



***Kenai Peninsula Visitor Profile
and Economic Impact Analysis
Summer 2016***

Prepared for:
Kenai Peninsula Tourism Marketing Council

August 2017



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Prepared for:

Kenai Peninsula Tourism Marketing Council

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Introduction and Methodology

Introduction

The Kenai Peninsula Tourism Marketing Council contracted with the McDowell Group to profile summer 2016 visitors to the Kenai Peninsula Borough based on data from the recently completed *Alaska Visitor Statistics Program 7* (AVSP). AVSP is a statewide survey of Alaska visitors commissioned by the Alaska Department of Commerce, Community, and Economic Development and the Alaska Travel Industry Association. AVSP 7 included surveys of 2,043 out-of-state travelers who visited the Kenai Peninsula Borough either for a day or overnight visit, between May and September 2016.

This study presents results for all Kenai Peninsula Borough visitors, as well as for subgroups based on the mode of travel (air, cruise, highway/ferry) and visitors' trip purpose (vacation/pleasure, visiting friends/relatives, business or business/pleasure). The report concludes with an analysis of economic impacts resulting from spending by these visitors.

Methodology

VISITOR PROFILE

The AVSP visitor survey is administered to a random sample of out-of-state visitors departing Alaska at all major exit ports, including airports, highways, cruise ship docks, and ferries. The survey includes questions on trip purpose, transportation modes, length of stay, destinations, lodging, activities, expenditures, satisfaction, trip planning, and demographics. The summer 2016 AVSP includes survey of 5,926 out-of-state visitors to Alaska, including 2,043 who visited the Kenai Peninsula Borough. Seventy-eight percent of Kenai Peninsula Borough visitor surveys were conducted in person, with the remainder filling out the survey online (survey invitation cards were distributed at Anchorage Airport). All data is weighted by transportation mode according to estimated traffic by month and location.

The table on the following page shows how each market is defined for purposes of this study, along with their respective sample size, estimated volume, and maximum margin of error. Note that the highway/ferry market includes any visitor who entered or exited *Alaska* via highway or ferry; some highway/ferry visitors may have traveled to the *Kenai Peninsula* via air. Likewise, the air visitor market may include some visitors who traveled to the Kenai Peninsula via ferry.

ECONOMIC IMPACT ANALYSIS

This economic impact analysis estimates employment and labor income resulting from visitor spending on the Kenai Peninsula during summer 2016. Visitor volume to the peninsula was estimated based on the AVSP study, which included visitor traffic estimates to various communities and regions in Alaska. Average visitor spending by category/sector was based on AVSP survey results, and applied to visitor volume to arrive at total direct spending and employment estimates. McDowell Group developed a custom model for estimating multiplier effects. The econometric modeling program IMPLAN was used to estimate specific model inputs.

Table 1. Sample Sizes and Margins of Error

	Sample Size	Estimated Volume	Maximum Margin of Error
Transportation Mode			
Air - Entered <i>and</i> exited Alaska by air; excludes cruise passengers	1,221	326,500	±2.8%
Cruise - Spent at least one night aboard a cruise ship	622	205,200	±3.9%
Highway/Ferry - Entered <i>and</i> exited Alaska by highway <i>or</i> ferry; excludes cruise passengers	200	31,100	±6.9%
Trip Purpose			
V/P - Traveled to Alaska for vacation/pleasure	1,594	433,400	±2.5%
VFR - Traveled to Alaska to visit friends or relatives	327	95,700	±5.4%
BUS - Traveled to Alaska for business or business/pleasure	122	33,800	±8.9%
Total	2,043	562,800	±2.2%

Trip Purpose and Package

Alaska Trip Purpose

- Seventy-seven percent of Kenai Peninsula visitors traveled to Alaska for vacation/pleasure, 17 percent were visiting friends/relatives, and 6 percent were traveling for business or business/pleasure.
- Air visitors were more likely than cruise or highway/ferry visitors to be visiting friends/relatives (28 percent, versus 1 and 14 percent, respectively). They were also more likely to be business travelers (10 percent, versus <1 percent and 4 percent, respectively).
- Almost all cruise travelers (99 percent) visited Alaska for vacation/pleasure.

Table 2. Trip Purpose (%)

	All Visitors	Transportation Mode		
		Air	Cruise	Hwy/Ferry
Vacation/pleasure (V/P)	77	62	99	82
Visiting friends or relatives (VFR)	17	28	1	14
Business and pleasure	4	6	-	4
Business Only	2	4	-	-

Alaska Packages

- Nearly half (48 percent) of Kenai Peninsula visitors purchased a multi-day package anywhere in Alaska during their trip.
- Of non-cruise visitors who purchased a multi-day package, 27 percent participated in a fishing lodge package while in the state.

Table 3. Packages (%)

	All Visitors	Transportation Mode			Trip Purpose		
		Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Purchased multi-day package (including cruise)							
Yes	48	17	100	5	61	3	12
Package type (Base: non-cruise, purchased package)							
Fishing lodge	27	28	-	*	27	*	*
Rail package	17	17	-	*	18	*	*
Adventure tour	15	15	-	*	15	*	*
Wilderness lodge	13	13	-	*	14	*	*
Motorcoach tour	12	12	-	*	12	*	*
Rental car/RV package	11	11	-	*	11	*	*
Hunting	1	1	-	*	1	*	*

*Sample size of highway/ferry, visiting friends or relatives, and business visitors who purchased a multi-day package too small for analysis.

