

# Big Mountain Resort Ticket Pricing

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# Problem Identification

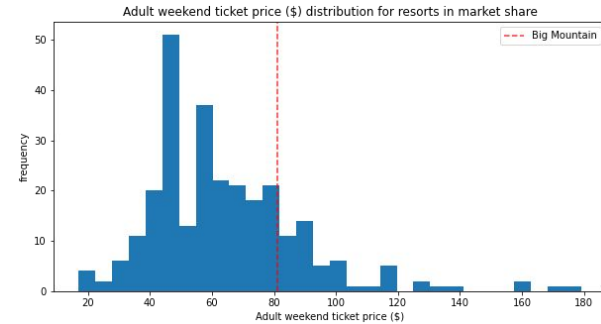
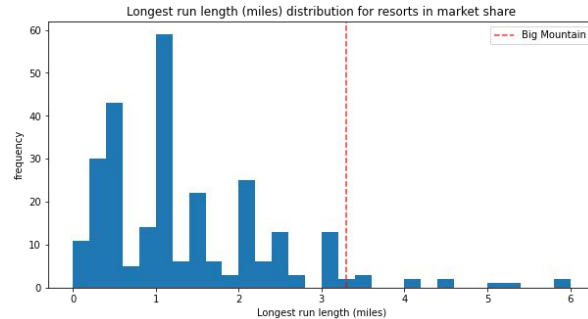
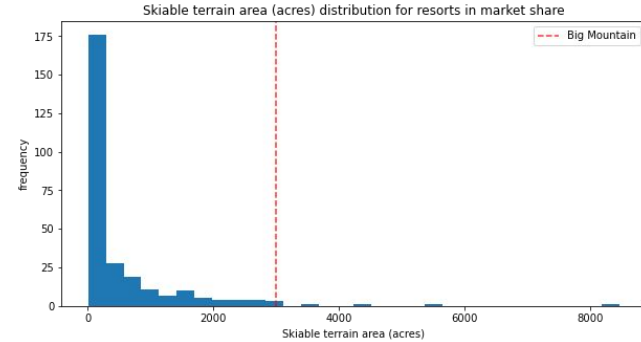
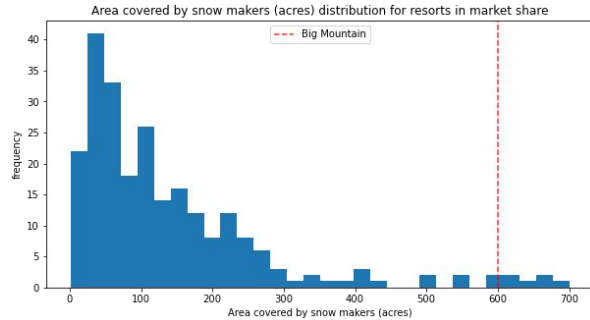
- **Big Mountain Resort is currently charging \$81.00 per ticket, which is a premium above the average ticket price of resorts in its market segment**
- **With new amenities being added, we are looking to provide a recommendation for a new optimal ticket price for the next ski season**

# Our Recommendations

- Our model indicated that the ticket price should be increased to around \$95.87
- We also want to note:
  - closing one run would have no effect on this modeled ticket price.
  - Increasing vertical drop by 150 ft and adding a new chair would increase our modeled price by \$1.99 (expected to increase revenue by around \$3.5 million)
    - This may be worth it, depending on the costs of such renovations

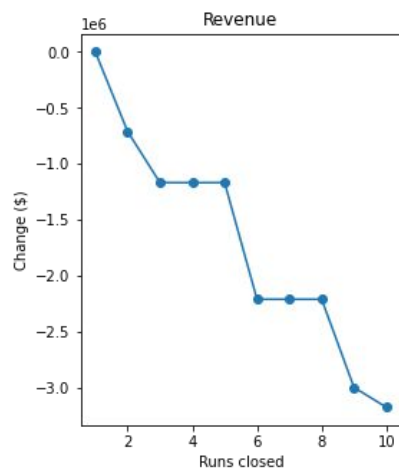
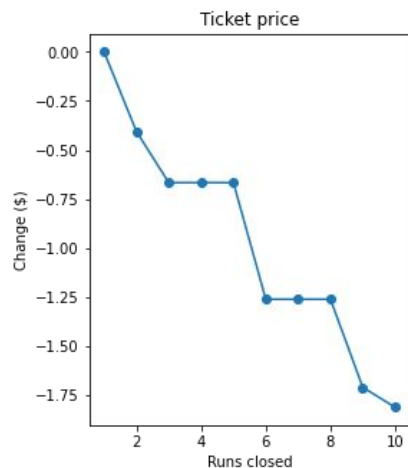
# Analysis

- Of the amenities that had the greatest influence on ticket price, Big Mountain resort lies at the top
- Has a lower ticket price than several of the most expensive resorts



# Modeling

- Using a random forest algorithm, we found that an optimal price would be \$95.87, with an error of \$10.39 (this suggests that price could be even higher)
- Seen on the graph to the right, closing one run causes no change to our modeled price or revenue



# Conclusion

- To do further analysis and give more specific recommendations, we would need more specific data regarding:
  - number of visitors per year from Big Mountain (and other resorts)
  - operating costs for specific amenities
  - elasticity of cost as visitors/tickets sold increases
- Algorithm is not particularly large
  - Can be saved in your in-house data warehouse, taking up minimal storage space
  - Easy to use for in-house analysts