

# NIGHTTIME EVENT-DRIVEN STRATEGIES

Resorts Optimize Evening Operations

BY PHIL GOTTHELF

**SKI AREA OPERATORS FACE** the challenge of increasing revenues by maximizing the utility of a major fixed asset. The mountain is there along with the lodge, parking, snowmaking, lifts, and general infrastructure. Resources are always constrained and it is difficult to balance what the mountain offers to diverse customers given available terrain and infrastructure. For this reason, more and more ski areas are emphasizing “event-driven” revenue models. Shifting ski racing programs and special events to night are leading the list.

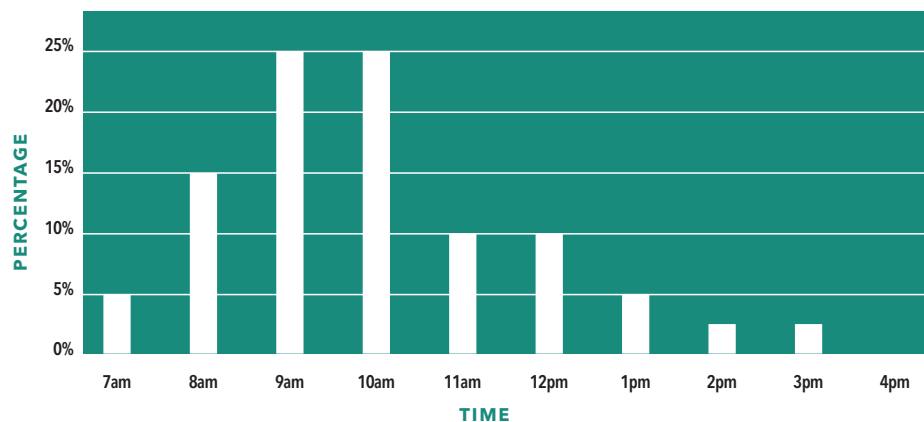
The challenge is in the execution of profitable night activities that maximize revenue and overall customer satisfaction while minimizing additional overheads. The two most important considerations are 1) the terrain dedicated to nighttime activities, and 2) the lighting plan.

## The Model

There are three main customer categories: the general skiing/riding public, the learners (beginners), and the programs (racing, freestyle). Mountain resources must be divided among these categories to provide a wide range of general skiing/riding terrain, beginner areas, and designated training or event venues. When events or training are conducted during the day, terrain is removed from general customer access. More often than not, the restricted terrain is prime space that can limit the general customer’s experience and satisfaction.

Although competitions and training for racing and freestyle are important sources of income, many ski areas suffer the negative comments expressed by the general skiing

## ATTENDANCE



Larry Pierce/Steamboat Ski Resort

and riding public over the loss of prime terrain. The solution for daytime-only ski areas may be to invest in slope lighting and shift more event and training activities to non-peak evening hours (dusk to closing)!

Northern hemisphere winter daylight runs from approximately 8 a.m. to 4 p.m. This provides only eight operational hours. Logically, any incremental increase in operational hours extends the revenue model.

The typical daytime ski area begins receiving customers from 7 a.m. for “First Tracks” until lift closings at around 4 p.m. The bulk of attendance (approximately 70 percent) comes between 8 and 10 a.m. (see figure).

During that time, as much as 30 percent of terrain can be dedicated to ski race training and/or events. Terrain parks may account for only 5 to 15 percent of the ski area. Obviously, every area is different, but based upon participation, numbers generally fall along the same breakpoints. Ski areas that service local towns or nearby cities may place an emphasis upon school programs that would provide weekday attendance.

Adding nighttime hours to such programs can increase scheduling flexibility since the school day encompasses most of the daylight time during the winter.

Adolescent race programs are usually the most popular, accounting for 70 percent of youth program participation. The remaining formal training may be categorized as freestyle. It should be noted that freestyle popularity is increasing and directly associated with the program philosophy of individual mountains as well as dedicated terrain (i.e., terrain parks, moguls, etc.).

