

Summer 1999

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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.

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 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.

Summary of Findings

Total Arrivals (Residents and Visitors Combined)

- Total arrivals (residents and visitors combined) entering Alaska in the summer of 1999 (May through September) amounted to nearly 1.6 million travelers, a 3.2% increase over summer 1998.
- Approximately three-quarters of all arrivals into the state in the summer 1999 season were visitors – 1.2 million of the 1.6 million total travelers.

Visitor Arrivals by Entry Mode

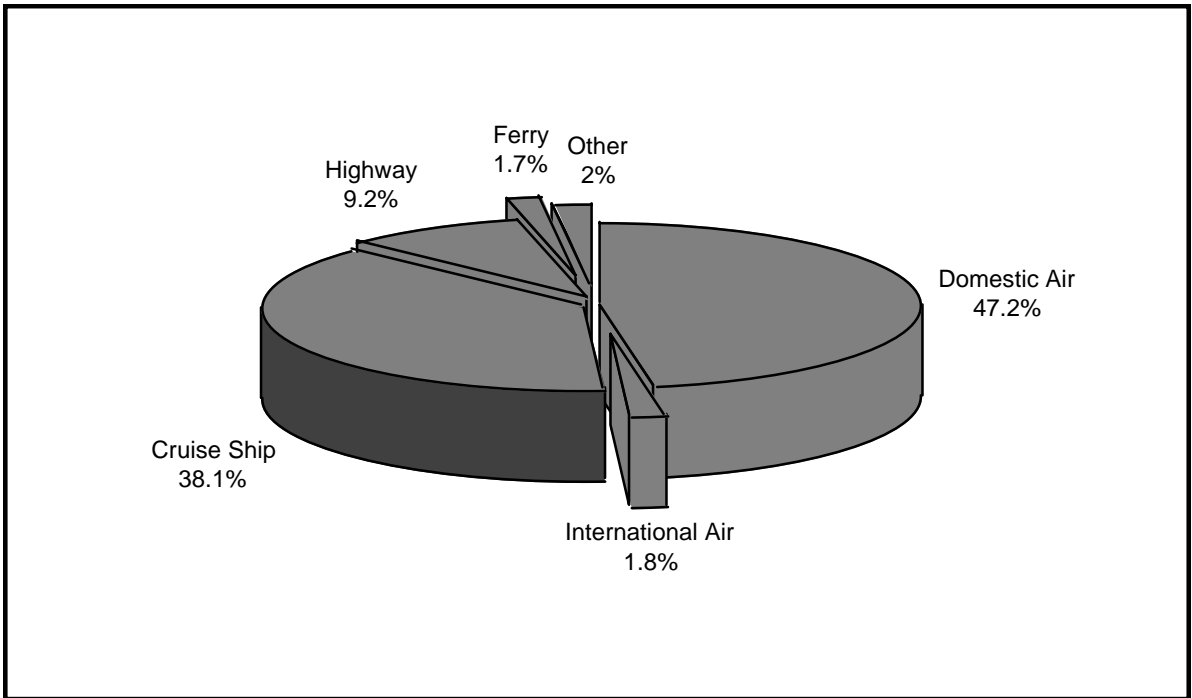
- Nearly 1.2 million visitors came to the state of Alaska in the summer of 1999, a 3% increase over the 1998 summer season. Growth was stimulated primarily by modest increases in domestic air and cruise traffic.
- 1999 summer visitor traffic continued a slowdown in growth occurring over the past several years. In 1996, visitor volume grew by 10%; in 1997, by 5%; and in 1998, by 4%.

- Cruise traffic continued to increase at a faster rate than other modes, although at a slower rate than in the past. In 1999, cruise traffic increased by 6%. This compares with 10% in 1998 and 17% in 1997. (A revision was made to 1998 cruise arrival numbers due to a change in reporting format.)
- Highway visitor traffic experienced a slight decrease of 1.2% in the summer of 1999, following a significant increase in the summer 1998 season, the Gold Rush Centennial year.
- Using entry mode data and the following mode market data, it is possible to estimate the change in the two major Alaska visitor segments – cruise package and independent. By factoring out the cruise mode visitors who arrived in Alaska by domestic air and then cruised southbound, we can isolate independent domestic air volume. In summary, while the cruise package market grew 6% in summer 1999, the independent market – utilizing domestic air, highway, ferry, and international air modes – was essentially flat, growing by less than one-half of one percent.

