



Big Mountain Resort Business Suggestions



Problem Identification

How can we use the values of Big Mountain Resort's facilities to change their ticket pricing strategy before this upcoming season such that their additional profit from the new ticket prices will cover at least the \$1,540,000 in increased operational costs from the new chair lift?

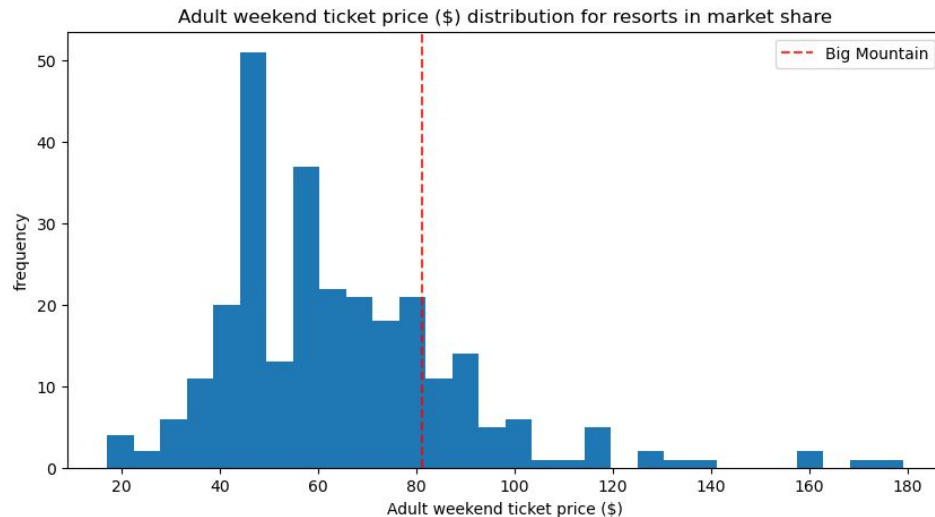


Recommendation and Key Findings

- Big Mountain Resort's facilities are valuable
- Big Mountain Resort could raise ticket prices and still be competitive
- Consider closing the least popular run; the adult ticket price of \$81 could be maintained by the other facilities.

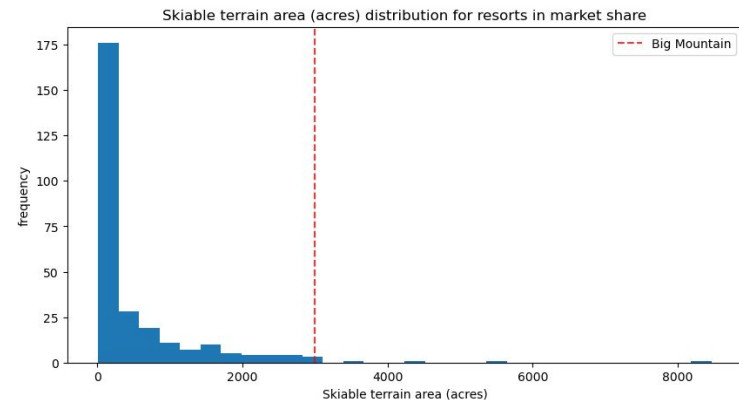
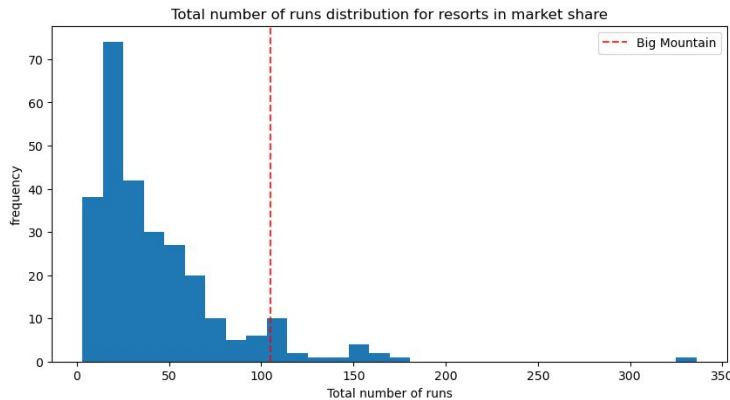
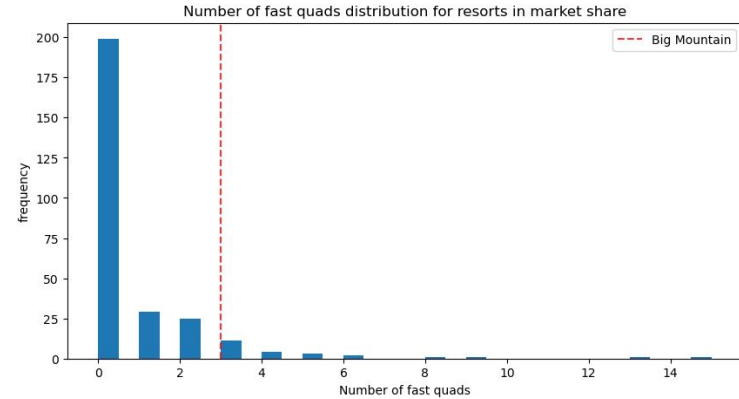
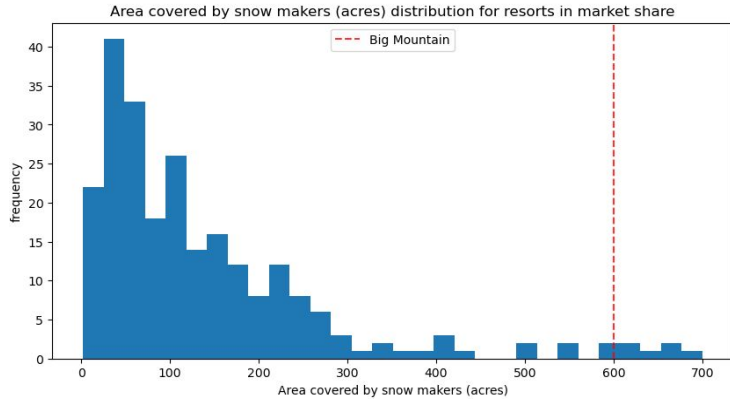
Modeling Results and Analysis

