



# Big Mountain Resort Report

The purpose of this project is to come up with a pricing model for ski resort tickets in our market segment

# Problem identification

- Find what facilities matter most to visitors.
- Come up with a pricing strategy.
- Measures to take to
  - Either cut cost without undermining the ticket price
  - Or support a higher price.

# Recommendation and key findings

Taking the following measure gives the highest revenue increase by \$20 million:

- Increase the vertical drop by adding a run to a point 150 feet lower down;
- Install an additional chair lift to bring skiers back up;
- Add 2 acres of snow making cover;
- Increase ticket price by \$13.5.



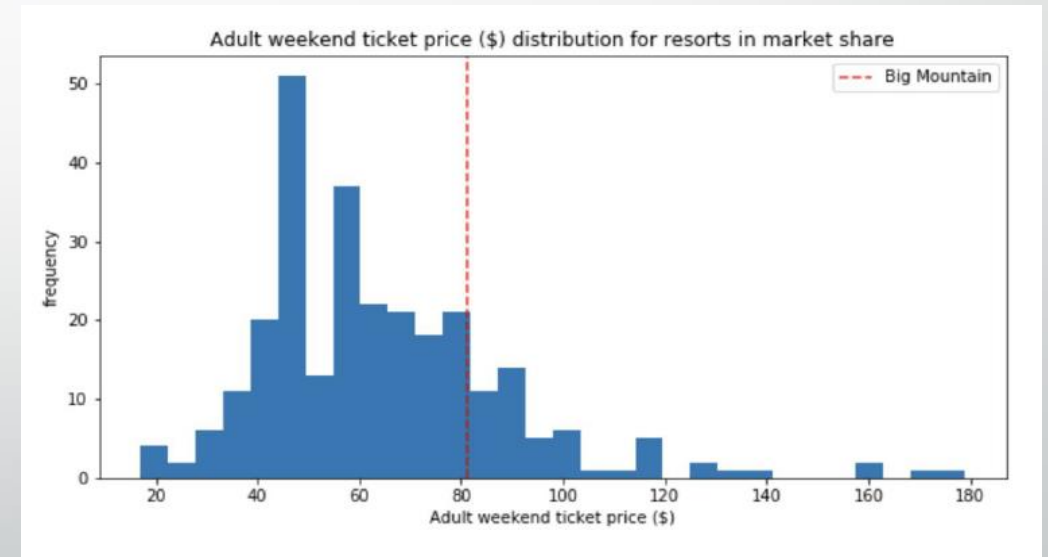
# Modeling results and analysis

The following factors are the most important to visitors:

- Vertical drop
- Snow making area
- Total chairs
- Fast quads

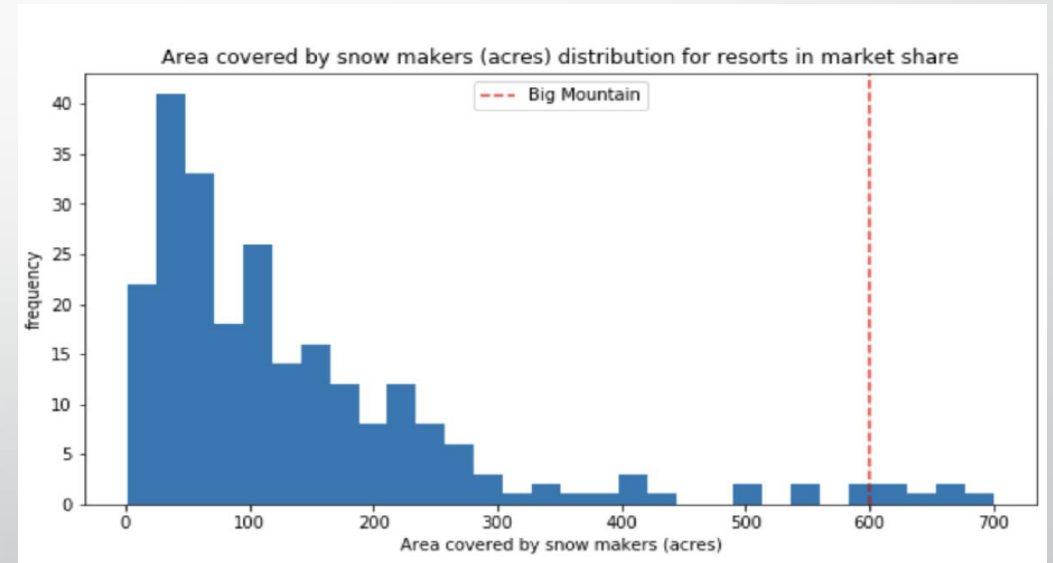
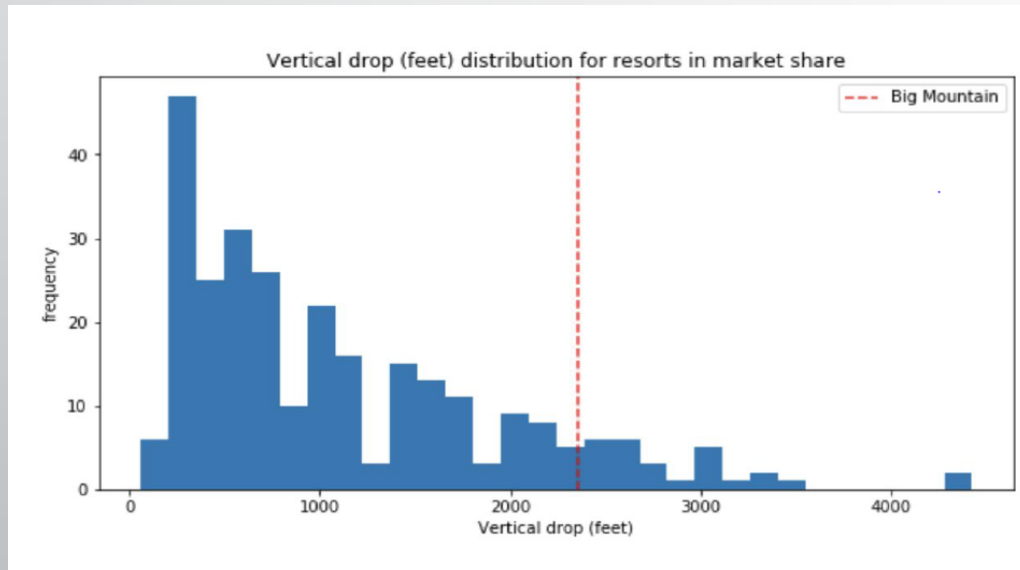
# Modeling results and analysis

