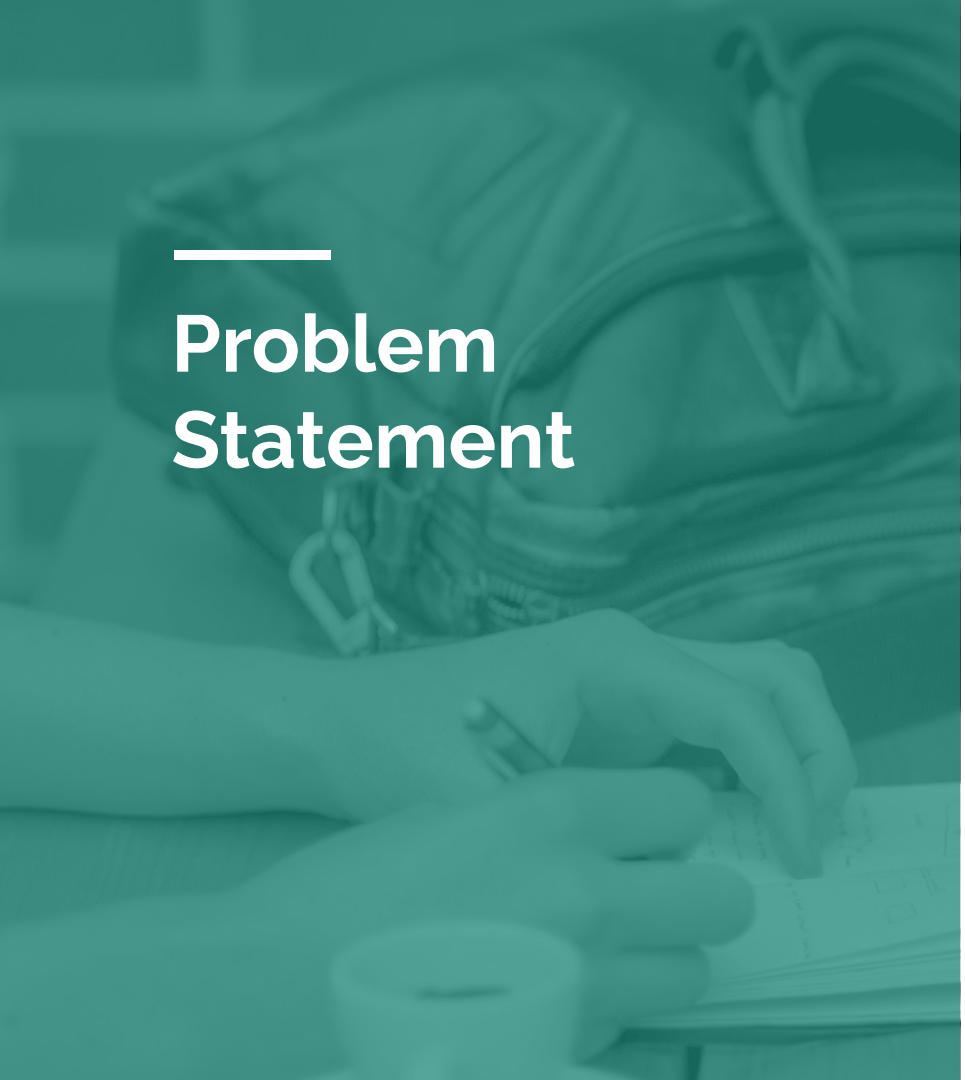
# Peak Performance

A data-driven approach to adjusting our ticket prices to reflect the value we bring to customers



