



Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815
kelepona tel 808 973 2255
kelepa'i fax 808 973 2253
kahua pa'a web hawaii-tourismauthority.org

David Y. Ige
Governor

John De Fries
President and Chief Executive Officer

**BRANDING STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY
Tuesday, February 22, 2022, at 2:30 p.m.**

Virtual Meeting

MINUTES OF THE BRANDING STANDING COMMITTEE MEETING

MEMBERS PRESENT:

Fred Atkins (Chair), Dylan Ching (Vice Chair)
Kyoko Kimura, Sherry Menor-McNamara,
Ben Rafter, Sig Zane,

MEMBER NOT PRESENT:

HTA STAFF PRESENT:

John De Fries, Keith Regan, Kalani
Ka'anā'anā, Marc Togashi, Maka Casson-
Fisher, Ross Willkom

GUESTS:

Senator Glenn Wakai, Representative Richard
Onishi, Eric Takahata, Jay Talwar

LEGAL COUNSEL:

Gregg Kinkley

1. Call to Order and Pule

Chair Atkins called the meeting to order at 2:33 pm. Mr. Casson-Fisher did the opening Pule.

Mr. Regan confirmed they do have quorum. Mr. Regan did a roll call. Mr. Ben Rafter was excused, but arrived later. Everyone confirmed they were by themselves except for Ms. Kimura with general public Glenn Yamasaki Kimura in the premises. Mr. Regan said that Senator Wakai and Rep. Onishi might be joining.

2. Approval of Minutes of the January 26, 2022, Branding Standing Committee Meeting

Chair Atkins asked for a motion to approve the minutes. Mr. Ching made a motion, and Ms. Kimura seconded. Mr. Regan did a roll call, and the motion passed unanimously.

3. Discussion on HTA's Future Global Brand Marketing & Management Allocations Strategy and Guidance for Staff

Chair Atkins asked Mr. Ka'anā'anā to do the presentation.

Mr. Ka'anā'anā wanted to present this in response to Senator Wakai's questions. He said they need to understand how to allocate their resources for the most effective opportunities that exist. He wants to procure a tool that can help HTA do that. The tool takes data from many sources, and puts it in the platform to help HTA make good decisions. He said it's a market allocation platform, like a source market, not in terms of marketing, which is something HTA has worked on in the past - the last time HTA did it was 2016. He wants to update this platform with current data.

He said this MAP will score and rank origin markets across comparable metrics of opportunity, cost and risk. He ran through some details - The map uses the scores to suggest marketing budget allocations across the markets, which is the core question that was presented to them. He said the Hawai'i MAP from 2016, at that time, utilized 16 origin markets that were compared, and included markets HTA was not in at that time, and helped HTA understand the global opportunity for markets they may not have been in before. The powerful thing about the tool is that it takes the multiple data sources available and makes sense of them.

In big categories, they look at what opportunities, propensities, values, and constraints the HTA has. He shared an opportunity category - how do they define the unconstrained market opportunity; what quantifies the travel market opportunity in terms of its market size, country size, and it quantifies the overall economic opportunity within that source market; growth rate at indexes growth prospects for each market, as well as head room - how does it help HTA determine the untapped opportunity.

The kinds of data that will be seen is employment adjusted to percentage able to travel, GDP per capita, outbound travel spending, comparable trips, employment, Hawai'i's share of inbound travelers, and Hawai'i's share of comparable outbound travelers, etc.

He spoke about propensity - how do they start to understand and define the tendencies and preferences of the market toward a destination like Hawai'i. Looking at sentiment the HTA can

assess the match of a market's destination preferences to the product they have available, and also the alignment which will help HTA determine the match of a market's destination preferences. Those include confidence in the economy-based survey, unemployment outlook, Hawai'i's share of a market's outbound travel, the comparable trip share of a total outbound travel, leisure share of Hawai'i trips. He concluded the sentiment and the alignment are the propensity and the opportunity.

He moved on to value. How do they determine the value proposition of a market on both sides? What is the potential yield per visitor, and what is the cost of attracting that visitor? Things looked at under that category include purchasing power, how to measure the relative strength of a market's currency, as a proxy for value attractiveness for Hawai'i; the visitor value, identifying the yield potential visitors have by market, and the affordability that determines the relative cost of a campaign in a market. He reiterated there are numerous differences in each of the markets.

In terms of presence, their marketing campaigns can leverage existing infrastructure from the Tourism Authority side with other GMTs. They can look at things like the exchange rate forecast, exchange rate for a 3-year percentage change, they can see a number of tools like average length of stay, average expenditure per day and per trip, average expenditure per trip all outbound, real purchasing power parity as GDP per capita, and other metrics within that value.

An important one is also understanding what the lifetime value of a potential customer to Hawai'i is in terms of how many times they return, and the total lifetime value of that travel.

He spoke about the constraints that exist - how they qualify the opportunity based on external factors of risk and accessibility to Hawai'i. So in risk, they're determining short- and long-term risk of market. Short-term risk is marked by volatility, and long-term risk is marked by fundamental, social, political or economic uncertainty.

He reiterated these are the datasets they would plug into this platform that help them get the allocation suggestions.

He mentioned the following slide - what is the realizable return; what kind of costs exist; what risks and constraints get plugged in; and the relative ROI is a potential index the tool can show, all leading to the allocation that they need to allocate to various markets.

He showed the budget allocations to each market overtime on the next slide. He said the end goal is to procure and update the market allocation platform, plug in all the data and let it show the results.

Chair Atkins said the chart is interesting in showing from year 2015 - 2021. He added that inflation is getting severe so it's another factor to consider - inflation is up 7%. Chair Atkins asked if Senator Wakai is on the call, but Mr. Regan confirmed that Rep. Onishi is on the call. Chair Atkins asked if they could send this information to Senator Wakai, and if he has questions on the information, he can revert with HTA staff.

Mr. Ka'anā'anā said he provided the packet prior to the days meeting, but he is happy to follow up with Senator Wakai. Chair Atkins asked if Rep. Onishi had questions before going to item number 4, but he had no questions. Chair Atkins thanked Rep. Onishi and asked that he stay on the call, in case there were more questions.

