



**ALASKA TRAVEL INDUSTRY ASSOCIATION
2010 ANNUAL REPORT**

MESSAGE FROM THE CHAIR & THE PRESIDENT

2009 -2010 was a year in which your association achieved substantive success on a number of issues that will have considerable implications on the travel industry in the years to come. Additionally ATIA worked to address selected issues and challenges for our membership and the industry as a whole that were not completely resolved. We will continue to address for the vitality of the travel industry in Alaska. The 2010 Board of Directors worked diligently on a number of issues important to the industry. Selected highlights of the 2010 Board and members actions and activities follow:

PLANNING COMMITTEE

At the Board of Directors meeting and retreat in the fall of 2009 it was agreed to continue to give importance to some of the previous organizational changes to the association's committee structure, including the ongoing recognition of the importance of planning. The Planning Committee continued to work on issues that included:

- Development of a plan to improve the outlook of the winter travel market
- Continued working with the National Park Service in the creation of an effective Denali National Park road implementation program

STABLE MARKETING FUNDING SOLUTION

Once again during the 2010 legislative session the Board of Directors, the Government Relations committee, our lobbyists and you our members worked diligently to convince the Alaska State Legislature and the Administration of the importance of changing the funding model for ATIA's marketing efforts and reaching an appropriate level of overall funding to be more effective in competing against other destinations. In the course of the session and for the second year, ATIA members continued to advocate on behalf of House Bill 167 – Senate Bill 138, the Corporate Tourism Tax credit legislation.

ONE TIME INCREASE IN TOURISM MARKETING FUNDING

Although previously mentioned legislation did not pass, the administration and the legislature recognized the importance of additional tourism funding by contributing an additional seven million dollars to the states tourism marketing efforts. In addition to the core marketing contribution of nine million dollars and the industry match requirement, the total budget for tourism promotion in the fiscal year of 2011 will be \$18.7 million.

OUR VISION

The Alaska Travel Industry Association will be the leading industry organization **promoting Alaska as a top visitor destination**, communicating and promoting the Alaskan tourism industry as one of the state's major economic forces and will be the **respected voice of the industry** for the growth of the industry, while remaining attentive to **care for the environment, recognition of cultures** and Alaska's unique quality of life.

ATIA is very grateful for the many engaged members who participated in reaching out to the legislature thru letter writing, emails, phone calls and giving testimony before House and Senate committees, and participating in the annual ATIA fly-in to Juneau. Your efforts were a substantial part of the reason that the supplemental funding for national and international marketing was obtained.

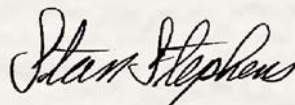
The industry is also extremely appreciative of Governor Parnell and the legislature for their recognition of the importance of promoting Alaska by the injection of the one time contribution. There is still substantial work to be done in order to attain ATIA's stated objective of establishing a meaningful (\$20 million) and sustainable tourism marketing funding mechanism for 2011 and beyond.

ANNUAL CONVENTION

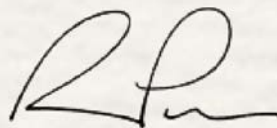
The Board of Directors remained diligent in ensuring that the annual convention maintained relevance and value to the ATIA membership. More improvements and modifications were implemented to enhance the convention experience that included revamping the opening general session by conducting an industry

leadership discussion forum. The intent of the forum was to give attendees a more thorough comprehensive understanding of where our industry may be heading and to identify opportunities and pitfalls. Additionally, a trade and tour operator session designed to connect Alaska businesses with possible product tour sellers was implemented for the first time. The event proved to be an effective and appreciated session by the participants. You can expect to see continual refinements and improvements in future years as ATIA strives to bring value to the participants in the annual convention.

Stan Stephens, *ATIA Board Chair*



Ron Peck, *President & COO*



ATIA MEMBERSHIP BENEFITS

ATIA CREATES MARKETING OPPORTUNITIES FOR MEMBERS

- A listing in the Alaska State Vacation Planner, on Alaska's official travel website, TravelAlaska.com and the independent highway traveler website, NorthToAlaska.com
- Access to over 600,000 names and addresses of highly qualified potential visitors to Alaska
- Names and addresses of their fellow members in our Membership Directory and available for purchase
- Marketing and research materials that forecast trends and consumer habits

ATIA ADVOCATES FOR MEMBERS

- Industry briefings and regular newsletter updates
- Legislative updates and tourism industry representation at visitor industry policy discussions in Juneau
- Our Government Relations program monitors industry specific legislation and presents the position of our membership before policy makers

ATIA PROVIDES NETWORKING AND EDUCATION FOR MEMBERS

- Our Annual Convention and Trade Show
- The member website, AlaskaTIA.org, which serves as a valuable forum for sharing information with our membership
- The Daily Briefing on AlaskaTIA.org offers information our staff has identified as important and includes a link to the rest of the story

ATIA SAVES TIME & MONEY FOR MEMBERS

- Cooperative domestic and international marketing programs offering advertising opportunities in both our publications and websites as well as other media; consumer and trade shows; booth share and brochure distribution; industry familiarization trips; and a public relations program featuring press trips, media assistance and the Alaska Media Road Show
- Member-only credit card program featuring discounted transaction fees
- Free use of hundreds of images for promotional purposes
- Free unlimited job postings on AlaskaTourismJobs.com

- Stay on top of issues that can affect your business and the industry by using our daily briefing on AlaskaTIA.org

ATIA LOCAL CHAPTERS

All members receive a complimentary membership to one of seven local chapters throughout Alaska. The chapters focus on four main objectives: advocacy, community awareness, business networking and providing a link between communities and the statewide organization. Chapters are located in Anchorage, Juneau, Ketchikan and the Golden Circle Chapter which includes Haines, Skagway and Whitehorse.

