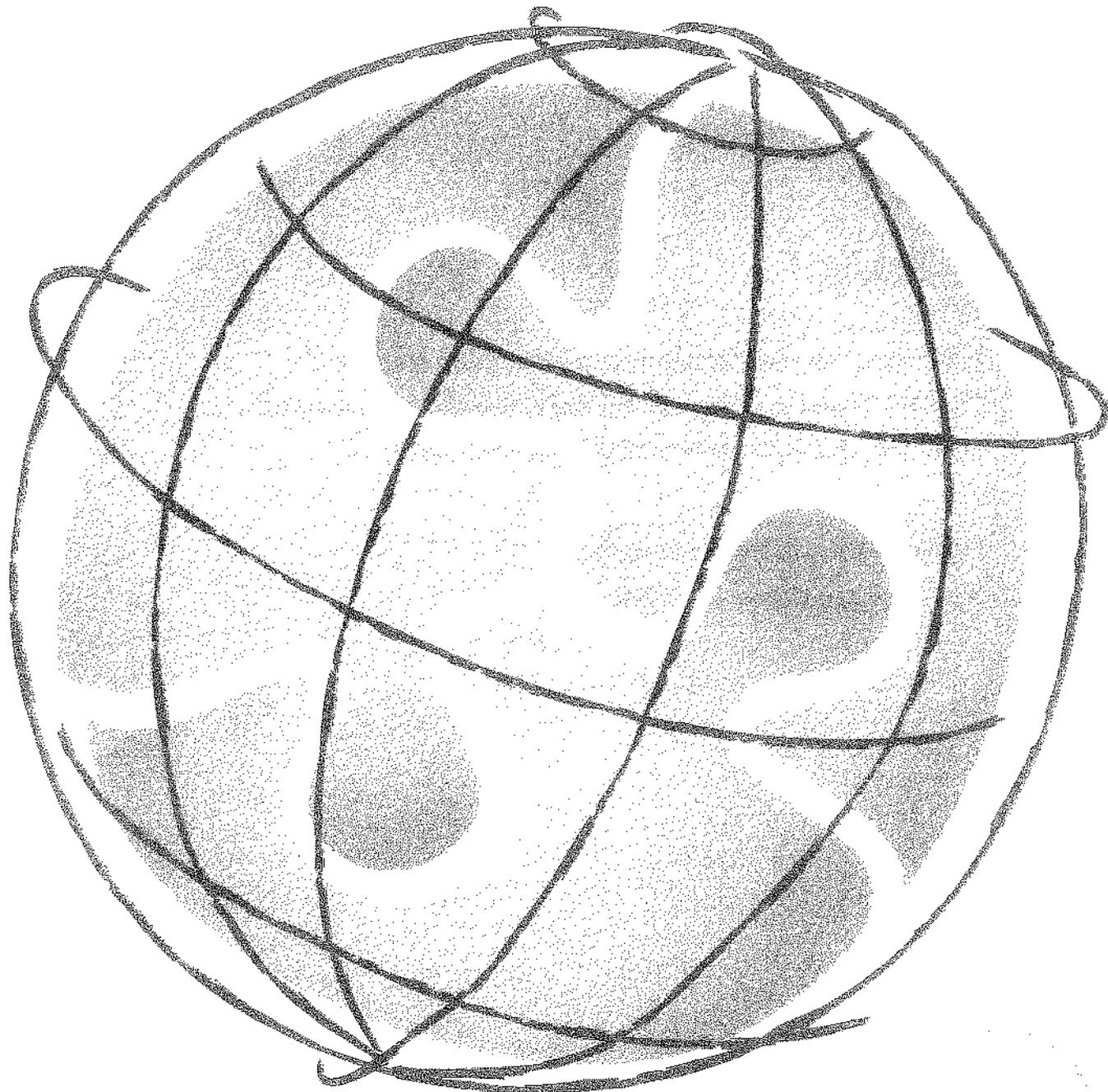


# BUSINESS AND SUSTAINABILITY PLAN

## New Guam Museum (Guam and Chamorro Educational Facility)



**LBA**

Leisure Business Advisors LLC



Final Report

**Business and Sustainability Plan for the New  
Department of Chamorro Affairs' Guam Museum  
(Guam and Chamorro Educational Facility)**

*Prepared in Collaboration with the:*

Department of Chamorro Affairs

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September 25, 2015

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# Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and represents LBA's unbiased professional analyses, opinions and conclusions.
- This report was performed on a basis of non-advocacy; LBA's consultants have no present or contemplated financial interest in the Guam Museum (Guam and Chamorro Educational Facility) and have no personal bias with respect to the parties involved.
- LBA's compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- LBA's analyses, opinions, and conclusions have been prepared in conformity with professional standards.

John Gerner  
Managing Director  
Leisure Business Advisors LLC (LBA)

# 1 | Introduction

Leisure Business Advisors LLC (LBA) has been retained as an advisor to develop the initial business and sustainability plan for the new Guam Museum (Guam and Chamorro Educational Facility), which is currently under construction. This report presents the results of that effort.

The new Guam Museum (Guam and Chamorro Educational Facility) is a division of the Department of Chamorro Affairs. Joseph Flores Artero-Cameron, the President of this department, has closely collaborated with LBA in every step of the process involved in preparing this report. Therefore, this report should be seen as the department's initial business and sustainability plan for the new Guam Museum (Guam and Chamorro Educational Facility).

## 1.1 Report Organization

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This report is presented in nine sections. Section 2, which follows this introduction, describes the museum's background and selected key stakeholders. Section 3 provides the market analysis. Section 4 provides the comparable experience analysis. Section 5 recommends the initial marketing approach. Section 6 recommends the implementation approach. Section 7 discusses best practices for sustainability. Section 8 provides the financial analysis. Section 9 recommends the operational approach concerning museum job positions.

## 1.2 General Limiting Conditions

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Every reasonable effort has been made to ensure that the information contained in this report is accurate and timely, and it is believed to be reliable. No responsibility is assumed for inaccuracies from any data source used in preparing this report. It is based on information that was current as of September 2015 or as noted, and LBA has not undertaken any update of its research effort since such date.

Achieving potential financial performance may be affected by fluctuating conditions and future events that cannot be assured. Therefore, the actual results achieved during the forecast period may vary significantly from the forecast. No warranty or representation is made by Leisure Business Advisors LLC that any of the potential values or results contained in this report will actually be achieved. LBA has incomplete knowledge of important future development and management actions on which actual results will depend, and is therefore not responsible for the outcome.

This report is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

## 2 | Background and Stakeholders

This section of the report presents the background of the Department of Chamorro Affairs' Guam Museum, which is also known as the Guam and Chamorro Educational Facility. Selected key stakeholders and potential partners are also described.

### 2.1 Past History

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The Guam Museum was established and operated by the American Legion, Mid-Pacific Post No. 1 in 1932. It was completely destroyed during World War II, with many artifacts dispatched for safe keeping to other museums and private collectors around the world.

Without a permanent facility, the museum has faced many obstacles since that time. These obstacles include the continued displacement of Guam's artifacts. Nearly 250,000 artifacts are located in storage, in warehouses, or off-island (Philippines, Italy, Spain, Mexico, mainland USA, and Hawaii) until an adequate facility is available.

A committee formed to reorganize the Guam Museum in 1949. The Department of Land Management dedicated a temporary facility in 1954. The Guam Public Library Board took over management of the museum in 1960. Typhoon Karen destroyed large portions of the museum collection in 1962.

#### 2.1.1 Initial Planning for New Museum (1989 to 1991)

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There have been several organizations created with the sole intent of researching and studying the developmental process and financial requirements of building a new Guam Museum. In 1989, the Committee for the Expansion and Accreditation of the Guam Museum prepared a preliminary assessment survey. That committee recommended that the new museum concentrate on Chamorro culture and the influences that have shaped and continue to shape it. It also recommended that the museum work cooperatively with community groups and educators in building meaningful programs. The recommended scope also included botany, geology, anthropology, ethnology, zoology, astronomy, and the arts.

In 1991, a Museum Commission was created by Guam's legislature to engage the services of a consultant and to submit a written report with specific recommendations on the purpose of the museum, its mission, governance, budget, collections management, long range planning, personnel, architecture, and engineering. Two surveys were conducted. Most respondents felt that the new museum should focus on Guam's natural and cultural history, especially emphasizing the Chamorro contribution. A majority also felt that a new museum would be of such general value that the Government of Guam should appropriate funds towards its construction and operation.

The Museum Commission's report was completed at the end of 1991. It concluded:

*"The consensus is that the Guam Museum should focus geographically on Guam, provided that Guam's role in the larger biogeographic region and Guam's position in global geopolitical history not be ignored. Since Guam is composed of a tapestry of cultural elements, the Commission dealt with the problem of cultural emphasis. It seems to us that it is both necessary and desirable for the museum to express a bias in favor of Chamorro. A bias does not imply any exclusion of other cultural elements. Certainly the Carolinians have clear historic priority for representation, and there are now probably hundreds of ethnic groups sharing this island and contributing to its dynamic culture and economy. Accepting Guam as a geographic focus and the Chamorro people as a cultural bias would allow exhibits on the innovative ways that the Chamorro people have utilized imported commodities, ideas, art forms, and technology as well as the ways immigrants transform local customs to meet their needs. The topics to be covered in the Guam Museum must include archeology, history, contemporary culture, geology, botany, and zoology. These topics may be covered differently in exhibits, public programs, collections, and research."*

The 1991 Museum Commission report also recommended that land surrounding the new museum be used for interpretive uses. These included a botanical garden of native Guam plants, outdoor festivals, art fairs, and living history activities that would increase the visibility of the museum in the community. The commission stressed the importance of the museum's educational role and recommended that it always work closely with schools to develop special children's programs.

This commission also recommended that the new museum should strive to work collaboratively with other organizations that engage in related activities in order to create programs serving their common interests and goals. Potential partners identified at that time included the Guam Council on the Arts & Humanities Agency (CAHA), University of Guam's Isla Center For The Arts, University of Guam's Micronesian Area Research Center (MARC), Guam Visitor's Bureau, and the Department of Parks and Recreation.

According to the 1991 Museum Commission report, "it is unreasonable to expect that the museum will ever be self-sufficient; there will always be a need for governmental support especially for building maintenance and staff."

### **2.1.2** *Faniadahen Kosas Guahan - Guam Museum Report (1999)*

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The Guam Museum became a division of the newly created Department of Chamorro Affairs in 1999. That same year, the Faniadahen Kosas Guahan - Guam Museum report was prepared by Antonio M. Palomo, the museum's executive director at that time. According to this report, "the Guam Museum is obliged by law and tradition to serve as caretaker of Guam's historic treasures and legacies." This report recommended that a new non-profit "friends of" the Guam Museum organization be created. Its primary purposes would be to provide museum volunteers and to spearhead efforts to raise funds for specific museum projects.

During the 1990's, the Guam Museum operational budget grew from \$90,000 in Fiscal Year 1994 to \$450,000 in Fiscal Year 1999. In current 2014 dollars, this 1999 amount would be almost \$650,000 after adjusting for inflation. By 1999, the museum's staff had increased from two to ten, and its exhibit and storage facilities similarly expanded substantially. Unfortunately afterwards, typhoons Chataan and Pongsona damaged museum facilities in 2002. The Guam Museum has not had a permanent facility since that time.

### *2.1.3 Latest Planning for New Museum (2005 to Present)*

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In 2005, the Governor of Guam issued an Executive Order that created the Guam Museum Facilities Construction and Cultural Heritage Rehabilitation Task Force, with a mission to coordinate, design and construct a new Guam Museum.

The Guam Museum Foundation filed articles of incorporation in 2006. That same year, the Guam Museum Financial Feasibility Study was prepared by Knowledge Based Consulting Group for the Guam Visitor Bureau.

In 2009, a Guam Museum focus group session was held with educational institutions, indigenous Chamorro cultural organizations, Mayors' Council, and representatives of the Guam Legislature. This session was hosted by the Guam Museum Foundation. The goal was to formally gather the community's feedback regarding the development and utilization of the new facility. Among the comments and suggestions compiled from three groups, participants were most concerned with advocacy of Chamorro history and culture and accessibility of the new facility. Many suggestions were offered. These included offering demonstrations by master artisans and expanding opportunities for collaboration between community organizations.

In 2010, Public Law 30-228 authorized the construction of the Guam Museum and certain other projects that benefit Guam's tourism industry. In 2011, GovGuam issued Hotel Occupancy Tax Revenue Bonds for the purpose of constructing the Guam Museum and other related tourism projects. Up to \$27 million of the 2011 Bond proceeds are appropriated for the acquisition, construction and equipping of the Guam Museum, described as an educational facility that reflects a sense of Guam and the Chamorro culture and will be the permanent home for the preservation and continuance of the Chamorro people. The proposed design includes using a storyline approach to interpret the natural, cultural and social history of Guam. The architectural firm Laguana & Cristobal was awarded the museum architectural and engineering contracts in 2012.

The ground breaking for the new Guam Museum occurred in February 2013. Construction was delayed in June 2014 when 60 of the 260 piles turned out to be damaged or potentially damaged. These are concrete columns driven into the ground to support buildings. Typhoon Dolphin struck Guam in mid-May 2015. At its peak on May 15th, sustained winds were 84 miles per hour (135 kilometers per hour). Gusts reached 106 miles per hour (171 kilometers per hour). Rainfall totaled 9.3 inches (236 millimeters) within a 12-hour period.

Opening day is currently planned to be in December 2015. Notwithstanding potential impacts of this recent typhoon to the construction site, the builder has not yet indicated an additional delay in the planned opening date.

## 2.2 Purpose, Vision, and Mission

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The following pages integrate existing sources of information concerning the current purpose, vision, and mission of the Department of Chamorro Affairs' Division of Guam Museum (Guam and Chamorro Educational Facility). Emphasis has been given to the division's latest strategic plan and to authoritative government sources.

### 2.2.1 Purpose and Legislative Mandates

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According to the current Guam Code:

*"Kosas or Guam Museum is mandated to promote increased understanding of Guam's geology, biota, prehistory, history and contemporary culture. As the official repository and custodian of historical artifacts of Guam, Kosas is mandated to acquire, preserve, and make available for public viewing artifacts and archival materials relating to the cultural, historical and natural heritage of Guam."*

The Guam Code also requires that the museum ensure that collection storage conditions conform to the guidelines and standards established by the U.S. Department of Interior, Title 36, Code of Federal Regulations, Part 79.

These are currently unfunded mandates from the Guam Legislature because it has not yet provided ongoing long-term financial commitment for these required functions. Future government appropriations for operation of the Department of Chamorro Affairs' Guam Museum (Guam and Chamorro Educational Facility) are uncertain.

In 2010, Public Law 30-179 approved the development of:

*"An educational facility that reflects a sense of Guam and the Chamorro culture and will be the permanent home for the preservation and continuance of the Chamorro people; provides for the display of artifacts and historical documents; stimulates community involvement; fosters research and conveys the results of research to the public primarily through the medium of public exhibits, demonstrations, lectures, public programs and publications using the theme: I Hinanao-ta, the journey of the Chamorro people."*

The Department of Chamorro Affairs' Division of Guam Museum provides museum services, preservation of all government of Guam publications, fostering research on the records and its inventory, providing public exhibits, demonstrations, lectures, scholarly activities, television programs, publications, and other public programs contributing to and encouraging an understanding of the Chamorro culture, its language and rich history and promotes Guam's geology, biota, prehistory, history, and contemporary culture. The Guam Museum is also the official repository and custodian of historical artifacts of Guam and the Chamorro people and provides venues for the appreciation of Guam's unique relationship with its sister islands in Micronesia and Asia through the understanding of shared regional cultures, traditions, practices and lore museums.

Guam's Public Law 30-228, approved in 2010, authorized the issuance of bonds for the purpose of "acquiring, constructing and equipping" this educational cultural facility.

The current vision for the Department of Chamorro Affairs' Guam Museum (Guam and Chamorro Educational Facility) is:

*"An excellent civic space for weaving together the living -ta, the spirit of histories of i hinanao place, which the people of Guam will be proud of to showcase their history and culture to all people of the world."*

This vision was created during a September 2013 strategic directions workshop. The community envisions the museum to be a place that tells the journey of the Chamorro people, an interactive museum that reflects the skills, abilities, traditions, perseverance and triumphs of Chamorro people yesterday and today.

The Chamorros have been in existence for more than four thousand years and have had a unique civilization in the island chain that came to be known as the Mariana archipelago. This area includes the islands of Guam, Saipan, Tinian, Rota and a dozen other smaller islands extending from a distance of some 500 miles from north to south.

According to the Department of Chamorro Affairs' current guidelines for authenticating Chamorro Heritage, the Chamorros possessed certain attributes and lived according to certain human values. They believed in the after-life and the spirituality of their ancestors. They place great value in the family and the clan and the interdependence of people in their society. Respect for the elderly and the natural environment was paramount.

Interdependence is a vital and requisite part of the Chamorro society's existence. It is their way of ensuring their survival by looking out for one another and caring about everyone else. Each member of the *familia* accepts an obligation to one another; none can survive without the assistance of the others. These ties provide a guaranteed means of support and assistance whenever necessary; it provides a vast dependable network of people to help in times of need. This aspect has become increasingly important. The latest Guam Comprehensive Economic Development Strategy report observed:

*"While over time, the island has improved its standard of living; in real economic terms, that same progress has created significant challenges to traditional family values. Loss of these family values has been blamed for rising crime rates, drug and child abuse, as well as increased poverty, welfare dependence, and high school 'drop out' rates. The goal to revitalize traditional family values in island homes and communities has continued through the establishment of cultural programs offered by various public and private organizations. Young people today are subjected to tremendous pressure to conform to modern values that often run counter to the traditional values of local families. This clash of values has often created dislocation and confusion, which has reinforced dysfunctional behavior. For these reasons, the preservation of the Chamorro culture is sought."*

The Guam Visitors Bureau emphasized the importance of preserving this culture in its 2005 Request for Proposals to conduct the feasibility study for the new Guam Museum:

*"The preservation of the Chamorro history, culture and heritage is a critical component of Guam's society, economy, our appeal to visitors and expansion of Guam's traditional markets through the promotion of our island's hospitality, language, music, performing arts, crafts, artwork, and beauty, reflective of our people and the paradise we live in."*

The mission of the Department of Chamorro Affairs' Division of Guam Museum (Guam and Chamorro Educational Facility) is to acquire, conserve, research, communicate, and exhibit for the purposes of study, education, and enjoyment, the material evidence of nature and man on Guam. The museum holds these possessions (natural botanical and zoological collections, artifacts, burial remains, photographs, art work, documents, and more) in trust for the people of Guam and the world, for the future knowledge and welfare of all.

This mission statement is from the current strategic plan, and it reflects principles established by the American Alliance of Museums (AAM) and the International Council of Museums (ICOM). This plan also identified major goals and objectives.

A major goal is to develop a vibrant permanent home to collect, conserve, study and exhibit, stimulate, advance, and perpetuate the knowledge, cultural traditions and materials, and artistic diversity of the Chamorro people and other people of Guam.

Key objectives are to ensure:

- Sustainable development of Guam's tangible and intangible heritage.
- Continuous improvement of visitor experiences.
- Active engagement to maintain and strengthen relationships with the various Island communities, thereby ensuring a sense of place, community ownership and pride.
- Diversification and expansion of the Guam Museum funding resources.

Joseph Artero-Cameron is president of the Department of Chamorro Affairs and the chairman of the Pacific Islands Museums Association, which is comprised of more than 45 museums and cultural centers in the Pacific. Guam will be the future headquarters of this association. He emphasized in a 2012 speech that the concept for the new Guam Museum (Guam and Chamorro Educational Facility) is centered on a "living museum" approach:

*"Museums of tomorrow must partner with the community at large to address issues of culture, traditions, and social issues that affect the island population. Educational outreach and humanities outreach are very important segments of what museums espouse today. The sustainability – meaning the money it makes – or the financial backing of the community and the constant use of the museum are what will keep the museum open."*

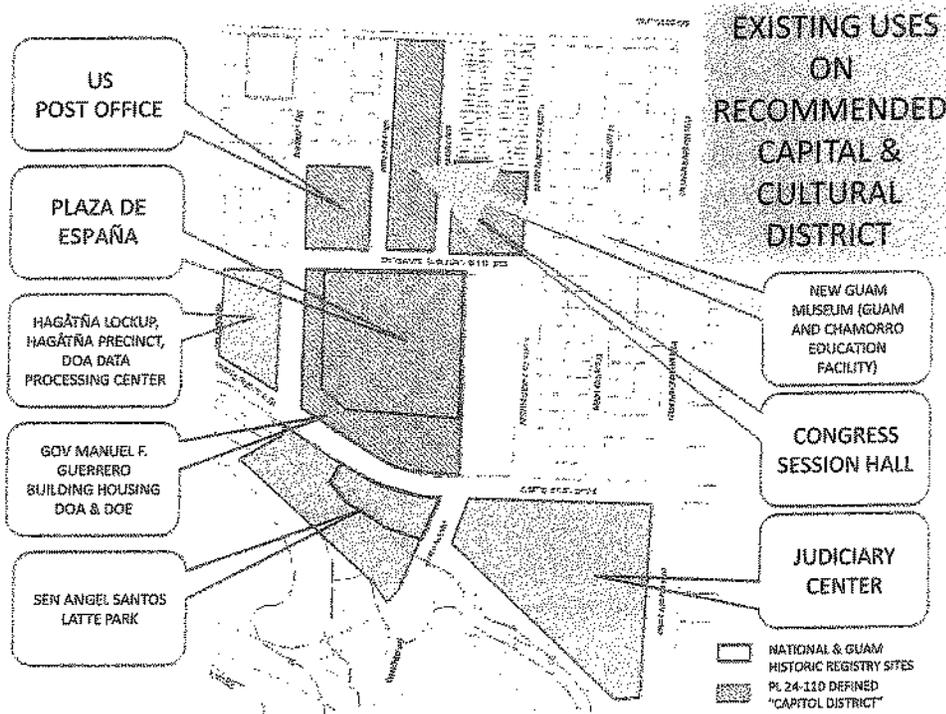
2.3 Site and Building Description

The new Guam Museum (Guam and Chamorro Educational Facility) is located within a capital and cultural district, shown below. The Guam Legislature approved the demolition of the nearby decaying Gov. Manuel F. Guerrero Building in May 2015.

During past testimony, the General Manager of the Guam Visitors Bureau emphasized the importance of the new museum in the revitalization of this district when he said:

*"First, it enables Guam to anchor its brand image, thereby differentiating us from other beach resort destinations in the region, and indeed the world; Second, it enables the community to capture a collection of the cultural heritage and history that have shaped who we are today, both collectively and individually; Third, it can be the catalyst to spur the development of "Old Hagåtña" into another major attraction that can invigorate the island's sagging touring industry and broaden Guam's destination appeal to the international leisure and business travel markets; Fourth, an "Old Hagåtña" destination attraction gives reason for tourists to stay longer on Guam, thereby contributing more to the local economy; Fifth, the museum can instill pride and ownership of the Chamorro culture, lending aspirations to future generations and giving reason to study, authenticate, and display with pride Guam's cultural and historical heritage; and finally, it can create a sense of place, and a gathering venue for community interaction, thereby giving renewed vibrancy and meaning to the "Capital City" we know as Hagåtña."*

**Exhibit 1: Recommended Nearby Development in Hagåtña**



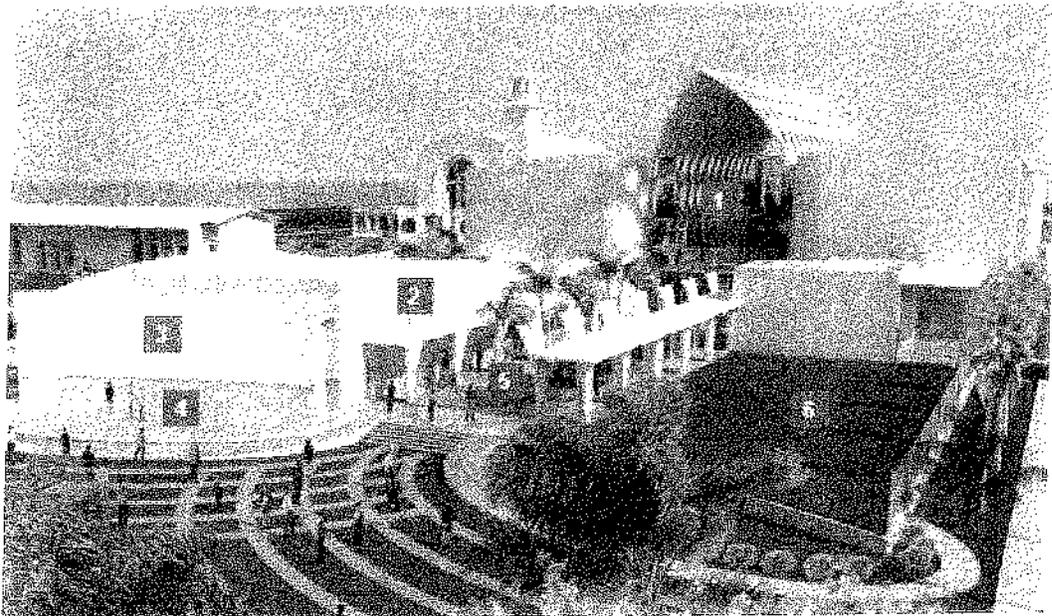
Source: Hagåtña Redevelopment & Restoration Update and Briefing on September 6, 2013.

A birds-eye conceptual image of the new Guam Museum (Guam and Chamorro Educational Facility) is shown below. Key currently planned components are described in this section of the report. These brief descriptions are from various sources, including the GCEF Visitor Experience Narrative prepared in July 2013 by Barry Howard Limited. Current sizing estimates are based on the latest source available.

The traditional "museum" function is only one portion of this multi-faceted institution. Its main building (#1) has two wings with a variety of interpretive and service areas. These are described in more detail on the following pages. A raised open-air second level atrium platform is under the canopy arch that spans the two wings of the main building. The shape of the main building's prominent arch evokes the Great Seal of Guam. The complex is elevated two feet to protect its artifacts from floods.

