

AVSP 7 – Summer 2016

Section 1: Executive Summary

AVSP Overview

The Alaska Visitor Statistics Program (AVSP) is a statewide visitor study periodically commissioned by the Alaska Department of Commerce, Community, and Economic Development (DCCED). The study provides essential information on one of Alaska's major economic engines: out-of-state visitors. AVSP 7 (the seventh generation of the program) consists of two main components:

Visitor Volume: The visitor volume estimate is a count of the number of out-of-state visitors exiting Alaska, by transportation mode, during the study period.

Visitor Survey: The visitor survey is administered to a sample of out-of-state visitors departing Alaska at all major exit points. The survey includes questions on trip purpose, transportation modes used, length of stay, destinations, lodging, activities, expenditures, satisfaction, trip planning, and demographics.

AVSP 7 addresses the 2016 summer period of May through September.

Project Team

The AVSP 7 project team was led by McDowell Group, a research and consulting firm with offices in Juneau and Anchorage. McDowell Group was assisted by Fusion MR of Portland, Oregon, and MR Data of Seaview, Washington.

Methodology

The visitor volume estimate was based on visitor/resident tallies of 57,441 travelers exiting Alaska at major exit points. The resulting ratios were applied, by month and by location, to traffic data (highway border crossings and airport enplanements) to arrive at visitor volume estimates. (Tallies of cruise passengers were not conducted because all passengers were treated as visitors. Visitor/resident ratios for Alaska Marine Highway System were based on 2015 passenger residency data, applied to 2016 passenger traffic, as residency was not captured in 2016.)

The visitor survey included 5,147 intercept surveys (in-person interviews) and 779 surveys completed online, for a total of 5,926 surveys. Visitors were surveyed at all major exit points: airports, highways, cruise ship docks, and ferries. To obtain the online sample, "invitation cards" were distributed to visitors during intercept sample periods, inviting them to participate in the web-based survey. The response rate for the intercept survey was 80 percent; for the online survey, 8 percent. All data was weighted to reflect actual traffic volumes by mode of transportation.

Please see *Section 20: Methodology* for further details.

Visitor Volume

- An estimated 1,857,500 out-of-state visitors came to Alaska between May and September 2016 – the highest visitor volume on record.
- In terms of transportation market, 55 percent of visitors were cruise ship passengers, 40 percent were air visitors (entered and exited the state by air), and 5 percent were highway/ferry visitors (entered or exited the state by highway or ferry).
- Summer 2016 visitor volume represented an increase of 4 percent (77,500 visitors) from summer 2015. The bulk of the increase is attributable to the air market, which increased by 6 percent (43,700 visitors). The cruise market increased by 3 percent (26,300 visitors), while the highway/ferry market increased by 10 percent (7,500 visitors).
- The 2016 volume is 8 percent higher than the volume of a decade earlier in 2007, and 21 percent higher than the low point of 2010. The 2016 volume is 19 percent higher than when the last AVSP was conducted, in 2011.
- Additional information on Alaska’s visitor volume, including trends by transportation market, industry indicators, and volume for Alaska regions and communities, can be found in *Section 3*.

