AVSP 7 – Summer 2016

Section 4: Visitor Profile -

Trip Purpose, Packages, Transportation, Length of Stay, and Lodging

McDowell GROUP

Introduction

This section, and the following three "Visitor Profile" sections, present detailed results of the visitor survey, conducted with out-of-state visitors exiting Alaska between May and September, 2016. Visitors were intercepted at all major exit points: airports, highways, cruise ship docks, and ferries. A total of 5,926 visitors were surveyed, for a maximum margin of error of ±1.3 percent at the 95 percent confidence level.[1] All data was weighted to reflect actual traffic volumes by mode of transportation. The survey methodology is explained in detail in the final section of this report.

For each question, responses are provided in two ways. Results based to all visitors are presented in chart format, comparing results for 2006, 2011, and 2016. (There are a few exceptions where data was too lengthy or complex to present in chart format.) Results by transportation market are presented in table format, also comparing results over the last three AVSP generations.

The Visitor Profile analysis is organized into four sections:

- Section 4: Visitor Profile - Trip Purpose, Packages, Transportation, Length of Stay, and Lodging
- Section 5: Visitor Profile - Destinations and Activities
- Section 6: Visitor Profile - Satisfaction, Repeat Travel, and Trip Planning
- Section 7: Visitor Profile - Demographics and Spending

The following table shows how each market is defined, their respective sample sizes, and their maximum margin of error. The three transportation markets are mutually exclusive; together, they account for the total Alaska visitor market.

TABLE 4.1 - Transportation Market Definition and Sample Sizes

Market	Definition	Sample Size	Maximum Margin of Error
All visitors	**All respondents**	**5,926**	**±1.3%**
Air	Entered *and* exited Alaska by airplane; did not spend any nights aboard a cruise ship	3,294	±1.7%
Cruise ship	Entered *or* exited Alaska by cruise ship, *or* overnighted aboard a cruise ship	1,948	±2.5%
Highway/ferry	Entered *or* exited Alaska by highway *or* ferry; did not spend any nights aboard a cruise ship	684	±3.7%

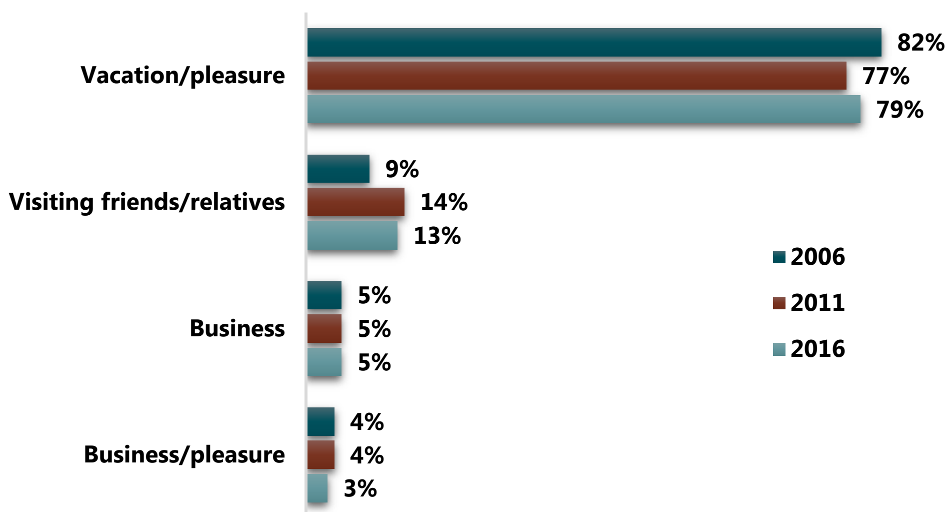
[1] Most survey responses are more accurate than maximum error factors suggest, due to the nature of response distribution in sampling statistics.

Trip Purpose

Visitors' trip purposes fall into four categories: vacation/pleasure, visiting friends/relatives (VFR), business, or business/pleasure.

