

Big Mountain Resort

Price and Feature Analysis

Problems and Considerations

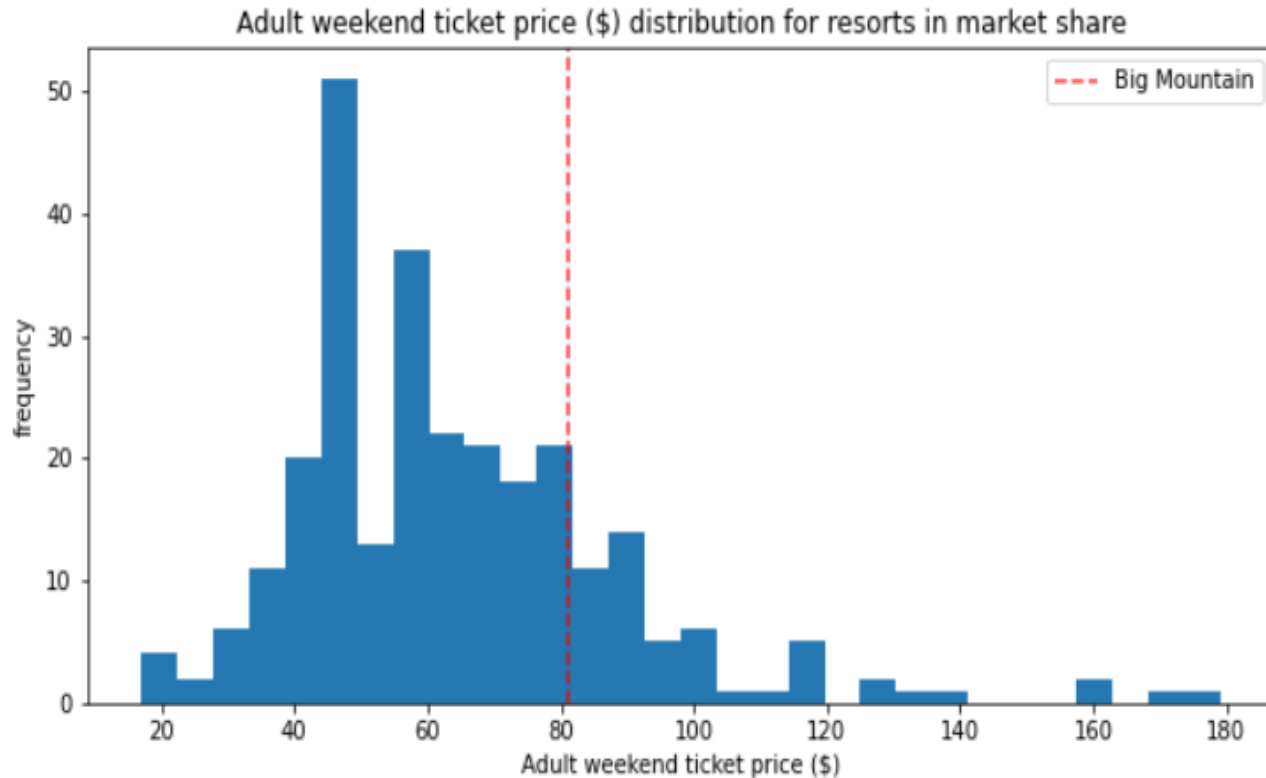
- ? Based on the available price and features data for the other ski resorts in its market, what is an appropriate adult weekend ticket price for Big Mountain Resort?
- ? What future additions or reductions in features would have a positive impact on ticket price and overall profit?



