UK Snowsport Hardware Market 2015-2016

Headline Summary

SIGB
SNOWSPORT INDUSTRIES GREAT BRITAIN
Trade Survey

This annual report provides the most accurate statistical data about the UK snowsport industry (retail not travel) based on actual sales of hardware sold into UK shops in the previous winter.

This is the fifteenth annual survey, which provides a clear indication of the year on year changes in the UK ski and snowboard hardware market since 2002. It reflects the underlying trends - and identifies the challenges facing a retail sector that is not only affected by the general economic state of the UK High Street but also the impact of weather (both at home and in resort), exchange rate volitility, punitive airline carriage charges and the growth of offshore web sales operations. The uncertainty of Brexit and a maturing participation base, adds to the list of external factors facing the snowsport industry.

But there is positivity, as highlighted in the recent Ski Club of Great Britain Consumer Research Report (extract included in this report).

❄ snowsport continues to be one of the most inclusive activities in terms of age

❄ skiers and snowboarders are remarkably resilient when it comes to spending some quality time on snow, in the mountains

❄ there are grass-roots initiatives to get more young people on snow

❄ there is the build up to the next Winter Olympics in 2018

❄ the value of good service and advice is being recognised as a key factor in sporting enjoyment.

The forthcoming winter will be interesting at every level.

Brands included in this report

Skis
4frnt
Armada
Atomic
Black Crows
Black Diamond
Blizzard
DPS
Dynastar
Faction
Fischer
Head
K2
Line
Movement
Nordica
ON3P
Rossignol
Salomon
Scott
Volant
Volkl

Ski Boots
Apex
Atomic
Dalbello
Full Tilt
Head
Fischer
K2
La Sportiva
Lange
Movement
Nordica
Rossignol
Salomon
Scarpa
Scott
Tecnica

Snowboards
Amplid
Bataleon
Burton
Capita
Dinosaurs Will Die
Drake
Endeavor
Head
Jones
K2
Never Summer
Nideker
Nikita
NBitro
Ride
Rossignol
Salomon
Slash by Gigi
Volkl
Yes

Snowboard Boots
Burton
Deeluxe
Head
K2
Nitro
Northwave
Ride
Rossignol
Salomon
SP-United
Thirty Two

❄ The SIGB (Snowsport Industries of Great Britain) is the UK trade association for suppliers, manufacturers, retailers, travel companies and media involved in the snowsport and associated industries.

❄ The SIGB has more than 167 members and its main activities are:
- Organisation of the Slide annual trade show and the SIGB Ski Test
- Promotion of wider snowsport participation
- Gathering of industry data and statistics for members
- Providing a snowsport media service to assist National Teams and Governing Bodies achieve greater awareness and coverage of snowsport activities.

