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Alaska Marine Highway System Marketing and Pricing Study

Volume 2: Customer Research Findings and Recommendations

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I: Introduction

Statement of the Situation

Methodology Summary

The Nature of the Alaska Marine Highway System

The Alaska Marine Highway System (AMHS) is a far more complex system than the casual observer might assume. In fact, the system operates nine vessels serving 36 communities in two countries along two thousand miles of coastline. It offers multiple products (passage, cabins, vehicle, freight and food) in hundreds of possible combinations to a wide variety of markets. The AMHS is logistically more complex than major cruise operations, which have simple itineraries and just a handful of product combinations. A system like the AMHS must have detailed knowledge of its customers in order to provide appropriate service and to maximize revenue.

Historical Marketing and Pricing Policies

A review of past marketing and pricing policies is essential to put into context the current fiscal situation of the AMHS. Essentially, past policies have been politically based (as they should be to some extent as the AMHS is a public agency). The operation of the AMHS has always been complicated by the conflicting dual mandate of providing public transportation service while being held accountable for financial performance. These politically-determined policies have had devastating economic and market consequences to a system that should have been experiencing increasing traffic, growing revenue, and a declining deficit during the booming travel market of the 1990s.

The Marketing Deficit

Remarkably, for a business of its size, only about $150,000 of the ferry system's $70 million budget is available for marketing – specifically advertising and the design, printing, and distribution of marketing materials. Further, only $50,000 is actually spent on pro-active marketing, which is done through a generic regional-destination marketing program. Research shows that this program dilutes the AMHS sales message. Such a budget is more commonly associated with mom-and-pop tourism businesses that are a small fraction of the size of the AMHS. Were the AMHS a cruise line, it would have a marketing budget of at least $4 million and be making a good profit.

Instead, the system has been hamstrung by overall budget cuts, selective line-item reductions, and rising costs. As a result, the system has been deprived of two essential nutrients, the absence of which are fatal. First, it no longer has the ability to generate increased revenue for itself, since marketing money is minimal. Without marketing money, the system cannot be held accountable for increasing business or even stemming the decline of customers and revenue. Second, without the ability to efficiently serve prospective customers who do want to buy, the system cannot survive. Reservations staff shortages and technical shortcomings meant that 25% of all telephone inquiries to AMHS in 1999 ended in an unanswered call, and therefore, lost revenue. Again, the system cannot be held entirely accountable. On a positive note, efficiency measures and technology changes are reducing hold times in 2000.

In nearly forty years of operation, the AMHS has been at a disadvantage by having little market research to understand its markets and to guide key marketing, pricing, and service decisions. This study is intended to fill the need for decision-making information.

Market Intelligence Goal

A principal objective of this study is to provide information and analysis on the market for the AMHS. The primary purpose of *Volume 2: Market Research Findings and Recommendations* of the *AMHS Marketing and Pricing Study* is to provide extensive research and analysis of current and potential AMHS markets. The goal is then to increase volume and revenue from both current and potential markets through developing a comprehensive marketing and pricing strategy presented in *Volume 3: Marketing and Pricing Strategy*.

Research Methodologies

Seven major research tasks are reported in this document. Section III, AMHS Current Customer Profiles, details the methods and results of a comprehensive series of on-board surveys of 2,500 current AMHS customers during the twelve-month period ending in June 2000. These surveys were administered by professional McDowell Group surveyors on board all vessels and on nearly all voyage links. The research is divided in to three seasonal markets – summer, winter and spring with the heaviest emphasis on the dominant summer market.

Section IV, AMHS Potential Market Profiles, details the methods and results of four research tasks. Telephone surveys of high potential markets included AMHS Inquirers Survey (250), AMHS High Potential Alaska Visitors Survey (400) and Alaska Resident Market Survey (400). Finally, two focus groups of high potential customers in a key AMHS West Coast market were conducted to determine effective sales message and product appeals and to evaluate the effectiveness of current AMHS marketing efforts.

Report Organization

Volume 2: Market Research Results and Recommendations, contains three major sections. Section II summarizes the major findings of the study's market research tasks. This section then describes the marketing implications of major findings and identifies action items for inclusion in the marketing and pricing plan portion of the study. Section III delivers detailed results of market research on the current market while section IV contains results of the study team's research on potential markets.

Methodology Summary

Following is a summary of the methodologies employed to develop market research information on the two major markets of interest to the AMHS: Current Customer Markets and Potential Customer Markets.

AMHS Current Customer Market Research

For purposes of this study, the current customer market was divided into summer, winter and spring markets. The study team designed a comprehensive two-part survey and then conducted over 2,500 on-board interviews of AMHS customers for the 12-month period ending June 2000. Professional McDowell Group surveyors administered the survey on every ship and nearly every voyage link on the system. Complete detail and analysis for each seasonal market is contained in this document, *Volume 2: Market Research Findings and Recommendations*, of the *Alaska Marine Highway System Marketing and Pricing Study.*

AMHS Potential Customer Market Research

The study team conducted four major research efforts – three surveys plus a pair of focus groups – analyzing the most promising potential AMHS markets. The three surveys were conducted by telephone, with individuals selected at random from the following groups:

- Individuals living in North America, but not Alaska, who called or wrote to the AMHS during the first half of 1999: 250 surveys.
- Individuals from outside Alaska who contacted the Alaska Tourism Marketing Council during 1999 to request information about travel to Alaska. These included both individuals who expressed an interest specifically in ferry travel, and individuals who said they were interested in other forms of travel or had no preference: 400 surveys.
- Residents of the 36 coastal Alaska communities served by the ferry system: 400 surveys.

The focus groups targeted residents of a major Pacific Northwest city who had requested information about the AMHS during the past year: 19 focus group participants.

The analysis that follows contains recommendations for successfully converting high potential markets into future AMHS customers.

II: Summary of Results and Recommendations

Current AMHS Customer Profile Summary

Potential AMHS Customer Profile Summary

Introduction

The following analysis consists of selected highlights summarizing the differences and similarities among the three major seasonal markets served by the AMHS, as identified by the results of a comprehensive on-board survey. For purposes of this study, the market was divided into summer, winter and spring markets. The study team conducted over 2,500 on-board surveys of AMHS customers for the 12-month period ending June 2000.

Summer Market

Summer is clearly the current dominant market, bringing in most of the year's revenue and carrying the majority of the system's vehicles and passengers. Summer is also the market that can yield the lion's share of increased revenue with the marketing and pricing strategies recommended by the study team. The system – with the exception of some voyages on the Bellingham run – has a significant amount of unused capacity even in peak summer season. The product is available to sell. Further, the summer market considers the AMHS an extremely good bargain, opening the door for substantial peak-season price increases over time.

Spring Market

The spring market (May and early June) is the market that has the most proportional growth potential. For years, the rest of the visitor industry has expanded heavily into the spring season, which is a much easier sell than Alaska's fall season. An added benefit is that spring appears to attract longer staying independent visitors to Alaska, who have the economic ability to buy the AMHS product and to bring substantial benefits to Alaska overall with their longer stays in the state.

Winter Market

Winter season has the least potential for additional revenue. Service is limited. The market is predominantly residents (who are more price sensitive and can inflict political consequences on the system), and the Alaska experience is most difficult to market to visitors from October through April. However, growth potential does exist for the winter season. A large percentage of winter visitors still use the AMHS for pleasure purposes and are attracted by the viewing/cruising/relaxation aspects of the experience.

Customer Satisfaction Ratings

This study confirms that AMHS customers in all seasons are quite satisfied with their overall AMHS experience, and with the customer service personnel in all parts of the system. Nineteen out of twenty customers rate their overall AMHS experience good or very good (4 or 5 on a 1-to-5 scale). Less than 3% of the total market (only 1% of the dominant summer market) gives poor ratings for their overall experience. AMHS customer service personnel ratings are equally as good. Three out of four give AMHS personnel a very good or excellent rating (6 or 7 on a 1-to-7 scale), and only 2% of the total market assigns a negative rating to AMHS customer service personnel. These are remarkable ratings by any standards, including those of the Alaska cruise industry, and vary little by season.

AMHS customers do have some specific gripes that need to be addressed: phone reservations, reservations overall, waiting time for loading, inconvenient sailing times, available seating/sleeping accommodations, food quality, and meal service hours. Compared to other ratings, these are significantly lower and are negative for too many AMHS customers. Most deficiencies are off-ship issues in two categories – insufficient access to the absolutely critical information and reservations functions, and mechanics of scheduling and loading.

Marketing Implication:

The AMHS has a great on-board product to sell, so aggressive marketing will immediately boost traffic and revenue. Simply getting the word out about what the AMHS already offers will have significant positive impacts on revenue. Improving reservations and information functions to modern-day tourism industry standards will have a dramatic affect on sales.

Most-Liked and Least-Liked Aspects

By far the most popular aspect of the summer market's AMHS experience is the Alaska experience itself – scenery/sightseeing/views/mountains (which we will call the Alaska marine viewing experience). This is followed by another vacation aspect – relaxation. Dislikes centered on off-ship experiences of inconvenient sailing times and long departure waits. Poor food was the leading on-board complaint.

Seasonal market differences exist. Over one-half of summer market customers mentioned the viewing experience as the most-liked aspect of their AMHS experience. Only half this percentage of winter customers mentioned the marine viewing experience. However, it is still the leading most-liked aspect for the winter market. Spring customers closely resembled summer customers in their likes. Winter customers did not complain about long waiting times.

Marketing Implication:

Getting up-close to the real Alaska in a relaxing setting should be the focus of the marketing message.

Customer Characteristics

Significant seasonal market differences exist in terms of resident/visitor composition, trip purpose, traveling party composition, vehicle lengths, and repeat usage of the system. Visitors dominate the summer market and Alaska residents dominate the winter market. But the leading trip purpose for all three seasonal markets is vacation/pleasure.

Most AMHS summer customers travel for vacation and pleasure purposes, while more than one in three winter customers do so. However, vacation/pleasure travel is still the most common trip purpose for the winter and spring markets. About one-half of spring customers are on a vacation/pleasure trip.

Visiting friends and relatives is an important purpose for all seasonal markets. Winter customers are the most likely to travel for personal reasons such as relocation, medical and shopping, and for business only.

Most summer and spring customers travel with their spouse/partner or friends and relatives. Winter customers most commonly travel individually. Group travel is a small portion of every seasonal market, although more common in summer.

The big money for large vehicles is in the summer. The proportion of vehicles 20 feet and over is triple in summer compared to winter and nearly double that of spring customers. Nine of ten winter vehicles are under 20 feet in length. The winter market is moderately more vehicle-oriented with 61% of all winter customers coming on board with a vehicle.

Customer Information Sources

AMHS customers like to do much of their own trip planning. Access to information about the AMHS and related travel products is very important to them.

AMHS customers use multiple information sources to plan their AMHS trip. The ferry brochure and schedule, friends and relatives, 800 number, and the Internet/web page are the dominant sources of information about ferry travel. *The Milepost* guidebook and travel agents are also important.

Use of the Internet and the AMHS Web site has doubled in spring 2000 compared to just nine months ago in summer 1999. One-half of AMHS spring customers used the Internet for AMHS trip planning. Internet use by spring customers now equals the ferry brochure/schedule as the leading source of information about the AMHS.

Customer Trip Patterns

Repeat Customers

The resident market in all seasons is almost entirely a repeat market, indicating strong habitual use by the current market, but also low recruitment of new resident customers. Lack of an in-state marketing effort and a resident difficulty with phone reservations access are likely reasons for the lack of new resident customers. Some in-state marketing will stimulate winter travel, but the study team's recommended priority is to invest almost all marketing money in the summer and spring visitor markets, in that order.

The AMHS attracts a higher percentage of repeat Alaska visitors than the tourism industry does overall. This is positive because it means that summer visitors who know about the system from previous trips are more likely to use it. Marketing programs to current Alaska visitors in general should stimulate business.

Winter and spring customers are far more likely to be repeat AMHS customers than are summer customers. More than one-half of them “keep coming back.” Marketing programs reaching the current winter market can increase traffic from repeaters.

Mainline vs. Shuttle Service

The market response to ending mainline voyages in Juneau and shuttling to Haines and Skagway (and vice-versa) was a net loss. All markets prefer mainline over shuttle service, though about a third prefer the shuttle option. The critical summer market was least adamant about their mainline preference. More customers in all seasons prefer mainline service all the way to the stop-and-shuttle alternative, though a quarter to a third of seasonal markets did prefer the shuttle option. All markets thought that the shuttle system discouraged rather than encouraged AMHS use. The long-run solution is to offer both alternatives.

Length of Trip

AMHS visitors, especially those in spring and summer, stay in Alaska for significant periods. Summer AMHS visitors stay in Alaska much longer – a mean of 20 days and a median of 14 days – than the nine-day statewide visitor average. The mean is affected by long-stay RV users who spend weeks, and sometimes the entire summer, in the state. Spring AMHS visitors stay even longer (mean of 31 days, median, 16 days), as a portion of this market gets an early start on their long stay in Alaska. Not only will spring season marketing help fill the AMHS when lots of capacity is available, but the rest of Alaska will benefit from encouraging long-staying RV'ers who travel throughout the state.

Alaska Places Visited

Anchorage and Fairbanks are major beneficiaries of AMHS' seasonal customer markets. This is true year-around and especially during the dominant summer season. Anchorage gets more summer AMHS customers (35% of AMHS total summer customers and 46% of AMHS summer visitors) visiting the city than any port on the system except Juneau, the hub of the Southeast system. Not only do AMHS customers visit Anchorage, but they stay for an average of three days. Anchorage also gets 26% of spring AMHS traffic and 12% of the winter trade.

Fairbanks ranks seventh on the list of Alaska cities most frequently visited by AMHS summer customers, yet the nearest AMHS port is over 300 miles away. This Interior center hosts 16% of summer AMHS traffic and has the added benefit of longer-stay AHMS customers, who visit Fairbanks for an average of five days. Fairbanks gets 12% of the AMHS spring market and 4% of the system’s winter market.

Marketing Implication:

When the AMHS benefits economically from an increased commitment to marketing and revenue generation, Alaska in general benefits. When the AMHS markets its product, it also markets for the rest of the state, particularly areas such as Anchorage and Fairbanks that have substantial tourism infrastructure.

Transportation Alternatives

AMHS customers see the system as a unique one-of-a-kind product, very different from other transportation, touring or cruising options. As a result, the AMHS has no competition for two-thirds of each seasonal market – an enviable market position. Most AMHS customers simply want the AMHS experience, period. When it does compete, it is primarily for foot traffic with major airlines flying between major cities, and to a lesser degree, with small airlines flying between smaller communities. Only one in twenty summer and spring customers considered a cruise ship before choosing the AMHS.

Major airlines were considered least by the dominant summer market, most by the winter market. Probably because a spring start offers lots of summer time in Alaska, driving was considered least by the summer market and most by the spring market. Only one in twenty AMHS customers considered a cruise ship.

When the AMHS does compete for its critical summer market, the dominant deciding factor in the system's favor is the familiar theme of the Alaska marine viewing experience (scenery/wildlife/relaxation/cruising Inside Passage). The vehicle option is a major deciding factor in all three seasons, even more so in winter. Lower cost than other alternatives is the third major factor for choosing the AMHS over competitive alternatives.

Marketing Implication:

The AMHS needs to concentrate only on selling its own highly rated, unique, one-of-a-kind product to increase revenue substantially. Competition is not the issue, marketing is. Air travel, driving, and large ship cruising are not at all comparable to the AMHS experience. AMHS should emphasize AMHS' Alaska marine viewing/relaxation/cruising theme and the unique features of this experience to all seasonal markets, especially to the summer and spring markets, where the return will be greatest.

Perceived Value and Spending Patterns

AMHS customers in all seasons perceive the AMHS experience a good buy for the money – especially passage fares and the overall AMHS cost. The winter market is the most price sensitive on cabins and vehicles, and the spring market is more price sensitive than the summer market. All markets assign the lowest ratings to vehicle fares and food, but even in these cases, good ratings exceed poor ratings by at least a two to one margin.

The key dominant summer market is most impressed with the value received. Overall value ratings (71% good/very good value vs. 5% poor/very poor value) are exceptional and the passage value rating is even higher. Even vehicle fares get a 52% good vs. 17% poor rating by the summer market.

AMHS traveling parties spend a significant amount on their AMHS experience. Each AMHS traveling party pays between $300 (summer resident market) and $1000 (spring vehicle market) to the system alone, not counting any other spending in Alaska. Even a summer foot passenger party generates $400 for the system and the dominant summer visitor market spends well over $700 each.

Marketing Implication:

Significant summer price increases will do little to discourage the summer market and will boost revenues immediately. Modest price increases in winter will have little affect on volume. Most fares on the system are under-priced by any standard – AMHS customers are clear on that point. Raise prices in summer season. Raise them substantially for passage, moderately for cabins, and some for vehicles. (See *Volume 1* for specific pricing recommendations). Further, each customer is worth a significant amount so any increase in conversions, through better information and reservations service. will pay big dividends.

Customer Demographics

The summer visitor market comes from throughout the U.S. and the world, consists mostly of visitors, and is older and more affluent than other seasonal markets. Nearly one in three summer visitors on the AMHS are from overseas (mostly Europe) and Canada. All AMHS seasonal markets are significantly younger (under 50) than the overall Alaska visitor market.

The winter market is predominantly Alaska residents. Winter visitors are primarily Western U.S. residents, with some coming from overseas. The spring market is most like the summer market in terms of demographics.

Marketing Implication:

The AMHS has obvious appeal to both U.S. and foreign markets, even with minimal marketing of the system in either area. Marketing in prime U.S. regions, Western Canada, Europe, and Australia/New Zealand will stimulate additional volume and revenue from affluent markets willing to pay more than the system now charges.

AMHS Passenger Survey
Seasonal Market Profiles
Summer 1999, Winter 1999-2000, Spring 2000

	Summer	Winter	Spring
Resident and Visitor Markets			
Residents	28%	73%	48%
Visitors	72	27	52
Customer Satisfaction Ratings			
Overall AMHS experience			
Good/very good	93%	87%	94%
Poor/very poor	1	5	4
Overall customer service rating			
Very good-excellent	75%	74%	77%
Poor/very poor	2	3	1
Timeliness of phone reservation service			
Very good-excellent	49%	43%	50%
Poor/very poor	24	27	23
Timeliness of Internet reservation service			
Very good-excellent	46%	41%	56%
Poor/very poor	14	15	8
Overall reservation service			
Very good-excellent	61%	60%	60%
Poor/very poor	9	11	8
Convenience of arrival/departure times			
Very good-excellent	37%	34%	47%
Poor/very poor	22	26	13
Ship cleanliness			
Very good-excellent	73%	80%	73%
Poor/very poor	4	1	4
Meal quality			
Very good-excellent	48%	44%	46%
Poor/very poor	12	11	8
Most liked aspect of ferry experience			
Scenery/sightseeing/views/ mountains	51%	26%	42%
Relaxation	17	22	14
Meeting/talking/gathering/new people	9	9	7
Least liked aspect of ferry experience			
Departure times/early loading/ late arrival	11%	14%	5%
Waiting time to depart	9	2	7
Food	8	7	4

AMHS Passenger Survey
Seasonal Market Profiles
Summer 1999, Winter 1999-2000, Spring 2000 (continued)

	Summer	Winter	Spring
AMHS Trip Characteristics			
Resident repeat AMHS users	90%	86%	79%
Visitor repeat AMHS users	16	60	39
Repeat Alaska visitors	36	54	37
Ferry trip information sources			
Ferry brochure/schedule	48%	55%	50%
Friends/family	35	24	36
Ferry system 800 number	26	29	37
Internet	24	23	46
Web page	19	19	37
Main reasons for trip (multiple choices			
Vacation/pleasure	74%	37%	57%
Visiting friends/relatives	22	25	23
Personal reasons	16	36	26
Business only	8	23	24
Business/pleasure	8	10	3
Length of Alaska trip (visitors only)			
Mean	20 days	35 days	31 days
Median	14 days	10 days	16 days
Passenger type			
On Foot	45%	39%	45%
With a Vehicle	55	61	55
Vehicle length			
Under 20 feet	69%	88%	82%
20 feet and over	31	12	18
Ferry option preference			
Prefer shuttle service	33%	31%	25%
Prefer main line service	43	57	65
Travel party			
With spouse/partner	36%	23%	36%
Individual traveler	24	50	32
With group	10	5	3
Alaska places visited/ median days stayed			
Juneau	48%/ 3 days	32%/ 3 days	31%/ 3 days
Anchorage	35/ 2	12/ 3	26/ 3
Skagway	29/ 3	15/ 2	31/ 1
Ketchikan	27/ 2	23/ 3	21/ 3
Haines	25/ 3	27/ 1	29/ 1
Valdez	17/ 2	3/ 2	10/ 2
Fairbanks	16/ 3	4/ 3	12/ 2
Average party size	2.5 people	2.2 people	2.2 people

AMHS Passenger Survey
Seasonal Market Profiles
Summer 1999, Winter 1999-2000, Spring 2000 (continued)

	Summer	Winter	Spring
Value for the Money Ratings and Spending on AMHS			
Perception of value for the money			
Passage (good value/poor value)	78% /6%	74%/ 8%	76%/ 6%
Cabin (good/poor)	65/ 12	50/ 25	55/ 15
Vehicle (good/poor)	52/ 17	39/ 31	38/ 21
Food (good/poor)	50/ 19	41/ 23	44/ 18
Overall (good/poor)	71/ 5	62/ 7	63/ 14
Average per party AMHS spending	$576	$653	$924
Visitor party	731	986	925
Resident party	301	537	924
Foot party	401	412	792
Vehicle party	701	761	1015
Competitive Considerations			
Other options considered			
None, only considered AMHS	64%	65%	68%
Major airline	11	18	14
Small plane	10	7	14
Driving	5	13	18
Large cruise ship	5	0	4
Reasons for choosing ferry system over other options			
Scenery/wildlife	32%	8%	20%
Vehicle option	29	43	25
Lower cost	26	27	16
Relaxation	23	14	17
Cruise Inside Passage	22	15	31
Demographics			
Origin: Alaska residents			
Juneau	22%	21%	16%
Ketchikan	18	10	9
Anchorage	7	6	10
Fairbanks	3	4	7
Origin: Visitors			
Western US	33%	52%	38%
Overseas	19	12	17
Midwest US	17	12	21
South US	14	17	9
Canada	8	8	4
East US	8	3	11
Average age (of respondent)	49 years	45 years	46 years
Average household income	$60,300	$52,200	$57,400

AMHS Potential Customer Profile Summary

Introduction

The major market research task of this study was the on-board surveys of over 2,500 current AMHS customers summarized in the preceding section. These surveys identified the existing market and resulted in a number of marketing and pricing recommendations for increasing volume and revenue.

The next step was to conduct four major research efforts – three surveys plus a pair of focus groups – analyzing the most promising potential AMHS markets. Following this analysis are recommendations for successfully converting high potential markets into future AMHS customers.

The Best Prospects – AMHS Inquirers

The best prospects for AMHS travel are potential Alaska visitors who already inquired about it directly from the system through mail, e-mail, fax or telephone. These people have qualified themselves as the premium group of prospects by their direct expression of interest and by the effort they went to locating the AMHS reservation and information system. The number one marketing objective of the system is to maximize the conversion of inquiring prospects into customers. The study team surveyed a sample of 250 AMHS inquirers who are non-residents of Alaska.

The Next Best Prospects – High Potential Alaska Visitors

Much of Alaska tourism marketing is centered around the statewide tourism marketing program, formerly conducted by the Alaska Tourism Marketing Council, and now conducted by the new Alaska Travel Industry Association. This program – through advertising, public relations, and list fulfillment – generates several hundred thousand qualified names of people interested in travel to Alaska. The study team selected a sample of 400 high-potential Alaska visitors from these lists. The research determined conversion rates of potential Alaska visitors to becoming actual AMHS customers and studied how to increase the rate of conversions of this well-defined group of prospects.

Alaska Resident Market – Prospects at Home

Alaska residents are the dominant winter market and account for three of ten summer users. Four hundred Alaska households – both AMHS customers and non-customers – living in the 36 communities served by the system were surveyed. The research investigated how to increase current market use and stimulate conversion of non-customers.

High Potential AMHS Customer Focus Groups

Focus groups of potential AMHS riders were essential to evaluating the effectiveness of current marketing efforts. The system currently has virtually no targeted marketing program specifically selling the AMHS product. Instead, the system's single marketing and information effort is participation in a generic regional Alaska/Canada cooperative program called *North! To Alaska.* The system's product appeal and the effectiveness of the current program were evaluated in focus groups consisting of high potential Alaska and AMHS prospects. An independent research firm in one of Alaska's most important metropolitan markets conducted the focus group study.

The following summary of findings combines the results of the four research tasks under several topic headings. See *Alaska Marine Highway System Marketing and Pricing Study, Volume 2: Market Research Findings and Recommendations* for complete analyses and statistics on these four studies of potential customers.

Conversion of High Potential Markets

AMHS Inquirers

The AMHS converted 35% of its best prospects – potential Alaska visitors who inquire directly to the system through phone, mail, e-mail, and fax – into AMHS customers in 1999. This does not include discouraged prospects, specifically, the 25% of phone inquirers who terminated their calls after holding for service in 1999. Another 21% of AMHS inquirers came to Alaska in 1999 but did not use the system even after directly inquiring. Most inquirers who did not come to Alaska in 1999 expect to come in the near future, meaning these people remain blue chip prospects

Marketing Implication:

Even a modest improvement in the conversion rate of AMHS' best prospects would have a dramatic effect on gross revenue. A 10% (to 45%) increase in conversions could raise revenue by at least $5 million. Increased conversions of inquirers can be accomplished by:

- reducing terminations of prime prospects by cutting hold times to industry standards
- improving reservations system technology, speed and procedure
- training reservations specialists as sales agents instead of order-takers and providers of non-AMHS (i.e., non-revenue) information
- developing a state-of-the-art Internet presence
- developing a AMHS-specific brochure
- following up on past inquirers.

for AMHS conversion and should be re-contacted.

Marketing Implication:

The conversion rate of qualified high potential Alaska visitors whose names and addresses are immediately available to the AMHS is quite low. An increase of 5% to 22% in the conversion rate of those expressing interest in the AMHS would bring millions into AMHS coffers. Increased conversions of identified, qualified high potential Alaska visitors can be accomplished by:

- marketing to them (over 100,000 mentioned interest in the AMHS)
- sending them AMHS-specific information adequate for making the sale
- participating in the statewide tourism marketing program
- placing large advertisements in the most obvious places (i.e., *The Milepost*, *North! To Alaska* brochure, Alaska vacation Planner),
- packaging the AMHS product in easy-to-buy itineraries
- packaging the AMHS product with other tourism operators.

High Potential Alaska Visitor Prospects

The conversion rate of high-potential Alaska visitors (names drawn from the ATMC program lists) *who also specified interest in the AMHS* was 17%, about one-half the conversion rate the AMHS gets from its own direct inquirers.

Competition for High Potential Alaska Visitor Conversions

Airlines and cruise companies have little to fear from the AMHS. Only 2% of those interested in air travel and 7% of those interested in cruise ship travel to Alaska converted into AMHS customers. The AMHS conversion rate for those first expressing interest in travel to Alaska by highway is 15%. This means the real competitive challenge for the AMHS is to convince vehicle owners of the benefits of AMHS travel.

The AMHS seems to have little to fear from airlines and cruise lines. Two-thirds of current customers do not consider any competitive alternative before choosing the AMHS.

Motives for AMHS Customer Conversion

Converts chose the system primarily to "cruise the Inside Passage" and for "relaxation." Overall, the marine viewing/cruising experience (usually expressed in terms of "cruise the Inside Passage") was by far the dominant motive for purchasing the AMHS product. This was evident in all potential AMHS customer research, *including* the summer resident market.

Focus groups of high potential AMHS customers further support this motive. Participants were enthusiastic about the AMHS experience because they want to "get up close and personal with Alaska in a way cruise ships can't." They see the AMHS as the only way to do that. This helps explain why most AMHS customers do not consider a competitive means of Alaska travel.

