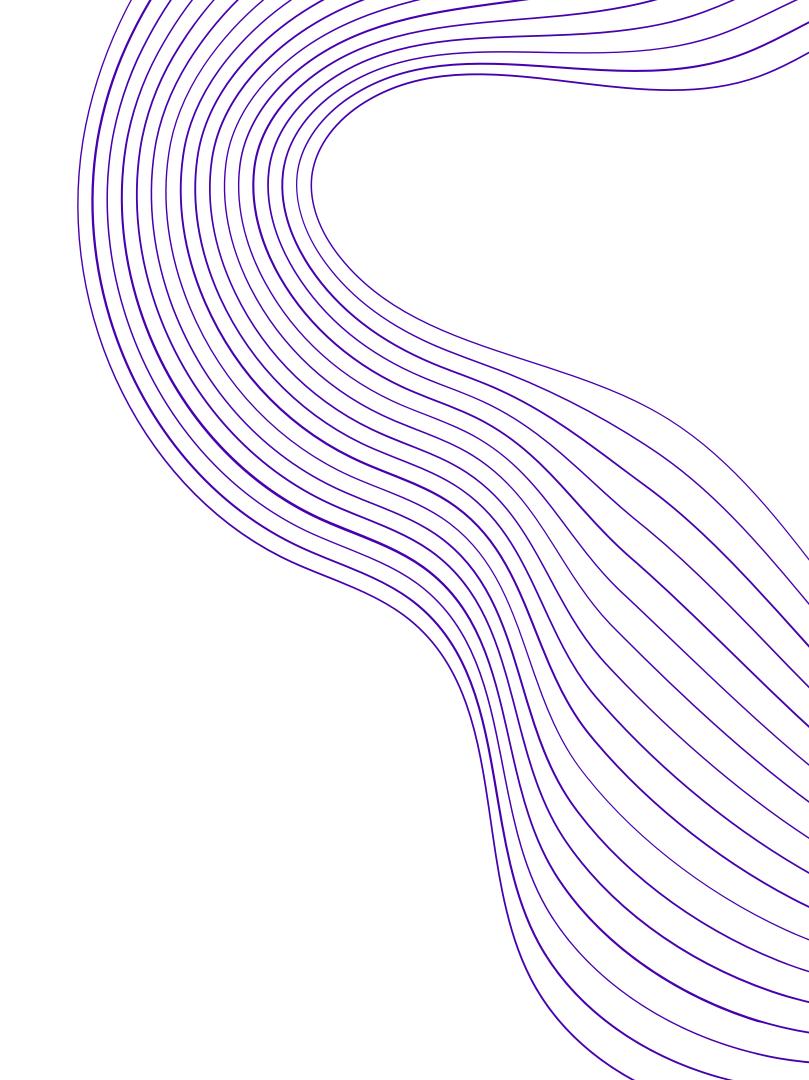
Blue Mountain Resort



Problem Identification

Big Mountain Resort has installed a new chair lift to increase the distribution of riders across the mountain.

This lift has led to an increase of \$1.54 million in operating expenses this season.

