

Guided Capstone Project Report

Currently, Big Mountain Resort prices its tickets based on a premium above the average price of resorts in its market segment. Our analysis of the market, however, shows that this approach does not fully capitalize on the resort's facilities and there is huge opportunities for increasing the ticket prices. The analysis also indicated that there were opportunities for reducing operational costs with no or little impact on ticket prices.

The analysis showed that there was no clear state dependency for ticket prices in the market, and thus the entire set of resorts could be considered in the same market segment. A large number of models were assessed to find the best performing model for the analysis and identify the most important factors on ticket prices in the market. The model selected, which is recommended for basing the business decisions on, clearly identifies what features are the most important to consider when pricing tickets (Fig. 1). Namely, number of fast quads and number of runs followed by the ski area supported by snow making equipment and vertical drop are the most important features in setting ticket prices.

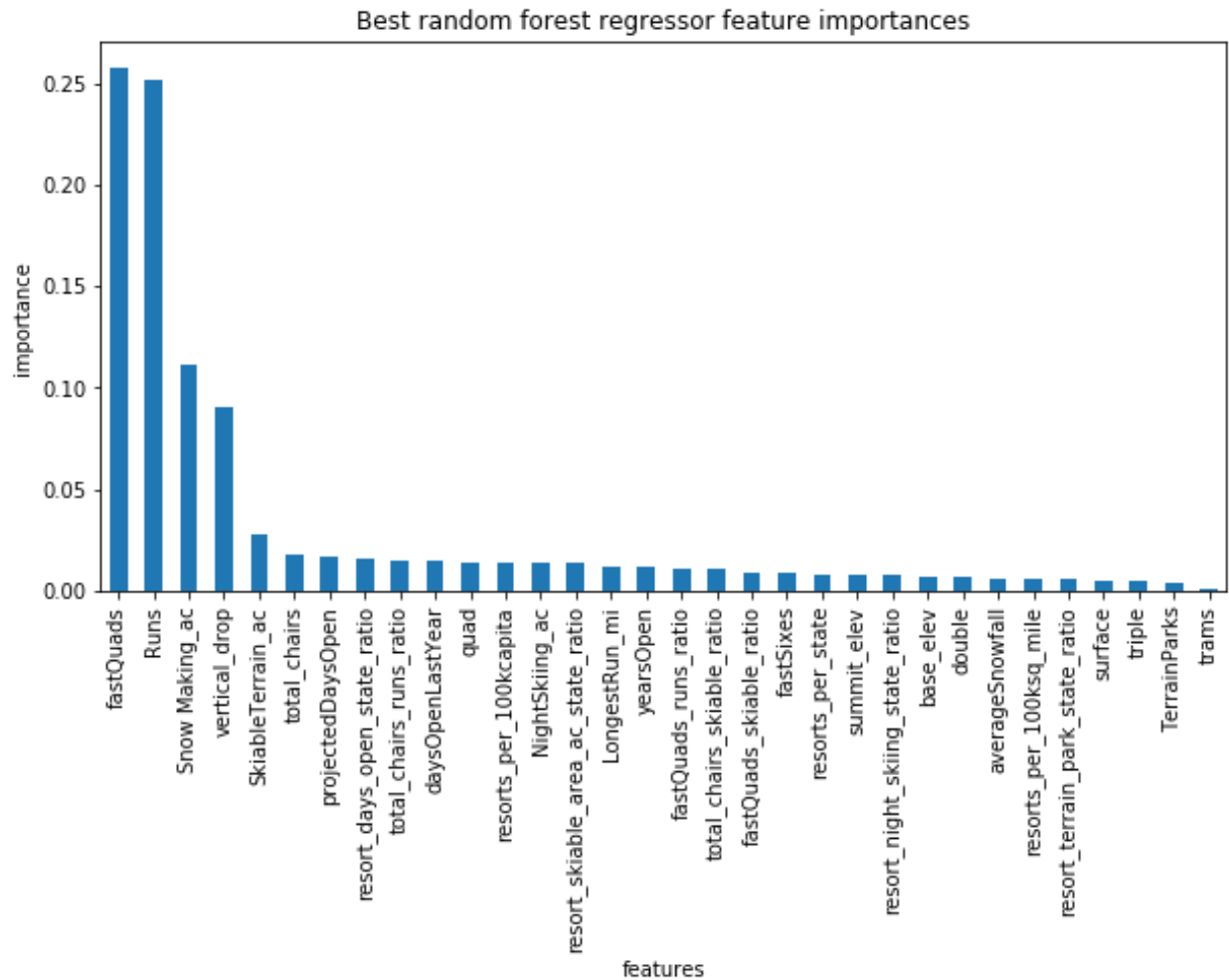


Fig 1. Most important features in determining ticket prices

Taking the eight most important features impacting ticket prices in the market, Big Mountain Resort is one of the top performing resorts in the market (Fig. 2). Therefore, it is clear that the current strategy of pricing tickets above the average price of resorts in the market at \$81 does not fully capitalize on the resort's potential. The analysis shows that there is potential to increase ticket price to \$94.22 without making any changes to existing facilities. It should be noted that there is a margin of error of \$10.39 associated with this estimation.

