International Journal of Latest Engineering and Management Research (IJLEMR)
ISSN: 2455-4847
www.ijlemr.com || Volume 08 – Issue 06 || June 2023 || PP. 35-43

Comparative Financial and Operational Performance Analysis of Vail Resorts, Inc. and Compagnie des Alpes: A Ski Resort Benchmarking Study

Yulia Frolova
https://orcid.org/0009-0006-3497-6118,
(CEO, SunTax Consulting, USA)

Abstract: Ski resorts' ability to adapt to the rapidly changing financial, ecological and demographic surroundings is critical for their overall sustainability. The global ski industry is characterized by the presence of dominant players holding a significant share of the market, which become role models for all the remaining market participants. Vail Resorts, Inc. is a key player in the U.S. ski industry, covering up to 30% of the total North American annual skier visits. Compagnie des Alpes is a major ski resort operator in France; its share of the French market is about 25%. Both companies are remarkably successful in addressing challenges inherent to ski resorts operations such as seasonality, weather dependency, environmental considerations, high fixed cost base, changing demographic and travel patterns, etc.

This research article aims to compare the financial performance and key operational metrics of Vail resorts, Inc. and Compagnie des Alpes, with the ultimate goal of identifying the strategies and best practices that have contributed to their overall business success.

Keywords: benchmarking, diversification, financial performance, ski industry, strategy.

1. Introduction

The global ski industry operates in a highly competitive and dynamic environment, where ski resorts, equipment manufacturers, and related businesses strive to deliver exceptional experiences to customers. To excel in this industry, organizations must continuously improve their performance, identify areas for enhancement, and stay ahead of the competition. In this context, financial benchmarking holds special significance, enabling organizations to assess their financial sustainability, measure profitability, and make informed decisions to drive operational excellence [6].

Financial benchmarking in the global ski industry involves a systematic process of comparing financial metrics, such as revenue, cost structure, profit margins, EBITDA, ratios measuring business segments' performance, etc. among ski resorts, equipment manufacturers, and other industry stakeholders. By benchmarking against industry peers and recognized leaders, organizations can gain valuable insights into financial best practices, efficient cost management strategies, and revenue generation models that contribute to superior financial performance [2]. This knowledge empowers ski industry participants to optimize their financial operations, allocate resources effectively, and maximize profitability in an increasingly competitive market.

The significance of financial benchmarking in the worldwide ski industry extends beyond internal financial analysis. It enables organizations to assess their financial competitiveness against global benchmarks, identify areas for improvement, and strategically align their financial strategies to industry standards or surpass them. Ski resorts can benchmark their core financial and operational indicators and ratios against renowned resorts worldwide, while equipment manufacturers can compare their financial performance indicators to industry-leading brands. This comparative analysis helps organizations set ambitious financial goals, prioritize investment decisions, and drive sustainable financial growth.

In addition to driving financial performance improvements, ski industry benchmarking promotes knowledge sharing and collaboration among industry participants. Through financial benchmarking initiatives, organizations have the opportunity to connect with peers, exchange financial insights, and learn from successful financial strategies implemented across different regions. This collaborative approach fosters innovation, encourages the adoption of financially sound practices, and cultivates a collective drive towards elevating the overall financial standards of the global ski industry [10].

This research article focuses on the analysis of the financial performance of two major ski resort operators – Vail Resorts, Inc. (USA) and Compagnie des Alpes (France). By examining the financial performance and strategies of these prominent industry players, the article aims to uncover the financial benchmarking practices and their impact on operational excellence and profitability in the ski industry.

2. The Literature Overview

The body of literature on benchmarking is diverse; however, it often covers general topics not related to any specific industry. Tim Stapenhurst's "The Benchmarking Book. A How-to-guide to best practice for managers and practitioners" [1] provides a comprehensive overview of the benchmarking process by giving detailed explanations on how to correctly select benchmarking participants, identifying metrics, performing normalization and, finally, implementing best practices in real-life scenarios.

Robert C. Camp's book "Benchmarking: The search for industry best practices that lead to superior performance" [2] represents benchmarking as a twelve-step process, which includes planning, analysis, integration, action and maturity phases.

