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BRANDING STANDING COMMITTEE MEETING
HAWAIʻI TOURISM AUTHORITY
Monday, April 21, 2025, at 1:30 p.m.

Virtual Meeting

MINUTES OF THE BRANDING STANDING COMMITTEE MEETING

MEMBERS PRESENT:	Roy Pfund (Chair), Lisa Vice Chair Paulson (Vice Chair), Kimberly Agas, David Arakawa
MEMBERS NOT PRESENT:	Mufi Hannemann, Chris West
NON-VOTING MEMBERS:	James McCully
HTA STAFF PRESENT:	Kalani Kaʻanāʻanā, Caroline Anderson, Isaac Choy, Jennifer Bastiaanse, Trishia Mendoza
GUESTS:	Eric Takahata, Lynn Whitehead, Tom Mullen
LEGAL COUNSEL:	John Cole

1. Call to Order and Opening Protocol

Ms. Anderson called the meeting to order at 1:34 p.m.

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

Ms. Anderson conducted the roll call, and members were confirmed in attendance by themselves, except for Mr. Hannemann and Mr. West, who were excused.

3. Approval of Minutes of the March 17, 2025, Branding Standing Committee Meeting

Mr. Arakawa proposed a motion to approve the minutes, and Vice Chair Paulson seconded it. There were no objections, and the motion was passed unanimously.

Chair Pfund moved Agenda Items #4 and #6 to the end of the present meeting, as they were to be discussed during the executive session.

5. Update on the Japan Affluent Market Study

Interim HTA CEO Ms. Caroline Anderson introduced the speaker, Mr. Eric Takahata, Managing Director of Hawaiʻi Tourism Japan (HTJ).

Mr. Takahata emphasized that the plan was still under consideration for the Japan Affluent Market Study to be funded by the proposed additional appropriation of $300,000. HTJ had established a framework and outline and was to request further details from the market research company.

Mr. Takahata explained that HTJ had discussed possible actions to mitigate the two primary challenges for the Japanese market: the dollar/yen exchange rate and U.S. inflation. He stated that Hawai'i's pricing was among the highest globally and was cost-prohibitive, thus hindering the return of the Japanese market to pre-pandemic levels.

Mr. Takahata indicated that industry partners had concluded that Hawaiʻi was not effectively reaching individuals possessing financial resources, often referred to as affluent or high-value travelers. Industry partners suggested that an ideal way for the destination to raise visitor expenditure would be to increase individual travelers' spending while reducing travelers' footprints.

The HTJ team had determined that it was necessary to conduct additional research into the development of targeted programs and initiatives for affluent travelers. During pre-pandemic times, 1.5 and 1.6 million Japanese visitors traveled to Hawaiʻi annually, but post-pandemic conditions restricted travel to affluent individuals.

Mr. Takahata remarked that Hawaiʻi needed access to a broader pool of affluent Japanese individuals, noting an improvement in the exchange rate and economic conditions as evinced by the value of the yen at 140 per U.S. dollar that morning, reflecting a decline of 15 yen compared to the previous month. This improvement in the exchange rate made travel from Japan to Hawaiʻi more attractive, and HTJ anticipated an increase in bookings from middle-class travelers seeking Hawaiʻi as a destination.

Mr. Takahata believed that developing the affluent market would minimize dependence on economic fluctuations. He noted that other destinations, such as Singapore, were investing considerable resources to attract affluent Japanese travelers, and data confirmed the success of these efforts.

Faced with budgetary constraints, the HTJ team proposed that focusing on the affluent market would most likely yield an optimal return on investment. This plan was spurred by input from industry partners who reported that Hawaiʻi had not effectively positioned itself as a destination for the affluent market. The HTJ team also proposed the additional goal of cultivating a database of affluent visitors who could be targeted for travel to Maui and neighboring islands while addressing price-related challenges, such as the $1,000 nightly rates on neighboring islands. The HTJ team believed that neighbor island visitation would increase if a larger number of affluent travelers were reached. The fact that these individuals had already visited destinations such as Singapore, the Maldives, and Dubai demonstrated that they could develop an interest in Hawaiʻi as a destination.

