

Big Mountain Resort Summary

Based on the data from Big Mountain Resort, my recommendation would be for the resort to add an additional run, increase the vertical drop by 150 feet and install a new chair lift.

Big Mountain Resort currently charges \$81 for admission with an expected 350,000 visitors over the season. However, based on the models to compare Big Mountain Resort to other resorts in the US, considering all of the facilities Big Mountain's modelled price is much higher at \$95.87 which suggests there is room for increase. In addition, the additional operating cost of the new chair lift of \$1,540,000 and the basis that visitors buy 5 tickets each then that would suggest 1,750,000 tickets are sold per season.

This suggests that Big Mountain would only need to increase ticket pricing by \$0.88. Therefore, the recommendation of adding an additional run, increasing the vertical drop by 150 feet and installing a new chair lift would increase support for the ticket price by \$1.99 and would result in an expected revenue increase of \$3,474,638.

This suggestion is only based on the data that was given. However, it should also be taken into consideration that winter resorts are mainly popular during the winter season. We should take into account that Big Mountain Resort is not open all year and only during peak winter sport season.