

***Jilkaat Kwaan Cultural Heritage Center  
Tourism Management Plan  
and Marketing Recommendations***

*Prepared for:*

**State of Alaska  
Department of Commerce,  
Community & Economic Development**

AND

**Chilkat Indian Village**



Research-Based Consulting

Juneau  
Anchorage

*This report was prepared with funding from the  
U.S. Department of Commerce, Economic  
Development Administration*



***July 2009***

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# Executive Summary

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The Chilkat Indian Village is developing a Jilkaat Kwaan Cultural Heritage Center (JKCHC) intended to enhance economic development opportunities while addressing a need for cultural preservation and enrichment. The Alaska Department of Commerce, Community, and Economic Development contracted with McDowell Group to develop a plan that guides tourism marketing and operations in an appropriate manner that respects Tlingit culture and the community. The State worked closely with Chilkat Indian Village throughout the project.

The plan includes a situation analysis (with essential information about Haines markets and the competitive environment), a summary of the April stakeholder meeting held in Klukwan, and case studies conducted with seven organizations and communities. Key elements of the plan are summarized below.

## **Managing Impacts**

The role of a Best Management Practices program is to ensure that tourism development at JKCHC is compatible with the community of Klukwan.

### **IMPACT MITIGATION RECOMMENDATIONS**

#### ***Recommended Rules for Tourist Conduct***

The following guidelines should be reinforced through signage, tour guides, and employees.

- Visitors will remain within the JKCHC campus, refraining from walking or driving through Klukwan or the cemetery.
- Visitors are asked to refrain from fishing or camping in or near Klukwan.
- Visitors are asked to limit photography to the JKCHC site.
- Visitors are asked to refrain from littering.
- Visitors are asked to refrain from throwing anything into the Chilkat River and to stay away from the riverbank. The extremely swift, cold, and silty water can be very dangerous. The river is also an important source of food for the village.

#### ***Recommended Tour Operator Conduct***

The following recommendations are intended for vehicles operated by JKCHC and business partners.

- Tour vehicles will not impede traffic along the Haines Highway or at the entrance into Klukwan.
- Tour vehicle drivers will drive into the JKCHC site only and will refrain from driving through Klukwan.
- Drivers will ask passengers to remain within the JKCHC site, discouraging visitation to the cemetery and residential area of Klukwan.
- Drivers will turn off vehicle engines at every reasonable opportunity, refraining from unnecessary idling.

## ***Signage and Directional Flow***

To encourage safe and respectful pedestrian and vehicular activity, the following signs are recommended.

- Informational signage should be placed near the Haines Highway/Klukwan intersection to encourage visitors entering Klukwan to continue to the JKCHC site.
- A sign should be located near the west entrance north of Klukwan stating that JKCHC is one-half mile ahead.
- A welcome sign at the JKCHC should direct visitors to appropriate parking areas for buses, RVs, and private vehicles and to the admissions/ticket office.
- A sign should be placed near the SEARHC clinic area, discouraging traffic from entering the village. Suggestions made at the Stakeholder Meeting included: "No services beyond this point. Please respect our privacy."
- A sign should be placed at the cemetery requesting that visitors show respect and refrain from entering the area.
- Signage should be placed inside the JKCHC site, stating the guidelines for visitor conduct. The sign should be placed to attract visitors' attention after they leave their vehicles, but before they enter the attraction.
- Signs should be placed near the Chilkat River in several key locations to discourage visitors from approaching the bank or throwing anything into the water.
- Directional and safety signage should be placed at several key locations on the trail system, such as entrance points and intersections. Directional information will ensure that visitors can find their way back to the JKCHC. Safety language may encourage visitors to travel in small groups, avoid littering, and refrain from eating on the trails, as well as how to respond if a bear is sighted.
- If the trails link with the State Parks Eagle Preserve Trail system as planned, JKCHC will want to develop signage that encourages visitors to continue to the restaurant, retail shop, and other attractions.

## **COMMUNITY INPUT AND ACCEPTANCE**

The following goals were identified at the stakeholder meeting held in April 2009.

- Maintaining respect for Klukwan residents and cultural traditions.
- Maximizing safety of Klukwan residents and property.
- Keeping visitors and vehicles at the JKCHC site; discouraging traffic through the community.
- Discouraging visitation of the cemetery across from the JKCHC site.
- Bear safety on the trails and at the site.
- Passenger and employee safety at the river.
- Protection of the riverbanks and fish.
- Prevention of sportfishing in the Klukwan village area.

- Reducing/eliminating littering, reducing/eliminating excessive packaging, and encouraging re-use and recycling of items.

Additionally, JKCHC and the Chilkat Indian Village should work together to ensure further community input; the development of agreements with local tour operators, including the Tour Operator Conduct; and tour guide and employee training that includes the TBMP program. The two organizations also should make sure businesses and partners are included in the program, and that residents understand and reinforce the guidelines.

## **Marketing Recommendations**

The plan includes a discussion about effective marketing channels and an analysis of target markets for JKCHC. This information was synthesized into the following marketing strategies. Contact information is provided in the plan for trade organizations, marketing partners, and cruise line representatives to assist JKCHC with implementation.

### **SHORT-TERM STRATEGIES**

These activities are anticipated to commence immediately and continue through the second full year of operations. If financial resources permit additional marketing investment, JKCHC staff should pursue some of the longer-term strategies.

#### ***Cruise Market Strategies***

- Prepare a written proposal with an overview of the facilities and tour concept, completion dates, and admission rates (net pricing, not retail). Supplement the description with photos, maps, and artist renderings to help convey the quality and guest experience.
- Invite cruise line representatives to the site during summer 2009.
- Explore potential for including JKCHC in existing Haines tour packages.
- Attend annual Alaska Travel Industry Association (ATIA) conference in Fairbanks in October to meet with cruise line representatives and other potential markets.
- Consider the advantages and disadvantages of selling tours directly to visitors in advance or on the Haines dock. (If pursued, this action could preclude some partnering and marketing opportunities.)

#### ***Cooperative Marketing***

- Join the Alaska Travel Industry Association (ATIA) and Travel Industry Association Yukon (TIAY), and engage with Haines Convention and Visitors Bureau (HCVB) immediately.
- Utilize trade organizations for education, networking, and identification of marketing opportunities.
- Obtain membership cost and benefit information from other trade organizations identified in the plan. Pursue membership and marketing opportunities as funding allows.

#### ***Advertising***

- Ensure HCVB has contact information and product description for the 2010 *Haines Vacation Guide* and associated Web site.

- Obtain free ATIA listing advertising and secure a hot link to the JKCHC Web site.
- Purchase a basic listing ad in ATIA's 2011 *Official State Vacation Planner* (publication dates have closed for 2010).
- Place a display ad in the *Haines Visitor Guide*, published by the Chilkat Valley News.
- Explore other potential advertising opportunities by compiling information such as visitor usage, publication quantity, distribution plan, and price. Evaluate best use of contingency funds in current budget.
- Explore creative marketing programs with hotels, car and RV rentals, and other businesses. Examples include joint advertising placements and discount coupons.

### ***Collateral Materials***

- Produce a rack card for distribution in targeted businesses in Haines and nearby communities.
- A separate brochure may need to be produced if the tour is offered onboard cruise ships and JKCHC operates all components. (If JKCHC is a component of another tour, then the lead tour company typically assumes responsibility for brochure development.)
- Distribute brochures in nearby locations personally and contract with a brochure distribution service for other locations.

### ***Web site***

- Conduct a competitive analysis of tourism Web sites to help guide upgrade of JKCHC's site.
- Design a stand-alone site, or redesign the tourism portion of the existing Chilkat Indian Village Web site. The end product should be visually appealing and quickly provide information sought by prospective visitors.

### ***Package Tour Operator Strategies***

- Identify tour operators that currently travel in the Haines area including motor coach tour operators and adventure tours.
- Contact product development managers, utilizing a written proposal similar to the one developed for the cruise lines. Invite managers and owners to Klukwan for a site visit.
- Participate in any familiarization tour (FAM) opportunities coordinated by HCVB, ATIA, or similar entity.
- Participate in tour operator forums and "60-Second Hot New Product" presentation at the fall ATIA conference.
- Follow up with marketing leads generated at tour operator marketing conferences, such as the American Bus Association, National Tour Association, and the U.S. Travel Association of America. These leads are commonly provided at no cost to members of participating destination-marketing organizations such as ATIA.

### ***Public Relations***

- Coordinate with HCVB staff to ensure inclusion in Haines area press trips.

- Contact popular travel guides with a brief description of the attraction, location, and contact information, requesting a mention in their next update.

### ***Photography/Images***

- Build a library of high-quality digital photos for use in brochures, Web sites, and public relations efforts.
- Digitize maps, historical photos, and architectural renderings of the facility for similar usage.

### ***Local Resident Awareness***

- Inform community residents about milestones in the project development to build awareness and enthusiasm.
- Host a “Community Appreciation Day” each spring to showcase new features and request referrals from Haines area residents.

### ***Highway Signage***

- Apply for a Tourist-Oriented Directional Sign (TODS) through the Alaska Department of Transportation and Public Facilities.
- As visitation grows, pursue a Recreational/Cultural Interest Area Sign (RCIA) from the same source.
- Participate in Haines Highway Scenic Byway programs, which can increase visitor awareness of the region and attractions.

## **LONGER-TERM STRATEGIES**

The longer-term strategies are anticipated to commence in project years three through five, as larger marketing budgets and internal staff resources are developed. Management should continue to engage in the core strategies discussed above.

### ***Professional Public Relations Support***

- Contract with a professional public relations firm to assist with development and implementation of a targeted media program. This should be considered a priority item and pursued as soon as marketing resources permit.

### ***Advertising Program***

- Based on research regarding visitor information sources, ad placements made by HCVB and local businesses, and information compiled about distribution and ad price, increase the advertising presence for JKCHC.

### ***Cruise Line Sales and Package Tour Operator Sales***

- Coordinate a marketing trip to meet with key cruise line and tour operator contacts.
- As appropriate, consider additional outreach such as hosting a cruise line staff appreciation event at JKCHC, purchase of appreciation gifts for cruise line sales staff, and participation in tour operator forums.

### ***Expanded Internet Program***

- Increase JKCHC Web site exposure through Internet-based advertising and links.
- Incorporate more interactive features such as itinerary suggestions, visitor testimonials, sounds, and webcams.

## **Implementation Plan**

### **PREPARATION**

The management portion of the plan requires minimal immediate action and little investment. In contrast, many of the marketing strategies are urgent if JKCHC wants to secure tour and cruise line contracts for 2010.