> **Marketing Implication:**
> The central message for making the AMHS sale is clear: "Cruise Alaska and view its scenery and wildlife up close, the Alaskan way, with casual on-board ambience."

Deterrents to AMHS Customer Conversion

Those who did not convert cited "inconvenient schedule" (which means both the time of departure and arrival and the fact they often couldn't book when they wanted to go) and "too expensive", a comment that applied mostly to vehicle costs, rather than to passage and cabin fares. Over one-third of prime prospects are traveling with a vehicle, but the majority of high potential prospects appear to be foot passengers. Not getting the requested information also appears to be a deterrent in making the sale.

Information and Marketing

Information Sources

The Internet and the AMHS brochure/schedule were the two leading sources for those who convert to AMHS customers. For high-potential ATMC prospects, friends and family and Alaska Convention and Visitors Bureaus are at the top of the list. Only one in nine specifically remembered using the *North! To Alaska* brochure for planning their AMHS trip, though more than that likely used it because it was the only hard-copy source for schedule information. The Internet is quickly becoming the dominant information source, according to our most recent AMHS customer data.

> **Marketing Implication:**
> The Internet is the present and the future. A state-of-the-art Internet information, marketing, and reservations presence will increase conversion rates, attract additional markets, and relieve pressure on the phone and mail reservations systems, making them more efficient and productive in return.

Information Request Fulfillment

Unfulfilled requests appear to be a problem – one that likely contributes to lack of conversion of prime prospects. Some focus group participants, understandably, did not recognize the all-purpose *North! To Alaska* brochure as being the AMHS information they requested. Instead, they thought they hadn't received AMHS-specific information.

Ten percent of all inquirers said they did not receive the information they requested. More significantly, nearly twice as many (18%) non-converts said they did not get the information they requested compared to 4% of those who did convert to Alaska visitors.

Marketing Implication:

Conversions can be increased by:

- improving fulfillment response to 100%
- mailing out an AMHS-specific free-standing brochure that is recognized as the AMHS piece.

Effectiveness of Current AMHS Marketing Efforts

High potential AMHS prospects in the focus groups did not think the *North! To Alaska* brochure was sufficient to make an AMHS sale. They felt that it did not market the AMHS effectively. Independently conducted focus groups in a major West Coast market area identified the AMHS primary marketing program (*North! To Alaska* and the schedule included in the all-purpose regional brochure) as inadequate for converting high potential prospects into AMHS users.

Both high potential and actual AMHS customers in the groups said the *North! To Alaska* piece was useful for general overall trip planning to Western Canada and Alaska. In the opinion of the study team, the declining market presence of the AMHS is in part due to the obscure and diluted AMHS sales message in the large destination brochure.

Marketing Implication:

Every operator in the tourism industry worldwide has their own marketing program and marketing sales piece. No other operator in the *North! To Alaska* program depends only on that program and collateral piece to make their sales. The AMHS should:

- develop a free-standing AMHS-specific marketing program and brochure, relying primarily on it to make the conversion, and
- continue participation in the *North! To Alaska* program with two significant changes: Send the AMHS-specific free-standing brochure to every inquiry generated by the program; and take a full-page ad (preferably front or back cover) in the *North! To Alaska* brochure.

Demographics of High Potential Prospects

Prospects tend to be older and more from the Western U.S. than actual AMHS users. High potential prospects have about the same level of affluence as actual AMHS customers.

Resident Market Considerations

In general, past resident use of the AMHS is high (nine of ten have used it in the past) but not particularly frequent (only one in four used it at least five times in the last year). Resident use is not declining significantly. Most say they are using the AMHS about the same as in the past.

The schedule is by far the dominant source of AMHS information for residents with only a small minority using the Internet or the 800 number.

Forty-five percent of residents' use the AMHS for vacation and pleasure. Only 24% use it for business.

Overall, residents think they are getting their money's worth, especially when it comes to passage fare. They rate vehicle fares as average in terms of value for the money and cabins as a pretty fair buy.

Marketing Implication:

The major potential for increasing revenue from Alaska residents is based in the state's major urban markets and in vacation/pleasure travel which is a discretionary expenditure. Residents' major use of the system typically is for vacation/pleasure.

Most barriers to additional resident use are not really under AMHS control. Residents are unlikely to respond in sufficient numbers to reduced fares so discount programs would likely yield a net loss of revenue. Response to the winter pass was positive from a surprisingly high share of the market. Devote most marketing expenditures to outside markets where the potential for return is much higher. Then, increase revenue from residents by:

- stressing vacation/pleasure uses of the system in major Alaska markets
- offering incentives available primarily to residents (season passes, for example) that could generate additional revenue

Nearly four households in ten would consider buying a winter pass for $335, a possible promotion that could raise revenue when income is at the lowest. On average, they would take four trips on their winter pass.

One half of all residents did not use the Marine Highway System in the past year. Barriers to those who do not use the system were: "inconvenient schedule" (24%), "no reason to use it" (24%), and "wanted to fly" (20%). Cost was an issue with only one out of nine non-users. Cutting fares would stimulate virtually no use from one-half of the population and probably little additional use from users.

III: Current AMHS Customer Profiles

Summer Season Customer Profiles

Winter Season Customer Profiles

Spring Season Customer Profiles

Introduction

The on-board survey method was selected for several reasons. First, it was the best way to gain access to the current market of the AMHS. The only other choice was to survey from past reservation records. The recent change in reservations systems made access to past records uncertain and the records would have been of previous, not current, customers. Further, on-board personal-intercept surveying provides the unusual opportunity to survey in real-time, rather than using recall, and allows for clarification in person by survey personnel.

Purpose

The purpose of the on-board survey is to identify the characteristics, opinions, travel patterns and planning habits of the current AMHS market. Prior to this survey, the system has not had the benefit of a market assessment of customers for at least two decades. The management of the AMHS wants detailed market intelligence in order to guide marketing, pricing, product and service decisions for the $70 million system.

Methodology

The on-board survey was conducted using the personal-intercept interviewing methodology. First, a representative sample of voyages was selected from the 1999 summer season schedule for the months of July, August and September. Early summer was not sampled due to the timing of the contract award. The study team's proposal included surveying in May and June of 2000 to complete a full summer season of data. Voyages were selected to insure all ships, months, ports, port pairs, and directions (northbound/southbound) were represented in the 1999 summer sample.

On each Southeast voyage, two trained McDowell Group surveyors sailed from Juneau, completed the full voyage, and disembarked upon arrival in Juneau. Surveyors on the Southwest system also boarded for full voyages. Once on board, the surveyors divided the ship into specific areas, obtained an estimate, or count. of the number of people on board (and in each area), then selected every nth passenger for interviewing. This methodology insured random selection of all passengers available during daytime and early evening hours. The surveyors then proceeded to conduct surveys on all links of the voyage during normal hours using this rotating area system of selection.

The surveyor would ask the statistically selected nth person asking for an interview. An 18-question personal interview was conducted (ranging from eight to twenty minutes in length depending on how chatty the respondent was). The respondent then was given an AMHS lapel pin as a thank you and handed a second survey to be self-administered. The surveyor gave them brief instructions and said they would be back to pick it up. The second survey included primarily opinion questions and value ratings about all aspects of the AMHS experience. About 80% of respondents also completed and handed in the second survey, an excellent response rate. The intercept and self-administered surveys were coded to insure they were paired upon completion.

This dual survey methodology allowed the study team to gather far more information from each customer than using just one survey.

The surveys were coded by vessel and then statistically weighted by estimates of total passenger volume for each vessel. For example, if the Malaspina carried 22% of all passengers on the system, the surveys from that vessel received a statistical weight of 22%, though the number of surveys gathered on the Malaspina may have been a different percentage of the total. Statistical weighting allows for an accurate representation of the total AMHS market.

Major Findings

Overall Ferry Experience

Despite critical comments about specific aspects of the AMHS experience, the vast majority of customers rated their overall AMHS experience positively, with 93% assigning a good or very good rating. Only 1% gave their overall experience a poor rating. Clearly, the AMHS delivers a good product.

Customer Service (Personnel)

Some of the highest ratings of the entire AMHS experience go to AMHS personnel. Overall ratings of AMHS personnel and their customer service are 70% to 79% positive and just 2% to 4% negative. While customers may rate items such as reservations, food and loading time low, they still rate the personnel involved in these same functions much higher.

Reservations and Information

AMHS customers assign some of the survey's lowest ratings to the critical telephone reservations service, the lifeline of the system's income stream. Hamstrung by budget cuts, personnel shortages and a recent system changeover, the AMHS has at times been unable to provide a timely response to reservations and information requests. Information availability and quality are rated higher, as are reservations personnel. Timeliness of reservation services is the issue for AMHS customers.

Loading and Unloading Procedures

Customers have two major complaints – long waiting times for loading, and inconvenient arrival and departure times. Unloading, car deck procedures, actual boarding and luggage procedures are viewed more positively.

Meal Service

Ratings of meal quality, hours of food service and menu selection are significantly lower than most other aspects of customers' AMHS experience.

Cleanliness and Comfort

Cleanliness ratings are quite high in almost all cases. Comfort ratings are significantly lower and focus on problems with non-cabin sleeping areas and seating availability.

Likes and Dislikes

Customers most like the scenery and sightseeing, relaxing environment aboard ship ,and meeting people. Both residents and visitors like these aspects the best. Leading dislikes centered on departure times, early loading, waiting to depart, late arrivals, and food issues (quality, hours, selection).

Importance of On-board Services and Amenities

Seating (for viewing, leisure and sleeping) and cafeteria services are the most important services to customers. Quietness, showers, snack bar and naturalist presentations are also important. Cocktail lounge, arcade/video games, and Internet/computer access were less important. Twenty services and amenities were rated.

Trip Planning Information Sources

AMHS customers use multiple information sources to plan their AMHS trip. The ferry brochure and schedule, friends and relatives, 800 number, and the Internet/web page are the dominant sources of information about ferry travel. *The Milepost* guidebook and travel agents are also important.

Perception of Value for the Money

Sixty-three percent of the Customers perceive the AMHS experience as an overall good value for the money. Just 7% say the experience is a poor value. Non-residents are especially complimentary about the overall value. Seventy-five percent rate the AMHS as a good value for the money vs. 4% rating it a poor value. In order of perceived good value, customers list passage, cabins, vehicle fares and, finally, food.

Clearly there is room for summer price increases in passage and cabins, and probably in selected vehicle tariffs.

Incentives to Ride the AMHS More Often

Aside from lower prices, there are a number of incentives the AMHS can use to increase frequency of travel. Shorter waiting times, shorter travel times, better food, more convenient arrival and departure times, easier and faster reservations, transportation to and from terminals, more seating, and booking availability more than six months in advance were all mentioned by customers as incentives for them to use the system more often.

Resident and Visitor Markets by Ship

Overall, more than seven of ten summer customers are visitors to the state. However, two ships – the Aurora and LeConte – carry more residents than visitors in summer. Resident users of the AMHS tend to be long-time Alaskans.

Length of Alaska Trip

The AMHS plays a central role in the travel plans of visitors who are in Alaska for long periods of time. AMHS visitors stay in Alaska for a median of 18 days and tend to travel throughout the state, including Interior and Southcentral Alaska. This is twice as long as the average visitor stays in Alaska.

Repeat Visitors

AMHS visitors are more likely to be repeat Alaska visitors than the market as a whole. Thirty-six percent (36%) of visitors using the AMHS are repeat Alaska visitors. Four of ten of these repeaters have also used the AMHS on a previous Alaska trip.

Main Reason for AMHS Trip

Vacation and pleasure are the dominant reasons that for both visitors and residents use the AMHS. Traveling to visit friends and relatives, and sightseeing while visiting friends and relatives, are the second and third leading reasons for using the system. In short, almost all of the AMHS summer market is a discretionary pleasure travel market.

Competing Transportation Modes

Most AMHS customers do not consider alternative transportation before deciding on the AMHS for their trip. In other words, the AMHS competes only with itself for 64% of the market. When customers do consider another mode before choosing the AMHS, it is airplane travel – one of ten considers a major airline and one of ten considers a small commuter line. Driving is an option considered by one of nine customers. A cruise ship is also considered by just one of fourteen AMHS customers. Clearly, the AMHS is taking little business from the booming cruise industry.

Reasons for Choosing the AMHS Over Competing Options

The dominant answer is cruising the Inside Passage for scenery, wildlife and relaxation on the AMHS. This is why the AMHS wins over the competition. The vehicle option is also a deciding factor for some of the market.

Mainline vs. Shuttle Options

More of the market prefers mainline service over shuttle service, though a third preferred shuttle service. Overall, customers think terminating mainline service in Juneau would discourage traffic.

Foot and Vehicle Passengers

Over one-half of the current AMHS market is not associated with a vehicle, while 45% are related to a vehicle on board. These two markets need to be addressed differently.

Traveling Parties

Visitors tend to travel as couples, residents tend to travel solo. Average party size is 2.5 persons.

Customer Demographics

The most important resident markets are Juneau (22% of all resident customers), Ketchikan (18%) and Anchorage (7%). Among visitors, the Western U.S. is most important (33%) but, surprisingly, overseas visitors (19%) are more important than any other region of the U.S. Canada provides as many customers as the Eastern U.S. (8%).

Visitors are significantly older (two-thirds are over 55) than residents, though one-half of visitors are still employed.

AMHS customers households have good incomes – residents average $55,000 per household and visitors, $63,000.

Southeast/Southwest Analysis

Though both Southeast and Southwest Alaska markets rate their ferry experience highly, Southwest passengers appear somewhat more satisfied with the various aspects of their experience. Southwest passengers valued the scenery and wildlife aspect of the trip more than Southeast passengers and are slightly more price-sensitive. Party size tends to be larger among Southwest passengers. Southwest passengers also have a substantially higher average income.

Foot/Vehicle Analysis

The foot and vehicle markets, each representing about half of summer passengers, were equally pleased with their overall ferry experience. However, foot passengers tended to give slightly higher ratings to the different AMHS services. Foot passengers spent much less on their ferry trip and were more likely to be traveling alone. They also had a lower average income than vehicle passengers.

Survey Analysis by Ship

Characteristics and opinions of AMHS customers often vary by ship. Alaska residents tend to rate their AMHS experience lower than visitors, so the ships carrying more residents tend to be rated lower. Overall, ship ratings are high and the Tustumena and Taku tend to lead in many categories. LeConte ratings are slightly lower than among mainline vessels and the Kennicott still shows signs of getting the kinks out. Extensive analysis by ship is included in this report.

Detailed Survey Analysis

Ratings Note: Most customer survey ratings are on a 1 (very poor) to 7 (excellent) scale. Readers should consider the comparative ratings more than the absolute numbers. The ratings are heavily influenced by the fact that 70% of AMHS summer customers are non-resident visitors, most traveling for vacation and pleasure. Alaska visitors characteristically assign high ratings to most things, often averaging as much as 6 on a 7-point scale. For example, the average rating for the overall AMHS experience is a 6.3, a high rating typical of Alaska visitors and equal to the rating that cruise ship passengers give their experience. For purposes of analysis, what is important is how ratings compare to one another. For example, food ratings are significantly lower than personnel ratings, even though they may still be above a 5. The correct interpretation is that a 6 is about average for an Alaska visitor rating and a 5 is actually one that needs improvement. Again, it is the comparison to other ratings that matters.

For purposes of this report, satisfaction ratings are expressed in two columns – the total % of customers rating a 6 or 7 (good to excellent), and the total % of customers rating a 1, 2 or 3 (poor to very poor). The most discriminating analysis is done comparing the high to the low percentages and looking for differences with other ratings. (Ratings of 4 and 5 are considered neutral scores due to the tendency of visitors to assign high scores to most items.)

For example, ferry personnel ratings are very high – 70% to 80% of customers rate personnel at 6 or 7 (good to excellent). Just 1% to 5% rate personnel at 1, 2 or 3 (poor to very poor). By comparison 50% of visitors rate food quality at about 6 or 7, and 10% of visitors rate food at 1, 2 or 3. On its own the food ratings might be considered high, but compared to personnel ratings, food ratings are dramatically lower – 30% fewer customers rate the food quality good and three times as many give it a poor rating. The correct interpretation is that food quality is a significant problem in the overall delivery of the AMHS experience.

In addition, readers should note that “0%” means that a few people may fall into a particular category, but not enough to constitute 1% of the total. A percentage"-%" means that zero people fall into this category.

Overall Ferry Experience

While customers may complain about specific aspects of the experience such as reservations, food and waiting time for loading, they give the overall AMHS experience a very high rating. On a 1 (very poor) to 5 (very good) scale, 91% give the overall experience a good or very good rating, an average of 4.4 on the 1-to-5 scale. Even more significantly, only 1% rated the AMHS experience negatively at poor or very poor. One-half of all visitors and one-third of all residents gave the highest rating of 5 (very good).

Clearly, the AMHS is delivering an overall product and experience that rates high in the eyes of Alaska visitors in particular. While many improvements are recommended to attract and please customers, the AMHS can be proud of its overall rating. These positive ratings were accomplished in the face of budget cuts, staff reductions and changes in the level and types of service.

AMHS Summer Customer Survey Overall Ferry Experience Rating

	Total	Residents	Visitors
Very good	44%	33%	50%
Good	49	56	45
Neither good/poor	5	8	4
Poor	1	1	1
Very poor	0	0	0
Average	**4.4**	**4.2**	**4.4**

Customer Service (Personnel)

AMHS personnel rate the highest of all aspects of the marine highway experience. While customers may rate the timeliness of telephone reservations at the bottom of the pit, they give the reservations agent high marks (69% to 80% positive, only 5% negative). Likewise, while customers rating loading time low, they give high approval to terminal agents and car deck personnel. While giving food quality low ratings, customers are satisfied with food service personnel. Ship's personnel get the highest ratings. High ratings of personnel are given by 66% to 83% of customers and poor ratings are assigned by just 1% to 5% of customers.

AMHS Summer Customer Survey
Customer Service/Personnel Satisfaction Ratings
1 (Very Poor) to 7 (Excellent)

	Residents		Visitors	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Reservation agent	69%	4%	80%	5%
Terminal agent	72	5	78	5
Ship's personnel	73	3	83	1
Purser's office	72	3	79	3
Food service personnel	67	6	75	4
Gift shop personnel	66	4	70	3
Car deck personnel	72	5	74	3
Overall customer rating	**70**	**4**	**79**	**2**

Reservations/Information

Timeliness of phone reservations service received the lowest scores of any of the eight aspects of the ferry reservations and information system that were rated, and one of the three lowest scores of all aspects of the AMHS experience. Only the inconvenience of arrival and departure times, and meal service were ranked as low as the phone reservations service. This is of special concern for three reasons. First, the low ratings come from customers who succeeded in booking reservations, and does not include the 25% of telephone inquirers who terminate their calls before reaching an AMHS reservations agent, nor those who did get through but were unable to book space. Second, phone calls are the most important means for potential customers to access the system yet it is the lowest rated. Third, direct potential bookings that are lost to AMHS reservations staff and passed on to agents bring in 10% less revenue due to the agent commission.

In summary, lost bookings due to the length of time it takes to make phone reservations likely costs the system millions of dollars. Anecdotal evidence supports the low ratings. In the course of this study, a McDowell Group project analyst reported a 25-minute hold, followed by 40 minutes to book one person, a car and a cabin and another 30 minutes to add a second person to the reservation. This booking was made in August for a mid-September Bellingham to Juneau trip when space was available.

It is ironic that shore-side staff budget cuts result in far more revenue lost than is saved in the reduction of positions. The AMHS must have the reservations staff that any $70 million transportation company needs to serve its customers. Study team observations of reservations agents indicate competent, helpful professionals who do a good job at their work. However, short staffing, slow computer program speed, SOLAS requirements and other factors severely overtax the most important people in the marketing process – the ones who make the sale. Detailed recommendations are included in the companion interim document.

Alaska residents are twice as critical as visitors of the phone reservations service. Fax and Internet reservations service receive better ratings but still have poor ratings. The Web site could use improvement and some work could be done on making the schedule easier to use. Among the five aspects of the reservations service that were rated, only "helpfulness of Web side" received a good to excellent rating from one-half of AMHS customers.

Information gets significantly better ratings than reservations. Sixty percent of customers gave availability and quality of information high ratings, while 10% rated information as poor.

AMHS Summer Customer Survey
Reservations/Information Satisfaction Ratings
1 (Very Poor) to 7 (Excellent)

	Residents		Visitors	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Availability of Information	60%	7%	64%	8%

Quality of information	63	6	65	8
Helpfulness of Web site	50	12	59	12
Ease of schedule use	47	14	50	13
Timeliness of phone reservation service	38	35	56	18
Timeliness of fax reservation service	37	15	53	7
Timeliness of Internet reservation service	45	13	48	16
Overall reservation service	**55**	**13**	**65**	**7**

Loading/Unloading Procedures

The convenience of arrival and departure times, and the waiting time for loading are the leading complaints of AMHS customers in the loading and unloading category. Between 18% and 26% of residents and visitors give poor ratings to these services. About half as many complain about unloading times as well. Convenience of arrival and departure times receives the lowest positive ratings of any of the dozens of aspects of the AMHS experience rated in this study. Curiously, the actual boarding process gets the best ratings in this category. Apparently, the procedure of actually getting on the ships (once the waiting is over) is a generally positive one.

The study team recommends re-examining the loading process that requires long advance times for vehicles in particular. The combination of inconvenient arrival/departure times and time-consuming loading procedures clearly contributes to customer dissatisfaction. While the departure times may be operationally inflexible in many cases, speeding up loading and cutting down on long waits would certainly be in the interest of customer service.

AMHS Summer Customer Survey
Loading/Unloading Satisfaction Ratings
1 (Very Poor) to 7 (Excellent)

	Residents		Visitors	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Boarding	63%	9%	69%	7%
Waiting time (loading)	47	18	51	19
Waiting time (unloading)	55	9	61	7
Convenience of arrival & departure times	33	25	40	20
Car deck procedures	55	9	62	8
Luggage procedures	55	7	54	9

Meal Service

Ratings of meal quality, hours of food service and menu selection are significantly lower than most other ratings of the AMHS experience. Poor ratings in five of six categories exceed double digits and residents are significantly more critical than visitors. In four of six categories, less than one-half of AMHS customers give a good to excellent rating. Aboard ship, passengers are captive in a sense and when their need for nutrition is limited by insufficient availability (hours), selection or quality, it has a significant impact on their perception of the entire on-board experience. Cruise lines know this and make it a priority to provide fine food on a constant basis.

American tastes, nutrition awareness and eating habits have changed dramatically in the past decade and food service outlets of all kinds have had to respond to be successful in the marketplace. Improved food service is particularly important to the independent visitors that dominate ferry traffic in summer. Independents want options, flexibility and variety in all of their travel experiences, including eating.

Clearly, the AMHS is being challenged to become customer service-oriented in the food service area.

AMHS Summer Customer Survey
Meal Service Satisfaction Ratings
1 (Very Poor) to 7 (Excellent)

	Residents		Visitors	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Meal quality	44%	16%	50%	10%
Hours of food service	37	22	53	8
Menu selection	38	18	44	11

Cleanliness and Comfort

The AMHS gets generally good customer ratings for cleanliness, but lower ratings for comfort. Terminal, ship and cabin cleanliness generally receive approval. On the other hand, availability of non-cabin sleeping areas gets the lowest score in this category, while cabin size and seating availability receive only slightly better reviews.

AMHS Summer Customer Survey
Cleanliness/Comfort Satisfaction Ratings
1 (Very Poor) to 7 (Excellent)

	Residents		Visitors	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Terminal cleanliness	71%	6%	76%	2%
Ship public area cleanliness	71	7	74	3
Cabin cleanliness	72	4	79	1
Cabin size	47	5	61	5
Availability of other sleeping areas	35	31	45	14
Availability of seating	55	12	68	6

Likes and Dislikes About Ferry Experience

Customers were asked to discuss what they most liked and disliked about their overall ferry experience. Scenery led the most liked category, followed by relaxation. The next important "likes" were meeting and talking with new people, and the helpful, friendly service of AMHS personnel. The most significant finding, repeated throughout the study, is the importance of experiencing the grandeur of the Inside Passage in a relaxing manner. In other words, cruising.

The leading dislikes were familiar themes – departure times, early loading, late arrivals, waiting time to depart, and food. Cost was not a significant negative factor for either residents or visitors, an indication that current tariffs are not an issue in most cases.

AMHS Summer Customer Survey
What do you like most about your ferry experience?

	Total	Residents	Visitors
Scenery/sightseeing/ views/mountains	51%	32%	62%
Relaxation/relaxing	17	25	13
Meeting/talking/gathering/new people	9	12	7
Personnel (helpful/friendly/good service)	6	8	5
Convenience	6	8	4
Forest Service lectures	5	1	7
Comfort/comfortable seating	4	1	5
Quiet	4	6	3
Access to out of way communities	4	1	5
Size of ship (room to wander/walk around)	4	2	4
Smooth ride	3	3	4
No driving/ not having to drive	3	2	4
Cost/cheap/inexpensive	3	5	2
Food	3	4	2
Solarium/dry seating	2	3	2
Adventure/new experience	2	3	2
Boats/ships/being on board	2	2	3
Slow pace	2	1	2
Cleanliness	2	1	2
Vehicle/car on board	1	2	1
Stateroom (having one)	1	1	2
Like everything	1	1	2
Other	11	15	9

AMHS Summer Customer Survey
What do you like least about your ferry experience?

	Total	Residents	Visitors
Departure times/early loading/ late arrival times	11%	12%	11%
Waiting time to depart	9	9	9
Food	8	6	9
Weather (poor)	5	1	8
Staterooms (no staterooms/ sleeping areas limited)	5	5	5
Cost/too expensive	5	7	4
Seating areas limited (people saving with personal effects)	5	3	6
Length of trip (too long)	4	8	3
Reservations (making them)	4	6	3
Noise (engines, PA system, drills, pianos)	4	4	4
Service/schedules poor	3	6	2
Maintenance/non-skid decking	3	2	3
Sea sick/rough seas	2	3	2
Crew attitude, poor	2	3	2
Infrequent sailing's to some communities	2	4	1
Children (unruly)	2	4	1
Overcrowding	2	2	2
Port calls too short	2	1	3
Ferry hot/cold	2	1	2
Bathrooms/need cleaning	2	2	2
Grumpy travelers/tourists	2	2	1
Seats/lounges uncomfortable	2	2	2
No phones/TV's	1	2	1
Vehicle loading procedures	1	1	2
Terminal location	1	1	2
No dislikes to report or add	7	4	9
Other	22	20	24

Importance of Ferry Services and Amenities

Customers were asked to rate, on a 1-to-5 scale, the importance of a variety of services and amenities. The purpose of this question is to provide guidance for improving the on-board product.

Seating – for viewing and for comfort – is the leading on-board amenity demanded by over 90% of all customers. The second leading item was a cafeteria, considered important or very important by 89% of customers. No other services or amenities approached the universal demand for these two items (seating and cafeteria). Interpretation of these responses is obvious. The primary reason for selecting the ferry system for travel is "cruise the Inside Passage" and scenery was the favorite amenity aboard ship. The AMHS customers simply want to have their cruising/viewing experience in seated, relaxed comfort. Further, seating for sleeping (74%) and quietness (73%) are also important.

The high demand for the cafeteria appears to be related more to the continuous availability of food, something that does not happen on AMHS vessels and is a leading complaint of customers. In addition, the next ranking item of importance is a snack bar (72%) for better food availability. Full service dining is important to nearly one-half of all customers, but the greater need seems to be for more continuous availability of food service.

Both seating and food service availability are well within control of the AMHS. The study team recommends improvements in these areas.

Showers, cabins, naturalist presentations, and barrier-free access are important to between 56% and 69% of ferry customers.

Important to the least number of customers are an arcade and video games (13%), computer outlets and Internet access (21%), and a cocktail lounge (29%). The AMHS might consider reducing the space or eliminating cocktail lounges entirely due to changing American drinking patterns and the desire for smoke-free environments (surprisingly, smoking is still allowed on-board in cocktail lounges). Instead these spaces could be used for higher priorities such as seating for viewing, leisure and sleeping, or additional food service areas.