The single-level theater building (#2) offers 160 seats on a sloped floor to enhance viewing. The back wall of the theater (#3) facing Skinner Plaza will be the screen wall for films to be played in the park. This wall also provides the backdrop of an outdoor stage with a combination of grass and paved area for seating (#4). There would also be also an outdoor paved arcade area (#5) between the theater building and the herbarium (#6) with local medicinal plants used traditionally by the Chamorro people as part of their healing arts.

*Exhibit 2: Exterior Conceptual View of Guam Museum (Guam and Chamorro Educational Facility)*

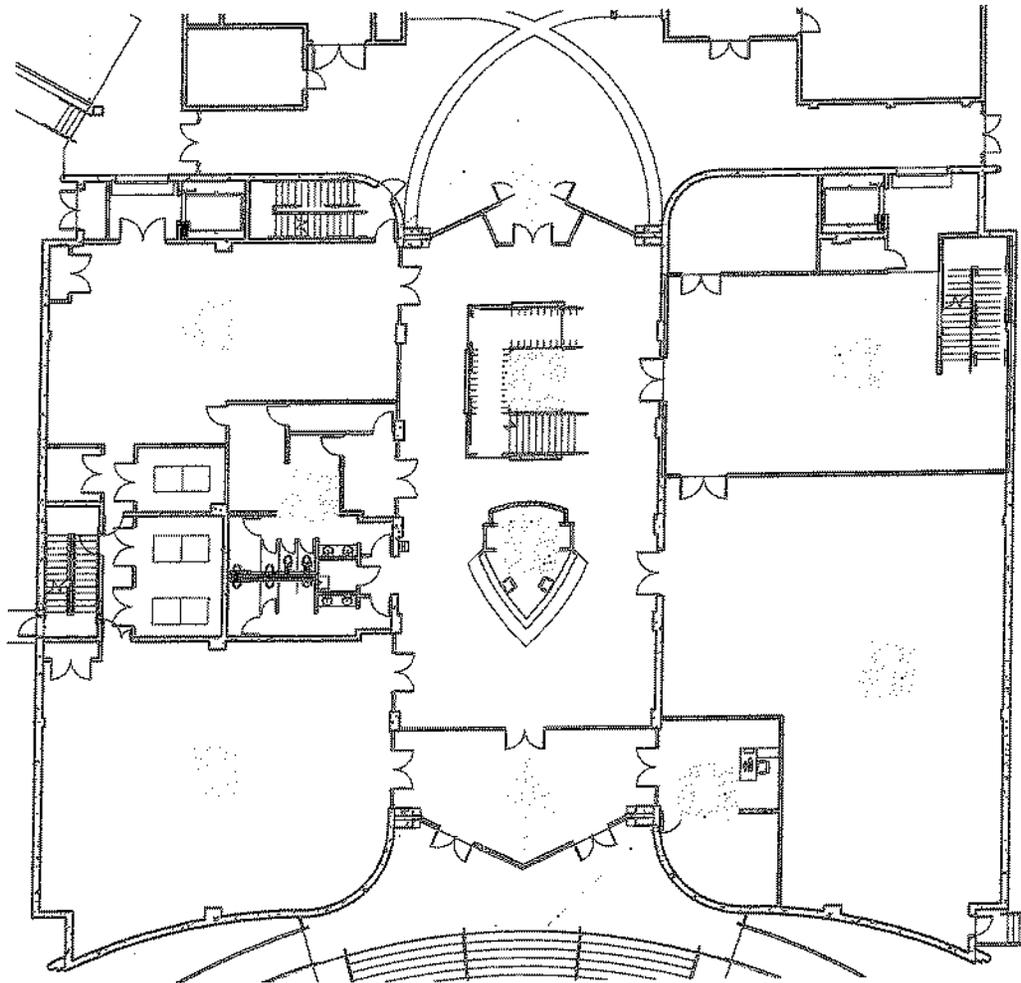


Source: Architects Lagunaña, LLC and Architect Enrico A. Cristobal, AIA.

Visitors will typically enter the new Guam Museum (Guam and Chamorro Educational Facility) through its main building entrances (noted by arrows below). Ticketing and information will be available at the central information Counter (#1). Other visitor services are available nearby (#2), including first aid, security, and restrooms. Also nearby is multi-purpose space (#3) and the combined 2,300 square-foot retail / café area (#4) that would offer unique Chamorro crafts, electronic media, and other gifts.

Ticketed visitors will be directed to the central elevator and stairway (#5) up to Level 2 where the core museum gallery tour begins. That exhibit experience ends with a dedicated staircase down to this 1,400 square-foot exhibit area (#6). Next to this permanent exhibit area, 3,100 square feet of space for changing exhibits (#7) is also provided. Two offices (#8) are near the entrance to the building.

*Exhibit 3: Simplified Floor Plan for Level 1 of the Main Building*



Source: Architects Lagunaña, LLC and Architect Enrico A. Cristobal, AIA.

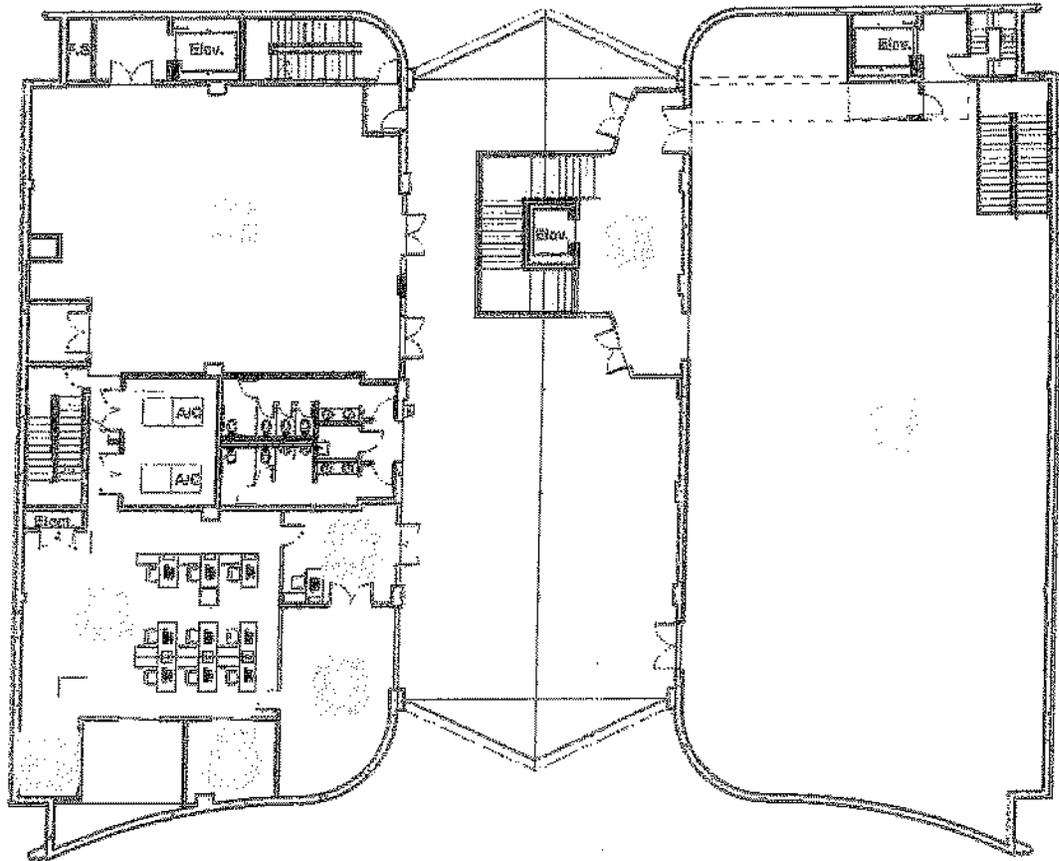
### 2.3.3

#### Level 2 of the Main Building

The central elevator and stairway (#1) will typically bring visitors from the first level to the core exhibit area (#2). This area is described in more detail on the next page. Also available on this level is a room for library, research, and curatorial uses (#3).

Administrative space is also on this level, encompassing 2,300 square feet. There is a reception area (#4), boardroom (#5), two offices (#6), and an area for the main server (#7). The large administration room (#8) provides space for multiple workstations.

*Exhibit 4: Simplified Floor Plan for Level 2 of the Main Building*



Source: Architects Laguna, LLC and Architect Enrico A. Cristobal, AIA.

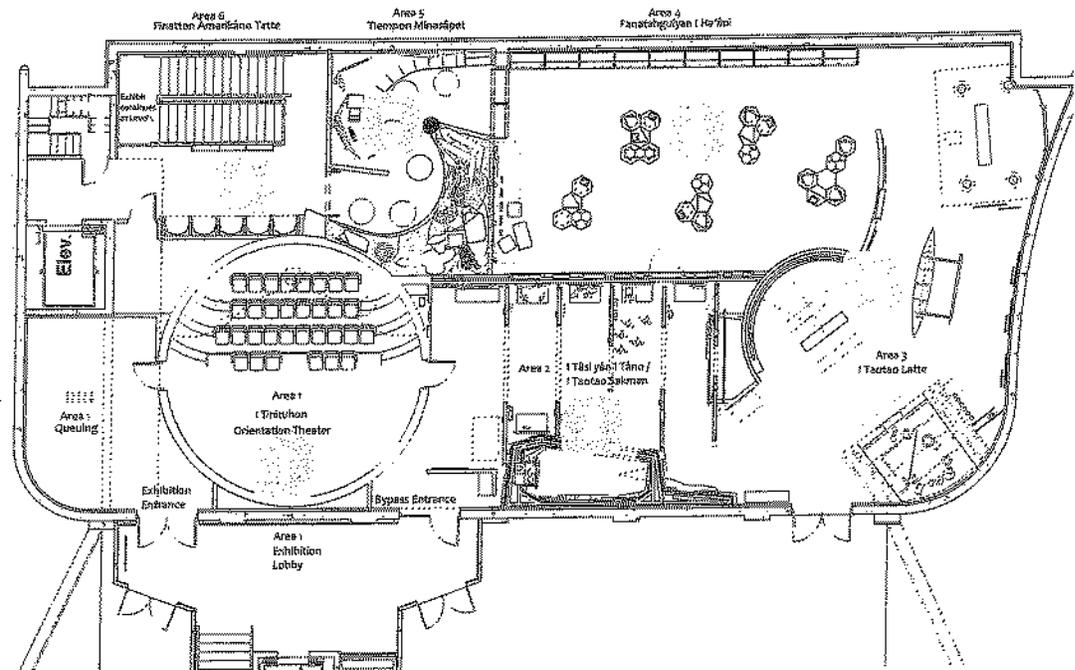
In this historically sequential core exhibit experience, visitors navigate themed galleries, all but the last being in high ceiling spaces on the second level. The final gallery on the first level is accessed via internal stairs and an elevator, which are incorporated into the interpretive experience. Highlights include an orientation multimedia presentation, simulated cave environment, residential structures, replica paddle-driven Galaide' dugout canoe, flying proa sailing vessel, interactive dimensional timeline, traditional Chamorro Lanchu setting, World War II scenes, and interactive personalized "Family Tree" research.

These permanent themed exhibit areas are:

- Area 1: I Tinituhon (Entry, Queuing & Orientation Theater)
- Area 2: I Tasi yan I Tano / I Taotao Sakman (Natural History / Pre-Latte)
- Area 3: I Taotao Latte (Latte Period)
- Area 4: Fanatahguiyan I Ha'ani (Times of Change)
- Area 5: Tiempun Minasapet (Time of Suffering)
- Area 6: Finatton Amerikano Tatte (American's Return)

After Area 6, visitors descend to Area 7: Pago Pago'-Ta (Contemporary Times, 1951 to Present) and Ta Na' Maolek Mo'na (Make Our Journey Forward be Better for the Future).

