

2011 ANNUAL REPORT to the Hawai'i State Legislature

HAWAII TOURISM
AUTHORITY





Kupu in the Hawaiian language means “to sprout, grow, or increase.” The kupukupu fern, one of the first plants to bring life back to the land after a lava flow and featured on the front cover is a symbol of the recovery of Hawai‘i’s tourism economy in 2011. Kupu represents the return of life back to the people and the land, much like the results of the collective efforts of the Hawai‘i Tourism Authority, our marketing and visitor industry partners, state and county officials and the people of Hawai‘i in support of our visitor industry. The actions and programs described in this report, together with our commitment to preserving what makes Hawai‘i so special – our people, our place and culture, aim to help Hawai‘i’s tourism economy to thrive and prosper.

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Letter from the Hawai'i Tourism Authority

Aloha,

On behalf of the Hawai'i Tourism Authority (HTA), the state agency for tourism, we would like to present the HTA's Annual Report for calendar year 2011. This report covers the agency's activities, accomplishments and challenges from January through November 2011.



Ronald Williams

This year was one of recovery for Hawai'i's visitor industry. In March, Japan, a major market to our tourism economy, was struck by a devastating earthquake and tsunami. With the effects of the tsunami even felt on our shores, the HTA successfully implemented a recovery plan to generate business from other markets to make up for the losses of the Japan market, as well as communications programs to make people aware that as a destination Hawai'i was safe and always ready to welcome visitors.

While declines in the Japan market were expected, Hawai'i's tourism economy continued to recover, with gains in visitor spending and arrivals from areas such as Korea, China, Australia and Canada. The HTA also revised targets in May to reach \$12.6 billion in visitor spending and 7.47 million arrivals, up 15.2 percent and 5.4 percent respectively, over 2010.

We also realigned the HTA into two areas that define the Hawai'i brand – marketing and experience. This realignment has allowed us to achieve certain efficiencies while striking a balance between marketing the Hawaiian Islands and supporting programs and products that are unique to the Hawai'i experience.

This year, we were honored to welcome 21 leaders of the world's economies, including President Barack Obama, for the 2011 Asia Pacific Economic Cooperation Leaders' Week in November, providing Hawai'i with a once-in-a-lifetime opportunity to showcase our people, place and culture, as well as our outstanding facilities as a global meetings destination. The HTA remains committed to building on the worldwide attention and interest in our state that the conference generated.

While global economic uncertainty remains, the HTA is optimistic for Hawai'i's visitor industry in 2012. We understand this is a critical time for our state and the HTA is committed to doing its part to help lead Hawai'i to economic recovery.

Me ka ha'aha'a,

Ronald Williams
HTA Chair

Mike McCartney
President & Chief Executive Officer

Economic Contributions of Hawai'i's Travel & Tourism Industry in 2010

- Produced \$11.2 billion or 17.3 percent of gross state product;
- Accounted for approximately 145,235 jobs or 17.4 percent of total employment for the state; and
- Contributed \$1.05 billion tax dollars to the state government or 19.8 percent of total state tax revenue.

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

Industry Performance & Projections by MMA*

	Visitor Expenditures		Visitor Arrivals	
	2011 Projections (\$billion)	2010 Actual (\$billion)	2011 Projections (million)	2010 Actual (million)
U.S. West	4.30	3.96	3.05	2.96
U.S. East	3.23	2.91	1.68	1.63
Japan	2.09	1.90	1.27	1.24
Canada	0.89	0.75	0.45	0.41
Other Asia	0.53	0.28	0.25	0.17
China	0.20	0.13	0.09	0.06
Korea	0.26	0.15	0.13	0.08
Other**	0.07	0.00	0.03	0.02
Oceania	0.44	0.33	0.22	0.16
Europe	0.27	0.23	0.11	0.11
Other***	0.85	0.55	0.33	0.30
Arrivals by Cruise	0.03	0.02	0.12	0.10
Total ⁺	12.60	11.01	7.47	7.08

* Major Market Area

** Taiwan, Hong Kong and Singapore

*** All other countries not listed

⁺ Does not include Supplemental Business Spending (projection) of 0.18

2011 Projections based on 2011 revised targets approved May 19, 2011
Source: HTA

Highlights of 2011

2011 was a year of recovery for Hawai'i's tourism economy. When disaster struck Japan in March, concern shifted to the country's recovery and the impact on tourism to the Hawaiian Islands. Hawai'i fared through with gains in its diversified major market areas, increases in visitor spending and new and additional airlift that helped to distribute the benefits of tourism across the state.

January

- Hawai'i's tourism economy continued to rebound with seven (7) consecutive months of double-digit growth in overall visitor spending.
- The first-ever direct charter flight from China arrived in Honolulu.

February

- The HTA launched the state's first Hawaiian language greeting at the Honolulu International Airport.
- Visitor spending for the month exceeded \$1 billion, surpassing the peak year of 2007.

March

- The HTA implemented an Economic Recovery Plan to compensate for losses anticipated from the earthquake and tsunami that affected Japan.
- The *Aloha for Japan* campaign was established to raise funds to assist the people of Japan.



Aloha for Japan

April

- Visitor arrivals and spending saw positive gains for the first four (4) months of 2011.
- More than 80,000 room nights were generated by the American Academy of Neurology's 63rd Annual Conference held at the Hawai'i Convention Center.

May

- The Hawai'i Convention Center hosted the American Psychiatric Association's 164th Annual Meeting with more than 10,000 attendees, contributing an estimated \$47 million in state tax revenue.
- The HTA revised targets for 2011 to reach \$12.6 billion in visitor spending and 7.5 million in visitor arrivals.

June

- Hawai'i Tourism Korea brought top reality show "The Challenger" to Hawai'i Island and shot 16 episodes.

- Visitor spending reached \$6 billion for the first half of 2011, up 18.4 percent compared to 2010.

July

- The HTA announced its partnership with ESPN for the inaugural Hawaiian Islands Invitational soccer event, bringing teams from Japan, Korea, Australia and Colorado.
- Hawaiian Airlines launched direct service between Honolulu and Osaka.

August

- China Eastern Airlines began the first-ever regularly scheduled direct service between Shanghai, China and Honolulu.
- The HTA launched its Festivals and Events iPhone application.



iPhone application

September

- Hawai'i hosted the 2011 5th Annual China-U.S. Tourism Leadership Summit.
- The HTA sponsored the first annual Hawai'i Food & Wine Festival, featuring world-renown chefs.



Hawai'i Food & Wine Festival

October

- Sun Plus began service for 21 charter flights from regional cities in Japan to Hawai'i.
- Governor Neil Abercrombie and the HTA visited Tokyo, Okinawa and China to meet with travel industry leaders in the region.

November

- Delegates representing 21 world economies attended the 2011 Asia Pacific Economic Cooperation (APEC) Leaders' Week, held in Honolulu.
- Alaska Airlines established direct service from Honolulu to San Diego.

December

- Air Australia begins direct service from both Brisbane and Melbourne, Australia to Honolulu.
- Asiana Airlines re-enters the Hawai'i market full-time with direct service connecting Honolulu and Incheon, South Korea.

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: 2005-2015 (State TSP); and
- Coordinating tourism-related research, planning, promotional and out-reach activities with the public and private sectors.

Guiding Principle

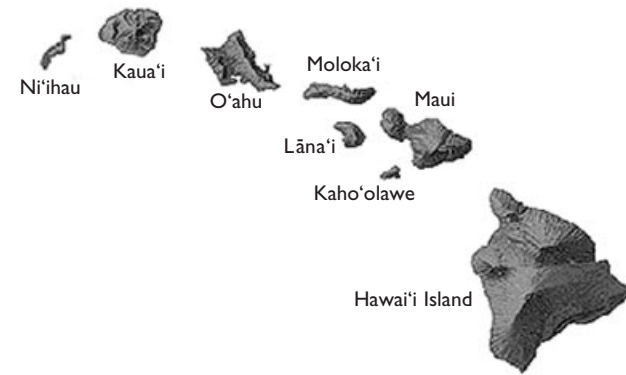
Inspired by our natural environment, world-renown hospitality and aloha spirit, the HTA will honor and perpetuate our Native Hawaiian and multi-cultural traditions and culture, and continue to support Hawai‘i’s island communities. We will invest in Hawai‘i’s people, place and culture to ensure our Hawaiian Islands remain a uniquely special place to live and visit.

Organization

The HTA is headed by a policy-making board of directors that consists of 12 public, voting members representing each of Hawai‘i’s four (4) counties. The board members have expertise in the areas 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.

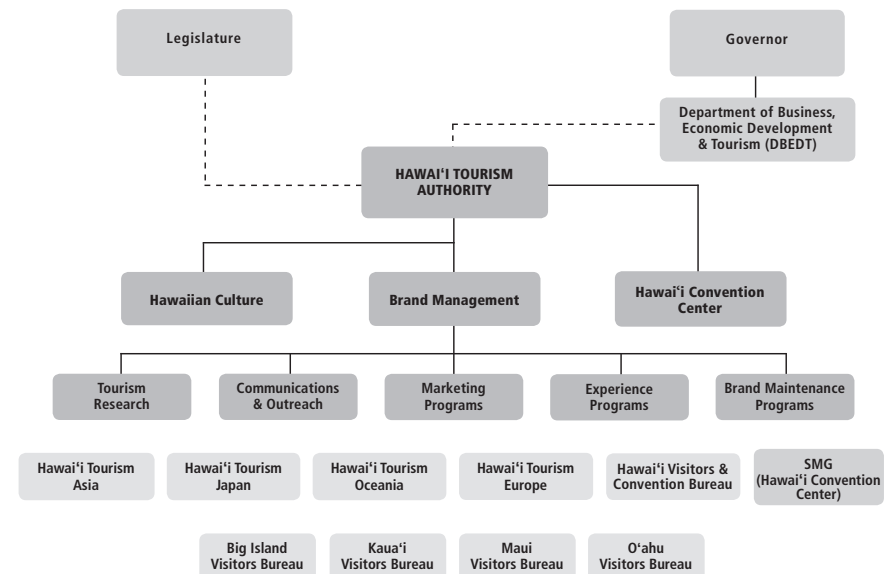
The primary purpose of the board is to set broad policies and directions for the HTA’s activities that are:

- Consistent with the State TSP; and
- In alignment with the HTA Strategic Plan: 2012-2013 (HTA Plan).



