

Alaska Visitor Statistics Program VI

Fall/Winter 2011-12

Executive Summary



Conducted by



Alaska Department of Commerce,
Community, & Economic Development
Division of Economic Development

AVSP Overview

The Alaska Visitor Statistics Program (AVSP) is a statewide visitor study periodically commissioned by the Alaska Department of Commerce, Community, and Economic Development. The study provides state government and the tourism industry essential information on one of Alaska's major economic engines: out-of-state visitors. AVSP VI (the sixth generation of the program) consists of two main components:

Visitor Volume: The visitor volume estimate is a count of the number of out-of-state visitors exiting Alaska, by transportation mode, during the study period.

Visitor Survey: The visitor survey is administered to a sample of out-of-state visitors departing Alaska at all major exit points. The survey includes questions on trip purpose, transportation modes used, length of stay, destinations, lodging, activities, expenditures, satisfaction, trip planning, and demographics.

The study is undertaken in two stages: Summer 2011 (May 1-September 30) and Fall/Winter 2011-12 (October 1-April 30). This report addresses the fall/winter period.

Project Team

The AVSP VI project team was led by McDowell Group, Inc., a research and consulting firm with offices in Juneau and Anchorage. McDowell Group was assisted by Fusion MR of Portland, Oregon, and MR Data of Seaview, Washington.

Methodology

The fall/winter visitor volume estimate was based on visitor/resident tallies of 38,015 travelers exiting Alaska via domestic and international air. The resulting ratios were applied, by month and by location, to airport enplanements to arrive at visitor volume estimates. Tallies of highway travelers were not conducted in 2011-12; instead, visitor/resident ratios from 2006-07 were applied to 2011-12 highway traffic to arrive at volume estimates. Tallies of ferry passengers were not conducted because the Alaska Marine Highway System (AMHS) provides passenger residency information to the AVSP.

The visitor survey included 1,364 intercept surveys. (Online surveying was conducted during the summer fielding period only.) Visitors were surveyed at major exit points: airports in Anchorage, Fairbanks, Juneau, Ketchikan, and Sitka; and the Ketchikan ferry terminal. The highway mode was not sampled in fall/winter because of safety concerns, and the statistical inefficiency of surveying such a small population. The response rate for the fall/winter survey was 82 percent. All data was weighted to reflect actual traffic volumes by mode of transportation.

Please see *Section VII: Methodology* for further details on fall/winter methodology; additional details on AVSP VI methodology can be found in the summer report at the following link:

<http://www.commerce.state.ak.us/ded/dev/toubus/research.htm>

Visitor Volume

Fall/Winter Visitor Volume

An estimated 266,800 out-of-state visitors came to Alaska between October 2011 and April of 2012. The vast majority (94 percent; 250,500) exited Alaska via domestic air. Other exit modes included highway (4 percent; 10,000), international air (2 percent; 4,800), and ferry (<1 percent; 1,500).

The 2011-12 fall/winter period shows a 9 percent increase over the previous fall/winter of 2010-11, from 244,100 visitors to 266,800. The increase was likely more modest in actuality: exiting visitor traffic (residents and visitors combined) was up by 4 percent. The 2011-12 estimate reflects updated visitor/resident ratios, which show that since the last time ratios were collected (in 2006-07) the percentage of travelers that are out-of-state visitors has increased. The large increase in volume in 2011-12 was likely incremental over the last several years as the visitor ratio increased gradually.

