

# Big Mountain Ski Resort

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## Problem Identification:

- Big Mountain's current pricing strategy: charge a premium above the average price of resorts in the same market segment.
- This approach has many limitations, and a more data-driven business strategy could support raising the ticket price and/or cut costs without compromising ticket price.

## Objectives:

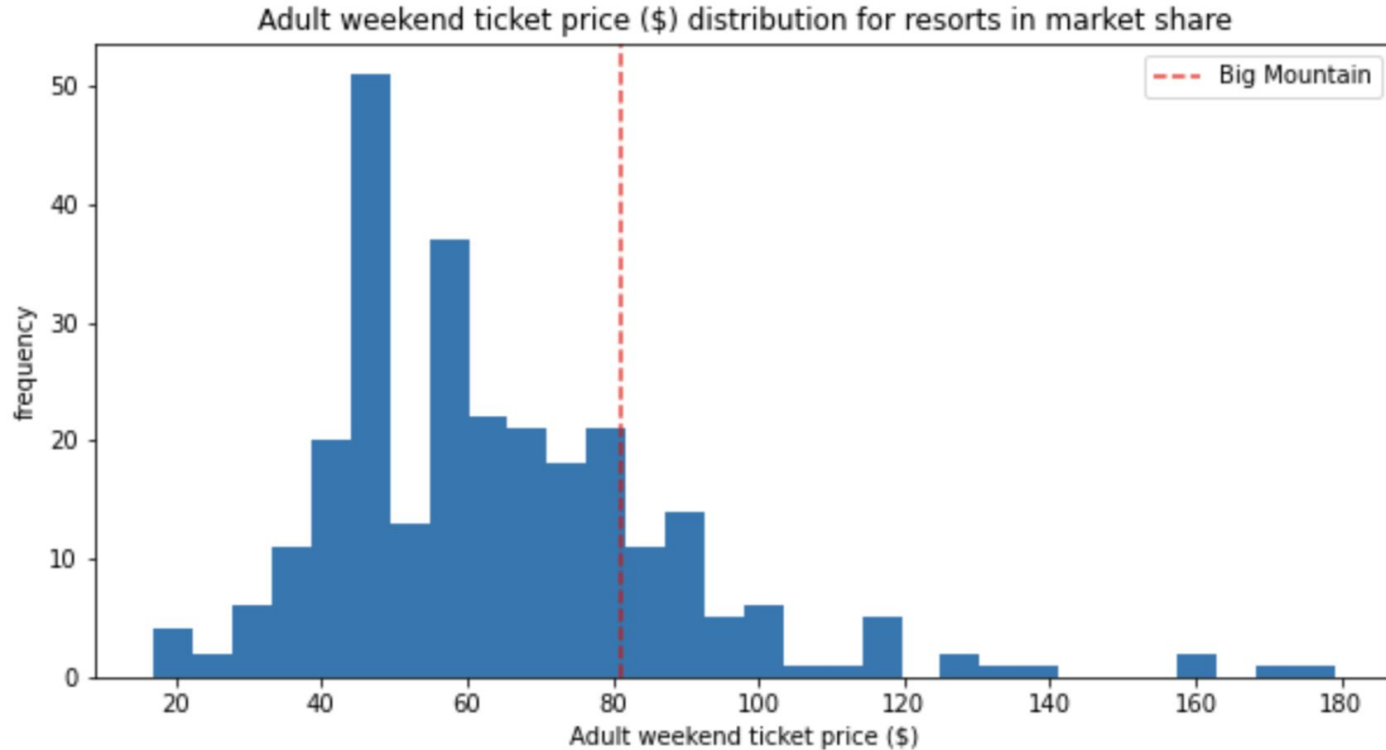
- Determine how Big Mountain's facilities and offerings compare with its competitors across the US.
- Determine if there are any opportunities to cut costs without devaluing ticket price.
- Determine if there are any facilities or amenities especially favored by visitors that might support a raise in ticket price if invested in.

