

Alaska Travel Industry Association

**Annual Report
2013-2014**



Letter from the Chair

ATIA members and partners, Looking back on 2014, it seems a year filled with both highs and lows for the Alaska Travel Industry Association (ATIA) and the tourism industry overall. Many will remember record numbers of visitors who traveled to Alaska, in part, due to industry's support of a strong marketing program. Others may focus on the challenges of balancing the management and implementation of tourism marketing among industry leaders and the State of Alaska.

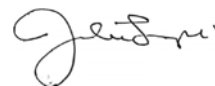
However, as we look back on 2014, I see it as a year of lessons and opportunity where ATIA continued as the state's leading membership-based trade association for Alaska's tourism industry.

For example, ATIA advocated on behalf our industry to maintain a robust tourism marketing budget of \$15.2 million. This reinvestment helped attract millions of visitors to Alaska, supporting business growth and employment in many communities throughout the state.

ATIA has been the voice for the tourism industry on many issues in our state for over 30 years. In 2014, ATIA took action on a range of topics brought forward by our members, from funding recreational services on our public lands, to science-based environmental regulations to the growth of tourism products and private development.

ATIA, along with champions in the legislature, also supported the creation of the Alaska Tourism Marketing Board (ATMB) to formalize industry's role in guiding Alaska's tourism marketing program. Before he left office, Governor Parnell appointed 18 industry representatives to the twenty-one member ATMB, taking many of the ATIA Board's recommendations for these seats. It is the ATIA Board of Directors continued goal to ensure industry appointees to the ATMB represent all of Alaska's regions and a diverse range of tourism businesses.

ATIA and our industry, like many organizations and communities, are feeling the effects of a challenging state budget climate. However, I am confident ATIA is on steady ground and will continue to face challenges with an eye toward opportunity. I have seen our industry come together before and know we will move forward with a shared sense of passion for an industry that provides jobs and economic benefits back to our businesses and communities.



Julie Saupe
ATIA Past Board Chair



2013-2014 Alaska Travel Industry Association Board of Directors

EXECUTIVE OFFICERS

Julie Saupe, Chair - Visit Anchorage
Scott Habberstad, Vice Chair - Alaska Airlines
Deb Hickock, Tourism Policy & Planning Chair - Explore Fairbanks
Colleen Stephens, Marketing Chair, Stan Stephens Glacier & Wildlife Cruises
Charlie Ball, Treasurer/Finance Chair - Holland America/Princess
Bill Pedlar, Government Relations Chair - Knightly Tours
Kirk Hoessle, Past Chair - Alaska Wildland Adventures
Sarah Leonard, President/Ex-Officio - Alaska Travel Industry Association

BOARD MEMBERS

John Binkley - CLIA/Alaska Cruise Association	Al Koch - All Alaska Tours
Brett Carlson - Northern Alaska Tour Company	Patti Mackey - Ketchikan Visitors Bureau
Ken Dole - Waterfall Resort	Thomas McAleer - Alaska Denali Travel
Kory Eberhardt - A Taste of Alaska Lodge	Dennis McDonnell - Alaska Coach Tours
Paul Goodwin - Holland America Line	Tim McDonnell - TEMSCO Helicopters, Inc.
Peter Grunwaldt - Premier Alaska Tours	Dan Oberlatz - Alaska Alpine Adventures, LLC
Deborah Hansen - Pike's Waterfront Lodge	Bonnie Quill - Mat-Su CVB
Karen Harris - Alaska Garden Gate B&B and Cottages	Scott Reiland - Denali Grizzly Bear Resort

2013-2014 Alaska Travel Industry Association Staff

ADMINISTRATION

Sarah Leonard, President & Chief Executive Officer
Brianna Keisor, Executive Assistant & Office Coordinator
Bobby Foster, VISTA Intern

MARKETING

Tanya Carlson, Director of Marketing & Travel Trade Relations
Moire Duggan, Travel Trade Marketing Manager
Erica Hedma, Marketing Manager