Mr. Takahata pointed out that targeted initiatives and messaging were required to attract the attention of the affluent traveler, but an advantage was that the timing of their travel was flexible since programs attracting them could target “soft seasons.” Mr. Takahata also added that even affluent travelers would be attracted by value-added programs.

Mr. Takahata explained that the allocated amount of $300,000 marked the initial phase of a multi-step process. Step 1 was to involve the collection and analysis of data along with clarification of the target profile, while Step 2, still under consideration, aimed to build a framework, develop value-added programs, create an implementation system, and execute promotions.

Step 1, involving pre-project research and analysis, had been tentatively scheduled for the late third quarter and the fourth quarter of 2025 and was to comprise two sub-steps:

Step 1–1: Data Collection and Analysis:
The wealthy class in Japan was to be identified by comprehensive data collection, research, and analysis. Profiles of wealthy Japanese travelers were to be refined, and initiatives, incentives, and investment opportunities would be conceptualized. The HTJ team had noted significant interest in Hawaiʻi among Japanese investors, suggesting that affluent traveler initiatives likely stimulate economic development at the State level. Hence, it was expected that this initiative would attract affluent Japanese travelers and promote investment in Hawaiʻi across sectors such as retail, renewable energy, and transport development.

Step 1–2: Strategy Development
The data collected in the initial phase inspired the development of strategies, including identifying potential local partner companies for collaborative efforts and creating an RFP for a company capable of implementing and executing this program.

Mr. Takahata presented a flow chart provided by the research company, outlining digital platforms for subsequent phases of the program. He explained that the intention was to access the affluent class by encouraging their enrollment into a “club” database, adding that such limited membership clubs were popular in Japan due to their exclusivity. These clubs were to offer incentives, investment opportunities, and concierge services that would attract affluent individuals to visit Hawaiʻi and identify viable business opportunities for investment in the State.

Mr. Takahata explained that the objective was to develop, maintain, and increase the database's size to attract more affluent travelers and encourage their investment in Hawaiʻi. He presented visualizations of the software's projected mobile and web versions and stated that the implementation was expected to be straightforward, with the research company providing collected data. The sales platform (SP) version was to be executed via affluent-targeted social media campaigns on mobile devices, alongside a web version for which Mr. Takahata provided screenshots of reference views and traditional web interfaces.

The HTJ team was working on several ideas to attract travelers, such as the development of events originating in Hawaiʻi. Partners willing to organize events for affluent travelers had been identified, such as an exclusive annual event at Aloha Stadium targeting affluent members and encouraging them to view Hawaiʻi as a leisure destination and an investment opportunity.

Mr. Takahata elaborated on other potential incentives for members, such as an airport fast lane for first-class passengers, although collaboration with the Federal Government and Customs and Border Protection (CBP) would be required. Preferential investment opportunities would encourage affluent individuals to perceive Hawaiʻi as a promising investment destination. Mr. Takahata concluded his presentation by suggesting that once the database was established, it could serve as a basis for further development of initiatives and events targeting affluent travelers.

Chair Pfund thanked Mr. Takahata for his presentation and invited questions from committee members.

Mr. Arakawa appreciated the detailed explanation but cautioned against revealing too much information during a public meeting, given Hawaiʻi's competition with destinations such as Singapore, the Maldives, and Dubai.

Mr. Arakawa asked when the yen/dollar differential had been an issue and opined that it had been two or three years. He questioned why strategies for attracting Japanese travelers had not yet been fully developed and wondered aloud whether the proposed expenditure of $300,000 would yield the best return on investment. He compared the proposed initiative with the Maui emergency plan, which aimed to attract as many Japanese travelers as possible by offering varied accommodation and pricing options. Mr. Arakawa asked whether allocating the funds to broad-based advertising would be more effective than a study on affluent travelers, which might take time to execute.

