

GUIDED CAPSTONE

Tingting Cao

Springboard Data Science Track

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PROBLEM STATEMENT

How can Big Mountain Resort select a better ticket price or cut costs to increase their revenue by \$1,540,000 for their additional chair lift cost this season?

1 Context

The Big Mountain Resort has recently installed an additional chair lift to help increase the distribution of visitors across the mountain. This additional chair increases their operating costs by \$1,540,000 this season. The business wants some guidance on how to select a better value for their ticket price. They are also considering several changes that they hope will either cut costs without undermining the ticket price or will support an even higher ticket price.

2 Criteria for success

Revenue increases by not less than \$1,540,00 this season through higher ticket price or cutting costs.

3 Scope of solution space

The resort's pricing strategy has been to charge a premium above the average price of resorts in its market segment. There are limitations to this approach. To compare the facilities and tickets prices with 330 ski resorts in the US to evaluate the operating costs and select the good price which can provide the business with a good sense of how important some facilities are compared to others.

4 Constraints within solution space

1. Gaining access to the proper data sources can be difficult.
2. There are too many influencing factors of the ticket price such as locations, the heights of resort base and summit mountain, kinds and number of lifts and trams, kinds, number, lengths and areas of runs and parks, open schedules for last season, number of years the resort has been opened, average annual snowfall, projected days, night skiing.

5 Stakeholders to provide key insight

Jimmy Blackburn – the Director of Operations

Alesha Eisen – the Database Manager

6 Key data sources

A csv file including 330 resorts in the us with the facilities information provided by the database manager.

RECOMMENDATIONS

- We suggest ticket price for new season is

\$82.99 q /

\$81 (the current ticket price) + **\$1.99** (the increasing ticket price)

- Considering Big Mountain has additional chair lift for the new season, we suggest to add vertical drop by 150 feet and close 5 of least runs.
 - Close 5 of the least runs to reduce about \$1,200,000 cost.
 - Adding one run and 150 feet to the vertical drop with an additional chair lift will increase \$1.99 ticket price, which can increase \$3,474,638 avenue.
 - The total increasing avenue will be about \$1,547,453

MODEL COMPARESOME

MODELING RESULTS

MODELING ANALYSIS

CONCLUSION