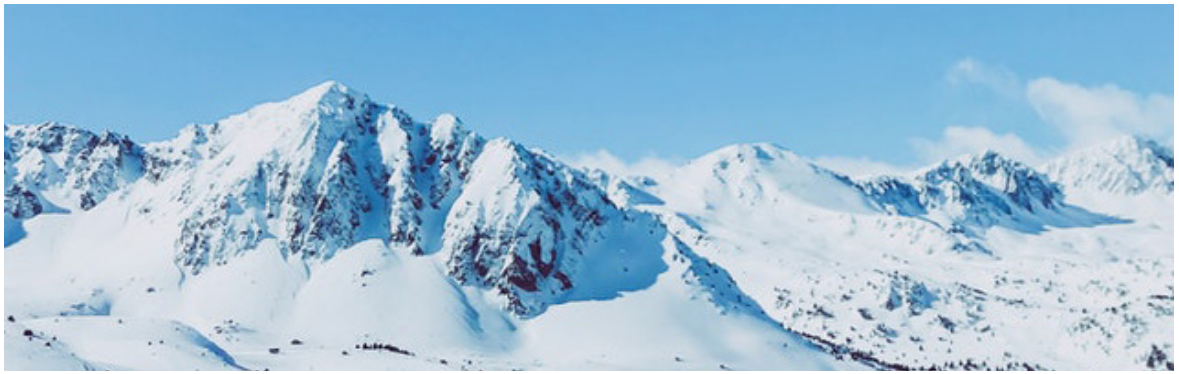
BIG MOUNTAIN RESORT

DECEMBER 2020 | SPRINGBOARD

PRICING STRATEGY



AGENDA

PRESENTATION

- Objectives
- Recommendation
- Analysis and key findings
- Conclusion

Q & A

OBJECTIVES

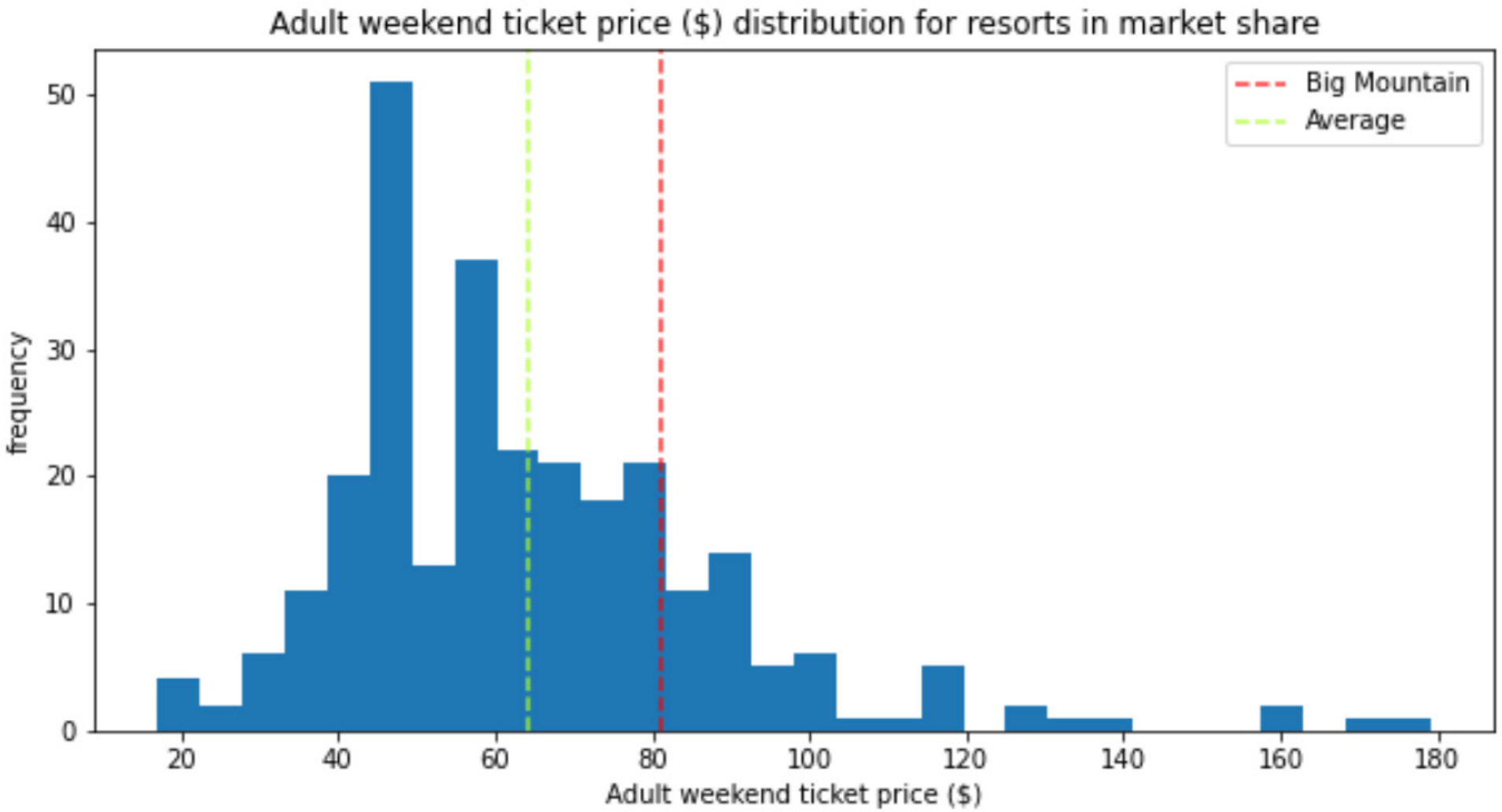
Examine the adequacy of current pricing strategy of charging a premium on average prices