Key Findings and Recommendations

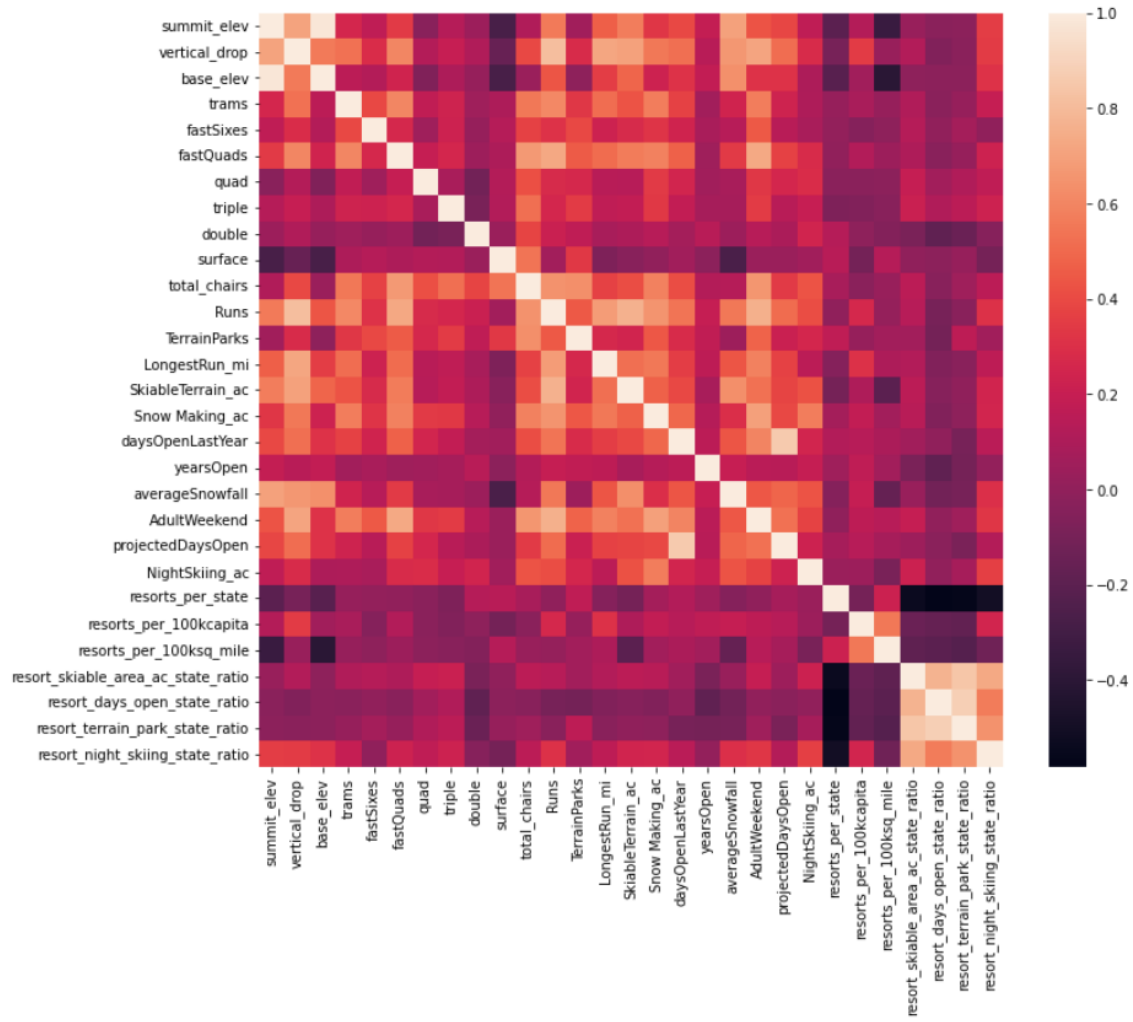
- ★ Modeling shows target ticket price of \$95.87 with MAE of \$10.39
- ★ Adding run and chair lift to increase vertical drop by 150' increases target ticket price by \$1.99

