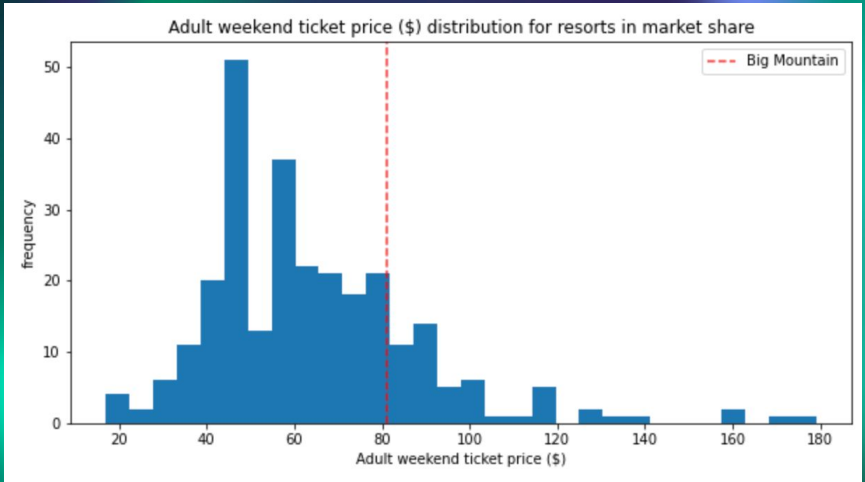
Data-Derived Insights

What ticket price adjustments and/or operational cost reductions could position Big Mountain Resort for profit and an optimal competitive edge,

for implementation prior to the next season toward 5-year growth of 10%+?



Current Context

BMR's weekend ticket price of $81 is above average among 277 resorts in the market share, but are tickets optimally priced?

- **Based on comparison with other resorts' amenities and prices, what features does it seem skiers pay for?**
- **Are there facilities that might not draw customers and could be reduced to save on operating costs?**
- **Can prices increase, given the features BMR offers?**

Findings/ Recommendations

- Ticket prices can increase by $5-15 without changing facilities or losing price competitiveness with similar resorts.
- Adding to the vertical drop & closing up to 5 lifts are wise ideas.
- BMR already has so much artificial snow that adding more would provide no benefit.
- Explore further options for facilities adjustments, given insights about key features skiers want to pay for relative to what BMR could offer.

Current analysis based solely upon analysis of prices and features of other resorts. Questions to explore further prior to making decisions:

- Are other resorts making wise choices? Do we want to follow their lead?
- How will operational costs change with facilities adjustments?

Price Prediction

Based on Random Forest Modeling on other resorts' features-price relationship, a resort with amenities like BMR's is predicted to have a ticket price of. . .

$96.32

. . . with an expected mean error of $10.41

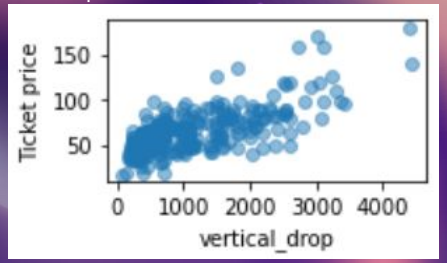
High Value Features

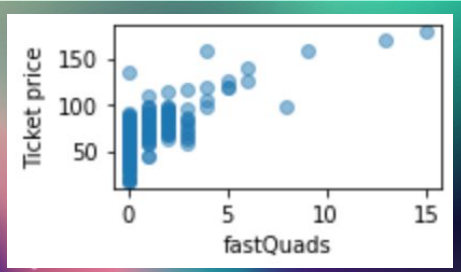
Linear Regression and Random Forest models suggest that the following features are most correlated with ticket price:

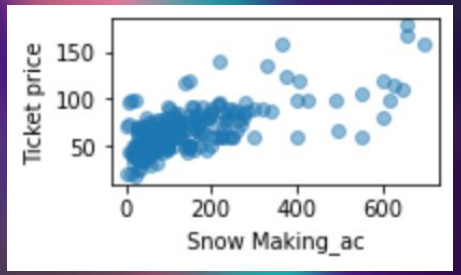
- **Vertical Drop**
- **Number of fast quad lifts**
- **Total runs and chairs**
- **Snow making capabilities (acreage)**

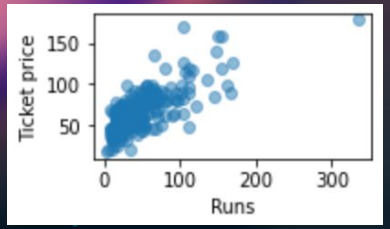
And, to a lesser degree:

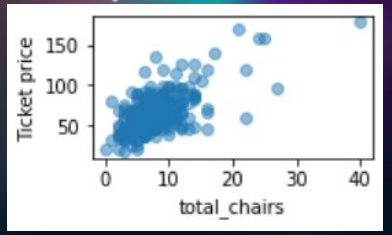
- Length of the longest run
- Night skiing availability