With the exception of certain destination resorts, up to 85 percent of attendance occurs on weekends and holidays. This includes program participation. Invariably, weekends and holidays are viewed by customers as “over crowded.” To relieve this situation, adding or enhancing a nighttime schedule for controlled attendance (i.e., programs and events) can reduce the need for dedicated terrain while lowering daytime congestion.

From the revenue side, some ski areas rent terrain (lanes)



Larry Pierce/Steamboat Ski Resort

to schools, colleges, and ski clubs for training. Rental fees can be substantial, ranging from \$150 per hour during mid-winter at a small ski area to \$2,000 per hour for early or pre-season periods at a large resort. Obviously, the venue and demand dictates the value. Providing nighttime access increases revenue potential while reducing the population burden. Events and training at areas that might be restricted during the day can be reallocated to nighttime hours.

Adding skiing from 4 to 8 p.m. increases access by 40 percent. Unfortunately, many mountains do not realize commensurate revenues because they do not allocate resources specifically to the evening schedule. Certainly, 100 percent of program participation cannot be directed to the evening schedule. Further, the most successful nighttime operations are “additive.” This means that there is purposeful overlap between daytime and evening program schedules. The lunchtime lull is an example. There is a propensity toward setting up training or event courses in the morning and running through the heaviest portion of the attendance schedule, between 9 a.m. and 12 p.m. By approximately 10:30 a.m., there is competition between the

general customer base and programs to use terrain.

When lunch time arrives, general customers and program participants head to the lodge to eat. Mountain utilization precipitously declines for 45 minutes to more than an hour. Some program directors stagger lunch to maximize practice area utilization. This may relieve afternoon congestion but does little to avoid the conflict of terrain interest during the morning. Managers know that race events can increase top line revenue, but there is a cost. Race participants often arrange for meals to save money at the expense of the mountain's food concession. Human resources and infrastructure resources (parking, security, common area space, snowmaking, and terrain) can significantly diminish bottom line results.

**QUESTIONS TO CONSIDER ARE:**

- HOW MUCH WILL IT COST TO KEEP LIFTS OPEN TO SERVICE EVENING OPERATIONS?
- HOW MUCH WILL IT COST TO KEEP FOOD SERVICE OPEN DURING EVENING HOURS?
- WHAT IS THE REVENUE EXPECTATION (TICKETS, AREA (LANE) RENTALS, ENTRANCE FEES)?
- WHAT ARE THE ADDITIONAL GROSS MANAGEMENT COSTS?

*Cont. on page 13* ▶

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## STEAMBOAT'S NIGHT SKIING ILLUMINATES EXPANDED OPTIONS FOR GUESTS

BY DAVE BYRD, DIRECTOR OF RISK & REGULATORY AFFAIRS

**AT NIGHT, SKI AREA** trails are certainly an underused asset, like mornings at movie theaters, or churches mid-week. But Steamboat Ski Resort found a way to keep the slopes open in what used to be the “off hours.”

With the shorter daylight hours during winter at ski areas across the country, it begins getting dark by late afternoon. By 4:30 or 5 p.m., guests would be wrapping up their day, making plans for dinner or drinks after skiing. For Steamboat, the resort was losing some guests to restaurants and bars in downtown Steamboat Springs. Steamboat wanted a way to keep guests engaged at its base area and in the village at day's end, and to generate energy for the base area, which had recently undergone extensive improvements.

Two seasons ago, Steamboat's vice president of mountain operations, Doug Allen, had a bright idea: night skiing. Allen had learned of a revolutionary magnetic induction technology developed by Ultra Tech Lighting under the brand name Snow-Bright™ that far surpassed traditional lighting options at other areas around the country—particularly from an illumination and safety standpoint. In addition to the dramatic improvement in the lighting's ability to illuminate snow, the new technology was shockingly energy-efficient, reducing costs to operate the lights by upwards of 80 percent over traditional lighting options.

