



Big Mountain Resort

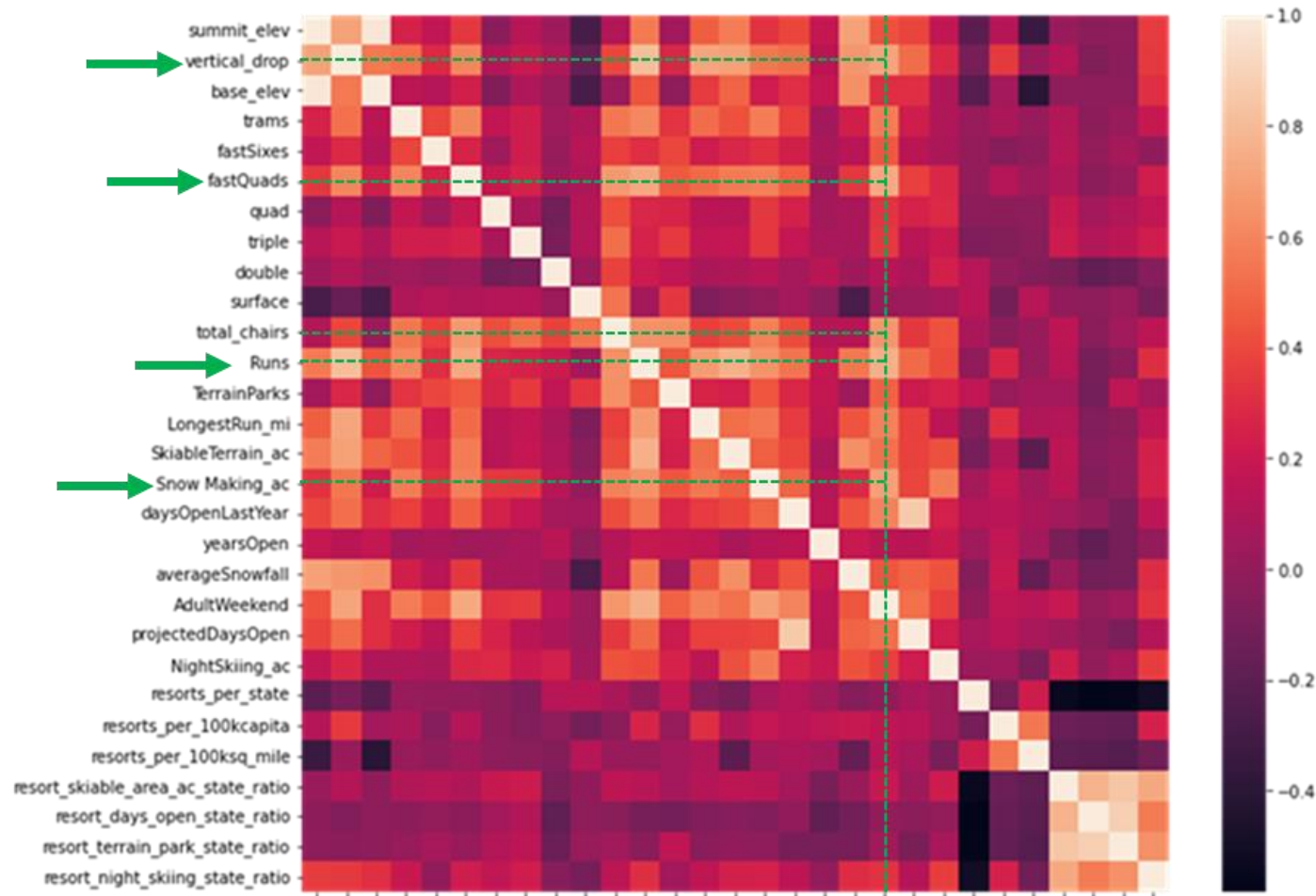


Problem Summary

- ❑ Added chair lift to increase distribution of visitors
 - Increase in \$1.54 million operating cost
- ❑ How to offset the \$1.54 million operation?
 - Better value pricing
 - Changes to resort offerings
- ❑ Current Pricing Strategy
 - Average + premium = \$81
- ❑ Resort offerings
 - Installed
 - ✓ 11 Lifts
 - ✓ 2 T-bars
 - ✓ 1 magic Carpet
 - ✓ Longest Run: 3.3 miles
 - Terrain
 - ✓ Base Elevation: 4,464 ft
 - ✓ Summit: 6,817 ft
 - ✓ Vertical Drop: 2,353 ft



