



THE CHANGING LANDSCAPE OF THE SKI MARKET

WINTER 2018/19



A report commissioned on behalf of Club Med

Club Med 
Ski

WELCOME TO CLUB MED'S SIXTH ANNUAL SKI REPORT. OUR LATEST IN-DEPTH SKI ANALYSIS CAPTURES SOME OF THE TRENDS AND INSIGHTS THAT WILL SHAPE THE WINTER 2018/19 SKI SEASON.

“
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HOLIDAY DESPITE BREXIT.”

As Brexit looms and with the official exit from the EU due to take place during the upcoming ski season, the political and economic climate is having an impact on people's holiday decisions. **However, 84% of Brits are still likely to go on a skiing or snowboarding holiday despite Brexit.**

The report shows that popular European destinations remain favorites for British skiers and snowboarders with **28% of those polled visiting the French Alps last winter making it the top ski destination.** This is reinforced by Club Med's data for the 2018/19 winter season, with sales in French and Italian ski resorts up by 10% versus last year.

However, 34% of those polled said that Brexit might make them rethink their holiday choice, with destinations in Eastern Europe becoming increasingly popular option. **Brits are seeking**

adventures outside the traditional ski domains to countries such as Croatia, Slovenia and Bulgaria, all featuring on the top ten list of destinations in people's mind.

The report also takes a look at the latest technology on the slopes with trends such as **wearable tech and VR on the rise.** More than one in ten people (13%) are planning to pack a drone this year and **one in two people (48%) say they would use a drone guide on the slopes if offered.**

Finally, we take a look at booking habits and the decisions behind people's choices, with findings showing that climate change is increasingly featured. **Nearly a third (27%) say they will be choosing a resort at a higher altitude for the 2018/19 season and 63% of people say that it is important that their chosen destination offers glacier skiing with year-round snow.**





We're excited to launch the sixth annual ski report, exploring the shifts and developments in the ski and snowboard holiday sector.

Globally last year, Club Med had 1.34 million clients, an impressive 6.6% year on year increase, and the strongest rise since 2000. An important part of that was a stellar Winter 2017/2018 season, particularly in the UK market, where bookings increased upwards of 30%.

At the end of 2017, we opened two successful new mountain resorts, Tomamu Hokkaido in Japan and Grand Massif Samoëns-Morillon in the French Alps. Grand Massif Samoëns-Morillon was a best-selling ski resort for the Winter 2017/2018 season in the UK. We have similarly high hopes for our new mountain resort located in the heart of Paradiski® in the French Alps, Les Arcs Panorama, which opens in December 2018. Bookings started on 14 March, 2018 and so far, this new ski resort is among the season's best-sellers.

In addition to new resort openings, these healthy results are further enhanced by major global investment in excess of €80 million in 2017, which mainly focused on upgrades of existing resorts. We have also been strengthening teams across the board accordingly as the business looks to future growth.

It is fascinating to see the trends develop across the ever-changing landscape of winter sports holidays and we will be ensuring that we continue to meet our customers' needs and desires for the 2018/19 season and beyond.

Estelle Giraudeau,
Managing Director, Club Med
United Kingdom and Northern Europe



VALUE

In a world filled with increasing uncertainty, political and economic instability, people are seeking value more than ever. Specifically in the UK, Brexit is undoubtedly having an impact on people's holiday choices and habits, although Club Med's research shows that it is not greatly impacting people's overall intentions, with 84% saying they are still likely to go on a skiing or snowboarding holiday. It also seems to have a positive impact on all-inclusive holidays with 57% of people considering all-inclusive ski holidays as more appealing.

Brexit, however, is impacting a series of decisions regarding respondents' choices of holiday destinations. 67% said it would change their booking behaviour in some way, with 76% concerned about currency fluctuations in light of Brexit. 60% say that Brexit is making them think that they will spend more while they are on holiday.

