

TOURISM RECOVERY BRIEF

December 16, 2024
Dusit Beach Guam

AGENDA



1. Market Intel Omnitrack (Japan and Korea)

- Share Key Findings, Focus Groups
- Qualitative Research, Exploratory
- Guide Quantitative Research Instrument
- Statistically valid analysis

2. GVB FY25 Recovery Initiatives

- Working within approved budget
- Responsive to current & emerging market situation

3. Status of Collaborative Effort

- GVB – GEDA – Private Sector Interests
- Joaquin Cook, Chairman

BIG PICTURE OUTLOOK



- ✓ **Japan Domestic Travel Dominant**
- ✓ **Korea pent up demand**
- ✓ **Overseas travel motivation**
 - Experience daily lives, local residents
 - Cultural experiences
 - R&R
 - Significant attractions
- ✓ **Guam an accessible resort destination but lacking “must see” element**
- ✓ **Guam local culture, food, villages “not top of mind”**

OVERSEAS TRAVEL DEMAND



JAPAN

- ✓ Since pandemic, more liberal taking day off from work, not feeling well, day off barrier lowered
- ✓ Past travel 50/50 overseas/domestic, but now 90% domestic, 10% international
- ✓ Demand an issue not airlift

Korea

- ✓ Airlift not demand a problem
- ✓ Stuck in Korea so long during pandemic
- ✓ Decision to travel now more impulsive and less about thought process
- ✓ Overseas travel feeling more important now than domestic

TRAVEL DEMAND & PRICE SENSITIVITY



JAPAN

- ✓ Usually about wanting to do something specific at destination
- ✓ Shopping abroad more expensive
- ✓ Fuel cost, inflation, weaker yen, shopping trips reduced, e.g. Hawaii

Korea

- ✓ Prices not as important as place visited and activities engaged at destination
- ✓ Dramatic and sudden change in exchange rate an important factor

EXPERIENCING LOCAL RESIDENTS



JAPAN

- ✓ **Want to experience daily life of local people**
- ✓ **Shun attractions in favor of “hanging out” at cafe**
- ✓ **Value interaction with local residents, appreciate cultural difference, discover restaurants “hidden gems” not advertised online**
- ✓ **Sometimes ask questions just to converse with locals**

Korea

- ✓ **Enjoy visiting local areas to see and experience local lifestyle**
- ✓ **Example, one day cooking class**

GUAM VERY ACCESSIBLE RESORT



JAPAN

- ✓ **Guam has resort destination vibe with lower time travel hurdle**
- ✓ **Well known convenient access and resort atmosphere**
- ✓ **However, lacks “must visit” appeal, nothing unique or compelling to chose over other convenient destinations**
- ✓ **Other than U.S. Territory, just considered another “ordinary” southern island not particularly appealing**

GUAM VERY ACCESSIBLE RESORT



Korea

- ✓ Great vacation sport for families, newlyweds, leisure activities
- ✓ Less interested in luxury shopping but seek local and fun souvenir shops
- ✓ Need to expand activities beyond marine sports
- ✓ Also “stand out” restaurants by ocean and important buildings for photo ops, things to do in villages



LOCAL CULTURE AND DINING



Japan

- ✓ Not well known as Hawaii & other places
- ✓ Hawaii known to have “native” people, never thought about Guam’s local culture
- ✓ No such think as “Guam Cuisine” known in Japan
- ✓ Local and authentic food experience important
- ✓ Wednesday Night market especially appealing

Korea

- ✓ Would like to experience local culture
- ✓ Somewhat fearful because local (CHamorus) are a minority and other people (nationalities) not known

GUAM & U.S. CONNECTION MIXED REACTION



Japan

- ✓ **Do not sense Guam part of U.S. but price of hamburgers, and chain restaurants convey “American”**
- ✓ **Going to Guam a different vibe from America**
- ✓ **Better to highlight Guam “uniqueness” instead of America**

GUAM & U.S. CONNECTION MIXED REACTION



Korea

- ✓ **U.S. Territory does not make Guam more appealing, “some turned off”**
- ✓ **Tip culture and U.S. currency suggest higher cost, not appealing**
- ✓ **Many similar (Cebu) vacation spots like Guam, but safe American territory important**

