

## **Longwoods International Accountability Research**

To provide accountability for Hawai'i's marketing dollars spent, HVCB has commissioned independent consultant Longwoods International to evaluate the effectiveness of its advertising and integrated marketing campaigns.

Longwoods is a recognized leader in the field of destination advertising accountability research, who's work for Hawai'i includes measurements of advertising awareness achieved by HVCB's campaigns, and tracks conversion of this awareness into actual trips to the state over a two-year period following a given campaign.

Longwoods has evaluated HVCB's 1994 U.S. Advertising campaign, 1997 U.S. and Japan Emergency Fund campaign, 1998 Aloha Southern California integrated marketing program, and 1998-99 US Advertising Campaign and 2001 Japan Advertising campaign. Previous Longwoods findings are highlighted below:

### **1994 U.S. Advertising**

Longwoods first effort at measuring the effectiveness of HVCB's advertising efforts started with the Bureau's 1994 U.S. Advertising campaign

- The 1994 campaign influenced 757,000 trips to Hawai'i (411,000 in 1995, and 346,000 in 1996)
- The additional trips resulted in \$75.5 million in additional tax revenues for the state, or a return of \$9.59 for each dollar invested in tourism marketing by the state

### **1997 U.S. and Japan Emergency Fund**

In the fall of 1996 and spring of 1997, Hawai'i experienced a drop in visitor numbers from both the Japan and U.S. markets. To address this problem and to combat aggressive advertising by competitors in key markets, the State of Hawai'i provided an emergency fund of \$10,000,000 to HVCB for marketing in Japan and the U.S. mainland.

- The 1997 \$10 million emergency advertising campaign generated 809,000 additional trips (495,000 from the U.S., and 314,000 from Japan) to Hawai'i and \$95 million in tax revenues
- Longwoods noted that advertising impact was higher in the U.S. than in Japan, despite lower spending (\$4 million in the U.S. and \$6 million in Japan).
- Poor economic conditions and the lack of any ongoing consumer advertising in Japan prior to the 1997 campaign are believed to have dampened the effectiveness of HVCB's 1997 advertising in Japan (relative to the conversion rate of its 1997 U.S. campaign, which benefited from other ongoing advertising and promotional efforts already at work in the market.)

### **Aloha Southern California**

In August 1998, HVCB conducted its "Aloha Southern California" integrated marketing program, which incorporated traditional print, TV and radio ads, along with numerous special events and promotions held in Los Angeles and Orange Counties

- Final conversion research on the integrated marketing program indicates that not only did it positively impact Hawai'i's awareness, but also delivered increased actual visits
- Findings indicate that 809,000 persons were initially influenced to travel to Hawaii by the campaign, and 19 percent of these persons planning a Hawai'i trip between January 1999 and June 2000 actually visited
- This translates into an additional 156,000 actual trips to Hawai'i and \$239 million in visitor expenditures (including \$18 million in tax revenues) influenced by the campaign

### **1998-1999 U.S. Advertising Campaign**

Based upon the methodology used to evaluate HVCB's 1997 Emergency Fund campaign in the U.S., Longwoods International analyzed and provided accountability for the marketing dollars spent in HVCB's 1998-99 advertising campaign in the U.S.

- Findings indicate that 5,051,000 persons were initially influenced to travel to Hawaii by the campaign, including 1,283,000 trips planned for the first year following the campaign and 3,768,000 for the second
- Based on an advertising investment of \$4,700,000, the 1998-99 campaign influenced 1.07 planned trips to Hawaii per advertising dollar spent. Research to determine the number of planned trips which converted into actual trips in the two-year conversion window following the campaign has not yet been conducted.

### 2001 Japan Advertising Campaign

Based upon the methodology used to evaluate HVCB's 1997 Emergency Fund campaigns in Japan, Longwoods International analyzed and provided accountability for the marketing dollars spent in HVCB's 2001 advertising campaign in the U.S.

- HVCB's 2001 "Aloha Magic" advertising campaign in Japan achieved a high level of awareness among Japanese consumers and influenced approximately 3.5 million travelers to plan a trip to Hawaii between July 2001 and June 2003
- Of the 3.5 million additional trips influenced by the 2001 marketing, nearly half (1,662,000) were planned for the first 12-month period following the campaign; and 1,846,000 were for the second 12-month period (July 2002 - June 2003)
- Research to determine the number of planned trips which converted into actual trips in the two-year conversion window following the campaign has not yet been conducted

	U.S. 1994 Advertising	U.S. 1997 Advertising	Japan 1997 Advertising	Aloha Southern California 1998 Integrated Marketing	U.S. 1998 Advertising	Japan 2001 Advertising
<b>Marketing \$</b>	\$7,870,000	\$4,000,000	\$6,000,000	\$467,000	\$4,700,000	\$5,708,000
<b>Intended</b>	7,190,000	3,186,000	5,109,000	809,000	5,051,000	3,508,000
<b>Actual</b>	757,000	495,000	314,000	156,000		
<b>Conversion Rate</b>	10.5%	15.5%	6.1%	19.3%		
<b>Visitor Spending</b>	\$1,071,000,000	\$807,000,000	\$492,000,000	\$239,000,000		
<b>Tax Revenue</b>	\$75,500,000	\$59,000,000	\$36,000,000	\$18,000,000		
<b>Ratio</b>	\$9.59	\$14.75	\$6.00	\$38.54		
<b>Contract Amount *</b>	\$240,000	\$180,000	\$219,000	\$71,000	\$168,000	\$171,000

\* Contract Amount includes the cost of benchmark image, competitive, and accountability study, plus conversion studies done one and two years after the benchmark, except for US 1998 and Japan 2001 advertising studies which only include benchmark efforts.