Mr. Takahata thanked Mr. Arakawa for his comments and explained that the HTJ team had debated these issues. They had concluded that, at the present time, the allocation of $300,000 to broad-based advertising or promotions would be unlikely to yield meaningful results. It was important for Maui messaging to target affluent travelers, but first, it was necessary to identify the specific clusters to which this message should be directed. The team had reasoned that given the current situation with Japanese visitor numbers less than half of pre-pandemic levels, a more focused and strategic approach would benefit Hawai'i most. The team believed this targeted method would be more advantageous at present and in the long term compared with spending $300,000 on untargeted advertisements for the general visitor base.

Mr. Arakawa asked whether destinations such as Singapore, the Maldives, and Dubai were employing similar targeted strategies. Mr. Takahata confirmed this was the case, noting that competition with these destinations was a challenge for Hawaiʻi because their governments were investing significantly in infrastructure development, including hundreds of millions of dollars in upgrading infrastructure, enhancing national treasures, improving national parks, and expanding airport access. Mr. Takahata cited the example of a Chinese airport where a special terminal for pet travel had been constructed. This demonstrated how other destinations created niche opportunities for affluent travelers.

Mr. Takahata admitted that it would be a challenge for Hawaiʻi, as a single state, to compete against entire countries regarding infrastructure investment. The HTJ team also acknowledged that affluent individuals often sought value for their expenditures. Hawaiʻi needed to emulate the efforts of competing destinations such as Singapore and Dubai, which successfully attracted affluent travelers through effective outreach and messaging.

Vice Chair Paulson thanked the Chair and greeted Mr. Takahata. She noted that Maui was a non-international airport and inquired whether the HTJ proposals would include "white-glove service." She asked if visitors choosing to travel to Maui would experience seamless and efficient baggage handling and transfers to neighbor island airlines.

Mr. Takahata thanked Vice Chair Paulson for raising this matter and explained that a major Japanese travel agency, Highest International Standards (HIS), had been working on the white-glove service. HIS had expressed interest in partnering with HTJ on this initiative, which would focus on Maui and is currently in the preliminary stage. HIS was the only Japanese travel wholesaler with an office in Maui, although the Japan Travel Bureau (JTB) had previously maintained a Maui office.

Mr. Takahata expressed optimism that advances in travel technology, such as mobile passport control, would allow Japan to participate in global entry and would facilitate the inter-island flights they were targeting. He added that these developments in travel technology were expected to enable international travelers to visit Maui without needing to pass through customs. Mr. Takahata also pointed out that initiatives such as Clear, TSA PreCheck, and Global Entry were evolving rapidly, reducing the urgency for pre-clearance.

He conveyed his optimism about improvements in conditions for Japanese travelers. He noted that several operators were interested in offering such white-glove seamless services for affluent travelers seeking the smoothest possible journeys.

Vice Chair Paulson thanked Mr. Takahata and Chair Pfund.

Mr. Choy asked how affluent Japanese travelers were defined, and Mr. Takahata responded that the millionaire class was to be targeted, though an in-depth study of this group had not yet been conducted.

Mr. Choy asked whether this referred to an annual income of one million dollars or some other measure. Mr. Takahata replied that the exact definition was still to be determined. He noted that affluence was previously defined based on household income, although it had never reached the one-million-dollar threshold. He added that the targeted travelers would have more wealth and could be classified as "high-affluent."

Mr. Choy asked how many individuals in Japan had annual incomes of one million dollars. Mr. Takahata responded that while this was a group of considerable size, detailed statistics on them were to be obtained from the research company.

Mr. Choy asked whether the assessment would focus on individuals or households. Mr. Takahata replied that this also required a definition but suggested that a household income of one million dollars, potentially from dual incomes, could be discussed further with the research company while indicating that separate levels of targeting would be reviewed with the company.

