



# **The small ski resorts of tomorrow: Markets and structures. The case of Ticino**

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# Index

- ▣ The **tradition** – the Swiss cable car industry
- ▣ The **crisis** - the case small ski resorts of Ticino
- ▣ The **challenges**
- ▣ The **possible ways out** - the case of Bosco Gurin
- ▣ Some conclusions

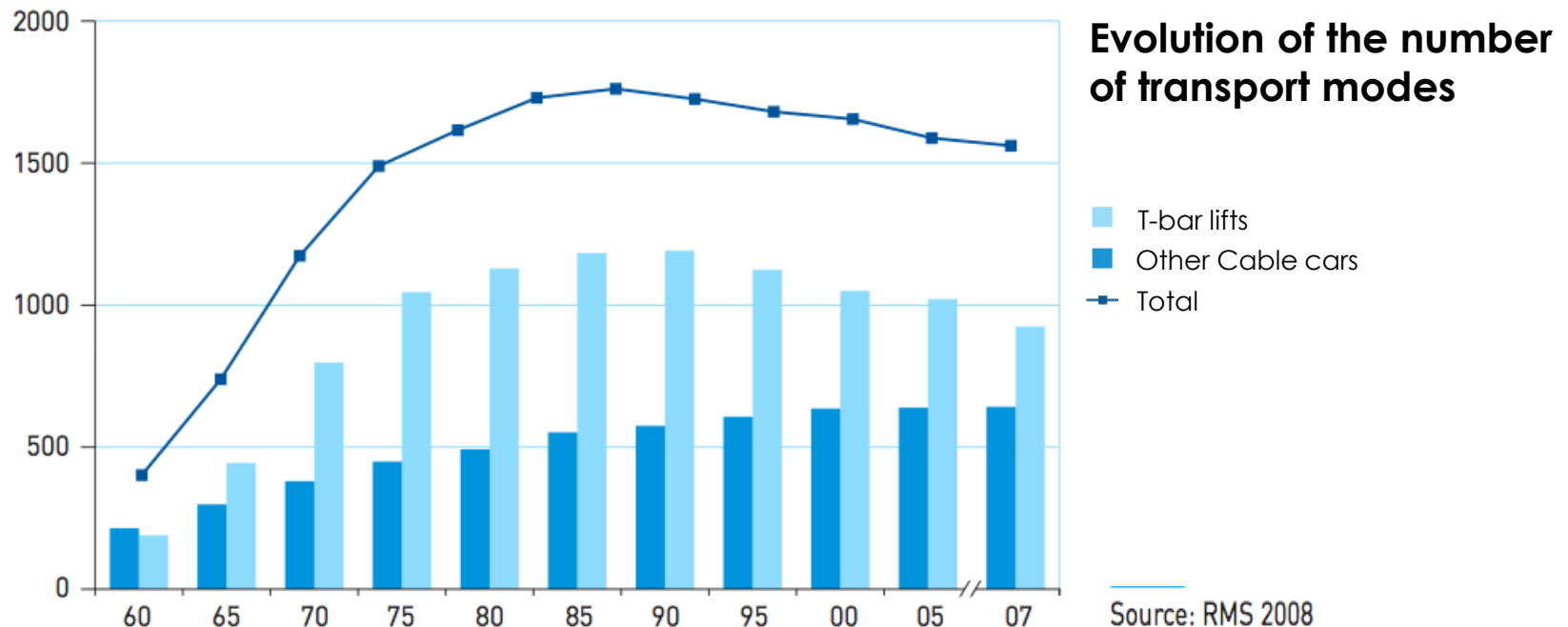


## An overview of the Swiss cable car industry

Structural changes and challenges for the small ski resorts

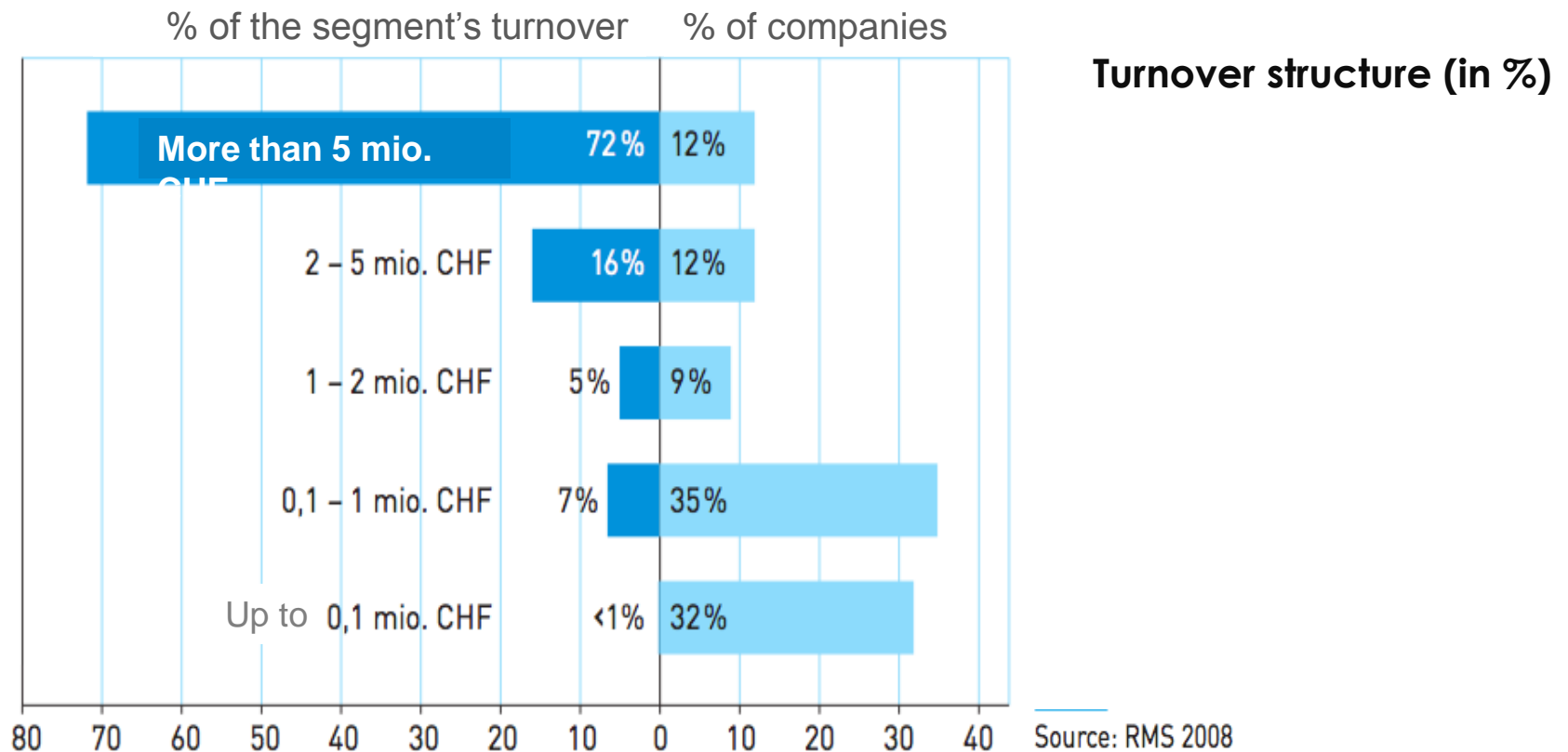
# Maturity and consolidation

- The cable car industry is in a maturity phase after the booming in the '60 & '70
- The number of the ski lifts is decreasing after the '90s
  - Constant efforts to increase productivity: substitution of the old ski lifts with new generation-large capacity cable cars

