Problem Statement:

How can Big Mountain Resort adjust ticket prices by the start of the 2025 ski season to better align with a $1.54M increase in operating costs while leveraging facilities to achieve a 5% revenue growth compared to last season?

1 Context

Currently, Big Mountain Resort sets prices by charging a premium above the average for the market segment. The business wants a more data-driven price to be set, especially after a recent chair lift procurement that will increase operating costs by over $1.5M. There may be additional opportunity to make better use of current facilities, as well as other-cost-cutting measures.

2 Criteria for success

Increase revenue by at least 5% compared to 2024 from successfully adjusting ticket prices and better leveraging current facilities

3 Scope of solution space

Evaluate current use and cost of each facility to find opportunities for improvement.
Determine what pricing methods competitors use to set prices and compare against Big Mountain Resort
Examine list of all facilities to ensure all are leveraged in some way (ski lifts, views, run length, etc.)

4 Constraints within solution space

We do not know current use or value customers place on each resource

With so little being data-driven thus far, there are many unknowns to validate current pricing and recent procurements

We do not have detailed information regarding customers

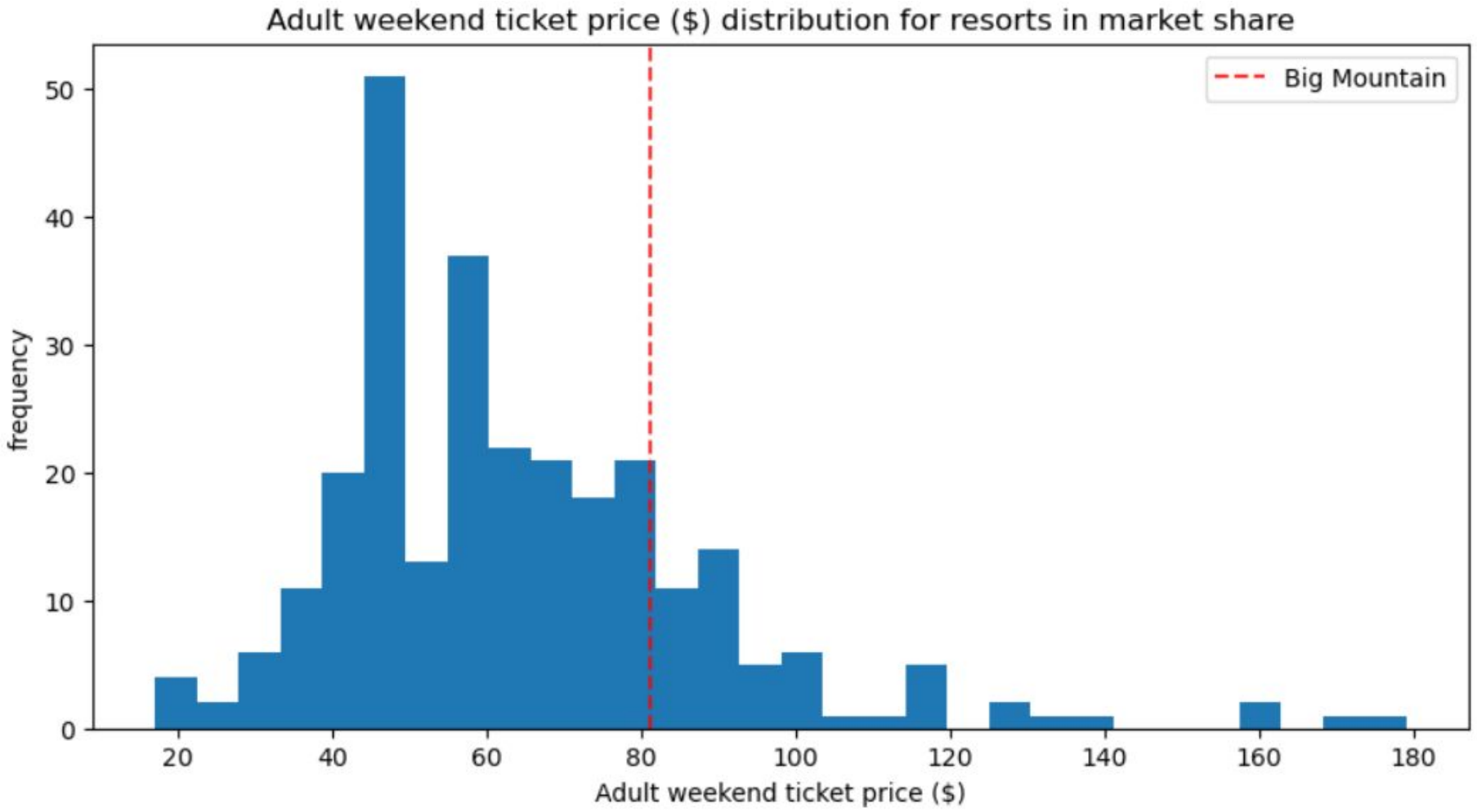
5 Stakeholders to provide key insight

Big Mountain Resort management (unnamed)
BMR CFO

6 Key data sources

BMR competitors - comparison, cost breakdown, valuation methods
BMR customer base - why do they come, what do they value, etc.
BMR history - how have other changes (new lifts, for example) affected business.
BMR procurement - what was the justification for the recent lift purchase?
Publicly available statistics for all similar resorts nationwide

BMR's current Adult weekend ticket price is above the nationwide average



Noteworthy Factors That Influence Ticket Price

vertical_drop	10.77	Runs	5.37
Snow Making_ac	6.29	LongestRun_mi	0.18
total_chairs	5.79	trams	-4.14
fastQuads	5.75	SkiableTerrain_ac	-5.25

Recommendations from Management:

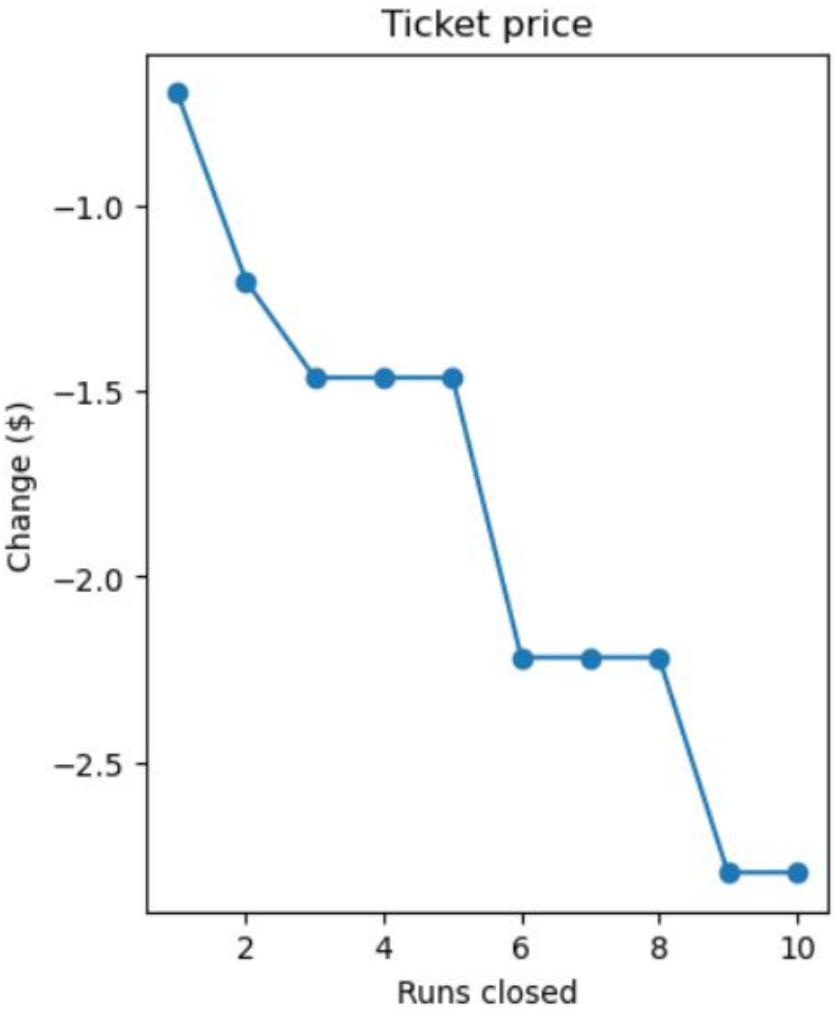
1) Permanently closing down up to 10 of the least used runs
2) Increase the vertical drop by adding a run to a point 150 feet lower down (which will require the installation of an additional chair lift to bring skiers back up
3) The same as option 2, but adding two acres of snow-making cover
4) Increase the longest run by 0.2 miles to boast 3.5 miles length, necessitating additional snow-making coverage of 4 acres