In preparation for facility completion, JKCHC managers should review and update the Business Plan, secure needed operating and capital construction funding, and devise other internal systems, such as an operations plan, emergency response plan, human resources plan, and personnel policies.

Skills and experience needed at this time include organizational skills, communications skills, and marketing and sales experience. The budget for short-term marketing and management strategies is \$33,120 (exclusive of staffing and office rent). The budget for the longer-term strategies grows to \$57,120.

### **IMPLEMENTING THE PLAN**

Roles and responsibilities have been identified for the Chilkat Indian Village, Tribal Council, JKCHC Management, and JKCHC Board of Directors. The roles are intended to provide complementary guidance, support, and input to future development. It is likely that roles will evolve as the operation evolves from the construction, phase, the start-up phase, and into a mature business operation.

#### ***Chilkat Indian Village***

- The Chilkat Indian Village has been a driving force in the project planning, solicitation of grants, and construction phases. As the project management team assumes greater responsibility for daily activities, the role of the tribe will likely transition into helping tribal and community members achieve personal and financial success.
- The tribe can serve an important advisory role in defining and guiding the degree of cultural interpretation and exchange that will happen with JKCHC visitors.
- The tribe is likely to be involved in helping set the policies and procedures for the storage of artifacts and clan property in JKCHC facilities.
- The tribe can have a valuable role in helping Klukwan residents enhance their employment skills.
  - The tourism development will need front-line employees with strong customer service skills, cultural interpreters and tour guides, and people with mechanical and technical skills.
  - To ensure that management and supervisory skills are continually developed internally, the tribe also may also want to offer skills training in these areas.
  - The tribe also can help local artists achieve success by offering training in product development, pricing, and marketing.

- Traditional knowledge camps and Tlingit language camps will serve dual goals of helping the village preserve the culture and build skills and confidence in JKCHC employees.
- The tribe is a unique entity and is capable of accessing grant funds and resolving issues on a government-to-government basis. As the facility continues to develop, the tribe will likely remain an important resource for identifying and pursuing capital and operating grants and other resources.

### ***Tribal Council***

- The Tribal Council has overall responsibility for ensuring that the JKCHC meets the original goals of preserving, protecting, and perpetuating the cultural heritage of Klukwan residents.
- The Tribal Council will help ensure the protection of the community, residents, and the surrounding area.
- The Tribal Council should serve as an important avenue for community residents to express their goals, ideas, and concerns about the JKCHC. In turn, the Council leadership should share this feedback with JKCHC board and management team on a regular basis.
- The Tribal Council should refrain from becoming involved in day-to-day operational or personnel issues. When concerns arise, the Tribal Council can help reinforce the organizational structure and procedures of JKCHC.
- The Tribal Council will set and reinforce community-level policy decisions, such as the desire to direct visitor traffic and businesses to the JKCHC site, rather than in the village. The Tribal Council should gauge changes in resident support for allowing small business opportunities within the village, such as home-based sales of crafts and food.
- The Tribal Council should take a lead role in soliciting community input as the TBMP program is refined.

### ***JKCHC Management***

- This team of senior managers has day-to-day responsibility for the site and operations, including the financial health of the organization, safety of employees and visitors, quality of the experience, and protection of physical and intangible property.
- The management team is responsible for ensuring that JKCHC complies with applicable state and federal laws regarding public health and safety, transportation, employment and labor laws, and environmental protection.
- The management team is responsible for developing, implementing, and refining plans and policies, including the operations plan, TBMP plan, marketing plan, etc.
- The management team is also responsible for development of strategic relationships with businesses and organizations that have a solid reputation, a desire to help JKCHC succeed, and a history of sound business practices and ethical behavior.

### ***JKCHC Board of Directors***

- The board has fiduciary responsibility for the organization.
- The board maintains responsibility for policy decisions that affect employees and operational procedures at the JKCHC.

- The board has responsibility for hiring, evaluating, and terminating the most senior level manager at the JKCHC. (Depending on the organizational structure, this may be the President and CEO, Executive Director, or Chief Operating Officer.)
- The board is also responsible for approval of management and operating plans developed by the JKCHC management team.

# Introduction and Methodology

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The Chilkat Indian Village is developing a multi-faceted program intended to enhance economic development opportunities while addressing a need for cultural preservation and enrichment. As the three-phased Jilkaat Kwaan Cultural Heritage Center (JKCHC) nears completion, it is essential that the tribe and community have a plan to guide tourism marketing and operations in an appropriate manner that respects both Tlingit culture and the community lifestyle enjoyed by Klukwan residents.

The Heritage Center includes three major elements:

- Traditional Knowledge Camp includes a long house, an adzing shed, a fish drying shed, and a smokehouse.
- Hospitality House (Likoodzi Kaayuwateen Hidi) will welcome visitors in the traditional cultural values of sharing and generosity. This facility will serve as a Native art and retail center and restaurant, and will be available for community use.
- Cultural Heritage Center is the central attraction of the development; this is where cultural history and practices are displayed and demonstrated.

To facilitate the development of the management and marketing plan, the Alaska Department of Commerce, Community, and Economic Development coordinated procurement and contractual aspects of the plan. Representatives from DCCED's Office of Economic Development facilitated project teleconferences and participated in the stakeholder meeting in Klukwan.

Project tasks included a series of case studies conducted with communities and organizations that have experienced the challenges of tourism development, while maintaining respect for culture and community. The project also included compilation and analysis of numerous data sources concerning Haines residents and visitors. This information was used in the development of target markets and tactics; it will be valuable in the ongoing refinement of the business plan and other documents. McDowell Group also facilitated a two-day stakeholder meeting in Klukwan early in the planning process to solicit input from residents about their ideas, goals, and concerns regarding the development.

# Situation Analysis

In preparation for development of a tourism management plan and marketing recommendations for the Jilkaat Kwaan Cultural Heritage Center (JKCHC), the study team reviewed visitor data and information regarding Haines residents. Much of this data was acquired from previous McDowell Group projects. The study team gathered the most currently available data. Readers should note that, in many instances, the most recent visitor data was for summer 2006, when the *Alaska Visitor Statistics Program* was conducted.

Analysis of market and population data helps frame the operating environment for the JKCHC. When paired with local resident input and goals, this body of information serves as the foundation for the management and marketing recommendations.

## Statewide and Regional Visitor Data and Trends

Estimated visitor volume and visitor profiles are available periodically through the State's *Alaska Visitor Statistics Program*. The comprehensive summer 2006 report included visitation estimates at the regional and community level. In the two subsequent years, reports included only statewide visitor volume estimates. The most current AVSP data is presented below, along with recent cruise passenger counts.

Visitation to Alaska dropped by 0.4 percent between summer 2007 and 2008. Most of the drop was attributed to a decrease in visitor exits by air. Highway and ferry exits also decreased during this period, while the cruise market segment increased slightly. Likely factors contributing to the slight decline include the early phase of the economic recession and the high price of gasoline.

### Estimated Alaska Visitor Volume Summer 2006 to 2008

	All Visitors	Percent Change
Summer 2006	1,631,500	-
Summer 2007	1,714,100	+5.1%
Summer 2008	1,707,400	-0.4

Source: *Alaska Visitor Statistics Program V*, McDowell Group.

### MARKET CHANGES AHEAD

The Alaska visitor industry is braced for continued drops in the next couple of years. Four small ships pulled out of Alaska in 2009, reducing passenger capacity by nearly 10,000 visitors. The decline in small ship traffic will cause a sizeable reduction in air and lodging revenues, as small ship passengers typically embark and disembark in the Southeast region. During spring and early summer 2009, hotels and lodges throughout Alaska were reporting significant reductions in bookings and revenue. Air carriers also have reduced flight capacity to and from the state.

Additional changes in large ship deployment for 2010 will result in a loss of approximately 150,000 passengers when compared to cruise visitation in 2008.

## Southeast Visitation and Spending

Southeast Alaska attracted nearly 1.2 million visitors in 2006, slightly more than 70 percent of the statewide market. The regional market is comprised of approximately one million cruise passengers and 180,000 non-cruise visitors. The regional cruise and noncruise markets are discussed in more detail in the following sections.

The visitor expenditure data in the following table reveals considerable differences in the average amount spent in each community. Differences are attributable to wide variations between communities in terms of visitor volume, types of markets served, assortment of tour and retail offerings, and visitor appeal.

With the exception of Glacier Bay/Gustavus (where large ship passengers do not have a chance to disembark), Haines has the lowest average spending on gifts and souvenirs, and is among the lowest for tours and dining expenditures.

### Visitor Expenditures, Per Person Southeast Communities

	All Visitors	Southeast	Juneau	Ketchikan	Skagway	Sitka
Ave. in-state expend.	\$934	\$754	\$690	\$684	\$703	\$752
Expend. in location		480	177	150	159	198
Lodging		17	9	4	1	12
Tours/activity/ entertainment		208	86	51	87	46
Gifts/souvenirs/ clothing		184	66	77	63	46
Food/beverage		28	10	10	6	15
Rental cars/fuel/ transportation		8	3	5	1	2
Other		35	3	3	1	77
	Glacier Bay/ Gustavus	Haines	Hoonah/Icy Strait Pt.	Petersburg	Wrangell	
Ave. in-state expend.	\$752	\$878	\$761	\$1,418	\$1,184	
Expend. in location	12	76	53	302	115	
Lodging	1	10	-	32	32	
Tours/activity/ entertainment	4	34	31	22	15	
Gifts/souvenirs/ clothing	1	10	16	27	35	
Food/beverage	1	12	5	43	17	
Rental cars/fuel/ transportation	-	9	-	13	6	
Other	5	1	1	165	10	

Notes: Excludes transportation to/from Alaska. "Other" includes multi-day packages attributable to one community, usually sport-fishing lodge packages.

## Alaska Cruise Ship Market

Alaska attracted more than 1 million cruise passengers in 2008. Cruise passenger volume increased steadily between 1999 and 2005; the growth rate tapered in recent years.

### Alaska Cruise Ship Passenger Trends Summers 1999 to 2008

Year	Passengers
1999	595,959
2000	640,477
2001	690,600
2002	739,800
2003	777,000
2004	884,400
2005	953,400
2006	958,900
2007	1,029,800
2008	1,033,100

Source: Cruise Line Agencies of Alaska.

Juneau, Ketchikan, and Skagway attracted the largest volume of cruise passengers in 2008. Visitation to other Alaska ports is considerably smaller.

### Cruise Passenger Visitation, By Community Summer 2008

Community	Passengers
Juneau	1,032,274
Ketchikan	941,910
Skagway	781,676
Sitka	289,753
Whittier	220,117
Seward	165,959
Icy Strait Point	126,381
Haines	50,121
Wrangell	4,002

Source: Cruise Line Agencies of Alaska.

