



Big Mountain Resort

Investment/Pricing Strategy

COMPARATIVE ANALYSIS



Introduction

Big Mountain is a premier ski resort that wants to maximize revenue

We will explore:

What types of investments should you focus on for growth?

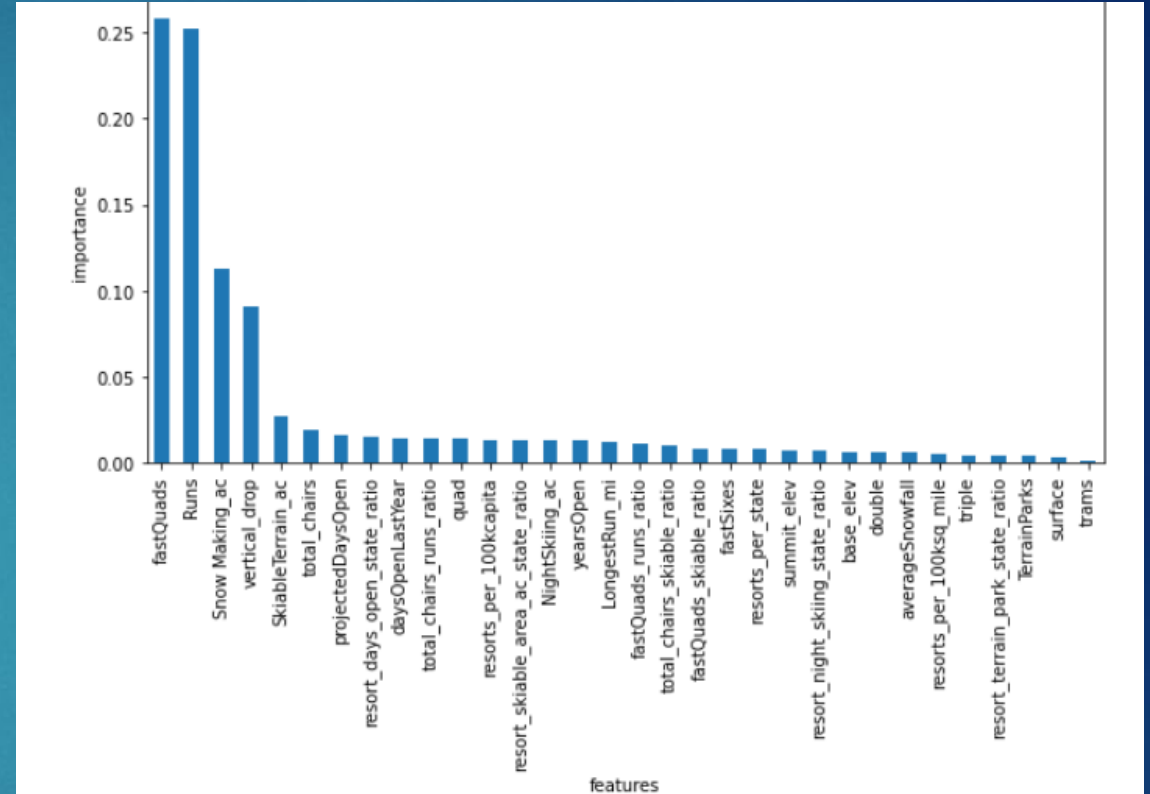
What is the optimum ticket pricing to maximize revenue?

Key Findings

4 main resort features consumers demand
(and will pay more \$ for)

1. # of lifts and their speed
2. Total number of runs
3. Snowmaking ability/coverage
4. Overall vertical drop(mountain features)

Big Mountain is very competitive regarding these 4 features that consumers demand.



