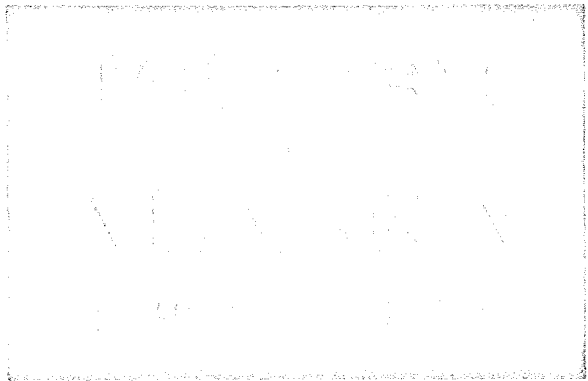


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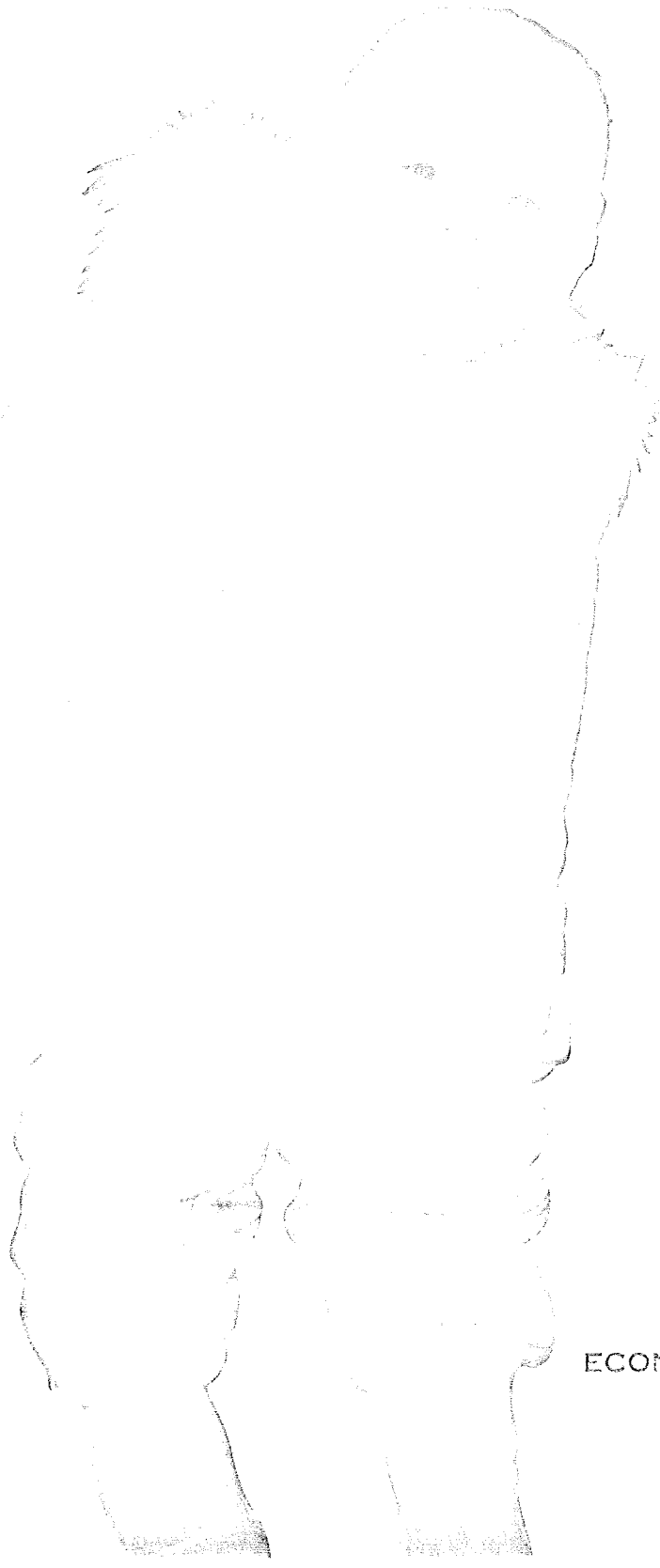
Visitors—Facilities  
Essential Programs of Action  
Moving Forward in Balance

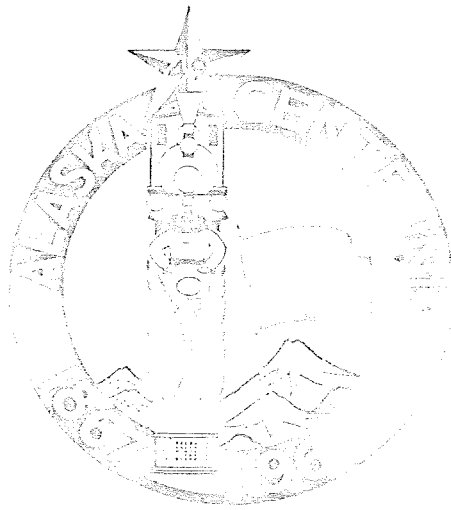
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INSTITUTE OF BUSINESS,  
ECONOMIC AND GOVERNMENT RESEARCH

University of Alaska  
1965





The seal and slogan above was designed by the Alaskan Centennial Commission for the 1967 celebration. A staff study of the Department of Commerce stated that an estimated 200,000 visitors that year would add more than \$37 million to Alaska's income and would provide an impetus for future growth.

Our front cover was chosen to exemplify the appealing friendliness of Alaska's Eskimos. Visitors show a keen interest in the communities, customs and "way-of-life" of Eskimo and Indians.

# Purpose

During the next twenty years, the economy of Alaska should achieve the greatest percentage growth over its current size of any of the fifty states. With an area three and a half times that of California and richly endowed with natural resources, it nevertheless is among the smallest in population and in Gross State Product.

Bridging the great gap between the actual economic levels of today and the levels that will be attained when Alaska's potentials are realized will require a considerable period of time. The factors that will bring about this growth will be (1) the expanding need for the resources Alaska can provide (in the face of a gradual diminution in the present sources of supply), and (2) the development of new forms of power, equipment, automation, and specialized production techniques that will make it possible to profitably develop these resources in spite of Alaska's seasonal operational difficulties and high wage levels.

## TOURISM AS A FACTOR

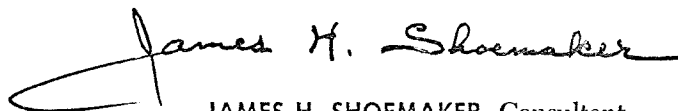
Meantime, there is one field already available for continuing rapid development. Tourism can substantially increase employment and revenues, and at a cost that is reasonable relative to income. Moreover, a rising stream of visitors also creates interest in the potentials of the area visited — and, as repeatedly demonstrated elsewhere, a subsequent rise in capital investment.

## OBJECTIVES

This report thus assumes that the Alaskan tourist industry contemplates continued rapid growth and profitable operations based on: —

1. A program for promoting Alaska as a tourist center — geared in size and strength to Alaska's potentialities for growth and based on knowledge concerning actual and prospective visitors.
2. A program for the balanced development of all types of tourist facilities (to make certain that visitors will continue to find a fully satisfying experience for the dollars they spend in Alaska).
3. A coordination of (a) programs for tourist promotion and (b) programs for the development of accommodations — in order to make certain that the demand for, and the supply of, visitor facilities will move forward in balance.

