

# Recommendations for Big Mountain Resort

September 17, 2020

## Overview

Success for this project is a data-driven business strategy that delivers the best ticket price with the resort's market segment, each facility value, and current operating costs taken into consideration. Additionally, the four scenarios provided by Big Mountain Resort's leadership need to explore as well for viability.

## Findings: Model

Big Mountain's current pricing is at \$81.00 for an adult weekend ticket. However, the model I created suggests a ticket price of \$95.87 is viable. This increase in ticket price is supported by the presence of specific features at the resort, that when compared to other resorts in the same market, were able to charge an increased ticket price. These features were the following: vertical drop, total snow making area, number of total chairs, number of fast quads, number of runs, length of longest run, and the amount of skiable terrain [Figure 1].

## Findings: Scenarios<sup>1</sup>

The four scenarios<sup>2</sup> that were offered by the leadership at Big Mountain Resort were each examined and the third modeled scenario is recommended for further consideration, since it projected the greatest return on investment and support for an increase in ticket price.

**Scenario 3:** Increase the vertical drop by adding a run to a point 150 feet, but requiring the installation of an additional chair lift to bring skiers back up, and add an additional 2 acres of snow making coverage.

The third scenario provided support for an increase in ticket price by \$9.90 and projected over the season, to amount to \$15,782,717 dollars, once the operating costs for an additional chair are taken into consideration. This additional \$9.90 a ticket, puts Big Mountain Resort, if rounded up, to \$91.00 dollars a ticket. This puts the resort closer to the suggested ticket price of \$95.87. Additionally, closing one run [Figure 2], to decrease any associated operating costs caused by having a chair lift, should be considered as well.

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<sup>1</sup> Note, the expected number of visitors over the season is 350,000 on average and visitors ski for five days. With the additional assumption, the provided data includes the additional lift that Big Mountain recently installed.

<sup>2</sup> **S1:** Permanently closing down up to 10 of the least used runs. **S2:** Increase the vertical drop by adding a run to a point 150 feet, but requiring the installation of an additional chair lift to bring skiers back up, without additional snow making coverage. **S4:** Increase the longest run by 0.2 mile to boast 3.5 miles length, requiring an additional snow making coverage of 4 acres.

Figure 1:

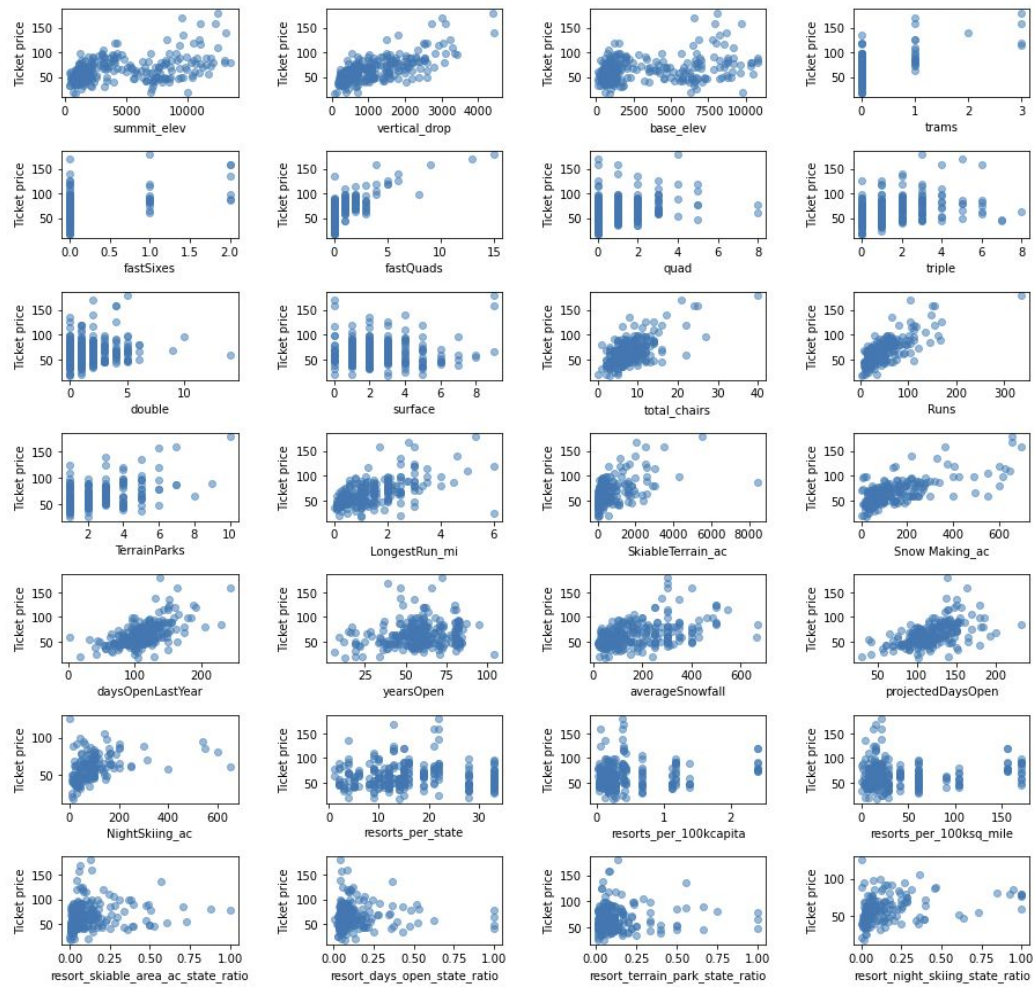


Figure 2:

