



Summary for Big Mountain's ticket price model:

The bottom line for Big Mountain's leaders and steak holders:

Looking at the data in front of us, your profits could increase to \$20,545,000 dollars by raising your ticket price to the market equivalent price of \$92.74.

Currently Big Mountain charges \$81.00. Our model suggests the following price: \$92.74. this considers Big Mountain's facilities and compares them to the competition. Even with our model's possible error of \$10.27 either way, there is room for a ticket price increase.

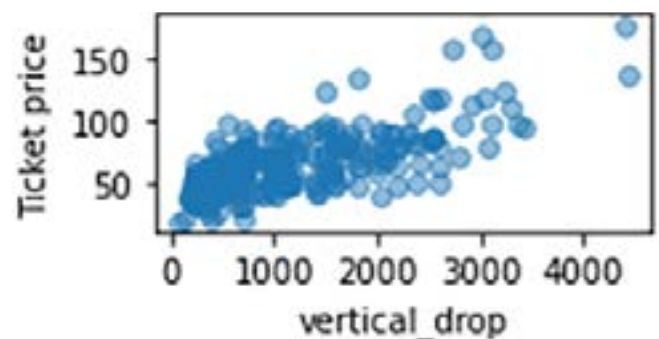
Why this will work:

Our model takes into account the facilities and prices of most of the ski resorts in the United States. With careful analysis of many different resort facilities and what they charge, we found your resort charges less for the equivalent in other resorts. We analyzed what drives prices up meaningfully, analysed those features and produced a market facility adjusted average price for your facilities.

More opportunities for ticket increase and profit:

We looked at Scenarios where Big Mountain had different facilities the best scenario we found was adding a run, increasing the vertical drop by 150 feet & installing an additional chair lift:

This increases ticket price support by .70 cents. Over the season, this could be expected to amount to \$1,223,615. Considering the cost of a new chair lift of 1,540,000 This could produce significant profit by the second season.



Unsuccessful Scenarios:

Scenario 1 - Closing runs:

This showed no increase in ticket price.

Scenario 3 - This is Scenario plus adding 2 acres of snow making:

There is no additional difference by adding snow in ticket price supported by data.

Scenario 4 - Increasing the longest run by .2 miles and guaranteeing its snow coverage by adding 4 acres of snow making capability:

This does not make a difference in ticket price.

Future improvements to the model and the facilities:

Add operating costs to the model. Also add the numbers of expected visitors at other resorts. Those data points will help find scenarios where we increase expected visitors, increase facilities and reduce ticket price while also increasing profit.

To improve we would add operating costs for things like: additional 150ft vertical drop runs, more general runs, lifts, and snow making. We would test to find more profits by building models that look into expenses, increased market share revenue by dropping prices and increasing expected visitors, in order to see the overall potential profits.