**Abstract**

# The international ski market

## Presentation to ISIA Congress

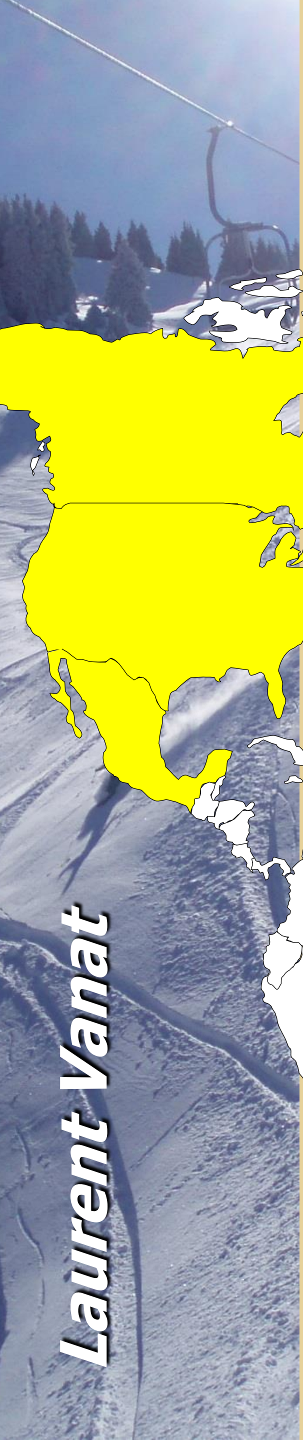
## 17 May 2014 - Vuokatti

Laurent Vanat


# Market metrics

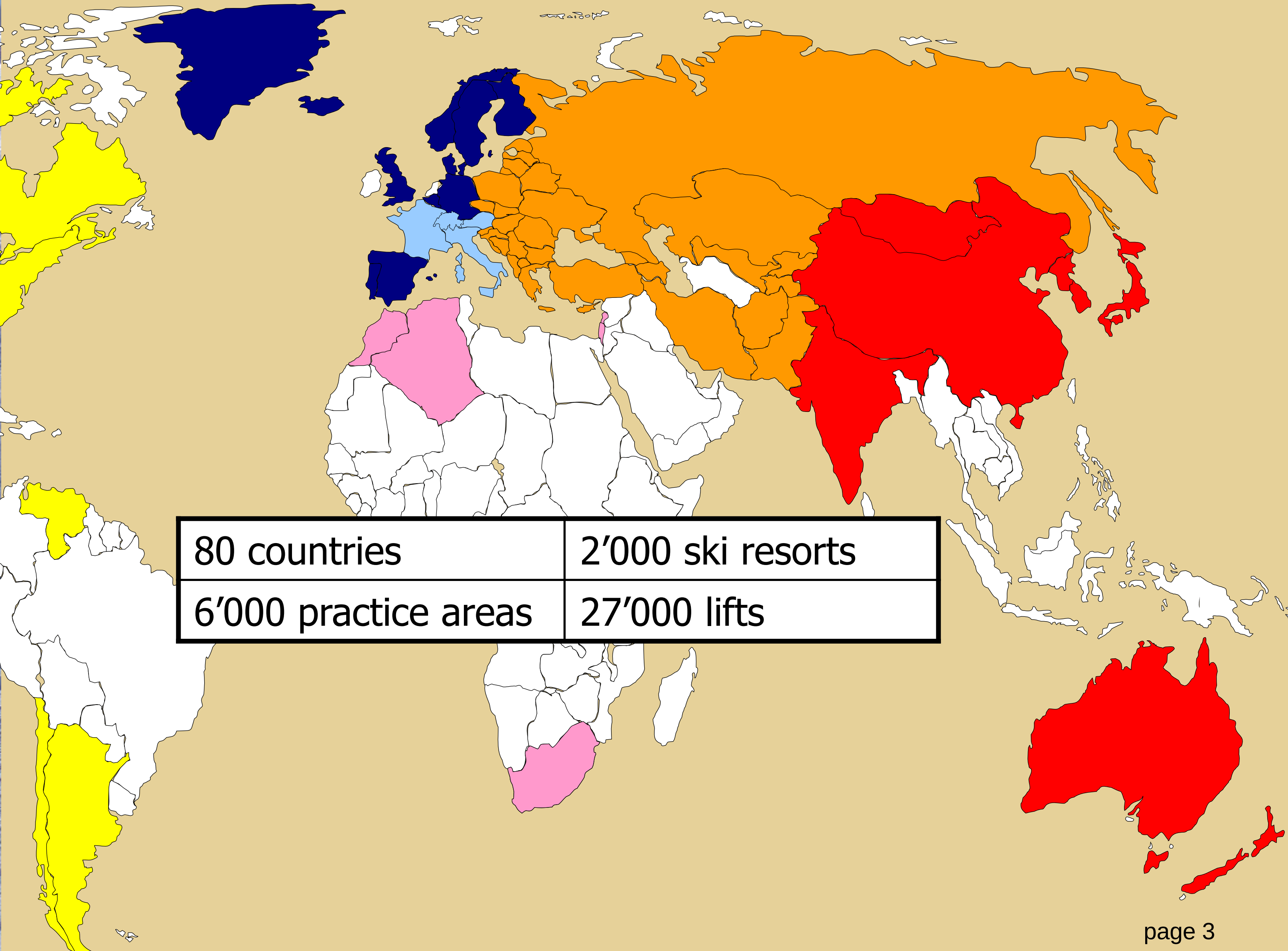
- **Skier** : one person practising ski, snowboard or other downhill slide, independent of the rate of practice.

- **Skier visit** : one person visiting a ski area for all or any part of a day or night for the purpose of skiing, snowboarding, or other downhill sliding. Skier visits include full-day, half-day, night, complimentary, adult, child, season pass and any other type of ticket that gives a skier/snowboarder the use of an area's facilities.



Laurent Vanat

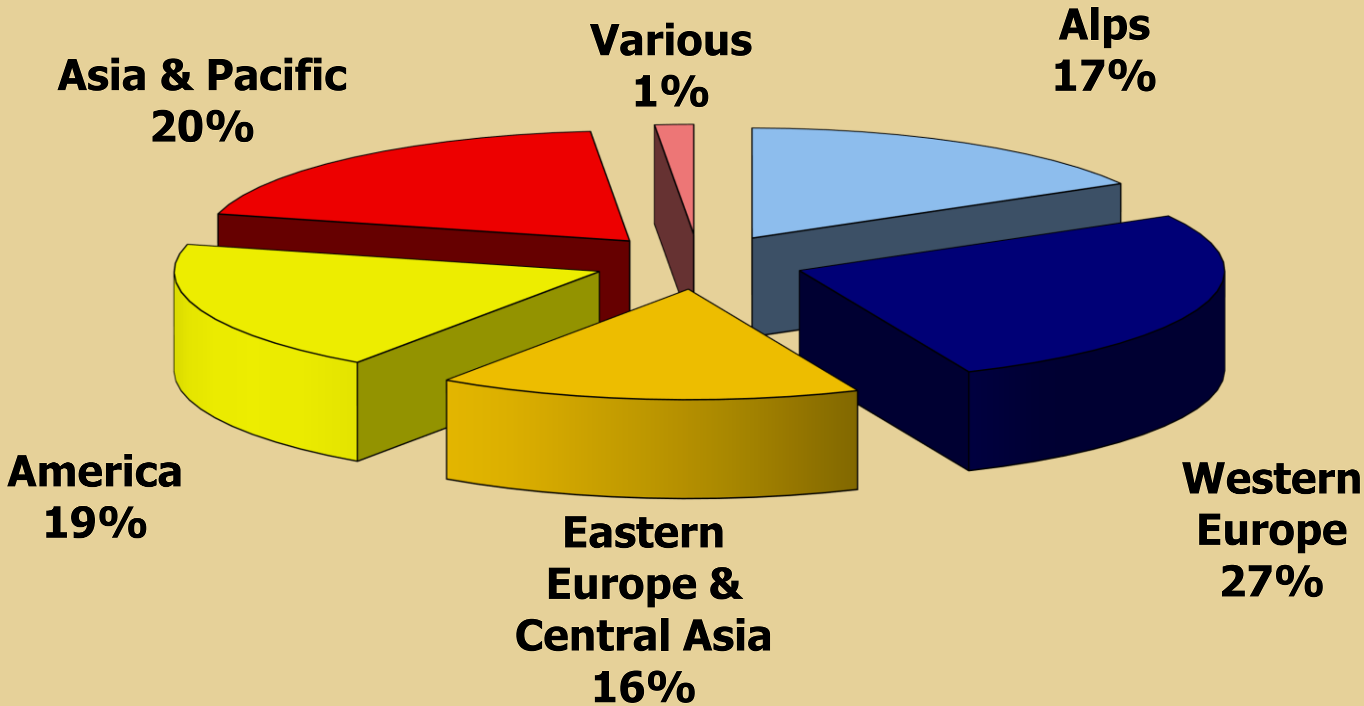
# The world ski market



| | |
|---|---|
| 80 countries | 2’000 ski resorts |
| 6’000 practice areas | 27’000 lifts |