*Exhibit 5: Core Exhibit Area of the Guam Museum (Guam and Chamorro Educational Facility)*



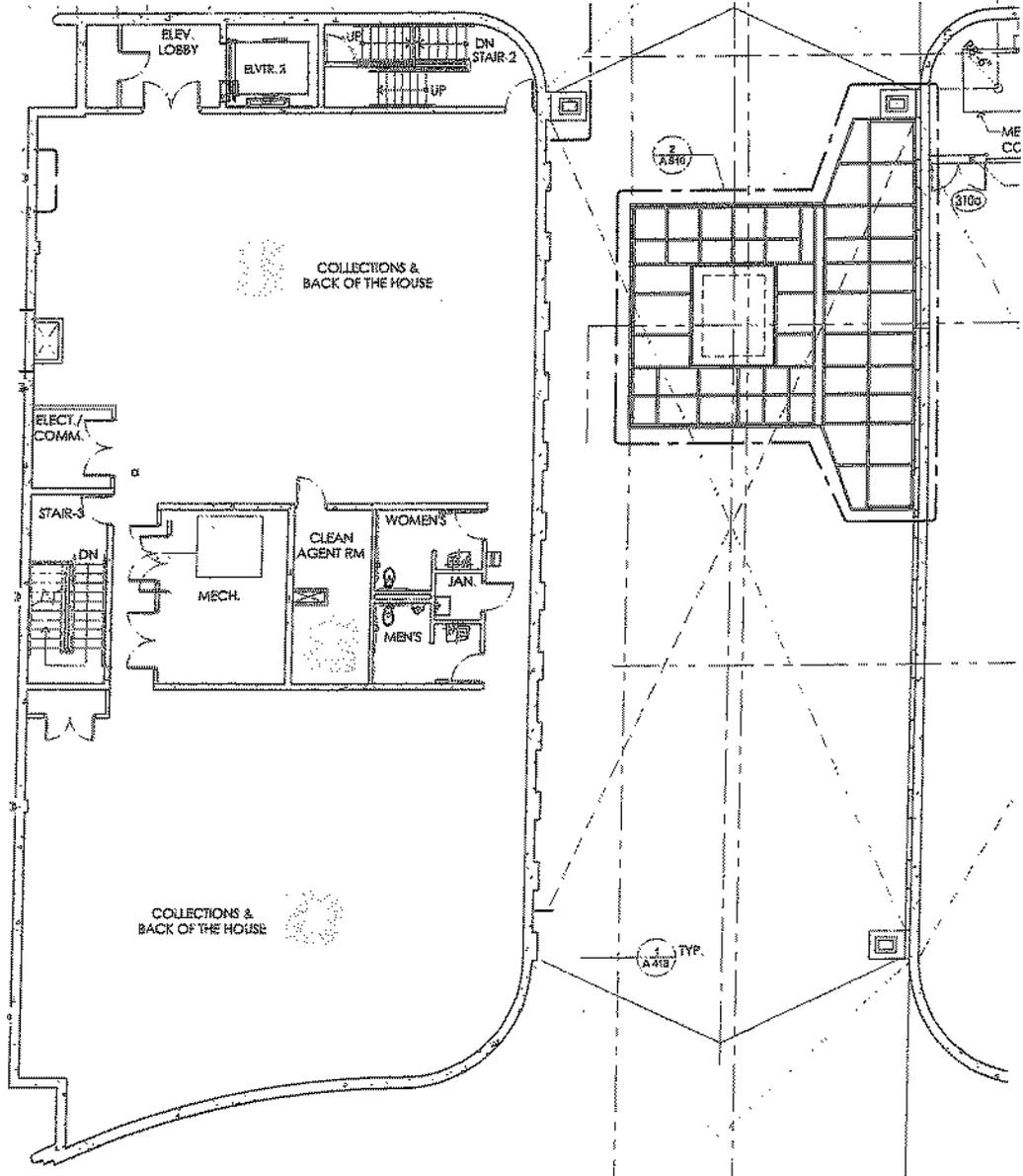
Source: Barry Howard Limited.

2.3.5

Level 3 of the Main Building

Because second-level core exhibit areas have a 20-foot high ceiling, there is no third level for one wing of the main building. The third level for other wing provides 4,500 square feet of collections and back of the house space in two separate areas (#1 and #2). In between, there are a mechanical room, clean agent room, and additional restrooms (#3).

Exhibit 6: Simplified Floor Plan for Level 3 of the Main Building



Source: Architects Lagunaña, LLC and Architect Enrico A. Cristobal, AIA.

In addition to exhibits, the new Guam Museum (Guam and Chamorro Educational Facility) will also offer a variety of programs. This page of the report discusses those currently planned. Other potential programs are described later in this report, based on the best practices established by comparable cultural attractions.

Many of the currently planned programs at the new facility will showcase aspects of Chamorro culture, such as:

- Art
- Chants
- Crafts
- Cuisine
- Dance
- Language
- Music
- Storytelling

Special events, performances, seasonal celebrations, and demonstrations will make the facility a community asset that encourages repeat visitation, not just a place for passive education but also a center for interactive informal learning.

The Department of Chamorro Affairs and one of its division, the Hagåtña Restoration and Redevelopment Authority, jointly made the following statement in 2012 during testimony on Bill No. 454-31:

*"We see Guam's museum as providing a rich environment for lifelong learning and a variety of opportunities for adult learners. We also see our museum focused on education on programs for our youth. In this changing educational landscape, we can expect to find rich and varied continuing education programs (art appreciation, drama workshops, art classes, music appreciation, and the like) offered by the Guam museum. Our older citizens are also a valuable museum cultural resource. The personal recollections and shared experiences they have had with Guam history with each other and with the museum staff will enhance our programs as well. The museum will foster links between the schools and the museum as an extension of the classroom. Our Guam museum will be a rich source of lifelong learning opportunities for our adults and children."*

Certain programs can be aimed at specific groups. For example, Guam's Civilian-Military Task Force identified these worthwhile orientation programs for military personnel and their dependents to enhance a mutual sense of belonging:

- History of Guam
- Understanding and respecting the Chamorro culture, traditions, language and values
- Mutual respect and understanding of cultural diversity
- Being a part of the Guamanian community

## 2.5 Key Stakeholders and Organizations

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The following pages describe the Department of Chamorro Affairs and potential partners for its Division of Guam Museum (Guam and Chamorro Educational Facility). Cultural attractions have increasingly relied on partnerships to broaden their reach and maximize financial sustainability. Neil Kotler noted this trend in his book *Museum Marketing and Strategy*:

*"Museum collaborations and partnerships have become frequent. When a joint activity is well conceived, visitors, museums, business firms, and the community all benefit. By working together, participating organizations attract attention from audiences and the media, and by combining resources, they lower costs. Museums benefit from partnerships in a number of areas."*

### 2.5.1 Department of Chamorro Affairs

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Guam's Department of Chamorro Affairs (DCA) has responsibility for the integrity, accuracy, management, and operation of the completed facility that is currently under construction. DCA administers the Division of Guam Museum, which is currently doing business as the Guam and Chamorro Educational Facility.

DCA was created in 1999 through Guam Public Law 25-69 as a public authority of the Government of Guam to implement an integrated program for the preservation, development and promotion of the Chamorro Heritage of Guam, for the public benefit and to provide specific services to the Chamorro people of Guam. The enabling statute further stated that the DCA be the catalyst in the preservation, development and promotion of language, arts, historic and cultural preservation, research, restoration, presentation, museum activities and support programs significant to Guam's history and culture, and to enhance the future of the Chamorro people of Guam. DCA has been an integral component in the promotion of the Chamorro culture and represents a unique effort in government to bring together cultural programs, agencies and divisions within government that have a shared vision.

DCA partners with all entities in Guam involved with Chamorro culture and language. These include the Guam's Department of Education, Guam Community College, and the University of Guam. These partnership efforts help promote and preserve Chamorro culture and language; and increasing the use of multimedia technology in the government and the community that features Guam's language, culture and traditions.

### 2.5.2 Guam Council on the Arts & Humanities Agency

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The Guam Council on the Arts and Humanities (CAHA) is a division of the Department of Chamorro Affairs. CAHA encourages and fosters the opportunity for participation in the arts and humanities with programs designed to benefit citizens of all ages and from every sector of the community. Its activities include the gallery program, performing arts, visual arts, arts in education, folk arts, humanities, media arts and special projects. Current plans are for this division to move its gallery to the temporary exhibit area of the new Guam Museum (Guam and Chamorro Educational Facility) and coordinate this exhibit area.

### 2.5.3

#### *PBS Guam*

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Guam Educational Telecommunications Corporation (PBS Guam) is a component unit of the Government of Guam that currently operates Guam's Public Broadcasting Service (PBS) station. Its purpose is to present educational television and to involve the people of Guam in its activities to the maximum extent possible. In 2011, the Governor of Guam exercised his Organic Act powers to reorganize certain government functions by merging PBS GUAM into the Department of Chamorro Affairs (DCA) through Reorganization Advisory No. 6. This division will assist the theater in providing video programs for public viewing at the new Guam Museum (Guam and Chamorro Educational Facility). It is anticipated that the use of this space will avail demonstrations for visitors and also be an interactive audiovisual production center.

### 2.5.4

#### *Guam Public Library System*

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The Guam Public Library System likewise is now a division of Department of Chamorro Affairs through Reorganization Advisory No. 6. This division protects intellectual freedom, promote literacy, encourage lifelong learning, and maintain cultural materials. This division's goal is to extend library resources into the community in collaboration with the University of Guam's John F. Kennedy Library and the Micronesia Area Research Center. It also works closely with the Archives Section of the Division of Guam Museum to enhance Guam cultural and historical data. This division will assist in providing literacy programs for both children and adults at the new Guam Museum (Guam and Chamorro Educational Facility).

### 2.5.5

#### *Guam Archives*

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The Guam Archives is a division of DCA that serves as the official repository for all government publications. These include any printed or processed paper, book, periodical, pamphlet or map, originating in or printed with the imprint of, or at the expense and by the authority of the government of Guam. The Guam Archives is included in the Guam Museum division on the supplemental schedules to financial statements.

### 2.5.6

#### *Guam Museum Foundation, Inc.*

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The Guam Museum Foundation, Inc., is a private 501 (c) (3) non-profit corporation that is recognized by the local Department of Revenue and Taxation and the U.S. Internal Revenue Service as a tax exempt charitable organization. It was incorporated in 2006 as a "friends of" support group for the new museum. The foundation's primary purpose is to serve as the private fundraising arm of the Department of Chamorro Affairs' Division of Guam Museum. The Foundation is a legally separate tax-exempt organization. While the Department of Chamorro Affairs (DCA) does not control the Foundation, the resources and fundraising activities of the Foundation are almost entirely for the direct benefit of DCA's Guam Museum division. Contrary to occasional mistaken press reports, the Foundation will not operate the new Guam Museum (Guam and Chamorro Educational Facility).

### *2.5.7 Guam Visitors Bureau*

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The Guam Visitors Bureau (GVB) is a nonprofit membership corporation and has existed in its current form since 1984. Its mission is to efficiently and effectively promote and develop Guam as a destination for visitors and to derive maximum benefits for the people of Guam. Membership in GVB is not restricted to any particular group. Recent efforts to promote tourism include a Guam branding initiative, efforts to expand visitor markets through expansion of the visa waiver program, expansion of airline arrivals to Guam, and encouraging longer stays and repeat visits by enhancing cultural aspects of the island. Funding for GVB's operations is appropriated by the Guam Legislature from amounts available in the Tourist Attraction Fund.

### *2.5.8 Guampedia*

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The Guampedia Foundation is a non-profit organization based in Guam that has worked to build an educational resource that highlights the unique culture and history of Guam and its people. The Foundation, operates [guampedia.com](http://guampedia.com), a freely accessible online resource that features informative entries, historic photographs, documents, and lesson plans. The website also provides a variety of audio and visual media that introduces diverse audiences to Guam's rich history and distinct culture.

The Department of Chamorro Affairs supports a contractual agreement with this organization to provide a variety of services that would enhance the educational potential of the new Guam Museum (Guam and Chamorro Educational Facility). These services include creating the initial interpretive plan, educational outreach programs, and docent program.

### *2.5.9 Guam Territorial Band*

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The Guam Territorial Band is the official band of Guam, and represents community instrumental music in Guam. The new Guam Museum (Guam and Chamorro Educational Facility) will provide a headquarters for this band and its community programs, such as the Guam Honor Band and the Tumon Bay Music Festival.

Membership spans a wide age range from early adolescence through senior citizens, and periodic auditions are held to maintain the high quality of musicianship. The Guam Territorial Band also serves as an educational outreach for those who desire more than what their school band programs provide.

By Fall 2017, the Guam Band Academy will be fully operational and providing multilevel training in band music from the beginner to instructor levels. Its main mission is to produce high quality band directors to staff the Guam Department of Education and educational districts.

As one of the tenants for the new museum's theater, the Guam Territorial Band will assist in programming, scheduling, and promotion of events hosted within this theater.

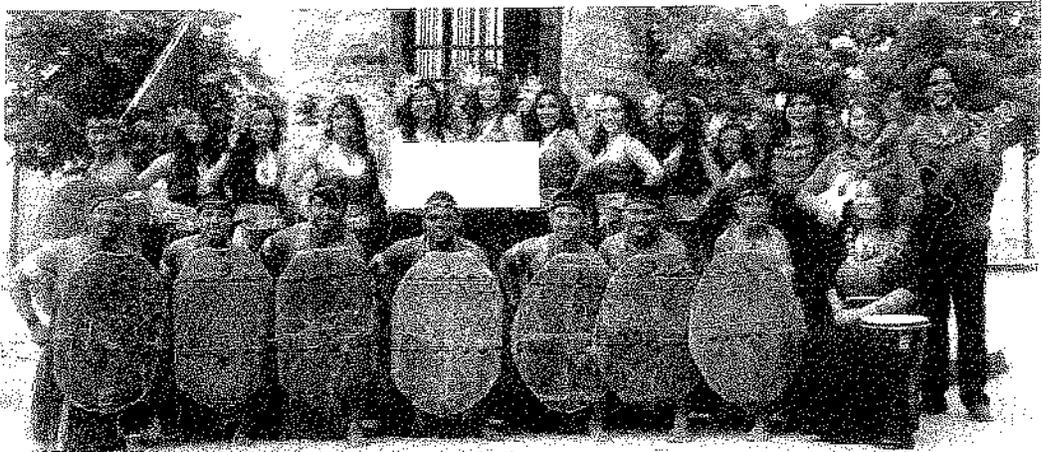
The Inetnon Gefpa'go group has won international awards, headlined the 3rd Annual Chamorro Cultural Festival, and participated in the 2014 international Folklore Festival. It plans to produce cultural performances at the new Guam Museum (Guam and Chamorro Educational Facility) that strive to be the best representation of Chamorro performance arts that Guam can offer. Its mission is to provide a platform in promoting and instilling cultural pride and awareness in the Chamorro heritage through performing arts.