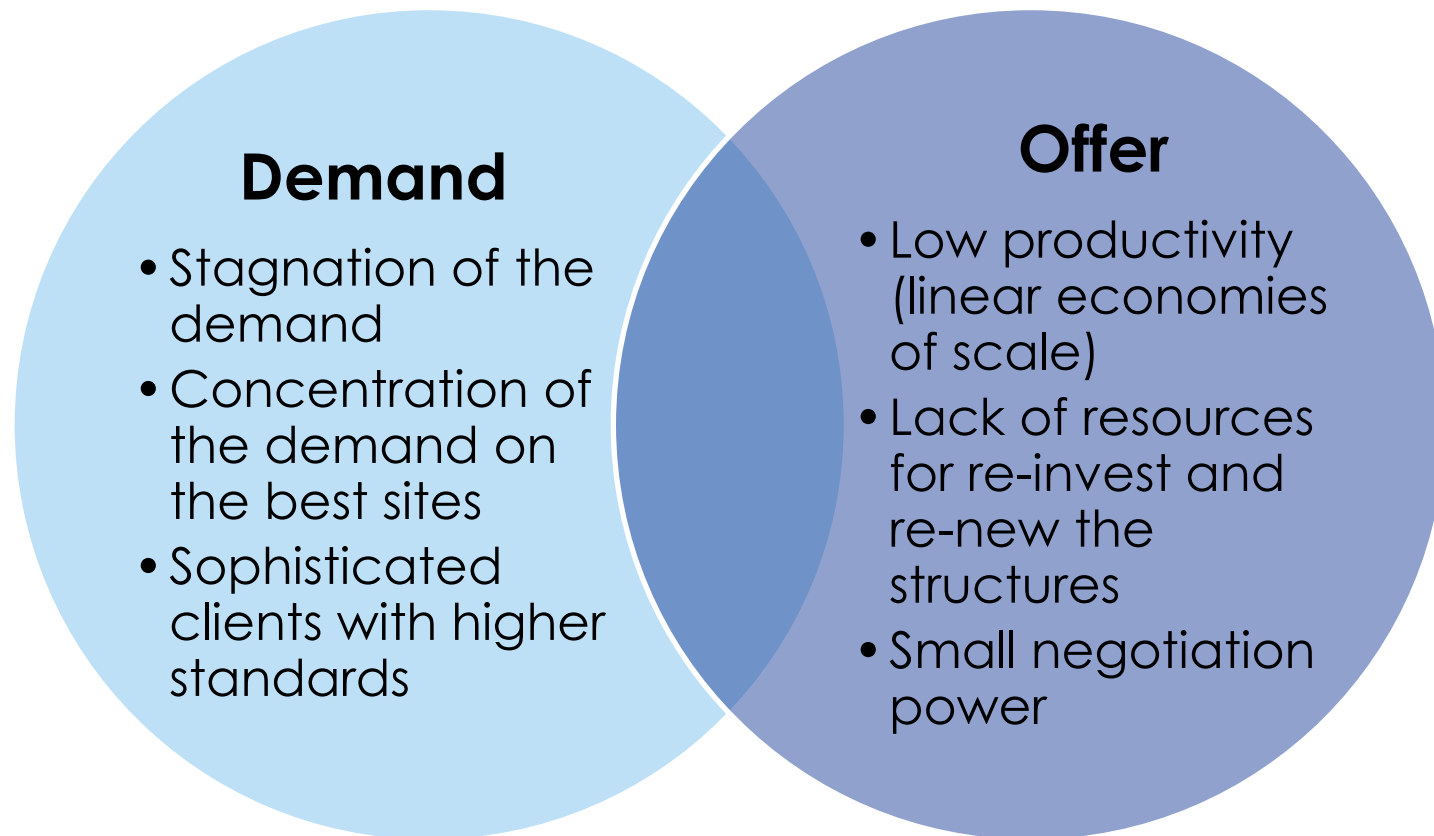


# Concentration

- A few large companies own the largest share of the market



# Challenges for small ski resorts







## Small ski resorts in crisis – the case of Ticino

The situation of the ski industry in Ticino

# Geographical and historical context

## Ski resorts distribution in Ticino



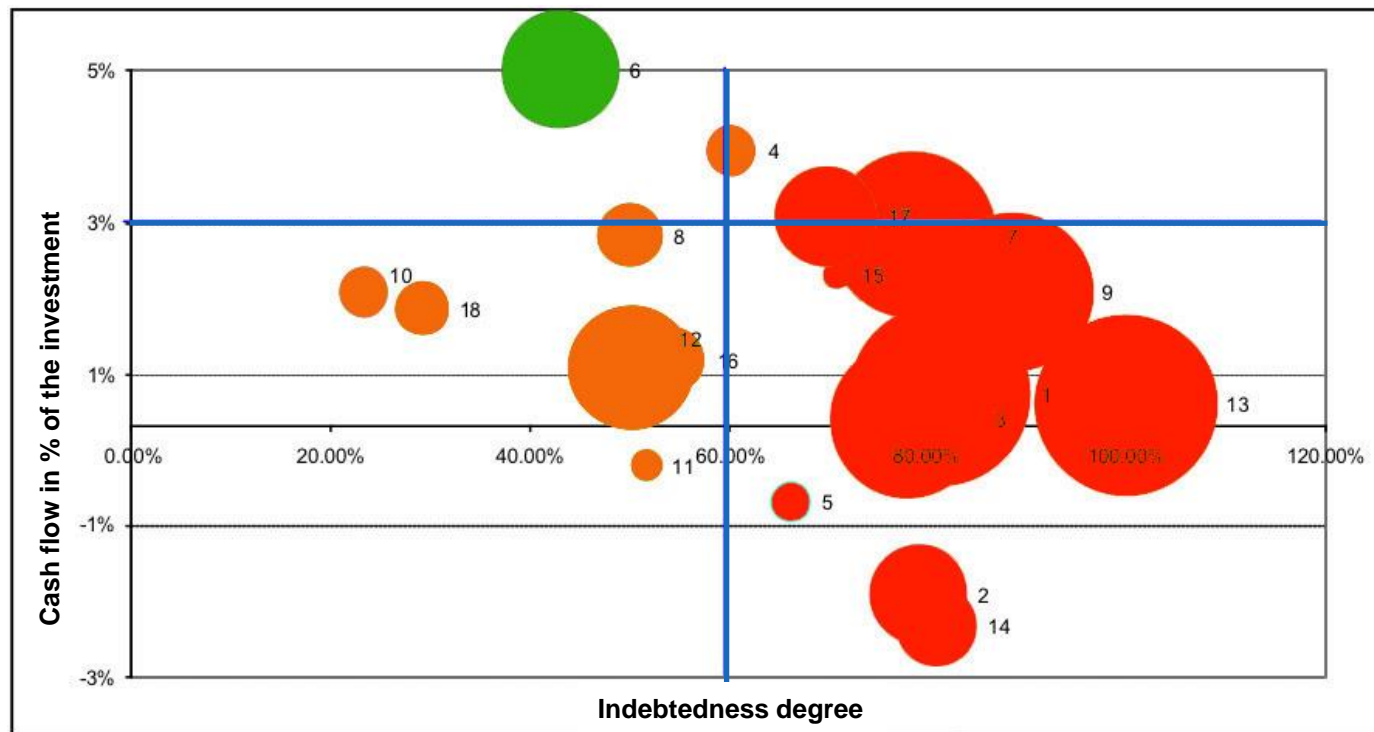
## Cable cars distribution in Ticino

- First lifts built to meet the demands of the summer season and as a mean of transportation
  - first tourists used them at the end of 1800
  - important in order to build dams
- Boom in the '60 & '70 with the constructions of numerous small cable cars dedicated to winter sports



# Financial situation

- The majority of the owners of the cable cars are facing a severe financial crisis provoked by:
  - high indebtedness
  - low profitability



Source: IRE, Lugano 2003

