
Section I: Executive Summary

AVSP Overview

The Alaska Visitor Statistics Program is a statewide visitor study periodically commissioned by the Alaska Department of Commerce, Community and Economic Development. The study provides the state government and the tourism industry essential information on one of Alaska's major economic engines: out-of-state visitors. AVSP V (the fifth 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 2006 (May 1-September 30) and Fall/Winter 2006-2007 (October 1-April 30). This report addresses the Fall/Winter period.

Project Team

The AVSP V project team was lead by the McDowell Group, Inc., a research and consulting firm with offices in Juneau, Anchorage, and Kodiak. They were assisted by Davis, Hibbitts & Midghall (DHM) based in Portland, Oregon and DataPath Systems of Whitehorse, Yukon Territory.

Changes for AVSP V

While AVSP V collects much of the same information as in previous generations of the study, several significant methodological changes were incorporated: an exit (rather than entry) methodology, the consolidation of three survey instruments into one instrument, and the use of online surveying. Details on these changes can be found in the Introduction and Methodology chapters.

Methodology

The Visitor Volume estimate was based on visitor/resident tallies of 28,611 travelers exiting Alaska at major exit points. The resulting ratios were applied, by month and by location, to traffic data (for example, highway border crossings, ferry disembarkations, airport enplanements) to arrive at the visitor volume estimates.

The Visitor Survey included 1,055 intercept surveys (in-person interviews) and 223 surveys completed online, for a total of 1,278 surveys. Visitors were surveyed at all major exit points: airports, highways, and ferries. To obtain the online sample, "invitation cards" were distributed to visitors during intercept sample periods at the Anchorage and Fairbanks airports, inviting them to participate in the web-based survey. The response rate for the intercept survey was 87 percent; for the online survey, 11 percent. All data was weighted to reflect actual traffic volumes by mode of transportation.

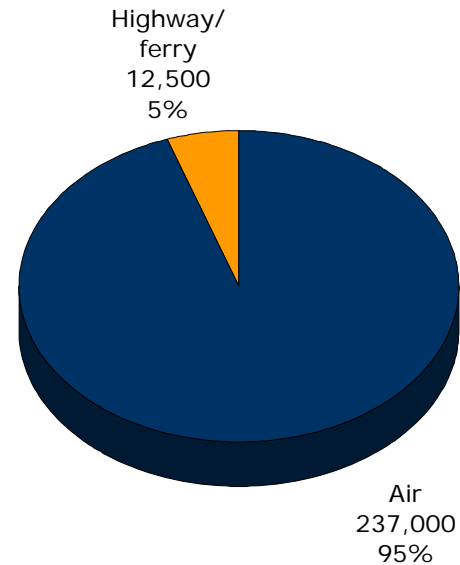
Please see the Methodology chapter for further details.

Visitor Volume

Visitor Volume, Fall/Winter 2006-2007

An estimated 249,500 out-of-state visitors came to Alaska between October 2006 and April 2007. Of this number, 237,000 were air visitors (entered and exited the state by air), and 12,500 were highway/ferry visitors (entered or exited the state by highway or ferry). Of the total market, 105,500 were traveling to visit friends or relatives; just under 100,000 were traveling for business only; and 17,000 traveled for business and pleasure. The vacation/pleasure market accounted for approximately 30,000 visitors during fall/winter – this compares to 1.3 million who traveled to Alaska in summer 2006.