Length of Stay, Lodging, and Destinations

Length of Stay

- Kenai Peninsula visitors reported spending an average of 11 nights in Alaska and 5 nights in the Kenai Peninsula during their trip.
- Highway/ferry travelers report staying significantly longer, at 21 nights in Alaska and 9 nights in the Kenai Peninsula.
- Business travelers also report longer stays in the Kenai: 9 nights, compared to 6 nights among VFRs and 4 nights among vacation/pleasure visitors.

Table 4. Length of Stay in Alaska (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
1-3 nights	2	3	-	5	1	1	15
4-7 nights	27	38	14	9	22	47	35
8-14 nights	57	45	79	33	64	37	30
15-21 nights	9	10	6	19	9	8	10
22+ nights	5	4	1	35	4	7	10
Average # of nights in Alaska	11	10	11	21	11	11	12
Average # of nights in Kenai Peninsula	5	5	2	9	4	6	9

Lodging

- The most common lodging type used by Kenai visitors (while in the Kenai) was hotel/motel (42 percent), followed by campground/RV (20 percent), lodge (15 percent), and friends/family (15 percent).
- Cruise passengers were much more likely to use hotels/motels (70 percent) compared to air (41 percent) and highway/ferry visitors (17 percent). Highway/ferry visitors were much more likely to use campgrounds/RV (65 percent), while air visitors used a variety of lodging types.
- Vacation/pleasure and business visitors were equally likely to stay in hotels/motels at 47 percent; this compares with just 23 percent of VFRs. Not surprisingly, VFRs were the most likely to stay with friends/family while in the Kenai (46 percent).

Table 5. Lodging Types Used in the Kenai Peninsula (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Hotel/motel	42	41	70	17	47	23	47
Campgrounds/RV	20	17	3	65	22	17	3
Lodge	15	15	21	4	18	7	13
Friends/family	15	18	1	11	5	46	21
Bed & Breakfast	8	9	4	2	8	6	3
Vacation rental	7	8	2	2	6	8	7
Wilderness camping	3	2	-	11	3	3	2
Other	4	5	<1	3	4	2	12

Note: Percentages may add to more than 100 percent due to visitors using multiple lodging types.

Destinations

The following table details locations visited by Kenai Peninsula visitors during their entire trip to Alaska, including both day and overnight visits.

- The most common destination among Kenai Peninsula visitors was Seward at 78 percent. The most common non-Peninsula destinations were Anchorage (92 percent), Denali (45 percent), Juneau (40 percent), and Ketchikan (39 percent).
- While low percentages of cruise travelers report visiting other Kenai Peninsula destinations, other popular destinations visited by air and highway/ferry visitors include Homer and Kenai/Soldotna.
- Nearly all (95 percent) Kenai Peninsula air travelers report spending a day or overnight in Anchorage.

Table 6. Destinations Visited (Day or Overnight) (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Southcentral	100	100	100	100	100	100	100
Kenai Peninsula	100	100	100	100	100	100	100
Seward	78	70	92	68	85	56	51
Homer	29	40	9	59	27	40	24
Kenai/Soldotna	22	34	2	32	18	34	43
Other Kenai Peninsula	23	34	4	46	20	37	23
Anchorage	92	95	89	87	92	93	87
Talkeetna	24	27	21	30	28	13	10
Girdwood/Alyeska	19	28	7	22	19	21	19
Palmer/Wasilla	18	25	5	47	17	26	22
Whittier	14	21	4	17	15	13	10
Portage	13	18	4	20	13	12	14
Valdez	8	9	1	38	9	3	3
Prince William Sound	4	6	1	3	4	2	3
Other Mat-Su	3	4	<1	6	3	3	2
Interior	50	45	50	95	58	22	21
Denali Nat'l Park	45	40	49	57	54	14	12
Fairbanks	24	19	25	58	27	11	14
Glennallen	6	5	1	38	6	2	3
Tok	5	2	<1	70	5	4	4
Healy	5	6	1	14	6	2	1
Delta Junction	3	3	<1	23	3	2	2
Copper Center	3	3	1	7	3	1	1
Chicken	2	1	<1	20	2	1	-
Other Interior	3	3	1	15	3	2	<1
Southeast	43	6	99	32	55	3	9
Juneau	40	3	98	6	50	2	9
Ketchikan	39	1	99	4	49	2	6
Skagway	34	1	84	20	43	1	5

Hoonah/Icy Strait Point	23	<1	60	1	30	1	1
Glacier Bay Nat'l Park	10	2	22	4	12	1	4
Sitka	7	1	16	3	8	1	4
Haines	4	1	7	18	5	1	1
Southwest	5	5	7	4	6	2	5
Kodiak	3	1	6	2	4	-	2
Far North	2	2	1	11	2	2	4

Note: Table shows destinations visited by 3 percent or more of all Kenai Peninsula visitors.

- Wildlife viewing (36 percent), day cruises (26 percent), hiking (22 percent), and fishing (22 percent) were the most popular activities among visitors to the Kenai Peninsula. A higher percentage of both air and highway/ferry travelers report participating in these activities compared to cruise visitors. Activity participation differed somewhat by trip purpose. For example, VFRs and business visitors were more likely to participate in wildlife viewing (51 and 45 percent, respectively) compared to vacation/pleasure visitors (32 percent). VFRs were particularly likely to participate in fishing (41 percent), compared to 17 percent of vacation/pleasure and 22 percent of business.

