Big Mountain Resort Ticket Pricing

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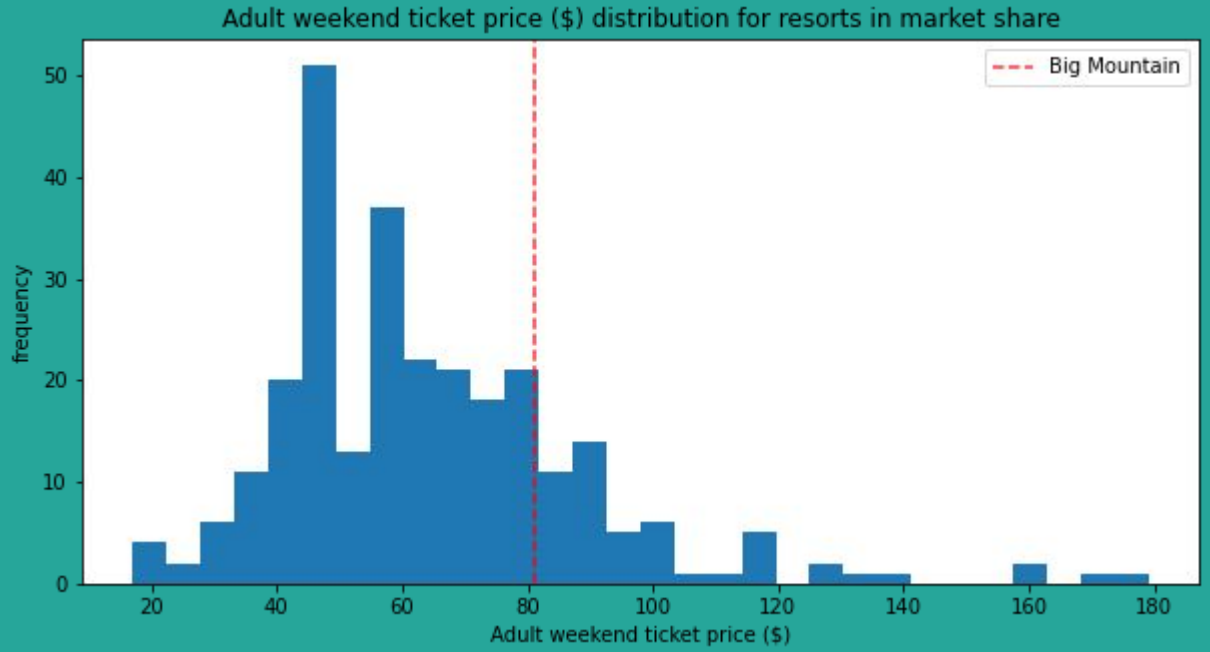
Modeling how resort features influence ticket price

How can Big Mountain Resort price their lift tickets to maximize profits and cover their $1.54M increase in costs by analyzing other resorts of same market share?