CHART 1.1 - Alaska Visitor Volume by Transportation Market, Summer 2016

Total Visitor Volume: 1,857,500

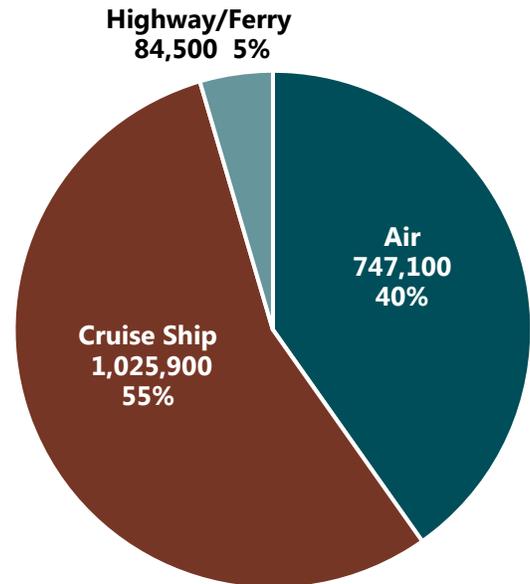
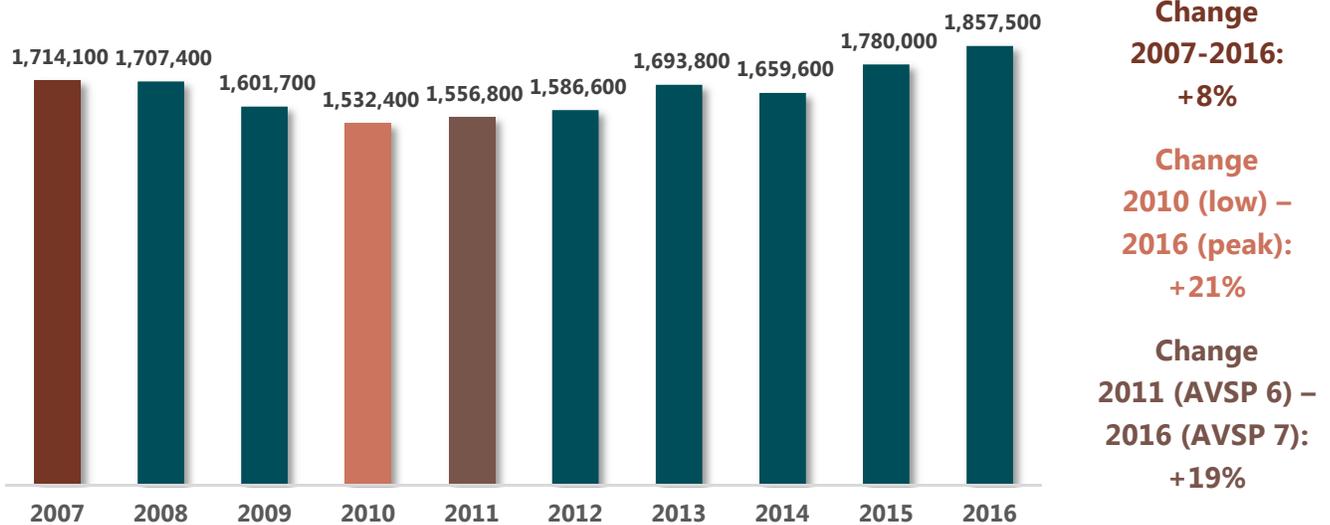


CHART 1.2 - Alaska Visitor Volume, Summers 2007-2016



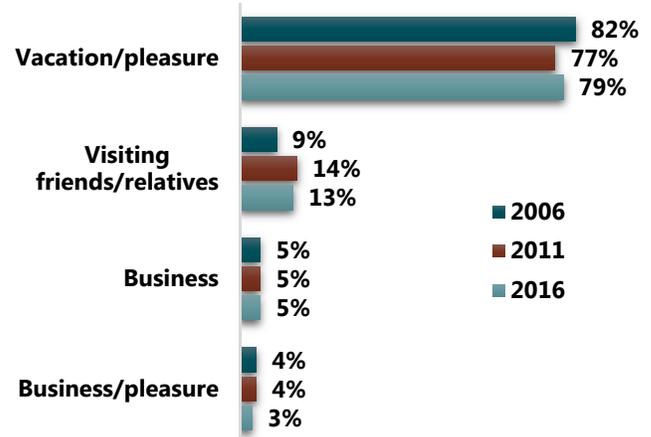
Source: AVSP 6 and 7.

Trip Purpose and Packages

Trip Purpose

- In terms of the purpose of their Alaska trip, visitors are most likely to be traveling for vacation/pleasure, at 79 percent, followed by visiting friends/relatives (13 percent), business (5 percent), and business/pleasure (3 percent).
- Trip purpose rates vary widely by transportation market: cruise visitors are the most likely to be traveling for vacation/pleasure at 99 percent. This compares with 77 percent of the highway/ferry market and 49 percent of the air market.
- Air visitors are the most likely to be traveling to visit friends/relatives (31 percent), and to be traveling for business only (13 percent) or business/pleasure (8 percent).
- The vacation/pleasure rate has fluctuated over the last decade: from 82 percent in 2006, to 77 percent in 2011, to 79 percent in 2016. The VFR rate has changed accordingly, while the business and business/pleasure rates have stayed more consistent.

