Big Mountain Resort Price Analysis

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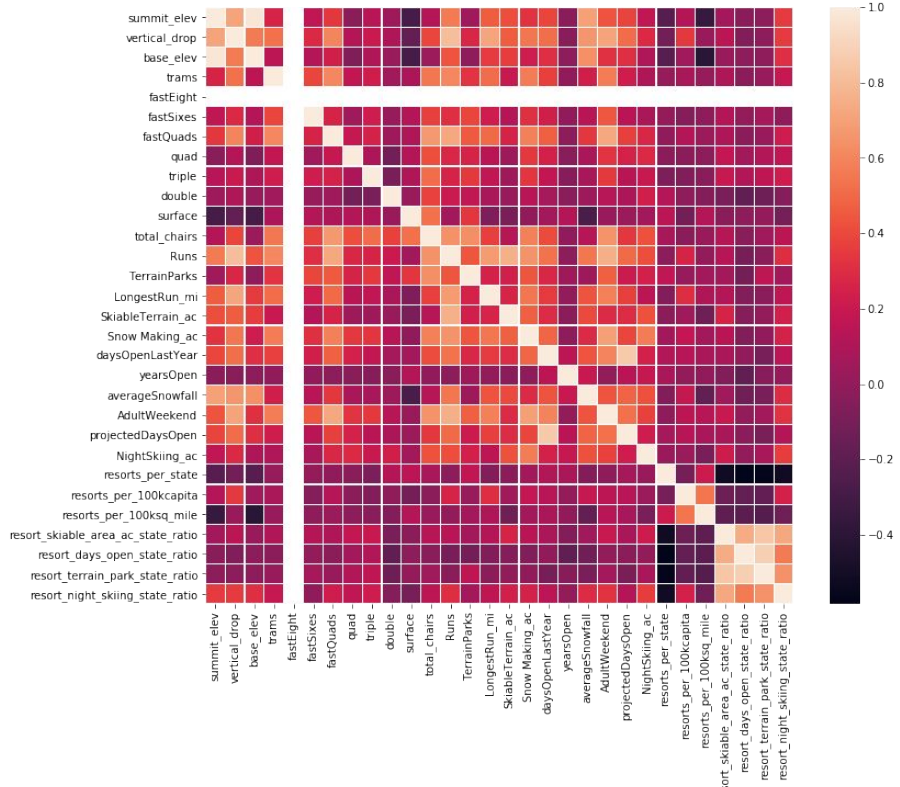
Problem

- New chair lift added an additional $1.54M in operation cost.
- Current ticket price of $81 potentially below optimal price point.
- How can we increase revenue and decrease operations cost?

