



HAWAII TOURISM
AUTHORITY

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David Y. Ige
Governor

George D. Szigeti
President and Chief Executive Officer

MARKETING STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY
Wednesday, June 29, 2017
Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815

MINUTES OF MARKETING STANDING COMMITTEE MEETING

COMMITTEE MEMBERS PRESENT: Sean P. Dee (Chair), Denise Hayashi Yamaguchi, Kelly Sanders, Craig Nakamura, George Kam

COMMITTEE MEMBERS NOT PRESENT: Fred Atkins

BOARD MEMBER PRESENT: Rick Fried

HTA STAFF PRESENT: George Szigeti, Charlene Chan, Carole Hagihara, Kalani Ka'ana'ana, Raphael Betelli, Laci Goshi, Ronald Rodrigues, Lauren Fetherston, Minh-Chau Chun, Caroline Anderson, Jadie Goo, Chika Miyauchi, Leslie Dance, Chris Sadayasu, Randy Baldemor, Marc Togashi

GUESTS: Representative Richard Onishi, Karen Dang, Gordon Fernandez, Lynn Surayan, Eric Takahata

LEGAL COUNSEL: Gregg Kinkley

1. Call to Order

Presiding Officer Sean P. Dee called the meeting to order at 1:05 p.m. Mr. Dee noted that four committee members were present, constituting a quorum; welcomed the newest member, Kelly Sanders; acknowledged the presence of Representative Onishi; thanked the staff from Senator

Wakai's office for attending; and stated that Ascendant would be unable to be join in today's meeting, eliminating the need for an executive session.

2. Approval of Minutes from the May 24, 2017 Marketing Standing Committee Meeting

Ms. Yamaguchi made a motion to approve the minutes of the Marketing Standing Committee meeting held on May 24, 2017. Mr. Nakamura seconded the motion, which was unanimously approved by all the committee members present.

Mr. Dee noted the decision to push the sporting strategy and proposed sporting events review agenda items to a later committee meeting, partially because Ascendant was not able to attend.

3. Global Tourism Summit Update

Mr. Dee acknowledged Leslie Dance, who introduced the summit team to present an update on the Global Tourism Summit. The summit team presented a slideshow and reported that the registration website was launched on June 19. HTA has received 77 registrations in the first week since launch. The registration manager from Paragon Events will be updating HTA on registration numbers weekly and providing live data reporting. A \$70 discount is being offered for Early Bird registration and the deadline for such registration is July 31. Group registration pricing is also available.

Promotional materials were presented with formats specifically designed for dissemination on social media, 8.5x11 size posters, emails, and web banners.

Ms. Dance introduced Caroline Anderson, who reported that all fulfillment items for speakers, including travel expenses, will be managed by Paragon Events. Ms. Anderson further explained that the summit team is currently working on finalizing all speakers for the keynote and presentations. Ms. Dance added that Neil Everett from ESPN SportsCenter has been confirmed as one speaker, that the summit team is close to securing the opening day speaker, and that the summit team is finding a food speaker for third day. She further reported that the Aloha Reception on the second night of the Summit will feature hotel chefs as well as community chefs from various neighborhoods. There will be at least three chefs per island with a total of twenty chefs featured at the Reception.

Ms. Dance then introduced Chris Sadayasu, who presented the update on sponsorships the Summit has received; sponsorships are currently at \$55,000 in cash sponsorships and \$54,100 in in-kind sponsorships for a total confirmed at \$109,100.00. Mr. Sadayasu explained that the sponsorship goal for this year's Tourism Summit is \$300k in cash and as much in-kind as possible, representing a fifty percent increase from last year's \$178,151.25 raised in cash sponsorships.

Ms. Dance announced that the summit team will make speaker and keynote announcements as

soon as they're confirmed. Mr. Dee asked whether the budget for the convention center's expenses for the Summit has increased or decreased compared with last year. Ms. Dance responded that last year's budget was approximately \$425,000 and that the budget has been reduced for this year's Summit, at least partly due to the reduction in the Summit's length from 4 days to 2.5 days. Mr. Dee expressed his appreciation for the team's good progress on seeking sponsorships. Mr. Kam asked about the timing for securing the keynote speaker. Ms. Dance responded that the woman targeted for the keynote address is on vacation, but she's received the invitation, expressed her excitement at being invited, and indicated that she'll finalize upon her return from vacation next week. Ms. Dance also reported that the speaker for the third day of the Summit has proposed a speaking fee, the negotiation around which is adding to the delay in securing that speaker. Mr. Szigeti asked if there has been an outreach to wholesalers and other parties who will benefit from the Summit; Ms. Dance responded that the team is actively working on this outreach.

