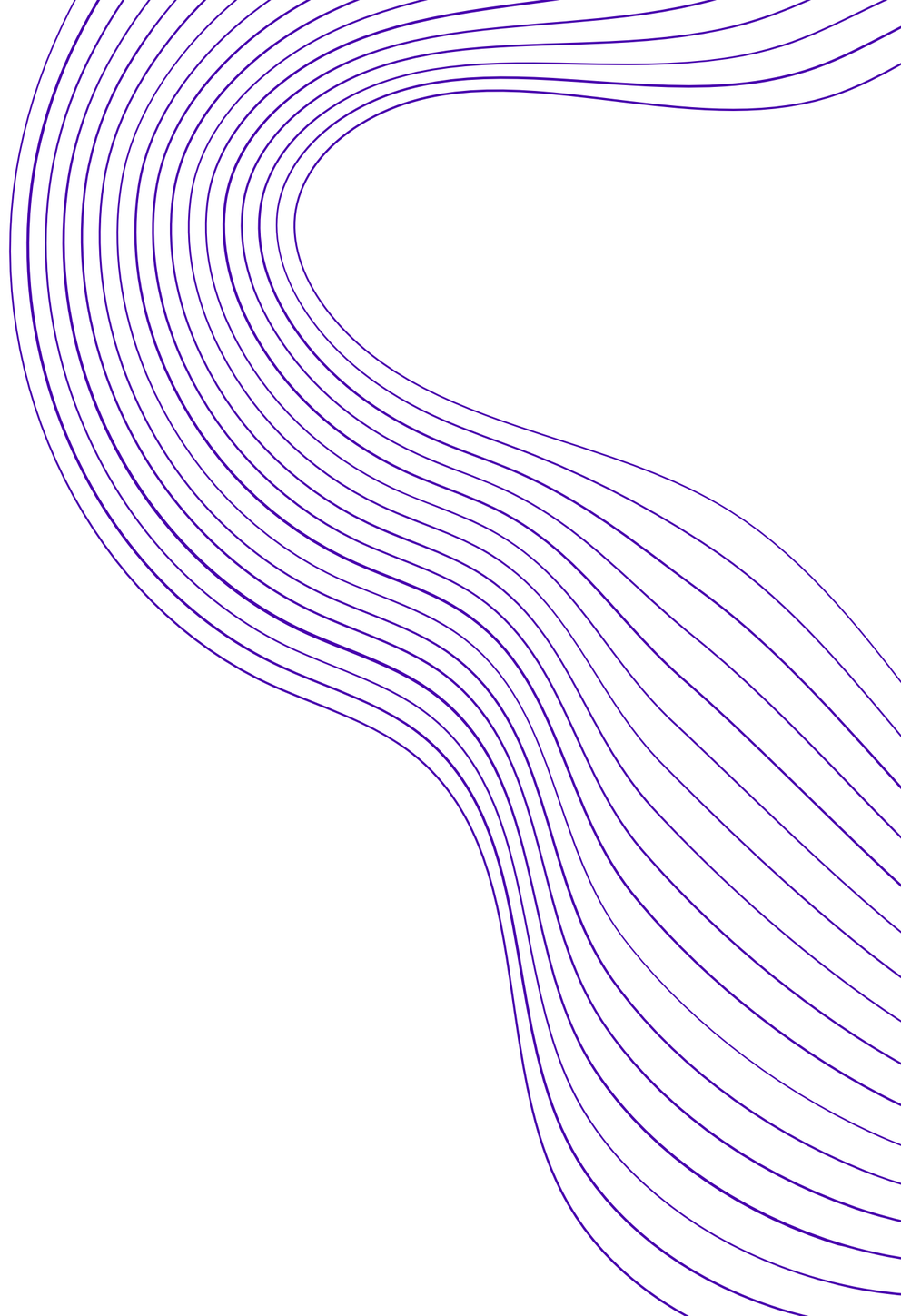
01 GUIDED CAPSTONE PROJECT| MARCH 2023

Blue Mountain Resort



02

Problem Identification

Big Mountain Resort has installed a new chair lift to increase the distribution of riders across the mountain.

This lift has led to an increase of $1.54 million in operating expenses this season.