Impact of Offerings on Price



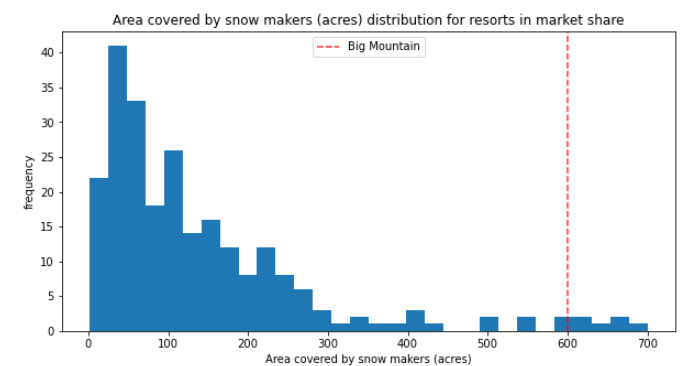
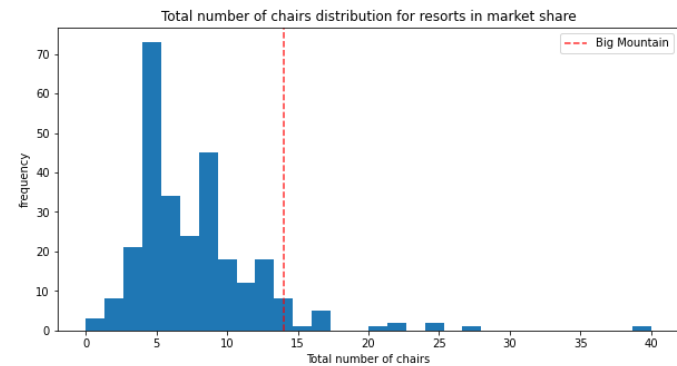
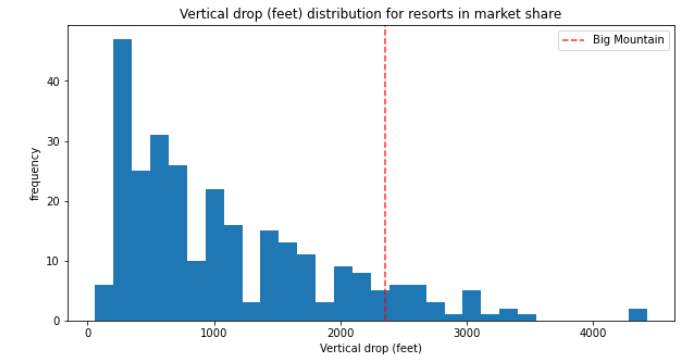
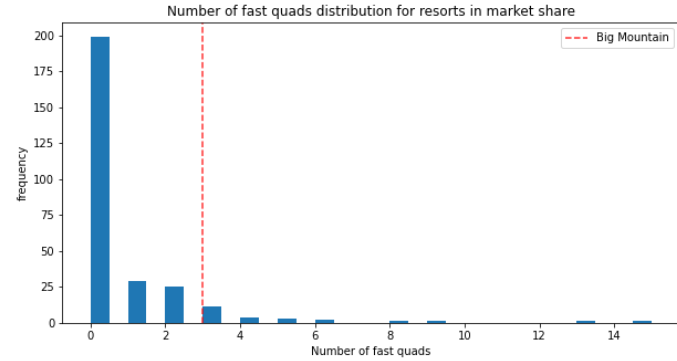
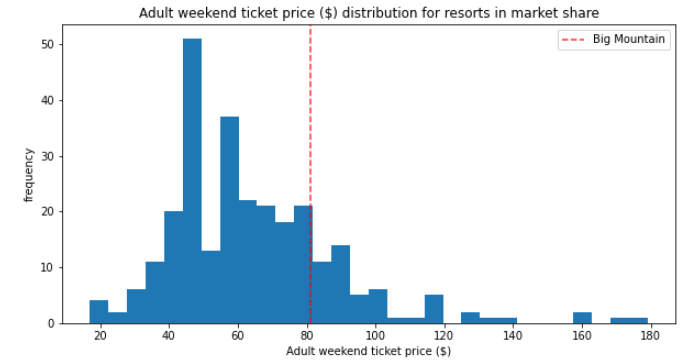
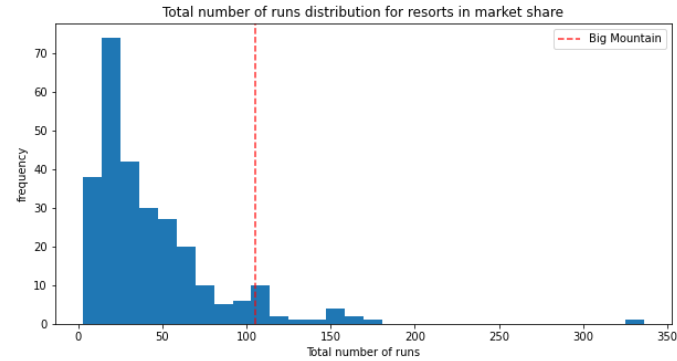
Features with Strong Positive Correlation Price