4. Presentation, Discussion and/or Action on the GMT's Brand Marketing & Management Guidelines for Q2 2022

Mr. Ka'anā'anā mentioned that in the last meeting, they made recommendations for Quarter 1, funding and activities for restricted spending, and said in this meeting they would propose Quarter 2 spend, so that HTA had additional time to consider the allocations and activities.

He said the activities had not changed and moved on to the bottom table. He mentioned a few things had changed since the last meeting - one is that they move the Oceania market, which includes Australia and New Zealand, into the green phase, and allow them to implement their BMMP as presented. Now that New Zealand is open, both countries in the MMA are open for travel, so that's the recommendation.

He spoke about the table, showing restrictive Quarter 1 budget, restrictive Quarter 2 budget, and the balance left on each contract based on the allocations proposed today. He said USA and Canada are in green and proposed to move Oceania to green, and Japan, Korea and China remain at red, for the time being.

He asked if there were questions on Korea and China, and he asked Mr. Takahata to join in the meeting to present in detail the programming that would support the \$2.3 million allocation for Quarter 2 restricted spending in Japan.

Mr. Ka'anā'anā asked if there were questions about Oceania, Korea, and China. Mr. Takahata would present then there can be questions for Japan.

Mr. Rafter asked if the countries are still red, e.g., China, why is the budget doubled? Mr. Ka'anā'anā said some of the spending they're proposing in Quarter 2 includes their development of the WeChat B2C and B2B mini-programs. It also includes \$52,000 for social

media, organic or paid, and for Mālama and kuleana messaging. It also includes funding for media support, travel trade education, community stakeholder relation, some digital asset development that they feel now is a good time to develop the content that they'll post later, coordination and co-op planning, as well as media clippings and administrative costs.

Chair Atkins asked if there were other questions.

Mr. Ka'anā'anā said the sensitivity he is feeling is some of the news they're hearing out of China, in terms of not issuing outbound Chinese nationals' passports to travel outbound, something to consider, as well as direct air service.

Mr. Rafter said if they look at Korea versus China, in the last three weeks, the amount of pickup has increased dramatically, for example, in Australia. So subjectively, they could say Korea is fairly close to breaking out of the red, but they don't know when.

Mr. Rafter said with momentum, China stands out. He liked the social media campaign they spoke about last time. He mentioned if China goes green, the big question will be – are they going to prevent people from going to Hawai'i. He questioned whether China will be ready at all this year.

Mr. Ka'anā'anā spoke to Mr. Rafter's point about the Korean market, and some encouraging news for HTA is that Asian Airlines is returning on April 3rd, and they have a CEO trade and media FAM plan for early April, in partnership with Asian Airlines.

He said Korean Air is currently operating ICN to Honolulu route five times a week, and planning to increase to daily service, beginning April. Asian Airlines has also distributed group seats to travel agencies interactively promoting Hawai'i as a destination, and the major travel agencies are operating as normal and selling Hawai'i packages, and in constant contact with HTK team, developing the tour products, and planning for further promotions.

He said the industry is expecting a seven-day quarantine for overseas arrivals to be lifted after presidential election on March 9th. Their complete two-vaccination rate is at 86%, and booster shots is at 58% of the population as of February 16th. He reiterated that Korea is moving in a good direction at a good pace.

Ms. Kimura agreed with Mr. Rafter on China, that she would like to see a little push for 2,3, and 4, and she agrees with Oceania moving to green.

Chair Atkins said to hold with China in the red for now, but to go ahead doing what they're doing with Korea. Then next month if there is a movement like there is in Korea, then they can

always open China up, but if they open up too much, there is not a big budget overall for China, so he thinks it's better to wait.

Mr. Ching asked about red line, not being a complete stop, and if people are recommending red for China, what is the amount for red.

Mr. Ka'anā'anā's recommendation is hearing the Committees feedback today - part of the reason they wanted to do this in February is because they also still have the March meeting before Quarter 2 begins, so he'd like to circle back to the Hawai'i Tourism China team, come back with a revised recommendation on Quarter 2, based on HTA's feedback for China, then if everyone is comfortable, they can move forward with the other markets after Japan presents, but he wants to deal with Oceania and Korea today, and then come back with China for the March meeting.

Mr. Ching said he is happy with Oceania and Korea.

Chair Atkins asked if there were any other comments. Mr. Regan said there were no questions or testimonies.

Chair Atkins said he understands that they'll hold to what HTA had in their first quarter budget, then next month they'll discuss the second quarter. He said they are recommending this to the Board, but asked if they should wait until hearing from Japan to do a roll call.

Mr. Ka'anā'anā said to wait and get the other markets out of the way before doing a roll call, and gave the floor to Mr. Takahata.

Mr. Takahata said there is movement starting in Japan, heading in the right direction. Japan's Omicron numbers are anticipated to subside by mid-March. The Japanese government plans to attain booster goal of 67% in April 2022. He reiterated that these are goals they have, but said to remember the initial vaccines in Japan went slowly in the beginning, then picked up in the 3rd, 4th, 5th month, but they're monitoring that, but Japan has an ambitious goal of getting the booster in April 2022.

He said all this information comes from the Japanese Government. He mentioned that the Japanese Government will also have a subsidized travel booster campaign, called "Go to Travel," which they were trying to do earlier in 2020/2021 - this is to stimulate the travel industry in Japan, which will expand out to international travel later in 2022. JATA, which is the Japan Association of Travel Agencies, along with all wholesalers preparing to ramp up sales promotion activities to sell international outbound packages, starting late April into May 2022. JATA has already put them on notice that they will be bringing in an executive FAM tour to Hawai'i, showing that international travel business is first and foremost on their minds, and

Hawai'i will be the first foreign destination that executive FAM will be coming to, scheduled between April 3 and April 6, 2022.

Prime Minister Kishida announced easing of border and travel restrictions, reduced quarantine from 7 days to 3 days for foreign entry to Japan and increased daily entry. He said the returning Japanese nationals will now have a 3-day quarantine, starting March 1, 2022.

He shared the roadmap that was shown last time, and reiterated that the roadmap came from the JATA, the roadmap that the industry is moving to.

They have spoken to Japan Airlines, ANA, HISJTB and this is the roadmap they're working to as well.

