Big Mountain Resort is in need of a new pricing strategy, one based on data gathering from numerous ski resorts across the country. And creating a pricing model that can determine a competitive price for customers as well as Big Mountain Resorts' facilities.

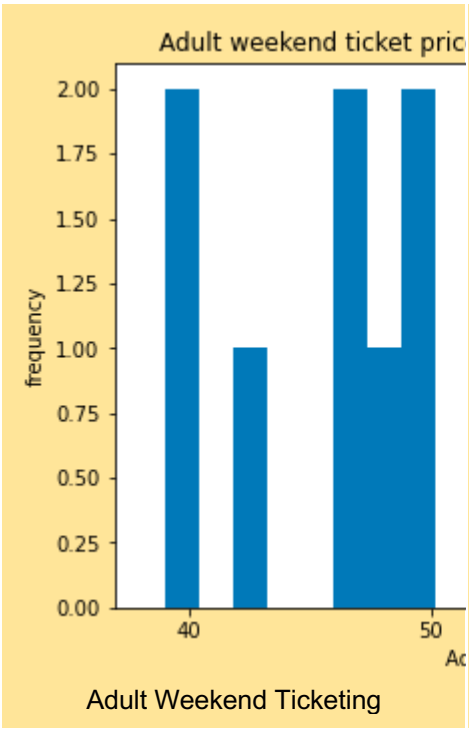
There are two gaining possibilities, either predicting a price increase/decrease or cost saving by feature reducing:

The best model was applied and it observed that the Big Mountain Resort modeled price was 95.87 USD, where actual price is 81.00 USD. Even with the expected mean absolute error of 10.39 USD, this suggests there is room for an 5.00 USD increase may sum a total of 7.5M USD (350K guests per 5 days stay on average) per year.

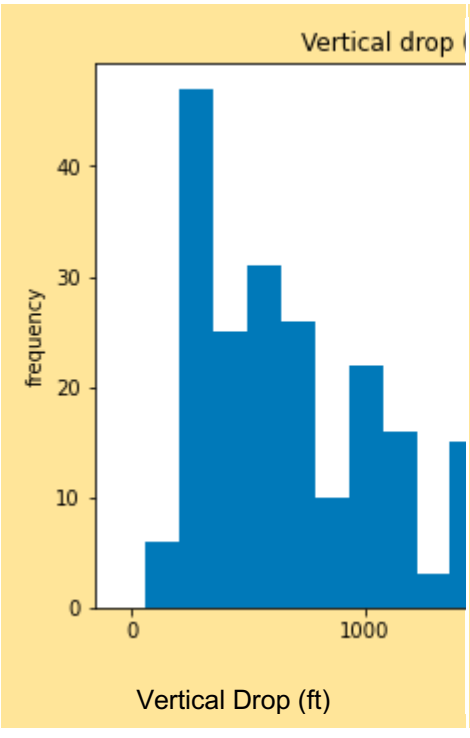
There were several changes proposed as a cost saving. Adding a run, increasing the vertical drop by 150 feet, and installing an additional chair lift, a 1.99 USD increase that may sum 3.5M USD per year. Adding 2 acres of snow making on top of this does not look like having an incremental effect. Close up to 10 of the least used runs has a very slight price decrease with up to 6 close ups, which makes it applicable.

A vertical dashed line on the histogram to indicate Big Mountain's position in the distribution.

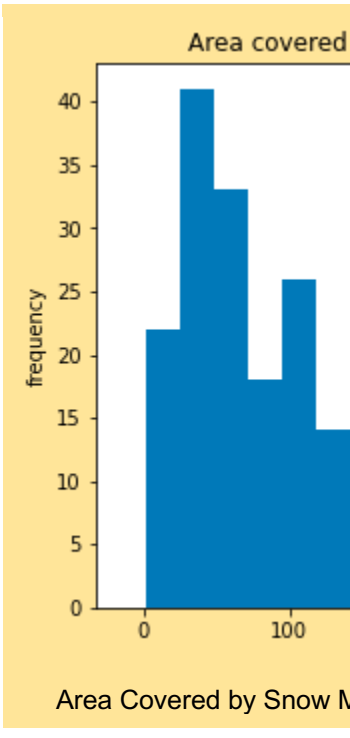
Ticket Pricing



Adult Weekend Ticketing

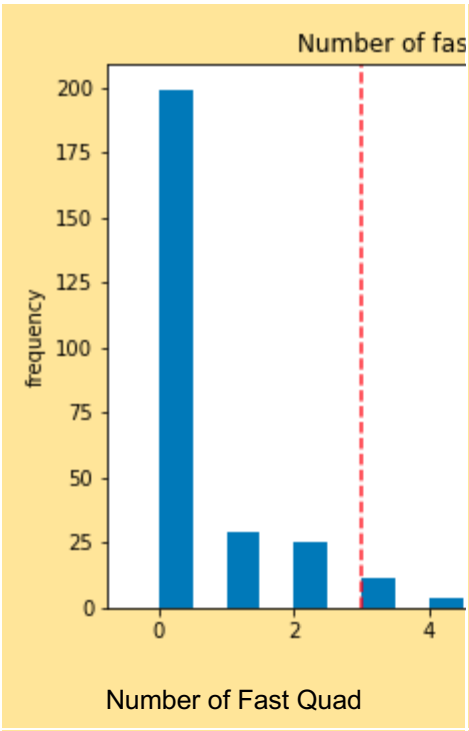


Vertical Drop (ft)