Mr. Choy asked whether there were statistics on affluent travelers among the 1.9 million Japanese tourists who had previously visited Hawaiʻi. Based on earlier definitions of affluence, Mr. Takahata responded that such data might exist. He suggested that relevant information might be available from research conducted by banks and credit card companies.

Mr. Choy proposed a hypothetical scenario involving 200,000 affluent travelers and asked about marketing costs per traveler, given subsequent marketing strategies once relevant data had been collected and target groups identified.

Mr. Takahata replied that he understood that Mr. Choy was asking about the possible return on investment, and in response to a further question from Mr. Choy, confirmed that the analysis assumed that affluent travelers would stay in high-value hotels.

In response to Mr. Choy's question about the timing of this initiative, Mr. Takahata stated that the marketing budget had been reduced from $9 million the previous year to $6 million for the current year. As a result, HTJ was now focused on covering as much of the market as possible on a broad basis. Mr. Takahata pointed out that the additional $300,000 allocation was an extra provision, and the team had been asked to determine how they would utilize such funds. He emphasized that previous budget constraints had not permitted research on affluent travelers, given that more nuance was required.

Mr. Choy asked whether the HTA Board would be informed if data revealed that the initiative would not yield sufficient returns to justify its expenditure or if a marketing campaign would not be worthwhile. Mr. Takahata assured him that the first step was to assess the potential of the initiative by acquiring and analyzing a database of affluent travelers and developing targeted initiatives. These findings would then be reviewed and discussed with the Branding Standing Committee and the Board. He confirmed that the initiative could be reconsidered if the analysis suggested that the returns were insufficient to justify the expenditure.

Mr. Choy observed that affluent travelers were likely to prefer different activities compared to average travelers and asked whether suitable activities had been identified. Mr. Takahata clarified that this was the purpose of "developing initiatives around this" and stated that Hawai'i activities appealed to affluent travelers. However, he emphasized that partners providing these services needed to do so at an optimal demand point. He added that one-off activities were insufficient to draw Japanese visitors to Hawaiʻi based solely on a single experience.

Mr. Takahata confirmed Mr. Choy's assumption that most of the affluent Japanese travelers were repeat visitors, stating that they had been informed by a number of their partners, including airline companies and credit card companies, that many high-affluent travelers had not revisited Hawaiʻi for approximately ten years. Mr. Takahata attributed this to these travelers' perception that there was no novelty in returning to the destination. He added that this emphasized the need for Hawaiʻi to reinvent itself for this market. He pointed out that the destination had undergone significant changes over the past decade and offered many additional experiences.

Mr. Choy asked for an estimate of the number of people involved, and Mr. Takahata responded that the figure was believed to be in the tens of thousands.

Chair Pfund intervened to limit the questioning and inquired whether the HTA would retain ownership of the database for future marketing initiatives once developed. Mr. Takahata confirmed that the HTA and the State would own the database.

Chair Pfund asked if there were any additional questions and thanked Mr. Takahata for his presentation.

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

Ms. Anderson introduced Ms. Lynn Whitehead, the Vice President of Global Sales Meetings, Conventions, and Initiatives (MCI) for the HVCB.

Ms. Whitehead noted that it had been some time since she had made a presentation to this committee and expressed her gratitude for their time. She greeted the committee and extended "a strong farewell" to the first quarter of 2025 while encouraging the HTA to approach the second quarter as an opportunity to reset, realign strategies, and face the moment. She added that the single-property team was set to become the primary driver of high-impact meetings for Hawaiʻi during the much-needed repair and renovation of the Hawaiʻi Convention Center (HCC) between 2026 and 2027.

Ms. Whitehead explained that the citywide team aimed to position Hawaiʻi for long-term success by shifting its focus to 2028 and beyond. She and Ms. Teri Orton, the General Manager of HCC, had frequently emphasized the importance of diversification for the success of the MCI business. They believed it was essential to contract a balanced mix of local and offshore groups across a range of market segments to bring business to all Hawaiian Islands, their partners, and stakeholders in high-end and mid-level sectors.

