



Big Mountain Resort Pricing Strategy

Jeremy Quach



New Chairlift Installation

- Big Mountain Resort (BMR) recently installed an additional chair lift to increase daily distribution of visitors across their mountain
- Renovations increased annual operating costs by \$1,540,000

How can Big Mountain Resort increase profits in the upcoming season to bring in at least an additional \$1,540,000 in revenue to offset the installation of their new chairlift?

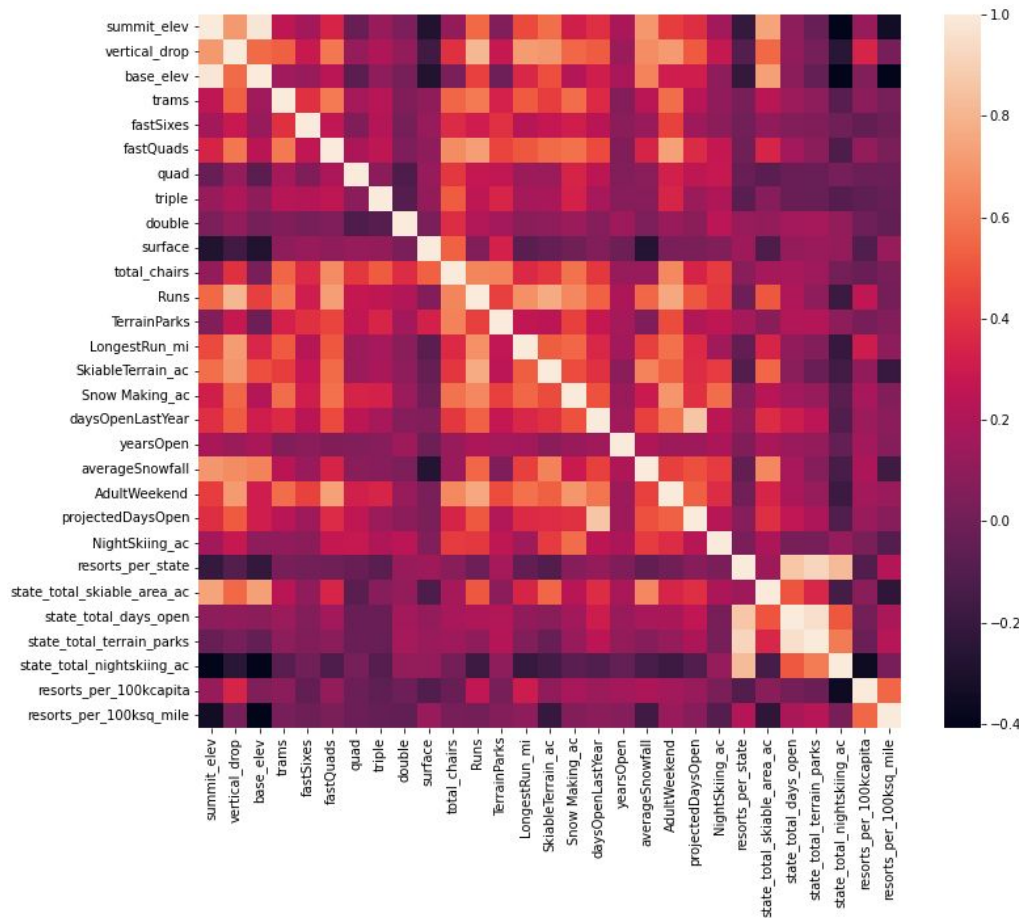


Key Findings

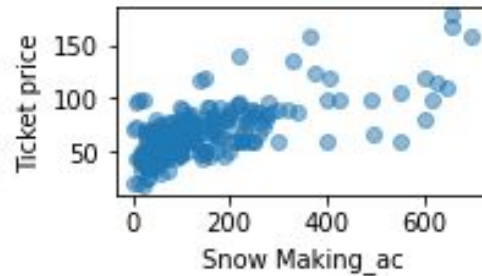
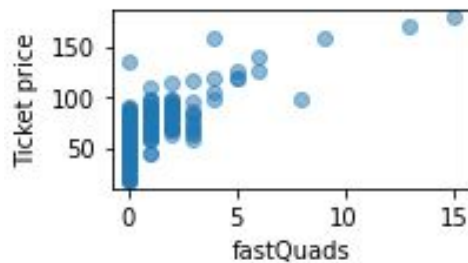
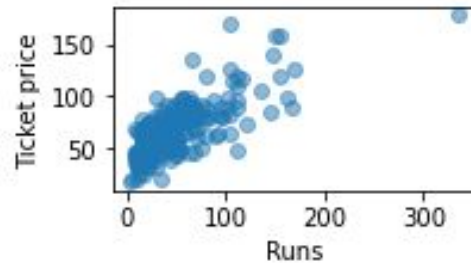
