



## Canada: Ski and Snowboard Market

Louise Dore  
Nicole Laity  
April 2015

### Summary

Canada and the United States share the largest trading relationship in the world and the ski and snowboard industry is no exception. The United States has consistently been one of the top ten countries that Canada imports ski and snowboard equipment from, with imports doubling over the past five years. Even though Canadian participation in skiing and snowboarding has been gradually decreasing over the last few years and this trend is expected to continue for the next five years. Canada is a potentially profitable market for U.S. manufacturers of ski and snowboard equipment and related accessories. There is also a potential for U.S. manufacturers of various new technologies in ski equipment and snow making machinery.

### Market Demand

Canadians love winter sports and the varying terrain of the country offers thousands of kilometers of ski trails and slopes for ski and snowboard enthusiasts.

Although the participation statistics are declining in Canada, the opportunity for U.S. companies in equipment is increasing. Since 2009, Canada has almost doubled the amount of ski and snowboard equipment imports from the United States (\$6.8 million USD in 2013). On the other hand, the top Canadian importer for ski and snowboard equipment, China, has become static in the Canadian market. This is promising for U.S. companies, as they continue to make up ground with the Chinese ski and snowboard equipment industry.

The future of skiing in Canada is facing some very large changes. Demographically, Canada is changing. Canada's population is aging. As Canadians get older, their rate of participation in sports decreases. Thus older skiers are starting to retire from the sport and the much smaller and younger demographics are not making up the gap in terms of participation. In the short term, this may bring about several years of increased participation in cross-country skiing as the older alpine skiers shift towards cross-country skiing. In the long term, with the lower birth rate of Canadian families, Canada will become dependent on immigration. In a speech by Ipsos Reid at the Canadian Snow Industry Symposium and Trade Show, it was estimated that by the year 2017, approximately one out of every five people in Canada would be a member of a visible minority group. In British Columbia, this ratio will be one in three. Research conducted by the Canadian Ski Council shows that visible minorities do not participate actively in skiing and snowboard activities.

To counteract these changes, the Canadian ski industry and the government have taken a proactive approach to increase awareness in the sport and promote an active lifestyle to the Canadian people. The Canadian Ski Council (CSC) is offering the "Grade 4 & 5 Snowpass" program. The objective of this program is to get the Canadian youth active in a sport that they might not otherwise participate in, by offering grade four and five students ski passes at a discounted price. The CSC played a key role in acquiring the designation of a "National Ski and Snowboard Week" and heads up the "Making Winter

Winners” (MWW) program to raise money to help fund amateur athletes on their way to compete at national and international championships, world cup events, the Winter Olympics and Paralympic Games. The industry has also come together to offer “Discover Skiing and Snowboard Discount Packages” that offer discounts on lift passes, lessons and equipment rentals to beginners of all ages. In addition, the Canadian Federal Government is committed to helping Canadians become more active by offering a child fitness tax credit to families that register their children in an eligible physical activity program.

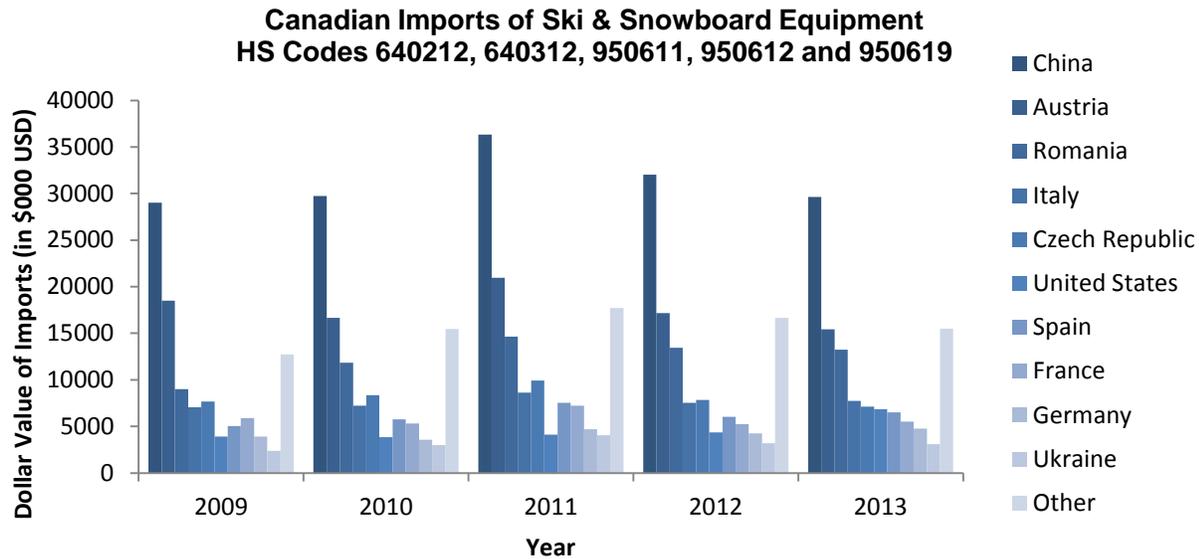
Canadians are the main drivers of market demand, however Canada offers great skiing and an elongated winter, which is a draw for foreign visitors. Canadians represent about 79 percent of all participants on the hills and trails, U.S. participants represent nine percent and other countries represent twelve percent. The strong brand recognition of U.S. products is highly desirable and offers the possibility of increased sales to visitors in Canada who might not otherwise have access to these products.