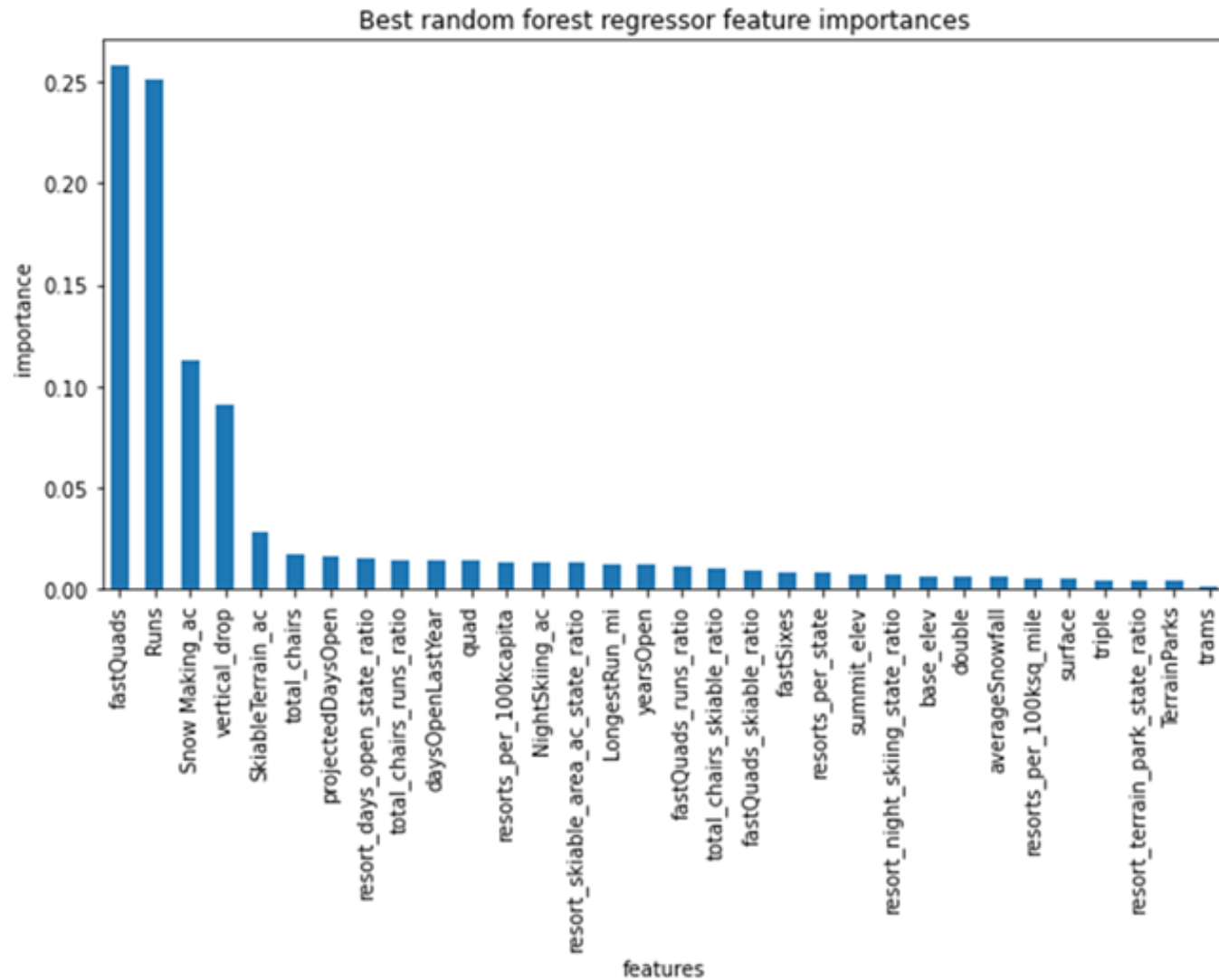
- ✓ Vertical Drop
- ✓ Fast Quads
- ✓ Total Chairs
- ✓ Runs
- ✓ Snow Making Area