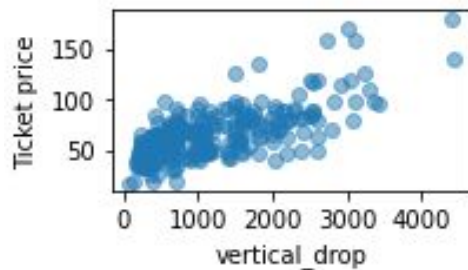
- What do consumers look for in a resort?
 - Fast Quad Ski lifts
 - Runs
 - Snow Making
 - Vertical drop heights
- BMR is underselling its tickets by \$14.06 dollars according to predictive models ($\pm \$10.32$)
- Permanently closing down 5 runs can reduce operating costs
- Increasing vertical drop by 150 feet yields \$0.99 support to ticket prices
 - expected \$1,724,638 by the end of the season

Feature Correlation Heatmap

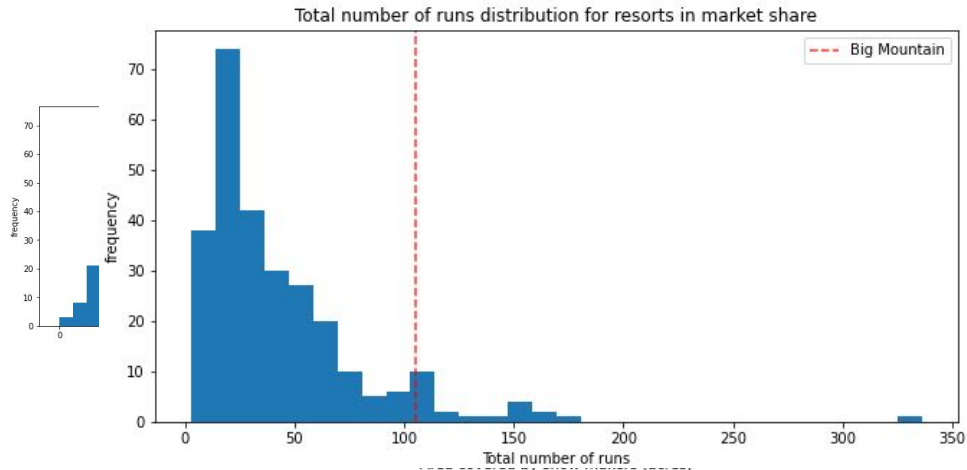
- Strongest correlations to ticket prices found in:
 - fastQuads
 - Runs
 - Snow Making_ac
 - resort_night_skiing_state_ratio



