



2022



The Economy of Ski

The Financial Factors Impacting the Upcoming Season
Club Med Annual Ski Report 2022

Club Med 

Foreword



Following years of travel restrictions, the upcoming ski season is finally set to return to the first full, uninterrupted season since winter 2018/19. This is incredibly uplifting for both ski enthusiasts and the travel industry as a whole, and as such, the demand for winter sports holidays has never been higher. Based on our sales and booking trends to date, we are confident this is going to be a record-breaking season. However, while this winter provides the opportunity for many to return to the slopes without the disruptions of seasons past, we are very aware that the cost of living crisis means budgets are being squeezed, so it is more important than ever that we continue to offer incredible value for money and deliver experiences that provide memories for a lifetime.

**Nicolas Bresch, Managing Director,
UK & Nordics at Club Med.**



Current Socio-Economic Factors

"Despite the rising cost of living, 55% of Brits are still going ahead with their winter sports holiday as planned."

The rising cost of living is having an increasing impact on booking behaviours related to holidays. While some people are having to forgo their ski holiday this year in light of increasing costs, 55% of those polled are still going ahead, but with certain factors taking on more importance. When looking at a destination or resort, value for money is now the single most important factor people are considering ahead of making their selection, and this is of the greatest concern to those

aged between 45-54.

More than half (53%) of people polled are considering a different winter sports destination in light of the cost of living crisis. When it comes to making money go further, and getting more bang for your buck, France comes out on top as the destination perceived to provide the best value for money. Vast ski domains bursting with activities to cater for both avid skiers and novices, help to explain

why France continues to be one of the most popular ski destinations for Brits, and the range of the offering helps to keep costs down and provide more value for money. This is echoed by trends seen at Club Med, with sales at French resorts for the upcoming season up 36% compared with the same time last year, with Les Arcs Panorama, Alpe d'Huez and Tignes amongst their bestselling resorts.

Top ten countries perceived to be the best value for money

- 01 France
- 02 Switzerland
- 03 Scotland
- 04 Austria
- 05 Italy
- 06 Bulgaria
- 07 Canada
- 08 Romania
- 09 USA
- 10 Andorra

Nicolas Bresch, Managing Director, UK & Nordics at Club Med comments,

"When it comes to value for money, securing the cost of a holiday in advance provides reassurance to customers. With that in mind and with prices and currencies fluctuating in these uncertain times, we've made a promise to our customers and are guaranteeing that the price of their stay will not change after booking. We believe the all-inclusive ski holiday model will be more attractive than ever given this, with customers feeling safe in the knowledge that they are not going to be hit with lots of additional costs after booking."



Frequent skiers are prepared on average to spend £1,979 per person, an increase of 53% (£689) compared to average spends for the 2021/22 season.



53%



While value for money and spending in light of the cost of living crisis are front of mind for many, 60% of frequent skiers are in fact planning to spend more on a winter sports holiday this year. With the first restriction-free season upon us, it is evident that avid winter sports enthusiasts are wanting to get back to the mountains and are willing to spend more to achieve this type of holiday. Frequent skiers are prepared on average to spend £1,979 per person, an increase of 53% (£689) compared to average spends for the 2021/22 season.

Reflecting this, Club Med has seen the average order value (AOV) of their winter sports holidays increase by 9% year-on-year as the demand for luxury and privacy in the holiday market continues on an upward trajectory. When it comes to spending more on a luxurious experience, Club Med is opening its very first Exclusive Collection ski resort in Val d'Isère for the winter 2022/23 season. This resort is already at 70% occupancy capacity for the opening month in December.

For the 2022/23 season, the all-inclusive model is the leading option for accommodation

Other factors also impacted by rising inflation and the cost of living include the type of accommodation people are considering for their winter sports holiday. More than half (57%) of those polled are reconsidering their accommodation options. This year, for the first time, the all-inclusive model is the leading option for accommodation, overtaking self-catering, which was the most popular for the 2021/22 season. Google Trends data from September 2022 taking a look at the past 12 months, also shows a 3,450% increase in people in the UK searching for the term 'all-inclusive family holidays'.



