



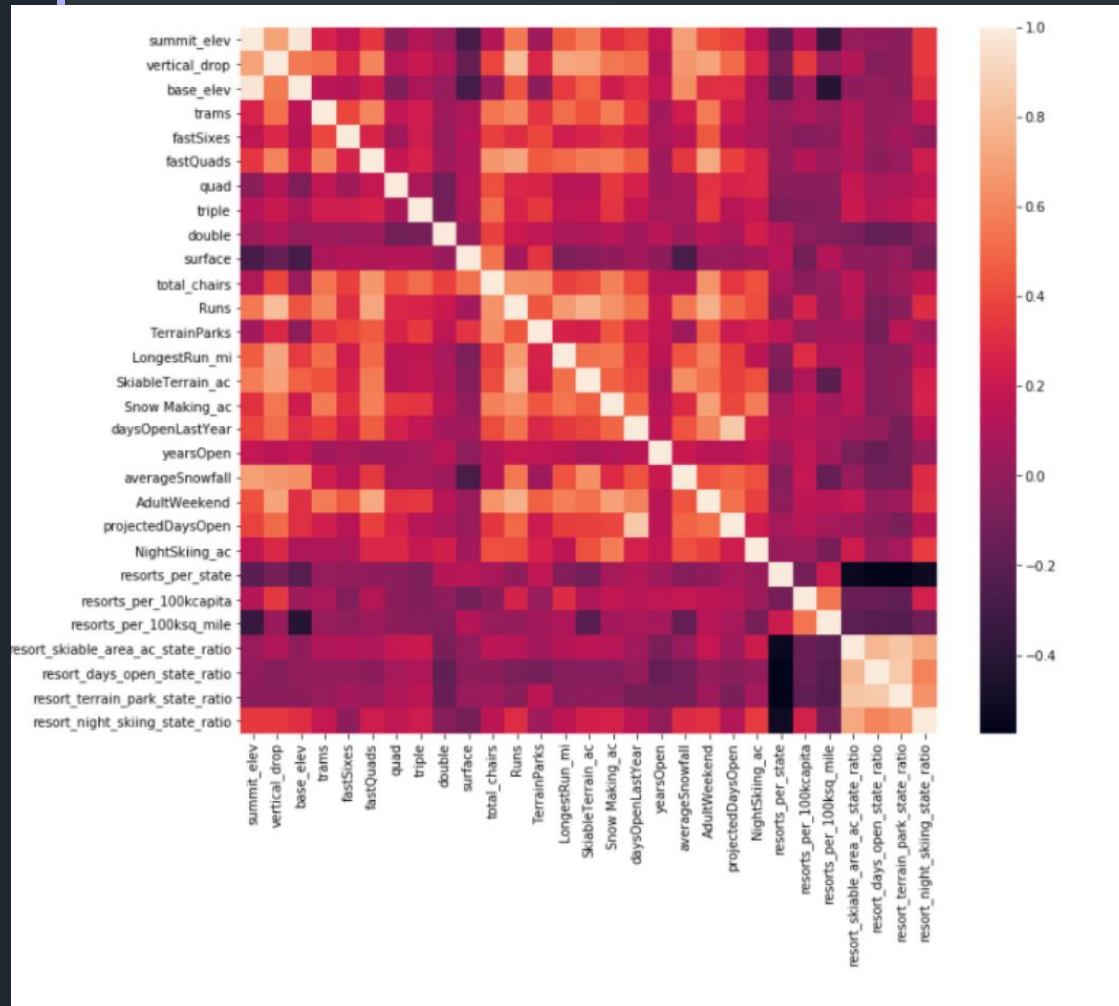
Big Mountain Resort Price Analysis

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Problem

- New chair lift: increases distribution of visitors throughout the resort
- Adds an additional \$1.54 million in operation costs
- Current Ticket Price: \$81.00
- How do we increase revenue and stay competitive for this upcoming season?