The article "Comparison of Best Practices Benchmarking Models" [3] by Barbara Jetmarova describes different benchmarking types and models, identifies factors critical to successful benchmarking application.

The article "Are multi-resort ski conglomerates more efficient?" [4] by M. Falk focuses specifically on the ski industry efficiency and compares large ski resort conglomerates with independent ski resorts.

The article "Benchmarking Pyrenean ski resorts" [5] by L. Botti, O. Goncalves, N. Peyroch evaluates and compares 20 French ski resorts, however the research only covers operational indicators such as number of ski passes sold, sky lifts' capacity, ski season duration, etc. without analyzing financial performance of these resorts.

The literature on benchmarking provides valuable insights on how to perform benchmarking effectively, and while there are only a few specific research papers focusing on benchmarking in the ski industry, they contribute to understanding of benchmarking practices within that context. These papers offer guidance on selecting appropriate performance measures, analyzing factors influencing the choice of benchmarks, assessing efficiency, sustainability, and competitiveness, and implementing best practices in ski resorts.

3. Methodology

Both primary and secondary data sources were utilized to gather relevant information on the financial performance, business models, operational approaches, and market competitiveness of Vail Resorts, Inc. and Compagnie des Alpes. Primary data collection involves accessing annual reports [7], [8], financial statements, investor presentations, and corporate official publications. Secondary data sources include primarily academic journals [4], [5], [12] and industry reports [9].

To assess the financial performance of the two companies, key financial indicators were collected, such as overall business and segment profitability ratios (e.g., EBITDA, gross profit margin, net profit margin), revenue mix and cost structure. Comparative analysis techniques, such as ratio analysis and trend analysis, were employed to evaluate the financial health and stability of the two companies.

The SWOT analysis was performed to assess external and internal influencing factors. In addition to that, Ansoff matrix was applied to define and evaluate development and diversification strategies utilized by the two companies.

4. Results

4.1 The Overview of Vail Resorts, Inc. and Compagnies des Alpes

Vail Resorts, Inc. and Compagnie des Alpes are two prominent ski resort operators that have made significant contributions to the global ski industry. With their expansive portfolios of world-class ski destinations and diverse range of offerings, these companies have established themselves as industry leaders, attracting a record number of skiers and snowboarders from all over the world.

Vail Resorts, Inc. (Vail) is a U.S. corporation organized as a holding company in 1997 and operating through multiple subsidiaries. Its operations are grouped into three business segments: Mountain, Lodging and Real Estate [7]. The Mountain segment comprises 41 ski areas, featuring 11 premier destination mountain resorts spanning the Rocky Mountains and Lake Tahoe regions in the United States, Canada, and Switzerland, as well as 30 regional ski areas primarily situated throughout the United States, with a few additionally located in Australia. The Lodging segment includes a collection of owned and managed luxury hotels operated under the RockResort brand, a large number of condominiums located nearby North American mountain resorts, a Colorado transportation company and golf courses. The total number of rooms under Vail's management is 5,900. The Real Estate segment is represented by the proceeds and expenses associated with developing and selling the land plots and real estate objects situated either within ski resorts or in close proximity to them. The Real Estate's share in the revenue and EBITDA mix is negligible and can be ignored for this research purposes.

Compagnie des Alpes (CDA) was initially established in 1989 as a ski resort operator, but since then it has expanded its scope to become a prominent player in the European leisure sector. The company's business segments include Ski Areas, Leisure Parks and Distribution & Hospitality [7]. The Ski Areas segment is presented by 10 major ski areas in the French Alps. The Leisure Parks segment comprises 12 amusement parks across five countries in Europe, including France, Belgium, Netherlands, Switzerland, and Austria. The Distribution & Hospitality segment includes tour operators, travel agencies and a real estate agency network. In addition to that, in 2022 the company acquired 85% of MMV – the second largest operator of hotels and club residences in the French Alps.

