

Big Mountain Ski Resort

Ticket Price Model (Guided Capstone Presentation)

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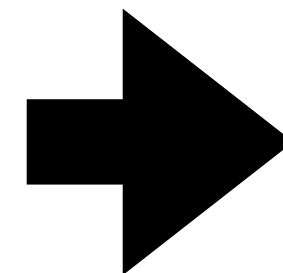
Problem Identification

♦ Opportunities for increasing ticket price and cutting operational costs.

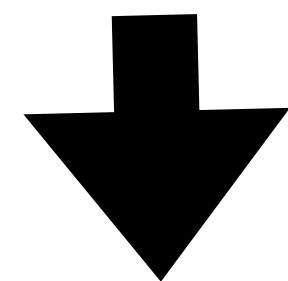
- Is Big Mountain Ski Resort Ticket under-priced?
- Can we increase the ticket price without losing visitors?
- What can be done to reduce the operational cost?

Potential solutions

• Which features make a ski resort more desirable to visitors?



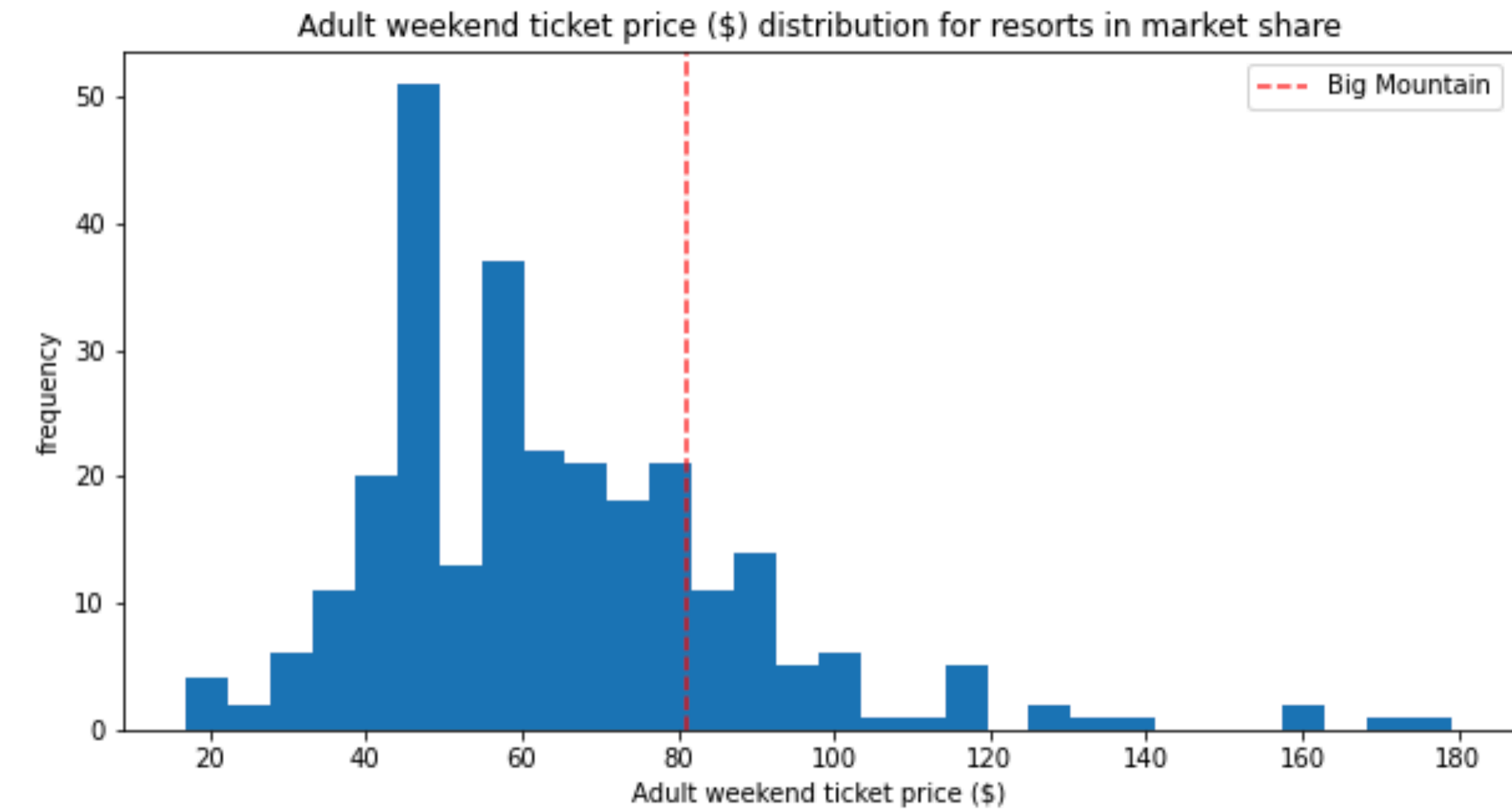
• Build a model based on these features.