ATIA FOUNDATION SCHOLARSHIPS

As one of our efforts to support Alaskans, the ATIA Foundation awards annual scholarships to students pursuing a career in the tourism industry. The scholarship program is designed to assist promising Alaskan students who have expressed an interest in turning their tourism experience into a career. In 2010 the ATIA Foundation awarded 11 scholarships totaling \$21,500.

Name of Scholarship	Amount	Name/ Location of Recipient
ATIA Two-year Scholarship	\$5,000	Dyan Baguio, Anchorage
ATIA Anchorage Chapter Scholarship	\$3,000	Jon Mobley, Anchorage
ATIA Continuing Education Scholarship	\$2,500	Jesse Carlstrom, Anchorage
ATIA Rural Scholarship	\$2,500	Connor G. Jepson, Ketchikan
Kris Geldaker Memorial Scholarship	\$2,500	Rebekah Faith Miller, Ketchikan
Princess Cruises & Tours Scholarship	\$1,000	Megan Ostendorf, Anchorage
Alaska Hotel & Lodging Association	\$1,000	Catherine Burtness-Adams, Fairbanks
ATIA Continuing Education Award	\$1,000	Patrick White, Anchorage
ATIA One-year Scholarship	\$1,000	Megan Renee Alleston, Anchorage
Chuck West Memorial Scholarship	\$1,000	Zachary Johnson, Eagle River

FY10 EVENTS

2009 ANNUAL CONVENTION & TRADE SHOW

The ATIA Annual Convention and Trade Show were held in Fairbanks Alaska on October 5 – 9, with the theme “Celebrating Cultures.” There were 464 attendees that participated in the event and had the opportunity to hear from national and well known speakers including:

- Bruce Turkel – advertising and branding expert who has worked with well-known companies including Nike, Discovery Channel, HBO, and the Miami and Kissimmee Convention and Visitors Bureau. Bruce addressed the importance of brand in the travel industry.
- Annie Ellicott – well known and recognized web and social media expert who spoke on the emerging importance of social networking.
- Barry Thomsen – small business expert addressed getting through tough economic times as small business operations.

ANNUAL VISITOR INDUSTRY CHARITY WALKS

Over 1717 Anchorage volunteers participated in the city’s Charity Walk and contributed more than \$47,000 to charities and 57 teams participated in Southcentral. In Fairbanks over 400 walkers

participated and committed almost \$15,000 to over 50 charities in the golden heart city. The Charity Walks continue to be venues for Alaska tourism to give back to a myriad of charities on an annual basis. Volunteers and generous donations from the industry were combined to support numerous organizations while participants walk on behalf of their favorite cause.

ANNUAL ATIA FOUNDATION GOLF TOURNAMENT

The sixth annual ATIA Foundation golf tournament was held on September 1, at the Anchorage Golf Course. By moving the tournament to the end of the busy season, we increased participation by 66 percent. The net proceeds of the tournament go to aid ATIA’s foundation efforts which include supporting the visitor charity walks held in the spring and the foundation scholarships intended for deserving students interested in working in the visitor or hospitality industries and desiring to pursue additional education.

ATIA COMMUNICATIONS

ATIA MEMBER NEWSLETTER & FACEBOOK

In FY10, the ATIA email member newsletter was redesigned to improve content and readability. This weekly email, in combination with the ATIA Facebook page, are indispensable tools for communicating with our 1,100 members. We rely on these media to cost-effectively announce new co-op programs, legislative issues and association events. Some FY10 topics included:

- Co-op Marketing Announcements
 1. Vacation Planner & TravelAlaska.com Renewals
 2. Label and Email Leads Availability
 3. Co-op Magazine & Newspaper Ad Solicitation

4. Trade Show Opportunities including SeaTrade, NTA and many more
5. International Advertising Programs in Europe and Asia
- Association Events & News
 1. Board of Directors & Marketing Committee Meetings
 2. The ATIA Annual Convention & Trade Show in Fairbanks
 3. Government Relations Announcements
 4. The Visitor Industry Charity Walk
 5. ATIA Foundation Scholarship Program
 6. ATIA Foundation Golf Tournament
 7. Board of Director Elections
 8. ATIA Job Postings
 9. Industry & Local ATIA Chapter Events

DOMESTIC MARKETING

Marketing conducted in North America is a high priority for ATIA since the vast majority of visitors to Alaska (91 percent) arrived from the United States and Canada. This priority is also reflected in how the budget is allocated, with the majority (85 percent) of the \$11.7 million marketing budget being designated to programs that reach domestic travelers. Primary goals for the marketing effort focused on increasing awareness of Alaska, identifying potential visitors, providing trip-planning information and encouraging consumers to visit Alaska.

ATIA faced many challenges in FY2010 as a depressed economy continued to influence visitor travel choices and discretionary purchase decisions. After many years of growth, Alaska experienced a second consecutive year of declines in visitation in 2010. Over the past two years, the state lost an estimated 260,000 visitors and roughly \$420 million in direct and indirect spending. In addition, an estimated 5,000 Alaska jobs were lost. Other travel destinations also felt the downturn in travel and competition intensified. ATIA worked hard to maximize the use of the marketing dollars we had on hand to ensure we were reaching the greatest number of consumers with the highest level of interest in visiting Alaska.

