

Guided Capstone Project Report

I recommend that Big Mountain Resort increases their weekend price to \$95.87 from \$81.00. Their superior facilities justify the price increase. Compared to other resorts they are in the top portion of fast quads, runs, snow making and vertical drop, (see figures 1,2,3,4). Most importantly these elements are why people pay more for a ticket when they go to a ski resort. Other resorts charge more for their tickets that probably offer less than Big Mountain, (figure 5). These four facilities play the biggest role in ticket prices for our random forest model. The random forest model was the most accurate model in determining the ticket price.

Our model shows that closing only one run does not reduce the justification for our current ticket price, (see figure 6). I would do an experiment and close just one ski run on the weekend to reduce maintenance cost for a certain amount of time to test this theory. It would be worth a trial run to see if it works for their business model. I would be cautious about this idea since a reduction in runs equals more people on other runs which might hinder the guest's experience on the mountain.

Big Mountain needs data on maintenance cost to make a solid decision going forward. The knowledge of how much it costs to maintain a chairlift, ski patrol, grooming would have a huge impact on what they need to do next. If the financing on certain elements is low they should think about expanding runs and chairlifts. If it is high they should consider reducing certain facilities that are expensive and do not bring value to guests.

Adding a run, 150 vertical feet and a new chairlift, (that is a fast quad) is what I highly suggest the resort do. This scenario vindicates a price increase of \$1.99 that improves revenue to \$3,474,638 per year. If the chairlift, extra grooming and permit from the National Forest Service is worth the cost it could be very beneficial. Creating more space to ski and a new chairlift will prove why it is the most expensive ticket in Montana. People go to ski resorts to be out in nature, not in crowds. Ski resorts are in the service industry and guest experience is their number one priority.

Figure 1:

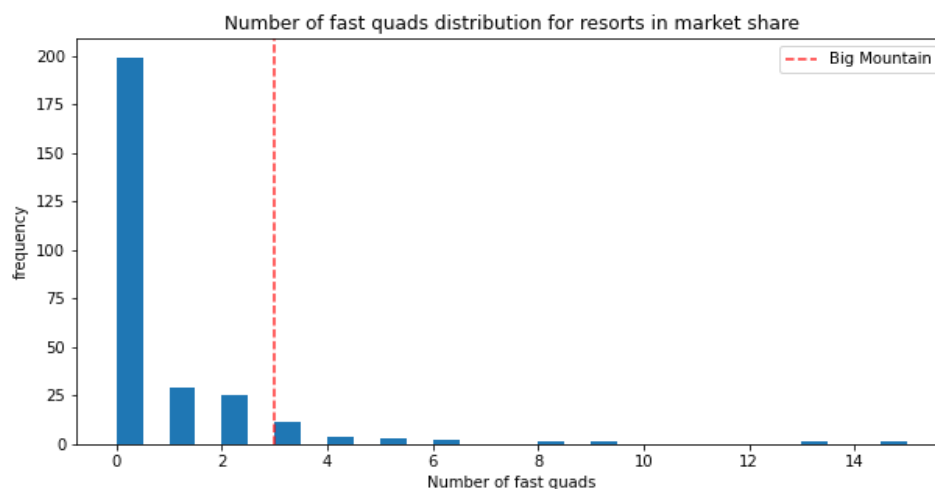


Figure 2:

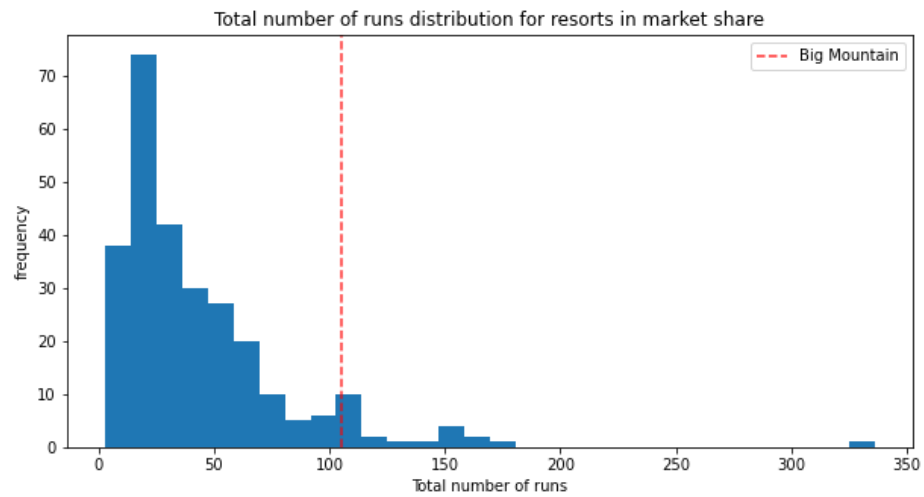


Figure 3:

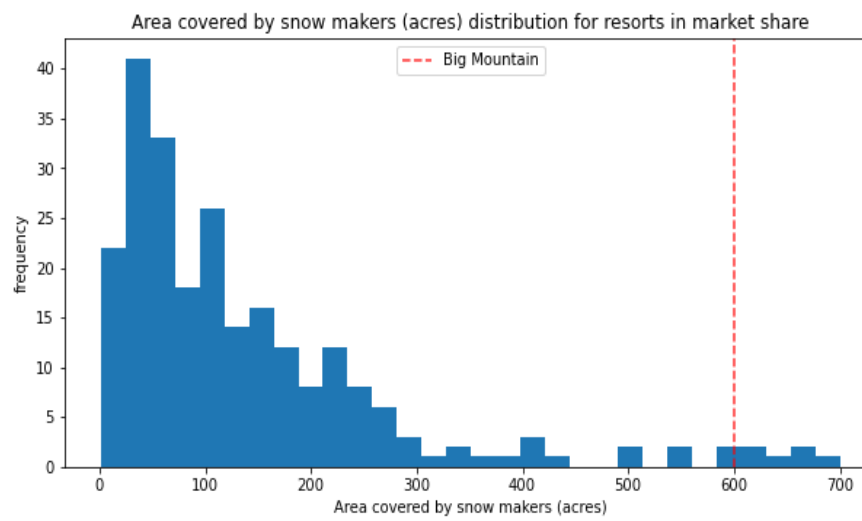


Figure 4:

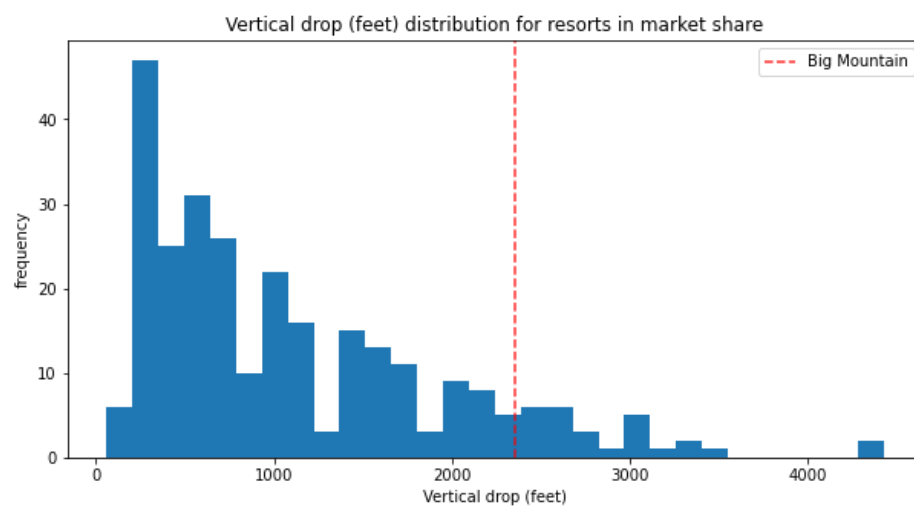


Figure 5:

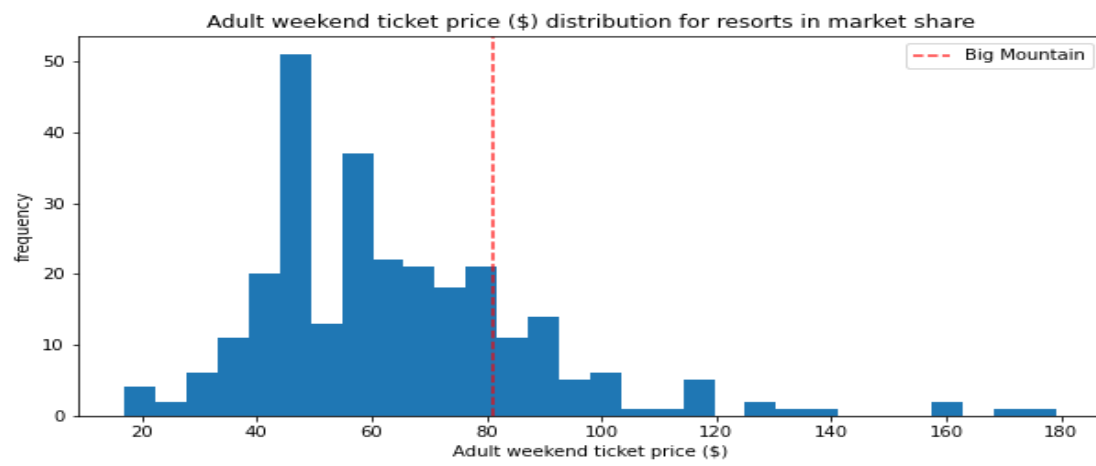


Figure 6:

