

Hawai'i Tourism Authority



2010 ANNUAL REPORT to the Hawai'i State Legislature

ALOHA

Written by Hawai'i's treasured kupuna, Auntie Pilahi Pākī and placed in Hawai'i state law for perpetuity (HRS §5-7.5)

The "Aloha Spirit" is the coordination of mind and heart within each person. It brings each person to the self. Each person must think and emote good feelings to others. In the contemplation and presence of the life force, "Aloha," the following unuhi laulā loa (free translation) may be used:

Akahai

meaning kindness, (grace)
to be expressed with tenderness;

Lōkahi

meaning unity, (unbroken)
to be expressed with harmony;

‘Olu‘olu

meaning agreeable, (gentle)
to be expressed with pleasantness;

Ha‘aha‘a

meaning humility, (empty)
to be expressed with modesty;

Ahonui

meaning patience, (waiting for the moment)
to be expressed with perseverance.

"The world will turn to Hawai'i as they search for world peace because Hawai'i has the key... and that key is Aloha!"

- Auntie Pilahi Pākī

These are traits of character that express the charm, warmth and sincerity of Hawai'i's people. It was the working philosophy of Native Hawaiians and was presented as a gift to the people of Hawai'i.

Aloha is more than a word of greeting or farewell or a salutation.

Aloha means mutual regard and affection and extends warmth in caring with no obligation in return.

Aloha is the essence of relationships in which each person is important to every other person for collective existence.

Aloha means to hear what is not said, to see what cannot be seen, and to know the unknowable.

"The aloha spirit of our people sets Hawai'i apart from every other visitor destination around the world."

***Mike McCartney
President & Chief Executive Officer
Hawai'i Tourism Authority***

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Letter from the Hawai'i Tourism Authority



Ronald Williams



Mike McCartney

“We are pleased to report that we... anticipate reaching more than 7 million visitors this year.”

Aloha,

On behalf of the Hawai'i Tourism Authority (HTA), the state agency for tourism, we would like to present you with the HTA's Annual Report to the Hawai'i State Legislature for calendar year 2010. This report covers the agency's activities, accomplishments and challenges from January through October 2010.

As 2010 draws to a close, we remain cautiously optimistic by the double-digit growth in visitor spending and arrivals during the months of September and October. While our tourism economy is continuing in its recovery, we will continue to implement the *HTA Strategic Plan: 2010-2012* to drive demand to boost arrivals and expenditures, as well as continue to help provide an incomparable visitor experience. We will also continue to aggressively market Hawai'i as a global meeting destination and capitalize on the interest in our state as we prepare to host the 2011 APEC Leaders' meeting in November 2011.

Hawai'i's visitor industry continues to be a critical economic driver for our state. With tourism accounting for more than 14.8 percent of our state's economy and more than 133,000 jobs, it is essential that we continue to work together to help stabilize and strengthen Hawai'i's visitor industry.

At the start of the year, the HTA set targets of 6.7 million in visitor arrivals and \$11.8 billion in total statewide economic impact in direct visitor spending. We are pleased to report that we recently revised our projections and anticipate reaching more than 7 million visitors this year.

While visitors are coming back, spending is increasing and the number of air seats to Hawai'i are on the rise, we need to continue driving demand to our islands. Overall, these are initial indications that Hawai'i's tourism economy is on the path to recovery, but there is still a lot more work ahead of us.

In closing, we would like to acknowledge and thank all of those who have worked with us throughout the year. We look forward to our continued partnership and working together with you in 2011.

Mahalo nui loa,

Ronald Williams
Chair

Mike McCartney
President & Chief Executive Officer

Economic Contributions of Hawai'i's Travel & Tourism Industry in 2009

- Produced \$9.5 billion or 14.8 percent of gross state product;
- Accounted for approximately 133,620 jobs or 15.9 percent of total employment for the state; and
- Contributed \$923.5 million tax dollars to the state government or 18.9 percent of total state tax revenue.

Source: Hawai'i Department of Business, Economic Development & Tourism and HTA

Visitor Performance & Projections by MMA

	Visitor Expenditures		Visitor Arrivals	
	2010 Projections (\$billion)	2009 Actual (\$billion)	2010 Projections (million)	2009 Actual (million)
US West	3.939	3.468	2.914	2.719
US East	2.891	2.695	1.612	1.561
Japan	1.898	1.826	1.228	1.168
Canada	0.722	0.629	0.390	0.347
Others	1.543	1.177	0.772	0.625
Supplemental Business	0.174	0.174	NA	NA
Visitors by cruise ships	0.027	0.025	0.096	.097
Total	11.197	9.993	7.012	6.517

NA – Not applicable

2010 Projections based most recent data and analysis as of December 1, 2010

Source: HTA

I. Overview of the Hawai‘i Tourism Authority

Background

In 1998, the Hawai‘i Tourism Authority (HTA) was established through a legislative act as the lead state agency for Hawai‘i’s visitor industry. This same act also established the Tourism Special Fund, a set percentage of transient accommodations tax (TAT) collections that is assessed on hotels, vacation rentals and other accommodations, and is used by the HTA to market, develop and support Hawai‘i’s visitor industry.

Among its responsibilities as the State’s tourism agency, the HTA is charged with the following:

- Setting tourism policy and direction from a statewide perspective;
- Developing and implementing the State’s tourism marketing plan and efforts;
- Managing programs and activities to sustain a healthy visitor industry for the state;
- Developing and monitoring implementation of the Hawai‘i Tourism Strategic Plan; and
- Coordinating tourism-related research, planning, promotional, and outreach activities with the public and private sectors.

Mission

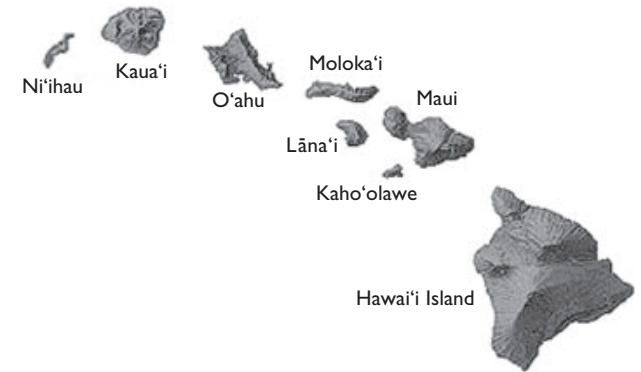
To strategically manage Hawai‘i tourism in a sustainable manner consistent with our economic goals, cultural values, preservation of natural resources, community desires, and visitor industry needs.

Organization

The HTA is headed by a policy-making board of directors, which consists of 12 public, voting members representing each of Hawai‘i’s four (4) counties. The board members have expertise in the area of visitor industry management, marketing, promotions, transportation, retail, entertainment, and visitor attractions. One of the board members also maintains expertise in the areas of Hawaiian cultural practices. The HTA Board reports to the legislature through its president and chief executive officer.

The primary purpose of the Board is to set broad policies and directions for the HTA’s activities that are:

- Consistent with the *Hawai‘i Tourism Strategic Plan: 2005-2015* (State TSP); and
- In alignment with the *HTA Strategic Plan: 2010-2012*.



Board Committees

Administrative Standing Committee

Makes policy recommendations relating to the administration of the HTA and makes findings and recommendations related to the evaluation of the President & CEO.

Committee members: Ronald Williams (chair), Kelvin Bloom (vice chair) and Douglas Chang.

Budget & Audit Standing Committee

Makes policy recommendations to ensure the financial integrity of the HTA through the proper allocation and expenditure of funds in a manner consistent with the Board's policies and objectives, and ensures that funds are properly expended under a budget previously approved by the Board.

Committee members: Vernon Char (chair), Michael Kobayashi (vice chair), Kelvin Bloom, and Patrick Fitzgerald.

Marketing Standing Committee

Makes policy recommendations on initiatives related to the marketing and promotion of Hawai'i as a visitor destination, including the Hawai'i Convention Center.

Committee members: Sharon Weiner (chair), Leon Yoshida (vice chair), Douglas Chang, and Kyoko Kimura.

Strategic Planning Standing Committee

Makes policy recommendations relating to research and planning for tourism in Hawai'i.

Committee members: Kyoko Kimura (chair), Patricia Ewing (vice chair), Douglas Chang, and Cha Thompson.

Board of Directors

(As of October 31, 2010)

Members

Ronald Williams, Chair
President & CEO
Atlantis Adventures, LLC

Sharon Weiner, Vice Chair
Vice President
Global Communications
and Government Relations
DFS Group Limited

Kelvin Bloom
President
Aston Hotels and Resorts, LLC

Douglas Kahikina Chang
General Manager
Ritz Carlton Club & Residences,
Kapalua Bay

Vernon F.L. Char
Attorney at Law
Char Sakamoto Ishii Lum
& Ching

Patricia Ewing
Owner
Kong Lung Company

Representation

At-large

At-large

At-large

At-large

At-large

County of Kaua'i

Members

Patrick K. Fitzgerald
Chief Executive Officer
Hualalai Investors, LLC &
Kona Village
Investors, LLC

Kawaikapuokalani K. Hewett

Kyoko Y. Kimura
Managing Director
Hotel Wailea

Michael Kobayashi
President
Kobayashi Travel Service, Ltd.

Charlene "Cha" Thompson
Owner, Executive
Vice President
Tihati Productions

Leon Yoshida
President & CEO
Sawayaka Hawaii, Inc.
dba Tellmeclub Hawaii

Representation

County of Hawai'i

At-large

County of Maui

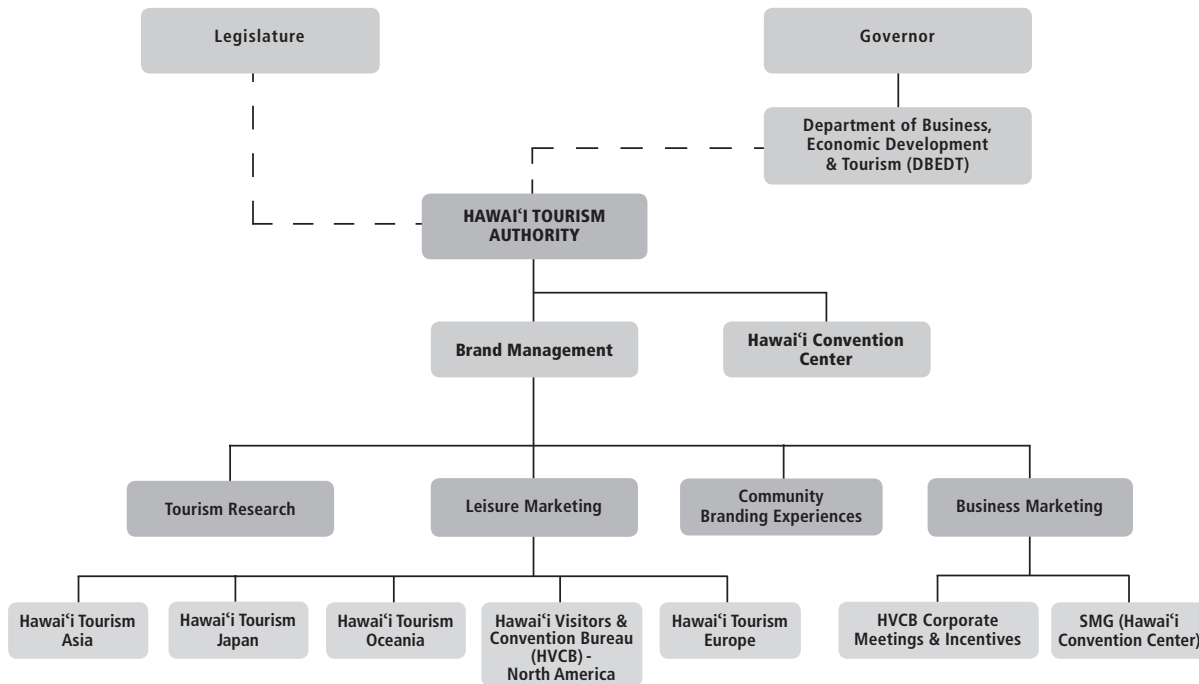
At-large

City & County
of Honolulu

At-large

Operations

The HTA is administratively attached to the State Department of Business, Economic Development & Tourism. The HTA's president and chief executive officer reports directly to the HTA Board of Directors and is responsible for assisting the Board in its responsibility to execute the mandates of Chapter 201B of the Hawai'i Revised Statutes.



HTA Staff

Mike McCartney	President and Chief Executive Officer
Momi Akimseu	Tourism Brand Manager
Caroline Anderson	Tourism Brand Manager
Muriel A. Anderson	Senior Advisor & Liaison for APEC
Lynn D. Bautista	Contracts Manager
Maile Carvalho	Accounting Assistant
Minh-Chau T. Chun	Tourism Research Manager
Cy Feng	Tourism Research Manager
Jadie Goo	Tourism Brand Manager
Irene Iha	Administrative Fiscal Assistant
Lois Kajiwara	Program Assistant
Robbie Ann Kane	Tourism Brand Manager
Grace Lee	Tourism Brand Manager
Lawrence Liu	Tourism Research Statistician
Stella V. Montero	Budget/Fiscal Officer
Daniel Naho'opi'i	Tourism Research Director
Janna Nakagawa	Program Assistant
Melissa Ortega	Clerical Assistant
Winfred Pong	Vice President, Administrative & Fiscal Affairs
Roann Rakta	Executive Assistant
Michele Shiowaki	Program Assistant
Michael Story	Tourism Brand Manager
Vengie Talaro	Administrative Assistant
David Uchiyama	Vice President, Brand Management
Keli'ihoyalani N.K. Wilson	Director of Hawaiian Cultural Affairs

Hawai'i Tourism Strategic Plan: 2005-2015 and Hawai'i Tourism Authority Strategic Plan: 2010-2012

Hawai'i Tourism Strategic Plan: 2005-2015 (State TSP)

In 2004, the Hawai'i Tourism Authority (HTA), with assistance and input from the industry and the community, developed the *Hawai'i Tourism Strategic Plan: 2005-2015* (State TSP). This 10-year plan is focused on creating a sustainable future for Hawai'i's visitor industry and identifies a shared vision for Hawai'i tourism by industry stakeholders.

By 2015, tourism in Hawai'i will:

- Honor Hawai'i's people and heritage;
- Value and perpetuate Hawai'i's natural and cultural resources;
- Engender mutual respect among all stakeholders;
- Support a vital and sustainable economy; and
- Provide a unique, memorable and enriching visitor experience.

The plan also provides a road map that includes the following components for achieving that vision:

- Guiding principles and Native Hawaiian values;
- Performance indicators to help measure the collective success in achieving the vision for Hawai'i's visitor industry;

- Nine (9) strategic initiatives that were identified as the priorities needed to achieve the vision; and
- Lead and support partners in the public and private sectors who need to work together on each initiative to achieve the overall vision.

Hawai'i Tourism Authority Strategic Plan: 2010-2012 (HTA Plan)

In 2009, the HTA developed the *Hawai'i Tourism Authority Strategic Plan: 2010-2012* (HTA Plan) to prioritize the HTA's work in support of the State TSP, and more importantly, to help stabilize Hawai'i's visitor industry during the U.S. economic crisis and curtail consecutive months of double-digit declining visitor arrivals and expenditures.

The HTA Plan provided objective, short and long-term goals for 2010 (6.7 million visitors; \$188 PPPD expenditures; \$11.8 billion economic impact in direct visitor spending) and 2011-2012 (6.9 million visitors; \$202 PPPD expenditures; \$13 billion economic impact in direct visitor spending). The HTA Plan also seeks to provide new systems to improve transparency and accountability and to convert the HTA into an expanded research based entity utilizing key performance indicators.

III. Brand Management

In response to a rapidly changing market, the HTA realized that it must also change the way it conducts business to deal with both the short-term current economic crisis facing our state, and the longer-term challenge of achieving a healthy and sustainable industry that provides maximum benefits to our community.

One of the most important steps taken by the HTA board and staff was understanding that everything it does – from product development to support of Hawaiian culture, to marketing – must ultimately, support its efforts to deliver on the Hawai'i brand promise.

What is a brand? Simply put, a brand is a sum of all feelings, opinions, exposure to marketing material, and experiences that a person has relative to a product, service, company, or, in Hawai'i's case, a destination.

To help Hawai'i deliver the Hawai'i brand in the best way possible, the HTA restructured its operations so that departments that previously operated independently were now under the single banner of Brand Management. These operations include:

- Access
- Communications & Outreach
- Hawaiian Culture
- Marketing
- Natural Resources
- Safety and Security
- Tourism Product Development
- Workforce Development

Working hand in hand with the HTA's Tourism Research Division, the new structure increased synergy and improved effectiveness, allowing for greater coordination and collaboration of programs and activities. Not only did this create greater consistency, but also created opportunities to better leverage efforts. This resulted in more efficient and effective use of HTA resources and an approach that was consistent with the goals of the State TSP and the HTA Plan.

Brand Management Category	FY 2010 Budget (in millions)	FY 2011 Budget (in millions)
Access/Airlift Development Programs	\$4.1	\$6.1
Hawaiian Culture	\$1.3	\$1.7
Natural Resources	\$2.0	\$3.0
Safety and Security	\$0.5	\$0.5
Tourism Product Development	\$2.7	\$3.0
Workforce Development	\$0.2	\$0.2
Leisure Marketing	\$29.8	\$37.1
Sports Marketing	\$2.8	\$7.1
Business Marketing	\$8.7	\$10.3
Opportunity Fund	\$12.5	\$3.5
Communications & Outreach	\$0.3	\$0.3
Total Brand Management	\$64.9	\$72.8

1. Access

Goal: To maintain and improve transportation access, infrastructure and services to facilitate travel to, from and within Hawai'i.

In an effort to address changes in the airline industry, the HTA and the Hawai'i Visitors and Convention Bureau (HVCB) continued working with airline consultant Sabre Airline Solutions on air service development initiatives aimed at stabilizing and increasing air service to the state following year-over-year capacity losses in 2008 and 2009.

By the end of this year, nearly 92 percent of the domestic seats lost due to the closures of ATA and Aloha Airlines is expected to be restored. On the international front, year-over-year increases in seat capacity were observed from Japan, Canada, South Korea, and Australia.

Airlift Efforts

Given the volatility of the airline industry and Hawai'i's dependence on adequate and convenient airlift to and from the state, the HTA spends a considerable amount of time and resources in this area working on the following:

- **Developing Closer Airline Ties:** The HTA and the HVCB continued to develop closer working relationships with airline officials and network route planners, meeting with domestic and foreign air carriers at route planning conferences and participating in one-on-one meetings at airline head-quarter offices around the world. Ongoing discussions with the airlines have focused on cooperative efforts aimed at strengthening traffic on existing routes and identifying potential new route opportunities in un-served or under-served domestic and international markets.

- **HTA's Airlift Development Program:** The HTA's Airlift Development Program is a cooperative program with airlines and wholesalers to bring visitors to Hawai'i. The HTA provided funding for 74 cooperative programs in conjunction with airlines and travel wholesalers which were required to provide at least a 3:1 match in funds to support travel to the state during the traditionally slower spring and fall periods. The program seeks to attract higher spending and active visitors to Hawai'i, expand exposure for the overall destination, and help sustain routes that are at risk of cancellation. In total, more than \$10 million has been invested in the market through these cooperative programs.

AIRLIFT OVERVIEW Seat Inventory Overview Scheduled Air Seats (2002 - 2010)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 Target
TOTAL	8,252,306	8,557,770	9,317,245	10,023,606	10,360,886	10,190,698	9,162,013	8,676,773	9,179,104	9,343,362
US West	4,640,094	4,987,951	5,295,351	5,756,866	6,323,008	6,301,206	5,622,071	5,346,752	5,741,701	5,817,523
US East	821,464	963,693	1,281,642	1,415,379	1,243,016	1,098,866	1,048,333	894,638	923,036	923,036
Japan	1,961,733	1,785,277	1,857,465	1,970,365	1,816,797	1,851,850	1,605,128	1,597,326	1,620,333	1,636,536
Canada	313,773	299,419	290,725	300,182	369,886	304,393	280,375	228,838	286,492	286,492
Other Asia	78,176	94,407	103,809	126,751	130,320	140,551	137,038	164,965	153,788	218,228
Oceania	211,129	189,564	228,608	227,268	244,173	259,968	193,287	168,524	172,496	181,121
Other	225,937	237,459	259,645	226,795	233,686	233,864	275,781	275,730	281,258	280,426

Source: HTA Scheduled Airseats (2010 - as of October 2010 OAG)

2. Hawaiian Culture

Goal: To honor and perpetuate the Hawaiian culture and community.

Recognizing that the Hawaiian culture and community are what make Hawai'i unique, and is critical to the sustainability of Hawai'i's visitor industry, the HTA supports several programs under this initiative:

Kūkulu Ola: Living Hawaiian Culture Program

In 2010, the HTA provided funding to 26 organizations for various projects that help to strengthen and perpetuate the Hawaiian culture. The funds are awarded using the Request for Proposals process that includes review and evaluation by the HTA's Hawaiian Culture Program Advisory Council (HCPAC). Supported projects include Hale Kū'ai's Maoli Art in Real Time, PA'I Foundation's MAMO: Maoli Arts Month, and the Kīpahulu 'Ohana Kapahu Living Farm. A complete list of projects is available on the HTA's website: www.hawaii-tourism-authority.org.



Kīpahulu 'Ohana Kapahu Living Farm on Maui

Native Hawaiian Festivals Program

The HTA provides support to Native Hawaiian signature events that perpetuate the Hawaiian culture through programs and activities for residents and visitors, including the following:

- **Prince Kūhiō Celebration** held annually in March, to honor the noted Hawaiian prince for his many achievements and contributions;
- **King Kamehameha Celebration** held in June, in commemoration of Hawai'i's first monarch, King Kamehameha I;
- **Prince Lot Hula Festival** held in July, is a non-competitive hula event that includes hālau (hula schools) from Hawai'i and abroad;
- **Aloha Festivals** held from August through October, a long-standing event that celebrates the Hawaiian culture through various activities and events on all major islands; and
- **Merrie Monarch Hula Festival** held in April, the premier hula festival in the world.



Merrie Monarch Hula Festival



Prince Kūhiō Celebration



Aloha Festivals



King Kamehameha Celebration

Native Hawaiian Hospitality Association

The HTA provides support to the Native Hawaiian Hospitality Association (NaHHA), a lead organization for the Hawaiian Culture initiative in the State TSP. In 2010, NaHHA focused its efforts on continuing to bridge the gap between the Hawaiian community and the visitor industry. Its work plan included building on the Ola Hawai'i program, which focuses on Hawaiian cultural training of industry workforce and the expansion of this program to the neighbor islands.

Other Efforts

Tourism Legacy Luncheon

The Tourism Legacy Luncheon was held as part of the HTA's 2010 Tourism Conference. The awards honor individuals, organizations and businesses that have perpetuated the Hawaiian culture and traditions. Awardees this year included the late Dr. George Kanahale and the Bishop Museum.



Recipients of the 2010 Tourism Legacy Awards

Ma'ema'e Marketing Program

In 2010, the HTA developed additional mechanisms to consistently support marketing partners and independent groups such as tour operators, with ongoing marketing assistance throughout the year. Efforts include the initial development of tool kits and awareness education to help promote proper development of brochures and other promotional collateral that is used to market Hawai'i to the world.

Additional Support for Hawaiian Culture Programs

In an effort to continue to support the community, funds were set aside to establish partnerships and assist a variety of community efforts in the area of Hawaiian culture. Some of these programs include support for the revitalization and survival of the Hawaiian language through a partnership with the 'Aha Pūnana Leo, as well as support for the education, gathering and empowering of Hawai'i's Native Hawaiian communities with the Council for Native Hawaiian Advancement.

Hawaiian Cultural Program Advisory Council

The HTA's Hawaiian Cultural Program Advisory Council (HCPAC), formed in 2004, assists the HTA in addressing the relationship between the visitor industry, the Hawaiian culture and the community. HCPAC membership includes cultural practitioners, as well as representatives from Hawaiian community groups, the visitor industry and from each county.

Today, HCPAC continues to assist the HTA with overall guidance for its Hawaiian Culture Program and includes the following individuals:

- Nā'ālehu Anthony, *Palikū Documentary Films*
- Peter Apo, *Peter Apo Company*
- Kainoa Daines, *Queen Kapi'olani Hotel*
- Leona Mapuana Kalima, *Office of Hawaiian Affairs*
- Robbie Kaholokula, *Consultant*
- Cheryl L. Ka'uhane-Lupenui, *YWCA O'ahu*
- Debbie Nakanelua-Richards, *Hawaiian Airlines*
- Ramsay Remigius Mahealani Taum, *University of Hawai'i, School of Travel Industry Management*
- Michael White, *Kā'anapali Beach Hotel*

3. Natural Resources

Goal: To respect, enhance and perpetuate Hawai'i's natural resources to ensure a high level of satisfaction for residents and visitors.

The HTA's Natural Resources Program began in FY 2003, following a proviso by the Hawai'i State Legislature in the 2002 session that directed the HTA to provide at least \$1 million annually from its budget to support efforts to manage, improve and protect Hawai'i's natural environment and areas frequented by visitors. An additional \$1 million from the HTA's Tourism Special Fund is provided annually to the State Department of Land and Natural Resources (DLNR).

Through this program in 2010, the HTA:

- Provided monies to DLNR to support the Nā Ala Hele Trails and Access Program and its State Parks Division. These funds were used to support a "Back to Basics" effort that focused on needed repair, maintenance and improvements at state park facilities and ongoing trails program activities; and
- Supported 29 community-based projects throughout the state through a Request for Proposals process.



Ka'ena Point Hawai'i Watchable Wildlife

2010 Natural Resources Program

The following is a partial list of community-based programs that received funding from the HTA in 2010. A complete list of projects can be found on the HTA's website.

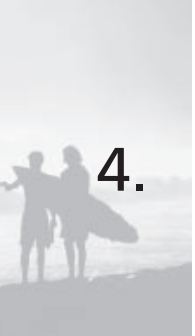
<i>Organization</i>	<i>Project Title & Island</i>	<i>Description</i>
Friends of the Future	Waipi'o Valley Education & Information Officer Program (Hawai'i Island)	Educational and informational program on the cultural, historic and environmental significance of the valley to improve visitor understanding
County of Kaua'i	Po'ipū Beach Restoration Study (Kaua'i)	Restoration and mitigation study to determine the feasibility and logistics for Po'ipū Beach restoration
Ke 'Aupuni Lōkahi, Inc.	Ala Pālā'au (Moloka'i)	Development of a one-half mile trail in Pālā'au State Park to restore native forest habitat, and provide interpretation and education
Moanalua Gardens Foundation	Kamananui Valley Improvements (O'ahu)	Removal of invasive species, old signs and markers, and installation of educational interpretative signs at key sites in the newly-opened valley and trail

Natural Resources Advisory Group

In 2002, the HTA established the Natural Resources Advisory Group (NRAG), a group of individuals from the public and private sectors, whose expertise relative to Hawai'i's natural environment have helped to shape the HTA's Natural Resources Program in line with the State TSP by identifying priorities, establishing objectives and setting criteria.

Today, the NRAG continues to assist HTA in this area, working in support of Hawai'i's visitor industry, community and environment, and currently includes the following individuals:

- Nelson L. Ayers, *Division of Forestry and Wildlife, DLNR*
- Curt Cottrell, *Division of State Parks, DLNR*
- Robert Harris, *The Sierra Club, Hawai'i Chapter*
- Mark Fox, *The Nature Conservancy of Hawai'i*
- Annette Ka'ohelauli'i, *Hawai'i Ecotourism Association*
- Vincent Shigekuni, *PBR Hawai'i*
- T. 'Aulani Wilhelm, *Papahānaumokuākea Marine National Monument*



4. Safety and Security

Goal: To achieve a safe Hawai'i visitor experience.

The HTA is a support entity to help advance this initiative and is committed to assisting other lead agencies and organizations responsible for ensuring that Hawai'i continues to be a safe and secure visitor destination.

Crisis Management

The HTA continued to collaborate with the State Tourism Liaison, state and county civil defense agencies, visitor industry businesses and associations, and federal emergency agencies to plan for, and discuss potential crisis/emergency scenarios that could affect visitors while vacationing in Hawai'i, as well as identify ways for increased partnership and preparedness in mitigating disasters and providing assistance to Hawai'i's visitors.

On February 27, 2010, the HTA activated the HTA Command Center in response to an 8.8 magnitude earthquake that struck Chile. Following the issuance of the tsunami warning, the Hawai'i visitor industry crisis management team implemented its crisis management procedures. Fortunately, Hawai'i experienced no significant adverse effects and the day's events provided the opportunity for various organizations to implement and learn from their individual crisis action plans.

Security Camera Surveillance Program – A State and County Partnership

Following the successful implementation of Maui County's security camera surveillance program in 2009, the HTA continued to work with the counties to develop similar programs in public areas frequented by visitors and residents:

- This year, the HTA approved Hawai'i County's program which included the installation of 38 surveillance cameras in Kailua-Kona, Hilo, Pāhoa, and Akaka Falls. This program was a partnership between numerous community organizations including the Hawai'i County Police, the Kailua Village Business Improvement District and the Hilo Downtown Improvement Association; and
- Continued to work with the City and County of Honolulu to implement its program by the end of 2010.

Visitor Assistance Programs

When visitors in Hawai'i are affected by crime and other adversities, Hawai'i's hospitality is exemplified by the Visitor Assistance Programs (VAP) available in each county. These agencies, along with volunteers and a wide network of partner organizations, offer assistance in many forms, including guidance and support, gift certificates and restaurant coupons, amenity bags, lodging and airline assistance, and counseling and bereavement services.

Safety and Security: VAP Contacts

Each year, volunteers assist with more than 1,000 cases on O'ahu, Kaua'i, Maui, and Hawai'i Island that involve visitors who are victims of crime or experience unexpected hardships. VAP is funded by the HTA with additional support provided by the visitor industry. For more information, or to find out how you can volunteer or donate, please contact a VAP provider on your island.

Visitor Aloha Society of Hawai'i (O'ahu)
Jessica Lani Rich, President and Executive Director

Ph: (808) 926-8274

Visitor Aloha Society of Kaua'i
Tricia Yamashita, Executive Director

Ph: (808) 482-0111

VASH Maui (Maui County)
Janet Kuwahara, Director of VASH

Ph: (808) 244-3530

Visitor Aloha Society of Hawai'i Island
Linda Allen, Executive Director

Ph: (808) 756-0785 - Kona

Ph: (808) 756-1472 - Hilo

5. Tourism Product Development

Goal: To provide a diverse and quality tourism product unique to Hawai'i that enhances the Hawai'i visitor experience and enriches residents' quality of life.

Under the HTA's new structure, these programs fall under "Community Branding Experiences" and include the County Product Enrichment Program, the Festivals and Events Program, and Other Product Development Programs.

County Product Enrichment Program

The County Product Enrichment Program (CPEP) is a partnership between the HTA and each of the four (4) counties to diversify and enrich Hawai'i's tourism product in line with Chapter 201B of the Hawai'i Revised Statutes, which provides for the HTA to "coordinate the development of new products with the counties and other persons in the public and private sectors, including the development of sports, culture, health and wellness, education, technology, agriculture, and nature tourism."

In 2010, the HTA provided support that benefitted more than 120 different projects throughout the year.

Other Product Development Programs

Technical Assistance and Capacity Building

In addition to providing financial support to selected projects, the HTA's strategy to strengthen Hawai'i's festivals and events industry includes a focus on capacity building within the industry and improving the quality of festivals and events offered through technical assistance programs. The two (2) efforts under this area include:

Annual Festivals and Events Seminar

In June, the HTA sponsored its 6th annual Hawai'i Festivals and Events Seminar: "Defining the Destination: Motivating Travel Through Festivals and Events," held at the Hawai'i Convention Center. The seminar featured national and local speakers.

Certified Festival and Events Executive Program

Eighteen new festival and event professionals began the Certified Festival and Event Executive (CFEE) program, a professional certification program offered by the International Festivals and Events Association (IFEA) to help event professionals enhance and improve their product. Hawai'i currently has a total of 11 graduates of the new CFEE FastTrack® Program.

The program was first developed by the IFEA, the premier association supporting and enabling festival and event professionals worldwide, in partnership with the HTA.

Post-Arrival Promotional Campaign

The Post-Arrival Promotional Campaign supports island festivals and events around the state and highlights programs that receive funding from the HTA. The campaign provides information to post-arrival visitors and residents about the many quality festivals and events happening in Hawai'i throughout the year.



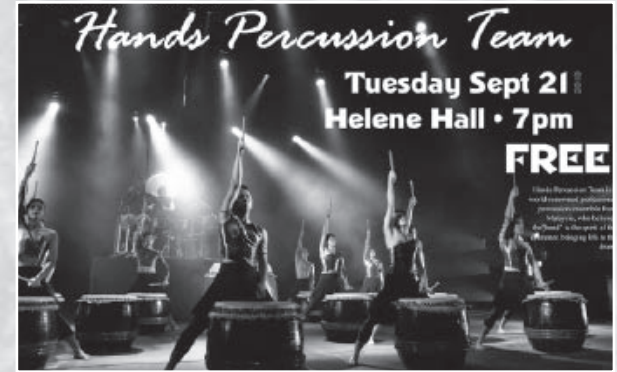
Festivals of Hawai'i Print Ad



Aloha Saturdays (County of Hawai'i)



East Hawai'i Dance Festival & Extravaganza (County of Hawai'i)



Maui Arts & Cultural Center: Hands Percussion Team (County of Maui)

County Product Enrichment Program

The following is a partial list of programs that received funding from the HTA through CPEP in 2010. A complete list of all projects is available on the HTA's website.

