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Executive Summary

Introduction

The following findings are McDowell Group estimates of visitor arrivals to Alaska. No actual field surveying has been conducted for Fall/Winter (October through April). The last *Alaska Visitor Statistics Program III (AVSP)* surveys were conducted in Fall/Winter 1993-1994. The visitor arrival numbers presented here are based on total arrival trends (including Alaska residents), economic conditions in Alaska, population growth, visitor industry trends and other factors.

This document serves as a tool for estimating the breadth of the visitor (non-resident traveler) market to Alaska and shifts in visitor composition (increases or decreases in visitors versus resident travelers to the state). Non-resident visitors are impacted by marketing and are affected by the statewide tourism marketing program implemented by the State of Alaska Division of Tourism. Visitor affected markets include vacation/pleasure visitors and those visiting friends and relatives. Business visitors are also impacted but to a much smaller degree.

For marketing purposes readers should focus on the study discussions that deal with visitor (non-resident traveler) data.

Summary of Findings

Total Arrivals (Residents and Visitors Combined)

- Total Arrivals (residents and non-residents combined) during Fall/Winter 1996-1997 exceeded 660,000, growing 9% over the previous year.
- Domestic Air arrivals posted the only increase, climbing approximately 13%. All other transportation modes declined between Fall/Winter 1995-1996 and Fall/Winter 1996-1997.
- An estimated 230,500 visitors entered Alaska during the Fall/Winter 1996-1997 season, an 11% increase over the previous year.

Visitor Arrivals by Entry Mode

- Domestic Air was the most popular entry mode for visitors to Alaska during Fall/Winter 1996-1997. Domestic Air grew 14% over Fall/Winter 1995-1996.
- All other entry modes experienced declines in visitor entries. Highway and Ferry markets continued their downward trend from the Summer 1996 period. Reasonable domestic air fares, a lack of marketing by Alaska in general and the ferry system in particular contributed to further declines.

- International Air also suffered between Fall/Winter 1995-1996 and Fall/Winter 1996-1997. The decline cannot be attributed to any one factor. However, declining Russian Far East passenger traffic is partially responsible.

Visitor (Non-Resident) Arrivals by Entry Mode
Fall/Winter 1995-1996 and Fall/Winter 1996-1997

Entry Mode	Fall/Winter 1995-1996	Fall/Winter 1996-1997	% Change 1995-1996 to 1996-1997
Domestic Air	177,600	202,900	+14.2%
Cruise Ship	0	1,500	NA
Highway-Personal Vehicle	11,300	10,100	-10.6
Highway-Motorcoach	0	0	NA
Alaska Marine Highway System	3,600	3,200	-11.1
International Air	5,900	5,200	-10.9
Other	9,700	7,600	-21.6
Total Visitor Arrivals	208,100	230,500	+10.7%

Visitor Trip Purpose

- Business Only travelers accounted for most of the growth during Fall/Winter 1996-1997 increasing by nearly 14%. Business and Pleasure visitors also increased by 10%. Together the total visitors traveling for business-related reasons accounted for 61% of all Fall/Winter visitors. Seasonal workers grew 8%.
- Visitors traveling for pleasure also increased during the Fall/Winter period. Vacation/Pleasure visitors grew substantially by an estimated 9%, followed by Visiting Friends and Relatives at 6%.

Visitor Arrivals by Trip Purpose
Fall/Winter 1995-1996 and Fall/Winter 1996-1997

Entry Mode	Fall/Winter 1995-1996	Fall/Winter 1996-1997	% Change 1995-1996 to 1996-1997
Vacation/Pleasure	30,900	33,700	+9.1%
Visiting Friends and Relatives	48,100	51,000	+6.0
Business and Pleasure	21,700	23,900	+10.1
Business Only	102,400	116,500	+13.8
Seasonal Workers	5,000	5,400	+8.0
Total Visitors¹	208,100	230,500	+10.7%

Visitor Origin

- The most recent research available on visitor origins was acquired in Fall/Winter 1993-1994 through the *Alaska Visitor Statistics Program*, by the McDowell Group. Percentages are presented in this document, however, due to significant changes in market share and mode volumes, it is no longer appropriate to apply 1993-1994 origin data to 1996-1997 volumes.

Full Year Visitor Arrivals

- During the full year including Summer 1996 and Fall/Winter 1996-1997 Total Arrivals (residents and non-residents) to Alaska exceeded 2.1 million.

- Total Visitors to the state surpassed 1.2 million for the full year growing 10% over the full year Summer 1995 and Fall/Winter 1995-1996.
- The largest segment of visitors arrived in Alaska on a domestic air carrier (58%) followed by Cruise Ship (26%).