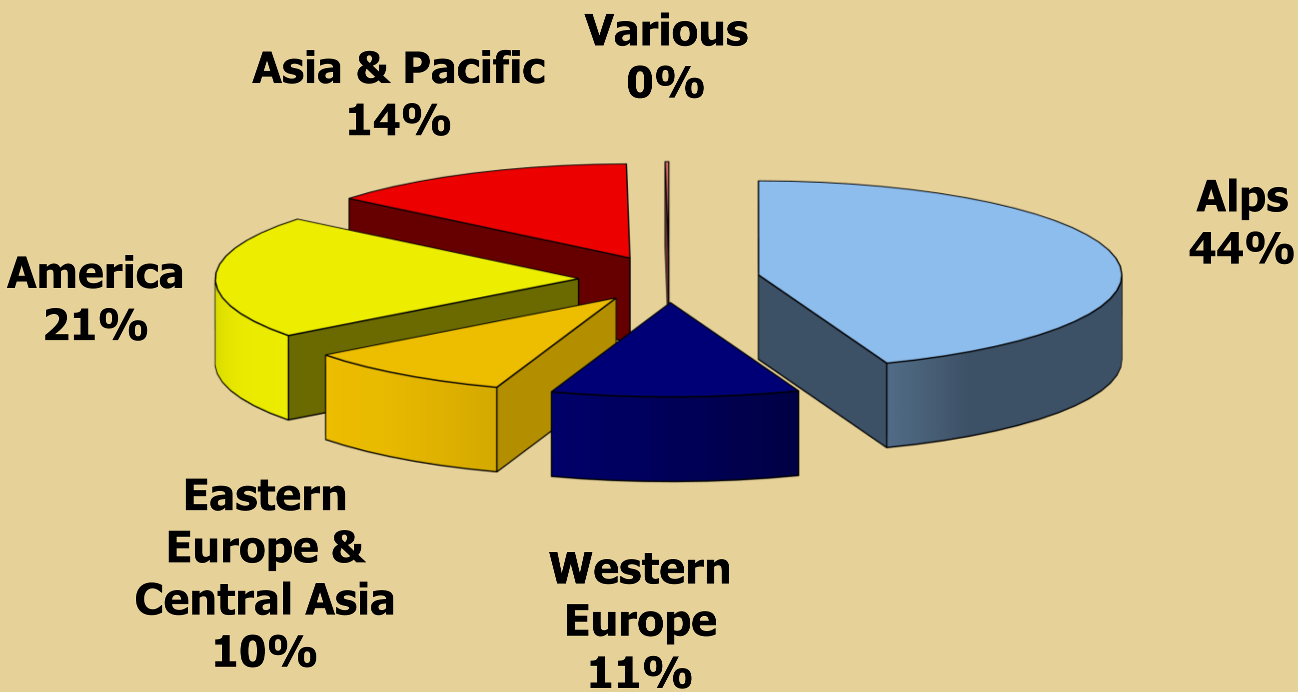

# Who are the skiers ?

- Spread of the skiers upon country of origin (115 million skiers estimated worldwide)

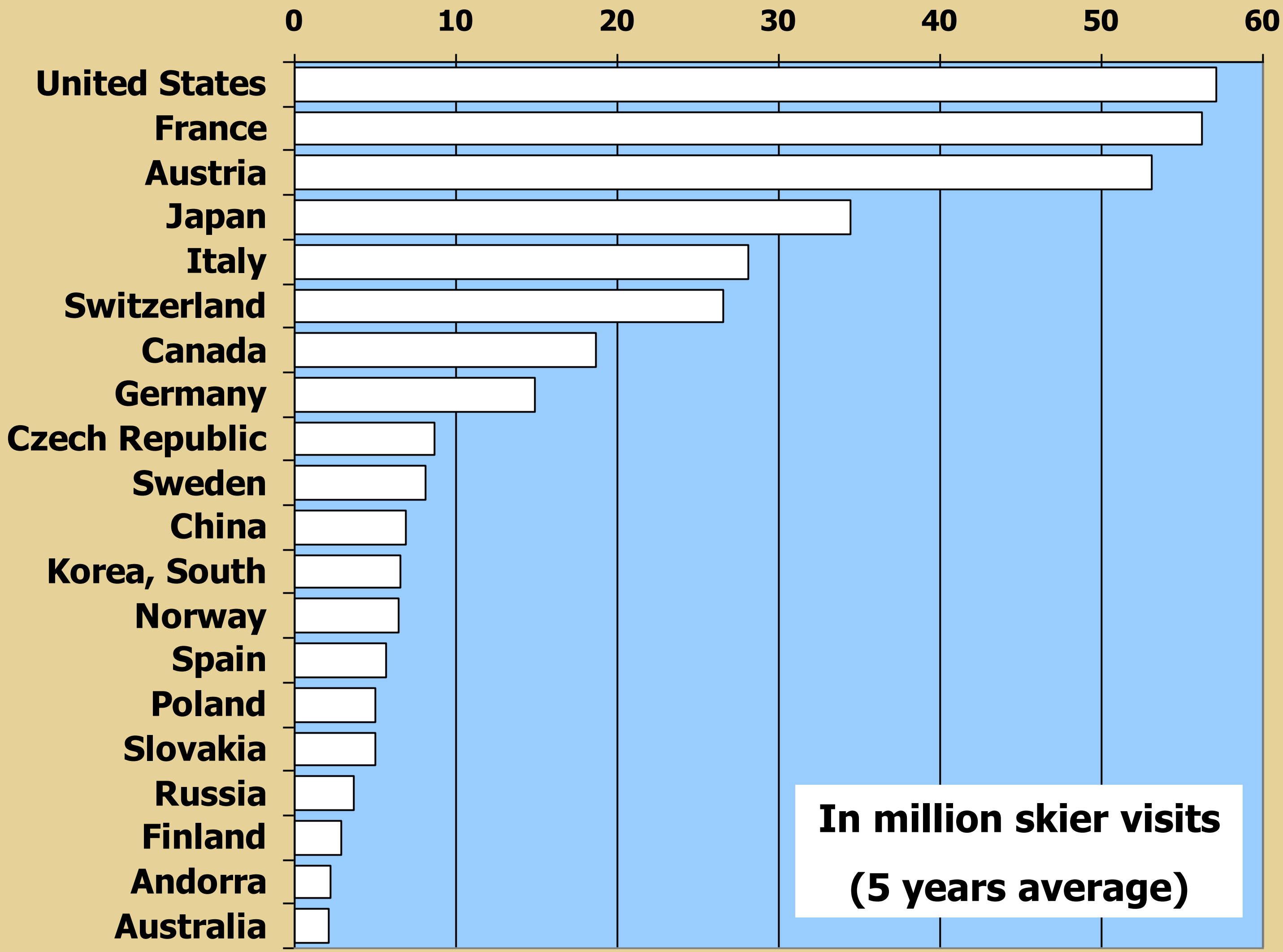


# Where do they ski ?

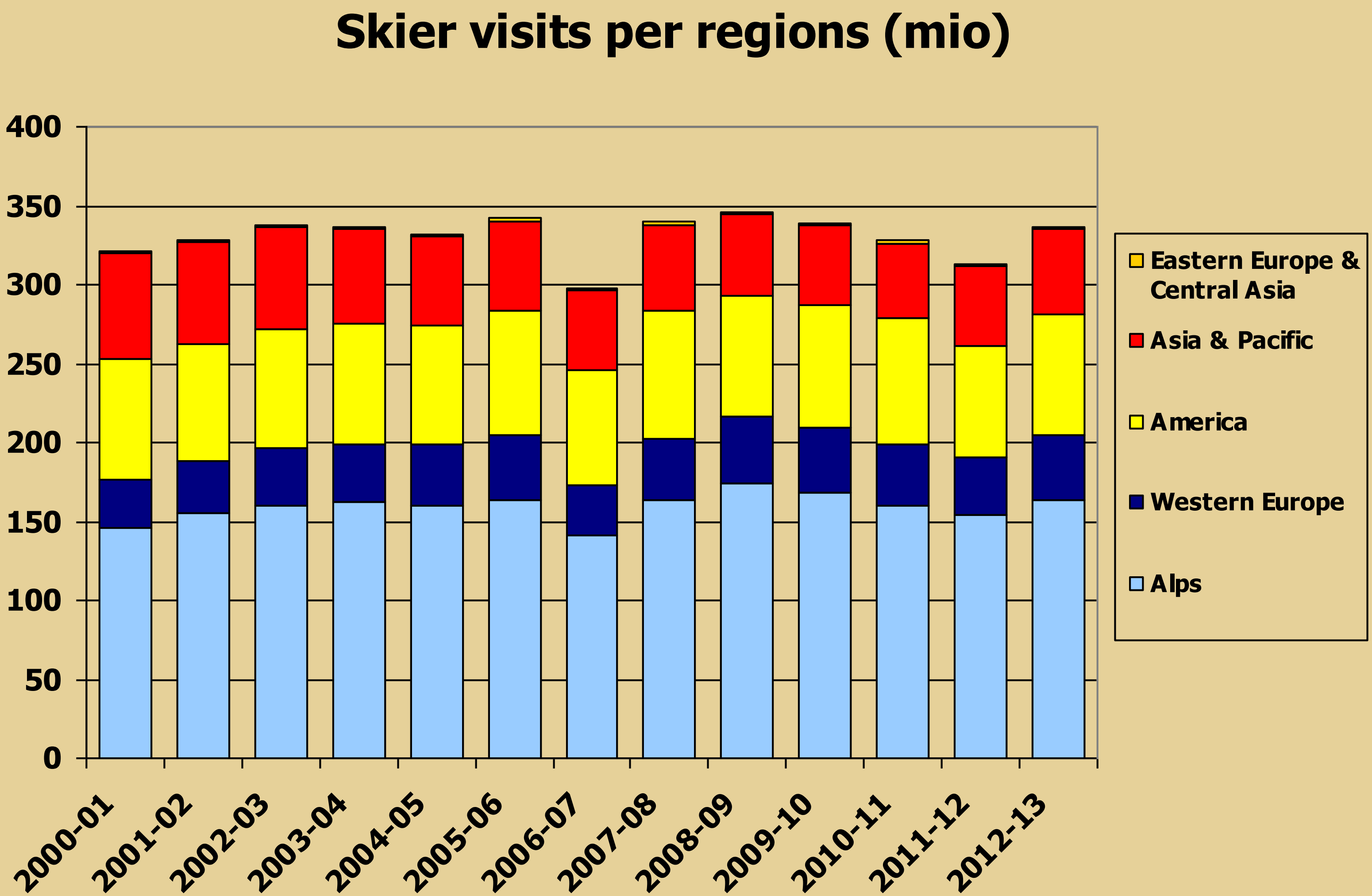

- Market share in the worldwide skier visits (400 million yearly skier visits)



