

tourism

2020

“Tourism remains Guam’s primary industry, and we must encourage its growth with strong resolve. We will do this by improving Product Guam as a destination that is not only attractive for our visitors, but a better home for Guam residents to live.”

Gov. Eddie Calvo, Blueprint 2020



GUAM



Chamorrita girl with dukduk (hermit crab).

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Snorkeling in Tumon Bay Marine Preserve

EDDIE BAZA CALVO
Governor of Guam



Tourism is Guam’s #1 industry generating \$1.4 billion for the economy and 18,000 jobs.

This represents 60% of our island’s annual business revenues and over 30% of all non-federal jobs on the island.

We’re happy about the achievements, but we’re much more excited about achieving even more.

The success of tourism is everyone’s business. We are proud and appreciative of GVB’s outstanding performance over the past 50 years and of the vision and efforts of current leadership in pushing us to reach the next level.

Tourism 2020 is a well-crafted plan that will allow us to realize our hopes and our dreams as a beautiful tropical resort that is not only attractive for our visitors but a better home for Guamanians to live. It represents an opportunity for all of our people to come together as one under a common shared vision.

Sincerely,

EDDIE BAZA CALVO
Governor of Guam





MARK BALDYGA
Chairman of the Board,
Guam Visitors Bureau



“...a hard-charging strategic plan that has the potential to move our island paradise to an entirely new level ...”

In addition to marketing Guam and promoting our island’s culture, the Guam Visitors Bureau (GVB) is charged with developing and implementing Guam’s long-term strategic tourism plans.

The impact of tourism is significant to all Guamanians and so we ensured an inclusive, collaborative effort. Tourism 2020 was developed by the Guam Visitors Bureau (GVB) together with private stakeholders, government leaders and members of the community.

Driven by an experienced team of our island’s business leaders, we challenged ourselves to develop an actionable goal-oriented plan with measurable results.

The result is a hard-charging strategic plan that has the potential to move our island paradise to an entirely new level. Together, we can achieve the vision.

Senseramente’,

MARK BALDYGA
Chairman of the Board
Guam Visitors Bureau

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The Guam Visitors Bureau (GVB), a non-profit membership corporation, is the official tourism agency for the U.S. Territory of Guam.

Among its responsibilities, GVB is charged with setting tourism policy and direction; developing and implementing Guam’s tourism strategic and marketing plans; managing programs and activities that enhance and showcase Guam’s people, place and culture in order to deliver an incomparable visitor experience; and coordinating tourism-related research, planning, events and outreach activities. GVB serves as a critical bridge linking government and private sectors, the tourism industry, visitors and the local community, and aims to contribute successfully to a good quality of life for residents through tourism.

Special thanks to:

- Guam Hotel and Restaurant Association
- Japan Guam Travel Association
- Japan Guam Travel Council
- Korea Guam Travel Council
- Tourism Education Council
- University of Guam

vision 2020

Sunset, Agat Beach

Vision 2020

A world class, first-tier resort destination of choice, offering a U.S. island paradise with stunning ocean vistas, for two million business and leisure visitors from across the region with accommodations and activities ranging from value to five-star luxury — all in a safe, clean, family-friendly environment set amidst a unique 4,000-year old culture.

Purpose

- **Set the vision** and strategic direction for Guam's tourism industry.
- **Identify core objectives** aimed at improving the island's competitive position in the global tourism market.
- **Educate all stakeholders** in the community on the impact of tourism and its importance on the island's current and future economic wellbeing.
- **Galvanize a shared vision** for private stakeholders, public policy makers, and the community to embrace.

executive summary



Two Lovers Point

Executive Summary

Vision

A world-class, first-tier resort destination of choice.

Mission

Economic opportunities and an enhanced quality of life for all Guamanians.

Introduction

A roadmap to the island's future. A shared vision for Guam's top industry.

Where We've Been

An international destination since 1963 that has evolved with an image as "close and cheap."

Where We Are Today

A familiar, close destination with an opportunity to improve yield and economic impact by promoting a unique, quality product amidst an increasingly competitive region.

Who We Are

A welcoming people with traditional but relevant Chamorro values that can act as our guiding principles as we move forward.

Where We Want To Be

A unique "blue ocean" product that avoids commoditization and competes on more than just price alone.

How We Get There

Eight core objectives to achieve a paradigm shift.

- 1. Improve Quality and Yield.** Upgrade public areas and existing resorts. Incentivize private reinvestment. Add five-star facilities. Improve training and service. Improve dining quality. Establish a business improvement district with covenants, conditions and restrictions and enforced standards. Improve Guam's image over time.
- 2. Grow Arrivals and Diversify.** Add Chinese with or without visa waiver. Reach 2 million arrivals. Maintain a Japan market mix of at least 55-60%; grow smaller markets; add new markets.
- 3. Add High-End Hotel Rooms, Incentivize Reinvestment.** Add 1,600 rooms by 2020 to accommodate goal pax. Focus on high-end hotels. Incentivize existing properties to reinvest.
- 4. Focus on Meetings, Incentives, Conferences and Exhibitions (MICE).** Aggressively pursue conference business to fill the slower periods as well as school groups and other targeted groups.
- 5. Promote the Chamorro Culture and Unique Multi-cultural Diversity.** The only unique competitive differentiator. Make Chamorro music, dance, art, language, culture and values ever-present. Promote Guam's unique multicultural, Spanish and American influences.
- 6. Extend Average Length of Stay.** Communicate Guam activities and encourage agents to create longer stay packages. Achieve a 33% increase in spend by extending length of stay from 3 days to 4 days.
- 7. Promote Our Unique Attractions.** Professionally market our numerous tourist attractions and events. Encourage development of new attractions and activities.
- 8. Extend Tourism Beyond Tumon.** Extend the visitors district to Hagåtña. Grow tourism in Guam's villages. Support local farmers and fisherman and locally made products. Encourage each village to identify a unique specific message and product.



Shopping in Pleasure Island

Introduction

Tourism is Guam's single largest industry, generating \$1.4 billion annually and representing sixty percent (60%) of Guam's annual business revenue. The industry employs over 18,000 island residents or 31% of non-federal employment. The impact of tourism and its accompanying tax dollars is of paramount importance to every island resident.

Tourism can be an excellent, clean and sustainable leading sector for many small island economies that, like Guam, have limited resources and limited landmass. However, competition among destinations is increasing significantly amidst what is forecast to be a flat to declining Japanese outbound travel base, thereby threatening Guam's leading arrivals market. It is imperative that the industry has a structured and well thought out strategic plan for driving growth and protecting our leading industry. It is against this backdrop that the Tourism 2020 plan is herein presented as a roadmap for moving Guam forward towards its potential as a first-tier, diversified resort destination of choice.

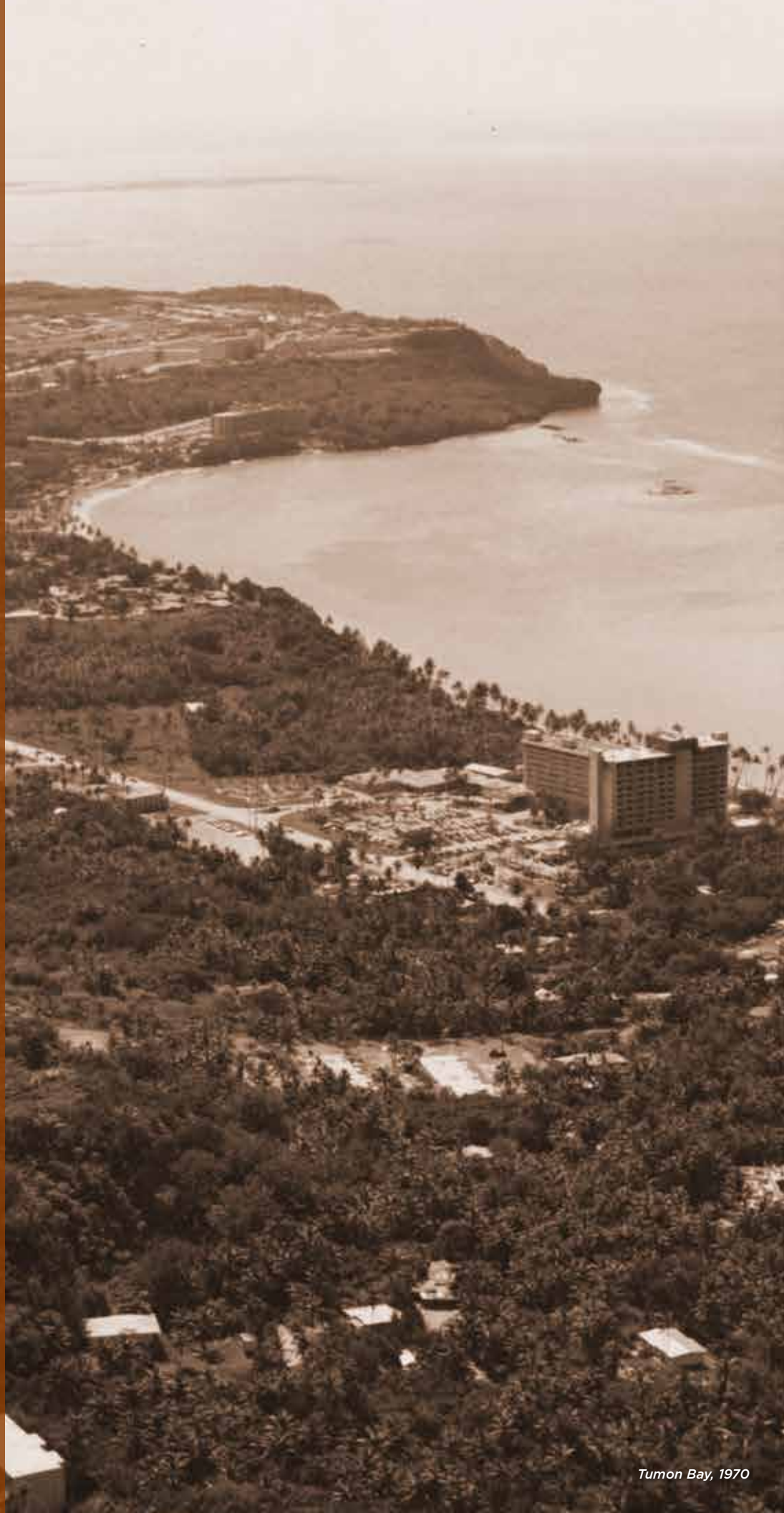
The Guam Visitors Bureau (GVB) is mandated with promoting Guam as a visitor destination; it is also responsible for setting the vision and the strategic plan for the industry. In mid-2012, GVB began the process of updating its five-year strategic plan. During this process, it became clear that in order to achieve sustainable goals and objectives, a more comprehensive and longer-range plan would be needed.

