



**MARKETING STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY
Wednesday, October 28, 2020
Virtual Meeting**

MINUTES OF MARKETING STANDING COMMITTEE MEETING

COMMITTEE MEMBERS PRESENT:

Kelly Sanders (Chair), Fred Atkins, George Kam, Kyoko Kimura, Sherry Menor-McNamara, and Benjamin Rafter

HTA STAFF PRESENT:

John De Fries, Keith Regan, Pattie Herman, Marc Togashi, Marisa Yamane, Kalani Ka'anā'anā, Caroline Anderson, Jennifer Chun, and Jadie Goo

GUESTS:

Representative Richard Onishi, Kevin Sahara, Jeffrey Eslinger, Susan Webb, Eric Takahata, John Monahan, and Jay Talwar

LEGAL COUNSEL:

Gregg Kinkley

1. Call to Order:

George Kam called the meeting to order at 10:30 a.m. Keith Regan, HTA Chief Administrative Officer, provided instructions to the general public with regard to submitting testimony. Mr. Regan confirmed the attendance of the Committee members by roll call. Mr. Regan turned the floor over to Mr. Kam.

2. Approval of Minutes of the September 23, 2020 HTA Marketing Standing Committee Meeting:

Mr. Kam requested a motion to approve the minutes of the September 23, 2020 HTA Marketing Standing Committee meeting. Benjamin Rafter made a motion, which was seconded by Kyoko Kimura. The motion was unanimously approved.

3. Presentation from Kevin Sahara, Director, Hawaii, Market Management, Lodging, Expedia Group-Media Solutions Regarding Insight on Market Demand For Hawai'i by Islands 2020 and 2021:



Mr. Kam recognized Kevin Sahara of Expedia Group to present on market demand for Hawai'i in 2020 and 2021. Mr. Sahara reported that 2020 had a strong start for the industry, but has been a roller coast since March due to COVID-19. He said Expedia has a number of global initiatives industry-wide to help destinations rebound and restore the industry. He noted that Expedia highlights and has a search filter for flexible fares. Mr. Sahara added that 70% of the hotel rates on Expedia are refundable in an effort to restore customer confidence. He said that at the hotel level, Expedia is highlighting safety measures such as contactless check-in and check-out, hand sanitizer in rooms, enhanced cleaning, social distancing, etc. He noted that this information is compiled in Expedia Partner Central, which is developing health and hygiene checklists for hotel properties and is constantly updated.

Mr. Sahara reported that Expedia has committed \$250 million for partner recovery efforts, which include investing commissions back into their partners, reducing commissions over a three month period, and amending payment terms to optimize cash flow for hotel properties. He noted that key events in Hawai'i negatively affected demand such as the July 14th extension of the 14-day quarantine to September 1st and the August 19th pre-test program delay to October 1st. He added that cancellations have stabilized and become much less volatile with the October 15th reopening date.

Mr. Sahara discussed a study of the value of the online travel agency (OTA). He said two-thirds of Americans surveyed believe things will return to normal in 2021. He noted that there is an increase in demand for alternative accommodations with respondents citing less exposure to the virus and lower population centers. Mr. Sahara said another rising trend is flexcation, which is an extended leisure and business vacation favored by generation X and older millennial travelers with families that are able to work remotely. He noted that OTAs capture one of every five domestic hotel bookings and one of every three international hotel bookings and are playing a more important role in overall hotel bookings. Mr. Sahara added that 61% of travelers plan or research at least one aspect of their trip through an OTA that help travelers navigate the marketplace. He said millennials and generation X travelers are the groups most likely to travel over the next three months. He noted that OTA travelers spend 16% more than direct bookers. He added that OTA travelers spend more time in cities and generate more economic stimulus for the destination. He said more travelers are relying on OTAs to assist with booking decisions because of the ability to compare properties and locations.

Mr. Sahara reported that interest in domestic travel is increasing with pre-test options and with restrictions remaining on international travel. He noted that there is a 100% increase in



domestic interest in Waikīkī Beach. He said the velocity of demand will depend on variables like restrictions, opening safely, and vaccines.

