



KA HĀLĀWAI KŪMAU A KE KŌMIKE ALOWELO
KE'ENA KULEANA HO'OKIPA O HAWAII'

**BRANDING STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY**

HĀLĀWAI KELEKA'A'IKE
VIRTUAL MEETING

Pō'ahā, 21 Nowemapa 2024, 3:30 p.m.
Thursday, November 21, 2024 at 3:30 p.m.

E ho'olele 'iwa'ia ka hālāwai ma o ka Zoom. Meeting will be live streaming via Zoom.

<https://us06web.zoom.us/j/85391665275>

E noi 'ia paha 'oe e kāinoa me kou inoa a leka uila paha. E 'olu'olu, e ho'okomo i kou inoa piha akā hiki nō iā 'oe ke ho'ohana i ka inoa kapakapa e like me kou makemake.

You may be asked to enter your name or email. The Board requests that you enter your full name, but you may use a pseudonym or other identifier if you wish to remain anonymous.

Kelepona / Call In: 16694449171
Helu Hālāwai / Webinar ID: 853 9166 5275

Hiki i ka lehulehu ke hō'ike mana'o ma o ka palapala a i 'ole ma o ka waha. E kau palena 'ia ka hō'ike mana'o waha (ma ke kino a i 'ole ma o ka Zoom) he 'elima minuke ka lō'ihī no kēlā me kēia kumuhana. E kāinoa no ka hō'ike mana'o waha ma ke pākaukau ho'okipa ma ka lumi hālāwai. E kāinoa no ka hō'ike mana'o waha ma o ka Zoom ma o ke pihi "Q&A."

Members of the public may provide written or oral testimony on agenda items. Oral testimony (in-person or via Zoom) will be limited to five minutes for each testifier per agenda item. Signup for oral testimony via Zoom will be accepted through the Q&A feature on Zoom.

E ho'ohui 'ia nā palapala hō'ike mana'o i hiki ma ka pū'olo hālāwai. E leka uila 'ia nā palapala iā Carole Hagihara-Loo ma carole@gohta.net, a i 'ole, e lawe kino 'ia i ke ke'ena. No nā palapala hō'ike mana'o i hō'ea mai ma hope o ka pa'a o ka pū'olo hālāwai ('elua lā ma mua o ka hālāwai), e kāka'ahi 'ia nā kope i ke kōmike a e mākaukau no ka 'ike 'ia e ke anaina ma ka hālāwai.

Written testimony received ahead of the preparation of the committee packet will be included in the packet. Email written testimony to Carole Hagihara-Loo at Carole@gohta.net or hand-deliver or send via postal mail to the Hawaii Tourism Authority office, 1801 Kalākaua Avenue, 1st Floor, Honolulu, HI 96815. Written testimony received after the issuance of the committee packet (two business days before the meeting) will be distributed to the committee and available for public inspection at the meeting.

AGENDA

1. *Ho'omaka a Wehena*
Call to Order and Opening Protocol
2. *Kikolā*
Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic
3. *Wehena*
Opening Protocol
4. *'Āpono Mo'olelo Hālāwai*
Approval of Minutes of the July 23, August 19, and September 9, 2024 Branding Standing Committee Meetings
5. *Hō'ike'ike a Kūkā no ka Huaka'i a Hana Hokona ma LA a me ka Nūhou 'Ē A'e na HTUSA*
Presentation and/or Discussion on the LA Saturation Activation and Other Updates from HTUSA (Hawai'i Tourism USA)
6. *Hō'ike'ike a Kūkā no ka JATA Expo, ka Huaka'i i Iāpana, a me ka Nūhou 'Ē A'e na HTJ*
Presentation and/or Discussion on the JATA Expo and Japan Mission and Other updates from HTJ (Hawai'i Tourism Japan)
7. *Nūhou no ka Hana me Brand USA a me nā Pāhana Hokona Kau'āina 'Ē A'e*
Update on the Partnership with Brand USA and other International Marketing Activities
8. *Hō'ike'ike a Kūkā no ka Nūhou no nā Hālāwai, Kikowaena, Papa Hana Mākeke, ka Pace Report, a me nā Hana o ke Kikowaena Hālāwai o Hawai'i a me nā Loa'a Kūloko*
Presentation and/or Discussion Regarding an Update on the Meetings, Conventions and Incentives Market Activity and Pace Report
9. *Ho'oku'u*
Adjournment

*** 'Aha Ho'okō: Ua hiki i ka Papa Alaka'i ke mālama i kekahi hālāwai kūhelu i kū i ka Hawai'i Revised Statutes (HRS) § 92-4. E mālama 'ia kēia hālāwai kūhelu nei ma lalo o ka § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) no ka pono o ko ka Papa Alaka'i kūkā a ho'oholo 'ana i nā nīnūnē a nīnau i pili i ko ka Papa Alaka'i kuleana me ko ka Papa Alaka'i loio. He hālāwai kūhelu kēia i 'ole paulele 'ia ka 'ikepili a i mea ho'i e mālama kūpono ai i ko Hawai'i 'ano, he wahi i kipa mau 'ia e nā malihini.

***** Executive Session:** The Board may conduct an executive session closed to the public pursuant to Hawai'i Revised Statutes (HRS) § 92-4. The executive session will be conducted pursuant to HRS § 92-5 (a) (2), § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) for the purpose of consulting with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities; to consider hiring and evaluation of officers or employees, where consideration of matters affecting privacy will be involved; and to discuss information that must be kept confidential to protect Hawai'i's competitive advantage as a visitor destination.

Inā he lawelawe a mea like paha e pono ai ke kīnānā, e ho'oka'a'ike aku me Carole Hagihara-Loo ma (808)-973-2289 a ma ka leka uila e like me ka wikiwiki i hiki, 'a'ole ho'i a ma 'ō aku o ka 'ehā lā ma mua o ka hālāwai. Inā 'ike 'ia he noi i ka lā ma mua o ka hālāwai, e ho'ā'o mākou e 'imi i ka lawelawe a mea like paha, 'a'ole na'e ho'i e hiki ke ho'ohiki 'ia ke kō o ua noi lā. Ua noa pū kēia ho'olaha ma nā kino 'oko'a e like me ka mea pono.

If you need an auxiliary aid/service or other accommodation due to a disability, contact Carole Hagihara-Loo at (808) 973-2289 or carole@gohta.net as soon as possible, preferably no later than 3 days prior to the meeting. **Requests made as early as possible have a greater likelihood of being fulfilled.** Upon request, this notice is available in alternative/**accessible** formats.

E like nō me ka 'ōlelo o ke Kānāwai Hawai'i i ho'oholo 'ia māhele 92-32.7, e mālama ana ke Ke'ena Kuleana Ho'okipa o Hawai'i i kekahi wahi e hiki ai ka po'e o ka lehulehu ke noho a komo pū ma nā hālāwai ma o ka ho'ohana 'ana i ka 'enehana pāpaho (ICT). Aia ana kēia 'enehana pāpaho ma ka papahelu mua o ka lumi ho'okipa i mua o ke Ke'ena Kuleana Ho'okipa o Hawai'i ma ka Hale 'Aha. 'O 1801 Kalākaua Avenue, Honolulu, Hawai'i, 96815 ka helu wahi.

In accordance with HRS section 92-3.7, the Hawai'i Tourism Authority will establish a remote viewing area for members of the public and board members to view and participate in meetings held using interactive conference technology (ICT). The ICT audiovisual connection will be located on the 1st Floor in the Lobby area fronting the Hawaii Tourism Authority at the Hawai'i Convention Center at 1801 Kalākaua Avenue, Honolulu, Hawai'i, 96815.

4

**Approval of Minutes of the
July 23, 2024, August 19, 2024 and
September 9, 2024
Branding Standing Committee Meetings**



**BRANDING STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY
Tuesday, July 23, 2024, at 2:30 p.m.**

Virtual Meeting

MINUTES OF THE BRANDING STANDING COMMITTEE MEETING

MEMBERS PRESENT:	Blaine Miyasato (Chair), David Arakawa (Zoom), Roy Pfund (Zoom), Mufi Hannemann
MEMBER NOT PRESENT:	Kimberly Agas
HTA STAFF PRESENT:	Kalani Ka'anā'anā, Isaac Choy, Jadie Goo, Ilihia Gionson, Maka Casson-Fisher, Iwalani Kūali'i Kaho'ohanohano, Jennifer Bastiaanse
GUESTS:	Jeffrey Eslinger, Kara Imai, Lynn Whitehead

1. Call to Order

Chair Miyasato called the meeting to order at 2:38 p.m.

2. Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic

Mr. Gionson did the roll call, and members were confirmed in attendance by themselves.

3. Opening Protocol

Mr. Casson-Fisher did the opening cultural protocol.

4. Approval of Minutes of the June 20, 2024 Branding Standing Committee Meeting

Mr. Hannemann made a motion to approve the minutes, and Mr. Arakawa seconded with the assumption that the minutes would include the amendments he made in the July 22,

2024, Administrative and Audit Committee meeting minutes. Mr. Gionson did the roll call, and the motion carried with Mr. Arakawa's reservations.

5. Presentation and/or Discussion Regarding an Update on the Meetings, Conventions and Incentives Market Activity and Pace Report, and Hawai'i Convention Center Activity and Local Sales

Ms. Whitehead commended everyone for the great work and time that they gave to the state of Hawai'i. She said Meet Hawai'i is a collaboration of the Hawai'i Visitors and Convention Bureau (HVCB) and Hawai'i Convention Center (HCC) to reinforce the brand of the Hawaiian Islands as a world-class destination for business meetings, conventions, and incentive programs.

Ms. Whitehead and Ms. Orton meet weekly. The sales teams meet to go over what is on the books and strategize toward the right business for the building. The client services team and event management team continually collaborate. The Citywide sales team is responsible for booking offshore programs 13 months after arrival, and the local sales team is focused on booking groups within 13 months. The client services team focuses on the destination components and putting together the entire program. The event management team at the HCC is responsible for everything inside the building. The single property team is responsible for booking hotel meetings on all islands. Ms. Whitehead spoke about the follow-up from the last meeting. Chair Hannemann and Mr. Arakawa offered some suggestions during the call. Both FESTPAC and Okinawan Festival are local events, and Ms. Whitehead and Ms. Orton had a call after the meeting to do a deeper dive into how they could respond to those questions. She reached out to Andrew Koh, the leader of the Oceania team. For FESTPAC, Chair Hannemann wanted to see what they could do to take advantage of the momentum generated from FESTPAC. The focus will be on Australia and New Zealand. Chris oversees Oceania and is working with some media to put that in front of the customers to see how they can generate some excitement for Hawai'i.

Mr. Arakawa had suggested how they could try to get more attendance at the Okinawan Festival. Mr. Andrew Bailey and Mr. Haichia, the country manager for Japan, are working on an MOU with the Japan Travel Bureau. It was suggested that we see what can be done in the MOU to create and drive more attendance for all festivals in the building.

She spoke about the Economic Impact that Meet Hawai'i and the MCI business represents. Economic Impact: 2022 (awaiting 2023 data in August)

- Offshore events generate \$808 B in total meeting attendee expenditures for the state of Hawai'i.
- Meet Hawai'i's citywide/single property teams generated \$452.2 M (56%) of the total

meeting attendee expenditures.

MCI offshore business is a significant driver of Hawai'i's economy:

- Higher spending, distributes spending to all islands, creates compression which drives higher ADR, Pre/Post stays

MCI Business sales and marketing process is unique:

- Sales: Longer sales cycle, complexity and customization, decision-making process.
- Marketing: Content and messaging, targeted digital media, industry relations and strategic partnerships, commitment to sustainability and DEI.

The MCI business always gets back to the community.

She shared the opportunity they have in MCI business. The industry estimates continued growth, with MCI doubling in 10 years since 2021. There is a lot of opportunity.

She spoke about industry market trends in the last presentation from the previous month:

- In the next four years, the incentive segment is expected to be the fastest growing segment in the market, segmented by service type, at a CAGR of 9.3% from 2023 to 2028.
- Sales lead volume - up +18.8% in Q1 2024 over Q1 2019; Tentative room nights and attendance are also up over 2019.
- Planner optimism continues to grow. Over 60% of planners are reporting they will plan more meetings in 2024 than they did in 2023.
- Rising costs remain the planners' top concern.
- International attendees, especially Japanese, are more likely to participate in CSR/Community Give Back Programs.

As they move away from the pandemic, MCI is gaining momentum.

Because of the incentive market and the importance it has for Meet Hawai'i and the growth they will see over the next four years, Meet Hawai'i is:

- Developing a digital messaging strategy targeting incentive groups for all islands
- Q2 production is soft due to signings pushed into Q3.
- Short-term booking cycle will continue into 2025 for citywide and single-property events.
- Allocating incentive dollars to secure key citywide and single property event
- Focused attention on Definite 2024/2025 citywide groups to ensure maximum rotation potential for future years.

She spoke about strategic focus initiatives:

- Enhance incentive program for both single property and citywide to direct need time

frames, push short-term opportunities now, and remain competitive.

- Refine sales strategy with key corporate, incentive houses and third parties to ensure Hawai'i is at the top of the mind.
- Strengthen partnerships with stakeholders to support and secure key industry events in Hawai'i.
- Increase communication from the Meet Hawai'i team with key on-island community stakeholders.
- Update and implement revised operational guidelines for the client services team.
- Reinforce the benefits of Meet Hawai'i groups to the local community, especially with our 'Elele program.

She spoke about Citywide sales production. It has been a flat year to date for definite room nights. From a tentative perspective, they are a bit behind, but she expects to see an increase with the new sellers on board. She spoke about their tentative bookings. They have 36 tentatives, and 55% of those tentatives are 2024 - 2028. 44% are in 2027 and 2028. They are taking advantage of the short-term booking cycle. They just got two verbal definites for 2027 and 2030 that she looks forward to reporting in Q3. It represents 23,000 room nights and \$67 million in economic impact. She spoke about Hawai'i's future pace for Citywide, focusing on definite room nights. She presented the changes from the previous meeting. The previous month, they had a collaborative call with the HTA, and they took the slide from a three-year average target to a five-year average target. She spoke about the slide. In 2027 and 2029, there are a lot of tentative opportunities they are working on. She said they will fall short if they do not continue to book into specific years. 2030 is doing well now but if they do not stay on top of that, they will not stay on pace for the year. For 2026, they will not add any more business due to the construction. In 2024 and 2025, they will have a strong representation of business for local and definite groups. The mix of groups makes the building and destination a success.

For single property production, there was a strong definite room night. For July, they had 15,000 total room nights, representing about \$68 million in economic impact.

Ms. Marykay Lui, the regional director of single property sales, is getting the West Coast sales up and running and will help increase the funnel. She showed a snapshot of the pace of the single property. They were moved to a five-year target. It increased the benchmark slightly. For 2024, they have work and will probably not meet the benchmark. 2025 is looking strong. The reason for doing a three-year in this presentation is due to the single property booking cycle being around 18 months. The tentative room night represented for single property production by the island will not match production as the leads might go to different islands. They always highlight Maui and say that they are open. The North American

sales team and Asia/Oceania have been out in the marketplace, focusing on financial insurance groups for education summits. She highlighted Trevor Newman, who came from the local sales team on Ms. Orton's team and is now deployed in the Bay Area and active in the International Associations of Exhibit and Events (IAEE). He was identified as a future leader with them. The Asia/Oceania team has had several initiatives, such as ITB Asia Shanghai, HIS Corporate Fam, etc.