Situation



- ✓ **GVB never lost contact with source markets to understand and address emerging factors of underperformance.**
- ✓ **Strategic and tactically driven remedies discussed at length within country marketing reps, travel wholesalers, retailers, and OTA's, airline executives.**
- ✓ **Details generally discussed in regularly scheduled GVB Marketing Committee meetings, attended by company representatives in the tourism industry, and participated in all matters discussed.**
- ✓ **FY25 funded initiatives responsive to current environment and consumer market sentiments**

✓ **Tactically driven initiatives**

- Consistent with strategic outlook
- Generate demand target segments
- Incentivize airlift capacity, restore pre-COVID levels
- Trade Co-ops and strategic alliances (Visa, Shinhan, airlines, TAs, OTAs)
- Maximize digital marketing reach and penetration
- Focusing on conversion emphasis in Japan advertising

Product Integrity & Destination



- ✓ **Collaborating with local business and other “local touch points” in the value chain to deliver the visitor experience promised in our marketing message**
- ✓ **Perceptions and experiences important**
 - Value and expectation delivered
 - Social media environment unforgiving and widespread globally
 - Examples: WIFI in hotels, restaurants, and other businesses, public transportation, mobile phone transactions at point of sale, maps, etc.

Product Integrity & Destination (continued)



- **Destination improvements**

- Beach cleaning, Tumon landscaping, expect private businesses to do the same

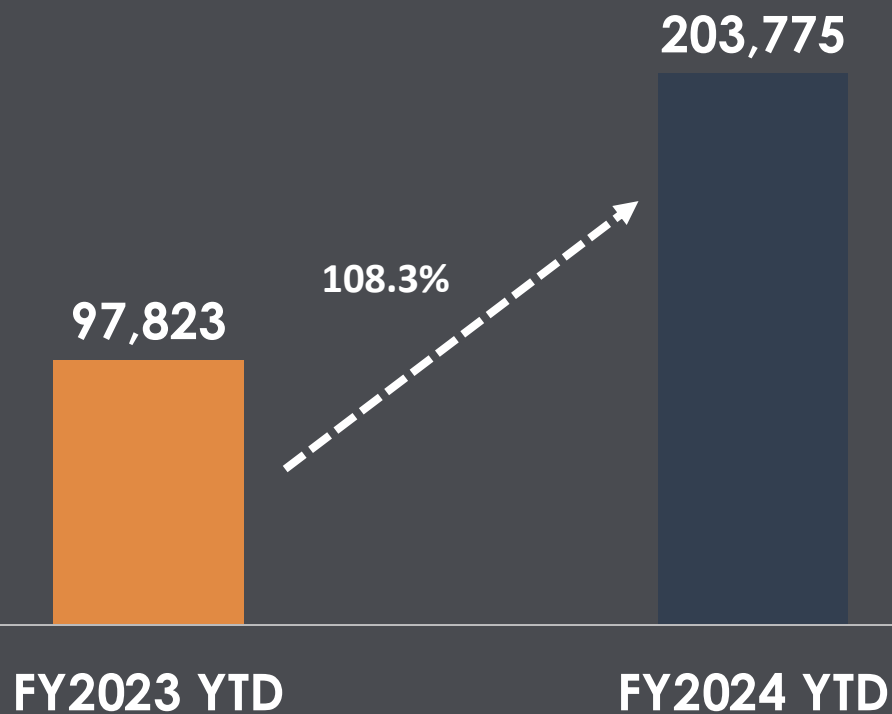
- **Collaborative plan expands beyond GVB authority & Budget**

- Village upkeep (MCOG), public bathrooms, parks (DPR)
- Street maintenance, lighting, crosswalks (DPW)
- Arrival and departure experience (GIAA)
- Regular intersectional communications
- General community support

JAPAN



JAPAN - Where WE ARE



Total Japan Visitors in Guam FY2023 vs FY2024

- HND ROUTE OPENING – MAY 2024
- INCREASED FIT TRAVEL (POST COVID @ 60%)
- GROUP SUPPORT PROGRAMS
 - GOGO Guam! Hafa Adai Campaign
 - (Gogo Pay / Guam Bonus Campaign)
 - Group Support Program

