
<tr>
<td>How to accommodate them</td>
<td>Short length of stay</td>
<td>Longer length of stay</td>
</tr>
<tr>
<td></td>
<td>Astravel gain experience, decline</td>
<td>Air + hotel package on the rise and activities booking in destination</td>
</tr>
<tr>
<td></td>
<td>In package tours</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Only have taste for Chinese cuisine</td>
<td>Fine dining highly valued</td>
</tr>
<tr>
<td></td>
<td>Cash/Union Pay transaction only</td>
<td>Alipay/WeChat is a must</td>
</tr>
<tr>
<td>How to attract them</td>
<td>Rely on traditional travel agencies</td>
<td>Friends/family and social media play pivotal role, digitally savvy</td>
</tr>
</tbody>
</table>

**CONSUMER TRENDS**

Hawaii Tourism, China
China Mobile Payment Volume = +209% vs. +116% Y/Y Led by Alipay + WeChat Pay

China Mobile Internet Usage (Data) = Continues to Accelerate +189% vs. +162% Y/Y
TARGET AUDIENCE
1. Desirability
2. Accessibility
3. Disposable Income
4. US Visa Issuance

TARGET AUDIENCE

MILLENNIUM INDIVIDUALIST (MI)

FAMILY TRAVELERS

AFFLUENT BESPOKE PACKAGE (ELITE)
INTEGRATED DIGITAL MARKETING (IDM) STRATEGY
Built on connecting – Tencent’s ecosystem is integral into everyday life in China
Why WeChat?

1.1B
Monthly active users Weixin + WeChat

90 mins
50% of users use WeChat for at least 90 mins a day

65%
% of All Monthly Active Users born in 80s or 90s

>1M
Total Mini Programs on the WeChat Official Account Platform

WeChat Penetration in China Tier 1-5 Cities

<table>
<thead>
<tr>
<th>Tier</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>93%</td>
</tr>
<tr>
<td>Tier 2</td>
<td>69%</td>
</tr>
<tr>
<td>Tier 3</td>
<td>43%</td>
</tr>
<tr>
<td>Tier 4</td>
<td>27%</td>
</tr>
<tr>
<td>Tier 5</td>
<td>28%</td>
</tr>
</tbody>
</table>

HAWAII TOURISM CHINA
Brands benefit from WeChat’s robust ecosystem and open platform

Businesses can establish an Official Account to connect with consumers through WeChat’s natural and intimate chatting interface.
Mainstream Front of Social Short Video Marketing

Average Smartphone Time Spent per MAU per Month

Initial products officially launched

10 million plus

30 million plus
Topped the list of free products on Thailand and Japan App Stores

70 million plus

150 million plus

Douyin turned out to be the most downloaded iPhone App globally in Q1

2016

2017

2018

Data source: Sensor Tower; TikTok platform

HAWAII TOURISM

CHINA

IDM STRATEGY

MAU: 450 million
DAU: 200 million
Daily video views: 20 billion
First step in short video marketing:
Set up official Duoyin account for Hawai‘i
Xiaohongshu

Young people's lifestyle platform and consumption decision guide

In Xiaohongshu, users post little moments of their lives through short video, graphic and other forms. As of March 2019, Xiaohongshu had more than 220 million users which continued to grow rapidly, 70% of whom were born in the 1990s.
Xiaohongshu
Youth’s lifestyle platform and consumption guide
KOLs in-depth content coop, enforcing endorsement, and inspiring organic travel UGC

IDM STRATEGY

1. Destination “Checking-In” Point by KOL
2. Destination Travel Tips
3. Gourmet Recommendation
4. Ultimate Landscape Photography

KOLs
Travel
Photography
Gourmet

HAWAII TOURISM
CHINA
Mafengwo Travel

China's Leading Travel UGC Platform

UGC jointly created by hundreds of millions of FIT travelers, which has more than 60,000 global travel destinations, 600,000 new travel guides and itinerary recommendations, 760 million travel-guide downloads, and is considered as "China's travel bible".
Mafengwo
China's Leading Travel UGC Platform
KOLs Travel Content Cooperation

1. Travel VLOG
   Vlogs for scenery, gourmet and local culture.

2. Travelogue
   In-depth personal travel notes to evaluate the scenic spots, natural landscape, hotels, food, attractions, shopping etc.

3. Travel Guide
   Travel guides and tips respectively for MI, Family and Elite travelers based on the preferences.
The campaign concept is to move away from stereotyped beach resort sceneries to offer an authentic local Hawaiian experience and let the travelers define the uniqueness of Hawaiian Islands.
To drive demand by improving brand awareness of the Hawaiian Islands. To showcase the culture of Hawai’i, history and people along with our natural beauty.
To avoid formulating a “one size fits all” journey for all Hawaiian Islands. The consumption needs of Chinese tourists are constantly fluid and evolving.
限时挑战 10天穿越夏威夷
Time-limited challenge 10 days to travel in Hawai‘i – MI Market

‘Ohana foodie travel guide campaign
#带全家吃遍夏威夷 Eat like a local#
- Family Market

HAWAI’I TOURISM CHINA

CAMPAIGN DEMO

Day 1  Day 4  Day 8  Day 10

梨视频 X 抖音
#夏威夷年轻力 Vlog 周刊 #
Pear Video X Douyin (TikTok)
#Hawaii youth force vlog weekly# - MI Market
Partnership with luxury travel platform Ctrip HH Travel #TOP 10 ultimate journeys in Hawaiʻi#

CAMPAIGN DEMO
Platform Development, Integration of WeChat MP, OA, AR w/ Gohawaii.com, Meethawaii.com

B2B - Trade & MCI FAM, Trade Shows, OTA Itinerary design, Airlines Coop

B2C - Content Marketing (KOLs, Media FAM, Events, Short Videos and PR)

Digital Content Marketing to drive Trade Marketing

MI
Family
Elite

OTA
Airlines

UGC
Tencent

Social Media & Payment

Hotels
Retailers
Attractions
Restaurants
Activities
Transportation
TRADE MISSION 2020

WE CONNECT THE WORLD OF TRAVEL
13 - 15 May 2020 · Shanghai · itb-china.com

MATCHMAKING
21,000+
Match Made & Prescheduled Appointments Maximize Business Opportunities

HOSTED BUYERS
1,050
Top And Hand Selected Hosted Buyers

MATCHMAKING
21,000+
Match Made & Prescheduled Appointments Maximize Business Opportunities

BUYERS’ ORIGIN
850
Chinese Buyers

850 Chinese Buyers

CHINESE BUYERS GEOGRAPHIC BREAKDOWN

MIDDLE & SOUTH CHINA
SOUTH CHINA
NORTH CHINA
EAST CHINA
HONG KONG / MACAU / TAIWAN

31%
21%
30%
17%

INTERNATIONAL BUYERS GEOGRAPHIC BREAKDOWN

Europe
North-East Asia
Southeast Asia
American
Oceania
Others

30%
15%
8%
12%
3%
10%
Unique attractions
Tailored China programs
Politically China friendly
Fresh Air and Cleanness
Safety and Stability
New hot spot destination

Destination 6 Selection Criteria

Industry Collaboration
- Compelling offers
- MCI Incentive & Rewards program

B2B MCI WeChat Platform
- Leverage MeetHawaii.com content and suppliers
- Build direct connection between clients and suppliers

1 To 1 Relationship Building
- Targeted industry and leads
- Attend key trade shows
- Maintain and develop

MCI
Hawaii Tourism China
MCI Destination Package Program

1. Accessibility and Ground Transportation Solution
2. Accommodation and Meeting Facilities
3. Themed Dinner / Gala Dinner / Awards Night
4. Team Building Activities
5. Hawaiian Cultural Event / Performance / Local Immersion
6. Sightseeing of Local Icons and Scenery
7. Mix of Both Chinese and Local Cuisines
8. Chinese Language Tour Guides and Service Support
9. Shopping Facility and Exclusive Offers
10. Relate to Corporate Culture / Objectives
11. Corporate Social Responsibility (CSR) Activities
12. Iconic Location for Group Photo
RESPONSIBLE TOURISM
• COMMUNICATE ROOTED, KULEANA and TRAVEL TIPS messaging creatively and respectfully into our digital and social media campaigns and platforms from KOLs to Short Videos.

• LEAD a focus group consortium involving industry stakeholders to ensure consistency of messages to all Chinese visitor groups.

• INCORPORATE HTA’s Hawaiian cultural initiatives, Hawaiian values and traditions into the strategic and creative processes.

