Big Mountain Resort Ticket Pricing

February 8, 2020

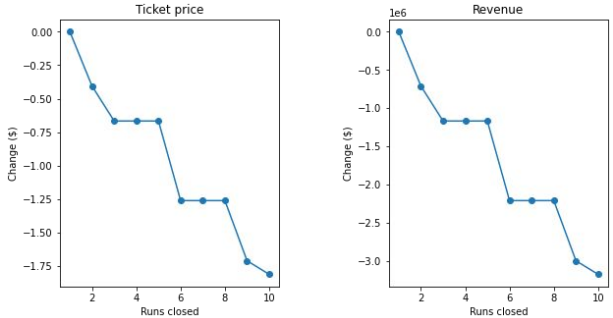
Table of Contents

Problem Identification

- Big Mountain Resort has installed a new chair lift that will cost an additional $1,540,000
- Ticket prices do not reflect importance of the facilities in place
- What ways can they cut operating costs and increase ticket prices

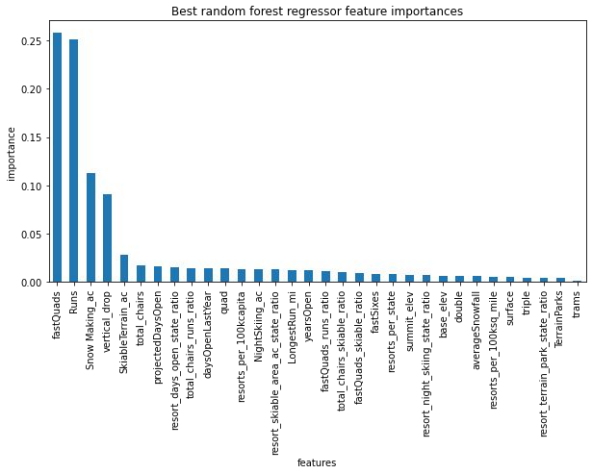
Recommendation and Key Findings

- Big Mountain ranks high on many of the important features
- Increase ticket price by at least $4.48
- Do not increase price to higher than $106.26
- Close the least used run, if closing 3 runs, then close 5 (see graph)
- Add a run, increase vertical drop by 150 feet, and install additional chair lift to increase ticket price by $1.99



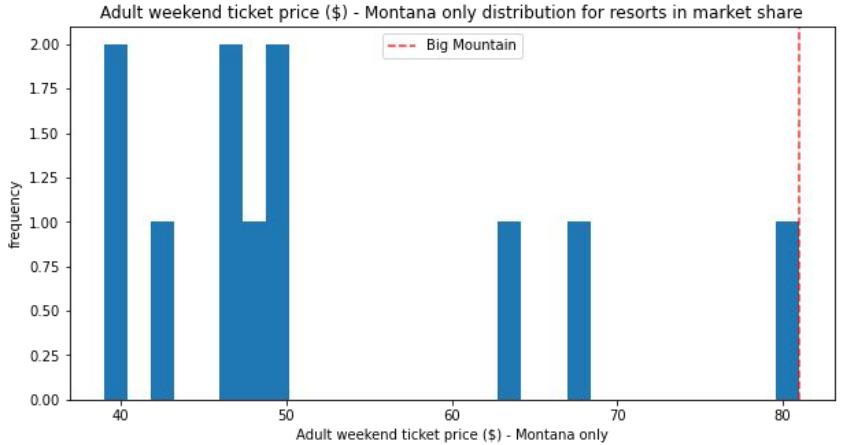
Modeling Results and Analysis

- Used random forest regressor to model data
- Model has mean absolute error of 10.39
- Number of fast quads and number of runs are most important to ticket price



Modeling Results and Analysis

- Figure shows Big Mountain already has the most expensive ticket in their state
- Ticket price being lower than modeled price could be due to competition within the state



Summary and Conclusion

- Ticket prices are undervalued and do not reflect the importance of Big Mountain's facilities
- There is room to increase ticket price based on model
- More information on operating costs would help calculate overall change in profit due to facility changes