He mentioned travel deregulation on the slide - March 1st, the green arrow, which is the resumption of the business track, allowing foreigners into Japan, fully vaccinated. He said it shows in late April 2022 to early May 2022, JATA is anticipating the resumption of overseas travel tour packages being sold again. The restrictions are being eased as the booster shots go up, and everyone has this information in the handout.

He said what they're proposing, moving with the market are the following: 1, They need to affect the travel/trade bookings as soon as possible - the slide shows the budget numbers and it also appears at the end of the presentation; 2, The JATA FAM has been announced and they want to support that with the airlines and suppliers; 3, the Japan summit is another in-person meeting they have annually welcoming the Japanese executives back; 4, Webinar series they want to do virtually through April 2022 to June 2022; 5, Travel Trade Media tie-ups to get with the travel trade media, and get the stories of Hawai'i out there; and 6, FAM. Mr. Takahata spoke about affecting the Mālama initiatives - one they have been planning for two years, but got put on hold by COVID.

The HŌKŪLE'A sister city project they had, they were going to screen Moananuiākea in all of the sister cities in Japan, and the performances were all sold out. They initially offered the tickets in the first time around, and this time they're sold out again for Sister City Blitz with Moananuiākea, screening the film. He said what this ties into, is, they plan on having PR events around the screenings and each sister city, working with the counties from Hawai'i, as well as the local governments in Japan, then using Moananuiākea as a center piece of these promotions.

He spoke about media relations saying they need to get out there as far as Hawai'i goes. They do have a lot of coverage, and a lot of people are getting excited with the easing of the border

restrictions by the Japanese government, so they need to affect the bookings starting after Golden Week in May and June 2022.

He spoke about Mālama Hawai'i campaigns continuing, which will be important for pre-education for returning Japanese visitors, on how Hawai'i has changed, how they want them to return, and the continual education of what they've been doing for the past couple of years under lockdown. Not having significant numbers from Japan, they want to keep that going and build upon that before their return is anticipated in May and June 2022.

He spoke about the Aloha program, and said they'll continue to use the platform for communication.

He said their Ōlelo Hawai'i series is going well, and for the first one, they had about 916 participants, but now they're averaging about 600 - 800 participants on each Ōlelo Hawai'i webcast and webinar. Mr. Takahata thanked Mr. Ka'anā'anā and his team for helping with that.

Mr. Takahata showed their summarized budget - Quarter 2 proposal is \$2.257,250 million to be allocated then, which leaves them with about \$6.6 million for the rest of the year, past June to implement the rest of the BMMP for Japan.

Ms. Kimura said she thought at the last Board meeting they confirmed that the administration cap is 22% monthly.

Mr. Ka'anā'anā confirmed that it is 22%, but Ms. Kimura said looking at the chart, Japan's fixed amount is over 35%.

Mr. Takahata reiterated that the monthly fixed amount Ms. Kimura is referring to also has programs related to server fees running to maintain their databases included in the amount, so it's not purely administrative, but said they are adhering to the 22% administrative amount.

Chair Atkins asked if it's higher because Japan has been cut back on the red/yellow line situation.

Mr. Takahata clarified that administrative costs are purely \$151,000 - \$250,000, and then for April/May, there is a fixed cost - \$84,500 for the other things that were approved to keep the lights on, which does have web and database maintenance costs included, and that's why the fixed amount is a mix of administrative costs added to the running fixed costs.

Mr. Ka'anā'anā added that at the end of the year, monthly reporting, semi-annual and year-end reports, his team will ensure they remain below the 22% administrative budget in the BMMP that they've set as the limit.

Ms. Kimura reiterated that April is way over 22%, and is around 30%.

Mr. Ka'anā'anā said that due to all the markets that he has, he doesn't have a handle on it, on a monthly basis for each, but what he checks on a monthly basis reports that the contactors are sticking to the budget that's been approved by the HTA Board, and they're constantly checking monthly, semi-annual and final year-end. He said the total contract value is capped at 22% for admin costs for all markets.

Mr. Takahata did a calculation and said April was 25%, but May, as Chair Atkins referred to, was 19.2%, so by the end of the year the 22% is adhered to.

Ms. Kimura said that was her misunderstanding at the last Board meeting. She asked about Japan's spend on fixed payroll, rent, and utilities.

Mr. Ka'anā'anā said HTA Board had approved Quarter 1 allocations for the Japan market, with approved activities, but no activities are occurring.

Ms. Kimura said they do have some activities, but the total budget for Q1 is very small - \$150,000 for three months.

Mr. Ka'anā'anā said Quarter 1 for Japan was \$707,250.

Chair Atkins asked if there were any questions.

Mr. Arakawa thinks the point Ms. Kimura is making, is, over the years the HTA knows that administrative cost has been an issue the HTA addresses every year, so what Ms. Kimura was maybe trying to create was awareness that at the end of the year, they will have to trim that amount. He said they trust all their consultants and contractors to do that, and they do meet the requirement as people are watching, and until they can increase the percentage, the HTA must work within their means.

Chair Atkins addressed what Mr. Ka'anā'anā was saying about the annual budget, and what Mr. Takahata was saying, as the spreadsheet goes down, the number on the bottom line of goes up - at the end of the year, at the second half of the year, if the HTA don't spend all the \$6 million and give it back then that may increase the percentage. The money can't be rolled over, so this could be a solution.

Mr. Arakawa asked Mr. Takahata about a previous meeting - the Senate Tourism Chair mentioned three areas they should be working on during the interim before tourism comes back. He wanted to make Mr. Takahata aware of that. The one was enhancing interpretive signage, which could include, for Japanese tourists, and the second one would be enforcement - at various areas with a lot of visitor traffic, to the extent that it could be an issue they could

work into their plans they already have. And the third one is enhancing the visitor experience at the specific site to the extent that the program can address those issues. He said those were suggestions on what they can do with planning before tourism comes back, what every contractor can work on.

Mr. Regan said Rep. Onishi had a question.

Rep. Onishi asked if these measures/parameters regarding the 22% admin cap, and the suggestion in terms of three areas for planning prior to visitors coming back, is consistent across all the marketing groups. He is not sure if this was done for the U.S. marketing, and therefore, they have some problems with the huge increase of U.S. travelers to Hawai'i. He said some of the issues have occurred where residents are still concerned about visitor travel. He said even the Legislature has been very concerned about how the HTA are educating the visitors/tourists, but they're only receiving U.S. visitors, so asked if the same standard is being applied to all marketing areas.

Mr. Ka'anā'anā said the 22% administrative cap is straight across the Board for every market consistently. The suggestions that Mr. Arakawa shared with them from Senator Wakai was from last week, so that was the encouragement to include those.

Generally speaking, all the brand management and marketing plans that have been presented to the Board do include major components of their focus - the Mālama Hawai'i as well as Kuleana campaigns, which are targeted at that education, pre-arrival, through the confirmation and booking process with their industry partners, in-airport messaging, target social media advertisements, as well as post-trip follow up. He said they've taken a broader approach to that spectrum of multiple touch points with the customer through their travel journey, to do that education.

In terms of physical updates to signage, those are things the Board has considered at different times. He said the HTA Board has made different proposals with other agencies at different times that haven't been approved, and in fiscal 2023 he said they have some ideas how that can be done, and he is happy to share those.

Ms. Kimura mentioned the green and yellow in the presentation, and asked, if it's in the budget does that mean the green light program is not going to be implemented if the situation doesn't improve. She asked about Mālama program that has a yellow highlight, and said they're going to do it anyway.

Mr. Ka'anā'anā asked Iwa to share another document that they started on for this section. He explained that there are two colors and they've tried to simplify it - red and green. In the red,

the HTA has approved a list of activities that are approved in Quarter 1, and they've maintained the list. The list has not changed since Quarter 1. He said it's the same they're proposing for Quarter 2, so any of the activities that are listed on the page are the ones they're continuing to propose for Quarter 2.

Ms. Kimura asked if the Consumer Show is not going to be held if the light is still red and Mr. Ka'anā'anā confirmed this.

Mr. Ka'anā'anā reiterated that Mr. Takahata's presentation tried to detail some of the major activities that HTA would be doing in Quarter 2. He said Mr. Takahata's presentation was tailored to address a little over \$2.2 million that they're proposing for Quarter 2 restricted spending.

Mr. Regan said there was nobody from the public with testimony.

Chair Atkins asked for a motion.

Mr. Ka'anā'anā simplified it - they request that HTA approves Oceania moving into green, and executing their BMMP as presented. Also, they're requesting \$379,014 for Quarter 2 for the Korea market, they're requesting \$2,257,250 for Quarter 2 restricted funding for Japan. That is what they're asking for approval for today for Quarter 2.

Chair Atkins asked if China is the same as Quarter 1, or asked how they address China.

Mr. Ka'anā'anā said that is at HTA's discretion, but said the intention was to come back in the March meeting with a revised number.

Chair Atkins said China is status quo now, and Mr. Ka'anā'anā confirmed this, and said they will keep Quarter 1, and they have one more month, then come back with Quarter 2 recommendation, then have a new number and detail for China in March.

Mr. Ching made a motion and Mr. Rafter seconded.

Mr. Regan did a roll call and the motion passed unanimous.

5. Presentation, Discussion and/or Action on Approval of Tourism Recovery Marketing Plan's Brand Marketing section

Mr. Ka'anā'anā clarified that much of the discussion they just had that the previous Board just approved are allocations, restricted funding, and activities that are approved for Quarter 1 and 2 for most markets.

The TRMP is a document that is typically approved with the budget every year - think of it as the budget narrative or the tactical work plan that underpins or provides the detail for each of the activities that are outlined in the budget.

He said they're asking to sync up the budget that HTA has already approved, as well as the workplan, and the TRMP that details that work.

He said a big portion of the branding pillars in the TRMP outlines the detail they have for other activities that fall under the branding pillars and are supported by the individual market brand management and marketing plans, which were also presented to the HTA in the November Board meeting.

He reiterated those are the activities they supported in Quarter 1, and then today for Quarter 2.

Mr. Ka'anā'anā asked for the TRMP to be displayed. He noted that for members that are participating today, that are also part of the Ho'okahua Hawai'i Standing Committee, this is an update of what was presented in the Ho'okahua Hawai'i meeting last week, with changes, comments and questions from Ms. Yuen. So those have been incorporated in today's Board packet. He said there is a lot of detail and knows that members want it compressed with the major activities, and for the members in the Branding section, primarily it comes down to the market BMMPs, as well as what they've allowed and restricted just because of the context of what's going on with the pandemic.

Chair Atkins said there is a lot of content, but it's just another back up to show what Mr. Ka'anā'anā is doing from the main budget, and how it fits with the four pillars, and it also addresses what Rep. Onishi was mentioning about where all this can be seen, and a lot can be found in here. He said the key strategies align with what they need to do to get the right visitor and sustainable tourism, and said it's good to have the other Committee to key in on the important aspect of branding. He thanked them for this.

Mr. Ka'anā'anā added that pages 10 through 27 encompasses the branding pillar and what is noticed under each program is an overview/description of that program, including the measures for success, the responsible staff, and it lays out all the detail.

Chair Atkins asked if any of the Committee members have a question after reading through the document, they can ask the staff during his recap of what they're doing today in the Branding Committee. He asked if there were any questions now.

Mr. Regan said there was no testimony from the community.

Chair Atkins asked if this item serves as an update and does not recommend an approval on anything, but Mr. Ka'anā'anā said they are looking for the Branding Standing Committee to recommend the adoption of the TRMP to the full Board. Ho'okahua has already made a similar recommendation last week, with some noted changes. He said that after this, they are going to create three different products - one is a one-page infographic, another is an executive summary, and then what is presented in front of them is the full 54-page report known as the TRMP.

Chair Atkins asked if they're recommending supporting the work of the other Committee and have the Board pass a resolution. Mr. Ka'anā'anā said they're not asking for a full resolution, but recommending the adoption of the TRMP.

Mr. Ching made a motion and Ms. Kimura seconded.

Mr. Regan did a roll call and the motion passed unanimously.

6. Sports Brand Marketing & Management Updates

Mr. Willkom provided an update on Sports Marketing and Management program. He said this morning the Budget and Finance Committee has approved transferring \$167,000 from the unallocated sports budget to cover their sponsorship of the Big West Conference tournaments. It was not previously encumbered for fiscal year 2022, but is part of a three-year contract in year two. That takes their total of unallocated sports budget down from \$1.5 million to \$1.3M.

