



2011 Snowsports Analysis

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Welcome

to the 2011 Snowsports Analysis compiled by the Ski Club of Great Britain

This report aims to give an overview of the UK snowsports market using empirical research from UK tour operators combined with a variety of other third-party sources.

The Snowsports Analysis profile

- › Independent and unbiased
- › Uses comparative data from the last eleven seasons
- › Uses data from both large and smaller independent tour operators
- › Is ideal for market planning and industry comment
- › Published by the independent, not-for-profit organisation, the Ski Club of Great Britain

Other data sources used in the Snowsports Analysis

- › Scottish skier days 2010-11, individual Scottish resorts
- › Eurostar ski train passenger figures 2010-11
- › Crystal Industry Report 2011

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The snowsports market

Overview

- › The snowsports travel market dropped to its lowest figure since 00/01 season at 1.07 million passengers for 10/11.
- › The number of people taking a snowsports holiday dropped by over 4% compared to the 09/10 season.
- › The percentage market share of passengers travelling with a tour operator in 10/11 grew by 1% year on year compared to the 09/10 season.
- › The independent travel sector's market share decreased again for the third season in a row to 19%. This is the lowest percentage market share the independent travel sector has held since the 01/02 season when it was 18.1%.

Why have we seen these changes?

- › The economic climate in the UK meant people were still cautious about taking holidays.
- › Awkward holiday dates led to an unfavourable season structure and may have deterred bookings. Christmas and New Year's Day both fell on a Saturday, a common arrival date for most tour operators. Transfer days were changed

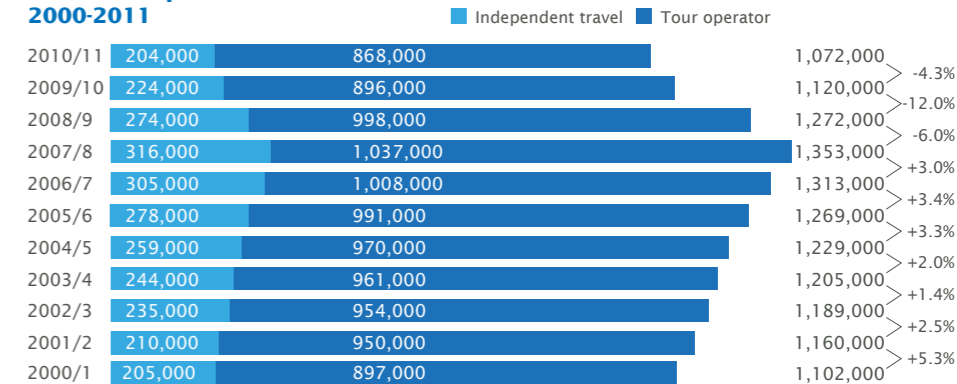
to accommodate this. Easter was very late, and an additional bank holiday for the Royal wedding meant many chose to go on a summer, rather than winter, holiday around this period.

- › Sporadic snowfall across the season in Europe and an early spring thaw may have put people off travelling later in the season.
- › The tour operators' market share continued to grow in popularity for the 10/11 season. As people seek to book with greater security, tour operator

holidays are the obvious solution as they carry bonding. Tour operators also circulated numerous enticing deals around tough selling dates.

- › The cost of booking holiday components individually remains higher than booking a package with a tour operator. This could account for the drop in the independent travel sector's market share. Tour operators have more bulk-buying power and can therefore pass some savings on to the consumer.

Total snowsports travel market 2000-2011

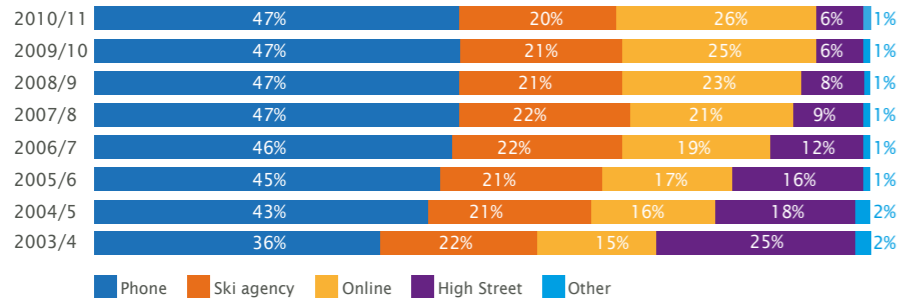


Buying a snowsports holiday

How snowsports holidays are purchased

- › Booking over the phone has maintained its market share at 47% for the fourth season in a row. It is still the most popular method of booking although online is growing.
- › Some large tour operators worked to maintain and increase their sales via high street travel agents although the market share for this sector remained the same year on year for 10/11.
- › The proportion of bookings made online has increased again for the eighth season in a row. This is no surprise as more and more users look to research their ski trips online too, and source information regarding snowsports via this route.