As they close out the half year, they are at about 47,000 attendees, 107,000 definite room nights, and the economic impact is around \$256 million. There is a lot of work to do, and they are fully deployed to make that happen. She is looking forward to seeing those numbers grow. She will be presenting quarterly. She reminded everyone that it is a collaboration and that if anyone has initiatives or questions about MCI or Meet Hawai'i they must reach out, and she will follow up. Mr. Pfund mentioned a typo on the slide for the 2022 economic impact. He said it should be \$1 million. He agreed about the importance of the MCI market to Hawai'i. He asked about consolidation in the MCI operators with JTB and CNHA doing worldwide marketing. Ms. Whitehead said she would resource Mr. Andrew Bailey and the Asia Oceania team before answering Mr. Pfund's question.

She thanked Mr. Pfund for the typo comment. Chair Miyasato said it was great that Ms. Whitehead took notes, questions, and answers from the previous meeting and brought them through to this meeting. Mr. Arakawa spoke about an event or a festival of people coming home for every community and if they have looked into that to create economic energy and opportunity. Ms. Whitehead said he had brought that point up in the last Branding Standing Committee meeting, and that is what she was addressing during this session. She spoke about the rotation of that and driving it every five years for more attendance. The initiative she took away was how they can drive attendance to the festivals they are already hosting in the building, but they can go back to the drawing table to see if they can try other items. Mr. Arakawa agreed to drive more people to the building for events. He asked if there is a way to calculate the economic impact of local events, buying from local farmers, hiring local people for business, etc.

Ms. Whitehead said the local groups are Ms. Orton's expertise, and they will always generate room nights but at a different level. For music events, for example, some dollars are associated with tracking those metrics for groups like that, so dollars would be needed. In the sports markets, HVCB added Play Easy, a tool to track room nights for their sports groups. They could use that for other groups but only track room nights. She would look at the costs involved. Mr. Arakawa said that he and Ms. Agas had previously asked for the dollar amounts in prior years because the legislature would like to see the numbers in progression, even the numbers going back to 2013. He mentioned that Ms. Whitehead has 5

fewer employees and \$2 million less in the budget, so if they want the numbers, they must put more into the process. Ms. Whitehead asked for the report Mr. Arakawa would like her to mirror. She said the pay slide is looking forward.

Mr. Arakawa asked if they have target goals for room nights, events, and economic impact and if they could create a slide on that. Ms. Whiteheads said they have a goal for room nights and book events, but not for economic impact, but they report on it. She said that could be added. Chair Miyasato said the committee meetings are to get into the fiscal conversations, but it has to be foundational and supported by the plan, vision, message, etc. He asked that Ms. Whitehead give them the tools and the data to help make good decisions and recommendations for the committee. He said it's important for residents to feel good about tourism and the economic benefits, and it is in the community. He said to put on the agenda for the next meeting that Mr. Arakawa's idea will be used as a proxy for how they can do other programs every three to four years.

Ms. Whitehead said that while the MCI business is lumped into visitors, part of its role is to educate the community on what the MCI business delivers. The MCI programs as groups bring in 5,000 attendees and are dedicated to booking destinations committed to DEI sustainability and attracting the right business. They are busy working on their DMAP measurements and making them more meaningful. Their priority is to ensure they can report more and provide more press and PR towards those groups to share that with the community. The MCI is dedicated to the key core pillars of the HTA. Chair Miyasato followed up on Mr. Arakawa's suggestion and said that whatever they can report quarterly can provide a data set that makes the point. She said if there is an opportunity for her to collaborate with them before the next quarterly report, she will welcome that.

Mr. Ka'anā'anā said the other tools they had previously needed to be brought back. In FY2026, they requested it, but they did not do it for MCI, they have a contractor Vision Insights who did an economic and community impact survey on the large sports events, so that helps give a bigger picture. They asked for money to bring the reports back, but they should look at expanding that to MCI events, especially for Citywide events to capture the full picture, so it could be a shared cost. Chair Miyasato said after the meeting they must find a starting point and decide on the different "buckets". Mr. Arakawa said they must remember DBEDT. Mr. Hannemann said he would like to see the sporting opportunity in future reports. Part of the Destination Stewardship responsibilities is to get local teams involved in playing against national and international competition in Hawai'i. Ms. Whitehead will pull the relevant information into the report. Mr. Pfund suggested reaching out to the Hawaii Captives Insurance Council as they have an annual function in Hawai'i where all the executives tied to national and international insurance companies meet. This is a great

opportunity to reach out to them. Ms. Whitehead said Ms. Kathy Dever, director of sales of the mid-west region, has a great presence with the financial groups. One of the initiatives she attended was the financial insurance conference, an excellent market for the state of Hawai'i. She will research the event Mr. Pfund brought up.

6. Presentation and/or Discussion on Global Support Services for Brand Management and Marketing

Mr. Pfund commented on the reporting. It would be very helpful if there was some way to capture all the information and data. Ms. Whitehead said that is why they are bringing the DBEDT report into the process. The statistics show the value of each piece of business, considering all the different components of the attendees when they are attending a convention.

Chair Miyasato said they need to find the perfect mix and the sweet spot, and the data will help determine that, as it is not just for room nights. Ms. Whitehead said the groups must be involved in give-back programs to the islands so that there is an offset in some way. She said that when she went to Hawai'i, she was impressed with the evaluation process for the groups. She said they always ensure they incentivize the groups and give back in some way to the community.

Ms. Imai said the support services are the contracts that cover all the marketing tools the partners utilize, i.e., all the island chapters, the MMAs, the tools, and all the services. Some tools are the GoHawaii website, the knowledge bank, market insights, and airline route development. She said that Kainoa Daines has hired a new team member to support him with destination education. Mr. Keenan Chung, however, is going to be pursuing movie and TV opportunities.

She gave the floor to Mr. Eslinger. Mr. Eslinger said they need to keep the partners aware and educate them with the data needed to make meaningful decisions for their organizations. On the market insights side, he said this could not be done without the hard work of Ms. Chun and the DBEDT team and the HTA resources available to make actionable insights from the data they have access to. They are trying to put out the information for the inner GMTs and HTA leadership, stakeholders within the state, and the continents. They are looking at visitor trends, market profiles, and segmentation. They are using different data sets to do that. They are also leveraging the third-party data in some Ms. Chun's reports. Then, they create a monthly market insights deck in the office to share with the internal stakeholders and all their partners. They are always reactive and responsive to all questions. They also do presentations, whether with GMTs or MCI partners.

He said Ms. Chun and her team will release the 2023 annual report at the end of August or early September. They will take the most recent year-end data and create visual snapshots of what they will call the Hawai'i visitor profile. They will also look at the GMTs that the HTA is currently funding.

Air route development needs to be revised. Their goal is to keep what they have. They have additional seats on some routes that may be oversaturated, and other routes need more. So, it is balancing out the effort. With their funding, they are putting together a strategy and doing some communication, but to have a comprehensive air route development program, they would need additional resources and the coordination of other partners within the state. What they are currently doing on the air route side is using a tool that gives them air service grids they do on a monthly basis that they provide to all the GMTs and the area sales teams they can use as talking points. They do air service grids and a seven-day moving average. They are synthesizing it and making it more user-friendly for the end user. For daily seats into Hawai'i by Origin Country is done on a weekly basis.

They continue to collaborate with the airlines and continue to foster strong relationships with airlines through regular meetings with their network planning, revenue, marketing, and international development teams. Industry Engagement is where they actively participate in industry events like World Routes and Routes Americas to stay updated on industry trends and connect with potential airline partners. What has happened to Maui is very important to them. As part of the contract, he said they had engaged Brad Defiore from Ailevon Pacific, who is working with them on a small strategy component and looking at three major areas of their air situation. The most important is the Maui recovery. The second one is looking at long-haul markets. There are some holes in the international markets. Those conversations will happen with Brad's team and the DBEDT international team. Getting Taiwan service back would be important, too. The third thing is to determine the impacts or potential impacts of the integration of Hawaiian and Alaska Airlines into the state and see how that would look from an origin-destination perspective moving forward. By providing these critical reports and fostering industry relationships, our Air Route Development team ensures informed decision-making for attracting new air routes and optimizing existing ones.

Ms. Imai said the HTA Knowledge Bank is a digital asset management system. There are two sections. One for the public and one for the internal platform that only the HTA partners have access to. Ms. Susie Kim is the Director of Content Development and manages the knowledge bank. She is responsible for processing all the images that come through and adding metadata to them. She has been putting together a wish list for all the different islands for the past few months. Going hand in hand with that is the Hawaiian Island brand guideline responsibilities. There are two parts to that. The Hawaiian Islands Social Media Brand Guidelines and Ma'ema'e Hawai'i style & resource toolkit provide support to the HTA

team. They work hand in hand. They are in the process of updating the brand guidelines and are trying to brainstorm if there is a better way to get this information out to users or combine them to get them online, etc. The most important thing is to portray Hawai'i accurately. She spoke about social media support services.

The HTA social tools support and training:

Podio – HTA social communication hub

Sprout Social – social asset management

TINT – UGC management

She spoke about the websites and the apps:

Miles Partnership manages and hosts gohawaii.com. CMS training is available.

GMTs have access to make minor updates on their MMA version of gohawaii.com.

Wrike system to request major updates.

She spoke about the GoHawaii app. All the updates and content will be updated more efficiently across all channels.

Chair Miyasato said that as they fine tune the process it will go faster, and they can leverage all the strengths.

Mr. Ka'anā'anā added that Kilohana is responsible for working on a scoping document for Chair Quinlan. Part of that is the situational piece to understand the GoHawaii app, its capabilities, and what could be added. Some of the groundwork will happen on the Kilohana side.

Chair Miyasato said their committee is the best one for finding the right path. In the end, it should be one app, not multiple apps. Mr. Ka'anā'anā said the app will go out for bid and implementation. He reminded everyone that they are always working together as staff, so it will ultimately be the HTA's product. Chair Miyasato said that practically speaking avoids any confusion. He said they need to categorize everything to look at it across the board.

7. Presentation, Discussion, and Action on Proposed Fiscal Year 2026 and 2027 Hawai'i Tourism Authority Operating Budget for Branding and Marketing (BED114) (01:16:12)

Chair Miyasato deferred the item.

8. Adjournment

Mr. Hannemann made a motion to adjourn the meeting, and Mr. Arakawa seconded. The meeting was adjourned at 3:55 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sheillane Reyes".

Sheillane Reyes
Recorder



**BRANDING STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY
Monday, August 19, 2024, at 2:30 p.m.**

Virtual Meeting

MINUTES OF THE BRANDING STANDING COMMITTEE MEETING

MEMBERS PRESENT:	Blaine Miyasato (Chair), Kimberly Agas, David Arakawa, Mufi Hannemann, Roy Pfund
NON-VOTING MEMBER:	James McCully
HTA STAFF PRESENT:	Daniel Nāho'opi'i, Ilihia Gionson, Trishia Mendoza
GUESTS:	Andrew Koh, Lynn Whitehead, Tyler Gomes
LEGAL COUNSEL:	John Cole

1. Call to Order and Opening Protocol

Chair Miyasato called the meeting to order at 2:39 p.m.

2. Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic

Mr. Nāho'opi'i conducted the roll call, and members were confirmed in attendance by themselves.

3. Opening Protocol

Mr. Nāho'opi'i conducted the opening cultural protocol by sharing his mana'o of what hospitality, ho'okipa, means. He thinks that ho'okipa, treating everyone well, makes Hawai'i a different tourist destination because it is engrained as a traditional value in Hawai'i.

4. Presentation and/or Discussion Regarding an Update on the Meetings, Conventions and Incentives Market Activity and Pace Report, and Hawai'i Convention Center Activity and Local Sales with Meet Hawai'i

Chair Miyasato introduced this presentation and explained that since presentations on this item have been taking place regularly, it would not be an entire presentation. He aimed to create a cadence allowing the presenters' time to be appropriately utilized.

Mr. Nāho'opi'i introduced Ms. Lynn Whitehead, the Hawai'i Visitors' and Convention Bureau (HVCB) Vice President of Global Meetings, Conventions, and Incentive (MCI) Sales and Marketing, and Mr. Andrew Koh, the Executive Director of Asia and Oceania, who would lead discussions on the MCI and Pace report. They would also report on activities at the HCC and Meet Hawai'i local sales.

Ms. Whitehead expressed her pleasure at being part of the meeting. She stated that she would make complete reports on production and strategies every quarter during the January, March, July, and November meetings. In the "off months," she would present critical highlights of topics that arose during those months.

Ms. Whitehead explained that Meet Hawai'i was a collaboration between the HVCB and the HCC to showcase the State as a venue for meetings, conventions, and business. The HVCB was responsible for booking events scheduled more than 13 months ahead. These were offshore groups that would occupy significant numbers of room nights. Booked room nights contributed to economic impact by driving taxation revenue. The HVCB also contracted hotel meetings across the State. The Services Team focused on developing the contracted group program in the destination by connecting them to transport companies, offsite venues, the Convention Center, and overflow hotels and other facilities.

The HCC team focused on managing the building's operations. Ms. Whitehead explained that the HCC local sales team focused on events scheduled within the next 13 months, including festivals, marathons, and sports groups. The Event Management Team serviced groups inside the building, connecting clients to food and beverage providers and audiovisual and telecom facilities.

Ms. Whitehead informed committee members that, as had been explained over the previous two presentations, the State Department of Business, Economic Development and Tourism (DBEDT) had recently released a new review of spending for MCI business, which was estimated at more than one billion dollars in total spending to the State. Without corporate and business meetings, this amount would not have been achieved. Ms. Whitehead noted that these were 2023 figures which had just been published. Figures for 2024 will only be available in August 2024.

Meet Hawai'i contributed \$572 million to this economic impact in concert with the Citywide and Single-Property teams.

Ms. Whitehead presented a detailed report showing statistics divided into three categories: convention/conference, corporate meeting (including association and business), and incentive. There had been 401,000 visitors, representing an increase in Convention Center and incentive visitors. The average length of stay was 7.6 days since meeting participants usually attended the conference for 3–4 days and then added some 3–4 vacation days, often involving a visit to another island. Per person, per day spending had increased by \$15 to \$305 compared with the previous year. Ms. Whitehead noted that business was gradually returning to pre-pandemic levels.

Ms. Whitehead presented insights on visitor spending, which had increased by \$233 million compared with the previous year. Convention/conference business had reduced by 5%, but per person per day spending for that category had increased by \$33.6.

Meet Hawai'i had deployed a new Citywide sales team to cover the vertical market for Citywide events, and this was due to funding provided by the HTA early in 2024. This critical decision would likely bring positive results over the next six months.

Ms. Whitehead explained that the Single-Property position had been redeployed from O'ahu to California because the West Coast was an important market. This seller was focused on corporate and incentive business.

From a marketing standpoint, a digital messaging incentives campaign was to be launched during the present and the following quarter to remind meeting planners that Hawai'i was a key destination for incentive business.