THE PURPOSE OF THIS REPORT IS TO SUMMARIZE THE ESSENTIAL REQUIREMENTS FOR LONG RANGE PLANNING TO ACHIEVE THESE OBJECTIVES.



JAMES H. SHOEMAKER, Consultant  
Institute of Business, Economic and Government Research,  
University of Alaska

## Potentials

Scenic Attractions  
Recreational Facilities  
External Factors

## Visitors

Origin of Visitors  
Travel Patterns  
Visitor Reactions

## Promotion

Market Analysis  
Advertising Media  
Promotional Techniques

## Facilities

The "Tourist Industry"  
The Role of Business  
The Role of Government

## Action

Organization  
Program Coordination  
Moving Forward in Balance

## Summary

Operational Information  
Focus and Perspective  
Visitor Satisfaction

## *Tourism in Alaska — 1965-75*

Our Institute of Business, Economic and Government Research has made a preliminary appraisal of the developmental needs of Alaska's tourist industry for the period 1965-75.

In order to make the report useful, it was necessary to draw conclusions from available data. There are, however, some gaps in information that the industry requires. The conclusions thus are not definitive but should be considered tentative.

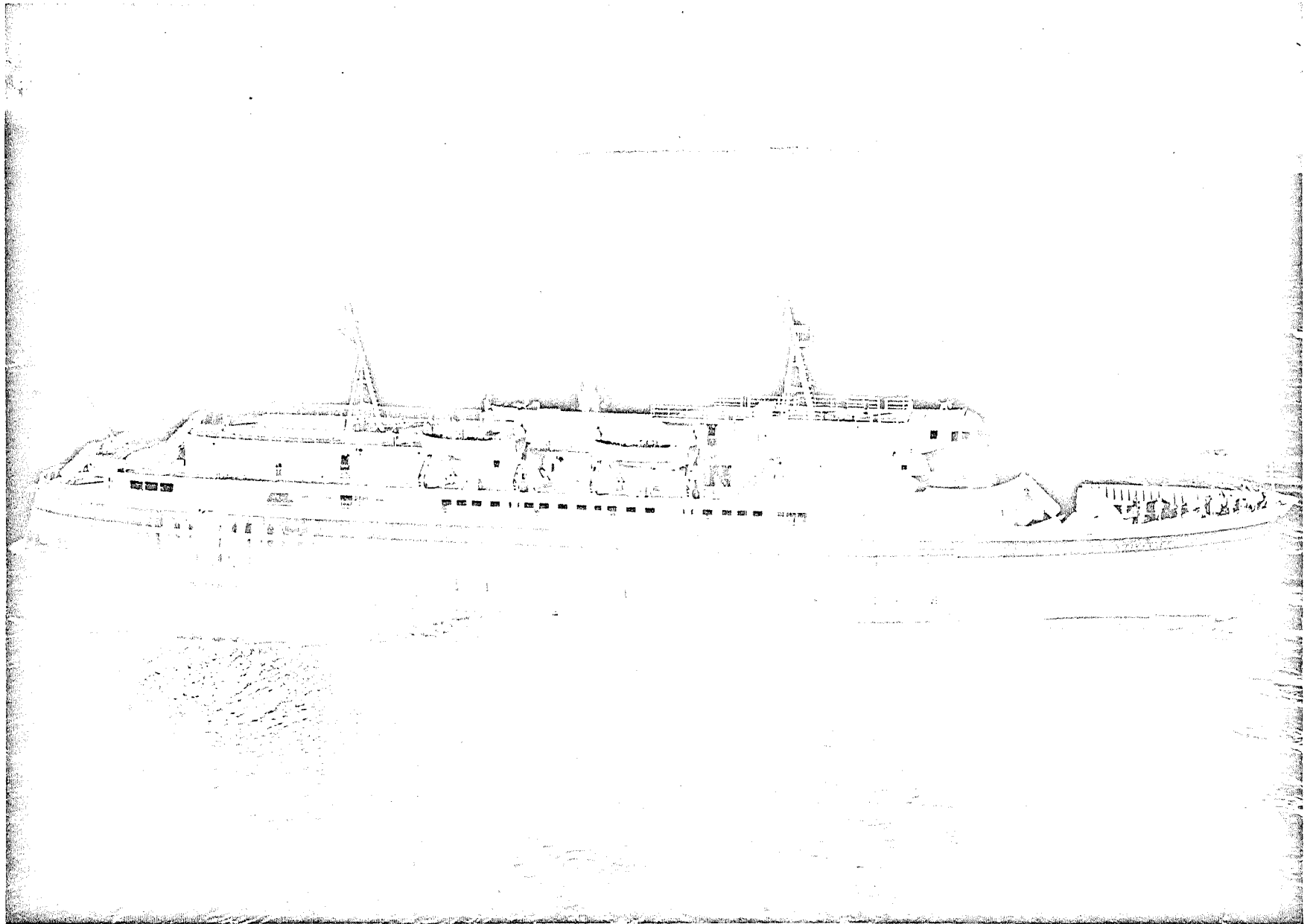
The report is an outline of the essential features of a long-range development program. Additional work must be accomplished before a detailed program on which the industry can act with confidence is available. We believe, however, that it is an effective beginning and deserves the attention of all individuals and enterprises that are engaged in Alaska's tourist industry.

The University of Alaska welcomes this opportunity to assist in the development of a potentially important growth factor in the economy of the State during the decade that lies ahead.

August, 1965

*Wm R. Wood*

President, University of Alaska



The Alaska state ferry Malaspina, part of the Southeast Alaska ferry system operates from Prince Rupert, B.C. to Haines, with stops at Ketchikan, Wrangell, Petersburg, Sitka, and Juneau.

Tourism, already one of the most rapidly expanding activities in Alaska, can become the major growth-factor in the State's economy during 1965-75. To achieve such growth will require industry-wide organization and planning on an all-Alaskan scale. The cost of doing this will be considerable—but the cost of not doing it will be far greater.

## Tourism and Technology

A century and a half ago, the fastest a man could move was as fast as a horse could run. Today a continent is spanned between breakfast and lunch. Similar advances have been made in power, electronics, automation, and other fields.

But we have not been able to maintain anything like as rapid a pace in the development of organizational relationships designed to take full advantage of the opportunities that are being created by new technical advances.

Present economic organization thus is backward, in fact is archaic, when compared with the available facilities for mass communication, mass transportation, automation, etc.

Whether we like it or not, the advances that are being made will force changes upon us. The problem is thus to evaluate the prospective impact of these new developments so as to take full advantage of the potentials for business growth which they represent. This, for example, is the meaning of the Common Market in Europe. In the light of present technology, it no longer made any sense to attempt to operate these small areas in western Europe as completely separate economies.

No activity exemplifies the impact of rapid technical progress and the need for organization to anticipate and deal with their prospective effects, as clearly as does tourism. One may find many examples in nearly all parts of the world of failures to evaluate the rapid advances that are changing the character and sharply increasing the volume of travel—resulting in a failure to fully realize the benefits that may be derived from realistic programs for the development of tourism.

## DEVELOPING CHANGES THAT WILL STIMULATE TRAVEL TO ALASKA

Tourism in Alaska is on the threshold of an exceptional growth. The four primary factors that can generate this expansion (if supported with aggressive development) are as follows:

### Factor One — Prospective Changes in Air Transportation

Nothing is of greater importance in the growth of travel than air transportation (as is indicated by the growing volume of air-passenger traffic to Alaska). Supersonic planes that will travel at about 2,000 miles per hour are clearly in the making. But technical problems still to be overcome are substantial and it does not seem probable that such planes will become commercially important before 1975.

