

# Big Mountain Resort Ticket Prices (Data Analysis)

Guided Capstone Project

# Problem Identification

What opportunities exist for Big Mountain Resort to cut costs without undermining ticket price or to reasonably increase ticket prices, by maximizing the use of the facility, in order to maintain a **profit margin** of approximately 9.2%?

# RECOMMENDATION

- **INCREASE REVENUE**

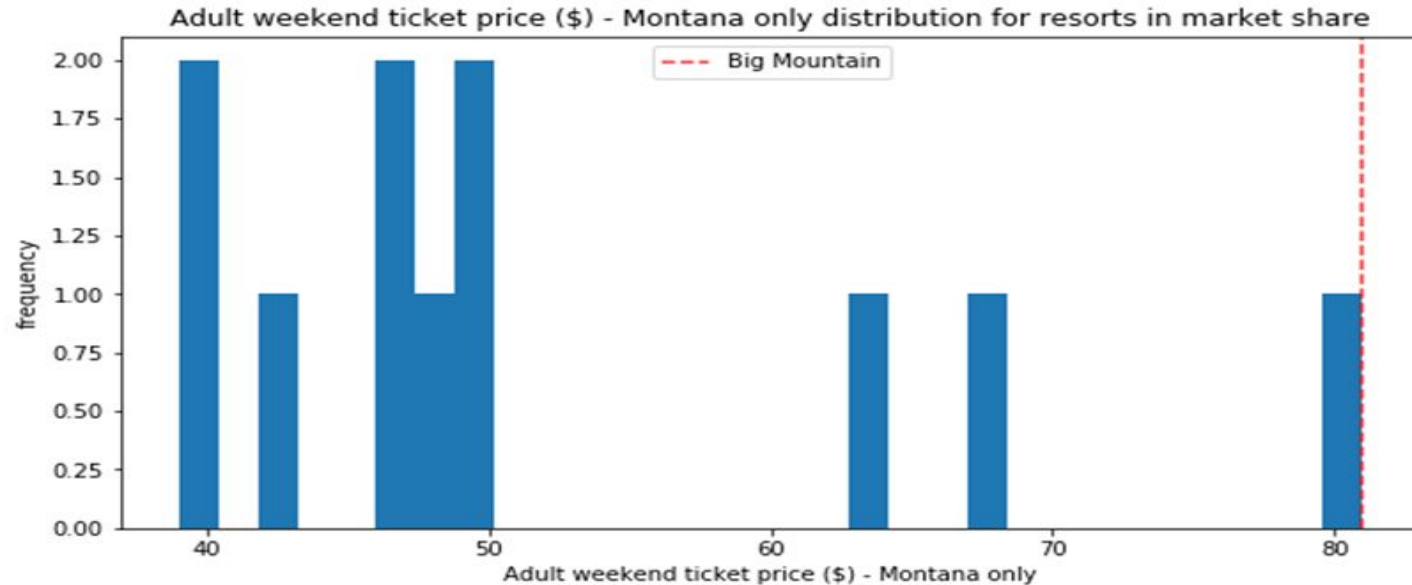
- According to the analysis, Big Mountain Resort is currently undercharging for its ticket prices.
- Administration should consider an increase of up to \$12.78 for its ticket price
- Administration should also consider adding a run, increasing the vertical drop by 150 feet, and installing an additional chair lift in order to justify an increased ticket price