**Full Year Total Arrivals and Visitor Arrivals Summary
Summer 1996 and Fall/Winter 1996-1997**

<u>Summer 1996</u>				
Entry Mode	Total Arrivals	% of Total Arrivals	# of Visitors¹	% of Total Visitors¹
Domestic Air	836,994	57.1%	547,900	51.5%
Cruise Ship	336,511	22.9	336,500	31.6
Highway-Personal Vehicle	183,065	12.5	99,200	9.3
Highway-Motorcoach	4,159	0.3	4,200	0.4
Alaska Marine Highway System	30,050	2.0	24,000	2.3
International Air	28,637	1.9	22,500	2.1
Other	47,090	3.2	30,000	2.8
Totals	1,466,506	100.0%	1,064,300	100.0%
<u>Fall/Winter 1996-1997</u>				
Entry Mode	Total Arrivals	% of Total Arrivals	# of Visitors¹	% of Total Visitors¹
Domestic Air	588,021	88.1%	202,900	88.0%
Cruise Ship	1,456	0.2	1,500	0.6
Highway-Personal Vehicle	30,638	4.6	10,100	4.4
Highway-Motorcoach	518	<1.0	0	0.0
Alaska Marine Highway System	9,621	1.4	3,200	1.4
International Air	10,814	1.6	5,200	2.3
Other	26,735	4.0	7,600	3.3
Totals	667,737	100.0%	230,500	100.0%
<u>Full Year Total</u>				
Entry Mode	Total Arrivals	% of Total Arrivals	# of Visitors¹	% of Total Visitors¹
Domestic Air	1,425,015	66.7%	750,800	57.9%
Cruise Ship	337,967	15.8	338,000	26.1
Highway-Personal Vehicle	213,703	10.0	109,300	8.4
Highway-Motorcoach	4,677	0.2	4,200	0.3
Alaska Marine Highway System	39,671	1.9	27,200	2.1
International Air	39,451	1.8	27,700	2.1
Other	73,825	3.5	37,600	2.9
Totals	2,143,243	100.0%	1,294,800	100.0%

¹ Totals for the number of visitors have been rounded up to the nearest 100.

Introduction

Introduction

The *Arrival Count*, the subject of this report, estimates the number of visitors to Alaska in the years between primary data collection of the *Alaska Visitor Statistics Program*. The purpose of the *Arrival Count* is to track year-round passenger volume into Alaska and to develop estimates of visitor volume, trip purpose, and entry mode. For marketing purposes readers should focus on the study discussions that deal with visitor (non-resident traveler) data. These travelers are most likely to be impacted by marketing programs implemented by the State of Alaska Division of Tourism.

To determine the total number of visitors, non-resident ratios are applied to the total population arriving in Alaska. While no survey data exists after April 1994, the McDowell Group estimates arrival composition based on historic (1993-94) survey data and takes into consideration current relevant trends in the visitor industry, the Alaska economy and the state's passenger transportation industry.

The McDowell Group collects and compiles detailed arrival count data for five entry modes (domestic air, international air, cruise ship, Alaska Marine Highway System, and highway) from six major entry locations (Anchorage, Fairbanks, Juneau, Ketchikan, Alcan, Poker Creek and Skagway U.S. Customs stations). Arrival data is derived from a number of secondary sources including a voluntary and confidential reporting program to obtain domestic air statistics. All domestic air carriers entering Alaska provide the McDowell Group with reports on passengers and flights entering the state. Other arrival count data sources are the Alaska Marine Highway System's Management Information Group, the Anchorage International Airport Manager's office, Cruise Line Agencies of Alaska and the Alaska Highway offices of the U.S. Customs and Immigration Service.

The Alaska Visitor Statistics Program (AVSP)

The *Alaska Visitor Statistics Program (AVSP)* is a comprehensive information system designed to enhance the public and private sectors' understanding of the Alaska visitor industry. It was initiated by the State of Alaska Division of Tourism in 1985. The McDowell Group, Inc. of Juneau, Alaska was selected by the Division of Tourism to be the program contractor in 1985-86, 1989-90 and 1993-94.

The *AVSP* was designed to measure visitor volume, composition, opinions and attitudes, expenditures, and demographics. A sample of arriving visitors were interviewed for a period of one year through personal intercept interviews, an expenditure diary survey, and a follow-up mail survey. The methodology developed by the McDowell Group consistently yielded records in response rates for visitor survey research.

The program has four distinct but interdependent phases. These are the *Arrival Count*, *Random Arrival Survey*, *Visitor Expenditure Survey*, and *Visitor Opinion Survey*. The exhibit and map on the following pages show the survey locations and program phases. A

series of six comprehensive reports present the results of the survey fielding from the most recent survey fielding period, May 1993 through April 1994.

Alaska Visitor Statistics Program III Phases

Random Arrival Survey Locations

NOTE: The Alaska Marine Highway System is sampled on board vessels from Prince Rupert and Bellingham underway to Ketchikan. Alaska Highway is sampled at the U.S. Customs Station on the Taylor Highway and near the U.S. Customs Station near Tok. Klondike Highway is sampled at the U.S. Customs Station at Skagway.

Chapter I: Arrivals

Total Arrivals (Residents and Visitors Combined)

Resident/Visitor Arrival Composition

Visitor Arrivals by Entry Mode

Visitor Arrivals by Origin

Arrivals

Total Arrivals (Residents and Visitors Combined)

Total Arrivals to Alaska exceeded 660,000 during Fall/Winter 1996-1997 (October 1996 through April 1997). This was a 9% increase over Fall/Winter 1995-1996. Domestic Air arrivals were the driving force between the increase, particularly arrivals to Anchorage, which grew nearly 15%.

Competition among air carriers between Seattle and Anchorage and low cost red eye flights made the route more economical for many travelers including business visitors and those coming to visit friends and relatives. In addition, federal taxes were not reinstated until March of 1997 further reducing ticket prices.