Of immediate importance, however, is the prospective increase in plane capacity. Within eighteen months, an elongated and more versatile version of the present jet will be available. This will carry 200 to 250 passengers and will be so equipped that, when full passenger loads are not available, a part of the plane can be readily converted to air freight. Although passenger capacity is thus more than doubled, the operational cost will increase only about 25 percent.

A military transport capable of carrying the enormous load of 187,000 pounds is being developed. A study of the feasibility of using it for commercial purposes is under way. Such a plane could carry 500 to 550 passengers on two decks. It is not beyond the realm of possibility that such planes will be commercially operative early in the seventies. The implications in respect to air fares are obvious.

## **Factor Two — Rising Levels of Income**

In all industrial nations incomes are advancing — and in the two largest travel markets (western Europe and the United States) incomes have been rising rapidly.

In the United States, for example, average family income, which stood at \$5,900 in 1962, is estimated at over \$10,000 by 1975.

There will thus be a twofold leverage for increasing the size of travel markets: (1) Increasing incomes will bring a rising stream from the ranks of those who cannot now afford travel to Alaska over the line into the group that can afford such travel, and (3) the reduction in air fares will lower the line of demarcation itself, substantially broadening the base.

## **Factor Three — The Growth in the Number of Retired Persons and in Their Resources**

Retired persons of means already constitute a sizeable fraction of all visitor business.

Advances in medical science are prolonging life — hence the number of healthy retired persons is increasing more rapidly than ever before.

At the same time, their resources also are increasing. No postwar development in the entire realm of finance is more impressive than is growth in retirement funds. In the United States, for example, corporate retirement funds now total well over \$44 billion and are rising sharply from year to year. This is only a third of the total of all pension reserves — not to mention private holdings of investments by retired persons. It should be noted, too, that there is now a distinct trend toward early retirement, particularly in the upper income brackets.

These changes indicate that retired persons who have both the time and the means for travel will constitute one of the most rapidly growing segments in the population — hence should receive special attention in developing tourist business.

## **Factor Four — Growth in Non-Tourist Travel**

By “non-tourist” travel is meant those who have a primary purpose other than the pleasure of travel itself (a field which has been given insufficient attention).

Anyone traveling about the world today cannot fail to be impressed by the enormous increase in international conferences of all kinds (scientific, professional, educational, governmental, etc.).

With the increase in the size of planes and the lowering of fares, there will in all probability be a sharp increase in another form of travel. To date, sports contests, cultural events, and entertainment have tended to be largely national in character (international events in these fields being the exception). It is highly probable, however, that within a decade these activities will break through national barriers and regularly scheduled programs in these fields on an international scale will become commonplace.

At the same time, there will be a very pronounced rise in person-to-person conferences between businessmen.

Advances in air transportation have largely annihilated distance. Certainly time is no longer a serious factor in contemplating travel to any point in the world that can be reached by a jet plane.

But distance also must be measured in another dimension — money. The “cost-distance” to Alaska still constitutes a competitive disadvantage. For some time to come it will be necessary to keep this in mind in analyzing the potential markets for travel to Alaska.

The prospective decline in air fares, however, will gradually overcome this impediment. It will bring visitors in larger numbers than are presently contemplated.

## **Growth Trends during 1965-1975**

The outlook for tourism in Alaska during the next ten years may be summarized as follows: —

1. Alaska’s exceptional attractions can be expected to exert an increasing influence throughout the coming decade as knowledge about them becomes more widespread (the greatest promotional power is word-of-mouth advertising).

2. Even assuming no change in air fares, the uptrend in family incomes will increase the market for travel to Alaska.

3. Long-range planning, however, should envisage a gradual reduction in air fares and a broadening of the travel market — accompanied by an accelerating rise in the number of visitors.

4. During 1965-75, special attention should be given to mature persons of means — particularly in the retirement age bracket, (a) because this age group will be growing rapidly, (b) because retirement incomes will grow even more rapidly, and (c) because many retirees will already have made the traditional tourist trips to Europe and other areas, hence (with leisure and means) will constitute a promising market for travel to Alaska.

5. Technical, professional, governmental, and business groups will become an increasingly important factor — indicating a need for conference and convention facilities.

6. During the next ten years, the rate-of-growth of tourism in Alaska should substantially exceed the general world growth rate. The continuing declines in "time-distance" and "cost-distance" will gradually whittle away the impediments to long-distance travel, thus rapidly improving Alaska's competitive position and making her exceptional attractions more generally available to travellers everywhere.

#### Estimate of Growth

Properly developed, by 1975 annual visitor arrivals in Alaska should attain a level of about 450,000, and should be increasing by about 18 percent per year.

The growth-factors that can create this very substantial advance are reviewed in this report, but a comparison with the record-of-growth in other travel centers may also be cited.

New Zealand, for example, with a volume of visitor arrivals last year only 20 percent higher than

Alaska, is confidently planning to attain an annual level of 450,000 to 500,000 visitors by 1975 (even though New Zealand is much more distant from the major travel markets than is Alaska).

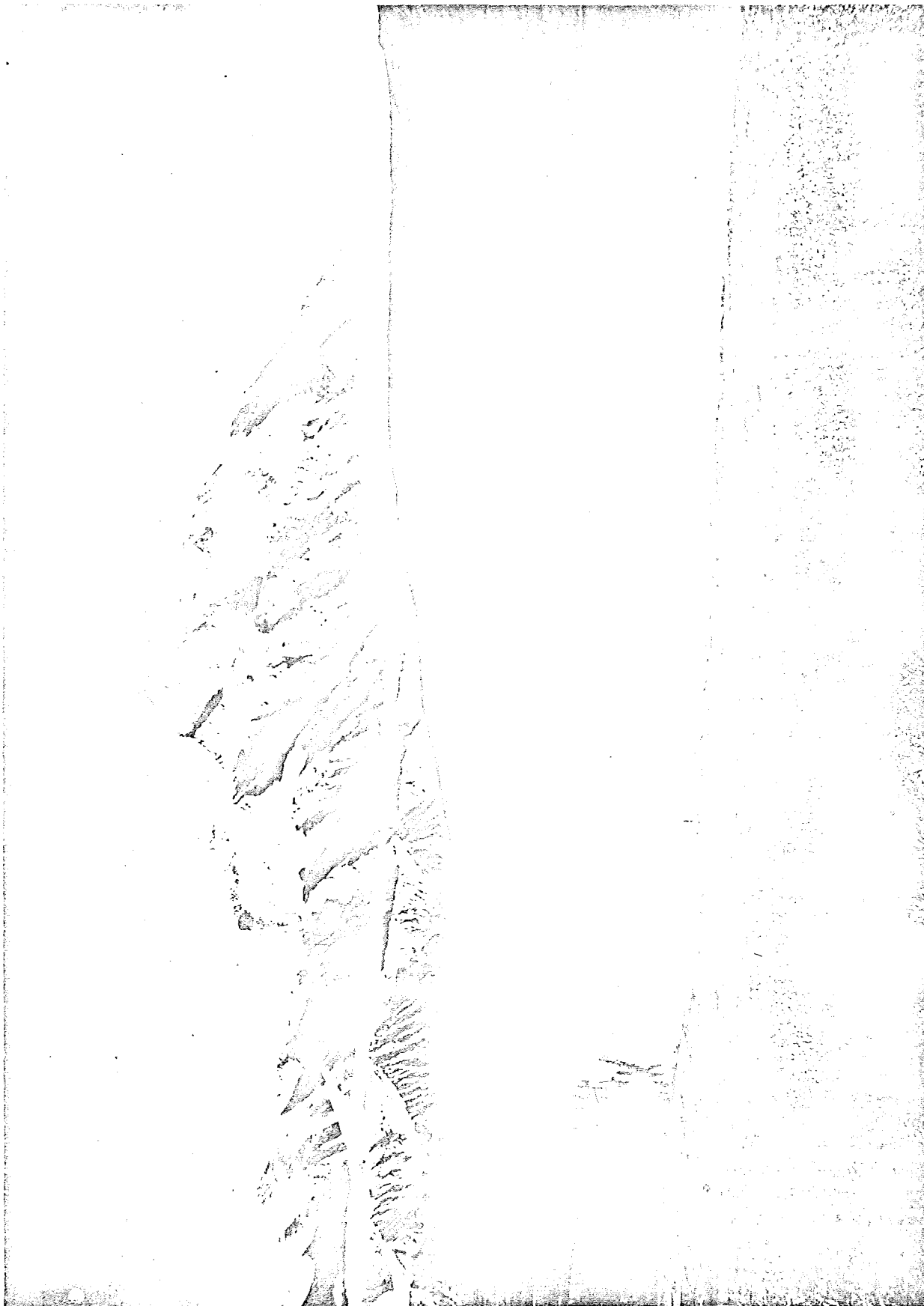
In 1954, visitor arrivals in Hawaii were about equal to arrivals in Alaska in 1964. This year (1965) arrivals in Hawaii will exceed 600,000 (with estimated arrivals in 1975 of 1,500,000). Japan has achieved an equally rapid advance during the past decade.