ALASKA'S BRAND

Throughout all marketing efforts, ATIA capitalized on awareness of the Alaska brand established in past campaigns. We incorporated words and images in marketing materials that tested high with potential visitors, including mountains, wildlife and glaciers. The Alaska logo and tagline, "Beyond Your Dreams. Within Your Reach," was highlighted in all marketing materials. Alaska was established as being "within reach" in an effort to diminish time, distance and cost barriers.



To gain additional insight into consumer travel motivators, statements about Alaska were

tested with consumers. We found Alaska's brand continues to be relevant and strong. Statements related to Alaska's awe-inspiring scenic beauty, the magnificent glaciers and abundant wildlife ranked high with consumers 45 years and older. These research results, along with website design and content research and consumer preferences for colors, graphics and content organization formed

the basis for construction of an entirely new website. The new TravelAlaska.com was launched at the end of the fiscal year.

DIRECT RESPONSE

ATIA utilized a variety of media vehicles – direct mail, magazine and Internet – to reach consumers at key touch-points along the consumer purchase cycle. Media vehicles are selected based on the previous year's results, proprietary knowledge acquired over the years and fierce negotiation to ensure Alaska gets the best possible price, value-added services and desired results.

Throughout the year, the online media campaigns were optimized by replacing low-performing online sites with high-performing sites and optimizing creative ads to ensure best results. The majority of advertising was placed between September and March when most travel decisions and trip reservations are taking place.

Text links and banner ads were placed on several high-traffic travel and content relevant websites such as Yahoo, Kayak, Travel Ad Network and Booking Buddies to drive late-season bookings and motivate "fence-sitters" to make the decision to travel to Alaska.

The Governor's direct mail piece was sent to more than 3 million consumers. To ensure the direct mail program stayed fresh and effective, a variety of lists were utilized. These included lists that were successfully used before and lists that were new to the program.

Full-page magazine ads with business reply cards were placed in seven publications, including AARP, Audubon, Smithsonian and Frommers Budget Travel. Smaller space ads were placed in seven publications, including Sunset, Good Housekeeping, AAA Living, AAA Westways, Endless Vacations and Coastal Living.

COOPERATIVE MARKETING

ATIA offers a wide array of marketing programs for members looking to access a national audience at a discounted rate. Cooperative magazine ads were placed in five national publications this year with each ad anchored with Alaska's logo, TravelAlaska.com and a toll-free 800 number. Members were also allowed to access ATIA's database of potential visitors by segmenting the list to meet their specific business criteria.

DOMESTIC MARKETING

For the first time in many years, page-dominant newspaper ads were placed. They featured Alaska Airlines limited-time offers on market-specific, discounted airfares. The ads were placed in the Denver Post, Portland Oregonian, Seattle Times and 20 newspapers in the Los Angeles and San Francisco Bay area. Alaska businesses also placed their travel special offers in the co-op newspaper ads so potential visitors could see the broad range of travel options available in Alaska.

COLLATERAL

For several years the marketing committee has contemplated whether technological advances would lead to large-scale changes in how consumers access travel information. Research was commissioned in FY2010 on the State Vacation Planner and TravelAlaska.com and we found strong demand for both tools. We discovered consumers are accessing Alaska travel information online, but also utilize the printed Vacation Planner when using a computer is not convenient or when they want a more portable and tangible information source to share with family members and friends.



This year the cover of the 96-page State Vacation Planner featured a couple enjoying a day cruise, with the face of Mears Glacier in Prince William Sound providing a stunning backdrop. Due to elevated interest in travel to Alaska, a second printing of the Vacation Planner was scheduled mid-year to ensure continued mailing of the brochure to potential visitors. Alaska tourism businesses rely on this publication to deliver their promotional messages before a national audience at an affordable price. An electronic copy of the Vacation Planner was also posted on TravelAlaska.com, giving site visitors an eco-friendly option for viewing the brochure. This searchable online Vacation Planner also provided additional exposure for Alaska businesses.

The Within Your Reach brochure continued to be an effective means of targeting “undecided” travelers, addressing cost and the amount of time needed for an Alaska vacation, two common factors that discourage people from traveling to the state.

During the year more than 260,000 brochures were distributed and 3 percent of recipients contacted ATIA a second time in order to receive the State Vacation Planner.

IN-STATE MARKETING

Alaska television ads aired on Alaska television channels to encourage residents to “see their own backyard.” The ads also encouraged residents to invite their friends and relatives to travel to Alaska for a visit. An Iditarod trivia contest was conducted in conjunction with KTUU to gain additional exposure. The Alaska Hottest Deals promotion and website provided extra incentive for residents to get out and travel within the state.

Research was conducted to determine whether marketing efforts have been successful in increasing the amount of in-state travel by residents. The results brought good news, showing 12 percent of residents traveled instate in 2010, versus 7 percent in 2007.

RESEARCH

The conversion study was conducted again this year to determine the effectiveness of ATIA marketing programs. After record results in 2009, we saw a significant decline in the conversion rate. It dropped from 19.2 percent to 12.3 percent. A drop was expected due to the elevated exposure of former Gov. Sarah Palin as a vice-presidential candidate. However, the drop was larger than expected.

