Introduction

Big Mountain Resort recently installed a new chair lift which will increase its annual operating costs by $1.54 million. Management is seeking recommendations to recoup these new operating costs and maintain its profit margin of 9.2%.

Data

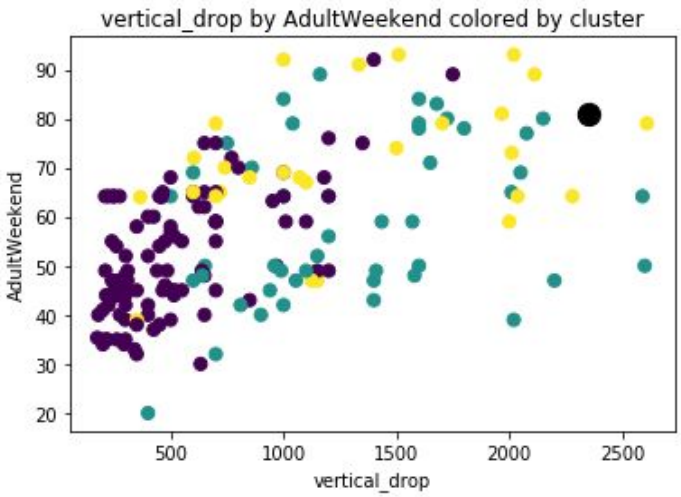
Alesha Eisen, Big Mountain's database manager, provided me with a CSV file containing industry-wide data pertaining to resorts similar to Big Mountain, including data on ticket pricing, projected days open, and summit elevation, as well as a variety of other categories. The full list of included categories is available in the Appendix.

Methods

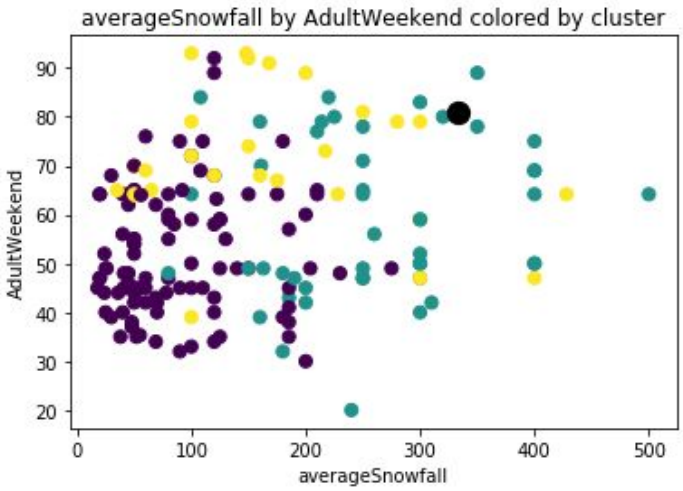
I analyzed the provided data to look for opportunities to increase revenue. I looked for trends across the industry in an attempt to identify suggestions specific to Big Mountain's specific place in the industry.

Analysis

Big Mountain fits the profile of a resort that could charge *slightly higher* ticket prices than it currently does. Big Mountain, as indicated by the black dot below, has a larger vertical drop than many other ski resorts, and there are still a handful of resorts that charge higher ticket prices.



Additionally, if management wants another selling point to customers as to why they could increase prices, they can see in the figures below that Big Mountain is on the high end of resorts for average snowfall.



Results

The net results of our modeling were that, based on the characteristics of Big Mountain Resort in comparison with many other ski resorts in the industry, they could

marginally increase their Adult Weekend ticket price from $81 to $82.75. We could also model out the adult weekday price as needed.

Conclusions

The original prompt for this project was to maintain the profit margin of 9.2%. Based on the data provided, I can make recommendations (namely, slightly increasing ticket prices) that should increase revenue for the upcoming fiscal year. However, we would need additional internal financial data to draw firm conclusions as to whether these changes in ticket price would sufficiently recoup the added costs of the new chairlift.

Appendix

Full Project Repository: https://github.com/abewoycke/GuidedCapstone1.git

List of Columns from provided CSV:

Column	Description
Name	The name of the ski resort.
Region	The region within the United States where the resort is located.
state	The state name where the resort is located.
summit_elev	Elevation in feet of the summit mountain at the resort.
vertical_drop	Vertical change in elevation from the summit to the base in feet.
base_elev	Elevation in feet at the base of the resort.
trams	The number of trams.
fastEight	The number of fast eight person chairs.
fastSixes	The number of fast six person chairs.
fastQuads	The number of fast four person chairs.
quad	Count of regular speed four person chairlifts.
triple	Count of regular speed three person chairlifts.
double	Count of regular speed two person chairlifts.
surface	Count of regular speed single person chairlifts.
total_chairs	Sum of all the chairlifts at the resort.
Runs	Count of the number of runs on the resort.
TerrainParks	Count of the number of terrain parks at the resort.
LongestRun_mi	Length of the longest run in the resort in miles.
SkiableTerrain_ac	Total skiable area in square acres.
Snow Making_ac	Total area covered by snow making machines in acres.
daysOpenLastYear	Total number of days open last year.
yearsOpen	Total number of years the resort has been open.
averageSnowfall	Average annual snowfall at the resort in inches.
AdultWeekday	Cost of an adult weekday chairlift ticket.
AdultWeekend	Cost of an adult weekend chairlift ticket.
projectedDaysOpen	Projected days open in the upcoming season.
NightSkiing_ac	Total skiable area covered in lights for night skiing.