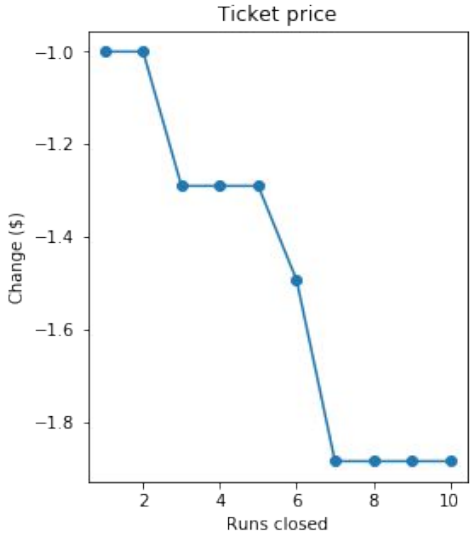
Key Findings

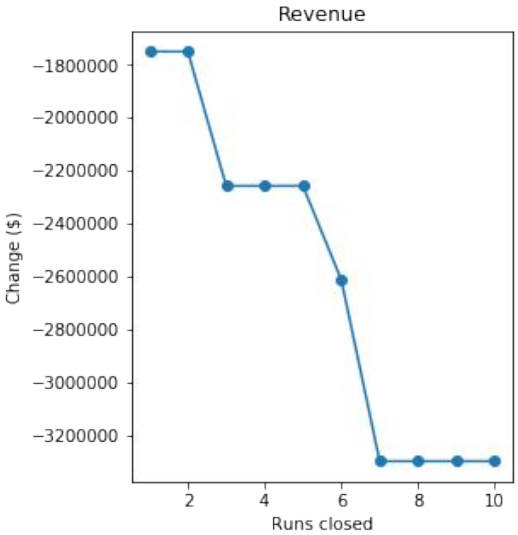


- Four features were found to have strong correlation with ticket pricing
  - fastQuads
  - SnowMaking_Ac
  - Runs
  - Night skiing ratio
- Random Forest model pricing suggests that the optimal ticket price is $94.22 based on the facilities and amenities offered

Model and Analysis

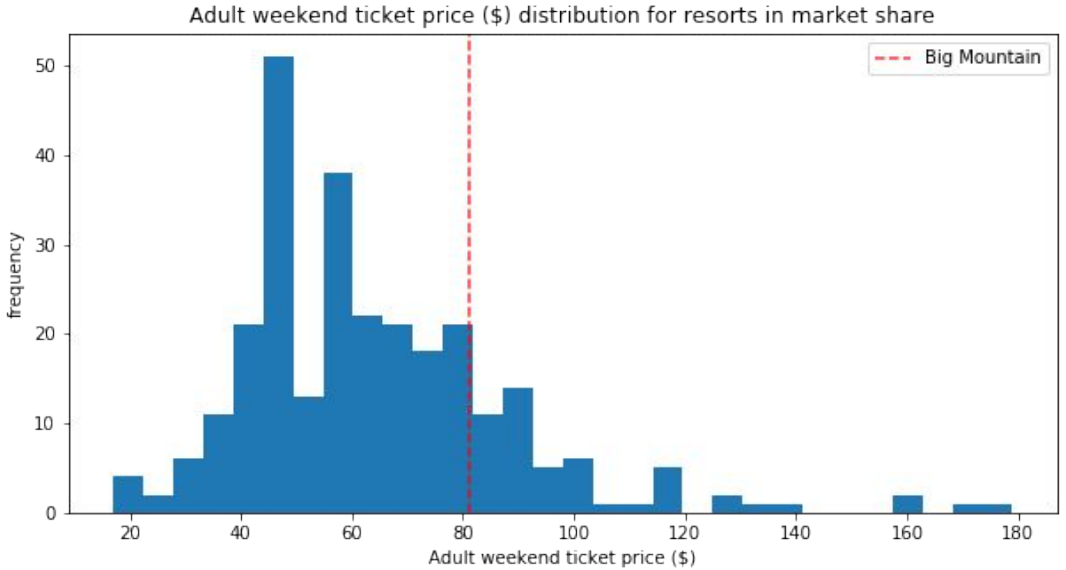
The resort can close up to 5 runs per day without a significant drop in revenue





Model and Analysis

- Big Mountain resort ranks amongst the top quartile for 7 of the 8 most important features.
  - Total area of snow makers
  - Vertical drop
  - Total number of chairs
  - Fast quads
  - Total number of runs
  - Longest run
  - Skiable terrain



There is still room to increase ticket price based on amenities and features at Big Mountain resort

Recommendations

- Raise ticket prices to $90
- Close 5 runs per day to save on operation costs
- Increase vertical drop by lowering a run 150 ft, install 1 additional chair lift, add 1 additional run, and increase acres of snow cover by 2
    - Data shows that this would justify raising ticket prices by $2, which would increase revenue by ~$3.46M

Conclusion

- With the multitude of amenities offered at Big Mountain Ski resort, it is a higher end resort that has plenty to offer to customers at a higher price point.
- The data shows that customers are willing to pay more for all the things that are offered at Big Mountain Ski Resort