# Top 20 markets

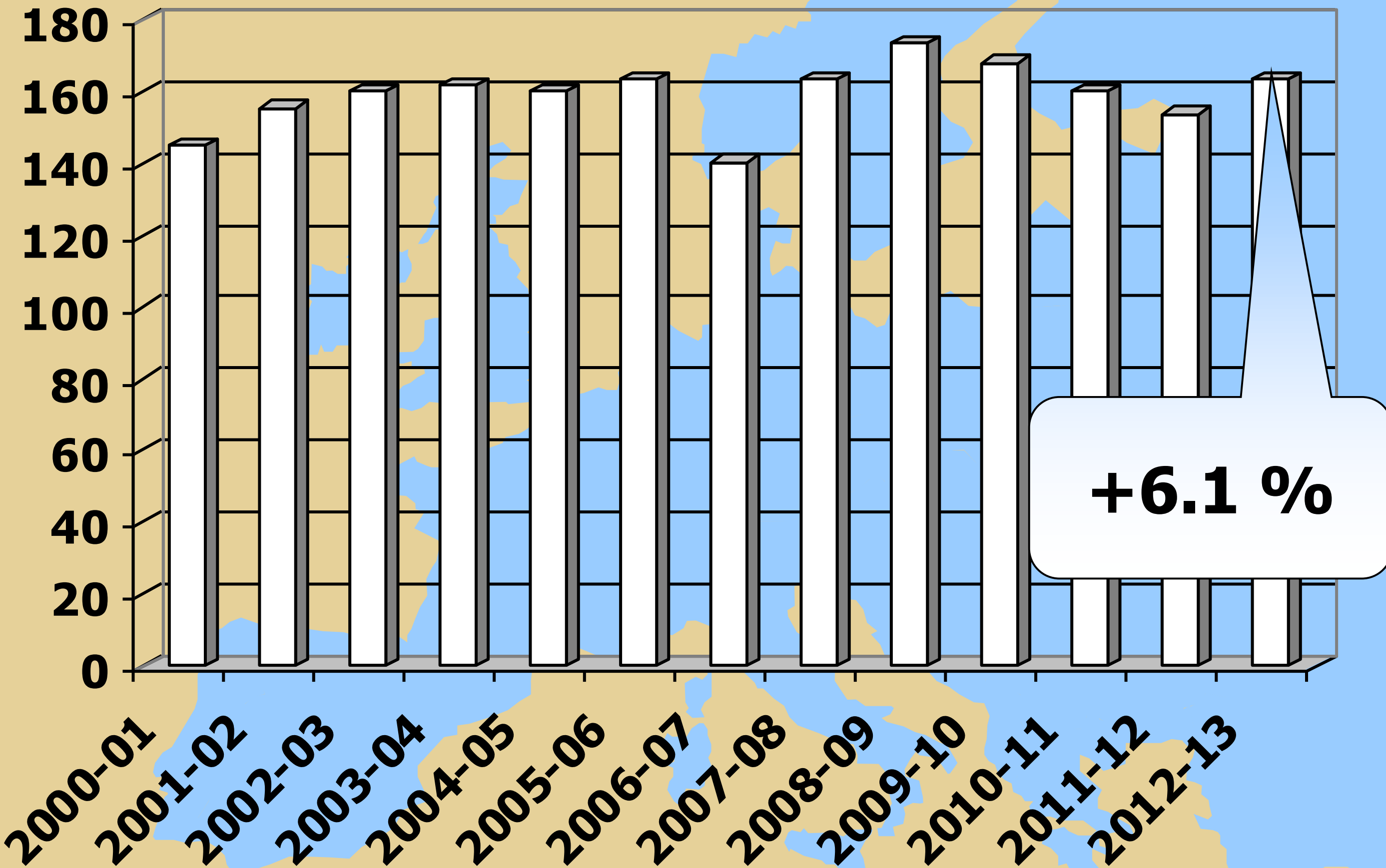
# World evolution




*Laurent Vanat*


# Europe - Alps

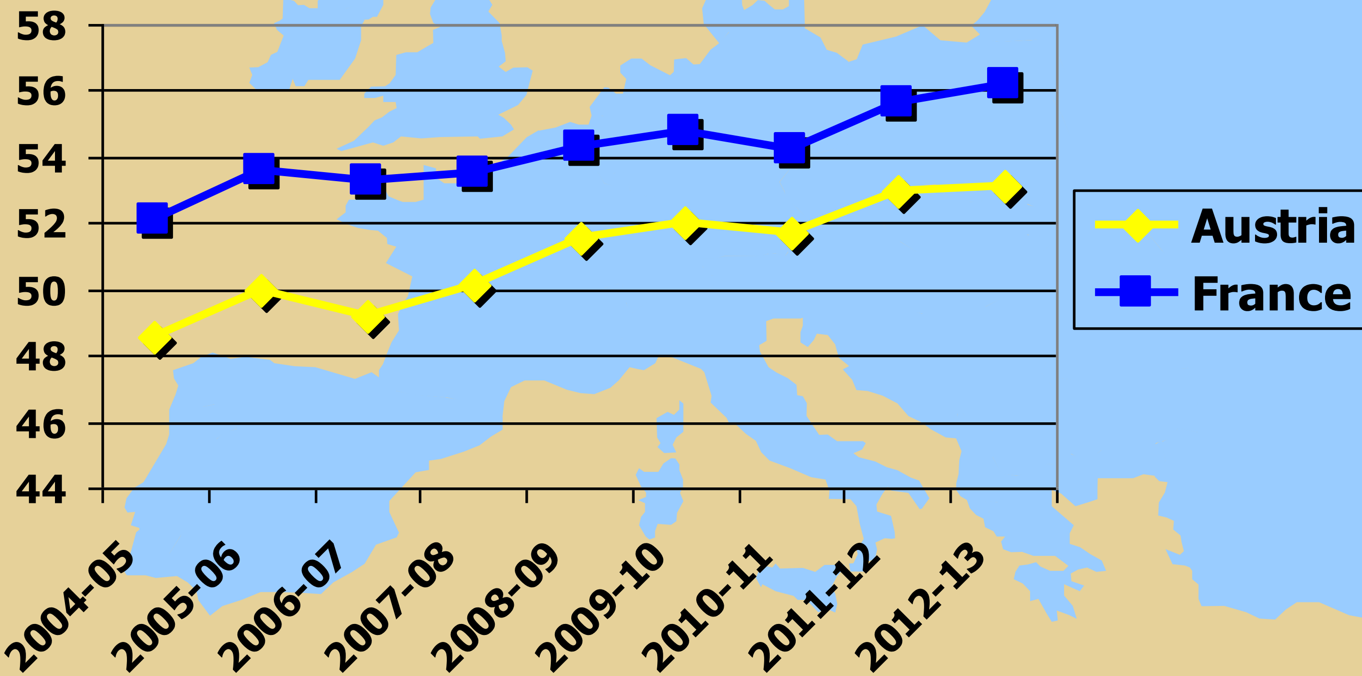
Skier visits (mio)




# Europe - Alps

- Attendance is still on a growing long term trend in some countries

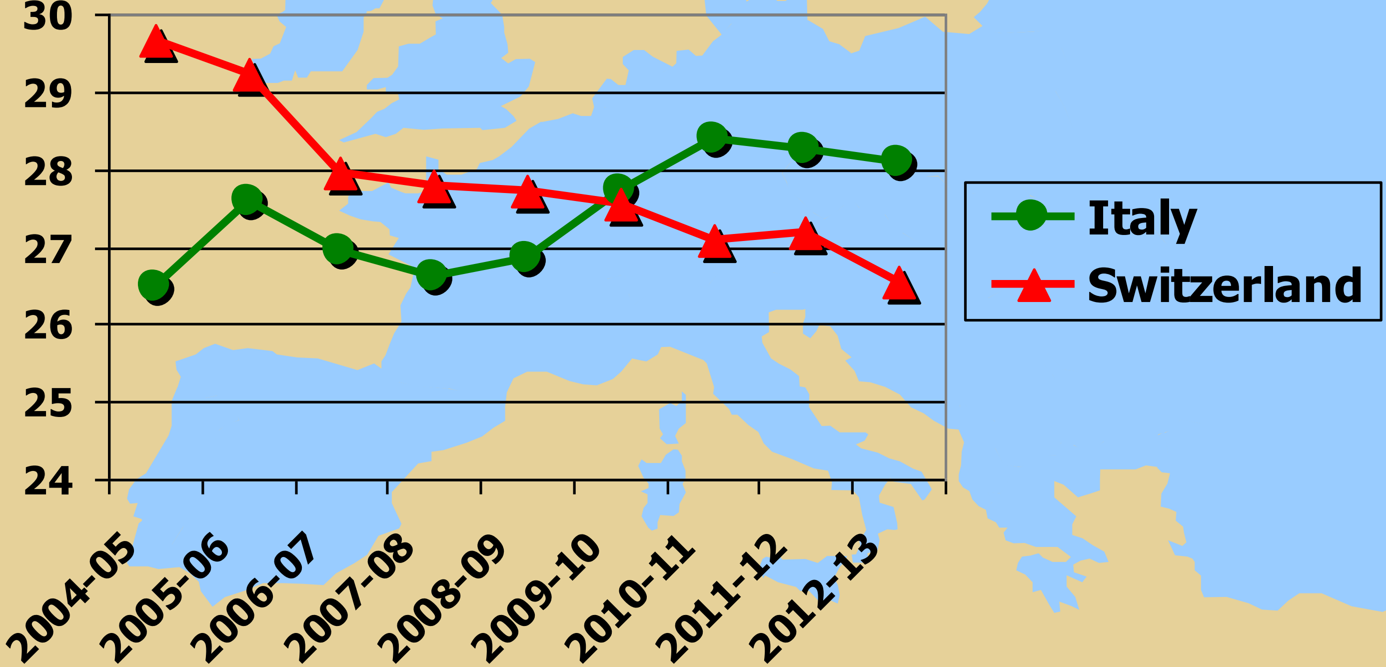
**Evolution of the 5 years average attendance (mio skier visits)**