BMR Vs other Resorts on Key Offerings

BMR high end in key offering

- Opportunity to increase price





Pricing Model

- Model: Random Forest Regression Model
- Predicted Price: \$95.87
 - Absolute Error: \$10.39
- Current Price: \$81.00

Offerings Model Simulation

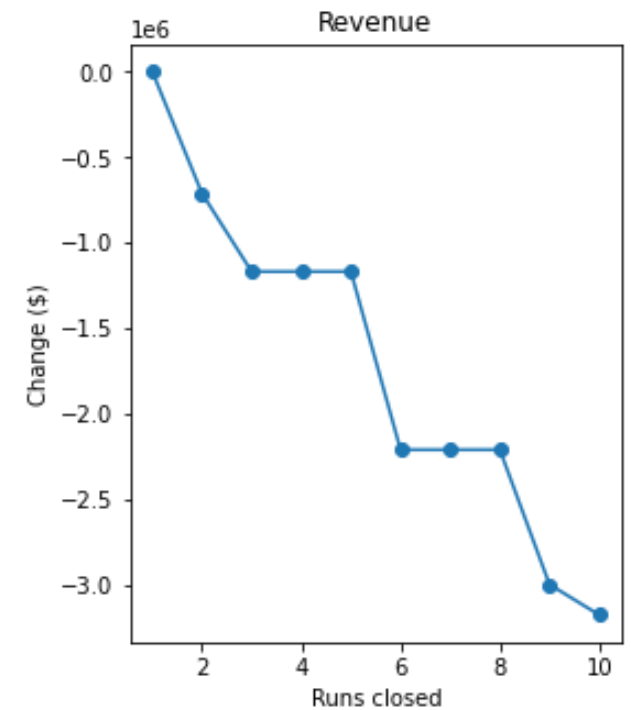
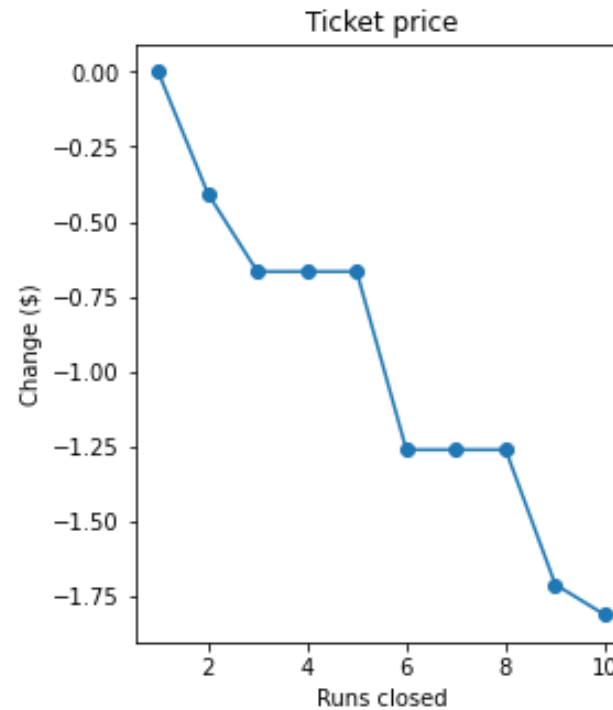
SCENARIO I: Closing Runs

