

Snow, the white gold of the Alps?

The practical importance of snow and its contribution to the development of the economy of winter sports in the Alps

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Decreasing snow reliability → How will customers react?



**Climate Change →
Decreasing natural snow reliability**



**Possible impacts on winter sports tourism –
Future challenges for winter sports operators**



- „Customer-Migration“ to high-altitude skiing areas



- Concentration of winter sports in „snow reliable“ months (Jan–Mar)
- More spontaneous bookings



- Long-distance travels preferred

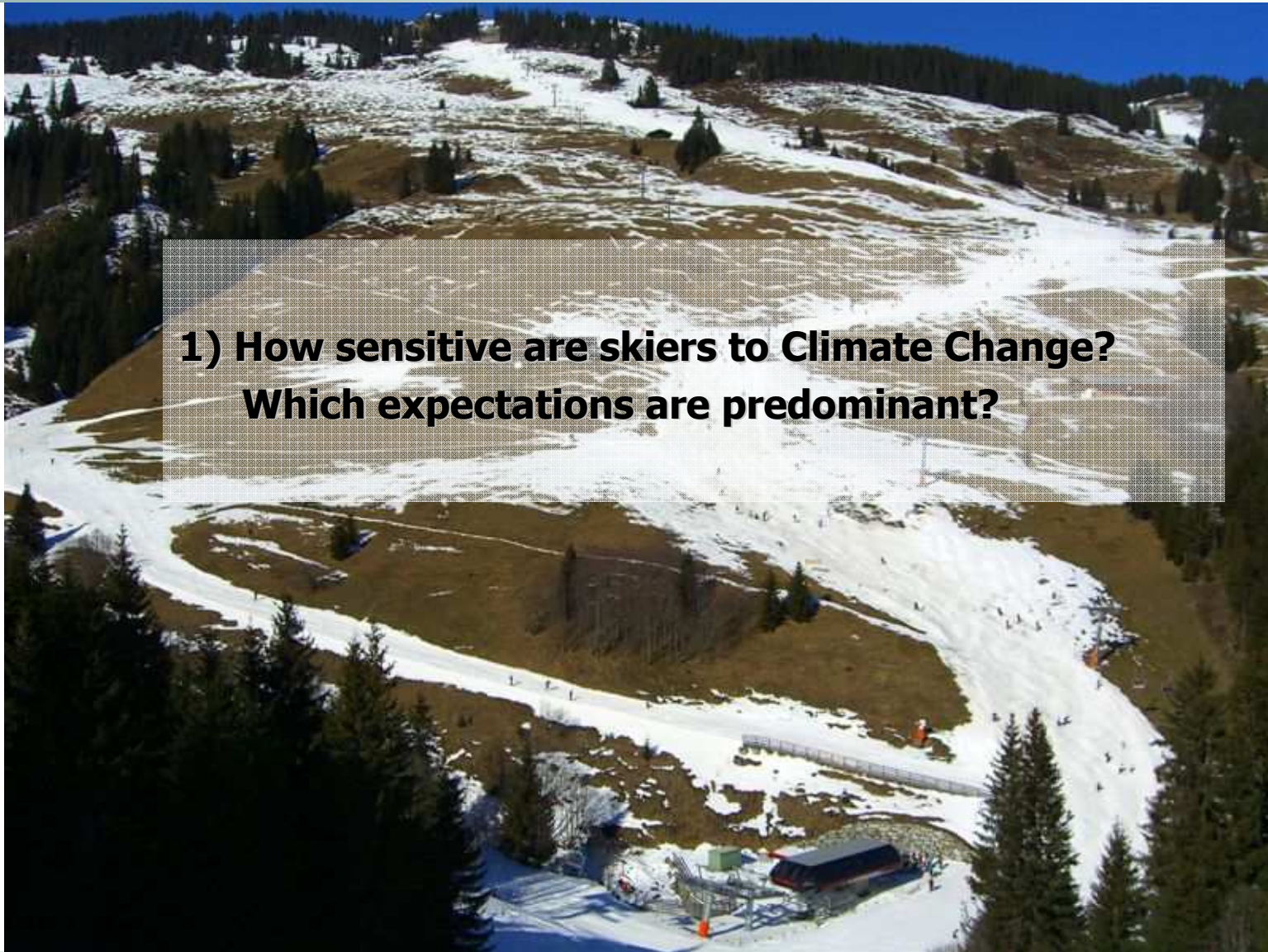
Actual impacts – What will happen?



Measurement within a:

- Large-scale online customer survey → Implementation in WEBMARK
- Interviews with 3.858 german and austrian skiers
- Complex design:
 - two-stage survey between mid of november and end of december 2007
 - Integration of a conjoint analysis (special method for analysing the purchasing decisions)
- Additional „stimulation“ by newspaper articles concerning Climate Change between stage 1 and 2 (interference with real media coverage while conducting the survey)



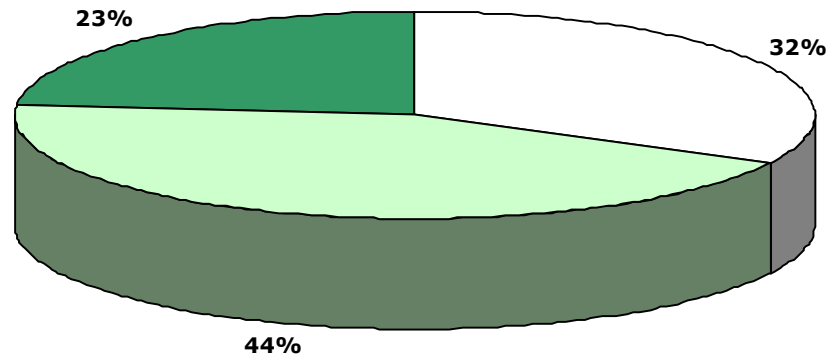


**1) How sensitive are skiers to Climate Change?
Which expectations are predominant?**

Skiers are sensitive to Climate Change – influenced by type of media usage



Awareness-segments



The bulk of all skiers is sensitive to Climate Change

- Strong awareness:** general* and specific to winter sports*
- Partial awareness:** either general or specific to winter sports
- No awareness:** neither general nor specific to winter sports

Awareness is generated by **information** and **knowledge**: sensitive customers are more intellectual and tend to read high-quality newspapers
→ They are better informed about Climate Change

