



# A STUDY OF THE MADE IN HAWAII' I BRAND WITH A PLAN TO ENCOURAGE AND ENFORCE USE OF THE BRAND



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The Department of Business, Economic Development and Tourism (DBEDT)  
State of Hawai'i  
No. 1 Capitol District Building  
Honolulu, Hawai'i 96813

Dear Mr. Ling,

On behalf of Omnitrak, I am pleased to submit to the State of Hawai'i this report on the Study of the Made in Hawai'i (MIH) Brand to develop, encourage and enforce use of the MIH brand.

Mahalo to the Department of Business, Economic Development and Tourism for the guidance and assistance in implementing this project for the State of Hawai'i. This project was made possible through funding from the State of Hawai'i Legislature and involved input from diverse Made in Hawai'i stakeholders – from Hawai'i manufacturers who produce and sell Hawai'i-made products, to Hawai'i residents and U.S. consumers who are buyers and potential buyers, to leaders from the Hawai'i State Legislature economic development committees, executive agencies, O'ahu and Neighbor Island county governments, trade associations, and the private sector, to the almost 250 attendees of the first Made in Hawai'i Workshop, sponsored by DBEDT, the Hawai'i Tourism Authority, O'ahu Visitors Bureau, the Halekūlani Hotels, Hawaiian Airlines, Hawai'i Lodging and Tourism Association, and the Hawai'i Prince Hotels. Legislative and DBEDT leadership and the collaboration of the broader community enabled successful completion of this project.

We would be pleased to respond to questions regarding this report. With aloha, I remain,

Yours sincerely,

HON. PATRICIA M. LOUI  
Chair and CEO

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## EXECUTIVE HIGHLIGHTS: MADE IN HAWAI'I BRAND DEVELOPMENT PLAN

The Hawai'i State 31<sup>ST</sup> Legislature, 2021 authorized the Department of Business Economic Development and Tourism (DBEDT) to develop a Made in Hawai'i brand. Legislation called for DBEDT to administer and oversee a "Hawai'i Made" trademark for manufactured products and to hold ownership of the "Hawai'i Made" trademark. In ACT 2, DBEDT was charged with the following:

- ◆ To promote consumer demand for "Hawai'i Made" products
- ◆ To coordinate manufacturing of "Hawai'i Made" products
- ◆ To coordinate and promote distribution channels for "Hawai'i Made" products

DBEDT selected Omnitrak to undertake "A Study of the Made In Hawai'i Brand and a Plan to Encourage and Enforce Use of Brand," RFP-22-07-BDSD. The project's objectives included the following:

- ◆ To assess the Made in Hawai'i brand, including current and potential value
- ◆ To evaluate potential for expanding the array of Hawai'i products and companies that can use a Made in Hawai'i brand
- ◆ To recommend brand development strategies to grow the market for Made in Hawai'i products through brand marketing and promotion as well as maintenance of brand integrity

This Study's approach utilized best practices in branding, incorporating the voice of the marketplace – specifically surveys with Buyers (639 Residents and 933 U.S. Visitors) and Sellers (103 Hawai'i manufacturers) - into the conclusions and recommendations required by DBEDT's Scope of Work. In addition, the 250 attendees at the State's First Made in Hawai'i conference provided feedback on MIH strategies.

**1. DEMAND - The Made in Hawaii (MIH) brand can significantly increase consumer demand for MIH products and, additionally, help drive the state's economic diversification** - Using best practice standards developed by some of the best brands in the world like Disney, Dole, and Apple to measure brand equity, empirical brand research shows that the Made in Hawai'i brand is highly valued with potential to become a leading place of origin brand and lifestyle brand. This objective evaluation is important because strong brand equity impacts demand, distribution, and growth potential. Primary research showed a majority of Buyers and Sellers rate MIH highly on the attributes that critically drive best brands --- trust, authenticity, keeping promises and conveying high quality.

- ◆ **Consumer Demand Increases with MIH Logo** - The study showed that the number of U.S. consumers (visitors as well as non-visitors) who are extremely interested in buying MIH products quadruples from 15% to 51% if a product carries a Made in Hawai'i mark or logo vs. the same product without a mark. This fourfold increase in purchase interest is tied to consumer attitudes on place on country of origin: Nielsen Research has reported that 75% of global consumers say, "*a brand's country of origin is as important as or more important than nine other purchase drivers including selection, price, function and quality.*" This increase in purchase interest was analyzed in terms of only one product category where 2022 data was available for "Hawai'i Food" among only one market of buyers --- U.S. visitors to Hawai'i. If an MIH logo is used and the number of buyers increases by a conservative 2 times (rather than 4 times as the study indicated), Hawai'i Food expenditures for U.S. visitors per person per trip could increase from the 2022 estimated range of \$85 to \$120 million to a potential estimate of \$170 to \$245 million. However, this estimate is preliminary with limitations identified in the full report.

- ◆ **Manufacturers See Added Value with MIH** - Further, 71% of Hawai‘i Manufacturers and 73% of U.S. Visitors and agree the Made in Hawai‘i brand “adds value” to a product. This plus its brand equity could make the Hawai‘i brand one of the most valuable place of origin brands.

**Recommendation** – Market research has quantified the potential for an increase in demand for products using a Made in Hawai‘i logo or identifier. To capitalize on the value of the MIH brand, it is recommended that the State of Hawai‘i fund a Made in Hawai‘i branding program with a key component a MIH logo that manufacturers can use to ensure buyers that they are authentically produced in Hawai‘i and that complements rather than competes with the manufacturer’s own brand. Further, empirical market research on Made in Hawai‘i brand equity can be used to solicit potential sponsorships from outside of Hawai‘i – just as global best brands like Disney use objective third party research in negotiating sponsorships, a potential source of additional funding for Made in Hawai‘i programs.

**2. PROMOTION AND DISTRIBUTION CHANNELS - While Made in Hawaii brand promotion and distribution channels benefit from in-person visitor arrivals, they are not dependent on it and the Made in Hawaii brand should prioritize the larger market of consumers that can be reached through the internet, whether or not they come to Hawaii. This market is also more sustainable – regardless of pandemic or travel conditions.** – As the Covid-19 pandemic showed, when the State’s unemployed rate went from the lowest to the highest in the nation in just over one month, the State’s reliance on incoming tourists for tax revenues and jobs is overly concentrated. This concentration makes Hawai‘i’s dependency on the visitor industry high risk in the future as well, given that the U.S. government has warned about more expected pandemics in coming years, an event that is highly likely to again impact visitor arrivals to the State. In contrast, Made in Hawai‘i branded products marketed over the internet do not have to rely on incoming, in-person visitor arrivals. It is thus an effective strategy for economic development and diversification. However, successful internet sales and marketing requires a level of trust in the brand.

**Recommendation** – To overcome both Hawai‘i’s reliance on in-State visitor arrivals and its geographic isolation from major markets, it is recommended that the State prioritize internet channels for promotion, sales, and distribution. This will require ensuring that MIH manufacturers have assistance to capitalize on internet sales. This includes cost effective internet access and infrastructure; technology and workforce development training on brand and sales development to shift from in-person to virtual sales; understanding of how the MIH program and logo add value to Hawai‘i’s product manufacturers; potential economies of scale through negotiated MIH discounts.

**3. AN ASPIRATIONAL NOT DESTINATION BRAND - The Made in Hawaii brand’s potential is as an aspirational lifestyle brand, not as an extension of Hawaii’s travel destination brand** – While the Made in Hawai‘i brand has no doubt benefited from tourism marketing expenditures, its appeal today is broader than tourism. In fact, it has broader brand equity as a lifestyle brand, with tourism-related brand associations ranking lowest in importance. To achieve full potential in realizing the State’s economic diversification, the Made in Hawai‘i brand thus needs to be marketed as more than a tourism destination brand, e.g. as an aspirational lifestyle brand. - Be they Buyers or Sellers, the market values the Made in Hawai‘i brand, ranking these lifestyle attributes highest: *Unique sense of place, Multiculturalism, Healthy and fresh image, and the sense of ‘Ohana*. Interestingly, two associations aligned with tourism – *exotic and sun, sand surf* – rate lowest among the seven (7) attributes tested. These results clearly suggest that a broader Made in Hawai‘i brand platform rather than a travel destination brand will bring significantly more benefits to the State as a whole and to Buyers and Sellers. This difference is

critically important to the State: As a travel destination brand, prospective buyers for the MIH brand are mostly those who have visited Hawai‘i and want to recall fond memories. A Made in Hawai‘i lifestyle brand increases prospective buyers beyond visitors to a much larger market of global consumers aware of Hawai‘i and its brand attributes, enabling more MIH product revenues and growth in tax collections.

**Recommendation** - If, the State’s main objective is to grow tourism and/or improve the visitor experience, maintaining MIH brand promotion under an agency whose primary mission is tourism is desirable with the concomitant acceptance that the brand’s appeal will remain as a travel destination brand whose main buyers are visitors. If, on the other hand, the State’s objective is to diversify the economy and grow sectors outside of tourism such as MIH manufacturing, software and technology, Made in Hawai‘i brand management needs to be the responsibility of a broader economic development initiative. Decision making and funding independent of tourism will give those managing the Made in Hawai‘i brand the ability to make decisions based on Hawai‘i’s economic development and diversification, without a primary focus on how such programs will impact tourism. In fact, the MIH brand development is likely to de facto enhance visitors’ experience and confidence to buy local, given the percentage of visitors who perceive shopping as part of the in-destination experience.

#### **4. A SINGLE UNIFYING BRAND IS REQUIRED TO AVOID CONSUMER CONFUSION - One consistent brand is required to optimize results of the Made in Hawaii branding program.**

- To achieve the full benefits of a MIH brand for the State as well as MIH buyers and sellers, a unified consistent brand is not an option – it is a requirement. Research of Buyers and Sellers indicate that the market wants more clarity on products that are truly authentic and Made in Hawai‘i. This need comes in light of current market confusion – a significant 25% of U.S. consumers reported buying products that they thought were from Hawai‘i and learning post purchase that they were counterfeits or “knock-offs.”

**Recommendation** - In light of this, it is critically important that Hawai‘i develop a unified and consistent “Made in Hawai‘i” brand. One brand will re-assure Buyers and give them confidence to buy MIH products. It will also give Manufacturers confidence to use the MIH logo because it will be recognized as authentic and will add value to Buyers. That said, a single brand does not necessarily mean only one execution. New Zealand, for example, has Made in New Zealand logos in different colors. But all have the same basic shape and kiwi image, are promoted together on the same website with the same values, and are visually recognizable as being part of one brand. In contrast, Hawai‘i currently has a wide range of MIH executions with different looking logos, different values, different terms of usage, promoted on different websites. This causes consumer confusion in the marketplace, and reinforces consumer doubt about which is truly authentic, and which is not. To instill consumer confidence and enable the State and its residents to achieve full benefit of a Made in Hawai‘i program, the diverse Made in Hawai‘i brands require consolidation under one consistent Hawai‘i brand going forward so it is instantly recognized as the authorized and official logo of the State’s Made in Hawai‘i branding program.

#### **5. A BROADER MIH DEFINITION - Expanding the definition of Made in Hawai‘i so more manufacturers as well as services can qualify will give more benefit to the State.**

- Current law states that 51% of a product’s wholesale value added by manufacture, assembly, fabrication or production must be within the State of Hawai‘i. This definition tied to product content only de facto limits MIH usage primarily to agricultural products. If the State’s objective is to grow not only agricultural but also manufactured and service products, then the MIH definition needs to be expanded to count other input beneficial to the State and its residents. Across different stakeholder groups, residents, visitors, buyers and sellers all strongly favor including other expenses spent and paid within the State of Hawai‘i. In both

qualitative and quantitative research, stakeholders advocated for a MIH brand definition that counts “benefits to the State” such as jobs, in-State offices, and intellectual property protection/ research and development, etc. This definition achieves that and further, is simply and clear to understand. It does not require weighting of MIH inputs or benefits to the State. Importantly, this definition has precedence. Indirect expenditures as described above have been used for about a decade to qualify small business on the “Made in the U.S.” requirement of The Export-Import Bank of the U.S. (EXIM). EXIM Bank derives its authorization from Congress and can only utilize the US sovereign guarantee on Made in the U.S. products. This definition has been approved by both Congress and executive branch regulatory agencies and used to effectively grow the small business portfolio. Hence instead of re-inventing the wheel, it would be effective to adopt this definition for Hawai‘i’s place of origin branding.

At the 2023 State Legislature, a Senate sponsored bill recommended the following new definition aligned with what stakeholders strongly favor: Inclusion of operating expenses spent in the State. While it passed the Senate and was recommended by the House Economic Development Committee, it failed to be voted out of the House Consumer Protection Committee.

**Recommendation** – It is strongly recommended that efforts to revise State 486-119 on Hawai‘i Made Products as follows be continued at the 2024 State Legislature: *“Production may include operating and overhead expenses incurred and spent with the State.”* This would enable inclusion of jobs (by including payroll); in-State offices (e.g., rent), intellectual property protection (e.g., legal and prototype expenses). This approach is also simple and easily understood as it does not weight inputs. Sharing data from this branding study as well as the Export-Import Bank of the U.S. policy could help to educate legislators of public opinion supporting and precedence for this revision. Further, it is important for legislators to hear from different constituent groups which support the expanded definition: Residents who are both buyers as well as sellers (manufacturers); 2023 MIH Branding Workshop attendees, and University of Hawai‘i business students who see the Hawai‘i brand as a competitive advantage in businesses they propose to start.

**6. ENFORCEMENT IS REQUIRED - Enforcement to protect Made in Hawaii brand authenticity and credibility is essential for Hawaii to yield benefits for the State, and Hawai‘i’s residents and manufacturers as well as visitors all strongly support both development of a Made in Hawai‘i logo and its concomitant protection through enforcement.** - Strong support from buyers and sellers for a MIH mark is driven by the desire to be able to clearly, simply and visually differentiate authentic MIH products from those making false claims. One in 4 U.S. consumers already report buying goods they thought were made in Hawai‘i and then learned that they were not. Thus, it is not enough to only create a Made in Hawai‘i logo. Hawai‘i residents and manufacturers, as well as potential out-of-State buyers, feel strongly that it is also important to protect the authenticity of a MIH program and logo with enforcement. Hawai‘i residents perceive the need to enforce the MIH definition in use of the logo as an extension of consumer protection. Manufacturers also support enforcement to protect investment in their Hawai‘i businesses. Enforcement, however, will require an entity with authority to enforce State laws.

**Recommendation** – The State Legislature will need to decide which agency should be responsible for enforcement for the Made in Hawai‘i program. While the Department of Business Economic Development and Tourism is responsible for economic development, its responsibilities are marketing, promotion and facilitating economic growth. It understandably lacks enforcement powers. Two State executive branch agencies with enforcement powers include the Department of Commerce and Consumer Affairs and the Department of Agriculture. Legislators will need to determine which agency will be responsible for enforcing Made in Hawai‘i regulations.

**7. BRAND DEVELOPMENT IMPLEMENTATION - To optimize opportunities to increase demand for MIH products and to help MIH manufacturers grow their markets, MIH brand development and marketing strategies need to align with what buyers and sellers have indicated they need and want.** Based on branding research among all stakeholders, the following brand development and marketing strategies are recommended for implementation:

**7.A. Adopt Best Practices in Geographic Branding Initiatives** – This project assessed geographic branding initiatives in five locations. Selection was based on the following criteria: A significant tourist market of consumers; A diverse ethnic marketplace including indigenous people; Required qualifying criteria and a process for qualification to use the geographic program affiliation or logo. Commonalities among the Alaska, California, New Zealand, Oregon and Thailand programs included:

- ✓ Qualifying criteria requires a majority of a product to be made/developed in the geographic location
- ✓ All offer geographic branding logos so Buyers (both Residents and out of State buyers (whom all target) have simple and immediate recognition that a product is “Made in.”
- ✓ All programs are viewed as an economic development initiative, though Oregon’s private sector program prioritizes retail sales from residents and visitors. Government support is multi-agency including training, access to public websites etc.
- ✓ Public sector programs (Alaska, California, and Thailand) fund their program through departmental allocations plus annual fees, while New Zealand relies on membership fees and support from its “parent” – a Chamber of N.Z. largest companies.
- ✓ All have invested to raise awareness and equity in the “Made in” brand.
- ✓ While New Zealand and Alaska programs have indigenous people’s components, indigenous groups have led development, in collaboration with the geographic brand.

**7.B. Adopt brand values consistent with market perceptions to optimize increased sales potential** – Residents, U.S. Visitors and Manufacturers are surprisingly aligned on why they connect so strongly to a Made in Hawai‘i brand. These MIH brand values are recommended:

- ✓ **CULTURE:** *Respect and Pride in the Authentic, Collective Multi-Ethnic Culture that is Hawai‘i; rooted in the Heritage of Native Hawaiians and the State’s history as a “melting pot,” and lived in the ‘Aloha Spirit’ of all who live, work and share in this unique island lifestyle.*
- ✓ **COMMUNITY:** *There is a sense of oneness and connection to people, traditions and place. This holistic inclusive approach to community manifests in responsibility for the common good and acceptance of diverse cultures. It is reflected in pride of craft and products made by the people of Hawai‘i – products touched by the community in both raw materials and in their labor.*
- ✓ **NATURALNESS:** *The beauty and nature of this Island Community is not just in its land but in its people. Living here cultivates a naturalness in lifestyle which lends itself to healthfulness and wellness. As the environment is freeing and expressive – the flow and movement of the skies, oceans and trees – the people are as well. Hawai‘i is pure, natural, authentic, not fabricated.*
- ✓ **REJUVENATION:** *There is an energy (a ‘life force’) that comes from the culture, community and nature of Hawai‘i that restores and recharges our minds, bodies and spirit. Hawai‘i is a place that is Rejuvenating and provides a sense of balance. It is an energy that promotes vibrancy, vitality and creativity as is personified by the people who live here and the products and experiences they offer.*

**7.C. Offer a clear brand promise** – A brand promise is a succinct description of commitment by a brand to customers and stakeholders and what they will experience on their brand journey. The following is recommended as the Made in Hawai‘i brand promise:

- ✓ *Discover and experience Hawai‘i’s rich culture, nourishing lifestyle and aloha spirit crafted by Hawai‘i’s people. With every taste, touch and experience of “Naturally Hawai‘i products, you will connect with the unique people, heritage and values that are the heart and soul of Hawai‘i.*

**7.D. Adopt a flexible Brand Expression strategy:** *Marketing and communication campaigns should be flexible to highlight a diverse range of products – food, fashion, beauty, books – that underscore and evoke the brand values, and highlight the people behind the products...the community of designers, farmers, laborers who bring these products to market.*

**7.E. Consider incentives to using MIH brand** – The biggest incentive to applying the MIH logo on qualified Hawai‘i-made products is the potential growth in consumer sales. However, it will take time to validate self-reported consumer buying likelihood with actual data. Hence, it is recommended that a MIH program consider a short-term incentive for the first year or two to motivate leading MIH companies to adopt the MIH logo. Manufacturers see a potential tax credit or tax break as most appealing, and it is suggested that tax credits either related to job increases or for affixing a MIH logo to existing packaging be considered.

**7.F. Consider expanding IP protection** – All Buyers and Sellers strongly support more IP protection for Hawai‘i geographic places, starting with the names of the State and Islands. This branding strategy is especially important for agricultural products so the initiative might start there, protecting the terroir where Hawai‘i appears to have competitive advantages, e.g., Ka‘ū and Waialua (in addition to Kona) for coffee; Maui *appellation controllee* for wines and liquor; Hāna for poi; etc.

**7.G. Fund and execute a brand communications program that establishes Made in Hawai‘i brand awareness, recognition of brand attributes, and confidence to buy.** - Without sufficient funding, a Made in Hawai‘i program cannot achieve levels of awareness to instill consumer confidence to buy local. Brand communications will aim at the following for the first three years:

- ✓ Raise awareness and recognition of the Made in Hawai‘i brand logo, its values and its benefits to residential and U.S. visitor markets. In Japan brand communications will follow as funds are available.
- ✓ Create moments of emotional connection
- ✓ Lay the foundation for an enduring social movement, making buying local and buying Made in Hawai‘i understood as a lifestyle branded rooted in *Culture; Community; Naturalness and Rejuvenation.*
- ✓ Utilize the internet as a key distribution channel where purchase is not limited to whether flights are landing, visitors arriving, and shopping is pursued in person and as a borderless communications strategy. If, as predicted, another pandemic is inevitable, Hawai‘i must build the infrastructure to sell product and communicate the Made in Hawai‘i through a channel without physical borders.
- ✓ Execute a complementary brand communications strategy with social media creating desire and traditional media developing awareness of business messaging.

**7.H. Consider using some of the transit accommodation tax (TAT) to fund the Made in Hawai'i branding program since visitors will benefit through an enhanced shopping experience, which is an integral part of overall trip satisfaction.**

- ✓ Although it is recommended that responsibility for a Made in Hawai'i program be housed in the State agency responsible for economic development rather than the agency responsible for tourism for the reasons given above, visitors to Hawai'i will definitely be among the beneficiaries of MIH branding. Already 1 in 4 U.S. consumers/ visitors have bought MIH counterfeits, and they support more enforcement of MIH criteria. Hence, a program to improve Hawai'i visitors' consumer protection is consistent with visitor needs and thus enhances the in-destination experience.

This approach is similar to that of Buy New Zealand, a successful place of origin branding program. It was initiated by the country's largest companies who saw place of origin branding and support of "buy local" as beneficial to the nation as a whole and invested in it to support economic growth and opportunities for smaller companies. According to Buy New Zealand's Executive Director, the program is clearly seen as win-win by its investors, by the local companies, and by the government.

As the State of Hawai'i grapples with how to diversify the Hawai'i's economy, support for Made in Hawai'i by the tourism sector could achieve the above enhanced visitor experience as well as contribute to growth of local companies. Hence it is recommended that a small percentage of TAT be ear-marked for a Made in Hawai'i branding program execution under the responsibility of the State's economic development agency, DBEDT.

## I. BACKGROUND AND APPROACH

As a result of COVID-19, Hawai‘i manufacturers experienced a significant downturn in sales with residents less willing or able to shop in person and federal regulations and airline lift significantly impacting visitor arrivals to Hawai‘i. The drop in tourism was initially evident in both the North American and Japan markets. Although the North American market has recovered, on-going domestic travel regulations in Japan and foreign exchange rates continued to result in significantly lower Japanese visitors to Hawai‘i. With fewer in-person consumers, one strategy to assist Hawai‘i manufacturers of Made in Hawai‘i products is to increase sales and enhance Hawai‘i businesses to sell on-line, utilizing the perceived value of the Made in Hawai‘i brand. However, the current definition precludes many firms from qualifying their products and limits the benefits of MIH brand use.

In 2022, the State of Hawai‘i Legislature authorized the State Department of Business, Economic Development and Tourism to develop a Made in Hawai‘i brand. The purpose of the project was to help manufacturers generate more sales via the Made in Hawai‘i brand.

DBEDT’s Business Development and Support Division undertook the project using global best practice protocols for brand development. This included assessing brand potential among stakeholders, analyzing best practices of others geographic areas that have developed place of origin branding, and seeking input from recognized brand managers of some of the best brands in the world particularly those familiar with Hawaii. This market-based approach is consistent with the need for objective empirical market data since a brand is no longer considered goodwill but rather an asset and market perceptions are used to quantify both potential and value.

A brand is a relationship between the brand and its customers, potential customers, and stakeholders. To seek market quantifiable input from key stakeholders using empirical research from independent agencies is the branding standard.

- ◆ DBEDT adopted this market-based, best practice approach.
- ◆ Given post Covid-19 conditions, its contractor, Omnitrak, conducted research among the following stakeholders:
  - ✓ **Sellers** – Sellers of Made in Hawai‘i (MIH) products participated in two phases of research: Phase I involved qualitative research using two (2) focus groups to gain input into the study design. One of the learnings was that most MIH manufacturers sell to residents and visitors (U.S. and Japanese markets primarily). Phase II – During the second phase of the research, MIH manufacturers were invited to participate in a quantitative survey to gain their input into a MIH brand.
  - ✓ **Buyers** – Applying MIH manufacturer input from focus groups, research was conducted among Hawai‘i Residents and U.S. consumers who have visited Hawai‘i or with proclivity to visit the State were interviewed through a multi-modal survey. Although Japanese visitors are an important market, their arrival numbers in Hawai‘i are down significantly due to Japan Covid-19 travel regulations when this research was collected. Hence a survey of Japanese visitors would not be representative of the Japan market and budget was not sufficient to conduct a study in Japan. This market is however recommended as a priority for future study.

## II. PROGRAM OBJECTIVES

Given the previously stated purpose of this project, specific objectives include the following:

- ◆ To assess the Made in Hawai‘i brand
- ◆ To assess current and potential value of the Made in Hawai‘i brand
- ◆ To evaluate potential for expanding the array of Hawai‘i products and companies that can use a Made in Hawai‘i brand
- ◆ To recommend brand development strategies that will maintain brand integrity

### **Brand Assessment**

To meet these objectives, this consulting report applies branding best practices protocols and sought information on other place of origin branding. To assess the Hawai‘i brand, consumer markets and manufacturers were surveyed to assess brand equity as well as brand associations. Brand equity measures the current strength of the relationship between consumer and brand and what it is perceived to stand for. Brand associations drill down on perceptions and potential imagery and persona for communicating the brand. The MIH brand assessment was enhanced by learnings from other place of origin branding programs at the national and state levels.

### **Brand Value**

While brand equity and associations provide current brand status, brand valuation potential is derived by linking a brand to purchase behavior. In this case, potential value was assessed by comparing purchase interest with and without a Made in Hawai‘i brand. Brand value is also measured indirectly by determining net brand equity perceptions that give consumer confidence that the brand will meet their expectations if a purchase is made. Strong ratings on key brand equity attributes suggest that a foundation for brand growth exists. In addition, brand associations are frequently assessed against consumer trends to determine future potential. This assessment is frequently included in Security and Exchange Commission (SEC) filings when a company offers an IPO as an indication of growth potential.

### **Made in Hawai‘i Qualifying Criteria**

This project probed attitudes toward criteria to define what products and companies qualify as “Made in Hawaii.” Manufacturer focus groups were utilized to gather insights not only in terms of the current definition but also in terms of what factors Hawai‘i companies felt should be included to potentially expand MIH program participation. In addition, the project sought examples of qualifying criteria from other place of origin programs.

### **Brand Strategy Recommendations**

Using insights gained from Buyer and Seller research as well as from other similar programs, this project also recommends strategies for consideration in developing a MIH program. Because this project was designed to focus on brand planning, it recommends strategic considerations that will help to shape and direct tactical implementation and does not recommend specific tactics such as a name, visual execution, or communications placement.

### III. CURRENT STATUS

#### A. HAWAI‘I REGULATORY ENVIRONMENT:

The Hawai‘i State Legislature has enacted legislation that regulates Made in Hawai‘i products. Two of the main laws are summarized below:

##### 1. Regulation 486-119 Hawai‘i-Made Products; Hawai‘i Processed Products

(a) No person shall keep, offer, display or expose for sale, or solicit for the sale of any item, product, souvenir, or any other merchandise that is labeled "made in Hawaii" or that by any other means misrepresents the origin of the item as being from any place within the State, or uses the phrase "made in Hawaii" as an advertising or media tool for any craft item that has not been manufactured, assembled, fabricated, or produced within the State and that has not had at least fifty-one per cent of its wholesale value added by manufacture, assembly, fabrication, or production within the State.

(b) Subsection (a) notwithstanding, no person shall keep, offer, display, expose for sale, or solicit the sale of any perishable consumer commodity that is labeled "made in Hawaii", "produced in Hawaii", or "processed in Hawaii" or that by any other means represents the origin of the perishable consumer commodity as being from any place within the State, or use the phrase "made in Hawaii", "produced in Hawaii", or "processed in Hawaii" as an advertising or media tool for any perishable consumer commodity, unless the perishable consumer commodity is wholly or partially manufactured, processed, or produced within the State from raw materials that originate from inside or outside the State and at least fifty-one per cent of the wholesale value of the perishable consumer commodity is added by manufacture, processing, or production within the State.

##### 2. Act No. 2 Relating to Economic Development

The Thirty-First Legislature of the State of Hawai‘i in 2021, the Legislature enacted an amendment to Chapter 201 Hawai‘i Revised Statutes by adding a new section regarding the “Hawai‘i Made” program for manufactured products oversight and “Hawai‘i Made” trademark:

- (a) The department of business, economic development and tourism shall administer and oversee a “Hawai‘i Made” program for manufactured products and shall hold ownership of the “Hawai‘i Made” trademark.
- (b) For the purpose of this section, (DBEDT) shall:
- (1) Promote consumer demand for “Hawai‘i Made” products;
  - (2) Coordinate manufacturing of “Hawai‘i Made” products;
  - (3) Coordinate and promote distribution channels for “Hawai‘i Made” products;
  - (4) Ensure that appropriate patents and copyrights are acquired for “Hawai‘i Made” products; and
  - (5) Identify new funding opportunities to promote the expansion of “Hawai‘i Made” products.
- (c) No person shall
- (1) Keep, offer, display or expose for sale, or solicit for the sale of any item, product, souvenir or other merchandise that:
    - (A) Is labeled “Hawai‘i Made”; or
    - (B) By any other means, represents the origin of the item as being from any place within the State; or
    - (C) Use the phrase “Hawai‘i Made” as an advertising or media tool, for any item that has not been manufactured, assembled, fabricated, or produced within the State and that has not had at least 51% of its wholesale value added by manufacture, assembly, fabrication or production within the State, including Hawai‘i-sourced goods, services and intellectual property.”

## B. BEST PRACTICES IN GEOGRAPHIC BRANDING INITIATIVES

Geographic place of origin branding programs have long but diverse histories globally and in the United States. In the European Union, France in particular is known for protecting place of origin references to agricultural products through its *appellation d'origine controlee* regulation. This label, most often associated with wine and champagne, identifies a defined geographical area – the terroir - where an agricultural product's production and processing is carried out. In Italy, small rural areas historically recognized with traditional know-how and excellence – such as Asiago cheese and balsamic vinegar from Modena - are protected by a **protected designation of origin (PDO)**, a type of [geographical indication of the European Union](#) and the United Kingdom aimed at preserving the designations of origin of food-related products.

In the United States, geographical place of origin branding labels have historically had less legal protection than in EU. However, in a landmark case in 2004, California Courts ruled that Napa Valley wines could not continue to use the Napa Valley place of origin attribution because virtually all of the grapes used for its wines were not grown within the geographically recognized Napa Valley area. In Hawai'i, the State was also successful in passing legislation requiring that coffee identified as “Kona” needed to have at least 10% of bean from that geographic region. Further, a current bill (House Bill 259) in the 2023 Hawai'i State Legislature would ban companies from advertising or labeling their coffee as being from a Hawai'i region unless 51% of beans come from that geographic area.

In the last 50 years, individual States or in-State entrepreneurs have pro-actively launched and promoted place of origin branding and the concomitant “Buy Local” messaging as an economic development strategy to support in-State businesses. This project selected five different programs to profile in more depth. They were chosen because, like Hawai'i, tourism offers a significant market of consumers besides residents; the branded geographic location has a diverse ethnic marketplace including indigenous peoples where possible, and the programs require a process for qualification to use the program's seal or place of origin certification. The following programs met these criteria and were selected for inclusion in five (5) case studies: State programs in Alaska (Made in Alaska); Oregon (Made in Oregon); California (CAMade); and country programs in New Zealand and Thailand. All of the programs selected aim at increasing purchase of products and/or services made in that geographic location, and all offer qualifying companies use of a seal or logo to designate products as produced in that place of origin.

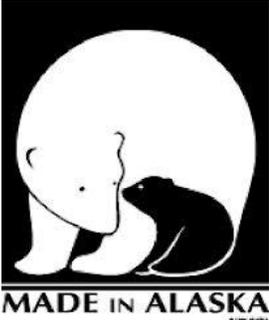
- ◆ **OREGON** - In Oregon in 1975, a private businessman initiated a “Made in Oregon” program with a retail store at the Portland International Airport. A robust program, Made in Oregon currently has nine stores and an online presence. Its product line is diverse, covering recognized large brands such as Pendleton blankets and Willamette Valley Winery as well as smaller souvenirs items from hand crafted mugs and birdhouses. Commonly featured product categories include food/wine; artisan products; home goods/accessories, and apparel. Qualifying criteria is “the majority of the product is made in Oregon,” as defined by the private company that retails these products.
- ◆ **ALASKA** - In 1991, Alaska launched a Made in Alaska program and “Buy Alaska” seal certification through its State Department of Commerce, Community and Economic Development. The program is affiliated with an indigenous peoples branding program – Silver Hand for Alaska Native Art which certifies authentic tribal artists. Products included in the Made in Alaska program range from small gift items to large industrial products. Requirements state that 51% or more of products must be produced in Alaska and that value added processes must be done in the State to use the certifying logo and that the company must hold an Alaska business license. However, companies can apply for waivers if production materials are not available in the State in quantities necessary or if the State lacks facilities/ capacity to produce the value-added.

- ◆ **CALIFORNIA** - More recently, the State of California in 2013 initiated a state labelling program aimed at promoting non-food and agricultural products made in California. The program covers all California manufactured products except food and agricultural which were already covered by a program called California Grown. CAMade requirements require at least 51% of a final product’s wholesale value by assembly, fabrication, or production to create a final, recognizable product. A 2020 report acknowledged challenges to program implementation, specifically that limited demand had resulted in no third party organizations to certify companies and their products as CAMade.
  
- ◆ **NEW ZEALAND** - At a national level, New Zealand established a Kiwi logo indicating that a product was N.Z. made in 1988. Although the program is heavily promoted by the public sector, including being touted during Covid-19 by the Prime Minister and its Ministry of Business, the Kiwi registered trademark is in fact owned by a non-profit organizations representing the nation’s largest corporations and affiliated with four regional chambers of commerce. N.Z. companies can apply to use three Kiwi seals – New Zealand Made, New Zealand Grown and New Zealand Code (for software manufacturers). While N.Z. Made requires food products to be 100% grown, extracted or produced in N.Z., N.Z. Made requires a product’s “essential character” to be from N.Z., e.g., while raw materials can be imported, it must go through a significant manufacturing process to product a product different from the imported form. (For example, imported coffee beans packaged in N.Z. does not qualify but imported coffee beans used in a unique coffee drink produced in N.Z. would.) In addition, companies are required to have a physical N.Z. presence, e.g., office. It collaborates with the Maori indigenous community’s Buy Maori Made and is currently discussing potential collaboration on an Aotearoa logo program.
  
- ◆ **THAILAND** – Thailand’s “One Tambon (Village), One product” program began in 2001 to stimulate local entrepreneurship and to support unique village made products. Modeled after a program in Japan, OTOP products include fashion, textiles, handicrafts, food, household items and many others. The federally started program requires that “all or almost all” of a products must be produced in the designated district, with determination made by regional and provincial commissions. These commissions also consider a product’s overseas export potential, not just sales in-person to Thai residents and visitors. OTOP responsibility is housed with the Community Economic Development Department in the Ministry of Interior because it is viewed as a program to diversify the economy for both rural and urban areas. In fact, Thailand’s OTOP promotion uses a whole of government approach with OTOP promotion integrated into existing travel and commercial marketing efforts. For example, the Commerce Department features OTOP products in trade shows it hosts both domestically and overseas.

Although Thailand’s 40 million visitors (2019) are prospects for buying OTOP products and the Tourism Ministry is not responsible for OTOP, the Tourism Authority of Thailand (TAT) officially supports it, resulting in OTOP products marketed to tourists through TAT’s website, other third party travel websites affiliated with TAT, and at hotel points of sale. Further, through joint Tourism-Commerce-Transportation efforts, OTOP products are included in in-flight sales.

The following tables provide more details on the best practices of the place of origin branding programs for California, Oregon, Alaska, New Zealand, and Thailand.

