

Problem Statement Worksheet (Hypothesis Formation)

How can Big Mountain Resort know if they are capitalizing as much as could basing of their pricing market and if not, how to do and have enough incomes to the operational cost of the new chair lift ?

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1 Context

Big Mountain resort, a ski resort located in Montana, have access to 105 trails and with spectacular views. Every year about 350,000 people ski or snowboard at Big Mountain. This mountain can accommodate skiers and riders of all levels and abilities. Big Mountain Resort has recently installed an additional chair lift to help increase the distribution of visitors across the mountain. This additional chair increases their operating costs by \$1,540,000 this season. The business wants some guidance on how to select a better value for their ticket price. They are also considering a number of changes that they hope will either cut costs without undermining the ticket price or will support an even higher ticket price.

2 Criteria for success

Big Mountain Resort will select a better value for their ticket price after the new chair lift that increased the operational costs by \$1,540,000.. Will either cut costs without undermining the ticket price or will support an even higher ticket price.

3 Scope of solution space

Big Mountain Resort will increase their ticket price of Montana to get have a positive balance after the increase of operating costs by \$1,540,000, keep a support of the prices for the provided data **in this season** and make sure if the ticket price are capitalizing as much as it could.

4 Constraints within solution space

- The new chair lifter can increase their operational costs around this season.
- Raising prices can reduce ticket sales if prices rise sharply.
- Cut the costs can undermining the ticket price.

5 Stakeholders to provide key insight

- Jimmy Blackburn (Director of Operations).
- Alesha Eisen (Database Manager).

6 Key data sources

- CSV file provided by the database manager.

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