BRANDING STANDING
COMMITTEE MEETING
HAWA’I TOURISM AUTHORITY
Wednesday, March 30, 2022, at 2:30 p.m.

Virtual Meeting

MINUTES OF THE BRANDING STANDING COMMITTEE MEETING

MEMBERS PRESENT:
Fred Atkins (Chair), Dylan Ching (Vice Chair),
Ben Rafter, Sherry Menor-McNamara, Kyoko
Kimura, Sig Zane

MEMBER NOT PRESENT:

HTA STAFF PRESENT:
John De Fries, Keith Regan, Kalani
Ka’anā’anā, Marc Togashi, Maka Casson-
Fisher, Ross Willkom

GUESTS:
Jay Talwar, Alex Wong, Dennis Suo,
Representative Richard Onishi, Irene Lee, John
Reyes

LEGAL COUNSEL:
Gregg Kinkley

1. Call to Order and Pule

Chair Atkins called the meeting to order at 2:33 pm. Mr. Casson-Fisher did the opening Pule.

Mr. Casson-Fisher did a roll call. All the members confirmed attendance and that they were
alone, except for Mr. Zane whose mother was in the house. Chair Atkins asked if there were
legislators on the call, but Mr. Casson-Fisher said none.
2. Approval of Minutes of the February 22, 2022, Branding Standing Committee Meeting

Chair Atkins asked for a motion. Mr. Rafter made a motion and Mr. Ching seconded. Mr. Casson-Fisher did a roll call and the motion passed unanimously.

Chair Atkins asked to change the rotation of the agenda items as Mr. Ching would not be able to be online for the full meeting. He started with agenda item number 5.

3. Presentation, Discussion and/or Action on Hawai‘i Tourism China and Hawai‘i Tourism Korea’s Brand Marketing & Management Guidelines for Q2 2022.

Mr. Casson-Fisher said there were speakers from Hawai‘i Tourism China, CEO, Dennis Suo and COO Alex Wong.

Mr. Suo did his presentation by starting off the Q2 major activities and gave an update on the market situation. The vaccinated population rate is at 88% in China, based on the latest travel report, 43% of frequent travelers are willing to travel abroad. He said currently there are 240 million existing passport holders in China, and 6 million existing U.S. Visa holders. He said there were 320,000 Chinese students in U.S. schools during COVID 2020 and 2021. This was the largest source of international students in the country.

He shared data based on 2021 facts. There were 6,300 Chinese visitors that came to the Hawai‘i islands, and the total expenditure was $18.2 million, with the average length of stay being 10 days. The per person per day spent was $289, which was the highest of all international visitors. He showed pictures of visitors posting on social media (The Little Red Book). He spoke about the Civil Aviation and Administration of China (CAAC), and said they just released a 5-year development plan. The plan in 2022 is for COVID control and prevention, but looking from a central government perspective, they are looking to expand domestic flights and restore international air travel from 2023 to 2025.

Additionally, they want to have another 30 civil airports by 2025. He spoke about the share of luxury goods market and showed the latest forecast. Last year’s forecast, 2021, showed the Chinese share of luxury goods was 23% and by 2025 would reach 45%, based on the reports from Bain & Company. He spoke about flights. China does not have direct flights to Hawai‘i, but Asiana Airlines is launching flights from April 3, 2022. WeChat promotions from Asiana are running in China, and is offering a W300K discount for the first 200 customers purchasing a transit ticket from Inchon to Honolulu. That promotion started in January 2022. Japan Airlines is also having a WeChat promotion from Hong Kong to U.S., including free luggage & inflight Wi-
Fi. The latest news from Hong Kong was that they lifted the ban on flights from 9 countries, including the U.S. They cut the quarantine period down to 7 days starting from April 1, 2022.

Mr. Wong said this slide was a late addition, so he apologized for it not being in the meeting packet.

Mr. Suo spoke about 2021, where Honolulu & Fuzhou signed the Sister Cities Relationship Agreement. They are actively promoting Hawai’i made products to China, with coffee being the main product exported to China. He said the Fujian Business Association had some business owners building a premium coffee brand in the China market, which is a great opportunity to leverage business development between China and Hawai’i and market Hawai’i as a destination.

Mr. Suo mentioned that through the Sister City Relationship, Fuzhou city was willing to subsidize if Hawaiian Airlines was willing to open the route from Honolulu to Fuzhou, once China opens up for international travel. They continue to look for more opportunities for Sister City Relationships for the future.

He spoke about competition. He mentioned that pre-COVID, in terms of long-haul destination, there were 18 million trips to Europe and 2.9 million trips to the U.S. from China, particularly California, which received 1.5 million trips. He said California started the marketing programs from 2022 and actively promotes California as a destination in China.

