



Big Mountain Ski Resort

BUSINESS PROPOSAL

Business Problem

Big Mountain Ski Resort located in Montana recently added a quad speed chair lift costing \$1,540,000.

Purpose: Find areas of opportunity for the resort to increase revenue so that the resort can both pay for the new operating costs but also be profitable.

Problem: How will Big Mountain Resort decide on a fair ticket price and reduce operational costs while staying competitive within the sector and not be overpriced out of the market?

Key Findings

Three Key Findings:

1. Keep everything the same while raising ticket prices by \$1, increasing revenue by \$3,400,000
2. Increase the vertical drop by 150 feet, add a chair lift while raising ticket prices by \$1.99 which predicted revenue increase by \$3,474,638 per season
3. Increase snow-making by 0.2 acres and raise ticket prices by \$1.99, which predicated revenue increase by \$3,474,638 per season

Analysis: Correlation Matrix

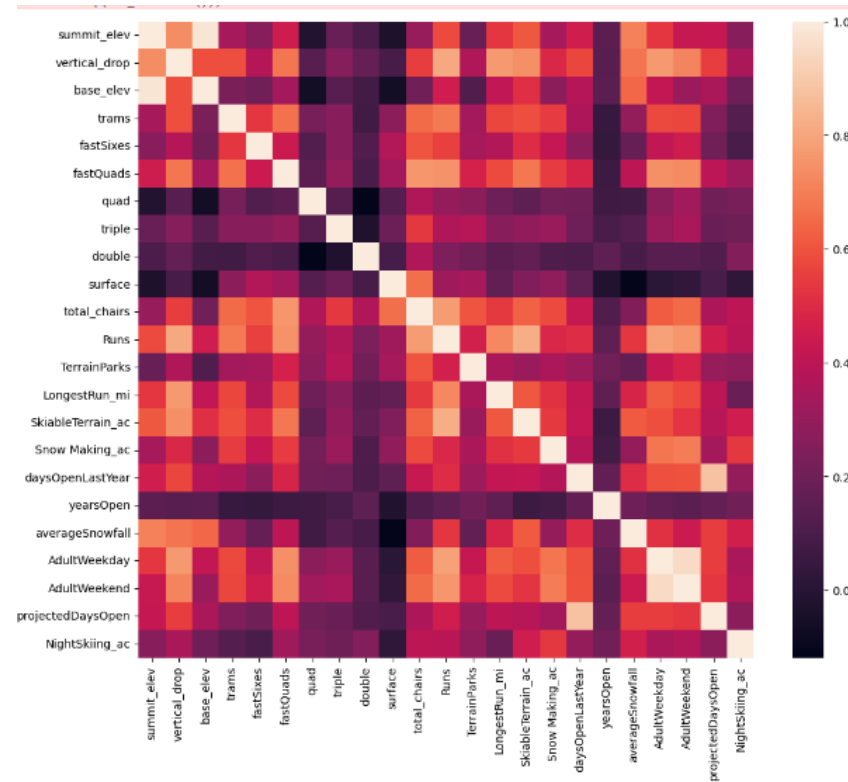
Correlation Matrix

Vertical Drop

1. Runs
2. Longest Run
3. Skiable Terrain
4. Ticket Price

Fast Quads

1. Total Chairs
2. Runs
3. Skiable Terrain
4. Ticket Price



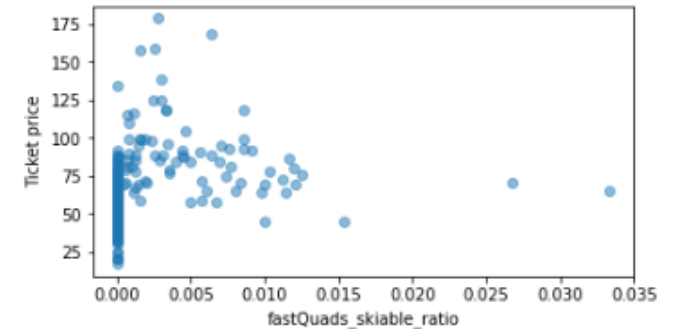
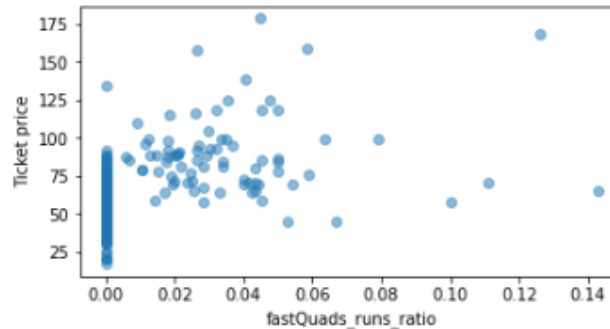
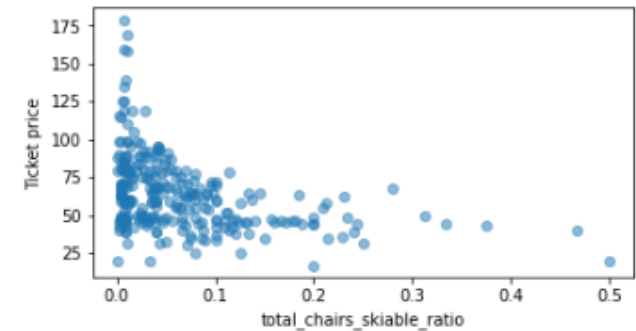
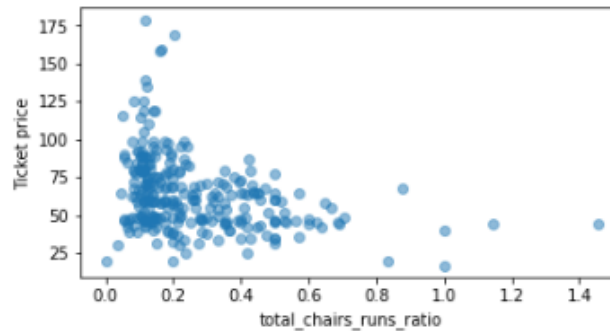
Analysis: Scatter Plot

Scatter Plot

- Ticket price vs.
- 1. Total Chair runs ratio
- 2. Fast Quad runs ration
- 3. Total Chair skiable ratio
- 4. Fast Quad skiable ratio

Summary

- Fast Quad runs ratio has highest potential to raise ticket prices



Analysis: Histograms

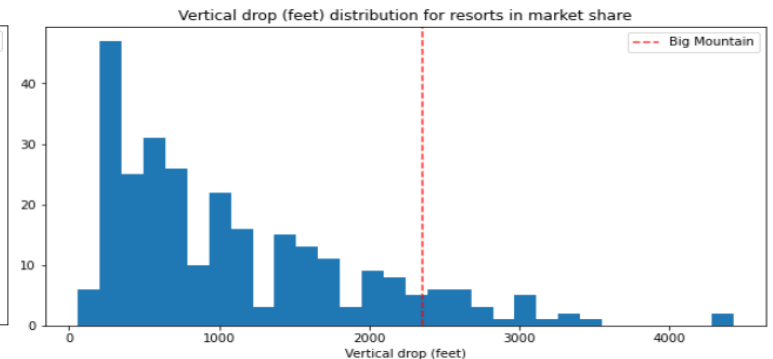
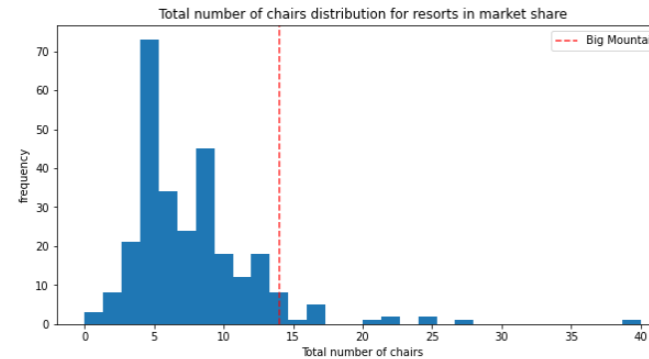
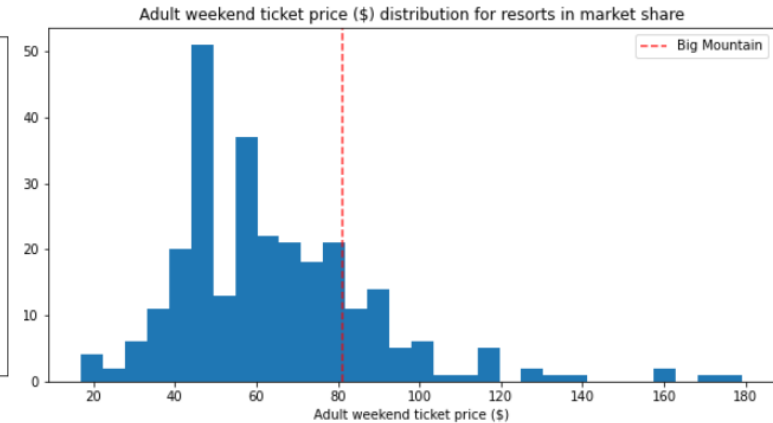
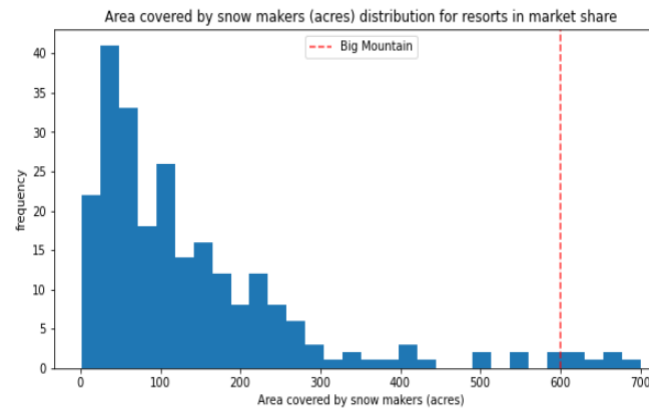
Summary

The red line expresses Big Mountain Resort position for each of the measures.

1. Snow making (Acres)
2. Total number of chairs
3. Weekend ticket price
4. Vertical drop

Summary

Big Mountain Resort is in a good position to raise ticket prices given all of the accommodations offered compared to other resorts



Conclusion

Given Big Mountain Ski Resort and its local market, the resort offers many more features and accommodations compared to most. In addition to not having to change anything in order to raise ticket prices by \$1, the resort can make a few small investments in order to justify raising the prices by \$1.99 which will enable the resort to increase revenue, pay for the speed quad lift while maintaining competitive within the market.