

## Industry Comparison:

### Alaska Travel Industry Association & Alaska Seafood Marketing Institute

#### Mission

##### ATIA

To promote Alaska as a top visitor destination.

##### ASMI

To promote Alaska's seafood industry as a competitive food production industry.

#### Authority

##### ATIA

The Alaska Travel Industry Association (ATIA) is the private nonprofit qualified trade association designated to plan and execute Alaska's destination tourism marketing campaign under AS 44.33.125. ATIA was established in November, 1999 after passage of Senate Bill 107, to privatize the management and structure of tourism marketing in Alaska.

##### ASMI

The Alaska Seafood Marketing Institute (ASMI) is a public corporation and government agency of the state with authority under AS 16.51. ASMI was established in 1980 as a public-private partnership to foster economic development of a renewable natural resource.

#### Major Program Elements

##### ATIA

- Promote and facilitate travel to and throughout the State of Alaska;
- Provide a broad-based association of individuals and companies with an interest in the visitor industry in Alaska;
- Plan and execute a statewide marketing campaign promoting Alaska as a visitor destination;
- Encourage the increase and improvement of quality visitor facilities, services and attractions throughout Alaska;
- Conduct ongoing research to increase knowledge regarding Alaska visitors and increase effectiveness of marketing efforts;
- Conduct prudent, efficient fiscal management;
- Develop and implement programs beneficial to the travel supplier and consumer, which no other single industry component or organization would

##### ASMI

- Increase the positive awareness of the Alaska Seafood brand;
- Execute collaborative marketing programs that align ASMI and industry marketing efforts for maximum impact within the food industry;
- Conduct long-term proactive marketing planning;
- Promote quality assurance, technical industry analysis, education;
- advocacy and research;
- Conduct prudent, efficient fiscal management.

ASMI is playing a key role in the repositioning of Alaska's seafood industry as a competitive market-driven food production industry. Its work to boost the value of Alaska's seafood product portfolio is accomplished through partnerships with retail grocers, foodservice distributors, restaurant chains, foodservice operators, universities, culinary schools,

be expected to carry out on its own;

- Initiate and cooperate with local, state and federal entities in developing and implementing programs, policies and legislation that are responsive to the needs of the industry and to intervene in those issues and initiatives that would directly affect the facilitation and promotion of travel to and within Alaska;
- Execute a multi-faceted marketing program focusing on the following key components:

#### 1. U.S. Consumer Marketing

Promote Alaska travel to U.S. and Canadian consumers. 91% of all visitors to Alaska come from North America.

#### 2. Niche Marketing

Provide consumers with information about highway travel to Alaska and focus on independent travelers to ensure a diverse mix of visitors.

#### 3. Travel Trade Marketing

Establish cooperative marketing relationships with those who sell Alaska travel (travel agents, travel suppliers, tour operators) and encourage them to expand their investment in Alaska and emphasize Alaska travel over other destinations.

#### 4. International Marketing

Alaska's key markets include Australia, Japan, Mainland Europe and United Kingdom, with developing markets of Korea, Italy, France, China, Taiwan and Latin America. The main activities include trade missions, cooperative marketing, media relations, and foreign language brochures and websites.

#### 5. Inquiry Fulfillment

ATIA produces the State Vacation Planner and maintains the Official Alaska State Travel Website – TravelAlaska.com – to assist consumers in planning their trips. These tools connect travelers with Alaska businesses that can close the sale.

and the media. It conducts consumer campaigns, public relations and advertising activities, and aligns with industry efforts for maximum effectiveness. ASMI also functions as a brand manager of the Alaska Seafood family of brands through four primary program areas:

#### 1. U.S. Retail Marketing

The domestic retail marketing program works to align with Alaska seafood suppliers and retailers to support their sales and marketing programs. Over the years, the retail program has worked with every major supermarket chain in the country.

#### 2. U.S. Foodservice Marketing

The domestic foodservice marketing program is designed to help foodservice operators, both commercial and non-commercial, handle, menu and promote wild Alaska seafood products.

#### 3. International Marketing

The focus of the international promotional effort is on key markets: Japan, the European Union and China. The main activities are retail and foodservice promotions, technical seminars, chef and retail Alaska Seafood training, Alaska tours for members of the overseas trade and press, trade shows, outbound trade missions, advertising and public relations. Overseas marketing activities receive substantial support in the form of matching grants from the federal government through the United States Department of Agriculture (U.S.D.A.) Market Access Program (MAP).