- Four out of five visitors (79 percent) were traveling for vacation pleasure; 13 percent were VFRs; 5 percent were business travelers; and 3 percent were traveling for business/pleasure.
- Trip purpose rates in 2016 were generally similar to 2011, with vacation/pleasure visitors increasing slightly from 77 to 79 percent; VFRs dropping from 14 to 13 percent; business staying the same at 5 percent; and business/pleasure dropping from 4 to 3 percent. More significant differences are apparent by transportation market (see next page).
- A visitor's trip purpose has a major impact on their activities, expenditures, length of stay, trip planning, and other variables. For example, vacation/pleasure visitors tend to spend more money on their trip, while VFRs report longer average stays. An analysis of responses segmented by trip purpose is provided *Section 8*.

CHART 4.2 - Trip Purpose, All Visitors, 2006, 2011, and 2016



Transportation Market

Table 4.2 shows survey results based to transportation market: air, cruise, and highway/ferry.

- Trip purpose varied significantly according to transportation market, with cruise passengers the most likely to be traveling for vacation/pleasure (99 percent), followed by highway/ferry at 77 percent, then air at 49 percent.
- Air visitors were much more likely to be VFRs at 31 percent, compared to 18 percent of highway/ferry visitors and less than 1 percent of cruise visitors.
- Air visitors were also much more likely to be traveling for business (13 percent) or for business/pleasure (8 percent) when compared to other visitors.
- Trip purpose rates shifted most in the air market over the last three AVSP generations. The vacation/pleasure rate among air visitors fell from 51 to 43 percent between 2006 and 2011, then climbed back to 49 percent in 2016.
- The VFR rate among air travelers increased significantly (from 25 to 35 percent) between 2006 and 2011, before dipping in 2016 to 31 percent.
- Business-only and business/pleasure rates have stayed fairly steady over the years, with the percentage traveling for business-only ranging between 13 and 15 percent, and business/pleasure rates ranging between 7 and 10 percent.
- While changes did occur in highway/ferry trip purpose rates, they were less pronounced. The vacation/pleasure rate has shifted down, from 82 percent in 2006, to 80 percent in 2011, to 77 percent in 2016. The VFR rate increased, from 12 percent to 18 percent over the same time period.
- Cruise trip purpose rates have been generally consistent over the last three AVSP generations.

TABLE 4.2 - Trip Purpose, By Transportation Market, 2006, 2011, and 2016 (%)

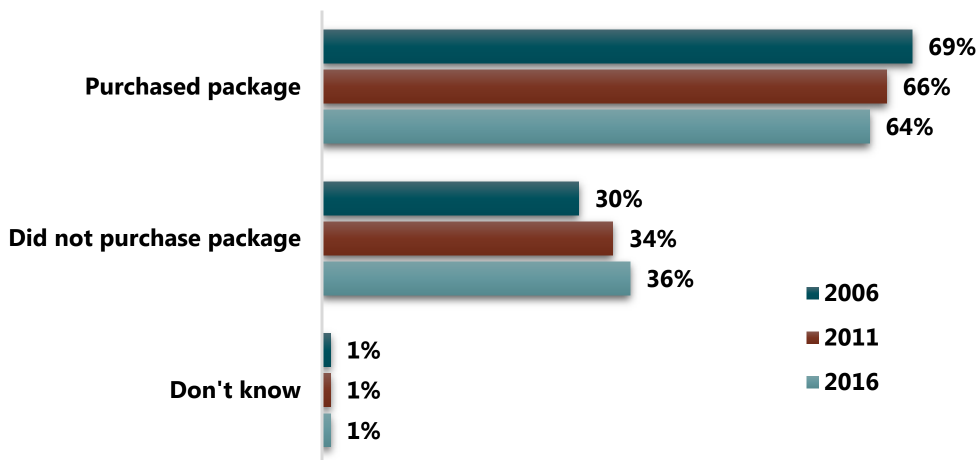
	AIR			CRUISE			HWY/FERRY		
	2006	2011	2016	2006	2011	2016	2006	2011	2016
Vacation/pleasure	51	43	49	99	98	99	82	80	77
Visiting friends or relatives	25	35	31	<1	<1	<1	12	13	18
Business only	15	14	13	<1	<1	<1	2	3	1
Business and pleasure	10	7	8	1	2	<1	5	4	4

Package Purchase

All non-cruise visitors were asked whether they had purchased any multi-day packages that included lodging, transportation, and activities. Cruise passengers were automatically included with other package visitors.