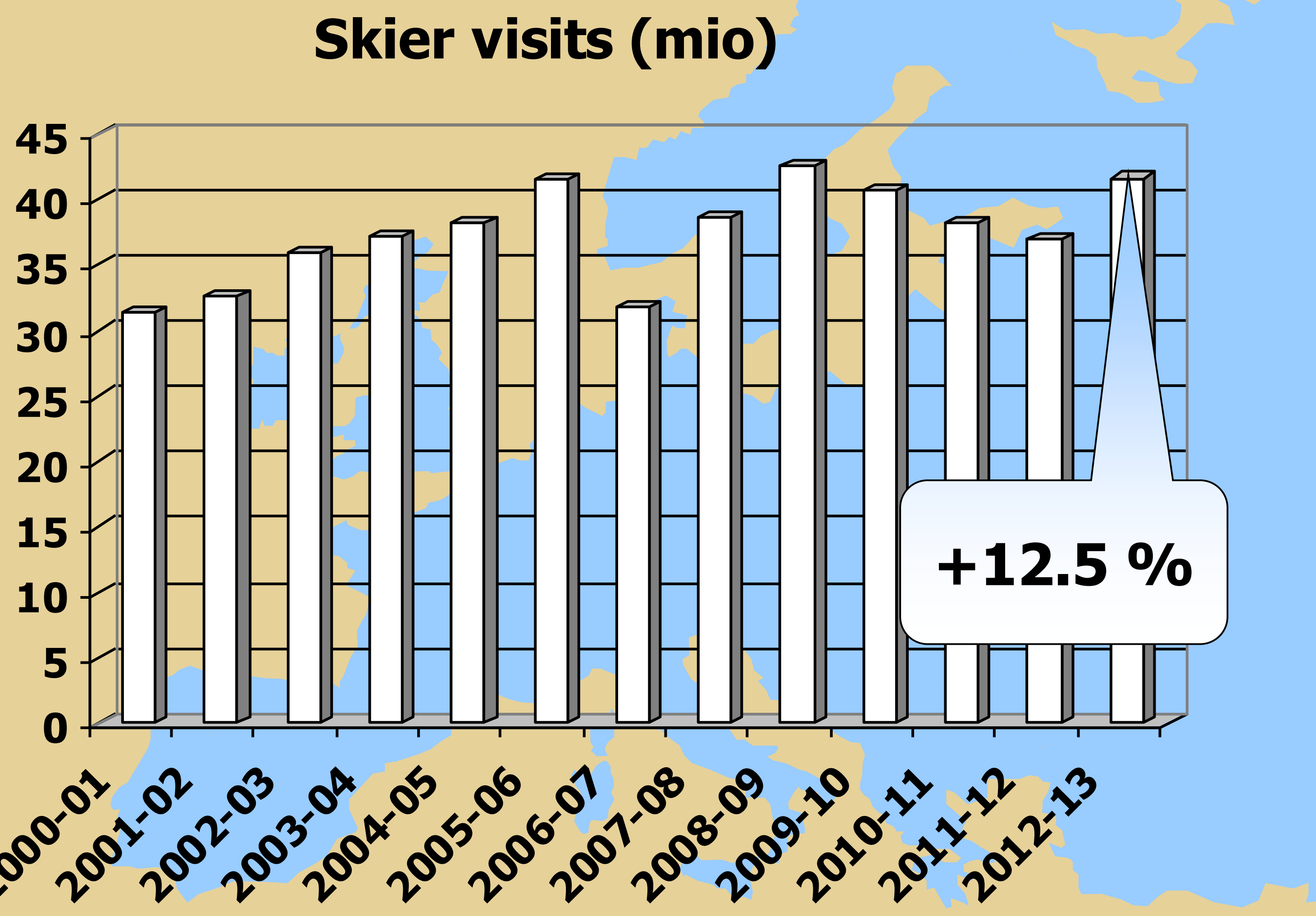

# Europe - Alps

- ... while on a rather declining trend in some others, with an unpredictable tendency for Italy