CHART 1.1 - Alaska Visitor Volume, Fall/Winter 2011-12, by Exit Mode

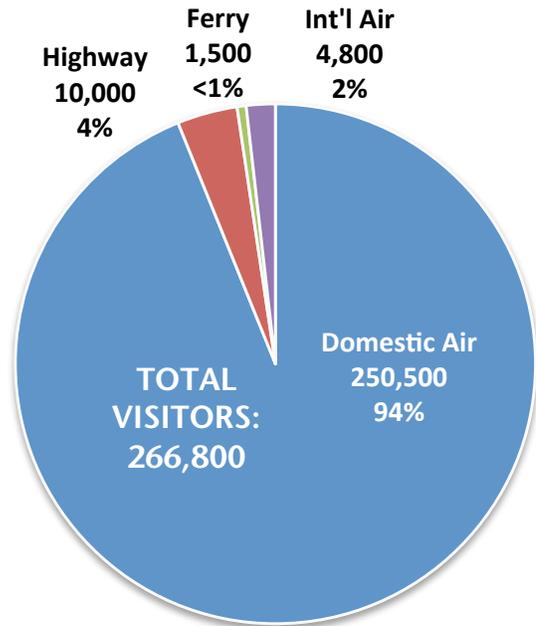
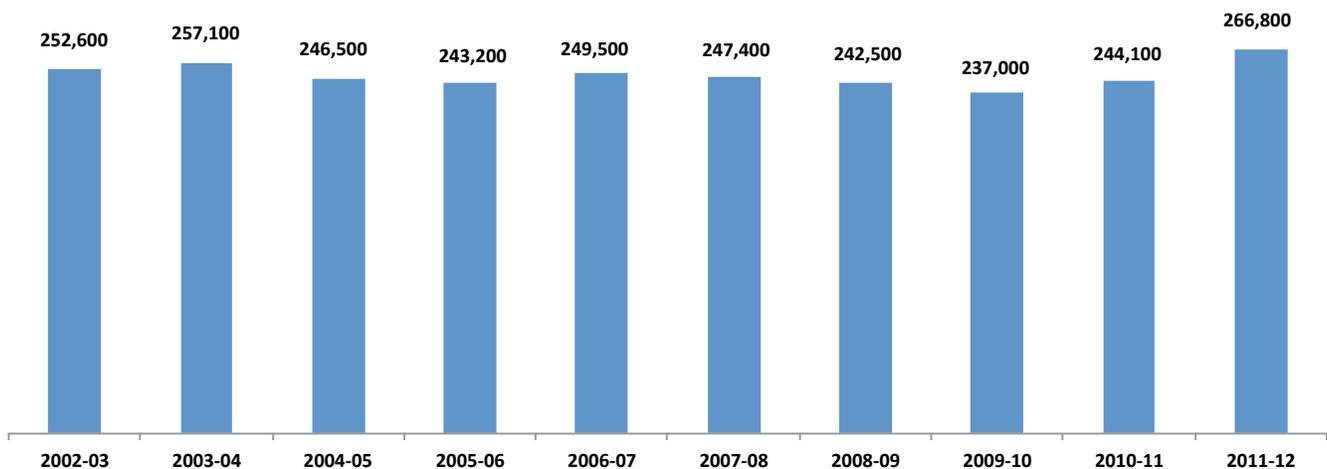


CHART 1.2 - Alaska Visitor Volume, Fall/Winter 2002-03 to 2011-12



Sources: 2005-2011 data from AVSP V and VI (conducted by McDowell Group); 2002-2004 data from AVSP IV (conducted by Northern Economics, Inc.).

Full Year Visitor Volume

Adding fall/winter visitor volume to summer visitor volume yields a full-year (May 2011-April 2012) volume estimate of 1,823,600. The fall/winter period represents 15 percent of full-year volume.

Of full-year visitors, 48 percent were cruise ship passengers, 47 percent were air visitors (entered and exited the state by air), and 4 percent were highway/ferry visitors (entered or exited the state by highway or ferry).

Full-year visitor volume for 2011-12 shows a 3 percent increase over the previous full-year period (2010-11), the first increase in annual visitation in four years. The most recent full-year period was 7 percent below the peak volume set in 2007-08, but still 19 percent above visitor volume of a decade ago (2002-03).