Operations

The HTA is administratively attached to the State Department of Business, Economic Development & Tourism (DBEDT). 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.



Board of Directors

(Nov. 15, 2011)

<i>Members</i>	<i>Representation</i>	<i>Members</i>	<i>Representation</i>
Ronald Williams, Chair President & CEO Atlantis Adventures, LLC	At-large	Michael K. Kobayashi President, Polynesian Hospitality Kobayashi Travel Service, Ltd.	At-large
Douglas Kahikina Chang, Vice Chair General Manager Ritz Carlton Club & Residences Kapalua Bay	At-large	Craig G. Nakamura Partner Carlsmith Ball LLP	County of Maui
Kelvin M. Bloom President Aston Hotels and Resorts, LLC	At-large	Aaron J. Salā Owner/CEO AJS Productions, LLC	At-large
Vernon F.L. Char Attorney at Law Char Sakamoto Ishii Lum & Ching (term ended 10/9/11)	At-large	Charlene “Cha” Thompson Owner/Executive Vice President Tihati Productions	City & County of Honolulu
Patricia Ewing President Ewing, Ltd.	County of Kauaʻi	Sharon R. Weiner Vice President Global Communications & Government Relations DFS Group L.P.	At-large
Patrick K. Fitzgerald CEO Hualālai Investors, LLC Kona Village Investors, LLC	County of Hawaiʻi	Leon D. Yoshida President & CEO Sawayaka Hawaiʻi, Inc., dba Tellmeclub Hawaiʻi	At-large

Staff

Mike McCartney	President and Chief Executive Officer
Momi Akimseu	Communications and Tourism Brand Manager
Caroline Anderson	Tourism Brand Manager
Muriel A. Anderson	Senior Advisor and Liaison for APEC
Jon J. Baron	Administrative Assistant
Lynn D. Bautista	Contracts and Administrative Manager
Maile A. 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
Grace Lee	Tourism Brand Manager
Lawrence Liu	Tourism Research Statistician
Stella V. Montero	Budget/Fiscal Officer
Daniel K. Nāhoʻopiʻi	Tourism Research Director
Janna Nakagawa	Administrative Assistant
Melissa Ortega	Secretary
Winfred Pong	Vice President, Administrative and Fiscal Affairs
Roann Rakta	Executive Assistant and Human Resources Officer
Angela Rodriguez	Tourism Brand Manager
Michele Shiowaki	Administrative Assistant
Michael Story	Tourism Brand and Sports Manager
Vengie S. Talaro	Administrative Assistant
Marc Togashi	Fiscal Manager
David Uchiyama	Vice President, Brand Management
Keliʻihoalani N.K. Wilson	Director of Hawaiian Cultural Affairs

II. Hawai‘i Tourism Strategic Plan: 2005-2015 and Hawai‘i Tourism Authority Strategic Plan: 2012-2013

Hawai‘i Tourism Strategic Plan: 2005-2015

In 2004, the HTA, with assistance and input from the industry and the community, developed the 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: 2012-2013

In 2011, the HTA revised the Hawai‘i Tourism Authority Strategic Plan: 2010-2012 to the Hawai‘i Tourism Authority Strategic Plan: 2012-2013 (HTA Plan). The goal of the HTA Plan is to optimize benefits for Hawai‘i that integrate the interests of visitors, the community and visitor industry. To achieve these goals, the HTA will work to support marketing programs that stimulate short-term visitor arrivals and expenditures, utilize the integrated brand management approach, ensure availability of air seats, and focus on the international meeting, incentives, conventions and exhibitions (MICE) market.

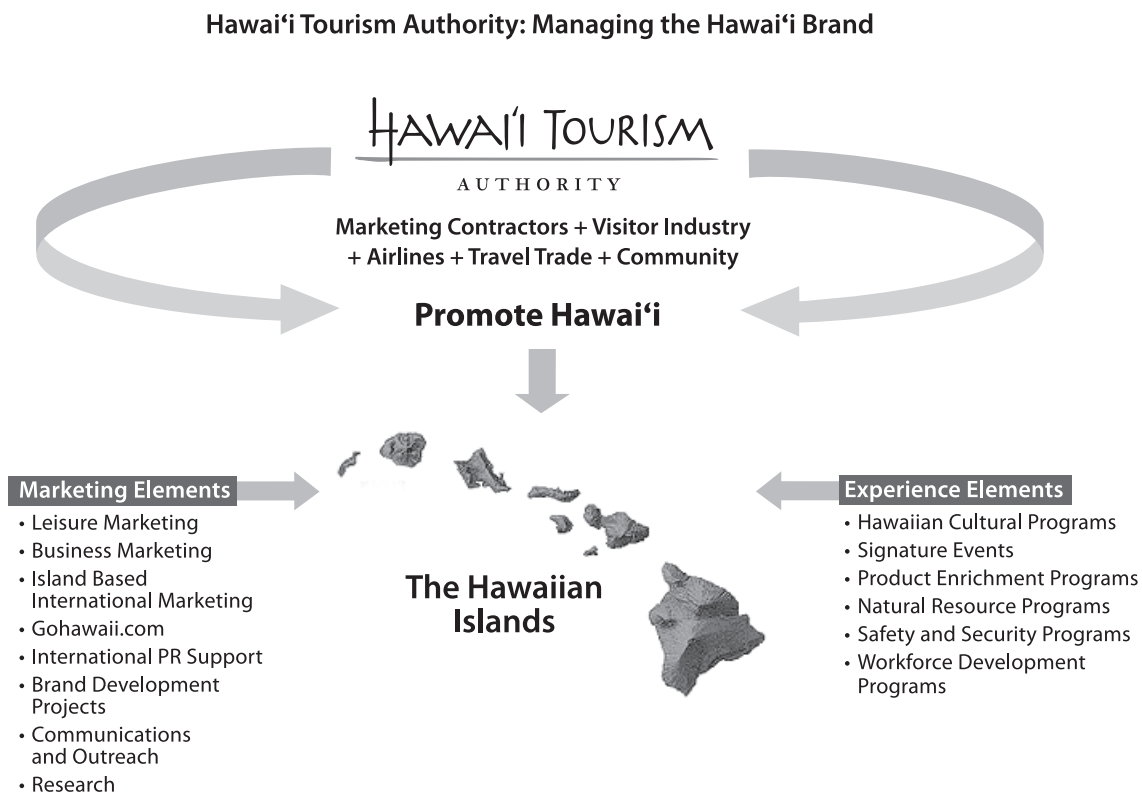
The HTA Plan provides objectives and short- and long-term goals for 2012: 7.7 million visitors, \$186 per person per day expenditures and \$13.3 billion in economic impact from direct visitor spending. Through the HTA Plan, the HTA also seeks to operate more efficiently, effectively and productively as the state’s tourism agency, and maximize the return on investment of state tax collections.

III. Destination Brand Management

As the state's tourism agency, one of the HTA's key strategic roles is brand management, more specifically, managing the promotion of Hawai'i's brand and supporting programs to help deliver on the brand promise. This work requires the HTA, as the overall custodian of the Hawai'i brand, to ensure the alignment of advertising and marketing programs with a true Hawai'i experience.

Successful brand management is achieved by the HTA coordinating with global marketing partners, visitor industry partners (including domestic and international airline carriers), travel trade members and community stakeholders to ensure marketing and communication efforts are on target, appropriate and aligned with Hawai'i's distinctive products, activities, natural resources, Hawaiian culture and multi-cultures—in sum, the Hawai'i experience.

Relating to the Hawai'i experience and delivering on the Hawai'i brand promise, the HTA has the ability to manage, create and support the development of unique tourism experiences such as community and cultural festivals, sporting events, natural resources and other community programs. The HTA also directly affects the visitor experience through its support of workforce development, safety and security, and visitor assistance initiatives, all the while integrating community and resident considerations and respect for the Hawaiian host culture.



1. Access

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

As an island state, Hawai'i is dependent on the airline industry to provide adequate airlift to and from the Hawaiian Islands that supports the foundation of the visitor industry, but more importantly, allows for the overall growth in commerce as well as increased opportunities for diversified economic development. Maintaining airlift continues to be a primary focus for the HTA through its air access programs.

The HTA and the Hawai'i Visitors and Convention Bureau (HVCB) continued to work with airline consultant Sabre Airlines Solutions to better analyze and develop air service initiatives to help stabilize and increase air service to benefit all islands in the state.

HTA's Airlift Development Program

The HTA's Airlift Development Program is a cooperative program with airlines and wholesalers aimed at stimulating travel to Hawai'i with an emphasis on short-term impact while supporting profitable airlift to the islands. The HTA provided funding for 79 cooperative programs in conjunction with these partners, who 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 more active visitors to Hawai'i, expand exposure

for the overall destination, and help sustain routes that are at risk of cancellation. Through these programs, more than \$6.6 million has been invested in the marketplace.

Increasing Airlift

The HTA works closely with partners in the airline industry to support established routes and encourage new ones. This year, established airlines expanded service and a number of new airlines entered the Hawai'i market, contributing to an increase in air seats and routes.

China

- In January, China Eastern Airlines launched the first direct flight from Hawai'i to China; and
- The success of these charters led China Eastern Airlines to establish a regular route between Honolulu and Shanghai, China beginning in August.

Korea

- Hawaiian Airlines established direct service from Honolulu to Seoul four (4) times weekly; and
- Asiana Airlines re-entered the Hawai'i market in September operating twice weekly flights from Seoul to Honolulu.

Japan

- Hawaiian Airlines expanded its service to Japan and launched a new direct route from Honolulu to Osaka; and
- Sun Plus operated 21 charters to Hawai'i from regional cities in Japan.

North America

- Alaska Airlines established a new direct route between Bellingham, WA and Honolulu in January;
- United Airlines established a Hilo to Los Angeles, CA flight that began in June; and
- Alaska Airlines added direct service from Honolulu to San Diego, CA in November.