Membership in the group begins in high school, where students undergo extensive cultural arts and dance training to be selected as part of the school's performing group. Members then continue into the community-based, after school and university program where they further their cultural learning, continue performing throughout the island and represent Guam at major tourism promotions and festivals around the world.

The Vision of Inetnon Gefpa'go is to create a true, vibrant, credible, reputable, and successful Cultural Arts Institution where participants and families can learn and practice their culture and language through performance arts and to create cultural dance practitioners who develop a passion for our culture and are able to communicate it through dance with a global perspective and become productive members of society who are recognized locally and globally.

In partnership with the Department of Chamorro Affairs, this organization may develop a National Dance Company along the same model being used by the Guam Territorial Band. This would be in addition to the many school groups that would also have the opportunity to perform as the occasion arises. The proposed National Dance Company would go through an application and audition process based on international folk dance standards. They would be a professionally-trained group to represent Guam at the museum as well as internationally.

*Exhibit 7: Inetnon Gefpa'go Performers*



Source: *Inetnon Gefpa'go*.

## 3 | Market Analysis

This section presents the market analysis for the Department of Chamorro Affairs' Guam Museum (Guam and Chamorro Educational Facility). Target market segments include residents, school children, tourists, and U.S. military personnel.

### 3.1 Location, Political Status, Climate, and Economic Outlook

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Guam is the westernmost territory of the United States of America (U.S), as well as the largest and southernmost island of the Marianas archipelago, and the largest of the 2,000 islands in Micronesia. The island is about 30 miles long and varies from four to nine miles wide. Guam is approximately 3,800 miles west-southwest of Honolulu, Hawaii, 1,550 miles south-southeast of Tokyo, Japan and 1,600 miles east of Manila, Philippines.

Guam was first settled approximately 4,000 years ago. The indigenous Chamorro people first came in contact with Europeans in 1521 when Ferdinand Magellan landed at Guam's Umatac Bay. Miguel Lopez de Legazpi claimed the island for Spain in 1565. As outlined in the Treaty of Paris, signed in December 1898, Guam was ceded to the United States along with Cuba, Puerto Rico, and the Philippines. Guam has since remained under U.S. administration, except for two and a half years of Japanese occupation during World War II. In 1950, the U.S. Congress passed the Organic Act of Guam granting the Chamorro people U.S. citizenship and establishing a civilian government. Guam's current political status is that of an unincorporated territory of the United States of America. There have been efforts dating as far back as 1984 to study the potential for Guam to become a Commonwealth of the United States of America.

Guam's climate is pleasantly warm year-round. The mean annual temperature is 85 degrees Fahrenheit. The general temperature ranges from the low 70s to mid 80s degrees Fahrenheit. Like other Pacific islands, Guam is periodically subject to typhoons and tropical storms. From 1962 to date, the eyes of twelve of these storms passed directly over or just south of the island. Seven of these typhoons caused damage great enough to result in federal disaster relief. Guam also occasionally experiences seismic activity, although no recent earthquakes or tsunamis have caused significant damage on Guam.

Tourism revenues and U.S. federal and military spending contribute to Guam's economy. Guam's proximity to many of the major cities of Asia and the South Pacific greatly contributes to the diversity of the island's population and the visitor industry. The state of the economy of Guam in FY 2015 is anticipated to be influenced positively by a continuation of the global economic expansion; America's rebalancing of its strategic focus and posture toward the Pacific; and increased investment and expansion related to resident and tourist facilities, public utilities and infrastructure. The cumulative effect of positive trends in the major drivers of Guam's economy, tourism, defense and construction point the economy in the direction of moderate expansion in FY 2015.

### 3.2 Resident Market

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According to the 2010 U.S. Census, Guam's 2010 population estimate was approximately 159,000. This was an average increase of 0.3% annually over 2000 population of 155,000. Recent and forecasted annual population is shown below. The growth rate is expected to accelerate in future years.

Guam's residents originate from all parts of the Asia-Pacific region in addition to the U.S. mainland. In addition to Guam's indigenous Chamorro people, who comprise approximately 47% of the population, large numbers of mainland Americans, Filipinos, Chinese, Japanese, and South Koreans constitute the bulk of Guam's population. There are also substantial numbers of Micronesian islanders, Vietnamese and East Indians. Guam's diverse population makes it one of the most cosmopolitan communities in the Western Pacific. Median age on Guam during 2012 was a relatively young 29.6 years compared to the U.S. median age of 37.1 that same year.

Guam median household income was \$39,052 in 2010, 24% lower than the \$51,144 median for the United States. Guam's individual and household incomes have fairly equal distributions, as compared to other nations, islands, or territories in similar stages of economic development. Approximately 75% of Guam's workforce is employed in the private sector, with the remainder in government, both local and federal.

Guam currently has 40 public schools, 25 private schools, and four Department of Defense schools. Total student enrolment was approximately 40,000 during the 2011 to 2012 school year.

Both Guam Community College and the University of Guam are accredited by the Western Association of Schools and Colleges. The University of Guam is the only accredited four-year institution of higher learning in the western Pacific, and it offers graduate programs in select areas of study.

*Exhibit 8: Past and Forecasted Population of Guam*

| Year    | Number  | Percent Change |
|---------|---------|----------------|
| 2010    | 159,358 | ---            |
| 2011    | 159,600 | 0.2%           |
| 2012    | 159,914 | 0.2%           |
| 2013    | 160,378 | 0.3%           |
| 2014    | 161,001 | 0.4%           |
| 2015    | 161,785 | 0.5%           |
| 2016    | 162,742 | 0.6%           |
| 2017    | 163,875 | 0.7%           |
| 2018    | 165,177 | 0.8%           |
| 2019    | 166,658 | 0.9%           |
| 2020    | 168,322 | 1.0%           |
| Average | ---     | 0.5%           |

*Source: U.S. Department of Commerce, Census Bureau.*

### 3.3 Tourist Market

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Tourism has represented the primary source of income for Guam's economy for over twenty-five years. It accounts for over 50% to the Gross Island Product and is considered to be the main economic contributor to Guam's economy. Tourism activity sustained 14,000 jobs, both directly and indirectly in Guam during 2010. This represented 29% of total employment. Including indirect and induced impacts, tourism in Guam generated \$150 million in taxes that year. Tourism Economics estimated that each visitor to Guam adds \$125 in tax revenues to the Government of Guam.

#### 3.3.1 Past Growth

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Visitor arrivals first rose to over a million travelers in 1994 and have remained near or above that level ever since. The current number of tourist arrivals to Guam are near record highs achieved in the late-1990s. Table 5 sets forth the annual number of visitors to Guam from 2005 through 2014.

There was a small decline in visitor arrivals in 2006, and then a marginal increase in 2007. Arrivals for 2008 declined due to the global recession. Arrivals for 2009 declined due to a spike in diagnoses of the H1N1 virus in Japan early that year. Visitor arrivals rebounded in 2010. Arrivals for 2011 slightly declined following the natural disasters in Japan in March of that year. Visitation increased strongly in 2012, and continued rising in 2013 and 2014.

*Exhibit 9: Past Growth of Visitor Arrivals to Guam*

| Year    | Visitor Arrivals |                |
|---------|------------------|----------------|
|         | Number           | Percent Change |
| 2005    | 1,227,587        | ---            |
| 2006    | 1,211,674        | -1%            |
| 2007    | 1,224,894        | 1%             |
| 2008    | 1,141,779        | -7%            |
| 2009    | 1,052,871        | -8%            |
| 2010    | 1,196,296        | 14%            |
| 2011    | 1,159,778        | -3%            |
| 2012    | 1,307,795        | 13%            |
| 2013    | 1,334,497        | 2%             |
| 2014    | 1,342,377        | 3%             |
| Average | ---              | 1.5%           |

Source: Guam Visitors Bureau.

Overall visitation is expected by the Guam Visitors Bureau to grow about six percent in FY2015. The number of Japan visitors is not projected to increase in this timeframe, but projected growth from all other major markets including Korea, Taiwan, Hong Kong, Philippines, China and Russia may contribute to meeting this projection.

Guam has an international airport, the Antonio B. Won Pat Guam International Air Terminal. It is also the principal air carrier airport serving the surrounding Micronesian islands. The global airline industry is expected to improve in terms of passenger activity and profitability, according to the Antonio B. Won Pat International Airport Authority. Global economies are expected to improve and business travel should rebound. LeighFisher, a consultant for the airport authority forecasted future usage in 2013. These are shown below, and assume that the tourism industry in Guam will continue to develop, commensurate with the expected increase in visitor demand.

*Exhibit 10: Past and Forecasted Enplaned Passengers at A.B. Won Pat International Airport:*

| Fiscal Year | Historical |                | Forecasted |                |
|-------------|------------|----------------|------------|----------------|
|             | Number     | Percent Change | Number     | Percent Change |
| 2010        | 1,469,916  | —              | —          | —              |
| 2011        | 1,439,424  | -2%            | —          | —              |
| 2012        | 1,574,491  | 9%             | —          | —              |
| 2013        | 1,667,000  | 6%             | —          | —              |
| 2014        | —          | —              | 1,701,000  | 2%             |
| 2015        | —          | —              | 1,735,000  | 2%             |
| 2016        | —          | —              | 1,769,000  | 2%             |
| 2017        | —          | —              | 1,805,000  | 2%             |
| 2018        | —          | —              | 1,841,000  | 2%             |
| 2019        | —          | —              | 1,878,000  | 2%             |

<sup>1/</sup> Estimated.

*Source: Historical numbers are from A.B. Won Pat International Airport Authority and Guam records; Estimated and forecasted numbers are from LeighFisher, August 2013.*

The Guam Visitors Bureau's latest strategic master plan (Tourism 2020) aims to boost visitors to two million by 2020 while continuing to reduce reliance on Japan through diversification. More than half (62%) of Guam's visitors are currently from Japan. However, there was a significant increase in the number of visitors from Korea during 2014 compared to the previous year. Korea now accounts for more than one-fifth (22%) of all visitors to Guam, following expanded air service by South Korean airlines from Seoul to Guam. Chinese visitation has also increased in recent years. The Guam Visitors Bureau plans aggressive marketing in China, and considers the increase in Chinese visitors to be a game-changer for future Guam tourism.

Visitor arrivals by month to Guam are shown below. There are months with minor peaking, the first is in March and the second in August.

*Exhibit 11: Monthly Visitor Arrivals to Guam in 2014*

| Month     | Percent of Year |
|-----------|-----------------|
| January   | 8.7%            |
| February  | 8.7%            |
| March     | 9.8%            |
| April     | 7.3%            |
| May       | 6.7%            |
| June      | 7.6%            |
| July      | 8.2%            |
| August    | 9.9%            |
| September | 8.4%            |
| October   | 7.7%            |
| November  | 8.1%            |
| December  | 8.9%            |
| Total     | 100.0%          |

Source: Guam Visitors Bureau.

Selected characteristics from the latest profile of visitors is shown below. Except for Russian visitors, average age in the 30s. A significant percentage of visitors are in Guam as part of a full tour package. Although in the minority, there are many adult visitors traveling to Guam with children.

*Exhibit 12: FY2013 Profile OF Visitors to Guam*

| Characteristic                 | Visitor Origin |       |        |           |        |
|--------------------------------|----------------|-------|--------|-----------|--------|
|                                | Japan          | Korea | Russia | Hong Kong | Taiwan |
| Average Age                    | 32             | 35    | 41     | 33        | 33     |
| Full Tour Package (percent)    | 25%            | 50%   | 30%    | 9%        | 19%    |
| Traveling with Child (percent) | 15%            | 40%   | 32%    | 7%        | 11%    |

Source: Qmark Research.

There are no comparable cultural attractions in Guam and the Commonwealth of the Northern Mariana Islands for the Guam Museum (Guam and Chamorro Educational Facility). Existing attractions in Guam include:

- Chamorro Village
- UnderWater World Guam
- T. Stell Newmann Visitor Center at the War in the Pacific National Historical Park
- Gef Pa'go Cultural Village
- Lina'La Beach and Culture Park
- Guam Pacific War Museum
- Isla Center for the Arts

UnderWater World Guam is a popular local attraction, with reported annual attendance of about 400,000. T. Stell Newmann Visitor Center is a relatively small attraction with educational exhibits. Annual attendance in 2013 was approximately 50,000. In 2014, the Guam Visitors Bureau released its Tourism 2020 strategic plan. It concluded:

*"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."*

P.H.R Ken Asset Management, Inc. (dba Ken Corporation) operates the Hilton Guam Resort & Spa, Hotel Nikko Guam, Pacific Islands Club Guam, Hyatt Regency Guam, Sheraton Laguna Guam Resort, and Country Club of the Pacific. In 2010 legislative testimony, its president wrote:

*"For Guam in particular, to be competitive in attracting visitors, we believe that focusing on marketing the unique aspects of the island - namely the island's history and culture – will have a great impact in increasing visitor arrivals and the number of repeat guests to Guam. This can be done effectively by first upgrading current historical landmarks and constructing new cultural facilities to showcase the island's history and culture... Affording our visitors even more opportunities to participate in cultural activities and providing more cultural facilities will have a positive impact on their experiences. Positive guest experiences have resulted in an increase in the likelihood of repeat visits and word-of-mouth recommendation of Guam as a viable tourist destination."*

In a 2010 survey of Guam residents conducted by QMark Research, 89% said that they support new tourism development in Guam. Approximately 63% felt that tourism helps to preserve the Chamorro culture.

