

ALASKA TRAVEL INDUSTRY ASSOCIATION

2008 ANNUAL REPORT



The Alaska Travel Industry Association will be the leading industry organization

promoting Alaska as a top visitor destination,

communicating and promoting the Alaskan tourism industry

as one of the state's major economic forces and will be the

respected voice of the industry

for the growth of the industry, while remaining attentive to

care for the environment, recognition of cultures

and Alaska's unique quality of life.



- **Promote** and facilitate travel to and throughout the state of Alaska.
- **Provide** a broad-based association of individuals and companies with an interest in the visitor industry in Alaska.
- **Encourage** the increase and improvement of quality visitor facilities, services and attractions throughout Alaska.
- **Plan** and execute a statewide marketing campaign promoting Alaska as a visitor destination.
- **Increase** awareness of the economic importance of the visitor industry.
- **Develop** and implement programs beneficial to the travel supplier and consumer, which no other single industry component or organization would be expected to carry out on its own.
- **Initiate** and cooperate with local, state and federal entities in developing and implementing programs, policies and legislation that are responsive to the needs of the industry and to intervene in those issues and initiatives that would directly affect the facilitation and promotion of travel to and within Alaska.
- **Work** cooperatively with the state on tourism development and long-range planning.

MESSAGE FROM THE CHAIR & THE PRESIDENT

2007-2008 was actually a year in which your association achieved some substantive successes that will have significant ramifications for the travel industry. ATIA also worked to address selected issues for our membership and the industry that were not resolved and will continue to be challenging. Some of the highlights of your Association and Board of Directors' actions and activities include:

BOARD CHANGES

At the Board of Directors meeting and retreat in October 2007 a number of organizational changes to the association's Committee structure occurred:

The Membership Committee was made a permanent, standing committee and Membership Chair duties were assigned to the association's elected Secretary.

The Board also recognized the increasing frequency of planning issues directed to the Board and the growing importance of assuring continued quality visitor experiences in Alaska. In the past, Ad hoc workgroups were formed to deal with planning issues on an as needed basis. More issues were also coming directly to the Board requiring their time during very busy agendas. The Board decided to follow the model of the Marketing Committee and establish a Tourism Planning Committee that would have first jurisdiction over planning issues and would make recommendations to the board. The Board made the Tourism Planning Committee a permanent, standing Committee and made the Chair an elected position sitting on the association's Executive Committee. They also gave the Chair the ability to establish sub-committees as needed to address specific issues such as Transportation/Infrastructure, Fish and Wildlife, Denali Access and Flightseeing/Air Taxi.

DENALI NATIONAL PARK

ATIA continued to work cooperatively with various stakeholders and groups to continue to move forward on the development of a Southside visitor center, which will afford another "park" experience in the north part of the Matanuska Susitna Borough adjacent to the Parks highway in the Curry Ridge area located at mile 134 on the highway. The good news is that the State of Alaska authorized almost \$9 million in capital expenditures to begin the engineering process of creating a road that would lead from the Parks highway to Curry Ridge. This is definitely a major step in the right direction towards establishing a visitor center for the south side of Denali National Park. The board also continued efforts to urge cooperative funding at the federal level for this important infrastructure project.

UNITED STATES FOREST SERVICE

FLAT FEE

ATIA continued to support member concerns and maintained a strong position in favor of a simplified USFS flat fee structure for tour operations, guiding and outfitting fees for use in Alaska USFS lands. Subsequently the USFS announced a substantially modified and improved fee structure. The revised structure has been generally quite well received by the travel industry. Additionally the Forest Service has delayed the enacting of the new fee structure until the summer of 2010, thereby allowing businesses to properly implement the pricing structure.

HALIBUT SPORTS CHARTER CHALLENGES

Your ATIA staff and Board of Directors coordinated with members and sports charter halibut organizations to retain a two fish limit in Southeast Alaska during the summer of 2008. Fortunately thru legal actions, a two fish catch limit was maintained for the summer of 2008. This issue will continue to be of major concern to ATIA and our membership as it appears that the North Pacific Marine Fisheries Council is going forward with the one fish limit for Southeast Alaska in 2009.

STABLE MARKETING FUNDING SOLUTION

Once again during the 2008 legislative session the Board of Directors, the Government Relations Committee, our lobbyists and you our members worked diligently to convince the Alaska State Legislature and the Administration of the importance of changing the funding model for ATIA's marketing efforts. As part of our efforts ATIA hosted a legislative briefing for the 2008 session. We also engaged many of our members in a number of government relations efforts such as letter writing, giving testimony before House and Senate Committees, and participating in the annual ATIA fly-in to Juneau. We were successful! House Bill 147 passed both chambers with only one dissenting vote in the House. HB 147 provides three years of stable funding at \$9 million which we will need to match at 30% (roughly \$2.7 million). That's an \$11.7 million per year marketing program that will assist in reaching out to high potential visitors. This was a win for Alaska's Tourism Marketing effort. An increased marketing effort is especially important given our concerns about continued increases in marketing programs, the state of the economy and continued competition from other destinations. After FY2011 a new model will have to be established or we will revert to the previous plan which is no longer workable. It is imperative for us to immediately begin working on a long term and sustainable model that will benefit the state, the visitor industry and most importantly generate diverse visitor growth to Alaska.

Even though the marketing budget for FY08 was just less than \$10 million to market all of Alaska, our marketing efforts still achieved constructive results as we worked to attract visitors to our state, which include:

CONSUMER RESPONSE INQUIRIES

ATIA generated 534,816 requests for Alaska travel information during FY07, exceeding the goal for the year by 9.2 percent.

TRAVELALASKA.COM

ATIA's web site TravelAlaska.com continued to achieve high traffic this year, with 1.1 million visitor sessions. Because the look of the site had not been updated for five years site refresh was launched for TravelAlaska.com in FY08, giving it a new, fresh look and feel.

IMAGE ADVERTISING

ATIA used television advertising to increase interest in and provide an overall umbrella of awareness that improved the effectiveness of all advertising. Alaska TV ads aired on channels including *The Travel Channel*, *Versus* and *National Geographic*.

