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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, February 24, 2021
Virtual Meeting**

MINUTES OF REGULAR BOARD MEETING

MEMBERS PRESENT:	Kelly Sanders (Chair), George Kam, Benjamin Rafter, Fred Atkins, Kyoko Kimura, Richard Fried
MEMBER NOT PRESENT:	Sherry Menor-McNamara
HTA STAFF PRESENT:	Keith Regan, Jennifer Chun
GUESTS:	Jay Talwar, John Reyes, Eric Takahata, Susan Webb, Mitsue Varley
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. Kalani Ka'anā'anā, HTA Director of Hawai'ian Cultural Affairs & Natural Resources, opened the meeting with a pule. He said that February is Hawai'ian Language month and shared the Hawai'ian word for the day, 'hokona' meaning "to market" and a video pointing out that without the Hawai'ian language, some things are not the same.

2. Approval of Minutes of the January 27, 2020 HTA Marketing Standing Committee Meeting:

Chair Sanders requested a motion to approve the minutes of the January 27, 2021 HTA Marketing Standing Committee meeting. George Kam made a motion, which was seconded by Kyoko Kimura. The motion was unanimously approved.

3. Presentation of the Brand Management Plan by each Global Marketing Team:

– Hawai'i Visitors and Convention Bureau (HVCB) by Jay Talwar

Chair Sanders recognized Jay Talwar of Hawai'i Visitors and Convention Bureau (HVCB) to provide an update. Mr. Talwar reported that there's good news with the deployment of vaccinations, industry and labor markets rebounding, and economic output returning to pre-pandemic levels some time in Q3. He noted that COVID-19 deaths in the U.S. surpassed half million. He added that the CDC requires negative COVID-19 test results for international travelers coming into the U.S. but not for domestic ones. He noted that U.S. travel is expected to increase to 16% in 2021 which will be driven mostly by leisure and business. He said that U.S. air seats are locked down one month at most and that airlines tend to hold on to their original forecast until the previous month. Mr. Talwar said that people consumed information digitally which is being looked at to deliver HVCB's messaging. He noted that 54% of travelers feel unsafe to travel by air but more travelers are expecting a better situation in the next month.

Mr. Talwar identified their target market as the 'mindful traveler' aged 25 to 54, eco-conscious, with household income of \$100,000 plus and repeat Hawai'i visitors. He noted that their consumer strategy is committed to Mālama Hawai'i and consistent with the HTA's strategic pillars incorporating Hawai'i Rooted and Kuleana campaigns in their messaging. He said that they're looking into paid media and social media to reach out to their target market. He added that the Earned Media PR team works with their Paid Media team to identify the appropriate media for their messaging.

Mr. Talwar reported that they're providing webinars for more travel advisors for educated destinations. He said that they work with the travel selling channel to ensure they support HTA's branding. He added that the coop plans are put together in a way that they buy into it and allow HVCB to maintain the brand messaging. He said that they have switched to virtual events and will continue until the end of the calendar year.

Mr. John Reyes reported that they have deployed their single-property team to cover all geographies of the U.S. and added one seller to cover city-wide corporate meetings and commitments for MCI. He noted that they will focus on short-term corporate citywide groups for 2022 to 2026 . He added that they have bumped through 800 city-wide accounts for optimal placement and identified 52 with open years between these times that they will be soliciting. He said that they will target small group meetings for single-property.

Mr. Talwar reported that responsible tourism is woven throughout HVCB plans. He said that the private industry partners are stepping up for the Mālama Hawai'i Program. He noted that the paid media is penciled in for May 15 but will decide on April. He said that social organic posts are ongoing while paid media and advertising are aligned with the paid media. He added that search, e-newsletters and gohawaii.com are baseline elements for HVCB. He said that the second half of the year is heavily loaded with travel trades .

Mr. Reyes said that they went through the budget and evaluated where the highest return is received for the tradeshow. He noted that they will have meetings today in March in the Island of Hawai'i bringing in 25 MCI customers. He added that they are continuously talking to customers through digital means for the sales calls.

Mr. Talwar reported that their BMP budget had diminished and had gotten much of funding for media work as much as possible. He noted that the MCI budget flows heavier towards the second half of the year. He said that the performance measures for advertising, trade shows and travel agent sales calls and social media are heavily skewed on the second half of the year while public relations are more consistent across the year.

