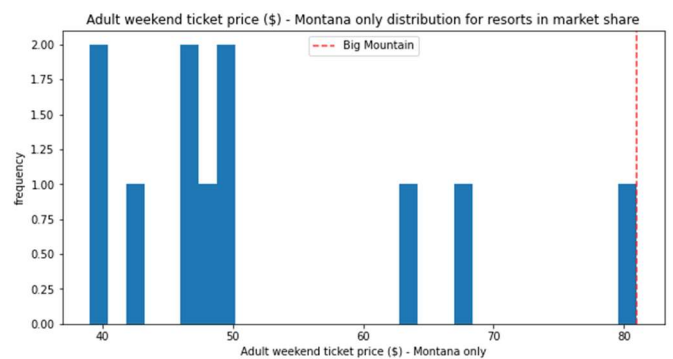
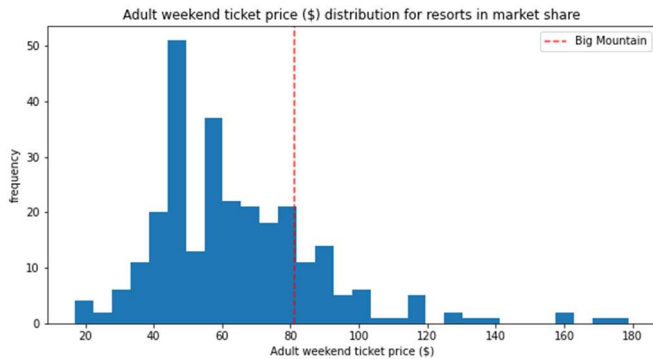
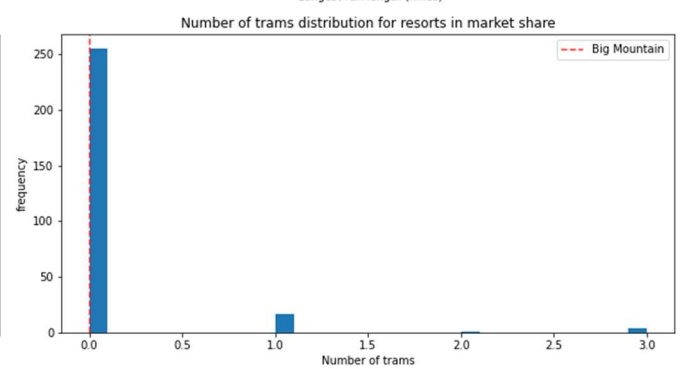
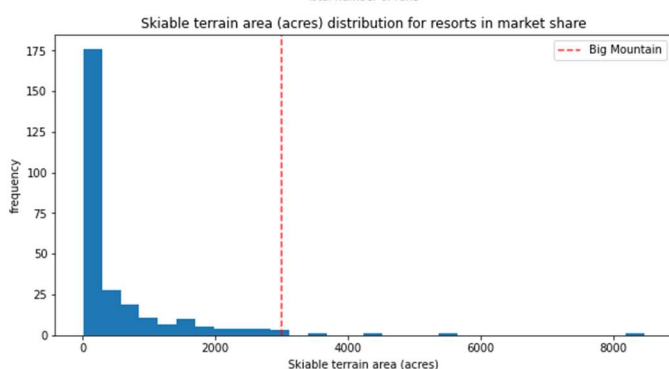
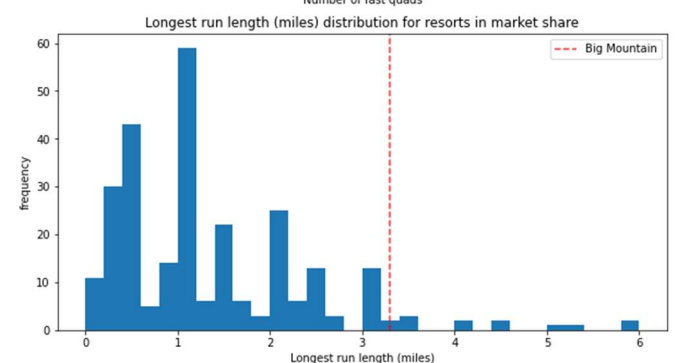