# Problem Statement

**Currently we base our price model off of simplified market averages.**

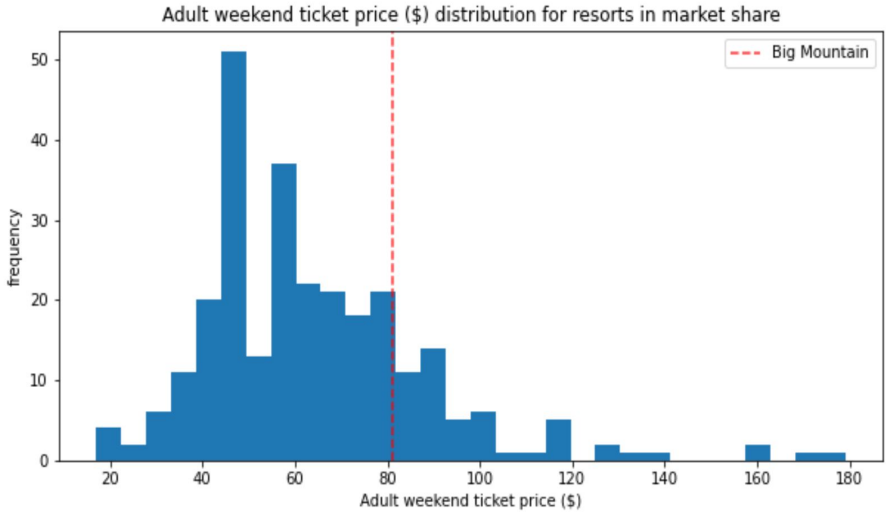
**We are *not* an average resort.**

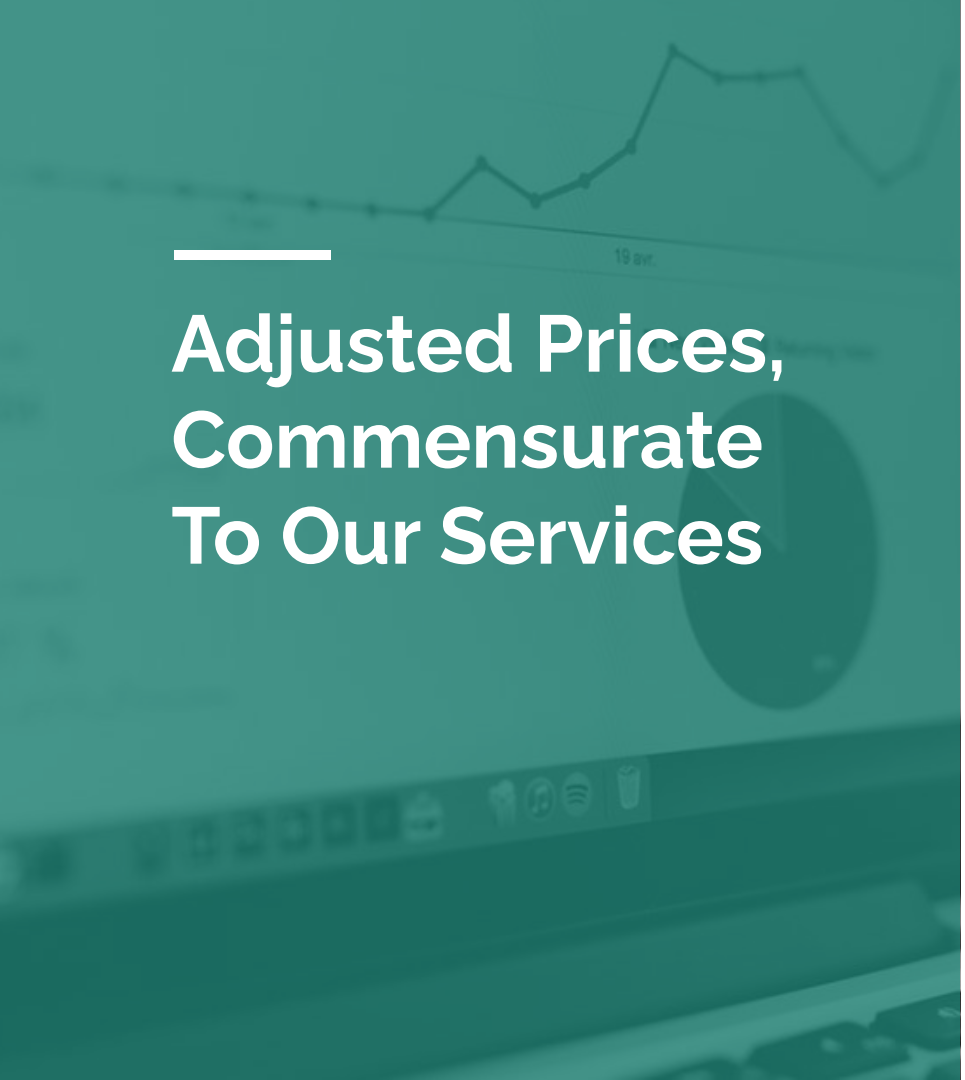
How can Big Mountain Resorts generate more profits by restructuring our price model to be based off of operational costs, facilities, and other competitive features?

