

Market Analysis & Price Recommendations.

# Big Mountain Resort

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## Big Mountain Resort Key Facts

- Spectacular views of Glacier National Park and Flathead National Forest
- 105 trails
- 11 lifts
- 2 T-bars
- 1 magic carpet for novice skiers.
- 3.3 mile longest run.
- Base elevation 4,464 ft,
- Summit 6,817 ft
- Vertical drop of 2,353 ft.
- 350,000 visitors
- Accommodate skiers and riders of all levels and abilities.

### Problem.

Select a better value for ticket price which capitalizes on facilities instead of market average.

# Key Findings

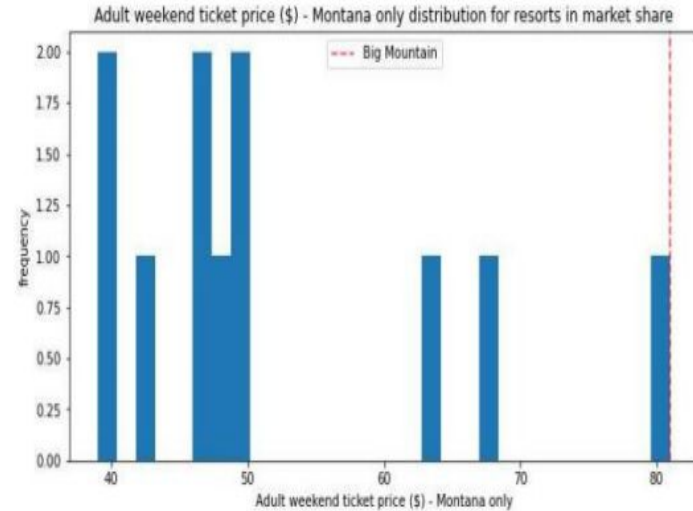
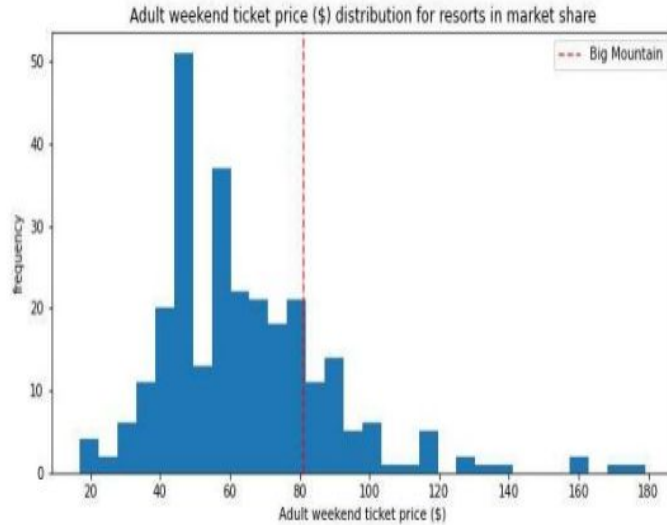
*Features that matter:*

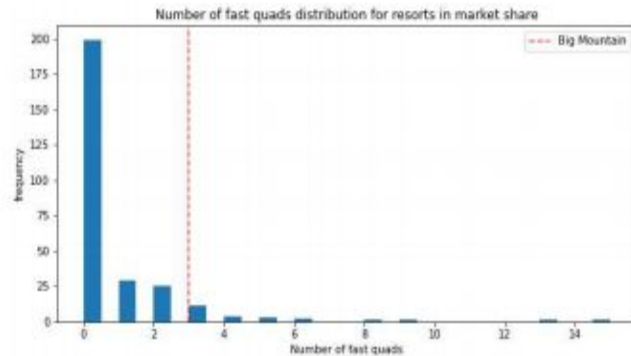
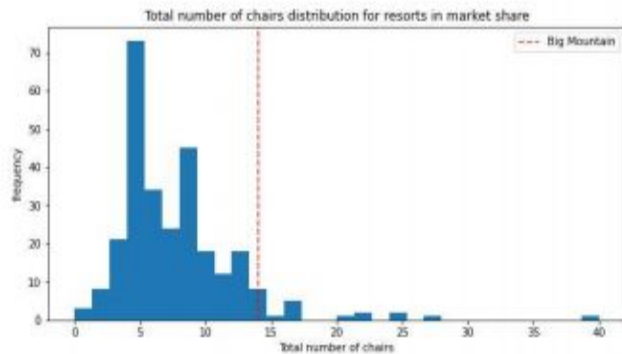
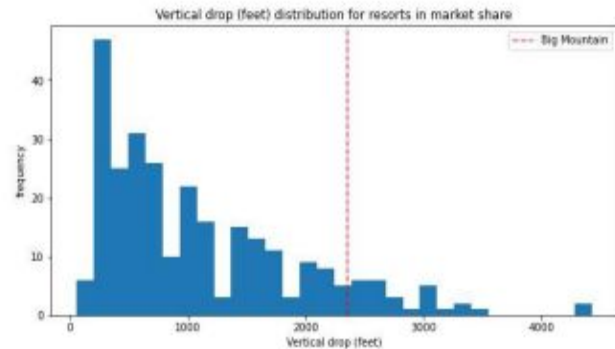
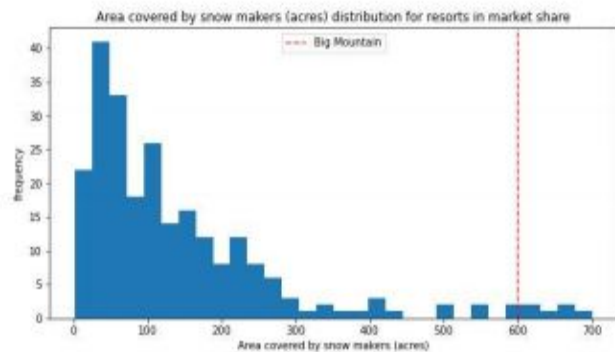
Customers are more likely to pay more for these features:

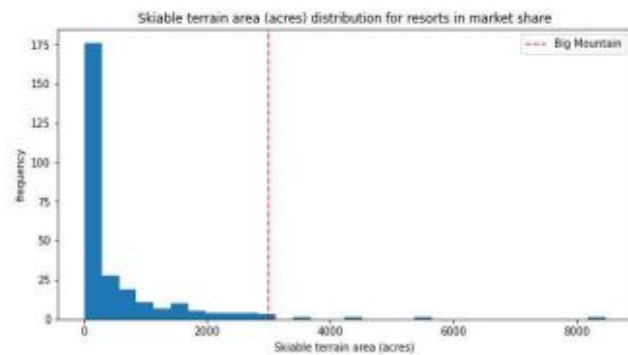
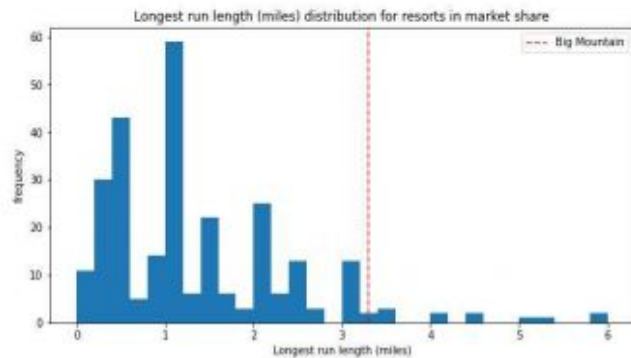
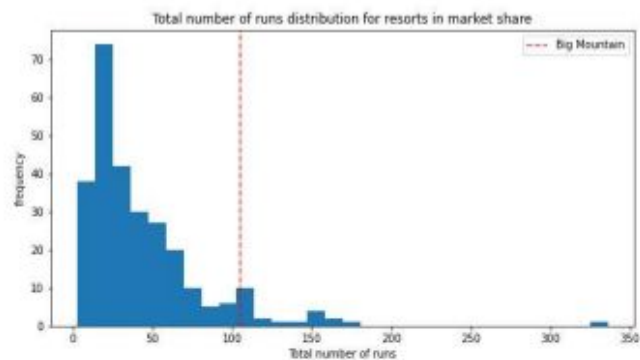
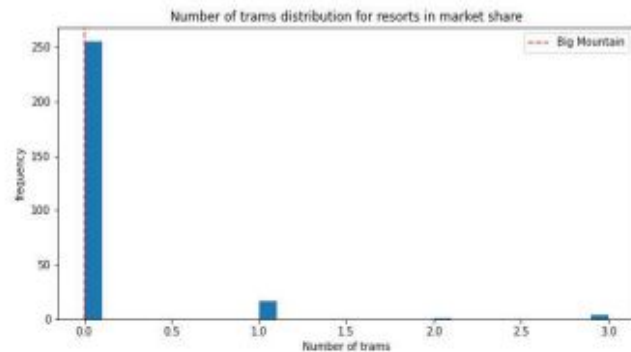
- Vertical Drop
- Snow Making Area
- Chairs
- Fast Quads
- Runs
- Longest Run
- Trams
- Skiable Area

Data analysis shows that Big Mountain exceeds in most features in its market segment.

## Ticket Prices for Big Mountain Resort compared with the market segment.







## Model predictions for various proposals to increase revenue.

- ***Close top 10 unused runs.***

*Model says closing one run makes no difference. Closing 2 and 3 successively reduces support for ticket price and so revenue. If Big Mountain closes down 3 runs, it seems they may as well close down 4 or 5 as there's no further loss in ticket price. Increasing the closures down to 6 or more leads to a large drop.*

- ***Increase vertical drop by 150 feet and install an additional chair lift.***

*In this scenario, 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 and over the season this could be expected to amount to \$3,474,638.*

## Model predictions for various proposals to increase revenue

- **Increase vertical drop by 150 feet and install an additional chair lift and add 2 acres of snow making capability.**

*This scenario increases support for ticket price by \$1.99 and over the season this could be expected to amount to \$3,474,638. This is similar to scenario 2 so there is no effect of adding extra 2 acres of snow making capability.*

- **Increase longest run by 0.2 miles and guaranteeing its snow coverage by adding 4 acres of snow making capability.**

*This scenario does not support any increase in ticket price.*



## Proposals with the most potential for increased revenue

**Close top 1 unused run.**

*Model says closing one run makes no difference. This may lead to reduced operating costs.*

**Increase vertical drop 150 feet and install additional chair lift.**

*This scenario increases support for ticket price by an additional \$1.99 and over the season this could be expected to amount to \$3,474,638.00*

# Recommendations

*Model predicts a ticket price of \$95.87*

*There is a mean absolute error of \$10.39 which suggests there is room for an increase.*

## Other Proposals to consider:

- **Close top 1 unused run.**

*Model says closing one run makes no difference. This may lead to reduced operating costs.*

- **Increase vertical drop 150 feet and install additional chair lift.**

*This scenario increases support for ticket price by \$1.99 and over the season this could be expected to amount to \$3,474,638.00*