Alaska Visitor Volume, Fall/Winter 2006-07
By Transportation Market

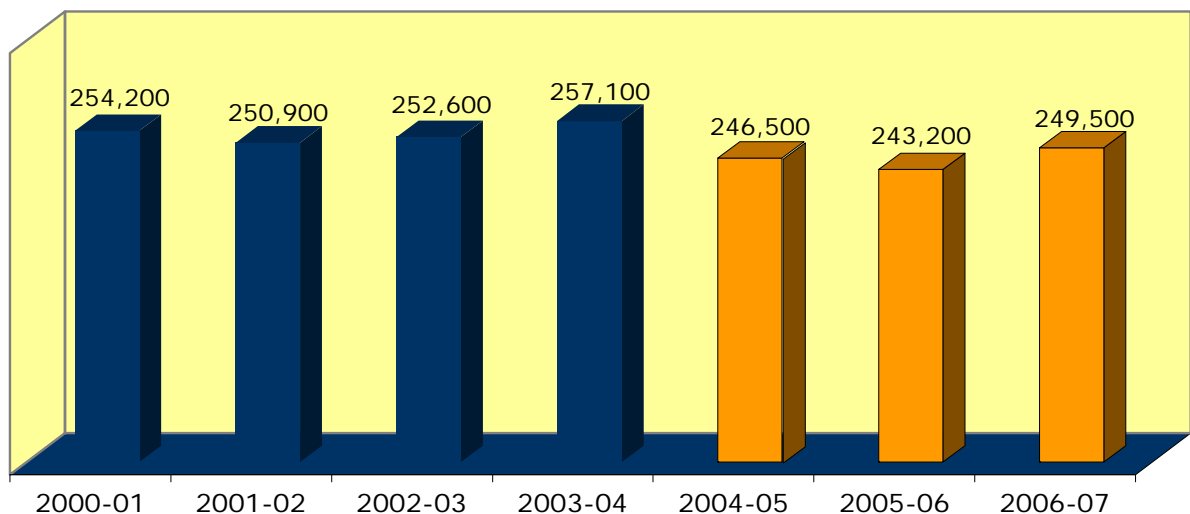


Fall/Winter Visitor Volume: 249,500

Visitor Volume Trends

The chart below shows trends in estimated visitor volume, measured by mode of entry (2000-2004) and exit (2004-2007). Fall/winter visitor volume appears to be holding steady at around 250,000 visitors. The apparent drop in visitation between 2003-04 and 2004-05 (by 4.1 percent) could be a reflection of updated data sources and ratios, rather than an actual decrease. Other traffic shifts are in the 1 to 3 percent range.

Fall/Winter Visitor Volume, 2000-2007



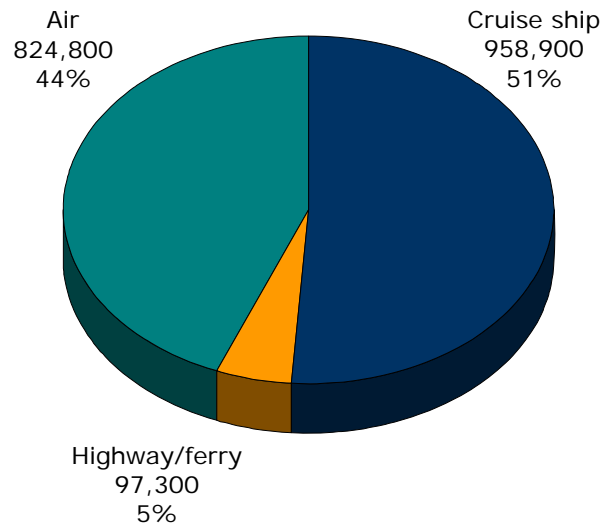
Sources: 2000-2004 data from *Alaska Visitor Arrivals* studies (conducted by Northern Economics, Inc.); 2004-2007 data based on 2006-07 visitor/resident ratios obtained for AVSP V (conducted by McDowell Group, Inc.).

Full-Year Visitor Volume

Combining results of the Summer 2006 and Fall/Winter 2006-07 AVSP study periods, the volume of out-of-state visitors to Alaska for the 12-month period was 1,881,000. The summer market (1,631,500) represented 87 percent of the annual volume; the winter market (249,500) represented 13 percent.

Of the total 12-month volume, 958,900 (51 percent) were cruise ship passengers, 824,800 (44 percent) were air visitors, and 97,300 (5 percent) were highway/ferry visitors.

