

# ALASKA

NORTH TO OPPORTUNITY

## Tourism Marketing Program

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
DIVISION OF ECONOMIC DEVELOPMENT

2/8/2016



## TOURISM IS GROWING

CHART 2. Visitor Volume, Fall/Winter 2005-06 to 2014-15

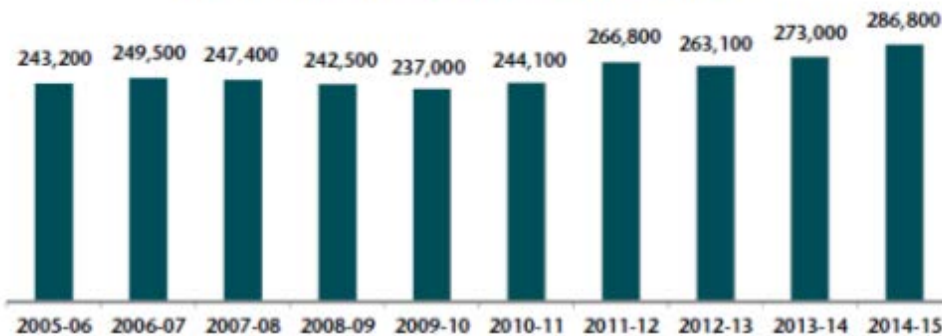
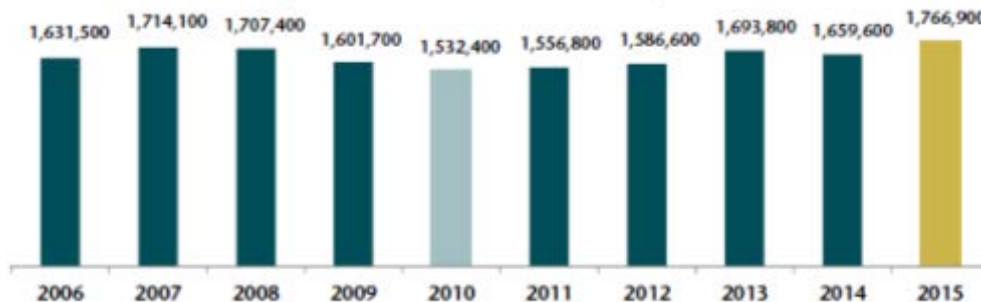


Figure 2. Summer Visitor Volume to Alaska, 2006-2015



Source: AVSP V and AVSP VL

- Overall goal of the program is to bring visitors to Alaska
- Winter visitation is up 8% and Summer visitation is up 12% over the past 4 years – both are at the record levels
- Average visitor spends 941/person; average international visitor spends \$1,103/person
- Tourism economic Impact: \$3.9 billion

