April 2018

Ketchikan Summer Visitor Profile
and Economic Impact Analysis

Prepared for
Ketchikan Visitors Bureau

KETCHIKAN

Prepared by
McDowell GROUP

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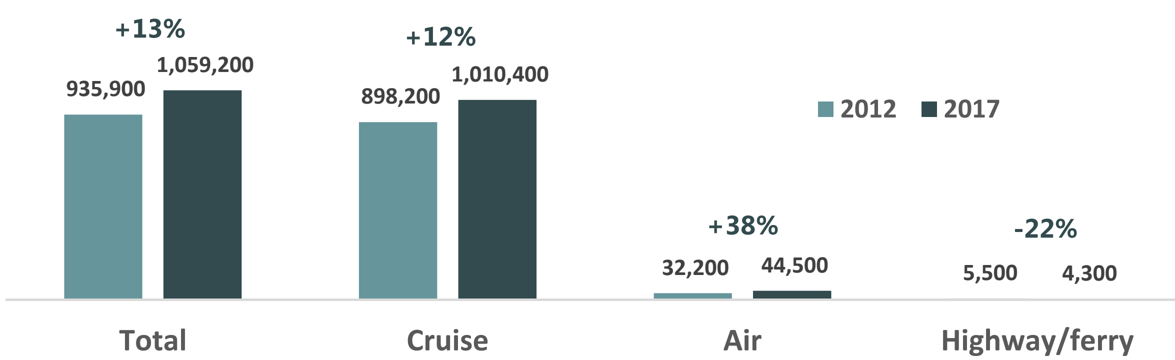
Executive Summary

The Ketchikan Visitors Bureau contracted with the McDowell Group to profile summer visitors to Ketchikan. This study presents results for all Ketchikan visitors, as well as for subgroups based on the mode of travel, and two additional markets: non-cruise visitors traveling for vacation/pleasure, and a subset of these visitors from Western U.S. states. The report includes an estimate of visitor volume for summer 2017, and concludes with an analysis of economic impacts resulting from spending by visitors in summer 2017, including employment, labor income, and municipal tax revenues. Sources included the *Alaska Visitor Statistics Program*, City and Borough tax and budget documents, Alaska Department of Labor and Workforce Development, and Bureau of Economic Analysis, among others. Following are key findings from the study.

Visitor Volume

An estimated 1,059,200 out-of-state visitors traveled to Ketchikan in summer 2017. Nearly all of them (95 percent) visited by cruise ship; 4 percent visited by air; and 1 percent visited by ferry. Between summer 2012 (the study period of the last economic impact report) and summer 2017, visitor volume increased by 13 percent. Cruise passenger volume increased by 12 percent, air volume increased by 38 percent, and ferry traffic decreased by 22 percent.

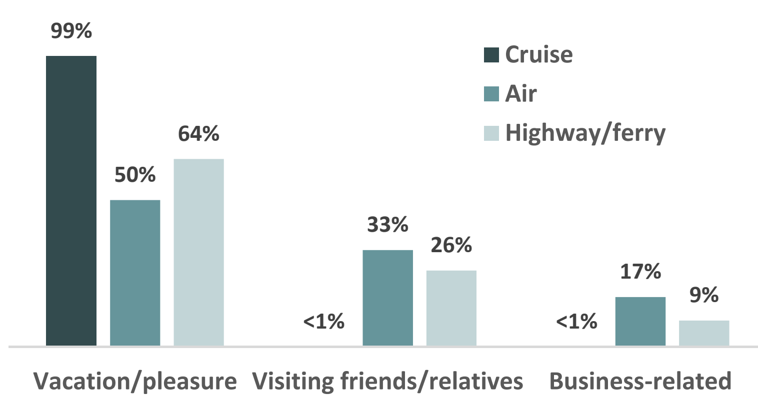
Chart ES-1. Summer Visitor Volume to Ketchikan, 2012 and 2017, by Transportation Market



Trip Purpose

Cruise passengers were nearly all (99 percent) traveling to Alaska for vacation/pleasure. Among air visitors, 50 percent were traveling for vacation/ pleasure; 33 percent to visit friends/ relatives; and 17 percent for business-related reasons. Among highway/ferry visitors, 64 percent were traveling for vacation/pleasure; 26 percent to visit friends/relatives; and 9 percent for business-related reasons.

Chart ES-2. Alaska Trip Purpose by Transportation Market



Activities

Activity participation varied significantly by transportation market.

Cruise visitors' top activities were city/sightseeing tours (23 percent), wildlife viewing (12 percent), and shows/ entertainment (12 percent). (The entertainment category includes the Lumberjack Show.) Cruise visitors were less likely than non-cruise visitors to participate in fishing and museums.

Air visitors showed a high rate of participation in fishing (43 percent). This includes 20 percent who reported guided fishing and 25 percent who reported unguided; a few reported both. Their other common activities included hiking/ nature walk (24 percent), wildlife viewing (21 percent), and museums (13 percent). Among the three markets, air visitors were the most likely to participate in fishing.

Highway/ferry visitors tended to report the widest range of activities. Their most common activities were wildlife viewing (29 percent), museums (28 percent), hiking/nature walk (26 percent), and fishing (26 percent). They were more likely than either cruise or air visitors to report wildlife viewing, museums, historical/ cultural attractions, and camping.

It should be noted that the AVSP did not collect participation in shopping at a community level. Statewide, it is the number one activity among all visitors at 75 percent. Among Ketchikan visitors, 84 percent reported shopping while on their Alaska trip.

Chart ES-3. Top Ketchikan Activities, Cruise Visitors

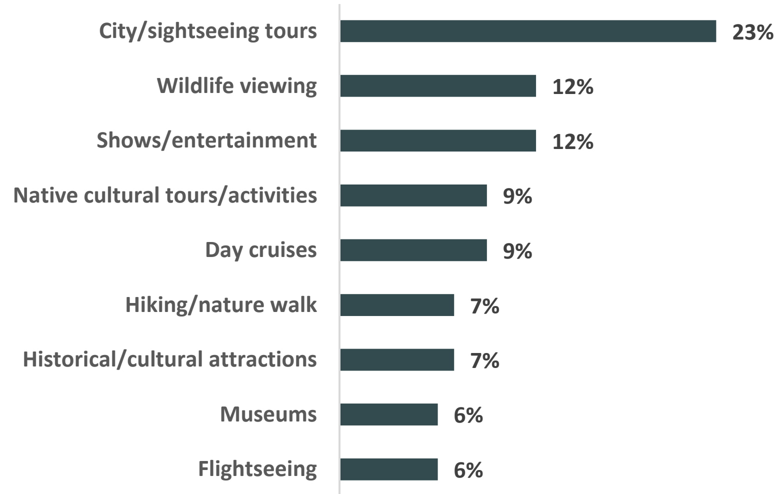


Chart ES-4. Top Ketchikan Activities, Air Visitors

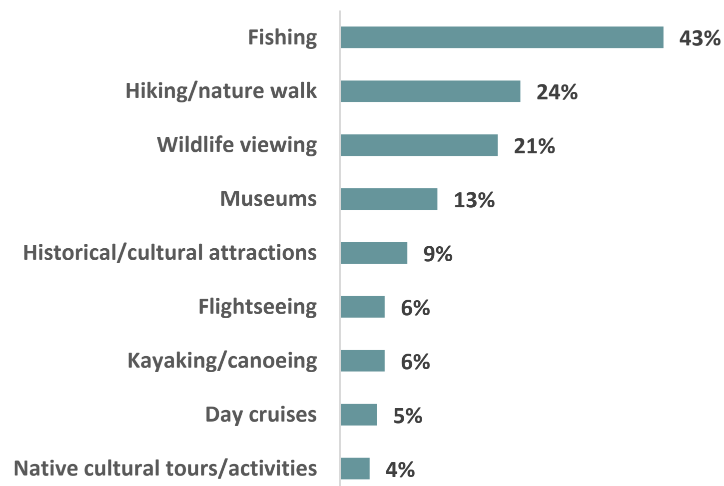
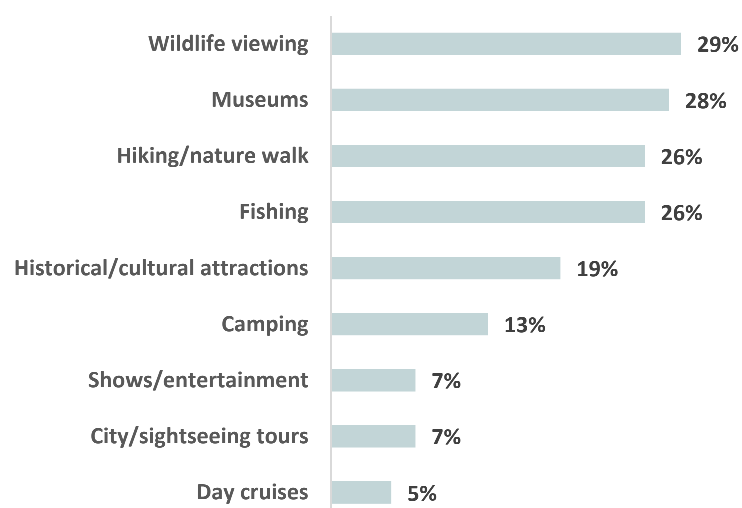


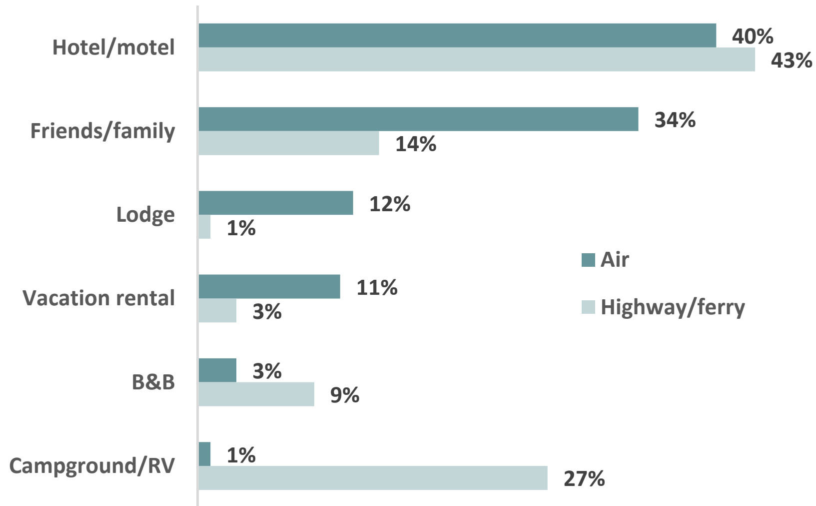
Chart ES-5. Top Ketchikan Activities, Hwy/Ferry Visitors



Lodging

The most common lodging option among Ketchikan's overnight visitors was hotels/motels, with air and highway/ferry visitors equally likely to use this option (40 and 43 percent). Air visitors also frequently stayed with friends/family (34 percent), in lodges (12 percent), and in vacation rentals (11 percent). Ferry visitors were much more likely to stay in campgrounds/RVs (27 percent, versus 1 percent of air visitors). Ferry visitors also stayed with friends/family (14 percent) and in B&Bs (9 percent).