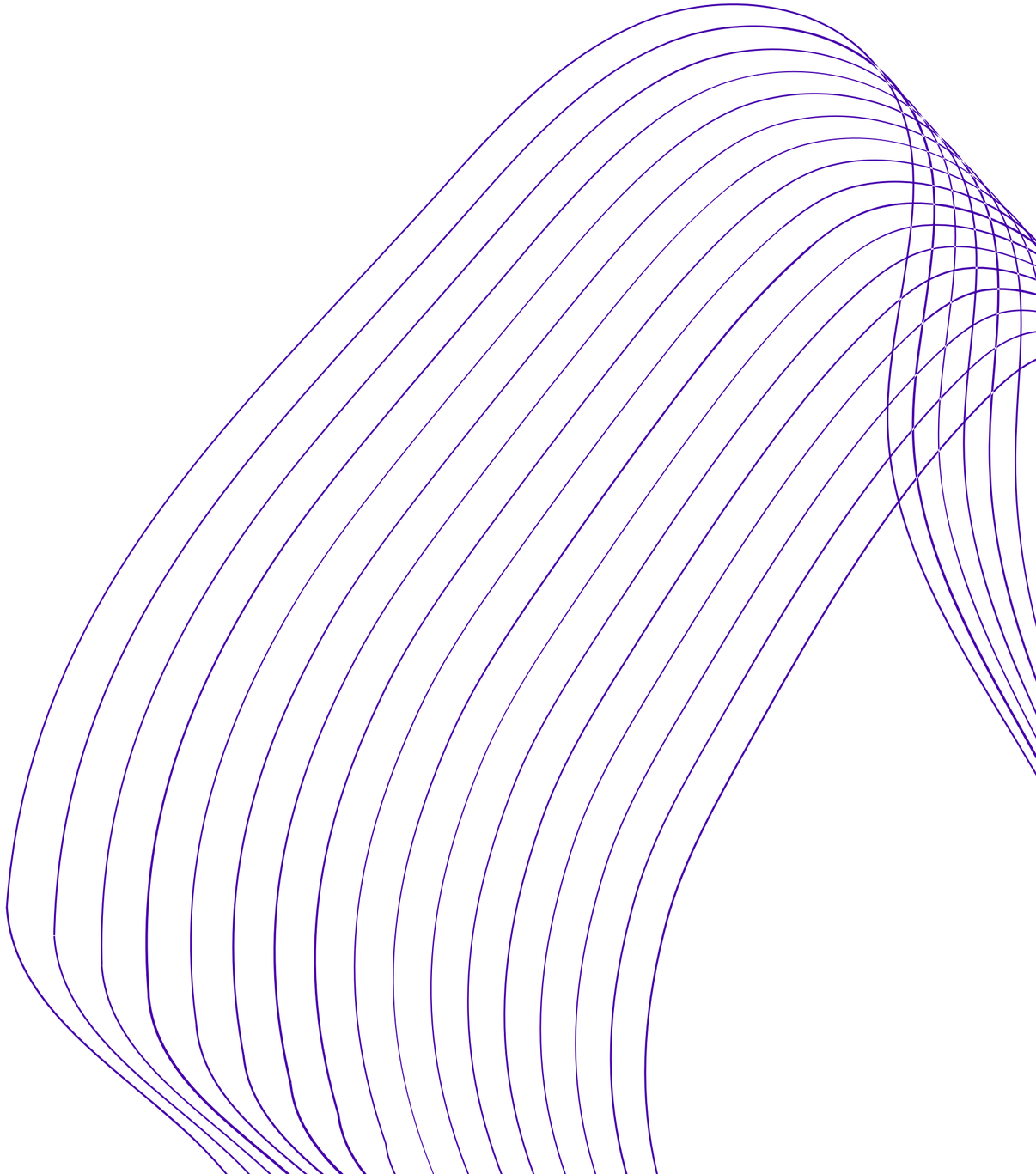
Current pricing based on market average does not provide the business with a good sense of value of facilities compared to others.

How can Big Mountain Resort best determine ticket price through comparable market analysis of offerings and facilities?

Criteria

Analyzed and compared facilities and trail offerings within US market segment to understand current positioning domestically and regionally.

Determine if data reveals support for increasing ticket prices by $4.40 at least to meet increased operational break-even point.