Where WE ARE Going



FY2025 JAPAN ARRIVAL PROJECTION

**FY2025 JAPANESE VISITORS PROJECTION: 350,000 PAX AS
OPTIMISTIC TARGET (+68% VS. FY2024)**

JPN-GUM SUPPLY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
SEAT CAPACITY	41,994	34,688	40,871	37,543	42,258	45,179	45,179	45,179	43,818	44,847	44,648	44,648	510,852
JPN-GUM DEMAND	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
TARGET LOAD FACTOR	45.00%	45.00%	79.00%	63.00%	65.00%	87.00%	55.00%	70.00%	55.00%	85.00%	90.00%	76.00%	68%
68%	18,897	15,610	32,288	23,652	27,468	39,306	24,848	31,625	24,100	38,120	40,183	33,932	350,030

JAPAN GOAL PAX FY2025
 250,000+ (Conservative 51%)
 290,000+ (Moderate 62%)
 350,000+ (Optimistic 68% LF)

vs.

JAPAN GOAL PAX FY2024
 200,000 (Conservative 53%)+
 350,000 (Optimistic 78%)+

Where WE ARE Going



MARKETING CHALLENGE AND ACHIEVEMENT

- The loss of overseas demand due to COVID-19 triggered a drastic shift in media/purchase consumption patterns across Japan from offline to digital.
- Guam always in top 5 destinations people “want to go” but usually #7 in purchase
- Focused on conversion

Where WE Are Going



EVIDENCE OF DEMAND AND POPULARITY

Travel agencies

JTB

Top 10 most popular destinations (No Tour guide) - Booking base

1. Hawaii
2. South Korea
3. Singapore
4. Taiwan
- 5. Guam**
6. Australia
7. United States of America
8. Indonesia
9. Vietnam
10. Thailand

HIS

Year-end and New Year 2024 2025! Popular overseas destinations - Booking base

1. Taipei
2. Seoul
3. Honolulu
4. Bangkok
- 5. Guam**
6. Cairns
7. Singapore
8. Bali
9. Cebu
10. Danang

OTA/ Metasearch

Travelko

Top 10 most popular destinations- Flight search base

1. Seoul
2. Taipei
- 3. Guam**
4. Honolulu
5. Bangkok
6. Pusan
7. Hong Kong
8. Bali
9. Singapore
10. Cebu

Veltra

Year-end and New Year 2024 2025! Popular overseas destinations - Booking base

1. Honolulu
2. Bangkok
3. Cairns
4. Taipei
5. Paris
- 6. Guam**
7. Dubai
8. Hanoi
9. Sydney
10. Phuket

Guam Online Presence



- Since the launch of SNS based brand campaign #HereWeGuam, the number of #Hereweguam has grown to more than 10,000 posts, which has become widespread.
- Total SNS followers increased to 150,000, Ads and online promotions had over 130M Reach (Instagram/Youtube/Tiktok/Tver/Abema)
- The biggest metasearch in Japan, Travelko's survey, shows that Guam is among the top two or three most popular destinations in Spring, Summer, Autumn, and Winter of 2024.
- GOGO Guam! Hafa Adai Campaign (Gogo Pay & Guam Bonus Campaign) used across all markets (JKT)
- Focusing now on conversion

How WE ARE to Get There



FY2025 JAPAN MARKETING PROJECT CATEGORIES

IMMERSIVE AND CONVERSION

BRANDING

- SNS/ PR
- Influencer
- TV Drama
- Food truck
- Dance and Art
- Events

FIT/ SIT

- SNS/ PR
- Influencer
- SIT Focused campaign
- Golf
- Wedding
- LGBTQ
- Sports

CONVERSION

- GoGo Guam
- Hafa Adai Campaign
- Tactical Campaign
- Guam Pay
- Hafa Adai Support
- Signature events
- SNS Conversion ads
- FAM

GROUP/ MICE

- Search Ads
- Group/ Support
- FAM
- Seminar/ Workshop

AVIATION

- Coop with UA and JAL
- Resumption support for T-way
- Lobbying to new carrier launch opportunity

