Big Mountain Resort

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- Problem

Finding new price point or cost reduction. Which is better?

- Solutions

1. Raise ticket price based on other ski resort data
2. Shut down amenities based on value to customers
3. Add or upgrade amenities based on value to customers to raise ticket price.

Ticket price is believed to be under what it could be. However other options are up for consideration if they can offer a better ROI.

Recommendations and key findings

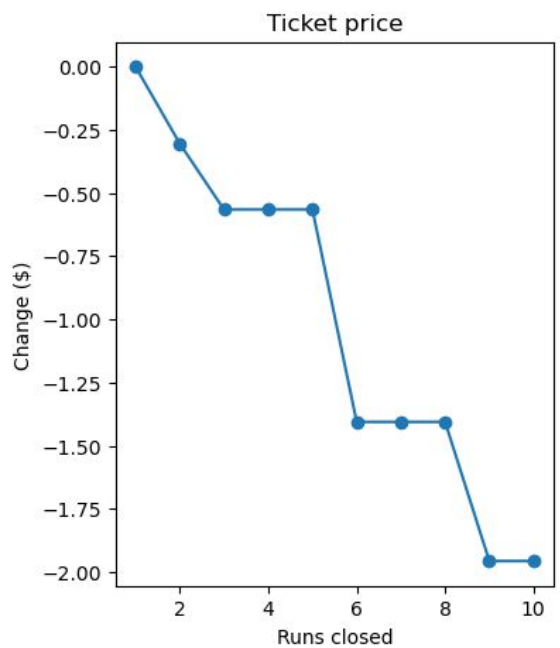
Expanding on the vertical drops height by 150 feet, installing an additional chair lift, and adding only 2 acres of snow making area justifies a ticket price increase of $10.86 totaling and estimated $18,996,377! More than covering the $1,540,000 operating cost of the additional ski lift. Doing the same minus the 2 acres of snow making area still results in a ticket price increase of $9.81 resulting in $17,170,290 over the season. But for how little 2 acres of snow making area is to maximize returns it is worth the investment.

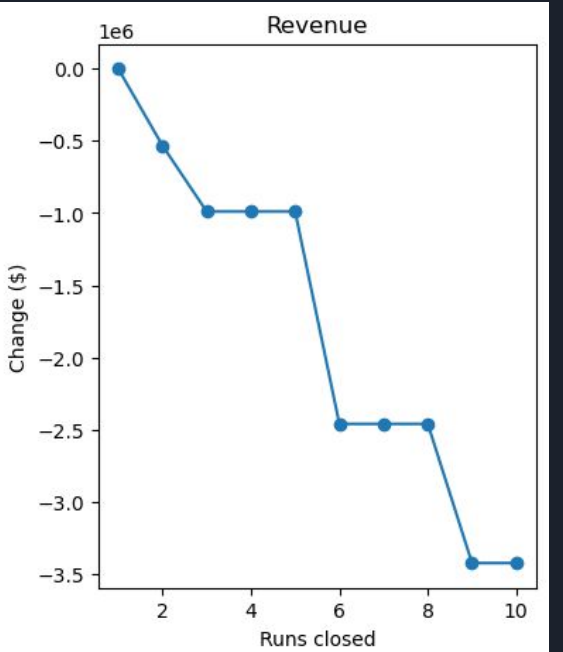
Modeling results

Looking at where Big Mountain Ski Resort ranked among other ski resorts in terms of vertical feet drops, snow covered area in acres, total chairs, number of fast quads, total number of runs, longest run length, and skiable terrain Big Mountain came out on top of most other resorts minus a few if any. Showing Big Mountain is one of the larger and more amenity filled resorts.

Modeling results cont.

In a simulated scenario of runs being shut down. One, two, and three would all bring price down and level off at four and five. Making another drop at six before leveling off again at seven and eight.





Summary and conclusion

The best course of action is to Increase the vertical drop by 150 feet, add the additional ski lift, and add 2 acres of snow making area to increase ticket price by $10.81 for a total price of $91.81 bringing in an additional $18,996,377 this season. The 1,540,00 operating cost of the new chair will be more than covered and customers will have even more reason to come to Big Mountain than the competitors.