Table 7. Activities in the Kenai Peninsula (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Wildlife viewing	36	52	16	21	32	51	45
Birdwatching	10	15	4	6	10	13	10
Day cruises	26	38	8	32	26	27	16
Fishing	22	35	1	42	17	41	22
Guided	14	22	1	26	13	17	14
Unguided	11	19	<1	18	7	28	11
Hiking/nature walk	22	34	8	20	21	28	18
Culture/history	11	12	10	7	11	14	5
Museums	9	10	8	5	9	12	-
Historical/cultural attractions	2	2	1	1	1	3	1
Native cultural tours/activities	1	1	1	2	1	<1	1
Gold panning/mine tour	<1	1	-	<1	<1	<1	2
Camping	5	7	<1	17	5	6	1
City/sightseeing tours	3	4	2	9	4	4	2
Dog sledding	3	4	2	<1	3	2	1
Flightseeing	3	5	1	1	3	4	1
Kayaking/canoeing	3	4	1	2	3	3	3
Rafting	2	3	<1	<1	1	3	1
Biking	1	1	-	3	1	1	<1
ATV/4-wheeling	1	1	1	1	1	1	1
Salmon bake/crab feed	1	1	<1	2	1	-	-

Satisfaction Ratings

Satisfaction with Overall Experience

- Nearly all Kenai Peninsula visitors were satisfied with their experience in Alaska, with only 2 percent being either neutral or dissatisfied. Similar high satisfaction levels were reported by all transportation and trip purpose groups.

Table 8. Satisfaction with Overall Alaska Experience (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Very satisfied	77	73	82	71	78	74	68
Satisfied	21	24	16	26	20	24	29
Neither/neutral	2	2	1	2	2	1	4
Dissatisfied	<1	1	<1	1	<1	1	-
Very dissatisfied	<1	<1	-	-	<1	<1	-

Compared to Expectations

- Only 4 percent of travelers reported that their trip did not meet their expectations.

Table 9. Alaska Trip Compared to Expectations (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Much higher than expectations	29	28	30	33	31	22	*
Higher than expectations	37	40	35	25	37	38	*
About what you expected	31	29	32	36	29	37	*
Below expectations	3	3	1	5	3	2	*
Far below expectations	1	<1	1	1	1	<1	*

* Business-only visitors were screened out of this question.

Value for the Money

- Nearly one half (48 percent) of respondents said that the value of their Alaskan experience for the money paid was about the same as other destinations they visited in the past 5 years.
- Travelers visiting relatives or friends and cruise passengers were most likely to report the comparative value of their trip being better or much better than other destinations.

Table 10. Value for the Money Compared to Other Destinations Visited in the Past Five Years (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS*
Much better	11	10	12	10	10	13	*
Better	19	18	21	16	19	22	*
About the same	48	47	48	50	48	44	*
Worse	20	22	16	24	21	19	*
Much worse	2	3	2	0	2	3	*

*Business-only visitors were screened out of this question.

Recommending Alaska

- Nearly all respondents report being likely or very likely to recommend Alaska to friends and family, with only 2 percent unlikely or very unlikely to recommend Alaska.

Table 11. Likelihood of Recommending Alaska to Friends/Family (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Very likely	82	81	85	79	83	79	75
Likely	15	17	13	13	14	18	23
Unlikely	1	1	1	2	1	1	-
Very unlikely	<1	<1	-	-	<1	1	1
Don't know	1	1	<1	2	1	<1	1

Previous and Future Alaska Travel

Previous Alaska Travel

- Nearly two-thirds of Kenai visitors were on their first trip to Alaska.
- Repeat Alaska visit rates were higher among highway/ferry (50 percent) and air visitors (46 percent) than among cruise visitors (24 percent).
- Repeat rates were also higher among VFRs (65 percent) and business visitors (63 percent), compared to vacation/pleasure visitors (30 percent).
- Fourteen percent of visitors said they had been on an Alaska cruise prior to this trip.

Table 12. Previous Alaska Travel (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
First trip to Alaska	62	54	76	50	70	35	37
Been to Alaska before	38	46	24	50	30	65	63
Average # of vacation trips (base: repeat travelers)	4	5	2	5	4	6	5
Been on Alaska cruise before	14	12	17	22	15	12	13

Returning to Alaska

- Nearly two-thirds (63 percent) of visitors said they were likely or very likely to return to Alaska in the next five years. Cruise visitors were less likely to say they would return (46 percent). Business travelers and VFRs showed high likelihood rates (84 and 86 percent, respectively).

Table 13. Likelihood of Returning to Alaska in the Next Five Years (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Very likely	40	50	25	40	32	67	72
Likely	23	24	21	20	24	19	12
Unlikely	23	14	35	22	28	6	5
Very unlikely	7	4	11	11	8	2	1
Don't know	7	7	7	6	8	5	10

- Among those very likely to return to Alaska in the next 5 years, 28 percent said they were most interested in fishing on their next trip.
- Those who are very likely to return also report being most interested in wildlife viewing, visiting friends and family, visiting Denali National Park, or seeing the northern lights.

Table 14. Most interested in experiencing on your next Alaska trip (%)
Base: Very likely to return to Alaska within five years

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Fishing	28	34	12	*	27	29	27
Visiting friends/family	8	11	1	*	2	25	2
Wildlife	8	6	11	*	11	3	6
Denali	8	7	9	*	7	9	5
Northern lights	7	7	8	*	8	6	7
Cruise	5	1	13	*	7	1	2
Hiking	5	3	9	*	5	4	5
Flightseeing	3	1	10	*	5	1	2
Glaciers	3	3	4	*	4	1	5
Destination	3	3	2	*	3	4	-
Other	15	16	16	*	15	9	31
Don't know	7	8	5	*	7	9	9

* Sample size of highway/ferry visitors very likely to return to Alaska within five years too small for analysis. Only responses of 3 percent or more shown in table.

Trip Planning Timeline

- The average traveler decided to visit Alaska 8.0 months in advance of their trip and booked travel arrangements 5.3 months in advance.
- Despite highway/ferry travelers deciding to visit Alaska more than a year before their trip on average, cruise passengers booked their travel arrangements the farthest in advance.

