

# Reinventing Hawaii Tourism

## *Export Tourism & the Premium Foods Revolution*

### Prepared by

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## Executive Summary

### THE PROBLEM

Hawaii's economy leans entirely on **10 million tourists** spending roughly **\$20 billion** a year. Cheaper competing destinations erode that slowly; a single shock — pandemic, war, recession — could erode it overnight.

### THE SOLUTION

Build a second, independent revenue engine: **Premium Food exports**. Convert visiting tourists into long-term customers of Hawaiian-made goods, matching today's tourism revenue within a decade.

RRRenai's mechanism is the **RRRenai Card** — a \$600 Premium Foods credit that tourists buy into for \$100, spend across their trip, and keep using once home. It is designed to convert **6 million new tourists a year** into export buyers of Hawaiian goods.

| METRIC                       | ESTIMATE                                                               |
|------------------------------|------------------------------------------------------------------------|
| State cost                   | 1% of state budget ≈ <b>\$200M</b>                                     |
| New Card members / year      | <b>6 million</b> tourists                                              |
| Resulting local transactions | ≈ <b>\$17–30 billion</b> (rough estimate)                              |
| Goal                         | Match \$20B tourism revenue with export revenue within <b>10 years</b> |

## 1. The Problem: A Tourism-Dependent Economy

Every year, Hawaii crosses its fingers: will 10 million tourists return, and will they spend their usual \$20 billion? Two forces threaten that bet:

- **The slow kill** — competing destinations with newer hotels and nicer beaches at lower prices chip away at Hawaii's share every year.
- **The quick kill** — a pandemic, war, or economic collapse can take the tourism economy down with it overnight.

A single-industry economy has no hedge against either risk.

## 2. The Solution: Export Tourism

RRRenai's answer is **Premium Food exports** — a second revenue stream sized to eventually match tourism itself. Rather than treating tourists as one-time visitors, RRRenai's marketing is re-gearred to convert them into **long-term consumers of Hawaiian goods after they go home**.

The vehicle is a loyalty-and-credit program: the **RRRenai Card**. Tourists pay \$100 for a card loaded with \$600 in Premium Foods credit — funded jointly by the State, sponsors, and the tourist's own membership fee. The \$600 all but guarantees participation; what happens next is designed to guarantee retention.

*"Goal: Export revenues match tourism revenues within one decade."*

## 3. The RRRenai Card – How It Works

### 3.1 Matching Funds: Three Platforms

Three sequential \$200 credits track a tourist through the full trip lifecycle — each one its own marketing "platform," aimed at a different sponsor pool:

| Platform                           | Purpose                                                                                                                       |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| 1. Pre-flight<br>\$200 credit      | Online-only orders for in-flight dining — the first login, and Hawaii's 5–9 hour flights become a captive advertising window. |
| 2. In-house dining<br>\$200 credit | Culinary Immersive Experience at Farmers Restaurants — building the relationship with Premium Foods while visiting.           |
| 3. Back home<br>\$200 credit       | Completes the conversion into an active platform user, testing how much a tourist re-orders after returning home.             |

### 3.2 Sliding Scale: Five Tiers of Credit

Credit rates vary by food category, steering spend toward Premium Foods while still requiring tourists to add their own money for lower tiers:

| Tier | Category       | Credit      |
|------|----------------|-------------|
| 1    | Premium Foods  | 100% — free |
| 2    | Quality Foods  | 75%         |
| 3    | Standard Foods | 50%         |
| 4    | Misc. Foods    | 20%         |
| 5    | Subpar Foods   | 15%         |

A tourist has 30–50 culinary interactions per visit — multi-meal packages, snacks, beverages, seasonal and cultural menus. Target: **\$20/week** in Hawaiian-product spend after returning home, doubling from the \$200 credit alone.

