

HAWAII TOURISM AUTHORITY

FIVE-YEAR STRATEGIC PLAN 2016



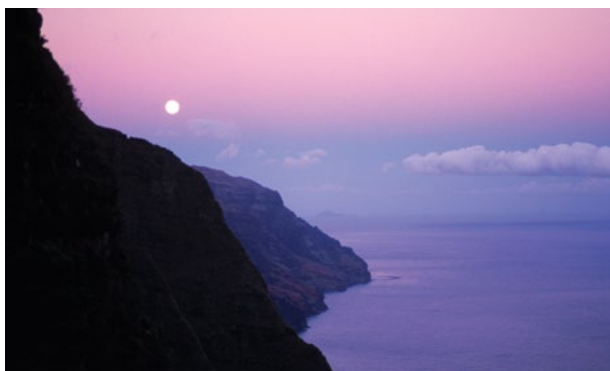
HAWAII TOURISM
AUTHORITY



TABLE OF CONTENTS

Forward	1
Strategic Plan Overview	2
1.0 Introduction	4
1.1 Relationship of the Strategic Plan to the State Planning Act	5
1.2 Components of the Strategic Plan	6
2.0 Collective Ambition	6
3.0 Tourism in Hawai'i: Situation Analysis	8
3.1 Brand Management at Work	10
3.2 HTA Annual Work Cycle	10
3.3 The Place-Host-Guest Framework	11
3.4 Hawai'i Tourism Situation Assessment	12
Strengths	12
Weaknesses	14
Opportunities	15
Threats	16
3.5 Positioning Hawai'i in the External Market	19
4.0 Goals, Objectives, Strategies and Measures	20
Goal 1: Improve the Integrity of the Destination	22
Goal 2: Ensure Stable Economic Benefits	23
Goal 3: Elevate Hawai'i's Value Perception	24
Goal 4: Strengthen the HTA's Reputation	25
4.1 Proposed 1-, 3-, and 5-Year Targets	25
Acknowledgments	26
Glossary	28

On the cover: *The night sky is very important to Native Hawaiians. Deep sea navigators plan voyages based on star patterns, farmers plant guided by moon phases, and the appearance of Makali'i signifies the beginning of the Makahiki, the most important holiday of the year.*



FOREWORD

The creation of a new strategic plan offers the opportunity to reflect on past accomplishments, weigh present realities, and plan for the possibilities of tomorrow. Such is the case with the Hawai'i Tourism Authority (HTA) Five-Year Strategic Plan as we enter 2016 and contemplate the future direction of tourism in Hawai'i.

This strategic plan is created by and for the HTA. But no strategic plan should be accomplished in a vacuum, particularly a plan that affects the health of an entire industry and, in fact, an entire state. In that context, the HTA Strategic Plan exists for the people of Hawai'i and requires a healthy working relationship and collaboration with a host of partners and stakeholders who are equally passionate about the future of tourism. The HTA reached out to many of these individuals and organizations during the preparation of the plan, knowing that with *laulima*—many hands working together—great things can be accomplished. A list of those who provided input is presented at the end of the plan.



STRATEGIC PLAN OVERVIEW

Managing Continued Growth of Hawai'i's Visitor Industry

The Hawai'i Tourism Authority was created by Act 156, SLH 1998 as the lead agency for Hawai'i's visitor industry. Since its inception, HTA has guided the visitor industry through good times and bad.

Over the years the mission has remained the same—to *strategically manage Hawai'i tourism in a sustainable manner consistent with economic goals, cultural values, preservation of natural resources, community desires, and visitor industry needs.*

The purpose of the HTA Strategic Plan is to guide the organization in addressing issues and creating opportunities that will move Hawai'i's visitor industry forward. HTA's kuleana is to create demand for Hawai'i; deliver on the Hawai'i brand promise and experience; and continue to respect the Native Hawaiian culture and *mālama Hawai'i* and its people. Measures of success are identified to track progress.

The plan also presents a *collective ambition*, which consists of a strong set of principles and a vision as to how tourism should be cultivated. The seven principles include: a healthy economy, environmental sustainability, cultural authenticity, market knowledge, host and guest satisfaction, collaboration, and accountability.

Strategic Direction

The strategic plan presents goals and objectives to increase economic activity, sustain the positive net benefits of tourism, grow visitor spending, and be an effective organization. It establishes four goals that the HTA intends to accomplish by working and collaborating with partners and stakeholders. Those goals are presented here in summary. The detailed strategies related to each goal can be found in Section 4.0.

Goal 1: Improve the Integrity of the Destination

A successful tourism economy balances the needs of the community, visitors and the destination. The HTA must increase community support for tourism and be a better steward of the destination.

Goal 2: Ensure Stable Economic Benefits

To sustain consistent visitor arrivals and expenditures throughout the Hawaiian Islands, regardless of varying economic cycles or unforeseen events, the HTA must focus marketing on cultivating new arrivals and increasing visitor expenditures by attracting high-spending visitors and creating spending opportunities.

Goal 3: Elevate Hawai'i's Value Perception

To remain competitive, Hawai'i must differentiate itself by promoting authentic experiences unique to the Hawaiian Islands as justification of value for travel costs. The HTA must maintain and improve air access to the Hawaiian Islands, protect Hawai'i's brand, and meet traveler expectations for accommodations and infrastructure.

Goal 4: Strengthen HTA's Reputation

To be an effective leader, the HTA must be a forward-thinking, knowledge-based organization that uses information and research to develop programs and policies. The HTA must continually improve its ability to lead the industry and ensure transparency and accountability for its marketing efforts.

OUR MISSION

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



Tourism is the fabric that knits together jobs and income for residents, access to and from the rest of the world, and attributes of the islands that are prized by visitors and residents alike.

1.0 INTRODUCTION

As Hawai'i's main economic driver, tourism is expected to provide economic benefits for Hawai'i's people into the foreseeable future. In 2014, the industry sustained 165,000 jobs and generated more than \$14.7 billion in visitor spending and \$1.6 billion in tax revenues.

Tourism is the fabric that knits together jobs and income for residents, access to and from the rest of the world, and attributes of the islands—our culture, climate, natural resources, and worldwide reputation for hospitality and aloha—that are prized by visitors and residents alike.

The legislative act that created the HTA also established the Tourism Special Fund. The fund—composed of a portion of the revenues from the transient accommodations tax (TAT) assessed on hotels, condominiums, timeshares, vacation rentals, and other visitor accommodations—was designated for use by the HTA to market, develop and support Hawai'i's economy. Currently, the HTA budget is determined by the legislature in accordance with HRS 237D-6.5. The HTA manages the Convention Center Enterprise Special Fund, which also is funded by a portion of TAT collections.

HTA is charged by State law (HRS 201B-7(b) (1)) with “creating a vision and developing a long-range strategic plan for tourism in Hawai'i.” Further, the HTA “shall be responsible for developing a tourism marketing plan. The plan shall be a single, comprehensive document that shall be updated every year...” (HRS201B-6(a)). Therefore, going forward the HTA will develop and maintain two major planning documents. The first of these, the Hawai'i Tourism Authority Strategic Plan (HTASP), provides a vision and articulates strategic direction over a five-year period. The second is the HTA's Brand Management Plan (HTABMP), a short-term “tactical plan” for implementation of the strategic plan on a year-to-year basis.

Formation of the Strategic Plan

This is the fourth HTA strategic plan since the agency was established in 1998. The previous plan, *Hawai'i Tourism Strategic Plan 2005-2015* (“TSP 2005-15”), adopted in 2004, was organized as a “State Plan” that assigned responsibilities for some strategic initiatives to other government agencies and private-sector organizations. In reality and from lessons learned in implementing TSP 2005-2015, the HTA does not have sufficient authority to enforce a “State Plan,” or to constantly monitor and oversee work done by other organizations. Therefore, this Strategic Plan is proposed as a dedicated “HTA” plan that recognizes the need to work with partners and stakeholders for successful implementation.

The planning process began with a review of the previous plan's various initiatives, issues, and goals, and incorporated into the new plan, those things that were judged to be the highest priority concerns from the earlier document. Industry, community, and government stakeholders helped to develop the plan from individual interviews (Spring and Summer 2013) and Strategic Planning Working Group discussions (Fall 2014). The Strategic Planning Working Group and HTA staff and Committee reviewed the goals, measures and strategies, and provided input to targets for years 1, 3, and 5.

Independent consultants provided a review of published information about changing conditions in the local, national, and international tourism environment and a “state of the destination” assessment in 2013 (see Section 3.0). The HTASP included additional goals and strategies, and de-emphasized some older ones. Final decisions about goals, objectives, strategies, and success measures were from the HTA staff and Board members. Additionally, the collective ambition statement was based on oral and written input from industry and community stakeholders, and was reviewed at the August 2013 Annual Tourism Conference.

1.1 Relationship of the Strategic Plan to the State Planning Act

The Hawai'i State Planning Act (HRS §226) contains economic, social, and land use objectives and policies, including guidelines to promote the economic health and quality of the visitor industry (HRS §226-103). The §226 language relating to the "visitor industry" has been only lightly amended since 1978, testament to the enduring values of the Legislature regarding the economic importance of tourism and the need to ensure its development in a sensitive manner. At the same time, today's visitor industry is mature with less rapid growth than in 1978. Other circumstances have changed as well, not the least of which is the creation of the HTA.

Every State agency, not the HTA alone, is assumed responsible for carrying out the policies in the State Planning Act. As such, the State Planning Act is assumed to play the role of a "State Plan" and the HTA understands and accepts its responsibility to assure that its plans comply with this Act through the implementation of its Strategic Plan.

In this context, the HTA Strategic Plan presents goals and objectives, strategic directives, and measurement criteria to guide decisions on allocating HTA resources and efforts. The Strategic Plan is a long-range strategic plan for tourism in Hawai'i as required by HRS §201B-7(b)(1) with four over-arching goals. It contains objectives with strategies and short- and long-term timeframes that will be reviewed and, if necessary, revised annually by the Board of Directors.

