

# Guided Capstone Project Report: Big Mountain Resort

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# Problem Identification

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## **Problem Statement:**

- Big Mountain Resort faces increase in operating costs by \$1,540,000 as it decided to install additional chair lift to increase the distributions of visitors across mountain. In order to compensate for such increase in the cost, the resort considers a new pricing strategy to charge premium above the average price of resorts in market segment.

# Recommendation and Key Findings

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Current ticket price of Big Mountain Resort is under priced, based on the market data.

The actual price that Big Mountain is charging is \$81.

The model suggested price is \$95.87, with expected mean absolute error of \$10.39.

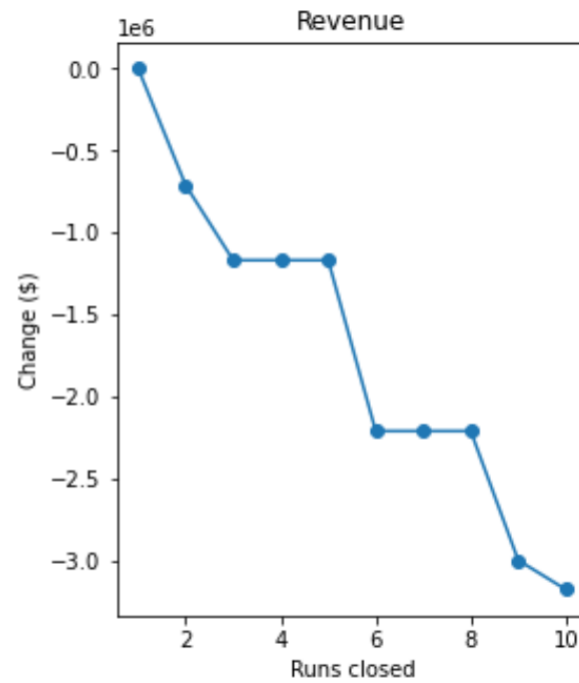
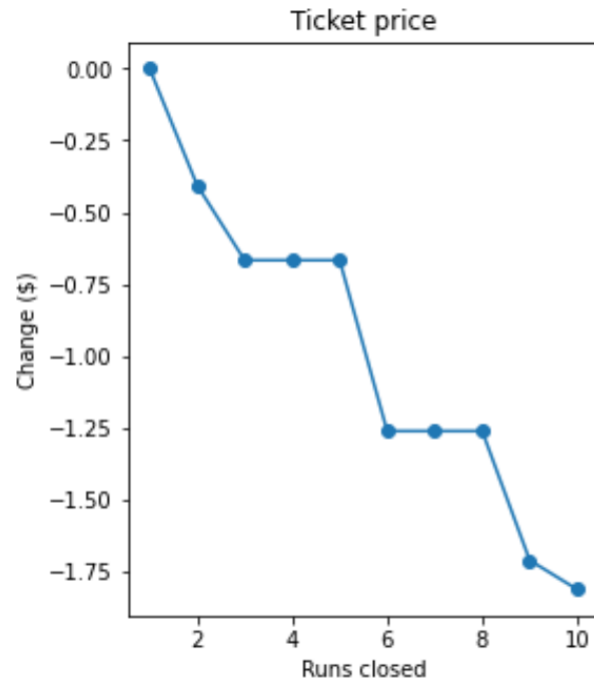
When assumed that 350,000 customers purchase 5 day passes, the revenue increases between \$4.952M and \$41.317M