The travel intentions study was conducted this year in November and again in March. Findings showed a clear trend between the date of inquiry and the likelihood of travel. According to the March survey, 18 percent of those inquiring in September/October and 25 percent of those inquiring in January indicate they definitely will visit. This drops to 8 percent for those inquiring in February. Overall, the study yielded encouraging news forecasting the summer season would exceed the prior year. ATIA also relies on national research to guide decisions related to the statewide marketing program.

This information is shared with industry members via educational seminars at the ATIA Convention and at presentations provided throughout the year to community groups. Statistics on border crossings, airport arrivals/departures and car rental revenues were also compiled throughout the year and shared with ATIA members, the Board of Directors and marketing committee members.

DOMESTIC MARKETING

INTERNET

Continued marketing of TravelAlaska.com through traditional and pay-per-click advertising was very effective in increasing the number of visitors to the site. Other core metrics also increased, indicating greater engagement with site visitors. For example, the number of visitors clicking through to the more than 1,700 Alaska travel business ads increased by 4.25 percent. Website enhancements also resulted in a 24.4 percent increase in search engine referrals. Over the course of the year roughly 1.5 million visitors spent time on TravelAlaska.com and return visits were strong at 27 percent, a clear indication the site provided useful and compelling trip planning information.



The consumer newsletter was emailed monthly to all records in ATIA's inquiry database and highlighted travel in all seasons, spotlighting different areas of the state and travel experiences. The newsletter has proven to be a very effective way of keeping Alaska on the radar for potential visitors and driving traffic to the website. Videos are also posted on YouTube to ensure consumers with interest in Alaska can get a visual overview of the adventures available in Alaska.

CONSUMER SHOWS

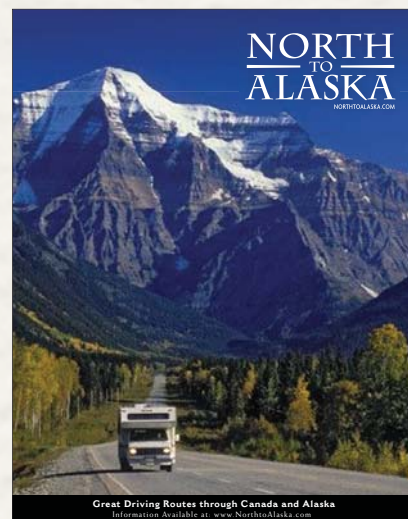
ATIA had a booth at six consumer shows that focused on general travel, mature travel, adventure travel, fishing and RV travel. ATIA members had the option of traveling with ATIA to Minnesota, New York, Florida, California, Arizona and Washington DC so they could distribute their brochures or talk one-on-one with show attendees looking for vacation ideas or finalizing their travel plans.

NICHE MARKETING

The North to Alaska program is a partnership between Alaska and the governments of Alberta, British Columbia and Yukon which focuses on increasing the number of people traveling through Canada and into Alaska via the highway. The program generated over 99,000 inquiries this year using direct response marketing campaigns. This represented a 15 percent increase over the number of inquiries generated the previous year. ATIA continued its partnership with The Milepost, using their base map artwork to illustrate the four North to Alaska routes and various side trips that encourage visitors to explore communities along the main routes.

ATIA also continued its cooperative marketing effort with the Government of Yukon. Direct response campaigns were jointly funded by Alaska and Yukon using magazine and Internet ads placed on both sides of the border. The end goal was to encourage U.S. and Canadian citizens to drive up the highway for a visit.

By offering press trips and posting topic-specific online videos, ATIA was successful in promoting Alaska's diverse fishing, winter travel, history/culture, highway travel and adventure/ecotourism opportunities. In addition, a variety of marketing efforts, including advertising, collateral and the Internet helped communicate the variety of travel options in Alaska.



PUBLIC RELATIONS

In order to generate a steady stream of Alaska stories, it is important that we continually reach out to travel writers and editors to remind them Alaska is a premier visitor destination. Building these relationships and providing consistent and professional media assistance helps ensure a wide variety of magazine and newspaper articles are published, leads to segments on TV and radio and Alaska features on travel websites and travel blogs. Building this “buzz” about Alaska goes far in terms of influencing consumer travel choices and generating a desire to visit. Through the various public relations programs conducted this year, Alaska editorial appeared in national media with a combined circulation of approximately 66 million.

MEDIA ASSISTANCE AND OUTREACH

Several articles on Alaska were published as a result of ATIA media outreach and assistance programs, including an eight-page story on Alaska in Coastal Living. Written by David Hansen, the story highlighted several lodges and the community of Homer. In addition, a nine-page story on Alaska appeared in the April 2010 Adventure Issue of Outside Magazine. Author Steven Rinella focused on Alaska’s National Parks, declaring Alaska, “the last real place to find epic, crowd-free adventure on American soil.” Jane Engel’s story for the Chicago Tribune focused on Alaska activities such as ziplining, biking, surfing and dog sledding. Sunset magazine also ran an Alaska feature that highlighted Denali National Park, Mendenhall Glacier, float trips on the Placer River and Chena Hot Springs.

The year ended in grand style, with two high-circulation magazines confirming they would feature Alaska in the coming fiscal year, Cooking with Paula Deen and O, The Oprah Magazine.

PRESS TRIP

A six-day press trip focused on the Kenai Peninsula and Southwest Alaska. Six journalists participated in the trip and traveled to Homer, Seldovia, Soldotna, Kenai, Seward and Kodiak. Traveling by air, ferry and RV, the writers experienced a wide range of adventures including bear viewing, river rafting, hiking in state and national parks, kayaking, a day cruise and visits to several museums.

