

Big Mountain Ski Resort

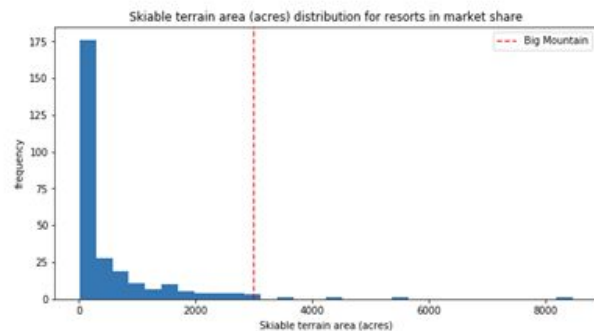
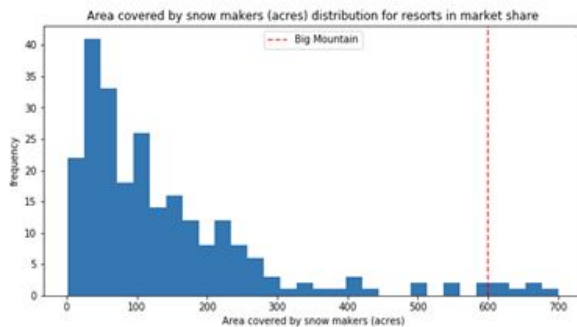
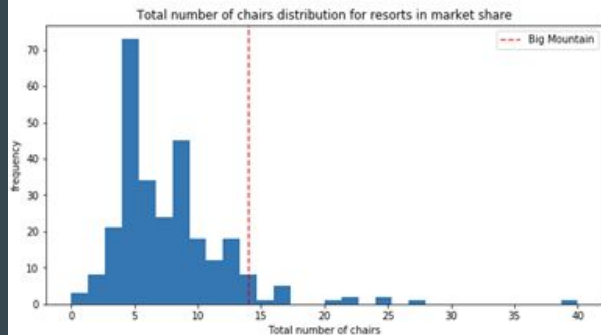
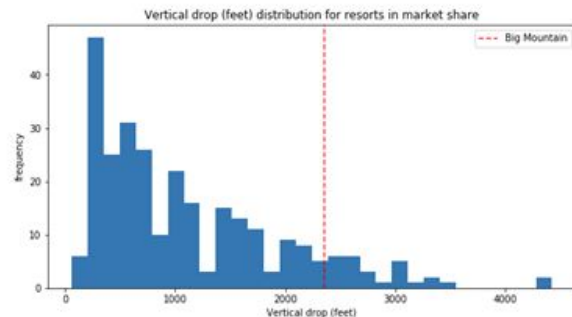
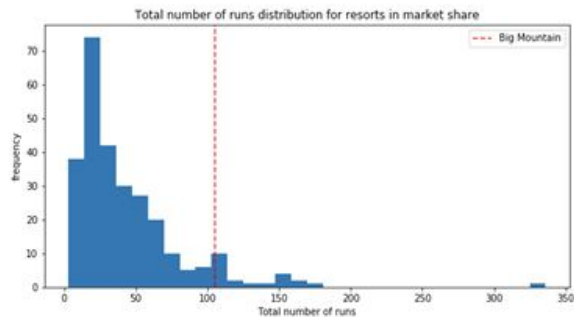
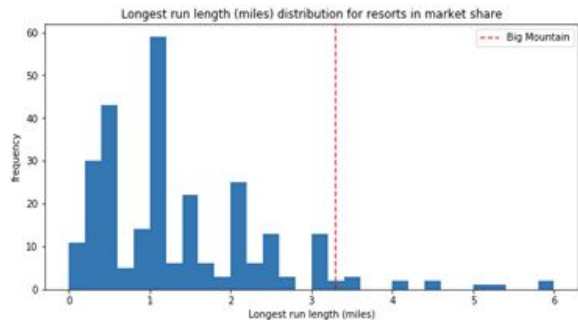
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Maximizing our returns with pricing models

Popular Resort Features

- Big Mountain Currently ranks among the top resorts
- Skiable terrain
- Number of Runs
- Snow making capacity
- Number of Chairs

Feature Comparisons



Possible Scenarios

1. Permanent closure of up to 10 of the least used runs
 - Can close up to 5 runs results in drop in ticket prices and revenue
2. Increase vertical drop by 150ft and addition of a chair lift
 - Justifies ticket price increase of \$8.67 and additional revenue of \$15 million
3. Number 2 plus the addition of 2 acres of snow making
 - Justifies ticket price increase of \$10.59 and additional revenue of \$18.5 million
4. Increase the longest run by 0.2 miles (boasting the longest run) and additional snow making of 4 acres
 - Results in no change in ticket price

Modeling Data

- ❑ Modelled price is \$95.86 vs. actual price \$81.00
- ❑ MAE = \$10.36 suggests there is room for an increase

Pricing Assumptions

- ❑ Other resorts set their prices according to the market
- ❑ Big Mountain appears to be charging much less than prediction suggests

Is Big Mountain undercharging?

- ❑ Are other resorts priced correctly?
- ❑ Is Big Mountain not charging the appropriate amount for the features it has?

Recommended Action

Modeling supports increasing our Adult Weekend pass from \$81.00 to \$95.87. This strategy puts the resort inline with ski resort pricing in our market. The popular ski features that Big Mountain operates support this price increase. Options to add an additional chairlift and adding more snow making acreage would also allow for more of an increase in ticket price.