It should be noted that the underlying growth factors which caused the general rise in travel during 1955-65 are themselves increasing in strength—hence their impact during 1965-75 should be decidedly greater than during the past decade. Since the rate-of-advance will gradually accelerate, the growth during 1970-75 will substantially exceed the growth during 1965-70.

The significance of relative magnitudes also is of importance in judging Alaska's potentials for tourism. In an area with a population of 260,000, an annual influx of 75,000 visitors looms large. But in reality it is only a very minute fraction of total world travel (or even of American travel alone). During the decade ahead, as travel to Alaska increases, it also will be rising elsewhere. Even with a six-fold increase by 1975, the volume of visitor arrivals in Alaska would still be only a modest fraction, as compared with American visitors to Canada, Mexico or Hawaii.

Assuming a strong promotional program, a target for Alaska of 450,000 visitors annually by 1975 is thus not overly optimistic — in fact, may well turn out to be too conservative.





Mt. McKinley is the highest mountain in North America — hence is one of the primary points of interest to tourists.

# Visitors

No sharply defined data on the actual growth of tourism in Alaska is yet available. A rough measure of growth however may be derived from passenger traffic surveys.<sup>1</sup> These indicate a rise in total passenger traffic from 161,593 in 1950 to 384,401 in 1960 (a ten-year increase of 138 percent). It should be noted that this covers traffic both into and out of Alaska, and includes local residents as well as tourists. One way travel to Alaska is thus about half this figure, and the number of tourists entering Alaska substantially less.

A more recent study<sup>2</sup> of summer travel during 1963 and 1964 indicated that, in 1963 (the more normal of the two years) 68.5 percent of all "out-bound summer passengers" consisted of non-resident travellers.

Over half of the 1964 visitors (53.3 percent) came from the western half of the United States — nearly a quarter of them from California alone.

A 1965 staff study prepared by the U.S. Department of Commerce indicated that more than 75,000 tourists visited Alaska in 1964 spending upwards of twelve million dollars. This study estimated annual visitor arrivals at approximately 650,000 by 1980.

## Travel Patterns

About 65 percent of all passenger traffic to and from Alaska is by air. Roughly 30 percent is by highway and the remainder by ship. Nearly all ship travellers and the majority of highway travellers are tourists (Alaskan residents depend primarily on air travel). Hence, less than 65 percent of the tourists come by air.<sup>4</sup>

Within Alaska the "golden triangle" is Fairbanks-Anchorage-Juneau. Over half of all vacationers visit each of these points (including scenic and recreational attractions nearby). Only about a quarter of them venture into all other areas combined.

## Visitor Reactions

Every travel center is subject to some critical comment — and in this respect Alaska is no exception.

Surveys indicate that visitors' dissatisfactions tend to focus on the need for: (1) improvement of highway and city streets; (2) more economical tourist facilities; (3) a clean-up of litter and road signs in and adjacent to cities ("a shocking contrast to the beauty of Alaska elsewhere") and (4) more information for prospective visitors regarding (a) what to see and do; (b) prices; (c) carriers and hotels; and (d) climate (and what to wear).

Tourists unquestionably come to Alaska with many misconceptions. For example, they under-

estimate the range of things to see as well as the distances to be covered. One visitor when asked what impressed him most about Alaska said "the amount of it."

Until they are actually in Alaska, it is difficult for those from big urban centers to understand the powerful virginal appeal of what one of them described as "the vast sweep of uncrowded spaces and of beautiful scenery unfolding endlessly".

Certainly the positive reactions far outweigh the negative ones. A University of Alaska survey<sup>3</sup> reported that over three-fourths of all visitors were "enthusiastic," 18.9 percent were "satisfied", and only 3.3 percent were dissatisfied.

Three significant findings should be noted — (1) dissatisfaction tends to focus on conditions that can be remedied; (2) over one-third indicated a desire to return for another visit; and (3) a surprising 53.2 indicated that they would like to visit Alaska in the winter.

