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## Research

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To help develop and execute its annual Strategic Marketing Plan, the FCVB draws on many international, national and state visitor industry research studies while commissioning its own studies on Fairbanks.

### **Alaska Visitor Statistics Program (AVSP)**

*Alaska Visitor Statistics Program (AVSP) Summer (May-September) 2006*

The Alaska Visitor Statistics Program (AVSP) for summer 2006 was released in April 2007. For a complete report, visit <http://www.commerce.state.ak.us/oed/toubus/research.htm> for more details.

The AVSP research is a statewide program periodically commissioned by the State Department of Commerce, Community and Economic Development (Commerce) to collect information from visitors about their spending habits while traveling in Alaska to find out where they visited, the activities they enjoyed and whether they arrived by cruise ship or on their own.

For summer 2006, some facts differentiate Fairbanks from the rest of Alaska's visitors, especially from the high-volume port-of-call/daytripper(s) in Southeast Alaska:

### Daytrippers vs Overnight Guests

- Of the 1,631,500 visitors to Alaska, Fairbanks hosted about 24% (391,560) which includes daytrips. These figures include those visitors traveling for vacation/pleasure (82%), visiting friends and relatives, business and business/pleasure.
- Regarding regional data:
  - For the total volume, including daytrippers:
    - the majority of these visitors (71%) visited Southeast Alaska
    - 56% visited Southcentral
    - while 33% visited the Interior (including Denali)
  - This order changes when days visits (including cruise ship calls) are removed, showing only overnight visitors.
    - for overnight visitors, Southeast hosted 11%
    - 49% in Southcentral
    - while the Interior hosted 33%

- Regarding specific cities:
  - Juneau was the top visitor destination, capturing 63% of the total visitors but only 4% overnighed in Juneau
  - Anchorage had 50% of the overall and was the state’s most popular overnight destination with 41% of all overnight visitors
  - Denali was the fourth most popular overall with 28% of all visitors and the second most popular for overnight visitors with 25%
  - Regarding Fairbanks specifically, of the 1,631,500 visitors to Alaska, Fairbanks hosted about 24% (391,560) which includes daytrips. Fairbanks ranked seventh in overall visitation, including daytrippers.
  - However, of the 1,631,500 visitors to Alaska, most of Fairbanks' visitors stay overnight (23% of all visitors stayed overnight in Fairbanks or 375,245). Fairbanks ranked third for overnight visitors.

Cruise vs Noncruise visitors

- Regarding transportation market, of the 1.63 million summer visitors, 59% were cruise ship passengers, 36% were air visitors, and 5% were highway/ferry.
- Of the 375,245 visitors to Fairbanks, about 55% or 206,385 overnighed on a cruise ship; 45% or 168,860 were non-cruise or independent/independent tour.

AVSP/ATS Visitor Volumes\*

The chart below includes the visitor volumes from the *ATS Fairbanks Visitor Profile* conducted in alternate years in 2001, 2003 and 2005 as well as the recent AVSP.

Note: Fairbanks Estimated Visitor Volumes per Alaska Travelers Survey (ATS) are not absolutely comparable; ATS only measured overnight visitation; the AVSP figure includes daytripper(s) (however, the figure below is only overnight visitation); a significant difference between ATS and the current study is that AVSP includes business travelers (ATS included business travelers only when the respondent said they were combining business and pleasure).

<b>Year</b>	<b>Cruise</b>	<b>Non-Cruise</b>	<b>Total Summer Visitors May - Sept</b>
ATS 2001	131,000 (49.6%)	133,000 (50.4%)	264,000
ATS 2003	134,500 (49.6%)	136,500 (50.4%)	271,000
ATS 2005	161,000 (53.5%)	140,000 (46.5%)	301,000
AVSP 2006	206,385 (55%)	168,860 (45%)	375,245

## Air Visitors

- 66% of the visitors to Fairbanks entered Alaska by air
- 58% of the visitors to Fairbanks exited Alaska by air

## Expenditures

- The 1.63 million summer visitors to Alaska spent \$1.5 billion on their Alaska trip; this figure excludes travel to and from the state and excludes the price of cruise or cruise/tour/lodging package.

## Trip Purpose

- Of the 1,631,500 visitors to Alaska, the following was their trip purpose: vacation/pleasure (82%), visiting friends and relatives (9%), business (5%), and business/pleasure (4%).
- The visitors to Fairbanks showed very similar trip purpose to overall statewide trends: vacation/pleasure (85%), VFR (8%), business (5%), and business/pleasure (3%).

## Statewide Activities

- Compared to all visitors to Alaska, visitors to Fairbanks were more likely to engage in these activities:

Activity in Fairbanks		All Visitors	Juneau	Anchorage
1. Shopping	81%	71%	77%	71%
2. Wildlife viewing	77%	53%	58%	65%
3. Day Cruises	63%	40%	45%	47%
4. Train	57%	38%	53%	37%
5. City/Sightseeing Tours	52%	44%	59%	39%
6. Museums	44%	48%	27%	36%
7. Hiking/nature walk	38%	30%	26%	37%
8. Native cultural tours/activities	36%	20%	27%	21%
9. Historical/cultural attractions	28%	18%	21%	19%
10. Fishing	15%	20%	10%	22%

## Demographics

- Compared to all visitors to Alaska, visitors to Fairbanks had these demographic profiles:

Demographics of Visitors to Fairbanks		All Visitors
Origin		
Western US	26%	39%
Southern US	24%	19%
Eastern US	21%	13%
Midwestern US	18%	13%
Canada	3%	6%
Other International	8%	9%
Other Demographics		
Average party size	2.2	2.4
Male/female	50/50	48/52
Average age	54.1	51.6
Children in Household	17%	25%
Retired/semi-retired	48%	39%
College graduate	59%	59%
Average income	\$97,000	\$103,000

### *Alaska Visitor Statistics Program (AVSP) Winter (October-April) 2006-2007*

The Alaska Visitor Statistics Program (AVSP) for winter 2006-2007 is being prepared for release in November 2007. For a complete report, visit the following website:

<http://www.commerce.state.ak.us/oed/toubus/research.htm> .

Top-line preliminary findings include the following information on visitors from outside Alaska to Fairbanks for the day or overnight.

Total visitors to Alaska from outside the state: 249,500

Total to Fairbanks: 56,000 or 22%

What differentiates the Fairbanks visitors from the other ten communities/regions studied?

- More often used rental cars
- More likely to travel by air (98%)
- More likely to stay in hotels/motels
- Fairbanks has high rates of northern lights viewing
- Very satisfied ratings (2<sup>nd</sup> after Sitka)
- Fairbanks attracted higher rates of first-time Alaska visitors
- Fairbanks has higher percentages of international (other than Canada)

- 41% came to Fairbanks for business
- Average length of stay in state: 8.8 nights
- Visitors to Fairbanks have the highest average of statewide spending at \$931 per person per trip AND highest community spending at \$597 per person spent in Fairbanks.

Also, according to the AVSP study, Fairbanks is the only Alaska destination that has increased market share since 1993-94:

The table below shows visitation to each region over the years of AVSP, revealing only slight changes between 1993-94 and 2006-07. Visitation to Anchorage fell slightly from 80 percent to 76 percent; visitation to the Interior increased slightly from 25 to 29 percent; and visitation to Southeast fell from 16 percent to 12 percent. (Note: 2000-01 regional visitations were not measured in the same way as in the other two AVSP studies.)

### **Regions Visited - Visitor Trends**

<u>REGION</u>	<u>1993-94</u>	<u>2006-07</u>
Southcentral	80%	76%
Interior/Northern	25%	29%
Southeast	16%	12%
Southwest	8%	7%
Denali	6%	4%

Sources: 1993 data from AVSP III conducted by McDowell Group, Inc.

Note: Regional categories have been modified from other areas of this report to correspond with previous AVSP methodology.

## Alaska Resident In-State Pleasure Travel Study Report

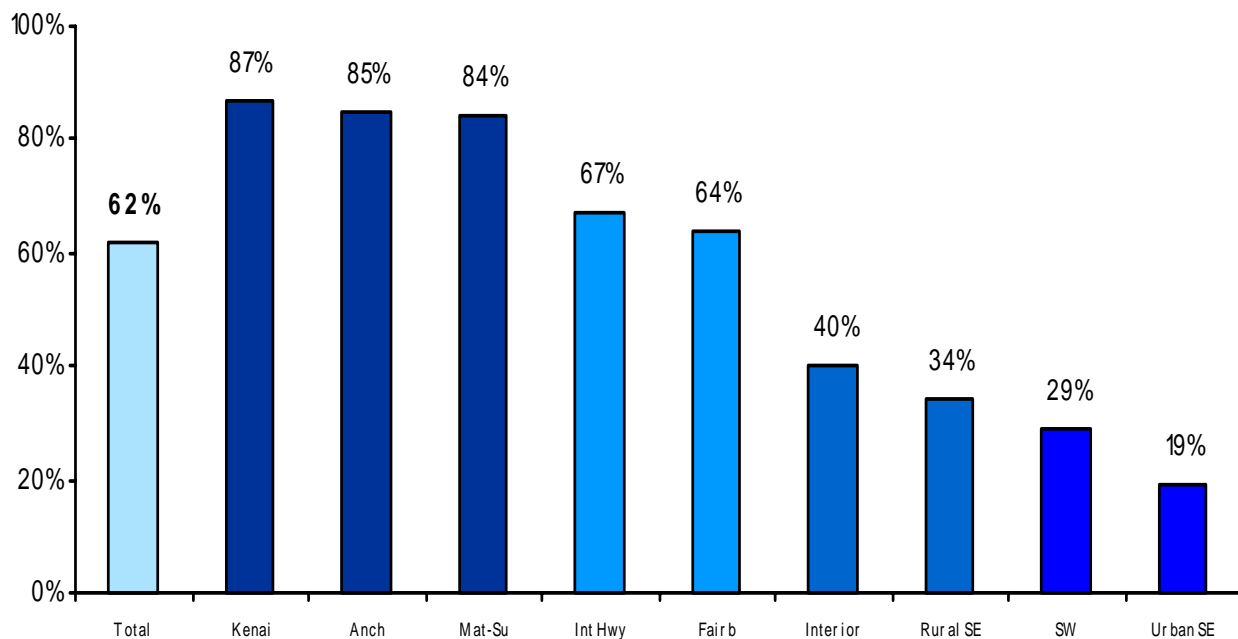
The Alaska Travel Industry Association commissioned a study in 2007 to analyze the preferences and patterns of Alaska residents traveling in the state of Alaska. Results were analyzed for the state as a whole as well as regions, including Fairbanks. For a complete report, visit [www.alaskatia.org](http://www.alaskatia.org). The following are excerpts from the report.

### Statewide > Day Trips

**Statewide, three in five (62%) residents took one or more day trips 50 or more miles from home but within the state of Alaska in the past year.**

- The more urban regions such as Kenai Peninsula, Anchorage and Mat-Su had significantly higher proportions of residents that took day trips in the past year. About two-thirds of Interior Highlands and Fairbanks residents also took at least one day trip.
- Residents in the Urban Southeast were significantly less likely to have taken a day trip in the past year.

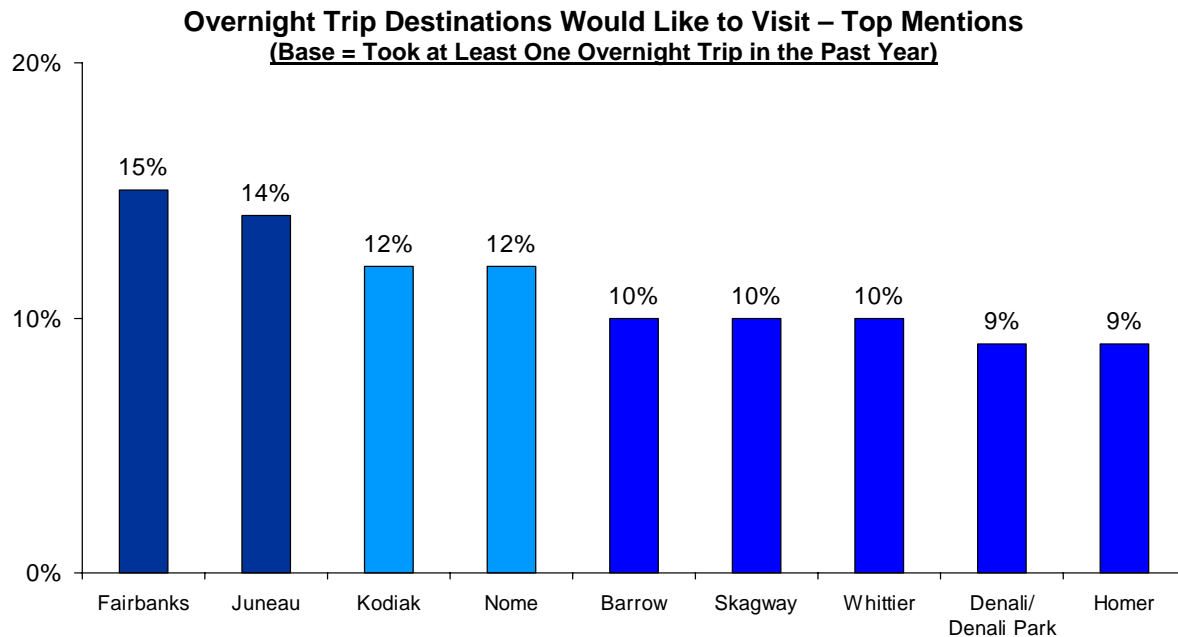
**Took a Day Trip in the Past Year**  
**(Base = All Respondents)**



