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Testimony of
Lloyd I. Unebasami
Interim President and Chief Executive Officer
Hawai'i Tourism Authority

on
S.B. 264
Relating to Tourism

House Committee on Tourism, Culture, & International Affairs
Monday, March 16, 2009
8:30 a.m.
Conference Room 312

The Hawaii Tourism Authority (HTA) supports the intent of S.B. 264 which directs the HTA to develop measures of effectiveness to assess the overall benefits and effectiveness of its marketing plan and document the benefits to the tourism industry, employment, state taxes, and underutilized destinations.

HTA's role is to promote tourism by creating an awareness of the Hawai'i brand, rather than the direct sale and purchase of travel products such as hotel rooms and visitor attractions, over which HTA has not control. Therefore, HTA's measures of effectiveness focus on determining the success of its marketing contractors in developing an awareness of the Hawai'i brand and not actual bookings. While HTA does monitor market performance indicators such as visitor spending, visitor arrivals, and visitor satisfaction, these are measures that are affected by factors outside the influence of HTA's marketing programs.

As a result, HTA has been contracting with leading international research companies to develop and implement a system to track the impact and effectiveness of its marketing programs in three major marketing areas – U.S. East, U.S. West and Japan. This includes intention to travel, the positive impression of the Hawai'i brand relative to its competitors, and measures of specific marketing attributes of Hawai'i in those major marketing areas.

We recommend that the bill be amended to have the measures of effectiveness assess and document the effectiveness of HTA's marketing plan:

- In creating the intention to travel to Hawai'i;
- In establishing positive impressions of the Hawai'i brand relative to its competitors; and
- Measuring the specific marketing attributes of Hawai'i in major market areas.

With the proposed amendments, we support S.B. 264. Thank you for the opportunity to testify on this measure.

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S.B. NO. 264

PROPOSED H.D. 1

A BILL FOR AN ACT

RELATING TO TOURISM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Section 201B-6, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) In accordance with subsection (a), the authority shall ~~[be responsible for developing]~~ develop measures of effectiveness to assess the overall benefits and effectiveness of the marketing plan and include documentation of the directly attributable benefits of the plan to the following:

- ~~(1) Hawaii's tourism industry;~~
- ~~(2) Employment in Hawaii;~~
- ~~(3) State taxes; and~~
- ~~(4) The State's lesser known and underutilized destinations.]~~

- (1) Intention to travel to Hawaii;
- (2) Positive impression of the Hawaii brand relative to competitive destinations;

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(3) Measurement of specific marketing attributes of
Hawaii."

SECTION 2. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

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Statement of
MARSHA WIENERT
Tourism Liaison
Department of Business, Economic Development & Tourism
before the
HOUSE COMMITTEE ON TOURISM, CULTURE & INTERNATIONAL AFFAIRS
Monday, March 16, 2009
8:30 a.m.
State Capitol, Conference Room 312

in consideration of
SB 264
RELATING TO TOURISM.

Chair Manahan, Vice Chair Tokioka and Members of the House Committee on Tourism, Culture and International Affairs.

The Department of Business, Economic Development and Tourism supports the intent of SB 264, which amends Section 201B-6 (b), Hawaii Revised Statutes, by stating that the tourism authority shall *develop* measures, rather than *be responsible for developing* measures of effectiveness to assess the overall benefits and effectiveness of the marketing plan.

Currently, the authority has several measurement programs in place: 1) the TNS study, 2) the visitor arrival and expenditure studies and 3) the visitor satisfaction study. All of these measurements are valid, effective, and very important and should be continued. Although the authority and its marketing contractors do not have the ability to “close the sale” (nor should they), this issue should continue to be discussed in order to better understand what measurements could be developed to meet the intent of SB 264.

Thank you for the opportunity to provide comments on SB 264.

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