Ski Resort Analytics

Big Mountain

How can Big Mountain Resort offset the operating cost increase caused by adding a new chair lift this season either by altering its pricing strategy or operating costs?

Problem ID

Increased Operational Costs

- New lift increased costs per season by $1,540,000

Ticket Pricing Strategy

- Tickets priced based on national ski resort ticket average
- Big Mountain has above average facilities

Key Findings & Recommendation

Facilities which drive ticket price

- Number of runs
- Number of fast quad lifts
- Vertical drop
- Area covered by snow makers

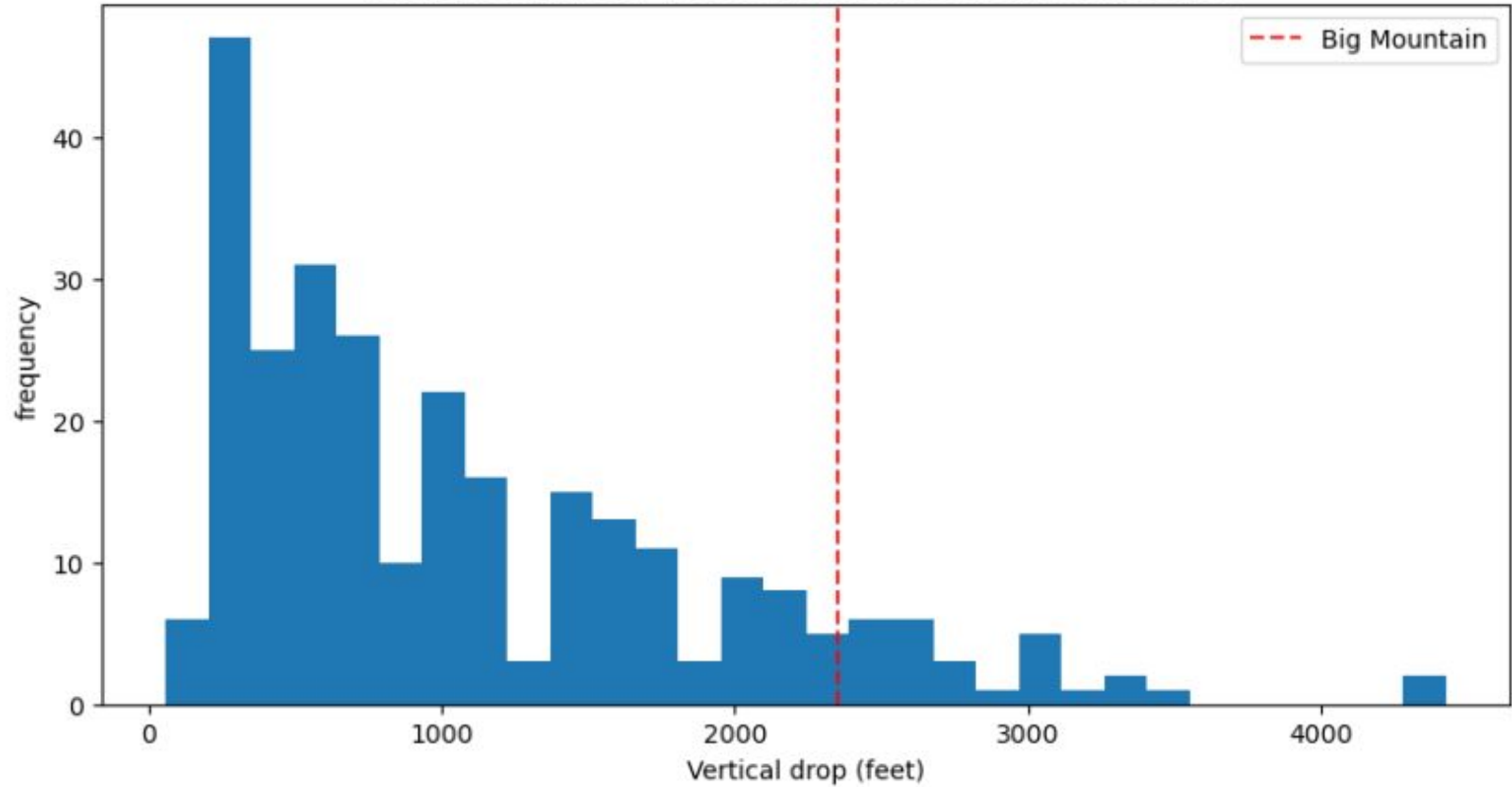Expected Big Mountain ticket price: **$102.18**