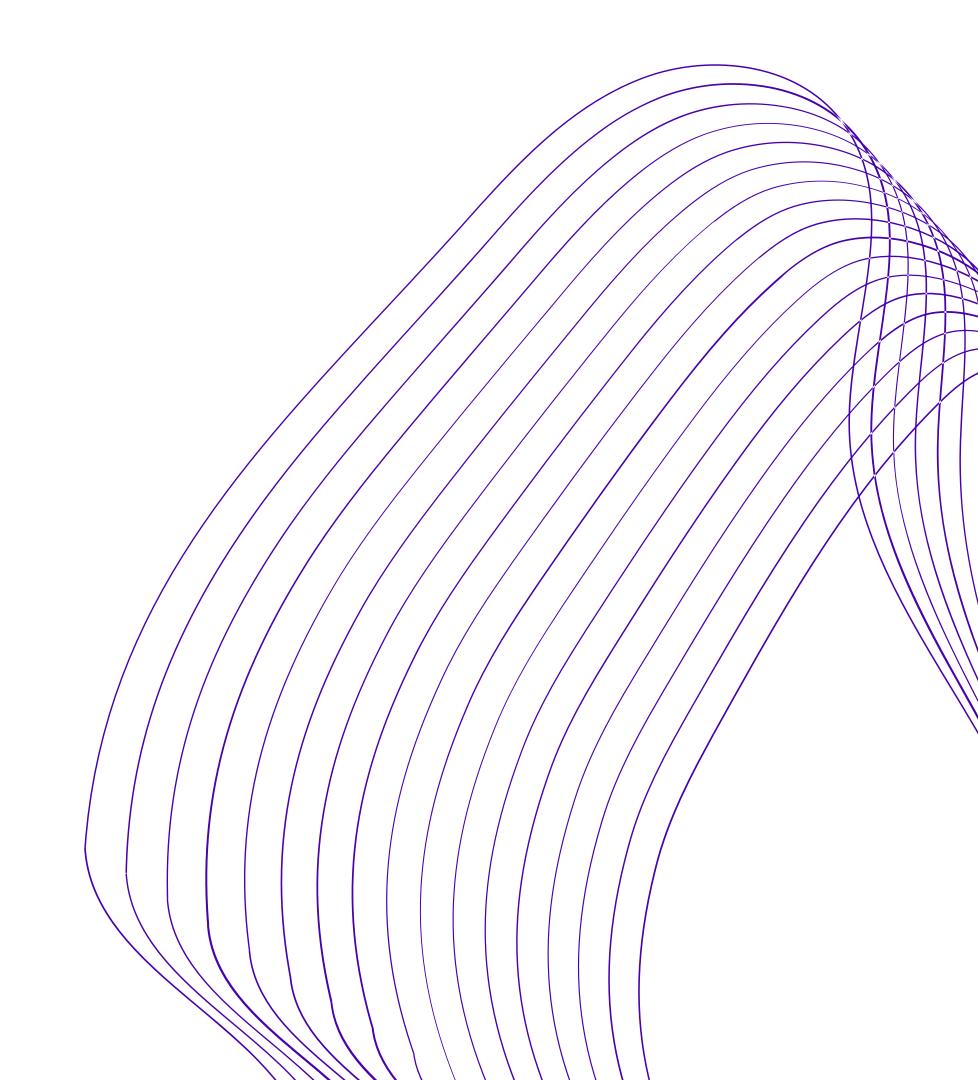
Current pricing based on market average does not provide the business with a good sense of value of facilities compared to others.

How can Big Mountain Resort best determine ticket price through comparable market analysis of offerings and facilities?

Criteria

Analyzed and compared facilities and trail offerings within US market segment to understand current positioning domestically and regionally.

Determine if data reveals support for increasing ticket prices by \$4.40 at least to meet increased operational break-even point.



<u>Findings</u>

Modeled Price: \$95.87 vs. Actual Price: \$81

Even with expected mean absolute error of \$10.39, suggests there is room for increase.



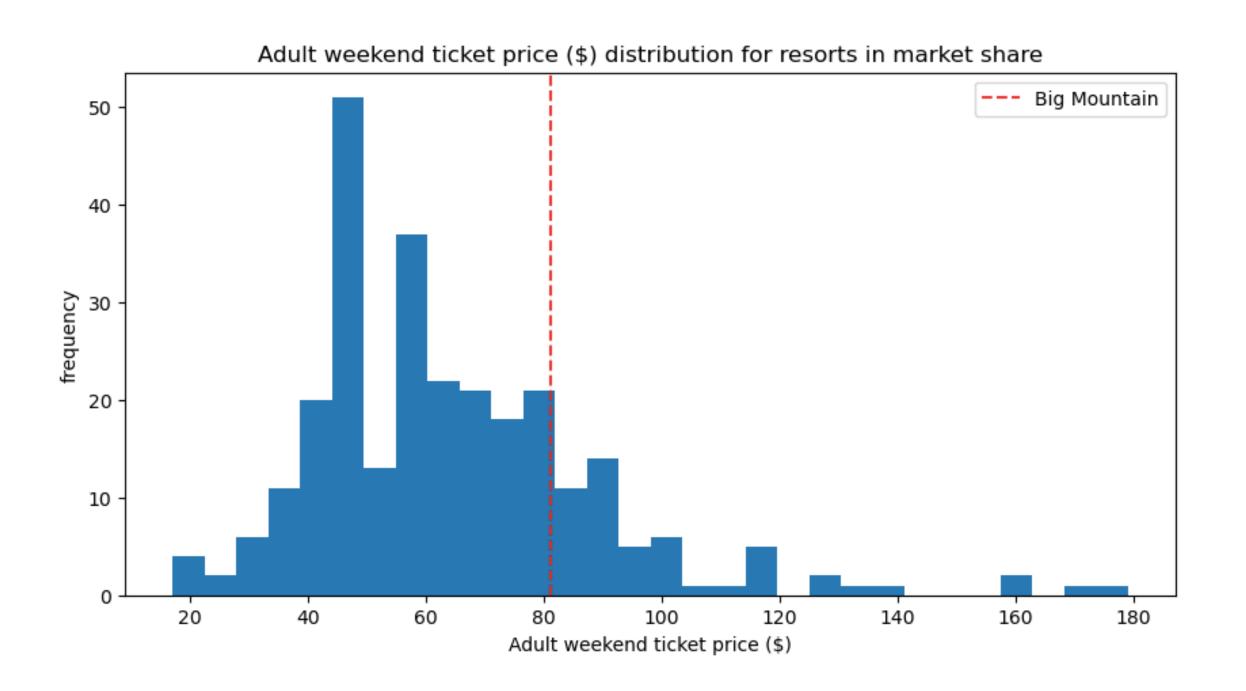
Blue Mountain ranks high in regional and domestic markets nearly all key features.