## Recommendations:

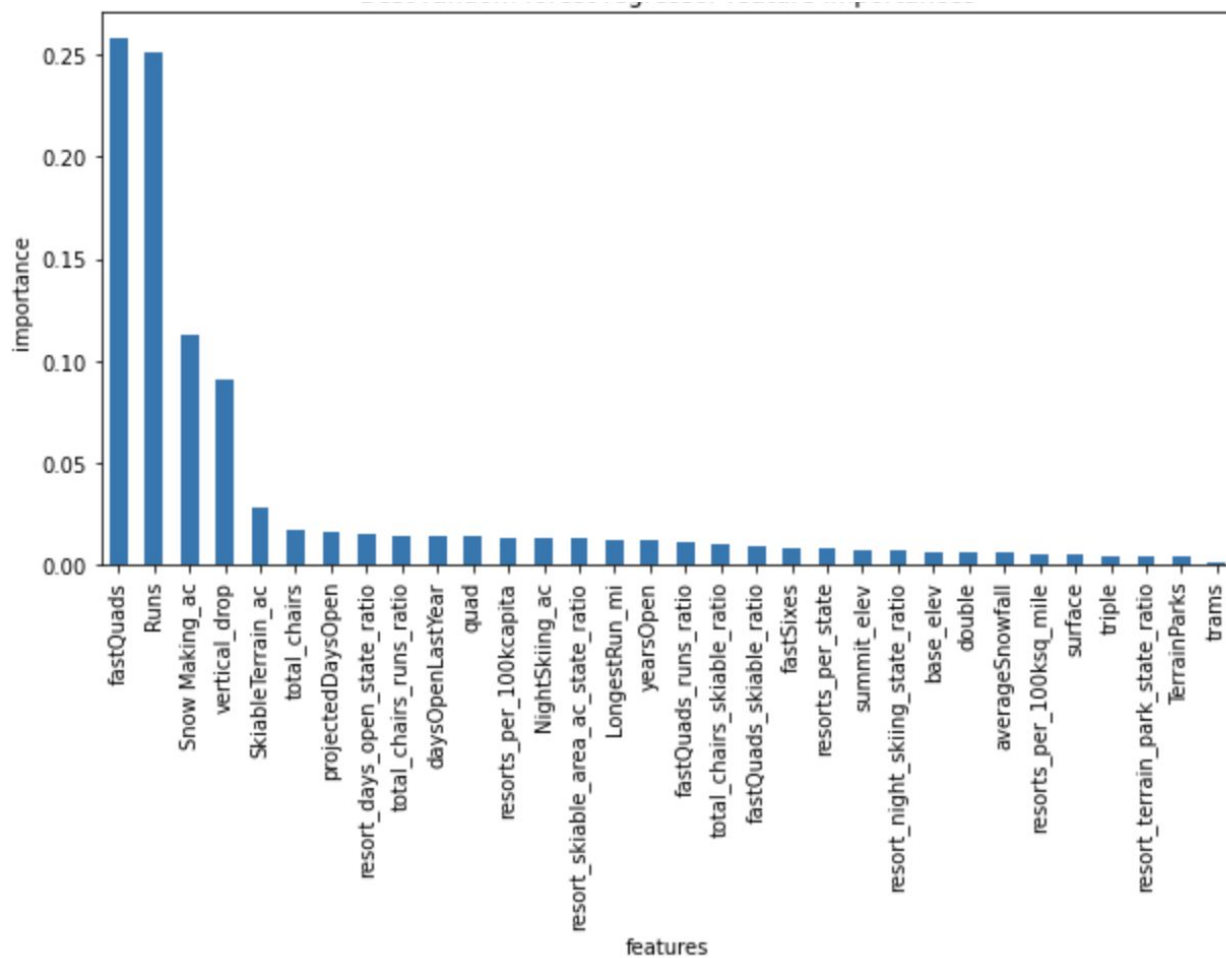
- Without any updates or changes to current facilities, Big Mountain could reasonably raise prices by \$4.48 - \$14.87 per ticket.
- Additional facilities that support an increased ticket price:
  - **Adding a run to increase the vertical drop by 150ft (and adding one chairlift to service that run)**
    - Supports an increased price of \$8.61 per ticket, or an estimated additional \$15,065,471 per season.
  - **Introducing two acres of additional snowmaking capabilities to the above-mentioned run.**
    - Supports an increased price of \$9.90 per ticket, or an estimated estimated \$17,322,717 per season.
- Cost cutting opportunities:
  - Closing one run didn't seem to affect ticket price at all; supports current \$81.00 ticket price.
  - Closing 3-5 runs supported a reduction in ticket price of approximately \$0.70.
  - More data need regarding operating cost of runs to determine if these cost-cutting measures would be advantageous

# Baseline Ticket Price

Big Mountain has room to raise its ticket price in the marketplace.

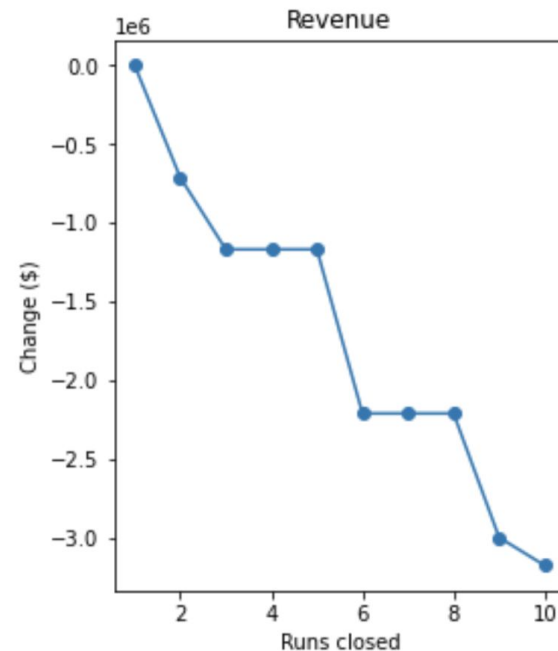
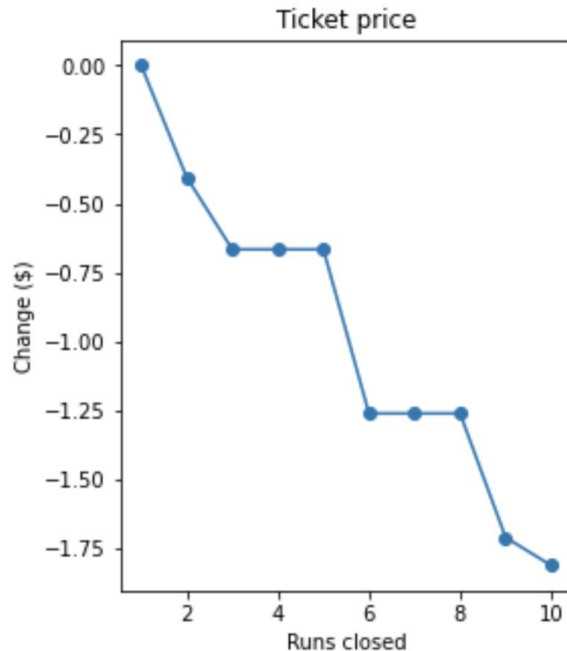


# Features most (and least) valued by guests

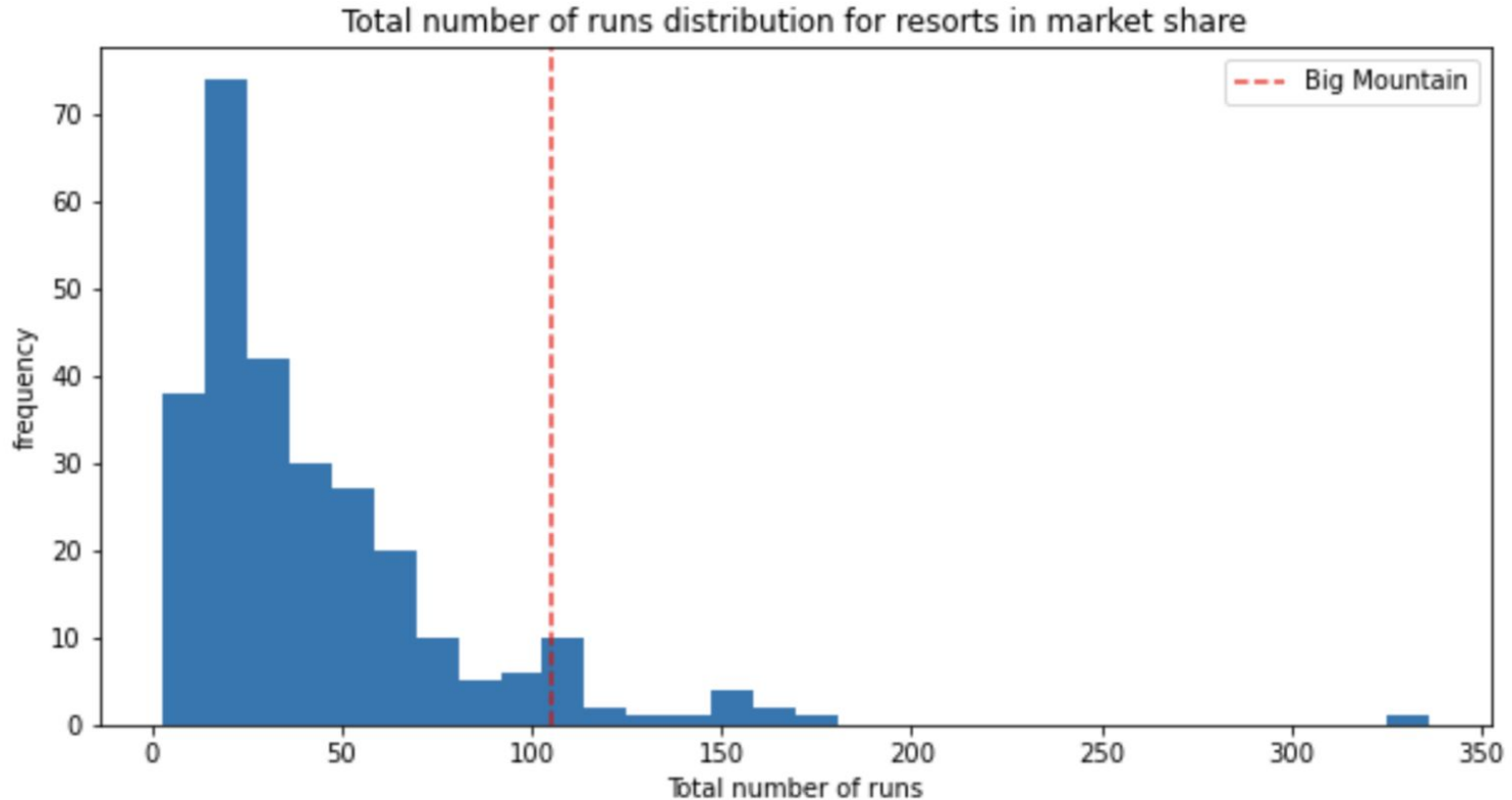


# Cost Cutting Options:

- Closing one run didn't seem to affect ticket price at all; supports current \$81.00 ticket price.
- Closing 3-5 runs supported a reduction in ticket price of approximately \$0.70.
- More data need regarding operating cost of runs to determine if these cost-cutting measures would be advantageous

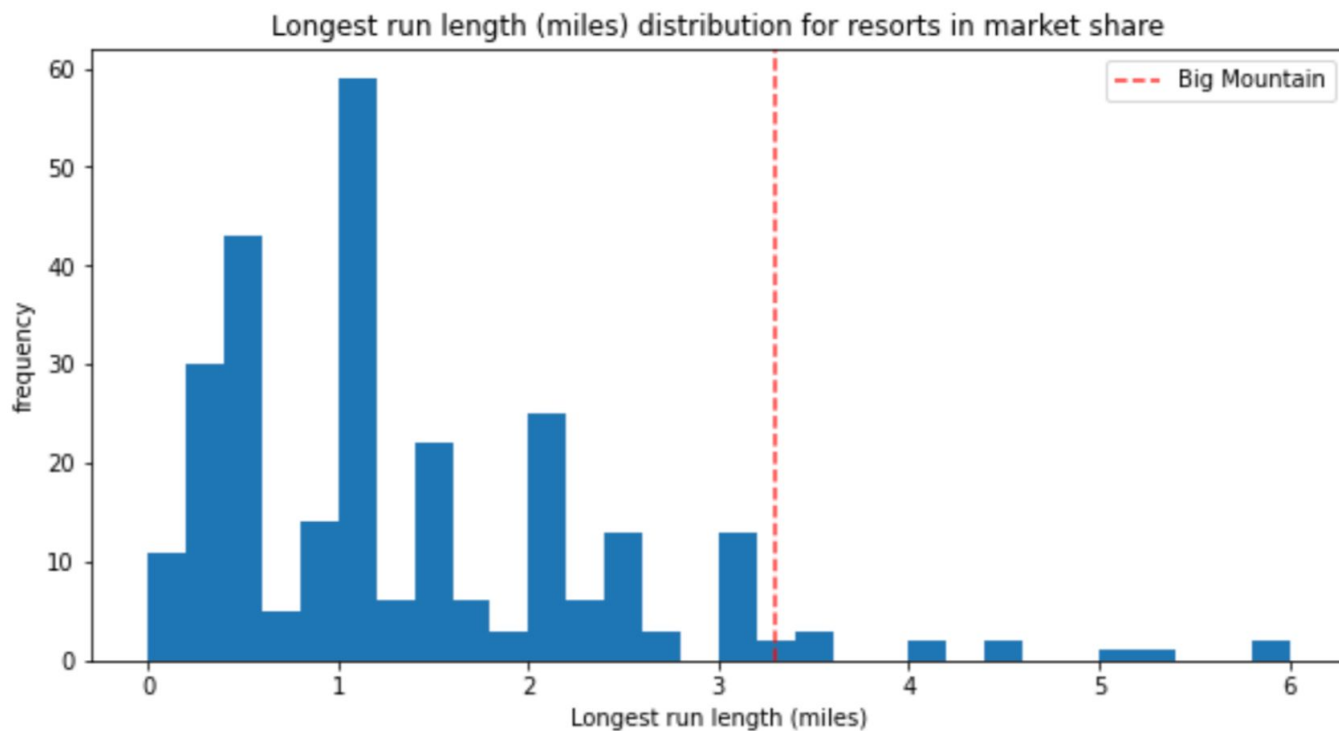


Big Mountain ranks high among its competitors in total number of runs, and could permanently close one or some without compromising much of ticket price.



# Vertical Drop

Big Mountain did well in amongst comparable resorts, but demonstrated some room for improvement.





# Conclusion

- Without any updates or changes to current facilities, Big Mountain could reasonably raise prices by \$4.48 - \$14.87 per ticket.
- Adding a run to increase the vertical drop by 150 ft supports an increased price of \$8.61 per ticket, or an estimated additional \$15,065,471 per season.
- Additional 2 acres of snow making capabilities to this new run supports an increased price of \$9.90 per ticket, or an estimated estimated \$17,322,717 per season.
- One run could also be closed permanently without affecting ticket price at all.
- 3-5 runs could be closed, while only reducing ticket price by approximately \$0.70 per ticket. (Additional data required to advise if this is recommended)