- Nearly two-thirds of Alaska visitors (64 percent) purchased an overnight package in summer 2016.
- The rate of package participation has declined over the last decade, from 69 percent in 2006, to 66 percent in 2011, to 64 percent in 2016. The decline reflects the strong increase in the air market, particularly since 2011, as well as the decrease in the role of the cruise market (from 57 to 55 percent of all visitors between 2011 and 2016). These shifts are discussed in more detail in *Section 3*.
- Independent visitors (those who did not purchase a package) are profiled separately, in *Section 16*.

CHART 4.3 – Purchase of Multi-Day Packages, All Visitors, 2006, 2011, and 2016



Transportation Market

- About one in six air visitors (16 percent) purchased a package. This rate has declined slightly over the years, from 21 percent in 2006, to 18 percent in 2011, to 16 percent in 2016.
- Just 3 percent of highway/ferry visitors purchased a package, down from 6 and 7 percent in 2006 and 2011, respectively.

TABLE 4.3 - Purchase of Multi-Day Packages By Transportation Market, 2006, 2011, and 2016 (%)

	AIR			CRUISE			HWY/FERRY		
	2006	2011	2016	2006	2011	2016	2006	2011	2016
Purchased package	21	18	16	100	100	100	6	7	3
Did not purchase package	78	80	82	-	-	-	87	92	93
Don't know	1	2	1	-	-	-	7	1	4

Note: Cruise visitors were automatically considered package visitors.

Package Type

Non-cruise visitors who had purchased a package were asked what type of package they purchased. The sample of highway/ferry visitors who purchased an overnight package in 2016 was too small for analysis.

- As in past AVSPs, the most common type of overnight package among air visitors was fishing, which increased from 46 to 50 percent between 2011 and 2016.
- Wilderness lodge packages fell from 14 percent of the air market in 2011 to 10 percent in 2016. Adventure tour package also fell, from 15, to 13, to 9 percent. (The adventure tour category includes activity-focused packages such as rafting, biking, kayaking, and hiking tours.) Rail packages increased from 8 to 11 percent between 2011 and 2016.
- Visitors who purchased an adventure tour package are profiled separately, in *Section 15*.

TABLE 4.4 - Package Type, 2006, 2011, and 2016 (%)
Base: Air Package Visitors

	AIR PACKAGE		
	2006	2011	2016
Fishing lodge package	48	46	50
Rail package	9	8	11
Wilderness lodge package	14	15	10
Adventure tour	15	13	9
Motorcoach tour	4	10	8
Rental car/RV package	n/a	6	6
Hunting	n/a	n/a	2
Other	11	2	4

Note: N/a indicates an uncoded response from previous AVSPs. The number of highway/ferry visitors who purchased packages in 2016 was too small for analysis.

Package Components

Non-cruise package visitors were asked which portions of their trip were included in their package. The sample of highway/ferry visitors who purchased an overnight package in 2016 was too small for analysis.

- The most common package components for air visitors, as in 2011, were lodging (91 percent), meals (77 percent), fishing (51 percent), and tours (43 percent).
- The largest change since 2011 in terms of trip components was in meals, which grew from 61 to 77 percent. Fishing increased from 45 to 51 percent, corresponding with the increase in that package market.

TABLE 4.5 - Portions of Trip Included in Package, 2011 and 2016 (%)
Base: Air Package Visitors

	AIR PACKAGE	
	2011	2016
Lodging	88	91
Meals	61	77
Fishing	45	51
Tours	39	43
Air	29	34
Bus/motorcoach	22	20
Railroad	21	23
Vehicle/RV rental	11	8
Ferry	4	4
Other	7	6

Note: This question was not asked in 2006. The number of highway/ferry visitors who purchased packages was too small for analysis.

Cruise Type

Cruise passengers were asked several follow-up questions about their trip.