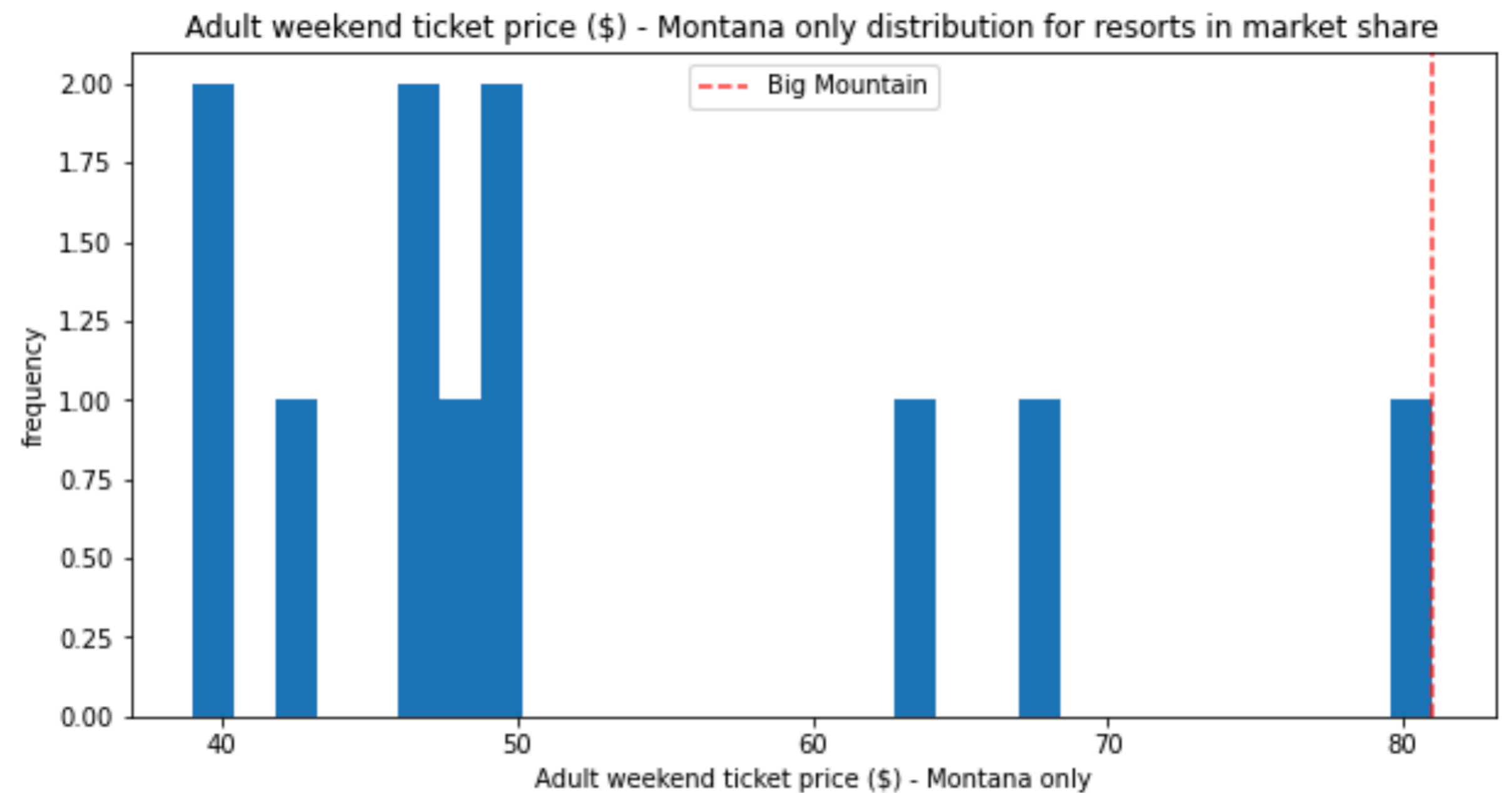
• Test cost cutting scenarios and study their impact

Problem Identification

Comparison of Ticket Price



Only a few resorts in other states have higher prices.