# Creation of an unsustainable situation in Ticino

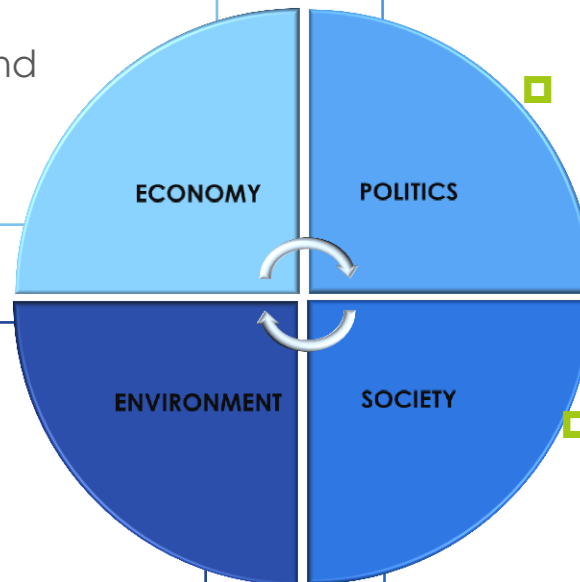
## Decline

- Market stagnation
- Structures are getting old; the offer is getting less attractive
- Low profitability and huge debts

## Intervention / interference

- Important public subsidies in the '90s
  - Forced survival of the majority of cable cars companies\*
- Interruption of the subsidies starting 2005

*\*If from a quantitative point of view the survival of the biggest part of the cable car installations represented a success for the Canton and it's regions, from the market point of view this process has not permitted the natural reorganization of the supply.*



## Global warming

- Progressive raise of snow-line
- Shorter winters

## Substitution

- Declining of the attractiveness of winter sports
  - New competitors (eg. tropical beaches)
  - Non tourist alternative (eg. fitness, wellness centers)

