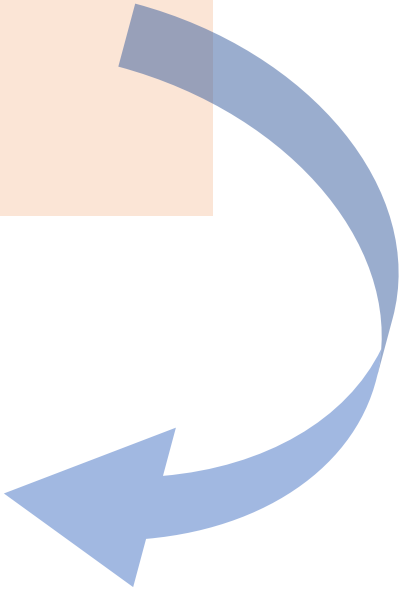
Big Mountain Resort

New Price Strategy

Problem identification

1. Recover the investment of $1.54 MM for installing new chair lift this season

2. Increasing profit margins from ticket sales during this current ski season.



Can Big Mountain Resort increase its ticket prices?

If so, by how much?

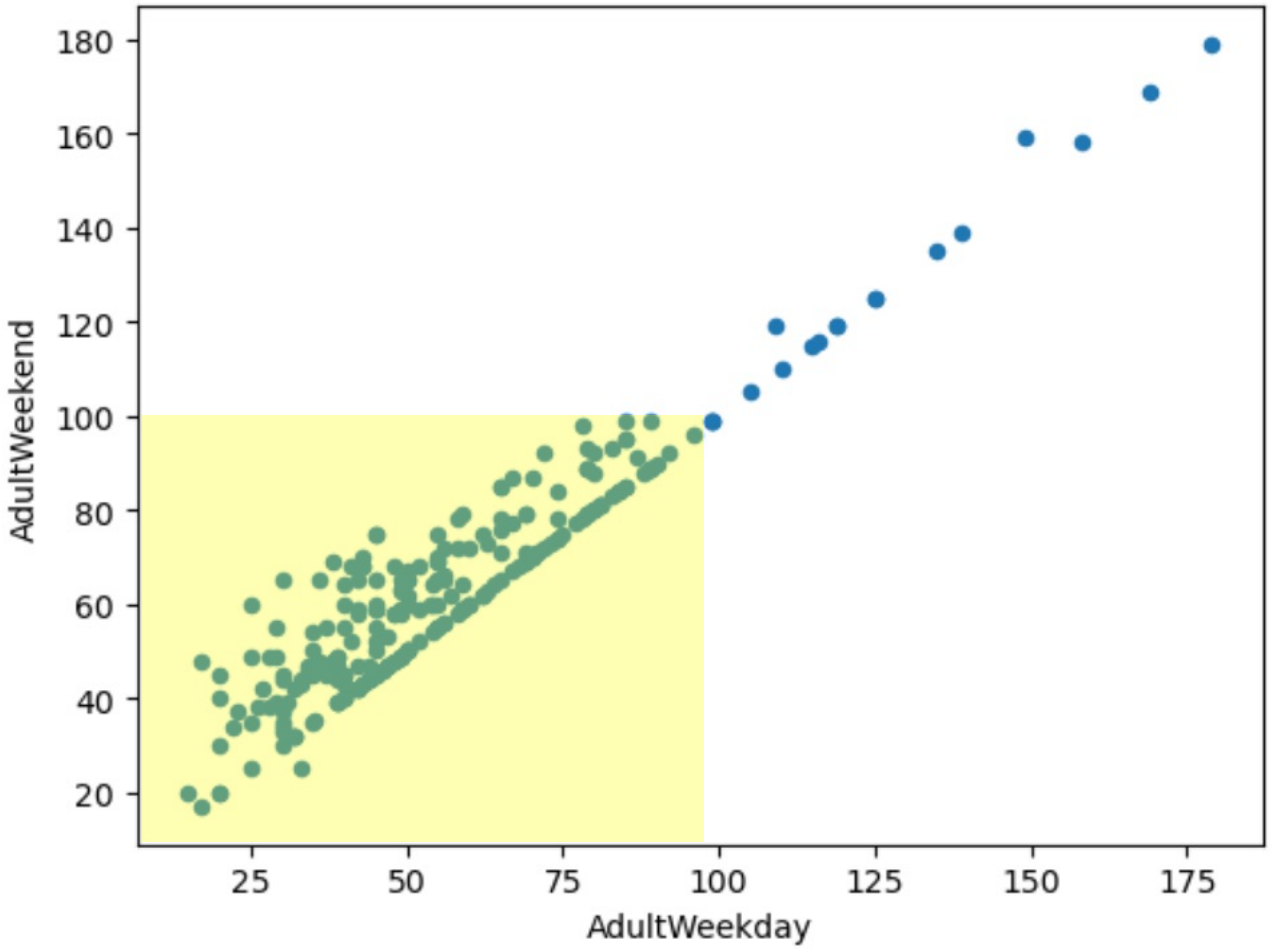
Recommendation and key findings

The resort can increase the weekend ticket prices

Tickets prices increase from **$81** to **$83** (↑ **$1.99**)

