2012 International report on mountain tourism

Will it go global thanks to the web?

7th World Congress on Snow and Mountain Tourism - Andorra – 11.04.2012
Agenda

- State of the industry
- Recent market evolution
- Market drivers
- Internet as a market driver?
The state of the industry today
The world ski market

<table>
<thead>
<tr>
<th>80 countries</th>
<th>2’000 ski resorts</th>
</tr>
</thead>
<tbody>
<tr>
<td>6’000 places of practice</td>
<td>27’000 lifts</td>
</tr>
</tbody>
</table>
Major players (countries)

- A limited number of countries concentrate most of the attendance

- 70 countries
  - 7 countries (Majors 78%)
  - Others 22%
Top countries in the world

- United States
- France
- Austria
- Japan
- Switzerland
- Italy
- Canada
- Germany
- Sweden
- Spain
- Korea, South
- Norway
- China
- Slovakia
- Russia
- Czech
- Finland
- Andorra
- Poland
- Australia
- Argentina
- Slovenia
- New Zealand
- Chile
- Romania

In million skier visits
### Some challengers

<table>
<thead>
<tr>
<th>Country</th>
<th>Argentina</th>
<th>Bulgaria</th>
<th>Chile</th>
<th>Poland</th>
<th>Russia</th>
<th>Slovenia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of resorts</td>
<td>22</td>
<td>32</td>
<td>21</td>
<td>72</td>
<td>170</td>
<td>44</td>
</tr>
<tr>
<td>Number of major resorts (&gt;1 mio SV)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of lifts</td>
<td>145</td>
<td>94</td>
<td>122</td>
<td>832</td>
<td>414</td>
<td>217</td>
</tr>
<tr>
<td>Skier visits (million)</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Population (million)</td>
<td>40</td>
<td>7</td>
<td>16</td>
<td>39</td>
<td>141</td>
<td>2</td>
</tr>
<tr>
<td>Ranking in world tourism</td>
<td>44</td>
<td>39</td>
<td>#N/A</td>
<td>19</td>
<td>13</td>
<td>#N/A</td>
</tr>
<tr>
<td>Arrivals of international tourists (million)</td>
<td>4</td>
<td>6</td>
<td>3</td>
<td>12</td>
<td>19</td>
<td>2</td>
</tr>
<tr>
<td>Proportion of foreign skiers</td>
<td>25%</td>
<td>25%</td>
<td>15%</td>
<td>10%</td>
<td>2%</td>
<td>17%</td>
</tr>
<tr>
<td>SV / inhabitant</td>
<td>0,0</td>
<td>0,1</td>
<td>0,1</td>
<td>0,1</td>
<td>0,0</td>
<td>0,6</td>
</tr>
<tr>
<td>SV / foreign visitor</td>
<td>0,1</td>
<td>0,0</td>
<td>0,1</td>
<td>0,0</td>
<td>0,0</td>
<td>0,1</td>
</tr>
</tbody>
</table>
Major players (resorts)

- At national level, a limited number of ski areas concentrate most of the attendance

Example: Switzerland

- 142 resorts
- Other resorts 13%
- 63 resorts
- Resorts > 100'000 SV 87%
Strength of national customer base of most of the big national skiers.

International resorts. Foreign visitors concentrate on a few top players. Foreign visitors concentrate on a few top
National vs international

- Share in the **number of skiers** of foreign visitors is less than one sixth of total attendance
Recent market evolution
Europe - Alps

Skier visits (million)

- 4.7 %
Evolution of the 5 years average attendance (million skier visits)

- Attendance is still on a growing long term trend in some countries – really?
... while on a rather declining trend in some others, with a reversal of tendency for Italy

**Evolution of the 5 years average attendance**

*(million skier visits)*
North America

Skier visits (million)

+ 1.4 %
North America

- Mature markets; USA however successfully fighting against decline in visitation

**Evolution of the 5 years average attendance (million skier visits)**

- Canada
- USA (right)
Europe – Other western countries

Skier visits (million)

- 6.1 %
Norway still showing some real growth trend, while Andorra suffering

Evolution of the 5 years average attendance (million skier visits)
Asia - Pacific

Skier visits (million)

- 5.2 %

2000/01
2001/02
2002/03
2003/04
2004/05
2005/06
2006/07
2007/08
2008/09
2009/10
2010/11