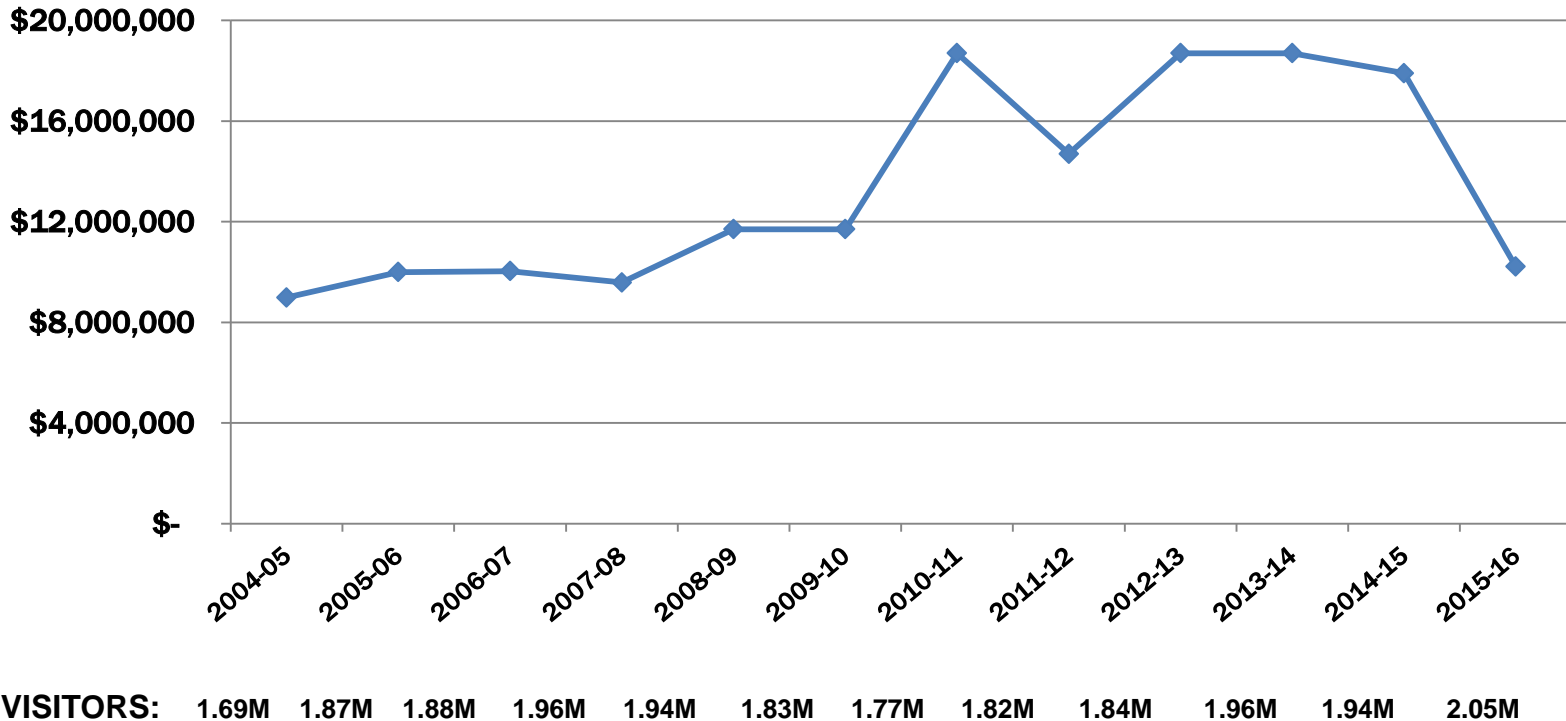
## RESEARCH

- Tourism marketing is driven by years of research
- For each person responding to the state’s tourism marketing program, 26.3% will actually travel to Alaska within a four year period
- Visitors spend \$1.83 billion while in the state
- Tourism generates \$174 million in taxes and fees for municipal and state governments

Four Year Conversion Rate	
2015 Respondents Converting In 2015	10.6%
2014 Respondents Converting In 2015	6.7 %
2013 Respondents Converting In 2015	4.3%
2012 Respondents Converting In 2015	4.7%
<b>Four-Year Conversion Rate</b>	<b>26.3%</b>

## TOURISM MARKETING INVESTMENT

- Investment leads to further growth
- A consistent presence in the marketplace is necessary to drive growth





*Cruise ship passengers to Icy Strait Point - a cultural tourism destination - increased from 120,577 during FY12 to 158,800 during FY16.*

## TOURISM MARKETING FUNDING

Mission: Promote economic development opportunities through the expansion of Alaska's visitor industry.

### FY16 Budget

- **\$11,344.2 Total**
  - \$7,769.2 UGF
  - \$3,575.0 SDPR

### FY17 Budget Request

- **\$8,103.9 Total**
  - \$4,528.9 UGF
  - \$3,575.0 SDPR



*Brand USA sponsored Chinese tour operator FAM experiences the Ruth Glacier*

## PRIORITIES

Focus on marketing that businesses and communities cannot do on their own

- Generate consumer leads
  - Allows businesses to close the sale
  - Allows communities to reach a national audience and drive visitation to their area of the state
- Television Advertising
  - Creates awareness for Alaska as a travel destination
  - Reaches a large national audience
- Overseas Marketing
  - Diversifies visitor mix
  - Leverages Brand USA dollars

## FY17 ESTIMATE BUDGET - BUDGET OVERVIEW

PROGRAM	FY15	FY16	FY17 (est.)
Research	347.0	174.0	-
Public Relations	964.8	788.4	500.0
Social Media	175.2	36.8	-
Television Advertising	5,017.9	1,088.2	550.0
Direct Response Advertising	5,489.7	3,525.1	3,434.9
Collateral/Fulfillment	1,513.6	1,232.0	1,100.0
Website	1,002.5	840.9	450.0
Highway Marketing (Alaska/Canada)	624.2	583.9	584.0
Travel Trade	547.8	328.8	60.0
Overseas Marketing	2,004.4	1,046.2	550.0
<b>TOTAL PLANNED</b>	<b>\$17,687.1</b>	<b>\$9,644.2</b>	<b>\$7,228.9</b>