Table 15. Trip Planning by Quarter (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
How far in advance did you decide to come on this trip to Alaska?							
Before July 2015	14	8	22	27	17	5	6
July-Sept 2015	18	15	21	23	19	16	9
Oct-Dec 2015	15	14	17	13	17	12	6
Jan-Mar 2016	23	28	17	18	22	29	24
Apr-Jun 2016	21	25	16	15	18	29	35
July-Sept 2016	8	9	7	5	7	9	20
Average # of months	8.0	6.5	9.5	12.5	8.7	5.8	4.6
How far in advance did you book your major travel arrangements?							
Before July 2015	4	1	10	1	5	-	1
July-Sept 2015	11	5	20	6	13	3	4
Oct-Dec 2015	14	11	19	8	16	7	4
Jan-Mar 2016	26	31	21	12	26	29	16
Apr-Jun 2016	30	37	20	32	27	43	43
July-Sept 2016	14	15	10	41	12	17	32
Average # of months	5.3	4.0	7.2	4.4	5.9	3.4	2.5

Internet Usage and Booking

- Three in four visitors to the Kenai Peninsula (76 percent) used the internet to plan their trip, and two-thirds (66 percent) used the internet to book some portion of their trip.
- Air travelers were more likely to book a portion of their trip over the internet (79 percent), compared to cruise visitors (52 percent) and highway/ferry visitors (36 percent).

Table 16. Internet Usage for Trip Planning/Booking (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Used internet	76	85	66	65	74	85	70
Booked over internet	66	79	52	36	63	81	62
Did not use internet	21	12	32	30	23	13	25
Don't know	3	3	2	5	3	2	5

- Among those who booked a portion of their trip over the internet, travelers were most likely to have booked airfare (58 percent) and lodging (36 percent) online.
- Rates differed significantly among the various markets. For example, 76 percent of air visitors booked airfare online, compared with 40 percent of cruise and 13 percent of highway/ferry. In terms of trip purpose, VFRs were the most likely to book airfare online at 79 percent, compared to 53 percent of vacation/pleasure and 55 percent of business.

Table 17. Trip Components Booked Online, Including via Apps (%)

Base: Booked some portion of trip online

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Airfare	58	76	40	13	53	79	55
Lodging	36	44	27	20	38	26	41
Vehicle rental	24	38	8	4	24	20	33
Tours	22	19	27	15	26	6	16
Cruise	16	3	36	3	21	3	-
Overnight packages	4	4	5	1	5	<1	3
Ferry	1	1	<1	6	1	1	1

Websites/Apps Used for Planning/Booking

- When asked for the specific websites/apps used to plan their trip (see table, next page), Kenai visitors most frequently cited airline websites (52 percent), Google (34 percent), and TripAdvisor (28 percent). One out of 20 (5 percent) cited a CVB or Chamber.
- Visitors were also asked which sites they used to book their trip (see table, subsequent page). The most common booking sites were airline websites (52 percent), cruise line websites (19 percent), and car/RV rental sites (16 percent).

Table 18. Websites/Apps Used to Plan (%)
Base: Used the internet to plan or book any portion of Alaska trip

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry*	V/P	VFR	BUS
Airline websites	52	60	42	19	49	67	52
Google	34	33	32	53	37	21	31
TripAdvisor	28	26	30	31	32	12	17
Cruise line websites	24	4	63	5	30	6	-
Car/RV rental websites	18	26	6	6	19	12	28
Tour company websites	18	19	17	11	21	7	16
Expedia	17	18	14	10	17	17	11
Hotel/lodge/RV park	16	16	13	20	16	10	21
Hotels.com	9	10	8	4	10	6	8
Booking.com	8	10	5	11	9	6	6
AirBnB	7	9	4	4	8	3	6
Kayak.com	7	9	4	3	6	10	5
Travelocity	6	6	6	7	6	7	6
Yelp	6	5	8	8	7	2	3
Alaska App	6	8	2	9	7	2	9
AAA.com	6	4	7	14	7	2	4
Facebook	6	5	7	4	6	3	5
Priceline	5	6	6	2	6	4	4
Orbitz	5	5	5	5	5	5	4
CVB/Chamber	5	2	8	15	5	2	2
CruiseCritic.com	4	1	12	-	6	-	-
Alaska Marine Highway	4	4	3	21	5	1	3
VRBO	4	5	1	3	3	5	4
LonelyPlanet.com	3	3	2	1	3	<1	1
Hotwire	2	2	2	1	2	2	-
Alaska.org	2	2	1	1	2	<1	-
APR	1	1	2	<1	2	<1	-
VacationsToGo	1	<1	3	-	1	1	-
Instagram	1	1	<1	3	1	1	-
Costco	1	1	1	<1	1	2	-
NPS	1	1	1	2	1	-	-
Hipmunk	1	1	1	<1	1	1	-
ADF&G	<1	1	-	-	<1	<1	-
Concur	<1	1	-	-	-	-	6
Twitter	<1	<1	-	<1	<1	<1	1
HotelTonight	<1	<1	<1	-	<1	-	-
CheapOAir	<1	<1	-	-	<1	1	-
Other	5	5	5	10	5	5	5

* Note: Caution is advised when interpreting highway/ferry results due to small sample sizes (64 respondents for trip planning).