MEMBERSHIP, ADVERTISING & TOURISM POLICY

Jillian Simpson, Director of Membership & Tourism Policy
Jackie Englund, Marketing & Sales Manager
Laurie Booyse, Membership & Advertising Sales Manager

FINANCE & HUMAN RESOURCES

Sioux-z Marshall, Director of Finance & Human Resources
Andrea Rayt, Accounting & Data Integrity Specialist

Letter from the President

One test of a nonprofit and membership based organization is its ability to adapt, sustain and provide value over the long term. This is the opportunity the Alaska Travel Industry Association (ATIA) Board of Directors and team have embraced, even as we recognize challenges that arise from being a nonprofit and industry organization working within an international environment. ATIA has learned the lessons of how to increase efficiency and flexibility in a constantly changing world.



ATIA recognizes our industry does not operate in a silo. Every day we are impacted by an ever-changing global economy, state or federal policy and changing perceptions from the increasingly technology-driven traveling audience.

ATIA's voice as the industry organization for travel and tourism in our state runs deep, spanning over thirty years. We have led the way in promoting best practices among tourism businesses, supporting student intern and hiring programs and lent our voice to public lands, arts, culture and Native tourism dialogue. Today, ATIA remains Alaska's leading statewide nonprofit membership organization for the Alaska travel industry.

Over the past year, I have appreciated the focus of our Board of Directors and team on the bigger picture. As the voice for Alaska's visitor industry, ATIA has steadfastly highlighted the important benefits tourism contributes to the State of Alaska, our communities and to Alaskans. We see those benefits in jobs, business and product growth, and revenue generated through various industry-related fees.

I am proud of how the 2014 ATIA team translated this heritage of serving our membership, recognizing Alaska's rich culture and environmental resources and investing in our employees into renewed team values:

Professionalism – The ATIA team is committed, above all else, to follow ethical standards and be courteous and conscientious during any interaction and engagement with our customers, partners and team members.

Respect – With over 600 members, ATIA recognizes the diversity in views and opinions that make up our membership. While we may experience differing opinions on issues and processes, ATIA honors each member and partner and values each the same.

Quality – The ATIA team strives to produce and provide the highest quality products, services and benefits for our members and partners. When working on any project or effort, the ATIA team follows industry best practices, thinks about new and innovative ideas and always considers safety and efficiency in the final product.

Customer Service – The first priority of the ATIA team is to provide quality customer service. If we don't know the answer at first, we commit to respond to our members as quickly as possible with the best information at hand.

Teamwork – We consider our colleagues, members and partners part of the ATIA team. We strive to remain positive, to be collaborative and to assume the best among our team members.



Part of the ATIA Team at the 2014 Visitor Industry Charity Walk in Anchorage.

The ATIA team translates these values into daily action whether we are describing a marketing opportunity to fit a particular business or incorporating local products into the program at the ATIA Annual Convention or providing online training resources from industry peers.

At the heart of our organization and our successes are the efforts of individual members. It is our members who are welcoming friends, family and visitors from around the world and sharing with them the rich wildlife resources, scenic views, outdoor quests and vibrant arts and culture of Alaska.

Together, the ATIA team looks forward to continuing to promote Alaska stories, help grow businesses, and provide quality adventures to the millions of visitors who are choosing to experience Alaska.

I look to a new year in 2015 where ATIA remains a strong, member-focused organization.

A handwritten signature in black ink that reads "Sarah Leonard". The signature is written in a cursive, flowing style.

Sarah Leonard
President & CEO

Membership

2014 marked the first year for ATIA's new membership program. With the State of Alaska marketing program now separate from membership dues, ATIA took the opportunity to create new membership levels and benefits.

Small businesses and sole proprietors qualified for a new, reduced membership cost, making joining ATIA even more accessible. Many communities partnered with ATIA to offer their current members a discount off ATIA member dues as an added incentive to join the association.

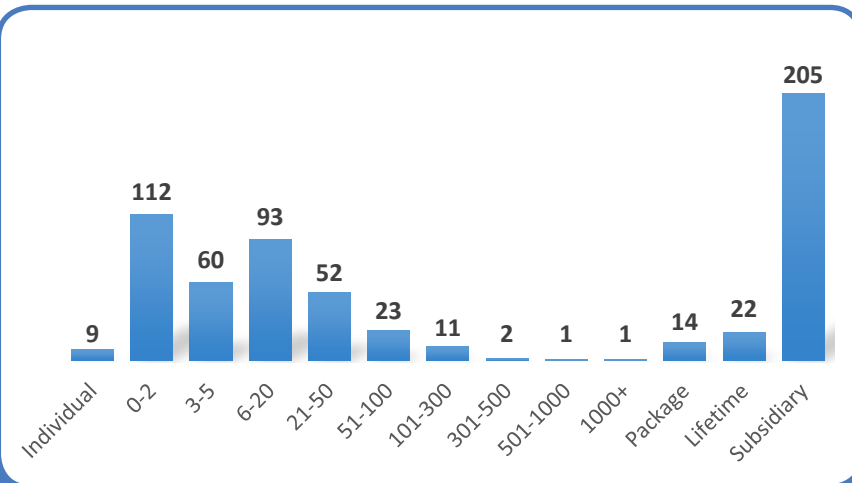
In addition, membership packages were launched for member partners by combining individual benefits to create a customized benefit package to fit each partners' needs.

In FY14 ATIA launched a new website with a fresh, modernized look, enhanced member tools, online educational resources and a more streamlined interface to improve usability.

One of the featured new benefits from ATIA is the ATIA E-Learning Center. The E-Learning Center offers online video trainings of various topics beneficial for members of the travel industry and can be accessed by ATIA members free of charge.

In October 2013, ATIA, along with the community of Sitka, hosted the ATIA Annual Convention & Trade Show. Over 430 members attended the convention, surpassing the original goal of 375 registered delegates. "The Fine Art of Tourism" theme was well received and fitting, as Sitka is known for its strong artistic influence throughout the community.

FY2014 Membership Numbers



DUES LEVELS

Student.....	\$25
Individuals	\$100
0-2 Employees/ Sole Proprietor	\$150
3-5 Employees	\$250
6-20 Employees	\$350
21-50 Employees	\$550
51-100 Employees	\$1,100
101-300 Employees.....	\$2,100
301-500 Employees.....	\$3,100
601-1000 Employees	\$4,100
1001+ Employees	\$5,100



ATIA members board the trolley in Sitka for ATIA's Annual Convention Community Night.

Thank you to our
FY2014 Member Partners

Alyeska Level



Arctic Level



Orca Level



Gold Level



Alaska Tourism Marketing

Tourism marketing is necessary to spread the message that Alaska is a premier destination for visitors, and it's an essential component in ensuring Alaska's visitor industry remains a top economic force in the state. As part of the Alaska Travel Industry Association's (ATIA) contract with the State of Alaska, ATIA worked alongside industry partners to establish a presence at a variety of trade events across the country and internationally. ATIA team members provided trainings on Alaska tourism, hosted tour operators and travel agents on familiarization (FAM) tours within the state and facilitated advertising sales both online and in the printed Official State of Alaska Vacation Planner. ATIA was also the voice for the industry, carrying messages from the industry to the tourism marketing committee regarding the state marketing program.

In fiscal year 2014, on behalf of the State of Alaska:

Domestic Trade Shows

Co-op Marketing

ATIA helped gather information for trade marketing materials including the Meet Alaska Directory which showcased participating businesses at the major trade shows throughout the year. In January, 21 industry partners participated in an annual mailing to 3,500 targeted domestic travel agents. The mailing allows each partner to include their brochure in the agent packet.

Alaska Certified Expert

ATIA distributed certificates to 213 graduates of the ACE program in FY14, bringing the total number of ACE graduates to over 2,500.

ATIA coordinated and attended a variety of domestic trade shows including the National Tour Association (NTA) Travel Exchange, American Bus Association (ABA) Marketplace, Go West Summit, cruise3sixty and the United States Tour Operators Association (USTOA). Many of these shows connect the state with dozens of tour operators and travel agents. These leads are then passed on to businesses in Alaska. ATIA also organized the State of Alaska's presence at Cruise Shipping Miami, the largest gathering of the global cruise industry. Eleven industry partners participated in the booth and shared the message that Alaska welcomes the cruise industry to our ports.



