BUSINESS ANALYSIS FOR BIG MOUNTAIN RESORTS

SOYOUNG AN

OVERVIEW

Big Mountain Resort is a ski resort located in Montana, has recently installed additional chair lift to help increase the distribution of visitors across the mountain. This additional chair increases the operating costs by $1.54 M this season. Therefore, the resorts plan to charge a premium above the average price of resorts. However, they are not sure the **optimal ticket price** that can generate an additional $1.7 M revenue in next year.

Goal: To identify competitive ticket prices, and opportunity to improve the profit.

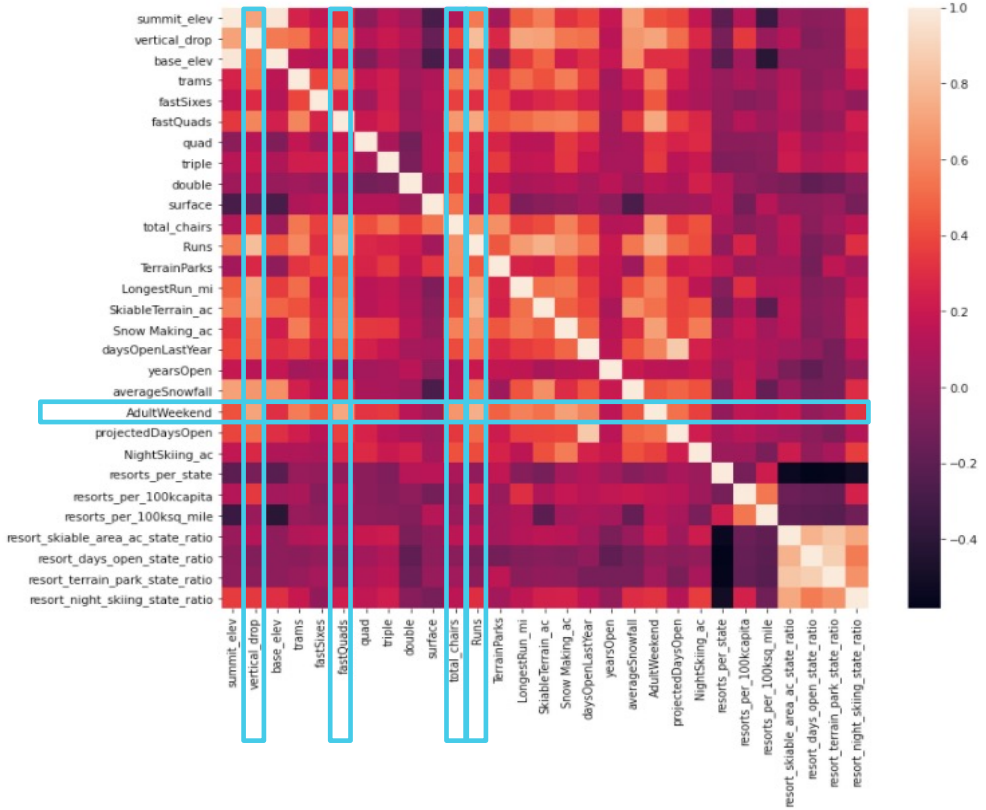
Data: Recent ski slope terrain & pricing data from other ski resorts in the U.S. market share.

