

State of Alaska FY2009 Governor's Operating Budget

Department of Transportation/Public Facilities Reservations and Marketing Component Budget Summary

Component: Reservations and Marketing

Contribution to Department's Mission

The overall reservations and marketing goal is to make the traveling public aware of the many year-round advantages of using the ferry system and to promote enhanced ridership on all vessels.

Reservations will provide the best possible service to Alaska Marine Highway System (AMHS) customers and potential customers, increase awareness and interest in the system, and ensure that all requests for information, reservations, and tickets are answered and processed effectively.

Core Services

The Marketing department creates awareness of the Alaska Marine Highway through aggressive and proactive advertising campaigns, speaking engagements, media appearances, the production and distribution of collateral materials, and internet marketing. The Alaska Marine Highway is represented by the marketing department and works with relevant visitor and convention bureaus, chambers of commerce, economic development districts, community councils throughout Alaska, as well as national and international cooperative marketing organizations.

The reservations section creates interest in travel by Alaskans and visitors on the Alaska Marine Highway by providing community information as well as reservation and ticketing services. The ability to generate interest and respond to inquiries has a direct impact on the number of travelers who choose to travel by ferry and, therefore, on the revenues generated by the system. Through staff in Ketchikan and Juneau the following is provided:

- Oral and written responses to over 200,000 telephone calls, 5,000 faxes, and 13,000 e-mailed and internet requests for information, reservations, and tickets each year.
- Reservation services to generate approximately 40+ percent of system itineraries created yearly for travelers (including internet users).
- Collecting, processing, and reporting of approximately 50 percent of yearly system sales revenue (including internet payments).
- Advance ticketing for customers who wish to have tickets in hand before leaving home.
- Extensive in-house training on the Reservations Management System, as well as policy, procedure and computer training for shore side staff, including terminals and other system personnel.
- Specific point of contact reservation assistance to user groups with specialized needs such as, but not limited to, youth/student tour groups, adult tour groups, persons with disabilities, commercial carriers, military personnel, and travel agents.
- Notification and alternative travel options to manifested passengers in the event of schedule changes or trip cancellations.
- Production of regularly updated online schedules and two annual printed schedules. Both online and printed schedules serve as travel planning tools for potential customers.
- Distribution of almost 200,000 schedule brochures through reservation centers, terminals and by direct mail to names generated by customers, travel agencies, government agencies, and/or consumer and trade advertising/promotions.
- Assistance to travel agents, tour operators/wholesalers in their development of tour products that include Alaska Marine Highway segments.

- Awareness of the Alaska Marine Highway System through increased targeted advertising, direct mail, public and press relations, trade show attendance, and association memberships.
- Support to communities and Alaska partnerships including trade show and advertising co-ops and special promotions for each region. This includes working with communities along the Alaska Marine Highway System route to submit grants to promote the "All American Road" designation.
- Cooperative working relationships between the Alaska Marine Highway System and various government organizations and non-profit groups such as the U.S. Forest Service, U.S. Fish and Wildlife, Alaska Department of Fish and Game, and the SEATrails (Southeast Alaska Trail System) to promote interest among visitors in enjoying the communities along our route.

FY2009 Resources Allocated to Achieve Results

FY2009 Component Budget: \$3,011,900

Personnel:

Full time	19
Part time	8
Total	27

Key Component Challenges

The Department is always looking for ways to improve the efficiency of the AMHS reservation and ticketing process. Staff is currently evaluating the system to find improvements that could result in greater customer satisfaction and provide greater support for management.

A continued emphasis on the recruitment, training, and retention of qualified reservation agents is critical to providing the excellent customer service that the public rightfully demands. Because these agents are Alaska Marine Highways' "front line" contacts with the traveling public they need to have rapid, accurate information and direction regarding routine schedule changes, major incidents, and marketing promotions.

Encouraging travel during the off-season has always been a challenge. Marketing efforts will focus on the Alaskan passenger. Fall/winter and winter/spring seasons will be promoted to encourage travel between Alaskan communities for special events, family visitation, and business travel. Marketing aimed at enticing visitors to Alaska will target high value travelers who bring vehicles, rent cabins and buy meals aboard the vessels. An aggressive marketing campaign using discounts and specials is necessary to continue the increase in ridership.