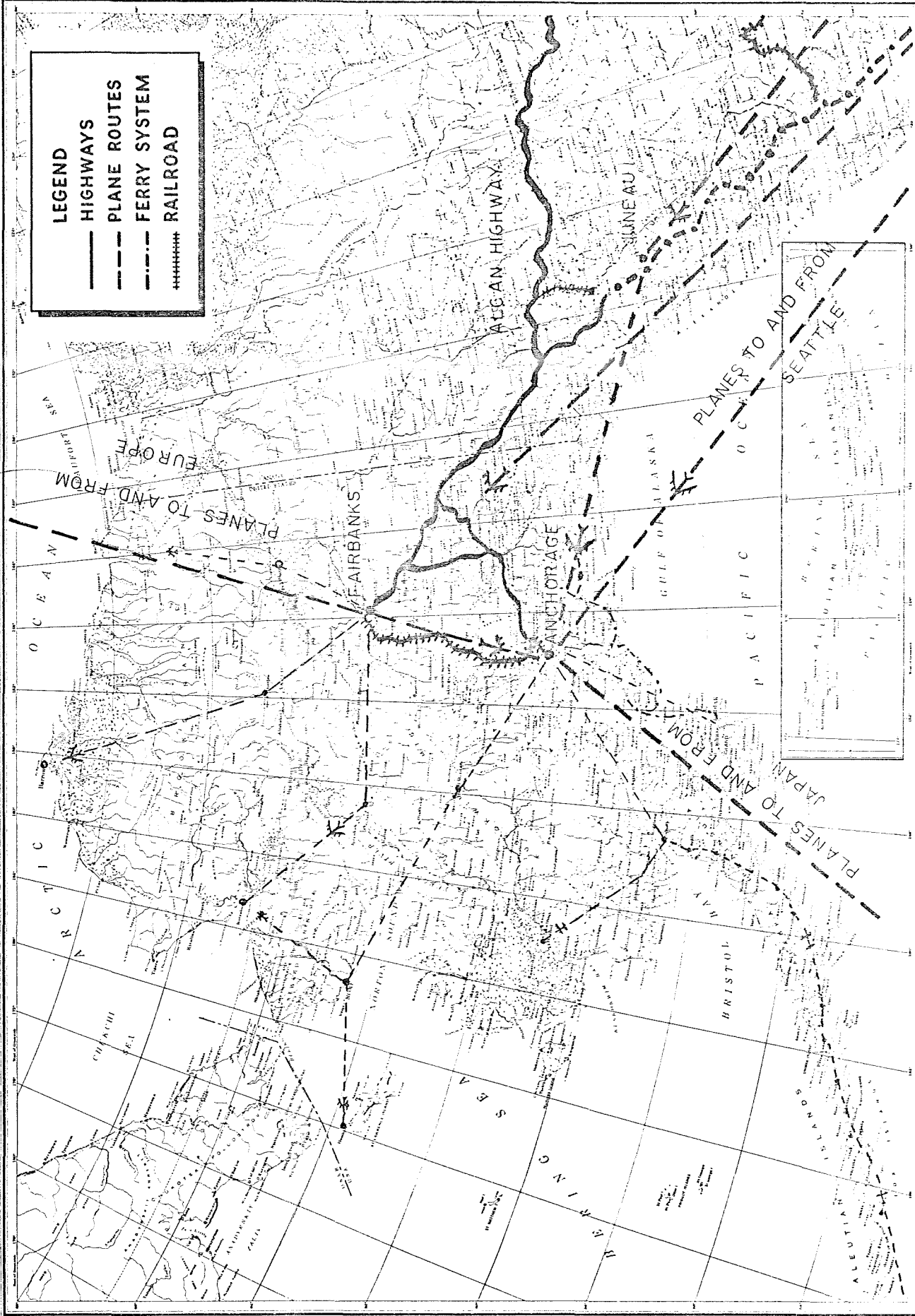
In general it may be said that all of the surveys indicate that Alaska makes a powerful and favorable impression on the great majority of visitors.

<sup>1</sup>Two reports published by the Alaska Department of Commerce, Division of Tourism and Economic Development 1958 and 1960.

<sup>2</sup>Hinkson, Charles E., "Traveler Profiles", A study of summer travel to Alaska during 1963 and 1964.

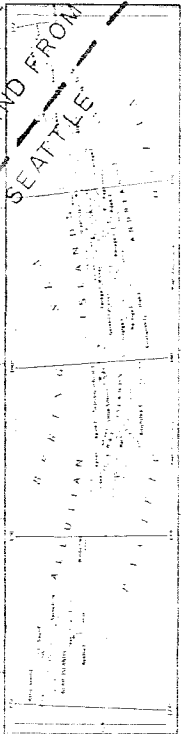
<sup>3</sup>Kiely, Vernon R. and John Hilpert, "Tourist Industry in Alaska", College, Alaska: (University of Alaska Report), March, 1961.

<sup>4</sup>During the summer season, for example, 46 percent of all travel was by plane; 35 percent by car; and 19 percent by ship and ferry.



**LEGEND**

- HIGHWAYS
- - - PLANE ROUTES
- · - FERRY SYSTEM
- + + + RAILROAD



Knowledge regarding visitor characteristics and reactions to Alaska is decidedly useful in formulating advertising and promotional programs. This indicates, beyond question, that Alaska's most powerful appeal is its unique virginal character — "great scenic beauty in vast uncrowded spaces." This theme should be repeatedly presented in such a way as to make it dramatically realistic to those who have never been here — in the confident certainty that Alaska is unmatched in this particular respect anywhere in the world.

Other obvious promotional themes are: (1) the wide range of outdoor recreational offerings; (2) outgoing hospitality and responsiveness to visitors; (3) the history and romance of Alaska; (4) the primitive communities and cultures of the Eskimos and Indians; (5) festivals, sports, and games; and (6) the long summer days (and the "midnight sun").

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## Where to Advertise

Effective presentation is only a first step however. Nothing can take the place of careful analyses of the possible markets for travel to Alaska to determine (1) which markets and media offer the greatest immediate return per dollar spent; (2) which represents the greatest long range potential for future growth; (3) what are the principal competitive offerings and how this competition can be met; (4) what cooperative efforts (in combination with other areas) offer the most promise and (5) what promotional arrangements should be made with those carriers and tour agencies that are of importance to Alaska.

Studies to date clearly indicate that the west (and in particular the west coast) is the principal source of visitor business — hence is the primary area in which to advertise at present.

It is equally clear that the great metropolitan areas east of the Mississippi constitute the largest travel market in the world — and that "penetration advertising" there is indicated (on a gradually increasing scale as the growth of tourism here makes that possible).

A third market is Canada as shown by the sizeable volume of tourism that is generated there (14.5 percent travel to Alaska).

Another promising market consists of round-the-world and Pacific area travellers passing through Anchorage. This is certain to show an accelerating rise. To tap this market will require advertising especially designed to appeal to sophisticated world

travellers; as well as, an effort to bring about some changes in governmental and carrier regulations and operational procedures to facilitate stopovers.

## The Best Advertising is Free

Very few outsiders have done any serious reading on present day Alaska. Their impressions have been obtained largely from motion pictures or from novels and poems dealing with the gold rush days. To them Alaska is synonymous with mystery, adventure and romance.

For this reason, illustrated articles on Alaska make good copy for periodicals and newspapers. Such articles are far more effective than are commercial advertisements. A program for preparing and dispatching a continuing stream of well prepared material to the most receptive media will yield a surprising result per dollar of expenditure.

By the same token, however, Alaska typically invokes a picture of frontier communities, living under primitive conditions, with few of the amenities of life, in a setting of ice and snow. This is a serious deterrent, particularly to retired persons of means.

It is thus necessary to repeatedly emphasize that, while trips into the wilderness and primitive frontier communities are available to the adventurous traveller who wishes to seek them out, it is equally possible to travel to Alaska in the best of planes or ships, to stay in first class hotels and from them to tour some of the finest scenic areas in the State in perfect comfort and safety.

## Summary

An analysis of the markets for travel to Alaska is needed as a guide to the effective programming of advertising. Some tentative conclusions regarding advertising and promotion may be drawn however from existing data as follows:

(1) Western United States (and in particular the West Coast) is most important travel market in which to advertise — but the eastern United States and world-travellers passing through Anchorage constitute important potentials for future growth.

(2) As long as fares remain at present levels the average visitor will be one of well-above-average income. Hence, it is essential to choose media that will reach families of the income ranges that make it possible for them to afford a trip to Alaska.

(3) Long range promotional programs should however envisage; (a) pronounced upward trends in family incomes thus increasing numbers able to afford such travel; and (b) a gradual reduction in air fares — thus bringing lower income ranges into the travel market.

Each reduction should be the signal for an extension of advertising into new channels in order to develop new potentials (as well as for a parallel development of appropriate facilities).

(4) It should be recognized that retired persons of means will constitute a rapidly growing market and will require promotion appeals and facilities geared to their special interest and needs.

(5) Conferences and conventions (of business, professional, technical, educational and governmental groups — as well as post-conference-tours of such groups meeting in west coast cities) should be sought. As yet, however, Alaskan facilities can accommodate only relatively small conventions (by national standards). It is thus imperative that the promotion of convention business and development of convention facilities should go hand-in-hand in order that each conference will be well serviced, thus engendering future business.