Ms. Whitehead expressed her belief that the closure of the HCC during 2026 and 2027 would present a unique opportunity to showcase the collaboration of the various sales teams for the benefit of the State. She added that the citywide, single-property, and client services teams had adopted an innovative approach to the MCI business by responding quickly, creating short-term compression, and fostering a sustainable future for the Hawaiʻi meetings industry. Ms. Whitehead acknowledged challenges, such as the need to rebuild trust among the groups with definite and tentative bookings for 2028 and instill confidence in their decision to move forward with Hawaiʻi. This was critical for staying on track for the January 2026 commencement of construction, which would set the stage for teams to sell future years with certainty.

Ms. Whitehead stressed that launching a robust marketing and communications initiative would be essential once construction began. This initiative included creating a newsletter for monthly project updates posted to their website, holding quarterly town hall meetings open to all tentative and contracted clients, and providing updates from project management and leaders in the local hospitality industry. Ms. Whitehead believed that grassroots efforts in key markets would also be necessary to keep Hawaiʻi top of mind and to share progress visibly and consistently.

Ms. Whitehead acknowledged that the single-property team faced challenges, particularly competing against destinations offering significant financial incentives to win business. She had been informed that several convention centers had experienced difficulties and were to close, with businesses being attracted to the destinations by their single-property teams during the closure of the convention centers.

Ms. Whitehead informed committee members that her presentation slides were to be very detailed, intending to serve as a resource for the remainder of the year, not just for the current day's discussion. She stated that her narrative would focus on key highlights while the complete set of slides would remain available for reference.

Ms. Whitehead reviewed the role of Meet Hawaiʻi, describing it as a collaboration between the HCC and Hawaiʻi Visitors and Convention Bureau (HVCB) that positioned the Hawaiian Islands as a premier destination for MCI business. She reminded committee members that HVCB generally managed activities outside the HCC building, while HCC oversaw activities within the building.

Ms. Whitehead explained that the HVCB's MCI global sales team was responsible for booking groups at HCC more than 13 months before arrival. The single-property team oversaw hotel meetings on all islands, while the services team assisted planners with transportation and pre- and post-event arrangements for outside events at destinations across all islands. The HCC events management team facilitated all services within the building, including food and beverage, audiovisual needs, telecommunications, and other arrangements. The HCC team also managed bookings for local groups within 13 months of arrival.

Ms. Whitehead outlined the responsibilities of the three specialized teams:

- The citywide team focused on the HCC.
- The single-property team concentrated on hotel-only groups.
- The client services team ensured the groups had a positive experience.

Ms. Whitehead also defined several technical terms used in reports:

- **Booking or Event Cycle** was the timeline from initial client engagement to event execution, encompassing the period between receiving the initial RFP and securing the business. This timeline varied based on meeting size, with corporate groups typically booking closer to the event date than associations.
- **Future Pace** was defined as a measure of room nights and a number of events booked for future years. This metric indicated whether sales were ahead of or behind those years.

- **Targets and benchmarks** were not identified as goals. Instead, these figures were calculated based on historical averages of previous years, specifically the pre-pandemic years of 2017, 2018, and 2019. These benchmarks served as guideposts to help the sales team determine whether their booking pace was on track. Ms. Whitehead reminded committee members that, in future presentations, she intended to include criteria related to attendance, economic impact, and additional metrics, such as food and beverage and rental performance. Benchmarks were designed to ensure the team booked the right business for the HCC while aligning with food and beverage and rental goals.
- **Production goals** represented the number of committed events and room nights the team aimed to achieve in future years, including tentative and definite bookings. Production goals were consistently set higher than benchmarks to motivate the team toward higher-impact results. The economic impact on the State of the MCI business was a key measurement provided by the Department of Business, Economic Development, and Tourism (DBEDT) each August, reflecting data from the preceding year. Ms. Whitehead commented that in 2024, the economic impact on the State of visitor spending was more than $1 billion.

