



Big Mountain Resort

Revenue Strategy for New Chairlift



The Challenge

New chairlift installation has increased annual operating costs by \$1.54 million

- Need to identify optimal strategy to cover this expense while:

- Maintaining resort value
- Preserving customer satisfaction
- Ensuring competitive market position

Options:

1. Increase ticket prices
2. Improve facility utilization
3. Reduce operating costs elsewhere

Data Analysis Approach

- Analyzed comprehensive dataset of 330 U.S. ski resorts
- Focused on 277 resorts with complete pricing data
- Verified outliers through external research
- Established baseline using average adult weekend ticket prices
- Developed predictive models to identify key price drivers





Key Resort Features Driving Ticket Prices

01

Fast quad chair lifts

02

Number of runs

03

Snowmaking capacity

04

Vertical drop

Big Mountain ranks in the higher range for these premium features



Scenario Analysis: Revenue Options

Scenario 1: Cost Reduction

- Close 5 existing runs
- If operating costs exceed \$1.2M, could achieve net savings
- Model suggests ticket price decrease of \$0.67
- Limitations: Potentially reduces customer experience

Scenario 2: Leverage New Investment

- Add 1 run and extend vertical drop by 150 feet
- Increase ticket price by \$2.00
- Generate \$3.5M in additional revenue
- Benefits: Enhances customer experience while covering costs

Model Price Prediction vs. Current Price

- Current ticket price: \$81
- Model-predicted optimal price range: \$85-\$106
- Recommended price: \$96

Our pricing recommendation aligns with Big Mountain's premium features while remaining competitive





Recommendation & Key Findings

Implement Scenario 2: Leverage new chairlift to add one run and extend vertical drop by 150 feet, enabling a \$2.00 ticket price increase

Key Benefits:

- Generates \$3.5 million in additional seasonal revenue
- More than covers the \$1.54 million cost increase
- Aligns with Big Mountain's premium market position
- Enhances guest experience through expanded terrain



Summary & Next Steps

Next Steps:

1. Review historical pricing decisions and market expectations
2. Analyze customer response to price adjustments
3. Compare operating costs to similar resorts
4. Develop implementation timeline

Recommendation:

Implement Scenario 2 with a \$2.00 ticket price increase to leverage new chairlift investment

Expected Outcome:

Full coverage of chairlift costs while enhancing resort value and guest experience