How can Big Mountain Resort increase profits by capitalizing on ticket pricing?

Main Recommendations:

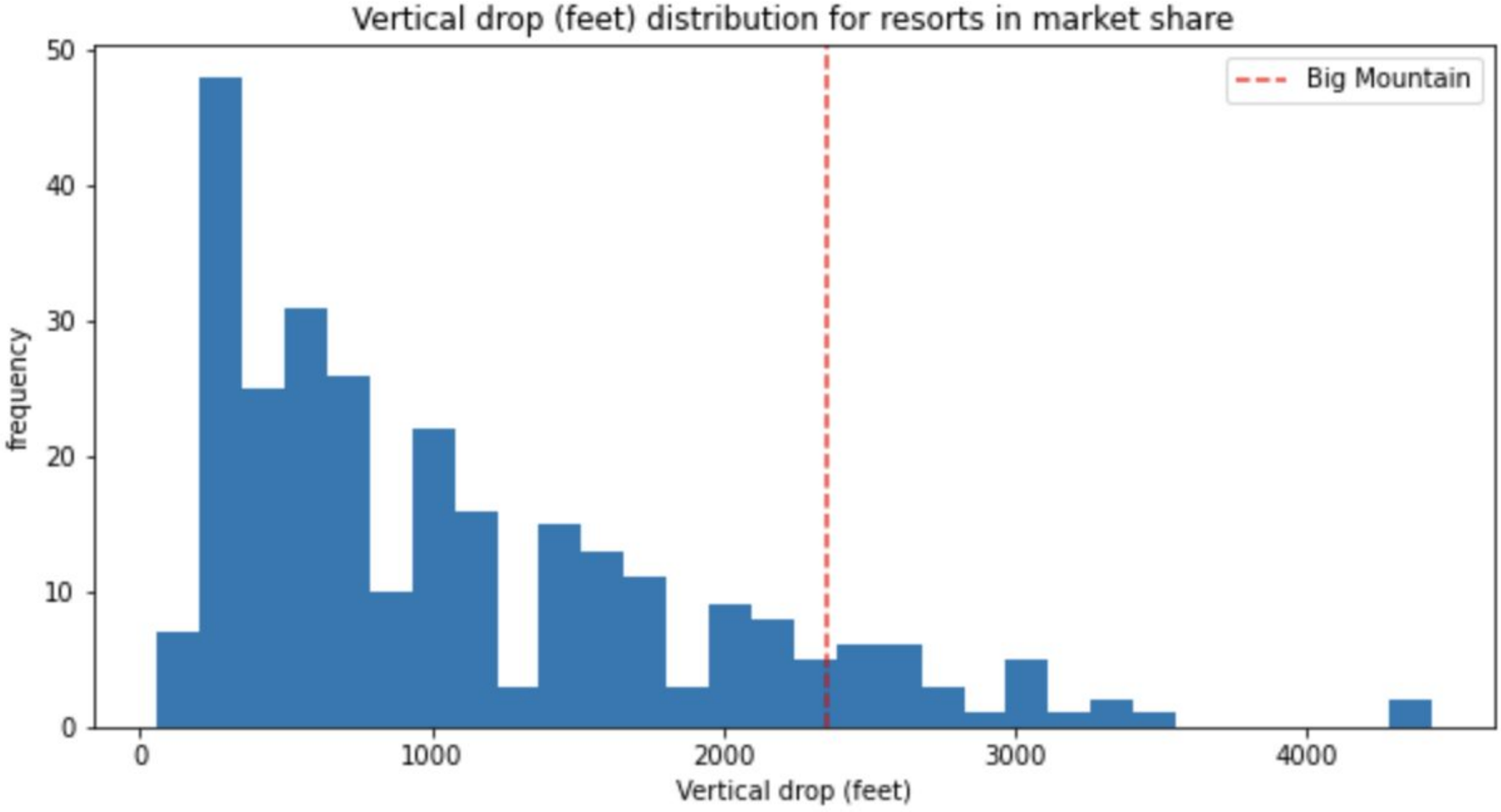
1. An increase to $95.48 is statistically most productive
2. Increasing the vert by 150 ft could increase pricing by $15
    a. Additional 2 acres of snow making could make it $18 instead