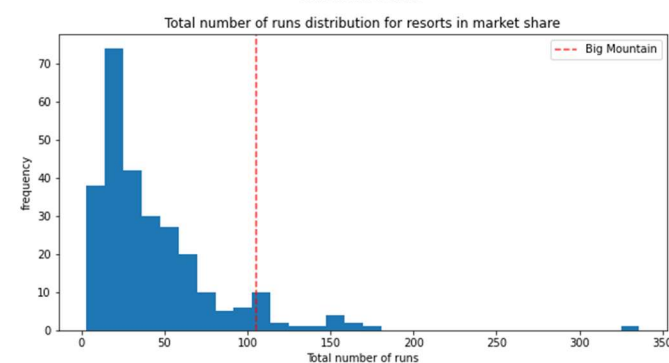
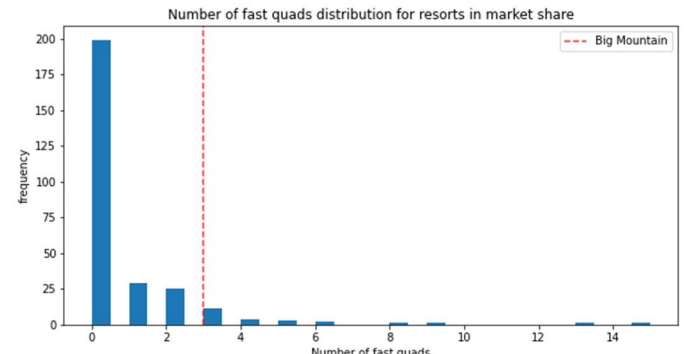
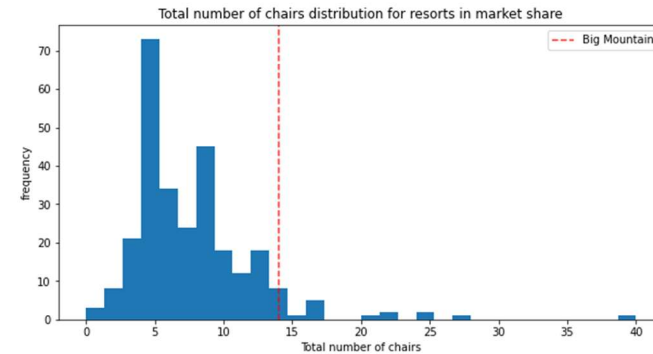
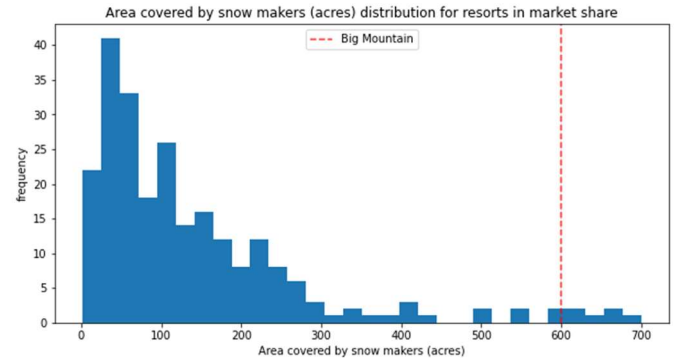
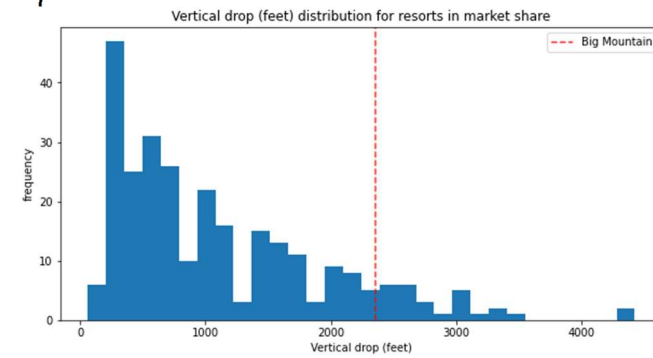


