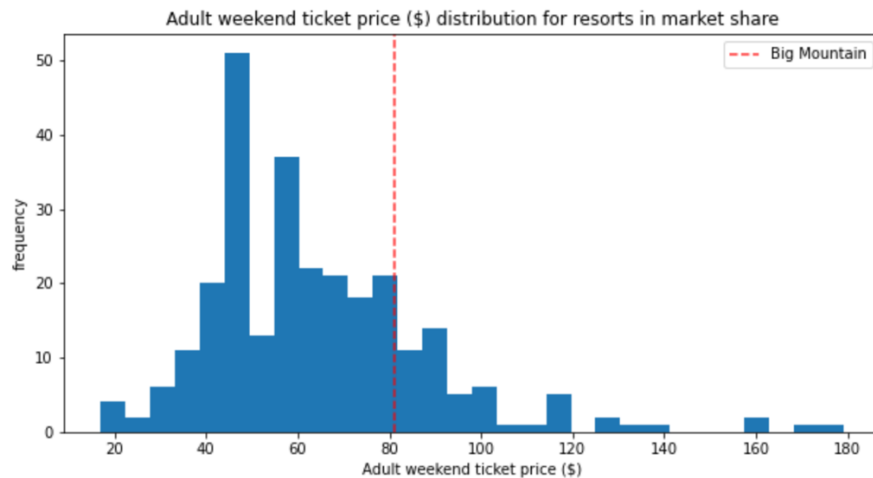
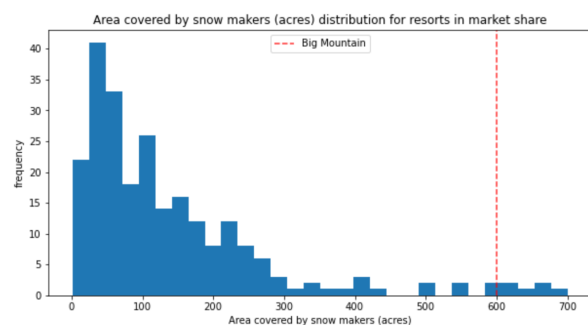
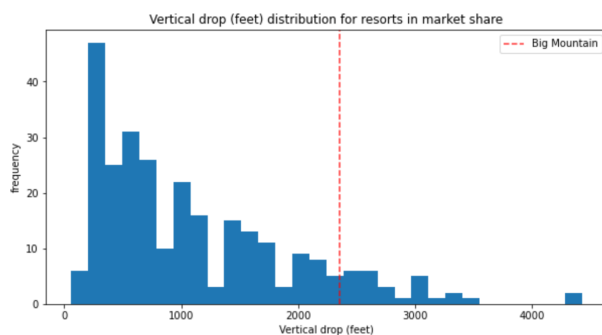
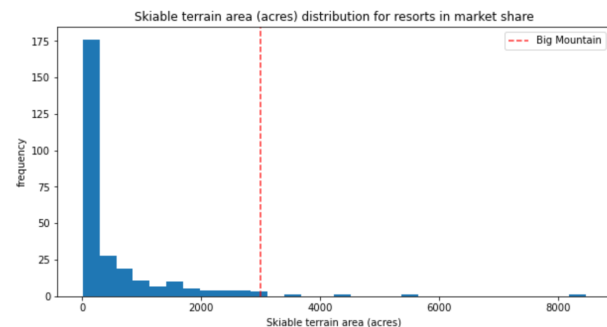
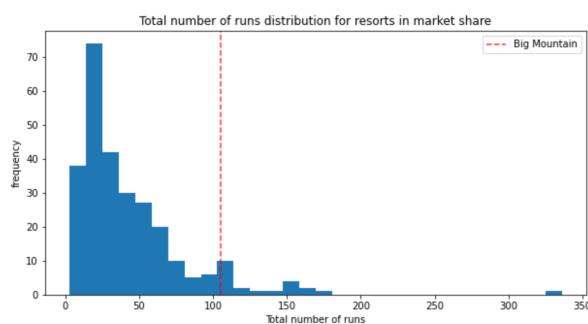


Big Mountain Resort Analysis

After analyzing the ski market data several key insights were uncovered that will help Big Mountain to refine their ticket price and optimize their operational expenses. Currently, the weekend ticket price for Big Mountain is \$81.00, in the histogram below you can see where Big Mountain Resort lies in comparison to other resorts in the market.



From our model we discovered that some of the most important features that affected resort prices in the market were the total number of runs, the vertical drop, the skiable terrain acreage, the snow making acreage, and the number of fast four-person chairlifts, among a few others. Below you can see that Big Mountain surpasses most resorts in these areas. It is apparent that Big Mountain is indeed able to charge a premium over other resorts, but is the current premium too much, or not enough?



After accounting for the most important features and the pricing of other ski resorts in the market, our model indicates that Big Mountain could increase ticket price to \$95, a significant increase from the current \$81.

The model also suggests two operational changes that could optimize profits:

1. Since the number of runs, the vertical drop, and the number of fast four-person chairlifts are such important features for pricing, we recommend that Big Mountain invests in an additional chairlift that will increase the vertical drop by 150 feet, this will allow Big Mountain to boast a 2500 vertical drop. Doing this will allow Big Mountain resort to increase ticket price by an additional \$1.99. Based on the assumption that the resort sees 350,000 people a year, and that each visitor stays for an average of 5 days, a price increase of \$1.99 would result in an additional 3,474,638 in profits.
2. Big Mountain could optimize the number of runs open by closing the 5 least used runs and reducing ticket price by \$0.75. The graph below shows how pricing and the removal of ski runs correlate.

