

Big Mountain Resort

Martell Tardy • 09.17.2020

Overview

Client

Big Mountain Ski Resort in Montana

Problem

How can Big Mountain Resort develop a data-driven business strategy that takes into consideration market segment, various facility values, and current operating costs to deliver the best ticket price while allowing changes that will either cut costs without undermining the ticket price or support an even higher ticket price?

Recommendations

Recommendation 1: *Scenario 3*

Increase the vertical drop by adding a run to a point 150 feet, but requiring the installation of an additional chair lift to bring skiers back up, and add an additional 2 acres of snow making coverage.

Why?

Scenario 3, increases support for ticket price by \$9.90, putting the final adult ticket price at around \$91.00. This is close to the suggested ticket price of \$95.87 proposed by the model.

```
#Code task 5#  
#Repeat scenario 2 conditions, but add an increase of 2 to `Snow Making_ac`  
ticket3_increase = predict_increase(['Runs', 'vertical_drop', 'total_chairs', 'Snow Making_ac'], [1, 150, 1, 2])  
revenue3_increase = 5 * expected_visitors * ticket3_increase
```

```
print(f'This scenario increases support for ticket price by ${ticket3_increase:.2f}')  
print(f'Over the season, this could be expected to amount to ${revenue3_increase:.0f}')
```

This scenario increases support for ticket price by \$9.90
Over the season, this could be expected to amount to \$17322717

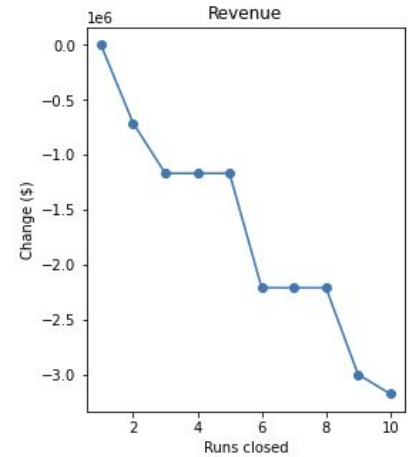
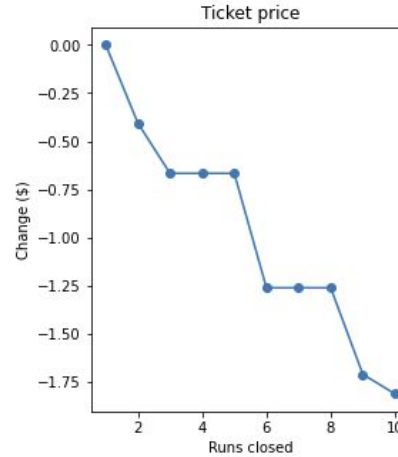
Recommendations

Recommendation 2

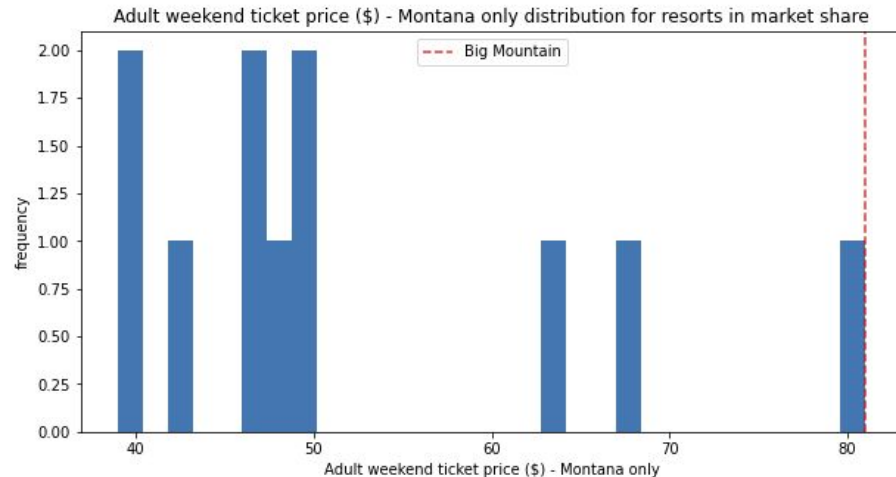
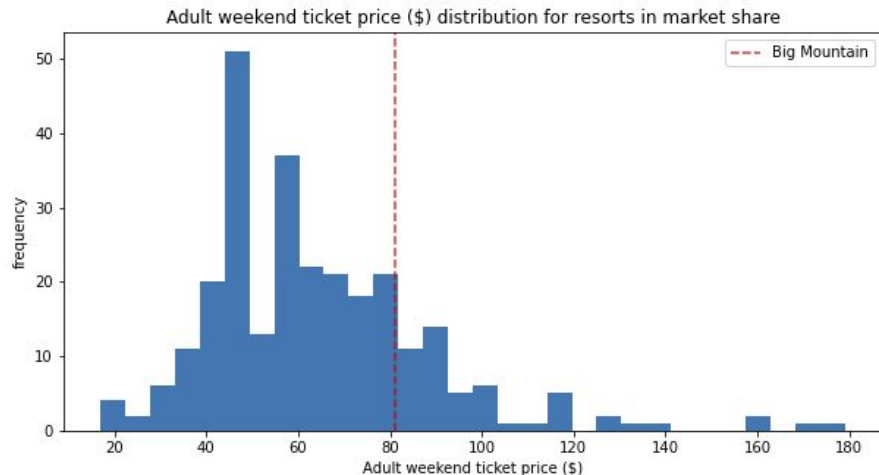
Close one run to decrease any associated operating costs caused by having it's required chair lift.

