



Guam

SHORT-TERM TOURISM RECOVERY PLAN AND SITUATION REPORT

TACTICAL ACTION PLAN

A plan to urgently reverse substantial declines in visitor arrivals and restore market share.

Prepared collaboratively by the Guam Visitors Bureau, private sector executives and stakeholders, with insights from source market professionals and public feedback.

December 5, 2024

**APPROVED BY GVB
BOARD OF DIRECTORS
12/23/24**

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Introduction

At the request of Governor Leon Guerrero, Management was tasked by the GVB Board to collaborate with private tourism stakeholders, and to produce a combined tactical recovery plan that the GVB Board and Management can approve, resource and implement. Director Kin Cook was tasked by Chairman George Chiu to form this joint working group and this document is the result of our collaborative efforts.

This document focuses on action of a larger scale, intensity, and scope beyond GVB's current budget and authority. After the essential alignment of GVB's ongoing recovery initiatives with those suggested by private stakeholders, this document contains the immediate tactical objectives urgently needed to boost tourism numbers and avoid further loss.

While a tactical or short term plan is being implemented, long-term strategic goals should be considered as a framework to the future of Guam's success.

Executive Summary

Guam's tourism industry, a cornerstone of the local economy, is facing an existential crisis. From prolonged pandemic closures and Typhoon Mawar to hyper-competition and product deterioration, each has compounded Guam's struggle to recover.

Guam, heavily dependent upon arrivals from Japan and Korea, is among very few destinations in the world that have not recovered post-pandemic. Thousands of jobs have been lost, and numerous businesses are on the edge of closure.

The ongoing challenges demand an immediate, unified response and a steadfast commitment to the investments that are needed to drive a swift recovery. Failure to act risks jeopardizing the long-term viability of the industry, while taking decisive action offers an outstanding return on investment and a sustainable path to economic growth.

This plan is to address the tactical or short term issues and work continues with the Bureau of Statistics and Plans contractor PKF. Mentions of projects or activities for other government agencies are suggestions and should be discussed with the relevant agencies and boards and not be incorporated into the plan but are included for a holistic approach.

Sources for the additional funding request to boost seat capacity, support airlines, hotels, optional tours, and other companies within the tourism value chain have not been identified and should be determined by the legislature and Office of the Governor.

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Key Challenges

1. **Product Decline:** Guam's destination and offerings are worn, outdated, and run-down after years of closure and a typhoon, creating dissatisfaction. Rising construction costs due to the buildup have hindered repairs and improvements.
2. **Rising Costs:** Guam's high costs and a strong U.S. dollar severely impact competitiveness versus domestic and regional competitors.
3. **Air Service Declines:** Reduced flights, aircraft shortages, staffing shortages, rising airfares and airport costs, and limited seat availability hinder recovery.
4. **Increased Competition:** Destinations like Thailand, Vietnam, and the Philippines have surged. Domestic travel and new Japan visa waivers heighten challenges. Longer term, reliance on few limited source markets must also be addressed.

Short Term Strategic Initiatives

1. **Destination Improvement** to improve Guam's product and appeal
2. **Airline Incentives** to urgently increase flights and capacity
3. **Supplemental Marketing** and Events to bolster Guam's visibility
4. A **Community Campaign** to build awareness and engage the community

This **Short-Term Tactical Plan** outlines **urgent, targeted actions** to provide critical triage through focused actions that can be implemented immediately and completed within 2025 in order to halt the decline in arrivals and begin recovery.

This plan was developed by GVB in collaboration with industry contributors. Feedback for further refinement is needed ASAP from consumers in the source markets and

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broader industry working groups. This plan focuses primarily on Japan, Korea and Taiwan which together accounted for the vast majority of arrivals in 2019.

Long Term Strategic Plans

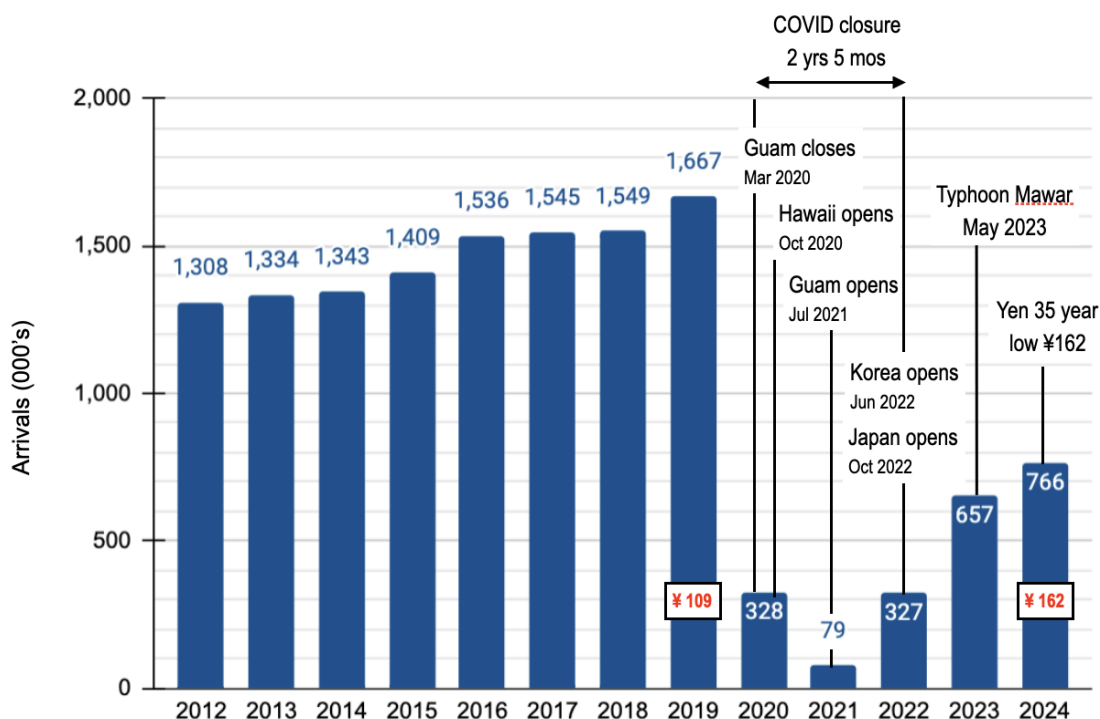
Immediately following completion of this short term recovery plan, an updated strategic plan is needed to identify realistic new source markets, evaluate Guam's competitive positioning, and reimagine/rebrand Guam emphasizing its unique selling points (USPs):

1. Highlight Guam's **unique tourist attractions and experiences**
2. Feature Guam's unique **CHamoru culture**
3. Present Guam's unique position "**Where America's Day Begins**"

Part I - Background & Current Situation

In 2019, Guam welcomed 1.63 million visitors, with 88% arriving from Korea and Japan. Tourism comprised 60% of Guam’s economy, generating **\$2.4 billion in economic impact, \$250 million in taxes**, and supporting **21,000 jobs**¹ — until the pandemic. This has now been halved.

Travel restrictions went into effect for Guam, Japan and Korea in March 2020. Hawaii’s restrictions were lifted after 7 months and Guam after 16 months – but Japan and Korea did not lift their restrictions until late 2022. **By that time, Guam had been closed for 2.5 years while other destinations were already rebounding.** Just as Guam tourism restarted, Typhoon Mawar hit, halting recovery. Adding to the challenges, the Japanese yen fell to a 34-year low in April 2024.



¹ Tourism Economics: 2019 Guam Economic Impact Assessment

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A Critical Juncture

Guam’s tourism crisis has been masked by the economic boost from the military buildup, but the industry remains in peril, with businesses on the edge of closure.

| Market | Outbound % Recovery | Guam Arrivals % Recovery | Market Share Change | % Variance in Market Share |
|--------|---------------------|--------------------------|---------------------|----------------------------|
| Japan | 60-70% | 30% | 3.4% → 1.4% | -59% |
| Korea | 95-100% | 50% | 2.6% → 1.3% | -50% |

Lack of Product Integrity

Guam’s image and many of its offerings are **outdated** and **in need of revitalization**. From potholes and junk cars along roadsides to unpainted and dirty public and private buildings, *Destination Guam* has lost its appeal and needs urgent attention.

Achieving a cleaner, more inviting environment requires commitment and financial resources. The quality of hotel rooms, food, and services is low relative to high prices, a challenge worsened by the strong dollar.

Service culture has declined, with limited training opportunities available, compounded by increased costs, lack of manpower due to the military buildup and low visitor numbers, as companies struggle to stay afloat and lack the ability to invest.

A **downward spiral** has begun as closures make the destination less attractive and cause yet more closures.

TAF Collections Are Less Impacted Than The Industry Itself

In FY2023, Guam generated over \$26 million in Hotel Occupancy Tax (HOT), with FY2024 collections over \$33 million, 74% of FY2019 levels.

However, Hotel Occupancy Taxes reflect only hotel room revenue whereas the income of optional tours (visitor “experiences”), retailers, transportation providers and others across the entire industry mirror the 50% drop in arrivals versus 2019. In addition, the workforce remains far lower than it was pre-pandemic as do employee benefits.

The health of the TAF is not directly relevant to the health of the industry.

It is imperative to not confuse TAF health with the health of the industry and its businesses.

Tourism retail remains in distress as reflected in BPT Retail sector numbers. Feedback posted on social media indicate Guam shows previous season inventories of luxury goods and any duty free cost savings versus a purchase in their home country is negated with the exchange rate.

Restaurants and **transportation providers** continue to struggle filling job openings and with increased costs.

Optional tours (attraction and experience operators) are the most severely impacted. Unlike some hotels which have at least some benefit from the extended-stay military and construction guests, tourist attractions have little to no benefit from those guests whereas room utilization for a single extended stay guest for 21 days is equal to 14 Japanese or Korean tourists (at 2.3 guests per room and a 3.5 day average stay).

Part II - Strategic Goals for 2025-27

Arrival Goals

| | | | Without Intervention | | | With Intervention | | |
|--------------|--------------|------------|----------------------|------------|------------|-------------------|--------------|--------------|
| 000's | 2019 | 2024 | 2025 | 2026 | 2027 | 2025 | 2026 | 2027 |
| Japan | 685 | 192 | 208 | 260 | 260 | 290 | 500 | 685 |
| Korea | 750 | 375 | 394 | 400 | 420 | 540 | 660 | 750 |
| Total | 1,435 | 567 | 602 | 660 | 680 | 830 | 1,160 | 1,435 |
| Vs. 2019 | | -60% | -58% | -55% | -55% | -42% | -20% | - |
| Japan share | 3.4% | 1.3% | 1.3% | 1.3% | 1.3% | 1.8% | 2.5% | 3.4% |
| Korea share | 2.6% | 1.3% | 1.3% | 1.3% | 1.3% | 1.8% | 2.2% | 2.6% |

Arrival Forecasts Without Intervention

Without decisive intervention, meaningful recovery in Guam’s market share or visitor arrivals is unlikely, and current low arrival levels risk becoming the “new normal.”

The chart above illustrates likely outcomes: **with intervention** (shown in red) versus **no intervention** (shown in blue). The table below presents GVB’s FY2025 budget projections, aligning total 2025 pax goals in the chart above with “Goal” pax figures in the GVB table below.

Reaching the Goal pax requires increasing Guam’s market share to 1.8%, a 40% improvement over the current 1.3%. Achieving this level will depend on strategic investment in **airline support, marketing, and product enhancement**.

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The plan sets ambitious but achievable targets: 830,000 combined Japan and Korea pax for 2025; 1.2 million pax for 2026. It is important to note that 1 million Japanese and Korean visitors is the threshold below which many hotels and tourism-related attractions will continue to operate at a loss.

The recovery will require significant effort and time. Given that the earliest addition of airline seats is **April 1, 2025**, and that re-engineering and implementing Guam’s marketing campaigns will take at least 3-6 months, a **lag in results** from current action is unavoidable.

With immediate, sustained and focused efforts, the beginning of **meaningful improvements can begin by summer 2025**.

In the first half of 2025, arrivals are likely to align with GVB’s **Moderate pax estimate**, with stronger progress toward the **Goal pax projections** in the second half of the year. This momentum will lay a solid foundation for growth in **2026 and beyond**.

FY25 FORECAST - TENTATIVE

| FY2025 | Conservative | Moderate | Optimistic |
|--------------|----------------|----------------|------------------|
| Japan | 250,000 | 290,000 | 350,000 |
| Korea | 377,949 | 461,731 | 480,000 |
| USA | 85,000 | 99,300 | 102,000 |
| Philippines | 12,000 | 15,731 | 17,000 |
| Taiwan | 3,000 | 5,270 | 17,430 |
| Others | 35,000 | 42,000 | 42,000 |
| Total | 762,949 | 914,032 | 1,008,430 |

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Reporting

Comparing performance solely to years between 2020 and 2023 or low budgets is misleading. Instead, Guam's market share of actual outbound travel provides the most accurate measure of performance relative to competitors and past performance coupled with comparisons versus 2019 and 2024.

This metric reflects Guam's share of total outbound travelers, offering a clearer and more objective view of competitiveness. Additionally, it establishes a reliable baseline that directly links arrival increases and market share to the effectiveness of enhanced intervention efforts.

Korea

Guam's market share from Korea has dropped from 2.6% in 2019 to 1.3% today, a decline of 50%, despite only a modest 13–15% decline in the won's value versus 2019.

The main challenge is limited flight availability, which keeps fares high and caps arrivals below 400,000 versus 750,000 in 2019 – despite Korea's full outbound recovery and demand for Guam. This was further impacted by the Korean Air–Asiana merger.

Guam's seat capacity from Korea has fallen from 95,000 seats per month in Jan 2020 to an average of 45,000 seats in 2023 and fell to average **35,000** in the last six months of 2024. With incentives to add flights, a minimum target of 50,000 seats per month is achievable, resulting in 600,000 seats and 500,000 annual pax at an 85% load factor.

Low-cost carriers such as Jin Air, Jeju Air, and t'way face challenges in adding flights to Guam but have expressed willingness to add flights if provided with some basic route support to lessen risk. Further discussion on the rationale and the details of airline incentives follows in *Part III "How We Can Reach Our Goals."*

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Japan

Several factors will shape Japanese travel to Guam in the coming years. The biggest challenge is the weak yen. The Yen:USD exchange rate was 80:1 in 2012, 109:1 in 2019 and is currently 150-160:1. The cost of Guam in yen has effectively doubled since 2012 and risen 50% since 2019 simply due to currency fluctuations – before inflation.

The weak yen has dramatically diminished Guam's competitiveness. At the same time, local businesses are facing increased costs of 20-25% since 2019. This creates an untenable position as travel to Guam has become extremely expensive for Japanese yet local businesses have been forced to maintain 2019 pricing and profits have evaporated.

In addition, affordable new resorts in Southeast Asia and the Philippines compete with much lower cost structures. As highlighted in Tourism 2020, "close and cheap" is not a long term winning strategy against competitors with third world costs. Longer term, Guam must reinvent and rebrand the destination. Further, Japan is now expanding visa-free travel to 192 countries, providing travelers with many more attractive options.

Guam's arrivals have plummeted 70% from 685,000 to 192,000, with market share declining by 60% from 3.4% market share to 1.3%. Without intervention, Guam's market share will stagnate between 1.3% and 1.5%, translating to just 200,000 arrivals in 2025.

Aggressive marketing and investment aims to boost arrivals to 290,000 in 2025 followed by a goal of 500,000 in 2026, and recovery to 2019 levels by 2027 or 2028. This will require rebranding and a **substantial investment in improving Guam's product**.

While a recovery of the yen would help to accelerate progress, Guam cannot depend on currency fluctuations. Hope is not a strategy: bold, innovative approaches are essential.

Part III - How We Can Reach Our Goals

Turning Guam's tourism around will require:

- **Transparency:** Openly communicate the industry's precarious state
- **Strong Leadership:** Ensure focused execution and collaboration.
- **SMART Goals:** Set clear, actionable objectives for management
- **Investment:** Including destination development and product improvement
- **Collaboration:** GVB management, board, industry, policymakers, community.

Key initiatives

1. **Airline Incentives:** Support route restoration with incentives and cooperative marketing and a focus on restoring Korea capacity. These incentives are now standard globally due to the current aircraft shortage.
2. **Targeted Marketing Campaigns:** Launch premium and value campaigns to attract high-spending and budget-conscious travelers. Highlight signature events, sports tourism, and Guam's unique experiences.
3. **Destination Development and Maintenance:** Beautify key areas, improve sightseeing spots and public facilities, and enhance safety, security, transportation and the arrival experience with a focus on immediate impact.
4. **Private Sector Product Improvement:** Support private sector upgrades and elevate service culture, encouraging reinvestment to meet visitor expectations.
5. **Community Campaign:** Launch island-pride initiatives to build awareness and engage the community in the recovery efforts.

1. Airline Incentives

Airline incentives are essential to attract and retain air service. Strategies must address the unique challenges of each market, tailoring approaches to Japan, Korea, and Taiwan's specific dynamics.

- A. Air Service Incentive Programs.** Tools like Minimum Revenue Guarantees (MRGs) and route incentives help reduce airline risks when adding new flights.
- B. Cooperative Marketing Support.** Provides airlines with marketing funds or matching funds for joint marketing efforts to sustain new service.
- C. Other Route Incentives.** Includes bonuses for achieving load factor targets or operating cost reductions, such as landing fee discounts, supported by GVB or the airport.

Japan

Japan's current airlift is generally adequate but requires maintenance and development. Strategies focus on (a) cooperative marketing with full-service carriers like UA and JL and LCCs like Jetstar and t'way Japan; (b) developing for far flights and new cities to create new demand; and sustain existing flights.