The Brand Management Plan, therefore, using the Strategic Plan as its foundation, contains "statewide Hawai'i brand management efforts and programs" and direction for promotional and marketing programs. In addition, performance goals, targets and key performance indicators will be developed in conjunction with the annual budget.

Each year, the HTA must account for its activities via its Annual Report to the Legislature. The report covers HTA expenditures and programs for the calendar year, including evaluation of the success measures for both the HTA Strategic Plan and Brand Management Plan.

The purpose of the HTASP is to guide the organization in addressing issues and creating opportunities that will move Hawai'i's visitor industry forward. As stated, this is HTA's strategic plan. It presents four goals that the HTA intends to accomplish by working and collaborating with partners and stakeholders. It is the kuleana of the HTA to drive demand to Hawai'i; deliver on the Hawai'i brand promise and experience; and continue to respect our Native Hawaiian culture and mālama Hawai'i and its people.

Figure 1 illustrates the alignment of State Planning Act to the HTA plans and reports.

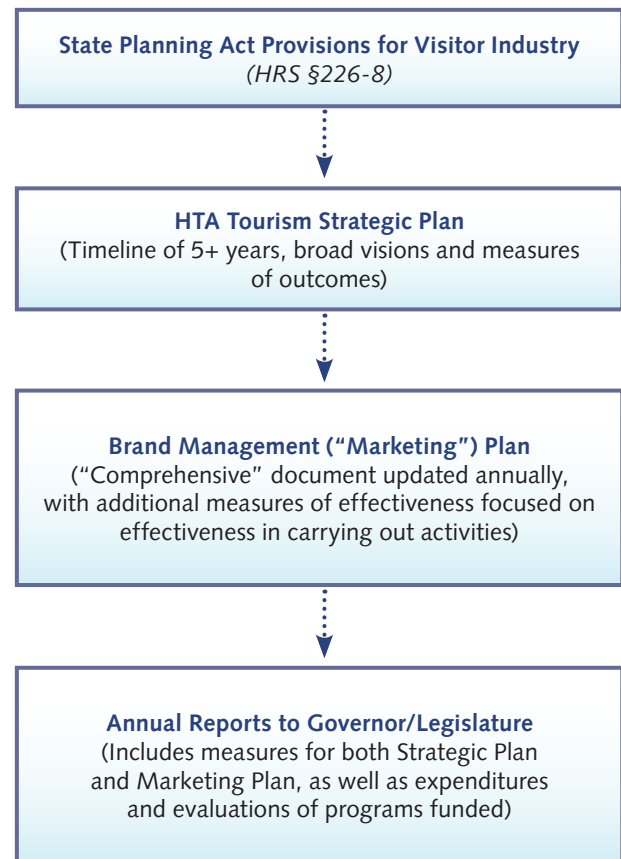


Figure 1: HTA Plans and Reports

1.2 Components of the Strategic Plan

The first section, Section 2.0, is the collective ambition. It articulates a vision and principles for tourism in Hawai'i. Instead of a simple vision of future tourism, which could be interpreted in many ways, the HTA specifies what behaviors are expected from all stakeholders. A common goal is established to ensure that Hawai'i's visitor industry remains successful and viable into the future. Developed with input from the industry, community, government and staff, we hope it will inspire Hawai'i's tourism stakeholders to work together around a common set of principles to move Hawai'i's visitor industry forward and ensure its long-term sustainability, which in turn will benefit the community at-large.

The next section, Section 3.0, describes how tourism works in Hawai'i today. A situation analysis examines a variety of factors including Hawai'i's attributes, competition, economy, environment, infrastructure, and community. This is not intended to be a comprehensive assessment of all issues, as was done in the 2005-15 TSP. Instead it focuses mostly on emerging trends and issues highlighted in the 2013 planning process for the TSP Update.

Following the situation analysis is the core of the Strategic Plan, organized by goals, objectives, strategic directions, and measures. As mentioned, there are four overarching goals. Each goal has objectives to which strategies and timeframes are identified. Measures of success ensure that progress will be tracked and outcomes realized.

2.0 COLLECTIVE AMBITION

The collective ambition, developed with input from the industry, community, government, and staff is HTA's vision as to how tourism should be cultivated based on principles, goals and responsibilities

Hawai'i's visitor industry is unique in that it touches the lives of so many of our residents. The aloha of Hawai'i's people, a rich natural environment, and cultural diversity set Hawai'i apart from most other destinations.

Hawai'i's visitor industry is also composed of a diverse range of businesses. Hotels, airlines, retail stores, restaurants, and more function independently but are collectively an integral part of one of the state's largest industries.

Tourism not only helps to maintain Hawai'i's economic viability but also funds programs that sustain the natural environment and infrastructure, and also creates opportunities for residents to access world-class events and amenities and to enjoy vibrant lifestyles.

The HTA, together with government officials, industry stakeholders, and community partners share the common goal to ensure that Hawai'i's visitor industry remains successful and viable well into the future. The decisions that are made today will help to shape the future of Hawai'i's tourism economy and communities. The HTA therefore declares to support these guiding principles and the intent to work together so outlined in Figure 2 on the next page.

HTA's Collective Ambition

PRINCIPLE	GOALS	RESPONSIBILITIES
1. Healthy Economy	Grow the Hawai'i visitor industry's contributions to the state's economy; maintain and enhance job opportunities; and increase benefits for local communities.	Nurture career development and entrepreneurial opportunities to ensure that all industries benefit from the success of the visitor industry and demonstrate the economic significance of the tourism industry.
2. Environmental Sustainability	Protect Hawai'i's natural environment and preserve it for future generations.	Practice and promote destination stewardship by reducing waste and environmental impact, increasing energy efficiency and educating visitors on mālama 'āina (caring for the land).
3. Cultural Authenticity	Integrate authentic cultural practices into the visitor industry to perpetuate Hawai'i's unique cultural heritage.	Foster practices that perpetuate Hawai'i's diverse cultures, with emphasis on the Native Hawaiian culture, by involving cultural practitioners in tourism development and expanding opportunities for interaction and cultural exchange between residents and visitors.
4. Market Knowledge	Proactively manage resources and data to address and adapt to changing market trends and cycles.	Assess market trends and economic cycles to identify and pursue strategic potential markets and encourage diversification of Hawai'i's tourism products and visitor segments to ensure economic stability and success.
5. Host & Guest Satisfaction	Maintain high levels of support and satisfaction among visitors and residents in order to strengthen "The Hawaiian Islands" brand as a unique, world-class destination.	Engage with the community, industry and visitors to understand and identify balanced solutions that will serve the needs and interests of residents, visitors and Hawai'i's tourism economy.
6. Collaboration	Cultivate respectful and responsive relationships between communities, governments and Hawai'i's visitor industry.	Develop and maintain relationships between the visitor industry, government, community and other industries and stakeholders to identify needs and determine mutual solutions that affect tourism industry planning and policies.
7. Accountability	Develop and implement a comprehensive evaluation system that measures specific results, determines impact, and requires remedial actions that will ensure the success of Hawai'i's tourism economy, environmental and cultural sustainability, and resident-visitor balance.	Be accountable to follow a comprehensive evaluation system and provide strategic analysis and guidance that takes into consideration multiple factors that affect visitor industry success.

Figure 2: Collective Ambition

3.0 TOURISM IN HAWAI'I: SITUATION ANALYSIS

As a mature visitor destination, Hawai'i has experienced its fair share of tourism highs and lows. Since statehood in 1959, the visitor industry has grown to be Hawai'i's economic mainstay. While the State encourages other industries in an effort to diversify the economy, tourism continues to be an integral part of Hawai'i's community and influences its residents, place, and culture.

The visitor industry is cyclical and tourism in Hawai'i is again at a critical stage of its life cycle. The global environment has changed since the plan was last written in 2005. The following review of tourism in Hawai'i was prepared with the assistance of HTA's consultant, John Knox & Associates.

Changing nature of leisure demand: Rising incomes, more affordable and efficient air transportation, reduction in travel barriers, urbanization, and the globalization of travel industry sales, distribution, and supply systems have contributed to a sharp rise in leisure travel. As a result, travel markets are becoming more complex and less homogenous than in the past.

Explosive increase in global travel: The United Nations World Tourism Organization forecasts an average 3.3 percent annual growth for international tourism through 2030. A substantial portion of the

projected growth is from emerging markets in Asia and the Pacific. This strong growth is driving tourism product development in a variety of destinations that are (or are potentially) competitors to Hawai'i.

Core-market repeat visitors and desire for additional experiences: Roughly two-thirds of visitors from Hawai'i's core markets (U.S. and Japan) are repeat visitors. While these markets are rapidly aging on average, visitors are still spry and healthy enough to seek out new experiences. There is a clear need to ensure revitalization of the product and identify more things to see and do.

Acceleration of technology: Travel consumers are now adept and active participants in the sales and distribution systems, leading to shorter booking windows and enabling post-arrival visitors to obtain information on a real-time basis. Suppliers are also able to better market and/or develop travel products for specific market segments and have enabled greater inventory revenue yield and utilization control.