Table 19. Websites/Apps Used to Book (%)
Base: Used the internet to plan or book any portion of Alaska trip

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Airline websites	52	60	42	21	49	66	56
Cruise line websites	19	3	52	4	24	3	1
Car/RV rental websites	16	23	4	3	17	10	25
Tour company websites	13	14	10	10	15	4	13
Hotel/lodge/RV park	13	14	11	11	14	5	24
Expedia	13	14	11	5	13	14	7
Booking.com	6	8	4	9	7	4	4
Google	6	7	2	12	6	3	9
Hotels.com	6	7	2	4	6	4	6
Trip Advisor	4	5	3	7	5	2	3
AirBnB	4	6	1	3	4	3	6
Kayak.com	4	4	2	2	4	4	3
Priceline	3	3	2	1	3	1	4
Travelocity	3	3	2	2	2	4	3
VRBO	3	4	-	2	2	4	3
Orbitz	3	3	1	3	2	3	1
Alaska Marine Highway	2	2	1	11	2	1	1
AAA.com	2	2	1	4	2	1	-
Alaska App	1	2	<1	2	2	1	1
Hotwire	1	1	2	<1	2	<1	-
Costco	1	1	1	<1	1	2	-
APR	1	1	1	<1	1	<1	-
VacationsToGo	1	-	3	-	1	1	-
NPS	1	1	<1	2	1	-	-
CVB/Visitors Bureau	1	<1	1	2	1	<1	-
Yelp	1	1	-	-	1	-	-
Concur	<1	1	-	-	-	-	8
HotelTonight	<1	<1	<1	-	<1	1	-
CheapOAir	<1	<1	-	-	<1	1	-
CruiseCritic.com	<1	<1	1	-	<1	-	-
Facebook	<1	<1	-	-	<1	-	1
Hipmunk	<1	<1	-	<1	<1	-	-
LonelyPlanet.com	<1	<1	-	1	<1	-	-
ADF&G	<1	<1	-	-	<1	<1	-
Alaska.org	<1	<1	-	-	<1	-	-
Instagram	<1	-	-	<1	<1	-	-
Other	3	4	3	3	3	4	4

Note: Caution is advised when interpreting highway/ferry results due to small sample sizes (58 respondents for trip booking).

Travel Agent Usage

- Over one-quarter of Kenai visitors (28 percent) booked at least some portion of their trip through a travel agent. Cruise visitors were much more likely to have used a travel agent (54 percent) compared to air (12 percent) and highway/ferry (8 percent).
- Among those who did use an agent, cruise (70 percent) and airfare (68 percent) were the most common travel components booked through an agent.

Table 20. Travel Agent Usage for Trip Booking (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Booked through travel agent	28	12	54	8	34	4	17
Cruise	70	5	93	*	74	*	*
Airfare	68	64	69	*	67	*	*
Lodging	55	65	53	*	56	*	*
Tours	51	58	50	*	53	*	*
Overnight packages	20	25	18	*	20	*	*
Vehicle rental	11	35	2	*	9	*	*
Ferry	3	7	1	*	2	*	*
Did not book through travel agent	70	86	43	89	63	96	81
Don't know	2	2	2	1	2	1	2

* Sample size of highway/ferry, visiting friends or relatives, and business visitors who used a travel agent for specific trip component booking too small for analysis.

Usage of State of Alaska Information Sources

- One in four travelers (26 percent) visited the State of Alaska travel website. Fewer visitors (17 percent) received the State of Alaska Official Vacation Planner.

Table 21. Usage of State of Alaska Information Sources (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Did you visit the official State of Alaska travel website travelalaska.com?							
Yes	26	29	22	30	29	16	18
No	68	65	72	62	64	80	78
Don't know	6	6	6	7	6	4	4
Did you receive the State of Alaska Official Vacation Planner?							
Yes	17	16	17	28	19	9	5
No	77	80	77	53	74	87	90
Don't know	5	4	5	14	5	4	5

Usage of Other Information Sources

- The most common information source, besides internet, travel agent, and State of Alaska sources, was friends/family at 50 percent. Other common sources included prior experience (24 percent), brochures (21 percent), cruise line (15 percent), other travel guide/book (11 percent).
- Sources differed significantly by market. Cruise visitors primarily relied on their cruise line and friends/family. The number one source among highway/ferry visitors was the Milepost at 58 percent. Not surprisingly, VFRs showed a particularly high rate of friends/family usage (82 percent).

Table 22. Usage of Other Information Sources, not including Online Sources (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Friends/family	50	55	43	39	43	82	47
Prior experience	24	28	16	29	19	42	32
Brochures (total)	21	23	15	35	23	13	13
Brochures	19	21	14	31	21	11	11
Community brochures	2	3	1	5	2	2	2
Ferry brochure/schedule	2	2	1	6	2	2	1
Cruise line	15	2	35	2	19	2	3
Other travel guide/book	11	11	10	17	13	3	4
AAA	9	7	9	22	11	4	3
Milepost	9	9	1	58	10	6	4
Tour company	6	5	9	2	8	1	3
Magazine	6	7	4	11	7	5	5
Hotel/lodge	6	7	4	3	6	3	12
Convention & Visitor Bureau(s)	5	5	3	19	6	5	5
Television	4	3	5	7	5	2	3
Library	3	3	4	1	4	1	-
North to Alaska Guide	2	1	2	10	3	<1	1
Newspaper	2	1	2	5	2	2	1
Club/organization/church	1	1	2	3	1	<1	3
Travel/recreation exhibitions	1	1	<1	3	1	1	2

Demographics

- Nearly nine out of ten Kenai visitors (87 percent) were U.S. residents, with 34 percent of visitors coming from Western states. An additional 22 percent of visitors came from Southern states.
- Of international visitors, the highest amount (5 percent) were European residents.

