

BIG MOUNTAIN RESORT: GUIDED CAPSTONE

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WHAT SHOULD BIG MOUNTAIN RESORT CHARGE FOR ADMISSION?

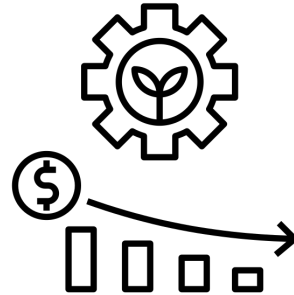
Raise prices to match that
of the market while
offering new facilities

or

Lower operating costs by
reducing the number of
facilities



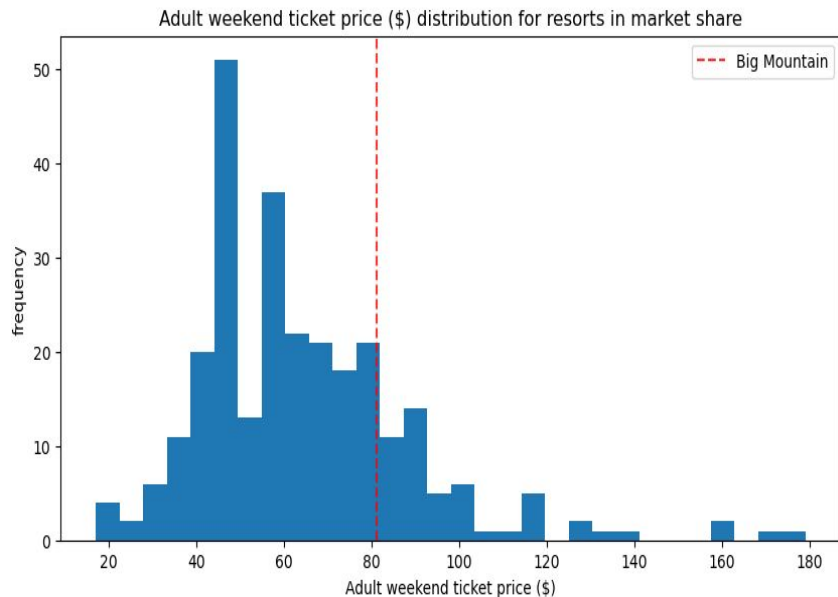
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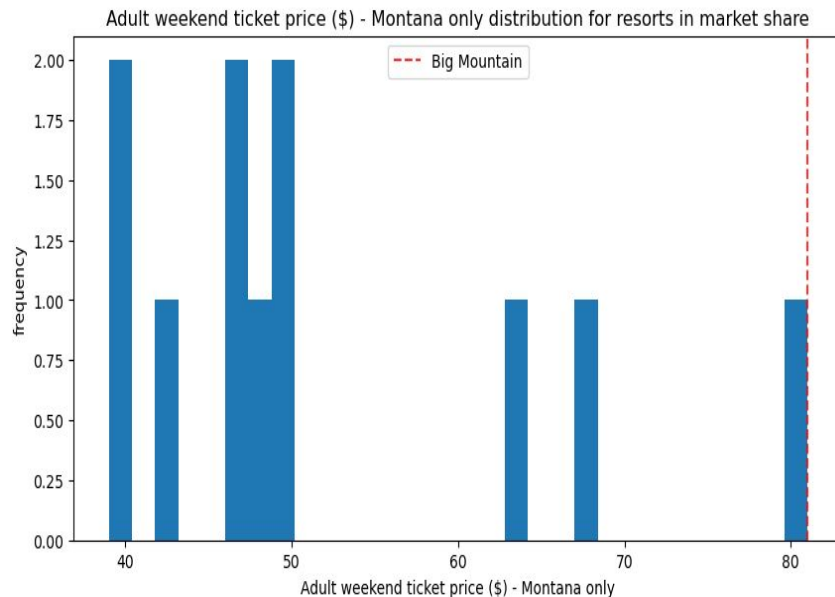
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CURRENT PRICING CLIMATE

TICKET PRICE RELATIVE TO THE COUNTRY



TICKET PRICE RELATIVE TO MONTANA



RECOMMENDATIONS

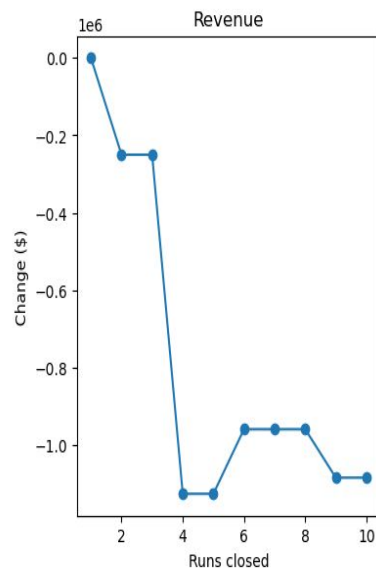
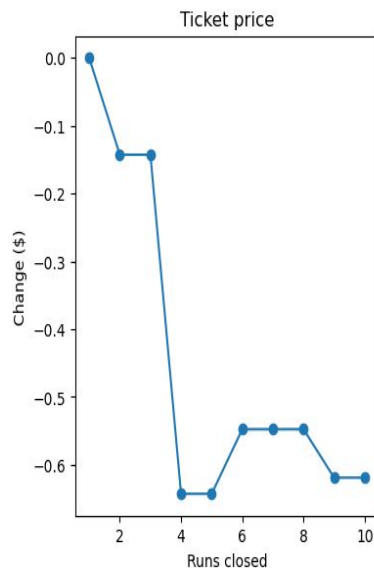
Big Mountain Resort should increase the vertical drop of the mountain (distance between highest and lowest skiable land) of the resort by 150 feet via a new ski run and lift.

RESULTING IN:

A further increase in ticket price by \$0.95 and generating over \$1,666,667 in revenue and \$126,667 in profit.

WHY NOT DECOMMISSION LOW USE SKI RUNS?

1. We have no indication on the operating cost per ski run, and thus can't predict how much money would be saved by decommissioning runs.
2. There is a steep cost associated with removing runs. Removing even a single run will cost the park \$200,000 while removing four runs will cost the park \$1 million in lost revenue.



FURTHER ANALYSIS

- Statistical Analysis was performed to determine the number and identity of features most important for estimating ticket price.
- A random forest regression was performed to estimate ticket price based off the eight most impactful ski resort features.
- Features and their importance for the model are located to the right.

Feature	Model Importance
vertical_drop Making_ac	1
Snow Making_ac	2
total_chairs	3
fastQuads	4
Runs	5
LongestRun_mi	6
trams	7
SkiableTerrain_ac	8

MODEL RESULTS

- The model indicates that Big Mountain Resort, based off the quantity and quality of its amenities and facilities, should be charging roughly \$100.21 per a ticket.
- The estimates are given with a possible error (mean absolute error) of \$10.34.
- This suggests there is room to increase prices.

NEXT STEPS

- To proceed and refine this model, we should incorporate operating cost associated with features. Perhaps certain runs or lifts consume a larger portion of the operating budget? Perhaps certain facilities are underserved, inefficient, and financially burdensome to the park?