

Hawai'i Tourism Authority
Board of Directors Meeting
January 30, 2025

An underwater photograph of a shark swimming near the surface of the water. The water is a deep teal color, and the shark is seen from below, with its dorsal fin and tail visible. The lighting is bright, creating a shimmering effect on the water's surface.

Agenda

- **Current Market Situation**
- **Why Market Saturations**
- **Case Studies**
- **Proposed Markets**
- **Saturation Components**
- **Budget**



Current Market Situation

Pre-Existing Market Dynamics

Maui Wildfires: Impact & Response

Economic Context

A scenic view of a tropical coastline. In the background, a large, rugged mountain range with green vegetation stretches across the horizon. The sky is blue with scattered white clouds. In the foreground, the ocean is a vibrant turquoise color. A small, rocky island with a green peak sits in the water to the right. The overall scene is bright and clear.

Why Market Saturations?

Strategic Response to Market Challenges
Protecting the Hawai'i Brand
Long-Term Vision: Cumulative Impact
Industry Engagement & Collaboration



Case Studies

Los Angeles

Five Saturations 2009-2011

- Market Situation
- Establish Objective
- Define Strategy
- Refine Target Audience
- Tactical Execution (PR and Travel Trade)
- Results (Air Lift, Arrivals, Brand Lift, Social Media, goHawai'i traffic)



Results - Airlift

The market saturations (“blitzes”) were successful in stimulating sufficient demand from our High-Potential Hawai‘i Target Travelers residing in the blitz markets to maintain airlift to the State. That growth in demand drove significant increases in air seats from the blitz markets.

Market Saturations (blitz)- Airlift Results

Air Seats	2009	2011	Change
L.A. Market Blitz	1,822,941	2,236,966	22.7%
Bay Area Market Blitz	1,091,470	1,422,995	30.4%
Seattle Market Blitz	978,992	1,002,296	2.4%
Chicago Market Blitz	135,879	178,731	31.5%
Total Blitz Markets	4,029,282	4,840,988	20.1%

Source: Sabre ADI

Results - Arrivals

Market saturation (blitz) promotions also boosted Hawai'i visitor arrivals during the three months following each Market Saturation. Preliminary data from HTA show that arrivals from the blitz markets grew 10.2 percent from 2009 to 2011.

It is also important to note that these promotions generated additional visitor expenditures at a time when budgets were tight, for both travelers and the State of Hawai'i. Blitz market expenditures grew by 22.1 percent from 2009 to 2011, more than double the growth rate for arrivals.

Market Saturations - Arrivals Growth

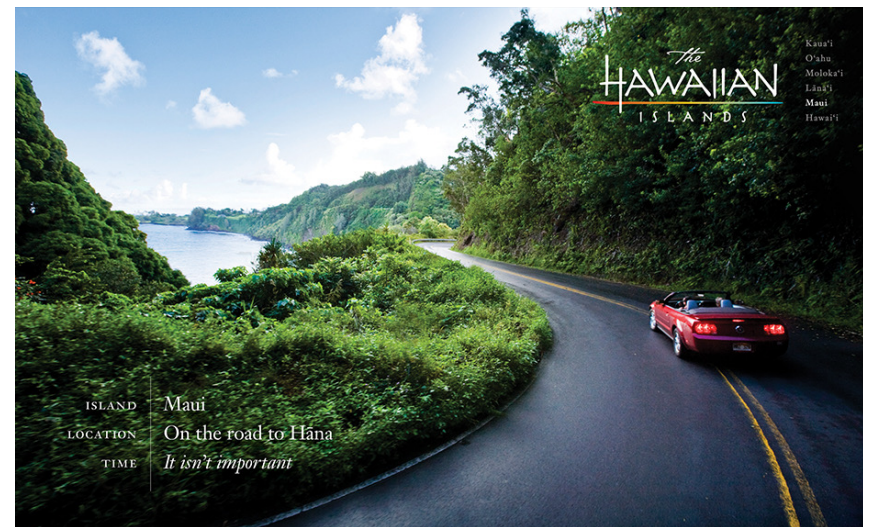
Market Saturation Arrivals Growth 2009-2011