Source: Keller 1998, adapted by C2B

# Today's report on the major ski resort in Ticino



**Airolo**  
*(the largest ski resort in Ticino)*

Closed



**Bosco Gurin**

Bankrupted in 2008  
Relaunch in 2009



**Campo Blenio**

Relaunch in 2009



**Carì**

Bankrupted in 2008  
Relaunch in 2009



**Nara**

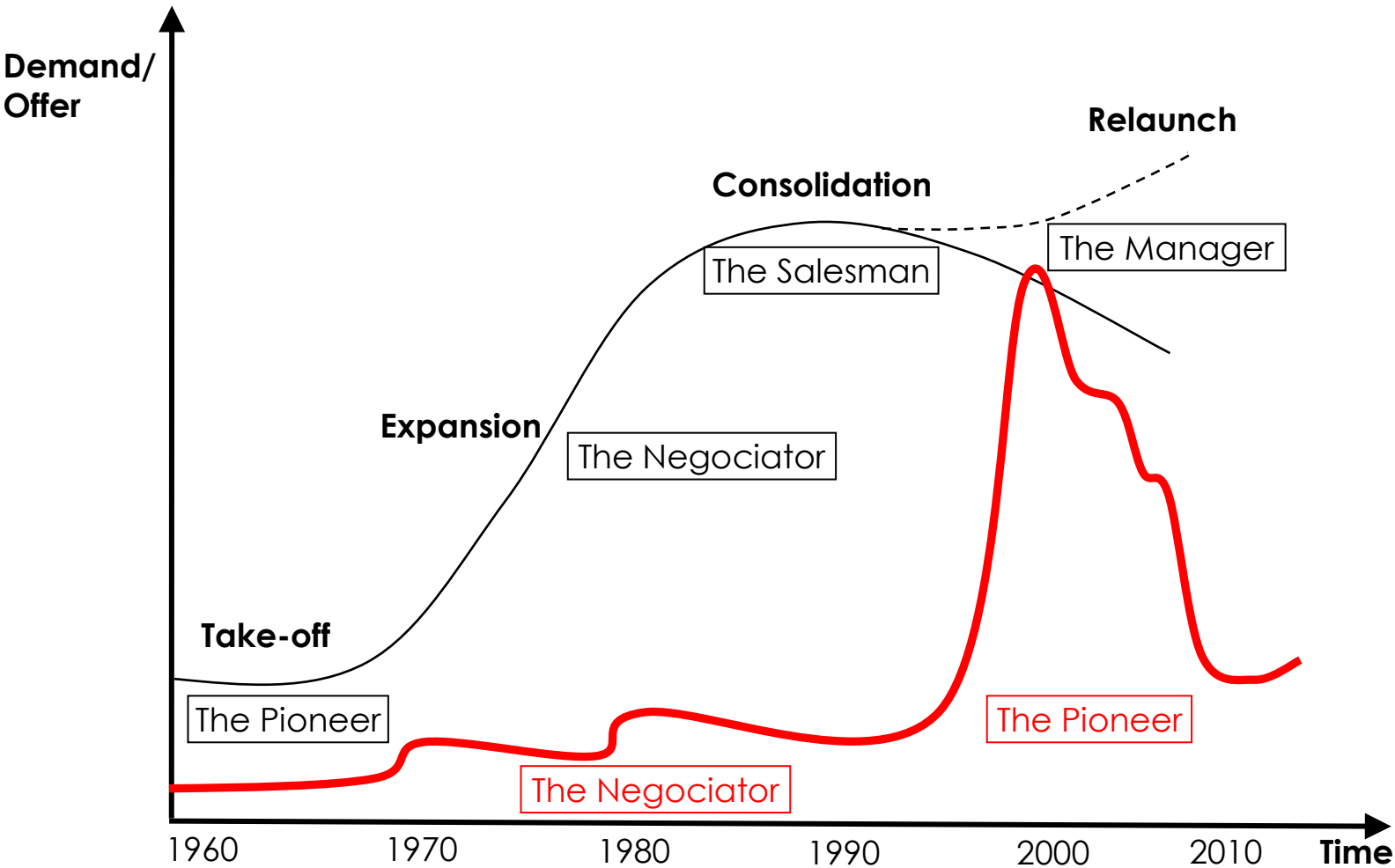
Bankrupted in 2004  
Relaunch in 2005



## Challenges for the future and possible ways out

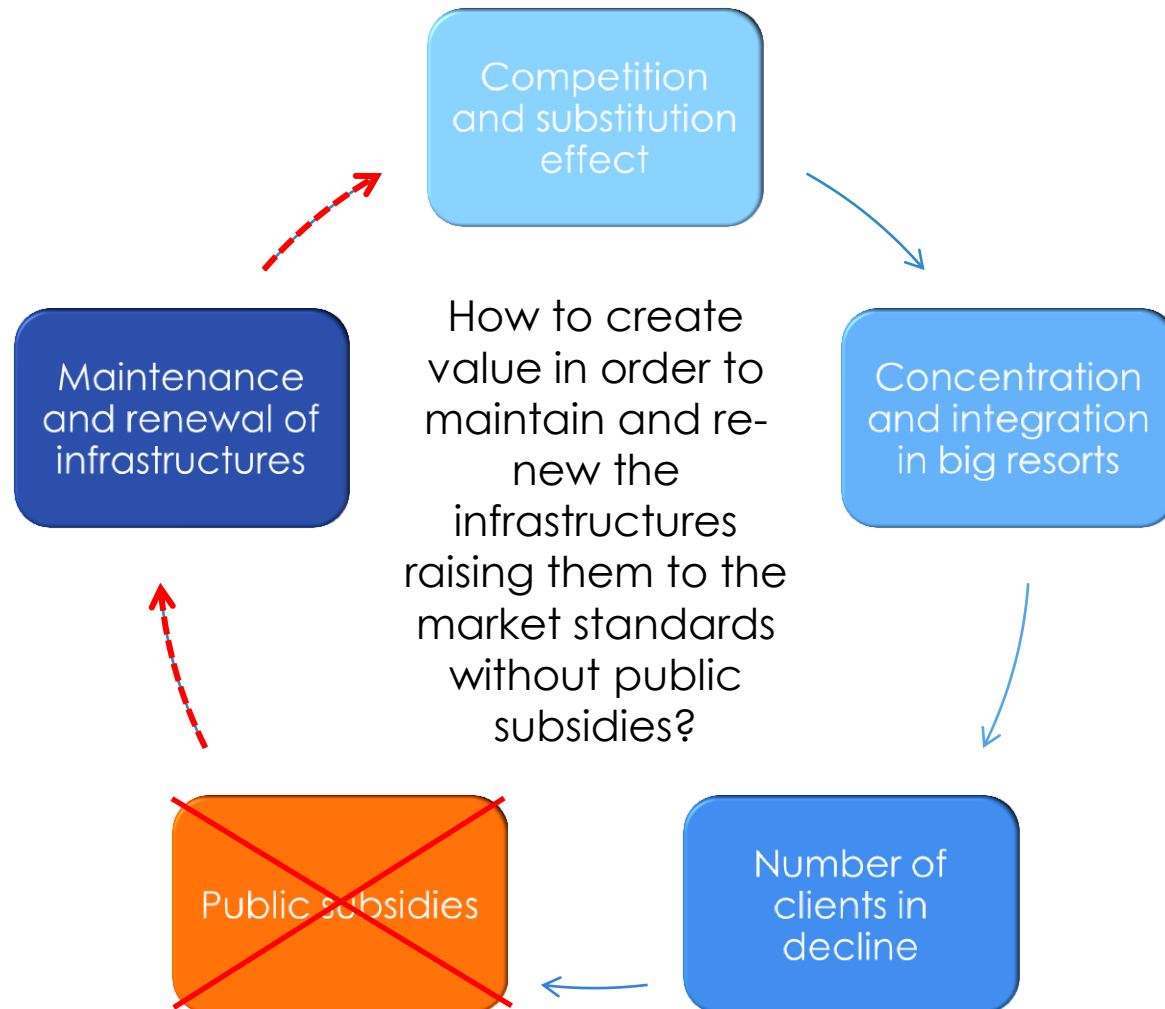
The case of Bosco Gurin - Destination Governance