*Alaska Visitor Volume, May 2006-April 2007
By Transportation Market*

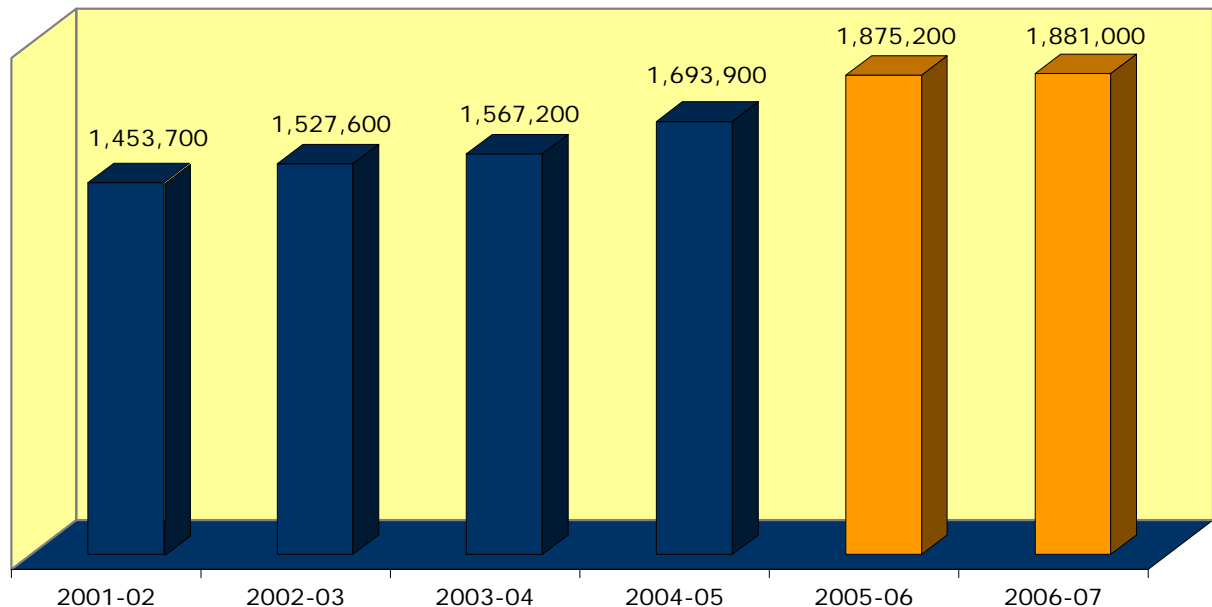


**Total Annual Visitor Volume:
1,881,000**

Full-Year Visitor Volume Trends

The chart below shows trends in estimated *annual* visitor volume, based on combined results from the summer and fall/winter periods. Visitation increased gradually between the 2001-02 and 2006-07 periods, from 1.5 million to 1.9 million. Although there appears to be a more significant increase between 2004-05 and 2005-06, the growth is partly attributable to updated data sources and methodology. The data between 2001-02 and 2004-05 is based on visitor/resident ratios collected in 2000-01, while 2005-06 and 2006-07 data was based on ratios collected in 2006-07. For further information on the differences between the two sets of data, please refer to the Summer AVSP report.

*Full-Year Visitor Volume, 2001-2007
Based on May-April Period*



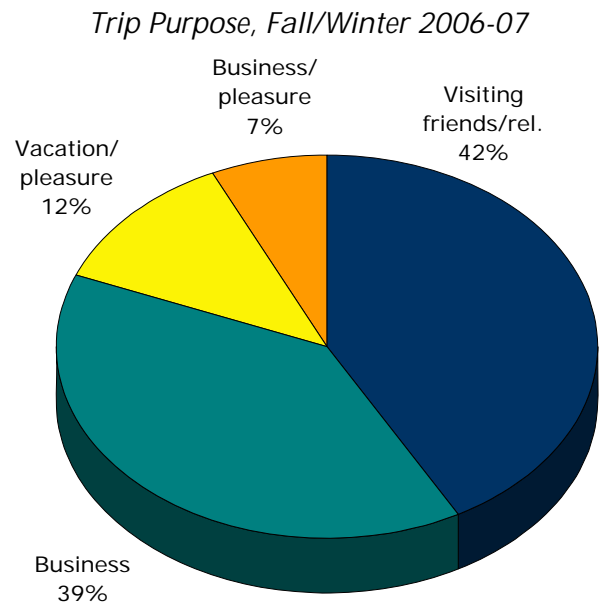
Sources: 2001-02 to 2004-05 data from *Alaska Visitor Arrivals* studies (conducted by Northern Economics, Inc.); 2005-06 to 2006-07 data based on visitor/resident ratios obtained for AVSP V (conducted by McDowell Group, Inc.).

Visitor Profile

This section summarizes the results of the visitor survey, conducted with out-of-state visitors as they departed Alaska between October 2006 and April 2007. A total of 1,055 visitors were surveyed at major exit points: airports, highways, and ferries. An additional 223 visitors completed online surveys once they returned home, for a total sample of 1,278 visitors. All data was weighted to reflect actual traffic volumes by mode of transportation.

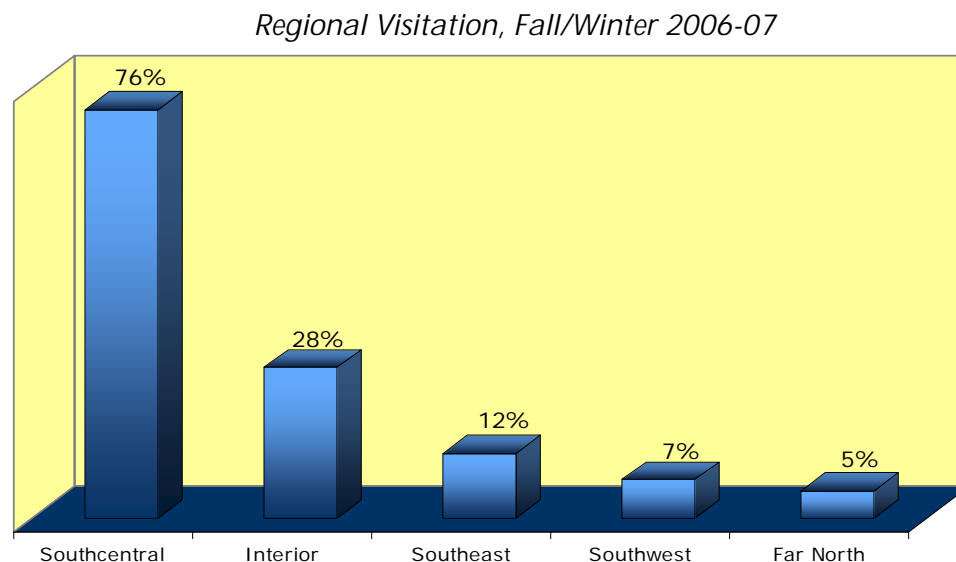
Trip Purpose

The most common trip purpose for fall/winter visitors was visiting friends or relatives (VFR), accounting for 42 percent of visitors. Close behind was business at 39 percent, with another 7 percent traveling for business *and* pleasure. Vacation/pleasure travelers accounted for just 12 percent of fall/winter visitors. These figures vary dramatically from the summer market, among whom 82 percent were traveling for vacation/pleasure; 9 percent were VFR; 5 percent were business only; and 4 percent were business/pleasure. (Note: Comments in this report regarding the “business market” refer to business-only and business/pleasure travelers combined.)



