

The Market For Winter Skiing in Two Minnesota Areas

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ABSTRACT—Two studies of Minnesota "skiing households," one of the Minneapolis-St. Paul metropolitan area and one of the Duluth area, are reported. The studies were financed by the Upper Great Lakes Regional Commission in an effort to determine the marketing potential for skiing and ski facilities of Spirit Mountain at Duluth. This paper presents results for one of many research objectives involved. It is indicated that skiing households represent about one-fourth of all households in the study areas; that there are boys and/or girls up to 19 years old in about half of the skiing households; income of skiing households is predominantly above \$20,000 and resembles the respective community patterns, and that skiing at the resort type facilities appears to have across-the-board appeal regardless of the educational levels of principal male and female adults in the skiing households.

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The purpose of this study was to segment on a demographic basis the market for winter skiing in two Minnesota communities, the state's largest metropolitan area, Minneapolis-St. Paul, and Duluth, a smaller northern city. The Minneapolis-St. Paul area had an estimated population of 2,074,600 in nine counties at the time of the study. Duluth had an estimated population of 97,000, and it was about 150 miles north of Minneapolis-St. Paul. Although different in size, the two communities were alike in that each had skiing resorts either within the community or within a few miles. There were, in addition, about one hundred large and small skiing resorts within several hundred miles of the communities, and at a greater distance the major skiing resorts of the Rocky Mountains. Skiing has been a recognizable component of the culture of Minneapolis-St. Paul and Duluth, Minnesota, and skiing has been economically significant in each area.

The study was conducted during the fall of 1979 when the effects of gasoline shortages and inflation were becoming especially prominent and when predictions were being made of major changes in winter recreational patterns. Conclusions of the study should be particularly helpful for those in public policy positions who need to understand clearly the consumer population involved in skiing.

Data in the study were obtained from two random sample, telephone surveys of skiing households. A skiing household was defined as a household which had one or more persons who had skied at a winter resort during the previous skiing season.

In Minneapolis-St. Paul there were 204 skiing households (26.4 percent) in a random sample of 774 households. In Duluth there were 206 skiing households (27.5 percent) in a random sample of 748 households. The first obvious conclusion of the study was that slightly more than one-fourth of the households in the two communities had a member or members who had skied at a resort during the 1978-1979 ski-

ing season. Applying that fraction to the estimated households in Duluth (37,800) and in the Minneapolis-St. Paul area (721,100) produced estimated skiing households of 9,400 in Duluth and 180,200 in the Minneapolis-St. Paul area in 1979.

Age segmentation of skiing group

Age was used as a segmentation factor in comparing skiing households. The ages of persons who had skied actively were examined, with respondents being divided into groups: boys or girls who were 19 years or younger, and men or women 20 years and older.

In Minneapolis-St. Paul there were 103 households (50.6 percent) out of the random sample of 204 which had boys 19 years or younger, but only 76 households (73.8 percent) of the 103 households with boys 19 years or younger, where the boy or boys actually skied.

In the case of girls 19 years or younger in Minneapolis-St. Paul, there were 102 households (50.0 percent) out of the 204 skiing households represented in that sex-age category. A total of 78 households (76.5 percent) out of the 102 skiing households reported that the girl or girls actually skied.

The same general pattern was to be found in Duluth. There were 83 households (40.5 percent) out of a sample of 206 skiing households reporting boys 19 years or younger there. Only 66 households (79.5 percent) of the 83 households with boys 19 or younger reported boys who skied. This was a slightly higher number but not a significantly higher percentage than in the same category at Minneapolis-St. Paul (73.8 percent) actual skiers.

Skiing households in Duluth which had girls were 74 in number (35.9 percent) out of 206. Within these 74 households there were 45 households (60.9 percent) which had girls 19 years or younger who skied. The 60.8 percent was somewhat lower than the comparable 76.5 percentage in Minneapolis-St. Paul.

The second conclusion of this report was that about one-half of the skiing households had boys or girls 19 years or younger, and in households which did have boys and girls in that age group; about three-fourths of them actually skied. Skiing at the resorts tended to be more an adult-oriented type of recreation.

Half of the estimated skiing households would be 90,100 households in the Minneapolis-St. Paul area and 4,700 households in Duluth, and these would have been the skiing households which would have had boys or girls 19 years or

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younger. In approximately three-fourths of these households there would have been boys or girls who were active skiers.

Segmentation by household income

Table 1 shows the number and percentage of skiing households in the Minneapolis-St. Paul area and in Duluth in three income categories in 1979.

The third conclusion of this report was that the household incomes of skiing households in 1979 were predominantly in the \$20,000 and over category with the Minneapolis-St. Paul household incomes being higher than those in Duluth.

It is important to observe that 58.7 percent of the households in Duluth and 69.9 percent of the households in Minneapolis-St. Paul were estimated to have effective buying incomes of \$15,000 or more in 1979 by the SURVEY OF BUYING POWER 1980 (New York: Sales and Marketing Management, July 28, 1980). Effective buying income is defined as: "personal income less personal tax and nontax payments". As closely as can be estimated, the household income of skiing households was about the same as that for all households, if tax and nontax payments were removed from the data reported in the two surveys for skiing households. For example, a \$20,000 gross household income in a skiing household would very likely be reduced by at least 25 percent federal and state income taxes to \$15,000 of effective buying income.

Education level segmentation

Table 3 gives data on the education of the principal male and principal female in skiing households in Minneapolis-St. Paul and in Duluth, Minnesota in 1979.

The fourth conclusion of this report was that skiing was a recreational sport which appealed to persons of all educational levels. In Table 3 some differences are shown between Minneapolis-St. Paul and Duluth, but in both communities persons of all educational levels were found among the principal males or females in the skiing households.

The purpose of this report was to identify some major characteristics of the skiing market and culture which were not apparent through observation of patrons at a particular ski resort on a given day. Utilization of ski resorts differs from day to day and week to week. Women and children are more numerous on some days for beginning skiing lessons. Adult men and women dominate days designated for advanced skiing. Only through a study of the entire universe of skiing households of two major communities was it possible to obtain a balanced view of typical skiing households.

Table 1

Number and Percentage of Skiing Households in Community Samples by Household Income Categories - 1979

Amount	Minneapolis-St. Paul Area	Duluth
Under \$20,000	38 (18.6%)	73 (35.4%)
\$20,000 to \$40,000	93 (45.6%)	103 (50.0%)
\$40,000 or More	45 (22.1%)	9 (4.4%)
No Answer	28 (13.7%)	21 (10.2%)
Total Samples	204 (100.0%)	206 (100.0%)

In Table 2 the estimated households in each community in each of the income categories is given, based on the sample percentages.

Table 2

Estimated Numbers of Skiing Households In Household Income Categories - 1979

Amount	Minneapolis-St. Paul Area	Duluth
Under \$20,000	33,517	3,328
\$20,000 to \$40,000	82,171	4,700
\$40,000 or More	39,824	414
No Answer	24,688	958
Total Skiing Households	180,200	9,400

Table 3

Number and Percentage of Skiing Households With Education of the Principal Male and Female in Minneapolis-St. Paul and Duluth, Minnesota - 1979

Type of Education	Minneapolis-St. Paul		Duluth	
	Male	Female	Male	Female
High School or Less	29 (14.2%)	45 (22.1%)	52 (25.2%)	72 (35.0%)
Some College or Vocational School	64 (31.4%)	43 (21.1%)	65 (31.6%)	59 (28.6%)
College Degree	87 (42.6%)	62 (30.4%)	71 (34.5%)	50 (24.3%)
No Answer	24 (11.8%)	54 (26.4%)	18 (8.7%)	25 (12.1%)
Total Samples	204 (100.0)	204 (100.0)	206 (100.0)	206 (100.0)

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