	San Francisco		Pacific Northwest		Los Angeles		Chicago		Blitz Total	
	Arrivals	Exp. (\$mil.)	Arrivals	Exp. (\$mil.)	Arrivals	Exp. (\$mil.)	Arrivals	Exp. (\$mil.)	Arrivals	Exp. (\$mil.)
2009	484,868	\$616.0	456,436	\$586.3	624,890	\$786.5	98,844	\$170.6	1,665,039	\$2,159.4
2011p	564,165	\$793.3	521,641	\$736.3	640,135	\$896.1	109,729	\$210.9	1,835,671	\$2,636.5
Change 2009 vs 2011p	79,297	\$177.3	65,205	\$149.9	15,245	\$109.6	10,885	\$40.3	170,632	\$477.2
% change 2009 vs 2011p	16.4%	28.8%	14.3%	25.6%	2.4%	13.9%	11.0%	23.6%	10.2%	22.1%

Source: HVCB analysis of HTA data.

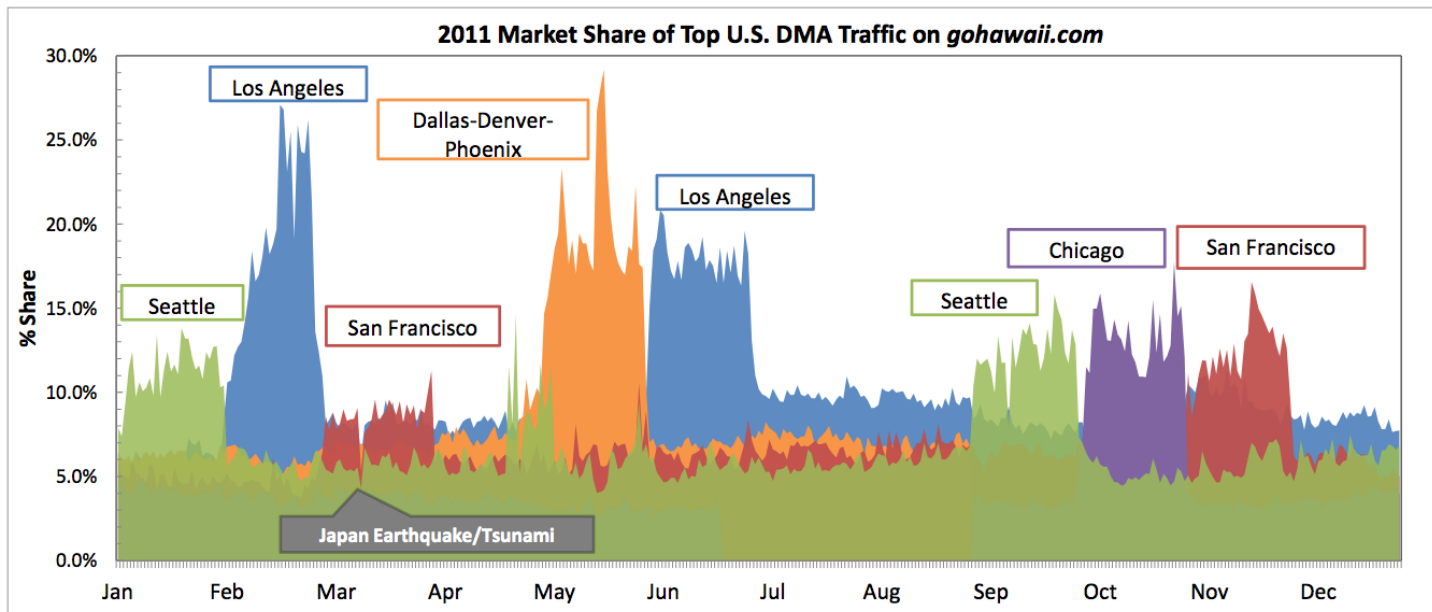
Results – Brand Lift

- The market saturation promotions produced sustained, longer-term brand lift in these geo-targeted markets. As evidenced with the 2010 Chicago promotion, audience perceptions of Hawai'i improved on every brand image dimension evaluated, which play an influential role in travelers' selection of leisure destinations.
- Based on proprietary marketing effectiveness research by Longwoods International, the top “hot button” that motivates travelers to consider one destination over another is “excitement” factor (Hawai'i is an “Exciting” place to visit), and Hawai'i's score increased a significant +13 percentage points.