(6) Promotional plans should not be based solely on existing patterns of travel but should endeavor to create new patterns that will increase tourism in Alaska. For example, a trip from New York to California, Honolulu, and Tokyo could include Alaska and the Canadian Rockies on the return trip at relatively little difference in cost over a direct return to New York. Many new air routes (now non-existent) will be established during 1965-1975.

(7) Indirect advertising in the form of promotion designed to interest and inform carriers and tour agencies about the attractions and newly developing facilities of Alaska is of basic importance. This should include (a) periodic newsletters; (b) promotional materials for their use; (c) on-the-spot conferences with those agencies most important to Alaska and (d) inducement to tour agency owners, and in particular to organizations of tour agencies, to come to Alaska and see for themselves.

(8) Underlying all promotional effort should be a recognition of word-of-mouth advertising as by far the most powerful. Alaska's most important field for promotional effort thus consists of the visitors who come here. Promotion in this market requires an outgoing friendliness and attention to those details which convert an ordinary trip into a memorable one.



A typical Alaskan boy.

# Facilities

To remain in business, a manufacturer must meet competition. His equipment and organization are designed to create a quality product at low operating costs — in short, to be efficient.

Alaska's "visitor plant" must achieve these same objectives. But its organization, and operations are diffused throughout a complex of widely varying activities. Although it requires buildings and equipment of many kinds, its output is not embodied in a physical product, but in services. Hence, it is difficult to visualize the total visitor plant or to fix the responsibility for creating it.

But there can be no question whatever as to what it should produce. The ultimate product is "visitor satisfaction." The visitor plant can thus be defined as anything in Alaska that assists visitors to achieve a satisfying experience in Alaska.

The growth of Alaska as a tourist center will depend on the quality and cost of this product. So long as visitors feel that they get more satisfying experiences per dollar expended here than they do elsewhere, tourism will expand. Whenever they begin to feel that they do not, tourism will level off.

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## Who Builds the Visitor Plant?

Transportation, hotels, other direct services, and some types of recreational facilities are provided by private enterprise. Scenic highways, parks, and public recreational facilities are the responsibility of government agencies. Festivals, fairs, and the maintenance of local traditions — as well as an outgoing, friendly attitude — are the responsibility of Alaskan communities.

## The Geography of Facilities Development

Because of the enormous size of Alaska and the distances between primary centers, it is more difficult here than in other states to keep all segments of the tourist industry abreast of developing changes — to fully maintain the channels of communication that are so essential to the servicing of visitors as they move from place to place — or to make certain that the various plans for expansion (of hotels, carriers, recreation areas, restaurants, entertainment and other services) are moving forward in balance.

Certainly Alaska's tourist industry (serviced, as it is, by literally hundreds of individual enterprises that are hundreds of miles apart) cannot expect to guide the development of all facilities along smoothly parallel lines.

But it is possible (1) to determine where bottlenecks are developing and to take action to prevent

them from becoming a future impediment to growth; (2) to find out where and in what respects visitor dissatisfaction with facilities or services are arising and to initiate action to assure improvement and; (3) to seek out and encourage new developments that promise to enhance the attractiveness of Alaska to tourists.

The more rapidly the industry is growing, and the more widespread its activities — the more important it is to do these things.

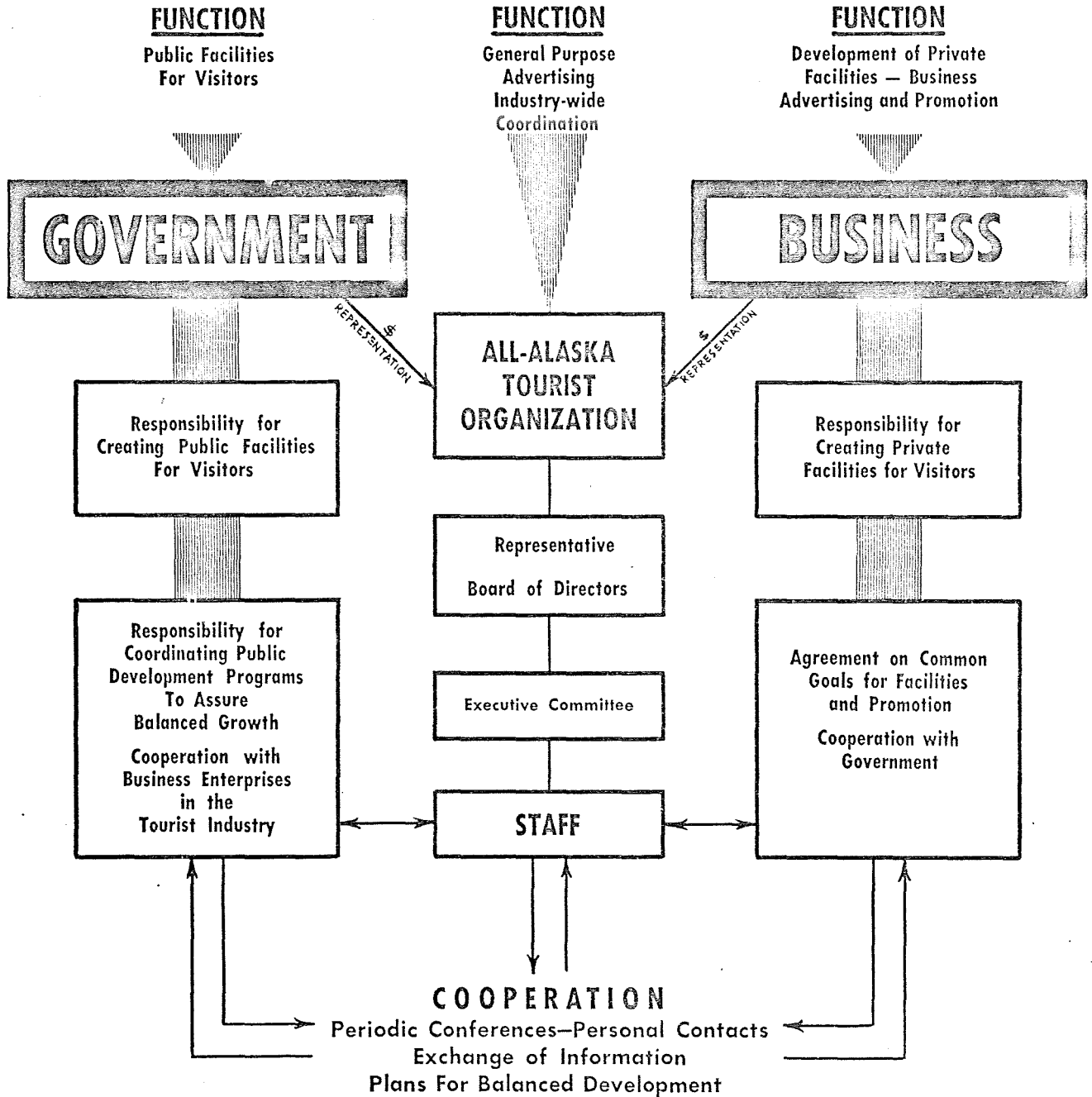
Planning designed to meet Alaska's future tourist needs thus begins with (1) an inventory of existing facilities; (2) a measurement of their present levels-of-use relative to their capacities and (3) a study of the actual and potential growth in the number of visitors (as well as their patterns of activity).