### 3.4 Military Market

The growth of the military market is shown below. The level of active duty U.S. military personnel in Guam increased slightly from 2007 to 2010. In the years following 2010, Guam began to experience a decrease in military personnel as a result of the delay in the relocation of the Third Marine Expeditionary Force from Okinawa and Iwakuni, Japan to Guam.

The current plan is to relocate a significant number of marines and their dependents from Okinawa to Guam as soon as the receiving facilities are ready. The U.S. Congress has raised concerns about the cost and feasibility of moving the Marines to Guam and other locations and blocked some funds dedicated to the realignment in military construction legislation.

The Department of the Navy issued a Draft Supplemental Environmental Impact Statement on April 18, 2014. The study planned for the relocation of about 5,000 marines with about 1,300 dependents to Guam over a longer period of 12 years. Two-thirds of the marines will be rotated to Guam, while their overall number will stay at about 5,000. Construction would involve moderate activity spread over 13 years. Guam would see fewer than 10,000 new residents at the peak of the construction boom. Projecting out to 2028, Guam would have about 7,400 additional residents. If approved by Congress, plans and approvals to start construction could take place in 2015.

*Exhibit 13: Permanent U.S. Military Personnel and Dependents on Guam*

| Year    | Personnel | Dependents | Combined |                |
|---------|-----------|------------|----------|----------------|
|         |           |            | Number   | Percent Change |
| 2007    | 6,285     | 6,051      | 12,336   | --             |
| 2008    | 6,531     | 5,833      | 12,364   | 0%             |
| 2009    | 6,432     | 6,821      | 13,253   | 7%             |
| 2010    | 6,408     | 7,059      | 13,467   | 2%             |
| 2011    | 6,272     | 7,247      | 13,519   | 0%             |
| 2012    | 5,315     | 5,381      | 10,696   | -21%           |
| 2013    | 5,819     | 7,252      | 13,071   | 22%            |
| Average |           |            |          | 1.8%           |

*Source: Guam State Data Center, Bureau of Statistics and Plans.*

## 4 | Comparable Experience Analysis

This section provides the comparable experience analysis for the new Guam Museum (Guam and Chamorro Educational Facility). Topics include typical museum financial performance, a case study on improving financial sustainability, a discussion of comparable cultural attractions examined, and a case study about the Museum of the Cherokee Indian.

### 4.1 Typical Museum Financial Performance

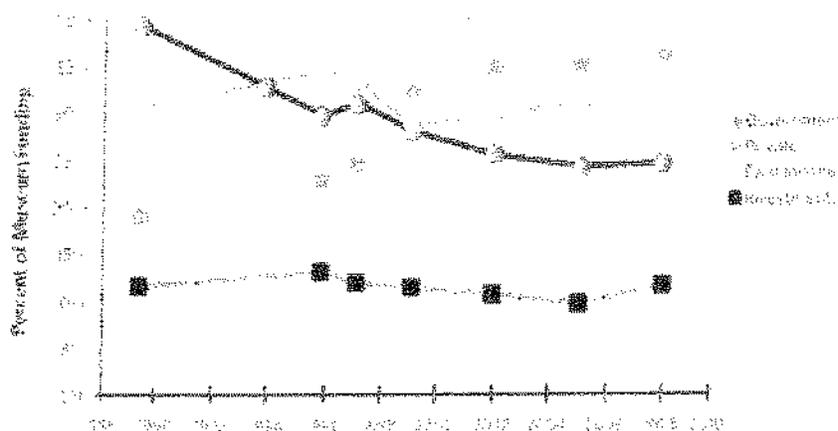
Earned income typically includes operating revenues from admissions, memberships, education fees, gift shop, and other visitor services. As shown below, the typical museum achieves only about 30% of its funding from earned income, and this has been the case for more than 20 years. Although declining over time, government sources still provides about 25% of the operational funding for a typical museum.

John H. Falk and Beverly K. Sheppard discussed the growing financial challenges during the 2000s in their 2006 book (*Thriving in the Knowledge Age: New Business Models for Museums and Other Cultural Institutions*) and observed that:

*"In the late 1990s, everything was going great for museums... Everyone seemed to be caught up in their current success and involved in planning elaborate expansions... The atrocities of September 11, 2001, and the following period of economic and social instability clearly initiated a very difficult period for museums... Indeed, cultural and nonprofit institutions across the United States and around the world suffered dramatic declines in audience and funding during this time..."*

The Great Recession of the late 2000s added additional financial pressure, which is still being felt today as the economy has since slowly recovered. According to the American Alliance of Museums, more than 67% of their members reported economic stress at their institutions in 2012, ranging from moderate (44%) to severe (15%) to very severe (9%).

**Exhibit 14: Long-Term Trend in Average Funding Sources for American Museums**



Source: The American Alliance of Museums, 2009 Museum Financial Information.

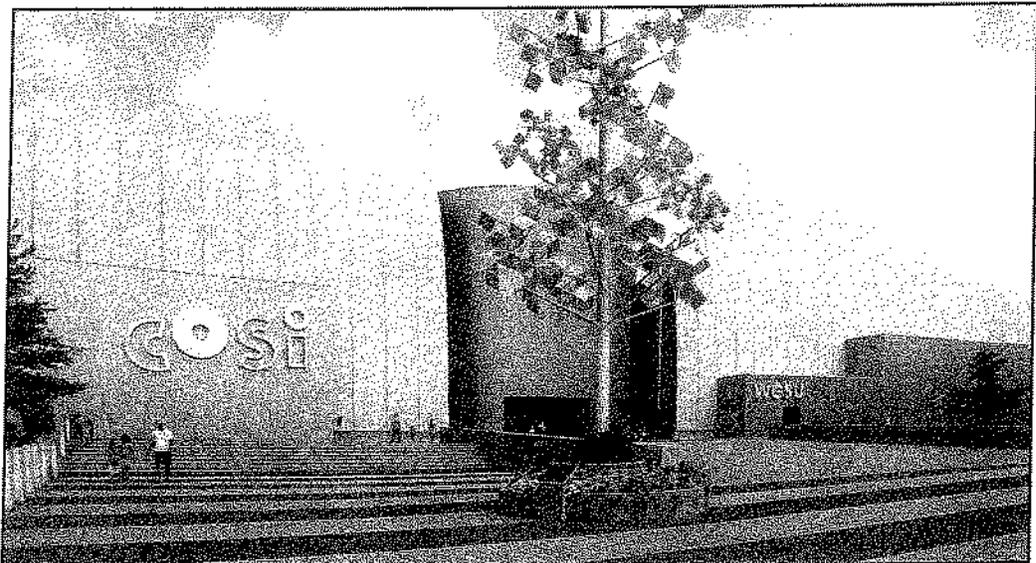
## 4.2 Case Study on Improving Financial Sustainability: COSI Columbus (Columbus, Ohio)

One of the museum directors interviewed in the 2006 book was David Chesebrough, who was recruited to lead COSI Columbus that same year as Chief Executive Officer (CEO). This science museum had opened a new larger \$125 million facility in 1999 with hopes of attracting up to two million visitors a year. But attendance peaked at about one million the first year and dropped to less than 600,000 in the following years. Before he arrived, the museum had cut staffers and closed its south wing, but budget cuts alone could not solve its financial situation.

Shortly after he arrived, the museum announced a major fundraising effort. The goal of this "re-engineering" plan would be to draw more visitors, boost income and create a "new COSI." This plan included more educational programs for children, more-frequent changes in exhibits, and new partnerships with local research and technology firms. The CEO pointed out that COSI was not asking for a handout from city and county government. Its plan would be to provide services for the money. "We want to be viewed more as a resource, less of a destination," he said. "Funders don't want to give you money. They want to invest in solutions for the community." In the years that followed, financial performance greatly improved. Current annual attendance is approximately 630,000.

By 2013, COSI Columbus had successfully built partnerships with notable local institutions including Ohio State University, Battelle, TechColumbus, and many others. These accomplishments earned this museum's leader the appreciation of his peers in that city as Large Nonprofit CEO of the Year, which was announced by the Columbus Dispatch newspaper under the title "Partnerships fuel COSI's renaissance." In response, he pointed out that "education is still the single greatest variable that we can control to change people's lives." Parents Magazine has rated COSI Columbus the #1 science center in the country.

*Exhibit 15: Entrance to COSI Columbus*



*Source: Cory Klein Photography.*

### 4.3 Comparable Cultural Attractions Examined

A large number of comparable museums and other cultural attractions were examined for this evaluation, with the goal of finding those achieving the highest level of financial self-sufficiency. The complete list of those considered is provided on the next page. Few achieve a high level of financial self-sufficiency, as shown below. This is defined as the percentage of direct operating expenses covered by earned income. Earned income typically includes operating revenues from admissions, memberships, education fees, gift shop, and other visitor services. Earned income does not include government funding, private contributions, or investment income, as these are separate sources of total revenues for a museum. For the purpose of this evaluation, depreciation and amortization are not included in direct operating expenses because these are non-cash expenses. Occupancy expense has also not been included in direct operating expenses to allow side-by-side comparisons.

The feasibility study for the new Guam Museum (Guam and Chamorro Educational Facility) listed two specific comparable cultural attractions. These were Te Papa Tongarewa museum in New Zealand and Bishop Museum in Hawaii. Earned income for both of these museums cover less than 40% of direct operating expenses, and both rely greatly on government funding and private contributions. This is especially true for Te Papa Tongarewa, which has free admission. The most financially self-sufficient museum in this financial evaluation is the Museum of the Cherokee Indian, described next in this report.

*Exhibit 16: Financial Self-Sufficiency of Selected Comparable Attractions*

| Museum                            | Annual Attendance | Adult Admission Price | Total Revenues | Earned income | Direct Operating Expenses | Earned income Percent of Operating Expenses |
|-----------------------------------|-------------------|-----------------------|----------------|---------------|---------------------------|---|
| Museum of the Cherokee Indian     | 100,000           | \$11                  | \$1,565,000    | \$1,137,541   | \$1,124,000               | 101%  |
| COSI Columbus                     | 630,000           | \$19                  | \$17,792,000   | \$11,895,000  | \$13,699,000              | 87%   |
| Texas State History Museum        | 445,000           | \$12                  | \$6,085,000    | \$4,937,000   | \$6,007,000               | 82%   |
| Heard Museum                      | 200,000           | \$23                  | \$7,120,000    | \$4,730,000   | \$5,934,000               | 80%   |
| San Diego Museum of Man           | 160,000           | \$13                  | \$2,755,000    | \$1,729,000   | \$2,567,000               | 67%   |
| National Mississippi River Museum | 180,000           | \$15                  | \$4,334,000    | \$2,486,000   | \$3,682,000               | 68%   |
| California Museum                 | 65,000            | \$9                   | \$657,000      | \$578,000     | \$1,032,000               | 56%   |
| Buffalo Bill Center of the West   | 190,000           | \$18                  | \$19,021,000   | \$3,835,000   | \$8,397,000               | 46%   |
| Tampa Bay History Center          | 76,000            | \$13                  | \$1,863,000    | \$674,000     | \$1,523,000               | 44%   |
| Las Vegas Natural History Museum  | 92,000            | \$10                  | \$671,000      | \$315,000     | \$735,000                 | 43%   |
| Anchorage Museum                  | 200,000           | \$15                  | \$8,556,000    | \$2,452,000   | \$6,150,000               | 40%   |
| Frazier History Museum            | 94,000            | \$11                  | \$31,831,000   | \$2,519,000   | \$6,013,000               | 42%   |
| Bishop Museum                     | 350,000           | \$20                  | \$12,767,569   | \$3,711,000   | \$9,486,000               | 39%   |
| History Colorado Center           | 190,000           | \$12                  | \$10,867,000   | \$3,917,000   | \$10,867,000              | 36%   |
| Te Papa Tongarewa <sup>1/</sup>   | 1,310,000         | Free                  | \$54,069,000   | \$12,985,000  | \$49,256,000              | 26%   |

<sup>1/</sup> Financial amounts are in New Zealand dollars.

Source: Individual attractions, and the Internal Revenue Service.