Pricing Models suggest Big Mountain could charge more per ticket

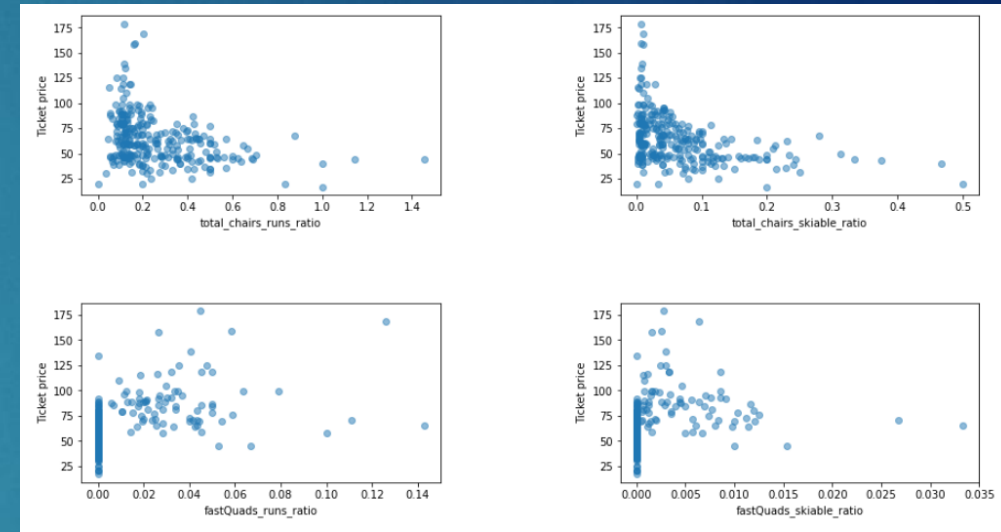
Ticket Pricing Findings

Current Ticket Price = \$82

Model Expected Price = \$95

Based on Big Mountains comparative features, our model shows ticket prices could be 13\$ higher.

The current pricing strategy is leaving \$ on the table!

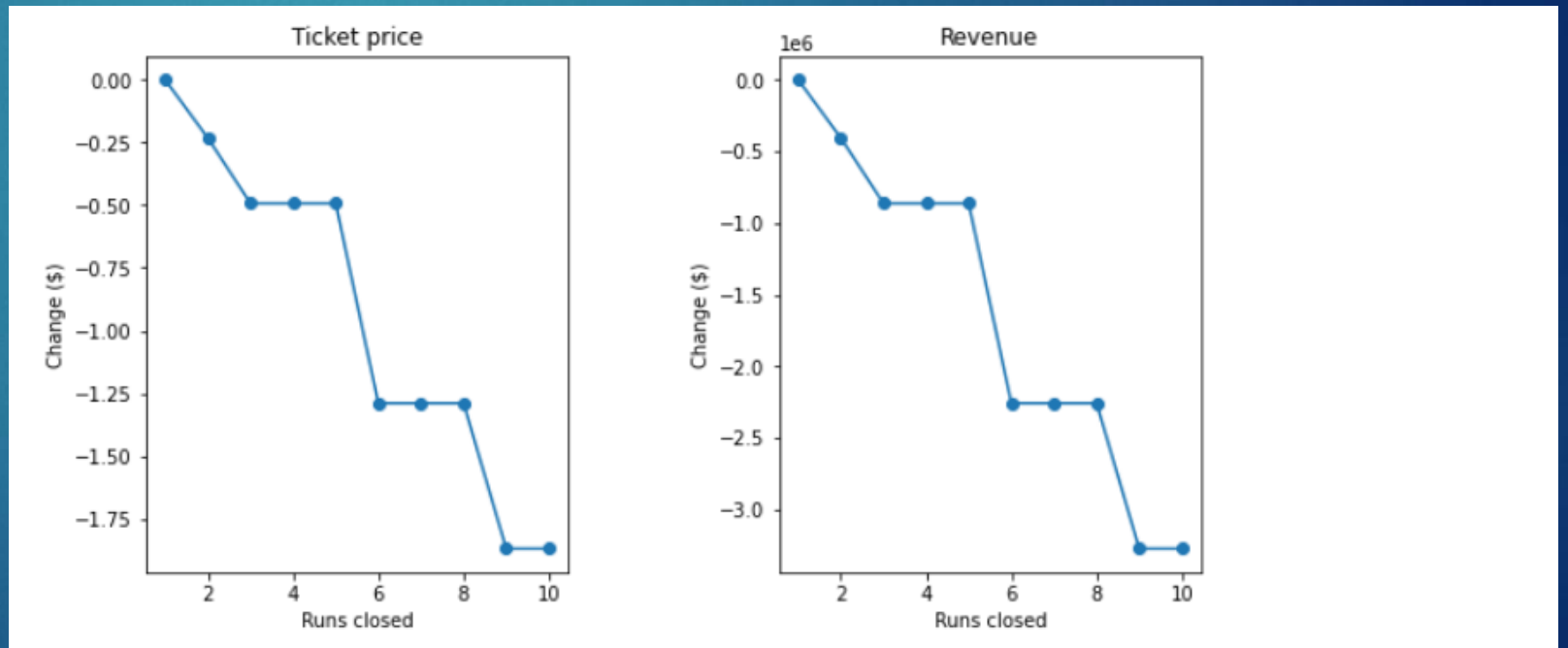


Cost Reduction Analysis

We explore whether shutting down runs can help reduce costs and increase revenue.

Our sensitivity analysis shows that after closing down 3 runs revenue will drop and 6 runs will drop significantly.

Overall its better to maintain the runs than to try and shut them down.



Recommendations

Increase Ticket Prices

A 5-10\$ price increase should be sustainable with current resort features compared to competition

Increase Marketing

Marketing should highlight:

- Big Mountain has better facilities than most competitors
- Big Mountain invests in features customers want
- Big Mountain is the best choice for customers

Investments for Success

Big Mountain needs to focus and build on it's best features.

**Fast lifts,
More runs,
More snowmaking.**