He spoke about the sports RFP for the remaining unallocated fund, they have a target date of three weeks from today (March 15th) to have the RFP go public. For those funds, the State required four to five weeks of posting, and his team estimates that awards will be given out mid to late May 2022 after they're reviewed by HTA, and the contracts can then start in June 2022.

Mr. Regan said there were no questions from panelists or the public.

Chair Atkins said that because this was encumbered and the HTA made commitments, he asked if one of the members will make a motion to approve this item.

Mr. Ka'anā'anā said the Budget and Financing Convention Center Committee took that action today and said he is not sure they need to make a motion in this Committee.

Chair Atkins asked Mr. Ka'anā'anā for a quick update on the sports RFP.

Mr. Ka'anā'anā said they're targeting March 15th distribution date, five weeks open, award May 30, contract before June 30. So, they have a tight timeline, but he is confident their team can get it done.

Chair Atkins asked if there were any other questions for sports.

Mr. Regan said there was no testimony from the public. Mr. Regan stated that Rep. Onishi has to leave the meeting.

Chair Atkins thanked Rep. Onishi for joining them.

7. Update on GoHawaii.com

a. Results of OMD/Socratic's "The Hawai'i Visitor Segmentation Research Study for GoHawaii.com"

Mr. Talwar spoke about the GoHawai'i presentation. He said they were asked to look at the website and do a review of the current GoHawai'i website to come up with options moving forward.

He said they connected with tourism industry partners across the State to get their input, and they have looked at the organization that HTA contracted with to develop the current website and to maintain it, to get some feedback from them.

They then worked with a research firm to go out and talk to the target audience profile in Japan and the U.S. markets, and they've come back with development options to present to HTA today.

Mr. Talwar met with Mr. Kam and Chair Atkins earlier and let HTA know that Chair Atkins shortened down the presentation so he will work to stay on schedule and share the highlights.

He said he is open for questions as they come up.

b. Results of HVCB Membership Survey for GoHawaii.com

He said they got their survey to almost 1,000 partners across the State. He got about a third of them to respond, categorically 43% in the lodging side, 13% activities and attractions, 9% tours and sightseeing, 3% retail, so there was a broad group of organizations that responded to the survey.

He summarized the data that was received and said it was generally very positive about GoHawai'i overall. The feedback for representation, the look and feel of the website, as well as the access to island-specific information, the portrayal of their culture, and the alert banners they have used all too often, as well as information on Mālama Hawai'i opportunities, was all positive.

He said there has been very positive news with the content that they have, from the industry partners. In general, a portion of them is looking to get more business out of the website, as it's been a challenging few years. Still, looking at the traffic they desire, the visibility, the satisfaction of their listing, from the 13% to 24% being negative, the positive is the 70% or 80% range. So overall it's positive.

c. 2021 GoHawaii.com KPI and Performance Update by Miles Partnership

Mr. Talwar spoke about the technology partner that HTA contracts with to manage GoHawai'i.com Miles Partnership, and had more good news. Visitor Sessions are up 111%, users are up, as well as page views and organic traffic. This is driven by additional information people need now when they travel to the State of Hawai'i, based on the travel protocol and requirements they need to follow, so there is a lot of traffic to the website.

Mr. Talwar spoke about how the site traffic is doing compared to other State websites, GoHawai'i ranks number four, which shows where Hawai'i sits in the minds of U.S. travelers. He said the site has seen a lot higher return traffic to the website, which is a factor of the fact that they have six islands to select from.

He mentioned the Miles Partnership group coming back with their review on how things stand right now - saying the site is about six years old, and when it was first created Hawaiian culture was built into every facet of the site, from functionality to design work, patterns, language guides, etc.

He said HTA led the charge to make sure Hawaiian culture was appropriately conveyed on the website. He said that Miles Partnership state, that as the role of HTA has evolved from tourism marketing to tourism management, they have been adding content onto the existing website from Mālama Hawai'i, Kuleana and other sources, but it's not woven into the fabric of the website. He said their feeling is that there needs to be a commitment to tourism management as that content is built out. The second part of that is, beyond the content, technology has changed dramatically in the past six years since GoHawai'i was launched, and Miles Partnership working with their tools, with an upgrade, feel that they can help with site speed, site security,

mobile compatibility and ADA/Accessibility Compliance. He said as Miles Partnership upgrades the site, they have been studying HTA and HTA's strategic plan and Miles Partnership are comfortable that based on what they're doing with other States and DMO websites, they can build tourism management tools into the site, as HTA evolves into that direction.

He spoke about Consumer Research, and they looked to get a solid sample from the U.S. and Japan, so a total of over 2,000 interviews. He said they started out with what vacationers are looking for, and understanding the content needs, which leads to how to design a website.

Six years ago, HTA was not very active on social platforms, and on communications, and is there a way to build some sort of communication on the website that allows to share what fun the vacationers are having as people start to plan their holidays. So, getting this information out becomes more actionable from web design.

He said in terms of more insight, personal safety and comfort are top things that travelers keep in mind, and it's a reflection of the times we live in, in a COVID world. The good news is the level of excitement for a vacation in Hawai'i is still very high with 8 and 10 very excited overall.

Mr. Talwar said they looked at the trustworthiness of the data. Fake news has become a real-life thing, and it impacts tourism as well, so people want to know who is funding the research and why they are funding the research, as well as the sites' purpose, so the public can understand the bias, as long as everything is clear.

Mr. Talwar said what the research is showing is that HTA should consider the following recommendations when updating the design of the official Hawai'i destination website. Build on the anticipation and excitement provided by planning the vacation. If people have fun with that, let them have fun. Their site must be a place where they can get excited and share with others all that they discover about Hawai'i. This includes content they want to update. This must be worked in to make sure that it's appropriate and that the photography and videos are where they should be for the long-term strategic plan.

Another key insight they got was that people, first and foremost, need to understand each island, then be able to match their activities, desired experience with an island that would make sense for them on their upcoming trip. He said it's important to provide clear direction on the features and attractions of each island.