It also seems to be having an impact on where people are going on holiday, with 34% saying it would make them rethink their holiday destination. This seems to be due to fears around the final deal since a large proportion of people polled believed holidays in Europe would become more expensive following Brexit and the possibility that people would need visas to travel in the EU in the future. Whilst the vast majority



“ WE DON'T HAVE ANY PLANS TO SLOW DOWN OUR SKI EXPANSION DESPITE THE UNCERTAINTY SURROUNDING BREXIT.”

comment that Brexit won't stop them going on holiday, a significant number (29%) are putting off making their ski holiday arrangements until it is finalised. This ultimately is likely to be costing people more money since some of the best deals are available earlier in the booking cycle and up to a year in advance. Locking in currency as well as a package price now could be a better idea for holidaymakers in light of the increasing potential for a no-deal Brexit which could see the pound plummet.

The fluctuation of the pound has continued to be one of the contributing factors when it comes to

where people will travel this winter ski season. According to the 2018 travel trends report published by ABTA, "All-inclusive packages are expected to perform particularly well as holidaymakers look to manage their budgets in light of the continuing uncertainty around Brexit and a volatile GBP."

Brexit may be creating a more uncertain environment for many travel businesses, but it could be having a positive impact on all-inclusive ski and snowboarding holidays since it takes away much of the nervousness around currency fluctuations. The research shows that 57% of people consider all-inclusive ski holidays as more appealing, as long as they are sure it truly covers food, accommodation and ski essentials.

Latest sales data from Club Med backs this trend, showing that Brexit could be having a positive impact on the all-inclusive ski sector, with sales for next winter already up by 11% year on year.

Over half of the respondents (62%) agreed that they would be more likely to go on a ski / snowboard holiday if they didn't have to pay full price upfront.

Club Med rewards bookers with various early booking bonuses, a low deposit and do not require full payment until 90 days before departure.

Estelle Giraudeau, Managing Director, Club Med UK and Northern Europe comments: "Despite the economic outlook casting a shadow on much of the travel industry with Brexit, Club Med continues to see strong year on year growth and we have ambitious expansion plans in the ski market. Over the course of the next three years we are set to move into the ever expanding and popular Canadian ski market as well as continued expansion in Asia with a new ski resort in China. We are also set to refurbish and upgrade three of our resorts across the Italian and French Alps as well as build three brand new ones. We don't have any plans to slow down our ski expansion despite the uncertainty surrounding Brexit."

Bulgaria and Austria fare well when it comes to perceived value with one in four (24%) viewing those two destinations as best value for money. Smaller destinations such as Andorra are also making inroads in the public consciousness, with almost one in five (17%) people saying

PERCEIVED VALUE OF SKI DESTINATIONS

GOOD VALUE FOR MONEY



Andorra



Bulgaria



Austria



Italy

LEAST VALUE FOR MONEY



Korea



Japan



China



Switzerland



the tiny country bordering Spain and France represented the best value. This ski domain offers 175 miles of terrain spread out over two ski areas and is a popular choice for skiers and snowboarders who prefer milder climates. Unsurprisingly, Japan, China and Korea were seen as offering the worst value due to

the more expensive flights. However, with travel companies such as Club Med including flights in their package there are now some competitive deals available for these far flung ski resorts. Research also showed that Switzerland fared worse than its biggest rivals when it came to value for money.

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DESTINATIONS

Europe still accounts for the vast majority of ski holidays taken by Brits but its dominance has fallen by almost 10%. 87% of respondents visited a European destination in the 2017/18 ski season compared to 96%¹ in the 2015/16 season - just before the Brexit referendum took place. In the same period, the Americas showed significant growth, rising from 8% to 16% with an even split between Canada and USA. Brits have discovered destinations as far as Argentina, counting for 1% of British ski holidays last season.

Asia and Australasia also showed a small increase with China, Japan, Korea and New Zealand accounting for 4% of ski holidays between them. Club Med is responding to this increasing demand for competitively priced long-haul ski trips by opening its second resort in Japan in Tomamu last winter, to add to the existing Asian ski offering.

Resorts such as Yabuli, where the Chinese national skiing team trains, and Beihadu, a fairytale resort blessed with a long ski season, are perfect options for adventurous travellers. Booking figures from Club Med global have revealed that more people than before are enquiring about long haul ski holidays with bookings for resorts in Asia up by 218% last year with the new Tomamu resort as the best seller.