#### 4. Seafood Technical Support

The Alaska seafood industry and businesses promoting Alaska Seafood have access to seafood technical support through ASMI's in-house seafood technical program. It is involved in matters of food safety, quality, nutrition and food labeling, as well as environmental issues, fisheries sustainability and seafood purity.

## 6. Market Research

ATIA relies on research to guide decisions related to the statewide marketing program. The information is also shared with Alaska businesses, communities and State of Alaska to elevate understanding of Alaska's visitors and how Alaska is perceived as a premiere travel destination.

## Governance & Structure

ATIA	ASMI
<ul style="list-style-type: none"> <li>24-member Board of Directors made up of industry-elected volunteers representing large and small business entrepreneurs, managers and convention &amp; visitor bureau representatives from across the state: <ul style="list-style-type: none"> <li>1 member elected from Far North;</li> <li>3 members elected from Inside Passage;</li> <li>3 members elected from Interior;</li> <li>3 members elected from Southcentral;</li> <li>1 member elected from Southwest;</li> <li>4 members elected from Statewide in general;</li> <li>4 members elected from Outside Alaska, including at least 2 from cruise line members;</li> <li>4 members appointed at large.</li> </ul> </li> <li>The Board selects the President &amp; COO, who in turn selects and employs staff as necessary. All ATIA staff are private sector employees.</li> <li>Board appoints 32 volunteer members to the Marketing Committee. These Marketing Committee members then join selected members at large to serve on five advisory subcommittees: <ul style="list-style-type: none"> <li>Advertising Subcommittee (16 seats);</li> <li>International Subcommittee (16 seats);</li> <li>Public Relations Subcommittee (16 seats);</li> <li>Travel Trade Subcommittee (16 seats);</li> <li>Website Subcommittee (16 seats);</li> <li>Planning Subcommittee (8 seats).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>11-member Board of Directors appointed by the Governor, each serving three-year terms: <ul style="list-style-type: none"> <li>Four members must have an annual payroll in Alaska of more than \$2.5MM;</li> <li>One member must have an annual payroll in AK between \$50K and \$2.5MM;</li> <li>Two members must be engaged in commercial fishing;</li> <li>Four ex-officio members, one each from the State House and Senate, respectively, along with the state commissioner's of DCCED and a representative from the Governor's office.</li> </ul> </li> <li>The Board selects the executive director, who in turn selects and employs staff as necessary. All ASMI staff are public employees in the exempt state service under AS 39.25.</li> <li>The Board and staff take input from members of the industry serving on the following advisory committees: <ul style="list-style-type: none"> <li>Halibut-Sablefish Committee (10);</li> <li>Salmon Committee (11);</li> <li>Seafood Technical Committee (12);</li> <li>International Marketing Committee (12);</li> <li>Whitefish Committee (9);</li> <li>Shellfish Committee (9);</li> <li>Retail Marketing Committee (10);</li> <li>Foodservice Marketing Committee (9);</li> <li>Customer Advisory Panel (8).</li> </ul> </li> </ul>

Note: Due to overlap, there are 47 total individual volunteers on the marketing committee and the subcommittees.

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## Industry Comparison: ATIA & ASMI

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- The marketing plan is submitted to the Board for revisions and/or final approval.
- The marketing plan is then submitted to DCCED for approval before funds are distributed.
- Marketing plans and budgets are presented to the board for approval.

## Expenditures & Funding Sources

Expenditures (\$'000s)	FY2011		FY2010		FY2009	
	ATIA	ASMI	ATIA	ASMI	ATIA	ASMI
<b>No. of State Gov't FTEs</b>	-	19.0	-	19.0	-	19.0
<b>No. of Private FTEs</b>	14.1	-	14.1	-	15.0	-
<b>Personnel Allocation <sup>3</sup></b>	\$1,018.6	\$2,052.5	\$1,019.9	\$1,978.1	\$972.1	\$1,953.7
<b>Travel Allocation</b>	58.1	390.3	49.1	422.2	50.8	437.0
<b>Other Allocation <sup>1&amp;2</sup></b>	448.3	188.5	434.0	188.5	478.0	180.8
<b>Program Allocation</b>	17,175.0	16,084.1	10,197.0	15,084.1	10,199.1	12,417.9
<b>Total</b>	<b>\$18,700.0</b>	<b>\$18,715.4</b>	<b>\$11,700.0</b>	<b>\$17,672.9</b>	<b>\$11,700.0</b>	<b>\$14,989.4</b>

<sup>1</sup> Other Allocation for ATIA includes office rent, supplies, printing, meeting expenses, communications, etc.