- 330 rows 27 features

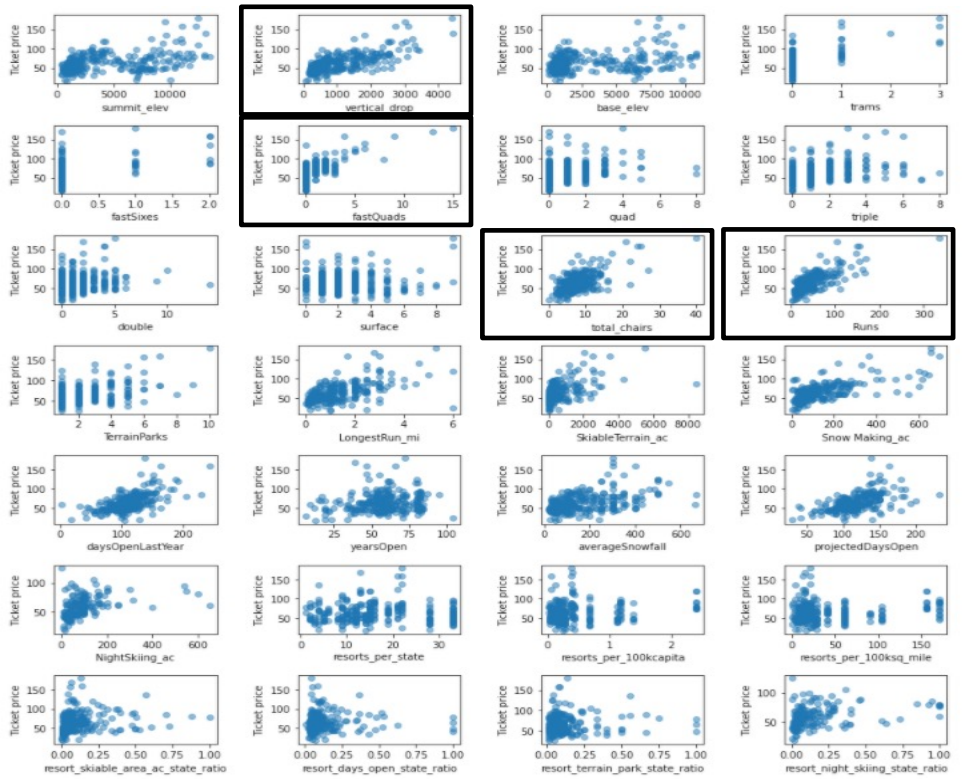
IMPORTANT FACTORS AFFECTING THE PRICE

Top 4 features

- **vertical_drop**
- **fastQuads**
- **total_chairs**
- **Runs**



Heatmap

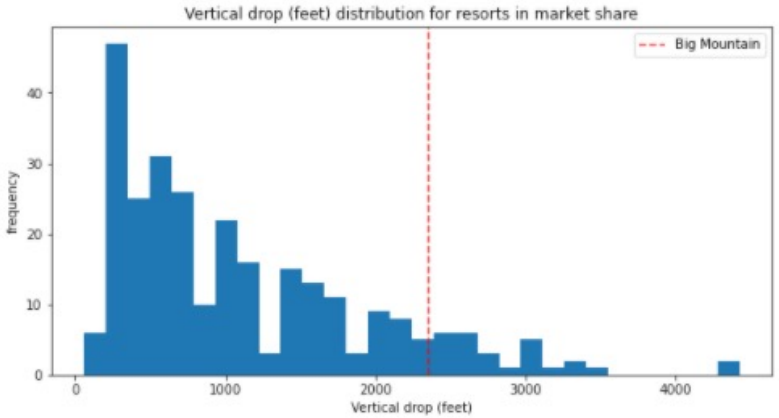


Scatter plots

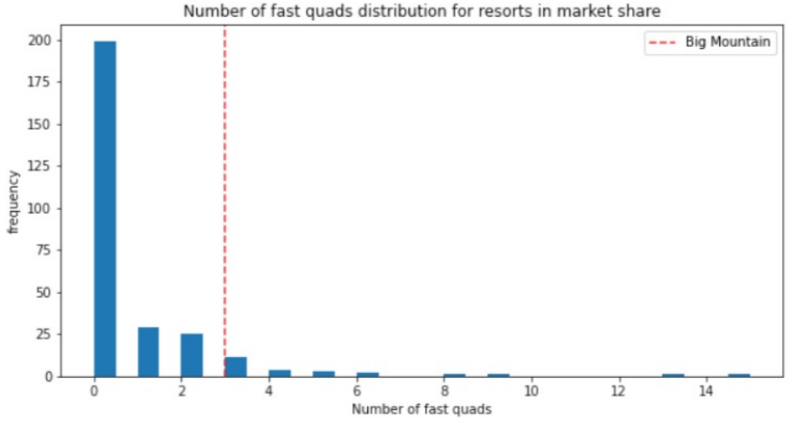
The relationship between Ticket price vs. other features

