

Big Mountain Resort

Pricing Adjustment Recommendations

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A dark blue diagonal gradient bar that starts from the bottom left corner and extends towards the top right corner, covering the lower half of the slide.

The Problem



Big Mountain Resort is a large ski and snowboarding resort in Montana. They are installing a new lift for the upcoming season and will need to readjust their pricing to cover its installation and operating costs.

Their goal is to:

- 1) Identify the most and least valuable features
- 2) Reevaluate their investments on these features depending on their profitability
- 3) Determine a new ticket price that corresponds to the value of their features
- 4) Increase revenue to cover the costs of the lift (\$1.54 million minimum)

Recommendation and Key Findings

The most important features in a ski resort are:

- The number of fast quads
- The number of runs
- The area covered by snow made
- The vertical drop

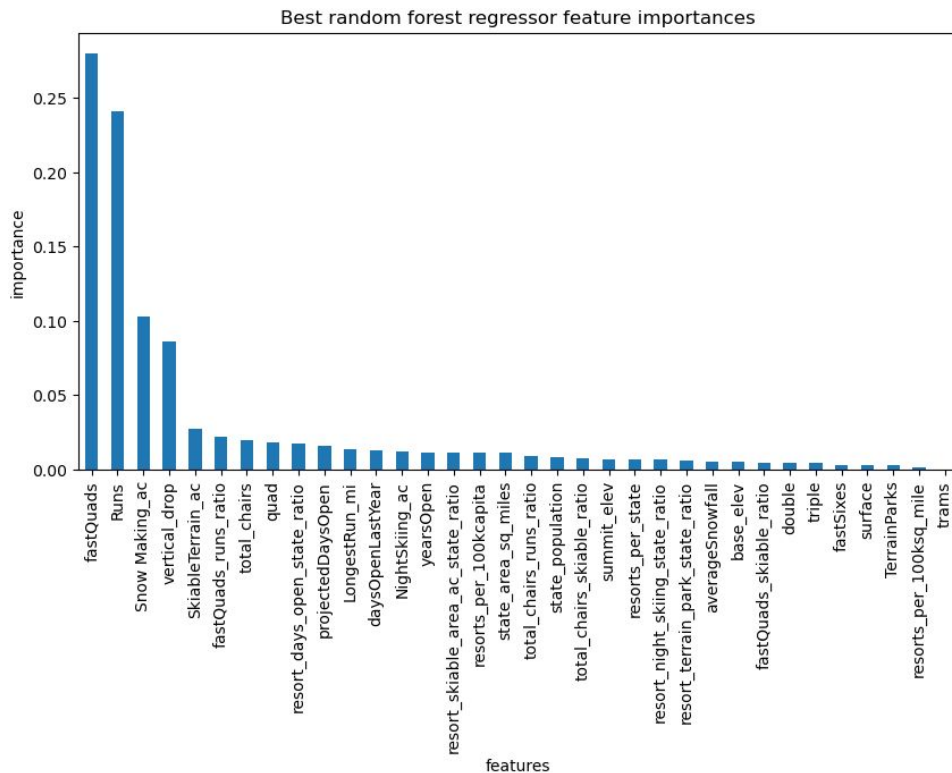
They can close 1 run without losing any money. They should not close more than 5 runs to avoid losing too much profit.

The new ticket price can increase from \$81.00 up to \$97.85.

