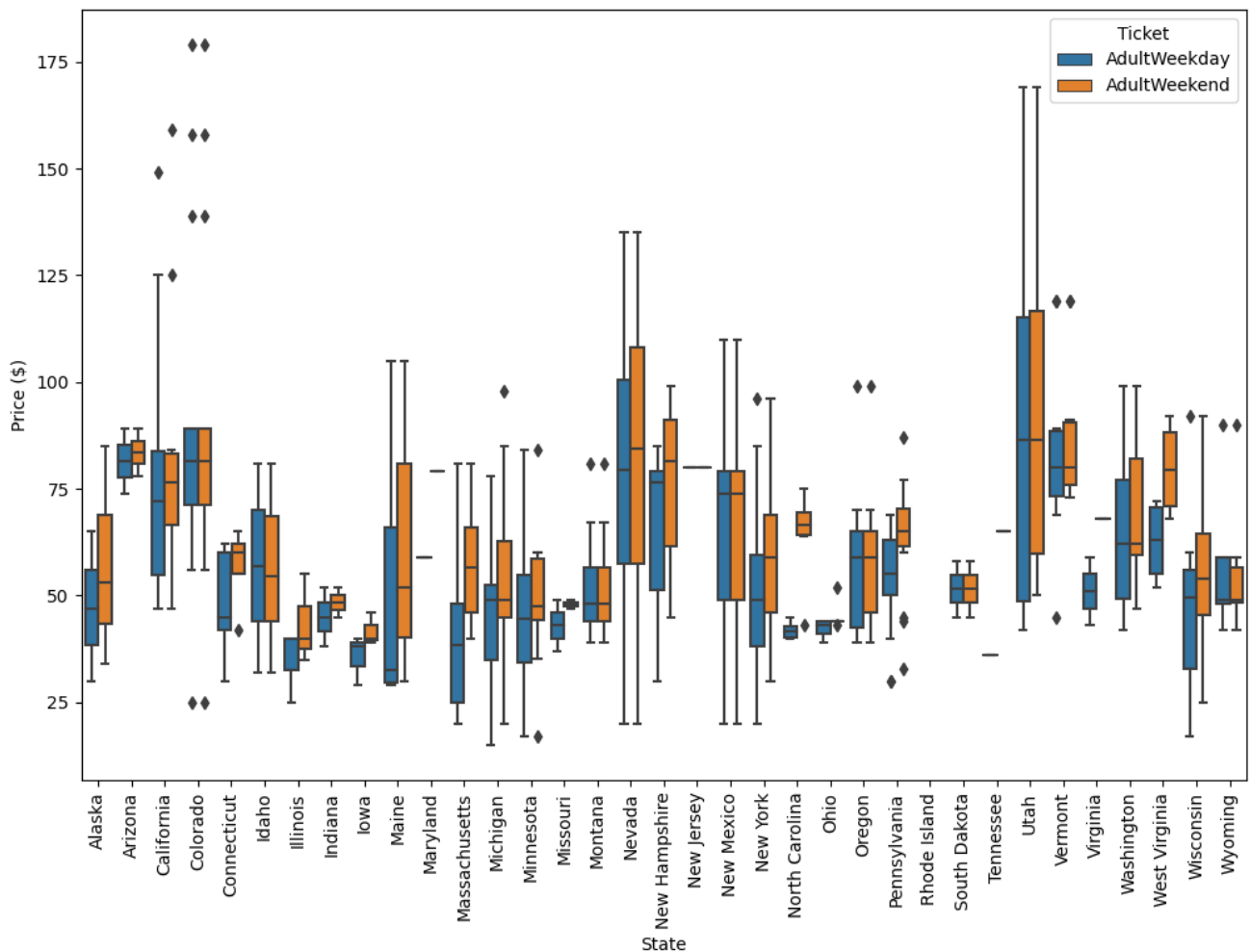


GUIDED CAPTONE PROJECT REPORT – BIG MOUNTAIN RESORT

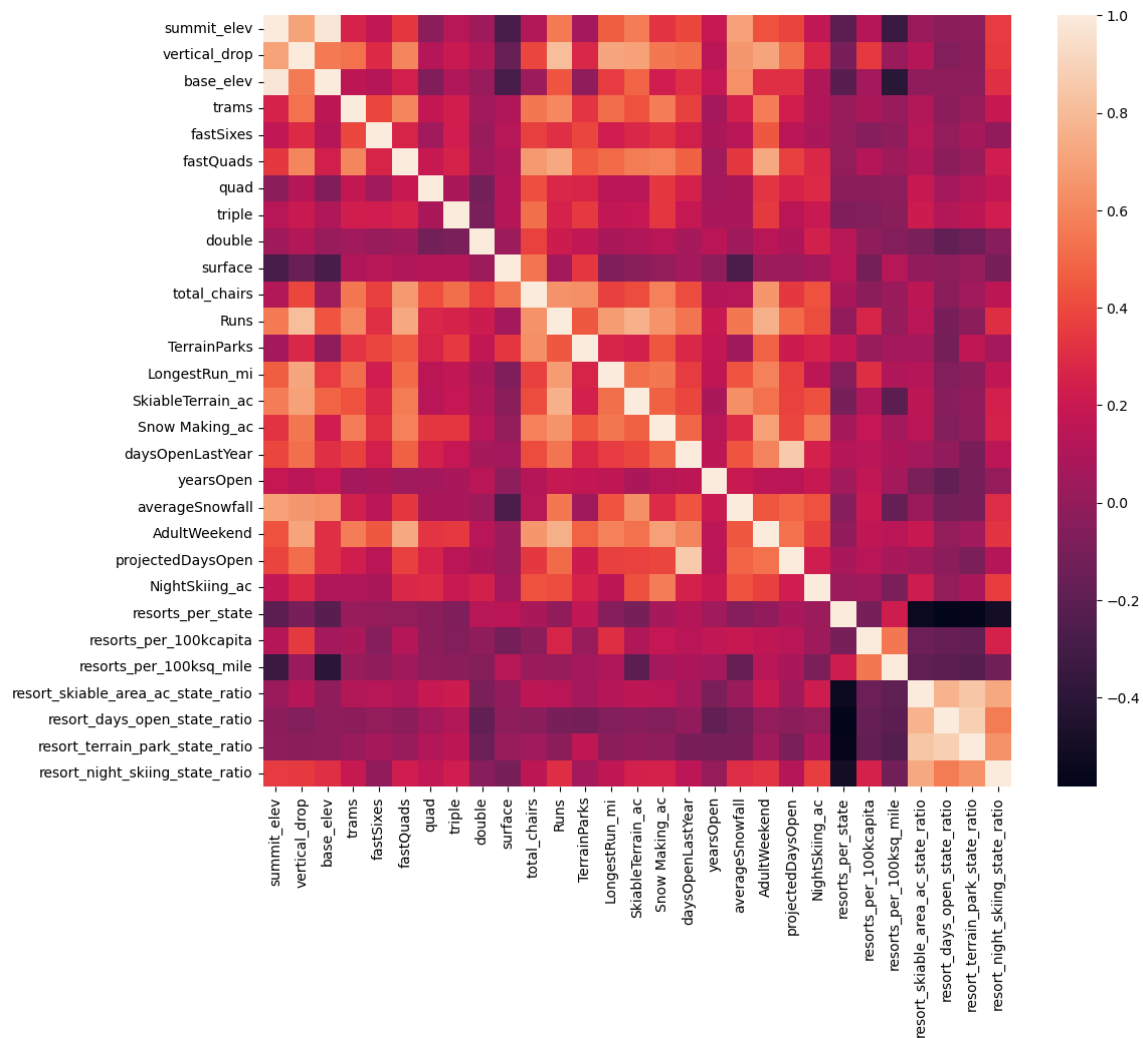
Big Mountain Resort (BMR), a ski resort in Montana, approached our team looking to revamp the resort's pricing strategy as there was some indication that there was valuable revenue being 'left on the table' so to speak. Specifically, we wanted to see if there was evidence to support an increase in BMR's ticket pricing or ways to better capitalize on current features of the resort (or potentially even add new, lucrative features).

To answer these questions, we first needed to gather data on other comparable resorts to evaluate BMR's standing in the market. Luckily, we had this data readily available with, give or take, 275 other resorts to compare to. We wanted to see right off the bat where BMR stood amongst the competition. Since ticket price was an area of focus for the resort, we looked at this first and broke it down by state to see what sort of obvious differences we could find when comparing BMR to the competition.



Breaking down by the state gave us averages and rough ideas as to what other resorts are doing as a good starting point. But what about the features these resorts have and how does that influence ticket price? Since we found during initial data review that weekends tend to be the busiest time, let's

look at the price of an Adult Weekend ticket below.

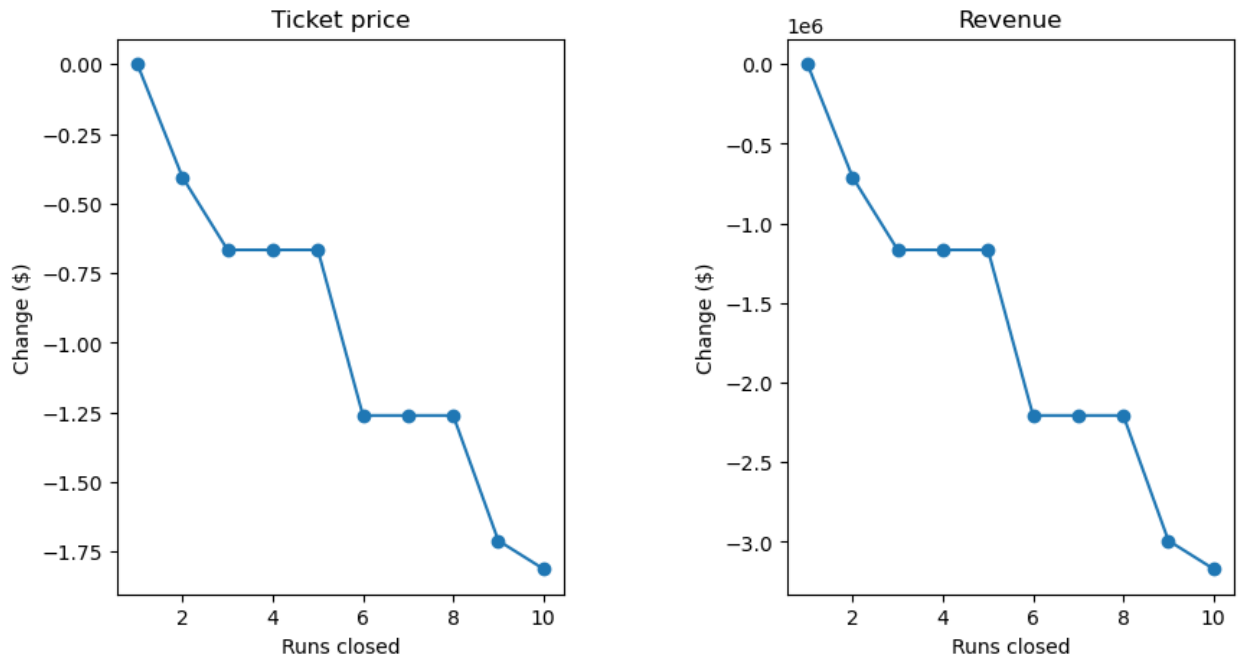


While this may be difficult to read, we see some clear correlations with Adult Weekend ticket price and certain features like Runs, fastQuads, vertical drop, and snow making acres. This demonstrates that these features tended to coincide with higher ticket prices across the resorts. But what does this all mean?

These two figures helped us narrow our scope into what was worth performing further statistical analysis on. When we got into the analysis portion, we found some interesting stuff to support that our Adult Weekend ticket price is undervalued overall, and we could 'rearrange' some of our current features to better capitalize on what the resort has to offer!

- We found that BMR's model price was hovering around \$95.87 which was higher than our current ticket price of \$81.00. This suggests there is cause to increase the ticket price.
- Furthermore, we examined features and how they could also support an increase in ticket price and found 3 interesting scenarios.

- 1) First scenario, could we close less used runs to cut down on operating costs? We found that we see no substantial decrease in ticket price when we close 1-2 runs but start to see it drop around 3-4 runs closed.



- 2) Second, instead of closing any runs, what if we added one? In addition, what if we increased the vertical drop by 150 ft and added a chair lift? When looking at this scenario, we found that adding these features supported a \$1.99 increase in ticket price. That would generate \$3,474,638 per season! We know the chair lift costs about \$1,540,000 to add, here we see adding one with the run and vertical drop increase, we could make up that cost in half a season.
- 3) Third and final scenario, if we added 2 acres of snow making area, we found that this would also support a \$1.99 ticket price increase and revenue of another \$3,474,638 per season. We were unsure if this was viable as we aren't aware of the operating costs associated with adding or maintaining this but wanted to present this option as well.

In summation, we found that there is data to support an increase in BMR's Adult Weekend ticket price, but we also found other scenarios with the features that would generate substantial value for Big Mountain Resort and better support our price increase.