04

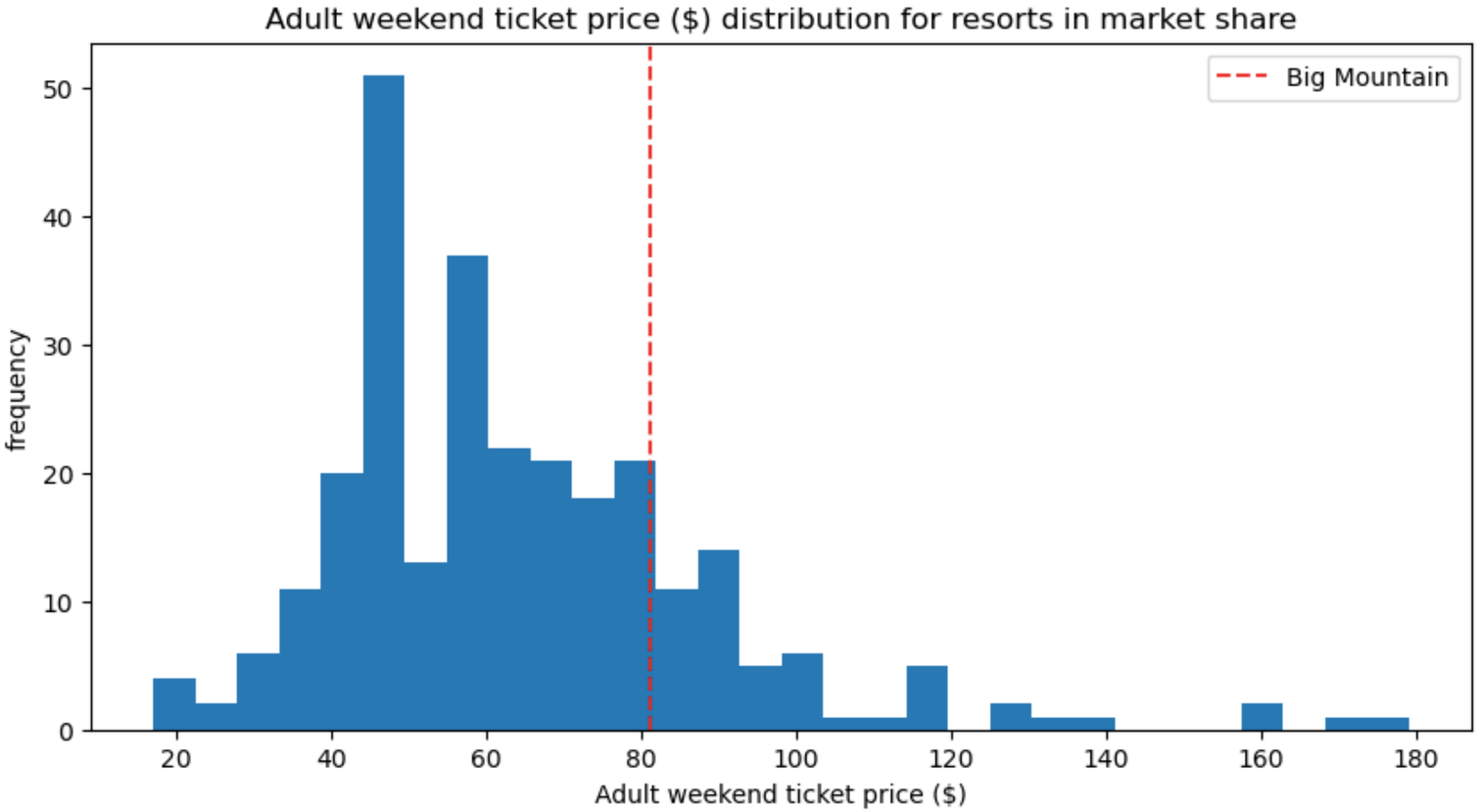
Findings

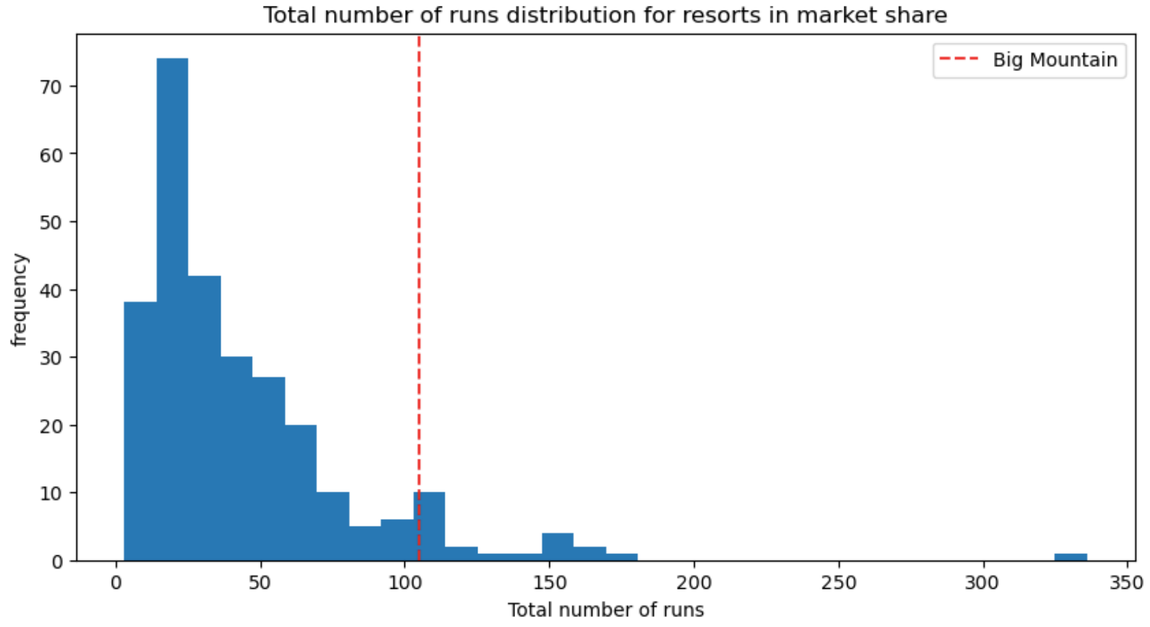
Modeled Price: $95.87 vs. Actual Price: $81
Even with expected mean absolute error