Results – Website Traffic

During the market saturation periods, each of the DMA markets showed a significant increase in their respective share of visits to the *gohawaii.com* website. While driving web traffic was not the primary goal of the campaigns, it does indicate elevated interest in the destination due to Hawai'i's prevalence in the marketplace.



LA Blitz Effectiveness and Conversion Results – Longwoods International

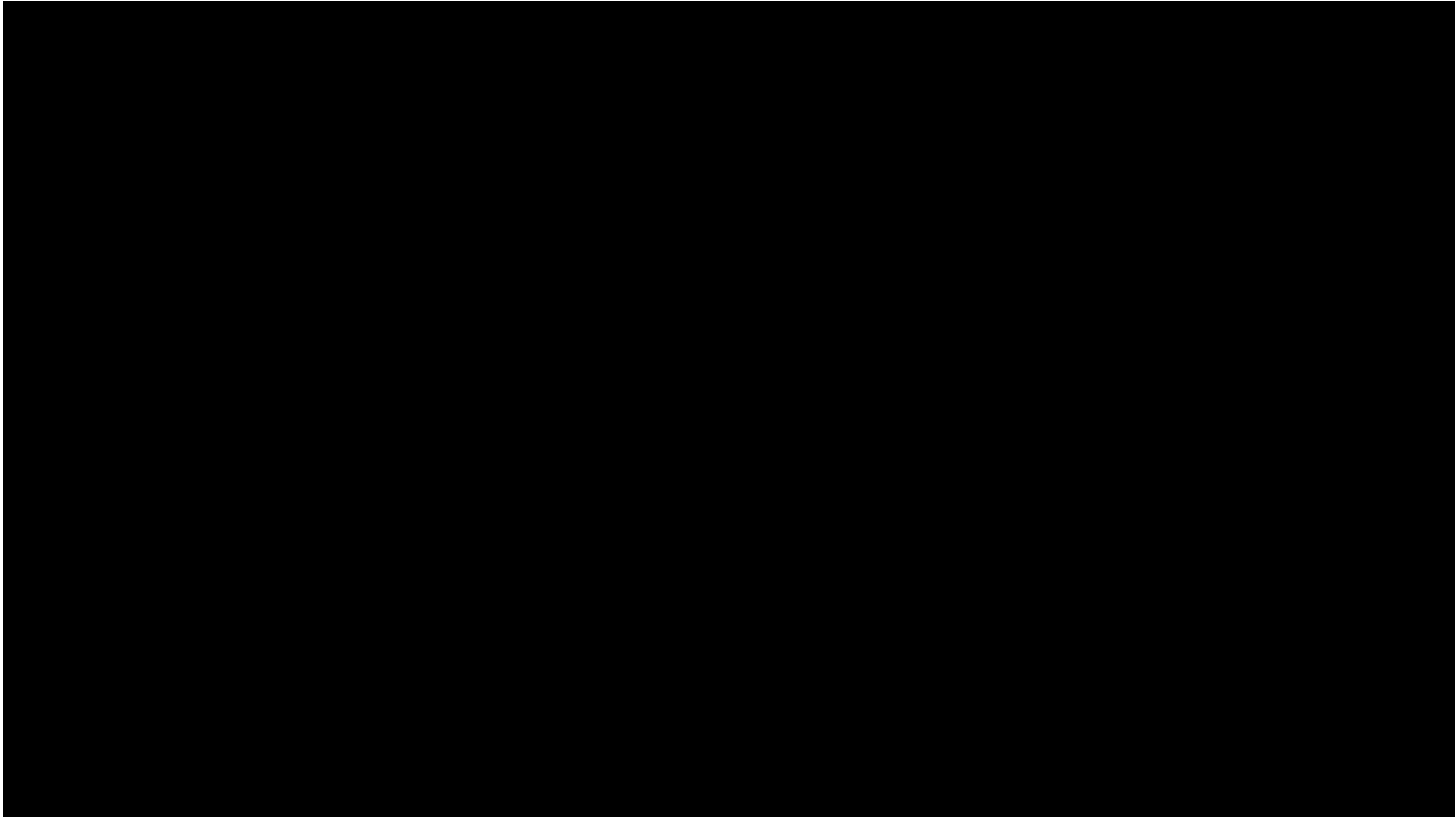
The campaign was a multi-channel effort combining PR, promotions, and traditional advertising to generate intent to visit Hawai'i and drive conversions from the Los Angeles market. The research measured the campaign's effectiveness in terms of ROI and incremental visitor spending. Key findings include:

- **Strong campaign reach and recall:** 69% of travelers recalled at least one ad or PR event/blog, reaching an estimated 5.6 million people.
- **Increased intent to visit:** Ad/PR exposure significantly increased intent to visit Hawai'i, from 53% among those unexposed to 65% among those exposed, translating to an incremental 296,000 planned trips.
- **Significant economic impact:** 6,300 visitors converted, generating \$58 million in Hawai'i spending, with an overall economic contribution of \$41.2 million.
- **High ROI:** The campaign yielded \$25 in additional visitor spending for every \$1 spent on advertising.

Overall, the campaign was a success in increasing intent to visit and driving conversions. The multi-channel approach proved effective, and recommendations include optimizing channels based on performance data and exploring opportunities to further increase ROI.



New York Market Focus





Proposed Markets

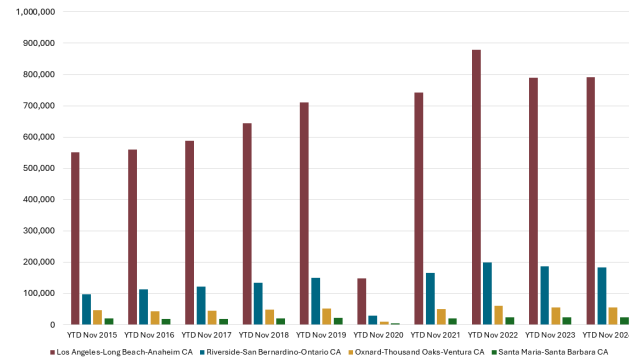
San Francisco/Bay Area – First Saturation

Los Angeles – Second Saturation

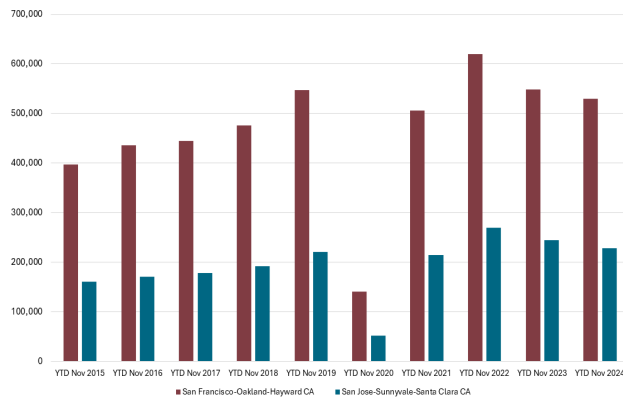
Seattle/Portland – Third Saturation

Historic Visitation 2015 – 2024 November YTD – Los Angeles, San Francisco, Seattle/Portland

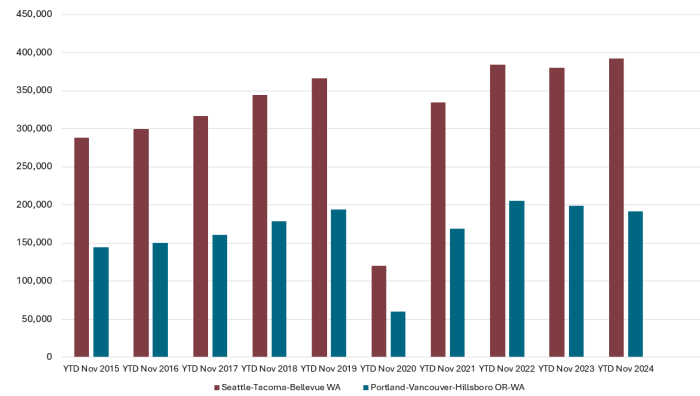
Los Angeles-Riverside, Ventura, Santa Barbara