Mr. Sahara said Expedia is creating a \$25 million advertising fund, which, when combined with media solution data and product tool kits, will help Hawai'i reengage with travelers. He noted that Expedia is launching the Hawai'i campaign in November, will feature health and safety information for the state, and educate travelers as to what they can expect by island.

Mr. Rafter asked how Hawai'i compares to other long-haul leisure markets in terms of volume recovery. Mr. Sahara responded that it has been more positive lately, and it is accelerating much faster than other destinations.

Fred Atkins asked Mr. Sahara if he has data on how the recovery is tracking against Cabo San Lucas or Mexico. Mr. Sahara responded that he does not have that data on hand, but will follow up with the Committee. Mr. Atkins asked how the current conversion of searching to booking compares to 2019. Mr. Sahara responded that he does not have that data on hand, but will follow up with the Committee.

Pattie Herman, HTA Vice President of Marketing & Product Development, noted that wholesalers are seeing strong traveler interest in Maui and asked Mr. Sahara if he knows why that trend is happening. Mr. Sahara responded that he cannot speak to wholesaler trends, but noted the large increase in domestic interest compared to 2019 for a number of Hawai'i destinations.

Mr. Kam invited the public to provide testimony, and there was none.

4. Presentation by Jennifer Chun, HTA Director of Tourism Research Regarding (a) Travel Agents Booking Pace November, December 2020 and 2021, (b) Countries with the US being on the "Do Not Travel List" & "14-day Quarantine":

Mr. Kam recognized Jennifer Chun, HTA Director of Tourism Research, to present on booking pace and countries with "Do Not Travel Lists" & "14-day Quarantines". Ms. Chun reported that HTA's daily briefings include data from Global Travel Agency Pro. She said booking pace for Japan is still significantly behind 2019, but there is a jump in December with the announcement of the Japan pre-test program. She noted that as testing partners are named, the booking pace will likely increase even more.

Ms. Chun reported that Canadian travelers are still booking travel to Hawai'i in 2020 and 2021, but there is very little activity because of uncertainty with restrictions on Canadian



travel. She reported that the Australian borders remain closed, but there is still some level of activity. She noted that this data only tracks bookings through travel agencies. Ms. Chun explained the data tracked island-by-island through the third quarter of 2021. She added that the scale of domestic travel is very different from the other international markets, and most of the booking activity is from the domestic market.

Mr. Rafter said that he appreciates seeing the pace data and that, moving forward, pace data will be more important than consumption data. Ms. Chun responded that HTA is planning to start publishing this data on a weekly basis on the HTA website.

Mr. Kam invited the public to provide testimony, and there was a question. Sun Wong asked what types of companies are included in travel agencies and what percentage of overall bookings does that represent. Ms. Chun responded that travel agencies include all independent travel agencies, online travel agencies, and wholesale travel agencies. She noted that Global Travel Agency Pro does not have data for direct bookings so she cannot determine that exact percentage.

Ms. Chun then discussed countries with "Do Not Travel Lists" & "14-day Quarantines." She reported that Japanese visitors can travel to Hawai'i, but require a 14-day quarantine upon returning to Japan. Canadian visitors cannot travel to Hawai'i for leisure, and all Canadians require a 14-day quarantine and COVID-19 test upon return to Canada. Australia's borders remain closed without an exemption. New Zealanders are advised not to travel overseas and require a negative COVID-19 test and 14-day quarantine upon their return to New Zealand. Chinese visitors cannot travel to Hawai'i, and all Chinese travelers require a negative COVID-19 test within 72 hours of their return and a 14-day quarantine. Koreans can travel to Hawai'i, but require a COVID-19 test upon their return and a 14-day quarantine. Taiwanese visitors can travel to Hawai'i, but require a 14-day quarantine upon their return to Taiwan. German visitors can travel to Hawai'i, and require a negative COVID-19 test within 48 hours of their return to Germany and a 14-day quarantine. Visitors from the United Kingdom (UK) can travel to Hawai'i, and beginning December 1st, only require a seven day quarantine upon their return to the UK.

Ms. Kimura noted that Japan is like Korea with a COVID-19 test required on arrival.

Mr. Kam invited the public to provide testimony, and there was none.

5. Presentation by Jeffrey Eslinger, HVCB Senior Director of Market Insights, Regarding Airlines Booking Pace for November, December 2020 and into 2021 (a) What does load



factor with COVID-19 safety protocol look like (b) Which Airlines Have Their Own Hawai'i Approved Testing Program:

Mr. Kam recognized Jeffrey Eslinger of HVCB to present on airline load factors and safety protocol. Mr. Eslinger reported that Alaska Airlines, American Airlines, Hawaiian Airlines, Southwest Airlines, and United Airlines are approved travel partners with their own testing programs.

Mr. Eslinger then discussed mask and social distancing policies on the major airline carriers. On Alaska Airlines, all crew members and passengers ages 2 years and above must wear masks. He noted that there is 65% load capacity with blocked middle seats though exceptions can be made for families traveling together. On American Airlines, all crew members and passengers ages 2 years and above must wear masks, and any travelers not wearing a mask will be denied entry on the flight. Mr. Eslinger noted that American Airlines is not limiting load capacity, but travelers can move to a different flight with a lower load factor at no additional charge. On Delta Airlines, all passengers and crew members must wear masks and will provide masks if necessary. He noted that Delta Airlines has the most generous seat blocking arrangements in the industry. On Hawaiian Airlines, all passengers and crew members must wear masks. He noted that load capacity is capped at 70%. On Southwest Airlines, all passengers and crew members must wear masks, and masks are available if a traveler requires one. Mr. Eslinger noted that middle seats are blocked, but passengers traveling together can sit together. On United Airlines, all passengers and crew members must wear masks. Passengers may be suspended from future flights if they remove their mask in-flight. He noted that United Airlines has no load capacities. However, if more than 70% of seats on a flight are booked, passengers can move to another flight at no additional charge.

Sherry Menor-McNamara asked if the airlines are making announcements and providing information to passengers specific to each county. Mr. Eslinger responded that Jay Talwar will be better able to answer that question.

Ms. Kimura asked if Hawaiian Airlines and United Airlines can provide the same testing program in Japan. Mr. Eslinger responded that Eric Takahata will be able to provide that information.

Mr. Kam invited the public to provide testimony, and there was a question. Yvonne McDowell asked if HVCB's airline partners provide the net number of airline tickets purchased. Mr. Eslinger responded that HVCB does not have that specific information.



6. Update Regarding Hawai'i Tourism Oceania Border Closing:

Mr. Kam recognized Ms. Herman to provide an update regarding Hawai'i Tourism Oceania. Ms. Herman reported that flights are not scheduled until June 2021. She noted that Hawaiian Airlines has a flight to Australia scheduled for mid-February, but it is a holding flight and may be pushed back depending on the government. She explained that there is a mutual understanding that there would currently be no marketing for Oceania to save money. Meanwhile, Ms. Herman said they have been in meetings with the Department of Health (DOH) and the Attorneys' General Office (AGO), and their respective counterparts in other countries. She reported that there have been multiple meetings with the Korean government that have gone well, and the Korean government has identified the nucleic acid (NAT) tests required for the Hawai'i pre-test program. She said the Taiwanese government is crosschecking with hospitals and working with targeted pharmacy chains that specifically offer NAT tests. Ms. Herman said they had a good meeting with the Canadian government and identified that clinics and pharmacies provide COVID-19 tests like in the U.S. She noted that there are still no direct flights from these countries, but Hawai'i will be ready and will be contracted with clinics, hospitals, or pharmacies as the case may be. She added that travelers are currently able to fly to Hawai'i through a U.S. Mainland connecting flight.

Mr. Kam invited the public to provide testimony, and there was none.

