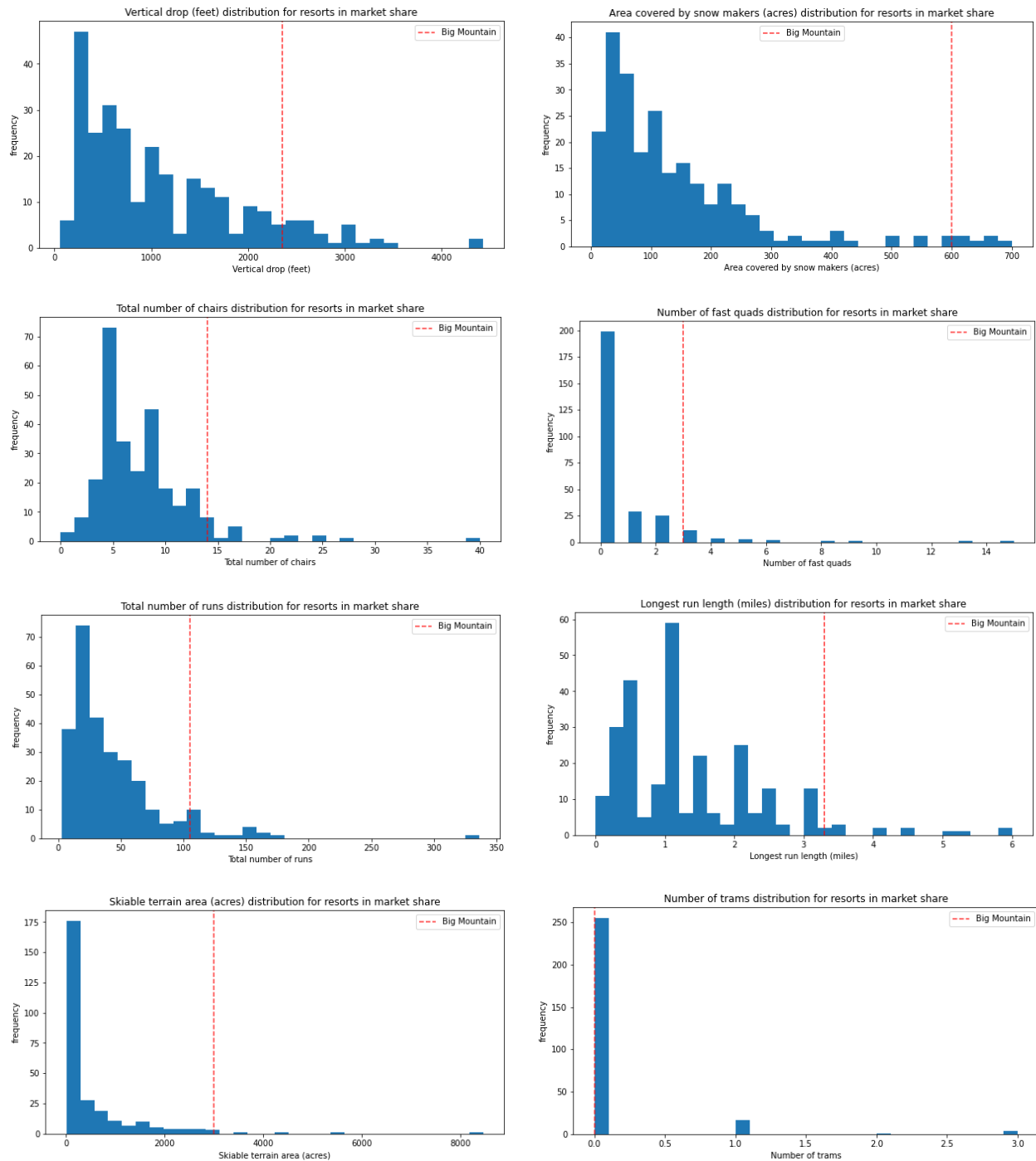


Base on our model, we found that Big Mountain Resort possesses many features very competitive in the market. Big Mountain has good vertical change in elevation, broad snow making area, abundant number of chairlifts, large skiiable area, good number of runs and good length of the longest run.

### Comparing features of Big Mountain to other resorts in the market

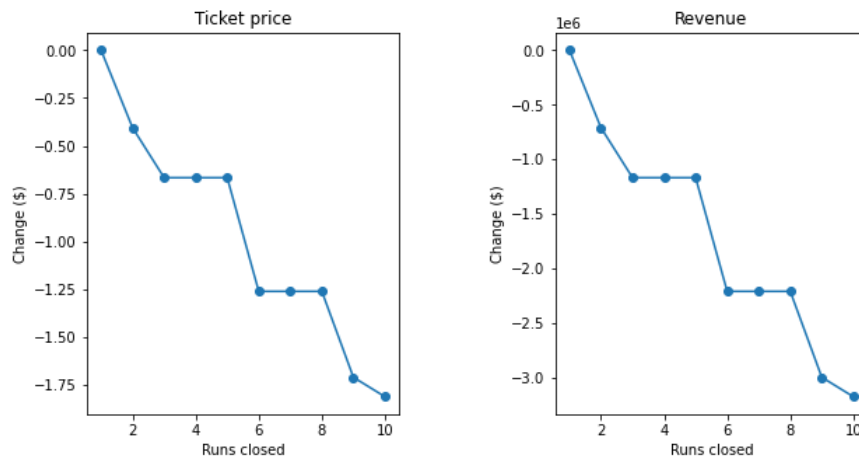


Every year, Big Mountain expects 350000 visitors. On average, visitors ski for five days. Assuming the provided data includes the newly installed lift. Currently, Big Mountain charges \$81.00 for the adult weekend tickets. Our model predicted the price to be \$95.87. With the expected error of \$10.39, it shows there is still plenty of room to adjust the ticket price.

In our model, we assess the following different scenarios to evaluate the options of cutting costs or adding new features to increase revenue.

#### Scenario 1: Permanently closing down runs

Our model shows that closing one run does not impact the revenue. Closing 2 and 3 runs will successively reduce the support for ticket price and so the revenue.



#### Scenario 2: Adding a run with 150 feet increase in vertical drop.

Our model shows this scenario increases support for ticket price by \$8.61 which amounts to \$15,065,471. However, the addition of run will require the installation of an additional chair lift to transport skiers. The amount of revenue increased is enough to cover the \$1,540,000 operating costs of another chair lift.

#### Scenario 3: Adding a run with 150 feet increase in vertical drop and adding 2 acres of snow making

This scenario increases support for ticket price by \$9.90 which amounts to \$17,322,717.

This model is built upon the only price data given. It can be improved if other cost-related information was given, such as the installation and operational costs of snowmaking machine and different kinds of chair lifts. Therefore, we recommend initially closing one run to cut cost and raising the ticket price to the modelled price. When other cost-related information is available, we can reevaluate the possibility of adding new features to raise avenue.