Visitor (Non-Resident) Arrivals by Entry Mode Summer 1998 and Summer 1999

Entry Mode	Summer 1998	Summer 1999	% Change 1998-1999
Domestic Air	551,600	565,600	+2.5 %
Cruise Ship	431,200	457,100	+6.0
Highway-Personal Vehicle	107,600	106,300	-1.2
Highway-Motorcoach	4,100	3,700	-9.6
Alaska Marine Highway System	21,600	20,800	-4.0
International Air	20,000	21,700	+8.3
Other*	27,600	23,800	-13.7
Total Visitors	1,163,700	1,199,000	+ 3.0 %

**Includes visitors entering Alaska by minor points of entry plus statistical adjustments to 1998 highway personal vehicle volume for comparative purposes.*



Mode Market Size

While counting arrivals by entry mode is essential to determining the total number of visitors to Alaska, entry mode data does not provide the total number of users of each mode. For example, in the summer of 1999, 457,100 visitors arrived into the state by cruise ship. However, a grand total of 596,000 utilized a cruise ship northbound, southbound, or round trip. This number - *mode market* - is the actual size of the cruise market. This same principle applies to other transportation modes, and mode market has been a method of analysis used in the Alaska Visitor Statistics Program since 1989. Mode market size is estimated for summer 1999 using historical relationships between entry mode arrival totals and total mode market size.

The following table provides estimates of the total size of each mode market for the 1999 summer season.

Estimated Total Mode Market Size Summer 1999

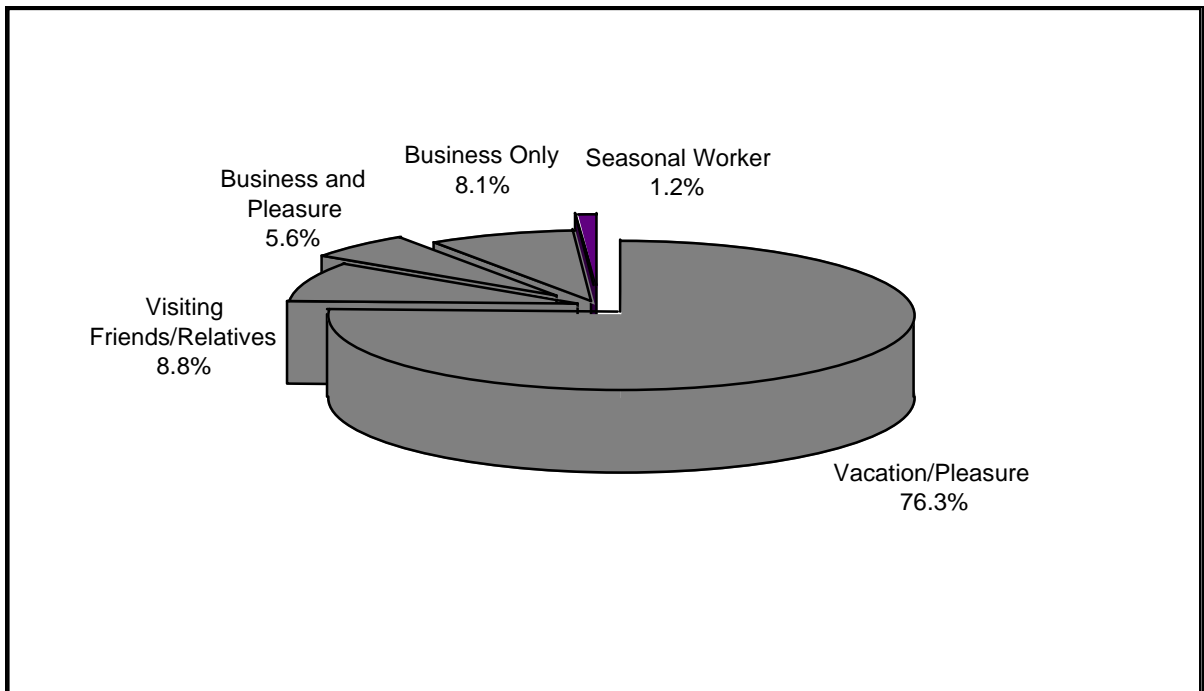
Entry Mode	Visitor Arrivals	Total Mode Market Size
Domestic Air	565,600	737,500
Cruise Ship	457,100	596,000
Highway	110,000	127,000
Alaska Marine Highway System	20,800	36,000
International Air	21,700	31,900

