

Big Mountain Resort Ticket Pricing Analysis

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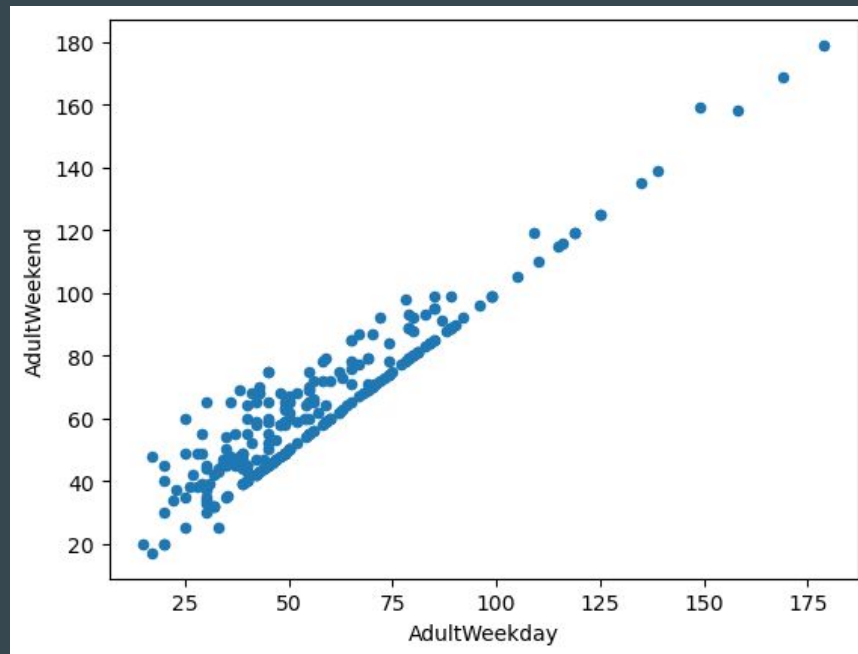
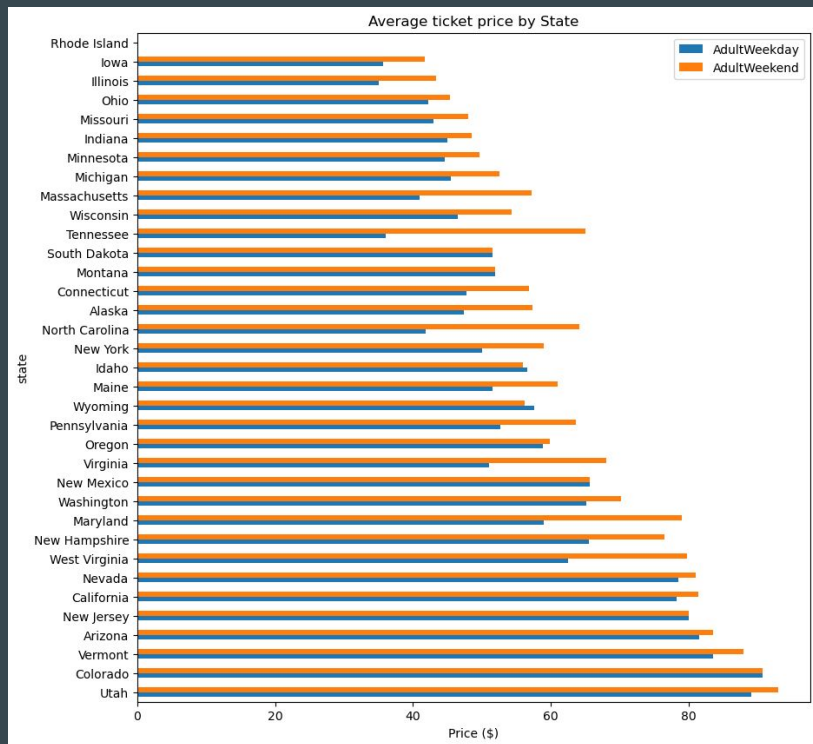
Problem Identification

- Big Mountain Resort has an additional \$1.54M in operating costs this season
- We need to become more data-driven in our ticket pricing strategies and find ways to offset this operating cost
- We need to identify the value of our facilities to see if an increase in ticket prices would be worthwhile.