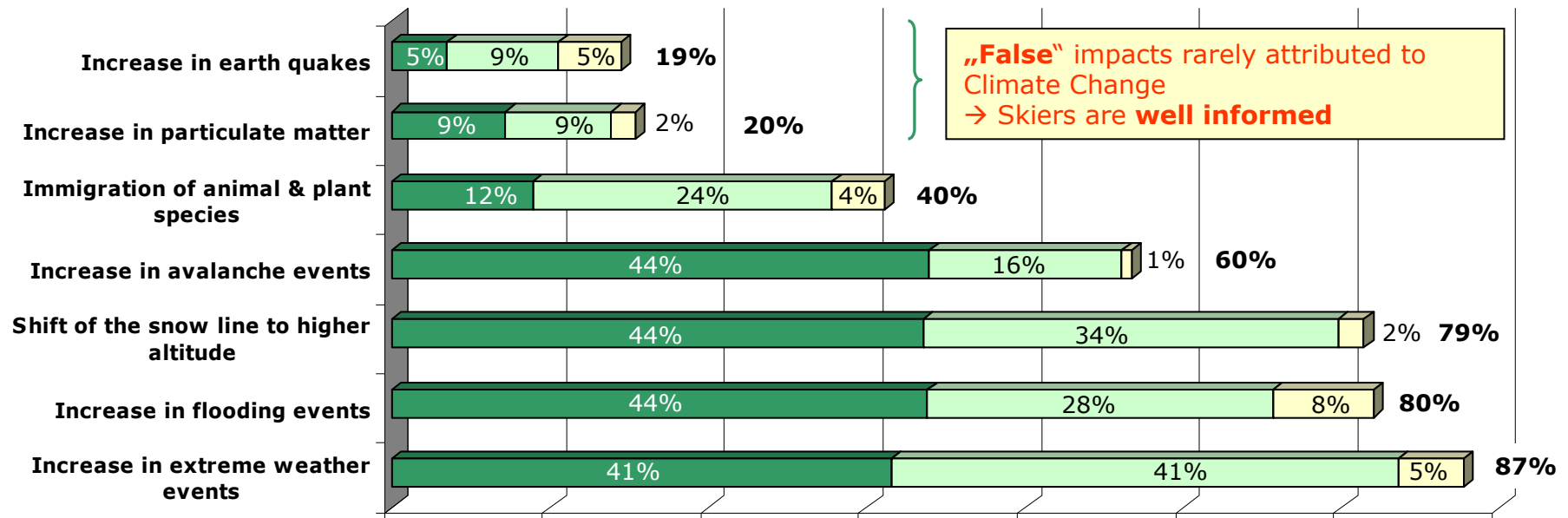
**General*: Climate Change concerns me (very much)

specific to winter sports: the ascent of the snow line is an effect of Climate Change and poses a direct threat to winter sports.

Impacts of Climate Change are perceived as threats → Need for communication!

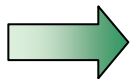


Impacts of Climate Change & perceived extent of threats



„False“ impacts rarely attributed to Climate Change
→ Skiers are **well informed**

■ **direct threat** □ **threat in the near future** □ **just relevant in remote future**

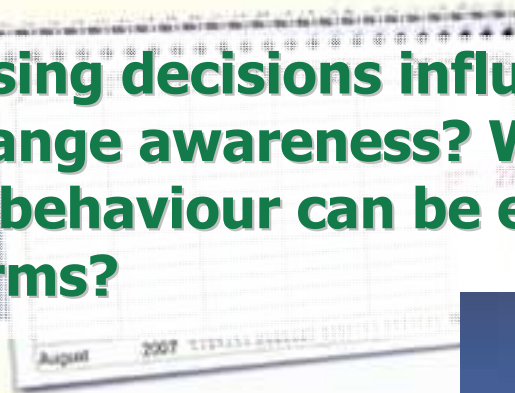


Impacts of Climate Change are generally over-estimated

44% concern the increasing altitude of snow line as a **direct threat** for winter sports



2) Are purchasing decisions influenced by Climate Change awareness? Which changes in behaviour can be expected in medium terms?

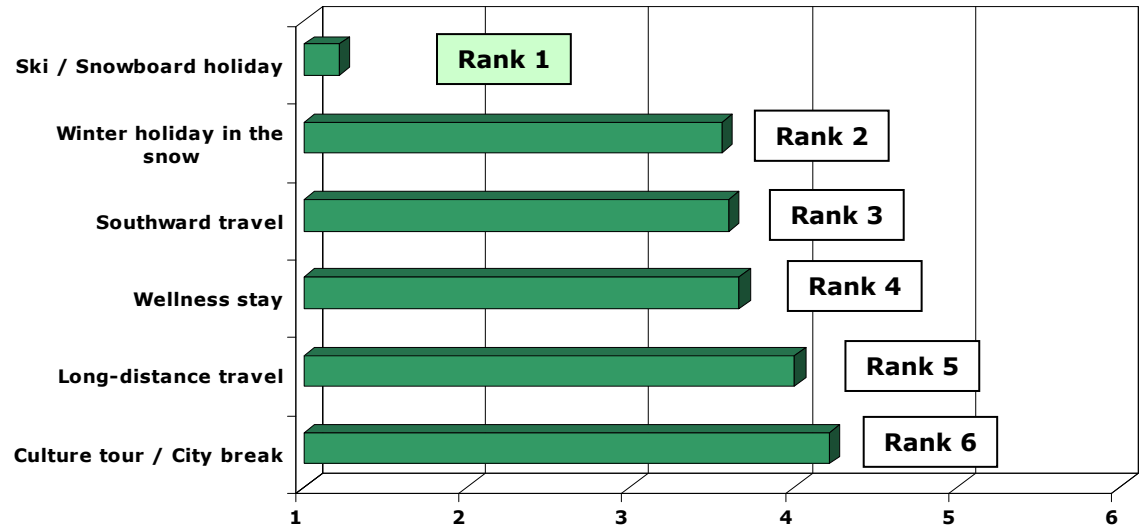


Ski holidays are clearly number 1 in winter tourism

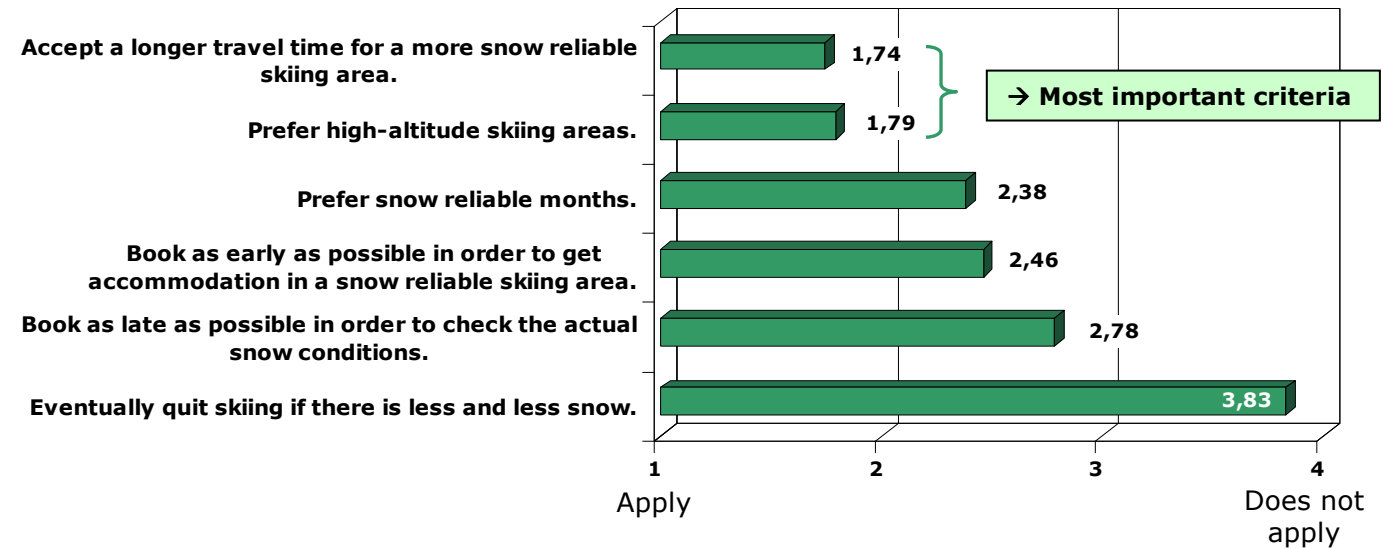
Snow reliability & altitude as most important criteria



Preference



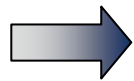
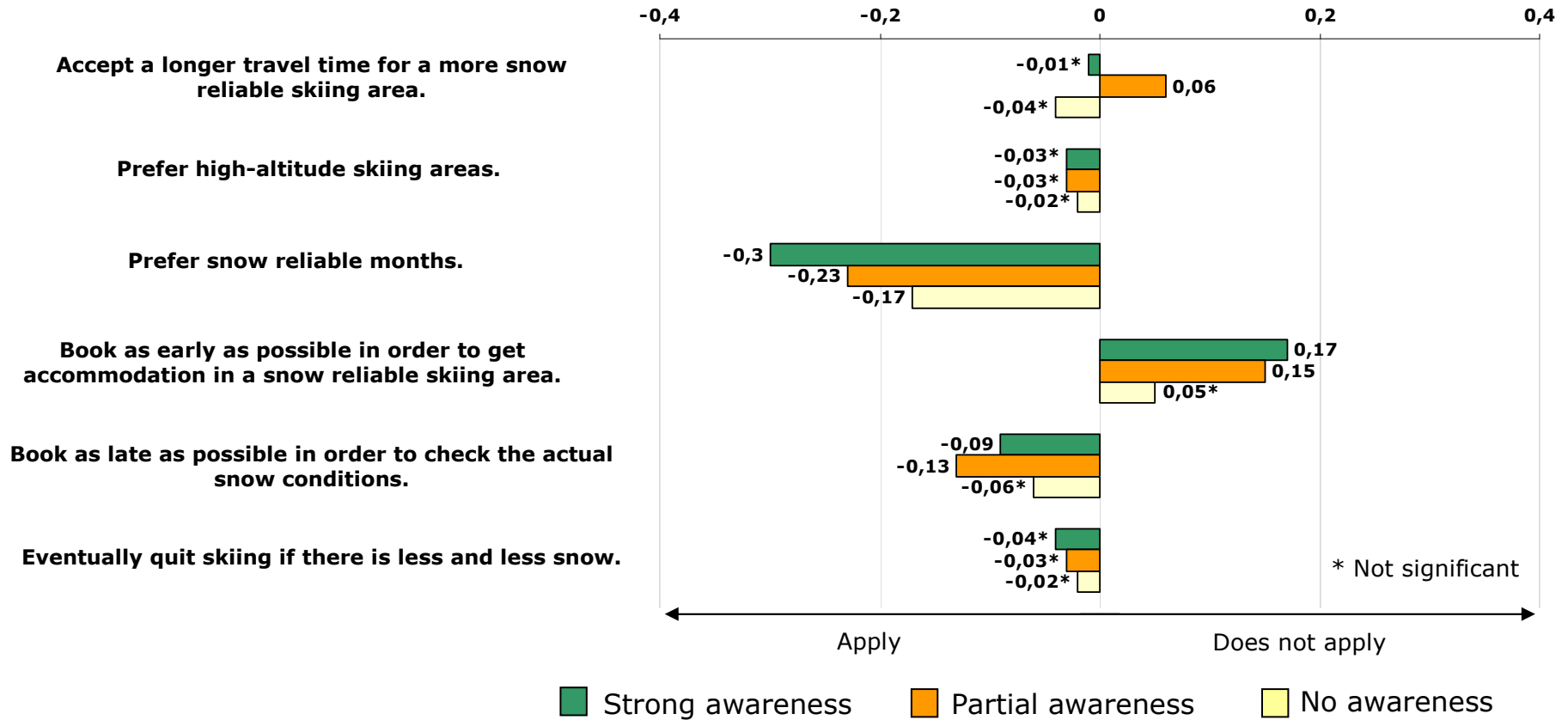
Decision making



Modification of holiday decision making by extern stimulation



Influence of the extern stimulation on decision making



Trend towards more snow reliable months and more spontaneous booking;
Early booking declines

Climate Change-Sensitization slightly influences purchasing-behaviour and preferences



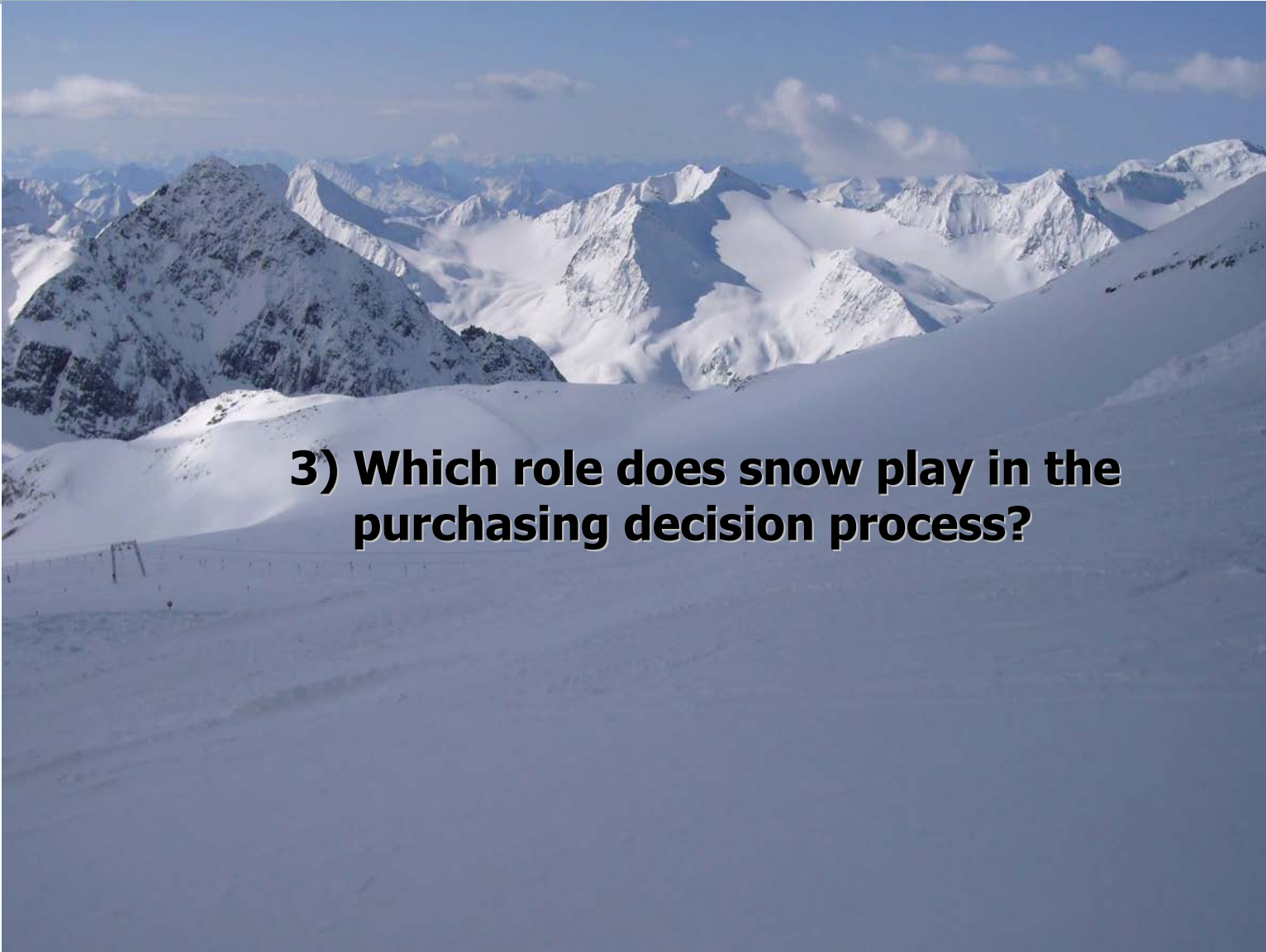
Climate Change awareness causes slight changes...