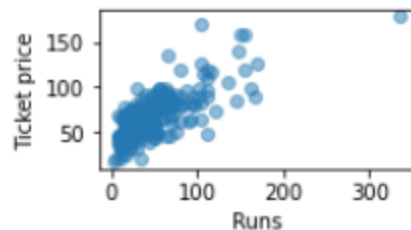
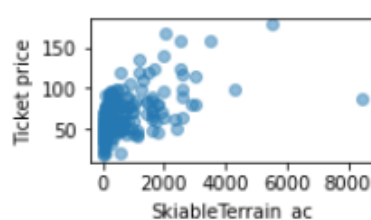
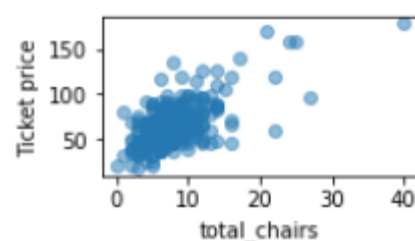
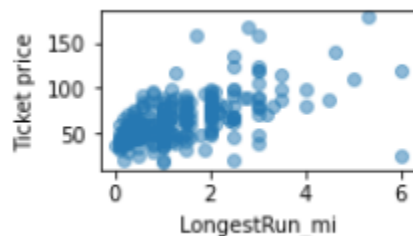
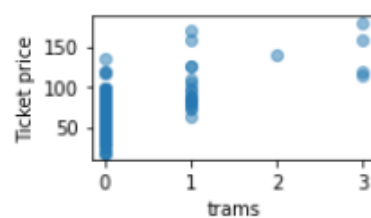
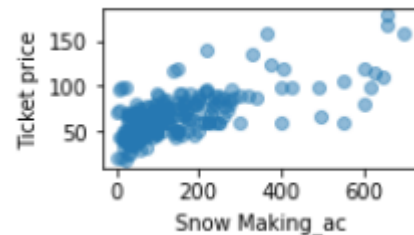
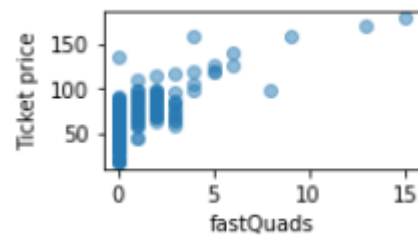
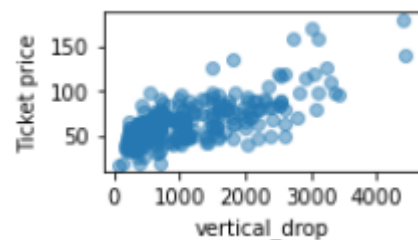
- ★ Increase ticket price to \$85
 - ★ Evaluate cost data to see if price of adding and operating new run and chair would result in net profit
-



- Big Mountain Resort current ticket price is \$81
- Modelled suggests price of \$95.87
- Even with the expected mean absolute error of \$10.39, this suggests there is room for an increase
- Distribution among market share also suggests room for price increase