Visitor Arrivals by Trip Purpose

- Visitor trip purpose estimates for summer 1999 are based on historical distributions of trip purpose by entry mode. Other than seasonal workers, all trip purpose categories grew moderately, led by vacation/pleasure visitors with an increase of 3.3%.

Visitor Arrivals by Trip Purpose Summer 1998 and Summer 1999

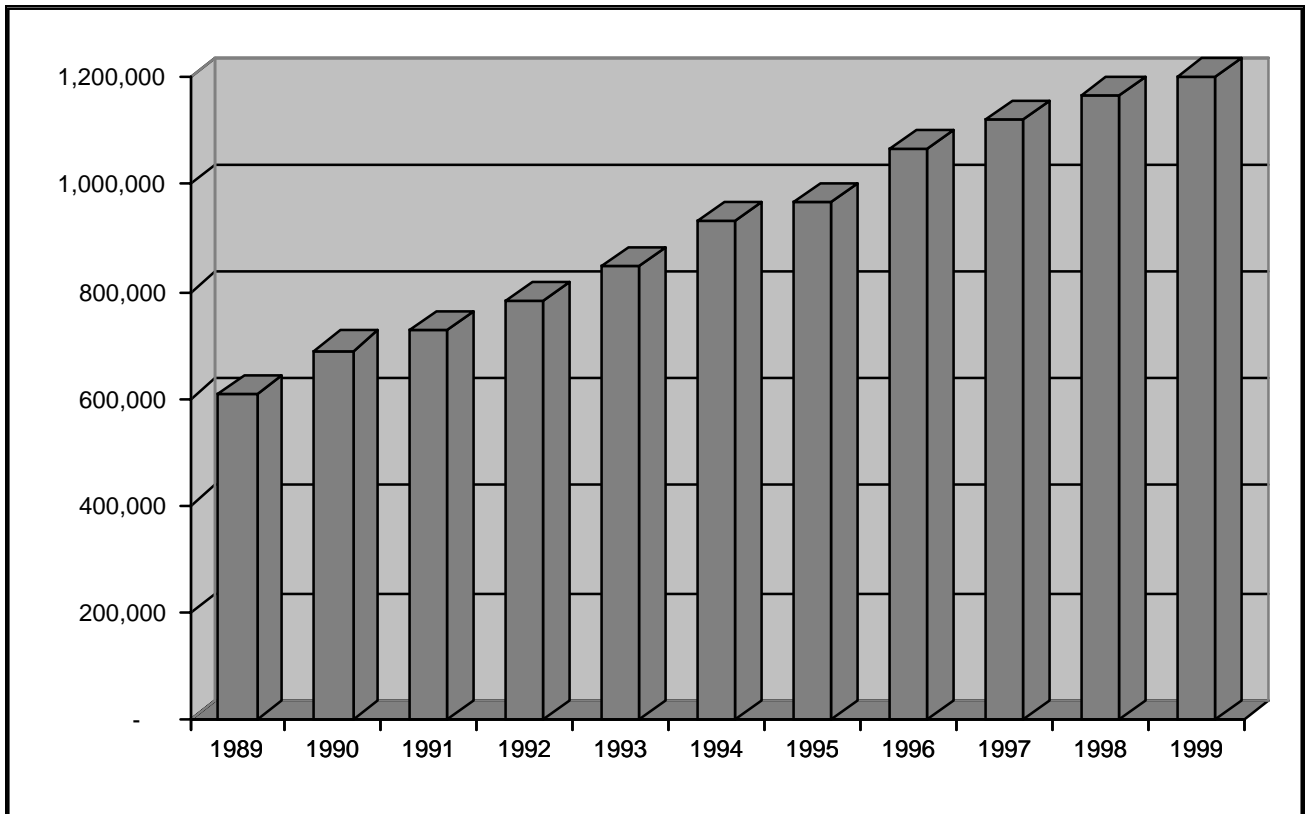
Trip Purpose	Summer 1998	Summer 1999	% Change 1998-1999
Vacation/Pleasure	885,600	914,500	+3.3%
Visiting Friends/Relatives	103,200	105,500	+2.2
Business and Pleasure	66,000	67,600	+2.4
Business Only	94,900	97,400	+2.6
Seasonal Workers	14,000	14,000	0.0
Total Visitors	1,163,700	1,199,000	+ 3.0%