There were 1.4 million trips to Australia, 1 million to Dubai, 1.2 million trips to Bali, and 300,000 trips to Maldives. He said that covers the key competitors in the China market, and they are all coming back to China market to start promoting their destination.

For Q2 major activities they are planning to continue the WeChat Mini Program. He showed screenshots of what it looked like and said they followed the user interface of the GoHawaii.com look and feel. He said the Mini Program is in WeChat so there was no need to download new apps for any Chinese user. He said they would resume the B2B MP version development in Q2. He said the B2C version would be live in the second week of April. They will continue to curate and translate all the content from GoHawaii.com, and the input on the back end.

Mr. Suo said they incorporate all the content like Mālama Hawai’i, cultural festivals, events, and voluntourism activities. He said Q2 is consistent with Q1 as they continue the social media posting on WeChat, Weibo, Little Red Book, Douyin, and Dianping at a weekly basis. He said those are the major content they had been covering. He said the total viewership exceeded 1 million in Q1, including all the social media platforms.
He showed different screenshots from different platforms. He spoke about the partnership with the U.S. Embassy and apologized as it was not in the meeting packet. He said this is an excellent opportunity with the Commercial Service of the U.S. Embassy in Beijing for travel and tourism events. Because a new Ambassador, Nicolas Burns, arrived in China, there would be a grand reception hosted on Earth Day, which is April 22, for the newly appointed Ambassador. He said they were invited as one of the destinations to showcase the eco-tourism content.

Mr. Suo said there would be 500 VIPs, and all other countries would have Ambassadors, Consulates and some very high-ranking officials from the Chinese Ministry of Foreign Affairs, and some global U.S. company leaders. This is an excellent opportunity to showcase Mālama Hawai‘i content. He said the U.S. Embassy would be doing a roadshow in Beijing and Chengdu to showcase U.S. destinations. They would be joining with Utah, California, and some of the national parks, with the same content to showcase the eco-tourism and the unique diversity of travel.

He spoke of the third opportunity working for the U.S. Embassy which is in May 2022. They celebrate the Asian American and Pacific Islanders month, so there is an opportunity to work with the Embassy to provide some social media content and to be part of the campaign. He said the U.S. Embassy Chinese media platform WeChat has approximately 1 million followers and Weibo has 3 million followers. He said it is an excellent opportunity to work with them and leverage all the channels.

He mentioned the fourth initiative, Travel Trade Education, which is to work with China's travel industry partners, like OTAs, airlines, U.S. Embassy and Brand USA Reps for online training initiatives, and offline network and training. He said there are 20 trade executives for the offline network training launch event in Beijing on April 1. He said another one is planned for Shanghai, and it would be in May, but it is still to be decided.

Mr. Suo spoke about DMAP, the last initiative for Q2. They plan to work with Border X Lab platform, which focuses on Cross Border E-Commerce opportunities. They had a meeting with DBEDT and several local vendors to connect with Border X platform to showcase locally made products on Border X platform, where the Chinese shoppers can order online. The Border X platform takes care of logistics and shipments, which is an opportunity to promote local Hawai‘i-made products. He said they would work with DBEDT and Border X lab to support the on-board education webinar in April/May 2022.

They are looking in the future to open a “Hawai‘i Themed Marketplace” on the platform under one umbrella and consolidate all the local vendors who are interested in selling to the Chinese consumer.
Mr. Wong said when they talked to DBEDT, they shared how they ran export seminars to China and Japan in the past for vendors. When they did one for China, they wanted to find one or two successful test cases, so DBEDT suggested that although it would be made available to everybody, they needed to find someone committed to selling the product in China. He said they spoke to a few local vendors, and there were a few willing and had the resources to do it. They had secured some samples for those to share during the Travel Trade Education Seminars in China. He said it would be made available to everyone, but if anyone is interested in marketing to China, they are encouraged to reach out to him and his team.

Mr. Wong said the U.S. Embassy came up recently and it demonstrated the power of social media because the Commercial Service of U.S Embassy Beijing was looking for eco-tourism type of posts. He found what HTC was doing, e.g., protection of marine biology and environment, and it then the relationship grew organically. Ultimately U.S. Embassy invited HTC to join its travel roadshows.

Mr. Wong shared the slide about the HTC Q2 budget, which was similar to Q1. The cost for June, which had a bump, was the second phase for the WeChat mini program, in terms of coding, development and maintenance. In terms of public relations, which was primarily market research. Travel trade education is what Mr. Suo was speaking about in Beijing and Shanghai and partnering with U.S Embassy events. The research is a quarterly expenditure. The monthly Administration runs offices across Beijing, Shanghai, and O‘ahu. Mr. Wong asked if there were any questions.

Mr. Ka‘anā‘anā refreshed the members' memories by mentioning that HTA had discussed potential Q2 spending for Hawai‘i Tourism China (HTC) and went back with revisions. The last slide showed the ask of the Branding Standing Committee’s recommendation of approval for $250,000 for the second quarter of 2022 for China market.