AMHS has obtained initial funding necessary to start the RFP process to obtain a new Reservations Management System, with the goal of obtaining a system that will provide efficiencies for all reservations agents, terminal agents and shipboard staff, while providing access to up to date data support for reservations, administration and the marketing departments.

Significant Changes in Results to be Delivered in FY2009

No significant changes are anticipated.

Major Component Accomplishments in 2007

Continued improvements were made to the Online Reservation System. These improvements were initiated to upgrade the technology that enables customers to make and pay for reservations via the AMHS website more easily. Consequently, the 'hold time' for callers to the reservation center has been reduced and seldom exceeds 2-3 minutes.

Implemented the use of automated e-mail 'travel alerts' to passengers affected by major schedule changes or road closures which has proven very effective. Earlier notice gives passengers time to consider suggested alternative routings, thereby reducing the number of cancellations. It has also shortened the time required to adjust schedules and allows the affected sailings to be reopened more quickly to additional reservations. Relocation of staff from two satellite offices to the Juneau and Ketchikan reservation call centers has improved consistency of service.

Implemented tariff discounts which resulted in a 20% increase in ridership during the discount periods over the previous year. This helped to contribute to increased earned revenues in FY2007

Developed and implemented a marketing plan for the 2006/2007 that included specific goals regarding advertising, printed media, web design, internet marketing, DVD production in conjunction with the America's Byways program and development of branding themes. Many of the specific goals were built on the successes achieved in the plan from previous years with deletion of the components that were not responsive.

Cooperative marketing with Latitude Alaska, Alaska Holiday, and the Alaska Travel Industry Association continued to allow the Alaska Marine Highway's marketing efforts to grow and reach additional foreign and domestic passengers by attendance or representation at travel agent and consumer travel conferences by marketing staff and/or cooperative marketing partners.

Statutory and Regulatory Authority

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Contact Information

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Reservations and Marketing Component Financial Summary

All dollars shown in thousands

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,499.2	1,591.5	1,666.5
72000 Travel	23.8	30.8	30.8
73000 Services	838.3	1,291.9	1,291.9
74000 Commodities	84.8	22.7	22.7
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	2,446.1	2,936.9	3,011.9
Funding Sources:			
1004 General Fund Receipts	0.0	0.0	0.0
1076 Marine Highway System Fund	1,746.1	2,236.9	2,311.9
1200 Vehicle Rental Tax Receipts	700.0	700.0	700.0
Funding Totals	2,446.1	2,936.9	3,011.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
<u>Unrestricted Revenues</u>				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
<u>Restricted Revenues</u>				
Restricted General Fund	51005	700.0	0.0	0.0
Restricted Total		700.0	0.0	0.0
Total Estimated Revenues		700.0	0.0	0.0

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	700.0	0.0	2,236.9	2,936.9
Adjustments which will continue current level of service:				
-FY 09 Bargaining Unit Contract Terms: General Government Unit	0.0	0.0	75.0	75.0
-Correct Unrealizable Fund Sources for Salary Adjustments: GGU	75.0	0.0	-75.0	0.0
-Consolidate General Funds for Marine Vessel Operations	0.0	0.0	75.0	75.0
-Consolidate General Funds for Marine Vessel Operations	-75.0	0.0	0.0	-75.0
FY2009 Governor	700.0	0.0	2,311.9	3,011.9

Reservations and Marketing Personal Services Information

Authorized Positions			Personal Services Costs	
	<u>FY2008</u> <u>Management</u> <u>Plan</u>	<u>FY2009</u> <u>Governor</u>		
Full-time	19	19	Annual Salaries	967,436
Part-time	8	8	COLA	67,469
Nonpermanent	0	0	Premium Pay	31,460
			Annual Benefits	644,930
			Less 2.62% Vacancy Factor	(44,795)
			Lump Sum Premium Pay	0
Totals	27	27	Total Personal Services	1,666,500

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk III	0	0	14	2	16
Administrative Supervisor	0	0	3	0	3
Dev Spec II, Option A	0	0	0	1	1
Ferry Reservations Agent	0	0	1	0	1
Ferry Reservations Supervisor	0	0	1	0	1
Marine Traffic Manager	0	0	1	0	1
Publications Spec II	0	0	0	1	1
Reservations Specialist	0	0	2	1	3
Totals	0	0	22	5	27