In early 2013, under the leadership of GVB Chairman Mark Baldyga, together with the Bureau's Board of Directors, Management and staff, a draft of the Guam Tourism 2020 plan was developed that set the vision and direction for the island's visitor industry. Understanding that a successful tourism industry cannot be achieved by any single organization, the draft plan was shared with the Government and private sector, and the final version includes the feedback received from stakeholders. As such, Guam Tourism 2020 is intended as a roadmap to guide the island towards the shared vision for Guam's visitor industry.

Tourism 2020 is a development plan to help shape Guam's future, with eight core objectives that are needed in order for Destination Guam to thrive in a competitive global environment. Tourism 2020 is an action-oriented, goal-driven plan with specific and measurable tasks, the completion of which will propel the island forward. However, as with any plan, broad acceptance and willful execution will be needed in order to reach a desired outcome that will benefit all stakeholders in Guam's visitor industry.



“Tourism 2020 is a roadmap to the island's future that sets the vision and objectives needed...”



Tumon Bay, 1970

Where We've Been

With the arrival of the first Chamorro settlers over 4,000 years ago, Guam began its long history of welcoming visitors. Thanks to the early vision of early tourism pioneers, Guam's modern visitor industry started in the 1970's and has since grown into the island's number one industry.

Guam's first hotel, the Pan American Hotel, was built in the village of Sumay in the 1930s. In 1959, the Cliff Hotel in Agaña Heights was established, providing Guam's first lodging and accommodations for travelers.

Guam's growth into international tourism began in 1962, when President John F. Kennedy rescinded the Navy's wartime authority to refuse entry to civilian visitors for security reasons. In 1967, Pan Am launched the first direct round-trip Guam-Tokyo route, ushering in the present-day tourism industry. The first international visitors were from Japan and the country remains today as the island's most important source market.

Visitor arrivals and the infrastructure for accommodations began to grow in the 1970's. By 1980, there were 2,345 hotel rooms and 300,763 annual visitor arrivals, and by 1990, the number of hotel rooms grew to 4,955 and Guam welcomed 780,404 visitors.

Since 1990, growth has continued to a record 1.3 million arrivals in FY2013 despite the challenges of a declining economy from Guam's core feeder of Japan and a series of world events and natural disasters ranging from multiple super-typhoons to the impact of SARS, 9/11, an 8.1 earthquake, Middle East conflicts and a tragic airline crash.

Guam's growth in arrivals over the past two decades despite the challenges mentioned above came at an unfortunate cost: Guam developed a reputation as a nearby bargain destination. The industry had marketed Guam as "close and cheap" and as such, the destination gradually became highly commoditized and sold via a wholesaler-dominated, bargain basement sales approach.

The selling of Guam as "close and cheap" was an approach that worked well at a time when Guam was a fledgling destination pursuing volume over quality. It brought visitors, albeit low spending budget travelers, and Guam benefited in the short term. However, over time this approach has negatively affected the island's reputation.

In Guam's source markets, the destination eventually became known as a second-tier, low-quality budget destination. Discount air-hotel packages left little profit for service providers, including the agents who packaged and sold them. Bulk airline-agent seat blockages coupled with a lack of direct booking methods hindered the growth of higher spending, non-agent free independent travelers (FIT's). Guam has remained one of the very few completely wholesaler-dominated destinations in the world.

More recently, industry leaders have recognized the need to change the image of the destination, to promote FIT business, to increase the length of stay and to diversify the markets.



Efforts have begun by GVB and some progress has been made towards beginning to improve Guam's image as a travel destination, but much remains to be done.

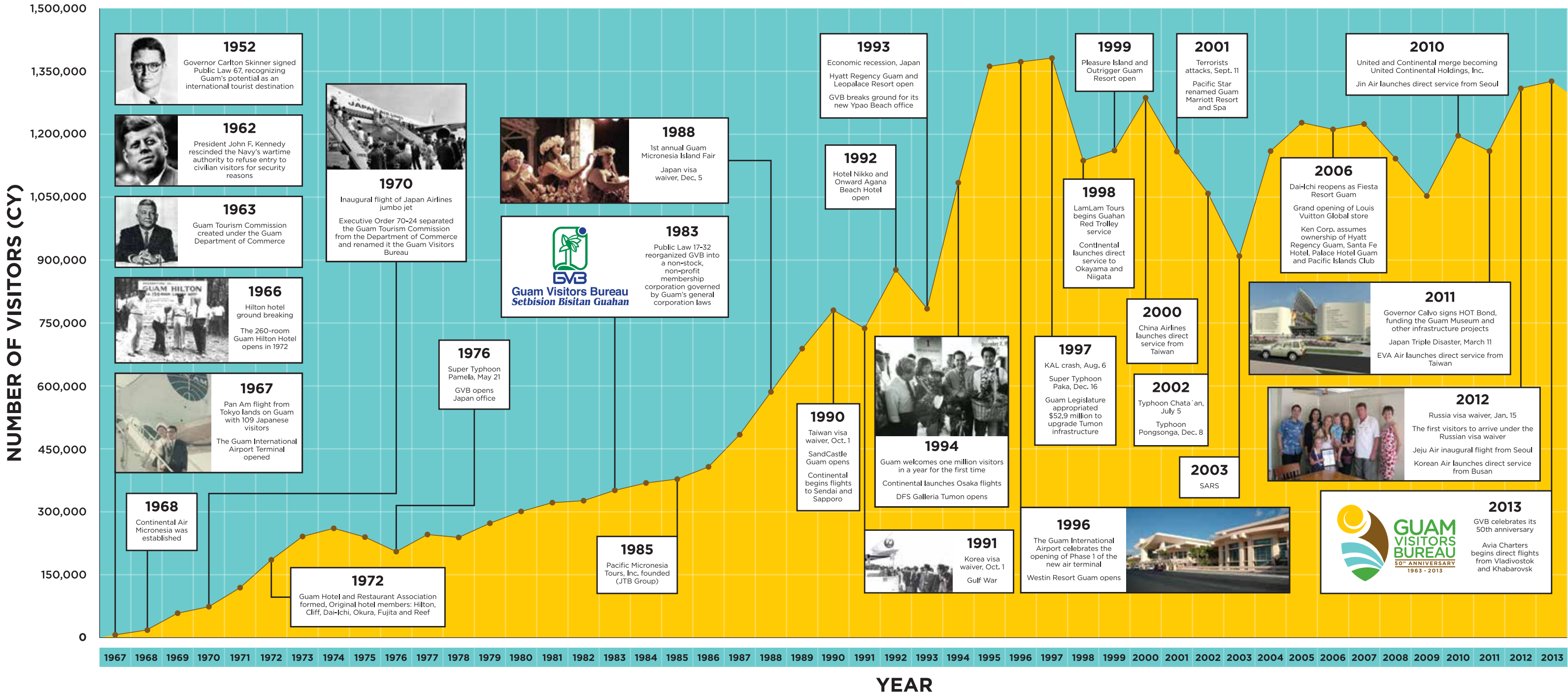
Visitors to Guam: 1967-2013



TUMON BAY 1970



TUMON BAY 2013





Tumon Bay, 2013

Where We Are Today

As Guam's largest economic sector, tourism is viewed as a priority sector to achieve sustainable economic growth and reduce Guam's dependence on U.S. Federal subsidies.

Guam's tourism industry, which has enjoyed a reputation of being a short-haul international resort destination from major East Asian metropolitan areas, such as Tokyo, Osaka, Seoul, and Taipei, is now experiencing new challenges. Ongoing issues in its major source market of Japan, such as a lagging economy and an aging population, will continue to affect Guam as a destination. Guam's tourism industry will undoubtedly feel the effects of even more hurdles with the major shift that will be occurring in the demographic as well as the social/cultural fabric of the island community via the military buildup that has already begun on Guam.

