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David Y. Ige
Governor

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President and Chief Executive Officer

**MARKETING STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY
Wednesday, January 27, 2021
Virtual Meeting**

MINUTES OF MARKETING STANDING COMMITTEE MEETING

COMMITTEE MEMBERS PRESENT:	Kelly Sanders (Chair), Fred Atkins, George Kam, Kyoko Kimura, and Benjamin Rafter
COMMITTEE MEMBER ABSENT:	Sherry Menor-McNamara
HTA STAFF PRESENT:	John De Fries, Keith Regan, Pattie Herman, Marc Togashi, Kalani Ka'anā'anā, Caroline Anderson, Jennifer Chun, Ariana Kwan, Marisa Yamane, and Carole Hagihara
GUESTS:	Representative Richard Onishi, Senator Glenn Wakai, Jay Talwar, John Monahan Eric Takahata, and Irene Lee
LEGAL COUNSEL:	Gregg Kinkley

1. Call to Order and Pule:

Chair Kelly Sanders called the meeting to order at 10:31 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 Chair Sanders. Kalani Ka'anā'anā, HTA Director of Hawaiian Cultural Affairs & Natural Resources, opened the meeting with a pule, honoring the former Hawai'i County Mayor Billy Kenoi who passed away yesterday.

2. Approval of Minutes of the December 16, 2020 Marketing Standing Committee Meeting:

Chair Sanders requested a motion to approve the minutes of the December 16, 2020 HTA Marketing Standing Committee meeting. George Kam made a motion, which was seconded by Fred Atkins. The motion was unanimously approved.

3. Presentation and Discussion of the Travel Agency Booking Pace and General Market Research Trends

Chair Sanders recognized Jennifer Chun, HTA Director of Tourism Research, to provide an update on the travel agency booking pace and general market research trends. Ms. Chun reported that she's getting the data from the Global Agency Pro, which has access to over 90% of the world's travel agency airline transactions. She said that there were lower levels of bookings from the U.S. for January than last month's meeting and the volume gets lower for February and March. She noted that there were fewer visitors coming from Japan due to the limited number of flights and to Canada and Australia, wherein direct flights to Hawai'i continue to be unavailable. She added that most of the bookings are from the U.S. to O'ahu and to Maui. Ms. Chun said that the booking pace for 2021 continues to be relatively low. She reported that there are a fair number of U.S. visitors planning a trip to Kaua'i and Hawai'i Island but very few people traveling to Moloka'i and Lāna'i. Ms. Chun said that the booking pace reports is published weekly.

Ms. Kimura asked if more cancellations came in than new bookings. Ms. Chun affirmed.

4. Presentation by Hawaii Tourism Korea Regarding the State of and Progress of the Travel Testing Partners

Chair Sanders recognized Irene Lee, Country Director for Hawai'i Tourism Korea (HTK), to provide an update on the state of and progress of the Trusted Testing Partners (TTP) in Korea. Ms. Lee reported that the number of confirmed COVID-19 cases in Korea has reached 76,429 and that the social distancing measures of 2.5 meters are extended until the end of January. She noted that Koreans are advised to avoid non-essential overseas travel until February 15 and that the requirement for PCR test negative results for all incoming passengers from U.K. and South Africa has started on January 8. She said that Korea has secured 20 million doses of vaccines and is preparing for a vaccination management system. She added that the government will begin free vaccination for priority groups in February, followed by plans of intensive implementation of vaccination during the third quarter of 2021 to form a collective immunity.

Ms. Lee reported that the Korean economy is projected to grow as major travel agencies started to sell overseas travel and early-bird products. She added that the Ministry of Culture, Sports and Tourism has increased budget allotment to \$1.37 billion USD in support for the tourism industry. Ms. Lee reported that a survey shows a high percentage of Koreans planning to travel after vaccination and that travel is by far the most desired activity when the pandemic ends. She said that Instagram has surpassed Facebook as the most used social networking service application by Koreans in 2020.

Ms. Lee said that Hawai'i will start to allow a negative COVID-19 test within 72 hours of their arrival, enabling travelers to avoid quarantine. She added that four hospitals in Korea agreed to be testing partners with the State of Hawai'i and that more testing partners will be announced in the coming weeks. She explained that these partners will provide testing services designated by the Korea Disease Control and Prevention Agency and that the test kits and medical devices will be approved by the Ministry of Food and Drug Safety.

She reported that aside from the launch of TTP program, HTK will develop a co-op promotion to highlight the 'Mālama Hawai'i Campaign' and a safe and joy tours positioning the islands as a safe travel destination in conjunction with promoting the Mālama Hawai'i concept. She added that HTK will maximize social media presence on the TTP program thru social media campaigns in high-profile channels.

Ms. Kimura asked for clarifications if visitors from Korea still need to be quarantined for 14 days when they go back from Hawaii to Korea. Ms. Lee responded that all passengers coming from the U.S. are required to quarantine for 14 days.