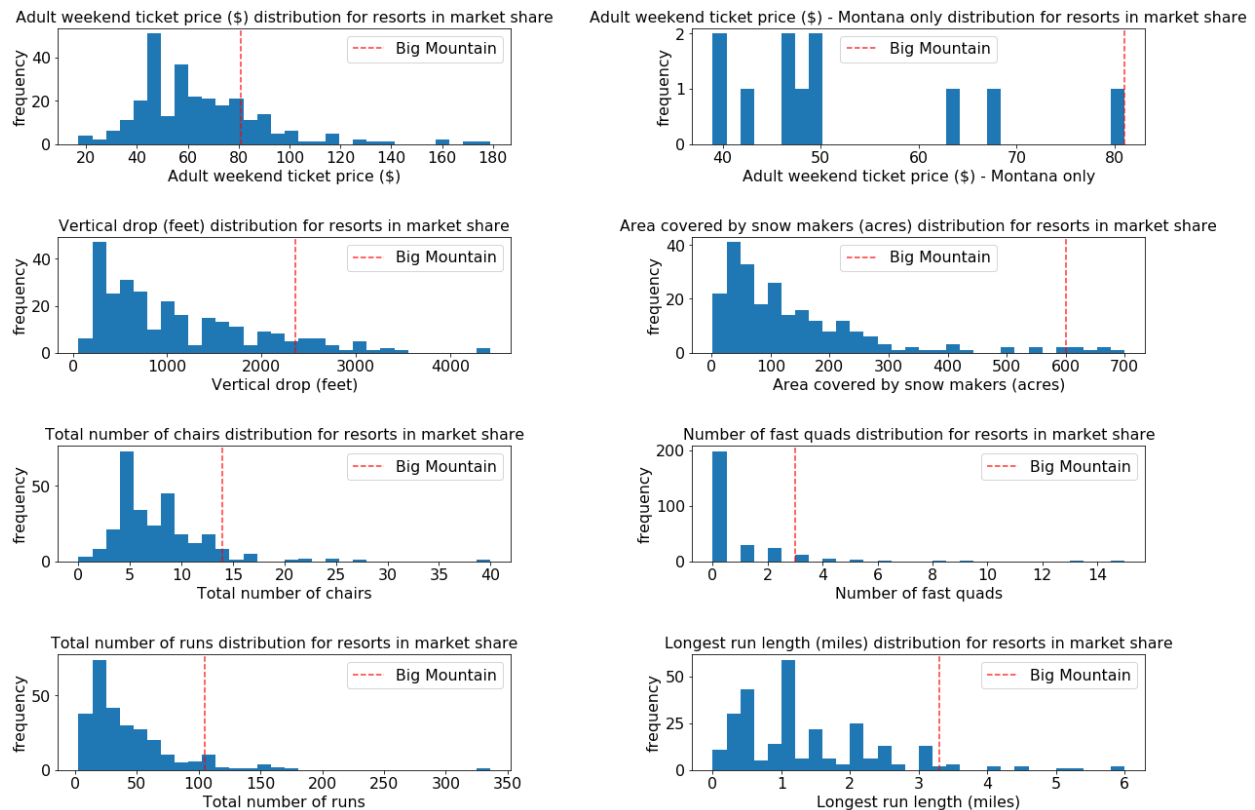


Fig 2. Big Mountain Resort's position in the market on top eight features impacting ticket prices

Overall, it is recommended that Big Mountain Resort utilize the insights provided by the analysis to price their tickets based on the full potential of the resort and its position within the market. However, it should be noted that the analysis is based on the assumption of a free market where ticket prices by the other resorts have been determined based on how much people value certain facilities. Collecting data on the number of visitors per year for each resort and incorporating that in the model would help in overcoming this limitation. The analysis and the proposed model provide insights into how making changes to the existing facilities could impact ticket prices as well. Big Mountain Resort business analysts should be able to use the provided model to evaluate different scenarios accordingly.