Error margin: **$10.24**

Recommendations

- Increase ticket prices
- Add one run
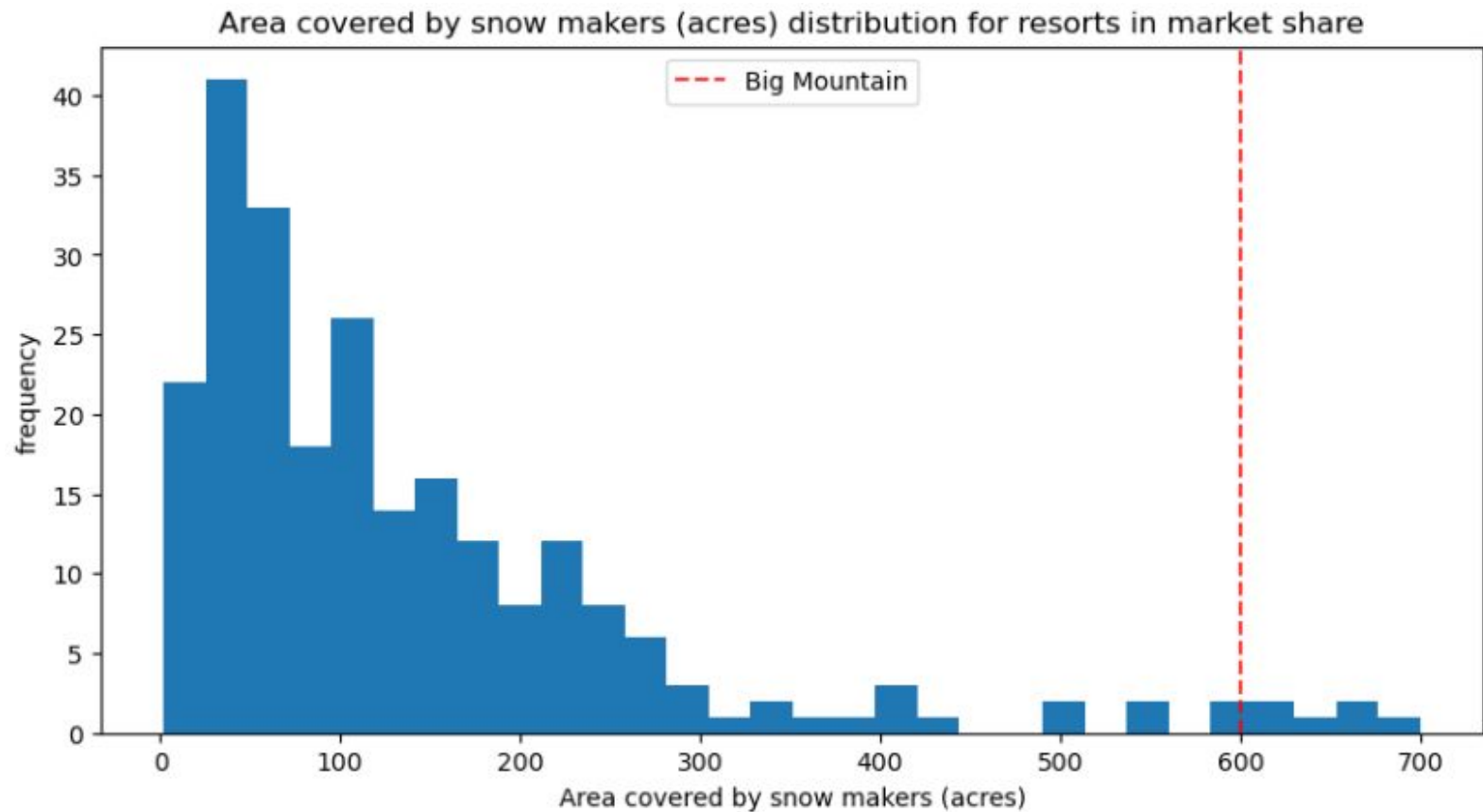- Lengthen run to further increase vertical drop
- Add chair lift

