



BIG MOUNTAIN RESORT

PROBLEM STATEMENT

How can Big Mountain Resort choose a valued ticket price by the end of the year without undermining the ticket price while supporting an additional \$1.5 million in expenses.

BACKGROUND

Big Mountain Resort, Montana

Yearly visitors : 350,000

Number of runs: 105

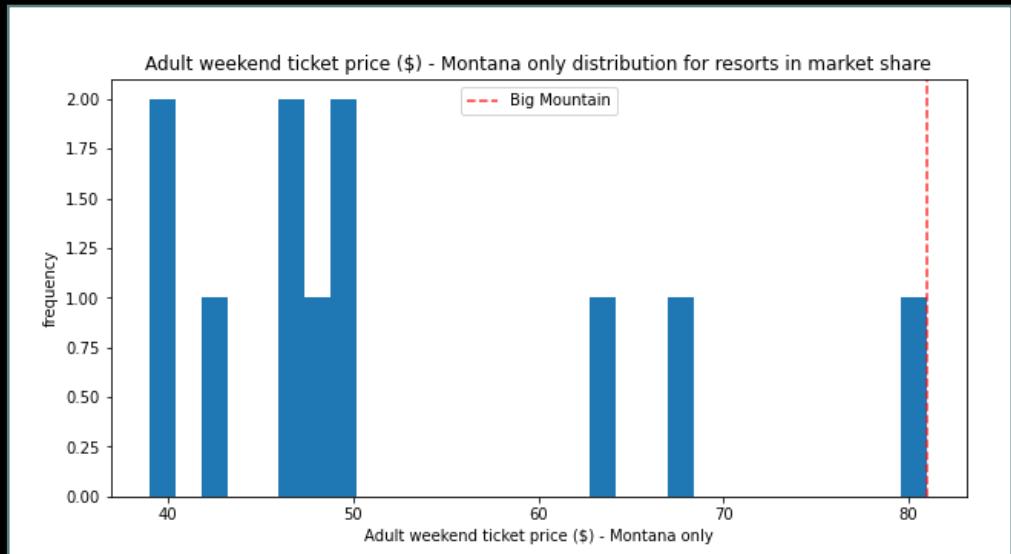
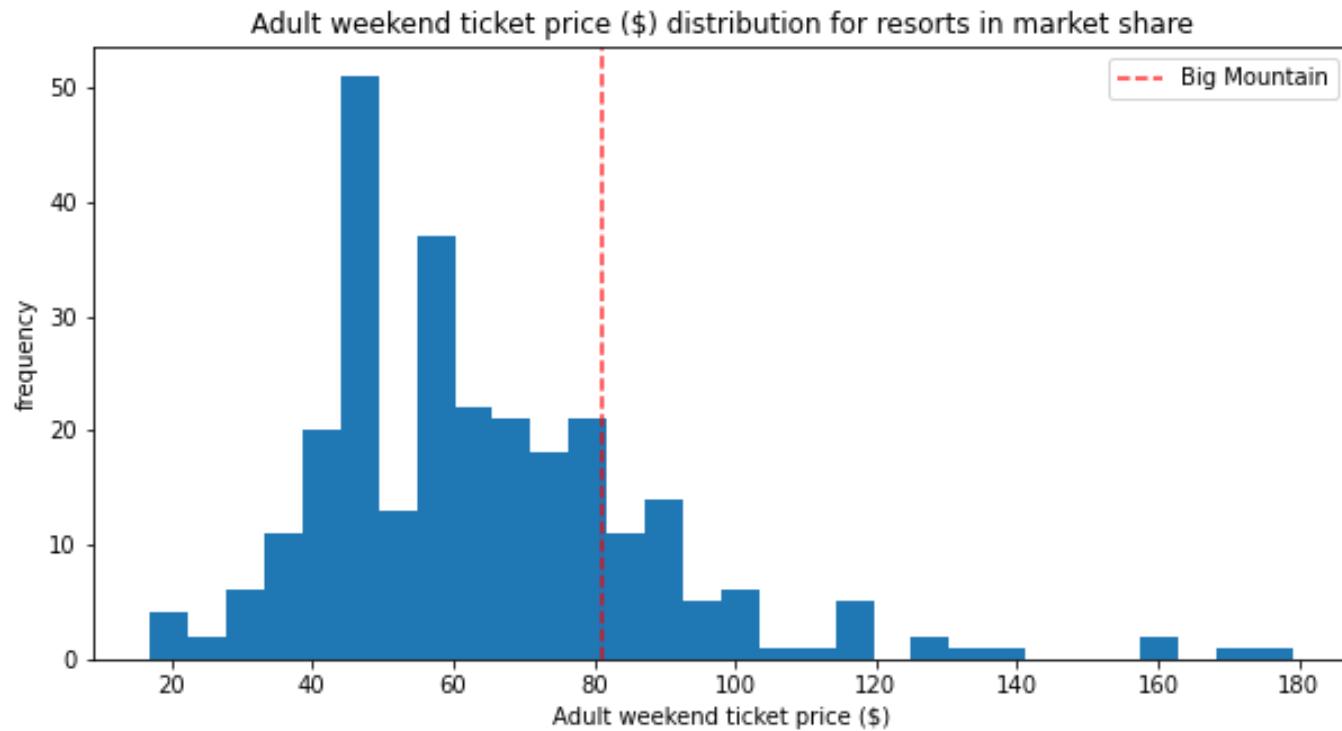
Total chairs: 14