Chair Atkins asked what the total spend for China was in the first three months, and Mr. Kaʻanāʻanā did not have the information. Mr. Wong confirmed it was $250,000.

Chair Atkins said on the news there had been mention of another COVID outbreak in Shanghai and asked if it was under control. Mr. Suo said Shenzhen, a city close to Hong Kong, was shut down for about 7 days, then opened again. He said Shanghai’s plan was lockdown for 4 days, until April 1. The Omicron’s symptoms came fast and is going fast. He said the COVID control is city by city, and province by province. Mr. Wong said looking at the official announcement for the five-year plan from the Civil Aviation and Administration of China, 2022 is focused on the zero COVID policy. He said they are trying to get a handle on it, and in 2023 to 2025, they plan
to expand and restore international air travel, which is all part of the Strategic Plan to control COVID.

Chair Atkins said it is understood as it is a worldwide situation. He asked if there were questions from the panelists.

Chair Atkins asked for a recommendation for Quarter 2 for $250,000 for HTC. Mr. Rafter asked to clarify if it was the minimum red zone, and Mr. Ka’anā’anā confirmed that it is. This ask would leave a remaining balance on the contract of $1.3 million for the remainder of the year. Mr. Rafter asked if the contract was encumbered and Mr. Ka’anā’anā confirmed that it was.

Chair Atkins asked if there were more questions with regard to the requested spend. Chair Atkins asked for a motion. Ms. Menor-McNamara made a motion, and Mr. Rafter seconded. Mr. Casson-Fisher did a roll call and the motion passed unanimously.

Chair Atkins asked if anyone from the public with questions, but there were none. Mr. Casson-Fisher recognized that Rep. Onishi was with them on the call, and he entered the room during HTC's presentation.

Mr. Ka’anā’anā spoke about the second portion of agenda item number 3, Hawai‘i Tourism Korea. He asked the Board for approval to move the Korean market into the green. His recommendation was based on several factors. He shared the items on the screen, namely the abbreviated measures of success, the ongoing activities, and the quarter's spending. In Korea what prompted him to make the ask for Q2 was that Korea, effective March 21, lifted the 7-day quarantine. The exemption of the quarantine applies to fully vaccinated travelers entering Korea, both foreign visitors as well as returning Korean nationals. Travelers need documentation that they received their second shot 14 - 180 days prior or that they had received a booster shot. Starting in April 2022 overseas travelers could also use public transportation upon arrival at Inchon airport, and they are currently required to take private vehicles, quarantined taxis, or isolated sections on trains. He said they were starting to see those decisions being made making travel more realistic for everyone.

He said authorities were also easing PCR testing requirements for the current three rounds of testing before and after entry. Travelers could take a rapid antigen test for their third round on the sixth or seventh day after their arrival. Asiana Airlines would also be resuming three weekly flights, starting on April 3, and Asiana CEO FAM to Hawai‘i will happen April 6 – 9. They also have an Influencer FAM on April 6-9. Korean Air is currently operating five weekly flights and are also considering daily flights in May. He said Korea had recorded 86.5% vaccination rate and 62.6% booster rate, as of March 14, 2022.
He asked the members to make a recommendation to approve Korea moving into green, which would greenlight their BMMP.

Chair Atkins asked if there were any questions from panelists.

Chair Atkins asked if there was an update on Hawaiian Airlines, and if they planned on moving back into the Korean market. Mr. Ka’anā’anā said he did not have that information with him, but he could find it. Chair Atkins asked if there are any quarantine regulations that would make it more challenging when Koreans return back to Korea. Mr. Ka’anā’anā reiterated that Korea lifted their 7-day quarantine mandate on March 21, and reiterated what he said earlier. Chair Atkins asked what fully vaccinated entailed, and Mr. Ka’anā’anā said it meant that people must have had their booster. Mr. Ka’anā’anā said the total contract value for Korea for calendar 2022 is $1.4 million. He showed the slide where HTA agreed to $184,500 to Q1, and now he was asking the Board to move Korea to green for the remainder of the year.

Chair Atkins asked if there were any questions. Ms. Kimura asked if Korean Airlines and Hawaiian Airlines were resuming their daily flights. Mr. Ka’anā’anā reiterated Korean Airlines have five weekly flights, and Asiana Airlines are doing 3 weekly flights starting April 3, Hawaiian Airlines is flying presently, with 3 flights a week. Chair Atkins wondered if the Airlines would be picking up the pace since they were opening in April 2022. Mr. Ka’anā’anā said they would be picking up in April 2022.

Chair Atkins asked for a motion to recommend to the Board that Korea goes green, allowing them to implement the BMMP. Ms. Kimura mentioned that Korea still had 600,000 COVID cases per day, and asked if that affected travel. Mr. Ka’anā’anā said that he did not think so, but he would return to the Korea team to get updated information. Mr. Ka’anā’anā said that Irene Lee, the director of Hawai’i Tourism Korea (HTK), was on the call and could provide an update.

