



**1st Euro-Asian Ski Resort Conference on Developing New Destinations for Snow Tourism
Almaty (Kazakhstan), on 8 – 9 October, 2013
Conclusions**

The 1st UNWTO Euro-Asian Ski Resort Conference on “Developing New Destinations for Snow Tourism” took place on 8th/9th October 2013, hosted by the authorities of the City of Almaty, Kazakhstan. The objective of the Conference was to exchange knowledge and best practices among experts, practitioners and authorities on the development of new winter sport areas and ski resorts. The creation of new local ski markets, the choice of the appropriate Alpine ski development model and the positioning of new ski resorts in the global market were analyzed from a private-public-partnership perspective. A follow-up Conference is planned for 2015.

1. The rise and the potential of the new Euro-Asian ski resorts:

There is an on-going investment boom for cable car and ski facilities in the winter sports destinations of emerging countries in the Euro-Asian region.

The transfer of know - how of the leading designing and planning teams, cable car producers, slope builders and related industries encourage the construction and the exploitation of high tech installations and facilities which make the supply of new Euro-Asian ski areas and resorts competitive. The transfer process is accelerating the catching up process of these emerging countries in the field of skiing as a major tourism related winter sports activity.

State-of-the-art technologies for ski areas are necessary but not a sufficient prerequisite for successful business.

Skiing is a demand driven leisure activity. The success of ski businesses depends essentially on the sufficient number of skiers willing to pay for satisfying gliding experiences. The receipt generated from the provided services to skiers is the key factor for return on investment and for guaranteeing profitable business in the long term.

The new Euro-Asian ski resorts have the potential to become competitive in the ski market once the initial stage of operation is over.

They make profit in general given the appropriate climate and snow conditions and suitable terrains for skiing and gliding sports. The overcrowding of the slopes and at the departure stations of the cable cars can be considered as early development stage problems which can be solved with the ongoing building up process of the ski resorts. The same applies to the atmosphere in the ski resorts which will increase parallel to further development.

There is a strong hierarchy among the world's ski resorts.

The big international ski resorts with more than one million skiers/ day cover more than 80% of the world demand and supply. Almost all of them are located in developed countries. These resorts absorb not only strong domestic markets but also attract the majority of the international skier demand. This situation makes the market access difficult for the newcomer.

2. Creating new markets for skiing:

Lack of strong domestic market force is a challenge for new ski areas which try to attract international demand.

The basic prerequisites for positioning new ski resorts in the skiers' mindsets are to create unique products and/ or low prices. Outstanding quality of the snow (such as powder snow) for free riding skiing in Niseko (Japan), easy accessibility by means of public and private transport or "skiing in and out" from the slopes to the hotels or residences, both practiced in the case of Courchevel (France), or lower prices such as those practiced in many Euro-Asian ski resorts, can lead to competitive advantages. Market research helps new skiing areas and ski resorts to find the most promising targeted markets for their products. Today's IT based business communication helps new ski resorts to make potential customers dream about their destination, to plan the ski trips and to book these trips online by using the most convenient portal.

Domestic and nearby markets are important stabilizers.

The development of strong domestic and nearby markets reduces the risk of unique dependence on international demand. Daily skiing excursions create additional returns which are important for the economic survival of cable car companies. The accommodation sector of the ski resorts highly benefit from last minute bookings when the snow and weather conditions are convenient and they can count on additional guests.

The existence of a culture of mountaineering and skiing is necessary to create and to nourish the ski demand.

Popularization of skiing is a "must" for successful ski destinations. Skiing needs athletic skills like swimming and specific motor sports. Ski holidays and ski camps organized by schools and other institutions like those made compulsory by the government of the Principality of Andorra, help to create and maintain skier markets. Cable car companies and other ski related facilitators should provide incentives in the field of tariffs so that families can afford paying the ski schools for their children. The ski clubs and the national and the International Ski Federation FIS play an important role in encouraging young people to practice winter sports. Efforts must be made to train ski teachers so that skiing can be recognized as an important leisure and competition discipline. The promotion of ski resorts by the ski stars has a strong impact on young people. It is possible to create a ski culture from nil as has been shown in the success story of Korea, a mountain country which created a strong domestic market over the past three decades.