## STATE OF HAWAI'I DBEDT MADE IN HAWAI'I: SUMMARY OF BEST PRACTICES

	MADE IN ALASKA INC. NATIVE ALASKAN	NEW ZEALAND INC. MAORI	THAILAND OTOP	CALIFORNIA	OREGON
<b>Program Name</b>	Made in Alaska	New Zealand Made, New Zealand Grown and New Zealand Code	“One Tambon (Village) / One Product” - OTOP / A tambon is a Sub-district with 7,255 nationwide	CAMade	Made in Oregon
<b>Who's Responsible</b>	Dept. of Commerce, Community & Economic Development, Division of Community & Regional Affairs  	--Promoted thru Ministry of Business / Department of Economic Development -Copyright owned by Business NZ a private, non-profit founded by NZ biggest corporations working with 4 regional organizations: 1) EMA (Employers & Manufacturers Assn); 2) Business Central; 3) Canterbury Employers Chamber; 4) Business South  	-Interior Ministry Dept of Community Development -National OTOP Commission -Regional and provincial comm. Identify, develop, grade OTOP products  	Governor's Office of Business & Economic Development e.g., GO-Biz  	-Privately held company -Gift retailer with airport location  
<b>Started</b>	1991 1 <sup>st</sup> Manufacturer of Year Award	Re-established 1988	2001	2013	1975
<b>What Is It?</b>	-To promote products made, manufacture, handcrafted in Alaska -To promote Alaska products as high quality for domestic and international markets	-Licenses Kiwi, a registered trademark, to biz, indicating NZ Made per Fair Trading Act. -Related Licenses: NZ Grown, NZ Code (software). -Promotes NZ Made Benefits (Why label with country of origin) -87% of NZ recognize Kiwi trademark -75% brand origin as purchase driver -64% buy locally produced/grown products over imported ones -NZ ranked 10 <sup>th</sup> in Future Brand Country Index 2020	-To stimulate local entrepreneurship -To support unique locally made and marketed products from each district -On product from each sub-district qualifies for starred OTOP product and is promoted locally & internationally -5-star rating system; 570 5-star products	-State labelling program -To encourage consumer awareness & promote purchase of CA made products	-Private company is a gift retailer. -Started from a discussion between Port of Portland commissioner and businessman on ideas for airport stores. -First store opened in 1975 at Portland International Airport -Known as purveyor of high quality local products made, designed or grow in Oregon. -Currently 9 stores (Portland, Salem, Newport & Eugene) -Online e-commerce since 1997

	<b>MADE IN ALASKA INC. NATIVE ALASKAN</b>	<b>NEW ZEALAND INC. MAORI</b>	<b>THAILAND OTOP</b>	<b>CALIFORNIA</b>	<b>OREGON</b>
<b>Market/ Sectors Targeted</b>	All -Small gift items -Large industrial products	-Diverse range of tangible products with a more recent addition of service products	-Large array: handicrafts, textiles, garments, pottery, fashion, household items, foods	All manufactured products except food & agricultural	-Diverse -Large brands like Pendleton blankets & Willamette Valley Winery but also small, crafted mugs, birdhouses, etc. -Food & Wine -Artisan products -Home goods & accessories -Apparel -Gift Baskets
<b>Require- ments</b>	-“Locally created goods” -51% or more produced in Alaska to use the polar bear and cub logo. -Production site to make/produce/ manufacture product in the State -Value added processes done in State -Uses state resources/materials to produce product or documents that raw resource not available in State or not available in necessary quantities -Holds Alaska business license -Submits application and pays annual fees -Complies with State law on eligibility per above -Exceptions: Partial manufacturing in State acceptable if no facility in State has capacity/ expertise to product work and majority of value-added in State	Varies by Brand: - <b>NZ GROWN:</b> For food products, must be 100% NZ grown, extracted, produced in NZ with other criteria - <b>NZ MADE:</b> If not 100% NZ (above), decision is case by case... --The final product produced in NZ must be fundamentally different from the raw material that came in, e.g. the product’s “essential character” is made in NZ w/ only raw content imported. The imported materials go through significant manufacturing process in NZ to produce product different from imported form -Physical NZ presence -Retail stores must sell licensed products from manufacturing license holders -Companies who outsource production must use NZ based manufacturer -Each product must qualify under Fair Trading Act Country of Origin	- Qualitative guidelines is “all or almost all.” -Quality standards set by regional & provincial commissions -Export potential -Regional highlighted products <u>North:</u> Handicrafts, paper, ceramics, bamboo, cotton, Hilltribe crafts <u>Northwest:</u> Silk & cotton fabrics, apparel, reed products <u>Central:</u> Handicrafts, earthen pots, pottery/ terra cotta <u>East:</u> Fruits, bamboo, rattan, reed, textiles <u>South:</u> Batik, woven products, mother of pearl inlays, wood	-At least 51 % of a final product’s wholesale value by manufacture assembly, fabrication, or production to create a final, recognizable product. - <u>Excludes packaging cost</u> -Can lawfully use “Made in USA” label. FTC governs label use. - <u>3<sup>rd</sup> party certification</u> (“regulatory compliance audit 3 years) by licensed/certified individual/group/ association. Certifier must be legally/ financially separate; sufficient knowledge of supply chain to verify; legally authorization in CA. NOTE: Program report issues Sept 2020 indicated CAMade has no 3 <sup>rd</sup> party certifiers due to small market - <u>EXC agricultural products:</u> these CA Grown Program	-As defined by retailer, e.g., majority of product Made in Oregon
<b>Input Valida- tion</b>	None. Per above.	-Staff review applications and do own research on signed self validation -About 30% to 40% of applications are not accepted.	-Delegated to regional and provincial boards	None. Per above	None

	<b>MADE IN ALASKA INC. NATIVE ALASKAN</b>	<b>NEW ZEALAND INC. MAORI</b>	<b>THAILAND OTOP</b>	<b>CALIFORNIA</b>	<b>OREGON</b>
<b>Benefits</b>	<p>-Use of logo</p> <p>-Also Delivered thru Buy Alaska <a href="https://buyalaska.com/about-us/">https://buyalaska.com/about-us/</a></p> <p>-Mission: To amplify Alaska businesses thru connection, awareness and improved resource access</p> <p>-Vision: To build long-term economic resilience for Alaska</p> <p>-Program under Alaska Small Biz Dev Center.</p> <p>-ASBDC and Buy Alaska operate under University of Alaska Anchorage UAA Business Enterprise Institute (BEI)</p> <p>-Logo BUY ALASKA/ Local 1st</p> <p>-Website w/biz directory in 13 categories (Retail/ Manufacturing/Tourism/ Restaurants/ Home/ Photographers/ Health/Personal Care/ Information/ Maritime/ Mining/ Real Estate/ Waste Management</p> <p>-Partnership Initiatives:</p> <p>--Shop Local Alaska ecommerce marketplace exclusively for Alaska biz; partnered with cruises</p> <p>--Tracks impact of local spending in Alaska</p> <p>-Has logo BUY ALASKA/ Local 1st</p>  <p>-Website w/biz directory in 13 categories (Retail/ Manufacturing/Tourism/ Restaurants/ Home/ Photographers/ Health/Personal Care/ Information/ Maritime/ Mining/ Real Estate/ Waste Management</p>	<p>-Use of kiwi logo</p> <p>-Marketing Including</p> <p>--NZ Made Day</p> <p>-ShopKiwi a shopping platform for NZ made goods and services</p> <p>--Ability to pitch biz on BuyNZ website</p> <p>--Kiwi Original: Podcast &amp; video series sharing unique stories about NZ Made Story shared on social media. Stories cover what Kiwis are making, growing, coding in Making It NZ series</p> <p>-People's Choice Awards</p>	<p>-Govt promotion</p> <p>-Advice on production, quality control, packaging, design from Dept of Export Promotion, Ministry of Commerce, Interior Ministry</p> <p>-Display at Trade Fairs overseas &amp; domestically</p> <p>-In-store promotions</p> <p>-Intl Thailand exhibitions</p> <p>-Skills training, marketable designs &amp; packaging advice</p> <p>-OTOP discounts/ visitor benefits marketed to tourists not only in websites by Tourism Authority of Thailand (TAT) but also by third party travel sites such as Trip.com. This is attributed to TAT's official support of OTOP.</p> <p>-OTOP products available for in-flight sales on Thai Airways, the national airlines, since 2019. Joint effort by Transportation Ministry, TAT &amp; airlines.</p>	<ol style="list-style-type: none"> <li>1. Use of CA Made label on products, packaging, point of sale</li> <li>2. Product, Company listing on website</li> <li>3. Mktg on GO-Biz social media sites</li> <li>4. Info on services for program partners</li> <li>5. Biz to biz networking, advice etc. thru affiliated agencies.</li> </ol>	<p>-If selected, Oregon products have access to a successful internet site and to 9 brick and mortar retail stores</p> <p>-Retailer cites Made in Oregon as</p> <p>--Econ friendly</p> <p>--Huge selection</p> <p>--Multiple recipient shipping</p> <p>--Dedicated customer service</p> <p>-Made in Oregon logo is used by the store, not the products</p>

	<b>MADE IN ALASKA INC. NATIVE ALASKAN</b>	<b>NEW ZEALAND INC. MAORI</b>	<b>THAILAND OTOP</b>	<b>CALIFORNIA</b>	<b>OREGON</b>
	-200 participating local business -Partnership Initiatives: --Shop Local Alaska ecommerce marketplace exclusively for Alaska biz; partnered with cruises --Tracks impact of local spending in Alaska				
<b>How Priced</b>	-Annual permit fee of \$25 per product line (e.g. Beverages and woodcrafts are separate product lines, and each handicraft type is different, requiring separate permits) -Maximum of \$75.00 per permit holder	<b>Annual Fees by Category &amp; Size</b> <b>MANUFACTURERS</b> -1 time registration fee of \$95 -1 time URL of \$85 -Based on number of employees: --0-5: \$275 --6-10: \$350 --11-30: \$450 --31-60: \$550 --61-100: \$950 --101-250: \$1,850 --251-400: \$2,850 --400+: \$5,000 <b>COTTAGE: &lt;\$60,000 annual sales</b> -1 time registration & URL: \$180 -Annual Fee: \$100 <b>RETAIL LICENSE:</b> -1 time registration fee & URL: \$180 -1-50 stores: \$50 -50+ stores: \$500 + \$10/store <b>NON-PROFIT: FREE</b>		- <b>Annual fee:</b> 1 product=\$100 2 products=\$125 3 products=\$150	-Usual retail formula
<b>How Enforced</b>	<b>Federal:</b> Through the U.S. Dept of Interior per below Alaska Native Art <b>State:</b> By Dept. of Commerce. Inspection of production or manufacturing site permit by law. Penalties inc. misdemeanor, revocation or disbarment	-Inc IP protection under trademarks & copyrights laws; fines up to \$150,000 and imprisonment of 5 years. Administered through IP Office, N.Z. -NZ Govt Commerce Commission identifies trademark breaches/enforces -The Logo Hunter (AI software) not in use currently	-By evaluation of boards of regional and provincial committees	-Through third party certification -Renewal 3 years -Terminate label licensing or require licensee to discontinue -3 <sup>rd</sup> parties may sue if product making unlawful claims thru use of CA Made label	-Through Made in Oregon retailer

	MADE IN ALASKA INC. NATIVE ALASKAN	NEW ZEALAND INC. MAORI	THAILAND OTOP	CALIFORNIA	OREGON
# of Participants	Unknown	-Reporting is in 2 areas: 1,500 companies (from Buy NZ) and >15,000 products but no solid estimate	-36,000 OTOP groups -Each has 30-3000 members -Smart OTOP for SMEs seminar as of 2020: 26,600 participants	September 2020 Report: 1. Program largely inactive 2. CA Made does not have significant participation from the manufacturing sector. 2019 CAMade Survey identified 3 major barriers: 1) 3 <sup>rd</sup> party certification; 2) Fees (average \$2,000); 3) Meeting Made in USA standards	-More than 2,000 Oregon products
Government Budget	Part of Department of Commerce, Community and Economic Development Appropriation	-Buy NZ annual budget targeting residents of \$300,000 from members only + 11 staff -Govt cites budget for the broader N.Z. economy sustainable development effort: \$8.3 million media marketing and \$1 million sector/ regional initiatives including public sector procurement	FY2020: US\$11 million @33:1 to stimulate community development	For 2023-24, the Governor proposed a Made in CA budget for manufacturing only of \$1.5 million from the General Fund, to be spent over three years, to relaunch the Made in California program. (1/10/23 Sen. Nancy Skinner, Comm on Budget & Fiscal Review)	None
Economic Impact			-2017: THB 153 billion or US\$4.6 billion @ 33:1 foreign exchange rate -Goal: US\$6-9 billion @33:1		
OTHER	Close ties with Silver Hand and Alaska Native Arts per below	<b>DESTINATION WEBSITE</b> In addition to the overall program, there is a sub-component regarding Maori products and services. 100% Pure New Zealand website has a section under "Things To Do" has a "Maori Culture":  -It provides some cultural history, including the 100 tribes within N.Z. -It also offers travel related programs in 7 areas. Cultural information is provided and Maori activities in each of the following areas included: --Cultural experiences --Te Reo Maori: Language --Kai: Food --Kapa Haka: Performing arts --Tai: Arts --Haka: War Dance --Marae: Meeting grounds/ communities	-1 of tourism destinations promoted was OTOP woodcarving village Baan Tawai in Chiang Mai. Was 1 of most popular shopping destinations. From about 2019, shoppers began migrating from in-person shopping visits to online sales which accelerated with Covid. Most sales now online	In contrast to CA Made, CA Grown purpose is 1) to encourage nutritional & food awareness; 2) to foster purchases of high quality CA ag products; 3) to provide opportunity to participate in marketing campaigns promoting CA products	

	MADE IN ALASKA INC. NATIVE ALASKAN	NEW ZEALAND INC. MAORI	THAILAND OTOP	CALIFORNIA	OREGON
RE- LATED PRO- GRAMS	<p>SILVER HAND FOR NATIVE ALASKAN ARTS - State of Alaska Silver Hand Program/ Certified Tribal Artist Program</p> <p>-OBJ: To preserve sovereignty, enhance economic and cultural resources and promote self-sufficiency &amp; governance for citizens</p> <p>-Requirements:</p> <p>--F/T Alaska resident</p> <p>--Documented member of federally recognized Alaska Native tribe</p> <p>--Adult 18 or more</p> <p>--Only for original work produced in Alaska</p> <p>-An Alaska protected trademark</p> <p>-Used only with written permission of Alaska State Council on the Arts</p> <p>-Cruise briefings on arts &amp; shopping highlight program to passengers</p> <p>-FEES</p> <p>--\$20 Application</p> <p>--100 tags/year Free</p> <p>--Addtl at nominal fee</p> 	<p>BUY MAORI MADE by Maori, for Maori, about Maori – A social media platform and directory of Maori owned business which the platform promotes. 18,000 members. Started to assist small business during the Covid lockdown.</p>  <p>POTENTIAL COLLABORATION - Buy NZ has had preliminary discussions with Maori and are discussing the potential to launch an Aotearoa logo option in future years. But all strongly agree that any initiative must be Maori-led with engagement from iwi across the country.</p>			

	<b>MADE IN ALASKA INC. NATIVE ALASKAN</b>	<b>NEW ZEALAND INC. MAORI</b>	<b>THAILAND OTOP</b>	<b>CALIFORNIA</b>	<b>OREGON</b>
	<p>ALASKA NATIVE ART  <u>-U.S. Legal Protection</u>  --item produced post 1935 using "Indian," "Native American" or "Alaska Native" must be made 1) by member of State/ federally recognized tribe; 2) a certified non-member Indian artisan  --Terms like "ancestry," "descent," "heritage," may be used only if truthful  --Buyers recommended to look for Silver Hand/ other certification  <u>-Responsibility:</u> Alaska Dept. of Law  <u>-Complaints:</u> Indian Arts &amp; Crafts Board, US Dept of Interior  <u>-Enforcement:</u> U.S. Interior Indian Arts &amp; Crafts Board, State Attorney General, State Council on the Arts, Federal Trade Commission.</p>	<p>TREATY OF WAITANGI  This is a treaty originally with the British crown that was incorporated into New Zealand law in the State Owned Enterprise Act of 1986. It recognizes indigenous people rights in the area of trade both domestically and international Free Trade Agreements, where it is a non-negotiable component of the N.Z. government. As with the U.S. Indian laws governing tribal arts, it gives the Maori protection at both the federal and state levels.</p>			
	<p><a href="#">Alaska Grown</a>. Highlights farm products cultivated in Alaska. To display the Alaska Grown logo, items must be 100 percent locally grown, except for processed foods, which must have 75% Alaska-grown ingredients.  <a href="#">Alaska Seafood Marketing Institute</a>. Established by state law in 1981 to promote the health and nutritional benefits of Alaskan-sourced seafood. Recipes for salmon, halibut, etc. See <a href="#">alaskaseafood.org</a>.  <a href="#">Adventure Green Alaska</a>. An independent program to recognize companies with sustainable tourism certification. To qualify, businesses must meet certain economic, <a href="#">environmental</a>, social, and cultural sustainability standards.</p>	<p><b>NZ GROWN</b>  Agriculture, farming and seafood business country of origin label. Green version of Buy N.Z. logo</p>  <p><b>NEW ZEALAND CODE</b>  Kiwi logo with a name relevant for software services. Eligibility rules developed for use of country original labelling on software services.</p> 			

## IV. MARKET INPUT: BUYERS AND SELLERS

As previously noted, this project utilized best practice branding protocols to assess the current and future potential for the Made in Hawai‘i brand. While a complete report of survey results is included, this section highlights key findings in relation to the following scope of work:

- ◆ **Brand Assessment**
- ◆ **Brand Value**
- ◆ **Made in Hawai‘i Qualifying Criteria**
- ◆ **Brand Implementation Input**

### A. Research Background and Methodology

Because a brand is a relationship between the brand and its customers, potential customers and stakeholders, the accepted global approach to branding is to seek market input from key stakeholders through objective, empirical research. This facilitates brand value assessment because accepted financial rules have changed - A brand is no longer “goodwill” but rather an asset, and objective empirical data from the markets are used to quantify its value. DBEDT utilized this market-based approach consistent with global branding best practices in assessing brand equity and current and potential future value is from the Fall of 2022, beginning with exploratory qualitative focus groups, through January 2023, research collected input from two groups of Buyers (Residents and U.S. Visitors) and from Made in Hawai‘i manufacturers (who are also residents). As noted previously, the impact of Covid-19 precluded research with Japan market visitors for this survey, though it is highly recommended in the future.

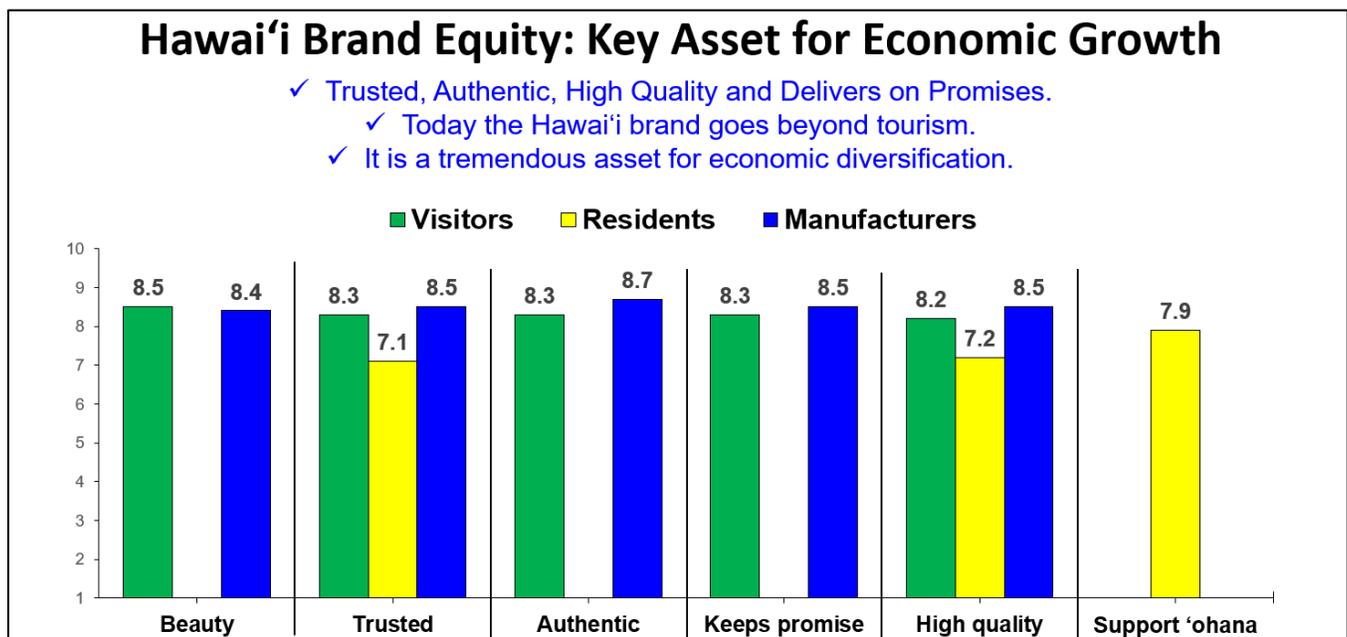
	MIH BUYERS – TWO SEGMENTS		SELLERS:
	US Visitors	Hawai‘i Residents	Manufacturers
<b>Methodology</b>	Online	Online	Online
<b>Screening Criteria</b>	Visited Hawai‘i or interested in visiting in 5 years	Residents of Hawai‘i aged 18 or older	Organizations manufacturing/doing business in Hawai‘i
<b>Sample Size</b>	933	639	103
<b>Sampling error at 95% confidence level</b>	+/- 3.3%	+/- 3.9%	+/- 9.8%
<b>Field Dates</b>	Online: October 26 - 28, 2022 Intercept: November 12 - 14, 2022	October 19 – November 16, 2022	2 Focus Groups: August 3 & 5, 2022 Online: October 21 – March 7, 2023
<b>Weighting</b>	Respondents were weighted to be representative of U.S. visitor profiles reported by DBEDT	Respondents were weighted to be representative of residents Statewide. Weights were proportionate to population distribution per the latest State Census from DBEDT.	Because a profile of Hawai‘i companies that manufacture Hawai‘i products is not available, weights were not applied

## B. Made in Hawai'i Brand Value Assessment

Made in Hawai'i brand value was assessed by Buyers and Sellers along two dimensions. One dimension covered brand equity and the other brand associations for Made in Hawai'i.

**BRAND EQUITY** – Brand equity is a metric used to assess the strength or value of a brand. This equity is cumulative – based on brand awareness, perceptions of and experiences with the brand. Some experiences are actual, meaning that a consumer has purchased the brand and has formulated attitudes toward it, while others may be perceived or expected – based on what the consumer has seen or heard about the brand. High brand regard enables a brand to receive a higher than average price for a product and offers a platform on which to develop and cross sell other products under the same name. For this research, brand equity was measured on 12 different attributes. While visitors and manufacturers rated all attributes, residents rated only six due to time limitations of the tack-on approach.

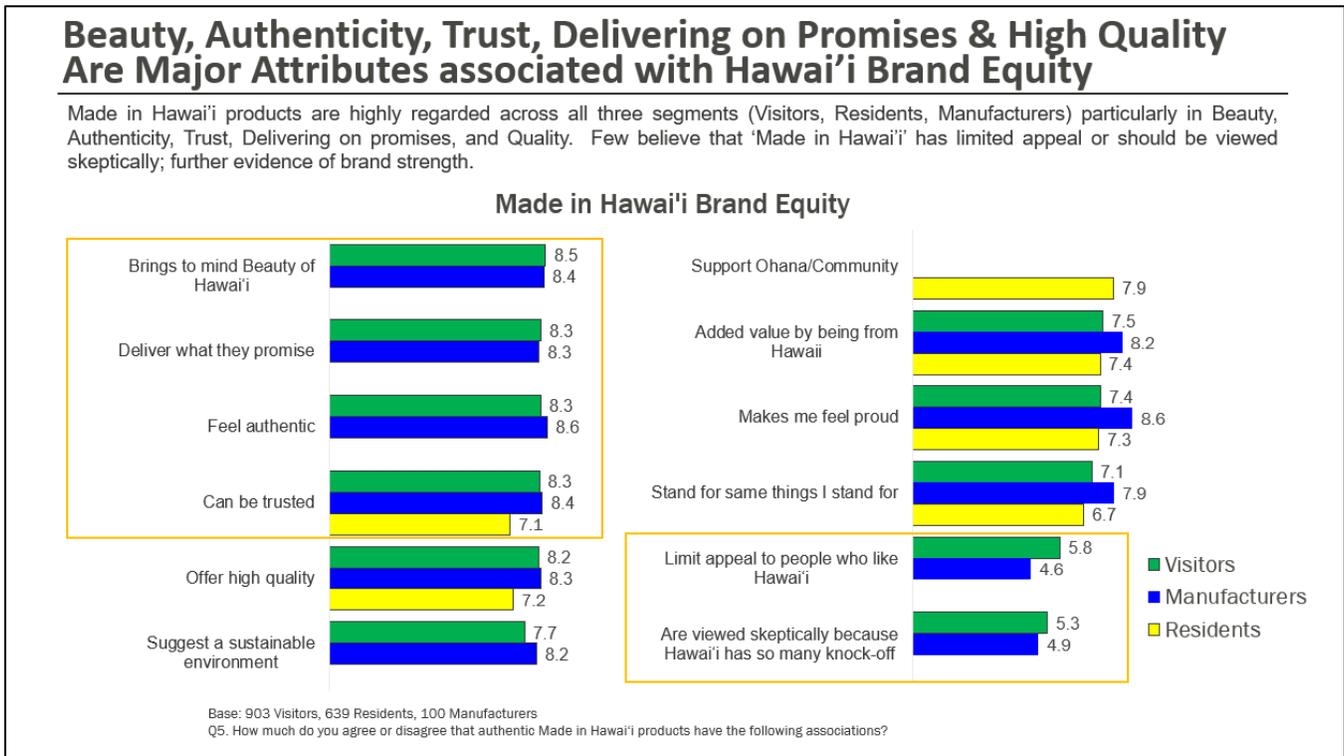
The graph below shows the 6 of 12 brand equity attributes rated most highly across the three (3) buyer and seller markets. The Hawai'i brand captures many of the critically important brand equity attributes essential to developing a strong relationship between brand and consumer: Among buyers (both visitors and residents) and sellers (MIH companies), Hawai'i rates highly on trust, authenticity, delivering on promises and quality. Among residents, brand equity is also rooted in supporting the 'ohana and Hawai'i families. These strong brand equity ratings demonstrate that buyers and sellers have a strong and trusted emotional connection. The Made in Hawai'i brand's high brand equity offers a strong platform on which to further capitalize on the strength of the brand to the benefit of the State.



A more detailed look at ratings on all 12 Hawai'i brand equity attributes show that visitors, residents, and manufacturers generally have solid positive ratings for the Made in Hawai'i brand not only overall but also on specific attributes. For example, almost 9 in 10 visitors (86%), 7 in 10 residents (71%) and 8 in 10 manufacturers (80%) agree Hawai'i products offer high quality. It is especially noteworthy that half of visitors (48%) give ratings of 9 or 10 on a 10-point agreement scale.

Two of the 12 Hawai'i brand attributes relate to potential negative perceptions such as limited appeal and skepticism because of lack of authenticity. In terms of Hawai'i brand appeal, visitors are split with 42% agreeing that Made in Hawai'i's appeal is limited to consumers who like Hawai'i and 41% disagreeing.

And while 41% agree that Hawai'i knock-offs have made them skeptical about product authenticity, 44% disagree. While these are potential concerns, they have potential to be addressed in a Made in Hawai'i brand program through opportunities to broaden appeal and to ensure authenticity through a pro-active certification program.



**BRAND ASSOCIATIONS** – Brand associations cover what the brand stands for as well as the attributes with which it is linked. Brand associations were analyzed by asking visitors and manufacturers to rate the importance of seven different attributes in influencing a Made in Hawai'i purchase decision. Due to the residents' survey very short length of interview, brand associations were not asked specifically of Hawai'i consumers, though manufacturers are residents as well.

Among U.S. visitors and Hawai'i businesses, the most important Hawai'i brand values are its strong sense of place and people, its unique multi-culturalism, its perceptions of being healthy and fresh, and its community spirit. These brand associations reflect a perception of Hawai'i as a unique collective and living culture with a healthy/ pure associations. (It should be noted that "clean" is not always correlated with healthy/ pure associations. For example, Singapore is considered a "clean" city, but not necessarily healthy or pure.)

Somewhat surprisingly, associations related to Hawai'i as a visitor destination ranked as least important. Hawai'i's sun, sand and surf, and exotic associations proved significantly less important to both visitors and manufacturers. And although many view Hawai'i product purchases as stemming from a desire to stay connected to memories of past visits, this too rated less important to both visitors and manufacturers. In fact, buyers and sellers rated attributes tied to Hawai'i as a visitor destination (sun, sand and surf; exoticness, and vacation memories) as lowest, and the ranked fifth, sixth and seventh in importance among the seven (7) attributes tested.

# Hawai'i: A Lifestyle Brand

- ✓ Valued for its sense of place, multi-culturalism, health & natural beauty.
- ✓ Buyers' emotional connection to Hawai'i is a strong platform to launch diverse products.

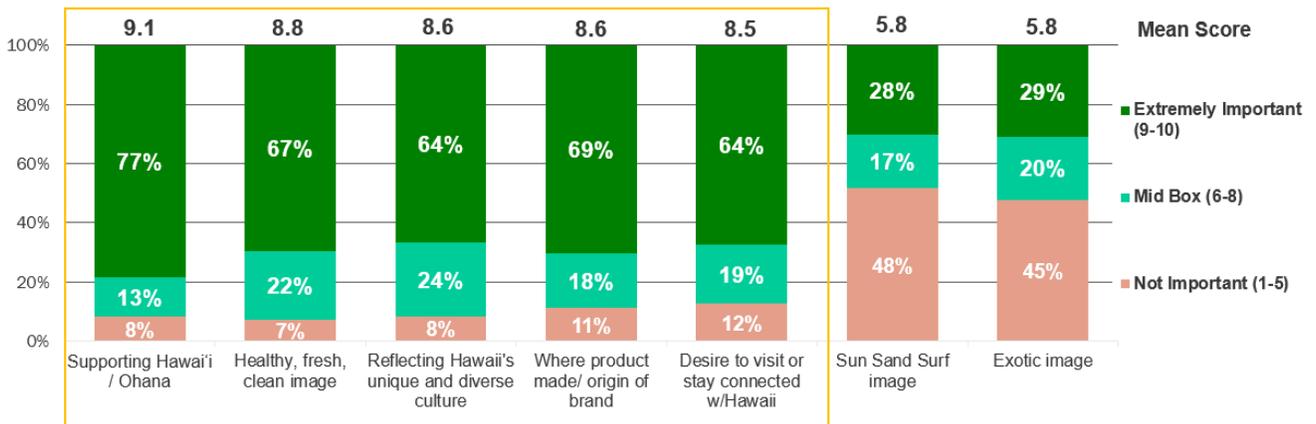


Looking more closely at Manufacturer Made in Hawai'i brand associations shows that supporting the community or 'ohana ranks first in importance, and Hawai'i's healthy, fresh, clean image a close second. In the residents' survey, the brand equity attributes included supporting the community and this likewise ranked #1 among residents. Manufacturers' other brand associations ratings run closely parallel to those of visitor respondents.

## Manufacturers prioritized supporting their community/ohana and a healthy fresh image over Sun/sand or Exotic image

MIH manufacturers, like residents, indicate that supporting the community/ohana is the top priority in making a purchase decision. Besides that, brand associations tying to a Healthy, fresh, clean image, Hawai'i's diverse culture, and place of origin also rate as extremely important by a majority of manufacturers. In contrast, almost a majority of manufacturers assert that sun, sand surfer and exotic imagery is not important at all in influencing the buying decision.

Manufacturers: Important factors in purchasing products from Hawai'i

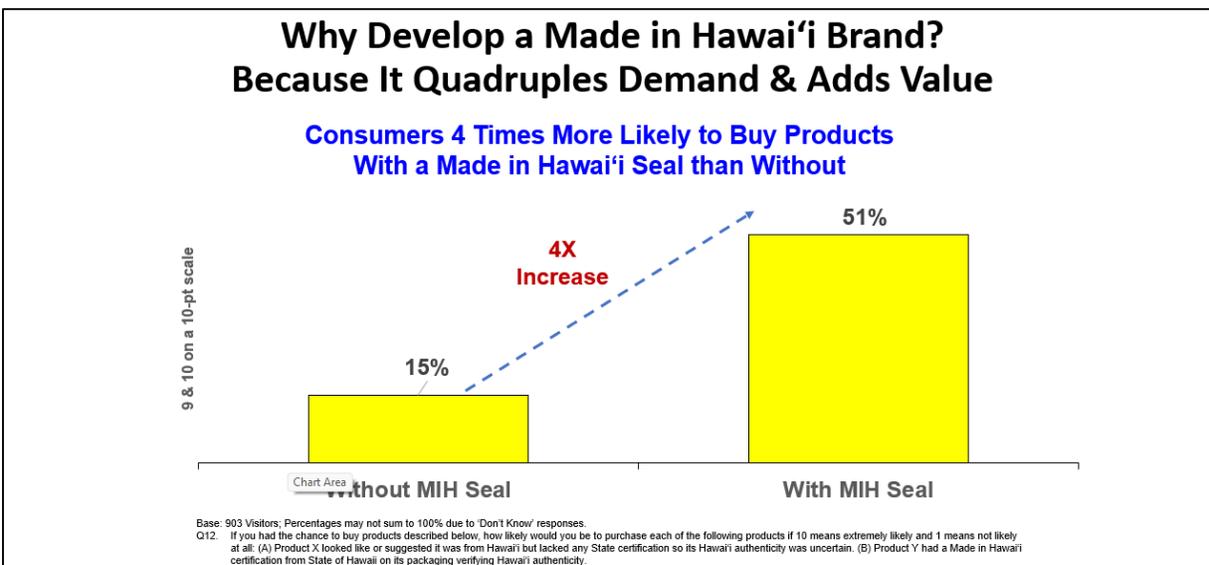


Base: 100 Manufacturers; Percentages may not sum to 100% due to 'Don't Know' responses.  
 Q4. In deciding to purchase products from Hawai'i, how important are the following, with 10 being extremely important and 1 being not important at all?

## C. Brand Value

**CONSUMER DEMAND** - Perhaps the most direct means of assessing brand value through primary research is to ask a direct likelihood of purchase question of consumers. Omnitrak used a standard purchase intent question used by consumer packaged goods companies because the design is valid and reliable, having been tested extensively. Based on qualitative comments in manufacturer focus groups that companies frequently “knock off” Hawai‘i imager product descriptions to address the potential for mislabelling were incorporated into the question: U.S. visitors were asked to identify on a scale of 1 to 10, their likelihood of buying two different products --- Product X looked like or suggested it was from Hawai‘i but lacked any State certification so its Hawai‘i authenticity was uncertain and Product Y had a Made in Hawai‘i certification from the State of Hawaii on its packaging verifying Hawai‘i authenticity.

In a likelihood of purchase question like this, it is most important to identify the percentage of customers who are extremely likely – those who give ratings of 9 or 10 on a 10-point scale. Results show that while 15% of US visitors say they would be extremely likely to purchase a product without a Made in Hawai‘i seal, a majority of 51% are extremely likely to purchase a product with a Made in Hawai‘i seal. This means that consumers are four (4) times more likely to buy products with a Made in Hawai‘i Seal than without it. And this in turn suggests that sales potential could as much as quadruple for products authenticated as Made in Hawai‘i.

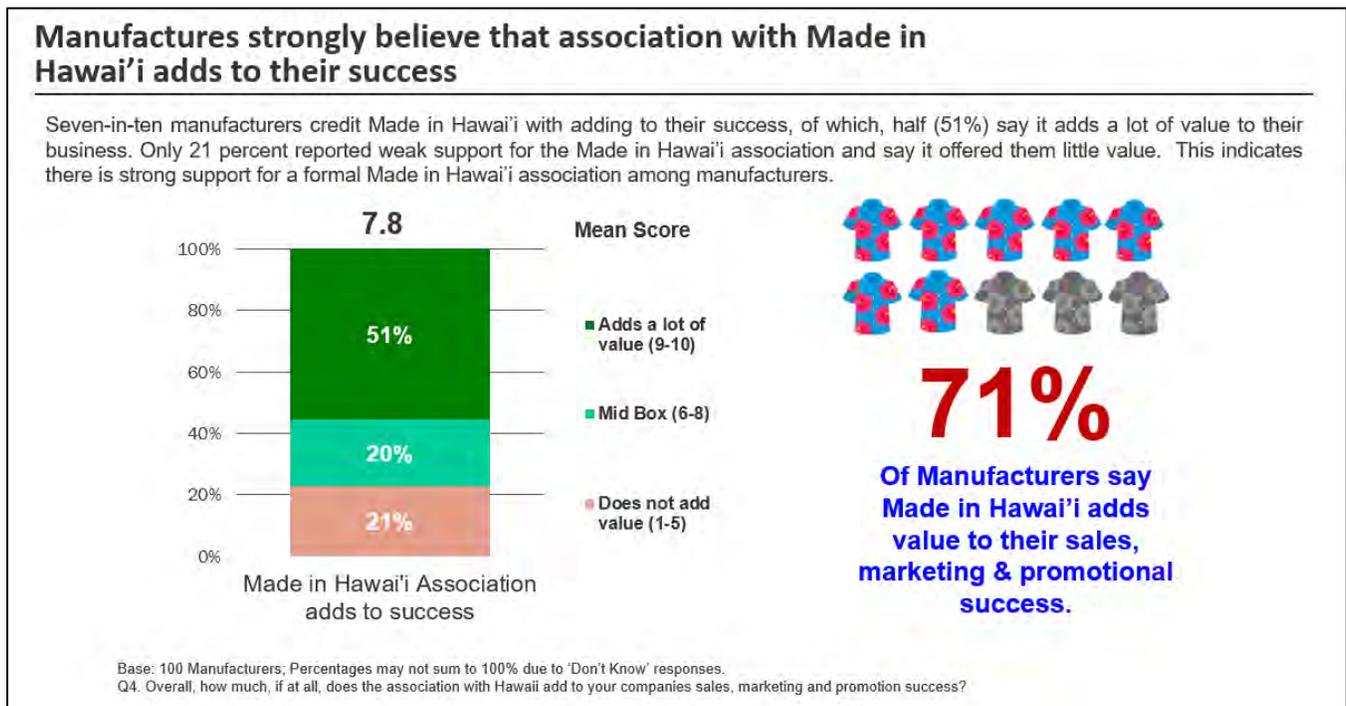


To understand why demand increases so significantly, it helps to analyze some additional data points. The first is a global brand origin study conducted by Nielsen Research in 2016. According to a Nielsen press release, “Nearly 75% of global respondents, on average, say a brand’s country of origin is as important as or more important than nine other purchasing drivers, including selection/choice, price, function, and quality.”

Secondly, data from this project’s Buyers study also points to the potential for the Hawai‘i brand to enhance the value proposition. In the study with U.S. visitors, a total of 73% agree that Made in Hawai‘i products have added value by being from Hawai‘i, with a plurality of almost 2 in 5 (38%) strongly agreeing. On a net basis when those who disagree (the 17% rating 1 to 5 on the 10-point scale) are subtracted from those who strongly agree (the 38% who rate 9 to 10 on the 10-point scale), net agreement on the value added proposition of Hawai‘i products is +21 points, which is substantial.

**MANUFACTURER PERCEPTIONS** – As with consumers, manufacturers strongly agreed on the same question that being from Hawai‘i adds value to their products. While 83% agreed with this statement overall, a large majority of 3 in 5 or 61% strongly agreed, rating this statement a 9 or 10 on a 10-point scale. Using the same formula for consumers, this is a net positive agreement of +48 points.

In addition, a more specific question assessing Hawai‘i’s value added was asked of manufacturers. When asked to what degree the association with Hawai‘i adds specifically to a company’s sales, marketing and promotion success, a total of 71% say it clearly does. Further, just over half (51%) assert that Hawai‘i “adds a lot of value.” Interestingly, buy New Zealand has found similar perceptions among its Made in New Zealand members with “about 70%” agree to that the kiwi logo adds to a company’s financial and promotion success.



## D. Made in Hawai'i Qualifying Criteria

**ATTITUDES TOWARD CURRENT MIH QUALIFYING CRITERIA** – Currently, to use “Made in Hawai‘i” and participate in its programs, Hawai‘i law 486-119 requires that 51% of a product’s wholesale value added by manufacture, assembly, fabrication or production must be within the State. This “wholesale value” has been interpreted to apply mostly to food and agricultural products and to exclude other operating expenses such as labor, R & D, intellectual property protection, etc.