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

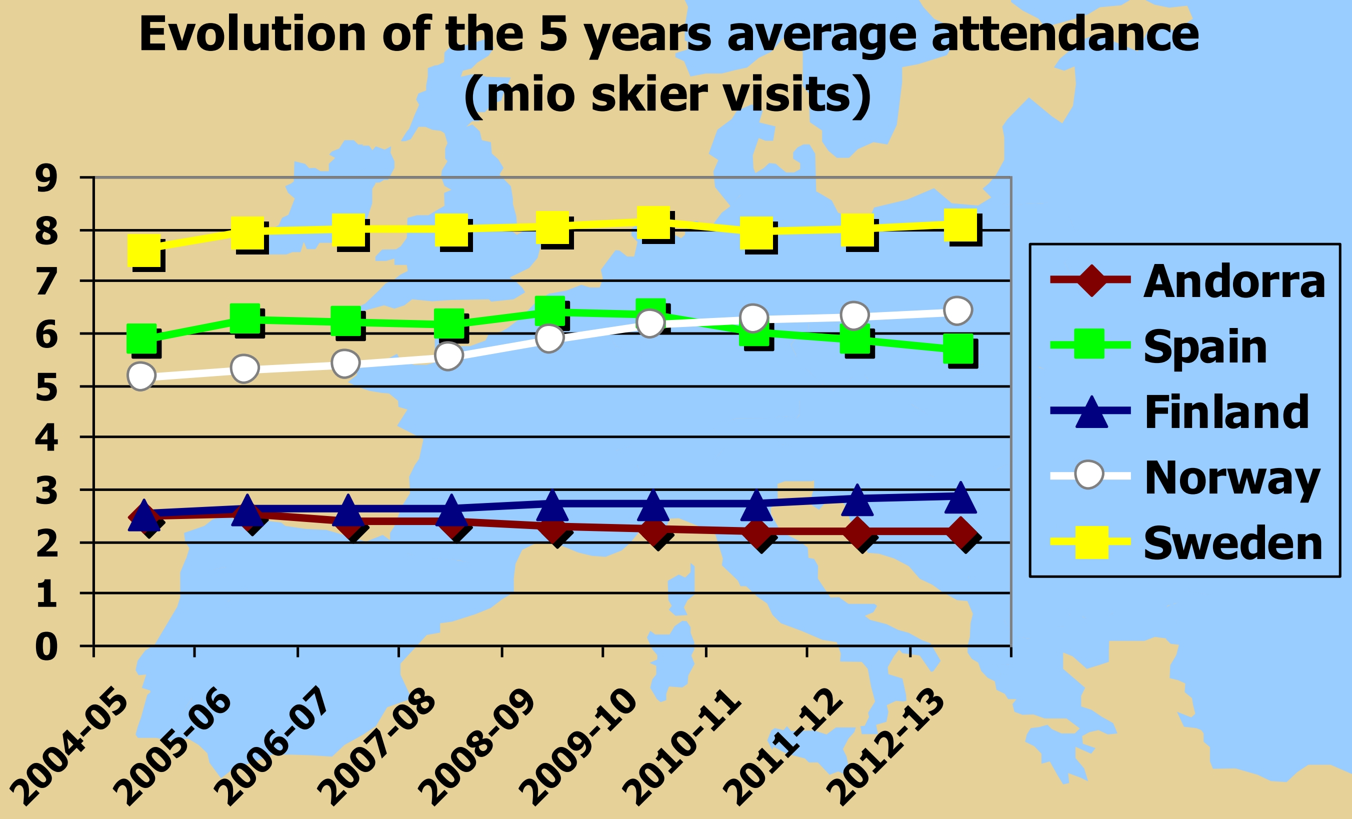



# Europe – Other western countries

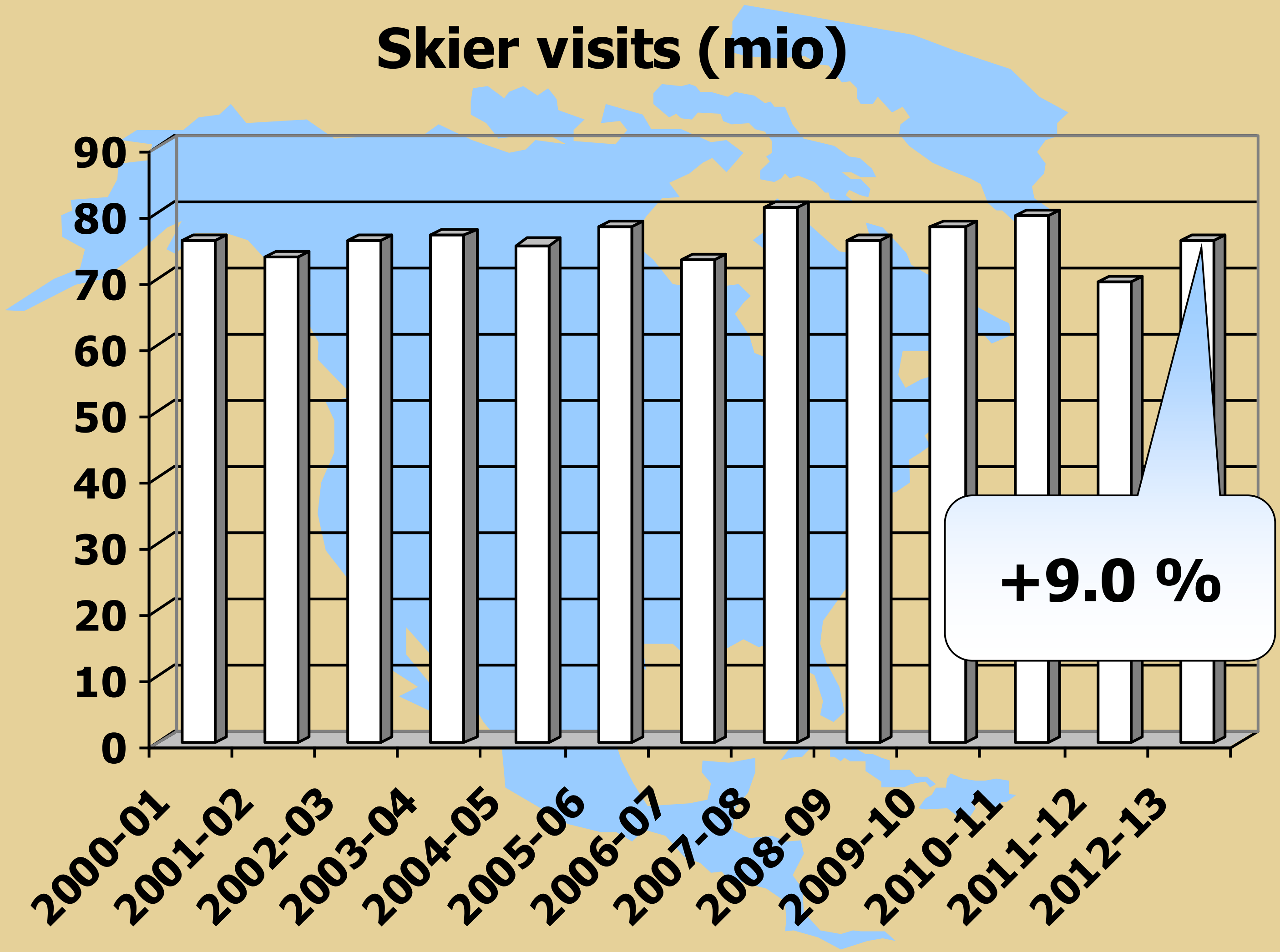


# Europe – Other western countries


- Norway still showing some real growth trend, while Andorra and Spain suffering



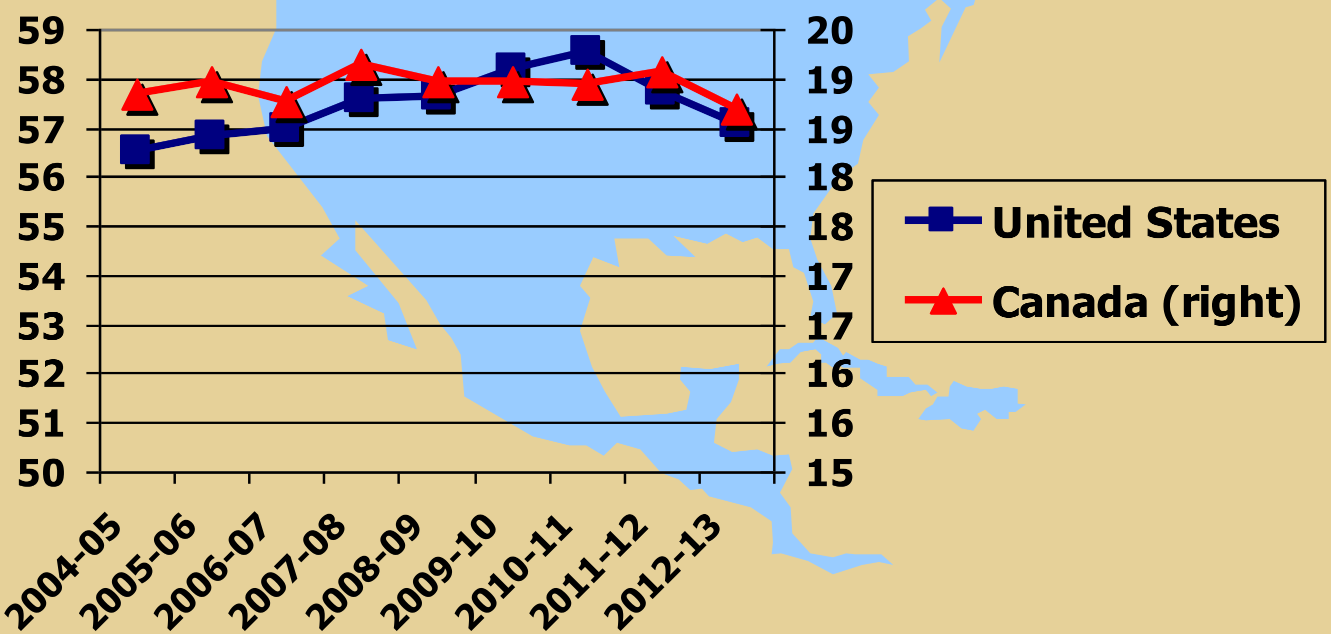

# North America




# North America

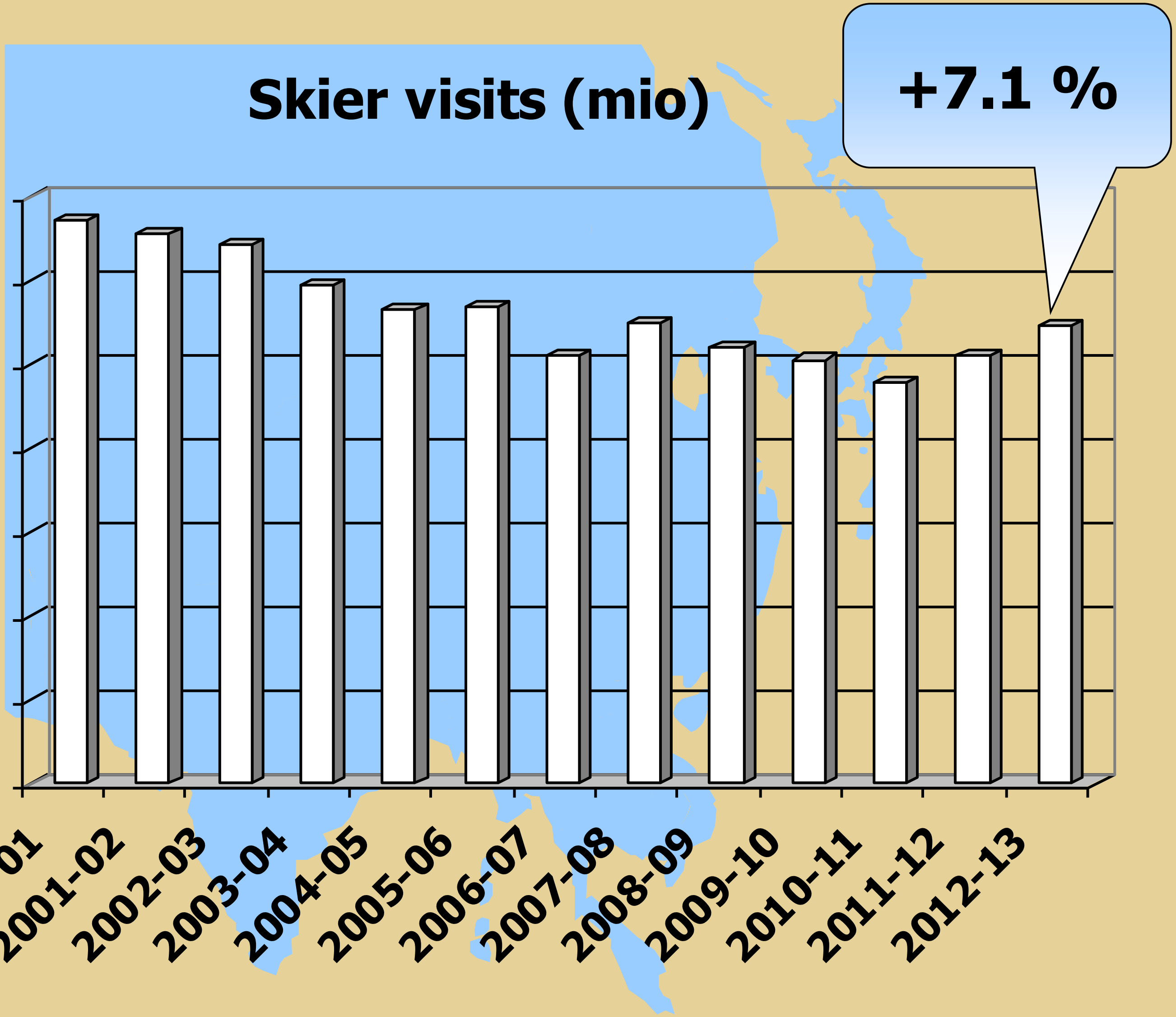
- Mature markets; USA fighting against decline in visitation