of $10.39, suggests there is room for increase.

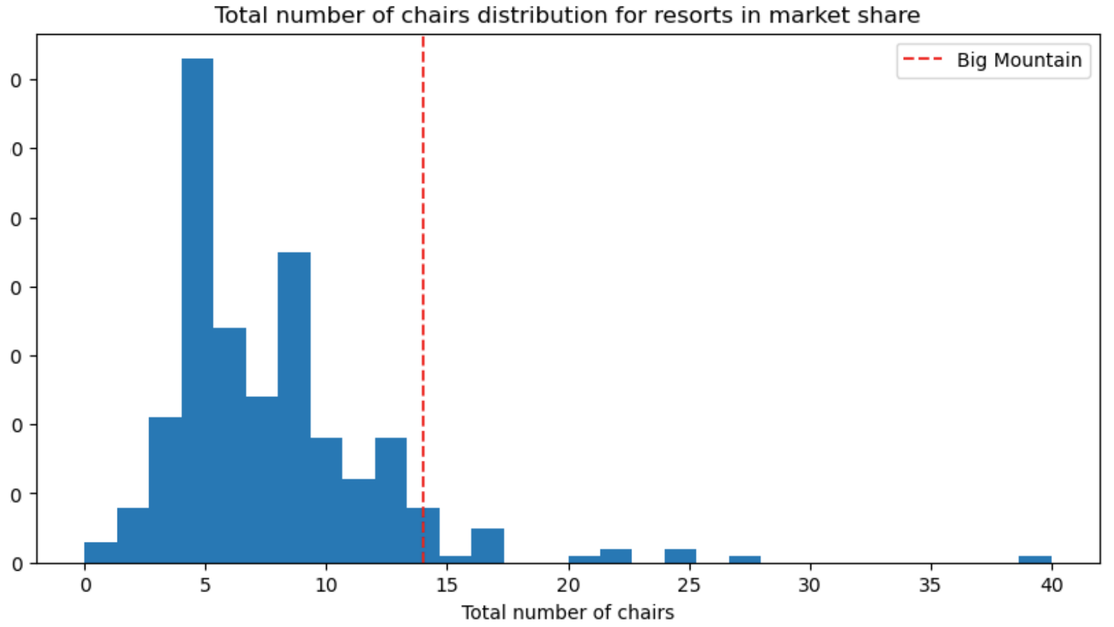
Blue Mountain **ranks high** in regional and domestic markets nearly all key features.

