Problem Statement:

Big Mountain Resort, a ski resort located in Montana. Every year about 350,000 people ski or snowboard at Big Mountain. This client requests some guidance on how to select a better value for their ticket price. They are also 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.

How can this client increase their ROI by 5%?

Findings:

Based on our analysis we found the following features that have the highest correlation with ticket price:

vertical drops

FastQuads

Snow making area

night skiing capacity

Runs

Total number of Chairs

There are a couple of different scenarios that our models investigated. Here they are:

1. Closing up to 6 runs would decrease ticket price. This price would have to be weighed against the cost savings of closing the runs.
2. Increasing a Run and increasing vertical drop by 150ft and installing an additional chair lift. This would increase ticket price by $1.6 and increase revenue by $2.8M.
3. This scenario would be the same as #2 above but with adding 2 acres snow making. This would increase revenue close to the same amount above.
4. This scenario calls for increasing the longest run by .2 miles and guaranteeing its snow coverage by adding 4 acres of snow making capability. This did affect price of ticket and did not bring in any additional ROI.

Recommendations:

I would recommend to use combination of scenario 2 and 3 from above. Scenario 1 would need a cost base analysis for closing the runs vs decline in ticket price.

Looking at more visitor data and possible demographics may help in predicting the elasticity of the ticket price.