Recommendations for Big Mountain Resort

- Analysis of the features and pricing of all resorts across the country in the same market segment suggests that Big Mountain Resort supports a price of **\$95.87** with a **mean error of \$10.39**, against the current **\$81.00**. Price can definitely be increased.
(Although note that Big Mountain is already the most expensive resort in Montana)



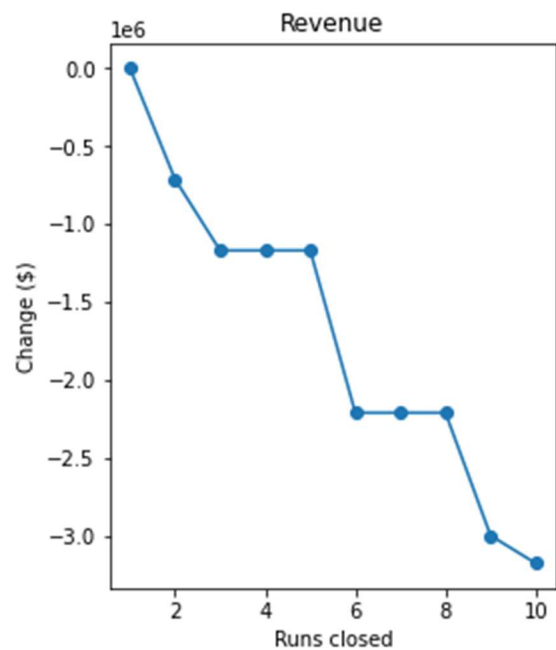
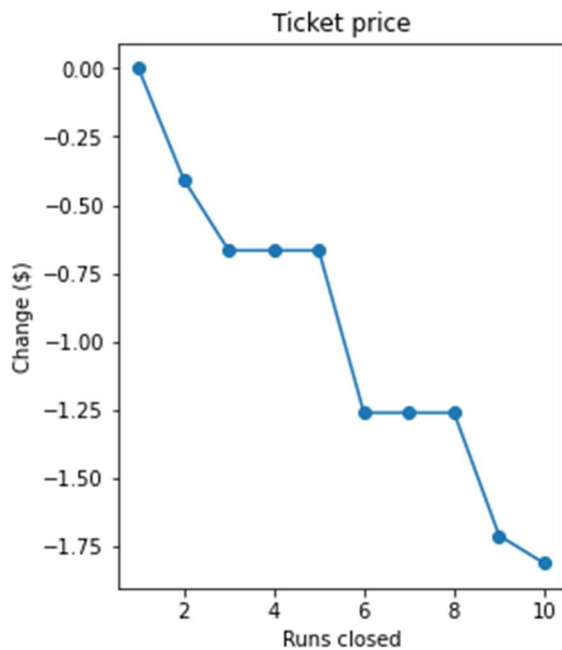
- Big Mountain is also among the top resorts in the country with high numbers for the most important features.



- **Evaluating proposals by Big Mountain:**

(with 350,000 expected number of visitors over the season and, on average, visitors skiing for five days)

1. Permanently closing down up to 10 of the least used runs



- Closing 1 run makes no difference.
- Closing 2 and 3 successively reduces support for ticket price.
- If 3 are closed, it seems they may as well close down 4 or 5 as there's no further loss.
- Closing 6 or more leads to a large drop.

2. Increase the vertical drop by adding a run to a point 150 feet lower down but requiring the installation of an additional chair lift to bring skiers back up, **without** additional snow making coverage.

- This scenario increases support for ticket price by \$1.99
- Over the season, this could be expected to amount to \$3474638

3. Increase the vertical drop by adding a run to a point 150 feet lower down but requiring the installation of an additional chair lift to bring skiers back up, **with** additional 2 acres of snow making coverage.

- This scenario also only increases support for ticket price by \$1.99
- Over the season, this could be expected to amount to \$3474638
- Such a small increase in the snow making area makes no difference!

4. Increase the longest run by 0.2 miles to boast 3.5 miles length, requiring an additional snow making coverage of 4 acres

- No difference whatsoever.
- Longest run is not a very important feature influencing pricing.