

# SWISS HOTEL OWNERS TO FACE A CHALLENGING WINTER SEASON



The upcoming winter is going to be a challenge for Swiss hotel owners, as shown by a member survey of a hotel association. Besides the likely decline in European guests, pricing pressure remains a heavy topic.

53 percent of all participating hotel owners in rural-Alpine regions report that the number of bookings in September were lower than in the previous year, according to Hotelleriesuisse. When it comes to cities, the majority of participants of 63 percent expect a consistent booking situation.

**In order to lower the pricing pressure, 40 percent of all survey participants plan to either reduce their job offers for the upcoming winter or reduce the work hours.**

Roughly 70 percent of participants plan to hold on to their current prices during the winter. However, 20 percent - especially the hotel owners from rural-Alpine regions - report that they plan to reduce their prices due to the low demand. "Pricing may be a managerial decision, but the hotel owners still should not join the price fight," says Christoph Juen, CEO of the Swiss hotel industry association, Hotelleriesuisse.

These assessments made by Swiss hotel owners support the prognosis data of ETH Zurich's cyclical analysis department (KOF), which expects a decrease in overnight stays of 1.4 percent and a 2.7 percent decline in gross value added for the upcoming winter season of 2015/2016. The results of this study were recently published by the KOF.

Hotelleriesuisse wrote that it lies within the entrepreneurial responsibility, how anyone runs their business and which measures they use to deal with economically challenging times.

On the supply side, Swiss hotel owners can strengthen their position on the market by raising their quality standards, innovating their accommodation and focusing on specific tourist groups, such as families, seniors, bikers etc. By cooperating with other businesses, additional efficiency and cost optimization in purchasing, production and service can be reached, e.g. by building purchasing pools or bartering for markdowns with suppliers.

The industry association only considers an easing of tension to be possible, once there is a significant economic pick-up in Europe and the Euro gains ground on the Swiss Franc again. This would lead to a return of demand from European guests.

**The industry association deems domestic and European tourists to be the most important cornerstone of Swiss winter tourism, closely followed by early snowfall and good weather.**

In order to facilitate each member's competitive ability and support new entries, the industry association strongly advocates for better general circumstances on a national level. Doing so, the association demands that there shall neither be any additional cost for businesses nor new, cost-pushing regulations. That's why the association "fundamentally" refuses any plans for tax raises, fees and charges.

On the political level, hotel owners also demand a legitimate establishment of the accommodation tax within the confines of the VAT law. They endorse the opening to foreign trade in the agrarian sector without market isolation and import tax raises.

As another core concern, the association mentioned the tourism friendly implementation of the mass immigration initiative and the retention of bilateral contracts with the European Union.

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