

Big Mountain Resort Guided Capstone

Problem Statement

How can Big Mountain Resort better price their tickets based on the value provided by their facilities during the next ski season?

Recommendations & Key Findings

Current Price: \$81

Modeled Price: \$95.87

Recommended Ticket Price Increase:
\$14.87

Important Resort Features:

- # of Fast Quad Lifts
- # of Runs
- Total Vertical Drop
- Total Amount of Snow Making

Modeled Scenario 1

Closing the 10 Least Used Runs

Changes to the modeled price
based on number of runs closed

Close 1 Run: No Price Change

Close 2 Runs: Price Drop of \$0.40

Close 3 to 5 Runs: Price Drop of \$0.67

Close 6 to 8 Runs: Price Drop of \$1.26

Close 9 Runs: Price Drop of \$1.71

Close 10 Runs: Price Drop of \$1.81

Modeled Scenario 2

Add a run that increases the vertical drop by 150 feet, requiring a new ski lift.

Change to the modeled price based on given scenario

Price Change: Increase of \$1.99 per ticket

Estimated Increase in Revenue: \$3.4 Million

Price increase covers operational cost of new ski lift.

Modeled Scenario 3

Add a run that increases the vertical drop by 150 feet, requiring a new ski lift. Add 2 acres of snow making capacity.

Change to the modeled price based on given scenario

Price Change: Increase of \$1.99 per ticket

Estimated Increase in Revenue: \$3.4 Million

Price increase covers operational cost of new ski lift.

No price benefit from the 2 acres of snow making.

Modeled Scenario 4

Increases the longest run by .2 miles, adding 4 acres of snow making capacity.

Change to the modeled price based on given scenario

Price Change: No change in price from modeled price.

No price benefit from the 4 acres of snow making.

No price benefit from a longer run.

Summary:

Big Mountain Resort's ticket price is lower than models would predict. With its current facilities, ticket price could be \$14 higher.

1. Increase ticket price to \$95.87
2. Implement Scenario 2
 - a. Increases ticket price to \$97.86
 - b. Adds facilities where needed
 - c. Increase in price covers new operational costs.
3. Implement Scenario 3
 - a. Close least used runs
 - b. Save on operational costs
 - c. Can decrease ticket price to \$96.11