Korea

Korea faces a significant shortage of flights. The Korea strategy involves engaging airlines such as Korean Air, Jeju Air, Jin Air, and t'way Air with efforts focused on restoring seat capacity through route incentives and other airline support measures.

Why Route Incentive Programs?

Minimum Revenue Guarantees (MRGs) and Route Incentives

Product quality is critically important – but without sufficient flights, arrivals cannot grow.

According to Adam Sachs, President of Tourism Economics, **the global aircraft shortage—expected to last 2–3 years—makes attracting new flights nearly impossible without incentives.** Airlines now prioritize highly profitable or low-risk routes, such as Seoul-Tokyo, where multiple daily flights can be operated with the same aircraft needed for a single Guam flight, reducing Guam’s competitiveness.

MRGs are proven tools to reduce airline risks and encourage new route development. They compensate airlines if route revenue falls below a set threshold during a specific period. **Route Incentives**, similar in intent, offer fixed support to justify adding a new route and/or bonuses tied to load factors.

Expanding seat capacity to Guam will lower fares, attract more travelers, and boost tax revenues, offering returns that far outweigh the costs of route incentives. Korea’s seat capacity to Guam has dropped from 95,000 monthly seats in January 2020 to an average of just 35,000 over the past six months.

Airlines such as Jin Air, Jeju, and t’way are interested in adding flights with support. Given that MRGs and Route Incentives are typically 12–24-month programs, it is crucial to pair these with cooperative marketing efforts to ensure long-term success and sustainability after the incentives have expired after the incentives have expired.

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A. Korea Airline Route Incentives

The Original FY2025 GVB Route Incentives

For FY2025, GVB allocated **\$1 million** for incentives targeting Korean Air, Jin Air, Jeju Air, t'way, and potential new airlines, structured based on flight types:

- **Regular flights:** \$5,000 per flight (minimum 6 months)
- **Charter flights:** \$3,000 per flight
- **Seasonal flights:** \$4,000 per flight

These incentives were designed to support and spark routes from secondary cities such as Incheon, Busan, Gwangju, and Cheongju. Payments are planned on a first-come, first-served basis with a quarterly cap. The amounts were calculated for a 737 aircraft with 166 seats and scaled for larger aircraft with increased capacity. Incentive payments are contingent on flight operations.

The Recovery Plan Proposed Route Incentives

This recovery plan identifies an urgent and critical need for at least 50,000 to 55,000 seats per month to meet baseline arrivals goals, requiring 4–5 regular added flights from primary cities. Achieving this airlift capacity is vital and will require **\$7–\$8 million** in incentives, far exceeding the original allocation. An additional \$5M has been identified within GVB's current operational budget.

Reinstating these flights is critical for Guam's recovery. Current flights are near full capacity, driving up fares and constraining arrivals. Without increased airlift, Guam cannot recover. The required \$7–\$8 million investment will **directly** yield \$30 million in direct tax revenue and several hundred million dollars in impact. Aggressive action and significant support levels are needed to drive recovery.

B. Cooperative Marketing Support

To ensure sustainable air service, GVB offers cooperative marketing programs to support promotional efforts with full-service carriers, LCCs, and travel agents needing assistance to market Guam. These programs aid in establishing new flights, increasing awareness, and fostering long-term demand stability. Airlines' own marketing channels can further amplify GVB's initiatives.

Effective co-op marketing requires significant investment in ads, events, social media, and content creation, aligned with clear performance goals and bonuses. Incentives based on total arrivals, rather than load factors, encourage airlines to increase seat capacity, reducing the risk of limiting seats to meet load targets. Co-op marketing can involve joint commitments between airlines and GVB to invest a specific amount in market promotion or direct funding by GVB to airlines, leveraging their local knowledge and unique marketing tactics.

Korea Co-op Marketing

GVB's FY2025 strategy targets airlines like Korean Air, Jin Air, Jeju Air, t'way, and potential new carriers. It leverages promotional channels including airlines, travel agents, and affiliates, alongside out-of-home and digital advertising.

- Promoting Guam via airline websites and apps
- Airfare specials and discount offers
- Online/offline ads and events
- Influencer and YouTube content production

GVB's initial FY2025 marketing budget for these activities was just \$436,000, but significantly higher investment is needed to drive arrivals, support the added route and achieve meaningful results.

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United Airlines, Japan

United Airlines accounts for 90% of Guam's airlift from Japan, maintaining service even with unsustainable load factors. This unwavering commitment is critical to Guam's recovery, underscoring the need for cooperative marketing support to sustain these routes. Low load factors threaten their viability, as aircraft reassignment to more profitable routes makes restoration difficult. Strengthening collaboration and **prioritizing marketing efforts with United Airlines is essential** to preserve and expand capacity.

Japan LCCs, JL, and Other Carriers

Attracting Japanese LCCs will take time, but Korean LCCs operating via Japan could provide additional capacity and merit consideration. However, Guam must balance this with the long-term reliability of full-service carriers such as United Airlines, Japan Airlines, and Korean Air, which are vital for sustainable growth. Both LCCs and full-service carriers are integral to building a resilient airlift strategy.

Other Route Incentives (Korea)

GVB's FY2025 route incentives include bonuses tied to achieving specific quarterly load factor targets.

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Taiwan

With United Airlines and China Airlines launching services from Taiwan, targeted marketing is critical to support and sustain these routes.

GVB's plans for Taipei-Guam (TPE-GUM) route development include:

- MRG with United Airlines: A two-year program supporting twice-weekly service with convenient departure and arrival times to boost travel. There is no cost to Guam if minimum load factors are met.
- Incentives for EVA Air and China Airlines: Encourage resumption of their Guam routes.
- Incentives for Starlux Airlines: Attract Starlux to operate Taipei-Guam flights.
- Airline Package (PAK) Program: Develop tailored incentives and packages for airlines.
- Promotional Campaigns: Build awareness of new routes among trade partners and consumers.
- Co-op Initiatives: Collaborate with key opinion leaders (KOLs), influencers, travel agencies (TAs), and other partners.
- Partnership Development: Strengthen connections between airlines, travel agents, online travel agents (OTAs), hotels, tour operators, restaurants, and transportation companies.

These efforts aim to ensure sustainable growth and success for Taiwan-Guam routes.

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Operating Cost Initiatives: Guam Airport Fees

Air service incentives are helpful for enhancing Guam’s competitiveness particularly with the strong USD. The Guam International Airport Authority (GIAA) provides airline support for new service, added frequency, and seasonal service, with lowered operating costs for those airlines eligible to avail.

GIAA’s Air Service Development Incentive Plan (ASDIP) can help support new routes with partial fee reductions subject to FAA constraints, while GVB funds can provide targeted incentives to increase service frequency.

The cost per enplanement has increased due to inflation and a reduction in arrivals. This cost per enplanement will reduce as the number of passengers increases as the costs are divided by an increased number of arrivals.

Guam Landing Fees (cost per enplanement)

| | 2019 | 2024 | Variance |
|------------------|-----------------------------|------------------------------|---------------|
| USD | \$ 18.15 | \$ 30.61 | 68.5% |
| Yen ² | ¥ 1,978 1 USD = ¥109.00 | ¥ 4,660 1 USD = ¥152.25 | 235.6% |
| Won | ₩ 21,157 1 USD = ₩1165.7 | ₩ 41,476 1 USD = ₩1354.84 | 196.0% |

² Yen and Won at FX rate per IRS

2. Marketing

A bold new strategy with a substantial budget and fresh approach is essential to reestablish Guam as a distinctive destination amid intense competition.

More than just increased marketing spend is needed. **Engaging a strategic marketing advisory partner is critical to crafting a fresh vision for Guam's brand** and exploring innovative tactics and methods for marketing the destination.

The cost for a top strategic consulting and advisory firm coupled with additional marketing spend will be significant; however the investment will yield significant ROI and is vital for ensuring Guam's long-term success. Conversely, increasing marketing spend to simply boost the same marketing efforts done in the past will be ineffective.

Given the time needed to plan and execute new initiatives, for 2025 the additional spend will supplement GVB's existing marketing initiatives (see Appendix), which should align with and adapt to integrate the new strategies as they evolve.

Consumer feedback is crucial and should be gathered without delay to assess Guam's perception in key source markets and identify how it can be improved. Immediate engagement should also occur with PKF, which has an existing contract for source market surveys, in order to leverage that contract and align their insights with this plan. In addition to newly reimagined marketing plans, some example tactics may be considered, subject to advisory input and consumer feedback, including:

- A. Highlight Guam's Unique Selling Points (USPs)
- B. Promote Guam's Unique "Experiences" and Attractions
- C. Launch a Value-Added Promotion
- D. Roll out a Premium Guam Campaign
- E. Implement Target Marketing, including efforts aimed at Okinawa visitors.

A. Focus on Unique Selling Points (USPs)

USPs are key to distinguishing Guam from other destinations and giving travelers compelling reasons to visit. Recovery efforts should prioritize the following USPs.

1. Unique Attractions and Experiences

Guam offers diverse activities like adventure tourism, water sports, tax-free shopping, shows, cultural experiences, and nightlife. Showcasing these **distinct offerings** is an effective way to drive visits and should be the marketing focus.

2. CHamoru Culture

Guam's indigenous CHamoru heritage provides a rich, authentic visitor experience beyond a beach vacation. Marketing should emphasize **authentic, individual experiences** over mass-market commercialization of the culture.

3. The Warmth of Her People

Renowned for its hospitality, Guam can amplify this USP through a **unified island-pride campaign**, encouraging the community to engage with visitors.

4. America in Asia

Guam uniquely blends American familiarity with Asian influences, appealing to families seeking **cross-cultural experiences** "beyond Asia" without long-haul flights. Guam's identity as "**Where America's Day Begins**" sets it apart.

Promoting these USPs positions Guam as a destination for **authentic, immersive, and diverse experiences**, forming the foundation of a compelling marketing strategy.

B. Promote Guam's Unique Experiences

Beyond its beaches, Guam offers a diverse array of unique experiences, from adventure tourism and water sports to world-class entertainment and cultural festivals. These offerings cater to a wide range of travelers, from young families to adventure seekers, and provide an opportunity to reposition Guam as more than just a beautiful island destination.

Highlighting authentic, immersive, and multifaceted experiences creates a distinct identity that resonates with modern travelers seeking meaningful journeys. Marketing that focuses on **cultural and premium attractions** brings an added benefit of not only driving visitation but redefining Guam's brand.

To align with global travel trends, Guam's attractions should be repositioned from "optional tours" (an outdated term) to "**experiences.**" This reflects the demand for authentic, engaging activities tied to the island's heritage and natural beauty. Japanese and Koreans may continue to use the translation of "activities."

By showcasing Guam's incredible array of attractions, shows, entertainment, cultural engagement, outdoor adventures, hiking, skydiving and other unique offerings, the island can better evoke emotional connections to traveler aspirations. One need only search through online promotional videos of other destinations to see examples of powerful, compelling marketing pieces that make you *want* to visit the destination. Beaches and sunsets alone are no longer compelling nor different from anywhere else. Marketing must focus on Guam's unique collection of **experiences** and amplify its appeal to global audiences.

Developing new, high quality content creation with drone footage and digital content showing THINGS TO DO and UNIQUE GUAM EXPERIENCES – rather more than just beaches, sunsets and palm trees – is vital.

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Guam's Attractions and Experiences

Guam offers a wide variety of attractions and activities, appealing to diverse traveler interests and preferences. These experiences showcase the island's unique blend of adventure, culture, and leisure:

- Adventure: Hiking, Skydive Guam, ATV adventures Skydiving, SCUBA
- Cultural: Valley of the Latte, Chamorro Village, Guam Museum
- Ocean: Dolphin watching, Marine sports, Snorkeling, deep sea Fishing
- Underwater: Guam Aquarium, Fish Eye observatory, helmet diving, snorkeling, SCUBA
- Water Parks: PIC water park, Tarza water park, Hoshino water park
- Evening: Stargazing, Karera, Tao Tao Tasi, Fish Eye Show, PIC Super American Circus, other Shows and Dinner Shows, Zoh nightclub, BIG Sunset Dinner Cruise
- Amusement: Tagoda amusement center
- Dining: Fine dining, casual, beachfront, Chamorro, Asian, American
- Shopping is less impactful compared to global competitors but tax-free elements and unique aspects should be promoted: DFS, Guam Premium Outlets, Micronesia Mall, Plaza Shops, Don Don Donki

This comprehensive mix of attractions and experiences ensures Guam appeals to a wide range of visitors, providing something for everyone while reinforcing its identity as a multifaceted destination. New content must be created focused on these experiences. Photography, videography and influencer created content is essential.

C. Launch a Value Added Promotion

GVB should seek broad industry collaboration for the creation of an **extended** joint promotion emphasizing **value-added benefits**, rather than discounts. While discounts can attract attention, they are unlikely to generate enough arrivals to offset the associated costs for providers. Instead, **value-added offers** provide an effective way to appeal to travelers while maintaining industry profitability. GVB could spearhead a “**value-added campaign**” encouraging broad industry participation with offers such as: *“Stay three nights, get the fourth night free.”*

Offers can be designed to cost participating members little to nothing while delivering **significant perceived value**—potentially worth thousands of dollars to each visitor and tens of millions of dollars across the industry. Such promotions could make Guam a more attractive choice compared to competing destinations like Okinawa. In addition, incorporating a **sweepstakes element** with grand prizes contributed by members at no cost to GVB (beyond marketing expenses) could enhance engagement and drive interest. These combined efforts can effectively stimulate demand, positioning Guam as a high-value destination without undercutting the industry’s financial health.

VALUE GUAM, THE GREAT GUAM GIVEAWAY
\$5 MILLION IN CONTRIBUTIONS: UPGRADES, ETC. FULL PARTICIPATION (HOTELS, AIRLINES, ATTRACTIONS, DINING)
MARKET HEAVILY: INFLUENCERS, BLOGGERS, TRADITIONAL AND ONLINE MEDIA. LEVERAGE PREMIUM GUAM MEDIA

Upgrades (seat upgrades, etc.)

Bonus (4th Night Free, \$100 spa with min F&B spend)

Value Added (Free Gift with Purchase)

Limit to Quality Tours and Products

Run for Specific Time (Sept 1 to Dec 15)

Market and Promote Aggressively

One Lucky Winner Wins a Guam VIP Luxury Package

D. Launch a Premium Guam Campaign

Guam's image is often associated with budget travel, but given the strong dollar and current environment, it is far from a budget destination. **A Premium Guam Campaign** can showcase the island's limited luxury offerings, appeal to higher-spending travelers, and help to reposition Guam as a destination that offers curated premium experiences.

While Guam has a limited selection of high-quality offerings, properties like Tsubaki Tower, Dusit Thani, and experiences such as Milano Grill, Alfredo's, Anemos, Karera at SandCastle, snorkeling, SCUBA, deep-sea fishing, and golf of international standard. Highlighting these products can shift perceptions and elevate Guam's image. Care should be taken to not expand this promotion to include a broad array of offerings. This specific campaign should focus only on true luxury level experiences and offerings.

The campaign's goal is not to rebrand Guam as exclusively premium but rather to demonstrate that true **luxury experiences are available for those seeking them**.

This campaign should be anchored by a **high-profile, multi-day event** at a premier venue, such as an event held at the newly renovated SandCastle theater, featuring famous guest stars and major influencers. This approach of focusing on a dynamic, major event will have higher impact than a series of small ongoing promotions whereas the *value campaign* can continue for an extended period of time.

Another innovative example could involve inviting **Michelin-starred chefs** to interpret Chamorro cuisine innovatively, drawing attention from food enthusiasts. Alternatively, sponsoring a celebrity TV show, like **Iron Chef Japan**, to showcase Chamorro food could create buzz and connect Guam's culture with a premium audience.

This approach aligns Guam's premium offerings with a niche market, driving awareness and enhancing the island's appeal among affluent travelers.

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E. Target Marketing (Okinawa)

Okinawa is Guam's primary competitor for Japanese tourists, offering a similar travel distance and minimal time zone change—advantages particularly appealing to families with young children.

As a domestic destination, Okinawa benefits from the fact that only **20% of Japanese citizens now hold passports**, compared to 50% pre-pandemic. In FY2023, Guam participated in a passport campaign with the Japan Association of Travel Agents and number destinations. GVB can hold a smaller campaign with similar parameters.

Post-pandemic, Japan launched highly successful campaigns like the “**Nationwide Travel**” program, offering 20% discounts (up to 5,000 yen) and vouchers for restaurants and shops. These initiatives helped Okinawa to quickly recover fully to its **10 million annual visitors by 2023**, including 7 million domestic travelers.

In comparison, Guam has seen fewer than **300,000 visitors in 2023**, a sharp decline from **650,000 Japanese arrivals in 2019**.

Capturing just **5% of Okinawa's domestic market** could restore Guam's Japanese arrivals to pre-pandemic levels. One differentiator for Guam versus Okinawa is that the ocean is warm even during winter months.

To achieve this, **immediate market research and extensive consumer focus groups are recommended** to determine the features that appeal to Okinawa visitors. This insight can guide targeted campaigns aimed at persuading a sliver of Okinawa's domestic travelers to instead choose Guam, positioning Guam as an alternative with unique attractions and experiences.

