

# Guided Capstone Project Presentation

# Problem Identification

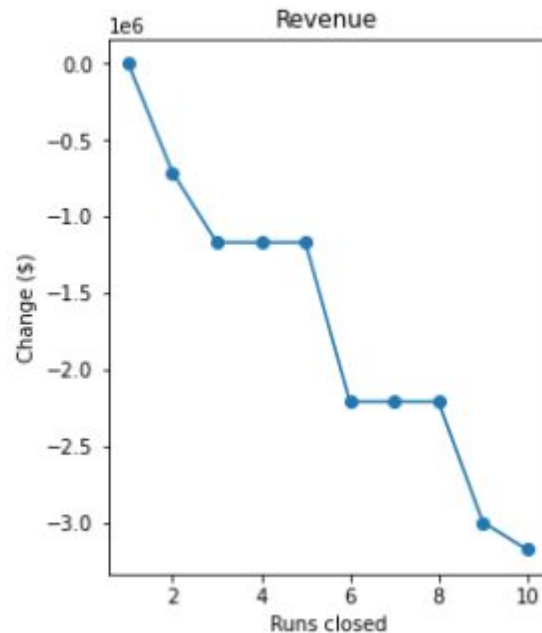
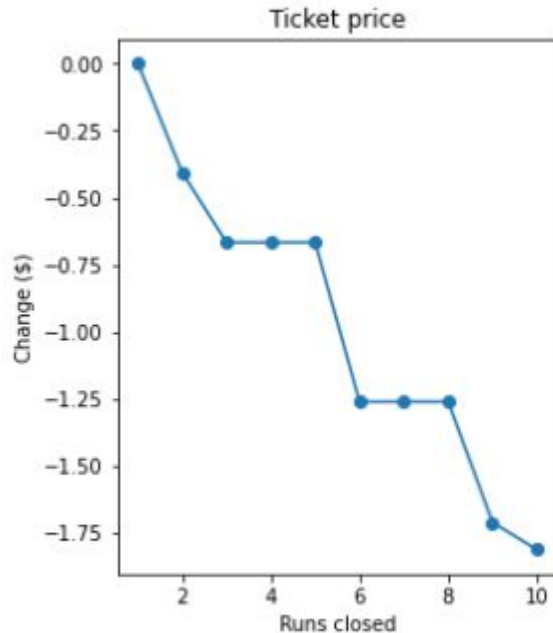
The purpose of this project was to come up with a predictive pricing model for ski resort tickets in our market segment based on a number of facilities, or properties, boasted by other resorts at their resorts. Big Mountain, the resort in question, thinks it may not be maximizing its returns relative to its market position. They don't currently have useful feedback on what facilities visitors are more or less likely to pay for.

# Recommendation and Key Findings

An early observation was that weekend prices only exceed weekday prices on resorts that have tickets priced under \$100. Some other observations: Montana is the third largest state in square miles, and has the fourth most resorts. Montana does not place in the top 5 for night skiing or days open. The heatmap shows that night skiing, runs, chairs, and snow closely correlate with price.

# Modeling Results and Analysis 1

Below are the results of closing runs. Without knowing the cost of having a run open, we're forced to assume a revenue loss for each closed.



## Modeling Results and Analysis 2

Running scenarios 2 and 3 through a scenario where 350,000 visitors who ski for 5 days a week on average resulted in the same ticket price increase of \$1.99 and the same additional revenue over the season of \$3,474,638. Scenario 2 doesn't require additional snow though, so that's the more profitable of the 2.

# Modeling Results and Analysis 3

Plugging in the additional distance for scenario 4 didn't have an effect on ticket price.

# Summary and Conclusion

Of the 4 scenarios presented, scenario 2 yielded the best results at a \$1.99 ticket price increase yielding a projected \$3,474,638 in revenue over the season. Scenario 3 had the same revenue projection, so the snow is a waste of money. Scenario 1 only results in losing money unless you close 1 run, and scenario 4 had no effect on the price. This was based on the assumption that 350,000 people visit during the season and that they ski for 5 days on average.

My suggestion for the model would be to try other variations of vertical drop, snow making, runs, and fast quads outside of the 4 highlighted scenarios. This is what we can recommend based on the data provided.