

ELECTRONIC TICKETING

This gateway to the future could be opening sooner than you think.

BY PETER OLIVER

The horse-drawn carriage, the telegraph, the candle—at some point in time, all technologies disappear into obsolescence, to be superseded by something better. Now, in the winter resort industry, electronic ticketing appears poised to render the good old ticket-on-a-wicket to the technological dust heap.

Electronic ticketing, in one form or another, has begun to announce itself as the technology of the future. According to Mike Bisner, who represents Snow DAG, a developer of electronic-ticketing systems, the technology has already reached a 90-percent penetration level at ski resorts in Europe. He estimates penetration at U.S. resorts currently to be less than five percent, although Mary Anschutz, director of marketing for RTP, a software developer that works with Skidata, suggests the number might be as high as 15 percent. Small potatoes compared to Europe, but clearly the age of electronic ticketing is coming. The times are a-changin'.

Full adoption of electronic-ticketing systems is still a ways off for most U.S. ski areas, but a move from the ticket-and-wicket era has been evolving for a number of years. Many areas have been using bar-coding and scanning tickets as a means of ticket checking and data collection for more than a decade. The transition from there to using bar-coding for on-line ticket sales has been, and will be, a logical next step.

Wachusett Mountain, Mass., is a prime example of an area using bar-coding to develop a healthy business of selling tickets on-line. An on-line purchaser can bring a barcode printout (from his/her home computer) to a ticket win-

dow, get it scanned, and receive a ticket for the day. (Simply printing a bar-coded ticket at home won't work, of course, as printer paper is too flimsy to survive the outdoor winter environment.)

This kind of validation and ticket dispensation could theoretically also be executed at an unmanned kiosk, relieving the customer of the need to go to a ticket window at all and reducing an operator's labor costs. And that could become feasible soon, if it isn't already: On-line sales reportedly represent about 30 percent of Wachusett's total. The area has a daily cap on tickets sold, and on-line sales are essentially reservations, guaranteeing skiers that they won't be shut out when they arrive at the ticket window.

On-line sales and bar-coding can also be a convenient way for ski areas to join forces with on-line travel agents, packagers, lodging partners, and other potential sales outlets. "This enables you to sell through more channels and partners," says Anschutz.

THE BIG LEAP: RFID

The bigger jump is the leap from paper tickets to a full-blown RFID (radio-frequency identification) system, involving an installation of access gates and other hardware and a revamping of the whole ticketing process. But such a step is not cheap—Michael McDermott, RTP's senior vice president of sales, marketing, and product management, estimates that the average start-up costs are roughly \$500,000. Depending on the size and complexity of a resort, that number can vary a great deal.

Bisner concedes that "the biggest barrier in the U.S. has been the upfront costs," and McDermott says that many

areas, lacking "a complex-enough resort profile, don't see the need." That may explain why those areas that so far have invested in RFID technologies have tended to be larger resorts or resort companies, such as Aspen, Vail, Powdr, and Boyne, with relatively easy access to sizeable credit lines.

Ultimately, though, the electronic-ticketing highway is building toward RFID systems, where encodable credit-card-like cards, with tiny antennas embedded for RFID transmissions, allow for a wide variety of ticketing possibilities and other benefits. In most installations, the skier passes through a turnstile or gate that exchanges info with the card antenna and allows (or denies) access. A card can be read through a skier's clothing, so there is no need to pull out the card to show to a ticket checker or to pass by hand into a slot or past a scanning device in the gate.

This is not, of course, a technology being exclusively employed at ski resorts. It can be applied anywhere where access control is an issue, including, amusement parks, sporting events, and, as commuters in many urban areas know well, highway toll gates. McDermott believes that perhaps the biggest application of RFID technology is potentially in paid parking lots and garages.

So, why have European resorts been in the technological avant garde? Anschutz explains that RFID provides a way to "track who gets what share of the revenue." Because so many European resorts are like condo complexes with fractional ownership—at a typical resort, several lift companies might have pieces of the resort-ownership pie—RFID provides precise data about lift usage. Who-



Left: The RFID system from Axess North America at Alta, Utah, has allowed the resort to save big on payroll expenses. Right: West Mountain, N.Y., installed this RFID system from DAG Systems primarily to fight fraud, which had become a big problem at the area.

ever's lifts get the most skier traffic get the biggest share, and so on down the food chain.

Revenue sharing is obviously not an issue at most U.S. resorts, so what are the benefits for a U.S. ski area operator? Alta installed an RFID system, from the Austrian-based company Axess, four years ago, and Tim Kohl (who bills himself as Alta's third assistant ticket checker) says, "there is no going back."

Although the ski area didn't anticipate it, payroll savings has been one of the big benefits. The RFID installation allowed Alta to cut its ticket-checking staff from 26 to four, says Kohl. With the annual sales of approximately 200,000 RFID cards (on which tickets can be loaded) at \$5 apiece, Kohl estimates that Alta recouped its initial investment of between \$500,000 and \$1 million in the first year. So strictly from a bottom-line perspective, it has proved to be both a cost saver and a revenue generator.

McDermott estimates that typically a ski area can expect to pay off its initial installation investment within about a season and a half, and, "after that, it means an improved revenue stream."

OTHER BENEFITS

Perhaps the leading benefit that the RFID suppliers tout is fraud reduction. Kohl confirms that the system at Alta has been very effective in nabbing cheaters. Mike

Barbone, owner of West Mountain, a small area near Glens Falls, N.Y., installed an RFID system recently, and fraud prevention was a principal reason. Barbone told the local newspaper, *The Record*: "This won't pay for itself the first year, but the losses were significant enough to make the investment worth it."

RFID has also allowed Alta and others to be more creative in ticketing options and add-on sales. Once a customer has an RFID card, everything from a half-day ticket to a season pass, as well as other services such as lessons, food, and rentals, can be loaded onto the card via a home computer or PDA.

With the data that an RFID system can feed into an area's operations portfolio, an area can respond immediately to operational needs, allocating resources (including personnel) according to the traffic flow indicated by the data. McDermott cites Aspen as a resort with "the single best deployment of these technologies. Aspen has it dialed down to a science." He praises Aspen not only for using its RFID installations to improve traffic flow in lift-line corrals, but also for creating a more welcoming environment for guests preparing to board lifts.

Bisner points out other ways in which RFID can help improve the skier experience and an area's relationship with its guests. Access gates can be equipped with small screens where skier

photos, welcome messages, area updates, and even personal messages from one skier to another can be seen. And personnel formerly assigned to the often guest-annoying process of checking tickets can be re-assigned to play a more welcoming role. Former ticket checkers can become, in effect, greeters rather than policemen. "The whole customer-service product is made much better," says Kohl.

There are significant benefits for the
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