**Q: In the past year, did you take one or more day trips where you traveled at least 50 miles or more from your home but stayed within the State of Alaska and the purpose of the trip was for pleasure, visiting friends and/or relatives?**

## Statewide > Overnight Trips

**Fairbanks (15%) and Juneau (14%) are the top-mentioned destinations that Alaska residents statewide haven't been to but would like to visit on a future overnight trip.**



**Q: What are 3 towns, places or points of interest within Alaska you have not been to but would like to visit on a future “out of town” overnight trip?**

### ATS Fairbanks Visitor Profile

The FCVB commissioned McDowell and Associates via the Alaska Travelers Survey (ATS) to study Fairbanks visitors in the summers of 2003 and 2005. A comparative analysis is summarized as follows; it may be obtained in its entirety from the FCVB.

### Fairbanks Non-Cruise Visitor Market Trends 2003 vs. 2005

- In 2005, a larger percentage of travelers said their primary trip purpose was to visit friends and relatives than in 2003 (20% vs. 12%).
- In 2005, significantly more non-cruise visitors were from the western US (40% vs. 26%).
- Instate patterns changed to reflect 58% staying overnight in Denali in 2005, compared with 66% in 2003.
- Visitors reported a shorter lead time for planning and booking their trip in 2005, dropping from 9.5 months to 7.8 months for planning and 4.4 to 3.5 for booking.
- Visitors reported a high use of guidebooks in 2005 (30%) with specific mention of the Milepost increasing from 3% to 8%.
- Internet usage grew from 64% in 2003 to 76% in 2005. The rate of online bookings grew from 33% in 2003 to 53% in 2005.

## **Fairbanks Cruise Visitor Market Trends 2003 vs. 2005**

- Cruise passengers also were more likely to be from the western US in 2005 compared to 2003 (30% vs. 19%).
- Tour patterns changed dramatically since 2003, when 70% of cruise passengers reported spending a night in Anchorage, whereas in 2005, only 43% spent the night.
- Participation in Alaska Native cultural tours and activities increased from 18% to 38%.
- Trip planning and booking time only declined slightly, with the decision to travel to Alaska made an average of 9.5 months in advance, compared to 10.2 months in 2003.
- Cruise passengers booked their arrangements an average of 6.6 months out, compared to 6.8 months in 2003.
- Internet usage increased from 56% in 2003 to 67% in 2005, and the rate of online bookings increased from 22% to 38%.

## **Images of Alaska 2006**

The objectives of the Images of Alaska 2006 Study were to identify the potential of the Alaska visitor market and the images/perceptions and strengths/ weaknesses relative to other travel destinations. It is also geared to measure change since the Images of Alaska 2000 Study.

Some of the highlighted conclusions from the Images of Alaska 2006 Study include:

- The market potential for Alaska has declined
- The West and South offer the greatest potential
- Interest in taking an Alaska vacation is high
- Cost and time are identified as the two top barriers for travel to Alaska
- Perceptions of Alaska as an excellent destination for natural beauty and wildlife should be accentuated through marketing efforts
- High potentials need more trip planning assistance
- Repeat market for independent travelers is significant
- Visitor satisfaction remains high
- Peak months of June, July and August continue to be the months when most visitors are likely to travel to Alaska
- High potentials are most interested in experiencing things that are most unique to Alaska\*
  - Experiencing the midnight sun (90%)
  - Seeing the glaciers (94%)
  - Seeing the northern lights (93%)
  - Seeing wildlife (92%)

NOTE: The FCVB inserted specific questions into this study to test its branding tenets. For example, in the bullet point above, the FCVB's positioning phrases "midnight sun" and "northern lights" resonated well with high potentials.