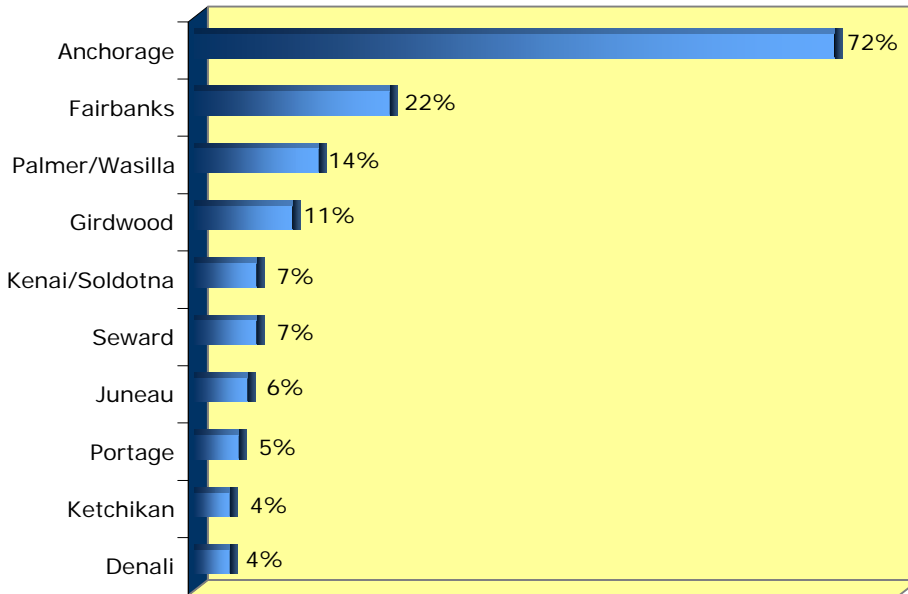
Length of Stay and Destinations

Visitors spent an average of 8.8 nights in the state in the fall/winter season. This figure ranged from 5.6 nights among vacation/pleasure travelers, to 8.2 nights among business visitors, to 10.4 nights among VFRs. Visitors were much more likely to visit Southcentral than any other region. The second most-visited region was the Interior, followed by Southeast, Southwest, and Far North. The following chart compares visitation by region.



Anchorage was by far the most-visited community among fall/winter visitors, drawing 72 percent of the market. The next most-visited community was Fairbanks, followed by Palmer/Wasilla and Girdwood. While the Southeast region was visited by 12 percent of the market, the most popular Southeast community (Juneau) drew only 6 percent.

Top Ten Destinations, Fall/Winter 2006-07

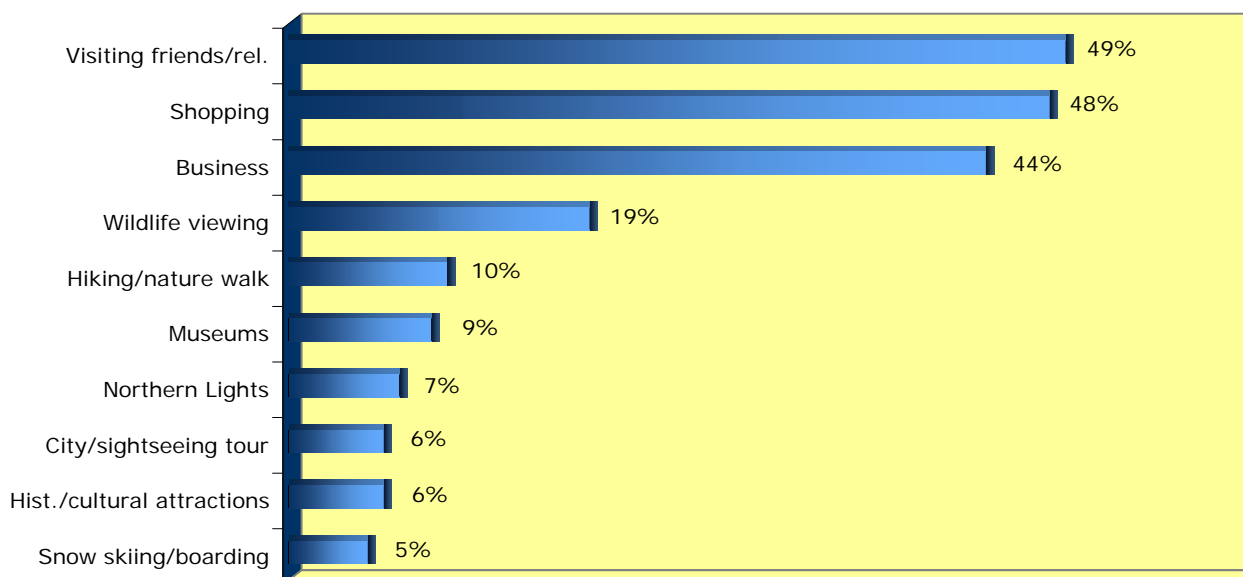


Destinations varied somewhat by trip purpose market. Business travelers were more likely than the average fall/winter visitor to visit Anchorage (78 percent) and Juneau (9 percent). Vacation/pleasure visitors tended to visit more places in Alaska, showing higher rates of visitation to Fairbanks (29 percent), Girdwood (20 percent), Seward (16 percent), and Portage Glacier (13 percent). VFRs were more likely to visit Palmer/Wasilla (19 percent). These figures reflect overall visitation, including day trips as well as overnight visits.

