Big Mountain Resort Price Analysis

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Problem Statement:

- How Big Mountain Resort can increase their net income (revenue minus costs) by 10% within a year by adjusting the ticket price and/or operating costs?
  - Current ticket price: $81.73
  - Resort installed a new chair lift
   - Increased operating costs by $1,540,000 for the current season

Key Findings:

- A positive correlation between AdultWeekend ticket Price:
  - fastQuads,
  - Runs,
  - Snow Making_ac and
  - resort_night_skiing_state_ratio.
- Model predicted ticket price: $95.87.
 - Increase price by atleast $10 based on facilities in resort
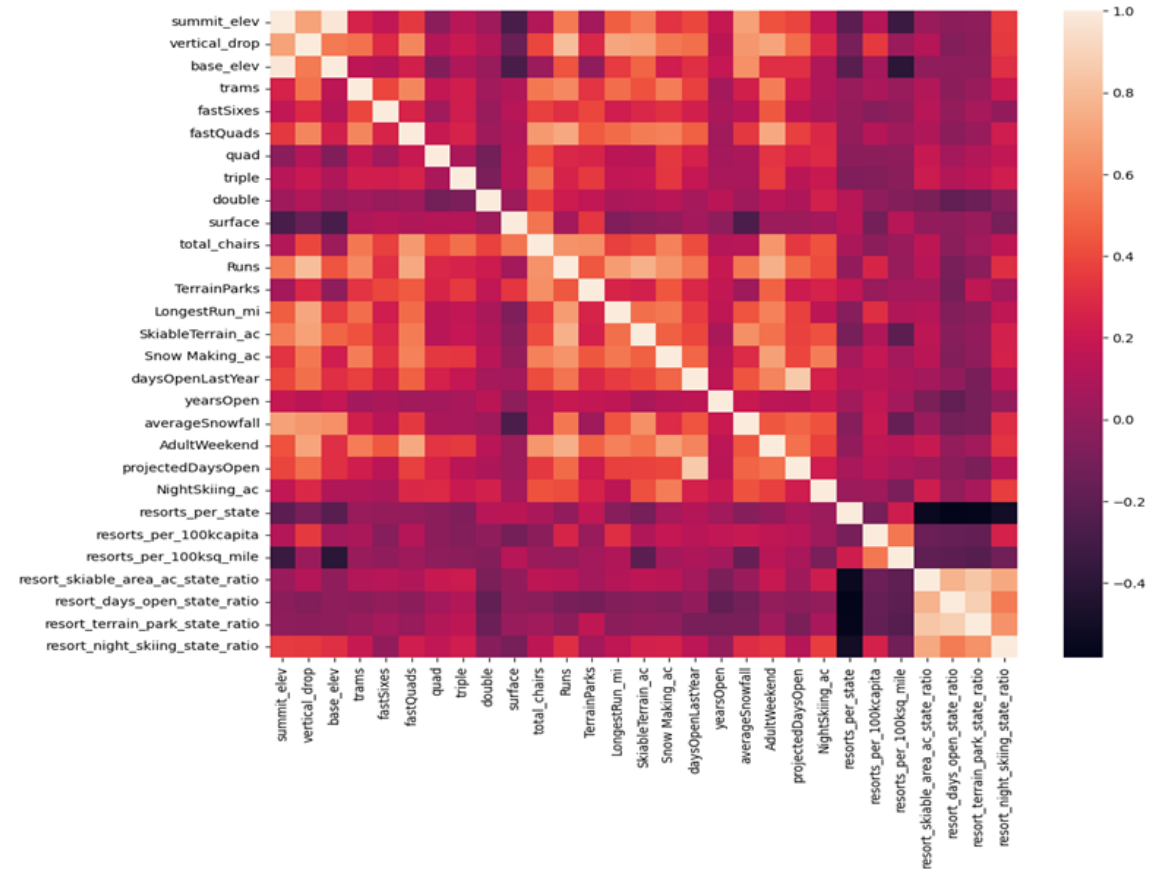
Model and Analysis

- Big Mountain Resort features that were ranked well:
  - vertical_drop
  - Snow Making_ac
  - total_chairs
  - fastQuads
  - Runs
  - LongestRun_mi
  - trams
  - SkiableTerrain_ac