CHART 1.3 - Alaska Visitor Volume, Full Year 2011-12

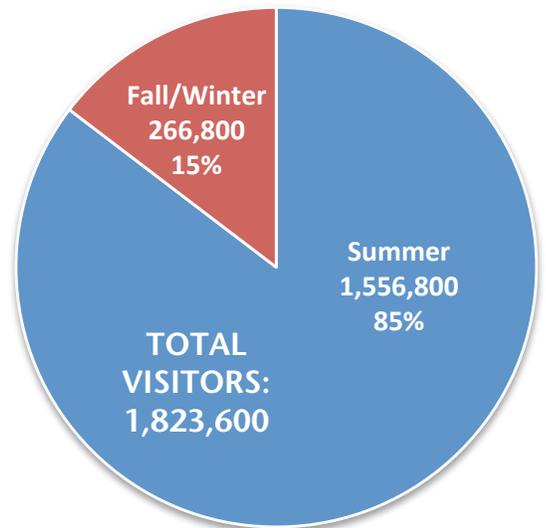
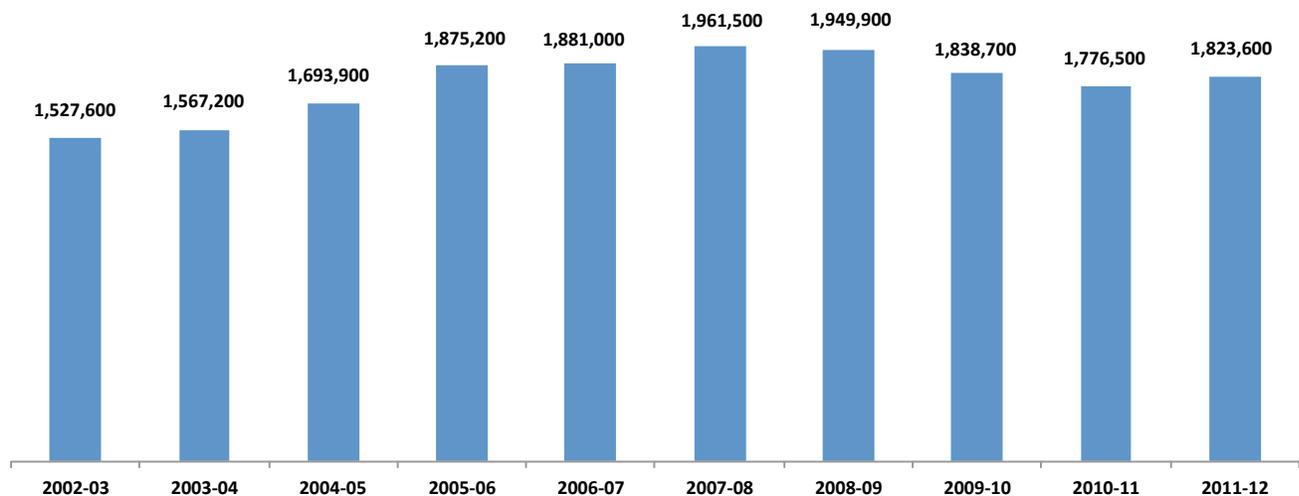


CHART 1.4 - Full Year Alaska Visitor Volume, 2002-03 to 2011-12



Sources: 2005-2012 data from AVSP V and VI (conducted by McDowell Group); 2002-2004 data from AVSP IV (conducted by Northern Economics, Inc.).

Trip Purpose and Packages

Trip Purpose

Just over half of fall/winter visitors in 2011-12 were traveling for business, including 43 percent whose purpose was business only, and 8 percent combining business with pleasure. Those visiting friends or relatives (VFRs) made up 36 percent of fall/winter visitors, and those traveling for vacation/pleasure accounted for 13 percent.

Trip purpose percentages among fall/winter visitors differ dramatically from summer visitors, among whom 77 percent were traveling for vacation/pleasure; 14 percent were VFRs; and 9 percent were business-related travelers.

Compared to fall/winter 2006-07, visitors in 2011-12 were slightly more likely to be traveling for business (43 compared to 39 percent) and slightly less likely to be VFRs (36 compared to 42 percent). Other shifts were negligible: from 12 to 13 percent vacation/pleasure, and from 7 to 8 percent business/pleasure.

Throughout this report, data for “business” travelers represents results for both business and business/pleasure travelers unless otherwise indicated.

Packages

Only 4 percent of fall/winter visitors purchased multi-day packages (matching the rate of 2006-07). The package purchase rate is much higher among vacation/pleasure visitors (29 percent) than among VFRs (less than 1 percent) or business travelers (1 percent).

The international market was particularly likely to purchase packages at 41 percent, including 84 percent of the Japanese market.

Among those who purchased a package, over half were on Northern Lights viewing packages. Additional package types included hunting (13 percent), fishing lodge (7 percent), skiing (6 percent), rental car/RV (5 percent), and dog sledding (5 percent).