Inform resort distribution analysis

Identify driving forces of adult weekend ticket prices

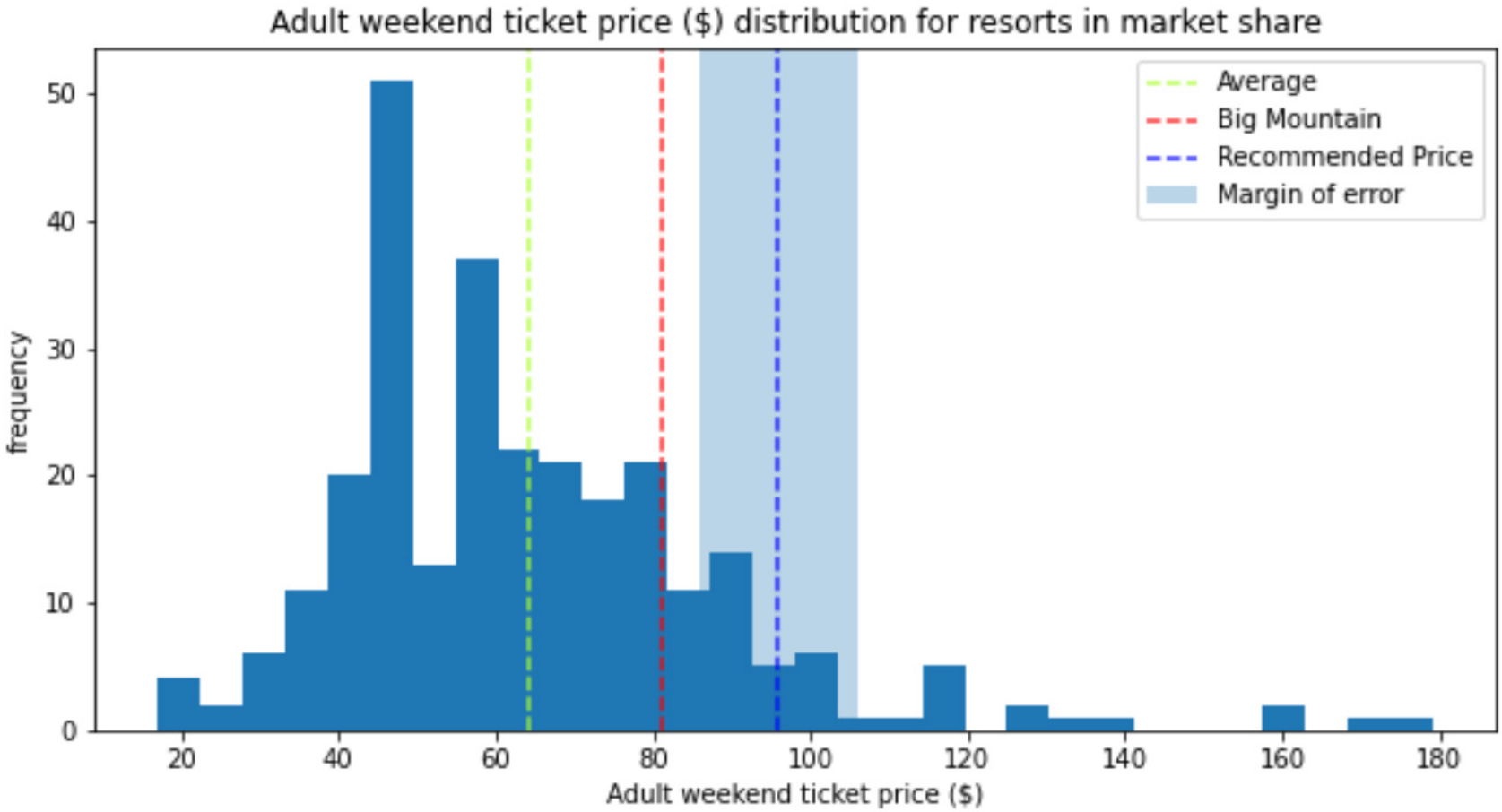
Evaluate proposed changes

CURRENT PRICING STRATEGY



RECOMMENDATIONS

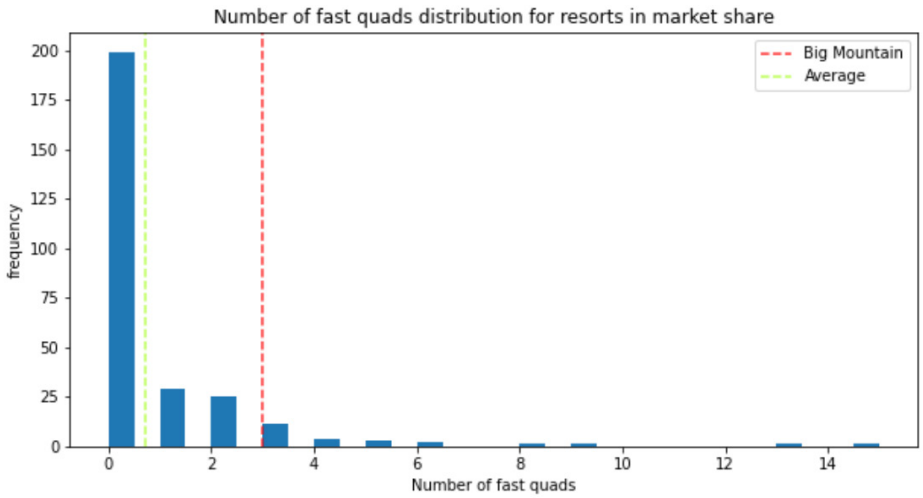
Model justified adult weekend ticket price at $95.87 with $10.39 margin of error ($85.48)

