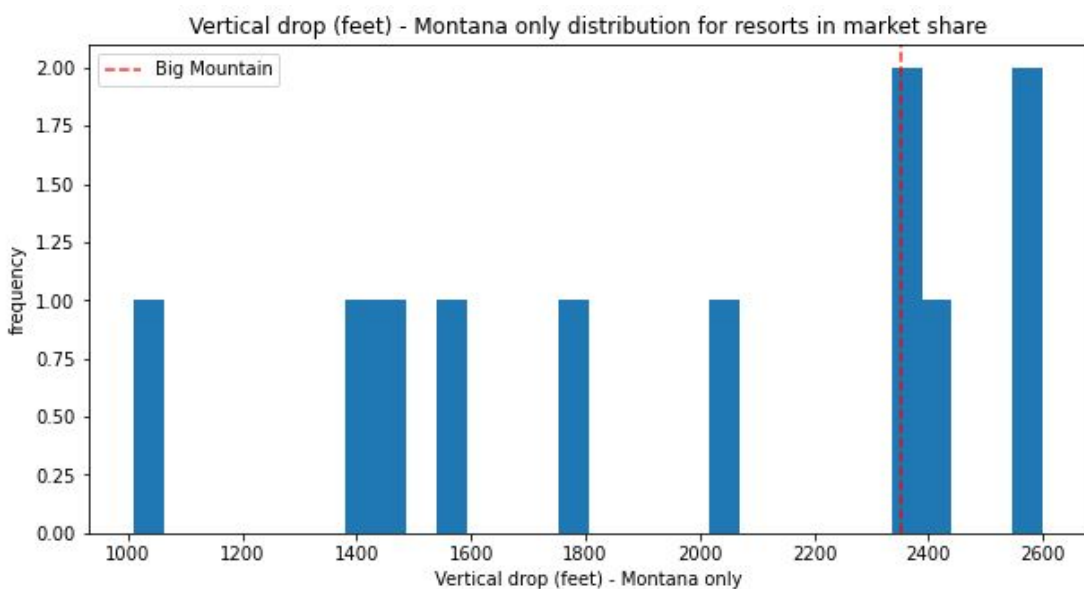


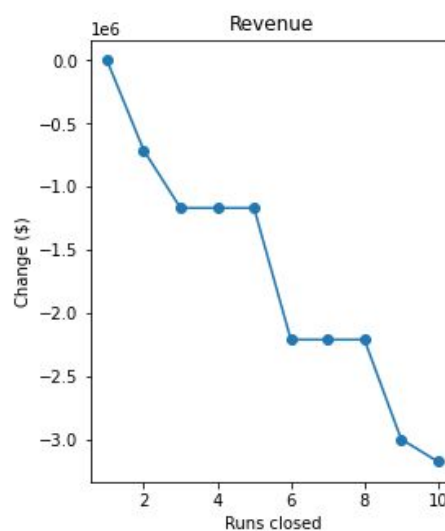
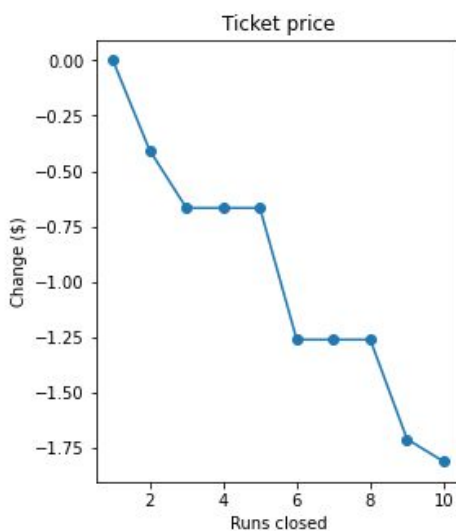
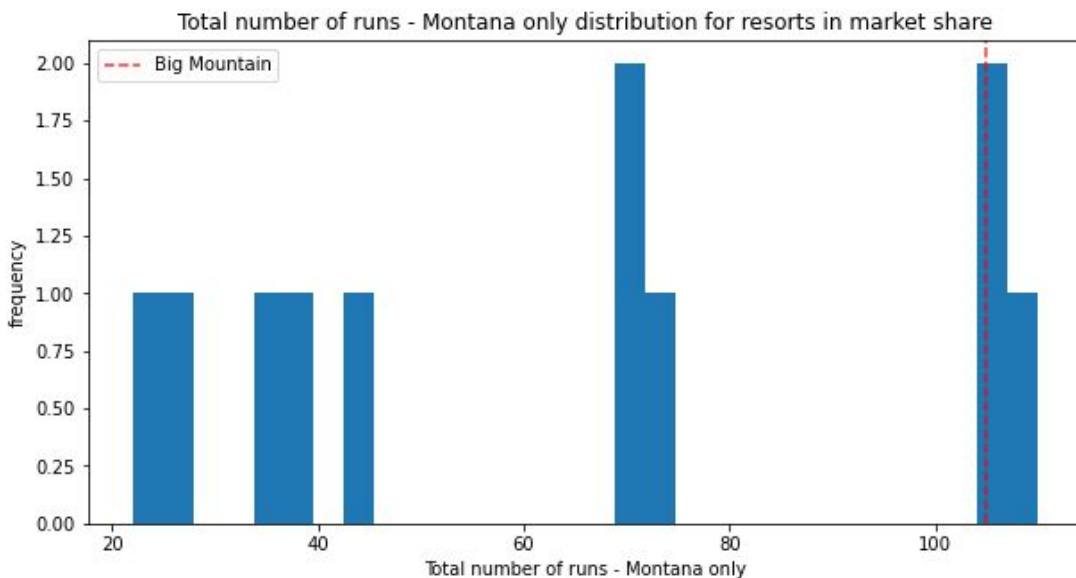
Big Mountain Ski Resort charges a premium above the average price of other ski resorts and for good reason. It provides a host of amazing facilities, including access to 105 trails, 11 lifts, and 1 recently added chair lift. It also provides one of the longest runs, and has one of the most skiable terrains. Of its many features, visitors value the height of the vertical drop, the guarantee of snow, the number of runs, and the number of fast quads the most. Big Mountain is one of few resorts in its market segment that dominates when it comes to the guarantee of snow (due to the number of snow equipment), the number of fast quads, skiable terrain, and longest run. In fact, if we narrow down the market solely to the state of Montana, it is in the highest league table for all these features. However, Big Mountain can still improve and further dominate the overall market without sacrificing the current premium ticket price by increasing the vertical drop, adding a run to a point 150 feet lower down, and installing an additional chair lift to bring skiers back up without additional snow making coverage.

Based on our findings, the resort can raise their average buying 5-day ticket price by \$8.61 from \$81.00. Over the season, this could amount to an additional profit of approximately \$150.6 million.



The resort can also simultaneously cut down on costs for under-utilized facilities by closing down the least used ski runs without undermining the current ticket price significantly. Closing 1 run does not change the price of the ticket. Closing 2 and 3 runs successively reduces support for ticket price and revenue by at most \$0.60 per ticket. If Big Mountain closes 3 runs, it can also close down 4 or 5 as there's no further loss in ticket price. Increasing closures down to 6

or more leads to a drop greater than \$1.26 per ticket price. Combined with an added chair lift and increased vertical drop, closing runs would save costs and simultaneously still raise the price by \$8.01 per ticket. Since we are already at the top of the market in snow making, adding a couple more acres makes very little difference. Similarly adding a longer run makes no difference in ticket price at all.



Increasing the vertical drop, which happens to be one of the biggest reasons visitors come, and simultaneously cutting the least used runs will increase our profits by 10% and bring us closer to dominating Montana's market and overall market segment.