NORTH TO ALASKA

North to Alaska program, a partnership with the Governments of Alberta, British Columbia and Yukon, focuses on the goal of increasing the number of people interested in traveling through Canada and into Alaska via the highway system. The strength of the North to Alaska campaign generated roughly 86,896 exceeding goal by 20%.

It is very obvious high gas prices severely impacted long haul summer traffic. ATIA recognizes that for a substantial number of businesses who serve the long haul road travelers, this is still an important segment of travel for Alaska. We will continue to work with our Canadian jurisdictions cooperatively to protect and maintain the viability of the highway business.

TRAVEL TRADE

ATIA's domestic travel trade program focuses on connecting tour operators with Alaskan suppliers and providing marketing support for selling Alaska itineraries. Training and education are the main priority when working with travel agents and reservation staff. We continue to work closely with the travel trade to educate them on how to package and sell Alaska. By attending trade shows and conventions we were able to meet with 444 tour operators and over 2,000 travel agents. ATIA conducted training seminars and developed an online training program called Alaska Certified Expert (ACE). Over 660 trade professionals successfully became ACE certified in FY08, an increase of more than double over the previous year.

INTERNATIONAL TRAVEL TRADE

ATIA continued to focus international marketing efforts in our key international markets of Australia, German-Speaking Europe, Japan and the United Kingdom and secondary markets of Korea, Taiwan and China. Emphasis has been placed on working with the travel trade through training, sales missions, road shows and marketing support. Reaching consumers is limited to public relations efforts and web presence. Each office handles inquiry fulfillment through distribution of the Vacation Planner or a foreign language travel planner.

PUBLIC RELATIONS

Through our Public Relations efforts, ATIA continued to grow and promote awareness of Alaska as a travel destination to media around the world. In addition to conducting press trips and providing itinerary assistance, ATIA regularly provides over 1,200 travel writers with information on new visitor opportunities and images via meetings, phone communications and regularly scheduled email communications.

This last year ATIA staff and our public relations contractor hosted the sixth annual *Alaska Media Road Show* in Santa Barbara, California. The road show continues to be an effective tool in reaching a variety of media and generating positive exposure for Alaska. Additionally ATIA conducted a one day *Taste of Alaska* media event in New York City which was deemed as an effective method to reach the important New York media and as a supplement to the valuable annual media road show.

INSTATE TRAVEL AWARENESS

TV and radio advertising was run on local channels and a *Get Out* direct mail piece was sent to Alaska residents to encourage them to visit TravelAlaska.com or request a State Vacation Planner so they could learn more about what there is to see and do in Alaska. Residents could also request Vacation Planners for their friends and relatives.

To test the success of the program, we conducted an in-state poll and found that 57% of those responding remembered seeing or hearing the ads.

The following annual report outlines our programs and the impact the tourism industry has on Alaska's economy. 2007 - 2008 represented a major crossroads for our industry and can be viewed as a real step in the right direction with the change in the funding scheme brought about by House Bill 147. Although ATIA is financially sound and we have established a solid cash reserve, the prognosis for a competitive destination marketing program will continue to be challenging unless we are able to identify a long term solution to the state's destination marketing efforts beyond FY2009, 2010 and 2011. We thank you for your support and hope you will continue to promote ATIA's efforts in the year to come.

Brett Carlson, *ATIA Board Chair*



Ron Peck, *President & COO*



MEMBERSHIP BENEFITS & OPPORTUNITIES

ATIA OFFERS MEMBERS POWERFUL MARKETING TOOLS

- A listing in the Alaska State Vacation Planner, on Alaska's official travel website, TravelAlaska.com and the independent highway traveler website, NorthToAlaska.com
- Access to nearly 600,000 names and addresses of highly qualified potential visitors to Alaska
- Names and addresses of their fellow members in our Membership Directory and available for purchase
- Marketing and research materials that forecast trends and consumer habits

ATIA WORKS FOR ITS MEMBERS

- Industry briefings and regular newsletter updates
- Legislative updates and tourism industry representation at visitor industry policy discussions in Juneau
- Our Government Relations program monitors industry specific legislation and presents the position of our membership before policy makers

ATIA GIVES MEMBERS FORUMS TO NETWORK AND INCREASE THEIR KNOWLEDGE & SKILLS

- Our annual Convention and Trade Show
- The member website, AlaskaTIA.org, which serves as a valuable forum for sharing information with our membership
- The Daily Briefing on AlaskaTIA.org offers information our staff has identified as important and includes a link to the rest of the story

ATIA HELPS MEMBERS SAVE TIME & MONEY

- Cooperative domestic and international marketing programs that feature advertising opportunities in both our publications and websites as well as other media; consumer and trade shows; booth share and brochure distribution; industry familiarization trips; and a public relations program featuring press trips, media assistance and the Alaska Media Road Show
- Member-only credit card program featuring discounted transaction fees
- Free use of hundreds of images for promotional purposes
- Free unlimited job postings on AlaskaTourismJobs.com
- Stay on top of issues that can affect your business and the industry by using our daily briefing on AlaskaTIA.org

ATIA CHAPTERS

All members receive a complimentary membership to one of seven local chapters throughout Alaska. The chapters focus on four main objectives: advocacy, community awareness, business networking and providing a link between communities and the statewide organization. Chapters are located in Anchorage, Mat-Su, Fairbanks, Juneau, Ketchikan, Sitka and Skagway.

ATIA FOUNDATION SCHOLARSHIPS

As one of our efforts to support Alaska and its people, our foundation funds scholarships each year for students pursuing a career in the tourism industry. The program is designed to offer assistance to promising Alaskans who have expressed an interest in turning their tourism experience into a career. In 2008, we provided 11 scholarships totaling \$20,500 to students pursuing careers in the visitor industry:

ATIA One-year Scholarship	\$1,000
Megan Alletson, Anchorage	
Princess Cruises & Tours Scholarship	\$1,000
Catherine Burtness-Adams, Fairbanks	
Alaska Travel Adventures Scholarship	\$1,000
Katie Connor Fritz Creek	
ATIA Continuing Education Scholarship	\$2,500
Celina Dobrydnia, Ketchikan	
ATIA One-year Award	\$500
Kory Eberhardt, Fairbanks	
ATIA Two-year Scholarship	\$5,000
Corey Jones, Anchorage	
ATIA Continuing Education Award	\$1,000
Allison Lausten, Anchorage	
Chuck West Memorial Scholarship	\$1,000
Anna Lovering, Anchorage	
ATIA Anchorage Chapter Scholarship	\$2,500
Shauna Moore, Chugiak	
Kris Geldaker Memorial Scholarship	\$2,500
Mitchell Potter, Ketchikan	
ATIA Rural Scholarship	\$2,500
Krystal Schultz, Wrangell	

FY08 EVENTS

2007 ANNUAL CONVENTION & TRADE SHOW

The ATIA Annual Convention and Trade Show was held on October 1 – 4 in Juneau, AK with the theme “License to Thrill”. Over 550 members participated in the event and had the opportunity to hear from national speakers including:

- Judy Randall – Generational Travel and the Perfect Brochure
- Matt Thornhill – A leading authority on today’s Boomer Consumers
- Bruce Bommarito – The Big Picture from Travel Industry Association (TIA)

The Juneau community certainly put their best foot forward and it showed at each of the evening events. Convention delegates were offered educational workshops on our cooperative marketing programs, generational marketing, how to create the perfect brochure, PR & Marketing 101, what is hot in the international market, and the “big picture” from TIA. Delegates also provided input to help formulate our 2008 legislative and government relations initiatives.

22ND ANNUAL TRAVEL TREASURES

AUCTION

The 21st Annual Travel Treasures Auction raised nearly \$100,000 to support ATIA’s general operations. The “For the Love of Travel” Black Tie theme went over very well with our attendees. The event was held February 1, 2008 at the Egan Convention Center.

ANNUAL VISITOR INDUSTRY CHARITY

WALKS

Over 2,000 Anchorage volunteers participated in the city’s Charity Walk and contributed more than \$52,000 to 34 Alaska charities. The Charity Walk continues to be a venue for Alaska tourism to give back to Alaska on an annual basis. Volunteers and generous donations from the industry were combined to support numerous organizations while participants walked and dined on food provided by various industry members.

HEALTHY VISITORS INITIATIVE

We continue to work with Alaska’s Public Health authorities to keep our members informed about “best practices” for keeping our guests healthy. We also continue monitoring global health concerns.



No telling what you'll get with a
**60-Second
New Product
Commercial**

© Clark Mishler 2007

DOMESTIC MARKETING

North America is vitally important to Alaska's visitor industry, with 91% of all Alaska visitors originating from the United States and Canada. For that reason, ATIA allocated a significant portion of its \$8.6 million marketing budget in FY08 (roughly 87%) to reach domestic travelers with Alaska's message. Our goal was to increase awareness of Alaska, identify potential visitors, acquire information from them, provide trip-planning information and encourage consumers to visit Alaska.

Competition remains fierce among other travel destinations so ATIA works hard to make each marketing dollar count. We carefully select magazine, direct mail lists and cable television networks that we know will reach those most likely to have interest in visiting Alaska. And we enter into fierce negotiation with media representatives to ensure we get the best price on our advertising placements. This year ATIA was able to maximize its advertising budget by negotiating competitive advertising rates, bonus ads and other value-added services, thereby boosting the domestic advertising budget by roughly \$2.4 million.

A concerted effort was placed on planning and marketing strategy this year, beginning with the annual Strategic Planning Retreat held in December. Marketing priorities were identified and future development of the statewide marketing program was discussed along with future growth for the industry. This discussion continued throughout the year at Marketing Committee meetings to ensure "big picture" issues stayed top-of-mind and an ongoing dialogue took place among Alaska travel industry stakeholders.

ALASKA'S BRAND

Throughout all marketing efforts ATIA capitalized on awareness of the Alaska brand established in past campaigns. We incorporated words and images in marketing materials that tested high with potential visitors, including mountains, wildlife and glaciers. The Alaska logo and tagline, "Beyond Your Dreams. Within Your Reach", was highlighted in all marketing materials. And Alaska was established as being "within reach" in an effort to diminish time, distance and cost barriers.

TELEVISION ADVERTISING

Television advertising was used to deliver the Alaska brand to a national audience and to create top-of-mind awareness. A unique media sponsorship was negotiated with *National Geographic Channel* this year. The four-week sponsorship allowed ATIA to reach over 15 million people with Alaska's message. The sponsorship included two program specials called *Incredible Earth Event – Extreme Alaska* and a total of 83 television ads, five-second billboards and 26 *Ultimate Drive Alaska* vignettes were aired.

INDEPENDENT TRAVEL

ATIA received a grant from the State of Alaska in FY08 to promote independent travel. Without this grant, Alaska television commercials would not have been seen in U.S. markets. Goals of the advertising campaign included motivating high-potential independent and highway travelers to visit Alaska and increasing exposure in highway and air feeder markets.

A combination of 30-second and ten-second TV commercials aired in October and November. The 30-second TV spots aired on the *Travel Channel* and *Versus Network*. Ads running on syndicated television aired in programs such as *Business Week*, *Wheel of Fortune*, *Family Feud*, *Fox News* and *First Business*. These programs are known to reach Alaska's demographic audience.

DIRECT RESPONSE ADVERTISEMENT

ATIA utilized a variety of media vehicles – direct mail, magazine and internet – to reach consumers at key touch-points along the consumer purchase cycle. These media vehicles are selected based on previous year results, using only those that were most effective in generating requests and converting interest into travel. Throughout the year, the online media campaigns were optimized by replacing low-performing ads with high-performing ads. The majority of advertising was placed between September and March when most travel decisions and trip reservations are taking place. To ensure the direct mail program stayed fresh and effective, a variety of lists were utilized, including lists that had been successfully used before (back test lists) and lists that were new to the program (test lists).

