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Understanding the Consumer

Spotlight: X-Games takes X-treme sports to X-citing new level

Launched in 1995 in Newport, Rhode Island, the X Games is an extreme sports competition encompassing skateboarding and motocross and (since 1997) winter sports – including snowboarding, skiing and snowmobiling. It acts as an incubator for the latest, hip sports both for summer and winter. Targeting Generations X and Y, the annual X Games competitions are put on by American sports broadcaster ESPN and also shown on ABC Sports network. Since 2002, the winter event has been held at Aspen's Buttermilk ski hill. The Summer X Games moved from Los Angeles to Austin, Texas in 2014.

Chris Schuster, President & Founder of the Association of Freeskiing Professionals (AFP), provides the management team for X Games under his company Event Production Specialists (EPS Events). Based in North Lake Tahoe, Andrew Gauthier is AFP's Marketing & World Tour Manager. "As a member of the EPS team, we manage all sports and competition at X-Games. We are responsible for coordinating between ESPN Live TV, the athletes, the judges, hospitality, medical, and the course builders," says Gauthier. "As a crucial pivot point for these events to occur, we ensure that the timing, the safety, the competition process are all aligned. Furthermore, we also are responsible for coordinating athlete practices for each discipline."



Andrew Gauthier

Executive Director for AFP, Eric Zerrenner, was originally looking for a couple of interns from Sierra Nevada College to do the work that Gauthier now does. At the time Gauthier was evaluating different marketing coordinator roles, going through interviews at various resorts such as Sugar Bowl, Kirkwood, Squaw Valley, and Northstar while finishing his MBA. When he saw the request for interns for AFP he came up with a novel idea. "The job description was extensive, but I thought two or three internships could potentially add up to one job," Gauthier explains. After some negotiations, Gauthier's new role was created.

Marketing and sales are his chief areas, with a wide involvement in sponsorships and partnerships, social media strategy, event promotion, athlete membership drives, and also basic

video editing for exclusive AFP content. The AFP World Tour is another of his responsibilities. "I accept and review all event sanctioning applications, update athlete rankings with new event results and manage the AFP judging program," he explains. This includes procurement, education and scheduling for all AFP Certified Judges. Alongside Jeff Schmuck (Managing Editor of @SBCSkier Mag), he also manages event media and content on afpworldtour.com and is responsible for athlete communications. Gauthier creates and distributes all formal AFP documentation, manages the inventory logistics including banners, signage, cameras, equipment etc. And he distributes and analyzes post-season surveys to both athletes and event organizers. Ironically, he also gets to manage new interns from Sierra Nevada College. Despite this taxing tally of tasks, Gauthier thrives on the scope, the deadlines and the competitive nature of his work. And, it's a pretty glamorous job. Traveling to the premier North American ski resorts, he meets the world's top freeskiing and snowboarding athletes. "It is difficult to pinpoint one star struck moment," he says. "However, I believe when I finished my last powder run at Whistler at the 2013/14 AFP World Championships, myself, Mike Atkinson, and Chris Schuster (ski sport organizer for Winter X Games) popped out of our bindings and there was none other than Mike Douglas. Basically, he was the leader of the Canadian Air Force, creator of the D-Spin and just a huge freeski star. We had lunch soon after with the AFP team, Mike, and Jeff Schmuck. What a day that was!" The position comes with other perks, too, particularly living the winter sports lifestyle. "I did not grow up a skier, racer, or competitor. It was the environment, community and the people that attracted me to the winter industry. My love for skiing and snowboarding came later," Gauthier says.

When it comes to marketing, AFP and the X Games are heavily weighted towards social media and online advertising. "In the past, many marketing campaigns have focused on product. Today we see many brands moving away from product-focused content and more towards entertainment and building a personality of their brand," Gauthier explains. "See Salomon Freeski TV, The North Face's *The Rise*, and Atomic's recent video series, all live on YouTube. In addition, you find many brands have a dedicated online theater, if you will, to present this content. What's particularly interesting here is that this is the most difficult type of campaign to track back to the bottom line, yet companies continue to invest."

Gauthier's boss, Eric Zerrenner, says content is king these days: "Brands – both hard goods and soft goods – are looking to create their own, unique content. Typically this has resulted in brands looking to their sponsored athletes to provide them with this content – whether it's action footage at a comp, lifestyle footage from the offseason, training, or travels or general free skiing content. Because of social media, and the scope and immediate reach via those channels, brands are able to tap into an athlete's audience to help them get their brand/marketing message out to a relevant and receptive audience."

Media, both traditional and especially social media are paramount, says Zerrenner: "As the main source for competitive freeskiing, we want to be as informative as possible about the competitions, courses, athletes and results. If we're not able to be at an event - or even at every competition at an event - social media provides instant access. We rely on this information to keep us informed and current on what's happening within our sport and culture."

Sources: Personal interviews with Andrew Gauthier, Nov 2014, and Eric Zerrenner, Dec 2014

Profiling consumers

As a recent White Paper on skiers stated, “adults who take ski trips, quite simply, are a distinct and special bunch” (PhocusWright, 2013, p.8). The report found that, in the U.S., a higher proportion of ski travelers are male, younger and more affluent, compared to the general traveler population. Downhill skiing is the most common form of the sport, but many skiers participate in more than one type of skiing. Figure 3.1 shows participation rates for a five-year period in six winter sports activities.

