

***Alaska Visitor Statistics Program VI
Interim Visitor Volume Report***

Fall/Winter 2012-13

Prepared for:

State of Alaska

*Department of Commerce, Community,
and Economic Development
Division of Economic Development*



Research-Based Consulting

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Key Findings

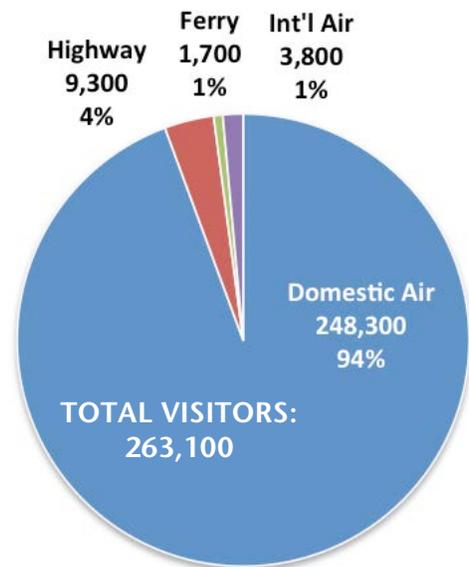
This report estimates the volume of out-of-state visitors to Alaska for the fall/winter period of October 1, 2012 to April 30, 2013, as part of the *Alaska Visitor Statistics Program VI (AVSP)*. The AVSP is conducted by McDowell Group for the Alaska Department of Commerce, Community, and Economic Development (DCCED), Division of Economic Development. Following are key findings from the study.

Visitor Volume, Fall/Winter 2012-13

Alaska received an estimated 263,100 visitors from out of state during the fall/winter 2012-13 period. This compares to 1.6 million visitors during summer 2012. Nearly all fall/winter visitors (94 percent) exited the state via domestic air, while 4 percent exited by highway, 1 percent exited by ferry, and 1 percent exited by international air.

Fall/winter travel patterns differ dramatically from the summer season, when 59 percent of visitors travel by cruise ship and 37 percent enter and exit the state via air.

CHART 1. Alaska Visitor Volume, Fall/Winter 2012-13, By Exit Mode



Change from 2011-12

Fall/winter visitor volume in 2012-13 declined very slightly from 2011-12, by 1 percent. The decrease is largely due to the 1 percent decline in domestic air exits, since this mode represents nearly all exits. International air exits dropped from 4,800 to 3,800, attributable to fewer Japan Airlines passengers. Highway exits dropped by 7 percent, primarily due to fewer commercial truck passengers. Ferry passenger exits increased by 13 percent; however, this is only a gain of 200 passengers (from 1,500 to 1,700).

TABLE 1. Visitor Volume, by Exit Mode, Fall/Winter 2011-12 and 2012-13

Exit Mode	2011-12	2012-13	% change 11-12 to 12-13
Domestic air	250,500	248,300	-1%
International air	4,800	3,800	-21
Highway	10,000	9,300	-7
Ferry	1,500	1,700	+13
Total	266,800	263,100	-1%

The table on the following page shows a variety of indicators that allow us to better understand the fall/winter season. All figures refer to the October-April period. Note that all indicators except for the Alaska Marine Highway System figure include both resident and non-resident activity.

- Domestic air exits were down less than a percent between 2011-12 and 2012-13, influenced largely by the 0.8 percent decrease in Anchorage exits. Fairbanks, Sitka, and Other (Petersburg/Wrangell/Cordova/Yakutat) all showed very slight increases, while Juneau and Ketchikan showed very slight decreases. Overall, exits mirrored 2011-12 figures fairly closely.
- International air exits were down by 20 percent since last fall/winter, largely due to a 23 percent decrease in Japan Air passengers, who represent 92 percent of all international air passengers during the period. Condor Air increased passenger exits from 181 to 290. There were no other international carriers in Alaska during the fall/winter season.
- Highway border crossings (personal vehicle passengers) were down by 3 percent overall between 2011-12 and 2012-13. All three borders saw declines, including Alcan at -4 percent, Haines Highway at -3 percent, and Klondike Highway at -1 percent.
- The Alaska Marine Highway System shows one of the few significant increases among the traffic indicators: non-resident ridership was up by 11 percent between 2011-12 and 2012-13. (This figure reflects all non-residents riding the Alaska Marine Highway System over the fall/winter season, including those who exited the state via ferry.)
- Bed tax revenues were up between 2011-12 and 2012-13 for all four communities that provided data: 5 percent for Anchorage, 12 percent for Fairbanks (City and Borough combined), 3 percent for Juneau, and 19 percent for Sitka. Because exiting air traffic appears to be relatively flat for all of these communities, higher bed tax revenues probably do not reflect increased non-resident traffic. Other potential factors include higher room rates and increased usage of lodging facilities by in-state residents.
- Anchorage vehicle tax revenues were down by 1 percent since the previous fall/winter, while RV rental revenues were down by 18 percent. Anchorage convention attendance was down by 2 percent between 2011-12 and 2012-13.