County of HAWAI'I

East Hawai'i Dance Festival & Extravaganza

A celebration dedicated to honoring and preserving Hawaiian dance and exploring the development of new dance genres, ranging from hip-hop to hula, tango to tribal, and traditional to cutting-edge.

East Hawai'i Cultural Council's Aloha Saturdays

One Saturday a month, the event showcases Hawai'i's cultural traditions, including Hawaiian music, hula, arts and crafts, and food.

County of KAUA'I

The Emalani Festival

An all-day event at Kanaloahuluhulu Meadow in Kōke'e State Park, honoring Queen Emma and featuring live Hawaiian music, hula, outdoor exhibits, and cultural demonstrations.

The Kaua'i Music Festival's Kaua'i Music Festival Songwriter Conference

A four (4)-day celebration of the art, craft and business of songwriting, which includes opportunities to learn songwriting tips, have one-on-one consultations with music industry representatives and enter a songwriting competition.



County of MAUI

Maui Arts & Cultural Center (MACC): Hands Percussion Team

A world-renowned professional percussion ensemble from Malaysia who brings life to the drum with their multi-cultural percussion skills.

Lāna'i Pineapple Festival

Annual celebration at Lāna'i's scenic Dole Park featuring historic and cultural displays, entertainment, food, crafts, and children's activities.





Maui Classic Music Festival (County of Maui)



Okinawan Festival (City & County of Honolulu)

City and County of HONOLULU

Farmers' Market

Held year-round at various locations on O'ahu, these open air markets are sponsored by the Hawai'i Farm Bureau Federation and provides farmers, ranchers and others with an opportunity to sell and showcase their locally grown and produced products.

Hawai'i Book and Music Festival

Features activities set at the Music Main Stage, Hawai'i Chorus Showcase, Author and Panel Pavilions, Humanities Panels Pavilion, Hawaiian Culture and Language Pavilions, Talk Story Stage, Keiki Stage, Keiki Activities and Keiki Authors/Illustrators Pavilion, and sunset concerts.

Hawai'i Fishing and Seafood Festival

This event celebrates Hawai'i's unique fishing and seafood communities and cultural heritage, and offers related displays, demonstrations, vessel tours, seafood safety presentations, children activities, and product sales.

Okinawan Festival

Attracting more than 50,000 visitors annually, the Okinawan Festival has become the premiere annual event of the Hawai'i United Okinawa Association. The festival celebrates Okinawan culture and includes live entertainment, delicious foods and cultural exhibitions.

HTA Festivals & Events



Maui Film Festival at Wailea (Maui)

In addition, the HTA supports the following major festivals that portray the diversity and culture of Hawai'i while drawing residents and a significant number of visitors to the state.

- ***Hawai'i International Film Festival, O'ahu***
- ***Honolulu Festival, O'ahu***
- ***Kōloa Plantation Days, Kaua'i***
- ***Kona Coffee Cultural Festival, Hawai'i Island***
- ***Maui Film Festival at Wailea, Maui***
- ***Pan Pacific Festival/Matsuri in Hawai'i, O'ahu***



Kōloa Plantation Days (Kaua'i)

6. Workforce Development

Goal: To ensure a sufficient and highly qualified workforce that is provided with meaningful careers and advancement opportunities.

Tourism Workforce Coordinator, Advisory Council and Website

In partnership with the State Department of Labor and Industrial Relations, this project encompasses three (3) actionable items that were recommended in the *Tourism Workforce Development Strategic Plan: 2007-2015*, a plan developed by the University of Hawai‘i at Mānoa, School of Travel Industry Management for the HTA in 2008. Primary efforts in 2010 included school and community visits, presentations, continued promotion of, and improvement to the website (hitourismcareers.org), seeking funding to support new and existing



Hawai‘i Tourism Careers website

tourism workforce development training programs, and advisory council meetings to address current workforce issues and needs.

Chinese, Korean and Japanese Language and Culture Training

This program was developed in 2009 in partnership with Kapi‘olani Community College to prepare employees in Hawai‘i’s tourism industry to better serve visitors from China, Japan and Korea. To date, more than 1,400 people have participated in the Chinese language and culture training, including frontline employees and managers of Starwood Waikiki properties, Hilton Hawaiian Village, Outrigger Waikiki, Royal Hawaiian Center, Louis Vuitton, Waikiki Business Improvement District’s Ambassador Program, and the Retail Merchants of Hawai‘i.

Ho‘okipa Me Ke Aloha Program

This program was built upon the coordination initially established with the Kapi‘olani Community College in 2007 to create a resource of Ho‘okipa Me Ke Aloha trainers on all major islands. These trainers are equipped with the necessary skills, tools and information in the areas of Hawai‘i history, host culture and language, and traditional Hawaiian values and customer service practices. They subsequently train employees within their organizations, communities, and professional industry associations, and high school and college students considering a hospitality career.



AOHT students from Waipahu High School

Academy of Hospitality and Tourism (AOHT)

Currently, the AOHT program supports six (6) high schools on the islands of O‘ahu, Kaua‘i and Maui: McKinley High School, Waipahu High School, Kaua‘i High School, Baldwin High School, Maui High School, and Lahainaluna High School. The AOHT program encourages Hawai‘i’s youth to learn about Hawai‘i’s visitor industry; discover opportunities that may be available to them; see the industry as a viable career option; and receive the education and training needed to successfully pursue a future career in this field.

7. Marketing

Goal: To develop marketing programs that contribute to sustainable economic growth.

Marketing continued to be a top priority for HTA in 2010. Following a year that presented Hawai'i's tourism economy with many unforeseen challenges, including the effects of the H1N1 epidemic and the global economic recession, HTA aggressively worked to implement short-term marketing programs to drive demand to the islands.

Restructuring the HTA's operations under a newly created Brand Management division allowed for increased coordination, collaboration and efficiencies among core marketing initiatives consistent with the HTA Plan. One of the plan's strategic goals was to achieve 6.7 million visitors, \$188 in per-person per-day spending, and \$11.8 billion economic impact from direct visitor spending in 2010. To accomplish these goals, the HTA challenged its marketing partners to be more effective and efficient, and to secure innovative opportunities to market Hawai'i.

Priority was placed on stimulating short-term arrivals from Hawai'i's top two (2) major marketing areas. In North America, the "blitz" strategy again targeted the West Coast (San Francisco, Los Angeles and Seattle) as well as Chicago, to help drive demand from cities with direct flight access to Hawai'i. In Japan, new strategic



marketing programs including E Komo Mai Kona, Jaloalo and Wakuwaku, were developed and implemented to target potential visitors.

Despite the loss of JAL's direct Narita to Kona flight in October, air seat inventory from Japan has stabilized with the addition of new direct flights from ANA, Delta Airlines and Hawaiian Airlines out of Haneda. The increase in visitors from Japan represents a gain for Hawai'i in market share of all Japanese traveling abroad.

On the international front, there continued to be substantial gains from Oceania (Australia and New Zealand) and Korea. Arrivals from Australia increased 23.4 percent and 27.8 percent from New Zealand over 2009, with visitors taking advantage of the strong exchange rate and the increased number of air seats out of the market.

Strong growth in arrivals from Korea was due to pent-up demand, a rebounding economy,

the Visa Waiver program, and an aggressive leisure and business marketing effort. In 2011, Hawai'i will see an increase of air seats to the islands with the addition of new direct flights from Incheon to Honolulu from Korean Air and Hawaiian Airlines.

Although there have been fewer visitors coming to Hawai'i for city-wide conventions this year, the number of visitors for Meetings, Conventions and Incentives (MCI) travel has increased. International MCI has seen a staggering 59.8 percent increase in corporate meetings and 71.3 percent increase in incentive travel over 2009. The HTA continues to market Hawai'i as a global meeting destination and will capitalize on the interest in our state as a prime destination for meetings as Hawai'i prepares to host the APEC 2011 Leaders' Meeting in November 2011.

As a research-based organization, the HTA has been strategic in utilizing visitor data and market intelligence to implement marketing programs that help to achieve its short- and long-term goals. The HTA and its marketing contractors continue to work together and collaborate with visitor industry stakeholders to market Hawai'i and pursue opportunities that will improve and strengthen our tourism economy.

Marketing Partners

To learn more about the HTA's marketing partners, the latest developments in each market area, or to find out how you can participate in their programs, please visit the HTA's website www.hawaiitourismauthority.org, or contact the following representatives:

Hawai'i Visitors & Convention Bureau (HVCB)

North America

Jay Talwar, Senior Vice President, Marketing
Tel: (808) 924-0220
Email: jtalar@hvcb.org
Websites: www.gohawaii.com
www.somuchmorehawaii.com

Corporate Meetings & Incentives

Mike Murray, Vice President, Sales & Marketing, Corporate Meeting & Incentives
Tel: (808) 924-0253
Email: mmurray@hvcb.org
Website: www.meethawaii.com

Hawai'i Tourism Japan (HTJ)

Japan Office

Takashi Ichikura, Executive Director
Tel: 81 (03) 3573-2511
Email: t.ichikura@htjapan.jp
Website: www.gohawaii.jp

Hawai'i Office

Keiko Fujita, Hawai'i Project Coordinator
Tel: (808) 924-0248
Email: k.fujita@htjapan.jp

Hawai'i Tourism Asia (HTAsia)

Masaki Sakamoto, Director
Tel: 81 (90) 5568-9373
Email: msakamoto@aviareps.com

China (Hawai'i Tourism China) – Shanghai Office

David Sun, Travel Trade Marketing Director
Tel: 86 (21) 6359-1523
Email: dsun@aviareps.com
Website: www.gohawaii.cn

China (Hawai'i Tourism China) – Beijing Office

Cynthia Zhou, Director
Tel: 86 (10) 8532-5213
Email: czhou@aviareps.com
Website: www.gohawaii.cn

Korea (Hawai'i Tourism Korea)

Emily Kim, Marketing Director
Tel: 82 (2) 777-0033
Email: ekim@aviareps.com
Website: www.gohawaii.or.kr

Taiwan (Hawai'i Tourism Taiwan)

Jemy See, Account Director
Tel: 886 (2) 2537-6372
Email: jsee@aviareps.com
Website: www.gohawaii.org.tw

Hawai'i Tourism Europe (HTE)

Continental Europe

Christine Klein, Account Manager
Tel: 49 (89) 23662197
Email: cklein@aviareps.com
Website: www.hawaii-tourism.de

U.K. and Ireland

Mirjam Peternek, Director
Tel: 44 (0) 1865 237 990
Email: mirjam@lemongrassmarketing.com

Hawai'i Tourism Oceania (HTO)

Australia

Helen Williams, Country Manager
Tel: 61 (2) 9286 8937
Email: hwilliams@hawaiitourism.com.au
Website: www.gohawaii.com/au/

New Zealand

Darragh Walshe, Country Manager
Tel: 64 (9) 9772234
Email: dwalshe@hawaiitourism.co.nz
Website: www.gohawaii.com/nz/

SMG Hawai'i

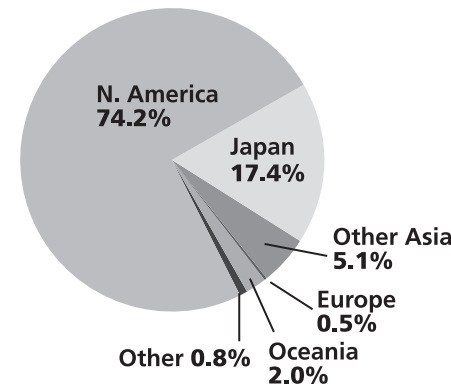
Neil Mullanaphy, Hawai'i Citywide & Convention Sales, Executive Director of Sales & Marketing
Tel: (703) 647-7410
Email: nmullanaphy@hccsmg.com
Website: www.hawaii-convention.com
www.BusinessAloha.com

Leisure Marketing

The HTA contracts with five (5) marketing organizations: Hawai'i Visitors & Convention Bureau (HVCB), Hawai'i Tourism Japan (HTJ), Hawai'i Tourism Oceania (HTO), Hawai'i Tourism Asia (HTAsia), and Hawai'i Tourism Europe (HTE) to promote Hawai'i in the major market areas (MMA). These include U.S. East, U.S. West, Japan, Canada, and other developing international markets.