Ms. Whitehead mentioned some measures still in the planning phase, including a follow-up from the July meeting to work on sports events. Through contacts at the San Diego Sports Commission, the team partnered with the Sports Events and Tourism Commission, which provided membership to sports groups dedicated to partnering with destinations. This commission tracked room nights and spending by event participants. Meet Hawai'i was committed to a strategy around the sports market and had a team member dedicated to this market.

Ms. Whitehead mentioned the concern about measuring the impact of local events on the local economy. Destinations International, which the HTA was a member, had developed an Event Impact Calculator tool. Ms. Whitehead had discussed this issue with Ms. Chun of the HTA, who intended to obtain measures of the impact of some local groups, and these would be shared with committee members during a subsequent meeting.

Ms. Whitehead referred to the Hawai'i Captive Insurance Council (HCIC). She pointed out that the insurance market segment was important for Meet Hawai'i and was entrenched in developing relations with this sector.

The HCIC was to meet in Kaua'i, and this was a local group based in the State whose meetings all fell within the State. The Captive Insurance Company was based in the Midwest, and Meet Hawai'i in that region was working to bring another group rotation to Hawai'i, hoping to finalize this during the next six months.

The Meet Hawai'i team was investigating new ways to present key performance indicators (KPIs) for Future Pace. They had asked fellow destination management organizations (DMOs) for suggestions to determine a better method of presenting targets and delivering them to the Board.

One of the highlights from July was a presentation to HPN, a third party focusing on corporate and association meetings. Thirty-five participants attended this presentation, which concentrated on Maui in the presence of the Maui Visitor Bureau, emphasizing the message that Maui was open for business.

The IEEE Convene took place in July, with 250 meeting planners representing over 30 countries participating. The Institute of Electrical and Electronics Engineers was a key market, and ten leads had been generated. One of them would hopefully be closed by the end of 2024 to bring 3,000 participants in 2028.

Ms. Whitehead explained that all MCI businesses contribute to corporate social responsibility. The IEEE Convene had benefited the Lahaina Restoration Foundation and Kapili Maui, and the team was waiting to hear how much had been raised. They hoped to develop a method of tracking and reporting community support.

The HCC hosted Indoor Air with double the attendance of the previous year. Kawaii Kon's repeat business was booked for 2025, representing \$19.8 million in economic impact.

The Mid-Western team had contracted the International Foundation of Employee Benefit Plans for a 2027 meeting. This Canadian organization had a \$12.9 million economic impact.

Ms. Whitehead explained that from 2027 onwards, about 19 groups were contracted in the Convention Center, and 33 tentative contracts were under consideration. She noted that production was somewhat behind, but she believed there would be an improvement during the next two months. Contracted groups through July 2024 involved 70,000 attendees, with 136,000 definite room nights. There was an economic impact of \$360 million between the Citywide and the Single-Property teams.

Ms. Whitehead introduced Mr. Andrew Koh, the Asia/Oceania team leader, who brought in much business and opportunities for members and island partners. Mr. Koh had been in

Hawai'i recently, but due to the typhoon, he would be presenting his report from his Tokyo hotel.

Mr. Koh thanked Ms. Whitehead for the introduction and said he would fly to Korea the following day to meet Mr. Nāho'opi'i and the Lieutenant Governor. They were to meet Korean agents and corporate representatives. Mr. Koh explained that he was responsible for overseeing the Asia Pacific market, including China, Taiwan, Southeast Asia, Japan, Korea, and Oceania. Mr. Koh had six team members, comprising in-market country directors for each market and a coordinator based in Taiwan. Mr. Koh was based in Taiwan and traveled extensively, especially to Japan, to build the MCI business. Japan was a key market and had the most potential to use the Convention Center.

Mr. Koh highlighted Asia/Oceania activities. Meet Hawai'i recently participated in DSA Connect Australia, which connected with corporate planners from several direct sales companies. More than 20 leads were generated from direct-selling corporate clients during this event.

Meet Hawai'i was to join the JTB Expo, which would expose the destination to about 1,000 sales agents within JTB to generate more leads.

Daito Kentaku was a Japanese construction company that held an event in Hawai'i in early August with 6,000 participants and 12,000 room nights. This was the most significant international MCI group to visit Hawai'i since the pandemic. The event generated \$35.5 million in economic impact and \$4.15 million in tax revenue for the State. There were three waves of gala dinners at the Convention Center, and the center manager, Ms. Orton, did a phenomenal job of satisfying the customers. The team was working with Daito Kentaku for 2025 and 2026. Construction would be taking place in 2026, but the team had approval from Ms. Orton to move ahead with the contract.

Mr. Koh informed committee members that more than 600 participants from the Daito Kentaku group had participated in a Mālama Plogging Event, in which they went out to pick up trash in Kapi'olani Park.

Ms. Whitehead explained that it would be possible to host Daito Kentaku in 2026 because it would be an evening event during which no construction would be in progress.

Mr. Koh showed pictures of the plogging event during which about 30 pounds of trash was collected between 6:30 and 7:30 a.m. He also showed a picture of Mr. Nāho'opi'i presenting a ceremonial canoe paddle to the President of Daito Kentaku in appreciation for their being such a loyal customer with a record number of participants.

A member of the Asia/Oceania team had been working with sports groups from New Zealand, including volleyball and rugby associations, with the potential to hold their events in Hawai'i. Results will be presented in subsequent meetings.

Meet Hawai'i had developed a strategic partnership with JTB under a Memorandum of Understanding (MOU) and was to participate in the September JATA Expo. Mr. Koh explained that JTB was the largest wholesaler in the Japanese market, controlling 60% of the corporate incentive market in Japan and handling most of the significant marquee mega business from Japan, which was 1,000 pax and above. The Marquee groups handled by JTB had the most significant potential to provide Citywide business for HCC and the State.

The strategic partnership was to take effect for two years and strengthen Hawai'i as the go-to destination for Japanese MICE (Corporate Incentive groups). The target was to secure the return of Marquee Mega Groups that had formerly come to Hawai'i but stopped due to the pandemic and the depreciation of the Yen.

Meet Hawai'i was to develop an internal Aloha program to train JTB staff to serve as Hawai'i ambassadors. Mr. Koh explained that there has been high turnover among JTB sales teams since the pandemic, and they need to be trained about Hawai'i's unique facilities and culture. The Mālama Plogging Event, created by HIS for Daito Kentaku, was an example of a creative event in Hawai'i.

Meet Hawai'i already had an MOU with HIS, the second-largest wholesaler in the Japanese market. The return of Daito Kentaku in 2024 was a perfect example of the MOU's success. The company had been considering other destinations, but with HIS's cooperation, it had returned to Hawai'i.

Mr. Koh explained that these two MOUs were partnerships with the largest wholesalers, controlling about 80% of the Japanese corporate incentive market.

Chair Miyasato thanked Ms. Whitehead and Mr. Koh and congratulated them on being so organized, ensuring that the meeting would be productive.

The Chair asked about collaboration between Hawai'i Tourism Japan (HTJ) and the HVCB since they appeared to operate in the same space. Mr. Koh replied that HVCB worked very closely with HTJ. For example, they collaborated on signing the MOU and the JATA event. He added that every March/April, a Japan summit was held in Hawai'i, where HVCB and HTJ collaborated. HTJ was responsible for inviting all the leisure sales agents to Hawai'i, and the HVCB was accountable for inviting corporate sales agents. The two agencies discussed markets together to obtain leverage and amplify their efforts.

Ms. Whitehead added that Meet Hawai'i was fortunate to have Mr. Koh's innovation. She thanked him for his presence at the meeting. Chair Miyasato pointed out that there was a synergy between the HVCB and Hawai'i Tourism USA (HTUSA) and between HVCB and HTJ. He asked whether there was any redundancy and whether resources were being effectively leveraged.

Ms. Whitehead explained that at the spring meeting, the HVCB collaborated with the global marketing teams (GMTs) that attended. Discussions occurred about how to deliver Fam visits for the travel trade. The two agencies shared core competencies, and Ms. Whitehead appreciated the round table organized by the HTA at the last meeting.

The Chair asked whether the benefits in one area offset the negative aspects of another area. Ms. Whitehead pointed out that diversification through a creative portfolio was essential. MCI was highlighted when leisure visits were down. The meetings business was the base business even though the leisure business gave a higher average daily rate (ADR). The MCI business had more exposure with partners, so Ms. Orton emphasized the importance of diverse groups at the Convention Center. Developing a market mix between local and offshore groups, including corporate events, was essential. Mr. Koh pointed out that the short-term, two-year market was necessary. There was a role for every type of market.

Mr. Nāho‘opi‘i added that the international market showed MCI leading in arrivals. This was important because it built up confidence, showing that it was safe to travel to Hawai‘i after the pandemic. There was still much to see and do, and word of mouth was important because people who had been to Hawai‘i on a business trip would recommend it to their friends. This had been helpful with the Japanese market, where many people were apprehensive about traveling to Hawai‘i.

Mr. Pfund asked about support for smaller groups from the Japanese market and whether these small corporate and incentive groups were being encouraged. However, he understood that Citywide groups provided the most significant economic impact.

Mr. Koh responded that this was their strategy, focusing on large Marquee Citywide groups and working with HIS on smaller groups, as Mr. Pfund had mentioned. This means that there were two directions of strategy.

Ms. Whitehead referred to the policy that all sellers were deployed towards in-house groups on all islands. There were four single-property sellers on the team. All the statistics resulted from a combination of Citywide and single-property events. This was the diversification to which the Chair had referred. For instance, during the Maui fires, the single-property team had been deployed to ensure that they remained in touch.

Regarding moving groups out of the Convention Center during construction, Ms. Whitehead stated that single-property sellers were using incentives to attract more business for that year. They were conscious of the need to cover all areas.

Mr. Arakawa referred to the issue of economic impact on page 8 of the report. He commented that he and Chair Miyasato had been discussing methods of measuring economic impact and assessing its circular nature. He asked Ms. Whitehead to briefly overview the revenue types recorded as having an economic impact.

Ms Whitehead responded that it was developed from the DBEDT statistics she presented. Economic impact related to the purpose, per-day spending, length of stay, and transportation. DBEDT developed this calculation tool to estimate the economic impact of every event when the relevant data was entered.

Mr. Arakawa stated that he and Chair Miyasato had asked DBEDT whether spending on local products could be tracked. Ms. Whitehead responded that local revenue was included in Destinations International's Economic Impact Calculator. Before the next meeting, she and Ms. Orton would collaborate with Ms. Chun to assess the impact of local groups.

Mr. Arakawa stated that during the next couple of months, there would be two large local events. One of them was Kawaii Kon, which was changing into a Citywide event. This event had previously been a local event. Ms. Whitehead responded that many single-property groups began in a smaller hotel, moved into a larger hotel, and finally moved into the Convention Center because they had outgrown the hotel. Kawaii Kon had become a Citywide event, and their room nights and spending would be tracked.

Mr. Arakawa stated that Kawaii Kon and the Okinawan Festival would allow local revenue to be tracked. Kawaii Kon would be included only if it contracted hotels. Local groups were not usually monitored or measured since most were from within the State. Offshore groups were different. The Economic Impact Calculator would enable Ms. Orton to evaluate the contribution of festivals and other local groups.

Chair Miyasato asked Ms. Whitehead to demonstrate the tool at the next Branding meeting so that committee members could identify the required inputs. Ms. Whitehead promised to collaborate with Ms. Chun on this since she was unfamiliar with everything that went into calculating economic impact. However, this would be the primary focus of the next meeting.

Mr. Nāho'opi'i promised to assist Ms. Whitehead because he was familiar with the calculator. He also noted that it would be essential to identify various definitions of the economic impact during a future meeting. It was sometimes defined as money flowing into the State, but by that definition, local events would be excluded because they did not bring money into the State from outside. However, there were other impacts, such as food, beverage, imports, etc. The calculator also included ancillary revenue such as shipping and drayage.

Chair Miyasato gave the example of the Okinawan Festival, which involved inter-island travel for participants, and stated that this must have an economic value. The Chair requested a brief summary of how the calculator works.

Mr. Arakawa asked whether the DBEDT calculator would account for food purchases from local vendors.

Mr. Arakawa referred to page 17 of Mr. Koh's report regarding the JTB partnership for the internal ambassador program. He asked who the trainers for this program would be. Mr. Koh responded that it would be a collaborative exercise with the HVCB and resources from the HTA. The program would highlight the cultural elements of the islands.

Mr. Arakawa replied that a training program for tour guides is currently being implemented. He asked about the strategic partnership with JTB. He suggested that in a subsequent meeting, information could be given regarding data collection about venues visited by groups, whether they enjoyed their visits, and where they would like to go in the future. The destination stewardship team would be involved in these issues.

Chair Miyasato stated these issues would be covered in the second to last agenda item.

Mr. Hannemann thanked Ms. Whitehead and Mr. Koh. Their report was critical because MCI was one aspect of the visitor industry that was doing well. He also thanked Ms. Whitehead for discussing sports, an area where the Hawai'i visitor industry could continue to grow.

Mr. Hannemann reminded Mr. Nāho'opi'i that staff could be asked to compile highlights of forthcoming festivals and events to be used during the saturation in Southern California. This would provide critical information for Gov. Green and the mayors who would be there.

Mr. Hannemann thanked Mr. Koh for explaining the Japanese market. Some people proposed postponing working with Japan until the Yen issue improved, but he disagreed. Mr. Hannemann referred to the success of Daiko Kentaku and the Tourism Expo meetings. He expressed the hope that success stories on neighboring islands would be included because it was important for other islands to benefit rather than focusing on Waikīkī and O'ahu.

Ms. Whitehead responded that Mr. Talwar had been informing them about the Southern California saturation to ensure that they would be included.

Mr. Koh informed members that the Yen was at its lowest point when Daiko Kentaku decided to go to Hawai'i. His team collaborated with JTB on the specifics of the MOU, and when this was complete, he presented it to the Board.

Chair Miyasato reminded committee members that the Japanese market was a long-term relationship, and the Board should provide resources. He thanked Ms. Whitehead and Mr. Koh for their productive and enlightening presentation.

5. Presentation, Discussion, and Action on Sports Opportunities for FY25

Mr. Nāho'opi'i began his presentation by referring to the presentation at the April meeting, which mentioned the potential for contracts. Now that funding has been awarded, this item would be a follow-up for approval, which means that spending from the budget line items could be executed. He noted that the information packet supplied to committee members provided additional details about events and the financing of 2024.

The presentation listed five major sporting events, budgeted costs, and line-item numbers. The total cost was \$3.6 million. The events included both signature events and community enrichment events.

The HTA staff recommended the employment of a sports consultant whose role would be to support the development of a revised sports strategy, to set up partnerships in alignment with the plan, and to support the fulfillment of the agreements that were entered into,

Mr. Nāho'opi'i reminded committee members that the function of the Branding Committee was to lead in protecting and enhancing Hawai'i's globally competitive brand in ways that would be coordinated, authentic, and market-appropriate. He pointed out that sports were a critical branding component because they increased awareness in critical markets through association with quality sports events, activities, and the fan base. Sport added to economic impact by attracting visitors to major sporting events. It was also crucial for diplomacy since it allowed visitors and residents to interact over common interests at significant and smaller community-based sporting events. Mr. Nāho'opi'i listed the following sports projects:

- LA Clippers event, scheduled for the end of September, funded by the sports opportunities fund line item,
- PGA Tour events for 2024 to be funded from the PGA line item,
- The LPGA Lotte Championship would take place later in November, funded by a specific line item,
- The World Surf League was to be funded from the sports activities line item.
- The Big West Tournament partnerships.