Mr. Reyes reported that the MCI performance measures basically are geared to continue the formula that helps produce opportunities. He explained that what most sales departments are doing is putting in place qualitative goals or behaviors to get sales people in front of customers and as the market returns, they can go back to the traditional room night formula. He said that the key to this is flight availability, vaccination and confidence levels.

Mr. Talwar reported that they have adopted the HTA KPI with regards to PPPDS, total expenditure, which they are aiming to meet or exceed DBEDT forecasts for 2021 and visitor satisfaction with the goal of maintaining or improving the 2019 score.

Chair Sanders asked if they have information with the U.S. requiring a COVID test for any international person coming in and anecdotal information on short term pick up on the market. Mr. Talwar responded that the ability to travel to Mexico and the Caribbean was put off immediately but that those destinations and hoteliers have provided testing options for people to select their destination and get tested to come back.

Chair Sanders asked about the sentiments of meeting planners. Mr. Reyes responded that there's a strong confidence level by meeting customers, single property and citywide for 2022 and they are seeing study interest and commitment to Q3 and Q4. He added that the city-wide groups don't feel that there's access for attendees to travel. He pointed out that the key for everybody is the vaccine for a stronger level of confidence. He added that much of the conversations with customers are about activity peaking up for people interested in Hawai'i but it is in 2022 and beyond.

Chair Sanders suggested to do focus groups for resident sentiment in relation to Mālama Hawai'i. Mr. Talwar responded that it's best to bring the community in the communications with the DMAP first before the focus groups. He added that they're looking into sending messages that inspire them to support Hawai'i as their next destination in a manner that's supported by the residents

Ms. Kimura asked how the leisure budget is heavier works with the admin cost lighter towards the end. Mr. Talwar responded that they had some self-audit fees that were put in the admin line for the first half that are not in the second half of the year.

Mr. Atkins asked if they have information about Florida's occupancy which doesn't have any travel restriction. Mr. Talwar responded that he didn't have the data but that Florida is doing very well and that the biggest constraints for hoteliers in Florida is finding enough labor.

Mr. Atkins asked how many people are coming to take advantage of the 5th night free to stay and work, and if they can include the fun part of activities in Hawai'i. Mr. Talwar responded that they have to look into people's motivation and reason for travel which with the post vaccine world, is the need to relax and to connect with people. He noted that they would want to add another element to how these previous travelers perceive and experience Hawai'i. He noted that they have not spent any budget to promote the 5th night free and are looking at mid-May to spend to measure it.

Mr. Atkins asked how many people don't want to take the vaccine. Mr. Talwar responded that a national study shows that there's around 23% to 27% not taking it.

Mr. Regan read the question from a wholesaler asking what needs to be done to be a part of the destination conversations. Mr. Talwar responded that they circle back after the call. Chair Sanders said that they should have their wholesalers in an advisory capacity towards the committee activities and how to support them in their efforts.

– Hawai'i Tourism Japan (HTJ) by Eric Takahata

Chair Sanders recognized Eric Takahata of Hawai'i Tourism Japan (HTJ) to provide an update. Mr. Takahata reported that the first International Safe Travel program was set up with Hawai'i in 2020 with just 27 testing partners and has increased to 84 programs. He added that they're looking at Japan's economy stabilizing in 2021.

Mr. Takahata reported that there's a good increase in GDP in Q4 of 2019 in Japan with a similar unemployment average, a decrease in consumer confidence and household savings. He said that Japan is in its second state of emergency declaration for 10 out of 47 prefectures. He added that the government signaled further loosening to 10 prefectures in a short time. He noted that Japan still requires PCR tests and a 14-day quarantine for returning residents. He added that the U.S. is still not allowed to travel to Japan. Mr. Talwar reported that Japan has procured about 314 million vaccines with the goal of vaccinating over half of the population by June. He said that the government is still investing a stimulus fund for the country. He noted that media outlets are moving on bigger initiatives to cover the Olympic Games which could be held this year.

Mr. Takahata reported that the forecast for Japanese visitor arrivals to Hawai'i are trending a bit more negatively. He noted that JATA anticipated over 4 million people will travel outbound with Hawaii being one of the big winners in the recovery this year. He added that JATA and ANTA are working with the Ministry of Foreign Affairs and Health Ministries with the Managed Travels concept with an attempt to lift the 14-day quarantine for returning residents. He noted that they've identified Hawai'i to pilot this concept.

Mr. Takahata reported that their target audience will be people willing to travel outbound at least once a year, invest on self-improvement and well-being, globally conscious contributors with an income over \$100,000. He noted that they are broken down to four segments namely, the Pono traveler (contributing to something bigger than themselves), affluent family, new norm workers and couples. He added that the primary target regions are the Kanto and Kansai area.