Oceania

- Air Australia begins direct service from both Brisbane and Melbourne, Australia to Honolulu in December; and
- Hawaiian Airlines announced it will increase flight frequency for its Honolulu to Sydney route beginning in December.

AIRLIFT OVERVIEW Scheduled Air Seat Inventory by Major Market Area

	Airseats 2010 Actuals	Airseats 2011 Outlook*	% Chng
US West	5,745,356	5,848,123	1.8%
US East	923,036	726,119	-21.3%
Japan	1,627,513	1,610,089	-1.1%
Canada	286,492	318,256	11.1%
Oceania	172,496	216,785	25.7%
Other Asia	154,089	286,796	86.1%
Other	281,258	278,186	-1.1%
Total	9,190,240	9,284,354	1.0%

Notes: * As of September 2011 OAG Scheduled Flight

2. Hawaiian Culture

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

Hawai'i's host culture and community are key to the sustainability of its visitor industry. The HTA recognizes that it is Hawai'i's people, place and culture that enhance the visitor experience, and is proud to support numerous programs under this initiative.

Kūkulu Ola: Living Hawaiian Culture Program

In 2011, the HTA awarded funding to 29 organizations with community-based projects that help to enrich and perpetuate the Hawaiian culture. The funds are granted through the Request for Proposals process, which includes review and assessment by the HTA's Hawaiian Culture Program Advisory Council (HCPAC). Supported projects include Hale Kū'ai's Maoli Art in Real Time; Wahea Foundation's Pan Pacific Hula Exhibition 2011: Hawai'i; and Bishop Museum's Nā Kukui ā Pauahi: Hawaiian Hall Docent Program. A complete list of projects is available on the HTA's website.



Living Hawaiian Culture Program

Native Hawaiian Hospitality Association

The HTA supports the Native Hawaiian Hospitality Association (NaHHA), a lead organization for the Hawaiian Culture initiative in the State TSP. In 2011, NaHHA directed its efforts on continuing to bridge the Hawaiian community and the visitor industry. Its work plan included building on the Ola Hawai'i program, which concentrates on Hawaiian cultural training of the industry workforce and the expansion of this program to the neighbor islands. In partnership with the HTA and the Office of Hawaiian Affairs (OHA), NaHHA also provided Hawaiian culture training to more than 1,500 volunteers of the 2011 APEC Leaders' Week.

Other Efforts

Nā Kahua Mokulele Program

The Nā Kahua Mokulele Program was established to create an authentic arrival and departure experience. The HTA supported efforts to create airport signage in Hawaiian and English as well as greetings for arriving or departing visitors and residents in the Hawaiian language at the Honolulu International Airport. Similar greetings for neighbor island airports were also recorded by residents of their islands. The 40-second welcome message, played in Hawaiian and English, can be heard throughout the Honolulu International Airport three (3) times an hour. The message welcoming kama'āina and visitors is as follows:

Continued on next page



Merrie Monarch Festival

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;
- **Merrie Monarch Hula Festival** held in April, the premier hula festival in the world;
- **King Kamehameha Celebration** held in June, in commemoration of Hawai'i's first monarch, King Kamehameha I;
- **Prince Lot Hula Festival** held in July, a non-competitive hula event that includes hālau (hula schools) from Hawai'i and abroad; and
- **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.



In-Flight Hawaiian language video

Aloha e nā makamaka kipa mai i ke Kahua Mokulele Kauāina O Honolulu! E nā ʻōhua e haʻalele ana, no ʻoukou ka maluhia o ka holo ʻana a hoʻi hou mai. E nā malihini i hōʻea mai me nā kamaʻāina pū kekahi, ke aloha o ka ʻāina iā ʻoukou a pau!

English Translation:

Welcome to the Honolulu International Airport! If you're headed out, travel safely and come back soon. Kamaʻāina, welcome home. And if you've just arrived, we hope that you enjoy your stay in our islands!

Hawaiian Culture Initiative

The HTA is committed to working with lead entities to advance efforts of the Hawaiian Culture initiative of the State TSP. Separately, the HTA directly manages various projects including cultural training for visitor industry management.

Ma'ema'e Marketing Program

To assure that Hawai'i is being marketed in a sensitive and accurate manner, the HTA created a program to help ensure consistent support to marketing partners and independent groups such as tour operators. Mechanisms such as reference tool kits and other training were provided to aid in the development of accurate and responsible promotional materials used to market the Hawaiian Islands.

Hawaiian Art Program at the Hawai'i Convention Center

The HTA started a program to showcase the work of Native Hawaiian artists at the Hawai'i Convention Center (HCC). An 80-foot mural, located in the lobby of the center, is the first art piece to be featured. The program, a result of a partnership with the HTA and OHA, is intended to provide Native Hawaiian artists an ongoing venue to share their work among large national and international delegates attending meetings and events at the HCC.

Additional Support for Hawaiian Culture Programs

Funds were set aside to establish partnerships and assist a variety of efforts for the community in the area of Hawaiian culture. Some of these programs include the development of new signage for ʻIolani Palace, Queen Emma Summer Palace and Hulihe'e Palace and the creation of an in-flight welcome video in Hawaiian and English for arriving visitors and kamaʻāina.

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, Hawaiian culture and community. HCPAC membership includes cultural practitioners, as well as representatives from Hawaiian community groups, the visitor industry and each county. Today, HCPAC continues to assist the HTA with overall guidance for its Hawaiian Culture Program and includes the following individuals:

- Nāʻālehu Anthony, *Palikū Documentary Films*
- Peter Apo, *Office of Hawaiian Affairs*
- Kainoa Daines, *O'ahu Visitors Bureau*
- Leona Mapuana Kalima, *Office of Hawaiian Affairs*
- Robbie Kaholokula, *Consultant*
- Cheryl L. Ka'uhane-Lupenui, *The Leader Project*
- Debbie Nakanelua-Richards, *Hawaiian Airlines*
- Ramsay Remigius Mahealani Taum, *Life Enhancement Institute of Hawai'i*
- 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 2002 that directed the HTA to provide \$1 million each year from its budget to support efforts to manage, improve and protect Hawai'i's natural environment as well as areas frequented by visitors. An additional \$1 million is provided annually to the DLNR from the HTA's Tourism Special Fund.

Through this program in 2011, the HTA:

- Provided funding to the DLNR in support of 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 repairs, maintenance and improvements at state park facilities and ongoing trails program activities; and
- Supported 28 community-based projects throughout the state through an RFP process.



Mālama Nā Honu

2011 Natural Resources Program

The following is a partial list of community-based programs that received funding from the HTA in 2011. A complete list of projects can be found on the HTA's website.

Organization	Project Title & Island	Description
E Mau Nā Ala Hele	Enhancements of the Puna Trail (Hawai'i)	Restoration and improvement of the historic Puna Trail in Kea'au to provide hazard and informational signage.
Mālama Nā Honu	Mālama Nā Honu Educational and Conservation Project (O'ahu)	Educational program to protect and conserve endangered Hawaiian green sea turtles through public awareness.
Pacific Whale Foundation	Onsite Coral Reef Naturalist Program (Maui)	Informational and educational coral reef station to educate Ulua Beach visitors on responsible reef etiquette.
Tri-Isle Resource Conservation and Development Council, Inc.	Preserve Hawai'i (Statewide)	Educational outreach program that provides information linking potential volunteers with environmental programs across the state.

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 the 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'ohelaui'i, *Hawai'i Ecotourism Association*
- Vincent Shigekuni, *PBR Hawai'i*
- T. 'Aulani Wilhelm, *Papahānaumokuākea Marine National Monument*

4. Safety and Security

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

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

Crisis Management

In the event of a crisis or emergency situation, the HTA collaborates with state and county civil defense agencies, the visitor industry, and federal agencies to keep visitors aware and informed.

The HTA implements various steps in response to a crisis or emergency situation, including:

Mitigation

- Work with State and county civil defense agencies and visitor bureaus to provide guidance and information to the visitor industry; and
- Inform visitors to increase awareness and readiness of the event.

Preparation

- Collaborate with federal, state, county and other emergency responders to discuss possible scenarios and prepare for a potential emergency; and
- Receive updates from the Pacific Disaster Center, civil defense agencies and National Weather Service on potential hazards.

Response

- Activate crisis team and the HTA Command Center, and work with emergency officials and industry partners to determine impacts;



"VASH contacted us just a day after our tragedy and provided us tremendous support during this very sad time for my family. I don't think we could have accomplished everything we needed to do without the help of your organization. All of us will remember your kind generosity and support." -The Su Family

- Monitor updates and disseminate accurate information to the visitor industry, global marketing partners and media.

Recovery

- Monitor and track events; and
- Implement necessary economic recovery plans to maintain a healthy tourism economy.

On March 11, 2011, the HTA activated its Command Center following the issuance of a tsunami warning for the state of Hawai'i. The HTA monitored the crisis and disseminated information to the industry and media, and visitor industry partners assisted thousands of Japanese visitors in the state.

Visitor Assistance Programs

When visitors in Hawai'i are affected by crime and other adversities, Hawai'i exemplifies its hospitality by providing resources and support through the Visitor Assistance Programs (VAP) available in each county. These agencies, along with volunteers and partner organizations, offer assistance, 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. VAP is funded by the HTA with additional support from the visitor industry and local businesses. For more information, 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

VASH Hawai'i Island
Linda Allen, *executive director*

Ph: (808) 756-0785 – West Hawai'i

Ph: (808) 756-1472 – East Hawai'i

5. Brand Experiences

Goal: To provide a diverse and quality experience that supports events that celebrate Hawai'i's unique culture and community for visitors and residents.

The HTA supports signature events that provide experiences that are unique and enriching, while valuing and perpetuating Hawai'i's natural resources, Hawaiian culture and honoring its people and traditions. Efforts under this initiative are the County Product Enrichment Program, Festivals and Events Program and Other Product Development Programs.

County Product Enrichment Program

The County Product Enrichment Program (CPEP), a partnership between the HTA and each of the four (4) counties, diversifies and enriches Hawai'i's tourism product by developing new and enhancing community-based events, experiences and projects related to six (6) niche areas in line with Chapter 201B of the Hawai'i Revised Statutes. The statutes provide 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 2011, the HTA provided support that benefitted 113 statewide 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 May, the HTA sponsored its 7th Annual Hawai'i Festivals and Events Seminar, "Revitalizing the Guest Experience," at the HCC and on Hawai'i Island. National and local experts spoke on topics including attracting broader audiences, optimizing revenue resources and overcoming operational obstacles.

Certified Festival and Events Executive Program

Twenty-four Hawai'i festival and event professionals progressed through the Certified Festival and Event Executive program in 2011, a professional certification program offered by the International Festivals and Events Association (IFEA) to help event professionals enhance and improve their product. 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 residents and visitors about the many quality festivals and events happening in Hawai'i throughout the year.

Festivals of Hawai'i iPhone Application

In August, the HTA launched the Festivals of Hawai'i iPhone application that offers free, user-friendly access to information on more than 100 HTA-sponsored festivals and events, allowing users to search for events by island, location and type (such as cuisine, sports and education) and through the GPS-based "Near Me" function that operates using Google maps.

Social Media

The HTA launched a Facebook page in conjunction with its website, sharing updates of festivals and events, visitor statistics and other tourism-related information. Users are encouraged to visit and "Like" the HTA's page at www.facebook.com/HawaiiHTA.





**Pu'uhonua O Hōnaunau
50th Anniversary (County of Hawai'i)**



Festival of Lights (County of Kaua'i)



**Maui Arts & Cultural Center: Alfred Shaheen:
Fabric to Fashion (County of Maui)**

County Product Enrichment Program

The following is a partial list of programs that received funding from the HTA through CPEP in 2011. A complete list of all projects is available on the HTA's website.

County of HAWAII

Pu'uhonua O Hōnaunau 50th Anniversary Celebration

A cultural celebration that provided visitors and residents with a uniquely Hawaiian experience that honors the culture and traditions of the Hawaiian people. Visitors experienced traditional Hawaiian food, customs and activities. Guided archaeological hikes also educated visitors on the Hawaiian lifestyle.

Ka'ū Coffee Festival

The two (2)-day festival increased awareness and strengthened the sustainability of Ka'ū's coffee industry. Major events included a ho'olaule'a, live entertainment, hula, coffee auction, coffee tasting, recipe contest, demonstrations, farm tours, crafts, keiki activities and educational seminars.

County of KAUAI

Waimea Town Celebration

Celebrated the historic, cultural and musical heritage of west Kaua'i.

19th Annual Hawaiian Slack Key Guitar Festival - Kaua'i Style

This festival featured Hawai'i musicians and artists who have made a name for themselves as practitioners of the slack key guitar genre.

11th Annual Kōloa Plantation Days Rodeo

This fast-paced rodeo featured cattle ranching and historic Hawaiian paniolo events.

Festival of Lights

This holiday celebration showcased local traditions and an amazing collection of folk art created by Auntie Josie Chansky.

4th Annual Red Clay Jazz Festival

A music festival that featured Hawai'i and mainland jazz artists and locally grown and produced food.

County of MAUI

Lahaina Plantation Days

The three (3)-day celebration of west Maui's plantation heritage was filled with entertainment, food booths, cultural demonstrations, heritage displays and a film night. This year, Maui-made documentary, "Great Grandfather's Drum," which told the story of a Japanese-American who settled on Maui, was screened.

Visual Arts Exhibition Program at the Maui Arts & Cultural Center

This year's exhibitions celebrated Maui's treasured conservation lands (The Legacy of Land) and concepts of nature, architecture and space (Allusions of Space); and explored the multi-ethnic ancestry of five (5) Maui artists (Poi Dog) and the history of aloha fashion (Alfred Shaheen: Fabric to Fashion). The year concluded with a show of works by four (4) Native Hawaiian women artists (Kēia Manawa).



Waikiki Spam Jam
(City & County of Honolulu)



Korean Festival (City & County of Honolulu)

City and County of HONOLULU

Hawai'i Book and Music Festival

A celebration of story and song, the family-friendly festival featured local, national and international authors, as well as music and stage performances, panel discussions, story-telling, poetry slams and other activities and entertainment.

Hawai'i Fishing and Seafood Festival

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

Korean Festival

A celebration of the Korean culture that featured many activities including Korean music, dance, food, cultural displays, a kids playground, arts and crafts, and performing groups from Korea.

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 honored Okinawan culture and included live entertainment, ethnic foods and cultural exhibitions.

Waikiki Spam Jam

A one-night street festival with entertainment, craft and food booths that focused on Spam, a popular Hawaiian "delicacy."

HTA Festivals & Events



Pan Pacific Festival (O'ahu)

The HTA also supports major festivals that portray the diversity and culture of Hawai'i and draws residents and a significant number of visitors to the state.

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



Maui Film Festival at Wailea

6. Workforce Development

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

To support hospitality efforts, the HTA is working with lead agencies to make service learning opportunities available for Hawai'i's current and future workforce, including certification programs to enable providers to deliver quality service. The HTA also invests in cultural training programs to better prepare Hawai'i's visitor industry to be able to meet the needs of Hawai'i's increasing number of visitors from emerging and non-English speaking markets.

Chinese, Korean and Japanese Language and Culture Training

To prepare employees working in Hawai'i's hospitality and tourism industry on the language, culture, protocol and customs of emerging visitor markets, the HTA launched its Chinese, Korean and Japanese Language and Culture Training Program in 2009. In conjunction with Kapi'olani Community College, the HTA developed a curriculum that prepares employees in Hawai'i's tourism industry to better serve visitors from China, Korea and Japan. To date, more than 2,000 people have participated in the program including staff from DFS Hawai'i, the Hawai'i Convention Center, Tiffany & Co., Starwood Hawai'i Waikiki properties, and Ko'olina Golf Club.



Maui High School Agritourism Student Conference

Academy of Hospitality and Tourism

The Academy of Hospitality and Tourism (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 career in this field. To facilitate this effort and begin to address the present and future challenges facing Hawai'i's visitor industry workforce needs, the HTA supports six (6) AOHT 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.

This year, the HTA also supported a similar hospitality program, in addition to the AOHT, offered at two (2) high schools on Hawai'i Island: Kealahake High School and Wai'ākea High School.

Hawai'i State Tour Driver and Guide Certification Course

The Kapi'olani Community College Continuing Education's Hawai'i State Tour Driver and Guide Certification Course offers industry professionals the opportunity to hone their customer service skills by learning to deliver effective, interactive and entertaining tours, while sharing information about Hawai'i's culture and history.



Wai'ākea High School students at hotel briefing

7. Marketing

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

Marketing the Hawaiian Islands remained a top priority for the HTA in 2011. While visitor spending and arrivals were up for the first quarter of the year, concern shifted to the loss of the Japan market in March, and global economic instability remained a concern through the year. Despite these challenges, the HTA was able to put forth numerous marketing efforts that helped in the road to recovery for Hawai'i's tourism economy. The following are the major marketing achievements of 2011:

- The HTA realigned two areas that showcase the Hawai'i brand, marketing and experience. This realignment allowed the HTA to achieve certain efficiencies while striking a balance between marketing the Hawaiian Islands and creating programs and products that are unique to the Hawai'i experience;
- Successful marketing efforts led the HTA to revise initial 2011 targets upward to reach \$12.6 billion in visitor expenditures and 7.5 million visitor arrivals;
- RFPs were issued for external tourism marketing management services in April for the following MMAs: North America, Meetings, Conventions and Incentives, Japan, Other Asia (China, Korea, Hong Kong, Singapore and Taiwan), Oceania (Australia and New Zealand) and Europe



Governor Neil Abercrombie and HTA representatives meeting with JATA members

- (Germany, United Kingdom, France, Italy and Switzerland);
- Through the RFP process, the HTA selected a.Link LLC as the new marketing contractor for Japan to better compete in the global marketplace and create a more integrated approach to the HTA's marketing programs;
- Members of the U.S. Travel Association and China National Tourism Association gathered in Hawai'i for the 5th Annual China-U.S. Tourism Leadership Summit to build on the growing Chinese tourism market; and
- Hawai'i's hosting of the 2011 APEC Leaders' Week provided an unprecedented opportunity for the HTA to capitalize on worldwide interest in our state as a global meetings destination.

2011 HTA Recovery Plan

Following the March 11 events in Japan, the HTA implemented a recovery plan to compensate for the anticipated decline in visitors from that region. Overall goals of the plan included the following:

- Stabilize markets to maintain market share position;
- Source diversified major market areas and secondary cities to compensate for the anticipated Japan market shortfalls;
- Continue to achieve visitor expenditure targets set for 2011;
- Implement communication programs to ensure travelers were aware that Hawai'i, as a destination, was safe, infrastructure ready and always able to welcome visitors; and
- Work with Japan travel partners to appropriately time re-stimulation for the Japan market.

The success of the recovery plan in marketing the Hawaiian Islands to other regions, and the earlier-than-expected return of the Japan market, were contributing factors in the HTA's decision to revise overall 2011 targets upward in visitor spending and arrivals.

Global Marketing Partners

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

Hawai'i Visitors & Convention Bureau (HVCB)

North America

Jay Talwar, Senior Vice President, Marketing
Tel: (808) 924-0220
Email: jtalwar@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.com/jp

Hawai'i Office

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

*As of 1/1/12

Eric Takahata, President
Email: etakahata@alinkhi.com
Website: www.gohawaii.com/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.com/cn

China (Hawai'i Tourism China) – Beijing Office

Cynthia Zhou, Director

Tel: 86 (10) 8532-5213

Email: czhou@aviareps.com

Website: www.gohawaii.com/cn

Korea (Hawai'i Tourism Korea)

Emily Kim, Marketing Director

Tel: 82 (2) 777-0033

Email: ekim@aviareps.com

Website: www.gohawaii.com/kr

Taiwan (Hawai'i Tourism Taiwan)

Jemy See, Account Director

Tel: 886 (2) 2537-6372

Email: jsee@aviareps.com

Website: www.gohawaii.com/tw

Hawai'i Tourism Europe (HTE)

Continental Europe

Christine Klein, Account Manager

Tel: 49 (89) 55 25 33 409

Email: cklein@aviareps.com

Website: www.gohawaii.com/de

U.K. and Ireland

Sara del Nozal, Account Manager

Tel: 44 (0)207 6446 127

Email: snozal@aviacircle.com

Hawai'i Tourism Oceania (HTO)

Australia

Helen Williams, Country Manager

Tel: 61 (2) 9286-8937

Email: hwilliams@hawaiiitourism.com.au

Website: www.gohawaii.com/au

New Zealand

Darragh Walshe, Country Manager

Tel: 64 (9) 9772 234

Email: dwalshe@hawaiiitourism.co.nz

Website: www.gohawaii.com/nz

SMG Hawai'i

Randy Tanaka, Hawai'i Convention Center, Assistant General Manager

Tel: (808) 943-3559

Email: rtanaka@hccsmg.com

Website: www.hawaiiiconvention.com

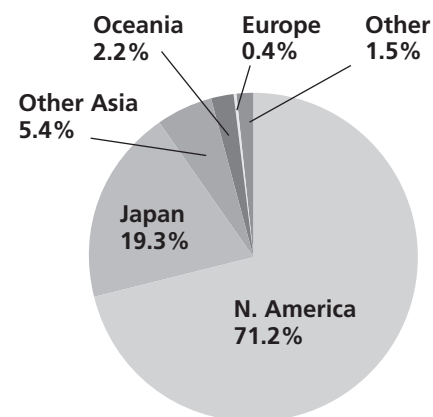
www.BusinessAloha.com

Leisure Marketing

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

Of the total leisure marketing budget, more than 92 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 87 percent of the total number of visitors to Hawai'i.

Budget Allocations by MMA in 2011



CY 2011 LEISURE BUDGET

MMAs	Budget (in \$ millions)*
N. America	29.516
Japan	8.000
Other Asia	2.240
Oceania	0.918
Europe	0.160
Other**	0.635
TOTAL	\$41.469

* Includes: Opportunity Fund and International Marketing Public Relations

** Includes: Island Chapters International Marketing

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 2011. 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 help increase awareness, interest and promote travel to Hawai'i.

NORTH AMERICA

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

U.S. WEST

Primary Purpose of Stay:	Pleasure (2,436,481) vs. MCI (121,201)
Average Length of Stay:	9.56 days
First Time Visitors:	19.2%
Repeat Visitors:	80.8%
Average Number of Trips:	6.93

U.S. EAST

Primary Purpose of Stay:	Pleasure (1,268,652) vs. MCI (123,864)
Average Length of Stay:	10.44 days
First Time Visitors:	42.3%
Repeat Visitors:	57.7%
Average Number of Trips:	4.07

CANADA

Primary Purpose of Stay:	Pleasure (375,662) vs. MCI (15,989)
Average Length of Stay:	12.70 days
First Time Visitors:	36.9%
Repeat Visitors:	63.1%
Average Number of Trips:	3.99

Source: HTA 2010 Annual Research Report

North America continues to be Hawai'i's largest source market for visitors. This market includes the U.S. West (defined as the 11 Pacific states west of the Rockies), U.S. East (all other states) and Canada. As the state of the global economy remained unclear and recovery uneven in 2011, demand for travel to Hawai'i fluctuated. In the year, the HTA worked with the HVCB, its marketing contractor for North America, on the following:

- Continued to evolve the successful short-term market saturation "blitz" strategy: HVCB updated the "Perfect Moments in the Islands of Hawai'i" theme while continuing to reach people most likely to travel amidst continuing economic uncertainty. The month-long programs blanketed Los Angeles and Orange County, the Pacific Northwest, San Francisco Bay area and greater Chicago market a combined total of seven (7) times;
- To alleviate the downturn in visitors from Japan, the HTA provided direction and an incremental budget to the HVCB for three (3) simultaneous market saturations in Dallas, Denver and Phoenix;
- The efforts of the HVCB and its Island Chapters secured several major national television programs that showcased Hawai'i: "The Travel Channel," "The Cooking Channel," "Food Network Canada," "ABC Network" and "TVA Canada;"
- Updated and improved the consumer website *gohawaii.com* by integrating all of the international versions into one site;
- Travel trade training modules were put in place to allow for virtual training on a consistent and more cost-efficient basis worldwide;
- Deployed social media programs as another effective and efficient marketing tool for Hawai'i; and
- The HTA's Culture and Arts initiative programs received increased marketing support via the new *gohawaii.com* website as island-specific video blogs were produced and hosted on the *gohawaii.com/arts* page. In addition, a special Festivals of Hawai'i page was created (www.gohawaii.com/festivals) to highlight HTA-sponsored events. Data from this calendar is fed to the HTA's Festivals of Hawai'i iPhone application.



Seattle: Hawai'i Weekend at the Pacific Science Center



LA Times spadea wraps



Billboard Ads in Los Angeles



Governor Neil Abercrombie and JATA President Akira Kanai in Tokyo



Hawaiian Islands Brand tie-up campaign

Hawai'i born Jun Hasegawa in Japan's Glamorous Magazine



JAPAN

Japan Visitor Profile

Primary Purpose of Stay:	Pleasure (1,067,634) vs. MCI (47,620)
Average Length of Stay:	5.87 days
First Time Visitors:	41.5%
Repeat Visitors:	58.5%
Average Number of Trips:	3.81

Source: HTA 2010 Annual Research Report

The momentum in the Japan market that Hawai'i experienced in 2010 carried well into 2011 until the devastating earthquake that occurred in March. As expected, the initial impact was severe. Visitor arrivals from Japan dropped significantly and Hawai'i continued to experience declines in visitor numbers as the crisis evolved from the earthquake, to the tsunami and to public concerns over radiation.

Seven (7) months following the crisis, the resiliency of the Japanese market and the powerful connection between the people of Japan and Hawai'i was reflected through the return of Japanese visitors traveling to the Hawaiian Islands, and their month-over-month increases in visitor spending.

Initial targets for 2011 were set at 1.26 million visitor arrivals and adjusted downward to 1.14 million following the events on March 11. Two (2) months later, the HTA once again revised its targets to 1.27 million visitor arrivals to reflect better-than-anticipated bookings and a strong yen, which buoyed spending throughout the year.

Japan market highlights in 2011 include the following:

- Momentum from 2010 carried through to the first quarter of 2011;
- Japan visitor expenditures remained high, buoyed by the strengthening of the yen, throughout the entire year;
- Immediately after the earthquake and tsunami, trends for extended stay packages in Hawai'i began to emerge;
- The *Aloha for Japan* campaign was an outpouring of community and visitor industry efforts that raised more than \$8 million and underscored the significant close cultural ties between the people of Japan and Hawai'i;
- By summer, a rise in demand for travel between Japan and Hawai'i contributed to the addition of more than 65 charter flights to the market;
- Delta Air Lines and Hawaiian Airlines announced the start of service from Fukuoka, one of several regional markets showing potential for increased outbound travel. A new rail system servicing the Kyushu region provides ease of access for people in southern Japan to travel out of Fukuoka; and
- The HTA announced the selection of a new contractor, a.Link LLC, to head up the marketing of Hawai'i in Japan beginning in 2012.

OTHER ASIA

OTHER ASIA

Primary Purpose of Stay:	Pleasure (132,862) vs. MCI (19,734)
Average Length of Stay:	7.32 days
First Time Visitors:	79.6%
Repeat Visitors:	20.4%
Average Number of Trips:	1.73

Source: HTA 2010 Annual Research Report

The 2011 marketing activities of Hawai'i Tourism Asia (HTAsia) focused primarily on the growing markets of South Korea, China and Taiwan. HTAsia was supported in this work by offices in Seoul (Hawai'i Tourism Korea), Shanghai and Beijing (Hawai'i Tourism China) and Taiwan (Hawai'i Tourism Taiwan).

Critical marketing efforts placed an emphasis on working with airlines to increase both airlift capacity and direct service, raise top-of-mind awareness for Hawai'i via major media throughout Asia and a wide range of travel agent co-ops, educate and motivate key travel trade groups to package, develop new tour products to sell Hawai'i, target high-yield segments including incentive groups from both Korea and China, and support television, guidebook publications and on-line initiatives to bring the Hawaiian Islands front and center to these markets.

HTAsia's 2011 highlights include the following:

- Organized the second Hawai'i Asia Travel Mission to Seoul, Shanghai and Beijing;
- Hawai'i Tourism China (HTC) worked with China Eastern Airlines and major wholesalers to launch charter flights that coincided with the Chinese New Year, and followed this up with the start of scheduled service in August between Honolulu and Shanghai;
- Additional airlift by Korean Air, Hawaiian Airlines and Asiana Airlines helped to significantly boost Korean arrivals to Hawai'i:
 - Hawai'i Tourism Korea (HTK) implemented a large-scale online campaign, sales contests with key agents, TV home shopping promotions and newspaper advertisement campaigns to bring awareness for these flights and more traffic to Hawai'i; and
- Organized numerous familiarization trips, resulting in major travel agents, airlines, travel media and business executives from Asia gaining first-hand exposure to Hawai'i's culture, infrastructure and world-class meeting facilities.



China MICE Fam at Kualoa Ranch



KBS Challenger promotional material

Korea Angel-in-Us Coffee promotion



Ctrip Hawai'i Honeymoon Package promotion

OCEANIA

OCEANIA

Primary Purpose of Stay:	Pleasure (145,691) vs. MCI (6,839)
Average Length of Stay:	9.84 days
First Time Visitors:	54.3%
Repeat Visitors:	45.7%
Average Number of Trips:	2.45

Source: HTA 2010 Annual Research Report

In 2011, Hawai'i continued to experience consistent and strong growth in visitor arrivals from both 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 focused on promoting affordable travel to Hawai'i, adding neighbor island trips to extend length of stay, educating travel trade providers, coordinating trade tie-up marketing campaigns, and increasing awareness for new service from the Brisbane and Melbourne markets starting in the fourth (4) quarter.

