



Big Mountain Resort Price Analysis

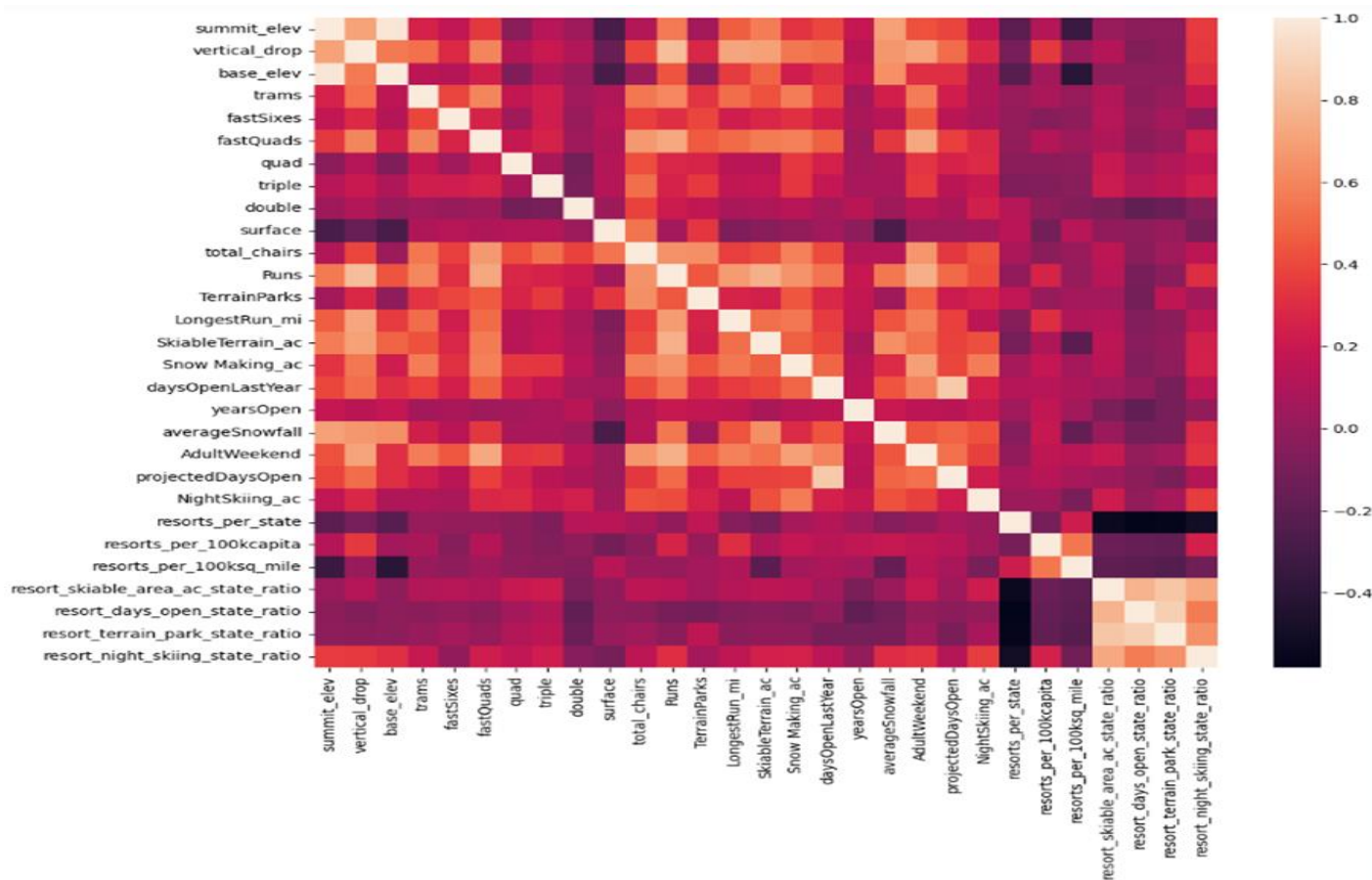
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Problem

1. New chair lift increases distribution of visitors throughout the resort
 - Adds an additional \$1.54 million in operation costs
2. Current Ticket Price: \$81.00
3. How do we increase revenue and stay competitive for this upcoming season?