Why?

The model showed closing one run makes no difference to the adult weekend ticket price.

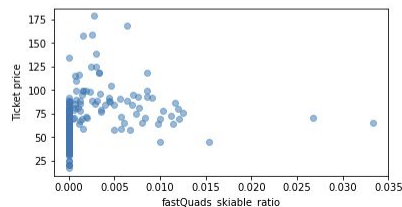
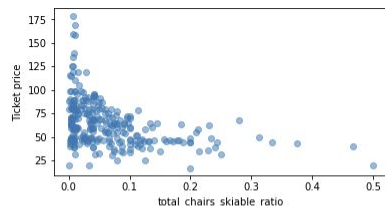
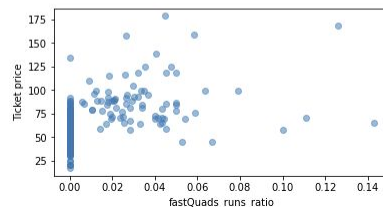
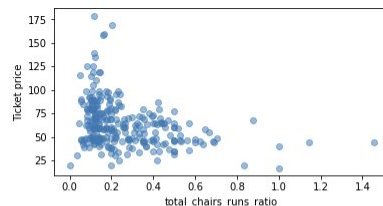
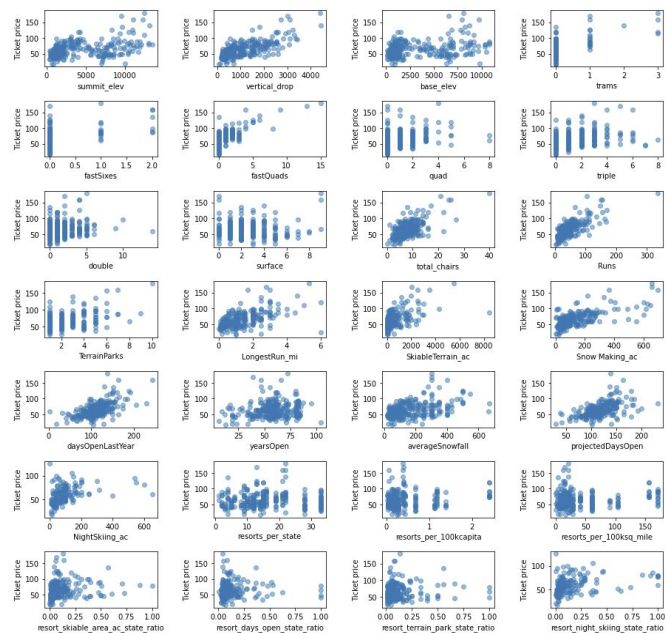