Ms. Whitehead highlighted the team's 2024 production achievements. The citywide team had achieved 114% of its tentative goal, and the new team had demonstrated strong momentum despite definite bookings declining by 10%. Ms. Whitehead attributed this to staffing levels that had been fully restored only midway through the year. She added that, by the end of the year, single-property sales had been on pace for 2025 and 2026, while the citywide team had successfully brought 2028 back on track.

Ms. Whitehead explained that there has been a change in national booking trends in recent years. Single-property groups (hotel-only bookings) now scheduled meetings between 6 to 18 months before arrival, with many booking meetings in the same year they took place. On the other hand, citywide groups (HCC-related businesses) typically scheduled meetings from two to five years in advance. Ms. Whitehead added that although the booking window had tightened in the post-pandemic environment, the team had successfully secured several in-the-year-for-the-year (ITYFTY) bookings, with notable contributions from the Asia Global Sales Team. For example, Daito had recently finalized their license agreement for an event planned for August 2025.

Ms. Whitehead commented that she often consulted reports from 2synergize (2s), a specialized agency within the destination marketing organization (DMO) space to which the HVCB belonged. These reports offered statistics and comparative analyses of booking cycles across destinations, categorizing cities according to the size of their convention centers.

With an exhibit space of 204,000 gross square feet (GSF), the HCC was placed in Category C, comprising 48 destinations with exhibit spaces ranging from 100,000 to 499,000 GSF.

Ms. Whitehead noted that HCC trends aligned with national patterns, and bookings at the HCC were consistent with those at other midsize centers across the U.S. Most bookings for 2027 had been made in 2023 and early 2024, with 11 tentative bookings in progress. However, geopolitical concerns had caused a slowdown, shortening the booking window for Hawaiʻi and affecting the 2027 pace, hence driving plans to shift momentum toward future years.

Ms. Whitehead acknowledged that citywide business was expected to be impacted by the extended closure of the HCC. Prior to this extension, the team had been ahead of pace, with 12 definite bookings expected to generate $339 million in economic impact and 11 tentative events projected at $343 million. The team made strenuous efforts to retain these groups by rescheduling their events for future years or by identifying alternative venues within Hawaiʻi. Although outcomes were not expected until the end of the second quarter of 2025, the team hoped to retain five groups in Hawaiʻi in 2027 by redesigning their programs to distribute activities across multiple hotels. She thanked Mr. Choy and Ms. Orton for quickly confirming parameters regarding the 2027 groups, ensuring a rapid response to inquiries following news of the extended closure.

Ms. Whitehead pointed out that transparency was the priority for groups needing relocation, followed by assistance to find alternative venues for their 2027 programs. Another key objective was to mirror the terms of their 2027 contracts and preserve the integrity of the work done on behalf of the destination, transferring the contracts to viable future years. Ms. Whitehead acknowledged Ms. Orton's initiative in addressing these issues.

Ms. Whitehead explained that the activities of the single-property team had been leveraged to address shorter-term gaps in 2026 and 2027. The team had targeted corporate groups capable of rapid decision-making while also striving to secure larger associations that could utilize the capacity of major hotel properties.

Ms. Whitehead highlighted that the MCI teams had not only created business valued at nearly $1 billion in future economic impact but also provided a robust foundation for strengthening strategies over the following two years. She emphasized the importance of maintaining the marketing flexibility fund (MFF), noting that 95% of competitors offered financial incentives to finalize deals. She reiterated that the MFF had been significantly reduced since the pandemic and was nearing its limit for most future years. In the future, this fund is likely to be critical in keeping Hawaiʻi competitive during the final stages of negotiations.

With respect to the current booking pace and strategies for resetting moving forward, Ms. Whitehead presented a bar chart detailing the eight-year future pace for citywide room nights and including "on the books" (OTB) bookings, tentative bookings, current pace targets, and the final five-year average. She explained that "pace" referred to the tracking of room nights and numbers of events booked in future years and served as an indicator of whether the team was ahead of or behind future goals and targets. The graph illustrated that, at 113%, they were slightly ahead of pace for 2028, but Ms. Whitehead emphasized the importance of staying focused to maintain this pace, as bookings needed to be confirmed within the next month. She identified 2029 and 2031 as significant "Need Years" for the team. For 2027, at 207%, the outlook would resemble 2026 as groups shifted into future years. She noted that 2028 remained their short-term goal.

