

## 2. Strategic Audit

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In the course of this planning project, Egret Communications and ARA Consulting have consulted extensively with the public, the local tourism industry, the Alaska Tourism Industry Association, public resource managers, CBJ staff, all Assembly members, and the cruise industry. The team has employed a raft of techniques for capturing public sentiment, from interviews with community members, ongoing discussions with representatives of concerned groups, public meetings, and web polls. The team has held focused meetings with small groups concerned with key issues that face Juneau tourism. This team is convinced that we have taken the pulse of Juneau on tourism, and that this document speaks to both a balance of the views and to specific concerns that have the potential to derail Juneau's ability to collaboratively achieve the goals set out in the vision presented in Section 3.

### 2.1 Process

The effort to develop a tourism management plan for Juneau started with initial consultations in the spring of 2001 with key stakeholders and groups involved in or affected by the tourism sector. This diagnostic stage included an assessment of current tourism activity for both the cruise and destination/regional traveler market segments. As part of the process, case studies from other destinations were prepared to provide information to stakeholders on some of the lessons learned and potential from various tourism management approaches. Cooperation from the Juneau media helped to raise awareness of the availability of this information on the city's web site. The work in this stage concluded with a working paper on the tourism sector and the possible futures Juneau could consider in proceeding with tourism management activities. It was published on the planning project's web site in August, 2001 along with the case studies.

A broader public consultation program for the public was put in place following the summer tourism season. This included a web site polling capability on tourism issues and preferences - intended to provide indications of the concerns as well as the ideas of Juneau's citizens concerning tourism. The web polling was made available to all registered voters in the City and Borough of Juneau and implemented in October 2001.

As part of the consultation program, web polling was complemented by a public meeting held in early October, 2001 to review the findings to date and discuss tourism trends, types of tourism, and ideas for tourism in Juneau.

In December, this team presented a technical review of Juneau tourism options, opportunities, and issues. That review looked at Juneau preferences based on public, industry, stakeholder, CBJ, and resource management perspectives. It also projected tourism performance, based on international tourism trends and standards, and available information following the fall terrorism events. That technical review presented Juneau with five options for tourism development and management strategies.

In January 2002, the team again met with stakeholders, industry, public officials, and resource management to solidify a course of action. The team presented a draft outline to the Assembly based on a modification of the alternative “Manage for Destination and Cruise Travel Success”, taking into consideration evolving data on future cruise passenger volume (again heavily influenced by fall terrorism events). The Assembly instructed this team to develop that option into this draft tourism plan.

## **2.2 Findings that Shaped this Plan**

The tourism sector in Juneau is characterized by a very strong cruise tourism segment, generating about 700,000 visitors per year. Much less developed is the destination travel segment. Here, regional and business tourism arrivals provide a significant proportion of all destination arrivals. As such, destination travel was found to be under-developed, which is somewhat surprising given the superb resource base and natural features of the Juneau area.

During the course of the initial stakeholder meetings and consultations, it was evident that alternative tourism futures for Juneau must examine a blend of cruise and destination travel tourism, with cruise tourism receiving the greatest attention in terms of the tourism issues already experienced by the population of the Borough. There was considerable interest in the potential for destination travel and the opportunities it offered to the community. It was also acknowledged by many, including several representatives of the tourism sector, that this travel segment was indeed underdeveloped and could grow significantly with appropriate management and support.

Perhaps the single most important finding related to the vision for tourism is quality of life. Most stakeholders and groups agreed that tourism offered the community economic benefits and that the challenge was to manage it to enhance their quality of life, not compromise it. This agreement provides an excellent foundation on which to base a tourism management plan that is proactive in securing the benefits from tourism through partnerships with the industry.

The two tourism segments were characterized in the first working paper for this project (see the web site at [www.cbjtourism.com](http://www.cbjtourism.com)) generally as shown in the table below.

