Big Mountain Resort

Pricing Analysis

The Pricing Challenge

Key Question

How much should Big Mountain charge for tickets based on the features it has to offer?

Approach

Analyzing market data to understand how resort features impact ticket prices.

Initial Position

Big Mountain's current ticket price is $81.00

Price Modelling Based on Existing Features

Analysis reveals Big Mountain's competitive advantages: vast snow making, high chair count, and significant vertical drop.

- **Current Features Pricing:** Model suggests increase to $95.87, validating room for upward adjustment

- **Confidence Margin:** With a $10.39 margin of error, this increase is supported by our features

⛰ Enhancing Big Mountain's Appeal

- **Proposed Enhancements:** Add a run, increase vertical by 150 ft, and install an additional chair lift

- **Cost Optimization:** Closing 2 – 5 of the least used runs to reduce operational costs without impacting guest satisfaction significant;y

- **Combined Impact:** Enhancements justify further ticket price increase, while cost optimizations improve efficiency and profitability

Revenue Forecast with Enhancements

Revenue Boost

Enhancements support a $1.99 increase in ticket price and project an additional $ 3.47 million in annual revenue

Strategy

Balancing revenue growth with cost management ensures long-term sustainability

▲ Summary: Embracing Strategic Growth

- **Price Adjustment**: Analysis supports raising the base ticket price to $95.87, aligning with current features.

- **Further Growth**: Implementing enhancements not only justifies an additional ticket price increase but significantly enhances revenue potential

- **Conclusion**: Strategic pricing and enhancements are key to maximizing Big Mountain's market position and financial performance

THANKS

Do you have any questions?
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