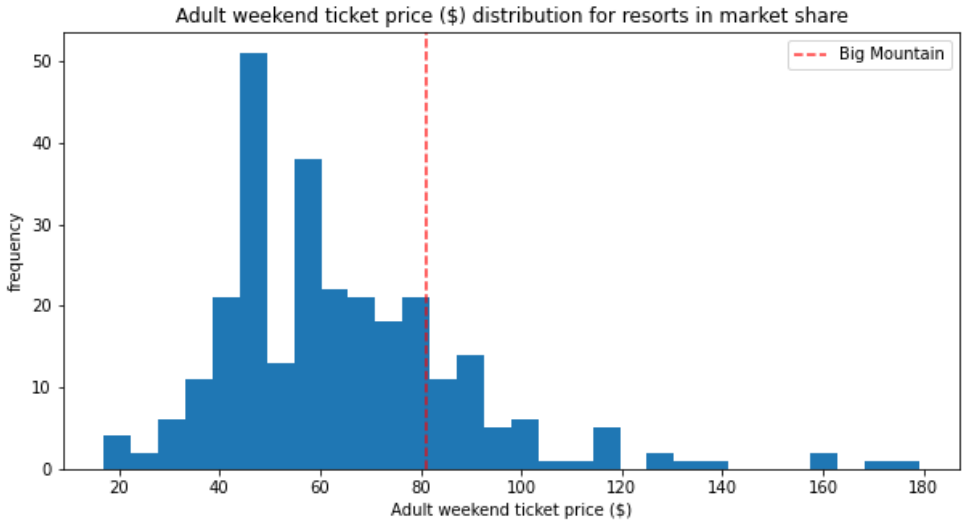
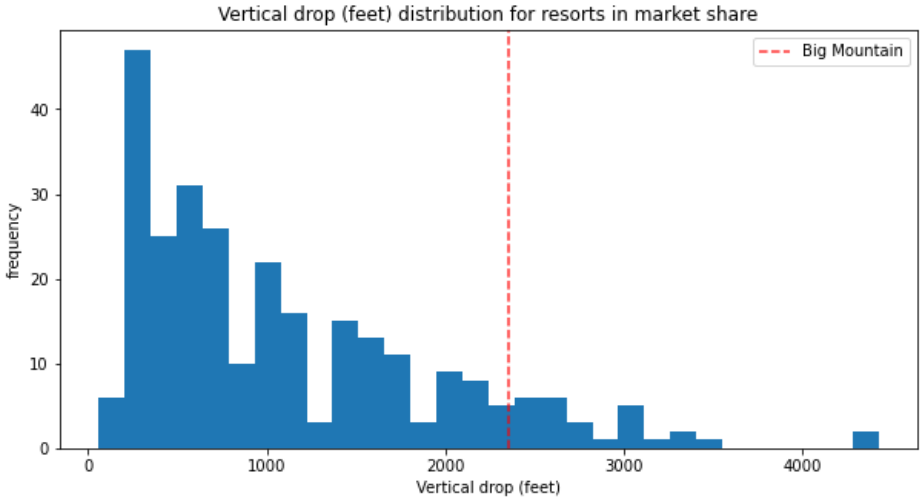
Guided Capstone Project Report

How can Big Mountain Resort maximize revenues while improving the value for their ticket price based on the facilities they offer?

Big Mountain's current price is $81 for an adult weekend ticket. Our model which is based on the ticket prices of competing resorts, shows that Big Mountain could charge up to $92.65 competitively.



The changes under consideration would impact the ability to charge even higher prices. I would recommend adding an additional run to increase the vertical drop with an additional chair life as this was the most impactful scenario and where Big Mountain was not the most competitive.



Adding an additional run, which could cost quite a bit, merits a price increase to $98.67 and an overall projected revenue increase of $3,091,667. Thus, raising the prices could cover the cost of improvements and potentially improve revenues as well. A further recommendation

would be to test run closures of up to 5 different closures, but this may be more costly than advantageous.

Next steps might involve improving the model by adding to the data things such as the number of visitors to each resort, other price data, and operating costs (electricity, payroll, etc.). The mismatch in pricing could be explained in a number of ways by looking at the various charts where Big Mountain's facilities outperform those of most other resorts in their market. Big mountain could utilize the information here to determine what changes to make. Big Mountain could potentially consider other factors or changes in facilities improvements. The business analysts could be provided with the code and instructions for changing out different options in the model to adjust for future improvements.