



Big Mountain Resort

Pricing Strategy



Problem Identification

Challenges

- Profitability: Big Mountain Resort faces the challenge of maximizing profitability from ticket sales and cost-cutting measures.
- Customer experience: It is crucial for the resort to find ways to optimize pricing strategies without compromising the quality of the customer experience.

Opportunities

- Positioning and attractiveness of the resort.
- Cost-cutting measures. Some expenses can be reduced without sacrificing revenue or customer experience.



Dataset and Analysis and Key Factors

Dataset and Analysis

The dataset provides information about other ski resorts across different regions and states.

Analysis shows strong positive correlation with certain key factors:

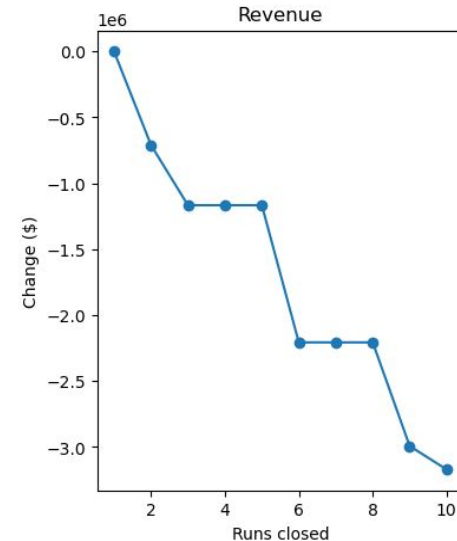
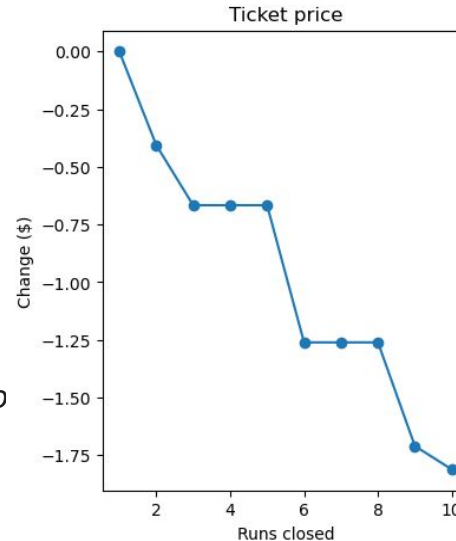
–“vertical drop”, –“fast quads”, –“Runs”, – “total chairs”


Modeling Results and Scenario Analysis

The analysis of potential scenarios:

1. Permanently closing down up to 10 of the least used runs. This doesn't impact any other resort statistics.

- Closing 2 and 3 successively reduces support for ticket price and so revenue.
- Increasing the closures down to 6 or more leads to a large drop.



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2. 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.
 3. Same as number 2, but adding 2 acres of snow-making cover

Results for Scenario 2 and Scenario 3:

– potentially increase the revenue amount to \$3,474,638 by increasing the ticket price by \$1.99

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

– No difference in revenue for Scenario 4 shows.



Conclusions and testing the price strategies

Modelling suggests that ticket prices can be increased by as much as \$1.99 under certain scenarios, potentially boosting the season's revenue by about \$3.5M.

Further testing:

- A/B test, comparing:
 - different pricing structures and strategies among distinct visitors groups
 - testing season depending price adjustments.
- Tracking points: total earnings, visitors number, customer satisfaction and revisit rates.