

# Price Analysis for Big Mountain Resort - Montana



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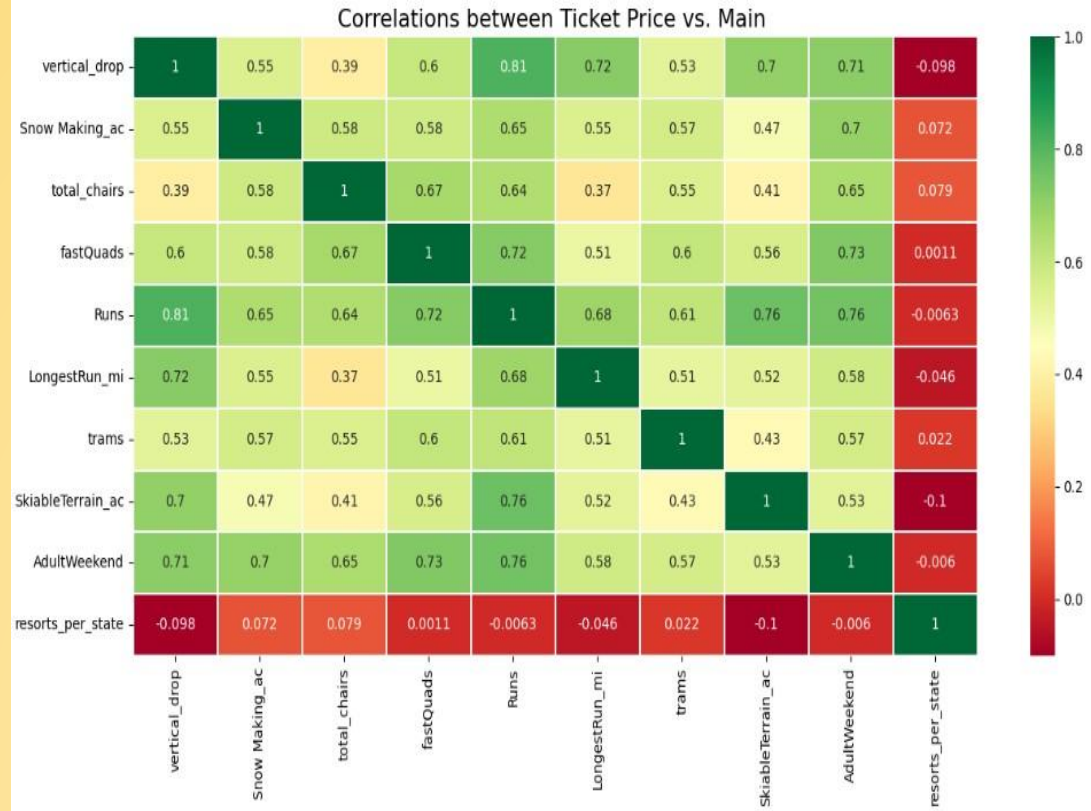
# Problem Identification

- ❖ By adding a New Chair Lift, BMR has increased visitor distribution throughout the resort
  - ❖ Operational costs had been raised by \$1.54 million annually
  - ❖ Current price of ticket is \$81.00
- What are the metrics for increasing revenue while staying competitive?
- ❖ By reducing operational costs with closing up to 10 less used runs
  - ❖ By ticket price Increase



# Key Findings

- ★ Strong correlation between:  
Skiable Terrain & Number of Runs
- ★ Strong correlation between:  
Adult Weekend Ticket Price and:  
Fast Quads,  
Number of Runs,  
Total Number of Chairs,  
Vertical Drop,  
Snow Making