Armand Guillemot, Head of Sales, Trade and Meetings & Events, Club Med comments: "We've seen an increase in Brits wanting to know more about skiing in further flung destinations such as in China, Japan, New Zealand and even destinations such as Argentina. We've found in recent years, people are increasingly looking to do a winter sports multi-center holiday and going further afield provides people with that flexibility."

Club Med is also responding to the public demand for North American

CLUB MED ARE LOOKING TO EXPAND OVER THE NEXT THREE YEARS

Les Arcs Panorama, France in December 2018

Le Massif Charlevoix, Canada in 2020

La Rosière, France in 2021

Thaiwoo, China in 2021



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options with an opening in Canada in 2020 at Le Massif Charlevoix, Quebec – offering incredible waterfront views down to the St Lawrence River. The resort will have state of the art accommodation as well as exquisite food and drink and top-class childcare for children from 4 months to 17 years old, meaning it will be perfect for the whole family. It will also be the company's first ski resort to be open all year round – delivering full winter and summer propositions.

With the recent introduction and continued expansion of the Ikon pass, which gives people the opportunity to explore a neighboring ski area covered by the same lift pass, North America is due to become more and more popular and is crucial to Club Med's expansion plans.

"We are continuing to respond to customers' demand by exploring destinations in new areas around the world and places such as America are always going to be important to us. Our research has revealed that 16% of Brits rate the Americas as one of the most popular ski and snowboard destinations", says Estelle Giraudeau, Managing Director, Club Med UK and Northern Europe.

Within Europe, France retains its number one position as the favourite destination for British skiers: 28% of people went to France on their last ski holiday during the 2017/18 ski season. Club Med's portfolio in France is expanding with the addition of Club Med Grand Massif Samoëns-Morillon in December 2017 and the upcoming Club Med Les Arcs Panorama, a premium 4 Trident resort with a 5 Trident Exclusive Collection space, opening in the Paradiski® domain in December 2018. Club Med is also looking at adding new resorts in Tignes and La Rosière as well as renovating its Alpe D'Huez resort over the course of the next three years.

TOP RESORTS THROUGH WORD OF MOUTH



Austria (24%) overtook Switzerland (18%) to take second spot with Italy coming in fourth (11%) as a favourite ski destination this winter season. The Italian Alps look to be an increasingly popular family holiday option for skiers with 37% saying they would consider visiting in the future. The Italian Alps experience a similar climate to the Swiss Alps, with plenty of snow for winter skiing. However, with better value for money, Italy is considered one of the ideal destinations for families, any time of the year. Last winter, 74% of customers visiting Club Med Pragalato Vialattea resort, in the

Italian region Piedmont, were families. As part of its expansion plan, Club Med will also extend this resort in the coming years.

Andorra and Germany were equal on 4% with Norway and Scotland fighting it out for seventh and eighth place on 3% apiece. Nearly a fifth of people (16%) said they would consider Scotland as a ski destination for the future as ski conditions continued to improve over recent years.

Even with the ever-expanding list of destinations, ski and snowboard



LES ARCS PANORAMA, 4th RESORT WITH A 5th EXCLUSIVE COLLECTION SPACE

- Opening 16th December 2018
- Situated in the Paradiski® domain offering 425km of slopes
- Ski-in/ski-out resort immersed in a pine forest
- 3 restaurants, 2 bars, a heated pool and a Spa by Cinq Mondes
- Professional childcare from 4 months to 17 years old

holidays at traditionally popular destinations are growing quickly with Club Med sales data for **the 2018/19 season already showing an increase in bookings to some popular ski resorts including Val Thorens, Tignes and Cervinia.** To continue to offer a wider choice to guests, Club Med has committed to opening at least one new ski resort every year until 2021 and plans to upgrade and expand five existing ones by 2023.

Eastern Europe, while still a small market for Brits, is also on the rise, with countries such as Croatia and Bulgaria having individual currencies and offering better value for holidaymakers.

