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April 22, 2019

Honorable Keani Rawlins-Fernandez
Chair, Economic Development & Budget Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

SUBJECT FISCAL YEAR FY 2020 BUDGET (EDB-1)

Dear Chair Rawlins-Fernandez:

Mahalo for the opportunity to provide further clarification on recent questions from Wednesday, April 17, 2019. Please see responses below.

1a. Maui is well known worldwide as a premier visitor destination. Is there a need to continue marketing Maui at current levels?

The simple answer is "Yes". The current strategy of managing tourism is highly dependent on a comprehensive marketing program that targets a specific visitor. The intended spirit of managing tourism through these marketing efforts is that we are targeting those travelers who respect the uniqueness of our culture and sense of place. We have carefully crafted our messages through digital and broadcast media to appeal to these travelers through the award-winning Hawaii Rooted Campaign. Managing tourism is reaching the right visitor who will respect our environment, the culture and treat our community with the same care that they do when they're at home with their own neighbors. Without funding, these efforts would not be possible.

Another consideration for continuing to market Maui Nui at the current levels is to secure the strength of the hospitality sector and Maui's economy in the future. As a result of the solid and reputable brand that MVB, along with our partners, has built in both the national and international marketplace, Maui has an exceptional hospitality industry model that creates consistent employment opportunities for our local community.

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1b. How much of the advertising spending through this County grant subsidy is leveraged with other funding to maximize coverage?

100% of MVB's advertising is matched by HVCB/HTA, which results in maximized coverage for Maui Nui. MVB is able to double our marketing value and exposure for Maui Nui specifically by coming in to the HVCB/HTA marketing program with our county marketing funds. 100% of MVB's marketing budget is used for specific Maui ad placement, creating a clean play in media with specific Maui messaging. The negotiated rates on the media placements are also more competitive and more efficient, given the investment between HVCB and MVB. Zero % of the \$913,000 is being used for production of creative assets. MVB's advertising dollars are not being allocated to the time and resources that HVCB uses to vet all the media vendors and set up the media plans. MVB is able to take advantage of roadwork and foundation that's been laid by HVCB in creating the most effective media plan for Maui.

The success of the resulting media plan is evident in the fact that Maui's high ADR has a #3 status. Maui's length of stay is also the longest among the Hawaii Islands at 8.08 days/stay.

1c. Please provide the percentage of appropriation to be used for advertising.

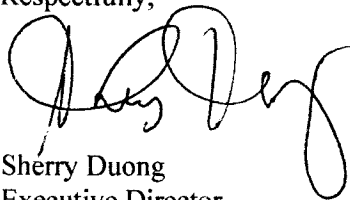
The request is to keep the same percentage of appropriation to be used for marketing promotions, or advertising as last year. Given the managing tourism initiative, we will require the same level of financial resources to support ad placements on digital, broadcast and social media. The costs associated with these ad placements is anticipated to be consistent with the current pricing.

In order to maintain a strong brand for Maui as a destination, these efforts cannot be brought to an abrupt stop. Marketing is a continual process of refining the message to most effectively reach our target markets.

There are three parts to effectively manage tourism:

- Target the responsible value-conscious and environmentally conscious visitor.
- Messaging using crafted stories from the people of Maui for our Hawaii Rooted Campaign.
- Delivering these messages to the responsible visitor.

Respectfully,



Sherry Duong
Executive Director
Maui County Visitor Association