While Vail primarily focuses on ski resorts, encompassing world-class destination mountain resorts and regional ski areas [4], CDA operates ski resorts as part of its broader portfolio within the European leisure sector. Another difference in approaches to business segmentation of the two companies is that Vail separates all its hospitality operations into the Lodging segment while CDA chose to aggregate them into the more diverse Distribution & Hospitality segment [9].

Hence, the Mountain/Ski Areas segment would be the sole directly comparable business segment for both Vail Resorts, Inc. and Compagnie des Alpes, serving as the primary subject of the research. All other business segments of the two companies will be considered beyond the scope of this article.

4.2 Strategic Differences between two companies

Ensuring strict comparability of data is a fundamental prerequisite for achieving accurate and effective benchmarking. The most critical strategic differences between the two companies are presented below:

- The scale of operations
- International activity
- Operational diversification
- Business model
- Risk regulation strategy
- The functional currency
- Approaches to measuring skiable terrain
- The segment revenue mix
- Customers' demographic profile, etc.

The scale of operations: Vail's Mountain segment encompasses a total of 41 ski resorts of different sizes: 11 destination resorts and 30 regional resorts. CDA operates 10 ski resorts.

International activity: Approximately 12% of Vail's Mountain segment revenue is derived from international operations. The company operates destination resorts in Canada and Switzerland, with one resort in each country. Additionally, Vail manages three regional ski areas in Australia, contributing to their international revenue stream. All of CDA's mountain operations are concentrated solely within the local market of France, without any international presence.

Operational diversification: Vail's Mountain segment is obviously the core business activity for the company, accounting for 88% of the total revenue stream [7]. CDA appears to be more operationally diversified, as only 48% of its total revenue is attributable to the Ski Areas segment [8].

Business model: There is a significant difference in the proportion of lift ticket sales as a percentage of total revenues from mountain operations between the two companies. Vail derives approximately 60% of its mountain-related revenue from ski ticket sales, while the remaining 40% is distributed among various other subsegments. On the other hand, CDA's Mountain segment is much more concentrated on lift ticket sales, which make up 95% of the total segment's revenue.

Risk regulation strategy: The financial sustainability of the ski industry as whole relies heavily on the consistency of the demand for its services. One of the effective ways to ensure demand stability and, consequently, a more predictable revenue stream is through the arrangement of advance commitment sales. Vail Resorts has been an advocate of this strategy, gradually increasing its Epic Pass sales over the years to account for up to 61% of its total lift tickets sales. Some of CDA's ski resorts also provide options for advance purchase of lift tickets. However, these options primarily consist of day or weekly passes for individual resorts, rather than more complex products that cover multiple resorts under CDA's management.

The functional currency: The business functional currency is determined as the currency of the primary economic environment in which the entity operates. Since the majority of Vail's operations are conducted within the United States and the majority of CDA's operations are conducted within France, their functional (and reporting) currencies are USD and EUR, respectively.

Approaches to measuring skiable terrain: Converting acres, traditionally used in the United States to measure skiable area, to kilometers, the standard unit for measuring the overall length of ski trails in France, is not feasible due to the considerable level of approximation involved.

The segment revenue mix: Both companies further divide their mountain operations into subsegments: Lift tickets and other services such as Retail/Rental, Ski School, Dining, etc. Sales of lift tickets serve as a key revenue generation stream for both companies, accounting for 60% of Vail's and 95% of CDA's Mountain segment revenue. Other services are normally associated with higher operating margins compared to Lift tickets sales, thereby contributing to overall marginality enhancement. Vail generates a considerable portion, approximately 40%, of its revenue from other services beyond lift ticket sales. Specifically, 14% of the revenue is attributable to Retail/Rental services, 10% to Ski School operations, 7% to Dining services, and 9% to other revenue streams. These additional services contribute to the overall revenue diversification of Vail's Mountain segment. On the other hand, CDA's other services account for only 5% of the total revenue from mountain operations.

Customers' demographic profile: Vail Resorts categorizes its customers into two primary segments: out-of-state and international (destination) guests, which make up 58% of the total visiting audience, and in-state (local) guests, who constitute 42% of the customer base. CDA experiences significantly higher domestic visitation levels, with up to 60% of total skier visits coming from within France. The remaining 40% of CDA's total skier visits can be attributed to foreign customers, primarily Europeans from countries such as the United Kingdom, Belgium, and the Netherlands.

4.3 Analysis of operations

During the research study, a SWOT analysis was conducted for both companies in order to evaluate and compare their market positioning, risk mitigation approaches, strategic pivot points, as well as internal and external success factors.

Table 1. SWOT analysis of Vail Resorts, Inc.

Strengths	**Weaknesses**
● Strong brand reputation ● Extensive resort portfolio ● Geographical diversity ● Advanced infrastructure and amenities ● Effective marketing and customer engagement ● Clear mission statement ("To provide experience of a lifetime") ● Strong relationship with key stakeholders: local communities, government entities, suppliers and industry partners ● Robust financial performance ● Strong customer loyalty ● Strategic partnerships	● Seasonal nature of business ● Weather dependency ● Environmental concerns ● High fixed costs ● Price consideration (skiing and snowboarding are considered expensive activities) ● Dependency on external suppliers ● Potential for customer perception issues (negative incidents, accidents, etc.) ● High reliance on seasonal workforce ● Lack of operational diversification
Opportunities	**Threats**
● Growing interest in outdoor activities ● Market expansion ● Technological advancement ● Sustainability initiatives ● Experience-based offerings beyond traditional skiing and snowboarding ● Digital transformation ● Further development of summer activities ● Increased demand after COVID restrictions elimination	● Competition ● Possible economic downturns and travel restrictions ● Changing consumer preferences ● Climate change and natural disasters ● Political and regulatory risks ● Changing demographic and travel patterns ● Competitive pricing pressure ● Flexible refund policy (possibility of significant refunds to customers and/or revenue deferral) ● Cyberattacks and other interruptions of the internal IT system

Table 2. SWOT analysis of Compagnie des Alpes

Strengths	**Weaknesses**
● Diversified portfolio of assets ● Strong partnership with local authorities ● Extensive expertise in ski resort management ● Significant administrative resource (42% of the company is owned by the Government of France) ● Advanced infrastructure and amenities ● Robust financial performance ● Strong customer loyalty ● Strategic partnerships	● Limited international presents: only Leisure Parks segment is presented internationally ● Less flexibility in the decision-making process due to presence of the single prevailing shareholder – the Government of France ● Seasonal nature of business ● Weather dependency ● Environmental concerns ● High fixed costs ● Price consideration (skiing and snowboarding are considered expensive activities) ● Dependency on external suppliers ● Potential for customer perception issues (negative incidents, accidents, etc.) ● High reliance on seasonal workforce
Opportunities	**Threats**
● International expansion ● Diversification of highly marginal services within the Ski Areas business segment ● Sustainable tourism initiatives ● Experience-based offerings beyond traditional skiing and snowboarding ● Technological advancement ● Digital transformation ● Further development of summer activities ● Increased demand after COVID restrictions elimination	● Competition from other ski destinations ● Changing consumer preferences ● Environmental and climate-related risks ● Competitive pricing pressure ● Cyberattacks and other interruptions of the internal IT system ● Volatility of costs ● Potential for customer perception issues (negative incidents, accidents, etc.) ● High reliance on seasonal workforce

Both Vail and CDA share common weaknesses and face similar threats due to the inherent nature of the ski industry. However, their opportunities and strengths vary significantly based on their market presence, geographic locations, and strategic objectives.

4.4 Comparison of the external factors

Ski industry is very vulnerable to external factors such as weather conditions, economic factors and level of competition. Each ski resort operates within a specific set of initial geographic conditions that are difficult or impossible to influence. At the same time some of the external factors can be effectively managed. Below is a list of the most significant external factors that impact the ski industry:

- **Terrain and geography:** The physical structure and location of the resort, including characteristics of mountains, valleys, and geographical features, cannot be altered;
- **Climate conditions:** Resorts are susceptible to natural climate factors such as snowfall, temperature, precipitation, and the duration of the season, which are beyond human control [12];
- **Biological factors:** The vegetation, flora, and fauna surrounding the resort are also immutable factors that influence the resort's environment and natural beauty;
- **Location and accessibility:** The geographical placement of the resort, its proximity to cities, airports, and transportation routes, is also a crucial factor that cannot be directly changed;
- **Economic factors:** Economic conditions, including GDP growth, disposable income levels, and currency fluctuations, can impact the affordability and spending patterns of customers;
- **Level of competition:** Competition can be more intense in the national markets that have favorable geographical and climate conditions. The intensity of the competition can be measured in a number of ways, and one of them is assessing the total quantity of the comparable ski areas operating within the certain market.

Comprehensive research was conducted to identify and examine the external factors that shape the initial operating conditions of ski resorts for both Vail Resorts, Inc. and Compagnie des Alpes.

A total of eight external factors were identified, and relevant information was collected and consolidated for both Vail Resorts, Inc. and Compagnie des Alpes. Then, weights were assigned to the factors based on their significance for the overall assessment. Vail was chosen as the benchmark for comparison, and therefore, all its metrics were assigned a coefficient of 1. The overall assessment of CDA was calculated as the aggregate of its metrics, which were derived as the percentage of corresponding metrics of Vail, multiplied by the weight assigned to each factor.

The outcome of this analysis is displayed in the Table “Comparative assessment of the external factors influencing Vail Resorts, Inc. and Compagnie des Alpes” provided below:

Table 3. Comparative assessment of the external factors influencing Vail Resorts, Inc. and Compagnie des Alpes

External Factor	**Factor's weight**	**Vail Resorts, Inc. (USA)**		**Compagnie des Alpes (France)**	
		metrics	**grades**	**metrics**	**grades**
1. Average ski season days	25%	136 days	0.25	131 days	0.24
2. Average annual snowfall	20%	599 cm	0.20	627 cm	0.21
3. Maximum vertical drop	15%	1,632 m	0.15	2,026 m	0.19
4. Highest elevation	5%	3,961 m	0.05	3,456 m	0.04
5. 2022 GDP per capita	20%	$76,348	0.20	$42,409	0.11
6. National participation rates [9]	3%	8%	0.03	13%	0.02
7. Number of skier visits per national skier [9]	7%	2.1	0.07	3.5	0.12
8. Competition level (number of ski resorts with more than 1M skier visits) [9]	5%	6	0.05	13	0.11
Overall assessment	**100%**	**N/A**	**1.00**	**N/A**	**1.04**

Based on the overall assessment of the external factors, it can be concluded that the initial conditions are slightly more favorable for Compagnie des Alpes compared to Vail Resorts, Inc. However, it is important to acknowledge that there was a certain level of subjectivity involved in the process of assigning weights to the external factors, and any alterations made to the distribution of weights would potentially impact the outcome of the analysis.

4.5 Benchmarking of financial and operational performance

Financial and operational benchmarking of Vail Resorts, Inc. and Compagnie des Alpes was conducted using their respective financial statements and annual reports for the 2021/2022 fiscal year (the latest data available at the time of this publication). It is important to note that the fiscal year cycles of the two companies differ. Vail Resorts follows a reporting cycle that begins on August 1 and ends on July 31, while Compagnie des Alpes has chosen to report its results for the period starting October 1 and ending September 30.

During the research of the companies' historical performance, the decision to exclude the 2019/2020 and 2020/2021 reporting periods was made. This was done to eliminate the fiscal periods that were predominantly affected by the COVID-19 pandemic, which could distort the analysis and make it less representative of the companies' overall performance.

Thus, 2022/2021 and 2018/2019 were used to monitor the companies’ progression over time and compare their performance against each other.

To mitigate the impact of differences in the scope of operations and reporting currencies, primarily relative indexes or ratios were utilized in the analysis [11]. In cases where absolute measures were employed, all financial data reported in EUR was converted to USD using the annualized exchange rate for the corresponding period. Although involving a certain level of approximation, this conversion ensures a consistent basis for comparison and facilitates a more accurate assessment of the companies' financial performance.

All business segments other than Mountain/Ski Areas were combined into the “Other” category to ensure full consistency of data. Therefore, “Other” category includes Lodging and Real Estate segments for Vail Resorts, Inc. and Leisure Parks and Holdings and Supporting activities for Compagnie des Alpes. This categorization is primarily done to ensure completeness in presenting all business segments of the companies, rather than for direct comparability.

The effect of each of the two companies’ individual debt levels as well as corresponding interest and other debt serving expenses are excluded from the calculations, along with the depreciation expenses, by using EBITDA as a bottom-line indicator of the business performance.

Table 4. Financial benchmarking of Vail Resorts, Inc. and Compagnie des Alpes

Comparable factor	Vail Resorts, Inc.		Compagnie des Alpes	
	2022/2021	2019/2018	2022/2021	2019/2018
Share of international operations:				
in total revenue	12%	18%	15%	14%
within Mountain segment	12%	18%	0%	0%
Revenue mix:				
Mountain segment	88%	87%	48%	52%
Other segments	12%	13%	52%	48%
Share of lift tickets sales in the Mountain segment revenues	59%	53%	95%	99%
EBITDA mix:				
Mountain segment	97%	97%	59%	71%
Other segments	3%	3%	41%	29%
EBITDA margin:				
Overall	33%	31%	32%	27%
Mountain segment	37%	35%	39%	37%
Other segments	7%	8%	25%	16%
Labor-related expenses analysis:				
Labor expenses as % of revenue	27%	29%	33%	34%
Labor expenses as % of total expenses	41%	41%	49%	46%

The intensity of the two companies' international activity looks quite similar at the overall business level. Furthermore, the international operations of Vail Resorts, Inc. within the Mountain segment are consistent with the overall pattern of the businessas a whole, as Vail's Mountain segment accounts for approximately 88% of the total revenue. Additionally, the interrelation between the mountain operations and the other business segments (Lodging and Real Estate) further reinforces this alignment.

Compagnie des Alpes exploits a completely different business model, choosing to keep all of its mountain operations within French borders. At the same time, CDA operates its Leisure Parks segment in 5 different countries, resulting in 31% of the parks' revenue being generated from foreign countries. The company's Leisure Parks segment accounts for almost half of its total revenue.

It's evident that both companies have been successful in addressing the seasonality challenge inherent in the ski industry. In 2021/2022 fiscal years they have achieved and maintained overall EBITDA margin at healthy levels, with Vail at 33% and CDA at 32%. It is noteworthy that both companies have managed to overcome the performance deterioration caused by the COVID-19 pandemic in the fiscal years 2019/2020 and 2020/2021. They have not only recovered from the challenges but have also surpassed their pre-pandemic EBITDA margin levels.

The revenue and EBITDA mix patterns indicate that Vail maintains a consistent focus on its mountain operations. In contrast, CDA has been shifting its revenue and EBITDA mix towards other business segments, particularly Leisure Parks. While the current margin in the Leisure Parks segment is lower than the Mountain segment's margin, there is a positive trend with noticeable Leisure Parks EBITDA margin improvement compared to the 2018/2019 fiscal year. Further concentration on the development of amusement parks will undoubtedly lead to subsequent enhancement of the segment's margin due to the economy of scale effect.

Vail Resorts, Inc. and Compagnie des Alpes utilize different approaches to diversification. Vail have chosen to mitigate seasonality risk by the international expansion: for instance, Australian ski season lasts June through October as opposed to the standard North American/European season which usually commences in November/December and lasts until April.

CDA made a strategic decision to diversify its business by developing the Leisure Parks segment, which is completely unrelated to its mountain operations. While there may not be direct synergies between the two segments, this move has definitely reduced the company's dependence on adverse weather conditions and seasonal challenges. Additionally, there may be opportunities for cost optimization by utilizing the same key suppliers and technical staff during the off-peak season.