• ALIGN WITH HTA’s 4 Pillars in B2C2B marketing strategy as branding differentiator in the world’s most competitive Chinese outbound market to build a long-term ROI.
2020 BMP - KOREA

Liz You
Director of Marketing and PR
MARKET CONDITIONS
Chill in inter-Korean relations

Trade War between South Korea and Japan

1.8% Korean GDP growth in 2019

Fluctuating FX rate

1$ = 1,168.46 KRW (as of Oct 2019)
• 30 million Korean outbound trips are expected in 2019 (YoY 4.5%) *Source: KTO
KOREA OUTBOUND TRIPS

Korean visitor arrival to the U.S.: 2.2 million pax in 2019 (YoY -1%)

*Source: NTIO
• Delta increased its stake to 9.21% in Korean Air’s parent company Hanjin KAL
• Hyundai Development Co (HDC) - Mirae Asset consortium, wins bid for Asiana Airlines
TRAVEL TRENDS

Sustainability
Transformational Travel
Expanding OTAs
TARGET AUDIENCE
### Korea’s Key Target Segment

<table>
<thead>
<tr>
<th>Millennial-minded Travelers</th>
<th>Aspirers</th>
<th>Explorers</th>
<th>Mainstreamers</th>
<th>First-time Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>#Independent</td>
<td>#Materialistic</td>
<td>#Challenge</td>
<td>#Conventional</td>
<td>#Travelers who haven’t visited Hawai’i yet</td>
</tr>
<tr>
<td>#Experiences</td>
<td>#Acquisitive</td>
<td>#Adventurers</td>
<td>#Favoring well-known brands</td>
<td></td>
</tr>
<tr>
<td>#Followers of individual themes</td>
<td>#Affiliative</td>
<td>#keen to try new activities and experiences</td>
<td>#Family travelers</td>
<td></td>
</tr>
</tbody>
</table>
KEY STRATEGIES

1. Drive destination brand awareness
2. Drive high-value visitation
3. Maintain high-value air services to Hawai’i
4. Maintain the cultural integrity of Hawai’i
5. Collaborate with Hawai’i’s visitor industry
6. Promote Hawai’i as MCI destination
CONSUMER STRATEGY

• New Hawai‘i branding campaign
• Aloha media university
• #Stories of aloha
• Sense of Hawai‘i
  - Sounds of Hawai‘i
  - Arts of Hawai‘i
  - Taste of Hawai‘i
Fly to Hawai‘i
Get inspired

Hawai‘i Brand Position in Korea
ALOHA MEDIA UNIVERSITY

MEDIA REVERSE MISSION

- Inaugural Hawai‘i media reverse mission
- Educational opportunity to showcase Hawai‘i’s authentic culture
- Media marketplace and FAM
# STORIES OF ALOHA

- Social media management program
- YouTube Aloha TV – HTK’s newest communication channel
- Up-to-date management of Facebook
- Develop contents via collaboration with micro-influencers

1.5K Followers  |  22K Followers  |  20K Followers
SOUNDS OF HAWAI‘I
IN PARTNERSHIP WITH MELON

Melon

Launch a consumer promotion with Melon

Over 28 million subscribers

Appoint ‘Aloha DJ’ to create a new playlist of Hawaiian songs
• Leverage art of Hawai‘i for destination exposures

• Collaborate with artists based in Hawai‘i to organize art exhibition to promote destination along with its deep culture

• Total volume of Korean art business in 2017 has been increased 25% to about US$ 492 million, compared to the previous year
• Refresh image of Hawai‘i as a culinary destination full of sustainable food

• Collaborate with SSG, the largest retailer in Korea owned by Samsung

• ‘Tasty Hawai‘i Market’
TRADE STRATEGY

• Airline co-op programs
• Meet your #OhanaMoment
• 1 week on each Island (10I)
Aloha priority campaign for new-lux Hawaii product

Hawaii OTA campaign for special-themed FIT products

Hawaii heritage promotion for sustainability/neighbor islands initiatives

Aloha millennial promotion for FIT branding campaign
MEET YOUR #OHANAMOMENT

Market Background
Korea’s No.1 wholesaler Hana Tour showed 91% YOY growth in 3 generation trips

Objectives
Position Hawai‘i as ultimate generation-by-generation family trip destination

‘Aloha 3 Generation’ package products development
Additional edu-tour themed #OhanaMoment product
Sales/online advertising promotions
1 WEEK ON EACH ISLAND (101)

Market background
Korean visitors’ length of stay: 7.72 days (YTD September 2019), up 3.8% (Source: DBEDT)

Objectives
Bolster extended stays and high spending on the Hawaiian Islands

- Core target media FAM
- #Hawaii’i 101 influencer FAM
- Longer stay-themed FAM & follow-up promotion
MCI