He reiterated that they also did a study that included both U.S. travelers, HTA's target audience profile and the same with colleagues at HTJ, and they helped define where the survey should go geographically and to what type of people, which was all built in. Basically, there are wide

commonalities between U.S. and Japanese travelers when looking for information on the website to make a destination decision.

Mr. Talwar said there are some distinctions the research showed between the two travelers from the different geographies. The U.S. travelers tend to be adventurous, less risk-averse, and they'd like to experience new foods and culture. There is the one upmanship that is built into the U.S. traveler's psyche. Beaches, by a wide margin, were the number 1 activities that U.S. travelers plan to participate in, so ensure the site emphasizes the variety of types of beaches, physical activity levels, and amenities to help them plan the best beach visits. U.S. travelers are more open to voluntourism activities than Japanese travelers. He said visitors from Korea were not ready to volunteer as much, but when Mālama Hawai'i is positioned as a gateway to an incredible experience that is unique, then it becomes exciting and interesting.

He said this information shows them that not one group is more open to voluntourism activities than another, but how they present it to them needs to be appropriate for the source market, and for that audience.

Mr. Talwar then spoke about Japanese travelers, saying they are less adventurous and more risk averse, making sure of additional reassurance about safety, including COVID protocols. Sightseeing and fine dining are very important for them. He said thanks to the HTJ team, the Hawaiian Airlines Team, and friends on the island of Hawai'i, Japanese are also over 2X more likely to say they are interested in stargazing during their vacation. Relatively few Japanese travelers are adventurous eaters, but the website must reassure them that they will find delicious food they are familiar with, in addition to new taste experiences.

Mr. Talwar said Japanese travelers are also more likely to be focused on value, the return, so something unique at a high price that has great value, so the website must continue to portray the destination that has unique sightseeing, nature and cultural experiences.

Mr. Talwar spoke about the two components of the development options. 1, keep the lights on with their existing website, and make some revisions. 2, recommendation for optimizing what GoHawai'i has, and upgrading some of the tools now that technology has evolved over the last six years.

d. Discussion and Action for Approval of Ongoing Maintenance Cost for GoHawaii.com

Mr. Talwar spoke about ongoing maintenance and said it runs short of \$26,000 per month, globally, primarily in hosting and server maintenance. This information shows the cost of having a website.

He spoke about the recommendation to look at a platform upgrade, still working with the same contractor to upgrade the backend software, to make sure they're more efficient and more effective. The scope includes builds for Japanese, Korean, Chinese, German, Spanish, French and English.

He also mentioned the recommendation of updating the content. HTA has a renewed mission with tourism management, and they must make sure that Mālama Ku'u Home is the look, feel and content that they deliver throughout the website. He said it would also help them to continue to rank highly on SEO and allow efficient SEM, so to ensure as content is developed, it will be done in a way that helps SEO ranking.

Mr. Talwar said something that was paused in the past because of COVID, was a personalization functionality, so they want to reinstate personalization for a more relevant visitor experience based on their navigational habits.

He mentioned that in the past, personalization on the website has garnered over 25% additional conversion based on goals. Personalization would be aligned with research findings and homed in by each visitor's path in their trip planning journey.

He spoke about the next two items which are the more significant parts of the presentation, both from a budget perspective, but also go beyond the project. This includes updating content, updating the trip planning tools, the island selection content, and the photoshoot for still and video, which they can use with their global marketing team. This goes to update the website but will be used for marketing campaigns around the world, beyond the website.

Mr. Ka'anā'anā asked to bring the last slide up. Mr. Ka'anā'anā said the specific ask for today is clarity around \$25,833 per month for the ongoing maintenance and said this number had been broken up in detail in prior months, but what he didn't do is explicitly get HTA's approval to maintain those costs from January 2022 to June 2022, because of the supplementals done for the U.S. market and global support contracts, that were issued from January to June. So, the specific request at minimum that he is making to the Board is that HTA approves explicitly the \$155,000 for January 2022 to June 2022, for GoHawai'i.com monthly maintenance costs, and then signal to his team which of the top portion HTA is interested in supporting, so his team can work out how best to procure against it. These funds will come from the fiscal year 2022 funds and the GoHawai'i line item which is 318.

Chair Atkins asked if Mr. Ka'anā'anā wants them to do the bottom \$155,000 as separate, no matter what gets done on the top.

Mr. Ka'anā'anā reiterated the reason for the \$155,000 and January 2022 to June 2022 is to sync up with how they did the extensions for global support services where the GoHawai'i site usually lives, as that contract has been extended through June 2022.

Mr. Rafter asked, prior to June 2022, will they price out what other vendors might charge for the monthly maintenance.

Mr. Ka'anā'anā said the ongoing plan for GoHawai'i is wrapped up in the Smart Destination conversation they still need to have, as well as the future U.S. MMA RFP, so \$155,000 is to keep the lights on.

Chair Rafter asked for a motion to recommend the \$155,000 to keep everything going through June 2022.

Ms. Kimura asked if this includes Japan, or just U.S.

Mr. Ka'anā'anā said it includes all the language sites, and the other translations of GoHawai'i.com.

Ms. Kimura made a motion and Mr. Ching seconded.

Mr. Regan said there was no testimony from the public for this item. Mr. Regan did a roll call and the motion passed unanimously.

Chair Atkins asked to go back to the last slide and asked if there were any questions. He reiterated that the \$155,000 is not included in the \$1,328,120 that was approved. Mr. Ka'anā'anā confirmed this.

Mr. Ka'anā'anā said one thing to consider about the top portion - those are options that HVCB are recommending to the HTA for improvement to the existing GoHawai'i.com website. The site will continue to be relevant until such time. If the Board approves the Smart Destination, Hawai'i goes live, they will still need to use it as their primary hub and destination site. He mentioned that the GoHawai'i line item that was approved in the budget was for \$2.5 million in total in fiscal 2022.

Ms. Menor-McNamara asked about the photoshoot and wanted to know what kind of photos and videos they are looking at. She said there is some stock already, so wanted to know what is being added to the portfolio, as it is the largest line item.

Mr. Talwar said they haven't done a Mālama Ku'u Home or Mālama Hawai'i all island photoshoot for the knowledge bank or the website, so it would be looking at the destination in a way that leads with the tourism management issues they need to address, starting with

education videos, photography with visitors, with residents together, as opposed to someone at a resort being served a drink. He said it's an upgrade and update of the visionary for the destination.

