Why Invest in Research?

- Competitive industry
- Limited funding
- Improve efficiency and effectiveness of marketing efforts
- Accountability
Research Conducted

- Comprehensive Visitor Research
  - Alaska Visitor Statistics Program (AVSP)
  - Images of Alaska
- Economic Impact
- Branding
- Segmentation Research
- Ad Awareness
- Vacation Planner & Website Research

- Specific Focus Research
  - Repeat Visitors
  - Winter
  - Highway
  - Market Allocation
- Conversion Study
- Travel Intentions
- Website Return on Investment
- Website Mapping Usability
- Mobile App Usability
Alaska Visitor Statistics Program

Total Visitor Volume: 1,966,700

- Summer: 1,693,700 (86%)
- Fall/Winter: 273,000 (14%)
Alaska Visitor Volume, Full Year 2013-14, By Market

- **Cruise**: 999,600 (51%)
- **Air**: 881,400 (45%)
- **Highway/Ferry**: 85,700 (4%)

Total Visitor Volume: 1,966,700
Alaska Visitor Statistics Program

Alaska Visitor Origin

- Western US: 36%
- Southern US: 22%
- Midwest US: 14%
- Eastern US: 11%
- Canada: 7%
- Other Int’l: 10%

Alaska Visitor Age Ranges

- 65+: 24%
- 55-64: 28%
- 45-54: 19%
- 40-44: 9%
- 25-34: 7%
- 18-24: 4%
- Under 18: 8%
Alaska Visitor Statistics Program

**Summer Visitors**

<table>
<thead>
<tr>
<th>Destination</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Juneau</td>
<td>61%</td>
</tr>
<tr>
<td>Ketchikan</td>
<td>58%</td>
</tr>
<tr>
<td>Anchorage</td>
<td>49%</td>
</tr>
<tr>
<td>Skagway</td>
<td>49%</td>
</tr>
<tr>
<td>Denali</td>
<td>28%</td>
</tr>
<tr>
<td>Glacier Bay</td>
<td>24%</td>
</tr>
<tr>
<td>Seward</td>
<td>22%</td>
</tr>
<tr>
<td>Fairbanks</td>
<td>21%</td>
</tr>
<tr>
<td>Whittier</td>
<td>14%</td>
</tr>
<tr>
<td>Talkeetna</td>
<td>13%</td>
</tr>
</tbody>
</table>

**Winter Visitors**

<table>
<thead>
<tr>
<th>Destination</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOUTHCENTRAL</td>
<td>77%</td>
</tr>
<tr>
<td>Anchorage</td>
<td>73%</td>
</tr>
<tr>
<td>Palmer/Wasilla</td>
<td>13%</td>
</tr>
<tr>
<td>Girdwood/Alyeska</td>
<td>10%</td>
</tr>
<tr>
<td>Kenai/Soldotna</td>
<td>7%</td>
</tr>
<tr>
<td>Seward</td>
<td>6%</td>
</tr>
<tr>
<td>INTERIOR</td>
<td>21%</td>
</tr>
<tr>
<td>Fairbanks</td>
<td>19%</td>
</tr>
<tr>
<td>SOUTHEAST</td>
<td>10%</td>
</tr>
<tr>
<td>Juneau</td>
<td>5%</td>
</tr>
<tr>
<td>Ketchikan</td>
<td>4%</td>
</tr>
<tr>
<td>FAR NORTH</td>
<td>6%</td>
</tr>
<tr>
<td>SOUTHWEST</td>
<td>5%</td>
</tr>
</tbody>
</table>
Gather information not included in AVSP:

- Identify the size of the potential market
- Define important motivating factors:
  - Travel needs
  - Attitudes
  - Demographics of current and potential visitors
  - Media usage
Images of Alaska

Key Findings:

- Marketing potential is large*:
  - 24% of all US adults are prospective Alaska travelers (approx. 56 million)
  - 18% are high potential prospects (approx. 18 million)

- High potential prospects reside in western & southern US

- The repeat visitor market is growing:
  - 32% in 2006 → 45% in 2011

Note: Prospects have increased by 1% but high potential prospects have decreased by 2%
Images of Alaska

- **Key Findings:**
  - **Primary lures/high potentials:**
    - Natural beauty and wildlife
  - **Primary deterrents/high potentials:**
    - Cost, distance and time
  - Challenge is to convey the ease in getting to Alaska and that an Alaska vacation offers good value
### Economic Impact of Alaska's Visitor Industry (2012-2013)

**Highlights**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peak Season Jobs</td>
<td>46,500</td>
</tr>
<tr>
<td>Taxes and Revenues</td>
<td>$179 M</td>
</tr>
<tr>
<td>Visitor Spending</td>
<td>$1.8 B</td>
</tr>
<tr>
<td>Economic Impact</td>
<td>$3.9 B</td>
</tr>
<tr>
<td>Labor Income</td>
<td>$1.3 B</td>
</tr>
<tr>
<td>Total Visitors</td>
<td>1.96 M</td>
</tr>
</tbody>
</table>

*View the full report.*

Prepared for Alaska Division of Economic Development by McDowell Group, Inc.