CHART 1.3 - Alaska Visitor Volume by Transportation Market, Summers 2006, 2011, 2016



Package versus Independent

- Nearly two-thirds of Alaska visitors (64 percent) purchased a multi-day package in summer 2016, while 36 percent were independent travelers.
- The package purchase rate has fallen gradually over the last decade, from 69 percent in 2006, to 66 percent in 2011, to 64 percent in 2016. The independent rate has risen accordingly.
- The major factor in the package rate is the cruise market, which declined by 2 percent in each of the last AVSPs: from 59 percent in 2006, to 57 percent in 2011, to 55 percent in 2016.
- Among air package visitors (virtually no highway/ferry visitors reported package purchase), the most common package types were fishing lodge, rail, wilderness lodge, and adventure tour.

CHART 1.4 – Package versus Independent Travelers, Summers 2006, 2011, 2016

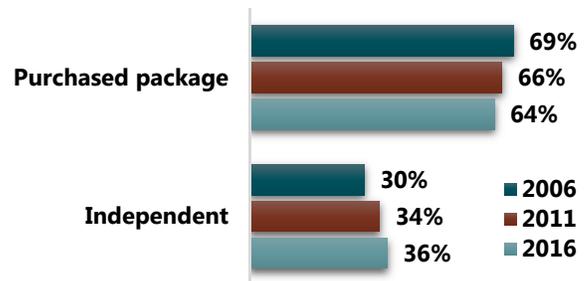


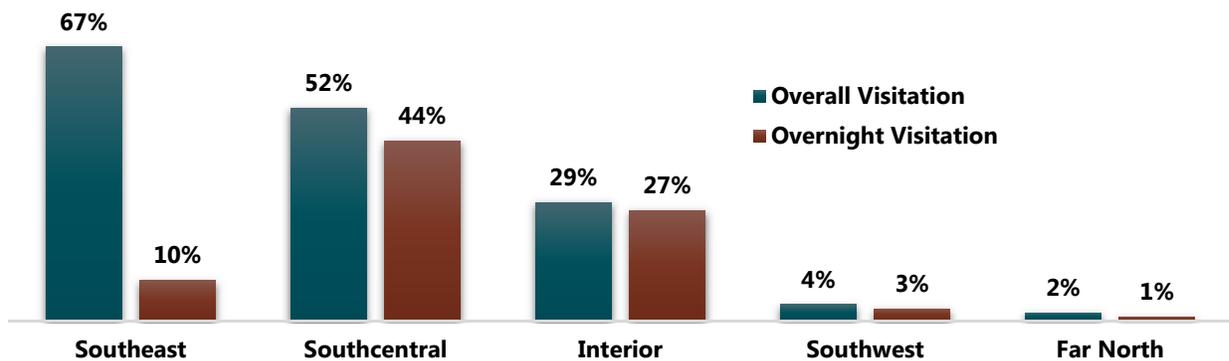
TABLE 1.1 – Package Type, Air Package Visitors, Summer 2016

Package Type	%
Fishing lodge package	50
Rail package	11
Wilderness lodge package	10
Adventure tour package	9
Motorcoach tour	8
Rental car/RV package	6
Hunting package	2

Destinations

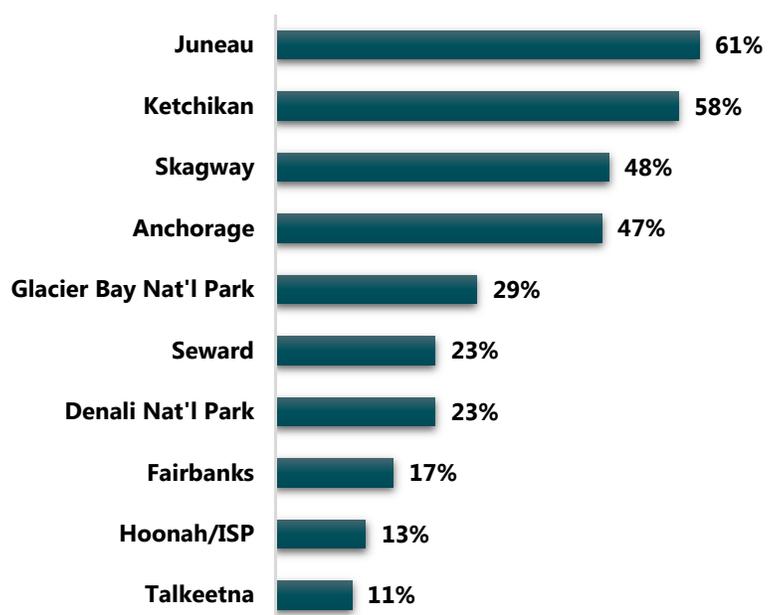
- Southeast is the most visited region in Alaska, capturing 67 percent of the overall market, followed by Southcentral (52 percent), Interior (29 percent), Southwest (4 percent), and Far North (2 percent).
- Overnight visitation rates are very different for Southeast, which captured 10 percent of the market in 2016. (Cruise passengers are not considered overnight visitors unless they overnight in communities.) Southcentral was the most visited region for overnight visits at 44 percent, followed by Interior at 27 percent.
- Regional visitation rates for the overall market have changed very little over the last decade. Between 2011 and 2016, slight declines occurred in Southcentral (from 56 to 52 percent), Interior (from 33 to 29 percent), and Southeast (from 68 to 67 percent). Southwest and Far North stayed the same at 4 percent and 2 percent, respectively.