**Exhibit 17: List of All Comparable Museums Examined**

|   |   |   |
|---|---|---|
| Abbe Museum                                       | Greensboro Historical Museum                          | New Jersey State Museum                                   |
| Abraham Lincoln Presidential Library and Museum   | H.N. Greenwell Store Museum                           | North Carolina Museum of History                          |
| Acropolis Museum                                  | Haard Museum  | Northern Marianas Islands Museum of History & Culture     |
| Adirondack Museum                                 | Historic Arkansas Museum                              | Northwest Museum of Arts and Culture                      |
| Agua Caliente Cultural Museum                     | History Colorado                                      | Ojibwa Museum   |
| Ah-Tah-Tih-Ki Museum                              | Hoopa Tribal Museum                                   | Oklahoma History Center                                   |
| Aik-Chin Him-Dak EcoMuseum                        | Huhugam Heritage Center                               | Orianda Nation Museum                                     |
| Alaska Native Heritage Center                     | Idaho Museum of Natural History                       | Orange County Regional History Center                     |
| Alaska State Museum                               | Images of Singapore                                   | Osage Tribal Museum                                       |
| Altiplano Museum                                  | Immigration Museum                                    | Penghu Living Museum                                      |
| America On Wheels                                 | Indian Caribbean Museum of Trinidad and Tobago        | Penobscot Nation Museum                                   |
| American Civil War Center At Historic Tidewater   | Indian Pueblo Cultural Center                         | Peranakan Museum  |
| American Indian Cultural Center and Museum        | International Slavery Museum                          | Pigeon Island Museum and Interpretive Centre              |
| Anadarko Heritage Museum                          | Inupiat Heritage Center                               | Poeh Museum   |
| Anasazi Heritage Center                           | Iroquois Indian Museum                                | Powerhouse Museum   |
| Anchorage Museum                                  | Japanese American National Museum                     | Powerhouse Science Center                                 |
| Angkor National Museum                            | Jean P. Hayden Museum                                 | Pyramid Lake Museum and Visitors Center                   |
| Anguilla Heritage Collection                      | Jean-Marie Tjibson Cultural Centre                    | Quechan Tribal Museum                                     |
| Ann Arbor Hands-On Museum                         | Kagawa Museum   | Queensland Museum   |
| Agua Caliente Cultural Museum                     | Kanza Museum  | San Carlos Apache Cultural Center                         |
| Arab American National Museum                     | Kanosh Public Museum                                  | San Diego History Center                                  |
| Auckland Art Gallery                              | Kiowa Tribe Museum                                    | San Diego Museum of Man                                   |
| Auckland Museum                                   | Kura Hulanda Museum                                   | Sci-Port  |
| August Wilson Center for African American Culture | Kyushu National Museum                                | Science Spectrum  |
| Autory National Center                            | Lanyang Museum  | Scottsdale Museum of the West                             |
| Bahamas National Archives                         | Las Vegas Natural History Museum                      | Seneca-Iroquois National Museum                           |
| Barbados Museum & Historical Society              | Louisiana State Exhibit Museum                        | Sherman Indian Museum                                     |
| Barona Cultural Center and Museum                 | Lyman Museum and Mission House                        | Shetland Museum   |
| Belau National Museum                             | Maine State Museum                                    | Shinnecock Nation Cultural Center                         |
| Bairudiar Heritage Museum                         | Makah Cultural & Research Center                      | Shoshone-Bannock Tribal Museum                            |
| BioMuseo  | Maltz Museum of Jewish Heritage                       | Siera Mono Museum   |
| Bishop Museum                                     | Mashantucket Pequot Museum and Research Center        | Silk Route Museum   |
| Brambuk Living Cultural Centre                    | Mashpee-Wampanoag Indian Museum                       | Simon Paneak Memorial Museum                              |
| Buffalo Bill Center of the West                   | Massachusetts State Museum                            | Shokomish Tribal Center and Museum                        |
| Burke Museum of Natural History and Culture       | Manominee Logging Camp Museum                         | Sonoma County Museum                                      |
| Cahoon Cultural Museum                            | Mexican Museum  | South Carolina State Museum                               |
| Caddo Heritage Museum                             | Mille Lacs Indian Museum                              | Southeast Alaska Discovery Center                         |
| California Indian Heritage Center                 | Mitchell Museum of the American Indian                | Southeast Alaska Indian Cultural Center                   |
| California Indian Museum and Cultural Center      | Mo Sheelingham Museum                                 | Southern Uta Cultural Center and Museum                   |
| California Museum                                 | Mt. Kaarsarge Indian Museum                           | Suquamish Museum  |
| Cayman Islands National Museum                    | Museo Arubano   | Tairawhiti Museum   |
| Charlotte Museum of History                       | Museo de Las Americas                                 | Tamastlikt Cultural Institute                             |
| Cherokee Heritage Center                          | Museo del Canal Interoceánico de Panamá               | Tampa Bay History Center                                  |
| Chickasaw Cultural Center                         | Museo y Centro de Estudios Humanísticos               | Tasmanian Museum and Art Gallery                          |
| Chisholm Trail Heritage Center                    | Museum at Warm Springs                                | Te Papa Tongarewa   |
| Choctaw Museum                                    | Museum Center at Five Points                          | Tennessee State Museum                                    |
| Chumash Indian Museum                             | Museum of Almeria                                     | Texas State History Museum                                |
| Citizen Potawatomi Cultural Heritage Center       | Museum of History and Geography                       | Tomaquag Museum   |
| Cocopah Museum                                    | Museum of History and Industry                        | Tribal House of the Bear                                  |
| Colville Tribal Museum                            | Museum of Human Evolution                             | Tumble Ridge Museum                                       |
| Corpus Christi Museum of Science and History      | Museum of Indian Arts & Culture                       | Tulks and Caicos National Museum                          |
| Country Music Hall of Fame and Museum             | Museum of Maryland African-American History & Culture | Turtle Mountain Chippewa Heritage Center                  |
| Diafenbunker                                      | Museum of Northern Arizona                            | Viking World  |
| Discovery Center of Springfield                   | Museum of Tahiti and the Islands                      | Voyager New Zealand Maritime Museum                       |
| Discovery Museums                                 | Museum of the African Diaspora                        | Wawatowa Visitor Center and Museum of History and Culture |
| Durham Museum                                     | Museum of the American Indian                         | Wanapum Dam Heritage Center                               |
| EMP Museum  | Museum of the Cherokee Indian                         | Waponahki Museum and Resource Center                      |
| Etpison Museum                                    | Museum of the History of Polish Jews                  | Wenatchee Valley Museum                                   |
| Eyaawing Museum & Cultural Center                 | Museum of the History of Ponce                        | Wende Museum  |
| Florida Keys Eco-Discovery Center                 | National Constitution Center                          | Western Heritage Center                                   |
| Fond du Lac Museum and Cultural Center            | National Mississippi River Museum and Aquarium        | Western Science Center                                    |
| Fort Peck Tribal Museum                           | National Museum of Bermuda                            | Wheelwright Museum of the American Indian                 |
| Frazier History Museum                            | National Museum of the American Indian                | Wing Luke Museum of the Asian Pacific American Experience |
| Frontier Texas                                    | National Museum of the Marine Corps                   | Witte Museum  |
| Garborg Centre                                    | National Underground Railroad Freedom Center          | Works; Ohio Center for History, Art and Technology        |
| German Emigration Center                          | National Waterfront Museum                            | Yakama Nation Museum                                      |
| Gettysburg Museum and Visitor Center              | National World War II Museum                          | Yupitit Piciryait Cultural Center and Museum              |
| Glecrease Museum                                  | Navajo Nation Museum                                  | Zilshing Center of Anishinabe Culture and Lifestyles      |
| Great Lakes Science Center                        | Nelson Museum of the West                             |   |

#### 4.4 Museum of the Cherokee Indian (Cherokee, North Carolina)

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The Eastern Band of Cherokee Indians is a federally recognized Native American tribe, who are descended from the Cherokees who remained in the Eastern United States while others moved, or were forced to relocate, to the west in the 19th century. It still practices many of the original tribal ceremonies, and many prominent Cherokee historians are affiliated with or are members of the Eastern Band. The Eastern Cherokee Indian Reservation is located in western North Carolina, just south of Great Smoky Mountains National Park. This is a major tourist area. Today the tribe earns much of its revenue from tourism to the area.

The Museum of the Cherokee Indian opened in 1948 and moved to its current facility in 1976. Its main exhibit area was totally renovated in 1998, when a new 12,000-square-foot exhibit was installed. The museum is a component unit of the Eastern Band of Cherokee Indians. It is administered as a non-profit organization with 501(c)3 status, and strives to operate self-sufficiently from admissions revenue and gift shop sales. The museum property is rented under a long-term lease from the tribe, and certain members of the museum's board are elected tribal officials.

Its location is shown below within a cluster of related cultural tourist attractions on tribal land. The museum (#1) is next to a major roadway, and across from the Cherokee Welcome Center (#2) that provides tourist information. It is also across the street from Qualla Arts and Crafts (#3). This is the oldest Native American cooperative, founded in 1946, which sells traditional arts and crafts of the Eastern Cherokee. This artisan store offers locally-made baskets, pottery, wood carving, stone carving, and beadwork. The museum is next to the Cherokee Indian Fair Grounds (#4), home to many cultural special events throughout the year. These include the Festival of Native Peoples, shows, and the century-old Cherokee Indian Fair.

Nearby is the outdoor amphitheater (#5) that presents the cultural drama "Unto These Hills" that tells the story of the Cherokee people and the Trail of Tears. Also nearby is the Oconaluftee Indian Village (#6), an outdoor living history museum presenting daily life as it was in an 18th-century Cherokee Indian village.

*Exhibit 18: Aerial View of Museum of the Cherokee Indian and Nearby Attractions*



Source: Pictometry International Corp.

The mission of the Museum of the Cherokee Indian is to preserve the history, culture and heritage of the Cherokee Indians. Total building space is about 30,000 square feet. Inside the building are permanent exhibits, traveling exhibits, archives, artifact collections, and a museum store. Museum programs include festivals, publications, courses, workshops, research, and cultural revitalization projects.

The 12,000 square foot main exhibit area tells the story of the Eastern Band of the Cherokee Indians. This area was renovated in 1998 for approximately \$4 million. At that time, it used state-of-the-art technology (fiber optics, special effects, computer-generated images, and sophisticated audio systems). When the renovated exhibit opened, the museum was called "a cutting-edge museum, one that challenges other museums to examine the way they present themselves." It includes an 80-seat orientation theater.

Financing for the renovated main exhibit area came from several grants and a loan. A total of \$1.7 million was borrowed and guaranteed by the Cherokee Tribe, \$650,000 came from the Economic Development Administration of the Federal Government, and \$647,000 came from the National Park Service. The rest came through a series of smaller grants from private foundations.

In the years following this major renovation, smaller exhibits have been added within the main exhibit area. These focus on the seven clans, dance, stickball, boarding schools, and the role of women in Cherokee society. The museum also offers temporary special exhibits.

*Exhibit 19: Interior View of Main Exhibit Area at Museum of the Cherokee Indian*



Source: *RomanticAsheville.com Travel Guide.*

The Museum of the Cherokee Indian website sells items from its gift shop, as well as selling memberships online. This website also provides an online catalogue of museum holdings and digital libraries. The museum archives including 4,000 books, 1,000 black-and-white photos from 1800 to 1930, and the William H. Thomas Collection of papers and diaries from 1834 to 1899.

The museum recently expanded in 2010 when it added a new Education and Research Center. This 8,500 square foot wing includes a reading room, multimedia classroom, art studio, offices, and an archives room with the museum's digital libraries. One of these digital libraries holds 2,500 pages of Cherokee language materials from the 1880s that have been collected and digitized with support from a Documenting Endangered Languages grant for \$168,000 from the National Endowment for the Humanities.

As part of its ongoing mission to preserve the Cherokee language, the museum offers a language immersion class that is open to the general public. This class is offered through a partnership with Western Carolina University's Cherokee Studies program.

The museum produced a exhibit named "Emissaries of Peace: The 1762 Cherokee and British Delegations." This traveling exhibit was displayed at the Smithsonian's National Museum of Natural History in Washington DC for five months during 2007. This exhibit included video presentations, interactive displays, and small-scale dioramas. It was funded by the National Endowment for the Humanities, and received a presidential designation as a "We the People" exhibit. At that time, it was the only currently traveling exhibition that was produced by members of an American Indian tribe. This exhibit is available to other museums for a loan fee of \$50,000, and typically needs between 2,000 and 3,000 square feet of space.

*Exhibit 20: Gift Shop at the Museum of the Cherokee Indian*



*Source: Museum of the Cherokee Indian.*

Before its major renovation in 1998, annual attendance for the Museum of the Cherokee Indian had flattened after reaching 140,000 visitors annually in the previous two years. At that time, the museum's director estimated that only 5% of the tourists that came through the local tourist area stopped at the museum. He expected annual attendance at the museum would double after the major expansion. Attendance did not substantially change. Today, annual attendance is estimated to be approximately 100,000 annually.

Long-term financial performance for the museum is shown below. It should be noted that this museum moved to its current facility in 1976, so it had years to ramp up to the financially self-sufficient level it was achieving when this period began in 2001.

Overall, operations have been relatively stable over this period, with earned income generally covering 80% to 105% of direct operating expenses. The exception was during 2006, when the museum was creating its major traveling exhibit named "Emissaries of Peace: The 1762 Cherokee and British Delegations" that was later displayed at the Smithsonian's National Museum of Natural History.

This financial stability is encouraging, considering that this museum is located within a tourist destination area and experienced economic recessions in the early and late 2000s. Therefore, this museum is a prime financial role model for the New Guam Museum (Guam and Chamorro Educational Facility).