Important features



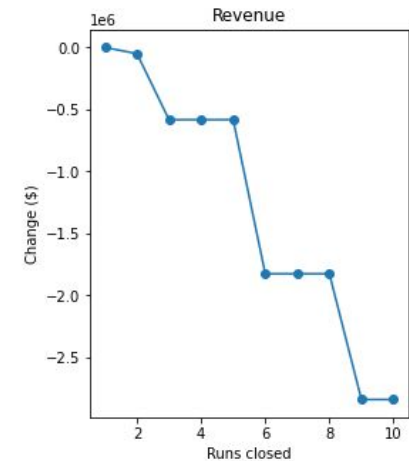
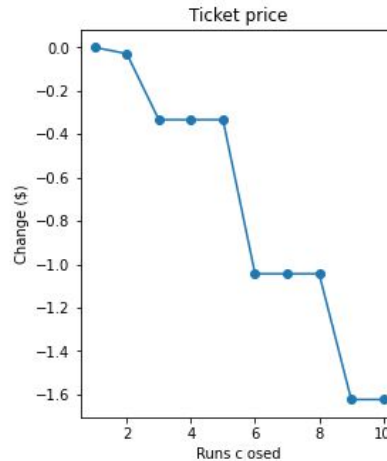
Montana Ski Resort Price Distribution



- BMR current price is higher than most other resorts
- BMR vertical drop is competitive but there are some higher
- BMR snowmaking is above the curve
- BMR boasts high number of total chairs and Fast Quads
- BMR compares well in number of runs

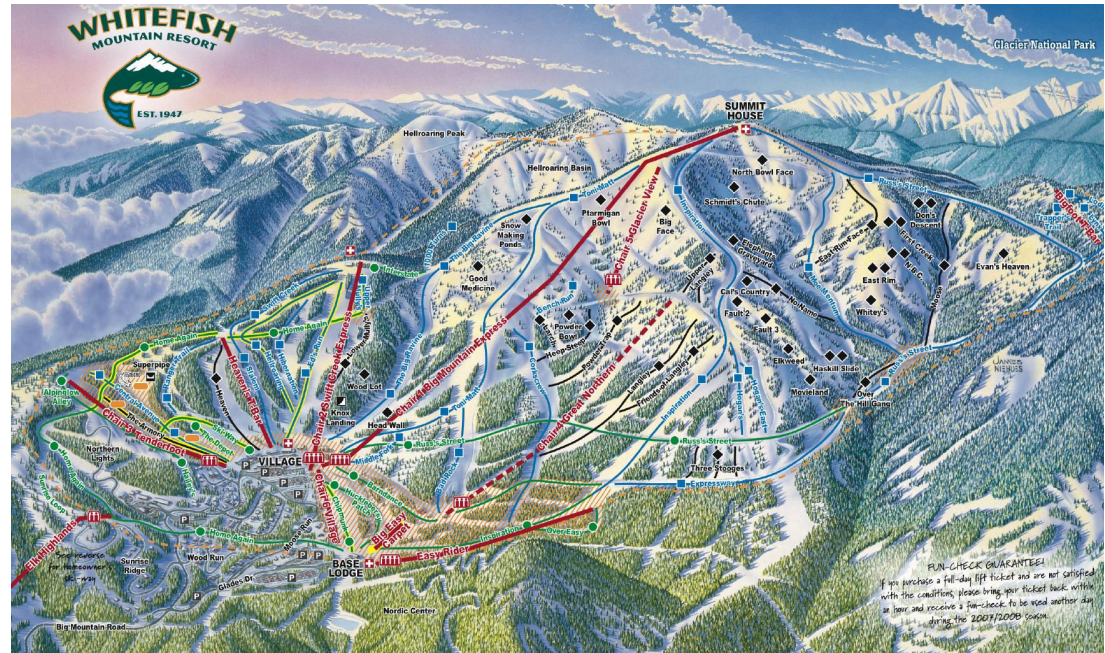
Closing Down Runs

- Closing 1 makes no difference
- Closing 2 and 3 successively reduces support for ticket price and revenue
- Closing 4 and 5 inquires no further loss
- Closing +6 leads to larger losses



Vertical Drop Increase

- Increase vertical drop by adding a run to a point 150 feet lower down
- Requires the installation of an additional chair lift to bring skiers back up
- No additional snow making coverage required





Summary

- Increase the price by a margin of \$14 would increase seasonal revenue by \$24,500,000
- Extending the height of the vertical drop would increase seasonal revenue by \$1,724,638
- Market the key features of Big Mountain Resort
- Do not close more than 5 ski runs