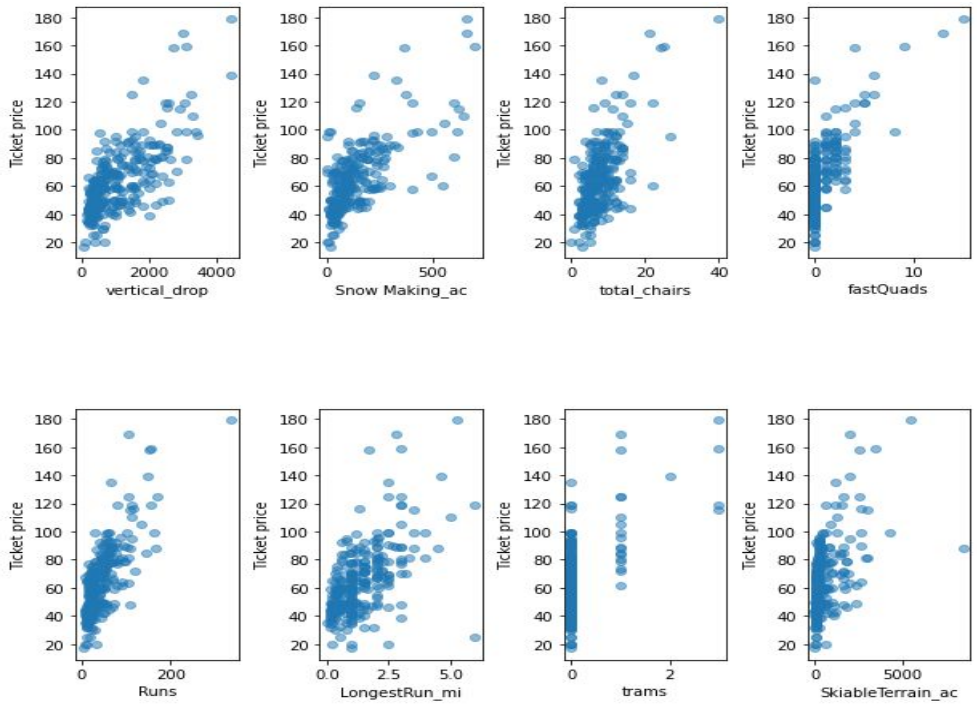
Dear Big Mountain Resort management,

I have some suggestions on how to better set ticket prices. I have analyzed data from 330 different ski resorts across the country that lie in the same market share. Factors that I took into consideration were the vertical drop of the resort, the total chairs that the resort had, the longest run of the resort in miles, the number of snow making acres in the resort, and much more. Altogether, the model analyzes 32 features worth of data per resort.

Of these features, we found that some were well correlated with the ticket price, while others were not. Those that were well correlated with the ticket price include

- vertical_drop
- Snow Making_ac
- total_chairs
- fastQuads
- Runs
- LongestRun_mi
- trams
- SkiableTerrain_ac



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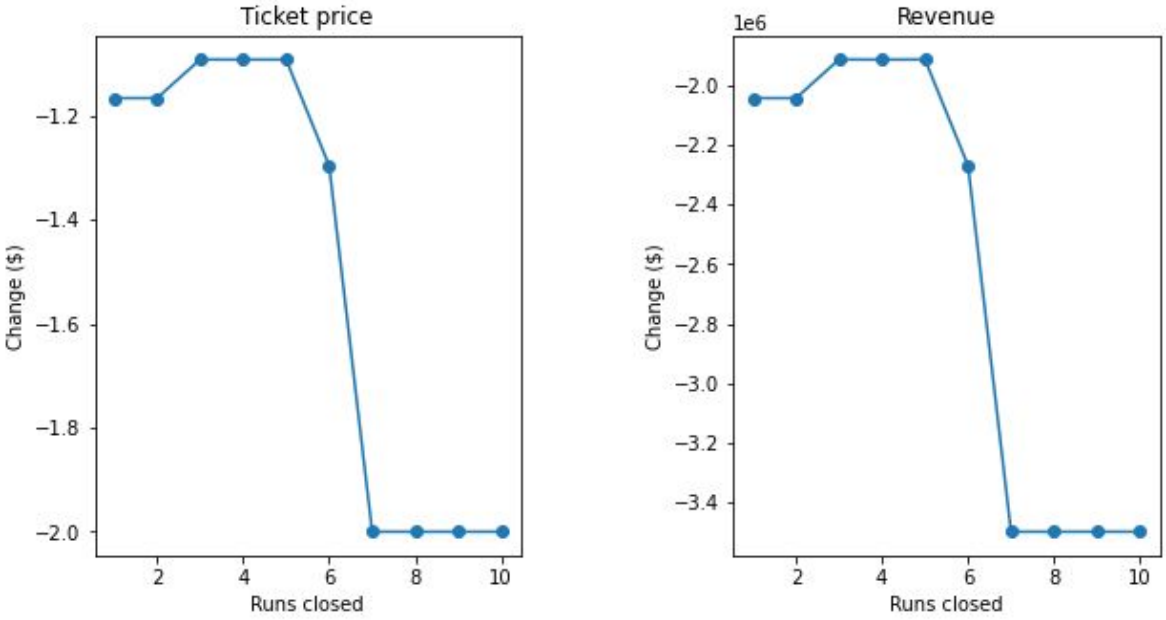
Of course, some of these features show a stronger correlation than others, such as vertical drop, snow making acres, runs, longest run in miles, and total chairs. This suggests that increasing the

