

Big Mountain Resort Pricing Model Recommendations

Springboard Data Science Track Guided Capstone Presentation
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Big Mountain Resort's Current Pricing System

- Charge premium above the average price
- Limitations to current strategy:
 - Not enough info
 - Not capitalizing on facilities



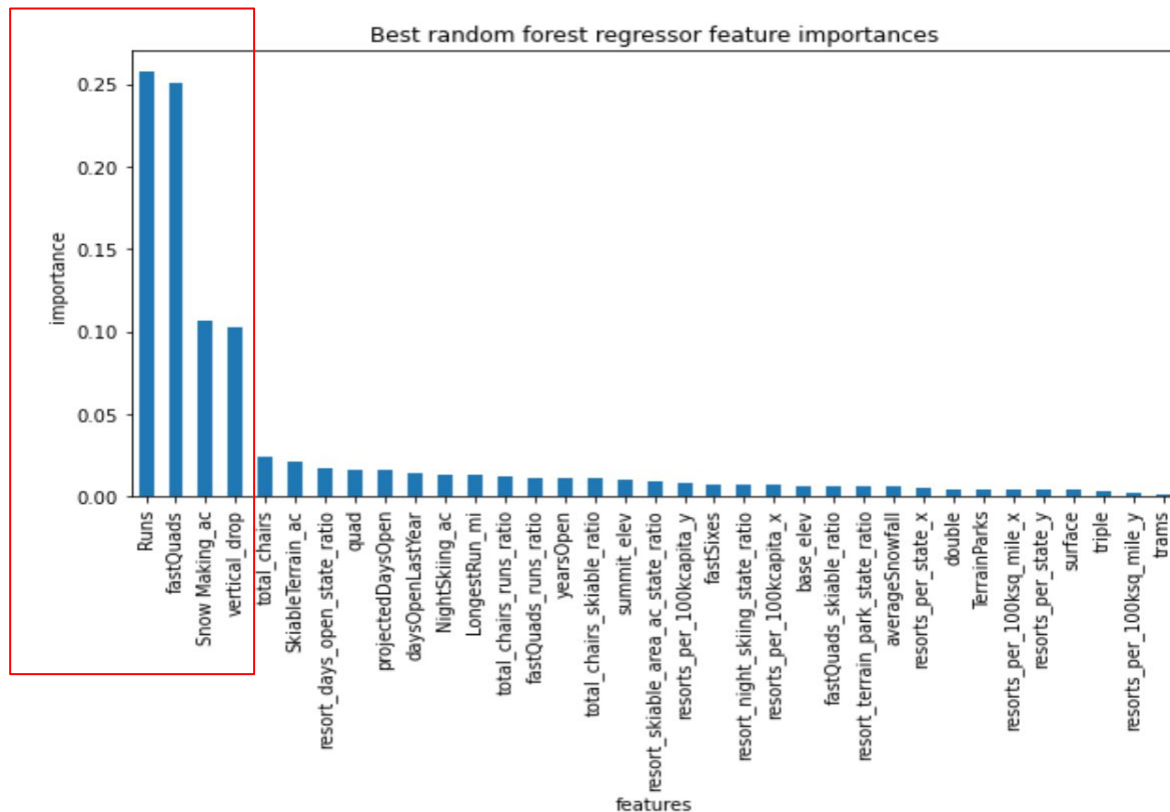
How to Select Better Value for Ticket Price?

- Implement changes that will:
 - Cut costs without undermining ticket price
 - Support an even higher ticket price



4 Top Features that Affect Ticket Pricing

- Runs
- Fast Quads
- Snow Making
- Vertical drop



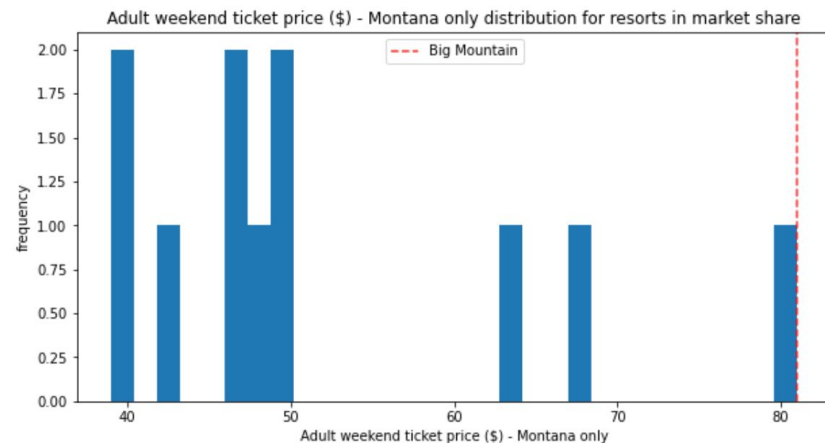
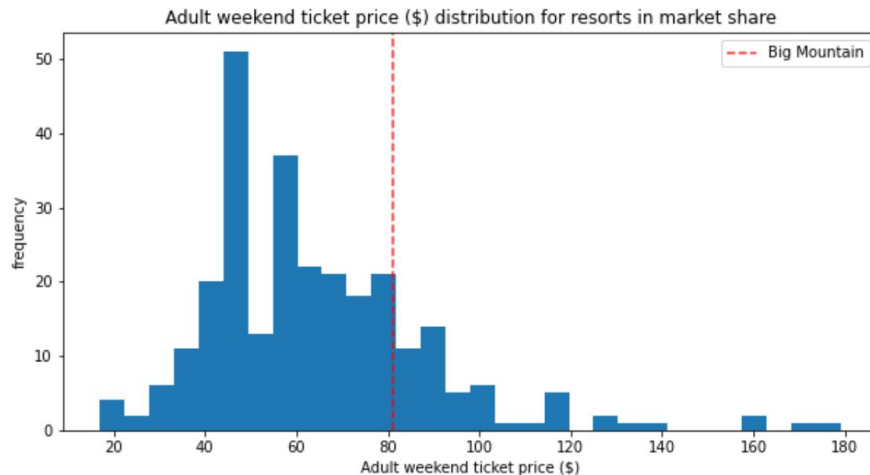
4 Possible Scenarios