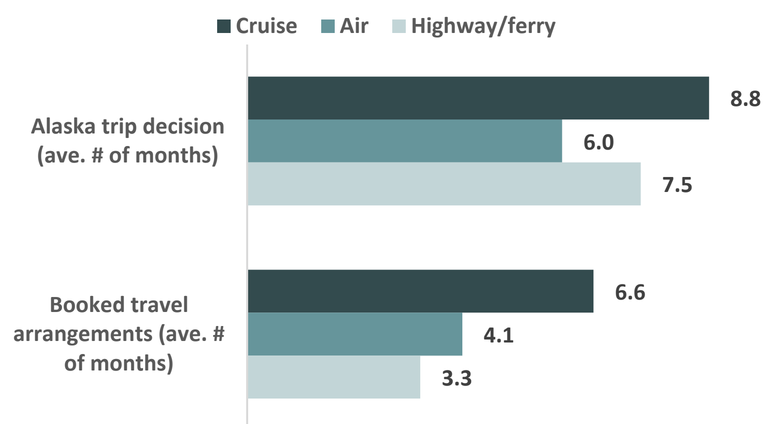
Chart ES-6. Ketchikan Lodging by Transportation Market



Trip Planning

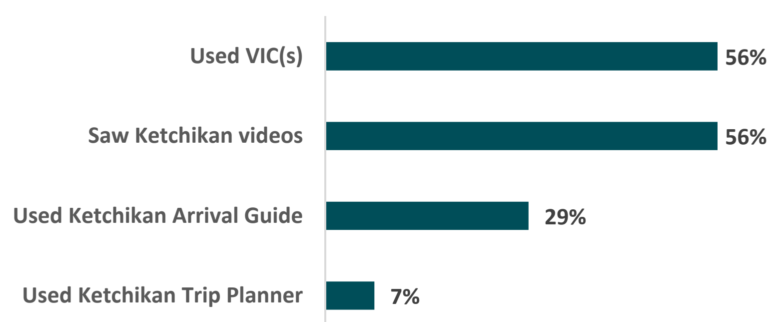
Visitors were asked two questions about the timing of planning their Alaska trip: how many months before traveling had they made the decision to travel to Alaska, and how many months before traveling had they booked their major travel arrangements. Cruise passengers showed the longest lead time for both trip decision (average 8.8 months) and booking (6.6 months). Air visitors reported an average lead time for the trip decision of 6.0 months, and average booking lead time of 4.1 months. Highway/ferry visitors reported making their decision an average of 7.5 months ahead of time and booking only 3.3 months ahead of time.

Chart ES-7. Trip Planning Timeline By Transportation Market



A cruise passenger survey conducted for the Ketchikan Gateway Borough in summer 2016 reveals specific information on usage of KVB sources. The survey showed that over half of cruise ship passengers (56 percent) reported using at least one of the Visitor Information Centers (VICs). The same proportion (56 percent) reported seeing Ketchikan videos, either before their trip, onboard their ship, or while they were in Ketchikan. Nearly one-third of passengers (29 percent) said they used the Ketchikan Arrival Guide, and 7 percent said they used the Ketchikan Trip Planner.

Chart ES-8. Usage of KVB Information Sources (KGB Cruise Passenger Survey)



Visitor Spending

Spending in Ketchikan varied widely by transportation market. Air visitors reported the highest average spending per person, at $872, followed by highway/ferry at $580 and cruise passengers at $158. Air visitors spending was concentrated largely in lodging ($207), food/beverage ($167), and other/packages ($281). Cruise visitors' spending was concentrated in gifts/souvenirs ($87) and tours ($60). Highway/ferry visitors' spending was concentrated in lodging ($187) and food/beverage ($181).

Table ES-1. Visitor Expenditures in Ketchikan, Per Person Per Trip

	Transportation Mode		
	Air	Cruise	Hwy/Ferry
Lodging	$ 207	$ 0	$ 187
Tours/activities/entertainment	$ 63	$ 60	$ 72
Gifts/souvenirs/clothing	$ 92	$ 87	$ 55
Food/beverage	$ 167	$ 10	$ 181
Rental cars/fuel/transportation	$ 62	$ 1	$ 58
Other/packages	$ 281	$ 0	$ 27
Total	**$ 872**	**$ 158**	**$ 580**

Economic Impacts

Economic impacts are generally considered in terms of "direct" and "total" (including indirect) impacts. Direct impacts include spending by visitors, cruise lines, and cruise ship crew members.

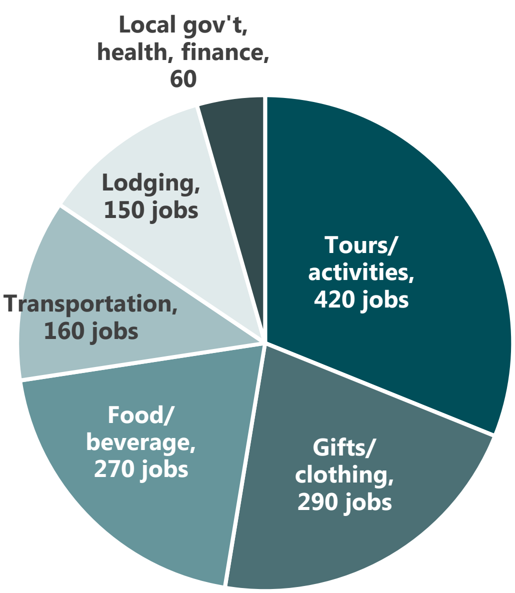
Total direct spending in summer 2017 is estimated at $223 million, including $187 million by visitors, $29 million by cruise lines, and $7 million by crew members. Visitor spending was determined using spending averages from survey results, with adjustments made to account for commissions on tours that accrue directly to cruise lines.

This direct spending translates into employment of 1,350 jobs, and direct labor income of $57 million. Jobs are spread throughout Ketchikan's economy, with 31 percent attributable to the tour sector; 21 percent attributable to gifts, souvenirs, and clothing; 20 percent attributable to food/beverage; 12 percent attributable to transportation (including rental cars and fuel); 11 percent attributable to lodging; and 4 percent attributable to local government/health care/finance.

Table ES-2. Direct Visitor Industry Impacts, Summer 2017

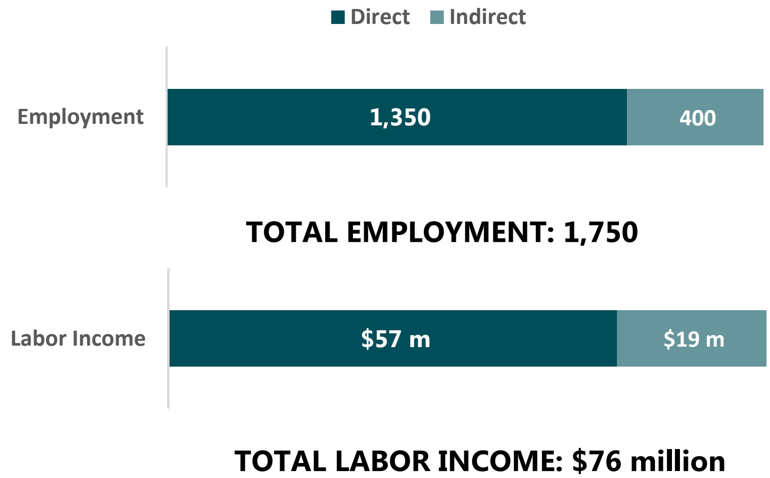
	Spending
Visitors	$187 million
Cruise lines	$29 million
Crew members	$7 million
Direct Spending	**$223 million**
Direct Employment	**1,350 jobs**
Direct Labor Income	**$57 million**

Chart ES-8. Direct Employment Resulting from Industry Spending, By Sector, Summer 2017



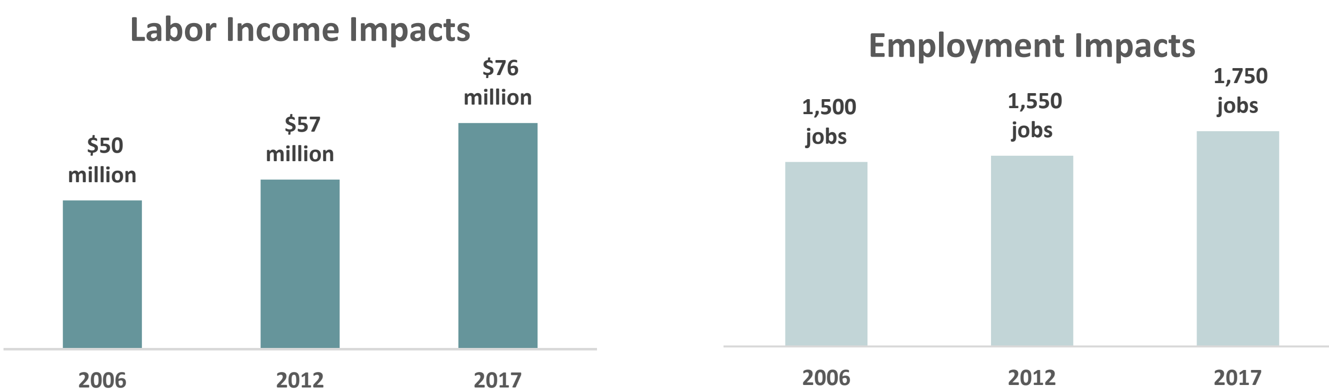
Direct employment and labor income estimates do not include multiplier effects, i.e., those jobs and income created in Ketchikan as the visitor dollar is re-spent by visitor industry businesses and their employees. This secondary spending is estimated to result in 400 jobs and $19 million in labor income during the summer 2017 study period. Adding secondary impacts to the initial direct impacts of 1,350 jobs and $57 million in labor income indicates total direct, indirect and induced impacts of 1,750 jobs and $76 million in labor income.

Chart ES-9. Direct, Indirect, and Total Employment and Labor Income Resulting from Visitor Industry in Ketchikan, Summer 2017



This is the third study of the economic impacts of Ketchikan's summer visitor industry. The charts below show how impacts have increased since the first report in 2006. Labor income impacts increased by 52 percent between 2006 and 2017, in nominal terms; after adjusting for inflation, the increase is 23 percent. Employment increased by 17 percent between 2006 and 2017.

Chart ES-10. Employment and Labor Income Impacts from Ketchikan's Summer Visitor Industry, 2006, 2012, 2017



Municipal Revenues

The visitor industry generated nearly $19 million in revenues to the Ketchikan Borough and City of Ketchikan, in the form of wharfage/fees, CPV taxes, sales taxes, and bed taxes. Spending by summer visitors, cruise lines, and crew members contributed an estimated $5.1 million in sales taxes, and $300,000 in bed taxes. The City of Ketchikan collected $9.0 million in dockage/moorage fees, and the City/Borough combined collected $4.3 million from the statewide Commercial Passenger Vessel tax.

Table ES-3. Selected Municipal Revenues from Summer Visitor Industry, 2017

	Revenues
Sales tax revenues	$5.1 million
Bed tax revenues	$0.3 million
Wharfage/fees	$9.0 million
CPV payments	$4.3 million
Total	**$18.7 million**

Introduction and Methodology

Introduction

The Ketchikan Visitors Bureau contracted with the McDowell Group to profile summer 2016 visitors to Ketchikan based on data from the *Alaska Visitor Statistics Program 7* (AVSP). AVSP is a statewide survey of out-of-state visitors commissioned by the Alaska Department of Commerce, Community, and Economic Development and the Alaska Travel Industry Association. AVSP 7 included surveys of 2,277 out-of-state travelers who visited Ketchikan either for a day or overnight visit, between May and September 2016.

This study presents results for all Ketchikan visitors, as well as for subgroups based on the mode of travel (air, cruise, highway/ferry), and two additional markets of interest to KVB: non-cruise visitors traveling for vacation/pleasure purposes, and a subset of these visitors, those from Western U.S. states.

The report includes an estimate of visitor traffic for summer 2017, and concludes with an analysis of economic impacts resulting from spending by visitors in summer 2017, including employment, labor income, and municipal tax revenues. This is the fourth study of visitor industry economic impacts conducted by McDowell Group for KVB; the previous study measured impacts from visitors in summer 2012.

