Big Mountain Resort

Ticket Price Modeling

Problem at Hand

Is Big Mountain resort competitively pricing their lift tickets based on current market modeling?

What can Big Mountain do to justify changes in ticket prices?

What we found

- Big Mountain Resort is currently pricing lift tickets at $81

- Big Mountain Resort offers more compared to Nationwide competitors

- Big Mountain Resort is likely underpricing their lift tickets

- Big Mountain Resort should increase their ticket prices or find opportunities to reduce cost while retaining current price levels

Modeling Results

- As is, our model suggests that Big Mountain Resort can support a ticket price $96
  - Using Random Forest Estimates

- Most Valued Features:
  - Vertical drop   Snow making coverage   Total chair lifts   Number of fast quads
  - Run count   Length of the longest run   Number of trams   Total skiable area

Option 1: Reduces costs by closing least used runs

- Closing one run would have no effect on prices.
- Closing up to 3 runs is equivalent to closing 5 or 6 runs and would only account for about a .70 loss in ticket price or 1,166,666 in revenue
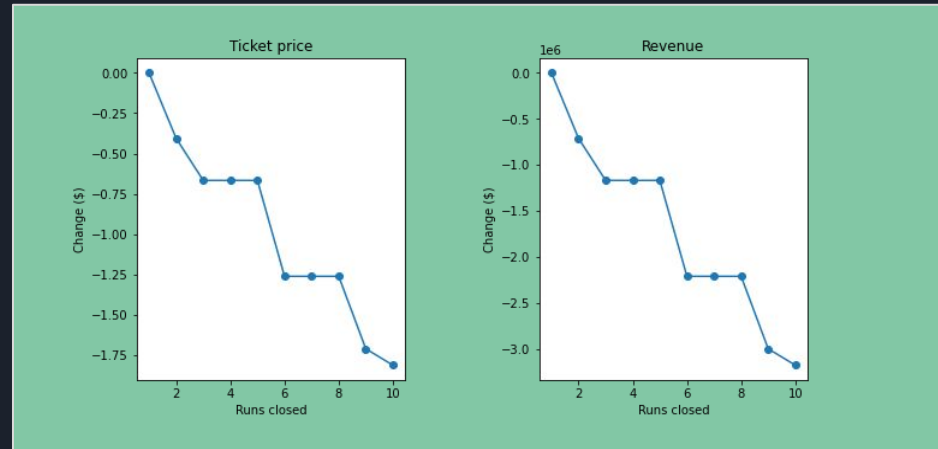
Option 2: Increase Vertical drop by adding run and chair lift

- This scenario increases support for ticket price by $8.61

- Over the season, this could be expected to amount to $15,065,471

Option 3: Increase longest run by .2 miles Increase Snow making coverage by 4 acres

- This option had little to no effect on the ticket price.

Conclusions

- Big Mountain can support a increase of $15 per ticket

- If Big Mountain wants to retain current price levels they should weigh operation costs in addition to options suggested here