Attractions: Visitors get views of Glacier National Park and Flathead National Forest

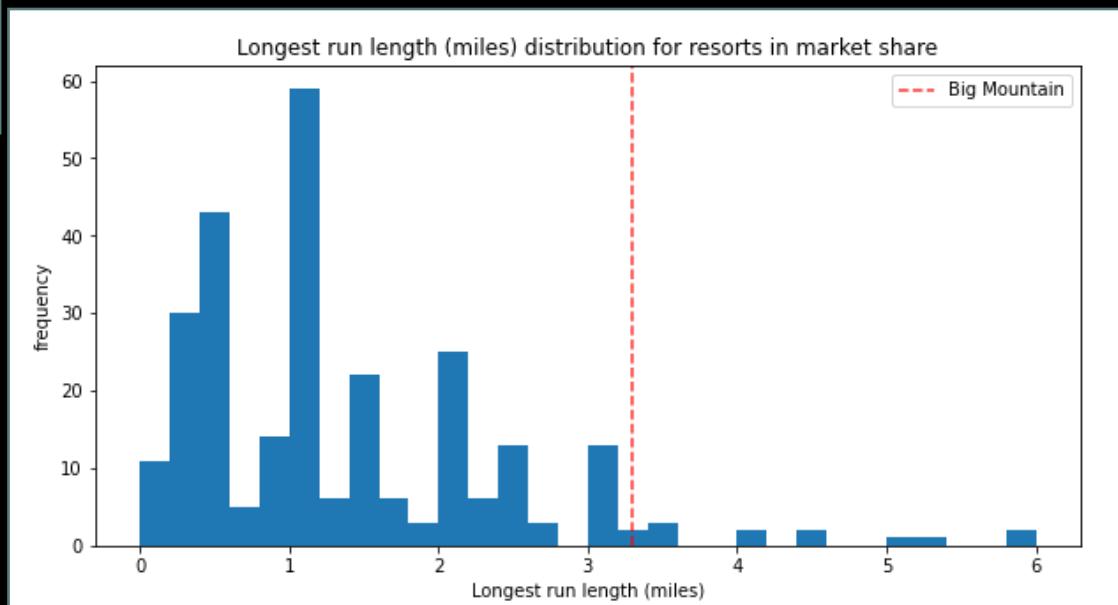
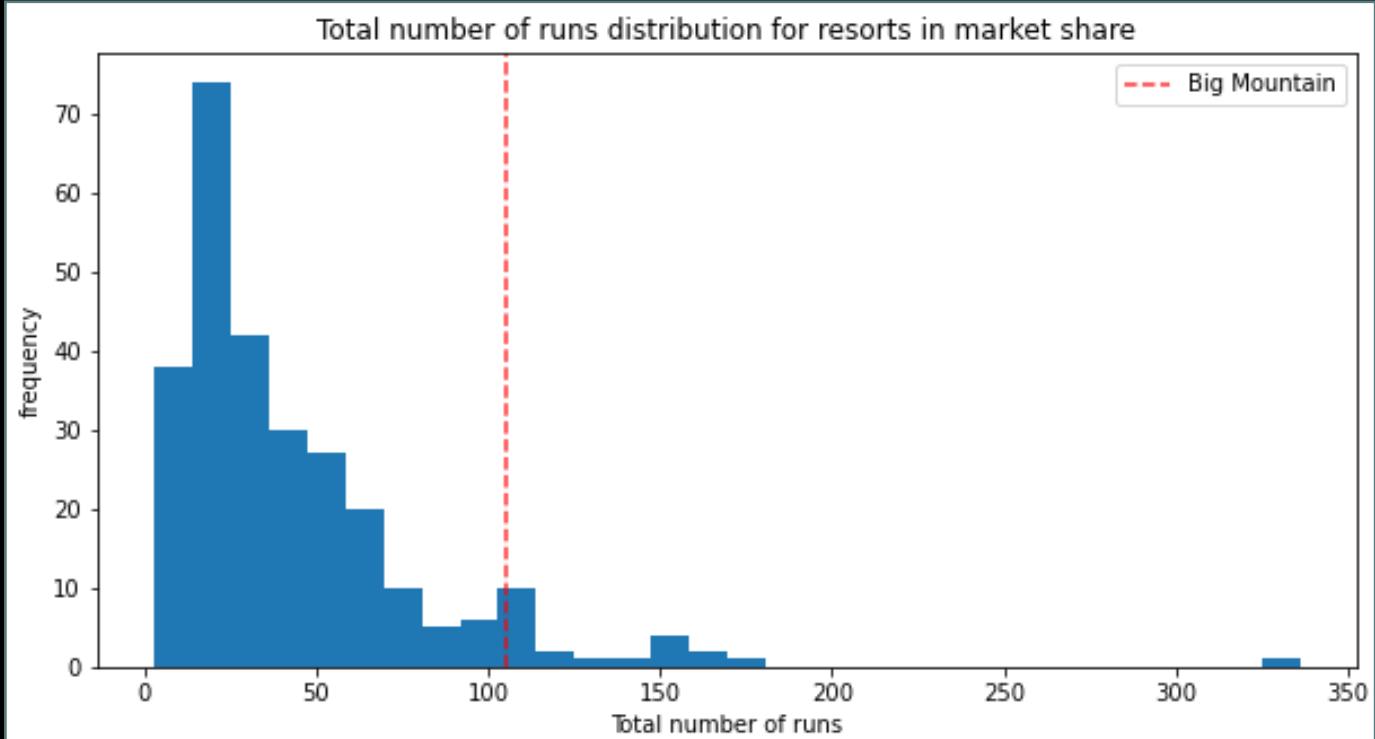
Current Adult Ticket Weekend: \$81