HTO's highlights for the year include:

- A "Hawai'i 5-0" campaign using an integrated media schedule including a mix of broadcast radio, digital outdoor, commuter and mainstream print, online and email marketing;

- A consumer campaign in conjunction with Flight Centre Expo helped Hawai'i secure an additional 3,862 additional air seats;
- "Home & Away," an Australian television program with a daily viewing audience of 1.2 million, featured three (3) travel-related episodes filmed in Hawai'i. HTO provided support that included story suggestions and the creation of itineraries. The pre-promotion of the episodes included promotional segments on television shows such as "Sunrise," "The Morning Show" and "Better Homes and Gardens," as well as in national newspapers and TV guides;
- HTO, in partnership with Fernwood Fitness Health Clubs across Australia, launched a "Win a Trip to Hawai'i for You and Two Friends" girlfriend getaway promotion as part of the network's "Get Foxy 2011" challenge; and
- Independence Day celebrations in New Zealand were taken to a new level in 2011 with a special Hawaiian showcase presented by HTO and the U.S. Embassy. The week-long activities enabled Hawai'i's cuisine and unique culture to be promoted to more than 700 members of the U.S. Embassy's influential client base.



Hawaiian Airlines
"Hawai'i Five-O" campaign



HTO Experience Aloha 2011 Kaua'i



Travelscene AMEX TV ad

EUROPE

EUROPE

Primary Purpose of Stay:	Pleasure (99,145) vs. MCI (5,574)
Average Length of Stay:	12.75 days
First Time Visitors:	71.3%
Repeat Visitors:	28.7%
Average Number of Trips:	2.30

Source: HTA 2010 Annual Research Report

In 2011, marketing efforts in the European marketplace, specifically in Germany and the United Kingdom (U.K.), continued with emphasis placed on travel trade training, sales calls and fulfillment of requests from consumers, travel trade and media.

Hawai'i Tourism Europe's (HTE) highlights for the year include:

- The Billabong "Win a Trip to Hawai'i" campaign reached out to female consumers and drew 50,000 unique visits per month to the Billabong Girls website during the four (4) month contest period;
- The Virgin Holidays Hawai'i Cinema Promotion for the launch of the "Pirates of the Caribbean 4" movie included an advertising campaign

that reached two (2) million people at 40 different theaters over four (4) weeks;

- Teekanne Herbal Wellness Tea promoted their summer teas themed "Hawai'i" and gave away a trip to the Hawaiian Islands;
- A trade and consumer campaign with TUI, one of Europe's leading travel groups, increased bookings by 42% during the promotion period.

The campaign included coverage in the company's online newsletter to 220,000 consumers, TUI sales communication to 30,000 travel agents, and Hawai'i images in TUI's in-store travel video at 220 TUI travel agencies in Germany; and

- A promotion, "The Sandwich Isles," as Hawai'i was referenced by Captain James Cook in 1778, sponsored the British Sandwich Week Promotion, including a trip giveaway to Hawai'i, and received press coverage that reached more than 30 million consumers in the U.K.



Billabong "Win a Trip to Hawai'i" campaign



Pirates of the Caribbean postcard



Teekanne Herbal Wellness Tea promotion


PGA Tour Event

Kaua'i Marathon

Sheraton Hawai'i Bowl

Xterra World Championships

Ford Ironman World Championship

Sports Marketing

The HTA continues to broaden Hawai'i's sports offerings as significant contributions from sports tourism and sporting events are brought to the state.

Sporting events enhance Hawai'i's economy, image and quality of life. To optimize 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.

The HTA's Sports Marketing Program included the following highlights in 2011:

- ESPN Regional Television, Inc., in cooperation with the HTA and Major League Soccer

(MLS), announced the creation of the **Hawaiian Islands Invitational**, an international soccer event from Feb. 23-25, 2012, at Aloha Stadium in Honolulu. The annual event will feature four (4) games over a two (2)-day period and will host professional squads from around the globe. The Hawaiian Islands Invitational will be broadcast on *ESPN3.com* and numerous ESPN International networks. The inaugural event will include the Colorado Rapids (MLS); Yokohama FC (Japan's J League); the Melbourne Heart (Australia's A-League); and Busan I-Park (Korea's K-League);

- The HTA brought stakeholders together to make Hawai'i's winning bid for the 2013 **Golden Oldies Field Hockey Tournament**. The seven (7)-day event will attract more than 80 teams from countries including the U.S., Canada, New Zealand, Australia, Japan, Ireland and U.K.;
- Teaming up with local organizations, the HTA is supporting the translation of UH Warrior basketball, football and baseball games into Japanese. The translated UH home games will be 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 2011, including:
 - **The Hyundai Tournament of Champions**
 - **The Sony Open in Hawai'i**
 - **The Mitsubishi Electric Championship at Hualalai**
 - **The Kā'anapali Skins Game**

The golf tournaments combined for more than 50 hours of national television coverage broadcast during the winter months. The HTA has a multi-year agreement with the PGA Tour from 2011-2014, the structure of which focuses on core tour events to bring increased value and prestige to Hawai'i's golf market.


Nā Wāhine O Ke Kai

EA Sports Maui Invitational

Battle of the Paddle

- 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 four (4) additional sporting events:
 - **Nā Wāhine O Ke Kai**, Sept. 25, 2011 (Moloka'i to O'ahu)
 - **Moloka'i Hoe**, Oct. 9, 2011 (Moloka'i to O'ahu)
 - **The Stand Up World Tour Finals**, Dec. 10-16, 2011 (Hawai'i)
 - **The Quicksilver in Memory of Eddie Aikau**, Dec. 1, 2011-Feb. 28, 2012 (O'ahu)

In addition to the PGA Tour and its relationship with ESPN, the HTA invested in other sporting events for 2011:

- **Ford Ironman World Championship**, Oct. 8, 2011 (Hawai'i)
- **Xterra World Championships**, Oct. 23, 2011 (Maui)
- **EA Sports Maui Invitational**, Nov. 21-23, 2011 (Maui)
- **Xterra Trail Run World Championship**, Dec. 4, 2011 (O'ahu)
- **Diamond Head Classic**, Dec. 22-25, 2011 (O'ahu)
- **Sheraton Hawai'i Bowl**, Dec. 24, 2011 (O'ahu)

Ocean Sports

The HTA has continued to develop several ocean-based events across multiple disciplines including:

- Surfing
- Stand-up paddling
- Outrigger canoe races
- Outrigger canoe surfing
- Open water swimming

A new partnership has been formed with NBC Sports to air these ocean-based sports on its Universal platform. This new partnership provides great exposure for these intrinsic sports that highlight the state's natural attributes.

Pro Bowl

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 17,000 fans travel to Hawai'i specifically for the game, which contributes more than \$28 million in visitor spending and high Nielson national television ratings. The NFL also supports a week of activities for Hawai'i residents and visitors leading up to the Pro Bowl game, including hosting multiple youth football and cheer-leading clinics across the Hawaiian Islands.

Other Marketing Projects

Highlighting Hawai'i's Arts & Culture

The HTA continued to feature the diversity of the Hawaiian culture, arts, activities, events and organizations on dedicated arts and culture webpages on *gohawaii.com*. The site features a comprehensive calendar listing, videos and photos of arts and cultural activities.



“The Expressions of Aloha” webpage on *gohawaii.com*

2011 Mahalo Month

In its third year, the Mahalo Month program continued to gain interest with travel professionals who help to promote and sell Hawai'i as a destination for travel. The Mahalo Month program provides opportunities for travel professionals to experience the Hawaiian Islands first-hand through individualized familiarization tours during the April-May period. More than 1,500 individuals registered to view the more than 120 Mahalo Month specials that were offered by Hawai'i visitor industry partners at *mahalomonth.com*.



Mele Mei

Mele Mei is a month-long celebration of Hawaiian music showcased at multiple venues throughout Waikiki. The music festival helps to increase awareness for Hawaiian music in Hawai'i and around the world.

Nā Hōkū O Hawai'i Music Festival

As a part of Mele Mei, the HTA also supports the Nā Hōkū O Hawai'i Music Festival. The four (4) day event was held May 26-29 and consisted of a two (2) day workshop at the Hawai'i Convention Center and two (2) days of musical performances. The event concluded with the Nā Hōkū Hanohano Awards honoring local and Hawaiian artists for their achievements.



Nā Hōkū Hanohano awards

Business Marketing

The strategy for business marketing is promoting Hawai'i as a preferred destination for business tourism, meetings, conventions and incentives conferences, by strengthening relationships and increasing promotional presence and destination brand awareness. In 2011, efforts focused on developing short-term business while continuing to build a strong base of business for future years. This included:

- Strategically branding Hawai'i as a preferred destination for corporate meetings and incentives;
- Identifying viable market segments to impact short-term needs and fill backlog;
- Expanding sales efforts through collaborative partnerships;
- Increasing leads and bookings;
- Dedicating staff resources against need years and booking 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 28) continued to promote Hawai'i as a premier meetings, conventions and incentives destination using the tagline, "Where Business and Aloha Meet" in ads featured in various meetings publications and its website www.BusinessAloha.com.

SMG Hawai'i's highlights for the year include the following:

- The HCC worked closely with the HVCB and the HTA on a proactive marketing and media implementation plan centered on Hawai'i's host opportunity for the 2011 APEC Leaders' Week. The integrated plan included a media familiarization tour, advertising and public relation campaigns;
- The HCC's global outreach program remains strong, setting both the HCC and Hawai'i apart from other competitors. Various tools including microsites, flyers, brochures and advertisements continue to be used in multiple languages to help support the HCC's international efforts;
- The American Academy of Neurology held their conference in Hawai'i and reported



Meetings, Incentives, Conventions, Exhibition media FAMs

that their attendance from Asia more than doubled from previous events. Record numbers were noted overall, especially from Australia and China;

- The HCC's website was redesigned with content organized into categories to be more user-friendly. The site can be viewed at www.hawaiiiconvention.com; and
- The HCC developed and produced a new business message sales video as well as two (2) newly updated client service videos. These videos are being used to promote the business attributes of the state of Hawai'i.