Recommendation / Key Findings

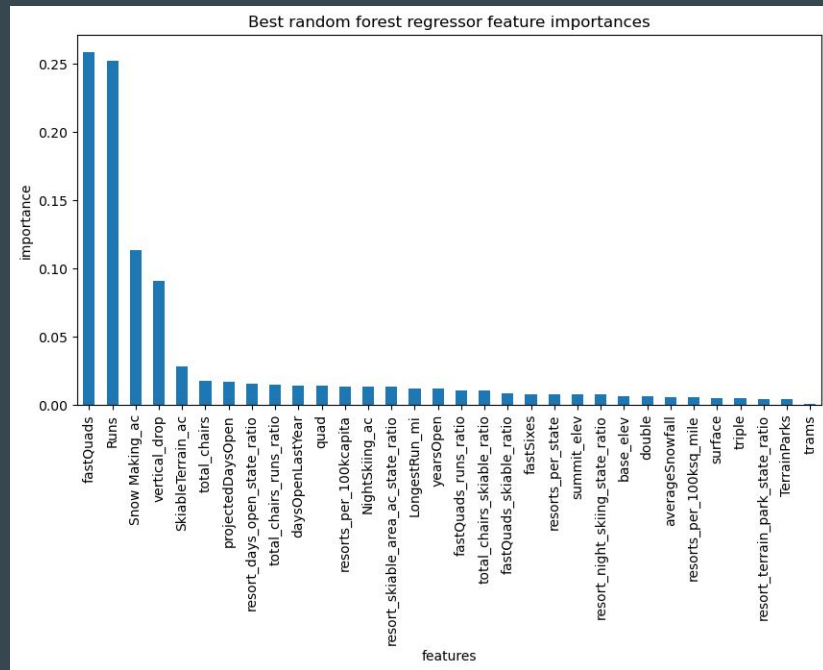
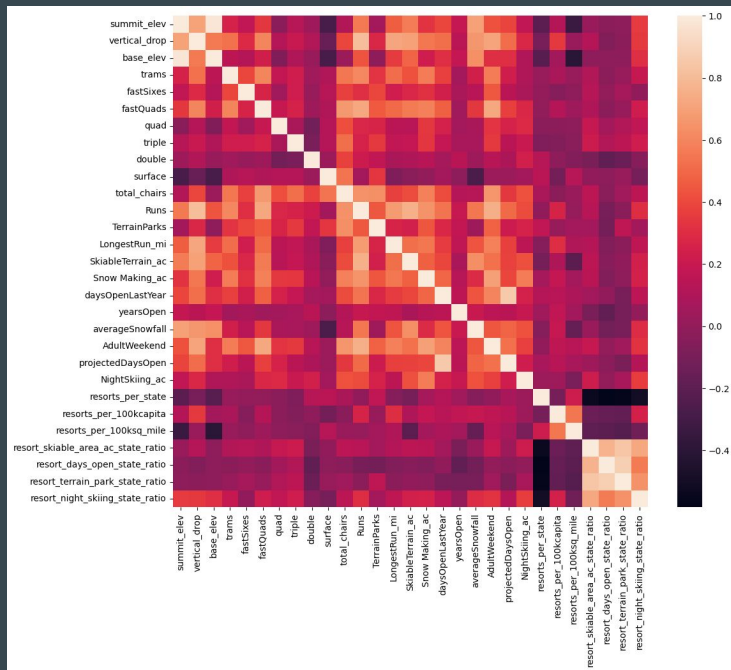
- Big Mountain is currently charging \$81.00 per tick. Our model supports increasing the price to \$95.87 given that the resort ranks highly on several key metrics.
- In our proposed business solutions, adding a run, increasing vertical drop, and installing an additional chair lift would justify \$1.99 increase in prices.
- Based on an average of 350,000 visitors at an average of 5 tickets per visitor, this would result in an additional \$3,474,638 in revenue
- I would recommend increasing prices by \$2 given our new chair lift and model supporting an increase.

