

ALASKA TOURISM MARKETING RESEARCH

December 2014

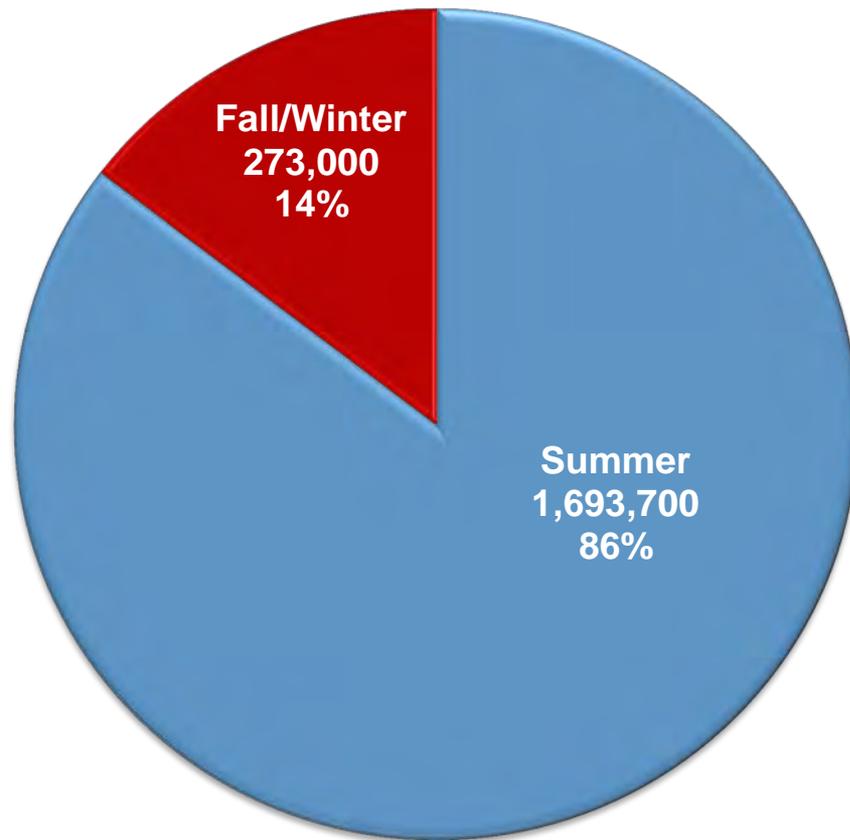
Why Invest in Research?