The features that are the most important in determining the ticket prices are

- fastQuads
- Runs
- Snow Making\_ac
- Verticl\_drop
- SkiableTerrain\_ac

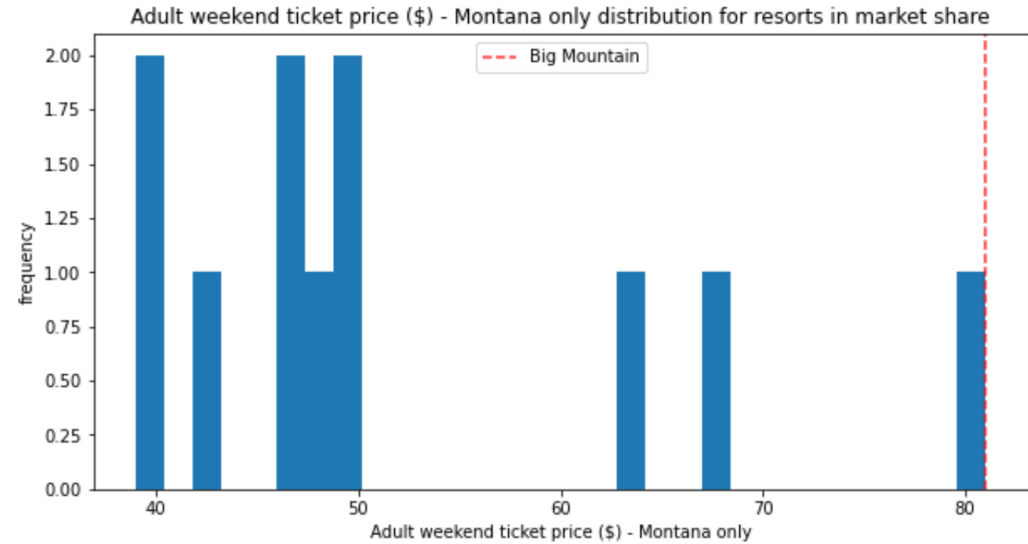
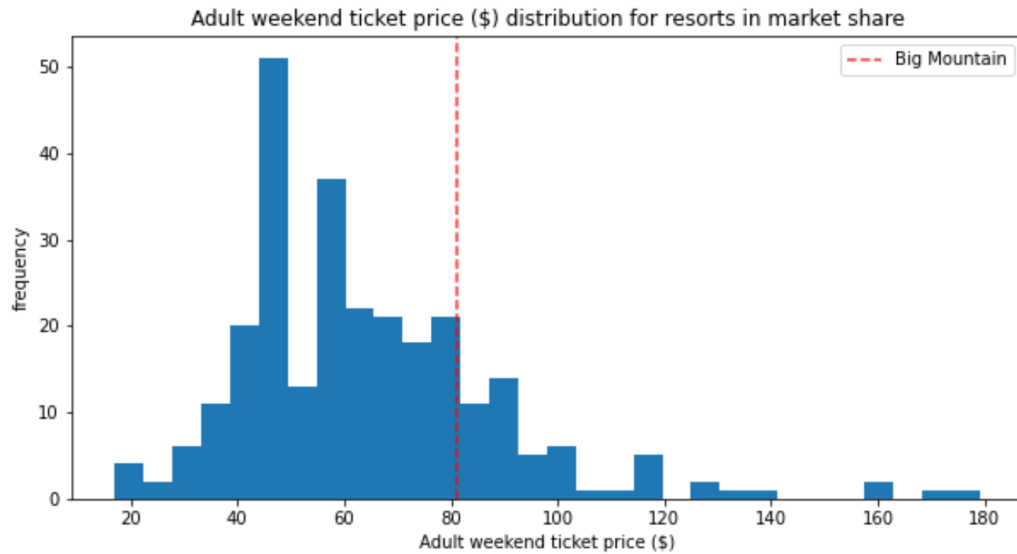
# Modeling Results and Analysis