# Lifecycle - the model vs. the reality of Bosco Gurin





# The dilemma of the small ski resort in Ticino



# Possible ways out

- ➡ Need for new **Business Models**
- ➡ **Management**: key factor for success
- ➡ **Cooperation and innovation** as a way out

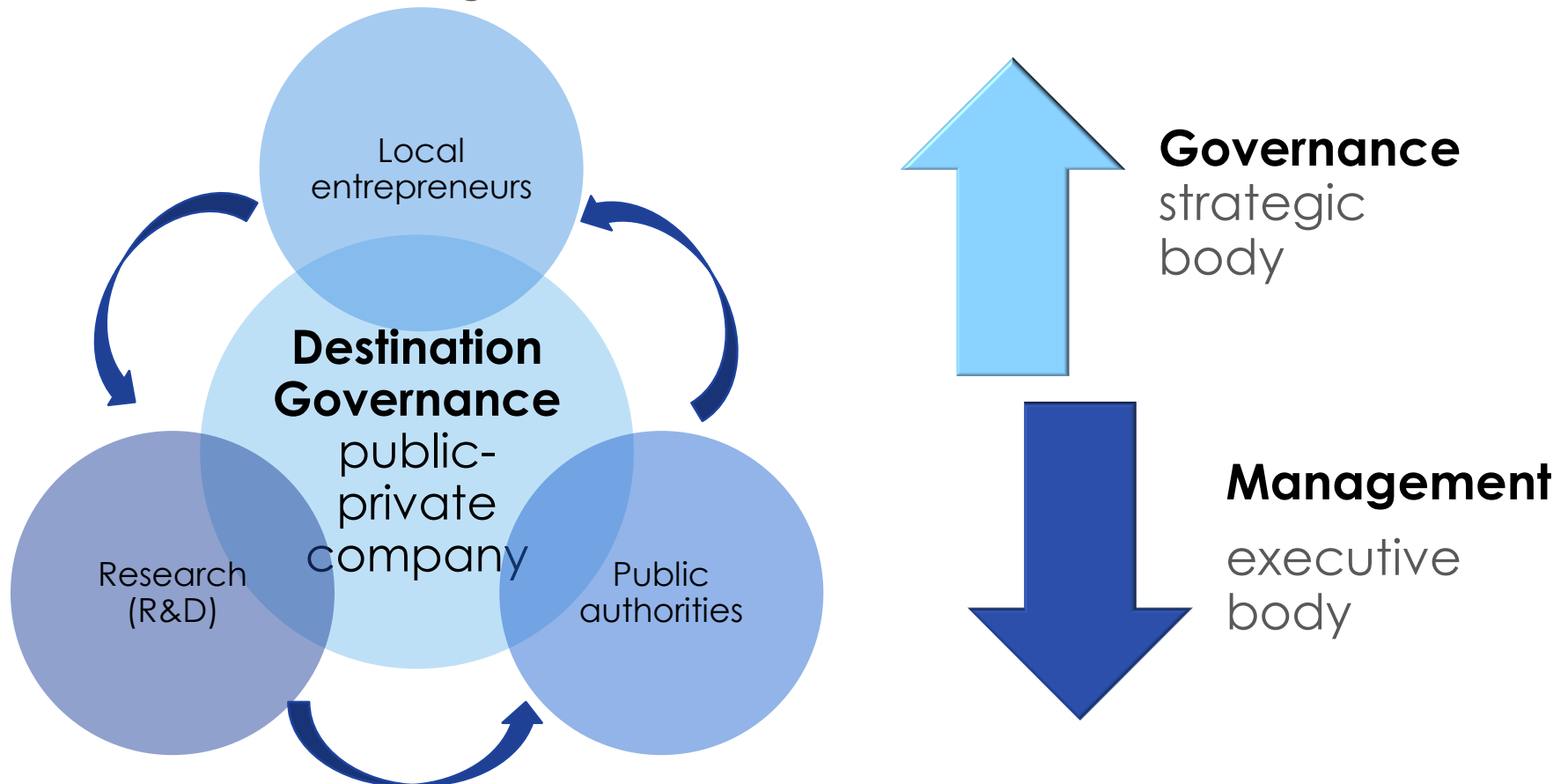
# Ways out

- According to WTO 2005, more tourism strategies will be based on **public-private partnership**, particularly in developed countries with a federal political system.
- Our solution consist in a public-private partnership built on trust, joint risk taking, informal structures and strategic consensus with the objective of having a **positive impact on the level of growth in the tourist destination.**