Methodology

Visitor Traffic

Visitor volume was estimated based on the AVSP study, which included visitor traffic estimates to various communities and regions in Alaska. Additional sources included air passenger enplanement data from the Ketchikan Airport, ferry embarkations from Alaska Marine Highway System, and cruise passenger traffic data from Cruise Line Agencies of Alaska.

Visitor Profile

The AVSP visitor survey is administered to a random sample of out-of-state visitors departing Alaska at all major exit ports, including airports, highways, cruise ship docks, and ferries. The survey includes questions on trip purpose, transportation modes, length of stay, destinations, lodging, activities, expenditures, satisfaction, trip planning, and demographics. The summer 2016 AVSP included surveys of 5,926 out-of-state visitors to Alaska, including 2,277 who visited Ketchikan. Nearly all (96 percent) of Ketchikan visitor surveys were conducted in person, with the remainder filling out the survey online (survey invitation cards were distributed at Anchorage Airport). All data is weighted by transportation mode according to estimated traffic by month and location.

The table on the following page shows how each market is defined for purposes of this study, along with their respective sample size, estimated volume, and maximum margin of error. The non-cruise submarkets (Air, Highway/Ferry, Non-Cruise V/P, and Non-Cruise V/P West Only) include only visitors who overnighted in Ketchikan. Those who stopped in Ketchikan during the day only, for example those traveling on to sportfishing lodges, are excluded from these profiles.

Note that the highway/ferry market includes any visitor who entered or exited *Alaska* via highway or ferry; some highway/ferry visitors may have traveled to Ketchikan via air. Likewise, the air visitor market may include some visitors who traveled to Ketchikan via ferry.

Table 1. Sample Sizes and Margins of Error

	Sample Size	Maximum Margin of Error
All Visitors – Traveled to Ketchikan, either day or overnight	2,277	±2.1%
Air - Entered *and* exited Alaska by air; spent at least one night in Ketchikan; excludes cruise passengers	222	±6.6%
Cruise - Spent at least one night aboard a cruise ship	1,814	±2.3%
Highway/Ferry - Entered *or* exited Alaska by highway *or* ferry; spent at least one night in Ketchikan; excludes cruise passengers	121	±8.7%
Non-Cruise V/P - Traveled to Alaska for vacation/pleasure purposes; spent at least one night in Ketchikan; excludes cruise ship passengers	187	±7.1%
Non-Cruise V/P, West Only – Same as above, from Western U.S. states	117	±9.0%

The Visitor Profile chapter includes supplemental information from a survey of Ketchikan cruise passengers conducted by McDowell Group for the Ketchikan Gateway Borough in summer 2016 (the same time period as AVSP). This survey offers useful information on trip planning that is specific to Ketchikan, and includes sources used during the passengers' trip.

Economic Impact Analysis

This economic impact analysis estimates employment and labor income resulting from visitor spending in Ketchikan during summer 2017. Average visitor spending by category/sector was based on AVSP survey results and applied to visitor volume to arrive at total direct spending and employment estimates. Cruise ship crew member spending was based on a survey of crew members conducted by McDowell Group in summer 2016 as part of a larger project for the Ketchikan Gateway Borough. Cruise line spending was estimated by applying the percentage increase in the number of cruise line calls between 2012 and 2017 to previous figures.

McDowell Group developed a custom model for estimating multiplier effects. The econometric modeling program IMPLAN was used to estimate specific model inputs.

Additional sources included:

- Alaska Department of Labor and Workforce Development for employment and wage data
- U.S. Bureau of Economic Analysis for employment and wage data
- Ketchikan Gateway Borough and City of Ketchikan gross sales data for visitor-affected categories
- Borough and City bed tax revenues
- Ketchikan Gateway Borough for payments from cruise lines for moorage, docking, etc.
- Commercial Passenger Vessel Tax documents
- Borough and City budget documents
- Alaska Department of Revenue Shared Taxes and Fees Annual Reports

An estimated 1,059,200 out-of-state visitors traveled to Ketchikan in summer 2017. Nearly all of them (95 percent) visited by cruise ship; 4 percent visited by air; and 1 percent visited by ferry.

Between summer 2012 (the study period of the last economic impact report) and summer 2017, visitor volume increased by 13 percent, from 935,900 to 1,059,200. Most of this increase is attributable to cruise passenger volume, which increased by 12 percent over the period. While representing a much smaller number of visitors, air volume increased at an even higher rate: 38 percent, from 32,200 to 44,500. Ferry traffic was the only mode that showed a decrease: by 22 percent, from 5,500 to 4,300.

Chart 1. Visitor Volume to Ketchikan By Transportation Mode, Summer 2017

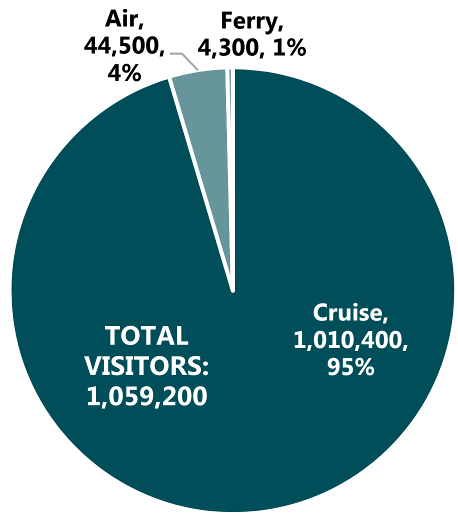


Table 2. Visitor Volume to Ketchikan by Transportation Mode, Summers 2012 and 2017

	Summer 2012	Summer 2017	% Change
Cruise	898,200	1,010,400	+12%
Air	32,200	44,500	+38%
Ferry	5,500	4,300	-22%
Total	**935,900**	**1,059,200**	**+13%**

An additional source of out-of-state spending incorporated into the subsequent economic impact analysis is cruise ship crew members. Based on the 2017 Ketchikan cruise ship calendar, an estimated 26,000 crew members visited Ketchikan in summer 2017, up 13 percent from 23,000 in summer 2012.

Further sources of visitors that are not measured in this report, but nonetheless contribute to Ketchikan's visitor economy, include:

- **Convention/meeting attendees:** Ketchikan Visitors Bureau tracks meetings, conferences, and sports-related events as well as their local impact. In 2017, KVB estimated that 17,174 people participated in 58 events, representing 3,856 bed nights. (Most attendees are local.) Assuming a per-bed-night impact of $279 per attendee, impacts are estimated at $1,076,000. Because not all meetings are reported to KVB, this estimate should be considered conservative.

- **Fall/winter/spring visitors:** Research on Alaska's fall/winter/spring visitor market has not been conducted since 2011-12. As reported in the last economic impact report, Ketchikan received an estimated 10,000 visitors in the 2011-12 October to May period. These visitors spent an estimated $4.2 million in Ketchikan.

- **In-state visitors:** Unfortunately, there is little research on travel by Alaska residents within the state. Alaska residents traveling to Ketchikan are likely to be traveling for business purposes, including meetings/conferences, although many residents of outlying communities also travel to Ketchikan for shopping, medical, and/or to visit friends/relatives.

Following are survey results based to six markets: all Ketchikan visitors, overnight visitors who traveled to and from Alaska by air, cruise passengers, overnight visitors who traveled to and/or from Alaska by highway or ferry, overnight visitors traveling for vacation/pleasure, and overnight visitors traveling for vacation/pleasure from Western U.S. states. Please see the Methodology chapter for additional detail.

Alaska Trip Purpose and Packages

- Nearly all Ketchikan visitors (97 percent) were traveling for vacation/pleasure, with only 2 percent traveling to visit friends/relatives and 1 percent traveling for business-related purposes.
- Among air visitors, 50 percent were traveling for vacation/pleasure; 33 percent to visit friends/relatives; and 17 percent for business-related reasons.
- Among ferry visitors, 64 percent were traveling for vacation/pleasure; 26 percent were VFRs; and 9 percent were traveling for business-related reasons.

Table 3. Trip Purpose (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Vacation/pleasure (V/P)	97	50	99	64	100	100
Visiting friends or relatives (VFR)	2	33	<1	26	-	-
Business only	1	12	<1	1	-	-
Business and pleasure	<1	5	<1	8	-	-

- Because of the high proportion of cruise passengers in the overall sample of visitors, nearly all Ketchikan visitors were "package" visitors – meaning, they purchased a multi-day package for their Alaska trip. Note that the package could have occurred anywhere in the state, not only Ketchikan.

- All cruise passengers are assumed to be package visitors. Package visitors represented 18 percent of air visitors, 4 percent of highway/ferry visitors, 28 percent of non-cruise vacation/pleasure visitors, and 26 percent of vacation/pleasure visitors from the Western U.S.

- Nearly all non-cruise package visitors (87 percent) reported purchasing fishing lodge packages. Other subgroups' sample sizes were too small to break out by package type.

Table 4. Packages (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Purchased multi-day package (including cruise)						
Yes	96	18	100	4	28	26
Package Type (non-cruise only)						
Fishing lodge	87	*	*	*	*	*
Wilderness lodge	4	*	*	*	*	*
Hunting	1	*	*	*	*	*
Adventure tour	<1	*	*	*	*	*
Other	8	*	*	*	*	*

*Sample sizes for sub-groups are too small for analysis.

Length of Stay, Lodging, and Destinations

- Ketchikan visitors reported spending an average of 8.5 nights in Alaska. Highway/ferry visitors reported the longest average stays at 19.3 nights. Air visitors reported an average of 9.1 nights; cruise visitors, 8.4 nights; non-cruise vacation/pleasure visitors, 11.0 nights; and vacation/pleasure visitors from Western U.S., 9.7 nights.

- Visitors who overnighted in Ketchikan reported an average length of stay in the community of 5.8 nights, ranging from 4.7 among non-cruise vacation/pleasure visitors to 6.4 nights among all air visitors.

Table 5. Length of Stay (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
1-3 nights	1	12	<1	6	7	10
4-7 nights	62	54	63	13	49	51
8-14 nights	35	21	35	27	20	21
15-21 nights	2	7	1	22	11	10
22+ nights	1	7	<1	32	12	8
Average # of nights in Alaska	**8.5**	**9.1**	**8.4**	**19.3**	**11.0**	**9.7**
Average # of nights in Ketchikan (base: overnighted)	**5.8**	**6.4**	*	**6.0**	**4.7**	**5.1**

- Ketchikan visitors were most likely to have stayed in hotels/motels in Ketchikan, followed by friends/family and lodges. Not surprisingly, highway/ferry visitors were more likely than air visitors to stay in campgrounds/RVs (27 versus 1 percent).

Table 6. Lodging Types Used in Ketchikan (%)
Base: Overnighted in Ketchikan

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Hotel/motel	39	40	*	43	46	40
Friends/family	26	34	*	14	18	18
Lodge	9	12	*	1	17	18
Vacation rental	9	11	*	3	12	12
Campgrounds/RV	5	1	*	27	8	6
Bed & Breakfast	3	3	*	9	4	6
Wilderness camping	1	<1	*	2	-	-
Other	10	4	*	4	4	4

*The sample size of cruise passengers overnighting in Ketchikan was too small for analysis.

- The table on the following page shows where Ketchikan visitors went in Alaska, in addition to Ketchikan. In terms of regions, 33 percent of Ketchikan's visitors traveled to Southcentral, and 20 percent went to the Interior. Just 1 percent visited Southwest, and less than 1 percent visited the Far North.

- Ketchikan cruise visitors followed familiar patterns, with high levels of visitation to Juneau, Skagway, Glacier Bay, and Icy Strait Point. About one-third of cruise passengers traveled to Southcentral (primarily Anchorage and the Kenai Peninsula).