TOP 4 FEATURES DISTRIBUTIONS COMPARING TO THE MARKET

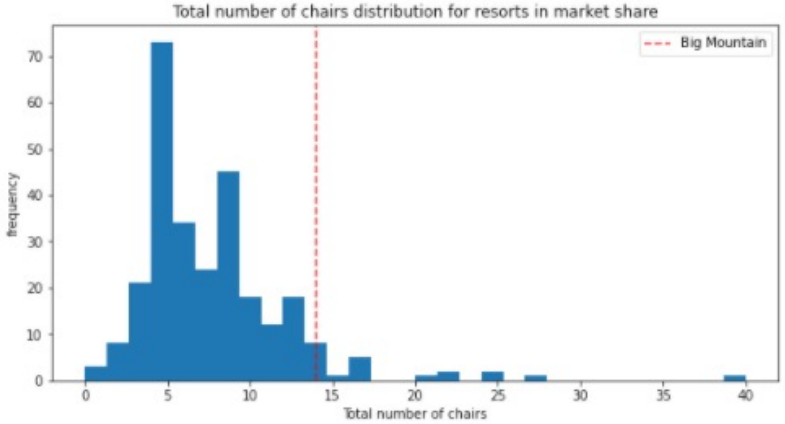
- Vertical Drop (ft)



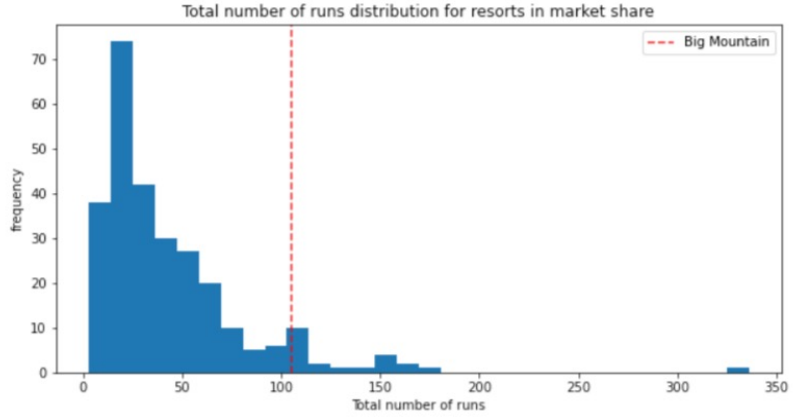
- Fast quads



- Total number of chair



- Total number of runs

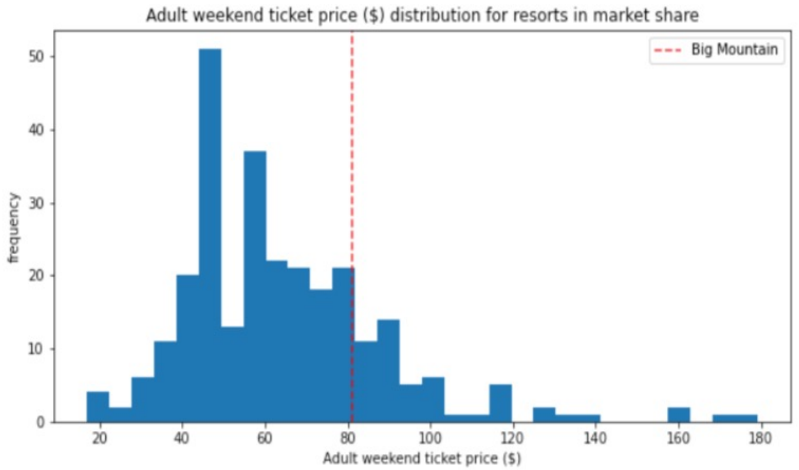


MODEL RESULTS & ANALYSIS

- Big Mountain Current Ticket Price: $81.00
- Modelled Ticket Price: $95.87
  - Mean absolute error: $10.39

Room for an Increase!!!

Ticket Price distribution of Big Mountain comparing to market



Big Mountain Current Ticket Price is already fairly high compare to the market.

WHY IS ITS MODELED PRICE SO MUCH **HIGHER???**

RECOMMENDATIONS

Two Model Scenarios can increase the ticket price to $2 more which increase the revenue to **$3,464,638**:

- Adding a run, increase the vertical drop by 150 feets, and installing an additional chair lift (as planned)

OR/AND

- Adding 2 acres of snow making area

CONCLUSIONS

Big Mountain resort can improve in the coming year, particularly with an extra lift chair. The business can raise the ticket price to a competitive value compared to the market rate and still generate large increase in revenue.