

Big Mountain Resort

Plan to increase revenue

The Problem

- 350,000 guests per season
- New chair lift increases operating costs by \$1,540,000
- Current ticket price only \$81

The Problem

We need to:

- Cut costs

and/or

- Increase ticket price

Recommendation / Key Findings

- We are among top resorts for all key features that customers value
- Machine model suggests ticket price: \$95.87
- Machine model mean absolute error: \$10.39
- We should increase our price!

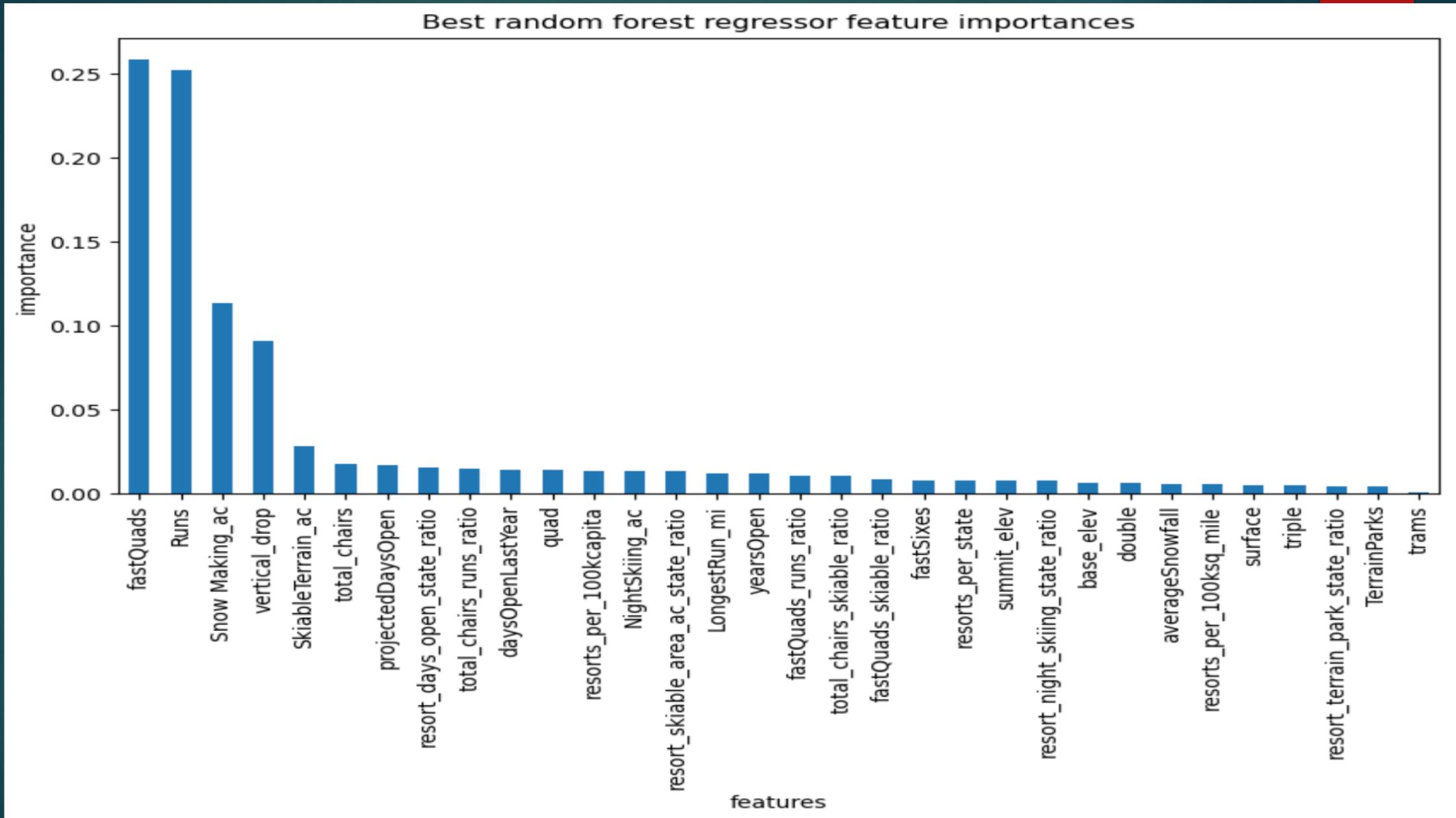
Modeling Results / Analysis

Linear regression model

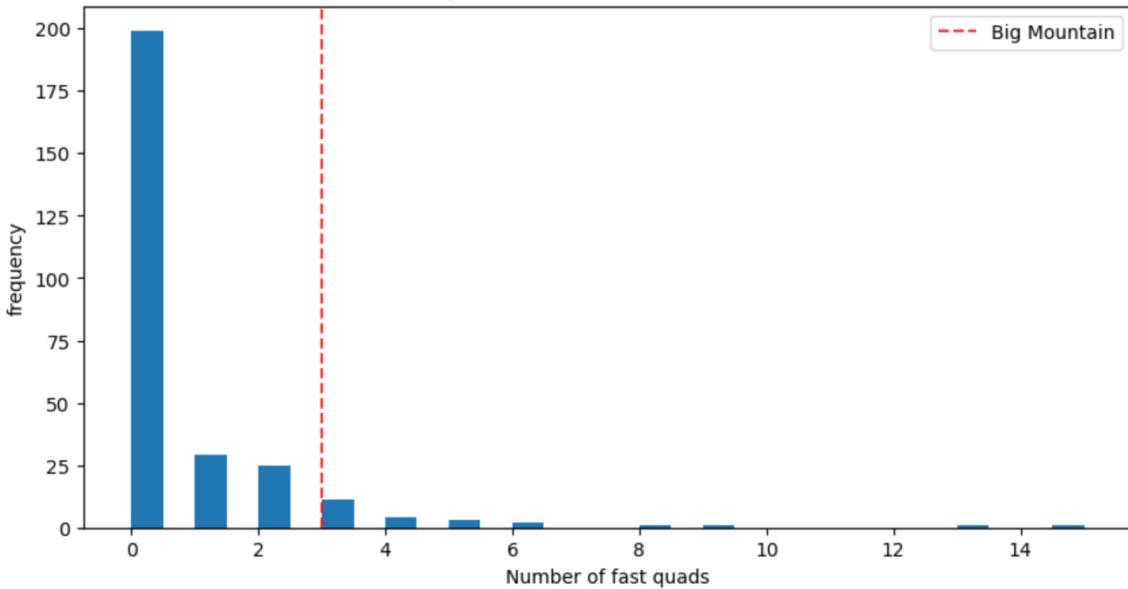
- Vertical drop
- Snow making area
- Chairs
- Fast quads
- Runs
- Longest run
- Skiable terrain
- Trams

Random forest regressor

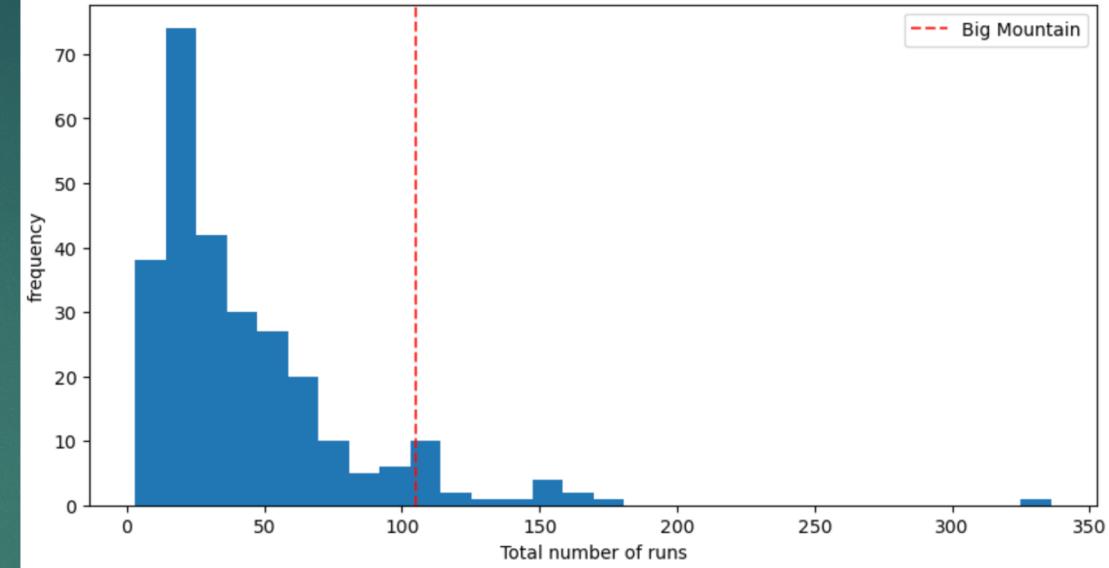
- Fast quads
- Runs
- Snow making area
- Vertical drop