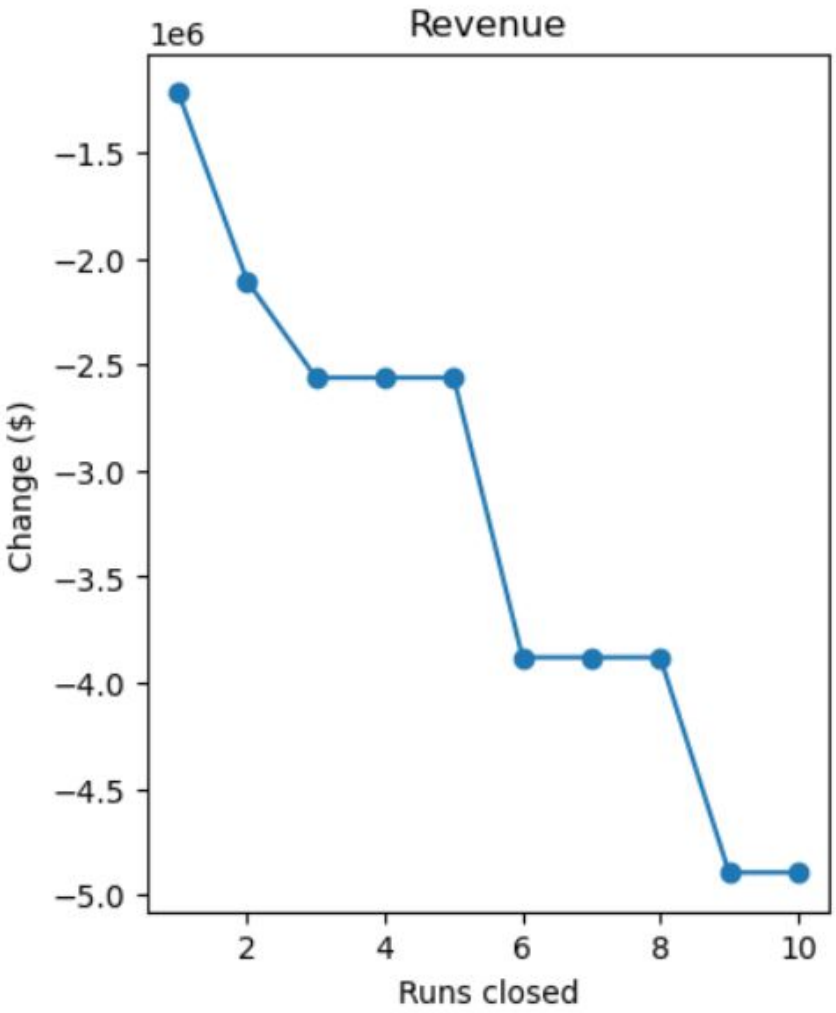
Our current standing on these 8 factors:

vertical_drop	Snow Making_ac	total_chairs	fastQuads	Runs	LongestRun_mi	trams	SkiableTerrain_ac
2353	600.0	14	3	105.0	3.3	0	3000.0

