Big Mountain Resort

Pricing Strategy Case Study

Problem Identification

- Constructed new chair lift
- Additional operation costs of $1,540,000

Data-Centric Analysis:

- ↑ Ticket Price/Revenue
- Analyze different scenarios to cut costs/increase revenue

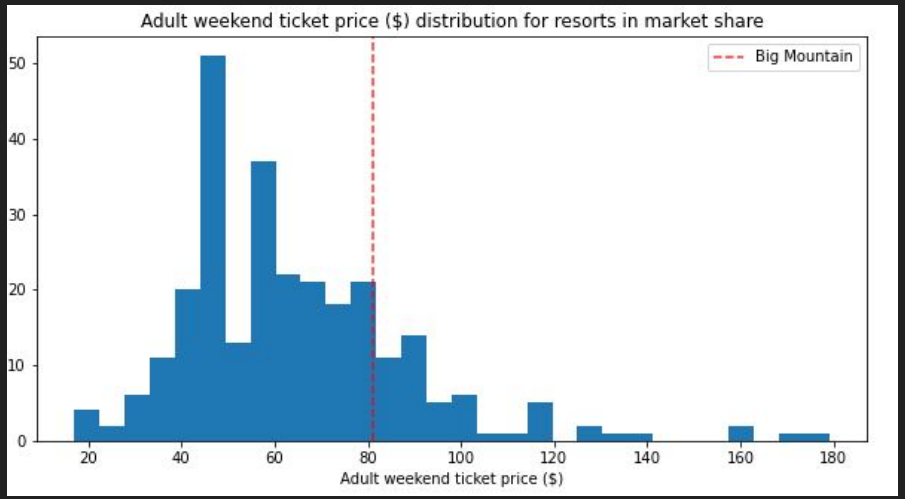
Recommendation/Key Findings

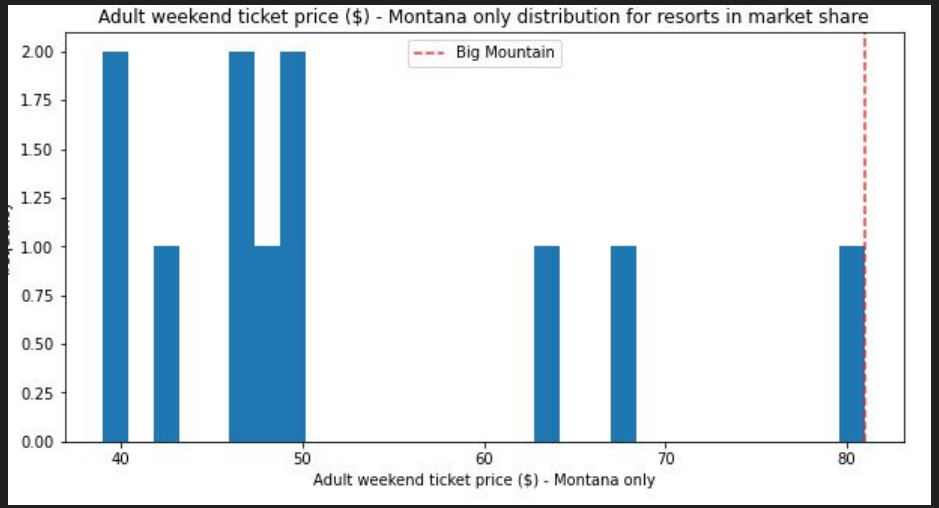
- ↑ Ticket Price to $95.87

- Implement Scenario #2: Increase the vertical drop by 150 feet and construct a new chair lift