**TABLE 2. Fall/Winter Visitor Industry Indicators
2011-12 to 2012-13**

	2011-12	2012-13	% change
Domestic Air Passenger Exits			
Anchorage	582,717	577,990	-0.8%
Fairbanks	90,558	91,003	+0.5
Juneau	49,079	48,813	-0.5
Ketchikan	22,442	22,194	-1.1
Sitka	11,148	11,188	+0.4
Other	8,477	8,604	+1.5
Total	764,421	759,752	-0.6%
International Air Passenger Exits			
Anchorage	614	290	-53%
Fairbanks	4,199	3,555	-15
Total	4,813	3,845	-20%
Highway Border Crossings (Personal Vehicle Occupants)			
Alcan Hwy	13,708	13,155	-4%
Klondike Hwy	11,640	11,530	-1
Haines Hwy	7,046	6,821	-3
Total	32,394	31,506	-3%
Ferry Non-Resident Ridership			
Total passengers	13,175	14,634	+11%
Lodging Tax Revenues			
Anchorage	\$6,941,929	\$7,317,674	+5%
Fairbanks ¹	\$1,326,298	\$1,490,404	+12
Juneau	\$356,062	\$366,297	+3
Sitka	\$49,247	\$58,708	+19
Anchorage Vehicle Tax Revenues			
Vehicles	\$1,098,769	\$1,091,354	-1%
RVs	\$16,524	\$13,504	-18
Anchorage Conventions			
Total attendance	75,231	73,907	-2%

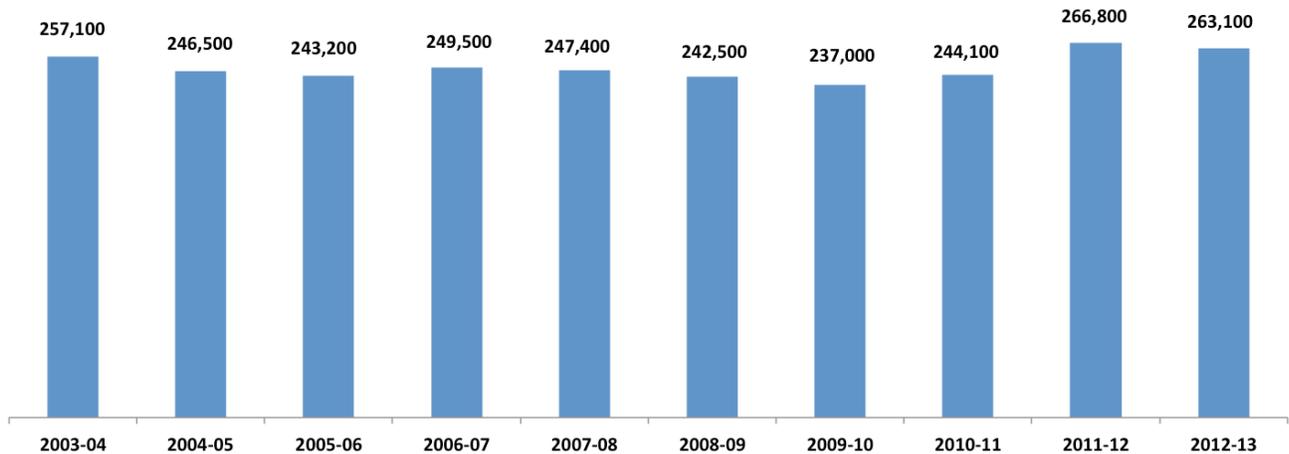
Sources: Ted Stevens Anchorage International Airport, Fairbanks International Airport, Alaska Airlines, Yukon Department of Tourism and Culture, Alaska Marine Highway System, Municipality of Anchorage, Visit Anchorage, Fairbanks Convention & Visitors Bureau, City and Borough of Juneau, and City and Borough of Sitka.

¹ Fairbanks bed tax figures represent combined totals of the City of Fairbanks and the Fairbanks North Star Borough.