Weather conditions and the length of the season also drive the Canadian ski market. Global warming is a critical concern and the ability of the industry to navigate through and adapt to weather issues is paramount. Environment Canada’s forecasting models show that the average temperatures are rising (more in the north and west rather than the south and interior) but that things look relatively good for Quebec and Ontario. Recently the Canadian industry has experienced some milder temperatures and shorter winters and this of course has affected participation. Whistler Blackcomb in British Columbia reported to have converted a record 225 million gallons of water into snow for the 2009/10 season that included the 2010 Winter Olympic Games and by January 2014, Whistler Blackcomb had already surpassed that record with 265 million gallons.

### **Market Data**

Ski and snowboard equipment and related accessories are the most important components to the Canadian winter sporting goods market. The total value of imports in this market has increased 9.7 percent since 2009, to a total of 115 million in 2013. Imports of U.S. goods have seen the largest increase, and have currently doubled since 2009 to a total of almost seven million.

China, Austria and Romania are currently the main exporters of alpine, cross-country and snowboard equipment into the Canadian market. The 2012/2013 season saw a decrease in imports from China, Austria and the Czech Republic and increased imports from the traditional manufacturers of U.S., Italy, Spain, France and Germany. This shift may be due to many manufacturers opening facilities in the Balkan countries and China to take advantage of lower labor rates.



Canadian manufacturers are internationally competitive in the ski/snowboard market and are well known for high-quality products that incorporate advancing high-level technology. Canadian strengths are in the manufacture of fastenings, bindings and poles, but are also competitive with snowboards. Production in Canada is primarily concentrated in Ontario, Quebec and British Columbia. In 2013, Canada exported 7 billion USD of ski, snowboard, and other ski related equipment around the world, with fifty-eight percent of the total going to the U.S. and the majority of the balance being exported to Norway, Germany, Austria, Japan and Sweden.

### Best Prospects

The Canadian ski industry is somewhat attractive to U.S. firms as it shows several opportunities.

**Snowboard Equipment** - Unlike China, Spain and the Czech Republic, the United States has been able to generate 73.4 percent in growth since 2009 in ski and snowboard exports to Canada. Canadian snowboarders are also very keen on trying new technologies that enhance performance. This has been recently witnessed by the quick adoption of the rocker construction technology.

**Cross Country Skis** - The Canadian population is aging and U.S. companies can take advantage of this opportunity as 77 percent of cross-country skiers in Canada are over the age of thirty-four. As the baby boomers begin to move into those higher age brackets, they will increasingly demand a different type of experience than youth and U.S. firms who can offer equipment and accessories to meet an aging population will find a market in Canada.

**Green Products** - Canadians, especially younger Canadians, are also very environmentally aware and tend to lean towards products that are environmentally conscious in materials, construction or production. U.S. firms will find a market for products that are made with the environment in mind.

**Helmets** - The usage of helmets for skiing and snowboarding is an increasing trend on Canadian slopes and although not regulated by the government some ski hills are making their use mandatory. There has been an ongoing debate for the last few years between participants, associations and private companies as to whether or not the Government of Canada should make helmet usage mandatory.