The final line was \$100,000 for a sports consultant.

The HTA staff recommended that the Board of Directors approve expenditures of \$3,605,850 from FY25 funds for the budget line items specified in the table.

Chair Miyasato asked Mr. Nāho'opi'i whether these events had previously been presented, and Mr. Nāho'opi'i confirmed that the only additional item was the contract for the Sports

Consultant position.

Mr. Arakawa asked whether the line items had already been defined in these amounts. Mr. Nāho'opi'i responded that the quantities for the PGA, the LPGA, and the Big West were the same. The World Surf League and the L.A. Clippers events had been reduced to \$300,000 and \$750,000, respectively. These events were funded from the Sports Opportunity line item, totaling \$1.65 million. Staff was requesting \$1.05 million to be used for the abovementioned events. Lastly, \$100,000 for the sports consultant was to be taken from the second sports opportunity and signature events line item, which totaled \$768,000.

Chair Miyasato asked if the sports consultant position had already been budgeted. Mr. Nāho'opi'i explained that the sports strategy was for a consultant to identify new major activities, produce a sports strategic plan, and devise measures and metrics. A staff person was still needed to work with the contracts, execute procurement with the procurement officer, and manage the contracts. Both positions were necessary.

Mr. Arakawa stated that he had the same question and thanked Mr. Nāho'opi'i for explaining the difference between the staff person and the consultant. He noted that the sports opportunity fund had been created for events that might occur during the year, like the L.A. Clippers and the World Surf events.

Mr. Nāho'opi'i explained that a long list of other proposals had come in over the past few months, and the consultant would help to negotiate these. The consultant would also identify new sports and work with venues to determine if facilities were available to bring in other sports.

Mr. Arakawa thanked Mr. Nāho'opi'i for this presentation and said he supported the motion with the caveat that the budget team would work on the details.

Mr. Hannemann proposed a motion for the Board of Directors to approve expenditures of \$3,605,850 from FY25 funds from the budget line items specified in the table for the programs noted above. Mr. Arakawa seconded the motion.

There was no further discussion. Mr. Nāho'opi'i conducted the roll call vote, and the motion was carried unanimously, with Mr. Arakawa's caveat that he accepted the motion because the legislature had passed the budget. Still, the details were to be reviewed by the budget and fiscal department.

6. Presentation and/or Discussion Regarding Destination Management Application and Relation to Branding and Marketing

Mr. Nāho'opi'i introduced Mr. Tyler Gomes, the Chief Administrator of Kilohana.

Chair Miyasato pointed out that this was in the budget and had been approved by the legislature. His concern was to ensure that there would not be multiple applications and redundancy. He also thought it would be unwise not to review already funded applications to see how they worked. No new presentation was needed. He wished only to hear an explanation of what was being done.

Mr. Gomes gave some procedural background, stating that funds had been set aside for intelligent tourism when the project started. However, this was eventually honed down and has now created a white paper due by December 31st. The purpose of this white paper was to indicate directions for the development and implementation of the current app starting in 2025. The funds used to develop the white paper were separate from those appropriated by the legislature under the budget. Only about \$200,000 was to be used, and it was likely that a contractor would have been hired before September 1st.

It was intended to review all instances of legislative language relating to apps and tourism. Legislators were interested in ocean safety apps, and the goal was to combine all issues in a "wrap around." The first two or three months would be dedicated to research. Then, up to 100 interviews will be conducted with stakeholders, legislators, HTA Board members, key opinion leaders in the tourism industry, Hawai'i tourism industry groups, activities, hotels, and government agencies. Some government agencies managed reservation systems for hikes and trails. Experienced local contractors would conduct these interviews and create the application starting in 2025.

Chair Miyasato thanked Mr. Gomes and mentioned that, in his experience, it was essential to have an owner for this significant initiative. Many applications already existed, and given that this was to be funded from taxpayer dollars and that the constituency was so huge, this was an opportunity to do something. The Chair asked where this app was to be housed and who was to manage and own the app. He intended for the HTA to be the proprietor of the app. He also suggested that this discussion be recapitulated at the full Board meeting to initiate a robust conversation.

Mr. Gomes responded that he would be away on a prearranged vacation during the following week's Board meeting, but he would arrange for a team member to attend and brief Board members.

Chair Miyasato repeated that this was such a huge undertaking that the following week's meeting would only include discussion and no decisions.

7. Presentation, Discussion, and Action on Proposed Fiscal Year 2026 and 2027 Hawai'i Tourism Authority Operating Budget for Branding and Marketing (BED114) and Related Strategy and Planning

Mr. Nāho'opi'i introduced the next item and stated that they would focus on the branding and marketing section of the total budget since the Budget, Finance, and Convention Center (BFCC) Standing Committee meeting was scheduled for the following day.

Chair Miyasato listed the principles that he wanted to submit for discussion:

Firstly, it should be agreed that since the Branding Standing Committee bears the major responsibility for the HTA's most important marketing and branding functions, budgets, plans, and strategies should be initiated in this committee. The Chair understood that the finance committee would review budget provisions the following day. However, plans and strategies should originate with the committee responsible for initiating them.

Mr. Arakawa stated that the process began with general guidance from the administration, but the HTA was free to develop its budget. Branding and marketing started with this committee, and destination stewardship and management started with the Ho'okahua committee. The proposals were then submitted to the budget committee to ensure they fit within the total agreed upon by the Board. There had to be give and take between the three links of the spool: Administration, Branding, and Destination Stewardship.

Mr. Arakawa explained that the entire Board would decide on the budget to be submitted to the administration and the legislature. The HTA and its staff might even testify to a higher budget than what had happened the previous year. He stated that the process the Chair had described was generally correct. The committee could discuss general principles that might apply as had been done in the budget committee.

Chair Miyasato stated that, given Mr. Hannemann and his team's miraculous achievement of obtaining \$63 million, it was essential to ask for what was needed based on a plan. In building the budget, the Chair wanted the circular economy to be considered so that whenever a dollar was spent, it would return to the State of Hawai'i and its people as two dollars. Everything had to be seen through a filter beginning and ending with the State of Hawai'i.

Finally, everything this committee did had to enhance the HTA brand. That was their kuleana. The Chair suggested that these principles should be used to build the budget.

Chair Miyasato reviewed how the HTA had arrived at this point. He noted that the budget was based on intelligence and feedback. He also stated that the budget had to be modified or changed before the following morning. It was essential to have a sense of direction.

Mr. Nāho'opi'i stated that the recommendations of this committee would be submitted to the Budget, Finance, and Convention Center (BFCC) committee meeting the following

afternoon. The budget committee would make recommendations, which would be submitted to the full Board at the next Board meeting. Mr. Arakawa reviewed the general principles that the BFCC committee had laid out in the form of questions:

- Is it our kuleana?
- Can another department or private company do it, as recommended by the governance study?
- Can we prioritize requests?
- Are there sufficient details, such as who, what, when, how, and do we have sufficient staff to handle this so that questions from the legislative Ways & Means and Finance committees can be answered?
- What is the current status of the State budget, and how do we operate within it?

Chair Miyasato responded that he assumed the entire Board would adopt these principles. His instant response to the last point was that while the HTA had to be concerned about the State, it was essential to realize that the State's problems were related to the lack of visitors to the State. Every businessperson was aware that money must be spent to generate money. It did not make sense to shortchange the tourism industry in the face of a crisis.

Mr. Arakawa responded that the state's approach to its financial situation involved spending money to make more money or tightening its belts, as other State departments had been asked to do.

Chair Miyasato asked Mr. Nāho'opi'i to continue his presentation. He presented the timeline slides entitled Budgeting for the Horizon to set the tone for each year.:

FY25 Stabilize

There was to be a focus on markets, particularly on recovering domestic demand affected by the Maui wildfire and some economic issues. The international market that was recovering from the pandemic was to be rebuilt. For example, Japanese travelers were apprehensive about travel in general, not just because of the exchange rate.

FY26–27 Optimize

The destination was to be the focus, with the development of island-based destination management comprising five island positions. New Destination Management Action Programs (DMAPs) would be developed for the next few years, along with integrating more island-based decision-making. This had been one of the recommendations of the governance study.

FY28–29 Realize

There would be a focus on Hawai'i. Some work had to start at present. There would be a shift to a regenerative tourism model focusing on the circular economy. Some present tourism products were not like that, so it was necessary to consider how the industry, the community, and the brand could be shifted. At present, the Hawai'i brand is strong on sun, sea, and surf activities. It was necessary to consider how Hawai'i could become known for education, history, and other experiences that would contribute to local efforts and employ more local people.

Mr. Nāho'opi'i presented a slide entitled Leisure Marketing Funnel Kuleana, which portrayed branding and marketing from a destination perspective.

Hawaiian Islands Campaign – Awareness and Inspiration

This was the bulk of what was done to maintain the Hawaiian Islands in people's consciousness.

Industry Partner Campaigns –Active Consideration

This was aimed at the travel trade and other information sources. The island chapters were to create greater awareness and encourage people to do more research about available activities. Travel agent training would ensure that agents were aware of new products and updates that could be offered to the market.

Industry Partner Campaigns – Intent

At this level, there was a conversion from consideration to intent. The marketing team was to work with partners to remind them to create offers that would obtain customers, such as the best value for a trip to Hawai'i, along with the costs of activities and tourism opportunities. Collaboration with partners would enable them to execute the conversion and create the bookings.

Mr. Nāho'opi'i reviewed the budget spreadsheet:

Canada

Mr. Nāho'opi'i explained that each row showed a project or activity. The columns showed the budget for FY25, and the request for FY26 was shown in blue. Two amounts were shown for each line because a 10% restriction had been imposed on the FY25 budget. On paper, \$1 million had been allocated to Canada, but only \$900,000 could be used because of the 10% restriction imposed by the Budget and Finance Department. 5% might be returned later in the fiscal year, but the assumption was to plan for a budget of \$900,000.

Because of this, the request for FY26 would be increased by 10% to get back to the desired spending. The spreadsheet showed the change between FY25 and FY26, and the green column was to be discussed by BFCC the following day.

Mr. Nāho'opi'i explained that Canada was Hawai'i's third or second-largest market

after the U.S. East and West. This meant it was the first or second of the international markets. It was essential to emphasize Canada's development and stabilization, especially as Canada was one of the core markets for Maui, and building Maui back was a significant concern. Staff recommended a 10% increase because of rising costs; hence, the request was for \$1.2 million.

Mr. Nāho'opi'i explained that the yellow lines showed the incremental amounts that staff considered should be added. This applied particularly to the destination marketing section for specific actions involving cooperation with defined tie-ins and KPIs. Another \$100,000 was requested for the Canadian market to conduct specific tie-ins with travel trade and promotions. Partners would be informed that they would not receive their funds unless they put up matching funds and achieved specific minimum sales goals.

China

Mr. Nāho'opi'i explained that there was a zero budget for FY25 even though marketing was taking place in China. This was because a three-year standing contract had been paid from the Tourism Special Fund in 2021. That contract was ending, and it would be necessary to use general funds to source a new contract.

The budget for China marketing was divided into two parts. The base was in-market, working with the travel trade in China. Some legislators and industry partners participated in a small mission. Typically, there would be no mission in a GSA item because that would be very costly.

Staff recommended that China's marketing be increased to a full representation in the market. Mr. Nāho'opi'i explained that the U.S. government was pushing to improve and increase relations with China. This included working with airlines and conducting additional marketing, so it was possible that by FY26, there could be a nonstop service. If not, the marketing team was already promoting a one-stop service through Narita with the idea that it would be successful and convenient for the Chinese market. For this reason, the request was for additional funds to bring the China budget up to \$1 million and develop a full-service representative in the market.

Europe

Mr. Nāho'opi'i stated that \$1 million had currently been allocated, and he considered this adequate. Hawai'i had entered the European market recently and intended to take a mission there during the coming fall. There was no nonstop Service, but there was a one-stop service. Europe was a niche market for some industry partners. European travelers were big spenders and stayed longer because they usually had one month of holiday.

Japan

This critical market was still building to reach the pre-pandemic level. It was hoped that the budget would be increased by 10%. The incremental amount passed for FY25 was approved at the last Board meeting. Mr. Nāho'opi'i explained that, even at 10% for the base funding, there should still be coop funding to be put aside and used if opportunity were to arise, such as an additional route, an increase in frequency of service, or another MOU or partnership. The request was for a coop amount of 722,000, a 10% increase over the amount allocated at present.

Korea

Mr. Nāho'opi'i explained that there was a full-service representative office in Korea. The request was for an 11% budget increase. Rising advertising and marketing costs were expected to have cost implications for FY26. The request was for \$1.1 million.

Korea has been a very productive market. It had been one of the first Asian markets to open and start outbound travel. Air service from Korea was very stable, and it was served by Hawaiian Airlines and Korean Air. Air Premier was another airline that started service at the beginning of 2025. Mr. Nāho'opi'i was to travel to Korea with the Lieutenant Governor in a few days to discuss partners and potential for the Korean market.

Oceania

Mr. Nāho'opi'i explained that Australia and New Zealand were Hawai'i's fourth largest markets. This was a robust market because visitors stayed longer and spent within the range of the other Asian markets. This market needed more attention, but the proposed amount appeared sufficient. There was a need for more air service, but the demand for the destination had to be demonstrated. This is related to building interest in visiting Hawai'i rather than other destinations.

Taiwan

Mr. Nāho'opi'i explained that this was a low-priority line item. He suggested that it could be serviced as a GSA. This would be a representative office that would provide information without doing any marketing. This could be achieved through an office supported by DBEDT, which maintains an office in Taiwan. Regarding MCI, Taiwan has been performing well for a couple of years.

The U.S. Market

Staff had recommended that the budgeted amount should remain the same. It had increased by about 14% to make up some payments in the market. This 14% increase would represent a rise from \$16 million to \$19 million, including an increase in the second half of the financial year. Coop and in-market activations

were recommended, similar to those conducted in Southern California. Additional adjustments might be necessary across the West Coast and other source markets such as Chicago, Texas, and the East Coast. These modifications would help some U.S. West visitors. There was interest from both business and higher-end leisure and luxury travel, typically coming out of the U.S. East. \$6.6 million was requested for additional activation. Mr. Talwar had presented a basic activation of \$1.5 million in Los Angeles, and partners would supplement this. There was to be a larger activation in other markets.

Salaries

Mr. Nāho'opi'i stated that basic salary increases, including current positions and payments, were recommended. Staff had recommended that one new brand manager be added since, under brand and marketing, there were only two senior brand managers and one brand manager in addition to the Chief Branding Officer. This meant that only four positions were responsible for expanding markets and markets as well as managing island chapter programs. These staff also managed Meet Hawai'i, whose activities had been growing, necessitating reviews of many contracts and agreements. The recommended new position would be allocated \$86,000.

Travel missions

Mr. Nāho'opi'i explained that this involved attending trade missions and trade shows, which often included training. The total budget was \$100,000.

