

# **State of Alaska FY2007 Governor's Operating Budget**

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

## Component: Reservations and Marketing

### Contribution to Department's Mission

Marketing makes the traveling public aware of the many advantages of using the ferry system and promote its use in order to enhance ridership.

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 all requests for information, reservations, and tickets are answered and processed effectively.

### Core Services

Marketing creates awareness of the Alaska Marine Highway through aggressive and proactive advertising campaigns, speaking engagements, media appearances and production and distribution of collateral material. The Alaska Marine Highway is represented through the marketing department on all relevant visitor and convention bureaus, chambers of commerce, economic development districts, community councils and cooperative marketing organizations.

The reservations section creates interest in travel by Alaskans and visitors on Alaska Marine Highway by providing 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, Juneau and Anchorage (and satellite and/or contract agents elsewhere throughout the system) we provide:

- Oral and written responses to over 200,000 telephone requests for information, reservations, and tickets each year, and more than 6,000 faxed requests and an ever-increasing number of e-mail and Internet inquiries.

- Ticketing for over 10,000 Internet reservation requests, specific point of contact reservation assistance to user groups with specialized needs such as, but not limited to, youth/student tour groups, packaged travelers (including tour groups, persons with disabilities, commercial haulers, military personnel, and travel agents).

- 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.

- Collection of additional passenger information as required by the United States Coast Guard (USCG) for greater security, as well as collection of customer service data to improve onboard and shore side service to customers.

- 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 reservations centers, terminals and by direct mail to names generated by customers, travel agencies, government agencies, and/or consumer and trade advertising/promotions.

- Assist travel trade (travel agents, tour operators/wholesalers) to develop tour products inclusive of Alaska Marine Highway segments in order to increase rider ship.

- Increased awareness of Alaska Marine Highway through increased targeted advertising, direct mail, public and press relations, trade show attendance and association memberships both instate and nationally.

- Continue to work with community 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.

Foster and strengthen the relationship between the Alaska Marine Highway System and the SEAtrails (Southeast Alaska Trail System) to promote the interest of visitors to enjoy the communities along our route.

<b>FY2007 Resources Allocated to Achieve Results</b>		
<b>FY2007 Component Budget: \$2,847,900</b>	<b>Personnel:</b>	
	Full time	17
	Part time	9
	<b>Total</b>	<b>26</b>

### Key Component Challenges

The Department is always looking at 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 excellent customer service that the public rightfully demands. Because these agents are Alaska Marine Highways' "front line" in communication with the traveling public, they need to have rapid, accurate information and direction in regard to routine schedule changes, major incidents, and marketing promotions.

Encouraging travel during the off-season has always been a challenge. Marketing efforts will emphasize 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. The aggressive marketing campaign using discounts and specials is necessary to turn around the declining ridership figures.

### Significant Changes in Results to be Delivered in FY2007

No significant change anticipated.

### Major Component Accomplishments in 2005

A new Online Reservation System was launched with technology that enables customers to make and pay for reservations via the AMHS website.

Marketing, in conjunction with an advertising and marketing company, developed and implemented a marketing plan for the 2005/2006 year. The plan included specific goals regarding advertising, printed media, web design and development of branding themes.

The request for proposals and funding to implement a marketing plan was developed and finalized resulting in a contract award to an advertising agency

Cooperative marketing with latitude Alaska, Alaska Holiday and Alaska Travel Industry Association continued to allow the Alaska Marine Highway marketing efforts to address foreign and domestic passengers by attending travel agent and consumer travel conferences by marketing staff and cooperative marketing partners.

Reservations has finalized and implemented in cooperation with GCI an enhanced call allocation system to direct overflow calls to terminals, contractors, and satellite offices. This system will be made available to Alaska Marine Highway at no extra cost.

### 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*

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,152.7	1,414.5	1,502.5
72000 Travel	29.0	30.8	30.8
73000 Services	545.6	1,291.9	1,291.9
74000 Commodities	43.3	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
<b>Expenditure Totals</b>	<b>1,770.6</b>	<b>2,759.9</b>	<b>2,847.9</b>
<b>Funding Sources:</b>			
1076 Marine Highway System Fund	1,770.6	2,759.9	2,847.9
<b>Funding Totals</b>	<b>1,770.6</b>	<b>2,759.9</b>	<b>2,847.9</b>

**Summary of Component Budget Changes  
From FY2006 Management Plan to FY2007 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2006 Management Plan</b>	<b>0.0</b>	<b>0.0</b>	<b>2,759.9</b>	<b>2,759.9</b>
<b>Adjustments which will continue current level of service:</b>				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	24.8	24.8
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	4.3	4.3
-FY 07 Retirement Systems Cost Increase	0.0	0.0	46.0	46.0
<b>Proposed budget increases:</b>				
-Risk Management Self-Insurance Funding Increase	0.0	0.0	12.9	12.9
<b>FY2007 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>2,847.9</b>	<b>2,847.9</b>

**Reservations and Marketing  
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2006</u> <u>Management</u> <u>Plan</u>	<u>FY2007</u> <u>Governor</u>		
Full-time	17	17	Annual Salaries	891,585
Part-time	9	9	COLA	25,097
Nonpermanent	0	0	Premium Pay	11,785
			Annual Benefits	597,429
			<i>Less 1.53% Vacancy Factor</i>	<i>(23,396)</i>
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>26</b>	<b>26</b>	<b>Total Personal Services</b>	<b>1,502,500</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk III	2	0	14	0	16
Administrative Supervisor	0	0	3	0	3
Ferry Services Mngr I	0	0	1	0	1
Ferry Services Mngr III	0	0	1	0	1
Marine Traffic Manager	0	0	1	0	1
Publications Spec II	0	0	1	0	1
Reservations Specialist	1	0	2	0	3
<b>Totals</b>	<b>3</b>	<b>0</b>	<b>23</b>	<b>0</b>	<b>26</b>