In an open discussion, Ms. Yamaguchi encouraged the team to consider how to share demographics for attendees with organizations the team is targeting for sponsorship; this will help to attract sponsorships in subsequent years. Ms. Dance responded, noting her appreciation for Ms. Yamaguchi's suggestion and referring to a document handed out to meeting attendees reflecting the purpose of the Summit, as descended from HTA's strategic plan. Ms. Yamaguchi commented that "this package tells me what I'll get, but it doesn't tell me who's coming. If you can have that in a packet, that would be great." Mr. Sanders added that his understanding is that the team will develop a robust approach to get people to download the "We Share Hawai'i" app for their mobile devices. Ms. Chan indicated that it is a great idea and that the team is waiting for budget to be approved. Ms. Chan further indicated that this approach was discussed in connection with the Hawai'i Food and Wine Festival kickoff event.

Mr. Szigeti noted that the culinary aspect of the Summit is a major part of the team's sense of vision. Ms. Dance agreed with Mr. Szigeti's characterization. Mr. Szigeti then asked about the status of the exhibition space sales. Ms. Dance responded that they have two exhibitors confirmed, have promises from five more exhibitors, and are aiming for at least 60 exhibitors for what will be a networking lounge in a smaller ballroom featuring food and drink to encourage networking; the team is highlighting these features as they market these spaces. Mr. Szigeti further asked about neighbor island representation and Ms. Dance responded that the team envisions locating neighbor island exhibitors in the center of the room.

Mr. Dee concluded this discussion by requesting that the team bring more detail on the Summit programming to the next committee meeting.

3. Gohawaii.com Update

Ms. Dance introduced Lynn Surayan, who presented a slideshow regarding the current status of the gohawaii.com update. The gohawaii.com update team completed two rounds of user testing and kicked off the final round of user testing this week. The team also completed the first round of technical, functional testing. Ms. Surayan explained that the user testing phase

centers on navigation and the user experience on the website. Ms. Surayan further reported that the team has received over 900 comments from stakeholders and board members, that updates have been completed taking these comments into account, and that the third round of user testing is designed to ensure updates are in line with commenters' vision. As for functional testing, Ms. Surayan explained that the team is dealing with databases and back-end systems. The team has completed the first round of technical testing and the second round is currently scheduled for the week of July 10; the second round of technical testing will last approximately one to two weeks.

Ms. Surayan indicated that the team's current focus is on creative design of third party integrations into the website (i.e., travel planner, newsletter sign-up, etc.). With the help of a vendor, the team is adapting the look and feel of pages that link to outside material to ensure a seamless user experience. Ms. Surayan noted that Mr. Ka'ana'ana and his team are helping to complete the translations and explanations of Hawaiian chants.

Ms. Surayan further presented that the target date for the launch of the launch Japanese language version of the site is early August. She indicated that the site map finalization and content development finalization are nearing completion. Ms. Surayan indicated the continued site development and content development on all sites and a launch of other languages such as Korean, Chinese, Taiwanese, and German is planned for the near future.

Mr. Dee asked whether the launch is set for early August as planned or whether the launch has been delayed to late August. Ms. Dance responded that the launch was delayed slightly because of testing. Mr. Dee asked for any estimate for the completion of Phase 2 and 3 testing, to which Ms. Dance responded that testing on the Japanese and English sites will be completed by December at the latest. Mr. Dee asked inquired as to the budget for the website. Ms. Dance responded that, while the team does not plan on marketing the website, they're on track for FY17 budget. Mr. Dee further asked about FY16 budget and Ms. Dance responded that they're certainly not going to exceed it. Mr. Dee inquired as to the method for selecting the post-launch focus group. Ms. Surayan responded that that the vendor is responsible for the post-launch focus group.

4. Expedia Discussion

Mr. Dee opened up discussion regarding the Expedia contract, given that several stakeholders have reached out to HTA about the status of the multi-year deal as well as the public and internal discussion regarding the contract. He expressed some sensitivity on how that stakeholder feedback is delivered to the team and the process by which it is incorporated into HTA's planning. Mr. Dee then asked for the staff's perspective, without sharing any proprietary information. Ms. Dance explained that the current contract, which can be extended, expires on June 30, 2017. Ms. Dance further explained that the decision among HTA leadership is that they will not continue with the global platform. While the contract was a decent spend and had a good marketing return on investment, some vocal stakeholders are unhappy.

Mr. Sanders explained that Expedia has a 25% margin on package bookings and 18% on room-only bookings, which may be a source of industry concern. Mr. Sanders continued to explain that Hilton, Hyatt, Marriott, and Starwood don't believe that HTA's role is to procure business with Expedia because Expedia takes revenue away from hotels. That decision should instead be made by the hotels. Mr. Dee also indicated that Outrigger has similar feedback regarding the contract. However, Mr. Dee noted that, outside of the booking part of the contract, some of the innovative programs Expedia offered were beneficial to HTA; Mr. Dee indicated his concern about eliminating those programs. That said, Mr. Dee expressed his agreement with Mr. Sanders that industry feedback was negative.

