

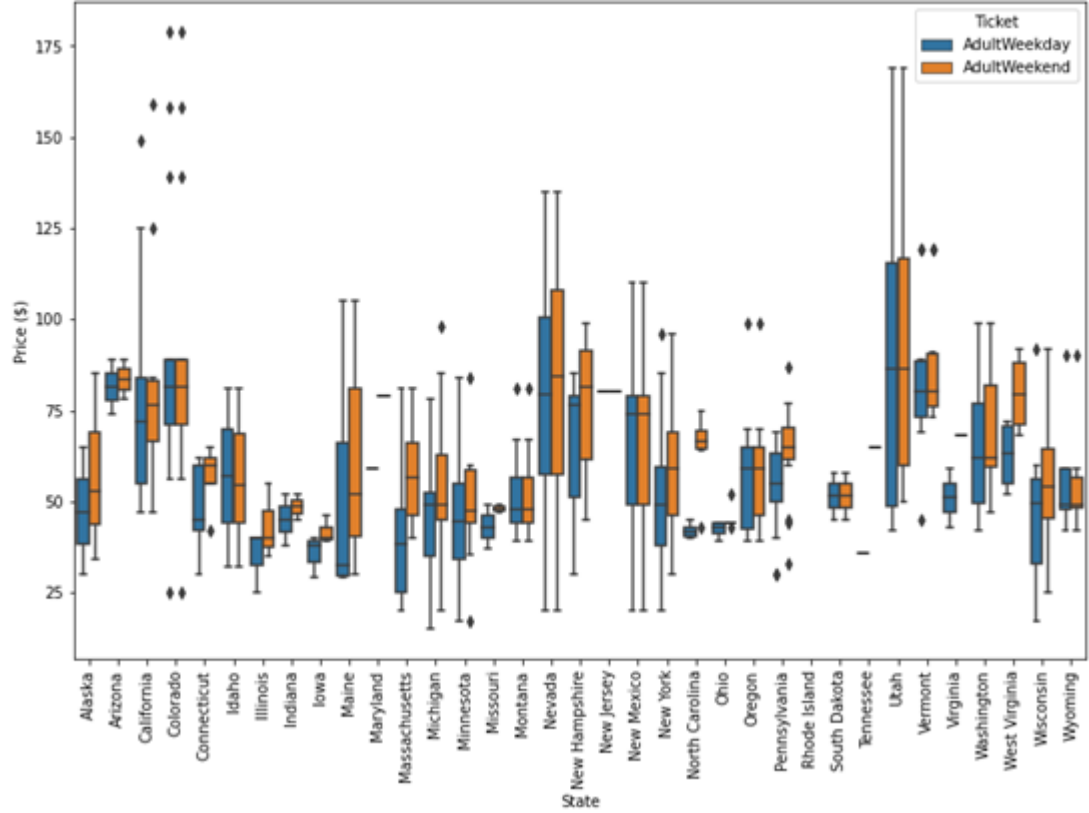
# Guided Capstone Project Report

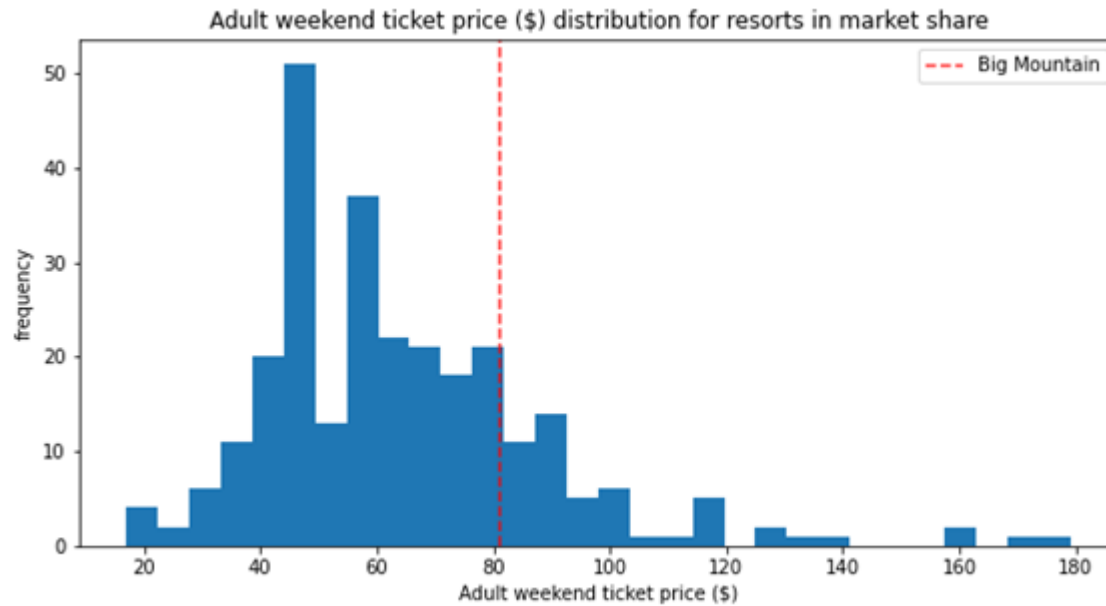
## Purpose of the Report.