AMHS Summer Customer Survey
Importance of Ferry Services/Amenities
percentage rating 4-5 (important plus very important)
On a scale of 1 (not at all important) to 5 (very important)

	Total	Residents	Visitors
Cabins	63%	60%	65%
Storage lockers	43	45	42
Cocktail lounge	29	35	26
Snack bar	72	76	69
Cafeteria	89	91	89
Full service dining	47	46	48
Showers	69	74	66
On-board movies	39	52	32
Naturalist presentations	60	41	71
Arcade/video games	13	22	8
Play area for children	51	65	42
Barrier-free accessibility	56	57	56
Seating for viewing	92	88	95
Seating for leisure	90	90	90
Baggage/luggage procedures	58	64	54
Quietness	73	72	74
Public phone service	37	37	36
Seating for sleeping	74	84	68
On-board Internet access	21	22	20
Electrical outlets for computers	21	24	20

Trip Planning Information for the AMHS and Alaska

Critical to a successful marketing program is an understanding of how to reach AMHS customers and potential customers with appropriate and timely information. Customers were asked two distinct questions – their information sources for planning their AMHS trip and their information sources for planning their overall Alaska trip.

The ferry brochure and schedule is the single most important AMHS trip-planning information source, yet only 40 percent of the major visitor market identified it as something they used to plan their AMHS travel. The fact that 60% did not use it as an information source begs the question about current schedule distribution practices. Clearly, most of the critical summer visitor market is either not getting, or not recognizing, a ferry brochure or schedule. Since the schedule is virtually the only sales tool the system has, this finding is of high concern. How the ferry brochure/schedule is distributed and what form it takes is critical to converting inquirers into AMHS users. According to a telephone survey, 35% of those who contacted AMHS for information in 1999 actually converted to AMHS users. Only 17% of those who requested information from the Alaska Tourism Marketing Council interested in ferry travel converted to AMHS users in 1999.

Friends and family were the second leading AMHS information source and were particularly important to visitors, who comprise over 70% of the summer market. This means a significant portion of previous users thought well enough of the system to recommend it to people close to them. It also probably means the lack of a meaningful marketing program increases the importance of word-of-mouth recommendations.

The AMHS 800 number is an information source for 26% of the market. A significant number of customers use the Internet (24%) and AMHS web page (19%). However, the Internet is twice as important to visitors as residents, so clearly any visitor marketing program must include state-of-the-art technology.

The Milepost guide book and the travel agent are equally important and are used by one of four visitors, but only one of twelve residents. The *North! To Alaska* guide is specifically recognized by just one of six customers. AMHS inquirers are supposed to have been sent the publication.

When asked about trip-planning information sources for the entire Alaska trip, the order of importance shifts moderately for AMHS customers. Friends and family become the leading source (44%), followed by the ferry brochure/schedule (35%). The Internet ranks third and *The Milepost* jumps into fourth place. Obviously, *The Milepost* should be a top media choice for both substantial advertising and inclusion of ferry information and schedule.

The main tool of the statewide ATMC program – the official *Alaska State Vacation Planner* – plays a minor role and is identified by just one of ten AMHS customers, slightly fewer than the one in eight that cite the *North! To Alaska* publication. These programs are two-way streets. While neither program seems to be recognized as important by AMHS customers, the AMHS has not been an aggressive participant in either program in recent years, due to cutbacks in marketing budget and personnel.

AMHS Summer Customer Survey
Information Sources for *AMHS* Trip Planning

	Total	Residents	Visitors
Ferry brochure and schedule	48%	62%	40%
Friends and family	35	31	37
800 number	26	20	29
Internet	24	14	29
Ferry System Web Page	19	14	22
Travel agent	19	9	24
The Milepost	18	6	24
North! to Alaska Guide	15	9	18
Alaska Travel Guide	9	1	14
Alaska State Travel Planner	9	2	13
Magazine	4	1	5
Convention and Visitors Bureaus	3	1	5
Wrote the ferry	2	-	3
Travel shows	2	1	2
Newspaper	2	2	1
Other	11	13	10

AMHS Summer Customer Survey
Information Sources for Overall *Alaska* Trip Planning

	Total	Residents	Visitors
Friends and family	44%	38%	46%
Ferry brochure and schedule	35	44	31
Internet	24	11	31
The Milepost	22	9	29
Travel agent	19	7	24
800 number	18	12	20
Alaska Travel Guide	14	1	21
North! to Alaska Guide	13	6	16
Ferry System Web Page	13	7	16
Alaska State Travel Planner	10	1	15
Magazine	5	0	8
Convention and Visitors Bureaus	4	2	6
Travel shows	2	-	3
Newspaper	1	2	1
Wrote the ferry	1	-	1
Other	17	23	14

Perception of Value for the Money of AMHS Products

Customers were asked to rate the perceived value of AMHS passage, cabins, vehicle fares, food, and then provide an overall value rating. The ratings were on a 1 (very poor) to 5 (very good) scale. Ratings of 4 and 5 (good value) were compared to ratings of 1 and 2 (poor value).

Both residents and visitors clearly consider fares for passage a good value for the money. Seventy percent of residents and 82 percent of visitors thought passage was a good value. Only 9% of residents and 5% of visitors considered passage a poor value. Cabin fares were also viewed as a generally good buy, especially by visitors who rated cabin value 73% good and 9% poor. Residents were much less enthusiastic, with 48% rating cabins a good value and 18% rating them a poor value.

Vehicle fare values begin to show some price resistance though on balance, fares were still largely considered good value by a ratio of three to one. Residents and visitors rated vehicle fare values approximately the same.

Food was rated the lowest value for the money, especially among residents. This finding echoes other study findings on food.

Interestingly, the overall value-for-the-money rating for the AMHS experience exceeded any single rating. Only 7% of residents and 4% of visitors gave a negative value rating, while most customers thought the overall value was good.

These findings indicate room for at least some increased pricing on passage, cabins and vehicles.

AMHS Summer Customer Survey
Value For the Money
% rating Good Value (very good value + fairly good value)
% rating Poor Value (somewhat poor value + very poor value)

	Residents		Visitors	
	Good Value	Poor Value	Good Value	Poor Value
Passage	70%	9%	82%	5%
Cabin	48	18	73	9
Vehicle	49	17	55	16
Food	43	24	53	16
Overall	63	7	75	4

Incentives to Ride Ferry More Often

Customers identified incentives for increased ferry use. In spite of rating passage as a very good value for the money, lower passage prices were mentioned as the leading incentive for more travel. Lower vehicle prices were also in the mix but lower cabin prices were mentioned by just 13%. This finding adds some credence to the study team's research showing that cabins are under priced compared to other overnight facilities in coastal Alaska. Frequency of service and shorter travel times were also in the top five incentives, along with "more convenient departure and arrival times."

While the system is not likely to reduce prices or change most departure/arrival times, there are several incentives mentioned by customers that are well within control of the system. These include better food service and shorter waiting time for loading. Easier and faster reservations service were incentives also as well as more convenient transportation to and from terminals, an item especially important to visitors. More seating, more readily available information, entertainment, ability to book passage more than six months in advance and email and Internet access to reservations are all items that customers say could encourage them to travel more.

AMHS Summer Customer Survey
Incentives to Ride Ferry More Often
(Top Three Choices)

	Total	Residents	Visitors
Lower prices for passage	44%	47%	42%
More frequent service	39	51	33
Lower prices for vehicle	37	41	35
Shorter travel time	27	33	23
More convenient departure/ arrival time	22	20	23
Lower prices for stateroom	13	15	12
Shorter waiting time for loading	12	10	14
Better food service	12	13	12
More staterooms available	10	7	12
Reservation service that is easier and faster	10	8	11
More convenient transportation to/from terminals	10	4	13
More direct routing	8	8	8
More seating	8	6	9
More readily available information about the ferry service	6	2	8
Entertainment	6	5	7
Ability to book reservations more than 6 months in advance	4	2	5
Email and Internet access	4	2	5
Ability to fax	0	-	0
Other	7	8	6

Additional Comments

Customers were asked for any additional comments about the AMHS in a final open-ended question. The table below provides a summary of the nature of these comments. Visitors were more likely than residents to provide positive comments, but even among residents there were approximately as many positive and negative comments.

Most comments dealt with reservations and scheduling (largely negative), personnel (largely positive), information (primarily negative), and roads (negative).

AMHS Summer Customer Survey
Additional Comments

	Total	Residents	Visitors
Positive comments	37%	28%	42%
Negative comments	27	29	26
Reservations/scheduling	21	29	16
Personnel	10	9	11
Information	7	1	10
Roads	4	9	2
Other	13	14	13

Resident and Visitor Markets By Vessel

Resident and visitor proportions vary significantly by ship. The two "235s" that service outlying areas of the Southeast region carry primarily resident Alaskans, even in summer. The other seven ships overwhelmingly carry visitors in the summer season with two-thirds to three-quarters of their traffic being visitors.

AMHS Summer Customer Survey
Resident and Visitor Markets By Vessel

Ship	Residents	Visitors
Kennicott	27%	73%
Columbia	25	75
Matanuska	29	71
Malaspina	33	67
Bartlett	30	70
Taku	23	77
Tustumena	30	70
Aurora	71	29
LeConte	63	37

Length of Alaska Residency

Alaskans who use the AMHS tend to be long-time residents with over one-half of them living in Alaska for at least 20 years. Another 21% have lived in the state for 11 to 20 years. In another survey in this study, nine of ten residents of coastal communities served by the system have used the AMHS, though most of them are infrequent users.

AMHS Summer Customer Survey
Length of Alaska Residency
Base: Alaska residents

	Percent
Less than 1 year	2
1 to 2 years	6
3 to 5 years	8
6 to 10 years	10
11 to 20 years	21
Over 20 years/lifetime	51

Trip Travel Patterns

Customers were asked to identify the total length of their entire trip from departure to returning home and also to identify the time spent in Alaska. The tables below show both the mean and median length of stay. The mean length of stay tends to be exaggerated by cases of extremely long trips to Alaska, while the median is probably more representative of typical visitor patterns.

Visitors who use the AMHS tend to take long trips to Alaska. The median of travel to the state is 24 days with 14 of those days spent in Alaska. Even the most ambitious ferry travel itineraries mean visitors spend only a few days on the system and most of their time on the ground in other Alaska locations. Past visitor research shows AMHS users tend to travel throughout Alaska with many of them visiting the Interior and Southcentral regions in particular.

Residents tend to travel for much shorter periods, with their trips lasting a median of six days. Since their main purpose is also vacation/pleasure travel, it is clear the AMHS contributes to keeping discretionary travel dollars in Alaska. Residents as well spend most of their travel time in a variety of locations and not on the AMHS itself.

AMHS Summer Customer Survey
Length of Entire Trip

	Total	Residents	Visitors
1 to 5 days	19%	49%	3%
6 to 10 days	14	21	10
11 to 15 days	13	7	16
16 to 20 days	8	4	10
21 to 30 days	21	8	28
31 to 40 days	6	1	9
41 to 50 days	5	2	7
Over 50 days	15	8	19
Mean length of trip:	32.4 days	20.9 days	38.7 days
Median length of trip:	**18.0 days**	**6.0 days**	**24.0 days**

AMHS Summer Customer Survey
Length of Alaska Segment of Trip
Base: Visitors

	Visitors
1 to 5 days	12%
6 to 10 days	27
11 to 15 days	25
16 to 20 days	10
21 to 30 days	14
31 to 40 days	3
41 to 50 days	3
Over 50 days	7
Mean length of stay in Alaska:	19.7 days
Median length of stay in Alaska:	**14.0 days**

Alaska Places Visited

AMHS summer customers travel widely throughout the state. Anchorage, Fairbanks, Interior/Denali, and the Kenai Peninsula are all among the top ten most-visited places, even though they are not located directly on the ferry system. In Southeast, the most popular places are Juneau, Skagway, Ketchikan, and Haines. Visitors stay longest in Juneau, Skagway, Sitka, and the Kenai.

AMHS Summer Customer Survey
Alaska Places Visited (Top 10)

	AMHS Total Customers	Average Length of Stay (# days)	AMHS Visitors	Visitors Average Length of Stay (# Days)
Juneau	48%	8.3	55%	8.6
Anchorage	35	2.7	46	2.1
Skagway	29	8.3	42	5.9
Ketchikan	27	4.1	27	3.9
Haines	25	3.2	29	3.2
Valdez	17	3.3	22	3.1
Fairbanks	16	5.0	24	5.0
Interior/Denali	15	1.4	26	1.3
Kenai Peninsula	12	5.5	19	5.6
Sitka	11	6.6	11	9.2

Repeat Customers

Non-resident AMHS customers are far more likely to be repeat Alaska visitors. Thirty-six percent (36%) of AMHS visitors have been to Alaska before while historical data suggests that less than 25% of all Alaska visitors are repeaters. Further analysis shows that these repeat visitors are also repeat AMHS users. Four in ten Alaska travel repeaters are also repeat AMHS users. This speaks well of the probable quality of their previous AMHS experience. This pattern differs from that of cruise ship visitors who are far more likely to be first-time Alaska visitors.

AMHS Summer Customer Survey
First Trip to Alaska

Yes	64%
No	36

Purpose of AMHS Travel

Customers were asked to identify their main reasons for their trip on the AMHS. The dominant purpose for both visitors and residents was vacation/pleasure travel. Eight of ten visitors and four of ten residents said this was the main purpose of their travel. One in five visitors placed visiting friends and relatives in Alaska second. Sightseeing while visiting friends and relatives in the traveling party was common among visitors but not residents. Fishing and hunting (primarily fishing) was the main reason for 14% of visitors but was far less important to resident travelers.

One of eight residents traveled on the AMHS for the purpose of shopping. One of ten residents used the AMHS for business travel, as most business travelers are air users.

When asked for only the most important reason, the top three reasons – vacation/pleasure, visiting friends and relatives, and sightseeing while visiting friends and relatives – remained the same. However, fishing/hunting and shopping dropped further down the list, indicating these are supplementary to other primary reasons.

AMHS Summer Customer Survey
Main Reasons for Trip
(multiple responses allowed)

	Total	Residents	Visitors
Vacation/pleasure	68%	40%	84%
Visiting friends/relatives	22	26	19
Sightseeing while visiting friends/relatives	14	7	18
Fishing/hunting	11	6	14
Business/pleasure	8	13	5
Shopping trip	5	13	1
Business only	4	10	1
Medical	3	8	0
Relocation	3	5	2
Sports event	2	4	2
Traveling to/from work	2	4	0
Personal reasons	2	4	0
Attending school or college	1	3	0
Friends/individual outing	1	1	1
Social/cultural event	1	2	1
Education/training	1	1	1
Attending special event	1	2	1
Business event or meeting	1	2	0
Manage family affairs or property	1	1	-
Military	0	1	0
Other	12	9	14

AMHS Summer Customer Survey
Most Important Reason for Trip
(one response only)

	Total	Residents	Visitors
Vacation/pleasure	56%	31%	70%
Visiting friends/relatives	12	16	10
Sightseeing while visiting friends/relatives	6	4	8
Business/pleasure	6	9	4
Business only	4	10	1
Relocation	3	5	2
Medical	2	7	0
Fishing/hunting	2	1	2
Shopping trip	2	4	-
Traveling to/from work	1	2	0
Personal reasons	1	2	0
Sports event	1	3	0
Attending school or college	1	3	0
Attending special event	1	1	0
Business event or meeting	1	1	0
Other	3	3	3

Other Transportation Options Considered

The following results display how the AMHS wins over competing modes of transportation, such as air, auto, or cruise ship. Most AMHS customers do not consider another mode. In other words, the AMHS has no competition for most of its existing market – an enviable position to be in. Again, the real marketing challenge to the system is to capture the maximum proportion of people who are already interested. This can be done through improving access to the system through better reservations, information and marketing to prospective customers already interested in using the system.

The major competitor is minor – 11% of AMHS customers considered using a major airline and 10% considered a small commuter airline. Residents are nearly four times as likely as visitors (18% to 5%) to consider using a small commuter plane. However, air and ferry are not directly competitive in most cases, because the services and experiences they offer are completely different. Air is fast, point-to-point transportation and ferry is a leisurely way to see the country, primarily for vacation and pleasure purposes, with the option of taking a vehicle and overnighting while underway. Just as cruise ships are not competitive with airlines for Alaska visitors (regardless of how much the expense of a cruise), neither is the AMHS.

The second leading competitor is simply driving instead of taking the AMHS. There is probably some price consideration for those who considered driving before selecting the AMHS. However, one-half of all visitors using the AMHS are on-board with a vehicle, so many of them did not consider driving before selecting the AMHS.

The AMHS does not appear to be taking business from cruise lines. Only one in twenty considered a cruise ship before selecting the AMHS. The study team suspects the swing is more likely to be in the other direction, with cruise ship customers considering the AMHS and then choosing a cruise ship. While cruising has more than doubled in the past decade, the AMHS has lost traffic volume.

**AMHS Summer Customer Survey
Other Transportation Options Considered
Before Selecting the AMHS**

	Total	Residents	Visitors
None	64%	65%	63%
Major airline	11	14	10
Small plane	10	18	5
Car	6	2	8
Driving the highway	5	2	7
Large cruise ship	5	-	7
Bus	1	0	2
Motor home	1	-	2
Private boat	1	1	1
Train	1	-	1

Reasons for Choosing the AMHS Over Competing Modes

Three of the top five reasons for choosing AMHS over other transportation options have to do with a marine pleasure travel experience. Scenery and wildlife viewing, cruising the Inside Passage, and relaxation are the first, second and fourth reasons for visitors to choose the ferry over airplane, auto and cruise ship. This finding is consistent with what customers most like about the AMHS experience and why they chose the AMHS at all. The third reason for visitors to choose the ferry is the option, of taking a vehicle.

For residents, the competitive reasons are quite different. The vehicle option made a difference for 43% of responding residents, followed by lower cost (42%), and relaxation (29%). Cost is of concern to only 17% of visitors.

These findings indicate the market strategy for visitors should emphasize the relaxing, spectacular marine cruising experience of the AMHS. Conversely, residents would be attracted by vehicle transport and pricing inducements.

AMHS Summer Customer Survey
Two Main Reasons for Choosing Ferry System
Over Other Transportation Options

	Total	Residents	Visitors
Scenery/wildlife	32%	14%	42%
Vehicle option	29	43	22
Lower cost	26	41	17
Relaxation	23	29	19
Cruise Inside Passage	22	6	31
Convenient schedule	8	12	6
Never done it	8	3	11
Tour group passage	5	0	7
Good value for the money	5	6	4
Planning flexibility	4	4	4
Weather	4	8	1
Recommended by friends/family	3	0	5
Shorter than driving	2	1	3
Reliability	2	4	0
No flights available	1	1	1
Travel agent recommendation	1	-	2
Can drive one way and use the ferry the other	1	1	1
Other	14	15	13
Don’t know/refused	4	4	4

Mainline Vs. Shuttle Options

AMHS customers were asked their opinion on mainline and shuttle options. They were asked for their general preference on the issue as well as a specific question about the impacts of changing Prince Rupert mainline service to terminate in Juneau with a shuttle to other ports.

More visitors and Alaskans preferred the mainline concept to the shuttle ferries/road links option. On the other hand, a third of both residents and visitors preferred the shuttle and road link option. The result of this question is that there are two markets with substantial demand for both options with continued mainline service being preferred by more current customers. Both markets must be served in the future.

Customers were then asked about the probable impact of terminating Prince Rupert mainline service in Juneau, rather than in Haines/Skagway. Both resident and visitors thought this change did more to discourage than encourage ferry use. Forty-two percent (42%) of Alaskans and 33% of visitors thought the change discouraged ferry use and this seemed to be supported by light sailing's to and from Prince Rupert in 1999. Only 14% of residents and 13% of visitors thought terminating mainline service in Juneau encouraged ferry use. These findings are supported by the previous question that identified a market preference for mainline over shuttle options.

These survey results related to the essence of the Southeast Alaska Transportation Plan, which calls for a blended mainline and shuttle system. However, too much emphasis on the shuttle option at the expense of mainline service is likely to affect the high revenue summer market in a negative way, according to today's AMHS customers.

AMHS Summer Customer Survey
Ferry System Option Preference

	Total	Residents	Visitors
Shuttle ferries with connecting road links	33%	31%	34%
Stay on the same ferry for entire trip	43	46	42
Would like both	3	5	1
Don't know	21	19	22

AMHS Summer Customer Survey
In 1999, most ferries out of Prince Rupert end their voyage in Juneau. In your opinion, does this encourage or discourage ferry use?

	Total	Residents	Visitors
Greatly encourage	3%	4%	3%
Moderately encourage	10	10	10
No difference	33	27	36
Moderately discourage	25	25	26
Greatly discourage	10	17	7
Don't know	17	17	17

Type of Passenger

A slight majority of AMHS customers, both residents and non-residents, are foot passengers not associated with a vehicle. Marketing and pricing strategies need to consider these two different market segments.

AMHS Summer Customer Survey
Type of Passenger

	Total	Residents	Visitors
On foot	55%	56%	54%
With a vehicle	45	44	46

Vehicle Type and Size

Just over one-half of visitors drive with a personal vehicle aboard, while 27% bring an RV or camper-type vehicle, and another 9% are on a commercial motorcoach.

Resident Alaskans who drive on board, by contrast, bring their personal vehicle (not an RV/camper) in 17 out of 20 cases. Only a few Alaskans board with RV/campers and almost none are associated with a commercial motorcoach.

When asked about the length of their vehicles, many respondents referred to their ticket while others either knew or guessed. Forty percent of visitors have vehicles 20 feet or morein length while only 16% of residents' vehicles are of this size.

AMHS Summer Customer Survey
Type of Vehicle
Base: Vehicle passengers

	Total	Residents	Visitors
Personal car/pick-up/SUV/van	67%	86%	56%
Personal RV/camper	20	7	27
Commercial motorcoach	6	1	9
Bicycle	2	1	2
Motorcycle	2	1	2
Commercial passenger van	1	-	2
Commercial truck/freight/van	1	2	1
Other	1	2	1

AMHS Summer Customer Survey
Length of Vehicle
Base: Vehicle passengers

	Total	Residents	Visitors
Under 10 feet	5%	4%	6%
11-15 feet	28	40	22
16-19 feet	36	41	33
20-21 feet	8	7	9
22-25 feet	5	3	6
26-30 feet	4	1	6
31-35 feet	3	2	4
36-40 feet	4	1	6
Over 40 feet	6	2	9

Traveling Parties

Visitors are much more likely to travel in couples (46% do so) while Alaskans tend to travel solo (40%). A significant portion of visitors (13%) also travel in groups, which is not the case for Alaskans. Conversely, one of twelve Alaskans travel with their children but almost no visitors do so. Both Alaskans and visitors have some tendency to travel with friends and/or other (non-spousal) relatives.

When visitors travel on the AMHS as a group they do so almost exclusively as members of a tour group. When Alaskans travel in groups it is rarely on a tour but more likely to be a school or youth group.

The average traveling party aboard the AMHS is 2.5 people. Visitors average 2.6 as many of them travel in couples or in family/friends groups. Alaskan parties average 2.2, a figure influenced by the high number of resident solo travelers.

AMHS Summer Customer Survey
Type of Traveling Party

	Total	Residents	Visitors
With spouse/partner	36%	17%	46%
Individual traveler	24	40	15
With friends	19	15	21
With other relatives	13	12	14
With children and spouse	10	10	10
With a group	10	4	13
With children	6	12	2

AMHS Summer Customer Survey
Type of Group
Base: Traveling with group

	Total	Residents	Visitors
Tour group	79%	9%	91%
School group	9	30	5
Non profit youth group	4	18	2
Other	8	43	2

AMHS Summer Customer Survey
Number in Immediate Traveling Party

	Total	Residents	Visitors
One	27%	43%	18%
Two	46	28	55
Three	11	14	9
Four	9	9	9
Five	3	4	2
Six to ten	4	2	5
More than eleven	1	1	1
Average number	**2.5**	**2.2**	**2.6**

AMHS Customer Demographics

Age

Visitors are significantly older than Alaskans using the AMHS. Over one-third of visitors are over age 65 and another third are between 55 and 64. Only half as many Alaskans are in these age groups. Just 12% of visitors are under 18 years of age. By contrast, the largest groups of residents are 35-44 (33%), 45-54 (28%) and children under 18 (25%). Age is an important variable when considering on-board services, personal comfort (seating, cabins, quietness), entertainment, recreation, lectures, and even menu selections and food quality and availability. On-board service consideration should be given to differences between summer and fall/winter markets because age and resident/visitor distributions change significantly.

Employment Status

In terms of employment status, one-half of visitors and Alaskans are employed, though twice as many visitors claim retirement status. Even though visitors' age distribution leans toward the elderly, one-half of them are still actively working and only one-third are retired. Alaskans are more likely than visitors to be students, homemakers and minors.

Resident Market Origin

Juneau and Ketchikan are the dominant markets for resident customers. Juneau produces 22% of the AMHS resident summer market, and Ketchikan, 18%. Metlakatla, Haines, Sitka and Craig are the next most important Southeast communities, each of them producing between 4% and 5% of resident summer AMHS traffic.

Communities not served directly by the system are still important markets. Anchorage is the third most important resident market, producing 7% of all AMHS summer resident volume – more than Sitka, Kodiak, Petersburg, Cordova and several other communities that have frequent AMHS service. Fairbanks (3%), Palmer/Wasilla (2%) and Kenai/Soldotna (2%) are also significant markets that are not located on the system itself.

Visitor Market Origin

The most significant finding is the large percentage (19%) of the AMHS visitor market that originates overseas. Europe is the primary contributor accounting for one-eighth of the entire AMHS visitor market. Germany, Scandinavia, Britain and Australia are the leading countries or areas. Asia contributes very little to the AMHS visitor market. When Canada is added, foreign visitors provide more than one of every four AMHS visitor customers. Even more unusual is that this growth has occurred in the absence of a meaningful AMHS marketing program and budget. Clearly, internationals are a natural market for the AMHS. Given additional marketing and access improvements to reservations and information, this market should grow significantly.

One of every three AMHS customers come from the Western U.S., with Washington, California and Oregon being the leading states. Surprisingly, California, the largest U.S. travel market, provides only 7% of the total. This is probably a symptom of the lack of a marketing program in significant Alaska markets and the effect of competitive Alaska modes (especially cruise) dominating the marketing channels in this area.

The Midwest provides 17% of the AMHS visitor market, with Michigan and Minnesota the leading contributors. Historically, Minnesota has delivered more visitors to Alaska on a per capita basis than any other state. The U.S. South adds 14% with the high population states of Texas and Florida leading the way. The East Coast provides one of twelve AMHS visitors, with New York the leading producer in that region.

When actual customer origins are compared to origins of AMHS and ATMC inquirers, there are more inquirers than actual customers from the Western U.S. This means the AMHS is not converting prospects as effectively in its primary market region. Again the absence of an AMHS marketing program and the intense competitive market situation affect AMHS conversions in the West more than in other regions.

Household Income

Both resident and visitor households have sufficient incomes for discretionary travel spending. The AMHS visitor market averages over $63,000, while Alaskan households take in over $55,000 in income. Over one-half of all AMHS visitor households earn over $50,000.