Ms. Lee confirmed a hike in cases, with 300,000 per day, but the health authorities said it was a matter of time when it would subside towards the end of March 2022 and into April 2022. She said despite the latest hike, travel restrictions and social distancing measures had been relaxed. Business curfew hours had been extended to 11 p.m., and the number of social gatherings had relaxed, with up to 8 people, from the previous 6 people, starting two weeks ago, even when they were in the peak of the daily cases of 300,000.

She shared that since the quarantine had lifted 10 days ago, they saw soaring travel bookings for Hawai’i, and they had conducted some television home shopping sales programs. She gave an example that they had over 1,000 calls of bookings for Hawai’i during the one hour show. This meant over $7.5 million in revenue. She said they are having TV home shopping sales requests lined up to work together and distribute their destination messaging. She was
confident that the latest hike in cases would not affect Korea's travel bookings for Hawai‘i. She mentioned that due to the aircraft maintenance change, Korean Air had to reduce their weekly flights to 3, to Honolulu in March 2022, but would increase to 5 weekly flights in May 2022. Currently, Hawaiian Airlines is flying 4 weekly flights from Korea to Honolulu. Asiana Airlines is returning from April 3 with 3 weekly flights, hoping to increase to 5 weekly flights in July.

He asked about the last Branding Standing meeting, where there was mention that golf was on an uptake during COVID in Korea. He wanted to know what percentage it went up by. Ms. Lee said there was a 19% increase during the past two years, so Korea now has 6 million golfers, which means that during the pandemic, they had 1 million more golfers over the past two years. The age of the golfers had gone down to age 20’s. She said previously it was mainly for senior audiences, but now it is a younger audience enjoying playing golf outdoors. She said that given Lotte’s LPGA big influence in Korea economy, Lotte is one of the top five biggest companies in Korea, after Samsung, LG, and Hyundai. She said it is a big event and would be broadcast, and the Korean LPGA players will get a lot of media attention.

Chair Atkins asked if there were other questions. Mr. Rafter made a motion and Ms. Kimura seconded. Mr. Casson-Fisher did a roll call and the motion passed unanimously.

4. Sports Brand Marketing & Management Update for RFP

Mr. Casson-Fisher gave the floor to Mr. Willkom. He said the last time he spoke about targeting mid-March 15 for the release of the sport RFP. Unfortunately, they were not able to hit that date. He said they are rounding up the final details and should have it with their procurement department by the end of the week. This will still put them in a good position to go through submitting and awarding these by the end of May, and having it contracted before the June 30, 2022 deadline. He asked if there were questions.

Mr. Ka‘anā‘anā added that the BFCC Committee did make a recommendation to the full Board for the following day to reallocate $167,000 into the sports unallocated budget line item. Once it is voted on the next day, with the full Board, it means a total or $1.5 million would be available for this procurement, and they should be ready to move forward.

Chair Atkins asked for questions from the panelists, but there were none. He asked if it needed to be voted on but Mr. Ka‘anā‘anā said it is just an update.

5. Presentation, Discussion and/or Action on LPGA Lotte Event in April
Mr. Kaʻanāʻanā asked for a motion to recommend to the full Board the approval of a proposal to support the Lotte 2022 Championship in partnership with Lotte and LPGA. He said they had a number of discussions with the partners and sought advice from the State Procurement Office, and the State Ethics office, to ensure that HTA is compliant with all the policies. The reason they chose LPGA is, preparing for the sports RFP, they looked at all major events that would occur prior to the RFP being awarded and the contracts being issued. He said LPGA was the only lady's professional golf association, and it seemed a good fit asking for sole source exemption. He said the timing in April would happen before the procurement could be done so that it would be advantageous to the State.

He shared material via email that dated back to March 21. He said since then, there had been feedback, and they had asked for a counteroffer to Lotte and the LPGA to fund the event at a level of $250,000. He asked Mr. Willkom to elaborate on the event details on the slide.

Mr. Willkom said the championship would be held at Hoakalei Golf Course. He said this would add value to HTA and align them as an official partner of LPGA. They would also be able to offer free attendance for Hawaiʻi residents and their families, courtesy of HTA and the Hawaiian Islands. HTA's on-site branding would include tee signs, signage on the electronic scoreboards. There will be television coverage in 30-second units and in-segment features. There will be a custom golf clinic for up to 40 women; in addition, LPGA and USGA offered a new “Girls Golf” chapter, which is a program to support girls junior golf, from age 8-14, in the islands, similar to the First Tee of Hawaiʻi.