Buying a snowsports holiday 2003-2011



The average cost of a snowsports holiday

- › The average cost of a snowsports holiday increased again for the fourth season in a row. The cost is now the highest it has been since the millennium at £717.
- › There were a large number of deals available for the 10/11 season due to a number of factors including the odd season structure, sporadic snowfall and bookers leaving it later to book. With a more standardised season layout for the 11/12 season and tour operators appreciating the propensity for late booking, we expect to see fewer deals offered for the coming season.

Buying a snowsports holiday 2001-2011



Snowsports holiday breakdown

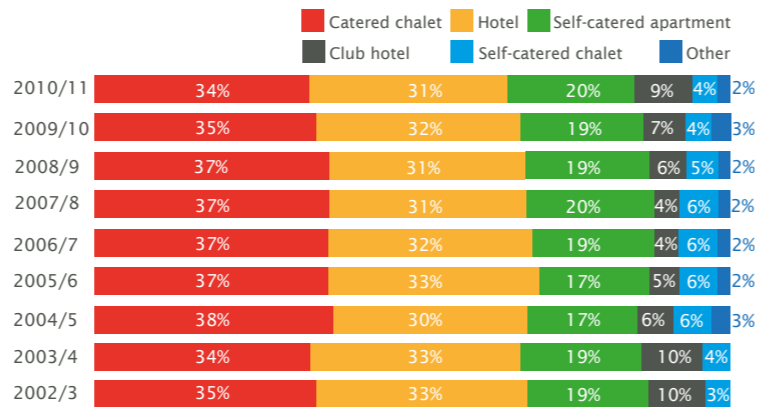
Accommodation

- Club hotels saw a 2% increase in market share. This can be partly attributed to people liking the social aspect of this sort of accommodation as well as the inclusive nature, thus value for money, of club hotel holidays.
- Hotels witnessed a 1% drop in market share and this could be attributed to the relative expense of staying in a hotel, at a time when people are price-conscious.
- Self-catered apartments benefited from a 1% increase in market share and this can be partly attributed to people seeking alternative, cheaper accommodation to hotels.
- With tour operators introducing a wider selection of catered accommodation for the more cost-conscious consumer, we expect to see growth in the chalet and club hotel sectors for the 11/12 season.

Length of holiday

- Seven-day holidays continue to dominate the market and their market share grew for the fourth season in a row. This is primarily due to growth in the tour operator market share and their standard weekly charter flight programme.
- Fourteen-day and the 'other' segment remained level in market share terms.
- Weekend breaks again witnessed a drop in market share for the fourth season in a row. This could be partly attributed to the relative expense of a weekend ski break.