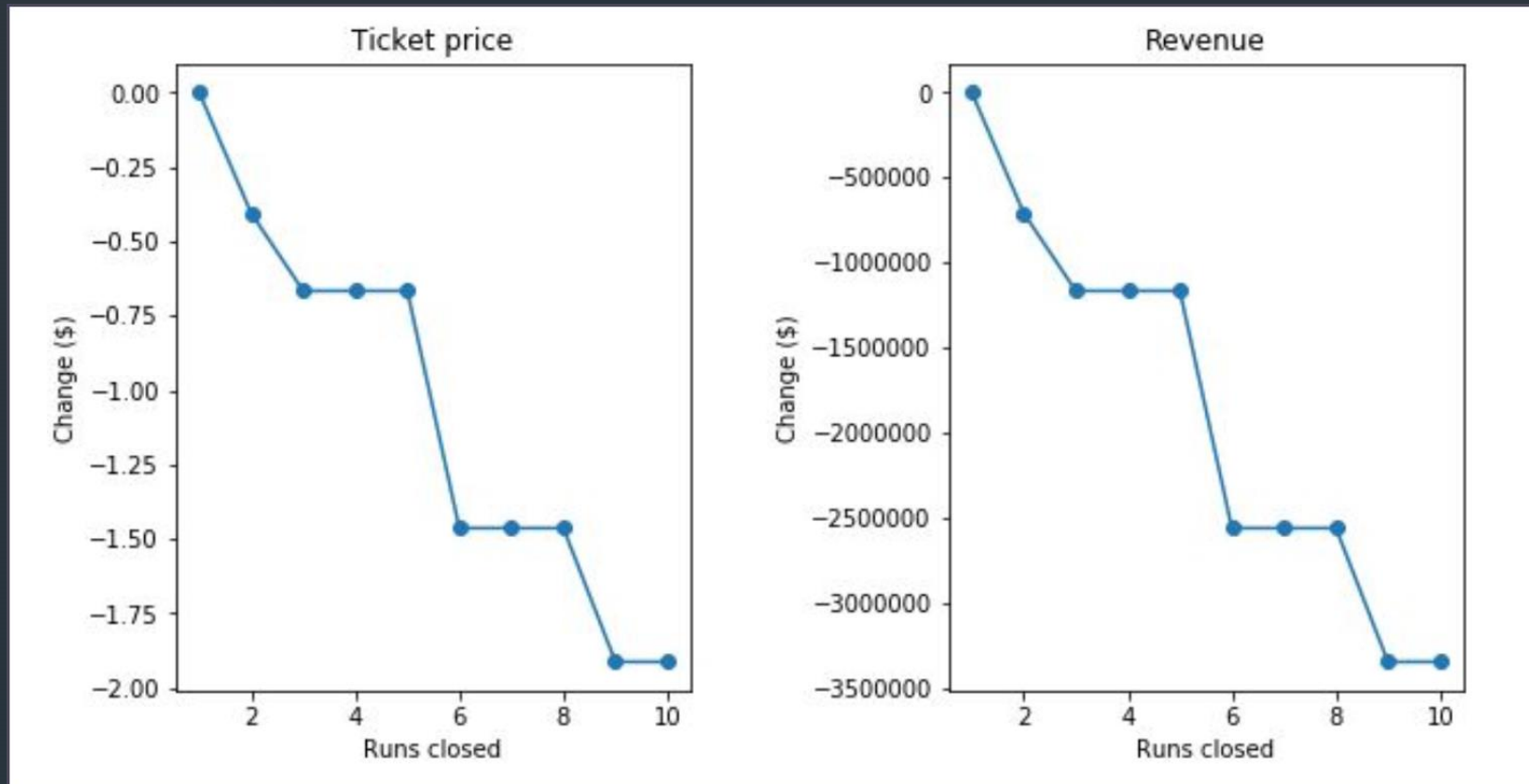
Key Findings



- Four features have a strong positive correlation with ticket pricing:
 - FastQuads
 - SnowMaking_Ac
 - Runs
 - Night skiing ratio
- ● Random Forest Model price: \$94.22
- ○ Big Mountain Resort has significant enough facilities to justify this cost