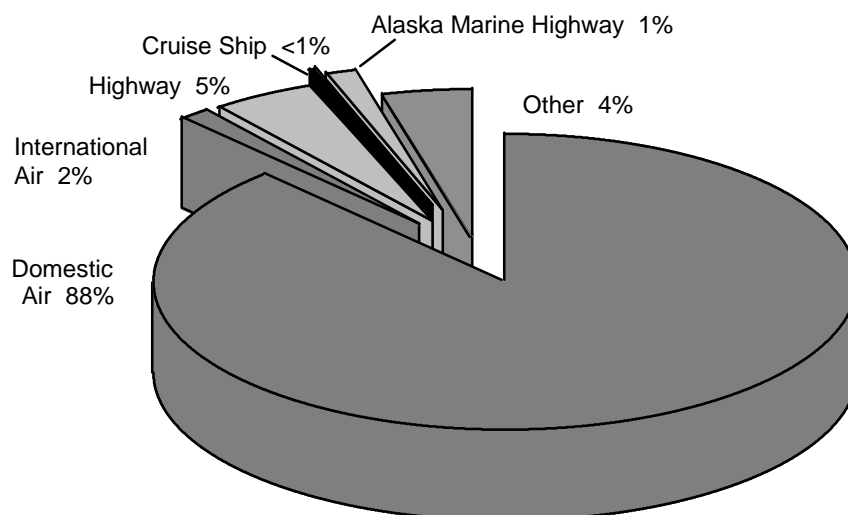
All other arrival modes posted decreases. International air carriers brought 10,800 during the Fall/Winter period, down 10% from the previous year. Highway arrivals continued their downward trend (-8.0%) as did those of the Alaska Marine Highway System (-10%). Highway and Ferry travel are closely interrelated and are greatly affected by competitive air fares.

The first significant April cruise arrivals occurred in 1997 bridging the All/Winter and Summer seasons.

Graph I-A represents the arrival distributions by entry mode. Domestic Air arrivals were 88% of the 667,737 total arrivals. Highway arrivals, the second largest group, were 5% of all arrivals. International Air and the Alaska Marine Highway System represented 2% and 1%, respectively, of total arrivals. Other arrivals were 4% of total arrivals and represent first arrivals at minor points of entry not included within the survey sample.

Graph I-A

**Total Arrivals by Entry Mode
Fall/Winter 1996-1997**



As shown in Table I-1, though both Fall and Winter periods showed substantial increases, the winter season (January through April), posted the largest (10%). Fall 1996 Anchorage Domestic Air arrivals increased 16% over Fall of 1995. Anchorage 1997 Winter air arrivals grew 14% over Winter 1996. All other modes posted declines.

Travel modes such as the Highway and Ferry are losing their market share to Domestic Air for a variety of reasons. Competitive air fares offered travelers appealing price options. A strong nationwide economy contributed to more stability in corporate and household budgets and greater purchasing power led to more travel opportunities. During the Fall/Winter season Highway and Ferry travel can be less appealing for safety and comfort reasons. However, a clear underlying cause of losses by every other mode is the decline and near absence of Alaska marketing to visitors.

Table I-1

**Total Arrivals
Total Passengers Entering Alaska
(Residents and Visitors Combined)
Fall/Winter 1996-1997**

Mode	Fall	Winter	Total	% Change F/W 1995-96/1996-97
Domestic Air¹	249,771	338,250	588,021	+12.6%
Anchorage	198,935	265,781	464,716	+14.8
Other	50,836	72,469	123,305	+5.0
International Air²	4,361	6,183	10,814	-10.4%
Cruise Ship	–	1,456	1,456	NA%
Highway³	10,568	20,522	31,090	-8.0%
Alcan & Poker Creek				
Personal Vehicle	6,303	10,414	16,717	-12.2
Motorcoach ⁴	39	113	152	+90.0
Skagway				
Personal Vehicle	4,157	9,698	13,855	-3.0
Motorcoach ⁴	69	297	366	-1.6
Alaska Marine Highway⁵	3,714	5,907	9,621	-9.9%
Departing Bellingham	2,418	3,399	5,817	-8.5
Departing Prince Rupert	1,296	2,508	3,804	-12.0
Other⁶	11,137	15,598	26,735	-21.6%
Total Arriving Passengers⁷	279,821	387,916	667,737	+9.0%
% of Change By Season 1995-1996 to 1996-1997	+7.7%	+9.9%	+9.0%	

Footnotes appear on page 8.

As shown in Table I-2, March recorded the greatest number of total arrivals, exceeding 109,000 for the month. December 1996 and January 1997 demonstrated the greatest increases between 95-96 and 96-97 growing at 15% and 14% respectively. Domestic Air arrivals were strongest in March, December and January. Holiday travel and spring breaks likely contributed to the increased air traffic.

International Air arrivals also increased (October +40%, November +17%, December +21%) in Fall of 1996 over Fall 1995. During the winter (January through March), however, arrivals declined compared to the previous year, resulting in the overall decrease of 10%. A slow-down in Russian passenger traffic is one of the reasons for the decline.

For 1996-1997 the remaining entry modes posted declines for nearly every month compared to 1995-1996.

Table I-2

**Total Arrivals
Total Passengers Entering Alaska
(Residents and Visitors Combined)
October 1996 to April 1997**

Mode	October	November	December	January	February	March	April	Total
Domestic Air¹	78,321	76,293	95,157	87,804	69,776	95,748	84,922	588,021
Anchorage	62,502	61,085	75,348	69,886	55,086	75,582	65,227	464,716
Other	15,819	15,208	19,809	17,918	14,690	20,166	19,965	123,305
International Air²	1,875	1,265	1,491	1,557	1,331	1,501	1,794	10,814
Cruise Ship	–	–	–	–	–	–	1,456	1,456
Highway³	4,686	3,194	2,688	2,354	3,014	6,010	9,144	31,090
Alcan & Poker Creek								
Personal Vehicle	2,807	1,759	1,737	1,587	1,738	2,485	4,604	16,717
Motorcoach ⁴	17	11	11	2	22	59	30	152
Skagway								
Personal Vehicle	1,843	1,386	928	709	1,250	3,376	4,363	13,855
Motorcoach ⁴	19	38	12	56	4	90	147	366
Alaska Marine Highway⁵	1,573	1,247	894	1,458	934	1,518	1,997	9,621
Departing Bellingham	964	881	573	855	547	850	1,147	5,817
Departing Prince Rupert	609	366	321	603	387	668	850	3,804
Other⁶	3,930	3,408	3,800	4,254	3,478	4,564	3,311	26,735
Total Arriving Passengers	90,835	85,407	104,030	97,418	78,533	109,341	102,624	667,737

Footnotes appear on the following page

Footnotes For Tables I-1 and I-2

Important note: Arrivals are defined as passengers entering Alaska at their first point of entry. Further, the number of first arrivals at each entry point are only those using that point for their first stop. In Anchorage, for example, 464,716 passengers entered the state on Domestic Air carriers which landed first at Anchorage. Several times that number transited in and/or out of Anchorage by air from instate locations.