With this background, the Strengths (S), Weaknesses (W), Opportunities (O) and Threats (T) of the tourism industry on Guam are presented below. The SWOT analysis provides policymakers with a clear picture of the industry and, consequently, will help them to make appropriate policy decisions regarding the future growth and development of the industry. Some recommendations that need consideration follow.



Current Situation

An analysis of external factors impacting the industry, combined with input received from stakeholders, contributed to an internal assessment of the industry's needs and organizational capabilities. This analysis resulted in the identification of the following areas of need and opportunity:

- **Factors outside the control of Guam's tourism industry will continue to impact growth and will require effective planning and policy implementation.** Whether a natural disaster, global epidemic, economic downturn or geopolitical dispute, travel demand is continually impacted by forces outside of Guam's control. Most recently, GVB demonstrated rapid response in dealing with crisis such as the 3/11 Triple Disaster in Japan as well as with opportunities such as the granting of visa parole authority for Russian travelers to Guam. The potential granting of China visa waiver status or interim parole authority continues to be the greatest economic opportunity for the island.
- **Currently there is a shortage of rooms during the peak seasons and a lack of high-end, luxury hotel offerings.** Many of Guam's Asian source markets share similar holidays, which lead to a severe shortage of hotel capacity during peak periods. This creates a bottleneck effect and hinders growth in new markets that do not have room blockages. GVB must work closely with the Guam Economic Development Authority (GEDA) and the industry to maximize existing facilities and aggressively attract new hotel investment, especially in high-end developments.

- **Guam can no longer be dependent on a single source market.** Japanese visitors account for 71% of arrivals, inextricably linking Guam's economy to that of Japan. The economic malaise of Japan has had significant impact on Guam's economy. While Japan remains the most important source market, diversification is needed to ensure continued growth and success of Guam's tourism industry. The increase in the Korean and Taiwan arrivals mitigated the decline in Japanese travel after 3/11, and the spike in Russian visitors has improved on-island spending and length of stay figures. China, Singapore, Malaysia and Australia are untapped source markets, while the cruise market presents a new opportunity as well.
- **Chamorro culture is the only unique differentiator among other sun, sand, sea, and shopping destinations. To highlight the distinctiveness of the island, the story of Guam's people, land and history is compelling and needs to be told.** Guam must compete on a global stage

with some of the most well-known destinations in the world. Competitors such as Hawaii, Indonesia and Thailand have created strong brands by delivering quality experiences to visitors with distinctive cultural offerings. Although progress has been made, GVB's marketing intelligence still indicates visitors to Guam would like to experience more of the island's unique culture and cuisine, and encourage private sector activity in this area.

- **With advancements in technology, the needs of the industry are evolving and so must Guam's tourism industry.** Travelers are using the Internet to research and book travel services at an ever-increasing rate, and sharing experiences instantly through social media from mobile devices. The industry must utilize the latest technology to effectively and efficiently promote Guam and build positive awareness about the Guam brand.
- **Guam must improve its tourism product to attract higher-spending, longer-staying visitors.** In order to move away from the "close and cheap" image, Guam must build more luxury hotels, provide new, high-quality attractions, better promote its existing quality attractions, raise the quality of dining, improve the level of service, increase its shopping offerings, and upgrade the airport. Additionally, there must be significantly more attention given to island beautification and maintenance of Guam's public facilities, such as roadways, parks and beaches. Efforts should be made to encourage the private sector to reinvest and upgrade the quality of product as well.
- **Business (MICE) and group travel can help to fill rooms during the historic slower periods.** The meetings, incentive, conferences and exhibitions (MICE) industry is one of the fastest growing segments in tourism, and Guam's proximity to major Asian cities represents a real opportunity to attract business travel, especially during off-peak periods. New investments such as the Dusit Thani conference facility will allow Guam to accommodate larger groups. Additionally, SMERF (social, military, education, religious, fraternity) groups like Japanese schools should also be aggressively pursued. The planning and execution of signature events such as marathons and music festivals can also help to fill non-peak periods.
- **For tourism to be thriving and sustainable, the community must have a sense of ownership and share a stake in industry processes and outcomes.** Guam can achieve its full potential as a destination only with the support of the entire community, and the government, private sector and residents all need to be engaged. From policymakers providing the necessary funding to GVB, to citizens picking up their litter, the island community must rally behind its number one industry.





Pátgon (child) with mango

Who We Are

Guiding Principles

Given limited resources and a multitude of industry interests, GVB must create a clear strategic direction for the organization to achieve long-term success.

Working from GVB's mission, the following guiding principles express the standards that will guide the Bureau's work in order to achieve the vision.

Collaboration

To encourage and support continued interaction, participation and dialogue among all stakeholders.

Sustainability

To maximize the economic and social benefits of tourism for Guam's residents and businesses while respecting, preserving and enhancing the island's natural, cultural, historical and human resources.

Leadership

To set the direction for the tourism industry and support initiatives to help achieve common goals.

Quality

To deliver overall excellence in tourism products and services while ensuring that Guam's unique character and sense of place are retained and promoted.

Accountability

To integrate a system that effectively plans, efficiently measures, and evaluates results, with the goal of maximizing resources in a transparent manner.

Mission

Grow a sustainable visitor industry that generates economic opportunities and enhances the quality of life for all residents, protecting and respecting our island's unique heritage, cultural and natural environment, and making Guam a better place to live, work and visit.



Traditional Chamorro Values

GVB is inspired by Guam's welcoming Håfa Adai spirit, and works to honor and perpetuate Guam's native Chamorro culture through its activities. As GVB continues to integrate the Chamorro culture into its initiatives, the Bureau believes it is important to recognize and incorporate the traditional Chamorro values, as they exemplify the characteristics that make Guam a unique place to live and visit. Even in today's modern society, these traditional Chamorro values are still relevant and complement GVB's guiding principles.

Inåfa'maolek (To make good)

The foundation to all Chamorro values, dependent on the spirit of cooperation. The concept of always striving to restore harmony is the guiding principle in the Mariana Islands, similar to the Golden Rule. The practice of *inåfa'maolek* is made up of the following six values:

Respetu (Respect)

Always show respect for other as well as the land and the sea.

Ma'nginge' (Kissing of the hand or cheek)

Express your respect to elders and significant others in your family and community. Traditionally this is done upon meeting as recognition of the importance of our elders.

Mamåhlao (Shame)

Behave in such a way that never brings shame upon your family. The concept of shame in Chamorro culture ensures that every person has a part in creating harmony through his or her actions.

Chenchule' (Gifting)

A system of social reciprocity in which families express their care and sense of obligation for each other by providing assistance during times of need. When *chenchule'* is given, the receiver takes note of it and reciprocates with a gift of equal or greater value at the appropriate time, thus continuing the practice.

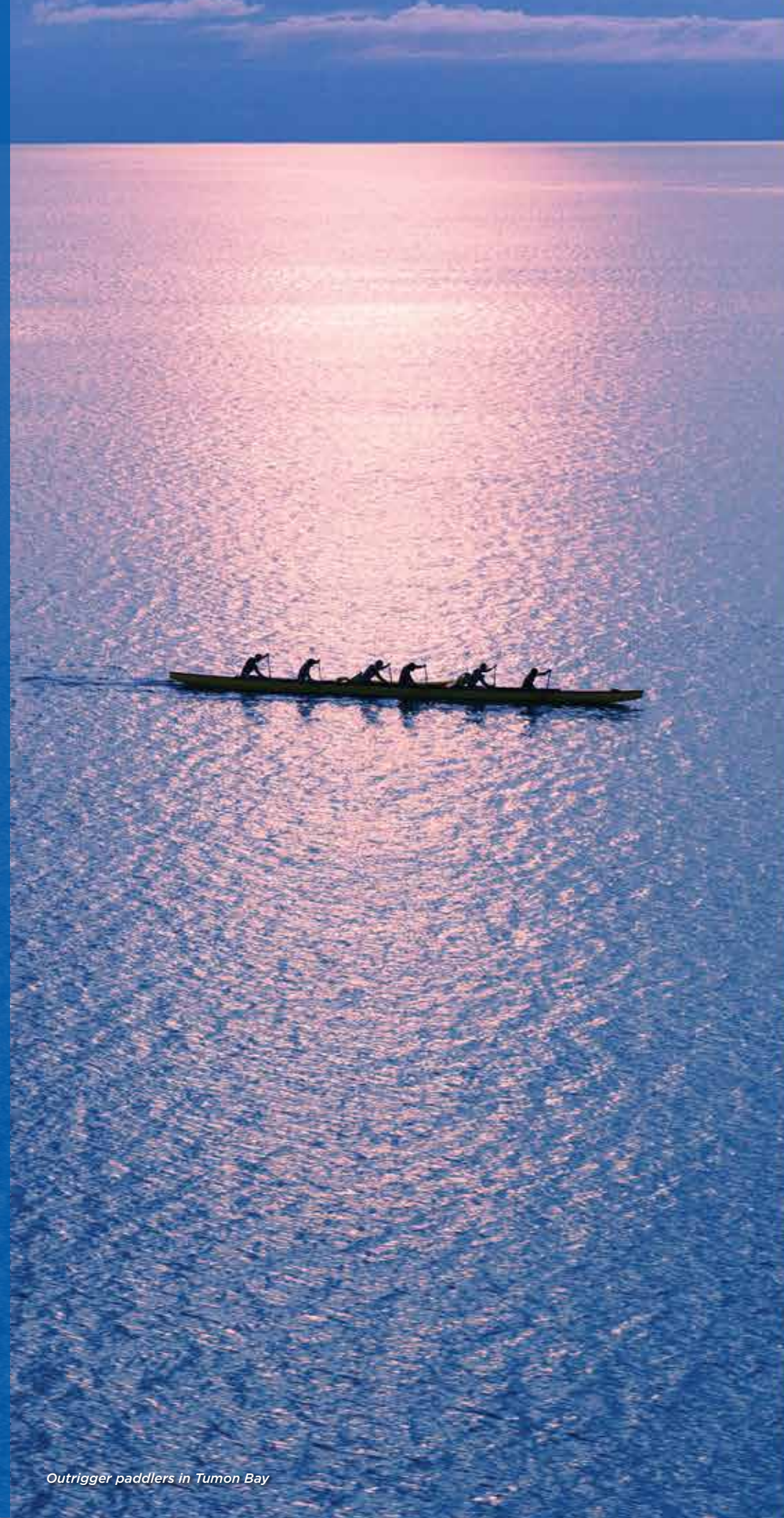
Che'lu (Relationship with siblings)