Of the total leisure marketing budget, more than 90 percent of the funds were allocated to Hawai'i's two (2) largest source markets: North America (U.S. West, U.S. East and Canada) and Japan, which represent a combined total of more than 90 percent of the total number of visitors to Hawai'i.

Budget Allocations by MMA in 2010



CY 2010 LEISURE BUDGET

MMA	Budget (in \$ millions)*
N. America	29.150
Japan	6.831
Other Asia	2.018
Europe	.214
Oceania	.768
Other**	.310
TOTAL	\$39.291

* Includes: Opportunity Fund/Island Chapters International Marketing

** Includes: International marketing public relations, administrative expenses, and program support

In addition to traditional marketing efforts, the HTA challenged its marketing partners to develop innovative, out-of-the-box activities to drive demand and bring visitors to the islands in 2010. The HTA also implemented educational programs for travel trade through workshops and seminars in order to provide retail agents with up-to-date, compelling and interesting information to sell Hawai'i to consumers.

NORTH AMERICA

North America Visitor Profile (U.S. WEST, U.S. EAST AND CANADA)

U.S. WEST

Primary Purpose of Stay:	Pleasure (2,226,385) vs. MCI (123,627)
Average Length of Stay:	9.57 days
First Time Visitors:	19.1%
Repeat Visitors:	80.9%
Average Number of Trips:	6.9

U.S. EAST

Primary Purpose of Stay:	Pleasure (1,209,145) vs. MCI (139,9005)
Average Length of Stay:	10.42 days
First Time Visitors:	43.0%
Repeat Visitors:	57.0%
Average Number of Trips:	4.0

CANADA

Primary Purpose of Stay:	Pleasure (318,894) vs. MCI (17,109)
Average Length of Stay:	12.68 days
First Time Visitors:	37.5%
Repeat Visitors:	62.5%
Average Number of Trips:	3.97

Source: HTA 2009 Annual Research Report

North America continues to be Hawai'i's largest source market for visitors. It includes the U.S. West (defined as the 11 Pacific states west of the Rockies), U.S. East (all other states) and Canada. This year, Hawai'i has seen positive growth in visitor arrivals and spending over last year. Recovery continues to be slow, but the HTA is continuing to

aggressively market the islands to help stimulate short-term bookings and strengthen Hawai'i's tourism economy. The HTA worked with the HVCB, its marketing contractor for North America, on the following:

- Continuation of its short-term marketing saturation "blitz" strategy with month-long programs that blanketed Los Angeles/ Orange County, the Pacific Northwest, the San Francisco Bay area, and the greater Chicago market a combined total of seven (7) times;
- Integration of the marketing saturation programs with baseline brand marketing programs in top tier markets that received blitz support;
- In partnership with the island chapters, secured several major national television programs that showcased Hawai'i on the Food Network - *Dinner Impossible; Diners, Drive-Ins and Dives*; and *Glutton For Punishment*; Discovery Channel Canada - multiple episodes of *Daily Planet*; Live Well HD Network - *Let's Dish*, and multiple episodes of *Motion*;
- Redesigned and relaunched the consumer website *gohawaii.com*, bringing a fresh, new perspective to the islands of Hawai'i; and
- Support of the *Culture Me* blogger FAM that brought high-profile, mainland bloggers to Hawai'i to experience and blog about the Nā Hōkū O Hawai'i Music Festival. The bloggers also met with Aloha Festivals and Prince Lot Hula Festival organizers, which resulted in positive placement for Hawai'i festival and culture stories throughout the year.



Gohawaii.com website



Los Angeles Blitz billboard ad



Pacific Northwest Blitz ads

JAPAN

Japan Visitor Profile

Primary Purpose of Stay:	Pleasure (1,074,178) vs. MCI (1,048,593)
Average Length of Stay:	5.83 days
First Time Visitors:	42.1%
Repeat Visitors:	57.9%
Average Number of Trips:	3.8

Source: HTA 2009 Annual Research Report

Japan continues to be a major market for Hawai'i and is the largest source of international visitors to the state. This year, there has been an increase in arrivals and visitor spending by the Japanese and with the favorable currency exchange rate and the start of direct service from Haneda to Hawai'i in the fourth quarter, Hawai'i marketing programs in Japan will continue.

- Despite the impact of Japan Airlines' (JAL) aircraft downsizing and flight suspension of its Narita-Kona route in October, there were many positive changes in airlift to report in 2010:
 - With the runway expansion at Haneda Airport and Open Sky agreements effective fall 2010, Hawai'i will receive three (3) new direct flights between Haneda and Honolulu via ANA, Hawaiian Airlines and JAL;
 - At the end of 2010, Delta Airlines will service a new route between Nagoya and Honolulu, in addition to upgrading its aircraft with increased air seat capacity;
 - Korean Air continues to grow its Hawai'i bookings within regional Japanese markets,

with additional connector flights via Incheon, Korea; and

- In addition, many of Hawai'i's airline and wholesaler partners have offered chartered flights to Hawai'i throughout the year, increasing access to Hawai'i from gateway and regional cities from Japan;
- Due to the success of the "Hawai'i 50 Select" campaign in 2009, HTJ refreshed the concept by collaborating with renowned professional photographer, Junji Takasago. This collaboration elevated the appeal and visibility of the campaign and Hawai'i, providing new tie-up opportunities including talk shows, exhibitions and publishing collaborations;
- With 80 percent of Japanese consumers booking overseas travel through travel agencies, HTJ conducted a travel agency retail shop campaign to enhance visibility and awareness for Hawai'i; and
- Upon the announcement of JAL's suspension of its Narita-Kona flight in October 2010, HTJ launched a campaign with the HTA and the Big Island Visitors Bureau (BIVB) that included newspaper advertorial in *Asahi* Newspaper's Tokyo Edition. HTJ also launched a "Let's Go Big Island" promotion, which included a webpage and flyer introducing exclusive partner offerings for Japanese visitors to Hawai'i Island. In collaboration with the HTA, the BIVB and HTJ, major travel companies also launched the E Komo Mai Kona campaign to further sustain Japanese arrivals to Hawai'i Island.



Billboard advertisement at Shiodome business district underpass (Tokyo)



Crea Traveller Ad



"E Komo Mai Kona" campaign Hawai'i Island travel brochure

OTHER ASIA



Scene from “Super Taste” TV (Taiwan)



Korean Air Promotion Ad



Shanghai World Expo

OTHER ASIA

Primary Purpose of Stay:	Pleasure (82,175) vs. MCI (13,012)
Average Length of Stay:	7.78 days
First Time Visitors:	76.2%
Repeat Visitors:	23.8%
Average Number of Trips:	1.89

Source: HTA 2009 Annual Research Report

The 2010 marketing activities of Hawai'i Tourism Asia (HTAsia) focused primarily on South Korea and China, two (2) markets with high potential for visitor growth to Hawai'i, with a secondary focus on Taiwan. Additional airlift to Hawai'i by Korean Air this year helped to significantly boost Korean arrivals to Hawai'i. The China market also saw significant growth in 2010, which has been limited due to the lack of direct non-stop airlift to Hawai'i.

HTAsia's 2010 marketing plan is focused on: Working with airlines to increase lift and direct service to Hawai'i; raising visibility and top-of-mind awareness of Hawai'i as a destination via major media throughout Asia and a wide range of travel agent co-ops; educating and motivating key travel trade to aggressively package and sell Hawai'i, and to ensure the development of new tour products; targeting high-spend/high-yield segments including leisure incentive groups from Korea; and supporting television initiatives, guidebook publications and on-line channels that showcase Hawai'i.

HTAsia's highlights for the year include the following:

- Hawai'i Tourism Korea (HTK), in collaboration with HVCB CMI, created a new benefit and incentive package program designed to motivate major Korean MICE groups to choose Hawai'i in 2010 and produced the first Hawai'i MICE Planner in Korean;
- HTAsia organized the second Asia “Super Fam” Tour to Hawai'i, inviting 55 major travel agents, airlines and travel media from around Asia to Hawai'i in March;
- HTAsia organized the first Hawai'i Asia Travel Mission in April to Seoul, Shanghai and Beijing, with 42 delegates (26 in Korea and 16 in China) from Hawai'i participating;
- HTK promoted the three (3) additional weekly Korean Air flights between Seoul and Honolulu that started on June 12. The promotions included a TV home shopping promotion, agent sales contest, co-op ad campaign, online consumer promotion, and Shinsegae Department Store consumer promotion;
- Hawai'i Tourism China (HTC) assisted the HTA in organizing “Hawai'i Week” at the Shanghai World Expo 2010 in June;
- Hawai'i was awarded the title of Top Overseas Honeymoon Destination in China in January by *Sina.com*, China's leading travel website, with more than 2 million Chinese registered users; and
- Hawai'i Tourism Taiwan (HTT) worked closely with HVCB CMI on securing several large incentive groups to Hawai'i in 2010, including a new insurance group which brought more than 6,000 individuals.

OCEANIA

OCEANIA	
Primary Purpose of Stay:	Pleasure (122,454) vs. MCI (5,502)
Average Length of Stay:	9.24 days
First Time Visitors:	55.5%
Repeat Visitors:	44.5%
Average Number of Trips:	2.46
Source: HTA 2009 Annual Research Report	

In 2010, Hawai'i saw strong growth in visitor arrivals from Australia and New Zealand. With the favorable currency exchange rate in both countries and additional airlift from this market, Hawai'i Tourism Oceania's (HTO) efforts in 2010 focused on promoting low cost travel to Hawai'i; adding neighbor island trips to extend the length of stay; and educating the travel trade and coordinating trade tie-up marketing campaigns.