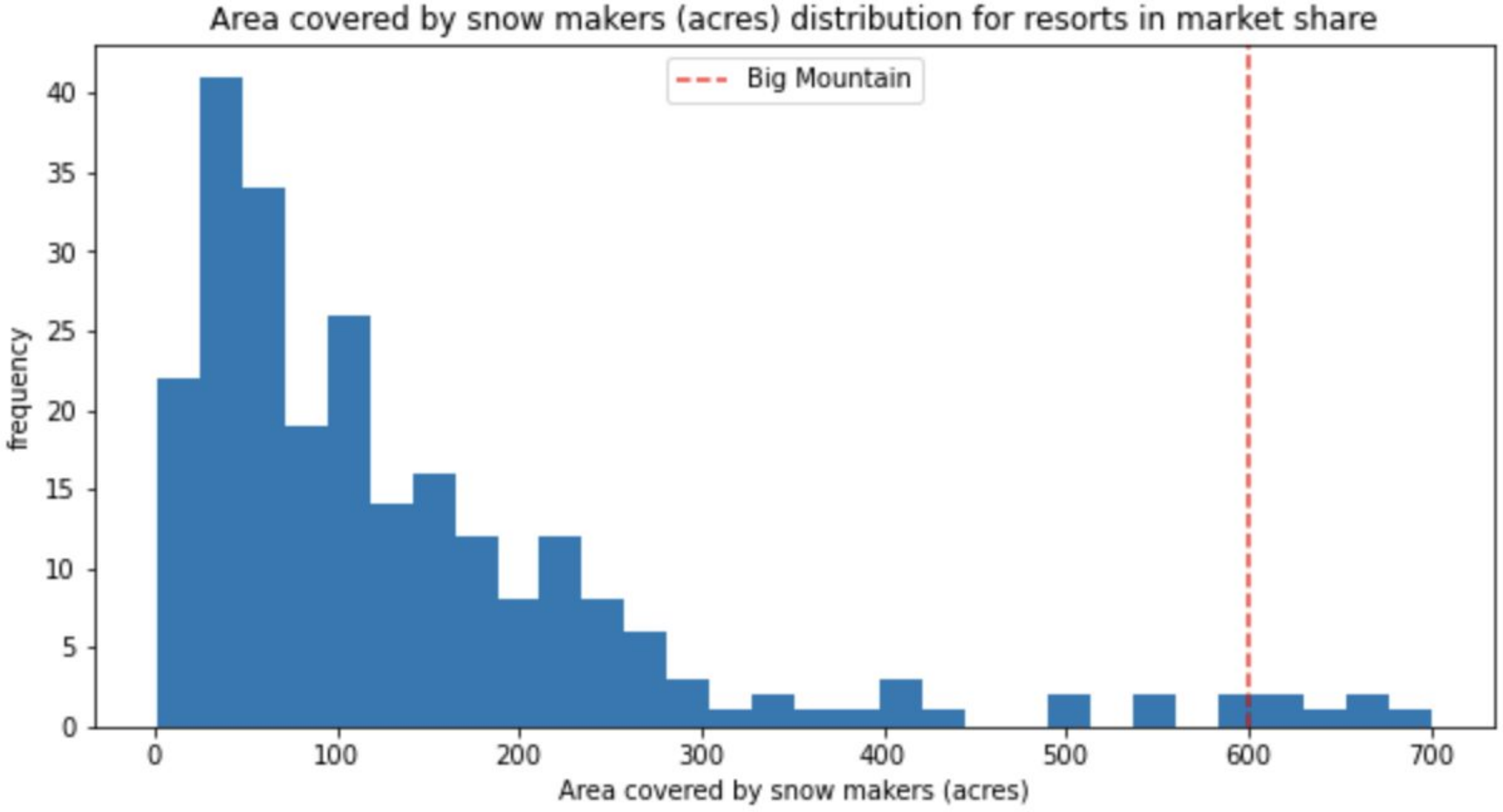
Modeling on General $95.15 Increase

- This number was generated through estimating datapoint based on other resorts in the United States
- The method is unable to differentiate between a nationwide undervaluing or ticket pricing or a naive assumption of a long runway ahead

Two Specific Changes Leading to Higher Ticket Prices

- Both changes were run through a modeling prediction function with exact specifics of runs, lengths, and acres of new snow
- The function shows that the only two changes that would lead to increase in ticket prices and revenue are
  - Increasing the vertical drop of the mountain by 150 feet and putting in a new chairlift and
  - Doing the former and making 2 more acres of snow
- The increase in vertical feet would increase ticket pricing by $15.15 and revenues by $26,509,259
- The increase and addition of snow would increase ticket pricing by $18 and revenue by $31500000


Vertical drop (feet) distribution for resorts in market share
Big Mountain
frequency
Vertical drop (feet)
0
10
20
30
40
50
0
1000
2000
3000
4000


Area covered by snow makers (acres) distribution for resorts in market share
Big Mountain
frequency
0
5
10
15
20
25
30
35
40
0
100
200
300
400
500
600
700
Area covered by snow makers (acres)

Conclusion

- Big Mountain Resort would do well to raise their prices somewhere in the $95-$98 range depending on what specific actions are taken
- We must leave open the possibility that undervalued ticket prices in the United States are common place and increasing prices is a mistake
    - We will leave that up to the executives to decide which route to take