Current pricing: Based on a premium that is above average other resorts

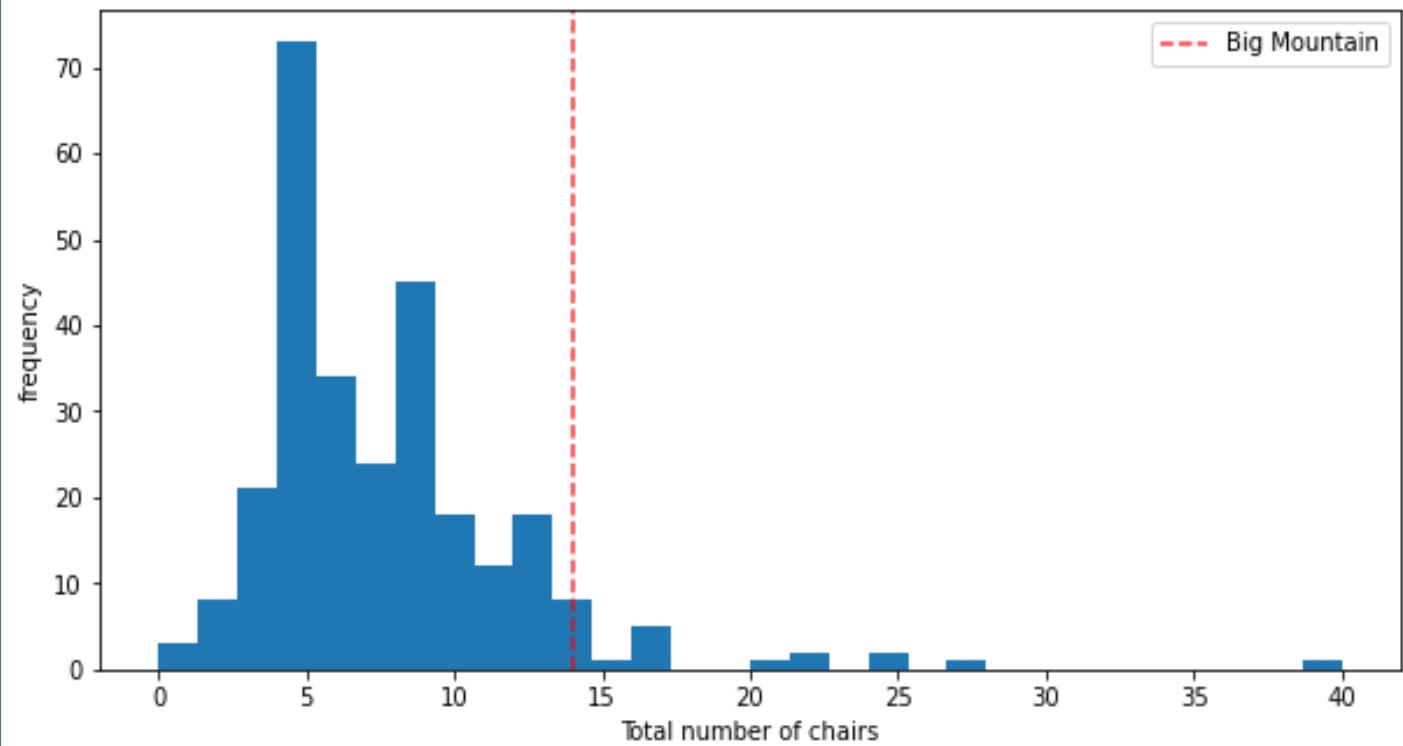
BIG MOUNTAIN TICKET PRICING COMPARISONS



BIG MOUNTAIN RUN COMPARISONS

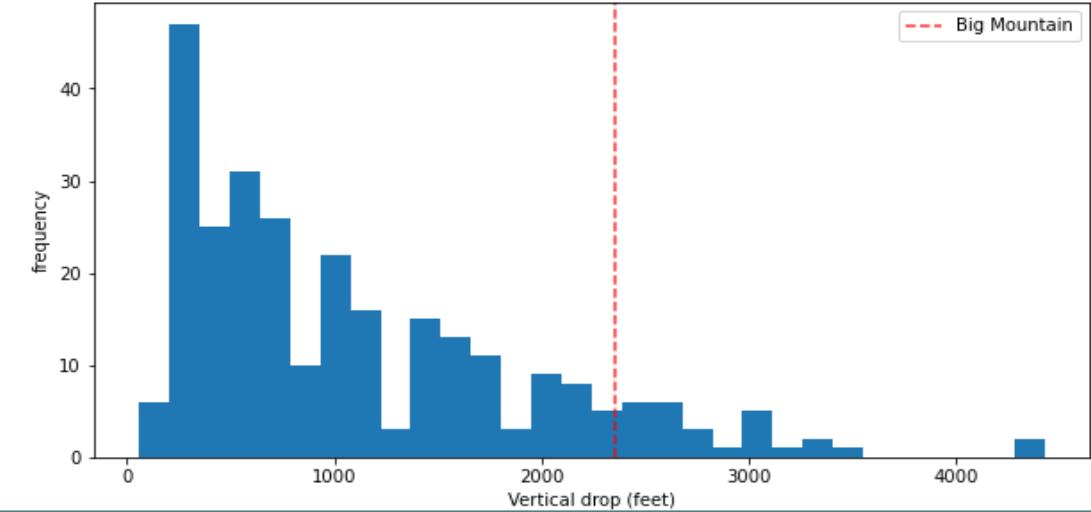


Total number of chairs distribution for resorts in market share



BIG MOUNTAIN CHAIRS AND VERTICAL DROP COMPARISON

Vertical drop (feet) distribution for resorts in market share



SCENARIOS

1 - Permanently closing down up to 10 of the least used runs.