AMHS Summer Customer Survey
Age of Traveling Party

	Total	Residents	Visitors
Under 18	16%	25%	12%
18-24	11	13	10
25-34	21	25	19
35-44	26	33	22
45-54	26	28	25
55-64	27	15	33
Over 65	28	17	34

AMHS Summer Customer Survey
Employment Status

	Total	Residents	Visitors
Employed	50%	53%	49%
Retired	26	15	31
Student	10	12	9
Homemaker	4	5	3
Minor	7	12	5
Other	3	3	2

AMHS Summer Customer Survey
Alaska Resident Market Origin

Community	%
Juneau	22
Ketchikan	18
Anchorage	7
Metlakatla	5
Craig	4
Sitka	4
Haines	4
Other Prince of Wales	3
Fairbanks	3
Cordova	3
Petersburg	3
Angoon	3
Other Southeast	2
Palmer/Wasilla	2
Wrangell	2
Kodiak	2
Hoonah	2
Kenai/Soldotna	2
Other Kenai Peninsula	1
Homer	1
Pelican	1
Hollis	1
Chenega Bay/Port Lions	1
Other Interior	1

AMHS Summer Customer Survey
Visitor Market Origin

State/Country	%
Western U.S.	**33**
Washington	8
California	7
Oregon	6
Colorado	3
Montana	2
Overseas	**19**
Europe	13
Germany	5
Northern Europe	3
British Isles	3
Australia/New Zealand	4
Mid West	**17**
Michigan	4
Minnesota	3
South	**14**
Texas	4
Florida	4
East	**8**
New York	3
Massachusetts	1
Canada	**8**
British Columbia	3
Yukon	3

AMHS Summer Customer Survey
Household Income

	Total	Residents	Visitors
Under $10,000	4%	5%	4%
$10,000 to $20,000	8	9	7
$20,000 to $30,000	10	11	9
$30,000 to $50,000	27	30	26
$50,000 to $75,000	25	23	27
$75,000 to $100,000	14	14	14
$100,000 to $150,000	7	6	8
Over $150,000	5	3	6
Average household income:	**$60,300**	**$55,300**	**$63,100**

Special Analysis: Southeast vs. Southwest Customers

Over 90% of AMHS customers ride on the Southeast Alaska system, leaving only 8% to the Southwest Alaska system. While the Southwest minority appears small, these customers represent a vital AMHS market, and they differentiate themselves in several important ways.

Both Southwest and Southeast customers rate their overall ferry experience very highly, giving over 90% positive ratings. Southwest customers are slightly more pleased with their overall ferry experience, with 48% giving a "very good" rating, compared to 43% of Southeast customers. In terms of satisfaction ratings of specific AMHS services, Southwest customers again tend to give higher ratings. For example, 61% give a positive rating to waiting time (loading), compared to 47% of Southeast passengers.

Southwest customers differ slightly in information sources: They are less likely to use the Internet, and more likely to use the AMHS 800 number.

Southwest customers tend to agree with Southeast customers when asked about incentives to ride the ferry more. However, Southwest passengers were more likely to desire more frequent service. When asked why they chose the ferry system over other transportation options, Southwest customers are much more likely to pick "scenery/wildlife" and much less likely to pick "lower cost."

In terms of trip purpose, Southwest customers are more likely to be traveling for vacation/pleasure *and* to visit friends/relatives. They are less likely to be traveling for personal reasons. Southwest parties are slightly larger, and are less likely to be individual travelers.

Southwest passengers appear slightly more price-sensitive, giving lower value-for-the-money ratings than Southeast passengers. However, both regional markets rate the overall value quite high.

Perhaps the biggest difference between Southwest and Southeast customers can be found in household income: average for Southwest is $73,000, compared to $56,000 among Southeast passengers.

AMHS Summer Customer Survey
Overall Ferry Experience Rating
Southeast and Southwest Passengers

	Southeast Passengers	Southwest Passengers
Very good	43%	48%
Good	50	44
Neither good/poor	5	5
Poor	1	0
Very poor	0	2
Average	**4.4**	**4.4**

AMHS Summer Customer Survey
Selected Satisfaction Ratings
Southeast and Southwest Passengers
1 (Very Poor) to 7 (Excellent)

	Southeast Passengers		Southwest Passengers	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Overall customer service	75%	1%	75%	3%
Ship's personnel	78	2	85	1
Timeliness of phone res.	47	26	57	17
Boarding	65	7	74	6
Waiting time for loading	47	20	61	12
Cabin size	56	6	55	5
Meal quality	47	12	53	13

AMHS Summer Customer Survey
Selected Results
Southeast and Southwest Passengers

	Southeast Passengers	Southwest Passengers
Top Sources of Information		
Ferry brochure/schedule	49%	45%
Friends/family	35	33
Ferry system 800 number	25	32
Internet	24	20
Per Party Ferry Trip Expenditures		
Mean	$603	$454
Median	$350	300
Main Reasons for Trip		
Vacation/pleasure	72%	82%
Visiting friends/relatives	21	27
Personal reasons	17	11
Business only	8	9
Business/pleasure	8	9
Other Transportation Options Considered		
None, only considered AMHS	64%	64%
Major airline	12	8
Small plane	10	8
Driving the highway	5	5
Large cruise ship	5	1
Main Reasons for Choosing Ferry System		
Scenery/wildlife	30%	43%
Vehicle option	29	32
Lower cost	28	16
Relaxation	23	22

AMHS Summer Customer Survey
Selected Results
Southeast and Southwest Passengers
(continued)

	Southeast Passengers	Southwest Passengers
Perception of Value for the Money		
Passage (good value/poor value)	79%/ 6%	73%/ 6%
Cabin (good/poor)	66/ 12	58/ 10
Vehicle (good/poor)	54/ 17	48/ 14
Food (good/poor)	48/ 20	56/ 13
Overall (good/poor)	71/ 5	70/ 4
Type of Traveling Party		
With spouse/partner	35%	41%
Individual traveler	25	17
With friends	19	17
With other relatives	12	18
With children and spouse	9	15
With a group	9	11
With children	7	2
Number in Traveling Party		
Mean	2.4	2.9
Median	2.0	2.0
Average Income	$57,700	$73,000

Special Analysis: Foot vs. Vehicle Customers

The foot and vehicle markets each represent about half of all summer passengers. As the following tables show, these two markets differ somewhat in their characteristics, travel habits, and opinions about the ferry system.

Both markets rate their overall ferry experience very highly, with over 90% giving a positive rating. However, vehicle passengers give a lower rating to the timeliness of phone reservations and the wait time for loading, than do foot passengers.

Foot and vehicle passengers differ slightly in their information sources, with foot passengers more often relying on their friends/family and the Internet, and vehicle passengers using the 800 number more often.

For obvious reasons, foot passengers tended to spend far less on their ferry trip than vehicle passengers: an average of $401, compared to $701. Foot passengers also felt significantly better about the value they received for their money.

Most passengers (both foot and vehicle) did not consider other transportation options. Among those who did, foot passengers tended to consider a major airline or small plane, while vehicle passengers most often considered driving.

When asked why they chose the ferry system, foot passengers tended to choose the categories “scenery/wildlife” and “lower cost.” Vehicle passengers most often chose “vehicle option.”

In terms of traveling parties, foot passengers are more likely than vehicle passengers to be traveling individually. On average, vehicle parties are larger.

Vehicle passengers tend to be more affluent than foot passengers, earning an average of $64,500 per household, compared to $54,500.

AMHS Summer Customer Survey
Overall Ferry Experience Rating
Foot and Vehicle Passengers

	Foot Passengers	Vehicle Passengers
Very good	47%	42%
Good	47	51
Neither good/poor	5	6
Poor	0	1
Very poor	0	1
Average	**4.4**	**4.3**

AMHS Summer Customer Survey
Selected Satisfaction Ratings
Foot and Vehicle Passengers
1 (Very Poor) to 7 (Excellent)

	Foot Passengers		Vehicle Passengers	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Overall customer service	75%	1%	76%	3%
Ship's personnel	79	1	79	3
Timeliness of phone res.	49	22	48	26
Boarding	70	5	65	9
Waiting time for loading	57	12	44	23
Cabin size	51	6	58	6
Meal quality	43	15	51	9

AMHS Summer Customer Survey
Selected Results
Foot and Vehicle Passengers

	Foot Passengers	Vehicle Passengers
Top Sources of Information for Ferry Trip		
Ferry brochure/schedule	51%	46%
Friends/family	39	31
Ferry system 800 number	21	30
Internet	25	22
Per Party Ferry Trip Expenditures		
Mean	$401	$701
Median	$200	$450
Main Reasons for Trip		
Vacation/pleasure	74%	74%
Visiting friends/relatives	23	20
Personal reasons	17	15
Business only	8	9
Business/pleasure	7	9
Other Transportation Options Considered		
None	63%	65%
Major airline	16	8
Small plane	14	6
Driving the highway	2	9
Main Reasons for Choosing Ferry System		
Scenery/wildlife	38%	27%
Vehicle option	2	51
Lower cost	37	17
Relaxation	26	20

AMHS Summer Customer Survey
Selected Results
Foot and Vehicle Passengers
(continued)

	Foot Passengers	Vehicle Passengers
Perception of Value for the Money		
Passage (good value/poor value)	86%/ 3%	73%/ 8%
Cabin (good/poor)	68/ 10	63/ 13
Vehicle (good/poor)	45/ 19	55/ 16
Food (good/poor)	47/ 20	51/ 18
Overall (good/poor)	77/ 3	67/ 6
Type of Traveling Party		
With spouse/partner	30%	41%
Individual traveler	32	17
With friends	16	21
With other relatives	14	13
With children and spouse	7	13
With a group	10	9
With children	7	5
Number in Traveling Party		
Mean	2.3	2.6
Median	2.0	2.0
Average Income	$54,500	$64,500

Customer Profiles by Ship

Introduction

The primary objective of this study is to evaluate system wide issues and then make recommendations for improvements that will increase revenue and decrease subsidy. The implementation of these recommendations will also be done on a system wide basis as new marketing and pricing policies are put into practice. Because of this systemic approach, most research results are reported on a system wide basis.

However, when it come to implementation, individual parts of the operation – from reservations to terminals – will be affected in special ways by these new policies. Likewise, each ship in the AMHS is a unique operation and each ship's characteristics and routing bring aboard unique markets and unique customer needs and desires. For this reason, we include a detailed analysis of the AMHS customer survey by ship. This way, management, masters and crew can see where they stand with their customers and then begin to implement changes in their own unique operation that will result in higher customer satisfaction and additional market demand.

The following analysis is by topic area from the survey. The ratings of each ship are discussed within each topic category.

Ratings Note: Readers are cautioned about concluding specific things about each ship when ratings appear higher or lower. In general, resident ratings are lower than visitor ratings on every ship and for most aspects of the AMHS. As a result, ships with heavy summer resident traffic (such as the LeConte and Aurora) will receive lower overall ratings, though they may be providing as good or better service as the ships dominated by visitor traffic. Readers are also reminded that Alaska visitors tend to assign high ratings to most items, so a low visitor rating might be a 5 on the 1 to 7 scale, if all other ratings are 6 or 7.

As in other ratings, the important issue is comparative analysis rather than absolute numbers. When ratings of one service or ship are significantly above or below other similar ratings, these ratings should be closely reviewed.

As in the previous section of this report, ratings are grouped at the positive and negative ends of the 1 (very poor) to 7 (excellent) scale. For positive ratings, 6 and 7 scores are combined in the rows labeled "% rating 6-7", meaning good to excellent. Negative ratings are combined in the rows labeled "% rating 1-3", meaning poor to very poor. In the first table for example, 66% of Aurora customers rated boarding as good to excellent and 11% rated boarding poor to very poor.

Loading/Unloading Procedures

Overall, customers are least happy with arrival and departure times and waiting time for loading. Arrival/departure times are most negative for the Aurora and LeConte, in some cases, negative exceed the positive. Among the larger ships, the Kennicott ranked lowest, in spite of having mostly visitors as customers. The Taku also had a high negative score, 25% of all Taku customers being critical of arrival/departure times. Not surprisingly, the most positive scores go to the four ships that start their voyages with daytime departures – Tustumena, Bartlett, Malaspina and Columbia.

Waiting time for loading is a prominent issue with the Kennicott, LeConte, Aurora and Malaspina. The Tustumena and the Bartlett record the most positive scores on waiting time for loading.

Customer Service (Personnel)

Customer service ratings of personnel throughout the system are uniformly high with only moderate exceptions. As expected the ship with the highest resident component – LeConte – had the most negative ratings. But even in this case, a typical rating was 71% positive and just 9% negative. The highest ratings went to the Taku, with positive scores commonly in the 80% + range and negative scores averaging a tiny 1% to 2%. These are excellent top-of-the-line ratings. In second place was the Tustumena, with most ratings in the 80%+ range and only 1% to 9% negatives ratings.

Cleanliness/Comfort

Cleanliness ratings are uniformly high on all ships, though customers rated the LeConte poorly on both terminal and ship's public area cleanliness.

Availability of other (non-cabin) sleeping areas was the most significant negative for all ships, and was most negative on the Bartlett (43% negative), LeConte (37%) and Aurora (26%), which do not have cabins. Poor availability of seating was most noticed on the LeConte and Aurora, the ships carrying the highest percentage of Alaska residents.

Meal Service

The Taku had the lowest negative rating for meal quality, with only 3% of customers giving negative scores compared to 42% who thought the meals on the Taku were good to excellent. All other ships had double-digit negative meal-quality scores, lead by the LeConte (19% negative) and the Aurora and Columbia (14% each). Positive meal-quality scores ranged from 42% on the Taku to 61% on the Tustumena.

Hours of food service were a significant negative issue on the Bartlett, LeConte, Tustumena and Aurora with between 21% and 29% of all customers rating food service hours negatively. These four ships are the smallest in the fleet with the fewest facilities available for food service. The Aurora and LeConte also have less convenient arrival and departure times, which may contribute to the complaints about insufficient hours for food service.

Menu selection also gets negative ratings on all vessels, except the Taku. The Matanuska has more customer complaints, but several vessels are right behind statistically.

Overall, meal service is one of the three lowest-rated aspects of the AMHS experience – the others being telephone reservations service and arrival, departure and waiting times. Food service improvements are within the control of the AMHS. Improvements in quality, selection and availability will not only generate higher customer satisfaction, but will increase total food revenue as well.

Overall Ferry Experience Ratings

The top rating in the survey was that of the overall AMHS experience. Despite high negatives on some selected aspects of the experience, AMHS customers are very satisfied with their overall experience, rating it between 4 and 5 on a 5-point scale of very poor to very good. Ninety-six percent (96%) of Tustumena, Taku and Malaspina customers rated their overall ferry experience as good or very good on the five-point scale. The Tustumena was the top-rated vessel overall, with 60% of this ship's customers rating their overall ferry experience as very good. Even 87% of the normally grumpy LeConte customers gave a good or very good rating and all other ships scored at least 90% positive.

Conversely, poor ratings totaled 3% in the worst case (Bartlett), and the Matanuska, Aurora and LeConte had no customers rating them either poor or very poor.

Importance of Ferry Services/Amenities

AMHS customers were asked to rate how important 20 on-board services and amenities were to their experience. For the total market, food service was the leader followed by seating for viewing and comfort.

On the Aurora, seating for viewing, comfort and sleeping were most important, followed by the need for cafeteria and snack bar service. Food availability is a major issue. The Aurora was the only ship with a significant number of customers thinking arcade and video games were important (25% said "important"). No other ship had rating over 13% for this amenity.

Bartlett customers stressed the importance of seating and food service.

Columbia customers emphasized the importance of cabins more than those on any other ship. Columbia cabins are usually sold out. Seating for viewing and leisure was mentioned by 90%+ and cafeteria/snack bar service got importance ratings of 80%+ , as did showers.

Kennicott customers thought that seating, cafeteria service, showers and quietness were the most important issues on that vessel. They also had higher than average interest in Internet access and computer outlets.

LeConte customers rated seating for viewing, leisure and sleeping as their most important issue, with cafeteria service close behind. Less important to them were cabins, arcade and video games, and a cocktail lounge. LeConte passengers had the highest interest in Internet access and computer outlets.

Malaspina customers' rated seating for viewing (93%) and cafeteria service (91%), as most important. They are less concerned about cabins than passengers on mainline vessels.

Matanuska customers, like those on most other vessels, rated seating and cafeteria service at the top of their importance list. They also considered cabins important (71%).

Taku customers gave very high ratings (90%+) to seating for viewing, leisure and cafeteria service, and 72% considered cabins important, a typical rating for mainline vessels.

Tustumena customers rated the common seating and cafeteria service as well as naturalist presentations at a higher rate of importance than any other vessel except the Columbia.

Trip Purpose

Most AMHS travel by both residents and visitors is pleasure-oriented and discretionary in nature. The essential business of the AMHS is marine pleasure travel services. When asked the main reasons for their AMHS trip customers primarily identified vacation and pleasure in seven out of ten cases. This was the leading reason for both visitors and residents, far outstripping the number two reason – visiting friends and relatives in Alaska. The number three reason – sightseeing with friends and relatives – is also a vacation/pleasure purpose.

Trip purpose patterns vary somewhat by vessel. The Aurora and LeConte have only about one-half of their customers claiming vacation and pleasure as the main purpose. All other vessels have between two-thirds and three-quarters of their customers on board for vacation and pleasure, and most of the rest are either visiting friends and relatives or sightseeing while visiting friends and relative.

The Tustumena (32%), Aurora (22%) and Bartlett (22%) have significant numbers of customers claiming fishing and hunting (primarily fishing in summer) as a main purpose for their trip. Other vessels had only minor percentages engaged in fishing and hunting.

Shopping was most prominent for customers on the Aurora (20%), LeConte (11%) and Bartlett (7%), but was insignificant on any other vessel.

The Aurora and LeConte have the highest use by people on medical and business travel, though only 8% to 12% of these customers traveled for either purpose.

Less than one in ten AMHS customers travel to combine business and pleasure, but this is done slightly more often on the Aurora, Bartlett and Kennicott (10% to 11% claim this trip purpose).

The Columbia (10%) and Kennicott (5%) were the vessels used most often for persons relocating. Other vessels had very minor percentages of people on board who were moving to another part of Alaska or outside the state.

Only the Tustumena is used to any extent for customers going to another community to work, with 7% of its customers on board for this purpose. These people are likely to be seasonal fishing and fish processing workers.

Vehicle Type and Length of Vehicle

Personal car, pick-up, SUV or van is the dominant vehicle class on all vessels, ranging from 54% of Matanuska vehicles to 92% of LeConte vehicles.

The Taku (31%), Tustumena (28%) and Kennicott (32%) are more likely to carry personal RV/camper type vehicles.

The commercial motorcoach market is dominated by the Lynn Canal shuttle service on the Malaspina and the Prince Rupert-based Taku.

Bicycles and motorcycles are most popular on the Columbia and Matanuska.

Average vehicle length varies by ship. Vehicles on the smaller vessels LeConte, Aurora, Tustumena, Bartlett and, surprisingly, on the Columbia, average between 16 and 18 feet in length. Vessels serving Prince Rupert and the Malaspina shuttle have vehicle length averages of between 20 and 22 feet. Demand for transport of longer vehicles may be a bit price sensitive and is also focused on the Prince Rupert–Lynn Canal mainline corridor.

Mainline vs. Shuttle Service Preferences

Taku, Columbia, Aurora and Kennicott customers are more interested in shuttle service than are customers of other vessels. Bartlett and LeConte customers are least interested.

However, in every case (except the Bartlett where the preference was a tie), AMHS customers prefer mainline over shuttle service. Highest preference for mainline service was among LeConte, Matanuska, Kennicott and Columbia customers.

Type of Traveling Party

Travel with a spouse or partner is the dominant type of traveling party on seven of the nine vessels (34% to 51% traveling with spouse or partner). Solo travel is the most common party size aboard the Aurora and LeConte (36% to 37%). The Bartlett, Malaspina and Matanuska dominate the group travel market (15% to 19% travel with a group on these vessels). The most popular vessels for families with children are the Bartlett, Malaspina, Taku and Tustumena (11% to 19% travel with spouse and children). Malaspina customers are most likely to be traveling with friends (24%) and Tustumena customers are most likely to travel with other (non-spousal) family members (21%).

The general finding of these party characteristics is that each route – as represented by the vessel – has a unique mix of markets. Therefore, marketing plans should consider routes and vessels and target specifically to fill the ship with the most promising market mix.

AMHS Customer Household Income

Significant variations in income are evident by ship. Southwest system vessels have the most affluent customers. Bartlett and Tustumena customer households earn $75,000 and $71,000, respectively. LeConte ($51,000), Taku ($54,000), and Aurora ($55,000) customer households earn the least, though these amounts still allow for spending on discretionary pleasure travel. Matanuska, Columbia, Malaspina and Kennicott customer households average between $57,000 and $65,000 in income.

AMHS Summer Customer Survey
Loading/Unloading Procedures By Ship
Percentage Rating 6-7 and 1-3
on a 1 (Very Poor) to 7 (Excellent) Scale

	Aurora	Bartlett	Columbia	Kennicott	LeConte	Malaspina	Matanuska	Taku	Tustem.
Boarding									
% rating 6-7	66%	70%	56%	54%	59%	68%	67%	74%	79%
% rating 1-3	11	6	9	11	4	9	5	2	7
Waiting time (loading)									
% rating 6-7	51	60	45	38	31	49	44	57	63
% rating 1-3	23	14	16	25	24	21	18	16	8
Waiting time (unloading)									
% rating 6-7	63	68	53	51	43	53	61	69	66
% rating 1-3	8	5	9	13	16	7	5	6	6
Arr/dep time convenience									
% rating 6-7	25	44	38	25	27	44	40	29	56
% rating 1-3	37	18	18	25	30	14	22	25	12
Car deck procedures									
% rating 6-7	60	65	63	46	56	53	60	59	72
% rating 1-3	14	8	11	14	12	8	8	2	8
Luggage procedures									
% rating 6-7	67	51	53	49	50	49	56	43	72
% rating 1-3	4	17	10	11	12	4	7	8	11

AMHS Summer Customer Survey
Customer Service By Ship
Percentage Rating 6-7 and 1-3
on a 1 (Very Poor) to 7 (Excellent) Scale

Courtesy and helpfulness of…	Aurora	Bartlett	Columbia	Kennicott	LeConte	Malaspina	Matanuska	Taku	Tustem.
Reservation agent									
% rating 6-7	70%	70%	72%	71%	65%	78%	78%	85%	86%
% rating 1-3	6	4	4	5	7	5	4	-	6
Terminal agent									
% rating 6-7	75	70	69	72	64	79	83	80	83
% rating 1-3	7	8	5	6	9	2	3	2	5
Ship's personnel									
% rating 6-7	78	82	74	80	71	75	82	84	88
% rating 1-3	2	2	3	1	9	1	2	1	1
Purser's office									
% rating 6-7	77	66	78	70	73	75	78	80	82
% rating 1-3	-	6	4	3	13	2	1	1	7
Food service personnel									
% rating 6-7	72	71	70	74	68	70	75	72	77
% rating 1-3	4	9	7	5	2	4	4	3	9
Gift shop personnel									
% rating 6-7	72	57	70	73	63	65	71	67	78
% rating 1-3	3	10	6	2	10	-	3	1	9
Car deck personnel									
% rating 6-7	75	76	72	72	62	75	75	70	83
% rating 1-3	4	2	7	3	12	2	3	3	4
Overall customer rating									
% rating 6-7	72	68	73	73	71	74	79	83	83
% rating 1-3	4	3	2	3	2	2	2	-	3

AMHS Summer Customer Survey
Cleanliness/Comfort By Ship
Percentage Rating 6-7 and 1-3
on a 1 (Very Poor) to 7 (Excellent) Scale

	Aurora	Bartlett	Columbia	Kennicott	LeConte	Malaspina	Matanuska	Taku	Tustem.
Terminal cleanliness									
% rating 6-7	72%	63%	77%	77%	50%	77%	79%	81%	78%
% rating 1-3	5	7	1	3	15	2	2	2	2
Ship pub. area cleanliness									
% rating 6-7	68	68	66	86	60	76	77	76	80
% rating 1-3	9	4	5	0	15	3	4	2	1
Cabin cleanliness									
% rating 6-7	n/a	n/a	70	87	n/a	62	84	80	84
% rating 1-3			6	1		-	-	3	2
Cabin size									
% rating 6-7	n/a	n/a	66	62	n/a	49	56	68	65
% rating 1-3			4	8		6	3	3	2
Availability of other sleeping areas									
% rating 6-7	39	22	41	52	32	40	44	49	38
% rating 1-3	26	43	19	12	37	18	18	11	13
Availability of seating									
% rating 6-7	66	48	61	76	54	65	58	72	65
% rating 1-3	10	13	9	5	19	5	6	3	6

AMHS Summer Customer Survey
Meal Service By Ship
Percentage Rating 6-7 and 1-3
on a 1 (Very Poor) to 7 (Excellent) Scale

	Aurora	Bartlett	Columbia	Kennicott	LeConte	Malaspina	Matanuska	Taku	Tustem.
Meal quality									
% rating 6-7	55%	48%	46%	52%	44%	45%	45%	42%	61%
% rating 1-3	14	13	14	10	19	11	13	3	12
Hours of food service									
% rating 6-7	46	35	55	58	37	41	56	54	35
% rating 1-3	21	29	8	7	24	8	10	4	21
Menu selection									
% rating 6-7	52	29	44	48	29	39	43	48	34
% rating 1-3	12	16	14	10	14	16	17	6	16

AMHS Summer Customer Survey
Overall Ferry Experience By Ship

	Aurora	Bartlett	Columbia	Kennicott	LeConte	Malaspina	Matanuska	Taku	Tustemena
Very Good (5)	36%	40%	46%	45%	40%	43%	44%	51%	60%
Good (4)	55	50	46	48	47	53	49	45	36
Neither good/ poor (3)	9	8	6	6	13	2	7	2	2
Poor (2)	-	1	1	1	-	2	-	2	-
Very Poor (1)	-	2	0	1	-	-	-	-	2
Average Score	**4.3**	**4.3**	**4.4**	**4.3**	**4.3**	**4.4**	**4.4**	**4.4**	**4.5**

AMHS Summer Customer Survey
Importance of Ferry Services/Amenities By Ship
Percentage rating 4-5 on a scale of 1 (not at all important) to 5 (very important)

	Aurora	Bartlett	Columbia	Kennicott	LeConte	Malaspina	Matanuska	Taku	Tustem.
Cabins	61%	40%	79%	72%	43%	60%	71%	72%	59%
Storage lockers	48	31	55	36	45	49	34	45	39
Cocktail lounge	25	35	34	37	24	29	26	26	26
Snack bar	82	74	83	63	71	71	59	71	67
Cafeteria	95	81	87	89	87	91	88	92	85
Full service dining	44	51	58	49	31	43	49	40	68
Showers	75	32	88	84	69	56	77	81	64
On board movies	55	24	40	34	45	38	36	41	35
Naturalist presentations	44	52	71	62	42	68	57	65	71
Arcade/video games	25	7	12	9	11	13	10	12	8
Play area for children	67	39	50	41	54	53	45	54	42
Barrier-free access.	66	47	67	54	60	54	44	66	51
Seating for viewing	95	87	96	94	92	93	89	93	91
Seating for leisure	96	83	92	92	85	89	84	94	92
Baggage procedures	68	31	65	47	66	63	54	59	48
Quietness	79	51	79	81	69	76	76	71	69
Public phone service	48	23	46	39	44	33	39	28	36
Seating for sleeping	88	68	64	63	83	70	71	78	77
On-board internet access	20	11	23	27	29	18	25	21	19
Electrical outlets for computers	25	11	22	28	26	19	24	20	22

AMHS Summer Customer Survey
Household Income By Ship

	Aurora	Bartlett	Columbia	Kennicott	LeConte	Malaspina	Matanuska	Taku	Tustem.
Under $10,000	-%	2%	7%	3%	14%	4%	6%	4%	5%

$10,000 to $20,000	13	6	5	5	11	8	7	6	5
$20,000 to $30,000	11	8	8	13	11	6	10	15	6
$30,000 to $50,000	36	19	27	23	27	26	30	26	24
$50,000 to $75,000	23	25	25	25	14	28	24	33	24
$75,000 to $100,000	8	18	16	13	14	18	12	9	16
$100,000 to $150,000	4	15	7	11	8	5	6	6	11
Over $150,000	6	8	4	5	3	5	4	1	9
Average Income	**$54,500**	**$74,600**	**$59,700**	**$64,500**	**$51,400**	**$61,500**	**$57,000**	**$53,600**	**$70,700**

