Marketing the Alaska Marine Highway
System Logistics

Alaska Marine Highway
- Service Route: 3,500 miles
- Passengers: 340,000
- Vehicles: 110,000

BC Ferries
- Service Route: 755 miles
- Passengers: 21,000,000
- Vehicles: 8,000,000

Washington State Ferry
- Service Route: 200 Miles
- Passengers: 25,000,000
- Vehicles: 11,000,000
National Scenic Byways

Part of USDOT, Federal Highway Administration

- Created to help recognize, preserve and enhance roads with multiple intrinsic qualities: scenic beauty, historic features of national significance, and traits exclusive to the route.

The Marine Highway has been designated a National Scenic Byway and an “All-American Road” by USDOT

- The Nation’s only Maritime Route with this designation

Other National Scenic Byways in Alaska:

- Parks Highway
- Glenn Highway
- Seward Highway
- Haines Highway (recent addition)
AMHS Marketing

History

2005

- In an effort to reverse declining ridership AMHS management requested $500,000 additional funding from the Legislature specifically for marketing
- Bradley Reid & Associates was awarded a contract to act as the advertising agency for AMHS

2008

- Declining ridership which plagued the system for over a decade had been reversed

2009

- AMHS also experienced the effects of the economy
An integral part of the AMHS marketing program

- Marketing Strategy
  - Situational analysis, Analyze results from previous year,
    Strategic direction

- Advertising Development
  - Direction and design

- Media Placement
  - Extended outreach through collective buying power
  - FY11 will reach more than 12 million people
Co-op Partnerships

Southcentral Region
- Latitude Alaska - Domestic Travel Trade
  14 travel / tourism partners
- Alaska Holiday – International Travel
  9 travel / tourism partners

Southeast Region
- Southeast Alaska Tourism Council (SATC)
  8 community partners

Statewide Tourism & Economic Outlets
- ATIA (AK Travel Industry Assoc.), Southeast Conference,
  SWAMC (Southwest Alaska Municipal Conference), PWSEDB
  (PWS Economic Development Board)
- 17 Visitors Bureaus and/or Chambers of Commerce
FY11 Marketing & Action Plan

GOAL: To increase ridership on all vessels to all ports

New In FY11
– Increased outreach
  • Social Media
  • Online video
  • Television
  • Website Upgrades

Available Online
– Full Marketing Plan
  • Under “Reports”
FY11 Objectives

Enhance awareness of the AMHS

- Brand the AMHS as a provider of a unique travel experience and find new ways to drive traffic to FerryAlaska.com

Increase resident use of the AMHS during the off-peak season

- Use pricing and promotion strategies to increase ridership, especially during the fall, winter and spring

Communicate with current and potential customers

- Promote the AMHS to past customers and high-potential prospects through a targeted multimedia campaign
AMHS Ridership

Alaskan Market- travel discounts and promotions

– Primary Alaska Targets:
  • Adults who live in, or near port communities plus ANC and FAI
  • Residents with visiting friends and relatives

– Secondary Alaska Targets:
  • Military personnel moving to and from Alaska
AMHS Ridership

Visitor Market- raise awareness to independent travelers

– Primary Visitor Targets:
  • High potential and repeat Alaska Visitors
    – Affluent couples ages 45-65
    – Interested in independent travel to and within Alaska, especially via car or RV
    – Interested in natural beauty and relaxed, slower-paced travel

– Secondary Visitor Targets:
  • Adventure Travelers
    – Younger
    – Outdoor Oriented
  • Past AMHS Inquirers
  • Affinity Groups such as birders, bicyclists and motorcycle riders
Specials & Promotions

Winter
- 30% Round Trip Discount (Nov 1- March 30)
- Driver Goes Free (October 1 – April 30)

Summer
- Round Trip Driver Goes Free (May 1 – September 30)
- 30% Discount to Pelican
- 10% Discount from Prince Rupert
- See Alaska Pass
Media Usage

A Full Range of Media

– In State
  • Newspaper
  • Radio
  • Direct Mail
  • Magazines
  • Internet

Let’s Go! ON THE ALASKA MARINE HIGHWAY

Savings Start October 1st

On the Alaska Marine Highway, you can enjoy incredible scenery and impressive savings along a route so special it’s been designated a National Scenic Byway. From October 1 to April 30, the driver goes free on all Alaska Marine Highway routes. Whether you’re traveling to an event, heading for shopping or looking for adventure, you can sail and save on the Alaska Marine Highway. Plan your trip by logging on to FerryAlaska.com or calling 1-800-642-0066.

FerryAlaska.com | 1-800-642-0066
Media Usage

A Full Range of Media
  – Outside Markets
    • Magazines
    • Direct Mail
    • E-Mail Push
    • Printed Schedule
    • Internet Marketing
      – Banner Ad Placement
      – PPC Programs
      – Local CVB & ATIA Sites
SEE ALASKA ON THE
ALASKA MARINE HIGHWAY

Alaska is a birder’s paradise. From the soaring bald eagles of the Inside Passage to the whiskered auklets of the Aleutian Chain, Alaska is teeming with wildlife and spectacular scenery. The ferries of the Alaska Marine Highway can take you to the Alaska many people only dream of.