Treat not only your siblings, but also your friends, coworkers and peers as though they are your brothers and sisters. It can be used in the workplace, clubs or organizations as an expression of camaraderie.

Patgon (Children)

All children in our community are valued. Raising them with love and to know these cultural values is everyone's responsibility.





Outrigger paddlers in Tumon Bay

Where We Want to Be

Guam and the Blue Ocean Strategy

The international tourism industry is highly competitive and the challenges facing the industry are complex and numerous. The environment in which the industry operates requires tourism stakeholders to fundamentally shift their strategic approach not only to resolve long-standing issues but more importantly to effectively address current challenges and capitalize on new opportunities.

In Kim and Mauborgne's *The Blue Ocean Strategy* (Harvard Business Review), the authors state that competing in overcrowded industries is no way to sustain performance, and that the real opportunity is to create blue oceans of uncontested market space. Approaching current challenges using the Blue Ocean Strategy makes sense for Guam in order to grow and sustain its tourism industry.

Instead of competing in an existing market space, (a so-called "Red Ocean" made red from the blood of cut-throat price wars) and instead of competing with traditional offerings in the industry, Guam has the opportunity to create demand in an unknown market space, untainted by competition (a so-called "Blue Ocean"). While competitors try to outperform their rivals in order to grab a greater share of the existing demand, as signified in the Red Ocean environment, the space gets more crowded and prospects for profits and growth are reduced.

Ultimately, the situation leads to the commoditization of products and services, price wars, and declining profit margins. This has been Guam's experience and where Guam remains today. While competing on price alone and not selling a unique value proposition, Guam's tourism product has eventually deteriorated, along with profits, leading to an inability to raise rates and a lack of capital with which to invest in needed capital improvements: a classic downward spiral.

With the Blue Ocean strategy, the objective is to make the competition irrelevant by reconstructing market boundaries, focusing on the big picture, reaching across existing demand and getting the strategic sequence right - all with the goal of unlocking tiers of current non-customers through Value Innovation. In other words, drive new customers to Guam by presenting a product offering that is unique and does not exist elsewhere such as a first-tier U.S. resort destination of choice just 3 hours from major source destinations and set amidst the unique Chamorro culture.

How can this be accomplished?

1. Reposition Guam as a first-tier resort destination of choice. Achieve a paradigm shift in quality perception.
2. Promote Guam's unique selling points (USP). Make the Chamorro culture ubiquitous from the moment of arrival.
3. Target new market segments such as high-spending visitors who currently bypass Guam for Hawaii and elsewhere partly due to our lack of five-star facilities.
4. Nurture growth from underdeveloped markets such as China and attract a new group of overseas travelers who do not currently travel to Guam by positioning ourselves in a unique market space.

These are some of the ways that the industry can help to create Blue Oceans. Creating Blue Oceans for Guam as a destination will build the Guam brand, helping to change the image from "close and cheap" to one that is unique and serves as a barrier to imitation.

Creation of a Blue Ocean approach must start with the mental conviction and belief that a paradigm shift is achievable. For those who believe that such a shift is not possible, history is replete with examples. Just a few decades ago, for example, "made in Japan" meant sub-standard quality; now it means quality. Guam can absolutely achieve such a paradigm shift if stakeholders believe it and work towards making it happen. Guam already possesses all of the fundamentals from a world-class environment to clear skies and clean blue oceans as well as top quality ocean activities, fishing, SCUBA diving, golf and more. The rest is up to responsible leadership and stakeholder engagement.

how we get there



Sunrise, Tamuning cliffside

Vision 2020

A world class, first-tier resort destination of choice, offering a U.S. island paradise with stunning ocean vistas, for two million business and leisure visitors from across the region with accommodations and activities ranging from value to five-star luxury — all in a safe, clean, family-friendly environment set amidst a unique 4,000-year old culture.

8 Core Objectives

1. **Improve Quality and Yield**
2. **Grow Arrivals and Diversify**
3. **Add High-End Hotel Rooms, Incentivize Reinvestment**
4. **Focus on MICE**
5. **Promote the Chamorro Culture**
6. **Extend Average Length of Stay**
7. **Promote Our Unique Attractions**
8. **Extend Tourism Beyond Tumon**



Measures of Success

- Increase in on-island spending from all source markets
- Growth in average daily rate (ADR) and revenue per available room (RevPAR) in Guam hotels
- Improved scores in visitor satisfaction survey results
- Reposition Guam's brand image



Objective 1

Improve Quality and Yield

Guam must improve its quality in order to attract a high spending visitor and thereby improve yield or profitability. Guam is a low-budget travel destination that attracts low-spending visitors. In order to attract higher spending visitors, we must improve the quality of the product and eventually Guam's reputation will improve as well.

Guam has been sold by wholesalers at package rates as low as \$300 per person including round trip air and three nights' hotel stay. Guam hotel average rates are about \$134 per night for a U.S. destination in Asia offering mostly beachfront accommodations with single-loaded ocean views. In comparison, the average daily rate for Hawaii hotels is \$207. Suppressed rates have of course not kept pace with inflation. Consequently, hoteliers typically have insufficient profit to reinvest in their properties which results in an agent-dominated, red-ocean model that puts continuing pressure on keeping rates low year after year.

Spending on option tours and attractions has declined from over \$150 over a decade ago to less than \$100 per person today. Coupled with rising costs, it is no wonder that operators have a hard time reinvesting in their product. Shopping spend has likewise dropped as well.

By improving quality and adding high-end visitors on top of current visitor segments, all sectors on Guam will benefit through increased direct, indirect and induced spending, all resulting from an increased on-island spend per person.

It is not expected that the entire industry will change overnight. Nor is it suggested that all products magically change to first-class. We

must make meaningful but realistic improvements to existing products and services while adding on a new layer of five-star properties. This will allow for the gradual improvement of basic services to a decent standard in order to slowly start to move Guam's image over a period of 7 to 10 years from "cheap" towards "value" and eventually to "quality for value" and finally "quality."

In order to improve reputation and raise rates, quality must first be improved. Guam can improve its product, attract a higher-spending visitor and significantly raise its tax base by completing the following actions:

- **Improve Quality by Maintaining and Upgrading Public Areas.** Eradicate Tumon graffiti, choking bus exhaust, Tumon street flooding, unlawful signage, illegal touts, shoddy landscaping, and poorly-maintained public restrooms in the airport and in public places. Improve visitor safety, security, multi-language signage, airport cleanliness, the wait time at immigration and customs lines, expedited processing options, and so forth. There is a long list that will require a great deal of effort, a reasonable but modest amount of funding and a method of enforcement.
- **Provide Needed Funding.** The Tourist Attraction Fund (TAF) must be utilized for proper maintenance of product and service levels. There has been no significant investment in the tourism plant for over fifteen years. TAF allocation must be increased by the government to ensure high quality, uniform maintenance of parks, beaches, roads and sidewalks. Appropriations of the TAF for areas that are not directly linked to either GVB tourism

initiatives or cultural initiatives that directly support tourism must be eliminated, and a renewed focus must be placed on supporting the maintenance and improvement of the product and the physical plant. If desired, these activities can fall under GVB to be executed by contract service providers. GVB has gradually, albeit somewhat reluctantly but effectively, taken on maintenance responsibility in the central tourist zone.

