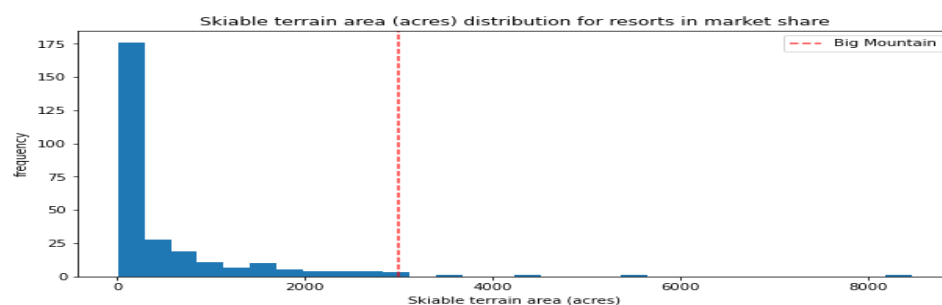
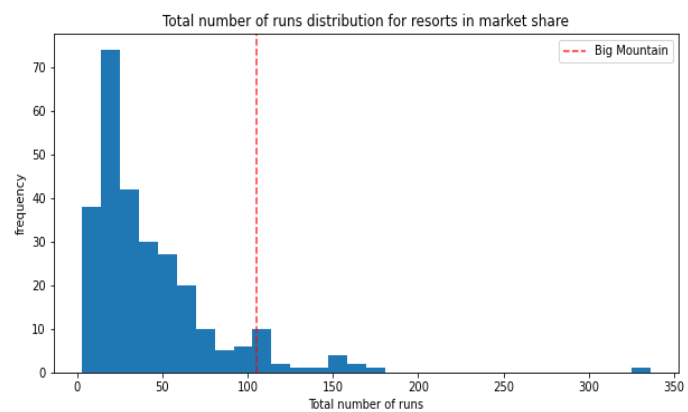
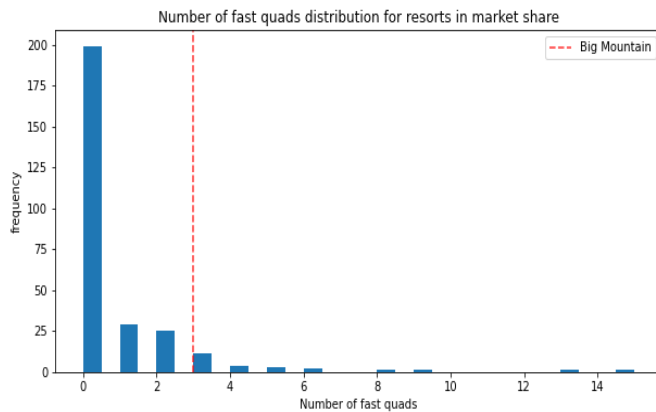
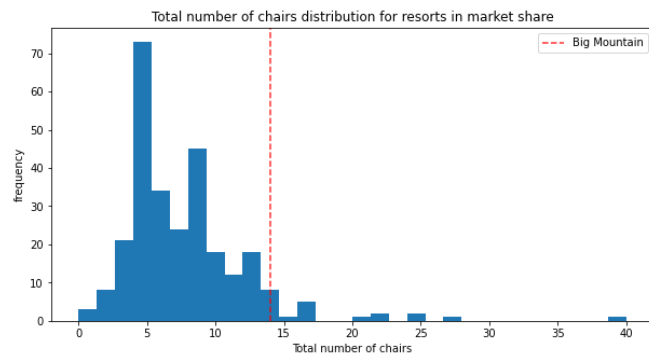
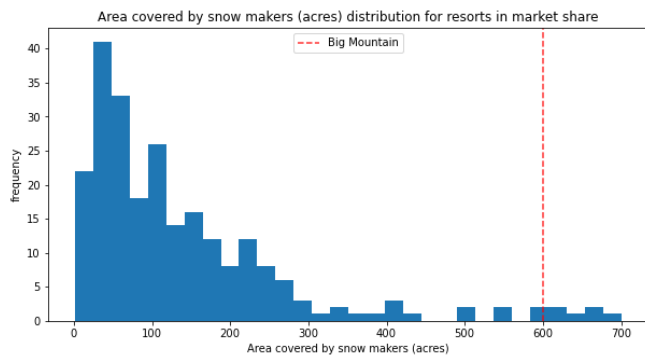
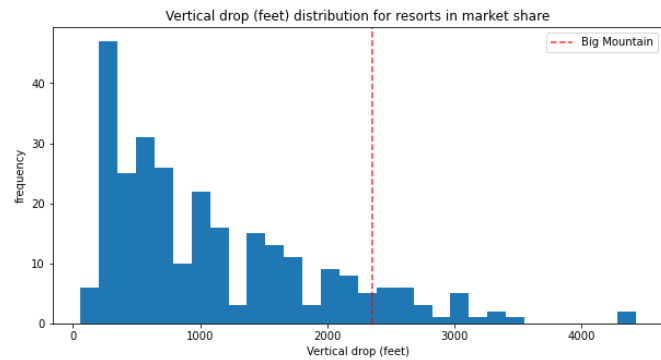
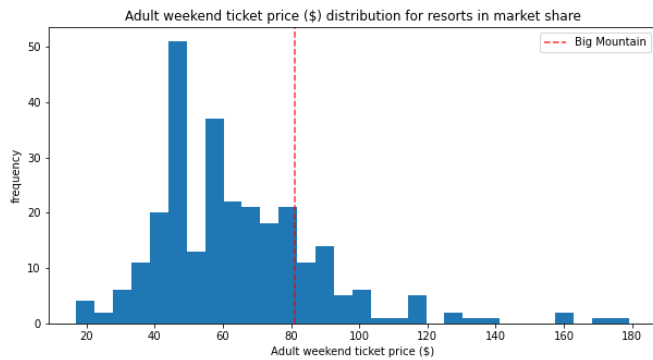