Focus groups with MIH manufacturers suggested that the current law, while well intended, does not take into consideration the business models used by most MIH product producers. They assert that regulation excludes large numbers of Hawai‘i businesses from the benefits of a Made in Hawai‘i Program. Hence, while MIH businesses understood that that the current requirement might be ideal, focus group respondents perceive the current law as unrealistic and unfairly limiting. Some comments from focus groups and depth interviews:

*A requirement like (the one now for Made in Hawai‘i) limits Made in Hawai‘i mostly to food and farmers. There’s a lot more people than just food manufacturers who will benefit from this program. The fact that we’re (located here)...benefits a lot of people. We employ people, we pay taxes, we pay rent, we use utilities, we buy stuff.*

*I’m in fashion. (The current definition) excludes most fashion (manufacturers). All of our styles, fabrics, looks are designed in Hawai‘i. (In Hawai‘i), we don’t have capacity for largescale textile production, so these are outsourced elsewhere, and we can’t meet the 51% requirement (as currently defined).*

*There are pros and cons. I’m in ag, but other than the raw ingredients there’s no manufacturing support for my business. So other than our raw ingredients that we utilize (from Hawai‘i), everything else that we need to finish our product, to manufacture, is coming from somewhere else, whether it be equipment or the bottles.*

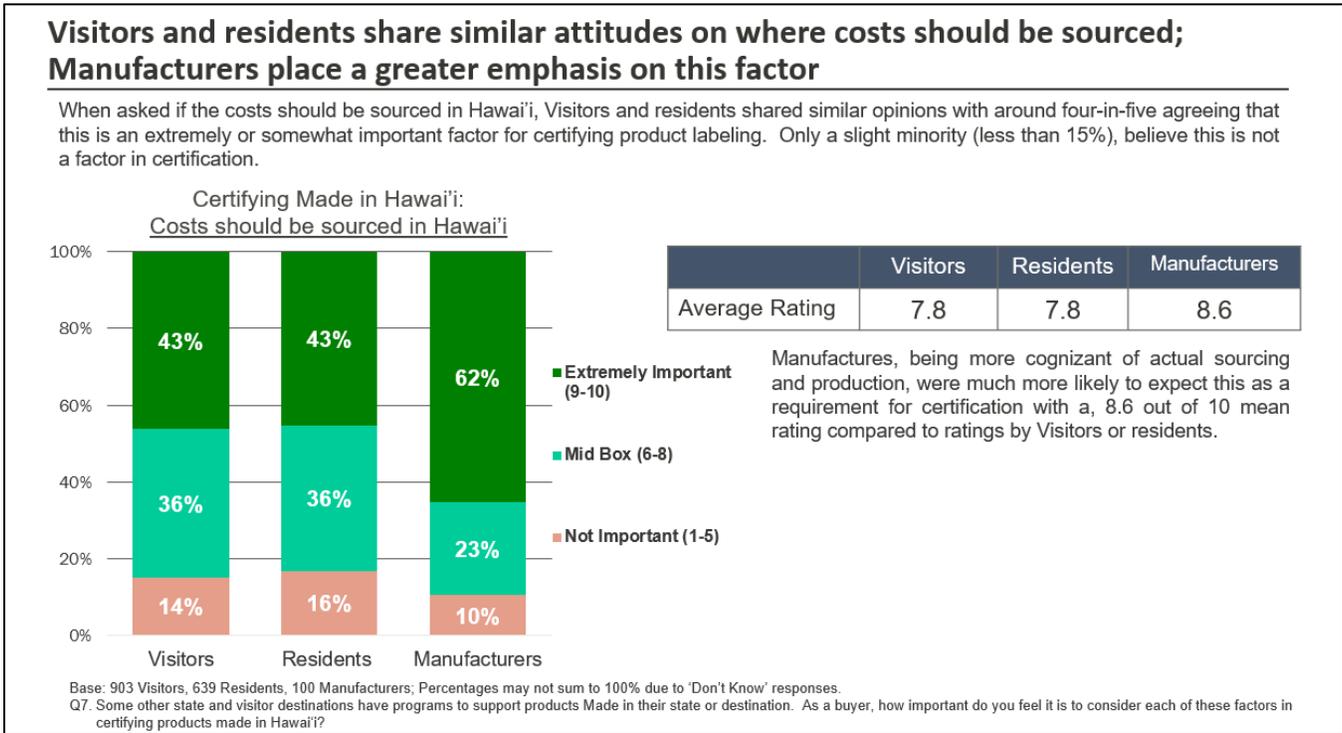
*We’ve always tried very, very, very deliberately to use local – from guava that used to be grown here, honey, flowers, coffee. But the caveat is a lot of these things are no longer locally available on the scale (needed). So out of necessity to stay in business, we have to bring in items. But, it’s the hardest challenge for most manufacturers to deal with shipping or Mainland processing. And it’s getting harder and harder. Farming is a tough business and people leave, then manufacturers like us can’t get enough mac nuts or guava or the raw ingredients for the Made in Hawai‘i products 51%.*

*We have a passion for locally grown, locally sourced ingredients. We didn’t want our (fruit) product to taste like Mexico or something from Thailand. We’re never going to be a cost leader. Our mission was to create refined products with a connection to the ‘āina, to the community, to the culture. But 51% of (raw ingredients) is high (bar) for us.*

*Government needs to ask if we want to support all jobs in Hawai‘i or mainly farming. I heard farming is (less than) 5% of jobs. Expanding the MIH program to more manufacturers will benefit jobs.*

To quantify results of two manufacturer focus groups and to identify how the Seller market overall feels about what criteria should be included in the MIH definition, these suggestions were included in the quantitative study. First of all, it is clear that both Buyers and Sellers strongly favor MIH criteria that is based on costs spent in Hawai‘i. In certifying Made in Hawai‘i products, residents, manufacturers, and visitors all feel it is extremely important that a Made in Hawai‘i program certify products based on costs

that are sourced or produced in Hawai‘i. As shown below, all stakeholders rate this as extremely important with 85% of manufacturers asserting this is “important,” and a majority of 62% of manufacturers asserting this is extremely (9 or 10 on a 10-point scale). Although somewhat lower, a large majority of Buyers – both U.S. visitors (79%) and residents (79%) – concur that certification should be tied to Hawai‘i costs.



**EXPANDING INPUT USED IN QUALIFYING MIH CERTIFICATION** – Manufacturer focus group respondents unanimously asserted that the qualifying criteria should be expanded to make the program more inclusive while still recognizing the need to spend costs in Hawai‘i. As part of the focus groups, the moderator asked participants to identify what types of costs should be included in Made in Hawai‘i qualifying criteria. The list was long and those most mentioned were included in the quantitative survey to obtain Buyer and Seller feedback.

Overall, respondents asserted that inputs that should be included relate to MIH business expenditures that “benefit Hawai‘i.” While jobs were highest top of mind in focus groups and received strongest advocacy, a wide range of suggestions were made. The research included 11 specific areas that had widespread support among focus groups respondents to be tested in the follow-up quantitative survey with Buyers and Sellers, excluding only areas where measuring inputs would be challenging, e.g., whether a business is conducted in way consistent with the values of residents.

**BUYER AND SELLER ATTITUDES ON MIH QUALIFYING CRITERIA** – Across all three stakeholder groups surveyed, visitors, residents and manufacturers all favor revising Made in Hawai‘i criteria. All three groups reinforced the focus group sentiments that the definition needs to expand beyond a product’s raw materials to include other measurable benefits to Hawai‘i. Among the inputs rated most important by visitors, residents and manufacturers are jobs, raw materials, research and development investments, headquarters in Hawai‘i and taxes paid in the State.

Stakeholders differed somewhat in terms of their top priority. Residents and Manufacturers ranked jobs in Hawai‘i as their #1 addition to the criteria among the 11 areas tested. Clearly this ranked higher than any other input, which was consistent with manufacturers’ focus group input:

### MIH Qualifying Criteria: 51% of What?

- ✓ Residents, visitors & manufacturers strongly favor revising MIH Criteria.
  - ✓ Expand beyond a product’s raw materials.
- ✓ Count other Hawai‘i benefits: Jobs, rent, R & D, taxes & operating expenses spent locally.

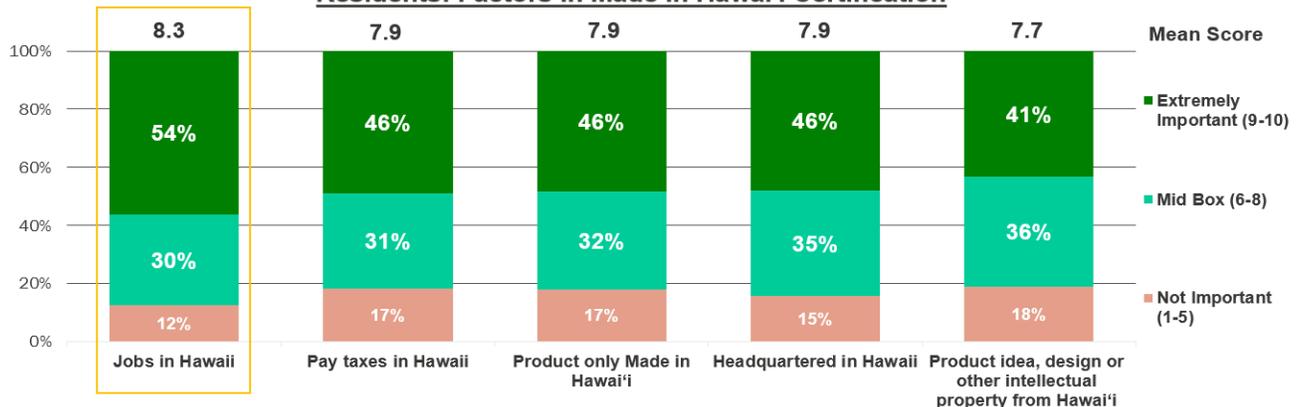
	Manufac-turers	Residents	Visitors
<b>JOBS</b> in Hawai‘i	9.1	8.3	7.9
<b>HEADQUARTERED</b> in Hawai‘i	8.9	7.9	7.7
<b>R &amp; D</b> - product idea, design or other intellectual property from Hawai‘i	8.5	7.7	7.8
Pay <b>HAWAII TAXES</b>	8.8	7.9	7.4
Company owners live in Hawai‘i	8.8		7.3
A significant cost of the product is sourced or produced in Hawai‘i	8.6	7.8	7.8
Product only Made in Hawai‘i	7.9	7.9	8.1
Name or imagery associated with Hawai‘i	7.8		7.5
<b>RAW MATERIALS</b> / ingredients sourced in Hawai‘i	7.2		7.8
Connection to indigenous culture	6.7		7.8
Product made by Native Hawaiians	4.8		7.9

In contrast, visitors prioritize products *only* Made in Hawai‘i as the top addition to qualifying criteria. However, it should be noted that U.S. visitor respondents rated many other factors as very important regarding MIH certification. Besides “only made in Hawai‘i,” U.S. visitors gave high importance to the following: *Jobs in Hawaii, production or connection to Native Hawaiian/ the State’s indigenous culture, raw materials, IP, source, and designed in Hawai‘i.* Residents shared some of these sentiments, however, prioritized *jobs* above all else. In fact, a solid majority of 51% of residents rated jobs as extremely important – 9 or 10 on a 10-point scale.

### Among residents, Local jobs stand apart as the key factor in certifying a product is Made in Hawai‘i

Above all other considerations, providing jobs in Hawai‘i is a critical component of product certification with a majority of residents reporting this is extremely important to them. The next consideration for residents is Paying taxes in Hawai‘i, that the product is only Made in the State, and that the headquarters are located there.

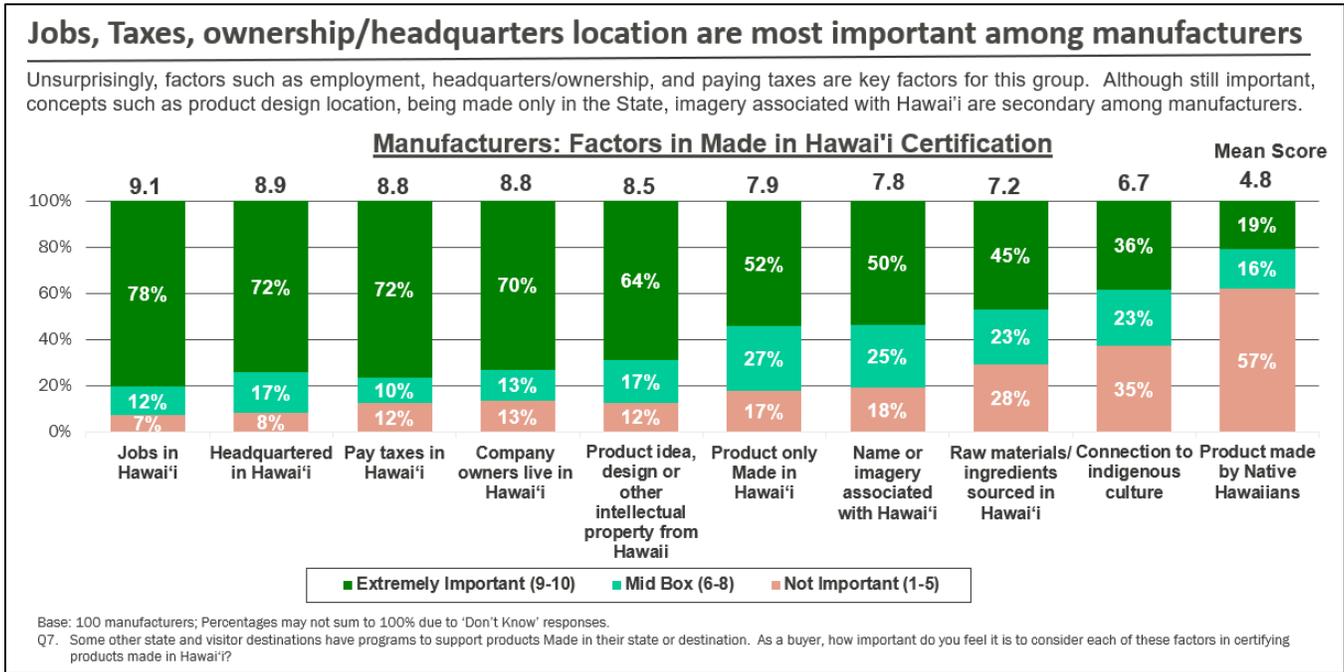
**Residents: Factors in Made in Hawai‘i Certification**



Base: 639 Residents; Percentages may not sum to 100% due to ‘Don’t Know’ responses.

Q7. Some other state and visitor destinations have programs to support products Made in their state or destination. As a buyer, how important do you feel it is to consider each of these factors in certifying products made in Hawai‘i?

Manufacturers likewise put jobs at the top of the list for expanding the MIH input criteria. A dominant majority of 8 in 10 (78%) ranked this as extremely important. Also rated as extremely important by approximately 7 in 10 manufacturers were headquarters in Hawai‘i; payment of Hawai‘i taxes and whether or not the company owners lives in Hawai‘i.



**DIFFERENTIATED PERSPECTIVES OF U.S. VISITORS** – While all stakeholders (residents, manufacturers, and visitors) shared strong consensus on the importance of including costs for jobs, rent, R & D, and taxes spent in Hawai‘i, visitors were somewhat differentiated in their perspective. Generally, U.S. visitors feel it is also important to certify Made in Hawai‘i products based on whether they are exclusive or only made in Hawai‘i, have a connection to the indigenous culture, and are produced by Native Hawaiians.

**E. Brand Implementation: Ensuring Authenticity & Enforcement Attitudes**

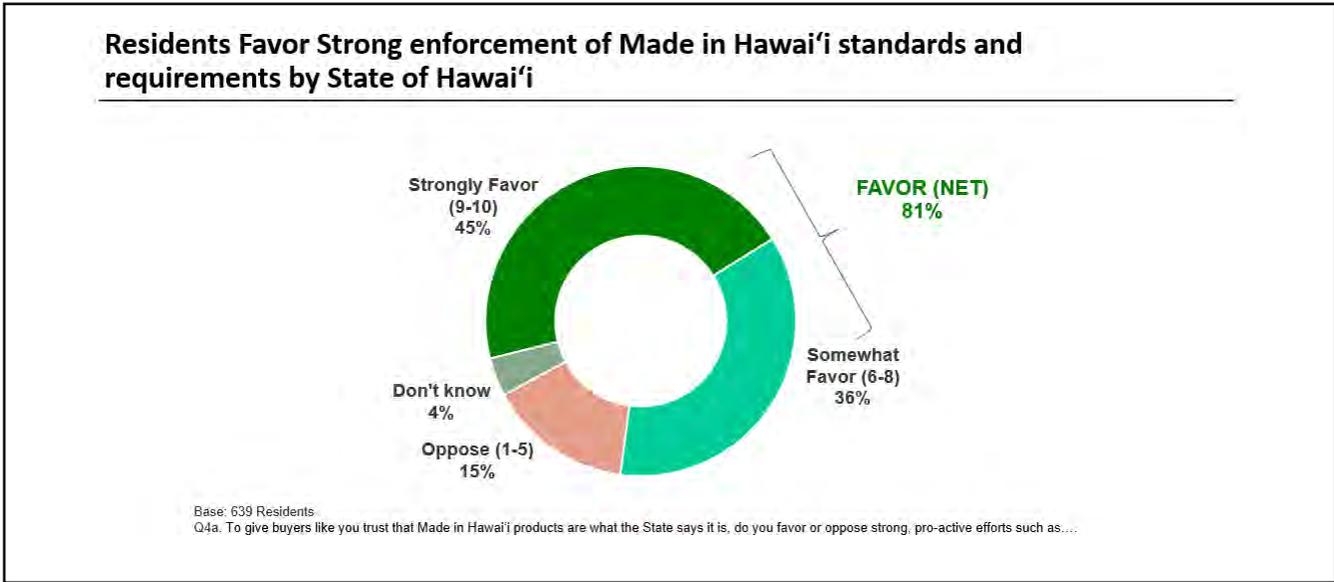
As shown in results on Hawai‘i brand equity, the Made in Hawai‘i brand is currently perceived as “feeling authentic” by both U.S. visitors and MIH manufacturers. In fact, a majority of U.S. visitors (51%) and MIH manufacturers (64%) strongly concur with this equity attribute rating it 9 or 10 on a 10-point scale.

With that in mind, Buyers and Sellers also strongly support actions to protect the authenticity of the Made in Hawai‘i brand. First and foremost, U.S. Visitor Buyers want to be able to clearly identify authentic Hawai‘i products that meet State standards. By very large majorities, they highly support a visual identification such as a logo on products to show Made in Hawai‘i certification (85% important and 55% extremely important). The desire to be part of Hawai‘i’s lifestyle and to be assured of authenticity underlie this sentiment: On the one hand, visitors want MIH products to convey the feeling of Hawai‘i.

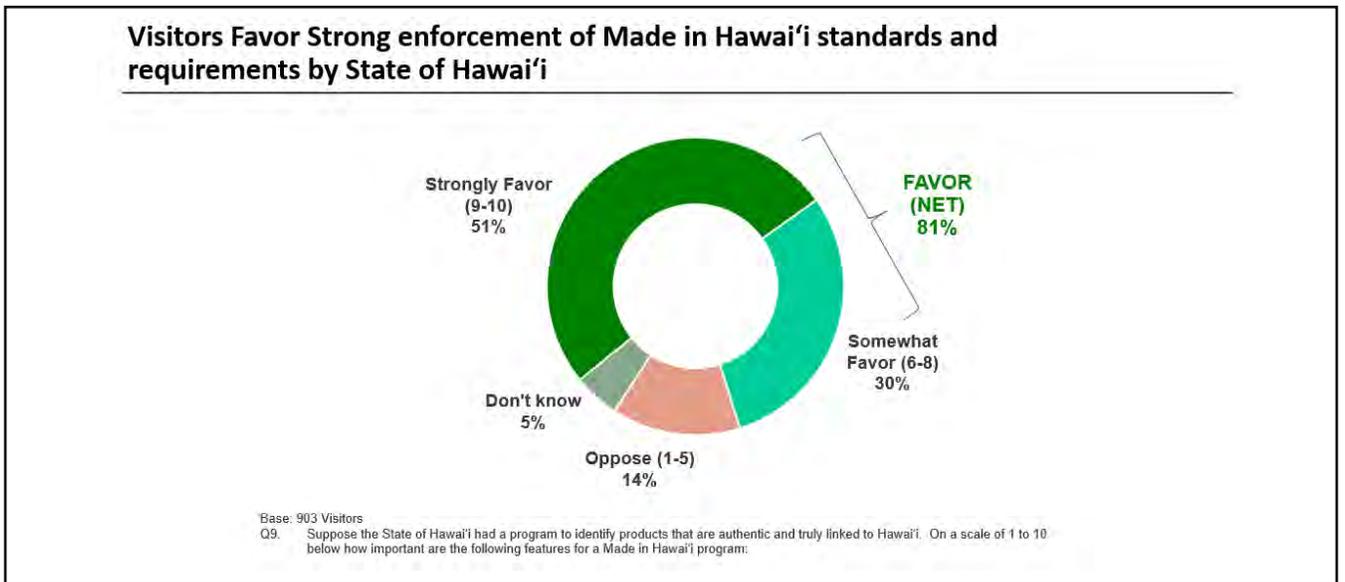
On the other hand, they don’t want to be cheated. As shown in the graph below, 1 in 4 U.S. visitors (23%) reported buying something they thought was from Hawai‘i and then learning post-purchase that this was not the case. This is a significant minority whose product expectations were not fulfilled. They hence

support making it easier for the consumer to identify authentic MIH products from knock-offs, a form of consumer protection.

Besides a MIH logo or identifier, Residents, U.S. Buyers and Manufacturers all support strong enforcement of MIH standards and requirements, so they have confidence that the Made in Hawai'i logo is meaningful. Among Residents, almost half (45%) are strongly in favor of strong enforcement of MIH standards and requirements by the State of Hawai'i, rating 9 or 10 on a 10-point favor vs. oppose scale. Comparing all residents who favor to varying degrees (81%) with those who oppose (15%), strong State enforcement of MIH scores a net favorable of +66 points.



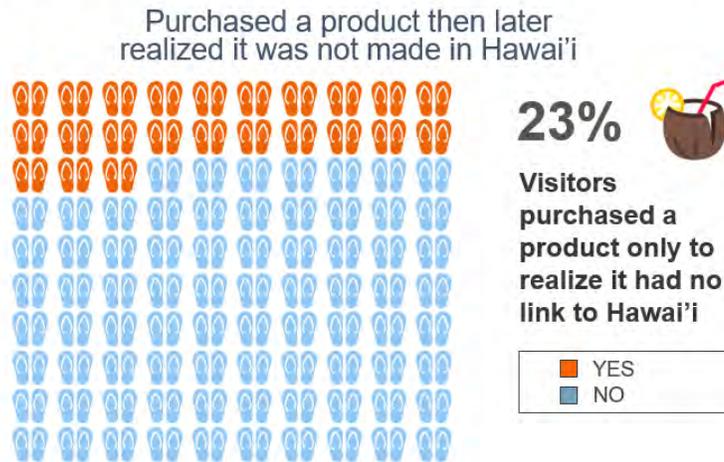
Among U.S. visitors, 81% say it is important with 51% asserting it is extremely so, to have strong enforcement of MIH standards and requirements by the State. This assurance of authenticity is also related to another brand equity attribute on which Hawai'i relates highly – delivering on its promises.



Underlying buyer concerns about authenticity is the fact that almost 1 in 4 U.S. visitors report purchasing products that they were led to believe were from Hawai‘i but later learned they were not.

### Around a quarter of all visitors purchased a product and later realized it was not made in Hawai‘i

While not a widespread problem, almost 1 in 4 visitors report being deceived when purchasing a product they originally believed to be Made in Hawai‘i, only to realize later that it had no link to the State.

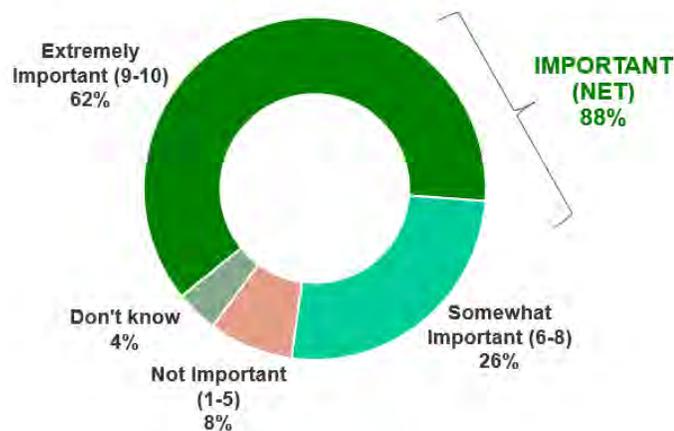


Base: 903 Visitors

Q6. Have you ever purchased a product that you thought was made in Hawai‘i and found out that it was not or had no link to Hawai‘i?

Among MIH Manufacturers, the concept of MIH enforcement receives strong support. Almost 9 in 10 cite this as important, with a majority of 62% rating it extremely important.

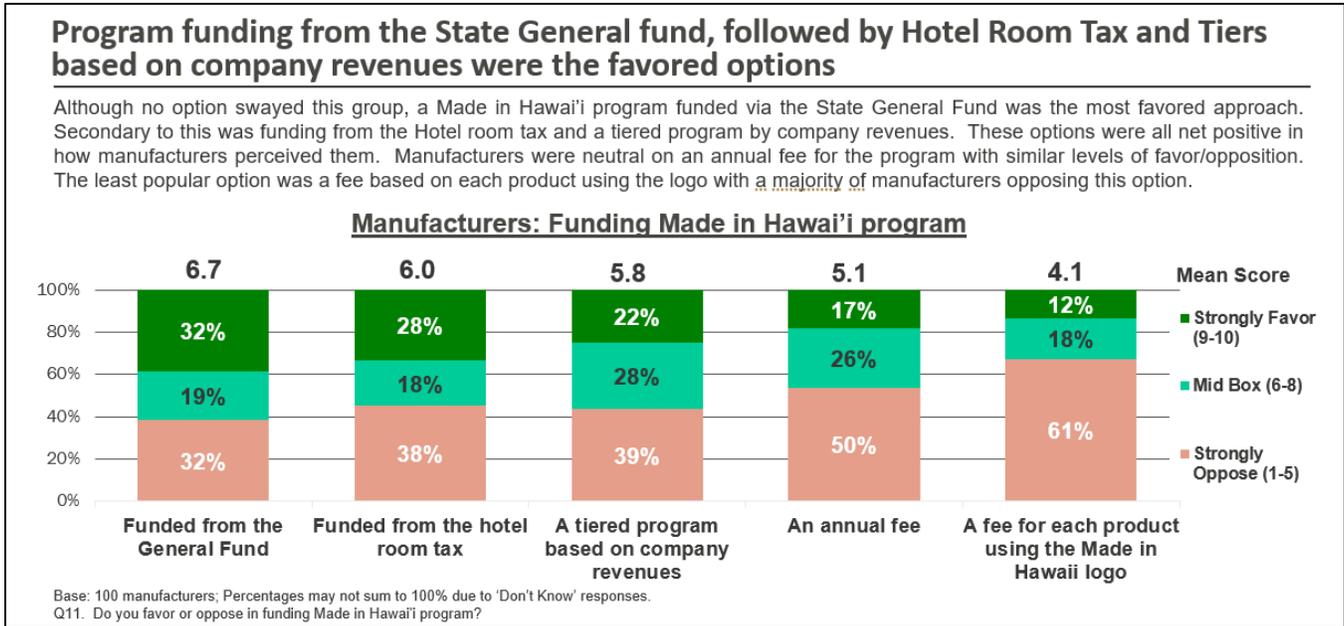
### Manufacturers Favor Strong enforcement of Made in Hawai‘i standards and requirements by State of Hawai‘i



Base: 100 Manufacturers

Q9. Thinking about different potential program benefits for participating in the Made in Hawai‘i program, how important is each of the following in deciding whether or not your company participates in a Made in Hawai‘i Program:

**MIH PROGRAM FUNDING** – The Hawai‘i business survey also asked respondents how the benefits to MIH businesses should be funded. Five potential sources were identified, ranging from the General Fund to a fee on each product using the logo. A majority of 51% favored funding from the General Fund, with a mean rating of 6.7 on a 10-point scale. In contrast, a per item fee for use of the MIH logo generated a majority of 61% who opposed this approach.



Qualitative comments from Manufacturers provide some context for this opposition:

*Even if costs are higher and there are a lot more hurdles (to doing business in Hawai‘i), we stay here because we love the Islands. It’s a hard choice but we make it. (But) everyone except small business gets the breaks – the big hotels owned by companies outside Hawai‘i, the film industry which ships in many of their employees, and the big developers who form tax free businesses (trusts). We pay taxes. We should get back some benefits from a program like Made in Hawai‘i.*

*Covid-19 showed we need to diversify our economy. The whole state is too dependent on tourism. Programs like Made in Hawai‘i help the entrepreneurs who don’t want to be captive to how many tourists arrive in Hawai‘i. Made in Hawai‘i is a big step toward developing new industries. (Historically), it’s all talk, no action. We keep funding the same dominant industry. The State needs to invest in Made in Hawai‘i, not take more from businesses like ours.*

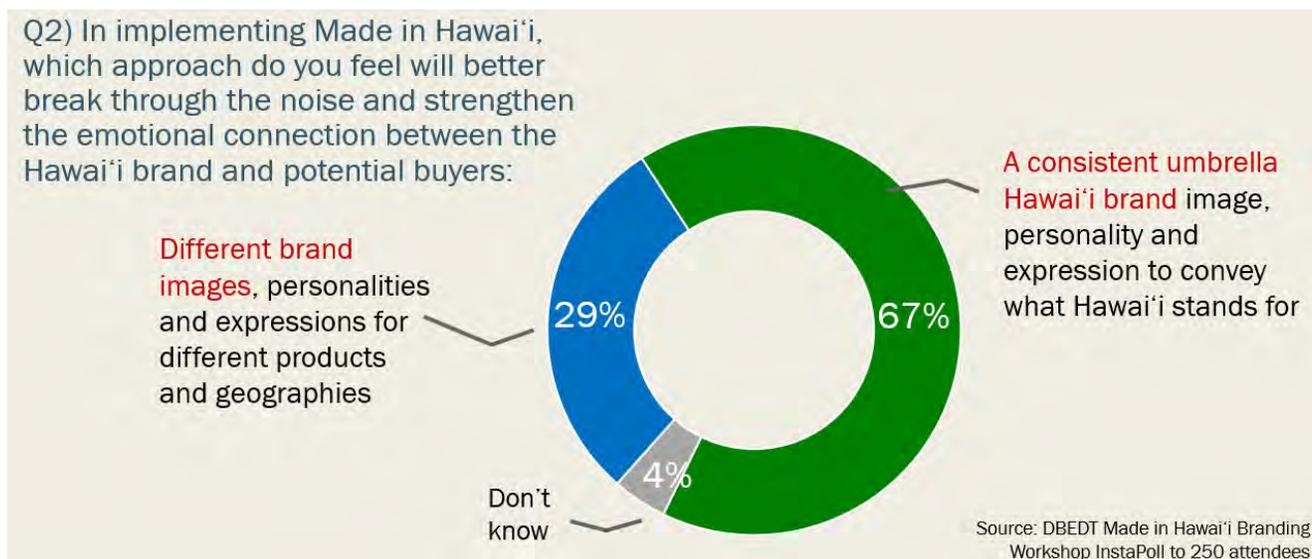
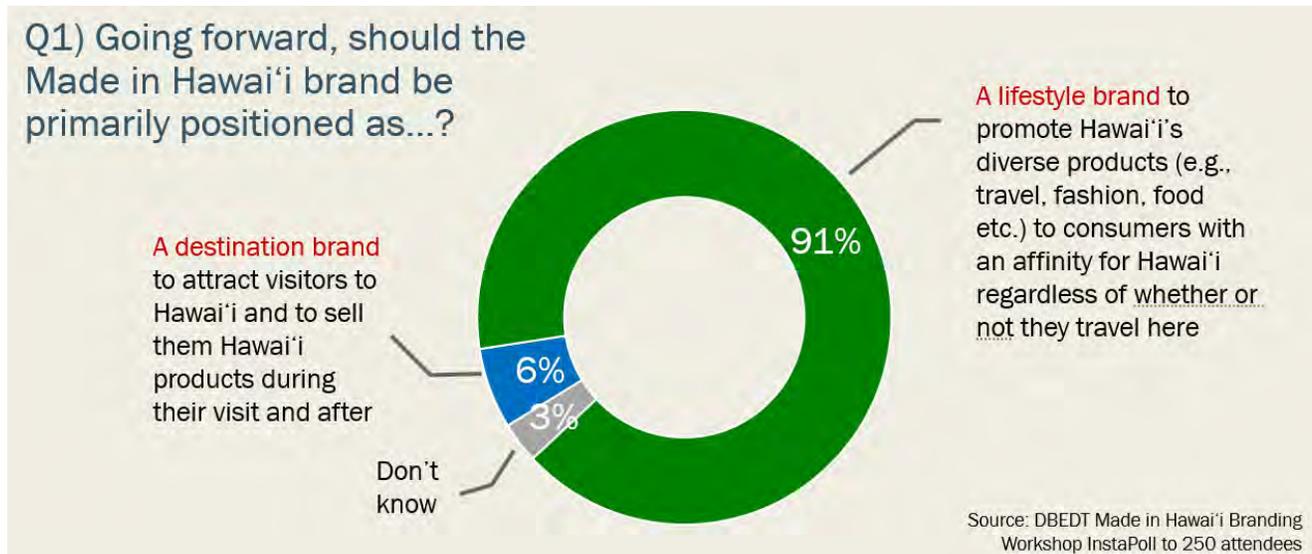
*I can understand a small fee for this program, but per impression is just really extractive.*

*A (past) administration had the Seal of Quality initiative. But we never achieved enough impressions to develop awareness among buyers or to give the recognition of value... We need marketing (support) to build a strong (MIH) brand. There is a return on investment to the State as well as us (Manufacturers) because raising value of Hawai‘i’s products will raise the tax base.*

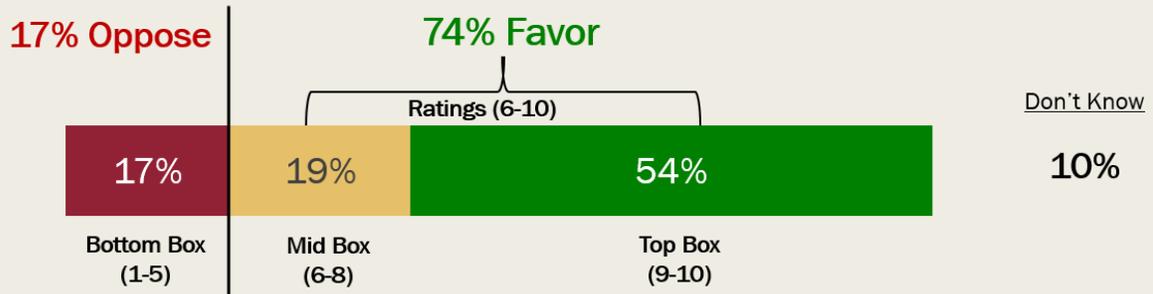
## F. Other Stakeholder Input: Conference Participants

One final source of stakeholder input was implemented during the first State Made in Hawai'i Branding Workshop on March 29, 2023. The Workshop polled the almost 250 attendees on three strategic issues related to how a Made in Hawai'i branding program is implemented going forward. Conclusions proved consistent overall with sentiments expressed in Buyer and Seller market research:

- ◆ An overwhelming 9 in 10 attendees (91%) favored that the Made in Hawai'i brand be developed as a lifestyle rather than destination brand.
- ◆ By a margin of well over 2:1, 67% of attendees clearly preferred development of a consistent Made in Hawai'i brand umbrella rather than many different brands for different regions and products, which was the preference for a minority of 29%.
- ◆ A very large majority of 3 in 4 (74%) favor expanding the current Made in Hawai'i qualifying requirements to include labor/ jobs, rent, research and development and other operating expenses paid or sourced in Hawai'i.



Q3) Currently, Made in Hawai'i is defined as 51% of a product's content must be sourced in Hawai'i. A bill was introduced in the Legislature that would change that to 51% of operating costs including labor, rent, research and development, etc., not just the product content, must be sourced in Hawai'i to claim "Made in Hawai'i." On a scale of 1 to 10, how much do you favor or oppose expanding the 51% requirement to include operating and overhead costs?



Source: DBEDT Made in Hawai'i Branding Workshop InstaPoll to 250 Attendees

## V. BRAND DEVELOPMENT PLAN

This section covers a strategic approach for development of a Made in Hawai‘i development plan. Consistent with global branding best practices, the recommendations made are rooted in market input from Buyers (Residents and U.S. Visitors) and Sellers (State-based businesses) of Hawai‘i-made products, as well as input from attendees of the first Made in Hawai‘i Brand Workshop. While the conference input is derived from attendees (who can also be characterized as those engaged enough regarding Made in Hawai‘i branding to pay a \$75 registration fee), the empirical studies with buyers and sellers are representative of their respective residential, American visitor and Hawai‘i business markets.

This plan first addresses MIH qualifying criteria because that will define what companies and products can apply for the Made in Hawai‘i program and hence the types of products included under a MIH brand. While current regulations limit participants primarily to the food and agricultural category and to smaller scale craft products, a broader definition will likely expand product and business categories participating in the Made In Hawai‘i program. The section on qualifying criteria is followed by strategic issues relating to brand development (values, promise, identity), tactical issues (naming, enforcement, brand communications components) and finally challenges to implementation (regulatory, financial, etc.).

### A. MIH Program Criteria

#### 1. Inputs to Qualify

Market input from Buyers and Sellers, as shown in data presented in earlier sections, evidence strong interest in expanding the qualifying criteria to include “benefits to Hawai‘i.” While this covers a large number of potential inputs, research on attitudes of residents, visitors and manufacturers show that there is strong general consensus on priorities for inclusion. As shown in prior sections they include the following costs spent in Hawai‘i:

- ◆ Jobs in Hawai‘i
- ◆ A Hawai‘i headquarters
- ◆ Payment of State taxes in Hawai‘i
- ◆ Raw materials or ingredients sourced in Hawai‘i
- ◆ Research & development, including intellectual property, spent in Hawai‘i

**JOBS** - By far the most important consideration for residents and manufacturers who are de facto residents as well is jobs. All agree that job creation has direct benefit to Hawai‘i residents and families. Further, many manufacturers cited that job creation in product manufacturing or production will contribute over the long term to the State’s economic diversification.

**HEADQUARTERS IN HAWAII** – Residents, manufacturers and U.S. visitors agree that MIH criteria should take into consideration if a manufacturer locates corporate headquarters in Hawai‘i. This input ranks second among residents and manufacturers. While placing the corporate office in Hawai‘i implies jobs, it also suggests, according to focus group input, a commitment to Hawai‘i and involvement in the community. This sentiment is validated by national secondary research that shows that businesses tend to give more corporate donations to the location where their headquarter is located.

**STATE TAXES** – This input ranked third among manufacturers and tied for second among residents. Stakeholders feel that paying taxes in Hawai‘i assists the State overall because it goes into the general fund that provides program appropriations for diverse constituencies.

**RAW MATERIALS SOURCED IN HAWAII** – This ranked in the top tier for U.S. visitors surveyed but somewhat lower among manufacturers. Reasons given in focus groups focused on availability of raw materials in sufficient quantities to meet demand. In addition, manufacturers recognized that this is a component of current legislation, which could have affected its prioritization in the context of criteria expansion.

**RESEARCH AND DEVELOPMENT** – R & D ranks somewhat lower among residents who prioritize inputs like Jobs in Hawai‘i which have immediate benefit to the population in State. However, it is recognized as an investment by manufacturers, especially those in the apparel industry who oftentimes undertake design in Hawai‘i and production elsewhere due to either expertise or economy of scale.

## 2. Input Recommendation

The multiple different specific suggestions for inputs to be considered in qualifying for the MIH program could become complicated if individually assessed and if inputs are weighted differently. It would also increase costs for the program because of time required to review, weight, and determine application outcomes.

