



# *Erna Low*

An Independent Perspective from  
the Longest Established Ski Business  
in the UK

*“The Ski market has had its ups and downs in the 80 years that we at Erna Low have been in business.*

*The last three years have been tough for the industry - but then it's been tough for a lot of industries. For many people their wintersports holiday has become a luxury rather than a necessity.*

*But when you look at things in the long-term – as any business must do that has been operating successfully for 80 years – you have a different perspective. Erna Low has changed a lot over the years and we continue to change and evolve in response to the market – its what has helped us weather this storm better than most of our competitors.*

*And the theme of this report – contrary to most of what you hear in the business – is upbeat. I wanted to share with a wider audience what we know about the current Ski market and why we're confident about the future, as well as some of our top tips for 'Austerity Britain'.”*



Joanna Yellowlees Bound  
CEO, Erna Low  
London September 2011

# A perfect storm

For many in the ski industry last season was the perfect storm. Consumer confidence was low, people were tightening their belts as they began to feel the first real falls in their disposable income since 1981.

The preceding season had been tough – but last season was brutal.

People were forced to make choices and one of the choices we know that many skiers made (apart from the dedicated skiers) was mentally categorising their summer holiday as a necessity and their winter holiday as a luxury.

In economic terms the core skiers were seeing a higher real cost for their skiing holiday and were becoming more risk averse. Why risk a week without snow when the mood of the country is about austerity and being careful about what you spend?

This, together with late Easter, poor snow, an over-crowded half term week in which most European countries clashed, the weakness of the pound, as well as general recession-inspired fear for the future, meant that bookings dipped again.

# Down 25%?

- Over the past three seasons, some parts of the industry have seen declines in bookings of up to 25% . Few markets can experience that level of decline in demand without a serious restructuring of supply.
- Many of the bookings were brought in because of ruthless discounting and selling at a loss. Some of the offers were so low that it was almost cheaper than staying at home.
- But discounting is bad for the industry and cannot continue indefinitely. It also encourages a 'wait and see' mindset – skiers know it's a buyers market even if they also know that by waiting, they are trading off choice and the best product for 'bargain' last-minute prices.
- But the skew this puts in the market is dangerous- 'wait and see' means that there is no commitment. A ski holiday becomes something you might do if your various criteria are met – no longer something you commit to at the start of the season.

# Far from all bad news

- Here at Erna Low we've been around long enough to take the longer-term perspective.
- Our marketing consultants, SPIKE Marketing, interviewed 2,500 consumers at the end of the last ski season. The results were fascinating; two things stood out as particularly positive for the future of the ski industry. First is that there is a massive latent demand for ski holidays, and the second is that the market – the number of people who consider themselves skiers – is somewhere in the region of 5 million in the UK.
- Although only 20% of the ski market appears to have gone skiing last year – a massive 32% said they intended to go next season. There is always a big difference between intention and action – these people weren't putting their money down but they were expressing a latent desire. They haven't rejected skiing – its just that other matters and concerns have got in their way.

# The future of skiing looks rosy

- What we're seeing at the moment is a blip – a short term decline against a long term growth trend – but its one that is shaking up the industry. It's a supply-side imbalance – operators have too much stock, or the wrong stock or stuff that is being wrongly delivered.
- Skiers are demanding different things and we all need to respond to this. I believe the market will come back but it won't be like the market was before – It's going to remain a buyers market. Technology will see to that.
- What we're seeing from our research and talking to our customers is a greater focus on quality, flexibility, independence and expertise. The conversation has moved rapidly from price to experience – what people want is the right experience not just a cheap price.

# It's about understanding what skiers want and giving it to them

The Erna Low product is working better than most in the current market. This is because:

- Our offering is targeted at the more discerning skier
  - We're not an entry-level product
  - We're targeted at people who have skied before and probably know the resorts they want to go to
- We offer flexibility and independence
  - Customers can buy just accommodation from us and build their own package, or we can create a self-drive package for our customers with our transport partner Eurotunnel
- We offer choice and a massive selection of 1000's of apartments around the Alps
  - This season we have significantly expanded the accommodation we're offering in Austria, Switzerland and Italy
- We offer expertise
  - All our staff are keen skiers, they know their resorts well and if the person you speak to hasn't been to that resort one of our other staff will
- We understand the property market
  - Via our property arm, Erna Low Property ([www.ernalowproperty.com](http://www.ernalowproperty.com)), we see all the latest opportunities coming up in the ski property market, not only offering excellent investments for our clients, but understanding the effect on the more mature market once properties are developed and completed.