- **DECREASE COSTS**

- Consider permanently closing down between 1 and 3 runs

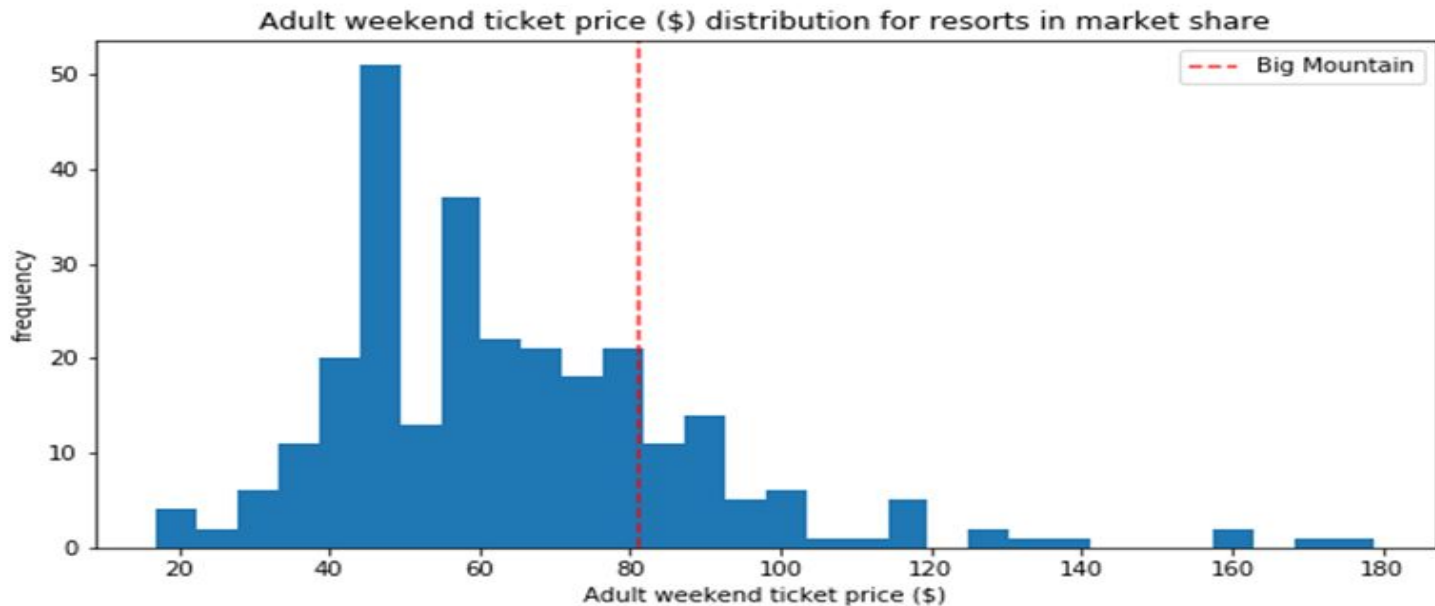
# Key Findings

**Big Mountain Resort's ticket prices are currently the highest in the state of Montana**

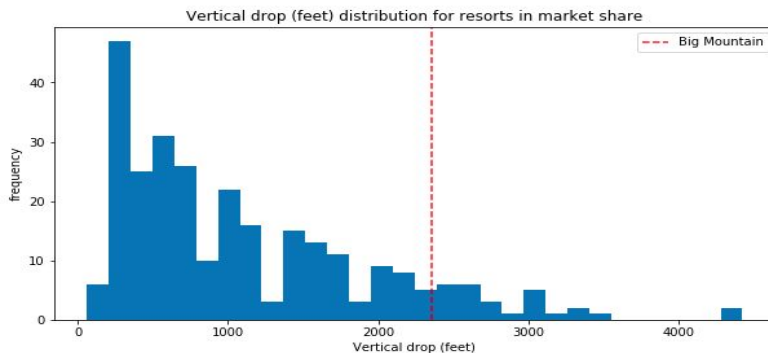
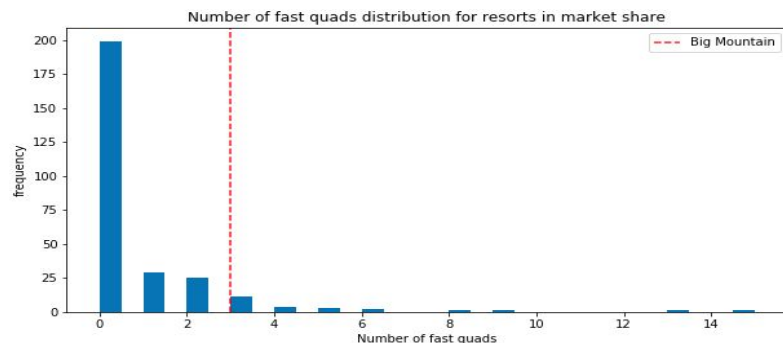
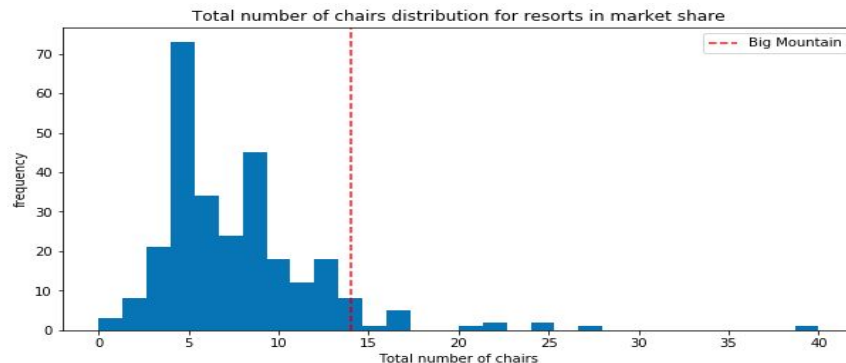
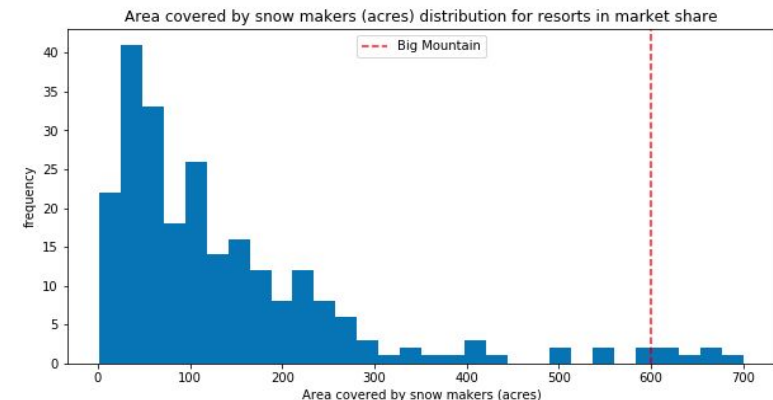


# Key Findings

The red line indicates Big Mountain Resort's ticket price relative to other resorts in the country



# Big Mountain Resorts in comparison with other resorts in the top four pricing features justifies price increase



# SUMMARY and CONCLUSION

- Although Big Mountain Resort currently has the most expensive ticket prices for resorts in the state of Montana, they are still undercharging for their ticket prices based on the facility's features and accommodations.
- Based on the analysis model, Big Mountain Resort can charge \$93.78 per ticket. This is within a mean absolute error of \$10.28, which means that an increase of at least \$2 per ticket, if not more, is completely within reason.
- Big Mountain Resort should also consider adding a run, increasing the vertical drop by 150 feet, and installing an additional chair lift in order to justify an increase in ticket price.
- Additional information, such as the operating costs, are needed to forecast the annual revenue in order to verify that our estimates are on par or above the 9.2% target profit margin.