F. Target Marketing (Philippines)

The Philippines presents an interesting opportunity for Guam's tourism strategy. While Japan and Korea are your primary focus, the following actionable recommendations could effectively tap into the Philippine market:

Strategic Recommendations for the Philippine Market

1. **Market Development vs. Maintenance.** Allocate a separate budget for proactive market development and not simply basic stagnant arrivals.
2. **Advertising Agency.** Collaborate with a larger, more influential advertising agency familiar with targeting affluent Filipino demographics.
3. **Target Audience.** Focus on high-income Filipino travelers who are looking for unique experiences outside of their domestic offerings.
4. **Positioning Strategy.** De-emphasize beaches and natural landscapes, as the Philippines has an abundance of stunning beaches. Promote Guam's **duty-free shopping**, exclusive brands, and international experiences not available locally.
5. **High-End Media Presence.** Advertise in luxury-focused magazines such as **Tatler**, **Lifestyle Asia**, and **Vogue Philippines** to attract affluent readers. Leverage **TikTok** and other digital platforms but do not rely on these alone.
6. **Hotel Partnerships.** Strengthen ties with **Dusit**, **Hyatt**, **Hilton**, and **Nikko**, leveraging sister properties in the Philippines for joint promotions, packages, and loyalty programs. Utilize their customer databases for targeted campaigns.

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- 7. **Direct Marketing Initiatives.** Collaborate with **Metro Bank** and **PNB**, leveraging their Guam branches to offer exclusive travel deals to Filipino customers. Launch targeted campaigns highlighting the shared Spanish heritage, such as connections to **Magellan** and historical links.

- 8. **Storytelling Focus.** Generate compelling narratives about Guam’s unique relationship with the Philippines, focusing on shared history, cultural links, and distinctive shopping and lifestyle opportunities.

G. Media & Entertainer Opportunities

- 1. Attract international media and entertainers through financial incentives and **address visa challenges** with the support of Guam’s congressional delegate and U.S. Immigration. This approach can reestablish Guam as a media-friendly destination and potential venue for popular performers, which could increase global visibility.

Long-Term Vision

- Advocate for a **Philippine visa waiver** to simplify travel and encourage repeat visits. This initiative would require collaboration with government agencies but could dramatically increase arrivals.

By aligning these efforts with Guam’s overall tourism strategy, the Philippine market could become a significant secondary contributor to visitor numbers, complementing the core focus on Japan and Korea.

1. Signature Events & Other Events

Signature events are vital to reshaping Guam’s image, helping transition from the "old Guam" to a modern, revitalized destination. These events are essential to making the destination more vibrant and appealing to new audiences.

Why Signature Events Matter

- **Reinvigorate the Destination:** Signature events showcase Guam’s unique experiences, presenting fresh narratives that attract diverse audiences.
- **Attract New Demographics:** Curated events appeal to niche or special interest travelers (SIT), influencers, and high-spending tourists, broadening reach and enhancing appeal.
- **Combat Seasonality:** Signature events help increase off-peak travel, balancing seasonal fluctuations and supporting a steady visitor flow year-round.
- **Generate Media & Social Media Buzz:** High-profile events draw media attention and influencer coverage, boosting Guam’s visibility.
- **Promote Local Culture:** Events rooted in CHamoru heritage foster cultural appreciation, creating authentic visitor experiences that deepen connections to the island.
- **Drive Economic Impact:** Signature events can yield significant economic benefits, stimulate tourism revenue and support sustainable growth.

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Signature Events

At least one major **Signature Event** should be scheduled each quarter, strategically timed during shoulder (slower) periods to stimulate demand. These events can enhance Guam’s appeal, attract visitors, and drive economic activity.

The grid below provides an example mix of **enhanced existing Signature Events** and **new event suggestions** for consideration. Final selection and implementation will depend on further input from the **GVB Sports & Events Committee** and feedback from stakeholders.

| Quarter | Event | Target | 2025 | 2026 (Proposed) |
|-------------------------------|---|---------------------------------------|------------------|--------------------------|
| Quarter 1 January-March | NYE Fireworks Celebration | Locals | Jan 1 | Jan 1 |
| | Ko'ko' Kids Race & Japan Festival | Signature Event | Apr 12 | Late January |
| | Ko'ko' Road Race Ekiden, 10K & HM | Signature Event | Apr 13 | Late January |
| | LOCUS Camping Festival (Electr. Music) | Visitors, Locals | | Feb 6-8 |
| | Inalahan Gadao Festival | Visitors, Locals | Feb 14-15 | Feb |
| | Guam History & Chamoru Heritage Day | Visitors, Locals | Feb 28-Mar 3 | Feb 26-Mar 2 |
| | Malessos Crab Festival | Visitors, Locals | Mar 28-30 | Mar |
| Quarter 2 April-June | Agana Heights Coconut Festival | Visitors, Locals | Apr | Apr |
| | Waterbomb H2O | Signature Event | | Apr |
| | Marianas Int'l Dance & Art Festival | Neighboring Islands, Locals, Visitors | Apr 29-May 5 | Apr/May |
| | Agat Mango Festival | Visitors, Locals | May 23-25 | May |
| | King's Guam World Tennis Tour | Visitors, Athletes, Locals | May/Jun | May/Jun |
| | Guam Micronesian Island Fair | Signature Event | Jun 7-8 | June |
| | Electric Island Festival (EIF) | Visitors, Locals | Jun 21 | June |
| Quarter 3 July-September | Family Treasure Hunt | Visitors, Families | Jun-Aug | Jun-Aug |
| | Liberation Day | Veterans, Locals | Jul 21 | Jul 21 |
| | Un Marianas Festival | Signature Event | | Aug/Sep |
| | Mangilao Donne' Festival | Visitors, Locals | Sep | Sep |
| Quarter 4 October-December | International BBQ & Food Competition | Signature Event | May 23-25 | Jul 21 or Nov/Dec |
| | Chamoru Christmas Festive Garden (Tumon) | Visitors, Locals | Nov-Dec | Nov-Dec |
| | International Dragon Boat Festival | Visitors, Locals | Nov | Nov |
| | Tour of Guam Cycling | Visitors, Athletes, Locals | Dec | Dec |

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Showcase Events and Sponsored Events

GVB currently sponsors numerous events throughout the year, as illustrated by the FY2023 list below. Sponsorship of these events aligns with Guam’s mandate and should continue.

| | | |
|---|---|--|
| <p>FY2023 SPONSORED EVENTS</p> <ul style="list-style-type: none">• Shut Up & Fish Guam Annual Mahi & Wahoo Tournament• Dededo Festival in the Park• FSM Independence Day• Diwali Festival of Lights• Japan Festival of Guam• 5th Annual Dragon Boat Festival• Reggae In Paradise Concert Event• Oceania Baseball Championships Under 18• Agana Heights Fiesta• Marianas Open Brazilian Jiu-Jitsu Championships• Road to EIF Guam (Electric Island Festival)• Inspire Marianas Neni Market• FIBA Oceania Under 15 Championships• 2023 Dinagyang Festival• I Mas Metgot Strong Man/ Woman Competition• 1st Annual Chief Gadao Festival• New Year’s Eve Drone Light Show• New Year’s Eve Fireworks Show• Brandon Vera One Championship• Agana Heights Beautification Projects• GHRA Tourism Cup Golf Tournament• INA Wellness Festival• Talofoto Banana Festival• 11th Annual Chamorro Cultural Festival - California• PBS Live Broadcast 2023 Inauguration• Guam History & CHamoru Heritage Day Festival• 14th Annual Hagåt Mango Festival• Guam Island Fiesta Tour - Yigo• Indigo Music Festival• Brogan Walker UFC• Malesso Crab Festival• Trevin A. Jones UFC Sponsorship• Oceanview Middle School International Marketing Club• Phoenix Women’s Baseball Cup Hong Kong• Back to Sumay Event• Agana Heights Coconut Festival• Guam Full Contact Karate Championship• GHRA Annual Gala Dinner “Winter Solstice” |  | <ul style="list-style-type: none">• GMH Volunteers Association Annual Charity Ball• Marianas Islands International Dance and Arts Festival on Guam (MIDAF)• Joy Koy Live on Guam• Roque Martinez Rizin Fighting Federation• Harmony Chea• Wings in Paradise Event• Guam Little League Baseball• Marianas Open Jiu Jitsu Tournament• Guam Micronesia Island Fair Presents Inetnon Man Taotao Micronesia• Marianas Ladies Cup• 9th Annual Lantern Floating Ceremony• Pink Ball Gala Ball• Greg D. Perez International Sportfishing Tournament• GHRA Anniversary Social• Crowns All Island West Coast Tour• Pacific Islander Festival Association (PIFA) Cultural Festival• Team Guam Dodgers 3rd Annual Independence Day Goodwill Baseball Classic• Talofoto Mayors Office Fiesta• Mangilao Donne Festival |
|---|---|--|

Beyond defined **Signature Events** and the broader list of **sponsored events**, it is proposed that a specific set of **“Showcase Events”** be introduced. These would receive substantial funding—though less than Signature Events—and be strategically distributed throughout the Events Calendar.

Examples include **enhancing the Japan Club Autumn Festival** by incorporating a Yosakoi dance troupe, similar to Guam’s Liberation events 2024 and to those that attract 2 million visitors to Nagoya. Other opportunities include expanding the **Tour of Guam** to attract more international participants, elevating the Kings Guam Futures Tennis Tournament, the Marianas Island Dance and Art Festival (**MIIDAF**), the Marianas Open, and Dragon Boat races.

2. Destination Excellence & Enhancement

To keep Guam competitive and attractive, a holistic approach to destination management is critical. This strategy must balance immediate needs with long-term goals by focusing on three key pillars:

1. Destination Development (DD)

Normally focused on long-term investments, this pillar involves significant infrastructure upgrades, including roads, airport, utilities, and large-scale beautification projects. Immediate priorities however include **urgent cleanup, public toilet and facility repairs, and beautification** in Tumon, along island roads, and at key sightseeing locations in villages throughout the island as well as assistance to relocate homeless from all visitor attended areas.

2. Destination Maintenance and Operations (DMO)

Routine upkeep and operational tasks are vital for preserving Guam's appeal. These include **grass cutting, painting medians, graffiti removal, street cleaning, sidewalk repairs, and addressing safety issues**. Consistent maintenance ensures a welcoming environment for visitors and residents alike.

3. Product Improvement (Private Sector)

Collaboration with private businesses is essential to **enhance visitor experiences** and ensure Guam's tourism offerings meet global standards. This includes upgrading hotels and facilities, improving service quality, and fostering innovation within the tourism sector.

These three pillars provide a **comprehensive framework** for revitalizing Guam's tourism sector, ensuring it remains competitive against regional destinations while meeting evolving traveler expectations.

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Destination Development (DD)

Destination Development encompasses major capital improvement projects that require substantial funding, such as the **Guam Museum** and **Tumon flood remediation**, the latter of which remains incomplete beyond the study phase due to diverted funding.

The **next HOT Bond** must remain singularly focused on **modernizing Tumon**, Guam's tourism hub, which has seen no significant investment in over three decades, leaving the area outdated and worn. Modernizing Tumon is vital to sustaining Guam's competitiveness as a tourist destination.

While HOT Bond funding is critical for long-term projects, **immediate action** is needed to address urgent, pressing issues across Guam that impact arrivals. These include:

- Repair broken toilets
- Remove graffiti
- Clear junk cars
- Enhance sightseeing areas
- Improve the airport experience for arrivals and departures

These immediate improvements require **substantial funding** from either the administration or the Guam Legislature to support island-wide beautification and upgrades. The following pages outline these priorities in detail, with working groups tasked to **refine, prioritize, and allocate budgets** for urgent actions using alternative funding sources while the HOT Bond process advances.

Improvements must be phased and separated into “must do”, “should do”, and “nice to do” to prioritize those improvements that will have an immediate impact on the overall visitor experience and arrivals

A. Airport Experience - Creating a Memorable Travel Experience for Visitors

The A.B. Won Pat International Airport Authority, Guam (GIAA) is committed to enhancing the travel experience, ensuring that Guam's airport is a welcoming gateway that showcases the island's unique culture and charm. In collaboration with key stakeholders, including the Guam Visitors Bureau (GVB), GIAA continues to work to modernize its facilities and improve operational efficiency, all while preserving the spirit of hospitality that Guam is known for.

Despite challenges by the ongoing impacts of COVID-19 and Typhoon Mawar, which have constrained its financial resources, GIAA is determined to make meaningful strides toward a better airport experience. In response to these constraints, GVB proposes a partnership with GIAA to implement cost-effective, high-impact initiatives, initially focusing on the arrivals experience. This collaboration is aimed to enhance the baggage claim area and its surrounding spaces, ensuring that visitors feel more welcomed as soon as they step off the plane. By working together and leveraging available resources, GIAA and GVB are committed to continuing to improve first impressions for all who arrive on the island.

Step I - Improved Arrivals Experience

The partnership between GIAA and GVB is dedicated to enhancing the arrivals experience with a range of strategic improvements designed to reflect the beauty and spirit of Guam. Through high-impact, low-cost initiatives, this collaborative effort aims to create a more vibrant and welcoming environment that leaves a lasting impression on travelers. Initially, the focus will be on the baggage claim area and surrounding spaces, ensuring that visitors are immersed in the island's

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natural beauty and culture from the moment they arrive. These initiatives are not only designed to improve the look and feel of the airport but also to make the process more efficient and enjoyable for all travelers, setting the tone for the rest of their stay on Guam.

Key Initiatives to Enhance First Impressions:

Sense of Place Enhancements

1. **Enhanced Post-Immigration Inspection Area:** Refresh the decor and ambiance of the post-immigration hall to create a seamless and welcoming transition for visitors.
 - **Tropical Welcome Planter:** Install a striking planter filled with tropical foliage indigenous to Guam (real or high-quality faux) and welcoming signage positioned after immigration and before the escalator to baggage claim. This feature will immediately convey a sense of place and set the tone for the visitor experience.
 - **Lush Greenery:** Distribute large plants, small planters, and vibrant tropical greenery throughout the post-immigration area and baggage claim area to immerse visitors in the island's natural beauty.
 - **Modern Tropical Music:** Develop a professionally curated playlist that captures the essence of Guam with a fresh, tropical vibe. Avoid outdated or culturally mismatched music to ensure an inviting and modern atmosphere. Have industry partners sponsor play list as means of advertisement. Sound system improvements in the area may be required.
2. **Event-Themed Column Banners:** Subject to FAA or regulatory requirements and priority placed for revenue generation, consider the use of available column banners to promote quarterly GVB events as part of in-kind services, adding color and excitement to the arrivals area while reinforcing Guam's cultural vibrancy.
3. **Refresh Arrivals Murals:** The GIAA already has plans to refresh the murals at both west and east arrivals halls in partnership with the GVB and possibly other government agencies. This is aimed to enhance the travel experience

by creating interactive, “instagrammable,” visually engaging Guam themes to foster a sense of connection and excitement for their visit to Guam, highlighting Guam's cultural elements and amenities, allowing travelers to discover new aspects of our island while engaging with their followers on social media in real-time.

Wayfinding Signage/Advertisement/Arrivals Process Upgrades

1. **Upgrading Wayfinding Signage:** The GIAA is aware of the need to upgrade the wayfinding signage throughout the airport and has continued to incorporate a uniform design as new wayfinding signs are produced and/or old ones are replaced. This includes the continued replacement of taped and makeshift signage with professionally designed displays that align with the GIAA's cohesive graphic policy to ensure a polished appearance.
2. **Other Temporary Signs:** Replace temporary paper signs with durable, high-quality alternatives, such as LED displays featuring dynamic messaging and vibrant visuals.
3. **Optimized Baggage Information Displays (BIDS) Monitors:** Improve the placement and visibility of BIDS monitors to make the process more intuitive for travelers. GIAA is aware of the need to upgrade and is working to budget for this as passenger recovery continues.
4. **Repurposed Ad Spaces:** Transform unused advertising spaces above baggage claim into captivating visuals that showcase Guam's stunning scenery, culture, and events, leaving a lasting impression. GVB may be able to update these temporary unused displays.
5. **Baggage Carousel Refinement:** Reduce the number of "advertisement space available" advertisements on carousels to create a more sophisticated and welcoming look.
6. **Streamlined Arrival Process through Immigration:** Although the GIAA already provides Ambassadors to assist with the processing of required immigration forms and queuing with multi-lingual assistance, and that USCBP has shifted all Guam-CNMI Visa Waiver paper-based applications to required online application, continue to assess the need for eliminating or repurposing the immigration form processing table.
7. **Electronic Customs Declaration Form Tablet Kiosks:** Understanding that Guam Customs and Quarantine Agency and the GVB are the responsible parties

to maintain the tablet kiosks for electronic customs declaration forms, continue to monitor and inspect that they are in working order to maintain a smooth arrivals process.

Maintenance Upgrades

8. **World-Class Restrooms:** The GIAA has renovated most of the concourse restrooms except for some of the high-use arrivals restrooms. Recommend renovating arrivals restrooms to meet international standards, with a focus on cleanliness, functionality, and modern design. GVB may be able to assist subject to funding availability.
9. **Quarterly Cleaning and Maintenance:** Although the GIAA completely contracts out custodial maintenance to a private contractor, continue to monitor the private contractor for scheduled regular quarterly deep cleaning, including water blasting floors and sidewalks, and repainting walls and columns to keep the facilities looking pristine year-round.
10. **Improved Lighting:** There has been continued installation of LED lights in many outdoor areas to include parking lots. Consider enhancing the lighting to include landscape lighting in high-traffic areas to enhance safety and create a warm, inviting environment for travelers.

Step II: Key Initiatives

As part of GIAA's ongoing commitment to improving the airport experience, Step II focuses on broader enhancements that will elevate the airport to meet the evolving needs of travelers while embracing sustainable practices. The goal is to create an airport that not only serves as a modern, efficient hub but also reflects Guam's commitment to environmental responsibility and operational excellence. By collaborating with key stakeholders, including GVB and industry partners, GIAA aims to implement comprehensive assessments, prioritize upgrades, and develop a strategic plan that balances aesthetic and functional improvements.