Labor-related expenses comprise gross employee compensation, social security benefits as well as companies' expenses on retirement benefits, profit sharing programs and other incentives provided to the current and former employees. In this respect, Vail Resorts has a lower percentage of labor-related expenses as a proportion of its total expenses and total revenue when compared to Compagnie des Alpes.

Table 5. Operational benchmarking of Vail Resorts, Inc. and Compagnie des Alpes

Comparable factor	Vail Resorts, Inc.		Compagnie des Alpes	
	2022/2021	**2019/2018**	**2022/2021**	**2019/2018**
Mountain segment:				
Change of annual skier visits	+15%	n/a	-12%	n/a
Mountain revenue per skier visit	$128	$130	$39	$36
Change, y-o-y	-2%	n/a	+11%	n/a
Effective daily ticket price	$76	$69	$37	$35
Change, y-o-y	+10%	n/a	+6%	n/a
Personnel policy:				
Share of seasonal employees	52%	61%	61%	58%
Average compensation per employee (full-time equivalent)	$52,787	$36,020	$51,981	$57,914
Change of average compensation, y-o-y	+47%	n/a	-10%	n/a
Average employee working hours	2,080	2,080	1,669	1,714
Change of average employee working hours, y-o-y	no change	n/a	-3%	n/a
Average hourly rate	$25	$17	$31	$35
Change in average hourly rate, y-o-y	+47%	n/a	-11%	n/a

Due to the significant differences in size and scope of operations between the two companies, direct comparison of their visitation levels in terms of skier days may not provide practical value. Additionally, the different systems used to measure skiable terrain in the USA and Europe make it impractical to directly translate skiable acres into kilometers of ski trails, and vice versa. Therefore, using indicators such as the average number of daily visitors per 1 km of ski trails or 1 acre of skiable area may not be straightforward or meaningful in this context.

The change in annual skier visits in the 2022/2021 compared to the 2018/2019 fiscal year can serve as a reasonable indicator to assess how the two companies are recovering from the COVID-19 pandemic. Vail Resorts, Inc. has managed to significantly surpass its pre-pandemic visitation levels, indicating a strong recovery. On the other hand, Compagnie des Alpes experienced a decline of 12% in skier visits during the same period. It is important to note that Compagnie des Alpes divested Deux Alpes ski resort in December 2020, which previously accounted for 9% of the company's total visitation.

Mountain revenue per skier visit and effective ticket price (ETP) are crucial indicators that highlight the pricing differences between Vail Resorts and Compagnie des Alpes. Vail Resorts' ETP is two times higher compared to Compagnie des Alpes, and this difference continues to grow at a faster rate. In the 2022/2021 fiscal year compared to the 2018/2019 fiscal year, Vail Resorts inflated its ETP by 10% while Compagnie des Alpes' ETP has been increased by only 6%.

Vail Resorts' indicator of mountain revenue per skier visit takes into account the guests' spending on various activities, such as ski schools, equipment rentals, shopping, dining, etc., on top of the price paid for the ticket. This indicates that a substantial portion of guests' expenditures goes beyond purchases of the lift tickets. In fact, over 40% of the mountain revenue per skier visit comes from these additional activities.

On the other hand, Compagnie des Alpes, with its focus on managing ski lifts and trails, does not operate an extensive ski resort infrastructure. As a result, its mountain revenue per skier visit is nearly equivalent to the effective ticket price, suggesting that the rest of the CDA's ski resorts infrastructure is managed by independent operators.

The proportion of seasonal employees in the overall workforce generally reflects a company's ability to adjust and reduce costs during the off-peak season. In the 2022/2021 fiscal year, Vail Resorts experienced a significant decrease in the share of seasonal workers among its total headcount.

It is worth noting that seasonal workers are typically hired for lower-paid positions. Therefore, the observed 47% increase in average compensation indicates that Vail Resorts has implemented a strategy to offer higher wages and potentially attract more skilled or experienced full-time employees.

The proportion of seasonal employees in CDA appears to be relatively stable, indicating that the company follows a consistent HR strategy in managing its workforce. Unlike Vail Resorts, CDA does not show significant fluctuations in this aspect. The observed 10% decrease in the average employee compensation level for CDA may suggest that the company is actively managing its payroll expenses to maintain sustainable business margins during the post-pandemic recovery phase.