Many western destination ski areas typically do not offer night skiing. According to the 2015 NSAA Kortke Survey,

ski areas in the six-state Rocky Mountain region had the lowest overall percentage, with only 25 percent of areas offering night skiing. On the other hand, at smaller resorts in the East and Midwest, and those closer to urban areas, many have long embraced night skiing as a way to maximize their facilities and infrastructure, and capture as much revenue as possible. Nationally, while 52 percent of all ski areas across the country offer night skiing, some regions stand out for having robust night skiing opportunities. For example, 87 percent of areas in the Midwest, 90 percent of areas in the Southeast, and 82 percent of areas in the Pacific Northwest all offering night skiing.

In 2013, Steamboat invested over \$1 million to install more than 350 new Snow-Bright™ lighting fixtures across a portion of its lower mountain. The Snow-Bright™ lights dramatically transformed and improved the night skiing experience, providing noticeably superior illumination of the slopes compared with the traditional metal halide and high-pressured sodium lights. After two seasons, Steamboat's night lighting gambit turned out to be a stunning success.

“When we started out with night skiing, we didn't quite know what to expect, but in two seasons, the new lighting has more than met our expectations, by a long shot,” said Allen. In fact, because Steamboat didn't know how popular the new night skiing venture would be, the resort initially offered it for three nights a week over the weekend. But after

a successful first season, Steamboat increased night skiing to five nights a week last year, driven in part by strong support from local residents who liked the expanded evening hours that fit their daytime work schedules.

The resort's success was also driven by a unique marketing push for destination guests who were flying in from Chicago, Texas, California, and the East Coast. “Show us your boarding pass and we'll give you a free lift ticket for night skiing,” Allen explained. “This allows our destination guests to fly in and get an easy tune-up the night they arrive. We even sell some lessons during night skiing.”

Conceptually, Steamboat sought to have a wide variety of terrain available for the nighttime guests, with lighting on black runs, blue groomers, novice terrain, even in one of the resort's terrain parks—in other words, something for everyone.

While revenue from night lessons may not be significant for resorts, think of the potential for lift ticket sales, expanded F&B opportunities, or just an extra day of rentals, let alone the options of night tubing, beer leagues, and other special events.

Allen is especially impressed with the new Ultra Tech lights. “I cannot say enough about this technology,” he emphasized. The lighting technology is such an improvement visually that the resort is adding the lighting to its vehicle maintenance shop and area—and Allen is even

adding it to his own home. Steamboat is also expanding a dedicated race club training venue and terrain under the lights, which will debut this season. The new club racing terrain will be closed to the public, but the significant expansion will provide race team members with more training opportunities at night. Allen also said the resort will be planning additional special events in conjunction with night skiing.

And the energy savings from the Ultra Tech lights versus conventional lighting technology has been particularly impressive at Steamboat. “We have 350 fixtures providing amazing lighting over 26 acres on the mountain,” Allen stressed. “And it costs us barely \$11 an hour for the lighting. That's less than \$1,000 a month for the electricity for such a broad coverage area!”

In addition, given the dramatic reduction in electricity usage, the new lighting technology is eligible for subsidies and rebates from the local utility companies that will help offset some of the significant upfront costs of the Ultra Tech fixtures.

With the heavy demands on family and work time—and the limited sunlight during the winter—expanding skiing and race training (and even tubing, for some resorts) into the evening hours simply makes great sense. This technology allows resorts, including Steamboat, to look at night skiing in a whole new light. ■

► *Cont. from page 10*

It should be noted that there are two aspects to the proposed model. First are the regular program participants where the objective is to relieve the mountain of congestion due to terrain reservations. Second are events that attract outside one-time participation like races, rallies, and special events that

can include training. In the latter case, event revenues must be measured against top line costs. Do the incremental ticket and F&B sales justify the cost of hosting the event?