# What our customers have been saying

Here are three short quotes from many about our service, emphasising the great value, excellent accommodation and customer care that we have to offer:

- *"We've been going on holiday with you for the last ten years, and have always been impressed by the service you give - the apartments, the helpful staff, and good value for money are an unbeatable combination. If anyone ever asks me about the best way to go skiing with a family, I always give them your number."*
- *Erna Low did us proud, eight families on the same floor in very nice accommodation, in a first class location in a top resort, we could not of asked for any more. Also forever impressed with the service - treated like a VIP all the way."*
- *What we appreciated most was the honesty and clarity of Erna Low's information – particularly in respect of the accommodation details."*
- **And .....**

**98% of our customers would recommend us to a friend or colleague...**

# The Erna Low Top tips for Austerity Britain 2011/2012

- **Book early**
  - and take advantage of precious Early Bird discounts of up to 20%
- **Choose lesser known resorts**
  - cheaper accommodation, cheaper lift passes and cheaper après ski
- **Self drive**
  - you know it makes sense. Convenient with kids; fun exploration on your journey; use our free Eurotunnel FlexiPlus upgrade for maximum freedom
  - turn up at Folkstone and travel. Avoid stress, price-gouging and airport humiliation
- **Extra ski time**
  - set your own itinerary; taking advantage of early arrival and late departure when you drive means more time on the slopes and a real bonus for hard skiers

- **Self cater** – less expensive than catered chalets and hotels; easy on tired children; relaxed and informal; masses of top end, spacious and elegant accommodation to choose from
- **Choose off-peak dates** when you can but if restricted to school holidays, opt for Christmas or Easter rather than New Year and Half Term
- **Purchase groceries before you reach the resort** – buy in the valley or bring supplies with you so you have total control over your Euro household expenditure. Remember staples like coffee, preserves, dishwasher tablets – fill your boots!
- **Pre-book your extras** – take advantage of preferential ski hire, ski school and lift passes available through your tour operator
- **Free ski passes** – for young kids and senior skiers in some resorts such as La Plagne and Les Arcs
- **Keep your après ski costs to a minimum** – and still have fun. Check out free events such as night time ski descents; take the family swimming or ice skating; hire a toboggan; pack your favourite books, games and DVDs to avoid expensive local impulse buying
- **Flexible skiing** – book a short break and take advantage of the best flight prices by avoiding the Saturday-Saturday change-over

Control restaurant and food bills – that come home on your credit card

**On the slopes:**

- **Stock up** on bumper packs of snacks; pack a picnic for the slopes, it's still the same view and the same sun – but don't forget the waterproof travel rug; enjoy produce from local bakeries and delis

**In the apartment:**

- Order meal deliveries or collect from the excellent snack bars and delis
- Cook in Alpine style with inexpensive and wholesome ingredients for hungry skiers
- Watch where the seasonnaires and students hang out; guaranteed to be good value. Just party and they'll soon overlook your age!
- Check out Happy Hours – a different bar every day if you're organised. You do deserve it after a hard day on the slopes. Just remember to leave after 60 minutes!

### **Avoid an avalanche of hidden costs:**

- **Mobile phone roaming** – check your provider charges for making and receiving calls mails calls, texts and voice mails. Internet? Sign up for Skype
- **Credit and debit cards** – consult a site like Martin's Money Saving Tips for best deals – using plastic overseas can result in a mountain of hidden charges
- **Currency purchase** – pre-purchase currency online using services like HiFX, compare websites, commission, delivery charges and exchange rates
- **Take it with you** – that's not just food but expensive sun screens, essential sunglasses, ski accessories – hats, gloves scarves – it's miserable without them and expensive locally

# Turning to ski property

- **Now has never been a better time to purchase**
- **Developers are re-structuring their offers with better rental returns and usage options**

“Because of the recession, people are sweeping up fabulous properties at bargain-basement prices. Never have I seen so many opportunities. Property prices in the Alps have fallen at a much faster rate than people’s disposable income. The bottom line is – with so many deals around- if you are in employment, but believe you cannot afford a ski property, you should probably think again. But the old rules still apply – location, location, location – top resorts and management excellence are as important as ever.”

**Joanna Yellowlees-Bound**

**[www.ernalowproperty.com](http://www.ernalowproperty.com)**

# AND FINALLY....

Looking towards next year and September 2012, Erna Low marks its 80<sup>th</sup> birthday in business - and we plan to celebrate the landmark anniversary in style.

Rightly famous for her skiing programmes, the formidable Erna Low has received many accolades during her career culminating in her induction, in 1999, into the Travel Industry Hall of Fame. The Erna Low brand is recognized globally to represent holidays to the finest resorts, with total flexibility, discerning choice, extreme value for money and a personal service even in today's on-line age.

A former Austrian javelin champion, Erna Low was an undergraduate (or undergraduette as ladies at University were then known) in London when, in 1932, she placed an advert in the Morning Star which read simply, "**Viennese undergraduette taking party to Austria, fortnight £15.**" Actually conceived as a way of funding her travel to see her parents, Erna Low's mark on the world of travel was made. Such original thinking has been the hallmark of Miss Low's long career.

Her innovative advert laid the foundation for a lifetime spent pioneering holiday themes and locations around the globe – today, the company is proud to continue to promote the best ski holidays to its clients in true Erna Low tradition.