7. Presentation by Jadie Goo, HTA Director of Marketing, Regarding COVID-19 Travel Insurance Updates and Who Offers This Insurance:

Mr. Kam recognized Jadie Goo, HTA Director of Marketing, to present on COVID-19 traveler insurance offered by different international markets. Ms. Goo reported that there is a wide range of offerings in the U.S. For example, Pleasant Holidays offers trip cancellation coverage for COVID-19. In Canada, three companies offer insurance plans that cover COVID-19 related illnesses outside of Canada, and WestJet offers COVID-19 coverage for all U.S. flights. She said all Japanese travelers are encouraged to purchase oversea travel insurance, which covers polymerase chain reaction (PCR) tests and hospitalizations. Ms. Goo noted that Korea is similar to Japan, and oversea travel insurance with medical coverage can be purchased for \$50 to \$70 U.S. dollars. She said Chinese airline carriers do not provide COVID-19 traveler insurance because business is back to normal in China, but individual travelers can purchase insurance through international plans. Ms. Goo added that like China, Taiwanese airlines do not offer insurance coverage, but that Taiwanese travelers can purchase insurance through international plans.

Mr. Kam invited the public to provide testimony, and there was none.



8. Presentation by Hawai'i Tourism Canada's Susan Webb, Country Director, Regarding Earliest Flight Scheduled, what in Country Initiatives are Taking Place to Bring the Borders Down to Travel to the US and the 14-day Quarantine Once the They Return Home. What Pre-Testing Looks Like for Canadians Coming Into Hawai'i and an Overview of Branding Hawai'i Now. What Messaging are being Used to Communicate to the Travel Agents and What the Present Booking Pace Look Like:

Mr. Kam recognized Susan Webb of Hawai'i Tourism Canada to provide an update for the Canadian market. Ms. Webb reported that major markets like British Columbia are keeping their infection numbers low. She noted that there was a surge in the last few weeks due to Canadian Thanksgiving. She said that going forward, it is important for DOH and AGO to approve a pre-test program for Canada. Ms. Webb explained that testing in Canadian labs, clinics, and hospitals is on par with what is needed for Hawai'i approval. She noted that the Canadian national and provincial governments are involved with approving all testing. Ms. Webb said there are meetings with DOH and AGO and the counsel general's office in San Francisco to discuss the next steps moving forward. She noted that Air Canada and WestJet are excited to have flights returning to Hawai'i. She added that the airline carriers are identifying the labs they would like approved with AGO.

Ms. Webb reported that Air Canada is resuming flights to Hawai'i on December 1st and is working with Cleveland Clinic for its safety protocol. She noted that Air Canada is hoping to have COVID-19 free flights with pre-departure rapid testing. She added that Air Canada offers complimentary insurance for COVID-19 related illnesses.

Ms. Webb reported that WestJet currently flies to three U.S. cities and intends to return to Hawai'i in December. She noted that WestJet is working with the University of British Columbia on pre-flight testing.

Mr. Kam invited the public to provide testimony, and there was none.

9. Presentation by Hawai'i Tourism Japan's Eric Takahata, Managing Director, on What Booking Pace Looks Like from Our Wholesale Partners (a) When will the 14-day Quarantine Be Lifted for US Travelers Into Japan, (b) What Does the Airline Schedule Into Hawai'i Look Like:

Mr. Kam recognized Eric Takahata of HTJ to provide an update for the Japan market. Mr. Takahata reported that the state is in constant discussion with the Japanese government and is working on removing the 14-day quarantine for Japanese travelers returning to Japan. He noted that a recent survey showed that 45.4% of respondents said that Hawai'i is the first international destination they would travel to. He added that compared to 2019, traveler



volume is down 82% in 2020 and forecasted to be down 60% in 2021. Mr. Takahata said the Honolulu Marathon has been canceled, and Hawai'i will not see a large influx of Japanese travelers in November and December.

Mr. Takahata reported that for the remainder of 2020, there are four flights with ANA, nine flights with Hawaiian Airlines, and ten flights with JAL. He noted that the airline pre-test program has been approved with twenty-one trusted testing partners. He added that the negative test result forms have been standardized.

