Big Mountain Resort - Recommendations

According to our market analysis, Big Mountain Ski Resort has justification to raise ticket prices -- without making any changes to offerings. Big Mountain fares very well against the competition, especially in the categories found to be most relevant to price, and thus are the things customers value the most. Approximately equally and most important were the number of fast quad lifts and number of runs. Next but less important were snow making area and

vertical drop.

Among the changes considered by Big Mountain, reducing the number of runs is the most sensible. The numbers show that - for the level Big Mountain is at – doing so does not significantly affect the price – it isn’t cause for *reducing* prices by much. And in fact, fewer runs may enable fewer lifts operating. If non-fast-quad lifts are reduced, this could result in significant savings and thus fewer runs may prove more profitable. We would not want to eliminate any fast-quad lifts as these are highly correlated with ticket price / resort value to customers. Any run that is eliminated should not be in a place that would result in the closing of a fast-quad lift – the loss of revenue would be expected to outweigh the savings in maintenance costs. Big Mountain offers enough runs compared to the competition that eliminating a small number will not hurt its value significantly. A more detailed analysis on profitability and more tailored recommendations can be given if data on operational costs is provided.

Similarly, Big Mountain’s input (or even better, data!) on the following would be valuable: (I) Which resorts do you believe are your competition, whether regionally or nationally? (II) What attracts customers to Big Mountain? and (III) What are your customer demographics (age, gender, families, in-state vs. out-of-state residence, etc)?

An easy-to-use tool has been created so Big Mountain can see themselves how the recommended price changes given changes in various categories.