Big Mountain Resort Price Analysis Report

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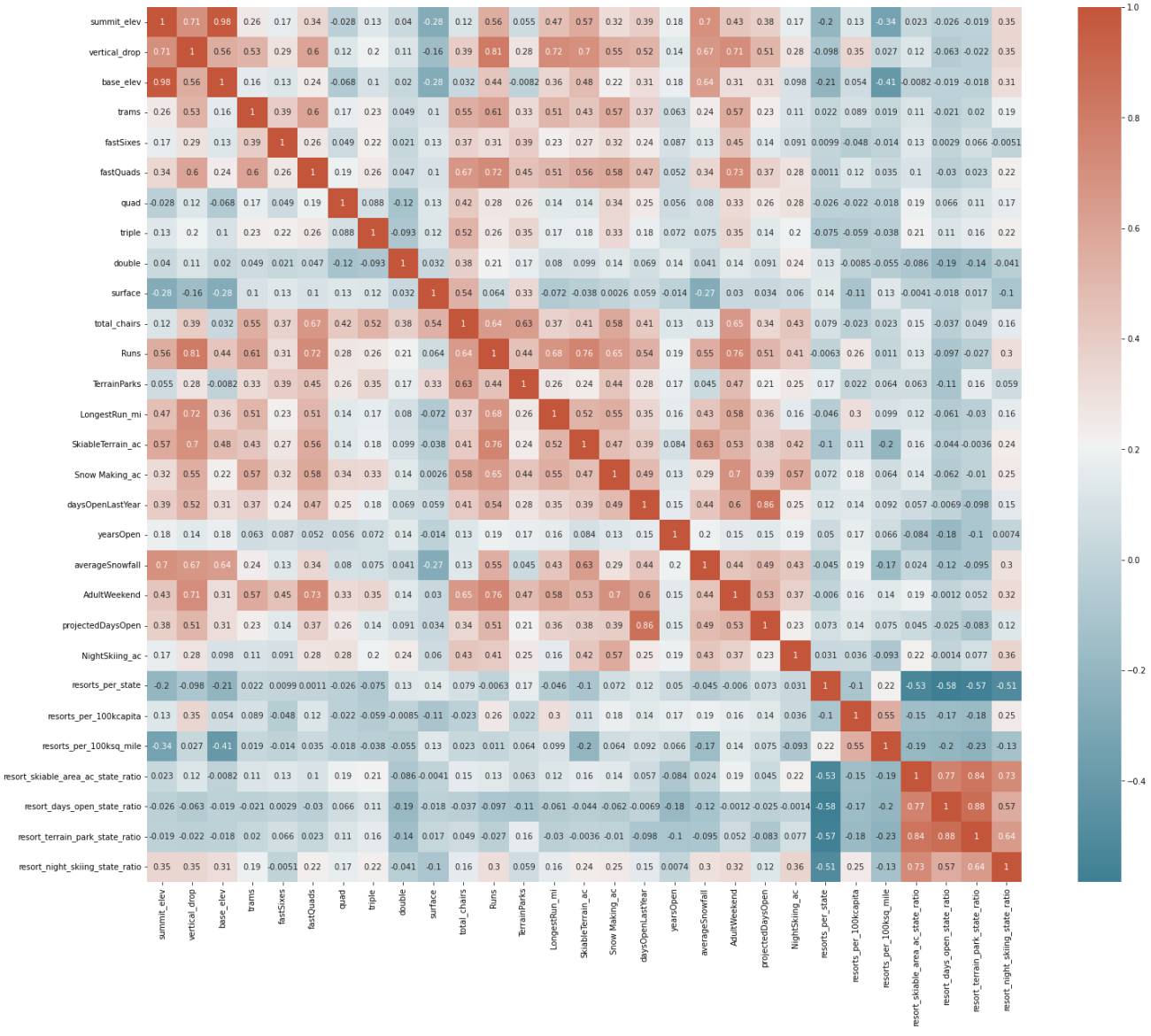
Introduction

Big mountain Resort is a popular ski resort in Montana. Big Mountain Resort offers spectacular views of Glacier National Park and Flathead National Forest, with access to 105 trails. Every year about 350,000 people ski or snowboard at Big Mountain. These are serviced by 11 lifts, 2 T-bars, and 1 magic carpet for novice skiers. The longest run is named Hellfire and is 3.3 miles in length. The base elevation is 4,464 ft, and the summit is 6,817 ft with a vertical drop of 2,353 ft. The resort has recently installed a new chair lift to increase visitors' distribution across the mountain. This has increased their operating cost by $1.54 million this season. The additional cost has caused the business to rethink their pricing strategy. The business wants, our expertise in-order to test some potential scenarios under which the ticket prices can be increased as the facilities provided by the resort are above average.