In planning ahead, a common error is to assume that growth will take the form of an expansion of established patterns. On the contrary new travel patterns will emerge — and the character of Alaska's visitors (as well as their interests) will undergo a gradual change.

Hence, the tourist industry should follow the practice of all well managed industries — that is, should periodically bring information up-to-date and analyze its significance. This will make it possible for the various enterprises in the industry to adjust expansion programs to developing changes in realistic terms.

# Functional Chart

SHOWING FUNCTIONS THAT MUST BE PERFORMED TO DEVELOP  
TOURISM IN ALASKA



## Some Underlying Considerations

The tourist industry is not a mechanism that can be taken apart, remodelled and reassembled. It is a living organism composed of people, enterprises, and organic relationships that must continuously function and grow without interruption.

Plans for its expansion thus are not comparable to an architect's "blueprints"—but consist of flexible "guides-for-growth" designed to assist the industry to effectively develop.

A factory has a central administrative organization which determines policies, and carries them out. But in the tourist industry policies, plans and day-to-day operations involve a wide range of individual enterprises—extending from hotels and carriers to taxi drivers and tour operators. There can be no central administration with authority over them. Each enterprise, quite properly, "runs its own show." How then is industry-wide planning or effective coordination of operations to be attained?

In part at least, it is achieved in the normal process of economic growth—that is, in the development of business in response to increases in demand. All of these activities are focussed on one objective—the servicing of visitors. Hence there must be a reasonable degree of balanced development and of coordination in their operations (carriers could not function if there were no hotels to take care of their passengers—and vice versa). These relationships extend throughout the entire range of the tourist industry. Why then is it necessary to be concerned with long range planning?

The answer is that very little planning would be required if the industry were static. It would then settle into a relatively fixed pattern and could easily adjust to such minor changes as might occur from year to year.

But as already indicated—tourism is growing rapidly and there is every indication of a gradually accelerating advance during 1965-75. Developing changes (both in and outside of Alaska) will substantially affect its character.

Hence if any enterprise (such as a hotel, tour service or recreational facility) is to plan soundly, it must see beyond its own limited sphere of activity. It must know what related activities throughout Alaska are doing, it must know the current level and the prospective rate-of-growth of visitors and it must keep up-to-date on the travel patterns of visitors (to and within Alaska). In short there must be an understanding of the overall position and the trends in Alaska's tourist industry in considerable detail.

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Without such information, it is inevitable that there will be widely differing assumptions regarding the size and growth of the industry. But if there is a periodic and dependable compilation of the facts (organized and analyzed so as to be of practical use to the industry) there will be a common base of understanding in respect to conditions and trends.

In addition to this "operational information," two

things are required for unity-of-action (1) agreement on goals and on plans for attaining them, (2) action to carry plans into effect.

### Functional Organization

The accompanying chart is a purely functional one centering around these basic purposes.

There are many types of tourist organizations.

In some cases they are largely governmental, in others they are dominated by business, and in still others there are two parallel organizations that attempt to cooperate.

As implied in this functional chart, however, the most successful ones have been those in which the appropriate agencies of government and the tourist enterprises join hands (in terms of support and of representation on the board of directors).

Organizations, however, consist of men and operating relationships. In the final analysis, effectiveness depends more on their good will, ability and appreciation of mutual problems than on the form of organization.

### Industry-wide Support

Ultimate decisions on basic policies rest with the various segments of the industry. Without their support, action programs cannot be implemented.

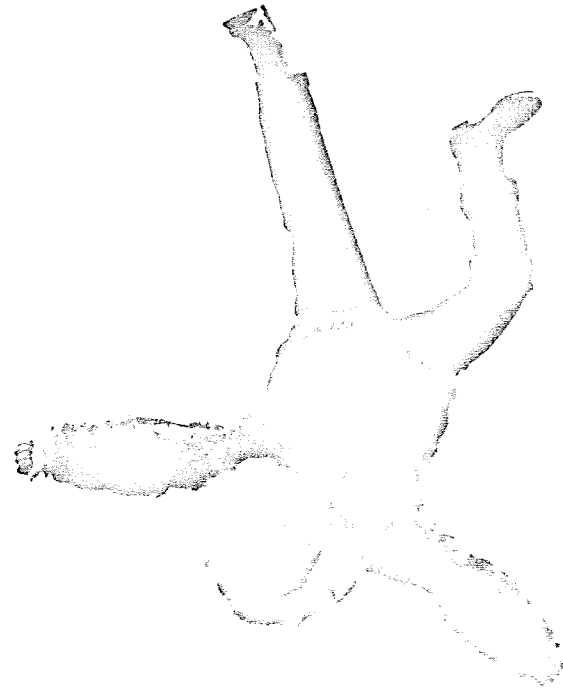
This requires periodic conferences, say once a year, (including representatives of the appropriate government agencies, hotels, carriers, tour agencies etc.) to which recommendations and plans are presented for consideration.

It should be clear that these are not concerned with internal plans of individual enterprises, but only with broad policies and programs that effect the entire industry. They might, for example, include (1) plans for advertising on an all-industry basis (where, how and how much) (2) plans for festivals or commemorative events (3) cooperative arrangements with outside areas to increase travel to Alaska; (4) more effective channels of communication within the industry; (5) better overall operating relationships throughout the industry to decrease cost and increase efficiency in servicing visitors — and other broad policy matters.

An important by-product of such conferences would be the opportunity for those in the industry to become more fully acquainted and to exchange information and ideas on a person-to-person basis — thus creating a sense of unity and purpose.

Implementing decisions is, in most states, the responsibility of a full time “executive secretary” or “staff director”. In some cases, however, responsibility is assigned to a representative group or committee (for instance in developing a festival or a commemorative event).

Whatever organizational forms or procedures are used, they must, in the final analysis, be based on agreement throughout the industry for common action to achieve common goals.



The blanket toss is a sport all visitors enjoy watching.

# Summary

## SUMMARY OF CONCLUSIONS

### I. Assuming aggressive promotion, there will be an accelerating rise in tourism during 1965-75.

A. Prospective changes in air transportation indicate a decrease in the time and a lowering of the cost for travel to Alaska.

B. Rising incomes are increasing the market for travel to Alaska.

C. Alaska's capacity to attract visitors is growing.

1. Recent surveys indicate that the great majority are enthusiastic about their experience here.

2. The number of visitors has increased substantially since 1950.

### II. Advertising and Promotion should be based on:

A. An analysis of the markets for travel to Alaska.

B. A study of the offerings of competing areas.

C. Visitors needs and desires, as indicated in recent surveys.

D. Full cooperation designed to assist carriers and tour agencies in promoting travel to Alaska.

### III. The expansion of tourist facilities and services should be encouraged to keep pace with the increase in visitor arrivals