**Snow Making Technology** - Global warming is a critical concern and will provide U.S. manufacturers with one of the biggest opportunities in the future. Over the past five years, the ski and snowboard industry in Canada has experienced some significant changes. The industry relies heavily on weather conditions and the Canadian industry has experienced some milder temperatures and shorter winters.

### Key Suppliers

While it is difficult for new names to break into the well-established Canadian alpine and cross-country ski market, several new ski-makers have entered the market over the past few years, leaving the established brands to continue to refine and perfect their products. There will always be consumers who choose to try new things; however Canadians tend to purchase their ski equipment from a wide range of well-known brands. The major manufacturers in the Canadian market are:

Atomic	K2	Tyrolia
Dynastar	Marker	Tecnica
Elan	Nordica	Völkl
Fisher	Rossignol	
Head	Salomon	

In Canada, snowboarders are open to purchasing from new names specific to the snowboarding discipline and include Canadian manufacturers, Burton (who also manufactures in Austria, Poland and Asia), Endeavour, Olive and Prior as well as U.S. manufacturers, DWD, Gnu, Lib Tech, Never Summer and Roxy. Canadian snowboarders also purchase from numerous names whose boards are generally products of Austria and whose bindings and boots are typically made in China. These companies include the big brand names of Atomic, Elan, Head and K2 and numerous other companies such as 5150, APO, Arbor, Capita, Celsius, DC, Deeluxe, Drake, Firefly, Flow, Flux, Forum, Morrow, Nitro, Northwave, Ride, Rome, Santa Cruz, Sapient, Sims, SP, Stepchild, Tecnica and Venue. Völkl gear is made in Germany and China, Salomon products are primarily made in Asia and Rossignol boards and gear are made in Spain and China.

### Prospective Buyers

In general, Canadian consumer behavior in the disciplines of alpine skiing, cross-country skiing and snowboarding tend to follow the American model. The average Canadian consumer is becoming more demanding, seeking high performance and attractive styling in their equipment while at the same time receiving a safer product. Canadians are also looking for excellent value for their money as they experience a crunch for their leisure dollar. The American influence on the Canadian ski and snowboard market is very strong and U.S. firms will benefit from strong brand recognition.

All three sports have seen overall decreases in participation over the 2013/2014 ski season and although there is considerable cross participation between alpine skiing, cross-country skiing and snowboarding, alpine skiing remains the most popular.

**Alpine Skiers** - The core of the alpine ski market encompasses people between the ages of 15-64. The baby boom generation continues to be a major component of the alpine ski market, but over the next five years, this group will begin to decrease, possibly crossing over into the cross-country ski market. Of some concern in 2014/2015 is the decline of the participation rate of skiers in the young adult age group (from 18-24 years). In the 18-24 age bracket, all three disciplines showed a decline. The unemployment rate of this age group in Canada could account for this decrease in participation,

with new graduates not able to find work and not having the finances to participate.

Women are only slightly more involved in alpine skiing than men, making up fifty-one percent of the total alpine skiers. Ethnicity is important in this market with eighty-seven percent of the total market being Caucasian. Alpine skiers have the highest average annual household incomes of any sport group with fifty-six percent of alpine ski households having income over \$75,000, and the average annual household income of \$85,979. Twenty-five percent of the total skiers are not employed, possibly due to the participation from the youngest age segment. Alpine ski participation is greatest in Quebec and Ontario, especially in the cities of Montreal and Toronto, which accounted for thirty-three percent of the total alpine ski population in Canada.

The market with the strongest growth is Montreal.

In summary, the typical downhill skier is more likely to be a middle-aged white male, living in a larger Ontario or Quebec city, with a post-secondary education and living in a high-income household.

**Cross-Country Skiers** - The core of these participants are between the ages of 35 and 64 years. As might be expected, this market is the oldest of the three disciplines, with forty-five percent of participants over the age of 50. Women make up the majority of the market representing fifty-five percent of the participants. Again, ethnicity is a leading factor in this market with 91% of the participants being Caucasian.