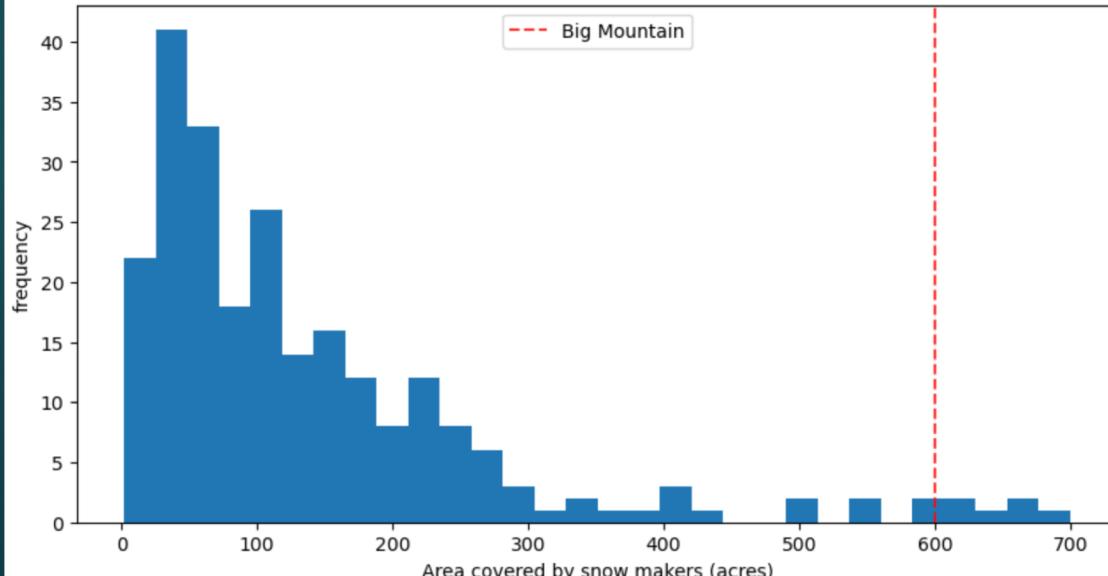
Number of fast quads distribution for resorts in market share



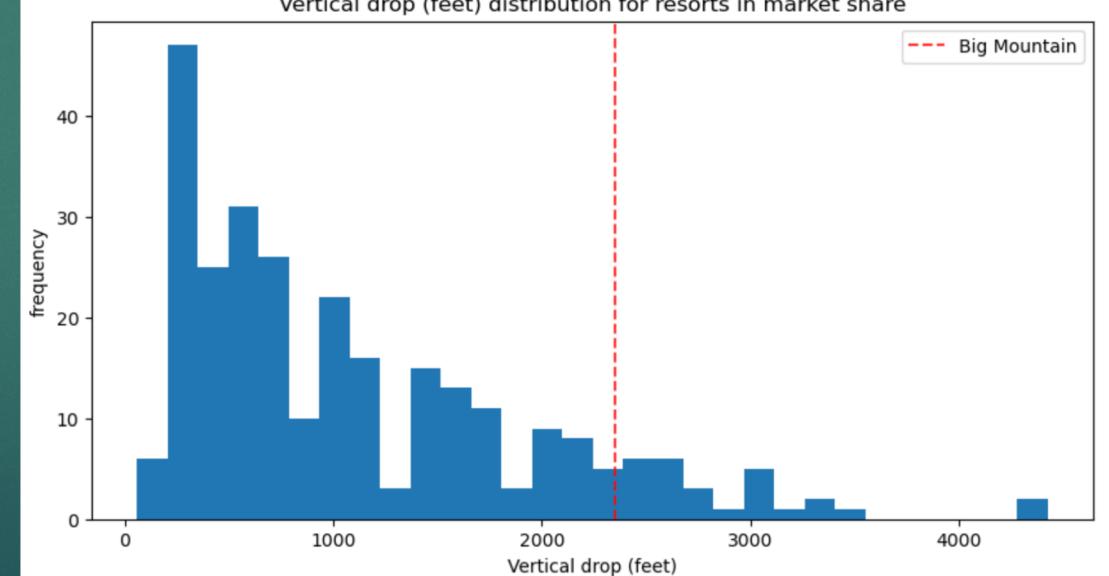
Total number of runs distribution for resorts in market share



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



Vertical drop (feet) distribution for resorts in market share



Modeling Results / Analysis

Business Scenario #1: Run closures

- Close 5 runs:
 - \$1,116,667
- Close 8 runs:
 - \$2,206,521

How much will this save?

Business Scenario #2: Increase vertical drop

- Ticket value + \$1.99
- Seasonal ticket revenue + \$3,474,638
- Additional chair lift cost - \$1,540,000

Summary / Conclusion

- Current price of \$81 is undervalued
- Big Mountain Resort top of class for most valuable features
- Recommend ticket price increase of at least \$3.99
- Random forest regressor available to explore additional feature / pricing options