Developments in air transportation: Deployment of new, long range, fuel-efficient aircraft—such as the Airbus 380 and Boeing B787 "Dreamliner"—will open up new long-haul markets for Hawai'i and, simultaneously, introduce new destinations that are competitive to Hawai'i. Most of these aircraft will be delivered to foreign carriers, making their countries more critical marketing targets for Hawai'i and its

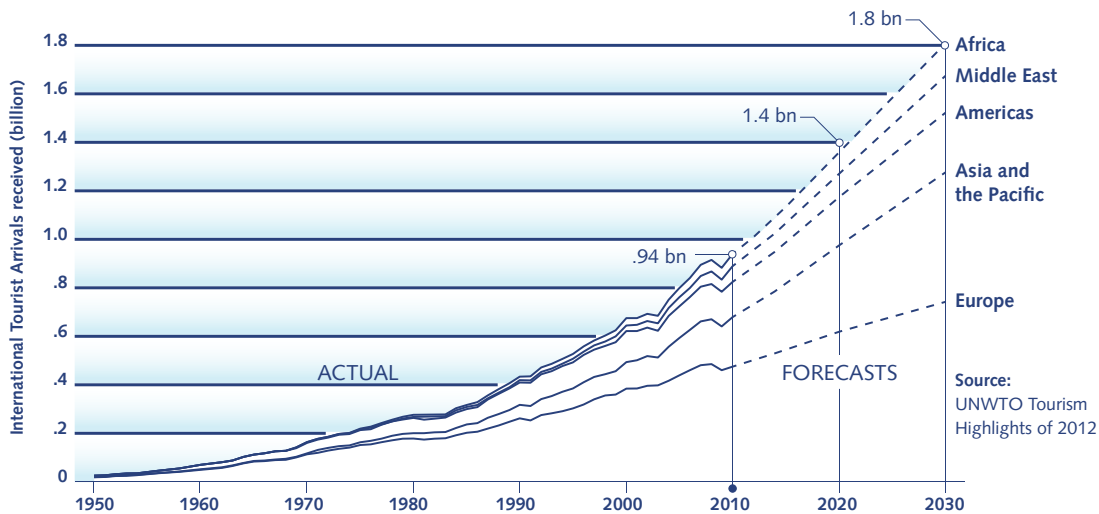


Figure 3: Global Tourism Forecast

competitors. These carriers are more likely to shift capacity to other destinations on the basis of short-term gains, unless Hawai'i establishes a lasting track record of appealing to their customers.

Decline of cruise travel: At the time of the last TSP, cruise travel was a high-growth activity, leading to many questions about the Islands' harbor infrastructure. The Great Recession sharply reduced the number of vessels home-ported in or visiting Hawai'i. If the industry recovers, dormant infrastructure and logistical issues will be revived.

Lodging inventory and mix: There has been significant redevelopment in Waikiki since the last TSP but there is still a great deal of aging inventory there as well as on the Neighbor Islands. The early 21st century has seen changes in the mix of Hawai'i's accommodations through conversion of many traditional hotel or condo-hotels to timeshare and resort residential use, and through reduction in room count due to reconfiguration of inventory into larger units. There has also been growth in vacation rentals and bed-and-breakfasts, causing friction in some affected residential areas, as well as the growth of websites like vrbo.com and airbnb.com

Growing trend for visitors to explore or stay outside designated resorts: Partly because of the large number of repeat visitors, and because so many of them are much more likely now to be independent travelers using technology to plan their own activities, more visitors are driving rental cars, exploring "secret" cultural or scenic spots revealed by guidebooks, or staying at vacation rentals in residential areas.

This has profound implications—both positive and negative—for relations between residents and the industry. Some communities (e.g., Kailua on O'ahu or Hanalei on Kaua'i) have enjoyed significant economic growth for local businesses but at the cost of increased traffic, recreational-area conflicts, and disputes over the legality and growth of vacation rentals and bed-and-breakfast operations.

Growing resident ambivalence toward tourism: Various DBEDT and HTA survey questions over the years show residents consistently believe tourism, on balance, brings more benefits than problems. However, only a minority of residents now believe that tourism brings them or their families' direct benefits. There is typically opposition to growth and

a strong preference for economic diversification. And in recent years, a majority has agreed that their islands are "run for tourists at the expense of local people."

Surveys suggest that residents believe that the most important effects of tourism have to do with economic benefits and the provision of amenities (e.g., shopping centers and restaurants). Most residents are satisfied with the industry's performance in those areas. Only slightly less important to residents are environmental and cultural factors, and there is less satisfaction with the industry in those areas. Most residents do not strongly agree that tourism is "consistent with community values," a finding that bears further research.

Government relations: Many stakeholders interviewed during the preparation of this plan focused on relations between the HTA and other agencies. There is a feeling the agency has greatly improved in its key informal communications and is doing a good job in advocating for the industry. However, there is also some concern that more formal connections—such as directors of other State agencies holding ex-officio seats on the HTA Board—have been eliminated, and that additional technical planning capacity would be helpful.

The HTA's mission and role as a government agency is not always clear to industry or community stakeholders. The term "Authority" in the Hawai'i Tourism Authority's name may lead to expectations that it has powers—particularly in regard to planning or regulation—that it does not in fact possess. Many interviewees stressed the importance of constant communication with elected government officials.

Economic volatility and change: Tourism is the dominant sector of Hawai'i's economy and the visitor industry led Hawai'i's recovery from the Great Recession. However, all markets tended to decline at the start of that global event, raising questions of whether a "recession-proof" portfolio of markets is possible. Further, other economic sectors have grown more rapidly than tourism over the past few decades, diversifying the economy but also reducing the industry's political profile.



Figure 4: Brand Management at Work

3.1 Brand Management at Work

Brand management is one of the HTA's key strategic roles. Specifically, it involves the promotion of the Hawaiian Islands through our support of programs and events that deliver on the brand promise. The HTA coordinates with its global marketing team, visitor industry partners, travel trade and community stakeholders to ensure that marketing and communications tactics are in line with Hawai'i's unique and distinctive products, including natural resources, Hawaiian culture and multi-cultures.

The HTA contracts with eight marketing organizations beginning in 2016 to promote Hawai'i in each major market area (MMA), geographic regions of the world that have roughly similar travel characteristics. With direct HTA oversight, the marketing team is responsible for developing strategic marketing plans and cooperative programs for their respective areas.

In addition, the HTA creates, manages and supports the development of unique tourism experiences such as community and cultural festivals, sporting events, natural resources and community programs. The HTA also directly affects the visitor experience through its support of career development and visitor assistance initiatives, and integrating the community and residents' considerations and respect for the Hawaiian host culture.



Figure 5: HTA Work Cycle

3.2 HTA Annual Work Cycle

The HTA has an evolving work cycle (Figure 5) that begins with the gathering of research and market intelligence. This information helps formulate the direction of the HTA within each of the major market areas while balancing the need to optimize the industry's contributions to Hawai'i's communities.

- **Research.** Research provides a foundation for the HTA to formulate its plans for sustainability of Hawai'i's tourism industry. The HTA utilizes market intelligence and historical and current visitor data that take into account changes in seasonal trends, demographics and economic conditions.

- **HTA Strategic Plan.** The HTA Strategic Plan serves as the road map to address short- and long-term goals to achieve Measures of Success based on research data, market intelligence, input from stakeholder meetings, and collaboration with industry associations. Targets have been established as a means to measure the success of attaining HTASP goals.
- **Brand Management Plan.** The Brand Management Plan is the HTA annual action plan and details initiatives and programs to achieve KPIs. The budget is formulated in conjunction with the Brand Management Plan.
- **Execution.** The HTA's global marketing team develops their annual brand management plans for incorporation into the HTA Brand Management Plan, based on HTA directives for the MMA and their respective market's current trends and conditions.
- **Evaluation #1.** To optimize performance outcomes in the spring, the HTA reassesses its KPIs by monitoring research data, drawing from market intelligence, and reviewing its global marketing contractor initiatives during the Spring Marketing Update.
- **Adjustments.** The first evaluation provides an opportunity for the HTA and its marketing contractors to regroup and review current market trends and economic conditions and make necessary adjustments to its marketing plans in order to obtain its objectives.
- **Results.** During the third quarter the HTA continues to monitor year-to-date results, analyze economic conditions and trends, and compare them against KPIs in order to plan for the next year.
- **Evaluation #2.** Towards the end of the year, the HTA will evaluate the effectiveness of its initiatives and weigh market research and intelligence to consider which initiatives to refine, retool, and implement in the following year.

3.3 The Place-Host-Guest Framework

Tourism planning today typically considers the three elements of “Place” (the overall destination, as valued by residents and visitors alike), “Host” (the visitor industry and workforce), and “Guest” (the customers). The HTA sits in the middle of these, and so the following analysis of Hawai'i's tourism trends and issues looks at relationships with all of these as well.

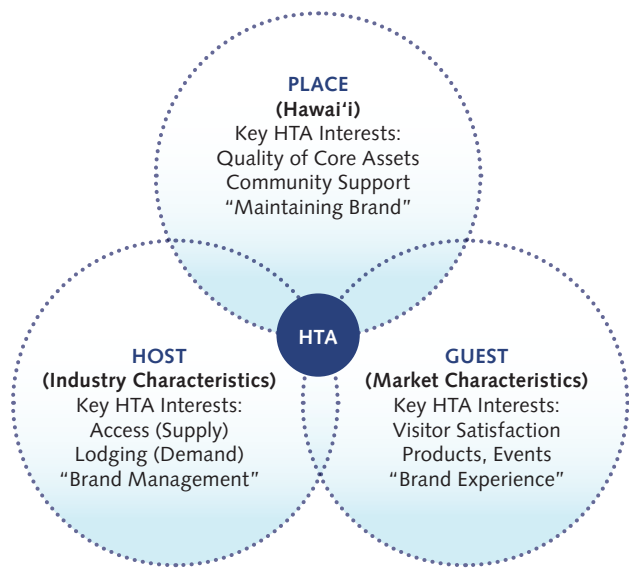


Figure 6: Place-Host-Guest Diagram



3.4 Hawai'i Tourism Situation Assessment

Each of the following sections note key developments since the last TSP was prepared; examines recent changes in (1) the Hawai'i visitor industry and (2) the larger "destination" (all of Hawai'i, not just resort areas); and then looks at strengths, weaknesses, opportunities, and threats ("SWOT analysis"). At the end of the SWOT, conclusions will be drawn about appropriate positioning of Hawai'i in the competitive market and then in relation to the community and stakeholders.