Target Price Modeling for Adult Weekend Ticket

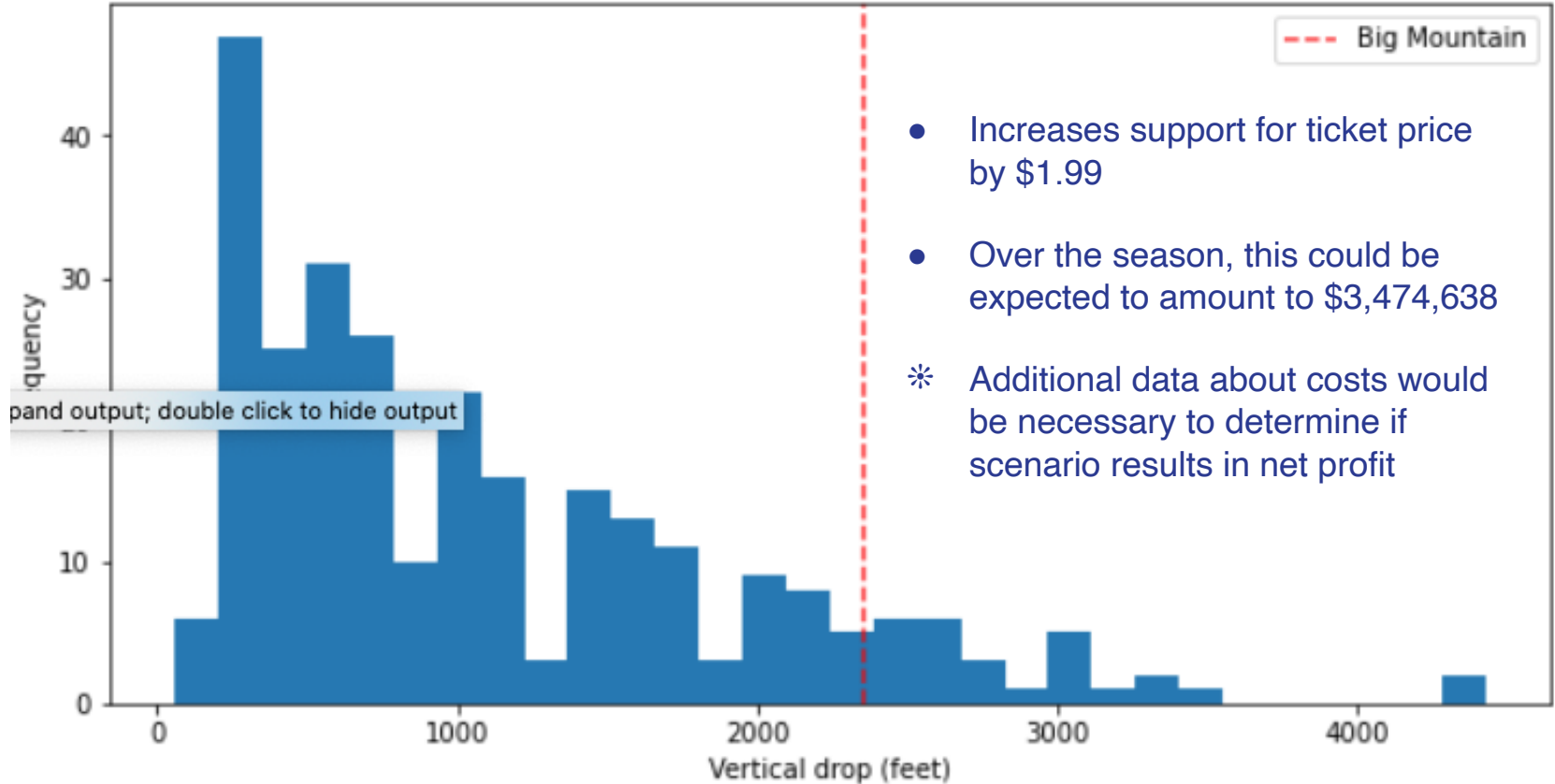




Examining correlation

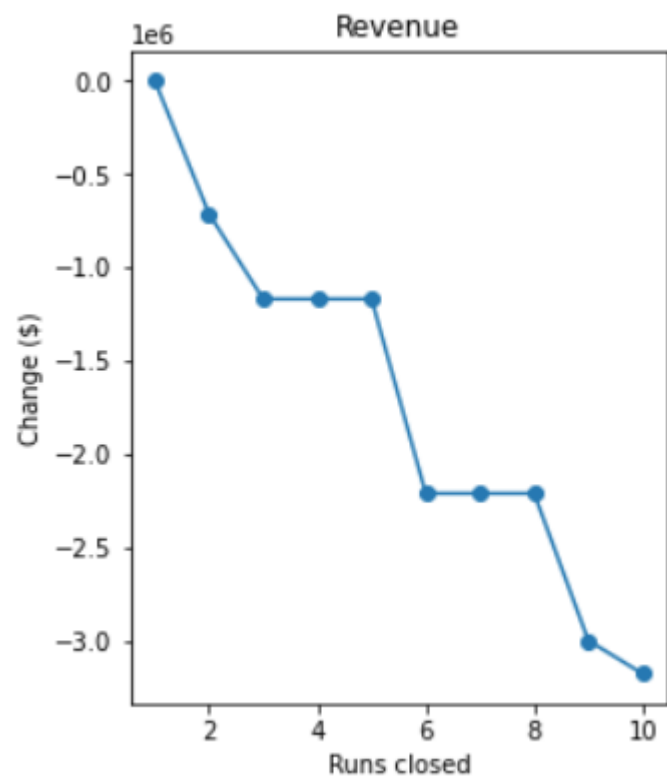
between ticket price and important features

Vertical drop (feet) distribution for resorts in market share



- Increases support for ticket price by \$1.99
- Over the season, this could be expected to amount to \$3,474,638
- * Additional data about costs would be necessary to determine if scenario results in net profit

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Summary

- Raise ticket price to \$85; consider additional price increase after the impact of the initial increase is analyzed.
- Collect expense data and do further analysis to see determine the value in...
 - Adding a run and chair lift to increase the vertical drop by 150 feet.
 - Closing one or more runs