3. Dynamic development models for ski areas and ski resorts:

The geographical proximity of ski areas and resorts to the existing settlements can at least guarantee an adequate number of skiers for a profitable use of cable cars and other ski related facilities.

Most of ski areas in the Alps were developed in the existing summer resorts. Ski resorts were built by using the infrastructure of existing Alpine summer destinations, characterised by a supply of lodging and catering services for different segments of the market. These resorts are still strong competitive units. They are based on a long specialization processes as a result of decentralized decisions of many stakeholders with intensive competition, together with critical visitors and high quality suppliers. This development model has been quite successful since it allows a seasonal distribution of tourism. Its multi-optional supply structure makes it flexible against conjuncture and structural change.

The experiences regarding the development of ski areas in the existing destinations helped the creation of totally functional ski resorts.

These resorts were initiated in France by master plans and investments of the central, regional and local authorities in general in the ski related infrastructures such as access roads or cable cars. Private companies financed the commercial structures such as huge complexes of apartments by selling them as secondary homes. The real estate business became a key driver of the winter resort development. These functional ski resorts were located at higher altitudes for guaranteeing good snow conditions. They were planned, built and operated exclusively for the needs of skiers. This development model has practical advantages for emerging countries all over the world when the ski resorts cannot be planned on the existing settlements which are mostly situated in poor rural areas. The main challenge of fully-functional ski resorts lies in the fact that it is often difficult to operate them during the summer season when there is absolute need for diversified products and customers.

The Alpine ski resorts have undergone changes by melting the advantages of multi-optional and functional development models.

The traditional fragmented and the integrated Alpine development models have been modified in the last decades by melting the advantages of both. The service providers of traditional resorts work more closely together. The cable car companies are often the leaders of co-operation which takes place under the umbrella of the destination and which also helps the small size companies to win economies of scale and scope. Some of the integrated winter resorts achieved higher occupancy rates for their facilities by extending their use for the summer season too. South Korea has transformed integrated and fully functional resorts into snow parks in winter and golf courses in summer which offer adventure and fun to the visitors and excursionists. The market - driven development models are enhanced through "public-private partnership models" between the operational sector and the local authorities which use legal and financial incentives to steer the development. More and more social and environmental regulations and norms are accepted by all the stakeholders for making the economic development of the resorts more socially and ecologically friendly as it is the case in Whistler (Canada).

Small ski resort can be operated successfully when they are well positioned on their nearby markets. The size of the resorts is an important issue. Big ski resorts can offer cheaper and more diversified products. This doesn't mean that small ski resorts have no future. They can survive when they satisfy the needs of the specific markets. (E.g. Training camps for children, the local demand for the weekend, skiing facilities for families, excursionists from nearby cities etc.) In all these cases, there are good examples which show that small cable car companies and other resort facilities can be operated in a profitable way.

4. The positioning of new ski resorts in the marketplace:

Substitution and competition make the market access difficult for the newcomers.

The ski resorts lost their monopolistic position when low cost airlines facilitated travel to the destinations with beaches in the southern hemisphere as an alternative for winter holidays. The varied indoor leisure sports facilities also allowed people to replace skiing by other sports. The desolation rate among skiers, who switched to other activities during winter time, is increasing in the developed countries. These new trends and consumer patterns have influenced the international demand and made the market entrance more difficult for the new ski resorts.

Ski resorts need strategies for the differentiation of their product.

The industrialization of the ski facilities makes ski resorts for customers often interchangeable. They look all the same and have difficulties to differentiate their products from others. It is therefore important to develop ski resorts where unique selling proposition such as abundant snow of good quality, attractive slopes or the high touch of the welcome by architecture and design exist. Efforts should be made to transform ski resorts into destinations which offer high quality of services and unique experiences.