STRENGTHS

The destination's key strengths identified in the 2005-15 Tourism Strategic Plan remain a foundation for competitive positioning going forward:

- Brand awareness
- Climate
- Culture and history
- Destination allure and appeal
- High visitor satisfaction
- Natural resources
- People and Aloha Spirit
- Quality and variety of accommodations
- Safe but exotic
- Variety of activities and attractions

When it comes to "unique selling propositions," Hawai'i possesses demonstrable (and believable) unique attributes, including:

Variety: Hawai'i offers six islands to explore, from urbanized O'ahu to deeply rural Moloka'i, from cozy Lāna'i to the Hawai'i Island, with Maui and Kaua'i in between. There is a great mix of accommodation types, at various price points—full-service hotels, condominiums, timeshare, bed-and-breakfasts, small inns, etc. Activities are available for a wide range of interests (culture seekers, cuisine, golfers, romance seekers, adventure seekers, nature enthusiasts, etc.)

Aloha Spirit and Hawaiian culture: The friendliness of Hawai'i residents is storied. As discussed later, attitudes toward the visitor industry can be mixed, but attitudes toward visitors themselves have remained deeply positive. Hawai'i has a heritage of hospitality, as reflected in the Native Hawaiian concept of ho'okipa (to properly host visitors, whether invited or unexpected, hospitality of complete giving, unselfishly extending to others the best that we have to give), which has been a centerpiece of some workforce training programs.

Native Hawaiian culture is at the heart of the Islands' uniqueness. There has been a renaissance of the Hawaiian language, and Native Hawaiian cultural practitioners are increasingly visible in hotels. Native Hawaiian cultural events such as the Merrie Monarch Festival draw residents and visitors alike.

History, culture, and heritage: 'Iolani Palace, the only royal palace in the United States, is one of many Hawaiian heritage sites, some administered as National Parks or National Historic Sites. World-class museums contain both the political and natural history of the Pacific, as well as modern art. The Islands boast enticing ethnic neighborhoods and experiences (Chinatown, plantation sites, and ethnic festivals). World War II sites and attractions range from the start of the conflict (Pearl Harbor) to its conclusion (the USS Missouri, where the surrender of Japan was signed).

Authentic experiences: The Islands offer numerous local festivals, events, crafts, and activities—from traditional parades on Kamehameha Day to newer community-based initiatives supported by the HTA's County Product Enrichment Program. Hawaiian music is a unique musical genre popularized across Hawai'i and Japan by performers such as Don Ho, Israel "Iz" Kamakawiwo'ole, and Jake Shimabukuro. Diners can enjoy a variety of cuisines, including a range of ethnic foods and unique Hawai'i Regional Cuisine.



Safety: Hawai'i's violent crime rate is quite low compared to the national average; disasters such as hurricanes and tsunamis have been infrequent; there are no deadly predators on the land; and there is a sense of political stability and racial amity. However, no place is without hazards, and the Visitor Assistance Program is dedicated to helping visitors who have been victimized by crime or accidents.

Scenic/natural resources: Hawai'i's visual beauty is a big reason why many visitors pay premium prices to travel here and why many residents make economic sacrifices to live here. The Environmental Protection Agency rates the current overall condition of Hawai'i coastal waters as "good," the highest rating possible. Hawai'i's ocean quality is an important factor in the health of the visitor industry given the importance of marine recreation. Marine and coastal recreation sports are likely to continue to gain popularity in the next five years, as new technology (e.g. water-propelled jetpacks) emerges. The HTA recognizes the importance of these assets through creation of a standing Natural Resources Advisory Group.

Unique Native Hawaiian culture, multi-cultural milieu: Hawai'i's "rainbow" of ethnic and racial diversity is unique in the nation. It is the top-ranked state for proportion of population composed of "minorities." The indigenous Native Hawaiian culture is particularly distinctive. A challenge to sustaining this core asset is lack of agreement on how to measure cultural strength and vibrancy.

Lifestyle, quality of life: These are hard to measure objectively, but Honolulu emerged as the top American city (and 28th in the world), in a 2012 "Quality of Living Survey." In addition, the Gallup-Healthways Well-Being Index consistently ranks Hawai'i residents as the overall "happiest and healthiest in the nation." Remaining life expectancy for seniors 65+ is highest in the nation, according to the U.S. government.

Access to and from the outside world: Hawai'i is the world's most remote sizeable landmass, about 2,400 miles from California and 3,850 miles from Japan. Due largely to the success of tourism, Honolulu International Airport was the 28th-busiest airport in the country in 2014, with some 280,700 aircraft operations (source: Airports Council International). Kaua'i, Maui, Lāna'i, Moloka'i, and Hawai'i Island also have numerous air connections to the rest of the state, and some have direct flights to the U.S. Mainland and Canada (prior to 2010 Hawai'i Island also had direct flights from Japan).

These various unique attributes can make the entrenched position of Hawai'i as a "sun, sand, surf" destination more appealing by adding dimensions to the brand's position. If Hawai'i competes only on a single dimension (or a limited number of dimensions), it risks operating at a competitive disadvantage relative to lower-cost destinations.

WEAKNESSES

Value for the money: The HTA Marketing Effectiveness Study (MES) shows that Hawai'i scores well among the traveling public in core markets for attributes long associated with Hawai'i: safety, relaxation, cleanliness, etc. However, some key attributes scored relatively lower, especially "value for the money," which scored significantly lower. Since Hawai'i cannot effectively compete solely on price because of distance and high land, labor and other costs, improvements in value perception can only be achieved by delivering a superior visitor experience and/or amenities to justify its higher overall costs.

Geographical isolation and travel costs: Hawai'i is the most remote significant landmass in the world. That means significant travel costs—in both time and money—for the visitor and for carriers. The Islands and their travel suppliers are thus highly vulnerable to changes in fuel prices.

Single functioning international airport: Neighbor Islands are handicapped when international visitors must fly first and only to the Honolulu International Airport, then take another plane to other islands. Ironically, inter-island airfares have risen as more domestic passengers now fly straight to the Neighbor Islands and thus reduce demand for inter-island flights. On Hawai'i Island, Japan Airlines stopped flying to the Kona International Airport, endangering its "international" status. Maui, the state's 2nd leading visitor destination, has yet to achieve international status.

Limited supply of visitor units: Especially on O'ahu at peak seasons, traditional hotel and condominium hotel ("condo-hotel") occupancy is reaching capacity. This is due in part to the previously mentioned redevelopments that have resulted in net redirection of units to residential, resort-residential, or timeshare uses. First-time visitors seeking such traditional lodging units dominate emerging international markets, and the scarcity of these units has sometimes resulted in foreign carriers reducing airlift to Hawai'i.

Business market: Business travel—both use of the Convention Center and the MCI (Meetings, Conventions, and Incentives) market—has not grown since the previous 2005-15 TSP was prepared. Hawai'i's strong leisure brand continues to have the negative side effect of discouraging organizations from "boondoggle" meetings in the Islands.

Declining real average daily visitor expenditures:

Since the late 1980s, inflation-adjusted ("real") average daily spending has trended downward—not steadily, but in a see-saw fashion in which increases such as those seen in the last few years still do not attain previous real levels. If this trend is not reversed, over the years more visitors will be required simply to maintain current total levels of economic contribution to Hawai'i.

Workforce international experience:

While emerging international markets present a potential opportunity for Hawai'i (see below), the workforce has limited experience with the languages and cultural expectations of growing numbers of visitors from places such as China and Korea. There are significant challenges not only for accommodations, but also tour guides, restaurant wait-help, etc.

Other workforce challenges: HTA resident surveys indicate many residents question the quality of visitor industry jobs in regard to pay or advancement opportunities, and there are some indications tourism wage levels have not kept pace with increases in Hawai'i's cost of living. There has also been a long-term decline in direct and indirect visitor-related employment, despite some healthy increases in the past several years. More anecdotally, interviewees for this Plan worried about aging and potential retirement in some sectors (especially housekeeping) and a perceived lack of training in customer service and cultural values among younger workers.

Workforce education and training requires collaboration among various public agencies along with facilitation of employee training and access to career paths. Training programs on Neighbor Islands tend to be weaker, as fewer agency resources are available there.

Economic pressures on residents: Despite a high quality of life, Hawai'i residents pay a large economic "paradise tax" for living here—average incomes are relatively low; cost of living is highest in the nation; and the economy is subject to particularly intense boom-bust cycles that have often correlated to the visitor industry's own peaks and valleys over the past few decades. This is a fundamental political fault line in any move for significant expansion of the visitor plant. While residents understand that failing tourism would devastate the islands, they also see

that a tourism-centric economy has been imperfect and so may question the wisdom of any increased dependence.

Population density: Population brings economic opportunity, but crowding seems inconsistent with Island lifestyle. There is wide variation among islands, but Hawai'i as a whole is now the most densely settled state west of the Mississippi River. Recent visitor surveys indicate some decline in overall visitor satisfaction (although still very high) that coincides with increased dissatisfaction due to overcrowding.

From the resident perspective, visitors add to a sense of crowding when they make up a particularly high proportion of the overall number of bodies on the island ("de facto population")—e.g., the counties of Maui and Kaua'i, where more than one in 4 people were visitors in 2012. This is less than in past peaks, but the trend has been sharply upward the past several years.

Infrastructure overload or maintenance:

County governments have generally worked well to provide resort areas with water, sewage, streets, etc., though the O'ahu wastewater (sewage) system has capacity issues that may affect future growth and development patterns—for tourism or any other use—in urban Honolulu.

Outside resort areas, key infrastructure issues

include: (1) Highway congestion: Every major island has bottlenecks, but various national traffic "scorecards" rank Honolulu traffic as among the worst in the nation, and other measures suggest maintenance of O'ahu interstate highways also rank consistently low. During the 2015-20 timeframe, O'ahu is scheduled to see substantial traffic disruption due to construction of the island's new rapid transit system. (2) Entryways (airports and harbors): Despite improvements at Honolulu International Airport, some Neighbor Island airports continue to deteriorate and lack sufficient cultural ambiance. Most Hawai'i harbors are at capacity and are experiencing conflicts with recreational use; there is potential for a new or improved berth at Hilo; and in Honolulu, DOT-Harbors will continue to make improvements to the flow of ground transportation at Aloha Tower.