GLOBAL CMI



**John A. Burns School of Medicine
site tour for APEC press trip**



Smart Meetings

The HVCB's Corporate Meetings and Incentives (CMI) division is tasked with generating new business opportunities for Hawai'i's meetings industry statewide and promoting the Hawaiian Islands as a world-class destination for hosting meetings, conventions and incentive programs. The HVCB's leading business-generating activities undertaken in 2011 included the following:

- The HVCB sponsored the Pacific Rim Incentives & Meetings Exchange (PRIME) and utilized its resources to elevate the viability of the conference and to strengthen Hawai'i's brand as a meetings destination among planners.
- The HVCB partnered with Meetings Professionals International (MPI) and MPI's Aloha Chapter to host a Certified Meeting Professionals (CMP) exam, a first for Hawai'i. Twelve (12) Hawai'i meetings professionals earned the prestigious industry certification;
- The HVCB secured an exclusive destination sponsorship of "Smart Meetings" magazine's "Smart Mart" tradeshow events in 2011. Held monthly in key markets nationwide, each trade show gives the HVCB's sales directors one-on-one access to meeting planners attending these events and creates new opportunities to develop business leads;
- The HVCB broadened its direct sales efforts to reach more independent third-party planners, anticipating that a response to the economic downturn by many organizations would be eliminating in-house meeting planner positions and turning to third-party planners to fill that responsibility;
- The HVCB developed booking targets for its Island Chapters and restructured the responsibility of their sales directors to focus on conversion rather than traveling outside the state to develop new business opportunities. This strategy has been successful, as the chapters have secured new bookings from potential customers coming to their island while also saving on travel costs; and
- The HVCB and HCC collaborated on a marketing program to capitalize on Hawai'i's hosting of 2011 APEC Leaders' Week. The marketing program utilized a combination of public relations and co-op advertising to bolster Hawai'i's brand as a world-class meetings destination, while also supporting sales efforts by Hawai'i's meetings industry to develop new business going forward into 2012.

2011 APEC Leaders' Week

In November 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 (21) 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 included the Leaders' Meeting from Nov. 12-13, 2011 in Hawai'i, preceded by meetings of the APEC senior officials, ministers, the APEC Business

Advisory Council, and the CEO Summit. Thousands of delegates and international media gathered in Hawai'i for these meetings providing Hawai'i an opportunity to present itself on world stage.

The Hawai'i Host Committee, appointed by U.S. Senator Daniel K. Inouye, was headed by Chair Peter Ho, chairman, president and CEO, Bank of Hawaii, and Vice-Chair Tim Johns, senior vice president, HMSA, and played a vital role in

"And so it was America's turn to host APEC, and I could not imagine a more fitting place than my home state of Hawai'i... This is the most diverse state in our nation, home to so many races and immigrants and Americans who trace their roots back to many of your countries.

Hawai'i is not perfect, but I think Hawai'i comes about as close as you'll come to a true melting pot of cultures, where people live and work together in mutual trust and mutual respect.

That's the spirit of Hawai'i. It's what made me who I am.

— President Barack Obama



Left to right: Mike McCartney, Dr. Charles E. Morrison, Lt. Governor Brian Schatz and Peter Ho



Jim Tollefson, Mayor Billy Kenoi, Mayor Peter Carlisle, Mayor Bernard Carvalho, Mayor Alan Arakawa, Lt. Governor Brian Schatz and Peter Ho announced the Hawai'i Business Innovation Showcase

supporting the efforts of the U.S. and the White House in hosting APEC Leaders' Week. Also on the board was Mike McCartney, president and CEO of the HTA.

This was 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 showed the world what past generations have successfully built in Hawai'i and provided a look at what the world's future may hold for Hawai'i as a unique bridge between the U.S. and

Asia. It also showcased Hawai'i as a strategically-located global meeting place and drew attention to Hawai'i's meetings, incentives, conferences, and exhibitions market, facilities and infrastructure. President Barack Obama declared the summit a success and U.S. Ambassador for APEC Kurt Tong said, "Hawai'i gets an A-plus."

Following the success of APEC Leaders' Week, the HTA will work to build on the interest in Hawai'i as an ideal place to conduct business with the capabilities of hosting events of this caliber and stature.

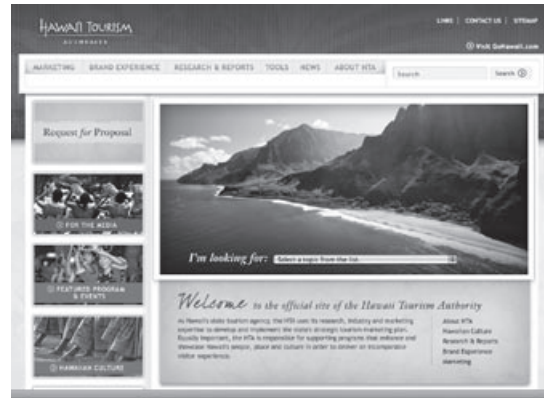
For more information, visit www.apec2011hawaii.com

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 issues related to the visitor industry. For this initiative, ongoing communications efforts include the following:

- News releases and 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 the HTA's board members, management and staff in Hawai'i and abroad, and face-to-face meetings with government, industry, business and community leaders statewide; and
- HTA-supported websites:
 - **The HTA's website** (www.hawaiiitourismauthority.org): In 2011, the HTA overhauled its website, making it easier to access and identify information on the HTA's programs and activities. The new site is more user-friendly, comprehensive and better organized for users to search for information; and



New HTA website

- **Travel Smart Hawai'i's website** (www.travelsmarthawaii.com): Provides information on trip preparation, planning and safety tips for visitors traveling to Hawai'i; and

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 383 print articles, 130 of which were neighbor island publications, and 13 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."



HTA print ads



Chinese travelers

Good bilateral ties important for economy of island state

By ARIEL TUNG
CHINA DAILY

NEW YORK — Reaching out to China's booming tourism market will be a priority for Hawaii Governor Neil Abernethy during the three-day China-US Governors Forum in Beijing.

Hawaii Tourism Authority (HTA) President Mike McCartney and other tourism officials will join Abernethy — on his inaugural trip to Asia — at the forum on Wednesday.

A good relationship between China and the United States will not only stimulate Hawaii's economy but also promote cultural understanding, Abernethy said.

Hawaii already has strong relations with Guangdong and Hainan provinces. The two will

to visit the coast of Hainan, China's largest island province, and promote bilateral trade and investment. The average Chinese tourist spends \$149 each day, according to compiled by HTA.

Hawaii's Department of Tourism reported that the number of Chinese visitors to Hawaii increased annually by 2.5 percent from 2002 to 2010. Hawaii will have 1.5 million Chinese visitors in 2011.

Star Advertiser

Visitor spending up \$50.9 million in May



Visitor spending up \$50.9 million in May

May's total spending by visitors was up 1.8 percent from a year ago.

Category	2011	2010
Total	\$50.9 million	\$49.9 million
Accommodation	\$12.1 million	\$11.8 million
Food & Beverage	\$11.5 million	\$11.2 million
Retail	\$10.8 million	\$10.5 million
Transportation	\$8.2 million	\$8.0 million
Recreation	\$7.5 million	\$7.3 million
Other	\$1.8 million	\$1.7 million

Media coverage

Japan Earthquake

On March 11, following the earthquake and tsunami that hit Japan, the tragic aftermath was felt around the Pacific. A tsunami warning was issued for Hawai'i and the HTA activated its Crisis Command Center and monitored updates from official sources. Throughout the crisis, the HTA disseminated updates and provided information to its marketing partners, Hawai'i's visitor industry, and the global media. Following the tragedy, the HTA continued to provide updates on the HTA's Economic Recovery Plan, improvements to Hawai'i's infrastructure and facilities, and relief efforts for Japan.

Nā Mea Makamae O Waikiki

Every year the Waikiki Community Center (WCC) selects outstanding individuals and corporations that have made a significant impact on Waikiki and the visitor industry. In August 2011, the HTA was selected and honored at WCC's 9th Annual Nā Mea Makamae O Waikiki, *Honoring the Treasures of Waikiki*.



Ronald Williams, Senator Donna Kim, Mike McCartney and Aaron Salā at the Nā Mea Makamae O Waikiki event

China-U.S. Tourism Leadership Summit

The HTA worked closely with officials of the U.S. Travel Association (USTA) to welcome more than 60 regional tourism directors from the U.S. and China to Hawai'i this year for the 5th Annual China-U.S. Tourism Leadership Summit. The Summit, considered to be one of the top economic accomplishments by the two countries, is designed to build business through creating relationships and knowledge of both the Chinese and U.S. markets.



5th China-U.S. Tourism Leadership Summit

Hawai'i Business Roundtable Meeting

U.S. Secretary of Commerce John Bryson and his staff participated in a Hawai'i Tourism Roundtable discussion with visitor industry leaders and Hawai'i legislators to discuss opportunities relating to international tourism as an export. Secretary Bryson also presented the State of Hawai'i with a Certificate of Appreciation for Achievement in Trade for the outstanding promotion of Hawai'i as a top destination for visitors from around the world.



Hawai'i tourism roundtable meeting with Lt. Governor Brian Schatz, Mike McCartney and Peter Ho

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 \$406.7 million in direct delegate spending statewide and more than \$39.4 million in statewide tax revenue. The HCC will realize 548,167* hotel room nights as a result of off-shore groups meeting at the HCC. As of October 2011, the sales team booked a total of nearly 765,901* 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.

Forecast as of 10/19/11. The LOS (length of stay) is based on the U.S. delegate staying at 8.04 nights (O‘ahu) and 9.21 nights (statewide); Asia Pacific delegate staying at three (3) nights. Room nights for other types of bookings (such as local events with room nights) with offshore attendees are based on information provided by the client and noted with an asterisk () when applicable.

HCC 2011 Highlights:

- “Facilities & Destinations” magazine presented the HCC its 13th consecutive “Prime Site” award, voted on by meeting and convention industry leaders;
- The HCC partnered with Enterprise Honolulu to develop the World Congress on Zero Emissions Initiatives and worked with the Department of Business, Economic Development & Tourism to host the Asia-Pacific Clean Energy Summit Expo. More than 15 countries were represented at the September 2011 meeting;
- The HCC worked closely with the 2011 APEC Hawai‘i Host Committee and the U.S. Department of State on the logistics for events held at the HCC during the 2011 APEC Leaders’ Week;
- The HCC formed a strategic partnership with the Healthcare Convention & Exhibitors Association (HCEA), a group that represents a quarter of the meetings industry and provides a stable market for the HCC; and
- The HCC was the sole sponsor of the New York Society of

Association Executives (NYSAE) Annual Education Institute event held Jan. 19. More than 60 association executives and meeting planners from the New York metropolitan area were in attendance.

