Recommendations For Big Mountain Resort

* Big Mountain resort currently charges $81.00 per ticket. Our modeling suggests that the resort could support increasing the ticket price to $95.87. This is supported by the following:
  + The following resort characteristics were found to correlate to the ticket price of other resorts in the market: vertical drop, amount of snow making, total chairs, number of fast quads, number of runs, the length of the longest run, number of trams, and total skiable terrain.
  + Big Mountain resort has a vertical drop of 2353 ft., makes 600 acres of snow per year, has 14 total chairs, 3 fast quads, 105 total runs, has a longest run length of 3.3 miles, 0 trams, and 3000 acres of skiable terrain.
  + Based on our model, other resorts in the market with similar characteristics had ticket prices of approximately $95.87.
  + This would suggest that Big Mountain resort is undercharging and could justify increasing their prices.
* Ways Big Mountain Resort Could Increase Revenue:
  + If the resort were to add an additional chair lift, which would also increase the vertical drop and the total chairs, they would be able to justify increasing the ticket price by $1.99. This would increase total revenue by $3,474,638. This is under the assumption that the resort will have approximately 350,000 visitors over the course of a year with each visitor buying an average of 5 tickets.
  + We also tested the impact to ticket price of adding a run (also increased vertical drop and total chairs) while also increasing the amount of snow making. This also suggested raising the price by $1.99. In a way the resort would be worse off implementing this scenario than the scenario without an increase in snow making, as this scenario does not increase the ticket price any more than the other scenario does, and making more snow would increase operational costs.
  + Finally, we tested the impact of closing runs. We tested 10 scenarios, which included the scenario of closing 1 run, 2 runs, etc. Closing 1 run did not change ticket price, so the resort may want to consider this, as they could decrease operational costs with the closure of a run but could also justify keeping the ticket price the same. All other scenarios suggested decreasing ticket price. Implementing any one of these scenarios should consider the decrease in operational costs of closing down n runs and should be compared to the decrease in revenue if n runs were to be closed.