CHART 1.5 - Trip Purpose

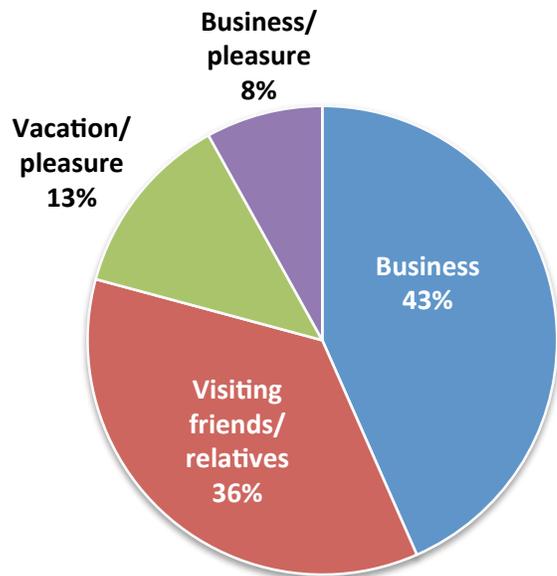
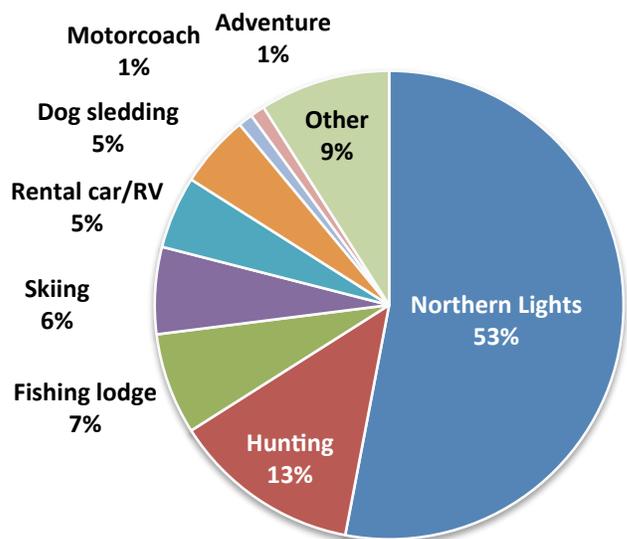


CHART 1.6 – Package Type



Destinations and Length of Stay

Destinations

Southcentral is by far the most visited region among fall/winter travelers, attracting 77 percent of the market. This compares to 21 percent for the Interior, 10 percent for Southeast, 6 percent for Far North, and 5 percent for Southwest.

Anchorage was the most visited community at 73 percent, followed by Fairbanks (19 percent) and Palmer/Wasilla (13 percent). Vacation/pleasure visitors were much more likely to visit the Interior and Fairbanks when compared to business travelers and VFRs.

Fall/winter travel patterns differ dramatically from summer, when Southeast is the most visited region, and visitors tend to travel much more widely throughout the state.

Regional visitation was very similar between 2006-07 and 2011-12, with one exception: visitation to the Interior dropped from 28 to 21 percent (attributable to fewer business travelers and VFRs).

Length of Stay

Fall/winter visitors reported an average length of stay in Alaska of 10.5 nights. VFRs reported the longest average stay at 12.1 nights, followed by business travelers at 9.9 nights, and vacation/pleasure travelers at 8.9 nights.

Fall/winter travelers in 2011-12 reported staying in Alaska longer than in 2006-07. The overall average length of stay increased from 8.8 to 10.5 nights. The average increased among all three trip purpose markets: from 5.6 to 8.9 nights among vacation/pleasure visitors, from 10.4 to 12.1 nights among VFRs, and from 8.2 to 9.9 nights among business travelers.