Diversification of the ski resorts makes them more resistant to crises.

It is necessary to diversify ski resorts for prolonging the season. Skiing and gliding on slopes are the key activities of such resorts nevertheless, free riding, helicopter skiing or walking with or without snow racks to experience the scenery can be considered as other activities which are important particularly for new ski resorts where there is still enough suitable terrain to practice these activities. Furthermore, the actual summer outdoor boom in the mountains should be used to transform ski resorts into "four season destinations".

Events can enhance the brand of ski resorts and bring additional business.

Mega events such as Olympic Winter Games can help to launch new ski resorts since they attract a broader audience at global level. In this case, it is important to use the whole marketing funnel for stimulating the interest of potential skiers and for convincing them to book the ski products. A performing event portfolio can help to attract more visitors during and after these events, particularly out of season and for the accommodation sector of the resort.

5. Successful strategies for developing new ski areas and resorts:

There are some planning principles for ski areas and ski resorts which should be taken into account for any Alpine development model.

The successful development of ski areas and ski resorts is a complex matter which needs a systematic approach. It depends essentially on the resources of the mountain eco-system. The selection of suitable terrains for the building of attractive ski areas is the most important endogenous factor for successful development. The more attractive the ski area is, the more visitors come and are willing to pay good prices for the ski related services. The most important exogenous factor of success is easy access to the ski areas and ski resorts. It is not the remoteness of ski resorts but the travel and time costs which influence travel decision of potential skiers. Furthermore, it is an advantage if there are sufficient bed capacities around the potential ski area which can guarantee profitable occupancy rates for the cable car industry.

It is crucial to maintain an appropriate equilibrium between the intensively used terrains for skiing and the protected areas at local level.

Normally, attractive skiing needs suitable terrain in scarce mountain resources where the necessary facilities have to be developed. There is no other economic alternative which creates as much value as attractive ski resorts. Since cable cars and slopes can cause negative impact on the landscape and the environment, it is important to develop an integrated plan which designates the intensively used ski areas together with the extensively used zones where other mainstream activities like cross country skiing or winter hiking are practiced. There should also be restrictions to develop ski areas in local or national parks.

Ski Areas and resorts must be planned, given an optimal growth capacity to minimize the negative economic and spatial impact.

It is important to find the optimal size for growth. The more the resorts grow, the more they can benefit from the agglomeration (cluster) impact such as easy access. If the growth exceeds the optimum capacity, negative environmental externalities in the bio - diversity and high follow-up costs may occur.

6. The important subsidiary role of the municipalities and the state.

Ski areas and resorts have been developed worldwide; thanks to the independent innovative initiatives. They used their personal experience and expertise. The initial aim was to launch profitable businesses based on their personal capital. They built cable cars, constructed slopes and accommodation facilities step by step and went through an experimental process for specialization. These entrepreneurs were the leaders in a risk adverse and conservative social and economic environment which was often hostile to changes. In the meantime, the cable car industry has become a mature industry in the developed countries with expectations of launching new ski areas in emerging countries with high potential.

Key success factor to planning, developing and promoting ski resorts is public-private-partnerships. The state has to create the conditions for a tourism friendly framework which allow entrepreneurs and investors to develop ski areas and resorts in a profitable and sustainable way. The state has to look for effective and efficient physical planning and management of the resources. The public sector must initiate the investments for the infrastructure and provide incentives for developing and promoting of ski resorts facilities. The Public authorities must also encourage the young people to enhance their skiing skills along with other sport activities. Ski resorts highly contribute to the development of local businesses, employment and income.

The local authorities of the ski resorts must co-operate with the destination management organizations all through the planning and operational processes.

Marketing activities must be carried out at local level. In some cases, market forces act in a stochastic way, but the consequences may be very positive for the business and the local community. It is essential to share a common vision by all the involved stakeholders for the future of the resorts.