Alaska messages were placed on several high traffic travel websites and content relevant websites such as *Yahoo*, *Google*, *Trip Advisor*, *eMiles* and the Alaska Airlines homepage. Text links were used within copy so Alaska's message was presented to consumers who may not have been thinking about Alaska as a travel destination. In addition, online creative options were tested (photo, offer presentation, rich media) to determine which were most effective at delivering leads.

Full-page magazine ads with business reply cards were placed in seven publications including *AARP*, *Audubon*, *Highways* and *Frommers Budget Travel*. In addition, smaller space ads were placed in six publications including *Sunset*, *Outdoor Photographer*, *AAA Living* and *Natural History*.

Midway through the year the direct response program was supplemented to ensure the response goal was met. Additional online lead generation campaigns were implemented and by year end goal was exceeded by 9.2%. A total of 534,816 requests for trip-planning information were generated during the FY08 program with the majority being generated via direct mail (48%), magazine (20%), online lead generation (14%) and the ATIA website, *TravelAlaska.com* (11%).

COOPERATIVE MARKETING PROGRAMS

ATIA offers a wide array of marketing programs for members looking to access a national audience at a discounted rate. In total, ATIA members raised more than \$3.17 million by participating in these programs. In addition, five cruise companies and 28 convention and visitor bureaus and chambers voluntarily contributed to the statewide marketing effort bringing the total revenue raised to more than \$4.34 million.

Cooperative magazine ads were placed in five national publications in FY08, with 35 individual businesses placing 90 ads within the Alaska sponsored pages. Members were also allowed to access ATIA's database of potential visitors by segmenting the list to meet their specific business criteria. Online cooperative marketing programs were also well supported by ATIA members, with 59 members placing online Travel Specials and Premium Placement banner ads on TravelAlaska.com.

COLLATERAL

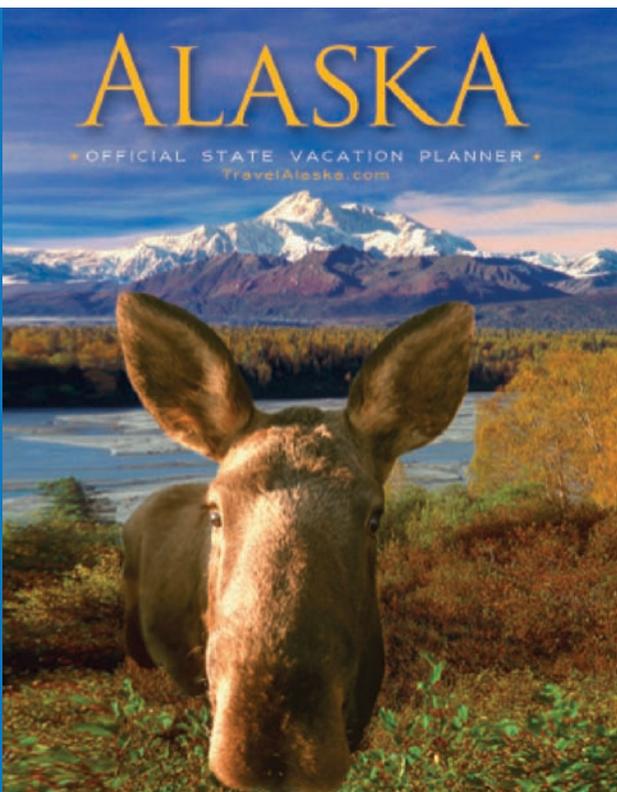
The State Vacation Planner continues to be popular with members and potential visitors. So popular, that we completely ran out of brochures before the end of the fiscal year. The 96-page brochure provided Alaska businesses an opportunity to display their promotional messages before a national audience at an affordable price. This year the brochure cover featured a composite image including a close-up of an inquisitive moose with an image of Mt. McKinley in the background. An electronic copy of the Vacation Planner was also posted on TravelAlaska.com giving site visitors an eco-friendly option for viewing the brochure. This searchable online Vacation Planner also provided additional exposure for Alaska businesses.

The *Within Your Reach* brochure continued to serve as an effective means of targeting "undecided" travelers and addressed common factors that discourage people from traveling to Alaska such as cost and the amount of time needed for an Alaska vacation.

IN-STATE MARKETING

Similar Alaska television ads broadcast in the Lower 48 were also aired on Alaska television channels to encourage residents to "see their own backyard." The ads also encouraged residents to invite their friends and relatives to travel to Alaska for a visit. Alaska State Vacation Planners were distributed at various airports, visitor bureaus and APLIC's so the brochures were readily available for residents to pick up. During the Anchorage Visitor Industry Charity Walk event, water bottles imprinted with the Alaska Locals website address were distributed. A new set of Alaska Locals were added to the website section bringing the total of featured Alaskans up to 11. Each shared information on their favorite places to hike, dine and explore. Communities from Bethel to Ketchikan are featured, ensuring all regions of the state gain visibility. Those included in this year's campaign included Stan Stephens, John Straley, Seth Kantner, Heather Lende, Nathan Jackson and Bill Spear.

ATIA polled Alaska residents to determine what opinions/perceptions exist toward Alaska vacations and whether residents were influenced by the ads. We found 57% of Alaska residents remembered seeing or hearing the ATIA ads and 46% indicated they were influenced by the message and traveled more within the state.



ALASKA
OFFICIAL STATE VACATION PLANNER
TravelAlaska.com

They were so popular that we completely ran out of **this year's Vacation Planners** before the end of the year

RESEARCH

The only research project funded in FY08 was the Conversion Study. The statewide marketing program continues to convert interest into actual travel at a rate consistent with previous years (15.6%). After a four-year period, this rate increased to 34%, clearly illustrating how time impacts the decision to travel. We also found repeat visitors to Alaska convert at a high level (33%) which speaks to the quality of Alaska's tourism product and the lure of Alaska's natural wonders.

ATIA also relies on national research to guide decisions related to the statewide marketing program. This information is shared with industry members via educational seminars at the ATIA Convention and at presentations provided throughout the year to community groups. Statistics on border crossings, airport arrivals/departures and car rental revenues were also compiled throughout the year and shared with ATIA members, the Board of Directors and Marketing Committee members.

