Big Mountain Resort Report

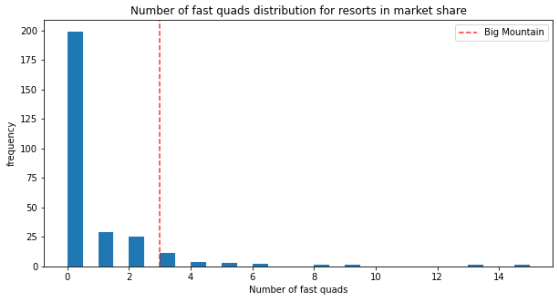
Big Mountain's pricing strategy has been to charge a premium over the other resorts in their market, but would now like to revise that strategy by using data to decide if they should cut costs or raise ticket prices to increase revenue. We have used a data-driven approach to reevaluate and develop a new pricing strategy. Through analysis of our data discoveries, we have figured out how they can restructure their pricing strategy and which features support it the most.

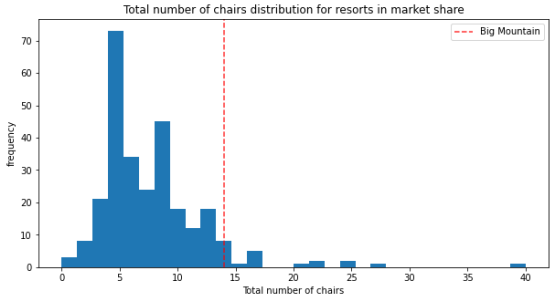
Through various comparison techniques, we discovered that Big Mountain Resort ticket price should be around $95.87, while the actual price is $81.00.
So while this could be off up to $10.39 because of a margin of error, it still suggests there is room for an increase.

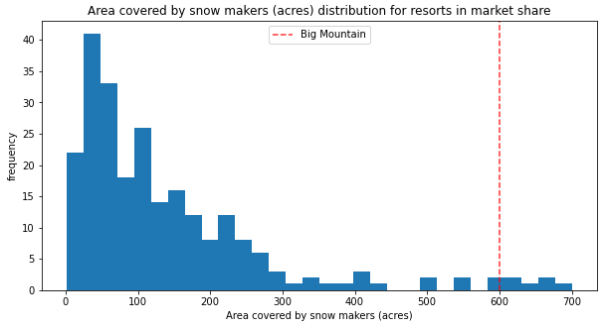
The resort operates within a market where people pay more for certain facilities, and less for others.The following features came up as important in our data modeling:

- vertical_drop
- Snow Making_ac
- total_chairs
- fastQuads
- Runs
- LongestRun_mi
- trams
- SkiableTerrain_ac

The following graphs show how Big Mountain Resort's top features compare to other resorts in the market.



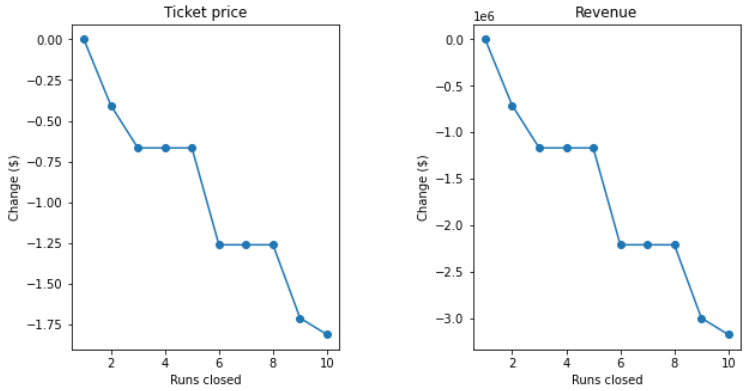




Big Mountain is represented by the red dashed line. As you can see in these three graphs, Big Mountain is on the high end for important graphs compared to the competition. This also justifies a price increase.

The options below are those the business has shortlisted to also increase revenue. This is based on the expected number of visitors over the season being 350,000 and, on average, visitors skiing for five days.

1. Permanently closing down up to 10 of the least used runs. This doesn't impact any other resort statistics.



The model says closing one run makes no difference. Closing 2 and 3 successively reduces support for ticket price and so revenue. If Big Mountain closes down 3 runs, it seems they may as well close down 4 or 5 as there's no further loss in ticket price. Increasing the closures down to 6 or more leads to a large drop.

2. Increase the vertical drop by adding a run to a point 150 feet lower down but requiring the installation of an additional chair lift to bring skiers back up, without additional snow making coverage.
This scenario increases support for ticket price by $1.99
Over the season, this could be expected to amount to $3474638

3. Same as number 2, but adding 2 acres of snow making cover

This scenario increases support for ticket price by $1.99
Over the season, this could be expected to amount to $3474638
Such a small increase in the snow making area makes no difference.

4. Increase the longest run by 0.2 mile to boast 3.5 miles length, requiring an additional snow making coverage of 4 acres.
This option does not produce a difference whatsoever.