Modeling Results and Analysis

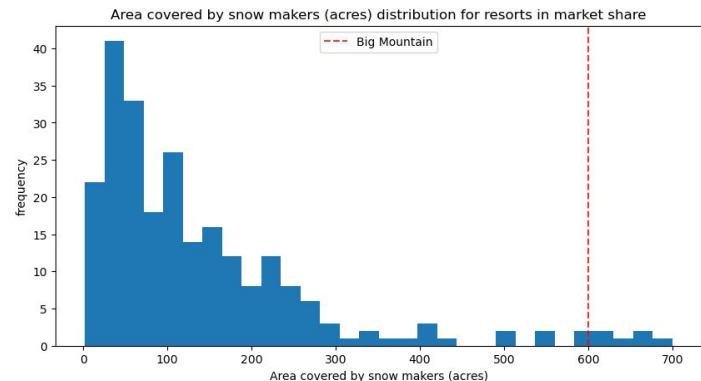
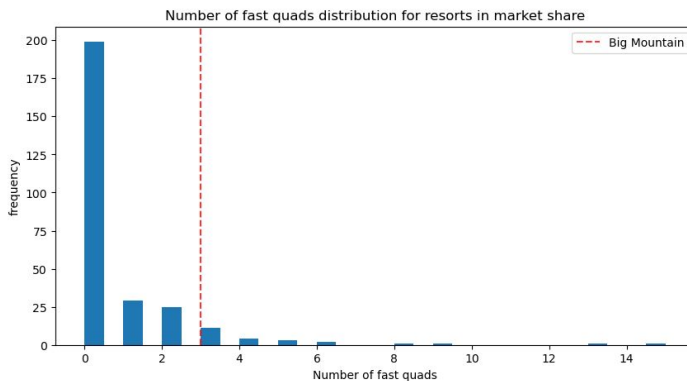
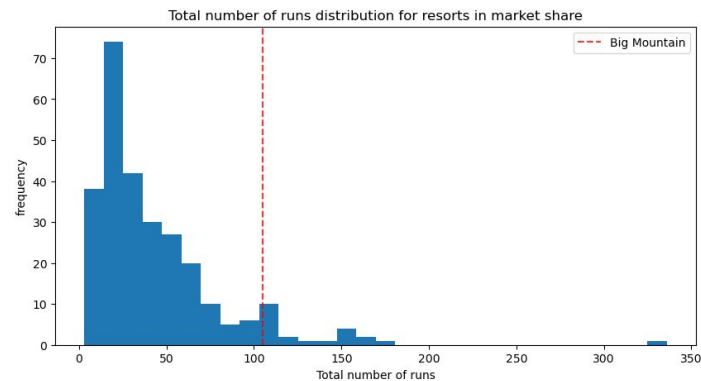
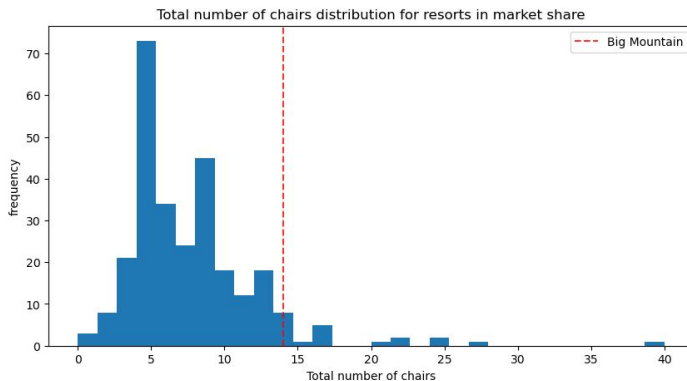
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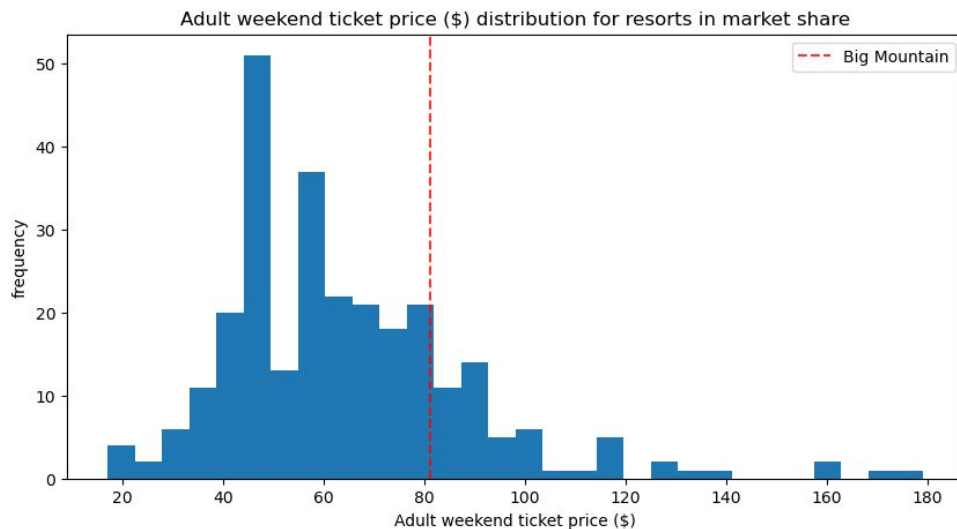
Modeling Results and Analysis

Comparison histograms indicate that **Big Mountain Resort** (red line) is consistently in the nation's top percentile for the features that matter the most.



Modeling Results and Analysis

Big Mountain Resort's ticket price is higher than the median, yet still has room to grow.

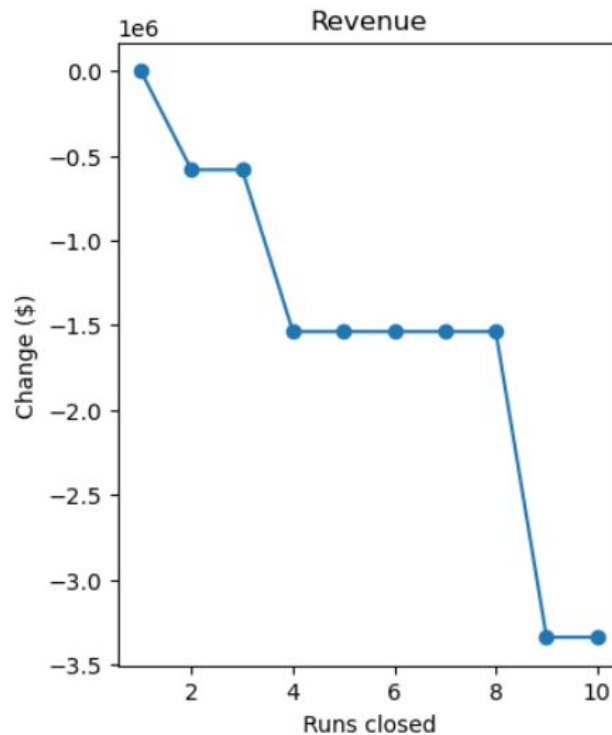


Modeling Results and Analysis

Closing 1 run will not change the revenue.

Closing more than 5 runs will dramatically drop revenue.

It is advised for Big Mountain Resort to close 1-5 runs.



Summary and Conclusion

Big Mountain Resort is one of the top ski resorts in the country and arguably the best in Montana. They consistently are in the top ranks for the most important features in a ski resort and yet are charging the same amount as other local competitors.

To increase revenue, they should close down 1-5 runs and increase their ticket price to \$97.85.