## Regional Small Cruise Ship Market

Small-ship cruise passenger traffic to Southeast was nearly 21,000 passengers in 2008. Unlike the growth experienced by the large ships, the size of the small-ship market was fairly stable in recent years. Juneau attracted the largest number of small-ship calls and passengers in 2008. (Note: Small-ship passengers were included in the passenger totals on the previous page. The data is isolated in the following table because of the high interest in serving this market.)

Four small ships withdrew from the Alaska market in 2009, reducing passenger capacity by 10,000 visitors. The small-ship market is perceived as being more vulnerable than large cruise lines to the current economic recession, as their marketing reach and ability to discount to fill berths is appreciably smaller.

### Small-Ship Cruise Passengers Summer 2008

Community	Port Calls	Passengers
Juneau	241	20,926
Bartlett Cove/Gustavus	158	11,189
Sitka	157	15,455
Petersburg	115	9,558
Skagway	95	10,932
Haines	78	7,664
Ketchikan	64	7,985
Metlakatla	48	4,552
Wrangell	24	4,002

Source: Cruise Line Agencies of Alaska.

## Regional Noncruise Market

During summer 2006, nearly 180,000 noncruise visitors traveled to Southeast Alaska. (This estimate does not include Alaska residents traveling for business or pleasure.) The noncruise market includes independent travelers, visitors who purchased multi-day travel packages, and business travelers. These visitors travel between communities by air, ferry, highway, and water taxi.

The most popular Southeast destinations in terms of visitor volume were Juneau, Ketchikan, and Skagway. Haines attracted 31,000 noncruise visitors, or 17.3 percent of the regional market.

### Estimated Noncruise Visitor Volume Summer 2006

	Noncruise Visitors
<b>Southeast</b>	<b>179,000</b>
Juneau	70,000
Ketchikan	56,000
Skagway	46,000
Sitka	41,000
Haines	31,000
Wrangell	23,000
Glacier Bay/Gustavus	21,000
Petersburg	19,000
Prince of Wales Is.	12,000
Hoonah	4,000

Source: *Alaska Visitor Statistics Program V*, McDowell Group.

## Haines Visitor Data and Trends

According to visitor volume estimates produced for AVSP V, Haines attracted 124,000 visitors during summer 2006, with 75 percent of the market traveling by cruise ship. Estimates provided below for 2008 and 2009 are based on changes in cruise visitation for each year and a projected decrease in noncruise travel in 2009.

### Haines Summer Visitation Estimates

	2006	2008 est.	2009 est.
<b>Total Visitor Volume</b>	<b>124,000</b>	<b>140,000</b>	<b>125,000</b>
Noncruise visitors (highway/air/ferry)	31,000	31,000	23,000
Cruise passengers	93,000	110,000	104,000
From Haines ships	33,000	50,000	44,000
From Skagway ships	60,000	60,000	60,000

Source: Alaska Visitor Statistics Program V and McDowell Group estimates. Does not include Alaska residents.

### Haines Cruise Ship Traffic

Cruise ship traffic to Haines has fluctuated considerably. While nearly 200,000 passengers were on board ships that called at Haines in 1999, the evening port calls significantly limited the number of passengers that disembarked. Since then, the community has attracted ships during the daytime. Retail and tour sales to these passengers have increased.

In 2008, the number of Haines cruise passengers exceeded 50,000 passengers (an increase of 45 percent compared to 2007). The 2009 cruise ship schedule indicates a slight decrease to 44,000 passengers.

### Haines Cruise Ship Passengers 1999 to 2009

Year	Passengers
1999	195,466
2000	45,804
2001	90,595
2002	28,479
2003	28,479
2004	29,566
2005	30,832
2006	32,896
2007	27,659
2008	50,121
2009 (est.)	44,000

Source: Cruise Line Agencies of Alaska.

Additionally, an estimated 50,000 to 60,000 cruise passengers experience Haines as a shore excursion while their ship is docked in Skagway.

## Haines Non-Cruise Visitor Profile

The following table includes a summary profile of the 31,000 noncruise passengers who visited Haines during summer 2006. A large percentage of these visitors said they were very likely to return to Alaska.

### Haines Noncruise Visitor Profile Summer 2006

	% of Visitors
<b>Primary Trip Purpose</b>	
Vacation/pleasure	88%
Visiting friends/relatives	8
Business	4
<b>Length of Stay</b>	
Average # of nights in Alaska	18.6
Average # of nights in Haines	2.9
<b>Visitation to Regional Destinations</b>	
Skagway	65%
Juneau	44
Ketchikan	24
Wrangell	21
Sitka	19
<b>Previous and Future Alaska Travel</b>	
Been to Alaska before for vacation	47%
Average # prior vacation trips	5.9 trips
Traveled by highway last trip	45
Traveled by air last trip	44
Traveled by cruise last trip	17
Traveled by ferry last trip	4
Very likely to return within 5 years	46%
<b>Demographics</b>	
Western US	34%
Southern US	18
Midwest US	11
Eastern US	1
International visitors	34
Canada	17
Other international	17
Average party size	2.5
Average age	53
Male/Female	51/49
Average household income	\$85,000

Source: Alaska Visitor Statistics Program V, McDowell Group.

## **Special Events**

Haines attracts an estimated 3,500 to 5,000 visitors annually at special events and festivals held throughout the year. The majority of special event attendees are Alaska and Yukon residents from nearby communities. As the events have grown in size and notoriety, several have attracted national and international attendees.

Some of the most well-known events include:

- Alcan 200 Road Rally
- Bald Eagle Festival
- Dick Hotch Basketball Tournament
- Fort Seward Days
- Great Alaska Craftbeer and Homebrew Festival
- Kluane to Chilkat International Bike Relay
- Ride Yukon Motorcycle Event
- Southeast Alaska State Fair.

## **Conferences and Conventions**

The community occasionally hosts conferences and events, bringing groups of 25 to 200 attendees into the community for several days. Attendees are typically Alaska and Yukon residents; some conferences, however, attract presenters and delegates from other locations.

In 2008, Haines hosted three groups ranging in size from 70 to 80 attendees:

- Alaska Harbormaster Convention
- CHARR Convention
- TIA Yukon Conference.

In fall 2009, Haines will host the Southeast Conference. The regional gathering of municipal, business, and community leaders is projected to attract 150 to 200 attendees to the community for several days.

## Haines Resident Data and Trends

Haines residents represent a small component of the JKCHC market and an importance source of referrals.

### Population and Employment

- While Haines' population increased by 2.8 percent from 2007 to 2008, the community remains smaller than it was a decade ago.
- The population's median age has increased by five years since 2000.
- School enrollment has been steadily decreasing the past 10 years. Despite slight increases in 2006 and 2007, enrollment was still significantly lower than a decade ago.
- While average monthly employment increased by 18 percent between 1999 and 2005, it increased by only 1 percent between 2005 and 2007.

#### Population and Employment Trends 1999 to 2008

Haines	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Population</b>	<b>2,475</b>	<b>2,392</b>	<b>2,368</b>	<b>2,356</b>	<b>2,316</b>	<b>2,250</b>	<b>2,205</b>	<b>2,234</b>	<b>2,246</b>	<b>2,310</b>
19 and under	-	27.3%	26.6%	26.2%	25.0%	24.3%	22.6%	22.9%	21.8%	22.6%
20 to 64	-	62.2	62.6	62.8	63.3	63.3	64.8	64.0	64.9	63.6
65+	-	10.5	10.8	11.0	11.6	12.4	12.6	13.1	13.3	13.8
<b>Median age</b>	<b>-</b>	<b>40.7</b>	<b>40.8</b>	<b>41.3</b>	<b>42.0</b>	<b>43.4</b>	<b>44.6</b>	<b>45.1</b>	<b>45.6</b>	<b>45.7</b>
<b>School Enrollment</b>	<b>425</b>	<b>402</b>	<b>379</b>	<b>331</b>	<b>328</b>	<b>300</b>	<b>295</b>	<b>303</b>	<b>319</b>	<b>312</b>
<b>Employment</b>										
Peak month	Sept.	Aug.	Sept.	Aug.	Aug.	Aug.	Aug.	Aug.	Aug.	n/a
Peak	1,450	1,548	1,282	1,319	1,576	1,697	1,760	1,808	1,799	n/a
<b>Monthly avg.</b>	<b>888</b>	<b>993</b>	<b>882</b>	<b>893</b>	<b>947</b>	<b>1,002</b>	<b>1,050</b>	<b>1,056</b>	<b>1,061</b>	<b>n/a</b>

Source: Alaska Department of Labor and Workforce Development and Department of Education and Early Development.

## Transportation Trends

- Ferry ridership has increased in recent years, but remains considerably lower than a decade ago.
- Ferry ridership includes approximately 1,200 to 2,400 visitors traveling by motor coach each summer. This small market segment is appealing because of the potential for overnighting in local accommodations and itinerary flexibility.
- Air traffic has remained fairly steady in recent years, but reflects a decline since 2000. (Data for 2008 is not yet published.)
- Highway traffic has declined by more than 20 percent over the last decade. Highway visitors, however, remain an important aspect of Haines' tourism industry. Further, these visitors average nearly three nights in Haines, giving them ample opportunity to visit the JKCHC.

### Transportation Trends 2000 to 2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Ferry Traffic</b>									
Embarking	40,160	34,762	38,113	35,557	34,043	32,598	31,249	33,033	34,946
Disembarking	38,779	33,333	36,923	35,237	34,055	32,223	29,759	31,502	34,214
<b>Air Enplanements</b>									
	10,655	9,652	5,847	7,712	7,940	8,054	7,071	7,554	n/a
<b>Highway Traffic</b>									
<b>Passenger</b>									
Southbound	44,380	46,294	48,117	44,006	43,556	40,893	39,140	39,338	34,434
Northbound	41,964	41,512	46,018	41,991	44,182	42,237	32,174	36,677	32,315
<b>Vehicle</b>									
Southbound	20,452	20,590	21,273	20,374	20,121	17,525	18,052	18,310	15,978
Northbound	19,278	19,275	21,017	19,864	20,317	20,231	15,556	16,771	14,791

Source: Alaska Marine Highway, Federation Aviation Administration, US Customs, Haines Convention and Visitors Bureau.

Note: Figures are annual totals and include residents and visitors.

## Competitive Environment

It is important for Jilkaat Kwaan management to understand the competitive environment at the community and regional level. The following tables provide information about the tours typically offered to Skagway and Haines cruise passengers including the tour name, duration, and retail price. Many of the tours listed are also popular with noncruise visitors.