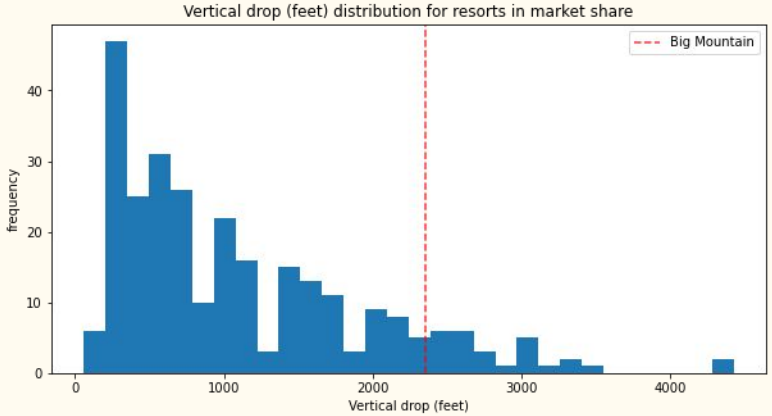


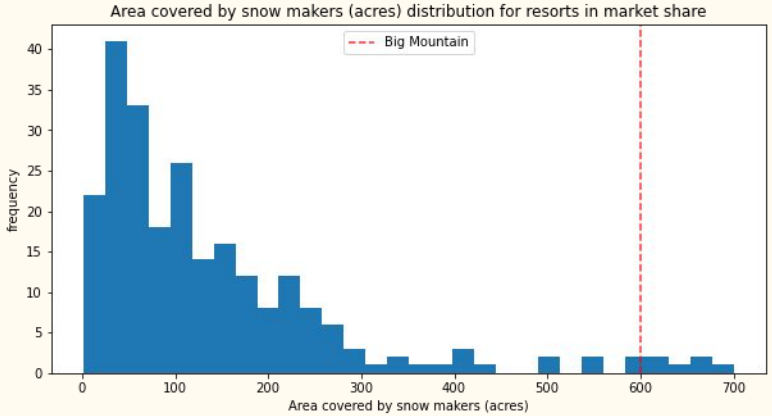
Key Findings and Recommendations:

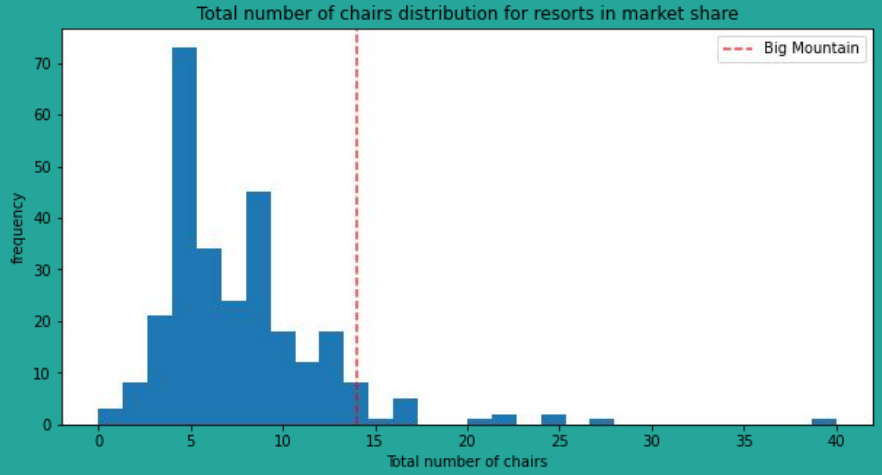
- Big Mountain's facilities allow for a $95 +/- $10 ticket price
- $0.88 increase would cover the $1.54M chairlift cost increase
- Modest increase in vertical drop by adding a chairlift could allow $1.99 further increase
- 1 run could be closed with no negative impact on price
- Up to 5 run closures possible with minimal negative impact