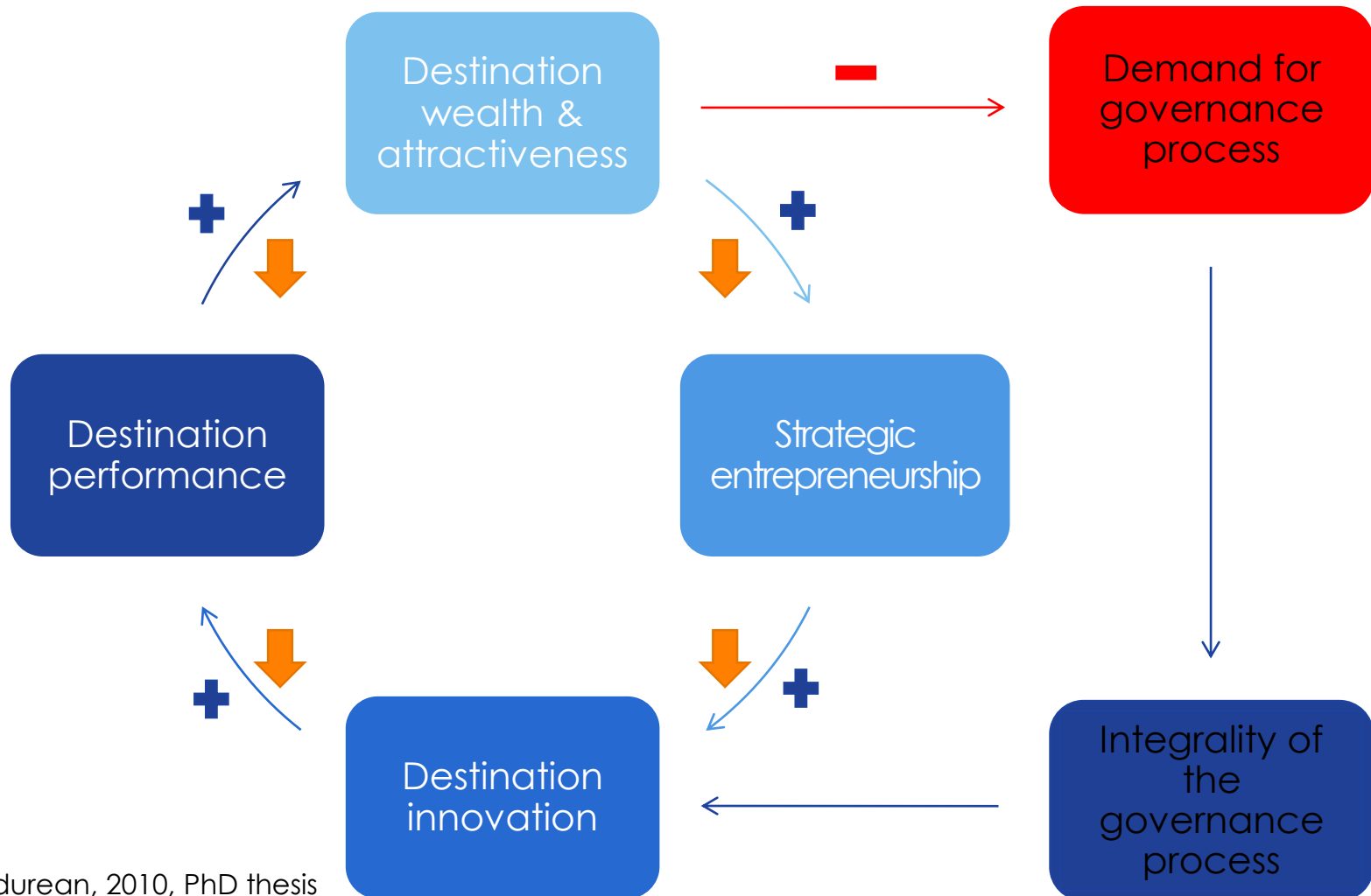
**→ Destination Governance**

# Innovative forms of cooperation: Destination Governance Bosco Gurin

- The cooperation between public and private can lead to success and growth