Mr. Takahata reported that their consumer strategy and trade strategy are focused more on engagement and education on the first half and full-blown recovery through collaborating with consumer companies and stakeholders and industry partners for the second half of the year. He added that they're spending most of Q1 and Q2 getting ready for Q3 and Q4 for their BMP timeline.

Ms. Mitsue reported that discussions are underway in creating the guideline for inbound travel to start for the Olympic Games, which will be followed by outbound later. She added that HTJ is in constant communication with JATA and Japan partners to assist and communicate with the industry partners in gaining the most effective exposures and messaging in the market. She added that competitive destinations like Australia, Hong Kong, Dubai and Thailand started putting resources in Japan so HTJ needs to compete with these countries.

Ms. Mitsue said that HTJ's initiative is under HTA's four pillars focusing on MCI initiatives with the Sustainable Development Goals gaining popularity in Japan. She added they have the Aloha Program and the Mālama Hawai'i campaign branding. She noted that they will communicate with Japanese communities and NGOs in Hawai'i to enhance the business relationship and will coordinate with corporates in Japan who have the database and the audience for their campaign.

Ms. Mitsue reported that they have www.gohawaii.jp as a global website and www.allhawaii.jp as a microsite for their promotions. She added that there's another microsite under All Hawai'i which is Mālama Hawai'i, Re-imagine Hawai'i website which specifically features the types of environmental and cultural activities in the islands of each NGO partners. She said that they have the Hawai'i Expo virtual event where they created a

virtual world wherein an avatar can go into different Hawai'ian huts and that they can have their entertainment on the stage and own workshops in other stages. She said that HTJ's been doing a Japan Summit and monthly education forum bringing travel agents on the island to face to face meetings for the industry partner online.

Mr. Takahata reported that a lot of effort is focused on rebuilding the MCI market to Japan from Hawai'i where they're looking at three core segments: incentives, edu-tourism and entertainment. He added that for 2021, it will be more on short term, small group bookings, and will continue to educate wholesalers and suppliers digitally. He noted that travel trade education resources are available on www.allhawaii.com Mr. Takahata said that Mālama Hawai'i is HTJ's main initiative for responsible tourism and they have started with the Mālama mask and are capitalizing on the focus on SDGs and MCI's in Japan.

Ms. Mitsue reported that the minimum BMP Budget for Q1 and Q2 are for platform and database expenses and they will focus on advertising, PR, and trade marketing initiatives in Q3 and Q4. She said that the majority of advertising will be on Q3 for the KPI measures. She added that they are currently focusing on online education and will kick in on the second half of the year for travel trade. She noted that PR and social media will keep going throughout the year but bump up in Q2. She said that they're trying to keep the numbers with MCI and edu-tourism and entertainment being the key.

Ms. Mitsue reported that HTA performance indicators focus on PPDS and they are trying to exceed \$1.6 billion for total expenditure. She added that they are looking into improving visitor satisfaction and resident sentiment, especially with the Japanese community in Honolulu and to keep communicating with different organizations.

Ms. Kimura asked if the 14-day quarantine will be lifted from April or May. Mr. Takahata responded that with the Olympics opening in March, there are conversations going on that it could shrink from 14 days to 3 days.

Ms. Kimura asked about the inclusion of people over 65 years old for their target market with them getting the vaccination first. Mr. Takahata said that they internally refer to them as the active senior market and are still very much on HTJ's radar

Mr. Atkins asked if the quarantine protocol will change with the Japanese population getting vaccinated. Mr. Takahata said that there's no official statement from the Japanese government yet.

Chair Sanders invited the public to provide testimony, and there was a none.

– Hawai'i Tourism Canada (HTCAN) by Susan Webb

Chair Sanders recognized Susan Webb of Hawai'i Tourism Canada (HTCAN) to provide an update. Ms. Webb reported that the Canadian government put in a stimulus package of \$400 billion to protect jobs, provided wage subsidy programs paying up to 75% of wages. She said that much of the travel industry was devastated. She noted that the Canadian economy is doing quite well right now and the Canadian dollar's value is improving. She reported that vaccinations were a bit delayed but now on track with the goal of all Canadians being vaccinated in September 2021. She said that overall Outbound travel is down 94% from 2019 to 2020 but only 75% for U.S. destinations with Hawai'i down to only 64% and had 127,000 Canadians come to Hawai'i.

