

Project Report for Big Mountain

- Currently, the Adult ticket is priced at \$81. We are assuming 350,000 visitors will ski in the coming season, our model predicts a \$3,474,638 increase in revenue for a \$1.99 increase in ticket price.
- However, the model does not take into account the additional capital expenditure and on-going operation since this data has not been provided. It is assumed that the additional chair lift would increase the operating cost by 1.54 million.
- Closing one of the least used runs is expected to have no impact on existing revenue.

After comparing the features of Big Mountain resort with other resorts around the nation, we can conclude the following:

- Big Mountain is doing well for vertical drop, but there are still quite a few resorts with a greater drop.
- Big Mountain is very high up the league table of snow making area.
- Big Mountain has amongst the highest number of total chairs, resorts with more appear to be outliers.
- Most resorts have no fast quads. Big Mountain has 3, which puts it high up that league table. There are some values much higher, but they are rare.
- Big Mountain compares well for the number of runs. There are some resorts with more, but not many.
- Big Mountain has one of the longest runs. Although it is just over half the length of the longest, the longer ones are rare.
- Big Mountain is amongst the resorts with the largest amount of skiable terrain.

Our model predicts-

Closing one run makes no difference. Closing 2 and 3 successively reduces support for ticket price and so revenue. If Big Mountain closes down 3 runs, it seems they may as well close down 4 or 5 as there's no further loss in ticket price. Increasing the closures down to 6 or more leads to a large drop.

