**Recommendation Report**

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In the matter of Big Mountain Resort and the business concern of price adjustment for resort lift tickets, I have conducted the below analysis. At the end of this report follows my recommendation for Big Mountain Resort, as supported by that analysis. All analysis was conducted with the use of a machine learning model to assess the value of key resort features when compared to national data of other market competitors.

Assumptions made: 350,000 visitors per season, each buying 5 lift tickets on average. The extra operating cost from the recently installed new chairlift is also included.

**Scenario 1** shows the impact to supported ticketed price when closing a number of ski runs. There is a negative correlation in supported ticket price (and consequently revenue) as the number of open ski runs decreases. Comparative analysis would need to be done to evaluate how the number of open ski runs correlates with operating and maintenance costs and whether it may yet provide higher revenue gains, despite the lowered support on ticket pricing.

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**Scenario 2** models the impact on supported pricing when adding a run, increasing the vertical drop by 150 feet and installing an additional chair lift. The model shows that adding these features would support a ticket price increase of $8.61, or $15,065,471 over a season.

**Scenario 3** adds the same features as Scenario 2 but also models in the impact of adding an extra 2 acres of snow making capability. This shows a minor increase beyond Scenario 2, up to $9.90 supported increase to ticket pricing, or $17,322,717 over a season.

**Scenario 4** models the impact of increasing Big Mountain’s longest ski run by 0.2 miles and adding an extra 4 acres of snow making capability, but this scenario showed zero supported pricing increase.

Based on this analysis, we recommend our current pricing strategy follows the approach of increasing our vertical drop and adding more runs/chairs to support the increase. Conversely, or simultaneously, we can consider closing up to 6 runs before we see significant decrease in pricing support. Evaluation and selection of the highest-cost runs could yield a substantial savings.