

Ski resorts: Behavioral skinomics to leverage the lost customer


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Ski resorts are challenged to convince customers to return annually. Ski resorts have a loyal base of fully-connected consumers. However, the fully-connected customer earns an annual income higher than the median income in the United States. There is a segment of the population that enjoys skiing and family vacations that don't earn more than the median income in the United States. Ski resorts could capitalize on the segment of the population with a lower socioeconomic status by using behavioral insights to increase the frequency of visits.



Recent research by Barbera Solutions and Clicksuasion identified several insights that could be used when targeting a customer with less frequent visits. Participants in the research (N = 610) were individuals between the ages of 22 and 45 that stayed at a ski resort in the United States for at least three consecutive nights during one of the previous three ski seasons; November through March of 2013-2014, 2014-2015; 2015-2016. Additionally, participants earned between \$51,939 and \$56,516, the median annual income for taxpayers in the United States between the 2013 and 2016 calendar years. Lastly, each participant resided in the United States during the three years between 2013 and 2016.

The research sought to answer how the participants perceived their ski resort stays and which factors were likely to prevent the guests from returning each ski season. A few of the variables tested were ease of travel from the airport, driving distance to the resort, inclusivity, and budget. Twenty-one per cent (N = 128) of the participants stated travel from the airport was the primary reason for not returning to ski resorts. Travel from the airport to the resort was associated with lack of transportation options and the complexity of transportation options such as rental vehicles, shuttles, and private transportation. Of the participants that preferred to drive to their destination, 38 per cent (N = 231) stated the driving distance and drive time were significant factors for not returning the following year. Moreover, 14 per cent (N =

85) said there weren't enough inclusive family activities, and 27 per cent (N = 164) stated budgetary concerns. Two participants were excluded as outliers. 

Although decreasing fees might perk the eyes and ears of the consumer, discount models are not likely to be advantageous for ski resorts. Reducing prices is likely to have adverse effects on revenue, profit, brand equity and the consumer's perceived value of the brand. Of the 164 participants that stated there were budgetary concerns, only 11 per cent reported the prices were too high, while 89 per cent said they did not earn enough income. The significant evidence of income and cost represents the mental accounting of the participant and the perceived value of a vacation at a ski resort.

Ski resort guests spend the majority of their vacation budget on lodging. The median cost of a three-night stay at a ski resort in the United States is \$657 before taxes. The customer is likely to eat the resort's food and purchase lift tickets from the resort. Additionally, ski resorts gain approximately 50 per cent of their revenue from ticket sales, 16 per cent from retail and rental equipment, 11 per cent on schools and training, and 9 per cent on dining.

Customer experiences do not always require direct costs. There are endless possibilities to increase guest value by leveraging the customer's experience. Two approaches are mentioned below; however, it is likely best to use the organization's guest data. The data will likely tell a story about the guest's behaviors and how they prefer to engage with the brand. Additional research from this study suggests offering inclusive family activities, and child care services are likely to increase the perceived value of the vacation.

Additionally, accumulated snowfall is difficult to predict, and skiers are not likely to visit a ski resort that doesn't have snow. Therefore, the majority of ski vacations are planned and reserved less than one month in advance to the guest's check-in date. Additional inclusive amenities are likely to reduce loss aversion of snowfall and increase the median reservation lead time.

Lastly, designing cultures, such as guest greetings and the customer's engagement experience are likely to distract the customer from the cost of the vacation. The more enjoyable the experience, the less mental accounting thoughts could occur, and the possibility of annual visits could increase.

Ski resort personnel are not likely to predict weather or help guests earn higher salaries; however, ski resort personnel could reframe the message to the guest by targeting their behaviors and emotions. The resort's data tells a story, and the story is likely to help the brand increase the perceived value of the visit by understanding how the consumer thinks, acts and engages with the brand.

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