Big Mountain Resort Analysis

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Problem

- Operating Cost increased by 1.54 million due to the installation of new chair lift

- Current ticket price may be undervalued at $81.00

- How can Big Mountain Resort adopt a data-driven pricing strategy to recoup the increased operating cost of 1.54MM and maintain or increase their profit margin for the season over the next year?
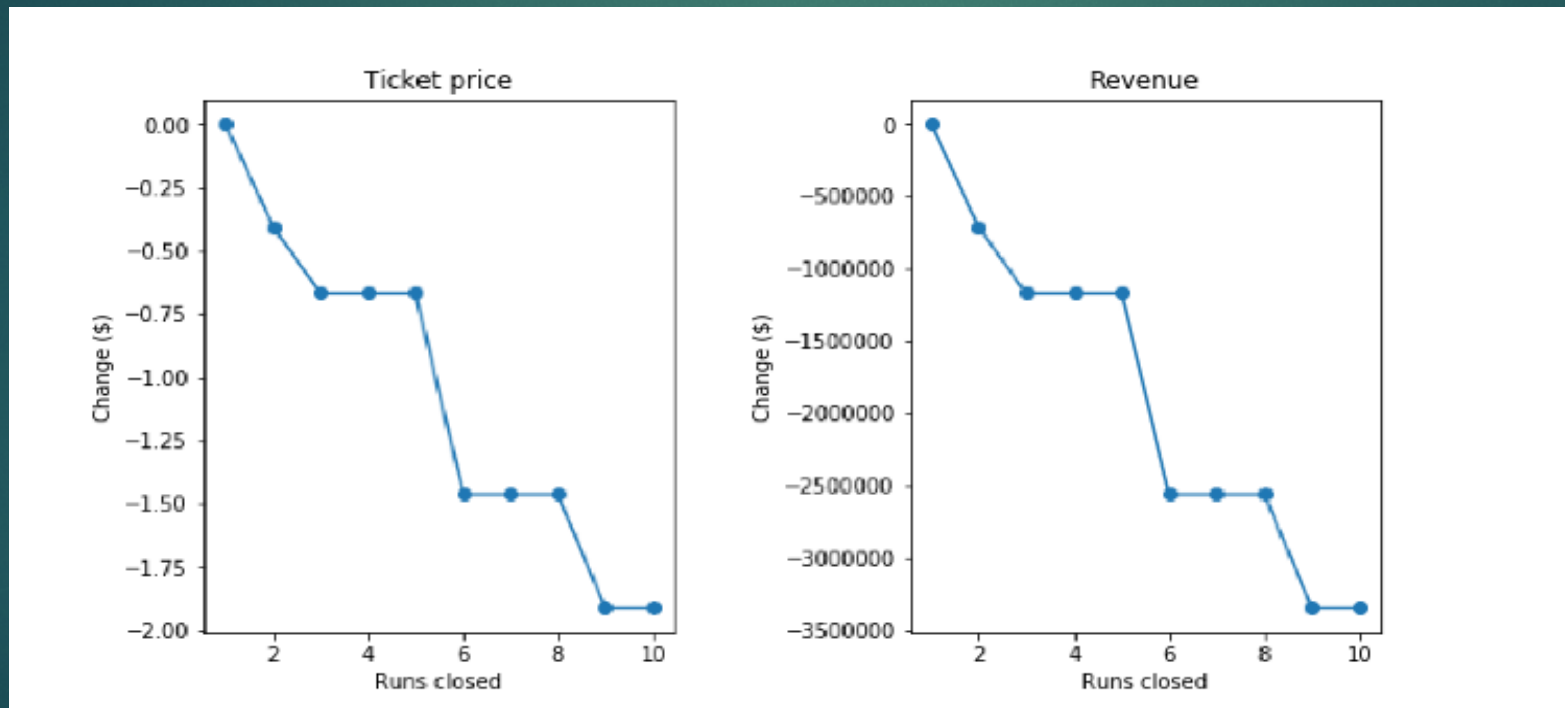
Key Findings