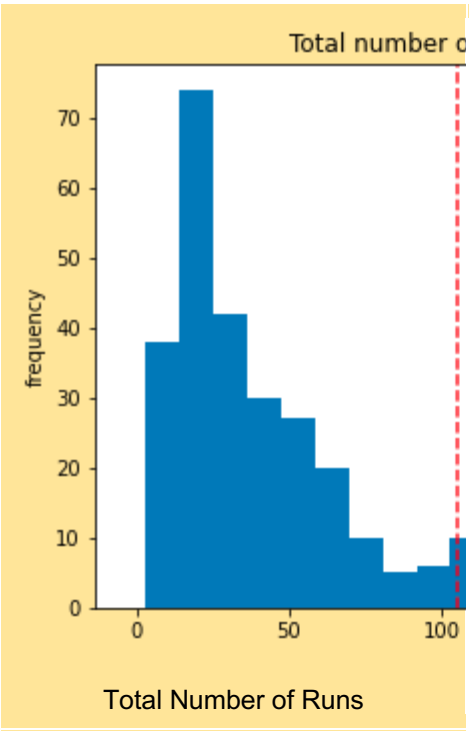


Area Covered by Snow M

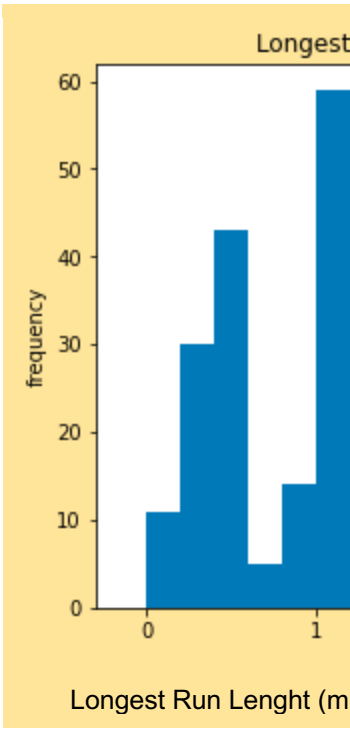
otal Number of Chairs



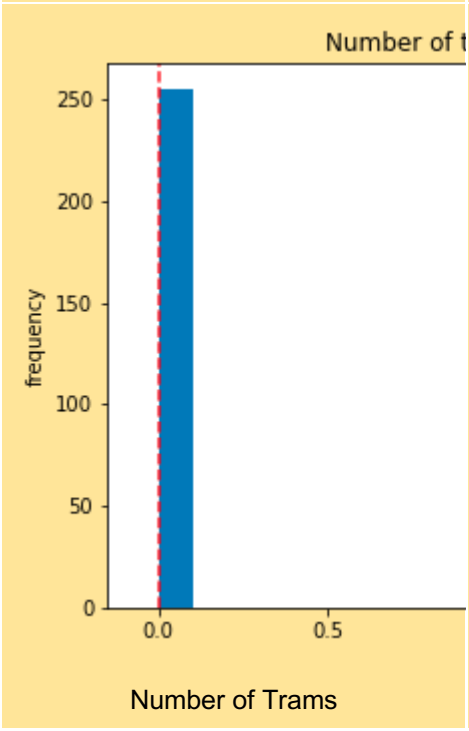
Number of Fast Quad



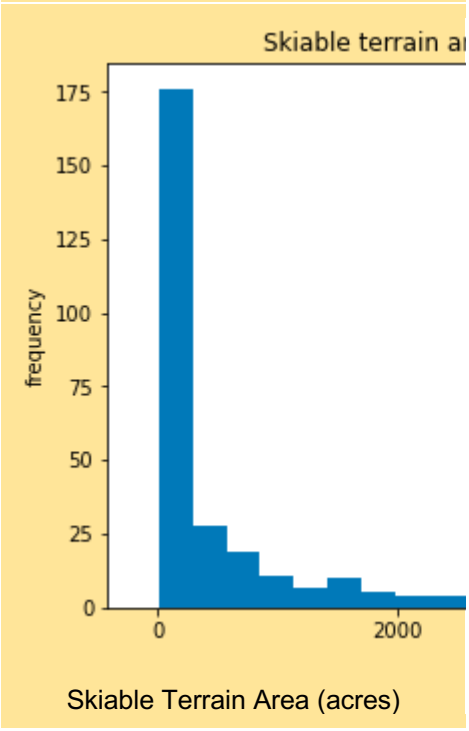
Total Number of Runs



Longest Run Lenght (m



Number of Trams



Skiable Terrain Area (acres)

It is recommended that ticket prices be raised to $89.99. 4-6 runs should be closed each day to reduce operation costs. You can lower a run by 150 feet, you can install an additional chair lift, you can add another run, and you can increase the amount of snow

cover by two acres. Based on the model, an increase of $2 in ticket prices would increase revenue by $3.464.638.