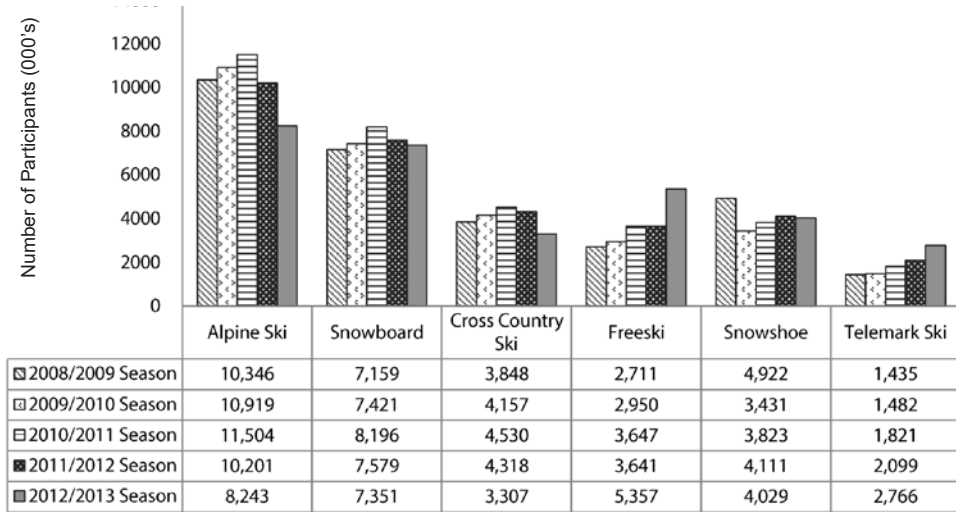


Figure 3.1: Winter sports participation rates in the U.S. 2008-2013 (Source: Adapted from Snowsports Industries America, 2014a)

According to PhocusWright, downhill skiers make up about 58 per cent of participants on the slopes and snowboarders 25 per cent (the remainder both ski and snowboard). Whereas general U.S. travelers are evenly split between male and female – with women frequently taking a lead in travel planning and therefore attracting considerable attention from travel marketers – this is not the case with skiers and boarders. About two thirds of them are male, under 45, and, perhaps of most importance to travel marketers, high earners. Nearly half report an annual household income of at least \$100,000, compared to a quarter of general U.S. travelers (see Table 3.1). Methods of attracting more women into skiing are explored in the Case Study below.

	U.S. tourists	Winter sport tourists
Male	50%	66%
Ages 18-44	54%	63%
>\$100,000 annual income	24%	49%

Table 3.1: Winter sport tourists versus regular travelers in the U.S. (Source: Adapted from PhocusWright, 2013)

Not surprisingly, snowboarding appeals to a younger demographic, a population that is also less affluent, travels less, and spends less on a ski vacation. Figure 3.2 shows the demographic differences between the two groups.

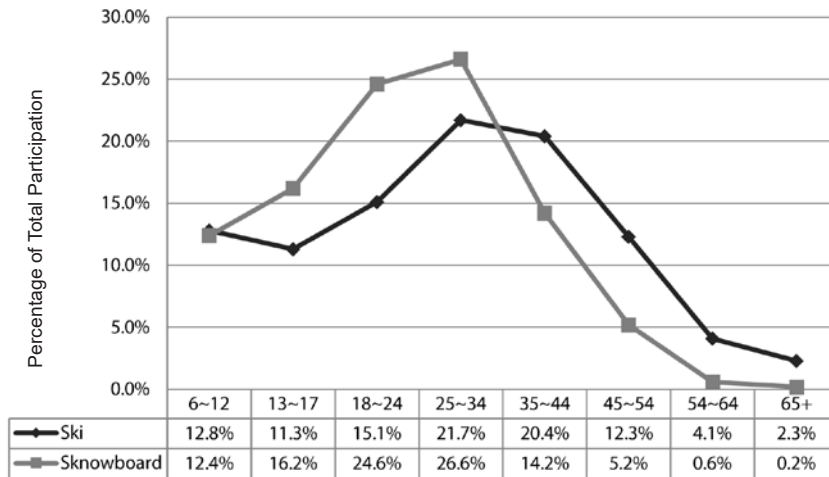


Figure 3.2: Age demographics – skiers versus snowboarders (Source: Adapted from Snowsports Industries America, 2014a)

A recent report from Snowsports Industries America (2014b) digs deeper into generational differences of winter sports participants. Table 3.2 shows those differences. There has actually been little change in the pattern of age distribution over the last 15 years, as snowboarding has gained a critical mass of participants. Fifteen years ago, the values of Generation X (born 1965 to circa 1980) dominated the participant base, particularly in the snowboard category sports base that had nothing but youthful participants in the 1990s. The Baby Boomers (born 1945 to circa 1964) still held their claim on the values of downhill skiing 15 years ago, but that has shifted to a more mature Generation X and the children of the Baby Boomer generation, the prolific Generation Y or Millennials (born 1981 to circa 2001) – see the Gstaad Profile below for more information. Now Generation Z (under 18) is taking its place in the snow sports base and future research will determine what characteristic mark they will make on snow sports. As the opening Spotlight outlined, the annual winter X Games events held in Aspen specifically target both Gen X and Y.

Interestingly, there are a significant number (16%) of snow sports participants that both ski and snowboard, and members of this group are more likely to characterize themselves as luxury travelers, spending more on shopping and dining during trips (PhocusWright, 2013). They are an interesting group, skiing more than other groups, taking more vacations with paid lodging, are more skilled, and much more likely to hold a season pass (see Figure 3.3). They are more passionate about their winter sports, caring more about having the best gear and looking good on the slopes, and seem to have made skiing/snowboarding an important part of their lifestyle. For ski marketers, this unique set has considerable potential to be a major influencer within the ski traveler population (PhocusWright, 2013).