- **Establish a Business Improvement District (BID) Similar to the Waikiki Improvement Association.** It is recommended that public sector improvements be focused in these areas with a high concentration of tourism facilities (see narrative on page 30). Great care must be taken to ensure there is no excess tax burden to private sector companies in this area but rather, that CC&R's (conditions, covenants and restrictions) are established and that these standards including maintenance are enforced.
- **Add Five-star Luxury Offerings.** This will result in an improved Guam product and allow the attraction of new, higher-yielding visitors. High-end hotel investments create an average of 1.5 to 3 jobs for each hotel room and have a major multiplier effect on local economies. Because they provide better quality service and facilities than more basic hotels, luxury hotels generally employ more people than other types of tourist accommodations and contribute more to tax revenues and earnings for Guam's businesses. Although it may take some time to attract a true premier five-star hotel, it is possible to move immediately to a 5-star property in a villa setting outside of Tumon similar to the Four Seasons Sayan in Bali. Efforts should

be made to attract such a property including direct approach to five-star flags, operators and developers. Investment incentives should be considered.

- **Develop Guam's Workforce by Establishing a Hospitality Training Program for Line-Level Staff And Supervisors to Maintain a Consistent Level of Quality Service to Visitors.** This is a critical area that must be addressed to ensure that Guam remains competitive and continues to attract repeat visitors. Due to the projected increase in visitors from various markets, service providers must be sensitive to varying perceptions, but at the same time provide a consistent level of service that meets the most demanding market. This will involve pursuing and obtaining H-2 visa exceptions, at a minimum, for interns and trainers. We must also establish a hospitality training institute and develop online training tools.
- **Upgrade Existing Private Resorts.** Improve yield by upgrading hotel and tourism products and service levels, charging rates comparable to

competitive destinations, creating a sales structure that supports FIT travelers and stopping the deep discounting of bulk air seat blockages. Add significant public sector capital projects and drive private sector reinvestment through the use of incentives such as Hawaii's Hotel Remodeling and Construction Tax Credits.

- **Reposition Guam as a First-Tier Destination of Choice Moving Gradually from the Visitor's Perception of "Close and Cheap" to "Quality for Value" and Finally, "Quality" Destination.** In order to for this shift to happen, significant investments are needed from both the private and public sectors to improve the quality of Guam's product. All stakeholders must work tirelessly towards upgrading and changing the image of Guam by performing long overdue maintenance and investing significantly in capital improvements. While the entire island must be included in efforts to improve quality, Tumon is the island's economic engine and must be maintained and upgraded as the first priority.





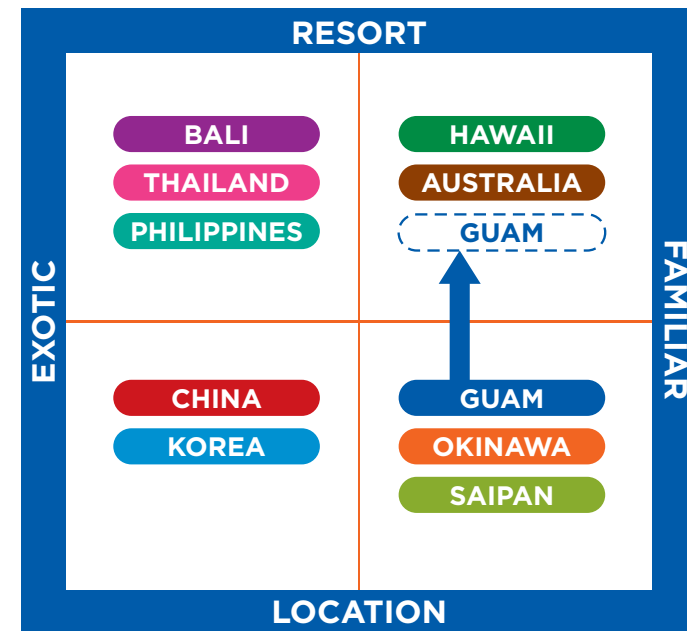
Business Improvement District (BID)

Guam's primary tourist zone of Tumon is just a few hours and one time zone away from most source markets and is set in the midst of a beautiful tropical setting with superb weather, pollution-free clear skies, and a gorgeous ocean that attract many of Guam's visitors. Unfortunately, the hotel area is desperately in need of a makeover, needing beautification improvements and the maintenance of deteriorating public and private sector infrastructure within the zone. One way of addressing this need is through the establishment of a Business Improvement District (BID), modeled similarly after the districts formed by the Waikiki Improvement Association.

Business Improvement Districts (BID) offer an opportunity for private businesses to join together and agree on minimum standards and needed improvements for the district. The BID would be comprised of property owners and tenants dedicated to making Tumon a clean, safe and vibrant environment as well as a great place to invest, work and play. The BID can act as a single voice to government on needed improvements.

The BID can also establish minimum maintenance standards and policies through CC&R's (conditions, covenants and restrictions) that can be self-enforced through GVB or through the BID Association such as through the establishment of a Visitor Safety Patrol authorized to issue citations much like CAPE officers (Civilian Police Reserve).

Destination Image Position



Destination Image Chart

Bali, Philippines, Thailand

Exotic and interesting despite not having many amenities for families and seniors accustomed to a higher standard of living.

Hawaii and Australia

Long haul travel, but considered sophisticated resorts (attractive) worth the associated extra expense of a long vacation.

China and Korea

Very accessible and short trip. Attractive because of good shopping, exotic food, and relatively cheap prices.

Guam, Saipan, and Okinawa

Very accessible, mature market lacks sophistication, close and convenient, ideal for families, safe and familiar. Location is more of an asset than image.

Guam aspires to move its destination image up closer to Hawaii and Australia to reach longer-staying and high-yield visitors by redefining and delivering a new crafted brand.

Workforce Development Plan

Workforce development is a key issue for the sustainability of any tourism destination, but it is an even more critical issue for small island destinations without a large pool of skilled workers.

With increasing visitor arrivals on Guam and plans to develop additional hotel room inventory by 2020, Guam will require a substantial increase in industry employees. With Guam's industry turnover rate of 35%, a pool of potential employees must be developed to fill vacant slots as job openings emerge. The primary challenge is with filling the job gaps that will appear if the industry is not proactive in addressing this future need.

Out of Guam's total population of approximately 170,000, the civilian workforce numbers 63,678, with an additional 5,006 in the armed forces, leaving 38,667 adults receiving subsistence and not engaged in the workforce. Guam has a large number of individuals who have not completed their formal education or vocational training, including 11,429 who attended high school but never received a diploma. This leads to the secondary challenge of ensuring that the industry employees are trained and educated to provide the level of service expected by the employer and customer.

To address the issues above as well as others concerning the implications to service quality, industry leaders must work together to communicate and promote the socio-economic benefits of working in the tourism industry. In addition, Guam must develop a skilled workforce to create sustainability in occupations for the short- and long-term stability and growth of the industry.

Although many organizations are already concerned with workforce development issues, the challenge is that not all of the programs are integrated and work together to further impact and benefit tourism. Systemic organizational changes need to take place to truly affect change. One possible solution is the establishment of a focused hospitality training program for line-level workers, which could include the development of an online training program with suggested merit increases for completion of specific courses.

Mary Rhodes, Guam and Hotel Restaurant Association President



Measures of Success

- Increase in tourism industry employment and wages
- Improve visitor satisfaction survey results

Objective 2

Grow Arrivals and Diversify

Marketing Guam as a tourist destination continues to be a top priority for GVB. The Bureau utilizes visitor data and market intelligence to develop innovative programs to grow arrivals and yield from various source markets. In order to implement its long-term strategic plans, GVB focuses on major marketing areas, collaborates with its global marketing partners and works with industry stakeholders to create efficient marketing solutions that improve and strengthen the island's tourism economy.

With the emergence of yet-developed visitor markets, and the growth of China's outbound visitors, there must be a constant effort to explore ways to capitalize on new opportunities. Over the past decade China has been, and still is, by far the fastest-growing tourism source market in the world. UNWTO reported recently that China's expenditure on travel abroad reached US\$ 102 billion in 2012, making it the first tourism source market in the world in terms of spending. With Guam just 5 hours away from China's most populous urban areas, the island has the opportunity to capture a portion of China's outbound market.

- **Achieve 1.5 Million Arrivals by 2015, and Incrementally Grow Visitor Arrivals to 2 Million by 2020-23.** Layering new markets on top of the existing base of Japanese travelers, while being mindful to not erode the current visitor base is one way to achieve the goal.

- **Diversify the Market Mix. Aggressively Target the Chinese Market, With or Without Visa Waiver.** Hawaii had over 100,000 visitors without the China visa waiver, indicating that GVB must ramp up its efforts to attract China visitors with or without visa waiver. These efforts should prove fruitful, particularly as great progress has been made in reducing the wait time for non-immigrant visas from over 100 days just 3 years ago to only 7 days as of late 2013.

- **Ensure Protection of Guam's Existing Base of Reliable, Low-impact Japanese Families Market.** Consider market mix sensitivities. Be mindful of market mix and that we do not chase away our current base of Japanese family visitors. Maintain a minimum of 55-65% for the Japan market mix over the long term, as they will remain the bread and butter of Guam's tourism industry and are a low-impact ecologically sustainable visitor type.

- **Master Plan for Possible Massive China Growth.** It is expected that up to 350,000 Chinese visitors may be added to the current and projected mix of arrivals per the chart provided in this section. However, it is not impossible that China could grow beyond 500,000 or perhaps even reach 1 million arrivals. In order to preserve and protect the existing base of visitors, it would be prudent to begin considering where a new tourist hub (a new "Tumon") could be located in the eventuality that China arrivals exceed 500,000 visitors.