San Francisco-San Jose Visitation



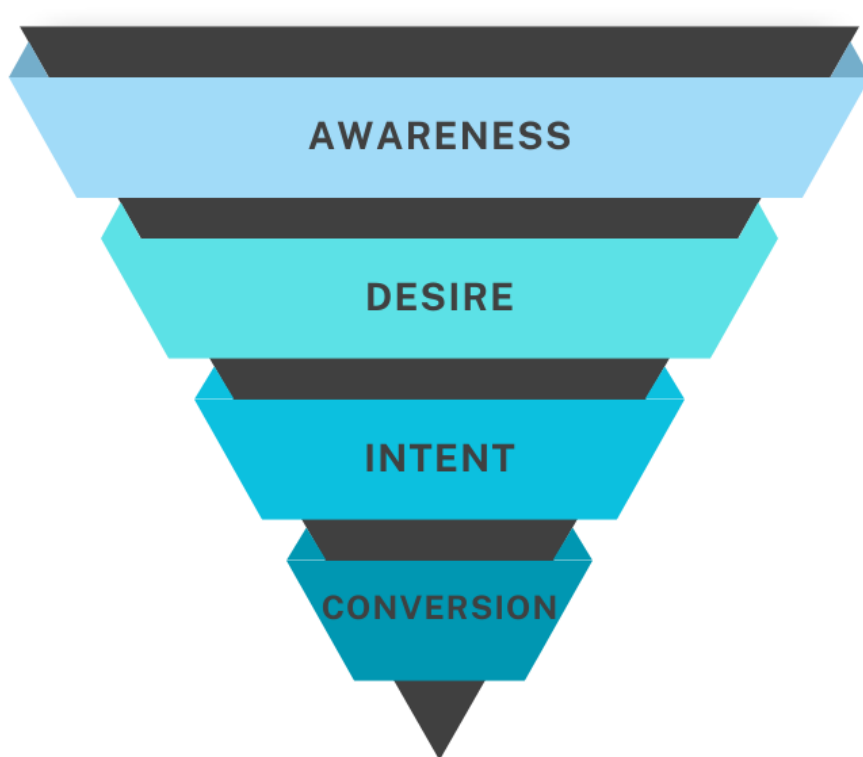
Seattle – Portland Visitation





Saturation Components

- **Launch Event / Consumer Engagements:** Interactive promotions to drive interest.
- **Earned Media Engagements:** Leverage media coverage to amplify messaging.
- **Media & Social Media Campaigns:** Drive awareness through targeted channels.
- **Out of Home (OOH)** – depending on budget level
- **Travel Trade Education:** Educate travel professionals to rebuild confidence. Note that we would pivot exiting budget towards the market saturation.
- **Digital Co-Op Program:** Collaborate with industry partners to extend reach. Note that HVCB invests member dollars into the coop.