Ms. Menor-McNamara asked if the plan is to issue this to one vendor or will it be sent out as RFPs.

Mr. Ka'anā'anā said these funds will have to be procured at the HTA level first, because they're not in the Global Support Services contract currently with HVCB. In the past they were able to do a supplemental contract, add the funds to an existing contract, but because they're under steep procurement codes, HTA is not able to do that. This was the reason for separating the two amounts on the slide.

Chair Atkins wanted clarity and said they budgeted for \$2.5 million for GoHawai'i in this calendar year, so the \$1,328,120 plus the \$155,000 will come out of that total amount. Mr. Ka'anā'anā confirmed this to be correct.

Chair Atkins asked about Hawai'i Smart Destination and asked if they're jumping ahead before knowing what the consultant recommends. He asked if they should hear what the consultant says first and asked if there is a timeframe for looking at a consultant.

Mr. Ka'anā'anā said the site works, and they can keep it in its current form, but he anticipates that there will be a sizeable amount of time before they get any potential future Smart Destination Hawai'i site up. So, in the interim they need to know what kind of investments the Board is willing to invest in, on the existing website to make it relevant and make optimizations for improvements that make sense, until such time that the Smart Destination Hawai'i platform, if approved, would launch and go live.

Mr. Ka'anā'anā doesn't anticipate that site being able to go live within 12 or 18 months, so says at minimum, the GoHawai'i would have to stay up for at least a year, to a year and a half. So having said that, the optimizations are for HTA's consideration in that interim period.

Chair Atkins agreed on the timeframe but was concerned about spending money not knowing if it will be compatible. He asked if there were any questions.

Ms. Kimura asked about the maintenance cost for the year - \$310,000, and if it's added to \$1,328,000 it becomes \$1.6 million, and said they have a budget of \$2.5 million, so what will happen to the balance.

Mr. Ka'anā'anā said it will be returned to the General Fund. The Board could look at reallocating the remaining budget potentially, as it hasn't been contracted yet, except for the 6-month extension of Global Support Services.

Mr. Regan asked if the funds that are going to be used to support this, are ARPA funds or Tourism Special Fund.

Mr. Ka'anā'anā said it will be ARPA funds from 2022.

Mr. Regan said if it's ARPA then they do have flexibility with ARPA. With Tourism Special Fund, it would have to be encumbered and they would not be able to utilize any unexpended monies if it were from that funding source. The parameter with the ARPA funds is budget and finances constraint on when HTA needs to expend the monies by.

Mr. Ka'anā'anā confirmed that the Board can reallocate the funds amongst the budget.

Chair Atkins asked how Mr. Talwar allocates portions of the \$600,000 to different islands.

Mr. Ka'anā'anā said he would need to procure this, so anything Mr. Talwar will share will be hypotheticals.

Chair Atkins asked if Mr. Talwar had thought about it, and Mr. Talwar said they look at the content that is required, given each islands uniqueness, so it's not one-sixth, so all are different allocations, and they make sure they deliver something appropriate.

Chair Atkins is asking if this is going to be an RFP process.

Mr. Ka'anā'anā clarified that Miles is a subcontractor of HVCB who holds the current contract for Global Support Services, and this is the professional recommendations of contractor, HVCB. He said they would need to procure updates that the HTA want to move forward on, based on the recommendations of the current contractor for site improvement and optimization.

Chair Atkins asked if there were questions or recommendations from the panelists.

Mr. Ching asked, of the recommendations, if there is a priority if monies had to be slimmed down.

Mr. Talwar said they look at three different paths forward; one was existing site maintenance without any functionality changes, just the bare minimum, and trying to get the spirit of the organization into the website. The third option was a custom build, but it was not appropriate with what was on the horizon.

He said they looked for a middle path, and looking at the technology side, it's around \$500,000 to update it. This will allow for a more effective website, then they can personalization and update the content, where the organization is going in terms of education and managing tourism. To do that, takes commitment, but it can be used with every marketing team member across the world. So, the content wouldn't just live on the websites.

Mr. Ching asked how long it takes to get the content and photoshoots done, up and running, where it's been utilized.

Mr. Talwar said the photoshoots depend on how they're executed, and coordinated. It's important to have the same eyes to capture the content consistently, and it could take between 3 - 5 weeks.

Mr. Ka'anā'anā reiterated those are hypotheticals and best practices.

Mr. Ching asked if it could take longer and Mr. Ka'anā'anā said it depends on who gets the RFP and their proposal, and how they proposed it.

Mr. Regan added that the Board has already approved these monies, but with the expectation that this would be brought to this Committee, and they would then provide its final approval to move forward. He said there is no need to go back to the full Board for a vote on this.

Mr. Togashi said that is his understanding and recollection as well.

Chair Atkins asked if they've approved the placeholder of \$2.5 million, and Mr. Togashi confirmed this to be correct.

Mr. Ka'anā'anā added that looking at the timeline, and the sizeable investment, he is sensitive to that too, but functionally they have to make sure that GoHawai'i, at a minimum, is maintained. They have to make sure over the next 18 months, that it's relevant and provides value to customers. He spoke to Chair Atkins' point, the membership piece, and the current users of the site and the directory portion, and what kind of feedback they were getting.

Mr. Talwar added that if they are looking to attract a particular type of visitor, they have to be invited in an appropriate way, and he doesn't think they are there right now, nor does he think HTA has the ability to adjust to make it more in line with where their strategic plan is heading.

Chair Atkins said he is not feeling a huge excitement, but said they've got to do something - if they need 30 more days to look at it, and analyze, then vote on it at the next meeting, which can be done, as they've had it for 6 years now. Or if someone has a recommendation of streamlining it, they can discuss that, or can pass.

Ms. Kimura asked if it's not dependent on what they're going to do with the Smart Destination.

Mr. Ka'anā'anā said it does depend on that to an extent, and it will take time to get that up, if the HTA approves it, and thinks the window is anywhere from a year to 18 months, so which investments the HTA wants to put in for the next 18 months is really the question.

Mr. Ching added that the top portion is important, and said they've already approved the budget, but it would be great if they could have a new site done, and operational, but said it needs to keep moving, but he is not in opposition to approving this. He thinks the pictures and content are a little less important than the others.

