Big Mountain Resort

Price Optimization

Business Problem

What is the best price for Big Mountain Resort ski-lift tickets considering market competition and current amenities?

Context

1 Recent repairs and additions, including a new ski lift, have called into question traditional pricing.

3 Resorts have a wide variety of amenities to offer their customers.

2 There is a wide range of prices for a lift ticket around the nation. Ticket prices are constrained by comparability with other resorts, so finding the optimum price is crucial.

4 The current price is $81 for an adult weekend ticket.

Model Results

Given the current amenities, the optimum ticket price is $93.76.

This price represents a $12.76 increase in pricing.
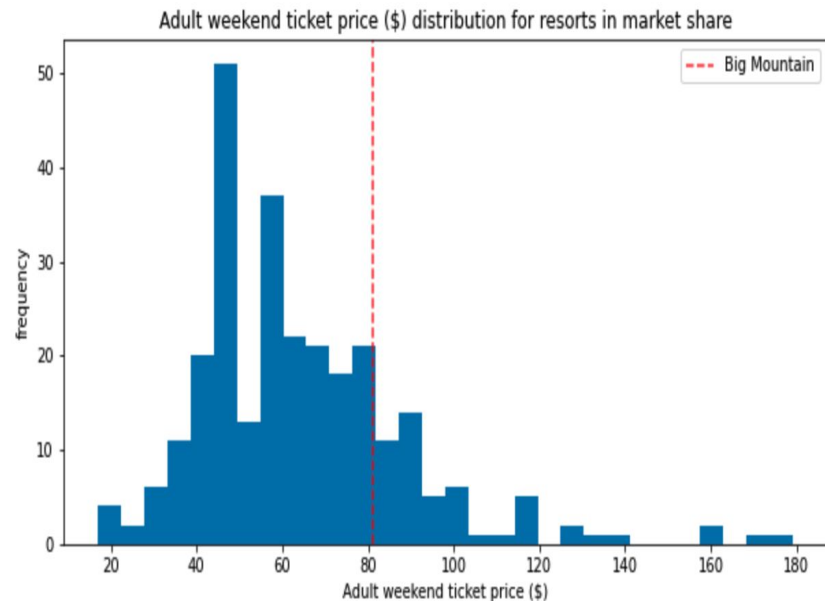
Modeling Results

Market trends in pricing

01

As there is a wide variety of resorts, there is a wide range of ticket prices. Big Mountain Resort falls toward the middle of this range.

Client Implications:
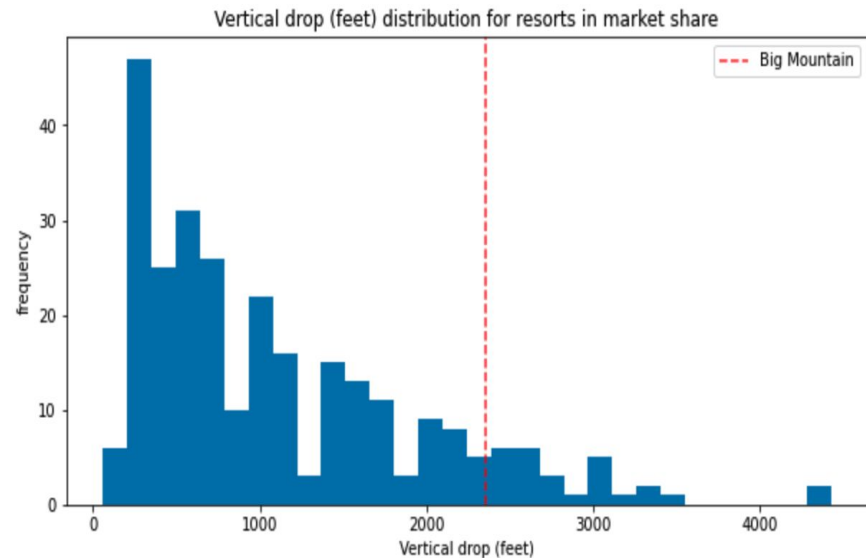The optimum price still falls within the middle of this range.

Adult weekend ticket price ($) distribution for resorts in market share

Market trends for vertical drop

02

One factor that was a strong predictor of price was overall vertical drop

Client Implications:

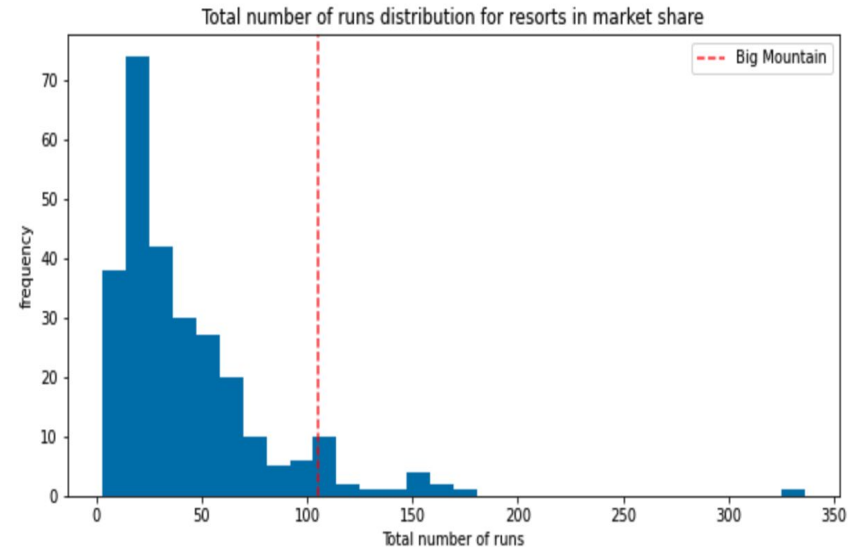Big Mountain Resort is above average for vertical drop and shows a strong market position for this attribute.

Vertical drop (feet) distribution for resorts in market share

Market trends for runs

03

One factor that was a strong predictor of price was total number of runs per resort.

Client Implications:

Big Mountain Resort is above average for number of runs and thereby is a comparatively attractive resort for skiers.

Total number of runs distribution for resorts in market share

Conclusion

With all of the positive attributes that Big Mountain Resort boasts, it has room to raise its ticket price from $81 to $93. That is the price predicted given the amenities found at Big Mountain Resort.

Leading Price Influencer

3

Fast Quad Lifts

Leading Price Influencer

105

Ski Runs

Leading Price Influencer

600

Acres Covered by Snow Making Equipment

Thank you.