Mr. Kaʻanāʻanā asked Mr. Talwar to elaborate on the conduction of their analysis on the assets HTA gets as well as global marketing value. Mr. Talwar said they looked at the three pillars: the economic impact, the marketing value, and the community benefits. He said in this instance they worked with both numbers projected for 2022. They used actual numbers from 2021.

In terms of attendance, they worked with the tournament director, and they felt 3,000 was achievable, accurate, and beatable for 2022. He said they put that into the economic impact formula common for these events and the benefit was a little over $10 million.

Looking at the marketing value, there were two components. One was the programming coverage of the tournament. A PR value is applied to the timing of the broadcast on air from the State. He said they used a conservative number on this, which was 25 and a half hours. The Golf Channel is in discussions to move it to 35 hours, but they do not know the value yet. So his team used the actual number from 2021, which is just short of $5.6 million. He said the marketing value is the value that HVCB's paid media agency OMD looks at for them. He said it is based on clearly defined media opportunities that had marketing value. He said a lot of the
components in the plan were not specific, so some of the digital and social were noted as components included in the plan. Without specifics they had not put a value to them, which is just short of $123,000, which brings the marketing column at $5.7 million. Looking at community involvement and charitable donations, from the tournament director, it is to provide $50,000 in charitable donations to local charities in the States. He concluded the analysis.

Mr. Ka’anā’anā asked if there were questions on the LPGA proposal. Chair Atkins asked if there were questions from anyone.

Mr. Rafter asked why Lotte came to HTA for a sponsorship 3 to 4 weeks from the tournament date. Mr. Ka’anā’anā did not know why they asked for a continued relationship, but he shared his thoughts on the importance of supporting women’s professional golf. He reiterated that HTA sponsors PGA events in destinations, and they have three current events with no ladies’ events. He also said that there is an opportunity to leverage the event and the relationship with Lotte on a much bigger scale. He said this LPGA Lotte event aligned well with HTA’s three strategies: extending the brand image, generating community, and economic benefits. Mr. Ka’anā’anā also mentioned the timing to secure Hoakalei Golf Course as the venue was late.

Mr. De Fries reiterated Mr. Ka’anā’anā's point about the venue being secured late. He mentioned initial conversations that he was involved in with Mr. Monahan a year back, when HTA could not underwrite any sponsorship. He said the interest is to build a sustainable partnership with Lotte going forward. He had asked for a formal meeting with the Lotte Chairman, Mike McCartney from DBEDT, and Corbett Kalama from the Friends of Hawai‘i Charities. He said they saw potential for Lotte to scale close to, if not replicate what had been created at Sony, where the community generates in excess of $1 million annually. He believes building the partnership with Lotte is worth the $250,000.

Mr. Rafter said he is glad that Lotte was mentioned. He had no objection to sponsoring the event and liked what Lotte are doing with golf clinics and girls golf, as that needs to be recognized. He said the ads or exposure value is what he had an issue with. He said the money is already with HTA and the event is going ahead anyway. He said the promotion of girls/women’s golf is more important than just the exposure.

Ching asked for the difference between the $500,000 ask, versus the $250,000.

Mr. Ka’anā’anā mentioned that he hadn’t had a chance to circulate it to all the committee members yet, but HTA had been able to negotiate with LPGA and Lotte a similar proposal that compares the assets. He showed a slide that outlined the original $500,000 level and $250,000
level of sponsorship offers. He said HTA countered with its $250,000 sponsorship level, taking out certain things highlighted in red on the slide: 1). Inclusion in exclusive LPGA partner network; invitations to partner networking events, inclusion in partner eNewsletter/directory/LPGA credentials & strategic introductions, and 2). Celebrate women of Hawai‘i luncheon event, 3). Week-long aerial coverage (12 mentions), 4) Featured groups presented by HTA, 5). HTA news/stories – content distribution on LPGA sustainability hub, 6). Two homepage takeovers on LPGA.com, 7). Two ads in LPGA fan eNewsletter and two ads in LPGA amateurs eNewsletter. HTA opted to keep the Golf Clinic. He elaborated on the rest of the information on the slide.

Chair Atkins asked for clarification of the free attendance, and Mr. Ka‘anā’anā reiterated that free attendance was for Hawai‘i residents with IDs, which was included in the current HTA proposal.

Chair Atkins asked Mr. Talwar or Mr. Willkom to give some background on Lotte and the magnitude of what they do in Korea and around the world, so that HTA could get an idea of what Lotte is about.

Mr. Talwar spoke about LPGA as he is not an expert on Lotte, but knows Lotte is a significant partner, and they are looking for significant partnerships. He said they are a strategic corporation with a long-term vision and Hawai‘i is part of that vision. Lotte is looking for growth opportunities in the economic environment and they see opportunities in Hawai‘i. He said Lotte are looking at participating and supporting Hawai‘i for the long term, not for tourist reasons, but because they see economic benefits for their corporation. If HTA could align with them to allow them to use Lotte as a platform for the longer term, it will be good for the State.