Adult Weekend Ticket Price Distribution



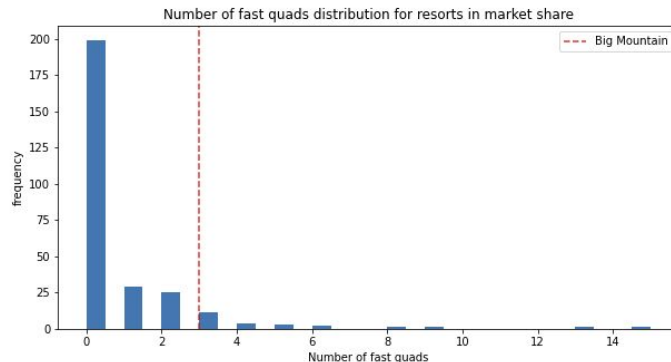
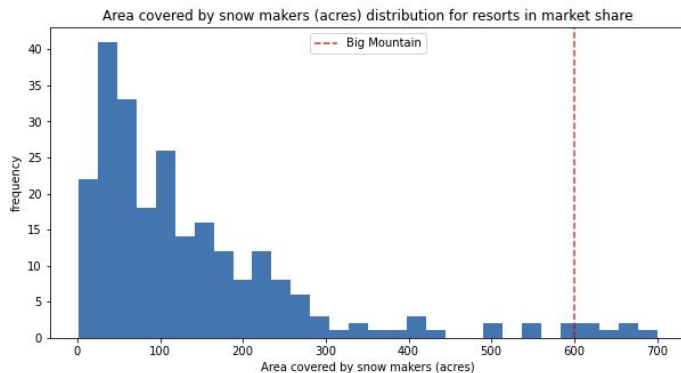
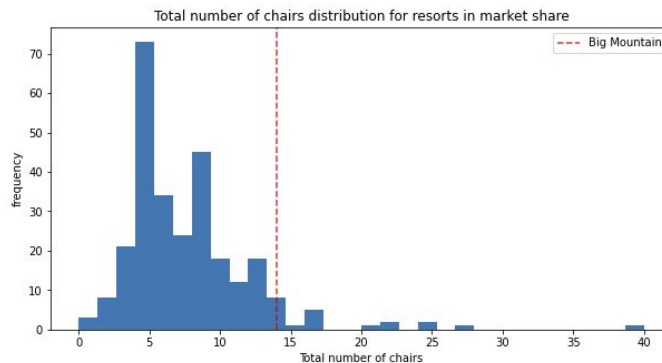
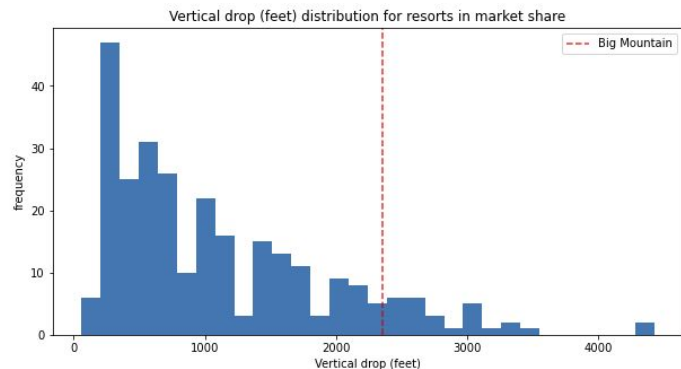
Big Mountain Resort adult weekend ticket prices are highest in the state of Montana at \$81.00, but not out of their whole market share. The identification of this opportunity led to examining what Big Mountain had different from the resorts in their state but similar to those resorts in other states charging more than \$81.00 for their adult weekend tickets.

Adult Ticket Price vs. Features



Adult weekend ticket prices appear to show a positive relationship with the features: *vertical_drop*, *Snow Making_ac*, *total_chairs*, *fastQuads*, *Runs*, *LongestRun_mi*, *trams*, and *SkiableTerrain_ac*.