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



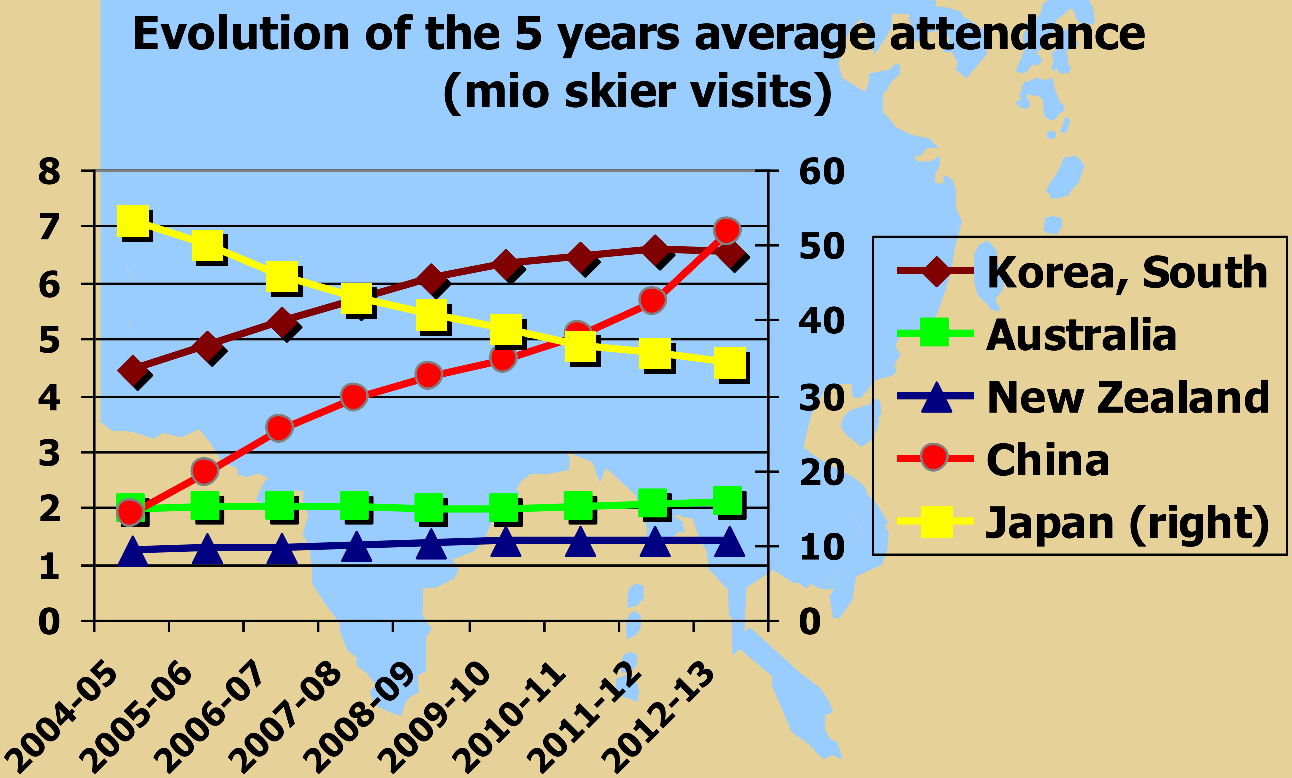


# Asia - Pacific



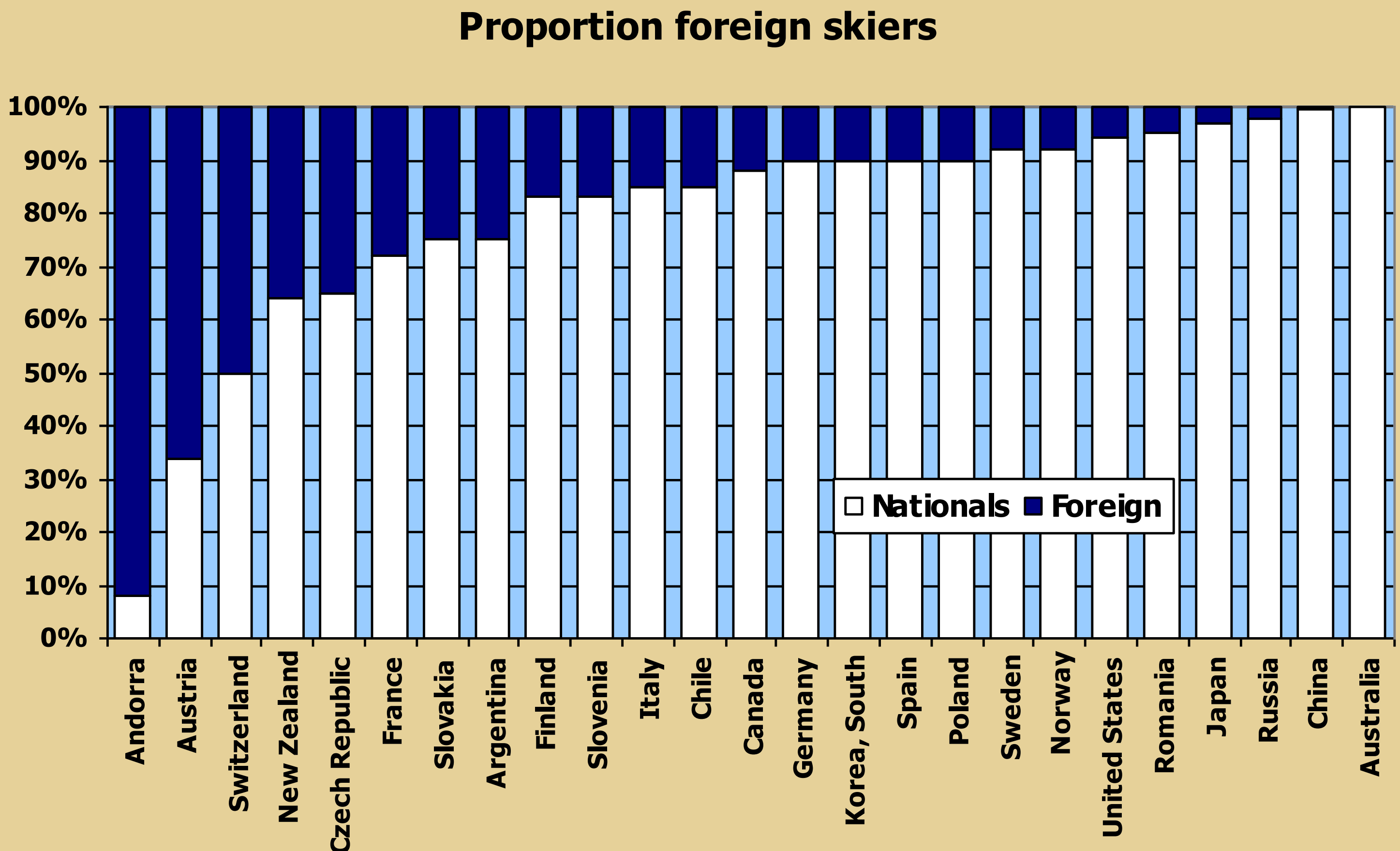

# Asia - Pacific

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



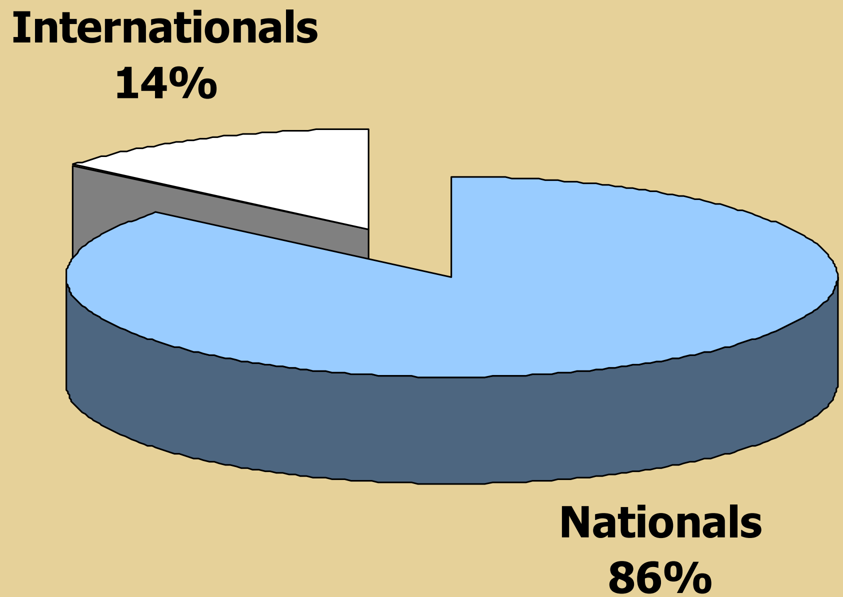

# National skiers

- The **national customer base** is very strong in most of the big players. Foreign visitors concentrate on a few top international resorts.




