

# 2012 China Ski Study

## Summary of Research Findings

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This project is a joint research initiative among the Canadian Tourism Commission, Tourism British Columbia (part of British Columbia Ministry of Jobs, Tourism and Innovation) and Alberta Tourism, Parks and Recreation. The overall purpose of the study was to obtain a better understanding of China's ski market and its potential for Canada, British Columbia and Alberta. This document presents the key learnings and the summary of findings from two study phases (i.e. a desk research and in-person intercept interviews conducted in China). Once finalized, the full reports will be posted on the project partners' websites.

### KEY LEARNINGS

- The Chinese ski market has seen a rapid growth in the number of skiers and a boom in the development of ski facilities, driven by strong economic growth, increased personal wealth and a luxury trend among Chinese consumers in the past decade.
- Despite the fact that ski destinations around the world are trying to capture the attention of the Chinese skiers, the market is at its infancy with predominantly beginner level skiers and lack of domestic ski culture.
- Chinese outbound skiers fit the demographic profile of typical long haul leisure travellers for being highly educated and in a higher income bracket in China and share a similar view toward an ideal long haul ski vacation i.e. a reliable ski facility with good snow conditions set in magnificent scenery – all at an affordable price.
- Different from common views of a ski vacation, Chinese skiers see skiing/snowboarding as one part of their overall vacation experience, which will be partaken among other popular activities such as sampling local flavours, city trips and other winter activities. Typically this might involve two days of skiing/snowboarding out of a ten day vacation. At this point in time the best way to bring these travellers to Canadian slopes is to include skiing/snowboarding outings in vacation packages with other activities.
- Skiers are most likely to seek information from word of mouth, travel TV shows, destination websites, and travel magazines. Travel agents are widely popular with all skiers although Internet travel suppliers (e.g. ctrip.com) are growing in demand as a means to book a ski trip.
- Awareness and interest of Canada as a ski vacation destination is relatively high among interviewed Chinese skiers whereas awareness and knowledge of specific Canadian ski destinations is low. Despite the positive attitude toward travelling to Canada for a ski vacation, Chinese skiers are constrained by factors such as time commitment, financial and personal reasons and lack of knowledge about overseas ski areas. The lack of knowledge about Canadian ski destinations can be improved through awareness building efforts.

## SUMMARY OF DESK RESEARCH FINDINGS

### Skiing in China has seen rapid growth and a boom in development.

- The ski industry in China has grown rapidly – from approximately 10,000 skiers in 1996 to around a reported 5 million in 2010. In 1980, there were only three ski resorts in China. Today there are at least 70, and there may be as many as 200 ski facilities.
- China's ski boom has attracted a great deal of international attention and investment from some of the biggest names in skiing. However, the depth of the Chinese ski market may have been overstated and oversold – many of China's ski resorts have yet to meet visitor projections, and many developers have yet to see a return on their investments.

### In China, skiing is a luxury trend driven by beginners with money to spend.

- China's ski boom is driven by increased personal wealth in China and its ski hills are dominated by new skiers. Most people who try skiing will never go again, and there are very few experienced skiers. Equipment rental is high – estimated at around 90% of visitors.
- Skiing is gaining popularity as a family activity, and tends to go hand-in-hand with shopping, dining, and sightseeing. China has yet to develop its own ski culture – ski resorts mostly attempt to emulate western-style facilities and services.

### Ski destinations around the world want to capture the notice of this new market.

- China is the third largest outbound tourist market in the world, and it is still growing. A new generation of sophisticated, independent Chinese travellers is emerging.
- The dramatic increase in outbound Chinese travellers is starting to have an impact on the worldwide ski industry, with several countries reporting an increase in Chinese skiers.
- Many of the world's best-known ski destinations have received Approved Destination Status in recent years and are making efforts to attract Chinese skiers.
- Ski destinations and tourism marketing organizations (e.g. the Canadian Tourism Commission, Tourism British Columbia and Travel Alberta) in Canada's western provinces are using several strategies to attract Chinese skiers, including establishing internet presence and other targeted marketing initiatives.

## SUMMARY OF SURVEY RESEARCH FINDINGS

- A total of 500 in person intercept interviews were conducted at three Chinese ski resorts: Yabuli, Beijing Huaibei, and Beijing Nanshan in February, 2012. Quotas were set for three different skier/snowboarder groups as follows:
  - High Interest: Travelled overseas to ski/snowboard in the past three years (n=150).
  - Medium Interest: Ski/snowboard at least twice per year and have travelled long-haul for a general vacation (but not necessarily to ski/snowboard) in the past three years (n=150).
  - Low Interest: ski/snowboard at least twice per year and have not travelled abroad to ski/snowboard in the past three years (n=200).
- Skiers/snowboarders in the Low and Medium Interest groups are predominantly male but are more evenly split in the High Interest group. The High Interest skiers, who are more likely to travel overseas for a ski vacation, tend to be in a higher income bracket and are more likely to have a university education, which fits the profile of the affluent Chinese travellers.

- High Interest skiers/snowboarders most likely visited Japan and Switzerland on their last ski trip, followed by Korea and Canada. On ski trips taken in the past three years, Canada fares much better placing second behind only Japan.
- While it is increasingly common for Chinese vacationers to include skiing or snowboarding as part of their vacation, dedicated ski/snowboard vacations are not common. The High Interest group tend to average only about two days spent skiing/snowboarding on trips that average just under ten days in duration.
- Half of the High Interest skiers purchased travel packages with airfare, ski passes, and accommodations - the most likely components purchased. Low and Medium Interest groups are less likely to want a complete package but the components sought are similar to the High Interest group with a higher percentage wanting to have ski rentals included in the package.
- Skiers are most likely to seek information from word of mouth, travel TV shows, destination websites, and travel magazines. Travel agents are widely popular with all skiers although Internet travel suppliers (e.g. ctrip.com) are growing in demand as a means to book a ski trip.
- Good snow conditions are the obvious first choice for what a skier looks for when planning a ski/snowboard trip. Affordability was the next most mentioned as a first choice for characteristics sought when planning a trip to ski or snowboard. While skiing/snowboarding is the most popular activity on a ski trip, sampling local flavours and taking in city and winter activities are also sought out.
- Canada places third behind Japan and Switzerland in unaided and aided awareness as a country for skiing and snowboarding with very little awareness and knowledge about specific ski destinations.
- The lack of knowledge about specific ski destinations was the top barrier that can be addressed by marketing ski/snowboard destinations. Chinese skiers and snowboarders are also discouraged from travelling outside of China to ski or snowboard because of time commitments, personal reasons, and the cost of travelling overseas.
- Realistically, this translates into about 5%\* of the High Interest group and less than 5% of the Low and Medium Interest groups saying they would definitely travel to Canada in the next 2 years to ski or snowboard.

*\*Due to the nature of the convenience sample (i.e. predetermined quota for interviews at selected ski resorts) used for this project, the percentages provide insights into the potential of the Chinese outbound ski market but should not be applied to calculate the overall outbound ski market size from China. Deriving quantitative measures is outside of the scope of this study.*