Seventy percent of cross-country skiers in Canada are in Quebec and Ontario, however, Quebec leads the way with forty-four percent. Sixty eight percent of cross-country skiers have a household income of \$50,000 or greater. The percentage of cross-country skiers with a full or part time job remains stable at 68%.

Cross-country skiers are typically older, mainly from Quebec, not from major cities, with high household incomes, with fewer children at home, likely in their 50's or older and cross-country ski on average five times per season.

**Snowboarders** - The Canadian snowboard market was the fastest growing of the three disciplines, but has since declined over the past few years due to parents realizing that skiing is easier and safer for their children to learn. The Canadian snowboarder is typically younger than the average skier, with two-thirds of the participants ranging from 12-24. Seventy percent of Canadian snowboarders are male. The snowboard market tends to be more ethnically diverse, probably due to the core borders being from the younger age brackets. Participants are generally from high-income households, twenty-eight percent between \$50,000 and \$74,999 and forty-four percent over \$75,000.

Two out of three snowboarders are from Quebec and Ontario, however British Columbia also has a high number of snowboarders with a strong number of participants from the cities of Toronto, Vancouver and Montreal.

The snowboarder segment is typically a young male, not from a big city, living in a high-income household, probably still in high school or college, and tends to have a part time job.

## Market Entry

Canada's distribution and sales channels for ski and snowboard equipment and related accessories are similar to those in other industrialized countries. Large multinational firms dominate the ski and

snowboard market in Canada. Sales of ski and snowboard equipment and related accessories to Canadian companies are handled through relatively short marketing channels and in some cases, products move directly from manufacturer to end-user. While some manufacturers choose to sell directly to clients with their own sales force and distribution operations, others use different combinations of distributors, general sales agents, and manufacturers' representatives. Canada is an exceedingly large country and demographics, culture and language requirements vary greatly from one coast to the other.

**Distributor/Sales Agent:** The market distribution within Canada is similar to that of the United States, in that it is comprised of both specialty and big box stores. The vast geographical dispersion and smaller population of Canada in comparison to the United States can make selling a new product in Canada difficult. Within the ski and snowboard industry, the most popular methods are sales representatives that are divided by territory and distributors. The majority of sporting goods sales representatives in the Canadian market are connected with an association. The British Columbia Sporting Goods Representative Association is an example of an organization that connects all sporting goods representatives in the area and directly communicates new opportunities and industry events to its members. Without these associations finding an independent sales representative in the industry may be difficult.

Distributors sell to the retail sector. Sporting goods stores, such as Sports Experts, Sport Chek and Sport Mart make up the retail segment of this category and offer a wide selection of ski and snowboard equipment. Ski and snowboard equipment can also be purchased through athletic specialty shops, discount stores such as Walmart and Target, and department stores like Sears and The Bay. When setting up a distribution network in Canada, U.S. manufacturers should strongly consider establishing representation in different regions of the country. The U.S. Commercial Service can work with the company to provide a list of distributors of ski and snowboard equipment across Canada.

**Internet:** According to the World Bank, Canada has more internet users than the U.S. and American manufacturers may find an advantage in developing an internet site and offering online sales. Internet sales are now one of the largest channels of distribution of sporting goods in Canada and offer seamless sales from one country to the other. However, customs clearance fees may make it less expensive to the consumer to purchase the product through retail outlets. In general, internet use rises provincially from west to east, although only three provinces have usage rates above the national average of 80 percent – British Columbia (86%), Alberta (84%) and Ontario (81%). The Canadian Marketing Association and the Direct Marketing News are two leading sources of information about direct marketing in Canada. In general, Canadian audiences are targeted using the same techniques that are used in the United States.

**Print Media:** Print media is an exceptionally powerful method of marketing products in Canada. SBC Media Group, a Toronto based publisher, represents ten magazine titles within action sports lifestyle media and reaches two million youth and young adults. Four of their publications are ski and snowboard related including Snowboard Canada, SBC Skier, Snowboard Canada Women's Annual and SBC Ski and Snowboard Resort Guide. Numerous other publications cater specifically to the Canadian Ski and Snowboard Market. The proximity of Canada to the U.S. allows for recognition of American products through U.S. print and television as well.

Sporting equipment retailing has undergone major changes in recent years. The continued rollout of large franchised stores and chains of stores has seen the range of stock and associated costs spread across a number of network stores. With these types of stores having greater buying power, the independents are expected to face increasing competition.

