

Big Mountain Ski Resort

Strategy Analysis

Problem Identification

Big Mountain is not capitalizing on its facilities as much as it could, since the resort's pricing strategy has been to charge a premium above the average price of resorts in its market segment.

Our main objective is to build a price prediction model to simulate the 4 scenarios identified below. These have been identified as possible strategies to increase revenue.

1. Permanently closing down up to 10 of the least used runs. This doesn't impact any other resort statistics.
2. Increase the vertical drop by adding a run to a point 150 feet lower down but requiring the installation of an additional chair lift to bring skiers back up, without additional snow making coverage
3. Same as number 2, but adding 2 acres of snow making cover
4. Increase the longest run by 0.2 mile to boast 3.5 miles length, requiring an additional snow making coverage of 4 acres

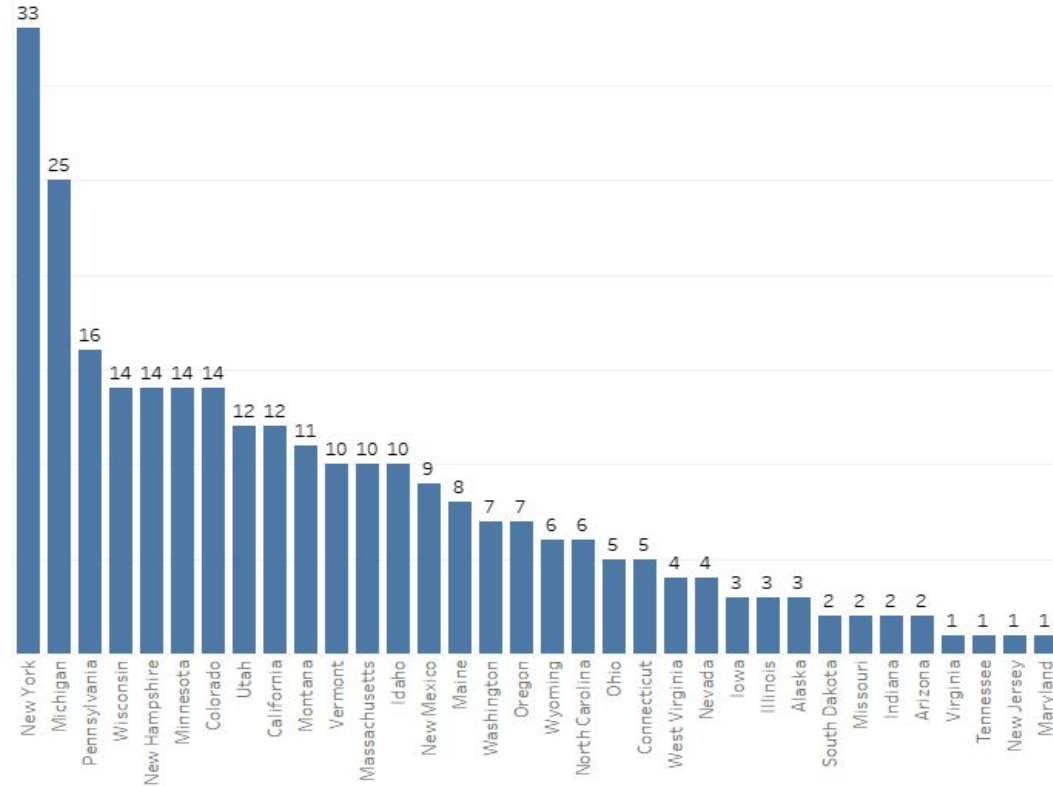
Recommendation

The recommendation is to implement Scenario #1 gradually. Closing 1 run or a few runs can be implemented fast and can be reversed if the strategy doesn't work. Further analysis will need to be completed to assess operating costs of the proposed runs to close as there will be an impact on revenue due to lower prices.

The other 3 scenarios require investing upfront in facilities, it will take time to realize revenue and are not easily reversed if they don't work.