The large number of Skagway tour offerings reflects the high passenger volume (approximately 800,000 in recent years). It is important to note that Haines tours offered to Skagway cruise passengers are quite long in duration and expensive when compared to comparable products in the region, largely due to the cost and time of marine travel between the ports.

## Shore Excursions for Skagway Cruise Ship Passengers

Tour Name	Approximate Duration (Hrs)	Adult Price
<b>Skagway</b>		
Dog Sledding and Glacier Flightseeing	2	\$559
Skagway's Custom Classic Cars	4	539
Heli-Hike and Rail Adventure	5-5.5	399
Lake Bennett Train and Stampeder's Trek	8.5	375
Glacier Discovery by Helicopter	2	309
White Pass Bennett Lake Adventure	8.5	299
Snowshoe Hike and Rail Adventure	8-8.5	259
Glacier Point Wilderness Safari	5.5	254
Glacier Country Flightseeing	1.5	249
Glacier Lake Kayak and Scenic Railway	5	225
Best of Skagway	6.5	219
Deluxe Klondike Experience and Rail Adventure	6	205
Klondike Scenic Highlights	7	205
Golden Glassblowing Experience	3	199
Yukon Expedition and White Pass Scenic Railway	8	199
60° North Yukon Golf and Scenic Drive	8	179
Gold Fever Adventure and Exclusive Scenic Railway	5-5.5	179
Horseback Riding Adventure	3.5	169
Yukon Jeep Adventure	5	154
White Pass Scenic Railway	3-3.5	125
Experience the Yukon and Suspension Bridge	8	124
Alaska Sled Dog and Musher's Camp	2.75	119
Chilkat Trail Hike and Float Adventure	4.25	119
Experience the Yukon	7	109
Klondike Rock Climbing and Rappelling	3.25	99
Alaska Garden Gourmet Culinary Tour	3	99
Bordello Breakfast and Suspension Bridge	4.25	94
Klondike Bicycle Tour	2.5	89
Rainforest Bicycle Tour	3	89
Klondike Summit, Suspension Bridge, and Salmon Bake	4	89
Historical Tour and Liarsville Salmon Bake	2.5	69
Klondike Summit and Liarsville Experience	3	64
Delectable Jewell Gardens	2	49
Gold Fever Adventure	2	49
Skagway and the Dangerous Days of '98	2.5	44
Ghosts and Goodtime Girls Walking Tour	2	42
Skagway's Original Street Car	2	40
To the Summit	1.5	38

*Table continued next page*

<b>Haines</b>		
Chilkoot Lake Freshwater Fishing	6.25	\$219
Takshanuk Mountain Trail by 4x4	6.25	200
Eagle Preserve Scenic Float and Wildlife Cruise	6.25	199
Eagle Preserve Wildlife River Adventure	6.25	189
Wilderness Kayak Experience	6.25	169
Alaska Nature and Wildlife Expedition	6	164
Remote Coastal Nature Hike	6	149

The number of tours offered in Haines is smaller when compared to the large-volume ports of Skagway, Juneau, and Ketchikan. Many Haines ships offer a series of Skagway excursions as well.

### Shore Excursions for Haines Cruise Ship Passengers

<b>Tour Name</b>	<b>Approximate Duration (Hrs)</b>	<b>Adult Price</b>
<b>Haines</b>		
Glacier Point Wilderness Safari	5.5	\$254
Sunshine Mountain ATV Adventure	3.5	169
Chilkoot Lake Freshwater Fishing	4	149
Exclusive Photo Tour	4	139
Takshanuk Mountain Trail by 4X4	5	135
Eagle Preserve Wildlife River Adventure	3.75	134
Wildlife Quest Float in the Eagle Preserve	4	129
The Alaska Wildlife Experience	3.25	119
Wilderness Kayak Experience	4	119
Glacial Fjord Bicycle Tour	3	90
Valley of the Eagles Golf Adventure	3.5	89
Chilkoot Lake Scenic Cruise	3	89
Alaska Nature and Wildlife Expedition	3	84
Remote Coastal Nature Hike	4	84
Deluxe Haines Highlights	3	69
A Taste of Haines	2	69
Best of Haines by Classic Motorcar	1	64
Offbeat Haines	2-2.5	49
Haines Walking Tour	1.5	24
<b>Skagway</b>		
Glacier Discovery by Helicopter with Landing	6.25	\$375
White Pass Rail, Klondike Highway and Gold Camp Adventure	7-8	249
White Pass Summit Scenic Railway	5.5	190
Tales of the Trail: Skagway and the Trail of '98	7-7.75	149
Historic Skagway, Fjord Cruise and Brothel Museum Experience	5.75	109

## Native Cultural Tours

The following table provides information about tours that feature Native culture in the region. It is important for JKCHC managers to understand that cruise passengers make purchasing decisions on a regional basis, seeking maximum value and a variety of experiences. While many visitors purchase a tour in each port, few purchase the same type of product in more than one location.

### Shore Excursions with Cultural Tours

Tour Name	Approximate Duration (Hrs)	Adult Price
<b>Juneau</b>		
Deluxe Mendenhall Glacier and Juneau Highlights (includes Museum)	4.5	\$89
Mount Roberts Tramway	1.5	26
<b>Icy Straight Point</b>		
Tribal Dance and Cultural Legends	1-1.5	\$38
Hoonah City Sightseeing Tour	1.5-2.0	50
Hoonah City Sightseeing and Tribal Dance Combo	2.5-3.5	NA
<b>Ketchikan</b>		
Totems and Lumberjack Combo	3.5-4	\$69
Saxman Native Village	2.5	59
Potlatch Park and Heritage Tour	3.5	59
Totem Traditions	2.5	39
<b>Sitka</b>		
Historic Russian America and Raptor Center Tour	4	\$59
Sitka Nature and History Walk	2.5	54
Sitka Culture and Russian History Tour	2.5	49

The Management Plan was developed from input during the Klukwan Stakeholder Meeting, information gained through case study interviews, observations of the selected sites/operations, information shared in tourism industry forums, and the project team's professional experience in the Alaska visitor industry.

## Role of Best Management Practices

The purpose of the Tourism Best Management Practices (TBMP) program is to ensure that tourism development at the JKCHC does not negatively affect the quality of life for Klukwan residents. By managing tour and facility operations in a manner that is compatible with the community's lifestyle and project goals, the management team can avoid problems and address issues before there is irreparable damage to property, safety, or community relations. The additional benefit of a proactive approach is that employees and residents can take pride in their contributions to the economic and cultural health of the community.

## Impact Management Recommendations

### Recommended Rules for Tourist Conduct

The following guidelines should be reinforced through signage, visitor orientation, and a welcome provided by tour guides and staff, and admissions/ticketing personnel.

- Visitors will remain within the JKCHC campus, refraining from walking or driving through Klukwan or the cemetery.
- Visitors are asked to refrain from fishing or camping in or near Klukwan.
- Visitors are asked to limit photography to the JKCHC site.
- Visitors are asked to refrain from littering.
- Visitors are asked to refrain from throwing anything into the Chilkat River and to stay away from the river bank. The extremely swift, cold, and silty water can be very dangerous. The river is also an important source of food for the village.

### Recommended Tour Operator Conduct

The following recommendations are intended for vehicular transportation operated by JKCHC or any tour companies that have contractual relationships with JKCHC.

- Tour vehicles will not impede traffic along the Haines Highway or at the entrance into Klukwan.
- Tour vehicle drivers will drive into the JKCHC site only and will refrain from driving through Klukwan.

- Drivers will ask passengers to remain within the JKCHC site, discouraging visitation to the cemetery and residential area of Klukwan.
- Drivers will turn off vehicle engines at every reasonable opportunity, refraining from unnecessary idling.

## **Signage and Directional Flow**

The Alaska Department of Transportation & Public Facilities manages a state highway signage program that can provide valuable marketing benefits for the JKCHC. Information about Tourist-Oriented Directional Signs (TODS), Recreational/Cultural Interest Area Signs (RCIA), and the Scenic Byways program is included in the marketing recommendations portion of the plan.

To encourage safe and respectful vehicular and pedestrian activity in Klukwan and at the JKCHC site, several additional signs are recommended. Because the road into Klukwan is also a state highway with specific regulations, signage will need to be placed on private property, in highly visible locations.

- Informational signage should be placed near the Haines Highway/Klukwan intersection to encourage visitors entering Klukwan to continue to the JKCHC site.
- A sign should be located near the west entrance north of Klukwan stating that JKCHC is one-half mile ahead.
- A welcome sign at the JKCHC should direct visitors to appropriate parking areas for buses, RVs, and private vehicles and to the admissions/ticket office.
- A sign should be placed near the SEARHC clinic area, discouraging traffic from entering the village. Suggestions made at the Stakeholder Meeting included: No services beyond this point. Please respect our privacy.
- A sign should be placed at the cemetery requesting that visitors show respect and refrain from entering the area.
- Signage should be placed inside the JKCHC site, stating the guidelines for visitor conduct. The sign should be placed to attract visitors' attention after they leave their vehicles, but before they enter the attraction.
- Signs should be placed near the Chilkat River in several key locations to discourage visitors from approaching the bank or throwing anything into the water.
- Directional and safety signage should be placed on the trail system at several key locations, such as entrance points and intersections. Directional information will ensure that visitors can find their way back to the JKCHC. Safety language may encourage visitors to travel in small groups, avoid littering, and refrain from eating on the trails, as well as how to respond if a bear is sighted.
- If the trails link with the State Parks Eagle Preserve Trail system as planned, JKCHC will want to develop signage that encourages visitors to continue to restaurant, retail shop, and other attractions.

While signage is a valuable tool, JKCHC staff should be realistic that visitors often miss signage. Information should be politely reinforced by tour guides, staff members, and residents.

## **Summary of Relevant Findings from Case Studies**

The following information was summarized from the case study interviews and observations.

### **MITIGATION OF COMMUNITY IMPACTS**

Many community concerns can be addressed by involving community members throughout the process of project development and implementation. Informed community members are more likely to interact positively with JKCHC operations and visitors. Residents will respect that their opinions matter and will be more likely to provide thoughtful input in the future.

#### ***Building community understanding and support for the project***

- It is important to understand the desires of residents and their attitudes towards the visitor industry early in the development process.
- Let residents know their questions, comments, and concerns are important.
- Hold pre- and post-season meetings to address community ideas and concerns.

#### ***Addressing community impact concerns***

- Develop a mechanism for gathering, addressing, and responding to concerns that develop during the visitor season.
- Regulate yourself before problems arise.
- Request partners to follow established guidelines.