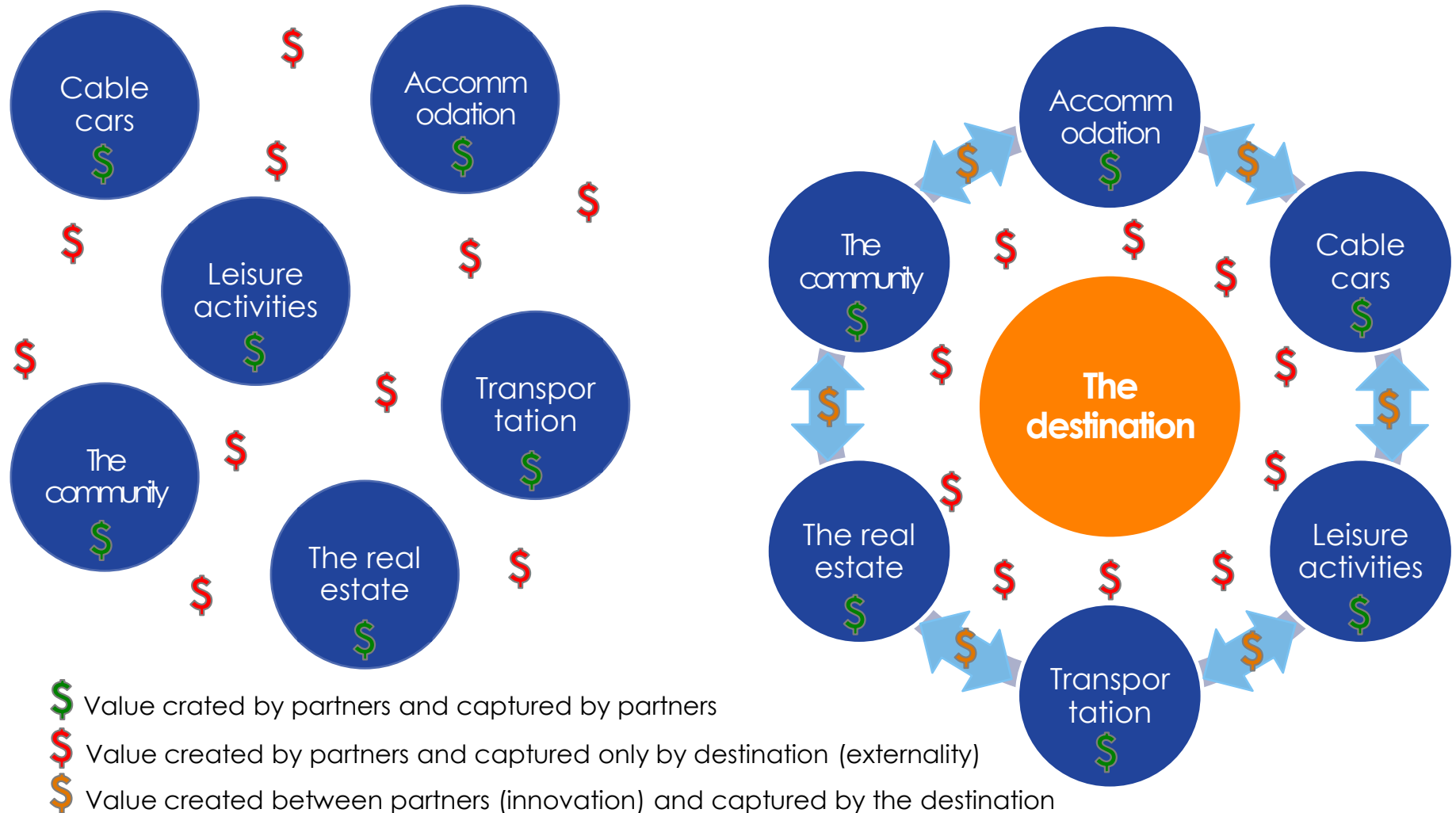


# Why the need of Destination Governance?

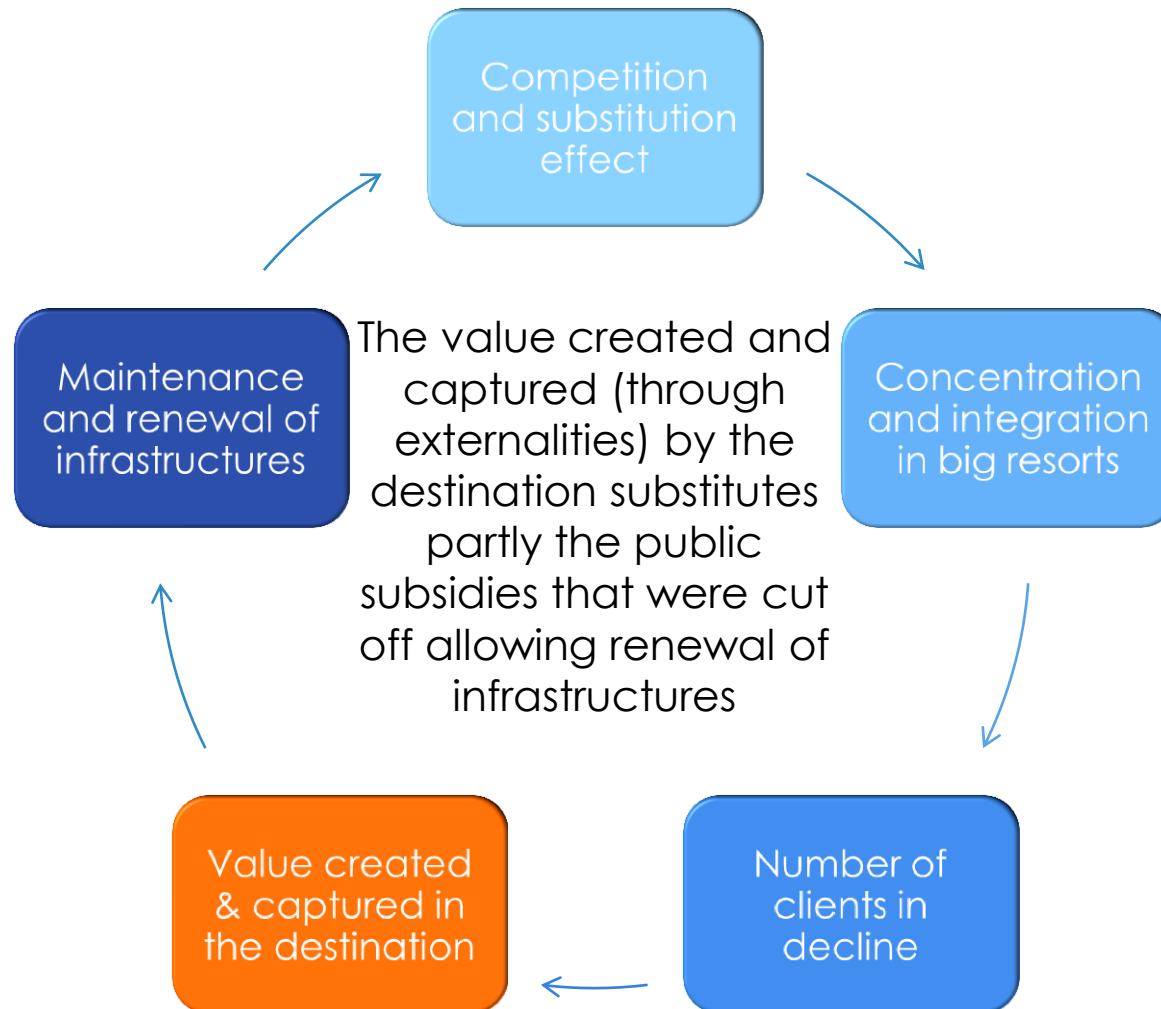




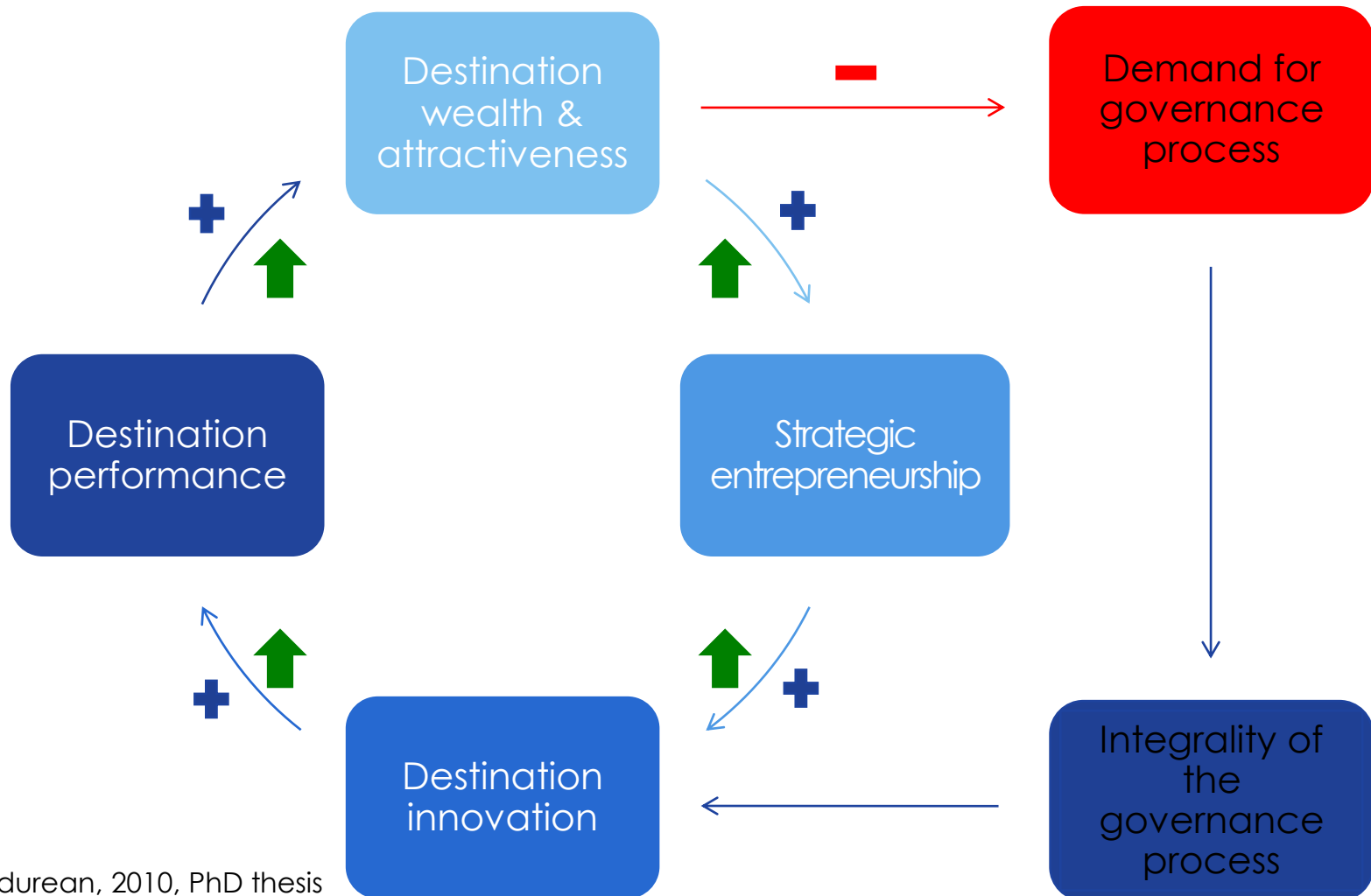
# Destination Governance: create more value and capture it