- Nearly all (99 percent) had cruised aboard a large ship (defined as more than 250 passengers).
- Two-thirds (66 percent) were on round-trip cruises, which generally depart and return to Seattle or Vancouver, while 31 percent were on cross-gulf itineraries (where they sailed across the Gulf of Alaska and flew one-way to or from Anchorage or Fairbanks). These percentages are reflective of CLAA data, which shows 67 percent of passengers on round trip itineraries, and 31 percent on cross-gulf itineraries.
- The 31 percent who sailed on cross-gulf cruises includes 13 percent who purchased a simple cross-gulf itinerary, and 18 percent who participated in a land tour. Land tours are typically rail/motorcoach packages that include Anchorage, Denali, and Fairbanks.
- The rate of cruise passengers on round-trip itineraries has increased steadily – from 52 percent in 2006, to 59 percent in 2011, to 66 percent in 2016 – with a corresponding decline in cross-gulf passengers.
    - While the rate of land tour participation may have decreased between 2011 and 2016 due to fewer cross-gulf ships, the decline (from 24 to 18 percent) is likely overstated in the table below. The AVSP 6 report acknowledged that the 24 percent land tour participation rate was artificially high. The 2016 rate of 18 percent corresponds with actual land tour volumes gathered from industry sources.

Passengers on cross-gulf itineraries were asked: *Did you spend any nights in Alaska on your own, in addition to your cruise or land tour package?*

- When the results are based to all cruise passengers (including round trip passengers), 10 percent traveled on their own, slightly lower than the 2006 and 2011 rate of 12 percent. Among cross-gulf passengers, 31 percent traveled on their own, up slightly from the 2006 and 2011 rate of 27 percent. A profile of this market ("independent cruise") is provided in *Section 16*.

TABLE 4.6 - Cruise Package Type, 2006, 2011, and 2016 (%)
Base: Cruise Visitors

	CRUISE		
	2006	2011	2016
Large Ship vs. Small Ship			
Large	97	99	99
Small	3	1	1
Cruise Package			
Round trip	52	59	66
Cross-gulf	46	39	31
Cruise one-way, fly one-way	24	15	13
Cruise with land tour	22	24	18
In-state/small ship cruise	2	1	1
Other	n/a	n/a	1
Spent time on own before/after cruise package			
Yes – All cruise passengers	12	12	10
Yes – Cross-gulf passengers only	27	27	31

Entry/Exit Transportation

Respondents were asked what mode of transportation they used to enter Alaska. Their exit mode was automatically recorded, reflecting their survey location.

- By definition, 100 percent of air visitors both enter and exit the state by air.
- About one-sixth (14 percent) of cruise visitors entered the state via air, while slightly more (19 percent exited via air. The remainder exited/entered via cruise ship, save a few visitors who used highway or ferry one-way.
- Among highway/ferry visitors, rates of usage of highway to enter/exit has increased, while ferry usage has decreased. This reflects the increase in highway traffic, and decrease in ferry traffic, detailed in *Section 3: Visitor Volume*.

TABLE 4.7 - Transportation Modes, By Transportation Market, 2006, 2011, and 2016 (%)