With Eastern European countries like Azerbaijan, Albania and Georgia

growing their tourism industry quickly (Georgia recently featured in the top ten of fastest growing destinations according to the UNWTO annual report on global travel and tourism), we expect this trend to continue. When people were asked which countries they would consider visiting in the future, nearly a third said they would consider visiting these three destinations.

Rebecca Seaward, Customer Relations, Direct Sales and Transport Manager, Club Med comments: "We are regularly being asked by clients about up and coming destinations, and where the best places are for snow and value. At the moment, the main destination our clients are asking about is Austria."

TOP TEN MOST POPULAR SKI DESTINATIONS

- | | |
|-----------------------------|--------------------------|
| 1. France (28%) | 6. USA (8%) |
| 2. Austria (24%) | 7. Germany (4%) |
| 3. Switzerland (18%) | 8. Spain (4%) |
| 4. Italy (11%) | 9. Norway (3%) |
| 5. Canada (9%) | 10. Scotland (3%) |

TOP TEN UNDISCOVERED SKI DESTINATIONS

- | | |
|---------------------------|-----------------------------|
| 1. Korea (28%) | 6. Japan (22%) |
| 2. China (26%) | 7. Bulgaria (21%) |
| 3. Argentina (25%) | 8. Russia (19%) |
| 4. Slovenia (23%) | 9. New Zealand (15%) |
| 5. Croatia (22%) | 10. Finland (12%) |

TECHNOLOGY

Technology associated with skiing and snowboarding is a fast-growing sector with new innovations and start-ups appearing almost daily.

Club Med's research revealed that one in five Brits took an action camera such as a GoPro (23%) or an activity tracker such as a Fitbit (21%) on their last ski holiday. More than one in ten (13%) say they would pack a drone to take on their next ski or snowboard holiday showing that technology on the slopes has hit the mainstream.

Lift pass technology is also on the up with people wanting to ski more frequently but in different areas. The rise of a season-long lift pass² which covers many resorts worldwide brings the possibility for adventurous globetrotters to travel across multiple and previously unrelated resorts, even in different countries, during one or multiple trips in a season.

Social media unsurprisingly is a constant in resort and on the slopes, with 88% of smartphone users logging into their social media accounts during their last ski or



snowboard holiday. The majority of use was in-resort but one in five (21%) admitted to checking in on the slopes, with 46% of those wiping out, suggesting that not every slope is suited to an Instagram story.

More than ever before we are seeing highly advanced hardline ski gear coming to market as well as specialist and cutting-edge technology

becoming more commonplace amongst the avid skier. We envisage sales will continue to go from strength to strength in this sector.

Apps such as Ski Tracks are growing in popularity, building on the success of running and cycling apps such as Map My Run and Strava. Club Med's research also shows almost a third of people used their smartphone

for navigation while a further one in five used their smartphone to track their exercise (16%) and record their speed (13%). One in ten used their smartphone to meet new people on dating apps whilst on the slopes.

One in five are aware of drone ski guides and 50% would be likely to use one, suggesting that drone guides will be a commonplace sight on the slopes in the near future.

Club Med are consistently looking at how they can make their winter holiday offering more technologically advanced. Developments such as creating a cashless resort, whereby clients can use digital bracelets to open and close their rooms as well as pay for things that aren't included within the all-inclusive package, has been unveiled at Grand Massif Samoëns Morillon. Other advancements that are currently being tested within Club Med include bracelets which can monitor where children are located in the resort.

Estelle Giraudeau, Managing Director, Club Med UK and Northern Europe comments: "We are finding more and more that people want to be able to view specific accommodation online, and then book that exact room the same way they would pick their seat in advance on a train journey. This service is currently being piloted globally and we are hopeful it's something we can roll out in our winter ski resorts in the not so distant future."

Club Med are currently designing resorts with Instagram spots in mind, encouraging people to share their holiday experiences. Anne Browaeys, Marketing, Digital and Technology Director, Club Med says: "Research has shown that in the UK, two thirds of millennials pick their next holiday destination based on what they see on Instagram, they scroll through

**Estelle Giraudeau,
Managing Director for the UK and Northern Europe**

"We realise the importance of ensuring we are making technological advancements to our offerings in resort to better improve the experience of our clientel."

endless amounts of pictures, and put them on their holiday hitlist.³ Now designers and architects that work on many of our new and existing Club Med resorts are trained to ensure that the new resorts are Instagram worthy."