Average Ticket Prices by State and Weekday/Weekend

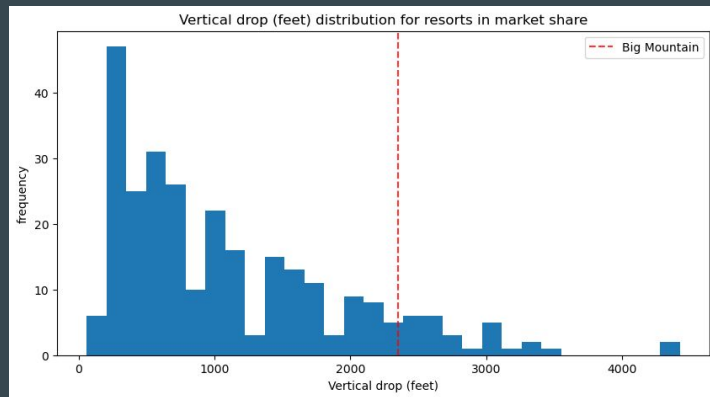
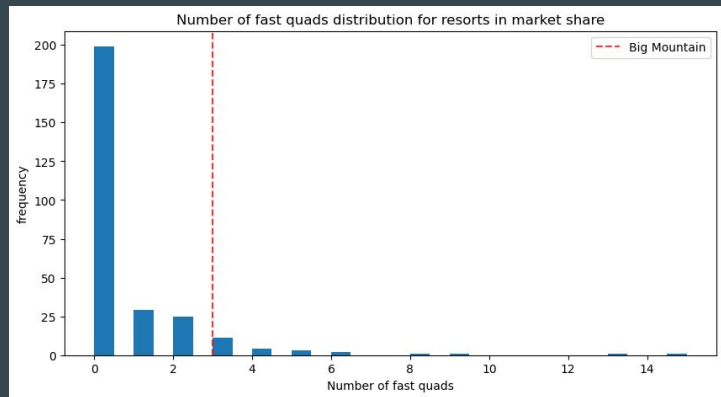
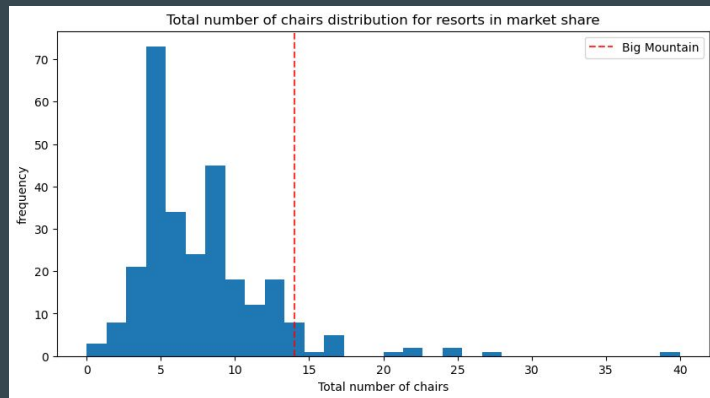
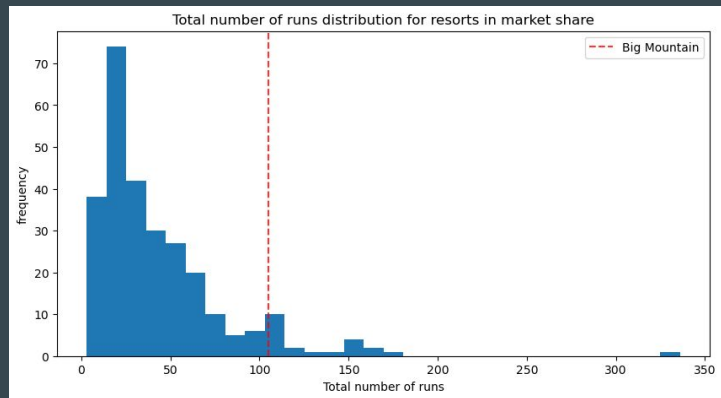


Correlation of Ticket Prices and Features

Runs, total chairs, fast quads, and vertical drop had the strongest correlation with ticket prices.



Big Mountain Ranks in Key Features



Conclusion

- We used a Random Forest Model for our data modeling as this had the lowest mean absolute error at \$9.54
- Our model supports nearly a \$15 increase in ticket increases
- The model also justifies increasing prices when adding a run, increasing vertical drop, and installing an additional chair lift
- We suggest the prices should increase by \$2 resulting in an estimated \$3,474,638 in revenue