## Market Issues & Obstacles

The leading authority in Canada for recreational and sports products is Health Canada. Currently, there are no mandatory safety requirements for ski equipment in Canada. U.S. companies will have to be aware of other issues when entering the Canadian market.

U.S. businesses are encouraged to localize content and labeling, thereby “Canadianizing” their products. For example, U.S. companies should utilize Canadian English and Quebecois French when marketing products in Canada. The Canadian federal government’s Consumer Packaging and Labelling Act requires consumer product packaging to be in both official languages, English and French. For detailed information on packaging and labeling requirements, review the Consumer Packaging and Labelling Guide on the Competition Bureau’s website: <http://www.competitionbureau.gc.ca/epic/site/cb-bc.nsf/en/01248e.html>.

U.S. companies should also be aware of the different labeling requirements for goods sold in the province of Quebec. All products, services, warranty certificates, and directions must be provided in French, and French must be given at least equal prominence as other languages on any packaging. For further information on language requirements for the province of Quebec, contact the Office québécois de la langue française at <http://www.oqlf.gouv.qc.ca/english/charter/index.html>. Exporters are encouraged to work with a local distributor or major retailers to meet these requirements and ensure proper French-Canadian language is used.

Under the North American Free Trade Agreement (NAFTA), no customs duties or tariffs are levied on qualified U.S.-made products entering Canada. To get duty-free status under the NAFTA rules of origin, a commercial NAFTA import over CDN\$2,500 must be accompanied by a NAFTA Certificate of Origin, while a commercial import less than CDN\$2,500 only requires a statement of origin from the exporter that the product is U.S.-made. Canada looks at the origins of the component parts of an item and whether they are transformed in the process of manufacture into another category to determine whether a product is entitled to NAFTA treatment. This can be quite complex; therefore, U.S. companies should consult the U.S. Department of Commerce’s NAFTA Certificate of Origin Interactive Tool at <http://web.ita.doc.gov/ticwebsite/ticit.nsf/>.

The Canadian Goods and Services tax (GST) of 5 percent on a value-added basis is assessed by Revenue Canada at the time of import, and at each subsequent resale level. Importers are entitled to partially offset their GST payments by collecting and retaining GST payments received from their customers.

## Trade Events

### [Toronto Snow Show](#)

October 15-18, 2015

Toronto, Ontario

### [Edmonton Ski & Snowboard Show](#)

October 24-25, 2015

Edmonton, Alberta

[Calgary Snow Show](#)

October 31-November 1, 2015  
Calgary, Alberta

[CWSAA 2015 Spring Conference](#)

April 27-29, 2015  
Whistler, British Columbia

## Resources & Key Contacts

[Industry Canada](#)[Sport Participation 2010](#)[Canadian Sports Vision Insights Fall 2013](#)[Canadian Ski Council](#)

## For More Information

If you would like further information, please contact our National Sector Coordinator for Sporting Goods, Louise Doré at: [louise.dore@trade.gov](mailto:louise.dore@trade.gov); Phone: 613 688-5217 or visit our website [www.buyusa.gov/canada](http://www.buyusa.gov/canada).

### Canada First - Building Bridges to Prosperity

## The U.S. Commercial Service — Your Global Business Partner

With its network of offices across the United States and in more than 80 countries, the U.S. Commercial Service of the U.S. Department of Commerce utilizes its global presence and international marketing expertise to help U.S. companies sell their products and services worldwide. Locate the U.S. Commercial Service trade specialist in the U.S. nearest you by visiting <http://www.export.gov/>.

*Disclaimer: The information provided in this report is intended to be of assistance to U.S. exporters. While we make every effort to ensure its accuracy, neither the United States government nor any of its employees make any representation as to the accuracy or completeness of information in this or any other United States government document. Readers are advised to independently verify any information prior to reliance thereon. The information provided in this report does not constitute legal advice. The Commercial Service reference to or inclusion of material by a non-U.S. Government entity in this document is for informational purposes only and does not constitute an endorsement by the Commercial Service of the entity, its materials, or its products or services*

*International copyright, U.S. Department of Commerce, 2007. All rights reserved outside of the United States*