Activities

The most popular activities among Alaska visitors in the fall/winter season were visiting friends and relatives, shopping, and business. Participation rates drop off sharply after these three primary activities. Winter activities included Northern Lights viewing (7 percent), snow skiing/boarding (5 percent), dog sledding (4 percent), and snowmobiling (4 percent). Vacation/pleasure visitors participated in these activities at much higher rates than other visitors.

Top Ten Activities, Fall/Winter 2006-07

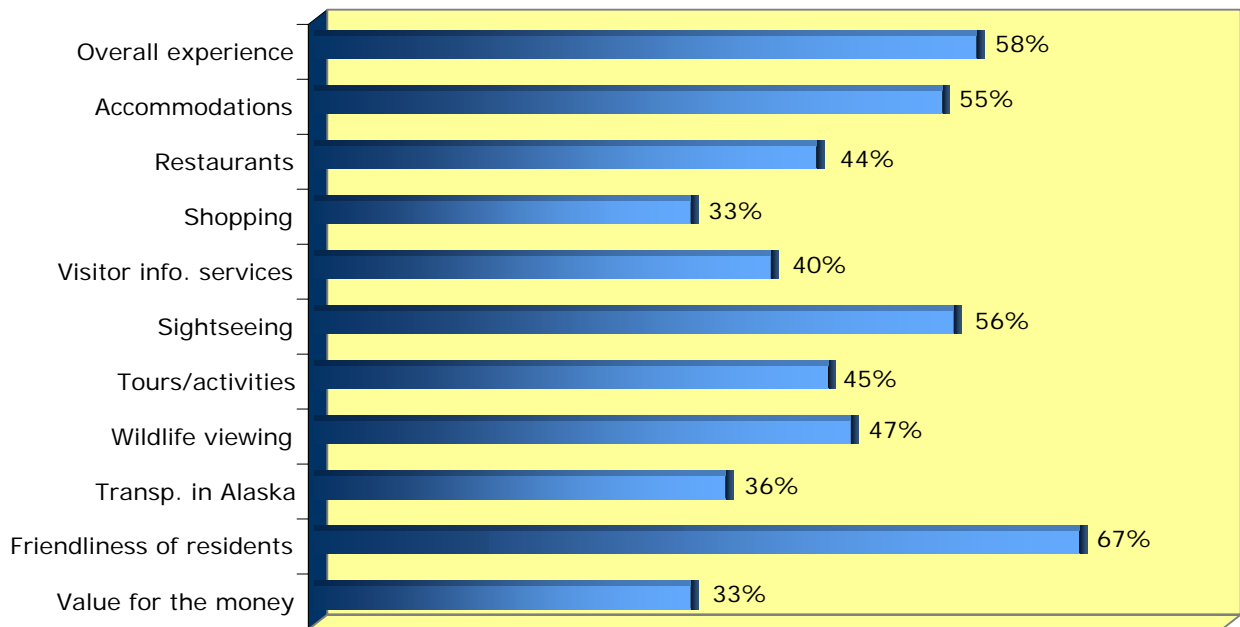


Note: Activity participation rates are based to intercept respondents only.

Satisfaction Ratings

Fall/winter visitors were generally satisfied with their overall Alaska experience, with 58 percent very satisfied, and another 40 percent satisfied. Only 1 percent were dissatisfied with their overall trip. Other categories with higher satisfaction ratings included friendliness of residents, sightseeing, and accommodations. The categories of shopping, value for the money, and transportation within Alaska received lower satisfaction ratings. Ratings among fall/winter visitors are generally lower than among summer visitors. For example, 70 percent of summer visitors were very satisfied with their overall experience, compared to 58 percent of fall/winter visitors. Among vacation/pleasure visitors, that percentage dropped from 71 to 60 percent.