A. By providing enterprises in the industry with detailed information on the developing changes and growth trends.

B. By reporting "bottlenecks" caused by shortages in facilities or services.

C. By formulating a long range program designed to guide the development of facilities.

### IV. Greater attention should be given to industry-wide policies and plans

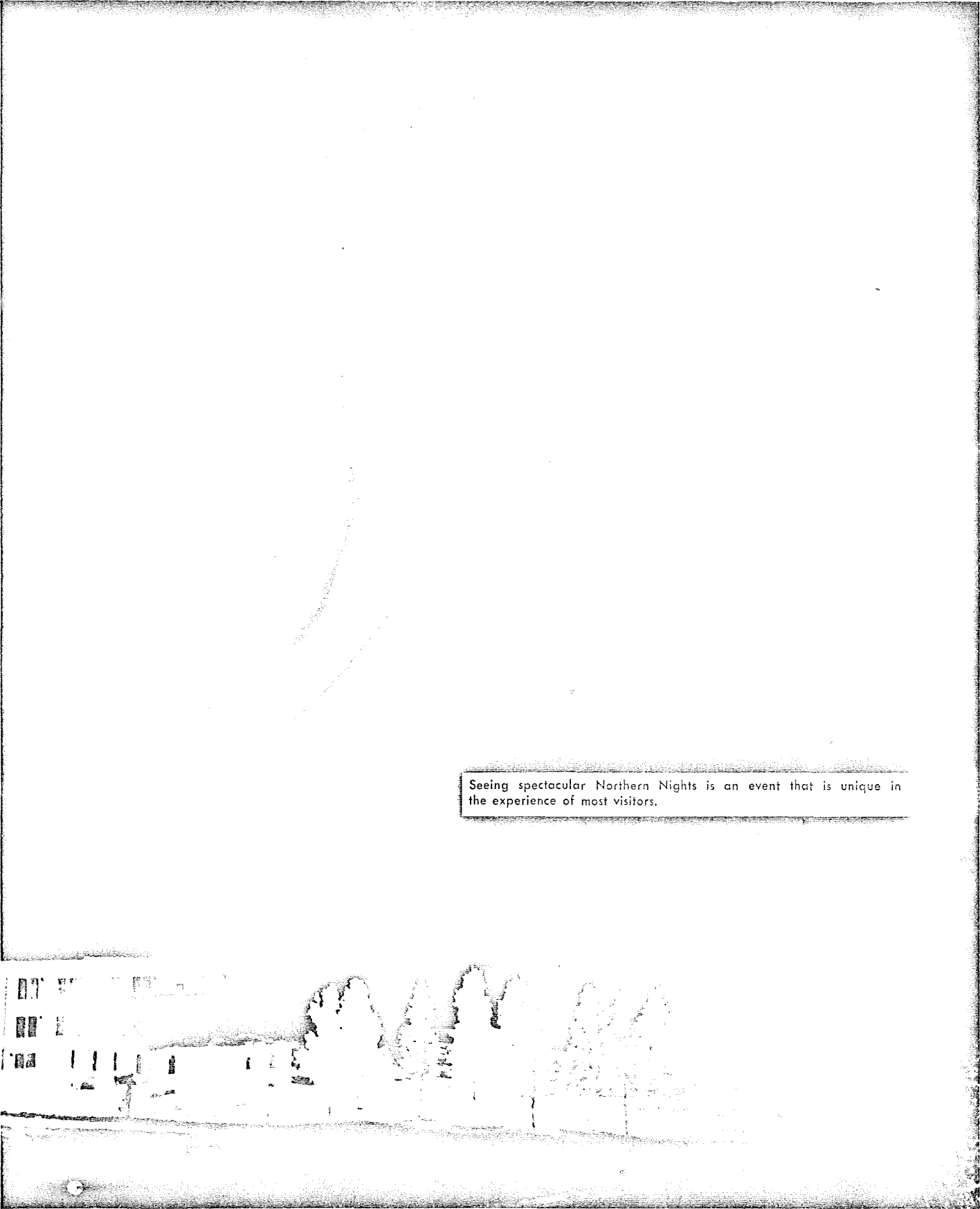
A. Because the industry is becoming increasingly large and important.

B. Because unity and cooperation are needed to fully develop the opportunities that lie ahead.

## SUMMARY OF OBJECTIVES

### I. Making all of Alaska a Host to Visitors

The end product of the entire tourist industry is "visitor satisfactions". If the quality of this product declines, the industry will suffer. If it improves, everyone will benefit by the rising stream of visitor dollars and a general expansion in the economy.



Seeing spectacular Northern Nights is an event that is unique in the experience of most visitors.

## **II. Moving Forward in Balance**

The most important, and yet most difficult, objective will be that of keeping the growth of facilities in line with the growth of visitors. If facilities are built at too rapid a pace, money is lost because some of them are idle. If facilities are not built rapidly enough, there also are losses because tourist business must be turned away.

## **III. Operational Information**

To maintain balanced growth, it is essential to be constantly thinking and planning well ahead of actually attained levels. To do this requires detailed information and analysis of a high order. No other business in the world today, representing anything like the dollar-volume of tourism, attempts to get along with such meager information.

A permanent "basic data program" to accurately measure the month-to-month volume of visitor business in Alaska is needed. It should be noted that tourism in Alaska has now reached a level at which a ten percent error in estimating the annual dollar volume is a \$1.2 million error. Yet available estimates of the dollar volume vary by substantially more than ten percent.

## **IV. "Grass Roots" Understanding and Support**

Basic information is essential for planning within the industry. But it also should be broadly disseminated to create state-wide understanding of the potentials of tourism, of its direct and indirect impact on standards of living, and on the need for unity and cooperation in its development. Without this broad base of public support, it will be more than difficult to implement plans, even though they are well formulated.

## **V. An "Image" that will Attract Desirable Visitors**

Although economic growth is the principal objective, cultural considerations are decidedly important. Within less than ten years, the number of tourists annually visiting Alaska will more than equal the population of the state. Visitors will have a rapidly increasing influence on community life. It is essential that they should be the sort that add to, rather than subtract from, cultural values. One has only to compare, let us say, Las Vegas with Switzerland to see that this is so.

Fortunately Alaska offers a pattern of attractions that should, on the average, induce desirable visitors to come here. This is an added "plus factor" which will bring to Alaska's youth wider horizons, familiarity with other viewpoints, and a better understanding of the world in which they live.

It is a consideration that should not be overlooked in projecting Alaska's "image" in travel markets.

## **VI. Profitable Growth**

This is, of course, the basic purpose — underlying all others. Only if it is achieved, are the other objectives of any significance.

Enterprises, with few exceptions, will endeavor to increase efficiency, improve performance and lower costs. A more difficult task will be to attain more efficient operating relationships throughout the industry and to make it a fully integrated organization for servicing visitors.

## A GOAL FOR 1975

Because of external growth-factors, tourism in Alaska will increase, even without well organized support – perhaps to 200,000 or more visitors by 1975.

It can, however, be increased to approximately 450,000 arrivals by 1975 (and, according to the recent staff survey by the Department of Commerce, to 650,000 arrivals representing tourist expenditures in Alaska of \$225 million annually by 1980). These goals can be attained only if there are well supported programs based on unity and cooperation.

Hence this report ends with the statement made at the beginning – “The cost of doing this (in time, effort and money) will be considerable – but the cost of not doing it will be far greater”.



The central theme of this report is the value (to every enterprise and every government agency that is concerned with tourism) of maintaining a broad perspective on the development of tourism in Alaska at industry-wide and state-wide levels.

Visitors are not interested in any specific tourist facility or any given area — but in the totality of all that Alaska has to offer which will provide them with satisfying experiences here.

No given area in the State can advance at the expense of another area; in fact, in "downgrading" any other area it is (in a very real and direct sense) downgrading itself.

Tourism in Alaska, as well as the entire economy of the State, can achieve a pronounced advance during 1965-75 if all segments of the industry will work together toward common goals on an all-Alaskan basis.

This is the way, and the only way, to fully develop the very substantial potentials that so clearly lie ahead.