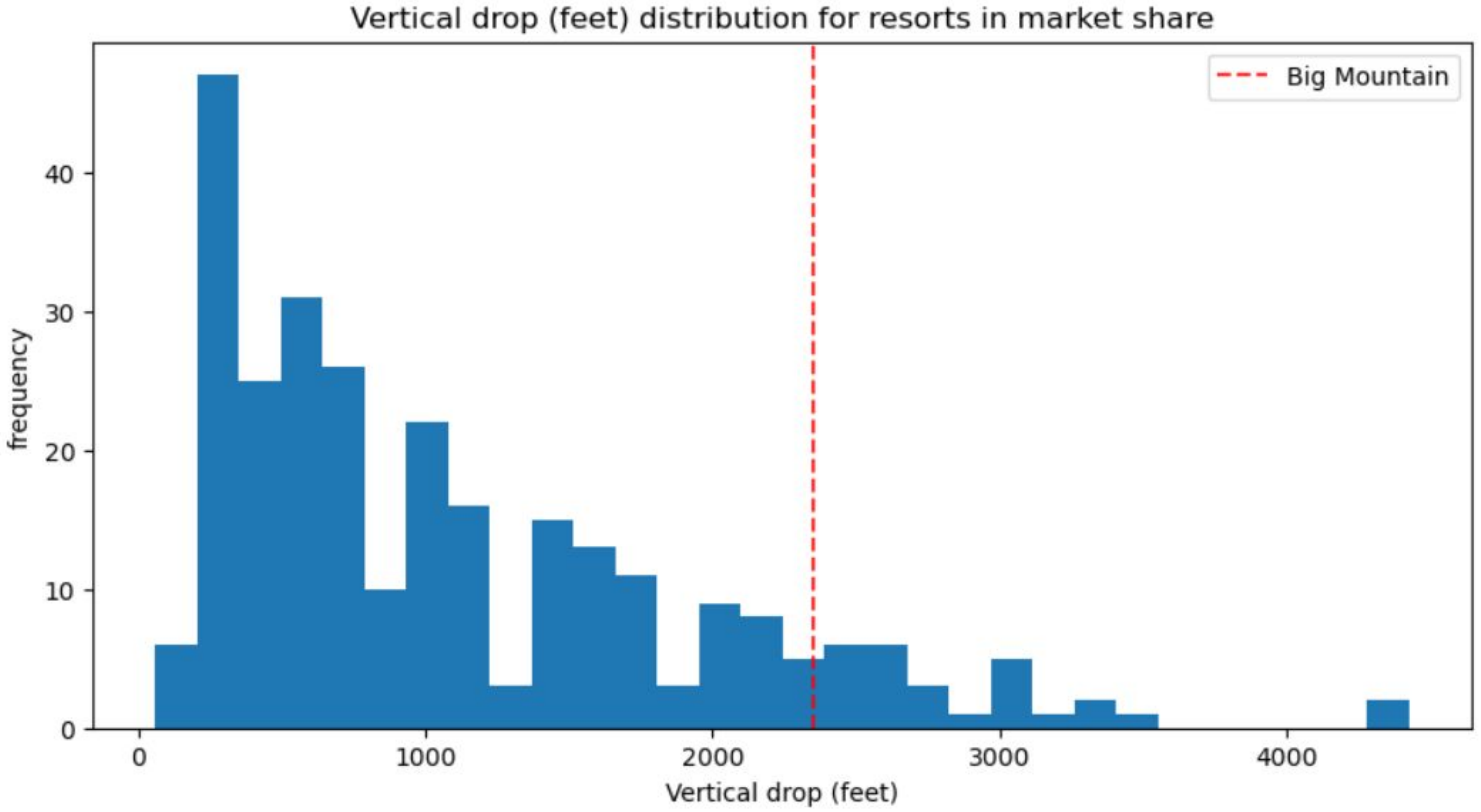
1) Permanently closing down up to 10 of the least used runs

Runs 5.37





2) Increase the vertical drop by adding a run to a point 150 feet lower down (which will require the installation of an additional chair lift to bring skiers back up)