Parks, trails, and recreational facilities: Residents have expressed particular concern about visitor impacts on parks and trails in natural areas, as well as recreational use conflicts in coastal areas. The HTA worked with the State Parks Division to address these, including annual contributions of \$1 million to improve affected facilities. But interviews for this plan still found widespread concern about the impression left on visitors by non-working, smelly restrooms in many State and county beach parks, which were repeatedly described as "embarrassments" demanding attention.

OPPORTUNITIES

Emerging international markets: The most dramatic post-recession change has been the leap in higher-spending international markets—especially China, Korea, and Australia—driven by economic growth, favorable exchange rates, security in the Pacific, and new air routes. In 2005, non-Japanese foreign visitors accounted for 13.7% of all visitor spending; by 2012, it was 23.8%. Most of these markets are attracted to Waikiki, resulting in both higher room revenues and higher occupancies for O'ahu than for other islands. Assuming steady growth in these markets, there will be opportunities to develop product offerings, infrastructure, and workforce training programs that will avoid some of the historic issues experienced in the early growth years of the Japan market.

Higher-spending market segments: Among the higher-spending segments that can be further developed are (a) Wedding/honeymoon: Numbers declined significantly from the 2005 benchmark but have recovered in 2011-12, especially from Japan. More marketing to other areas may be warranted. (b) Golf: The percentage of golf visitors from Hawai'i's domestic markets has been declining, due at least in part to significant baggage fees imposed by the airlines and changes in market mix and demographics that favor activities other than golf. Logistical arrangements might reverse some of this decline.

International conferences: Hawai'i's strong showing and international exposure from the late 2011 Asia-Pacific Economic Conference of world leaders has restored some momentum to the MCI markets. Hawai'i is the site for the 2016 World Conservation Congress, the world's largest conservation event. International diplomatic, academic, and environmental meetings may lead to eventual gains in more traditional business meetings.

Potential to increase resort unit inventory: Recently, new units have typically been created through higher-density redevelopment of existing properties (especially in Waikīkī), although many of the new units have not been for traditional hotel or condo-hotel uses. Entirely new resort unit construction is more likely to occur in existing master-planned resort areas, where many or most entitlements are already in place. However, such new development will depend on investor economics and factors such as the location of entitled land (i.e., rural O’ahu and the Neighbor Islands) relative to the actual demand for such locations.

Potential to capture more in-community visitor spending: The increasing tendency of visitors to “spill over” from designated resort areas has been a mixed blessing. The positive side has been more opportunity for local businesses to benefit. If this potential can be more widely distributed among the islands through careful planning, it might avoid the negative side effect of “visitor overwhelm” in particular communities.

Resident desire to work collaboratively in communities: Interviews and strategic working group sessions for this plan consistently found community leaders who want more consultation at the local

level about tourism activities. This “complaint” is also an “opportunity.” Despite the wide variety of interests and viewpoints about tourism in any area, it was apparent there are many community leaders who want to work constructively both to solve/avoid problems and also to identify opportunities for more in-community visitor activities that would benefit residents so long as they can help determine appropriate scale and location.

Island Visitors Bureau offices: The HTA’s longtime contractor, the Hawai’i Visitors and Convention Bureau (HVCB), maintains offices on every island and typically has a wide network of contacts in the community. These offices historically have focused on marketing, and there is a danger in mixing the missions of “selling” and “listening.” But the offices still represent a potential mechanism for systematic attention to the basic need of improving industry-community relations and of collaborative planning to sustain the core assets valued by both residents and visitors.

THREATS

Volatility of developing international markets:

Despite the promise of international markets, history shows some of these markets once had similar or higher levels of travel to Hawai’i in the early 1990s,

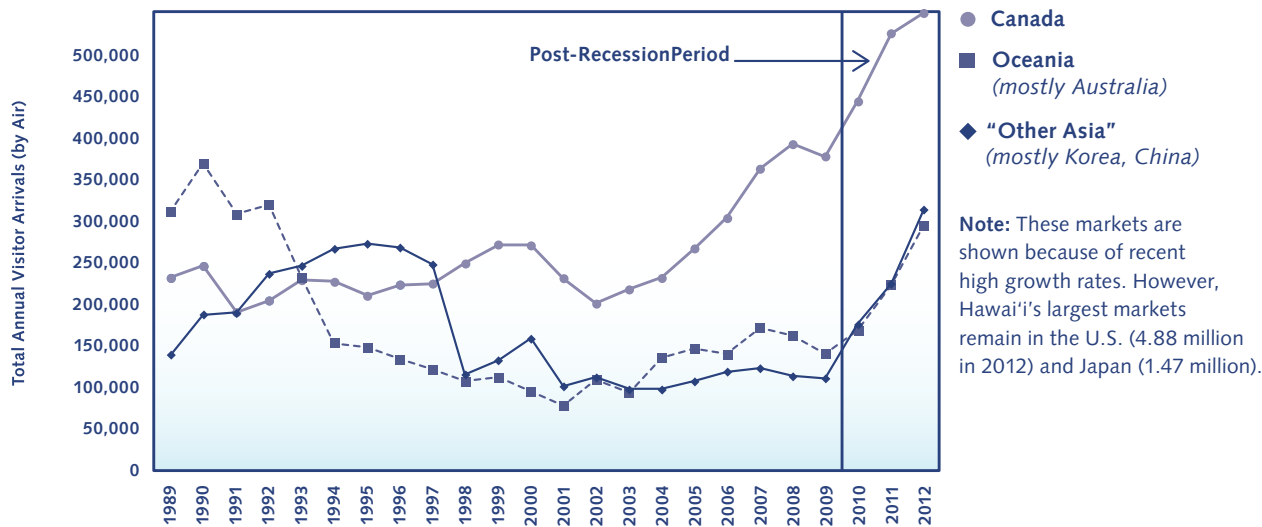


Figure 7: Arrivals by International Markets

but then dropped back. Average spending may drop if the initial pool of affluent travelers expands to include more cost-conscious people. International markets are subject not only to global economic cycles and fierce competition for new destinations closer than Hawai'i, but also to shifts in exchange rates and political tensions with the U.S. or with one another. Under some conditions, a surge in new markets might lead to visitors from established markets feeling less welcome.

Many destinations can replicate some of Hawai'i's brand attributes: Subject to a few further limitations discussed below, Hawai'i's "package" of activities and attributes is arguably among the best in the world. However, when potential visitors judge the destination based on single attributes or a limited range of attributes, strong competitors emerge. For example, "quality resort" competitors include Las Vegas, Mexico, Bali, Fiji, and developing Asian destinations. "Unique scenery" competitors include Costa Rica, New Zealand, Canada, and Alaska. "Family-friendly" competitors include Florida/Orlando, California/Anaheim, and Asian theme park areas.

Implications are that (a) Hawai'i must continue to nurture its most unique and authentic attributes, including culture; and (b) it is critical to emphasize the whole package in marketing and avoid promoting those activities that are easily replicated.

Intensity of competition in activities and amenities: With the rapid development of global tourism, competitive destinations are building new, state-of-the-art facilities in places where land, labor, and other costs are much lower than in Hawai'i. These new accommodation and activity facilities will provide strong competition for Hawai'i, especially given that much of the resort plant in Hawai'i is more than 30 years old.

Technology provides the consumer more access: The Internet provides the consumer with unparalleled opportunities to research product information and recommendations outside the purview of industry organizations. However, misinformation and discouraging over-use of unsafe sites has occurred. Better monitoring of these potential problems and more effective overall use of social media and related tools in marketing, is required.

Rising room rates: While the recent strong recovery from the Great Recession has allowed hotels to generate record gross revenues, there is a sense that a tipping point has been reached where visitors must reduce their expenditures in other sectors to afford accommodations.

Environmental degradation: There may be no more fundamental asset valued by both visitors and residents than the āina—the land, water, and unique beauty of the Islands. As the population grows, view plane preservation is critical for both residents and visitors.

Beyond the views, beach erosion and pollution are top concerns for Hawai'i's visitor industry. Sand shipped in to sustain Waikīkī Beach has been lost at faster rates than in the past. Coral reefs, as elsewhere in the world, are struggling to survive. In upland areas, Hawai'i forests continue to struggle against invasion by alien species.

Climate change and/or disasters: Interviews for this Plan found increasing awareness of global climate change (in part due to research at the University of Hawai'i) and its local implications—not only future sea-level rise, but also fiercer weather such as droughts and, especially, fierce storms and hurricanes. Disasters, including tsunamis and major earthquakes, can happen anytime. Individual hotels and visitor attractions may have their own evacuation plans, but some interviewees noted there is yet no comprehensive destination-wide contingency plan for worst-case scenarios in which visitors may be stranded, lack accommodations, etc.

Visitor exposure to hazards: During the planning period for this document, the more immediate safety concern had to do with drowning, shark attacks, or similar hazards in the ocean and other natural areas. Visitors were seen as particularly likely to be victims, raising concerns about the adequacy of guidebooks, signage, and other methods to notify both visitors and residents of hazards.

Hawai'i Tourism Situation Assessment

STRENGTHS

Hawai'i enjoys high brand awareness due to attributes such as climate, scenic natural resources, and the culture, history and heritage of the Islands. Visitor satisfaction is also a strong point as is Hawai'i's unique multicultural setting.

OPPORTUNITIES

Emerging international markets and higher-spending market segments offer opportunities for Hawai'i, as does positioning Hawai'i for international conferences. Opportunities also exist for increased resort unit inventory and in community visitor spending.

WEAKNESSES

Hawai'i is perceived as not offering value for the money due partly to its geographical isolation and travel costs. An overloaded infrastructure that affects the maintenance of parks, trails, and facilities is also considered a weakness.

THREATS

Volatility of developing international markets could threaten Hawai'i, as could competing destinations that replicate some of Hawai'i's brand attributes. Rising room rates and issues related to the environment also pose potential threats.

Figure 8: SWOT Summary

3.5 Positioning Hawai'i in the External Market

The evolution of the Internet and communications technology has complicated the concept of positioning but also allows the prospect of positioning the destination to the specific needs and interests of various target groups. In the era of mass markets and mass media, it was previously necessary to choose a single position for the destination that would generally appeal to a broadly defined target audience.

With the fragmentation of media and the explosive growth of the Internet, it is now possible to develop marketing positions explicitly crafted for the narrowly defined interests of specific audiences.

In this environment, positioning operates on two levels. First, in order to maintain brand consistency overall, a general position for the destination requires a common base of universally appreciated (and unique) attributes. For Hawai'i, these undoubtedly include the variety of things to do, see and experience across six different islands and the unique Aloha Spirit.

Second, when applying this overall position to narrowly defined markets (based on consumer interests), additional attributes are included that link unique features of the destination to the specific interests of the audience.

- Golf: 70+ courses in incomparable settings with year-round play
- Romance: Hawai'i is renowned as the most romantic place on earth
- History/Culture: A surprisingly rich heritage highlighted by a royal past and a culture formed by different ethnic groups
- Cuisine: Authentic ethnic foods and Hawai'i Regional Cuisine
- Business/MCI: A range of meeting facilities and a culture of hospitality (ho'okipa) that sets Hawai'i apart from other business sites
- Adventure: Hiking, surfing, diving, exploring (via zip lines or all terrain vehicles) in an island setting
- Shopping: Everything from luxury goods to craft fairs

With the ubiquity of the Internet, it is now possible to pursue micro-markets. Websites appealing to quilters, artisans, tri-athletes, astronomy buffs, etc. can effectively reach small target audiences that historically have been impossible to address in the past.





4.0 GOALS, OBJECTIVES, STRATEGIES AND MEASURES

The preceding Situation Analysis shows that tourism planning takes place in a fast-changing and complicated environment, both globally and within Hawai'i. Different people can look at the same set of facts and draw different conclusions about what to do. Here are the four areas the HTA believes are the main implications of this analysis, given its mission and resources.

Because Hawai'i is a mature industry that relies on resident goodwill and the Islands' cultural and natural resources, the HTA must increase its focus on community relations and on protecting what might be called "integrity of place."

- Resident appreciation of tourism's importance must be reinforced. That is most likely to occur only if the HTA and the industry also make a serious effort to listen and respond effectively to community desires.
- While the Authority has long emphasized the importance of culture, the 2014 Legislature has given this new emphasis by mandating the HTA to ensure outcomes such as authenticity in cultural portrayals, protection of cultural sites, and cultural education of workers. This further increases culture as a priority.

The HTA's major responsibility is to ensure that tourism's substantial economic benefits are maintained and grown if possible. This requires not just industry success, but success in ways that can be shared by everyone.

- Growing and spreading the wealth to (a) ensure all islands receive as close to a "fair share" of tourism as possible; and (b) take feasible steps to soften the economic blows to the state from inevitable downturns in the business cycle.
- Visitor spending is the key to both private and public sector benefits (i.e., taxes, which fund public services for all). That means attracting higher-spending visitors; eliminating seasonal low points, and stimulating spending on activities more effectively after visitors have arrived.

None of this is possible unless the industry is able to stand out from the competition and provide a sense of *value* for the relatively high price tag necessitated by travel, land, and labor costs here.

- The most critical objectives here are protecting Hawai'i's strong and positive "brand" in major market areas (which is largely about messaging) and ensuring that distinctive competitive features—certainly cultural but also other relatively unique visitor experiences—are part of the actual product.
- Airline routes must be vigorously pursued and defended, and the travel experience for all visitors—particularly international ones coping with visa applications, customs, and security—must be made as positive as possible.

The HTA has a fourth major topic of planning: Itself. The HTA recognizes a responsibility to use tax revenues generated by the industry and appropriated by the Legislature as effectively and efficiently as possible.

- The HTA must maintain policies, procedures, and guidelines for complying with state tourism marketing plan requirements and for documenting progress toward achieving strategic goals.
- The HTA must constantly monitor and improve both contract management and internal program management, and improve policies, procedures, and training needed to ensure consistent and efficient monitoring of its contracts and programs.

OUR GOALS

Improve the Integrity of the Destination

Ensure Stable Economic Benefits

Elevate Hawai'i's Value Perception

Strengthen the HTA's Reputation





This strategic plan is created by and for the HTA. It presents four goals that the HTA intends to accomplish by working and collaborating with partners and stakeholders. Also presented are strategies to increase economic activity, sustain positive net benefits of tourism, grow visitor spending, and be an effective organization. The plan calls for action in four key areas:

1. Improve the Integrity of the Destination
2. Ensure Stable Economic Benefits
3. Elevate Hawai'i's Value Perception
4. Strengthen the HTA's Reputation

GOAL 1:

Improve the Integrity of the Destination

A successful tourism economy balances the needs of the community, visitors and the destination. It contributes to the sustainability of natural resources, perpetuates cultural resources, and fosters support within the community and industry. Support for tourism will be reinforced if the HTA strengthens its community relations efforts for further engagement and collaboration between the community and industry. In addition, the HTA must be a good steward of the destination in order to lessen impacts on Hawai'i's cultural and natural resources. To improve the balance between host, guest and place, the HTA will:

- **Objective 1:**
Increase community support for tourism.

Strategic Directives:

- Monitor and proactively respond to communities' needs and core issues (within 3 years)
- Implement a plan to enhance residents' understanding of the value of tourism (within 3 years)
- Collaborate with organizations to promote career pathways to inspire future tourism professionals and leaders (within 1 year)
- Expand community-based programs to enrich visitor-resident interactions and economic benefits (within 3 years)

- **Objective 2:**
Be a better steward of the destination.

Strategic Directives:

- Increase support for programs that manage, improve and protect Hawai'i's natural environment and areas frequented by visitors (within 1 year)
- Perpetuate and promote the uniqueness and integrity of the Native Hawaiian culture and community and their significance in differentiating the destination through unique and genuine visitor experiences (within 1 year)

- **Metrics:**
Measure of Success: Sustain positive net benefits of tourism as measured by the HTA Resident Sentiment Survey question: *The percentage of residents who agree that tourism has brought more benefits than problems.*



Measures of Performance:

- Percentage of residents feel that tourism should be actively encouraged on my island.
- Percentage of residents feel that HTA helps to preserve Native Hawaiian culture and language
- Percentage of visitors feel that Hawai'i is a good steward of natural resources, parks and cultural sites

GOAL 2:

Ensure Stable Economic Benefits

One of the HTA's key responsibilities is to maintain, grow and extend the benefits of tourism beyond the industry. The goal is to sustain and cultivate a constant and consistent source of visitor arrivals and expenditures throughout all of the Hawaiian Islands and over periods of varying economic cycles and/or unforeseen events. To maintain a positive impact on Hawai'i's tourism economy, the HTA will:

- **Objective 1:**

Focus marketing on producing consistent arrivals.

Strategic Directives

- Market the Hawaiian Islands as a preferred destination for corporate meetings, conventions and incentives (MCI), including efficient management of the Hawai'i Convention Center (HCC) (within 1 year)
- Deploy a meetings and conventions business strategy to increase business to HCC (within 3 years)
- Employ marketing to fully implement *The Hawaiian Islands* brand (within 1 year)
- Increase promotion of other islands besides O'ahu to the North America markets (within 1 year)

- Develop more tourism infrastructure to facilitate international visitors to the Neighbor Islands (within 3 years)
- Leverage our competitive advantages in the Asia-Pacific region to explore a new Asia market (within 5 years)
- Facilitate more cruise ship arrivals and increased cruise ship berths (within 3 years)

- **Objective 2:**

Increase visitor expenditures by attracting high-spending visitors and encouraging spending opportunities.

Strategic Directives

- Focus product development to increase spending during shoulder seasons (within 3 years)
- Strengthen marketing of visitor activities and experiences (within 3 years)
- Expand research to determine long-term travel trends, high-spending segments, and insights on the next generation of travelers (within 3 years)
- Refresh destination brand programs and activities targeting the next generation of travelers (within 5 years)

- **Metrics:**

Measure of Success: Increased economic activity generated by visitors as measured by visitor-related gross domestic product

Measures of Performance:

- Rating of Hawai'i as a convention site compared to other destinations
- Increase in booked room nights for MCI
- Incremental gain in average daily census during shoulder seasons
- Incremental gain in visitor related expenditures

GOAL 3:

Elevate Hawai'i's Value Perception

In an increasingly competitive world, it is vital that Hawai'i differentiate itself from other destinations by promoting authentic experiences unique to the Hawaiian Islands and a sense of value for travel costs. To enhance a globally competitive brand, the HTA will:

- **Objective 1:**

Maintain and improve air access to the Hawaiian Islands.

Strategic Directives

- Maintain and grow airlift (within 3 years)
- Increase interisland connectivity to improve visitor distribution (within 3 years)
- Advocate for pre-clearance approval at the federal level for international markets (within 3 years)
- Expand Hawai'i's international ports of entry beyond Honolulu International Airport (within 3 years)
- Identify and resolve any access issues such as visa waiver programs, customs and border protection, airport visitor experience, and interline efficiencies (within 3 years)

- **Objective 2:**

Protect Hawai'i's brand to remain competitive.

Strategic Directives

- Conduct ongoing research to identify consumer needs and awareness of Hawai'i's attributes in order to adjust brand marketing initiatives (within 1 year)
- Emphasize culture and other critical attributes (i.e., variety of unique experiences, safety and security) that drive visitors to a destination (within 3 years)
- Develop world-class visitor experiences (within 5 years)
- Improve visitor safety programs, destination-wide disaster planning, and other safety measures (within 3 years)
- Support workforce training in hospitality, service and culture (within 1 year)
- Create, incentivize and support quality certification programs (within 3 years)

- **Objective 3:**

Meet traveler expectations for accommodations and infrastructure.

Strategic Directives

- Expand research efforts to analyze travel trends, consumer behavior and preferences to identify lodging opportunities and needs (within 3 years)
- Identify and determine ways to improve the quality of accommodations and address infrastructure issues (within 5 years)

- **Metrics:**

Measure of Success: The Hawaiian Islands brand remains competitive as measured by the Marketing Effectiveness Study question: *The percentage of potential visitors considering a trip to Hawai'i from our major markets.*

Measures of Performance:

- Percentage of travelers who feel Hawai'i has a "Variety of Unique Experiences and Activities" in MES
- Percentage of travelers who feel Hawai'i "Offers Different Experiences than Other Places" in MES
- Percentage of travelers who feel Hawai'i is a "Safe and Secure Place" in MES
- Number of incremental air seats
- Percentage of travelers who feel Hawai'i has a "Variety of Accommodations" in MES
- Score in Visitor Satisfaction Survey—"if visitor would recommend Hawai'i"

GOAL 4:

Strengthen the HTA's Reputation

As the state's lead entity for tourism, the HTA is responsible for directing and managing local and global efforts to maintain and improve the vitality and sustainability of Hawai'i's visitor industry. To be an effective leader in the industry, the HTA is committed to being a forward-thinking, knowledge-based organization that uses information and research to develop programs and policies and to serve as a resource for all stakeholders. To be the state's lead agency in tourism, we will:

- **Objective 1:**

Continually improve the organization's ability to lead the industry.

Strategic Directives

- Elevate the leadership skills of the HTA board and staff through ongoing training and continuing to seek out the best in destination management (within 5 years)
- Connect resources between government and other industries, the community, and tourism to benefit economic development in Hawai'i (within 3 years)
- Annually analyze the organizational structure and programs and make modifications to respond to market conditions (within 1 year)
- Harness new technology and innovative practices to enhance destination management and marketing initiatives (within 3 years)

- **Objective 2:**

Ensure transparency and accountability for the HTA tourism marketing efforts.

Strategic Directives

- Maintain a single comprehensive marketing plan (Brand Management Plan: The Official Tourism Marketing Plan) that aligns the HTA goals and strategic objectives (within 1 year)
- Institute an evaluation system for all HTA programs (within 1 year)
- Implement an electronic contract management system that includes tracking of contract authoring and execution, connects to a payment system, tracks deliverables, and provides automatic alerts (within 1 year)
- Create a compliance function to ensure that internal policies, regulatory requirements, and contracts are in accord with statutes and mandates (within 1 year)



- **Metrics:**

Measure of Success: The perception of the HTA as a leader is enhanced as measured by the percentage of organizations in the tourism industry that recognize the HTA as a leader.

Measures of Performance:

- Percentage of contracts in compliance
- Progress reports of HTA achieving strategic plan
- Residents' awareness of HTA
- Positive reputation of HTA
- Industry participation in HTA programs

4.1 Proposed 1-, 3-, and 5-year Targets

Targets have been established as a means to measure the success of attaining HTASP goals.

Targets include the percentage of residents who agree that tourism brings more benefits than problems, real gross domestic product generated by visitor-related expenditures, percentage of potential visitors considering a trip to Hawai'i, and percentage of organizations in the tourism industry that recognize the HTA as a leader. Short-term and long-term targets are set for each goal, as shown in the table on the back cover.

ACKNOWLEDGMENTS

The Hawai'i Tourism Authority wishes to extend its sincere appreciation to all of the individuals listed below who contributed to the formulation of the HTSP. To all, mahalo nui.

HTA Board of Directors

The HTA Five-Year Strategic Plan 2016 was approved by the HTA Board on October 29, 2015.

ATKINS, FRED
CORTEWAY, JACK
DEE, SEAN P.
DE MELLO, GERALD
DOMINGO, DONNA
FRIED JR., L. RICHARD
KAM, GEORGE
NAKAMURA, CRAIG G.
STONE, LORRIE
RAE, DAVID
HAYASHI YAMAGUCHI, DENISE

HTA Tourism Strategic Plan Investigative Committee

EWING, PATTY
FRIED JR., L. RICHARD
KOBAYASHI, MICHAEL
NAKAMURA, CRAIG G.
RAE, DAVID
SALA, AARON
KIMURA, KYOKO
DOMINGO, DONNA
DEE, SEAN P.
HAYASHI YAMAGUCHI, DENISE
WILLIAMS, RON
Ex-Officio member
Staff: DANIEL NAHOOPII and CAROLINE ANDERSON

HTA Staff

SZIGETI, GEORGE D.
ANDERSON, CAROLINE
BALDEMOR, RANDY
CARAVALHO, MAILE
CHAN, CHARLENE
CHUN, JENNIFER

CHUN, MINH-CHAU
DANCE, LESLIE
GOO, JADIE
GOSHI, LACI
KAHALEKULU, DENISE
LIU, LAWRENCE
MIYAUCHI, CHIKA
NAHOOPII, DANIEL
RAKTA, ROANN
RODRIGUEZ, RONALD
SADAYASU, CHRIS
SHIOWAKI, MICHELE
TAKAMOTO, IRIS
TALARO, VENGIE
TOGASHI, MARC
WAKAI, MIKI

Consultants/Contractors

ADLER, PETER
Accord 3.0
AGRES, BOB
Hawai'i Alliance for Community-Based Economic Development
COLBURN, LINDA
Where Talk Works, Inc.
HAAS, FRANK
Marketing Management, Inc.
KAKESAKO, BRENT
Hawai'i Alliance for Community-Based Economic Development
KNOX, JOHN
John Knox & Associates
REX, FAITH
SMS Marketing
TOY, JOSEPH
Hospitality Advisors, LLC

Individual Interviewees, Strategic Plan Working Groups & Survey Participants

AGRUSA, JEROME
Hawai'i Pacific University-TIM
ALM, ROBBIE
Executive Vice President,
Hawaiian Electric Company
(ANONYMOUS EXECUTIVE
Off-Shore Hotel Owner)
ANDERSON, CAROLINE
HTA Staff

APO, PETER
Trustee,
Office of Hawaiian Affairs
ARAKAWA, DAVID
Hawai'i Resort Developers Assoc.
BAKER, DEBBIE
Presidents, Current Events
BAUTISTA, LYNN
HTA staff
BICOY, JULIE
Director, Destination Moloka'i
Visitors Bureau
BORGES, RYAN
Captain, Honolulu Police Dept.
BROWER, TOM
State Representative-
House Tourism Chair
CAREY, DAVID
President & CEO, Outrigger
Enterprises Group, Inc.
CARR, STANFORD
President, Stanford Carr
Development
CHUN, DANIEL
Regional Manager,
Alaska Airlines
CHUN, JENNIFER
HTA Staff
CHUN, MINH-CHAU
HTA Staff
CHURCHILL, RYAN
President & CEO,
Maui Land & Pineapple Co.
COLLIS, BLAIR
Bishop Museum
COSTA, GEORGE
Director, Office of
Economic Development,
County of Kauai
COTTRELL, CURT
Department of Land and
Natural Resources
DAHILIG, MICHAEL
County Office of Planning-Kaua'i
DAVIS, TONI-MARIE
Executive Director,
Activities & Attractions
Association of Hawai'i
DINELL, DANIEL
Chairman and Regional
Vice President-Sales & Marketing
Programs, ARDA Hawai'i/Hilton
Grand Vacations
DOMINGO, DONNA
President, ILWU

DONOHO, STEPHANIE
Tourism Specialist,
Economic Development
Office, County of Hawai'i
DOWLING, EVERETT
President,
Dowling Company, Inc.
DUNKERLEY, MARK
President & CEO,
Hawaiian Airlines
EGGED, RICK
Executive Director,
Waikiki Improvement Association
EVANS, KIMBERLY
Department of Transportation,
Airports
EVERSOL, DOLAN
UH Sea Grant Program
FAULKNER, KIERSTEN
Historic Hawai'i Foundation
FOX, MARK
Nature Conservancy of Hawai'i
FUJIKAMI, FORD
Deputy Director, State DOT-
Airports
FUJIWARA, DARYL
Lahaina Civic Club
GALUTERIA, BRICKWOOD
State Senator-Senate Tourism and
Hawaiian Affairs Chair
GATES, NATALIE
Superintendent, Haleakalā
National Park
GOO, DON
Senior Advisor at Wimberly Allison
Tong & Goo Architects
GOO, JADIE
HTA Staff
GOSHI, LACI
HTA Staff
HARUKI, WARREN
President & CEO,
Grove Farm (Kaua'i)
HIGASHI, PERCY
President & Chief Operating
Officer, Roberts Hawai'i Tours,
Inc.
HO, PETER
President & CEO,
Bank of Hawaii
JAEB, CHRIS
President, Common Ground
JONES, MICHELLE
Department of Land and
Natural Resources

KAM, GEORGE
Ambassador of Aloha, Quiksilver

KANUHA, DUANE
County Office of Planning–
Hawai'i

KAOHELAULII, ANNETTE
Hawai'i Ecotourism Association

CHENG YICK, TERESA
General Manager, Galaxy Tours

KELLEY, BITSY
Outrigger Enterprises Group

KELLY, KEVIN
EPSCoR–UH

KIMURA, KYOKO

KIMURA, VIC
Kyo-ya Management
Company, Ltd.

KO, MINNIE
C&C of Honolulu–
Office of Econ. Development

KOBAYASHI, BJ
Managing Partner and Founder,
BlackSand Capital, LLC

KURIYAMA, STANLEY
Chairman & CEO,
Alexander & Baldwin Inc.

