



Big Mountain Resort Price Analysis



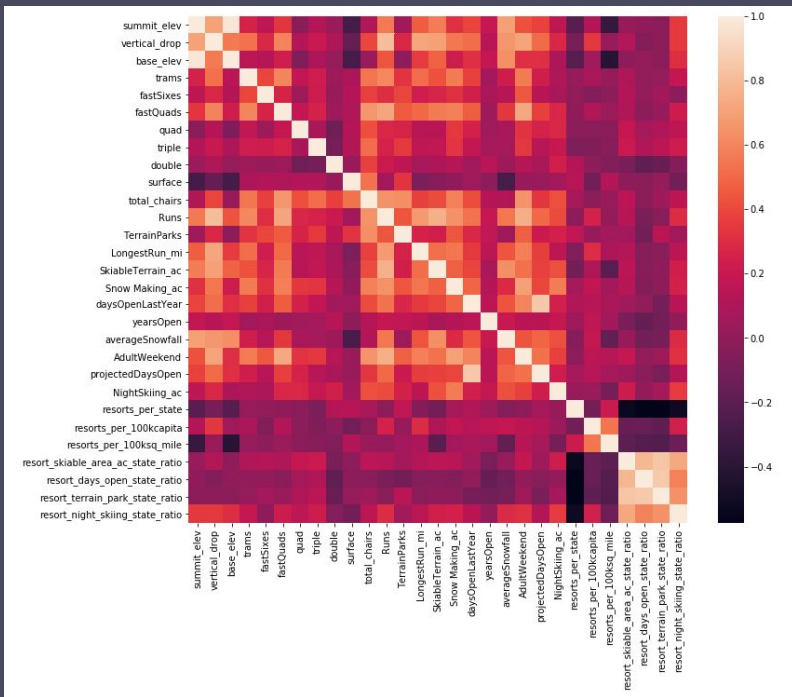
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Problem

- **New chair lift:** increases distribution of visitors throughout the resort
 - Adds an additional \$1.54 million in operation costs
- **Current Ticket Price:** \$81.00
- How do we increase revenue and stay competitive for this upcoming season?



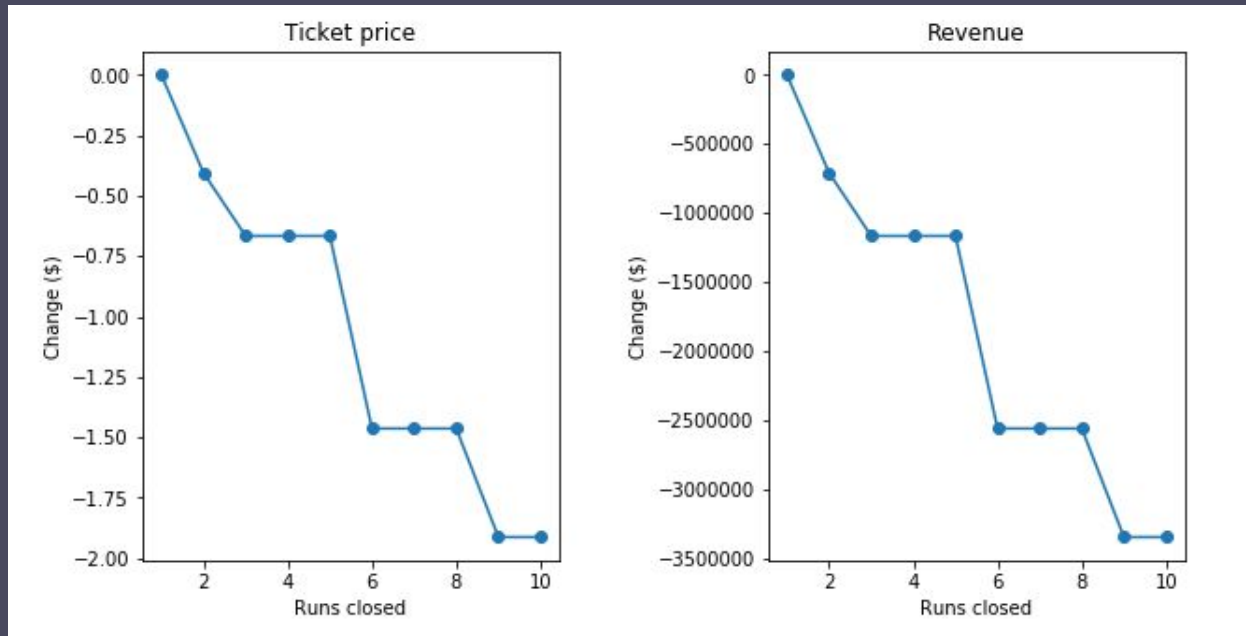
Key Findings



- Four features have a strong positive correlation with ticket pricing:
 - fastQuads
 - SnowMaking_Ac
 - Runs
 - Night skiing ratio
- Random Forest Model price: \$94.22
 - Big Mountain Resort has significant enough facilities to justify this cost

Model and Analysis

- The resort can close up to 6 runs each day without a large drop in revenue



Model and Analysis

- Big Mountain Resort ranks in the top quartile in seven of the eight most important qualities
 - Total Area of Snow Makers
 - Vertical Drop
 - Total Number of Chairs
 - Fast Quads
 - Total Number of Runs
 - Longest Run
 - Skiable Terrain Area



- Raising the price would keep us around the same region in this distribution

Recommendations

- Raise ticket prices to **\$89.99**
- Have 4-6 runs closed each day to save on operation costs
- Increase vertical drop by lowering a run 150ft (would also need to install an additional chair lift)
 - The model predicts that this could justify a \$2 increase in ticket price, which would increased revenue by \$3,464,638

Conclusion

- Big Mountain Resort is a high end resort with many significant amenities and attractions to offer
 - You can justify raising the cost if you continue offering high quality amenities, like the new chair lift, to your customers
- There is plenty of room to grow revenue and cover the additional operation costs. Any of these recommendations should keep Big Mountain Resort open for many years to come

Thank You!



Questions?