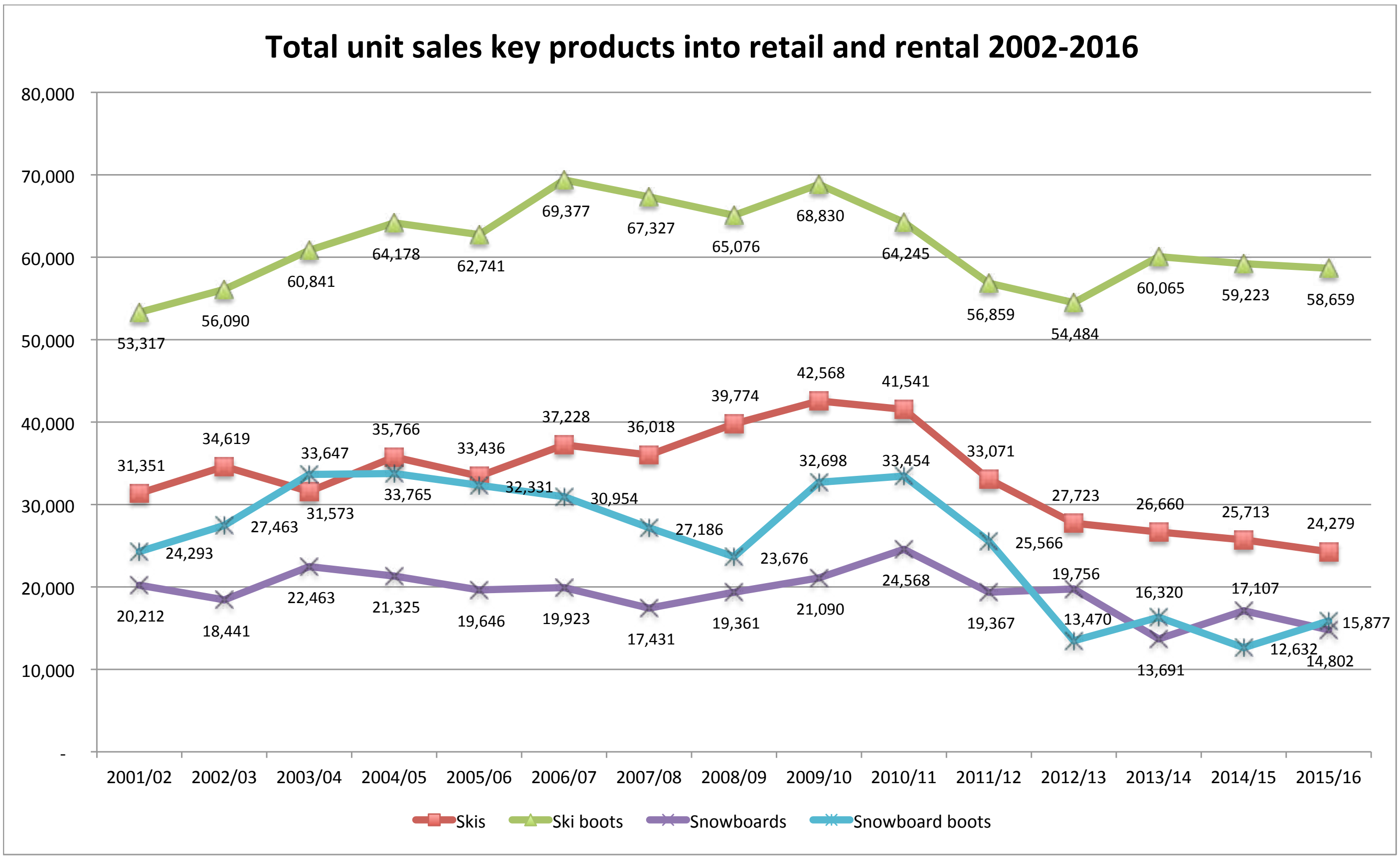
❄ The SIGB carries out an annual trade survey of hardware suppliers which provides an accurate picture of the size of the UK snowsport hardware business. The source data was supplied by 18 companies who distribute ski hardware in the UK and 12 companies who supply snowboard equipment. The respondents were a mix of members and non-members.

❄ This data represents most of the supplied product within the UK market - we estimate the returns represent at least 90-95% of the total ski hardware supplied in the UK and 85-90% of snowboard equipment.

❄ The data contained in this report has been compiled by Geoghegen & Co, Chartered Accountants from confidential submissions by participating SIGB members. The presentation of the data has been carried out by Rare Management on behalf of SIGB.

Total ski & snowboard hardware unit sales

These figures represent sales to UK based retail and rental operations from all participating suppliers for the period 1 April 2015 – 31 March 2016. They do not necessarily reflect actual sales to consumers.



- For ski (skis and boots) the figures represent an estimated 90-95% of the UK domestic retail market. For snowboard, the figures represent an estimated 85-90% of the UK domestic market.
- Tough trading conditions on the High Street continue to affect all sectors of the retail environment. A mild autumn in the UK and late arrival of snow (after the Christmas/New Year holidays) in the European Alps also affected sales.The winter of 2016-16 saw the drop in sales figures flattening after the sudden decline in 2010-2013.
- Ski boots continued to be the strongest selling item of hardware, reflecting the attraction of buying good-fitting boots in the UK and the acknowledgement that boots are the single most important purchase for participants, where ownership is a better option than renting. This has been a cornerstone of the SIGB Go UK Buy UK campaign.
- Sales of ski boots are down 1% whilst snowboard boots experienced a 25% year on year increase - but the snowboard boots figures are based on a big drop in numbers for 2014-15, which appeared to ba an anomoly. Looking at the past two winters, snowboard boot sales have declined by a total of 3%, which is in line with the general trend.
- Ski and board sales continue to be hit hard by a number of factors, with a 6% drop in ski and 13% in board sales:
  • Carriage charges on air travel
  • Well publicised late arrival of snow in the Alps
  • Availability of high-end rental packages in resort
  • Offshore internet sales, driven by price alone.
  The resulting downward trend in ski sales is slowing down and that could change to growth if consumers can be pursuaded that there are benefits to equipment purchased within the UK.
- There is continuing growth of sales of female specific ski kit compared to unisex - up 8% (down 11% for unisex) for skis and up 5% (down 3% for unisex) for ski boots. In snowboard there appears to be a significant decline in female specific kit - down 23% (down 18% for unisex) for snowboards and down 4% (up 37% for unisex) for snowboard boots.
- There was encouraging growth in sales of junior snowboard equipment - board sales were up 48% and boots up 14%. Junior numbers were down for ski after a period of increasing sales, with junior ski sales down 11% and boot sales down 16%.