- Strong Correlation with 4 key features and ticket pricing:
  - Night skiing ratio
  - Runs
  - SnowMaking_Ac
  - fastQuads
- Random Forest Model has price set at $97.29
  - This price hike is appropriate based on the features and services at Big Mountain Resort.
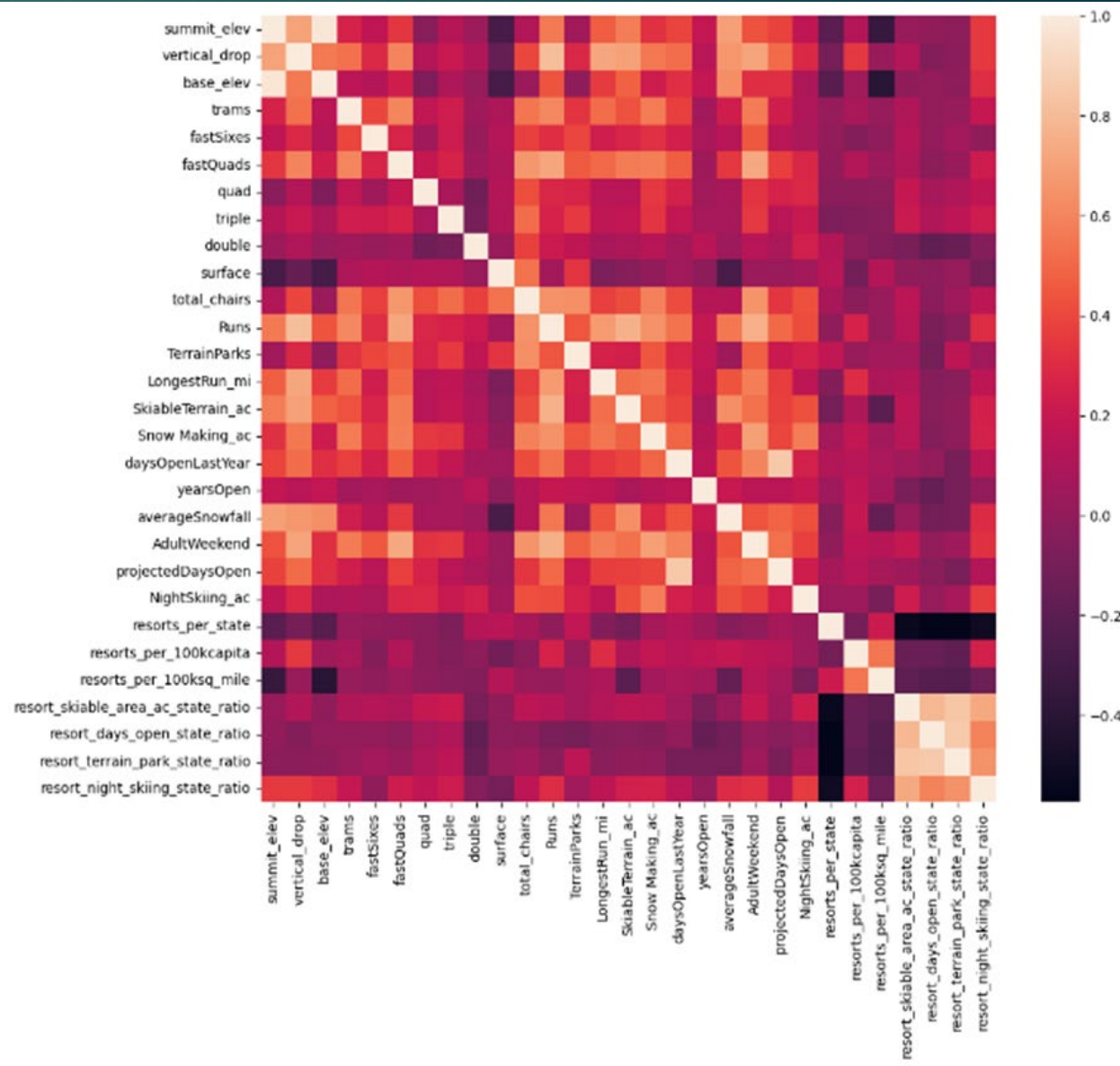
Model and Analysis

▶ Big Mountain resort can close 5 runs each day and only see a small drop in revenue

Model and Analysis

- Big Mountain resort ranked high or above average in seven of the eight important categories :
  - Vertical drop
  - Longest Run
  - Total number of Runs
  - Fast Quads
  - Total Number of Chairs
  - Total Area of Snow Makers
  - Skiable Terrain Area
- Raising the ticket price will keep the resort around the same distribution.