CHART 1.7 – Destinations Visited

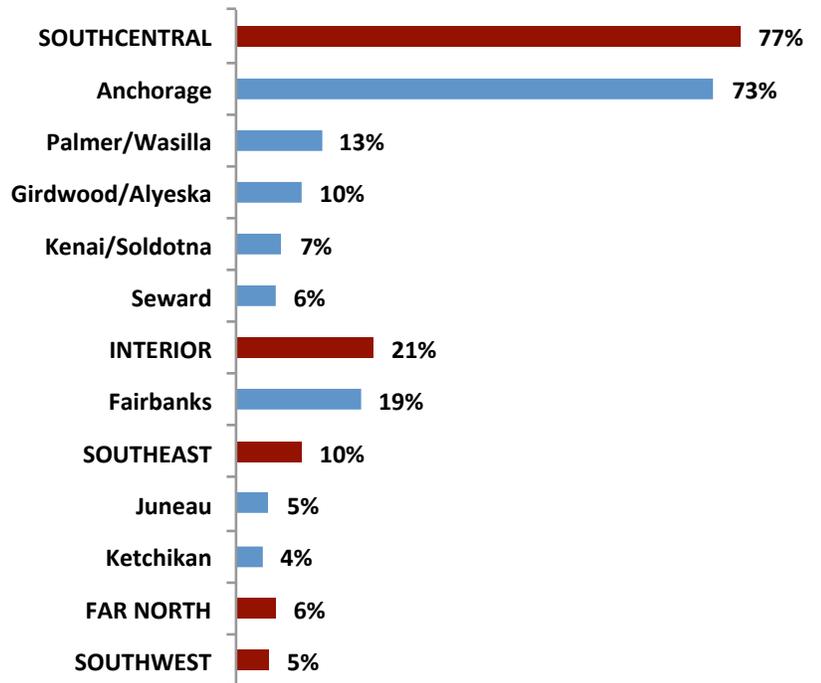
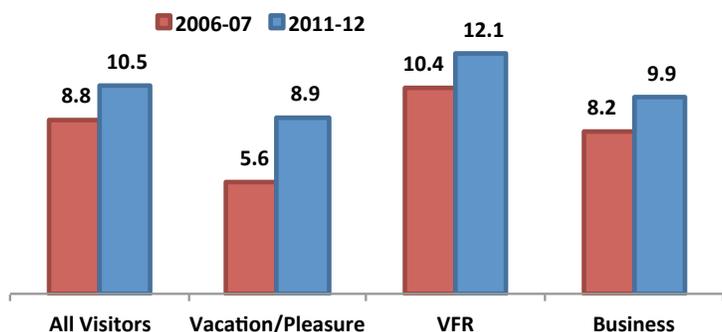


CHART 1.8 – Average Length of Stay by Trip Purpose, 2006-07 and 2011-12 (Number of Nights)

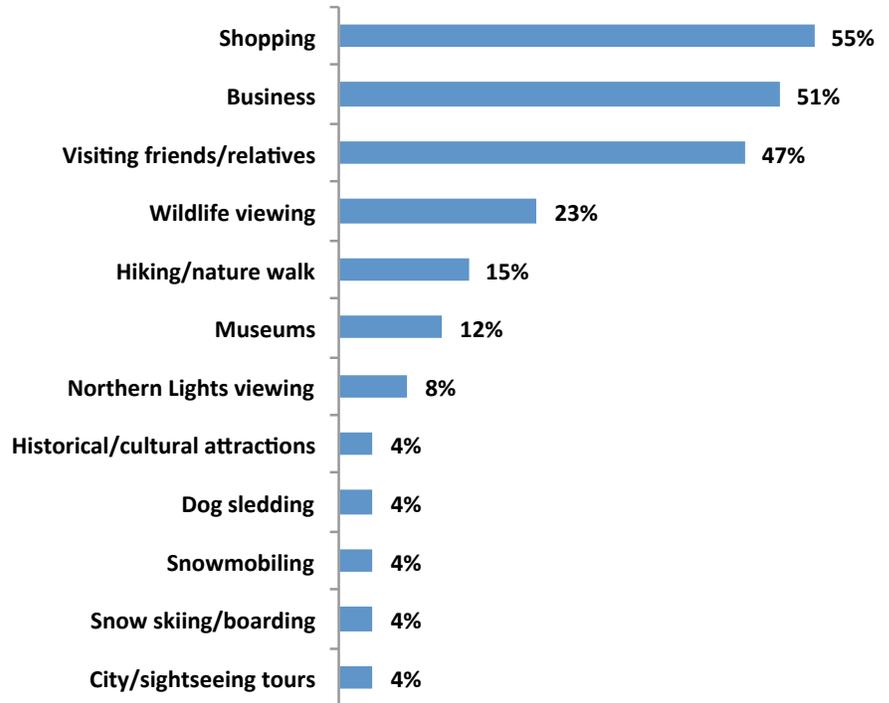


Activities and Satisfaction

Activities

Fall/winter visitors to Alaska tended to participate in three primary activities: shopping (55 percent), business (51 percent), and visiting friends and relatives (47 percent). Nearly one-quarter reported viewing wildlife, 15 percent went on a hike or nature walk, and 12 percent visited a museum. While wintertime activities such as Northern Lights viewing and dogsledding had lower participation rates among the overall market, vacation/pleasure visitors were much more likely to report these activities. For example, 33 percent of vacation/pleasure visitors participated in Northern Lights viewing, and 22 percent participated in dogsledding.

