Lehua Hawaiian Adventures

MEMO

TO: All Employees

FROM: Katherine Okubo, President

DATE: January 7, 2016

RE: Annual Review and Strategy Session

Lehua Hawaiian Adventures’ annual business review and strategy session is scheduled for January 24 at 8:00 a.m. The meeting’s focus is on the company’s performance in 2015 and strategic planning for a successful year in 2016. We continue to see growth despite a slight reduction in tourism to Hawaii in recent years. In this session, we hope to focus on what has helped us attain that success so far and how we can continue to best meet the needs of our customers. In preparation for the meeting, please review the following information.

Tour Summary

Thanks to the dedication of our employees and the quality and value of our tours, Lehua Hawaiian Adventures has had yet another year of growth. To accommodate this growth, we have begun adding more of our most popular tours to the schedule, creating new tours, and hiring new tour guides.

In order to provide the services desired by the majority of our customers, we believe it is helpful to know the average age of our customers. The chart below shows a comparison of customers’ ages, by gender, for the last three years.

Local Industry Assessment

There are numerous outdoor adventure companies in Hawaii. Travelers have many options to choose from. Our greatest assets in the past have been satisfied customers who become repeat customers, referrals, and our excellent relationships with local concierges and travel agencies. These qualities have helped us become one of the better-known sources for adventure tours in Hawaii.

In the coming year we also plan to expand our online marketing efforts. More travelers are researching their own trips online rather than using travel agencies. We have begun developing fliers that will be sent to travel agents throughout the United States and Japan. In addition, our Web site is being redesigned, and through that we will offer a discussion board, articles, and some discounts and prizes for referrals and newsletter subscriptions. As always, we will continue to closely monitor our customers’ reviews and make adjustments as necessary, such as offering specialized tours that differ from others offered by our competitors.

Customer Feedback

After every trip, our guides ask all participants to fill out a survey indicating their satisfaction and suggestions. We’ve consistently received excellent ratings on the informative nature of our tours, an appropriate level of activity and adventure, organization and planning, and the types of tours offered.

The most interesting aspect of this year’s reviews was that our customers value the affordability of our tours. In general, they stated that ours had the best combination of quality and affordability of those they researched. We had been considering offering some luxury tours that would include things like extravagant accommodations and gourmet meals, but based on our research, our customers choose us because our tours are so reasonably priced. Our corporate identity is such that we should maintain it by not venturing into more expensive options right now. In the future, we can revisit this concept if interest exists.