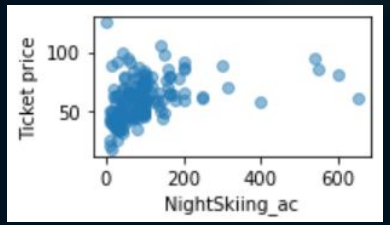


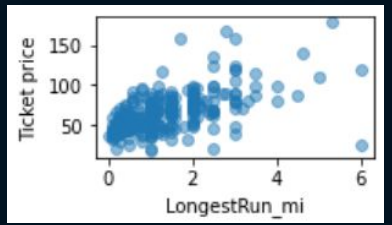








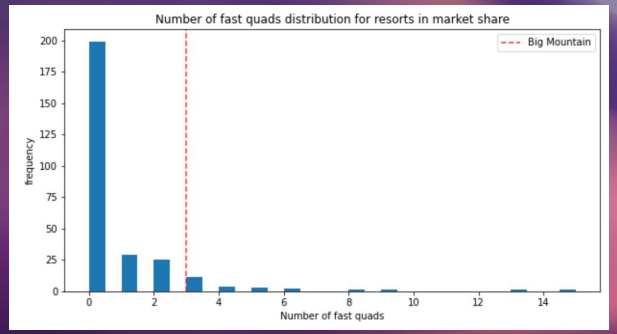


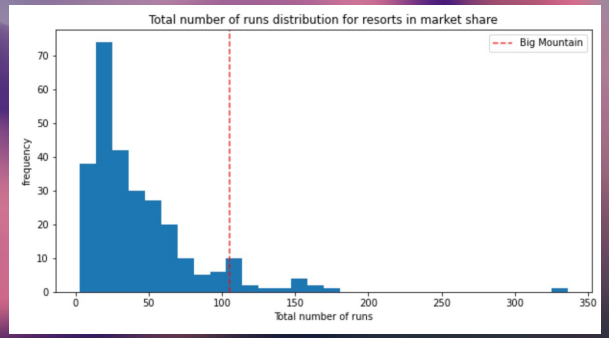


Big Mountain Resort Delivers Features Skiers Want to Pay For

Market Share of. . .

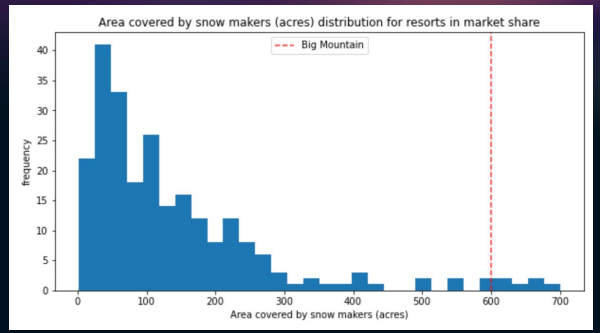
Fast Quads

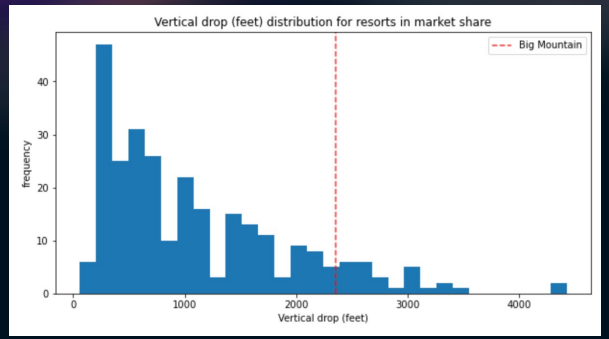




Runs

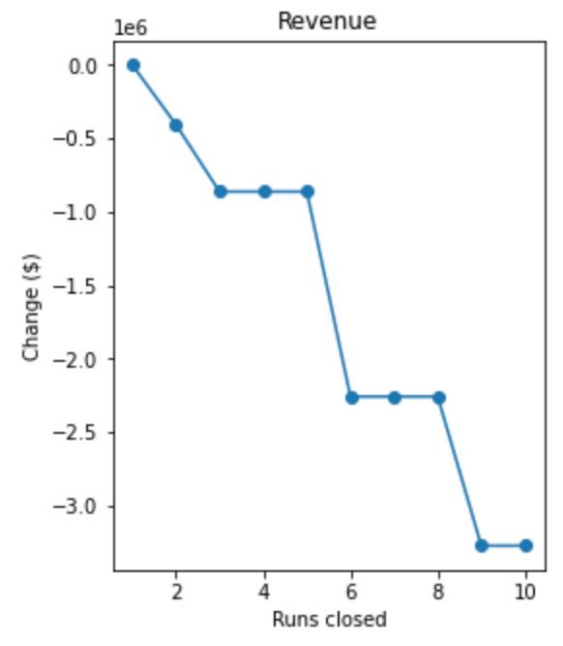
Acreage Covered by Snow Makers





Vertical Drop

Up to 5 lifts can be closed with minimal impact on revenue.



Adding to the vertical drop by

150 feet

could justify a ticket price increase of

$2

Conclusions

Take time to compile data about current and predicted operational costs. Predicting ticket prices is only useful if we know whether projected revenue increases will exceed cost increases.

If the above analysis indicates feasibility for increasing vertical drop, this is a strong avenue to consider. Consider using the existing well-fitted random forest model to explore predictions for the outcome of additional changes, i.e increasing the number of fast quads or even reducing snow making.

Thanks!



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