- The histogram on the right shows where Big Mountain's ticket price is compared to the rest of the resorts' ticket prices.



Modeling Results and Analysis

- An AI model trained on Big Mountain's market segment suggests that the facilities that have the greatest effect on ticket prices are number of fast quads, runs, snow making area, and skiable terrain



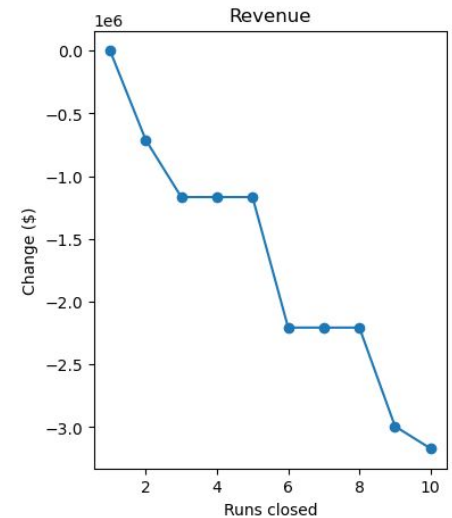
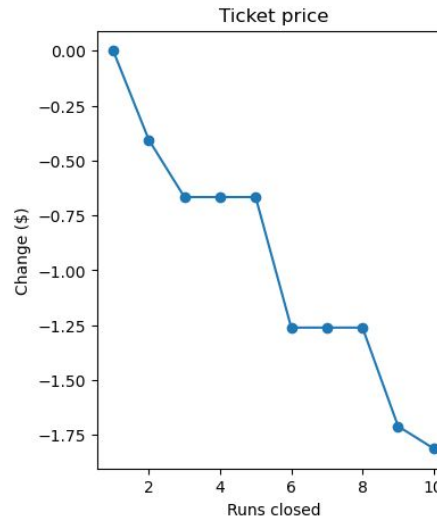


Modeling Results and Analysis

- The histograms shown have Big Mountain resort far higher up the distribution than it was on ticket prices
- The AI model suggested that Big Mountain could increase prices to \$95.87 with an absolute mean error of \$10.39, and the histograms make it clear for us to see that it is a reasonable suggestion.
- Assuming the projected 350,000 visitors this season each buy 5 day tickets, we would only need a price increase of \$0.88 to support the increased costs from the new chair lift.

Modeling Result and Analysis

- If you'd rather not raise prices, the AI suggests you can maintain the same ticket prices with one less run than you currently have, so you may consider closing the least popular run. This is shown on the right.





Summary

- Big Mountain Resort has not been taking full advantage of their impressive facilities
- An AI model trained to predict ski resort prices based on their facilities has told us that Big Mountain has room for increased revenue and has other insights on future business decisions.
- Big Mountain Resort could make back the extra money spent on the new chair lift by increasing ticket prices by just \$0.88 which is very reasonable without making any changes.