CHART 1.5 – Regions Visited in Alaska, Overall and Overnight, Summer 2016



- The three cruise ports of Juneau, Ketchikan, and Skagway were the most visited destinations in Alaska in summer 2016.
- Changes in visitation rates by location between 2011 and 2016 were within 3 percent, with a few exceptions: Denali visitation fell from 28 to 23 percent, and Fairbanks visitation fell from 21 to 17 percent. These and other changes are discussed in more detail in *Section 5*.

CHART 1.6 – Top 10 Alaska Destinations, Summer 2016

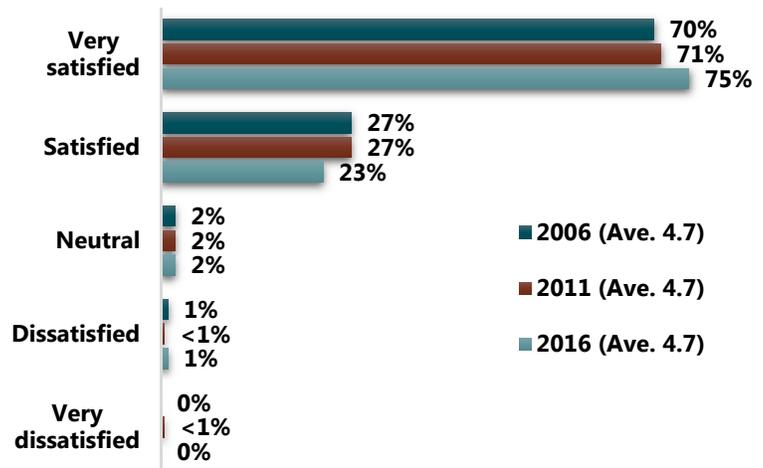


Satisfaction and Repeat Travel

Satisfaction

- Alaska visitors rate their trip very highly, with 75 percent very satisfied and 23 percent satisfied. Just 1 percent were dissatisfied in 2016.
- Cruise passengers give slightly higher satisfaction rates at 76 percent very satisfied, followed by 73 percent among air visitors and 67 percent among highway/ferry visitors.
- Satisfaction rates increased over the last decade, with those very satisfied growing from 70 percent in 2006, to 71 percent in 2011, to 75 percent in 2016.
- Another indicator supported an overall increase in satisfaction over the last decade. Those rating their Alaska trip as “much higher than expectations” increased from 25 percent in 2006, to 26 percent in 2011, to 29 percent in 2016.

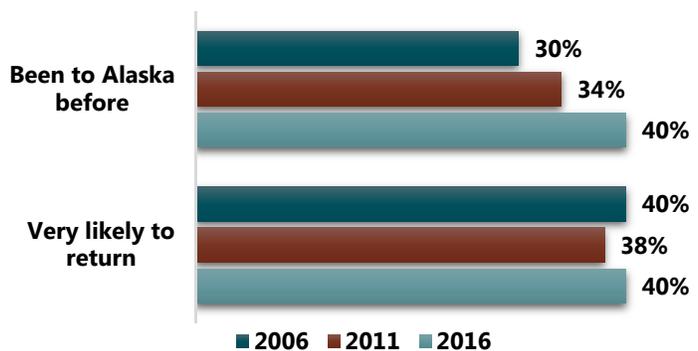
CHART 1.7 – Satisfaction with Overall Alaska Trip, 2006, 2011, 2016