CY2020 Arrival Projections

CALENDAR YEAR ARRIVALS	2012	MARKET MIX	2020	MARKET MIX w/o CVW*	MARKET MIX w/ CVW*
Japan	929,229	71.0%	1,050,000	60.0%	52.5%
Korea	182,829	14.0%	350,000	20.0%	17.5%
Taiwan	49,144	3.8%	70,000	4.0%	3.5%
Hong Kong	8,609	0.7%	12,000	0.7%	0.6%
Philippines	10,483	0.8%	15,000	0.9%	0.8%
Russia	4,040	0.3%	20,000	1.1%	1.0%
U.S. & Hawaii	62,618	4.8%	70,000	4.0%	3.5%
Australia	3,763	0.3%	5,000	0.3%	0.3%
CNMI	16,717	1.3%	20,000	1.1%	1.0%
Micronesia	14,640	1.1%	18,000	1.0%	0.9%
Other	17,024	1.3%	20,000	1.1%	1.0%
China without Visa Waiver	8,939	0.7%	100,000	5.7%	
China with Visa Waiver			350,000		17.5%
TOTAL w/o CVW*	1,308,035		1,750,000		
TOTAL w/ CVW*			2,000,000		

* China Visa Waiver (CVW)

- **Grow Russian, Korean and Other Market Arrivals.** Add gateway cities for easier access to Guam. Maximize the use of the Internet and social media, using the most appropriate, cost-effective tools for each target market. Solicit and achieve direct airlift from China and Russia. Segment existing markets (silver, weddings, etc.) for more effective targeted marketing. Evaluate economic impact and GVB success by focusing on penetration and market share as well as visitor spend and not strictly on pure arrival bodies. Explore new markets such as a regional cruise industry (see page 34).

- **Work With the Airline Industry and Airport to Increase Seat Capacity And New Routes to Guam by Creating Demand.** Sustain current airlift while increasing market share in new and emerging markets with an emphasis on Taiwan, Russia, Australia, Singapore and China. Attract new carriers including Low Cost Carriers (LCCs) to Guam while continuing to support existing airlines.

- **Examine ROI on a Per Market Basis** including the marketing cost per landed visitor, local spend per visitor, and the resultant net return on investment per visitor per market.

- **Remain Mindful of Environmental Sustainability While Growing Arrivals to Guam.** Follow the World Tourism Organization's sustainable tourism principles that lead to the management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems.

Measures of Success

- Increase in visitor arrivals to 2 million by 2020-2023
- A more diversified mix of source markets with a less dominant primary market

Regional Opportunity for the Cruise Industry

Guam is well suited to serve as home base for a small Micronesian regional cruise ship and to accommodate visiting ships.

The global cruise industry is one of the world's fastest growing tourism segments with an annual passenger growth rate of 7% to 8%. The industry served around 4 million passengers in 1990, increasing to over 20 million by 2011. Data from Cruise Lines International Association, Inc. (CLIA) shows that the demographic profile of the cruise market is a desirable one for destinations seeking higher-yielding visitors.

In order to grow Guam and Micronesia as a cruise destination, representatives from the Port Authority of Guam, the Guam Visitors Bureau and the Micronesia chapter of the Pacific Asia Travel Association (PATA) announced their partnership to form the Micronesian Cruise Association (MCA) in 2010. As a non-profit, non-stock membership organization, the Micronesian Cruise Association is working to develop a sustainable emerging visitor market segment and cultivate incremental economic activity servicing cruise ships throughout the Micronesian region.

Guam has the capacity for growth in the cruise industry, which does not require additional hotel rooms. Not only Guam, but also other Micronesian islands can reap the economic benefits from tapping into the industry. The cruise industry can provide a much-needed infusion of hard currency, without the heavy infrastructure burden and without the destructive mass market impact. Other benefits include the stemming of outmigration of the population in the smaller Micronesian islands by creating economic opportunities for future generations. The cruise industry also provides greater opportunities to facilitate cultural and heritage conservation with the wider audience from the cruise market. Micronesian region's close proximity to the future Asia cruise industry growth area, its unique culture and biodiversity, and other factors open up the potential for Guam and the region to become an exciting cruise ship destination.

Caution must be taken to ensure that infrastructure investment in terminal facilities does not exceed the somewhat limited direct return on investment from limited cruise passengers and their on-island spend. However, consideration should be given to putting together incentives for the establishment of a small regional cruise line and the establishment of a low-cost but high-image cruise arrival area for visiting ships.





Measures of Success

- Increase in room inventory
- Increase in percentage mix of luxury upper scale rooms
- Increase in room rates (ADR) and revenue per available room (RevPAR)

Objective 3

Add High-End Hotel Rooms, Incentivize Reinvestment

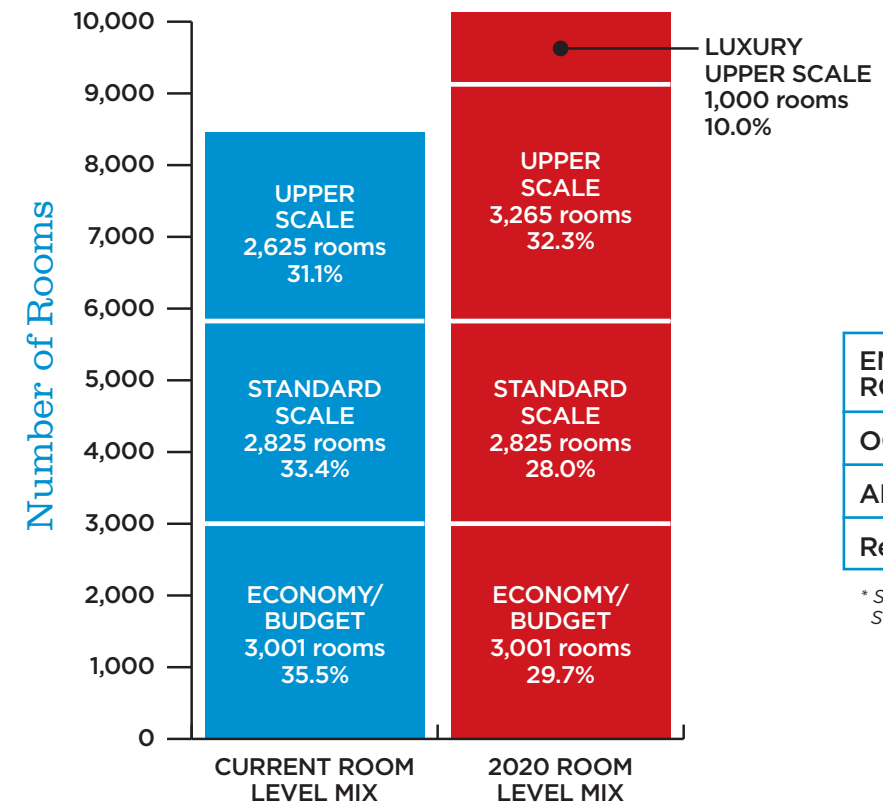
Raising the image of Guam is essential in order for the destination to reach its potential. In order for this to happen, stakeholders must focus on raising quality, diversifying markets, growing arrivals and adding hotel rooms in niches and at the high end. Guam will not become a five-star destination overnight, nor will Guam hotels become five-star properties simply by upgrading rooms. However, the renovation of existing hotels via tax incentives will certainly help raise the quality of Guam's room inventory. Adding a higher-end tier to existing offerings and making consistent efforts to bring a quality-minded approach to everything will contribute to raising Guam's image.

- **Add Sufficient Hotel Rooms to Meet Goal of 2 Million Visitors by 2020.** Provide significant incentives as needed to attract a five-star flag such as Ritz Carlton or Four Seasons and a boutique villa property such as Aman or Six Senses.
- **Guam Will Need to Grow Its Room Inventory from 8,451 Rooms to 10,091 Competitive Rooms by the Year 2020.** This is necessary to have sufficient capacity to handle the targeted increase in visitor arrivals.
- **Develop a Plan to Attract and Assist Developers and Investors.** Establish reasonable processing thresholds for all departments including maximum processing time and reasonable neutral standards for approvals.

- **Encourage the Development of Niche Properties, Such as Boutique Villas, Extended-stay, Timeshare and Bed & Breakfasts.** Because these properties target a specific market segment, they will only enhance Guam's arrival numbers by attracting visitors that typically would not have stayed in Guam's established hotels. With the growth of new source markets, developments that cater to specific visitor markets can fall into this category, as in the case of a potential townhouse development in Tumon that would enable the development of year-round, Russian charter business.

- **Introduce Tax Incentives for Existing Hotel Owners to Encourage Them to Refurbish, Repair and Renovate Their Facilities.** Hawaii's Act 108 is one such example that provided a 4 percent refundable credit for these projects. Although critics exist against such tax incentives, data strongly suggests that Hawaii's projects would not have proceeded without the tax credit and most owners reinvested the credit into the hotel by adding the value of the credit to the renovation budget. Interviews with hotel owners and investors lend additional support to the claim that the hotel credits played a strategic role in their capital expenditure decisions. A similar program on Guam can help tip an owner's decision in favor of going ahead with renovation of an aging property.

