



Guam 2023 Tourism Outlook

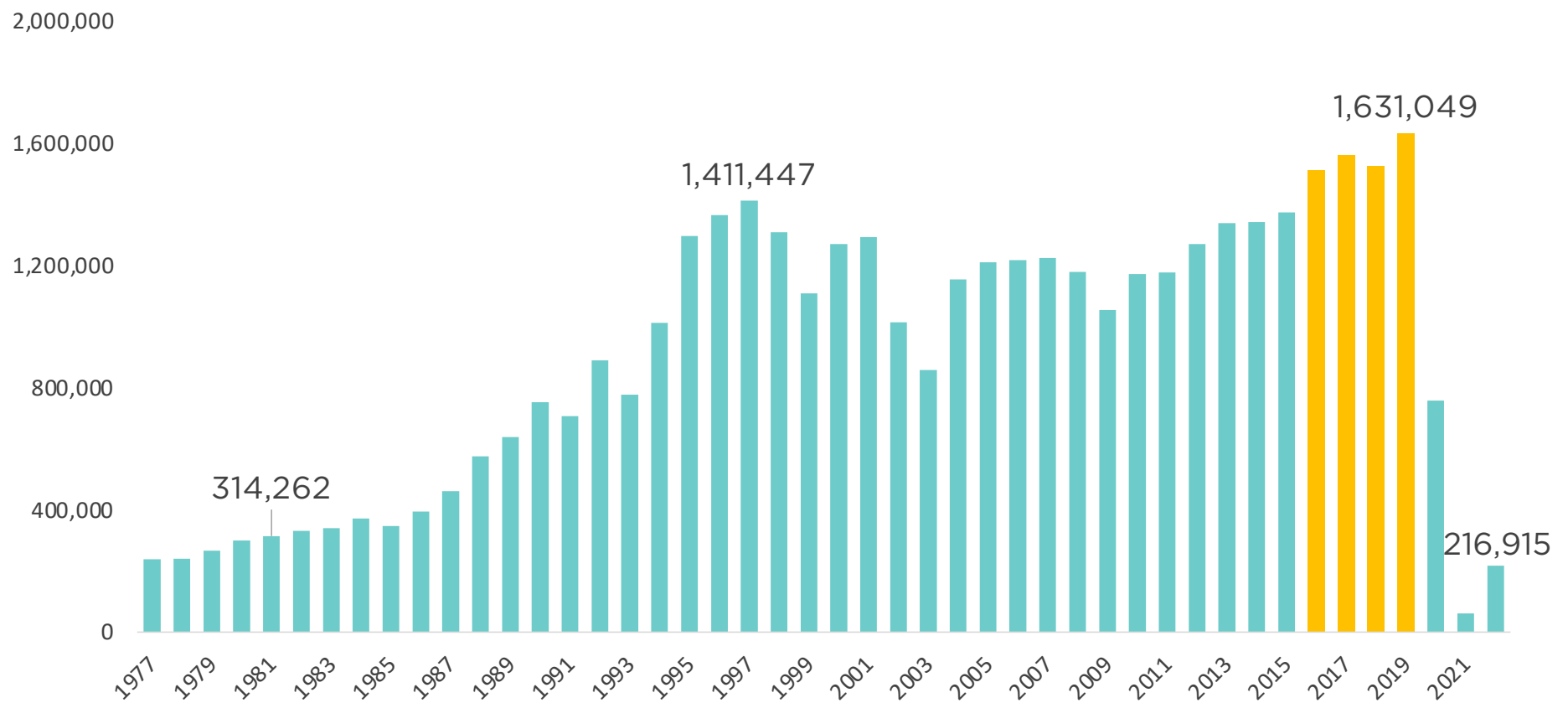
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Global Tourism Recovery



- Accelerated in 2022, ending at 65% of pre-pandemic level (PPL)
- Europe led recovery at 81%, followed by Middle East 77% and Americas 66% of PPL
- Asia Pacific lagging at 17% of PPL, Guam's market nexus

Guam's Historical Arrivals



Guam Tourism Recovery



- 5% and 15% of PPL in 2021 and 2022
- Strict border controls have eased in Korea, Japan, and Taiwan
- Forecast
 - 40% of PPL in 2023, 670,000 visitors
 - 70% of ppl next year, 1.1M Visitors