INTERNET

TravelAlaska.com continues to serve as a key component of ATIA's marketing effort. The website generates interest in travel to Alaska, provides trip planning information and serves as an avenue to get the State Vacation Planner into the hands of high-potential consumers. Nearly 1.1 million visitors landed on the site this year due to direct mail, television, magazine, internet marketing and search engine optimization efforts.

TravelAlaska.com was updated to Web 2.0 this year and ATIA continues to update and modify the site in an effort to connect potential visitors with member businesses. The site included more than 1,700 Alaska travel business ads promoting package tours, accommodations, transportation options, museums and activities. Categories were expanded this year allowing site visitors to narrow their business search to meet their specific interests. This greatly benefited ATIA small, niche-oriented members.

My Alaska News, the consumer e-news, continues to perform well, reconnecting with consumers who have requested Alaska information and driving them back to specific pages within TravelAlaska.com. Sent to approximately 200,000 potential visitors, My Alaska News highlighted a wide range of topics throughout the year providing exposure for all regions of the state, promoting Alaskan activities and festivals and addressing both package and independent travelers. A link to the Travel Specials section of the website provided added incentive for potential visitors to book their Alaska trips now and receive special deals on travel.

Because TravelAlaska.com is now five years old, a site refresh was launched at the end of the year, with fresh new graphics, a new "travel quick finder" search tool and other modifications meant to enhance the overall user experience. The refresh project will continue into FY09 so navigation and usability challenges can be addressed. A strategic plan was also created and will be used to lay a solid foundation for building a new website in the future.

CONSUMER SHOWS

ATIA had a booth at six different consumer shows that focused on general travel, mature travel, adventure travel, fishing and RV travel. ATIA members were able to travel with ATIA or provide their brochures for display in markets such as Minnesota, New York, Florida, California, Arizona and Massachusetts. Combined attendance at these shows was an estimated 362,000 and roughly 15,500 individual Alaska brochures were distributed during the shows.

ATIA also participated in AARP's *Road Show* that took place June through September. Another 2,000 State Vacation Planners were distributed through this event in major metropolitan areas including Illinois, California, Minnesota and Florida.

NICHE MARKETING

The North to Alaska program is a partnership between Alaska and the governments of Alberta, British Columbia and Yukon which focuses on increasing the number of people traveling through Canada and into Alaska via the highway. The program generated nearly 88,000 inquiries this year using direct response marketing campaigns. This program continues to perform well with 5.6% of those requesting information actually taking a drive vacation through Canada and into Alaska. And 19.8% took an Alaska or Canada fly or drive trip as a result of the marketing program. These are respectable performance rates given the high fuel prices seen in 2008 and the national trend toward shorter vacations closer to home. ATIA continued its partnership with *The Milepost*® using their base map artwork to illustrate the four North to Alaska routes and various side trips that encourage visitors to explore communities along the main routes.

ATIA also continued its cooperative marketing effort with the Government of Yukon. Direct response campaigns were jointly funded by Alaska and Yukon using magazine and internet ads placed on both sides of the border. The end goal was to encourage U.S. and Canadian citizens to drive up the highway for a visit.

By offering press trips, attending consumer shows and posting topic-specific online videos, ATIA was successful in promoting Alaska's diverse fishing, winter travel, history/culture, highway travel and adventure/ecotourism opportunities. In addition, a variety of marketing efforts including advertising, collateral and the internet helped communicate the variety of travel options in Alaska.

PUBLIC RELATIONS

Encouraging writers and editors to research, write and publish Alaska stories in the national media is the core purpose behind ATIA's public relations program. To do this ATIA stays in constant contact with travel media to remind them Alaska is a premier visitor destination. Building these relationships and providing consistent and professional media assistance helps ensure a steady stream of Alaska editorial content is presented to potential visitors in the form of magazine and newspaper articles, Alaska segments on TV and radio, and Alaska features on travel websites and travel blogs. Building this constant "buzz" about Alaska goes far in terms of influencing consumer travel choices and generating a desire to visit.

ALASKA MEDIA ROAD SHOW

The sixth annual *Alaska Media Road Show* took place in Santa Barbara, California and was a great success. ATIA members were able to meet with media representatives in one-on-one interviews and evening receptions allowed for additional networking between media representatives and Alaska businesses. While the opening reception was a formal affair featuring Alaska gourmet cuisine, the closing reception offered media representatives a chance to enjoy performances by Alaska native dancers and storytellers. Year after year the Media Road Show has proven to be an effective tool for reaching a variety of media and generating positive exposure for Alaska.

TASTE OF ALASKA EVENT

New this year was the *Taste of Alaska* event held in New York City. Alaska tourism businesses were able to meet with travel writers and editors for one-on-one interviews. At the same time, Alaska chefs shared recipes and prepared Alaska seafood for sampling while meetings took place. The Alaska Seafood Marketing Institute (ASMI) partnered with ATIA to host this successful event and nearly 30 media representatives participated. Following the event, Alaska information packages were delivered to another 30 media outlets thereby maximizing our time spent in the "Big Apple."

MEDIA ASSISTANCE AND OUTREACH

During the year, two major TV networks came to Alaska to produce special Alaska programs. *Good Morning America* on ABC arrived in May to do a live remote for their *7 Wonders of America* series. The coverage included segments on the Arctic National Wildlife Refuge and Gwich'in Athabascan Indians.

ATIA also hosted the *CBS Early Show* for a live broadcast from Lake Hood in Anchorage on June 27. In order to appear live on national television, the shoot took place at 4 a.m. and ATIA was able to rouse an estimated 100 residents to attend the early morning event. Alaska segments during the show highlighted Alaska seafood, Native culture and Alaska's 50th Anniversary of Statehood.

To cap off the year, ATIA participated in *National Tourism Week* with the Travel Industry of America (TIA) and AOL travel. Consumers were able to click on topics related to food, natural wonders and museums to learn about what each state had to offer. ATIA submitted 15 entries and reciprocal links were placed on AOL.com and TravelAlaska.com so visitors wanting to learn more about travel to Alaska could easily do so.