2020 Hotel Room Development Strategy



	2013*	2020
EMPLOYEES/ROOM RATIO	13,284/1.65	16,549/1.64
OCCUPANCY	77%	85.1%
ADR	\$134	\$225
RevPAR	\$103	\$191

* Source: Guam Hotel and Restaurant Association Report, September 2013

Room Inventory/Estimated Hotel Performance

2014
Guam Hotel Room Inventory
29 Hotels / 8,451 Rooms

2020
Guam Hotel Room Inventory
35 Hotels / 10,091 Rooms

Year ¹	Rooms	Room Nights	Visitor Arrivals ²	Guest Nights ³	Room Nights ⁴	Computed Occupancy
2014	8,451	3,084,615	1,400,000	4,165,000	2,192,105	71.1%
2015	8,705	3,177,325	1,486,100	4,421,148	2,326,920	73.2%
2016	8,966	3,272,590	1,577,495	4,693,048	2,470,025	75.5%
2017	9,235	3,370,775	1,674,511	4,981,671	2,621,932	77.8%
2018	9,512	3,471,880	1,777,494	5,288,043	2,783,181	80.2%
2019	9,797	3,575,905	1,886,809	5,613,258	2,954,346	82.6%
2020	10,091	3,683,215	2,002,848	5,958,473	3,136,039	85.1%

¹ Rooms - Assuming there are 8,451 competitive rooms in 2014 and that approximately 250 new competitive rooms would be added each year until there are 10,091 in 2020

² Visitor Arrivals - Probable level of arrivals

³ Guest Nights - Assumes an average length of stay of 3.5 nights and 85% of guests using hotels

⁴ Room Nights - Assumes that 1.9 guests on average would occupy each room



Measures of Success

- Increase in non-leisure visitors (exit survey data)
- Increase in hotel occupancy levels during Guam's traditional shoulder seasons

Objective 4

Focus on MICE

While the diversification of Guam's visitor market mix will have a positive impact on hotel occupancy during traditionally slower periods, more must be done to maximize efficiency.

In order to fill hotel rooms during non-peak periods, Guam will benefit greatly by aggressively focusing on MICE (Meetings, Incentives, Conferences and Exhibitions) business as well as on major events.

Guam is not well-suited for traditional conventions in large exhibit halls due to limited airlift, limited hotel supply, lack of infrastructure and major regional competition. However, Guam has the facilities and is perfectly well-suited for meetings and conferences of groups up to 2,500 or more.

- **Aggressively Develop MICE and Non-leisure Visitor Market.** Execute strategy with dedicated staff and focused efforts in target areas, including trade shows, study tours, and incentive markets. Develop multi-market collateral materials with goal-specific sales efforts as a priority across all markets.
- **Utilize MICE to Fill in Shoulder Periods, Especially in the Near Term.** MICE market travelers, particularly Incentive Travel participants, can also contribute to efforts in reaching higher-yielding tourists with substantial disposable income.
- **Invest in Education and Training Programs and, Where Necessary, Provide for a Supplemental Work Force at Least for Trainers and Interns.** This is essential, as incentive travel requires high standards of service that forces local suppliers and facilities to upgrade their products and services.

- **Utilize MICE Group Size to Help Drive Up Visitor Arrival Figures to Target Levels In a Manageable Yet Lucrative Way.** The average incentive travel group size is 30-70 people, which is easily manageable yet lucrative. MICE travel participants are high-yield, quality tourists with a substantial disposable income.

- **Aggressively Pursue SMERF (Social, Military, Education, Religious, Fraternal).** Potential for growth exists in the military and government sector with Guam's military buildup and the military's need for training. The hobby group market is yet untapped and other meetings (educational, religious, fraternal) have also grown as a result of increased collaboration due to globalization.

- **Focus On School Groups From East Asia that Traditionally Travel Overseas Regularly In Large Numbers.** One of Guam's competitors, Okinawa, has nearly 200,000 school children annually on school trips and indications are that Guam is attractive for such groups. Market Guam as an alternative to crowded metropolitan destinations in Asia. Communicate the availability of experiences offered for education groups in areas such as English language, environmental studies and exam preparation or testing (CPA, SAT, MCAT, etc.).



Objective 5

Promote the Chamorro Culture

Quality hotels and attractions alone will not guarantee the success of Guam as a visitor destination. There must be compelling reasons other than Sun, Sand, Sea and Shopping for visitors to choose Guam as a destination. These four S's are available in numerous other destinations, and many can be accessed at a lower cost. In order to differentiate Guam from other island destinations, the promotion of Guam's unique 4,000-year old Chamorro culture must be ubiquitous in Guam's marketing efforts.

- **Place Chamorro Culture Front and Center as Guam's Only Unique Competitive Differentiator.** Only Guam has an indigenous Chamorro culture, Spanish capital city of Hagåtña and varied history that is associated with Eastern and Western influences.

- **Make Chamorro Language, Art, Dance, Music and Culture Ever-present from the Moment of Airport Arrival.** Much progress has been made with efforts such as the Håfa Adai Pledge and creating an awareness of Chamorro food, but there is still a need for a stronger sense of cultural history of Guam and the Chamorro people readily available to the visitors. Encourage hotels to incorporate at least a portion of their island shows to the local Chamorro culture.

- **Restore and Enhance Major Historical, Anthropological and Cultural Attractions to Fulfill Visitors' Expectations of a Unique Experience.** Efforts in restoring historic places and identifying Cultural Corridors, as accomplished recently in Hagåtña, should be expanded.

Guam and Chamorro Educational Facility



Measures of Success

- Increase in awareness of Chamorro culture (exit survey data)
- Håfa Adai Pledge participation levels
- Availability of quality cultural experiences
- Presence of music, art and culture at hotels and within the industry



Chamorro cultural dancers at Plaza de España, Hagåtña

Objective 6

Extend the Average Length of Stay

There are obvious benefits to extending the average length of stay on Guam, one being the maximization of visitor expenditures on island. Extending the average length of stay dramatically increases the number of room nights sold, and ultimately increases the economic returns from the same number of visitor arrivals. There is a market trend towards experiential holidays that are more active with greater personal involvement instead of passive relaxation. This encourages the diversification and enrichment of Guam's tourism product. Special interest tourists tend to spend more money on and during their holidays and stay longer, whether those interests are based on natural, historical or cultural heritage or based on adventure and physical challenge.

- **Extend the Length of Stay from the Japan Market By 33%, from the Current 3 Nights to 4 Nights.** This will lead to a potential corresponding increase in on-island spend without requiring additional flights or a corresponding impact on infrastructure. Work with travel agents and provide incentives for them to develop and sell longer stay packages for all markets.

- **Promote Extended Stays Across All Markets And Encourage the Travel Trade to Offer Extended Stay Packages of One Week or More.**

Newly developed longer-stay itineraries and programs must be aggressively publicized in all markets to achieve this objective.

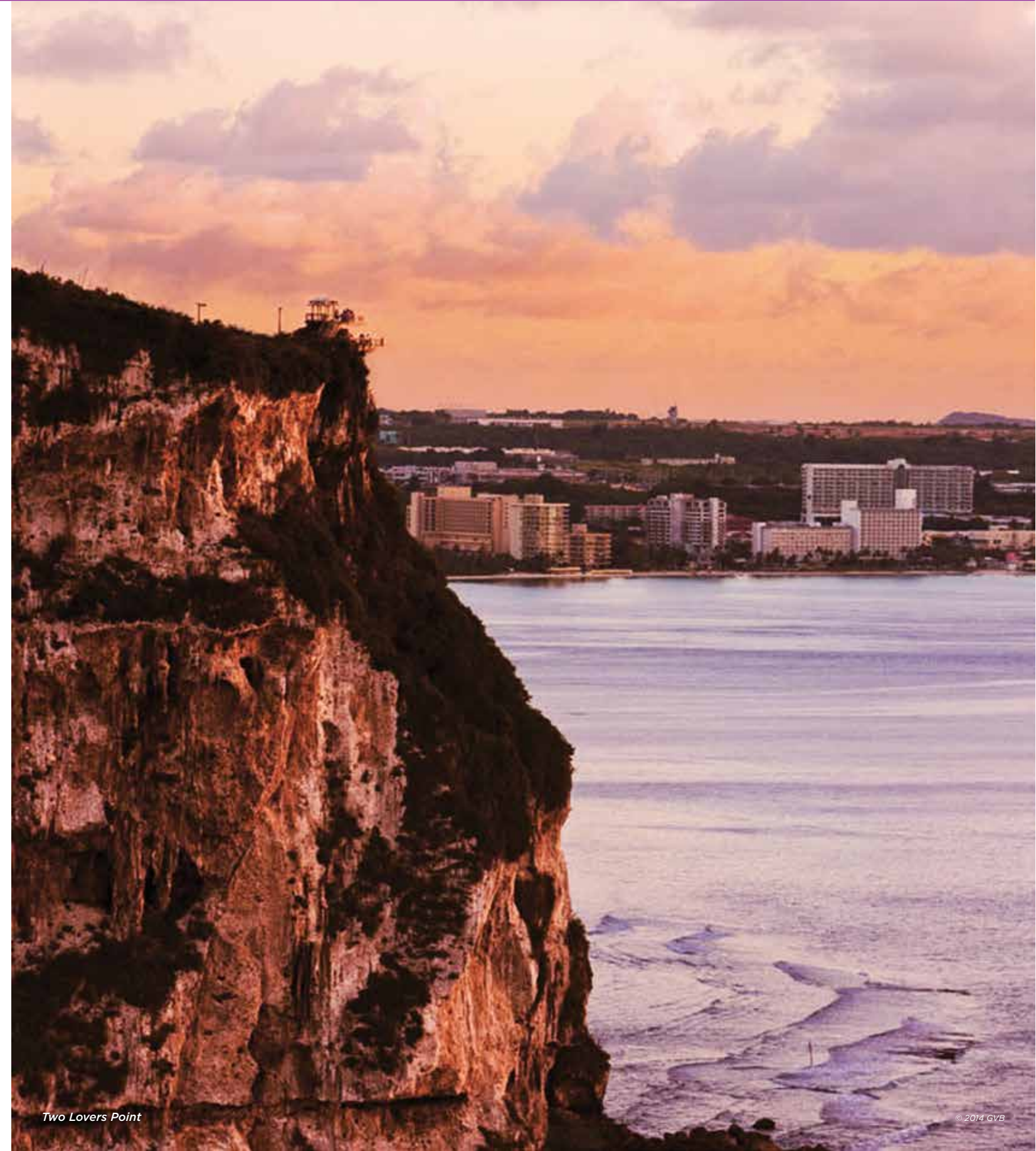
- **Communicate Clearly that Guam Offers More than Just Marine Activities and Shopping by Promoting Less Commonly Utilized Activities/Attractions that Will Result in Extended Stays.** Results from visitor perception surveys indicate that the unique activities are the ones that receive the highest marks. Guam will benefit from improved communication that the island offers a variety of unique experiences that should be fully enjoyed without a rushed itinerary.