...in decision making: ranking almost stable, but:

Accept a longer travel time for a more snow reliable skiing area.	Increasing	↑
Prefer high-altitude skiing areas.	Increasing	↑
Prefer snow reliable months.	Increasing	↑
Book as early as possible in a snow reliable skiing area.	Decreasing	↓
Book as late as possible in order to check the actual snow conditions.	Increasing	↑
Eventually quit skiing if there is less and less snow.	Increasing	↑

...in preferences: ski holiday remains clearly number 1, but:

Ski / Snowboard holiday	Preference ↓	Southward travel	Preference ↑
Winter holiday in the snow	Preference ↓	Long-distance travel	Preference ↑
Wellness stay	Preference ↓		



3) Which role does snow play in the purchasing decision process?

Conjoint analysis: realistic simulation of the winter travel purchasing decision process



- Realistic choice situation: choice between 3 skiing areas
- Short-term scenarios: travel start date in 2 or 7 weeks
- Implementation in WEBMARK

Welches der folgenden Angebote würden Sie für einen Urlaub in 2 Wochen auswählen?
 Wenn keines der 3 Angebote für Ihren Urlaub in Frage kommt, wählen Sie bitte "keines" aus.

Skigebiet A

Höhenlage (Tal - Berg)
850m - 1650m

Pisten/ Lifte
Gesamt: 150 Pisten-km
 L Leicht 54 km
 M Mittel 78 km
 S Schwer 18 km



6 24 36

Aktuelle Schneelage

Tal	Berg	Beschneigungskapazität
0 cm	20 cm	60 %

Prognose: In den nächsten Wochen ist mit wenig Schneefall zu rechnen.

Zusatzangebot/ Infrastruktur im Ort
Gute örtliche Infrastruktur
Vielfältiges sportliches/ touristisches Zusatzangebot

Unterkunft
Gehobenes Hotel: 4-/5-Stern Hotel mit umfangreichem Zusatzangebot (z.B. Wellnessbereich, Badelandschaft)*

*zu marktüblichen Preisen

Angebot A

Skigebiet B

Höhenlage (Tal - Berg)
1200m - 2000m

Pisten/ Lifte
Gesamt: 45 Pisten-km
 L Leicht 17 km
 M Mittel 23 km
 S Schwer 5 km



1 4 6

Aktuelle Schneelage

Tal	Berg	Beschneigungskapazität
20 cm	60 cm	100 %

Prognose: In den nächsten Wochen ist mit viel Schneefall zu rechnen.

Zusatzangebot/ Infrastruktur im Ort
Eher schwache örtliche Infrastruktur
Praktisch kein sportliches/touristisches Zusatzangebot

Unterkunft
Gasthof/Pension oder 1-/2-Stern Hotel ohne Zusatzangebot*


*zu marktüblichen Preisen

Angebot B

Skigebiet C

Höhenlage (Tal - Berg)
1650m - 2450m

Pisten/ Lifte
Gesamt: 95 Pisten-km
 L Leicht 35 km
 M Mittel 49 km
 S Schwer 11 km



3 12 18

Aktuelle Schneelage

Tal	Berg	Beschneigungskapazität
70 cm	100 cm	20 %

Prognose: In den nächsten Wochen ist mit wenig Schneefall zu rechnen.

Zusatzangebot/ Infrastruktur im Ort
Normale örtliche Infrastruktur
Durchschnittl. sportliches/ touristisches Zusatzangebot

Unterkunft
Mittelklasse-Hotel: 3-Stern Hotel mit kleinem Zusatzangebot (z.B. Fitnessraum oder Sauna)*