A total of $3,474,638 over the ski season

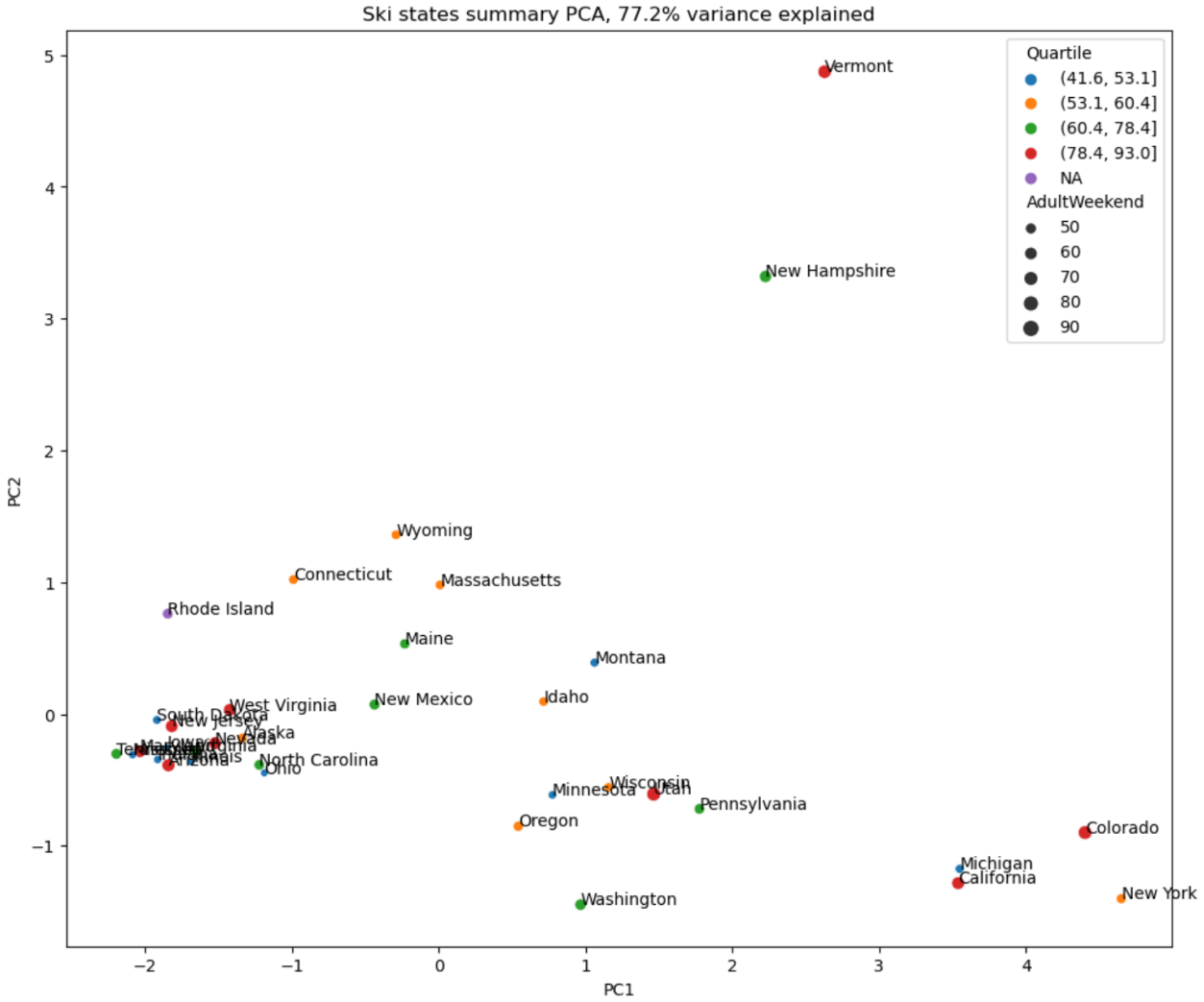
Modeling results and analysis



National Market Share: Weekend prices being higher than weekday prices seem restricted to sub $100 resorts