Visitor Volume Trends

While the visitor volume of fall/winter 2012-13 showed a slight decline (1 percent) from 2011-12, it is still higher than all other fall/winter periods over the last decade. As seen in the following chart, fall/winter volume changes very little over time, unlike summer visitor volume. The market is largely composed of business travelers and those visiting friends or relatives (VFRs), which are not as subject to market changes as the vacation/pleasure market.

CHART 2. Visitor Volume, Fall/Winter 2003-04 to 2012-13



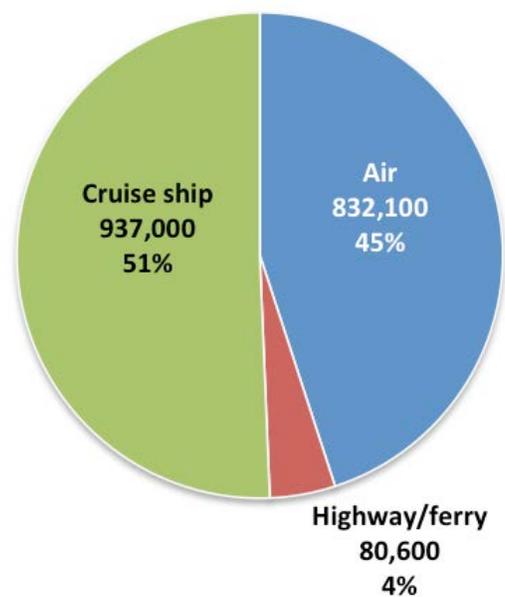
Sources: 2003-2004 data from *Alaska Visitor Arrivals* studies (conducted by Northern Economics, Inc.); 2004-2013 data from AVSP V and AVSP VI (conducted by McDowell Group, Inc.).

Full-Year Visitor Volume

Combining results of the Summer 2012 and Fall/Winter 2012-13 AVSP study periods, the volume of out-of-state visitors to Alaska for the 12-month period of May 2012 through April 2013 was 1,849,700. The summer market (1,586,600) represented 86 percent of the annual volume; the fall/winter market (263,100) represented 14 percent. The full-year volume of 2012-13 represents an increase of 1.4 percent over the previous 12-month period.

The chart at right shows the full-year volume by transportation market. The cruise ship volume of 937,000 includes all cruise ship visitors (regardless of entry/exit transportation mode). The air volume of 832,100 represents all visitors who entered and exited Alaska via air (excluding cruise ship passengers). The highway/ferry volume of 80,600 includes all visitors who entered or exited Alaska via highway or ferry.