- MCI market background
- Lead development from key corporate-target events
- Golf promotion and initiatives
MC I MARKET BACKGROUND

- Increasing demand on long-haul destinations
- Shorter length of stay (4 to 5 nights in Hawai’i)
- Key vertical segment: finance/banking, insurance, multi-level marketing (MLM)
- Emerging segment: technology & entertainment sector
- Avoid leisure peak season
- Growing B+leisure market
- National general election in Apr 2020
LEAD DEVELOPMENT FROM KEY CORPORATE-TARGET EVENTS

Meet Hawai‘i corporate weekend

Meet Hawai‘i corporate VIP reception
GOLF INITIATIVES

- Pitch Hawai‘i as a year-round premium golf destination

- Develop large-scale co-promotion in concert with major golf tournaments in Hawai‘i – Sony Open Golf Tournament and Lotte LPGA Golf Championship

- Develop new Hawai‘i golf tour products and execute online/offline promotions
RESPONSIBLE TOURISM

- Pre/post arrival campaign
- Go green with aloha
Kuleana means **responsibility** and it’s the personal and collective commitment to the people of Hawai‘i and the place.

- Volunteer opportunities in Hawai‘i
- Collaboration with local partner for native Hawaiian culture
- In-flight video and hotel confirmation email
- Educational seminars
GO GREEN WITH ALOHA

- Promote the Hawaiian Islands as a sustainable and eco-friendly destination
- Elevate Hawai‘i as a global center and brand for sustainability

PR
- Celebrity endorsement in line with Honolulu Marathon

Digital
- Joint social media campaign with consumer brands

Marketing
- Partner with Hawai‘i Green Growth on Aloha+ Challenge
- Sustainable coastlines Hawai‘i
KEY STRATEGIC PILLARS

Brand marketing
Fly to Hawai’i, Get inspired

Hawaiian culture
#STORIES Of ALOHA

Natural resources
#FIND YOUR ALOHA

Industry & community collaboration
#KULEANA CAMPAIGN
MAHALO!
KAM-SA-HAM-NI-DA!
MARKET CONDITIONS
Market conditions

Japan’s economic overview

- **0.3%** GDP growth forecasted (2020)
- **2.2%** unemployment rate (Jul 2019) 26-year low
- **1.2%** growth in employee compensation (2020)
Market conditions

Currency exchange

107 ¥
exchange rate
(Sep 2019)

37.1%
consumer confidence index
(Aug 2019)

10%
consumption tax
(from Oct 2019)
Market conditions

Key trends

1. Global economic threats
   • US-China trade war
   • Escalating tensions between Japan and South Korea
Market conditions

Key trends

2. Japan’s outbound travel instability
   - Consumption tax hike
   - Declining population (lowest level in recorded history)
   - Inclination to save
   - Appeal of closer destinations
   - Natural disasters
### Japan natural disasters (2018)

<table>
<thead>
<tr>
<th>Natural Disasters</th>
<th>Dates (2018)</th>
<th>Area</th>
<th>Economic Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earthquake</td>
<td>9/9</td>
<td>Hokkaido</td>
<td>$1.25+ billion</td>
</tr>
<tr>
<td>Typhoon 21 (Jebi)</td>
<td>8/28 - 9/5</td>
<td>Kinki</td>
<td>$13+ billion</td>
</tr>
<tr>
<td>Typhoon 20 (Cimaron)</td>
<td>8/18 - 8/24</td>
<td>Kinki, Shikoku</td>
<td>$100+ million</td>
</tr>
<tr>
<td>Typhoon 12 (Jongdari)</td>
<td>7/25 - 8/3</td>
<td>Kinki, Kanto</td>
<td>$715+ million* (China included)</td>
</tr>
<tr>
<td>Torrential Rains</td>
<td>6/28 - 7/9</td>
<td>Kinki, Chugoku</td>
<td>$10+ billion</td>
</tr>
<tr>
<td>Earthquake</td>
<td>6/18</td>
<td>Kansai</td>
<td>$3.25+ billion</td>
</tr>
</tbody>
</table>

Total major natural disasters: 6
Total economic loss: $28.3 billion
## Market conditions

