

# Big Mountain Resort

*price recommendations*



# Big Mountain Resort Capacities

- annual guest amount - 350,000
- access to 105 trails
- 11 lifts
- 2 T-bars
- a magic carpet for novice skiers!

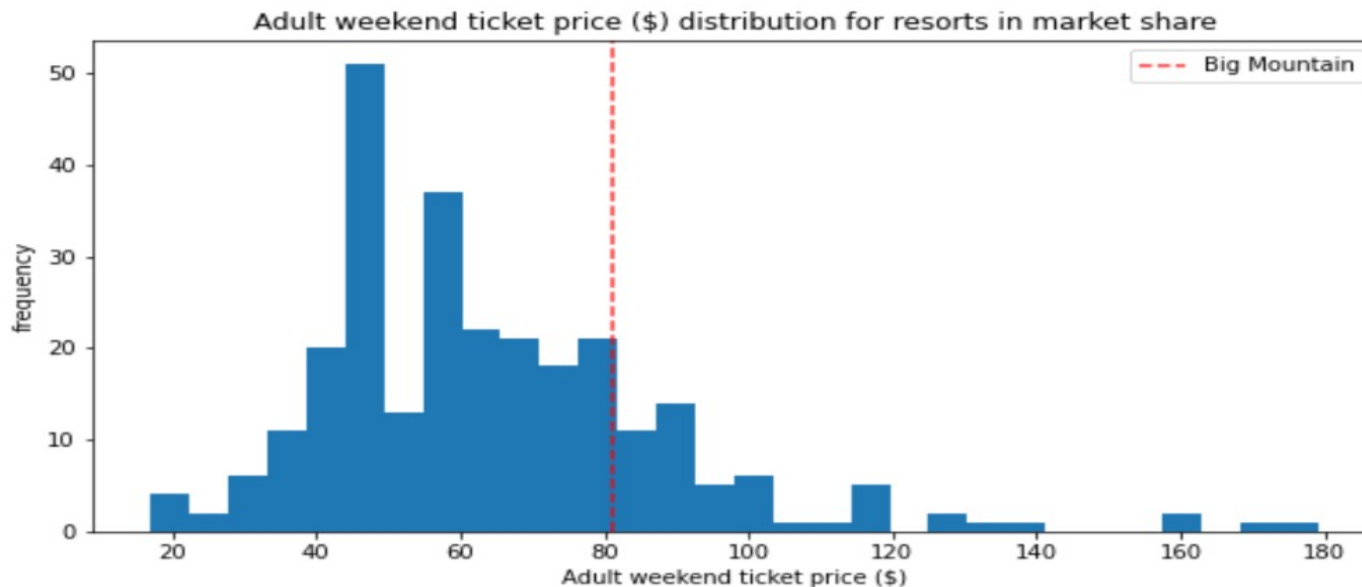
# Problem Identification

The ticket price is not covering the equipment maintenance expenses:

a recently installed lift increases operating costs by \$1,540,000 this season

# Current Challenges

- to increase the ticket price, to reflect the actual value compared to competitors' data
- to cover equipment operating cost



# Recommendation and key findings

Current ticket price - \$81

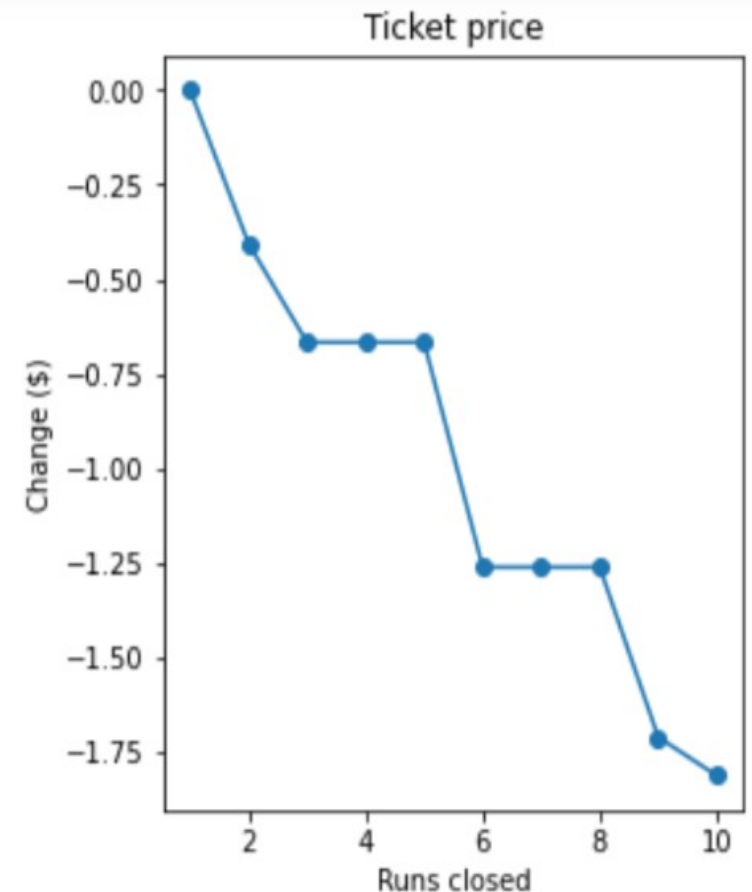
\$1.99 increase will **safely** create additional  
income of **\$3,474,638**

and will cover operating cost increase of  
\$1,540,000

and even more ...

# Option: *Closing runs*

- 1 closed run - \$0 price decrease
- 2 closed runs -\$0.41 price decrease
- 3, 4, 5 - \$0.67 price decrease
- 6 and more - \$1.26 price decrease



# Modeling results and analysis

1. Adding a run, increasing the vertical drop by 150 feet, installing an additional chair lift
  - no difference to the price
2. Same as before plus 2 acres of snow making
  - no difference
3. Increasing the longest run by .2 miles plus snow coverage of 4 acres
  - no difference

# Summary and recommendations

- Increase ticket price at \$1.99
- Close 1, 2 or 5 runs at a time if necessary
- No adjustments of the area or equipment are needed to increase the price