For information and reservations
AKFerry.travel | 800-642-0066
Travel and Trade Shows

AMHS attends independent consumer shows that target travelers interested in learning details of specific destinations and travel options.

- **AARP National Convention**
  - Attracts tens of thousands of attendees and is a great forum to target specific age demographic

- **Alaska Media Road Show**
  - Meet one-on-one with pre-screened travel journalists with the goal to advance editorial coverage

- **Florida RV Supershow**
  - Sponsored by the Florida RV trade association and caters directly to the RV community and driving destinations
Travel and Trade Shows

- **Travel & Adventure Shows**
  - Show series takes place across the US, sponsored by some of nation's largest news organizations

- **Seattle International Bike Expo**
  - All about destination cycling and adventure sports

- **Northwest Sportshow**
  - Northwest Sportshow attracts consumers avid about all types of outdoor recreation

- **International Pow Wow**
  - Pow Wow is the only annual show attended directly by AMHS that focuses on travel agents and wholesalers

Partnerships represent AMHS in approximately 30 additional shows annually
# Traffic Data

## Ten Year Trend: System Totals

<table>
<thead>
<tr>
<th>Year</th>
<th>Passenger Traffic</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>351,460</td>
<td>-5.53%</td>
</tr>
<tr>
<td>2001</td>
<td>318,891</td>
<td>-9.27%</td>
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<tr>
<td>2002</td>
<td>314,409</td>
<td>-1.41%</td>
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<tr>
<td>2003</td>
<td>297,965</td>
<td>-5.23%</td>
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<td>2004</td>
<td>290,625</td>
<td>-2.46%</td>
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<tr>
<td>2005</td>
<td>282,236</td>
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<tr>
<td>2006</td>
<td>307,220</td>
<td>8.85%</td>
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<tr>
<td>2007</td>
<td>321,609</td>
<td>4.68%</td>
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<tr>
<td>2008</td>
<td>340,412</td>
<td>5.85%</td>
</tr>
<tr>
<td>2009</td>
<td>317,891</td>
<td>-6.62%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Vehicle Traffic</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>100,135</td>
<td>-4.65%</td>
</tr>
<tr>
<td>2001</td>
<td>93,946</td>
<td>-6.18%</td>
</tr>
<tr>
<td>2002</td>
<td>92,403</td>
<td>-1.64%</td>
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<tr>
<td>2003</td>
<td>90,972</td>
<td>-1.55%</td>
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<tr>
<td>2004</td>
<td>88,613</td>
<td>-2.59%</td>
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<td>2005</td>
<td>86,518</td>
<td>-2.36%</td>
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<tr>
<td>2006</td>
<td>97,070</td>
<td>12.20%</td>
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<tr>
<td>2007</td>
<td>104,913</td>
<td>8.08%</td>
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<tr>
<td>2008</td>
<td>109,839</td>
<td>4.70%</td>
</tr>
<tr>
<td>2009</td>
<td>108,541</td>
<td>-1.18%</td>
</tr>
</tbody>
</table>
# Traffic Data

## Ten Year Trend: Regional Traffic

### Passenger Traffic

<table>
<thead>
<tr>
<th>Year</th>
<th>Southeast</th>
<th>% Change</th>
<th>Southwest</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>301,176</td>
<td>-6.91%</td>
<td>50,284</td>
<td>3.67%</td>
</tr>
<tr>
<td>2001</td>
<td>270,443</td>
<td>-10.20%</td>
<td>48,448</td>
<td>-3.65%</td>
</tr>
<tr>
<td>2002</td>
<td>263,040</td>
<td>-2.74%</td>
<td>51,369</td>
<td>6.03%</td>
</tr>
<tr>
<td>2003</td>
<td>245,818</td>
<td>-6.55%</td>
<td>52,147</td>
<td>1.51%</td>
</tr>
<tr>
<td>2004</td>
<td>240,666</td>
<td>-2.10%</td>
<td>49,959</td>
<td>-4.20%</td>
</tr>
<tr>
<td>2005</td>
<td>233,607</td>
<td>-2.91%</td>
<td>48,569</td>
<td>-2.78%</td>
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<tr>
<td>2006</td>
<td>237,965</td>
<td>1.84%</td>
<td>69,255</td>
<td>42.59%</td>
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<tr>
<td>2007</td>
<td>249,310</td>
<td>4.77%</td>
<td>72,299</td>
<td>4.40%</td>
</tr>
<tr>
<td>2008</td>
<td>268,335</td>
<td>7.63%</td>
<td>72,077</td>
<td>-0.31%</td>
</tr>
<tr>
<td>2009</td>
<td>242,940</td>
<td>-9.46%</td>
<td>74,951</td>
<td>3.99%</td>
</tr>
</tbody>
</table>

