

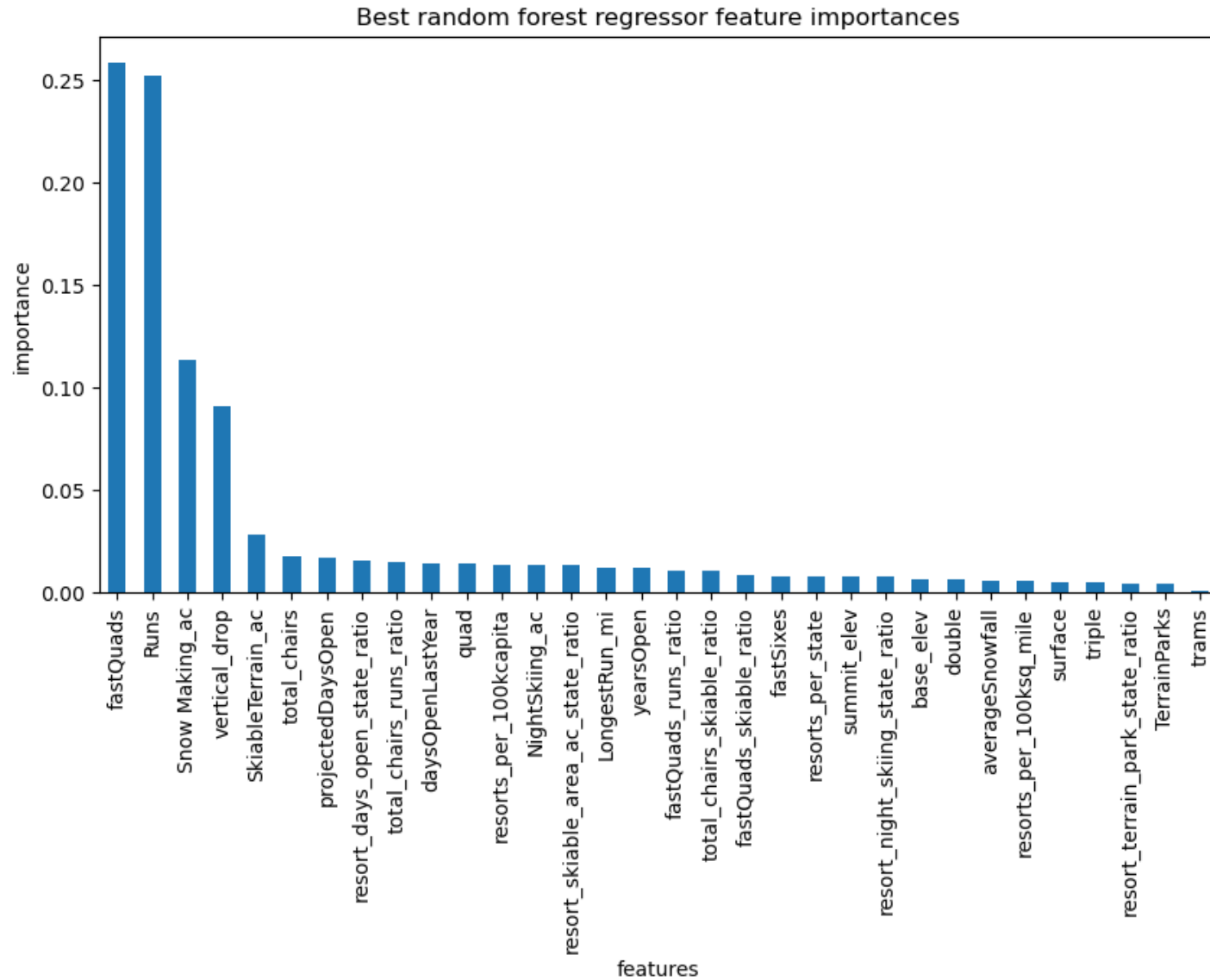
Abstract geometric lines in the top left corner, consisting of several overlapping, irregular polygons and lines in a light beige color.