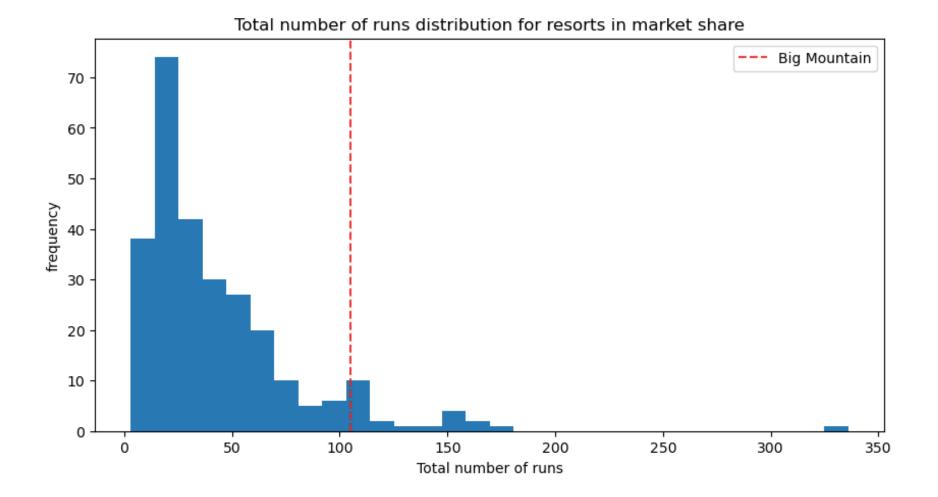


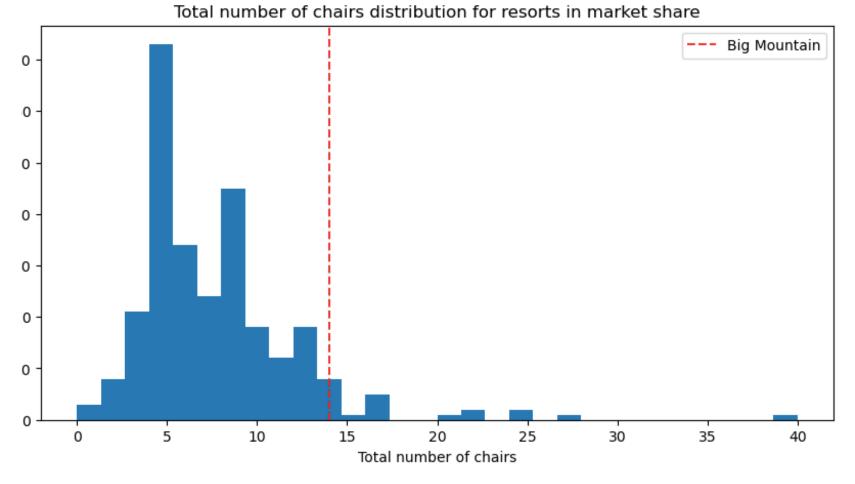
Modeling supports increasing ticket price by \$4.40; Scenarios 2 and 3.