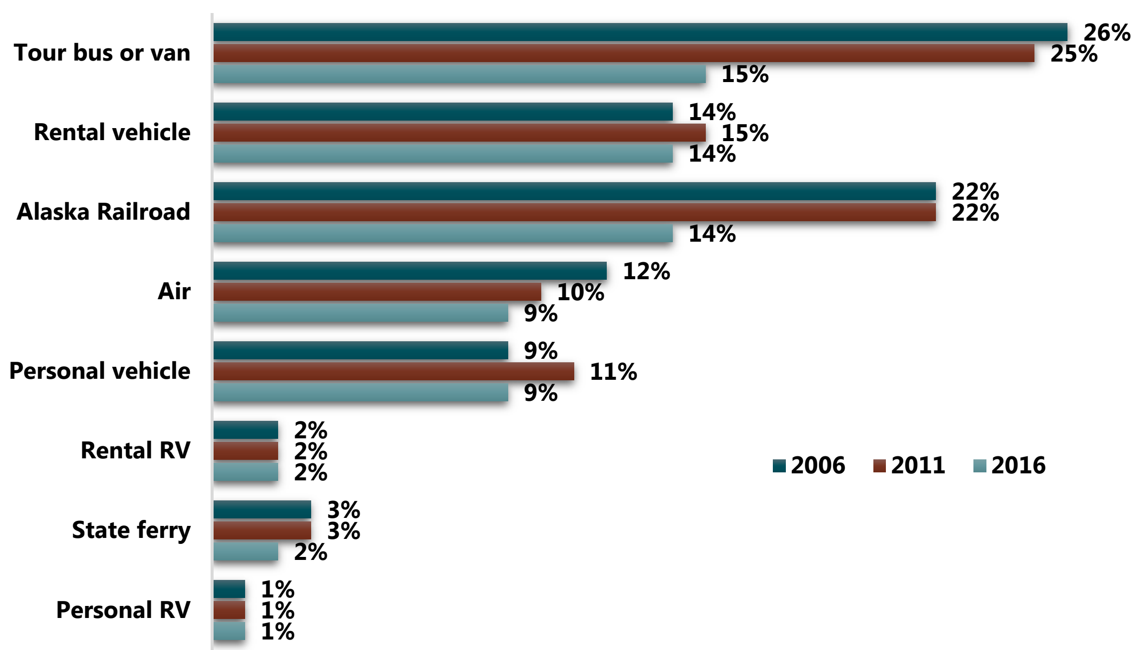
	AIR			CRUISE			HWY/FERRY		
	2006	2011	2016	2006	2011	2016	2006	2011	2016
Mode of Entry into Alaska									
Air	100	100	100	26	23	14	7	5	8
Cruise	-	-	-	73	77	86	-	-	-
Highway	-	-	-	<1	<1	<1	78	79	82
Ferry	-	-	-	<1	-	<1	15	16	10
Mode of Exit from Alaska									
Air	100	100	100	24	17	19	14	19	16
Cruise	-	-	-	76	83	81	-	-	-
Highway	-	-	-	<1	-	-	72	69	76
Ferry	-	-	-	-	-	<1	14	13	9

In-State Transportation

Respondents were asked about the modes of transportation used to travel between communities. Cruise ship was not included as a transportation mode, as this is an assumed mode among cruise visitors.

- The most common modes of transportation were tour bus or van (15 percent), rental vehicle (14 percent), and Alaska Railroad (14 percent).
- Usage of both tour bus or van and Alaska Railroad decreased significantly between 2011 and 2016, from 25 to 15 percent, and from 22 to 14 percent, respectively. Some of this decrease can be attributed to the decrease in cross-gulf ship itineraries, relative to round-trip itineraries, in the cruise market. A change in wording in both of these categories may also have played a role.
    - o Alaska Railroad was previously called "train" but was changed at the client's request. It is possible that in previous surveys, some respondents included the White Pass/Yukon Route train in this definition.
    - o The term "motorcoach/bus" was changed to "tour bus or van," at the client's request, to include smaller tour vehicles.
- Other shifts between 2006 and 2011 were within 1 or 2 percentage points: from 15 to 14 percent for rental vehicle, from 11 to 9 percent for personal vehicle, and from 3 to 2 percent for state ferry. Shifts by transportation market are discussed in more detail on the following page.

CHART 4.8 - Transportation Used Between Communities, All Visitors, 2006, 2011, and 2016



Transportation Market

Not surprisingly, in-state transportation modes differed significantly by transportation market.

- One-third of air visitors (33 percent) used rental vehicles, consistent with 2011 (33 percent) and 2006 (34 percent).
- One-fifth (21 percent) of air visitors used airplanes to travel around the state, consistent with 2011 (20 percent), and slightly lower than 2006 (25 percent).
- Usage of personal vehicles among air visitors fell from 25 percent in 2011 to 20 percent in 2016. This may reflect the slight decrease in the VFR market (from 35 to 31 percent).
- Cruise passengers most commonly used two transportation modes in-state: Alaska Railroad (18 percent), and tour bus/van (21 percent). Both of these rates decreased significantly from 2011 (from 31 to 18 percent, and from 38 to 21 percent, respectively).
- Highway/ferry visitors most commonly used personal vehicle and state ferry to travel within the state. Personal vehicle rates increased over both generations, from 30 percent in 2006 to 34 percent in 2011 to 38 percent in 2016. State ferry usage rates fell from 26 percent in 2011 to 15 percent in 2016. Both of these shifts reflect known traffic patterns, discussed in *Section 3: Visitor Volume*.
- Three related profiles are provided in the *Section 9.* This section includes a profile of fly/drive visitors (those who fly in and out of the state, and use a rental vehicle/RV); a profile of highway visitors (visitors who entered or exited the state via highway); and a profile of ferry visitors (visitors who used the ferry at any point on their trip).

TABLE 4.8 - Transportation Used Between Communities, By Transportation Market, 2006, 2011, and 2016 (%)

	AIR			CRUISE			HWY/FERRY		
	2006	2011	2016	2006	2011	2016	2006	2011	2016
Rental vehicle	34	33	33	4	4	2	9	8	5
Air	25	20	21	5	4	2	8	5	3
Personal vehicle	22	25	20	<1	1	<1	30	34	38
Alaska Railroad*	9	9	9	25	31	18	5	5	3
Tour bus or van*	9	7	7	38	38	21	2	4	3
Rental RV	4	4	5	<1	<1	<1	5	4	4
State ferry	4	4	3	1	1	<1	25	26	15
Personal RV	1	1	1	<1	<1	<1	26	20	20
Don't know/refused	<1	<1	<1	1	1	<1	7	<1	2

Note: Cruise ship was not included in this question because it is an assumed mode of travel for all cruise visitors.
*"Tour bus/van" was previously called "motorcoach/bus" in AVSP 5 and 6. "Alaska Railroad" was previously called "train."

Vehicle Type

Visitors who reported entering and/or exiting the state via highway were asked what type of vehicle they were using.

- Over half of highway entries/exits were by car/truck/van, a rate that has steadily increased over time: from 46 percent of entries and exits in 2006, to 52/51 percent of entries/exits in 2011, to 57/61 percent in 2016.
- Entries/exits by RV/camper have experienced a corresponding decrease: from 47/48 percent (entries/exits) in 2006, to 41/44 percent in 2011, to 35/32 percent in 2016.
- Motorcycle entries/exits represent a very small fraction of the highway market, and have stayed consistent over time. Other types of vehicles include bicycles and motorcoaches.

TABLE 4.9 – Type of Vehicle Used to Enter/Exit Alaska, By Transportation Market, 2006, 2011, and 2016 (%) Base: Entered/Exited Alaska by Highway

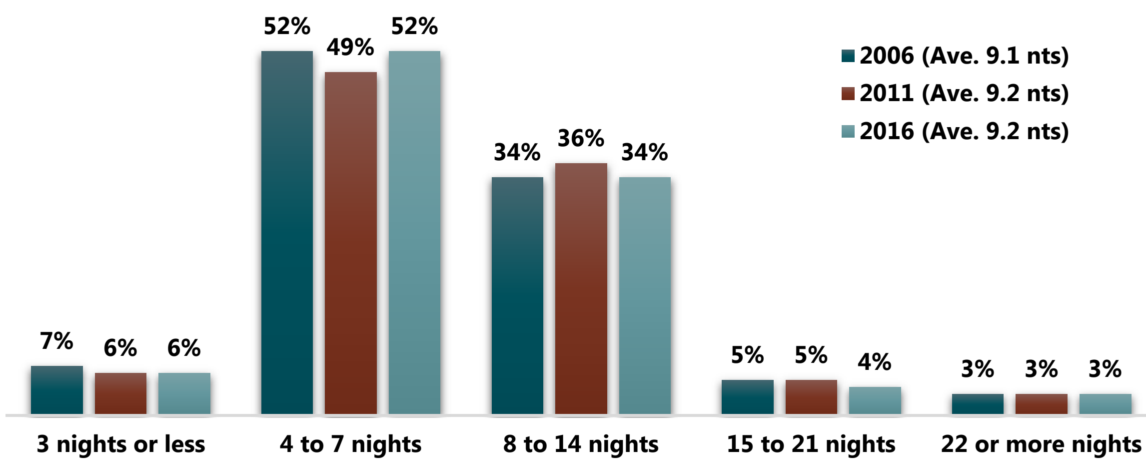
	ENTERED BY HWY			EXITED BY HWY		
	2006	2011	2016	2006	2011	2016
Car/truck/van	46	52	57	46	51	61
RV/camper	47	41	35	48	44	32
Motorcycle	3	4	3	4	4	3
Other	3	4	4	2	1	4

Length of Stay

Visitors were asked the number of nights they stayed in Alaska. Cruise visitors were asked to include their nights onboard their ship.