1. Close down up to 10 of the least used runs
2. Increase the vertical drop by adding a point 150 ft lower
 - a. Requires installation of additional lift chair
 - b. No additional snow coverage
3. Same as scenario 2 but adding 2 acres of snow using snow equipment
4. Increase the longest run by 0.2 miles for total 3.5 miles
 - a. Requires additional snow making coverage of 4 acres

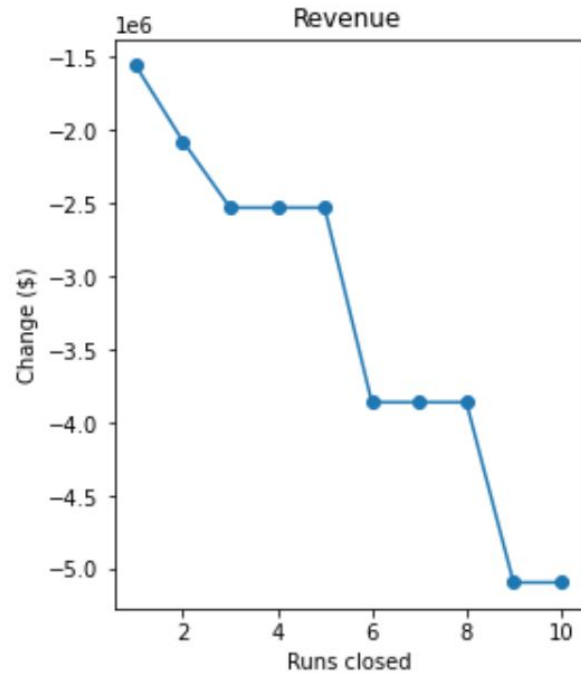
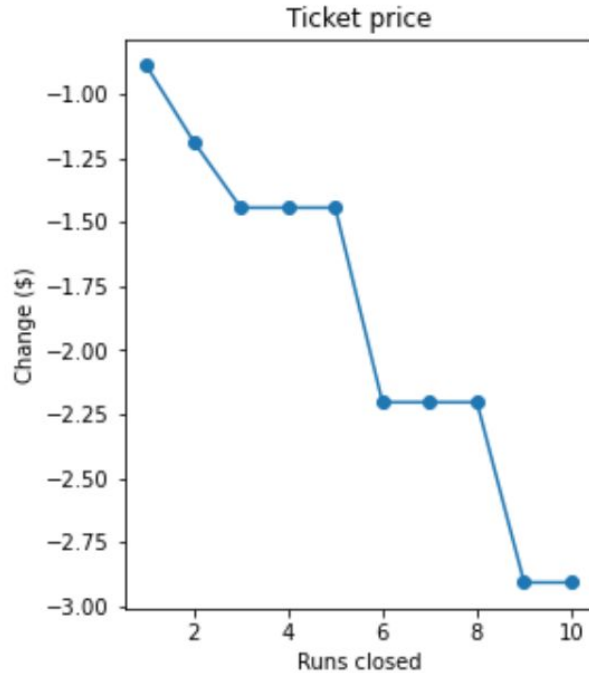


Refit Model Analysis

- Calculated expected Big Mountain Adult Weekend ticket price
- Modeled price: \$97.96
- Current price: \$81
 - Expected mean absolute error: \$10.36
- Definitely room for increase



Scenario 1: Close up to 10 of the least used runs



Scenario 2

- Add 1 run
- Increase vertical drop by 150 ft
- Install additional chair lift

Result:

- Scenario 2 increases support for ticket price by \$2.22
- Over the season, this could be expected to amount to \$3888889



Scenario 3

- Add 1 run
- Increase vertical drop by 150 ft
- Install additional chair lift
- Add 2 acres of snow making

Result:

- Scenario 3 increases support for ticket price by \$2.22
- Over the season, this could be expected to amount to \$3888889
 - Yields same results as scenario 2, but would cost more to implement



Scenario 4

- Increase longest run by 0.2 miles
- Add 4 acres of snow making capability

Result:

- Model did not support price increase



Summary and Recommendations

- Analysis supports ticket price increase
 - Current price: \$81
 - Modeled price: \$97.96; expected mean absolute error: \$10.36
- Recommendations: Scenario 1 + Scenario 2
 - Close least used run
 - Does not affect ticket prices or revenue
 - Save on operating costs
 - Add a run to increase vertical drop by 150 ft and install additional chair lift
 - Supports ticket increase that can amount to \$3888889 over season
 - No need for additional snow coverage

