Big Mountain Resort

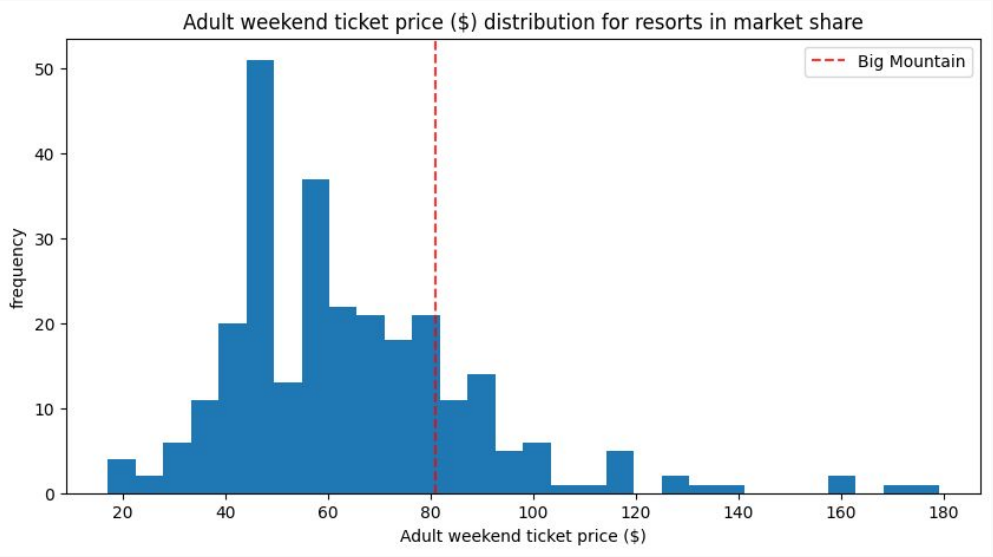
Accurate price predictor

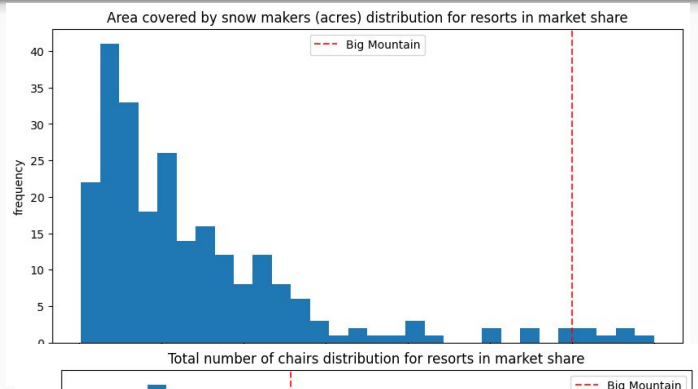
The problem

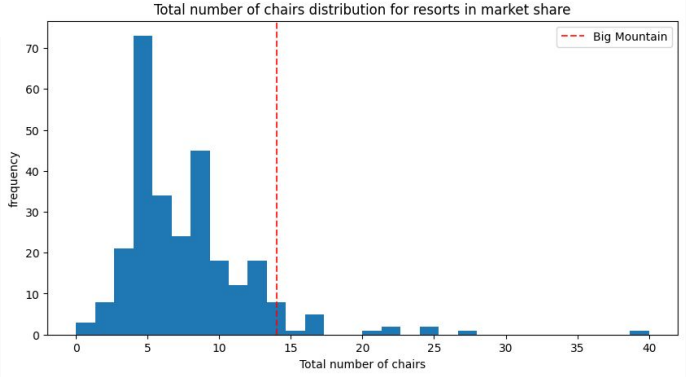
Big Mountain’s pricing system does not reflect the features of the resort, only taking into account an average of competitors’ prices.

By taking into account a wider set of data including differences in features and facilities of competitors, we’ll be able to formulate a more accurate pricing system that brings higher returns.