*zu marktüblichen Preisen

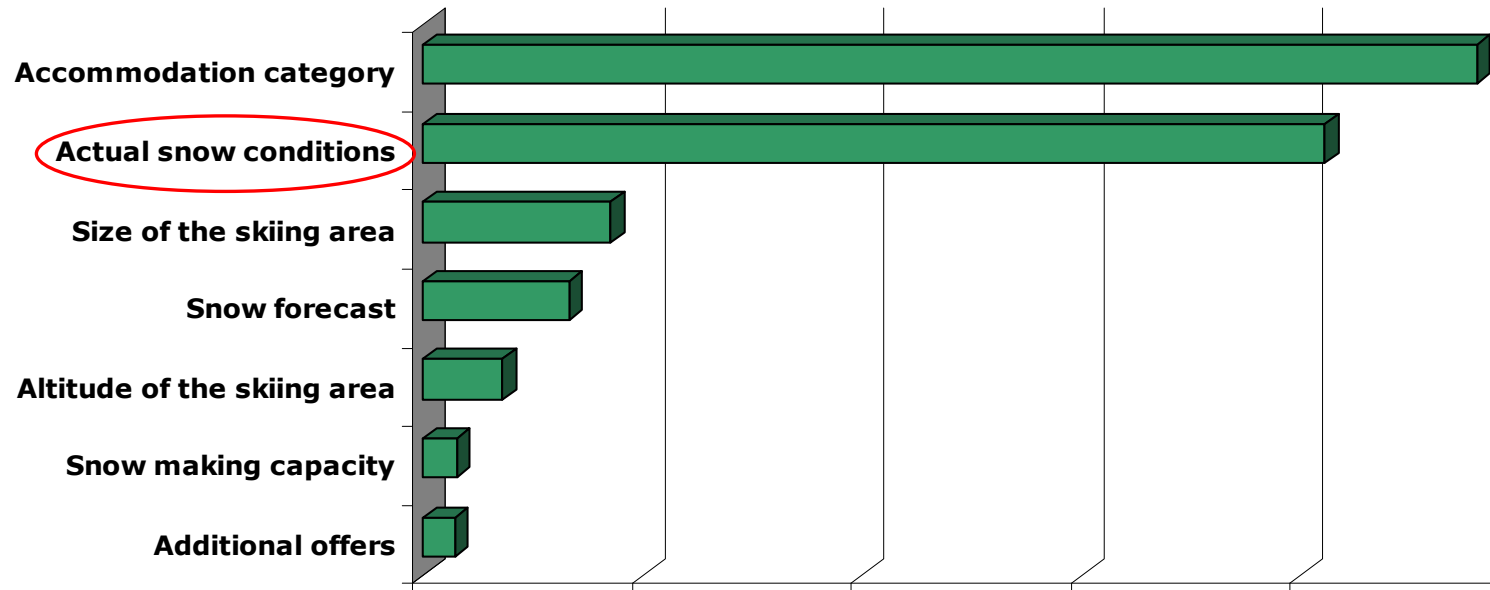
Angebot C

keines

Actual snow conditions – most important criteria in the purchasing decision process (except of budget restrictions)



Importances of purchasing decision components



Comparison to SA(tisfaction) MON(itor):*

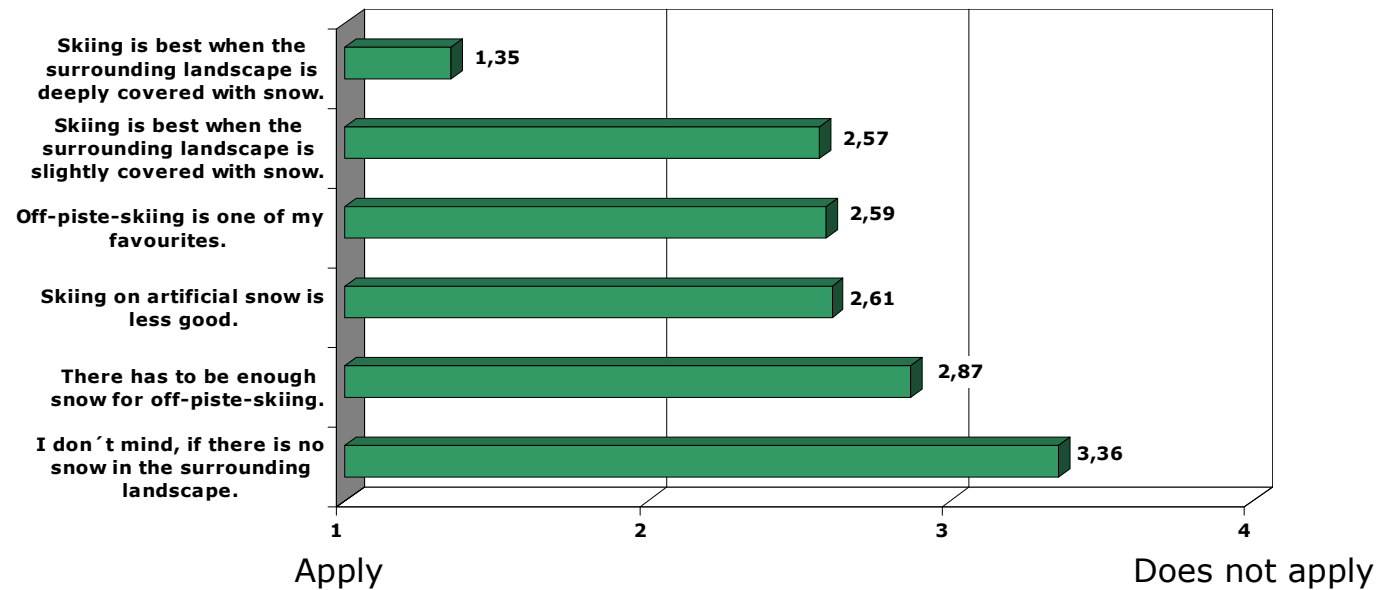
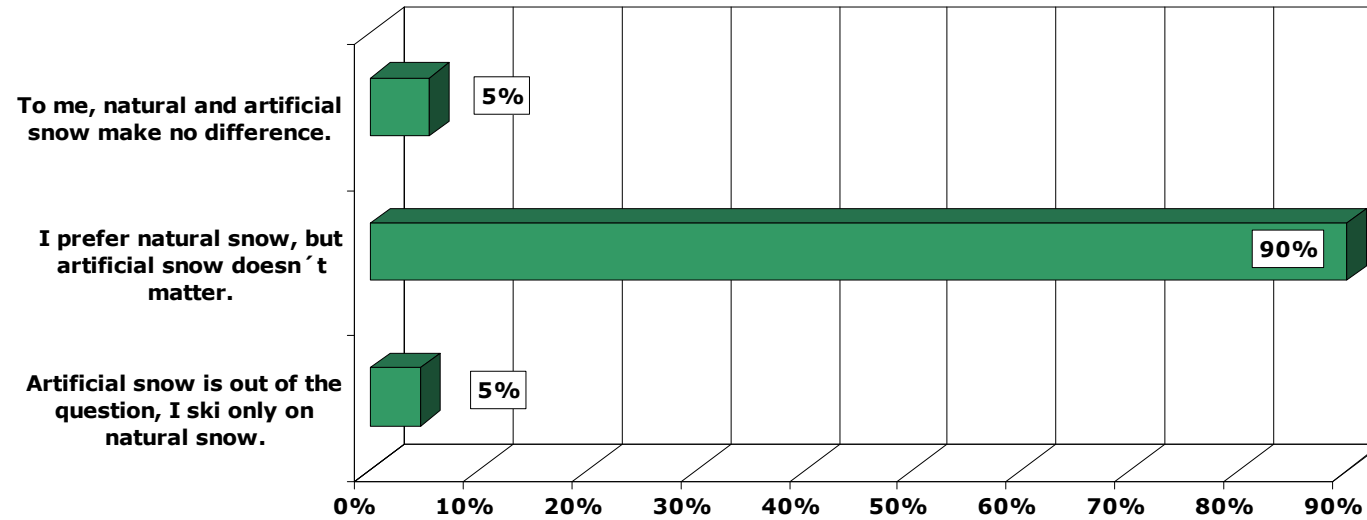
Accommodation:	31%
Snow conditions:	60%
Size of skiing area:	56%
	-
	-