Total number of runs distribution for resorts in market share
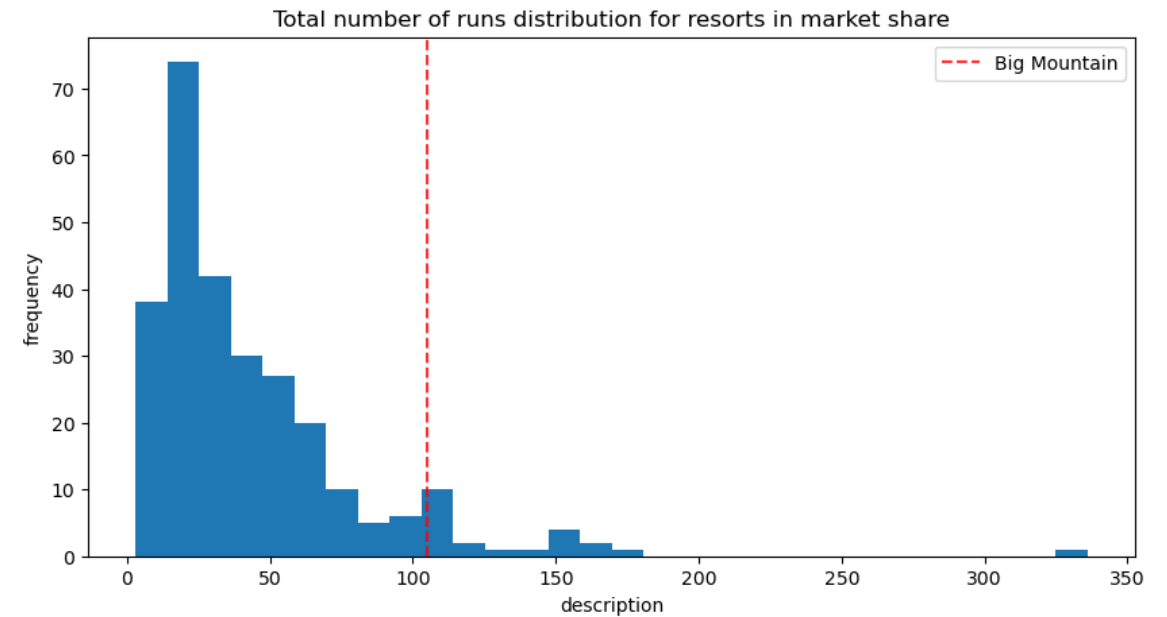
Model and Analysis:

- Big Mountain Resort can afford to keep up to 5 runs closed without experiencing a significant decrease in revenue
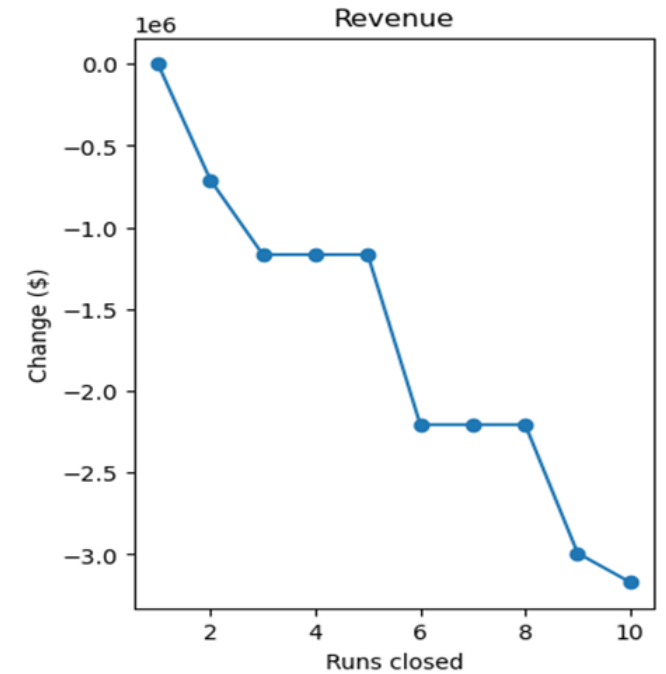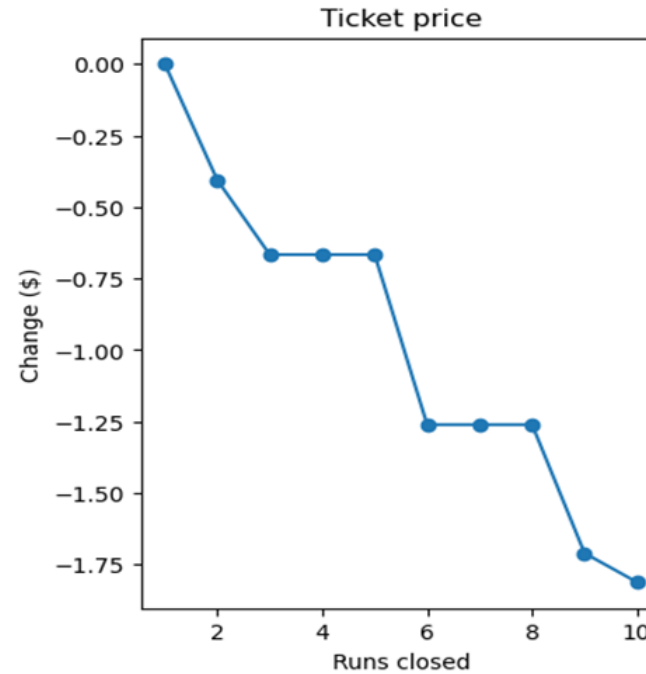
Recommendations based on Model:

- Close 4-6 runs to save operation costs.

- Raise ticket prices to $91.99.

- Increase the vertical drop by adding a run to a point 150 feet lower down but requiring the installation of an additional chair lift to bring skiers back up, without additional snow making coverage

- Increase the longest run by 0.2 mile to boast 3.5 miles length, requiring an additional snow making coverage of 4 acres

Conclusion

- Big Mountain Resort boasts breathtaking views of Glacier National Park and Flathead National Forest, offering access to a vast network of 105 trails and facilities which will justify the increase in ticket price.
  - Continues offering high standards of services on facilities would justify the increased ticket price.
- The analysis of operation costs would help model increase revenue even effectively.