Big Mountain Resort weekend/weekdays ticket: $81

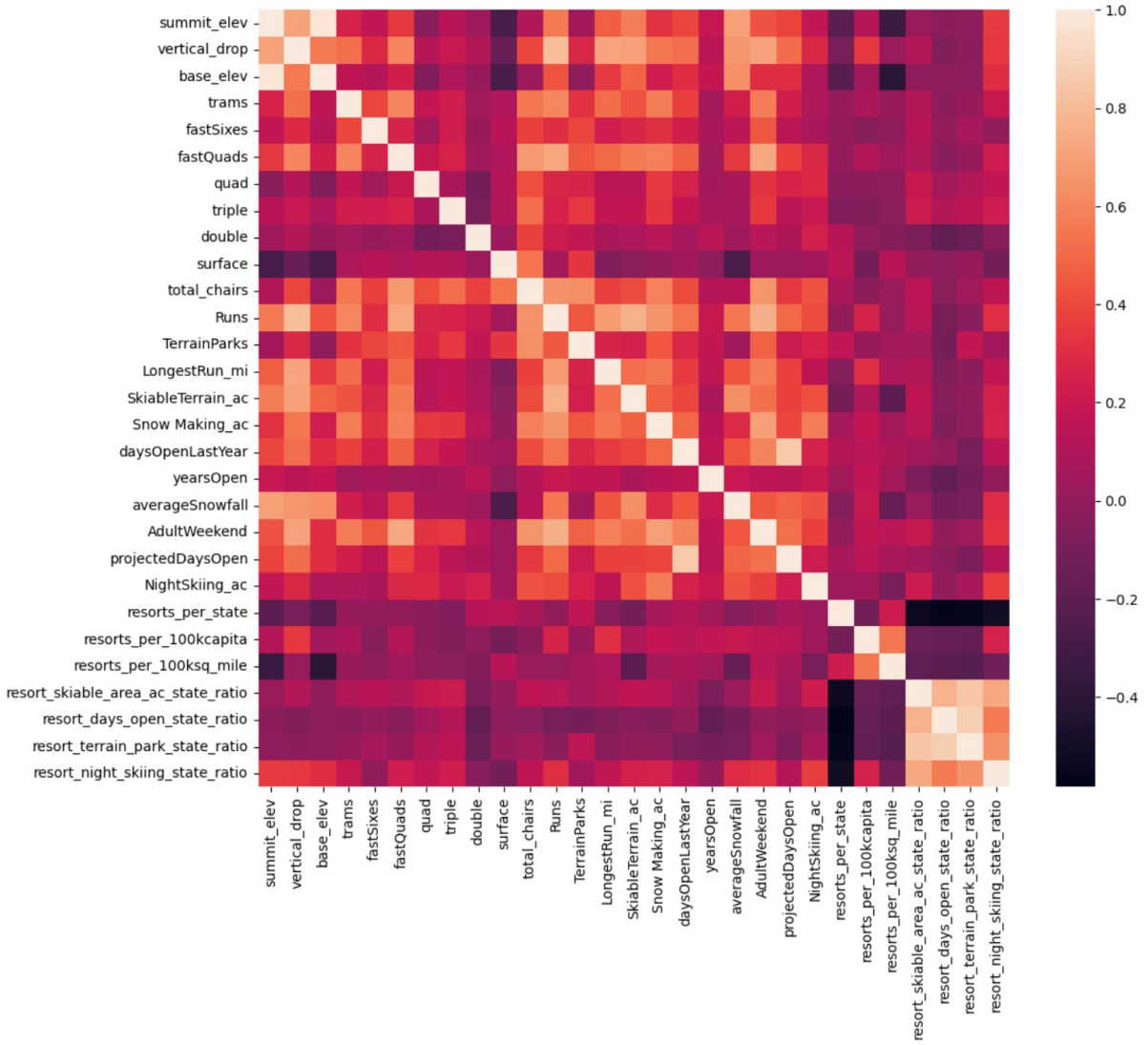
Modeling results and analysis



Two components account for 75% of ticket price variance

No correlation between states and ticket price

Modeling results and analysis



Primary features impacting prices: FastQuads, Runs, Vertical Drop, and Total Chairs

Parameters for modeling ticket price

Modeling results and analysis

Scenario 1 - Closing up to 10 of the least used runs.

✗ Result: From no difference (1 run) to losing ticket price and revenue (+2 runs).

Scenario 2 - Adding a run, increasing the vertical drop by 150 feet, and installing an additional chair lift.

✓ Result: +$1.99 in weekend ticket price

Scenario 3 - Adding a run, increasing the vertical drop by 150 feet, installing an additional chair lift, plus 2 acres of snow making.

✗ Result: +$1.99 in weekend ticket price

Scenario 4 - Increasing the longest run by .2 miles and guaranteeing its snow coverage by adding 4 acres of snow making capability.

✗ Result: No difference

Summary and Conclusion