### Japan natural disasters (2019)

<table>
<thead>
<tr>
<th>Natural Disasters</th>
<th>Dates (2019)</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typhoon 19 (Hagibis)</td>
<td>10/11-13</td>
<td>Kanto, Koushinetsu, Tohoku</td>
</tr>
<tr>
<td>Typhoon 15 (Faxai)</td>
<td>9/5-9</td>
<td>Chiba, Kanto</td>
</tr>
<tr>
<td>Torrential Rains</td>
<td>8/26-28</td>
<td>Saga, Fukuoka, Kyushu</td>
</tr>
<tr>
<td>Earthquake</td>
<td>8/4</td>
<td>Fukushima, Tohoku</td>
</tr>
<tr>
<td>Earthquake</td>
<td>6/18</td>
<td>Yamagata, Tohoku</td>
</tr>
<tr>
<td>Earthquake</td>
<td>5/25</td>
<td>Chiba, Kanto</td>
</tr>
<tr>
<td>Earthquake</td>
<td>5/10</td>
<td>Miyazaki, Kyushu</td>
</tr>
<tr>
<td>Earthquake</td>
<td>2/21</td>
<td>Hokkaido</td>
</tr>
<tr>
<td>Earthquake</td>
<td>1/3</td>
<td>Kumamoto</td>
</tr>
</tbody>
</table>

Total major natural disasters: 9
Total economic loss: TBD
3. Japanese Outbound Market

- **11.2 million** total Japanese outbound travelers (incl. business trips) as of August 2019 (+8.3%)
- Hawai’i holds an 8% Share
Market conditions

Key trends

4. 2020 Tokyo Olympics
   • Temporary boost to Japan’s economy (increase in personal consumption and inbound travel demand)
Market conditions

Air seat synopsis

1. **16 new international slots** at Haneda Airport

   **3-5 slots anticipated for Hawai‘i**
   - New product development
   - New opportunities for first-timers from regional cities
Market conditions

Air seat synopsis

2. Rise of FIT travelers from Tokyo
   - Narita and Haneda comprise of 70% of market
3. Airline partnerships spur competition
4. Japan airlift to Hawai‘i forecasted at 2.17 million seats in 2020 (+10%)
TRAVEL TRENDS
Travel trends

Media preferences: Digital, digital, digital!

• Rise of environmental stewardship messaging
• Departure from single channel to multi-level platform marketing
• User Generated Content (UGC), influencer and micro-influencer marketing
Travel trends

General channel distribution

How do consumers shop for destination inspiration?

• Word of mouth, digital, various media
• Rise of conscious consumers - locavores, glamping, societal impact concerns
• Experienced-based consumption
• Workation - travel combining work and vacation
• Sustainability/health tourism/wellness
Travel trends

General travel trends

• Rising world tourism population
  • Japan’s steady outbound travel growth
• Rebound of competing destinations
  • Europe, Thailand, Vietnam, Guam
• Growing ecotourism initiatives
• Japan labor reform initiatives
TARGET AUDIENCES
Target audiences

Trip persona targets

• Household Income $100,000+
• Households/families with multiple generations
• Consumers in their 30s and 40s
• Single households targeting health/wellness, nature and workations
• Couples with and without children
• Millennials
Target audiences

Trip persona targets

- High value travelers
- Romantic couples
- Experience seekers - millennials
- Multi-generation
Target audiences

Key geographic target areas

**MAJOR REGIONS**
Kanto and Kansai

**CITIES WITH DIRECT FLIGHT SERVICE**
Nagoya, Sapporo and Fukuoka

**CITIES WITH STRONG FEEDER FLIGHT ACCESS**
Sendai, Niigata, Hokuriku, Hiroshima, Ehime, Kagoshima and Okinawa
CONSUMER STRATEGY
Consumer strategy

General approach

• **Target marketing** – speak to defined audiences to attract and convert high-value travelers

• **Amplify content** – educate visitors on Hawai’i’s natural resources and authentic Hawaiian culture while driving engagement
Consumer strategy

General approach

• **Industry and nonprofit partnerships** - develop community initiatives that enhance residents’ and visitors’ experiences

• **Signature events** - promote positive resident and visitor interaction

• **4 pillars marketing campaigns** - align all initiatives with brand marketing, Hawaiian culture, natural resources and community
Consumer strategy

Core brand messaging

- Hawai‘i through lens of the past
  - Hawai‘i is not about the beach, Diamond Head, shaved ice and loco moco
Consumer strategy

Core brand messaging

• Hawai‘i today
  • Enlighten visitors about the aloha spirit through experiences and education
  • Inspire a deeper appreciation of Hawai‘i’s natural beauty, local community, historic significance and cultural depth
Consumer strategy