The problem
Big Mountain's Price vs. Big Mountain Features







Recommendations & key findings

Based on the relevant features the resort offers, it seems Big Mountain has been underpricing their tickets.

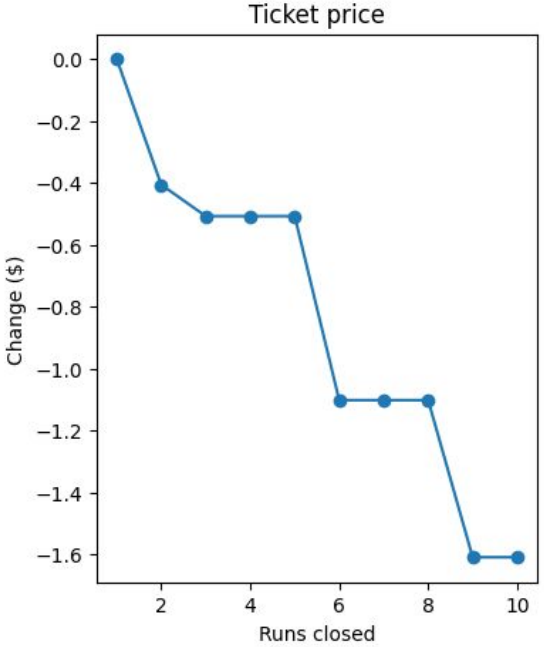
Currently Big Mountain charges $81
According to the model, Big Mountain should charge $94.45

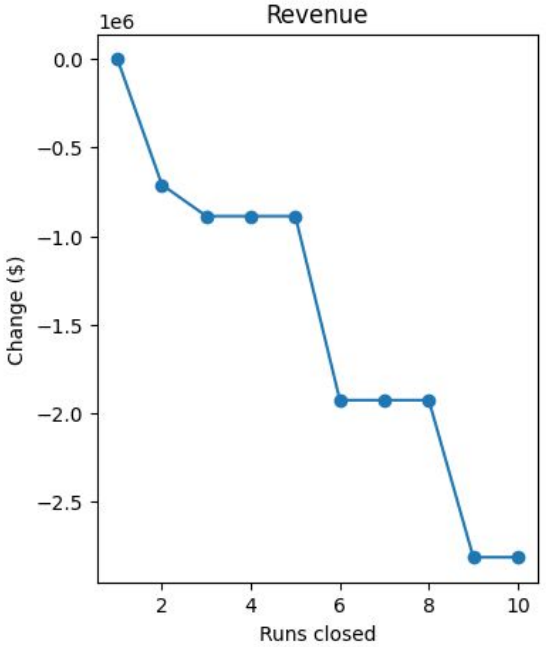
I would suggest to the business leadership that the investments they have made for the resort's features and facilities warrant a higher price in the marketplace.

Revenue and ticket price if runs are removed

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.

Scenario 1





Modeling results and analysis

Revenue and ticket price when adding a run, increasing vertical drop by 150 feet, and installing additional chair lift.

Scenario 2

This scenario increases support for ticket price by $1.65

Over the season, this could be expected to amount to $2,891,304

Modeling results and analysis

Revenue and ticket price when adding a run, two acres of snow making, increasing vertical drop by 150 feet, and installing additional chair lift.

Scenario 3

Adding two acres of snow making did not increase the ticket price and overall revenue, since two acres is not big enough to warrant a price increase.

Modeling results and analysis

Revenue and ticket price when increasing longest run by 0.2 miles and adding 4 acres of snow making.

Scenario 4

Adding four acres of snow making and increasing the longest run by .2 miles did not increase the ticket price, since longest run is not among the more valuable features according to our random model.

Summary and conclusion

Even with a mean absolute error of 10.39, the model suggests there is room to increase Big Mountain's ticket price.

Of the modelled scenarios, I would recommend increasing the vertical drop by 150 feet, and installing an additional chair lift, which would justify an additional increase of 1.65 dollars per ticket.