HTO's highlights for the year include the following:

- A Flight Centre campaign encouraging the purchase of low-cost Hawai'i package deals. This program included participation in the

Flight Centre Expo, a major media campaign that included television, press ads, national in-store promotions, website presence, and customer e-newsletters;

- Australia's highest-rated morning TV program, Channel 7's *Sunrise*, ran a five (5)-day live broadcast from Waikiki Beach, reaching 6.3 million viewers nationally;
- The annual Aloha Down Under road show highlighted unique cultural and authentic experiences found only on the islands of Hawai'i, and featured more than 30 Hawai'i partners and attracted more than 750 agents across Australia and New Zealand;
- HTO teamed up with Billabong to sponsor "Aloha Dayz," a promotion centered on winning a free trip to Hawai'i and showcasing great travel deals in the market; and
- *Getaway*, Australia's highest-rated holiday and travel program, filmed four (4) Hawai'i segments on O'ahu and Maui which aired on the *Travel Channel*.



Aloha Down Under



Flight Centre Expo HA & HTO



Aloha Dayz



Waimea Canyon

EUROPE



German travel article featuring Lānaʻi



Summer 2010 Europe Product FAM



Travel Trade Campaign with FTI Touristik

EUROPE	
Primary Purpose of Stay:	Pleasure (89,807) vs. MCI (7,077)
Average Length of Stay:	13.09 days
First Time Visitors:	70.4%
Repeat Visitors:	29.6%
Average Number of Trips:	2.32
Source: HTA 2009 Annual Research Report	

In 2010, marketing efforts in the European marketplace, specifically in Germany and the United Kingdom (UK), continued with emphasis placed on travel trade training, sales calls and fulfillment of requests from consumers, travel trade and media.

Hawaiʻi Tourism Europe’s (HTE) highlights for the year include the following:

- The Aloha Up-N-Over Sales & Media Mission that took place in Munich, Frankfurt and London. Eleven Hawaiʻi partners joined the mission, training more than 230 agents at various events and meeting with tour operators and media.
- A joint travel trade campaign with FTI Touristik, one of the largest German tour

operators to Hawaiʻi, was launched to increase trade awareness and bookings to Hawaiʻi;

- A promotion with UK’s Travel 2/Travelbag took place in Spring 2010, which included a window poster campaign in 500 Travel 2 shops, targeted direct marketing campaign, dedicated webpage on *Travel2.com*, e-newsletter to more than 7,000 travel agents in the UK, and a radio and online promotion with Smooth Radio, which reached more than 500,000 listeners over a two (2)-week period;
- HTE organized a group FAM tour to Maui and Hawaiʻi Island with key German and UK tour operators: Thomas Cook (UK), Kuoni (UK), Best at Travel (UK), Art of Travel (Germany), America Unlimited (Germany), and Explorer Fernreisen (Germany); and
- HTE won two (2) awards at the Visit USA Association Media Awards 2010 for an article on Hawaiʻi in *Food & Travel* magazine in the following categories:
 - Best Consumer Magazine Travel Article in 2009; and
 - Best Travel Photography in 2009

Business Marketing

The strategy for business marketing is to promote Hawai'i as a preferred destination for business tourism (meetings, conventions or incentives conferences) by strengthening relationships and increasing promotional presence and brand identity of the destination on a global level. In 2010, the Hawai'i Convention Center (HCC) sales and marketing department of SMG Hawai'i focused on business development to create a base for long-term business for Hawai'i. This included:

- Strategically branding Hawai'i as an excellent place for corporate meetings and incentives;
- Expanding sales efforts through collaborative partnerships;
- Increasing leads and bookings;
- Aligning deployment of staff against need years and bookings goals; and
- Increasing top-of-mind awareness for Hawai'i as a business destination.

Hawai'i Convention Center Sales and Marketing

SMG Hawai'i and the HVCB's CMI division (page 20) continued to promote Hawai'i as a premier meetings, conventions and incentives destination using the tagline, "Where Business and Aloha Meet" in ad campaigns featured in various national meetings publica-

tions and its website *BusinessAloha.com*.

Below are highlights of SMG Hawai'i's marketing activities and accomplishments:

- Website data reports for the HCC main website and all global outreach multi-lingual micro-sites switched to real-time Google Analytics, giving each client access to information on-demand;
- Hawai'i destination information for the global outreach micro-sites was translated into Spanish;
- A direct mail piece was sent to the members of the Professional Convention Management Association (PCMA) following the association's annual meeting;
- *Amazon.com*'s gift card program was used to extend awareness of Hawai'i and the HCC in the minds of meeting and convention industry leaders;
- HCC partnered with Meeting Mobi, a software development company, to develop and beta-test a conference application at the World Congress on Zero Emissions Initiatives. The application is now being offered to future conventions; and
- HCC developed an online bid book which was completed in December 2010.

APEC 2011

In November of 2009, President Barack Obama selected Hawai'i as the site of the 2011 Asia Pacific Economic Cooperation (APEC) Leaders' Meeting. Established in 1989, APEC aims to facilitate balanced, inclusive and sustainable economic growth of Asia-Pacific economies. Twenty-one member economies currently participate in this regional grouping, accounting for more than 55 percent of world GDP and 43 percent of world trade.

The APEC forum will include the Leaders' Meeting on November 12 & 13, 2011 in Hawai'i, preceded by meetings of the APEC Senior Officials, Ministers, the APEC Business Advisory Council, and the CEO Summit. More than 20,000 people are expected to gather in Hawai'i for these meetings, including approximately 2,000 media representatives from around the world. The Hawai'i Host Committee, appointed by U.S. Senator Daniel K. Inouye, is headed by Chair Peter Ho, chairman, president and CEO, Bank of Hawaii, and Vice-Chair Tim Johns, president and CEO, Bishop Museum, and will play a vital role in supporting the efforts of the U.S. and the White House in hosting Leaders' Week. Also on the board is Mike McCartney, president and CEO of the HTA.

This is a unique and unprecedented opportunity for Hawai'i to showcase its people, diverse cultural heritage and talent, as well as its incomparable hospitality, world-class facilities and outstanding economic sectors. This focus will show the world what past generations have successfully built in Hawai'i and provide a look at what the world's future may hold for Hawai'i as a unique bridge between the U.S. and Asia. It will also showcase Hawai'i as a strategically located global meeting place and draw attention to Hawai'i's meetings, incentives, conferences, and exhibitions market, facilities and infrastructure.

For more information, visit www.apec2011hawaii.com



APEC
USA 2011
HAWAII HOST COMMITTEE



Sheraton Hawai'i Bowl



PGA Tour Event



The Quiksilver in Memory of Eddie Aikau

Sports Marketing

Supporting events enhance Hawai'i's economy, image and quality of life. Recognizing these benefits, the HTA developed a sports marketing program designed to increase Hawai'i's sports presence to a globally competitive level, diversify the visitor experience, highlight the state's unique attributes, and build a sustainable sports tourism market.

In 2010, the HTA's Sports Marketing Program included the following highlights:

- The HTA brought stakeholders together to make Hawai'i's winning bid for the 2012 **World Vintage Rugby Carnival**. The seven (7)-day event will attract more than 60 teams from countries including Canada, New Zealand, Ireland,

- England, France, Spain, Germany, South America, Australia, and South Africa;
- Teaming up with local organizations, the HTA is supporting the translation of University of Hawai'i (UH) Warrior football games into Japanese. Six (6) UH home games played between September and December will be translated and broadcast on a delayed schedule on a Japanese cable sports channel. The broadcasts are aimed at developing a Japanese fan base for Hawai'i athletics;
- The HTA's partnership with the **PGA Tour** brought four (4) professional golf tournaments to Hawai'i in 2010, including:
 - **SBS Championship**

- **Sony Open in Hawai'i**
 - **Mitsubishi Electric Championship at Hualālai**
 - **Wendy's Skins Game**
- The golf tournaments resulted in more than 20 hours of television coverage broadcast nationally during the winter months. The HTA has negotiated a new multi-year agreement with the PGA Tour for the years 2011–2014. The structure of the new agreement focuses on core PGA Tour events bringing value and relevance to Hawai'i's golf market;
- Through its agreement with ESPN, the HTA provided funding for the **Sheraton Hawai'i Bowl** football game and the

- Diamond Head Classic** basketball tournament. With the initial investment with ESPN, the HTA was also able to indirectly support five (5) additional sporting events:
- **Nā Wāhine O Ke Kai**, September 26, 2010 (Moloka'i to O'ahu)
 - **Moloka'i Hoe**, October 10, 2010 (Moloka'i to O'ahu)
 - **The Stand Up World Tour Finals** December 11 – 17, 2010 (Hawai'i)
 - **The Quiksilver in Memory of Eddie Aikau** December 2, 2010 – February 28, 2011 (O'ahu)
 - **The Waikiki Roughwater Swim** September 6, 2010 (O'ahu)



Xterra World Championship



Moloka'i Hoe



Diamond Head Classic



Nā Wāhine O Ke Kai

- The HTA and the HCC have formed a partnership with United States Canoe and Kayak (USACK), which is the national governing body under the United States Olympic Committee (USOC). The HCC has been given the designation of an official USACK training site and has prepared a portion of its facility to play host to the USACK Olympic team through 2011;
- The HTA executed a multi-year agreement with the National Football League (NFL) to host the Pro Bowl All-Star Football Game in 2011 and 2012. Approximately 20,000 fans travel to Hawai'i specifically for the game, which contributes more than \$28 million in economic impact and national television ratings averages of 5.0. The NFL

has agreed to produce a week of activities for residents and visitors leading up to Pro Bowl game day, and to host multiple youth football and cheerleading clinics across the state of Hawai'i; and

- In preparation for 2011, the HTA has continued to develop strong partnerships while building a large sports portfolio of more than 25 events highlighted by several ocean-based events, including surfing, stand-up paddling, outrigger canoe races, outrigger canoe surfing, and open-water swimming.

Portfolio of Sporting Events

In addition to the PGA Tour and HTA's relationship with ESPN, the HTA invested in the following events in 2010:

- **Ford Ironman World Championship**
October 9, 2010 (Hawai'i)
- **Xterra World Championships**
October 24, 2010 (Maui)
- **EA Sports Maui Invitational**
November 22-24, 2010 (Maui)
- **Xterra Trail Run World Championship**
December 5, 2010 (O'ahu)



Ford Ironman World Championship

Other Marketing Projects

Shanghai China Expo 2010

Hawai'i participated in the 2010 Shanghai World Expo, the largest in the history of world fairs. Throughout the months of May-October 2010, more than 190 countries and 50 international organizations took part in the Expo.

Hawai'i's presence at the Expo has elevated Hawai'i's visibility to millions of Chinese residents and visitors from around the world. Throughout Hawai'i Week (June 6-11), island music and hula dancers were featured on multiple stages and in the Expo Parade. All USA Pavilion student ambassadors were outfitted in aloha shirts and equipped with Hawai'i talking points to share with visitors to the USA Pavilion.

The HTA successfully hosted a series of events that included a press conference, Hawai'i Day Opening Ribbon Cutting Ceremony, one-on-one media interviews, a VIP Luncheon for Chinese



Hula dancers perform for onlookers at the 2010 Shanghai World Expo



A visitor poses in front of the world's largest aloha shirt

government officials and airline executives, as well as the Aloha Night Dinner. Major leading tour wholesalers and airline officials met with the HTA and other government officials to exchange ideas on Hawai'i tourism promotion in the Chinese market.