ALASKA MEDIA ROAD SHOW

The eighth annual Alaska Media Road Show took place in Santa Barbara, California. The event’s success rests on the influx of new writers each year being exposed to Alaska’s stories, and the

opportunity for writers to meet many Alaskans during a condensed time period. Solid results were again seen this year with Alaska stories published soon after the event, along with a steady stream of stories published later in the year. The Alaska Seafood Marketing Institute (ASMI) co-hosted one of the evening receptions and showcased Alaska’s pure, sustainable and wild seafood products.

EXPERIENCE ALASKA MEDIA EVENT

ATIA and Alaska businesses once again converged on the media mecca of New York City to tell Alaska’s story against an elegant backdrop of Alaska seafood, signature Alaska drinks and a custom-made Alaska-themed ice bar. Journalists met one-on-one with Alaska businesses to hear Alaska’s stories and to mingle with an Alaska chef (Kirsten Dixon), Alaska author (Heather Lende) and Alaska Native artist (Carrie Anvil-Kiana). The Alaska Seafood Marketing Institute (ASMI) supported the event by providing a variety of Alaska seafood for the journalists to enjoy.

MEDIA E-BULLETINS

The media e-newsletter was distributed to travel writers and editors on a monthly basis and highlighted newsworthy developments in Alaska tourism. Topics ranged from Native culture, traveling families, winter activities, exploring the great outdoors and travel by railroad, ferry, cruise ship and highway. This ongoing outreach effort is very effective in spurring innovative Alaska stories.

SOCIAL MEDIA

Social media is a highly effective way to communicate with journalists and consumers searching for innovative perspectives on travel. Throughout the year relevant travel information was shared via the AlaskaTravelNews twitter account. Original posts were tweeted on a regular basis along with re-tweets of information posted by Alaska businesses and Destination Marketing Organizations (DMOs). A guest tweeter program was introduced in FY2010 and proved to be very successful in providing various viewpoints on the best way to experience Alaska.

The Alaska Travel News Facebook page continued to attract new fans as our reputation for being the go-to source for newsworthy content on Alaska travel grew. Messages being shared varied between strictly news to the seriously hip, as we ferreted out unique elements about what was happening around the state.

TRAVEL TRADE MARKETING

ATIA's Travel Trade Marketing efforts continued to hone in and focus on ways to promote the destination to businesses and operators who can bring visitors to Alaska. Besides utilizing previous programs and tools to develop trade interest in Alaska, a unique opportunity and a new concept were used to strengthen the travel trade aspect of ATIA's marketing efforts.

ALASKA TRADE MARKETPLACE

ATIA organized a new program which took place October 5 in Fairbanks prior to the start of ATIA Convention. Eight Community Partners conducted destination training presentations followed by 10-minute pre-scheduled appointments. Participation included 21 suppliers and 14 tour operators. One of the objectives of the effort was to introduce smaller Alaskan businesses who did not have the experience and expertise into the travel trade marketing arena. Because of the initial response the Alaska Trade Marketplace will be considered in future convention marketing activities.



DESTINATION TRAINING

ATIA organized three travel familiarization tours or "TravelFams" for tour operators in an effort to educate and inform the travel trade businesses and aid them in selling our destination. We featured different seasons and regions of the state. There were 23 operators from seven countries that attended and participated in a fall, winter and summer travelfam that featured destinations and activities in Southeast, Southcentral, and the Interior of Alaska.

ATIA continued to maintain its Alaska Certified Expert (ACE) program whereby travel trade professionals are able to become certified Alaska experts by taking an online tutorial course that aids in the knowledge and awareness of Alaska. In FY10, 306 additional travel trade professionals took the course.

Another successful travel trade training program is the Alaska Trade Road show, which impacted 358 travel agents and was represented by 14 Alaska businesses participating in the program in California, New Jersey and New York.

TRADE SHOWS & EVENTS

ATIA continued to have a strong presence and sponsorship at selected trade show events throughout the year, resulting in a strong demonstration of Alaska to a variety of operators. ATIA participated in Travel Leaders Group annual meeting, U.S. Tour Operators annual conference, Go West Summit, CLIA cruise3sixty, Travel Alliance Partners (TAP) meeting, and the American Bus Association conference. Additionally, at the

National Tour Association convention in Reno, Nevada, ATIA sponsored the business luncheon where approximately 1,500 people were in attendance. The presentation consisted of a video showcasing Alaska

while the Alaska Native music group, Pumyua performed. Senator Mark Begich spoke on the importance of tourism to the United States. ATIA also produced a new Meet Alaska Directory which was distributed to travel agents and tour operators through various trade shows ATIA attends. The book features 25 members who actively sell to the travel trade. The book was printed as well as put on a jump drive with other electronic material for the travel trade.

TRADE & MARKETING PROGRAMS

ATIA continued with a number of marketing efforts geared towards working with the travel trade in an effective manner that would benefit our partner members and the visitor industry in Alaska. Some of those activities included renewing the preferred destination partnership with the Travel Franchise Group allowing for communication and education to its 5,000 travel agents, utilizing the Infox polybag mailing to 4,000 travel agents, working with 10 ATIA members who took advantage of the opportunity to market directly to Alaska Certified Expert (ACE) graduates through a direct mail campaign, email and online promotions, and improving dedicated pages of TravelAlaska.com for the travel trade to access ACE information, sample itineraries, newsletters and a photo library.