### Vehicle Traffic

<table>
<thead>
<tr>
<th>Year</th>
<th>Southeast</th>
<th>% Change</th>
<th>Southwest</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>82,614</td>
<td>-6.19%</td>
<td>17,521</td>
<td>3.34%</td>
</tr>
<tr>
<td>2001</td>
<td>76,384</td>
<td>-7.54%</td>
<td>17,562</td>
<td>0.23%</td>
</tr>
<tr>
<td>2002</td>
<td>74,409</td>
<td>-2.59%</td>
<td>17,994</td>
<td>2.46%</td>
</tr>
<tr>
<td>2003</td>
<td>72,386</td>
<td>-2.72%</td>
<td>18,586</td>
<td>3.29%</td>
</tr>
<tr>
<td>2004</td>
<td>69,993</td>
<td>-3.31%</td>
<td>18,620</td>
<td>0.18%</td>
</tr>
<tr>
<td>2005</td>
<td>67,938</td>
<td>-2.94%</td>
<td>18,580</td>
<td>-0.21%</td>
</tr>
<tr>
<td>2006</td>
<td>71,609</td>
<td>5.40%</td>
<td>25,461</td>
<td>37.03%</td>
</tr>
<tr>
<td>2007</td>
<td>77,000</td>
<td>7.53%</td>
<td>27,913</td>
<td>9.63%</td>
</tr>
<tr>
<td>2008</td>
<td>82,040</td>
<td>6.55%</td>
<td>27,799</td>
<td>-0.41%</td>
</tr>
<tr>
<td>2009</td>
<td>77,761</td>
<td>-5.22%</td>
<td>30,870</td>
<td>11.05%</td>
</tr>
</tbody>
</table>
2009 ATVR

Annual Traffic Volume Report

- Detailed Traffic Breakdown

- Available at FerryAlaska.com under About Us: Reports

- Released in March each year
The Public Ferry Coalition

Seven of the nations largest, most critical public ferry systems have formed a coalition to advocate for federal recognition and support of the role that public ferries play in the US transportation system and the economy.

Coalition members are:

- Alaska Marine Highway System
- Cape May-Lewes Ferry
- Maine DOT-State Ferry Service
- North Carolina DOT Ferry Division
- Washington State Ferries
- WSDOT WETA, Water Emergency Transportation Authority-San Francisco Bay
- New York City DOT Ferry Division-Staten Island Ferry
Ferries are a critical part of the US transportation system

- Carry over 100,000,000 passengers annually
- Operate in 38 states
- Provide critical supplies and transportation for isolated communities
- Provide an alternative during emergencies and interruptions of other modes
- The nation’s largest systems carry more passengers than Amtrak, and more than 70% of the nation’s commuter rail systems
- 25% of ferry boats are 40+ years old
- Yet, the federal ferry program accounts for less that 1/10th of 1% of total federal transportation funding
Ferry Systems Investment Act of 2009
(H.R. 2172, S. 930)

Would improve and expand federal investment in ferries

- It would authorize a three-fold increase in funding for the Ferryboat Discretionary Program; from $67 million in 2009 to $200 million annually for FY 2010-15.
- It would establish a formula to distribute funding based on passenger boardings (50%), vehicle boardings (25%) and total ferry system route miles (25%), thereby ensuring that the largest and most important public ferry systems receive adequate funding.
- The remaining half of the authorized funds would continue to be distributed on a discretionary basis, which would help initiate and expand ferry services throughout the country.

Information - www.publicferries.org
Satellite Communications

Installation of satellite communication hardware aboard the vessels will continue

- Summer 2010, we will have 7 vessels up-and-running with a new broadband service provider: Malaspina, Matanuska, Columbia, Kennicott, Aurora, Tustumena, Lituya
  - Phase I-Service will provide satellite communications for the vessels
  - Phase II-Connectivity for shipboard passengers using laptops & smart phones

- Future - Installing satellite hardware on LeConte and Taku in the coming year
New Reservations System

Phase I: Business Process Review
- Completed May 2009
- Identified technology gaps and needs to be addressed before moving forward

Phase II: Review of AMHS Business Departments
- Completed June 2010
- Organizational restructure of customer service departments
- Restructure of Policies and Procedures manual
- Integrates new and updated procedures relating to reservations, manifesting, ticketing and customer related functions on vessels and in terminals

Phase III: Begin Acquisition of New Reservations and Point of Sale Software
Fuel Efficiency Systems

Power-management fuel-savings systems have been installed on the Aurora, Tustumena, Matanuska, Columbia and Kennicott and are providing a 10-14% fuel savings

– Winter 2010-2011 systems will be installed on the Taku and LeConte during Federal CIP projects utilizing federal funding.
Ward Cove Headquarters

AMHS recently purchased property in Ward Cove, Ketchikan
- 10 acres of uplands
- 20 acres of tidelands
- Existing green metal building

AMHS will move forward with the environmental analysis and design of a new headquarters building

Begin consolidation of warehousing facilities to reduce cost