A winter press trip was conducted in February/March with four writers visiting Anchorage, Girdwood, Wasilla and Talkeetna. These writers had the chance to experience Alaska winter first hand while testing their downhill and cross country skiing skills, and their ability to control a sled being pulled by hard-working dogs.

MEDIA E-BULLETINS

The media e-newsletter was distributed throughout the year to 1,200 writers/editors in order to spur interest in Alaska. Topics ranged from Native culture, winter activities and community events, travel by railroad and ferry and Alaska's 50th Anniversary of Statehood. This monthly outreach effort is very effective in pushing innovative Alaska stories and encourages media to get back in touch with ATIA for follow-up assistance and to brainstorm other story ideas. Through this program and a variety of other public relations outreach and assistance programs, Alaska editorial appeared in national magazines with a combined circulation of over 33.2 million.

COMMUNICATIONS

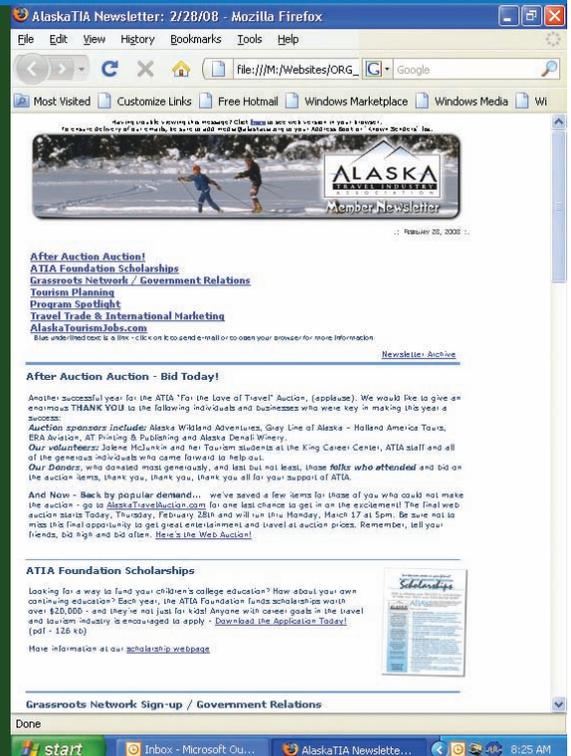
MEMBER NEWSLETTER

Our Member Newsletter has become an indispensable tool for communicating with our members. We rely on it to cost-effectively announce events, recruit participation and provide members with valuable information.

ALASKATIA.ORG

This year we continued our efforts to improve the association's member website, AlaskaTIA.org. We believe that the functionality we've incorporated will make it a valuable tool for our members. Now they can update their own contact information, register online for events, post jobs on AlaskaTourismJobs.com, locate pictures for use in marketing from our on-line image library and access a comprehensive archive of essential association documents and information. Our "blog" where we post information important to the industry: www.AlaskaTIA.org/brief.asp continues to be a popular page on the orgsite.

Up-to-date announcements on
**What's Going
on in the
Industry**
with the Member
Newsletter



TRAVEL TRADE MARKETING

The domestic trade program focused on connecting tour operators with Alaskan suppliers, followed by marketing support that helped these operators sell their Alaska itineraries. By attending a variety of trade shows and sponsoring a myriad of programs and activities, ATIA was able to reach 1,590 travel agents and 210 tour operators during the year. Some of these trade shows included the *Student Youth Travel Association*, *CLIA's Cruise 360*, the *United States Tour Operator Association Convention & Marketplace*, *Go West Summit*, *National Trade Shows*, *Luxury Travel Expo*, the *American Bus Association Convention*, *Travel Alliance Partners* and *Vacation.com*.

TRAVEL TRADE TRAINING

Several travel trade training seminars were conducted during the year and ATIA maintained its online training program, Alaska Certified Expert (ACE). Over 660 trade professionals successfully became ACE's in FY08 and the program continues to grow. As part of a promotional campaign aimed at getting travel agents to become ACE's, travel agents were encouraged to enter a contest with two of them winning a trip to Alaska. Members donated products and the two agents had the opportunity to visit Fairbanks, Denali, Talkeetna, Anchorage and Seward.

TRAVEL TRADE SHOWS AND EVENTS

Again this year, ATIA maintained its sponsorship presence at the *National Tour Association Convention*. Alaska, Washington and Oregon hosted a *Northwest US Pavilion* to call further attention to the region. The five-day event culminated in an Alaska dinner that brought 32 Alaska members together with 45 qualified tour operators to learn about Alaska travel options and to discuss packaging opportunities. Nine trips to Alaska were given away to individual tour operators to conduct their own familiarization tour. ATIA members have stated it is one of their most effective marketing investments with the trade.

The *Alaska Road Show* continues to be popular with ATIA members and travel agents. This year ATIA took the *Road Show* to four cities in Florida, with 12 Alaska businesses and approximately 250 travel agents participating.

FAMILIARIZATION TRIPS

TravelFams were held in fall, winter and spring in order to showcase Alaska's different seasons and regions. In total, 28 tour operators from the United States, United Kingdom, Switzerland, Germany, Australia, New Zealand and Taiwan participated in the TravelFams.

TRAVEL TRADE E-NEWSLETTER

The Travel Trade e-newsletter was distributed in winter and spring this year to 600 Carlson Wagonlit agents, domestic and international trade representatives and media. This program continues to be popular and extremely effective in keeping Alaska top-of-mind. Those receiving the newsletter would often contact ATIA for further assistance in the form of fact-checking, itinerary planning and photography requests.

COOPERATIVE MARKETING PROGRAMS

ATIA continued its popular cooperative trade marketing programs including cooperative magazine ads in travel trade publications and a cooperative travel agent mailing. The Alaska sponsored magazine ads appeared in magazines such as *Travel Agent*, *Travel Age West*, *Vacation Agent*, *Recommend* and *Discover America* with 25 ATIA members participating in the program. Another 16 Alaska companies joined ATIA in mailing Alaska packages to 4,000 travel agents that requested information through the INFOX TravelPromotions.com website.