### 3.3 One Card, Nine Transactions

A conventional credit card touches a single transaction. The RRRenai Card is designed to track — and multiply — every step money takes through the local economy:

|   |                                                                 |
|---|-----------------------------------------------------------------|
| 1 | State grants \$200 to the Tourist Gift Card                     |
| 2 | Sponsors/advertisers grant \$300                                |
| 3 | Tourist pays \$100 for the \$600 Membership Card                |
| 4 | Tourist adds \$500 of their own money → \$1,100 total           |
| 5 | Tourist spends the \$1,100 at restaurants, online, or in-flight |
| 6 | Restaurant pays the \$1,100 to the Farmer (and staff)           |
| 7 | Farmer spends the \$1,100 on suppliers (and staff)              |
| 8 | Employees spend on their own RRRenai Card                       |
| 9 | Each transaction pays taxes back to the State                   |

By comparison, a Wal-Mart transaction cycles through roughly 3 steps and returns 13% of spend to the local economy. RRRenai's estimate: **30× more transactions** than a conventional credit card over the same tourist dollar.

### 3.4 Front Loading: The Multiplier Effect

"Buying local" is known to return roughly 5× more money to a local economy than a big-box purchase — because the same dollar recycles through several local vendors instead of leaving town. RRRenai's insight is to **enlarge the dollar amount** that enters that cycle in the first place, using sponsor funding:

**TODAY**

**\$100 → \$144**

Tourist spend cycles through ~3 vendors

**WITH RRRENAI**

**\$100 → \$3,300**

Front-loaded spend cycles through 9 steps, 5 vendors

Scaled to an estimated 5 million Card-holding tourists, this produces RRRenai's working estimate of **\$17 billion** in local transactions (conservative) to as much as **\$30 billion** — against \$20 billion in tourism revenue today.

## 4. The Farmers Restaurant Model

Farmer's Markets keep growing as commercial fast-food chains falter. The **Farmers Restaurant** is the natural retail extension of that shift — the farm-to-table concept given its own storefront.

Farmers Restaurants are positioned to replace large parts of today's industrial food chain: sourcing & distribution, processing & production, branding, and Premium Foods retailing — with farmers supplying the artisan product and restaurants supplying the craftsmanship to process and present it. Modern equipment now makes specialized processing affordable at small scale, closing the gap that once required industrial producers.

Each restaurant becomes, in effect, a boutique showroom: an **Immersive Culinary Experience** built around a farmer's best work, in contrast to the lowest-common-denominator standard of mass production.

## 5. Business Model: Tri-Plex Revenue

Farmers Restaurants are designed to earn on three layers at once, with a decade-long goal of doubling total revenue:

1. **Higher price & margin** — an "Artisan Curator" strategy. Strawberry papaya, for instance, already commands a premium taste over standard varieties; branding it as such can double its retail price and double it again on restaurant menus.
2. **Take-out retail** — diners buy the branded product directly from the restaurant, or order it online.
3. **Mail-order** — converting patrons into long-term, at-home consumers, with a goal of mail-order revenue matching in-house dining within a decade.

The premise: exclusivity and craft are the point of any luxury good. Unlike mass fashion brands manufactured cheaply abroad, Premium Foods carry genuine, farm-verified value — positioning the farmer as the artisan curator behind the product.

## 6. Restaurant Row: The New Town Square

RRRenai proposes converting a row of restaurants into a **Culinary Center** that doubles as the town's cultural hub — a fast, affordable, and repeatable first phase, using a defined template (birds-eye layout, themes, special events) that other cities and states could adopt. Hilo, on the Big Island, is slated as the pilot: **Restaurant Row Hilo**.

## 7. The Five Sponsors

Five distinct parties fund the Card's \$600 credit and share in its returns:

| Sponsor               | Role                                                                                                                                                  |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tourist               | Pays \$100 for the \$600 Card; a family of four holds \$1,800 in buying credit.                                                                       |
| State                 | Contributes \$200 (1% of state budget); modeled to return 100% in taxes within 30–90 days and generate 10–20× economic activity.                      |
| Bank                  | Contributes \$150 per customer in exchange for ~6 million new, high-spending cardholders a year — more than every U.S. airline card program combined. |
| Advertisers           | Airlines, restaurants, and hotels sponsor placement across pre-flight, in-house, and at-home purchase windows.                                        |
| Mutual Coop Dividends | Profit-sharing paid back to members as the fifth funding source (see Section 8).                                                                      |

## 8. Corporate Structure: Mutual Coop

RRRenai is structured as a **Mutual Company**: every dollar spent on the Card earns not just points, but a small equity stake — the way a credit union member owns a share proportional to their account. Restaurants, farmers, employees, and tourists all earn stock as they transact.

- Dividends paid quarterly, delivering tourists an estimated \$200–\$400 back after returning home — a further incentive to keep buying online.
- Restaurants and farmers earn additional shares for the volume they transact and the service fees they choose to pay.
- Modeled to roughly double Card usage — pushing the combined transaction estimate from \$17B toward \$35B.

## 9. Financial Model: From \$100 to \$3,300

The clearest way to see the model is at the scale of one tourist and one \$100 purchase, traced through all nine steps:

| Stage                                | Step                                         | Amount         |
|--------------------------------------|----------------------------------------------|----------------|
| <b>Part 1</b><br>Card funding        | State: 1% of budget                          | \$200          |
|                                      | Sponsors: advertising                        | \$300          |
|                                      | Tourist: membership fee                      | \$100          |
| <b>Part 2</b><br>Tourist spend       | Card gift credits (\$600) + own-pocket match | \$500          |
|                                      | Total tourist spending power                 | <b>\$1,100</b> |
| <b>Part 3</b><br>Local recycling     | Tourist → Restaurant                         | \$1,100        |
|                                      | Restaurant → Farmer & labor                  | \$1,100        |
|                                      | Farmer → suppliers & labor                   | \$1,100        |
| <b>Total local economic activity</b> | Per \$100 tourist purchase                   | <b>\$3,300</b> |

Scaled across an estimated **5 million** Card-holding tourists, \$3,300 per person becomes roughly **\$17 billion** in local transactions — against \$20 billion in tourism revenue today, and before Mutual Coop dividends roughly double that figure again toward \$35 billion.

*These are working estimates pending third-party verification; RRRenai proposes a pilot with the first 1 million tourists (~\$200M) to generate real usage data before scaling further.*

## 10. Mission & Long-Term Goals

*To become the Nestlé of Premium Foods – a \$100 billion company within a decade.*

Because Premium Foods sell at 4–7× the price of a comparable Nestlé product, RRRenai needs only about one-sixth the unit volume to reach comparable revenue. Supporting goals:

- Build duplicatable templates for neglected small vendors, venues, and producers.
- Launch an Exchange Platform for Premium Foods — standardization, quality indexing, and global market access.
- Pilot in Hawaii, then roll out nationally and internationally.
- Identify a state or nation to serve as the Global Capital of the Premium Foods Revolution.
- Franchise into 3% of the world's 15 million independent restaurants within 2–4 years, at 30% annual growth thereafter.
- Build a talent-pool agency for 3% of the world's 600 million small farmers.
- Form new cross-industry partnerships around a Premium Foods supply chain of its own.

## 11. Go-to-Market & Partnerships

RRRenai is designed to run on three outsourced divisions, keeping its own overhead minimal:

### Credit Card Company

Coordinates transactions in real time between tourists, vendors, farmers, and the State.

### Media Company

Handles outreach and advertising, plugged into every transaction across the system.

### Logistics Company

The "Amazon of Hawaii" — sourcing, distribution and fulfillment for Premium Foods.

Phase 1 targets a **50% conversion rate** of Hawaii's tourists into signed-in, active platform users within the first year — matching today's \$20B in tourism revenue with export revenue over 5–10 years, and lifting local Hawaiian-produce sales five-fold, from

roughly \$200M to \$1B, within 1–2 years. Phase 2 rolls the model out internationally over 24–36 months, beginning with Japan, the mainland U.S., and India.

## 12. Roadmap

| Phase         | Milestone                                                                                               |
|---------------|---------------------------------------------------------------------------------------------------------|
| Pilot         | Launch Restaurant Row Hilo; test-run the Card with the first 1 million tourists (~\$200M).              |
| Statewide     | Scale in batches of 1 million tourists based on pilot results; roll out across all of Hawaii.           |
| National      | Franchise the template to California and Utah as proof-points for other tourism-and-agriculture states. |
| International | Extend to Japan and India, in pursuit of a Global Capital for the Premium Foods Revolution.             |