Consumer Marketing – Awareness, Desire, Intent

- In-Market Events
- Earned Media
- Paid Digital and Social Media
- OOH

Travel Trade Education - Awareness, Desire, Intent

- Host education sessions + events

Cooperative Marketing – Partner Conversion

- Partners
- Coop Program



Expected Results

Brand Lift

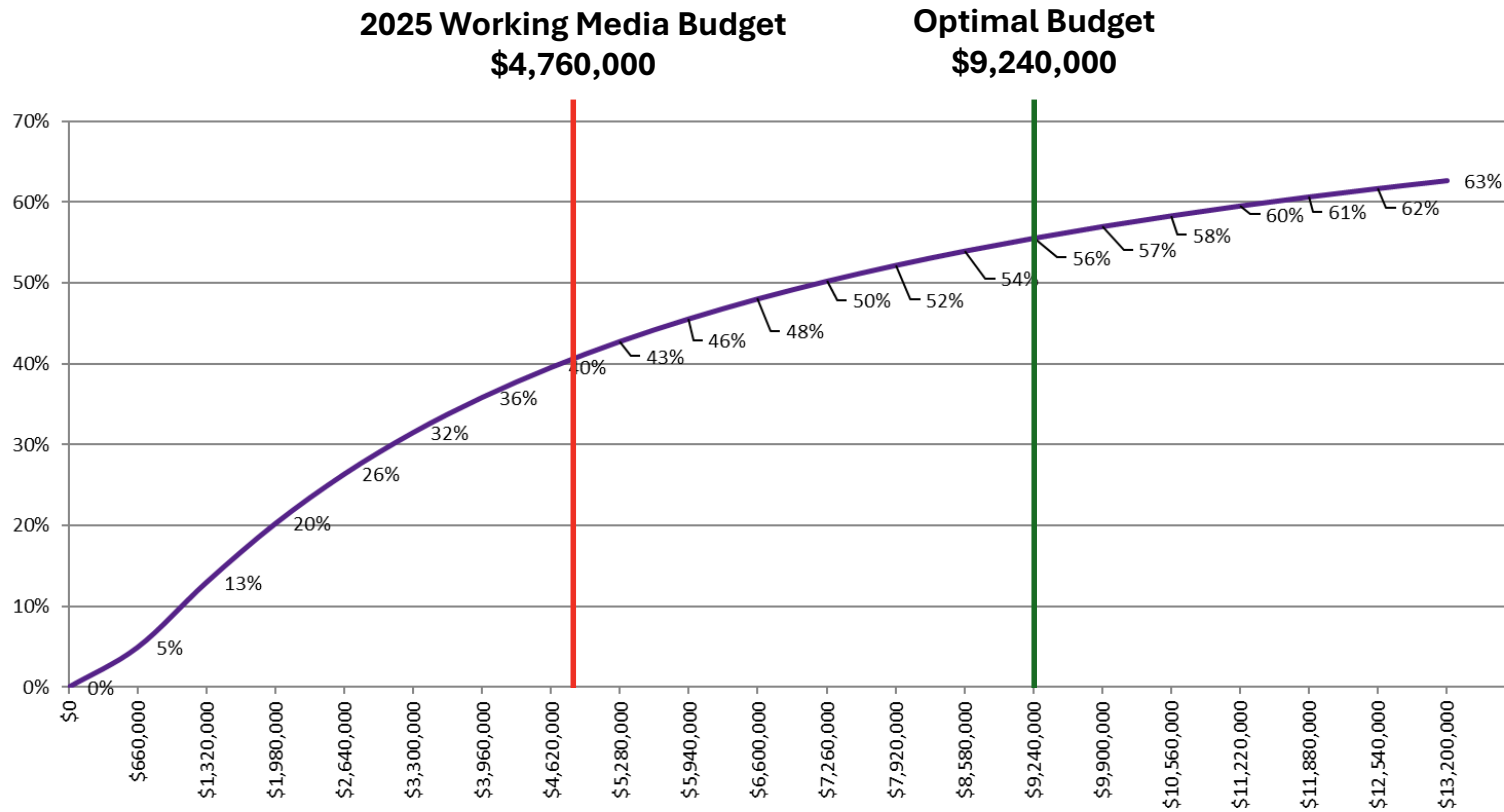
Incremental Short Term (12-24 months) Visitation

Restore Market Share

Baseline vs. Saturation



Current vs. Optimal Media Budget Hawai'i Target Traveler Reach with 3x Frequency



*Nielsen Commspoint: A25-55, HHI \$150K+, Any Foreign Travel or Visited Hawai'i Past Three Years

Competitor Budgets



\$50 million for 2021
Spend for U.S. Market



\$31 million
\$6.3 million for new market stimulation – New York, Chicago, Dallas



\$100 million annually on tourism marketing
54% of total visitation from the US market



\$14.4 million – 2025



Mahala