



Big Mountain Resort

Data-driven ticket pricing
strategy

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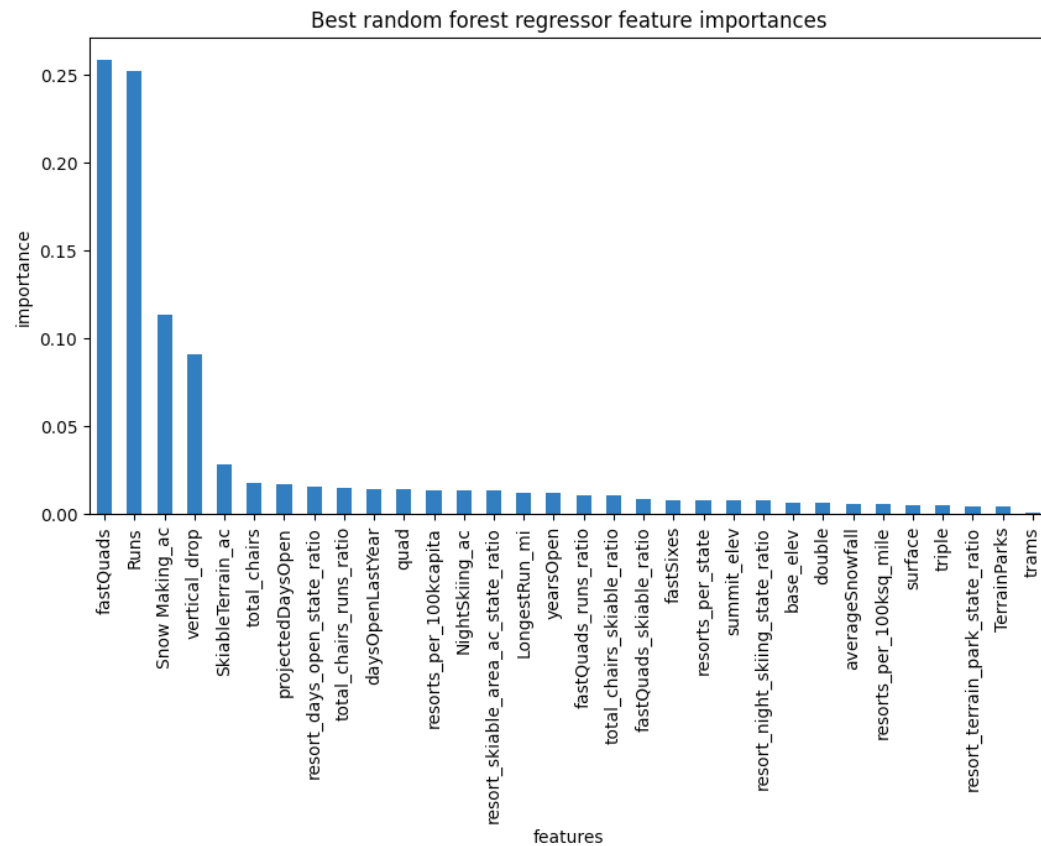


Problem Identification

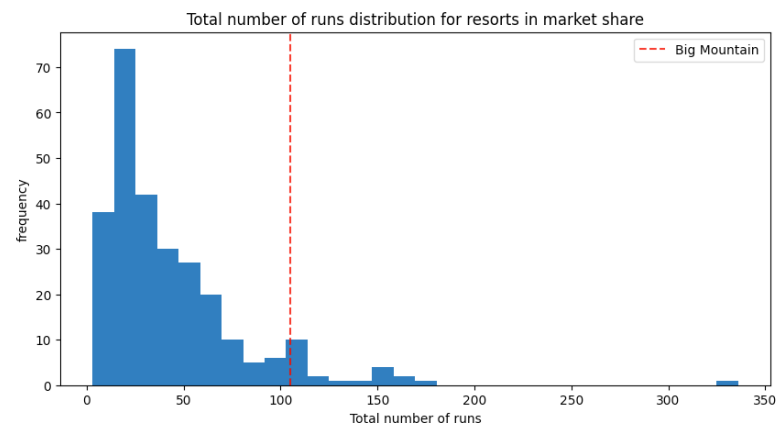
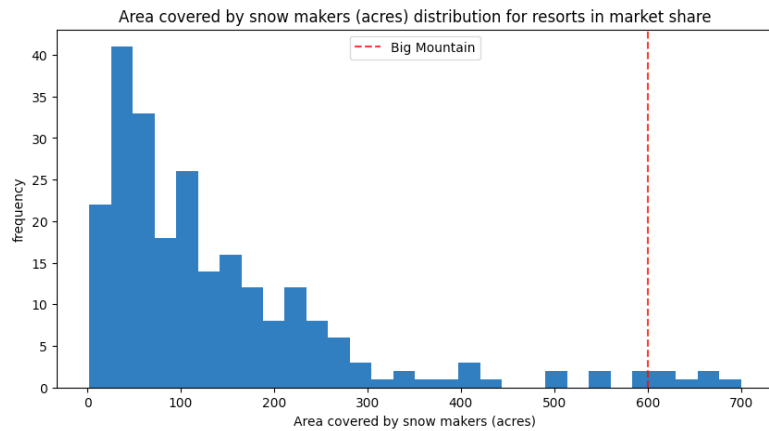
Develop Big Mountain Resort's data-driven ticket pricing strategy to reflect the added value of its new chair lift and premium facilities, aiming to offset the \$1,540,000 increase in operating costs



Key Features



How Big Mountain Compares to its Competition

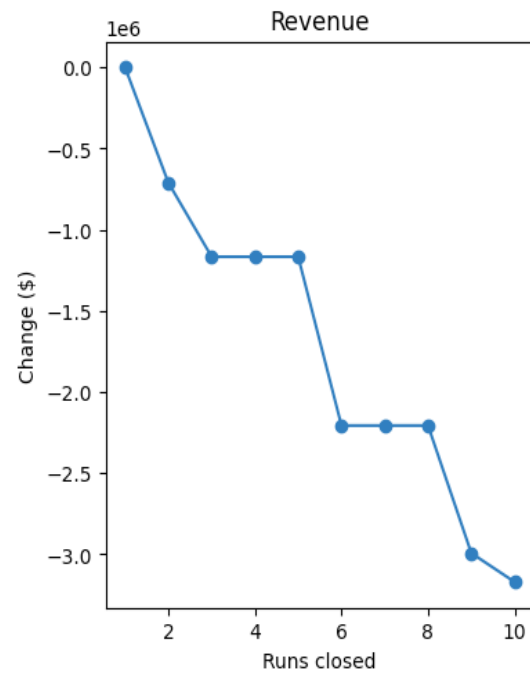
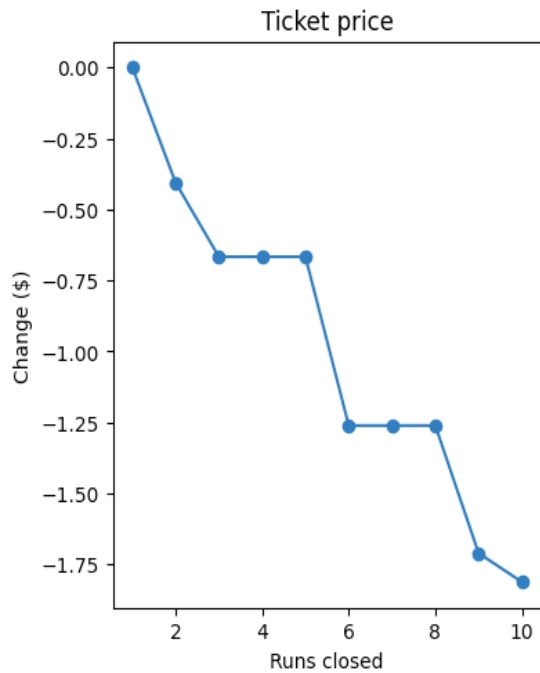


Recommendations and Key Findings

- Analysis revealed a correlation between ticket prices and specific features like fast quads, runs, and snowmaking acreage.
- Despite Big Mountain's higher prices, its extensive facilities surpass other Montana resorts.
- The model supports a ticket price increase of USD 14.87, equating to an 18.4% hike.
- Closing up to five runs could lead to a revenue loss of USD -1,166,667.
- Adding one run, increasing vertical drop by 150 feet, and a new chair lift could boost revenue by USD 3,474,638.
- Caution against closing more than five runs due to a potential dramatic drop in revenue.



Price Drop per Runs Closed





Summary and Conclusions





Summary and Conclusions

- **1. Implement Infrastructure Upgrades:** Adopt the plan of adding a new run, enhancing the vertical drop by 150 feet, and installing an additional chair lift.
- **2. Moderate Price Increase:** Adjust the pricing strategy, aiming for a moderate increase beyond USD 1.99 but considering the USD 95.87 suggested by the model. Exercise caution to avoid excessive price hikes due to the model's limitations and missing data on consumer price sensitivity.
- **3. Future Data Collection:** Plan to conduct a customer survey at Big Mountain Resort to gather information on customer satisfaction, loyalty, lifetime value, acquisition and retention costs, and price elasticity of demand.
- **4. Refine Pricing Strategy:** Utilize the insights from the survey to develop a more informed and effective pricing strategy.