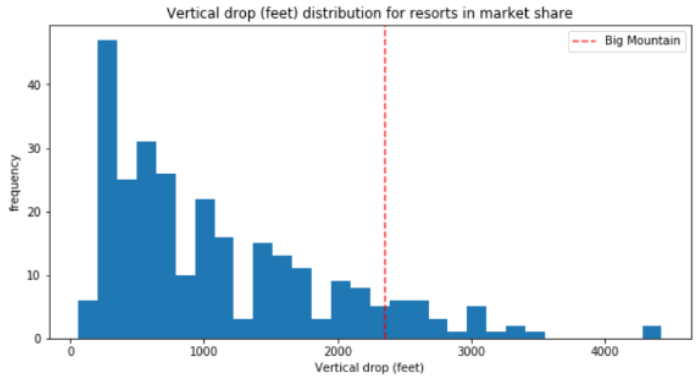
Analysis

Based on the data that was presented to us, I was able to perform data cleaning and exploratory data analysis. By doing exploratory data analysis we found that the highest correlation of facilities with price was for the following columns - Vertical drop, fastQuads, runs, chairs, days open and Snow Making_ac. We also found out that more the # of runs & higher the # of chairs then the ticket prices fall rapidly.

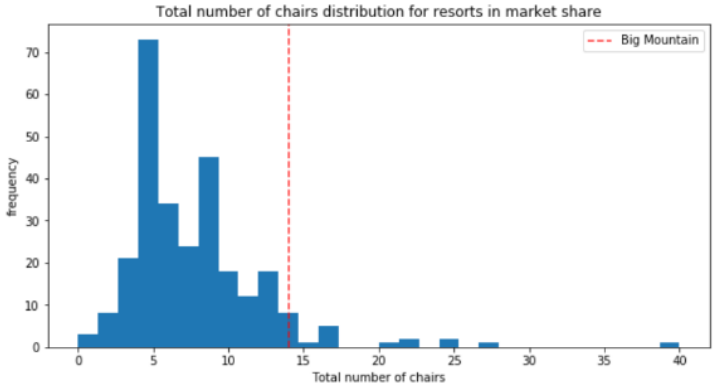


Later we when on to compare Big Mountain Resort facilities with other resorts in the market share