The ski industry in Montana is developed into a profitable, but highly competitive market. One of the major players is “Big Mountain” Resort, operates successfully since its inception in the late 1930’s. However, recently Big Mountain increased their operating costs by \$1,540,00 this season by adding additional chair lifts to help increase distribution of visitors across the mountain. The purpose of this report is to summarize recommendations, by including figures that corresponds with recommendations.

## Summary of recommendations

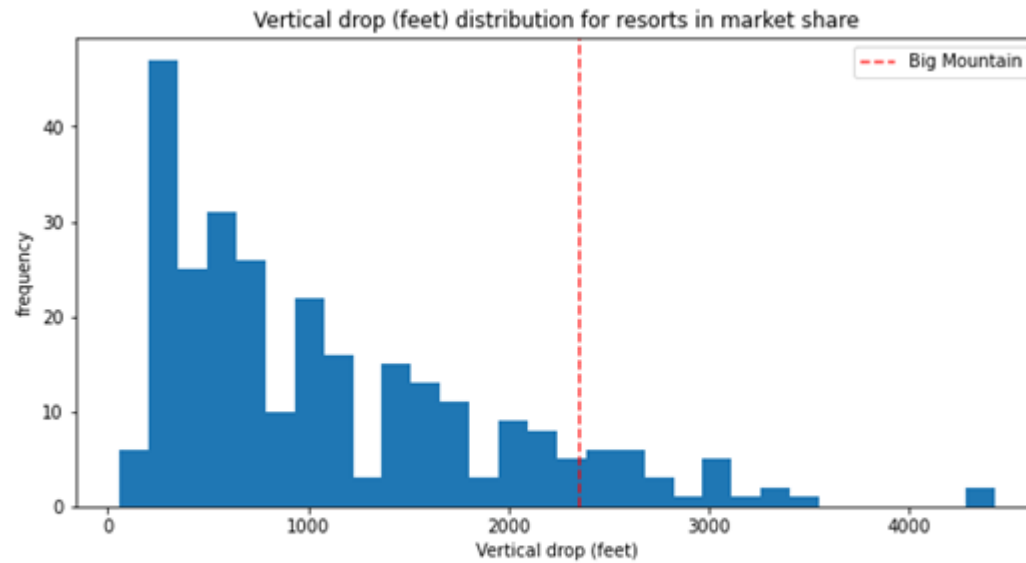
There is a suspicion that Big Mountain is not capitalizing on its facilities as much as it could. Basing their pricing on just the market average does not provide the business with a good sense of how important some facilities are compared to others. Thus, hampers investment strategy. The resort’s pricing strategy has been to charge a premium above the average price of resorts in its market segment. The average ticket appears to lie in a broad band from around 25 to over 100 dollars. Some States show more variability than others. Montana and South Dakota, for example, both show fairly small variability as well as matching weekend and weekday ticket prices.





To offset additional operational cost Big Mountain resort has room to increase ticket prices from 81.00 dollars to 95.87 with room for additional increase and still be part of the same market share.

To compliment the additional chair lifts and enhance facilities value we are recommending adding a run with a vertical drop by 150. This scenario increases support for ticket price by 1.99 over the season and this could be expected to amount to 3,474,638.



Big Mountain is doing well for vertical drop, but there are still quite a few resorts with a greater drop.

## Conclusion

The recommended business strategies focus mostly on marketing to increase Big Mountain's current target markets. With Big Mountain's many strengths, it is important to take further steps to continue its successful growth within the North American ski resort industry.

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