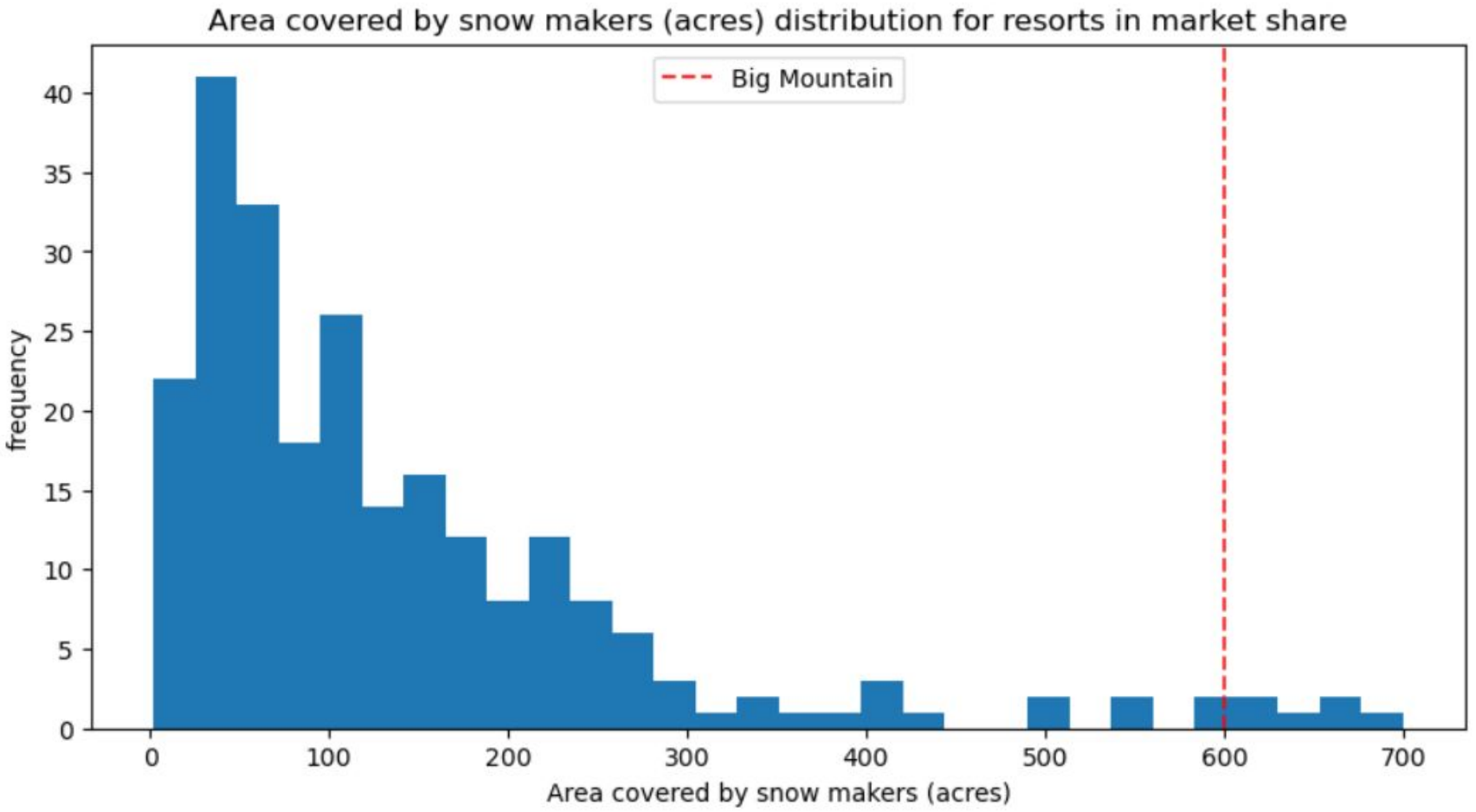


vertical_drop	**10.77**

This scenario increases support for ticket prices by $1.41
Over the season, this is expected to amount to $2,460,145

(The expected number of visitors over the season is 350,000)

