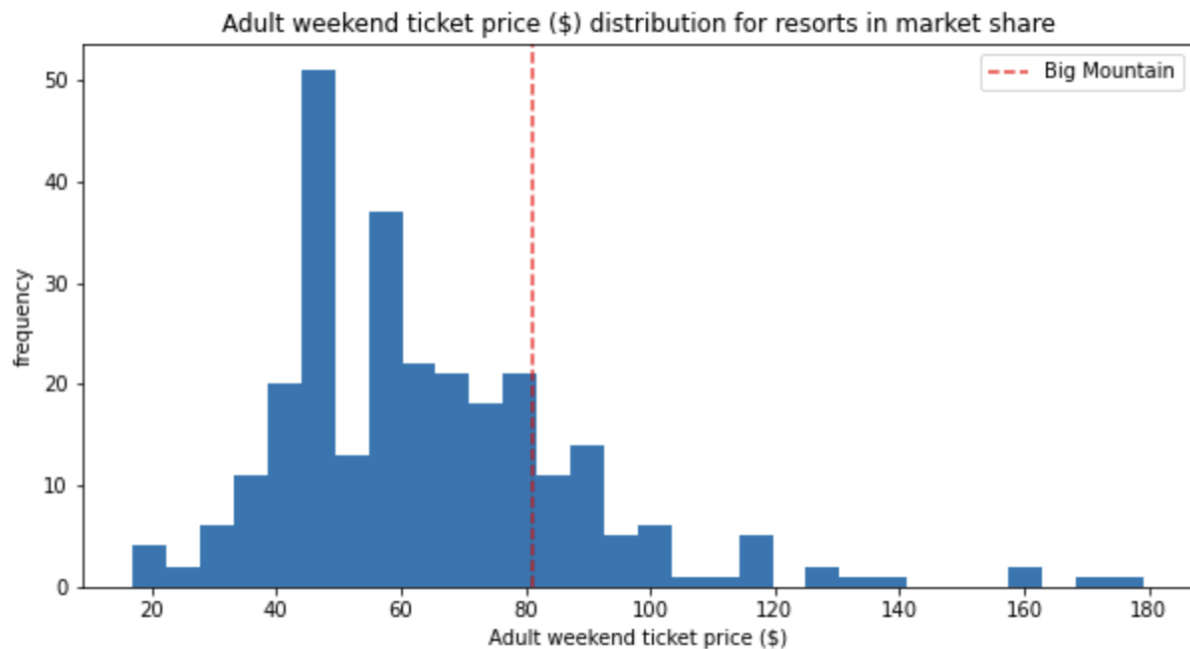


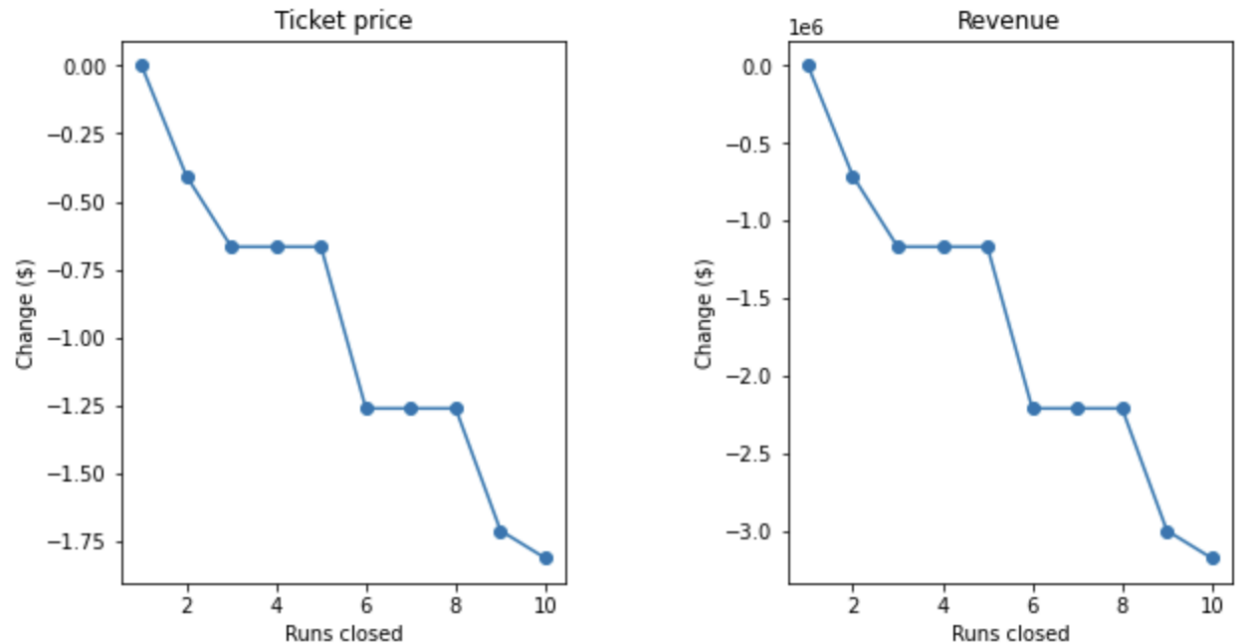
## BIG MOUNTAIN REPORT

Big Mountain resort currently charges customers \$81.00 for ticket prices. This amount is based on what the market(the ticket-buying public) is currently willing to pay to use Big Mountains resorts. Big Mountain is currently one of the highest charging resorts, when compared to every other resort, but it is the highest charging resort in Montana. Now, we have a picture of where we are coming from. But where are we going?



In attempting to discover exactly how much Big Mountain can increase its ticket-price, we realized that we had to do this with the use of facilities. How much more are customers willing to pay to access a resort with better facilities? Is an improvement in Big Mountain resorts facilities reason enough for customers to choose us, even when our ticket-price is higher than the competitions? After discovering that we can increase the ticket price to \$95.87, we then came up with different scenarios through which we can improve our facilities in order to earn that ticket-price increase, and subsequently, increase revenue as well.

One of the scenarios we analyzed was, what would happen if we reduce the number of runs.



From this, we discovered that we can only reduce the number of runs by 1, and have support for ticket-price increase not diminish. Anything more than that will create resistance to ticket-price increase. When we Increased the vertical drop by 150 feet and installed a single chair lift, we discovered that this model supported an increase in ticket-price by \$1.99. Now, there are many other factors that our model did not account for, but with a degree of certainty, this model is a good starting point for ticket-price increase at Big Mountain resorts.

### Recommendation

I would like to recommend this model of reducing the number of runs by 1, increasing the number of chair lifts by 1, and increasing the vertical drop by 150 feet to the executives at Big Mountain resorts. We believe it is a good foundation for a slow but continued increase in ticket-price. If you do agree to proceed with our recommendation, you can count on us to assist in future models for further ticket-price increase