Instead, this study proposes a more streamlined approach that covers all or most of the most inputs prioritized by Stakeholders:

- ◆ **Inclusion Of Hawai‘i Operating Expenses** - Expand qualifying criteria through a broad reference to operating and overhead expenses spent within the State of Hawai‘i.
- ◆ **Diverse Inputs** - This approach will cover the most supported inputs: Jobs (Labor expenses including payroll, taxes, and benefits); Hawai‘i headquarters/ Offices (Rent); Taxes; Raw Materials (Cost of sales); R & D (Labor, prototype development and potentially legal expenses required for intellectual property protection).
- ◆ **No Input Weighting** - The above recommendation would provide clear and simple criteria for manufacturers. It is not recommended that inputs be weighted by the State. Rather, they would be reported and included as is in calculations regarding the required input to meet Made in Hawai‘i requirements.
- ◆ **National Precedence** - This approach has national precedence: The Export Import Bank of the United States, which by Congressional mandate can only provide sovereign guarantee financing to goods or portion of goods “made in the United States” has adopted a similar policy to accommodate differentiated needs of small business.

### 3. Proposed Changes to Existing Legislation

At the 2022 Hawai‘i State Legislature, DBEDT introduced a Senate bill to revise Made in Hawai‘i legislation aligned with the above recommendation. The proposed new language stated:

#### **§486-119 Hawaii-Made Products; Hawaii-Processed Products.**

(a) No person shall keep, offer, display or expose for sale, or solicit for the sale of any item, product, souvenir, or any other merchandise that is labeled "made in Hawaii" or that by any other means misrepresents the origin of the item as being from any place within the State, or uses the phrase "made in Hawaii" as an advertising or media tool for any craft item that has not been manufactured, assembled, fabricated, or produced within the State and that has not had at least fifty-one per cent of its wholesale value added by manufacture, assembly, fabrication, or production within the State. Production may include operating and overhead expenses incurred and spent within the State.

(b) Subsection (a) notwithstanding, no person shall keep, offer, display, expose for sale, or solicit the sale of any perishable consumer commodity that is labeled "made in Hawaii", "produced in Hawaii", or "processed in Hawaii" or that by any other means represents the origin of the perishable consumer commodity as being from any place within the State, or use the phrase "made in Hawaii", "produced in Hawaii", or "processed in Hawaii" as an advertising or media tool for any perishable consumer commodity, unless the perishable consumer commodity is wholly or partially manufactured, processed, or produced within the State from raw materials that originate from inside or outside the State and at least fifty-one per cent of the wholesale value of the perishable consumer commodity is added by manufacture, processing, or production within the State. [L 1991, c 153, pt of §6; am L 2009, c 80, §2]

### 4. Status of Statutory Change

Although the proposed change passed the Hawai‘i State Senate, it was not recommended out of the House Consumer Protection Committee. Hence the bill too did not move forward at crossover at the 2023 State Legislature.

### 5. MIH Program Criteria: EX-IM Bank Policy Precedence

As noted, the proposed language is consistent with policy adopted by the Export-Import Bank of the United States under the Obama Administration. This policy is shown below:

## EX-IM BANK Short-term Content Policy

EXIM Bank's mission is to support U.S. jobs through exports. The U.S. content in EXIM Bank supported exports helps ensure that U.S. jobs benefit from EXIM Bank programs.

EXIM Bank offers two short-term programs — export credit insurance and Working Capital Guarantee. Consistent with the Bank's Charter to consider the "unique business requirements of small businesses" in formulating its policies, EXIM Bank has two separate short-term content policies for: (1) small business exporters as defined by SBA[1] and (2) non-small business exporters.

### I. SMALL BUSINESS ELIGIBILITY CRITERIA

In determining eligibility of goods and services exported by small businesses, applicable U.S. content consists of direct costs (i.e., labor, materials, and direct overhead) and indirect costs (e.g., research and development) associated with the production of the U.S. export.

To be eligible for EXIM Bank support:

- Each product must be *shipped from the U.S.* to a foreign buyer; and
- Each product must have more than 50% U.S content based on all direct and indirect costs, including but not limited to labor, materials, research, and administrative costs, exclusive of profit; or
- The aggregate content of all products of all invoices within a transaction[2] must be more than 50% U.S. based on all direct and indirect costs, including but not limited to labor, materials, research, and administrative costs, exclusive of profit.; or
- If the U.S. content of any product or aggregate U.S. content of all products of all invoices within a transaction is 50% or less, only the U.S. content is eligible.

[Note: Value added after export from the U.S., as well as foreign charges such as import duties, taxes, and inland freight are *excluded* from cover.]

### Level of Support

If the product or the aggregate products of all invoices within a transaction meets the more than 50% U.S. content eligibility threshold described above, the entire gross invoice value (sales price) is normally eligible for coverage at the applicable percentage. If the U.S. content of the product or aggregate products in a single invoice is 50% or less, EXIM may only support the value of the U.S. content at the applicable percentage. Based on the program (i.e., Working Capital Guarantee or Export Credit Insurance), standard percentages of coverage are 90 to 95%.

## II. NON-SMALL BUSINESS ELIGIBILITY CRITERIA

In determining eligibility of goods and services exported by non-small businesses, applicable U.S. content consists of direct costs (i.e., labor, materials, and direct overhead) associated with the production of the U.S. export.

To be eligible for EXIM Bank support:

- Each product must be *shipped from the U.S.* to a foreign buyer; and
- Each product itemized on an invoice must be produced or manufactured in the U.S.; and
- Each product must have more than 50% U.S. content based on labor, material, and direct overhead, exclusive of any profit).

[**Note:** Value added after export from the U.S., as well as foreign charges such as import duties, taxes, and inland freight are excluded from cover.]

### Level of Support

If the product meets the eligibility criteria summarized above, the entire gross invoice value (sales price) is normally eligible for coverage at the insured percentage that is applicable. Based on the applicable program or policy type chosen, standard percentages of coverage are 90 to 95%.

### Example of EXIM's ST Content Policy for Non-Small Business and Small Business

Below is an illustrative example of a medical equipment transaction seeking EXIM Bank support involving a small business exporter and a non-small business exporter.

Item	Made in	Labor, Materials and Direct Overhead		Total Labor, Materials and Direct Overhead	Indirect Costs (some examples)		Total U.S. Costs	All Costs	Sales Price (incl profit)
		U.S. Labor & Materials	Foreign Labor & Materials		U.S. Marketing	Misc Foreign			
1) stethoscopes	U.S.	\$6,000	\$5,000	\$11,000	\$3,000	\$500	\$9,000	\$14,500	\$17,400
2) oximeters	U.S.	\$2,000	\$8,000	\$10,000	\$1,000	\$500	\$3,000	\$11,500	\$13,800
3) dopplers	Mexico	\$10,000	\$3,000	\$13,000	\$6,000	\$1,000	\$16,000	\$20,000	\$24,000

The following discussion highlights how the eligibility criteria, calculation of eligibility, and the level of support vary for non-small and small business exporters.

#### Item #1-

Non- Small Business: This item is eligible for 100% of the Sales Price (\$17,400) because (i) eligible U.S. content\* ( $\$6,000/\$11,000=55\%$ ) is more than 50%; and (ii) the item was produced in the U.S.

Small Business: This item is eligible for 100% of the Sales Price (\$17,400) because eligible U.S. content\*\* ( $\$9,000/\$14,500=62\%$ ) is more than 50%.

#### Item #2-

Non- Small Business: This item is ineligible for any EXIM support because eligible U.S. content\* ( $\$2,000/\$10,000=20\%$ ) is less than 50%.

Small Business: Only the U.S. costs (\$3,000) are eligible for EXIM Bank support because eligible U.S. content\*\* ( $\$3,000/\$11,500=26\%$ ) is less than 50%.

**Item #3-**

Non- Small Business: Even though eligible U.S. content\* ( $\$10,000/\$13,000=77\%$ ) is more than 50%, the item is ineligible for any EXIM support because the core product was produced outside the U.S.

Small Business: This item is eligible for 100% of the Sales Price ( $\$24,000$ ) because eligible U.S. content\*\* ( $\$16,000/\$20,000=80\%$ ) is more than 50%.

Total Transaction Support-

Non-Small Business:  $\$17,400$

Small Business:  $\$44,400$

**Example of EXIM's ST Content Policy for Small Businesses: Aggregation Option**

Small businesses may aggregate content of all products of all invoices within a transaction. For example, if a small business were exporting all three products listed above in one transaction, the following calculation would apply (according to the eligibility criteria described):

U.S. content =  $\$9,000 + \$3,000 + \$16,000 = \$28,000$

Total costs =  $\$14,500 + \$11,500 + \$20,000 = \$46,000$

Percentage of U.S. content =  $\$28,000/\$46,000 = 61\%$

Therefore, if the exporter is a small business, the three products under one transaction are eligible for 100% of the Sales Price ( $\$55,200$ ) because eligible U.S. content ( $\$28,000/\$46,000$ ) is more than 50%. If a small business exporter opts to aggregate, a Content Report is required. (Note: if the exporter is not a small business and is exporting all three products listed above in one transaction, only Item #1 would be eligible for EXIM support because non-small businesses must calculate content on an item-by-item basis, and because each item must be produced and manufactured in the U.S.)

[1]The Small Business Administration has established "size standards" to determine whether a business is classified as a small business. The North American Industry Classification System (NAICS) defines industry size standards, which is usually stated in the number of employees or average annual receipts over the past three years.

**Source:** <https://www.exim.gov/policies/content/short-term-content-policy>

## B. The Opportunity

Based on the market research from Buyers and Sellers using best practice protocols to measure brand equity and presented in prior sections, the opportunity for Made in Hawai‘i is significant. This Opportunity is based on the assumption that a revision to Made in Hawai‘i law on qualification will expand participation.

- ◆ Highly valued among core stakeholders, the Made in Hawai‘i brand shows a strong relationship between brand and consumers who are Hawai‘i residents or U.S. visitors that is based on trust, keeping promises, authenticity, and quality – the attributes on which the best brands in the world strive to excel. These factors all indicate deep connections and high ratings on these relationship attributes that are key to developing and managing the best brands. Further, brand perceptions among Buyers and Sellers (Made in Hawai‘i manufacturers) are aligned.
- ◆ This solid brand platform offers Hawai‘i the opportunity to create an appealing and value-added brand that shows strong potential to substantially increase demand for Made in Hawai‘i products. Simply put, buyers who are U.S. travelers who have visited Hawai‘i or have an inclination to do so, say they are **four-times more likely to buy a product with a Made in Hawai‘i seal of authenticity than one without it**. This potential increase in demand is further validated by a DBEDT 2020 study on Hawai‘i Place-Based branding that showed Hawai‘i firms using Hawai‘i-associated names had average annual revenue of \$749,846 – 35% higher than those did not use Hawai‘i brand names at \$554,355.
- ◆ Potential impact of this increase in demand for MIH products with a logo is significant. Although this study’s scope of work did not include market sizing or the potential impact a Made in Hawai‘i mark or logo would have on purchase interest, the table below shows a preliminary analysis. The following preliminary analysis suggests a potential increase in demand for Hawai‘i Food products bought by U.S. Visitor Arrivals if a Made in Hawai‘i identifying mark is used from the current estimated range of \$85 to \$120 million to a potential \$170 to \$245 million.

This estimate applies the potential increase in purchase demand from the MIH Primary Research Study of U.S. Consumers and applies it to the State’s U.S. Visitor Arrivals expenditure data for only one category – Hawai‘i Food. This is intended as an indication of potential impact on one (1) MIH category only, and it is acknowledged that limitations of this analysis using the MIH study and existing visitor spend data include:

- ✓ Only one Market of Buyers is analyzed – U.S. Visitors Arriving in Hawai‘i in 2022
- ✓ Only one MIH product category used in analysis – Hawai‘i Food (22e) which is collected in the DBEDT Departures study under total shopping. The dollar amount used is the average expenditure for the Hawai‘i Food category among category buyers on Per Person Per Trip (PPPT) basis.
- ✓ It is not known what percentage of expenditures in the Hawai‘i Food category can use a Made in Hawai‘i logo. Since it is likely that some will not be able to use an MIH logo, the analysis adjusts for this by reducing spend by 20% for a Mid estimate and by 30% for a Low Estimate.
- ✓ The research estimating how many will buy a product with a MIH logo and without a MIH logo used a validated and reliable likelihood of purchase question that represents best practice when research consumer packaged goods. Although interest increase four times with a MIH logo, a more conservative estimate of two times was used for this analysis.

**PRELIMINARY ANALYSIS OF POTENTIAL CHANGE IN HAWAII FOOD SPEND  
BY U.S. VISTIOR ARRIVALS IF MIH LOGO USED**

	<b>DATA SOURCE</b>	<b>Based on 2022 DBEDT Data from DBEDT Departures Study</b>		<b>MID: Less 20%</b>	<b>LOW: Less 30%</b>
1	DBEDT	<b>US Visitor Arrivals to Hawai'i (2022)</b>	<b>7,746,478</b>	N/A	N/A
2	DBEDT Departures Q22e 2022	<b>% US Visitors Buying Hawai'i Food Category (2)</b>	<b>29.00%</b>	N/A	N/A
3	DBEDT 2022 Departures reporting >\$0 in Q22e expenditures	# of US Visitors in 2022 Buying Hawai'i Food Category (#2 X 7,746,478 US Arrivals) (3, 4)	2,246,479	N/A	N/A
4	#3 above X 2 based on MIH US Consumer study 2022	LOW INCREASE IN HI. FOOD BUYERS: # Buying if likelihood to buy increases 2 Times with Made in Hawai'i logo (LOW Est) (5,6)	4,492,957	N/A	N/A
5	#3 above X 2 based on MIH US Consumer study 2022	MID INCREASE IN HI. FOOD BUYERS: # Buying if likelihood to buy increases 3 times with Made in Hawai'i logo (MID Est.) (5,6)	6,739,436	N/A	N/A
6	DBEDT average spend if >\$0 2022	<b>Hawai'i Food Category Shopping Spend 2022 - Average PPPT for US Visitors buying Hawai'i Food category: \$55; Spend adjusted for products bought that cannot use a MIH logo. Mid reduces by 20%; Low reduces by 30%. (2)</b>	<b>\$ 55</b>	<b>\$44</b>	<b>\$38</b>
7		<b>2022 CURRENT Estimated \$ Spend in Hawai'i Food Category among 2022 US Visitors (#6 X #3)</b>	<b>\$122,770,057</b>	<b>\$ 98,216,045</b>	<b>\$ 85,939,040</b>
8		LOW INCREASE (2 TIMES CURRENT) IN CATEGORY SPEND - Estimated \$ Spend in Hawai'i Food Category Spend if Number Buying Increases with Made in Hawai'i Logo 2 Times (#4 X #6)	245,540,113	\$ 196,432,091	\$ 171,878,079
9		MID INCREASE (3 TIMES CURRENT) IN CATEGORY SPEND - Estimated \$ Spend in Hawai'i Food Category Spend if Number Buying Increases with Made in Hawai'i Logo 3 Times (#5 X #6)	368,310,170	\$ 294,648,136	\$ 257,817,119

**CAVEATS: The Data is a Preliminary Estimate of change in purchase demand for one category and one market.**

1. Limited Product Categories - The above analysis is limited Only to the Food category, where data was readily available, and excludes many other MIH product categories.
2. Product Category Assumptions - Departures survey data has two questions related to Food. Q22b asks spend for "Food/Groceries"; Q22e under Shopping asks spend for Hawaii Food Products (fruits, nuts, coffee). This estimate uses Q22e. However, one limitation is that it assumes all products in this category are goods that could use the seal. It is likely that this will overstate impact.
3. Limited to In-Person US Visitor Arrivals - The above is only for U.S. Visitor Buyers who 1) Spent more than \$0 in the Total Shopping Category labelled "Hawai'i Food Products."
4. Excludes Other Buyer Markets - As such, it excludes other groups interested in buying MIH products through non trip in person channels including: 1) US Consumers interested in buying MIH products but who did not visit Hawaii; 2) Japanese visitors and consumers; 3) Hawai'i residents
5. Purchase Interest Source Using Validated Methodology - The increase in purchase interest for US Consumers is based on primary research of US residents tacked on to Omnitrak TTA Syndicated study of US consumers n=144,000/ year
6. Increase in Purchase Interest - The research asked likelihood of purchase Hawai'i products with and without a MIH identifier/ logo. With a logo, consumers saying they were extremely likely (9 and 10 on a 10-point scale) increased 4 times - from 15% to 51%.
7. Conservative Demand Increase - To be conservative, increase in demand is shown only at 2 times and 3 times.

### C. What Is the Made in Hawai‘i Brand: Lifestyle or Destination Brand

Brand associations suggest while the MIH brand image developed from many years of successful campaigns and budgets to market Hawai‘i as a visitor destination, the MIH brand has grown beyond a destination brand into a lifestyle brand. This is evidenced by the fact that of seven brand associations tested in stakeholder research, the attributes that are rated most important to the decision to purchase Made in Hawai‘i products focus on the values of Hawai‘i’s people and place (multi-cultural diversity, sense of place, a healthy, fresh image and supporting the ‘ohana), rather than attributes reflecting visitor destination attributes (connections to memories of Hawai‘i, exoticness and sun, sand surf). In fact, the destination attributes rank lowest among the seven attributes tested.

This lifestyle brand conclusion is reinforced by discussions in Dole Company’s SEC filing for its 2021 public offering. As acknowledged when the Dole brand was first sold by Castle & Cooke and again in recent presentations, Dole is a brand closely associated with Hawai‘i. Specifically, the Prospectus Summary described the Dole brand as associated with freshness, healthy, high quality, and premium food products. Its roots in the tropics are implied with its logo and “distinctive red DOLE letters and a (yellow) sunburst.”

Hawai‘i’s perception as a lifestyle brand is extremely important to the success of Made in Hawai‘i. This is because the product categories that can be supported under a Made in Hawai‘i brand umbrella differ if it is a destination or lifestyle brand. Destination associations (sun and sand, exoticness, and visitor memories) serve travel well but have more limited relevance to other product categories. In contrast, a lifestyle brand associated with Hawai‘i’s unique multi-culturalism, its people and sense of place, and healthy and fresh imagery can support more different types of products under a Made in Hawai‘i brand umbrella.

At the same time, market research results from buyers and sellers on Made in Hawai‘i brand associations raise complicated questions about whether Made in Hawai‘i marketing to motivate MIH product purchases may require different strategies from destination marketing aimed at attracting visitors. At the simplest level, results raise an issue of whether MIH marketing simply be “tacked on” to destination advertising and marketing can be effective in enhancing MIH product purchases. There is no doubt that visitor arrivals to Hawai‘i add to a product’s potential market - going from 1.3 residents plus 9 or 10 million visitor arrivals and that a complementary strategy has mutual benefits.

Another related issue is where responsibility for place of origin branding should be placed? Brand association results imply the need to analyze whether Made in Hawai‘i product marketing should be part of a tourism marketing responsibility or a broader economic development responsibility. This is an issue that other destinations have likewise faced.

- ◆ In Alaska and California, it is the responsibility of departments charged with economic development.
- ◆ In the case of Thailand, its OTOP place of origin program is housed in the Community Development Division of the Interior Ministry with national OTOP commission for oversight.

- ◆ In New Zealand it is an initiative of a non-profit organization funded by the country’s biggest companies, though it works closely with government and is potentially seeking a closer relationship.
- ◆ In contrast, Made in Oregon, is owned by an in-state retailer.

Currently, funding for MIH brand promotion is through the Hawai‘i Tourism Authority. However, while manufacturers in interviews seek a closer relationship with tourism, they also acknowledge that many MIH businesses are at an earlier stage of the product life cycle and tend to be agricultural or food manufactured rather than service or diversified manufacturing products. They raise a thought-provoking question of whether an economic sector characterized as emerging and involving diverse products from Hawai‘i-grown food to apparel to cosmetics to home décor potentially requires a different economic development/ growth strategy than a mature, globally recognized \$20 billion Hawai‘i tourism sector.

Another consideration comes from a DBEDT “Planning for Sustainable Tourism Report” (2006) which suggested that a conflict might exist between some industries and tourism: “Not necessarily all sectors grow with tourism. Some sectors sensitive to competitive prices and wages such as agriculture and export manufacturing can be impacted negatively by growth of tourism, according to modeling results. This is partly because tourism creates a high cost environment in which Hawai‘i’s exports apart from tourism become less competitive.”

That said, Hawai‘i manufacturers recognized the importance of the tourism sector as a strategic alliance partner. Thailand and New Zealand have achieved strong tourism alliances and cross sell with the travel industry, while putting responsibility for place of origin branding is a ministry other than tourism.

In Hawai‘i, there is no question among residents and manufacturers that visitor arrivals to Hawai‘i offer a market about 10 times larger than the residential market alone. But as one beverage manager shared in focus groups, he learned during Covid-19 that his market could be even larger than that. Through on-line internet marketing and sales started during the pandemic, this Made in Hawai‘i manufacturer established a direct relationship with end-users rather than only selling through hotel and restaurant intermediaries. One lesson learned was the potential for his product among U.S. consumers overall – whether or not they traveled to Hawai‘i. Harold Koda, a speaker at the State’s First Made in Hawai‘i Brand Workshop in 2023, former curator of the Metropolitan Museum’s Costume Institute, co-creator of the Met Gala, and a graduate of ‘Aiea High School and the University of Hawai‘i, made a similar point about “Boundless” thinking - beyond brick and mortar and the in-person:

- ◆ *“Physical, even temporal, limitations of audience and consumer reach are dissolving with the Internet. The reach of the local is now global.”*

## D. Omnitrak Recommendations on Made in Hawai'i Brand Values

Utilizing input from stakeholders (Residents, U.S. Visitors, Manufacturers and Brand Workshop Participants), Omnitrak recommends that the Made in Hawai'i brand consider the following brand values. Brand values are what a brand stands for, who it is not just today and tomorrow but over time. Knowing what a brand is enables the development of an emotional connection between brand and consumer that leads to trust and clearer expectations of what the brand will deliver. It should be noted that quality is not a brand value but rather the quid pro quo for a strong brand – if consumer expectations of quality are not delivered, a brand cannot satisfy buyers and a trust-worthy relationship will not develop.

This section first identifies rationale for the inclusion of specific brand values then describes them in terms of a brand-consumer relationship and how that connection would be made. This rationale is taken from both qualitative and quantitative input.

- One of our State's strongest top of mind images is Hawai'i's culture and its multi-ethnicities which give Hawai'i a recognized uniqueness in a nation and world that is become increasingly diverse. Hawai'i has benefit first and foremost from a robust Native Hawaiian indigenous culture with its own language, traditions, and practices. Waves of immigrants from Asia and the Pacific who brought their own cultural traditions have added to the living culture that one finds in Hawai'i. Historically, Hawai'i has been referenced as a melting pot because residents of multi-ethnicities live side by side enjoying the cultural practices not only of their own heritage but also from neighbors of other ethnicities. Currently, it is a demographic fact that Hawai'i has no racial majority but rather significant racial minorities. Yet residents draw from indigenous cultural values and strive to live with “the Aloha Spirit.”
- This multi-cultural respect and pride of place has developed a strong sense of community in Hawai'i. On the one hand, it is attributable to the native Hawaiian culture's ties to the 'āina or the land. On the other, it is reinforced by the value of family and extended family that results in a higher degree of concern for tolerance. Part of this is derived from being a small island community where networks interconnect, and most areas are geographically accessible within a few hours at most. But the sense of community is also a mindset which those in-State and out-of-state recognize as special to Hawai'i.
- Hawai'i's natural beauty as a string of volcanic islands has been celebrated globally. In fact, if imitation is the highest form of flattery, knock-offs on Hawai'i's name and natural features can be found across the world. But Hawai'i's beauty goes beyond its geography. It includes its people, as previously noted. Further, the State has a rhythm of naturalness and awareness of the relationship between people and nature that expresses itself in free flowing designs and a focus of alignment with who one is that can reduce stress from the material world.

- In qualitative research with consumers (both resident and non-residents). Hawai‘i is frequently cited as a source of replenishment, of having the ability to restore from being in nature and with the people who appreciate the natural flow of life. While it is sometimes viewed as a “spiritual” place like India, residents live with a more practical sensibility, recognizing Hawai‘i as a place where one can integrate work, family, and life with less stress than many other venues in the world, and that this is nurturing.

Given this stakeholder input, Omnitrak is pleased to recommend the following Brand Values for Made in Hawai‘i.



## Made in Hawai‘i: Brand Values Recommendation

**CULTURE:** Respect and Pride in the Authentic, Collective Multi-Ethnic Culture that is Hawai‘i; rooted in the Heritage of Native Hawaiians and the State’s history as a “melting pot,” and lived/practiced in the ‘Aloha Spirit’ of all who live, work and share in this unique island lifestyle.

**COMMUNITY:** There is a sense of oneness and connection to people, traditions and place. This holistic and inclusive approach to community manifests in responsibility for the common good and acceptance of diverse cultures. It is reflected in pride of craft and products made by the people of Hawai‘i– products touched by the community in ingredients or raw materials and in their labor.

**NATURALNESS:** The beauty and nature of this Island Community is not just in its land but in its people. Living here cultivates a naturalness in lifestyle which lends itself to healthfulness and wellness. As the environment is freeing and expressive– the flow and movement of the skies, oceans and trees– the people are as well. Hawai‘i is pure, natural, authentic, not fabricated.

**REJUVENATION:** There is an energy (a “life force”) that comes from the culture, community and nature of Hawai‘i that restores and recharges our minds, bodies and spirit. Hawai‘i is a place that is Rejuvenating and provides a sense of balance. It is an energy that promotes vibrancy, vitality and creativity as is personified by the people who live here and the products and experiences they offer.

## E. Brand Promise

A brand promise is a succinct description of a commitment made by a brand of the experience customers and stakeholders will receive in each brand interaction along the customer or stakeholder journey. For the brand promise to be credible, it must be aligned with brand values and customers and stakeholders should perceive that the brand is delivering on its promises. This “keeping promises” attribute is a key metric in brand equity evaluations. Omnitrak recommends the following Brand Promise:



### **Made in Hawai'i: Brand Promise Recommendation**

*Discover and experience Hawai'i's rich culture, nourishing lifestyle and aloha spirit crafted by Hawai'i's people. With every taste, touch, and experience of "Naturally Hawai'i" products you will connect with the unique people, heritage and values that are the heart and soul of Hawai'i*

## F. Brand Implementation: One Brand, One Name, One Seal

### 1. Overall Approach

In implementing a Made in Hawai‘i brand, the single most important factor is the following:

- ◆ **One Brand Name for Consistency** - The success of the branding effort will require a unified, comprehensive, and consistent approach across all product categories and market audiences. To avoid confusion and build a strong, recognizable, and meaningful identity there should be one brand name and a singular seal to identify it.

Brand consistency is especially important to meet the identified priorities of Buyers and Sellers. Residents, U.S. visitors and MIH manufacturers all value authenticity, and a seal is an easy, pro-active way for them to differentiate between products truly Made in Hawai‘i and those whose packaging or claims may infer that they are made in State. Further, 1 in 4 U.S. visitors have already had experience purchasing products pretending to be from Hawai‘i and learning post-purchase that they were not authentic. Before this concern spirals, development of one consistent Made in Hawai‘i seal is a pro-active means to help Buyers as well as Sellers.

For a brand to have value, consumers must be aware of it and recognize what it means – in this case that it is a seal of authenticity that a product is Made in Hawai‘i and that it is an official seal backed by the State. Multiple brands, multiple or similar names, and multiple executions will only confuse the consumer and prove self-defeating for Hawai‘i. Simply put:

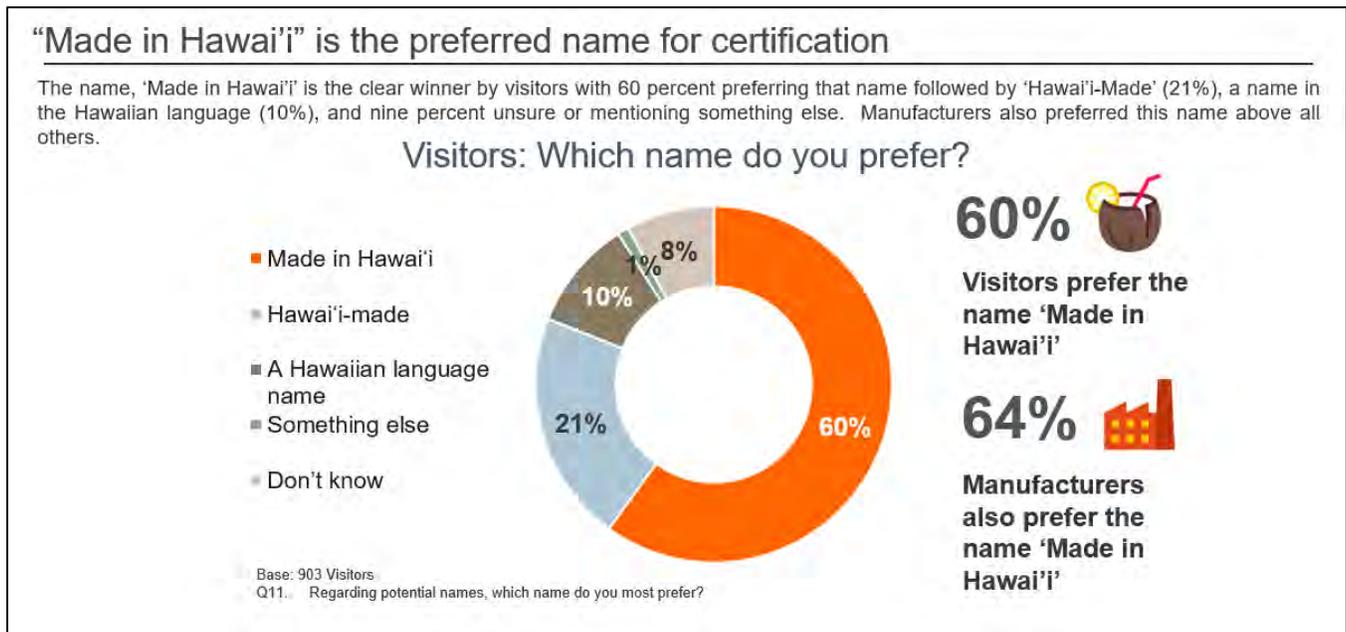
- ◆ For Made in Hawai‘i products to yield the benefits of up to four (4) times the purchase interest with a product with a MIH seal versus no seal, the seal must be recognizable and clearly communicate its objective. This is the benefit consumers; manufacturers and the State all seek.
- ◆ The other side of the equation is that manufacturers need to use it on their products. According to New Zealand Made, its kiwi seal is valued because market research shows high awareness and high recognition of the values that it stands for.
- ◆ As important, according to manufacturer’s participating in focus groups, it is extremely important that a MIH seal looks professional and credible and not compete with their own brand logos. One apparel manufacturer strongly asserted:

*I don’t use the current Made in Hawai‘i seal. For my product line, it erodes my own brand’s credibility. The colors and the design all look amateurish and don’t build consumer confidence in the authenticity of the product and Hawai‘i values of quality and higher value.*

## 2. Stakeholder Input on Naming

As part of this project’s scope of work, the research tested potential names for a place of origin program for Hawai‘i. Utilizing input from Manufacturer focus groups, the survey gave respondent four options to choose from: Made in Hawai‘i, Hawai‘i-made, a Hawaiian language name, or something else.

By a large and almost identical margin, 3 in 5 visitors and almost 2 in 3 manufacturers prefer a MIH branding program to be called “Made in Hawai‘i.” Sixty percent of U.S. visitors selected this option, and 64% of manufacturers did likewise.



## 3. Brand Identity: Alignment of Brand Values and Name

While Made in Hawai‘i has strong stakeholder support and its meaning is immediately understood, branding experts on this project raised the following potential concern:

- ◆ The proposed brand values for the Made in Hawai‘i brand include authentic, natural, pure, and grown in Hawai‘i.
- ◆ However, the name “Made in Hawai‘i” potentially conjures up images of produced and/or fabricated that could be antithetical to what the values convey. The key word that could trigger this is “Made” which may sound mechanistic to some.
- ◆ It is suggested that the State consider an alternative to the “MADE” in Hawai‘i moniker that can be tested after creative execution in focus groups, a required procedure to probe “unintended consequences” or red flag issues in best practice protocols for brand name execution.
- ◆ Preliminarily, for thought generation only, options for consideration could include: *Naturally Hawai‘i/ Authentically Aloha / True Hawai‘i/ Hawai‘i Real / Hawai‘i Roots / Hawai‘i Rooted / Crafted in Hawai‘i.*

#### 4. One Made in Hawai'i Seal or Visual Identity

Currently, the State of Hawai'i has multiple brand visual identities intended to identify place of origin, quality or specific events. A sampling of these logos using google search produced "Made in Hawai'i," "Made in Hawai'i with Aloha," "Made in Hawai'i Festival," "Hawai'i Seal of Quality," as well as county specific executions. A few are shown below.



The challenge with multiple brand names and multiple visual executions is that it creates confusion for the consumer. Already, a quarter of potential U.S. Visitor buyers, feel they have been tricked into buying something from Hawai‘i that actually was not Made in Hawai‘i. Multiple logos cause uncertainty, uncertainty causes lack of confidence in a product’s authenticity, and this cycle will impede achieving success potential for a Made in Hawai‘i program. While the State agencies behind these multiple Hawai‘i product logos understandably have pride of ownership, one must ask whether so many logos best serve the purpose of the program – to authenticate products that qualify to use the Made in Hawai‘i logo – so that the State and its residents can derive the benefits of increased purchase interest through a MIH branding program and logo.

In their iconic books on branding, *Positioning: The Battle for Your Mind*, authors Al Ries and Jack Trout suggest that top of mind awareness and unaided recognition are among a brand’s biggest assets because they give the consumer confidence to buy. These marketing metrics can be attained by one brand making huge investments to dominate share of mind by breaking through the clutter and noise. However, in the absence of multi-million dollar budgets sustained over multiple years, a more pragmatic strategy would be for the State to decide it’s most important Made in Hawai‘i branding objective, to implement brand development to meet that objective and to streamline, if necessary, multiple brands that make the same or similar claims to the consumer, eroding rather than enhancing purchase confidence.

### **G. MIH Seal: Incentives to Use**

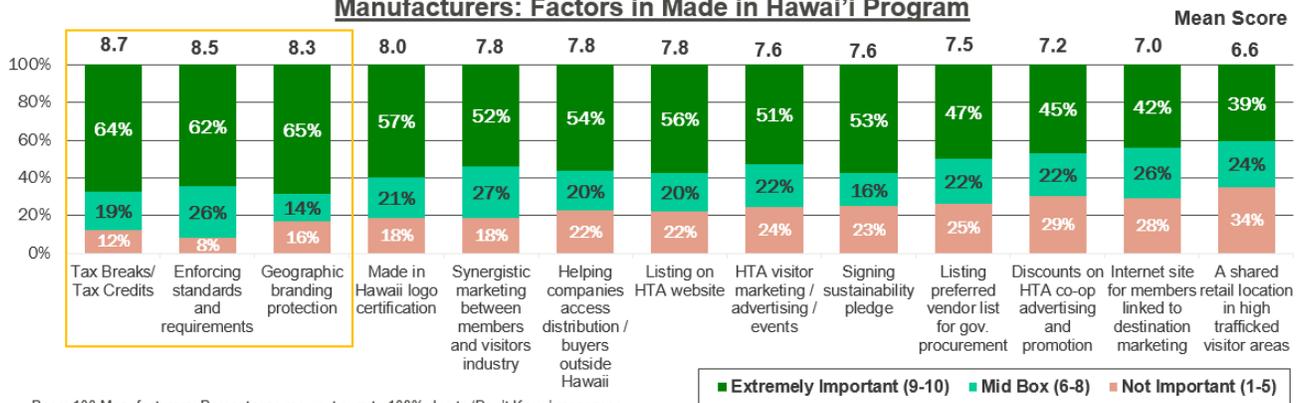
For a MIH branding program to succeed, a significant number of MIH product producers must agree to use a MIH “seal” or brand identity on their products. This is a top priority for all groups of Buyers and Sellers. On the one hand, MIH participation should have a ready audience: 71% of manufacturers agree that their association with Hawai‘i adds value to sales, marketing, and promotional success. (This percentage is almost identical to the perception of value added of New Zealand manufacturers.) Further, market research among buyers suggest that U.S. consumer demand has potential to as much as quadruple with the addition of a Made in Hawai‘i seal to a product, when compared with a product without one. At the same time, however, adding a seal to product packaging involves an initial and on-going cost plus administrative time to apply. Further, time will be needed to determine the correlation between actual vs. estimated impact on product purchase decisions as estimated from market research. It may therefore be effective at launch to offer some benefits to manufacturers for participation in a MIH certification or seal program.

**MOTIVATING MIH PARTICIPATION** - While manufacturers clearly supported protecting authenticity of MIH products through enforcement, they also have strong opinions about incentives a MIH organization could receive to motivate participation in a MIH program. Although focus group respondents discussed many financial incentives, Hawai‘i businesses overall rate four actions as extremely important motivators for program participation. Interestingly, while one is monetary (tax breaks or credits), the other three relate to ensuring the authenticity of a Made in Hawai‘i initiative (strong enforcement, geographic branding protection, and a logo that can be placed on products to prove MIH certification). On a 10 point importance scale, overwhelming majorities rated these as important, with a solid majority indicating they perceive the action as extremely important: Strong MIH enforcement (88% important, 62% extremely so); Tax Breaks/Credits (83% important, 64% extremely so); Geographic branding protection (79% important, 65% extremely so), and a MIH logo to show certification (78% important, 57% extremely so).

## Tax Breaks, Enforcing standards, and Geographic branding protection are vital among manufacturers

Over 60 percent of manufacturers deem these factors as extremely important for a Made in Hawai'i program followed by a logo including certification. Secondary to these factors are Synergistic marketing between members and the industry, Help in access/distribution outside of Hawai'i, and listing on the Hawai'i Tourism Authority website. All factors received some level of support with a majority perceiving them to be at least somewhat important for the program.