INTERNATIONAL MARKETING

ATIA's international marketing efforts continue to focus on the four key markets of Australia, German-Speaking Europe, Japan and the United Kingdom and the secondary markets of Korea, Taiwan, China, the Netherlands and Latin America which are viewed as developing. ATIA maintained representation offices in the key markets and Korea. The emphasis continued to be working with travel trade and media (as opposed to consumer marketing) and focused more specifically on markets with direct flights to Alaska, primarily Germany and Japan.

FAMILIARIZATION TRIPS

ATIA conducted a number of international travel familiarization trips as a means to educate and inform the international travel trade. An Asia TravelFam took place September 6-11 that included three tour operators from Japan, three from Korea, two from Taiwan and a Japan Airlines representative from each country. ATIA also hosted a winter familiarization trip for one Japanese tour operator featuring Fairbanks and the Arctic from February 25th through March 1st. ATIA coordinated and hosted an independent familiarization tour for the product manager of a German tour operator from May 25 - June 10. He traveled to Anchorage, Girdwood, Homer, Seward, Denali, Fairbanks, McCarthy, Kennicott and Valdez.



INTERNATIONAL TRAVEL PLANNING TOOLS

ATIA continued to improve and promote the foreign language websites (www.alaska-japan.com and www.alaska-travel.de) for both the Japanese and German speaking markets. In addition to enhancing the foreign language websites we mailed Alaska travel information to high potential foreign travelers by distributing over 9,000 English, Japanese and German official Alaska Vacation planners through

our offices in Germany, United Kingdom, Australia, Japan and Korea. In addition we produced a new Japanese planner that included a description of all five regions of Alaska, highlighted the northern lights, glaciers, native culture, history, wildlife, parks and Alaska foods and shopping.

TRADE SHOWS & WORKSHOPS

The international department once again conducted a number of overseas sales missions and workshops in conjunction with our membership.

Our sales missions in FY10 included training presentations and product development meetings for five wholesale operations in Zurich, Switzerland and Frankfurt Germany. The Annual Japan Workshops were conducted in Tokyo, Nagoya, Osaka and Fukuoka. 220 Japanese trade personnel were in attendance. The Korea Sales Mission took place in conjunction with the Japan Workshops and eighty member of the Korean press and travel trade attended the presentations.

ATIA and our membership participated in substantial number of trade shows that address the growing importance of the international traveler to Alaska. We participated in the Japan Association of Travel Agents (JATA) World Travel Fair in Tokyo, Japan, the Germany Visit USA Workshops in Hamburg and Munich, the International Travel Fair in Taipei, Visit USA Seminars in Belgium, Austria and Switzerland, International Travel Exchange Berlin (ITB) in Berlin, Germany, Adventure Travel Live in London, the Association of Cruise Experts (ACE) Annual Cruise Convention in Southampton, England and the 9th Annual Association of Independent Tour Operators (AITO) in Warwick, England.

ATIA had a significant part U.S. Travel Association's International POW WOW event in Orlando Florida by cosponsoring the luncheon on May 17 in conjunction with the National Park Service and Amtrak. Ron Peck introduced the segment to the audience of approximately 5,000 delegates consisting of international tour operators, media and U.S. suppliers. The presentation featured clips of Alaska's National Parks as seen in the Ken Burn's documentary, *The National Parks: America's Best Idea*. Alaska National Park collateral was distributed in all the tour operator delegate bags, at the ATIA booth and at the National Parks booth on the trade show floor.

INTERNATIONAL MARKETING

MEDIA PROMOTION AND ASSISTANCE

Ongoing media assistance and outreach programs were maintained in the international markets where representation occurs. ATIA provided ongoing media assistance to 48 international travel writers, offering fact-checking assistance, itinerary planning and fulfilling b-roll/photography requests. We hosted 17 media on press trips from United Kingdom, Germany, Switzerland, Japan, New Zealand, Korea, Netherlands and Taiwan in order to increase awareness of Alaska as an international travel destination. We also provided German and Japanese PDF press kits on ATIA's online media center. ATIA also attended the media events at Media Marketplace for the U.S. Travel Association's annual POW WOW and the UK's Visit USA, plus media events at AITO Travel Expo, Guild of Food Writers in London, and the media event in Tokyo in conjunction with ATIA's Japan Workshop.

taken to improve and strengthen direct international air service to the forty ninth state. We promoted the Japan Airlines charter flights operating in both the summer and winter and the Condor flights from Frankfurt, Germany, through public relations and marketing activities that included cooperative marketing campaigns with travel agencies, familiarization tours, press releases, and during training seminars. ATIA co-sponsored a reception with Fairbanks CVB on July 24 to honor Condor Airlines for receiving the Governor's Award for International Excellence. Five representatives from Condor attended as well as over 100 members of the Alaska travel industry.

ATIA also hosted and assisted airline officials from both Japan Airlines and Condor Airlines to assist them in their marketing and planning efforts for future service from the Pacific Rim and Europe.