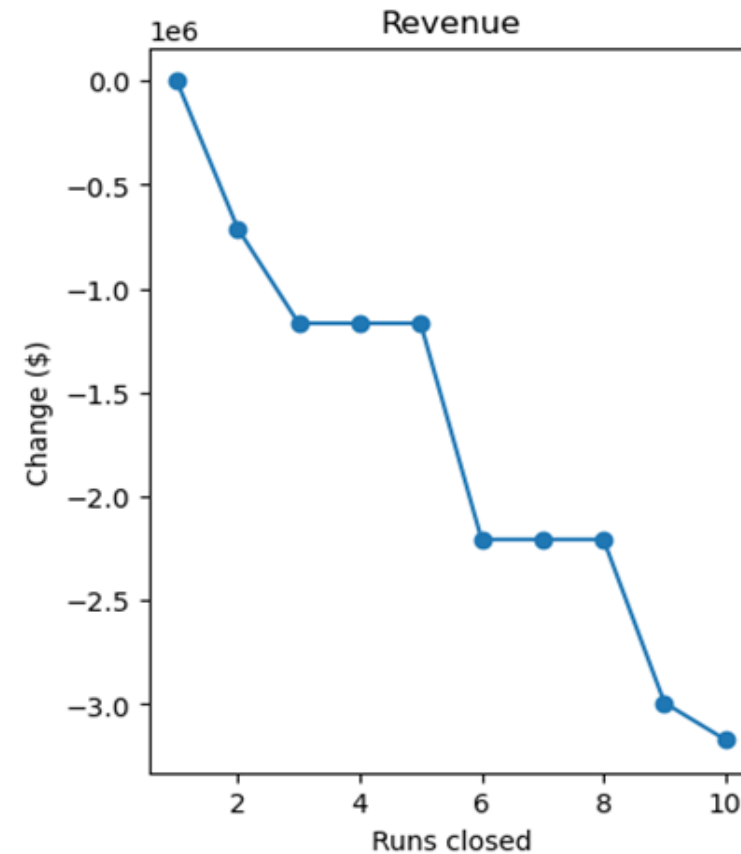
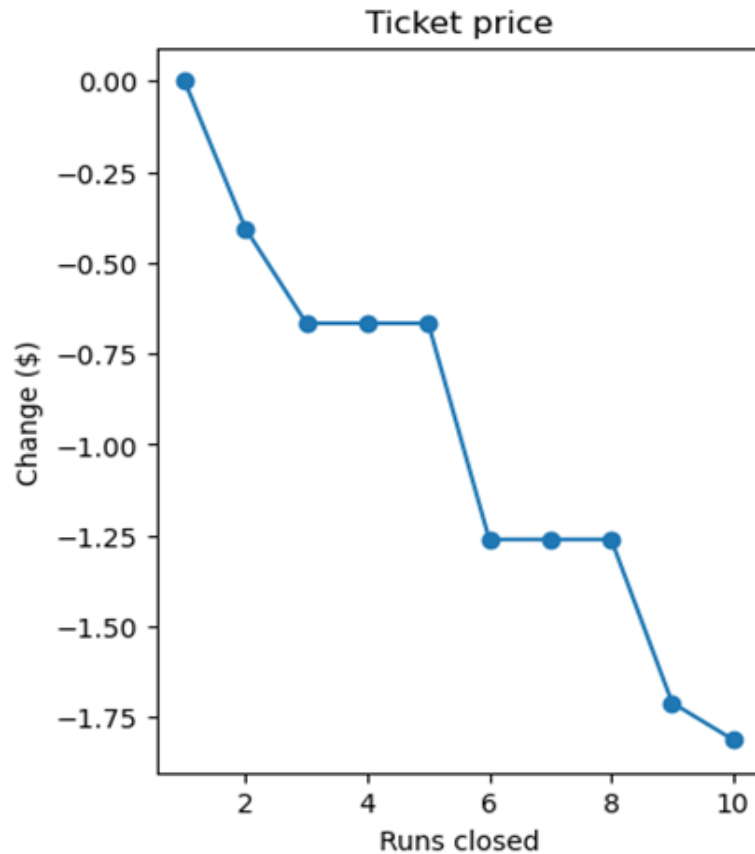
Key Findings



1. Four features have a strong positive correlation with ticket pricing:
 - fastQuads
 - SnowMaking_Ac
 - Runs
 - Night skiing ratio
2. Random Forest Model price: \$95.87
3. Big Mountain Resort has significant enough facilities to justify this cost.

Model and Analysis

The resort can close up to 6 runs each day without a large drop in revenue.