quantity of these features can justify an increase in ticket price. This is promising because the 4 options shortlisted by the business involve these very features.

1. Permanently closing down up to 10 of the least used runs. This doesn't impact any other resort statistics.
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

Further analysis showed that increasing the longest run and adding more acres of snow will actually not be effective in justifying an increase in the ticket price. So the options suggested of adding 2 acres of snow making coverage or adding 4 acres of snow making coverage and increasing the longest run by 0.2 miles are not recommended options.

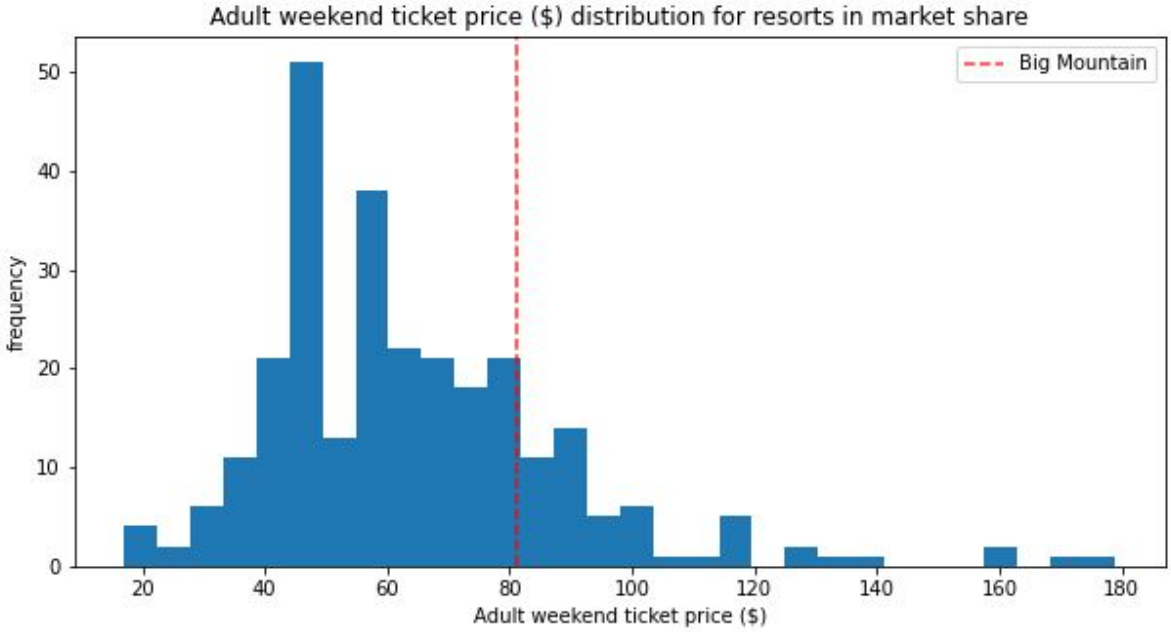
Neither is closing down up to 10 of the least used runs.



As shown here, closing down any runs will only support a drop in ticket price.

However, suppose we increase the number of runs in the resort by 1, increase the vertical drop by 150 feet, and add 1 additional chairlift. This can justify a price increase per ticket of $1.31. Over the season, this can amount to $2.3 million, which not only covers the cost of installing an additional lift, but also brings in revenue on top of it.

I know there may be some resistance to increasing prices given that we are one of the most expensive resorts in Montana. But if we take into context the entire market share, which includes many similar resorts, Big Mountain Resort's pricing is quite modest.



Based on what we currently offer, my model actually suggests that we charge $92 per ticket. This is the price that similar resorts are charging their customers. So at a current price of $81, there is definitely room to bump up the ticket price.

My recommendation is to bump up the ticket price up to $83 per ticket whilst going ahead and adding the additional run, the 150 foot vertical drop, and the chairlift.