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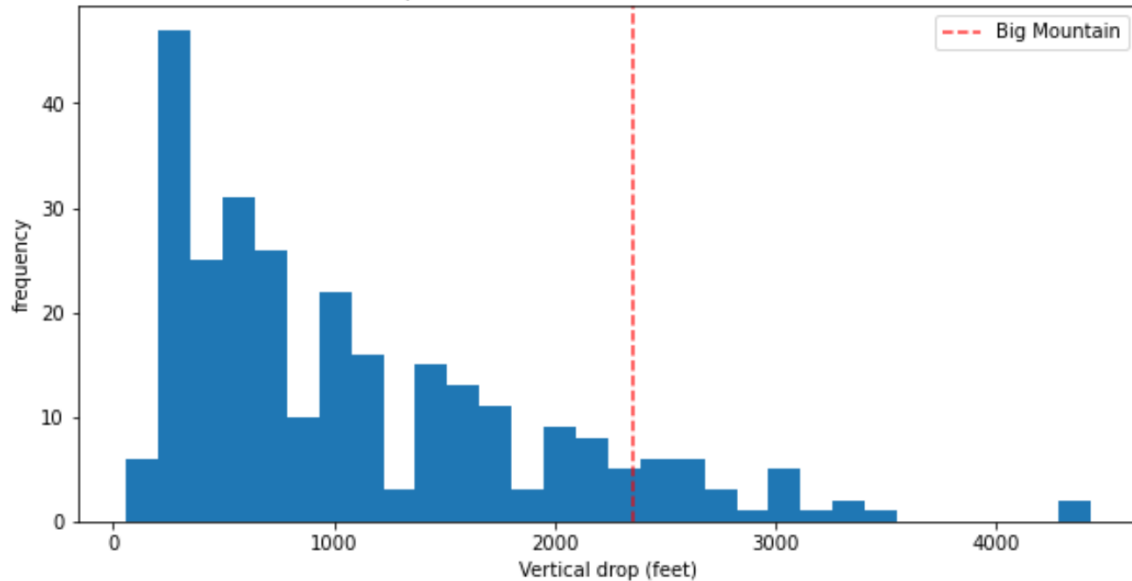
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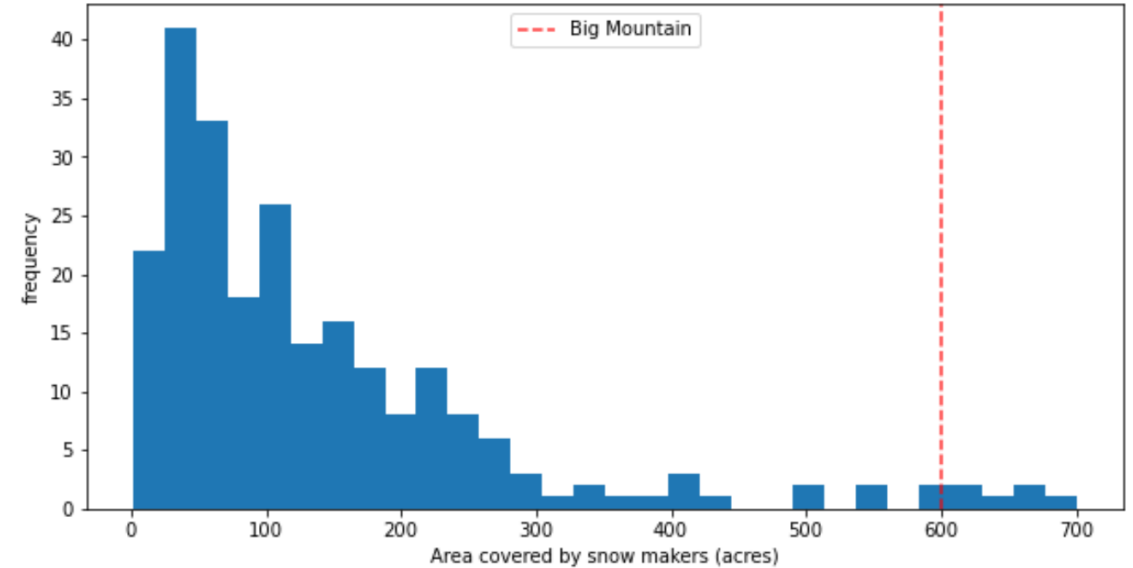
# Modeling Results and Analysis

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Vertical drop (feet) distribution for resorts in market share



