

State of Alaska FY2010 Governor's Operating Budget

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

Component: Reservations and Marketing

Contribution to Department's Mission

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 AMHS through aggressive and proactive advertising campaigns, speaking engagements, media appearances, the production and distribution of collateral materials, and internet marketing.
- AMHS 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 provides 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.
- Completes reservation services to generate approximately 40+ percent of system itineraries created yearly for travelers (including internet users). This includes advance ticketing for customers who wish to have tickets in hand before leaving home. Staff also provide 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.
- Collects, processes and reports on approximately 50 percent of yearly system sales revenue (including internet payments).
- Trains shore side staff, including terminals and other system personnel on the Reservations Management System, as well as policy, procedure and computer training.
- Produces regularly updated online schedules and two annual printed schedules. Both online and printed schedules serve as travel planning tools for potential customers. Staff distributes 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.
- Make people aware of AMHS through increased targeted advertising, direct mail, public and press relations, trade show attendance, association memberships and special promotions. To promote interest among visitors in enjoying communities along our route, we foster a cooperative working relationships with such groups as the U.S. Forest Service, U.S. Fish and Wildlife, Alaska Department of Fish and Game, and the SEAtails (Southeast Alaska Trail System).

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$3,195,500	Personnel:	
	Full time	27
	Part time	0
	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.

Significant Changes in Results to be Delivered in FY2010

A new reservation system is in process and is expected to be in service in mid FY2010. This system is expected to deliver more customer satisfaction and is expected to be less labor intensive. This system is expected to integrate with the point-of-sale system giving management real-time data via a wireless satellite system.

Otherwise, there are not significant changes expected.

Major Component Accomplishments in 2008

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.

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.

Implemented tariff discounts which resulted in a 1% passenger and 6% vehicle increase in ridership during the discount periods over the previous year. This helped to contribute to an overall increase in ridership of 1% passenger and 3% vehicles for FY2008.

Developed and implemented a marketing plan that included specific goals regarding advertising, printed media, web design, internet marketing, DVD production in conjunction with various marketing programs 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

AS 19
AS 44

Contact Information
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Reservations and Marketing Component Financial Summary

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,526.6	1,799.2	1,850.1
72000 Travel	46.0	30.8	30.8
73000 Services	829.4	1,291.9	1,291.9
74000 Commodities	28.5	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	2,430.5	3,144.6	3,195.5
Funding Sources:			
1004 General Fund Receipts	64.3	0.0	50.9
1076 Marine Highway System Fund	1,666.2	2,444.6	2,444.6
1200 Vehicle Rental Tax Receipts	700.0	700.0	700.0
Funding Totals	2,430.5	3,144.6	3,195.5

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	700.0	0.0	2,444.6	3,144.6
Adjustments which will continue current level of service:				
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	0.0	0.0	50.9	50.9
-Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	50.9	0.0	-50.9	0.0
FY2010 Governor	750.9	0.0	2,444.6	3,195.5

**Reservations and Marketing
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2009 Management Plan	FY2010 Governor		
Full-time	27	27	Annual Salaries	1,061,870
Part-time	0	0	COLA	46,960
Nonpermanent	0	0	Premium Pay	83,796
			Annual Benefits	725,267
			<i>Less 3.53% Vacancy Factor</i>	(67,793)
			Lump Sum Premium Pay	0
Totals	27	27	Total Personal Services	1,850,100

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