Ancillary considerations include customer satisfaction, safety, and resource allocation. In the case of relieving congestion, it is important to measure the customer satisfaction against the possible requirement to perform interim grooming between the day and night sessions. Certain risks may be mitigated by relieving daytime congestion, but the night venue must be appropriately safe. Until proven by actual experience, benefits of relieving congestion are speculative and amorphous. Managers need a baseline to measure improvements in attendance by the general public customer. ▶

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THERE ARE SUBTLE CONSIDERATIONS, TOO:

- DOES ALLOCATING TRAINING AND EVENTS TO NIGHT SESSIONS ALLOW MORE FREEDOM TO RECREATIONALLY (SOCIAL) SKI DURING THE DAY?
- DO FAMILIES WANT TIME TO SKI TOGETHER, OR ARE THEY LOOKING FOR SEPARATION?
- WILL NIGHTTIME TRAINING AND EVENTS BE VIEWED AS DISRUPTIVE TO THE PROGRAM?
- IS THE QUALITY OF NIGHTTIME TRAINING AND EVENTS BETTER, EQUAL TO, OR WORSE THAN DAYTIME TRAINING?
- HOW WILL NIGHTTIME TRAINING AND EVENTS BE RECEIVED BY STAFF?

There are two ways to answer some of these questions. Some managers may resort to surveys. The most effective way to determine reality for your mountain is to perform a test. Some families like to ski together while other parents view programs for their children as opportunities to take a break and enjoy their own skiing/riding. Thus, the way any change to program scheduling will be received depends upon the subjectivity of participants.

Objectively, if freeing up mountain terrain brings in more general customers, the results are easily measured. Can you invite more buses? Will customers see the difference and appreciate the added terrain flexibility?

Events are more easily quantified. An example might be a club race expected to draw 50 participants. If the total ticket package is \$80, the gross would be \$4,000. Shared fees and other expenses would be deducted from the \$4,000 to arrive at the bottom line enhancement. Additional revenues can be generated from food service, equipment rentals/sales, and parking fees (if such applies).

This same approach applies to freestyle events like rail jams, bump competitions, and big air competitions. It is straight-line math. This same math applies to lane rentals and exclusivity privileges. How much must you rent a night lane in order to cover the cost of maintenance, operations, and profit?

Hundreds of ski areas provide night skiing, but many do not truly plan and execute a nighttime revenue generating strategy. There are areas that successfully promote night

skiing/riding while other areas are passive, taking the approach of “if we have it, they will come.”

To be sure, aggressively adding and promoting nighttime skiing/riding can enhance the revenue model of almost any ski area. Unfortunately, too many managers simplify their cost/benefit analysis by neglecting to consider resource allocation and the potential revenue drivers coming from releasing terrain to the general public or gaining scheduling flexibility. Many USSA race organizers are looking toward night events on weekend days as a way to mitigate the demand during the day—which makes management happy!

In reality, nighttime skiing can provide a more consistent visual experience under the correct lighting because the snow surface is not subject to varying lighting conditions. At night, clouds and the changing angle of the sun are not factors in determining visibility. Thus, every participant experiences the same lighting on the course. With the correct lighting, the experience can actually be better than coping with inconsistencies of daytime lighting.

Resorts that currently offer night skiing, racing, and events should seriously look at their lighting plan and ask themselves: Are we doing the best we can for our customers? Are we providing the best lighting technology possible? If we improved our lighting plan, would that result in a dramatic increase in night skiing demand?

Resorts that are considering night operations should carefully investigate the new lighting technologies that are now available. For Steamboat Corp. the important considerations were visual acuity with the best spectrum, dark sky compliancy, energy efficiency, and fixture longevity. As a result, they were able to satisfy highly stringent USFS, local zoning, and HOA requirements. The end result was racers at Steamboat being clocked better than 80 miles per hour at night under new energy-efficient lighting specifically designed for ski slopes. The technology to provide exceptional nighttime skiing/riding is available. (Read more about

Steamboat’s magnetic induction slope lighting, manufactured by Snow-Bright™, on page 12.)

The key to success is in the nighttime plan and execution. Should you run more training and events at night? In all probability, the answer is “yes!”

*A lifelong skier, Phil Gotthelf is founder of Ultra Tech, a New Jersey-based lighting company, which specializes in ski area lighting. He is also a PSIA-certified adaptive ski instructor at Windham Mountain, NY. ■*

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