Modeling Data

Vertical drop (feet) distribution for resorts in market share

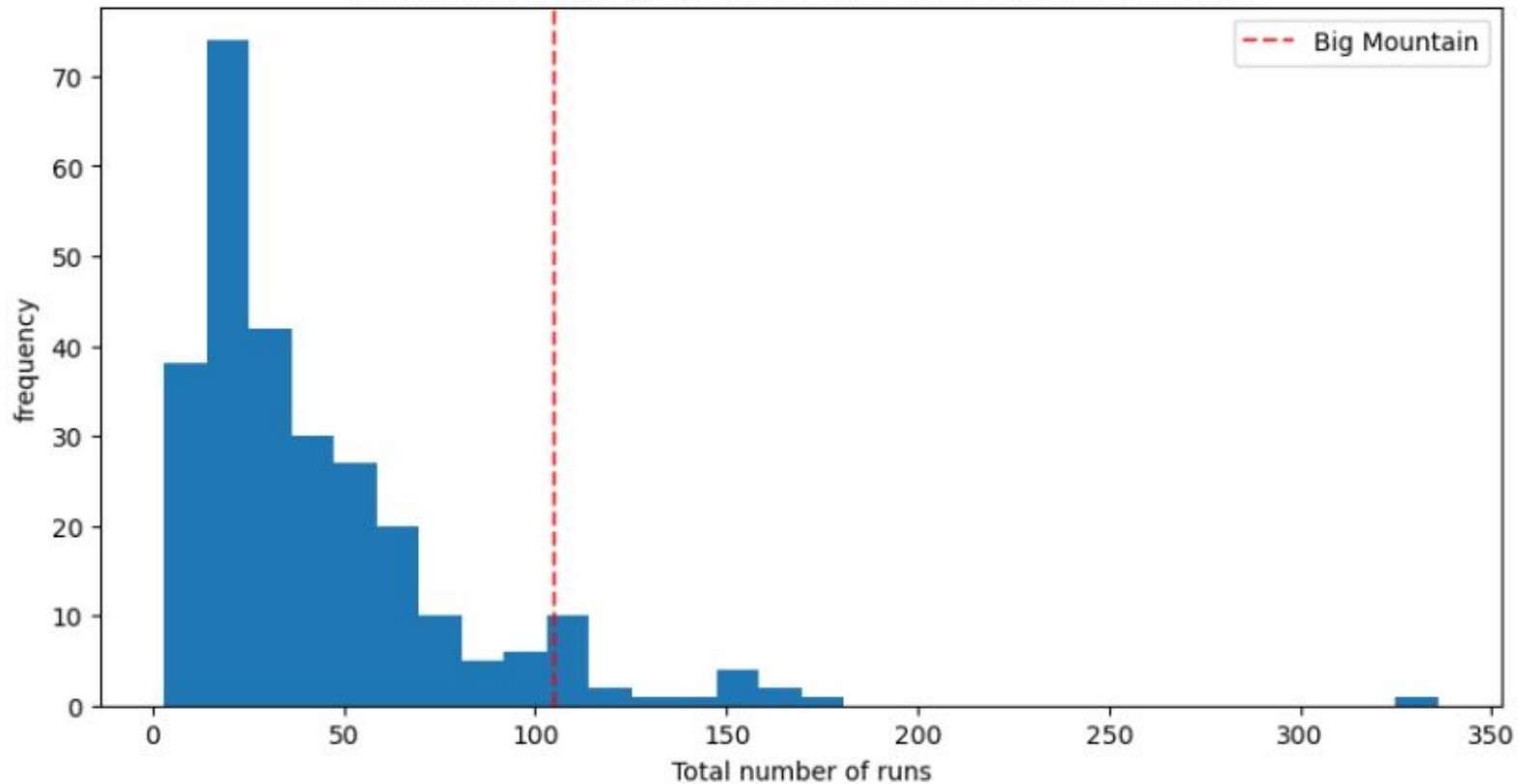Big Mountain's Vertical Drop vs. other ski resorts