#### ***Respect for culture***

- Create a cultural committee for local support and approval of the cultural aspects of tours and activities.
- Present Native culture in a realistic and authentic manner.
- Respect ownership of stories, designs, and artifacts. Seek permission for use and follow appropriate protocols.
- Showcase contemporary Native lifestyles along with historical perspectives of Native culture.
- Encourage community members to become involved in visitor activities and demonstrations. Use local guides whenever possible. Community residents will be more attuned to local traditions and customs.
- Provide on-the-job training for young people, pairing them with elders whenever possible, for both cultural training and reinforcement of work habits.

- Encourage the sale of as much local art as possible, while understanding that retail businesses need an appropriate mix of low-, medium- and high-end products. Encourage artist demonstrations and sales of their products in retail shops. Local artisans demonstrating their work and talking about their culture can have a powerful impact on visitors and result in a stronger connection between the artists and their culture. Local artists also should be engaged for development of JKCHC logos and infrastructure development such as totem poles and regalia.

#### **USE OF SIGNAGE**

- Site layout and signage should draw visitors to appropriate areas and away from sensitive areas such as the graveyard.
- Without proper signage, visitors will be uncertain where to go and what is allowable behavior. This is especially critical because of the uncontrolled access from the highway. Visitors who arrive at times when JKCHC staff or guides are unavailable must be provided with clear instructions on where they can go and what they can and cannot do.
- Signage concerning protocols for photographing community members, staff, and facilities should be located near the entrance to JKCHC.
- Interpretive signs can provide valuable information with the presentation at the location of interest. These types of sign cans be especially valuable for self-guided visitors.

#### **RESOLUTION OF DIFFICULT SITUATIONS**

- Planning for how community members should deal with difficult situations (inappropriate photography or trespassing, for example) is important.
- Creating general guidelines for dealing with difficult visitors (such as remain calm, explain why the behavior is inappropriate, and suggest alternatives).
- Review how to deal with difficulties at annual community meetings.
- Have plans for worst case scenarios. Identify who has responsibility and when to contact authorities.

#### **PLANNING AND BUDGET CONSIDERATIONS**

- Advance planning is critical to success. Planning for all aspects of a proposed operation is worth the effort. Learn from those around you who are already established. Having a detailed plan is important so that all participants have a clear understanding of what is expected.
- Be realistic about what you can accomplish. Monitor expenses closely and often. Do not start a venture that you cannot afford. There are nonfinancial benefits, however, such as training, employment, and market penetration. You must plan for profitability to survive in the long-term.
- Use resources already in place.

## MARKETING AND OPERATIONAL CONSIDERATIONS

- Partner with existing tour companies for immediate marketing clout and management mentoring.
- Partner with others to create combination tours.
- Tours that include multiple aspects, such as wildlife viewing and history, or those that include activities such as rafting or nature walks, will appeal to a wider audience than tours that focus solely on Native culture.
- Formal written hiring and on-the-job policies can alleviate some of the potential for expectations of favoritism based on relationships with board members or other management personnel.
- Establish and document training programs.
- Continually work on internal communication skills at all employee levels.
- Support retail shops with training on inventory and pricing.
- Respond to market and customer feedback on tour offerings.
- Allow some flexibility in how tour guides present their tours.
- Focus on great customer service.

## Community Input and Acceptance

A stakeholder meeting, held in Klukwan in spring 2009, was valuable for identifying goals and concerns. In addition to the spring meeting, a feedback form was distributed to village residents by Chilkat Indian Village staff.

### Advance Planning and Resident Input

Prior to each operation season, the management team should review program goals and specific concerns expressed during the planning cycle and prior season. The TBMP program's central purpose should be maintaining excellent community relations and ensuring safety for visitors and employees.

Goals identified during the spring 2009 stakeholder meeting include:

- Maintaining respect for Klukwan residents and cultural traditions.
- Maximizing safety of Klukwan residents and property.
- Keeping visitors and vehicles at the JKCHC site; discouraging traffic through the community.
- Discouraging visitation of the cemetery across from the JKCHC site.
- Bear safety on the trails and at the site.

- Passenger and employee safety at the river.
- Protection of the river banks and fish.
- Prevention of sportfishing in the Klukwan village area.
- Reducing/eliminating littering, reducing/eliminating excessive packaging, and encouraging re-use and recycling of items.

If the JKCHC management and staff can devise an operational system that is compatible with these goals, community residents will have a significantly higher level of acceptance of the development and inconveniences caused by visitor traffic.

### **Future Community Input**

One or more community meetings should be held before each summer season to collect ideas and concerns from Klukwan residents. Even if attendance wanes over time, it is important to provide a formal opportunity for resident input.

Additionally, community residents should know where to direct their ongoing concerns about tourism impacts and operations. The individual should be a senior-level manager with excellent listening skills. The management team should maintain a record of the frequency and nature of community input to ensure that the TBMP program is responsive.

### **Agreements with Local Tour Operators**

A tour operator agreement specifies that the tour company will comply with the TBMP guidelines. Compliance includes making sure that employees are trained in the specific details of the program and responding to community concerns and complaints as they arise. The Juneau TBMP program provides decals for businesses and vehicles; an inexpensive way to incorporate this type of recognition into the Klukwan program is development of a JKCHC certificate.

### **Tour Guide and Employee Training**

The employee agreement is an affirmation that the employee will review and comply with the relevant aspects of the TBMP program. All JKCHC staff members will be expected to support the program.

The Juneau TBMP program offers employees a lapel pin in recognition of their support; this type of recognition is recommended for business partners' employees who support the program, including tour drivers, adventure guides, and marine transportation employees. In addition to being asked to comply with the TBMP program guidelines, these employees should be invited to experience the JKCHC tour early in the season. This is a valuable way to encourage enthusiastic and accurate referrals from visitor industry employees. (It also gives staff an opportunity to practice their skills and procedures early in the season, and solicit feedback from participants.)

## **Business and Partner Recognition**

At the beginning and end of the summer season, a newspaper ad should include a brief description of the TBMP program, the names of the participating businesses, and the number of individual employees that signed the agreement. Names also may be featured on the Chilkat Indian Village and JKCHC Web site.

## **Resident Participation**

Klukwan residents also are encouraged to review and comply with the TBMP program. A major area of concern is visitor traffic in the village. Residents should politely encourage visitors to return to the JKCHC site. While there is little action that a resident can take against a private vehicle, a tour operator that repeatedly violates the TBMP program can be denied access to the attraction. Violations or concerns should be brought to the attention of JKCHC managers; records should be maintained so they TBMP program can be adapted.

The tribal leaders have committed to development of the JKCHC in a manner that keeps visitors at the site. Some residents, however, have a tradition of selling food or crafts on a small scale from their homes. Future entrepreneurs may want to develop small business opportunities to capitalize on the visitor traffic. As visitation grows, this issue may need to be revisited. At this stage of development, entrepreneurs are encouraged to become involved with the JKCHC by becoming an employee, by providing arts and crafts demonstrations at the site, or by selling retail items at the Hospitality House on a wholesale or commission basis.

# Marketing Recommendations

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## Effective Marketing Channels and Outlets

Following are brief descriptions of marketing terms and concepts that are commonly used by visitor industry professionals. An understanding of these terms will be valuable when interacting with business partners and when refining future activities to ensure the highest priority marketing efforts and the most effective marketing channels and outlets.

**Target Markets** are those that represent the highest potential return from an organization's marketing investment. (Target market examples include small cruise ship passengers or visitors traveling by highway.) Identifying target markets and understanding the potential volume of business from each market allows a business to spend marketing dollars in ways that are likely to have the greatest impacts on sales. Research is a key component to identifying and prioritizing target markets. Continued monitoring is important to understand the effectiveness of marketing efforts.

**Research** includes developing an understanding of the characteristics of each market segment and establishing tracking systems to monitor the effect of marketing activities. Examples of commonly tracked marketing activities include Web site usage, the number of inquiries from advertising placements, the number of brochures distributed, and the number of travel articles written about JKCHC. Tracking the results of an organization's marketing efforts can provide information that contributes significantly to future marketing decisions and allows for the most effective use of marketing dollars.

**Packaging** is combining products or services and selling them together at a single price. An example of a package is a tour that features a raft trip as the main activity, a cultural tour before or after the raft trip, and a snack. Visitors also must be transported to and from various locations. The components (activities, food, and transportation) may be provided by a single company or by multiple operators. The package tour is sold for a single price. The price is high enough to allow payment of commissions to travel agents, cruise lines, and others who sell the product. Commissions typically range from 10 to 30 percent.

**Sales** efforts can be directed at the consumer through activities such as travel shows and sales booths near the destination. Sales activities also can be directed at others who package and sell others products (known as wholesalers). Sales efforts will be essential when capturing a share of the cruise visitor market.

**Collateral** is defined as printed brochures, maps, Web sites, and other *published* information that communicates a message about products and services to current and potential customers. Using images and messages consistently throughout all printed materials is highly recommended to attract the highest level of attention and to create a positive impression on potential visitors.

**Advertising** is paid communication of a message and is targeted directly at individual customers. Advertising is considered an expensive, but effective, way to reach independent travelers. There is a wide array of advertising opportunities including visitor guides, magazines, newspapers, signage, and Web sites. The

development of a consistent message and theme (including logos and branding messages) is important to reinforce the impact of advertising.

**Cooperative Marketing** programs, such as those available through the Alaska Travel Industry Association (ATIA), Southeast Alaska Tourism Council (SATC), Haines Convention and Visitors Bureau (HCVB), and other destination marketing organizations are by far the most effective method of leveraging marketing dollars. Advertising and public relations efforts can be very expensive for individual organizations. When marketing efforts and investments are combined, however, opportunities become available at a more reasonable cost and can have a greater impact. To participate in these cooperative organizations, businesses typically need to become members. A membership fee commonly is based on the size of the business (number of staff or revenue). Members then have the opportunity to participate in marketing activities such as advertising in the organization's brochure and on its Web site.

Visitor Bureaus provide a range of marketing activities that are critical for tourism-related businesses such as the production and distribution of community brochures, brochure display for local businesses, community advertising and public relations, participation in regional and statewide marketing tourism marketing organizations, and meeting and convention marketing efforts. Working closely with the Haines Visitors Bureau will be an important activity for JKCHC marketing and operations managers. (As a Borough-run CVB, there is no membership fee or cost for most Haines marketing activities.)

**Public Relations (PR)** is a systematic approach to encourage the media to present articles or stories about destinations or products. A good PR action plan involves planned and coordinated efforts to have travel writers, travel show productions, and travel guide writers participate in activities that showcase tourism products and location. PR can convey a message that builds interest and awareness of a product or service. It can be more economical than advertising and it is perceived by customers to be more objective. Good PR does not come easily; there is competition among many businesses for PR, and opportunities must be sought-out and planned. PR efforts can be coordinated directly by tourism businesses. They are, however, most often are arranged through CVBs. Although some public relations efforts are free, businesses should include a budget in their marketing plan to provide complimentary activities, products, and services to generate PR for their organization.