5. Presentation by HVCB on Market Insights, Updates on Air Seats to the Destination for the First Half of 2021, and on Calendar Year 2021 as it Relates to Certain Assumptions and Approaches, Including but Not Limited to 1st Quarter Programs

Chair Sanders recognized Jay Talwar, Chief Marketing Officer for the Hawai'i Visitors and Convention Bureau (HVCB), to give an update on market insights, air seats to the destination for the first half of 2021 and on calendar year 2021 as it relates to certain assumptions and approaches, including but not limited to first quarter programs. Mr. Talwar reported that according to The Harris Poll for COVID-19 in the U.S., people are most fearful of global recession, of leaving home for essential errands, and of a new wave. He added that they have lesser fear of dying and of losing their jobs. He said that with U.S. residents expressing levels of concern for unsafe travel on commercial airlines, about contracting the virus and for the national economy, tourism recovery will start slowly. He noted that though Hawai'i came in top for destinations daydreamed about, it came in fifth as the most desired domestic destination for 2021, with Florida gaining the top list.

Mr. Talwar noted that the air trips of U.S. leisure travelers start fairly low during the first quarters of 2021 but is seeing a significant increase from September to December 2021. He said that there are a fair number of U.S. seats scheduled to Hawai'i on January and February and the number of seats for March is exceeding that of last year. Mr. Talwar added that there are more avid travelers eyeing for Hawai'i as the next destination for leisure than long distance travelers under 55 years old who prefer to travel within the Continental U.S. He

reported that there is less likelihood for younger people (18 to 49 years old) and low income groups (less than \$50,000) to get the COVID-19 vaccine once available.

Mr. Talwar said that booking demand remains low for January and February but there are signs of life for spring break and more meaningful demand starting in June. He added that one airline reported a significant increase in bookings to Hawai'i immediately following the CDC's recommendation for testing and quarantine of all international arrivals into the United States. He said that with fares so low overall, it is challenging to stimulate demand based on fare and that forecasting has been extremely challenging with booking windows. He noted that there are new markets: United (Newark to Maui) and Hawaiian (Orlando and Austin to Honolulu) that are opening for the first time, and that American (Charlotte to Honolulu) has resumed flights. He noted that overall, domestic bookings to Hawaii are up. He added that cancellations are expected for Q1 2021, but it will significantly lessen for Q2.

Mr. Talwar reported that social media platforms, namely Facebook, Instagram, YouTube and Pinterest are used to promote the Mālama Hawai'i campaign. He noted that the campaign received a huge amount of engagement and video views. He said that they were able to tie up with 80 partners for Mālama Hawai'i and counting while volunteer programs continue to grow. He noted that the target audience for 2021 will be avid explorers who are known to be mindful, responsible and respectful. He added that they will continue to research on how to effectively invite avid explorer to Mālama Hawai'i.

Mr. Talwar said that HVCB will work with airlines, hotels and other partners with regards to coordination, cooperation and budget extensions. He added that they will use creative messaging to share stories of Hawaii ambassadors who are connected with community and/or volunteer organizations. He also showed a video of player vignettes of the PGA Tour to the Hawaiian Islands.

6. Presentation by HTJ on Market Insights, Updates on Airlines Booking Pace and on the Leisure and Group Segments and Programs to be Engaged in Q1 and Calendar Year of 2021

Chair Sanders recognized Eric Takahata, Managing Director of Hawai'i Tourism Japan (HTJ), to provide an update on market insights, updates on airlines booking pace and on the leisure and group segments and programs to be engaged in Q1 and calendar year of 2021 in Japan. Mr. Takahata reported that Japan's COVID-19 confirmed cases have significantly increased. He noted that in comparison to Hawai'i, Japan has a lower number of COVID-19 cases per capita (100,000) which is 277 while Hawaii has 1,760. He added that Japan

declared its second State of Emergency on 11 prefectures which will last until February 7. He said that a PCR test is required for entry to Japan and that the business or residence tracks are suspended. He added that vaccinations will start late February.

Mr. Takahata reported that the Cabinet has approved its third supplemental budget boosting Japan's government total spending to exceed ¥175 trillion (\$1.6T USD). He said that the economy on the third quarter grew an annualized real 22.9% from the previous quarters. He added that private consumption soared to 5.1%.

Mr. Takahata reported that the Go to Travel Campaign has been suspended until February 7 but will resume until the end of June 2021. He noted that the travel industry is in discussions with the Ministry of Travel with regards to the "Managed Travel" concept developed by JATA to introduce as the new normal travel style for Japanese. He said that the 14-day self-quarantine and pre-travel test for returning residents continue to be the major roadblocks in the industry. He noted that the recovery forecast for the travel industry indicates positive trends for summer until fall of 2021. He said that bookings for January and February remain low but airlines and travel agencies are in collaboration with HTJ in conducting quarterly promotions and campaign activities for 2021. He noted that more Japanese plans to visit Hawaii after reopening and in June to December 2021.

Mr. Takahata reported that there are 84 trusted testing partners at present and that an additional of 27 more are expected to join on December 22. He said that for Mālama Hawai'i campaign, they conducted live video promotions on January 8 and January 22.

Ms. Kimura stated that with the Go to Travel Campaign extended and no recovery can be expected until Q3, she suggested that most money be saved to Q3 like the Summit or Expo. Mr. Takahata responded that it can't be postponed anymore since it has been postponed once before.

Ms. Kimura asked if the 880,000 arrival by the end of the year is realistic since just by looking at the 1,800 arrival of December 2020, the HTA can't expect any more for the first 6 months of 2021. Mr. Takahata responded that the number is from DBEDT.

7. Adjournment:

The meeting adjourned at 12:00 pm.

Respectfully submitted,



Sheillane Reyes, Recorder