Highest price in comparison with other resorts in *Montana*

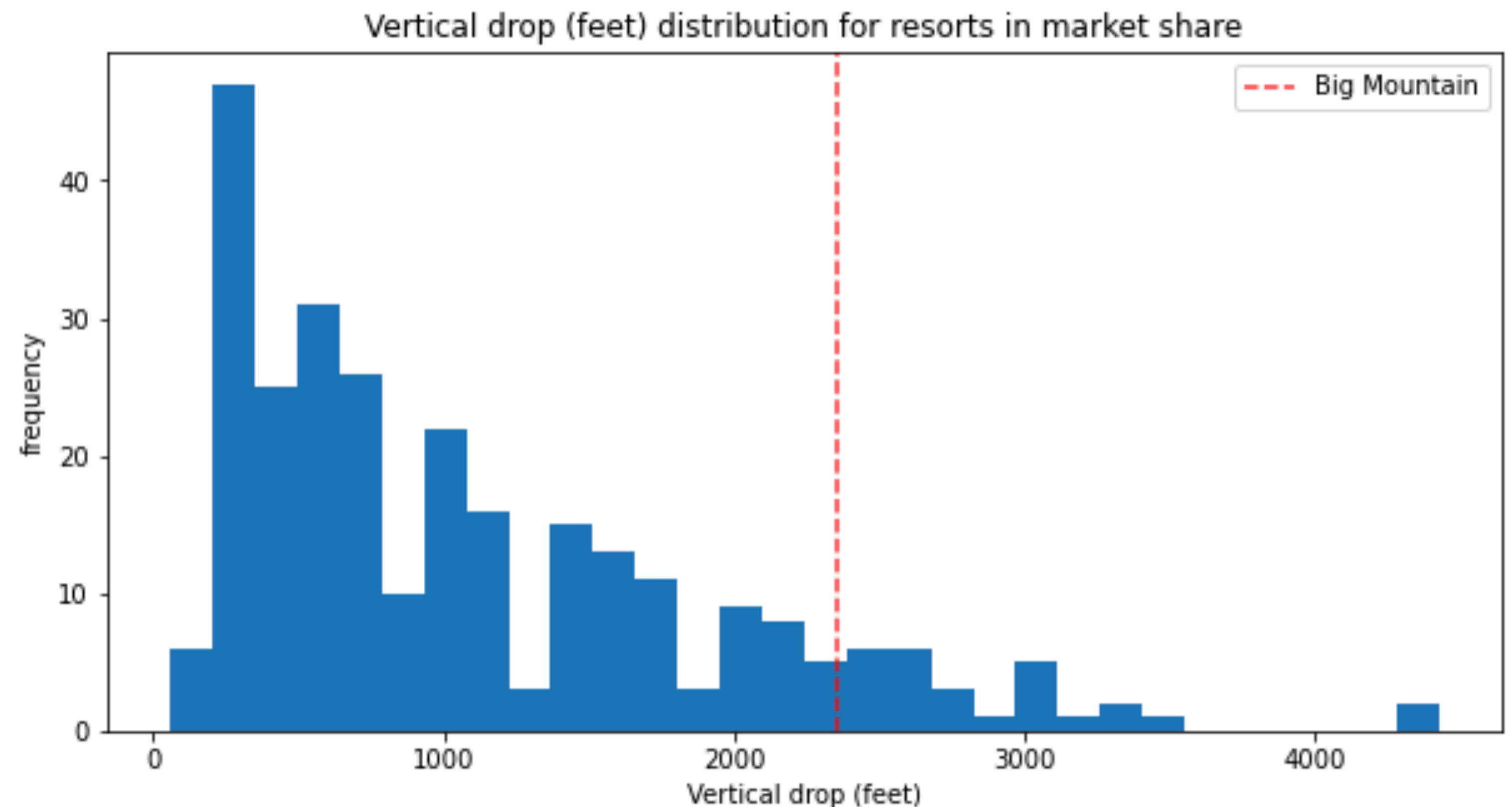
Key Findings and Recommendations

- Increase Ticket Price & Change the facilities:
 - Increase the vertical drop + Install an additional chair lift.
 - Increases support for ticket price by \$8.61
 - Over the season, this could be expected to amount to \$15,065,471
- Based on Competitors Ticket Price , Increase Ticket Price & Make No Changes in the Facilities:
 - Recommended Price Increase \$14.87.
 - Over the season, this could be expected to amount to \$26,022,500