AMHS Summer Customer Survey
Main Reasons for Trip By Ship

	Aurora	Bartlett	Columbia	Kennicott	LeConte	Malaspina	Matanuska	Taku	Tustem.
Vacation/pleasure	45%	77%	64%	70%	53%	79%	69%	73%	73%
Visiting friends/relatives	35	24	19	18	31	13	17	22	30
Sightseeing while VFR	13	26	25	22	6	13	7	6	6
Fishing/hunting	22	22	6	13	9	1	6	12	32
Business/pleasure	10	11	8	11	3	7	6	9	6
Shopping trip	20	7	2	1	11	2	3	2	2
Business only	9	3	2	3	9	3	6	4	-
Medical	12	1	2	0	8	2	1	1	1
Relocation	-	1	10	5	3	2	2	2	3
Sports event	1	2	2	2	2	3	3	3	1
Traveling to/from work	3	3	2	2	2	1	0	1	7
Other	34	19	19	13	50	13	19	28	9

AMHS Summer Customer Survey
Most Important Reason for Trip By Ship

	Aurora	Bartlett	Columbia	Kennicott	LeConte	Malaspina	Matanuska	Taku	Tustem.
Vacation/pleasure	25%	60%	52%	57%	36%	69%	65%	61%	68%
Visiting friends/relatives	28	9	12	7	20	7	9	12	8
Sightseeing while VFR	1	13	12	11	6	6	3	4	4
Business/pleasure	7	9	7	9	3	4	5	5	5
Business only	9	3	1	3	9	3	5	4	-
Relocation	-	1	9	5	3	2	3	2	2
Medical	9	1	1	0	6	2	1	1	1
Fishing/hunting	3	6	0	3	3	1	2	2	-
Shopping trip	7	3	0	0	3	1	-	-	-
Other	12	3	9	4	16	8	8	11	12

AMHS Summer Customer Survey
Type of Vehicle By Ship
Base: Vehicle Passengers

	Aurora	Bartlett	Columbia	Kennicott	LeConte	Malaspina	Matanuska	Taku	Tustemena
Personal car/pick-up/SUV/van	84%	75%	69%	66%	92%	61%	54%	64%	64%
Personal RV/camper	14	12	17	23	-	20	20	31	28
Commercial motorcoach	-	5	-	5	-	12	14	3	-
Bicycle	-	1	3	3	-	2	4	-	3
Motorcycle	-	-	5	1	-	1	3	1	3
Commercial passenger van	-	4	3	0	-	2	1	-	-
Commercial truck/ freight/van	3	1	1	-	8	1	2	-	1
Other	-	-	3	2	-	1	3	1	-

AMHS Summer Customer Survey
Length of Vehicle By Ship
Base: Vehicle Passengers

	Aurora	Bartlett	Columbia	Kennicott	LeConte	Malaspina	Matanuska	Taku	Tustemena
Under 10 feet	-%	3%	12%	8%	-%	6%	5%	3%	7%
11-15 feet	41	32	37	29	50	25	22	16	29
16-19 feet	30	45	30	26	42	32	39	46	40
20-21 feet	14	9	9	11	-	6	6	10	3
22-25 feet	5	4	5	7	-	5	4	4	10
26-30 feet	3	2	3	4	8	4	4	9	7
31-35 feet	-	1	3	2	-	3	4	8	3
36-40 feet	-	-	1	2	-	12	4	3	-
Over 40 feet	8	5	1	11	-	8	13	3	-
Average length	**18.7 feet**	**17.9 feet**	**16.4 feet**	**20 feet**	**16.1 feet**	**21.4 feet**	**21.4 feet**	**20.4 feet**	**17.5 feet**

AMHS Summer Customer Survey
Type of Traveling Party By Ship

	Aurora	Bartlett	Columbia	Kennicott	LeConte	Malaspina	Matanuska	Taku	Tustemena
With spouse/ partner	22%	34%	36%	37%	23%	35%	45%	39%	51%
Individual traveler	36	13	33	36	37	14	18	26	21
With friends	16	21	20	21	20	24	16	13	13
With other relatives	13	15	12	9	14	11	15	11	21
With children and spouse	6	19	6	6	8	14	5	13	11
With a group	-	17	3	4	2	19	15	8	2
With children	17	2	5	5	5	5	3	6	2

AMHS Summer Customer Survey
Ferry System Preference By Ship

Would you prefer…	Aurora	Bartlett	Columbia	Kennicott	LeConte	Malaspina	Matanuska	Taku	Tustemena
Shuttle ferries with connecting road links	36%	21%	44%	35%	28%	31%	29%	42%	23%
Stay on the same ferry for entire trip	38	21	45	51	52	49	51	44	26
Would like both	6	-	3	2	2	2	5	2	1
Don’t know	20	57	8	12	19	17	15	12	50

Introduction

Winter passengers represent a vastly different market than summer passengers. They are far more likely to be residents of the state,; they are more likely to travel with a vehicle, they are more likely to be visiting friends and relatives, and they have different preferences for on-board amenities. Further, winter passengers (particularly residents) appear significantly more price-sensitive than the summer market. These differences are important for the ferry service to take into account as they try to accommodate the full range of their clients.

Although winter passengers appear different from the summer market in terms of characteristics, they tend to agree when it comes to reviewing ferry services. Both rate the overall AMHS experience and customer service personnel highly. There were few major discrepancies between the two markets in satisfaction levels. One exception is in cleanliness and comfort ratings. It appears that the winter's significantly lower passenger load leads to a marked improvement in ship cleanliness, ship comfort, seating availability, and terminal cleanliness.

Methodology

Following are the results of the winter season (October 1999-April 2000) survey of 568 traveling parties. Readers should note that the sample concentrated on mainline service routes, where the highest market development potential exists. 469 surveys were conducted on Southeast mainline vessels, and 99 surveys were conducted on the Southwest system's winter vessel, the Tustumena.

Overall Ferry Experience

Like their summer season counterparts, winter passengers were generally pleased with their ferry experience. Nearly nine out of ten (87%) gave their overall experience a good or very good rating. Even in winter, the on-board product delivered by the AMHS is well-reviewed.

Although average ratings were lower than in the summer months (4.2 versus 4.4), this can be attributed to the higher proportion of residents on board, who tend to be more critical of the ferry system. Worse weather and fewer vacation and pleasure visitors may also be factors. Only 5% of respondents considered their overall experience poor or very poor.

AMHS Winter Customer Survey
Overall Ferry Experience Rating

	Total	Residents	Visitors
Very good	40%	37%	48%
Good	47	49	41
Neither good/poor	8	9	5

Poor	3	3	1
Very poor	2	2	5
Average	**4.2**	**4.2**	**4.3**

Customer Service (Personnel)

Winter AMHS customers, like summer customers, tended to be very pleased with the personnel of the AMHS – both on-board and on-shore. Ship's personnel received particularly high praise. Though the reservation agent received slightly lower ratings than other personnel, they were still highly regarded, even by the resident market. In summary, winter AMHS customers are pleased with how they are treated by AMHS personnel in all parts of the system.

AMHS Winter Customer Survey
Customer Service (Personnel) Satisfaction Ratings
1 (Very Poor) to 7 (Excellent)

	Residents		Visitors	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Reservation agent	65%	7%	69%	8%
Terminal agent	73	5	78	3
Ship's personnel	73	4	84	2
Purser's office	75	2	83	4
Food service personnel	70	6	71	1
Gift shop personnel	71	4	69	5
Car deck personnel	72	2	73	4
Overall customer service	**73**	**3**	**76**	**2**

Reservations/Information

Winter satisfaction ratings for reservations and information closely resembled summer ratings. The phone reservations system was again among the lowest rated aspects of the AMHS experience. Both Internet-related services, the Web site and the Internet reservation service, received lower ratings than in the summer survey.

AMHS Winter Customer Survey
Reservations/Information Satisfaction Ratings
1 (Very Poor) to 7 (Excellent)

	Residents		Visitors	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Availability of information	58%	8%	68%	10%
Quality of information	60	5	62	11
Helpfulness of Web site	54	10	60	5
Ease of schedule use	54	12	50	10
Timeliness of phone reservation service	36	31	62	15

Timeliness of fax reservation service	36	22	51	8
Timeliness of Internet reservation service	39	16	45	11
Overall reservation service	**57**	**13**	**70**	**7**

Loading/Unloading Procedures

As in the summer survey, respondents gave fairly low ratings to the waiting time for loading. The convenience of arrival and departure times received even poorer reviews, particularly among residents. Nearly a third (30%) of responding residents deemed the arrival and departure times fair to poor. Visitors tended to be more critical of the luggage procedures.

AMHS Winter Customer Survey
Loading/Unloading Procedures Satisfaction Ratings
1 (Very Poor) to 7 (Excellent)

	Residents		Visitors	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Boarding	64%	6%	66%	6%
Waiting time (loading)	43	13	46	16
Waiting time (unloading)	58	6	59	4
Convenience of arrival and departure times	32	30	40	12
Car deck procedures	61	7	62	6
Luggage procedures	53	9	50	14

Meal Service

The AMHS meal service received fairly low satisfaction ratings from winter passengers, although these were slightly improved over summer ratings. Less than half of respondents, 44%, rated the quality of meals very good or excellent. Visitors were not as critical of the meal service as residents.

AMHS Winter Customer Survey
Meal Service Satisfaction Ratings
1 (Very Poor) to 7 (Excellent)

	Residents		Visitors	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Meal quality	44%	12%	46%	8%
Hours of food service	43	13	61	9
Menu selection	44	12	48	9

Cleanliness and Comfort

Winter customers were significantly more pleased with the cleanliness and comfort aspects of their AMHS experience than summer customers. This is not surprising, considering that in winter there are fewer passengers, and therefore fewer people to clean up after or compete with for space. Visitors, in particular, gave very positive ratings to cleanliness and seating availability. However, a significant portion of passengers were dissatisfied with cabin size, and even more so with the availability of other sleeping areas.

AMHS Winter Customer Survey
Cleanliness/Comfort Satisfaction Ratings
1 (Very Poor) to 7 (Excellent)

	Residents		Visitors	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Terminal cleanliness	78%	1%	85%	-%
Ship public area cleanliness	78	0	84	4
Cabin cleanliness	74	4	88	-
Cabin size	48	11	50	13
Availability of other sleeping areas	37	19	47	16
Availability of seating	68	7	73	3

Likes and Dislikes About Ferry Experience

Winter customers tended to enjoy the "cruising" (scenic viewing and relaxation) aspect of their ferry experience best. The scenic viewing experience was twice as important to visitors than residents; however, it still was the second most popular aspect of the resident experience. From a marketing standpoint, the popularity of the cruising aspects for both residents and visitors can be effectively used to encourage additional winter travel.

Residents were more appreciative of the people and convenience aspects, while visitors were more complimentary of AMHS personnel.

The most commonly mentioned dislike among winter passengers was "departure times, early loading, and late arrival times." Residents were far more likely to make this complaint: 17% versus 3% of visitors. Also unpopular, although mentioned by less than 10% of respondents, were food and beverage and cost.

AMHS Winter Customer Survey
What do you like most about your ferry experience?

	Total	Residents	Visitors
Scenery/sightseeing/views/mountains	26%	20%	44%
Relaxation/relaxing	22	22	22
People (meeting/talking/gathering/new)	9	11	5
Convenience	8	10	4
Personnel (helpful/friendly/good service)	7	5	13
Quiet/peaceful/no distractions	6	7	4
No driving/ not having to drive	4	4	6
Vehicle/car on board	4	5	1
Cost/cheap/inexpensive	4	5	-
Slow pace/atmosphere/laid back	3	4	1
Cleanliness	3	2	4

AMHS Winter Customer Survey
What do you like least about your ferry experience?

	Total	Residents	Visitors
Departure times/early loading/late arrival times	14%	17%	3%
Food and beverage	7	6	10
Cost	7	7	8
Length of trip (too long)	5	6	4
Entertainment (lack of)	5	5	5
Infrequent sailings to some communities	5	5	3
Sea sick/rough seas	4	4	4
Staterooms (no staterooms/ sleeping areas limited)	4	4	3
Service/schedules poor	4	5	-
Children (unruly)	4	4	3
Waiting time to depart/board	2	3	2

Importance of Ferry Services and Amenities

The top three priorities for winter visitors were seating for viewing, seating for leisure, and a cafeteria. Quietness and showers came next on the list. Although visitors and residents tended to agree on most amenities, their priorities differed in a few areas. Visitors tended to value seating, naturalist presentations, and quietness more than residents. Residents assigned more importance to a play area for children, seating for sleeping, and storage lockers.

AMHS Winter Customer Survey
Importance of Ferry Services/Amenities
percentage rating 4-5 (important plus very important)
On a scale of 1 (not at all important) to 5 (very important)

	Total	Residents	Visitors
Cabins	71%	70%	74%
Storage lockers	40	42	33
Cocktail lounge	30	31	29
Snack bar	72	72	74
Cafeteria	89	88	92
Full service dining	48	50	44
Showers	77	76	82
On-board movies	51	55	42
Naturalist presentations	40	35	54
Arcade/video games	14	15	11
Play area for children	58	64	41
Barrier-free accessibility	51	52	49
Seating for viewing	90	88	96
Seating for leisure	90	88	94
Baggage/luggage procedures	57	58	53
Quietness	79	78	84
Public phone service	41	41	42
Seating for sleeping	69	72	60
On-board Internet access	29	28	33
Electrical outlets for computers	31	30	32

Trip Planning Information for the AMHS and Alaska

Over half of the travelers who responded sited the ferry brochure as the source they used to plan their trip. Respondents also used the 800 number, friends and family, and the Internet. Visitors and residents differed significantly in their planning tools: visitors were much less likely to use the ferry brochure (41% versus 60%), and much more likely to use the Internet (39% versus 18%). Among visitors, Internet use increased by 10% between the summer and winter surveys.

In planning their overall Alaska trip, the AMHS brochure was again the most used source of information, followed by friends and family, the 800 number, and the Internet. Visitors were twice as likely as residents to use the Internet. By winter 2000, the Internet will be the leading information source for both AMHS and overall trip planning.

For winter customers, neither of the system's major promotional pieces – the *North! to Alaska* guide and the *Alaska State Travel Planner* – are significant sources of either AMHS or Alaska trip information.

AMHS Winter Customer Survey
Information Sources for *AMHS* Trip Planning

	Total	Residents	Visitors
Ferry brochure and schedule	55%	60%	41%
AMHS 800 number	29	30	29
Friends and family	24	23	27
Internet	23	18	39
Ferry System Web Page	19	18	22
Travel agent	14	14	14
Milepost	8	5	15
North! to Alaska Guide	5	4	6
Alaska State Travel Planner	2	1	5
Alaska Travel Guide	2	2	2
Newspaper	2	1	4
Wrote the ferry	1	0	5
Convention and Visitors Bureaus	1	1	1
Magazine	1	0	3
Travel shows	0	0	-
Other	15	12	24

AMHS Winter Customer Survey
Information Sources for Overall *Alaska* Trip Planning

	Total	Residents	Visitors
Ferry brochure and schedule	30%	49%	35%
Friends and family	45	25	40
AMHS 800 number	20	20	20
Internet	16	8	36
Ferry System Web Page	14	13	17
Milepost	14	13	15
Travel agent	12	12	14
Alaska State Travel Planner	3	1	7
Alaska Travel Guide	3	-	10
Newspaper	2	1	4
North! to Alaska Guide	2	1	4
Wrote the ferry	2	-	5
Magazine	2	1	3
Convention and Visitors Bureaus	2	-	1
Travel shows	0	-	1
Other	22	21	25

Perception of Value for the Money of AMHS Products

Responding passengers felt generally positive about the overall value for the money spent on their AMHS experience. Only 8% of respondents felt it was a poor value, while 59% felt it was a good value. Both resident and visitor winter customers appear more price-sensitive than their summer season counterparts.

Certain aspects of the trip received more negative value ratings. Nearly a third of residents, and a fourth of visitors, felt the vehicle price was not a good value. Slightly fewer said the same thing about their cabins. Summer passengers tended to rate the value for the money higher than winter passengers in all aspects of the experience.

AMHS Winter Customer Survey
Value For the Money

% rating Good Value (very good value + fairly good value)
% rating Poor Value (somewhat poor value + very poor value)

	Residents		Visitors	
	Good Value	Poor Value	Good Value	Poor Value
Passage	70%	9%	85%	3%
Cabin	45	27	62	19
Vehicle	39	32	40	25
Food	39	23	47	26
Overall	59	8	69	3

AMHS Trip Expenditures

Winter passengers spent an average of $653 on their ferry trip, including their passage, cabin, and vehicle fares. On average, residents spent 55% less than visitors on their total ferry travel. Residents tended to spend far less than visitors in all three categories. This reflects the overall price sensitivity of the resident market.

Because the survey focuses on the higher-value, mainline routes, the level of expenditures by both residents and visitors is greater.

AMHS Winter Customer Survey
Per Party AMHS Trip Expenditures*

	Total	Residents	Visitors
Passage	$206	$164	$322
Cabin	195	152	304
Vehicle	458	371	718
Total	$653	$537	$986

*Totals in each category are only by passengers who purchased each particular fare. For example, the average vehicle expenditure includes only those with vehicles. Therefore, the total of passage, cabin, and vehicle spending does not add to the total expenditures by the average traveling party.

Incentives to Ride Ferry More Often

Winter passengers listed lower prices for vehicles as the number one incentive to ride the ferry more often. Other common incentives were: more frequent service, lower prices for passage, shorter travel time, and lower prices for stateroom. Price did not appear to be as important to visitors as it was to residents.

AMHS Winter Customer Survey
Incentives to Ride Ferry More Often
(Top Three Choices Combined)

	Total	Residents	Visitors
Lower prices for vehicles	57%	62%	43%
More frequent service	44	47	35
Lower prices for passage	40	39	44
Shorter travel time	34	37	27
Lower prices for stateroom	30	33	22
More convenient departure/arrival time	23	25	18
More direct routing	16	18	12
Better food service	16	14	21
Shorter waiting time for loading	12	11	17
More convenient transportation to/from terminals	11	10	14
Reservation service that is easier and faster	11	11	9
Entertainment	10	9	13
More staterooms available	10	10	11
Email and Internet access	7	8	6
More seating	7	7	6
More readily available information about the ferry service	6	7	3
Ability to book reservations more than 6 months in advance	5	6	3
Ability to fax	4	5	1

Other	7	5	12

Additional Comments

When asked if they had any additional comments or suggestions, the most common response by winter passengers was a general, positive comment (16%), such as "good job," "great," etc. A common suggestion was better scheduling (12%). This is followed by more and better service to communities (6%), poor design of ferries (6%), and stateroom improvements (6%).

Resident and Visitor Markets By Vessel

On all four vessels surveyed in the winter season, most passengers were residents of the state. The Matanuska had the smallest resident market share at 66%, while the Taku had the largest at 92%.

AMHS Winter Customer Survey
Resident and Visitor Markets By Vessel

Ship	Residents	Visitors
Kennicott	75%	25%
Matanuska	66	34
Taku	92	8
Tustumena	76	24
Total	**74**	**26**

Length of Alaska Residency

Residents riding the ferry in the winter tended to be long-time residents of the state. Over half (52%) had been residents over 20 years, and 18% had been here between 10 and 20 years. Only 5% of residents had moved to the state in the last two years.

AMHS Winter Customer Survey
Length of Alaska Residency
Base: Alaska residents

	%
Less than 1 year	2
1 to 2 years	3
3 to 5 years	12
6 to 10 years	11
11 to 20 years	18

Over 20 years/lifetime	52

Length of Trip

Among visitors, the median length of time spent in Alaska was ten days. One out of five (18%) were on long trips of over 50 days.

AMHS Winter Customer Survey
Length of Alaska Segment of Trip
Base: Visitors

	Visitors
1 to 5 days	24%
6 to 10 days	29
11 to 15 days	16
16 to 20 days	7
21 to 30 days	4
31 to 40 days	1
41 to 50 days	2
Over 50 days	18
Mean length of stay in Alaska:	35.0 days
Median length of stay in Alaska:	**10.0 days**

Repeat Customers

The majority of winter passengers (54%), who were visiting the state had been to Alaska before. This is significantly more than in the summer. Only 36% of the AMHS summer visitors had traveled to Alaska previously.

AMHS Winter Customer Survey
First Trip to Alaska
Base: Visitors

Yes	46%
No	54

Purpose of AMHS Travel

When asked to list their main reasons for their trip, winter passengers most often listed vacation and pleasure reasons. While visitors were more likely be traveling for vacation or pleasure (50%), this was still an important trip purpose for residents (32%). Personal reasons were also mentioned by 38% of residents and 31% of visitors. Residents were twice as likely to be visiting friends and relatives (29% versus 14% of visitors).

AMHS Winter Customer Survey
Main Reasons for Trip
(multiple responses allowed)

	Total	Residents	Visitors
Vacation/Pleasure Total	**37%**	**32%**	**50%**
Vacation/pleasure	33	28	48
Attending special event	3	3	1
Fishing/hunting	2	2	1
Friends/individual outing	1	1	1
Sightseeing while visiting friends and relatives	0	0	-
Personal Reasons Total	**36**	**38**	**31**
Relocation	16	12	28
Shopping trip	8	11	1
Medical	8	11	0
Sports event	3	4	1
Personal reasons	2	3	1
Manage family affairs or property	1	1	1
Attending school or college	1	1	-
Social/cultural event	0	-	1
Visiting Friends and Relatives Total	**25**	**29**	**14**
Business Only Total	**23**	**23**	**21**
Business	13	15	6
Military	5	5	6
Education/training	3	2	5
Traveling to/from work	2	2	4
Business event or meeting	0	0	-
Business/Pleasure Total	**10**	**12**	**6**
Other	**6**	**6**	**6**

Other Transportation Options Considered

As in the summer, most winter passengers did not consider other modes of transportation. This confirms that the AMHS has no competitors for the majority of its market. Among customers who did consider a competitive alternative, the most popular option was major airline, followed by driving the highway. Visitors were much more likely to have considered driving than residents.

AMHS Winter Customer Survey
Other Transportation Options Considered Before Selecting the AMHS

	Total	Residents	Visitors
None	65%	66%	62%
Major airline	18	17	18
Driving the highway	13	9	22
Small plane	7	8	2
Car	4	3	6
Private boat	1	1	-
Large cruise ship	0	-	0
Train	0	-	0

Reasons for Choosing the AMHS Over Competing Modes

When asked why they chose the ferry system over other options, residents and visitors gave very different answers. Visitors commonly listed cruising the Inside Passage, followed by the vehicle option, scenery and wildlife, and weather. Nearly half of residents chose the ferry system because of the vehicle option. This was followed by lower cost, weather, and reliability. Visitors were clearly more interested in the cruising aspect of the trip, while residents were more concerned with practicality and cost.

AMHS Winter Customer Survey
Two Main Reasons for Choosing Ferry System
Over Other Transportation Options

	Total	Residents	Visitors
Vehicle option	43%	48%	27%
Lower cost	27	33	12
Weather	25	27	21
Cruise Inside Passage	15	5	44
Relaxation	14	13	15
Reliability	12	15	3
Scenery/wildlife	8	2	23
Don’t want to fly	7	8	3
Convenient schedule	6	6	5
Never done it	5	3	13
Convenience (pets/children)	4	5	3
Don’t want to drive	4	4	4
Good value for the money	3	3	2
Large equipment option	2	2	1
Other	6	6	5

Mainline Vs. Shuttle Options

When asked whether they would prefer shuttle ferries or mainline ferries, the majority of respondents (57%) chose the mainline option. Visitors were more likely than residents to prefer the main line service.

Passengers were also asked if ending Prince Rupert ferries in Juneau encouraged or discouraged ferry use. Half of respondents said they believed it made no difference. Forty-one percent (41%) said it would moderately or greatly discourage ferry use. Very few said it would encourage ferry use.

AMHS Winter Customer Survey
Ferry System Option Preference

	Total	Residents	Visitors
Shuttle ferries with connecting road links	31%	34%	24%
Stay on the same ferry for entire trip	57	54	66
Would like both	3	4	2
Don't know	9	9	8

AMHS Winter Customer Survey
In 1999, most ferries out of Prince Rupert end their voyage in Juneau. In your opinion, does this encourage or discourage ferry use?

	Total	Residents	Visitors
Greatly encourage	3%	4%	1%
Moderately encourage	5	4	6
No difference	48	49	48
Moderately discourage	23	21	28
Greatly discourage	18	19	14
Don't know	3	3	3

Type of Passenger

The majority of winter ferry passengers (61%) are traveling with a vehicle. Two-thirds of residents travel with a vehicle, compared to 50% of visitors. In the summer, about 55% of both groups travel with a vehicle.

AMHS Winter Customer Surveys
Type of Passenger

	Total	Residents	Visitors
On foot	39%	35%	50%
With a vehicle	61	65	50

Vehicle Type and Size

The vast majority of winter passengers (93%) take a personal car, pick-up, SUV, or van with them on their ferry ride. This is quite different than in the summer when a fifth of vehicle passengers travel with RV's or campers.

Vehicle length in winter is significantly shorter than in the summer, with only 13% of winter vehicles exceeding 19 feet.

AMHS Winter Customer Survey
Type of Vehicle
Base: Vehicle passengers

	Total	Residents	Visitors
Personal car/pick-up/SUV/van	93%	93%	92%
Commercial truck/freight/van	3	4	-
Commercial passenger van	0	-	2
Other	1	0	5

AMHS Winter Customer Survey
Length of Vehicle
Base: Vehicle passengers

	Total	Residents	Visitors
Under 10 feet	2%	2%	-%
11-15 feet	45	43	51
16-19 feet	42	43	39
20-21 feet	7	9	1
22-25 feet	2	1	3
26-30 feet	1	1	1
31-35 feet	2	1	3
36-40 feet	0	0	-
Over 40 feet	1	0	1

Traveling Parties

Half of surveyed passengers (50%) were traveling by themselves on the ferry system, while one-quarter (23%) were with a spouse or partner. Residents were more likely to travel solo, while visitors more often traveled with a spouse or partner. Most winter resident groups are school groups and all visitor groups surveyed were Elderhostel groups. Compared to summer passengers, winter passengers were much more likely to be individual travelers. The average number of people in the traveling party is also lower among winter passengers at 2.2 people, compared to 2.5 in the summer.

AMHS Winter Customer Survey
Type of Traveling Party

	Total	Residents	Visitors
Individual traveler	50%	53%	42%
With spouse/partner	23	19	32
With children and spouse	9	11	6
With friends	8	7	10
With other relatives	8	7	10
With children	6	6	5
With a group	5	4	7

AMHS Winter Customer Survey
Type of Group
Base: Traveling with group

	Total	Residents	Visitors
Elderhostel	38%	-%	100%
School group	38	62	-
Non profit youth group	4	7	-
Other	19	30	-

AMHS Winter Customer Survey
Number in Immediate Traveling Party

	Total	Residents	Visitors
One	48%	51%	40%
Two	33	29	45
Three	6	7	6
Four	7	8	6
Five	2	2	2
Six to ten	1	1	1
More than eleven	2	2	1
Average number	**2.2**	**2.3**	**2.1**

AMHS Customer Demographics

The most common age group among winter passengers was 35-44, followed by 45-54. The average winter respondent was 45 years old and 18% of traveling parties had children under 18. Visitors tended to be slightly older than residents. Predictably, they are also more likely to be retired. About half of all winter passengers report being employed. Winter customers are moderately less affluent than summer customers.

Among residents, the five most common Alaska hometowns are all in Southeast: Juneau, Ketchikan, Haines, Petersburg, and Sitka. In the summer though, Anchorage ranks third. Among visitors, over half were from the Western U.S., with nearly a quarter coming from Washington State. Winter visitors are far more likely than summer visitors to be from the West, and less likely to be from overseas.