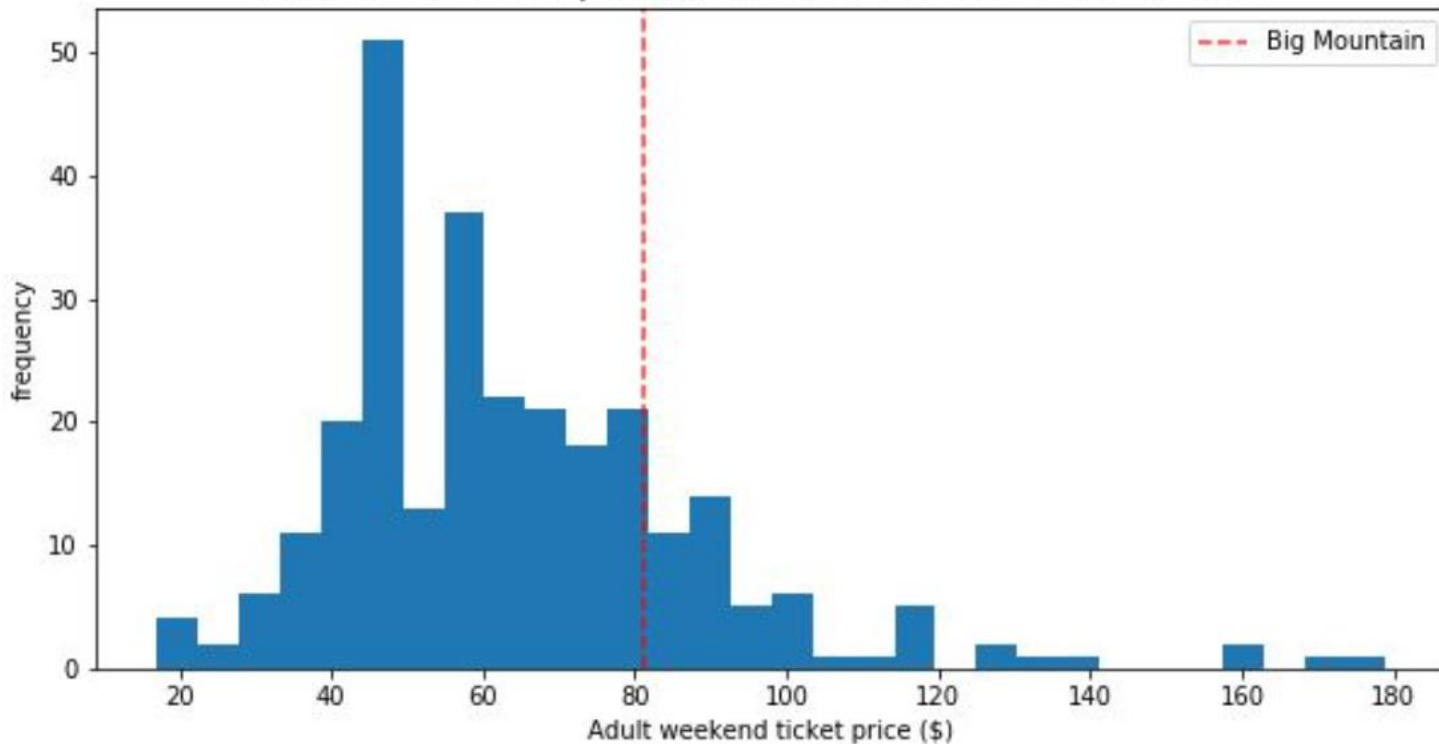
Model and Analysis

- The resort can close up to 6 runs each day without a large drop in revenue



Model Analysis

Adult weekend ticket price (\$) distribution for resorts in market share



- Big Mountain Resort ranks in the top quartile in seven of the eight most important qualities
 - Total Area of Snow Makers
 - Vertical Drop
 - Total Number of Chairs
 - Fast Quads
 - Total Number of Runs
 - Longest Run
 - Skiable Terrain Area
- Raising the price would keep us around the same region in this distribution

Recommendations

- Raise ticket prices to \$89.99
- Have 4-6 runs closed each day to save on operation costs
- Increase vertical drop by lowering a run 150ft, Install one additional chair lift, Add one additional run, and increase acres of snow cover by two.
 - The model predicts that this could justify a \$2 increase in ticket price, which would increase revenue by \$3,464,638

Conclusion

- Big Mountain Resort is a high- end resort with many significant amenities and attractions to offer
 - You can justify raising the cost if you continue offering high quality amenities, like the new chair lift to your customers
- There is plenty of room to grow revenue and cover the additional operation costs.

Any of these recommendations should keep Big Mountain Resort open for many years to come