Visitor Volume Trends

- Historical trends show visitor volume growing moderately in the late 1980s, followed by a period of rapid growth during the 1990s. Growth has started to level off in the last few years. 1996 saw a 10% increase in visitor traffic, followed by increases of 5%, 4%, and 3% in subsequent years.

Visitor Volume Trends Summer 1989-1999 May through September



Detailed Findings

The following table provides detailed data on total arrivals (residents and visitors combined) by month and by entry mode, and calculates the percentage change from the 1998 summer season. Readers should keep in mind that these numbers include both residents and visitors and differ from most other findings in this report, which focus on visitors only.

May appears to be the fastest growing month for total arrivals, increasing at nearly twice the rate of volume in the core summer months.

Table II-A

Total Arrivals by Month by Entry Mode (Residents and Visitors Combined) May to September 1999

Entry Mode	May	June	July	August	September	Total	Percent Change 1998-99
Domestic Air¹	124,460	194,303	219,376	205,463	106,543	850,145	+ 3.1%
Anchorage	98,092	153,840	172,940	160,841	84,492	670,205	+ 4.5%
Other	26,368	40,463	46,436	44,622	22,051	179,940	-1.7%
International Air²	3,586	6,606	6,489	6,993	3,861	27,535	+ 9.7%
Signatories (scheduled)	1,895	2,097	1,710	2,002	1,276	8,980	+ 4.4%
Non-Signatories (not scheduled)	1,691	4,509	4,779	4,991	2,585	18,555	+ 12.5%
Cruise Ship³	74,394	104,366	98,389	109,176	70,781	457,106	+ 6.0%
Highway⁴	22,628	52,408	60,068	42,767	21,737	199,608	-1.7%
Alcan & Poker Creek							
Personal Vehicle	11,885	34,247	35,278	23,828	11,455	116,693	+0.6%
Motorcoach ⁵	128	1,101	1,115	711	182	3,237	-0.7%
Skagway							
Personal Vehicle	10,546	16,921	23,500	18,134	10,080	79,181	-4.7%
Motorcoach	69	139	175	94	20	497	-39.5%
Alaska Marine Highway⁶	3,294	6,750	7,535	5,919	2,318	25,816	-2.2%
Departing Bellingham	1,365	2,214	2,744	1,947	1,018	9,288	-22.0%
Departing Prince Rupert	1,929	4,536	4,791	3,972	1,300	16,528	+ 14.2%
Other⁷	5,894	9,481	9,024	8,588	5,008	37,994	+ 0.7%
Total Arriving Passengers⁸	234,256	373,913	400,880	378,906	210,248	1,598,204	+ 3.2%
% of Change By Month							
1998-99	+ 5.7%	+ 2.3%	+ 3.4%	+ 3.0%	+ 2.5%	+ 3.2%	

Footnotes For Table II-A

Important note: Arrivals are defined as passengers entering Alaska at a first point of entry. Further, the number of first arrivals at each entry point are only those using that point of entry for their first stop. In Anchorage, for example, 670,205 passengers entered the state on Domestic Air carriers which landed first at Anchorage. Several times that number transited in and out of Anchorage by air from instate locations.