Ms. Whitehead also presented a chart showing the booking pace for 2028 and stated that there were seven contracted groups on the books compared to a pace target of six, exceeding the target by one group. She commented that for 2029, however, there were only three groups on the books, two fewer than the target.

Ms. Whitehead presented a bar graph illustrating the single-property team's booking pace, noting that the chart focused on a three-year outlook since the single-property business had a shorter booking cycle. She commented that the single-property team was on track for 2025 and had recently launched an incentive campaign to boost production for 2026, with a campaign for 2027 under discussion. She presented a tabulation of single-property definite bookings by island, with 32,000 contracted room nights representing an economic impact of $48 million. Ms. Whitehead commented that Maui led in production and stated that, while acknowledging Maui’s significant growth due to extensive efforts, the team was determined that all islands should succeed. Ms. Whitehead added that Maui production showed a significant increase compared with the previous year’s total of only 1,327 contracted room nights.

A tabulation of the tentative production of Meet Hawaiʻi projected a potential economic impact of nearly $1 billion, and Ms. Whitehead emphasized the importance of maintaining a strong pipeline moving forward. Subsequent slides demonstrated definite production of Meet Hawaiʻi, comprising 26,000 total room nights and $54.7 million in economic impact. Ms. Whitehead acknowledged that the citywide team had faced challenges during the first quarter of 2025 but had since reset their strategies to focus on creating more opportunities and closing tentative bookings.

Ms. Whitehead elaborated on the citywide team’s strategies and added that 2028 was likely to be a strong year for the team. She added that single-property bookings were stable for 2025 and 2026 thanks to incentive programs launched earlier in the year. A campaign for

2027 was under development, with the aim of targeting larger meetings capable of creating compression and offsetting the HCC gap. Ms. Whitehead explained that the citywide and single-property teams endeavored to align their strategies, share leads, support conversion efforts, and initiate grassroots efforts in their markets.

Ms. Whitehead reviewed the major initiatives for 2025 that had been shared during the HTA's tourism update the previous month. She provided a list of key programs and strategies. She emphasized the Meet Hawaiʻi team's strength, enthusiasm, and commitment to welcoming groups back to the refreshed and repaired HCC in 2028. She thanked committee members for the opportunity to share updates on Meet Hawaiʻi and looked forward to a close collaboration between the HCC and the HTA in the future. She invited questions from committee members.

Mr. Choy commented on the disparity between single-property and citywide numbers, questioning why the hotels did not cover the costs of MCI. He suggested that hotels rather than the HTA benefited directly from single-property groups and asked why they did not assume these expenses.

Ms. Whitehead emphasized the importance of diversification to maintain a balanced mix of several types of groups. She explained that the single-property business complemented citywide business well and emphasized the need to boost single-property production strategically during the HCC's closure in 2026 and 2027, particularly by filling larger hotels and pursuing short-term opportunities for corporate groups given the shorter single-property booking cycle.

Mr. Choy remarked that citywide operations appeared to incur losses, whereas single property must generate gains; otherwise, the hotels would not pursue them. He sought clarification from Ms. Whitehead, who acknowledged his point and noted that the building's benchmarks for food, beverage, and rentals were being created. She explained that the HVCB provided financial incentives to drive bookings for single-property groups, although these incentives were offered only as a last resort to secure business.

In reply to a question from Mr. Choy about whether hotel businesses maintained dedicated single-property marketing teams, Ms. Agas confirmed that hotels employed sales teams focused on specific market segments, one of which was MCI. She highlighted the necessity of maintaining a balanced mix to build business for future years and reiterated that economic benefits extended beyond the State to encompass other activities such as food and beverage provision and transportation companies.