Air route development

This was a low-priority item. The previous year, \$250,000 had been requested for a consultant to develop a strategic plan and selling points. The consultant would determine how to communicate demand in Hawai'i and work with the airlines. Mr. Eslinger had been conducting this function part-time under the GSS contract. The consultant to be hired would possess established relationships with airlines since they would be negotiating for other destinations and would be aware of the expectations of each airline. The request was for \$250,000 per year to work with Mr. Eslinger to support his research. Mr. Nāho'opi'i explained that if the consultant's work, such as attendance at events and expos, overlapped with Mr. Eslinger's work, the consultant's work would be reduced. He would also be expected to train staff to carry out this work.

Cruise consultancy

The request for a cruise consultant, \$100,000, was the same as the previous year.

Global Support Services

Mr. Nāho'opi'i reminded committee members of the presentation by staff at the

previous meeting. The details showed that the increased budget was due to the request to upgrade the GoHawaii website. Website optimization would require \$500,000. An amount of \$150,000 had already been allocated to upgrade assets. This referred to shared digital material such as photos and videos. These would not only be used by the U.S. marketing team but would also be used by other global marketing teams. This amount would not be requested for FY26 but would be requested for FY27, being required every other year. The digital market had changed, and videos were more critical. In reply to a question from the Chair, Mr. Nāho'opi'i confirmed that this also referred to trade show assets.

Mr. Nāho'opi'i explained that the island destination chapters supported the office, the Executive Director, and staffing. The five positions for destination managers would be housed in those same offices. The request was for the same level of funding with a 10% increase to cover staffing cost increases.

Trade shows

Mr. Nāho'opi'i stated that there were two major international trade shows. IPW was an international trade show organized by the U.S. Travel Association. IMEX was a major annual meeting and convention trade show in Los Angeles. He explained that the IMEX booth needed to be renovated since its limited size meant that additional partners could not be included. The HTA booth was less compelling than those of the other major destinations. The previous year, IPW had attracted much more participation from other countries, and it was important for Hawai'i to stand out compared with other destinations. The request was for \$1 million, representing an increase of \$555,000.

Mr. Nāho'opi'i continued that the Meet Hawai'i budget would be flat, and discussions were taking place with Mr. Kishi to determine whether funds would remain.

Marketing ground support

Mr. Nāho'opi'i stated that the final request was for marketing ground support, which could be used for coop projects in areas not already mentioned, such as Taiwan or Oceania. The request was for \$550,000. If coop partners were unavailable, the funds would be spent on advertising.

Chair Miyasato asked for the amount of the increase compared with the previous year and reminded committee members that if there was to be a 10% margin, then the 10% had to be inserted from the start.

Mr. Nāho'opi'i replied that there was a 38% increase over the budget for FY25, including some expanding markets and the 10% margin. Regarding the opportunity activation saturation coop, the legislature had to understand that it was an activity to be conducted

with a partner, from which the investment would return to Hawai'i. He added that budget line items would identify all budget areas.

Chair Miyasato asked for questions from committee members.

Mr. Hannemann stated that having been in two-by-two discussion meetings, he realized that there was never enough money. There would be feedback that the budget requests were too low. However, he considered that this was a good starting point for further discussions. The legislature had come through with a budget for FY25. but the 10% reduction had to be factored in.

Mr. Hannemann continued that 80% of Hawai'i travelers were from the USA, and U.S. marketing took up nearly \$20 million. He appreciated that the private sector was being asked to demonstrate what they were doing on their part. This could be the template for all marketing campaigns, so the \$6 million allocated was good.

Mr. Hannemann recalled that trade show partners had complained that the Hawai'i booth was not good enough. He considered that \$500,000 for IPW and IMEX stated that Hawai'i was conducting a strong messaging campaign. He also appreciated that there were still opportunities for further investment since Mr. Nāho'opi'i had identified leftover funds.

Mr. Hannemann hoped that staff would do more to develop the airline routes. The budget requested two places: consultant studies and approval for a route with marketing support. As Mr. Nāho'opi'i had explained regarding Taiwan, DBEDT and the Department of Transportation (DOT) were concerned with air transport, and it was necessary to determine if DBEDT still maintained an office in Taiwan. If so, there could be collaboration. He stated that there was a similar issue with airline consultants. Hotels would suffer without sufficient air capacity.

Mr. Hannemann agreed with the budget and hoped for more. Requests needed to be reasonable, but if the State hoped to increase revenues, only the tourism industry could achieve that. It was essential to show a robust budget that would demonstrate to partners that the HTA was doing its part. He believed that the legislature would appreciate a justified and robust budget line.

Chair Miyasato pointed out that, for airlines, coop meant leveraging relationships for the state's benefit. Airlines conducted their promotions, but the visitor industry needed seats.

When Mr. Arakawa asked about the total amount allocated for Branding and Marketing, Mr. Nāho'opi'i replied that the total amount for FY26 was \$54.5 million, compared with \$39.3 million for FY25.

Mr. Arakawa pointed out that the amount requested for Ho'okahua or administration was unknown. He asked Mr. Nāho'opi'i about prioritizing this budget, and Mr. Nāho'opi'i replied that the spreadsheet showed a priority column that could be discussed offline. During the

meeting of the BFCC committee the previous week, staff had been asked to prioritize budget items so that if cuts were demanded by DBEDT, the Governor, or the legislature, the most important items would be maintained. Mr. Arakawa offered to collaborate with Chair Miyasato and staff to prioritize items.

Mr. Arakawa referred to Chair Miyasato's comment about partnering. This was discussed at the meeting of the BFCC committee, and Ms. Agas referred to industry partnerships that might be available. Chair Miyasato had also mentioned this, but it appeared that partnerships were described as optimization. Mr. Arakawa noted that there seemed to be an increase in the budget based on partnerships, not a decrease or a leveraging of money spent by private industry. He asked Mr. Nāho'opi'i whether more funds were being spent on partnerships.

Mr. Nāho'opi'i responded that partnerships represented an increase in money but also an increase in utilization.

Mr. Arakawa asked how these partnerships were divided, whether 95:5 or 50:50.

Mr. Nāho'opi'i replied that it depended on the activity, but it was never less than 1:1 in the HTA's favor. Mr. Arakawa asked Mr. Nāho'opi'i to insert an asterisk against these items.

Chair Miyasato stated that a committee appeared necessary to decide where these decisions were made. He asked whether protocols should be written to define a coop. There was a structure around these issues. He pointed out that the Come Home Hawai'i initiative would never happen unless committee decisions planned for it.

Mr. Arakawa reminded committee members that the committee had to recommend a Board decision. He asked Mr. Nāho'opi'i to insert notes on the right-hand side of the spreadsheet showing the ratio of input between partners. Key performance indicators (KPIs) and return on investment (ROI) had to be defined such that if these were not achieved, the partnership would be readjusted the following year.

Mr. Nāho'opi'i responded that some coops had a built-in ROI, and if the partner did not fulfill the KPIs, the full amount would not be invested.

Mr. Arakawa referred to Mr. Hannemann's point about DBEDT and DOT. Mr. Arakawa had volunteered to participate in planning the HTA conference in September, partly because the HTA partners DBEDT and DOT had not been invited to prior conferences. He understood that DOT had not been invited but did not know whether a DBEDT representative had been invited to speak at the present year's conference. Mr. Hannemann had mentioned that airline routes had to collaborate with DBEDT and DOT, and Mr. Arakawa asked Mr. Nāho'opi'i to make a note so that the topic could be discussed offline.

Mr. Nāho'opi'i responded that he had followed up with DBEDT and DOT and would discuss the issue with Mr. Arakawa offline.

Mr. Pfund commented that it was essential to keep the budget as it was at present and work through it. An issue previously mentioned was how to generate information to show the importance of the industry. It was necessary to discover how much revenue was generated by visitors and how much of the revenue went into supporting local small businesses. Mr. Pfund noted that it was essential to work with people who could help demonstrate the importance of the industry to the State by producing detailed information for the administration and the legislature. This information would justify investment in the industry. Mr. Pfund commented that the funds invested in tourism were small compared with the amount generated by the industry. The Board needed to accurately represent the amount of money generated and how it flowed through the economy.

Chair Miyazato informed committee members that revisions would be passed onto the BFCC committee before the following morning.

Mr. Pfund proposed a motion that the committee should recommend approval of the budget as shown. Mr. Hannemann seconded the motion.

Mr. Arakawa stated that he would vote Aye with reservations. He understood that this would bring the total up to \$90 million. He noted that DBEDT research indicated a revenue shortfall due to the economic downturn, the downturn in tourism, the reduction in income tax voted by the 2024 legislature, and the wildfire. DBEDT expected a very lean FY26, and departments would be lucky to receive the same funding. The Budget and Finance Department was to send out a memo within the next three weeks.

Based on this information from DBEDT, the BFCC committee had recommended a budget of \$70 million and asked the HTA staff to suggest cuts to bring the FY26 budget down to this figure. Mr. Arakawa mentioned that he had already laid out five principles in this meeting and would not repeat them. Staff had been given a deadline of August 15 to get back to the BFCC committee. Mr. Arakawa, VP Choy, and Mr. Kishi had prepared a \$70 million budget just in case.

Mr. Arakawa would vote in favor of the motion because some items in the \$70 million budget were identical and consistent with the view of the BFCC committee. For amounts above \$70 million, the HTA staff could provide a prioritized list in case the administration or the legislature demanded a budget cap. A list would be ready to identify items to be cut. Chair Miyasato responded that continuing to build a budget without input from subject committees was to invite dysfunction. He asked why Mr. Arakawa, VP Choy, Mr. Kishi, and DBEDT had devised a budget for branding and marketing when the Branding committee had not yet met. He had just been told that the following day was the deadline for revisions.

Mr. Arakawa explained that the deadline he had mentioned was for staff to make suggestions. Standing committees had been asked to meet before the budget committee

meeting. Staff had not contributed suggestions about branding to cut the budget down to \$70 million.

Mr. Nāho'opi'i responded that the staff had met on the specified day and identified lines that could be modified. The committee Chair had instructed him to leave everything in and allow the committee to make the final decision. The lines shown in yellow on the spreadsheet could be removed to bring the total down to \$70 million.

Chair Miyasato informed committee members that voting was for the left alone spreadsheet, including the yellow lines. Mr. Arakawa apologized for leaving Chair Miyasato out of the process and explained that it had never been the intention for one, two, or three people to make the budget. It was intended for committee and staff input.

Chair Miyasato stated that the vote was on the budget presented.

Ms. Agas pointed out that there was no manual on being a Board member. Complaints had been made on several occasions that the HTA never filed their budgets promptly, and many warnings had been given. Instructions had been provided in the March/April meeting that work on the budget should begin. Chair Miyasato was correct in stating that there should be time for discussions. Guidance had been given, and members who were in business all knew about the economy. In their businesses, they all built very conservative budgets.

Ms. Agas suggested developing a prioritized list with recommendations to submit a budget similar to the present year. Like Mr. Arakawa, she would approve submitting the budget as long as it was prioritized. The BFCC committee knew that the staff understood the budget better than anyone, so they asked the staff to prioritize. Ms. Agas appeals that budget deadlines should be complied with. She did not believe that everything requested would be allocated but considered that it was necessary to adhere to the timeline to avoid warnings.

Chair Miyasato agreed with Ms. Agas that prioritizing could come later. At present, the issue is whether the budget will be submitted to DBEDT on time. The budget should be passed on to the BFCC committee the following day.

Mr. Hannemann responded to Ms. Agas' comment by stating that he did not wish to be delinquent by failing to respect deadlines. He had submitted to a two-by-two review, which was an opportunity to submit comments. The next step was submitting the budget to the administration, who would likely cut it. Still, the Board had to do its best to prioritize the list, whether it was Ho'okahua or personnel or consultants. Ultimately, the legislature would examine the budget and either cut or add. He agreed with Ms. Agas that it was essential to be compliant while advocating for the number one industry of Hawai'i.

Chair Miyasato commented that he did not understand why two-by-two meetings were necessary and did not feel they were productive. He called for a vote on the motion.

Mr. Nāho'opi'i conducted the roll call vote. As stated, the motion was carried unanimously with reservations from Mr. Arakawa.

8. Adjournment

The meeting was adjourned at 5:07 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sheillane Reyes".

Sheillane Reyes
Recorder



**BRANDING STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY
Monday, September 9, 2024, at 1:00 p.m.**

Virtual Meeting

MINUTES OF THE BRANDING STANDING COMMITTEE MEETING

MEMBERS PRESENT:

Blaine Miyasato (Chair), Kimberly Agas,
David Arakawa, Mufi Hannemann, James
McCully, Roy Pfund

HTA STAFF PRESENT:

Daniel Nāho'opi'i, Kalani Ka'anā'anā, Talon
Kishi, Caroline Anderson, Iwalani Kūali'i
Kaho'ohanohano, Trishia Mendoza

LEGAL COUNSEL:

John Cole

1. Call to Order

Chair Miyasato called the meeting to order at 1:04 p.m.

2. Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic

Ms. Kaho'ohanohano did the roll call, and members were confirmed in attendance by themselves.

3. Opening Protocol

Mr. Nāho'opi'i did the opening cultural protocol.

4. Presentation, Discussion, and Decision on the Proposed Final Draft of the Fiscal Year 2026 and 2027 Hawai'i Tourism Authority Operating Budget for Branding and Marketing (BED114)

Chair Miyasato introduced Mr. Nāho'opi'i, who would present the proposed branding and marketing budget. The Chair noted that multiple meetings had been held, and everyone present had received copies of the worksheets prepared during the previous meeting. The

present meeting was to consider changes from the set of budget line items that had been presented during the previous Board meeting.

Mr. Nāho'opi'i explained that the overall aim of the revisions had been to ensure that they addressed both present and anticipated needs in two years' time. All figures had been adjusted for inflation, and some contracts had been reviewed. He noted that this was the time when 2025 Brand Marketing Plans (BMPs) were submitted by contractors, outlining the specific activities that they planned. Presentations would be made at the subsequent Branding Standing Committee meeting in two weeks' time. Staff had reviewed some activities and their costs and, along with their recommendations, had made minor amendments to the amount of funds requested based on activities that were less effective at the present time.

Mr. Nāho'opi'i pointed out that Mr. Arakawa had asked staff to rank the priorities of the projects in Supplementals 1 and 2 and projects that were to be included in the base budget of \$70 million. Staff had also worked on the areas of destination stewardship, planning, and communications, as well as branding and marketing. All areas had now been integrated into the priority list. In some cases, funds had been traded off in one area for a higher priority in another area, but the total had remained the same.

He stated that the budget and finance presentation at the Board meeting suggested that the budget to be presented to the Governor and the administration would be a base budget of \$63 million. Mr. Nāho'opi'i pointed out that this would be a problem since the Budget, Finance, and Convention Center (BFCC) Standing Committee had recommended a budget of \$70 million.

Mr. Nāho'opi'i explained that the staff as a whole had recommended the implementation of the 10% restriction, which had been imposed during the current year, so that instead of identifying specific programs to cut, the 10% restriction would be applied again, implying the postponement of some projects. However, staff felt that this was a necessary decision.

Chair Miyasato asked whether factoring in the 10% restriction would solve the problem, and Mr. Nāho'opi'i responded positively.

Mr. Nāho'opi'i added that with a \$70 million budget request, there would still be \$63 million to work with if the 10% restriction were implemented. The budget had been \$63 million in the present year, of which 10% had been deducted.