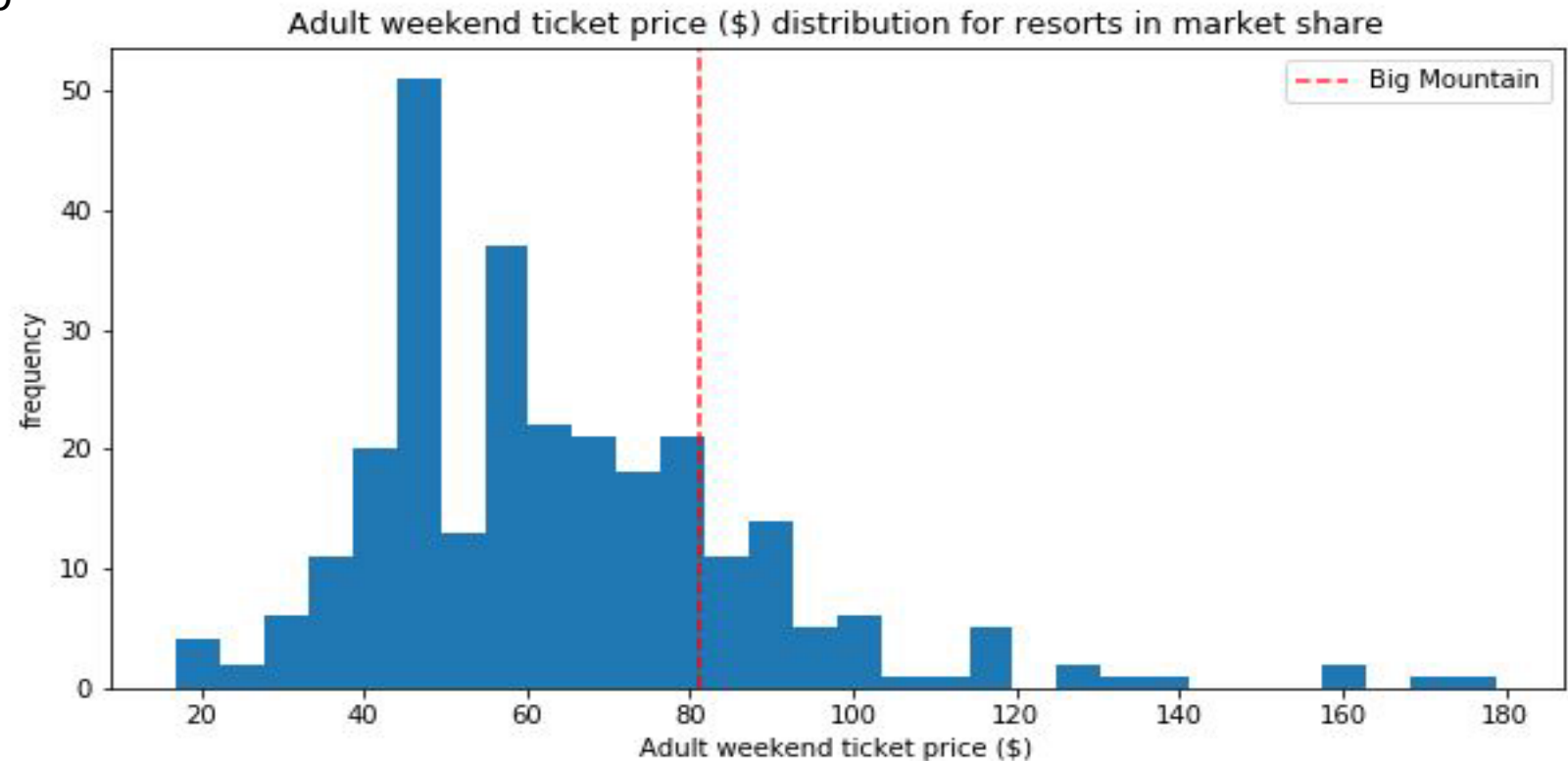


Model and Analysis Contd..

1. Big Mountain Resort ranks in the top quartile in seven of the eight most important qualities

- Total Area of Snow Makers
- Vertical Drop
- Total Number of Chairs
- Fast Quads
- Total Number of Runs
- Longest Run
- Skiable Terrain Area

2. Raising the price would keep us around the same region in this distribution.





Recommendation

1. Raise ticket prices to \$89.99
2. Have 4-6 runs closed each day to save on operation costs
3. Increase vertical drop by lowering a run 150ft, Install one additional chair lift, Add one additional run.
 - The model predicts that this could justify a \$2 increase in ticket price, which would increase revenue by \$3.47M



Conclusion

- Big Mountain Resort is a high-end resort with many significant amenities and attractions to offer.
 - You can justify raising the cost if you continue offering high quality amenities, like the new chair lift, to your customers.
- There is plenty of room to grow revenue and cover the additional operation costs. Any of these recommendations should keep Big Mountain Resort open for many years to come