Area covered by snow makers (acres) distribution for resorts in market share

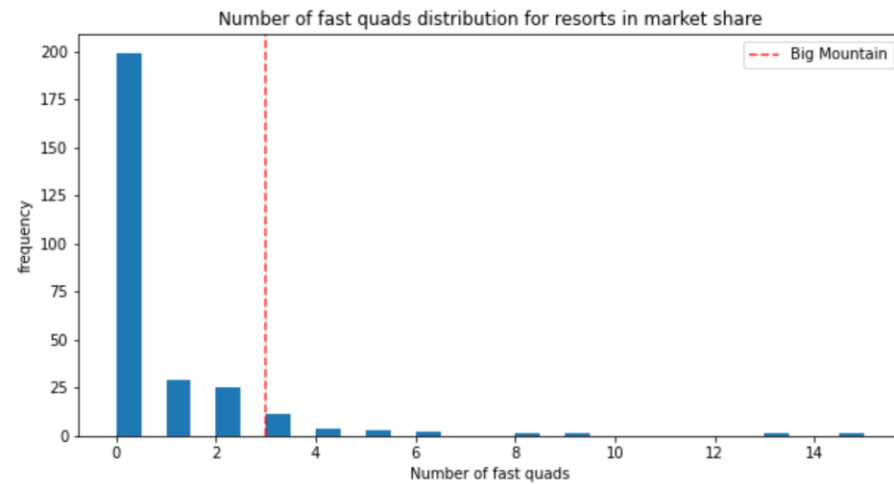
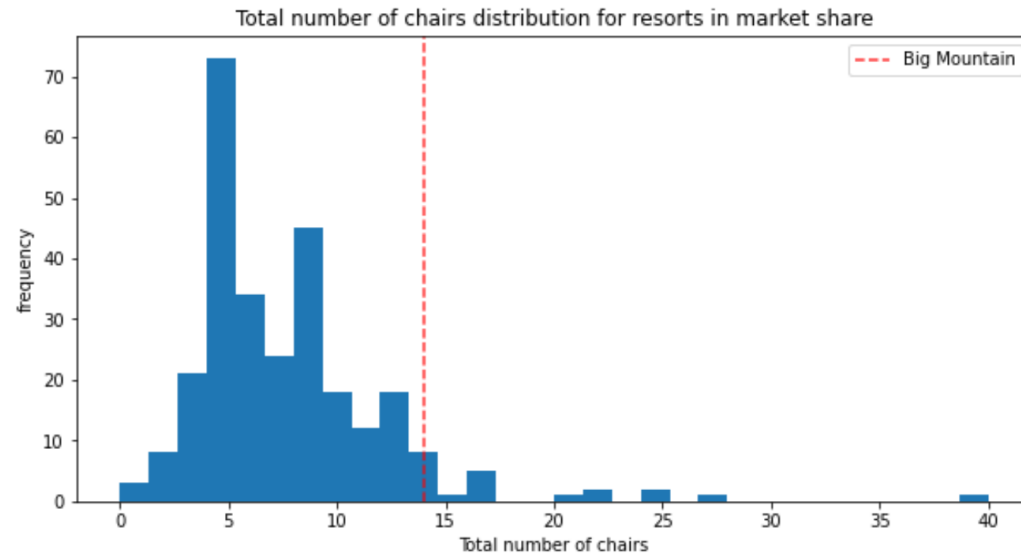