Community Relations:

The HCC hosted the Hawai‘i Business Ambassadors Mahalo Dinner, which recognized the hard work of local business leaders to help secure future meetings and conventions for the HCC.

The American Psychiatric Association’s (APA) 164th Annual Meeting, held at the HCC from May 14-18, raised \$7,158 in donations for Hawai‘i nonprofit organization, Mental Health Kōkua. The meeting drew nearly 10,000 participants who were invited to make a donation as part of this year’s “APA Gives Back Program,” which supports a group in the community hosting the APA’s annual meeting. The APA also hosted the Hawai‘i Aloha Classic 2011 golf tournament in partnership with the Waipahu Aloha Club at the Waikele Country Club to raise additional funds.

Hawai‘i Convention Center Top Events of 2011

2011 APEC Leaders’ Week*

Delegates:	TBD
Room Nights:	TBD
Visitor Spending Generated:	TBD

American Psychiatric Association 2011 Annual Meeting

Delegates:	18,500
Room Nights:	148,740
Visitor Spending Generated:	\$87,353,068

American Academy of Neurology 2011 Annual Meeting

Delegates:	7,500
Room Nights:	60,300
Visitor Spending Generated:	\$35,413,406

American College of Chest Physicians 2011 Annual Meeting

Delegates:	5,000
Room Nights:	40,200
Visitor Spending Generated:	\$23,608,937

2011 Blood and Marrow Transplant Tandem Meetings

Delegates:	2,400
Room Nights:	19,296
Visitor Spending Generated:	\$11,332,290

*Data for APEC Leaders’ Week was not available at time of publication.

V. Tourism Research

The Tourism Research Division (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 policymaking and provides economic information. Highlights in 2011 include:

- The unveiling of the tourism research section on the new HTA website hawaiiourismauthority.org/research-reports. The redesigned section provides additional research resources focused on marketing and brand management, as well as the ability to search by topic and a built-in RSS feed;



HTA Tourism Research website page

- Researched flight and seat capacity figures and estimated economic impact for the new routes and flights;
- Increased the availability of visitor statistics with earlier release dates for the monthly visitor highlights and graphical dashboard to display key performance indicators;
- Supported the development of HTA performance targets and estimates of future TAT collection;
- Developed new methodologies to track online and social media and sentiment of potential visitors to Hawai'i; and
- Developed additional visitor research systems to monitor competitive destinations and managed projects to collect accommodations statistics on Hawai'i competitors while also tracking how Hawai'i target markets performed 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.

Visitor Satisfaction and Activities:

Through an extensive post-trip survey, this program provides feedback that helps Hawai'i's businesses to take proactive measures in promotion, maintenance and improvement in their offerings. The research measures visitors' satisfaction with Hawai'i as a visitor destination from the top six (6) major market areas (MMA): U.S. West, U.S. East, Japan, Canada, Europe and Oceania.

Visitor Plant Inventory: The statewide survey tracks existing visitor accommodations as well as 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. Together, the divisions work to expand the estimates for arrivals and spending for visitors over a five (5) year period by MMA. The TRD also continues to produce a monthly, three (3)-month rolling airline seat capacity outlook.

HTA Research Publications

The following is a list of daily, monthly, quarterly and annual research reports produced by the 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
- **Monthly MMA Highlights news release and Visitor Expenditures** [Top four (4) MMAs] – distributed the 3rd week of each month
- **Island Highlights and Arrivals by U.S. Regions** [By states and Metropolitan Statistical Area (MSA)] – distributed same day as 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 life stages.

Marketing Research

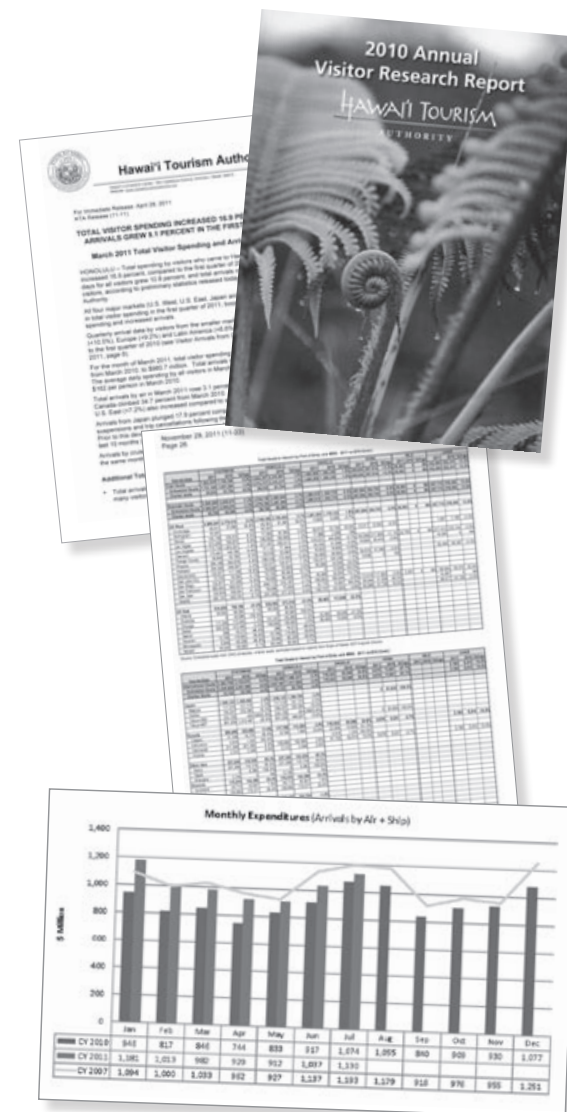
Information gathered on travelers' motivations, behaviors and decisions from the results of the Marketing Effectiveness Study, Travel Trade Barometers, CMI studies and data from the Visitor Satisfaction and Activity Survey.

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.

Evaluation and Performance Measures

Monitors the progress of the HTA's programs and the impacts of Hawai'i's visitor industry with reports on the Tourism Forecast, Visitor Satisfaction Monitoring Report, economic impact studies, brand awareness tracking, performance dashboards and a Resident Sentiments on Tourism Survey. TRD also supports development of HTA performance targets and estimates of future TAT collection.



VI. TAT Distribution

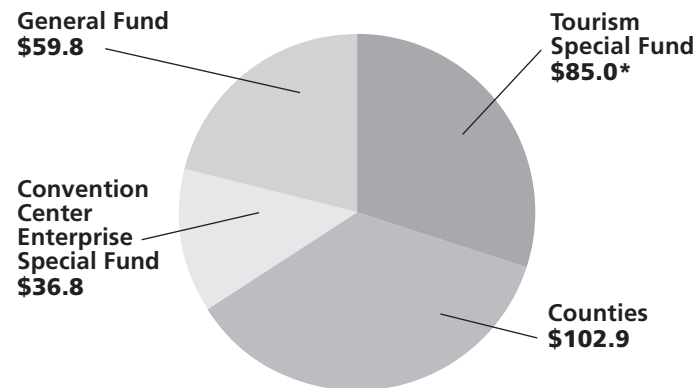
Transient Accommodations Tax (TAT) Collections

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 2011, the state collected a total of \$284.5 million in TAT, which was a 26.9 percent increase from FY 2010 when the total collection was \$224.2 million.

In 2009, the Legislature passed Act 61, SLH 2009, which 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 was deposited into the Tourism Special Fund for FY 2010-2011.

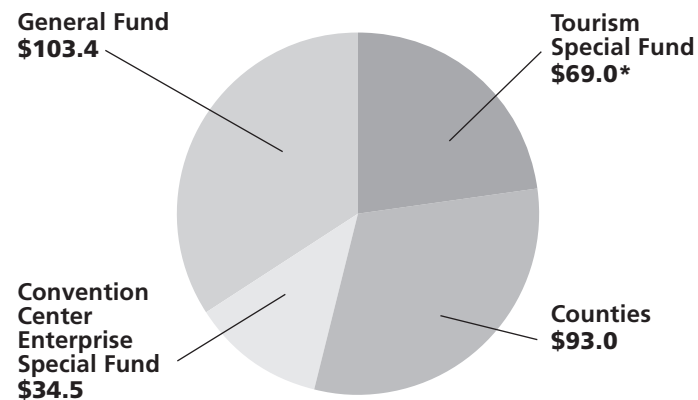
Act 103, SLH 2011 was passed in the 2011 Hawai'i state legislative session that capped the TAT revenue to be deposited into the HTA's fund at \$69 million. Despite the reduction, the HTA remains optimistic and committed to working with its marketing partners and Hawai'i's tourism stakeholders to preserve the vitality of Hawai'i's tourism economy.

TAT Distribution FY 2011 (\$mill)



*Inclusive of \$1 million proviso allocating monies to the State Department of Land and Natural Resources.
Source: State Department of Taxation

Estimated TAT Distribution FY 2012 (\$mill)



*Inclusive of \$1 million proviso allocating monies to the State Department of Land and Natural Resources.
Source: State Department of Taxation

VII. HTA Fiscal Year (FY) 2011 Actuals

Hawai'i Tourism Authority Fiscal Year 2011 Actuals (\$000)

REVENUES

Tourism Special Fund	\$84,981
Investment Pool Interest/Miscellaneous Receipts	666

TOTAL REVENUES

\$85,647

APPROPRIATIONS

FY 2011	\$86,947
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TOTAL APPROPRIATIONS

\$86,947

HTA EXPENDITURES

Administrative Costs	2,822
Sports & Festival Events (Includes Pro Bowl/PGA)	7,930
Community & Special Events	11,922
Product Development	4,794

MAJOR MARKETING

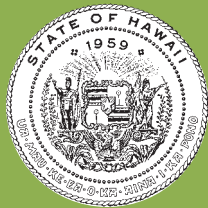
Leisure Marketing	43,907
Meetings, Conventions & Incentives Costs	8,764

TOTAL HTA EXPENDITURES

\$80,139

*“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



Hawai'i Tourism Authority

Hawai'i Convention Center

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www.hawaiiitourismauthority.org



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