- Alaska visitors spent an average of 9.2 nights in Alaska in summer 2016. The most common time frame is four to seven nights, representing 52 percent of all visitors, followed by eight to 14 nights, representing 34 percent.
- The average length of stay in Alaska has changed little over the last decade, from 9.1 nights in 2006 to 9.2 nights in both 2011 and 2016. Percentages by time frame have stayed fairly consistent, as shown in the chart below.

CHART 4.10 - Length of Stay in Alaska
All Visitors, 2006, 2011, and 2016



Transportation Market

- Highway/ferry visitors report the longest trips, at 12.0 nights. The average trip length decreased in the last two AVSPs: from 18.8 nights in 2006, to 13.2 nights in 2011, to 12.0 nights in 2016.
- Air visitors report the next-longest stays at 10.0 nights. Average stays among air visitors has risen from 9.4 nights in 2006, to 9.8 nights in 2011, to 10.0 nights in 2016.
- Cruise visitors spent an average of 8.4 nights in Alaska, including all nights onboard. This average fell very slightly from 2011 (8.5 nights). The percentage staying 4 to 7 nights increased (from 57 to 62 percent), while the percentage staying 8 to 14 nights decreased (from 38 to 35 percent). These shifts correspond with the slight increase in round-trip itineraries relative to cross-gulf itineraries.

TABLE 4.10 - Length of Stay in Alaska
By Transportation Market, 2006, 2011, and 2016 (%)

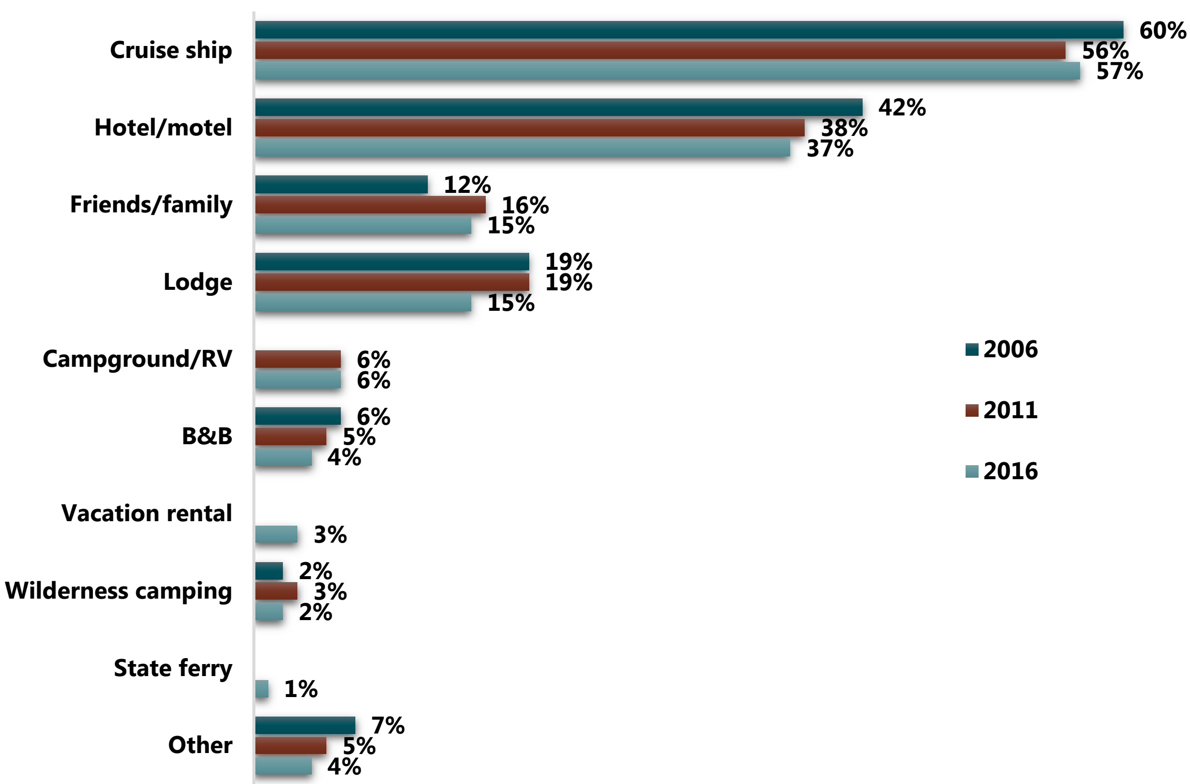
	AIR			CRUISE			HWY/FERRY		
	2006	2011	2016	2006	2011	2016	2006	2011	2016
3 nights or less	11	10	11	4	2	1	19	29	33
4 to 7 nights	38	41	42	61	57	62	18	18	17
8 to 14 nights	38	35	34	32	38	35	23	26	23
15 to 21 nights	8	8	8	2	2	2	14	11	10
22 or more nights	4	6	6	<1	<1	<1	26	16	16
Average number of nights	**9.4**	**9.8**	**10.0**	**8.1**	**8.5**	**8.4**	**18.8**	**13.2**	**12.0**

