



Creating value holidays underpins hopes of ski recovery Crystal Ski Industry Report 2009

The ski market fell by 13.3% across all sectors last season despite good early sales and excellent snow conditions. The fall follows seven successive years of growth and reduces the number of skiers travelling abroad from more than 1.22m in 2007/8 to just over 1m in 2008/9.

The decline in numbers is due to some skiers giving the season a miss and others taking just one trip where they might previously take two or more. However, the encouraging sign was the schools market which remained stable with more than 140,000 young skiers taking to the slopes and memories of last season's great snow will have whet the appetite of many skiers to return.

The independent travel sector was down by 15% to 327,000 skiers with some low cost carriers reducing their flight capacity to ski destinations. The tour operator sector also saw their number decreasing by 15% to 597,000 skiers, partly due to fewer multiple trips, fewer new skiers and a shorter ski season.

The top six operators' market share remained stable at 73%. Crystal strengthened its market leadership by 0.1% to 24.3% and Inghams increased its share by 1.3% to 18.4%, both still comfortably ahead of the pack. Thomson's share fell by 1.1% and Neilson, who enjoyed a good season, added 0.7%. First Choice lost 1.3%, but is still ahead of Airtours who gained 0.4%.

France continues to be the most popular country despite seeing a slight decline of 0.5%, taking 37.0% share of holidaymakers last season. Switzerland, which benefits from higher resorts than its neighbour France, shows a steady share of 6%.

Austria and Italy increased market share by 1.8% and 1.1% respectively. Bulgaria also saw a small increase to 3.2% and the small countries sector grew by 0.5% reflecting the rise in popularity of Slovenia.

Despite good snowfalls, North America's share dropped by 1.4% due to Zoom's demise, other airlines reducing seat capacity and many skiers opting for better value European resorts. The Andorran ski resorts saw a further decline in visitors from a 2% fall last season to 5% which is attributed to its continuing attempt to reposition itself from a budget to quality destination. It also suffered from end of season capacity reductions from most operators.



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The 2009/10 season undoubtedly poses serious challenges for an industry that is impacted by the effects of the recession, exchange rate pressures, high fuel costs and high fixed costs for ski holiday companies.

The Crystal Ski Industry Report finds strong evidence of chalet companies significantly reducing the numbers of properties for next winter leading to fewer holidays on offer.

It predicts that next season skiers will become increasingly price-sensitive which will contribute to a reversal of recent trends which saw a growth in independent travel. Large-scale operators could re-gain some of the ground lost to DIY travellers if they are able to use their buying-power to get lower prices and pass these onto consumers as attractive packages.

For instance, Crystal has worked closely with overseas suppliers to offer outstanding value ski holidays to the British skiers and have developed '*Crystal Ski Plus*'. Simple, no hassle, no hustle, just ski: with prices from £479 per person INCLUDING local lift pass, ski & boot hire or ski carriage, self-catering or full board, in-resort service. Valid for departures during non-peak times to the top resorts of Les Arcs and La Plagne in the Paradiski, France.

There is also an expectation that many large operators will cut capacity and consumers will see fewer 'last minute bargains' than in previous years. Some low cost airlines are expected to reduce their flights to ski relevant destinations, which could have an impact on the independent sector. There remains speculation around further industry consolidation in the year ahead.

Crystal's MD Mathew Prior said: *"Winter 08/09 was a difficult year for the ski industry and 09/10 poses challenges for us all. Our research shows that the key is to inspire customers, remind them how fantastic a ski holiday is and create good value and compelling holidays. We know that in their hearts no skier wants to miss out on a season provided they can justify the expense. Creating transparently good value deals I see as the key to ensuring that as many as possible return to the slopes this coming season."*

The ski and snowboard overview amalgamates information from tour operators' own statistics, CAA published statistics, tourist office figures and travel agency feedback.

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