2014 FAM participants pose at the Alaska Railroad depot before departing.

Domestic FAMs

ATIA developed and conducted 2 domestic tour operator FAM tours for a total of 6 operators. The FAMs featured different communities, businesses and seasons and offered a first-hand experience of Alaska as a top quality visitor destination.

International FAMs

ATIA developed, coordinated and executed 5 international FAM tours for a total of 37 international tour operators and travel agents. Various regions, experiences, businesses and seasons were featured and included attendees from Australia, Japan and the U.K.

International Sales Missions and Trade Shows

ATIA supported many of the international sales missions and trade shows. The Japan Sales Mission visited Fukuoka, Osaka, Nagoya and Tokyo and the Korean Sales Mission was held in Seoul. The UK Sales Mission took place immediately following Icelandair's Mid-Atlantic Seminar and Trade Show and included agent trainings and a media seminar in the key cities of London, Oxford and Leeds. The State of Alaska, with ATIA support, exhibited at ITB in Berlin, Germany; and the U.S. Travel Association's International POW WOW in Chicago, Illinois – where 127 appointments were conducted with international tour operators.



The 2014 Official State of Alaska Vacation Planner and Vaction Guide

Sales

ATIA is also the sales force for the State of Alaska. ATIA staff was the point of contact for industry, offering consultation about marketing opportunities available in Alaska's marketing program. These opportunities included:

- Advertising in the Official State of Alaska Vacation Planner
- Advertising on TravelAlaska.com
- Participation in trade shows, international sales missions and media events
- Purchasing qualified leads

Finally, the ATIA Marketing Committee, made up of leaders across the state representing various industry sectors, met in November and March to make program and budget recommendations to the State of Alaska.

Team Work

Our Voice

The Alaska Travel Industry Association (ATIA) advocates on behalf of its members to promote a healthy and vibrant tourism industry. By addressing regulatory issues that could impact the visitor industry, ATIA ensures its members have their voices heard. By supporting a strong tourism marketing program, ATIA cultivates a future of growth and stability for Alaska tourism.

In FY14, ATIA successfully worked with the governor and legislature on a new piece of legislation that created the Alaska Tourism Marketing Board (ATMB) which formalized the relationship between the industry and the Department of Commerce, Community and Economic Development. ATIA firmly believes the tourism marketing program is strongest when led by experts within the industry.

Additionally, ATIA advocated for a continued reinvestment of tourism revenues for tourism marketing. \$15.2 million were allocated, and along with the industry's contribution through the cooperative marketing program, the overall marketing budget of \$18 million has kept Alaska competitive in the global marketplace.

ATIA also took action on a variety of national and state policy issues that impacted our member businesses. ATIA passed resolutions in support of increased funding for the Tongass National Forest in order to keep it accessible to visitors and residents alike; called for the federal government to support the Shakwak Highway funding in the transportation bill ensuring highway visitors to Alaska drive on a maintained highway; and supported Alaska House Bill (HB) 309 which allowed for Alaska distilleries to offer tours and tastings thereby growing their businesses and adding more experiences for Alaska visitors.

ATIA tracked issues and legislation in order to keep our members informed of pending policy decisions. Opportunities to provide comment on proposed regulations impacting fisheries, parklands and fire safety requirements were announced to the membership.



Governor Sean Parnell greeted attendees at the 2013 ATIA Annual Convention Opening Night Reception in Sitka, Alaska.

Respect

ATIA Foundation

The Alaska Travel Industry Association (ATIA) Foundation was created to reinvest in the future of the Alaska tourism industry. Through the support of scholarships for Alaskans pursuing their degree in or related to tourism in Alaska, the ATIA Foundation has continued to help sustain a healthy industry.

Originally established in 1997 under the Alaska Visitors Association (AVA), the Foundation has awarded scholarships to students across the state from Ketchikan to Nome and Kodiak to Tok, with a special Rural Award benefiting villages and small communities. Since AVA transitioned into ATIA in 2001, the scholarship program has sponsored over 130 individuals and awarded over \$260,000 in scholarships.