SOUTH KOREA



Where We Were



358,570



FY2023 YTD

9.6%



392,945



FY2024 YTD

Total Korean Visitors in Guam
FY2023 vs FY2024

Where We're Going



FY2025 KOREA ARRIVAL PROJECTION

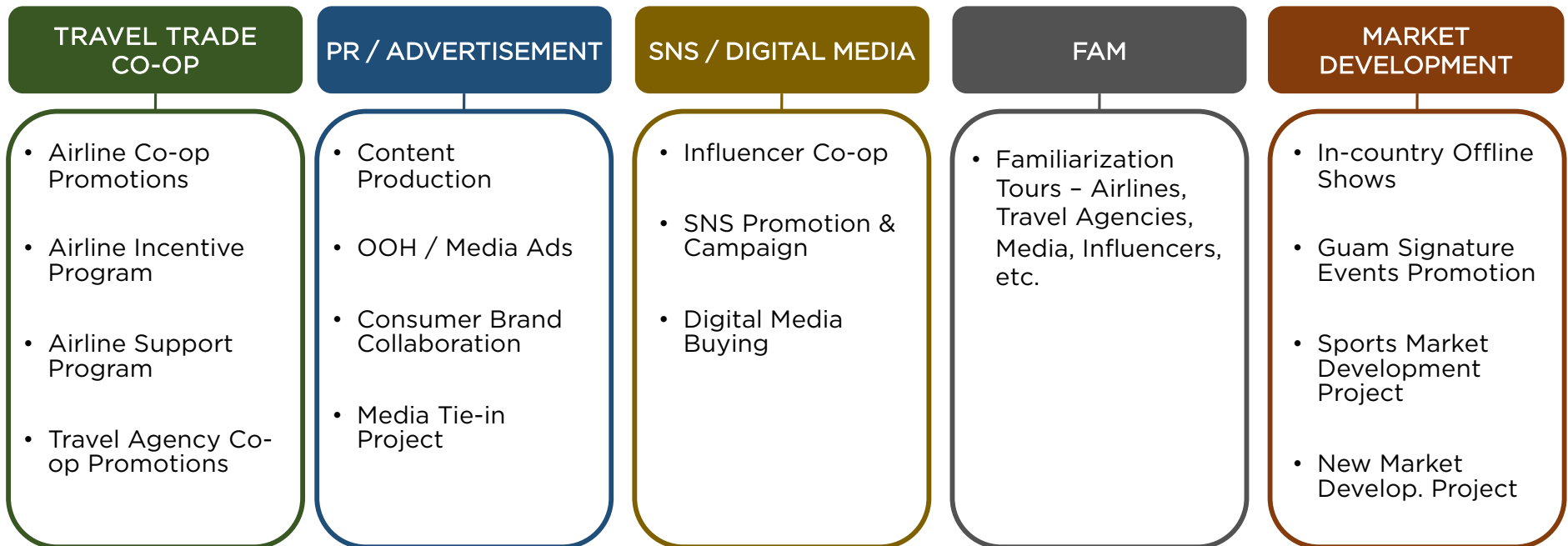
FY2025 KOREAN VISITORS PROJECTION:
448,325 PAX (+14% VS. FY2024)

KOR-GUM SUPPLY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
SEAT CAPACITY	38,072	30,552	35,426	51,491	46,508	44,349	44,160	45,632	44,160	54,704	54,893	47,373	537,320
KOR-GUM DEMAND	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
TARGET LOAD FACTOR 83%	81.0%	82.0%	87.0%	89.0%	86.0%	79.0%	79.0%	79.0%	81.0%	85.0%	87.0%	84.0%	83%
	30,838	25,053	30,821	45,827	39,997	35,036	34,886	36,049	35,770	46,498	47,757	39,793	448,325

How We're Going to Get There



FY2025 KOREA MARKETING PROJECT CATEGORIES



GVB Korea's Airline Strategy



3-Prong Approach to Airlines

1. Airline Co-op Promotions **\$436,000**

- Website promotions with airlines and travel agents
- Special discounts and offers on airfare to targeted populations
- On/offline advertisements and events
- Guam content production.

2. Airline Incentive Program **\$385,000**

- Monetary support to airlines for reaching average load factors above 82%

3. Airline Support Program **\$1,000,000** (Gov LG promised to find \$7M, GVB identified \$5M in savings)

- GVB supports airlines that up-gauge current flights and add new flights (charter, seasonal, regular) by paying airlines a certain rate per flight, thereby sharing the risk

Korea Air Service



- **Board inclined to increase budget to \$5M for Korea ASD**
- **Plan explained to airlines by Gov. LG during the Korea Mission in November**
- **Follow-ups happening in market**
 - Anticipate additional service by end of December

SI YU'OS MA'ÅSE'