Repeat Travel

- The rate of repeat travel to Alaska has been increasing over the last decade, from 30 percent of visitors in 2006, to 34 percent in 2011, to 40 percent in 2016.
- The percent of visitors indicating they were very likely to return to Alaska fluctuated slightly, from 40 percent in 2006, to 38 percent in 2011, to 40 percent in 2016.
- A new question in 2016 asked visitors who were very likely to return to Alaska, “What are you most interested in experiencing on your next Alaska trip?” Top responses were fishing, wildlife, visiting friends/family, the Northern Lights, and Denali. A detailed list is available in *Section 6*.

CHART 1.8 – Repeat Alaska Travel, 2006, 2011, 2016



**TABLE 1.2 – Top Five Anticipated Experiences on Future Trip
Base: Very Likely to Return**

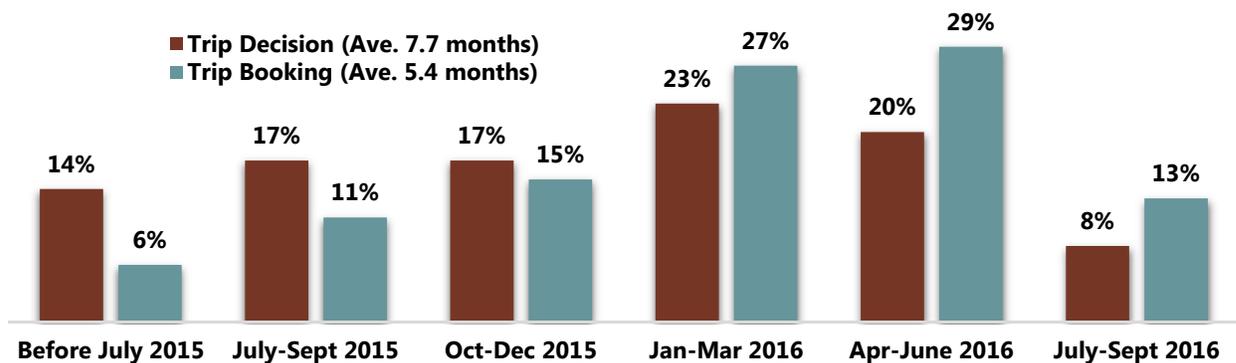
Experience	%
Fishing	22
Wildlife	10
Visit friends/family	9
Northern Lights	8
Denali	8

Trip Planning and Activities

Timing of Trip Decision and Booking

- Visitors were asked two questions about the timing of their Alaska trip planning: when had they decided to come to Alaska, and when did they book their major travel arrangements. The average advance time for the trip decision was 7.7 months – down from 8.6 months in 2011. The average advance time for trip booking was 5.4 months, matching the average in 2011.
- The most common time frame for making the trip decision was January-March 2016, representing 23 percent of visitors. Other time frames had nearly equal representation.
- The most common time frame for trip booking was April-June 2016 (29 percent), followed by January-March (27 percent).

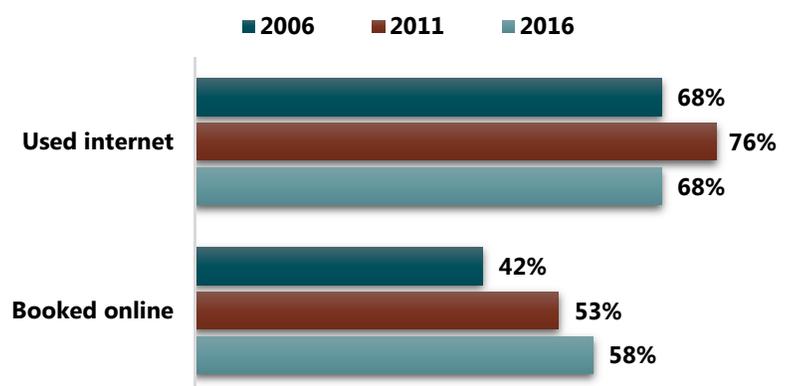
CHART 1.9 – Time Periods for Alaska Trip Decision and Trip Booking, 2016



Online Usage and Booking

- Alaska visitors rely heavily on the internet (including apps) to plan their Alaska trip, with 68 percent saying they planned or booked at least some portion of their Alaska trip online. This includes 58 percent who said they booked online.
- The rate of online usage appears to have declined since 2011. It is possible that a slight change in question wording impacted results. The phrase “including any apps” was added to the question, and “research” was changed to “plan.”
- Online booking rates increased over the last decade, from 42 percent in 2006, to 53 percent in 2011, to 58 percent in 2016.