**Manufacturers: Factors in Made in Hawai'i Program**



## H. MIH Seal: Stakeholder Input on Enforcement Tactics

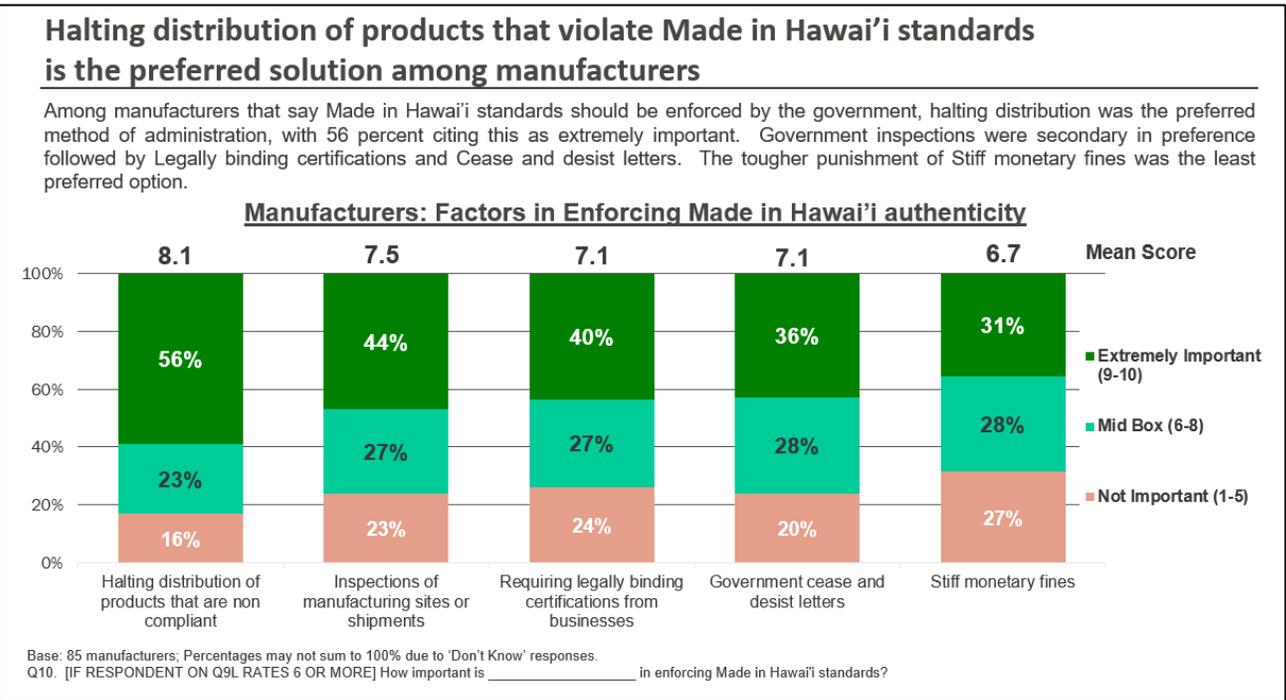
Objective, empirical evidence clearly shows that all groups of Buyers and Sellers support rigorous enforcement of a Made in Hawai'i brand. Many of these attitudes stem from perceptions that Hawai'i is "knocked off" too many times by unscrupulous product manufacturers who have no ties to Hawai'i though their packaging or names by imply that they do.

- ◆ Residents, manufacturers, and U.S. visitors support a multi-tiered strategy of brand protection: Developing a recognized MIH brand identity to be used on authentic MIH products, and then defending the MIH brand with strong enforcement. While the former is a strategy of offense, the latter focuses on brand defense.
- ◆ Buyers and Sellers both support more aggressive protection of the Hawai'i brand in terms of copyright, trademarks, and geographic name protections. (See Appendix for regulations in the European Union and United Kingdom which are stricter regarding place of origin branding than the U.S.)
- ◆ Buyers tend to see enforcement from a de facto consumer protection perspective and favor an office to call for information and complaints.
- ◆ Manufacturers, on the other hand, put priority on enforcement that will disrupt the supply chain of counterfeit products. They focus on halting deliveries as well as on-site inspections of manufacturing or shipment sites.

### 1. Manufacturers Input on Enforcement Tactics

Among the 88% of manufacturers who indicated that enforcement was important, the survey asked a follow up question regarding the importance of specific enforcement tactics. The Manufacturer survey probed on five different enforcement tactics, derived from focus group input as well as best practices identified through case studies of five (5) place of origin branding programs.

Overall, manufacturers gave varying degrees of support to the varied enforcement tactics, placing most importance on actions that would disrupt counterfeit supply chains. Manufacturers rated halting distribution of non-compliant products as most important, with 79% indicating this was important and a clear majority of 56% of those saying it was extremely so. The second most important enforcement tactic according to manufacturers was inspections of manufacturing sites or shipments, which 71% said was important and a plurality of 44% extremely so. While two other tactics – legally binding certifications and government cease and desist letters – also garnered manufacturer support, it was more tepid with both having mean importance ratings of 7.1 on a 10-point scale. Least supported were stiff monetary fines, with a mean rating of 6.7. That said, one third (31%) of manufacturers rated this tactic as extremely important.



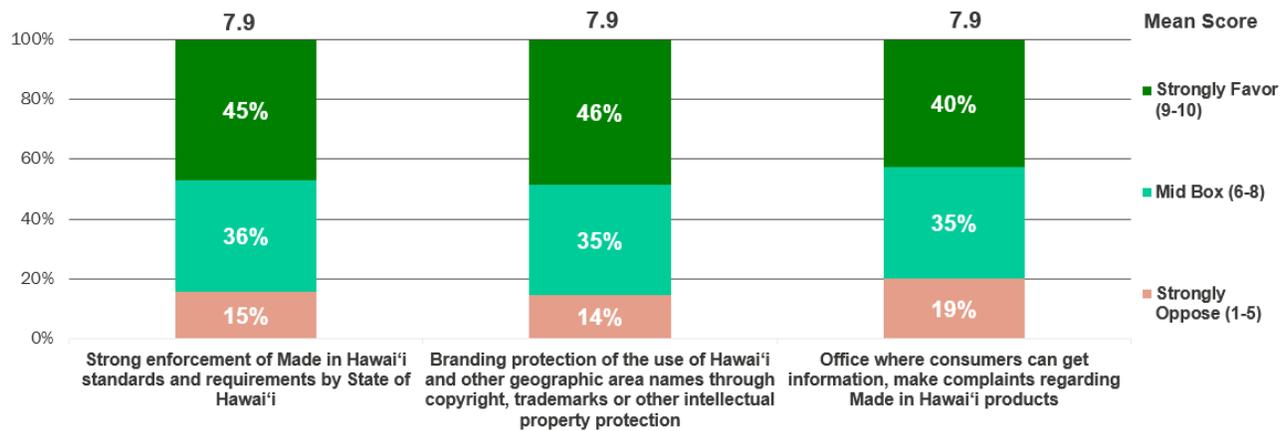
## 2. Resident Input on Enforcement

While 9 in 10 manufacturers feel strong MIH enforcement by the State is important with 3 in 5 (62%) rating it as extremely important, slightly fewer residents feel the same. That said, a dominant majority of 81% of Hawai'i residents favor strong MIH enforcement, and almost half (45%) favor it strongly.

Resident desire for strengthened enforcement also covers more aggressive branding protection of use of Hawai'i and its geographic names: 82% favor more copyright, trademark and IP protection, of which almost half (46%) strong favor it.

Finally, to assist consumers with questions or complaints, residents would also like to see a de facto consumer protection office where they can obtain information and file complaints regarding Made in Hawai'i branded products.

## Residents Strongly Favor MIH Brand Protection: Enforcement, Geographic IP, and Consumer Protection



Base: 639 Residents; Percentages may not sum to 100% due to 'Don't Know' responses.  
 Q4. To give buyers like you trust that Made in Hawai'i products are what the State says it is, do you favor or oppose strong, pro-active efforts such as...

### 3. Visitor Input on Enforcement

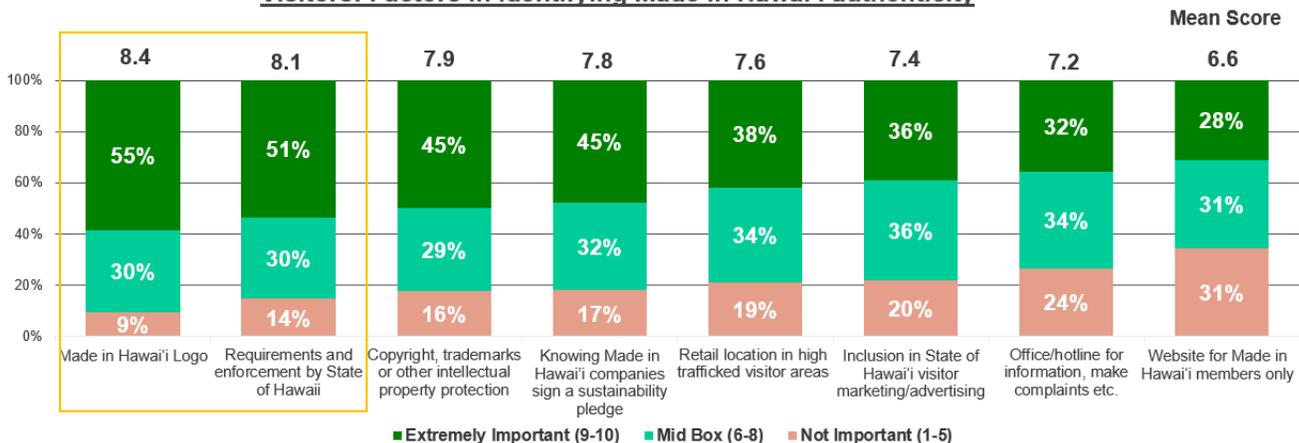
Like residents and manufacturers, U.S. Visitors also feel that strong enforcement by the State needs to be part of the of the MIH brand program. 81% rate this as important with a majority of 51% saying this is extremely important.

While a MIH logo and enforcement are top tier priorities, implementation tactics that rate in a second tier of importance among U.S. visitors include the following, with those who feel it is extremely important shown in parentheses: Copyright, trademark and other IP protection (45%); having MIH companies sign a sustainability pledge (45%); retail locations in high trafficked visitor areas (38%), and inclusion in the State's marketing campaigns (36%). Somewhat lower in importance are an office for online complaints and information (32%) and websites for MIH members only (32%).

## A formal logo as well as requirements/enforcement by the State of Hawai'i are the key factors for brand authenticity among Visitors

Around half of all visitors say that a 'Made in Hawai'i' logo or Requirements/enforcement by the State are extremely Important in a certification program. Second to these factors are Copyright/trademark protection and a Sustainability pledge. The remaining factors, while somewhat important to visitors, are not reported as critical for them to identify an authentic Made in Hawai'i product.

### Visitors: Factors in identifying Made in Hawai'i authenticity



Base: 903 Visitors; Percentages may not sum to 100% due to 'Don't Know' responses.  
 Q9. Suppose the State of Hawai'i had a program to identify products that are authentic and truly linked to Hawai'i. On a scale of 1 to 10 below how important are the following features for a Made in Hawai'i program:

## I. Brand Communications

**1. Expression:** As part of the branding strategy, it is recommended that Marketing and communication campaigns should be flexible to highlight the diverse range of Made in Hawai'i products – food, fashion, beauty, books – underscore and evoke the brand values, and highlight the people behind the products....the community of designers, farmers, laborers who bring these products to market. This is consistent with the target market's perceived Hawaii brand equity – the Hawaii brand is both about the place as well as its people.

### 2. Recommended Brand Communications Components



## Brand Communications Introduction

A brand communications strategy oversees the brand voice and nurtures stakeholder relationships. The brand communications plan of this Hawai'i State initiative is **designed and curated** to support Hawai'i's present and future generations through four pillars:

- **Enlightened, ongoing education from masters of experience, knowledge and original thoughts in the practice of their craftsmanship**
- **Encouraging local partnerships to build together in strength**
- **Communicating the uniqueness of products made in Hawai'i with the aloha spirit through traditional media**
- **Creating a unique social media voices campaign aimed at motivating buyer/seller desire and generating a groundswell movement**

The state's support of an alliance of MIH businesses will enable locals to make a livelihood in the islands, as well as embrace a new approach to working with tourism through both e-commerce and in-Hawai'i sales.

Our program is layered into **three budget options—Minimum, Moderate and Maximum**—and includes special events concepts; partnership ideas; and publicity programming for traditional and social media. Essential elements include assets for a publicity tool kit and support for a Hui App gathering place for shared ideas. We include a creative menu to help drive business to online retail cooperatives, and to help small companies form their own brand communications storytelling.



# Objectives

## Intention

To **introduce the Made in Hawai'i brand "seal" and its significance to Hawai'i's global brand recognition and appeal**, as support for Hawai'i's economic future. Through product brand communications, we broaden access to Hawai'i island natural lifestyle that the world wants to emulate.

## Purpose

To diversify Hawai'i's economy with a State of Hawai'i brand communications plan to launch a Hawai'i brand products seal signifying a standard bearer of locally made products with authenticity, prestige and value that create **moments of emotional connection**.

## Goal

To create **an enduring social movement**, making "buying local" more understood as a culturally diverse natural lifestyle, rather than just a transaction.

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# The Brand Communications Messaging of an MIH "Seal" Product

## Product Qualifications

- 51% product criteria suggestion is to expand beyond product raw materials to include overhead, and local spend.
- Headquartered in Hawai'i

## Messaging:

- Hawai'i Brand Equity: Key asset for economic growth
- Quadruples the demand & adds value
- Reconfirms the desirability of Hawai'i as a unique, culturally inclusive destination lifestyle brand
- Creates opportunities for collective brand marketing and economic growth
- Goes beyond tourism as asset for economic diversification
- Verifies product authenticity and value as opposed to inauthentic and inappropriate
- A creative, talented and akamai business community proud to be from Hawai'i
- Cultural diversity is reflected in its range of products embracing global native crafts, style and creativity

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# The Audiences Priority MIH Products and Markets

## Grass Roots Audience: Hawai'i Community

**Product:** Culinary + Fashion

**Method:** Publicity (social media focus) adjacencies/unexpected partners

**Rationale:** Create a local buyers' movement to purchase local products and become natural ambassadors; create opportunities to highlight success; and celebrate Hawai'i's cultural diversity through its wide array of products. FOMO (fear of missing out), the "insider scoop" about what's new or hot, will help drive sales via social media.

**Percentage of Focus:** 50%

## Goals:

- Introduce MIH seal, bringing value and credibility
- Generate more businesses to join and bond to success
- Label the MIH product business owner as modern hero and celebrity bringing economic diversity and collaboration
- Initiate a movement to buy local as a source of community pride, support and culture



# The Audiences

## Priority MIH Products and Markets

Consumers with an affinity for Hawai'i and its lifestyle and values: U.S.

**Geographic focus:** U.S. mainland (West Coast: California, Nevada, Washington)\*, New York as a trendsetter hub, Texas and other markets with airlift to Hawai'i

**Products:** Priority: Culinary  
 Secondary: Wellness/Beauty/Lifestyle  
 Customized: Natural Fashion focus

**Method:** Publicity (traditional and social media), collaboration with travel PR community for writer's support, encourage product hui to have events, sales, one-of-a-kind and seasonal products.

**Rationale:** Create an emotional bond with visitors and products, representing new experiences and discoveries, education about local culture and building understanding/respect for local community. Encourage apparel to take back resort wear, expand to athleisure and more sophisticated natural wear that can be adapted to guests that live and enjoy sunny climates.

**Percentage of Focus:** 40%

**Goals:**

- Introduce MIH seal and its value of authenticity and quality
- Generate more visitor purchases and open door to e-commerce
- Discovery of local products as an extension of Hawai'i and its brand equity
- Follow the local movement to buy MIH



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# The Audiences

## Priority MIH Products and Markets

Consumers with an affinity for Hawai'i and its lifestyle and values: Japan

**Geographic Focus:** Tokyo area

**Products:** Culinary, Leisure Fashion, Gifts and Cultural

**Method:** Outreach to JTB, ANA, JPA, HTA, Hotel sales teams and concierges for gathering to present MIH seal and launch and gather advice on how to best launch to this market; discuss test products based on advice.

**Rationale:** Introduce the MIH seal as quality and authentic, market value, one-of-a-kind and limited-edition local products as both personal purchases and omiyage.

**Percentage of Focus:** 10% (leading up to 25%+ in 2024 when the market is predicted to expand travel to Hawai'i)

**Goals:**

- Introduce MIH seal and its value of authenticity and quality
- Generate more visitor purchases and open door to e-commerce
- Discovery of local products as an extension of Hawai'i and its brand equity
- Follow the local movement to buy MIH



# Deliverables: Publicity Plan Social & Traditional Media

The following items are targeted deliverables in a finalized Brand Communications plan. We include an outline of examples and possibilities, with details to be determined on acceptance and budget approvals.

- Publicity plan timetable
- Social media concept and plan
- Website press story starters examples
- Press kit topics for development
- Publicity Assets Library (images, video) to come based on budget and availability
- Press release writing and distribution to come based on program and timetable
- Database development (media, government, retail partners and MIH seal participants)
- Deliverables measurement (customized to the event with a goal of x4 minimum)
- Counsel and meetings; monthly reports



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## MIH Brand Communications Methodologies: Social & Traditional Media

### Social Media: Creating Desire

- MIH Brand postings
- Consumer postings
- Influencer postings
- Media postings
- Partnership postings (affinity/unexpected)

### Traditional Media: Developing Awareness

- Editorial travel
- Editorial retail
- Online media
- Partnerships with travel brands/HTA/retailers
- Partnerships (affinity/unexpected)

### Rationale:

**Social Media** is where the desire for purchase and a movement is created; here is where the buying public becomes ambassadors very quickly and a trend becomes product passion. Under the banner of Social Media, everyone tells their story of buying local and reaffirming Hawai'i's sense of place, multiculturalism, health and natural beauty. The emotional connection and storytelling forms between product and buyer initially on social media, then becomes a real relationship of respect and cultural understanding in person whether local-to-local or visitor-to-local.

The **Traditional Media campaign** is where business messaging is relayed. It is here that the MIH seal will be announced and its intentions and benefits to Hawai'i will be understood. Social Media is where the seal will be activated. Through partnerships, travel publicity and online media, the concept and products will be grouped under the umbrella of Hawai'i as a Lifestyle Brand.

## Assets

Images and video (B-roll, short form videos) are critical to both the social media program and all aspects of this program. These will need to be sourced and encouraged from the MIH product owners and travel partners. There will also be an investment by the MIH campaign by the state.



## Product Launch Timing Recommendations

### Year One Priority Launch Focus: Culinary

#### **Rationale:**

- High recognition and product popularity (coffee, cookies, chips, nuts, etc.) in Hawai'i and mainland markets
- Business leaders: experienced self-starters
- Accessible price points
- E-commerce ease
- Natural affinity and opposites partnerships
- Publicity-friendly
- Social Media Influencers in place
- Willingness to educate collaborate and share
- High volume of producers

**Percentage of focus:** 60%

### Year One Secondary Launch Focus: Fashion/Apparel

#### **Rationale:**

- Local market focus
- Select products for U.S. mainland and Japan markets primarily related to visitor spends
- Natural affinity to partnerships
- High price points
- Dependent on product expansion to visitor preferences.

**Percentage of focus:** 20%

### Year One Secondary Launch Focus: Wellness/Beauty

#### **Rationale:**

- Local market
- Visitor sales in resort areas, hotels, spas
- Product categories need greater definition and authentication of product safety and government approvals. Growth as seals are approved.

**Percentage of focus:** 20%

# Minimum, Moderate & Maximum Option Plans

<p><b>Minimum Plan Inclusions</b></p> <ul style="list-style-type: none"> <li>- MIH Brand Seal Business Launch Publicity Campaign</li> <li>- Mentorship program</li> <li>- Hawai'i Business Partnership Event</li> <li>- Initiate Mentorship/Education Program</li> <li>- Research Product Placement</li> <li>- Initiate podcast for local entrepreneur of the month" themed interviews</li> <li>- MIH website blog/content (SEO to drive traffic)</li> <li>- The Song (Mele) Contest</li> <li>- TikTok Recipe Series</li> </ul> <p><b>Rationale:</b> Generate awareness and encourage participation based on Hawai'i's brand equity as a key asset for economic growth.</p>	<p><b>Budget:</b> \$275,000</p>
<p><b>Moderate Plan Inclusions</b></p> <ul style="list-style-type: none"> <li>- All of the above, plus:</li> <li>- Develop Promotions &amp; Partnerships</li> <li>- Paid Influencer program initiated</li> <li>- Lay groundwork for a major special event on May Day 2024</li> </ul> <p><b>Rationale:</b> Continued buyer support in local and visitor markets, draw audiences to value of MIH brand and bring visitors and locals together in special event which highlights local grown talent and products.</p>	<p><b>Budget:</b> \$650,000</p>
<p><b>Maximum Plan Inclusions</b></p> <ul style="list-style-type: none"> <li>- Everything included in the Minimum and Moderate brands and additional options</li> <li>- Global Partnerships</li> <li>- Regional Market Special Events</li> <li>- Gathering Places</li> </ul> <p><b>Rationale:</b> Heighten global awareness, expand local product purchases and encourage more e-commerce</p>	<p><b>Budget:</b> \$800,000</p>

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## Core Recommendations for MIH Brand Communications Program: **Minimum Plan**

1. **Design and launch a Publicity Campaign with customized Tool Kit:** Plan a two-year MIH brand publicity program via traditional and social media, with select lead products and existing key sales partners (CNHA/Mana Up, etc.) for Hawai'i local, U.S. national, key foreign markets.
2. **Announce and launch Social Media campaign** with first-tier 25 Hawai'i influencers.
3. **Create and launch a Brand Communications/Aloha MIH Mentorship App:** Like a neighborhood app, this would create a means of communications for all MIH businesses to educate, inform, promote, share, and provide mentorship help via members and select experts.
4. **Initiate a MIH Brand Grassroots Hawai'i Business Partnership Launch:** The goals: to attract Bishop Street business support and mentorship; local community loyalty and purchases; travel industry partnerships, MIH business membership; visitor industry business orders; and visitor purchases.
5. **Publicity Campaign Mentorship Hui Program:** Provide MIH companies with a series of online workshops with marketing, communications, special events experts, retailers and product developers, designers, website providers, social media influencers, podcast developers, YouTube programmers, and the like for a bi-monthly program.
6. **Research Product Placement Opportunities:** Approach Hawai'i Film Office to explore MIH products placements as part of the permitting requirement process in films, advertisements and commercials, editorial photography and video, streaming and TV shows, local shows.

7. **Create a Podcast Interviewing Local “Entrepreneurs of the Month”** who have the MIH seal about their businesses (their passion for the product, working for themselves, living/working in Hawai‘i) Goal is to encourage and inspire other locals to stay in Hawai‘i, return and articulate the meaning of the Aloha Spirit.
8. **Start a Blog/Content (SEO to Drive Traffic).** The blog would always include resources like financial gifts available to help start or boost small business. The goal is to create a tsunami of entrepreneurship in Hawai‘i
9. **The Shopper’s Mele Contest:** Like the theme songs, *We are the World and I’d like to Teach the World*, Shep Gordon would be asked to help create a contest sponsored by a local brand to celebrate everything about Hawai‘i with an opportunity for a streaming or national talent show collaboration. The objective is to include the lifestyle of living in Hawai‘i, what we create and make for each other and visitors.
10. **Build Little Culinary Hui:** Affinity partnerships can come in great and small packages. Social media is affordable (just a little elbow grease), fun and the most cost-effective way to generate and speak awareness. TikTok (and Instagram) is the fastest way to get a trend moving. We suggest encouraging creating culinary hui’s of like-minded, or specialty areas of food/drink production and posting them as #HawaiiCooks in these categories:
  - Drinks
  - Desserts
  - Breads
  - Soups
  - Sandwiches
  - Veggies
  - Fish
  - Salad
  - Celebrations

Each hui is guided to gather and post in succession until they have enough to collectively create a menu, cooking videos, and graduate collectively to YouTube.

**Rationale:** At present, except for wayfinders, surfers and musicians – Hawai‘i has few heroes to celebrate. Remembrances of our lifestyle can sometimes be vague because of crowds and the cost of living here. These four programs are designed to build local pride and a spirit to be carried on to seven generations to come. They are also practical – designed to encourage and celebrate entrepreneurship in Hawai‘i and to be acknowledged as authentic through the MIH “seal”. The seal must support participants through doable and cost-effective support that can create a following. Mentors can help with creativity and execution.

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## Recommendations for MIH Brand Communications Program: Moderate Plan (includes all activities in Minimum Plan)

**Develop Promotions & Partnership:** Introduce concepts of unexpected local pairings in special social media campaigns with influencers: MIH products with Hawai‘i legends (Israel Kamakawiwo‘ole music with pineapple; Laird Hamilton with aloha shirts; lomi sticks with Matsumoto shave ice.) These promotions can eventually evolve to Japanese, U.S. mainland and other products with airline and travel industry partners and be promoted as e-commerce sales.

### Major Special Event: May Day 2024 MIH Triple Event Fundraising Series

- **Evening:** Hawai‘i-born entertainer such as Bruno Mars in Blaisdell Concert Hall
- **All Day:** MIH product sales in Thomas Square
- **Week-Long:** History of Hawaiian fashion and aloha shirt exhibition at HOMA

**The Developers 1%:** Research the opportunity of adopting a new 1% law benefitting MIH local businesses, with travel industries asked to purchase MIH products from a state-approved list.



# Recommendations for MIH Brand Communications Program: **Maximum Plan** (includes all activities in Minimum & Moderate Plan)

**Research Percent of MIH Law:** In 1967, the Hawai'i State Legislature enacted the Art in State Buildings Law, to be administered by the foundation. It mandated that 1% of the construction costs of new state buildings be set aside to purchase art. Hawai'i thus became the first state in the U.S. with a Percent for Art law.

Could a MIH law be enacted that would require travel businesses (airlines, hospitality, transportation, etc.) in Hawai'i to set aside a similar percentage and do a set amount of business with locally made products on an approved government list of MIH companies?

**Global Partnerships** today communicate brand appeal and are playfully disruptive— or different in scope (Giselle, Louis Vuitton & Yayoi Kusama). Some share similar geographic or product backgrounds.

MIH priority products and potential partner categories:

- Food and agriculture with musicians and art
- Fashion and apparel with sports figures and chefs
- Wellness/Beauty and artists and literary figures

Initiate programs with local partners and find an international global third party to participate and give the partnership social media and business gravitas.

## **Regional Market Special Events**

Hawai'i Festivals & Markets (U.S./Japan)  
Roadshows in Key Cities (New York, Los Angeles, Tokyo)

## **Create MIH Gathering Places**

- Online MIH brand communications app
- MIH YouTube sponsored by state for approved postings
- Mentorship Zoom gatherings
- Publicity teams
- MIH website
- MIH social media channels
- Pau hana gatherings
- Annual branding workshops

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## **Tactics by Audience: Traditional & Social Media Brand Communications First Six Months Launch Campaign Activities**

### **1st Quarter**

- Announcement of MIH branding details and program activities
- information in press release, social media, direct mail and government announcements
- Digital assets updated, augmented, reviewed
- Calendar of activities announcements timed and released as appropriate to various markets
- Story starters for publicity plan finalized and timed by quarter
- Partnerships initiated
- MIH Hui App created and TikTok recipe series and mentors found
- Options consideration
- Develop LinkedIn content concepts
- Initiate Website blog
- Plan Mele contest and lunch date
- Podcast plans developed
- Initiate and write detailed programming for social media plan to include launch, outreach to influencers, messages delivery and measures of success in sales, followers and interactions

### **2nd Quarter**

- Continue with 1st quarter activities
- Social media publicity plan and budget initiated with influencers (Nadine Kam, Wayne Harada, @hawaii\_community, etc.)
- Explore partnerships with key leaders in three MIH segments (apparel, food, wellness) with local partnerships
- Research special events
- Set up Gathering Places
- Initiate story starter pitching with a minimum of five placements in U.S. & local markets

# Brand Communications MIH State of Hawai‘i Media Tool Chest

## State of Hawai‘i MIH Tool Chest Inclusions

- Fact Sheets
- Announcements
- Press Releases (based on weekly schedule)
- Collaborations/Partnerships
- Website links
- Assets
- Story Starters
- MIH companies listing
- Governor Green Q&A

NB: Press Kits include many layers of materials accessible to business, travel, culinary, fashion, design, wellness media. Translations in Japanese recommended.

## Story Starters Examples

- Announcing the Made in Hawai‘i seal
- Announcing social media campaign
- Five Hawai‘i products that made it through the pandemic and their owners’ advice on the future
- The Best Cookies in the world are from Hawai‘i - what are the best sellers
- Omiyage Recommendations 2023
- The new branding campaign for selling things made in Hawai‘i
- The best-kept shopping secrets for beach wear in Hawai‘i
- How to keep healthy with Hawai‘i-grown products

## Business Owners How-To Guidelines

- A separate MIH set of guidelines to support business owners can be developed in areas of traditional and social media.

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## Conclusions

MIH businesses are eager for state financial support, marketing and branding guidance, business education, and a means of communicating with each other.

- In our breakout sessions, we found many want to know how to tackle social media and e-commerce, and to host events that support sales.
- Food producers responded most enthusiastically, while apparel came with more traditional thinking. The Wellness/Beauty sector is a major untapped opportunity for products and services associated with Hawai‘i but defining it is important, (Some sales websites have Band Aids under wellness)
- We believe that the state support and guidance is key to keeping Hawai‘i filled with aloha, making MIH products profitable and keeping the islands entrenched in its moonshot – the aloha spirit – as personified by generations past and present who are hopeful for the future of these fragrant islands.

This program is developed with great optimism for its near- and long-term potential, along with recognition of the serious commitment and effort needed for a successful launch.

# What People Love to Buy/Do in Hawai'i

The list is long...and there's more. We have a lot to offer and take pride in. We want to take people to a different place as shoppers and consumers of culture. We aim to rediscover the best of Hawai'i – its essence – in both spiritual and material culture. One often contains the other...a concept we call *mana*.

- |                                |                        |                   |
|--------------------------------|------------------------|-------------------|
| - Food & Drinks                | - Coffee & Tea         | - Surfboards      |
| - Cultural/Historical antiques | - Healthy products     | - Handbags        |
| - Restaurants & Chefs          | - Cookies & Chocolates | - Shave ice       |
| - Music & Entertainment        | - Lei                  | - Sushi           |
| - Art                          | - Aloha Shirts         | - Jewelry         |
|                                | - Boardshorts          | - Ukulele         |
| - Gifts                        | - T-shirts             | - Children's toys |
| - Poké bowls                   | - Bikinis              | - Arare snacks    |
| - Hats                         |                        |                   |



## In Closing: A Retailer's Advice

We were inspired by Harold Koda's plenary talk at the MIH Seminar in March. Here are his words and some of our more accessible translations.

**He Said: Give Them What They Didn't Know They Wanted:** *Go for more*

**We Say:** Create a movement through a song contest, a triple block party, a cookbook – and bring about an economic and cultural renaissance

**He Said: Confronted By Limits, Reset the Rules:** *Hawai'i's moonshot is The Aloha Spirit*

**We Say:** Bold understanding of these opportunities by DBEDT leadership can bring about a spirit of renewed pride and opportunities for success through education and sharing.

**He Said: Define Your Market, Then Expand It:** *Know your audience, but don't let that limit you.*

**We Say:** With Social Media, the local reach is boundless.

**Adjacencies and Partnerships:** *Unexpected partnerships high/low, niche/mass to excite new audiences*

**We Say:** Take what people know and love about Buying Hawai'i, authenticate it, and pair it with the unexpected.

**Content is Promotion:** *Every aspect of what you make is an advertisement for the next purchase; all other aspects of pleasure, comfort, sensation follow*

**We Say:** Selling inspires the next purchase. Limiting availability creates desire. Both are equally important.

## VI. KEY CHALLENGES IN DEVELOPING A MIH BRAND

### A. Multiple Brands with Fragmented Authority

Post-Covid, the State of Hawai‘i through the Legislature has taken action to clarify responsibility for Made in Hawai‘i branding. This project and the first ever State Made in Hawai‘i Brand Workshop resulted from a Senate Economic Development initiative to better assist local businesses as the Island’s economy recovered from the impact of Covid. The change in responsibility and authority for MIH branding is less than one year old.

However, as one can see from the diverse brands that are already in the marketplace competing for consumer attention, priorities going forward include:

- ◆ Consolidate multiple MIH brands into one brand that can be invested in to achieve Buyer recognition for authenticity.
- ◆ Determine which one State department will be responsible for MIH branding.
- ◆ Given the importance of enforcement, determine which State agency will be responsible for MIH brand enforcement, and determine if resources are available for a consumer protection hotline.
- ◆ Determine if MIH branding should be under the responsibility of the Hawai‘i Tourism Authority or its equivalent to enhance the visitor experience or whether it should be part of a State economic development and/or economic diversification program. As destinations like New Zealand and Thailand have shown, where the MIH brand is housed does not preclude cooperation with other government agencies but rather clarifies the purpose of the program decision makers seek to achieve.

### B. Resources Required

Resource allocations are tied to the annual goals of the program and its target audiences. If a Made in Hawai‘i brand aims to support and grow the sectors that produce and manufacture authentic Hawai‘i products (within the State’s regulations), then the project recommends the following target audiences:

TARGET MARKET	PAST PURCHASE	OBJECTIVE
<b>RESIDENTS</b> who are buyers of MIH products	This study estimated that 89% of Hawai‘i residents have purchased at least one Hawai‘i-made product in the past three years.	To motivate increased, spend on MIH products that support the local ‘ohana.
<b>U.S. CONSUMERS</b> who either 1) have visited Hawai‘i OR 2) who have brand awareness and affinity for Hawai‘i	This study estimated that 67% of U.S. visitors with past visits or interest in future visits to Hawai‘i have purchased at least one Hawai‘i product.	-To increase spend on MIH products through a strategy of increasing confidence in a product’s authenticity conveyed by a MIH seal
<b>MIH MANUFACTURERS</b>	N/R	-To motivate participation in using an MIH seal and signing up for the program through communication of benefits

## C. IP Protection

The voice of Buyers and Sellers is clear in terms of the desire for more legal protection for Hawai'i brand names. One factor supporting this is economic impact.

- ◆ Based on the Buyer survey among almost 1,000 U.S. visitors previously cited, product demand has potential to quadruple with a Made in Hawai'i seal vs. without one.
- ◆ A recent March 2020 DBEDT Economic Division survey completed by 50 U.S. Mainland firms suggested that at least \$14 million leaks out of the State because Mainland companies without ties to Hawai'i are falsely packaging, promoting and selling products as from Hawai'i.

This report has also illustrated some recent place of origin brand protection cases both in the United States and in other international markets. However, increasing geographic branding protection at both federal and State levels will require further study to determine priorities and where the regulatory environment is likely to change given past precedence. Hence, Omnitrak recommends that increasing IP protection and legal initiatives be a mid-term rather than an immediate short-term priority for a Made in Hawai'i brand program.

At the same time, opportunities to raise awareness of the importance of place of origin branding exist. One of the most important short-term is Hawai'i on the Hill, a Made in Hawai'i product fair started 10 years ago by Senator Mazie Hirono and now jointly sponsored with the Chamber of Commerce Hawai'i. Many of the MIH manufacturers interviewed for this study find this annual summer event an important venue because it attracts a two-fold audience: Congressional leaders and their senior staff as well as buyers from national retail chains, which sponsors arrange for MIH manufacturers to meet. This venue could also be an appropriate one to raise awareness of why increasing IP protection for place of origin branding is beneficial to small business and to more remote or rural areas that face greater challenges in accessing markets than global manufacturers.

## D. Need to Prioritize the State's Objectives for Investing in a MIH Brand

This study has identified significant opportunities for Hawai'i through development and implementation of a re-vamped Made in Hawai'i branding program. While the opportunity is potentially great, the challenges are likewise significant.

If this is to be a government run program, the most critical question is to clarify the purpose for State support. Review of different existing programs suggest different objectives, including the following:

- ◆ To enhance the visitor experience by developing opportunities to purchase more MIH products and instill confidence that they are authentic;
- ◆ To preserve and grow agriculture through increased sale of MIH agricultural and food products;
- ◆ To generate more jobs through growth of MIH companies;
- ◆ To enable MIH companies to achieve sales despite downturns in in-person visitor arrivals to the State.
- ◆ To enable segments of the population – be they geographic, ethnic, or others – to develop individual brands using Hawai'i's brand equity.

These objectives are not mutually exclusive. However, strategies will differ depending on what the State determines is its main vs. secondary priorities. Based on market research ratings from residents and manufacturers based in Hawai'i, it is clear that the people of the State would prioritize job creation first and foremost. The importance of jobs was also shared by a resident airline pilot during an interview:

- ◆ *During the pandemic, my flight schedule was cut back severely, and it was tough. I had always wanted to sell ocean gear but never got around to it. Starting up when there were no visitors coming in seemed crazy, but I need more (income). The product concept, the design, the IP came from Hawai'i, and my (sales) pitch focused on Hawai'i. Through the internet I told my story and sold my product to consumers in lots of places since few were arriving in Hawai'i. Never thought that would be possible. Starting this little business (during Covid-10), helped out me and my family make ends meet. This Made in Hawai'i idea can help sustain other residents.*

Regarding individual brands, it should be pointed out these could be developed as a MIH mid-term priority, after the core Made in Hawai'i brand gains awareness, recognition, and equity. In Alaska a successful Silver Hands artists program for Alaskan tribal artists complements the Made in Alaska program. The Silver Hand qualifying certification is administered by the Tribal Artist Program.

The key strategy here is to give the one Made in Hawai'i brand time to establish itself so that it can serve its intended purpose to enhance consumer confidence in buying products that are authentically Made in Hawai'i, thereby increasing product demand and the concomitant jobs in the MIH sector.

## VII. ACKNOWLEDGEMENTS

This assessment of the State Made in Hawai'i (MIH) Brand Development Plan, with its objectives to develop strategies to promote consumer demand, coordinate MIH manufacturing, and promote MIH distribution channels resulted from collective efforts of many. Special thanks to legislative and executive branch leaders who initiated and implemented this study, including Senators Lynn De Coite and Glenn Wakai; Representatives Daniel Holt and Rachele Lamosao, and Department of Business, Economic Development and Tourism (DBEDT) Leadership - Deputy Director Dane Wicker and Business Support and Development Division (BDSB) Director Dennis Ling and team. A mahalo to the many public and private sector participants for their kōkua and contributions:

### Hawai'i State Legislature

- ◆ Senate Energy, Economic Development and Tourism Committee: Chair Lynn De Coite, Vice Chair Glenn Wakai, and Members
- ◆ House Economic Development Committee: Chair Daniel Holt, Vice Chair Rachele Lamosao, and Members

### Hawai'i Executive Branch

- ◆ Department of Business Economic Development & Tourism: Deputy Director Dane Wicker; BDSB Administrator Dennis Ling, Mark Ritchie, Lyle Fujikawa, Scott Tome and Marleen Hiraoka, Communications Director Laci Goshi
- ◆ Department of Business Economic Development & Tourism: Director of Tourism Research in READ, Jennifer Chun
- ◆ Department of Agriculture Chair Sharon Hurd and colleagues
- ◆ Hawai'i Tourism Authority President John De Fries and Vice President Caroline Anderson
- ◆ Hawai'i Convention Center

### Made in Hawai'i Brand Workshop Sponsors

- ◆ Department of Business Economic Development & Tourism
- ◆ Halekūlani Hotels
- ◆ Hawaiian Airlines
- ◆ Hawai'i Lodging and Tourism Association
- ◆ Hawai'i Tourism Authority
- ◆ O'ahu Visitors Bureau
- ◆ Prince Hotels

## **Made in Hawai'i Brand Workshop Speakers**

- ◆ Dane Ambler, Buy New Zealand Executive Director
- ◆ Ann Botticelli, former Hawaiian Airlines Communications Senior Vice President
- ◆ Richard Cohen, Hawai'i Department of Agriculture
- ◆ Lyle Fujikawa, Department of Business Economic Development & Tourism
- ◆ Byron Goo, Tea Chest Hawai'i President
- ◆ Shep Gordon, Alive Enterprises President
- ◆ Meli James, Mana Up Co-founder
- ◆ Harold Koda, Co-founder of The Met Gala, Metropolitan Museum of Art Costume Institute
- ◆ Laurie Lang, The Walt Disney Company Brand Management Founder and former Senior Vice President
- ◆ Kūhiō Lewis, Founder, Pop Up Makeke
- ◆ Nicole Lin, Alibaba
- ◆ Dennis Ling, Department of Business Economic Development and Tourism, BDSO Director
- ◆ Pat Loui, Omnitrak Chair and CEO
- ◆ Dan Nellis, Dole Hawai'i General Manager
- ◆ Chris Schmicker, Shopify Director of Brand Marketing
- ◆ Sheila Donnelly Theroux, SDA International President and Founder
- ◆ Dane Wicker, Department of Business Economic Development and Tourism Deputy Director
- ◆ Lauren Zirbel, Made in Hawai'i Festival Executive Director

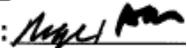
# APPENDICES

# APPENDIX A

## ACT 2 LEGISLATION

**A BILL FOR AN ACT VETO OVERRIDE**

ACT No. 2

Approved: 

Date: July 6, 2021

RELATING TO ECONOMIC DEVELOPMENT.