Mr. De Fries added that as he was just getting into Lotte research, he said they are a substantial conglomerate based in Japan and Korea, in retail, and hospitality, which is HTA's major markets. As pointed out by Mr. Talwar, he said that Lotte is exploring a range of opportunities that might be available to Lotte in Hawai‘i. He said if the conversation with the Hawai‘i Tourism Authority moved toward a private/public partnership, Lotte has the capacity to engage and compete for such a role in Hawai‘i. He said HTA could report more when they had the opportunity to meet with the Lotte Chairman.

Mr. Ka‘anā’anā added that if the members look at the meeting packet, under tab 5B, in the Executive Summary that Mr. Willkom prepared, there is a business summary of the Lotte corporation in the first two paragraphs that shows 90 business units, 60,000 employees, diverse industry, etc. He said they are the second-largest duty-free in the world as well.
Mr. Wong asked if consideration was given to Hawai‘i State Junior Golf Association because there are existing junior nonprofit golf associations on the islands.

Mr. Ka’anā’anā said they will do the outreach again. He noted that for the Lotte event, they would be able to leverage the assets that are created in the Korea, Japan, China, Oceania and Canada market, so there is a lot of opportunity where the assets had a shelf life beyond the event, meaning they continue to have value beyond the life of the actual event.

Chair Atkins said when he was doing the Lotte research and thinking about the decision to support it, he spoke to the tourism Chairs. When he mentioned the potential for a partnership, both Chairs felt it was a strong part and a lot of good things could come out of that.

Chair Atkins asked if there were any other questions. He asked Mr. Ka’anā’anā to bring up the slide with the three main goals for Branding and Marketing. When looking at what the community offers, he reiterated that it is a big part of what HTA is getting. He wanted to touch on the vignettes on the cultural side. From the Branding Marketing side, he said Mr. Rafter had a few concerns on the value in that area. He reiterated that it is being televised. Mr. Ka’anā’anā reiterated all the networks (U.S. Canada, Australia, New Zealand, Korea and Japan) broadcast via golf channels. He mentioned it was in the meeting packet.

Chair Atkins said all this coincides with their goals with the major events. He said they will make a recommendation to approve the event to the Board the following day. Chair Atkins asked if they could hear from HTA and HVCB how they could start to push the event, as he would like to see the partnership begin and maybe get it out to social media, newspaper, television, etc.

Ms. Kimura said she supported the event, but she did not hear the answer to Mr. Rafter’s question on why Lotte asked HTA at the last minute to have the event, and where was the event held last year. Mr. Ka’anā’anā confirmed Ko Olina was in 2012 and Kapolei was 2021.

Mr. Willkom shed light on why Lotte came to HTA so late for the event. He said that the last year HTA provided any sponsorship was in 2019, where it was in Ko Olina. The event was canceled in 2020, and in 2021 it was held in Kapolei, with no fans attending. He said Lotte was not able to secure the course with Kapolei again this year, and Hoakalei was only finalized late February/early March 2022 where they would be able to hold the event. He said this sponsorship would help ensure this event returns to Hawai‘i, and promote Hawai‘i as a home for women’s golf and a marquee event worldwide. He said they recently got the ask from Lotte to have the tournament because Lotte could only confirm that they could hold the tournament in Hawai‘i recently.
Chair Atkins asked if there were other questions. Mr. Casson-Fisher said there were no questions, testimonies or comments.

Chair Atkins asked if there was a motion for a recommendation to the Board meeting for the following day.

Ms. Kimura made a motion to recommend to the Board that HTA supports the Lotte LPGA tournament in Hoakalei for $250,000. Mr. Ching seconded. Mr. Casson-Fisher did a roll call and the motion passed unanimously.

6. Presentation and Discussion on Global MCI Initiatives

Mr. Casson-Fisher introduced Mr. Reyes, HVCB Senior Vice President, Chief MCI Sales Officer.

Mr. Reyes said Ms. Orton will join him for this presentation, as they are one team promoting the Convention Center as one of the key initiatives and will have other updates. He turned it over to Ms. Orton.

Ms. Orton shared some of their short-term sales and marketing initiatives at the Convention Center. As of March 25, the Convention Center began operating under no restrictions for the first time in the last two years. She said they had their first local trade show inhouse with the Hawai’i Hotel Restaurant Association hosting its first trade show in one of the downstairs exhibit halls. There would be 2,000 people in the next two days.

She highlighted some local sales initiatives and bookings. She said she was reporting on the current fiscal year. To date, they hosted many local events and three city-wide events since January 2022. They had International Dairy Queen in the first part of January 2022, with 5,000 delegates. They had Trans-Pacific Volleyball in February 2022, with 300 people. The Association for Asian Studies just wrapped up their conference last week, and had just over 1,800 delegates on site. The Association for Asian Studies chose to have a virtual conference, so they had a hybrid meeting, around 3,000 delegates in total, but about 1,800 that actually registered on site.