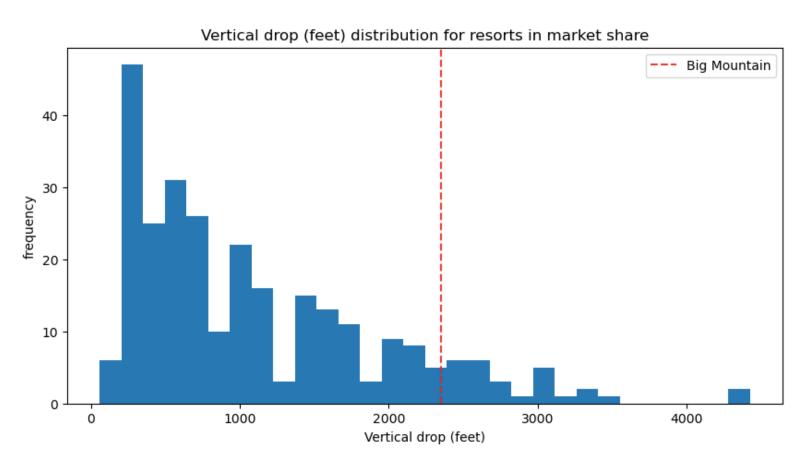


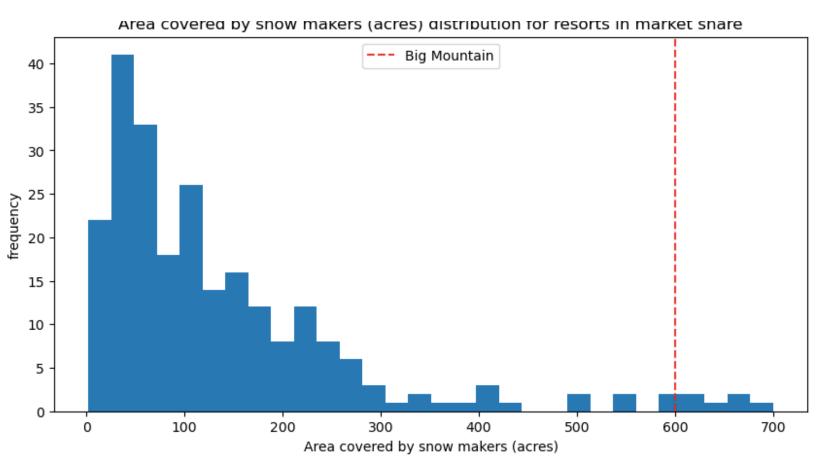
Results

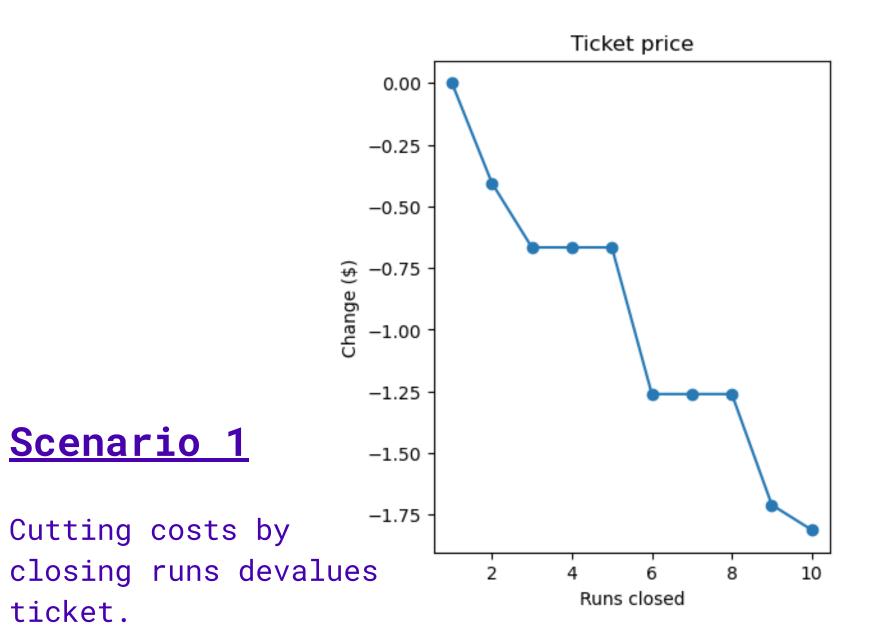


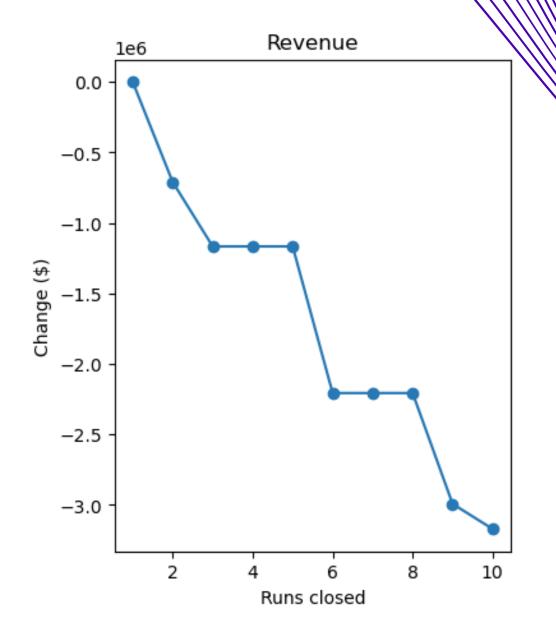












Scenario 2 & 3

This scenario increases support for ticket price by \$1.99. Over the season, this could be expected to amount to \$3,474,638.

Scenario 4

Extending longest run showed no impact to ticket price valuation.



Modeling supports increasing ticket price by \$4.40

Scenarios 2 and 3 do add value to ticket price but not enough to reach the new break-even point.