- **Improve Communication about Various Activity and Attractions Options With the Potential Traveler Prior to Destination Selection.** Many travelers envision what they would like to do before they choose a destination. By putting together proposed itineraries and raising awareness of more attractions and activities on Guam, visitors will plan to stay longer and commit to a higher travel budget prior to travel.



Measures of Success

- Increase in length of stay in all core markets.



Two Lovers Point

Objective 7

Promote Our Attractions

Guam currently has over one hundred tours and attractions that are appealing to the island's visitors. These include dinner cruises, golf, adventure sports, sky diving, flight sightseeing, island shows, comedy and Las Vegas-style shows, ocean activities from deep sea fishing to jet skiing and parasailing, banana boat rides, SCUBA diving, helmet diving, a tunnel aquarium, and more. Marketing these attractions effectively and to the appropriate target markets will help strengthen Guam's brand and increase visitor satisfaction levels.

- **Professionally Market and Promote Attractions that Meet the Objective of Presenting a High-Quality Product.** This involves the marketing of existing attractions as well as supporting the addition of new ones. GVB must feature Guam's public and private sector attractions prominently in its advertising, posters, brochures, media and website. Visitors choose a destination because of the things to do.
- **Encourage the Creation and Promotion of New Activities and Events that Will Attract Special Interest Tourists to Guam and Encourage Repeat Visits.** Well-managed events can result in potential significant contribution to Guam's economy through additional

visitors to the island during slower periods. Events also help to build an image into the minds of tourists who have never visited Guam and have the potential to grab their attention to the destination through media coverage.

- **Promote Guam's Major Events.** Guam has a number of sporting, cultural, artistic, educational and other categories of quality events that are not known to visitors due to lack of information. Guam must promote these activities, but should focus especially on several major events and should add another major event beyond the Ko'ko' Road Race such as a major televised golf event.
- **Use a Unified Global Website with Integrated Customer Relationship Management (CRM) System.** This will allow collaboration with Guam's visitor industry to optimize results and leverage resources. It will also standardize the presentation of the Guam Brand within all markets, communicating a consistent and unique global brand image. The end result will be an increase in awareness of Guam's attractions, matching up target markets with their specific needs, and ultimately providing better quality experiences for Guam's visitors.

Measures of Success

- Increase on-island spend
- Increase awareness and participation in tours
- Addition of new major attractions



Skydiving



Measures of Success

- Addition of tourist attractions outside Tumon
- Improve resident sentiments towards tourism
- Diverse product and service offerings spread throughout Guam's villages (OVOP)

Objective 8

Extend Tourism Beyond Tumon

Guam residents throughout the island have benefited from tourism over the years. Tourism will continue to be a major economic contributor to the island as Guam's Asian neighbors prosper. While the tourism district of Tumon is important to the industry, the entire island community, not only those who live or work in Tumon, needs to play a greater role in the industry.

With limited land mass and population, Guam's villages and residents can play a larger role in Guam's tourism industry in order to contribute to and benefit from a well-managed tourism destination. By extending tourism beyond Tumon, the island can maximize economic opportunities and employment for all Guamanians.

Proceeds from the H.O.T. (Hotel Occupancy Tax) Bonds, established by Public Law 30-228, primarily focus on infrastructure projects outside Tumon, such as the Guam Museum, Farmer's and Fishermen's Co-op, Guam Congress Building and many historical and cultural sites throughout the island. These projects will serve as the foundation to making Guam a better place to live, work and visit.

- **Expand the Visitor District to Hagåtña.** Work with public and private sector partners to extend the visitor district from Tumon to a revitalized Hagåtña, capitalizing on the popularity of Chamorro Village and the building of the new Guam Museum.
- **Encourage Tourism Partners to Support Local Farmers and Fishermen.** Support farmers and fishermen markets in villages to help expand these opportunities for growth. Encourage investment in infrastructure necessary to create

attractive, healthy, vibrant centers of agricultural and aquaculture commerce. Encourage hotels and restaurants to buy local produce and fish.

- **Work Hand in Hand with All Stakeholders to Create a Cleaner Environment and Deliver High-quality Community.** Improvements in island beautification standards and the delivery of world-class events not only help Guam's industry, but they also create a greater sense of pride and community for all Guamanians.
- **Support Cultural Products and Services.** Work with GEDA, local businesses and the University of Guam's Pacific Center for Economic Initiatives to support Made on Guam products. Assist in the development and promotion of cultural practitioners in areas such as arts, crafts, music and dance.
- **Effectively Use the Tourist Attraction Fund.** It is essential that Tourist Attraction Fund (TAF) monies are properly prioritized: (1) Bond repayments, (2) GVB operations, (3) Maintenance of public tourism areas and capital improvements that directly support tourism and (4) As excess funds are available, community and cultural programs that are directly related to tourism. The Bureau and tourism stakeholders should take ownership of the positive benefits that all of this funding provides to the community at large and should more effectively communicate the benefits of tourism to all residents.



19 Villages, 19 Unique Experiences

The One Village One Product (OVOP) model involves pursuing a specialization strategy with each village identifying one or two products (goods or services) that will eventually create a specific image to attract visitors and investments.

The purpose is to show that each village has some uniqueness in terms of its history, culture, agriculture, natural beauty or facilities. To date, some progress has been made in pursuing a concept of the OVOP model. Village festivals featuring a specific product, such as the Agat Mango Festival, the Talofoto Banana Festival and the Malesso Crab Festival have been successfully launched over the past seven years, but not all villages have identified a specific image. Training and full implementation of the OVOP model has not yet been introduced.

With OVOP on Guam, residents will be implementing a strategy in an industry that Guam's residents have control and have the ability to sustain. In addition, it will increase employment opportunities for village residents, teaching skills to produce local products and establishing pride in village and island products. Most importantly, it will be increasing opportunities for residents around the island to interact directly with tourists to sell their specialty products, thereby increasing linkage and minimizing leakage of visitor spending to off-island companies.



CONCLUSION

Conclusion

As our island's leading industry, tourism touches each of us on Guam.

Tourism 2020 sets forth a vision and a strategic plan for our island's future.

It provides strategic direction and sets forth a framework for action. Next, details for tactics and implementation should be developed by stakeholders and by GVB management. Broad acceptance and willful execution will be needed by stakeholders, lawmakers and every member of the community.

The stakes are high.

We have a tremendous opportunity to raise the quality of our island as a destination, and in doing so, to raise the quality of life for each and every resident of Guam.

If we accomplish the goals laid out in this plan, Guam will be safer, cleaner, more prosperous and a better place to live and work for us and for our children and future generations.

Together we can achieve the vision.

Targets

KEY PERFORMANCE INDICATORS ¹	2013	2020
VISITOR ARRIVALS	1.34 Million	2 Million
AVG ON-ISLAND SPEND	\$1,100	\$1,320 ²
TOURISM-RELATED JOBS	20,436	32,000
GOV TAX REVENUES	\$167 Million	\$300 Million
TOURISM ECONOMY SALES	\$1.47 Billion	\$2.64 Billion

¹ Based on 2010 Guam Tourism Satellite Account Economic Report

² 20% increase in average on-island spend per person based on achieving Tourism 2020 objectives: diversifying by attracting higher spending markets (China, Russia) and market segments (MICE), adding high-end hotel offerings and more quality dining, shopping, optional tours and attractions, extending the average length of stay and improving our destination product and service levels.





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