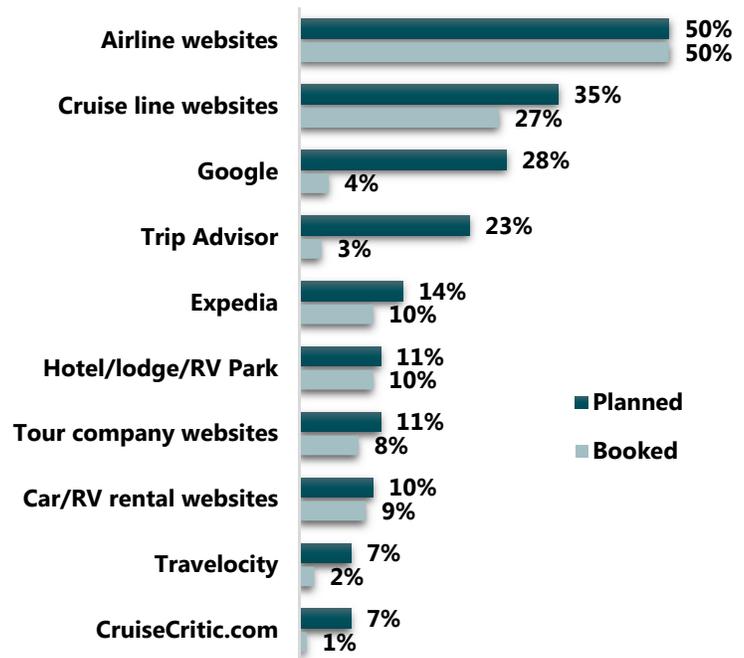
CHART 1.10 – Online/App Usage and Booking, 2006, 2011, 2016



Most Popular Websites/Apps

- A new question in 2016 asked online users which websites/apps they used to plan and book their Alaska trip. Respondents were shown a list of 29 specific websites/apps and website categories (such as “airline websites”).
- The most commonly used sites for both planning and booking were airline and cruise line websites. Other popular sites included Google, TripAdvisor, Expedia, lodging websites, tour company websites, and car/RV rental websites.
- In a separate question, over one-third of respondents (35 percent) said they had used a travel agent to book their trip. Travel agent usage rates have declined from 52 percent in 2006, to 47 percent in 2011, to 35 percent in 2016.

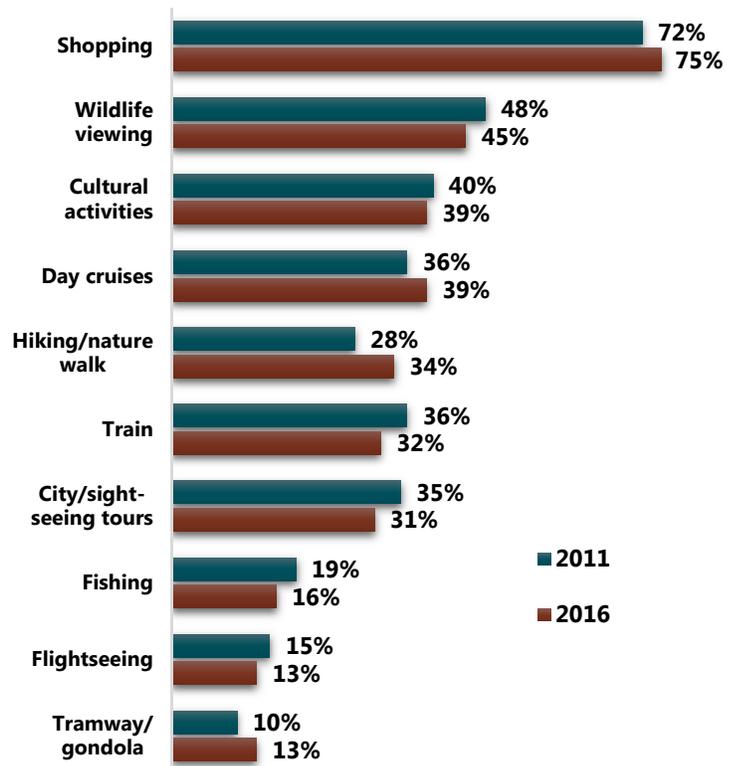
CHART 1.11 – Top Ten Websites/Apps for Planning/Booking
Base: Online Users



