



December 3, 2009

Ski resorts looking for plenty of powder

By Craig W. Anderson

Business Journal Writer

Sierra ski resort operators are crossing their fingers and keeping a watchful eye on the heavens, hoping for a deep blanket of plentiful powder and a strong winter sports season.

“It’s looking very, very positive,” said John Monson, director of sales and marketing of Sugar Bowl Ski Resort near Lake Tahoe. “Season pass sales are up over last year at the same time and that’s an excellent gauge of our business. Hopefully, we can get out of the gate early with good snow.”

Some snow already had fallen before the Thanksgiving Weekend, helping fuel that optimism. It’s all about El Nino, which brings warm air over the Pacific Ocean, and, in the process, creates precipitation inland. At the higher altitudes in the Sierra, where ski resorts reside, that means snow.

“The El Nino factor is quite exciting,” said Jessica VanPernis, communications manager for Northstar-at-Tahoe Resort. The resort opened November 21 which was, VanPernis said, “Our best opening since 1994-1995 regarding terrain and lifts.”

Another ingredient certain to draw customers to Northstar is the early December opening of the five-star Ritz-Carlton Highlands hotel.

Many resorts don’t wait for Mother Nature to provide the snow.

VanPernis said Northstar’s snow -making equipment had been in action since the middle of October and, with temperatures cooperating, about 10 acres were buried under a foot of manufactured snow.

The resorts also are providing special deals for customers, including discounted lift tickets, lodging and bigger and better lifts, new terrain features and activities to keep the kids busy. Given the economic downturn, Sugar Bowl’s Monson was uncertain what to expect for 2009 but “we were pleasantly surprised by the great weather late in the season that allowed us to stay open until late May,” he said, supporting the notion that “if there is snow, they will come.”

A look back at 2009 shows that the ski industry was on “a slippery slope,” said Ken Schapiro, president of the investment firm Condor Capital. Adding to the uncertainty was across the board double digit declines in revenue, retail, lodging sales and occupancy rates.

The ski industry in California looked back, scrutinized last season and adjusted marketing strategies to make the best of a weak market.

While lift ticket revenues dropped, Schapiro said, skier visits increased “due to the impact of heavily discounted season passes,” which were part of an ongoing marketing shift toward more local/regional skiers.

“People participating in winter sports are dedicated,” said Cathy Anderson-Meyers of CathyWorks, her snowshoeing business. She is also a leading outdoor school instructor for the REI sporting goods giant. “It doesn’t seem the economy’s problems have affected our participation all that much.”

Anderson-Meyers said her outdoor school courses are full because the course lasts one day, is fun and within driving distance. Also, “Outdoor schools and snowshoeing are relatively inexpensive compared to other winter sports.”

Snow “play” generated 57.4 million skier visits nationwide last season, according to the National Ski Areas Association’s year-end report. Despite a notably “deep, broad and prolonged recession,” the report said, visits were the fourth highest total on record, exceeding the 57 million mark for the sixth time in the past nine seasons.

California generated total sales of nearly \$410 million in snow equipment, apparel and accessories. That figure led the nation.

Contributing to that total was the Heavenly Mountain Resort at South Lake Tahoe. Ross Pecoraro, Heavenly director of communications, said winter sports are “part of skiers and snowboarders personalities” which keeps them on the slopes, as do the many discounts, perks and specials.

When the economy goes south, the die-hard skiers and snowboarders still head to the hills but remain closer to home rather than traveling elsewhere in California or out of state.

“People are dedicated to their winter sports, they’ve invested in equipment and the sport, so when there’s snow, they go,” said VanPernis.

“And the general state of the economy has encouraged people in California to stay here to enjoy skiing and snowboarding.”

Savannah Cowley, media and public relations manager for Squaw Valley – which celebrates its 60th anniversary this season – said the “staycation” remains popular and that “many California skiers now stay here because they love Squaw Valley passionately and will always return.” Jon Slaughter, marketing spokesman for Boreal Mountain Resort at Truckee, is enthused about the upcoming season, noting the resort is receiving a steady stream of queries about prices and snow depth and a good crowd is expected throughout the season.

Ski areas operating nationwide last season totaled 481, which is about average for the past eight years. California ranked fifth with 29 ski areas. New York led the nation with 50 ski areas. What's the key to maintaining an industry that generated \$760 million in equipment, \$1.1 billion in apparel and \$951 million in accessories sales last year?

"I think the industry needs to focus on retention of customers," Monson said. "(Offering) free lessons, rentals with lift tickets, growth in other winter sports sectors, such as back country skiing, and children's programs for families, are all ways to retain our customers."

VanPernis said the best way to remain successful is to continue "offering value to our guests in every possible way which means appealing to singles, families, empty nesters and having something for every one of all skill levels."