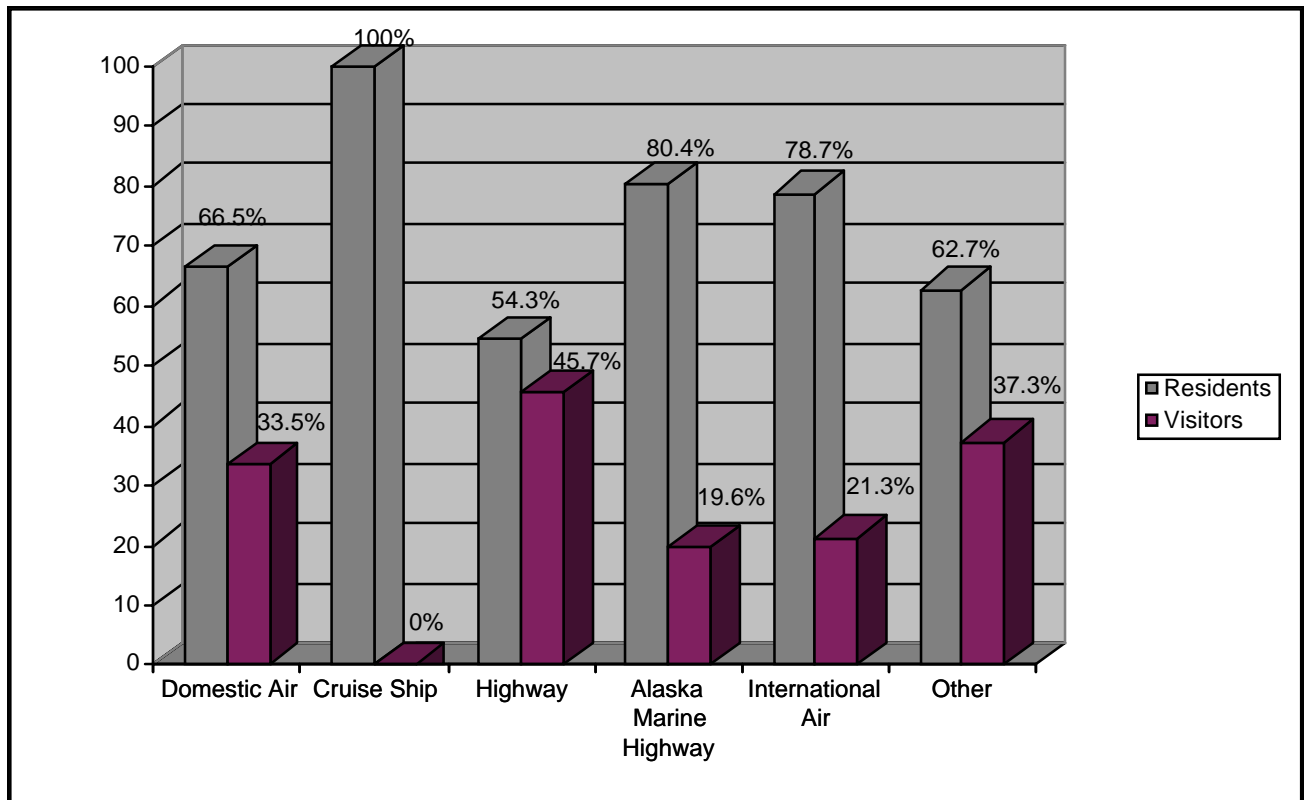
- ¹ Domestic Air totals include both scheduled and charter flights by domestic carriers.
- ² International Air totals include both scheduled and charter flights by international carriers.
- ³ Cruise Ship arrivals are listed by the first point of entry after entering Alaska waters northbound.
- ⁴ Highway Personal Vehicle totals include all passengers passing into Alaska through U.S. Customs stations on Alaska, Taylor and Klondike Highways. 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 included in the tables that follow this section. Passengers entering Alaska on the Klondike Highway who first visited mainland Alaska are also screened out by the survey process.
- ⁵ 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, Taylor and Klondike highways U.S. Customs stations.
- ⁶ 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 include users of the system boarding within Alaska.
- ⁷ Other arrivals 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.
- ⁸ Totals include Skagway arrivals. Skagway arrivals via the Klondike Highway were surveyed for the first time in 1989, and again in 1993, these arrivals are included in the totals but comparisons of Skagway arrivals prior to 1989 are not possible.