<sup>2</sup> Other Allocation for ASMI includes commodities and capital outlays.

<sup>3</sup> Includes retirement & benefits payments.

Funding Sources (\$'000s)	FY2011		FY2010		FY2009	
	ATIA	ASMI	ATIA	ASMI	ATIA	ASMI
<b>State General Funds</b>	\$4,500.0	\$3,661.3	\$4,500.0	\$2,669.8	\$4,500.0	\$750.0
<b>State One-Time Grants</b>	7,000.0	-	-	-	-	-
<b>Vehicle Rental Tax</b>	4,500.0	-	4,500.0	-	4,500.0	-
<b>Req. Private Match Funds</b>	2,700.0	-	2,700.0	-	2,700.0	-
<b>Federal Funds (MAP) <sup>1</sup></b>	-	5,000.0	-	5,500.0	-	3,361.5
<b>State Receipts <sup>2</sup></b>	-	10,054.1	-	9,503.1	-	10,877.9
<b>Total</b>	<b>\$18,700.0</b>	<b>\$18,715.4</b>	<b>\$11,700.0</b>	<b>\$17,672.9</b>	<b>\$11,700.0</b>	<b>\$14,989.4</b>

<sup>1</sup> MAP: Market Access Program funds are federal dollars received through the Alaska Fisheries Marketing Board and the Governor's Office which are used to promote Alaska seafood.

<sup>2</sup> Consists of one or more of the following: (iii) voluntary seafood marketing assessment, which applies to all seafood products made, or first landed in Alaska and all unprocessed products exported from Alaska.

### Source Notes:

- ATIA data as reported by ATIA.
- ASMI expenditure and funding source data for FY2011 & FY2010 from Legislative Finance Division, FY11 Operating Budget Report, 8-24-2010; FY09 data from DCCED component detail report, 5-18-10.

<b>State Generated Revenues</b>	<b>Tourism-related</b>	<b>Fish-related</b>
State of Alaska Corporate Income Tax <sup>2</sup> (unrestricted)	\$21.4MM	\$2MM
Vehicle Rental Car Tax <sup>1</sup> (unrestricted)	7.7MM	-
Large Passenger Vessel Gambling Tax <sup>1</sup> (unrestricted)	\$5.7MM	-
Cruise Ship Passenger Fees – State Share <sup>1</sup> (restricted)	\$3.0MM	-
Cruise Ship Passenger Fees – Municipal & Region Share <sup>1</sup> (restricted)	\$14.9MM	-
Ocean Ranger Fees <sup>1</sup> (restricted)	\$3.4MM	-
Commercial Passenger Vessel Environmental Compliance Fees <sup>1</sup> (restricted)	\$0.9MM	-
Alaska Marine Highway Visitor-Related Receipts <sup>2</sup> (restricted)	\$17.6MM	-
Non-resident fishing/hunting/trapping license fees <sup>2</sup> (restricted)	\$17.1MM	-
Alaska Railroad Visitor-Related Revenues <sup>2</sup> (restricted)	\$19.4MM	-
Fisheries Business Tax <sup>1</sup> - "raw fish tax" (unrestricted)	-	\$42.2MM
Fishery Resource Landing Tax <sup>1</sup> (unrestricted)	-	\$10.9MM
Municipal and Borough Raw Fish Tax (combined)		\$15.2MM
Seafood Marketing Assessment <sup>1</sup> (restricted)	-	\$7.9MM
Salmon Enhancement Self Assessment		\$5.8MM
RSDA Self Assessment		\$1.4MM
Dive Fishery Management		\$.4MM

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Marine Fuels Tax		\$1.2MM
CFEC Permit, Vessel Fees		\$5.1MM
Crew License Sales		\$2.1MM
Test Fishery Receipts		\$2.5MM
Halibut and Sablefish Cost Recovery		\$3MM
BSAI Crab Cost Recovery		\$2MM
<b>Total Selected Revenues</b>	<b>\$111.1MM</b>	<b>\$102.8MM</b>

<sup>1</sup> Fall 2010 Revenue Sources Book, State of Alaska Tax Division, FY 2012 forecast.

<sup>2</sup> Economic Impact of Alaska's Visitor Industry, McDowell Group, March 2010, figures from Oct. 2008 through Sept. 2009.