These efforts will include critical infrastructure repairs, streamlined processes, and enhanced amenities that create a more seamless and enjoyable experience for travelers. In addition, sustainability will be a core consideration in all enhancements, ensuring that upgrades are environmentally responsible and aligned with industry

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standards. From improving passenger flow to integrating energy-efficient systems and sustainable transportation options, Step II represents a forward-thinking approach that enhances the overall experience for visitors while minimizing the airport's ecological footprint.

- 1. Collaborative Planning**

GVB and other industry stakeholders must work closely with GIAA to conduct comprehensive assessments, prioritize upgrades, and assist with potential funding for aesthetic and functional improvements where available.

- 2. Critical Repairs and Infrastructure Upgrades**

Continue to work with all existing contractors to address equipment such as escalators, elevators, and walkways as well as continue GIAA's plan to modernize the terminal flooring, which is expected to commence in December and be completed next calendar year, and to find funding for the upgrade of terminal seating and restrooms to enhance passenger convenience and safety.

- 3. Enhanced Departures Experience**

Understanding that certain Guam laws have hampered the GIAA's ability to improve and/or add concession services, continue to work with existing concessions and consider adding activities such as family friendly children's play area and more charging stations, or more entertainment options where possible. Improve Wi-Fi connectivity throughout the departures area.

- 4. Island Ambiance**

Enhance Guam's charm by incorporating island-themed music and thoughtfully designed landscaping featuring native tropical plants, fresh paint, and improved lighting. These efforts will focus on using sustainable, eco-friendly materials and practices to create a welcoming airport atmosphere.

- 5. Elevated Air Quality**

Address any areas of the terminal building for air quality issues through improving ventilation systems and introducing subtle scent systems using natural, non-toxic materials to create a fresh and pleasant travel environment.

- 6. Transportation Access**

Considering the multi-million-dollar project that the Department of Public Works (DPW) is undertaking to widen and rehabilitate Route 10A, inquire if it

is reasonable to refresh the road markings and reflectors. Inquire if hotels would want to restart or improve provide shuttle service options.

7. Electronic Immigration/Declaration Forms

Considering Guam Customs and USCBP have shifted to electronic applications for both the Guam-CNMI Visa Waiver applications and the customs declaration forms, GIAA and GVB can continue to inform the industry better in understanding these requirements for a more seamless travel experience. Travel and tour operators should continue to make themselves aware of these changes.

B. Beautification

A comprehensive beautification initiative is essential to enhance Guam's appeal for both visitors and residents. Key actions include:

1. Major Initiatives

- Waterblast and repaint all of Tumon to revitalize its appearance.
- Work with DPW to repair potholes and pave Pale San Vitores Road.
- Collaborate with DPR and mayors to improve public park restrooms and repair/clean visitor attended public toilets and sightseeing spots.
- Address derelict and abandoned buildings including condemnation through collaboration with the Attorney General and Guam Legislature.
- Engage the Guam Mayors Council for village maintenance and beautification efforts.
- Collaborate with the Guam Homeless Coalition and OHAP to address issues with the homeless population.

2. Continue Ongoing Maintenance

- Beach raking in Tumon and Hagatna Bays.
- Cleaning and maintaining Tumon sidewalks, curbs, and islands.
- Restoring murals and bus stops to enhance public spaces.

3. Advocacy and Public Engagement

- Seek Legislative support for initiatives, especially those outside Tumon.
- Launch a local media campaign with influencers to instill island pride and engage the community.

4. Prioritization Framework

Categorize tasks into “Must do urgently,” “Should do,” and “Nice to do” to focus resources effectively for 2025 and beyond. Not everything can be completed within 12 months.

5. Private Properties

- Enforce and or create new local laws that include fines to hold property owners responsible for minimum standards of upkeep of buildings and landscaping. Collections can be utilized to fund Islandwide Beautification Task Force projects.
- Longer term, Covenants, conditions, and restrictions (CC&Rs) should be developed for the Tumon area similar to those of Hagatña.
- Utilize VSOs to report on banners and violations or issue RFP for management of violations on a percent of fee basis.

This comprehensive effort will ensure Guam remains inviting and well-maintained, addressing immediate needs while fostering long-term pride and sustainability.

C. Safety & Security

A proactive approach to safety and security is essential to ensure a welcoming and secure environment for visitors and residents. Key initiatives include:

1. Infrastructure Improvements

- Collaborate with DPW: repair crossing lights, road reflectors, line painting.
- Install improved signage at tourist sites and for drivers and pedestrians.
- Design and build a weather shelter at Marine Corps Drive and JFK Hill.
- Design and construct an approvable crossing from JFK corner to KMart.

2. Encouraging Private Sector Participation

Encourage private property owners to **install lighting** and incentivize the installation of **CCTV cameras**.

3. Other Initiatives

- Ensure utilization of the **GVB Storm Kit**, including weather signage.
- Inform beachside businesses about sea conditions for visitor safety.
- Implement “Lighting Up Guam”: island-wide solar-powered street lights.
- Strengthen the **Visitor Safety Officer (VSO) program**.
- Expand the **security camera installation project** to improve surveillance and response capabilities.

D. Longer-Term Projects (HOT Bond)

These longer-term initiatives, funded through a **HOT Bond**, aim to modernize Guam's infrastructure, particularly in Tumon, and address longstanding issues that impact the visitor experience:

1. **MUST DO: Major Upgrade to Tumon.** Comprehensive revitalization of Guam's tourism hub, focusing on infrastructure, aesthetics, and functionality.
2. **MUST DO: Restoration of the Infiltration Field at Matapang Beach Park.** Address drainage issues and improve environmental conditions to enhance usability and sustainability.
3. **SHOULD DO: Resolve Tumon Flooding.** Complete the long-overdue flood remediation project to address persistent issues and enhance the area's resilience. Evaluate acquisition of the former Fujita hotel as a shared public park and ponding basin with public parking and restrooms.
4. **NICE TO DO: Design and Upgrade of the Amphitheater at Ypao Beach Park.** Modernize the facility to host larger events and improve its usability for community and tourism-related activities.
5. **NICE TO DO: Installation of Functional Bollards at Ypao Beach Park.** Secure the park's perimeter while maintaining a welcoming and open atmosphere for visitors. Repair the fencing along the Ypao ponding basin.
6. **NICE TO DO: Development of a Parking Structure at Ypao Beach Park.** Increase parking capacity to accommodate more visitors and improve accessibility for events and daily use.

These projects are critical for ensuring Guam remains a competitive and attractive destination, addressing both immediate needs and supporting long-term growth in the tourism sector.

2. Destination Maintenance and Operations (DMO)

Longer term: define the Role of GVB, DPR, and DPW.

- Compile a **comprehensive list** of areas it is responsible for maintaining.
- Engage policymakers, DPW, and DPR in discussions to **clarify roles, responsibilities and funding**, particularly regarding maintenance within and beyond Tumon.
- Establish **clear expectations** for GVB's maintenance role, funding requirements, and tasks not originally part of its enabling legislation or mandate.

While GVB's semi-autonomous structure may make it better suited than DPR to handle maintenance contracts, **budget constraints** limit its ability to address all assigned tasks. With the current focus on **recovery of arrivals**, defining **realistic expectations** for GVB's role is essential.

As major **Destination Development projects** are completed, a long-term maintenance plan is critical to prevent these areas from falling into disrepair.

Initial Suggestions

1. Painting and Aesthetics

- **Medians and curbs** should be painted quarterly without exception.
 - **Bollards, utility boxes, and public walls** should also be painted on a regular schedule.
 - Establish a **standardized color palette** for public structures and accessories.
 - Contract **full-time staff** for painting and touch-ups to ensure consistency.
-

2. Graffiti Removal

- **Visitor Safety Officers (VSOs)** identify graffiti daily.
- Graffiti should be **removed within 48 hours** of discovery.
- Notify property owners of graffiti on their properties. Request prompt action and track follow up.

3. VSO Operational Guidelines

To all extent possible, the VSO program should be expanded to ensure the safety of visitors and residents.

By clearly defining responsibilities and implementing these maintenance strategies, Guam can sustain a high standard of aesthetics and functionality, ensuring long-term visitor satisfaction and community pride.

3. Product Improvement (Private sector)

Investing in private sector upgrades is critical for enhancing Guam’s tourism appeal and driving reinvestment. However, current financial and operational challenges, including workforce shortages, rising construction costs, typhoon-related delays, and low arrivals, make this difficult for businesses. The following initiatives aim to address these challenges and improve private sector offerings:

1. **Financial Support for Upgrades.** Provide zero-interest loans, forgivable loans, or incentives for businesses to maintain and enhance their properties, possibly organized by GEDA.
2. **Cleanliness and Appearance.** Offer incentives for Tumon businesses to improve property upkeep with window-cleaning, waterblasting, and painting programs. Partner with local service providers and paint stores to offer discounts during an annual event like “Waterblast & Paint Guam Month.”
3. **Customer Feedback and Self-Improvement.** Encourage businesses to conduct customer surveys and establish a self-evaluation program. Implement a “secret-shopper” program to provide actionable feedback. Provide confidential feedback from GVB to inform businesses about recurring issues.
4. **Property Standards and Accountability.** Create a working group to identify properties that fail to meet minimum standards. Develop a mechanism and possibly a working group to offer feedback and assistance for follow-up as needed to ensure legal compliance.
5. **Service Training and Workforce Development.** Reinstate service training programs focused on customer service, cultural understanding, and language skills to elevate industry standards. Collaborate with the local education system to enhance workforce readiness, despite current recruitment challenges.
6. **Visitor Feedback.** Reinstate **visitor exit surveys** to gather insights and track improvements.

7. **Late-Night Entertainment.** Reinstate **4 AM closing times for bars and clubs**, at least in Tumon, to align with visitor expectations and improve safety.

- Later hours allow guests to unwind responsibly, reducing risks of over-imbibing and unsafe driving.
- Ensure alcohol consumption occurs in licensed venues with **SafeServ-trained bartenders** enforcing drinking age, alcohol consumption and drug use.
- Compete with visitor home countries where late-night entertainment is the norm.
- Prevent illegal after-hours establishments, ensuring tax collection and public safety.
- Provide **enhanced income opportunities** for staff and entertainers.

By implementing these initiatives, Guam can enhance its private sector offerings, meet visitor expectations, and strengthen its tourism industry in the face of growing challenges.

3. Transportation

Enhancing transportation is crucial to improve Guam's visitor experience and make attractions more accessible. Short-term solutions include subsidized airport-to-hotel transfers, low-cost shuttles for shopping areas, and direct routes to sites like CHamoru Village. On-demand ride services with virtual bus stops could further increase flexibility.

A feasibility study should explore a public-private partnership such as whereby the government acquires 6-10 electric buses and issues an RFP to an operator to manage and operate under a rate range format that includes capex recovery but capex recovery waiver as a backstop. This eco-friendly solution would ensure consistent, affordable transit from the airport to key locations.

Short Term

- Improve and subsidize transport options from the airport to hotels. Consider government owned new shuttle busses contracted on an RFP to an operator
- San Vitores Road north (including access to Gun Beach) up to Micronesia Mall
- San Vitores Road south to Archbishop Flores Rotunda and GPO
- Along San Vitores Road up JFK hill to Marine Corps Drive and K-Mart.
- Public transportation options to service tourist and military throughout villages
- Bus driver boot camp to alleviate driver shortage
- Rideshare (e.g. Stroll), taxis
- Rent-a-guide option for tourists with cars

Long Term: Eco-fun options for Tumon and Hagatna, such as "DukDuk" or "Carabao Cart" motorized coaches, Electric Mini-shuttle, Golf Carts, and Pedal Pubs.

4. Other Initiatives

Data

A data-driven strategy is critical for tourism recovery, enabling precise targeting and efficient marketing. GVB desires to shift from airport exit surveys to in-country data collection by local teams, allowing for real-time, nuanced visitor insights. This approach also helps gather targeted information, like reasons travelers may skip Guam. Further exploration of advanced tools, such as Symphony by Tourism Economics, can enhance insights and improve decision-making. However, in the short term traditional exit surveys should be reinstated immediately.

Communications

Government subsidized free Wi-Fi in visitor-frequented public areas should be explored.

New Attractions

Given current economic challenges, meaningful investment in new attractions may be limited until visitor arrivals grow. However, GVB can introduce low-cost, temporary installations like seasonal events, pop-ups, and partnerships with local artists to build excitement. This approach lays groundwork for future development and larger investments as tourism stabilizes.

Groups

Increased focus on attracting employee incentive trips and educational group travel to bolster Guam’s tourism sector (see Appendix). To support this goal, facilitate more extensive familiarization (fam) trips for group organizers, showcasing the island’s offerings and logistical advantages for group travel.

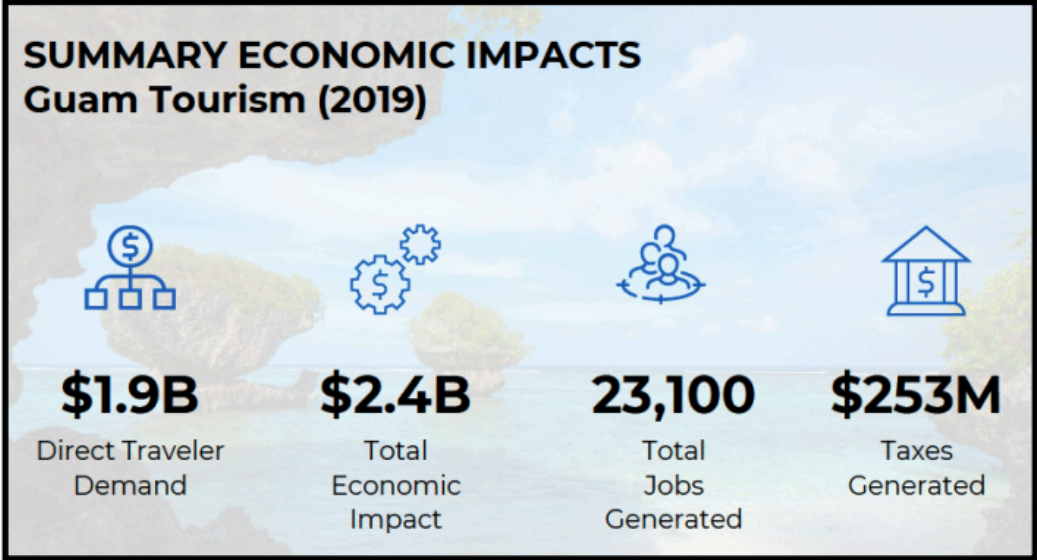
Agents

Agent support should be discussed and implemented such as charter purchase incentives. Given their decline in business and the challenges of promoting Guam amidst a strong dollar, modest support can go a long way.

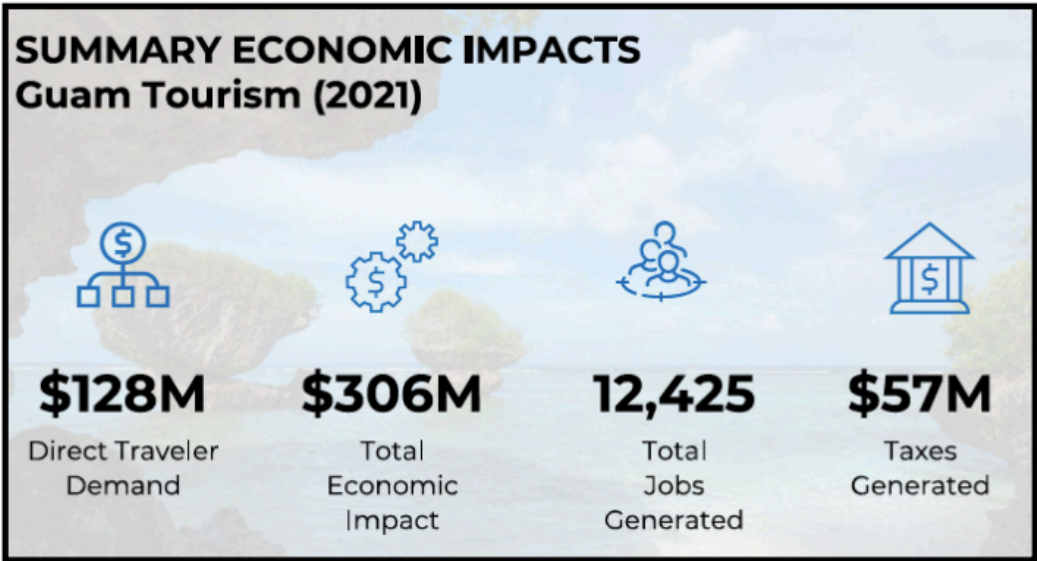
Part IV - Economic Impact

Every dollar invested in tourism marketing yields a tenfold return. Each new air seat contributes about \$1,500 in economic impact per passenger. Restoring visitor numbers revitalizes local businesses, creates jobs, and ensures Guam’s long-term economic health. Strategic tourism investments generate ripple effects throughout the economy, driving sustainable growth and stability.

2019



2021



Source: Tourism Economics

2021 is the latest data

2025: \$ 500M Difference in Annual Impact

| <u>2025</u> | AS IS (STATUS QUO) | GOAL (SAME AS 2019) | DIFFERENCE |
|-------------------------|--------------------|---------------------|-----------------------|
| Market Share | 1.3% | 1.8% | .5% |
| Arrivals | 600,000 | 830,000 | 230,000 |
| Tourist Spending | \$ 1.1 Billion | \$ 1.5 Billion | \$ 400 Million |
| Economic Impact | \$ 1.4 Billion | \$ 1.9 Billion | \$ 500 Million |
| Taxes | \$ 155 Million | \$ 215 Million | \$ 60 Million |

\$ 60 Million in tax difference, year 1

2027: \$ 2 Billion Difference in Annual Impact

| <u>2027</u> | AS IS (STATUS QUO) | GOAL (SAME AS 2019) | DIFFERENCE |
|-------------------------|--------------------|--|-----------------------|
| Market Share | 1.3% | 2.9% <small>(3.4 JPN, 2.6 KOR)</small> | 1.6% |
| Arrivals | 600,000 | 1,450,000 | 770,000 |
| Tourist Spending | \$ 1.1 Billion | \$ 2.6 Billion | \$ 1.5 Billion |
| Economic Impact | \$ 1.4 Billion | \$ 3.5 Billion | \$ 2.1 Billion |
| Taxes | \$ 155 Million | \$ 375 Million | \$ 220 Million |

\$ 220 Million in tax difference thereafter!