## PUBLIC RELATIONS

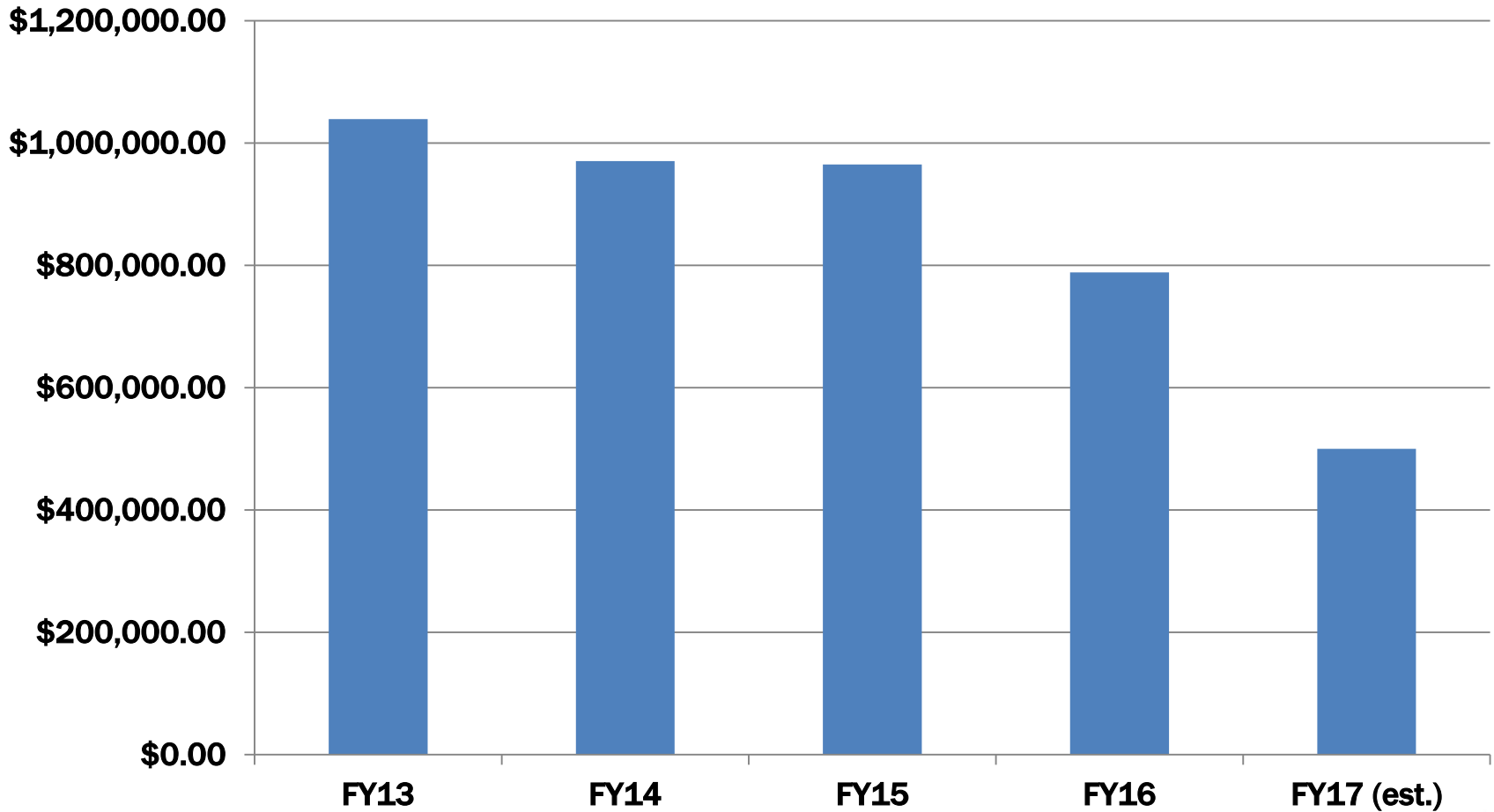


- Assist roughly 600 journalists each year with travel stories in order to increase global exposure for Alaska tourism
- Average value of each article: \$91,000
- For every \$1 invested in public relations, the estimated return is \$68 in promotional value
- Stories contain positive, persuasive messages
- Broadcast stories reach large audiences at a very affordable price
- Alaska was featured in two episodes of *Moveable Feast* (PBS) – 1 million viewers per episode





## PUBLIC RELATIONS FUNDING ALLOCATION



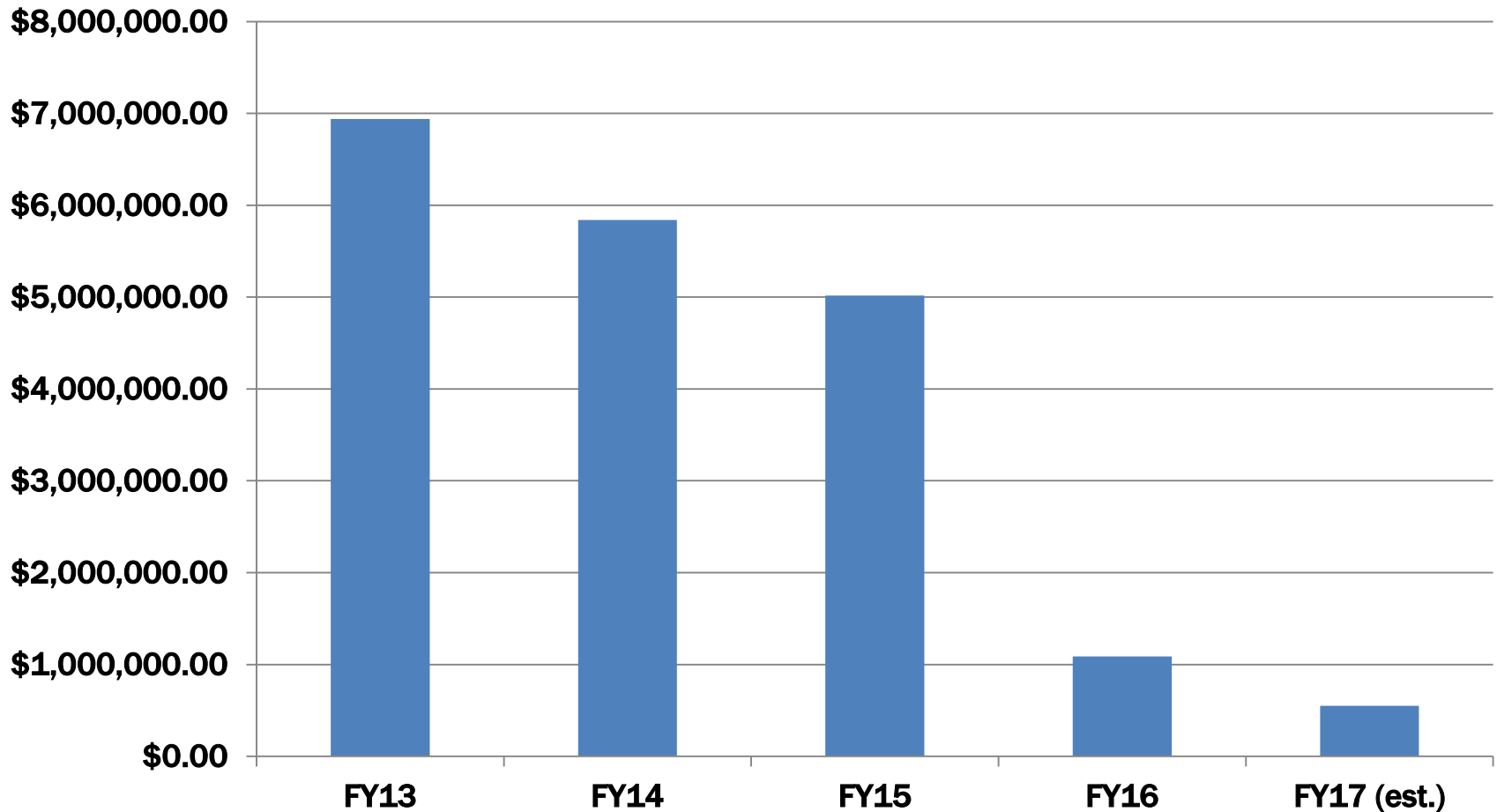
## TELEVISION ADVERTISING



- State TV ads provide a comprehensive view of the state
- Reach a large audience (1.53 billion gross impressions) by running TV ads on national cable network channels in syndicated programming
- Cost per thousand impressions is just \$3.33
- Every dollar spent on TV advertising returns \$22.54 in visitor spending
- 72% of those who saw Alaska's TV commercials said it increased their intent to travel to Alaska



