

# BIG MOUNTAIN RESORT

Guided Capstone Slide Deck

March 4, 2024

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## PROBLEM IDENTIFICATION

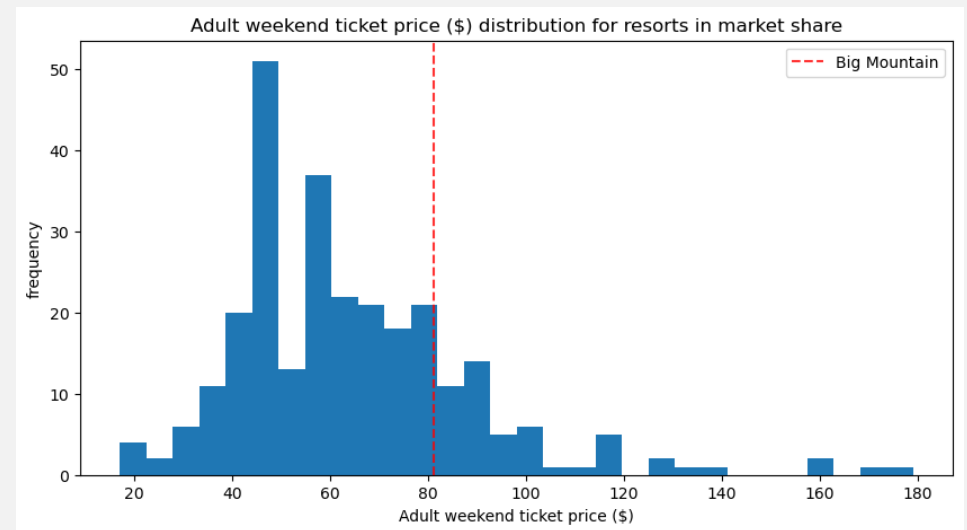
- Establish pricing strategy that accurately reflect BMR's facilities in comparison to competing resorts in the market segment
- Context
  - BMR's investment in an additional chairlift increases operating costs by \$1,540,000
  - Current pricing model based on comparable resorts plus a premium
- Identify facilities with high correlation to ticket price using data of resorts in BMR's market segment
- New ticket price should fully offset increased costs assuming 350,000 visitors in the upcoming season

## RECOMMENDATION & KEY FINDINGS

- Analysis supports increasing ticket price to \$95.87
- BMR should consider increasing its vertical drop by 150 feet
  - Requires adding one new run and chairlift
  - Expect visitors will be willing to pay additional \$1.99 for tickets, associated with \$3.47 million in additional revenue
- Other proposed scenario options do not generate substantial benefit for BMR

