

SENATE FINANCE COMMITTEE
LOG NOTES
01/23/01

GENERAL SUBJECT(S): Presentation by Alaska Travel Industry Association

The following overview was taken in log note format. Tapes and handouts will be on file with the Senate Finance Committee through the 22nd Legislative Session, contact 465-4935. After the 22nd Legislative session they will be available through the Legislative Library at 465-3808.

Time Meeting Convened: 9:02 a.m.

Tape(s): SFC-01 #4

	PRESENT:
x	Senator Donley
x	Senator Kelly
x	Senator Austerman
x	Senator Green
x	Senator Hoffman
x	Senator Leman
x	Senator Olsen
x	Senator Ward
x	Senator Wilken

ALSO PRESENT:
ANNE CAMPBELL, Chair, Alaska Travel Industry Association
TINA LINDGREN, President and Chief Operating Officer, Alaska Travel Industry Association

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LOG	SPEAKER	DISCUSSION
001	Co-Chair Kelly	Presentation by Alaska Tourism Industry Association (ATIA) Progress report on what has been going on since last year
015	Ann Cambell, Chair, Alaska Travel Industry Association	<p>Provided handouts which include a one page update, some information on levels of tourism funding for state tourism programs and a copy of the FY01 marketing implementation plan. Update of progress of Alaska Travel Industry Association.</p> <p>Two years ago the Alaska Legislature passed legislation mandating the consolidation of statewide marketing into a single contract to be administered by a qualified trade association and managed by the Department of Community and Economic Development. The mandate was the result of:</p> <ol style="list-style-type: none"> 1. The states decreasing ability to increase it's general fund contribution to tourism marketing. 2. It was to provide a mechanism by which Alaska industry businesses could voluntarily contribute a greater proportion of tourism marketing. 3. To consolidate all of the elements of the statewide tourism effort into a single point of contact.
051		In July of 2000 ATIA assumed responsibility for the statewide tourism-marketing program. Currently ATIA has just over 900 member businesses most of which are small businesses; 60 percent of our membership has 5 or fewer employees.
		ATIA is looking for programs and policies that benefit a wide variety of businesses. Regular membership is as low as \$100.
079		ATIA has encouraged participation in the association and continued to strengthen membership base.
086		<p>Fundraising efforts</p> <p>The FY01 marketing contract was a total of \$6.9 million of which the State general fund contributed \$4.85 million with ATIA or the private industry contributing just over \$2 million.</p> <p>Of the \$2 million that ATIA is required to match they have committed or collected just over \$800,000 from cruise partners, \$340,000 from community partners and destination marketing organizations and \$900,000 from</p>

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		memberships.
114		Anticipated to exceed required match this year somewhere in the neighborhood of \$300,000. All of those dollars will be used on marketing this year.
119	Tina Lindgren, President, Alaska Travel Industry Association	General overall goal is to market Alaska as a year-round destination. The program is research driven and results oriented.
130		Working well: marketing in one place and efficiency and better tie-ins with programs
148		Six major parts to marketing programs <ol style="list-style-type: none"> 1. Public relations 2. Advertising <ul style="list-style-type: none"> • Direct mail • Magazine adds 3. Niche marketing 4. Travel information <ul style="list-style-type: none"> • State vacation planner • Invitation to Alaska 5. Trade International program 6. Website, additional emphasis on Internet, travelalaska.com
220		These programs are designed so businesses can participate and there are many places to plug themselves in
		We are spending \$450,000 on payroll to implement a 7 million dollar program, which is pretty reasonable.
233		A couple challenges going on into the future. One is continuing to raise the match. Also see Alaska back on television. We are expecting by March to have a marketing plan for FY02. We have developed a good working relationship with the department. Consolidating and merging the efforts - we would benefit greatly by increased promotion. Alaska was at 7 th and we are now down around 33 rd . Starting to see some slipping, at the same time, 1 in 8 private sector workers is now employed by the tourism industry.
241	Co-Chair Kelly	Payroll?
255	Ms. Lindgren	\$450,000
	Senator Austerman	Not doing television now, but hope to in the future depending on the funding. What plans do you have in terms of that funding?
	Ms. Lindgren	Have about 9 subcommittees and 29 people on a marketing committee. In the last meeting they did express the desire to add image advertising. Hope is to increase by at least \$500,000 over this year's program and hopefully more than that next year by increased

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		contribution.
260	Co-Chair Kelly	Is competition for airtime on Television with foreign countries or with other states?
263	Ms. Lindgren	Cost is the competition.
273	Co-Chair Kelly	Noticed more foreign countries competing for Alaskan tourism dollars.
275	Ms. Lindgren	Absolutely. Europe is our biggest competitor, as well as, the Caribbean and Hawaii. We don't compete so much with other states as we do with other countries. Have seen a large increase in the number of countries on Television going after the same visitors.
277	Co-Chair Kelly	Are you doing anything for hunting?
282	Ms. Lindgren	Not at the moment. Currently not on the list as one of the first niches.
290	Senator Austerman	The 30 percent that is required of ATIA to match. Does that change over time?
292	Ms. Lindgren	The first two years, FY01 and FY02, it was 30 percent. The third year it goes to 60 percent.
	Senator Austerman	It stays at 60 percent?
	Ms. Lindgren	Yes.
302	Co-Chair Kelly	Thank you. Adjournment at 9:22 a.m.