AMHS Winter Customer Survey
Employment Status

	Total	Residents	Visitors
Employed	50%	50%	49%
Retired	18	15	25
Student	5	6	3
Homemaker	4	5	3
Minor	17	19	10
Other	6	5	9

AMHS Winter Customer Survey
Household Income

	Total	Residents	Visitors
Under $10,000	8%	8%	8%
$10,000 to $20,000	8	9	5
$20,000 to $30,000	18	15	24
$30,000 to $50,000	24	26	29
$50,000 to $75,000	21	22	18
$75,000 to $100,000	7	7	9
$100,000 to $150,000	7	9	3
Over $150,000	4	4	5
Average household income:	**$52,200**	**$53,100**	**$49,800**

AMHS Winter Customer Survey
Alaska Resident Market Origin

Community	%
Juneau	21
Ketchikan	10
Haines	10
Petersburg	9
Sitka	8
Wrangell	6
Anchorage	6
Other southeast	5
Fairbanks	4
Skagway	3
Craig	3
Kodiak	2
Other interior	2
Palmer/Wasilla	2
Other Kenai Peninsula	2
Valdez	1
Homer	1
Eagle River	1
Hoonah	1
Angoon	1
Other Prince of Wales	1
Chenega Bay/Port Lions	1

AMHS Winter Customer Survey
Visitor Market Origin

State/Country	%
Western U.S.	**52**
Washington	23
California	9
Oregon	5
Colorado	3
Arizona	3
South	**15**
North Carolina	4
Texas	3
Florida	3
Overseas	**11**
Europe	5
Australia/New Zealand	4
Mid West	**11**
Minnesota	4
Illinois	2
Canada	**8**
British Columbia	3
Yukon	3
East	**3**

Special Analysis: Foot and Vehicle Customers

Following is a series of tables that compare the opinions and characteristic of the two major, but very different, market segments – foot passengers and passengers associated with vehicles. A limited number of indicators were selected for the purpose of this comparison.

In terms of customer satisfaction, foot passengers are somewhat more satisfied than vehicle passengers, though both groups rate the system highly. For example, 88% of foot passengers and 86% of vehicle passengers rate the overall experience as good or very good. Vehicle passengers were significantly more critical of timeliness of phone reservations, with 32% assigning a poor rating.

Vehicle passengers are more likely to use the ferry system 800 number, while foot passengers rely more on friends and family to obtain information. Vehicle passengers also assign a lower rating to value for the money. Nearly three-quarters of vehicle parties say they would ride the ferry more often if vehicle prices were lower. Spending differences are dramatic. Vehicle parties spend about twice as much as foot passenger parties.

Foot passengers are almost twice as likely to be traveling for vacation and pleasure, and half as likely to be traveling for personal reasons. Foot passengers are more likely to be individual parties, while vehicle parties are more likely to be traveling with their spouse or partner, and with children.

In terms of competitive options, the majority of both markets did not consider another option when planning their trip. If they do, the foot passenger considers a major airline, and the vehicle party considers driving the highway.

When foot passengers explain why they chose the ferry system over other options, the reasons are lower cost and cruising experience. For vehicle parties, the dominant reason is the vehicle option, followed by weather (this means avoiding driving in winter weather). Interestingly, lower cost is a minor factor for vehicle parties, though they appear price-sensitive in other questions.

AMHS Winter Customer Survey
Overall Ferry Experience Rating
Foot and Vehicle Passengers

	Foot Passengers	Vehicle Passengers
Very good	48%	35%
Good	40	51
Neither good/poor	6	10
Poor	2	3
Very poor	4	1
Average	**4.3**	**4.2**

AMHS Winter Customer Survey
Selected Satisfaction Ratings
Foot and Vehicle Passengers
1 (Very Poor) to 7 (Excellent)

	Foot Passengers		Vehicle Passengers	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Timeliness of phone res.	39%	18%	44%	32%
Boarding	73	4	59	8
Waiting time for loading	55	10	37	15
Ship's personnel	83	1	71	5
Overall customer service	78	1	71	3
Cabin size	54	10	45	12
Meal quality	49	9	41	13

AMHS Winter Customer Survey
Selected Results
Foot and Vehicle Passengers

	Foot Passengers	Vehicle Passengers
Top Sources of Information		
Ferry brochure/schedule	54%	56%
Ferry system 800 number	23	33
Friends/family	31	20
Internet	19	26
Overall Value for the Money		
Good value	54%	56%
Poor value	23	33
Per Party Ferry Trip Expenditures		
Mean	$412	$761
Median	208	580
Main Reasons for Trip		
Vacation/pleasure	48%	29%
Personal reasons	21	46
Visiting friends/relatives	28	24
Business only	23	23
Business/pleasure	9	12
Other Transportation Options Considered		
None	71%	61%
Major airline	20	16
Driving the highway	1	20
Small plane	9	5

AMHS Winter Customer Survey
Selected Results
Foot and Vehicle Passengers
(continued)

	Foot Passengers	Vehicle Passengers
Main Reasons for Choosing Ferry System		
Vehicle option	0%	69%
Lower cost	41	19
Weather	14	32
Cruise Inside Passage	25	9
Type of Traveling Party		
Individual traveler	60%	44%
With spouse/partner	16	27
With children and spouse	2	14
With friends	10	7
With other relatives	9	7
With children	7	5
With a group	10	1
Number in Traveling Party		
Mean	2.0	2.4
Median	1.0	2.0
Average Income	$48,400	$54,700

Introduction

The spring period of May and early June has represented the fastest growing seasonal visitor market over the last several years. For this reason, and because the system has significant available capacity in the spring, a special survey was conducted of spring season mainline passengers.

The spring market resembles the summer market more than it does the winter market. Therefore, similar marketing practices and pricing policies can be used for both spring and summer season.

Spring customers are good spenders, tend to stay in Alaska longer than any other seasonal market, and rate their AMHS experience quite highly. Spring visitors are heavy Internet users. It is the leading information source for their AMHS trip planning.

Methodology

The following section summarizes results from the spring season (May and early June 2000) survey of 253 traveling parties. Again, the sample concentrated on mainline service routes, where the highest market development potential exists. 219 surveys were conducted on three Southeast mainline vessels, and 34 surveys were conducted on the Southwest vessel, the Bartlett.

Overall Ferry Experience

Spring passengers tended to be very satisfied with their overall ferry experience. The vast majority (94%) gave it a good or very good rating, while only 4% gave a negative rating. Visitors were much more likely to give a very good rating (55% versus 34% for resident travelers). The average ferry experience rating (4.4 out of a possible 5) matched summer averages.

AMHS Spring Customer Survey
Overall Ferry Experience Rating
1 (Very Poor to 5 (Very Good)

	Total	Residents	Visitors
Very good (5)	46%	34%	55%
Good (4)	48	57	40
Neither good/poor(3)	5	8	3
Poor (2)	2	1	2
Very poor (1)	2	1	2
Average	**4.4**	**4.2**	**4.5**

Customer Service (Personnel)

Spring passengers gave AMHS customer service even higher satisfaction ratings than summer passengers. Ship's personnel, purser's office, and food service personnel were particularly commended by passengers. Negative ratings ranged between zero and just 5%. The personnel was the highest-rated aspect of the AMHS experience.

AMHS Spring Customer Survey
Customer Service (Personnel) Satisfaction Ratings
1 (Very Poor) to 7 (Excellent)

	Residents		Visitors	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Reservation agent	70%	4%	78%	4%
Terminal agent	77	5	80	1
Ship's personnel	76	1	85	-
Purser's office	78	4	85	-
Food service personnel	71	5	84	3
Gift shop personnel	70	3	77	4
Car deck personnel	75	4	78	3
Overall customer service rating	**73**	**1**	**81**	**-**

Reservations/Information

Spring passengers were quite satisfied with the overall reservation service, only 10% gave a negative rating. However, several aspects of the system received poor reviews. The timeliness of the crucial phone reservation system, was a repeated theme among all markets. Residents tended to be more critical of the reservation and information services than visitors. Spring survey results generally matched summer survey results.

AMHS Spring Customer Survey
Reservations/Information Satisfaction Ratings
1 (Very Poor) to 7 (Excellent)

	Residents		Visitors	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Availability of information	65%	7%	63%	7%
Quality of information	59	8	62	7
Helpfulness of Web site	51	9	64	9
Ease of schedule use	55	12	51	8
Timeliness of phone reservation service	39	30	59	16
Timeliness of fax reservation service	39	8	57	10
Timeliness of Internet reservation service	51	6	61	10
Overall reservation service	**54**	**10**	**65**	**5**

Loading/Unloading Procedures

Spring passengers tended to give low satisfaction ratings to both convenience of arrival and departure times and waiting time for loading. Residents were much more critical of the arrival and departure times Nineteen percent of spring residents gave his a negative rating versus 7% of the spring visitors. In general, spring passengers gave similar ratings to summer passengers in these categories.

AMHS Spring Customer Survey
Loading/Unloading Procedures Satisfaction Ratings
1 (Very Poor) to 7 (Excellent)

	Residents		Visitors	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Boarding	59%	9%	75%	8%
Waiting time (loading)	42	19	54	15
Waiting time (unloading)	51	7	74	2
Convenience of arrival and departure times	32	19	60	7
Car deck procedures	48	8	68	7
Luggage procedures	50	14	58	2

Meal Service

Satisfaction ratings for meal service were low among spring passengers. Less than 40% of residents gave positive ratings for any meal service aspect. Visitors were somewhat more satisfied, with about half giving positive reviews to meal quality and menu selection. Negative ratings were low compared to summer results – about half as many respondents appeared dissatisfied with all three meal service aspects.

AMHS Spring Customer Survey
Meal Service Satisfaction Ratings
1 (Very Poor) to 7 (Excellent)

	Residents		Visitors	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Meal quality	38%	9%	52%	7%
Hours of food service	38	11	67	2
Menu selection	35	9	49	6

Cleanliness and Comfort

Cleanliness and comfort ratings were quite high among spring passengers, with few weak areas. Availability of sleeping areas received poor ratings from both residents and visitors. Only half of residents appeared satisfied with the cabin size. However, ratings were higher among spring passengers than summer passengers. This is perhaps due to lighter passenger loads, and therefore improved comfort and cleanliness.

AMHS Spring Customer Survey
Cleanliness/Comfort Satisfaction Ratings
1 (Very Poor) to 7 (Excellent)

	Residents		Visitors	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Terminal cleanliness	74%	-%	85%	1%
Ship public area cleanliness	72	3	74	4
Cabin cleanliness	66	5	73	7
Cabin size	53	9	65	10
Availability of other sleeping areas	41	15	52	19
Availability of seating	57	9	73	4

Likes and Dislikes About Ferry Experience

Spring passengers liked the "cruising" aspects of the ferry best. Forty-two percent said they liked the scenery and sightseeing aspect of their trip most, and 14% listed relaxation. While visitors were more likely to appreciate the scenic viewing, residents still listed this aspect more often than any other part of the ferry experience. Residents were more likely than visitors to appreciate the convenience of the ferry.

The number one dislike among spring passengers was the lack of entertainment. (This was mentioned by only 8% of respondents.) Cost and the waiting time for departure were also listed.

AMHS Spring Customer Survey
What do you like most about your ferry experience?

	Total	Residents	Visitors
Scenery/sightseeing/views/mountains	42%	30%	52%
Relaxation/relaxing	14	12	16
Personnel (helpful/friendly/good service)	7	8	7
People (meeting/talking/gathering/new)	7	9	6
Convenient/dependable/available	5	8	2
No driving/ not having to drive	3	5	1
Size of ship	3	3	2
Smooth ride	2	5	-
Food	2	2	2

Vehicle/car on board	2	2	1

AMHS Spring Customer Survey
What do you like least about your ferry experience?

	Total	Residents	Visitors
Entertainment (lack of)	8%	9%	8%
Waiting time to depart/board	7	9	6
Cost	7	8	6
Staterooms (no staterooms/ sleeping areas limited)	6	4	7
Poor maintenance	5	4	7
Departure times	5	7	3
Sailing time	5	8	1
Sailing at night	4	4	7
Weather	4	-	8
Food and beverage	4	4	4
Reservations problems	2	4	-

Importance of Ferry Services and Amenities

The three most important ferry service amenities for spring passengers were seating for viewing, seating for leisure, and the cafeteria. About nine in ten respondents said these were important or very important to have on board. Following these were showers, quietness, and the snack bar. The least important ferry amenities, according to spring passengers, were arcade, cocktail lounge, and Internet access. Residents tend to place more value on a children's play area, on-board movies, and seating for sleeping. Visitors are more concerned with naturalist presentations and seating for viewing.

AMHS Spring Customer Survey
Importance of Ferry Services/Amenities
percentage rating 4-5 (important plus very important)
On a scale of 1 (not at all important) to 5 (very important)

	Total	Residents	Visitors
Cabins	68%	67%	69%
Storage lockers	38	39	37
Cocktail lounge	25	26	24
Snack bar	70	69	70
Cafeteria	89	89	90
Full service dining	48	52	45
Showers	78	75	79
On-board movies	42	51	35
Naturalist presentations	52	44	58
Arcade/video games	14	19	9
Play area for children	55	66	46
Barrier-free accessibility	54	63	47
Seating for viewing	93	90	95
Seating for leisure	92	91	93
Baggage/luggage procedures	58	62	55
Quietness	73	73	73
Public phone service	42	41	43

Seating for sleeping	66	72	61
On-board Internet access	33	34	32
Electrical outlets for computers	36	39	33

Trip Planning Information for the AMHS and Alaska

The ferry brochure and schedule was the most important ferry trip planning information source, followed closely by the Internet. Nearly half of all passengers (46%) listed the Internet among information sources. This applied to visitors more than to residents. It represents a huge increase in usage over the summer season, when 24% of passengers used the Internet in trip planning. Usage of the ferry system Web page also greatly increased.

In planning their overall Alaska trip, the top three information sources listed by spring passengers, were friends and family, the ferry brochure, and the Internet. Again, Internet and AMHS Web page usage were more common than in the summer season.

AMHS Spring Customer Survey
Information Sources for *AMHS* Trip Planning

	Total	Residents	Visitors
Ferry brochure and schedule	50%	54%	46%
Internet	46	40	50
800 number	37	33	40
Ferry System Web Page	37	32	40
Friends and family	36	28	42
North! to Alaska Guide	14	12	15
Milepost	12	11	12
Travel agent	10	9	10
Alaska State Travel Planner	10	13	15
Alaska Travel Guide	9	3	15
Wrote the ferry	4	1	6
Magazine	2	2	2
Convention and Visitors Bureaus	1	-	2
Travel shows	1	-	1
Newspapers	1	-	1
Other	10	11	9

AMHS Spring Customer Survey
Information Sources for Overall *Alaska* Trip Planning

	Total	Residents	Visitors
Friends and family	46%	30%	57%
Ferry brochure and schedule	45	47	43
Internet	37	30	42
Ferry system Web Page	31	26	35
800 number	26	23	27
Milepost	17	15	18
Travel agent	13	11	14
Alaska Travel Guide	11	4	16
North! to Alaska Guide	10	3	15
Alaska State Travel Planner	7	3	11
Magazine	5	4	5
Wrote the ferry	3	1	4
Convention and Visitors Bureaus	2	1	2
Travel shows	0	-	1
Other	17	17	17

Perception of Value for the Money of AMHS Products

Spring passengers rated AMHS a good value for the money. Only 7% of residents and 1% of visitors gave the overall value a negative rating. Among individual fare categories, passage was rated the best buy. Vehicle, food, and cabin all received higher numbers of poor and very poor responses.

Residents were much more likely than visitors to give negative ratings to value for the money. In general, spring passengers appeared more price-sensitive than summer passengers.

AMHS Spring Customer Survey
Value For the Money
% rating Good Value (very good value + fairly good value)
% rating Poor Value (somewhat poor value + very poor value)

	Residents		Visitors	
	Good Value	Poor Value	Good Value	Poor Value
Passage	66%	10%	84%	3%
Cabin	42	23	66	9
Vehicle	31	27	48	12
Food	32	28	53	9
Overall	48	7	74	1

AMHS Trip Expenditures

Spring passengers spent an average of $924 on their entire ferry trip, including passage, cabin, and vehicle fares. Residents and visitors spent nearly the same amount, but residents spent more on vehicle fares, while visitors spent more on passage and cabin fares.

AMHS Spring Customer Survey
Per Party Ferry Trip Expenditures

	Total	Residents	Visitors
Passage	$418	$357	$468
Cabin	252	223	274
Vehicle	484	512	442
Total	$924	$924	$925

*Totals in each category are only by passengers who purchased each particular fare. For example, the average vehicle expenditure includes only those with vehicles. Therefore, the total of passage, cabin, and vehicle spending does not add to the total expenditures by the average traveling party.

Incentives to Ride Ferry More Often

The two most popular incentives listed by spring passengers were lower prices for vehicles and lower prices for passage. These were each mentioned by nearly half of respondents. More frequent service and shorter travel time were also commonly listed. Residents tended to be more concerned with lower prices. They were much more likely than visitors to list lower prices for vehicle, passage, and stateroom as incentives.

The results pointing to high price-sensitivity could be misleading. It is significant that customers gave high marks to the overall value for the money, showing a willingness to pay higher fares. It appears that this high price-sensitivity is simply a natural response to desire cheaper fares.

AMHS Spring Customer Survey
Incentives to Ride Ferry More Often
(Top Three Choices Combined)

	Total	Residents	Visitors
Lower prices for vehicles	46%	54%	39%
Lower prices for passage	46	53	39
More frequent service	39	45	33
Shorter travel time	32	42	23
Lower prices for stateroom	27	33	21
Better food service	23	26	21
Shorter waiting time for loading	23	15	30
Reservation service that is easier and faster	21	18	23
More staterooms available	20	22	19
More convenient transportation to/from terminals	18	14	23
More convenient departure/arrival time	18	20	16
More direct routing	18	20	15
More readily available information about the ferry service	17	19	16
Email and Internet access	15	14	16
Entertainment	13	13	12
Ability to book reservations more than 6 months in advance	12	13	13
More seating	11	11	12
Ability to fax	7	9	4
Other	7	6	8

Resident and Visitor Markets By Vessel

The percentage of visitors and residents among the spring passengers is almost evenly split on all four vessels surveyed. The Bartlett had the highest resident share at 53%, and the Columbia had the lowest, at 42%.

AMHS Spring Customer Survey
Resident and Visitor Markets By Vessel

Ship	Residents	Visitors
Columbia	42%	58%
Matanuska	50	50
Taku	51	49
Bartlett	53	47
Total	48	52

Length of Alaska Residency

Residents riding the ferry in the spring tended to have lived in the state for many years. Four out of ten had been residents for over 20 years. There were more new residents, however, than in either the summer or winter seasons.

AMHS Spring Customer Survey
Length of Alaska Residency
Base: Alaska residents

	%
Less than 1 year	4
1 to 2 years	11
3 to 5 years	13
6 to 10 years	18
11 to 20 years	14
Over 20 years/lifetime	40

Length of Trip

The median length of stay in the state among visitors was 16 days, longer than both the summer and winter markets.

AMHS Spring Customer Survey
Length of Alaska Segment of Trip
Base: Visitors

	Visitors
1 to 5 days	8%
6 to 10 days	18
11 to 15 days	24
16 to 20 days	15
21 to 30 days	12
31 to 40 days	3
41 to 50 days	8
Over 50 days	13
Mean length of stay in Alaska:	30.7 days
Median length of stay in Alaska:	**16.0 days**

Alaska Places Visited

Like their summer counterparts, spring customers travel widely throughout Alaska. For example, Anchorage, though not on the AMHS system, is the third most popular destination among spring visitors using the system. Fairbanks hosts 21% of all spring visitors utilizing the AMHS. Overall, Juneau, Skagway, Haines and Ketchikan are the leading mainline ports. (It should be noted again that the spring sample focused entirely on the mainline system.)

AMHS Spring Customer Survey
Alaska Places Visited (Top 10)

	Total	Residents	Visitors
Juneau	31%	22%	39%
Skagway	31	13	47
Haines	29	34	26
Anchorage	26	13	37
Ketchikan	21	18	23
Sitka	14	6	22
Fairbanks	12	3	21
Whittier	12	12	12
Interior/Denali	11	1	20
Valdez	10	4	16

Repeat Customers

Nearly two-thirds of the spring market (63%) were on their first trip to Alaska – only 1% less than in the summer.

AMHS Spring Customer Survey
First Trip to Alaska
Base: Visitors

Yes	63%
No	37

Purpose of AMHS Travel

When asked to list their main reasons for their trip, the most popular responses were in the vacation and pleasure category. Visitors were more likely to mention vacation and pleasure reasons. Personal reasons, business, and visiting friends and relatives were each listed by about a quarter of respondents.

AMHS Spring Customer Survey
Main Reasons for Trip
(multiple responses allowed)

	Total	Residents	Visitors
Vacation/Pleasure Total	**57%**	**35%**	**77%**
Vacation/pleasure	50	22	76
Fishing/hunting	6	7	4
Attending special event	4	5	3
Sightseeing while visiting friends and relatives	1	2	-
Friends/individual outing	1	-	2
Personal Reasons Total	**26**	**44**	**9**
Relocation	18	28	9
Medical	4	9	-
Shopping trip	4	8	-
Manage family affairs or property	1	2	-
Attending school or college	1	1	1
Business Only Total	**24**	**33**	**16**
Traveling to/from work	10	10	10
Business	7	13	2
Military	6	9	2
Education/training	2	3	1
Visiting Friends and Relatives Total	**23**	**26**	**19**
Business/Pleasure Total	**3**	**4**	**1**
Other	**7**	**7**	**6**

Other Transportation Options Considered

Most spring passengers, like summer passengers, did not consider other modes of transportation before selecting the AMHS. The AMHS has no competition for most of its current market. Among those who did consider other options, driving the highway and major airline were most often mentioned.

AMHS Spring Customer Survey
Other Transportation Options Considered Before Selecting the AMHS

	Total	Residents	Visitors
None	68%	68%	67%
Driving the highway	18	20	17
Major airline	14	16	12
Large cruise ship	4	-	8
Small plane	2	4	1
Car	1	-	1
Train	0	-	1
Small cruise ship	0	-	1

Reasons for Choosing the AMHS Over Competing Modes

Among the minority of spring passengers who did consider other transportation alternatives, residents and visitors tended to give different reasons for choosing the AMHS. Over half of visitors said "cruise Inside Passage," compared to 14% of residents. The vehicle option was the most popular reason for residents, 40%.

AMHS Spring Customer Survey
Two Main Reasons for Choosing Ferry System
Over Other Transportation Options

	Total	Residents	Visitors
Cruise Inside Passage	36%	14%	55%
Vehicle option	25	40	11
Scenery/wildlife	20	9	30
Relaxation	17	22	13
Lower cost	16	21	12
Never done it	15	11	19
Convenient schedule	9	10	8
Recommended by friends/family	7	-	14
Reliability	7	13	2
Don't want to fly	7	12	2
Shorter than driving	6	7	5
Good value for the money	5	4	6
Planning/flexibility	4	1	6
Convenience (pets/children)	3	4	2
Large equipment option	2	4	1
Don't want to drive	2	3	1
Drive one way, use ferry the other	2	1	2
Other	9	11	6

Mainline Vs. Shuttle Options

When asked whether they would prefer shuttle or mainline ferries, two-thirds of respondents (65%) chose the mainline option. One-quarter would prefer shuttles. There was little difference between resident and visitor responses.

Passengers were also asked whether ending Prince Rupert ferries in Juneau encouraged or discouraged ferry use. The most popular response was that it would make no difference. Forty-two percent (42%) said it would discourage ferry use, and a small percentage (12%) disagreed.

AMHS Spring Customer Survey
Ferry System Option Preference

	Total	Residents	Visitors
Shuttle ferries with connecting road links	25%	28%	22%
Stay on the same ferry for entire trip	65	64	66
Would like both	0	1	-
Don't know	10	7	13

AMHS Spring Customer Survey
In 1999, most ferries out of Prince Rupert end their voyage in Juneau. In your opinion, does this encourage or discourage ferry use?

	Total	Residents	Visitors
Greatly encourage	4%	1%	6%
Moderately encourage	8	4	11
No difference	40	41	39
Moderately discourage	26	26	27
Greatly discourage	16	21	11
Don't know	7	6	7

Type of Passenger

Just over half (55%) of spring passengers travel with a vehicle. This is similar to summer passenger habits. Residents are significantly more likely to travel with a vehicle in the spring than are visitors.

AMHS Spring Customer Survey
Type of Passenger

	Total	Residents	Visitors
On foot	45%	31%	58%
With a vehicle	55	69	42

Vehicle Type and Size

About three-quarters of spring passengers with a vehicle are traveling with a car, pick-up, SUV, or van. Personal RV's and campers are also popular, being used by 7% of residents and 20% of visitors. Vehicle length in the spring tends to be shorter than in the summer.

AMHS Spring Customer Survey
Type of Vehicle
Base: Vehicle passengers

	Total	Residents	Visitors
Personal car/pick-up/SUV/van	77%	81%	70%
Personal RV/camper	12	7	20
Motorcycle	3	5	-
Bicycle	3	-	8
Commercial truck/freight/van	1	1	-
Other	4	6	1

AMHS Spring Customer Survey
Length of Vehicle
Base: Vehicle passengers

	Total	Residents	Visitors
Under 10 feet	8%	8%	7%
11-15 feet	29	32	25
16-19 feet	45	46	42
20-21 feet	7	4	11
22-25 feet	4	1	7
26-30 feet	3	5	-
31-35 feet	1	-	2
36-40 feet	3	3	4
Over 40 feet	2	1	1

Traveling Parties

Thirty-six percent of spring passenger respondents commonly travel with a spouse or partner. Slightly fewer (32%) travel individually. Residents were more likely to be traveling by themselves, while visitors more often travel with a spouse or partner. The average party size for spring passengers is 2.2.

AMHS Spring Customer Survey
Type of Traveling Party

	Total	Residents	Visitors
With spouse/partner	36%	23%	48%
Individual traveler	32	37	27
With other relatives	14	15	13
With friends	14	8	18
With children and spouse	10	14	6
With children	6	11	2
With a group	3	1	4

AMHS Spring Customer Survey
Number in Immediate Traveling Party

	Total	Residents	Visitors
One	30%	36%	24%
Two	43	33	51
Three	10	13	7
Four	13	12	14
Five	4	6	2
Six to ten	1	-	2
More than eleven	0	-	1
Average number	**2.2**	**2.2**	**2.3**

AMHS Customer Demographics

The most common age group among spring passengers was 55-64. The average age of respondents was 46. Visitors tended to be slightly older than residents. Less than half of survey respondents were employed. Among Alaska residents, the most popular hometowns were (in order) Juneau, Anchorage, Ketchikan, Sitka, and Fairbanks. Among visitors, the Western US was the most common place of origin. Spring passengers are more likely to be from the West than summer passengers.

AMHS Spring Customer Survey
Employment Status

	Total	Residents	Visitors
Employed	42%	42%	42%
Retired	30	20	39
Student	6	6	6
Homemaker	5	7	3
Minor	14	22	6
Other	3	2	4

AMHS Spring Customer Survey
Household Income

	Total	Residents	Visitors
Under $10,000	4%	3%	5%
$10,000 to $20,000	9	9	10
$20,000 to $30,000	14	16	12
$30,000 to $50,000	30	36	25
$50,000 to $75,000	21	18	23
$75,000 to $100,000	10	8	12
$100,000 to $150,000	10	3	7
Over $150,000	7	7	7
Average household income:	**$57,400**	**$54,300**	**$60,300**

AMHS Spring Customer Survey
AMHS Alaska Resident Market Origin

Community	%
Juneau	16
Anchorage	10
Ketchikan	9
Sitka	7
Fairbanks	7
Wrangell	6
Craig	5
Haines	5
Skagway	5
Cordova	4
Petersburg	4
Palmer/Wasilla	4
Kodiak	3
Homer	3
Other Interior	3
Eagle River	2
Other Prince of Wales	2
Kenai/Soldotna	2
Kake	1
Other Southeast	1
Seward	1
Other Kenai Peninsula	1

AMHS Spring Customer Survey
AMHS Visitor Market Origin

State/Country	%
Western U.S.	**41**
California	10
Washington	9
Oregon	8
Colorado	6
Overseas	**17**
Europe	9
Australia/New Zealand	6
Mid West	**14**
Wisconsin	4
Ohio	2
Oklahoma	2
South	**13**
Texas	6
Florida	4
East	**11**
New York	2
Pennsylvania	2
Canada	**5**
British Columbia	3

Special Analysis: Foot and Vehicle Customers

Following is a series of tables that compare the opinions and characteristic of the two major, and very different, market segments – foot passengers, and passengers associated with vehicles. A limited number of indicators were selected for the purpose of this comparison.