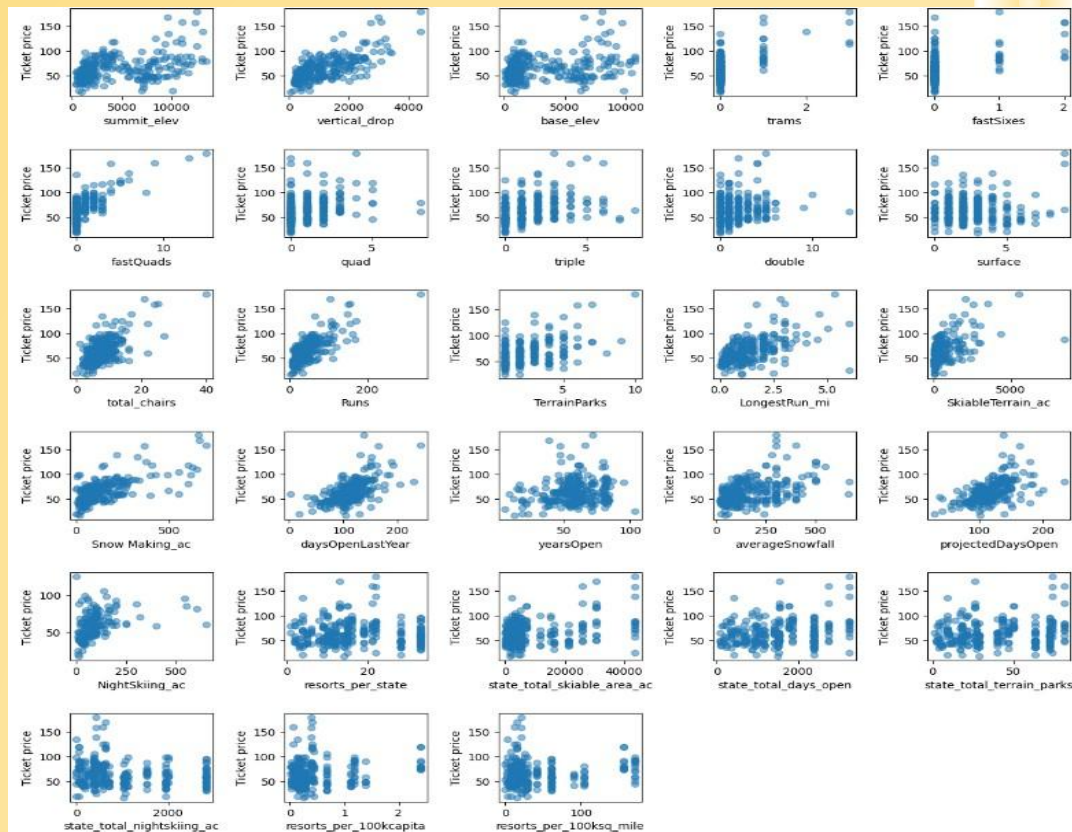
# Modelling Overview of Features

Overview visualization of Weekend

Ticket Price scatter plots vs. various features:

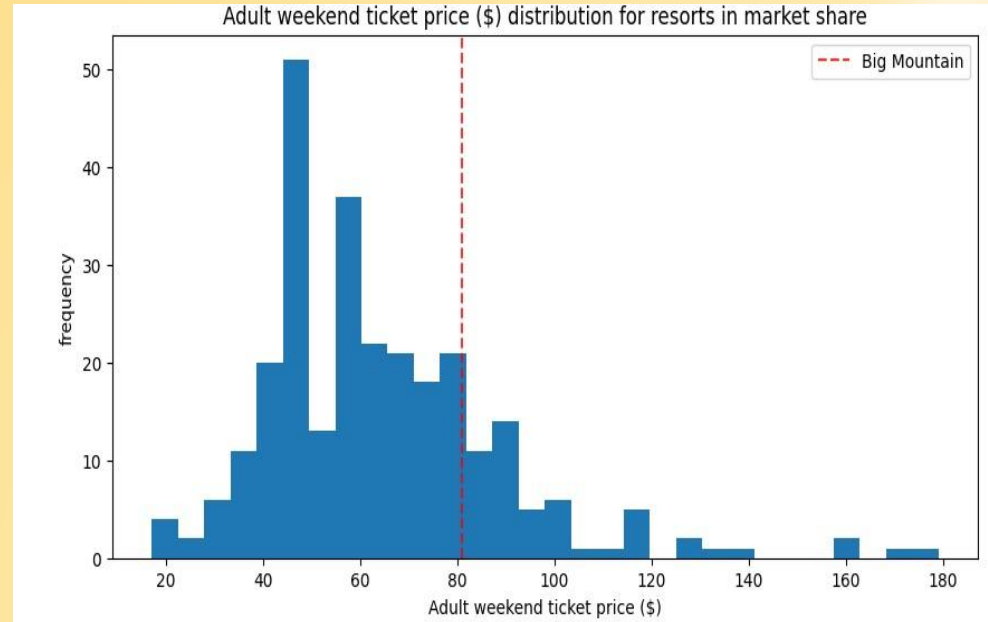
Strong correlations exist with:

Vertical Drop, Fast Quads, Number of Runs, Number of Total Chairs



# Conclusions/Recommendations

- ❖ BMR has at least \$10 room for Ticket Price Increase, while staying competitive and within range of prices other resorts are offering. This increase would translate into approximately \$15 million extra revenue annually and will offset expenses associated with the run of the new Chair Lift.
- ❖ Adult Weekend Ticket Price can be raised within the range of \$90 to \$95, without endangering competitiveness.



# Conclusions/Recommendations



BMR has also room to close up to 5 runs, and save on maintenance costs, without severely affecting Ticket Price revenue. Closing more than 5 runs would start affecting more drastically its annual revenue.

