**Big Mountain Resort Pricing Strategy – Project Report**

Big Mountain Resort, a ski resort in Montana, recently installed an additional chair lift to help increase the distribution of visitors across the mountain. This increased their operating costs by $1.54M this season. The business would like to implement a data-driven business strategy to select a better value for their ticket price by capitalizing on its existing facilities so that they are able to cover the increased operating costs by the next season.

Big Mountain Resort currently charges $81 for an adult ticket. A model was built and suggests a ticket price of $95.87 based on a comparison of its current facilities with other resorts in the country. The ticket price can be definitely increased however, there is a mean absolute error of $10.39 which needs to be taken into consideration when determining the new ticket price. The additional chair lift would increase operating costs which would need to increase the ticket price by $1.99 which would amount to 3.4M over the season assuming each visitor buys 5 tickets. Adding 2 acres of snow making does not make any difference and is not recommended. Permanently closing down 5 of the least used runs is recommended as this does not result in any loss to ticket price.

In conclusion, Big Mountain Resort will be able to support the additional cost and still make a profit by increasing its ticket price based on its current facilities which customers value more and would be willing to pay a higher price.

Additional data with respect to operating costs and number of visitors would be useful to understand and model additional scenarios. The model suggests that Big Mountain Resort's tickets are underpriced but the large difference from the modelled price could be due to pricing inaccuracies in the other resorts as well.