**Visitor Information Services** are provided at the local and regional level by various organizations, including Convention and Visitor Bureaus (CVBs), Chamber(s) of Commerce, land management agencies, and major transportation providers. Operation of visitor centers is considered a marketing activity, as they can significantly influence visitors' activities, expenditures, and satisfaction.

## Target Markets

Quantifying the potential volume from each market will help guide marketing to the activities that are likely to provide the greatest return on investment. Some target markets are more easily measured than others. Utilizing a combination of historical data, visitor industry professional opinions, and team members' experience, each market is quantified below. The team also provided an assessment of short-term potential for market growth or decline. (The Situation Analysis section of this document presented detailed trend data and visitor volume estimates for the following markets.)

Due to the current economic conditions facing the country, estimating future visitation is challenging. Early reports from visitor industry operators concerning the 2009 season are mixed. Some companies report substantial decreases in visitor volume, while a few have reported steady or slightly increased visitation. Higher-end products seem to be the hardest hit. It seems likely that recovery of the US economy will restore Alaska visitation (and spending levels). For the next year or two, however, visitor volume and spending will be lower than in pre-recession years.

### **Cruise Passengers: Haines**

This target market consists of passengers from both large and small ships that dock directly in Haines. Haines attracted 30,000 to 50,000 passengers annually between 2006 and 2009. Cruise lines have announced changes for 2010 that will result in a loss of approximately 150,000 Alaska passengers. Haines will lose at least one large ship (11,000 passengers); final itinerary decisions will be publicized in the fall. Despite these fluctuations, the Haines cruise market offers significant opportunities for the JKCHC in terms of visitor volume. Cruise passengers' available time to visit the site may be limited, depending on how the tour is packaged and priced.

### **Cruise Passengers: Skagway**

The volume of cruise passengers who dock in Skagway and purchase a tour in Haines has been fairly stable, typically between 50,000 and 60,000 visitors. The overall volume is limited by the transportation capacity between Skagway and Haines. It is unclear how this volume will be affected by the economic downturn, reduced cruise ship sailings to Skagway in 2010, and potential changes in passenger spending. While Skagway's total cruise passenger volume is greater than Haines, this market may be more challenging to break into. Long-term relationships between Haines tour operators and cruise lines, coupled with limited transportation capacity and minimal available time in Haines, are key challenges.

### **Independent Visitors**

Independent visitor volume in summer 2006 was approximately 30,000; the vast majority of these visitors travel by highway and ferry. This market has experienced a steady decline in the past decade, and is expected to be reduced by 20 to 25 percent in 2009 due to the national recession. On the positive side, these visitors are very desirable for JKCHC as they average nearly three days in Haines and have flexibility in their travel itineraries. Further, they are likely to be repeat Alaska travelers and may be seeking new experiences.

### **Package Tours**

Visitors that purchase multi-day tours inclusive of transportation, accommodations, and activities are considered "package" travelers. Examples would include group motor coach tours and multi-day adventure tours, such as rafting and biking. The convenience of one-stop shopping and the security of a guided tour are attractive to this market. The volume of package tours passing through the Haines area is not known exactly, but is relatively small compared to the cruise and independent markets. Current volume is estimated at 1,600 to 2,800 visitors. This market, while small, may be somewhat resilient due to the perceived convenience and value.

## Other Markets

There are several additional markets that could provide opportunities for the JKCHC.

### SPECIAL EVENTS PARTICIPANTS

The estimated volume of visitors in this market is relatively small, ranging from 3,500 to 5,000 people. Events like the Kluane to Chilkat International Bike Relay, Southeast Alaska State Fair, and the Bald Eagle Festival offer opportunities for use of JKCHC facilities to host events, meetings, and receptions. Special events also can provide JKCHC with visitors during non-peak visitor months.

### CONFERENCE AND CONVENTION ATTENDEES

Attendance at individual events can vary from 20 to 200 people; the length of stay typically ranges from two to four days. The JKCHC provides an excellent venue for events, meetings, and receptions. Additionally, some groups promote pre- and post-convention tours as well as activities for spouses and guests to do during the convention.

### HAINES RESIDENTS

Haines residents are an excellent source of referrals, are likely to bring visiting friends and relatives, and may participate in educational activities and other special events at the JKCHC. The community population is approximately 2,300.

## Target Market Summary

The potential market size for Haines and the JKCHC is 116,000 to 148,000 people. The estimated market size for 2009 is approximately 125,000 people, based on early season predictions.

### Target Markets Summary

Market	Market Size
Cruise: Haines	30,000 to 50,000
Cruise: Skagway	50,000 to 60,000
Independent	30,000
Other markets	6,000 to 8,000
<b>Total</b>	<b>116,000 to 148,000</b>

## Marketing Strategies

Specific marketing strategies are segmented into short-term strategies (those things that need to commence immediately) and longer-term activities (to be considered in future years as facilities are completed, operations expand, and cash flow permits additional expenditures).

### Short-Term Strategies

The following strategies should commence immediately and continue through the second full year of operations.

#### CRUISE MARKETING STRATEGIES

Managers should invite cruise line representatives to visit the JKCHC site during summer 2009 to showcase the development and get feedback. High quality drawings of site plans should be available to help cruise representatives understand the full development concept. Managers also should prepare a written proposal that provides an overview of the tour, contact information, anticipated completion dates, and pricing.

An expedient way to participate in this market is to partner with existing Haines operators that have operational experience and cruise line contacts. Managers should begin building relationships immediately with current tour operators, with a goal of creating a tour package that is unique and appealing for passengers. (The tour company with existing relationships typically assumes the lead role in cruise line contacts and contractual negotiations.) It will be important to understand the competitive environment in terms of visitor experience, price, and tour duration. As previously noted, Haines tours offered to Skagway cruise passengers are already among the more expensive and longer tours due to the transportation component.

Additionally, cruise representatives are available for tour operator meetings at the annual Alaska Travel Industry Association conference held each fall. Managers are encouraged to make contact and arrange site visits in advance, as the October event is fairly late in the planning cycle for 2010 tour offerings.

It is also possible to sell tours directly to cruise passengers in advance or on the dock. The advantage of this approach is the ability to retain the full retail price. The major disadvantage is that tour sales are typically much smaller with this method, as passengers seek the endorsement and booking ease offered by cruise lines. Further, JKCHC could damage cruise line relationships if tours are sold both onboard a ship and on the dock.

#### COOPERATIVE MARKETING

Cooperative marketing should be the foundation of JKCHC's marketing efforts — particularly through ATIA and HCVB. The programs offer individual businesses much greater marketing reach than any single organization could achieve alone.

The organization should immediately join ATIA to gain access to statewide marketing programs and networking opportunities. Membership is based on peak season employment (including full-time and part-time employees). Annual membership for a marketing partner with 16 to 50 employees is \$516 for the 2010

program year. Marketing partners receive free exposure in the *Official Alaska Travel Web site* (which receives approximately 1 million unique visitors to the site each year).

The JKCHC managers also should become regular participants in HCVB's programs. Staff members will gain valuable insights into the current state of the area's visitor industry and a better understanding of how to best capitalize on free and low-cost opportunities.

It will be important for JKCHC to have a strong market presence in the region (especially in Haines to influence visitors during the critical time period when they are finalizing plans for Haines tours and activities).

## **ADVERTISING**

Managers also should secure a free listing in the 2010 *Haines Vacation Guide* (approximately 35,000 Haines Vacation Guides were produced in 2009) and associated Web site. The brochure is typically produced in the fall; there is ample time to ensure inclusion in the 2010 publication. The guides are distributed via mail to prospective visitors and at key locations throughout the region. Brochure distribution includes the Haines Visitors Center, other Southeast CVBs, on board the AMHS ferries, and the Yukon Territory.

JKCHC should purchase a basic listing ad for the 2011 *Official State Vacation Planner*. (Because this brochure is printed in September, advertising deadlines for the 2010 planner closed in spring 2009.) ATIA marketing partners receive a credit of \$225 towards either a basic listing or a narrative listing in the *Official State Vacation Planner*. ATIA distributes 450,000 vacation planners annually.

A hot link from the ATIA Web site to JKCHC's Web site should be purchased for \$100.

The facility and tours also should be promoted in the *Haines Visitor Guide* published by the Chilkat Valley News. Advertising costs are \$125 per column inch; four column inches are recommended. Approximately 40,000 copies are published annually.

While the short-term strategies anticipate a very modest advertising investment, the JKCHC management team will want to compile information about potential advertising opportunities. Emphasis should be placed on travel information used by independent travelers such as the *Haines Shopping and Restaurant Guide*, *Milepost*, *Alaska Marine Highway Schedule*, *Bell's Alaska Travel Guides*, *Bearfoot Alaska Travel Guides*, and other travel planning resources directed at the highway, ferry, and RV markets. Key information includes quantity, distribution plan, and price. Some publications allow advertisers to insert a coupon into the brochure. This technique can help the attraction stand out from other businesses, but can be expensive.

A contingency fund of \$2,500 is included in the short-term marketing strategies, with the idea that some of this may be used for opportunistic advertising placements. With any advertising effort, JKCHC should track the number of inquiries and the number of actual sales. This information will help the team evaluate the return on investment and refine future marketing strategies.

The management team also may want to explore creative marketing programs with area hotels, car and RV rental companies, and other cultural attractions. Examples include joint advertising placements and discount coupons placed inside rental vehicles.

## **COLLATERAL MATERIALS**

JKCHC will need to develop a rack card (simple 8.5" x 4" brochure that fits in a standard brochure rack). A low-cost approach is the use of color printing only on the front. Rack cards should be distributed in Haines through the Visitors Center, on site at JKCHC, and from any other local businesses that may offer an opportunity for distribution such as retail outlets, campgrounds, hotels, etc. The volume of rack cards needed will depend on intended distribution; approximately 10,000 to 15,000 will be needed if a highway brochure distribution contract is initiated.

It is important to note that a separate brochure may need to be published if the JKCHC is sold onboard cruise ships. If JKCHC operates all components of the tour, then the responsibility for the brochure will fall to JKCHC. No contact information or price detail should appear on this brochure, as all sales are to be routed through the cruise line's tour sales office. If JKCHC is a component of another tour, then the lead tour company will typically assume responsibility for brochure development.