Resident/Visitor Arrival Composition

The first step in determining visitor characteristics is to estimate the proportion of visitors (non-residents) among total arrivals. In the absence of survey data for Summer 1999, historical resident/visitor ratios are used.

As shown in Graph I-B, several transportation modes are dominated by visitor travel. Cruise ship remains 100% visitors. The AMHS ratio between visitors and residents is estimated at 80% versus 20% residents. The balance between visitors (79%) and residents (21%) among International Air travelers is similar to AMHS. Domestic Air arrivals were an estimated two-thirds (67%) visitors in Summer 1999, while slightly over half (54%) of highway arrivals are estimated to be visitors.

Resident/Visitor Arrival Composition By Entry Mode Summer 1999



Visitor Arrivals by Entry Mode

Summer 1999 visitors totaled 1,199,000 and accounted for 75% of all arrivals (residents and visitors combined) in Alaska.

Visitors using domestic air as their arrival mode accounted for nearly half (47%) of all visitors to the state. Cruise ship visitors were the second largest mode use group, accounting for 38% of all visitors in the 1999 season. Nearly one out of ten visitors used the highway (9%), while international air and AMHS visitors each accounted for about 2% of the visitor market.

Resident/Visitor Arrivals by Entry Mode May to September 1999

Entry Mode	Total Arrivals	% Visitors	# of Visitors ¹	% of Total Visitors
Domestic Air	850,145	66.5%	565,600	47.2%
Cruise Ship	457,106	100.0	457,100	38.1
Highway-Personal Vehicle	195,874	54.3	106,300	8.9
Highway-Motorcoach	3,734	99.2	3,700	0.3
Marine Highway System	25,816	80.4	20,800	1.7
International Air	27,535	78.7	21,700	1.8
Other	37,994	62.7	23,800	2.0
Total Arrivals	1,598,204	75.0%	1,199,000	100.0%

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

Visitor Arrivals by Trip Purpose

Visitor trip purpose estimates are based on historical distributions of trip purpose by entry mode.

Visitor Arrivals by Trip Purpose May to September 1999

	Summer 1999	Percent of Visitors
Vacation/Pleasure	914,500	76.3 %
Visiting Friends and Relatives	105,500	8.8
Business and Pleasure	67,600	5.6
Business Only	97,400	8.1
Seasonal Workers	14,000	1.2
Total Visitors¹	1,199,000	100.0 %

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

Visitor Arrival Trends

Introduction

Visitor arrivals have been on the rise since data were first collected in the 1985 *Alaska Visitor Statistics Program*. The following tables chart the growth of the Alaska visitor market over the nine-year period of 1989-1999. The data is presented in three ways: visitor arrivals by entry mode, visitor arrivals by trip purpose, and all arrivals (residents and visitors combined) by entry mode.

Two broad refinements have been made to data collection since the AVSP's inception. First, Skagway was not included as an entry point until June of 1989. Second, from 1985 through 1992, the summer season was defined as June through September. In 1993, the summer season was expanded to include May. In order to present a more complete picture of arrival trends, the tables in this chapter have been revised to include Skagway and May.

Only the Trip Purpose table in this document will continue to exclude May data since it was beyond the scope of this report to recreate visitor trip purpose percentages for May for the years 1989 through 1992. As a result, Trip Purpose figures will differ slightly from visitor numbers presented in other tables in this document.

Visitor Entry Mode Trends
Total Visitors Entering Alaska
May to September 1989 - 1999

	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Annual Avg.
Entry Mode	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	1989-1999
Domestic Air	312,700	354,200	386,300	412,600	443,600	488,000	508,300	547,900	560,800	551,600	565,600	+7.6 %
International Air	18,400	19,500	18,800	15,300	14,500	14,200	13,300	22,500	21,000	20,000	21,700	+0.7 %
Cruise Ship	152,200	187,400	194,000	212,000	247,000	285,100	283,500	336,500	392,100	431,200	457,100	+11.4 %
Alaska Marine Highway System	27,000	28,200	29,600	27,000	29,100	28,400	27,000	24,000	18,900	21,600	20,800	-2.1 %
Highway¹	82,600	84,400	83,100	99,100	91,900	95,300	108,100	103,400	100,200	111,700	110,000	+4.0 %
Alcan/Poker Creek												
Personal Vehicle	48,700	52,200	49,600	53,900	55,300	58,600	66,500	61,600	57,700	66,300	67,200	+3.4 %
Motorcoach ²	3,700	3,300	4,200	2,600	3,500	3,300	3,200	3,500	2,800	3,300	3,200	-1.6 %
Skagway												
Personal Vehicle & Motorcoach (combined)	30,200	28,900	29,300	42,600	33,100	33,400	38,400	38,300	39,700	42,100	39,100	+5.3 %
Other³	15,800	16,400	14,700	16,000	20,100	20,400	26,900	30,000	27,500	27,600	23,800	+3.8 %
Total Arrivals	608,700	690,100	726,500	782,000	846,200	931,400	967,100	1,064,300	1,120,600	1,163,700	1,199,000	+7.2 %
% Change		+13.3 %	+5.3 %	+7.6 %	+8.2 %	+10.1 %	+3.8 %	+10.1 %	+5.3 %	+3.9 %	+3.0 %	

¹ The highway figures are slightly different from the numbers reported in the Alaska Visitor Statistics Program III Summer 1993 Visitor Arrivals, based on revised estimates.

² Summer 1989 through 1993 motorcoach arrivals are estimates based on the number of motorcoaches entering Alaska at their first point of entry.

³ Other Domestic Air arrivals were not sampled from Summer 1989 through 1993. Visitor arrivals were estimated for the small volume of Domestic Air arrivals at locations other than the four sample points, and private vessel and aircraft arrivals at select locations.

Mode Market Trends
Total Visitors Visiting Each Mode for Entry and/or Exit
May to September 1989 - 1999

	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Summer
Mode Use	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Domestic Air	329,900	421,100	446,900	503,400	543,700	600,200	625,300	673,500	706,600	706,000	737,500
International Air	22,500	22,500	21,800	20,400	19,600	19,100	17,700	31,200	29,000	27,500	31,900
Cruise Ship	187,500	243,600	252,200	275,600	317,500	370,600	368,600	437,500	509,700	568,000	596,000
Alaska Marine Highway System	43,100	46,500	48,800	45,900	50,900	49,700	47,300	42,000	33,100	37,000	36,000
Highway	109,500	112,000	110,000	124,000	120,600	125,300	124,300	118,900	115,200	128,500	127,000

Source: Estimates by McDowell Group based on historical relationships between entry mode arrivals and total mode users. 1989 and 1993 data derived from actual field research. All others are estimates.

Mode Market Trends, Summers 1989-1999

Mode markets quantify the number of visitors that use each major transportation mode to enter and/or exit the state. For market definition, mode market is preferred to entry mode because mode market includes all users of each mode, not just those entering by a specific mode. Since many summer visitors use more than one mode to enter and/or exit, user totals overlap and are not to be totaled to find the number of total visitors. A typical mode user may arrive in Alaska by highway and exit by ferry and is counted in both mode user totals. Likewise, visitors may arrive by cruise ship, take a tour of Alaska and exit by domestic air. These visitors are counted as both air and cruise mode users.

Visitor Trip Purpose Trends*
Total Visitors Entering Alaska
June to September 1989-1999

	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Annual Avg.
Trip Purpose	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	1989-1998
Vacation/Pleasure	367,900	415,500	434,200	468,800	524,300	586,200	609,800	682,500	725,800	735,200	785,700	+8.1 %
Visiting Friends and Relatives	86,700	96,200	98,100	102,000	80,900	85,700	88,500	91,900	91,600	92,800	92,800	+0.8 %
Business & Pleasure	49,300	55,900	58,400	61,900	50,500	53,500	54,900	58,100	58,100	58,900	59,400	+2.1 %
Business Only	39,500	43,200	43,900	44,800	78,100	79,700	81,300	84,600	84,900	86,000	85,800	+9.2 %
Seasonal Workers	15,900	19,100	17,100	17,100	11,600	11,800	12,000	12,000	12,000	12,000	12,300	-2.6 %
Total Visitors¹	559,300	629,700	651,700	694,600	745,400	816,900	846,500	929,100	972,400	985,100	1,036,000	+6.5 %

* Total Trip Purpose figures are different than those presented in other tables in this document. Data gathered prior to Summer 1993 did not include May as part of the Summer season. May was first added to Summer in 1993. In order to present comparable trend data from Summer 1989 forward, May numbers have been eliminated from the Summer figures shown in the above table. As a result, the numbers above differ from those in other visitor tables in this document.

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

Arrival Trends
Total Passengers Entering Alaska
Residents and Visitors Combined - May to September 1989 - 1999

	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Summer	Annual Avg.
Entry Mode	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	1989-1999
Domestic Air	504,583	574,722	627,083	689,136	697,451	763,554	788,065	836,994	845,455	824,485	850,145	+5.9 %
International Air	23,238	24,260	23,484	18,510	19,458	20,590	19,260	28,637	26,455	25,093	27,535	+1.9 %
Cruise Ship	152,201	187,331	194,018	211,970	246,967	285,095	283,461	336,511	392,063	431,222	457,106	+8.1 %
Alaska Marine Highway System	34,699	37,272	39,162	35,973	35,905	35,100	32,954	30,050	23,461	26,382	25,816	-2.6 %
Highway¹	149,052	160,420	165,923	174,158	175,221	182,211	191,999	187,225	182,248	203,118	199,608	+3.3 %
Alcan/Poker Creek												
Personal Vehicle	89,324	100,825	94,134	99,763	99,449	105,115	108,980	105,795	99,262	115,986	116,693	+0.9 %
Motorcoach ²	3,726	3,304	4,163	2,602	3,500	3,318	3,240	3,514	2,861	3,258	3,237	-3.1 %
Skagway												
Personal Vehicle	51,927	54,574	65,964	69,991	71,628	73,231	79,168	77,271	79,281	83,052	79,181	+4.8 %
Motorcoach	4,075	1,717	1,662	1,802	644	547	611	645	844	822	497	-7.3 %
Other³	25,910	26,836	24,040	32,593	31,532	31,917	42,155	47,090	43,813	37,725	37,994	+4.3 %
Total Arrivals	889,683	1,010,841	1,073,710	1,162,340	1,206,534	1,318,467	1,357,894	1,466,506	1,513,495	1,548,025	1,598,204	+6.7 %
% Change		+14.0 %	+6.2 %	+8.3 %	+3.8 %	+9.3 %	+3.0 %	+8.0 %	+3.2 %	+2.3 %	+3.2 %	

¹ The highway figures are slightly different from the numbers reported in the Alaska Visitor Statistics Program III Summer 1993 Visitor Arrivals, based on revised estimates.

² Summer 1989 through 1993 motorcoach arrivals are estimates based on the number of motorcoaches entering Alaska at their first point of entry.

³ Other Domestic Air arrivals were not sampled from Summer 1989 through 1993. Visitor arrivals were estimated for the small volume of Domestic Air arrivals at locations other than the four sample points, and estimates of private vessel and aircraft arrivals.