- 1 Domestic Air totals include both scheduled and charter flights by domestic carriers.
- 2 International Air totals include both scheduled and charter flights by international carriers.
- 3 Highway Personal Vehicle totals include all passengers passing into Alaska through U.S. Customs stations on Alaska, Taylor and Klondike Highways. The Taylor station is closed during the fall and winter seasons. These totals include passengers arriving in Alaska at their first point of entry and those previously entering Alaska at other points, such as on the Ferry in Southeast Alaska before driving into mainland Alaska. Those passengers not arriving by Highway as their first point of entry are screened out by the *AVSP* survey process and are not double counted in the visitor totals. Passengers entering Alaska on the Klondike Highway who first visited mainland Alaska are also screened out by the survey process.
- 4 Highway Motorcoach arrivals are first arrivals only and, unlike the Personal Vehicle arrivals, do not include Motorcoach passengers who first entered Alaska at another point of entry. Motorcoach first arrivals are those passengers traveling from their point of origin entering Alaska first via Highway at the Alcan and Klondike highways U.S. Customs stations.
- 5 Alaska Marine Highway System arrivals are the number of passengers on board as the ferries pass northbound into Alaska waters from the two outside points of departure, Prince Rupert, B.C. and Bellingham. The total does not, of course, include users of the system boarding within Alaska.
- 6 The "Other" arrivals category includes first arrivals at minor points of entry not surveyed. This includes Domestic Air first arrivals at locations other than Ketchikan, Juneau, Anchorage and Fairbanks; some private vessel and aircraft arrivals; commercial truck passengers through Alcan, Taylor and Klondike checkpoints and a statistical adjustment to prevent disclosure of individual carrier volume. This does not include crew members of all other passenger transportation modes.

Resident/Visitor Arrival Composition

The first step in determining visitor characteristics is to estimate the proportion of visitors among total arrivals. In the absence of survey data for Fall/Winter 1996-1997, a combination of methods are used to determine proportions of residents and visitors among all arrivals. This combination includes a review of past survey results, the study of changes in the Alaska economy and its population, a review of events/trends which may have affected travel to and from Alaska, and detailed examination of visitor trends by the five trip purpose groups. The end result of these analyses are estimates of the volume of arriving visitors by each entry mode during the Fall/Winter 1996-1997 season.

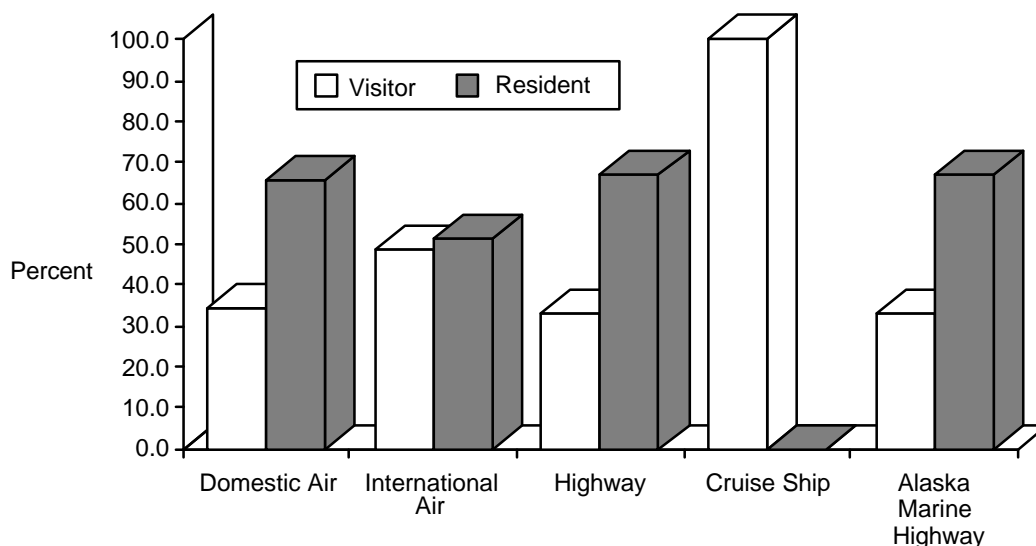
Alaska's population has been growing, but just barely. For the last several years, population growth has hovered at less than 1%. Between 1996 and 1997 the number of residents increased by a 3,986 people bringing the population to a total of 611,300 (provisional total from the Alaska Department of Labor, Research and Analysis Section).

Employment statistics also showed slight increases between 1995-1996 and 1996-1997. Over that period employment grew 0.7% and averaged a total of 254,200 jobs, compared to an average of 252,400 the previous period. These indicators of economic and population growth result in slower growth rates for business and resident travel.

As depicted in Graph I-B, the resident/non-resident balance has remained relatively stable by entry mode over the years. Domestic Air was slightly more than one-third visitors (34.5%) and the balance was residents (65.5%). Highway and Ferry were identical with one-third (33.0%) being visitors and the remaining two-thirds residents. The composition of International Air was nearly one-half visitors (48.6%) and 51.4% residents.

Graph I-B

**Resident/Visitor Arrival Composition by Entry Mode
Fall/Winter 1996-1997**



Other factors affecting the composition of residents and visitors include the continuing policy of air carriers to issue multiple travel tickets for permanent fund dividends (PFD). This last year, though dividends were a record \$1296.54, the same number of tickets (three) were allowed as in the previous year. In addition, a restriction limiting travel to trips originating in Alaska may have reduced PFD travel compared to previous years the program was offered.

Given the slow population and employment growth, and the restricted use of PFD tickets, it was assumed that visitor composition would adjust slightly. The combination of all these factors stimulated a slight increase (0.5%) in overall visitor composition from 34.0% to 34.5% of total arrivals. However, in actual numbers visitors grew a significant 11% or 22,400 visitors over 1995-1996, totaling 230,500 for the Fall/Winter 1996-1997 period.

Positive economic growth nationwide plus aggressive marketing by regional and city specific destination marketing organizations spurred continued growth in visitor traffic to the state in the Fall/Winter period. For example, convention activity for the Anchorage Convention and Visitors Bureau was up for national conventions (+44%), though international and regional conventions were down.

Visitor Arrivals by Entry Mode

During Fall/Winter 1996-1997, Domestic Air was the largest arrival transportation mode for visitors, carrying 88% of all visitors to the state. Visitors entering Alaska on the highway accounted for slightly over 5%, International Air for nearly 3% (2.8%) and the state ferry system nearly 2% (1.7%).

Domestic Air Fall/Winter 1996-1997 visitors increased 14%, or 25,300 over Fall/Winter 1995-1996. Cruise ship mode enhanced its influence by establishing a small presence in the winter market.

Table I-3

Resident/Visitor Arrivals by Entry Mode Fall/Winter 1996-1997

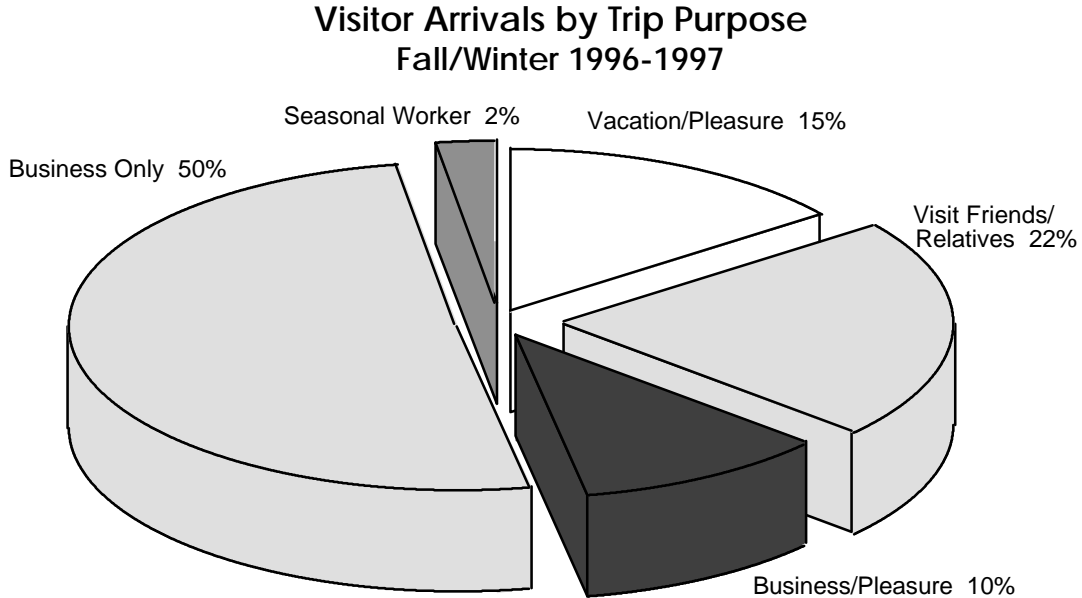
Entry Mode	Total Arrivals	% Visitors	# of Visitors¹	% of Total Visitors
Domestic Air	588,021	34.5%	202,900	88.0%
Cruise Ship	1,456	100.0	1,500	0.6
Highway-Personal Vehicle	30,572	33.0	10,100	4.4
Highway-Motorcoach	518	0.0	0	0.0
Alaska Marine Highway System	9,621	33.0	3,200	1.4
International Air	10,814	48.6	5,200	2.3
Other	26,735	28.4	7,600	3.3
Total Arrivals	667,737	34.5%	230,500	100.0%

¹ Totals for the number of visitors have been rounded up.

Visitor Arrivals by Trip Purpose

History has shown that very little change occurs among the trip purpose categories from year to year. During Fall/Winter 1996-1997, the majority of visitors traveled for business reasons (60%). Those traveling for business only were an estimated 50% of all visitors, while those mixing some pleasure activities with their business trip were about 10%. Pleasure-related travelers accounted for approximately 37% of all visitors.

Graph I-C



Business visitors totaled an estimated 112,400 visitors. This market grew nearly 16% between Fall/Winter 1995-1996 and Fall/Winter 1996-1997. Business & Pleasure visitors grew 11% during the same period. This growth could be attributed to a stable economy and competitive air fares coupled with aggressive convention and meetings marketing.