- Air visitors traveled much less widely around the state than either cruise or highway/ferry visitors. The most frequent destinations, in addition to Ketchikan, were Juneau (15 percent), Prince of Wales Island (12 percent), and Anchorage (11 percent).

- Ketchikan highway/ferry visitors' most frequent destinations were Juneau (38 percent), Anchorage (30 percent), and Haines (29 percent).

Table 7. Destinations Visited (Day or Overnight) (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Southeast	**100**	**100**	**100**	**100**	**100**	**100**
Ketchikan	100	100	100	100	100	100
Juneau	96	15	99	38	28	20
Skagway	78	3	82	20	8	6
Glacier Bay Nat'l Park	48	1	50	7	4	3
Hoonah/Icy Strait Point	22	2	23	2	2	1
Sitka	13	7	13	14	13	13
Haines	6	4	5	29	11	6
Prince of Wales Island	1	12	<1	14	14	16
Wrangell	<1	2	<1	8	6	4
Petersburg	<1	3	<1	13	5	2
Gustavus	<1	3	<1	10	8	8
Southcentral	**33**	**12**	**33**	**31**	**20**	**14**
Anchorage	28	11	29	30	19	14
Kenai Peninsula	20	7	20	12	12	8
Talkeetna	8	4	8	16	10	8
Whittier	8	5	8	5	9	7
Palmer/Wasilla	1	3	1	11	4	1
Girdwood/Alyeska	2	1	2	2	2	3
Valdez	1	3	<1	8	6	1
Interior	**20**	**9**	**20**	**32**	**20**	**14**
Denali Nat'l Park	19	8	20	14	17	10
Fairbanks	11	3	11	23	10	8
Southwest	**1**	**-**	**1**	**1**	**<1**	**<1**
Kodiak	1	-	1	1	<1	<1
Far North	**<1**	**-**	**<1**	**4**	**1**	**1**

Activities

- Ketchikan visitors reported a wide variety of activities while in the community. The most common activities were city/sightseeing tours (22 percent), wildlife viewing (12 percent), shows/Alaska entertainment (presumably referring to the lumberjack show; 11 percent), and day cruises (9 percent).
- Not surprisingly, activity participation varied widely by submarket. Cruise passengers were much more likely to participate in city/sightseeing tours and shows/Alaska entertainment. Non-cruise segments were all much more likely to participate in museums, hiking/nature walk, and fishing.

Table 8. Activities in Ketchikan (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
City/sightseeing tours	22	4	23	7	5	4
Culture/history	18	20	18	38	22	23
Native cultural tours/activities	9	4	9	12	5	4
Historical/cultural attractions	7	9	7	19	13	13
Museums	6	13	6	28	16	18
Wildlife viewing	12	21	12	29	19	19
Birdwatching	2	4	2	5	5	4
Shows/Alaska entertainment	11	3	12	7	2	1
Day cruises	9	5	9	5	7	8
Hiking/nature walk	7	24	7	26	19	19
Flightseeing	6	6	6	5	8	8
Fishing	3	43	2	26	52	54
Guided	2	20	2	3	28	27
Unguided	1	25	<1	25	25	30
Salmon bake/crab feed	3	2	3	2	3	4
Zip-line	2	2	2	<1	2	3
ATV/4-wheeling	1	<1	1	1	-	-
Kayaking/canoeing	1	6	1	1	2	2
Camping	<1	2	-	13	4	2

Satisfaction Ratings

- Ketchikan visitors expressed a high degree of satisfaction with their Alaska experience, with 77 percent very satisfied; 21 percent satisfied; and just 1 percent dissatisfied. (Note that the question asked about the overall Alaska experience, not the Ketchikan experience.)

- Non-cruise visitors expressed slightly higher satisfaction than cruise visitors. Very satisfied ratings ranged from 80 percent among highway/ferry visitors, to 88 percent among air visitors, to 91 percent among non-cruise vacation/pleasure visitors, to 92 percent among vacation/pleasure visitors from the Western U.S. This compares with 76 percent among cruise visitors.

Table 9. Satisfaction with Overall Alaska Experience (%)

		Transportation Mode			Non-Cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Very satisfied	77	88	76	80	91	92
Satisfied	21	11	21	19	9	8
Neither/neutral	2	<1	2	<1	1	-
Dissatisfied	1	<1	<1	-	-	-
Very dissatisfied	-	-	-	-	-	-

- Two-thirds of Ketchikan visitors (66 percent) said their Alaska trip was either higher or much higher than their expectations, while 31 percent said it was about what they expected. Just 3 percent said their trip fell below expectations.

- Among subgroups, non-cruise vacation/pleasure visitors were the most likely to say their trip was higher or much higher than expectations (79 percent), while highway/ferry visitors were the least likely (61 percent). Air visitors, cruise visitors, and Western U.S. visitors fell in between at 73 percent, 66 percent, and 78 percent, respectively.

Table 10. Alaska Trip Compared to Expectations (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Much higher than expectations	30	31	30	22	31	34
Higher than expectations	36	42	36	39	48	44
About what you expected	31	26	31	38	21	21
Below expectations	2	-	2	2	1	1
Far below expectations	1	1	1	-	-	-

* Business-only visitors were screened out of this question.

- When asked about value for the money compared to other destinations, Ketchikan visitors were most likely to say that Alaska was "about the same" at 44 percent. Another 44 percent said the value was either better or much better, while 12 percent said it was worse or much worse.

- Air visitors were more likely to give a "much better" rating (32 percent) compared to cruise (17 percent) and highway/ferry (15 percent).

Table 11. Value for the Money Compared to Other Destinations Visited in the Past Five Years (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Much better	18	32	17	15	26	28
Better	26	27	26	29	29	33
About the same	44	34	45	33	29	31
Worse	11	7	11	23	15	8
Much worse	1	-	1	1	<1	-

*Business-only visitors were screened out of this question.

- Ketchikan visitors were highly likely to recommend Alaska to friends/family, with 80 percent very likely and another 17 percent likely. Only 1 percent said they were unlikely.

- Cruise passengers were slightly less likely to recommend Alaska compared to non-cruise visitors, with 80 percent saying they were very likely, compared to between 85 and 92 percent of non-cruise visitors.

Table 12. Likelihood of Recommending Alaska to Friends/Family (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Very likely	80	91	80	85	91	92
Likely	17	8	17	14	9	8
Unlikely	1	<1	1	-	-	-
Very unlikely	<1	<1	<1	<1	-	-
Don't know	1	<1	1	1	<1	-

Previous and Future Alaska Travel

- Seven out of ten Ketchikan visitors (71 percent) were on their first trip to Alaska. Cruise passengers were much more likely to be on their first trip (73 percent) compared with air (33 percent) and highway/ferry visitors (45 percent).
- Among repeat travelers, the average number of previous trips was 2.7.
- One out of five visitors (20 percent) had been on an Alaska cruise before, including 20 percent of cruise passengers, 15 percent of air visitors, and 7 percent of highway/ferry visitors.

Table 13. Previous Alaska Travel (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
First trip to Alaska	71	33	73	45	43	38
Been to Alaska before	29	67	27	55	57	62
Average # of vacation trips (base: repeat travelers)	2.7	4.5	2.4	4.2	5.7	6.7
Been on Alaska cruise before	20	15	20	7	15	14

- Twenty-seven percent of Ketchikan visitors said it was very likely they would return to Alaska in the next five years, while another 20 percent said it was likely. Nearly half (44 percent) said it was unlikely or very unlikely.
- Air visitors were by far the most likely to say they were very likely to return at 80 percent. This compares with 46 percent of highway/ferry and 25 percent of cruise.

Table 14. Likelihood of Returning to Alaska in the Next Five Years (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Very likely	27	80	25	46	67	79
Likely	20	10	20	24	15	13
Unlikely	34	5	35	20	10	7
Very unlikely	10	2	10	8	4	-
Don’t know	9	3	9	2	4	1

- Among those very likely to return, Ketchikan visitors were most interested in experiencing fishing (15 percent), wildlife (14 percent), and Northern Lights (11 percent) on their next Alaska trip.
- Air and highway/ferry visitors were much more likely to mention fishing (47 and 37 percent, respectively) when compared with cruise visitors (10 percent). Cruise visitors were much more likely to mention wildlife (15 percent), Northern Lights (12 percent), Denali (11 percent), and flightseeing (11 percent) when compared to non-cruise visitors.

Table 15. Most interested in experiencing on your next Alaska trip (%)
Base: Very likely to return to Alaska within five years

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Fishing	15	47	10	37	65	61
Wildlife	14	3	15	1	2	3
Northern Lights	11	3	12	7	5	6
Denali	10	2	11	5	3	3
Flightseeing	10	4	11	6	2	3
Cruise	8	2	9	-	3	2
Hiking	6	4	6	3	1	1
Glaciers	4	2	4	4	2	3
Visiting friends/family	3	19	1	22	6	8
Camping	2	2	3	1	1	1
Other	2	2	2	4	3	2
Don't know	5	3	6	4	1	<1

Trip Planning

Trip Planning Timeline

- Ketchikan visitors made their decision to travel to Alaska an average of 8.7 months ahead of their trip. The most common planning period was January through March (23 percent).
- Cruise visitors reported the longest lead time for their trip decision (8.8 months), while air visitors reported the shortest (6.0 months).
- Visitors booked their major travel arrangements an average of 6.5 months ahead of time, with the most common booking period matching the most common period for trip decision (January through March).
- Cruise visitors reported the longest lead time for trip booking at 6.6 months, while highway/ferry visitors reported the shortest lead time at 3.3 months.

Table 16. Trip Planning by Quarter (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
How far in advance did you decide to come on this trip to Alaska?						
Before July 2015	18	7	18	17	12	8
July-Sept 2015	19	19	19	17	24	22
Oct-Dec 2015	20	12	21	11	17	16
Jan-Mar 2016	23	22	23	24	21	23
Apr-Jun 2016	14	30	14	27	19	20
July-Sept 2016	5	10	5	4	8	10
Average # of months	**8.7**	**6.0**	**8.8**	**7.5**	**7.8**	**7.0**
How far in advance did you book your major travel arrangements?						
Before July 2015	9	3	9	1	5	5
July-Sept 2015	15	8	15	1	11	6
Oct-Dec 2015	19	11	19	8	15	13
Jan-Mar 2016	29	24	29	31	25	29
Apr-Jun 2016	21	39	20	48	34	34
July-Sept 2016	8	15	7	10	11	12
Average # of months	**6.5**	**4.1**	**6.6**	**3.3**	**5.2**	**4.7**

Internet Usage and Booking

- Nearly two-thirds of Ketchikan visitors (62 percent) used the internet to plan their trip, including 49 percent who booked at least some component online.
- Internet usage rates were much lower among cruise visitors (61 percent) than among air (85 percent) or highway/ferry visitors (82 percent). Online booking rates were much higher among air visitors (83 percent) than among either cruise (48 percent) or highway/ferry visitors (59 percent).

Table 17. Internet Usage for Trip Planning/Booking (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Used internet	62	85	61	82	84	87
Booked over internet	49	83	48	59	78	81
Did not use internet	35	11	36	17	14	11
Don't know	3	4	3	1	2	2

- Among online bookers, the most common trip components booked online were cruise (34 percent), airfare (34 percent), and tours (19 percent).
- Unsurprisingly, rates differed significantly by transportation market. Air visitors were highly likely to book airfare online; cruise visitors were most likely to book their cruise online; and ferry visitors were highly likely to book ferry tickets online.

