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Guided Capstone Project Report

After analyzing Big Mountain Resorts position within the ski resort market, it is recommended that Big Mountain increase their Adult Weekend ticket price. This change in pricing is justified by their facilities in comparison to the rest of the ski resort market. The previous Adult Weekend ticket price was $81, and the new modeled price is $95.87. Although there is an expected mean absolute error of $10.39 from the model, there is still room for an increase in ticket price. Big Mountain can capitalize on the facilities of its resort by increasing its ticket price, which will also help offset the operating costs of its newly installed ski lift. There are also several business opportunities to save money or generate extra revenue by optimizing its facilities.

Chart, histogram

Description automatically generated Big Mountain can justify an increase in ticket price because of its facilities and their positions within the ski resort market. While developing the pricing model, it was identified that some of the most impactful features in determining ticket prices were Runs, Snow Making, and Vertical Drop. Big Mountain is positioned well in all 3 of those categories compared to its market segment.

Chart, histogram

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Big Mountain is very high up in the market segment in terms of area covered by snow, total number of runs, and vertical drop. All these factors help justify the increase in ticket prices, as they are some of the most important features of a ski resort that customers look for.

In regard to generating extra revenue, there is a strategic opportunity that Big Mountain should pursue. This involves adding an additional run, increasing the vertical drop by 150 feet, and installing an additional chair lift to the resort. When this scenario was fit into the random forest model, it was determined that this would justify an additional $1.99 increase in ticket price. This in turn would generate an estimated $3,474,638 a year, which would offset the cost of the new ski lift installed. These strategic changes will generate additional revenue for Big Mountain, and help it optimize its facilities.