Guided Capstone Presentation

25 September 2021

Problem Identification

Can Big Mountain Resort get better value this upcoming season from its ticket price by either:

1) cutting costs and maintaining current pricing

OR

2) providing additional facilities/services and increasing pricing?

Recommendation + Key Findings

Recommendations - Current Facilities:

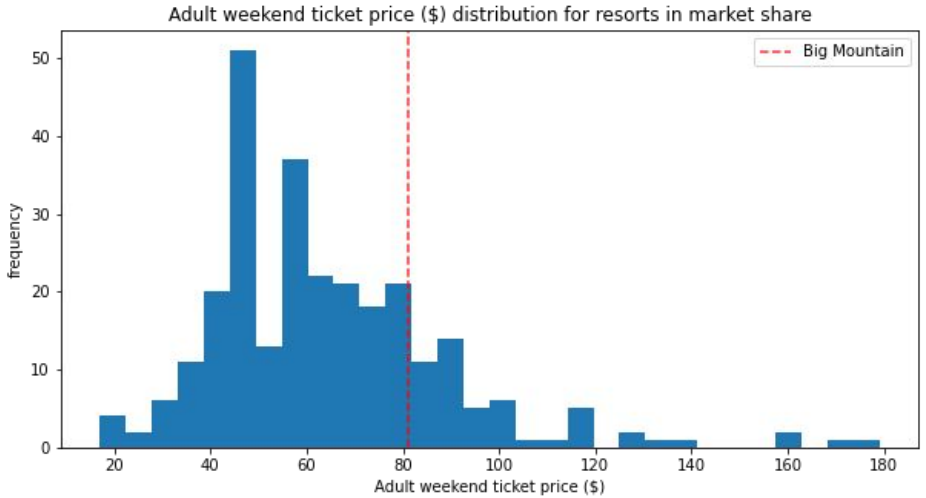
- **Increase ticket price**
- **Close 1 run immediately**

Recommendations - Future Facilities:

- **Close up to 6 runs gradually**
- **Add 1 run that increases the vertical drop by 150 feet + chairlift**

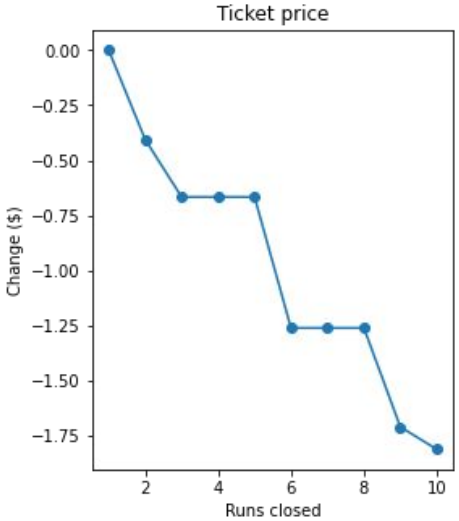
Modeling Results + Analysis

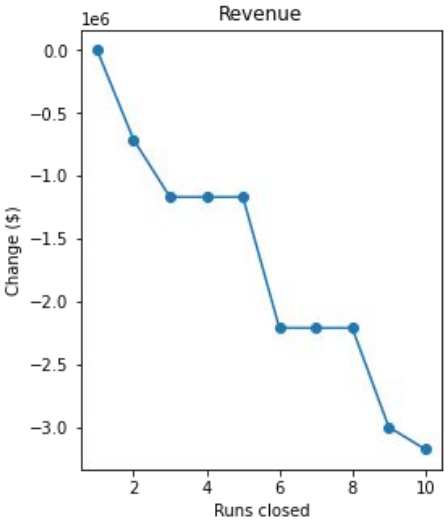
- Increase ticket price
  - Current price: $81.00
  - Model predicted price: $95.87
    - Expected mean absolute error: $10.39



Modeling Results + Analysis

- Close one run immediately
  - No effect on ticket price/revenue
  - Lower operational cost
- Close up to six runs gradually
  - Little to moderate effect on ticket price/revenue
  - Possibly even lower operational costs, require testing
  - Closing 4-6 runs will have the same effect

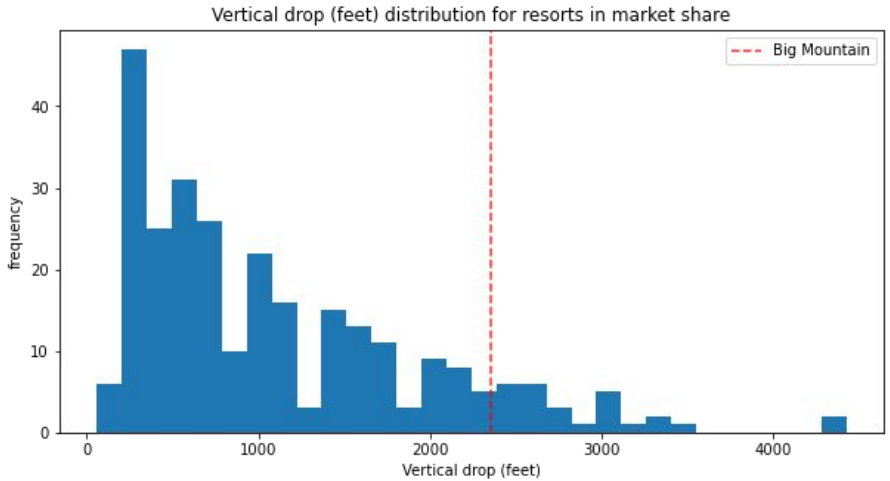




Modeling Results + Analysis

- Add 1 run that increases the vertical drop by 150 feet + chairlift
  - While Big Mountain is already leading with respect to most other features, increasing the vertical drop will make Big Mountain even more competitive

- Model predictions:
  - Increase ticket price by $1.99
  - Increase revenue by $3,474,638
    - Net profitable
    - Additional chairlift operational cost: $1,540,000



Summary + Conclusion

- Current pricing below model prediction
- Cut costs by closing runs with marginal effect on revenue
- Increase ticket price by adding high-value feature: one run that extends the vertical drop + chairlift