Table 23. Top Countries/States of Origin (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
United States	87	90	83	87	84	97	94
Western US	34	44	20	37	29	51	61
California	10	12	7	10	10	10	15
Washington	8	11	4	5	5	15	22
Oregon	3	4	2	6	3	5	5
Colorado	3	4	1	3	2	5	7
Southern US	22	17	28	23	22	20	19
Texas	5	4	6	6	5	4	5
Florida	5	3	7	5	5	3	3
Midwestern US	19	19	19	20	20	18	8
Minnesota	3	4	3	1	4	2	2
Michigan	3	3	3	5	3	3	-
Illinois	3	2	3	3	3	3	<1
Eastern US	12	10	16	7	14	8	6
New York	3	3	3	<1	3	4	1
Canada	3	1	6	6	4	1	2
British Columbia	2	<1	3	2	2	<1	2
Ontario	1	<1	2	1	1	<1	-
International	10	9	11	7	12	2	4
Europe	5	6	4	6	6	1	2
Australia/New Zealand	2	1	4	1	2	1	-
Asia	1	2	1	<1	1	<1	1
Latin America	1	<1	2	<1	1	<1	1

Note: All states not shown represent 2 percent or less of visitors.

Party and Group Size

- Kenai visitors reported an average party size of 2.5 people (party size refers to individuals traveling together and sharing expenses).
- There were 4.1 people on average in each group that traveled together but did not necessarily share expenses.

Table 24. Party and Group Size (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Party Size							
1	15	21	6	18	9	28	62
2	57	47	70	70	63	45	26
3	9	11	7	6	9	12	3
4	10	11	9	7	11	6	3
5+	9	10	8	0	9	8	7
Average party size	2.5	2.5	2.5	2.0	2.6	2.3	1.8
Group Size							
1	12	17	3	15	6	23	53
2	46	40	52	65	50	36	23
3	9	11	6	5	9	11	4
4	15	14	16	10	16	13	4
5	4	4	3	1	4	4	2
6-10	9	9	10	3	9	10	6
11+	6	4	9	1	6	4	7
Average group size	4.1	3.6	4.9	2.5	4.2	3.3	4.6

Gender and Age

- The gender of Kenai Peninsula visitors was split evenly between men and women. Men comprised a higher share of business travelers (66 percent).
- While the average age of all Kenai Peninsula visitors was 54 years, air travelers were on average younger (50 years) than those using other transportation modes (58-59 years). Business travelers were the youngest visitors to the Kenai Peninsula, at an average age of 47. .

Table 25. Gender and Age (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Gender							
Male	51	55	45	56	51	50	66
Female	49	45	55	44	49	50	34
Age							
Under 18	8	9	8	3	8	9	4
18 to 24	4	5	2	2	3	5	9
25 to 34	10	14	5	9	9	13	17
35 to 44	9	11	6	4	8	11	13
45 to 54	15	17	14	8	15	16	19
55 to 64	26	24	28	32	27	23	24
65+	28	19	38	42	30	22	14
Average age	54	50	59	58	55	50	47

Household Characteristics

- Less than one-quarter of visitors (23 percent) report having children living in their household.
- Nearly half (44 percent) of visitors reported being retired or semi-retired. Retirement status varied greatly between transportation modes. Highway/ferry travelers, who reported spending the highest number of nights in Alaska, were the most likely to be retired or semi-retired (67 percent). This group was followed by cruise travelers, more than half of whom (57 percent) reported being retired or semi-retired.

Table 26. Household Characteristics (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Children living in household	23	25	23	10	22	22	36
Retired or semi-retired	44	32	57	67	48	36	13

- The average household income among Kenai Peninsula visitors was \$113,000. VFRs had the lowest average household income (among all submarkets) at \$92,000, while cruise passengers reported the highest average income at \$119,000.

Table 27. Household Income (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Less than \$25,000	2	3	1	4	1	5	2
\$25,000 to \$50,000	10	11	7	13	7	18	14
\$50,000 to \$75,000	12	14	10	11	12	14	10
\$75,000 to \$100,000	17	16	17	18	16	18	18
\$100,000 to \$125,000	11	13	9	12	12	7	18
\$125,000 to \$150,000	11	12	9	8	10	15	12
\$150,000 to \$200,000	8	7	10	3	9	5	8
Over \$200,00	9	9	8	5	10	4	10
Refused	18	10	27	25	20	11	5
Average income	\$113,000	\$110,000	\$119,000	\$94,000	\$118,000	\$92,000	\$111,000

- Two-thirds of Kenai Peninsula visitors (65 percent) have a college degree or higher level of education. Highway/ferry travelers and VFRs were less likely to have a college degree or higher level of education (50 and 52 percent, respectively).

Table 28. Education (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Some high school	2	1	2	1	1	2	5
High school diploma/GED	10	11	9	10	9	16	5
Associate/technical degree	8	8	7	11	7	9	15
Some college	15	14	15	26	14	21	14
Graduated from college	34	35	33	29	34	30	38
Master's/Doctorate	31	31	34	21	34	22	24

Expenditures

- Kenai visitors spent an average of \$333 per person while in the region. Air visitors reported the highest average spending at \$518, followed by highway/ferry at \$449, and cruise at \$55. (Note that cruise passenger spending on cruise and land tour packages is not included in these figures.)
- By trip purpose, business travelers reported the highest average spending at \$451 per person, followed by VFRs at \$329, then vacation/pleasure at \$326. Note that business travelers reported the longest average length of stay in the Kenai at 9 nights, followed by VFRs at 6 nights, then vacation/pleasure at 4 nights.
- In terms of spending category, tours/activities/entertainment showed the highest average per-person spending at \$100, followed by lodging at \$78, and food/beverage at \$70. Gifts/souvenirs/clothing and rental cars/fuel/transportation each accounted for \$26 on average. The “other” category, which includes spending on packages based in one community (such as fishing lodge packages), accounted for an average of \$33 per person.