BIG MOUNTAIN RESORT PRICING ANALYSIS

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PROBLEM IDENTIFICATION

- Big Mountain Resort bases its prices on market averages
- Current ticket prices are \$81
- A new chair lift was recently installed, adding an additional \$1.54 million to operation costs



KEY FINDINGS

- Four features positively influence ticket pricing
 - Number of Runs
 - Number of Fast Quads
 - Snow Making Coverage
 - Vertical Drop Height



MODELING RESULTS

- Testing found that Big Mountain Resort could increase its price to \$95.87
 - This is an optimistic number
- The expected mean absolute error is \$10.39, which suggests that there is room for a price increase

RECOMMENDATIONS

- Add a run while increasing max vertical drop by 150ft
- Add an additional chair lift for this run

PROFITS

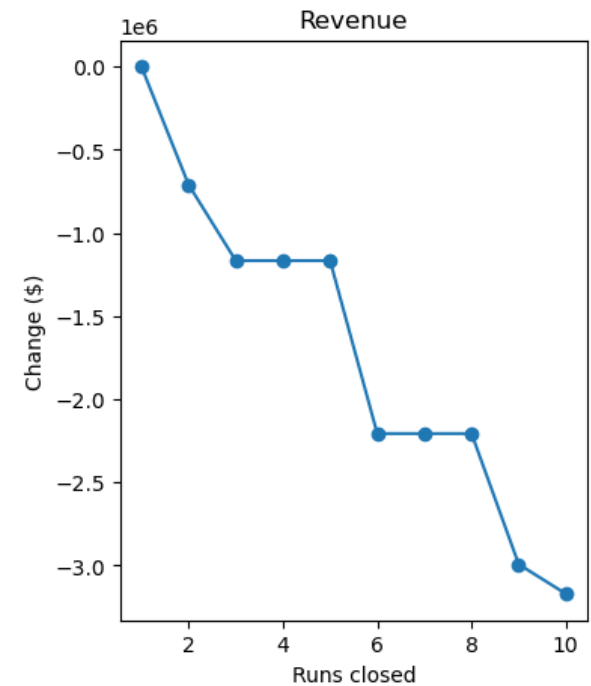
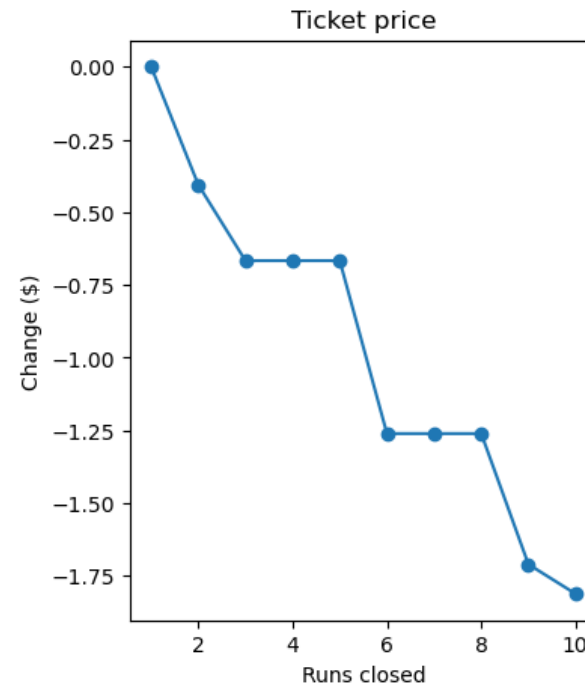
- These changes justify a ticket price increase of \$2
- This would increase revenue by \$3.47 million over the season, offsetting operational costs of the new chair

OPTIONAL ADDITIONS

- Adding snow making machines to cover an additional 2 acres for the new run would provide the same amount of profit

POSSIBLE OPERATIONAL COST REDUCTIONS

- Closing less popular runs would result in a decrease in operational costs
 - Closing one run would not decrease profits, but any additional runs would associate a decrease in ticket price and revenue over the season



Two thin, light orange lines intersect on the left side of the slide. One line is horizontal, and the other is diagonal, crossing it.

CONCLUSION

- Big Mountain Resort is currently undervalued
- It is on the higher end of amenities when compared to other resorts
- There are several ways for the company to justify the increase of ticket prices
- Further analysis can be done to see how much higher ticket prices can increase



THANK YOU