- 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

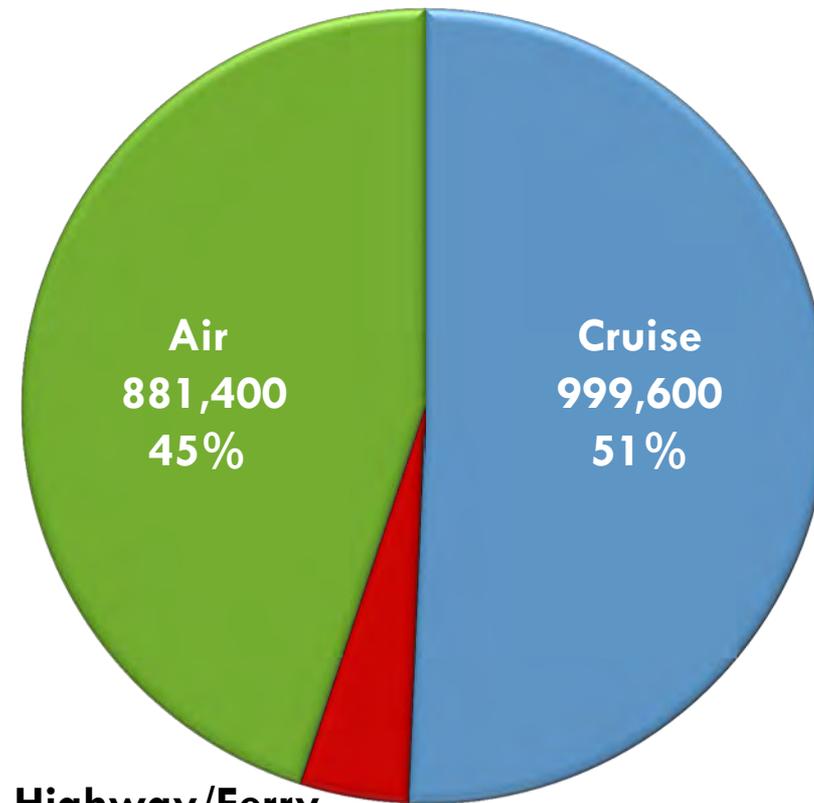
Alaska Visitor Statistics Program



**Total Visitor
Volume: 1,966,700**

Alaska Visitor Statistics Program

Alaska Visitor Volume, Full Year 2013-14, By Market

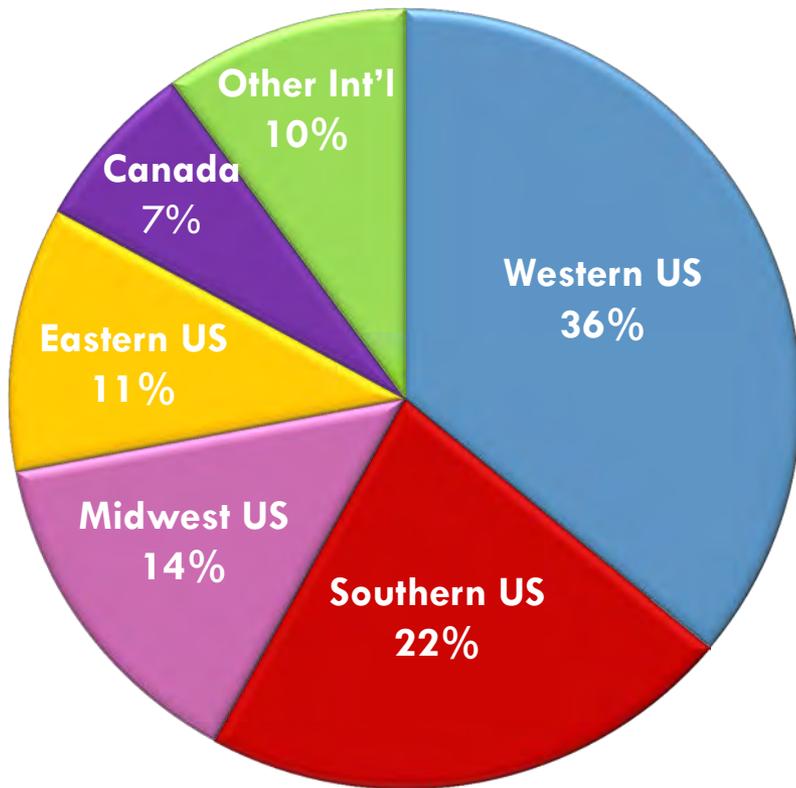


**Total Visitor
Volume: 1,966,700**

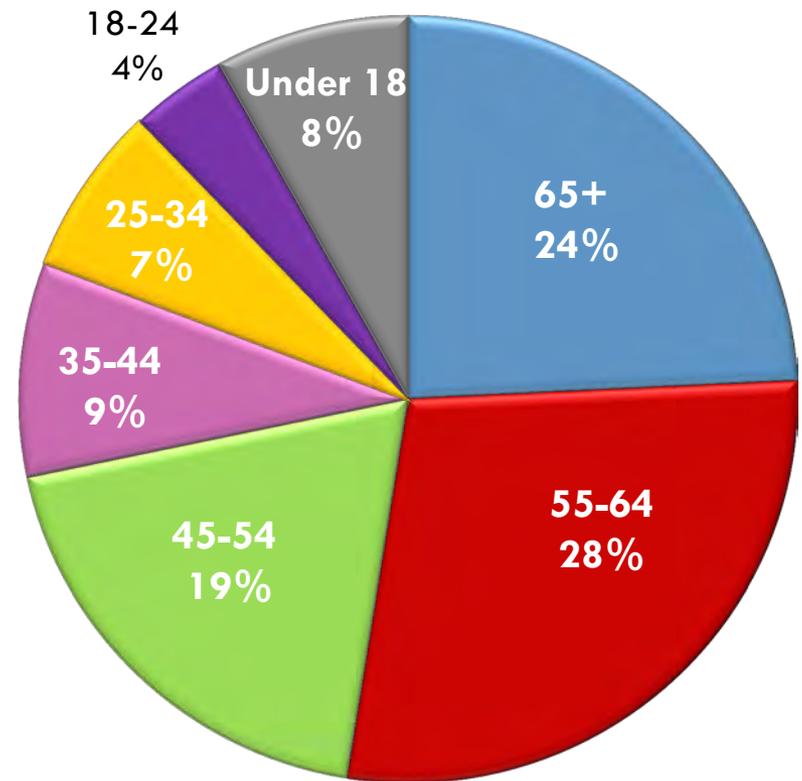
Highway/Ferry
85,700
4%

Alaska Visitor Statistics Program

Alaska Visitor Origin



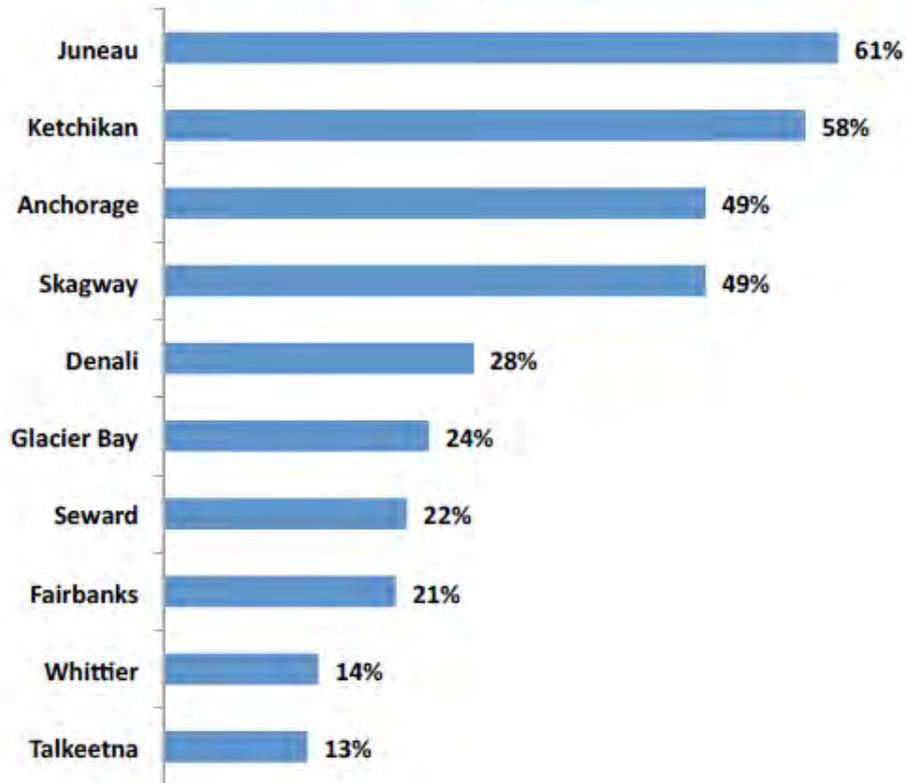
Alaska Visitor Age Ranges



Alaska Visitor Statistics Program

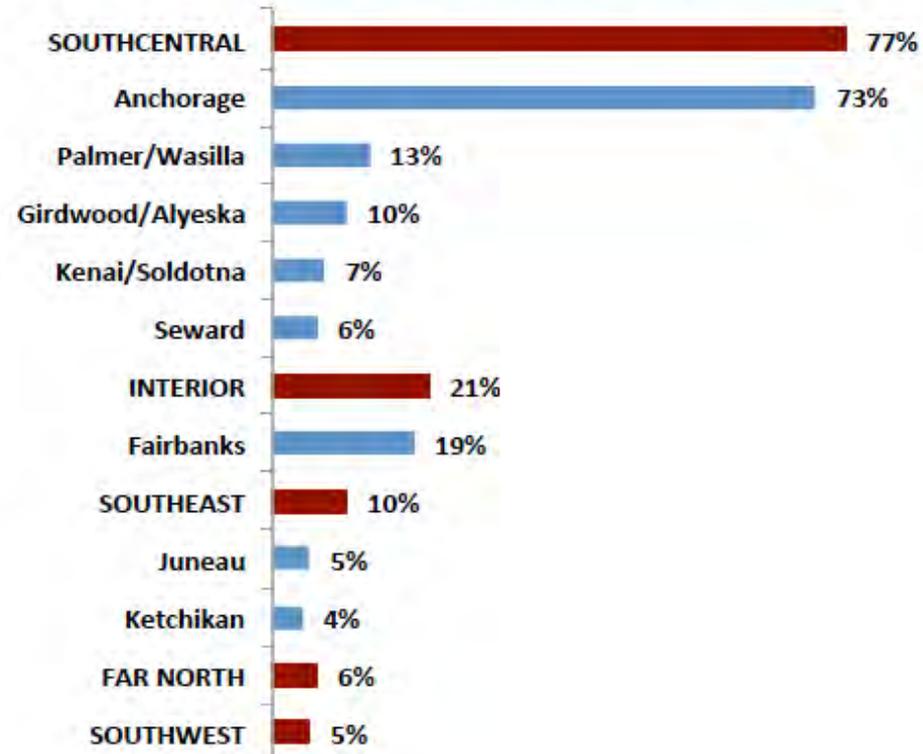
Summer Visitors

CHART 1.6 – Top 15 Alaska Destinations



Winter Visitors

CHART 1.7 – Destinations Visited



Images of Alaska Study (2011)

- 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)

Economic Impact of Alaska's Visitor Industry (2012-13 Update) October 2012 - September 2013

Highlights

Peak Season Jobs
46,500

Taxes and Revenues
\$179 M

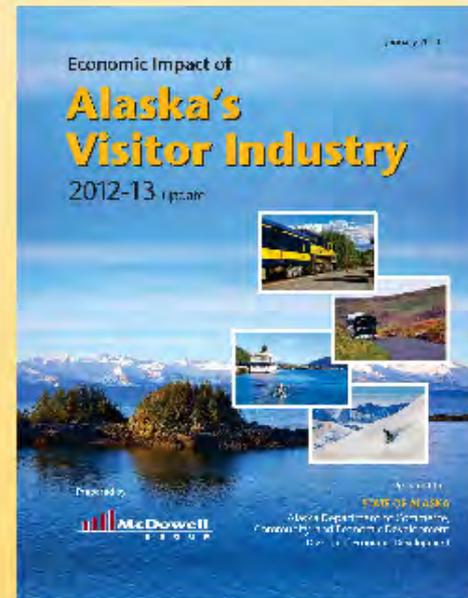
Visitor Spending
\$1.8 B

Economic Impact
\$3.9 B

Labor Income
\$1.3 B

Total Visitors
1.96 M

[View the full report.](#)



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

