9th UNWTO Congress on Snow and Mountain Tourism

Richard Adam
St. Moritz & Mountains – a Pioneering Role

Where we come from:

• Since 1856 famous for its healing springs
• 1864: first ski resort of the Alps in St. Moritz
• What else? 1879 first electrical light of Switzerland sparkled in St. Moritz

Our history helped us to become a leading ski area of the Alps:

Richard Adam
St. Moritz & Mountains – High Profile Ski Area
St. Moritz & Mountains – Our promise

What we stand for:

- Highest exposure to sunshine
- Best snow quality (altitude, dry microclimate)
- Atmosphere due to «real snow guarantee»
- Best groomed slopes (in all relevant rankings)
- 260 km of slopes and top infrastructure (52 lifts)
- Skiing with spectacular views
- High culinary level
- Top developed hotel infrastructure 2 to 5 STAR

…and of course MEGA EVENTS

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Mega Events

- First bobsleigh race in St. Moritz (1892)
- 2 Winter Olympics (1928, 1948)
- «Engadiner» - biggest Cross Country Skiing event of Switzerland (annually, since 1969)
- First Snowboard-World Championships in Europa (1987)
- «Engadinsnow» Snowboard-Event at Corvatsch (annually, since 2003)
- Bob- and Skeleton World Championships (2013)
- «White Turf» Horse Race and Polo (annually)
In Consequence

➢ Our business model is based on economies of scale
➢ We have some of the very best skiing facilities and conditions

*If you think about skiing, you don’t think of St. Moritz,*

*If you think of St. Moritz, you don’t think of skiing!*

(Jet Set, Celebrities, Events ……)

➢ … event overkill is critical

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Objectives of Mega Events

- sustainable economic development (and infrastructure)
- development of core competencies
- development of regional identity (awareness, reputation)
- development of positioning (image and marketing effects)
- options for future generations
- pre- and post-event-strategy
Pitfalls

• core competencies disappear after the event
• crowding-out effect
• ongoing costs for infrastructure maintenance
• increase in salary and real estate costs
• image and profile in line with post-event strategy?
Differentiation

- **Developed and less developed areas**
  - Infrastructure and building core competencies is key to less-developed areas.
  - Competitive edge and visitor experience for regular visitors and avoidance of crowding-out effects is key for developed areas.

- **Make-or-buy issue (control of rights and scope)**
  - Who pays and who controls (real) revenue potential?
  - Scope and control of the event ownership for legacy building.

Richard Adam
Research & Effects World Championships 2003

- decline of business/revenue from «Regular Guests» during event
- increase of bookings for two months in post-event period
- investment of CHF 1 Bil. and launch of «Clean Energy Project» (Pure Power St. Moritz)
- decline in retail revenue (less spending power during event)
- Temporary image shift from «luxury/jet set destination» to «premium sport destination»
Mega Events can…

- help you to be on the «Awareness Map»
- create revenue streams in post-event period (targeted and MICE Business)
- boost infrastructure, (temporary) employment and core competencies
- create «a profile» (at least «me too», not always competitive edge, visitor experience, innovation)
- leave you with tremendous costs in maintaining infrastructure

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Mega Events can...

- rarely provide financial balance or revenue streams, especially if you are not «rights owner» (you just pay)
- do not support «value preposition» for your actual target groups
- have significant crowding-out effects
- economic forecasts in bidding dynamics are overrated, costs are underestimated
- lack a sustainable pre- and post-event strategy regarding substantial target groups

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The question is…

As a mountain destination, do You want to be famous for a while…

- (AWARENESS Strategy based on mega events)

…or do you want to be successful in business for a longer period?

- (RELEVANCE Strategy supported by suitable events)

Richard Adam
WTO Conference

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