CHART 3. Alaska Visitor Volume, Full Year 2012-13, By Exit Mode

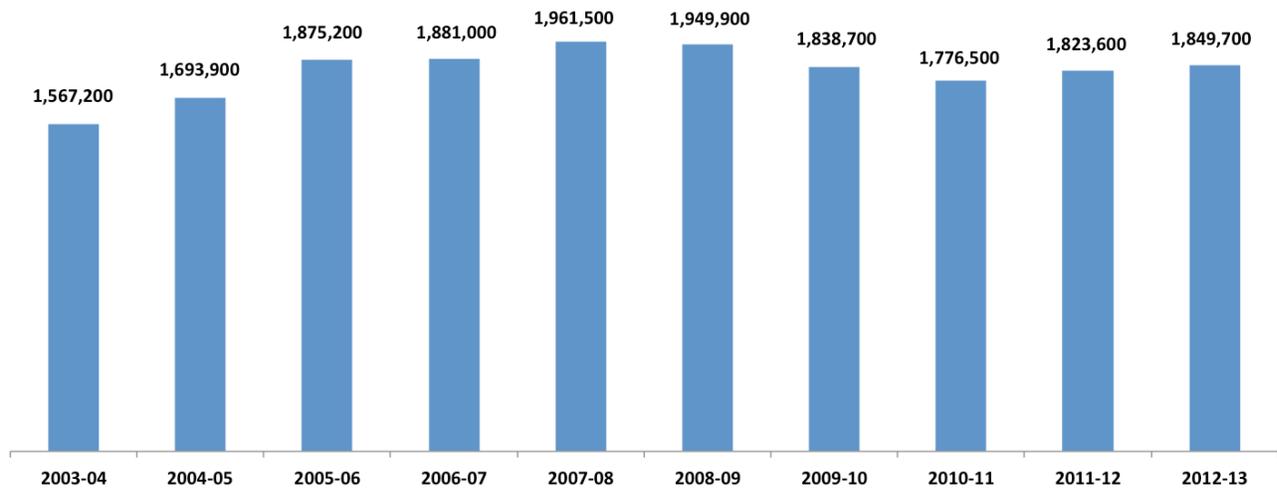


TOTAL VISITORS: 1,849,700

Full-Year Visitor Volume Trends

The 2012-13 full-year visitation of 1,849,700 marks the second consecutive year of growth after the recession-era slump of 2008-09 to 2010-11. After the low point of 2010-11, volume grew by 3 percent in 2011-12, then by an additional 1 percent in 2012-13. The 2012-13 figure of 1,849,700 is nearly equivalent to the 2005-06 total of 1,875,200; the most recent period is still 7 percent below the peak of 2007-08. Annual visitation volume is largely driven by the summer market, which represents 86 percent of full-year volume. With visitor volume expected to increase in summer 2013 (largely driven by the recovery of the cruise ship market), the next full-year period will almost certainly show a third consecutive year of growth.

CHART 4. Full-Year Visitor Volume, 2003-04 to 2012-13



Sources: 2003-04 data from *Alaska Visitor Arrivals* studies (conducted by Northern Economics, Inc.); 2004-13 data from AVSP V and AVSP VI (conducted by McDowell Group, Inc.).

Methodology

This report provides visitor volume estimates for Alaska between October 1, 2012 and April 30, 2013, as part of the *Alaska Visitor Statistics Program VI (AVSP)*, conducted by McDowell Group for the Alaska Department of Commerce, Community, and Economic Development (Division of Economic Development).

Visitor volume is estimated by exit mode; the methodology is slightly different for each mode.

Domestic and International Air: Outgoing traffic by month and by port was gathered from Alaska Airlines, Anchorage International Airport, and Fairbanks International Airport. Visitor/resident ratios were applied to monthly traffic, by port, to arrive at visitor volume estimates. Ratios were determined in the fall/winter 2011-12 AVSP survey fielding period, during which time 34,381 domestic flight passengers and 3,634 international flight passengers were tallied as they embarked on flights exiting Alaska. Tallies took place at airports in Anchorage, Fairbanks, Juneau, Ketchikan, and Sitka.

Highway: Border crossing data (the number of people exiting Alaska/entering Yukon) was provided by month and port by the Yukon Department of Tourism and Culture. Visitor/resident ratios were applied to seasonal (fall and winter) traffic, by port, to arrive at visitor volume estimates. The ratios were based on tallies conducted in AVSP V (2006-07) because no highway tallies were conducted for AVSP VI (2011-12).

Ferry: The Alaska Marine Highway System provided non-resident exiting traffic data by month and port (passengers disembarking at Bellingham and Prince Rupert).

This report also includes additional indicators of the 2012-13 visitor season and how they compare to 2011-12. Sources included:

- Bed tax revenues collected from Municipality of Anchorage, Fairbanks Convention and Visitors Bureau, City and Borough of Juneau, and City and Borough of Sitka.
- Vehicle rental tax revenues collected from Municipality of Anchorage.
- Anchorage convention attendance provided by Visit Anchorage.

The AVSP VI study team would like to acknowledge the following entities for their assistance with the project.

Alaska Airlines
Alaska Marine Highway System
Alaska Travel Industry Association
Cruise Line Agencies of Alaska
Fairbanks International Airport
Ted Stevens Anchorage International Airport
U.S. Customs and Border Protection
Yukon Department of Tourism and Culture

Visitor/Resident Ratios

The following table shows the percentage of all travelers exiting the state by various transportation modes who are out-of-state visitors (rather than Alaska residents) in fall/winter 2012-13. For example, an estimated 33.0 percent of travelers who exited Alaska via Domestic Air in fall/winter 2012 were visitors. These ratios are a composite of ratios by location, by month. Because they apply to traffic data on a monthly and by-location basis, applying them to overall traffic will not yield the same results.

It is important to note that the highway ratio refers to highway travelers who are exiting the state for the final time on their trip. This eliminates the possibility of double-counting visitors who exit the state twice – for example, ferry passengers who exit the state at Beaver Creek, then re-enter at Haines to board a ferry.

TABLE 3. Visitor Percentages, by Mode

Exit Mode	Percentage Visitors
Domestic Air	33.0%
International Air	98.6%
Highway ¹	24.9%
Ferry	24.6%
Total	32.6%

¹ The highway ratio refers to “last-exit” visitors: not planning to re-enter Alaska on the same trip.