KUWABARA, YUJIRO
Executive Vice President,
JTB Overseas Development
Corporation

KUYPER, NEIL “DUTCH”
President & CEO, Parker Ranch

LEE, CHUCK
Department of Transportation,
Airports

LEE, GRACE
HTA Staff

LIU, LAWRENCE
HTA Staff

LIM, RICHARD
Director, State DBEDT

LIU, LIPING
Maui College Hospitality Program

LYNX, BRIAN
HTA Staff

MAK, JIM
Emeritus UH Economics
Professor, University of Hawai'i

MCCARTNEY, MIKE
HTA Staff

MCKEAGUE, TIM
Atlantis Adventures

MIKULINA, JEFF
Executive Director,
Blue Planet Foundation

MOREY, ROGER
Executive Director,
Hawai'i Restaurant Association

MORGAN, JOHN
President, Kualoa Ranch Hawai'i

MORIKAWA, JULIE
Director Market Management,
Expedia

MORIOKA, BRENNON
Deputy Executive Director,
Honolulu Authority for Rapid
Transportation

NAHOOPII, DANIEL
HTA Staff

OU, HENRY
Hawai'i China Travel Service

ORLANDO, CINDY
Superintendent,
Volcano National Park

OSHIO, MAKOTO
Director of Marketing, Hawai'i
Branch, Watabe Wedding

QUINN, DAN
Director, State Parks, DLNR

RAFTER, BEN
Aqua Hotels & Resorts

PAHINUI, KATHLEEN
Group Publisher,
Morris Visitor Publications

RASMUSSEN, TEENA
Director, Office of Economic
Development, County of Maui

RESICH, CHRIS
President, MC&A, Inc.

RICHARDS, JACK
President, Pleasant Holidays

RODRIGUEZ, ANGELA
HTA Staff

RODRIGUEZ, RONALD
HTA Staff

ROSE, BREANNA
Hawai'i Green Growth

RUMBABOA, CLAY
CEO, Moloka'i Ranch

RYAN, SANDY
Maui Economic Development
Board

SANDERS, MALIA
Native Hawaiian Hospitality
Association

SHELDON, PAULINE
Emeritus UH TIM Professor,
University of Hawai'i

SHIGEKUNI, VINCENT
PBR Hawai'i

SKINNER, GEORJA
DBEDT–Creative Industries
Division

SMITH, GARY
President, Mokihana
Pest Control

SOUKI, JESSE
State Office of Planning

SPROAT, STACY
Executive Director,
Waipā Foundation

STONE, JEFF
Founder, The Resort Group

STORY, MIKE
HTA Staff

SZIGETI, GEORGE D.
President & CEO,
Hawai'i Lodging & Tourism
Association

TABUCHI, CANDACE
UH–KCC HOST Program

TAMURA, MARSHA
State Civil Defense

TEXEIRA, CHARITY
Public Relations Associate,
Lāna'i Visitors Bureau

TODANI, SUSAN
Director of Investments,
Kamehameha Schools

TOGASHI, MARC
HTA Staff

TOGUCHI, CHARLES
Hawai'i Spokesman,
Northwest Cruise Association

TSUKANO, SHIRLEY
Kapi'olani Community College

TSUTSUI, SHAN
Lt. Governor, State of Hawai'i

UCHIYAMA, DAVID
HTA Staff

UEHARA, KATHLEEN
County Tax Office–Maui

VIEIRA, KEITH
Senior Vice President of
Operations, Starwood Hotels
& Resort

WAKAI, MIKI
HTA Staff

WEIGERT, LANI
Executive Director, Hawai'i
Agritourism Association

YEAMAN, ERIC
Hawaiian Telcom Communications

WILSON, KELII
HTA Staff

YOGI, DAVIS
Harbors Administrator,
DOT–Harbors Division

YONAMINE, WESLEY
Program Director, Airport Visitor
Information Program, Department
of Transportation, Airports

HTA Marketing Partners

APPLEGATE, GEORGE
Big Island Visitors Bureau

BIRCH, ROSS
Big Island Visitors Bureau

ENDERTON, LES
O'ahu Visitors Bureau

HOGAN, DEBBIE
Big Island Visitors Bureau

KAM, CHRIS
Hawai'i Visitors & Convention
Bureau

KANOHO, SUE
Kaua'i Visitors Bureau

MERNER, MICHAEL
Hawai'i Tourism Asia

MONAHAN, JOHN
Hawai'i Visitors & Convention
Bureau

TAKAHATA, ERIC
Hawai'i Tourism Japan

TALWAR, JAY
Hawai'i Visitors & Convention
Bureau

TANAKA, RANDY
SMG/Hawai'i Convention Center

TERAMOTO, RYUTA “LUKE”
Hawai'i Tourism Japan

VENCL, TERRYL
Maui Visitors Bureau

WALSHE, DARRAGH
Hawai'i Tourism Oceania

WILLIAMS, HELEN
Hawai'i Tourism Oceania

GLOSSARY

Basic Terms and Ideas

An understanding of the following key words and concepts is useful when reading the HTA Strategic Plan.

“Strategic” versus “Tactical” Planning:

While there is no single model for a strategic plan, its basic purpose is to identify broad goals and an overall methodology for accomplishing the goals. Tactics are ways to accomplish objectives or goals. The HTA Strategic Plan addresses a 5-year timeframe and is developed at the executive and board level. It is our agency’s strategic plan and provides general goals and directions.

Managerial/Tactical Plan:

Generally described as a plan that addresses a 12-month period and is developed at the program level. The HTA managerial/tactical plan is its Brand Management Plan.

Vision:

An aspirational description of how the HTA wants the visitor industry to be perceived in the future. HTA’s vision and principles for tourism are stated in the “Collective Ambition.” Instead of a simple vision of future tourism, which could be interpreted in many ways. The HTA is specific about what behaviors are expected from all stakeholders

Mission:

An explanation of the HTA’s core purpose and focus. The HTA’s mission is to strategically manage Hawai’i tourism in a sustainable manner consistent with economic goals, cultural values, preservation of natural resources, community desires, and visitor industry needs.

Goal:

An observable end result having one or more objectives to be achieved within a more or less fixed timeframe. In the HTA plan, there are four overarching goals that the HTA hopes to achieve.

Objective:

A specific plan of attack—usually a series of them—that moves us toward achieving our goal. In general, objectives are more specific and easier to measure than goals. In the HTA plan, there are sub-goals labeled as objectives under each goal.

Strategic Directive:

The primary approach or method for attaining objectives and resolving specific issues. In this plan, the strategies describe a general approach and not specific HTA programs or projects.

Measures of Success:

Evidence that goals or objectives are being attained. Measures of success also are used to evaluate factors that are crucial to the success of an organization. Each measure of success is listed under “Metrics” at the last section of each goal.

Measures of Performance:

Measures specifically related to the objectives.

Targets:

A specific outcome proposed for the Measures of Success. Proposed targets are set for 1, 3, and 5 years, and a table is located at the end of the plan.

Brand:

In marketing, a brand can be described as a promise made to a consumer and other stakeholders. The promise shapes expectations of the experience when encountering the brand, expected price, and appropriateness to particular consumer wants and needs. A strong brand provides many benefits (known as brand equity) for the marketer, including ability to command a premium price (relative to similarly positioned competitors), loyalty, forgiveness and positive emotional associations.

Brand Management or Marketing:

During the 2014 legislative session, amendments were made to the Hawai’i State Planning Act that called for replacing “marketing and promotion” with “brand management” where appropriate. Therefore, the HTA prepares a brand management plan rather than a marketing plan.

Product Development:

The creation of new activities, attractions, and experiences that appeal to visitors. Product development includes supporting festivals and cultural events; opening and maintaining recreational/scenic facilities; researching business opportunities; etc. At another level it can mean developing or renovating hotels or other accommodations; offering tours; creating commercial attractions.

Place-Host-Guest Framework:

A way of thinking about the different elements of tourism planning. The HTA views tourism as the interaction between hosts and guests in a “place” (the overall destination shared by residents as well as visitors). Unless the “place” offers value to both hosts and guests, the interaction fails. This concept comes out of both local and international writings on “sustainable tourism” or “responsible tourism.” Locally, the 2004 Hawai’i State Sustainable Tourism Project endorsed this framework because it reflected Native Hawaiian values about giving ultimate priority to “Place” (the enduring ‘āna of earth, water, and land, including human uses), while recognizing the needs of the industry and the visitor. See section 3.3.

Proposed 1-, 3-, and 5-year Targets

GOAL	MEASURE OF SUCCESS	RECENT VALUE(S)	PROPOSED 1-YEAR TARGET (2016)	PROPOSED 3-YEAR TARGET (2018)	PROPOSED 5-YEAR TARGET (2020)
Improving Integrity of the Destination	Percentage of residents who agree that tourism has brought more benefits than problems Source: HTA Resident Sentiment Survey	2002: 77% 2005: 71% 2006: 74% 2007: 71% 2009: 78% 2010: 80% 2012: 67% 2014: 64%	64%	75% (average of 2002 to 2010 results)	80%
Ensure Stable Economic Benefits	Real (inflation-adjusted) Gross domestic product generated by visitor-related expenditures. Source: DBEDT/READ (2009=100)	2005: \$11,823 mil 2006: \$12,133 2007: \$11,895 2008: \$10,857 2009: \$8,898 2010: \$9,567 2011: \$10,236 2012: \$11,741 2013: \$11,712	\$12,170 mil	\$12,750 mil	\$13,280 mil
Elevate Hawai'i's Value Perception	Percentage of potential visitors considering a trip to Hawai'i Source: HTA Marketing Effectiveness Study	Late 2014 U.S. West: 54% U.S. East: 24% Canada: 36% Japan: 34% Early 2015 U.S. West: 45% U.S. East: 21% Canada: 36% Japan: 31%	U.S. West: 45% U.S. East: 21% Canada: 36% Japan: 31%	U.S. West: 50% U.S. East: 24% Canada: 38% Japan: 34%	U.S. West: 52% U.S. East: 26% Canada: 40% Japan: 34%
Strengthen HTA's Reputation	Percentage of organizations in the tourism industry that recognize the HTA as a leader Source: Survey under development	Measure does not exist yet	Baseline: Identify core question or index	Baseline + 10% of difference between baseline and 100%. (ie.: If baseline is 50%, target is 55%.)	Baseline + 25% of difference between baseline and 100%. (ie.: If baseline is 50%, target is 62.5%.)

Figure 9: Goals and Targets



HAWAI'I TOURISM AUTHORITY
1801 Kalakaua Avenue, Honolulu, Hawai'i 96815
Tel: (808) 973-2255, Fax: (808) 973-2253
www.hawaiiitourismauthority.org