

Big Mountain Ski Resort

Ticket Pricing Model

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Problem Identification

- Big Mountain Resort recently invested in an additional chair lift to improve visitor distribution
 - The chair lift increased their operational cost by \$1,540,000
- The current price ticket for Big Mountain Resort is \$81.00
- How can we develop a pricing model that strikes a balance between competitiveness for customers and accurately reflects the value of Big Mountain Resort's facilities?

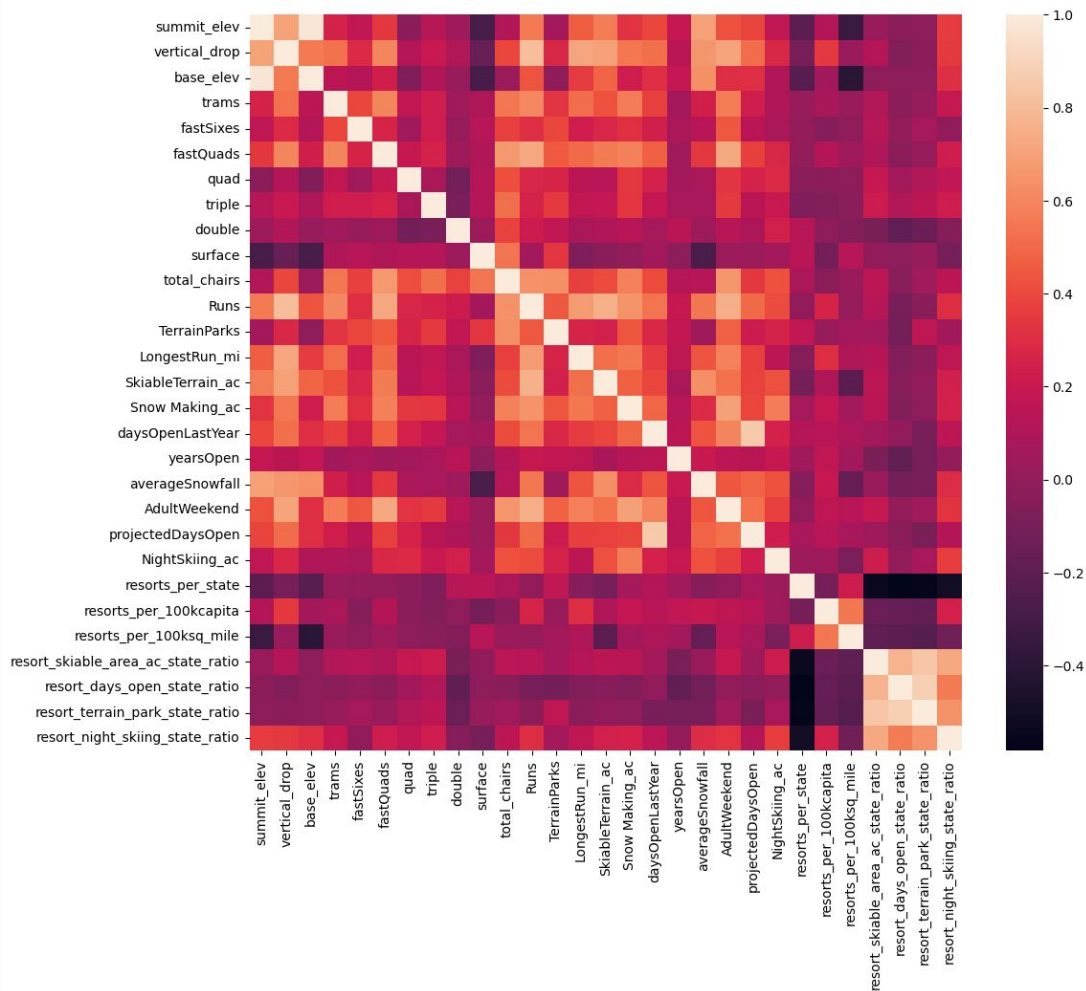


Recommendations

- Raise ticket price to \$95.00
 - A \$14 difference from the current price of \$81.00
- Close 2-5 of the least used runs daily
 - Closing 2-3 runs lowers the price of the ticket price and revenue, and closing 4-5 runs will not further any loss in ticket price
- Increase the vertical drop by 150 feet, install an additional chair lift, add one additional run and increase the acres of snow cover by 2 acres
 - Increases the price tickets by \$2, with an annual revenue of \$3,474,638