Core brand messaging

• Capitalize on the rich historical and cultural alignment between Hawai‘i and Japan
• Tailor messaging to appeal to specific interests of target audiences
  (High value traveler, romance, millennial, first-timer and further differentiate by island)
Consumer strategy

Advertising, PR, media FAMS, promotions

- Select platforms that align with target audiences (digital, OOH, social media)
- Promote collaborative content/2-way UGC campaigns
- Target marketing efforts specific to each island
- Differentiate repeat and first-timer strategies
- Position surfing as Hawai’i’s state sport to capitalize on 2020 Tokyo Olympics introduction
Consumer strategy

Campaign targets

1. Affluent market
   - Mileage club and credit card members
   - Product development with retail outlets
2. Romance market
3. Regional city first-timer acquisition
4. Millennial market ambassador program
Consumer strategy

Creative assets

• Build upon HVCB’s Share Aloha and Hawai‘i Rooted campaigns
• Expand library assets to include vertical videos, VR, short movies
TRADE STRATEGY
Trade strategy

Travel trade initiatives

• Top airlines, wholesalers, OTAs and retail agents – sales/promotions with highest ROI
• Educational training programs using enhanced technology (webinar, VR)
• Augment FAM tours by collaborating with airlines, partners and stakeholders
• Customize promotions for trade partners that align with goals/objectives

% of total Japanese travel to Hawai‘i

- 40%
- 60%

Package
FIT
Trade strategy

- HTJ’s hallmark educational platform promoting Hawai’i and its history, culture, and community
- Over 18.5k Hawai’i specialist travel agents in 210 branches
- Wholesalers’ new hire training programs
- Charitable contributions to local NPOs
MCI

MCI strategy

• Position Hawai‘i as the closest U.S. destination with consistent airlift and abundant accommodation options
• Develop new initiatives targeting specific MCI markets
• Leverage strong wholesaler/organizer relationships to generate quality leads
7. MCI

Target audience

- Incentive
- Education
- Sports
- Entertainment
- Attendance building
7. MCI

Lead generation

- Smaller groups to neighbor islands
  - Incentive and education
- Regional city strategies
  - Cities that utilize feeder flights
  - MICE seminars and workshops
  - Airline joint promotions
- Responsible tourism focused organizations
RESPONSIBLE TOURISM
Responsible tourism

Distribution of Hawai‘i Rooted, Kuleana and travel tips

• Translate and repurpose HVCB and DLNR assets for distribution across Japan
• Showcase segments through digital marketing platforms
• Target environment/nature media in outreach efforts
Responsible tourism

Responsible tourism initiatives

• Create sustainable tourism package products with promotional support
• Facilitate activities that educate/promote Hawaiian culture (e.g., Hōkūleʻa documentary, Ōlelo Hawaiʻi study sessions)
• Work with local NPOs to enhance visitor experiences and build community engagement
Responsible tourism

Responsible tourism activities

- Sea Cleaners beach clean-up with HTO: Japan initiatives include Hawaiian Airlines at Chigasaki on 10/5 and Kamogawa (Kyoto) on 10/6
- Sea turtle display at JATA’s Tourism Expo in Osaka using marine debris
- ‘Ōlelo Hawai‘i workshop
Responsible tourism activities

- Work with the DLNR, UH and NOAA to share informational materials with Japanese visitors
- Local 2030, Aloha + Challenge
  - Collaboration with Blue Planet Foundation and AKB48
- Educational seminar and movie blitz onboard the Hōkūleʻa in cities including Sapporo, Tokyo, Yokohama, Nagoya, Osaka and Hiroshima
Putting it all together…
Brand Marketing

In 2020, HTJ will drive its core brand messaging to target audiences and attract high-value visitors in the affluent, romance, multi-generation and millennial markets while capitalizing on the Olympic Games in Tokyo.
Hawaiian Culture

Aloha Program will be used as the vehicle for cultural practitioners to inspire Hawai‘i experiences and educational opportunities that perpetuate Native Hawaiian culture while sharing Hawai‘i’s rich history.
Natural Resources

In addition to new package development, responsible tourism will be reinforced by educating visitors to respect Hawai‘i’s fragile environment pre-arrival and while on island through joint initiatives with DLNR, UH and NOAA.
Community

Focus will be made on building community engagement by collaborating with local NPOs and promoting events that enhance experiences for visitors and residents.
HTJ’s implementation framework for 2020 will be guided by the 4 pillars that represent the essential investment towards Hawai‘i’s visitor industry future and long-term success.

Brand Marketing  Hawaiian Culture  Natural Resources  Community
有難うございました！