



## **Big Mountain Resort currently charges \$81 for an Adult Weekend ticket.**

Our new chair lift has increased operating costs by \$1,540,000 this season.

- Our current pricing strategy does not consider the fullest use of our facilities.
- Could we be charging more? Should we be charging less?
- With the installation of our new chair lift, our current pricing strategy might conflict with our investment strategy.



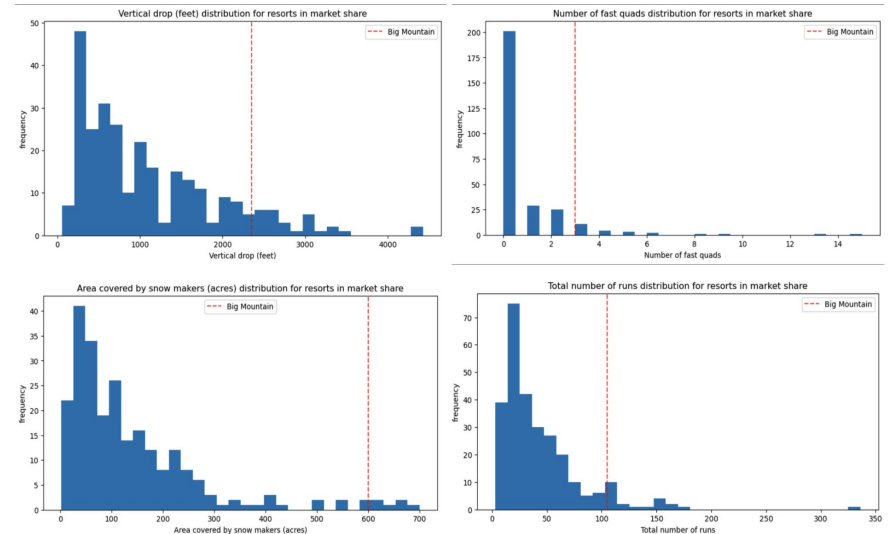
**How can BMR reduce  
operating costs by  
10% by next season,  
by updating pricing  
strategy?**

- Our goal is to find a new business strategy that will help us cut costs and select a better value for ticket price, without lowering it.
- We want to make investments into the facilities that help to increase revenue.


# BMR could see a revenue increase of \$2.17 million this upcoming season.

- Increase Adult Weekend ticket prices to about \$85-90
  - Assuming 350,000 visitors this season, with each visitor buying 5 tickets on average

- Big Mountain Resort consistently ranks high amongst other resorts.
- In comparison to other resorts, we could be charging higher for our premium amenities.



## Evidence (1)



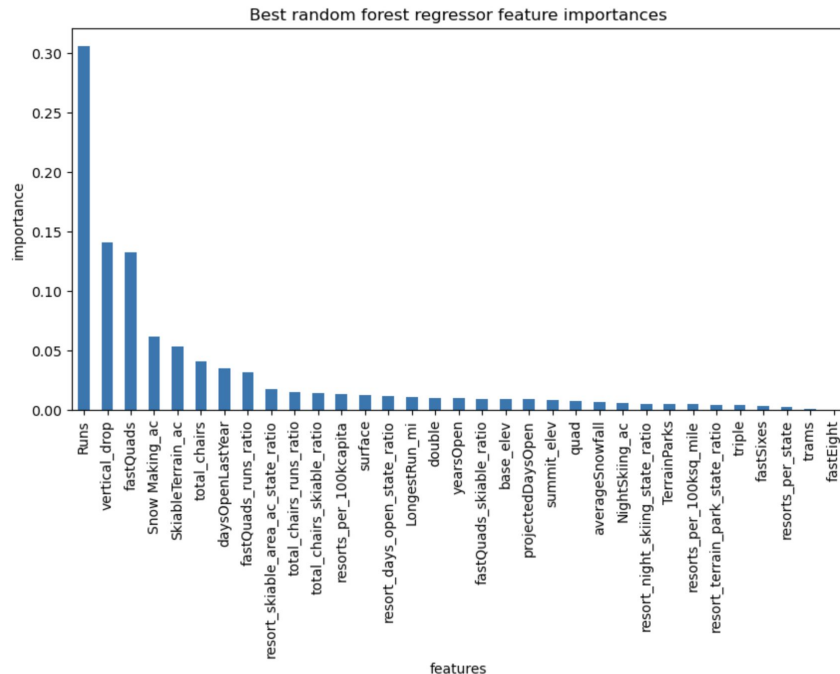
**We created a model which takes into account the prices and amenities of all other ski resorts in the United States.**

- The model suggested an Adult Weekend price of \$92.19, with a margin of error of about \$10.
- Our data tells us that resorts with similar premium amenities are able to establish a similar ticket price.


## Evidence (2)

We found that these four resort features influenced ticket price the most.

These features were vertical drop, snowmaking area, number of fast quads, and number of runs.



## Evidence (3)



**We tested a few scenarios, and this one allowed the best circumstances.**

- Installation of new chair lift.
- Increase the vertical drop by 150 feet.
- Gradually close 1-3 less popular runs on the resort.
- This scenario allows a ticket price increase of \$1.24
- Revenue increase of \$2.17 million
  - Expecting 350,000 visitors, with each buying 5 tickets on average
- We also tested closing runs, and we could close 1-3 of the less popular runs without affecting ticket price.



## Summary of Proposal

- Increase Adult Weekend ticket price to about \$90.
- Increase vertical drop by 150 feet.
- Gradually close 1-3 runs, while testing to see how this affects customer satisfaction.
- Big Mountain Resort could raise ticket prices without losing competitiveness.
- This price hike could be done gradually, and paired with extra services.
- This plan improves our pricing strategy, while also reducing our operating costs.