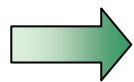
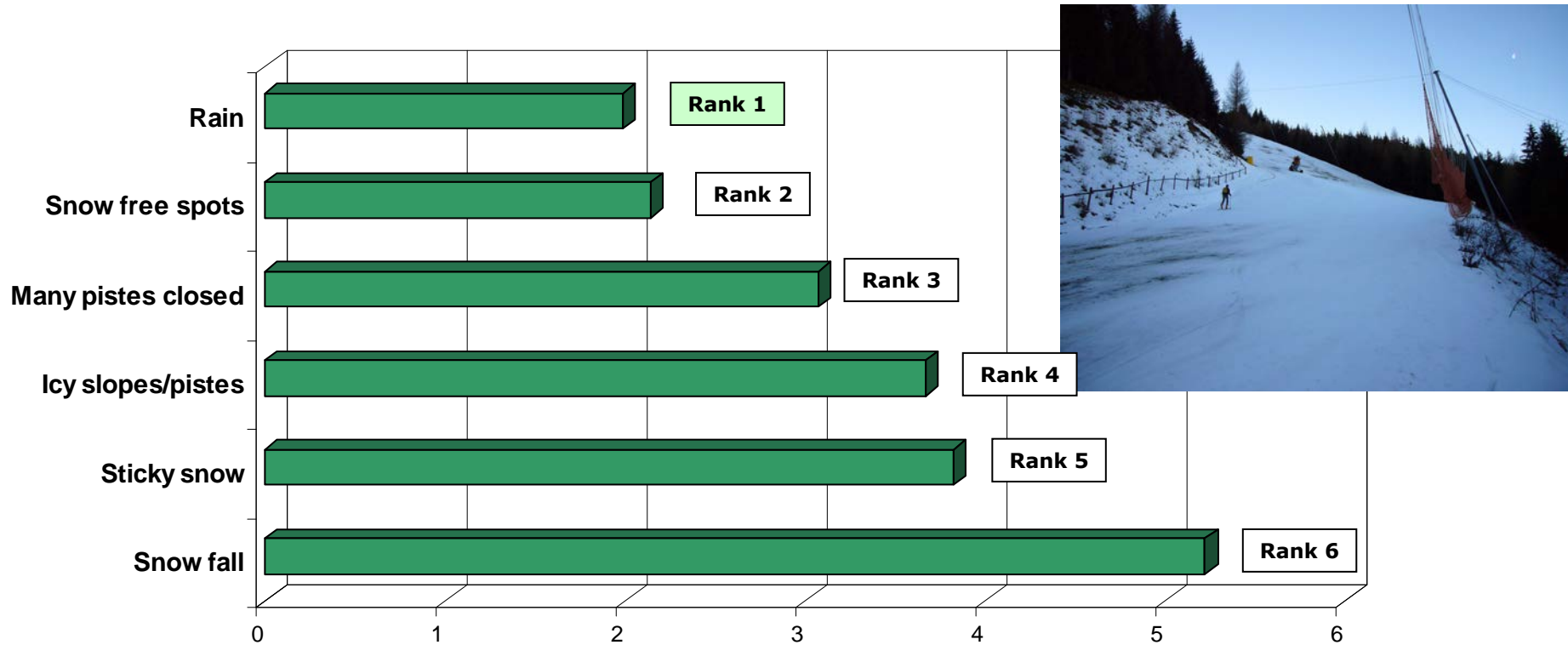
- Choice of the accommodation category depends on the disposable budget → prior decision, independent of skiing area
- Actual snow conditions are the most important criteria in choosing a skiing area

* SAMON 06/07: „Why did you choose our skiing area?“

Artificial snow is accepted – but a landscape covered with snow is very important!



Rain and snow free spots on the pistes as most disturbing factors while skiing



Reducing snow free spots by advanced artificial snowmaking
Disturbing factor rain is problematic

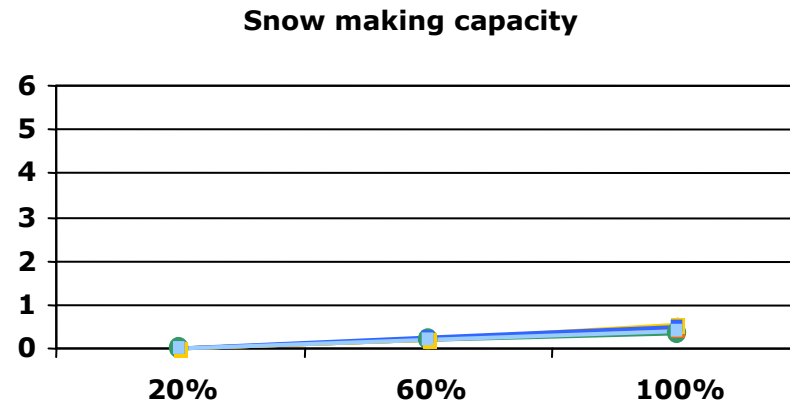
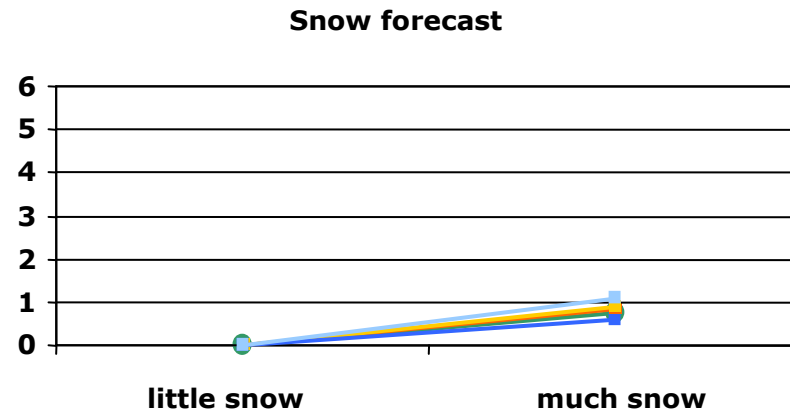
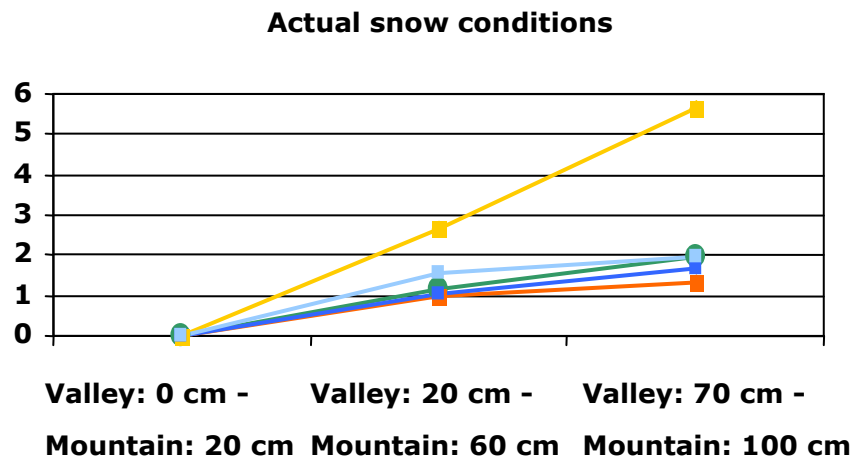
But: No negative influence of poor snow conditions on customer satisfaction concerning overall-satisfaction or pistes (same satisfaction values in winter 2006/07 compared to the previous year except slight decrease in satisfaction with snow conditions)*