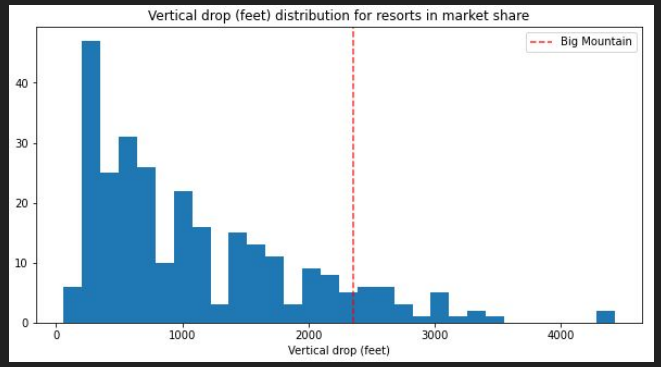
- Expected Seasonal Revenue under this scenario: $3,474,638

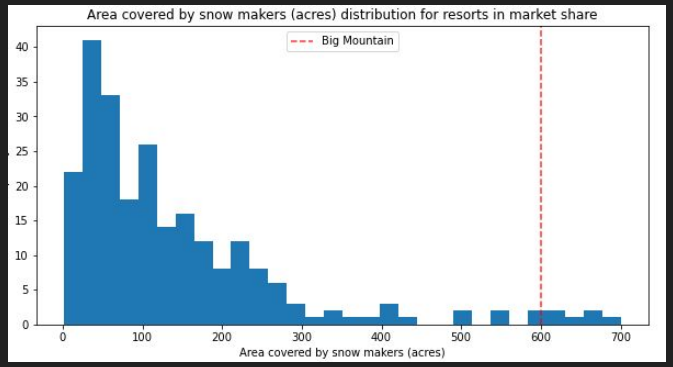
Modeling Results and Analysis - Pricing

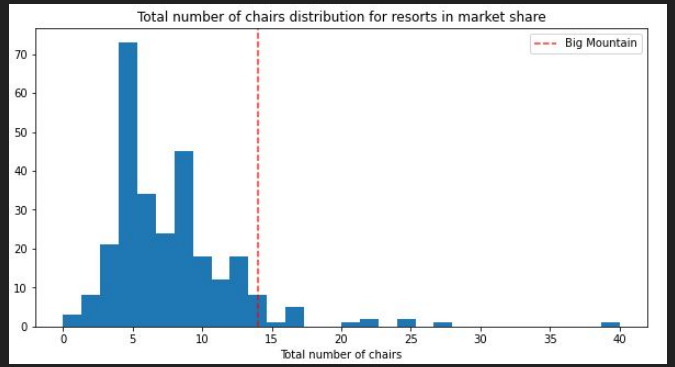


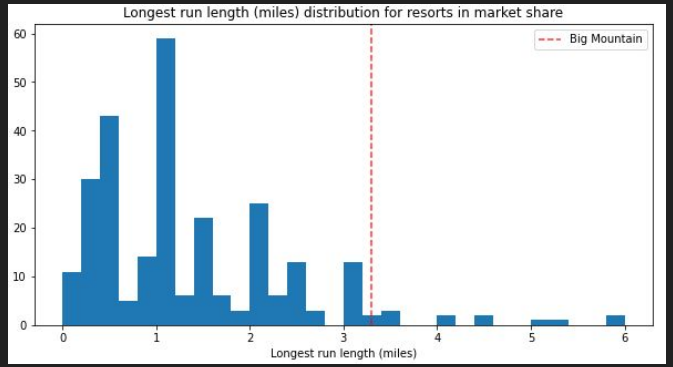


Modeling Results and Analysis - Key Features









Modeling Results - Model Arrives at conclusion

5.7 Calculate Expected Big Mountain Ticket Price From The Model

```
Big Mountain Resort modelled price is $95.87, actual price is $81.00.
Even with the expected mean absolute error of $10.39, this suggests there is room for an increase.
```

5.9.2 Scenario 2

In this scenario, Big Mountain is adding a run, increasing the vertical drop by 150 feet, and installing an additional chair lift.

```
This scenario increases support for ticket price by $1.99
Over the season, this could be expected to amount to $3474638
```

Summary and Conclusion

- Big Mountain Resort houses fantastic facilities that will enable justifying the ticket increase

- Increasing Ticket Price based off the value of the features and the implementation of scenario #2 will lead to a total revenue amount of: $3,474,638