In advance of the season, brochures should be distributed in Haines and the nearby communities of Haines Junction, Whitehorse, and Skagway. This gives JKCHC staff an opportunity to personally interact with staff at visitor centers, lodges, RV parks, gas stations, and other prime locations. Furthermore, JKCHC staff will be current on highway conditions and new tourism developments, and are able to provide a reciprocal brochure distribution service.

The organization can save valuable staff time and money by contracting with a brochure distribution service to reach locations outside of the immediate area. An example of this approach can be seen in the Haines Visitor Center; a large plexi-glass rack contains brochures for approximately 100 businesses. The cost for the service is less than \$600 annually. Between 5,000 and 10,000 brochures per business are typically distributed from these racks. The contractor assumes all responsibility for refilling racks throughout the summer and tracking total usage.

## **WEB SITE**

While JKCHC information is available through the Chilkat Indian Village Web site, the organization should develop a stand-alone site or design the tourism pages so they can be promoted as the Web site entry for prospective visitors. A systematic review of Web sites featuring other Alaskan tour and cultural products should be conducted as soon as possible to better understand market standards for visually appealing and user-friendly Web sites. Web site design and implementation budgets can vary significantly. Advance planning and seeking quotes from experienced designers will result in a stronger, more effective Internet presence.

## **PACKAGE TOUR OPERATOR STRATEGIES**

Managers should immediately begin the process of identifying all tour operators who currently travel through the Haines area. This group includes motor coach companies, adventure tour operators, and other travel companies. Information can be obtained from the HCVB, ATIA, local hotels, online research about Alaska travel packages, the Alaska Marine Highway System, and personal observation.

Once current operators are identified, JKCHC should contact the company management with information about the tour and facilities (similar to the proposal that will be developed for cruise lines). Where possible, extend invitations for site visits as soon as possible.

Familiarization tours (FAMs) are arranged opportunities for tour operators to visit communities and experience local tours and attractions. FAMs are commonly coordinated through local visitor bureaus and may involve multiple tour operators at once. Local companies provide tours and other services at no cost to FAM participants.

The fall ATIA convention provides another opportunity to promote the JKCHC to tour companies. Convention organizers have been planning a one-day session in advance of the conference to help facilitate networking opportunities. All attendees are also given the opportunity to present new tours and destinations through the “60-Second Hot New Product” presentation on the last day of the conference. There is no charge to presenters.

Managers also will want to follow up with appropriate marketing leads generated from national marketing forums including the American Bus Association, National Tour Association, and the U.S. Travel Association of America. Sales representatives from ATIA, other destination marketing organizations, and private companies attend these events. (Because of the small package tour market size in the Haines area, and high cost of participation in these forums, JKCHC is encouraged to respond to leads rather than attend these events.)

## **PUBLIC RELATIONS**

A news story or feature in a newspaper or magazine is valuable marketing exposure. Working with the HCVB will be the best way for JKCHC to identify public relations opportunities. Managers are cautioned that there can be a high level of competition to host travel writers, and the HCVB needs to showcase many community businesses. The JKCHC will have an advantage in the early years of operation, however, as many writers and photographers want to feature new products and services.

Travel guides such as the *Milepost*, *Bell’s Alaska Travel Guide*, and *Bearfoot Alaska Travel Guides* are for-profit publications that sell advertising space alongside travel planning information, commentary, and recommendations. Some publications are distributed free of charge to visitors, while others are purchased. Managers should contact each of the major travel guide publishers as soon as possible to request advertising rates and publication cycles and to inform the publishers about JKCHC. While the travel guide publishers want to sell advertising space, they also are interested in providing up-to-date information for their readers and may include a description of JKCHC in their narrative at no cost.

## **PHOTOGRAPHY/IMAGES**

In preparation for collateral, Web site development, and public relations, JKCHC should begin building a library of high-quality digital photos. While some nonprofessional photography can be used, it is recommended that JKCHC enlist the services of a professional photographer to capture high-quality images such as wildlife, mountains, rivers, salmon, Klukwan residents, Native culture, and JKCHC facilities. Photo documentation should take place as each project phase is complete.

The use of architectural renderings in the interim can build awareness of JKCHC products and services, but is not recommended for the brochures or Web site. Digitized historic photos of the Klukwan area and people will also provide a rich source of images. Digitized maps of the area and the site may also be appealing.

### **LOCAL RESIDENT AWARENESS**

The management team will want to keep local residents fully informed at all stages of site and tour development. Local residents are an important source of word-of-mouth advertising and can be influential in encouraging visitors to experience JKCHC's products and services. Additionally, residents have a high level of influence with visiting friends and relatives, another small but important visitor market. Each spring, JKCHC should offer a "Community Appreciation Day," when area residents can visit the site and participate in tours and other products at no or low cost. The cost to coordinate and promote local promotions should be considered a marketing expense and budgeted as such.

### **HIGHWAY SIGNAGE**

Signage along an Alaskan state highway is handled by the Alaska Department of Transportation and Public Facilities. In 1998 a statewide vote passed that no billboards are allowed along Alaskan highways. There are, however, two types of official signs available.

The first sign type is the Tourist-Oriented Directional Signs (TODS). These signs give specific directional information to activities or sites of interest. They are the rectangular blue and white signs that alert travelers of anything from bed and breakfasts to cultural attractions. Each sign is 90 by 18 inches, which can include a symbol "indicating a general activity or business, a directional arrow, distance to the facility, and up to two lines of legend." There is a list of standard icons, but if one does not exist, the department will help design one. To qualify for a TODS, "applicant activity must derive at least 25 percent of its gross receipts from motorists who reside more than 20 miles from the location of the activity." There is a maximum of six signs per location. The sign must be posted within 1,250 feet of the intersecting road.

The second sign type is the Recreational/Cultural Interest Area Signs (RCIA). These signs point out areas of significant recreational opportunities or cultural interest. These signs are the brown and white rectangular signs for national parks, state parks, and sites listed on the National Register of Historic Places, along with museums and historic sites. The qualifications for a RCIA are "the site must be accessible by a maintained road, attract an average of at least 100 per day during at least four consecutive months, and be widely noted for its recreational or cultural significance."

For both signs, the application process is online. There is a fee for the signs, including a nonrefundable application fee. A permit will be issued for four to five years, after which time it must be renewed and another fee will be charged.

### ***Scenic Byways***

There are many benefits of the Haines Highway being listed as an Alaskan Scenic Byway. A key benefit is the increased tourism and its added economic opportunities to communities along the designated route. In addition, the byway is promoted through maps and other literature by the state and national programs, which can increase visitation.

Other benefits include increased pride and cooperation among communities along the byway; educational and interpretive opportunities for residents and visitors alike about the history, nature and culture of an area; improved eligibility for federal grant funds for developing and implementing corridor management, marketing and interpretive plans; national and international marketing conducted by the National Scenic Byway program for nationally designated byways; and access to resources and expert assistance in managing and marketing the highway corridor for byway volunteers and organizations.

Businesses and marketing officials should work together to pursue marketing and infrastructure development opportunities available through the program.

## **Longer-term Strategies**

The following strategies are anticipated to commence in project years three through five, as larger marketing budgets and internal staff resources are developed. Management should continue to engage in the previously discussed activities.

### **PROFESSIONAL PUBLIC RELATIONS SUPPORT**

A well-coordinated, professional public relations program can significantly increase awareness among potential visitors and travel industry colleagues. Ideally, JKCHC would begin a PR program as soon as possible to capitalize on its new entrance into the tourism industry. This should be considered a priority item if marketing resources allow investment in this strategy in the near-term.

### **ADVERTISING PROGRAM**

As part of the short-term strategies, the JKCHC team should be compiling information about potential advertising placements in terms of quantity, distribution program, and cost. This is also a valuable time to ask actual visitors what information they used when planning their trip and making travel purchase decisions. It is also valuable to examine where the HCVB and other area businesses advertise, as these programs have been refined through trial and error. Additionally, helping to increase Haines and Chilkat Valley advertising presence in key publications will be mutually beneficial for all participants.

The longer-term strategies budget includes \$8,000 in additional advertising placements. This amount can be expended quite rapidly — either by expanding the size of existing placements or by purchasing ads in widely used publications. For example, design costs and advertising placement for the smallest display ad in the *State Vacation Planner* will cost approximately \$2,000.

### **CRUISE LINE SALES AND PACKAGE TOUR OPERATOR SALES**

The JKCHC management team may find it valuable to meet with key cruise line and tour operator contacts in subsequent years of operation. Alaska tour operators often make annual trips to cruise line headquarters in Seattle and Miami to demonstrate appreciation for existing business or to negotiate directly with program managers. Alternatively, these funds may be more appropriately directed to sales activities with package tour companies. Final decisions about the need for this travel will depend on cruise line and tour operator reaction in the initial operating years, as well as market intelligence and opportunities identified early in the project development phase.

Alternative usage of these funds may include hosting a cruise line staff appreciation event at the JKCHC, end-of-the-season appreciation gifts for onboard shore excursion managers, or participation in a tour operator forum (such as the National Tour Association or American Bus Association). If the latter option were pursued, it would be optimal for JKCHC staff to collaborate with ATIA or other destination marketing organizations to defray costs and facilitate operator relationships.

#### **EXPANDED INTERNET PROGRAM**

As the operation evolves, JKCHC staff should invest in the Web site. Increased exposure can be gained through advertising and links. The Web site may be expanded to incorporate itinerary suggestions, interactive features (sounds, cameras, and 360 views), and visitor testimonials. These features help attract visitors to the Web site and increase their interest in the attraction. The Internet also may be used as a secondary location for retail sales.