## TELEVISION ADVERTISING FUNDING ALLOCATION

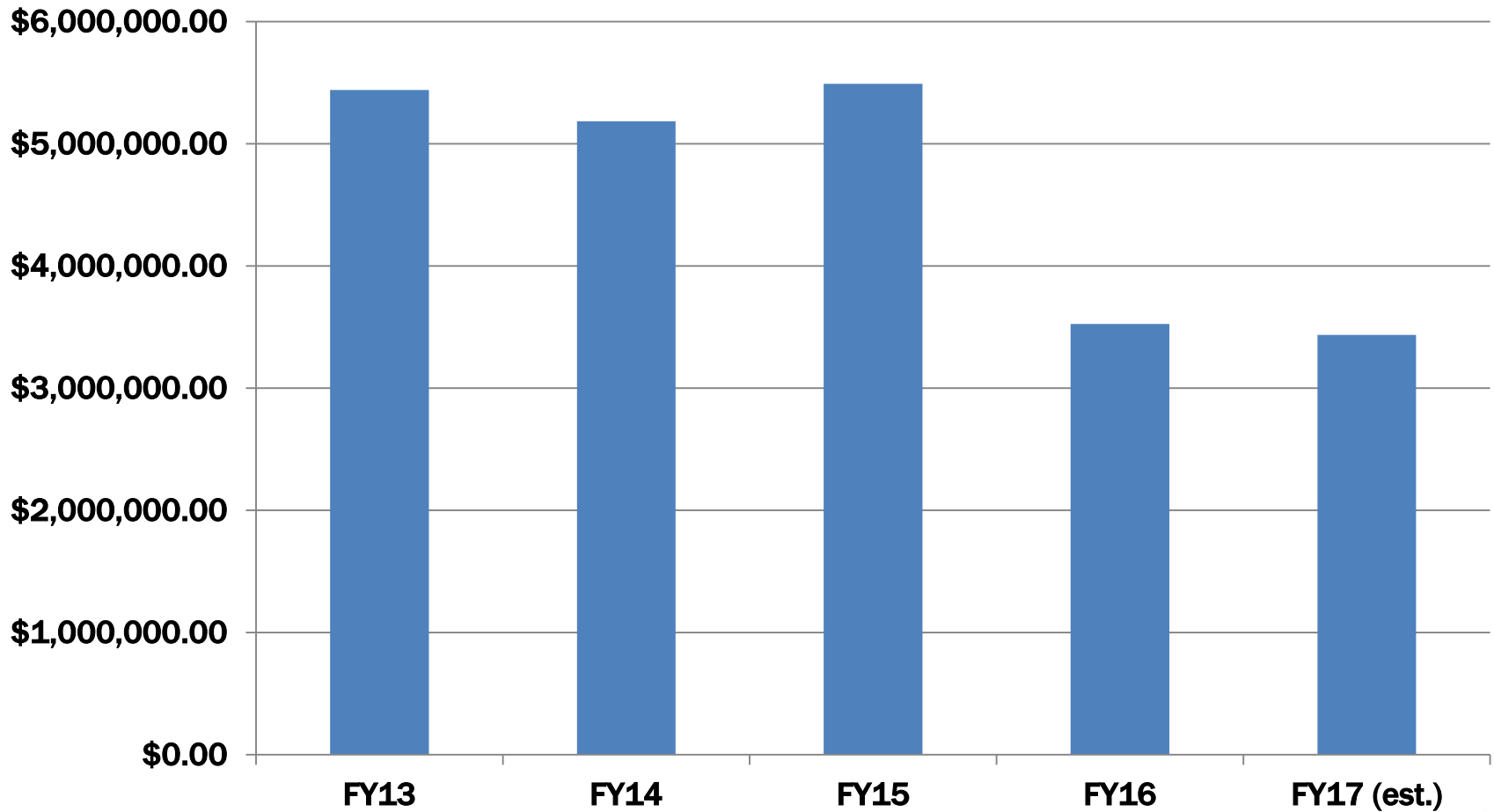




## DIRECT RESPONSE ADVERTISING

- Direct mail, print, and digital ads will entice 565,000 consumers to request information and begin planning their Alaska trips
  - Average cost to generate a response: \$9.67
  - Average cost to get that person to actually travel to Alaska (conversion): \$30
  - Every dollar spent on direct response advertising returns \$114 in visitor spending

