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After carefully analyzing the data from Big Mountain Resort and their competitions, I concluded on what the ticket prices should be. With adding an additional chair lift to Big Mountain Resort, this increased their operation costs by $1.6M, and maintained a ticket price of $81 per adult. My data model suggests that the ticket price with current competitors and current operation should be about $13 more than current price, about $93-94 per adult ticket. Although Big Mountain Resort is currently one of the highest priced skiing resorts, their ticket price increase is justified by their current facilities vs. their competitors. The data model used suggests that there is a +/-$9-10 room increase, meaning Big Mountain Resort can additionally increase their prices if wanted, or decrease to be competitive in the market.

One of the propositions made to increase revenue costs was to open an addition run, as well as an additional chair lift to this run. Although it was also proposed to close the most unpopular runs, but this resulted in more yearly loss than gain, while adding 1 run increased profit to over $3M, which would cover the $1.6M cost of adding a chair lift, and still turn profit. Although closing runs would also decrease maintenance costs, it is not clear how much this is currently costing the company, but could be evaluated.

I recommended that Big Mountain Resort considers the benefits/losses of an additional run compared to closing the unpopular runs. As for the proposed options, it seems that option 2 would be better, to install a new chair lift along with opening a second run in order to increase costs and amplify the resort’s current facilities.