Estelle Giraudeau, Managing Director, Club Med UK and Northern Europe comments: "We are aware of the importance of adding technological advancements to our offering in resorts to improve our clients' experience. This year, improvements to the Club Med Resort App allows guests to access information about sports, dining, activities and events within resorts have been made. Guests are now able to make direct requests to the housekeeping or technical teams to ensure a quicker response".

TOP TECH INNOVATIONS FOR THE SKI INDUSTRY

-  **1. Smart Watch (26%)**
-  **2. Action camera (23%)**
-  **3. Activity tracker (21%)**
-  **4. ABS (Avalanche Airbag) (7%)**
-  **5. Drone (5%)**



Steve Wells, Ski Hardware Buyer for Ellis Brigham Mountain Sports says:

"This year we have seen an increase in the sales of specialist technology including products such as ABS-fitted kit. While specialist products are often higher in value, we believe the rise in sales is also linked to the increased participation off-piste. We have already seen good growth in our Backcountry range, with a 30% increase in sales of Backcountry skis last year and 41% on specialist boots."

SKIERS' CHECKLIST

-  **Smartphone (86%)**
-  **Digital camera (40%)**
-  **Own ski/snowboard boots (39%)**
-  **Own skis/snowboard (31%)**
-  **E-book reader (29%)**

² <https://www.msn.com/en-gb/news/msn/one-fee-65-resorts-will-global-lift-passes-transform-the-traditional-ski-holiday/ar-BBMZsX0>

³ <http://www.larevuedigital.com/club-med-nos-architectes-dessinent-des-lieux-instagram/>

PEOPLE & BOOKING HABITS

Following record snowfall last season, the ski holiday sector had a strong year and is looking forward to another year of growth for the 2018/19 season. With group dynamics and booking habits changing, more attention than ever needs to be focused on making the process of booking a winter sports holiday as easy as possible for clients and prospects.

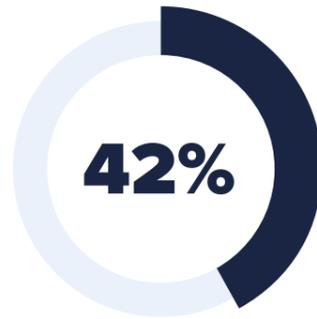
One in three people (29%) said that if someone else in their group hadn't organised the holiday, they would not have gone on a ski holiday last year, highlighting the importance of the lead booker of any group trip.

Club Med recently unveiled details of its new bespoke online group booking tool⁴ for all-inclusive ski holidays in response to insight from the sales team that revealed what travel agents and customers alike find difficult when booking a group ski holiday. The range and number of specific requests from different people in the ski group, such as varying budgets, flexibility on dates, slopes suitable for beginners and advanced skiers and facilities they require within the resort, generally make the whole process quite long and difficult.

In terms of the key considerations for ski and snowboard holiday bookings, the level of snowfall is the most important factor in deciding which resort to choose, with three quarters (75%) saying it's very important or essential. More than a third of people look back at snowfall from previous seasons and nearly a third (27%) will be choosing a resort at higher altitude this year to be sure about the snow conditions. Club Med sales support this finding with high altitude resorts including Val Thorens, Tignes and Cervinia among the strongest growth year on year. Sales across the Italian Alps were up by 19%.



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of people saying that two hours is the maximum transfer time they would consider

63% of respondents also think it is important that their chosen destination offers glacier skiing with year-round snow. With predictions around climate change increasingly affecting snowfall predictability at lower altitudes, the trend for high altitude resorts and glacier skiing is likely to increase.

Facilities for non-skiers such as wellness offerings, entertainment for children and excellent food and drink are almost as important factors with 46% of people saying it is key that the resort offers facilities for non-skiers. The proximity of the resort to the airport is also a big consideration for most skiers and snowboarders when booking, with 42% of people saying that two hours is the maximum transfer time they would consider.