Chair Miyasato responded that there was a plan to drive the branding and marketing budget requests by adding 10% to the \$63 million to reach \$69.9 million. This meant that, on the one hand, the HTA would have \$7 million more than the previous year, but on the other hand, they would not have \$70 million.

Mr. Nāho'opi'i agreed that this was true. He explained that adjustments had been made between FY25 and FY26 because some programs had expired. An example was Meet Hawai'i. The budget request for Oceania had decreased because not all of the budget would be needed during the coming year.

Mr. Pfund referred back to the previous meeting and asked whether the intention was to prioritize some programs because there was insufficient approval on the total funding. He understood this was a biennial budget for the next two fiscal years. He had understood that \$80 million was to be requested with proposals for layered reductions. He asked whether the budget request would be reduced from \$80 million to \$70 million.

Chair Miyasato responded that this was a good question, but the answer had not yet been formulated, hence the meeting. He stated that everything revolved around Dir. Salaveria's instruction that Form A should be submitted at the end of September. This meant that the deadline for staff to fine-tune the budget would be September 15. The terminology was "base budget" and "incremental or Supplemental 1 and 2." Supplemental 1 comprised an additional \$10 million, but no conclusion had been reached about the base budget. The committee was to discuss whether the base budget would include the \$10 million or whether the \$10 million would remain as Supplemental 1 and 2.

Mr. Nāho'opi'i responded that they would present the total amount, and after presenting the \$70 million budget, they would discuss the \$80 million budget, which was \$10 million more and included priority projects. The next incremental will also be presented during the meeting.

Chair Miyasato thanked Mr. Pfund for his observation. Dir. Salaveria had been enlightening on the reasons for the budget shortfall. However, the only agency that could bring revenue into the State was the HTA, which had to be a factor in the budget preparation.

Mr. Arakawa asked Mr. Nāho'opi'i whether the administration had placed a 10% restriction on the \$63 million budget for FY25. It was important for Chair Miyasato to know that although \$63 million had been allocated, that amount was \$56.7 million. Requesting \$70 million was a larger amount than the current budget.

Chair Miyasato asked Mr. Arakawa if this was to come from the 10% "haircut," Mr. Arakawa replied that the HTA was "taking a haircut" at present.

Chair Miyasato noted that for FY26/27, the recurring budget had been \$63 million, but \$69.9 million was to be requested. He had been told that this was because of the expected 10% restriction.

Mr. Arakawa responded that Mr. Nāho'opi'i would also be able to explain, but effectively, the HTA did not have \$63 million to spend during the current year; it was about \$54 million or \$56 million. Mr. Nāho'opi'i confirmed that this was the case. Mr. Arakawa continued that

if the HTA requested \$70 million and had a 10% withholding, it would be possible to obtain a larger amount in subsequent years.

Chair Miyasato replied that he understood and that this explained the origin of the “magic number” of \$69.9 million. Still, he pointed out that the \$70 million was not really \$70 million but the \$63 million of the recurring budget.

Mr. Arakawa reminded the Chair that the recurring \$63 million was actually \$54 million.

Chair Miyasato stated that if the HTA requested \$69.9 million for FY26/27, they would have \$63 million to operate.

Mr. Nāho‘opi‘i pointed out that, as yet, the actual memo for the restriction had not been received. The Department of Business, Economic Development, and Tourism (DBEDT) has not yet received the memo. Dir. Salaveria informed the Board that the restriction had not yet been imposed, but based on prior experience, there would be a 10% restriction. Secondly, Mr. Nāho‘opi‘i stated that during the subsequent meeting on September 18, there would be brand management plan presentations by each of the marketing contractors, who would show where the 5% or 10% restriction would be deducted.

Chair Miyasato stated that FY26/27 should be level-set for branding and marketing as well as the availability of resources. He noted that the \$63 million was encumbered because it consisted of contracts. He pointed out that nothing was new there.

Mr. Nāho‘opi‘i explained that in the base budget for branding and marketing, the bulk of the first six months of FY26 comprised contracts for all the major programs except for the China program, whose contract had expired. During the second half of FY26, there will be options to renew most of the major contracts. Staff had estimated that these would either be at the same cost or could be options to renew. If the staff were aware of increases in the in-market costs, they would factored these in for FY26.

Chair Miyasato responded that, in effect, there was nothing new here for branding and marketing because nearly all were committed via contracts. Mr. Nāho‘opi‘i confirmed that this was true in the majority of cases.

Mr. Nāho‘opi‘i stated that the second item for discussion was the development of the FY26 budget by, where possible, seeking ways to create efficiencies or economies. This could be done by taking a program in-house or developing programs running across multiple project levels. He would discuss this at the HTA tourism conference.

An example was Brand USA, which was the national marketing arm. Brand USA had some programs that could be inserted into multiple markets simultaneously, such as international law, international travel agent training programs, or their broad national website. Mr. Nāho‘opi‘i explained that staff would consider how Brand USA could help the HTA be more efficient in the international market.

Mr. Nāho‘opi‘i explained that Brand USA also offered savings in matching funds, although that might not sufficiently decrease the total project amount for a particular market. However, it might enable the HTA to achieve more by partnering with other markets or setting up cooperative projects with other industry partners. This would allow the HTA to achieve more with the same line-item amount.

Chair Miyasato stated that he was trying to “connect the dots” regarding Mr. Pfund’s budget suggestion and the robust conversation at the previous meeting about the importance of a plan and a strategy to build the budget. This related to his question about the \$63 million since it was mainly earmarked via contracts. This also related to the importance of building capacity within the HTA and reinforced the general feeling of the committee that being incremental or supplemental might not be the right approach, given that the baseline for FY26/27 was \$63 million. The Chair felt it was important to be more aggressive because spending money was the only way to make money within the tourism space. A plan was needed to do this, and at the moment, all the strategic programs have been placed in Supplementary 1.

Mr. Nāho‘opi‘i agreed with this statement.

Chair Miyasato believed that the priority should be to ask for the needed funds.

Mr. Arakawa repeated that the budget for the present year was more like \$55 million than \$63 million, so the continual reference to the budget request being the same amount as previously was false. He had to state this.

He pointed out that the HTA could ask for whatever they liked. Still, the two people who had given the Board advice were the people who would determine the amount to be submitted to the Governor, and the Governor would make the final decision. The HTA could ignore the advice and ask for any amount they chose, but finally, they would take their chances. The BFCC committee had tried to ensure that there would be prioritization. Vice-Chair Agas had pointed out that it was important to prioritize the request so that the administration would know what was important. However, the people in charge would cut whatever was requested.

Mr. Arakawa finally reminded staff that this was not the “same old, same old.” Every time Mr. Nāho‘opi‘i tried to answer questions, this budget was portrayed as “same old, same old,” but it was not the same. Mr. Arakawa commended the staff for their work on this budget. The staff tried to make the budget innovative and efficient, aiming to achieve more with less and do new things. It was a disservice to the HTA staff to continue to say the budget was the same because it was not, and the staff had worked hard.

The BFCC committee commended the administration, destination stewardship, branding, and planning staff for working together collectively to devise a budget along with a

Supplemental 1 of \$10 million and a Supplemental 2, which could have reached \$10 million. Mr. Arakawa congratulated Mr. Nāho'opi'i and the HTA staff.

[Chair Miyasato had to step out briefly.]

Mr. Hannemann asked Mr. Nāho'opi'i about the \$63 million with a "haircut," giving \$57 million. He asked for details of how much was due to inflation, rising costs, and personnel, and then how much would be left over for destination marketing and management out of the \$57 million.

Mr. Nāho'opi'i responded that for personnel, the average was from 3% to 7% depending on certain bargaining units and internal salaries. For marketing contracts, there was about a 3–5% increase in personnel and rising advertising and media costs. In some markets, it had risen to 10%. Staff had considered these when calculating the actual request, including the \$10 million in Supplemental 1.

Mr. Hannemann asked how much would remain to increase marketing and destination management, which was \$13 million.

Mr. Nāho'opi'i responded that it would be about \$6 million. Mr. Kishi added that the other \$6 million was about 10% and promised to make an analysis.

Mr. Hannemann repeated his question, and Mr. Nāho'opi'i replied that a 10% increase was about \$7 million, and out of the \$13 million, that left \$6 million. Mr. Kishi added that part of the increase in costs was the salaries and costs of the HTA.

Mr. Nāho'opi'i explained that staff had been considering innovative programs, but on the marketing side, the only cost increases were for Meetings, Conventions, and Incentives (MCI) and Meet Hawai'i. The U.S. MMA also had rising advertising costs. Nothing else had increased in the base budget for marketing and branding. Every other increase was in Supplemental 1.

Mr. Hannemann asked how much of the \$70 million budget was due to increases in the California market, which was the most important sector of the domestic market. He also asked how much the \$80 million budget would be increased and what had been left out that staff believed was essential.

Mr. Hannemann wanted to find out which specific programs were to be left out. He had received a memo from the Chair of the Senate Ways & Means Committee, Senator Dela Cruz, who had been responsible for the HTA budget for the present year, increasing from \$60 million to \$63 million. This memo stated that DBEDT should not shortchange resources for its attached agencies, which could provide opportunities for growth for local industries. The budget request should be strategic and purposeful to grow Hawai'i's economy. Mr. Hannemann reminded Mr. Nāho'opi'i that he had received the memo and asked what actions he was taking so that the HTA could submit a budget to DBEDT that would satisfy

the memo's writer. The HTA had been asked not to hesitate to ask for more funds. Mr. Pfund seemed to ask if the HTA could settle for \$70 million. Everybody agreed that growth was important.

Mr. Nāho'opi'i responded that that would be his next presentation.

Mr. Hannemann stated that he did not want to hear any more about \$70 million. Tourism was the only industry taking off, even though it was not yet at its previous level. Construction neither provided the jobs that tourism did nor brought in the dollars that tourism did. He complained that he seemed to be getting two messages. He asked Mr. Nāho'opi'i to say whether the HTA needed more money. Sen. Dela Cruz had asked the HTA to help grow the economy. Dir. Salaveria had said, "Don't hesitate to ask for what you need." Mr. Hannemann reminded committee members that destination management had just been codified, and this meant that the HTA was expected to develop programs and not just hire five people for the payroll.

Mr. Hannemann stated that if the budget was driven by staff and the staff had produced a \$70 million budget, committee members should be informed.

Mr. Arakawa responded that the HTA was not settling for \$70 million; they were asking for \$10 million more in Supplemental 1 and up to \$5 million more in Supplemental 2, which had no limit. The budget request could go up to \$90 million.

Mr. Hannemann stated that it had been laid out that option 1 = \$70 million, option 2 = \$80 million, option 3 = \$90 million. Mr. Arakawa responded that it all went in together.

Mr. Hannemann replied that he understood, but he would like this committee to choose between the three options, with an emphasis on marketing. The committee should state which should be their priority. He understood that it seemed that \$70 million was the first choice and asked whether the staff supported it. He believed that the HTA should request \$80 million with the support of the Ways & Means Committee Chair. \$80 million would create growth in the economy.

Chair Miyasato agreed, and a reduction of 10% was germane to what the HTA had been contracted to do. It would be difficult to create economic growth with whatever had been left when the encumbered portion was removed. A budget of \$70 million had not been agreed to at the previous meeting, which was the reason for the present meeting.

Mr. Pfund asked for clarification of Mr. Arakawa's comments about the budget not being the same. It was important to obtain a perspective of how the HTA would help the State to improve the economy. He asked whether Mr. Nāho'opi'i and the staff could provide some hard numbers like those mentioned by Dir. Salaveria. For instance, what contributed to transient accommodations tax (TAT) or general revenues, such as the fees and other payments that the industry generated for the State? Mr. Pfund had examined previous

budget submissions to the administration, mentioning about \$20 billion in expenditures but not referring to flow-through second and third layers. Mr. Pfund believed that the HTA should make a new budget request. Not everyone was aware of the economic impact and revenue of the tourism industry. It was important to obtain figures about the visitor industry's activities.

Chair Miyasato thanked Mr. Pfund and referred to Dir. Salaveria's presentation mentioned waiting for the projections of revenues to come in and looking at the shortfalls in collections. The Chair asked what percent of contributions those taxes and fees represented as part of the assessment of revenue collection. The HTA was the only agency that had a chance of increasing revenue for the State. This would underscore that the shortfall was x% in tourism, and the only way to address this was by branding and marketing.

Mr. Ka'anā'anā echoed this comment and agreed that all the staff understood the need to do everything possible to create economic growth, given the present market softness. However, if efforts were to be made to send revenues to their previous levels, stewardship had to take place simultaneously, which also took money. As the volume of visitors increased and revenue increased, linking this to stewardship requirements was necessary. In the context of \$70 million, \$80 million, or \$90 million, he hoped that stewardship would take place to mitigate the impact on the community.

Mr. Nāho'opi'i presented the budget spreadsheet showing the critical programs that staff felt were essential. The base budget of \$70 million did not include any programs required to stabilize the U.S. and Canada base market or reinvigorate the international market, especially Japan. These programs had been transferred to Supplemental 1. If revenue were to be increased, these additional funding recommendations would have to be supported.

Mr. Nāho'opi'i added that U.S. MMA would need \$4.4 million to allow at least two more major in-market activations like the one in Los Angeles, either in FY25 or FY26. This budget would drive specific cooperative programs for short-term recovery, and the collaborative partners would not be paid unless they provided revenue.

He indicated an additional \$722,000 in the Japan market, which was also aimed at short-term recovery programs. Staff were to collaborate with wholesalers, airlines, and online travel agents to encourage quick commitments to address the issues of inflation and the exchange rate in the Japan market, along with additional pay for upgrading and credit card points. Added components would drive additional travel to Hawai'i, especially package travel.

Mr. Nāho'opi'i requested that the committee go into Executive Session because he would be giving contract details.

Attorney. Cole stated that committee members must vote to approve the Executive Session.

Mr. Arakawa proposed a motion to go into Executive Session. Mr. Pfund seconded the motion. Mr. Arakawa explained that the Executive Session was necessary because there would be a discussion about specific contracts for which there was competition.

Ms. Kaho'ohanohano conducted the roll call vote, and the motion was carried unanimously.

[Executive Session]

Chair Miyasato proposed the motion that the Branding Standing Committee recommend to the BFCC Standing Committee approval of the FY26/27 budget for \$80 million.

Mr. Arakawa commented that the \$80 million appeared to cover matters outside the *kuleana* of the Branding Standing Committee. Chair Miyasato asked for the actual figure for branding and marketing to be substituted in the motion.

Mr. Nāho'opi'i stated that Supplemental 1 was \$6.4 million for branding and marketing. The total for branding and marketing, including Supplemental 1, was \$49.3 million.

Chair Miyasato proposed the motion that the Branding Standing Committee recommend to the BFCC Standing Committee approval of the FY26/27 HTA operating budget for branding and marketing for a total amount of \$49.3 million. Mr. Hannemann seconded the motion.

Mr. Pfund commented that this related only to one year, and Mr. Nāho'opi'i agreed that it concerned FY26. The budget for FY27 was to be \$53.1 million.

The motion was amended as follows:

The Branding Standing Committee recommends to the BFCC Standing Committee approval of the FY2026 and 2027 HTA Operating Budget for branding and marketing for a total amount of \$49.3 million (FY26) and \$53.1 million (FY27).