Table 18. Trip Components Booked Online, Including via Apps (%)
Base: Booked some portion of trip online

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Cruise	34	-	36	-	-	-
Airfare	34	81	32	18	66	71
Tours	19	8	20	4	13	11
Lodging	13	28	13	33	35	36
Vehicle rental	3	7	3	3	7	8
Overnight packages	2	3	2	-	5	4
Ferry	1	8	<1	52	19	16

Websites/Apps Used for Planning/Booking

The following page shows specific websites used for planning.

- The top websites (or types of websites) were cruise line websites (63 percent), airline websites (42 percent), TripAdvisor (27 percent), and Google (27 percent).
- Air visitors were most likely to use airline websites (86 percent), TripAdvisor (16 percent), and Google (15 percent). Cruise visitors were most likely to use cruise line websites (67 percent), airline websites (40 percent), and TripAdvisor (28 percent). Highway/ferry visitors were most likely to use the AMHS website (79 percent), airline websites (26 percent), and hotel/lodge/RV park websites (23 percent).

Table 19. Websites/Apps Used to Plan (%)
Base: Used the internet to plan or book any portion of Alaska trip

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Cruise line websites	63	2	67	3	3	3
Airline websites	42	86	40	26	73	76
TripAdvisor	27	16	28	18	20	8
Google	27	15	27	21	22	19
Expedia	14	12	14	18	16	10
CruiseCritic.com	12	1	13	-	2	3
Tour company websites	10	7	10	4	12	3
Hotel/lodge/RV park	9	13	8	23	16	10
Travelocity	9	5	9	1	3	2
CVB/Chamber	8	2	9	15	4	1
Facebook	8	4	9	11	5	4
Priceline	6	4	6	3	2	<1
AAA.com	5	2	5	8	2	3
Hotels.com	4	3	5	9	4	3
Yelp	4	3	4	2	2	2
Alaska Marine Highway	4	14	2	79	34	29
Booking.com	3	5	3	13	8	3
Car/RV rental websites	3	5	3	4	4	3
Orbitz	3	1	3	2	2	1
Kayak.com	3	3	3	5	1	<1
Alaska App	2	1	2	5	3	3
VacationsToGo	2	-	2	-	-	-
AirBnB	2	3	2	3	5	5
LonelyPlanet.com	2	4	2	4	7	1
Costco	2	-	2	-	-	-
HotelTonight	1	1	1	-	-	-
Instagram	1	1	1	2	1	1
Hotwire	1	2	1	-	2	3
ARR	1	-	1	<1	<1	-
VRBO	1	4	1	<1	4	<1
Hipmunk	1	1	1	2	3	3
Alaska.org	1	-	1	-	-	-
NPS	<1	1	<1	-	1	1
Twitter	<1	-	<1	2	<1	-
CheapOAir	<1	-	<1	-	-	-
ADF&G	<1	1	-	-	1	1
Other	7	2	8	11	4	5

The following page shows specific websites used for booking (the previous table shows planning).

- The top websites used for booking were cruise line websites (51 percent), airline websites (41 percent), Expedia (8 percent).

- Air visitors' top booking sites were airline websites (85 percent), hotel/lodge/RV park (12 percent), and Alaska Marine Highway (10 percent). Cruise visitors' top booking sites were cruise line websites (54 percent), airline websites (39 percent), and Expedia (8 percent). Highway/ferry visitors' top sites were AMHS (64 percent), airline websites (27 percent), and hotel/lodge/RV park (17 percent).

Table 20. Websites/Apps Used to Book (%)

Base: Used the internet to plan or book any portion of Alaska trip

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Cruise line websites	51	-	54	-	-	-
Airline websites	41	85	39	27	73	79
Expedia	8	6	8	11	6	3
Hotel/lodge/RV park	7	12	6	17	13	9
Tour company websites	6	7	6	<1	11	4
Trip Advisor	3	3	3	4	3	-
Booking.com	2	5	2	7	8	3
VacationsToGo	2	-	2	-	-	-
Car/RV rental websites	2	5	2	4	4	3
Travelocity	2	2	2	-	1	1
Hotels.com	2	1	2	10	2	4
AAA.com	2	-	2	8	-	-
Google	2	1	2	1	2	3
Alaska Marine Highway	1	10	<1	64	24	22
Costco	1	-	2	-	-	-
CruiseCritic.com	1	-	1	-	-	-
Kayak.com	1	2	1	1	<1	-
Priceline	1	1	1	<1	<1	<1
Hotwire	1	2	1	-	2	3
Orbitz	1	1	1	-	1	1
ARR	<1	-	<1	1	<1	<1
AirBnB	<1	3	<1	1	5	5
Facebook	<1	-	<1	-	-	-
VRBO	<1	3	<1	-	3	-
CVB/Visitors Bureau	<1	<1	<1	3	1	<1
LonelyPlanet.com	<1	<1	<1	1	1	-
HotelTonight	<1	<1	<1	-	-	-
Hipmunk	<1	-	<1	2	<1	-
NPS	<1	1	<1	-	1	1
CheapOAir	<1	-	<1	-	-	-
Alaska App	<1	1	<1	2	1	1
Yelp	<1	1	-	-	1	1
ADF&G	<1	1	-	-	1	1
Instagram	<1	-	-	1	<1	-
Other	4	2	4	3	2	2

Travel Agent Usage

- About half of Ketchikan visitors (52 percent) booked at least some portion of their trip through a travel agent. Rates were much higher among cruise passengers (54 percent) than among air (7 percent) or highway/ferry visitors (9 percent).
- The most common trip components booked through a travel agent were cruise (91 percent), airfare (60 percent), and tours (42 percent).

Table 21. Travel Agent Usage for Trip Booking (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Booked through travel agent	52	7	54	9	8	5
Cruise	91	*	92	*	*	*
Airfare	60	*	60	*	*	*
Tours	42	*	42	*	*	*
Lodging	32	*	32	*	*	*
Overnight packages	10	*	10	*	*	*
Vehicle rental	1	*	1	*	*	*
Ferry	<1	*	<1	*	*	*

* Sample size too small for analysis.

Usage of State of Alaska Information Sources

- Seventeen percent of Ketchikan visitors reported visiting travelalaska.com, with highway/ferry visitors reporting the highest rate of usage (42 percent), and air visitors reporting the lowest (16 percent).
- Eleven percent of visitors recalled receiving the Official Vacation Planner, ranging from 11 percent among air and cruise visitors to 24 percent among highway/ferry visitors.

Table 22. Usage of State of Alaska Information Sources (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Did you visit the official State of Alaska travel website travelalaska.com?						
Yes	17	16	17	42	23	20
No	78	74	78	52	67	69
Don't know	5	8	5	4	8	11
Did you receive the State of Alaska Official Vacation Planner?						
Yes	11	11	11	24	17	10
No	83	84	84	74	78	85
Don't know	5	3	5	2	4	4

Usage of Other Information Sources

After being asked about online sources, travel agents, and State of Alaska sources, respondents were asked about additional sources used in planning their Alaska trip.

- The most popular sources of additional information were friends/family (50 percent), cruise line (36 percent), prior experience (17 percent), brochures (13 percent), and AAA (10 percent). All other sources were used by less than 10 percent of the overall visitor market.
- All three transportation markets were most likely to cite friends/family, but at very different rates (72 percent for air, 59 percent for highway/ferry, and 49 percent for cruise). In general, highway/ferry visitors cited the highest number of sources, and air visitors mentioned the fewest number of sources.
- Air visitors were most likely to cite friends/family (72 percent) and prior experience (50 percent). Cruise visitors were most likely to mention friends/family (49 percent), cruise line (38 percent), and prior experience (16 percent). Highway/ferry visitors were most likely to cite friends/family (59 percent), prior experience (44 percent), and brochures (26 percent).

Table 23. Usage of Other Information Sources (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Friends/family	50	72	49	59	59	57
Cruise line	36	-	38	1	<1	<1
Prior experience	17	50	16	44	44	52
Brochures (total)	13	9	13	26	14	13
Brochures	12	3	12	16	7	7
Community brochures	1	4	1	1	3	3
Ferry brochure/schedule	1	4	1	13	7	7
AAA	10	2	10	10	4	5
Tour company	6	<1	6	1	1	1
Other travel guide/book	5	2	5	19	8	5
Television	5	2	5	2	1	-3
Magazine	4	3	4	11	4	2
Library	3	1	3	1	<1	<1
Club/organization/church	3	2	3	1	1	-
Convention & Visitor Bureau(s)	2	1	2	2	1	1
Newspaper	2	1	2	6	1	<1
Hotel/lodge	2	10	2	3	13	16
Milepost	1	3	1	33	11	7
North to Alaska Guide	1	1	1	7	4	1
Travel/recreation exhibitions	1	-	1	1	<1	-

Demographics

Origin

- Ketchikan's visitors are most likely to be from Western U.S. states (32 percent), followed by the South (23 percent), Midwest (15 percent), and East (11 percent). Nine percent are from Canada, and 10 percent are from other international countries, most commonly Australia/New Zealand (4 percent). The most common states of origin were California (13 percent), Washington (7 percent), and Texas (6 percent).

- Air visitors showed the highest rates of Western U.S. origin (73 percent), compared with cruise (30 percent) and highway/ferry visitors (59 percent). Cruise visitors were more likely to be from the South (24 percent) and the Midwest (15 percent) when compared with non-cruise visitors. Highway/ferry visitors showed higher rates of international origin (13 percent) than cruise (10 percent) and air (3 percent).

Table 24. Top Countries/States of Origin (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
United States	**81**	**96**	**80**	**84**	**83**	**100**
Western US	**32**	**73**	**30**	**59**	**66**	**100**
California	13	13	13	4	15	23
Washington	7	33	6	15	24	36
Arizona	3	3	3	1	4	6
Oregon	2	6	2	15	3	5
Nevada	2	3	2	2	4	7
Colorado	2	4	2	8	4	6
Southern US	**23**	**12**	**24**	**10**	**12**	**-**
Texas	6	2	6	3	2	-
Florida	5	4	5	3	4	-
Tennessee	2	1	2	-	-	-
Midwestern US	**15**	**8**	**15**	**7**	**10**	**-**
Ohio	3	2	3	<1	2	-
Illinois	2	1	2	<1	1	-
Minnesota	2	2	2	3	2	-
Michigan	2	1	2	2	1	
Eastern US	**11**	**3**	**11**	**2**	**3**	**-**
New York	3	<1	3	<1	<1	-
Pennsylvania	2	1	2	2	2	
New Jersey	2	1	2	-	1	
Canada	**9**	**1**	**10**	**10**	**2**	**-**
British Columbia	5	1	5	4	<1	-
Ontario	2	-	2	2	1	-
International	**10**	**3**	**10**	**13**	**7**	**-**
Australia/New Zealand	4	1	4	1	3	-
Europe	3	1	3	10	4	-
Asia	1	-	1	-	-	-
Latin America	1	1	1	1	1	-

Party and Group Size

- Ketchikan visitors reported an average party size of 2.5 people (meaning the number of people sharing expenses). The most popular party size was two, representing 64 percent of visitors.
- Party size was higher among cruise visitors (2.6 people) than among air and highway/ferry visitors (1.9 people).
- Visitors reported an average group size of 5.0 people. (This is the number of people traveling together, not necessarily sharing expenses.). Group size was much higher among cruise passengers (5.1 people) than among air visitors (2.9 people) or ferry visitors (2.2 people).

