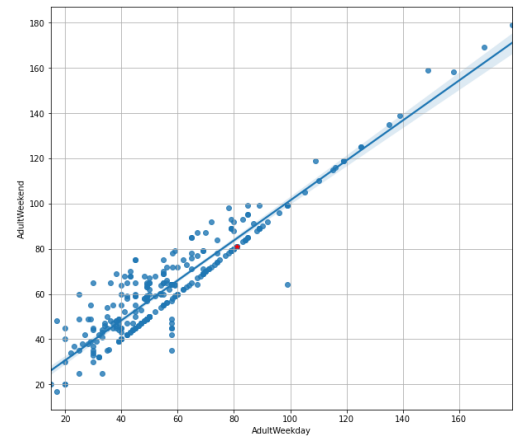
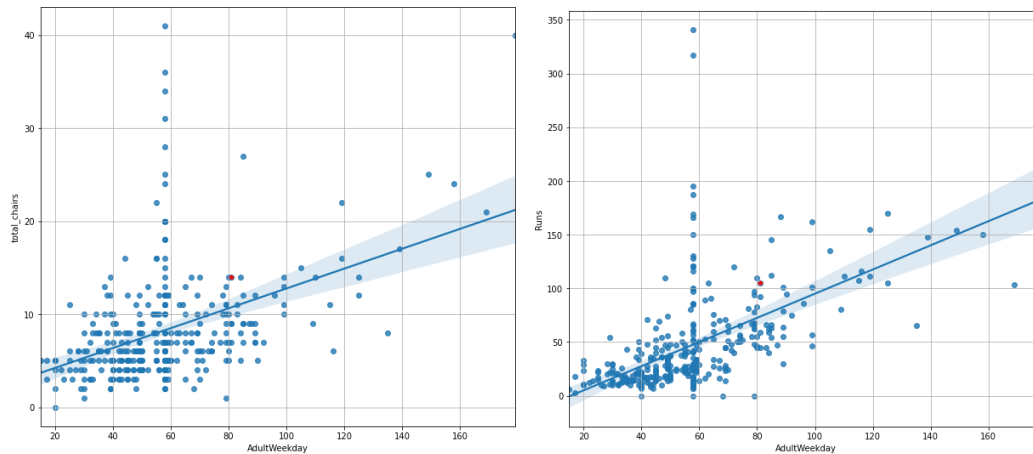


Recommendations:

The prices for adults on weekends versus weekdays for ski resorts are shown below. Big Mountain Resort (BMR) is shown with a red asterisk. The predicted price (shown with a blue line) based on the dataset is ~\$85 for adults on weekends based solely on the weekday price of \$81. The weekend price can be increased from \$81 to \$85.



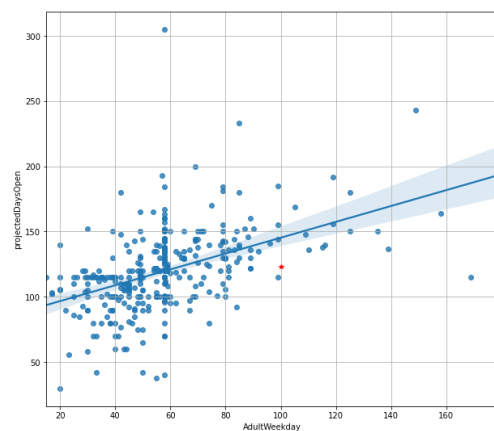
To justify increasing prices, the resort can show a high number of chairs and runs for customers to use. BMR has a total of 14 chairs and 105 runs, both of which are high for the weekday ticket price. Given the number of runs and chairs, the ticket price is predicted to be ~\$100 on a weekday. This weekday price correlates to ~\$102 on a weekend.



Given an increase to \$100 on weekdays, the number of runs and chairs are still on the higher end of normal. However, the projected number of days open is low. It is recommended that management examine the root cause for this since the snowfall and snowmaking for BMR are well above expected for both the price prediction and the average in Montana. This is likely costing the resort greatly both in lost revenue on days not open and extra snow production that is being done.

Considerations:

While recommendations and considerations are provided herein, customer feedback was not considered. Thus, price increases may have a significant effect on the number of customers which in turn would impact BMR's revenue.



This should be considered extensively since BMR is the highest priced ski resort in the region. A method of predicting this would be to utilize historical data, along with this data, and the additional information of the number of visitors.

Moreover, customer behaviour has not been considered. It is important to understand why people choose BMR over competitors. Also of interest may be how far customers travel for this particular resort. Are the majority of customers from another region or is the clientele local? Having data on the customers, via a survey, is equally important in predicting the success of strategies.

Estimation of park revenue:

To maintain a 9.2% profit margin of \$1.5 million in revenue, \$12,195 must be made per day. If the number of days the resort is open is increased to 150 days, that will decrease the amount required per day to \$10,000. At \$81 per day, 151 guests are required each day. If the park is open 150 days per year and assuming 151 guests visit each day at \$81 each, the park will make ~\$1.8 million. By keeping the park open for 150 days per year and increasing the ticket price to \$100 per day, the park will make ~\$2.27 million in the season.