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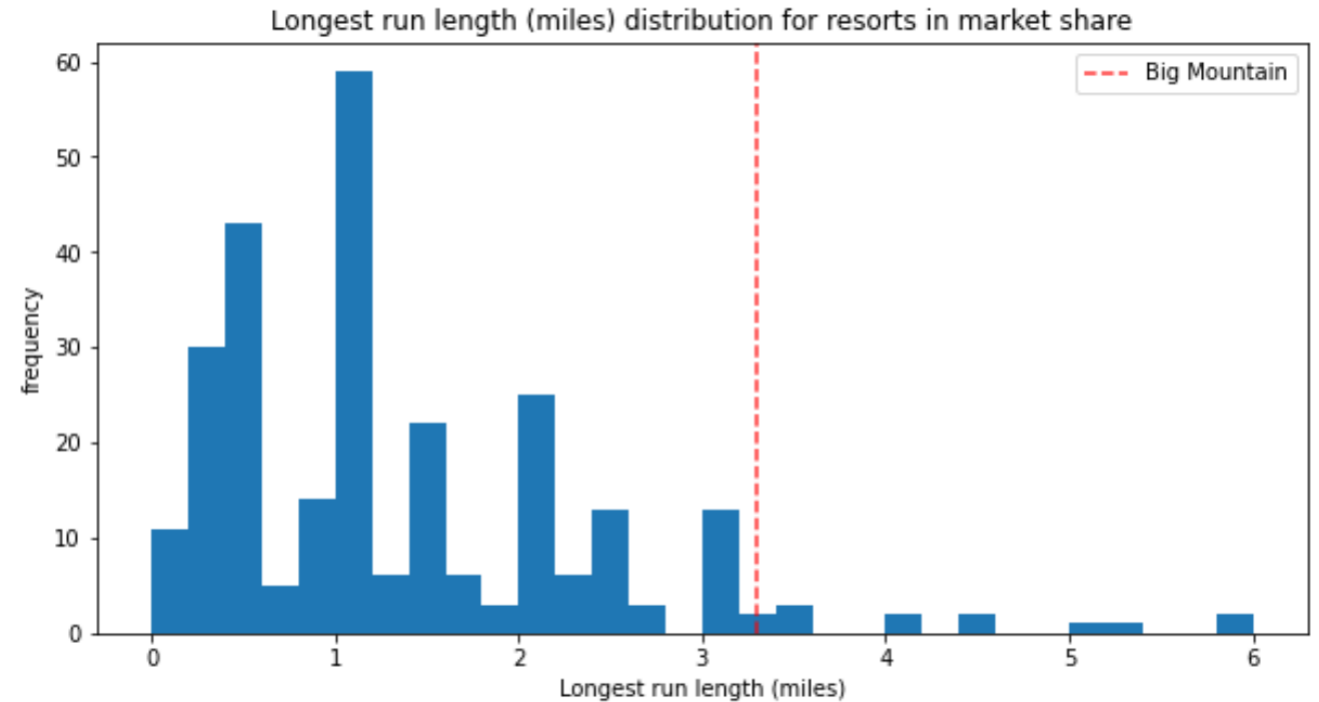
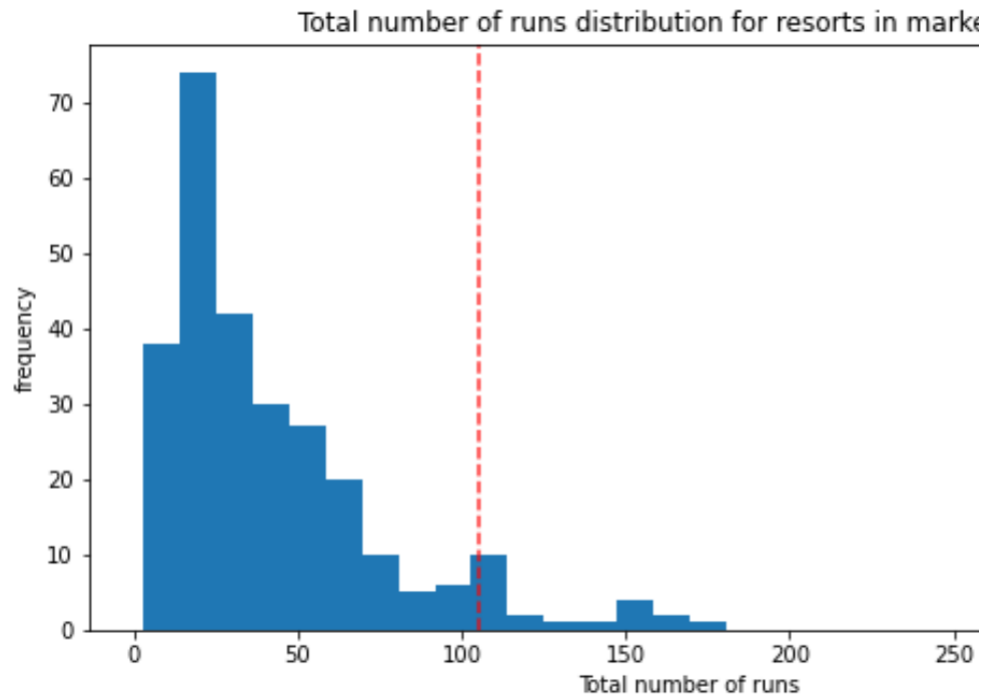
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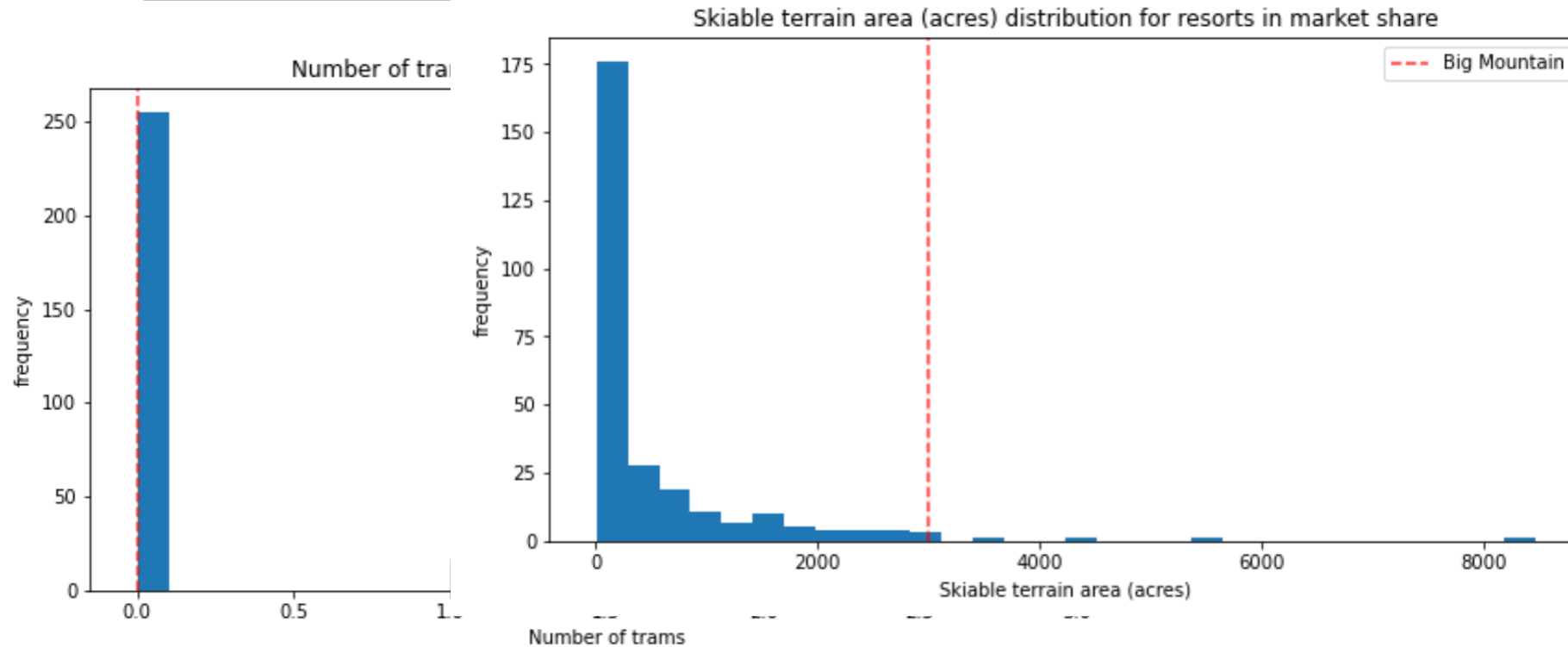




# Modeling Results and Analysis



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# Summary and Conclusion

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Big Mountrain Resort should increase the ticket prices in a stepwise manner between \$83.83 to \$104.61.

Other options would be increasing revenue by cutting costs and thereby supporting ticket price

- Closing run
- Increasing vertical drop by 150 feet
- Installing additional chairs
- Increasiing the longest run by 0.2 miles
- Adding 4 acres of snow making capability