[http://commerce.state.ak.us/dnn/ded/DEV/TourismDevelopment/TourismResearch.aspx](http://commerce.state.ak.us/dnn/ded/DEV/TourismDevelopment/TourismResearch.aspx)
Branding Research (2001)

- Study was designed to help develop a distinct, clear image of an Alaska vacation that matters to consumers and clearly differentiates Alaska from other destinations.

- Several concepts tested via focus groups and mall intercepts:
  - Positive and negative reactions
  - Which concept was most effective in increasing interest in an Alaska vacation
  - Which concept created the most positive impression of Alaska
Alaska – A part of America where there are;
More mountains than buildings;
More wildlife than people;
More glaciers than stop lights;
Yet within your reach.
If you're looking for the perfect escape
Discover Alaska

It's within your reach

Alaska is yours to Explore

You're dreamed of an Alaska escape. Now you can make those dreams real. In these pages, you'll find a good store of helpful advice — and tips to ensure an unforgettable Alaska vacation can be yours right now. Check out the simple itineraries beginning on page 17 and see how much of Alaska you can experience in seven days or fewer. Basin Road, the Alaska Highway, and the Haines Highway are a few of the many roads to get here. See how simple it is to get around on your own, with a guide. We'll show you the way. Your trip starts here...
Segmentation Research (2007)

- Study designed to:
  - Identify key, unique market segments
  - Identify important and discriminating travel needs, motivators and attitudes of each visitor segment
  - Profile the demographic, geographic and media-graphic characteristics of each visitor segment
<table>
<thead>
<tr>
<th>KEY MARKET SEGMENTS</th>
<th>% OF ALASKA VISITOR MARKET</th>
<th>AVE. AGE</th>
<th>TRAVEL NEEDS/ATTITUDES/MOTIVATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chauffeured Seniors</td>
<td>23%</td>
<td>63.6</td>
<td>Enjoy group activities, like to stay closer to home, return to places they like, learning about an area is more important than adventure and excitement</td>
</tr>
<tr>
<td>Fun Lovers</td>
<td>21%</td>
<td>55.1</td>
<td>Consider vacations essential to mental health, seek new and unique places, very social and enjoy mixing with other people, like to experience wide range of experiences</td>
</tr>
<tr>
<td>Culture Vultures</td>
<td>20%</td>
<td>56.8</td>
<td>Learning about the areas they visit is important, want to experience local culture, like to travel far from home, prefer passive group activities</td>
</tr>
<tr>
<td>Adventure Seekers</td>
<td>16%</td>
<td>50.9</td>
<td>Prefer outdoor adventure and time spent close to nature, like to travel far from home, enjoy new and unique experiences including different cultures and ways of living</td>
</tr>
<tr>
<td>Road Warrior</td>
<td>9%</td>
<td>61.1</td>
<td>Enjoy going to new places and not knowing what they will encounter each day, like to vacation close to nature, like to visit rural areas, prefer taking one long vacation to several shorter ones</td>
</tr>
</tbody>
</table>
Ad Awareness Study (2012)

- Understand how Alaska ads drive awareness and when awareness begins to fall-off

- Key Findings:
  - Awareness peaks shortly after ads run
  - Awareness decreases in the following months
  - Awareness evens out in late spring/early summer months
Key Findings:

Exposure to Alaska ads leads to:

- Positive impression of the destination
- Drives traffic to the state’s official tourism website, TravelAlaska.com
- Increases likelihood that consumers will visit Alaska in the next 12 months
Ad Awareness Study

- **Key Findings:**
  - Ad awareness varies by type of media:
    - 32% TV ads
    - 28% Vacation Planner
    - 18% Magazine ads
    - 13% Reach brochure
    - 11% Website
    - 9% Direct Mail
  - High level, consistent funding has had a significant impact on improving ad awareness; awareness will likely decrease if investments dwindle in the future.
Purpose:

Assess usability of the Vacation Planner as a planning and motivational tool, gain insights on organization, reactions to design and content
Key Findings:

- Vacation Planner was important in reinforcing or confirming the decision to travel to Alaska.
- TravelAlaska.com connects consumers with businesses and helps them make decisions on activities, hotels, sightseeing options, etc.
- Planner and website complement each other, with consumers going back and forth between both.
Repeat Visitor Research (2001)

- Determine rate of repeat visitation
- How repeat visitors differ from first-time visitors

Key Findings:
- Average number of trips to Alaska for repeat visitors is 3.6 times
- Nearly half (47%) of all repeat visitors live in western U.S.
Winter Images of Alaska (2011)

- **Purpose:**
  - Better understand the potential for winter tourism

- **Key Findings:**
  - There is interest in visiting Alaska in winter months
    - 40% for past Alaska visitors
    - 41% for high potential prospects
  - Awareness of winter activities:
    - Unaided: Scenery/Sightseeing, dog sledding, skiing/snowboarding
    - Aided: Northern Lights and Wildlife Viewing, winter hot springs, winter festivals, visiting Arctic Circle
Highway Conversion Study (Annual)

- **Purpose:**
  - Determine how direct response components* - and the program as a whole - convert interest into travel

- **Key Findings:**
  - Conversion rate of 5.8% in 2014
  - Conversion rate more than doubles (14.9% in 2013) as additional consumers convert in second/third/fourth years – each year picking up another 3-4%
Purpose:

- Evaluate overseas market opportunities to determine which markets offer the best investment for Alaska.

Analysis based on:

- 30 indicators of market size and growth, destination and activity preferences, market presence, accessibility and barriers, purchasing power, and value per visitor.
Market Allocation Study

- **Key Findings:**
  - Alaska’s allocation has is consistent with balanced risk tolerance and short term time horizon.
  - Program appropriately focused on Australia/NZ, UK, Japan, Germany/GSE.
  - Looking at longer term horizon, Alaska should diversify allocations across a broader set of countries, including China, India and Brazil.
Conversion Study (Annual)

- **Purpose:**
  - Determine how direct response components - and the program as a whole - convert interest into travel

- **Key Findings:**
  - Overall conversion rate was 10.36% in 2014
  - Conversion rate nearly triples as additional consumers convert in second/third/fourth years – each year picking up another 5-6%
Conversion Study

- Different media converts at a different rate

<table>
<thead>
<tr>
<th>MEDIA</th>
<th>RANGE</th>
<th>WEIGHTED TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magazine</td>
<td>6% – 23.8%</td>
<td>10%</td>
</tr>
<tr>
<td>Direct Mail</td>
<td>3.2% – 12%</td>
<td>7.12%</td>
</tr>
<tr>
<td>Television</td>
<td>13.9% – 19.3%</td>
<td>16.25%</td>
</tr>
<tr>
<td>Online</td>
<td>1% – 38%</td>
<td>6.36%</td>
</tr>
<tr>
<td>PPC</td>
<td>33% – 39%</td>
<td>35.88%</td>
</tr>
</tbody>
</table>
Travel Intentions Study (Annual)

- ‘Sneak peek’ at the upcoming season
- Allows us to estimate travel volume and find out whether reservations have been made
- Discover reasons for not visiting and determine whether marketing adjustments should be made
Purpose:

- Determine Return on Investment (ROI) for TravelAlaska.com
- Collect detailed information on type of trip taken, what was spent, and satisfaction levels for TravelAlaska.com
Website Return on Investment

Key Findings:

For every 1,000 unique visitors to the site:

- 20 incremental trips to Alaska are generated by the website
- Nine visitor trips are extended based on the website’s influence
- Average length of incremental trip was 8.3 days
- Economic impact/ROI of the website is roughly $60.32 per unique visitors
Website Mapping Usability (2013)

- **Purpose:**
  - Learn about online mapping the features/functions travelers would most benefit from and better understand ideal user experience for online maps (navigational effectiveness, user objectives, connecting with businesses)
Website Mapping Usability

- **Key Findings:**
  - Maps are critical and allow visitors to gain perspective on the destination.
  - Maps are used in the later stages of trip planning when identifying key logistics such as lodging, activities, dining, transportation, attractions.

- **Recommendations:**
  - Make maps larger with more detail (roads, landmarks, etc.)
  - Use smaller icons
  - Use only interactive maps – and make it clear they are interactive.
Purpose:

- Learn more about content and features Alaska travelers seek from a destination
- Gain deeper understanding of the ideal user experience (initial response, overall appeal of design, content, navigational effectiveness, functionality, ability to market Alaska businesses)
Mobile App Usability

- Key Findings:
  - Expand feature to My Alaska Trip
    - Sort/categorize items, print/email options, map directions between locations
  - Add weather content
  - Develop additional content and features
    - Trip ideas, FAQ section, map content beyond just business listings