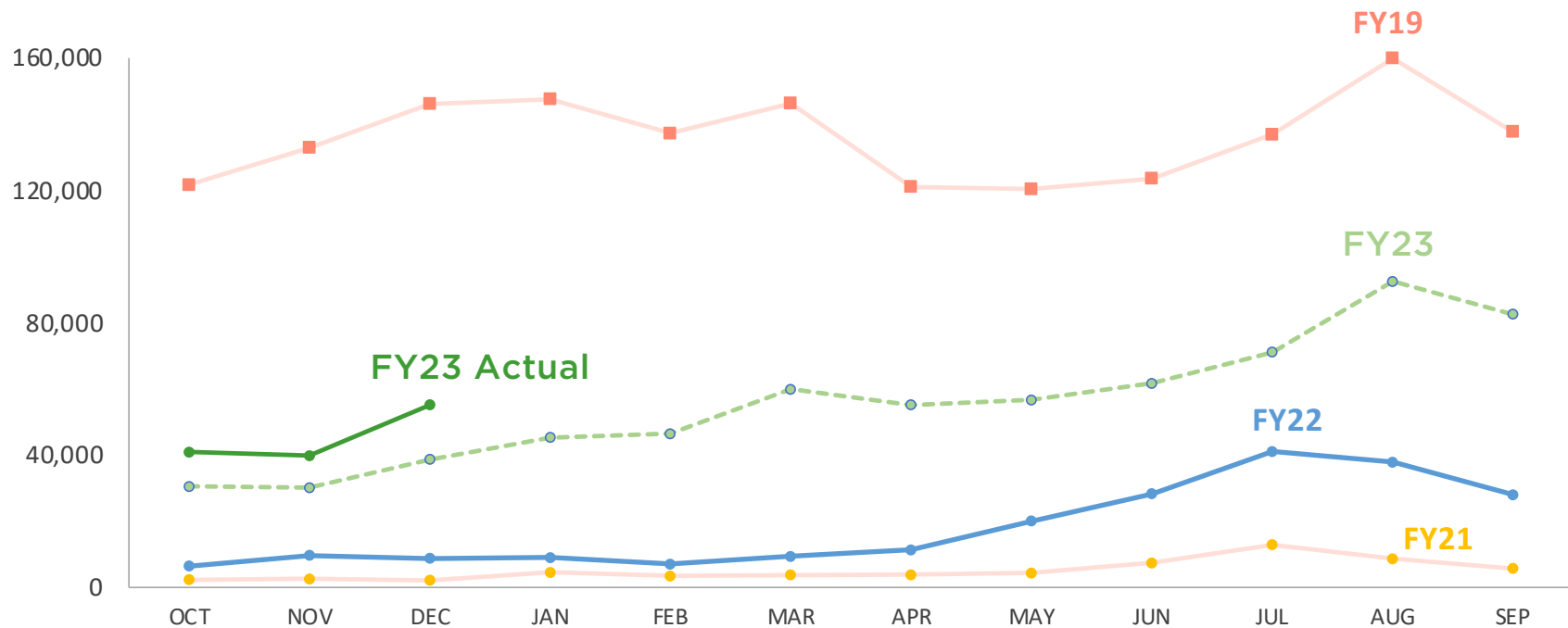
FY2023 Forecast



Market	2023	2019	% of '19 recovered
Japan	130,719	664,784	20%
Korea	372,209	734,339	51%
Taiwan	9,031	28,346	32%
US/Hawaii	85,912	94,141	91%
Philippines	17,997	20,708	87%

TOTAL FY2023 ARRIVALS FORECAST
= 670,000
(41% of 2019 Levels)

Road to Recovery



FY2023 Arrivals **+36%** above original Forecasts

Consumer Travel Trends



- Bleisure travel growing, extra days added to business bookings, US-HI MK
- Digitization of tourism value chain intensifying, more immersive travel experiences
- Increasing importance of SM and influencers, Millennials & Gen Z
- Gateways to other demographics & general consumers
- SM content impact actual travel destination bookings
- Korean market survey (Klook) 78% want to travel abroad in 2023, 35% plan travel more than twice

GVB Marketing Strategy



- Overall
 - Interactive and self generated content
 - SNS
 - B2B (industry)
 - Key Driver – nature, scenery, relax,
- Korea
 - Quick to act, quick to recover
 - FIT package tours, M and Z generations preferring package travel for convenience
 - Influencers and their visual assets
 - Forecasted to reach 20M Outbound travelers (70% of 2019)

GVB Marketing Strategy



- Japan
 - Ranked Guam #2 for travel abroad in 2023
 - Kept top of mind with limited budget
 - Continue with top of mind through virtual experience (SNS)
 - Planning push for summer season
- PI, Taiwan
 - Focus on air service and connectivity and industry connections

Two Strategic Destination Challenges for Recovery



Aligning destination visitor experiences with post covid consumer expectations, new paradigms

1

- Industry shifting globally from “marketing driven” to “destination management” philosophy
- Delivering the promised experience, products, and service
- F&B quality and, authenticity of local cuisine
- Wi-Fi service lacking or inconsistent & impediment to KOL’s SM effectiveness
- Ubiquitous Wi-Fi operating environment in source markets
- Hospitality industry migrating toward smart phone online operating environment, personalized customized bookings
- Wider use and application of hotel apps, concierge service, net day stays, yield mgmt. and staff scheduling, “gig” employees, incentivized reward programs (employees + guests)

Two Strategic Destination Challenges for Recovery



New solutions replacing legacy systems to improve efficiency, drive automation, allow employees to focus on added value of experience, relieve staff from routine time consuming tasks

2

- Guam tourism value chain **LAGGING FAR BEHIND** expectations of source markets (need major upgrade digitized capacity)
- Contactless payments, mobile hotel check-ins, and online concierge services

<u>Korean Survey</u>	<u>Mobile Payment</u>	<u>Smart Phone QR Code</u>	<u>Cash</u>
Pre Pandemic 2020	10%	-	55%
After Pandemic 2022	30%	20%	-

- Touchless transactions and booking apps normalized in source markets J K T
- Global online booking \$782 M in 2021 and expected to grow +12% per year by 2028

Two Strategic Destination Challenges for Recovery



2

- Increasing use of Guam customs EDF, QR code
 - Widely used 70% by source markets
 - Residents 20% and growing



Un Dǎngkulo na Si Yu'os Ma'åse'!