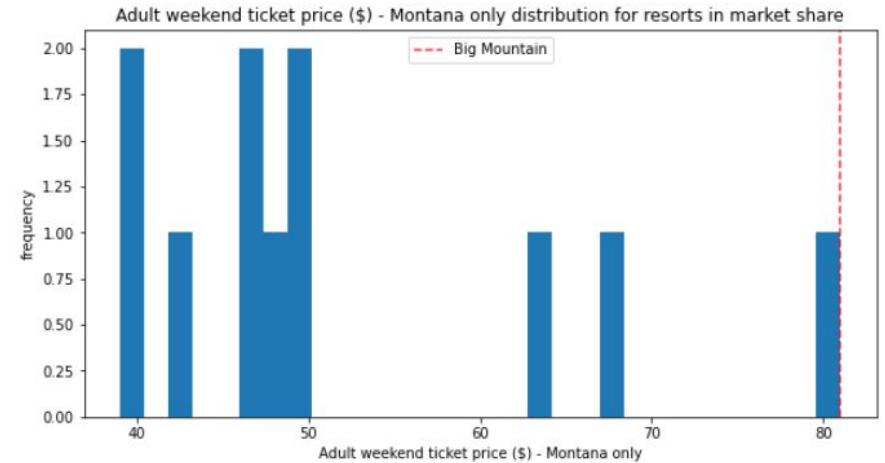
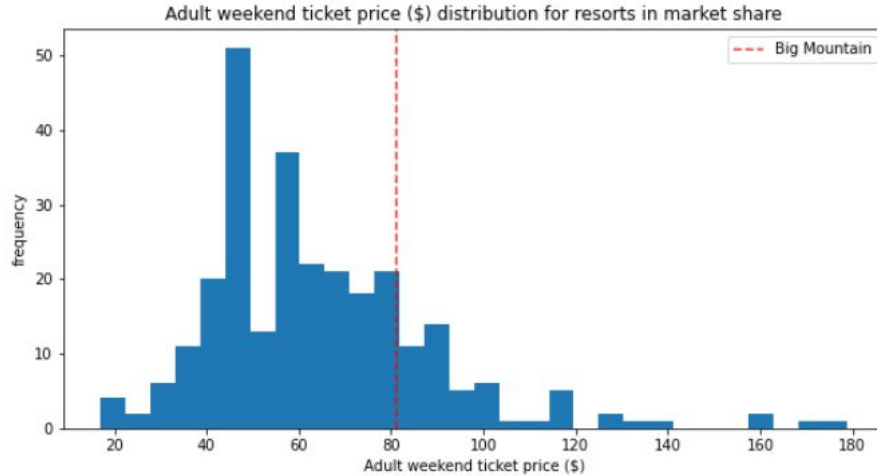
Modeling results and analysis

Distribution of Ski Resorts by State



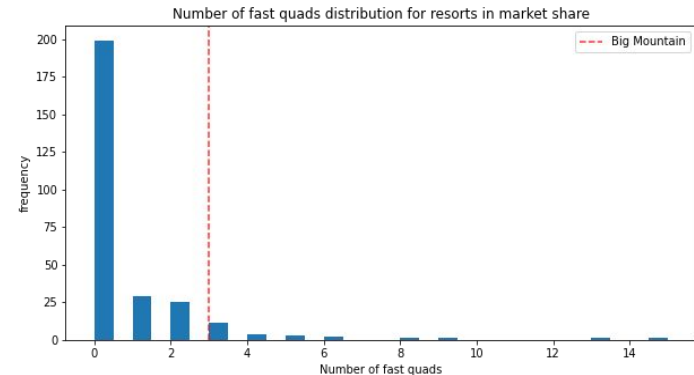
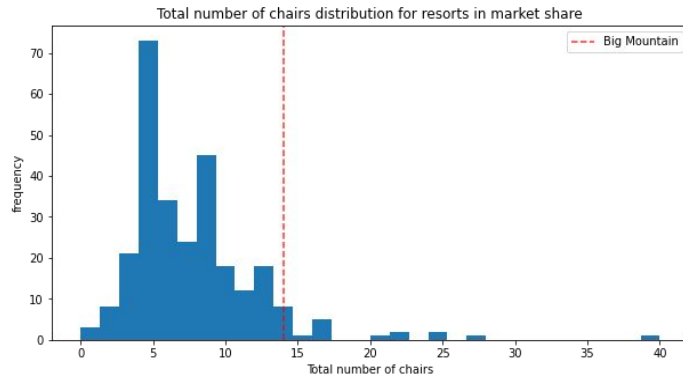
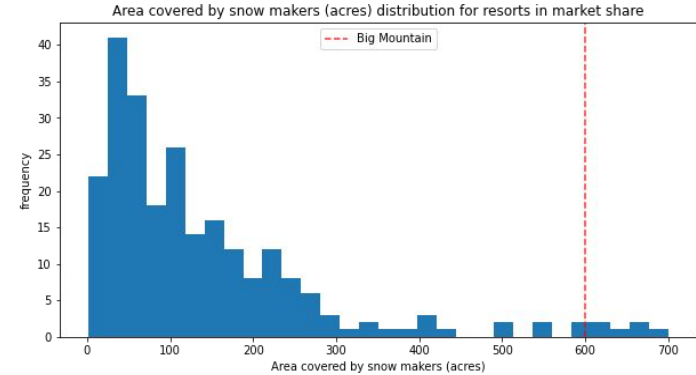
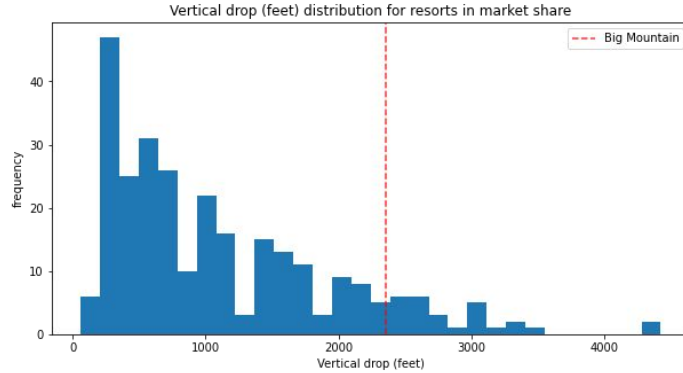
Modeling results and analysis

Average Price - National and State level



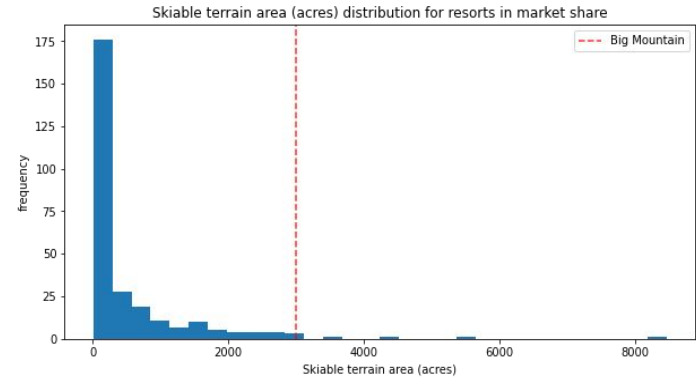
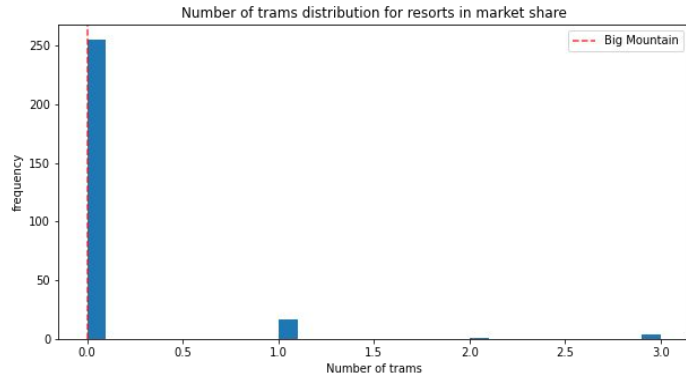
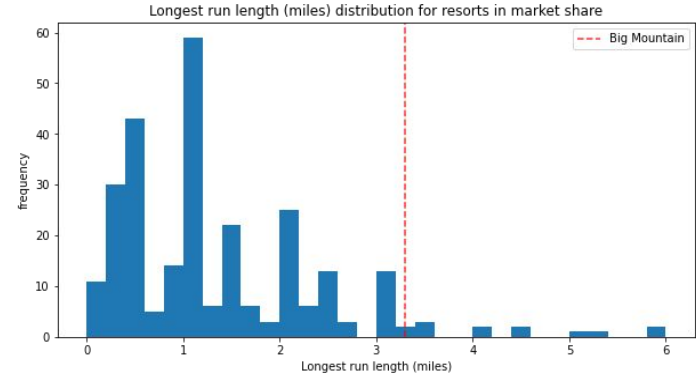
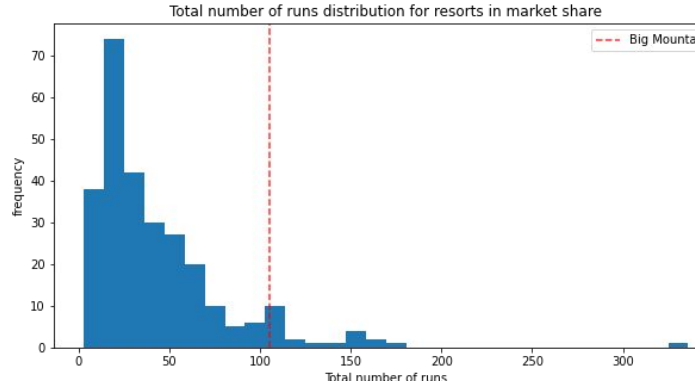
Modeling results and analysis

Big Mountain's place on facilities that influence price



Modeling results and analysis

Big Mountain's place on facilities that influence price



Summary and conclusion

Analysis supports assumption on price not set correctly according to the facilities Big Mountain has to offer. Big Mountain facilities are similar to other resorts charging higher prices.

Further analysis is recommended before proceeding to close low utilized runs to confirm cost reduction from operating expenses offset the predicted loss in revenue due to closing the runs and lowering prices.