INTERNATIONAL MARKETING

ATIA continued to focus on international marketing efforts in the four key markets of Australia, German-Speaking Europe, Japan and the United Kingdom and the secondary markets of Korea, Taiwan, China and Latin America which are viewed as developing. ATIA maintained representation offices in the key markets and Korea. Due to budget constraints, the emphasis continued to be placed on working with travel trade and media (as opposed to consumer marketing) and focused more specifically on markets with direct flights to Alaska, primarily Germany and Japan.

DIRECT FLIGHTS

Condor German Airlines once again had 77 summer flights and Japan Airlines had 14 winter and 16 summer flights. China Airlines continued to provide non-stop, year-round scheduled service from Taiwan to Alaska. ATIA partnered with Condor on several trade & media fairs as well as an online training program for travel agents along with Tourism Yukon and a major German wholesaler.

In conjunction with Japan Airlines, ATIA sponsored two familiarization tours for 11 Japanese tour operators in the summer and winter. A press trip was also held in February for four Japanese media representatives. To create excitement during the *JATA World Travel Fair* in Asia, ATIA worked with Japan Airlines to ship glacier ice from Prince William Sound.

TRADE & MEDIA PROMOTIONS

In all markets, ATIA partnered with 17 international tour operators to conduct marketing campaigns promoting travel to Alaska. Travel agent training seminars were conducted throughout the year and ATIA hosted 32 tour operators from eight countries on five familiarization tours including a special fair tour in conjunction with the State of Alaska that brought six tour operators to Alaska from China.

Ongoing media assistance programs were maintained in all markets. Services included fact-checking, itinerary planning and fulfilling b-roll/photography requests. Over the course of the year, 18 media representatives from United Kingdom, Germany, Japan, Australia, Taiwan and Korea traveled to Alaska for press trips. PDF press kits in German and Japanese were also posted on ATIA's Online Media Center.

GERMAN & JAPANESE TRAVEL PLANNING TOOLS

ATIA continued to produce and distribute the German language *Reiseplaner* brochure and maintained the Alaska-travel.de website. ATIA members are able to place advertisements in both, thereby enhancing their ability to connect with potential visitors in this important market.

A new Japanese language travel planner was produced and distributed to the trade to support their Alaska tour package sales. Potential visitors also had the option to visit the www.Alaska-Japan.com website to obtain additional Alaska travel information written in Japanese and focusing on activities popular in this market.

TRADE SHOWS & WORKSHOPS

ATIA continued to provide leadership for Alaska's delegation at the Travel Industry of America (TIA) annual trade and international conference, known as *POW WOW*. ATIA conducted 128 pre-scheduled appointments with international tour operators. An interactive CD was distributed, containing a directory of Alaska participants, trade video, links to ACE training, a photo library, an online Vacation Planner, information on ATIA's overseas contractors and a screensaver.

ATIA's market presence in Germany included a return to *ITB Berlin*, the world's leading travel trade show, where ATIA met with 43 tour operators and media representatives in conjunction with five member businesses.

In Japan, ATIA continued the successful Japan Workshops in four cities. These workshops consisted of a trade show, appointments and an educational seminar that attracted 207 members of the travel trade. A special media function was also held in Tokyo with 35 media representatives from various magazines and newspapers in attendance. Several freelance writers and photographers also participated.

In conjunction with the State of Alaska, ATIA conducted training seminars and meetings in Seoul, Korea to personally connect with tour operators looking for travel options for their clients. While in Korea, meetings were also held with the country's major airline carriers to encourage non-stop service to Alaska once South Korea achieves visa-waiver status. Korean Airlines responded very positively to the meeting and stated their intention to begin service in the summer of 2009.

Partnering with Alaska Airlines, ATIA conducted trade & media workshops in Lima, Buenos Aires and Sao Paulo. Alaska destination training was provided for a group of roughly 130 travel agents, followed by a media luncheon and media interviews. A separate training also took place in Mexico City reaching 94 travel agents and 11 media.

ATIA also attended nine trade shows in nine countries, including *JATA World Travel Fair* in Japan, the *Times Destination Show* in London, *Visit USA* in Zurich and *China Outbound Tour & Travel Marketing* in Beijing, China.

GOVERNMENT RELATIONS

THE SITUATION

During the 2008 Legislative session and 2008 fiscal year ATIA recognized that it's ability to raise the required level of industry-driven contributions would be problematic. Therefore, without legislative mandated change to the funding model, Alaska's national and international tourism marketing program would be decimated.

Statutory language required all State funds appropriated to Alaska's tourism marketing program to be matched equally with private sector dollars (50/50 match).

THE CHALLENGE

Your Board, ATIA staff and members of the Association who participated in government relations activities accepted the challenge of convincing the 2008 Legislature of the need for a change. We accomplished this through a variety of efforts:

- Preliminary meetings in December and January with selected House and Senate members and a well attended joint legislative briefing at the beginning of the session.
- Letters and emails sent by members to the legislature stating the importance of passing HB 147.
- Numerous meetings by your Board with legislative leadership.
- Grass roots volunteers made substantial impressions at the House and Senate finance hearings by giving in-person and teleconference testimony.
- Almost 50 people took part in the annual ATIA Legislative Fly-In in April which focused on moving HB 147 to it's final passage.

THE RESULTS

The Legislature took up HB 147 (initially proposed last year) and settled on a version that featured the following attributes: first, it changed ATIA's match requirement from 50% of the marketing program to 30% of the state's contribution; second it had an attached fiscal note of \$9 million (which meant that up to \$9 million would be added to the budget). Finally, the bill was given a three-year sunset clause. It wasn't easy – ATIA's grass roots volunteers pulled out all the stops and flooded the legislature with e-mails, calls, letters and testimonies at public hearings on the budget. All that effort paid off: the bill passed the Senate unopposed and had only one "no" vote in the House.