Mr. Rafter added that the numbers seem high to him, but there is no guarantee that the future generation site gets approved, and then likewise, it could be more than 18 months, depending on the size of the functionality, but he agrees with Mr. Ching that doing nothing is not a great option.

Mr. Ka'anā'anā spoke to Mr. Ching's point of the most significant ways they make an impact in the education of the visitor is by replacing some of the hero video, and some of the visual elements of the site are the most compelling that they have. Beyond that, it's the actual content and written content that helps, and part of that is the entry point, the SEO and making sure they have the right key words in the copy, making sure they understand the different access points where people come into the website, and approach the wire frame of it. He said the SEM piece of it is also important.

Chair Atkins asked if there are any other questions from the Committee. Mr. Regan said there were no questions or testimony from the public.

Chair Atkins said it's his understanding they don't need a motion and Mr. Regan recommended that the Committee does a firm support for this through a motion, so that it is on record that the Committee supported this particular allocation of funds for this particular use. He said he would link it back to the previous approval of the budget, this being that proviso from the guidance of this Committee.

He said a recommendation to the Board is not necessary, because the instruction was, for this Committee to vet and approve the allocation and usage of those funds that were previously approved by the Board.

Mr. Ching asked Mr. Ka'anā'anā how much ability the HTA has to have some of the content or photography done by local people. Mr. Ka'anā'anā said he has heard the recommendation and will do his best, under the ability for them to do so within the procurement law, and Mr. Kinkley will help them stay in the procurement law. He clarified that if they approved today what was

presented as a recommendation and HTA is okay with that, it would total \$1,638,120, inclusive of the \$155,000 maintenance for the full twelve months, and that would save HTA \$861,880 of the \$2.5 million that can be spent elsewhere.

Chair Atkins asked for a motion. Mr. Ching made a motion and Mr. Zane seconded.

Chair Atkins said over the years he has seen a lot of photoshoots and they seemed expensive, but said the problem he had with people off the island or the mainland doing the photography, is that it's all contingent on the weather. He said he'd like to see HVCB work with some of the local videographers and local photographers as their work is phenomenal, and costs will be cheaper, especially if the weather is bad. He said there is talent on all the islands, and he'd like to see the monies spent well and give the locals a fair chance.

Mr. Ka'anā'anā said he noted Chair Atkins request and will do his best within the letter of the law.

Mr. Regan did a roll call and the motion passed unanimously.

Ms. Kimura was uncertain on the motion, so Mr. Ka'anā'anā explained again in detail.

Ms. Kimura asked what happens if they hire the Smart Destination consultant and the consultant has a different idea, instead of a website. She said maybe the timing of the implementation should wait until they know the upgrade is necessary, unless they're not going to hire a consultant.

Mr. Ka'anā'anā recommended deferring agenda item number 8 today, as he is not ready and needs more time, which is why he was positioning the approval as, between now and the next 18 months, they need to work out what they are going to do to optimize the site presently. He said even if they bring on the consultant, and to Ms. Kimura's point, they have a different viewpoint on how to proceed, GoHawai'i will still be up and the site will be visited by a number of people from now until then.

Ms. Menor-McNamara asked for clarity - if they approve the \$2.5 million, there is remainder of \$860,000, and asked is the remainder can be allocated if HTA approves the \$1.63 million. Mr. Regan confirmed that it remains unallocated.

Chair Atkins asked if it's unallocated or if it's allocated within the \$2.5 million.

Mr. Atkins said HTA approved the budget, and the use of the \$2.5 million, but in the approval process there was a requirement to come back to the Committee for them to approve how it's going to be spent.

Ms. Menor-McNamara asked when the +-\$800,000 has to be allocated and for what purposes.

Mr. Regan said it's a good question - it's ARPA monies and they remain in that bucket, and potentially could be reprogrammed for other purposes based on what this Committee or the Board feels the funds should be used for, but the parameters are set by Budget and Finance in terms of how much time HTA has to spend those monies. He believes it was until June 2023, which Mr. Togashi confirmed, but Budget and Finance said they will extend that on a case-by-case basis as HTA requested.

Ms. Menor-McNamara spoke about the Smart Destination and asked if this remainder could potentially continue GoHawai'i for operations.

Chair Atkins asked if they can't move it out of with ARPA to some other line item, or if HTA can roll it over if they get approval. Mr. Regan said if the Board decides they want to reprogram it out of this line item, then the Board could take that action, but it would have to be a separate agenda item for consideration.

Mr. Ka'anā'anā said what's different is the \$2.5 million was approved by HTA for GoHawai'i in line 318, and because HTA is thinking about spending that \$1.6 out of this today, it can be moved, because it has not been contracted or RFP'd. He said maybe staff could take a look at what some of the needs are, then make recommendations to HTA at the March Board meeting of where to move the \$860,000 or if it's best to save it, it can be assessed.

Chair Atkins asked if Miles gave them a timeframe of how long it could take for them to do this.

Mr. Ka'anā'anā reiterated that they have to procure this, so it has to go out to bid. Until they RFP it and get a proposal there won't be a definite timeframe.

Mr. Kinkley recommended to go ahead with the roll call, but said first he wants to hear Ms. Kimura say that she understands the motion and she is voting an unqualified aye, or else they will have to start over. Mr. Kinkley said they must restate the motion then vote.

Mr. Ka'anā'anā said the motion is to approve \$1,638,120 million from the GoHawai'i line item 318 in fiscal 2022 funds for GoHawai'i.com improvements and 12 months of maintenance.

Mr. Ching made a motion and Mr. Zane seconded.

Mr. Regan did a roll call and the motion passed unanimously, but Chair Atkins had reservations.

Mr. Rafter made a motion to adjourn, and Ms. Menor-McNamara seconded. The motion passed unanimously.

8. Presentation, Discussion and/or Action on Approval to Solicit a Consultant Related to the Hawai'i Smart Destination Initiative

Chair Atkins reiterated that item number 8 is being deferred as Mr. Ka'anā'anā needs more time.

9. Adjournment

Chair Atkins adjourned the meeting at 4:34 pm.

Respectfully submitted,



Sheillane Reyes
Recorder