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

1 SECTION 1. Chapter 201, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:  
4 "§201- "Hawaii Made" program for manufactured products  
5 oversight; "Hawaii Made" trademark. (a) The department of  
6 business, economic development, and tourism shall administer and  
7 oversee a "Hawaii Made" program for manufactured products and  
8 shall hold ownership of the "Hawaii Made" trademark.  
9 (b) For purposes of this section, the department of  
10 business, economic development, and tourism shall:  
11 (1) Promote consumer demand for "Hawaii Made" products;  
12 (2) Coordinate manufacturing of "Hawaii Made" products;  
13 (3) Coordinate and promote distribution channels for  
14 "Hawaii Made" products;  
15 (4) Ensure that appropriate patents and copyrights are  
16 acquired for "Hawaii Made" products; and  
17 (5) Identify new funding opportunities to promote the  
18 expansion of "Hawaii Made" products.

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- 1        (c) No person shall:
- 2        (1) Keep, offer, display or expose for sale, or solicit
- 3        for the sale of any item, product, souvenir, or other
- 4        merchandise that:
- 5        (A) Is labeled "Hawaii Made"; or
- 6        (B) By any other means, represents the origin of the
- 7        item as being from any place within the State; or
- 8        (2) Use the phrase "Hawaii Made" as an advertising or
- 9        media tool,
- 10       for any item that has not been manufactured, assembled,
- 11       fabricated, or produced within the State and that has not had at
- 12       least fifty-one per cent of its wholesale value added by
- 13       manufacture, assembly, fabrication, or production within the
- 14       State, including Hawaii-sourced goods, services, and
- 15       intellectual property."

16       SECTION 2. There is appropriated out of the funds received  
 17 by the State of Hawaii from the American Rescue Plan Act of  
 18 2021, Public Law 117-2 (Section 9901), the sum of \$150,000 or so  
 19 much thereof as may be necessary for fiscal year 2021-2022 to be  
 20 used for the oversight and administration of the "Hawaii Made"  
 21 program for manufactured products and for the department of



1 business, economic development, and tourism to promote the  
2 "Hawaii Made" brand.

3 The sum appropriated shall be expended by the department of  
4 business, economic development, and tourism for the purposes of  
5 section 1 of this Act.

6 SECTION 3. New statutory material is underscored.

7 SECTION 4. This Act shall take effect upon its approval.

**APPENDIX B**  
**VOICE OF STAKEHOLDERS MARKET INPUT ON MIH**  
**BRANDING:**  
**HAWAI'I MANUFACTURERS, HAWAI'I RESIDENTS AND**  
**U.S. CONSUMERS**



**VOICE OF STAKEHOLDERS MARKET INPUT ON MIH BRANDING:  
HAWAI'I MANUFACTURERS, HAWAI'I RESIDENTS AND U.S. CONSUMERS**



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# I. Research Objectives

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In approaching this Made in Hawai'i brand development plan, the State Department of Business, Economic Development and Tourism decided to use a market-based approach since benefits to the State will be accrued when consumers buy the products produced and sold by Made in Hawai'i companies, enabling job and economic growth as well as diversification. This market-based approach is consistent with global branding best practices. A brand is no longer "goodwill" but rather an asset and objective empirical data from the markets are used to quantify its value.

## WHAT WERE OBJECTIVES OF THE MARKET RESEARCH?

The purpose of the research is to develop a Hawai'i brand that optimizes its value and is credible to both buyers and sellers. Objectives included:

- ✓ To gain input on how buyers and sellers perceive the Hawai'i brand
- ✓ To establish a benchmark of buyers and sellers' perceptions, equity, and associations of the Hawai'i brand.
- ✓ To gain market input regarding strategies going forward for a Made in Hawai'i brand.

## WHO PROVIDED SURVEY INPUT?

- ✓ **Buyers** - The study surveyed two groups of buyers – Hawai'i residents and U.S. visitors - to capture demand input.
  - **U.S. visitors** were captured using a national monthly sample of 12,000 U.S. travelers from Omnitrak's Traveltrak America study.
  - **State residents** participated by adding tack-on questions to the DBEDT-HTA Resident Sentiment Study (RSS). While this approach was cost effective, the scope of inquiry for this additional segment was limited, given the length of the overall RSS.
- ✓ **Sellers** – A focus group and quantitative survey of Hawai'i businesses & Made in Hawai'i manufacturers provided input.
  - The on-line link was emailed to companies from trade association lists, including those focusing on Native Hawaiian manufacturers and companies.
- ✓ **Japanese Market** - Although the Japanese visitor market is important for Hawai'i, this segment was not included because of the impact of Japan's outbound travel regulations during Covid-19. Low Hawai'i arrival numbers would skew results collected in-destination, while the budget did not permit data collection in Japan.

## II. Methodology

	MIH BUYERS – TWO SEGMENTS		SELLERS:
	US Visitors	Hawai'i Residents	Manufacturers
<b>Methodology</b>	Online	Online	Online
<b>Screening Criteria</b>	Visited Hawai'i or interested in visiting in 5 years	Residents of Hawai'i aged 18 or older	Organizations manufacturing/doing business in Hawai'i
<b>Sample Size</b>	933	639	103
<b>Sampling error at 95% confidence level</b>	+/- 3.3%	+/- 3.9%	+/- 9.8%
<b>Field Dates</b>	Online: October 26 - 28, 2022 Intercept: November 12 - 14, 2022	October 19 – November 16, 2022	2 Focus Groups: August 3 & 5, 2022 Online: October 21 – March 7, 2023
<b>Weighting</b>	Respondents were weighted to be representative of U.S. visitor profiles reported by DBEDT	Respondents were weighted to be representative of residents Statewide. Weights were proportionate to population distribution per the latest State Census from DBEDT.	Because a profile of Hawai'i companies that manufacture Hawai'i products is not available, weights were not applied

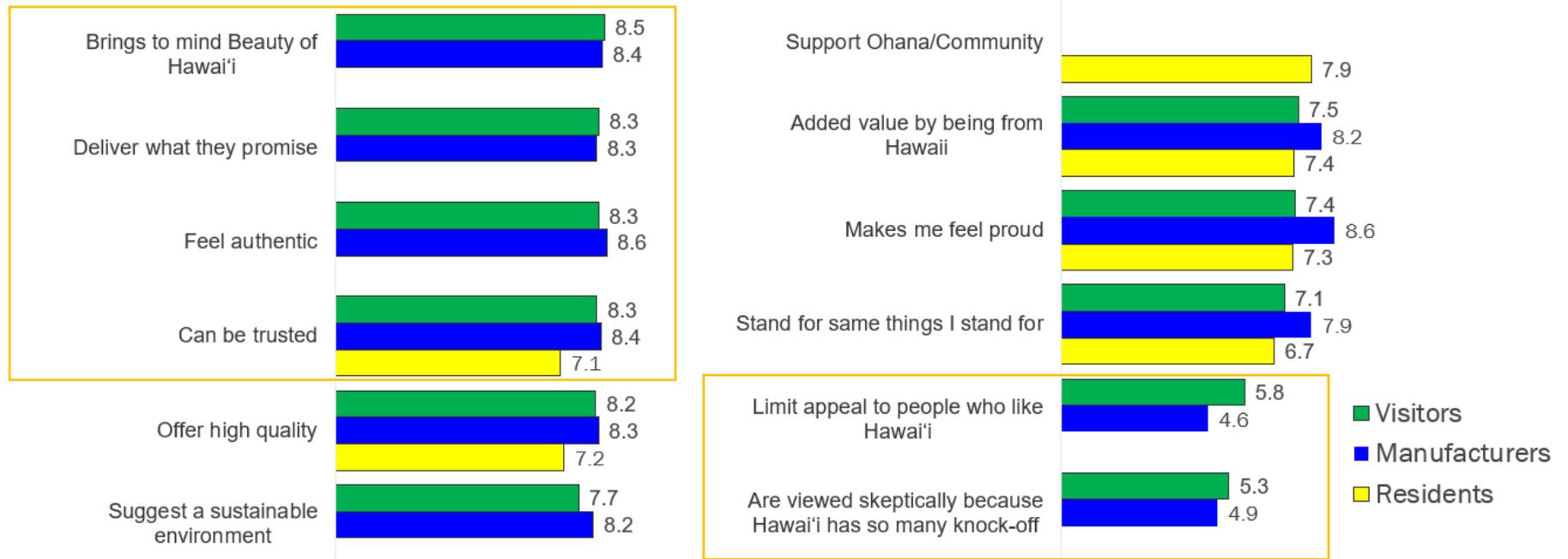
## III. Summary of Findings

## **III.A. Made in Hawai'i Brand Equity (Residents, Visitors, & Manufacturers)**

# Beauty, Authenticity, Trust, Delivering on Promises & High Quality Are Major Attributes associated with Hawai'i Brand Equity

Made in Hawai'i products are highly regarded across all three segments (Visitors, Residents, Manufacturers) particularly in Beauty, Authenticity, Trust, Delivering on promises, and Quality. Few believe that 'Made in Hawai'i' has limited appeal or should be viewed skeptically; further evidence of brand strength.

## Made in Hawai'i Brand Equity



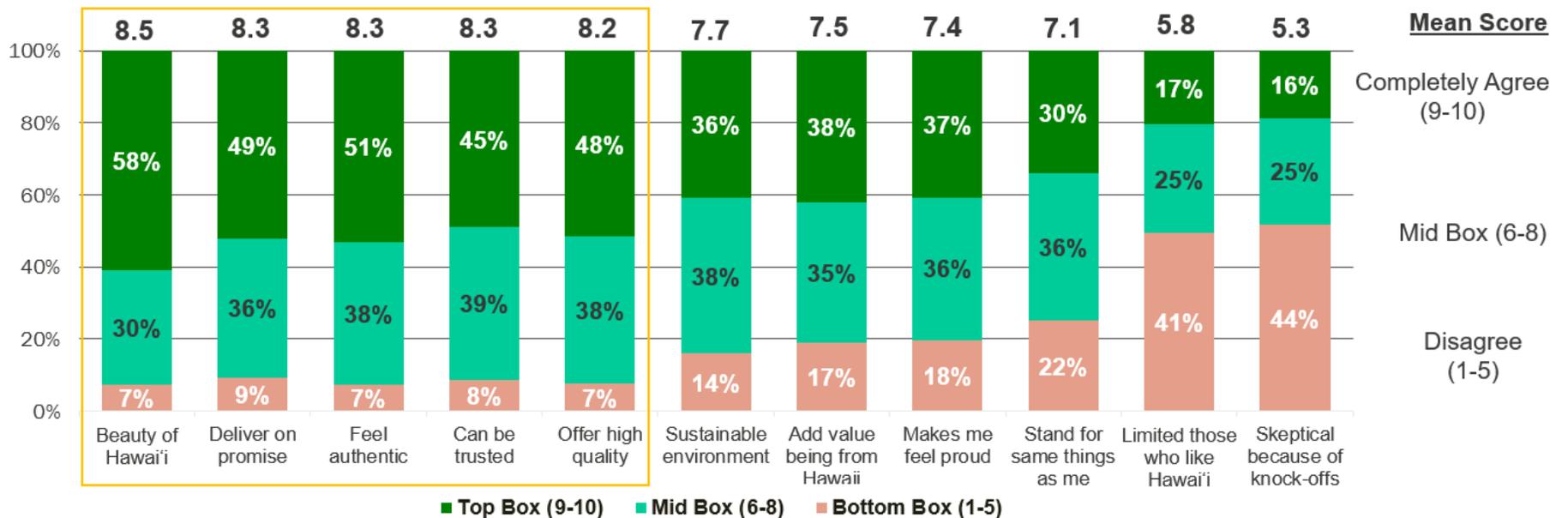
Base: 903 Visitors, 639 Residents, 100 Manufacturers

Q5. How much do you agree or disagree that authentic Made in Hawai'i products have the following associations?

## 9 of 10 Visitors Agree Hawai'i Branded Products Stand for Beauty, Keeping promises, Trust, and High quality

Over 90 percent of Visitors either strongly or somewhat agree that “Made in Hawai'i” products communicate these attributes to them. Furthermore, Hawai'i branding is also strongly associated with a Sustainable environment, Adds value, Makes them feel proud, and Stands for the same values.

**Visitors: Brand Equity Perceptions**

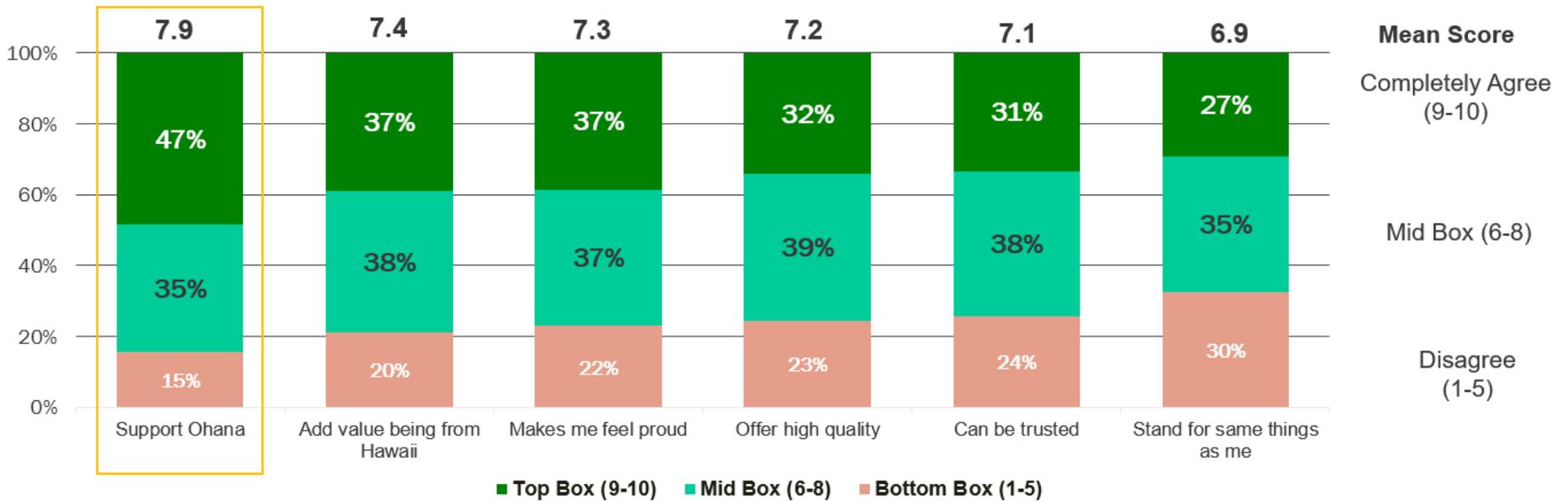


Base: 931 Visitors; Percentages may not sum to 100% due to 'Don't Know' responses.  
 Q5. How much do you agree or disagree that authentic Made in Hawai'i products have the following associations?

# Residents: Supporting Ohana Is the Primary Association with Made in Hawai'i

While Hawai'i residents strongly align with the brand adding value, making them feel proud, offering quality, trust, and standing for similar things – supporting Ohana and families has the strongest affiliation with the brand. As previously noted, because the Resident questions were added to another State survey, the number of attributes included was limited.

Residents: Brand Equity Perceptions

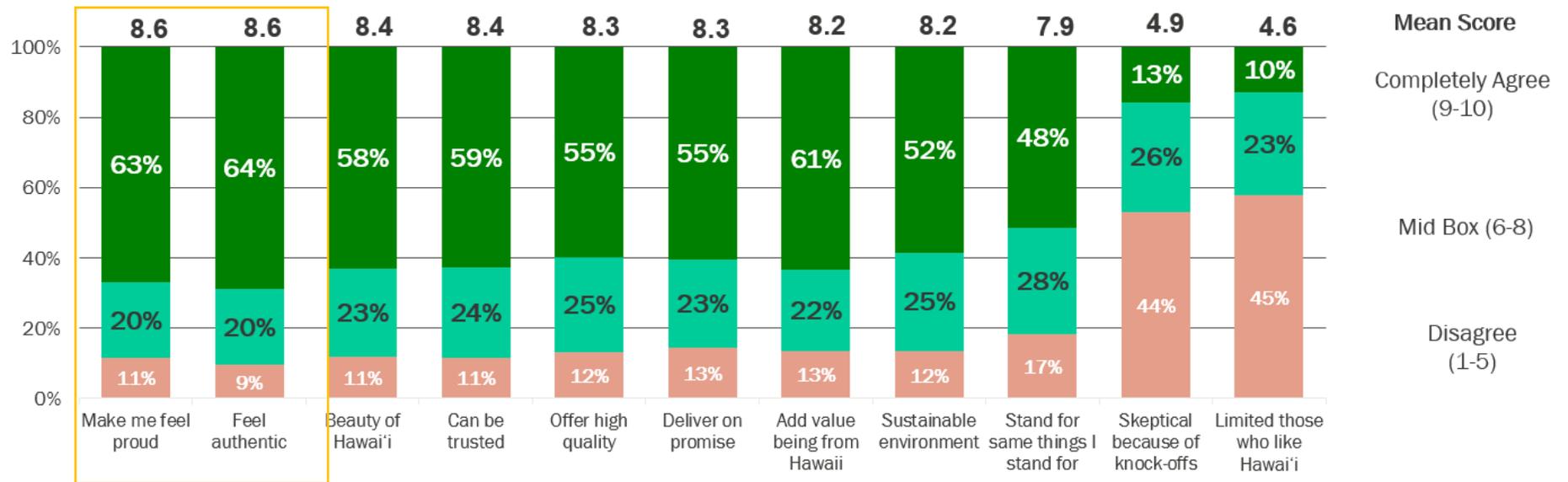


Base: 639 Residents; Percentages may not sum to 100% due to 'Don't Know' responses.  
 Q5. How much do you agree or disagree that authentic Made in Hawai'i products have the following associations?

# Among Manufacturers, Pride and Authenticity Have the Strongest Alignment

Although many attributes scored high among manufacturers, pride or making them feel proud and feelings of authenticity were foremost. Secondary was the beauty of Hawai'i, Trust, Quality, and delivering on promises. Most manufacturers disagreed that Made in Hawai'i stood for negative associations such as Skepticism due to knock-offs or Limited appeal.

**Manufacturers: Brand Equity Perceptions**



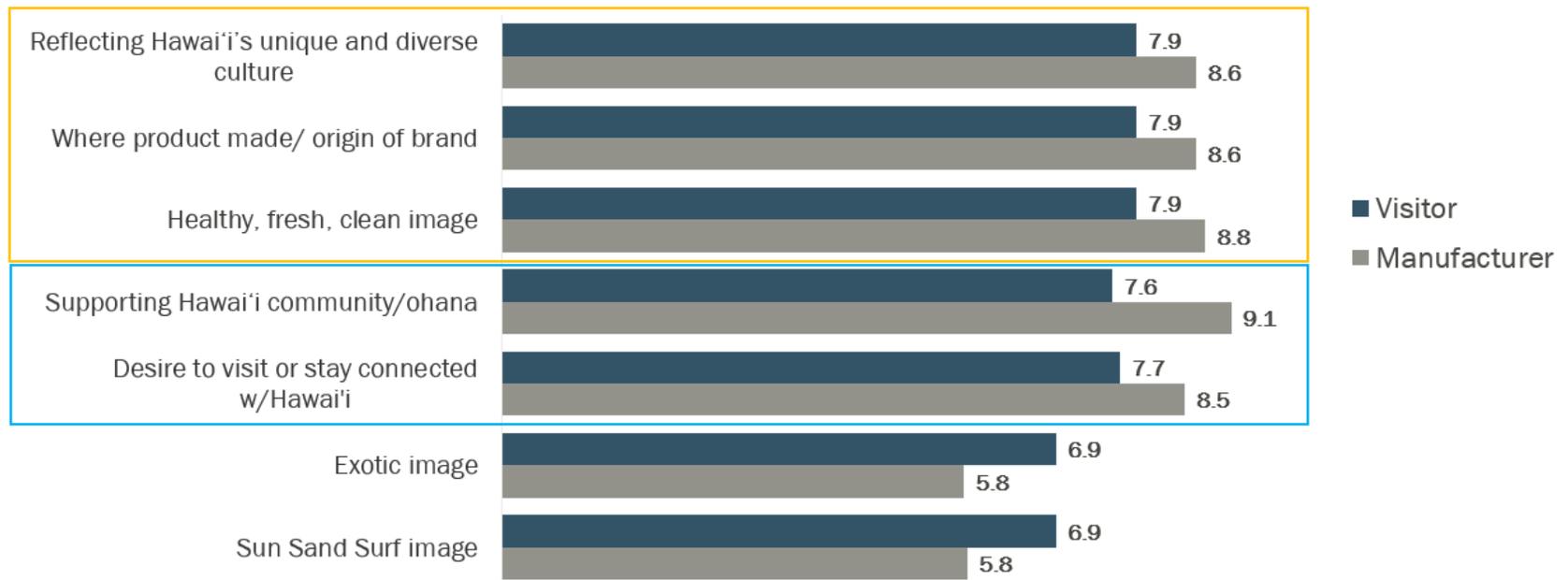
Base: 100 manufacturers; Percentages may not sum to 100% due to 'Don't Know' responses.  
 Q6. How much do you agree or disagree that authentic Made in Hawai'i products have the following associations?

## **III.B. Hawai'i Associations and Their Importance As Purchase Motivators (Residents, Visitors, & Manufacturers)**

# Hawai'i Brand Associations Show An Emerging Broader Lifestyle Brand, Not Just a Destination Brand to Attract Visitors

Among U.S. visitors, the imagery of the Hawai'i brand is tied to its strong sense of place and people, including its unique multi-culturalism, a healthy fresh perception, and its community spirit. Associations more related to Hawai'i as a visitor destination – sun, sand, surf, an exoticness, and the desire to stay connected to memories of past visits all rate lower among both visitors and manufacturers. These associations suggest Hawai'i is growing beyond a destination brand into a lifestyle brand, which is a strong platform to launch diverse products beyond just tourism.

**Visitors & Manufacturers: Important Factors in Purchase**



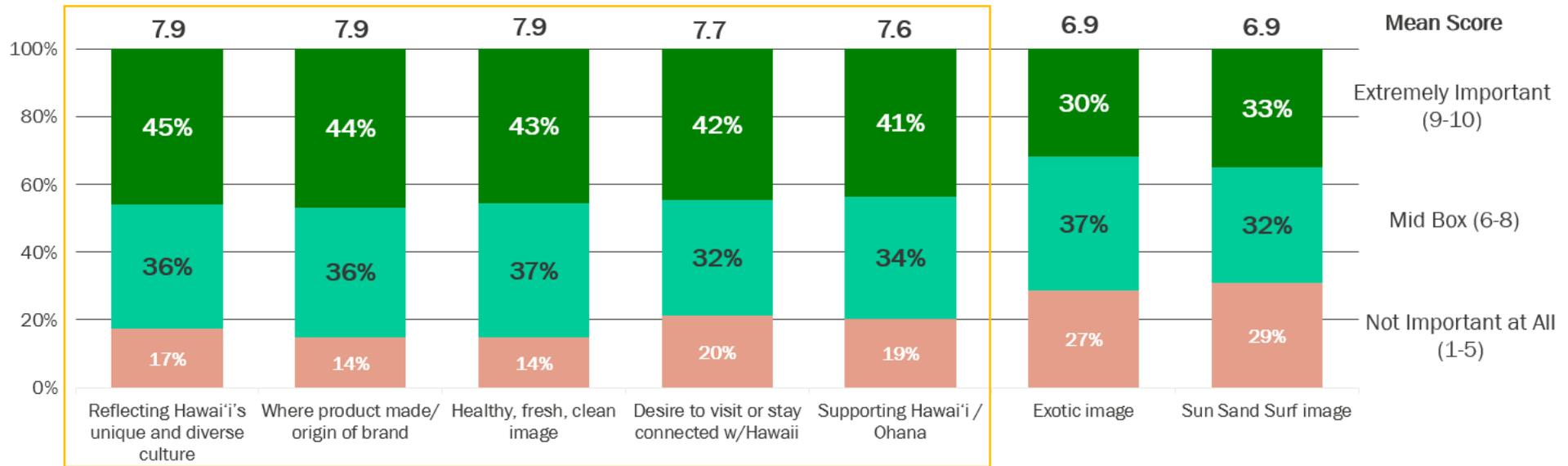
Base: 903 Visitors, 100 Manufacturers

Q4. In deciding to purchase products from Hawai'i, how important are the following, with 10 being extremely important and 1 being not important at all?

# Close to Half of Visitors Rate Hawai'i's Cultural Diversity, Sense of Place & Fresh Image As Extremely Important in the Purchase Decision on Hawai'i Made Products

Further analysis of these factors reveal that a substantial proportion of visitors, over 40 percent, say these factors (Reflecting on Hawai'i's diverse culture, Product Origin, a Healthy/Fresh imagery, connecting with Hawai'i, and supporting Hawai'i) are extremely important when deciding to purchase. It is noteworthy that when visitors are thinking in the context of Hawai'i product purchases, imagery on both Hawai'i's exoticness and sun, sand surf rank last, though these are commonplace in marketing Hawai'i as a visitor destination.

**Visitors: Important factors in purchasing products from Hawai'i**



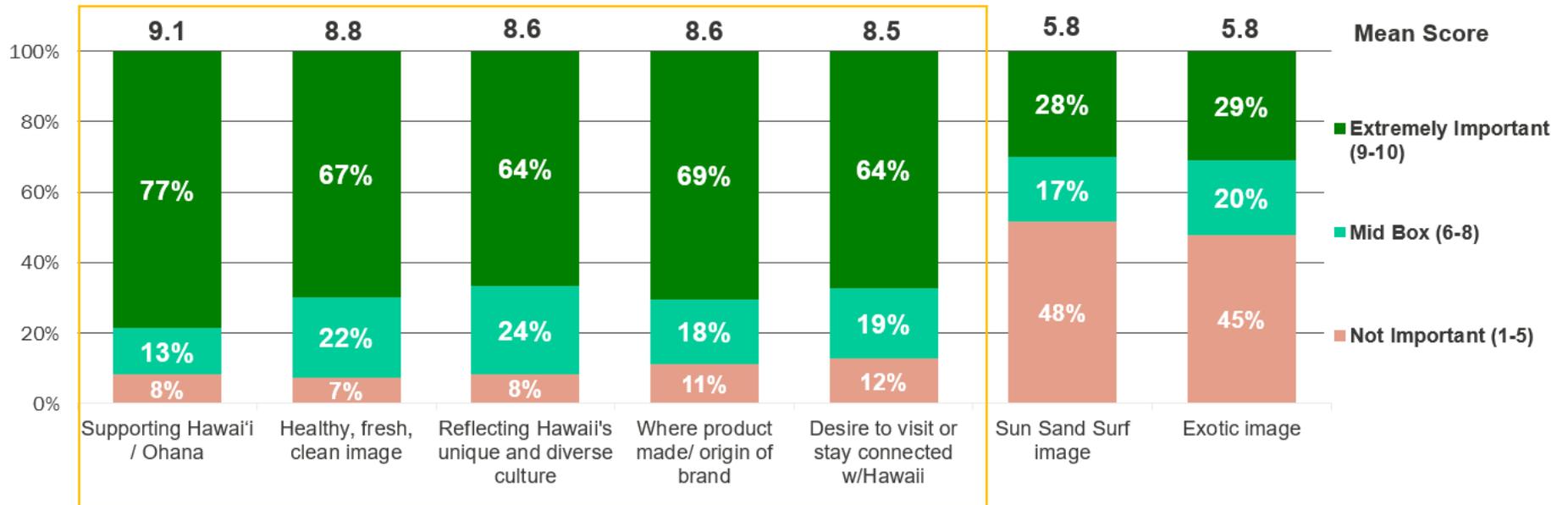
Base: 931 Visitors; Percentages may not sum to 100% due to 'Don't Know' responses.

Q4. In deciding to purchase products from Hawai'i, how important are the following, with 10 being extremely important and 1 being not important at all?

## Manufacturers prioritized supporting their community/ohana and a healthy fresh image over Sun/sand or Exotic image

MIH manufacturers, like residents, indicate that supporting the community/ohana is the top priority in making a purchase decision. Besides that, brand associations tying to a Healthy, fresh, clean image, Hawai'i's diverse culture, and place of origin also rate as extremely important by a majority of manufacturers. In contrast, almost a majority of manufacturers assert that sun, sand surf and exotic imagery is not important at all in influencing the buying decision.

Manufacturers: Important factors in purchasing products from Hawai'i



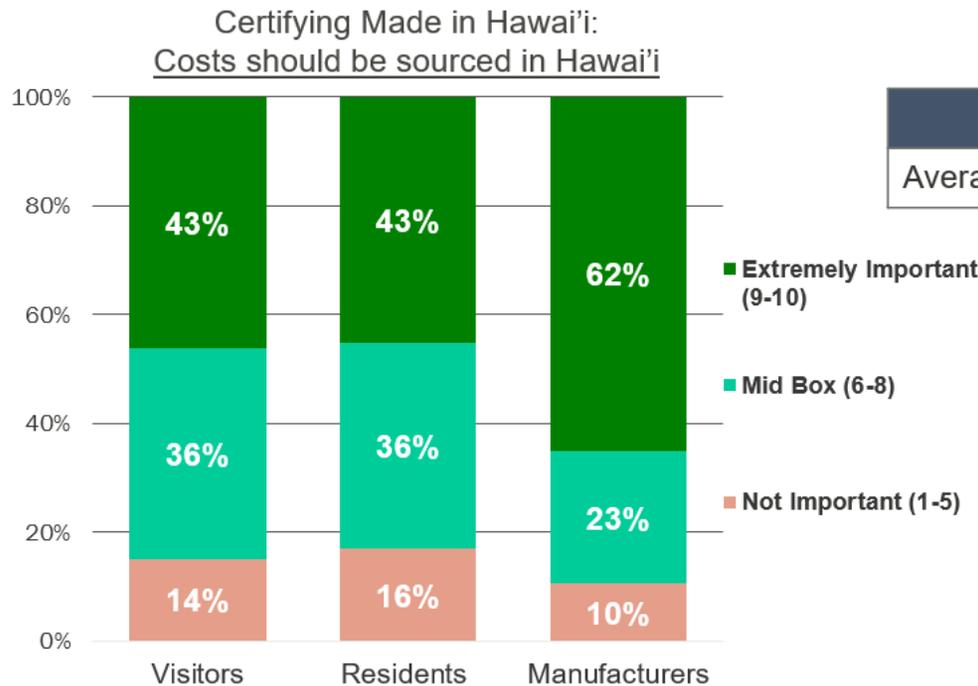
Base: 100 Manufacturers; Percentages may not sum to 100% due to 'Don't Know' responses.

Q4. In deciding to purchase products from Hawai'i, how important are the following, with 10 being extremely important and 1 being not important at all?

## III.C. Criteria for Made in Hawai'i Brand Certification

## Visitors and residents share similar attitudes on where costs should be sourced; Manufacturers place a greater emphasis on this factor

When asked if the costs should be sourced in Hawai'i, Visitors and residents shared similar opinions with around four-in-five agreeing that this is an extremely or somewhat important factor for certifying product labeling. Only a slight minority (less than 15%), believe this is not a factor in certification.



	Visitors	Residents	Manufacturers
Average Rating	7.8	7.8	8.6

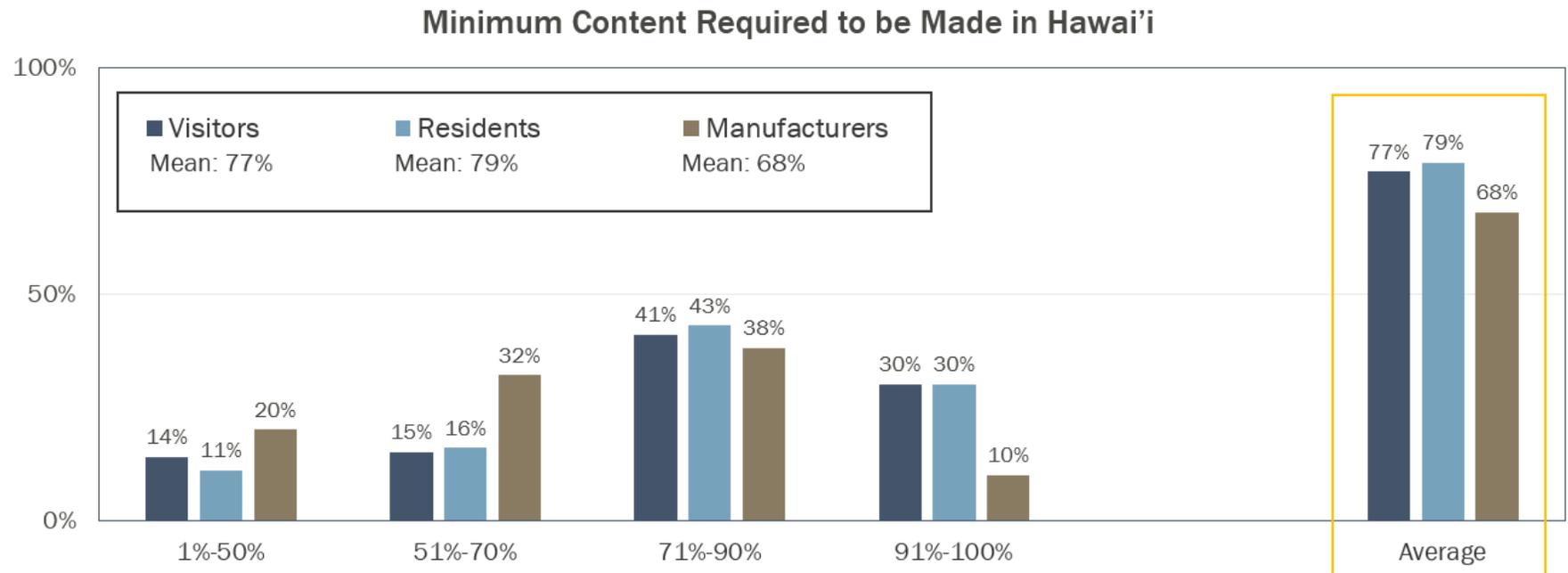
Manufactures, being more cognizant of actual sourcing and production, were much more likely to expect this as a requirement for certification with a, 8.6 out of 10 mean rating compared to ratings by Visitors or residents.

Base: 903 Visitors, 639 Residents, 100 Manufacturers; Percentages may not sum to 100% due to 'Don't Know' responses.

Q7. Some other state and visitor destinations have programs to support products Made in their state or destination. As a buyer, how important do you feel it is to consider each of these factors in certifying products made in Hawai'i?

## On Average, stakeholders all believe that the minimum required content should be between 68-79% to be considered Made in Hawai'i

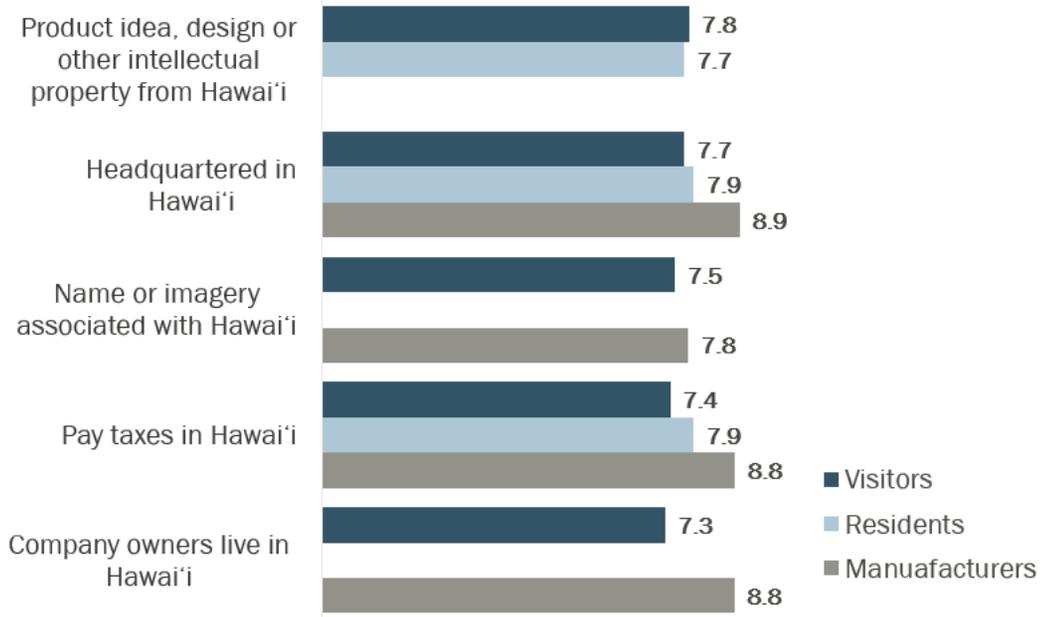
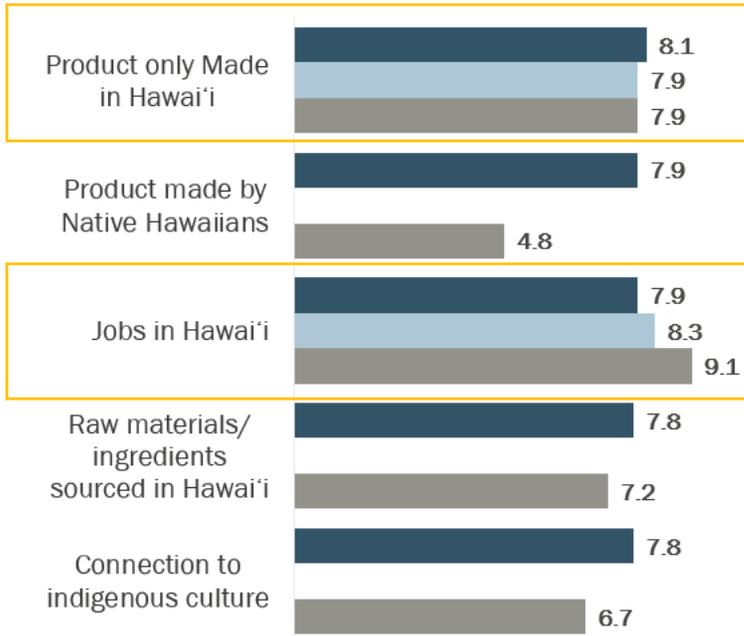
Visitors, Residents and Manufacturers share similar perceptions of the requirements to qualify as “Made in Hawai'i.” Visitors and Residents, expect between 77 to 79 percent of the product cost to be sourced or produced in Hawai'i. Manufacturers believe this should be slightly lower at 68 percent.



