Abstract

The international ski market

Presentation to ISIA Congress
17 May 2014 - Vuokatti
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.
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)

- Asia & Pacific: 20%
- America: 19%
- Eastern Europe & Central Asia: 16%
- Western Europe: 27%
- Alps: 17%
- Various: 1%
Where do they ski?

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

- Alps: 44%
- Western Europe: 11%
- Eastern Europe & Central Asia: 10%
- America: 21%
- Asia & Pacific: 14%
- Various: 0%
- Asia & Pacific: 14%
- Western Europe: 11%
Top 20 markets

In million skier visits
(5 years average)
World evolution

Skier visits per regions (mio)

- Eastern Europe & Central Asia
- Asia & Pacific
- America
- Western Europe
- Alps
Europe - Alps

Skier visits (mio)

2000-01
2001-02
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12
2012-13

Skier visits (mio)

+6.1 %
Europe - Alps

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

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

- Austria
- France

![Graph showing the evolution of the 5 years average attendance for Austria and France from 2004-05 to 2012-13.](image-url)
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

Skier visits (mio)

+12.5 %
Europe – Other western countries

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

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

- Andorra
- Spain
- Finland
- Norway
- Sweden
North America

Skier visits (mio)

Year: 2000-01 to 2012-13

Skier visits have increased by 9.0% from 2011-12 to 2012-13.
North America

- Mature markets; USA fighting against decline in visitation

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

- United States
- Canada (right)
Asia - Pacific

Skier visits (mio)

+7.1 %
Asia - Pacific

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

Evolution of the 5 years average attendance (mio skier visits)
The **national customer base** is very strong in most of the big players. Foreign visitors concentrate on a few top international resorts.

**Proportion foreign skiers**

<table>
<thead>
<tr>
<th>Country</th>
<th>Nationals</th>
<th>Foreign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andorra</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Austria</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>France</td>
<td>90%</td>
<td>10%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>Argentina</td>
<td>70%</td>
<td>30%</td>
</tr>
<tr>
<td>Finland</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Italy</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>Chile</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>Canada</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Germany</td>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>Korea, South</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Spain</td>
<td>0%</td>
<td>100%</td>
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<tr>
<td>Poland</td>
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<tr>
<td>Sweden</td>
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<tr>
<td>Norway</td>
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<tr>
<td>United States</td>
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<tr>
<td>Romania</td>
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<td>100%</td>
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<tr>
<td>Japan</td>
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<tr>
<td>Russia</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>China</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Australia</td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>
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).

<table>
<thead>
<tr>
<th>Internationals</th>
<th>14%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationals</td>
<td>86%</td>
</tr>
</tbody>
</table>
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

- [Bar chart showing skiers and non-skiers for different countries]
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

Non skiers

Skiers

Abandon
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

![Graph showing the percentage of resorts reliable today and in future years.](image)
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](http://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