In response to a question from Mr. Choy concerning the renegotiation of leases, Ms. Agas indicated that there were broad benefits for all stakeholders.

Chair Pfund reminded committee members that activities associated with the HCC meetings contributed to tax revenues and numerous other economic activities. He noted that conference attendees often booked accommodation in local hotels, reinforcing the interconnected nature of economic activities.

In response to an invitation to comment from Chair Pfund, the CEO of the HVCB, Mr. Tom Mullen, stated that it was important to understand that all enterprises, including the HCC, had performed well during 2017, 2018, and 2019. However, everything had shut down when COVID-19 struck, and the timeline for the return of the meetings business remained uncertain. Mr. Mullen commented that, as a result, the primary goal had become filling HCC and rebuilding market demand. He explained that the HCC’s objectives were now different, focusing on reducing free rentals and increasing food and beverage revenue. He believed that a more classical approach could be adopted in the future by prioritizing the most profitable groups for the HCC.

Regarding single-property bookings, Mr. Mullen noted that meeting planners frequently approached the HVCB for hotel options to present to clients rather than contacting hotels directly. The HVCB provided the necessary information to help planners match groups to suitable hotels, attracting the types of visitors required, whether free independent travelers (FIT), corporate gatherings, or Japanese travelers. Each group had distinct per-person per-day (pppd) requirements, which needed to be maximized. Mr. Mullen reminded committee members that the HCC had shut down in 2020 with no certainty as to when it would reopen and had begun to fill and rebook over time. He emphasized that they were now positioned to take a tactical approach to bookings, which aligned with Ms. Whitehead's focus on intermediate strategies to mitigate the impact of the HCC's closure in 2026 and 2027.

Mr. Choy asked Mr. Mullen whether he agreed that, from the HTA's perspective, the HCC should no longer function as a loss leader and should benefit from the profits seen by other properties.

Mr. Mullen responded that he would be pleased if the HCC could reach the point of either breaking even or becoming profitable, but, while noting that this possibility was supported by everyone, he cautioned against drastic changes, advocating instead for a gradual approach to achieve this goal.

Mr. Choy remarked that the HCC had been in operation for 25 years and had only made a profit once. He added that even during 2017 and 2018, the HCC had operated at a loss, and he expressed satisfaction with Mr. Mullen’s agreement that the formula should be revised.

Ms. Whitehead commented that not all opportunities were equally profitable, but some that appeared not to meet all criteria should be balanced with more profitable opportunities to ensure alignment with Ms. Orton’s strategy and the benchmarks established by the HTA.

Vice Chair Paulson recommended that the team return with a clearer visual representation of their strategies, particularly about plans for the full reopening, possible modifications, and future directions.

Mr. Choy reminded the committee of the importance of focusing on the bottom line.

Chair Pfund thanked Ms. Whitehead and proposed moving to the next agenda item, stating that the subsequent two items would be addressed in the executive session. He asked AG Cole to define the reason for entering the executive session.

AG Cole clarified that a motion and a second were required to proceed into the executive session. He explained that the session was justified under HRS §201B-4(a)(ii) to allow the committee to receive information that needed to remain confidential to protect Hawaiʻi’s competitive advantage as a visitor destination.

Vice Chair Paulson proposed a motion to enter the executive session to discuss Agenda Items 4 and 6. Ms. Agas seconded the motion.

Chair Pfund invited further discussion or objections and, hearing none, declared that the motion had passed unanimously.

4. Presentation and/or Discussion on the 2026 HTA Marketing Plan ***

6. Update on the U.S. Maui Emergency Marketing Campaign ***

8. Adjournment

The committee resumed the regular session at 3:10 p.m. Chair Pfund reported that the committee had discussed Agenda Items 4 and 6, and no decisions had been made.

The meeting adjourned at 3:12 p.m.

Respectfully submitted,

Sheillane Reyes

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Sheillane Reyes
Recorder