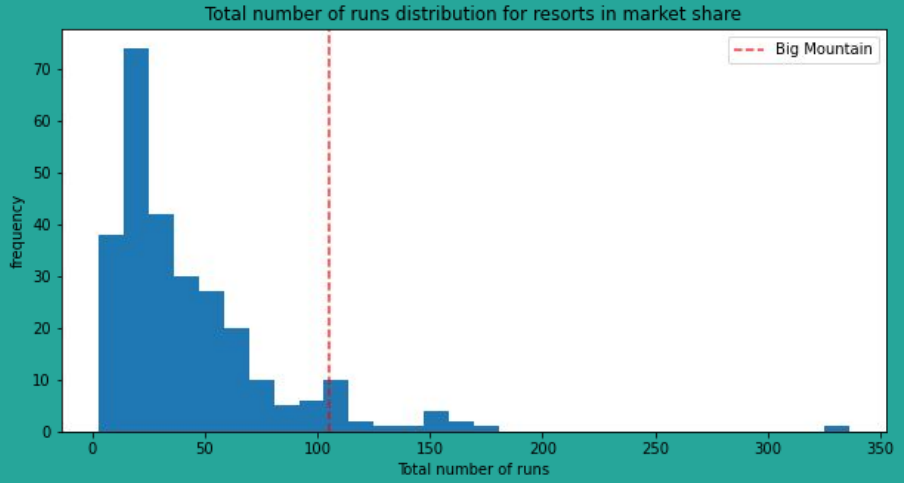
Most Influential Pricing Features

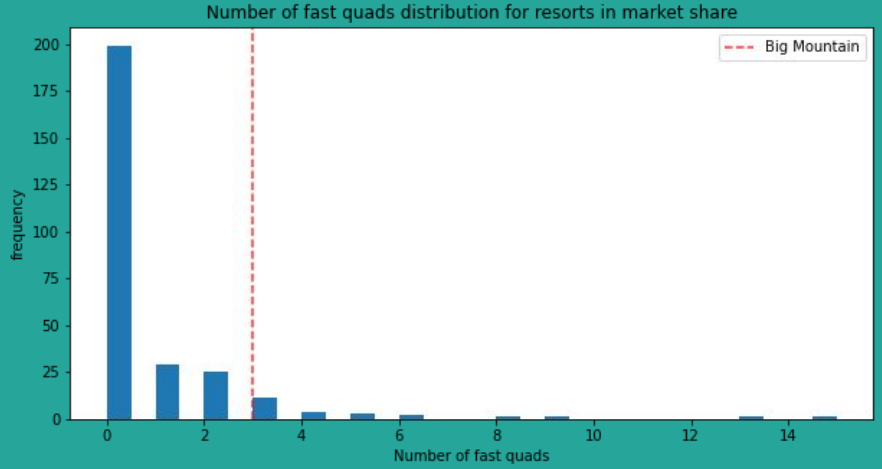
1. Vertical drop
2. Snow making area
3. Total chairs
4. Fast quad chairs
5. Number of runs
6. Longest run
7. trams
8. Area of skiable terrain

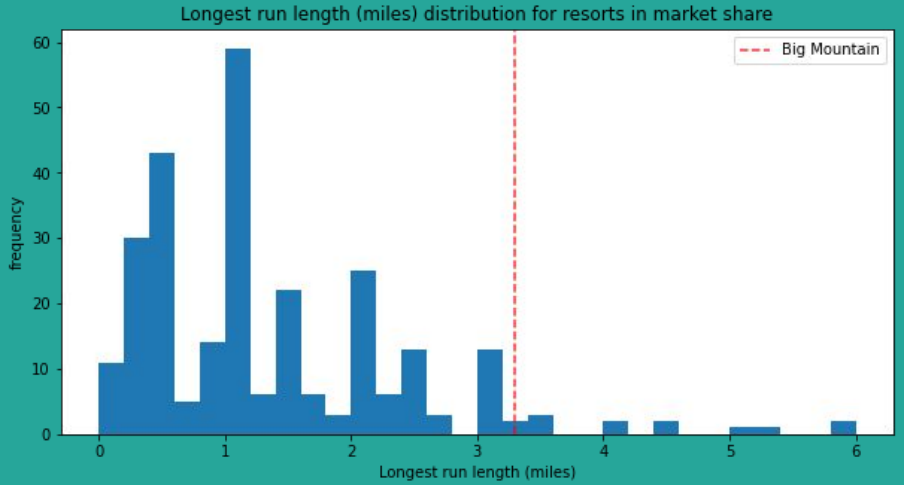




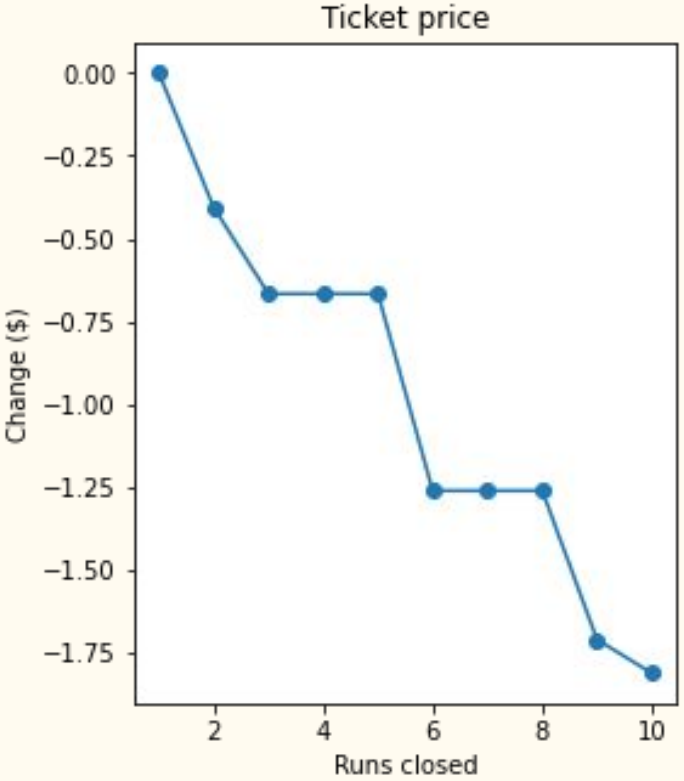

Total number of chairs distribution for resorts in market share
Big Mountain
frequency
Total number of chairs

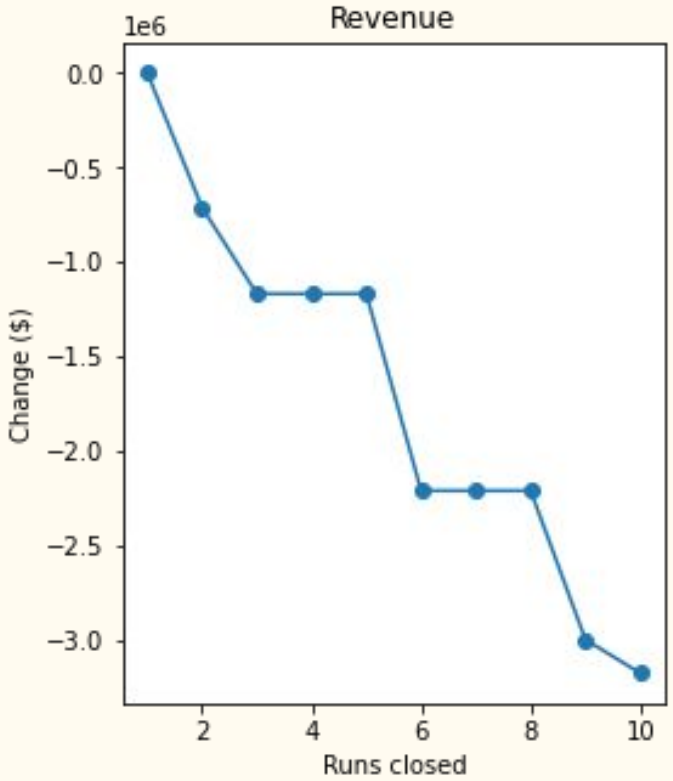

Total number of runs distribution for resorts in market share
Big Mountain
frequency
Total number of runs


Number of fast quads distribution for resorts in market share
Big Mountain
frequency
Number of fast quads


Longest run length (miles) distribution for resorts in market share
Big Mountain
frequency
Longest run length (miles)

Run Closures vs Price/Revenue





Conclusion

- Big Mountain Resort should charge at least $0.88 more per ticket to cover their recent chair addition

- Could likely increase the price by $10 per ticket to increase profitability or if needed to cover future expenses

- Increasing vertical drop 150 feet by adding a chairlift would be the most beneficial of all proposed mountain changes

- If closing runs is necessary to reduce operating costs, it should be done 1 at a time with no more than 5 closures