Guam Short Term Tactical Plan

Achieving recovery goals will result in \$2 billion in incremental economic impact annually, with \$200 million in **additional** tax revenues, reducing reliance on federal assistance—a critical need as the military buildup subsides and Guam seeks sustained growth.

Even in the first year alone, \$60 million in additional taxes will be generated.

A \$60 million investment over two years—\$40 million in year one and \$20 million in year two (excluding HOT bond for major capital improvement)—is essential to stabilize and recover tourism.

While much of this will be funded by GVB, some additional support is required. Unlike typical government investments, these funds will yield a full return within 12 to 18 months through GRT and HOT increases, with compounding benefits for long-term growth.

Guam Short Term Tactical Plan

Investment

Budget

The budget presented below is preliminary. The funding source to be determined.

| Supplemental Budget | 2025 | 2026 | Total |
|-------------------------|----------------------|----------------------|----------------------|
| Airline Incentives | \$ 7,000,000 | \$ 7,000,000 | \$ 14,000,000 |
| Airline Co-Op Mktg | \$ 2,500,000 | \$ 2,500,000 | \$ 5,000,000 |
| Signature Events | \$ 2,000,000 | \$ 2,000,000 | \$ 4,000,000 |
| Additional Events | \$ 1,000,000 | \$ 1,000,000 | \$ 2,000,000 |
| Travel Agent Support | \$ 1,000,000 | \$ 1,000,000 | \$ 2,000,000 |
| FIT Support (B2C) | \$ 1,000,000 | \$ 1,000,000 | \$ 2,000,000 |
| Supplemental Marketing | \$ 5,000,000 | \$ 4,000,000 | \$ 9,000,000 |
| Rebranding & Advisory | \$ 2,500,000 | \$ 2,500,000 | \$ 5,000,000 |
| Destination Development | \$ 11,500,000 | \$ 1,000,000 | \$ 12,500,000 |
| Group Support | \$ 1,000,000 | \$ 1,000,000 | \$ 2,000,000 |
| Admin & Other | \$ 500,000 | \$ 500,000 | \$ 1,000,000 |
| TOTAL | \$ 33,000,000 | \$ 21,500,000 | \$ 58,500,000 |

Conclusion

Guam's tourism industry stands at a pivotal moment. While significant challenges persist, they also open doors for collaboration, innovation, and revitalization. This recovery plan provides a structured framework to reclaim market share, stimulate economic recovery, and reestablish Guam as a premier regional destination.

The plan is designed to foster collaboration among private-sector leaders and GVB, yet its success depends on dedicated execution. As external consultants have highlighted, even the best strategies will falter without sufficient infrastructure investment and robust support.

Diligent implementation by GVB management, guided by Board oversight, will be essential to achieving these goals. SMART objectives with clear timelines will help maintain accountability and track progress.

With the valued support of the Governor and policymakers, committed oversight by the Board, and strong action from GVB management, Guam has the opportunity not only to rebuild but to emerge stronger, fostering renewed prosperity and pride for the island.

Next Steps

1. Initiate **data collection** and analysis (RFP release December 2, 2024, selection 15 working days after)
2. Implement significant **airline incentives** to restore seat capacity
3. Engage Industry to **upgrade service** and **product improvement**
4. Expand or intensify **ongoing NEW marketing campaigns. I.e. Shinhan Card program, Visa, Guam Bonus Campaign.**
5. Continue and expand significant **signature events. I.e. Koko Road Race, GMIF, Guam Island Fiesta Tour, etc.**
6. Urgently execute **significant destination development initiatives**
7. Launch an islandwide **community campaign** for awareness and island-pride
8. Continue work with BSP and PKF for a **long-term strategic plan**

Appendix

Tourism Economics Letter

(An Oxford Economics Company), October 15, 2024



303 W Lancaster Avenue
Wayne PA 19087
Phone: 610.995.9600
Fax: 610.995.9611
www.tourismeconomics.com

This brief letter outlines some of the key challenges and opportunities facing the Guam visitor economy. Tourism Economics has assessed the economic value of tourism for more than a decade, including its peak in 2019 when visitor activity generated \$2.4 billion in total economic output and \$253 million in taxes.

While the pandemic devastated many regional economies, Guam has been the slowest to recover in the region. International visits to Guam remain about half of pre-pandemic levels while we expect Asia Pacific to achieve 92% of 2019 levels for the year 2024. Monthly data show Japan and Korean outbound travel to be rebuilding as the year progresses without any observable gains for Guam.

This is creating a downward spiral for the Guam visitor economy that will require interventions. The collapse in visitor activity has suppressed air service accessibility and is causing the failure of the attractions, experiences, and accommodations that underpin the industry. Action to support the visitor economy is especially vital because of its importance to the Guam economy. While military investments have supported certain sectors and public finances, this does not trickle down to the thousands of affected households who depend on visitor activity. Further, the benefits of military investment cannot be assumed as perpetual.

On the positive side, Guam is positioned to restore its fortunes through focused investments in marketing, air service, event development, and targeted capital investments. We have witnessed the positive economic returns of these tactics in various destinations facing similar challenges. Further, the growth in Asian Pacific middle class households is forecast to continue over the coming decade, creating a wave of new demand that can further drive recovery and new heights for the Guam visitor economy.

Sincerely,

Adam Sacks
President | Tourism Economics
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Guam Short Term Tactical Plan

From PKF Consultants

- *"Global tourism has made a full recovery... while Guam is floundering...Guam's visitor sector is struggling... (and is) significantly behind the global curve."*
- *"Guam lags behind. With the window of opportunity for recovery rapidly closing, it is imperative for Guam to address (its) problems head-on."*
- *"In 2023, (global tourism) revenues were only 5% below pre-pandemic levels and are anticipated to grow... 50% in the next 10 years (but) Guam is still struggling to recover."*
- *"Guam faces a lack of a clear strategy and cohesive branding...A unified approach to branding is crucial ... but requires a significant investment...Without a well-defined strategy, efforts to revive the sector are scattered and uncoordinated, leading to inefficiencies and missed opportunities..."*
- *"A major challenge that Guam's tourism sector faces is the lack of a clear strategy and cohesive branding (and) uncoordinated efforts between public and private entities."*
- *"Guam's tourism sector as a whole does not currently harness the power of data, leading to inefficiencies in marketing. Guam's data sources are dated or have flaws..."*
- *"The Tourism 2020 strategies are well thought out... (It is) a well-designed roadmap for the island's tourism industry...If successfully implemented, Guam's Tourism 2020 Plan has the potential to transform the tourism industry on the island. (but) there have been no major expenditures in infrastructure (and) many of the objectives in this strategy were not achieved...This plan or any future plan related to Guam's tourism strategy will require support from stakeholders, including the government, to succeed."*
- *PKF is "surprised by the lack of urgency and priority that tourism receives, despite its critical role as one of the top economic drivers of the local Guamanian economy."*

Guam Short Term Tactical Plan

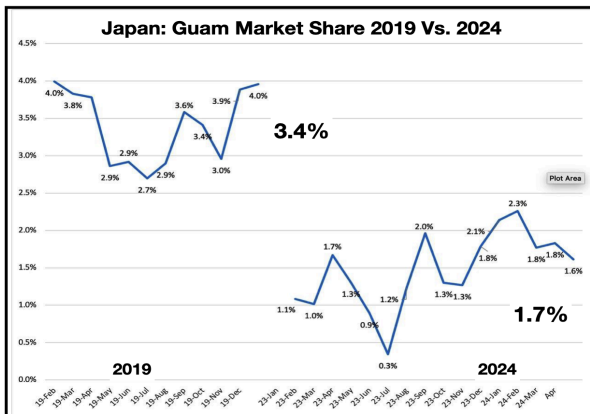
Japan Market Share Tables

Guam's Japan recovery is the worst in the world

JAPAN OUTBOUND, GUAM ARRIVALS & MARKET SHARE

| GLOBAL JAPANESE DESTINATION SORTED BY MARKET SHARE GAINS/LOSSES VS. 2019 | | | | |
|---|--------------|-------|----------|---------|
| | MARKET SHARE | | | |
| | 2019 | 2023 | Variance | |
| Turkey | 0.5% | 0.8% | 59% | Winners |
| Korea | 16.3% | 24.1% | 48% | |
| Vietnam *RF | 4.7% | 6.1% | 28% | |
| Australia | 2.5% | 3.1% | 25% | |
| New Zealand | 0.5% | 0.5% | 11% | |
| Singapore | 4.4% | 4.5% | 2% | |
| Canada | 1.3% | 1.2% | -4% | |
| Spain | 3.3% | 3.2% | -5% | |
| N. Mariana | 0.1% | 0.1% | -5% | |
| Switzerland | 1.1% | 1.0% | -6% | |
| Philippines | 3.4% | 3.2% | -7% | |
| Bali(Indonesia) | 1.3% | 1.2% | -7% | |
| Thailand | 9.0% | 8.4% | -7% | |
| Germany | 3.1% | 2.8% | -8% | |
| Taiwan | 10.8% | 9.6% | -11% | |
| Cambodia *R | 1.0% | 0.9% | -13% | |
| U.S.A | 18.7% | 15.8% | -16% | |
| Hawaii | 7.9% | 6.0% | -24% | |
| Hong Kong | 5.4% | 3.6% | -33% | |
| Austria | 1.3% | 0.8% | -38% | |
| Slovenia | 0.2% | 0.1% | -42% | |
| Macao | 1.5% | 0.8% | -47% | |
| Croatia | 0.7% | 0.4% | -50% | |
| Guam | 3.4% | 1.4% | -59% | |

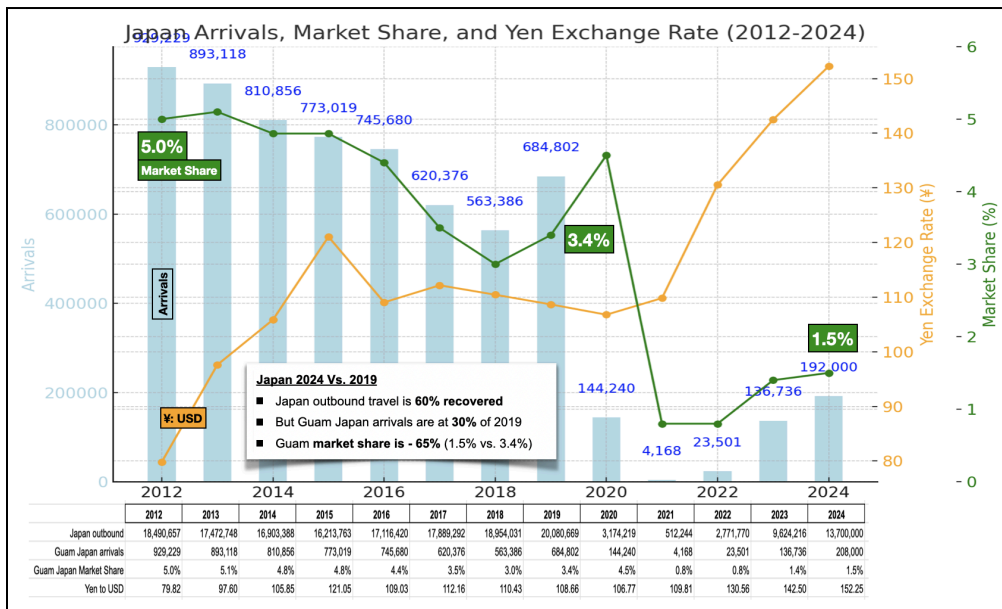
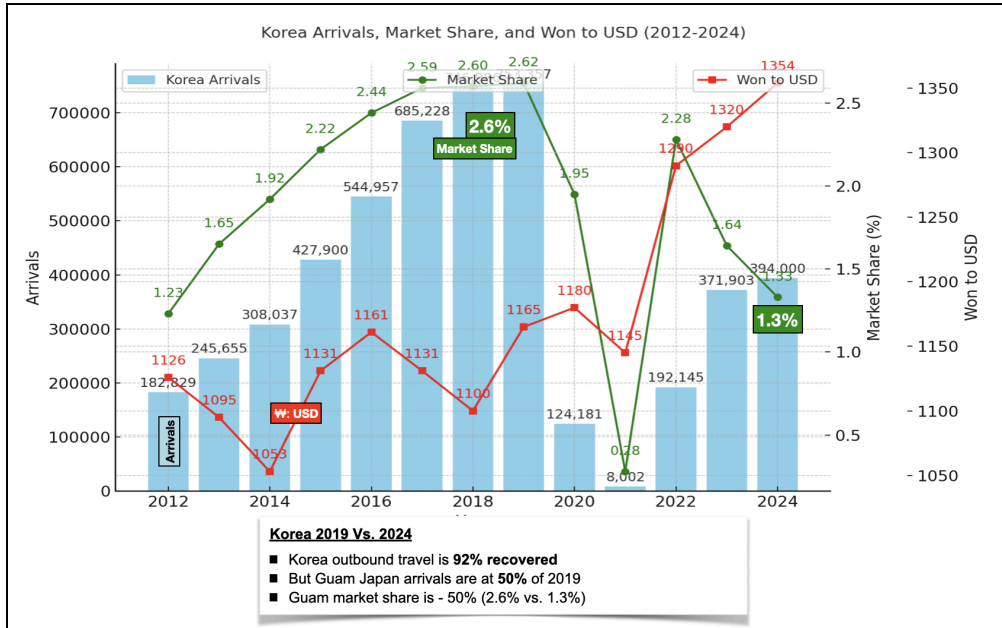
| | | Outbound | Guam | Market Share |
|------|-----|-----------|--------|--------------|
| 2019 | Jan | 1,452,157 | 58,021 | 4.0% |
| | Feb | 1,534,792 | 58,774 | 3.8% |
| | Mar | 1,929,915 | 72,974 | 3.8% |
| | Apr | 1,666,546 | 47,725 | 2.9% |
| | May | 1,437,929 | 41,989 | 2.9% |
| | Jun | 1,520,993 | 41,027 | 2.7% |
| | Jul | 1,659,166 | 48,103 | 2.9% |
| | Aug | 2,109,568 | 75,630 | 3.6% |
| | Sep | 1,751,477 | 59,758 | 3.4% |
| | Oct | 1,663,474 | 49,218 | 3.0% |
| | Nov | 1,642,333 | 63,789 | 3.9% |
| | Dec | 1,712,319 | 67,794 | 4.0% |
| 2020 | Jan | 1,380,762 | 61,088 | 4.4% |
| | Feb | 1,316,820 | 60,918 | 4.6% |
| 2023 | Jan | 443,105 | 4,806 | 1.1% |
| | Feb | 537,705 | 5,459 | 1.0% |
| | Mar | 694,292 | 11,583 | 1.7% |
| | Apr | 560,183 | 7,304 | 1.3% |
| | May | 675,661 | 6,011 | 0.9% |
| | Jun | 703,259 | 2,434 | 0.3% |
| | Jul | 891,615 | 10,989 | 1.2% |
| | Aug | 1,200,930 | 23,560 | 2.0% |
| | Sep | 1,004,730 | 13,079 | 1.3% |
| | Oct | 937,715 | 11,893 | 1.3% |
| | Nov | 1,027,110 | 18,342 | 1.8% |
| | Dec | 947,911 | 20,299 | 2.1% |
| 2024 | Jan | 838,581 | 18,955 | 2.3% |
| | Feb | 978,884 | 17,343 | 1.8% |
| | Mar | 1,219,789 | 22,343 | 1.8% |
| | Apr | 888,767 | 14,326 | 1.6% |
| | May | 941,709 | 12,034 | 1.3% |
| | Jun | 930,229 | 11,245 | 1.2% |
| | Jul | 1,048,823 | 15,160 | 1.4% |



Average 2019-20 pre-COVID 3.6%
 Average 2023 2023-24 post-COVID 1.4%
 Variance 2024 Vs. pre-COVID -59%

Guam Short Term Tactical Plan

Japan and Korea Arrivals, Market Share, Currency



Guam Short Term Tactical Plan

Factors Affecting Arrivals

| Factors Affecting Guam Arrivals | Details / Notes |
|---|--|
| Domestic travel | Including Okinawa, Japan, and Jeju, Korea. Japan provided free travel vouchers. |
| Recovering outbound | Japan: 20M in 2019, 14.5M in 2024, 16M forecasted for 2025. Korea: Close to 2019 levels, expected to exceed in 2025. |
| Strong USD | Impact mostly felt in Japan; Korean won down only 13–15% vs. 2019. |
| Decrease of travel agents, rise of FITs | Particularly noticeable in Japan. |
| Lack of flights | Korea impacted by cost-prohibitive landing fees, operating costs, fuel tax, etc. |
| Guam Cost Comparative Disadvantage | Airfare, hotel, and packages are highest in the region. Low-cost competitors include Thailand, Philippines, and Vietnam. |
| Lack of product integrity | Poor quality and service perception. |

Air Service Table

Since 2019, global airfares are up 30-40%³ and 44% regionally,⁴ driven by aircraft shortages, reduced competition and higher operating costs, but fares from Japan to Guam show a 3% **decline** in USD (2019 vs. 2024) while Korea-Guam fares have risen sharply. Prices in yen and won are higher due to currency fluctuations, and Japan's load factors are below 40% – an unsustainable level that risks further flight reductions.

| Country | Seats 2019 | Seats 2023 | Seats 2024 | Arrivals 2019 | Arrivals 2023 | Arrivals 2024 | Load Factor 2019 | Load Factor 2023 | Load Factor 2024 |
|---------|------------|------------|------------|---------------|---------------|---------------|------------------|------------------|------------------|
| Japan | 875,084 | 387,176 | 529,101 | 683,777 | 133,640 | 192,036 | 78.1% | 34.5% | 36.3% |
| Korea | 885,045 | 504,477 | 464,029 | 753,366 | 374,242 | 375,000 | 85.1% | 74.2% | 80.8% |

³ <https://media.hopper.com/research/q2-consumer-travel-index>

⁴ <https://www.foxbusiness.com/lifestyle/rising-costs-on-flights-when-book-what-expect>

Guam Short Term Tactical Plan

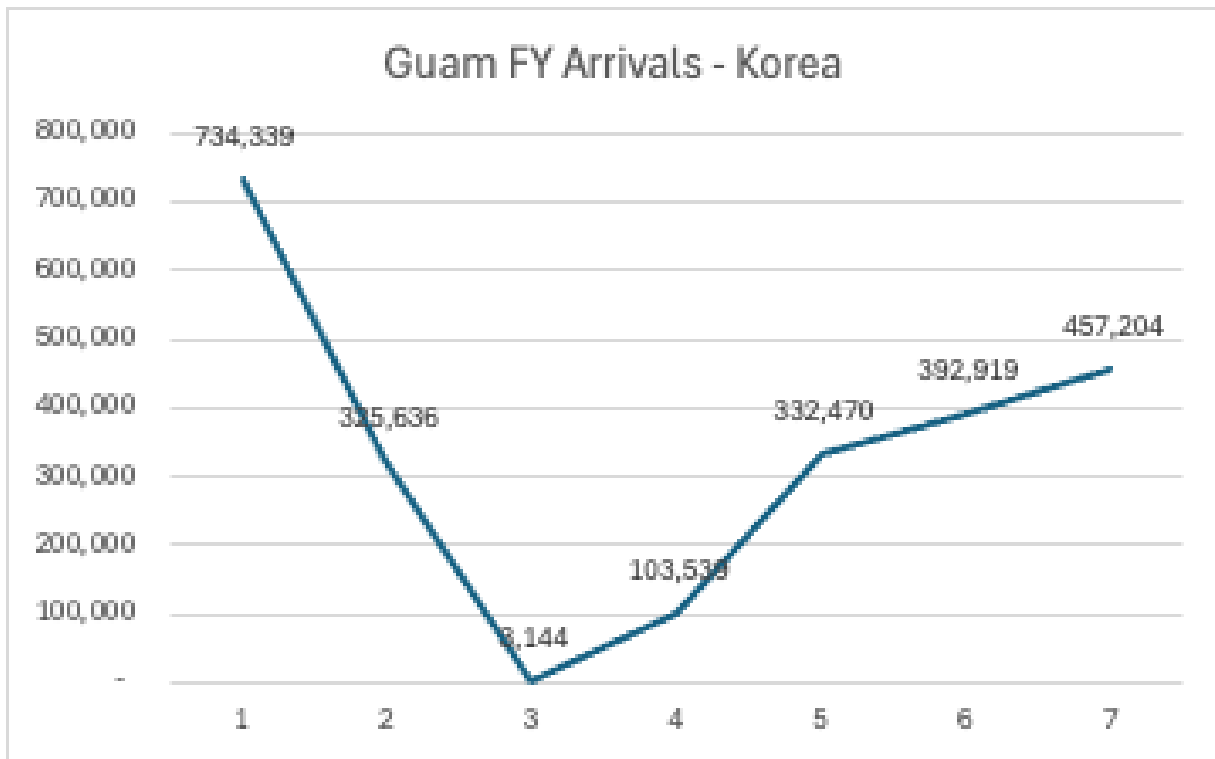
Korea Seats into Guam

To attract flights, Guam must offer route incentives and reduced landing fees. There were 95,000 seats from Korea in Jan 2020, 47,189 in Jan 2023 and 51,000 projected for Jan 2025.

Korea 2019-24 Airline Seat Supply and Arrivals

AIRLINE SUPPLY COMPARISON

| KOR-GUM SUPPLY | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | TOTAL |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| FY2019 | 76,992 | 65,940 | 68,145 | 73,276 | 67,100 | 68,633 | 68,091 | 69,017 | 68,145 | 75,053 | 76,100 | 73,584 | 850,076 |
| FY2023 | 38,321 | 37,266 | 42,865 | 47,189 | 43,190 | 51,641 | 48,966 | 38,170 | 12,402 | 37,846 | 44,146 | 42,700 | 484,702 |
| FY2024 | 45,186 | 40,839 | 45,974 | 54,096 | 51,793 | 43,007 | 34,053 | 37,727 | 33,108 | 35,837 | 35,270 | 34,899 | 491,789 |
| FY2024 vs. FY2019 | -41% | -38% | -33% | -26% | -23% | -37% | -50% | -45% | -51% | -52% | -54% | -53% | -42% |
| FY2024 vs. FY2023 | 18% | 10% | 7% | 15% | 20% | -17% | -30% | -1% | 167% | -5% | -20% | -18% | 1% |



Guam Short Term Tactical Plan

FY Korean arrivals with projections for FY2025.

| FY | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Total |
|------|--------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| 2019 | 60,983 | 56,957 | 64,127 | 69,295 | 59,429 | 54,087 | 54,161 | 58,276 | 62,413 | 67,866 | 65,333 | 61,412 | 734,339 |
| 2020 | 67,124 | 62,448 | 71,513 | 78,609 | 40,022 | 5,160 | 6 | 4 | 5 | 77 | 95 | 573 | 325,636 |
| 2021 | 37 | 39 | 81 | 708 | 249 | 159 | 52 | 102 | 455 | 579 | 325 | 358 | 3,144 |
| 2022 | 315 | 345 | 521 | 924 | 311 | 760 | 3,239 | 9,947 | 16,298 | 28,063 | 24,751 | 18,065 | 103,539 |
| 2023 | 27,783 | 25,754 | 36,250 | 39,653 | 37,480 | 36,428 | 35,397 | 2,905 | 2,871 | 26,984 | 31,774 | 29,191 | 332,470 |
| 2024 | 30,785 | 31,355 | 40,963 | 46,740 | 41,847 | 32,676 | 28,982 | 28,338 | 26,499 | 29,845 | 28,728 | 26,161 | 392,919 |
| 2025 | 27,896 | 36,211 | 40,156 | 46,342 | 40,462 | 36,211 | 36,211 | 38,787 | 37,536 | 39,700 | 40,156 | 37,536 | 457,204 |

GUAM MARKET SHARE (Out of Korean Outbound)

| GUAM MARKET SHARE | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | TOTAL |
|-------------------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
| FY2019 | 2.6% | 2.5% | 2.7% | 2.4% | 2.3% | 2.3% | 2.4% | 2.4% | 2.5% | 2.6% | 2.7% | 3.0% | 2.5% |
| FY2023 | 2.9% | 2.5% | 2.6% | 2.2% | 2.2% | 2.5% | 2.4% | 1.7% | 0.2% | 1.3% | 1.5% | 1.4% | 1.8% |
| FY2024 | 1.5% | 1.5% | 1.7% | 1.7% | 1.7% | 1.5% | 1.4% | 1.2% | 1.2% | 1.2% | 1.2% | 1.5% | 1.4% |

Guam Short Term Tactical Plan

Guam Air Cost

Guam air pricing from Seoul is approximately the same as other 4-5 flights to Saigon and Jeju and has only increased 7% since 2019 despite 20-25% inflation. On the other hand, Guam is priced roughly the same as 6-8 hour destinations. Further, Guam flights from Narita are double the cost of competitive 6-7 hour flights and substantially higher than even 7-8 hour flights. Part of this is due to Guam's higher operating costs including high landing fees, personnel costs, etc.

AIRFARE COMPARISON

| 7-HR FLIGHT | NRT - BKK | 7-8 HR FLIGHT | NRT - SIN |
|-------------------|-----------|--------------------------------|-----------|
| Shenzhen Airlines | \$248 | China Eastern | \$342 |
| China Eastern | \$251 | Scoot | \$473 |
| T'way Air | \$366 | China Southern | \$475 |
| Air China | \$258 | Shenzhen Airlines | \$464 |
| VietJet Air | \$356 | Batik Air Malaysia | \$450 |
| Royal Brunei | \$388 | VietJet Air | \$416 |
| 6.5-HR FLIGHT | NRT - SGN | 7-8 HR FLIGHT | NRT - CGK |
| VietJet | \$234 | VietJet Air | \$231 |
| T'way Air | \$214 | T'way Air | \$231 |
| | NRT - GUM | China Southern & China Eastern | \$232 |
| United Airlines | \$422* | 3.5 HR FLIGHT | NRT - OKA |
| Japan Airlines | \$366* | Jetstar Japan | \$135* |
| | | Peach Aviation | \$135* |

*average

| 6 HR FLIGHT | ICN - BKK | 4-5 HR FLIGHT | ICN - SGN |
|-----------------|-----------|---------------|-----------|
| Air Busan | \$206 | T'way Air | \$170 |
| Eastar Jet | \$219 | VietJet Air | \$200 |
| Jeju Air | \$229 | Hahn Air | \$278 |
| Hahn Air | \$314 | Korean Air | \$314 |
| Jin Air | \$264 | | ICN - GUM |
| Air Premia | \$327 | T'way Air | \$232 |
| Asiana Airlines | \$387 | Jin Air | \$210 |
| China Eastern | \$234 | Korean Air | \$376 |
| Korean Air | \$395 | Jeju Air | \$226 |
| | GMP - CJU | | ICN - CJU |
| T'Way | \$47 | China Eastern | \$277 |
| Jeju Air | \$47 | Korean Air | \$281 |

Air Service Development Incentive Program Details

1. New Air Service: Incentives may be applied to unserved or under-served direct (non-stop) routes with a minimum commitment for one (1) year. The incentive may be applied up to a maximum of two (2) years for an unserved or under-served destination.

2. New Seasonal Air Service: Incentives may be applied to year-round or new seasonal service on unserved or under-served routes operated cumulatively, for less than 7 months, per calendar year. The incentive is applicable to the first calendar year and may be applicable for a maximum of three (3) consecutive years thereafter.

3. Increased Capacity: Incentives may be applied to carrier operations resulting in a significant net increase in capacity over the carrier's pre-existing service, per destination. The incentive is applicable to one (1) calendar year.

MINIMUM WEEKLY FREQUENCY

Non-Stop Short - Medium Haul Flights (<6 hours). Incentives apply to eligible air service with not less than one (1) flight per week for short – medium haul flights.

Non-Stop Long - Haul Flights (>6 hours). Incentives apply to eligible air service with not less than one (1) flight per week for long - haul flights.

Guam Short Term Tactical Plan

RATES AND CHARGES DISCOUNT

Incentives apply to operational rates and charges published in the Airport Tariff Schedule in effect at the time of inaugural service and limited to the Airfield Use (Landing) fee, Loading Bridge Use, Immigration Inspection, Arrivals and Departure Fees only. Additional incentives may be provided based on a case-by-case basis subject to review by the Federal Aviation Administration (FAA) to include marketing support, fuel flowage fees, and terminal rents.

•Non-Stop Short - Medium Haul Flights (<6 hours): The cumulative percentage discount of up to 50% for the first year of operations is applicable to the operational rates and factors including, but not limited to, aircraft capacity, non-peak operational schedule, and load factors. Airfield Use (Landing) fee may be eligible for a discount of up to 75% of the operational rate in effect. For air carriers that are eligible to execute a Signatory Airline Lease and Operating Agreement for up to two (2) years, the cumulative discount for the first year is up to 50% and may be eligible for additional discounts of up to 75% for the second year of operations.

•Non-Stop Long-Haul Flights (>6 hours): The cumulative percentage discount of up to 100% for the first year of operations is applicable to the operational rates and factors including, but not limited to, aircraft capacity, non-peak operational schedule, and load factors. For air carriers that are eligible to execute a Signatory Airline Lease and Operating Agreement for up to two (2) years, the cumulative discount for the first year is up to 100% and may be eligible for additional discount(s) of up to 75% for the second year of operations.

Other: For existing GIAA signatory airlines, incentive(s) for existing routes may be provided on a case-by-case basis and discount(s) of up to 50% may be applicable subject to negotiations. Additional incentives may be provided on a case-by-case basis

Guam Short Term Tactical Plan

subject to review by the Federal Aviation Administration to include marketing support, fuel flowage fees, and terminal rents. The incentive will be computed and applied on an annual basis pursuant to airline budgeted projections and actual operational activity reports for the prior year.

| Airlines | Q1 Seat Supply | 75% | 80% | 85% | 90% |
|----------------------------|----------------|----------------------------|----------|----------|----------|
| Korean Air | 31,096 | \$10,000 | \$15,000 | \$20,000 | \$25,000 |
| Jin Air | 19,847 | \$10,000 | \$15,000 | \$20,000 | \$25,000 |
| Jeju Air | 22,304 | \$10,000 | \$15,000 | \$20,000 | \$25,000 |
| T'way Air | 17,388 | \$5,000 | \$7,000 | \$9,000 | \$15,000 |
| Jin Air Busan | 13,419 | \$5,000 | \$7,000 | \$9,000 | \$15,000 |
| Total Seat Supply | | 104,050 seats (Q1) | | | |
| Expected Sales Goal | | 88,442 pax (85% LF) | | | |

Guam Short Term Tactical Plan

Hotel Costs

The STR report paid for by GVB looks at a larger sample size of hotels of varying classes. Based upon those reports, the table below shows Guam’s weighted average hotel room rate and the average exchange rate for the year. The increase in room rates coupled with the exchange rate make Guam an expensive destination.

| | FY2019 | FY22 | FY23 | FY24 |
|-----|------------------------|-----------------------|-----------------------|-----------------------|
| ADR | \$211.01 | \$173.13 | \$196.02 | \$207.94 |
| Yen | ¥109.01 | ¥131.50 | ¥140.51 | ¥151.03 |
| Won | ₩ 1,165.697 | ₩ 1,291.73 | ₩ 1,306.69 | ₩ 1,355.53 |

Guam Short Term Tactical Plan

Package Costs

The table below shows the costs for November 3 - 5, 2024 in comparison to the same period in 2019.

HOTEL COMPARISON



- Room rates up in 2024
- Competing Asian destinations, minimal increases

| DESTINATION | 3 STAR | 4 STAR | 5 STAR | +WATERPARK |
|-----------------------------|--------|--------|--------|------------|
| Guam | +23% | +28% | +20% | +23% |
| Hawaii | +13% | +12% | +13% | +12% |
| Saipan | -14% | -3% | -1% | -7% |
| Hanoi | -5% | -11% | -9% | -7% |
| Cebu | -15% | -6% | -3% | -8% |
| Malaysia (Kota Kinabalu) | -14% | -2% | 0% | -2% |

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HOTEL ROOM RATE COMPARISON



REFERENCE

| Country | Destination | 2019 | | | | 2024 | | | |
|-------------|---------------------|------------------|--------------------|--------------------|---------------------------|------------------|--------------------|-------------------|---------------------------|
| | | 3 Star Hotel | 4 Star Hotel | 5 Star Hotel | Waterpark or 5 Star Hotel | 3 Star Hotel | 4 Star Hotel | 5 Star Hotel | Waterpark or 5 Star Hotel |
| U.S.A | Guam | Bayview | Nikko | The Tsubaki Tower* | P.J.C Resort | Bayview | Nikko | The Tsubaki Tower | P.I.C Resort |
| | | \$255 | \$510 | \$990 | \$510 | \$130 | \$705 | \$1,230 | \$660 |
| | Hawaii | Waikiki | Hyatt Centic | Ritz Carlton | Hilton | Waikiki | Hyatt Centic | Ritz Carlton | Hilton |
| | | \$630 | \$1,245 | \$1,560 | \$1,080 | \$723 | \$1,407 | \$1,797 | \$1,233 |
| Saipan | Serenti | Aqua Resort Club | Kensington | P.J.C Resort | Serenti | Aqua Resort Club | Kensington | P.I.C Resort | |
| | \$300 | \$456 | \$660 | \$450 | \$264 | \$441 | \$654 | \$420 | |
| VIETNAM | Nha Trang | Navy Hotel | Novotel | InterContinental | Vinpearl Resort & Spa | Navy Hotel | Novotel | InterContinental | Vinpearl Resort & Spa |
| | | \$75 | \$210 | \$420 | \$240 | \$75 | \$213 | \$426 | \$219 |
| | Hanoi | Reyna Hotel | Wyndham Garden | Lotte Hotel | Intercontinental | Reyna Hotel | Wyndham Garden | Lotte Hotel | Intercontinental |
| | | \$120 | \$150 | \$495 | \$561 | \$114 | \$135 | \$453 | \$525 |
| | Da Nang | Avora | Brilliant Hotel | Pullman | Furama Resort | Avora | Brilliant Hotel | Pullman | Furama Resort |
| \$108 | | \$117 | \$375 | \$330 | \$111 | \$120 | \$390 | \$342 | |
| Phu Quoc | Vin holidays Fiesta | Lahana Resort | InterContinental | Vinpearl | Vinholidays Fiesta | Lahana Resort | InterContinental | Vinpearl | |
| | \$90 | \$180 | \$570 | \$180 | \$87 | \$177 | \$576 | \$186 | |
| PHILIPPINES | Cebu | Mandarin Plaza | Bluewater Maribago | Sheraton | JPark Island Resort | Mandarin Plaza | Bluewater Maribago | Sheraton | JPark Island Resort |
| | \$141 | \$255 | \$588 | \$390 | \$123 | \$240 | \$570 | \$360 | |
| MALAYSIA | Kota Kinabalu | Hotel Capital | Mercure | Hyatt Regency | The Magellan Sutera | Hotel Capital | Mercure | Hyatt Regency | The Magellan Sutera |
| | \$120 | \$150 | \$360 | \$345 | \$105 | \$147 | \$360 | \$339 | |

*The Tsubaki Tower opened in early 2020

Specific Marketing Tactics: Examples

The following are examples of tactics to actively and aggressively promote Guam, focusing on key audiences and enhancing the island’s image as a unique destination. Note that these are simply “ideas” for further discussion and evaluation by third parties.