Area covered by snow makers (acres) distribution for resorts in market share

Big Mountain's snow making coverage vs. other resorts

Number of fast quads distribution for resorts in market share
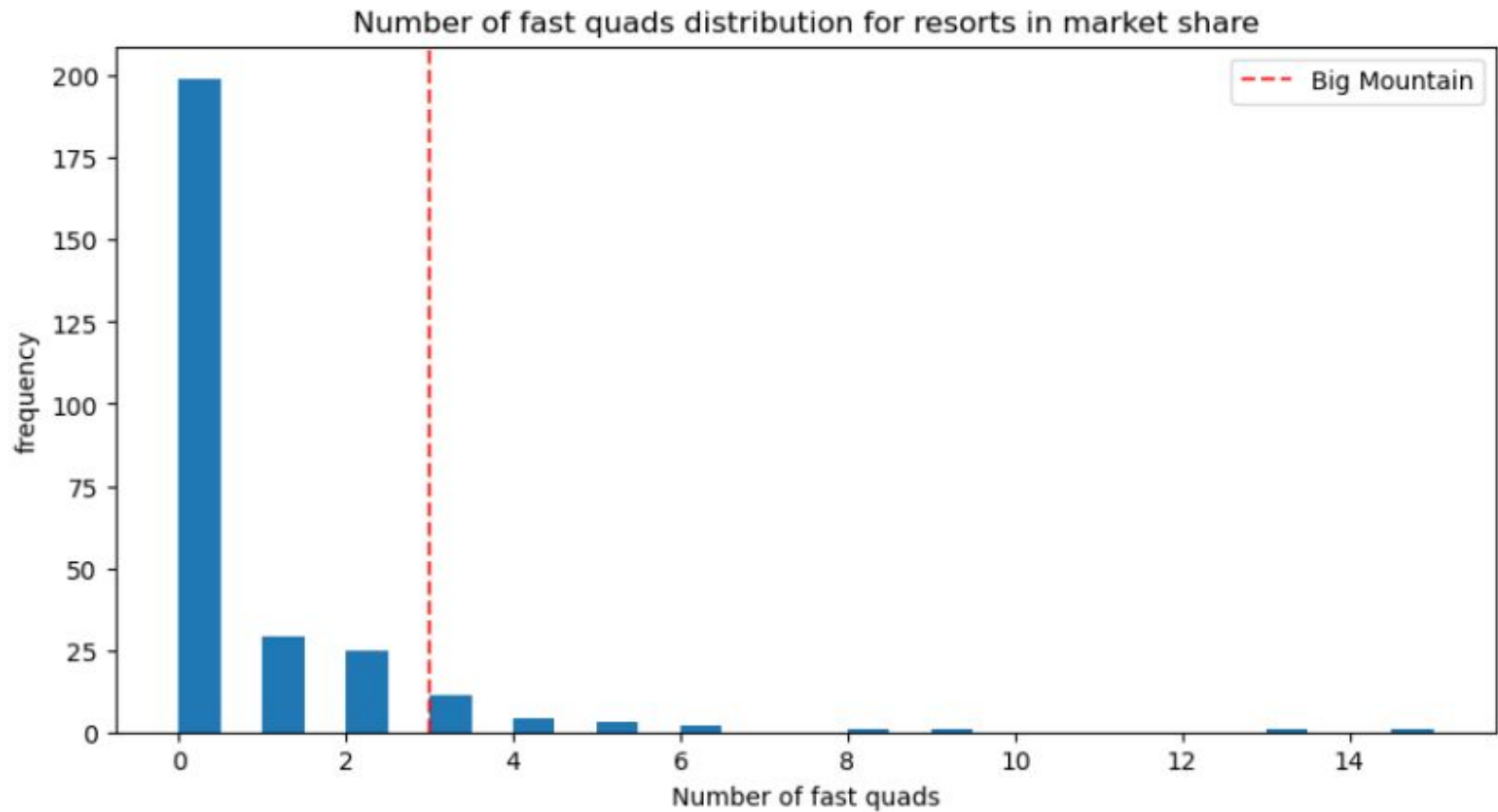
Big Mountain's number of fast quads vs. other resorts

Total number of runs distribution for resorts in market share

Big Mountain's total number of runs vs. other resorts

Proposed Scenarios
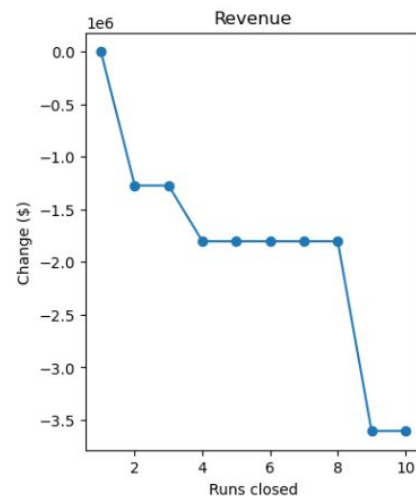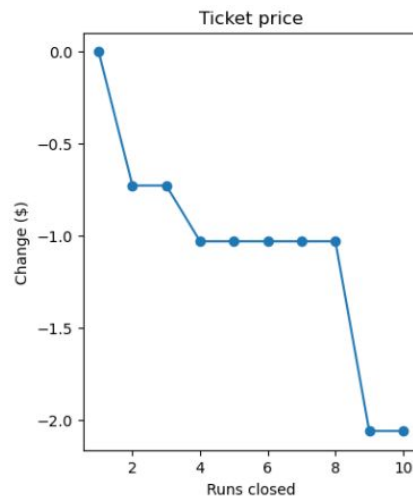
Closing down up to 10 runs

- Reduces support for higher ticket prices

Adding run, increasing vertical drop, and installing additional chair lift

- Increase in support for ticket price by $1.58
- $2,757,576 revenue increase

Same as previous + 2 acres of snow making coverage

- No difference from previous scenario

Conclusion

- Big Mountain should not be basing ticket prices on the national average
  - Facilities are above average
- Model predicts a much higher ticket price based on facilities
- Adding a run, increasing vertical drop, and installing additional chair lift will significantly increase revenue
  - Increasing snow making coverage not recommended