



# Big Mountain Resort

## Pricing Strategy Project



# Overview

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- Problem Identification
- Recommendations and Key Findings
- Analysis and Modeling Results
- Conclusion and Future Work

# Problem Identification:

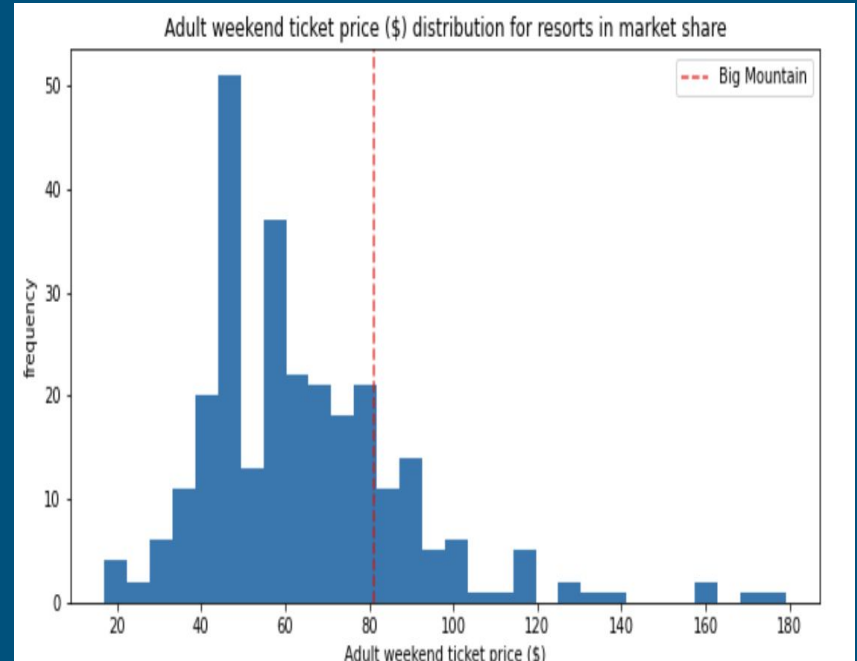
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The need to increase the revenue of the resort to compensate for the 1.54M operational cost and eventually increase profits.

- Increasing the ticket prices and finding the best value (%age increase) in the price.
- To suggest a pricing model that best justifies the price increase based on the number of facilities, services provided by the resort.
- Implement the ideas in the next 6 months, before the start of next season.

# Recommendations and Key Findings

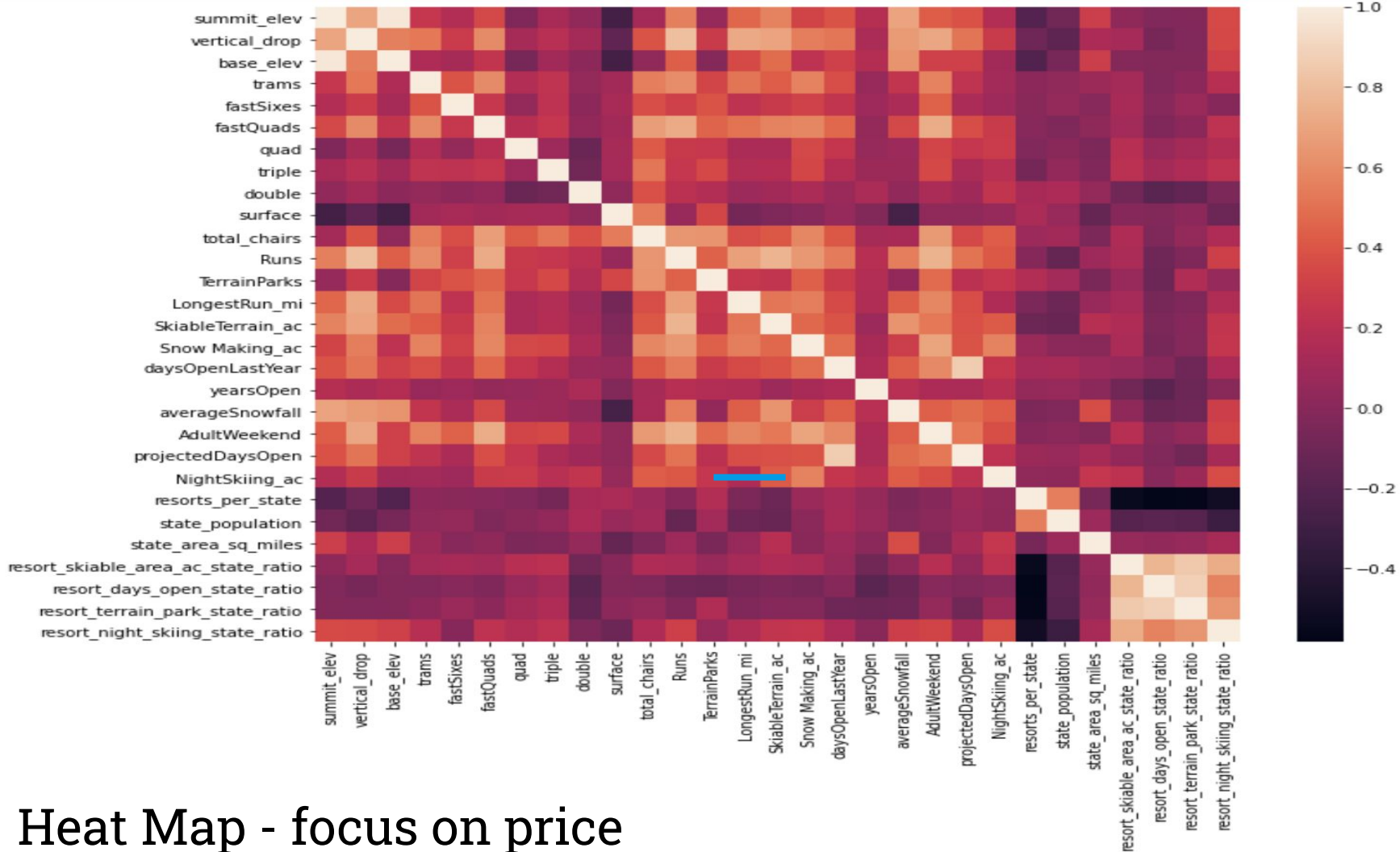
- The current ticket price sits at \$81.
- Our recommendation is to increase it to \$95 based on the model's results.
- This is based on the number of services and features the resort provides, which is higher than most of the other resorts in comparison with higher ticket prices.
- The increased ticket prices are justifiable by these services



# Exploratory Data Analysis (EDA)

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- Initial data has two main tables, the ski-resort data and the state summary.
- No solid correlations in the state summary
- EDA of ski resort data more promising
- Heatmap gives promising results and correlations within multiple features.
- fastQuad, runs, snow making\_ac and vertical drop stands out in initial EDA as well



Heat Map - focus on price

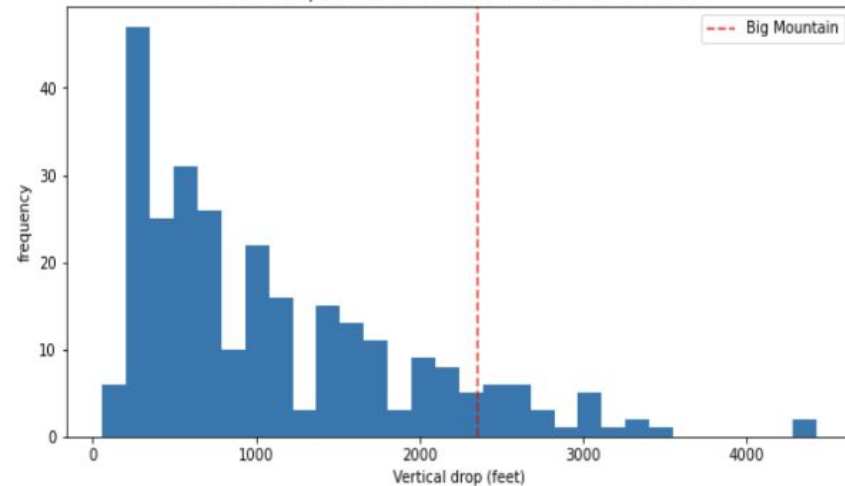
# Placement of Big Mountain in comparison to other resorts

The most relevant features based on our model are:

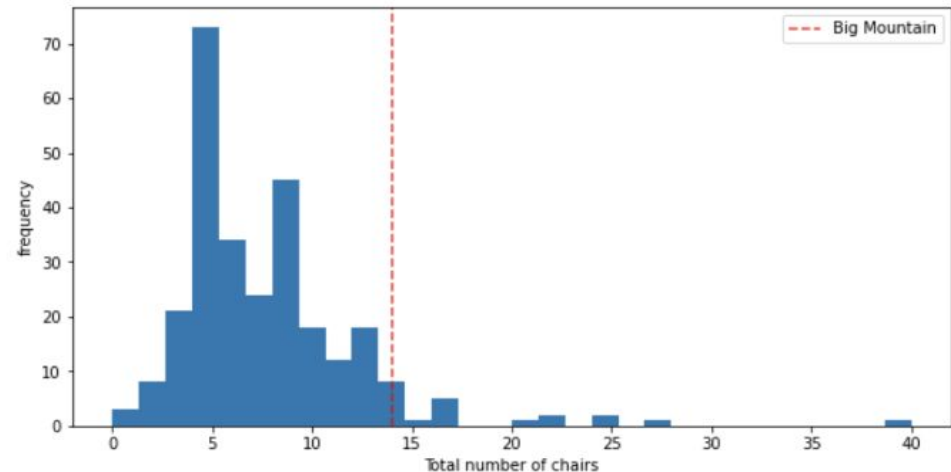
1. fastQuad - Number of fast four person chairs
2. Runs - Count of the number of runs on the resort
3. Snow Making\_ac - Area covered by snow making machines
4. Vertical Drop - Vertical change in elevation from summit to base

**Conclusion:** The Big Mountain Resort is placed in high ranks on each of the most relevant features given by our model. Hence the price increase is justified.

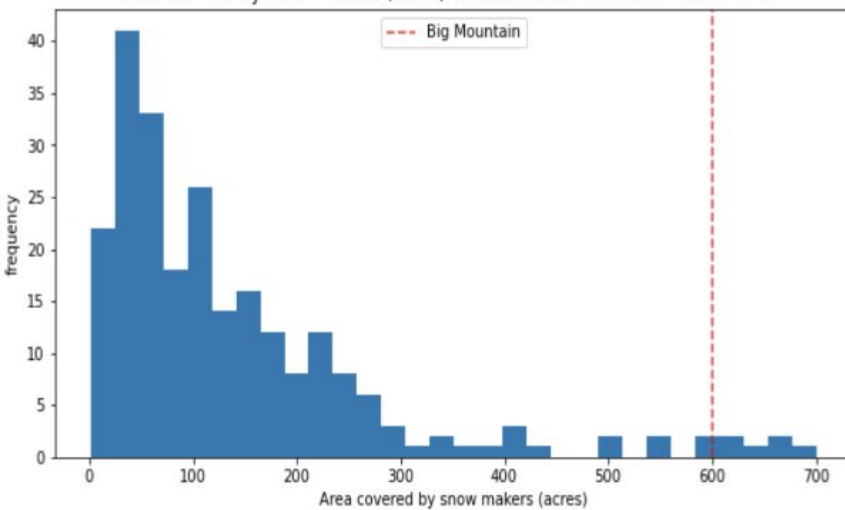
Vertical drop (feet) distribution for resorts in market share



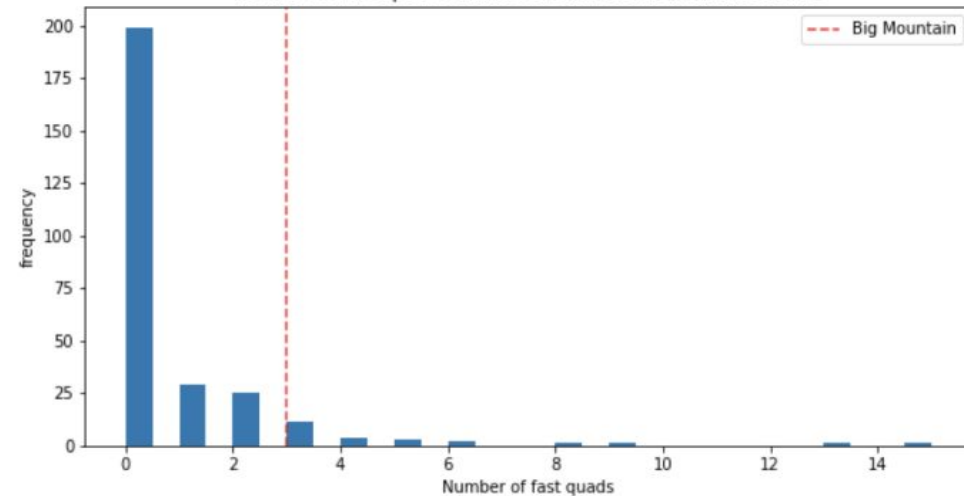
Total number of chairs distribution for resorts in market share



Area covered by snow makers (acres) distribution for resorts in market share



Number of fast quads distribution for resorts in market share





# Conclusion

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- The price increase from \$81 to \$95 is the suggestion after careful analysis and modeling of the data.
- The services provided by the resort place it in the safe zone of justified price increment.
- Other opportunities of revenue boost can be looked into like year long resort operations, non ticket sources of revenue like eateries and rental equipment rates.