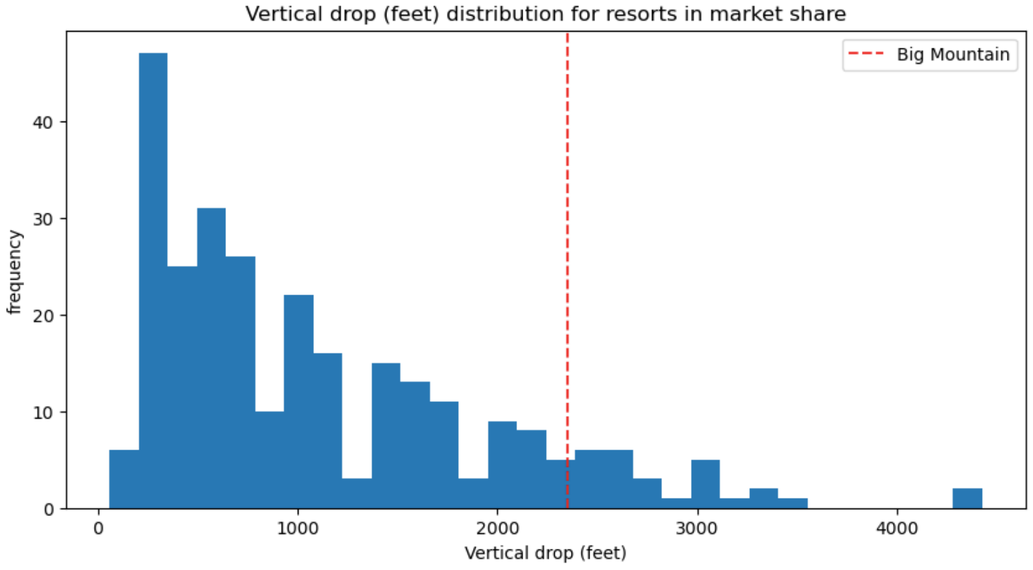
Modeling supports increasing ticket price by $4.40; Scenarios 2 and 3.

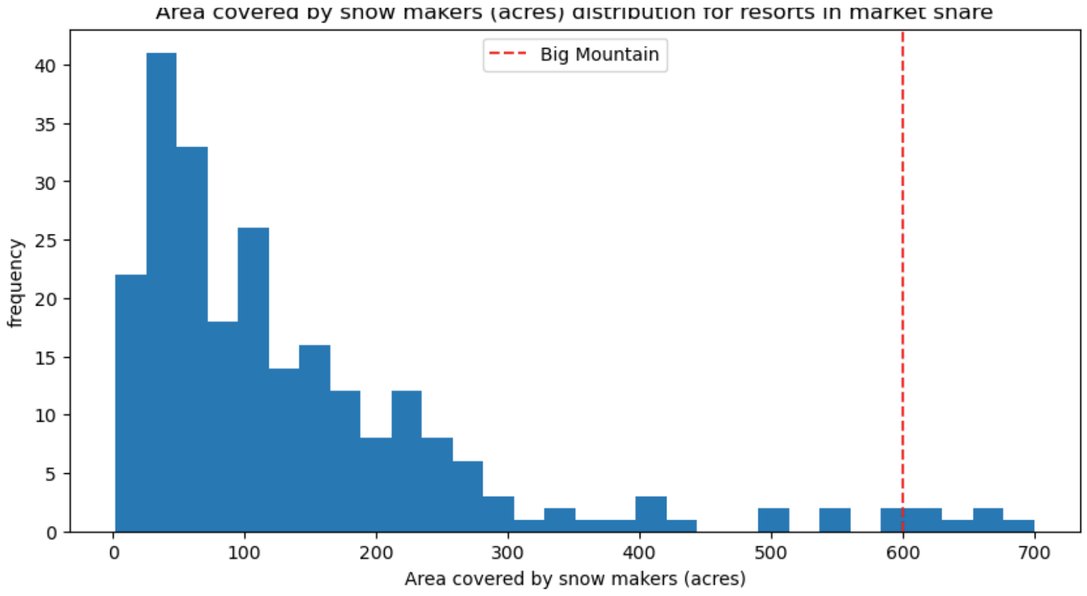
Results


Adult weekend ticket price ($) distribution for resorts in market share
Big Mountain
frequency
0
10
20
30
40
50
20
40
60
80
100
120
140
160
180
Adult weekend ticket price ($)