CHART 1.9 – Most Popular Activities



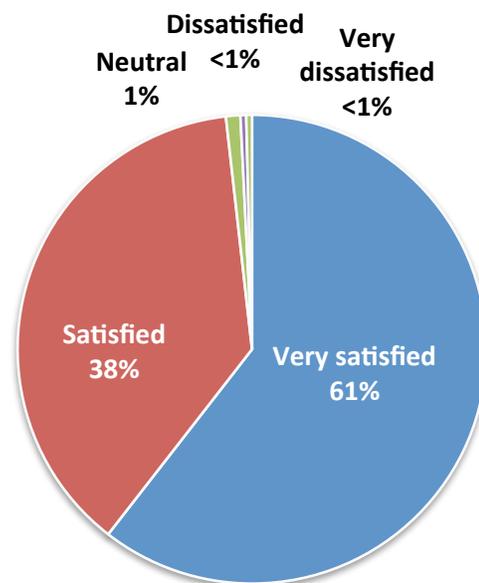
Satisfaction

Virtually all fall/winter visitors (99 percent) expressed satisfaction with their overall Alaska trip, including 61 percent who were very satisfied. Vacation/pleasure visitors reported higher rates at 69 percent very satisfied, compared with 64 percent among VFRs and 56 percent among business travelers. Fall/winter visitors report lower satisfaction rates than summer visitors, among whom 71 percent were very satisfied with their Alaska trip.

Satisfaction increased slightly between 2006-07 and 2011-12, with those very satisfied increasing from 58 to 61 percent. The increase was more pronounced among vacation/pleasure visitors, whose very satisfied rate increased from 60 to 69 percent.

By category, fall/winter visitors were most satisfied with friendliness of residents (66 percent very satisfied), followed by sightseeing (60 percent), tours and activities (58 percent), accommodations and wildlife viewing (both at 50 percent), visitor information services (48 percent), restaurants (42 percent), shopping and value for the money (both at 32 percent), and transportation within Alaska (31 percent).

CHART 1.10 – Satisfaction with Overall Alaska Experience

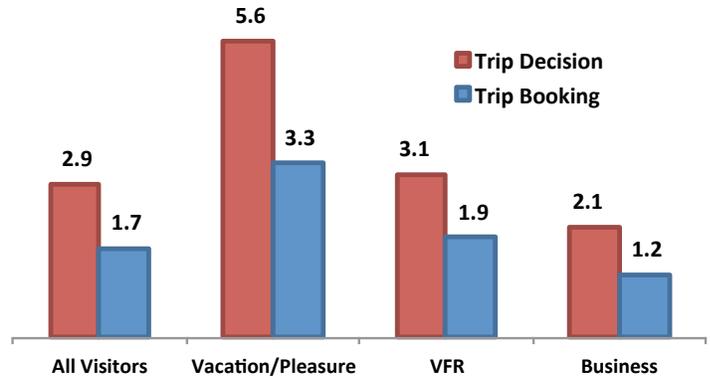


Trip Planning and Demographics

Trip Planning

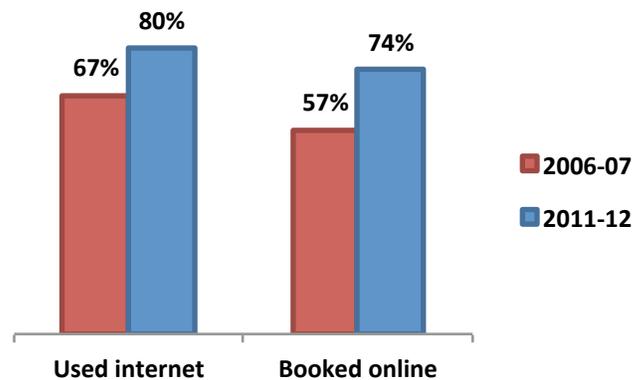
Fall/winter travelers made their decision to take their trip an average of 2.9 months ahead of time, and booked their major travel arrangements an average of 1.7 months ahead of time. Vacation/pleasure visitors reported the highest averages at 5.6 months for their trip decision and 3.3 months for their trip booking. Business travelers reported the lowest at 2.1 months and 1.2 months, respectively.

CHART 1.11 – Average Advance Time for Trip Planning (Number of Months)



Four out of five fall/winter visitors used the internet to plan their Alaska trip, and 74 percent booked at least some portion of their trip online. These rates increased significantly from 2006-07: from 67 to 80 percent for internet usage, and from 57 to 74 percent for online booking. (Summer visitors reported similar increases.) Seventeen percent of fall/winter visitors booked at least some portion of their trip through a travel agent, down from 21 percent in 2006-07.

CHART 1.12 – Internet Usage, 2006-07 and 2011-12

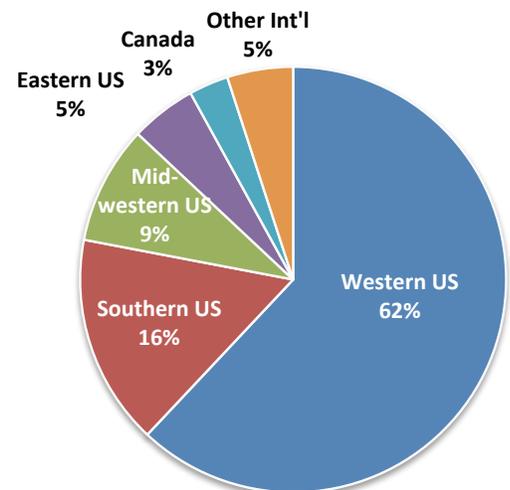


Besides the internet and travel agents, fall/winter visitors primarily relied on prior experience (62 percent) and friends/family (57 percent) as trip planning sources. All other sources were used by 10 percent or fewer.

Demographics

Over half of fall/winter visitors (62 percent) came from Western US states (a much higher percentage than in the summer, 36 percent). Other US regions added up to 30 percent. Canadians accounted for 3 percent of visitors, while international visitors accounted for 5 percent.

CHART 1.13 – Visitor Origin



Fall/winter visitors reported an average party size of 1.4 people. The average age among fall/winter visitors was 48 years, and 57 percent were male.

Visitors reported an average income of \$108,000. After adjusting for inflation, this amount represents a 9 percent decrease from 2006-07.

Expenditures

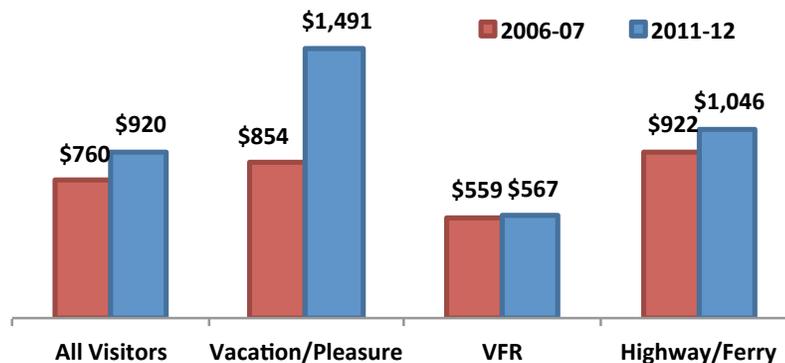
Fall/Winter Expenditures

Fall/winter visitors reported spending an average of \$920 on their Alaska trip, not including transportation to enter and exit the state. Vacation/pleasure visitors reported the highest average at \$1,491, followed by business travelers at \$1,046, and VFRs at \$567.

On a per-night basis, average spending was \$88 per person, ranging from \$47 among VFRs, to \$106 among business travelers, to \$168 among vacation/pleasure visitors.

Per-person, per-trip spending increased from \$760 in 2006-07 to \$920 in 2011-12. On a per-night basis, average spending only increased from \$84 to \$88 (because visitors reported longer stays). Taking inflation into account, the overall average increased by 7 percent, while the per-night average decreased by 11 percent. Average spending among vacation/pleasure visitors increased more dramatically (from \$854 to \$1,491), in part due to longer average length of stay.

CHART 1.14 – Average Per-Person, Per-Trip Spending on Alaska Trip, By Trip Purpose



Note: Excludes spending on transportation to enter/exit Alaska.

Full Year Expenditures

Combining results of the Summer 2011 and Fall/Winter 2011-12 study periods, total *annual* expenditures are estimated at \$1.76 billion. Cruise packages are not included in these spending figures. Based on the average per person cruise price of \$2,173 and the total volume of 883,000, the cruise market spent approximately \$1.9 billion on cruises and cruise/tour packages in 2011-12.

Total spending increased from \$1.71 billion in 2006-07 to \$1.76 billion in 2011-12. After adjusting for inflation, total spending actually decreased by 9 percent between the two periods.

CHART 1.15 – Total Visitor Expenditures, Full Year 2011-12