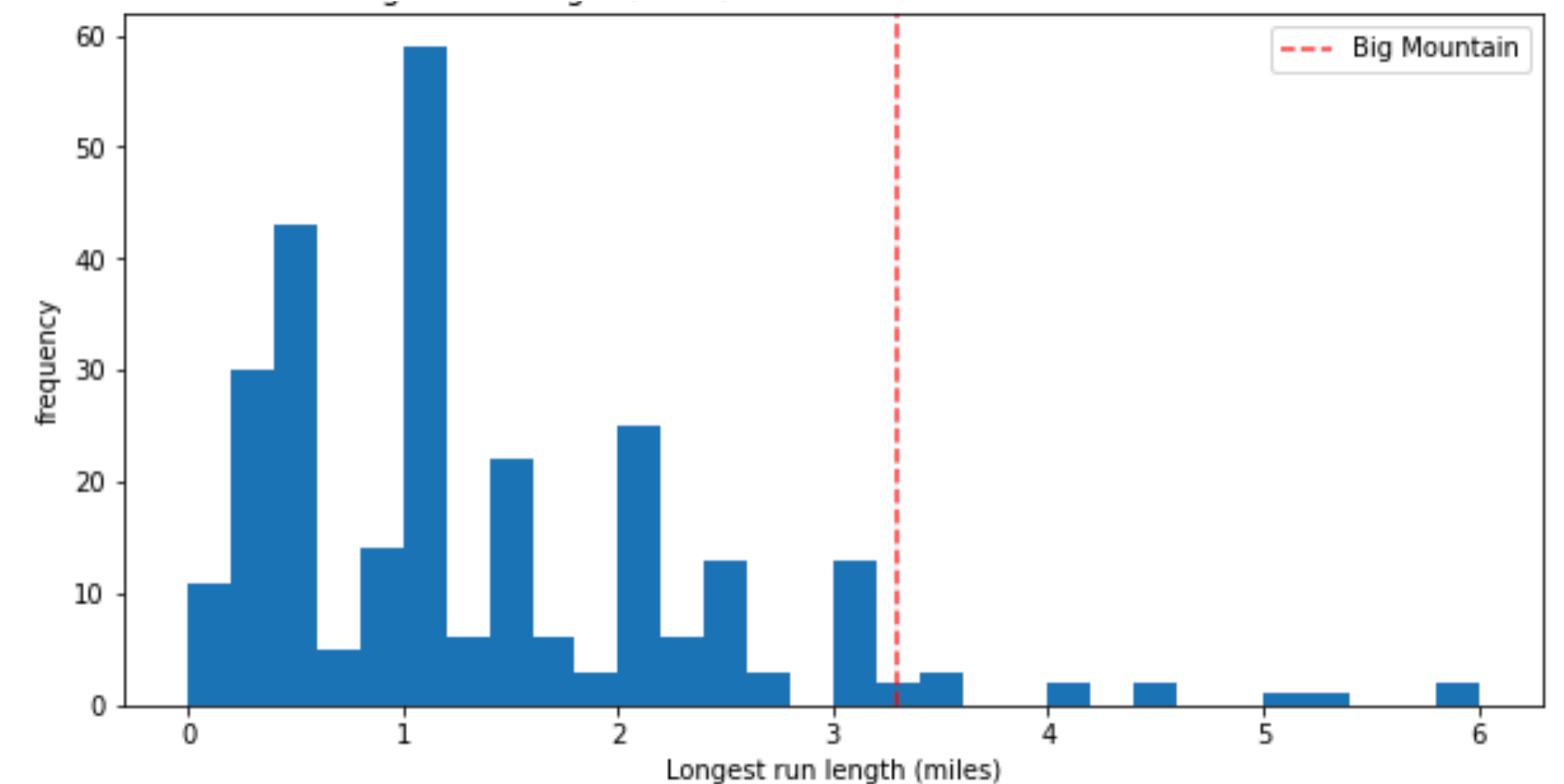
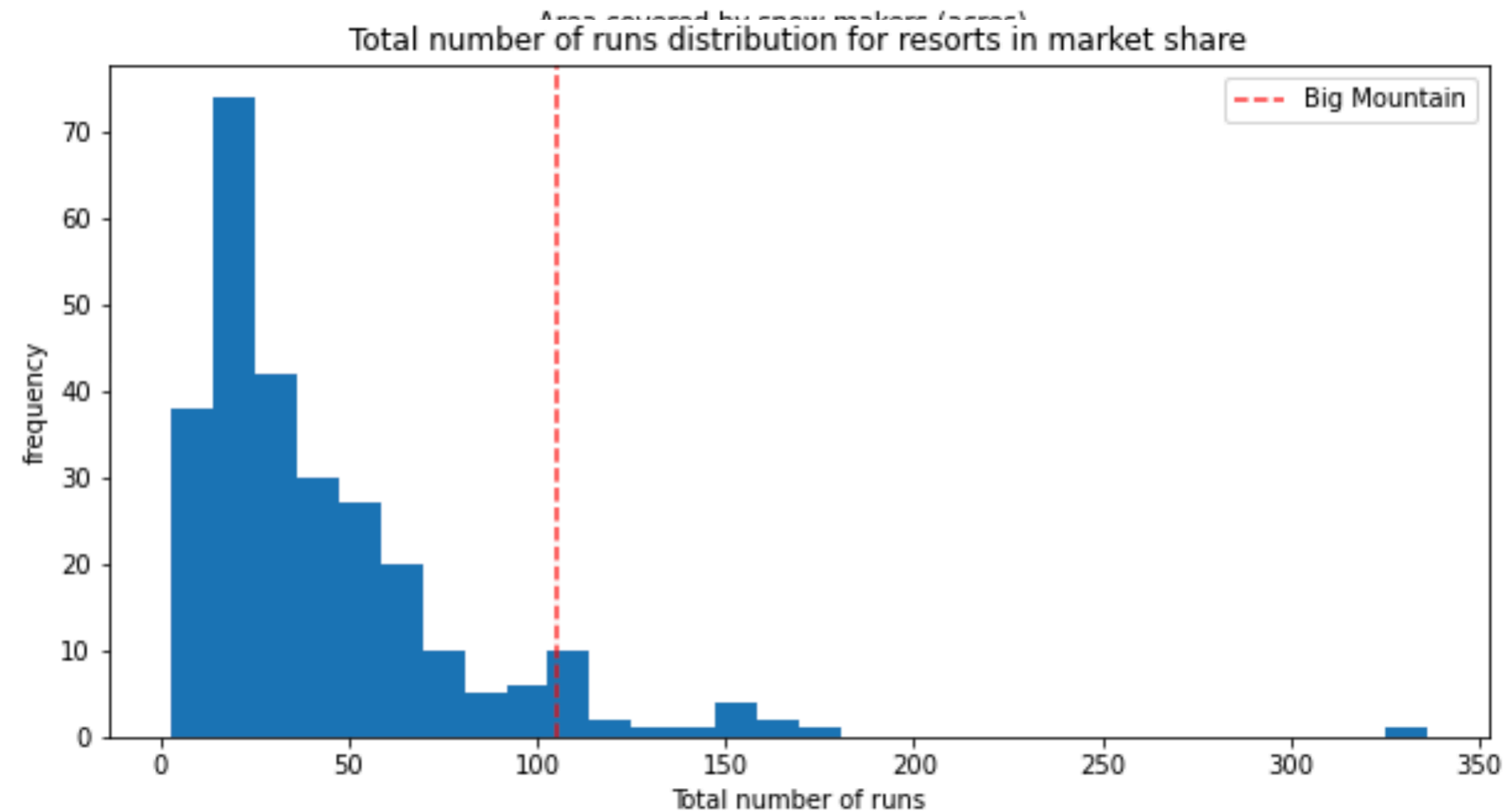