## **Denali Access and the Alaska Visitor Industry Study**

Denali National Park and Preserve is a prime destination for travelers to Alaska. As the number of visitors grows, demand for access to the park grows accordingly. This research – commissioned by the FCVB and conducted by the McDowell Group – examines the demand for access to Denali as well as future access challenges and possible solutions. The methodology was one-on-one executive interviews primarily with key group tour users of Denali National Park. Visitors to Denali expect to see wildlife, experience the wilderness and view Mt. McKinley. Maximizing utilization of the Park Road, alternative activities and experiences, new development within the Park in both South and North Denali and diverting demand to other National Parks are reflected in the research findings.

## **FCVB Annual Conversion Study**

In order to assist the FCVB in refining advertising and publicity efforts, the Conversion Study was a survey research project that the FCVB conducted annually for a three-year period. The purpose of the studies on inquiries in 2000, 2001 and 2002 was fourfold:

- To determine the conversion rates of prospective visitors from FCVB-generated inquiries through in-house media placements (both paid ads and publicity efforts) and lead database purchases from the Alaska Travel Industry Association (ATIA)
- To ascertain some demographic information of our visitors and inquiries
- To measure the effectiveness of FCVB marketing materials
- To deduce what the implications are for our marketing efforts

A summary of these studies via a PowerPoint format is available through the FCVB.

In Fall 2008, the FCVB has embarked on a 2008 telephone Conversion Study. An RFP was issued with GMA Research selected as the contractor for the project. An initial survey instrument has been received for review as of October.

## **Alaska Highway Travel 2006**

The Alaska Highway Travel 2006 study was prepared by GMA Research Corporation for North to Alaska. It includes data on the images and perceptions of a driving vacation through Canada into Alaska, past and future travel behavior, media habits of the consumers, Internet usage and advertising awareness.

Some of the highlighted conclusions from the Alaska Highway Travel 2006 Study include:

- Michigan ranks as the state with the highest potential for a driving vacation
- 32% of respondents thought first of beautiful scenery
- Road conditions, cost of facilities and transportation and “can’t take time to go” are barriers to a driving vacation
- Visiting national parks and seeing wildlife in their natural habitat are key to close to 80% of respondents
- Two persons make up 72% of the number of people in the immediate traveling party
- 96% of high potentials have taken a driving vacation of 600 miles lasting one week or longer within the past five years

## **Domestic Passenger Air Service at Fairbanks**

### **A Review of Existing Service and Comparisons to Anchorage**

While Fairbanks is setting records in passenger production and near records in revenue generation, growth lags behind Anchorage with several factors contributing to limited passenger growth.

The Domestic Passenger Air Service at Fairbanks study provides an overview and comparison of traffic at the Fairbanks International Airport between Fairbanks and Anchorage, market(s), demand(s), and short/long term recommendation(s) for future growth. This research was commissioned by the FCVB and conducted by Sixel and Associates.

### **National and International Research**

There are many sources of national research.

Below are two good online resources for general visitor industry research:

*Travel Industry Association of America (TIA)* [www.tia.org](http://www.tia.org)

*World Tourism Organizations (WTO)* [www.world-tourism.org](http://www.world-tourism.org)



## Research Request

**Person Seeking Information:**

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**Send via:**

Fax Number: (\_\_\_\_) \_\_\_\_\_

OR

E-mail: \_\_\_\_\_

OR

Mail : \_\_\_\_\_

**Information Requested:**

- \_\_\_\_ **Current FCVB Strategic Plan**
- \_\_\_\_ **Fairbanks Bed Tax Stats** (Borough and City)
- \_\_\_\_ **FNSB & City Lodging Facilities** (# of rooms)
- \_\_\_\_ **Border Crossing** (Poker Creek/AICan)
- \_\_\_\_ **Airport Arrivals/Departures**
- \_\_\_\_ **FCVB Log Cabin Visitor Stats**
- \_\_\_\_ **ATS 2003 Fairbanks Visitor Profile**
- \_\_\_\_ **ATS 2005 Fairbanks Visitor Profile**

**FAX TO:** (907) 459-3787

ATTN: Executive and Tourism Coordinator

**-OR-**

**MAIL TO:** Fairbanks Convention & Visitors Bureau

ATTN: Executive and Tourism Coordinator

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