Base: Respondents that say significant cost of the product is sourced or produced in Hawai'i rated 6+  
 Q8. And what percentage of the product cost do you feel should be sourced or produced in Hawai'i to qualify for Made in Hawai'i certification?

# Product only Made in Hawai'i is a key factor appealing to Visitors, Residents, and manufactures alike

Producing the product in Hawai'i is an important designation for certifying its 'Made in Hawai'i' status among all groups. In addition, creating Jobs in Hawai'i was also a key consideration among residents and manufacturers in certification. Visitors believed that a variety of factors were important to this certification from production with the least important to them being Name or imagery associated with Hawai'i, Paying taxes, and that the company owners live in Hawai'i.



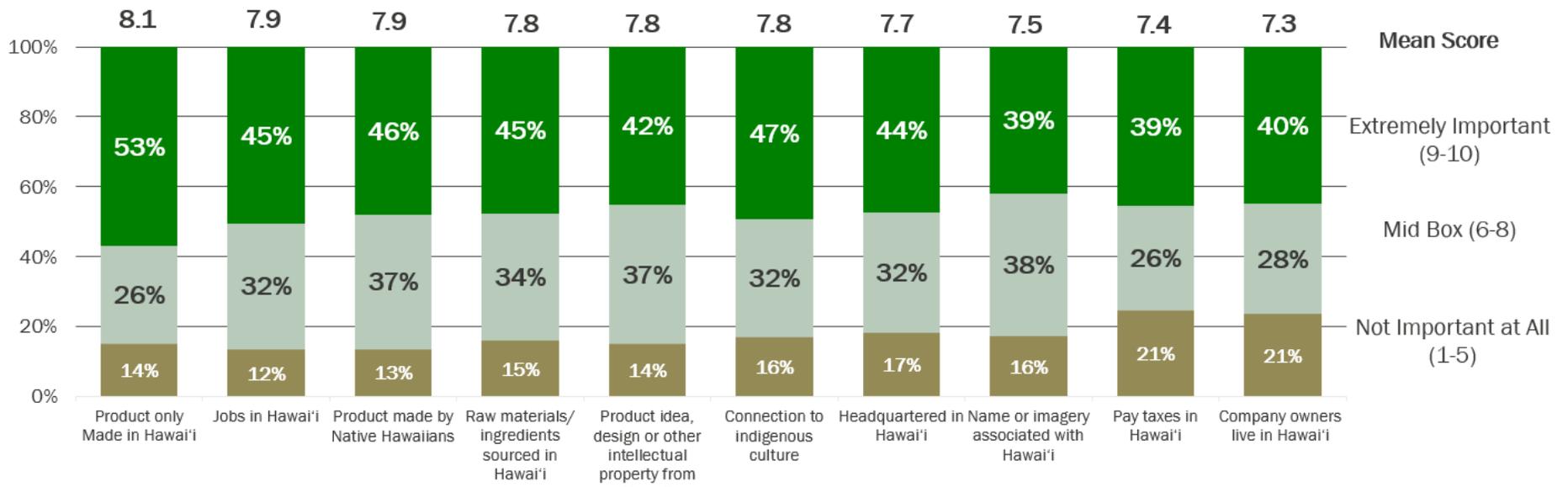
Base: 903 Visitors, 639 Residents, 80 Manufacturers

Q7. Some other state and visitor destinations have programs to support products Made in their state or destination. As a buyer, how important do you feel it is to consider each of these factors in certifying products made in Hawai'i?

# Among Visitors, a number of factors are important when it comes to Made in Hawai'i certification

Visitors believe that a variety of factors are important in certifying 'Made in Hawai'i' products – around 40 percent of all visitors say that all factors were extremely Important to them. As not all factors can be prioritized, the main considerations among visitors are Products only Made in Hawai'i, Jobs, Connections and production by Native Hawaiians / Indigenous cultures, sources of Raw materials, and product ideas/designs originate from Hawai'i.

**Visitors: Factors in Made in Hawai'i Certification**



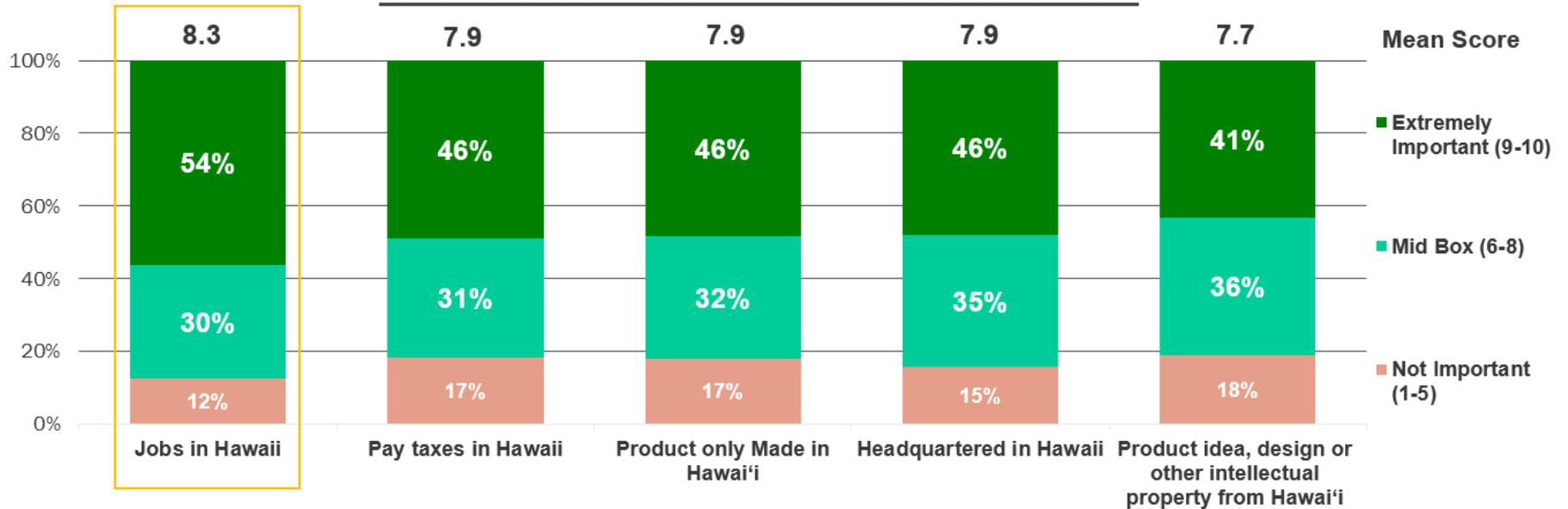
Base: 903 Visitors; Percentages may not sum to 100% due to 'Don't Know' responses.

Q7. Some other state and visitor destinations have programs to support products Made in their state or destination. As a buyer, how important do you feel it is to consider each of these factors in certifying products made in Hawai'i?

# Among residents, Local jobs stand apart as the key factor in certifying a product is Made in Hawai'i

Above all other considerations, providing jobs in Hawai'i is a critical component of product certification with a majority of residents reporting this is extremely important to them. The next consideration for residents is Paying taxes in Hawai'i, that the product is only Made in the State, and that the headquarters are located there.

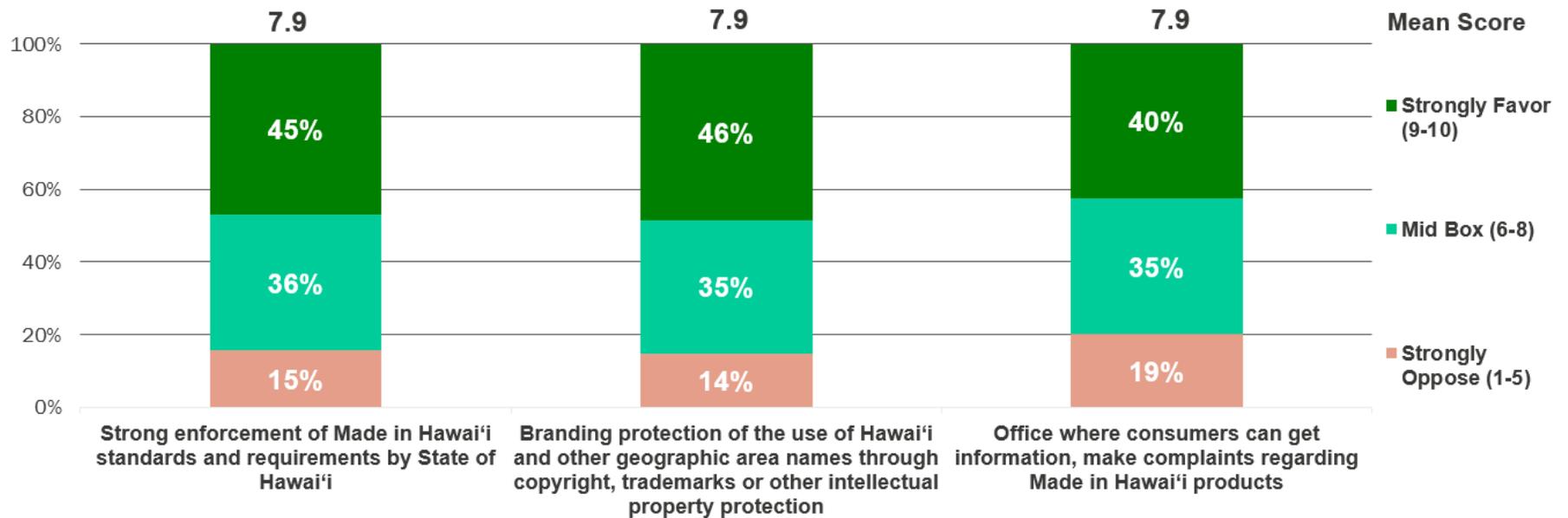
**Residents: Factors in Made in Hawai'i Certification**



Base: 639 Residents; Percentages may not sum to 100% due to 'Don't Know' responses.

Q7. Some other state and visitor destinations have programs to support products Made in their state or destination. As a buyer, how important do you feel it is to consider each of these factors in certifying products made in Hawai'i?

## Residents Strongly Favor MIH Brand Protection: Enforcement, Geographic IP, and Consumer Protection

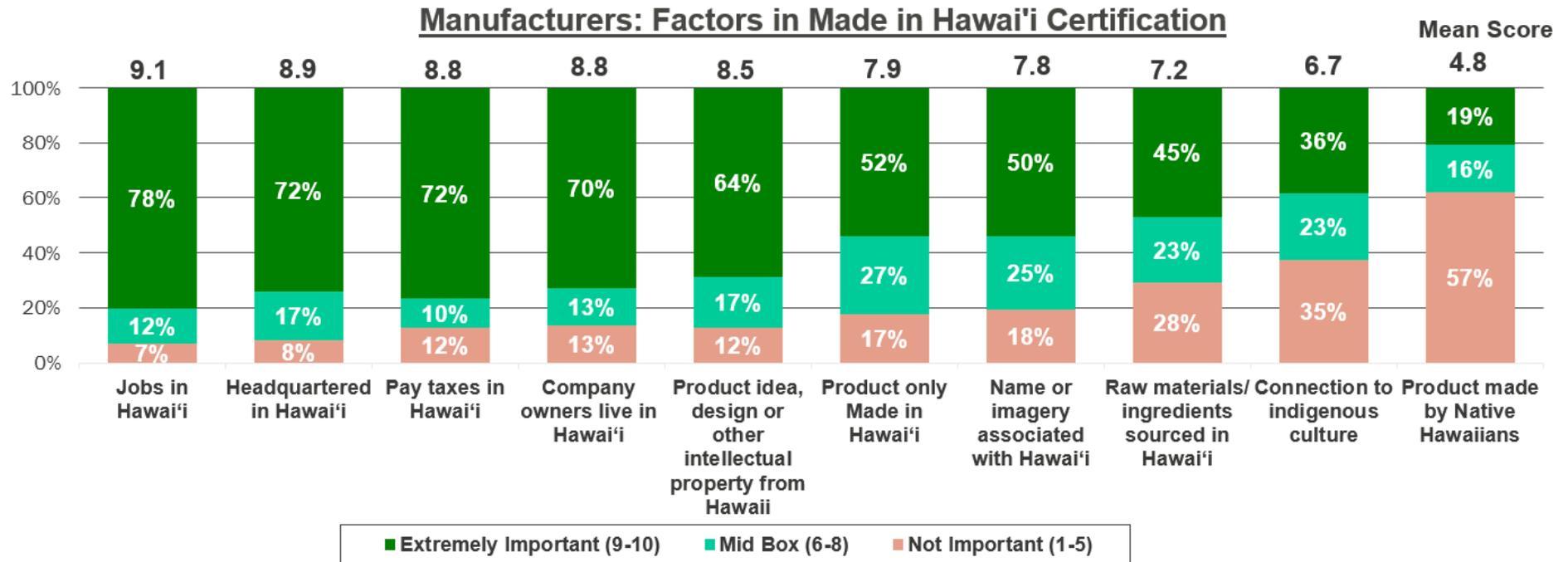


Base: 639 Residents; Percentages may not sum to 100% due to 'Don't Know' responses.

Q4. To give buyers like you trust that Made in Hawai'i products are what the State says it is, do you favor or oppose strong, pro-active efforts such as...

## Jobs, Taxes, ownership/headquarters location are most important among manufacturers

Unsurprisingly, factors such as employment, headquarters/ownership, and paying taxes are key factors for this group. Although still important, concepts such as product design location, being made only in the State, imagery associated with Hawai'i are secondary among manufacturers.



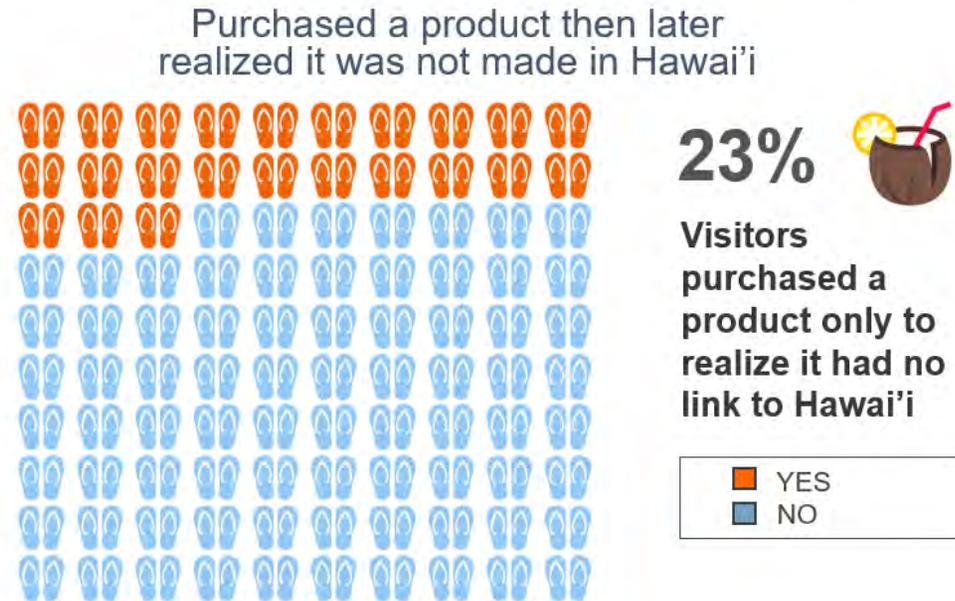
Base: 100 manufacturers; Percentages may not sum to 100% due to 'Don't Know' responses.

Q7. Some other state and visitor destinations have programs to support products Made in their state or destination. As a buyer, how important do you feel it is to consider each of these factors in certifying products made in Hawai'i?

## III.D. Factors to Authenticate Made in Hawai'i Products (Visitors)

## Around a quarter of all visitors purchased a product and later realized it was not made in Hawai'i

While not a widespread problem, almost 1 in 4 visitors report being deceived when purchasing a product, they originally believed to be Made in Hawai'i, only to realize later that it had no link to the State.



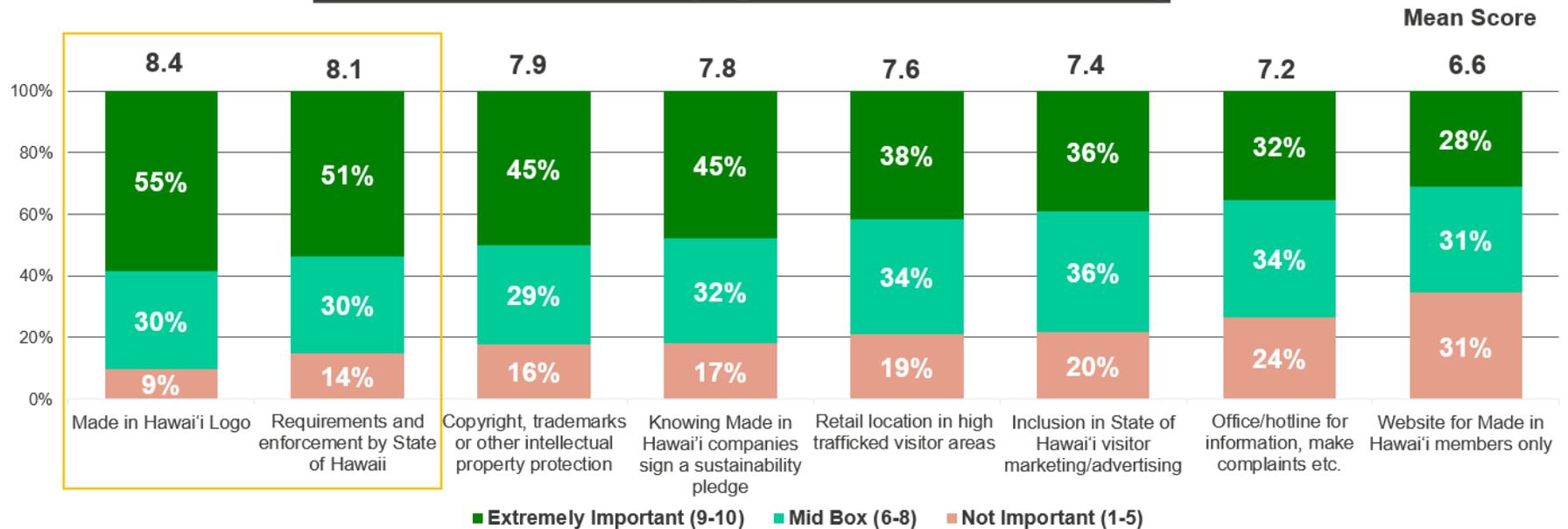
Base: 903 Visitors

Q6. Have you ever purchased a product that you thought was made in Hawai'i and found out that it was not or had no link to Hawai'i?

## A formal logo as well as requirements/enforcement by the State of Hawai'i are the key factors for brand authenticity among Visitors

Around half of all visitors say that a 'Made in Hawai'i' logo or Requirements/enforcement by the State are extremely Important in a certification program. Second to these factors are Copyright/trademark protection and a Sustainability pledge. The remaining factors, while somewhat important to visitors, are not reported as critical for them to identify an authentic Made in Hawai'i product.

### Visitors: Factors in identifying Made in Hawai'i authenticity



Base: 903 Visitors; Percentages may not sum to 100% due to 'Don't Know' responses.

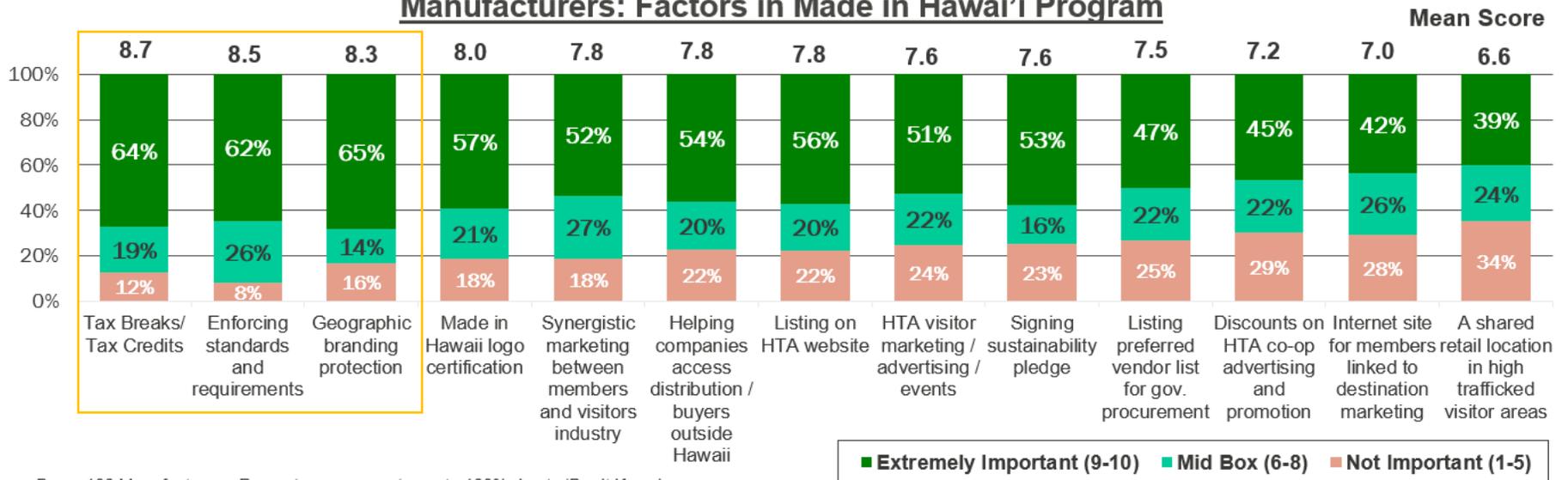
Q9. Suppose the State of Hawai'i had a program to identify products that are authentic and truly linked to Hawai'i. On a scale of 1 to 10 below how important are the following features for a Made in Hawai'i program:

## III.E. Factors in Made in Hawai'i Program (Manufacturers)

## Tax Breaks, Enforcing standards, and Geographic branding protection are vital among manufacturers

Over 60 percent of manufacturers deem these factors as extremely important for a Made in Hawai'i program followed by a logo including certification. Secondary to these factors are Synergistic marketing between members and the industry, Help in access/distribution outside of Hawai'i, and listing on the Hawai'i Tourism Authority website. All factors received some level of support with a majority perceiving them to be at least somewhat important for the program.

**Manufacturers: Factors in Made in Hawai'i Program**

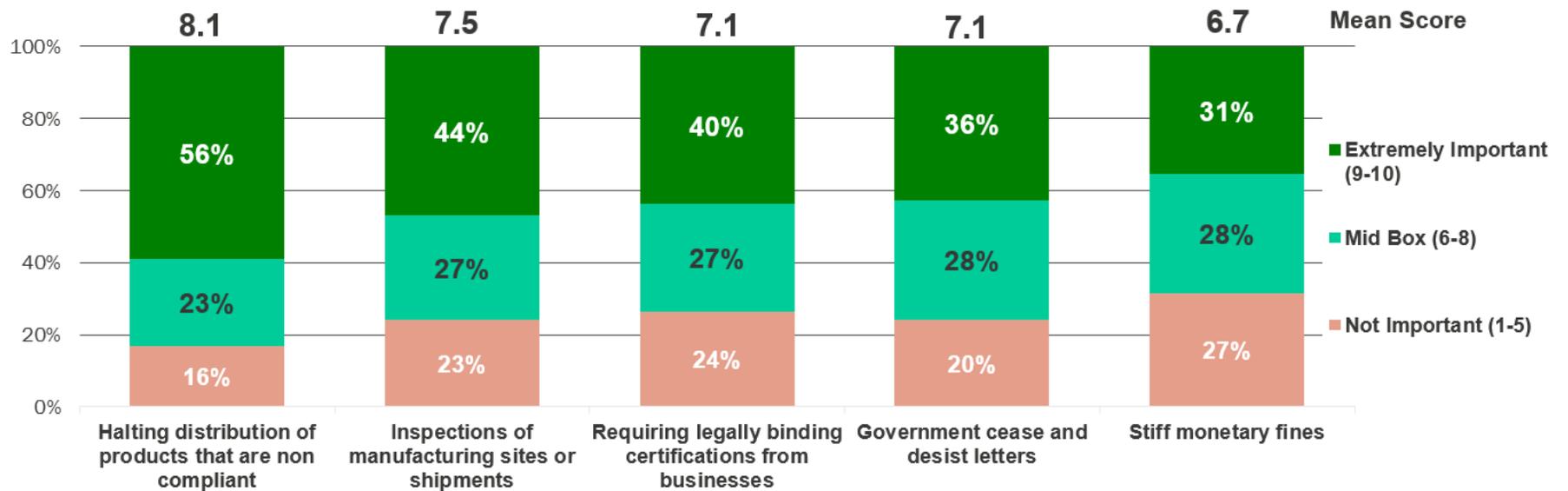


Base: 100 Manufacturers; Percentages may not sum to 100% due to 'Don't Know' responses.  
 Q9. How important this features for a Made in Hawai'i Program?

## Halting distribution of products that violate Made in Hawai'i standards is the preferred solution among manufacturers

Among manufacturers that say Made in Hawai'i standards should be enforced by the government, halting distribution was the preferred method of administration, with 56 percent citing this as extremely important. Government inspections were secondary in preference followed by Legally binding certifications and Cease and desist letters. The tougher punishment of Stiff monetary fines was the least preferred option.

**Manufacturers: Factors in Enforcing Made in Hawai'i authenticity**

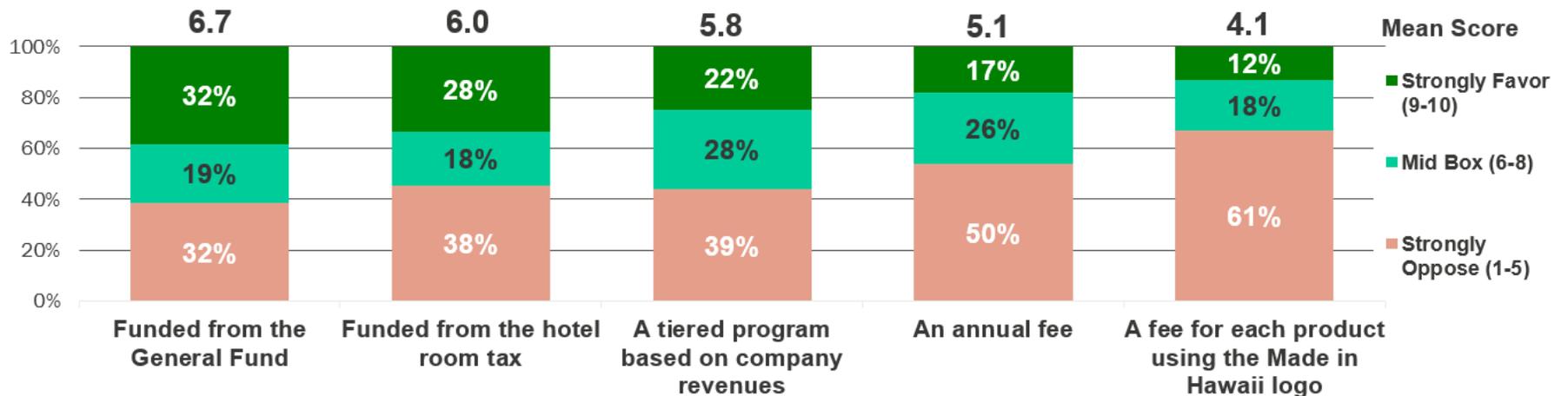


Base: 85 manufacturers; Percentages may not sum to 100% due to 'Don't Know' responses.  
 Q10. [IF RESPONDENT ON Q9L RATES 6 OR MORE] How important is \_\_\_ in enforcing Made in Hawai'i standards?

## Program funding from the State General fund, followed by Hotel Room Tax and Tiers based on company revenues were the favored options

Although no option swayed this group, a Made in Hawai'i program funded via the State General Fund was the most favored approach. Secondary to this was funding from the Hotel room tax and a tiered program by company revenues. These options were all net positive in how manufacturers perceived them. Manufacturers were neutral on an annual fee for the program with similar levels of favor/opposition. The least popular option was a fee based on each product using the logo with a majority of manufacturers opposing this option.

### Manufacturers: Funding Made in Hawai'i program



Base: 100 manufacturers; Percentages may not sum to 100% due to 'Don't Know' responses.  
 Q11. Do you favor or oppose in funding Made in Hawai'i program?

## III.F. Value of Made in Hawai'i Certification To Visitors & Manufacturers

## Made in Hawai'i certification plays a significant role in encouraging product purchases among visitors

'Made in Hawai'i' certification significantly increases demand; Extremely Likely to purchase rises from 15 to 58 percent, a four-fold increase in demand. Demand also improves among those somewhat likely to purchase, increasing from 20 to 32 percent in this segment.

Furthermore, Certification is linked to frequent visits to Hawai'i – a key visitor segments for attracting future product purchases. Visitors extremely likely to purchase Made in Hawai'i products tend to take more trips to the State.



Trips to Hawai'i	Purchase Made in Hawai'i Certification		
	Extremely Likely (9-10)	Somewhat Likely (6-8)	Not Likely at all (1-5)
Average	2.3	1.9	0.4
BASE	538	279	75

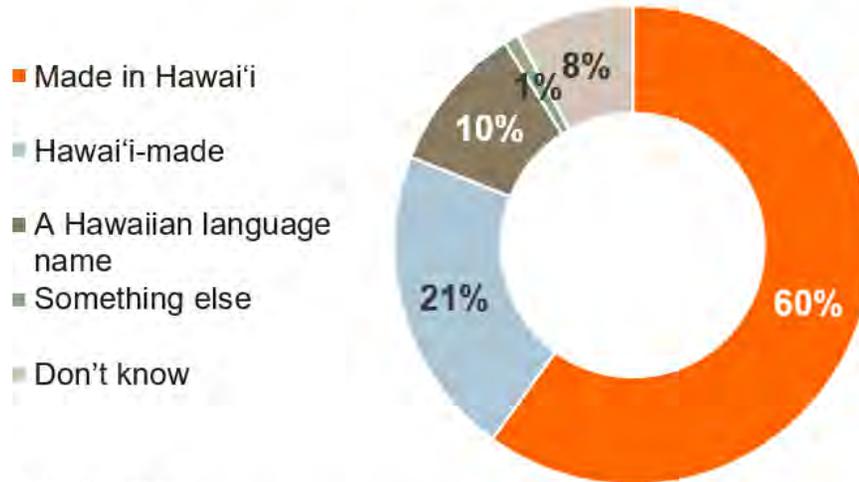
Base: 903 Visitors; Percentages may not sum to 100% due to 'Don't Know' responses.

Q12. If you had the chance to buy products described below, how likely would you be to purchase each of the following products if 10 means extremely likely and 1 means not likely at all: (A) Product X looked like or suggested it was from Hawai'i but lacked any State certification so its Hawai'i authenticity was uncertain. (B) Product Y had a Made in Hawai'i certification from State of Hawaii on its packaging verifying Hawai'i authenticity.

## “Made in Hawai’i” is the preferred name for certification

The name, ‘Made in Hawai’i’ is the clear winner by visitors with 60 percent preferring that name followed by ‘Hawai’i-Made’ (21%), a name in the Hawaiian language (10%), and nine percent unsure or mentioning something else. Manufacturers also preferred this name above all others.

### Visitors: Which name do you prefer?



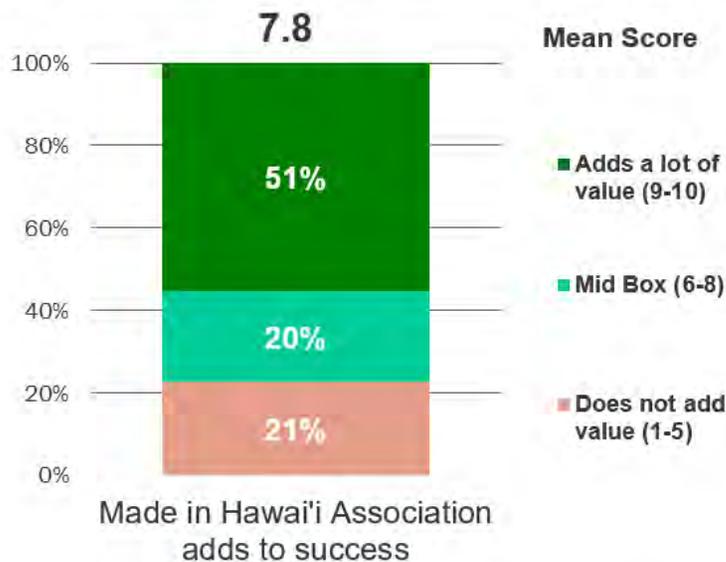
Base: 903 Visitors  
Q11. Regarding potential names, which name do you most prefer?

**60%**   
Visitors prefer the name ‘Made in Hawai’i’

**64%**   
Manufacturers also prefer the name ‘Made in Hawai’i’

## Manufacturers strongly believe that association with Made in Hawai'i adds to their success

Seven-in-ten manufacturers credit Made in Hawai'i with adding to their success, of which, half (51%) say it adds a lot of value to their business. Only 21 percent reported weak support for the Made in Hawai'i association and say it offered them little value. This indicates there is strong support for a formal Made in Hawai'i association among manufacturers.



**71%**

**Of Manufacturers say  
Made in Hawai'i adds  
value to their sales,  
marketing & promotional  
success.**

Base: 100 Manufacturers; Percentages may not sum to 100% due to 'Don't Know' responses.  
Q4. Overall, how much, if at all, does the association with Hawaii add to your company's sales, marketing and promotion success?

## IV. Respondent Demographics

## Visitor Respondent Demographics

GENDER	
Male	46%
Female	54%
AGE	
18 to 24	11%
25 to 40	32%
41 to 59	33%
60 years or more	24%
Average (Years Old)	45.0
ETHNICITY	
Caucasian	64%
African American	7%
Asian or Pacific Islander	19%
Hispanic	7%
Other	2%
MARITAL STATUS	
Single, Never married	40%
Married	40%
Divorced, Separated, Widowed	13%
Other	6%

EMPLOYMENT	
Professional	10%
Management	9%
Self Employed	8%
Technical	6%
Administrative/Clerical	6%
Unemployed/Retired	32%
Other	24%
EDUCATION	
High School or less	23%
Some College or trade school	24%
Graduated College/Post College	53%
INCOME	
Under \$35,000	28%
\$35,000-\$49,999	13%
\$50,000-\$74,999	15%
\$75,000-\$99,999	19%
\$100,000-\$149,999	10%
\$150,000+	8%
Prefer not to answer	7%

HOUSEHOLD SIZE	
1	23%
2	39%
3	16%
4	13%
5 or more	9%
Average	2.6
TRIPS TO Hawai'i	
1	8%
2	9%
3	4%
4	3%
5 or more	14%
Average	2.1
US REGION	
Pacific	54%
Mountain	13%
Mid-South Atlantic	12%
Central-South	18%
Other US	3%

## Resident Respondent Demographics

<b>GENDER</b>	
Male	50%
Female	50%
<b>AGE</b>	
18 to 34	29%
35 to 54	32%
55 to 64	16%
65 years or more	23%
Average (Years Old)	48.7
<b>ETHNICITY</b>	
Caucasian	20%
Japanese	18%
Hawaiian/Part Hawaiian	21%
Filipino	10%
Other	31%
<b>MARITAL STATUS</b>	
Single, Never married	36%
Married	43%
Divorced, Separated, Widowed	15%
Other	6%

<b>EMPLOYMENT</b>	
Professional	11%
Hotel Restaurant	7%
Sales	7%
Management	6%
Administrative/Clerical	6%
Unemployed/Retired	34%
Other	27%
<b>WORKED IN THE VISITOR INDUSTRY</b>	
Yes	21%
No	79%
<b>EDUCATION</b>	
High School or less	23%
Some College or trade school	26%
Graduated College/Post College	51%
<b>INCOME</b>	
Under \$75,000	60%
\$75,000-\$99,999	15%
\$100,000 or more	25%

<b>ISLAND</b>	
Oahu	70%
Hawai'i Island	14%
Maui	12%
Kauai	4%

# APPENDIX C

## BRAND COMMUNICATIONS PROGRAM



# Made in Hawai‘i Brand Communications Program for State of Hawai‘i

Presented by SDA International  
For Omnitrak  
June 28, 2023

# Brand Communications Introduction

A brand communications strategy oversees the brand voice and nurtures stakeholder relationships. The brand communications plan of this Hawai'i State initiative is **designed and curated** to support Hawai'i's present and future generations through four pillars:

- **Enlightened, ongoing education from masters of experience, knowledge and original thoughts in the practice of their craftsmanship**
- **Encouraging local partnerships to build together in strength**
- **Communicating the uniqueness of products made in Hawai'i with the aloha spirit through traditional media**
- **Creating a unique social media voices campaign aimed at motivating buyer/seller desire and generating a groundswell movement**

The state's support of an alliance of MIH businesses will enable locals to make a livelihood in the islands, as well as embrace a new approach to working with tourism through both e-commerce and in-Hawai'i sales.

Our program is layered into **three budget options—Minimum, Moderate and Maximum**—and includes special events concepts; partnership ideas; and publicity programming for traditional and social media. Essential elements include assets for a publicity tool kit and support for a Hui App gathering place for shared ideas. We include a creative menu to help drive business to online retail cooperatives, and to help small companies form their own brand communications storytelling.



# Objectives

## Intention

To introduce the Made in Hawai'i brand “seal” and its significance to Hawai'i's global brand recognition and appeal, as support for Hawai'i's economic future. Through product brand communications, we broaden access to Hawai'i island natural lifestyle that the world wants to emulate.

## Purpose

To diversify Hawai'i's economy with a State of Hawai'i brand communications plan to launch a Hawai'i brand products seal signifying a standard bearer of locally made products with authenticity, prestige and value that create *moments of emotional connection*.

## Goal

To create an enduring social movement, making “buying local” more understood as a culturally diverse natural lifestyle, rather than just a transaction.