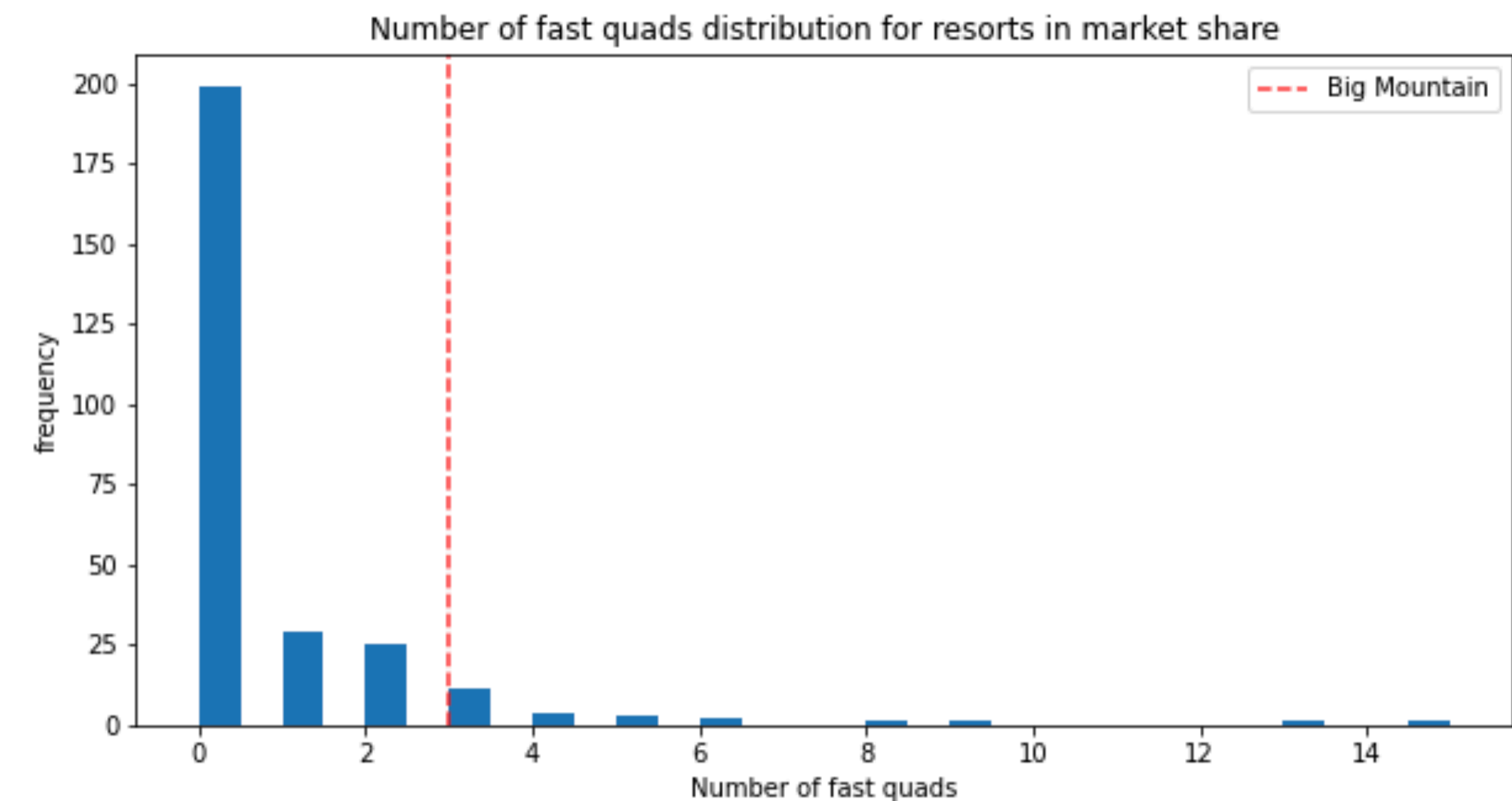
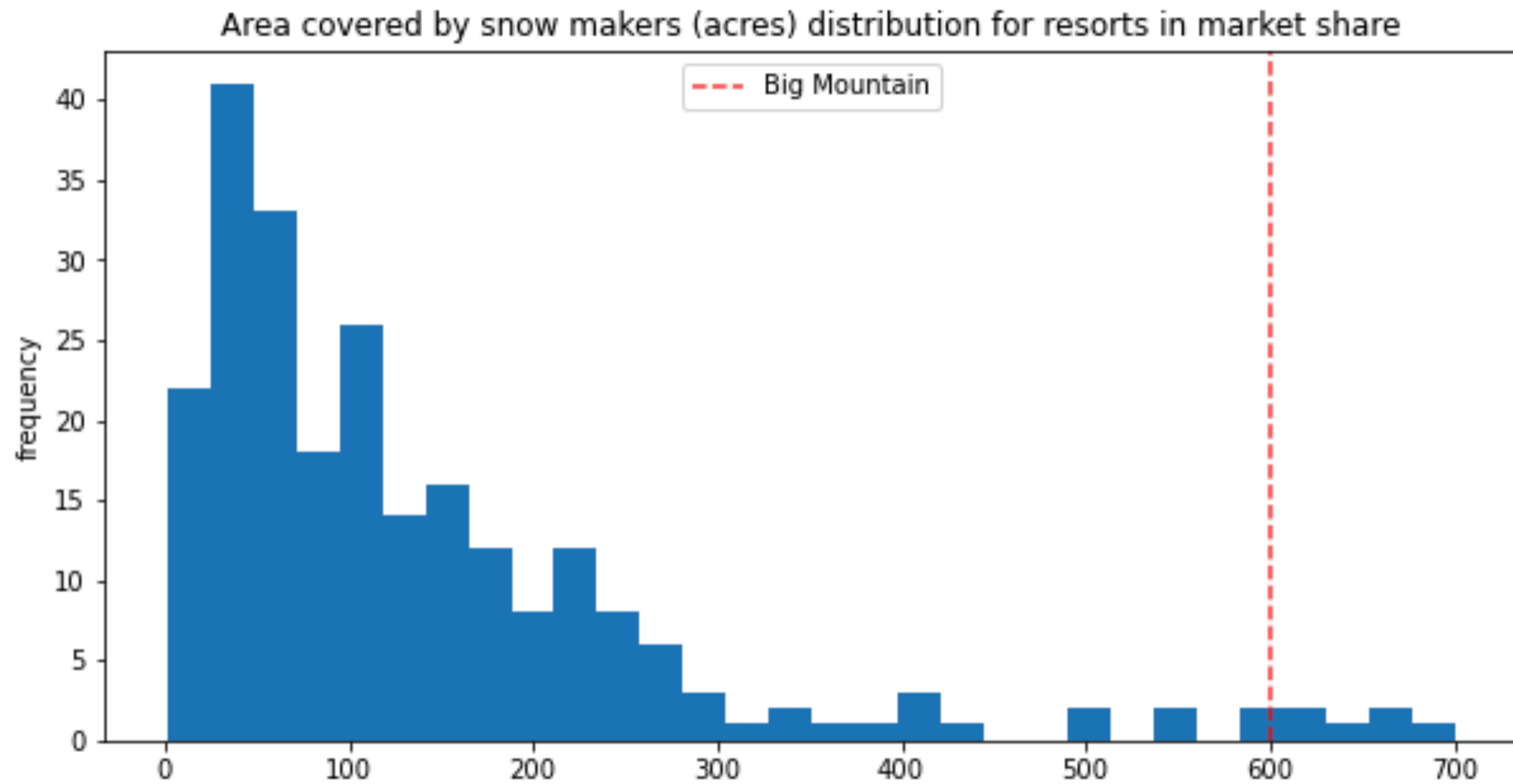
Most Important Feature