The number of visitors to the Expo reached 350,000 to 450,000 per day during Hawai'i Week. Media coverage in China generated from Hawai'i's participation in the Expo well surpassed \$3 million dollars in advertising value. The 2010 Shanghai World Expo provided a tremendous opportunity to share Hawai'i's incomparable Aloha Spirit, showcase the islands as a world premier visitor destination, and helped to solidify partnerships and collaborative efforts among Chinese travel and media partners.

Highlighting Hawai'i's Arts & Culture

To showcase the diversity of the culture and arts Hawai'i has to offer, the HTA partnered with Pacific Network TV to feature these activities, events and organizations on its internet network and website through June. In July, the HTA collaborated with the HVCB in having dedicated arts and culture webpages on *gohawaii.com*. The site features information on art, dance, cuisine, and festivals with ties to a comprehensive calendar listing, videos and photos of arts and cultural activities. It focuses on pre-arrival marketing and targeting potential visitors who are interested in Hawai'i's dynamic arts and culture scene.



"The Expressions of Aloha" webpage on *gohawaii.com*

Heritage Sites of Hawai'i

The Heritage Sites of Hawai'i are comprised of 20 sites throughout the Hawaiian Islands that provide significant historical, cultural or environmental contributions to the understanding and enjoyment of our destination. The HTA identified these "must-see" sites with input from each island's visitors bureau. Working with the HVCB and HTJ, the heritage sites have been incorporated onto their websites with a listing available for download in English and Japanese.

Some of the featured sites include:

- Kilauea Lighthouse (Kaua'i)
- 'Iolani Palace State Monument (O'ahu)
- Kalaupapa Lookout (Moloka'i)
- Kaunolū Village (Lāna'i)
- Haleakalā National Park (Maui)
- Hawai'i Volcanoes National Park (Hawai'i Island)



'Iolani Palace State Monument



Haleakalā National Park

2010 Mahalo Month

In its second year, the Mahalo Month program continued to gain interest with travel professionals who sell Hawai'i.



The Mahalo Month program is designed to be an individual FAM tour held during the shoulder period of April-May, and is intended to attract in-market travel trade to experience Hawai'i firsthand, allowing them to sell the islands as an ideal tourism destination more proficiently. More than 140 deals and specials were offered by Hawai'i visitor industry partners and 2,400 new individuals registered to view the Mahalo Month offers on the website *mahalomonth.com*.

A majority of the registrants were from the U.S., Canada, Australia, Japan, and Germany.

Nā Hōkū O Hawai'i Music Festival

With a desire to elevate Hawaiian music and create a major festival event during a shoulder season, the HTA supported the Na Hōkū O Hawai'i Music Festival in its inaugural year. This new four (4)-day event was held May 27-30 and consisted of a two (2)-day workshop at the Hawai'i Convention Center and two (2) days of musical performances and entertainment on 25 stages throughout Waikiki.

Hula Town Hilo

A new international hula festival, the Hula Town Hilo event was held September 22-25 in Hilo, Hawai'i. The four (4)-day festival consisted of performances, workshops, cultural sessions, and tours. The event aimed to expand the rich history of Hilo, as well as create an international hula festival that welcomes visitors from around the world to discuss, enjoy, connect, and learn about hula.

8. Communications & Outreach

Goal: To facilitate interaction among all stakeholders, improve the lines of communication and enhance greater understanding of roles, values and concerns.

The HTA conducts communications and community outreach activities to keep stakeholders and key constituencies aware of agency initiatives, plans and programs, as well as educate the public on tourism issues. For this initiative, ongoing communications efforts include the following:

- News releases and monthly electronic newsletters on the HTA's programs and activities, including monthly distribution of Hawai'i tourism visitor statistics and other information;
- Speeches and presentations given by HTA board members, management and staff in Hawai'i and abroad; face-to-face meetings with government, industry, business, and community leaders statewide.



HTA's Monthly E-Bulletin



HTA's Festivals & Events Microsite

- HTA-supported websites:
 - **The HTA's website** (www.hawaiiitourismauthority.org) provides an overview of the HTA and information about its activities and programs. The site also includes Requests for Proposals, marketing presentations, visitor statistics information, and news releases. This year, HTA added a dedicated landing page for tourism research that has current visitor data and reports published each month;
 - **Travel Smart Hawai'i's website** (www.travelsmarthawaii.com) provides information on trip preparation, planning and safety for visitors traveling to Hawai'i;
 - **The HTA's Festivals and Events Seminar microsite** (www.htafestivalsandevents.com) provides information on the HTA's annual Festivals and Events Seminar, including program information, speaker biographies and presentations; and

- **The HTA's Hawai'i Tourism Conference microsite** (www.hawaiiitourismconference.com) provides information on the HTA's annual Tourism Conference, including registration information, program description and presentations.

Public Relations Efforts

The HTA is dedicated to educating and informing local residents and stakeholders about its programs and initiatives, focusing its public relations efforts on conducting communications and community outreach. This year alone, the HTA secured coverage in more than 284 print articles, 111 of which were neighbor island publications, and 12 broadcast interviews with various media outlets. Media briefings and interviews were also scheduled with reporters from the *Honolulu Star-Advertiser*, *Pacific Business News*, *Hawaii Business*, and the *Associated Press*.



Star Advertiser
Visitor spending catches a wave
 22% Increase in September visitor spending over 2009
 \$880M Total visit spending in September
 8.9% Increase in September hotel room revenue over last year

Visitor Arrivals
 The number of visitors arriving in Hawaii by air in September rose 22% from the same month last year.

Month	2010	2009	% Change
September	245,000	199,000	+23%
August	238,000	200,000	+19%
July	230,000	195,000	+18%
June	215,000	185,000	+16%
May	205,000	180,000	+14%
April	195,000	175,000	+11%
March	185,000	170,000	+9%

Visitor Spending
 Total visit spending in September rose 22% from the same month last year.

Month	2010	2009	% Change
September	\$880M	\$715M	+23%
August	\$850M	\$710M	+20%
July	\$820M	\$700M	+17%
June	\$780M	\$680M	+15%
May	\$750M	\$670M	+12%
April	\$720M	\$650M	+11%
March	\$680M	\$630M	+8%

Hotel Room Revenue
 Hotel room revenue in September rose 9% from the same month last year.

Month	2010	2009	% Change
September	\$1.2B	\$1.1B	+9%
August	\$1.1B	\$1.0B	+10%
July	\$1.0B	\$0.9B	+11%
June	\$0.9B	\$0.8B	+12%
May	\$0.8B	\$0.7B	+14%
April	\$0.7B	\$0.6B	+17%
March	\$0.6B	\$0.5B	+20%

Pacific Business News
Tourism marketers will focus on local culinary experiences
 Promoters want to lure visitors to Hawaii with good food and wine

TOURISM
 HAWAII (HONOLULU) — Tourism marketers are focusing on local culinary experiences as a way to lure visitors to Hawaii, according to a report from the Hawaii Visitors Bureau. The report, titled "Local Culinary Experiences: A Key to Attracting Visitors," was released last month. It highlights the importance of local food and wine in attracting visitors to Hawaii. The report notes that visitors are increasingly interested in authentic local experiences, and that local food and wine can provide a unique and memorable experience. The report also notes that local food and wine can help to support the local economy and create jobs. The report suggests that tourism marketers should focus on promoting local food and wine experiences to attract visitors to Hawaii.

Feature coverage of HTA

Hawai'i Tourism Conference

The HTA held its Hawai'i Tourism Conference – *Ao Ka Pō—A New Beginning* at the Hawai'i Convention Center on August 10-11. Approximately 550 people attended the conference over the two (2)-day period. The conference brings together Hawai'i's visitor industry and community to learn about current industry trends, market developments and issues occurring in the global and local visitor industry, provide networking opportunities, and highlight the HTA's activities.



HTA president and CEO welcomes attendees to the Hawai'i Tourism Conference

A variety of topics were presented on the first day of the conference that touched on issues including social media, heritage tourism, sports tourism, festivals and events, corporate meetings and incentives, and the airline and cruise industries.

The *Tourism Legacy Awards* luncheon this year honored the late Dr. George Kanahale and the Bishop Museum. New to the conference was the Marketplace Lounge, which featured 24 HTA-supported programs, events and festivals from across the state.



Follow us @HawaiiHTA

HTA is now on Twitter. Weekly tweets keep followers updated on HTA-related initiatives and events, as well as general Hawai'i tourism information.

Japan Hawai'i Tourism Council

The Japan-Hawai'i Tourism Council (JHTC) was established in January 2008 and is comprised of more than 80 top government and industry executives from Japan and Hawai'i's visitor industry. Its purpose is to continue the close relationship between Hawai'i and Japan, and to address issues and opportunities relating to tourism.

Legislative Services

In preparation for the 2010 legislative session, the HTA met with representatives from the community, industry and government in each county to discuss issues and establish priorities. During the session, the HTA maintained communication with leadership, committee chairs and administration personnel; advocated for measures to strengthen and support the HTA, industry and state; and countered opposing measures.

IV. Hawai'i Convention Center

The world-class Hawai'i Convention Center (HCC), marketed and managed by SMG Hawai'i, infuses the local economy with millions of dollars through meetings and conventions, serving as a platform for economic and business development. This year, the HCC generated more than \$394 million in direct delegate spending statewide and more than \$38 million in statewide tax revenue. An excess of 500,000 hotel room nights was realized as a result of off-shore groups meeting at the HCC. During 2010, the sales team booked a total of nearly 689,000 definite room nights for all future years, a significant accomplishment considering the tough economic conditions that continue to linger. The HCC is also pleased to serve as the host venue for numerous community events throughout the year.

HCC 2010 Highlights:

- *Business Traveler* magazine honored the HCC with its "Best Convention/Conference Center" award. This is the 3rd consecutive year that the HCC has won this coveted recognition;
- *Facilities & Destinations* magazine presented the HCC with its

12th consecutive "Prime Site" award (1999-2010), as voted on by meeting and convention industry leaders;

- *Association Meetings* magazine readers named the HCC as one of the top 15 convention centers in the U.S., with a "2010 Inner Circle Award." The HCC was recognized for its high level of service, flexible function space and quality of food and beverages;
- The HCC has worked closely with the Asia Pacific Economic Cooperation (APEC), along with the U.S. Department of State on the housing and logistics for the November 2011 event at the HCC;
- The HCC was the key sponsor for the Nikkei BP Eco Management Forum held May 12, 2010 in Tokyo. The forum focused on the topic of clean energy and served as an ideal platform to launch the World Congress on Zero Emissions event; and
- The HCC is a member of the steering committee working with the International Union for Conservation of Nature (IUCN) to bring its 2016 World Conservation Congress to Hawai'i. As a result of discus-

sions with the U.S. Department of State's Bureau of Oceans, Environment, and Science (OES), the steering committee is allowed to contact non-governmental members for support and sponsorship of the 2016 meeting.

Community Relations:

The HCC sponsored major events accentuating Hawaiian culture, including working closely with Maoli Art in Real Time, which received a grant from the HTA to showcase local artwork. Delegates from four (4) national and international conventions enjoyed meeting the artists and had the opportunity to purchase their products.