## **Marketing Partners and Key Contacts**

### **Trade Organizations and Partners**

#### **ALASKA MARINE HIGHWAY SYSTEM**

Danielle Adkins, Marketing Manager  
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#### **ALASKA TRAVEL INDUSTRY ASSOCIATION**

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#### **HAINES CONVENTION AND VISITORS BUREAU**

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Gakona, AK 99586  
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gakona@gakonaak.net

**SKAGWAY CONVENTION AND VISITORS BUREAU**

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**SOUTHEAST ALASKA TOURISM COUNCIL**

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**STATE OF ALASKA, DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT**

Caryl McConkie, Tourism and Film Development Manager  
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**STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES**

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rob.murphy@alaska.gov

**TIA YUKON**

Rod Taylor, Board Chair  
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**YUKON TOURISM**

Pierre Germain, Director  
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Whitehorse, Yukon, Canada, Y1A 2C6  
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pierre.germain@gov.yk.ca

**YUKON FIRST NATIONS TOURISM ASSOCIATION**

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## **Cruise Line Representatives**

### **ALASKA SIGHTSEEING/CRUISE WEST**

Larry Johansen, Director Southeast Regional Manager  
76 Egan Drive, Suite 320  
Juneau, Alaska 99801  
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larryj@cruisewest.com

### **CARNIVAL**

Amilcar "Mico" Cascais, Manager Tour Operations  
Carnival Place  
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Miami, Florida 33178-2428  
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acascais@carnival.com

### **HOLLAND AMERICA-PRINCESS LAND OPERATIONS**

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Box 536  
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### **HOLLAND AMERICA LINE, INC.**

Ellen Lynch, Director of Shore Excursions  
300 Elliot Avenue West  
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### **HOLLAND AMERICA-PRINCESS LAND OPERATIONS**

Linda Huston, Regional Manager Land Excursions /Yukon  
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lhuston@hollandamerica-princess.com

### **NORWEGIAN CRUISE LINE**

Shannon McKee, Alaska Product Manager  
Alina Juliachs, Product Development Specialist: Alaska, Eastern & Southern Caribbean  
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### **S. KIRBY DAY, III, DIRECTOR OF OPERATIONS, SOUTHEAST ALASKA**

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**REGENT SEVEN SEAS CRUISE LINE**

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**ROYAL CARIBBEAN INTERNATIONAL/CELEBRITY CRUISES**

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LBurzynski@rccl.com

# Implementation Plan

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## Preparation

The Tourism Management portion of this plan requires minimal immediate action and very little cost. Copies of the *Juneau Tourism Best Management Practices* were distributed at the Stakeholder Meeting and additional copies can be found online on the City and Borough of Juneau Web site. Review of this comprehensive communitywide plan can help JKCHC management feel confident in the implementation and ongoing refinement of the tasks outlined for Klukwan and the JKCHC.

In contrast, many of the marketing tactics are urgent, if JKCHC management wants to secure contracts with tour companies and cruise lines for 2010. It is possible to focus on the independent market for 2010, targeting 2011 for cruise and package tour utilization. While this approach allows more time for facility construction, growth of internal operating experience, and key relationship development, it will reduce visitation and associated revenue in the interim.

It is also important to review the JKCHC Business Plan in light of the market data presented in this plan and other current market research. The Haines visitor market has decreased considerably since the 1990s, when nearly 200,000 cruise passengers called in the community and highway/ferry traffic was at its peak. (The Business Plan also appears to include Haines resident traffic in the highway and ferry travel estimates, which inflate the total market projections.) It would be valuable to compare the projected 10 percent capture rate and average visitor expenditures with other market data to ensure realistic revenue projections.

The Tourism Management Plan anticipates that JKCHC can invest time and money in advance of facility completion. Financial resources for start-up and initial operations need to be identified. Aside from construction-related expenses, there will be a significant financial outlay in advance of the season for fixtures and furniture, retail inventory, food/beverage inventory, recruitment, and training.

This particular plan was devised to address two major concerns: mitigation of impacts on Klukwan residents and property, and identification of effective marketing strategies for the development. The plan is one component of a series of plans that need to be developed for the facility. Commonly developed planning tools include the following:

- **Business Plan:** This plan outlines key assumptions about market potential, revenue, staffing and operating costs, project timeline, and strategic recommendations. The primary audience for this document includes top management and investors.
- **Marketing Plan:** This plan will evolve based on JKCHC's experiences with the tactics recommended in this document. Important aspects that should be added to the plan include tracking of visitor inquiries (document where visitors heard about the tour or attraction) and return on investment (marketing component costs divided by the number of inquiries and sales). The primary audience for this document includes the Marketing Manager, other management team members, and marketing contractors.

- **Operations Plan:** This document provides an outline of the major components and flow of a tour, roles and responsibilities of departments and staff members, and an outline of basic procedures. Managers and supervisors are the primary audience of this plan; JKCHC, however, may find it valuable if all employees are familiar with the big picture and the plan.
- **Emergency Response Plan:** This plan anticipates emergencies, accidents, and incidents. The plan should identify responsible parties, contact information for key staff members, contact information for marketing and operational partners, appropriate forms for documentation of events, and JKCHC response. This plan needs to be developed for implementation by all employees, with particular emphasis on responsibilities of managers and supervisors.
- **Human Resources Plan:** This plan outlines the plans for recruitment and retention of employees. Position descriptions, compensation ranges, and protocols for responding to employee grievances may be outlined in this document. The audience for this plan will include the Human Resources Manager and other top management.
- **Personnel Policies:** These policies should provide clear information to all employees about expectations regarding JKCHC philosophy, organizational structure, compensation and benefits, and assurances of fair and equitable treatment. This plan should direct employees to the appropriate procedures and personnel for any concerns or grievances.

Tools and expertise needed at this time include organizational skills, communications skills, and marketing and sales experience. It would be ideal if one or more members of the core management team had existing tourism experience and contacts with key tourism industry officials, such as local tour company owners and managers, cruise line representatives, and destination marketing officials.

## Budget

The expenses identified below are additional costs outside of staffing or office rent. Typical marketing budgets for an attraction like JKCHC are commonly 2 to 10 percent of operating expenses.

### Annual Marketing and Management Expenses Short-term Strategies

Expenses	Amount
<b>Memberships and Dues</b>	
Alaska Travel Industry Association	\$520
Travel Industry Association Yukon	500
<b>Photography and Images</b>	
Purchase and duplicate images	1,000
Professional image shoot	1,000
<b>Collateral</b>	
Rack card design and printing	2,500
Web design in initial year	2,500
Best Management Practices (forms, certificates, etc.)	500
Highway brochure distribution contract	600
Brochure display racks	500
<b>Advertising and Signage</b>	
ATIA narrative listing (design and listing after credit applied)	500
ATIA internet link to JKCHC Web site	100
Haines Visitor Guide display ad (Chilkat Valley News)	500
Haines Vacation Guide listing (Borough sponsored)	0
Chilkat Valley Weekly advertising of TBMP participants	1,500
Highway signage through Alaska DOTPF	1,000
Directional and safety signage	10,000
<b>Travel and Entertainment</b>	
ATIA conference for two attendees	2,000
TIA Yukon conference for two attendees	1,200
Hosting costs for cruise lines, media ,and tour operators	1,000
Haines community day	1,200
Best Management community meetings	200
<b>Miscellaneous</b>	
Office: postage, phone, letterhead	1,800
Contingency	2,500
<b>Total</b>	<b>\$33,120</b>

An additional \$24,000 in marketing expenses is anticipated as the attraction is fully developed and JKCHC has the financial ability to increase its marketing investment. As noted in the marketing recommendations

section, it would be ideal if the professional public relations component could be funded earlier in the project development phase. Even in this second phase, the advertising investment remains quite modest.

### **Additional Annual Marketing and Management Expenses Longer-term Strategies**

Expenses	Amount
Core program expenses (identified above)	\$33,120
Advertising	8,000
Cruise line and package tour operator sales	2,000
Expanded Internet presence	4,000
Professional public relations support	10,000
<b>Total</b>	<b>\$57,120</b>

## **Implementing the Plan**

### **Roles and Responsibilities**

While Klukwan residents commonly serve in multiple roles (such as JKCHC employee and Tribal Council member), there needs to be an understanding of how each organization can best guide and support JKCHC operations. The following roles are intended to be complementary and respond to current needs; roles will likely change as JKCHC evolves from the construction phase, through the start-up phase, and into a mature business operation.

#### **CHILKAT INDIAN VILLAGE**

- The Chilkat Indian Village has been a driving force in the project planning, solicitation of grants, and construction phases. As the project management team assumes greater responsibility for daily activities, the role of the tribe will likely transition into helping tribal and community members achieve personal and financial success.
- The tribe can serve an important advisory role in defining and guiding the degree of cultural interpretation and exchange that will happen with JKCHC visitors.
- The tribe is likely to be involved in helping set the policies and procedures for the storage of artifacts and clan property in JKCHC facilities.
- The tribe can have a valuable role in helping Klukwan residents enhance their employment skills.
  - The tourism development will need front-line employees with strong customer service skills, cultural interpreters and tour guides, and people with mechanical and technical skills.
  - To ensure that management and supervisory skills are continually developed internally, the tribe may also want to offer skills training in these areas.
  - The tribe also can help local artists achieve success by offering training in product development, pricing, and marketing.

- Traditional knowledge camps and Tlingit language camps will serve dual goals of helping the village preserve the culture and build skills and confidence in JKCHC employees.
- The tribe is a unique entity and is capable of accessing grant funds and resolving issues on a government-to-government basis. As the facility continues to develop, the tribe will likely remain an important resource for identifying and pursuing capital and operating grants and other resources.

## **TRIBAL COUNCIL**

- The Tribal Council has overall responsibility for ensuring that the JKCHC meets the original goals of preserving, protecting, and perpetuating the cultural heritage of Klukwan residents.
- The Tribal Council will help ensure the protection of the community, residents, and the surrounding area.
- The Tribal Council should serve as an important avenue for community residents to express their goals, ideas, and concerns about the JKCHC. In turn, the Council leadership should share this feedback with JKCHC board and management team on a regular basis.
- The Tribal Council should refrain from becoming involved in day-to-day operational or personnel issues. When concerns arise, the Tribal Council can help reinforce the organizational structure and procedures of JKCHC.
- The Tribal Council will set and reinforce community-level policy decisions, such as the desire to direct visitor traffic and businesses to the JKCHC site, rather than in the village. The Tribal Council should gauge changes in resident support for allowing small business opportunities within the village, such as home-based sales of crafts and food.
- The Tribal Council should take a lead role in soliciting community input as the TBMP program is refined.

## **JKCHC MANAGEMENT**

- This team of senior managers has day-to-day responsibility for the site and operations including the financial health of the organization, safety of employees and visitors, quality of the experience, and protection of physical and intangible property.
- The management team is responsible for ensuring that JKCHC complies with applicable state and federal laws regarding public health and safety, transportation, employment and labor laws, and environmental protection.
- The management team is responsible for developing, implementing, and refining plans and policies including the operations plan, TBMP plan, marketing plan, etc.
- The management team is also responsible for development of strategic relationships with businesses and organizations that have a solid reputation, a desire to help JKCHC succeed, and a history of sound business practices and ethical behavior.

## **JKCHC BOARD OF DIRECTORS**

- The board has fiduciary responsibility for the organization.
- The board maintains responsibility for policy decisions that affect employees and operational procedures at the JKCHC.
- The board has responsibility for hiring, evaluating, and terminating the most senior level manager at the JKCHC. (Depending on the organizational structure, this may be the President and CEO, Executive Director, or Chief Operating Officer.)
- The board is also responsible for approval of management and operating plans developed by the JKCHC management team.