* SAMON 2006/2007

The more snow, the higher the benefit of the purchasing-alternative



Snow:

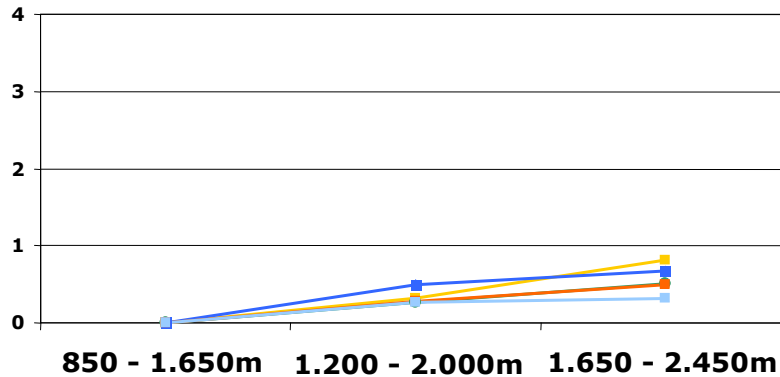


The higher & the bigger the skiing area, the higher the benefit; not valid for accommodation & add. offers!

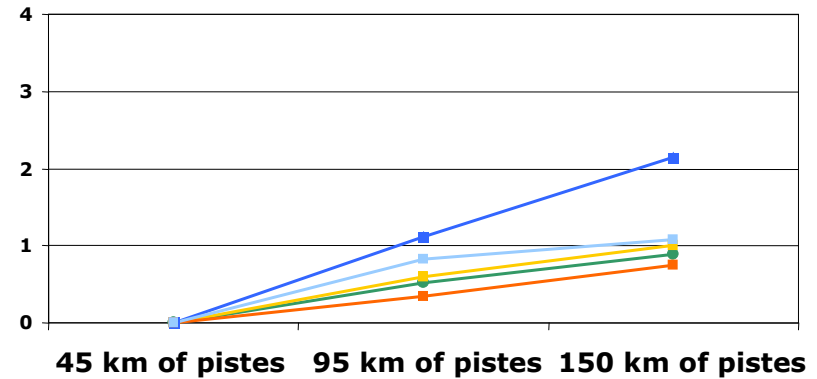


Skiing area attributes:

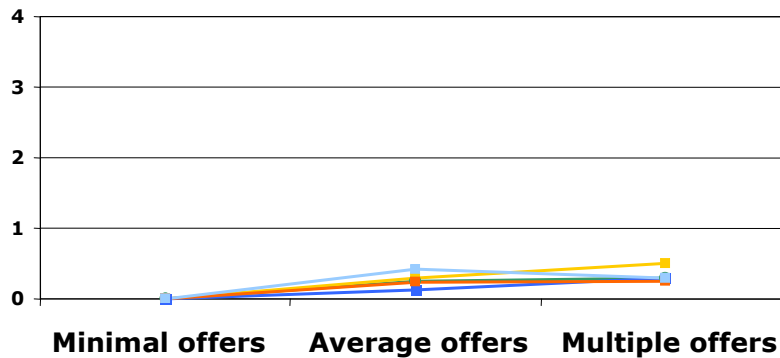
Altitude



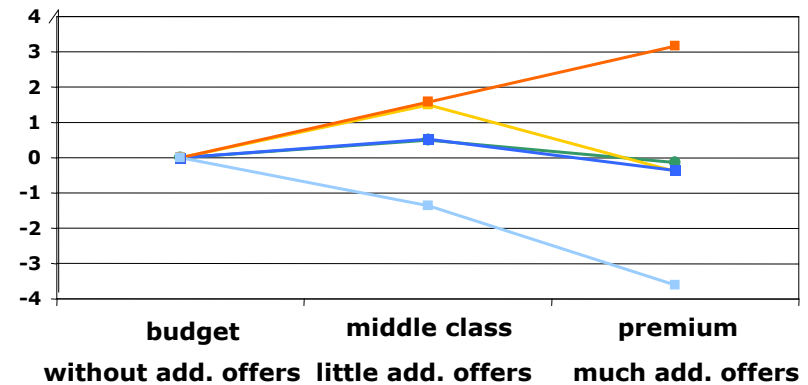
Extent of the skiing area



Additional offers

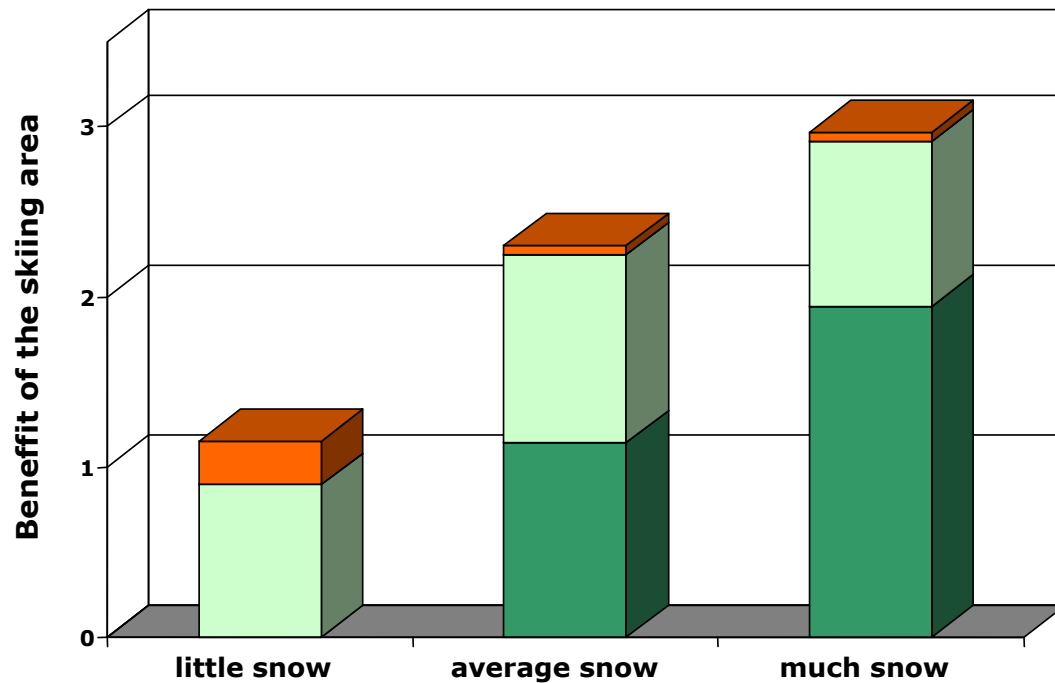


Accommodation category / budget



Aggregate Segment 1 Segment 2 Segment 3 Segment 4

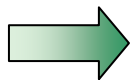
Skiing areas with little snow can never reach the same benefit as areas with much snow