Activities

- When asked about their activities, Alaska visitors most commonly cited shopping, wildlife viewing, day cruises, and hiking/nature walk.
- Activity rates in 2016 were similar to 2011, with a few shifts of 3 or more percentage points. Participation rates increased for shopping, day cruises, hiking/nature walk, and tramway/gondola. Participation rates decreased for wildlife viewing, train, city/sightseeing tours, and fishing.
- Aside from shopping, the most common activities among cruise passengers were train, day cruises, and city/sightseeing tours. Air visitors were most likely to participate in wildlife viewing, hiking/nature walk, and fishing. Highway/ferry visitors showed high participation rates for wildlife viewing, hiking/nature walk, and camping.

CHART 1.12 – Top Ten Activities, 2011 and 2016



Demographics

- The most common U.S. region of origin among Alaska visitors in summer 2016 was the West at 38 percent, followed by the South (21 percent), Midwest (15 percent), and East (10 percent). Canada accounted for 7 percent of visitors, and other international countries accounted for 9 percent.
- Visitor origin has changed very little over the last decade, with changes of only 1 to 2 percent since 2011.
- Alaska visitors most commonly travel in two-person parties (56 percent). One out of five visitors (19 percent) traveled by themselves. Average party size has stayed consistent at 2.4 people over the last decade.
- The male/female split of Alaska visitors has been remarkably even over the last decade: 50/50 in 2006 and 2011, and 49/51 in 2016. A new question in 2016 asked for the gender of the party member who did most of the planning for the trip. Women were more likely to be the planners at 53 versus 38 percent (the remaining 9 percent of respondents had someone outside of their party do the planning).
- Alaska visitors' average age was 53.7 years, up from 50.7 in 2011. The most common age groups were 65+ (29 percent), followed by 55-64 (25 percent). Related to age, an increasing percentage of visitors report being retired or semi-retired: from 39 percent in 2006, to 41 percent in 2011, to 44 percent in 2016.

CHART 1.13 – Visitor Origin

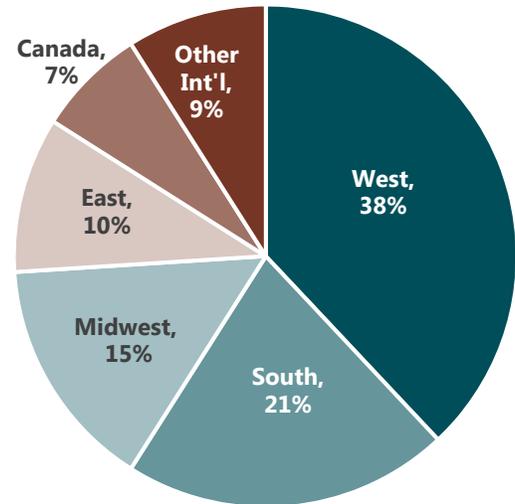
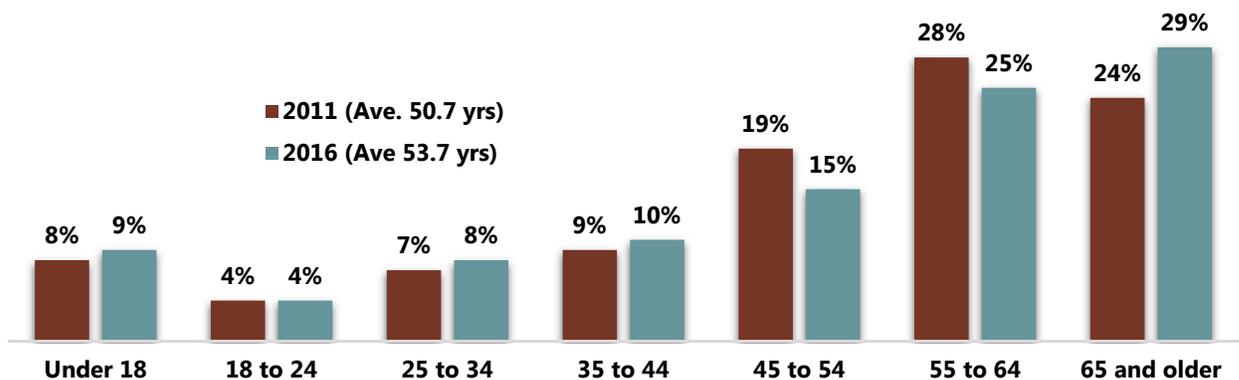