Tourism Segment	Current Status	Issues and Opportunities
Cruise tourism	<ul style="list-style-type: none"> <li>• About 700,000 cruise arrivals in 2001</li> <li>• Growth of almost 10% annually between 1993 and 2000</li> <li>• About 85% of all non- resident arrivals to Juneau in 1999</li> <li>• Highly seasonal - May to September</li> <li>• Key attractions for cruise passengers include natural beauty and glaciers, flightseeing and sportfishing adventures, visiting the state capital, and downtown shopping</li> </ul>	<ul style="list-style-type: none"> <li>• Cruise impacts are of concern to many stakeholders, while almost all appreciate economic benefits - estimated at \$90 million in 1999 and about 750 jobs<sup>13</sup></li> <li>• Impacts include flightseeing noise, congested downtown, water and air quality</li> <li>• Volume of passengers in small harbor and downtown space seen as issue by many</li> <li>• Positive impacts for economy, opportunities for enhancing downtown and waterfront areas</li> <li>• Provides source of fee revenue</li> </ul>
Destination travel	<ul style="list-style-type: none"> <li>• In 1999, about 100,000 non-resident arrivals, and an estimated 53,000 Alaska resident visitors</li> <li>• Of these an estimated 40% are business travelers</li> <li>• Most business travelers (63%) combine business and pleasure while visiting Juneau</li> <li>• Over 1,300 rooms of which majority are hotels and motels (70%) and another 15% are bed and breakfast facilities</li> <li>• Strong natural, heritage and cultural resources with diverse attractions</li> </ul>	<ul style="list-style-type: none"> <li>• Nature, culture and adventure tourism together comprise the fastest growing segments for tourism worldwide</li> <li>• Juneau has superb natural resources of interest to this segment as well as interesting heritage and cultural resources to provide a diversified experience and, overall, a strong destination experience</li> <li>• Pleasant and friendly community adds to appeal</li> <li>• Juneau is not positioned to target this market, nor are the travel intermediaries and tourism management mechanisms in place to take advantage of this potential</li> <li>• Juneau lacks key private sector infrastructure to be significantly successful in this market, but has tours in place that could serve the market with small modifications. Certainly there is the opportunity to strengthen the destination product by building on this base.</li> </ul>

<sup>13</sup> See the Working Paper online at [www.cbjtourism.com](http://www.cbjtourism.com)

## 2.2.1 Web Polls

Three polls were conducted in late October through mid November.

	<i>Registered Voters</i>	<i>Students</i>	<i>Total</i>
Poll 1	1,293	218	1,511
Poll 2	1,011	78	1,089
Poll 3	916	61	977

The web polls, for the most part, ratified the findings of the team gathered from client and stakeholder interviews on the positions held by the public on tourism-related issues. They have helped, as anticipated, to clarify priority issues and have strengthened the ability of the planning process to identify common ground and use that common ground as a foundation for tourism planning.

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As expected, the polls clearly show a bipolar distribution of desired outcomes, priorities, and world views. In other words, polls show two groups of highly motivated residents, with strongly differing ideas about how Juneau should relate to tourism. One significant part of the population is focused on jobs, business opportunities, and the economics of growth. Another equally significant part of the population is focused on managing negative impacts, scale, and growth. A more neutral middle population swings from side to side, depending on the topic and demographical issues.

A quick read of results, therefore, generally indicates a population that seemingly wants the socio-economic benefits that accrue to Juneau from tourism without the negative impacts. Juneau wants local government to be in the business of managing tourism volume but also indicates that it is not ready to reduce the number of cruise ships calling on Juneau.

With the swing vote bouncing from side to side, depending on the issue, the polls indicate Juneau wants to improve tourism economics while reducing the social impacts generated by that tourism. While one part of the population is more focused on economics and another on managing negative impacts, the more neutral segment reinforces both. While these might seem to be competing perspectives (and local discussions often portray them as competing) sustainable tourism planning frequently focuses on increasing economic and social benefits while decreasing negative impacts.

Common ground has been fairly easy to find - and it is hoped that a plan that secures common goals will enable competing parts of the population to compromise where agendas differ. It is very clear that Juneau residents, regardless of where they stand on other tourism issues, want clean air and water. The common endorsement of clean air and water propelled them to top priority levels in every way the polls tested them.

It is clear from the polls that the local population wants to maintain or increase regional and business travel. It is similarly clear that Juneau supports the growth of the destination travel component of its economy (commonly referred to as independent travelers in local discussions). It should be noted, though, that there is a strong message that Juneau does not want this growth out of control, or to be overwhelmed by negative impacts related to destination travel.

There is strong agreement that the City and Borough of Juneau should be in the business of managing tourism on behalf of residents. There is, although weaker, the sense that CBJ should manage visitor volume as a part of its role in managing tourism. There is clear division, however, in the directions of that management, with varying viewpoints on the preferred scale of tourism and the goals of management.