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

Branding Research



**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

When it comes to an Alaska vacation, how you can make those dreams real. In these pages, you'll find a guide to all of the best adventures — and how to make the most of your Alaska vacation. You can't visit Alaska without seeing the state's incredible scenery. Check out the sample itineraries beginning on page 24 and see how much of Alaska you can experience on a variety of levels. Learn how easy it is to get there. See how simple it is to get around in your vehicle with a great road trip travel guide. — and how to get home.

With all of the beauty of your trip, the Alaska vacation of your dreams is truly within reach. And this is just the beginning of your adventure. The best of your vacation starts here.

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

KEY MARKET SEGMENTS	% OF ALASKA VISITOR MARKET	AVE. AGE	TRAVEL NEEDS/ATTITUDES/MOTIVATORS
Chauffeured Seniors	23%	63.6	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
Fun Lovers	21%	55.1	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
Culture Vultures	20%	56.8	Learning about the areas they visit is important, want to experience local culture, like to travel far from home, prefer passive group activities
Adventure Seekers	16%	50.9	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
Road Warrior	9%	61.1	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

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

Ad Awareness Study

- 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

Vacation Planner & Website (2010)

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

Vacation Planner & Website

□ 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%

** Study tests limited number of sources each year*

Market Allocation Study (2011)

- 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

MEDIA	RANGE	WEIGHTED TOTAL
Magazine	6% – 23.8%	10%
Direct Mail	3.2% – 12%	7.12%
Television	13.9% – 19.3%	16.25%
Online	1% – 38%	6.36%
PPC	33% – 39%	35.88%

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

Website Return on Investment (2013)

- 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

Mobile App Usability (2013)

□ 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



Alaska Department of
Commerce, Community, and
Economic Development