Table 25. Party and Group Size (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Party Size						
1	8	44	7	26	32	36
2	64	38	65	62	50	44
3	8	6	8	8	4	4
4	11	6	11	3	7	6
5+	9	6	9	2	7	10
Average party size	**2.5**	**1.9**	**2.6**	**1.9**	**2.1**	**2.1**
Group Size						
1	5	31	4	20	16	15
2	47	33	48	60	42	36
3	7	9	7	11	9	12
4	16	11	16	5	12	13
5	4	6	4	1	7	8
6-10	13	9	13	3	12	13
11+	9	3	9	<1	2	2
Average group size	**5.0**	**2.9**	**5.1**	**2.2**	**3.1**	**3.3**

Gender and Age

- Ketchikan visitors were slightly more likely to be female (55 percent) than male (45 percent). (These figures reflect the entire traveling party, not just the respondent.) Cruise visitors were more likely to be female at 56 percent, while air and highway/ferry visitors were more likely to be male (56 and 53 percent, respectively). Non-cruise vacation/pleasure and Western U.S. vacation/pleasure visitors had a higher share of males (60 and 62 percent, respectively).
- Ketchikan visitors reported an average age of 57 years old. (This includes all party members, not just the respondent.) Average ages varied little by submarket, ranging from 53 years old among air visitors to 59 years old among highway/ferry visitors. The most common age ranges were 65 and over (33 percent), and 55 to 64 (26 percent). Cruise visitors were more likely to have party members under 18 (10 percent).

Table 26. Gender and Age (%)

		Transportation Mode			Non-cruise	
	All Visitors	**Air**	**Cruise**	**Hwy/Ferry**	**V/P**	**West US**
Gender						
Male	45	56	44	53	60	62
Female	55	44	56	47	40	38
Age						
Under 18	10	7	10	5	5	6
18 to 24	3	5	3	2	4	3
25 to 34	5	8	5	6	6	6
35 to 44	9	11	9	7	10	9
45 to 54	14	18	14	12	17	20
55 to 64	26	24	26	26	26	26
65+	33	26	33	42	33	30
Average age	**57 years**	**53 years**	**57 years**	**59 years**	**57 years**	**56 years**

Household Characteristics

- One out of five Ketchikan visitors (22 percent) reported children living in their household. Highway/ferry visitors were slightly less likely to fall into this category (18 percent).
- One-half of visitors (51 percent) said they were retired or semi-retired. Highway/ferry visitors were the most likely to be retired (64 percent), followed by cruise visitors (52 percent), and air visitors (41 percent).

Table 27. Household Characteristics (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Children living in household	22	24	22	18	21	18
Retired or semi-retired	51	41	52	64	55	52

- Ketchikan visitors reported an average household income of $116,000. Cruise and air visitors' average income were similar at $116,000 and $117,000; highway/ferry visitors' average was slightly lower at $93,000.

Table 28. Household Income (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Less than $25,000	2	3	2	1	2	2
$25,000 to $50,000	7	8	7	9	9	8
$50,000 to $75,000	11	11	10	21	13	11
$75,000 to $100,000	14	12	14	19	12	12
$100,000 to $125,000	11	11	11	16	12	12
$125,000 to $150,000	9	10	9	8	9	10
$150,000 to $200,000	7	8	7	3	5	4
Over $200,00	9	10	9	3	12	12
Refused	29	28	29	19	27	30
Average income	**$116,000**	**$117,000**	**$116,000**	**$93,000**	**$117,000**	**$119,000**

- Two-thirds of Ketchikan visitors (64 percent) reported at least a college education. College degree rates were similar across the submarkets: 62 percent among air visitors, 64 percent among cruise visitors, 58 percent among highway/ferry visitors, 65 percent among non-cruise vacation/pleasure visitors, and 63 percent among non-cruise Western U.S. visitors.

Table 29. Education (%)

		Transportation Mode			Non-cruise	
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	West US
Some high school	1	<1	1	3	1	1
High school diploma/GED	10	9	10	11	9	7
Associate/technical degree	8	7	8	6	7	10
Some college	17	22	17	21	17	20
Graduated from college	38	39	38	35	41	36
Master's/Doctorate	26	23	26	23	24	27

Visitor Spending

- Air visitors spent an average of $872 per person in Ketchikan. Their spending was largely concentrated on lodging ($207), food/beverage ($167), and "other" ($281); the other category includes lodge packages.
- Cruise passengers' spending was concentrated in gifts/souvenirs/clothing ($87) and tours/activities/ entertainment ($60).
- Highway/ferry visitors spent an average of $580 per person, with spending largely occurring in the lodging ($187) and food/beverage ($181) categories.
- Non-cruise, vacation/pleasure visitors spent the most of all sub-markets at $1,055 per person, with spending particularly high in the "other" category ($425), implying significant package lodge purchases.
- A supplemental analysis of spending by non-cruise visitors shows that vacation/pleasure visitors spent much more, on average, than those visiting friends and relatives. Vacation/pleasure air visitors spent an average of $1,424 in Ketchikan, and vacation/pleasure highway/ferry visitors spent an average of $1,397. This compares with $490 among non-cruise visitors traveling for the purposes of visiting friends/relatives.
- It should be noted that all non-cruise sub-markets include only overnight visitors. Taking day visitors into account, average spending by transportation market decreases to $657 among air visitors and $425 among highway/ferry visitors. For purposes of economic impact, average spending among all visitors (not just overnight visitors) was used for both traffic and spending.

Table 30. Visitor Expenditures in Ketchikan, Per Person Per Trip

	Transportation Mode			Non-cruise	
	Air	Cruise	Hwy/Ferry	V/P	West US
Lodging	$ 207	$ 0	$ 187	$ 194	$ 165
Tours/activities/entertainment	$ 63	$ 60	$ 72	$ 99	$ 85
Gifts/souvenirs/clothing	$ 92	$ 87	$ 55	$ 111	$ 140
Food/beverage	$ 167	$ 10	$ 181	$ 158	$ 160
Rental cars/fuel/transportation	$ 62	$ 1	$ 58	$ 68	$ 70
Other	$ 281	$ 0	$ 27	$ 425	$ 254
Total	**$ 872**	**$ 158**	**$ 580**	**$ 1,055**	**$ 874**

Table 31. Visitor Expenditures in Ketchikan, Per person Per Trip: Selected Subgroups

	Non-cruise		
	V/P Air	V/P Hwy/ferry	VFR
Lodging	$ 215	$ 470	$ 103
Tours	$ 121	$ 196	$ 47
Gifts	$ 138	$ 107	$ 78
Food	$ 186	$ 331	$ 168
Transportation	$ 101	$ 154	$ 42
Other	$ 663	$ 139	$ 52
Total	**$ 1,424**	**$ 1,397**	**$ 490**

TRENDS

The last time Ketchikan visitor spending was measured was for a survey conducted of Ketchikan visitors in summer 2011 at the airport, ferry terminal, and cruise ship docks. The methodology for AVSP was different in that it was conducted statewide at various exit points and included business travelers. With these caveats in mind, here is how spending differed between 2011 and 2016.

- The average spending among cruise passengers was about the same between the two years ($161 in 2011 and $158 in 2016).
- The average spending among air visitors increased from $676 in 2011 to $872 in 2016. The inclusion of business travelers may have influenced this number slightly.
- The average spending among ferry visitors increased from $401 in 2011 to $580 in 2016.

Supplemental Data on Usage of KVB Information Sources by Cruise Passengers

A survey of cruise passengers was conducted for Ketchikan Gateway Borough over the same time period as the AVSP: May to September 2016.[1] The survey included 317 randomly selected passengers intercepted on the Ketchikan cruise docks in the two-hour period before sailing. The sample schedule was designed to ensure representativeness by cruise line, sailing direction (northbound versus southbound), and month of travel. The sample size resulted in a maximum margin of error of ±5.5 percent at the 95 percent confidence level. Following are excerpts from the report that address planning sources. Because AVSP data is collected at a statewide level, this data is particularly useful in that it asks about specific Ketchikan information sources. Also, AVSP focuses more on planning sources used *before* the trip, while this survey asked about sources used *during* their trip.

Visitor Information Center Use

- More than half (56 percent) of respondents visited one of the Visitor Information Centers. (The survey did not differentiate between Ketchikan's two Visitor Information Centers.)
- The visitor center was used most commonly for gathering information (66 percent) and restrooms (59 percent). Other usages included directions (30 percent), map (14 percent), tour booking (11 percent), and ATM (5 percent).

Table 32. Did you visit the Visitor Information Center today?

	% of Total n=317
Yes	56
No	44
What did you do at the center? *(Base: Visited the Visitor Information Center)* *Multiple responses allowed.*	**n=177**
Got information	66
Restrooms	59
Got directions	30
Got a map	14
Booked a tour	11
ATM	5
Other	3
Don't know	3

[1] *Ketchikan Cruise Industry Surveys*, prepared for Ketchikan Gateway Borough for McDowell Group, November 2016.

Ketchikan Arrival Guide and Trip Planner Use

- When asking respondents whether they had used the Ketchikan Arrival Guide, surveyors showed a copy of the Guide. Approximately one-third of respondents (29 percent) used the Ketchikan Arrival Guide.
- Of those who used it, 60 percent felt it was very helpful, and 25 percent felt it was somewhat helpful; no respondents said it was not helpful.
- Seven percent of respondents said they used the Ketchikan Trip Planner (again, a copy of the Planner was shown). The remainder did not use it (88 percent) or were not aware if they used it (6 percent).
- Of the 21 respondents who used the Trip Planner, 33 percent found it very helpful, 48 percent found it somewhat helpful, and 19 percent did not know. No respondents said it was not helpful.

Table 33. Did you use the Ketchikan Arrival Guide/Ketchikan Trip Planner?

% of Total n=317	Arrival Guide	Trip Planner
Yes	29	7
No	69	88
Don't know	3	6
Was the Guide/Planner very helpful, somewhat helpful, or not helpful in planning your Ketchikan visit? *(Base: Used the Guide/Planner)*	**n=91**	**n=21**
Very helpful	60	33
Somewhat helpful	25	48
Not helpful	--	--
Don't know	14	19

Note: Columns may not add to 100 percent due to rounding.

Videos about Ketchikan

- Passengers were asked to recall if they had seen any videos about Ketchikan, where they watched the videos, and the themes of the videos. Over half of respondents (56 percent) had seen videos about Ketchikan.
- Nearly two-thirds (62 percent) of those who watched a video did so in their cabin onboard the ship. One-quarter of the respondents watched videos online, and another 19 percent saw a video during their visit to Ketchikan.
- In terms of video topics, the categories with the highest amount of views were Ketchikan history (46 percent), fishing (31 percent), local art and culture (31 percent), and bush pilots (28 percent). One-fifth of respondents (19 percent) weren't sure of the topic.

Table 34. Do you remember watching any videos about Ketchikan, either before your trip, onboard the ship, or while you were here?

	% of Total n=317
Yes	56
No	42
Don't know	1
Where did you watch the videos? *(Base: Watched videos about Ketchikan) Multiple responses allowed.*	**n=179**
In your cabin	62
Online	25
In Ketchikan	19
Ship theater	7
Other	1
Don't know	1
Which videos do you remember watching? *(Base: Watched videos about Ketchikan) Multiple responses allowed.*	**n=179**
Ketchikan history	46
Fishing	31
Local art and culture	31
Bush pilots	28
Native Alaskan art	26
Timber harvesting	21
Don't know	19

Note: Columns may not add to 100% due to rounding.

For additional results from the separate survey of cruise passengers (as well as crew members) conducted by McDowell Group for the Borough, please refer to the report *Ketchikan Cruise Industry Surveys*, November 2016.

Economic Impact Analysis

Spending in Ketchikan by visitors and by the businesses that serve those visitors creates jobs, income, and secondary spending throughout the local economy. Visitor spending creates jobs and payroll with tour companies, hotels and lodges, retail establishments, transportation providers, and a range of other business. Visitor industry businesses and their employees in turn re-spend a portion of that money with other borough businesses (some is spent outside the borough), creating additional economic impacts.

