



# Big Mountain Resort Price Analysis



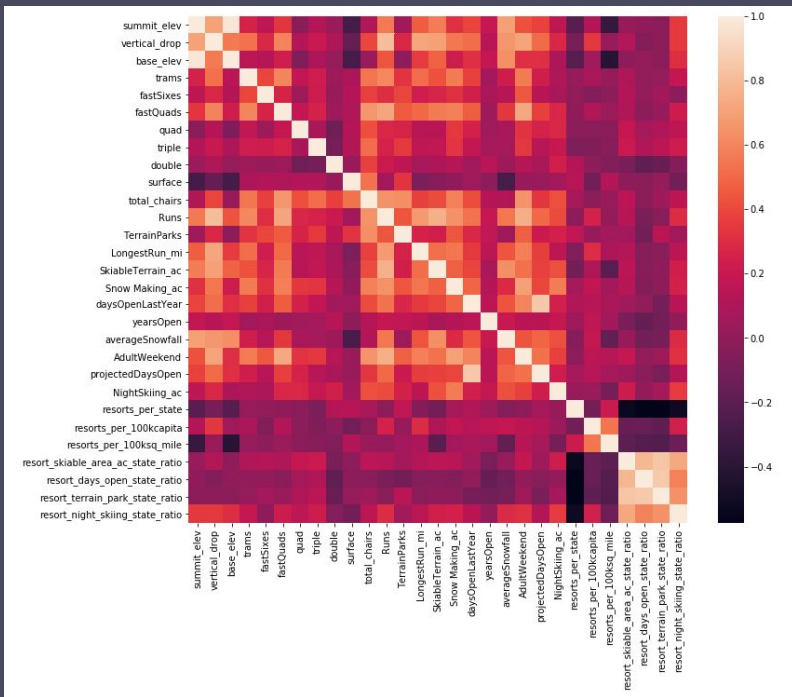
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# Problem

- **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?



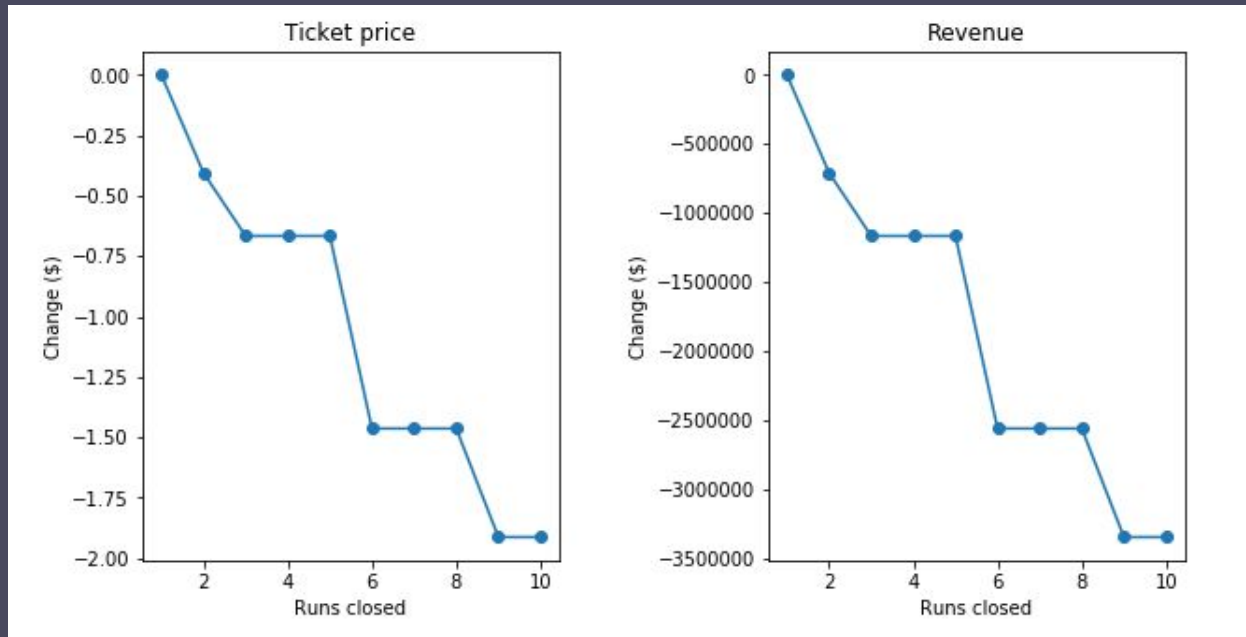
# Key Findings



- 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, Install one additional chair lift, Add one additional run, and increase acres of snow cover by two.
  - 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?