Mr. Takahata said the Japanese market will understand and comply with the mask wearing mandate. He added that the mālama messaging has been released in Japan.

Ms. Kimura asked if the airlines can provide testing pre-departure. Mr. Takahata responded that they have started to look for trusted testing partners to contract with, which needs to be vetted with DOH.

Mr. Kam invited the public to provide testimony, and there was a question. Daryl Huff asked if airlines would be willing to help passengers by putting them on later flights if their test results are delayed. Mr. Takahata responded that he has not received airline policies for that.

10. Presentation by Hawai'i Visitors & Convention Bureau's John Monahan, President and CEO and Jay Talwar, Senior Vice President and Chief Marketing Officer Regarding the Domestic Travelers Concerns and Questions, along with an Update on Their Activities (a) Concerns on 72 Hours Turnaround Time on Pre-COVID Testing, (b) Partners and Customers Want to Know What to Expect Before They Arrive, (c) What are Our Hotel Safety Standards, What is in Place? (d) Are the Beaches Open, What are the Rules? (e) Are Restaurants Open, (f) Are Hotels Pool Open and Do We Have to Wear a Mask (g) What Attractions are Open, What Can I Do and See, (h) Promotion Overview (i) Partners, (j) Messaging Update, (k) Media Update, (l) Earned Media Update:

Mr. Kam recognized John Monahan and Jay Talwar of HVCB to present on COVID-19 information resources and a marketing plan update. Mr. Monahan reported that general questions can be directed to the DOH website, www.hawaiiicovid19.com, which includes the most up-to-date information coming from the people making the decisions. He said HVCB is working closely with DOH, restaurants, hotels, and activity industries to provide up-to-date information on HVCB's website, www.gohawaii.com.

Mr. Talwar discussed how this information is being shared with visitors. He reported that their airline partners have shared this information on websites, blog posts, social media, and email communications to travelers. Mr. Talwar noted that the safety protocol video is running at all airports. He added that hotels share this information in-room, throughout the property,



and in email confirmations. He said there has been news coverage on Good Morning America, local news, and Nā Leo TV. Mr. Talwar noted that the safety protocol video is being shared on social media and YouTube and with HVCB's members and travel partners.

Mr. Talwar then reported that the Mālama Hawai'i Program landing page is launching on November 2nd with links to partners and participants, and the social media and public relations campaign will deploy on November 9th.

Mr. Atkins asked if there have been discussions about mandate exceptions for smaller attractions so that they can operate for a profit. Mr. Monahan responded that he does not have any information on that. He added that everyone is trying to determine what the magic number is and how the regulations allow for maximization based on volume.

Ms. Menor-McNamara asked if county-specific guidelines are communicated to visitors. Mr. Monahan responded that HVCB compiles the major guidelines, but not the county-specific nuances. Ms. Menor-McNamara said the Chamber of Commerce has developed a one or two page sheet for each county and offered to provide it to HVCB.

Ms. Kimura said travelers are still having issues with pre-testing and cannot get their results before their trip. Mr. Monahan responded that they are dealing with it every day in HVCB's call centers. He noted that the state is working through these issues and trying to improve the process.

Representative Richard Onishi asked Mr. Talwar to explain the disconnect between the communication of HVCB's airline and hotel partners and the lack of mask usage. Mr. Talwar responded that they are working with the hotel association and police department so that everyone is clear that these rules are in place and need to be enforced.

Mr. Kam invited the public to provide testimony, and there was a question. Elizabeth Churchill asked how HVCB is handling negative press such as the ABC story by Kaylee Hartung titled "Testing problems & limitations ruining trips to Hawaii for some?" Mr. Monahan responded that the traveler did not use an approved pre-testing partner. He noted that the reporter had a good experience and provided a good perspective and balanced story. He added that it was unfortunate that the traveler could not come to Hawai'i for not following procedures.

11. Adjournment:

The meeting adjourned at 12:39 p.m.

Respectfully submitted,



HAWAII TOURISM
AUTHORITY

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