Lodging

Visitors were asked to record the type of lodging they stayed in for every night they spent in Alaska. This question had two changes in 2016. The category previously called "private home" was changed to "friends/family" to allow differentiation from vacation rentals, a new category in 2016. This analysis assumes that "private home" and "friends/family" are generally comparable. Also, state ferry was coded as a form of lodging in 2016 for the first time.

- Cruise ship was the most common form of lodging (57 percent), followed by hotel/motel (37 percent), friends/family (15 percent), and lodge (15 percent). The new category of vacation rental was used by 3 percent of the market.
- Usage rates for the overall market were fairly consistent with 2011 rates. All changes were within 1 percent, with one exception: lodge usage fell from 19 to 15 percent, in part attributable to the cruise market (see following page).

CHART 4.11 Lodging Types Used
All Visitors, 2006, 2011, and 2016



Notes: Other lodging types include youth hostel, boat/yacht, and others.
Private home was changed to friends/family in 2016; vacation rental and state ferry were added as new categories.

Transportation Market

The following table shows the percentage of visitors using each lodging type, by market.

- Air visitors were most likely to use hotels/motels at 55 percent, the same percentage as in 2011. Just over one-third (35 percent) stayed with friends/family, similar to the percentage of air visitors saying their trip purpose was to visit friends/relatives (31 percent).
- Air visitors staying with friends/family fell slightly, from 39 percent in 2011 (when the category was "private home") to 35 percent in 2016. Vacation rentals, a new category in 2016, were used by 7 percent of the air market.
- Besides cruise ships, cruise passengers most commonly used hotels/motels (25 percent) and lodges (12 percent). Both of these rates fell between 2011 and 2016, reflecting the lower percentage of cross-gulf passengers relative to round-trip passengers in 2016.
- Highway/ferry passengers were most likely to use campgrounds/RVs (46 percent), hotels/motels (31 percent), and friends/family (24 percent). Compared to 2011, usage of hotels/motels dropped in this market (from 38 to 31 percent), while usage of friends/family increased (from 19 to 24 percent). Usage of B&Bs dropped in each of the last two surveys: from 10 percent in 2006, to 8 percent in 2011, to 6 percent in 2016.

TABLE 4.11 Lodging Types Used
By Transportation Market, 2006, 2011, and 2016 (%)

	AIR			CRUISE			HWY/FERRY		
	2006	2011	2016	2006	2011	2016	2006	2011	2016
Hotel/motel	62	55	55	32	28	25	37	38	31
Friends/family*	31	39	35	1	1	<1	22	19	24
Lodge	21	21	20	19	19	12	8	9	6
B&B	14	9	9	1	2	1	10	8	6
Campground/RV	n/a	9	9	n/a	<1	<1	n/a	48	46
Vacation rental*	n/a	n/a	7	n/a	n/a	<1	n/a	n/a	3
Wilderness camping	4	6	5	<1	<1	<1	11	14	12
Cruise ship	-	-	-	100	100	100	-	-	-
State ferry	n/a	n/a	<1	n/a	n/a	<1	n/a	n/a	13
Other[1]	12	11	8	3	2	<1	13	10	9

[1] Other lodging types include youth hostel, boat/yacht, and others.
* Private home was changed to friends/family in 2016; vacation rental and ferry were added as new categories.