1. **Focus on Guam’s Unique Attractions (USPs) - Experiences**
Discussed in the main document above.

2. **Value Guam**
Discussed in the main document above.

3. **Premium Guam**
Discussed in the main document above.

4. **Location Subsidies and Earned Media Opportunities**
Attract media attention through financial incentives for production companies and address visa challenges with a program similar to Hawaii’s HIFA visa pilot. This approach can reestablish Guam as a media-friendly destination and increase global visibility through earned media opportunities.

5. **Travel Coupons and Group Coupons**
Japanese consumers appreciate travel coupons, yet limiting them to in-destination use reduces their impact and increases on-island spend. Programs such as Go Go Pay offered to travel agents and OTAs give the agents an additional opportunity to promote travel to Guam. The Hafa Adai Support Program now called the Guam Bonus Program offers added value for those choosing Guam as their destination. These programs will continue. Additionally, offers for MICE and Groups are made to build traffic. Unfortunately, due to staffing issues, offers of CHamoru dancers and ground transportation is a challenge. GVB, working with the Guam Community College has begun the Bus Driver Boot Camp to train additional drivers for the bus companies.

6. **Top Influencer Engagement**

Collaborate with influencers, vloggers, and YouTubers from Korea and Japan to create authentic content that appeals to younger Free Independent Travelers (FITs), positioning Guam as a desirable, accessible destination.

7. **Digital and FITs**

Target digital campaigns toward FITs from South Korea and Japan, leveraging influencers and targeted ads to increase reach and engagement.

8. **Market-Specific Niche Strategies**

Japan: Target niche audiences like seniors, families, young adults, women, and travelers with disabilities. Offer subsidized familiarization trips for MICE groups and key sectors.

Korea: Target seniors, baby mooners, and school trips.

9. **Hawaii Comparison**

Hawaii's Japan arrivals are at 44% of their 2019 numbers (Jan - Sep) versus Guam at 30%. GVB should continue its competitor analysis.

10. **Addressing Seasonality**

Use signature events to fill slower shoulder periods, and promote Guam's mild climate during winter to attract sports tourists.

11. **Unified Branding**

A refreshed, unified brand is essential to shape visitor perceptions, drive engagement, and emphasize Guam's unique culture, experiences, and identity as "***America in Asia***"—a safe, distinctive, and accessible getaway.

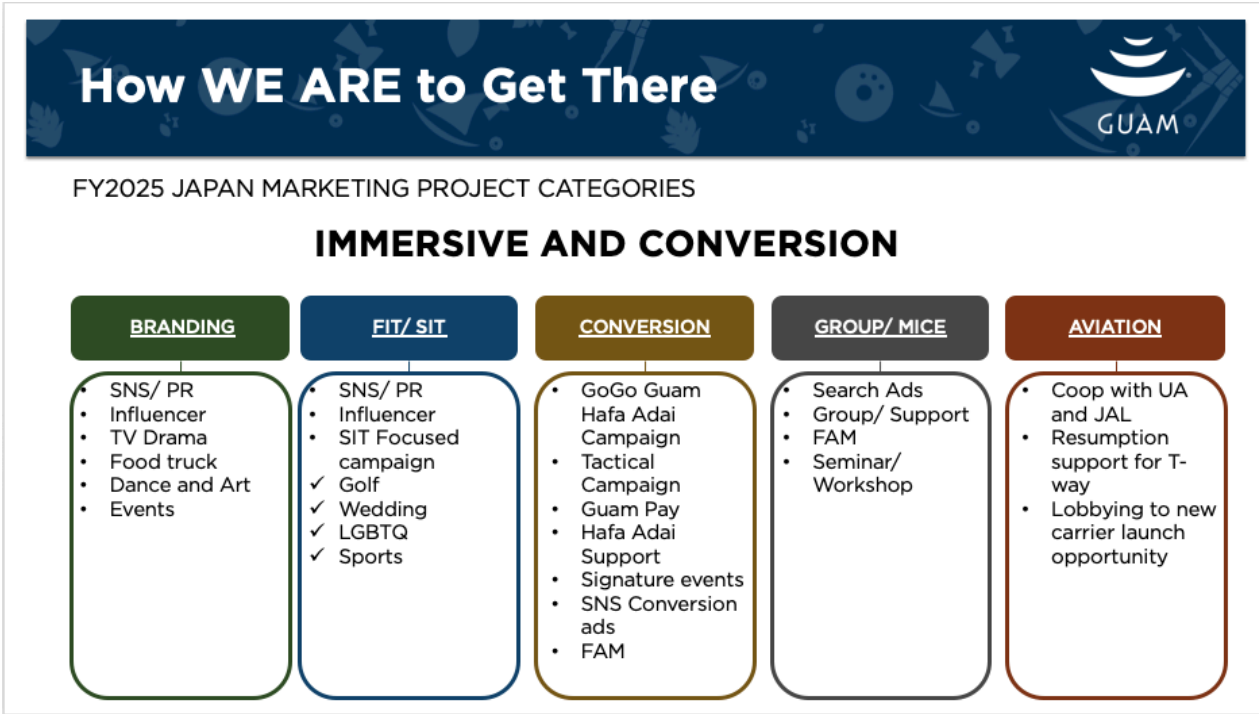
Amid current challenges, this rebranding presents an opportunity to position Guam as a revitalized, evolved destination, fostering long-term growth and sustainability.

GVB FY2025 Marketing Plans (Pre-Recovery Plan)

MARKETING: JAPAN

FY 2025 SMART Goals

1. Achieve 350,000 visitors for FY 2025
2. Aggressively target FIT, SIT and Group travel with incentive programs
3. Guam aims to become the number one overseas travel destination by diversifying its target segments for FIT (Free Independent Travelers) and strengthening SIT (Special Interest Travel) such as weddings.
4. Go Go Pay (27 participating TAs)
5. Hafa Adai Support Program (over 75 participating companies)
6. Group Support Campaign (Achieve more than 15,000 pax)
7. New Content Creation for Guam
8. Elevating the Digital Transformation & WED 3.0 Utilization
9. Aviation Strategy to sustain regular flights and continue to support the HND route



MARKETING STRATEGY



- Communicate Guam's only Advantage to the Japanese.
- ✓ 3.5 hours to get American Resort
- ✓ Chamorro culture
- Further reinforcement of SNS/Digital and integration with other activities to ensure that the message you want to convey is conveyed and always on communication to meet short booking period to cover both immediate and further out demand.
- ✓ Inspiring/ Immersive story telling communication.
- From FY25, our activities will focus on conversion, particularly in the areas of [specific activities]. As part of this strategy, GoGo Guam Hafa Adai Campaign 2025 will be implemented as the Umbrella Campaign from January to September 2025.
- ✓ Promotion with consideration of attracting visitors to Island events.
- ✓ Simultaneously, implement Tactical Campaigns that are Tailor-Made for each segment, catering to the diversifying needs and insights of our target audience.
- ✓ Co-op program with travel agencies, airlines and OTA/Metasearch to maximize conversion

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GOGO GUAM HAFADA ADI CAMPAIGN 2025



- The GoGo Guam Hafa Adai Campaign 2025, our ambitious umbrella campaign, is designed to unite industry partners and create a powerful, positive momentum for Guam.
- Our goal is to aggressively promote Guam and maximize conversion from Jan 13, 2025.
- Before this campaign, organize ONE Guam Roadshow in Nov 2024 to build awareness and educate industry partners in the source markets of Tokyo, Osaka, Nagoya, and other regional cities Kyushu, Tohoku, and Hokuriku regions.
- We will leverage the new year industry mixer and press conference to kick off the GoGo Guam Hafa Adai Campaign 2025. This will be a dynamic start to the campaign, driving and accelerating sales both FIT and Group/ MICE



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Guam Short Term Tactical Plan

GROUP/ MICE



- Expansion of current Group Support program launch in 2025, Jan with Umbrella campaign of GoGo Guam Hafa Adai Campaign 2025.
- Commercialize Group/ MICE as Guam and create an environment that makes it easier for travel agents to sell.
- From FY25 onwards, actively promote travel agents and other channels such as Group/ MICE specialist company expand sales channels and to raise the priority of Guam in Group/MICE.
- Establish positioning as "Guam" when it comes to Group/ MICE.
- ✓ Implement FAM and roadshows for the Travel Agents.
- ✓ Attract groups from sister and friendship cities.
- ✓ Approach high schools and universities.
- ✓ Renew brochures and websites to establish information infrastructure
- ✓ Deployment of SEO and SEM (Search ad)
- KPI: Total number of Group/ MICE pax: 41,310



GROUP/ MICE TARGET



TARGET CATEGORY

TARGET CORPORATION

| Category | Description |
|--|---|
| IT companies and start-ups, | Especially those based in Tokyo and Osaka, also often plan overseas trips for employee training and team building. NTT, NTT Docomo |
| Industry associations and associations: | Associations that aim to develop the industry regularly organize conferences and exhibitions. Approaches such as the Japan External Trade Organization (JETRO), the Japan Chamber of Commerce and Industry (JCCI) and the Japan Business Federation (Keidanren), as was the case with JATA's successful congress in FY23. |
| Universities and educational institutions: | Universities and vocational schools that organize study tours for the purpose of student education and international exchange. Examples include the University of Tokyo, Waseda University, Keio University, Meiji University and other educational institutions. |
| Industry conferences: | Shintsu affiliated organizations, including the Tax Payment Association, Abacus Association, Japan Judicial Scrivener's Association, Advertising Industry Association, etc. |
| Sporting events: | Marathons: international marathons, taking advantage of Guam's beautiful scenery. Japanese running clubs and citizens' marathon organizations (e.g. Tokyo Marathon Foundation) approached. |
| Beach sports: | International beach volleyball and surfing competitions. Target the Japan Volleyball Association and the Surfing Federation. |
| Student sports events: | University sports events: inter-university sports exchange events. Work with the National University Sports Federation and the Japan Student Association. Corporate new product launches and exhibitions. |
| Professional sports teams: | Training Camps for professional sports teams, etc. Red Hurricanes (NTT Docomo's rugby team), sponsored by Shintsu SP |
| New product launches: | Resort fashion shows for Japanese fashion brands and designers. Approached Japan Fashion Association and major apparel companies. |

| List of top 20 groups with potential | Expected Size | Reason |
|--------------------------------------|---------------|---|
| Nojima Group | 3000 | A tour in January 2024 in cooperation with Yoku Top Tours was also a success. It is likely to be visited again within the next few years. |
| Daito Kentaku Group | 3000 | The group visits every summer. HIS is pushing Guam and we are working them. Likely to visit again next year. |
| School exchanges, school trips | 2000 | We are beginning to approach the more than 50 schools that have visited the University of Guam in the past to visit Guam again. |
| Koizumi | 2000 | The Koizumi Group conducts an anniversary trip once every five years. The next one will be held in 2027, and we will work with travel agencies to help increase the number of participants, which is likely to be around 2,000. |
| Daihatu | 1000 | Daihatu last visited Guam successfully in December 2023 (About 600 people at that time.) Travel agencies continue to push Guam then. |
| Yosakoi Festival | 1000 | We are planning with UA to organize a Yosakoi dance festival in Guam within a few years. This is expected to attract many participants (over 1,000) from all over Japan. |
| NTT Docomo Group | 1000 | NTT Docomo Group is a client of Shintsu, so we can offer incentive trips and manager meetings in Guam. |
| Taiwanese from Kumamoto | 500 or more | In Kumamoto, there are many expatriates from Taiwan due to the increasing demand for semiconductors from Taiwan, and they are looking for a resort that they can easily visit. I will approach UA and travel agencies there. |
| ASPAC Convention | 500 or more | Kiwanis Club of Guam convention to be held in Guam in 2027. We have already started talking with their Japanese organization about support. 500+ Japanese attendees are expected. |
| Netz Toyota | 500 or more | Netz Toyota in various parts of Japan conducts annual incentive trips, and we can expect to see more in 2024, as approximately 200 people from several areas have already visited Guam. |
| Honda Cars | 500 or more | Honda Cars also offers frequent incentive trips throughout Japan. |
| Nissan Dealers | 500 or more | Nissan also offers frequent incentive trips throughout Japan. |
| Kyoto Ohsho | 500 | Kyoto-based restaurant chain Ohsho is also a client of Shintsu, so it can offer incentive trips and manager meetings in Guam. |
| Ko Ko Road Race | 300 | Expand promotion of the Kupa road race in 2025 and increase the number of teams participating from Japan. |
| TV Tokyo Drama Tour | 300 | The company will organize a recruiting tour for fans of a TV drama set in Guam that will be localized from Okinawa. The tour will visit the filming location and other places. |
| IGLTA - Japan branch conference | 300 | Shintsu has connections with IGLTA and can propose international conferences. |
| Local Government Events | 200 | We can propose exchanges and events in Guam from Japanese local governments with which we already have exchanges, such as Karlsruhe City, Chappara City, Aomori City, Kashiwanoha City, Nagano City, and Chiyoda Ward. For example, participation in Japanese festivals, etc. |
| Marianas Open in Guam | 200 | We will attract athletes from Japan to the Brazilian Jiu-Jitsu Tournament in Guam. Including athletes and their families, more than 200 visitors are expected to come to the island. We have already started talking with the organizers. |
| NTT Red Hurricanes Training Camp | 200 | The Red Hurricanes are a football team owned by NTT Docomo and sponsored by Shintsu so we can offer them a training camp in Guam. |
| Go Go Curry | 200 | We have a connection with Gogo Curry, with whom we ran a campaign last year, so we can offer company trips and incentive trips. |

Marketing: Korea

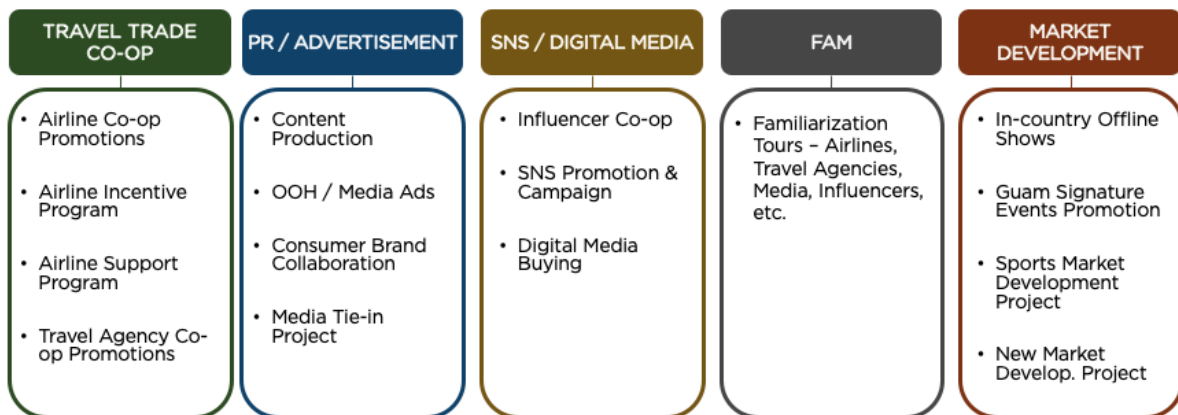
FY 2025 SMART GOALS

1. Welcome 461,732 Korean visitors*
2. Co-op with travel agents, media/digital influencers, and OTAs
3. Work with small/niche travel agencies
4. Grow presence and engagement on diverse social media platforms
5. Enhance digital campaigns/events/online promotions
6. Conduct fam tours with travel trade, media and digital influencers
7. Participate in trade shows and host offline events
8. Co-op with reputable global and domestic consumer brands
9. Develop educational tourism and sports tourism
10. Conduct in-country market research
11. Promote Guam signature events
12. Promote CHamoru culture, history, food, and made-in-Guam products
13. Co-op with Guam local businesses and government organization
14. Implement destination development projects
15. Promote hidden gems on Guam
16. Expand strategic partnerships with influential parties

**dependent on several external factors, including exchange rates, interest rates, and seat capacity.*

How We're Going to Get There

FY2025 KOREA MARKETING PROJECT CATEGORIES



Guam Short Term Tactical Plan



Marketing: Taiwan

FY 2025 SMART Goals

1. Welcome 3,000+ pax from Taiwan in FY 2025
 - A. The FY 2025/Q3 direct flight service will commence in April with two weekly flights, operated by China Airlines, each offering 124 seats. This brings the total seat capacity to 1,416. With an estimated passenger load factor of 70%, approximately 992 passengers are expected.
 - B. Four charter flights scheduled for the Chinese New Year in FY 2025/Q2 are anticipated to bring 708 passengers to Guam.
 - C. Eight charter flights during the summer vacation period are projected to bring an additional 1,416 passengers to Guam.
 - D. The FY2025 transit flight route from Taiwan to Guam is expected to carry a total of 500 passengers.