Responses to questions 14 and 15 on poll 3 show that the population has a wide set of expectations from a tourism plan, but that neither side in the local discussion wants the other side's agenda to dominate the goals of the plan. Both "the reduction of flightseeing noise" and "providing a positive environment for tourism businesses" ranked **high** as priority goals - and both ranked even **higher** on the list of goals that are **least** important. ***This reflects a concern, often expressed in stakeholder interviews, that one faction or the other might "own" the planning process.***

<b>Community Goals<sup>14</sup></b>		
<b>Rated for contribution to Impact Management and Tourism's Economic Success</b>		
<b>Factor</b>	<b>Impact Management</b>	<b>Tourism's Economic Success</b>
<i>Safeguarding air and water quality (48%)</i>	Direct	Direct
<i>Reducing flightseeing noise (30%)</i>	Direct	Direct
<i>Providing a positive environment for tourism business operation (28%)</i>	Indirect	Direct
<i>Managing Growth so that negative impacts don't get out of hand (27%)</i>	Direct	Direct
<i>Managing tourism to pay for the negative impacts it generates (26%)</i>	Direct	Indirect
<i>Growing the economic benefits of tourism in Juneau (24%)</i>	Indirect	Direct
<i>Reducing Congestion (23%)</i>	Direct	Direct
<i>Increasing the percentage of destination (including independent) travelers (23%)</i>	Indirect	Direct
<i>Protecting the tourism that Juneau has now (22%)</i>	Indirect	Direct

This team found that while there is significant concern about negative impacts from tourism, that there is little support for scuttling or significantly downsizing the industry. Rather, one can read a clear message from several questions that the majority of those concerned about the negative impacts of tourism want those impacts addressed - but that they don't want the benefits of tourism (jobs, economics, business opportunities) to go away. This indicates that, with some engineering of tourism and some relationship building, that Juneau can enjoy reduced impacts AND provide a supportive environment for private sector tourism businesses.

The feedback concerning negative impacts is particularly interesting. The majority of people are bothered by flightseeing noise (at least to some degree). Helicopter flight paths cross more residential areas than float plane flight paths and poll responses show a corresponding higher number of residents bothered by helicopter noise. In areas that experience both helicopter and float plane noise impacts, the polls indicate that both bother a significant number of residents. The community calls for a reduction of both helicopter and flightseeing noise in the polls - but strongly does not feel those activities should go away. The polls clearly indicate that this is an important set of issues for residents - but it is clear that other issues match

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<sup>14</sup> From Poll 3, Question 14

flightseeing noise in priority. This team reads flightseeing as an issue that must be addressed, however, if tourism is to continue in Juneau.

Downtown congestion is clearly concerning to local residents. There is a strong mandate to improve congestion in the downtown area - but also a strong concern that a tourism plan might focus on reducing congestion at the expense of economics. It seems that residents are ready for creative solutions that proactively address congestion (and other downtown issues) without sacrificing the benefits that cruise tourism brings to Juneau.

The scale and growth rate of cruise tourism is clearly on the minds of people in Juneau. Although there is general disagreement about what scale is appropriate, there is an underlying implication that Juneau needs to exercise some management of this industry and not just be at the whim of sudden changes in volume. While respondents indicated they want to manage the impacts and benefits of cruise tourism, there is openly a segment of the population that feels volume needs to be controlled.

One of the concerns of the planning team is related to the speed of action needed to satisfy the local population. Public dialogue concerning some of tourism's impacts has implied a sense of urgency. Among the consequences of international events is reduced capacity of tourism businesses (both international and local) to engage in short term investment. Polling indicates, however, that so long as the public is confident that tourism planning addresses concerns that there will be patience to enable change to proceed in a manner that can be handled by industry and the public sector.

## **2.3 Technical Review**

The team adopted several guiding principles and underlying assumptions concerning how tourism was likely to perform in each of the alternative futures discussed in this working paper. These are described below.

### ***Tourism development should enhance quality of life***

Quality of life and quality of tourism product are integrally related. For Juneau's tourism economy to operate in a sustainable manner, it must function in a way that protects the character of Juneau. The actions that protect that character also tend to support quality of life, as perceived by local residents. At the same time, it is not just a matter of protection. Tourism can also contribute to an enhanced quality of life through investments in social, cultural and physical facilities made possible by the revenues tourism brings to the community.