While the average annual employee compensation paid by Vail Resorts is 2% higher than that of Compagnie des Alpes (CDA), it is important to consider the difference in working hours between the United States and France. In the US, a full-time working week typically consists of 40 hours, whereas in France, it is 35 hours. Obviously, this difference in working hours has an impact on the corresponding hourly rates, so that Vail's average hourly rate is $25 compared to CDA's $31.

5. Conclusion

Generally, companies operating within the global ski industry often face similar challenges and threats that are inherent to the nature of the ski business [9]. Risks such as seasonality of business, weather dependency, environmental considerations, high fixed cost base, changing demographic and travel patterns constitute predominantly external influencing factors that are difficult to forecast and address. The initial conditions andcharacteristics of ski resorts can vary, leading to differences in the level of dependence on external factors. Some companies may have certain advantages or operatewithin more favorable conditions that make them less susceptible to external influences, while others may face more challenges and need to be more cautious and attentive to possible adverse events. The company's financial sustainability largely depends on its ability to manage external risks.

While the external conditions of Vail Resorts, Inc. and Compagnie des Alpes are similar in many respects, the companies operate within absolutely different business, geographical, economic and demographic environments and, as a result, often face different challenges. Similarly, their responses to those challenges can vary substantially.

The approach to business diversification is one of the major strategic differences between the two companies. Vail Resorts, Inc. prioritizes geographical expansion of its core business activity – mountain operations. On the other hand, Compagnie des Alpes has chosen to avoid excessive concentration on the single area of operations and strategically expand into other areas of business by developing its Leisure Parks segment.

There are also significant differences in their pricing strategies, HR policies and motivation to expand mountain operation beyond the conventional ski lifts and trails management. Nevertheless, both companies proved to be successful in addressing existing challenges in their own way and able to maintain sustainable revenue proceeds and margin levels.

References

[1]. T. Stapenhurst, The benchmarking book. A how-to-guide to best practice for managers and practitioners. (Oxford, UK: Elsevier Ltd, 2009)
[2]. R.C. Camp, Benchmarking: The search for industry best practices that lead to superior performance (Milwaukee, WI: ASQC Quality Press, 2006)
[3]. B. Jetmarova, Comparison of Best Practices Benchmarking Models, Problems of Management in the 21th Century. Vol. 2, 2011, 76-84
[4]. M. Falk, Are multi-resort ski conglomerates more efficient? Managerial and Decision Economic, Vol. 12, 2009
[5]. L. Botti, O. Goncalves, N. Peyroch, Benchmarking Pyrenean ski resorts, Journal of Alpine Research, 100(4), 2012
[6]. J. Moreno-Jene, L. Sanchez-Pulido, E. Cristobal-Fransi, N. Daries, The Economic Sustainability of Snow Tourism: The Case of Ski Resorts in Austria, France, and Italy, Sustainability, 10(9), 2018
[7]. Vail Resorts, Inc., 2022, 2021, 2020 and 2019 Annual reports on form 10-Khttps://investors.vailresorts.com/annual-reports
[8]. Compagnie des Alpes, Universal registration documents 2022, 2021, 2020 and 2019https://www.compagniedesalpes.com/en/publications-and-releases
[9]. L. Vanat 2022, International Report on Snow & Mountain Tourism. Overview of the key industry figures for ski resortshttps://www.vanat.ch/international-report-on-snow-mountain-tourism
[10]. P. Hong, S.W. Hong, J.J. Roh, K. Park, Evolving benchmarking practices: a review for research perspectives, Benchmarking: An International Journal, 19(4/5), 2012, 444-462
[11]. S.C. Sekhar, Benchmarking, Global Journal of Business Management, 5(10), 2011, 1-4
[12]. H. Dannevig, I. M. Gildestad, R. Steiger, D. Scott, Adaptive capacity of ski resorts in Western Norway to projected changes in snow conditions, Current Issues in Tourism, 24(22), 2021, 3206-3222