CHART 1.14 - Visitor Age, 2011 and 2016



- Nearly two-thirds of Alaska visitors (63 percent) reported having a college degree, slightly up from 59 percent in 2006 and 60 percent in 2011.
- Alaska visitors report an average household income of \$114,000, up from \$103,000 in 2006 and \$107,000 in 2011.

Visitor Spending

- Alaska visitors spent an average of \$1,057 per person on their Alaska trip, not including transportation to enter or exit the state, or any cruise or cruise/tour packages. This spending figure is 12 percent above the 2011 average of \$941, and 13 percent above the 2006 average of \$934.
- After adjusting for inflation, 2016 per-trip spending increased by 4 percent from 2011.
- Air visitors reported the highest average per-person spending at \$1,674, followed by highway/ferry visitors at \$990, and cruise visitors at \$624. Cruise visitors reported spending an additional \$2,437, on average, on their cruise or cruise/tour package.
- In terms of spending category, the categories with the highest average spending per person were tours/activities/entertainment (\$200), overnight packages not including cruises (\$182), and gifts/souvenirs/clothing (\$137). Additional categories included food/beverage (\$133), lodging (\$126), and transportation/fuel/rental cars (\$81). The "other" category represents spending not attributable to any single spending category (\$198).
- Spending by category differed significantly by transportation market. Air visitors' top spending categories were package and lodging; cruise visitors' top spending categories were tours and gifts; and highway/ferry visitors' top spending categories were food/beverage and lodging.
- Visitor spending on their Alaska trip, excluding transportation costs to travel to and from Alaska, totaled \$1.97 billion in summer 2016, up 31 percent from the 2011 total of \$1.51 billion. The large increase reflects the strong growth in visitor traffic as well as the increase in per-person spending.
- Adjusting 2011 dollars to 2016 value, total spending increased by 21 percent.

CHART 1.15 – Average Visitor Spending in Alaska, Per Person, Excluding Transportation to/from Alaska, 2006, 2011, 2016

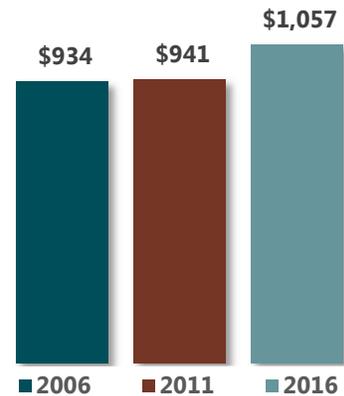


CHART 1.16 – Average Visitor Spending, Per Person, By Category, 2016

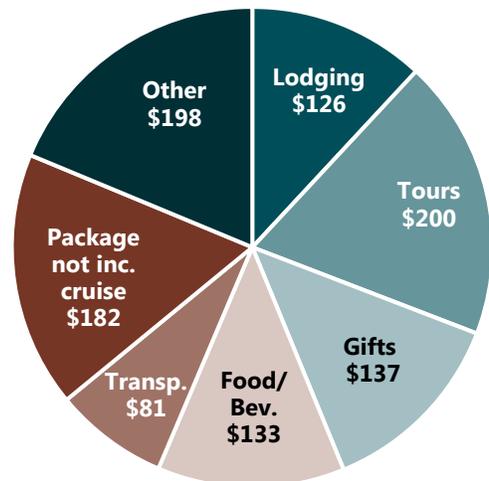


CHART 1.15 – Total Visitor Spending in Alaska, Excluding Transportation to/from Alaska, 2006, 2011, 2016