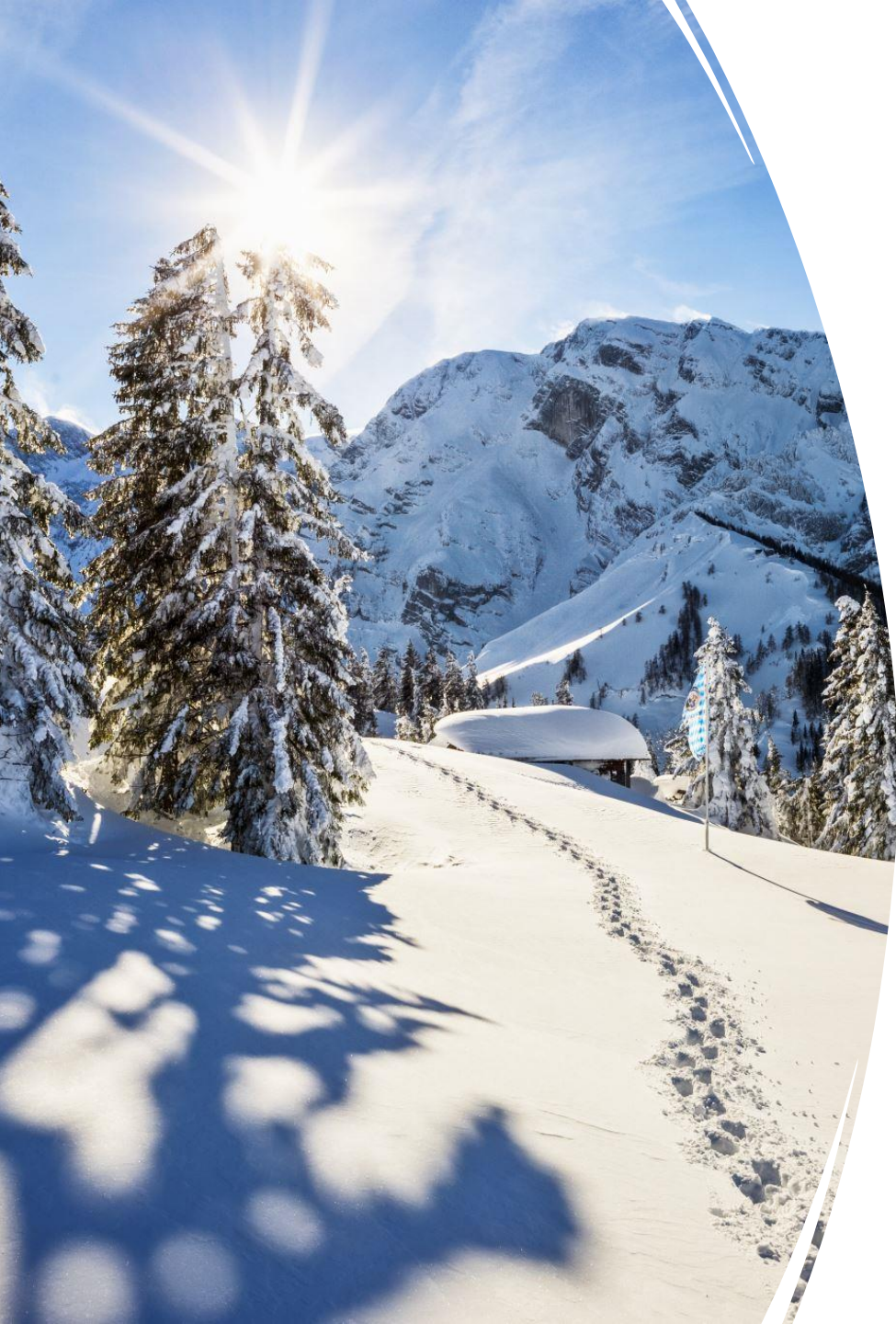
Closing a few run may reduce operating cost with minimal effect on pricing

SCENARIO II: Adding Offerings

1 Run + 150 ft vertical drop + 1 chair

- ✓ \$1.99 increase in ticket price
- ✓ ~\$3.47 season revenue





Conclusions

- In general, Big Mountain Resort Provides Premium Offerings
- There is an opportunity to change the current pricing strategy and increase ticket pricing
- Opportunities to reduce operating cost by closing runs
- Increase some offerings to increase revenue