The research also showed that people are more willing to go on shorter ski breaks with nine out of ten (86%) saying that they are likely to go on a short ski or snowboard break. With unpredictable heavy snowfall happening more and more, one in five people say that they would consider calling in sick to take a last-minute weekend ski or snowboard break.

While the majority of skiers and snowboarders are couples and families, solo travellers made up 6% of skiers, highlighting a growing trend that tour operators are starting to respond to. Figures from within the Club Med business revealed that solo travellers grew by 12% in a year. With the dedication of the GOs⁵ within the Club Med resorts, there's the opportunity for solo travellers to meet new people as well. Three generation families are also a small but growing group making up 2% of skiers last season.



TOP FIVE FACTORS FOR CHOOSING A COUNTRY

-  **1. Amount of snowfall** (76%)
-  **2. Easy to travel to** (67%)
-  **3. Travel time** (55%)
-  **4. Currency / exchange rates** (46%)
-  **5. Ability to go to a new country** (42%)

IN SUMMARY

The report has aimed to highlight the current and upcoming ski trends for this year's winter ski season.

Despite Brexit playing a part in where and how people are choosing to holiday this year, the report found that they still want to go on a ski or snowboard holiday. No matter the general concern about the currency fluctuations, sales data from Club Med has revealed that people aren't being put off booking a ski trip for next winter.

British holidaymakers are increasingly looking for more ways to share their ski and snowboard holidays with friends and family, whether that be via social media ensuring that their pictures are Instagram worthy, or just making sure that they have the most up to date technology, it's becoming an important part of the annual ski and snowboarding holiday.

Club Med are continuing to make advancements both aesthetically and technologically within many of the brand's new resorts worldwide. The 2018/19 season is set to bring the brand-new resort Les Arcs Panorama, introducing some of the brand firsts, followed by the first North American ski resort of the company with an opening in Canada in 2020 at Le Massif Charlevoix, Quebec. Brexit doesn't seem to be having an effect on the expansion plans for the premium all-inclusive provider.

Club Med strives to be the best all-inclusive holiday provider for skiers and snowboarders, for families of all sizes, couples and solo travellers, but also groups of friends!



⁴ www.clubmedpages.com/ski-group-form/

⁵ A GO (gentil organisateur) is a Club Med staff member

Club Med

Club Med, founded in 1950 by Gérard Blitz, is the pioneer of the all-inclusive concept, offering nearly 70 premium resorts in stunning locations around the world including North and South America, Caribbean, Asia, Africa, Europe and the Mediterranean.

Each Club Med resort features authentic local style and comfortably upscale accommodations, superior sports programming and activities, enriching children's programs, gourmet dining, and warm and friendly service by its world-renown staff with legendary hospitality skills, an all-encompassing energy and diverse backgrounds.

Club Med operates in more than 30 countries and continues to maintain its authentic Club Med spirit with an international staff of more than 23,000 employees from more than 110 different nationalities. Led by its pioneering spirit, Club Med continues to grow and adapt to each market with more than 14 new resorts opening within the next three years.

Club Med is a subsidiary of Fosun International, which is listed in Hong-Kong. Its financial year will therefore now run from 1 January to 31 December. Report on business is made as part of the financial reports issued by the parent company.

For more information, visit <http://www.clubmed.co.uk>

For an inside look at Club Med, follow Club Med on Facebook, Twitter, Instagram and YouTube.

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The research was conducted by Jigsaw Research: www.jigsaw-research.co.uk

Jigsaw Research is an international strategic insight agency, with an exclusively senior team. We focus on building an authentic understanding of how and why people behave the way they do, from teenagers to C-suite executives, using research techniques that explore both conscious and non-conscious influences. We combine this with approaches spanning from academia to popular culture and our commercial experience to deliver findings that make a difference. For our clients, that means better insight – and better value.

This research was undertaken between 17/08/18 and 27/08/18 and incorporates online interviews with 1,000 adults, 700 of whom had been skiing in the past year.

