Big Mountain Resort

Guided Capstone Project

Objective: Use a data model to find an optimal ticket price

The current ticket price of $81.00 does not represent the true premium on the facilities offered by Big Mountain Resort.

We set out to find a data driven model that will identify what the right price point for a ticket should be.

Limitations of the Data

There were potential factors that could have helped inform a more specific value on ticket price including:

- Hospitality facilities
- Off season facilities
- Hotels
- Restaurants
- Coaching services

Recommendations

Ticket price: Our model suggests a ticket price of $95.87which will lead to an increase in revenue by $5,204,500 annually.

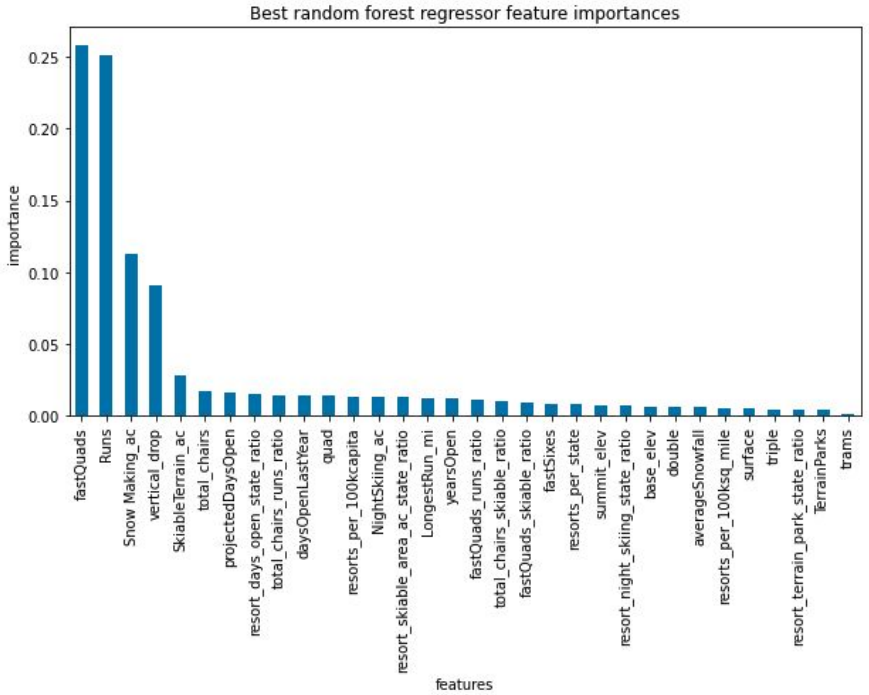
Extra run: Adding an additional run with a vertical drop of 150 feet and a corresponding fast quad lift could support a ticket price increase of $1.99 ($3,474,638 annually)

Closing lifts: Chairlift closures should occur in groups of three.

Lead Pricing Indicators

Our models shows that the leading indicators for future price increases are:

- Adding additional runs
- Adding additional chairlifts, specifically fast quad lifts
- Extending vertical drop of runs to at least 150 ft
- Adding more snow acres

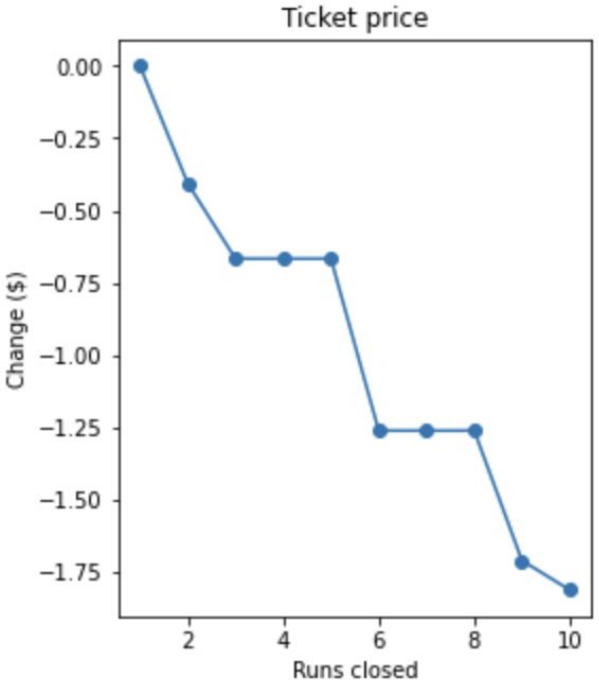


Chairlift Maintenance Strategy

Our model show a distinct pattern that indicates that chairlifts should be closed in groups of three.

In other words, in terms of ticket price reduction, It should not be considered unless three chairlifts are closed.

Further reductions should not be implemented unless 6 chairlifts are closed, and so on.



In Sum

The Big Mountain Resort has the facilities to charge a premium for tickets and the ticket price is currently undervalued. I make the following recommendations confidently:

- An immediate ticket increase of $14.87 ($95.87 total) based on current facilities. This will increase revenue by $5,204,500 annually.
- Adding an additional run with a vertical drop of 150 feet and a corresponding fast quad lift could support a ticket price increase of $1.99 ($3,474,638 annually)
- Chairlift closures should occur in groups of three