FY 2025 Goals: 3,016 PAX
2. Increase Guam's share of voice (SOV) through media
 - o Build Guam's brand image from tourism, Influencers, KOLs, and adventure sports aspects.
 - o Keep close relationship with Taiwan Influencers, KOLs and sports industries.
 - o Create Guam Reels with KOLs
 - o Growing followers by 10% on social media platforms.
 - o GVB Taiwan FB fan page has 90,946 followers as of 9/23. Increase the number by 10% and elevate it to 100,041
 - o GVB Taiwan Instagram has 8,351 followers as of 9/23. Increase the number by 10% and elevate it to 9,186
3. Develop MICE, Golf and Adventure Sports Markets
 - o Organize familiarization tours, seminars for travel agents and sports organizers, and an incentive program to boost M.I.C.E and adventure sports tours.
 - o Focus on attracting insurance, direct selling, golf, and adventure sports groups.
 - o To host golf tournaments or arranging golf tours for media coverage to increase visibility and draw in golf enthusiasts and sports magazines to aid our promotional efforts.
 - o Aim to attract at least 2 groups annually with over 20 pax annually

Guam Short Term Tactical Plan

4. Develop FIT Market

- o Assist travel, hotel and adventure sports websites by providing them with sufficient Guam information as well as pandemic prevention measures taken to protect travelers' health
- o Co-op with OTA(KKDAY, EZTravel, ect) to hold campaigns
- o Keep promoting Guam's attraction and beauty on SNS platforms
- o Promote EDF to the public`

5. Develop new airline service and sustain L/F

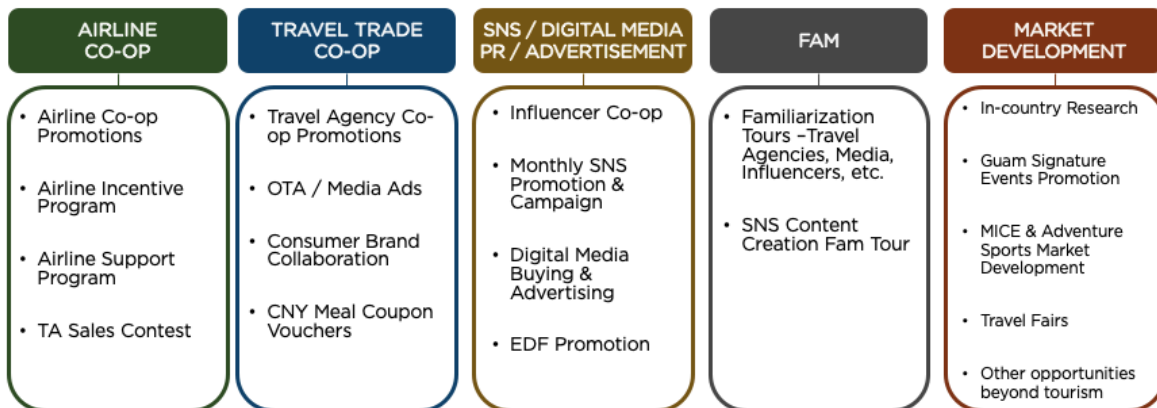
- o Encourage and offer incentives for EVA Air to resume their Guam route
- o Encourage and provide incentives for Starlux to operate flights between Taipei and Guam.
- o Sponsor at least two regular flights during a specified timeframe to increase connectivity.
- o Create incentive and PAK program for airlines
- o Promote the developed new routes to trade partners and consumers
- o Collaborate with GIAA to facilitate the establishment of sister airport relationships with international airports in Taiwan.
- o Co-op with KOLs, travel agencies, etc., to promote direct flights TPE-GUM, to attract people to visit Guam.

6. Import/Export Cargo

- o Reach out and arrange meetings with Taiwan county Farmers Associations and/or Taiwanese exporters of farm products to explore business networking and opportunities.
- o Foster connections and facilitate communication between Chamorro and Taiwanese indigenous cultures to promote Chamorro culture and business development in Taiwan.
- o Promote Guam's food products during Food Taipei. Hope to create business opportunity for Guam companies.

How We're Going to Get There

FY2025 TAIWAN MARKETING PROJECT CATEGORIES



Marketing: Philippines

FY 2025 SMART Goals

1. Increase awareness of Guam and its CHamoru culture to achieve at least 15,000 visitor arrivals from the Philippines by implementing targeted marketing campaigns and community engagement initiatives, using the Bureau's research tracking data to gauge performance.
2. Enhance Guam's visibility as a nearby, unique United States destination among travelers in the Philippines, particularly in the National Capital Region (Metro Manila) and select cities through strategic partnerships with influencers and industry partners and through engagement with Filipino consumers at travel-related events.
3. Collaborate with the U.S. Embassy and key organizations to secure at least three MICE/SMERF groups through targeted outreach efforts.
4. Increase our social media following on Facebook and Instagram by 10% by boosting our top-performing posts and launching activation campaigns by the end of the fiscal year.
5. Increase awareness and drive traffic to our Philippine microsite, visitguam.ph, by 10% through campaigns and social media outreach by the end of the fiscal year.
6. Attract and increase the number of travelers from the Philippines with an income of PHP 450K+ by 10% through targeted campaigns in urbanized cities such as Metro Manila – Makati, Taguig, Quezon City), Cebu City, Davao City, and Iloilo City.

HOW WE'RE GOING TO GET THERE



FY2025 PHILIPPINES MARKETING PROJECTS

REGIONAL & NICHE TARGET MARKETS

- Metro Manila (*Makati, Taguig, Quezon City*); Cebu City; Davao City; Iloilo City; Baguio City
- Affluent and Established Leisure Travelers; Expats; U.S. Visa Holders; MICE/SMERF Groups



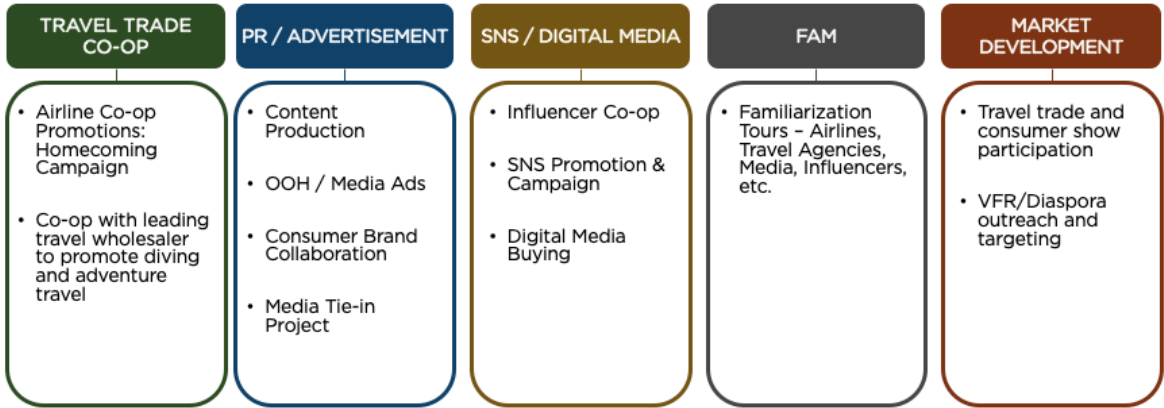
Marketing: North America

FY 2025 SMART Goals

1. Increase visitor arrivals for FY 2025 to 90,000 visitors.
2. Renew and develop partnerships with at least five (5) U.S. travel wholesalers, dive wholesalers, leisure, and MICE travel buyers to create packages for Guam.
3. Explore opportunities to generate interest for travel to Guam through participation in US B2B and consumer shows:
 - a. International Pow Wow (IPW) - Rotating US States
 - b. Diving, Equipment, and Marketing Association (DEMA) - Rotating US States
 - c. International MICE Expo (IMEX) - Las Vegas, NV
 - d. International Gay & Lesbian Travel Association (IGLTA) - Rotating US States
 - e. Pacific Islander Festival Association (PIFA) - San Diego, CA
4. Continue to promote travel to Guam to the Visit Friends & Relatives (VFR) market and seek out partnerships with United Airlines for co-op support.
5. Develop integrated approach to engage with both traditional and new media in North America for featuring Guam's main attraction, special tourism product, and events.
6. Focus on media exposure within high-end travel publications targeting affluent travelers from North America who can afford the high travel costs to Guam.
7. Focus on engaging local level news agencies, cultural tourism, and special travel interest media (e.g. dive, island).
8. Target to generate \$1,000,000 USD media value.
9. Continue to develop Guam's presence on popular digital media platforms like Google, Facebook, YouTube and LinkedIn.
10. Work with OTA and travel industry ad tech platforms to reach FIT market segments in North America.



FY2025 NORTH AMERICA MARKETING PROJECT CATEGORIES



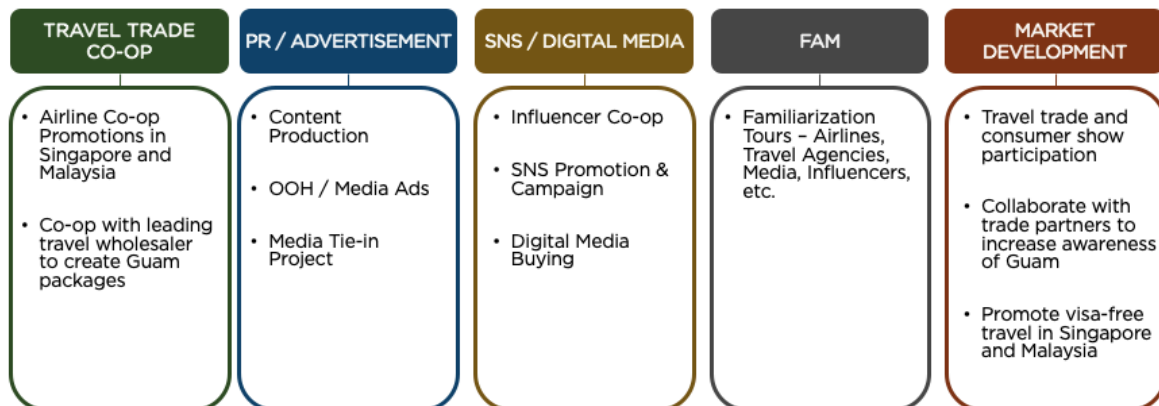
Marketing: Pacific

FY 2025 SMART Goals

1. Remain an active member of the Pacific Asia Travel Association (PATA) International and the PATA Micronesia Chapter. PATA International offers incredible opportunities to network and develop relationships with key travel trade professionals around the world. The PATA Micronesia Chapter brings travel partners from the region together with the goal of promoting travel to Micronesia while raising awareness of the cultures, history and natural environment the region offers.
2. Continue to promote 'One Marianas' through close partnerships with the different jurisdictions in the CNMI, local influencers, travel trade partners, and tourism industry members, to foster travel between Guam and the islands of Saipan, Tinian, and Rota.
3. Collaborate with regional partners under the Micronesia Pavilion to promote travel to, from and within Micronesia in overseas travel trade shows like the PATA Travel Mart, PATA Destination and Marketing Forum, Asia Dive Expo (ADEX) and Diving, Equipment & Marketing (DEMA) Show.
4. Collaborate with regional partners to accomplish the objectives established by the Micronesia Island Forum's Regional Tourism Committee:
 - a. Expansion of the Committee's scope of work to include Chapter sub-committee Work (Education Committee and Cultural Heritage Committee);
 - b. Expansion of members' participation in tri-annual meetings of National Tourism Organizations (NTO's) and State Tourism Organizations (STO's);
 - c. Expanded participation by jurisdictions at PATA International and PATA Micronesia Chapter Events;
 - d. Support of PATA Micronesia Chapter Initiatives to conduct training and seminars throughout the region;
 - e. Action by each jurisdiction to join the Pacific Tourism Organization (PTO) and;
 - f. Jurisdiction efforts to improve and enhance tourism destinations



FY2025 NEW MARKETS MARKETING PROJECT CATEGORIES



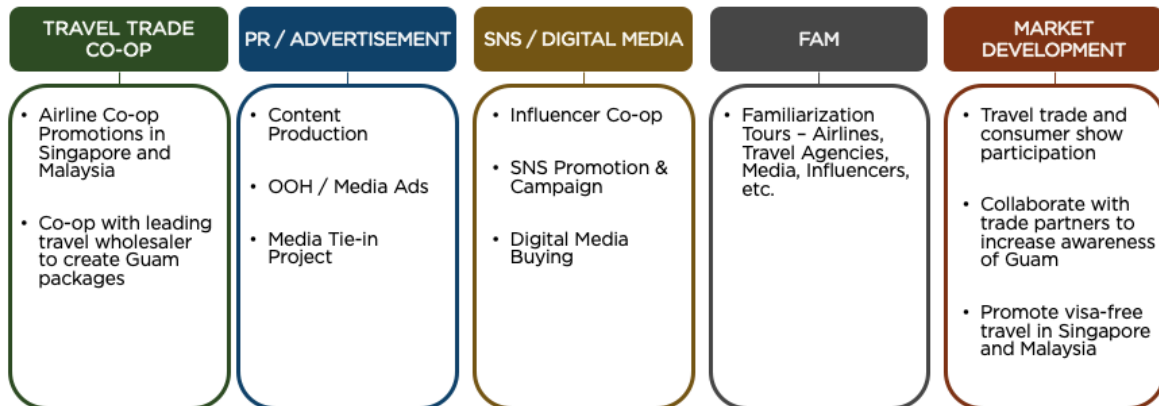
Marketing: New Markets

FY 2025 SMART Goals

1. Explore opportunities to create awareness and generate interest for travel to Guam through participation in the following travel trade and consumer shows:
 - a. International Tourism Exchange (ITB) Asia - Singapore
 - b. Asia Dive Expo (ADEX) - Singapore
 - c. Malaysia Association of Tour and Travel Agents (MATTA) Fair - Kuala Lumpur, Malaysia
2. Develop partnerships with prominent travel wholesalers in Singapore and Malaysia, such as Apple Vacations, Golden Tourworld Travel and EU Holidays to create Guam packages.
 - a. Prior to the pandemic, GVB partnered with Apple Vacations and Golden Tourworld Travel, two of the largest travel wholesalers in Malaysia, to develop packages. As a result, GVB welcomed eight (8) groups from Kuala Lumpur ranging from 25-30 pax per group.
3. Continue to promote visa-free travel to Guam to markets like Singapore, Malaysia and Brunei. Singapore is listed under the U.S. Visa-Waiver Program while Malaysia and Brunei, through the Guam-CNMI Visa-Waiver Program, are allowed to travel to Guam and the CNMI visa-free as well.
4. Collaborate with Philippine Airlines and United Airlines in Singapore and Malaysia to conduct a series of Guam Product Updates to raise awareness of Guam as a viable destination.
5. Collaborate with airline partners to help promote travel to Guam from feeder markets into the Philippines.
6. Co-op with media and digital influencers in Malaysia to raise consumer awareness of Guam as a visa-free U.S. destination.
7. Collaborate with travel trade and media partners to host up to three (3) familiarization tour trips to Guam for the purpose of creating awareness, generating interest for travel to Guam and developing travel packages.
8. Promote MICE travel to Guam from Southeast Asia where there is a growing interest for MICE travel to new destinations.



FY2025 NEW MARKETS MARKETING PROJECT CATEGORIES



Long-Term Strategic Plan

While immediate recovery efforts are crucial, Guam's long-term sustainability requires a proactive strategy to address its evolving market position. Effective collaboration among policymakers, small businesses, hotels, and cultural leaders is essential to ensure alignment and impactful outcomes.

Key Areas of Focus

- **Major Upgrade to Tumon:** Utilize HOT bond financing to undertake a major redevelopment of Tumon for the first time in three decades.
- **Strategic Plan:** Leverage the former Tourism 2020 framework to create a new strategic plan that addresses current needs, with action-oriented goals, measurable outcomes, and a focus on accountability and long-term growth.
- **Rebrand and Enhance Product Offerings:** Emphasize CHamoru culture, unique experiences (USPs), and Guam's identity as "America in Asia." Enhance visitor offerings with improved airport, transportation, free Wi-Fi, and targeted major capital improvements to remain competitive.
- **Market Expansion:** Pursue Philippine visa waiver and reactivate critical markets like Taiwan, Hong Kong, Russia, China, and Australia. Explore new markets such as Singapore as a gateway to Southeast Asia in addition to possibly Thailand and Vietnam
- **Data-Driven Strategy:** Leverage tools like *Symphony* by Tourism Economics to track visitor behavior and refine strategies with real-time data.

Culture – Longer Term branding considerations

For over 50 years, Guam has showcased its culture through traditional channels like trade shows, posters, and brochures. Yet, these efforts have not fully realized Guam's potential to attract culturally-minded visitors. Currently, only about 2% of tourists engage with key cultural sites, such as the Guam Museum, highlighting the need for a modern, impactful strategy.

To engage today's travelers, Guam must transition toward dynamic, immersive experiences. Partnering with expert marketing firms can help create campaigns that resonate with contemporary audiences by focusing on emotional engagement and hands-on interaction, aligning with global trends that prioritize authentic, experiential travel.

A refreshed approach should integrate village experiences, collaborations with local artisans, and opportunities for tourists to participate in cultural activities. Embedding cultural elements throughout the visitor experience will allow Guam to offer more than just a vacation spot—it will offer a meaningful connection to the island's identity. This approach not only enhances the tourist experience but also ensures that the benefits of tourism are shared across the island.

Visual storytelling will be essential to this new approach. Rather than relying on images of traditional performances alone, campaigns should highlight visitors actively engaging with Guam's culture—learning, participating, and creating memorable experiences. This narrative repositions Guam as more than a beach destination; it becomes a place of personal discovery, where travelers can connect with a rich, living culture. Promoting Guam's cultural identity in this way ensures that the island remains distinctive and relevant in a rapidly evolving tourism landscape, driving long-term visitor growth and economic sustainability.