BMR ticket price is on the high end in the state of Montana and above average nationwide

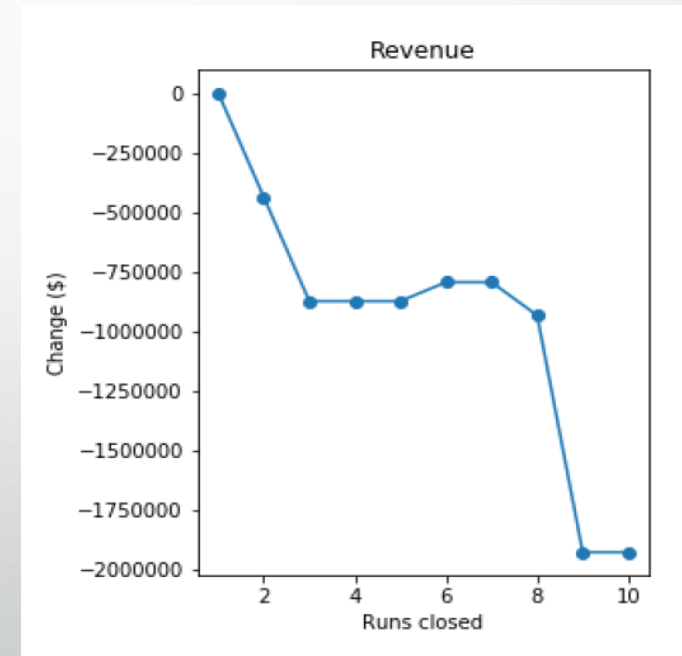
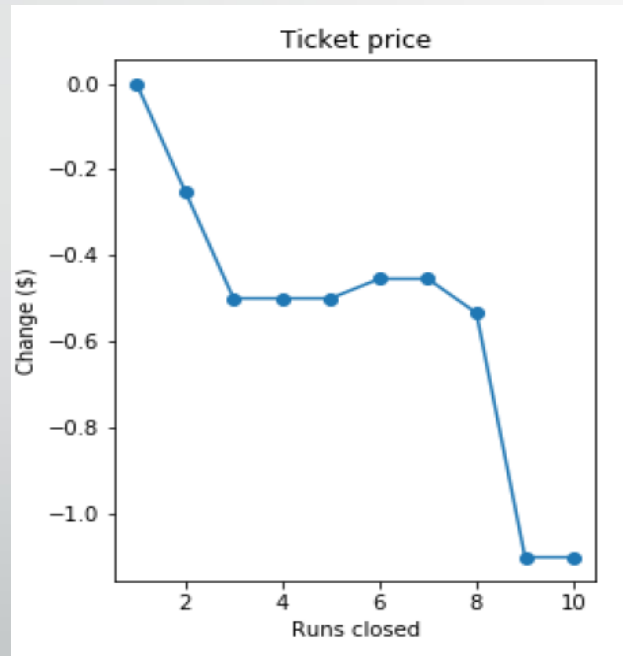


# Modeling results and analysis

The high ticket price is supported by above-average vertical drop, snow-making area



# Cost Reduction Scenario 1&2



# Summary and conclusion

## **Increase Income**

- Increasing ticket price to \$81.88 will cover the new ski lift
- Could also increase ticket price to \$85.48 - \$106.26 to be in line with competitors with similar amenities
- \$95.87 = ~\$26 million additional

## **Cost Reduction**

- Closing runs will come at a cost, depending on cost may be worth it for 2-6 runs
- Adding a run, increasing the vertical drop by 150 feet, and installing an additional chair lift, could increase ticket price by additional \$1.45