INTERNATIONAL AIR SERVICE PROMOTION

Realizing that direct nonstop service is a key component to continued stable growth for Alaska tourism, ATIA collaborated with international air carriers to encourage and promote direct air service to Alaska. Following are some of the specific actions

OUR MISSION

As ATIA strives to attain its vision for the Alaska visitor industry, the association will undertake the following:

- **Promote and facilitate** travel to and throughout the State of Alaska.
- **Provide** a broad-based association of individuals and companies with an interest in the visitor industry in Alaska.
- **Encourage** the increase and improvement of quality visitor facilities, services and attractions throughout Alaska.
- **Plan and execute** a statewide marketing campaign promoting Alaska as a visitor destination.
- **Increase awareness** of the economic importance of the visitor industry.
- **Develop and implement** programs beneficial to the travel supplier and consumer, which no other single industry component or organization would be expected to carry out on its own.
- **Initiate and cooperate** with local, state and federal entities in developing and implementing programs, policies and legislation that are responsive to the needs of the industry and to intervene in those issues and initiatives that would directly affect the facilitation and promotion of travel to and within Alaska.
- **Work cooperatively** with the state on tourism development and long-range planning.

GOVERNMENT RELATIONS

THE SITUATION

During the 2010 Legislative session ATIA sought to educate public officials regarding the need for a long term and sustained re-investment of \$20 million in industry paid taxes for the purpose of executing a broad based, effective and impactful tourism marketing program.

THE CHALLENGE

Prior to FY10, the State's contribution to tourism marketing program was \$9 million, requiring a \$2.7 million industry contribution through ATIA. In order to compete with other long-haul destinations, ATIA has long argued that a \$20 million marketing effort is an appropriate amount given intense level of competition from competing destinations. This level of funding would allow us to expand our reach through domestic consumer marketing that includes stronger television ads and implement more robust trade and international programs. To communicate this tourism industry need, ATIA conducted the following activities.

- Dozens of members testified in favor of expanded funding before the House Finance Committee meeting when they met outside of the regular legislative session in November 2009.
- ATIA coordinated a letter-writing campaign to legislators and the governor asking affected industry members to advocate for increased, long-term funding of Alaska's tourism marketing program. This effort focused on support for SB 138 and HB 167 that would have established a new Alaska Tourism Marketing Tax Credit. 125 individuals wrote such constituent letters in FY10.
- ATIA members made substantial impressions at various House and Senate hearings by stating their difficult business situation the grim prognosis for the 2010 season and the need for additional tourism marketing funding to aid their individual businesses. In total, 97 individuals testified 110 times in support of tourism marketing.
- Over 97 people spoke directly to legislators in one-on-one appointments in Juneau in conjunction with ATIA board meetings, marketing committee meetings and the annual legislative fly-in.
- Upon the governor's introduction of SB 311 and HB 422, providing for reductions in the cruise ship head tax and the creation of a tourism marketing tax credit, the Board of

Directors voted unanimously in support of this concept. The focus for the final month of the legislative session shifted to advocate in support of this comprehensive bill.

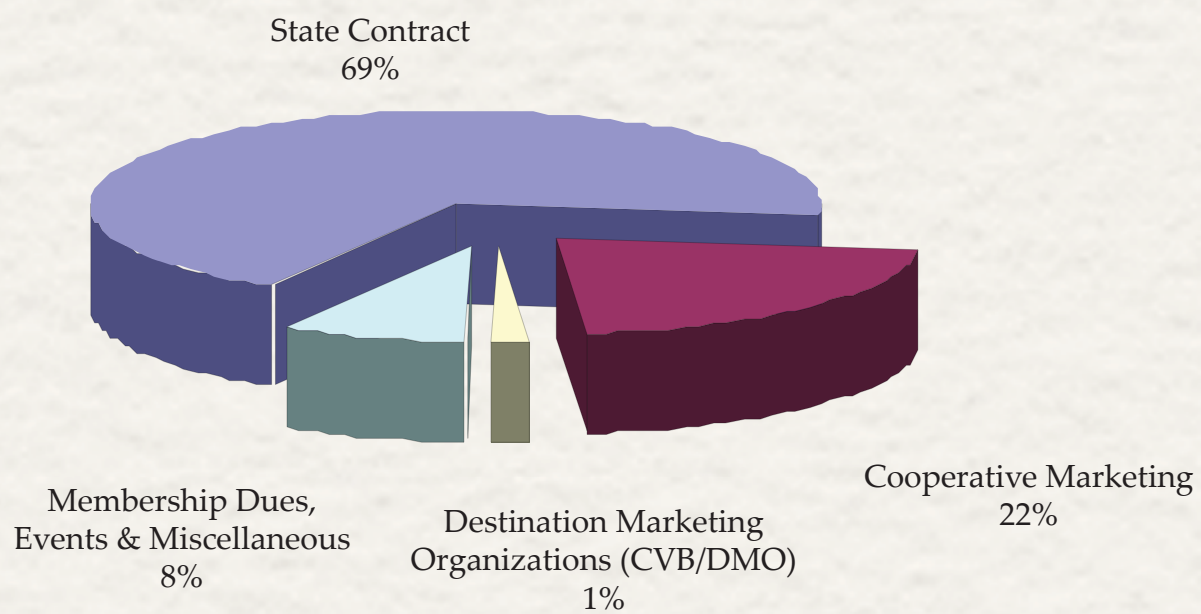
THE RESULTS

At the end of the 2010 legislative session, a total of \$16 million was appropriated for tourism marketing for FY11, a 78 percent increase from the previous year. This was achieved through a \$9 million operating budget appropriation requiring \$2.7 million in industry match from ATIA plus a \$5 million supplemental appropriation in the operating budget and \$2 million in the capital budget. SB 312 was also passed and signed by Governor Parnell reducing the cruise ship head tax from \$46 dollars to \$34.50 per passenger and allowing for credits for local head taxes already paid. This, combined with other administrative changes of the head tax program, will become effective for summer 2011.