She said the Convention Center is busy and it is great to see a lot of people around the building. She said all the staff are back at work. She said short term business is coming back strong.

She showed a slide with the definite bookings for local events to the end of the fiscal year in June 2022. She said they hired a new sales manager, Holly Elder. Trevor Newman held down the fort single handedly, so they hired a second salesperson for local sales to increase business.
Before the pandemic, Ms. Elder was part of the operations team and came back in sales a month ago.

On average, they have 200 plus local events per year. She said they are almost equal to pre-pandemic levels for local events at the Convention Center. She showed the next slide with the tentative bookings for the next 3 months. They had not licensed them yet, but they anticipate signing the contracts soon.

She spoke about upcoming public events, namely the Hapalua Half Marathon Packet Pickup in April 2022, a local Aloha Region Regional Volleyball, with about 5,000 attendees at the Convention Center over three days. They will host one of the largest events in April 2022, Kawaii Kon, with 12,000 attendees over three and a half days. There is also Hawai’i Prayer Breakfast, which is a Church event that has been with them for a long time. They hosted prayer services in several meeting rooms during the pandemic so they could continue to still have their Church service.

She noted that a new piece of business for them is the film industry. The film commission had given them several new leads, which turned into business. In November 2021 they had unexpected business from Netflix through February 2022, which generated about $483,000 in revenue for the Convention Center. She highlighted what it had generated for the State; Netflix had a full build-out in the exhibit hall and built a house with tiki torches, sidewalks, concrete walkways, and a swimming pool. It was a full set for a Netflix show with Adam Sandler and Jennifer Aniston, and they had several locations off-site that they filmed at.

She highlighted some of the information she was able to get from Netflix. They generated roughly $49.8 million in revenue to the State. Local vendor spend was about $7.8 million, and Netflix still had open purchase orders for about $2.8 million. Netflix’s labor spend was $28.6 million, and they employed about 680 crew members for the segment on Netflix.

She mentioned they also had the local version of NCIS that had a few days of shooting in the Convention Center. She said they had some stunt scenes on the 4th floor down the escalators and lobby. She said it was exciting to watch the film crews in action.

She said they would be advertising in the Pacific Business News to let everyone know they’re open for business.

Chair Atkins asked if she was encountering any problems with getting help with the small events. Ms. Orton said they are struggling to fill many vacant positions on their payroll, but as they pick up business, they are extending out to the staffing agencies, but they are struggling to find help to fill the schedules as well.
She said the last city-wide event they had, the Dairy Queen, all hands were on deck helping out, to make sure they delivered good service.

Mr. Reyes gave an update on what is happening on the sales arena on a monthly basis. He showed a slide with the Meet Hawai‘i Team names. He said it is important for HTA to know that they had a city-wide sales team, three sellers located in California, Illinois and Maryland, and they are prospecting, targeting and selling to those associations and corporations that had city-wide opportunities.

He said they had an excellent single property team, and single property and city-wide work closely together. A lot of city-wide events come from Board meetings that come to Hawai‘i, and were able to showcase.

He spoke about Global MCI, and being fortunate to get the new contract. They now have an Asian Oceania group where they have an in-country director in Japan and one in Korea. He reminded the HTA Board that although he gets to present, an entire team is behind him.

He spoke about strategies and activities. At the Board level with HTA, there has been a lot of discussion on an investment in looking at maintenance on the roof, and it comes down to sales and what the return on investment is, and how they are filling the building. He said their priority one is specific to city-wide in the Convention Center, as it is a State-owned asset. He said due to the pandemic, it takes 5 - 9 years to book a city-wide convention and said they have to have short-term strategy.

He said Ms. Orton's local sales team does groups 13 months in, and his team does 13 months out, but they work closely together. From a short-term city-wide group perspective, they are looking at high value city-wide, targeted customers that could come in 2023 and 2026. He said there is a great opportunity in the Midwest and East Coast. He said they had two veteran sellers and a target list of who they are going after. Corporate citywides book within 1 to 3 years. He mentioned they had a city-wide group they are hoping to close for January 2023 and another for February 2023, the corporate city-wide market offers an opportunity for a very short term.

He spoke about the Global Team and said they are starting to see interest, and they are working on a lead out of Japan, and seeing strong interest from Oceania as well, in the city-wide area. He said they had invested in sports groups, so on the short term, his team is looking for sports groups that fit within a significant holiday period when hotels need the business. He spoke about himself and his team’s priority 2, and looking at the Convention Center for wins is a long-term strategy. He said they had identified 11 national associations from 2027 – 2031, with open dates that he thinks are a strong opportunity.
They see large incentive groups from Asia. He said they are also working closely with third-party strategic partners, Conference Direct. He and his team just entered a strategic partnership with Maritz Global Events, who does a lot of association and corporate groups for the long term.

