Big Mountain Resort: Ticket Pricing

Problem: How to choose a ticket price?

- Big Mountain is seeking to improve its facilities.
- How can they choose an appropriate ticket price to reflect the value of Big Mountain's resort?
- What will add the most value to the resort?
- How to cut costs without taking away value?

Recommendation: $95.87 Ticket Price

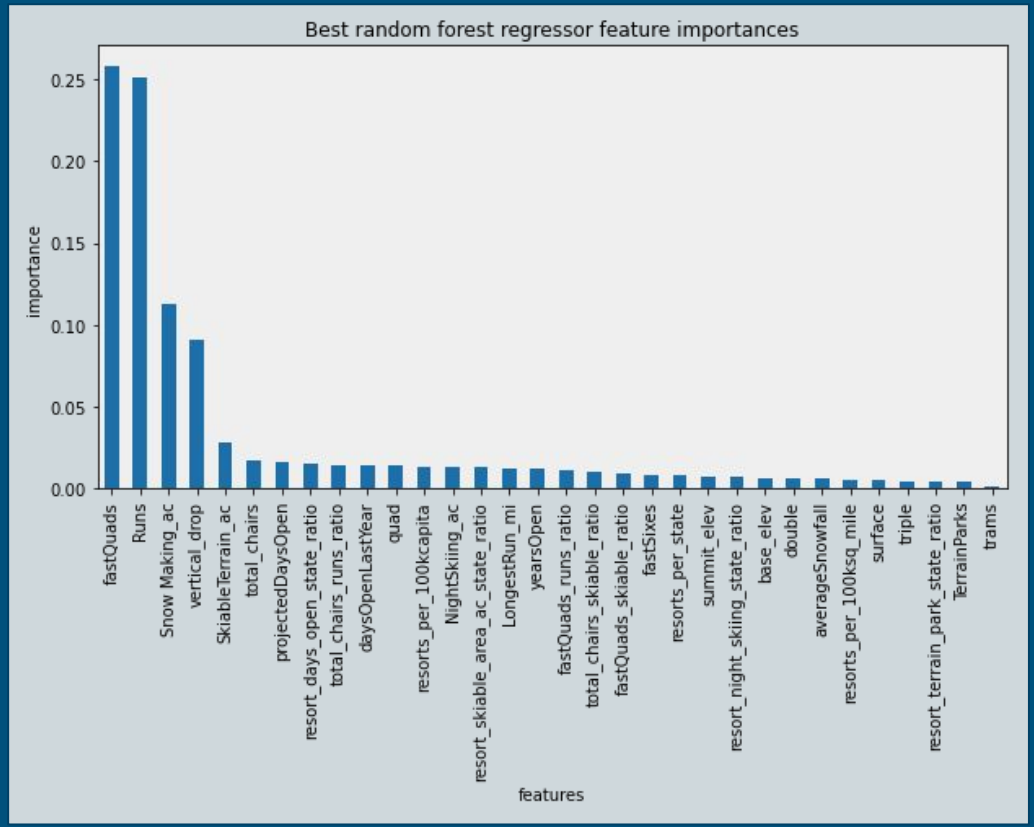
- Based on Big Mountain's current facilities this is an appropriate price per ticket.
- This price would increase revenue by about $5,204,500.
- Adding a new chair lift to add a run that increases the vertical drop could justify a $1.99 ticket price increase.
  - This would result in about a $3,474,638 increase in revenue.
- Don't try to cut costs by doing anything to:
  - Fast 4 person chairs
  - Vertical drop
  - Number of runs
  - Snow making acres

Model: Data

- The data used consisted of 330 resorts across the U.S with 27 different attributes describing the resorts.
- There were some resorts that had errors or missing information which was left out of the model.
- The data was refined down to 277 resorts and 25 different attributes.

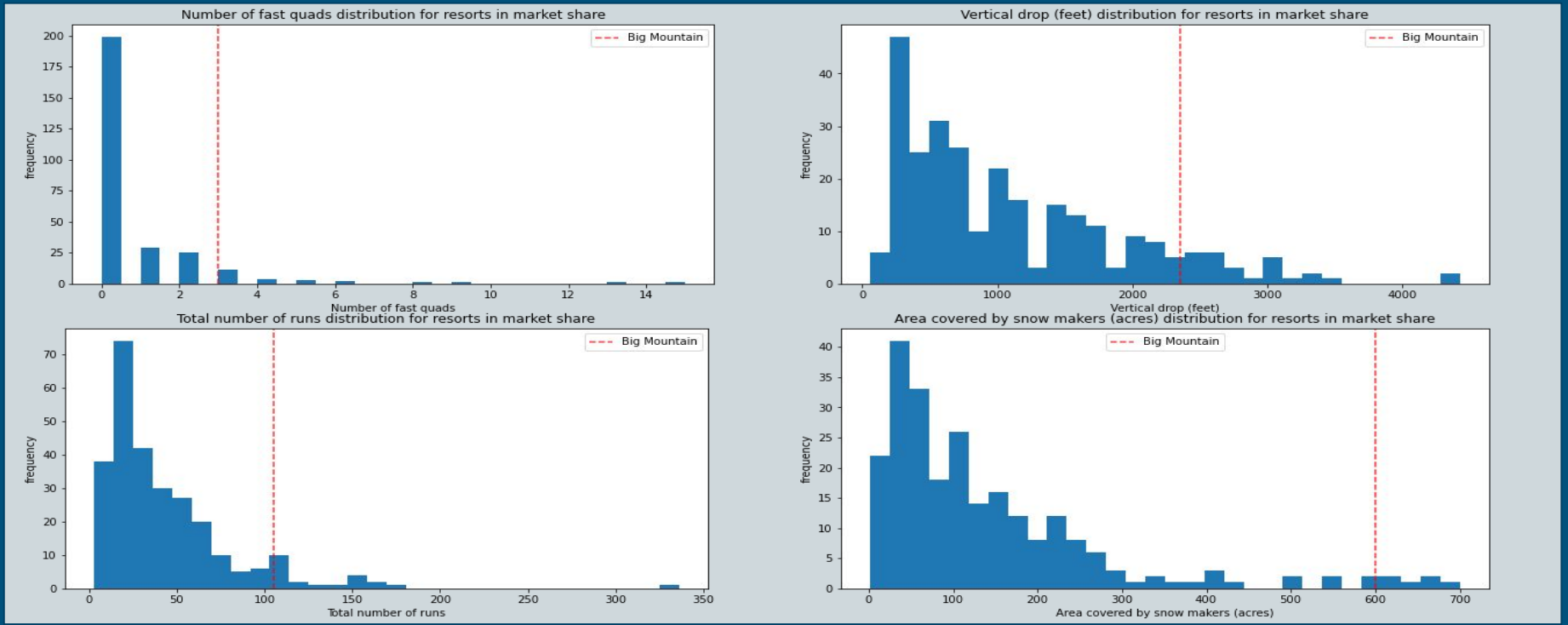
Model: Analysis

- Used Linear Regression and Random Forest Regression.
- Random Forest proved to be more accurate on all scoring metrics.
- The most important predictors ->



Model: Comparison

- Big Mountain was one of the top resorts in the most important features.



Summary

- Problem: How to choose a ticket price?
- Recommendation:
  - Based on current Big Mountain resort facilities: $95.87 ticket price
  - Strategically add run to increase vertical drop: $95.87 + $1.99
  - Can cut costs of things not related to important features.
- Model:
  - Used resort data across U.S.
  - Relied on Random Forest Regression to predict ticket price.
  - Important features: fast 4 person chairs, # of runs, vertical drop, snow making acres