

Summary of Recommendations for Big Mountain Resort

Big Ski mountain resort is facing increased competition from other ski mountains. They are currently sitting towards the middle of the market with the price of a ticket being \$80. The purpose of this project was to contextualize their market price given the facilities they offer and the price they are currently charging for a ticket, and also to make recommendations that will increase their profit margins.

We can see through our analysis that while Big Mountain is appropriately priced compared to its competitors. By that we mean that the services it offers including number of runs, longest runs, and snow making area roughly correlate to the current ticket price when compared to its competitors. As a middle market supplier, this puts them in a precarious position as they can be squeezed out of the market should the mountains that are offering better accommodations choose to lower their prices.

When analyzing the potential recommendations that Big Mountain could take we found something very interesting. That is that any attempt to increase services offered to force an increase in ticket price would not actually succeed. In the future we should perform more analysis to determine which of the features relating to the ski mountain actually determine the price. I suspect that it is the number of total runs and skiable acreage. Seeing as how an increase in services would not result in an increase in price, it seems that the only option available to the mountain is to cut costs. Closing one run makes no difference in the price of a ticket making it a viable option for immediate implementation. Closing two or three runs makes more of an impact, though we see this levels off after closing three. Adding an entirely new run make increase the value of the ticket prices, but also requires significant capital expenditure and operating costs. It would also require a lengthy process to construct such a run.