

Big Mountain Resort

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Problem Identification

The new chair lift increases number of visitors throughout the resort but adds an additional 1.54 million in operational costs.

Identify and implement cost-saving measures that do not negatively impact the visitor experience.

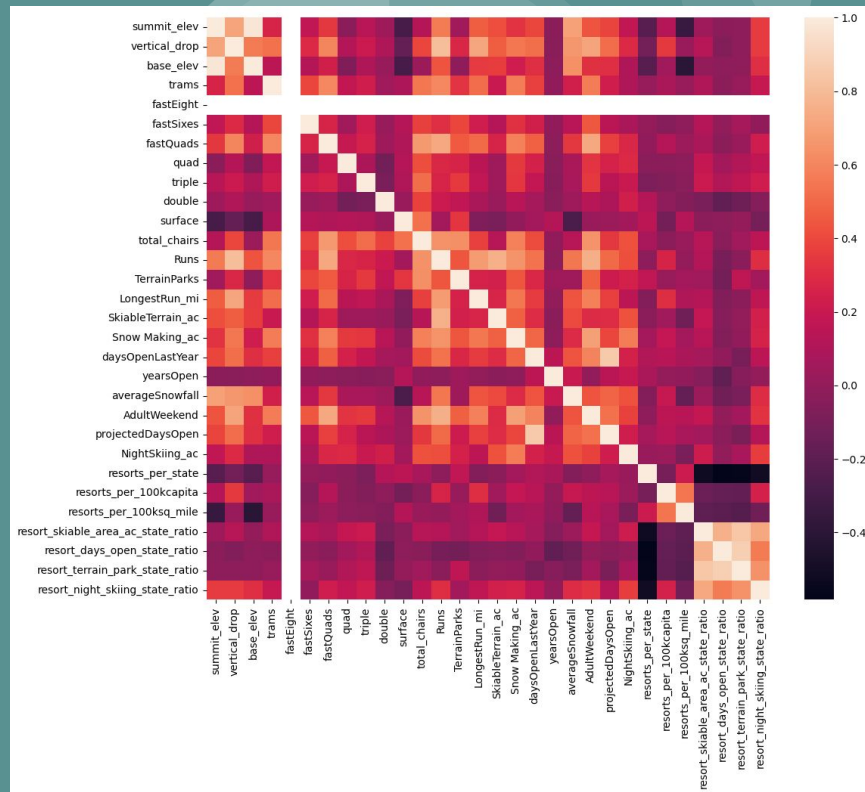
Keep annual profit margin at a percentage that is profitable.



Recommendation and key findings

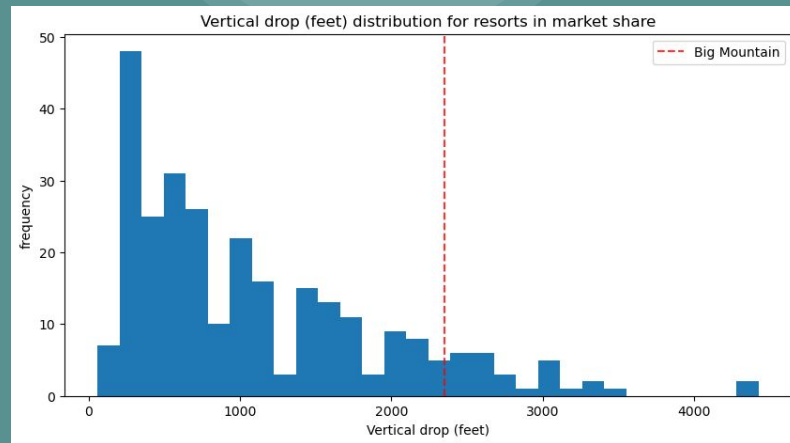
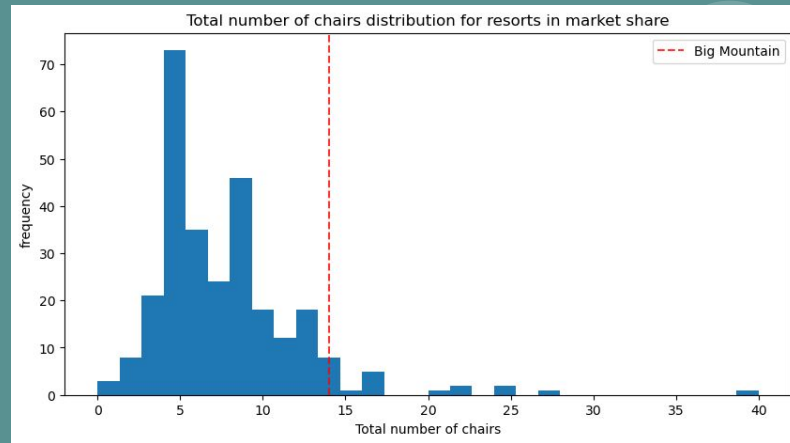
There are four variables that have a strong positive relationship with ticket pricing:

- fastQauds
- SnowMaking_ac
- Runs
- Night skiing ratio



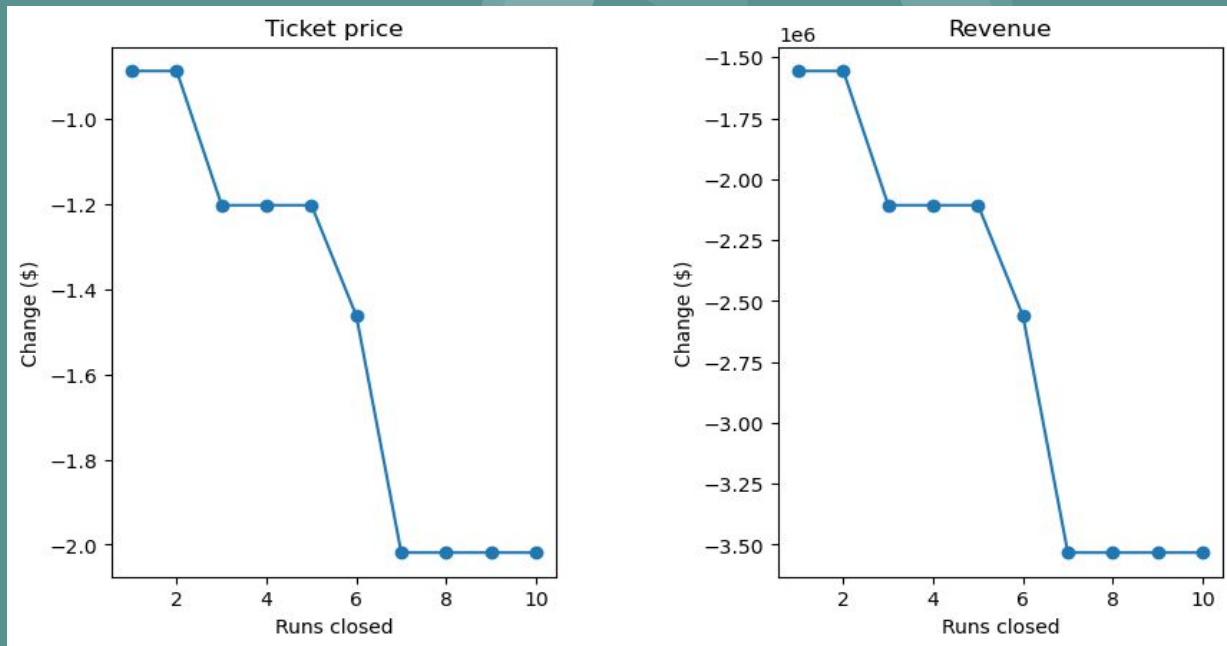
Model results and analysis

To determine a fair price, we needed to see where Big Mountain Resort ranked in the vertical drop and total chairs. The dotted red line represents Big Mountain Resort. As you can see, Big Mountain Resort has amongst the highest number of total chairs and Big Mountain is doing well for the vertical drop, but there are still quite a few resorts with a greater drop.



Model results and analysis

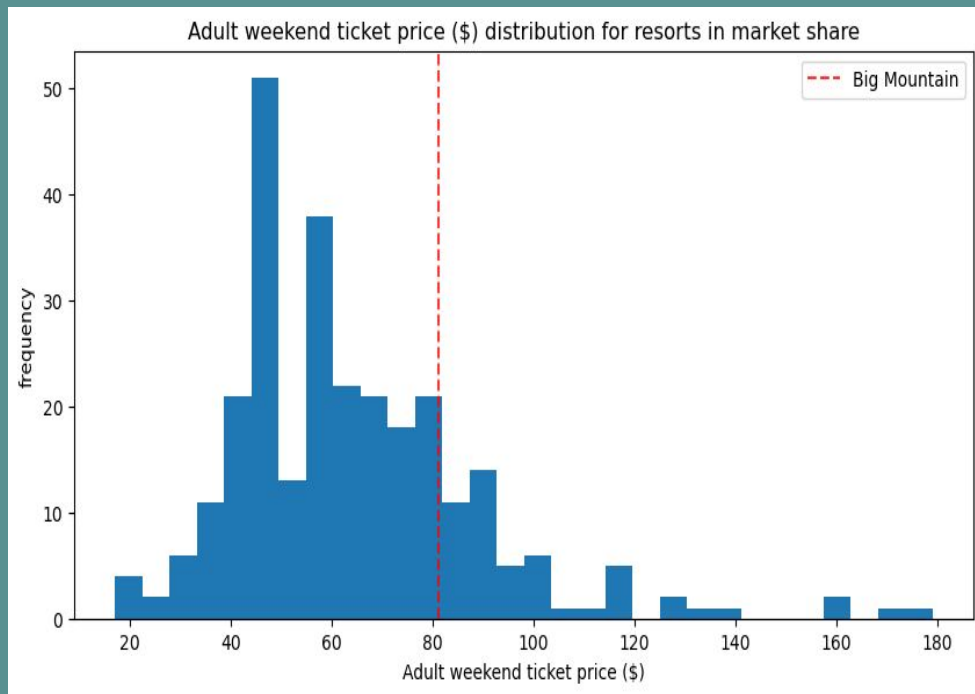
The model says closing one run won't make a difference. Closing 2 and 3 successfully reduces support for ticket price. If Big mountain closes 3 runs, it seems they might as well close down 4 or 5 runs as there's no further lost in ticket price. Increasing the closures down to 6 or more creators a larger drop.



Model results and analysis

Big Mountain Resort ranks in the top quartile in seven of the eight most important qualities.

- Total Area of Snow Makers
- Vertical Drop
- Total Chairs
- FastQuads
- Total number of Runs
- Longest Run
- Skiable Area



Raising the price would keep us around the same region in this distribution.

Summary and Conclusion

Big Mountain Resort is a ski resort in Montana, known for its scenic views and extensive trail system. The resort has recently added a new chair lift, increasing its operating costs. The resort has traditionally set its ticket prices above the market average but is now looking to optimize its pricing strategy and overall operations to better leverage its facilities and potentially increase revenue. We must ensure that cost-cutting measures do not negatively impact visitor satisfaction especially having to accommodate 350,000 visitors per year.