

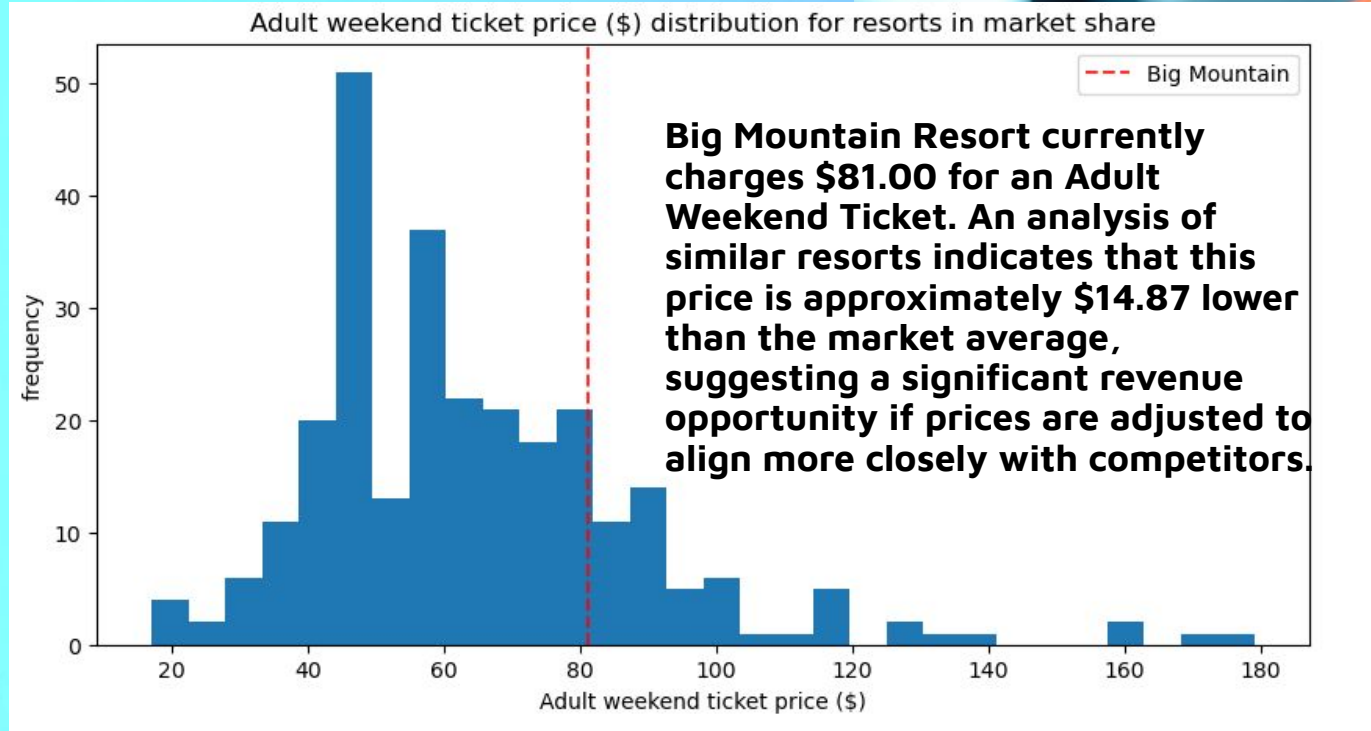
# Optimizing Revenue

A Data-Driven Approach to Big Mountain Resort Ticket Pricing

# Problem Identification

*01*

# Current Ticket Pricing Analysis



# Competitive Advantages of Big Mountain

The resort holds several competitive advantages when compared to 330 other ski resorts, including a top 20% vertical drop, a top 15% longest run, and top 10% skiable terrain. Despite these strengths, Big Mountain's pricing does not reflect its value, indicating the potential for higher ticket prices without compromising visitor numbers.

# Challenges in Price Optimization

Despite having competitive advantages, Big Mountain faces challenges in justifying price increases. These include customer perceptions about value relative to price, potential resistance to increased ticket costs, and ensuring that price adjustments do not negatively impact visitor numbers or overall profitability. A careful analysis of market dynamics and customer feedback will be essential in overcoming these hurdles.

# Revenue Optimization Strategy

*02*

# Phased Price Adjustment Plan

To effectively optimize revenue, a phased approach to increasing ticket prices is recommended. The first phase targets a rise to \$89.00 in Year 1, followed by a further increase to \$95.00 in Year 2. This gradual adjustment allows for monitoring market reactions and customer acceptance while still capitalizing on undervalued offerings.



# Key Findings and Model Validation

Data analysis through a Random Forest Regressor has confirmed the accuracy of our pricing model. With a mean absolute error (MAE) of approximately \$9.64, it predicts market prices effectively. Findings indicate that Big Mountain's current ticket pricing is below market value, and adjustments based on model predictions can significantly enhance revenue without losing competitive standing.





# Strategic Feature Investments and Monitoring

Identifying key features that enhance visitor experience—such as improving snowmaking capabilities or upgrading chairlifts—can justify price increases. Investments in these areas, coupled with ongoing market monitoring, will ensure that the resort remains competitively priced while maximizing revenues. Developing a feedback loop from customer satisfaction surveys will also guide future adjustments.

# Conclusions

In summary, Big Mountain Resort has significant opportunities to optimize ticket pricing through data-driven strategies. By leveraging its competitive advantages, adopting a phased approach to price adjustment, and making targeted investments in resort features, the resort can enhance revenue while maintaining customer loyalty. Continuous market analysis will be essential for adapting to customer expectations and ensuring sustained growth.



**Thank you!**