Having passed the legislature, HB 147 went to Governor Palin for her signature and in a major show of support, a signing ceremony occurred on the Kenai Peninsula. Over 80 people attended including at least 15 members of ATIA from Homer, Soldotna and Kenai. Also attending were Board members Roark Brown, Jerry Scholand, Chairman Brett Carlson and President Ron Peck. Both Governor Palin and Brett Carlson spoke favorably about the importance of this bill, the change to the state and private sectors contribution amounts and the impact it will have on bringing future visitors to Alaska for businesses large and small throughout Alaska.

We believe the passage of HB 147 and the \$9 million fiscal note represents a successful beginning. Because the bill included a three-year sunset clause we now have a window to work with the legislature. ATIA's intent is to achieve a long-term funding solution that addresses the rising costs of destination marketing and the intense competitive environment.

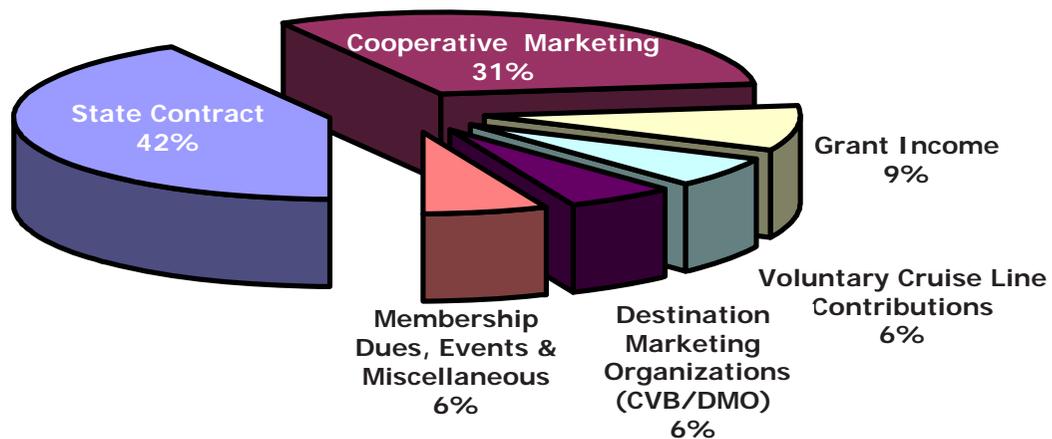


ATIA
Blades
& Roots

Get involved as a
**Grass
Roots
Volunteer**

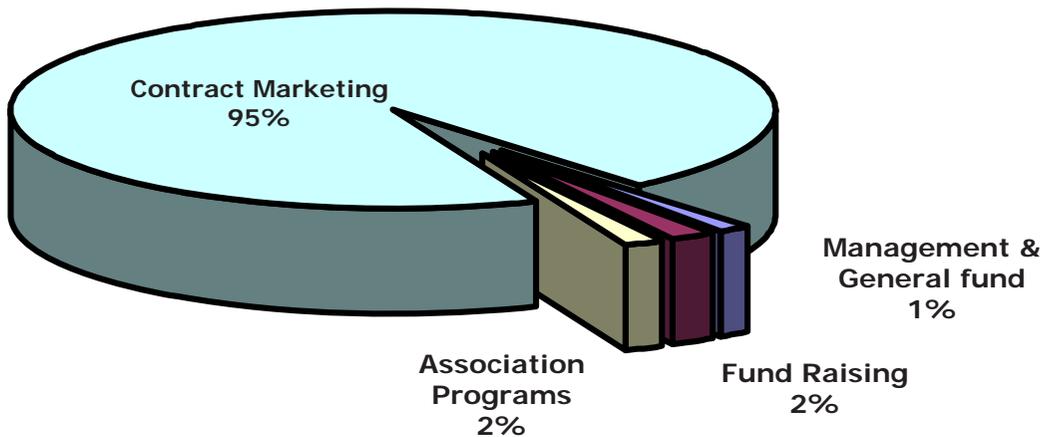
REVENUE & EXPENDITURES

FY08 REVENUE	
State Contract	\$4,200,000
Cooperative Marketing Partnership Programs	\$3,172,863
Grant Income	\$897,700
Voluntary Cruise Line Contributions	\$611,051
Domestic Marketing Organizations (CVB/DMO)	\$562,587
Membership Dues, Events & Miscellaneous	\$634,411
TOTAL	\$10,078,612



REVENUE & EXPENDITURES

FY08 EXPENSES	
Management & General Fund	\$137,007
Fund Raising	\$193,440
Association Programs	\$176,374
Contract Marketing	\$9,564,776
TOTAL	\$10,071,597



ALASKA TRAVEL INDUSTRY ASSOCIATION TEAM

2007-2008 ATIA BOARD OF DIRECTORS

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Stan Stephens, Vice Chair
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Bob Wysocki, Huna Totem Corporation

ATIA STAFF

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Rob Muller, Executive Assistant
Mark Miller, Tourism Planner
Cheryl Fullerton, Director of Finance & Human Resources
Shelly Jones, Accounting Clerk
Jenifer Szczepan, Receptionist

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Maria Benner, Membership & Advertising Manager
Anna Neidig, Membership & Advertising Manager
Kim Holderbein, Membership Administrative Assistant

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Paul Swanson, Information Technology Specialist
Cathy Rodgers, Communications Administrative Assistant

TRAVEL TRADE & INTERNATIONAL

Jillian Simpson, Director of Travel Trade & International Marketing
Jesse Carlstrom, Travel Trade & International Marketing Manager
Teri Hendricks, Trade Coordinator

MARKETING DEPARTMENT

Kathy Dunn, Director of Marketing
Jackie Englund, Website Development & Marketing Manager
Trina Brosnan, Marketing & Research Coordinator

Tourism Builds Alaska's Economy

- Estimated **2 million visitors**
- **Visitor spending** in Alaska: \$1.87 billion
- Over \$152 million in **state and local taxes** and fees each year
- Is a **leading industry** in Southcentral, Southeast and Interior Alaska
- Provides one in eight **private sector jobs**



