Big Mountain Resort, Montana

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December 5, 2020

Overview

Your client is Big Mountain Resort, a ski resort located in Montana. Big Mountain Resort offers spectacular views of Glacier National Park and Flathead National Forest, with access to 105 trails. Every year about 350,000 people ski or snowboard at Big Mountain. This mountain can accommodate skiers and riders of all levels and abilities.

Basing their pricing on just the market average does not provide the business with a good sense of how important some facilities are compared to others. This hampers investment strategy.

Understanding the problem

Item 1

The business wants some guidance on how to select a better value for their ticket price.

Item 2

Basing their pricing on just the market average does not provide the business with a good sense of how important some facilities are compared to others. This hampers investment strategy

Item 3

The business considering a number of changes that they hope will either cut costs without undermining the ticket price or will support an even higher ticket price.

Project objective:
To come up with a pricing model for ski resort tickets in our market segment by building a predictive model for ticket price on a number of facilities, or properties, boasted by resorts
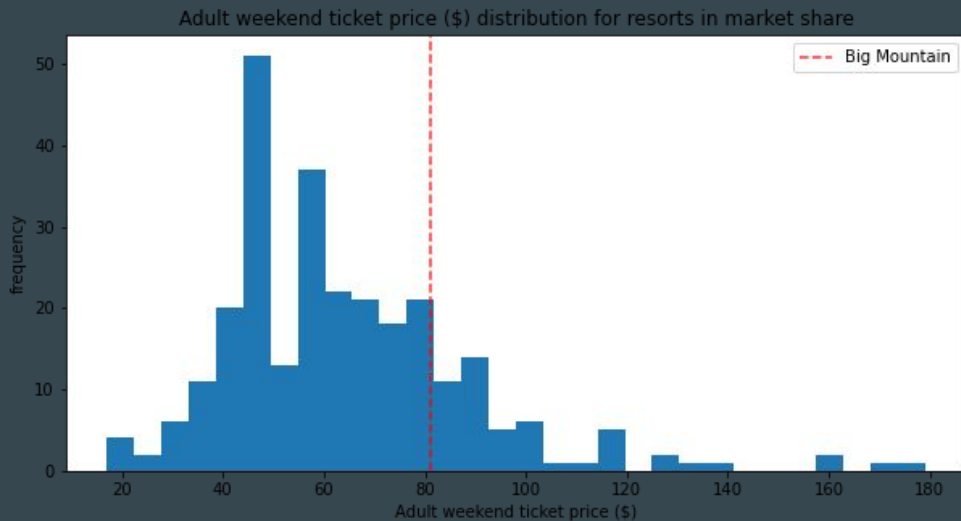
Understanding the market

Market trends

Ticket Pricing

AdultWeekend price is $81 dollars and lies on the top 54th place for high ticket price.

Client Implications:
- Figure out what kind of features effects the most for adjusting ticket price.

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

Data analysis

Predicted Ticket Prices

The actual price: $81

The modelled price: $95.87

   Range: giving a range of $10.39

This means the resort can increase the ticket
price in $4 without any changes

Trend analysis

Findings

Ticket prices have close relationship with vertical drop, snowmaking acs, total number of chairs, number of runs and the longest runs

Client Implications:

- This is a good sign because the resort has multiple of strength in those fields compare to different resorts in the US.
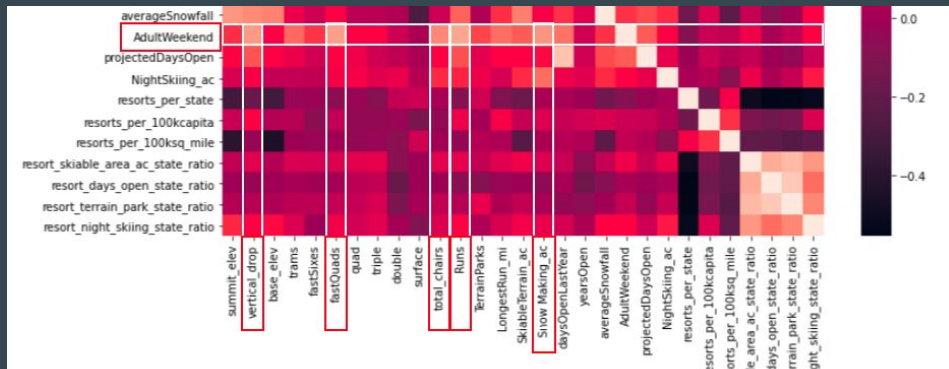
Trend analysis

Findings

From a given dataset and with through data analysis, we were able to figure out the correlation between price and the other features

Client Implications:
- This supports the price adjustment

| Properties	Ranking	Percentile
Vertical Drop	30	10%
Snow Making Area	7	2%
Total Chairs	17	7%
Fast Quads	19	7%
Runs	20	7%
Longest Run in miles	12	4%
Skiable Terrain_AC	5	2%

Possible Solution

Findings

Reducing the least used runs will be helpful to bring both ticket and the revenue down.

But closing down 1 to 4 will give a safe range for price reduction and resulting reducing the operation fee.

Closing down 5 runs will give same effect to the price as closing down 3 runs.
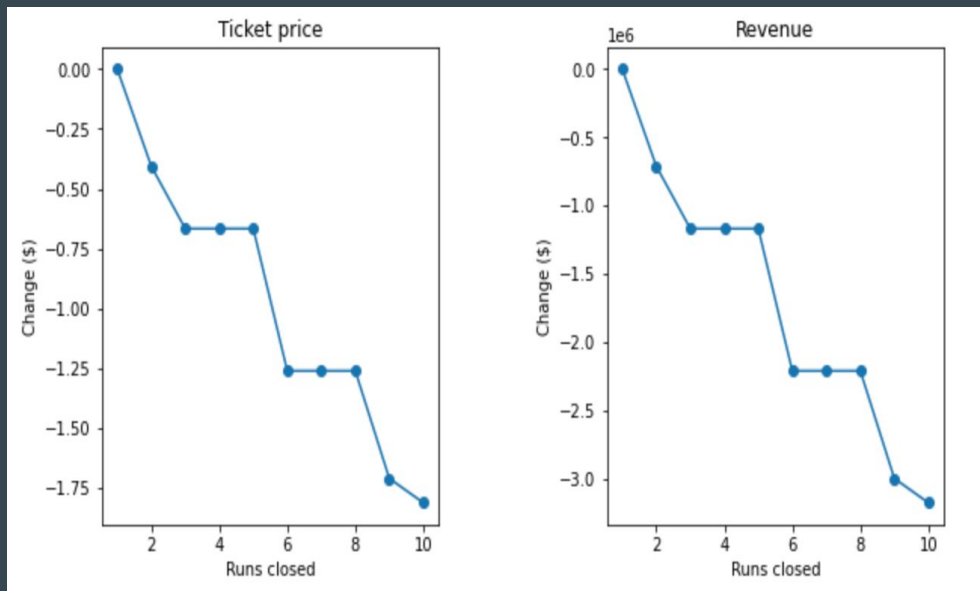
Possible Solution

Findings

The next scenario is that Big Mountain adds a run, increase the vertical drop by 150 feet and installing an additional chair lift.

This scenario increases support for ticket price by $8.61.

Resulting over the season $15,065,471

$8.61.

$15,065,471

Thank you