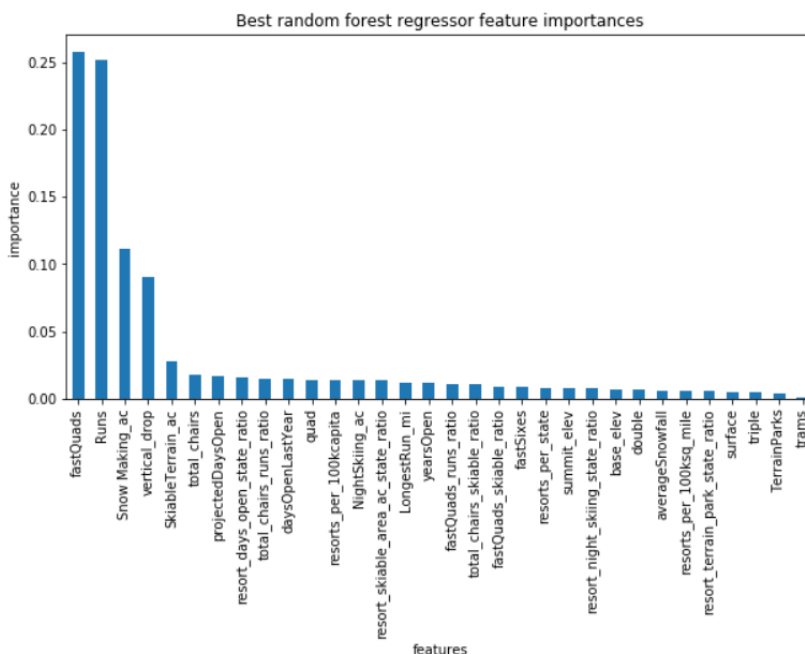


Re: Big Mountain Resort Revenue meeting

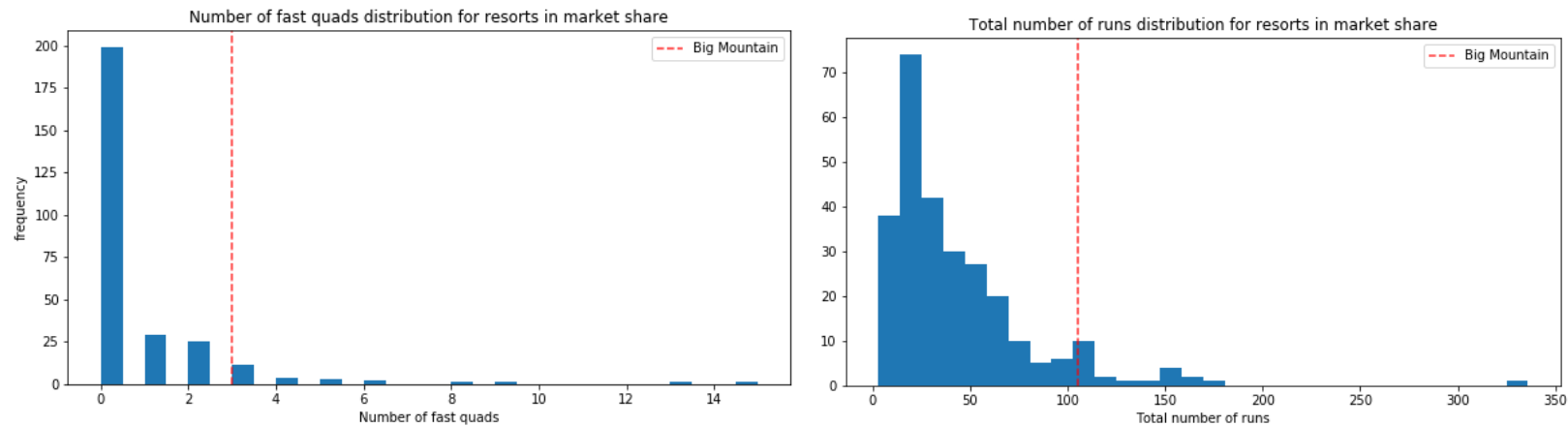
The Big Mountain Resort is one of 12 ski resorts in Montana resulting in a competitive environment for capturing skiing revenue in the area. Recent construction of a new chair lift will cost the resort approximately 1.54M per season and the current price for lift tickets at \$81 is above market value for other resorts in the area. This report is a data driven exploration of the effect strategies to increase revenue for Big Mountain Resort would have and can be used to identify any features and price increases in ticket sales that can be made. The report is based on research data from the 330 other resorts in the United States. The goal of the report is to suggest strategies which could increase revenue by at least 2% in the upcoming season to cover costs of the new chair lift and increase revenue. Our model proved able to determine with a degree of certainty how adding features to the resort would increase the support of raising the price of adult weekend ticket prices as well as the effects on revenue that cutting features to the park would cause.

We developed a data model which we trained on 32 ski resort features and compared their effect on adult weekend ticket prices to the other ski resorts in the United States. From this method we

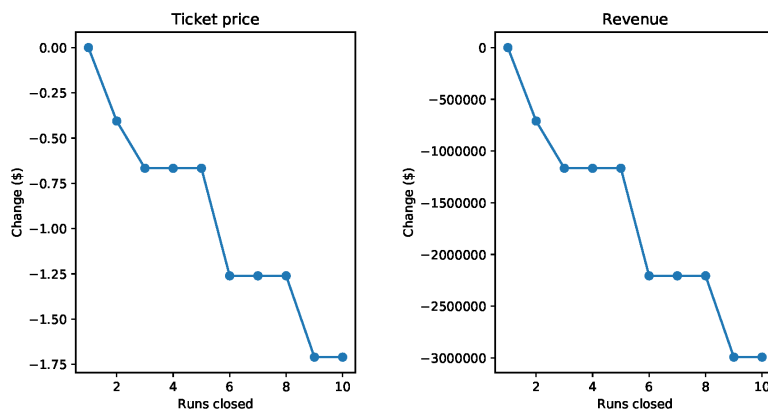
identified that there were eight main features which correlated significantly with ticket price. These features were **vertical drop**, **snow making coverage in acres**, **total number of chairs at the resort**, **number of fast quad type chairs**, **number of runs**, **the length of the longest run**, **number of trams at the resort** and **amount of skiable terrain**. The features with the highest correlation to supporting a ticket price increase were fast quads and number of runs.



Looking at these features in our model we found that Big Mountain Resort was the leader in most of the relevant features which were identified as supportive of higher ticket prices in the current market.



Even though Big Mountain Resort has priced its lift tickets above market value, and is the most expensive resort in Montana, our model suggests that there is room for increasing the ticket price based on the data provided for other resorts in the United States. For instance our model predicts by simply adding a single chair that adds 150 ft of vertical drop with a new run we can support a price increase of \$1.99 that would increase ticket sales revenue a predicted \$3.47M or 2.45% compared to last year's sales. The model can be used to input any desired change in features that their predicted support of adult weekend ticket sales prices.



In addition to looking at the effect of adding features, our model is also able to predict how many services we can reduce and still support the current ticket prices. According to our model for instance closing a single run shouldn't impact the support for our current ticket sales. This data could be used to determine what features can be reduced to

cut costs while supporting the current ticket prices thus increasing net gains.

There are a number of features that were not included in this analysis. Lesson plans, operating costs, children's ticket prices, special events and more. These should also be considered when contemplating this dataset.

By using this data model it should be possible to compute several scenarios including multiple changes to the features of Big Mountain Resort and get an idea of how they will impact sales revenue in the future for informed decision making in the future.