### ***Juneau can influence the growth and direction of the tourism sector***

Management of the tourism sector and its impacts on Juneau to maximize positive impacts are within the reach of Juneau. What is required is a vision for tourism that receives broad support from the community and from tourism sector partners including cruise and destination travel segments. The vision must be easily translated in a realistic and practical approach to developing and managing the sector.

### ***Tourism management needs a partnership between the public and private sectors***

Adoption of a tourism management plan requires the commitment and support of both the public and private sectors. Similarly, ongoing tourism management activity is best undertaken within the context of a collaborative approach or partnership between the public and private sectors.

### ***Destination travel offers considerable potential for Juneau***

While the destination travel segment is clearly underdeveloped in Juneau, the Borough has an internationally competitive resource base (marine and land resources) as well as diverse heritage and cultural activities and attractions. Therefore, if Juneau chooses to pursue destination travel growth it is eminently possible to be successful within the context of existing world markets.

### ***Juneau as a competitive cruise destination***

Juneau is a preferred destination for the cruise industry. However, cruise tourism trends and volume in SE Alaska waters will not be determined by Juneau's decisions. If Juneau opts to freeze or reduce the number of ships stopping at Juneau, or presents itself in a manner that doesn't feel welcoming, it will hasten the developing of competing ports in nearby waters. These ports, without the baggage of Juneau's conflict with the cruise industry, will be successful in attracting a significant percentage of the existing cruise ships away from Juneau, as well as servicing new growth. The cruise industry, with minor changes in marketing materials and programs, will be able to deliver all of the current experiences (except a visit to the state capital) outside Juneau.

### ***The destination must support tourism if it is to be successful***

Successful tourism in a destination with a low population requires a sympathetic and supportive local population. Tourism, unlike basic industries, relies on the hospitality and friendliness of host communities as a part of the experience it delivers. Tourism in an unfriendly or unreceptive destination cannot compete successfully for market share nor can it command good prices for product. Therefore, tourism planning must seek paths that win the support of local populations. It is not enough to have a political or social majority supportive of tourism - tourism needs broad support.

### ***The tourism vision must be grounded in reality***

While the scenarios have been selected and tested based on local aspirations, they were also tested against how tourism works in a real world. So, testing has reflected tourism trends and past performance under similar situations.



### ***Current events introduce uncertainty***

Uncertainty is the operative word for tourism’s short-term future, after the international events of late 2001. A truly sustainable tourism economy can survive short-term uncertainty. However, it is more difficult to make economic transitions in a time of uncertainty - and much more difficult to forecast. Each of the scenarios was tested for how it would survive during an uncertain transition.

### ***Current events will lead to more domestic travel***

The US is aggressively promoting travel within the US to its citizens. It is expected that overseas travel will decline in favor of the selection of vacations in the US by US residents. Alaska generally and Juneau specifically can benefit from this significant change in attitude and approach to domestic travel.

## **2.4 The Scenarios**

Based on the findings and guiding principles/underlying assumptions, the team tested the following scenarios.

<b>Scenarios</b>	<b>Scenario Description</b>
<b>Status Quo</b>	Under this scenario we assume a business as usual approach and deal with impacts as they arise. Think of this as the current trends and operating assumptions carried into the future.
<b>Manage for Destination Travel Success</b>	Under this scenario, Juneau sets out to succeed with destination travel - growing volume, developing appropriate businesses, generating employment and managing both benefits and impacts to community and environment. Juneau neither encourages nor discourages cruise tourism growth but responds to social and environmental issues as they arise.
<b>Manage for Cruise Travel Success</b>	Juneau sets out to succeed with cruise travel, growing revenues, developing appropriate businesses, generating employment and managing both benefits and impacts to community and environment. Destination travel is essentially neglected and develops at historic rates.
<b>Manage for Destination and Cruise Travel Success</b>	Juneau sets to succeed with both cruise and destination travel, growing revenues in both cases. Juneau actively manages social and environmental impacts and proactively builds infrastructure and programs that make tourism successful with both visitors and residents.
<b>Freeze Cruise Travel Volume and Manage for Destination Travel Success</b>	Juneau sets out to freeze cruise tourism volume and succeed with destination travel.

The “**Manage for Destination and Cruise Travel Success**” scenario was chosen, with modifications as new cruise volume projections were developed, for elaboration into this plan.