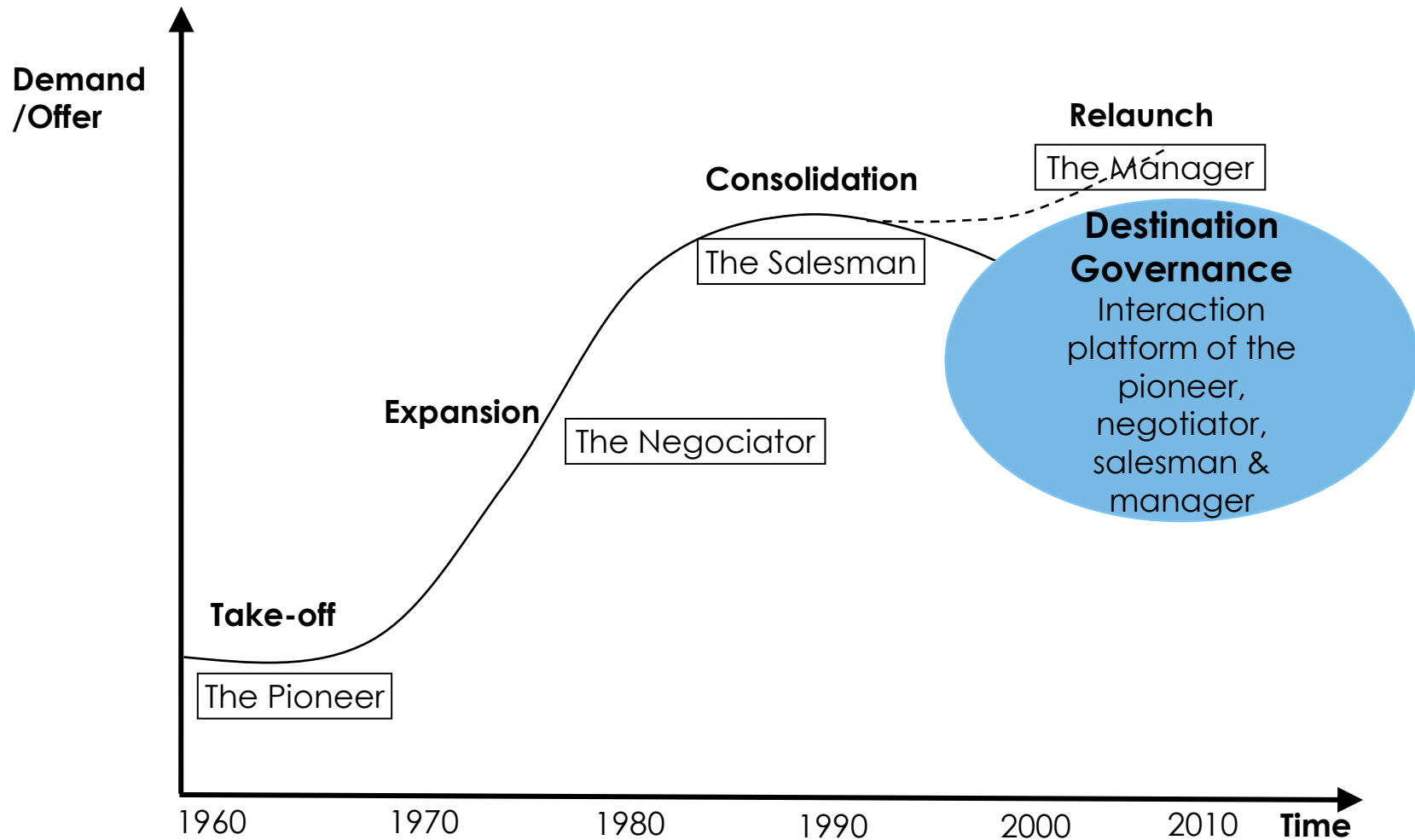
# New ways to produce value



# Destination Governance – reinforcing loop



# Innovation in the life cycle model



# Observations

- The governance process is not a management organization and is not directly operative; the private-public structure is mainly responsible for creating vision, mission and give control and support to the operational agent.
- In the process the focus is on relationships, networks and partnerships
  - **the value comes from the interaction of the members and the integration of the products and services provided**
- This governance model stimulates innovation, cooperation and competition and assures that the created value is captured within the destination and its members.



# Conclusions

- Ticino represents a significant case in difficulty with small ski resorts & with small destinations faced with
  - economic and financial difficulties
  - lack of long term strategic vision
  - lack of alignment to the global context
- The ways out are within the frameworks of
  - **New Business Models**
  - **Strategic Innovative Management**
  - **Cooperation and innovation among public and private**
- **The solutions** for these difficult problems are **relatively simple** as long as they are implemented **fast, efficient** and in the context of a **shared vision** and a **strategic alignment**.



**Thank you for  
your attention!**

**Questions?**

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