*Satisfaction Ratings, Fall/Winter 2006-07
Percent of Visitors "Very Satisfied"*

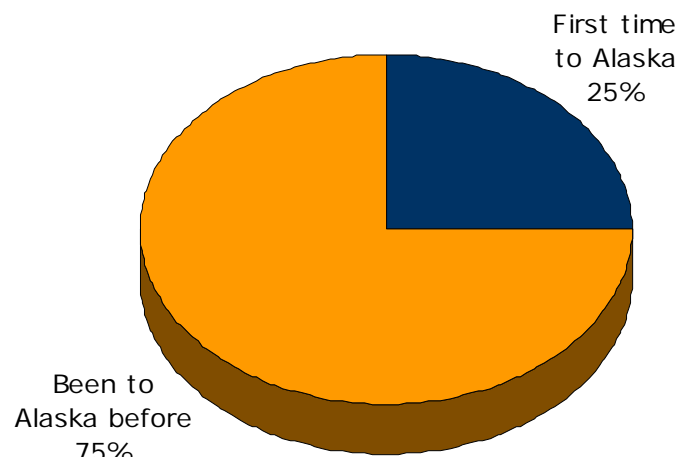


Previous Alaska Travel

Three-quarters of Alaska visitors in the fall/winter season had visited Alaska previously. This number ranged from 52 percent among vacation/pleasure visitors, to 74 percent among business visitors, to 82 percent among VFRs. The average number of previous Alaska vacation trips among repeat visitors was 6.1. Repeat rates were much higher among fall/winter visitors than among summer visitors (75 percent versus 34 percent).

Repeat visitors were asked how they entered and exited the state on their last trip. In response, 92 percent of repeat visitors said they traveled by air, 4 percent by cruise ship, 4 percent by highway, and 1 percent by ferry.

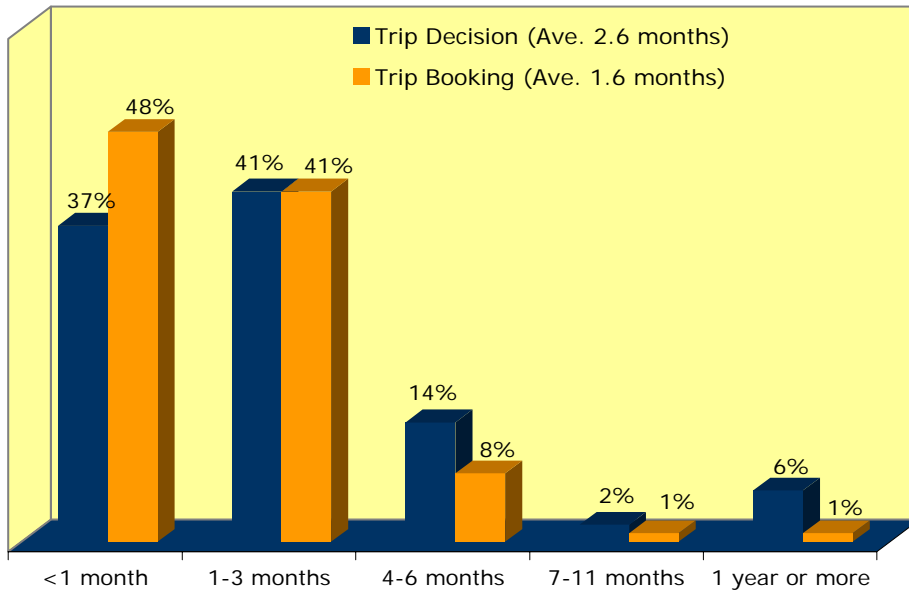
Repeat Travel to Alaska, Fall/Winter 2006-07



Trip Planning

All visitors were asked when they made their Alaska travel decision and how far ahead of time they booked their major travel arrangements. The chart below shows the average lead times and the responses in terms of ranges. The chart shows the peak booking time among fall/winter visitors: within one month of travel.

Advance Time for Trip Planning, Fall/Winter 2006-07



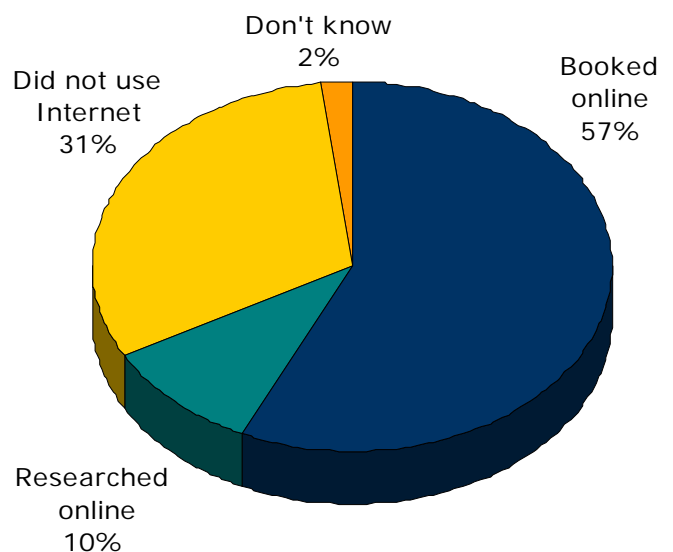
The average lead time for the trip decision was 2.6 months, and for trip booking 1.6 months, among all visitors. (This compares to 8.1 months and 5.4 months, respectively, among summer visitors.) Vacation/pleasure visitors showed longer average lead times, and business visitors shorter average lead times, when compared to the overall market.

Visitors were asked many questions about the sources they used in planning their trip. A series of questions dealt specifically with the Internet, revealing that 67 percent of visitors used the Internet to plan their trip. This figure includes 57 percent who booked at least one component online. The most common item booked online was airfare (54 percent) followed by lodging (17 percent) and vehicle rental (10 percent).

