



Big Mountain Resort Overview

Due to an immediate increase in operating costs brought about by installation of additional chairlift facilities, in addition to potential upgrades and proposed changes, Big Mountain Resort costs need to be measured intrinsically against standard metrics in the market to better allocate appropriate ticket pricing standards for resort guests.





Important Problems to Solve

1

With the current pricing strategy based on an overall market average in ticket prices, will facilities and properties data associated with Big Mountain Resort in comparison with comparable resorts around the country are best suited to fine-tune the price and implement a better balanced equity stream that offsets operating costs? Further, which data will best predict what facilities and properties investments might produce the greatest ROI?

2

Currently, ticket price is based solely on the ticket price average across the industry, with an added premium above said average. What data mining strategies of other metrics in relation to future investments will reveal opportunities for a justified increase in the price of a ticket at the resort that could promote a virtuous revenue and improvement cycle?



Recommendations & Key Findings

The current ticket price of \$81 is low in relation to similarly stacked resorts. The model used has predicted as much as a \$14 ticket price increase, with a possible margin of error up to \$10. Even discounting the entire margin, a \$4 increase in ticket price would offset the operating costs of the newest chairlift (\$1,540,000) with the anticipated visitor count of 350,000 for the year.

Recommendation #1

\$5.99

Increase adult ticket prices by at least \$5.99 (including a \$1.99 increase based on other recommendations)..

Recommendation #2

3

Deleting 3 runs is not economically viable. This change will promote a lower ticket price and lower revenues overall.

Recommendation #3

150

The proposal to add 150 feet to the vertical drop, an additional run, and a new chairlift will allow a \$1.99 ticket price increase and associated revenues.

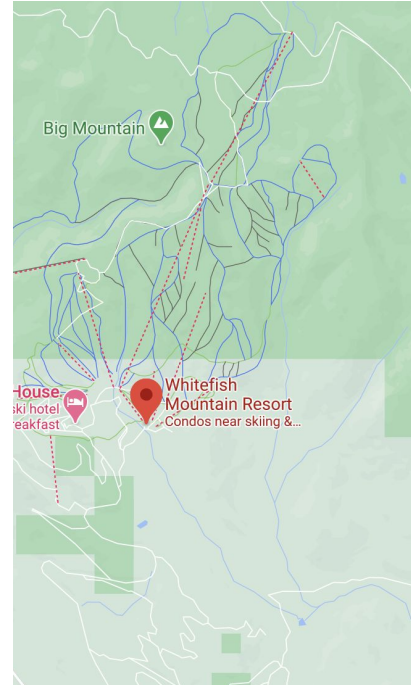


Facilities and Properties

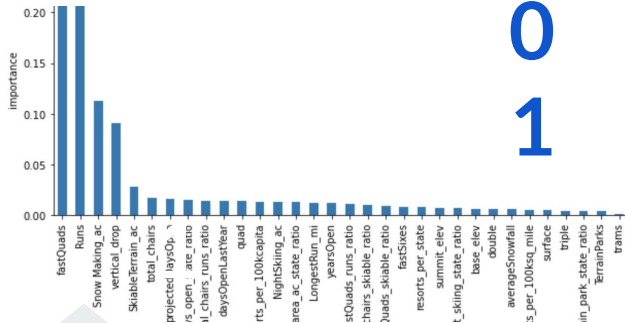
Big Mountain is an event destination with some of the **best stats** of any resort in the US. Included in these are

- **a large number of runs**
- **a proportionally large number of chairs**
- **one of the longest vertical drops**
- **area covered by snowmakers**

These are key selling points to ski aficionados and amateur recreationists alike and are generally linked with these guests' likelihood to pay a **greater access fee**.



Process

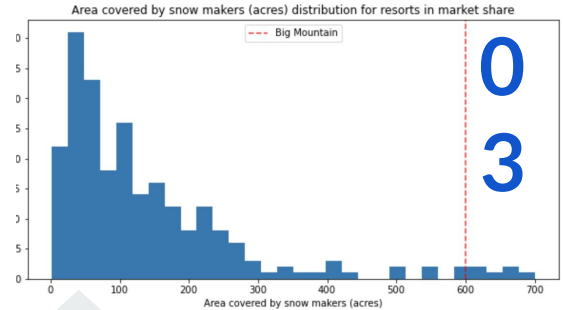
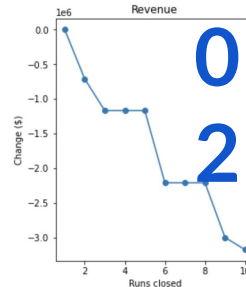
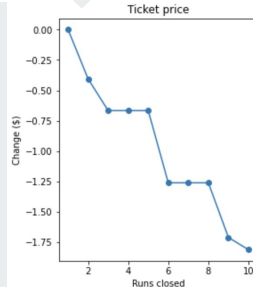


01. Importance Scale

Four specific features were rated as significantly correlated.

02. Negative Returns

To close more than one run will result in decreased ticket price and revenue.



03. No significant change

Area covered by snowmakers is already high compared with other resorts and small changes will not affect price or revenue (red line represents Big Mountain)

Summary and Conclusion



Big Mountain Resort is currently underpriced and will benefit greatly from a reasonable increase in adult ticket prices, as well as proposed upgrades in vertical drop, number of runs, and number of chairlifts.