# National vs international

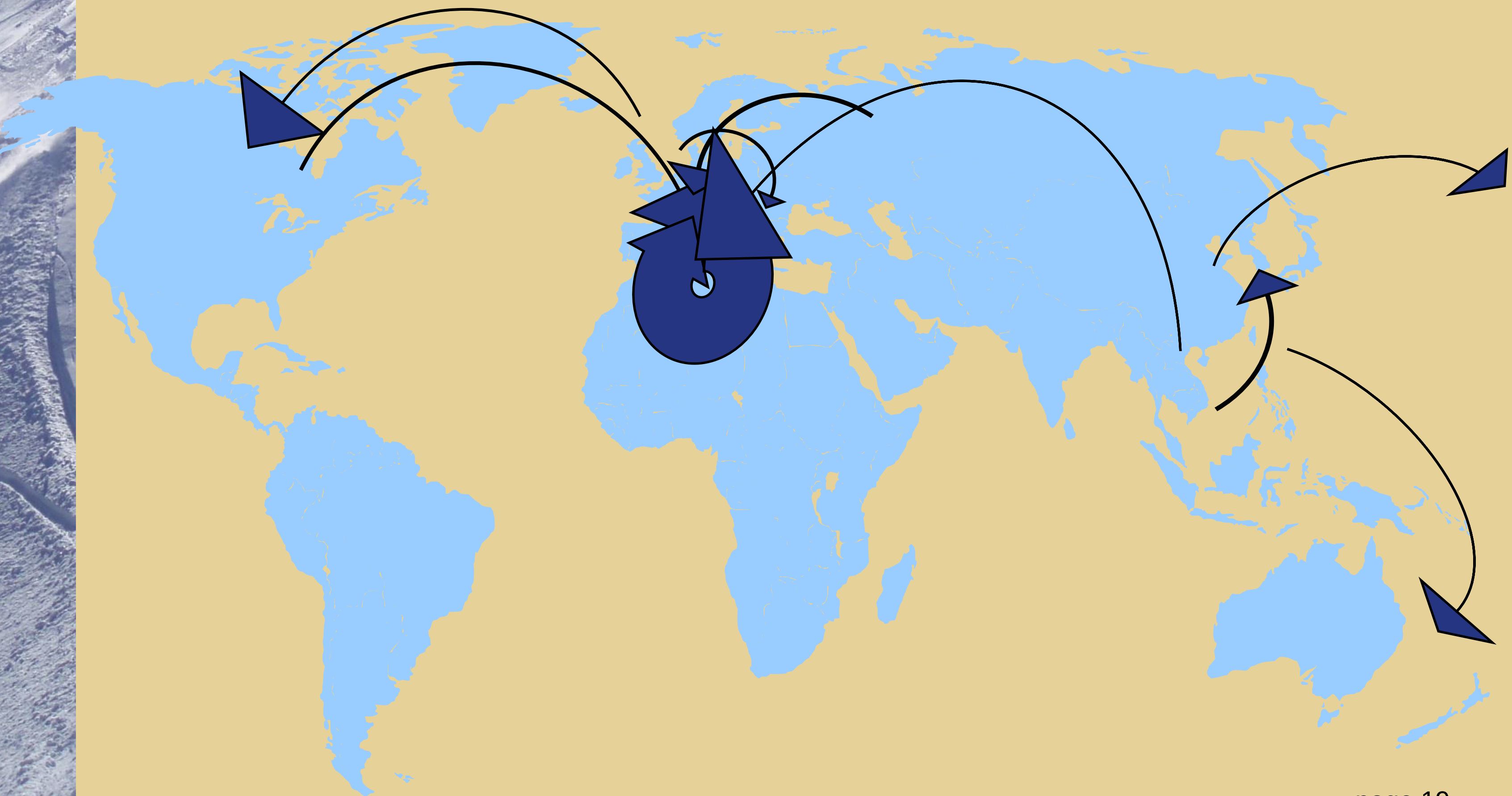
- Worldwide, in a global perspective, the share of foreign visitors in the **number of skiers** is less than 1/6 of total participants (on an estimated 115 millions skiers worldwide).



Laurent Vanat

# Skiers' international flows

- Mostly concentrated on intra-European flows




# Reality check

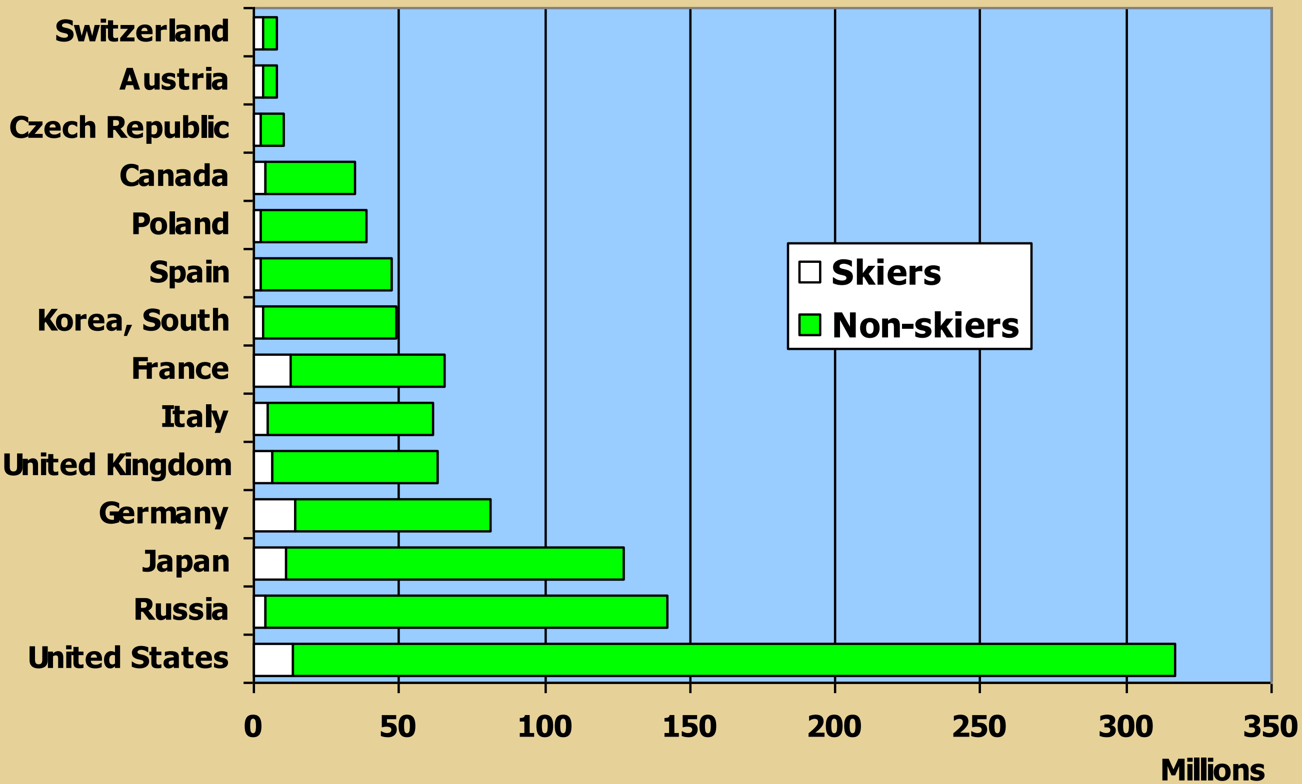
- Weigh of international customers is limited for most ski destination countries
- International catchments areas are limited
  - Markets size
  - Issue of transportation
    - Travel time & cost
    - Saturation of airport at ski destinations
- Overseas skiers are anecdotic minorities


# Reality check

- Outbound European markets are not increasing but will be spread over more destinations in the future
  - British customers
    - Romania
    - Slovakia
- New markets are feeding themselves
  - Development of ski in Asia will feed Japan and South Korea

# Domestic markets


- Domestic skiers' potential is very important on many major markets

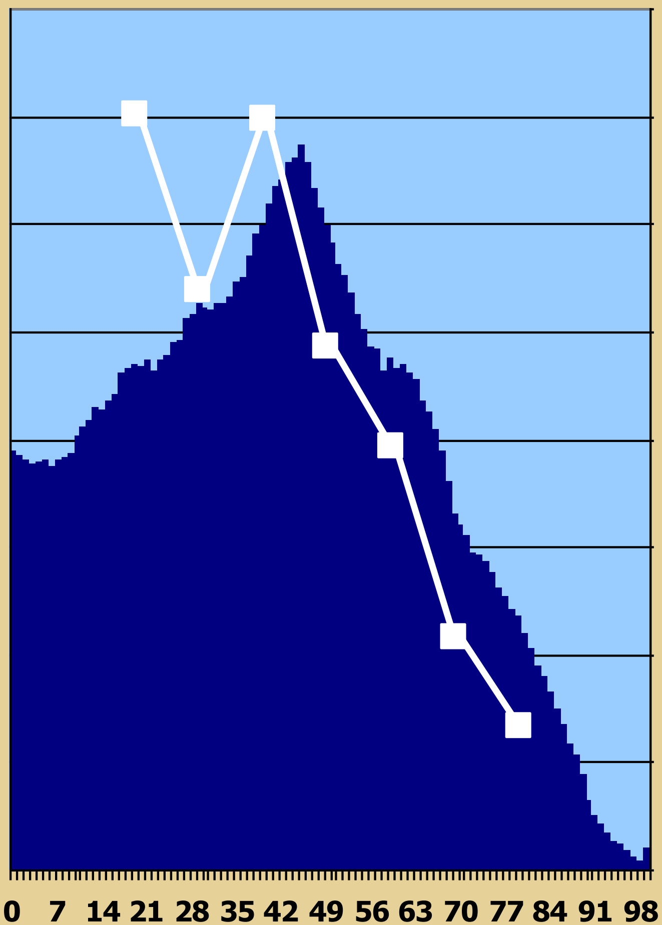



# Increasing competition

- **Internet**
  - Directly and indirectly in supplying easy access to competing destinations and activities
- **Low cost carriers**
  - Easy access to competing resorts and destinations
- **Sunny beaches overseas**
  - Warm destinations, low pricing
- **Cruises**
  - Price and convenience

