

Table 10.1 Factors That Have an Impact on the Survival and Success of Snow Holiday Resorts

Capital intensive, yet produce extreme fluctuations in cash flow to pay for these necessary investments.
Labor intensive and seasonal, resulting in the need to both hire and lay off large groups of service employees.
Weather dependent, resulting in the need to invest in expensive snowmaking equipment and draw heavily on an area's water resources.
Sensitive to economic fluctuations, because they are relatively expensive, and thus they must attract consumers with adequate discretionary income.
Located in remote locations, which creates potential transportation problems for both guests and employees.

snow cover resulted in decreased visitation even with snowmaking. From a financial perspective, with the warmer conditions many lower-altitude resorts have been experiencing in recent years they may not receive enough income due to reduced visitation numbers to offset their snowmaking costs. While higher-altitude resorts may have a short-term gain in visitation based on the presence of more natural snow, their operations may also become uneconomical in the longer term.¹³ In addition, all of these resorts have the same operational problems that accompany these snowy remote locations.

The continued problem of unpredictable weather patterns has required large investments in snowmaking and grooming equipment to start, maintain, and extend ski seasons. Snowmaking not only costs money but also raises environmental concerns. Snowmaking draws heavily on available water supplies during typically dry times of the year, and additional grooming requires an increase in exhaust-producing grooming vehicles to be placed on the mountainside. Furthermore, the demographic shifts resulting from an aging population are reducing the potential number of skiers. Efforts to expand existing ski areas are being met with tough opposition from environmental groups, resulting in extensive environmental impact assessments and challenges to the use of government lands for single-season recreational use.¹⁴

Managers at mountain snow holiday resorts, like managers at other seasonal operations, must cope with seasonal changes to survive and succeed. Table 10.1 provides some examples of challenges faced in these types of seasonal destinations. Think about seasonal resorts with which you are familiar. Do they face the same, similar, or different problems?

Snow holiday resorts were originally developed to serve the snowsports public. Subsequently, they have expanded facilities to appeal to cross-country skiers, snowboarders, tobogganers, tubers, and ice skaters. However, to smooth cash flows, appeal to a broader market, and position themselves as year-round destinations, many traditional warm-weather activities such as golf and tennis have been added to their product offerings to appeal to a broader variety of market segments. The increasing popularity of mountain biking has also improved revenue potential. By offering bikers a “lift” up the mountain and providing trails for the way down, many traditional snow holiday resorts have substantially boosted the number of summer visitors.

Golf Resorts

No one is really sure where the game of golf began, but it has been a popular recreational sporting activity throughout the world for years. The origins of the game may have come from the Romans, but St. Andrew's Golf Club in Scotland, which was first used in the 16th century, is the oldest golf course in the world. The first permanent golf club did not appear in North America until 1873, when the Royal Montreal Club was founded in Canada.

Golf has continued to grow in popularity throughout the world. It is estimated as the leading sport in the world in expenditure with more than 60 million active participants.¹⁵ In the United States alone, there are over 40 million current or potential golfers.¹⁶ With all of these golfers, it should be no surprise that golf is an especially attractive destination amenity, and the development of new golf courses is not keeping up with