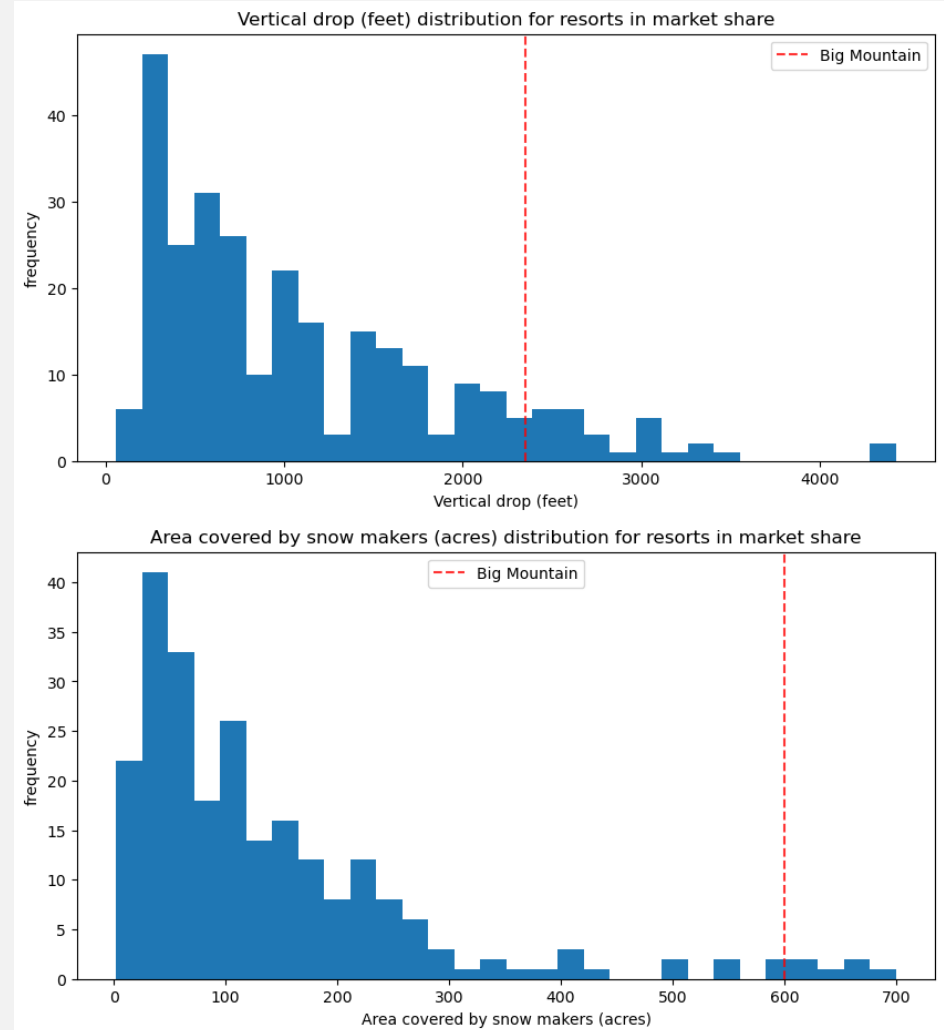
## MODEL RESULTS & ANALYSIS

- Optimized model selected four important features: vertical drop, snow making acreage, number of runs, and fast quads
- The following slides illustrate BMR's facilities in comparison to other resorts in the market segment
- BMR's current ticket price does not accurately reflect its available facilities



## MODEL RESULTS & ANALYSIS

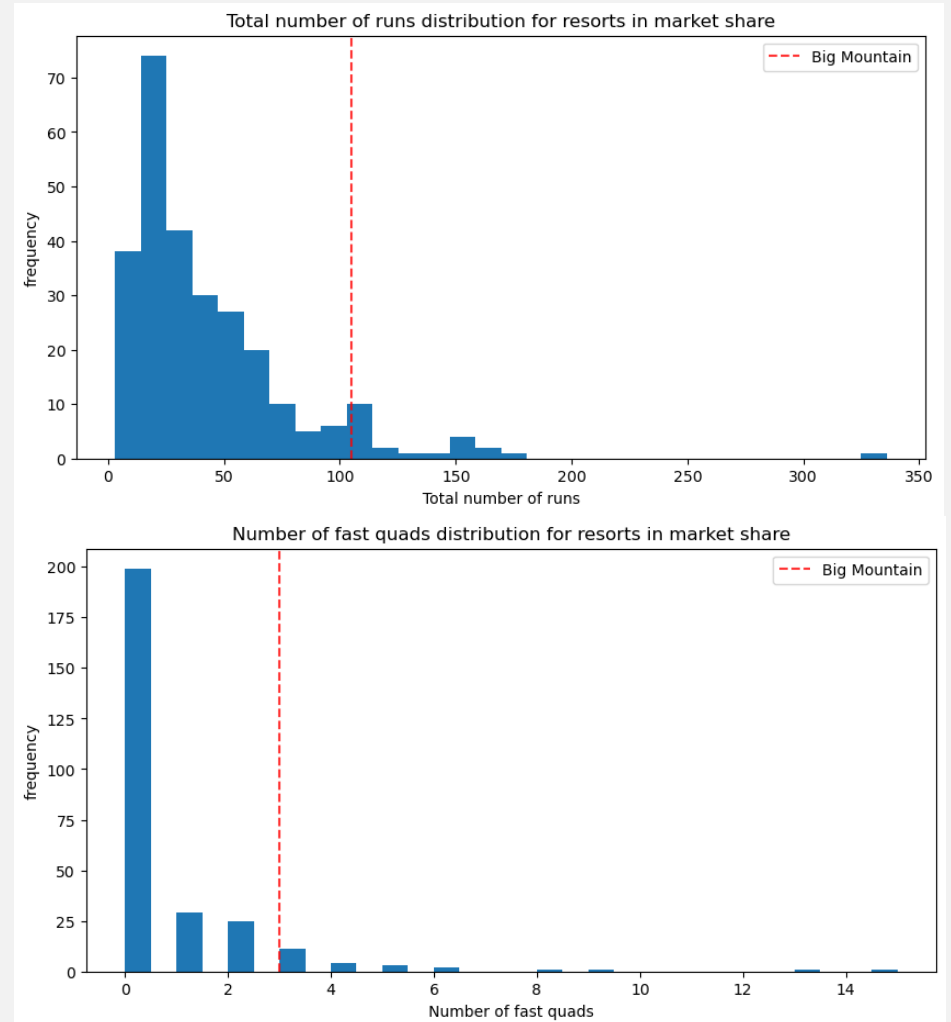
BMR's vertical drop and area covered by snow makers are larger than the average resort in our comparison.



## MODEL RESULTS & ANALYSIS

Similar to previous slide, BMR has more runs and fast quads compared to other resorts in the dataset.

More runs and fast quads are rare in this market segment.



## SUMMARY & CONCLUSION

- BMR's current ticket price undervalues the resort considering its above-average facilities
- There is substantial room to increase prices and revenue to cover the additional operating costs
- Further analysis can be done on visitor information to understand visitor sensitivity to ticket prices