Table I-4

**Visitor Trip Purpose
Fall/Winter 1996-1997**

Trip Purpose	Number of Visitors ¹	Percent Change From 1995-96
Vacation/Pleasure	32,900	+10.0%
Visiting Friends and Relatives	49,300	+7.4
Business and Pleasure	23,000	+11.1
Business Only	112,400	+15.6
Seasonal Workers	5,300	+12.8
Total Visitors	222,900	+12.3%
Others (Visitors not sampled and therefore, not included in the trip purpose analysis)	7,600	
Total	230,500	



Visitor Arrivals by Origin

Visitor Origin data was last collected in Fall/Winter 1993-1994. Changes in air carrier service, marketing efforts and a broad range of other factors may be affecting visitor origin patterns.

Because Fall/Winter 1993-1994 patterns are not considered valid indicators of today's visitor origins only 1993-1994 percentages are presented in the following table and are not applied to 1996-1997 visitor volumes.

Table I-5

Visitor Arrivals by Place of Origin Fall/Winter 1993-1994*

	Percent of Total Visitors
West	56.5%
Washington	28.1%
California	12.4%
Oregon	5.8%
South	18.4%
Texas	7.4%
Midwest	6.9%
East	5.7%
Total United States	87.6%
Canada	4.9%
Overseas	4.8%
Unknown	2.7%
Total Visitor Arrivals	100.0%

*Please refer to the discussion above.

Chapter II: Visitor Arrival Trends

Introduction

Resident/Visitor Arrival Composition Trends

Entry Mode Visitor Trends

Trip Purpose Visitor Trends

Total Arrival Trends (Residents and Visitors Combined)

Introduction

The *Alaska Visitor Statistics Program* has recorded increases in visitor traffic since the program was launched in 1985. All entry mode and trip purpose groups have experienced increases in numbers. An overview of these trends is presented in this section.

Two broad refinements have been made to data collection over the past ten years. First, Skagway was not included as an entry point until 1989. From 1985 through 1988 data did not include Skagway arrivals. In order to be comparable to more recent data, Skagway arrivals have been estimated for these years. Second, from 1985 through 1992, summer season data included the months of June through September. In 1993, the summer season was expanded to include May.

In this report, the Fall season is defined as October, November and December. The Winter season includes January, February, March and April.

In this section, current Fall/Winter 1996-97 estimates were compared with comparable data from *AVSP* data collected during 1989-90. The Fall/Winter 1989-90 data was adjusted to the October to April season to insure comparability. Also to insure comparability, the "Other" category (those arrivals to minor points of entry not sampled in the *AVSP*) was not included in the analyses.

Visitor Entry Mode Trends

Overall, visitor entries grew significantly (25%) between Fall/Winter 1989-1990 and Fall/Winter 1996-1997. This translates into an annual growth of 3% and a total increase of more than 44,000 visitors.

Domestic Air was the primary growth mode. Domestic air visitor arrivals grew at an estimated annual average rate of nearly 5%. Over the years the domestic air industry has changed in Alaska. New carriers entered the market, while others disappeared entirely or were purchased by other companies. Regardless of this change, domestic air continues to be the most heavily used entry mode to the state by residents and visitors alike.

International Air entry mode visitor trends have also changed considerably. In the mid to late 80's international air carriers were the main transportation mode linking Alaska, Asia and Europe. The cessation of direct international flights greatly affected this important entry mode for visitors. International Air visitors rebounded somewhat in Fall/Winter 1993-1994 and 1995-1996. In Fall/Winter 1996-1997 they posted a decline once again, averaging an annual decline of -7% from 1989-1990. It is important to note that the annual average decline is slowing. In the previous year (Fall/Winter 1995-1996) it was an estimated -8%.

Highway visitors volumes declined between Fall/Winter 1989-1990 and Fall/Winter 1996-1997, dropping 7%. Alaska Marine Highway visitor entries also continued their downward trend. Lack of a statewide marketing presence has affected these two modes, which rely more on independent visitors.

Table II-1

**Visitor Trends by Entry Mode
Fall/Winter 1989-1990 and Fall/Winter 1996-97**

	1989-90¹	1996-97	Total Change	Annual Average Change
Domestic Air	146,900	202,900	+38.1%	+4.7%
International Air	14,300	5,200	-63.6	-7.3
Highway-Personal Vehicles	10,900	10,100	-7.3	-1.0
Cruise Ship	—	1,500	NA	NA
Alaska Marine Highway	6,300	3,200	-49.2	-5.9
Total Visitors²	178,400	222,900	+24.9%	+3.2%

¹ Fall/Winter 1989-90 data was adjusted to the October to April season of Fall/Winter 1996-97 to insure comparability.
² The "Other" Category, visitors arriving at minor points of entry, was not included in this analysis.

Visitor Trip Purpose Trends

Trip purpose estimates were developed using three methods. First, the historical trip purpose composition of each entry mode from the Fall/Winter 1993-1994 visitor data base was applied to the Fall/Winter 1996-1997 entry mode figures. Second, trip purpose composition of the total visitor volume was reviewed. Finally, economic trends, relevant travel trends which affected travel to and from Alaska and visitor trends within each trip purpose group were considered.

Business travelers continue to be the dominant market segment during the fall and winter months (61% of sampled visitors). Business Only visitors were half (50%) of all visitors in Fall/Winter 1996-1997 and grew 32% compared to 1989-1990. Business and Pleasure visitors comprised 10% and declined slightly at an annual average rate of about 2%.

Vacation/Pleasure visitors were estimated to grow at an average annual rate of 6.0% between Fall/Winter 1989-1990 and Fall/Winter 1996-1997. Visitors coming to Alaska to visit friends and relatives also increased substantially at an average annual rate of nearly 4%.

Overall, the visitor market has grown considerably since 1989-1990. Marketing programs geared toward promoting the fall and winter seasons have effectively attracted visitors to a growing number of activities including dogsledding, skiing, wildlife viewing, and northern lights viewing among others.

Table II-2

**Visitor Trends by Main Trip Purpose
Fall/Winter 1989-1990 and Fall/Winter 1996-1997**

	1989-90¹	1996-97	Total Change	Annual Average Change
Vacation/Pleasure	21,800	32,900	+50.9%	+6.0%
Visit Friends & Relatives	38,000	49,300	+29.7	+3.8
Business & Pleasure	28,400	23,000	-19.0	-2.5
Business Only	85,200	112,400	+31.9	+4.0
Seasonal Worker	5,000	5,300	+6.0	+0.8
Total Visitors²	178,400	222,900	+24.9%	+3.2%

¹ Fall/Winter 1989-90 data was adjusted to the October to April season of Fall/Winter 1996-97 to insure comparability.
² The "Other" Category, visitors arriving at minor points of entry, was not included in this analysis.

Total Arrival Trends

Visitor arrivals to Alaska totaled 640,000 during Fall/Winter 1996-1997, increasing at a rate of 4.6% annually since Fall/Winter 1989-1990.

Domestic Air demonstrated the largest growth rate over the period averaging an annual increase of 5.5%. In addition, it is the only entry mode that showed increases over the seven year period. All other modes have fluctuated and posted a decline between Fall/Winter 1989-1990 and Fall/Winter 1996-1997.

The Alaska Marine Highway System registered the largest decline (37.7%), likely resulting from the lack of a marketing presence. Competitive air fares may also have affected the number of ferry arrivals. Without a statewide marketing program, travel modes with insignificant budgets likely will continue to suffer.

Passenger vehicle traffic was also affected by low ferry volume and a minimal marketing presence. Poor road conditions and the lack of marketing have all contributed to the downward trend estimated at an annual rate of approximately -1.8% since 1989-1990.

International Air growth, though trending upward since the late 80's, posted a decline during Fall/Winter 1996-1997. The state continues to pursue continued development among international air carriers, particularly from the Pacific Rim countries. In June of 1998 direct service will be offered between Japan and Anchorage through Northwest Airlines. Asian visitors are particularly important to the Fall/Winter season since many are attracted to northern lights viewing.

Table II-3

**Total Arrival Trends by Entry Mode
(Residents and Visitors Combined)
Fall/Winter 1989-1990 and Fall/Winter 1996-1997**

	1989-90¹	1996-97	Total Change	Annual Average Change
Domestic Air	403,153	588,021	+45.9%	+5.5%
International Air	13,342	10,814	-18.9	-2.5
Highway	35,183	30,572	-13.1	-1.8
Cruise Ship	0	1,456	NA	NA
Alaska Marine Highway	15,432	9,621	-37.7	-4.7
Total Arrivals²	467,110	640,484	+37.1%	+4.6%

¹ Fall/Winter 1989-90 data was adjusted to the October to April season of Fall/Winter 1996-97 to insure comparability.
² The "Other" category, visitors arriving at minor points of entry, was not included in this analysis.

Chapter III: Full Year Arrivals

Introduction

Full Year Total Arrivals

Full Year Visitor Arrivals

Full Year Visitor Trends

Introduction

This chapter provides an analysis of the estimated total arrivals into Alaska, both resident and non-resident, for the full year of May 1996 to April 1997. Included are summaries on the full year total arrivals, visitor arrivals, resident/visitor arrival composition, visitor arrivals by entry mode and visitor arrivals by trip purpose.

The full year definition differs slightly from the full year definition used in the *1985-86 Alaska Visitor Statistics Program (AVSP I)* and *1989-90 Alaska Visitor Statistics Program (AVSP II)*. Therefore, the data presented is not completely comparable to the data of previous years. Additionally, the 1996-97 data are estimates based on the actual data of *AVSP III* in conjunction with other estimation methods.

In this chapter, Summer season is defined as May, June, July, August and September; the Fall season is October, November and December; and, the Winter season is January, February, March and April.

Trend tables provided in Chapter II have been adjusted to reflect the seasonal definition used in this analysis.

During the full year of May 1996 through April 1997 total arrivals to Alaska including residents and non-residents exceeded 2,000,000. An estimated 1.2 million were visitors or non-residents to Alaska.

The majority of full year visitors (non-residents) entered the state on Domestic Air (58%), followed by Cruise Ship (26%).

Table III-1

**Full Year Total Arrivals and Visitor Arrivals Summary
Summer 1996 and Fall/Winter 1996-1997**

Summer 1996				
Entry Mode	Total Arrivals	% of Total Arrivals	# of Visitors¹	% of Total Visitors¹
Domestic Air	836,994	57.1%	547,900	51.5%
Cruise Ship	336,511	22.9	336,500	31.6
Highway-Personal Vehicle	183,065	12.5	99,200	9.3
Highway-Motorcoach	4,159	0.3	4,200	0.4
Alaska Marine Highway System	30,050	2.0	24,000	2.3
International Air	28,637	1.9	22,500	2.1
Other	47,090	3.2	30,000	2.8
Totals	1,466,506	100.0%	1,064,300	100.0%
Fall/Winter 1996-1997				
Entry Mode	Total Arrivals	% of Total Arrivals	# of Visitors¹	% of Total Visitors¹
Domestic Air	588,021	88.1%	202,900	88.0%
Cruise Ship	1,456	0.2	1,500	0.6
Highway-Personal Vehicle	30,638	4.6	10,100	4.4
Highway-Motorcoach	518	<1.0	0	0.0
Alaska Marine Highway System	9,621	1.4	3,200	1.4
International Air	10,814	1.6	5,200	2.3
Other	26,735	4.0	7,600	3.3
Totals	667,737	100.0%	230,500	100.0%
Full Year Total				
Entry Mode	Total Arrivals	% of Total Arrivals	# of Visitors¹	% of Total Visitors¹
Domestic Air	1,425,015	66.7%	750,800	57.9%
Cruise Ship	337,967	15.8	338,000	26.1
Highway-Personal Vehicle	213,703	10.0	109,300	8.4
Highway-Motorcoach	4,677	0.2	4,200	0.3
Alaska Marine Highway System	39,671	1.9	27,200	2.1
International Air	39,451	1.8	27,700	2.1
Other	73,825	3.5	37,600	2.9
Totals	2,143,243	100.0%	1,294,800	100.0%

¹ Totals for the number of visitors have been rounded up to the nearest 100.