45%

say a cancellation policy is the most important aspect when booking a holiday

39%

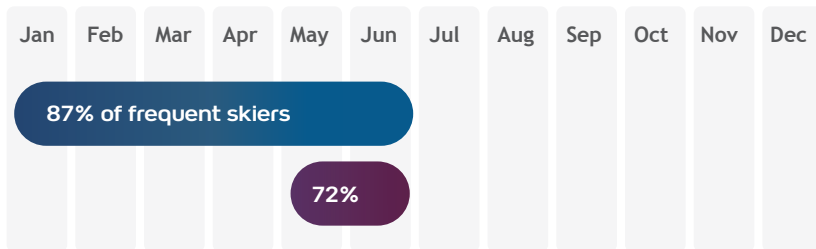
had their holiday postponed to 2022/23 due to Covid-19 restrictions

More than half of frequent skiers (53%) had their winter sports holiday impacted by travel and/or Covid-19 restrictions across the 2020/21 season and as such 39% of those affected had their holiday postponed to 2022/23. Following Covid-19, a flexible cancellation policy has risen in importance for holidaymakers. Almost half of Brits (45%) say it is the most important aspect when booking, which has increased by 15% compared to 2021.

Booking Behaviours and Destinations

With it being the first winter sports season in a long time that doesn't look to be disrupted by Covid restrictions, the appetite for people wanting to travel abroad once more is strong.

As we look ahead into the 2022/23 season, there's a huge appetite to get a trip organised. According to the research, 87% of frequent skiers have already booked to travel six months or more in advance, this is in contrast to last year where 72% of frequent skiers were prepared to book at less than a month's notice.



Data from within the Club Med business supports this, showing that clients have booked at least three months earlier when compared to the 2021/22 season. Data shows that December was the most popular booking month for the upcoming season, followed by January and February.

There's still increasing demand from Brits to get their alpine fix, with 44% of frequent skiers looking to go on two or more winter sports holidays this season, which is up from 42% last season.



Nicolas Bresch, Managing Director, UK & Nordics at Club Med, comments

“This winter sports season is set to be a busy one, and customers have been quick to book their holidays to ensure they don't miss out. It's been really exciting to see our trade partners supporting this, with bookings up by 18% versus last year. With two new ski resorts, Tignes and Val d'Isère opening for this season, we've seen a huge influx of bookings from existing clients who are keen to experience a winter sports holiday at a brand new resort.”

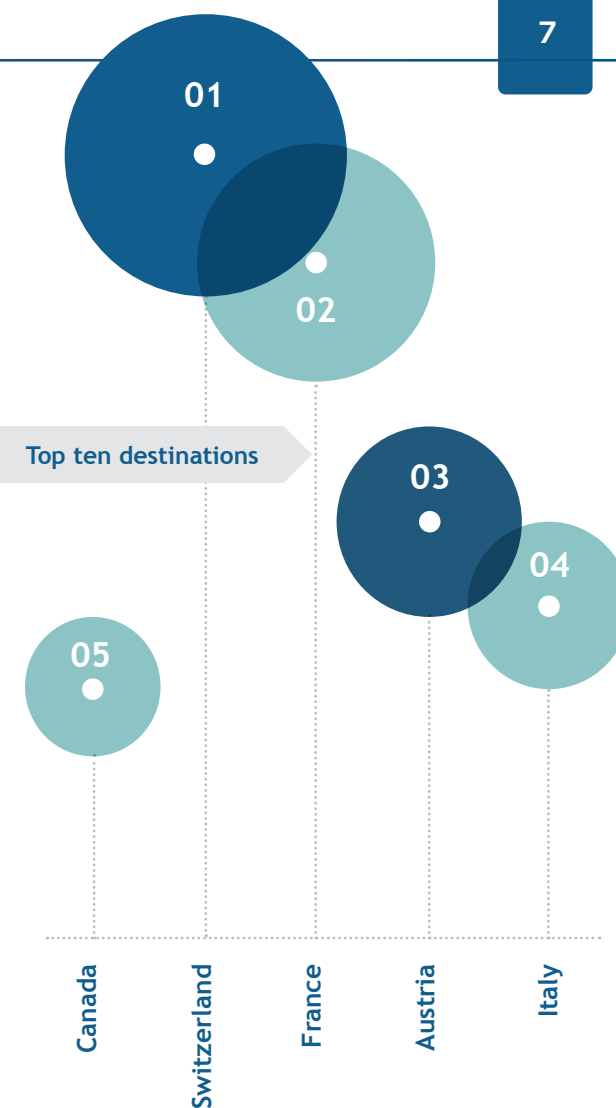


Many Brits have decided that they'd like to try a new type of holiday this winter. Of those polled, 46% cited that this year will be their first winter sports holiday and of these, two in five (40%) mention this is down to wanting to try something new. At all of the Club Med mountain resorts, there are activities that cater for everyone, not just the avid skiers. Guests can enjoy activities such as dog sledding, ice skating and alpine skiing. The brand new Tignes resort also offers guests the opportunity to try paragliding, while at Val Thorens Sensations, guests can try out snow mountain biking or bobsleighbing at La Plagne.

2022 has presented new issues when it comes to travelling abroad, most notably the situation which has unfolded at airports. When reviewing airport and airline chaos of recent months, 69% of Brits are now considering travelling with hand luggage only to avoid long delays or lost luggage. Google Trends data has also revealed a 500% search increase in the UK for 'luggage tracker tags' over the summer months. Also in relation to airport travel, two thirds (66%) would consider holiday options which avoid flying altogether.

Switzerland (38%) continues to be the most popular destination people want to visit this season, followed by France (37%), Austria (28%), Italy (27%) and Canada (23%), suggesting that people are still after those traditional alpine resorts, and are also opting to stay closer to home. Aspen, Saint Moritz and Les Deux Alpes topped the most popular resorts list, with Alpe d'Huez and Val d'Isère rounding out the top five.

69% of Brits are now considering travelling with hand luggage only to avoid long delays or lost luggage.



06 USA

07 Scotland

08 Bulgaria

09 Andorra

10 New Zealand

The resorts in Val Thorens and Tignes are already at 75% for Christmas and New Year's Eve

The data showed that December and January are the most popular times for a winter sports holiday for frequent skiers (35% each), as people take advantage of the holiday period, and opt to spend Christmas and New Year's Eve away in the mountains. The resorts in Val Thorens and Tignes are already at 75% capacity for those months.

Top ten resorts list

- | | |
|-------------------|--------------|
| 01 Aspen | 06 St Anton |
| 02 Saint Moritz | 07 Les Arcs |
| 03 Les Deux Alpes | 08 La Plagne |
| 04 Alpe d'Huez | 09 Dolomites |
| 05 Val d'Isère | 10 Big White |

The issues which have the biggest environmental impact are:



48%
Air pollution



39%
Energy consumption



39%
Plastic waste



Sustainability

Climate change is at the forefront of public consciousness now more than ever. Earlier this year, the UN Secretary-General insisted that unless governments everywhere reassess their energy policies, the world will become uninhabitable. Many have taken action to increase their knowledge on this matter, taking steps to reduce their environmental impact and make more informed, sustainable choices in their day to day life. Therefore, it is no surprise that 58% of the people surveyed look at the sustainability credentials of their holiday provider before booking a holiday. This figure has increased from 54% in 2021, demonstrating the ever growing significance of sustainability for the customer and the extent to which this influences their choice of holiday providers.

58% of the people surveyed look at the sustainability credentials of their holiday provider before booking a holiday.

When it comes to international holidays, the issues which have the biggest environmental impact are air pollution (48%), energy consumption (39%) and plastic waste (39%). Aware of the onus placed on the travel sector to reduce its carbon footprint, Club Med has implemented a range of eco-commitments to improve the environmental management of their business. Launched in 2019, the 'Happy to Care' initiative has now seen 100% of all eligible Club Med resorts receive a Green Globe certification. Stricter measures have also been put in place to ban single-use plastic items across all resorts and energy consumption is regularly monitored.

¹ <https://news.un.org/en/story/2022/04/1115452>

² Green Globe is one of the most recognised and demanding international and independent sustainable tourism certification. It is awarded to tourism industry establishments committed to a comprehensive approach and to continuously improving the environmental and social management of their business.

Eco-conscious choices are of particular importance to those going on winter sports holidays as travellers look to spend the majority of their time amongst nature. When booking a ski holiday, 43% of frequent skiers report that they choose holiday providers which give back to the local community, while 37% choose companies which sustainably source food, and 35% select those which are single-use plastic free.

Since 2018, Club Med has been committed to ensuring all construction of its new resorts are eco-certified with BREEAM, which is a recognised international and independent eco-construction certification, assessing environmental, social and economic sustainability performance throughout the construction cycle. Club Med works closely with BREEAM to implement the CLUB MED - BREEAM "Resort" eco-construction benchmark, which has seen a new standard specific to resorts that are composed of several buildings spread over a large space. Additionally, as with all Club Med construction projects, 95% of the budgets are entrusted to companies in the local regions.



Nicolas Bresch, Managing Director, UK & Nordics at Club Med, comments

"Our commitment to sustainability began over 40 years ago, in 1978 with the introduction of the Club Med Foundation. The Foundation continues today to strive to support local communities and the environment in which we live and house resorts. We are always looking for ways we can do better as one of the biggest all-inclusive holiday brands, not only in Europe but worldwide, which is why we have worked hard to make sure 100% of eligible Club Med resorts are Green Globe Certified. We understand that sustainability is becoming increasingly important for holidaymakers, and we are proud to say it has and always will be a priority for us."