Mr. Hannemann seconded the motion.

Ms. Kaho'ohanohano conducted the vote, and responses were as follows:

Chair Miyasato Aye,
Vice-Chair Agas Aye with reservations that Mr. Arakawa would also get clarity on supplemental information,
Mr. Arakawa Nay because he believed the original budget was justified,
Mr. Pfund Aye,
Mr. Hann Aye.

The motion was carried.

Chair Miyasato thanked everyone for their commitment and participation and appreciated everyone's input.

5. Adjournment

The meeting was adjourned at 3:55 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sheillane Reyes".

Sheillane Reyes
Recorder

6

Presentation and/or Discussion on the JATA Expo and Japan Mission and Other Updates from HTJ (Hawai'i Tourism Japan)



HAWAII TOURISM

JAPAN

JAPAN MARKET UPDATE

ERIC TAKAHATA

MANAGING DIRECTOR

11/21/2024



ECONOMY

- Japan's GDP grew 0.9% annualized in the July-September
- Growth continues as the Bank of Japan plans gradual interest rate hikes
- Economy is switching from exports to consumer spending. Government expects tourism to be an important growth driver
- Politically stable under the Ishiba Cabinet, although the impact of the U.S. presidential transition is unclear
- The yen is likely to remain weak
- Japan's wealthy population is increasing (+2.6% in a 2021 survey)



OUTBOUND TRAVEL & BOOKING PACE

- Number of Japanese departing in September was 69% vs. 2019 (+20.7% vs, 2023)
- The Honolulu Marathon has about 10,000 participants, 108% of last year's number
- The Central and Pacific League champions are scheduled to visit at year-end for the Japan Series
- Fuel costs have dropped from 22,000 yen to 16,000 yen one-way

Year-end and New Year Booking

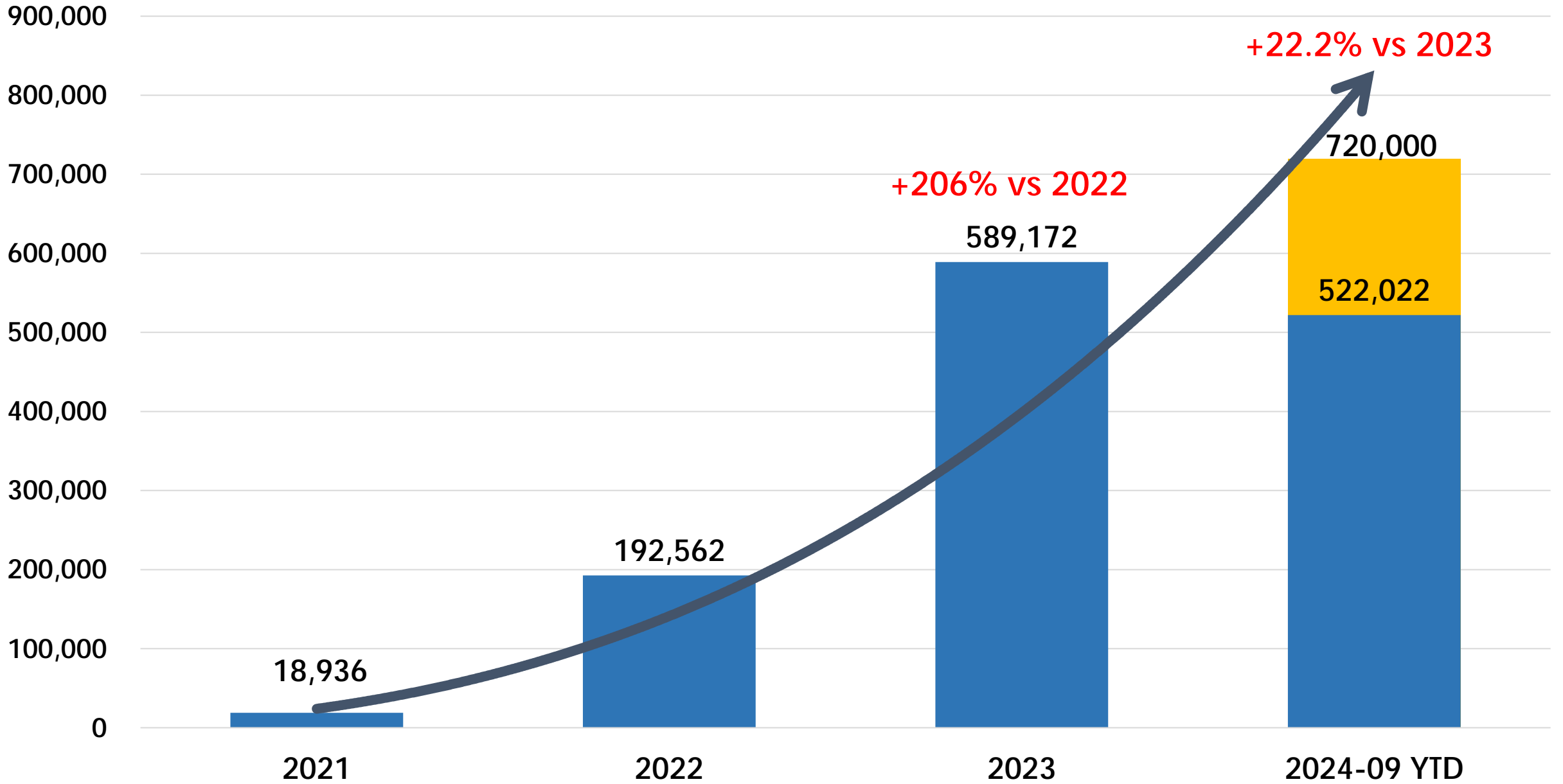
- airline booking rates :100-105% (vs. 2023)
- Travel agencies 110-130% (vs. 2023)

Spring 2025 Booking:110-120% (vs. 2023)



HAWAI‘I INBOUND SITUATION

JAPAN MARKET VISITOR ARRIVAL



2024 vs 2019 JAPAN MARKET VISITOR ARRIVALS (September YTD)

	2024 YTD	2019 YTD	Recovery % vs 2019
Total Spending (\$Million)	\$774.6	\$1,609.3	48.1%
Per Person Per Day (\$)	\$238.10	\$235.20	101.2%
Visitor Arrivals	522,021	1,152,900	45.3%
Visitor Days	3,253,593	6,843,530	47.6%
Length of Stay	6.23	5.94	104.9%

Source:

[https://www.japantravel.com/press-releases/2024/09/2024-vs-2019-japan-market-visitor-arrivals-september-ytd/](#)

IMPACT TO TOURISM IN HAWAII – JAPAN MARKET

	Visitor Arrivals	Total Spending (\$mil.)	Per Person Per Day Average Spending (\$)	Tax Revenue (\$mil.)
2019	1,576,205	\$2,248.3	\$241.6	\$262.43
2022	192,562	\$359.4	\$235.4	\$41.69
2023	589,172	\$930.3	\$240.7	\$107.91
2024 (September YTD)	522,021	\$774.6	\$238.1	\$89.85
2024 Annual Forecast	717,173	\$1,070.5	\$241.9	N/A

Source: <https://www.hawaiitourismauthority.org/>

PACKAGE COST COMPARISON

Jan 2025

Night	Hawai'i	Guam	Australia	Seoul	Taiwan	Bangkok	Paris	London	Los Angeles	Singapore
4NT	¥320,600	¥265,600	¥264,300	¥91,800	¥155,100	¥170,800	¥355,800	¥427,300	¥493,900	¥270,600
3NT	¥268,650	¥264,950	¥239,800	¥88,800	¥82,400	¥169,800	N/A	¥356,750	¥454,400	¥238,450

Feb 2025

Night	Hawai'i	Guam	Australia	Seoul	Taiwan	Bangkok	Paris	London	Los Angeles	Singapore
4NT	¥310,200	¥276,100	¥243,350	¥95,800	¥123,200	¥182,300	¥416,400	¥363,800	¥367,650	¥269,300
3NT	¥273,750	¥233,450	¥199,250	¥87,300	¥80,900	¥148,400	N/A	¥331,300	¥321,600	¥239,100





HTJ INITIATIVE RECAP

YAPPARI HAWAI'I CAMPAIGN



- Out of Home Advertising (TV, Train station, Train, Taxi, Cinema)
- SNS, Digital Advertising
- BtoC Campaign
- Media Tie-up
- Family Promotion Video launch in December

Over 768 million impressions



JAPAN MISSION

Media Event (9/25)



VIP Reception (9/25)



Tourism EXPO Japan(9/26-9/30)



94 media Representatives
18 stakeholders from Hawai'i



61 VIP guests
110 total attendees



15,000 attendees
Won No. 1 Travel Professionals'
Choice Booth Grand Prize

MADE IN HAWAI'I PROMOTION

Consumer Event



Made in Maui County Festival
Exporting Made In Hawai'i Products to Japan Seminar



Pop-up/Antenna Shop



Support events that promotes made in Hawai'i products

4 distributor and 2 department store reps.
Meeting with festival vendors
100 seminar attendees (with DBEDT)

Aloha Market by Mana Up Hawai'i
@ Haneda Airport (Feb. 2025)
HIS Antenna Shops



2025 STRATEGIES

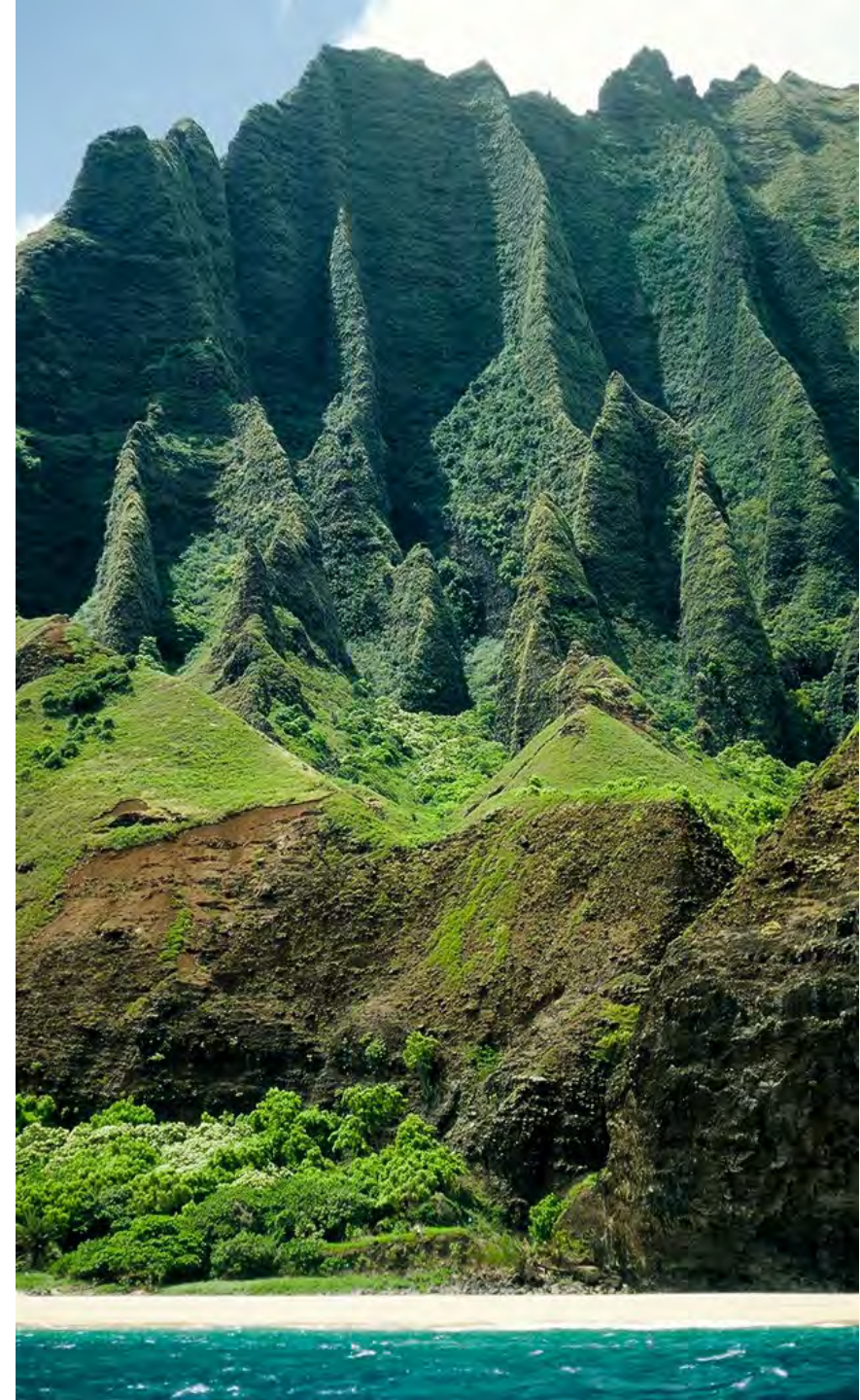
SHORT-TERM STRATEGY

- Advertising promotion campaigns through partnerships with companies in the travel industry, and stimulating travel demand through media outreach and distribution
- Increase booking pace through collaboration with airlines, travel agencies, and OTAs
- Increase high value traveler initiatives
- Promote the attraction of MICE groups through collaboration with Meet Hawai'i
- Destination education and product development support within the travel industry



MID-LONG TERM STRATEGY

- Attract first-time visitors
- Continue initiatives targeting the youth market
- Strengthen the branding of each island
- Strengthen digital content marketing
- Increase high value traveler initiatives
- Further initiatives to attract the hula market
- Hawai'i as a hub of education, expanding educational tourism



7

Update on the Partnership with Brand USA and other International Marketing Activities



