

The Impact of Competition on Management in the Ski Resort Industry: A Case Study of Blue Mountain Resorts Limited

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In scholarly publications the view is widely held that competition is the dominant regulatory force of the capitalist market economy (Auerbach, 1988). While the nature of competition is complex, Porter (1998) views that "the structure and evolution of industries, and the ways in which companies gain and sustain competitive advantage in them, lie at the core" (p. 2). For this reason, a sophisticated understanding of these issues can provide an organization with the foundation on which all else is built (Porter, 1998). The ski resort industry, like others in sport, can greatly benefit from an in-depth understanding of how the process of competition impacts management operations, and specifically, how resources are either enabling or constraining their desired competitive positioning.

Resource-advantage theory posited by Hunt (2000) was utilized as the theoretical framework for this study, as its holistic nature provided a strong platform for exploring the process of competition in the diverse ski resort industry. Developed from the roots of 11 research traditions, the theory incorporates works such as Barney's (1991) resource criteria (the need to be valuable, rare, non-substitutable, and imperfectly imitable), as well as Barney, Wright, & Ketchen's (2001) call for considering external influences. Resource-advantage theory incorporates four key constructs that were highlighted in the study: market segments, comparative resources, marketplace position, and environmental influences. An analysis of the current state of the Canadian ski resort industry informed through personal communications and presentations made by key players from Canada's resorts in the top industry forum (Canadian Ski Council, 2006), complements the literature review. This approach provided the study with a mutual interplay between theory and practice in order to develop a current, realistic, mutually enhancing, theory and practice-based view of the industry.

The purpose of this study was to develop an understanding of how competition impacted management operations in the ski resort industry by describing and explaining the management structures, processes, problems and challenges faced by Blue Mountain Resorts Limited. Blue Mountain was selected for the study as a result of their ownership, proximity to other resorts, and consumer demographic. The following objectives guided the study: (a) identify the impact of industry competition in relation to operations at Blue Mountain Resorts Limited; (b) detect valuable management strategies for addressing the challenges of competition on Blue Mountain Resorts Limited; and, (c) determine the value of applying a management-based theory of competition to the ski resort industry.

The single-case study was conducted in three phases. Phase one involved preliminary meetings with management persons at the resort to negotiate access and discuss and refine the methodology and outcomes of the study. Phase two developed the general picture of the nature of operations at the resort from the perspective of the sales and marketing department. This involved searching relevant documents and conducting focused interviews, utilizing Shank's (2005) Contingency Framework for Strategic Sports Marketing to guide data collection. Phase three consisted of a more detailed examination of other departments at the resort to provide a cross-functional view of management operations and resource allocation. Further documentation and interview data were collected throughout this phase. Data was analyzed in light of the research questions and relevant literature utilizing NVIVO software.

This paper provides useful implications for strategic planning and organizational decision-making for management at ski resorts and similar tourism operations. Generalizations are made back to the theoretical propositions of resource-advantage theory. As well, suggestions are offered for future academic and industry research that will help foster a more sustainable ski resort industry both in Canada and abroad. Complete analyses of the data, along with a detailed discussion of implications are presented.