This chapter describes the borough-wide employment and labor income effects of visitor industry-related spending in summer 2017. The analysis includes direct employment and labor income, as well as indirect and induced employment and labor income (the "multiplier effects").

Direct Spending and Impacts

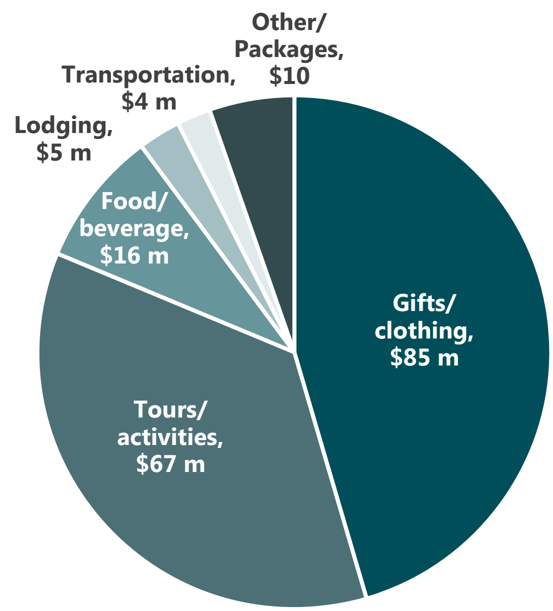
Visitor Spending

Visitors' direct economic impacts include the jobs and income created by visitor spending on all goods and services purchased while in Ketchikan.

Direct visitor spending totaled an estimated $187 million in the five-month study period. Gifts, souvenirs, and clothing accounted for nearly one-half (45 percent) of all spending at $85 million; tours/activities represented one-third (36 percent) at $67 million; food/beverage represented 9 percent ($16 million); lodging represented 3 percent ($5 million); transportation represented 2 percent ($4 million), and other/packages represented 5 percent ($10 million).

These figures include tour commissions that accrue directly to cruise lines; these were removed for purposes of economic impact analysis.

Chart 2. Total Visitor Spending in Ketchikan, By Sector, Summer 2017



TOTAL VISITOR SPENDING: $187 million

Cruise Line Spending

Cruise lines represent an additional source of outside dollars being spent in Ketchikan on behalf of the visitor industry. They make direct purchases from a variety of businesses including food/beverage vendors, transportation service providers, medical providers, and business supply companies, for example. A significant amount of their spending is attributable to moorage/dockage. Cruise lines also pay tour vendors on behalf of their passengers; however, these payments have been excluded because they are included in passenger spending estimates. Cruise lines spent an estimated $29 million on goods and services in Ketchikan in 2017.

Crew Member Spending

Cruise ships brought an estimated 27,000 crew members to Ketchikan in 2017. A 2016 survey of crew members for the Ketchikan Borough showed that these visitors make significant purchases while in the community, with most of the spending at grocery stores, pharmacies, and larger stores like Wal-Mart. Average spending reported by crew members for the entire season was $430. Based on industry interviews, a "disembarkation rate" was applied to the crew estimate to account for those employees that do not get a chance to disembark over the course of the season. In total it is estimated that crew members spent $7 million in Ketchikan.

Total Visitor Industry Spending

Adding together all forms of direct spending, industry spending totaled $223 million in summer 2017. Visitor purchases accounted for the vast majority (84 percent) of this total, while cruise lines represented 13 percent, and crew represented 3 percent. (For purposes of economic impact visitor spending was adjusted to account for commissions paid directly to cruise lines.)

Table 35. Direct Visitor Industry Spending, Summer 2017

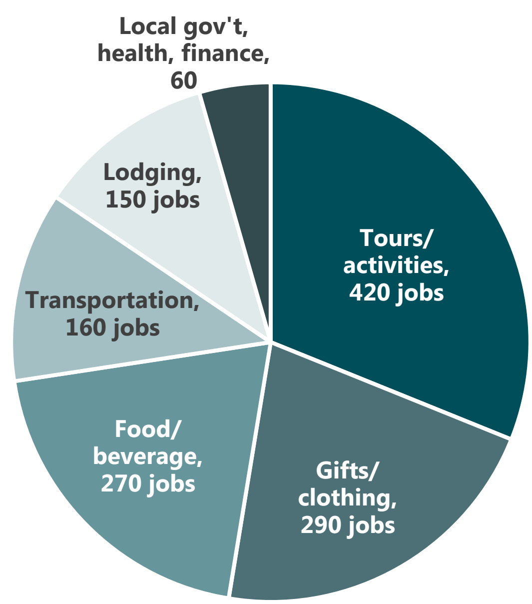
	Spending
Visitors	$187 million
Cruise lines	$29 million
Crew members	$7 million
Total Spending	**$223 million**

Direct Employment Impacts

Visitor spending directly generated 1,350 full- and part-time jobs in the borough, and $57 million in labor income, based on McDowell Group's economic impact modeling. Employment by sector is distributed similarly to passenger spending, though economic impact varies with the type of spending. For example, spending on service has a greater employment and wage impact than retail spending.

Tours/activities/entertainment accounted for 31 percent of employment at 420 jobs; gifts/souvenirs/clothing accounted for 21 percent at 290 jobs; food/beverage accounted for 20 percent at 270 jobs; transportation/ rental cars/fuel accounted for 12 percent at 160 jobs; lodging accounted for 11 percent at 150 jobs; and local government/health care/finance accounted for 4 percent at 60 jobs.

Chart 3. Direct Employment Resulting from Visitor Spending, By Sector, Summer 2017

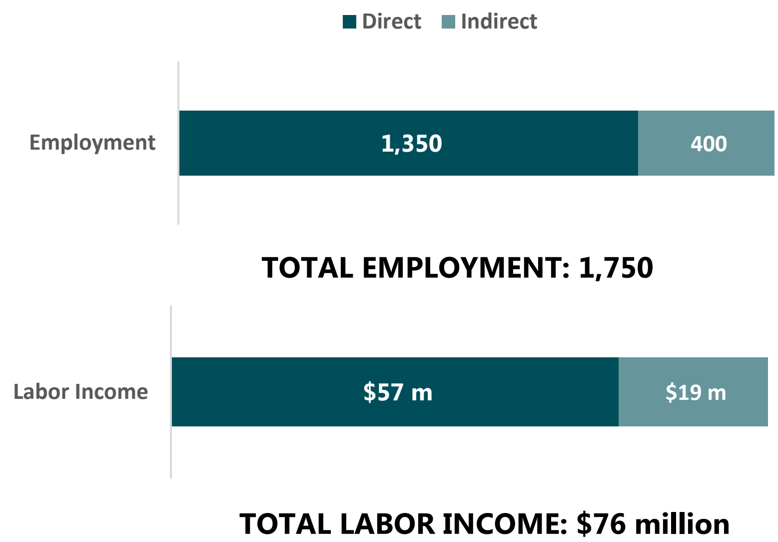


TOTAL DIRECT EMPLOYMENT: 1,350 jobs
TOTAL DIRECT LABOR INCOME: $57 million

Total Economic Impacts

Direct employment and labor income estimates do not include multiplier effects, i.e., those jobs and income created in Ketchikan as the visitor dollar is re-spent by visitor industry businesses and their employees. This secondary spending resulted in an estimated 400 jobs and $19 million in labor income during the summer 2017 study period. Adding secondary impacts to the initial direct impacts of 1,350 jobs and $57 million in labor income indicates total direct, indirect and induced impacts of 1,750 jobs and $76 million in labor income.

Chart 4. Direct, Indirect, and Total Employment and Labor Income Resulting from Visitor Industry in Ketchikan, Summer 2017

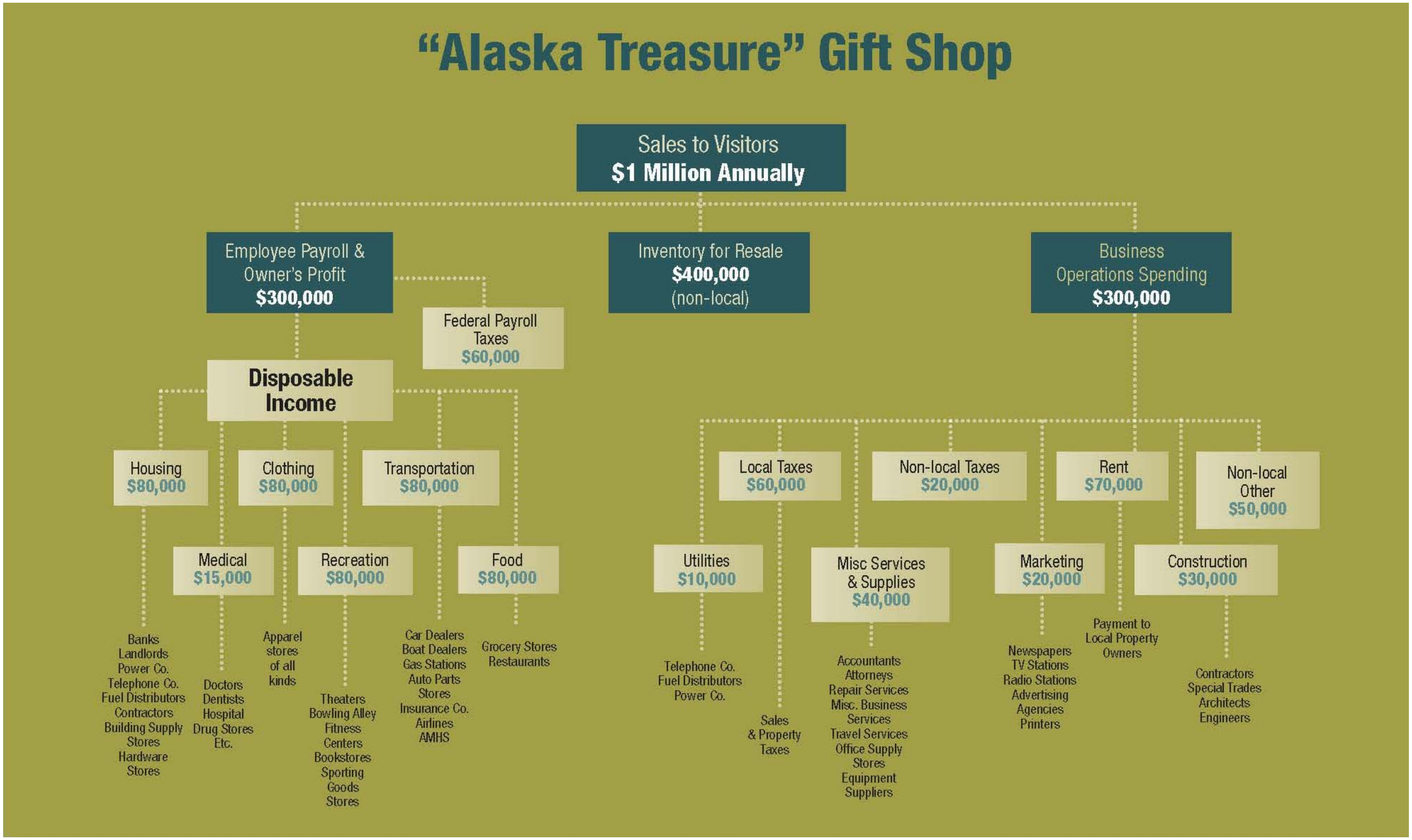


This estimate is a tally of the total number of full- and part-time jobs linked to non-resident visitor travel to Ketchikan. It includes annual average wage and salary employment, and total proprietors' employment (the total number of sole proprietorships or partnerships active at any time during the year).