One in five fall/winter visitors reported booking at least some portion of their trip through a travel agent. The figure was higher among vacation/pleasure (33 percent) and business (28 percent) travelers. Travel agent usage in the fall/winter was much lower than in the summer, when 52 percent of visitors reported booking through a travel agent.

Visitors were asked if they used any sources other than the Internet and travel agents to plan their trip. Fall/winter visitors tended to mention very few sources other than prior experience (64 percent) and friends/family (47 percent). Vacation/pleasure visitors tended to do more research than other visitors, with higher usage of brochures, television, travel guides/books, and magazines, among others.

Internet Usage, Fall/Winter 2006-07

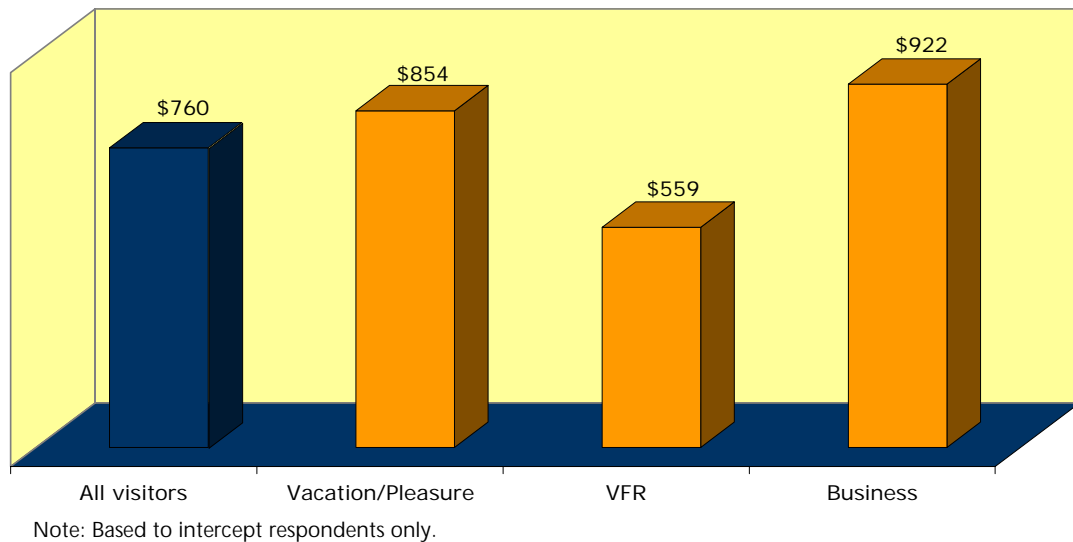


Note: Based to intercept respondents only.

Expenditures

On average, fall/winter visitors spent \$760 per person while in Alaska, not including the cost of transportation to enter and exit the state. This translates into \$84 per person, per night. Spending varied considerably by trip purpose, as seen in the graph below. Business visitors spent the most per person, at \$922. They were followed closely by vacation/pleasure visitors, who spent an average of \$854 per person. VFRs reported the lowest average spending, at \$559 per person.

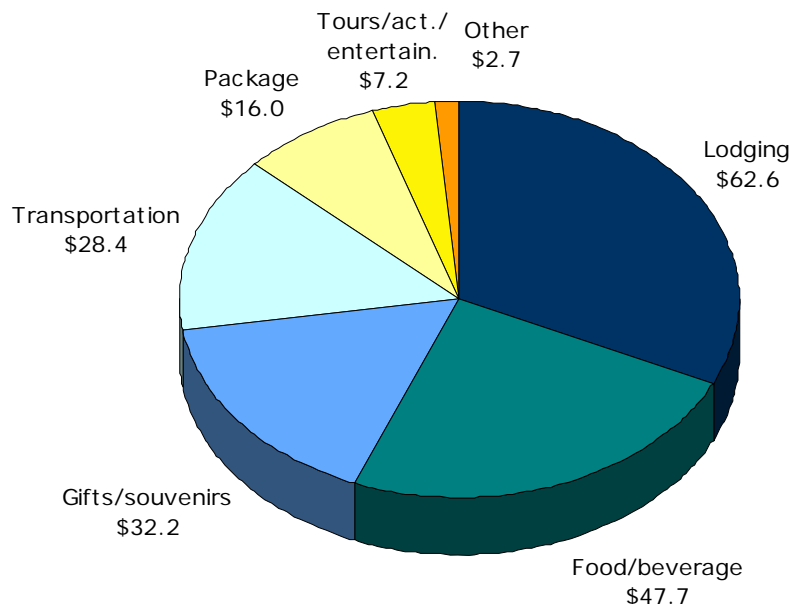
*Average Per-Person Expenditures, Fall/Winter 2006-07
Excludes travel to/from Alaska*



Expenditure results indicate that fall/winter visitors to Alaska spent a total of \$190 million on their Alaska trip, not including travel to and from the state. Vacation/pleasure visitors account for \$25 million of this figure; VFRs for \$59 million; and business visitors for \$105 million.

