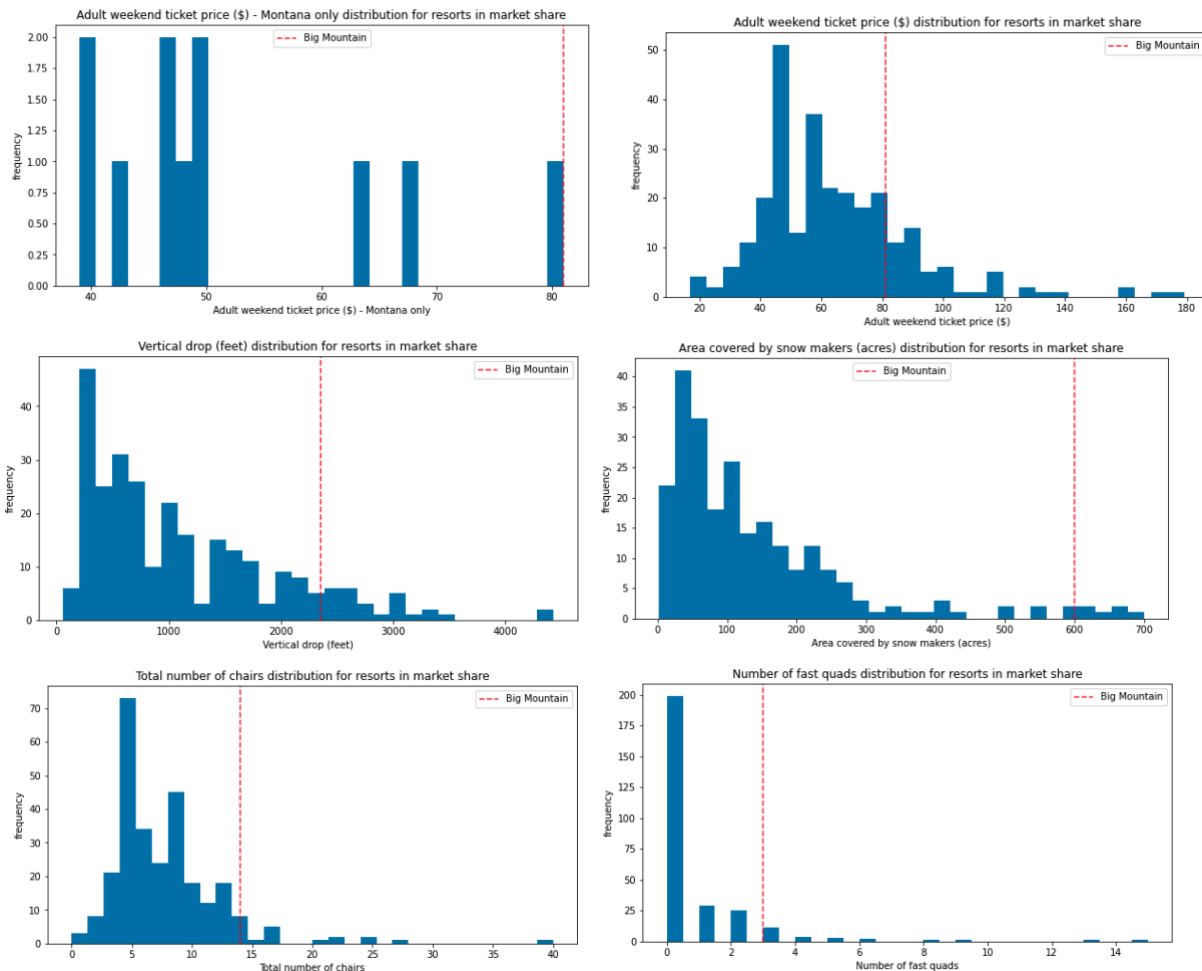


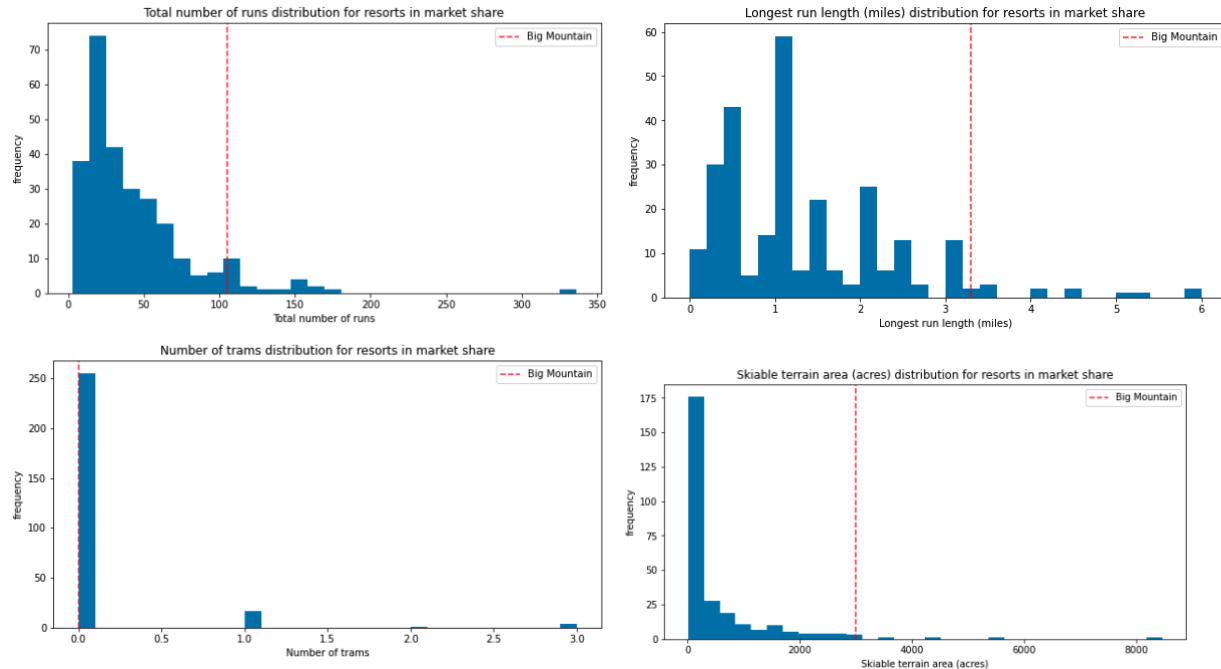
Guided Capstone Project Report

The purpose of this project was to answer the question: what opportunities exist for Big Mountain to recoup the increased operational cost of \$1.54 million over the next year through modification of pricing or optimization of importance of their facilities?

Currently, Big Mountain Resort charges \$81.00 for an adult ticket for both weekdays and weekends. This price is currently a premium price in the market but with the recent installation of a new chairlift, Big Mountain Resort is looking to make changes to its pricing models in order to capitalize on its facilities and to make up the additional \$1,540,000 in operating costs.

After creating the mode from the given data, we found a handful of features that came up as important. The important features are vertical_drop, Snow Making_ac, total_chairs, fastQuads, Runs, LongestRun_mi, transm and SkiableTerrain,ac. The following charts shows where Big Mountain Resort stands in comparison to other resorts in regards to each feature.





The red line indicates where Big Mountain Resort stands in the distribution with all the other resorts. Clearly, Big Mountain generally stands in the higher end with most of the features.

But regardless of where Big Mountain Resort currently stands, our model indicates that an increase in price can be supported with the created model. After reviewing the shortlist of modeling scenarios, we found that the one that Big Mountain Resort benefits from the most is the one that involves increasing 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. Through this model, Big Mountain Resort can increase its price to \$91.88. Although the model suggests an increase in price, this model runs under the assumption that other resorts set their prices according to what the market supports. It is very possible that other resorts may be inaccurately setting their prices in a similar way Big Mountain was underpricing. We also don't know about operating costs from the other resorts which could be very useful for future modeling.