# Market Prices

Market data is brought down by a substantial number of $45 and $55 ticket prices.

There are better ways to predict value!





# Adjusted Prices, Commensurate To Our Services

## We can increase our ticket prices by $8.61, to $89.61 by...

1. Adding a run
2. Increasing vertical drop by 150 feet
3. Installing an additional chairlift (which we already prepared to do)

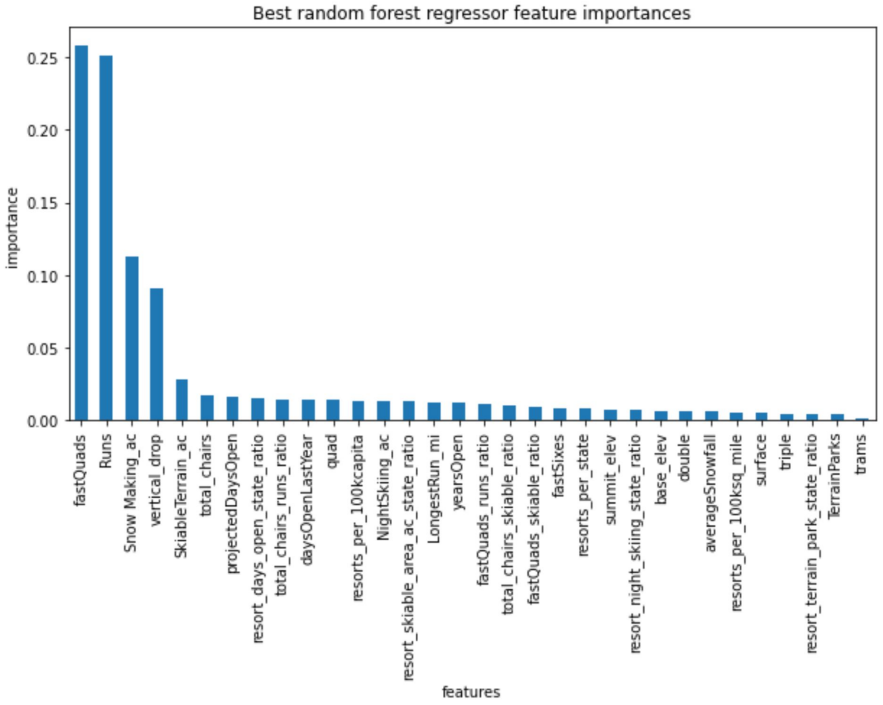
By making three changes, we'll gain an additional $15,065,471 over our operating season

This alone covers the operational costs of a new chairlift (~$1.54 million)

# Feature importance

Customers will pay a premium for better features. Using random forest regression analysis, we've identified these four:

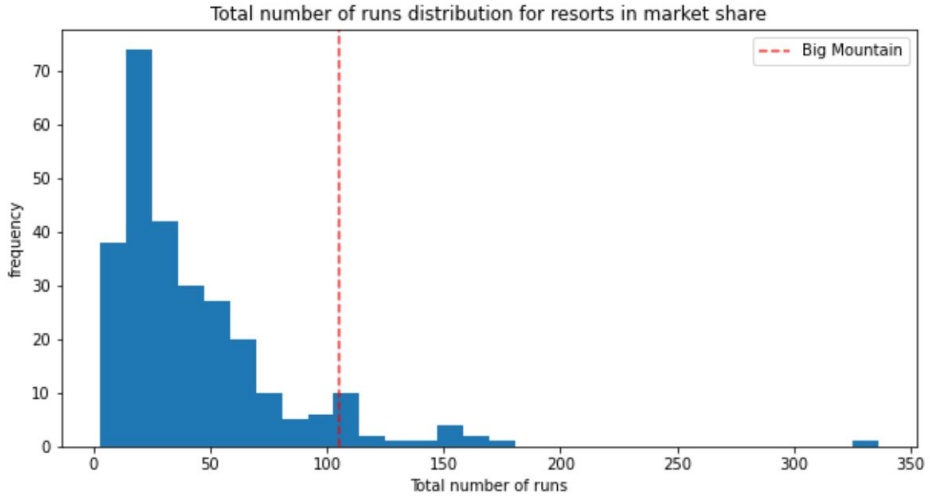
1. Number of fast quads
2. Number of runs
3. Area covered by snow making
4. Vertical drop