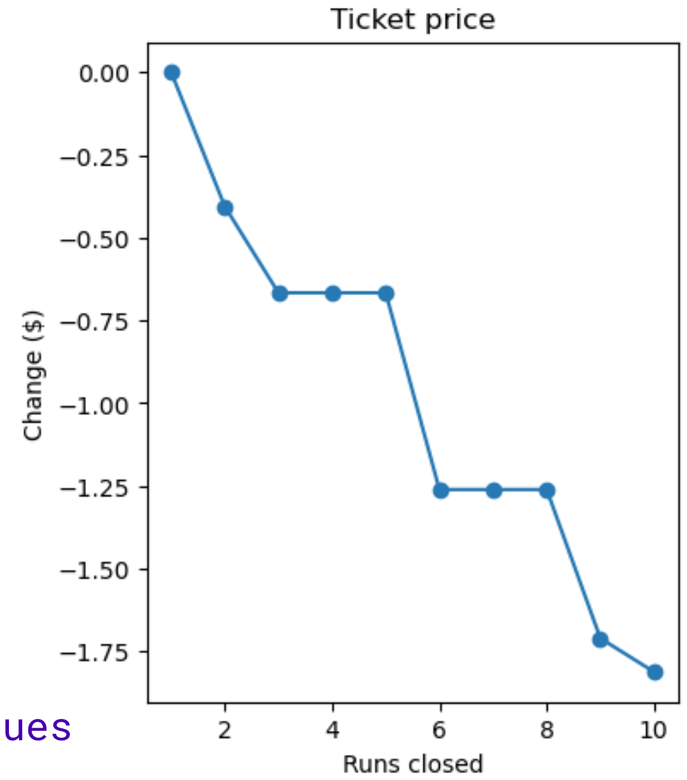

Total number of runs distribution for resorts in market share
Big Mountain
frequency
Total number of runs
0
10
20
30
40
50
60
70
0
50
100
150
200
250
300
350

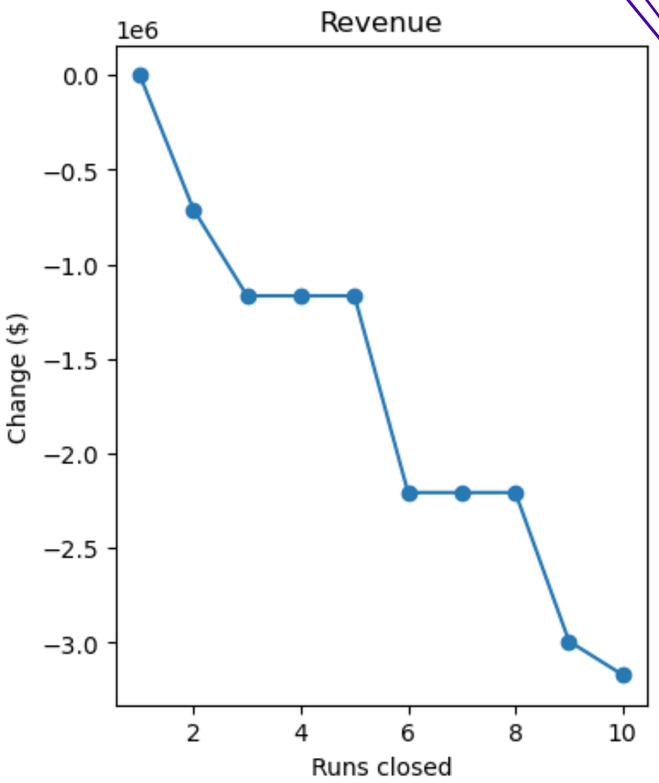

Total number of chairs distribution for resorts in market share
Big Mountain
Total number of chairs
0
5
10
15
20
25
30
35
40


Vertical drop (feet) distribution for resorts in market share
Big Mountain
frequency
Vertical drop (feet)
0
10
20
30
40
0
1000
2000
3000
4000


Area covered by snow makers (acres) distribution for resorts in market share
Big Mountain
frequency
Area covered by snow makers (acres)
0
5
10
15
20
25
30
35
40
0
100
200
300
400
500
600
700

Results





Scenario 1

Cutting costs by closing runs devalues ticket.

Results

Scenario 2 & 3

This scenario increases support for ticket price by $1.99. Over the season, this could be expected to amount to $3,474,638.

Scenario 4

Extending longest run showed no impact to ticket price valuation.

Modeling supports increasing ticket price by $4.40

Scenarios 2 and 3 do add value to ticket price but not enough to reach the new break-even point.