Unit 6.6.3 Documentation

Big Mountain Resort has recently installed an additional chair lift to help increase the distribution of visitors across the mountain. This additional chair increases their operating costs by \$1,540,000 this season.

The resort's pricing strategy has been to charge a premium above the average price of resorts in its market segment. They know there are limitations to this approach. There's a suspicion that Big Mountain is not capitalizing on its facilities as much as it could.

Basing their pricing on just the market average does not provide the business with a good sense of how important some facilities are compared to others. This hampers investment strategy



Conclusions: Big Mountain currently charges 81 dollars per ticket. At first modelling suggested an increase until 95.87 supported in the marketplace by Big Mountains facilities. Even with the expected mean absolute error of \$10.39, this suggests there is room for an increase.

Others reasons

Good enough vertical Drop and snow making area. Big Mountain has amongst the highest number of total chairs, Fast quads and number of runs. As well is amongst the resorts with the largest amount of skiable terrain

The only price data in our dataset were weekend ticket prices. we can check Night skiing price

Use of Electricity and Maintenance of the chairs systems could be evaluate to see impact in the price

Big Mountain Resort has been reviewing potential scenarios for either cutting costs or increasing revenue (from ticket prices). Ticket price is not determined by any set of parameters; the resort is free to set whatever price it likes. However, the resort operates within a market where people pay more for certain facilities, and less for others. Being able to sense how facilities support a given ticket price is valuable business intelligence. This is where the utility of our model comes in

We checked different scenarios

Big Mountain is adding a run, increasing the vertical drop by 150 feet, and installing an additional chair lift.

This scenario increases support for ticket price by \$1.99

Over the season, this could be expected to amount to \$3 474 638

If we increase the longest run by .2 miles and guaranteeing its snow coverage by adding 4 acres of snow making capability. No difference whatsoever.

Finally we can create functions available on a website to verify the results of the model and the variables especially for use of business analysts and commercial team in the marketing campaign