

Alaska's 2009 Summer Visitor Season is in Jeopardy

Reports From Alaska Travel Industry Businesses ---

Many businesses have reported to ATIA that reservations are well-below last year's level, which is a clear indication the number of visitors to Alaska this summer will be lower than last year.

- A small independent Alaskan owned hotel – Denali Grizzly Bear Resort, states that room requests are not coming through. Subsequently, reservations staff has not been hired.
- Cruise lines are making cut-rate discount offers on seven - day cruises at similar levels to post 911 pricing (as low as \$375). Offers are being marketed via several distribution sources throughout the US.
- The Riverboat Discovery, which provides popular tours in the Fairbanks area, says their advance bookings are very weak – down by double digits. They are assessing how to reduce operating costs.
- Cruise West's John Kreilkamp states their advance bookings are down “substantially” - the worst he has seen in his 20+ years with the company. Their vessel, the Spirit of 98, will stay on the Columbia River this summer instead of coming to Alaska. Another ship, the Spirit of Glacier Bay, is being kept in Seattle for refurbishing rather than bringing it in Alaska. They have plans for substantial layoffs.
- Cruise-related hotels in Fairbanks have seen their hotel room blocks reduced 35-40%.
- Princess Tours is considering not opening a portion of their rooms at selected Denali properties due to a lack of land tour bookings.
- Tour operators in Southeast Alaska are very concerned about advance bookings and the caliber of clientele whose spending habits for excursion activities are in question.
- Holland America/Westmark is considering not opening one of their properties in Alaska/Yukon this year.

The Research ---

According to the Travel Industry Association of America (TIA) the economic crisis is changing national travel patterns:

- Consumer confidence is at its lowest reading on record.
- Consumers are looking for shorter vacations to destinations that are closer to home and they are looking for travel “deals”.

In addition, research conducted by ATIA in November 2008 shows consumers requesting Alaska travel information have not yet solidified their travel plans:

- ATIA expects to see the number of visitors asking for Alaska travel information and then traveling in 2009 to decline by 23% compared to 2007.
- 30% of those initially saying they probably/definitely would travel to Alaska are now saying they are very likely to change their travel plans if the economy stays at its current level.
- Many consumers indicate they will book their travel late in 2009 – with many waiting until April or later.

The Alaska Travel Industry's Response ---

The ATIA Marketing Committee is taking a proactive approach to this potential crisis. The FY09 marketing budget has been reviewed and the following actions were taken in order to fund an emergency "Alaska Value" campaign:

- Deferred research studies
- Canceled website development projects
- Reduced travel trade activities
- Redirected a portion of instate and international advertising
- Increased domestic advertising

The emergency "Alaska Value" marketing campaign is directed at US consumers. The goal is to spur interest in traveling to Alaska over the next three months to boost the number of leisure visitors to Alaska this summer. Components of this campaign include:

- Online advertising
- TV advertising
- Consumer Electronic Newsletter campaign
- Public Relations effort

The focus communicates Alaska as an affordable vacation destination and highlights travel specials being offered by Alaska businesses. ATIA has discounted online Travel Special Ads so more businesses can participate in the campaign. A value-added message should be effective with consumers that have interest in travel this year but are worried about the overall cost.

The screenshot shows a web browser window displaying the Alaska Travel Industry Association website. The browser's address bar shows the URL: http://www.alaskashottesttraveldeals.com/index.aspx?utm_source=9410&utm_medium=ad. The website header includes the logo for "ALASKA TravelAlaska.com" and the text "Official State of Alaska Travel Information". The main banner features a smiling dog wearing sunglasses, with the text "The Hottest Deals from the Coolest State" and "There's never been a better time to visit Alaska." To the right of the dog is a book titled "ALASKA 2009 OFFICIAL ALASKA VACATION PLANNER" with a "Learn more" button below it. Below the banner, there is a section titled "Check out our statewide travel specials:" with five categories: "PACKAGES" (showing a waterfall), "ACCOMMODATIONS" (showing a log cabin), "TRANSPORTATION" (showing a train), "ACTIVITIES" (showing people rafting), and "50TH ANNIVERSARY" (showing a person with a hat). The footer contains navigation links: "HOME | MEDIA CENTER | TRAVEL TRADE | CONTACT US | PRIVACY POLICY | COMMUNITY LINKS | BECOME A MEMBER | ALASKA BUSINESSES" and a copyright notice: "© 2001-2008 Alaska Travel Industry Association. Alaska (logotype) and Beyond Your Dreams. Within Your Reach. are registered Marks of the Alaska Travel Industry Association".