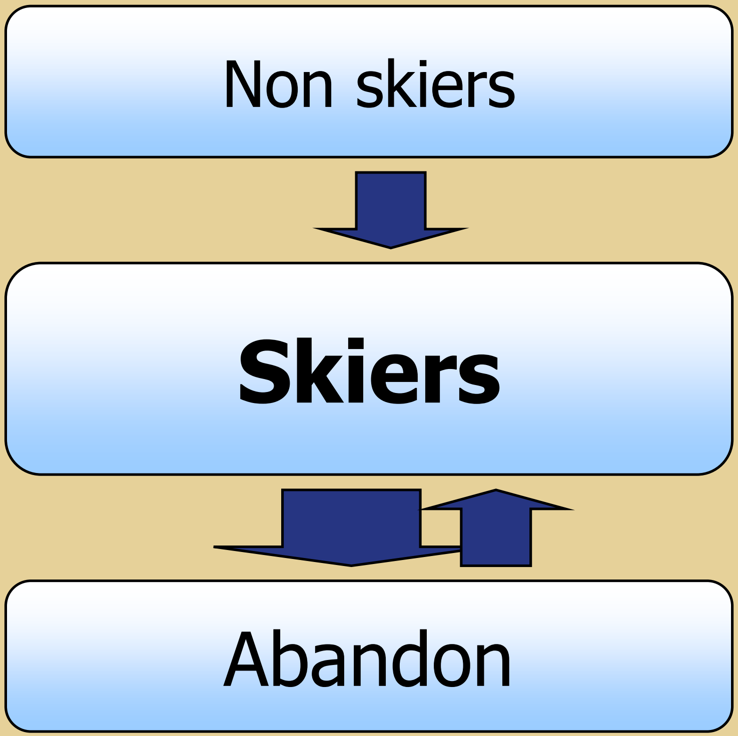

# Demographics

## Demographics and practice rate



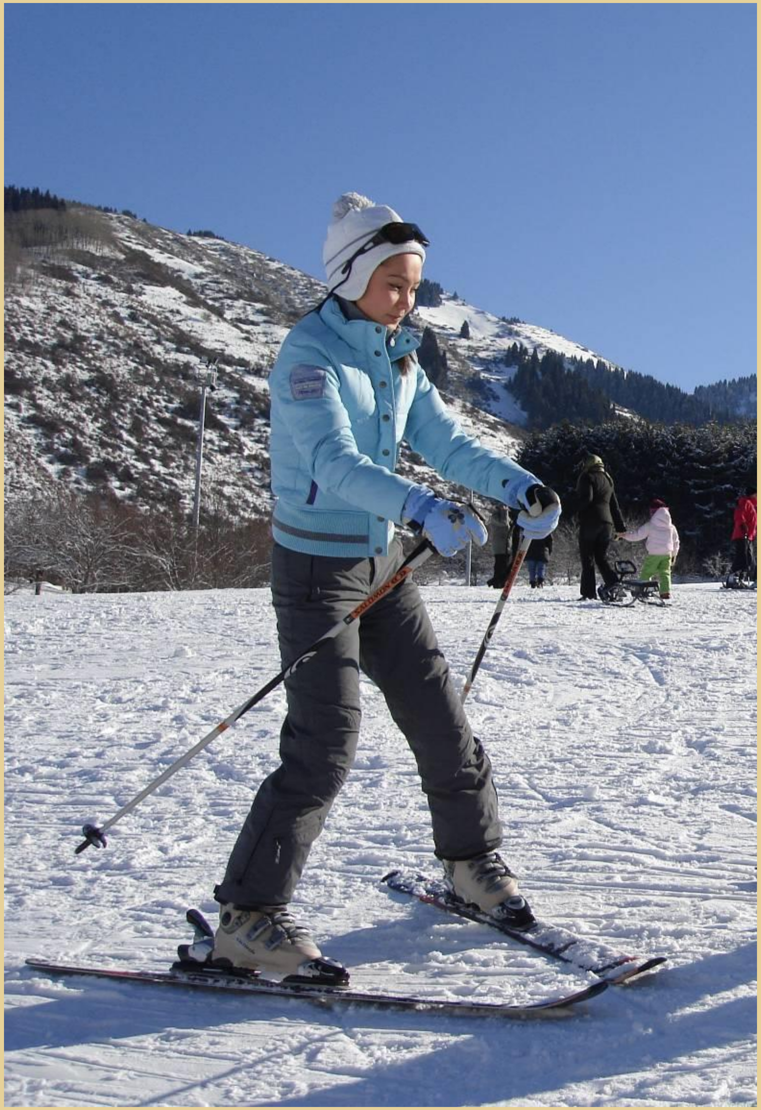

- 3 generation are on the slopes, with different profiles and expectations
- one cannot concentrate on only one group and expect satisfy all guests.
- Dilemma between satisfaction of younger groups (= the future) and older ones (= high revenue)


# Retention issue




- Towards lack of motivation
- Towards increasing competition


# Gaining new skiers

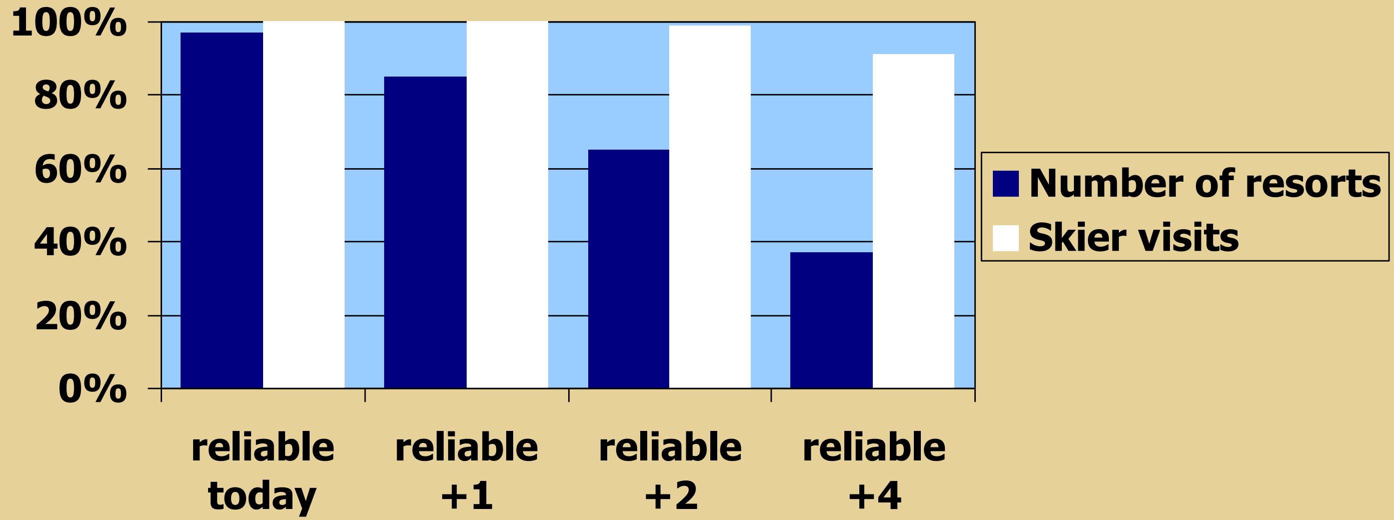


- Accessibility of the sport ?
- Training new skiers in nations with low or no ski culture
  - Who will convince them ?
  - Who will train them ?


# Climate change

- **Mitigation of the conclusions**
- Number of resorts is not a representative metrics of the market

**France, % of resorts reliable - OECD 2007**




# Economy

- World economy
  - Impact on attendance
  - Cyclical effects
- Financial situation of the operators
  - **Viability of the resorts**
  - Cash flow generation for lift renewals
  - Balance between investments and revenues ; return on investment (EUR 2 – 3 invested must generate EUR 1 yearly turnover)

# Further challenges


- Vertical consumption per skier day does not increase; **time spend on the slopes decreases**
- Propose additional **activities** for the afternoon, **independent of the snow**
- Create **strong events** in order to attract/recover customers from all competing offers
- **Attract non skiers**
- From side activities to **substitutes** ?


# Future prospects

- The European Alps market is flattening
- The growth in attendance will mostly happen in new ski destinations
- Most markets are and will remain domestic
- **The challenge will be to gain and retain local skiers**
- **Prospective 2020 : 420 mio skier visits**


# For further reference

Available from

- **www.vanat.ch** page *Publications*


**Laurent Vanat**
**19, Margelle**
**CH - 1224 Genève**
**Tel / fax / messagerie : +4122 349 8440**
**Courriel : vanat@vanat.ch**
**Internet : www.vanat.ch**


***Laurent Vanat***