Role in the Ketchikan Economy

The Bureau of Economic Analysis estimated total Ketchikan Borough employment at 10,265 in 2016. Based on the estimate of 1,750 total (direct and indirect) jobs resulting from visitor spending in summer 2017, visitor spending-related employment represented 17 percent of Borough-wide employment. In terms of labor income, visitor spending-related labor income represented 14 percent ($76 million) of total labor income reported in 2016 ($526 million). (Visitor industry employment typically represents a greater share than labor income due to lower-than-average wages in this sector.)

The graphic on the following page demonstrates the way visitor spending filters through the local economy (using a gift shop as an example), creating jobs and income is nearly every sector of the economy.



"Alaska Treasure" Gift Shop
Sales to Visitors
$1 Million Annually
Employee Payroll & Owner's Profit
$300,000
Inventory for Resale
$400,000
(non-local)
Business Operations Spending
$300,000
Federal Payroll Taxes
$60,000
Disposable Income
Housing
$80,000
Clothing
$80,000
Transportation
$80,000
Medical
$15,000
Recreation
$80,000
Food
$80,000
Banks
Landlords
Power Co.
Telephone Co.
Fuel Distributors
Contractors
Building Supply Stores
Hardware Stores
Doctors
Dentists
Hospital
Drug Stores
Etc.
Apparel stores of all kinds
Theaters
Bowling Alley
Fitness Centers
Bookstores
Sporting Goods Stores
Car Dealers
Boat Dealers
Gas Stations
Auto Parts Stores
Insurance Co.
Airlines
AMHS
Grocery Stores
Restaurants
Local Taxes
$60,000
Non-local Taxes
$20,000
Rent
$70,000
Non-local Other
$50,000
Utilities
$10,000
Misc Services & Supplies
$40,000
Marketing
$20,000
Construction
$30,000
Telephone Co.
Fuel Distributors
Power Co.
Sales & Property Taxes
Accountants
Attorneys
Repair Services
Misc. Business Services
Travel Services
Office Supply Stores
Equipment Suppliers
Newspapers
TV Stations
Radio Stations
Advertising Agencies
Printers
Payment to Local Property Owners
Contractors
Special Trades
Architects
Engineers

Trends in Impacts

This is the third study of Ketchikan's visitor industry impacts; the previous study periods were summers 2006 and 2012. The charts on this page show how visitation and impacts of the industry have grown over the 12-year period.

Visitor volume grew from 830,800 in 2006, up 13 percent to 935,900 in 2012, and up another 13 percent to 1,059,200 in 2017, for a total increase of 27 percent between 2006 and 2017.

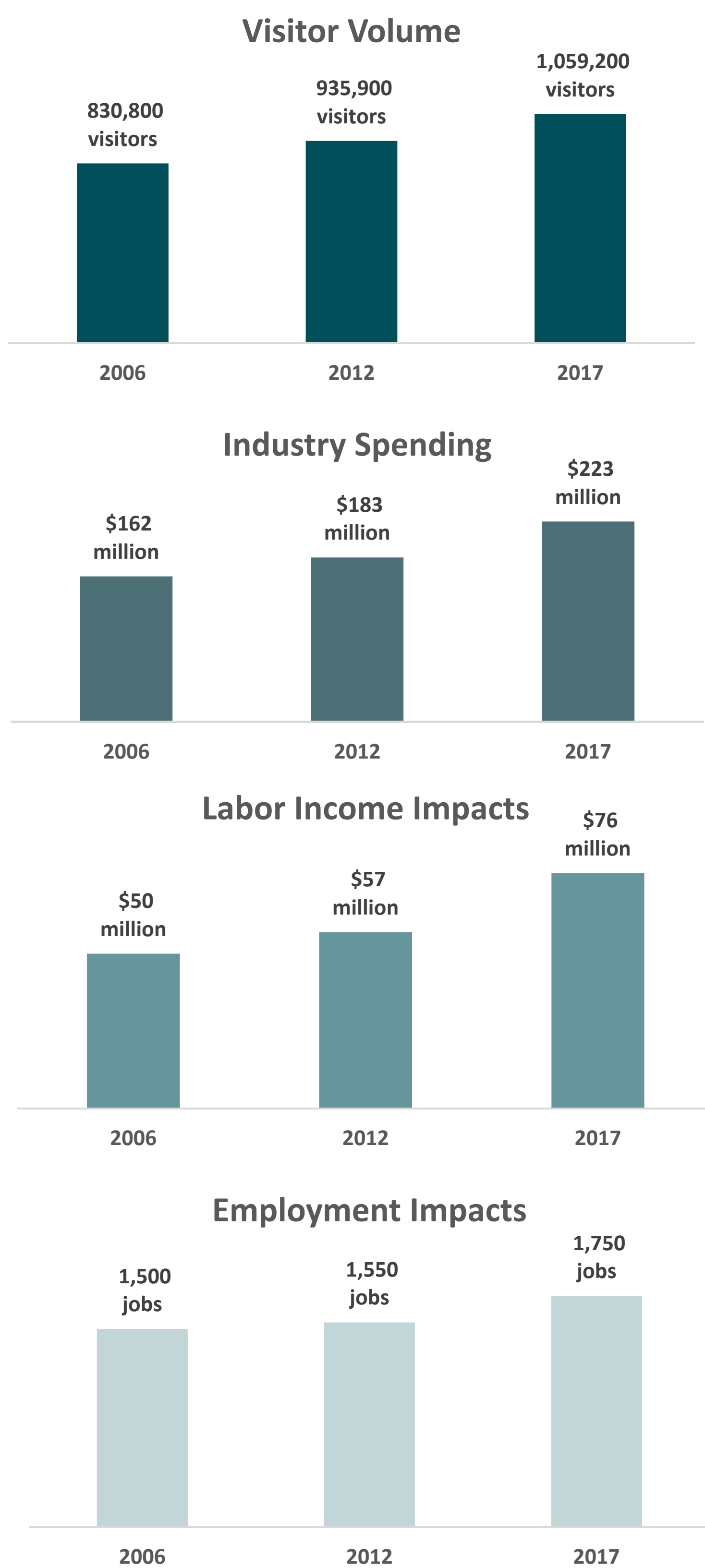
Visitor industry spending increased by 13 percent between 2006 and 2012 (from $162 million to $183 million), then by another 22 percent between 2012 and 2017, for a total increase of 38 percent between 2006 and 2017. These percentages reflect "nominal" values; that is, not adjusted for inflation. After adjusting for inflation, industry spending increased by 12 percent between 2006 and 2017.

Labor income increased by 14 percent between 2006 and 2012 (from $50 million to $57 million), then by another 33 percent between 2012 and 2017 (from $57 million to $76 million) in nominal terms. After adjusting for inflation, labor income actually increased by 23 percent between 2006 and 2017.

Employment was fairly consistent between 2006 and 2012, then increased by 13 percent between 2012 and 2017, for a total increase of 17 percent between 2006 and 2017.

Increases in both visitor and industry spending are largely attributable to increases in visitor volume over the study periods. Per person spending also increased for air and ferry visitors.

Chart 5. Trends in Ketchikan Visitor Impacts, 2006, 2012, 2017



Municipal Revenues

The visitor industry generates significant revenues to the Ketchikan Borough and City of Ketchikan, in the form of dockage/moorage, CPV taxes, sales taxes, and bed taxes. Note that employment and labor income impacts from these taxes and revenues are captured in the previous section as part of the visitor industry spending analysis. (Although property taxes represent an additional revenue source related to the visitor industry, they are difficult to estimate because many visitor industry-related properties serve other markets, and many businesses use names other than their storefront names for tax purposes.)

Dockage/Moorage Revenues

The City of Ketchikan collected $9.0 million in port-related fees from cruise lines in 2017. Most of this amount is attributable to the “wharfage” fee which generated $6.9 million; other revenues are attributable to transient docking fees ($1.1 million), additional docking fees ($0.8 million), and water services ($0.2 million).

Table 36. Cruise Line Payments to City of Ketchikan for Port Services, Summer 2017

	Revenues
Passenger wharfage fee	$6.9 million
Transient docking fees	$1.1 million
Additional docking fees	$0.8 million
Water services	$0.2 million
Total	**$9.0 million**

Source: City of Ketchikan.

CPV Tax Revenues

The City of Ketchikan and Ketchikan Borough each received $2.2 million in 2017 from the Commercial Passenger Vessel Tax (CPV) from the State of Alaska. (The CPV is administered by the State of Alaska; a portion accrues to municipal governments of cruise ports.)

The table below shows CPV revenues to the Borough and City over the duration of the program, which totals nearly $34 million (including $21.5 million to the Borough and $12.5 million to the City) between 2007 and 2017.

Table 37. CPV Tax Payments to City and Borough, 2007-2017

	Ketchikan Gateway Borough	City of Ketchikan	Total
FY 2007	$203,810	-	$203,810
FY 2008	2,040,775	-	2,040,775
FY 2009	2,326,147	-	2,326,147
FY 2010	2,313,793	-	2,313,793
FY 2011	2,088,312	-	2,088,312
FY 2012	1,947,248	$1,947,248	3,894,496
FY 2013	1,977,770	1,977,770	3,955,540
FY 2014	2,240,210	2,240,210	4,480,420
FY 2015	2,032,375	2,032,375	4,064,750
FY 2016	2,141,633	2,141,633	4,283,266
FY 2017	2,163,570	2,163,570	4,327,140
Total 2008-17	**$21,475,643**	**$12,502,806**	**$33,978,449**

Source: Alaska Department of Revenue Shared Taxes and Fees Annual Reports.

Legislative grants represent an additional source of CPV funds. The City of Ketchikan has received nearly $23 million since Fiscal Year 2009, used for port infrastructure and passenger services.

Table 38. CPV-Related Legislative Grants

	Project	Amount
FY 2009	Port of Ketchikan Berths I and II replacement project	$3.0 million
FY 2010	Reconstruction of downtown bridges and trestles	$5.0 million
FY 2010	Port of Ketchikan Berth I and II replacement	$3.0 million
FY 2011	Replace cruise ship Berths I and II	$10.0 million
FY 2014	Ketchikan Promenade	$1.3 million
Total		**$22.3 million**

Source: *Commercial Passenger Vessel Excise Tax: Community Needs, Priorities, Shared Revenue, and Expenditures*, Alaska Department of Commerce, Community, and Economic Development, February 2017

Additional examples of investments made by the City of Ketchikan using CPV revenues, according to General Government Operating and Capital Budget documents, include:

- Emergency repairs to Berth III
- Masterplan for improvements to Berths I and II to accommodate future classes of cruise ships
- Installation of stained glass mosaics on waterfront promenade
- Planning and permitting for removal of rock pinnacle
- Installation of benches and planters on the promenade
- Beginning of uplands planning study to accommodate future increase in cruise ship passengers

The Borough uses CPV revenue primarily for passenger safety and passenger services. Examples of expenditures include the following:

- Upgrades to transit system
- Rain and weather shelters
- Pedestrian safety upgrades
- Emergency services upgrades
- Emergency services response materials and equipment

Sales and Bed Tax Revenues

In FY 2017, City and Borough sales tax revenue totaled $20.7 million. Ketchikan's visitor industry (including cruise lines, crew members, and out-of-state visitors) contributed an estimated $5.1 million in sales taxes in summer 2017, representing one-quarter of total tax revenues. This is a conservative estimate. There are also indirect and induced sales tax revenues attributable to the visitor industry. For example, a tour company will make a range of taxable purchases of goods and services in Ketchikan, as will the employees of that tour company.

Combined, the City and Borough collected $616,313 in bed taxes in 2017. Approximately one-half of these revenues ($300,000) are attributable to out-of-state visitors in the months of May to September. The remaining revenues resulted from business travel, regional travel, in-state travel, fall/winter/spring travel, and local resident usage.