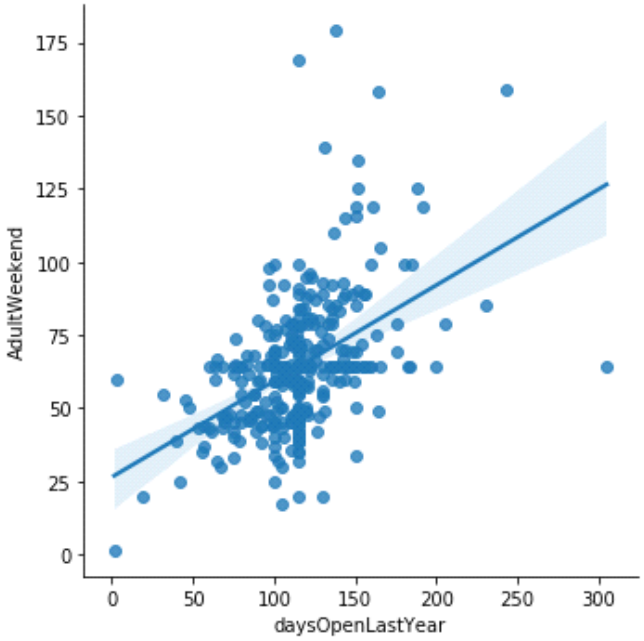
Big Mountain Resort Findings

Data showed that Big Mountain Resort was highly underpriced using a linear regression model that predicted the average adult weekend price for similar resorts to be $95 as opposed to the current price of $81 per ticket. I believe there are grounds for increasing ticket price merely with the intention of keeping up with national price trends. The following figures plot the linear correlation of ticket prices versus park operating days. While this metric is only partial representation of the entire fitted linear regression model, it is the most relevent being that it scored the highest coefficient in the model. It also happens to be that it is an easily mutable variable in that the company could simply decide to increase the days of operation while other variables with postitive correlation would be difficult, costly, and/or impossible to alter such as number of runs per park or elevation.



Increasing the ticket price based on the regression model prediction score of 95 dollars allows you to price the ticket closer to $100 while keeping up with national trends. I believe a $99 dollar price is appropriate in that you are setting the precedent for a 100 dollar ticket price while setting youself on the high end of the curve data, simultaneously preparing the company for future industry price increases.

SInce we find this correlation between days open and price, we can further justify ticket price increase to our customers by increasing operating days to the high end af the data for all Montana resorts which is 145 days. Our curent days open is 123 so increasing the range of operating dates by 3 weeks based on this data is realsitic and feasible while also increasing potential ticket sales.