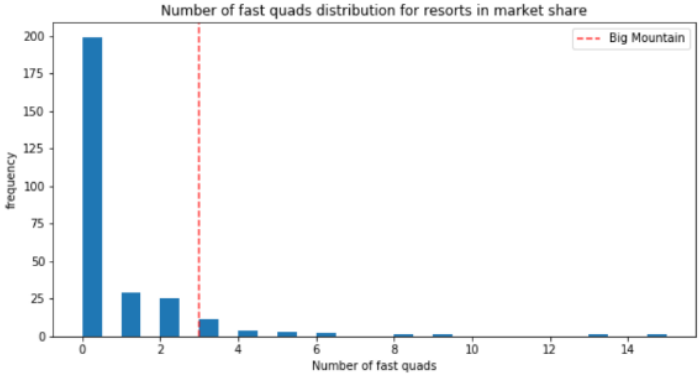
- **Vertical Drop**



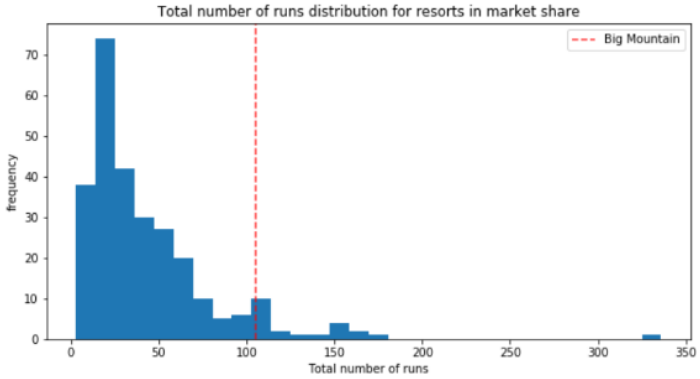
- **Total Chairs**



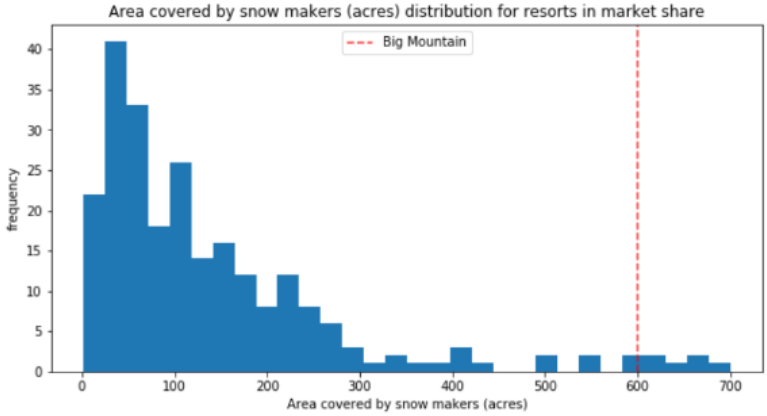
- **Fast Quads**



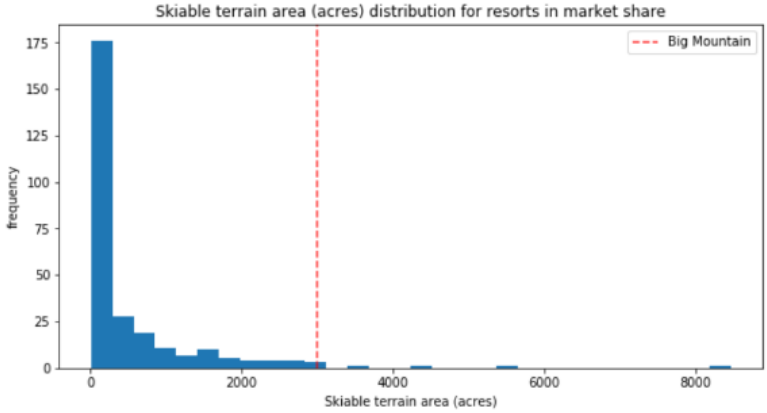
- **Number of Runs**



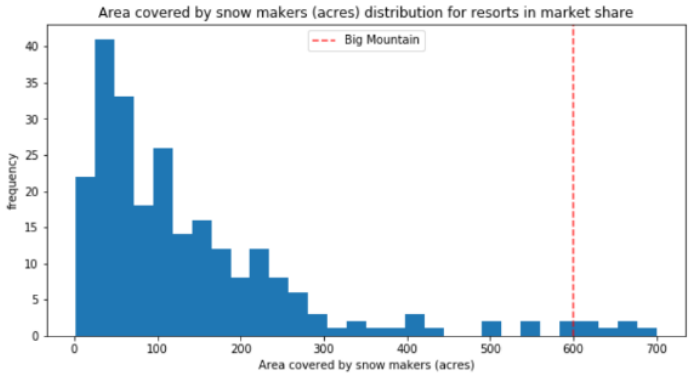
- **Area Covered by Snow Makers**



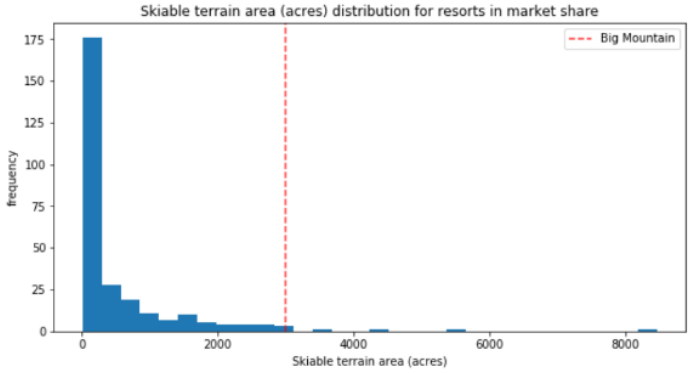
- **Skiable Area**



- **Area Covered by Snow Makers**



- **Skiable Area**



Conclusion

From the above analysis we can see, Big Mountain Resort ranks high or is well above the average market in every category. All this tells us that ticket prices should be above the average price. After running a few scenarios proposed by the business we see that increasing Runs by 1, Vertical drop by another 150, total chairs by 1 and Snow making_ac by 2 acres gives the highest increase in the ticket prices and revenue by $9.9 and $17,322,717. Also, closing 1 run doesn't affect the revenue or the ticket price. We need to incorporate the operational costs for the runs inorder to better analyze that adding a new run is worthy or no. Addition of weekday prices can also help better price the tickets during off season. Once these data elements are acquired and incorporated in our modeling we can better price the tickets. There is a lot of opportunity for growth at Big Mountain Resort and such analysis can be implemented so that the resort can better serve the visitors and make profit by using their facilities to the optimum level.