Accommodation 2002-2011



Length of holiday 2002-2011

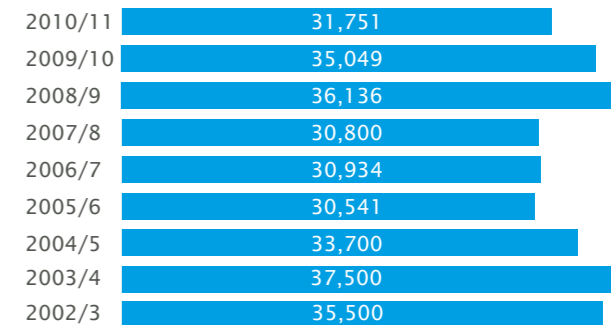


Transport

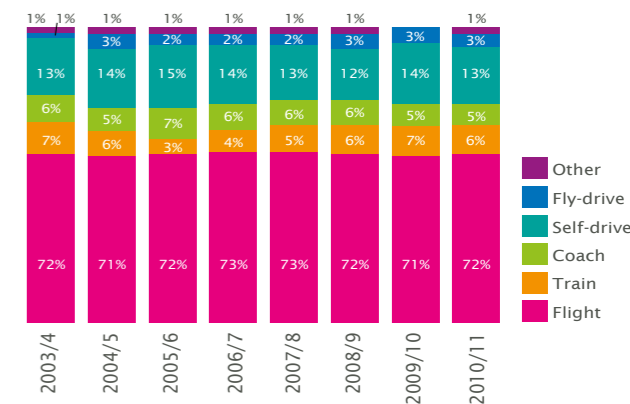
- Flights remain the most popular mode of transport for people travelling on a snowsports holiday, with their market share increasing by 1% year on year.
- The relative popularity of trains as the mode of travel for a ski holiday dropped 1% for the 10/11 season.
- Eurostar put on seven fewer trains during the 10/11 season than the 09/10 season. This can partly explain the overall reduction in passengers carried by train for the 10/11 season.
- The self-drive market share decreased by 1% year on year and this can be attributed, at least in part, to the rising cost of fuel.



Number of passengers carried by Eurostar winter 2002-2011



Transport 2003-2011

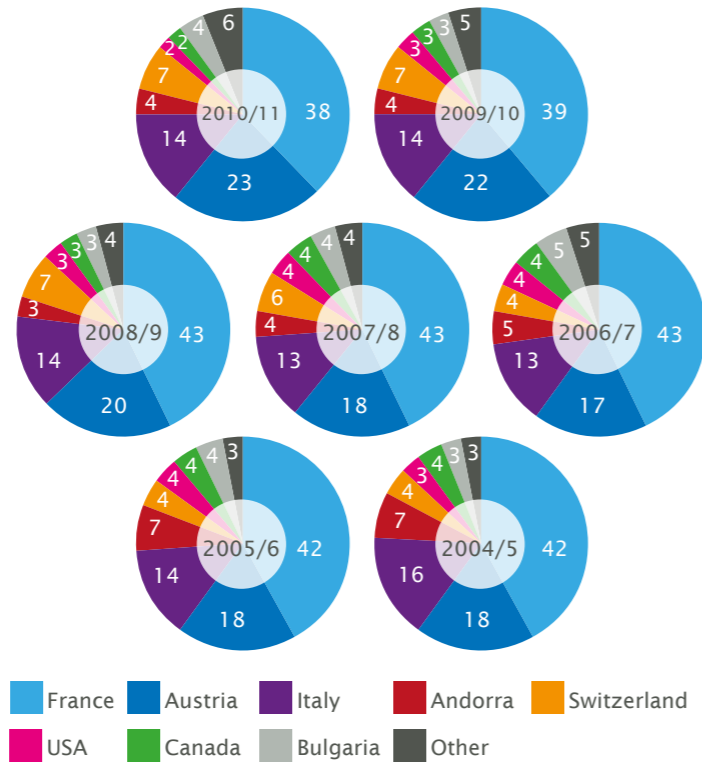


Countries & resorts

- › France's market share dropped to 38%, the lowest it has been since the 04/05 season, although it does remain the market leader. This drop can be partly attributed to the desire of skiers and snowboarders to visit alternative, and potentially cheaper, destinations.
- › The weak pound against the Euro for the 10/11 season again affected in-resort prices, such as eating and drinking.
- › Austria has increased its market share by 5% since 07/08. This can be attributed to the relatively cheaper cost for services in Austria compared to France and Switzerland, as well as increased capacity offered to Austrian resorts by tour operators.
- › USA and Canada have both seen a drop in market share. The relative expense of travelling to, and staying in, North America is part of the reason for this decline. North America did have a superb snow season in 10/11 and, as people are often influenced by good snowfall the season before, the 11/12 season could see North America increase in popularity again.

Countries 2004-2011

Figures shown in %



Top 5 resorts in Europe and North America



Resorts in alphabetical order for each country

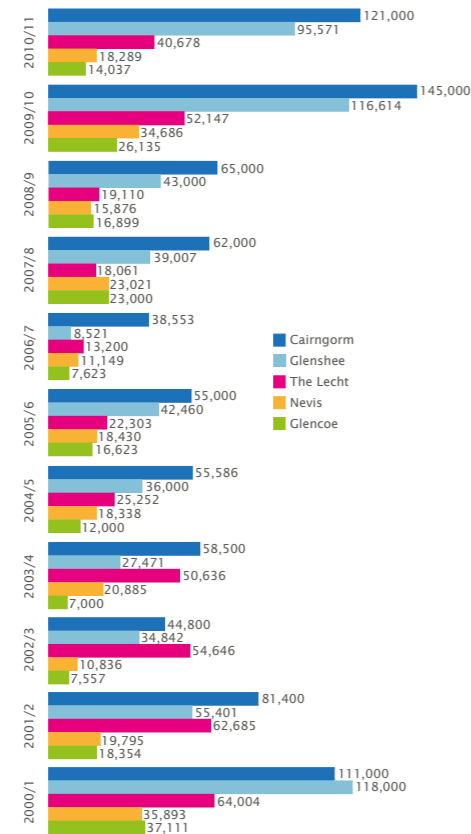
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|--|---|
| <p>Austria Ischgl Kitzbühel Lech Obergurgl St Anton</p> | <p>Switzerland Davos Klosters Saas Fee Verbier Wengen Zermatt</p> |
| <p>France Les Arcs La Plagne Méribel Tignes Val d'Isère</p> | <p>Canada Banff Fernie Lake Louise Sun Peaks Whistler</p> |
| <p>Italy Alagna Gressoney Cervinia Courmayeur Sauze d'Oulx Sestriere</p> | <p>USA Aspen Breckenridge Heavenly Jackson Hole Vail</p> |

Domestic snowsports

Scottish resorts

- › Cairngorm Mountain remains the most popular skiing resort in Scotland for the eighth season in a row.
- › The total for the Scottish skier days dropped by over 22% year on year. The greatest percentage drop in visitor numbers was seen at the western resorts of Nevis Range and Glencoe, which experienced a 47.3% and 46.3% drop respectively.
- › The drop in overall visitor numbers to all five ski areas could be largely attributed to the sporadic snowfall and irregular temperatures during the 10/11 season. This led to variable conditions in general throughout the winter. The season was also shorter in comparison to the previously extended winter that drew bumper visitor numbers in 2009/10.

Scottish skier days 2000-2011



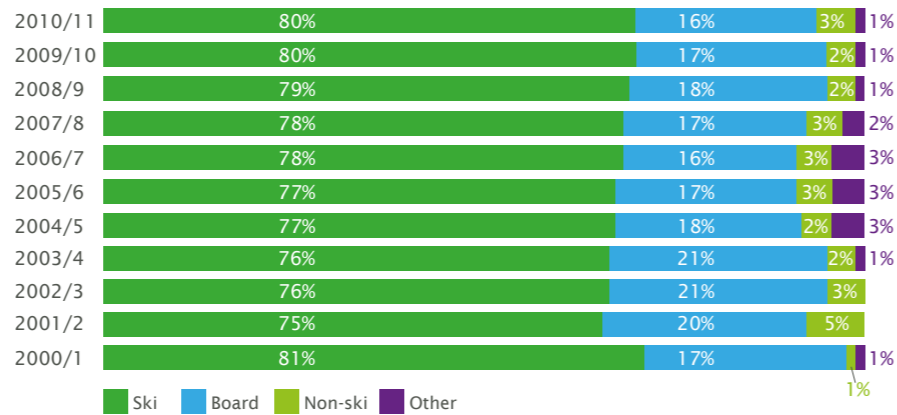
Artificial slopes

- › The UK indoor snow slope scene continues to thrive. As well as attracting people who are getting ready for their holidays, the slopes are working hard to attract new people to snowsports. Tamworth SnowDome ran 'learn to in a day' sessions for various snowsports disciplines. These offer great value for money for first-time skiers and snowboarders, and allow people to maximise their skiing and boarding when in the mountains.
- › Outdoor artificial slopes maintained their popularity, particularly in the lead-up to the winter season. Many continued to develop their facilities and run events and specific coaching for disciplines such as racing and freestyle. A strong and established dry slope racing scene is still popular with juniors and universities.
- › The freestyle scene at both the indoor and artificial slopes thrived and is likely to produce good UK candidates for the first youth winter Olympic games to be held in Innsbruck this 11/12 season.
- › Snow Camp, an innovative youth charity, uses a unique combination of skiing, snowboarding and life-skills to support inner-city young people. Many have been introduced to skiing and snowboarding through this scheme in the UK at artificial slopes and indoor snow slopes.

Disciplines

- › Skiing continued to be the most popular snowsports activity holding its 80% market share.
- › Growth of ski touring, telemark and cross country skiing fuels the popularity of skiing.
- › Snowboarding's market share sits at 16%, dropping 1% market share, although snowboarding does continue to have a core following.
- › Ski touring is reportedly as big worldwide for equipment sales as snowboarding.

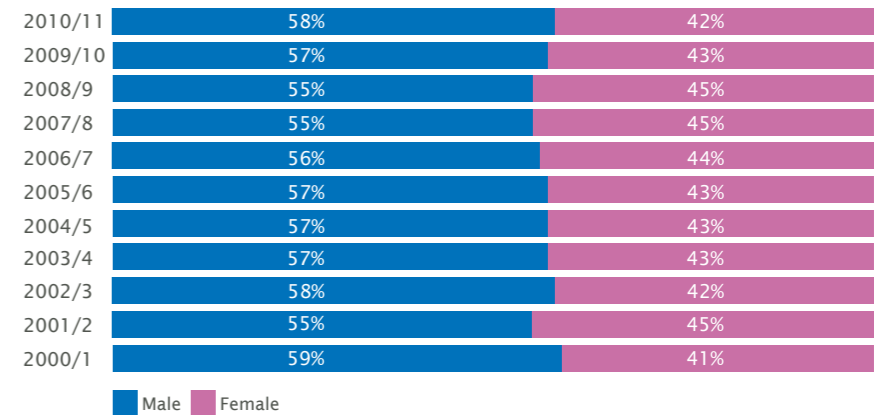
Disciplines 2000-2011



Gender

- › The gender split changed for the second time since 07/08 and is now in line with the 02/03 figures with 58% of the market being male and 42% female.
- › The snowsports equipment manufacturers are still developing and promoting more female-specific equipment and events. It is surprising that the gender split has shifted.

Gender 2000-2011



Looking forward

Challenges

- › The economic situation in the UK remains unstable. With fewer people going on holiday last season, some may still be reluctant to book for the coming season, or they may wait to book last minute.
- › The pound is still weak against the Euro and Swiss Franc (although some improvement has been seen). This may act as a deterrent to taking a European ski holiday.
- › Christmas Day and New Year's Day both fall on a Sunday. As Saturday is a common departure date, this may put people off travelling on Christmas Eve or New Year's Eve.
- › Negative reports on the sporadic snow conditions in Europe last year may mean people hold off booking and base their holiday decision on snowfall.

Positives

- › Despite the economic outlook, some people who have not skied or snowboarded for the last few years will want to return to the sport. It is estimated that up to 5 million people in the UK consider themselves a 'skier or snowboarder' (source: SPIKE Marketing), and the market aims to encourage their return to the snow.
- › The pound is strengthening against the Euro which will bring down in-resort costs for British skiers and snowboarders. Swiss and European resorts are also developing ways to introduce more value in resort, revising their pricing and offering special promotions in an effort to win back the UK market.
- › Tour operators are innovating and adding value in a number of ways - from introducing more all-inclusive packages, to offering deals on lift passes, childcare and more. Capacity on catered chalets is also increasing which becomes a good-value option when trying to save money on in-resort costs.
- › The UK indoor and outdoor slope scene continues to thrive. More events, offers and initiatives to get people on snow before the season are generating early interest in snowsports.
- › The bumper 10/11 snow seasons in America, Canada and Scandinavia may mean people are enticed to travel further afield and experience new destinations for 11/12.
- › The season's holiday structure is far more favourable this year with an earlier Easter. Many operators have also shifted their first departure date to Friday which opens up a pre-Christmas week to ski in the school holidays and an extended holiday week over New Year.

The Ski Club of Great Britain

The Ski Club of Great Britain is a not-for-profit recreational snowsports club aimed at encouraging participation in snowsports, helping people get more from their time on the slopes, and sharing information.

This is done by offering Ski Club Leaders in resort, running Ski Club Freshtracks holidays, and in the UK by offering the most comprehensive information through the Ski Club website and Ski+board magazine.

- › Around 32,000 individual members
- › Over 100 affiliated ski holiday companies
- › Over 1,000 affiliated UK retailers
- › Over 1,400 affiliated overseas retailers
- › 34 worldwide Ski Club resorts
- › Over 40 events in the UK and overseas

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