The HCC also hosted the International Indigenous Council's Healing our Spirit Worldwide Conference, the Asia Pacific Clean Energy Summit, and the East-West Center's 50th Anniversary International Conference. Another special event hosted by the HCC was the Hawai'i Business Ambassadors Mahalo Dinner, which recognized the work of local business leaders to help secure future meetings and conventions for the HCC.

Hawai'i Convention Center Top Events of 2010

International Foundation of Employee Benefit Plans 2010 Convention

Delegates:	12,500
Room Nights:	100,500
Visitor Spending Generated:	\$59,022,343

American Chemical Society 2010 International Chemical Congress of Pacific Basin Societies

Delegates:	11,620
Room Nights:	93,425
Visitor Spending Generated:	\$54,867,170

American Academy of Periodontology 96th Annual Meeting

Delegates:	6,000
Room Nights:	48,240
Visitor Spending Generated:	\$28,330,725

Alzheimer's Association 2010 International Conference

Delegates:	5,500
Room Nights:	44,220
Visitor Spending Generated:	\$25,969,831

Baptist World Alliance 2010 World Congress

Delegates:	6,000
Room Nights:	48,240
Visitor Spending Generated:	\$28,330,725

V. Tourism Research

As a result of Act 5, Special Session of 2009, the HTA began overseeing tourism research and the data responsibility previously conducted by the State Department of Business, Economic Development & Tourism (DBEDT). In January 2010, the Tourism Research Division (TRD) relocated to the Hawai'i Convention Center to permanently join the HTA.

Tourism Research

The TRD develops and provides statistical and analytical information and conducts special research on Hawai'i's visitor industry that helps to aid state marketing and product development efforts, industry planning, tourism policy-



New HTA tourism research homepage

making, and provides economic information on the most important industry in our state. Highlights in 2010 include:

- The unveiling of the new tourism research homepage on hawaiiitourismauthority.org/research. The redesigned page provides additional research resources focused on marketing and brand management, as well as market segment specific reports that were previously only available in large compendium publications;
- Actively involved in researching and estimating flight and seat capacity figures for the many new routes and flights that were announced;
- With the changes in TAT distribution, a model was developed to estimate TAT for FY 2010-2012 for HTA budgeting purposes; and
- Assumed expanded role of developing additional visitor research systems to monitor

competitive destinations and manage projects to collect accommodations statistics on Hawai'i competitors while tracking how Hawai'i target markets perform in competitive destinations.

Ongoing programs and publications:

Visitor Statistics: The TRD produces statistical reports on visitor arrivals and expenditures. This data collection program records the demographic characteristics, travel methods and spending habits of Hawai'i's visitors through a range of surveys including the domestic in-flight, international intercept, island visitors, and cruise visitor surveys.

Visitor Satisfaction and Activities: Through an extensive post-trip survey, this program provides feedback that will help Hawai'i's businesses to take proactive measures in promotion, maintenance and improvement. The research measures visitors'

satisfaction with Hawai'i as a visitor destination from the top six (6) major market areas; U.S. West, U.S. East, Japan, Canada, Europe, and Oceania.

Visitor Plant Inventory:

The TRD conducts an annual statewide survey on existing visitor accommodations in Hawai'i and also catalogues planned developments and additions to existing developments.

Visitor Forecasts and

Outlook: The TRD partners with DBEDT's Research and Economic Analysis Division (READ) on the visitor forecast portion of the Quarterly Statistical and Economic Report. Together, the divisions work to expand the estimates for arrivals and spending for visitors over the next five (5) years by MMA. The TRD also continues to produce a monthly, three (3)-month rolling airline seat capacity outlook.

HTA Research Publications

The HTA Tourism Research division provides statistical and analytical information and conducts special research on Hawai'i's visitor industry to enable and empower stakeholders to make informed decisions in support of our tourism economy. The following is a list of timely and relevant daily, monthly, quarterly, and annual research reports produced by HTA that are available on its website:

Visitor Highlights

Statistics on visitors to Hawai'i including data on arrivals, trip characteristics and spending is available via news releases, monthly tables and the president's message.

- **Daily Passenger Counts** – updated daily
- **Island Highlights** – distributed one (1) week after news release
- **Visitor Expenditures** [Top four (4) MMA] – distributed same day as news release
- **Arrivals by U.S. Regions** [By states and Metropolitan Statistical Area (MSA)] – distributed one (1) week after news release

- **Arrivals by MMA** (Countries) – distributed quarterly

Historical Visitor Statistics

Detailed tables on arrivals, trip characteristics, spending, and demographics on multi-year tables including data on final monthly visitor statistics, historical island data, historical visitor expenditures, historical visitors by U.S. regions, and historical visitors by MMA.

Visitor Profiles

Up-to-date data on wedding/honeymoon, cruise visitors and business travelers who visit from MMAs. Includes statistics on purpose of trip, accommodation type and lifestages.

Marketing Research

Information gathered on travelers' motivations, behaviors and decisions from the results of the Marketing Effectiveness Study and data from the Visitor Satisfaction and Activity Survey.

Infrastructure Research

Information on the industries that support visitor experiences including reports on air seats,

accommodations, cruise ships and parks. Reports include the Airline Seats Capacity Outlook, Natural Resource Research, Sustainable Tourism Project, and Visitor Plant Inventory Report.

Product Research

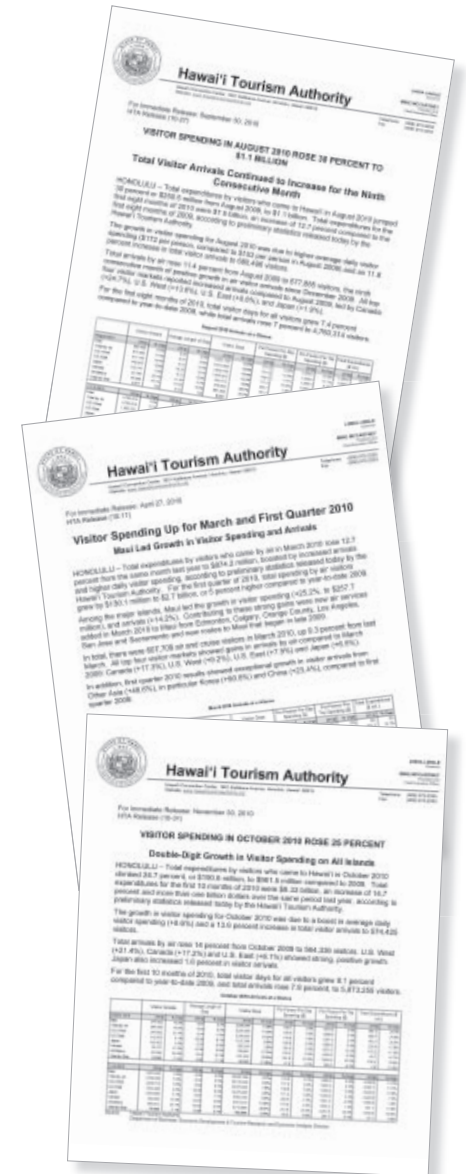
Data for planning and development of attractions, activities, events, and retail from Activities Participation from Visitor Satisfaction & Activities Study and Natural Resources Research.

Evaluation and Performance Measures

Monitors the progress and impact of Hawai'i's visitor industry with reports on the Tourism Forecast, Visitor Satisfaction Monitoring Report, Visitor Satisfaction & Activity Report, and Resident Sentiments on Tourism Survey.

Tourism Library

Presentations, reports, plans and other tourism research resources.



VI. Hawai'i's Visitor Industry

Transient Accommodations Tax (TAT) Collections

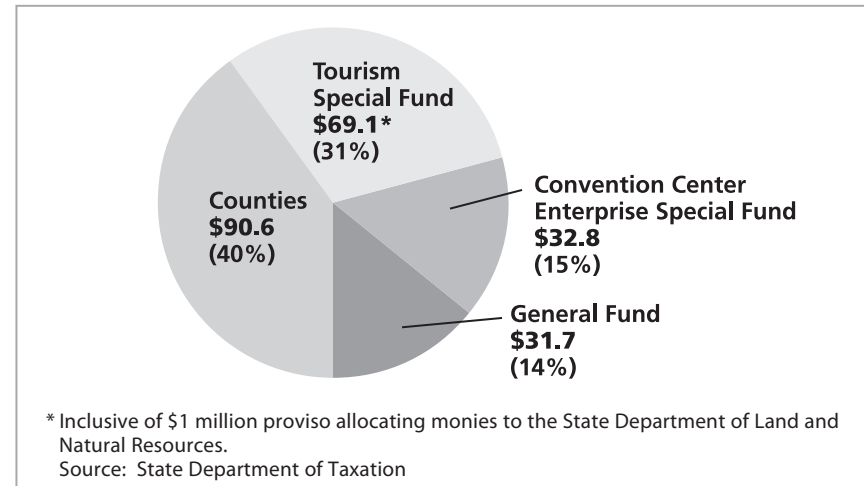
Another measurement of the industry's performance is the amount of TAT collections that the state receives each month. The more TAT collected, the more benefits that are accrued to the state as a whole, to the individual counties, and ultimately, to benefit Hawai'i's residents. Importantly, this revenue finds its way into the local community on each island, to support schools, police, infrastructure and parks, and contributes to an improved quality of life for Hawai'i residents. In FY 2010, the state collected a total of \$224.2 million in TAT, which was an increase from FY 2009 when the total collection was \$210.6 million.

For FY 2010, the TAT revenues collected for the state were distributed as follows:

- 15 percent was deposited into the Convention Center Enterprise Special Fund;
- 31 percent was deposited into the Tourism Special Fund (HTA's fund);
- 14 percent was deposited into the general fund; and
- 40 percent was distributed to the counties (14.5 percent to Kaua'i, 18.6 percent to Hawai'i, 22.8 percent to Maui, and 44.1 percent to Honolulu).

In 2009, the Legislature passed Act 61, SLH 2009 in response to a Council on Revenues projection of a \$2 billion revenue shortfall for the fiscal biennium (2009-2011). The act increased the TAT by 1% for the period of July 1, 2009 to June 30, 2010; and 2% for the period of July 1, 2010 to June 30, 2015. The revenues collected by the additional tax increase will be deposited into the general fund, except for 12.5% of the increase which will be deposited into the Tourism Special Fund for FY 2010-2011.

TAT Distribution FY 2010 (\$mill)



VII. HTA Fiscal Year (FY) 2010 Actuals

Hawai'i Tourism Authority Fiscal Year 2010 Actuals (\$000)

REVENUES

Tourism Special Fund	\$68,139
Investment Pool Interest/Miscellaneous Receipts	754

TOTAL REVENUES

\$68,893

APPROPRIATIONS

FY 2010	\$84,181
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TOTAL APPROPRIATIONS

\$84,181

HTA EXPENDITURES

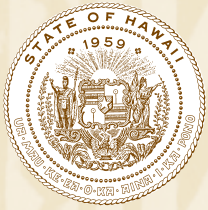
Administrative Costs	2,783
Sports & Festival Events	3,592
Community & Special Events	7,897
Product Development	3,400

MAJOR MARKETING

Leisure Marketing	43,550
Meetings, Conventions & Incentives Costs	8,700

TOTAL HTA EXPENDITURES

\$69,922



Hawai'i Tourism Authority

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