Table 29. Visitor Expenditures in the Kenai Peninsula, Per Person Per Trip (%)

	Transportation Mode				Trip Purpose		
	All Visitors	Air	Cruise	Hwy/Ferry	V/P	VFR	BUS
Lodging	\$78	\$125	\$10	\$106	\$72	\$68	\$179
Tours/activities/entertainment	\$100	\$149	\$19	\$144	\$112	\$75	\$46
Gifts/souvenirs/clothing	\$26	\$40	\$7	\$26	\$22	\$41	\$38
Food/beverage	\$70	\$106	\$13	\$95	\$58	\$99	\$117
Rental cars/fuel/transportation	\$26	\$39	\$5	\$64	\$25	\$21	\$56
Other	\$33	\$59	\$1	\$14	\$37	\$25	\$15

Economic Impact Analysis

Spending on the Kenai Peninsula by visitors and by the businesses that serve those visitors creates jobs, income, and secondary spending throughout the borough economy. Visitor spending creates jobs and payroll with tour companies, hotels and lodges, retail establishments, transportation providers, and a range of other business. Visitor industry businesses and their employees in turn re-spend a portion of that money with other borough businesses (some is spent outside the borough), creating additional economic impacts.

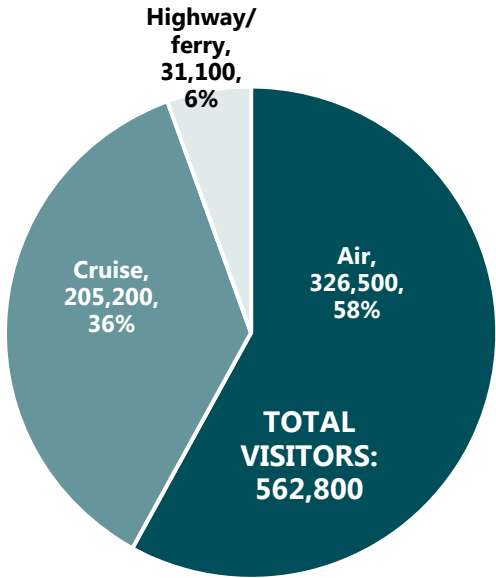
This chapter describes the borough-wide employment and labor income effects of visitor industry-related spending in summer 2016. The analysis includes direct employment and labor income, as well as indirect and induced employment and labor income (the “multiplier effects”).

Visitor Traffic

Visitor traffic helps determine the extent of visitor spending impacts; average spending figures are applied to volume estimates to arrive at total direct spending estimates.

Visitor traffic to the Kenai Peninsula Borough in summer 2016 is estimated at 562,800. (This figure excludes Alaska residents from outside the Kenai Peninsula traveling to the borough for recreational purposes.) The chart at right shows how visitors break down by transportation market. The air market, which includes visitors who entered and exited the state (not necessarily the borough) by air and excludes all cruise passengers, represented 58 percent of visitors, while cruise passengers represented 36 percent of visitors. The highway/ferry market, which includes all visitors who entered and/or exited Alaska by highway or ferry, represented 6 percent.

Visitor Volume to Kenai Peninsula Borough, by Transportation Market, Summer 2016



Direct Spending and Impacts

Visitors' direct economic impacts include the jobs and income created by visitor spending on all goods and services purchased while in the Kenai Peninsula Borough.

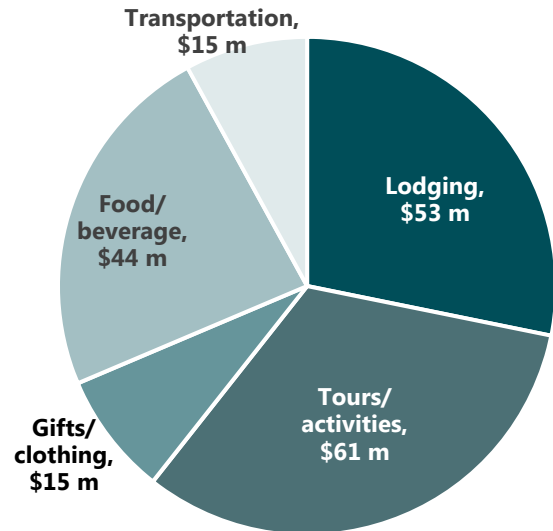
Direct visitor spending totaled an estimated \$187 million in the five-month study period. Tours, activities, and entertainment purchases accounted for one-third (32 percent) of all spending at \$61 million, while lodging represented 28 percent (\$53 million); food/beverage represented 23 percent (\$44 million); and the remaining two categories (transportation/rental cars/fuel and gifts/souvenirs/clothing) each represented 8 percent (\$15 million).

It is important to note that this spending excludes cruise passenger spending on cruises and cruise/tour packages, some of which accrue to Peninsula businesses in the form of payments by cruise lines. For example, if a cruise passenger purchases a land tour that includes lodging on the Peninsula, that spending would be funneled through the cruise lines to the lodging property, and not included in this measure of direct visitor spending. Similarly, impacts associated with cruise ship docking and moorage are not included as it does not result directly from cruise passenger spending.

Visitor spending directly generated 2,500 full- and part-time jobs in the borough, and \$69 million in labor income, based on McDowell Group's economic impact modeling. Employment by sector is distributed similarly to passenger spending, though economic impact varies with the type of spending. For example, spending on service has a greater employment and wage impact than retail spending.

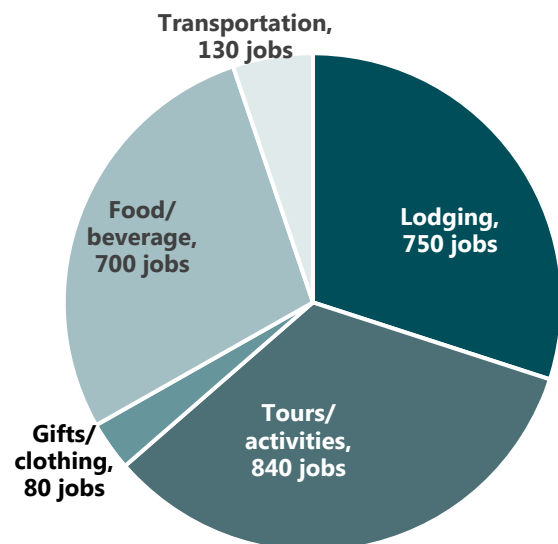
Tours/activities accounted for 34 percent of employment at 840 jobs; lodging accounted for 30 percent at 750 jobs; food/beverage accounted for 28 percent at 700 jobs; transportation accounted for 5 percent at 180 jobs; and gifts accounted for 3 percent at 80 jobs.

Total Visitor Spending in Kenai Peninsula Borough, By Sector, Summer 2016



**TOTAL DIRECT SPENDING:
\$187 million**

Direct Employment Resulting from Visitor Spending, By Sector, Summer 2016



**TOTAL DIRECT EMPLOYMENT:
2,500 jobs**

**TOTAL DIRECT LABOR INCOME:
\$69 million**

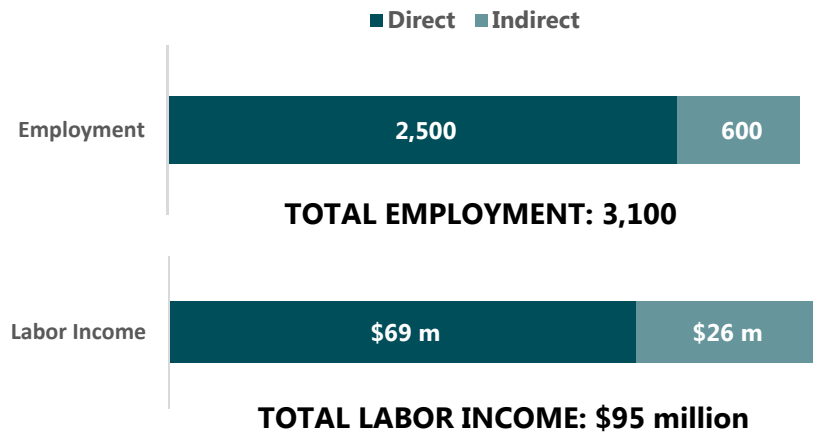
Total Economic Impacts

Direct employment and labor income estimates do not include multiplier effects, i.e., those jobs and income created in the Kenai Peninsula Borough as the visitor dollar is re-spent by visitor industry businesses and their employees. This secondary spending is estimated to result in 600 jobs and \$26 million in labor income during the summer 2016 study period. Adding secondary impacts to the initial direct impacts of 2,500 jobs and \$69 million in labor income indicates total direct, indirect and induced impacts of 3,100 jobs and \$95 million in labor income.

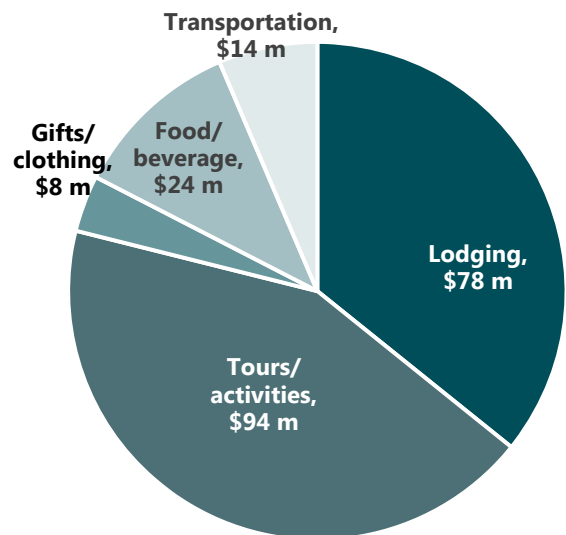
This estimate is a tally of the total number of full- and part-time jobs linked to non-resident visitor travel to the Kenai Peninsula. It includes annual average wage and salary employment, and total proprietors' employment (the total number of sole proprietorships or partnerships active at any time during the year).

Economic output is another measure of economic impacts, shown in the pie chart at right. It provides a measure of total direct, indirect, and induced spending in the borough related to non-resident visitors.¹

Direct, Indirect, and Total Employment and Labor Income Resulting from Visitor Spending, Summer 2016



Total Economic Output Resulting from Visitor Spending, By Sector, Summer 2016



TOTAL ECONOMIC OUTPUT: \$218 million

Role in the Kenai Peninsula Borough Economy

The Bureau of Economic Analysis estimated total Kenai Peninsula Borough employment at 32,707 in 2015. Based on the estimate of 3,100 total (direct and indirect) jobs resulting from visitor spending in summer 2016, visitor spending-related employment represented 10 percent of Borough-wide employment. In terms of labor income, visitor spending-related labor income represented 6 percent (\$95 million) of total labor income reported in 2015 (\$1.7 billion). (Visitor industry employment typically represents a greater share than labor income due to lower-than-average wages in this sector.)

¹ Output related to purchases of gifts/clothing is lower than direct spending because it excludes cost of goods sold, nearly all of which are produced outside the borough.