ATIA Foundation scholarship funds are raised through annual events, pledges from industry members at the ATIA Annual Convention and donations from the Permanent Fund Dividend Pick.Click.Give Program.



2014 ATIA Foundation Scholarship Award recipient, Ashley Ritenour.

2014 ATIA Foundation Scholarship Awards

ATIA Anchorage Chapter Scholarship - \$2,000 - Shannon McLaughlin

ATIA Rural Scholarship - \$2,000 - Sarah Rountree

Kris Geldaker Memorial Scholarship - \$2,500 - Elizabeth Jagusch

Chuck West Memorial Scholarship - \$1,000 - Alexis Wells

All Alaska Tours Scholarship - \$1,000 - Arina Filpenko

Holland America Line Scholarship - \$2,500 - Dyan Baguio

Holland America Line / Princess Cruises Scholarships - \$2,500 - Ashley Ritenour

Skagway Convention & Visitors Bureau Scholarship - \$1,000 - Anne Gisell

Four \$1,000 1-year scholarships funded through member pledges were also awarded:

Anne Gisell, Annemarie Allen, Ashley Ritenour & Dyan Baguio

Quality

Finance

In Fiscal Year (FY) 2014, the ATIA team worked in collaboration with our board of directors to manage the association's budget and utilize our member and partner investments wisely.

ATIA successfully performed the duties of the State of Alaska (SOA) tourism support services contract. As part of the sales efforts, the Alaska Travel Industry Association (ATIA) team collected nearly \$1.9 million in sales and advertising revenues, which were reinvested into the SOA tourism marketing program.

In October, ATIA hosted its annual industry convention and trade show in Sitka, Alaska. All costs of the event were covered while also raising funds for the association's government relations support in 2014.

ATIA membership revenue increased in FY2014, further building on the new dues structure and membership packages. The association grew to over 600 members, an increase of about 200 members from the previous year.

ATIA's Chapters also largely contributed to the financial health of ATIA. Each chapter raised funds for local scholarships, community events, and non-profits. ATIA thanks the support from our chapters in Ketchikan, Skagway, Juneau, Fairbanks, and Anchorage.



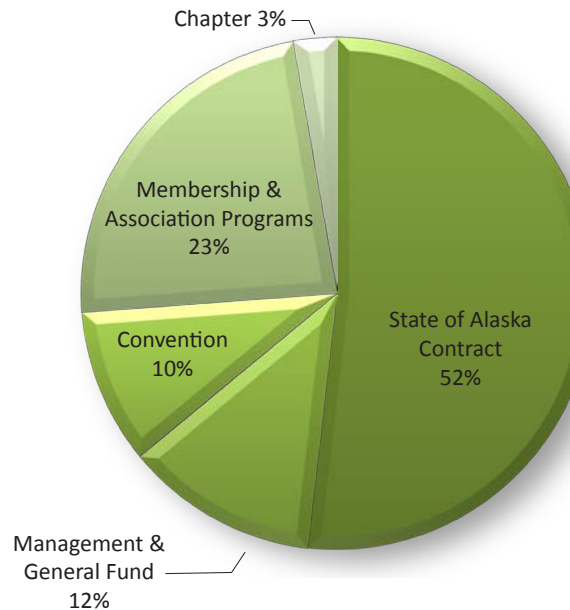
ATIA members in round table discussions at the Winter Tourism Summit prior to the 2013 ATIA Annual Convention & Trade Show in Sitka, Alaska.

FY14 Income



State of Alaska Contract.....	\$1,231,322
Convention.....	\$220,432
Membership.....	\$343,032
Chapter.....	\$53,880
Misc. Income.....	\$26,654
TOTAL INCOME.....	\$1,875,321

FY14 Expenditures



State of Alaska Contract.....	\$921,016
Management & General Fund.....	\$216,663
Convention.....	\$174,208
Membership & Association Programs.....	\$416,725
Chapter.....	\$48,547
TOTAL EXPENDITURES.....	\$1,777,160

Professionalism