2 - Increase the vertical drop by adding a run to a point 150 feet lower down but requiring the installation of an additional chair lift to bring skiers back up, without additional snow making coverage

3 - Same as number 2, but adding 2 acres of snow making cover

4 - Increase the longest run by 0.2 mile to boast 3.5 miles length, requiring an additional snow making coverage of 4 acres

RESULTS

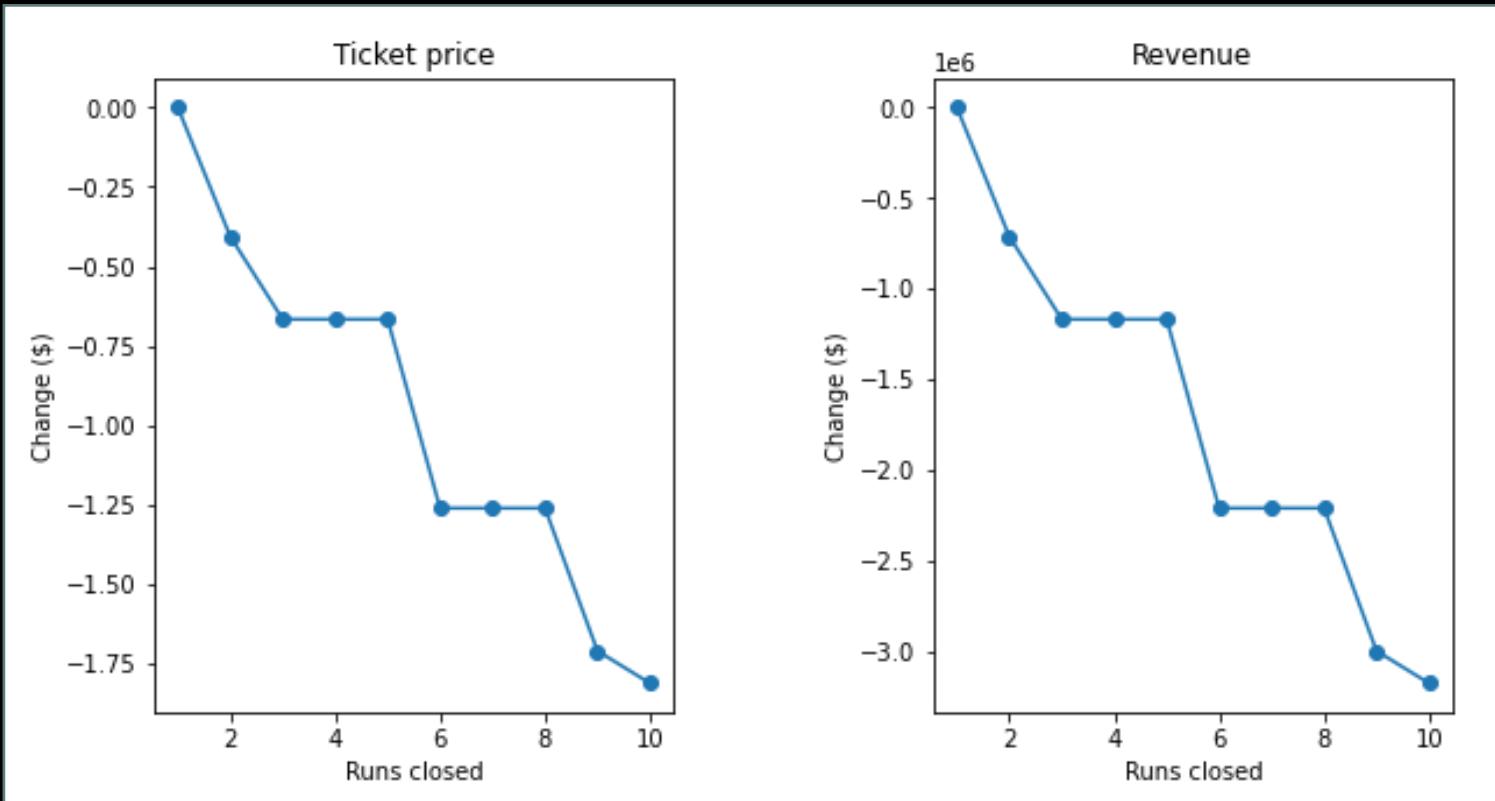
1 – Lowers ticket price by \$0.6 and revenue by \$1.25M

2 – Increases ticket price by \$1.99 and revenue by \$3.4M

3 – No difference in ticket price or revenue

4 – No difference in ticket price or revenue

EFFECT OF CLOSING DOWN RUNS



RECOMMENDATIONS

- Model suggests pricing at \$95.87, which is 15.5% higher than current price
- Linear Regression and Random Forests were used, and the best scenario is to close up to 5 runs which only causes a small decrease in ticket price and revenue
- The other scenarios do increase price and revenue, but they will also incur costs because they require additional chair lifts or increasing run lengths.