The same as option 2, but adding 2 acres of snow-making cover

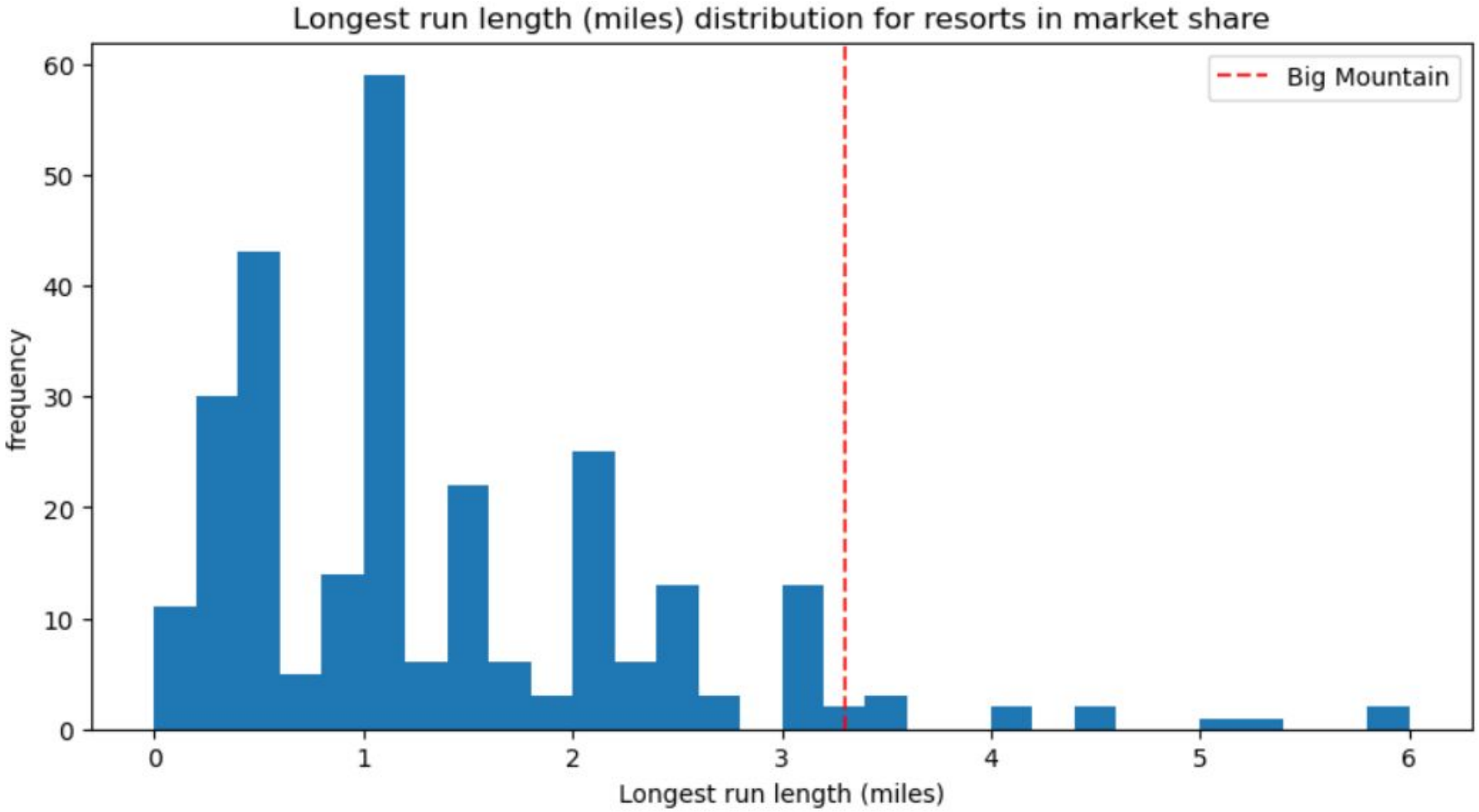


Snow Making_ac **6.29**

This scenario increases support for ticket prices by $1.41
Over the season, this is expected to amount to $2,460,145

(The expected number of visitors over the season is 350,000)

Increase the longest run by 0.2 miles to boast 3.5 miles length, necessitating additional snow-making coverage of 4 acres



LongestRun_mi	**0.18**

This scenario increases support for ticket price by $0.00

Summary and Conclusion

1) Permanently closing down up to 10 of the least used runs
   Reducing the number of runs will definitely save money and can be done incrementally. The statistics show that, in terms of cost, there is no difference between removing 3, 4, or 5 runs. The same is true for removing 6, 7, or 8 runs.

2) Increase the vertical drop by adding a run to a point 150 feet lower down (which will require the installation of an additional chair lift to bring skiers back up
   Increasing the vertical drop will definitely show a positive return financially. Estimating an expected number of visitors this season of 350,000, a ticket price increase of $1.40 will yield approximately $2,460,145 for the season.

3) The same as option 2, but adding 2 acres of snow-making cover
   As we already know the benefit of increasing the vertical drop, an analysis of the extra 2 acres of snow-making cover will have a negligible benefit added to justify any change in price. We already boast one of the highest amounts of snow-making cover nationwide; increasing it will not alter ticket prices.

4) Increase the longest run by 0.2 miles to boast 3.5 miles length, necessitating additional snow-making coverage of 4 acres
   Having the longest run is not a major contribution to price determination in any location, and we are already well above the average nationwide. No additional