Mr. Baldemor added that innovation requires experimentation and he clarified that the most innovative part of the Expedia deal for HTA was not the technology, which Expedia doesn't own. The most innovative aspect of the campaign for HTA was always the approach in developing a global platform that allowed HTA to work across regions in branding Hawai'i. Mr. Baldemor also explained HTA owns rights to use the video for other purposes. Mr. Baldemor explained HTA takes very seriously the views of our board members and stakeholders that HTA's primary focus is the brand. Mr. Baldemor explained HTA is adjusting its model to incorporate the feedback into future activity. Mr. Sanders agreed with Mr. Baldemor's comments and indicated that, despite the good aspects of the package, when you don't include the tourism stakeholders, you risk taking their customers, which is where a lot of the feedback came from.

Mr. Dee closed the discussion and expressed appreciation to the HTA staff and board members, acknowledging that HTA learned a great deal through this high-profile event and that everyone wants to ensure that we leverage what we can out of the existing deal.

5. Digital Marketing Strategy

Mr. Dee postponed discussion on this item to the next meeting.

6. Sports Strategy (Revisited)

Ms. Dance asked to revisit the Polynesian high school all-star game stating that the group planning the game needs to know what HTA's support is going to be, if at all, as they need to begin planning. Mr. Dee agreed to open discussion. Ms. Dance explained this event started as a dinner and transitioned into its current format as a dinner and high school all-star game featuring players and coaches of Polynesian descent from across the country and world. Ms. Dance explained that the profile for the event has grown in the Polynesian community; the all-star game will have TV coverage this year and is highly supported by Polynesian NFL players. Mr. Szigeti noted this event is very important.

Mr. Kam asked how much support the group is asking HTA for. Ms. Dance responded that, while the group requested \$125,000, she doesn't think that they require that full amount. Mr. Sanders added that he met with the group and was very impressed, especially because this

event highlighting young Polynesian athletes is something that HTA wants to support and which gives some of these student athletes an opportunity to visit Hawai'i for the first time. Ms. Yamaguchi, before excusing herself, stated that Riki Ellison is bringing this national program to Hawai'i now; beyond the dinner and game, there are other opportunities arising from this event that HTA should keep track of. Mr. Kam asked about attendance, to which Ms. Dance replied that she has not confirmed attendance numbers yet. Mr. Nakamura asked what level of support HTA would recommend. Mr. Baldemor expressed his concern that HTA needs a proposal before they can consider the level of support to offer. Mr. Kam agreed and asked the staff to bring a proposal to the next meeting so a decision can be made. Ms. Dance indicated that they have a proposal and they'll take it up at the leadership level. Mr. Dee deferred to Mr. Baldemor to come up with specific proposal for support.

Mr. Dee then reported that the HTA staff had a good meeting with Ascendant on June 28, at which HTA: requested that Ascendant rethink the sports strategy a little bit more; noted the Board's approval of the overall budget; granted Ascendant more research and development funds for a more involved return-on-investment analysis for existing sports programs; asked Ascendant to take more of the lead role in some of the negotiations; and built templates for entitlements. Mr. Dee indicated that the meeting was productive and that Ascendant will return in one month with the requested strategy revision. Ms. Dance added that they had a good conversation about the scope of services that the contract should entail and thanked Mr. Dee for taking the time to attend the meeting. Mr. Dee added that there are about nine or ten sports event proposals pending, but other than Polynesian all-star game event, nothing is time sensitive and the rest of the proposals can be discussed with the collective group in one month.

Mr. Szigeti thanked the committee for a productive meeting and stated that "we'll have a lot coming for you soon." Mr. Dee responded "we want the Tourism Summit to become the biggest, most iconic tourism conference in the world. It's going to take a lot more work, but we're making some good headway."

7. Proposed Sporting Events Review

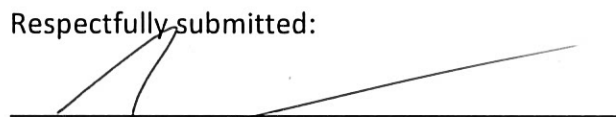
There were no proposed sporting events presented for review at this time.

8. Adjournment

Mr. Sanders made a motion to adjourn the meeting. Mr. Kam seconded the motion, which unanimously approved by all the Committee members present.

The meeting was adjourned at 1:50 pm.

Respectfully submitted:



Jacob L. Garner
Recorder