

Big Mountain Resort is an established ski resort in Montana with an operating history dating back to 1947. Competitions and recreation set Big Mountain apart as an important event destination that boasts some of the best stats of any resort in the US. Included in these are Big Mountain's comparably large number of runs, which corresponds to a proportionally large number of chairs. Further, Big Mountain's snow making capability exceeds that of most resorts in the nation. Finally, Big Mountain possesses one of the greatest vertical drops of any ski resort. These attributes at this location are key selling points to ski aficionados and amateur recreationists alike and are closely linked with their likelihood to pay a greater premium for access to these properties and facilities.

Keying in on these four market money makers reveals a price discrepancy at Big Mountain. According to the model created from data obtained on over 300 ski resorts across the country, the current ticket price of \$81 is low in relation to similarly stacked resorts. Even though it is currently the highest price of any resort in the state of Montana, the data shows that state and region are not important factors in ski resort pricing, while the previously mentioned attributes are. 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.

Further, in considering proposed changes in facilities and property allocation, certain changes are predicted to bring heightened momentum and interest to the Big Mountain brand, while others seem to deflate the resort to future guests. Deleting more than one run will lead to continuously decreasing revenue and an associated decline in Big Mountain's marketability. With the deletion of 2-5 runs, ticket prices would need to be adjusted negatively. On the other hand, adding a run, a chairlift, and increasing the vertical drop by 150 feet would provide currency to the resort brand and appeal to ticket buyers. The model predicts an additional \$1.99 per ticket which would lead to additional revenues approximately 3.5 million dollars. No other proposed changes proved significant. In particular, additional acres of snow making did nothing to elevate the brand in comparison with the other resorts; adding between 2 and 4 acres of snow making capability is not statistically significant enough to warrant the action if the end result were an increase in number of guests and ticket sales.

In sum, the current model is based on current market averages and other important metrics found through an intensive data analysis process. Were other changes to be proposed, the current model can be easily adapted to predict what effect, if any, these would provoke in ticket price and sales.

Big Mountain is currently underpriced according to its position in comparison to other national resorts. Its attributes exceed those of most other resorts and as a result Big Mountain needs to compensate itself accordingly by integrating an increase in ticket prices (weekday and weekend prices can remain equal) and a programmatic update on certain of its facilities and properties to justify an even greater increase in future revenue.