## DIRECT RESPONSE FUNDING ALLOCATION





**TravelAlaska.com**

More than 3.2 million site visitors/year

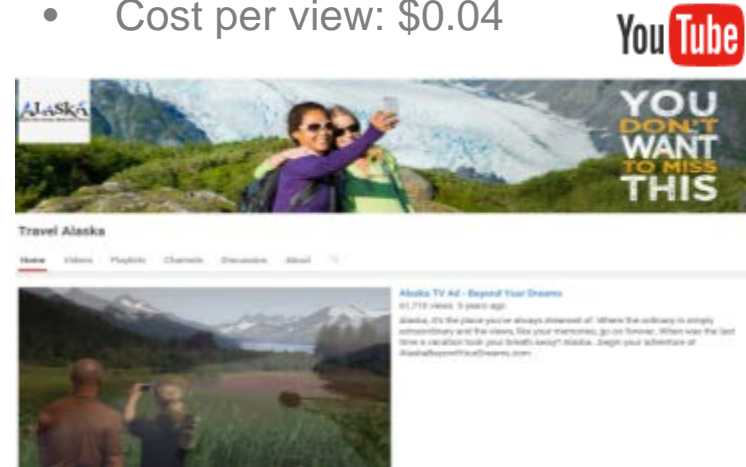
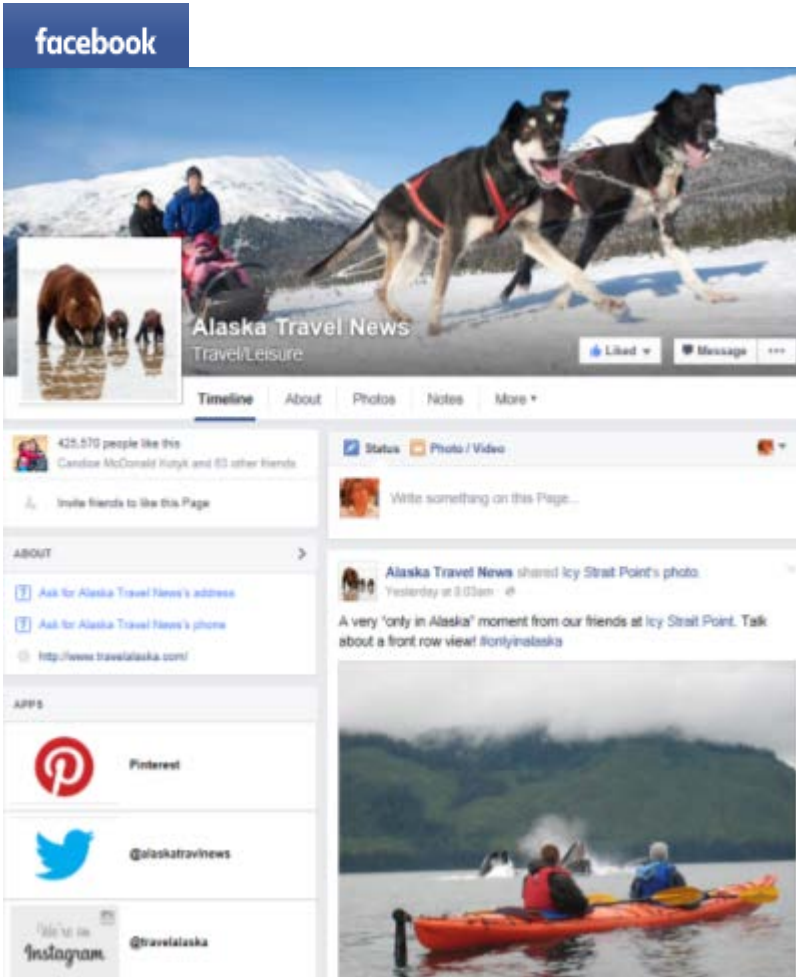
## COLLATERAL / WEBSITES

- Consumers continue to use printed brochures to plan their trips
- Alaska Vacation Planner promotes the entire state and helps consumers make travel decisions and connect with Alaska businesses
- Cost to produce and distribute each guide is less than \$1.00 (ranges from \$0.73 to \$0.93)



## SOCIAL MEDIA

- Alaska tourism is active on Facebook, Pinterest, YouTube, Twitter and Instagram
- More than 18.8 million people exposed to Alaska content on Facebook
- Cost per social media engaged user is \$0.10
- Over 973,000 people viewed YouTube videos
- Cost per view: \$0.04





*Pamuya at the 2015 Adventure Travel World Summit*

## TRAVEL TRADE

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- Alaska tourism is active at tour operator trade shows & travel agent events as well as hosting product development site-inspections
- Trade shows: \$800 per lead; product development tours: \$1,370 per participant