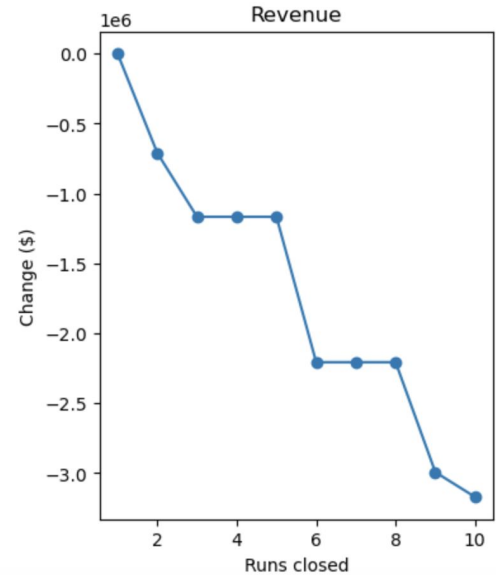
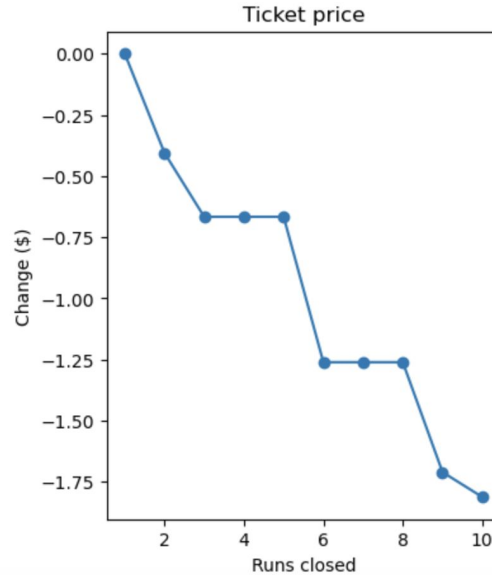
Key Findings

- Four features have a strong positive correlation with ticket pricing
 - fastQuads
 - SnowMaking_Ac
 - Runs
 - Resort_night_skiing_ratios
- The random forest model prices the ticket price as \$94.22
 - Big Mountain Resort has significant enough facilities to justify this cost



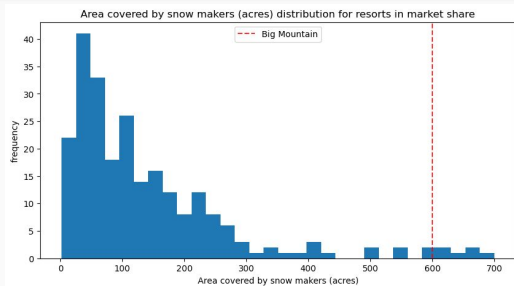
Model and Analysis

- The resort can close up to 5 runs each day without a large drop in revenue

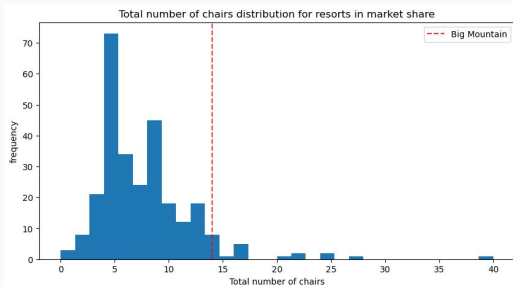


Model and Analysis

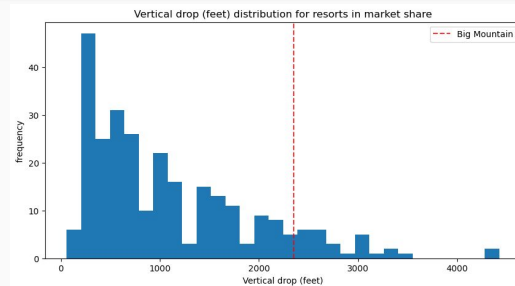
- Big Mountain Resort ranks in the top quartile in 7 of the 8 most important qualities