Big Mountain Resort vs. Market Share Features

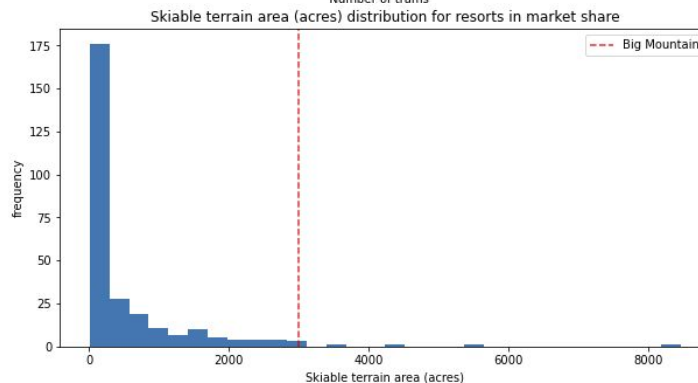
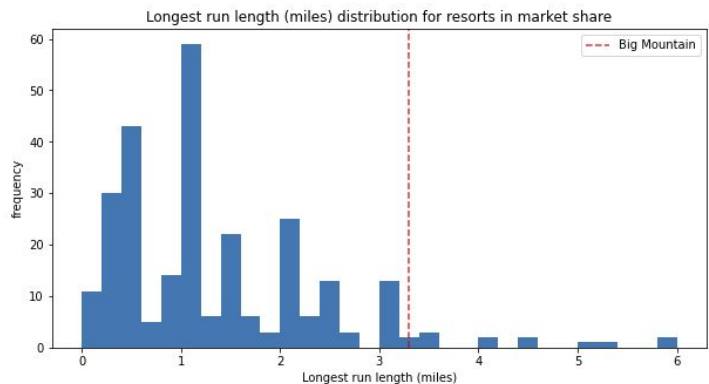
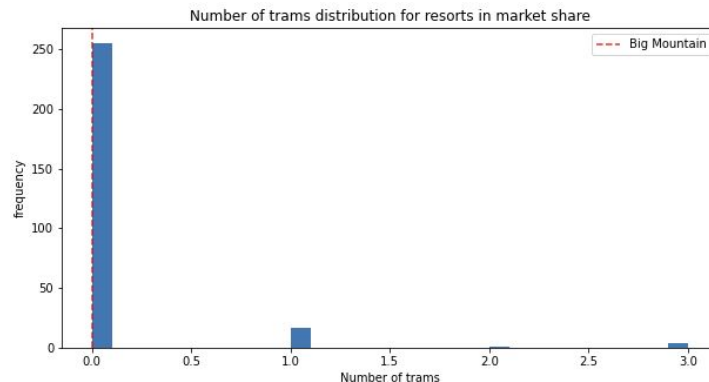
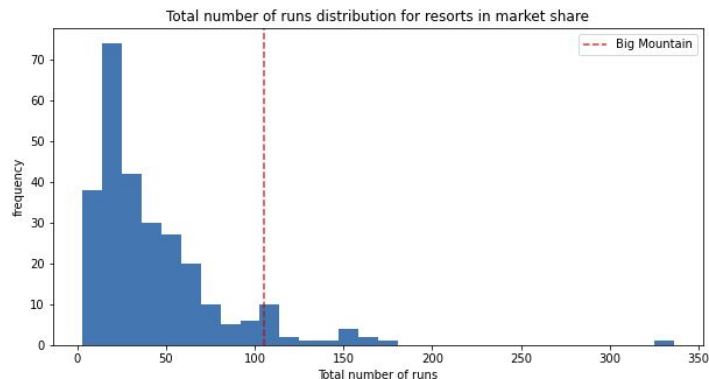


Big Mountain Resort is above the average frequency in each of the features highlighted.

Providing evidence for why Big Mountain could increase their adult weekend ticket price, given what they provide in comparison to the market.

Note, the Big Mountain resort's performance for the *vertical_drop* feature isn't amongst the highest. This could be a feature worth investing in.

Big Mountain Resort vs. Market Share Features (Cont.)



Big Mountain Resort is way above the average frequency in each of the remaining features highlighted, except one, *trams*.

However, this finding shouldn't propose a problem to examining an increase in ticket price since the vast majority of resorts have zero as well.

Summary

- Big Mountain Resort should focus on increasing the price of their adult weekend tickets by \$10 to \$15.
- This increase in ticket price is supported by the features they provide at their resort in comparison to the market they are within.
- The changes proposed within scenario three are the most lucrative options to justify an increase in adult weekend ticket sales in comparison to the other three scenarios proposed by leadership.
- Examining the cost benefits of closing one run at the resort should be examined.
- To look further into the benefits of increasing the snow making coverage at the Big Mountain Resort will require more information regarding the associated operation costs with such an increase.