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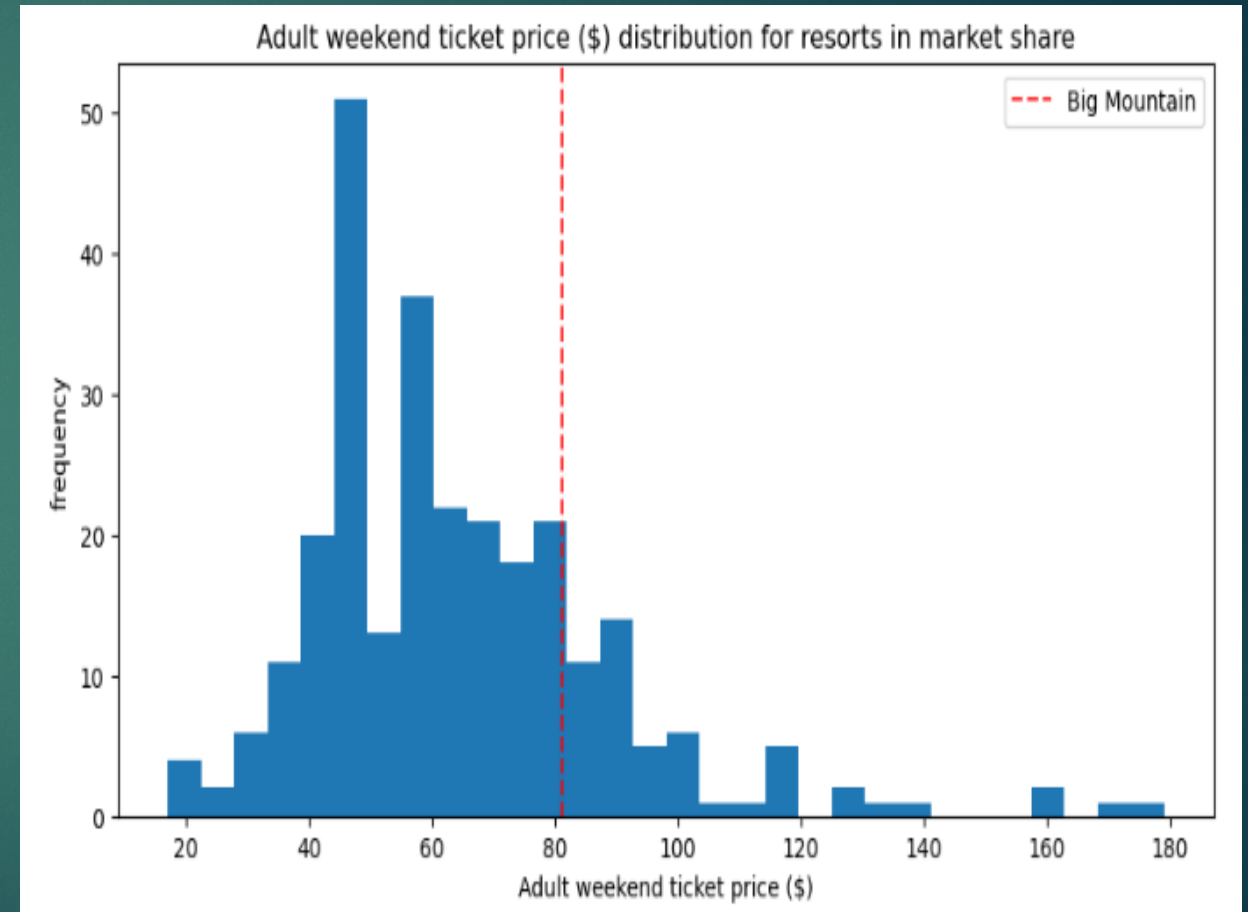
Recommendations

▶ Raise ticket price to $94.00

▶ Have 4 to 5 runs closed each day to help offset the increase in operation cost.

Conclusion

► Big Mountain Resort is an exceptional resort with amazing features and attractions to offer its customers.

► A price hike to $94.00 will grow revenue and closing around 5 runs a day will save on operation costs. Any of these recommendation implemented will be to the advantage of Big Mountain Resort moving forward.