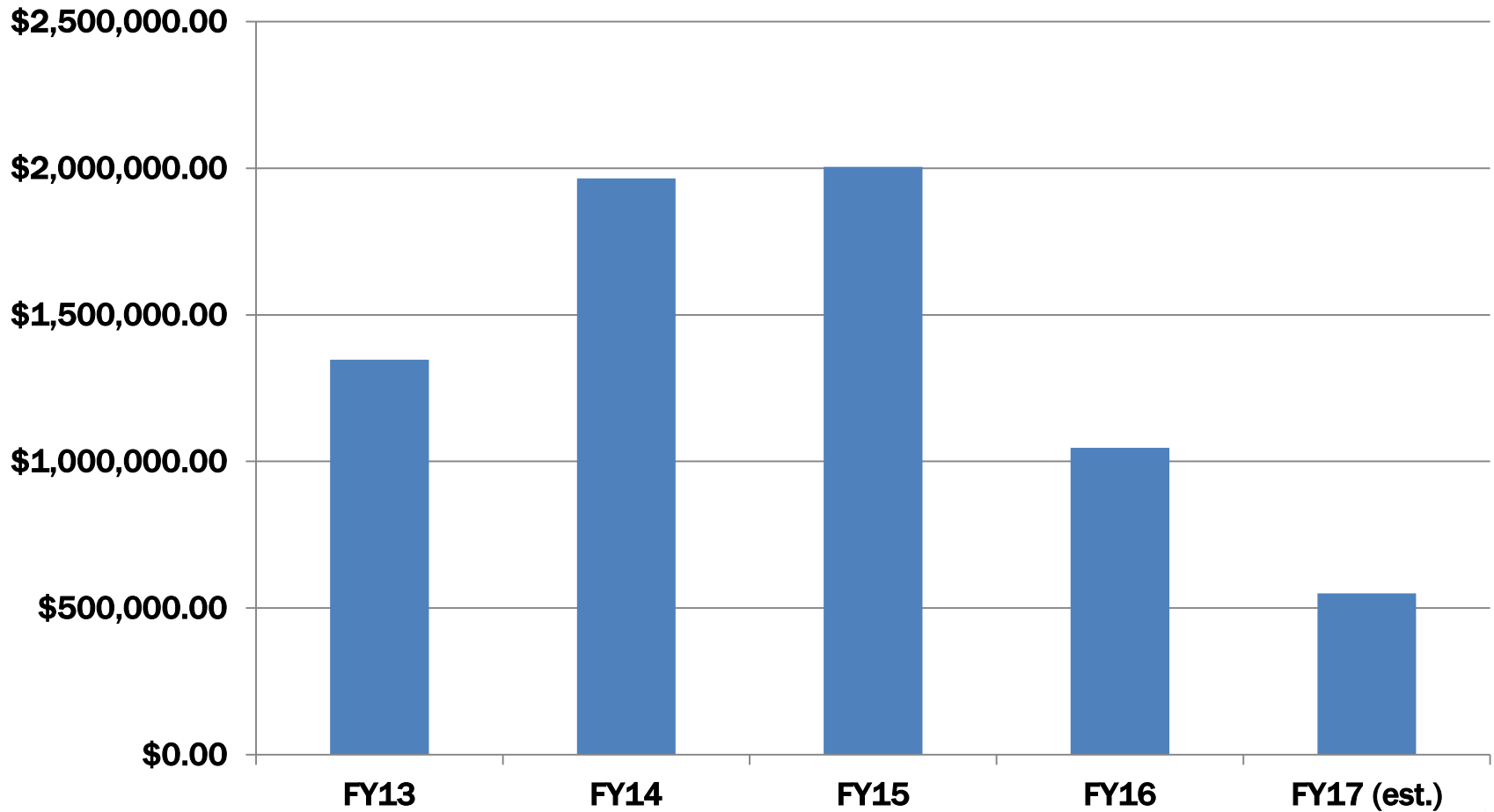
## INTERNATIONAL MARKETING

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- Alaska tourism is active in marketing in the United Kingdom, German-speaking Europe, Australia & New Zealand, Japan, South Korea & China
- Sales missions: \$155 per lead; trade shows: \$691 per lead
- Foreign language vacation planners: \$2.10 per planner distributed



## OVERSEAS MARKETING FUNDING ALLOCATION



**Thank you**

**Questions?**