**Exhibit 21: Museum of the Cherokee Indian Financial Performance**

| Year | Total Revenues | Earned income | Direct Operating Expenses | Earned income Percent of Operating Expenses |
|------|----------------|---------------|---------------------------|---|
| 2001 | \$1,382,000    | \$1,077,000   | \$1,028,000               | 105%  |
| 2002 | \$1,917,000    | \$1,061,000   | \$1,066,000               | 100%  |
| 2003 | \$1,517,000    | \$975,000     | \$1,185,000               | 82%   |
| 2004 | \$1,485,000    | \$886,000     | \$1,109,000               | 80%   |
| 2005 | \$2,403,000    | \$1,020,000   | \$1,107,000               | 92%   |
| 2006 | \$3,048,000    | \$1,259,000   | \$2,253,000               | 56%   |
| 2007 | \$1,995,000    | \$1,211,000   | \$1,427,000               | 85%   |
| 2008 | \$2,677,000    | \$1,142,000   | \$1,375,000               | 83%   |
| 2009 | \$2,496,000    | \$1,145,000   | \$1,345,000               | 85%   |
| 2010 | \$1,789,000    | \$1,189,000   | \$1,301,000               | 91%   |
| 2011 | \$1,734,000    | \$1,140,000   | \$1,373,000               | 83%   |
| 2012 | \$1,565,000    | \$1,138,000   | \$1,124,000               | 101%  |

Source: Museum of the Cherokee Indian.

## 5 | Marketing Approach

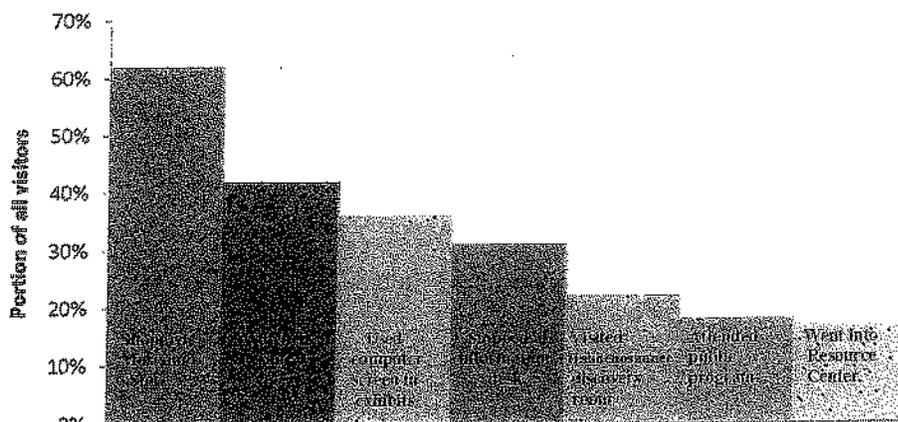
This section provides the recommended marketing approach for the new Guam Museum (Guam and Chamorro Educational Facility). Museum marketing involves more than just advertising. It includes all the efforts that help attract visitors and encourage them to return. Topics include demand analysis, SWOT analysis, competitive position, market positioning, key target marketing channels, cooperative marketing, promotional opportunities, timeline for the marketing plan, and key retail & e-commerce opportunities.

### 5.1 Demand Analysis

The chart below shows the typical demand for activities at a cultural museum, other than viewing exhibits. This is based on the experience of the National Museum of the American Indian's George Gustav Heye Center. Almost all visitors there viewed at least some of the exhibit areas. Beyond that, 62% shopped at the museum store and 42% viewed a film. This points out the importance of these aspects in the museum. Other activities had lower participation rates. About 36% used computer screens in the exhibits, 31% stopped at the visitor information desk, and 22% went into the Haudenosaunee Discovery Room that provided activities for young children. Approximately 19% attended a program and 17% went into the resource center.

The feasibility study for the new Guam Museum (Guam and Chamorro Educational Facility) was prepared by Knowledge Based Consulting Group in 2006 and updated in 2013. It forecasts that 77% of visitors will be tourists, with Japan being the top country of origin. About 17% of visitors will be Guam residents, 4% military personnel and their dependents, and 2% school children. This forecasted distribution of future attendance is reasonable. The top market segment (Japanese tourists) is examined on the next page, and recommended approaches are provided later in this section for increasing visitation from other potential market segments.

*Exhibit 22: Demand for Specific Activities at National Museum of the American Indian*



Source: Smithsonian Institution.

According to the latest feasibility study, more than half (53%) of the visitors for the new Guam Museum (Guam and Chamorro Educational Facility) are expected to be Japanese tourists. This expectation is reasonable because it is based on current tourism trends for Guam. The average age of Japanese tourists to Guam is 32, and 15% are travelling with a child. One-fourth (25%) of these visitors are visiting Guam through a full tour package.

Nearly half (41%) of Japanese tourists gave positive responses when asked about potential cultural activities on Guam, according to past surveys. Discussions with the principal inbound Japanese tour operator on Guam confirmed that the new Guam Museum (Guam and Chamorro Educational Facility) would be a very attractive destination for their customers in Guam.

There have also been encouraging indicators elsewhere. The Honolulu Advertiser reported that while many are still attracted by beaches and shopping, more Japanese tourists there are looking to experience culture and natural resources. They are also more independent, wanting to explore places on their own. There has been more of an interest in authenticity and culture. Multigenerational travel also has grown, with more families taking trips together. In response, Bishop Museum created a new kumu hula program targeting Japanese visitors and received an increase in those visitors.

Past research on Japanese tourist behavior to all global destinations provides additional insights. Japanese tourists are very sensitive to the problems related to safety, security, and health. They are particularly concerned about cleanliness. They are impatient, and do not like having to wait long. Still, they want experiences that go far beyond a mere gaze.

They are eager to try local dishes, special cuisine and drinks, and they are delighted to learn the origin or background of these items. Most Japanese visitors try to have a few of the most famous foods and drinks wherever they visit. Typically, tourism destinations heavily advertise famous products considered attractive to Japanese visitors.

*Exhibit 23: Japanese Tourists at Kamikaze Peace Memorial Museum*



Source: National Geographic Traveler.

The American Museum of Natural History in New York City is an example of a museum that presents experiences for every age group in order to expand its audiences. Children's programs include a variety of weekend programs, as well as spring and summer camps. All camps include hands-on investigations and behind-the-scene tours.

Despite their prominent role in our culture, teenagers are underrepresented in museums. Through the Teen Chicago Project, the Chicago History Museum brought together teenagers, museum staff, and scholars to study teen experiences across generations, neighborhoods, racial groups, and ethnic communities. Over the course of two years, the fifteen members of the Teen Council collected more than one hundred oral histories about growing up in Chicago. With the help of the teens, Museum staff used these interviews to create this exhibit, develop programs, inform publications, and build a website.

The exhibit strove to capture the essence of the city's teen culture by exploring the history of adolescence throughout twentieth-century Chicago. It opened in 2004 and won an Award of Excellence from the American Association of Museums in the following year. The Chicago Tribune reported the following about the planning process for the exhibit:

*"In part, the idea came about while Historical Society workers were thinking of ways to attract teens to the museum, which has not been a popular teen hangout. 'Most people come to history later in life. I'm trying to let people come to history much earlier,' said Lonnie Bunch, president of the Historical Society and the one who conceived the project. 'This becomes a place where teens can find themselves, and they suddenly can see an institution that is viewed as one of the traditional places in the city, as a place that has as much meaning to them as it does to their grandparents.' The multigenerational oral-history project is a way to engage young people in a manner that traditional museums typically do not, he said. 'I thought, wouldn't it be important for teens to get a sense of recognition that there were teenagers before? Also, it would help adults to remember that they were once teenagers,' Bunch said."*

*Exhibit 24: Teen Chicago Temporary Exhibit at the Chicago History Museum*



*Source: Chicago Historical Society.*

## 5.2 SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats)

The following aspects for the new Guam Museum (Guam and Chamorro Educational Facility) are based on observations, research, museum industry trends, and discussions with stakeholders.

### Strengths

- Unique subject (Chamorro culture and Guam's history)
- Quality interpretative approach
- Relationship with the Department of Chamorro Affairs
- New museum would complement existing tourist attractions in Guam

### Weaknesses

- Limited current subject scope
- Lack of personnel
- Lack of operating financial reserves
- Fundraising challenges

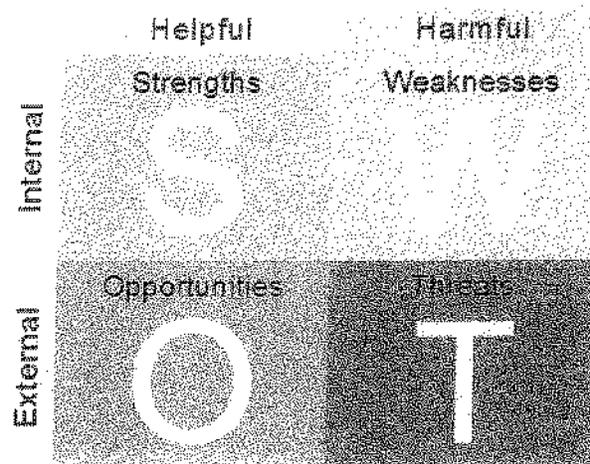
### Opportunities

- Growing need for informal learning
- Partnerships for programs and events
- Potential to become a leading cultural institution
- Potential to increase tourism to Guam

### Threats

- Future crisis that decreases tourism
- Potential conflicts between public and private sector
- Potential loss of political support
- Lack of confirmed long-term operating funding sources

Exhibit 25: SWOT Diagram

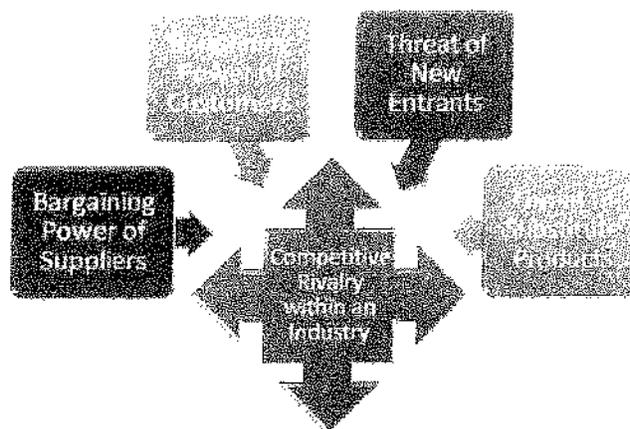


### 5.3 Competitive Position

The new Guam Museum (Guam and Chamorro Educational Facility) has been designed to complement rather than compete with existing tourist attractions in Guam. The main goal is to expand overall tourism by providing more quality historic and cultural experiences. Competition therefore is expected to be minimal and mainly directed towards tourism destinations outside Guam. In the chart below, Guam would become a stronger new entrant for global cultural tourism. Other competitive aspects are:

- **Name Recognition:** The new Guam Museum (Guam and Chamorro Educational Facility) will have some initial name recognition based on the Guam Museum's past operation, but will need to establish a stronger new identity for the much expanded new facility.
- **Image:** Current planning has been aimed towards providing an authentic, educational, cultural experience. This effort should be continued.
- **Quality:** Expected quality level of the physical facility and its exhibits is high, therefore this approach should also be applied to programs and visitor services.
- **Price:** Given the scope and quality of the new facility, standard prices should be near the top of the current range of prices charged by other attractions in Guam. This is especially important since attractions typically offer substantial discounts through promotional partners and tour operators.
- **Value:** Since standard admission pricing should be aimed at tourists, there should be significant discounts available for Guam residents. This approach has been used elsewhere, such as at Bishop Museum in Hawaii. There should also be a strong effort to encourage membership, which would provide value to Guam families.
- **Customer Service:** With the planned pricing approach and quality image, efficient and convenient customer service will be expected.
- **Customer Relations:** The facility will serve multiple roles. Not only is it expected to be a major new tourist attraction, the new Guam Museum (Guam and Chamorro Educational Facility) should also be an important center for informal learning.

*Exhibit 26: Five Forces of Competitive Position*



*Source: Michael E. Porter, Competitive Strategy.*

## 5.4 Market Positioning Opportunities

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Museum market positioning involves implementing values and offerings so that visitors will understand and appreciate what it stands for. Museums can build an image in different ways. One way is by offering a distinctive collection and popular programs. History museums often position themselves according to the benefits they provide. These museums combine fun and learning that encourage visitors to become active, lifelong learners. Heritage museums are increasingly positioning themselves as places where visitors can participate in history, not just view the past. These museums offer immersion through experiences. The new Guam Museum (Guam and Chamorro Educational Facility) should follow all of these proven approaches. In addition, it should also position itself as a creative and innovative museum that serves as an important place to learn. Museum research has shown the following characteristics to be particularly influential to potential visitors:

- Exciting
- Superior exhibits
- Broad offerings
- Attractive building
- Friendly staff
- Excellent shop

### 5.4.1 *Recommended Expanded Market Position: Innovation*

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Informal education programs and exhibits at museums now increasingly emphasize processes over facts, especially those involved with innovation. For example, the Design Lab at the New York Hall of Science is a new participatory area that opened this year. It emphasizes that design is when people make things for a purpose. This purpose may be to serve a need, solve a problem, or meet a goal. It promotes the iterative, creative problem-solving process that is illustrated below.

*Exhibit 27: The Typical Innovation Process*