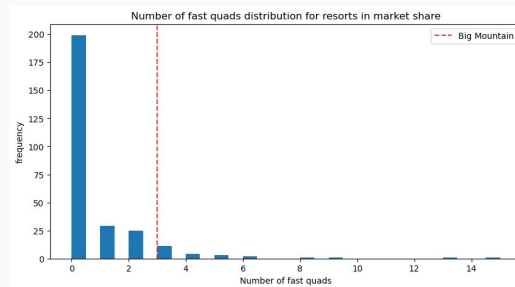
Snow Making Area



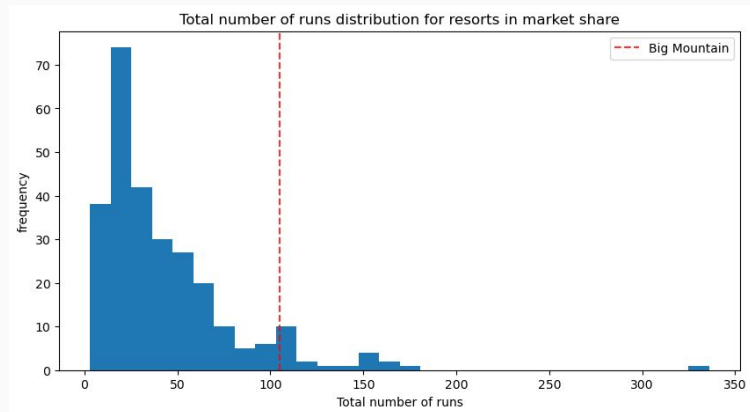
Total of Number Chairs



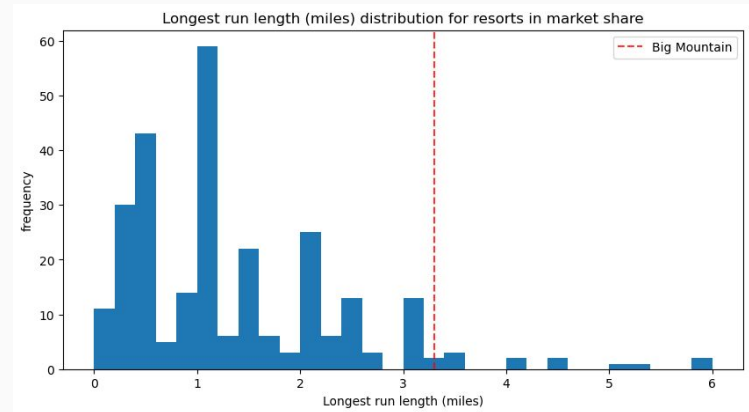
Vertical Drop



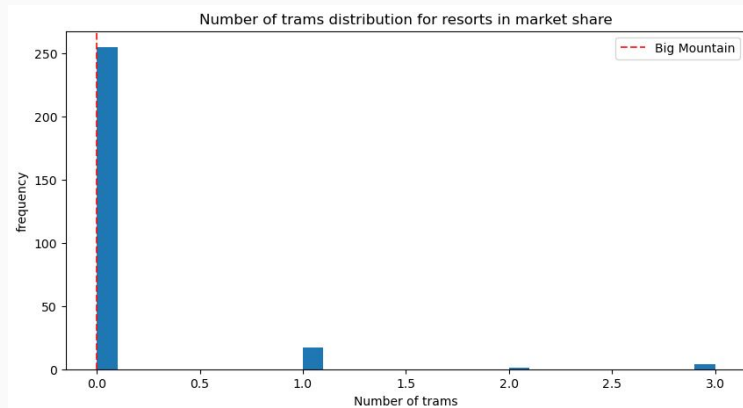
Number of Fast Quads



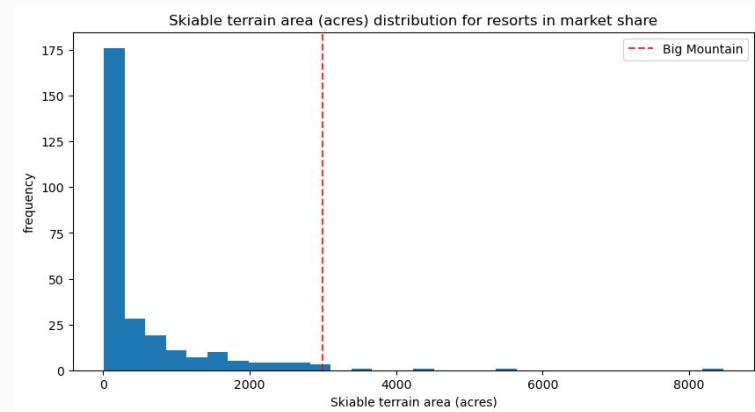
Total number of runs



Longest Run Length



Number of Trams



Skiable Terrain Area

Conclusion

- Based on this analysis, they excel in several key factors that influence pricing, suggesting they should increase their ticket price by at least \$10.
- According to a predictive analysis using the Random Forest Model, Big Mountain Resort can keep up to 5 runs closed without experiencing a substantial decline in revenue.