Increase snow Increase size Increase add. offers



Size and additional offers (combined with little snow) don't achieve the same benefit like much snow (combined with sparse additional offers and minor size)



- Combined with little snow additional offers generate higher benefits than combined with average snow – however marginal importance
- Size doesn't generate more benefit in combination with little snow than with average snow

Different customer groups – different purchasing behaviour



Segment	Infrastructure-orientated 3*-tourists (35%)	Skiing area-orientated tourists (21%)	Demanding tourists (20%)	Price-orientated tourists (24%)
Most important criteria	1) Hotel cat./ budget 2) Actual snow height 3) Snow forecast	1) Actual snow height 2) Size of skiing area 3) Snow forecast	1) Hotel cat./ budget 2) Actual snow height 3) Size of skiing area	1) Hotel cat./ budget 2) Actual snow height 3) Size of skiing area
Favoured offers	3*-hotel is necessary	Rather 3*- hotel	4/5*- hotel	Low budget is necessary (guesth.)
	Average snow conditions sufficient; but good snow forecast is important	Imperative good snow conditions; good snow forecast is important	Average up to good snow conditions	At least average snow conditions; but good snow forecast is important
	Average up to big skiing area	Big skiing area is important	Size of skiing area is less important	Average skiing area is sufficient
	The more additional offers, the better	Additional offers rather negligible	Average additional offers preferred	Average additional offers preferred
Age	In all age groups	< 20 years	Above 40 years	Between 20 and 29 years
Household-income	€ 750 - € 2.249	< € 750	≥ € 3.000	< € 1.499



4) Can additional offers or premium accommodation compensate a lack of snow?

Which benefits are generated by alternative offers for the customers?



Segments 1 and 2: Snow hardly compensable



Overall view: No complete compensation of snow possible

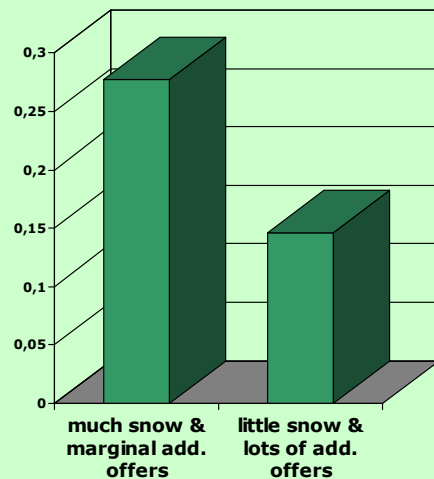
BUT:

Different customer groups with different requirements



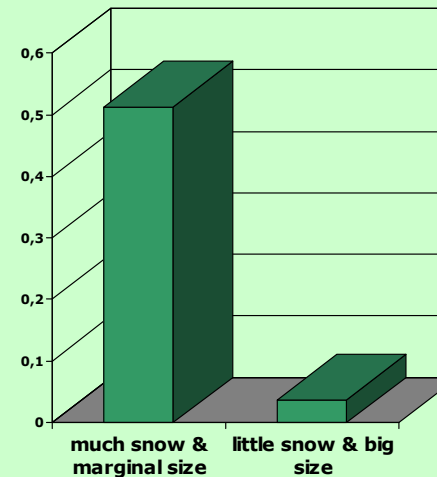
Infrastructure-orientated 3*-tourists (35%):

Compensation by better accommodation not possible, would take an even more basic accommodation in case of much snow, only partial compensation by attractive additional offers possible



Skiing area-orientated tourists (21%):

Actual snow conditions as most important criteria → not compensable at all

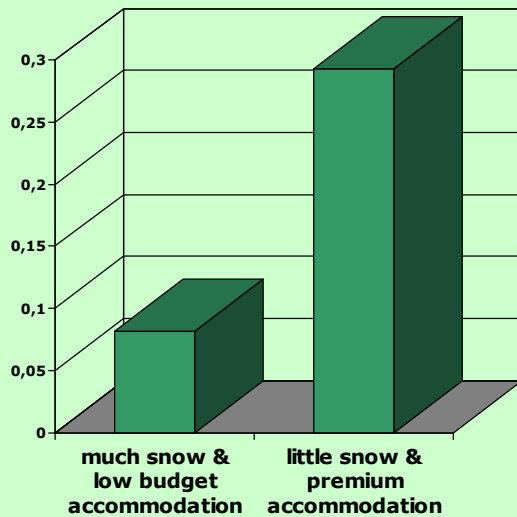


About 20% of tourists (segment 3) react to improved accommodation offers



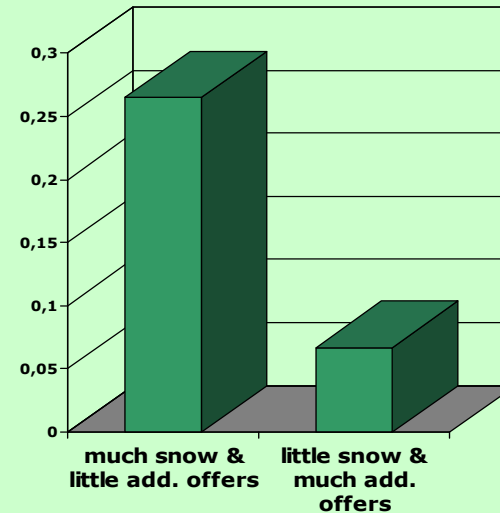
Demanding tourists (20%):

Compensation by better, luxurious accommodation possible (4/5*-hotel)



Low price orientated tourists (24%):

Low budget accommodation is a basic condition, better accommodation or additional offers are almost negligible



1. Climate Change .

„Decreasing snow reliability“ is concerned as a direct threatening impact of Climate Change – Sensitized customers are not hysteric, but well informed and knowledge orientated.

→ **Need for communication!**

2. Climate Change-sensitization causes slight changes in holiday preferences and purchasing decisions.

Ski holiday remains clearly No. 1- BUT: Preference of „not snow related“ holidays increases; Customers tend to more snow reliable high-altitude skiing areas and more snow reliable months; Spontaneous booking increases

→ **critical reflection demanded, but panic inappropriate!**

3. Snow is – except of the upstream factor „accommodation category / disposable budget“ – the most important factor in winter holiday purchasing decision

→ **BUT:** average value – customer segments with different requirements exist

4. Snow is almost not compensable. Only in one segment (20 % of tourists) snow can be compensated by better accommodation

In cases of little snow a 4/5*-star hotel (combined with large additional offers) generates more benefit than a „basic“ accommodation in cases of much snow. → **if possible: Concentration on this segment, other skiing areas: investments in artificial snowmaking!**

Thank you for your attention !