# The Brand Communications Messaging of an MIH “Seal” Product

## Product Qualifications

- 51% product criteria suggestion is to expand beyond product raw materials to include overhead, and local spend.
- Headquartered in Hawai'i

## Messaging:

- Hawai'i Brand Equity: Key asset for economic growth
- Quadruples the demand & adds value
- Reconfirms the desirability of Hawai'i as a unique, culturally inclusive destination lifestyle brand
- Creates opportunities for collective brand marketing and economic growth
- Goes beyond tourism as asset for economic diversification
- Verifies product authenticity and value as opposed to inauthentic and inappropriate
- A creative, talented and akamai business community proud to be from Hawai'i
- Cultural diversity is reflected in its range of products embracing global native crafts, style and creativity

# The Audiences

## Priority MIH Products and Markets

### Grass Roots Audience: Hawai'i Community

**Product:** Culinary + Fashion

**Method:** Publicity (social media focus) adjacencies/unexpected partners

**Rationale:** Create a local buyers' movement to purchase local products and become natural ambassadors; create opportunities to highlight success; and celebrate Hawai'i's cultural diversity through its wide array of products. FOMO (fear of missing out), the "insider scoop" about what's new or hot, will help drive sales via social media.

**Percentage of Focus:** 50%

**Goals:**

- Introduce MIH seal, bringing value and credibility
- Generate more businesses to join and bond to success
- Label the MIH product business owner as modern hero and celebrity bringing economic diversity and collaboration
- Initiate a movement to buy local as a source of community pride, support and culture



# The Audiences

## Priority MIH Products and Markets

**Consumers with an affinity for Hawai‘i and its lifestyle and values:  
U.S.**

**Geographic focus:** U.S. mainland (West Coast: California, Nevada, Washington)\*, New York as a trendsetter hub, Texas and other markets with airlift to Hawai‘i

**Products:** Priority: Culinary

Secondary: Wellness/Beauty/Lifestyle

Customized: Natural Fashion focus

**Method:** Publicity (traditional and social media), collaboration with travel PR community for writers support, encourage product hui to have events, sales, one-of-a-kind and seasonal products.

**Rationale:** Create an emotional bond with visitors and products, representing new experiences and discoveries, education about local culture and building understanding/respect for local community. Encourage apparel to take back resort wear, expand to athleisure and more sophisticated natural wear that can be adapted to guests that live and enjoy sunny climates.

**Percentage of Focus:** 40%

**Goals:**

- Introduce MIH seal and its value of authenticity and quality
- Generate more visitor purchases and open door to e-commerce
- Discovery of local products as an extension of Hawai‘i and its brand equity
- Follow the local movement to buy MIH



# The Audiences

## Priority MIH Products and Markets

### Consumers with an affinity for Hawai'i and its lifestyle and values: Japan

**Geographic Focus:** Tokyo area

**Products:** Culinary, Leisure Fashion, Gifts and Cultural

**Method:** Outreach to JTB, ANA, JPA, HTA, Hotel sales teams and concierges for gathering to present MIH seal and launch and gather advice on how to best launch to this market; discuss test products based on advice.

**Rationale:** Introduce the MIH seal as quality and authentic, market value, one-of-a-kind and limited-edition local products as both personal purchases and omiyage.

**Percentage of Focus:** 10% (leading up to 25%+ in 2024 when the market is predicted to expand travel to Hawai'i)

#### Goals:

- Introduce MIH seal and its value of authenticity and quality
- Generate more visitor purchases and open door to e-commerce
- Discovery of local products as an extension of Hawai'i and its brand equity
- Follow the local movement to buy MIH



# Deliverables: Publicity Plan Social & Traditional Media

The following items are targeted deliverables in a finalized Brand Communications plan. We include an outline of examples and possibilities, with details to be determined on acceptance and budget approvals.

- Publicity plan timetable
- Social media concept and plan
- Website press story starters examples
- Press kit topics for development
- Publicity Assets Library (images, video) to come based on budget and availability
- Press release writing and distribution to come based on program and timetable
- Database development (media, government, retail partners and MIH seal participants)
- Deliverables measurement (customized to the event with a goal of x4 minimum)
- Counsel and meetings; monthly reports



# MIH Brand Communications Methodologies: Social & Traditional Media

## Social Media: Creating Desire

- MIH Brand postings
- Consumer postings
- Influencer postings
- Media postings
- Partnership postings (affinity/unexpected)

## Traditional Media: Developing Awareness

- Editorial travel
- Editorial retail
- Online media
- Partnerships with travel brands/HTA/retailers
- Partnerships (affinity/unexpected)

## Rationale:

**Social Media** is where the desire for purchase and a movement is created; here is where the buying public becomes ambassadors very quickly and a trend becomes product passion. Under the banner of Social Media, everyone tells their story of buying local and reaffirming Hawai'i's sense of place, multiculturalism, health and natural beauty. The emotional connection and storytelling forms between product and buyer initially on social media, then becomes a real relationship of respect and cultural understanding in person whether local-to-local or visitor-to-local.

The **Traditional Media campaign** is where business messaging is relayed. It is here that the MIH seal will be announced and its intentions and benefits to Hawai'i will be understood. Social Media is where the seal will be activated. Through partnerships, travel publicity and online media, the concept and products will be grouped under the umbrella of Hawai'i as a Lifestyle Brand.

# Assets

Images and video (B-roll, short form videos) are critical to both the social media program and all aspects of this program. These will need to be sourced and encouraged from the MIH product owners and travel partners. There will also be an investment by the MIH campaign by the state.



# Product Launch Timing Recommendations

## Year One Priority Launch Focus: Culinary

### Rationale:

- High recognition and product popularity (coffee, cookies, chips, nuts, etc.) in Hawai'i and mainland markets
- Business leaders: experienced self-starters
- Accessible price points
- E-commerce ease
- Natural affinity and opposites partnerships
- Publicity-friendly
- Social Media Influencers in place
- Willingness to educate collaborate and share
- High volume of producers

Percentage of focus: 60%

## Year One Secondary Launch Focus: Fashion/Apparel

### Rationale:

- Local market focus
- Select products for U.S. mainland and Japan markets primarily related to visitor spends
- Natural affinity to partnerships
- High price points
- Dependent on product expansion to visitor preferences.

Percentage of focus: 20%

## Year One Secondary Launch Focus: Wellness/Beauty

### Rationale:

- Local market
- Visitor sales in resort areas, hotels, spas
- Product categories need greater definition and authentication of product safety and government approvals. Growth as seals are approved.

Percentage of focus: 20%

# Minimum, Moderate & Maximum Option Plans

<p><b>Minimum Plan Inclusions</b></p> <ul style="list-style-type: none"> <li>- MIH Brand Seal Business Launch Publicity Campaign</li> <li>- Mentorship program</li> <li>- Hawai'i Business Partnership Event</li> <li>- Initiate Mentorship/Education Program</li> <li>- Research Product Placement</li> <li>- Initiate podcast for local entrepreneur of the month" themed interviews</li> <li>- MIH website blog/content (SEO to drive traffic)</li> <li>- The Song (Mele) Contest</li> <li>- TikTok Recipe Series</li> </ul> <p><b>Rationale:</b> Generate awareness and encourage participation based on Hawai'i's brand equity as a key asset for economic growth.</p>	<p><b>Budget:</b> \$275,000</p>
<p><b>Moderate Plan Inclusions</b></p> <ul style="list-style-type: none"> <li>- All of the above, plus:</li> <li>- Develop Promotions &amp; Partnerships</li> <li>- Paid Influencer program initiated</li> <li>- Lay groundwork for a major special event on May Day 2024</li> </ul> <p><b>Rationale:</b> Continued buyer support in local and visitor markets, draw audiences to value of MIH brand and bring visitors and locals together in special event which highlights local grown talent and products.</p>	<p><b>Budget:</b> \$650,000</p>
<p><b>Maximum Plan Inclusions</b></p> <ul style="list-style-type: none"> <li>- Everything included in the Minimum and Moderate brands and additional options</li> <li>- Global Partnerships</li> <li>- Regional Market Special Events</li> <li>- Gathering Places</li> </ul> <p><b>Rationale:</b> Heighten global awareness, expand local product purchases and encourage more e-commerce</p>	<p><b>Budget:</b> \$800,000</p>

# Core Recommendations for MIH Brand Communications Program: **Minimum Plan**

1. **Design and launch a Publicity Campaign with customized Tool Kit:** Plan a two-year MIH brand publicity program via traditional and social media, with select lead products and existing key sales partners (CNHA/Mana Up, etc.) for Hawai'i local, U.S. national, key foreign markets.
2. **Announce and launch Social Media campaign** with first-tier 25 Hawai'i Influencers.
3. **Create and launch a Brand Communications/Aloha MIH Mentorship App:** Like a neighborhood app, this would create a means of communications for all MIH businesses to educate, inform, promote, share, and provide mentorship help via members and select experts.
4. **Initiate a MIH Brand Grassroots Hawai'i Business Partnership Launch:** The goals: to attract Bishop Street business support and mentorship; local community loyalty and purchases; travel industry partnerships, MIH business membership; visitor industry business orders; and visitor purchases.
5. **Publicity Campaign Mentorship Hui Program:** Provide MIH companies with a series of online workshops with marketing, communications, special events experts, retailers and product developers, designers, website providers, social media influencers, podcast developers, YouTube programmers, and the like for a bi-monthly program.
6. **Research Product Placement Opportunities:** Approach Hawai'i Film Office to explore MIH products placements as part of the permitting requirement process in films, advertisements and commercials, editorial photography and video, streaming and TV shows, local shows.

# Core Recommendations for MIH Brand Communications Program: **Minimum Plan (Cont'd.)**

**7. Create a Podcast Interviewing Local “Entrepreneurs of the Month”** who have the MIH seal about their businesses (their passion for the product, working for themselves, living/working in Hawai‘i) Goal is to encourage and inspire other locals to stay in Hawai‘i, return and articulate the meaning of the Aloha Spirit.

**8. Start a Blog/Content (SEO to Drive Traffic).** The blog would always include resources like financial gifts available to help start or boost small business. The goal is to create a tsunami of entrepreneurship in Hawai‘i

**9. The Shopper’s Mele Contest:** Like the theme songs, *We are the World and I’d like to Teach the World*, Shep Gordon would be asked to help create a contest sponsored by a local brand to celebrate everything about Hawai‘i with an opportunity for a streaming or national talent show collaboration. The objective is to include the lifestyle of living in Hawai‘i, what we create and make for each other and visitors.

**10. Build Little Culinary Hui:** Affinity partnerships can come in great and small packages. Social media is affordable (just a little elbow grease), fun and the most cost-effective way to generate and speak awareness. TikTok (and Instagram) is the fastest way to get a trend moving. We suggest encouraging creating culinary hui of like-minded, or specialty areas of food/drink production and posting them as #HawaiiCooks in these categories:

- Drinks
- Desserts
- Breads
- Soups
- Sandwiches
- Veggies
- Fish
- Salad
- Celebrations

Each hui is guided to gather and post in succession until they have enough to collectively create a menu, cooking videos. and graduate collectively to YouTube.

**Rationale:** At present, except for wayfinders, surfers and musicians – Hawai‘i has few heroes to celebrate. Remembrances of our lifestyle can sometimes be vague because of crowds and the cost of living here. These four programs are designed to build local pride and a spirit to be carried on to seven generations to come. They are also practical – designed to encourage and celebrate entrepreneurship in Hawai‘i and to be acknowledged as authentic through the MIH “seal”. The seal must support participants through doable and cost-effective support that can create a following. Mentors can help with creativity and execution.

# Recommendations for MIH Brand Communications Program: **Moderate Plan** (includes all activities in Minimum Plan)

**Develop Promotions & Partnership:** Introduce concepts of unexpected local pairings in special social media campaigns with influencers: MIH products with Hawai'i legends (Israel Kamakawi'ole music with pineapple; Laird Hamilton with aloha shirts; lomi sticks with Matsumoto shave ice.) These promotions can eventually evolve to Japanese, U.S. mainland and other products with airline and travel industry partners and be promoted as e-commerce sales.

## **Major Special Event: May Day 2024 MIH Triple Event Fundraising Series**

- **Evening:** Hawai'i-born entertainer such as Bruno Mars in Blaisdell Concert Hall
- **All Day:** MIH product sales in Thomas Square
- **Week-Long:** History of Hawaiian fashion and aloha shirt exhibition at HOMA

**The Developers 1%:** Research the opportunity of adopting a new 1% law benefitting MIH local businesses, with travel industries asked to purchase MIH products from a state-approved list.



# Recommendations for MIH Brand Communications Program: **Maximum Plan** (includes all activities in Minimum & Moderate Plan)

**Research Percent of MIH Law:** In 1967, the Hawai'i State Legislature enacted the Art in State Buildings Law, to be administered by the foundation. It mandated that 1% of the construction costs of new state buildings be set aside to purchase art. Hawai'i thus became the first state in the U.S. with a Percent for Art law.

Could a MIH law be enacted that would require travel businesses (airlines, hospitality, transportation, etc.) in Hawai'i to set aside a similar percentage and do a set amount of business with locally made products on an approved government list of MIH companies?

**Global Partnerships** today communicate brand appeal and are playfully disruptive– or different in scope (Giselle, Louis Vuitton & Yayoi Kusama). Some share similar geographic or product backgrounds.

MIH priority products and potential partner categories:

- Food and agriculture with musicians and art
- Fashion and apparel with sports figures and chefs
- Wellness/Beauty and artists and literary figures

Initiate programs with local partners and find an international global third party to participate and give the partnership social media and business gravitas.

## **Regional Market Special Events**

Hawai'i Festivals & Markets (U.S./Japan)  
Roadshows in Key Cities (New York, Los Angeles, Tokyo)

## **Create MIH Gathering Places**

- Online MIH brand communications app
- MIH YouTube sponsored by state for approved postings
- Mentorship Zoom gatherings
- Publicity teams
- MIH website
- MIH social media channels
- Pau hana gatherings
- Annual branding workshops

# Tactics by Audience: Traditional & Social Media Brand Communications

## First Six Months Launch Campaign Activities

### 1st Quarter

- Announcement of MIH branding details and program activities information in press release, social media, direct mail and government announcements
- Digital assets updated, augmented, reviewed
- Calendar of activities announcements timed and released as appropriate to various markets
- Story starters for publicity plan finalized and timed by quarter
- Partnerships initiated
- MIH Hui App created and TikTok recipe series and mentors found
- Options consideration
- Develop LinkedIn content concepts
- Initiate Website blog
- Plan Mele contest and lunch date
- Podcast plans developed
- Initiate and write detailed programming for social media plan to include launch, outreach to influencers, messages delivery and measures of success in sales, followers and interactions

### 2nd Quarter

- Continue with 1st quarter activities
- Social media publicity plan and budget initiated with influencers (Nadine Kam, Wayne Harada, @hawaii\_community, etc.)
- Explore partnerships with key leaders in three MIH segments (apparel, food, wellness) with local partnerships
- Research special events
- Set up Gathering Places
- Initiate story starter pitching with a minimum of five placements in U.S. & local markets

# Brand Communications MIH State of Hawai‘i Media Tool Chest

## State of Hawai‘i MIH Tool Chest Inclusions

- Fact Sheets
- Announcements
- Press Releases (based on weekly schedule)
- Collaborations/Partnerships
- Website links
- Assets
- Story Starters
- MIH companies listing
- Governor Green Q&A

NB: Press Kits include many layers of materials accessible to business, travel, culinary, fashion, design, wellness media. Translations in Japanese recommended.

## Story Starters Examples

- Announcing the Made in Hawai‘i seal
- Announcing social media campaign
- Five Hawai‘i products that made it through the pandemic and their owners’ advice on the future
- The Best Cookies in the world are from Hawai‘i - what are the best sellers
- Omiyage Recommendations 2023
- The new branding campaign for selling things made in Hawai‘i
- The best-kept shopping secrets for beach wear in Hawai‘i
- How to keep healthy with Hawai‘i-grown products

## Business Owners How-To Guidelines

- A separate MIH set of guidelines to support business owners can be developed in areas of traditional and social media.

# Conclusions

MIH businesses are eager for state financial support, marketing and branding guidance, business education, and a means of communicating with each other.

- In our breakout sessions, we found many want to know how to tackle social media and e-commerce, and to host events that support sales.
- Food producers responded most enthusiastically, while apparel came with more traditional thinking. The Wellness/Beauty sector is a major untapped opportunity for products and services associated with Hawai'i but defining it is important, (Some sales websites have Band Aids under wellness)
- We believe that the state support and guidance is key to keeping Hawai'i filled with aloha, making MIH products profitable and keeping the islands entrenched in its moonshot – the aloha spirit – as personified by generations past and present who are hopeful for the future of these fragrant islands.

This program is developed with great optimism for its near- and long-term potential, along with recognition of the serious commitment and effort needed for a successful launch.

# What People Love to Buy/Do in Hawai'i

The list is long...and there's more. We have a lot to offer and take pride in. We want to take people to a different place as shoppers and consumers of culture. We aim to rediscover the best of Hawai'i – its essence – in both spiritual and material culture. One often contains the other...a concept we call *mana*.

- Food & Drinks
- Cultural/Historical antiquities
- Restaurants & Chefs
- Music & Entertainment
- Art
- Gifts
- Poké bowls
- Hats
- Coffee & Tea
- Healthy products
- Cookies & Chocolates
- Lei
- Aloha Shirts
- Boardshorts
- T-shirts
- Bikinis
- Surfboards
- Handbags
- Shave ice
- Sushi
- Jewelry
- Ukulele
- Children's toys
- Arare snacks



## In Closing: A Retailer's Advice

We were inspired by Harold Koda's plenary talk at the MIH Seminar in March. Here are his words and some of our more accessible translations.

**He Said: Give Them What They Didn't Know They Wanted:** *Go for more*

**We Say:** Create a movement through a song contest, a triple block party, a cookbook – and bring about an economic and cultural renaissance

**He Said: Confronted By Limits, Reset the Rules:** *Hawai'i's moonshot is The Aloha Spirit*

**We Say:** Bold understanding of these opportunities by DBEDT leadership can bring about a spirit of renewed pride and opportunities for success through education and sharing.

**He Said: Define Your Market, Then Expand It:** *Know your audience, but don't let that limit you.*

**We Say:** With Social Media, the local reach is boundless.

**Adjacencies and Partnerships:** *Unexpected partnerships high/low, niche/mass to excite new audiences*

**We Say:** Take what people know and love about Buying Hawai'i, authenticate it, and pair it with the unexpected.

**Content is Promotion:** *Every aspect of what you make is an advertisement for the next purchase; all other aspects of pleasure, comfort, sensation follow*

**We Say:** Selling inspires the next purchase. Limiting availability creates desire. Both are equally important.



**Mahalo**

**SDA International thanks you for  
the opportunity to work on this  
State program for the future of Hawai'i**

**APPENDIX D:  
VOICE OF STAKEHOLDERS MARKET INPUT ON MIH  
BRANDING:  
MIH WORKSHOP PARTICIPANTS**



## The Voice of DBEDT Made in Hawai'i Branding Workshop Attendees on Strategic Priorities



Prepared for the:  
DBEDT Made in Hawai'i Branding Workshop  
Workshop Held on March 29, 2023  
Hawai'i Convention Center, Honolulu



UNEARTH AHA! INSIGHTS. MASTER YOUR MARKET.

Davies Pacific Center 1250, 841 Bishop Street, Honolulu, Hawai'i 96813  
Telephone: 1-808-528-4050 [omnitrak@omnitrakgroup.com](mailto:omnitrak@omnitrakgroup.com)



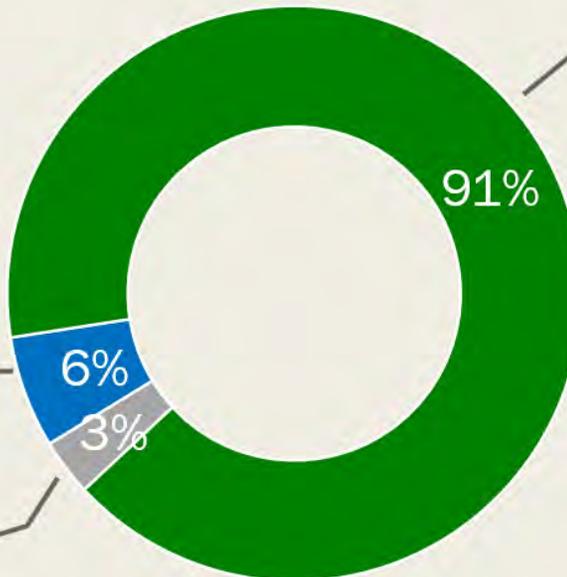
UNEARTH AHA! INSIGHTS. MASTER YOUR MARKET.



Q1) Going forward, should the Made in Hawai'i brand be primarily positioned as...?

**A destination brand** to attract visitors to Hawai'i and to sell them Hawai'i products during their visit and after

Don't know



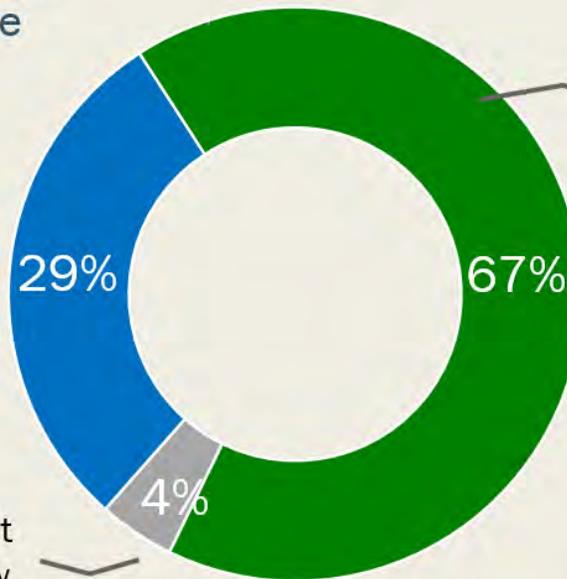
**A lifestyle brand** to promote Hawai'i's diverse products (e.g., travel, fashion, food etc.) to consumers with an affinity for Hawai'i regardless of whether or not they travel here

Source: DBEDT Made in Hawai'i Branding Workshop InstaPoll to 250 attendees



Q2) In implementing Made in Hawai'i, which approach do you feel will better break through the noise and strengthen the emotional connection between the Hawai'i brand and potential buyers:

Different brand images, personalities and expressions for different products and geographies



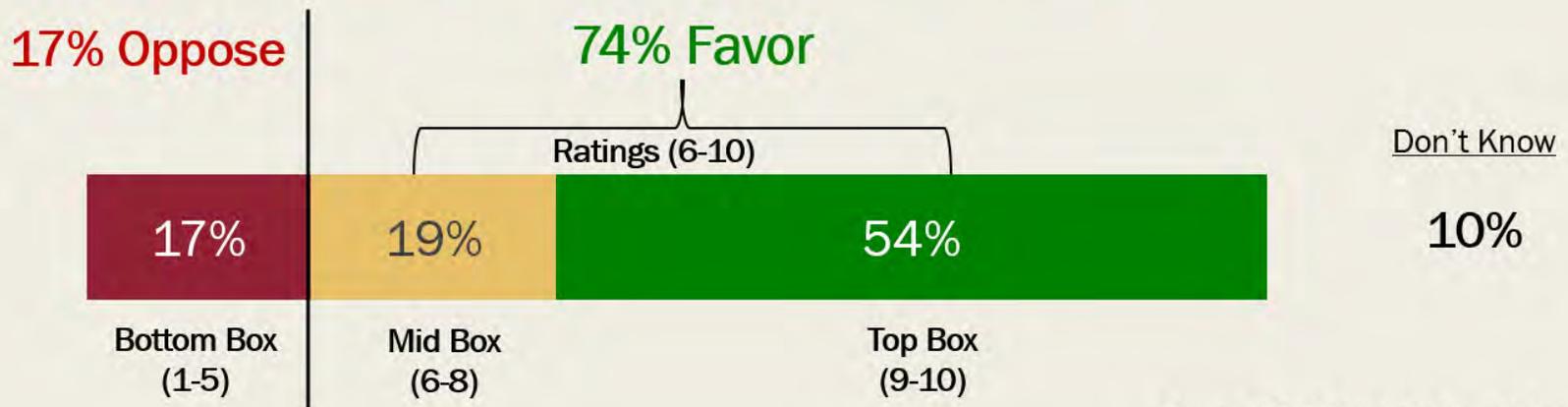
A consistent umbrella Hawai'i brand image, personality and expression to convey what Hawai'i stands for

Don't know

Source: DBEDT Made in Hawai'i Branding Workshop InstaPoll to 250 attendees



Q3) Currently, Made in Hawai'i is defined as 51% of a product's content must be sourced in Hawai'i. A bill was introduced in the Legislature that would change that to 51% of operating costs including labor, rent, research and development, etc., not just the product content, must be sourced in Hawai'i to claim "Made in Hawai'i." On a scale of 1 to 10, how much do you favor or oppose expanding the 51% requirement to include operating and overhead costs?



Source: DBEDT Made in Hawai'i Branding Workshop InstaPoll to 250 Attendees

**APPENDIX E**  
**GLOBAL IMPORTANCE ON PLACE OF**  
**ORIGIN BRANDING**  
**SECONDARY RESEARCH**

## FROM NIELSEN RESEARCH INTERNATIONAL

**New York, NY, April 26, 2016** – Nearly 75% of global respondents, on average, say a brand’s country of origin is as important as or more important than nine other purchasing drivers, including selection/choice, price, function, and quality, according to findings from the Nielsen Global Brand-Origin Survey released today. The new research examined whether consumers prefer goods produced by global/multinational brands (defined as those that operate in many markets) or by local players (those operating only in a single market—the respondent’s home country), based on responses from more than 30,000 online respondents in 61 countries spanning 40 categories.

Respondents in Asia-Pacific and Africa/Middle East are likelier to say that origin is *more* important than the other selection factors (33% and 32% on average, respectively). European, North American, and Latin American respondents, in contrast, are likelier to say brand origin is less important than the other selection factors (35%, 32%, and 31% on average, respectively).

“One of the more surprising findings from the survey is that country of origin is as important as—or even more important than—other purchasing criteria such as price and quality,” said Patrick Dodd, group president, Nielsen Growth Markets. “In a crowded retail environment, brand origin can be an important differentiator between brands, but sentiment varies by category and by country, and leveraging a powerful brand presence needs to be managed carefully regardless of whether it is global or local. Ultimately, the brands that deliver on a strong value proposition and connect personally to consumers’ needs will have the advantage in any given market.”

## MADE IN ALASKA RESEARCH ON PRICE PREMIUMS U.S. FORESTRY SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Authors: [Geoffrey H. Donovan](#), [David L. Nicholls](#)

Year: 2003

Station: Pacific Northwest Research Station

DOI: <https://doi.org/10.2737/PNW-RP-553>

Source: Res. Pap. PNW-RP-553. Portland, OR: U.S. Department of Agriculture, Forest Service, Pacific Northwest Research Station. 7 p

Survey techniques were used to estimate mean willingness to pay (WTP) a price premium for made-in-Alaska secondary wood products. Respondents were asked to compare two superficially identical end tables, one made in China and one made in Alaska. The surveys were administered at home shows in Anchorage, Fairbanks, and Sitka in March and April 2002. Results indicated that, on average, respondents were willing to pay an additional \$82 for the Alaska-made table, above a base price of \$50. The 95 percent confidence bounds on this estimate of mean WTP are \$68.10 and \$96.10. Survey design and sample demographics are discussed as possible upward biases on the mean WTP for the Alaska-made table. Despite these possible biases, we concluded that place of manufacture is a significant competitive advantage for Alaska secondary wood product manufacturers marketing their products in Alaska.

# APPENDIX F

## INTELLECTUAL PROPERTY PROTECTION FOR PLACE OF ORIGIN BRANDING

## 1. 2005 NAPA VALLEY

A California appeals court in Sacramento has dealt a major setback to mass-market producer Bronco Wine Co. with a ruling that upholds a state law that restricts the use of "Napa" in brand names of wines made with few or no Napa grapes. Bronco will likely appeal to the Supreme Court of California.

The case, *Bronco v. Jolly*, pits Ceres, Calif.-based Bronco, the owner of more than two dozen inexpensive brands, against California state authorities and the Napa Valley Vintners, a marketing organization representing 263 wineries. At issue are three of Bronco's brands—Napa Ridge, Rutherford Vintners and Napa Creek—made primarily, if not exclusively, with non-Napa grapes.

Under normal circumstances, that would be illegal. Federal labeling regulations require that 75 percent of the grapes in a wine with a geographic brand name—such as Napa Ridge—come from the referenced region. However, a federal grandfather clause exempts geographic brands like those owned by Bronco that were established prior to July 7, 1986.

In September 2000, the California State Legislature passed a law to end the grandfather clause and force Bronco to either stop production of those labels or start making them with Napa grapes.

## 2. TOBLERONE: SWISS RULES MEAN CHOCOLATE BAR TO DROP MATTERHORN FROM PACKAGING



March 6, 2023 - <https://www.bbc.com/news/business-64854720>

By Beth Timmins

Business reporter, BBC News

**Toblerone is to remove the Matterhorn mountain peak from its packaging when some of the chocolate's production is moved from Switzerland to Slovakia.**

The pyramid-shaped bar, which mirrors the Alpine peak, will undergo a labelling revamp and include its founder's signature, its maker said.

US firm Mondelez said the image of the 4,478m (14,692 ft) mountain will be replaced by a more generic summit.

Strict rules have applied about "Swissness" since 2017. They state that national symbols are not allowed to be used to promote milk-based products that are not made exclusively in Switzerland. For other raw foodstuffs the threshold is at least 80%.

The Matterhorn's jagged silhouette was first used on the chocolate's packaging in 1970. In a statement to the BBC, Mondelez said it was moving some production outside of the country to "respond to increased demand worldwide and to grow our Toblerone brand for the future". It said its new packaging would include a "distinctive new Toblerone typeface and logo that draw further inspiration from the Toblerone archives and the inclusion of our founder, Tobler's, signature". Toblerone, the mountain-shaped chocolate made from Swiss milk with honey and almond nougat, first went on sale in 1908 in Bern, the capital city of Switzerland.

But it was not until 1970 that the Matterhorn's jagged silhouette debuted on its packaging, with the Bernese bear and eagle featuring before then, [according to the Toblerone website](#). Mondelez said Bern was an "important part of our history and will continue to be so for the future".

In 2016 Toblerone [courted controversy by changing the design](#) of the chocolate bar to space out the distinctive triangular chunks in a bid to keep down costs. After much criticism the company [reverted to the original shape](#) two years later.

### 3. Other Protected Products from Different Places of Origin

In both the UK and EU, food and drink products can be granted specialty status based on where they are made, the method of composition or their ingredients. There's also evidence that being awarded this status can mean better prices for producers. Here are some examples:

#### Feta cheese



*Feta cheese is designated as a protected product in the EU*

Only cheeses originating in Greece that are soaked in brine and strained without pressure can be called Feta, the European Court of Justice has ruled. This is despite opposition from Germany and Denmark who produce a similar cheese. The Danes are still exporting their version under the name Feta to markets outside the EU.

#### Iberico Ham

Jamón Ibérico is also protected in the EU. The ham must come from Iberian blackfoot pigs that spend the last months of their lives eating acorns on the "dehesa", a Spanish or Portuguese pasture with old oak trees. It must also be hung and dry cured for at least 36 months. But some US firms are now importing blackfoots to make their own ham which will be marketed as jamón ibérico americano or Ibericus meat. They are allowed to because they are not beholden to EU law. The US also makes it's own champagne as it never ratified the 1919 Treaty of Versailles, under which the drink became a protected brand.

#### Darjeeling Tea

India's government forbids tea not made in Darjeeling from being labelled as such, and all producers must enter into a license agreement with the Tea Board of India. The tea can't be blended with teas of other origin and must be exported with certificates showing this. India's Tea Board went to the World Trade

Organisation over what they called the unauthorized use and registration of 'Darjeeling' by Japanese companies in Japan.

### **Cambodian Palm Sugar**

Despite opposition from some Belgian and Swiss firms, the EU officially recognized Cambodia's Kampong Speu palm sugar as a protected product. It's made from the sap of the palm sugar tree and is characterized by a rich aroma.

### **Dundee Cake**

The protected status of the fruit cake is currently under consideration. Proponents say it must always be decorated with whole almonds and has to be prepared, decorated, and baked at locations within Dundee postcodes. But the application has led to objections from bakers outside Dundee including an Edinburgh baker who supplies the 300-year old London department store Fortnum and Mason.

# **APPENDIX G: STATE OF HAWAI‘I MADE IN HAWAI‘I BRAND WORKSHOP**

**Held March 29, 2023 As Part of DBEDT Study of Made In Hawai‘i Brand  
Workshop Schedule & Program**



# Made in Hawai'i



## Made in Hawai'i Branding Workshop

**9:00 AM – 9:45 AM**

**Plenary: Growing and Managing a Global Brand**  
ROOM 310 - LILI'U THEATER

**Laurie Lang**, former SVP reporting to the COO, who started Global Brand Management for Walt Disney Company  
Addressing how to develop, protect and give value to a global brand across multiple products

**9:45 AM – 10:30 AM**

**Plenary Panel: Taking Products to Market Successfully**  
ROOM 310 - LILI'U THEATER

**Shep Gordon**, Founder, Alive Enterprises  
**Chris Schmicker**, Brand Marketing Director, Shopify  
**Byron Goo**, President, Tea Chest Hawai'i

Sharing experiences from a local food manufacturer, internet retail platform and national known media representative, what are the essentials for Hawai'i entrepreneurs to achieve national and local success.

**10:30 AM – 10:45 AM Break for Coffee and Networking**

**10:45 AM – 11:30 AM**

**Plenary: Best Practices from Place Branding – New Zealand**  
ROOM 310 - LILI'U THEATER

**Dane Ambler**, Executive Director, Buy New Zealand Made  
Discussing opportunities and challenges in developing a country of origin geographic brand for New Zealand while collaborating with the Māori community.

**11:45 AM – 1:15 PM**

**Lunch Plenary: Re-positioning the Hawai'i Fashion Brand**  
ROOM 313AB - O'AHU

**Speaker:**  
**Harold Koda**, former Curator in Charge of The Costume Institute at The Metropolitan Museum of Art

Perspectives from Harold Koda, who transformed the Metropolitan Museum of Arts Costume Institute from historic exhibitions to a forward fashion trend setter. With Anna Wintour, Koda started the Met Gala. Koda will share strategies for how Hawai'i fashion manufacturers can develop their brands in a changing fashion world.

**1:15 PM – 1:30 PM Break**

**1:30 PM – 2:15 PM**

**Breakout #1: E-Commerce Strategies for the Made in Hawai'i Brand**  
ROOM 310 - LILI'U THEATER

**Chris Schmicker**, Brand Marketing Director, Shopify  
**Nicole Lin**, TMall, Alibaba  
**Lyle Fujikawa**, Economic Development Specialist, DBEDT

**Breakout #2: Branding**  
ROOM 306AB - PALOLO

**Lauren Zirbel**, Made in Hawai'i Festival  
**Kūhiō Lewis**, Pop-Up Mākeke  
**Meli James**, Cofounder, Mana Up

**Breakout #3: Brand Communications including PR and Social Media**  
ROOM 304AB - MĀNOA

**Sheila Donnelly**, founder and CEO, Sheila Donnelly & Associates

**2:15 PM – 3:00 PM**

Repeat

**Breakout #1 - ROOM 310 - LILI'U THEATER**

**Breakout #2 - ROOM 306AB - PĀLOLO**

**Breakout #3 - ROOM 304AB - MĀNOA**

**3:00 PM – 4:30 PM**

**Plenary: Implementing Made In Hawai'i**  
ROOM 310 - LILI'U THEATER

Sharing ideas to increase collaboration between product and destination marketing, by DBEDT, HTA, Department of Agriculture Directors, and leaders of both the State Senate and House economic development committees.

**4:30 PM – 4:45 PM**

**Closing Remarks: Call to Action**  
ROOM 310 - LILI'U THEATER

**4:45 PM – 6:15 PM Pau Hana at Charlot Courtyard**



# APPENDIX H: BRAND WORKSHOP MATERIALS (Sample)

## LESSONS LEARNED

From Harold Koda, Co-founder of The Met Gala  
and former Curator Metropolitan Museum of Art Costume Institute  
Made in Hawai'i Brand Workshop Speaker  
March 29, 2023

### GIVE 'EM WHAT THEY DIDN'T KNOW THEY WANTED

Churchill said, "Give them what they want." Go for more!

### CONFRONTED BY LIMITS, RESET THE RULES

The Gordian Knot, impossible to untie, but Alexander the Great knew the task was to undo it, not to untie it. He just chopped it open.

### DEFINE YOUR MARKET, THEN EXPAND IT

As the late designer Virgil Abloh said... "everything niche becomes pop culture that is valuable." Know your audience, but don't let it limit you.

#### Adjacencies and Partnerships

Shared values can be the source through coordination of new initiatives. Unexpected partnerships High/Low, Niche/Mass, can excite new audiences.

### CONTENT IS PROMOTION

Remember that every aspect of what you make is an advertisement for the next purchase. Hermes is an aesthetic product, but at its core is the excellence of its delivery of durable function. As Pierre-Alexis Dumas has said, "A bag has to close perfectly." All the other aspects pleasure, comfort, sensation follow.

### BOUNDLESS

Physical, even temporal, limitations of audience and consumer reach are dissolving with the Internet. The reach of the local is now global.

**E-COMMERCE TOOLKIT**  
**From Christopher Schmicker, Brand Marketing Director, Shopify**  
**Made in Hawai'i Brand Workshop Speaker**  
**March 29, 2023**

## Scrappy Marketing Toolkit

Look Good, Sound Smart	Grow Your Customer Base
<p>Visit <a href="https://shopify.com/tools" style="color: white;">shopify.com/tools</a> for free branding tools</p> <ul style="list-style-type: none"> <li>Logo generator</li> <li>Business name generator</li> <li>Image resizer</li> <li>And more....</li> </ul> <p><a href="https://burst.shopify.com" style="color: white;">burst.shopify.com</a> Free stock photography library</p> <p><a href="https://canva.com" style="color: white;">canva.com</a> Customizable, web-based design templates for social media/email graphics and much more</p> <p>ChatGPT (<a href="https://chat.openai.com" style="color: white;">chat.openai.com</a>) Let AI write your email newsletter, landing page and social post copy</p> <p>Dall-E (<a href="https://labs.openai.com" style="color: white;">labs.openai.com</a>)  <a href="https://dreamstudio.ai" style="color: white;">dreamstudio.ai</a> Free, AI-powered text-to-image generators for custom graphics</p>	<p><a href="https://shopify.com/learn" style="color: white;">shopify.com/learn</a> Free growth marketing courses online</p> <p><a href="https://klaviyo.com" style="color: white;">klaviyo.com</a> Email marketing platform with time-saving automation features</p> <p><a href="https://billo.app" style="color: white;">billo.app</a> Cheaply create great digital ads with user-generated content</p> <p>Shopify Collabs (<a href="https://apps.shopify.com/collabs" style="color: white;">apps.shopify.com/collabs</a>) Source social media influencers to promote your product</p> <p><a href="https://okendo.io" style="color: white;">okendo.io</a> Integrate customer reviews to drive conversion</p> <p><a href="https://reconvert.io" style="color: white;">reconvert.io</a> Drive upsell and cross-sell with automated offers</p>