Ms. Webb reported that air seats are very much going down with all flights suspended into the Caribbean, Mexico and Central America, which has caused significant decrease in all travel. She noted that Air Canada plans to come back at the end of April with their flights to Hawai'i. She added that WestJet is still flying to Hawai'i but based on day-to-day demands.

Ms. Webb reported that their key medium for all of their advertising and marketing campaign is digital. She noted that Canadians are spending over 5 hours a day on digital and secondly on streaming TV. She added that Canadians are being motivated by travel with friends and family being the number one factor, so they will continue to work with all the people who have visited Hawai'i and will have them as ambassadors promoting to other Canadians. She said that they will also look into websites since those are the next place people look into for information and news.

Ms. Webb reported that the Canadian government has discouraged international travel implementing a negative COVID test 72 hours prior to arrival and another PTCR test upon arrival with a mandatory hotel stay (\$100 per person) for up to 3 days until test results are released. She said that people with vaccination still have to undergo the testing program upon arrival but discussions are underway. She noted that the airlines are pushing the government to try and use rapid testing before getting on and off a plane as a more effective way to manage travel. She said that the number one motivation Canadians are looking for in a travel destination is safety and protocol.

Ms. Webb reported that their target audience are affluent travelers, romance, experience seekers, and snowbirds/retirees who are mindful travelers residing mainly in British Columbia, Alberta, and Ontario who are age 35 to 64 years old. She added that their consumer strategy and actions are very much into spreading the whole Mālama Hawai'i messaging in the brand pillars of HTA. She noted that their media strategy plan is more on the ability to pivot and make sure that they can change plans without any penalty. She added that they use Environics insights and Yugov research to be able to target the market more strategically. She added that they will be using mostly video, video display, and social media

to target their audience and are working with social media and keywords for message retargeting.

Ms. Webb reported that they will continue using newsletters and media outreach, virtual media events, promotional opportunities, working with influencers and crisis management for their PR strategy. She noted that they want to do media campaigns over radio stations and TV programs to tell stories about Hawai'ian culture and to provide opportunity to win a vacation to Hawai'i, focusing on responsible tourism as one of the messaging and also partner with loyalty program providers in Canada.

Ms. Webb reported that they are working closely with travel agents partners to ensure proper education on how to sell Hawai'i effectively and incentivizing them to partner with HTJ on promotions and programs. She added that they are working with tour operators and airlines into getting them to incorporate responsible tourism and Mālama integrations in all of their activities.

Ms. Webb reported that the main way to get their leads is through sales calls to the MCI planners for most of the business is done through them rather than directly. She added that they will be in constant communication with them and will work with Hawai'i stakeholders to ensure that they're up to date with everything happening in Hawai'i. She said that they will also look into going after the new market of small leisure groups which are becoming popular. She said that they have one confirmed MCI group in April and two tentative groups in October and another one with a guaranteed 164 room nights for Maui.

Ms. Webb reported that they will have the responsible tourism messaging as well as Mālama in all of their activities. She noted that all Canadians are expected to be vaccinated by September which means that Q3 and Q4 is when Canadians are back to Hawai'i for travel. She added that they are looking for travel restrictions to ease starting May. She noted that all of the campaigns will start the inspiration early May and that bookings will start in July and August ramping up for September through December. She reported that for the BMP budget, the only things going on for Q1 are ongoing guides that have to be paid and social media and everything else will be put to Q3 and Q4.

Ms. Webb reported that most of the leisure measures and travel trade in advertising are digital. She added that publicity and PR will increase once they get their journalists back to traveling, but are expecting to exceed it this year. She noted that they will be involved with all of their travel trade partners as well as with their programs doing trade shows and sales calls, educational programs and collaboration with industry partners and island chapters. She said that they will post on Facebook and Instagram which are key social media in Canada. She noted that most will be virtual with no in-person currently planned for MCI, but educational

programs will be significant MCI room nights.

Ms. Webb reported that they're looking to meet and exceed PPDS and total expenditure and maintain or improve visitor satisfaction which is at 97.5% in 2019. She noted that they're putting out more of Mālama messaging, responsible tourism and Kuleana which will help the traveler be more mindful and respectful when they get to Hawai'i to improve on resident sentiment.

Chair Sanders invited the public to provide testimony, and there was a none.

Chair Sanders requested a motion for the meeting to close. The motion was made and seconded and unanimously approved.

4. Adjournment:

The meeting adjourned at 1:01 pm.

Respectfully submitted,



Sheillane Reyes
Recorder