He spoke about sales activities. In February 2022 they had a great Corporate City-wide Site, and they are trying to close this business again for January 2023. He spoke about the Meeting Industry Council Colorado. Him and his team were at the New York Society of Association Executives on March 1-2, 2022.

He spoke about the Association for Asian Studies, and his team worked hard to keep that meeting in Hawai‘i, as they were ready to go virtual because of the restrictions. Thanks to the HTA team and Ms. Orton’s team at the Convention Center, Meet Hawai‘i, and the Governor helped to make sure the meeting went ahead.

Mr. Reyes and his team are excited about the Corporate Event Marketing Association (CEMA) Board Meeting, and it is the first time they have ever been in Hawai‘i. He said it took them a year to convince them to come, which is April 3 – 6, 2022.

He spoke about pace and production. They switched over two years ago to a Futurepace report and they are able to generate this through their CRM software system. He spoke about the chart and said there are about 103,000 definite room nights that on average they produce as the year end goal. He explained the chart in detail.

Mr. Reyes shared a slide showing current production versus last year 2021, and looking at the definite room nights, it is not great. He said there is a strong level of growth with the city-wide tentative room nights and single property room nights from 2021 - 2022, which means the market is coming back, and they must focus on that. He spoke about the active tentative hit list showing the statistics from 2022 - 2033, with 39 tentative opportunities from corporations and associations wanting to book Hawai‘i and the Convention Center. Their goal is to book 13 of the 39 tentative events, and he is hopeful they could do it. He said their overall goal for city-wide is 67,000 rooms. Him and his team will continue to keep HTA updated on a monthly basis.

Ms. Kimura asked how Mr. Reyes is collaborating with the leisure markets in the Global Team. He said they had meetings all week and had met with HTJ and Korea, and Oceania, so they are working as one team. He said if there is any opportunity that comes up, it must be handed over to him and his team to deal with, as they work closely with all the teams, and are willing to exchange and cross collaborate.

Mr. Casson-Fisher said there were no question, comments or testimony.
Chair Atkins thanked Mr. Reyes for his hard work. Chair Atkins said there was no action needed on this agenda item.

7. Presentation, Discussion and/or Action on Approval to Solicit a Consultant Related to the Hawai‘i Smart Destination Initiative

Mr. De Fries wanted to inform the Standing committee that HTA had learned that an effort is underway now that safe travels is being terminated, and that there is an effort to pull a group together headed by General Hara of the Hawai‘i Emergency Management Agency (HiEMA), and Enterprise Technology Services headed by Doug Murdock. The purpose of convening this group is to look at what the next generation of safe travels should be and present it in a much more comprehensive way.

DBEDT, the Department of Health, the Department of Transportation and airports were invited to the meeting. He asked that the Standing committee defer on this topic until HTA understood how the process would be organized and bring to fruition goals that they might share in common. He mentioned that in the initial conversation, he was impressed by HiEMA’s lead. It has to integrate TSA into this, Homeland Security and reaching agencies that are well outside HTA’s bandwidth but will become increasingly important for the right system to be developed. He said he would hold off on HTA selecting any consultant, or recommending any consultant, because the breadth and depth of the next generation system is much broader than him and the HTA members comprehended.

Chair Atkins agrees with Mr. De Fries. He said this budget item is ARPA, so they are not stuck to spending the money in the current year, and it is better to have a plan before committing to a consultant or finances to it. Chair Atkins asked if there were any questions.

Mr. Ka’anā’anā made an announcement and said that as they wind up Women's History Month, he noticed that Ms. Kimura was bedecked in lei, and he wanted to call out that his staff Iwalani Kūali‘i Kaho’ohanohano was able to do an opening protocol at the Hawai‘i Women In Lodging and Tourism (WIL), Women of the Year Awards presentation. Ms. Kimura is the Chair of WIL. He said the keynote speaker, Julie Morikawa from ClimbHI, is also a HTA key partner. Ms. Kimura thanked Iwalani for the beautiful chant shared there and mentioned that it is the 50th anniversary of the Title IX authored by Patsy Mink this year, and also the 50th anniversary of Japan’s Working Women Welfare Act.

Chair Atkins said he was very impressed with HTA staff and got a lot of help from Mr. Kam, Mr. Ka’anā’anā, and Mr. Willkom who tried to figure out the best way forward with Lotte and he
thought they came to a good conclusion. He wanted to acknowledge HTA staff has put a lot of work to make things happen.

8. Adjournment

Chair Atkins asked for a motion to adjourn. Mr. Casson-Fisher said the motion passed unanimously.

Chair Atkins adjourned the meeting at 4:17 p.m.

Respectfully submitted,

Sheillane Reyes
Recorder