# Adding A Run

We're already ahead of the market in total number of runs

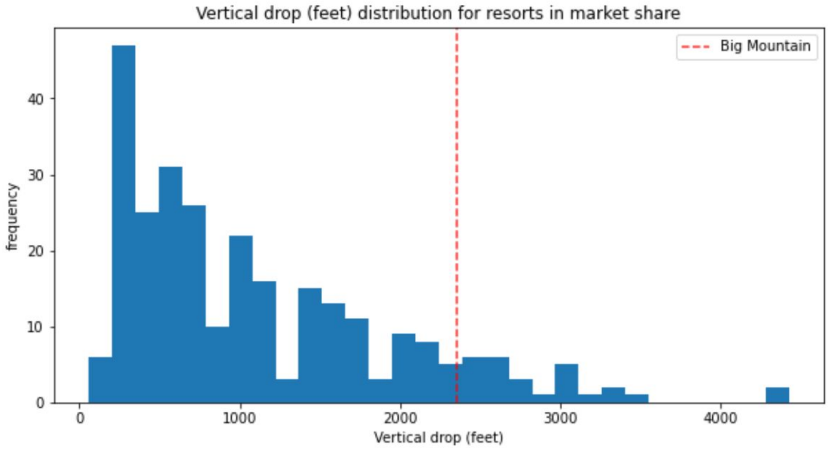
Number of runs accounts for nearly a quarter of ticket price variance. So adding just a single run increases our value substantially.



# Vertical Drop

We're clearly doing well with vertical drop

A few resorts are ahead of us, so it wouldn't take much to nudge our vertical drop to a more competitive level and increase our price accordingly

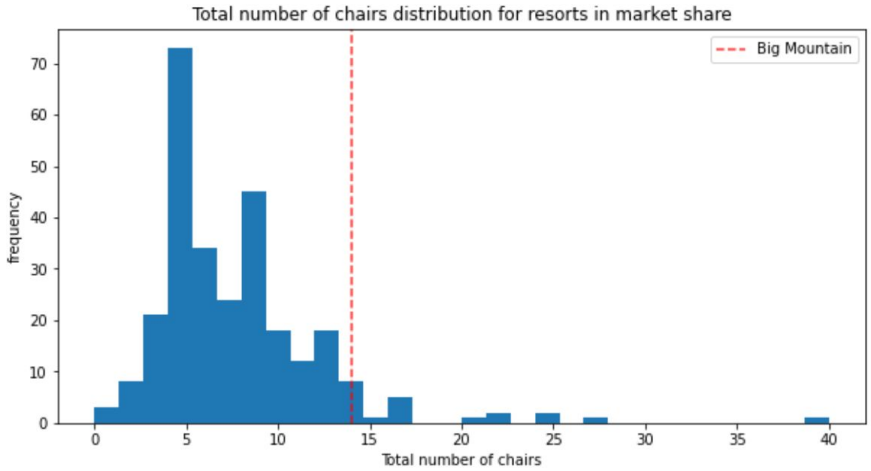


# Chair Lifts

We currently have plans to add an additional chair lift.

As with these other features, we already are ahead of most other resorts. But adding just one will push us from “great” to “superior.”

Our proposed increase to ticket prices (+$8.61) more than covers our expected increase to operating costs (~$1.54 mil).



# In Summary

- ➔ Our current price model underestimates how much customers value different resort features.
- ➔ We can increase our prices to $89.61 (+$8.61) by making these small changes:
  - ◆ Adding a single run
  - ◆ Increasing our vertical drop by 150 feet
  - ◆ Adding a new chairlift (which we already have plans to do)
- ➔ These changes to prices will yield an additional $15,065,471 during our operating season.
- ➔ This will more than pay for operating costs of our new chairlift (~$1.54 mil.) and ensure we're making our prices commensurate with the features our customers value.