

Big Mountain Resort

Pricing Model

Problem Identification

- What opportunities exist for Big Mountain Resort to increase annual revenue of the resort by \$1.54M through capitalizing on it's facilities, restructuring better pricing strategy, or cutting annual operational costs?

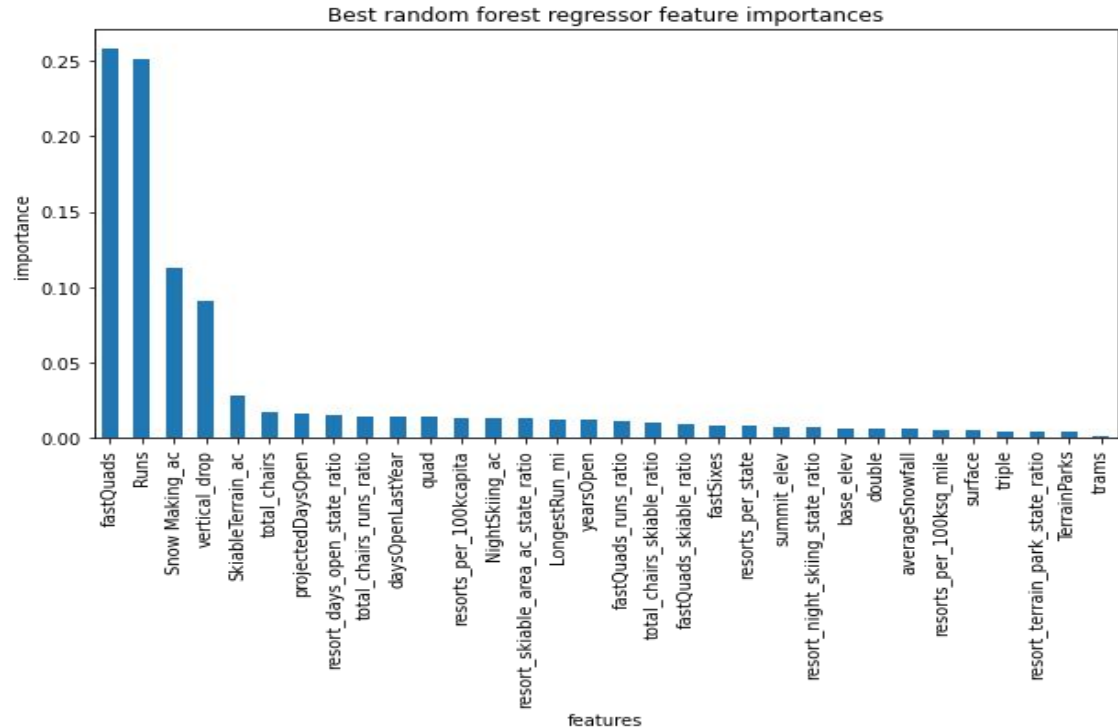
Recommendation & Key Findings

- Big Mountain Resort charges \$81 for weekend ticket price. Based on the modelling the suggested ticket price is \$95.87
- The scenario of adding 1 run, increasing the vertical drop by 150 feet and installing an additional chair lift allows for increasing the ticket price by \$1.99. This will increase revenue by \$3,474,638
- Closing 6 or more runs leads to a large drop in ticket price and revenue, therefore this option should not be considered.

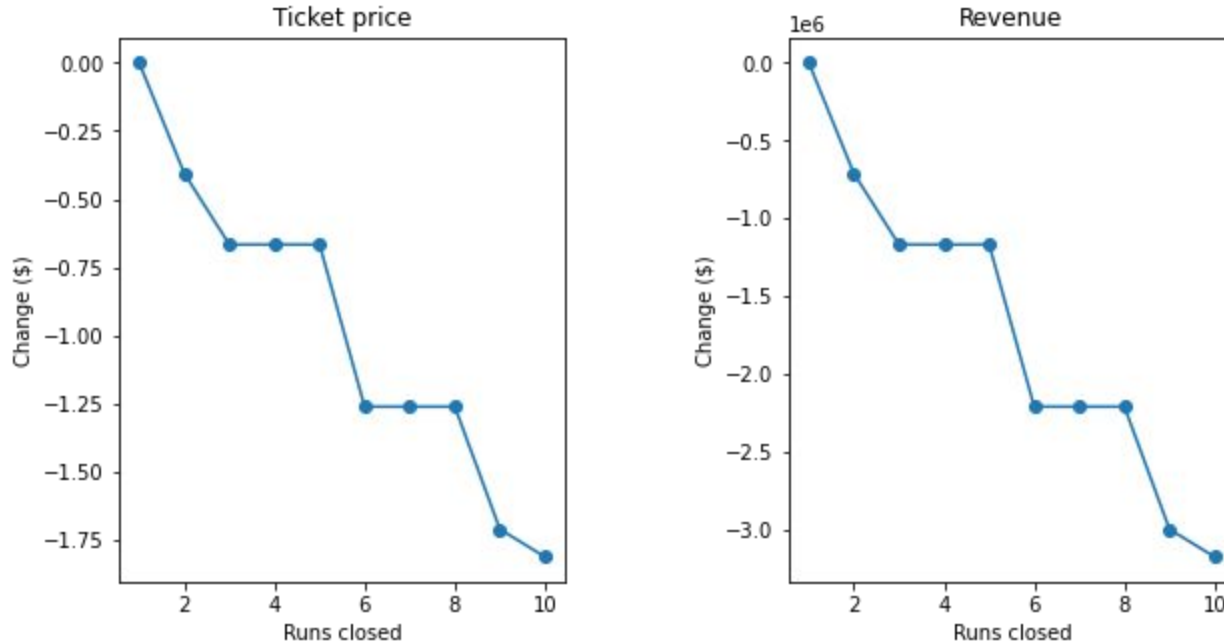
Random Forest Regressor Feature

Top 6 freatures:

- fastQuads
- Runs
- Snow Making_ac
- Vertical_drop
- SkiableTerrain_ac
- total_chairs



Modeling Results & Analysis - Scenario 1



- Scenario 1 - Close up to 10 of the least used run
- Closing 6 or more run causes a significant drop in ticket prices and revenue

Modeling Results & Analysis - Scenario 2

- This scenario Big mountain is:
 - Adding a run
 - Increasing vertical drop by 150 feet
 - Installing an additional chair lift.

This scenario increases support for ticket price by \$1.99

Over the season, this could be expected to amount to \$3,474,638

Modeling Results & Analysis - Scenario 3 and 4

- Scenario 3: Same as scenario 2 but adding 2 acres of snow making
- Scenario 3 yields the same result as scenario 2, such a small increase in snow making area makes no difference.
- Scenario 4: increasing the longest run by 0.2 miles and adding 4 acres of snow making capability.
- There is no difference and this scenario doesn't support higher ticket prices.

Conclusion

Big Mountain's facilities are very highly rated when compared with all resorts across the United States:

- The resort is doing well for vertical drop, only a few resorts have a greater vertical drop.
- The resort has one of highest snow making area
- among the highest number of total chairs.
- Most resorts don't have fast quads, Big Mountain has 3.
- The resort has a high number of runs
- Big Mountain has one of the longest runs.
- Lastly, Big Mountain is one of the few resorts with the largest amount of skiable terrain.