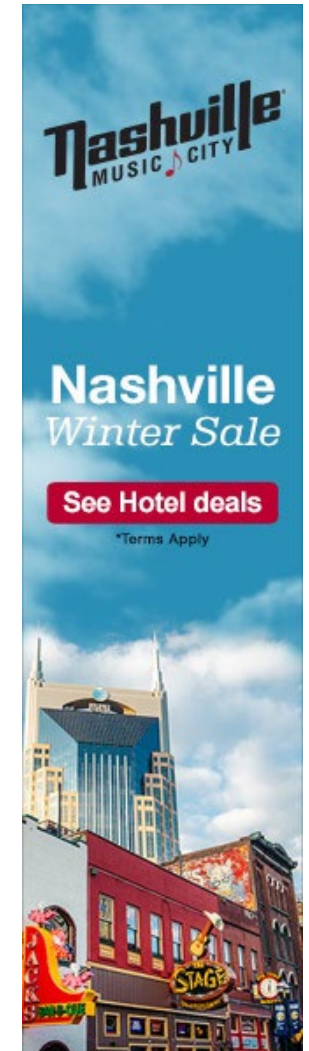
Brand Standing Committee Meeting

11/21/2024

**Agenda #7 : Brand USA Partnership and Other
International Marketing Activities**

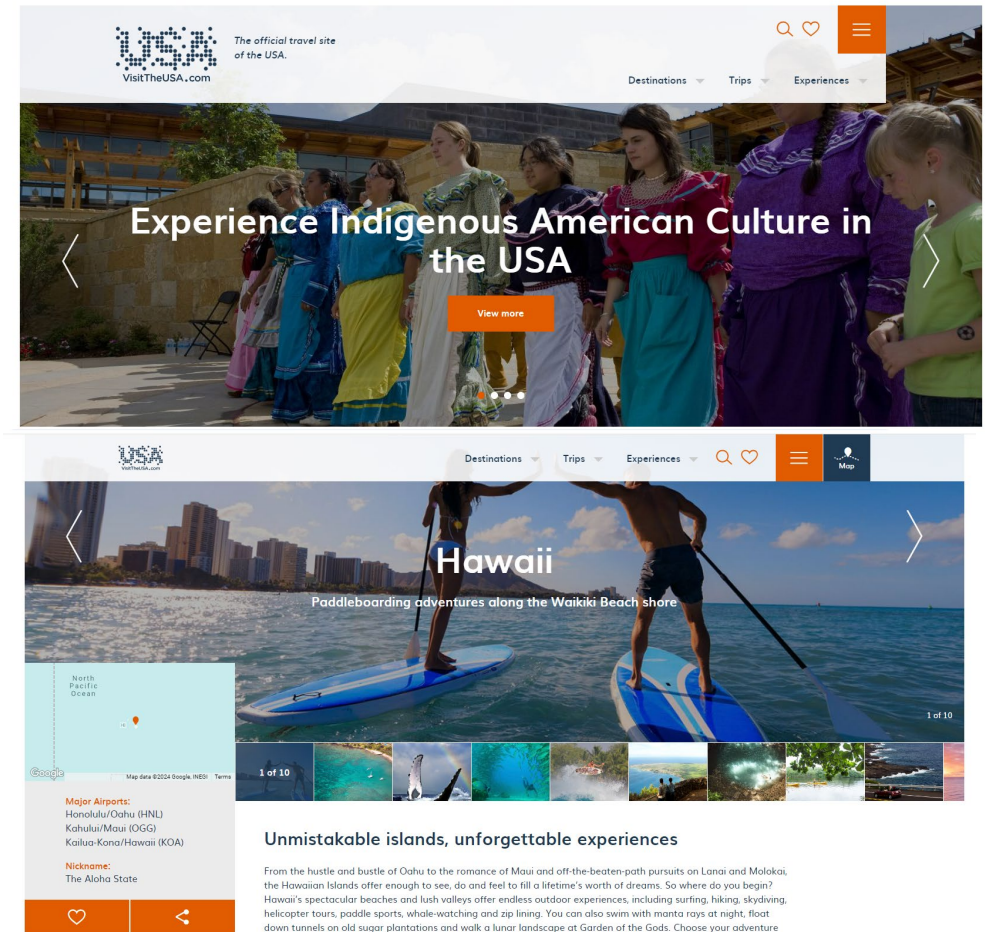
Brand USA x Expedia Promotion

- **Purpose:** to boost short-term bookings to Hawai'i
- **Promotional Period:** 11/22/24 - 3/31/25
- **MMAs:** Japan, Canada, Oceania
- **Matching:** Brand USA 20%+Expedia 40%
- **Industry Support:** special offers by hotels/activities/airlines



Brand USA – Website Update

- **Purpose:** to provide the most current and relevant information aligned with HTA’s regenerative tourism.
- **VisitTheUSA.com:** official global site accessible in 16 international markets and 8 languages.
- **Updates:**
 - Refresh: State, O’ahu, Maui, Kaua’i
 - Create: Hawai’i Island, Lāna’i, Moloka’i



IPW 2025: June 14 – 18 Chicago

- **Purpose:** to conduct business, build relationships and fortify connections with international travel buyers and media
 - Pre-Scheduled Business Appointments
 - Media Marketplace
 - Networking Events



1,000+

U.S. SUPPLIER
ORGANIZATIONS
representing all
regions &
industry
segments

1,100+

TRAVEL
BUYERS
from more than
60 countries

500+

TRAVEL JOURNALISTS

8

Presentation and/or Discussion Regarding an Update on the Meetings, Conventions and Incentives Market Activity and Pace Report



**Hawai'i Tourism Authority
Brand Standing Committee Meeting
MCI Update**

November 21, 2024

Meet Hawai'i

Meet Hawai'i is a collaboration between Hawai'i Visitors & Convention Bureau (HVCB) and the Hawai'i Convention Center (HCC) to attract and contract Meetings, Conventions, and Incentive (MCI) business to the state of Hawai'i

HVCB

- **Contracts offshore conventions at HCC**
 - Outside of 13 months of arrival
 - 2+ hotels; significant hotel room nights
- **Contracts hotel meetings** on all islands
- **Services and connects** groups to all partners in the destination

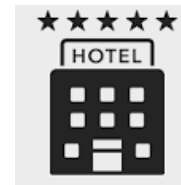
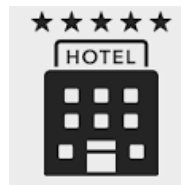
HCC

- Contracts **local groups** within 13 months of arrival
- Includes festivals, marathons, sports groups
- **Services and connects** groups to services inside the building i.e. F&B, Audio Visual, Telecom, etc.



MCI = ECONOMIC IMPACT TO HAWAII

Meet Hawai'i Generates Nearly Half of Total Meeting Attendee Expenditures in the State with an Annual Event Economic Impact (EEI) of \$572.5M



2023 Hawai'i Statistics	Meetings	Conventions	Incentive Meetings	Total
Visitors	20%	53%	27%	401,208
Total Length of Stay	7.6	8.1	7.4	7.6 avg
Per Person Per Day	\$325.8	\$286.4	\$302.8	\$305 avg
Total Spending	21%	58%	21%	\$1.041B

Total Expenditures includes additional expenditures spent in Hawai'i on conventions and corporate meetings by out-of-state visitors (i.e., costs on space, equipment rentals, transportation, etc.).



Major Programs – Asia/Oceania

JTB MOU signing at JATA expo

Meet Hawai'i and JATA collaboration

- Japan wide sales competition to boost Japan groups to Hawai'i
- Targeting small to mid-sized groups (Single Property)
- Points system to encourage the increase in the number of groups and participation by small and mid-sized travel agencies in Japan.
- Competition contract period will be from April 2025 - October 2025.
- Top 30 group sales agents will be awarded with a 3-night trip to Hawai'i and an award presentation Ceremony in Japan.
- Press conference will be held on Nov 21, 2024, in Tokyo with JATA
- JATA has 1300 travel companies as their members, this sales competition is opened to all JATA members.



Major Programs



Citywide Sales Fam

- 14 customers - 3 Corporate
- ('25 -'28) – 7 Groups | 25,335 TRN's | 19K Attd
- ('29 -'31) - 4 Groups | 24,312 TRN's | 10K Attd

Destination Hawai'i O'ahu – post Maui/Kaua'i

- 35 incentive clients

IRF - Leadership Insights Forum

- 95 key buyers
- insights, premier access corporate and 3rd party planners that purchase incentive travel. 5 partners

FICP Annual Conference

- Financial & Insurance Conference Professionals –
- 12 partners 200+ insurance corporations in attendance.

IMEX America Las Vegas

IMEX America Recap

IMEX AMERICA 2024 - Statistics

5,750

TOTAL BUYERS

3,500

EXHIBITING COMPANIES
from 150+ Countries

4,350

HOSTED BUYERS
from 75 countries

1,400

BUYER ATTENDEES
From 46 countries

82

PRESS ATTENDEES
from 8 countries

27% of hosted buyers control budgets of over \$10 million

43% of hosted buyers are director level and above



IMEX America Recap

MEET HAWAI'I 2024 - Statistics

40,946

TOTAL ROOM NIGHTS
(potential from active leads)

157

MEET HAWAI'I BOOTH
APPOINTMENTS

115

ACTIVE LEADS

70

IN PERSON MEETINGS
(Walk up clients)

12

MEDIA APPOINTMENTS

803 appointments generated by entire booth



Production Highlights

Production:

- Citywide:
 - Verbal Definites: 6 groups, 31K TRNs
 - Pushing an additional 30K
- Single Property
 - 2025 - Future pace has increased from 87% to 94%
 - October 2024 offered the highest tentative production since 2018 with 83,921 TRN's.

Top of mind:

- Strike has ended - Catching up
- MFF - Marketing Flexibility Fund
- Citywide strategy session – HCC + HVCB

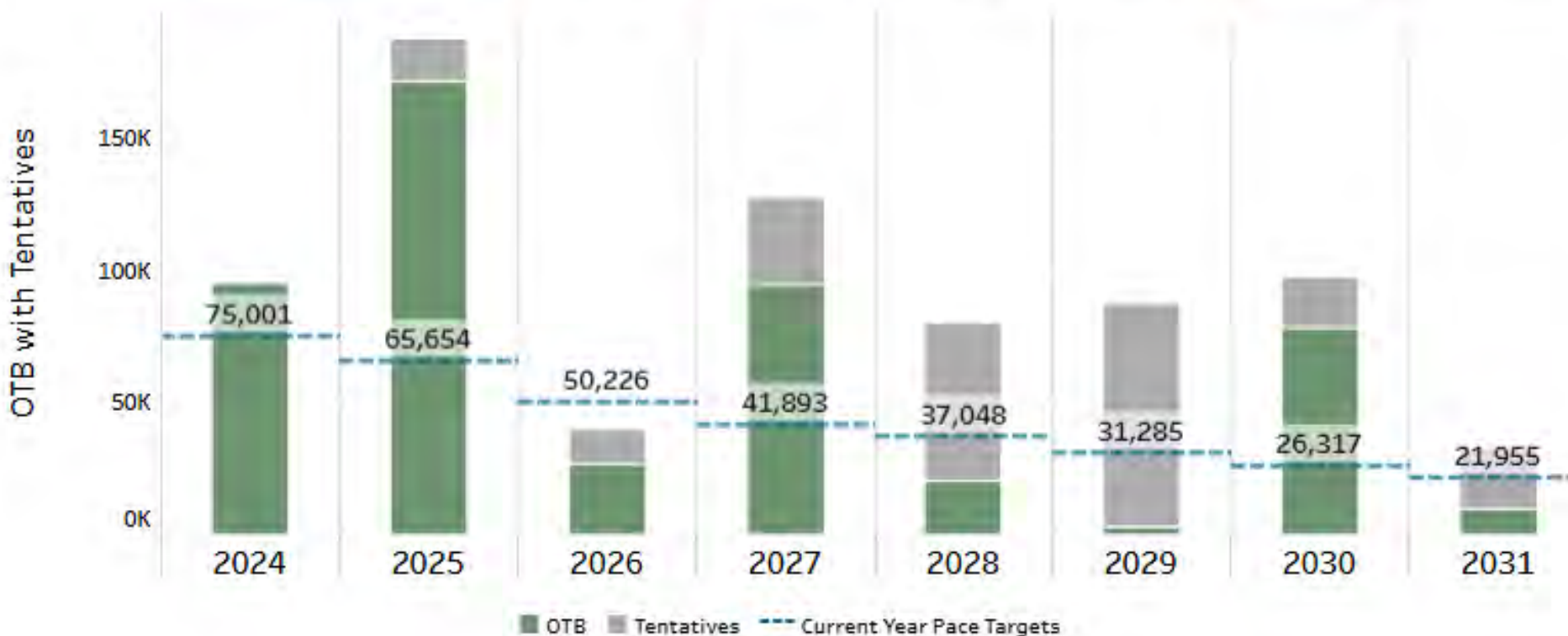


Hawai'i 8 Year Future Pace for Citywide

Number of room nights on the books against a 3-year average target. Data last refreshed on 11/19/2024

Citywide Future PACE

	2024	2025	2026	2027	2028	2029	2030	2031
% to Pace Target	126%	261%	53%	226%	55%	10%	297%	44%

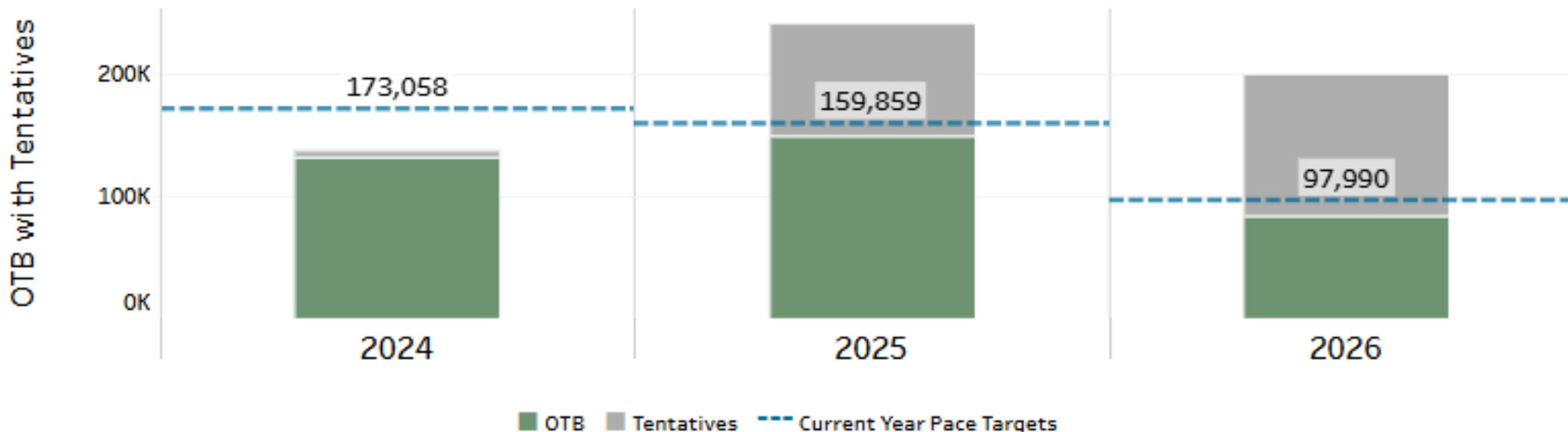


Hawai'i 8 Year Future Pace for Single Property

Number of room nights on the books against a 3-year average target. Data last refreshed on 11/19/2024

Single Property Future PACE

	2024	2025	2026
% to Pace Target	76%	94%	85%



SINGLE PROPERTY PRODUCTION BY ISLAND

Through NOV 17th YTD

	Tentative Rooms	Economic Impact	Definite Rooms	Economic Impact
Island of Hawai'i	222,563	\$379.0M	37,025	\$104.3M
Kaua'i	153,165	\$259.7M	17,083	\$30.6M
Lāna'i	22,588	\$32.1M	0	\$0.0M
Maui	270,346	\$460.9M	22,546	\$36.7M
O'ahu	417,114	\$782.2M	44,464	\$93.1M
Totals	1,085,776	\$1,913.9M	121,118	\$264.8M

Meet Hawai'i Production – YTD thru Nov 17

	Attendees	Definite Room Nights	Economic Impact
Citywide	60,150	102,732	\$303.2M
Single Property	54,403	121,118	\$264.8M
TOTALS	114,553	223,850	\$568M

A close-up photograph of a green leaf, showing a network of veins. The central vein is prominent and runs horizontally across the middle. Smaller veins branch off from it, creating a grid-like pattern. The leaf's surface has a subtle texture, and the lighting highlights the veins, giving them a slightly brighter green appearance than the surrounding leaf tissue.

Mahala