The Ski Club of Great Britain recently published its report into consumer habits, intentions and attitudes of people who are interested in snowsport. There were 17,270 responses of whom 2,432 were non-participants.

Of particular interest with regard to the UK snowsport retail market is the high regard that is placed on purchasing from a UK retailer - and the corresponding discontent with purchases made in resort.

- **48% indicated that buying from a UK store was their favourite means of selecting snowsport equipment, whilst a poor, qualitative, Net Promoter Score* of -15 to -18 was recorded for respondent's experiences buying in resort.**

Other Key highlights of the survey include:

- Brexit seems to have had little effect on the desire of skiers and snowboarders to continue pursuing their holidays. The survey responses were collected both before and after the referendum. Even amongst the ensuing uncertainty and exchange rate changes, 65% of skiers and boarders said their habits would remain the same over the next 3 years. For the 2,300 non-participants it was asked how likely they were to ski or snowboard in the next three years. Over 5% gave a positive response (scoring 9 or 10 on a 10-point scale) – a strong potential pool of new skiers. However, when the result was split between people responding before and after the referendum there was a major significant difference. Before the referendum 7.2% had scored their potential to ski as 9 or 10. After, if had dropped to 4.5%.
- Of the people who skied or boarded last season an impressive 97% say they will participate again in the coming season. A further 28% said their activity would increase and only 7% said their activity would be decreasing – and much of this decrease was due to factors outside their control and mainly lifestyle changes.
- Solo travellers on the up; although 38% of respondents participated with their own or other families on their last snowsport break and 31% with friends, it was notable that 7% stated that they travelled alone, a significant 2% increase from the 2015 research.
- Spend per head on travel, accommodation, ski passes, equipment and ski school remains fairly consistent on last year with 25% of respondents spending between £750-£1,000 per person
- Loyalty to specific markets also remains strong – 74% of people who skied or boarded in France on their last holiday say they will go there for their next holiday with 61% stating Austria and 49% choosing USA & Canada.
- Taking a break. 66% said they had taken a break of more than three years. The largest age group that featured in the this category were the 40-49 year olds, whereas the biggest age group who have not taken a break of three years from snowsport is the 60+. This age group are more likely to have retired, and to have more time and money to continue their participation each year. The most common reason for a break has been taken was children. On top of this 'other commitments' and 'costs' as well as being at university also figure – but children remain the major issue.
  However, what also brought people back was their children, a love of skiing and snowboarding as well as increasing affluence and time. Snowsport with friends and families is also often a great motivator too.
- Who responded?
  · 39% were female and 61% male.
  · The highest percentage age profile consisted of 34% aged between 50-59 years
  · 26% between 40-49 years
  · 5% were just 21-29 year olds
  · 86% of the respondents who were skiers had been on a snowsport holiday either last season or season before

* Net Promoter Scoring:
The Net Promoter Score, or NPS®, is based on the fundamental perspective that customers can be divided into three categories: Promoters, Passives, and Detractors. By asking one simple question — how likely is it that you would recommend a product, service or company to a friend or colleague? — you can track these groups and obtain a clear measure of performance. Customers respond on a 0-to-10 point rating scale and are categorised as follows:
Promoters (score 9-10) are loyal enthusiasts who will keep buying and refer others, fuelling growth.
Passives (score 7-8) are satisfied but unenthusiastic customers who are vulnerable to competitive offerings.
Detractors (score 0-6) are unhappy customers who can damage your brand and impede growth through negative word-of-mouth.

Go UK Buy UK

The SIGB is supporting a campaign to encourage Britain's skiers and snowboarders to buy their kit from specialist retailers in the UK, based on three guiding principles:

- Best Advice
- Best Service
- Best Products

A strong UK snowsport trade is essential for growth and development as well as providing essentail support for national team slers and riders.