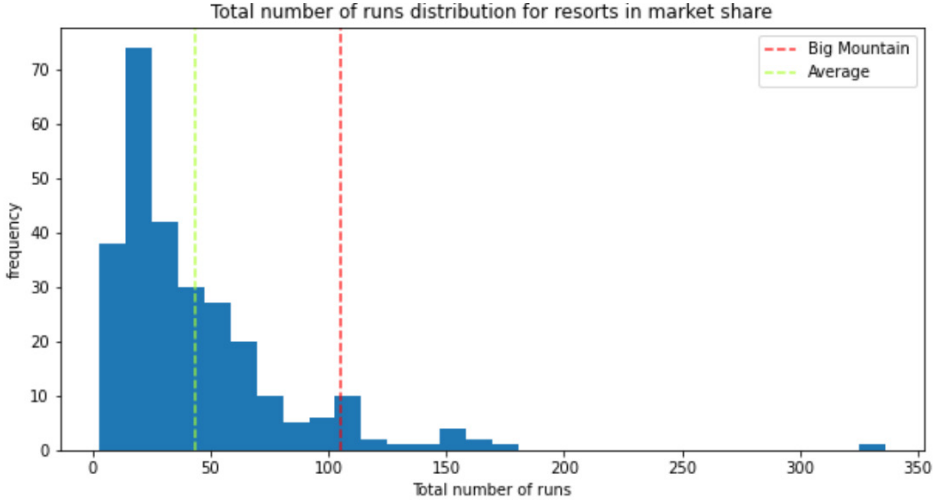


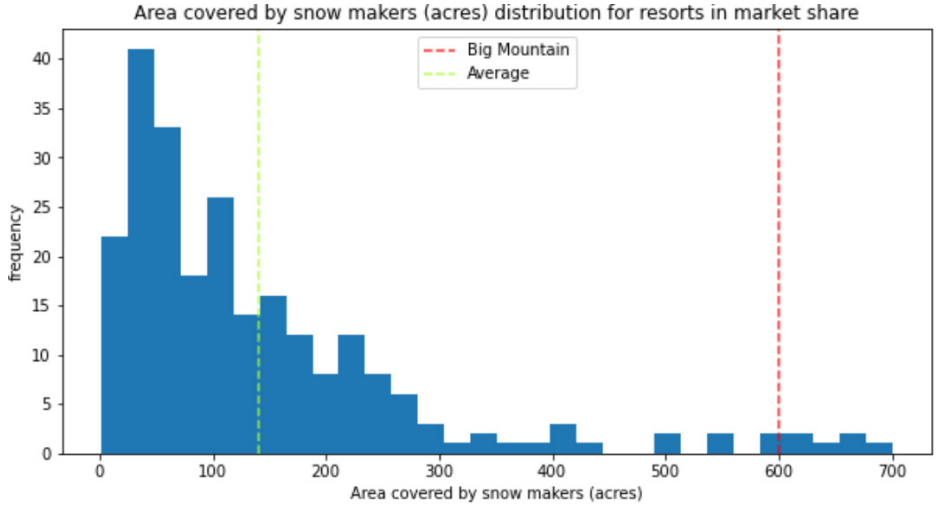
ANALYSIS: WHAT WE LOOKED AT

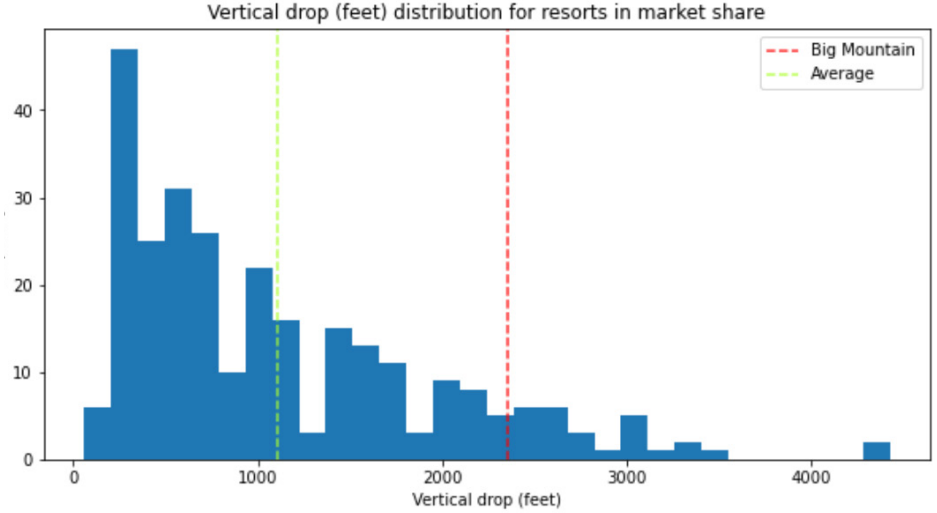
- Number of trams
- Area covered in lights for night skiing
- Summit elevation
- Total chairs
- Years open for operation
- Longest run in miles
- Skiable terrain in acres
- Area covered by snow making machines
- Number of runs
- Vertical drop
- Number of terrain parks
- Number of fast chairs
- Annual average snowfall
- Projected days open

KEY FINDINGS: 4 DRIVERS









RESULTS: PROPOSED CHANGES

SCENARIO 1:
ADDITIONAL CHAIR

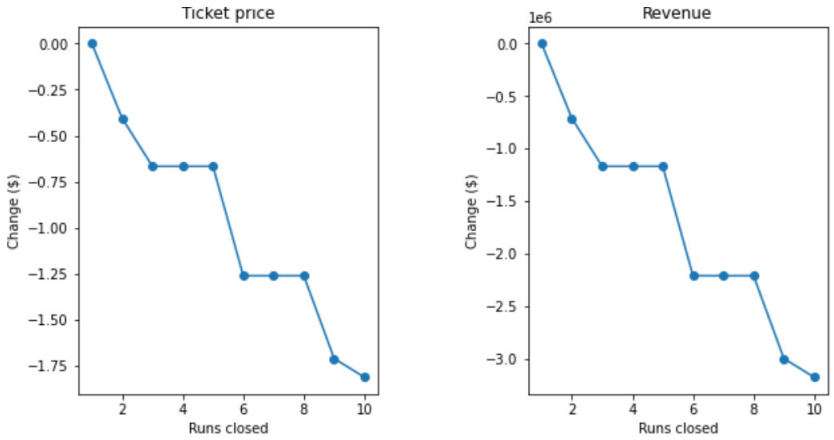
+$0.29 ticket price

+$507,246 gross revenue

-$1.54M operating costs

= $1.03M net loss

SCENARIO 2:
CLOSING RUNS



SCENARIO 3:
+1 CHAIR, +1 RUN, +150 FT. DROP

+$8.61 ticket price

+$15,065,471 gross revenue

-$X operating costs

SCENARIO 4:
LONGEST RUN +0.2mi, SNOW MAKING AREA +4 ac

+$0.00 ticket price

+$0.00 gross revenue

-$X operating costs

CONCLUSIONS

MODEL

- Assumes other resort prices are fair market prices
- Evaluate changes and their impact on ticket prices
- Further improved with additional data

TICKET PRICE

- Model estimated $95.87 ticket price, with $10.39 margin of error ($85.48)
- Based on Big Mountain Resort's fast 4 person chairlifts, total runs, area covered by snow making, vertical drop

CHAIRLIFT

- Does not offset $1.54M operating cost
- Costs may be re-couped with an extra run, adding 150 ft.in vertical drop