Laurent Vanat
Asia - Pacific

- Decline in Japan, growth in China and South Korea, maturity in Australia / New Zealand

**Evolution of the 5 years average attendance (million skier visits)**
New lifts

New lifts deliveries by regions

Various
Europe
East
Asia
America
Alps
Lifts - evolution

2001-2010 renewal rate

- United States
- Canada
- Switzerland
- France
- Austria
- Italy
- Georgia
- Korea, South
- Serbia
- Latvia
- Kazakhstan
- Belarus
- Armenia

0% 20% 40% 60% 80% 100%
Market drivers
World evolution

Skier visits of top players
(in million)

- Sweden
- Spain
- Slovenia
- Norway
- Korea, South
- Germany
- Finland
- China
- Australia
- Andorra
- United States
- Switzerland
- Japan
- Italy
- France
- Canada
- Austria
In search for correlation ...

- **Majors**: despite GDP growth and tourism still developing, skier visits follows and other pattern
In search for correlation ...

- **Challengers**: pace of development of ski has been stronger than the other indicators!
Weather - sun

- Sunny days do not guarantee a good ski season
Visitation at ski resorts is not so well correlated with snowfall either (example: USA)
- Weak GBP has globally low impact on attendance; strong CHF may have some (to be confirmed)
So is Internet the market driver?
The growth of Internet ...

- ... does not seem to correlate with development of attendance at ski resorts!
Ski resorts & Facebook fans

- Nice to have, but still not the market driver!

**Facebook fans in % of skiers in resorts > 1 mio skier visits**

<table>
<thead>
<tr>
<th>Country</th>
<th>Facebook fans in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>12%</td>
</tr>
<tr>
<td>Andorra</td>
<td>10%</td>
</tr>
<tr>
<td>Canada</td>
<td>8%</td>
</tr>
<tr>
<td>Sweden</td>
<td>6%</td>
</tr>
<tr>
<td>Spain</td>
<td>4%</td>
</tr>
<tr>
<td>Austria</td>
<td>4%</td>
</tr>
<tr>
<td>Korea, South</td>
<td>2%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>2%</td>
</tr>
<tr>
<td>France</td>
<td>2%</td>
</tr>
<tr>
<td>Italy</td>
<td>0%</td>
</tr>
</tbody>
</table>

*Survey 1.4.2012*
Online sales (ski passes)

- Only 3% of tickets sales done online in Switzerland (survey 2009/10 winter season)

[Pie chart showing 3% online sales and 97% others]
Internet impact

- Internet may bring positive aspects ... But they are limited and mitigated by negative ones.
  - Marketing operation mode has changed, but this does not enable enough market development (swaps!)
  - Internet is before all a powerful sales and promotion tool towards existing customers
  - Mountain destinations can take advantage of it, but not all do well (conservative environment)
  - Competition increased and has been enhanced by Internet
  - The benefits of Internet are also available to all competing industries
Internet impact

Positive aspects

- Enhances communication
- Facilitates bookings and travel arrangements
- Facilitates daily packages sales
- Make snow conditions more transparent for daily skiers (with some drawbacks !)

Negative aspects

- Increases competition (direct / indirect)
- Web is by itself competing
- Increases the impact of soft factors (psychological effects)
- **Does not help to learn skiing and does not facilitate the praxis !!!**
Internet drives globalisation

- International connexions

![Map of European cities with connections](image)
Global or local?

- **Globalisation does not bring more clients at ski resorts!**

- **Mountain tourism is before all local,** the web will not make it global:
  - Traditional industry
  - Weigh of international customers is limited for most ski destination countries
  - International catchments areas are limited
    - Markets size
    - Issue of transportation
      - Travel time & cost
      - Saturation of airport at ski destinations
  - Overseas skiers have always been anecdotic minorities
Conclusion

- Ski market is peculiar
- Not globally correlated with variation of worldwide tourism & economy
- Internet is a new sales & marketing channel mostly towards existing customers

- So what is the driver of attendance at ski resorts?
The winning combination

- Snow
- Sun
- Serene economy
- Soft factors

La combinaison gagnante

- Enneigement
- Ensoleillement
- Economie
- Etat d’esprit
Further reference

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