The pie chart at right shows how total spending breaks down in terms of category. The largest share of total spending is attributable to lodging, at \$63 million, followed closely by food/ beverage, then retail (including gifts, souvenirs, and clothing). Vacation/pleasure visitors accounted for small portions of each category: \$5.9 million in lodging; \$3.9 million in food/beverage; \$4.2 million in retail; \$6.6 million in transportation; and \$1.3 million of tours and activities. They accounted for the vast majority of package spending: \$12.6 out of \$16.0 million.

*Total Visitor Expenditures, Fall/Winter 2006-07
By Category, in Millions of Dollars*



Combining results of the Summer 2006 and Fall/Winter 2006-07 study periods, total *annual* expenditures are estimated at \$1.7 billion.

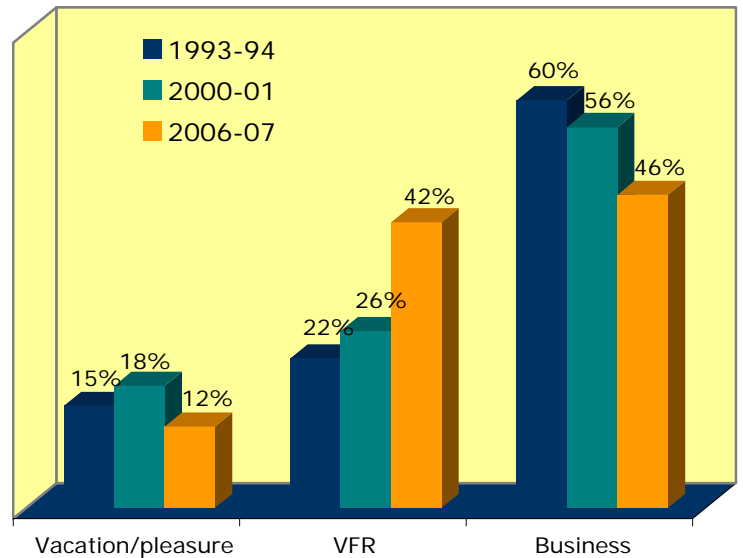
Trends

Changes in methodology and question wording over the generations of AVSP make some data difficult to compare over time. Some of the more comparable data include trip purpose, length of stay, party size, and age, among others.

The proportion of the fall/winter visitor market traveling for vacation or pleasure has decreased slightly over the years of AVSP, from 15 percent in 1993-94 to 12 percent in 2006-07. The VFR (visiting friends/relatives) market has increased over the same time period, from 22 to 42 percent of the market. The proportion traveling for business-only or business/pleasure has decreased, from 60 to 46 percent of the market.

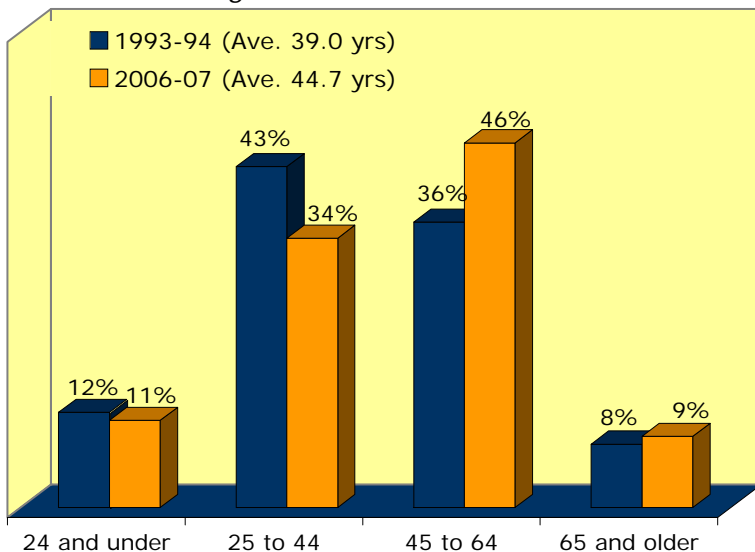
The average length of stay increased slightly between 1993-94 and 2006-07, from 8.2 to 8.8 nights. A more significant change is detectable in terms of ranges: the proportion staying seven nights or less grew from 55 percent to 69 percent, while those staying eight to 14 nights fell from 29 to 17 percent.

Trip Purpose Trends: 1993-94, 2000-01, 2006-07



Sources: 1993-94 data from AVSP III (conducted by McDowell Group); 2000-01 data from AVSP IV (conducted by Northern Economics).
Note: Business category includes business/pleasure visitors.

Age Trends: 1993-94, 2006-07



Source: 1993-94 data from AVSP III (conducted by McDowell Group).

The average age of fall/winter visitors increased from 39 years in 1993-94 to 45 years in 2006-07. Those 45 to 64 increased their share from 36 to 46 percent, while those in the 25 to 44 age group dropped from 43 to 34 percent. (Age data in 2000-01 was reported by decade, and was not reported in terms of average, making it difficult to compare with 1993-94 and 2006-07 data.)