For the full year cruise visitor arrivals grew 19% over the previous year. Unlike the previous year, there were no events that pulled vessels off line as in past years. In addition, this is the first year that more than a single carrier brought visitors during April. Past arrivals were not disclosed to maintain confidentiality of specific market share.

International Air visitor arrivals also grew a substantial 44%, due to increased activity during the summer months. Direct charter flights between Europe and Anchorage contributed to the growth of this market.

Domestic Air arrivals grew nearly 10% for the full year 1996-1997 and carried the most visitors to the state (750,800).

Table III-2

**Full Year Visitor Arrivals Summary by Entry Mode¹
Summer 1996 and Fall/Winter 1996-1997**

Entry Mode	Summer Total	Fall/Winter Total	Year Total	% Change 95-95 to 96-97
Domestic Air	547,900	202,900	750,800	+9.5%
Cruise Ship	336,500	1,500	338,000	+19.2
Highway-Personal Vehicle	99,200	10,100	109,300	-5.4
Highway-Motorcoach	4,200	0	4,200	+7.7
Alaska Marine Highway System	24,000	3,200	27,200	-11.1
International Air	22,500	5,200	27,700	+44.3
Other ²	30,000	7,600	37,600	+2.7
Total Visitors	1,064,300	230,500	1,294,800	+10.2%

¹ Numbers of visitors have been rounded up.
² The "Other" category includes first arrivals at minor points of entry not surveyed, with a statistical adjustment to prevent disclosure of individual carrier volume.

Visitors in all trip purpose categories experienced growth between 1995-1996 and 1996-1997. Vacation/Pleasure visitors experienced significant growth (12%) and was the fastest growing group followed by Business Only which increased at a rate of 10%.

Table III-3

**Visitor Trends by Main Trip Purpose
Summer 1996 and Fall/Winter 1996-1997**

Entry Mode	Summer Total	Fall/Winter Total	Year Total	% Change 95-95 to 96-97
Vacation/Pleasure	682,500	32,900	715,400	+11.8%
Visit Friends & Relatives	91,900	49,300	141,200	+5.1
Business & Pleasure	58,100	23,000	81,100	+7.3
Business Only	84,600	112,400	197,000	+10.4
Seasonal Worker	12,000	5,300	17,300	+3.6
Total Visitors¹	929,100	222,900	1,152,000	+10.2%

¹ The "Other" Category , visitors arriving at minor points of entry, was not included in this analysis.

Full Year Visitor Trends

Full year visitor trends presented in the following table reveal the substantial growth of visitors overall (+60%) to Alaska between full year 1989-1990 and full year 1996-1997. The table also demonstrates extensive growth among the key entry modes of Domestic Air and Cruise Ship. Domestic Air visitors grew more than 58% averaging an annual rate of nearly 7%. Cruise Ship visitors grew an impressive 117% at an annual average rate of nearly 12%.

Table III-4

Full Year Visitor Trends by Entry Mode Full Year Summer 1989, Fall/Winter 1989-1990 and Summer 1996, Fall/Winter 1996-1997

Entry Mode	Full Year 1989-1990	Full Year 1996-1997	Annual Average Change 1989-90 to 1996-97
Domestic Air	474,400	750,800	+6.8%
Cruise Ship	155,500	338,000	+11.7
Highway-Personal Vehicle	85,400	109,300	+3.5
Highway-Motorcoach	7,800	4,200	-5.6
Alaska Marine Highway System	33,700	27,200	-2.6
International Air	27,300	27,700	+0.2
Other	22,900	37,600	+7.3
Total Visitors	807,000	1,294,800	+7.0%

Appendix

Methodology Summary

Acknowledgments

Appendix

Methodology Summary

The Arrival Count (AC) is the method of counting all passengers (visitors and residents) who entered the state. The count is conducted by obtaining passenger counts from airlines and ferry carriers, Highway arrivals through U.S. Customs records and Cruise Ship arrivals from Cruise Line Agencies of Alaska and other sources.

Domestic Air

Domestic Air arrival counts were obtained through a voluntary confidential reporting system. All Domestic Air carriers participated, making possible an analysis of the complete Domestic Air Alaska visitor market.

Cruise Ship

Cruise Ship arrival count data was obtained through Cruise Line Agencies of Alaska in Ketchikan and other sources.

Alaska Marine Highway System

Arrival count data for the Alaska Marine Highway System was obtained from computer scanned passenger tickets generated by the Alaska Marine Highway Manager's office in Juneau.

Highway

Arrival count data was obtained from the U.S. Customs Port Director's offices in Alcan and Skagway.

International Air

International Air arrival count data was obtained through the marketing office at the Anchorage International Airport.

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- The management at Cruise Line Agencies of Alaska;
- The Alaska Marine Highway System management;
- The U.S. Customs Service personnel at Alcan, Poker Creek and Skagway; and
- The staff at the Alaska Public Lands Information Office in Tok.