In terms of customer satisfaction, foot passengers tend to be more satisfied than vehicle passengers, though both groups rate the system highly. Foot passengers are more likely to give a "very good" rating to their overall AMHS experience. Vehicle passengers were more critical of the boarding procedures as well as the meal service.

Foot passengers gave higher "value for the money" ratings than vehicle passengers. Over half of vehicle parties say they would ride the ferry more often if vehicle prices were lower.

Foot passengers are more likely to be traveling for vacation pleasure, while vehicle passengers tend to travel more for personal reasons. Foot passengers are more likely to be individual parties, while vehicle parties are more likely to be traveling with their spouse or partner and with children.

In terms of competitive options, the majority of both markets did not consider another option. When they do, the foot passenger considers a major airline, and the vehicle party considers driving the highway.

AMHS Spring Customer Survey
Overall Ferry Experience Rating Foot and Vehicle Passengers
1 (Very Poor) to 5 (Very Good)

	Foot Passengers	Vehicle Passengers
Very good (5)	57%	37%
Good (4)	36	57
Neither good/poor (3)	6	4
Poor (2)	1	2
Very poor (1)	1	2
Average	**4.5**	**4.3**

AMHS Spring Customer Survey
Selected Satisfaction Ratings Foot and Vehicle Passengers
1 (Very Poor) to 7 (Excellent)

	Foot Passengers		Vehicle Passengers	
	% very good-excellent (6-7)	% fair-very poor (1-3)	% very good-excellent (6-7)	% fair-very poor (1-3)
Overall reservations service	65%	6%	56%	8%
Boarding	82	7	57	10
Waiting time for loading	72	10	30	22
Ship's personnel	82	-	80	1
Overall customer service	79	-	76	1
Cabin size	66	10	54	9

Meal quality	50	4	43	11

AMHS Spring Customer Survey
Selected Results
Foot and Vehicle Passengers

	Foot Passengers	Vehicle Passengers
Top Sources of Information		
Ferry brochure/schedule	52%	48%
Internet	49	43
Ferry system 800 number	33	40
Ferry system Web page	45	30
Overall Value for the Money		
Good value	70%	57%
Poor value	3	5
Per Party Ferry Trip Expenditures		
Mean	$792	$1015
Top Incentives to Ride the Ferry More Often		
Lower prices for vehicle	32%	56%
Lower prices for passage	49	44
More frequent service	44	35
Shorter travel time	29	34
Main Reasons for Trip		
Vacation/pleasure	67%	49%
Personal reasons	10	39
Business only	20	27
Visiting friends/relatives	22	23
Business/pleasure	2	4
Other Transportation Options Considered		
None	66%	69%
Driving the highway	10	25
Major airline	19	9
Large cruise ship	7	2

AMHS Spring Customer Survey
Selected Results
Foot and Vehicle Passengers
(continued)

	Foot Passengers	Vehicle Passengers
Main Reasons for Choosing Ferry System		
Cruise Inside Passage	45%	28%
Vehicle option	1	44
Scenery/wildlife	23	17
Relaxation	15	19
Type of Traveling Party		
With spouse/partner	33%	38%
Individual traveler	42	23
With other relatives	14	14
With friends	11	16
With children and spouse	4	15
With children	7	6
With a group	5	1
Number in Traveling Party		
Mean	2.1	2.3
Median	2.0	2.0
Average Income	$57,900	$57,000

IV: AMHS Potential Customer Profiles

AMHS Inquirers Profile

AMHS Potential Alaska Visitors Profile

AMHS High Potential Customer Focus Groups

AMHS Alaska Resident Market Profile

Introduction

Following are findings and data summaries from a telephone survey conducted in October 1999 with people who contacted the Alaska Marine Highway System for information. These direct inquirers are considered the highest potential customer group. In the discussion below, we refer to this group as AMHS "inquirers." The sample was randomly selected from a list of those who either faxed, phoned, or emailed AMHS for information between January and July of 1999. The survey asked questions regarding travel activity, trip planning, transportation decisions, and demographic information. A total of 256 people were contacted. The sample was limited to those residing in the United States or Canada. None were residents of Alaska.

Purpose

The purpose of this survey was to learn about the marine highway system's highest-potential customers, those who were interested enough in ferry travel to contact AMHS directly. Improving conversion of this list is one of the most efficient ways to increase rider-ship and revenue. Currently, as this survey shows, 35% of AMHS inquirers convert to actual customers in the same year. Even a 10% increase in this conversion rate would yield millions of dollars in additional revenue. The data below represents an overview of findings from this survey. The study team is conducting further analysis of the results of this and other research to gain a better understanding of how ferry users differ by group –– for example, those whose itineraries consist of shorter trips versus those who travel the full length of mainline routes. These results are incorporated into marketing recommendations for AMHS management.

Major Findings

Conversion Potential

Those who contact AMHS for information appear highly likely to follow through and travel to Alaska. Over half of respondents (56%) said they traveled to Alaska after requesting information. Among those who didn't travel, the majority (59%) were still in the "planning stages" of their trip. In addition, nine out of ten respondents who had not traveled to Alaska said they were "likely" or "very likely" to do so in the future. These results confirmed the study team's hypothesis that the list of AMHS inquirers represents a high potential for sales, not only of ferry products but of other Alaska travel products as well.

Of all the AMHS inquirers (travelers and non-travelers), one-third (35%) actually used the ferry system on their 1999 Alaska trip while another 21% also came to Alaska but did not use the AMHS. While ferry inquirers appear to convert to Alaska travelers at a high rate, it doesn't necessarily mean they will become ferry customers. Four out of ten (37%) respondents who subsequently traveled to the state did not use the ferry on their trip, while 63% did use the system.

Trip Purpose

Survey results show that the overwhelming majority of those who request information from the Alaska Marine Highway System, and subsequently travel to Alaska, are interested in pleasure travel. Of the 144 people in our sample who contacted AMHS and later made a trip to Alaska, seven out of ten (69%) listed "vacation/pleasure" as a main reason for the trip. Another 26% said they traveled in order to "see Alaska." Only 13% said they traveled because they were visiting friends and relatives, and even fewer (8%) were traveling for "business/ pleasure."

Incentives to Ferry Travel

Those who ultimately used the ferry system did so primarily because they saw it as an enjoyable way to see Alaska. When they were asked the main reasons for using the ferry, 27% said it was to "cruise the Inside Passage" and 17% said for "relaxation." Another 12% said an important reason was for transportation to other towns. Since respondents were non-residents of Alaska, this implies that ferry service is an important element in independent visitor travel. Approximately 8% said low cost was an important incentive. Only 2% said that the ability to travel with a vehicle was an important factor in deciding to ride the ferries. However, respondents with vehicles may have considered the ability to take a vehicle a pre-requisite, rather than a "reason," and therefore focused on other types of incentives when answering the question.

Disincentives to Ferry Travel

Among people who came to Alaska but did not use the Alaska Marine Highway System, the most common reason for not taking the ferry was "inconvenient schedule," mentioned by 28% of this group. Nearly as many (26%) listed "too expensive" as a factor in their decision not to take the ferry. The issue of price appears to be strongest with respect to shipping vehicles. Of all the inquirers who said they thought ferry pricing was "higher than I would have expected" (20%), 7 of 10 said that vehicle prices were the main element contributing to this perceived high cost. A large majority of AMHS inquirers who had actually used the ferry system (71%) said that the cost of ferry travel was about what they would expect to pay.

Information

A significant number (10%) of respondents said they did not receive information requested from AMHS, and this may have had an impact on the decision to travel to Alaska. The brochure and ferry schedule, *North! To Alaska* is supposed to be mailed to all AMHS inquirers. It is possible that some of these people actually did receive information, but did not recognize the *North! To Alaska* magazine as a ferry schedule. Eighteen percent (18%) of those who did not visit Alaska also said they did not receive information, compared to 4% of those who did make the trip. For 12% of those who failed to make the trip, "never got the information" was listed as a reason.

Respondents used a variety of information sources in researching their trip to Alaska. Surveyors did not prompt, but simply recorded the sources people offered. The Internet was the most popular source of information, with 25% of respondents saying they used it. Approximately 30% of these said they used the AMHS web page; 70% said other Internet sites were most important.

The study team recognizes that it is very difficult to tell the difference between the AMHS Web site and those of AMHS contract agents. The same situation exists with respect to the 800 number reservation and information service. This lack of clarity is a significant marketing issue for AMHS. The key finding here is simply that, in spite of the Internet's newness and the fact that 66% of AMHS inquirers are more than 55 years of age, Internet information is already extremely important to AMHS customers. Inquirers who used the Internet as a source of information were younger and more likely to actually travel to Alaska than those who didn't. As with adventure travelers in general, high potential AMHS travelers tend to be Internet users.

A total of 30% of respondents said they used either a ferry schedule (19%) or the *North! To Alaska* guide (11%). Other important sources of information included friends and family, magazines, convention and visitors bureaus, and *The Milepost*.

Summary of Survey Results

Trip Decision and Planning

A surprisingly high number of respondents, one out of ten, said they had not received information from the ferry system, despite having requested it. Respondents who traveled to Alaska were more likely to have received information than those who did not make the trip.

AMHS Inquirers
Trip Planning

	Yes	No
Received information about ferry system	90%	10%
Traveled to Alaska after requesting information	56	44

n=256

Respondents were asked to give the main reasons for their trip to Alaska, but were not prompted with a list. Answers were placed in the closest appropriate category by the surveyor. Seven out of ten respondents who had traveled to Alaska said they did so for “vacation/pleasure.” Another popular reason was to “see Alaska,” mentioned by one out of every four respondents. “Visiting friends and relatives” was less of a factor, listed by 13% of respondents. Those traveling primarily for business with a secondary interest in pleasure were even scarcer, accounting for 8% of respondents.

AMHS Inquirers
Reasons for Trip to Alaska
(Base: Traveled to Alaska)

	% of Total
Vacation/pleasure	69%
See Alaska	26
Visiting friends and relatives	13
Fishing/hunting	8
Business/pleasure	8
Never been there	6
Personal reasons	3
Attending special event	1
Business event or meeting	1
Friends/individual outing	1
Other	3
Don't know/refused	1

n=144

When those who had not traveled to Alaska were asked why, most (59%) said they still intend to make the trip, but remain in the "planning stages." "Inconvenient scheduling" was a factor for 13% of respondents who declined to travel to Alaska, while nearly as many (12%) said it was because they "never got the information." Cost was less of an issue, with only 8% of respondents saying they didn't travel because it was "too expensive."

AMHS Inquirers
Reasons for Not Traveling to Alaska
(Base: Did not travel to Alaska)

	% of Total
Still in planning stages	59%
Inconvenient schedule	13
Never got the information	12
Illness	9
Too expensive	8
Weather/road conditions	3
Weather	1
Takes too long	1
Other	4
Don't Know	3

n=112

Transportation Modes, Purpose and Costs

Of the AMHS inquirers who ultimately traveled to Alaska, seven out of ten (70%) said they used the roadways for at least 100 miles on their Alaska trip, while 63% said they used a state ferry. Cruise ship was the least popular mode of transportation, used by 9% of respondents. Ferry travelers were more likely to be older and have lower incomes than those who used other modes. This supports the study team's overall perception that ferry travelers tend to move widely around the state, using the ferries as one element of a broader travel agenda.

AMHS Inquirers
Types of Transportation Used On Alaska Trip
(Base: Traveled to Alaska)

	% of Total
Highway travel (at least 100 miles)	70%
Alaska state ferry	63
Major airline	54
Alaska railroad	14
Cruise ship	9

n=144

The most popular reason for choosing to ride the ferry system was "cruise Inside Passage," mentioned by 27% of ferry riders. "Relaxation" and "transportation to other towns" were also common reasons for choosing the ferry. "Lower cost" and "good value for the money" were each listed by only 4% of respondents. Even fewer (2%) chose the ferry system because it allowed them to bring a vehicle.

AMHS Inquirers
Reasons for Using Ferry System
(Base: Used ferry system)

	% of Total
Cruise Inside Passage	27%
Relaxation	17
Transportation to other towns	12
Always wanted to	9
Likes to ride the ferry/adventure	8
Convenient schedule	7
Never done it	7
Didn't want to drive	6
Good value for the money	4
Lower cost	4
Friend recommended it	3
Fun	2
Able to bring a vehicle	2
Other	13
Don't know/refused	2

n=90

For inquirers who traveled to Alaska but chose not to use the ferry system, “inconvenient schedule” and “too expensive” were the most commonly listed reasons. Few respondents were prevented from using the ferry by lack of availability. Six% (6%) said there were no staterooms available; 4% said the ferry was “booked up.”

AMHS Inquirers
Reasons for Not Using Ferry System
(Base: Traveled to Alaska/did not use ferry)

	% of Total
Inconvenient schedule	28%
Too expensive	26
Takes too long	19
Wanted to drive	9
Wanted to fly	6
No staterooms available	6
Never got the information	4
Weather	4
Booked up/unable to reserve spot	2
Other	22
Don’t know/refused	4

n=54

Nearly half of all respondents (45%) felt the price for ferry travel was “about the same as I would expect to pay for this product.” One out of five (20%) felt the price was too high, while 8% said they would have expected to pay more. Those who actually used the ferry were much more likely to feel the price was fair (71%) or that the price was less than they would expect (11%).

When those who felt the ferry price was too high were asked why, seven out of ten (69%) responded that it was “too expensive to take a vehicle.”

AMHS Inquirers
Opinion of Ferry Pricing

	% of Total
More than I would expect to pay for this product	20%
About the same as I would expect to pay for this product	45
Less than what I would expect to pay for this product	8
Don’t know/refused	27

n=256

Information Sources

When asked, "where did you get the information you needed?" a high number of respondents, 25%, said they used the Internet and another 10% said they used the "ferry Web site." The "ferry Web site" must be taken to be any one of several Web sites, since it is difficult to tell the difference between the official AMHS Web site and those of its contract agents.

Internet users were twice as likely to have visited Alaska as other inquirers. They also tended to be younger and have a higher-than-average income than AMHS inquirers overall.

The ferry brochure/schedule was listed by one in five respondents (19%) as an important information source, and another 11% said they used the *North! To Alaska* guide. The study team assumes that for most inquirers these were one in the same.

Friends and family were an important source, listed by 15% of respondents, as were magazines. Travel agents, on the other hand, were mentioned by only 4% of ferry inquirers. The Alaska State Travel Planner was used by even fewer respondents (3%).

AMHS Inquirers
Information Sources

	% of Total
Internet (other than ferry web page)	25%
Ferry brochure/schedule	19
Friends/family	15
Magazine	15
Convention and Visitors Bureaus	13
The Milepost	13
North! to Alaska Guide	11
Ferry system web page	10
Alaska travel guide	7
AAA	5
Newspaper	4
Never got information	4
Travel agent	4
Lived in Alaska previously	3
Alaska State Travel Planner	3
Ferry 800 number	2
Lonely Planet guide	2
BC ferry system	2
Library	1
Other	17
Don't know/refused	2

n=256

The ferry system's information service was rated fairly positively by respondents. However, here again it is impossible to tell if they were referring to AMHS or its contract agents. Seven out of ten considered the information service "very good" or "good," while only 9% gave a negative response. Ferry users were more likely to give a positive response to this question.

AMHS Inquirers
Rating of Ferry System Information Service

	% of Total
Very good (5)	38%
Good (4)	32
Neither good nor poor (3)	12
Poor (2)	4
Very poor (1)	5
Don't know/refused	9
Average rating	**4.0**

n=256

Future Travel Plans

A high proportion of respondents (84%) said it was "very likely" or "likely" they would travel to Alaska sometime in the future. Predictably, if a respondent had not traveled to the state they were more likely to say they would do so in the future. However, even among those who had recently visited Alaska, 80% said it was likely they would repeat the visit. This indicates a high degree of interest in and involvement with the state among ferry travelers from out-of-state.

AMHS Inquirers
Likelihood of Traveling to Alaska in the Future

	% of Total
Very likely	61%
Likely	23
Unlikely	10
Very unlikely	4
Don't know/refused	2

n=256

Half the respondents (48%) said it was likely they would visit Alaska in the next year. Nearly as many (45%) said such a trip was unlikely. Of those who had not yet visited, 64% expected to do so in the next year. Of those who had already made the trip 36% thought they would return during that time.

Older respondents, and those with higher incomes, were more likely to say they would visit Alaska in the next year.

AMHS Inquirers
Likelihood of Traveling to Alaska in the Next Year

	% of Total
Very likely	35%
Likely	13
Unlikely	26
Very unlikely	19
Don't know/refused	7

n=256

More than a third of respondents (35%) said they would travel to Alaska with a vehicle, while another 18% said they didn't know. Previous ferry users were slightly more likely to say they would travel with a vehicle.

Of those who would travel with a vehicle, slightly over half (52%) said they would use a car, pick-up, SUV, van, while 42% said they would use an RV/camper. Lower-income respondents were more likely to say they would use an RV/camper.

AMHS Inquirers
"If you travel to Alaska, would you travel…"

	% of Total
With a vehicle?	
Yes	35%
No	48
Don't Know	18
What type of vehicle?	
Personal car/pick-up/SUV/van	52
Personal RV/camper	42
Other	3
Don't Know	3
With how many people?	
1	26
2	38
3	13
4+	12

n=256

Demographics

Two-thirds of respondents (66%) were over the age of 55. Only 14% of respondents were under 45 years of age. Those who had visited Alaska after receiving information were, on average, three years older than those who hadn't made a recent trip. Ferry users were about the same age as the average respondent.

Many more males than females were interviewed: 63% vs. 37%. This is likely due to the tendency of many people to write the name of the "head of household" along with one's address, even if it was another member of the household who signed up.

Nearly half of respondents (48%) were from the Western United States, the most popular states being California (13%) and Washington (11%). The Midwest was claimed by a quarter of respondents (23%).

The average income of respondents was $59,400, with over a third (36%) falling into the $50,000 to $80,000 range. Very few respondents (8%) made less than $30,000.

AMHS Inquirers
Demographic Information

	% of Total
AGE	
18-24	0%
25-34	3
35-44	11
45-54	19
55-64	34
Over 65	32
Average Age: 58.0	
GENDER	
Male	63
Female	37
ORIGIN	
West	48
Midwest	23
South	14
East	11
Canada	4
INCOME	
Under $30,000	8
$30,000-$49,999	27
$50,000-$79,999	36
$80,000 and over	16
Average income:	**$59,400**

n=256

Introduction

Following are findings and data summaries from a telephone survey conducted in November of 1999. The subject group was people who mailed “reply cards” to the Alaska Tourism Marketing Council requesting 1999 Alaska travel information. These reply cards are distributed by the ATMC in various brochures and publications advertising travel to Alaska. Throughout this report the subject group is referred to as “potential Alaska visitors.” Half of the people in the sample indicated they were interested in ferry travel on their reply cards; the other half had marked “cruise ship,” “car,” “package tour,” or “air.” Those who checked “ferry” are sometimes referred to as “ferry potentials.” The sample sizes were:

Survey Sample Composition — Potential Alaska Visitors

Main Travel Interest	Sample Size	Sample %
Ferry	200	51%
Air	47	12
Car	46	12
Cruise Ship	44	11
Package	50	13
Other (interest unknown)	7	2

The survey asked questions regarding travel activity, trip planning, transportation decisions, and demographic information. A total of 394 people were contacted. The sample was limited to those residing in the United States or Canada. None were residents of Alaska.

Most of the following tables are presented in a way that makes it possible to compare responses by those who expressed a primary interest in ferry travel to the combined responses of all other potential Alaska visitors. Clearly, those checking the “ferry” box are prime potential customers for the AMHS. However, as will be seen, many individuals who checked other areas as their primary travel interest also seriously considered, and in many cases used, the ferry system as an element of their itinerary.

Purpose

The purpose of this survey was to learn about potential Alaska travelers targeted by the ATMC marketing campaign, and how those who specifically requested information about ferry travel differ (in their characteristics and travel patterns) from those primarily interested in other transportation options. Of particular interest were those factors that help to identify the factors that turn potential ferry users ––

everyone in the sample –– into actual users –– those who traveled to Alaska and used the ferry system during their trip.

The data below represents an overview of findings from this survey. These results will be incorporated into marketing recommendations for AMHS management. The recommendations are compiled in a separate document.

Major Findings

Conversion Potential

As the visitor industry well knows, the ATMC list of individuals who have requested information about Alaska represents an excellent selling opportunity. Of our sample, 39% actually traveled to Alaska in the past 12 months. Those who had checked the "ferry" box converted to Alaska visitors at an even higher rate (46%). Those who requested information about other modes of travel converted to visitors as follows: 39% of auto travelers, 34% of cruise ship potentials, 30% of airline potentials, and 26% of package potentials.

In spite of its usefulness in identifying potential Alaska visitors, the ATMC list does not currently convert particularly well into AMHS customers. Seventeen percent (17%) of all the respondents who had marked "ferry" on their reply card actually became AMHS customers. That is, they traveled to Alaska *and* took the ferry. Conversely, this means 29% of those interested in ferry travel came to Alaska, but did not use the AMHS. Those who inquired about auto travel were nearly as likely to take the ferry, with a 15% conversion rate.

Of the ATMC potentials who checked "ferry" and actually traveled to Alaska, 37% used the ferry. While this seems a respectable figure, it begs the question why nearly two-thirds of those who specifically requested ferry information from the ATMC, and then traveled to Alaska, failed to become ferry system customers. Information from this survey alone is not sufficient to provide an answer. Indications are that inconvenient schedules and travel times play a role and that cost is not an important consideration for most travelers. Results from other AMHS research suggests that difficulty communicating with AMHS by telephone is also a factor. One hypothesis is that the complexity of meshing ferry travel with other travel arrangements is daunting for people to do on their own, and that pre-packaging ferry travel with selected other travel modes, attractions and accommodations would help alleviate this disincentive. Further analysis is needed to test this theory.

About one in five (19%) ferry potentials who did not travel to the state said they were still in the planning stages of their trip. If this group does indeed travel, the conversion rate for Alaska travel among "ferry potentials" would increase from 46% to 56%. If these potentials follow the same pattern for ferry usage, conversion from "ferry potential" to ferry user would increase from 17% to approximately 20% overall.

Finally, the opportunity appears good to convert additional ATMC list potentials over time. Approximately 80% of ATMC potentials (both ferry and other modes) who have not yet traveled to Alaska still believe it is likely or very likely that they will do so in the future.

Transportation Use

The data suggests that ferry passengers from outside Alaska tend to travel rather widely during their Alaska visits. Survey results found that visitors who took the ferry were also very likely to have traveled a highway for part of their Alaska trip. Eighty-seven percent (87%) of ferry users said they used a highway for at least 100 miles. Four of ten (38%) ferry users used an airline on their trip, while only 9% say they used a cruise ship. The railroad was used by one-third (34%) of ferry riders.

Trip Purpose

Study results show that nearly all ATMC potential Alaska visitors who request information about the ferry, and who subsequently travel to Alaska, travel for pleasure. Only 4% listed a reason that was not related to vacation/pleasure activities. “Always wanted to see Alaska” and “see Alaska” were each listed as an important reason by approximately one-quarter of respondents. One in five ferry potentials (20%) said that “visiting friends and relatives” was a reason for the trip, compared to 6% of other potential Alaska visitors.

Incentives and Disincentives to Ferry Travel

The Inside Passage was an important travel destination for many ferry users. Among respondents who rode the ferry, “Cruise the Inside Passage” was the most common reason (57%). A significant portion (17%) also said they used the ferry because it was a “good way to get to towns.” Only 6% listed “good value for the money” as a reason for using the ferry.

Among respondents who had traveled to Alaska, but had *not* used the ferries, 30% said an important reason was that they traveled to communities that were not served by the ferry system. One out of five of these respondents (20%) listed “tour package” as a reason they did not ride the ferries. A small portion (8%) were dissuaded by the inconvenient schedule. These percentages were approximately the same whether or not the respondents had originally checked “ferry” on their ATMC information requests.

In general, respondents did not appear sensitive to ferry cost. Only 3% of those who visited Alaska and did not use the ferries said that an important reason was ferry cost. And only 9% of those who actually rode the ferries said that ferry prices were “more than they would expect to pay”. Eleven percent said prices were less than they would expect. (Note: while further analysis is needed, results of all study research to date, consisting of telephone and on-board surveys, indicate that price sensitivity is greater for vehicle tariffs than for individual passage or cabins.)

Information

Respondents who inquired about the ferry most commonly cited friends and family as a source of information for their trip (mentioned by 28% of respondents). Convention and Visitors Bureaus (CVBs) were also an important source of Alaska information, followed by the ferry brochure/schedule, *The Milepost*, the Internet, and magazines. Only one in ten (11%) used the *Alaska State Vacation Planner*. Some respondents (5%) said specifically that they used the *North! To Alaska* guide. However, those who said they used a "ferry brochure/schedule" likely are referring to the guide, as well, since typically that is the document sent to potential Alaska visitors interested in ferry travel.

Ferry potentials differed from other respondents in several important ways with respect to information sources. Respondents who inquired about other transportation modes were far more likely to use a travel agent and to use an Alaska travel book or guide. They were significantly less likely to list friends/family, CVBs, ferry brochure, magazines, or the *Alaska State Vacation Planner*. All this points toward people with a primary interest in ferry travel falling into the category of "independent" traveler, researching and booking their own itineraries.

Independents are often considered challenging to market to, since they do not coalesce conveniently around a central dissemination point (typically a travel agent or tour packager). However, the AMHS is a large enough attraction that interested travelers will make an effort to find it. The marketing challenge then becomes to make information clear, friendly, complete and easy to use, rather than focusing on broad dissemination of that information. Said another way, so-called "awareness" advertising is not the main challenge for AMHS. Rather, it can focus on taking already interested potential customers and converting them, in part through high-quality, accessible information. Survey results suggest that ferry brochures and the Internet are excellent places to provide this information, and that friends and relatives may offer some opportunities for better distributing it.

Summary of Survey Results

Following are summary tables and brief descriptions of key data from the survey. The tables do not cover every possible response to every question. In some cases this is because particular responses represent an insignificantly small proportion of respondents. In other cases, more detailed analysis, or analysis in combination with other study findings is needed.

Trip Decision and Planning

Nearly half (46%) of those who indicated an interest in the ferry system on their ATMC information cards actually traveled to Alaska, higher than any other interest category. However, only 17% of ferry potentials converted to ferry users. Respondents interested in highway travel converted to ferry users at a similar rate, 15%. Of all respondents, those interested in package tours were the least likely to travel to Alaska, and also the least likely to use the ferry.

Potential Alaska Visitors
Alaska and AMHS Travel in Past Year

ATMC Interest Category*	Traveled to Alaska	Used Ferry
Ferry	46%	17%
Air	30	2
Auto	39	15
Cruise Ship	34	7
Package	26	2
ALL	39	

**Refers to the area of interest marked by respondents on their ATMC reply cards.*
n=394

Those who said they had traveled to Alaska in the past year were asked the main reasons for their trip. Responses were grouped by surveyors under 15 general headings. The most often mentioned are listed in the table. More than half of respondents interested in ferry travel (53%) said they traveled to Alaska for "vacation/pleasure." Another commonly listed reason for traveling was to "see Alaska." Respondents interested in ferry travel were much more likely than other respondents (20% vs. 6%) to be visiting friends and relatives. They were also less likely to have traveled for hunting or fishing.

Potential Alaska Visitors
Reasons for Trip to Alaska
(Base: Traveled to Alaska in last 12 months)

	Interest Category: Ferry*	All Other Modes
Vacation/pleasure	53%	63%
Always wanted to see Alaska	26	27
See Alaska	24	24
Visiting friends and relatives	20	6
Fishing/hunting	11	19
Other	15	17
Don't know/refused	2	3

**Refers to those who marked "ferry" as their area of interest on the ATMC reply card. Those who marked "auto," "air," "cruise ship," or "package" are included in "All Other Modes."*
n=155

Those who had not come to Alaska were asked the main reasons why. Their answers were grouped in the general categories presented in the table. One out of five respondents (19%) who requested information on the ferry system said they had not traveled yet because they were still in the planning stages of their trip. Nearly a quarter of these respondents also listed "illness/medical" as a reason for not taking the trip. "Inconvenient schedule" was more of a factor for ferry potentials than for other respondents (18% vs. 9%). Price did not appear to be a common problem; only 6% of ferry potentials said the trip was "too expensive."

Potential Alaska Visitors
Reasons for Not Traveling to Alaska
(Base: Did not travel to Alaska)

	Interest Category: Ferry	All Other Modes
Still in planning stages	19%	21%
Illness/medical	23	15
Inconvenient schedule	18	9
Traveled elsewhere	10	15
No time	9	14
Too expensive	6	10
Been there before	4	6
Work got in the way	2	4
Takes too long	2	2
Other	8	9
No reason	2	2
Don't Know	1	1

n=239

Transportation Modes, Purpose, and Cost

Respondents were asked if they used any of the five modes of travel on their Alaska trips. Of all respondents who requested ferry information *and* traveled to Alaska, 37% used the ferry system on their trip. The majority of this group used both a major airline on their trip (61%) and the highway (62%). Although one-fourth of ferry potentials (28%) said they used a cruise ship on their trip, some may have been referring to day cruises.

Potential Alaska Visitors
Types of Transportation Used On Alaska Trip
(Base: Traveled to Alaska in last 12 months)

	Interest Category: Ferry	All Other Modes
Major airline	61%	76%
Highway travel (at least 100 miles)	62	57
Cruise ship	28	48
Alaska railroad	25	38
Alaska state ferry	37	21

n=155

Those who used a ferry on their Alaska trip tended to use other transportation modes, as well. The vast majority (87%) used a highway for at least 100 miles. Thirty-eight percent (38%) used an airline in addition to the ferry, and one third (34%) used the Alaska Railroad. Only 9% combined ferry travel with a cruise ship, an indication that ferry travelers tend to engage in independent-type travel.

Potential Alaska Visitors
Ferry Travelers' Use of Other Transportation
(Base: Used ferry on trip to Alaska)

	% of Total
Air	38%
Highway (at least 100 miles)	87
Cruise Ship	9
Alaska Railroad	34

n=47

When asked why they choose to ride the ferry system, the majority of survey respondents (57%) who used the AMHS said they did so to "cruise the Inside Passage." Another 17% said the ferry system was a "good way to get to towns," while 11% listed "never done it" as a reason for choosing the ferry.

Potential Alaska Visitors
Reasons for Using Ferry System
(Base: Traveled to Alaska/ used ferry system)

	% of Total
Cruise Inside Passage	57%
Good way to get to towns	17
Never done it	11
Good value for the money	6
Didn't want to drive	6
Other	29
Don't know/refused	2

n=47

The most common reason for not using the ferry system was, according to survey results, travel to communities not served by the ferries. This was mentioned by 30% of respondents. One in five respondents (20%) said a "tour package" was a factor in not using the ferries and 13% "wanted a cruise." Only 8% of Alaska travelers cited "inconvenient schedule" as a barrier to ferry travel, and even fewer (3%) were concerned with the price.

Potential Alaska Visitors
Reasons for Not Using Ferry System
(Base: Traveled to Alaska/did not use ferry)

	% of Total
Went to communities not served by AMHS	30%
Tour package	20
Wanted a cruise	13
No reason	10
Inconvenient schedule	8
Takes too long	7
Wanted to drive	7
Wanted to fly	5
Too expensive	3
Other	11
Don't know/refused	3

n=104

Respondents who used the ferry system on their travels were generally satisfied with the price they paid – two thirds (66%) said it was "about the same as I would expect to pay for this product." Only 9% said the price was too high, while slightly more (11%) considered the price low.

Potential Alaska Visitors
Opinion of Ferry Pricing
(Base: Used ferry system)

	% of Total
More than I would expect to pay for this product	9%
About the same as I would expect to pay for this product	66
Less than what I would expect to pay for this product	11
Don't know/refused	15

n=47

Information Sources

Friends and family were the most important sources of information for ferry potentials, mentioned by 28%. Nearly as important (listed by 25%) were Convention and Visitors Bureaus. Ferry brochure/schedule (18%), *The Milepost* (17%), the Internet (16%), and magazines (16%) were also popular sources of trip research. Respondents who had inquired about travel options other than the ferry were much more likely to use travel agents (38% vs 13%). They were also less likely to use CVB's, *The Milepost*, the ferry schedule, or magazines.

Potential Alaska Visitors
Information Sources
(Base: Traveled to Alaska in last 12 months

	Interest Category: Ferry	All Other Modes
Friends/family	28%	21%
Travel agent	13	38
Convention and Visitors Bureaus	25	17
Internet	16	14
The Milepost	17	11
Ferry brochure/schedule	18	2
Magazine	16	5
Already familiar with Alaska	11	8
Alaska travel book	5	14
Alaska State Vacation Planner	11	5
Alaska travel guide	5	11
Cruise ship	3	6
North! to Alaska guide	5	2
AAA	2	6
Ferry 800 number	1	2
Travel shows	1	-
Other	15	15
Don't know/refused	1	1

n=155

Future Travel Plans

Regardless of what travel mode they checked, people who returned the ATMC information requests are excellent prospects for Alaska travel. Approximately 80% said they were likely or very likely to travel to Alaska sometime in the future. Remarkably, this includes the 155 who already visited the state in the past year. Whether these high potential Alaska travelers become ferry users is partly a function of ferry system marketing. Because ferry users tend to be independent-style travelers, they are more difficult to reach through targeted marketing. Since independents do a good deal of their own research, part of the answer lies in making information about the AMHS especially easy to find.

Potential Alaska Visitors
Likelihood of Traveling to Alaska at Some Time in the Future

	Interest Category: Ferry	All Other Modes
Very likely	59%	54%
Likely	20	26
Unlikely	3	10
Very unlikely	9	5
Don't know/refused	10	6

n=394

When asked if they would travel to Alaska *in the next year*, about half of ferry potentials (49%) said it was either "likely" or "very likely" they would do so. Ferry potentials were somewhat more likely than other respondents to say they would visit in the next year.

Potential Alaska Visitors
Likelihood of Traveling to Alaska in the Next Year

	Interest Category: Ferry	All Other Modes
Very likely	31%	28%
Likely	18	13
Unlikely	15	22
Very unlikely	21	12
Don't know/refused	16	25

n=394

More than a third of ferry potentials (36%) said they would travel with a vehicle if they went to Alaska, versus one-quarter of those who asked ATMC about other modes. Most (61%) ferry potentials who expect to travel with a vehicle would travel with an RV/camper, while 38% would use a car/pick-up/SUV/van. Among the other mode potentials, 45% favor RV/campers.

Potential Alaska Visitors
"If you travel to Alaska, would you travel…"

	Interest Category: Ferry	All Other Modes
With a vehicle?		
Yes	36%	25%
No	51	56
Don't Know	14	19
What type of vehicle?		
Personal RV/camper	61	45
Personal car/pick-up/SUV/van	38	47
Other	-	10
With how many people?		
1	41	22
2	31	39
3	7	8
4+	9	15

n=394

Demographics

The vast majority of survey respondents (87%) were over the age of 55. Ferry potentials tended to be younger than other respondents, with 42% falling into the 55-64 range (compared to 34% of other potentials) and 44% saying they were over 65 (compared to 54% of other potentials).

The most common region of origin for survey respondents was the Western United States, followed by the South, Midwest, and East. Ferry potentials were more likely to be from the West, and less likely to be from the South, than other respondents.

Note that the average age and income figures below are not true averages, since the data for those parameters was collected in ranges, not discrete numbers. They are presented simply as a rough indicator for comparison. Age and income distribution did not vary significantly between ferry and other potential Alaska visitors.

Potential Alaska Visitors
Demographic Information

	Interest Category: Ferry	All Other Modes
AGE		
18-24	0%	0%
25-34	2	1
35-44	1	1
45-54	12	11
55-64	42	34
Over 65	44	54
"Average" Age:	**62.5**	**63.9**
GENDER		
Male	48	49
Female	52	51
ORIGIN		
West	42	30
South	23	31
Midwest	22	22
East	14	14
Canada	0	2
INCOME		
Under $30,000	5	2
$30,000-$49,999	24	37
$50,000-$79,999	50	45
$80,000 and over	20	15
"Average" income:	**$64,000**	**$60,000**

n=394

Introduction

The Alaska Marine Highway System has an extraordinarily small marketing budget for a $70 million travel business. Of approximately $2 million allocated to reservations and marketing roughly half is used to operate the main reservations office in Juneau and a second office in Anchorage. Approximately 20%, or $400,000, is paid to the Department of Administration for computer systems support. Another $250,000 is telephone cost.

Remarkably, for a business of its size, only about $150,000 of the ferry system's $70 million operating budget is available for advertising and the design, printing and distribution of marketing materials. Such a budget is more commonly associated with businesses perhaps one-twentieth as large as the Marine Highway System.

Of this $150,000 promotional budget, one-third or $50,000 is spent on the *North! To Alaska* brochure. It represents the system's only proactive marketing initiative of any size. The McDowell Group concluded that it was critical to learn more about the effectiveness of the Alaska Marine Highway System's primary marketing tool, *North! To Alaska*.

While not a part of the original work plan for the *Alaska Marine Highway System Marketing and Pricing Study,* the McDowell Group, on their own budget, contracted with a well-respected marketing research firm to conduct two focus groups in a prime West Coast market for Alaska travel. The groups were recruited from lists of high potential AMHS inquirers and ATMC potential Alaska visitors interested in ferry travel. Following are the summary and conclusions of this research. In general, the groups were designed to answer these questions:

- How can AMHS best convert high-potential customers? What types of information, promotions and messages are likely to induce out-of-state pleasure travelers to use the Alaska Marine Highway System?
- How effective is *North! To Alaska* as a vacation-planning tool?
- Does *North! To Alaska* do a good job of encouraging people to use the ferries? That is, is it an effective selling tool for AMHS, in addition to its informational role?

Summary of Findings

The focus groups were a rich source of insight into the ferry market. In reading through the report from Davis & Hibbitts and for those who review the videotaped highlights, the study team suggests bearing in mind the three questions above and taking a "marketing perspective." By this we mean thinking about what information the groups provide that could help AMHS "close the sale" with its most promising potential customers.

In general, the focus groups suggest the following answers to the three questions above:

First, high-potential ferry customers want to get "up close and personal" with Alaska in a way cruises can't. They respond to wildlife, scenery and the freedom to travel at their own pace and to pursue their own interests. They want creative ideas on how to link ferry travel with other Alaska experiences. They respond to photographs, especially of scenery, wildlife and the on-board ferry experience. They show good potential to respond to seasonal price promotions.

Second, North! To Alaska does a good job of providing useful trip-planning information. However, current AMHS materials in the brochure don't show enough about what it is like actually to be on board an AMHS vessel, according to the high potential group participants. Having access to the full ferry schedule is useful, but some find the schedule confusing and would like simplified versions as well. People need more information about Prince Rupert as a port of embarkation, as well as other itinerary options. People also tend to believe that the system is constantly booked to capacity. They need guidance in how to schedule around the relatively small number of fully booked voyages.

Third, North! To Alaska alone is not sufficient to market AMHS effectively. The brochure stimulates interest, however, AMHS must design and effectively distribute AMHS-specific <u>dedicated marketing materials</u> to "make the sale." It must do a better job of 1) portraying in a compelling way the attractions of ferry travel; 2) helping independent travelers to choose between myriad itinerary options; and 3) offering quick, easy ways to make the purchase, including easy, 24-hour access to the reservations system. In addition, the AMHS is simply not visible to many potential customers outside the state. Many rely on friends and relatives in Alaska to make them aware of the system and help them plan their travel.

Among the specific noteworthy insights offered by the groups, participants:

- Said that AMHS needs to "let people know who they are." Many became interested in a ferry trip by talking to friends and relatives in Alaska, but said they otherwise would not have known about the ferry option.

- Indicated that the ferry system should not rely on *North! To Alaska* for marketing because it doesn't feature the system prominently enough. They also thought it did not provide an effective AMHS sales message or enough decision-making information. They thought the system generally was under-marketed. They provided useful insight on the types of lessons AMHS could learn from other visitor-industry publications.

- Liked *North! To Alaska* as a general Alaska/BC/Yukon trip-planning tool. They used both the articles and the advertising as planning information. They appreciate good maps. Most were clearly independent travelers who like to make their own travel arrangements or work through a travel agent, but are not interested in inclusive packages. They do, however, appreciate materials that help simplify the planning process. One thing found lacking in the ferry section of *North! To Alaska* were pictures and more detailed descriptions of the on-board accommodations, amenities and experience. They also wanted a clear indication on the cover that this is, indeed, the ferry schedule and information they requested.

- Liked the layout and presentation of the *Alaska's Scenic Byways* brochure; some expressed surprise that the AMHS was not included. They liked the simplicity, size, phone numbers and maps in this Division of Tourism/DOT&PF joint publication (part of the National Scenic Byways Program), which, incredibly, did not include the most spectacular federally designated Alaska Scenic Byway – the AMHS. Tens of thousands of prospective Alaska visitors now have an Alaska road map that shows no trace of the AMHS' existence.

- Said the Alaska Sightseeing/Cruise West brochure was very well laid out and effective, with good information and photographs. Some said the fact that it was clearly a "cruise" product made it unattractive to them, however.

- Said that accessibility to the AMHS through the reservations system and the Internet is very important, with 24-hour access desirable.

- Varied from high price-consciousness to very little price-consciousness. Most were motivated primarily by the unique experience ferry travel provides with cost not being an issue.

The focus groups reinforced other project research that indicates that the market for ferry travel is quite distinct from that for cruise ship products. Participants liked the idea of reviewing planned itineraries (such as those in the *Byways* brochure), but said AMHS should not present itself like a cruise or tour. These are true "independent" travelers who resist the idea of "cookie-cutter" products. Their goals and travel ideals differ, from a young man traveling north for summer work to an office worker seeking adventure to a wealthy retiree touring by motorcycle.

This diversity of interests and independent spirit suggests a rich vein of promotional opportunities. Potential customers seek options and the information to make their own informed choices. Further, interest in traveling to Alaska runs deeply in most, with many looking forward to a second trip north.

The two focus groups consisted of non-Alaska-residents who 1) inquired to AMHS in the past year and have traveled to Alaska within the past two years, and 2) inquired but have not visited Alaska within the past two years.

Introduction

During early November 1999, the study team completed 402 telephone surveys with a random sample of residents in 36 Alaskan communities directly served by the Alaska Marine Highway System. Sample sizes in each community were proportional to that community's population. As a result, sample sizes in the smaller communities were small, in some cases just one or two people. While these sample sizes are not large enough to allow the survey to generalize about individual communities, the overall sample of 400 provides a reasonably good picture, with a proper balance between larger and smaller communities.

Alaska Resident Survey Communities Sampled

	% of Total
Juneau	22%
Ketchikan	11
Kodiak	10
Sitka	7
Seward	4
Homer	3
Petersburg	3
Valdez	3
Soldotna	3
Hoonah	2
Wrangell	2
Cordova	2
Sand Point	2
Skagway	2
Yakutat	2
Craig	2
Haines	2
Kake	2
King Cove	2
Unalaska	2
Angoon	1
Klawock	1
Thorne Bay	1
Metlakatla	1
Akutan	1
Seldovia	1
Chignik, Whittier (3 each)	1
Hollis, Hydaburg (2 each)	0
Port Lions, Cold Bay, False Pass, Hyder, Pelican, Tenakee (1 each)	0

n=402

Purpose

The purpose of the survey of AMHS community residents was to provide a more detailed profile of these local ferry users and potential users than is currently available. Research performed by the McDowell Group in 1996 for the Southeast Alaska Transportation Plan identifies travel patterns among residents of Southeast Alaska communities. However, the study team wanted additional information about people's attitudes toward different ferry services and options.

The data presented below represents an overview of resident attitudes toward ferry service. The study team is conducting further analysis of the results of this and other research to gain a better understanding of how ferry users differ by group –– for example, those in smaller towns versus those in larger towns and Southeast Alaskans versus Southwest Alaskans. These results are incorporated into marketing recommendations for AMHS management.

Major Findings

Types of Travel

Of the 402 residents sampled, 89% have traveled by Alaska ferry, though a large portion (45%) of those are infrequent travelers and had not taken a voyage within the last 12 months. One-quarter could be considered frequent ferry riders, taking at least five one-way trips in the past year, and 10% took more than 10 trips. Most residents (58%) said they rode the ferry about as much in 1999 as they had in previous years. Twenty-four percent (24%) estimated they rode less often and 17% rode more often. The 46 respondents who said they have never traveled on the Alaska Marine Highway cited a variety of reasons. One-fourth said that inconvenient schedules were a factor. One-fifth preferred flying, and 11% said ferries were too expensive. Another quarter said they had no reason to use the ferry.

Just over half the respondents had taken a ferry trip in the last year. Of those, one quarter (24%) took at least one business trip. Most riders use the Marine Highway for discretionary travel – vacation, pleasure, medical, family and shopping trips, or visiting friends and relatives. The most popular runs listed by respondents were Juneau / Haines, and Ketchikan / Hollis.

While 22% of residents say they always board the ferry on foot, one-third take a vehicle aboard at least nine times out of ten, and nearly half (47%) take a vehicle for one-half or more of their voyages. Those who take their car or truck tend to use the Marine Highway for relatively infrequent discretionary travel. Respondents often ride the ferry with other people in their party. Only 19% said they usually travel alone.

Value and Services

Although Alaskans consider their ferry system a good overall value for the money, they have some complaints and recommendations for better service. Asked how the ferry system could be improved, 28% of respondents said "more frequent service." Other suggestions addressed convenience of using the ferry, lower fares, improved on-board comfort, an improved reservations system, and special perks for Alaskans only.

Average annual spending on ferry travel for respondents' households was roughly $500. However, a majority of respondents (56%) said they probably would not purchase a ferry pass for unlimited travel during the winter season, at a price of $335. Thirty-nine percent said they would be interested in such a pass. Some survey data suggests that such a pass would increase winter ridership, but further analysis is needed. Doubling the amount of ferry service to their communities would cause approximately one-third of respondents to use the ferry more often. Additional analysis is needed to isolate the group(s) most likely to respond to more service.

Information

Many residents of port communities (54% overall) get ferry schedule information directly from the local terminal. The Internet is another popular source, but mainly for travelers in communities such as Juneau, where computers are commonplace in homes as well as offices. One-half (49%) of respondents said they currently have a printed Marine Highway schedule on hand. Other published sources, such as the *North! To Alaska* guide or *The Milepost* were not popular sources of information.

Summary of Survey Results

Profile of Alaska Ferry Port Community Residents

System Use

Most respondents used the Alaska Marine Highway at some time, but not frequently. Nearly one-half had not traveled by the highway in the past 12 months. Those who travel by ferry said they take about the same number of voyages each year, an average of nearly four trips. Frequent travelers are defined here as taking at least five one-way trips on the ferry in a 12-month period.

Alaska Residents Survey
Familiarity with the Ferry System

	Yes	No
Have you ever ridden the Alaska Marine Highway System?	89%	11%

n=402

Alaska Residents Survey
One-way Ferry Trips in the Past Year
(Base: Those who have used the system)

	% of Total
None	45%
One to four trips	31
Five or more trips	23

Don't know	1

n=356

Alaska Residents Survey
Is this more or less often than in the past?
(Base: Those who have traveled by ferry in the last 12 months)

	% of Total
More often	17%
Less often	24
About the same	58
Don't' know / refused	58

n=191

In the last 12 months, most ferry travel by port community residents was discretionary, mainly for vacation and pleasure. Business, sometimes combined with a pleasure trip, was also a major reason to use the ferry.

Alaska Residents Survey
% of Port Residents Who Traveled at Least Once for These Reasons
(Base: Those who have traveled by ferry in the last 12 months)

	% of Total
Vacation / pleasure	45%
Business	24
Business and pleasure	21
Family, shopping, medical	16
Visiting friends and relatives	11
School or cultural events	4
Other	3

n=191

Nearly one-third of respondents who traveled on the ferry take their vehicle with them most of the time, but almost a quarter are foot passengers and never take a vehicle. Most of those who drive aboard are less frequent users of the Marine Highway and tend to be taking it for discretionary travel. Ferry riders usually travel with at least one other person.

Alaska Residents Survey
Incidence of Travel with a Vehicle
(Base: Those who have used the system)

	% of Total
Never	22%
Up to 50% of time	29
50% to 90% of time	15
91% to 100% of time	32
Don't know / refused	2

n=356

Alaska Residents Survey
Size of Traveling Parties
(Base: Those who have used the system)

	% of Total
With one other person	35%
With two – three people	25
With four or more people	20
As an individual traveler	19
Other/don't know/refused	3

n=356

Estimates by respondents of their total household spending on the Marine Highway each year ranged from less than $300 to more than $1,000. Median spending was roughly $500. One-quarter of those surveyed did not know how much they usually spend on ferry travel.

Spending on Ferry Travel

Alaska Residents Survey
Annual Household Spending on Ferry Travel
(Respondent Estimates)

	% of Total
Nothing	8%
Under $300	22
$300 - $499	14
$500 - $999	17
$1,000 or more	15
Don't know	24

n=356

Information

Of the 356 respondents who travel the Marine Highway, more than half visit a ferry terminal to get scheduling information. Infrequent travelers tend to use the terminal for their schedule more than those who travel frequently. Use of the ferry system's Web page on the Internet is growing among residents, and fewer are using the toll-free telephone number.

Alaska Residents Survey
Sources of Scheduling Information

	% of Total
Ferry terminal	54%
Internet	14
Ferry schedule & other publications	13
Juneau office	6
Toll-free number	6
Travel agent	5
Other	9

n=356

Going to the terminal for information was more common in Prince William Sound communities, Kodiak and the Aleutians. In the capital city of Juneau, passengers tend to log onto the Internet or visit the main office in town. Published schedules were not popular sources of information for passengers from any communities.

Alaska Residents Survey
Where do you get schedule information on the ferry system?

	All Southeast Communities	Juneau	Ketchikan	Sitka	Haines	Other SE	Prince Wm Sound	Kodiak/ Aleutians
Source of Schedule								
Ferry terminal	50%	33%	81%	75%	71%	42%	71%	60%
Ferry schedule/North! To Alaska guide/The Milepost/newspaper	18	12	10	15	29	27	4	6
Internet Web site	14	31	14	0	0	4	10	12
Juneau office	8	21	0	0	0	2	0	2
Toll-free number	4	5	2	7	0	5	8	10
Travel agent	6	5	7	4	0	7	6	0
Convention & Visitors	1	1	0	0	0	1	0	0
Bureaus								
Friends/relatives	1	0	0	0	0	2	2	2

n=356

At the time of the survey in November 1999, nearly one-half of all riders had a 1999 summer or winter ferry schedule on hand. Most of those with a schedule said they use the ferry frequently. Nearly 60% of Southeast Alaskans keep a schedule, while far fewer passengers in Prince William Sound, Kodiak and along the Aleutian chain said they had a schedule.

Alaska Residents Survey
percentage of Port Residents with a Schedule on Hand

	Yes	No	Don't know
Do you currently have a 1999 summer or winter ferry schedule?	49%	46%	4%

n=402

Value of Ferry Services

The ferry system is a good overall value for the money, according to residents of port communities. When asked to rate ferry service value on a 1 to 5 scale, passenger fares did best, with 60% rating them a good or very good value. Vehicle fares were the least popular, with 32% rating them good or very good. Overall, ferry services were rated highly; with 62% saying they were a good or very good value.

Alaska Residents Survey
Value for the Money Rating on a Scale of 1 to 5

	Very Good (5)	Good (4)	Average (3)	Poor (2)	Very Poor (1)	Don't Know
Passenger fare	20%	40%	28%	5%	1%	5%
Mean=3.8						
Vehicle fares	7	25	28	19	3	19
Mean=3.2						
Cabin	9	26	20	10	1	34
Mean=3.5						
Food	8	23	34	17	7	11
Mean=3.1						
Overall value for the money	16	46	26	5	1	6
Mean=3.8						

n=356

Respondents were asked what two improvements they would make to the ferry system. More frequent service tops the list. When combined, most suggested improvements fell into the category of convenience, including frequency of service, scheduling, routes, and length of trip. On-board amenities, including better food service, more seating and sleeping areas, a children's play area, entertainment, and cleanliness, were of interest to 21% of respondents. Lower fares for passage, vehicles and cabins was the third most popular request. More than one-quarter of the Alaskans interviewed said they had nothing to recommend.

Alaska Residents Survey
Suggestions for Improving the Ferry System

	% of Total
Convenience of ferry travel	56%
On-board amenities	21
Lower prices	13
Better reservations system	4
Special considerations	4
None / don't know	28

n=356

Winter Ferry Pass

Nearly 40% of respondents said they would be interested in purchasing a pass for $335 that would allow unlimited trips within the state between November 1 and March 31. While this single result is by no means conclusive, it seems there is enough interest in a winter pass to warrant further investigation. For example, the survey did not distinguish between foot passage, vehicle passage and cabin passage, all of which have implications for the actual value of a pass.

Alaska Residents Survey
Interest in Purchasing a Winter Ferry Pass

	Yes	No	Don't know
Would you pay $335 for a pass to ride the ferry within the state as many times as you like between Nov. 1 and March 31?	39%	56%	5%

n=402

Business travelers were somewhat less interested in a pass, with 62% saying they would not purchase the one offered in the question. If they had a pass, Alaskans predicted they would take an average of five one-way trips each winter. One-quarter did not know how many trips they might take.

The incidence of travel predicted below is approximately equal to what respondents estimated was their total ferry travel during the past year. This could be further indication that a pass would increase winter ridership. Again, these results are not conclusive.

Alaska Residents Survey
How Much Port Residents Would Expect to Travel November through March if They Had a Winter Pass

Number of Trips	% Saying they would travel:
None	13%
One to two trips	15
Three to four	15
Five to six	13
Seven to ten	11
Eleven or more	7
Don't know	25
Average number of trips	**4.1**

n=402

Additional Ferry Service

If more ferries were plying Alaska's waters each week, at least one-third of residents say they would take more trips, although most would travel about the same. The response to this question would likely vary by community. It also varies by type of traveler. Frequent riders, business travelers and those visiting friends and relatives said their household would use the ferry more often if service were more frequent. Respondents who always drive aboard said they would take about the same number of trips even with more frequent service. Less frequent riders would travel about the same number of times per year.

Alaska Residents Survey
Respondents' Estimates of How Doubling Ferry Service to Their Community Would Affect Their Travel

	% of Total
More often	35%
Less often	1
About the same	45
Don't know / refused	20

n=402

Profile of Respondents Who Do Not Ride the Ferries

Eleven percent, 46 respondents, have *never ridden* an Alaska ferry. Their reasons for not traveling by ferry ranged from inconvenient schedule to never leaving their home community. Some said they simply have no reason to take the Marine Highway because they seldom or never visit the communities along its route. Twenty-one respondents travel once to three times a year to some ferry system towns, but choose not to take the ferry.

Alaska Residents Survey
Reasons for Not Using the Alaska Marine Highway System

	% of Total
Inconvenient schedule	24%
No reason to use it	24
Wanted to fly	20
Too expensive	11
Sea sickness	11
Other	36

n=46

Demographics

The 402 Alaskans who responded to the McDowell Group telephone survey were randomly selected from 36 communities – from Metlakatla to Unalaska. These communities are all served directly, or nearly so, by the Alaska Marine Highway. Gender was nearly equally represented in the survey. Respondents' individual average annual income was approximately $52,000. Nearly one-half of the respondents represented households with children under age 18.

Alaska Residents Survey
Demographic Overview of Survey Respondents

	% of Total
GENDER	
Male	49
Female	51
INCOME	
Under $30,000	24
$30,000-$49,999	30
$50,000-$79,999	31
$80,000 and over	15
Average income:	**Approx. $52,000**

n=402