Ticket price is calculated based on the following features

- Vertical drop
- Snow making area
- Total number of chairs
- Fast quads
- Runs
- Longest run
- Trams
- Skiable terrain area

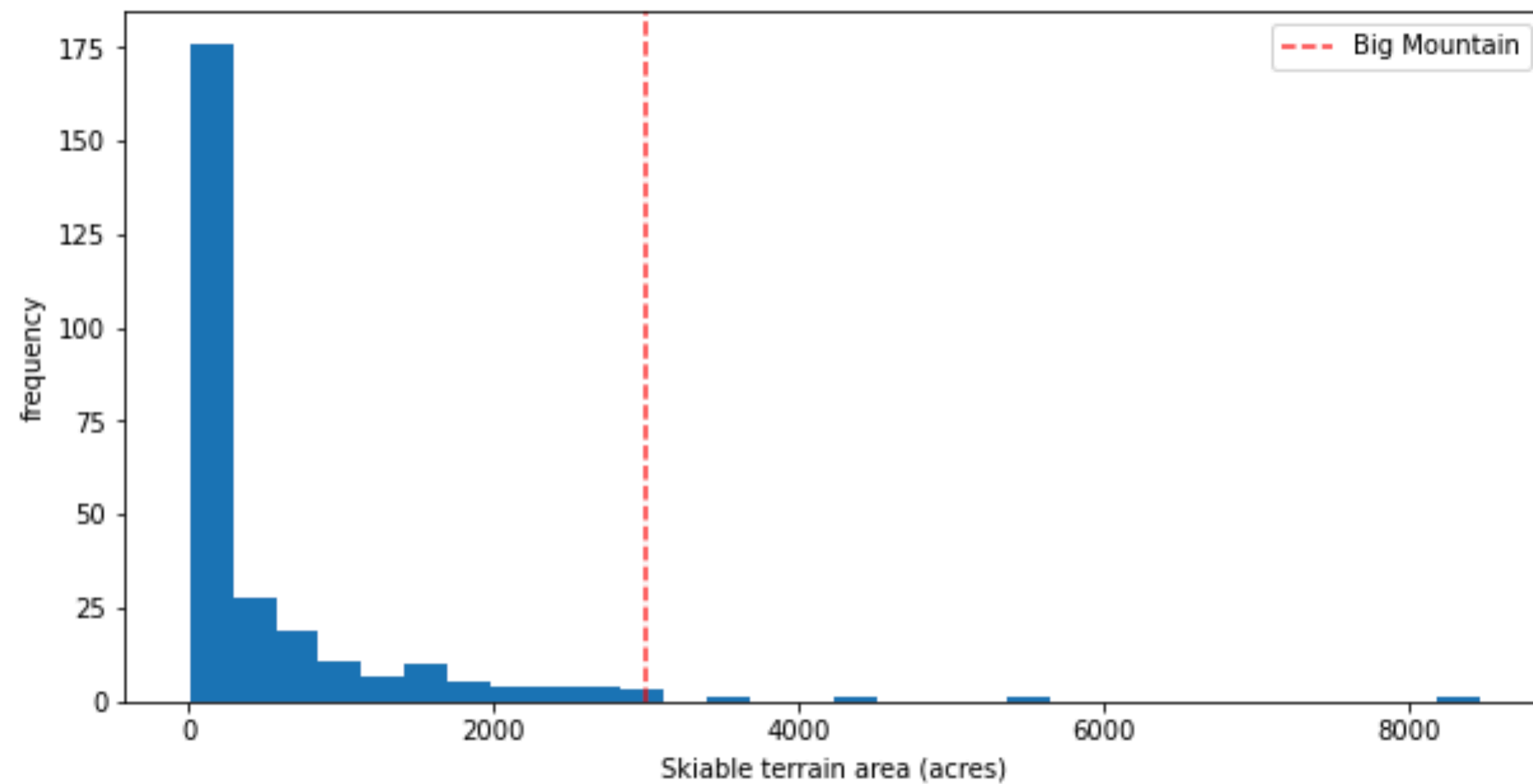


Comparison of Big Mountain Features

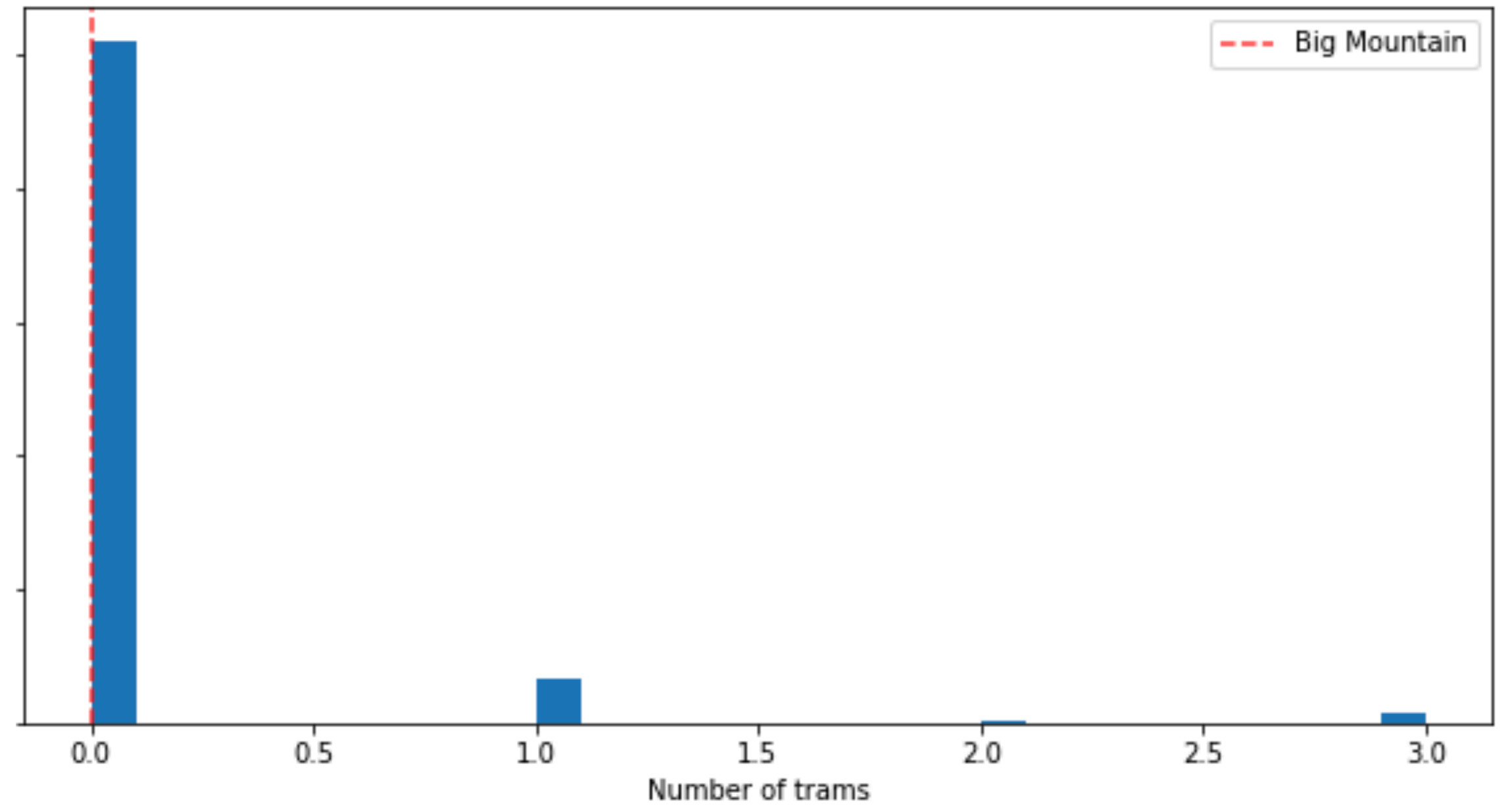


Comparison of Big Mountain Features

Skiable terrain area (acres) distribution for resorts in market share

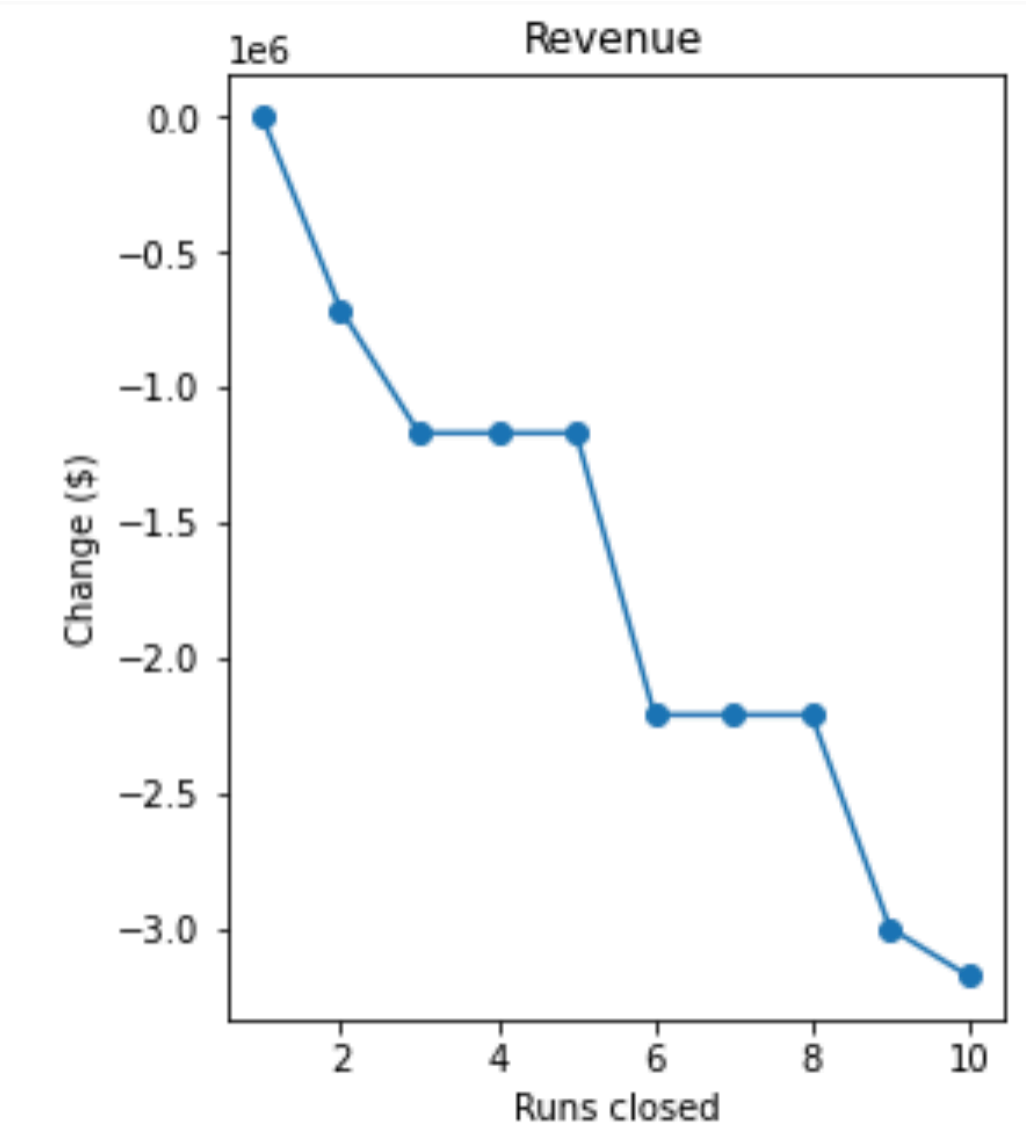
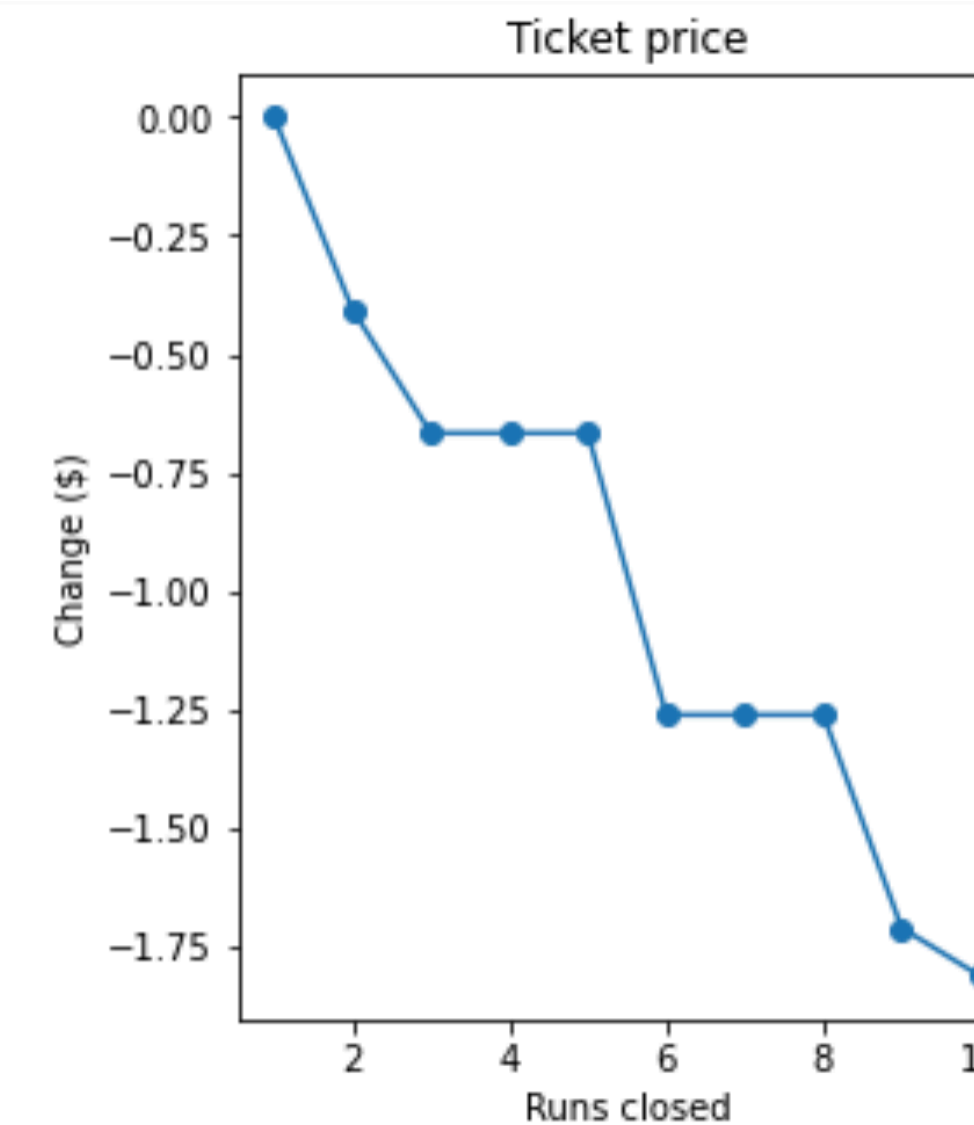


Number of trams distribution for resorts in market share



Scenarios

Scenario 1: Close up to 10 of the least used runs.



Scenario 2: Add a run, increase the vertical drop by 150 ft, and install an additional chair lift.

Increase ticket price by \$8.61

Increase revenue by \$15065471

Scenario 3: Scenario 2 + adding 2 acres of snow making.

Increase ticket price by \$9.90

Increase revenue by \$17322717

More cost and a small increase in ticket price!

Scenario 4: Increase the longest run by 0.2 miles and add 4 acres of snow making capability.

Increase ticket price by \$0

Increase revenue by \$0

Summary and Conclusion

- There is clearly room for increasing the ticket price.

A large red arrow pointing to the right, with the word 'Risky' written inside it in white text.

Risky

- Relying on the competitors, ticket might be increased up to \$95.87.

A large green arrow pointing to the right, with the word 'Safe' written inside it in white text.

Safe

- Scenario2: Add to facilities and then increase the ticket price to \$89.61.