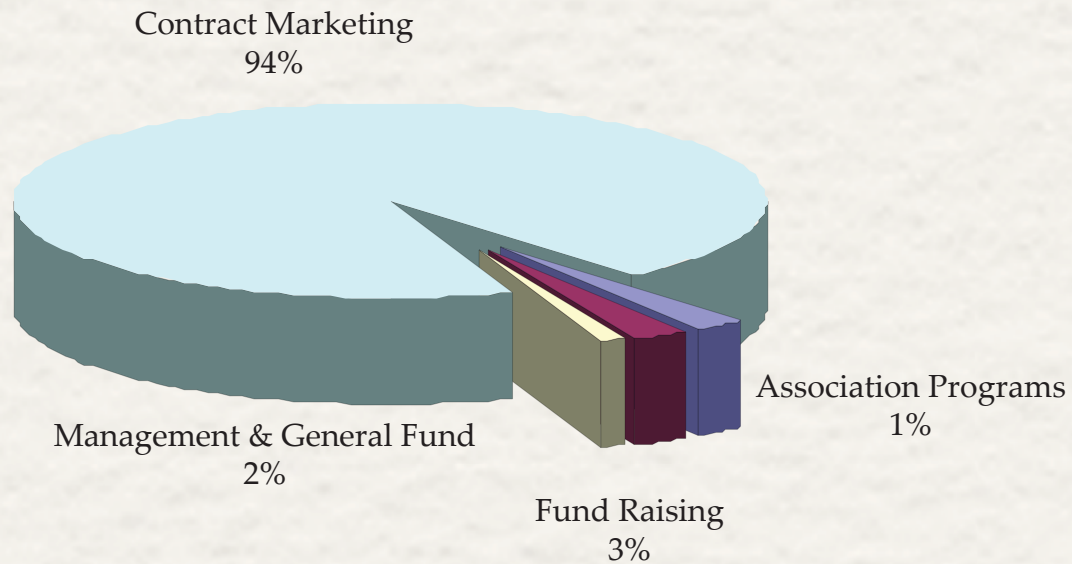
FY10 REVENUE

State Contract	\$9,000,000
Cooperative Marketing Partnership Programs	\$2,859,269
Destination Marketing Organizations (CVB/DMO)	\$183,675
Membership Dues, Events & Miscellaneous	\$1,074,455
TOTAL	\$13,117,399



FY10 EXPENDITURES

Management & General Fund	\$273,201
Fund Raising	\$332,851
Association Programs	\$140,632
Contract Marketing	\$11,961,413
TOTAL	\$12,708,097



ALASKA TRAVEL INDUSTRY ASSOCIATION TEAM

Executive Officers

Stan Stephens, Stan Stephens Glacier & Wildlife Cruises.....	Chair
Deb Hickok, Fairbanks Convention & Visitors Bureau.....	Vice Chair
Roark Brown, Homer Ocean Charters.....	Gov't Relations Chair
Ann Campbell, Aurora Consulting.....	Marketing Chair
Kirk Hoessle, Alaska Wildland Adventures.....	Tourism Planning Chair
Bill Pedlar, Knightly Tours.....	Treasurer
Brett Carlson, Northern Alaska Tour Company.....	Past Chair
Ron Peck, Alaska Travel Industry Association.....	President & COO

Board Members

Janet Buckingham.....	Kodiak Island CVB	John McConnochie.....	Cycle Alaska
Bruce Bustamante.....	Princess Tours	Tim McDonnell.....	TEMSCO Helicopters, Inc.
Debra Call.....	Alaska Native Heritage Center	Bonnie Quill.....	Mat-Su CVB
Ken Dole.....	Waterfall Resort/Promech Air	Scott Reiland.....	Denali Grizzly Bear Resort
Paul Goodwin.....	Holland America Line, Inc.	Mary Richards.....	All Seasons Inn
Peter Grunwaldt.....	Premier Alaska Tours	Julie Saupe.....	Anchorage CVB
Scott Habberstad.....	Alaska Airlines	Jerry Scholand.....	Kiana Lodging
Patty Mackey.....	Ketchikan Visitor Bureau		

ATIA Staff

Administration

Ron Peck.....	President & COO
Shannon Miller.....	Executive Assistant
Cheryl Fullerton.....	Director of Finance & HR
Shelly Jones.....	Accountant
Jenifer Jones.....	Receptionist & Fulfillment Clerk

Membership

James Minton.....	Director of Member Services & Communications
Monte Davis.....	Membership & Advertising Manager
Linda Hall.....	Membership & Advertising Manager
Kim Holderbein.....	Membership Administrative Assistant

Marketing

Kathy Dunn.....	Marketing Director
Jackie Englund.....	Website Development & Marketing Manager
Trina Brosnan.....	Marketing & Research Coordinator

Trade & International

Jillian Simpson.....	Travel Trade & International Marketing Director
Jesse Carlstrom.....	Travel Trade & International Marketing Manager
Teri Hendricks.....	Events & Marketing Administrative Supervisor

Communications

Rob Muller.....	Information Technology Specialist
-----------------	-----------------------------------

Alaska Travel Industry Association

2600 Cordova Street, Suite 201
Anchorage, Alaska 99503
Phone (907) 929-2842
Fax (907) 561-5727

www.AlaskaTIA.org
www.TravelAlaska.com