Problem Statement – Guided Capstone Project

Context:

Big Mountain resort is embarking on the installation of an additional chair lift, increasing their total lifts from 11 to 12 at a cost of $1.54 million. Currently, the resort may not be optimizing its facilities, potentially missing out on revenue opportunities. Initial investigations reveal that the ticket pricing structure may not accurately reflect the value offered by the resort's amenities. By analyzing data from 330 ski resorts in the United States, I aim to assess measurable attributes of each resort and compare them to ticket prices. The distinction between weekend and weekday ticket prices aligns with the expected higher demand on weekends. A comprehensive analysis, plotting the ratio of ticket prices to various amenities, will provide insights into how different resorts maximize their offerings and areas where improvements can be made. A swift turnaround time for this analysis is crucial, considering the anticipated increase in operating costs for the upcoming season, enabling management to make informed decisions on ticket pricing or facility utilization adjustments.

Criteria for Success:

Success will be evaluated on two criteria. Firstly, determining if Big Mountain is pricing tickets appropriately based on available amenities. If not, identifying the correct ticket cost considering existing factors is crucial. Secondly, exploring opportunities to enhance revenue by expanding current amenities based on the operational models of other parks. This approach allows for revenue growth without necessarily impacting ticket prices.

Scope of Solution Space:

The focus will be on the quantitative aspects of park amenities, encompassing both Big Mountain and the remaining 329 parks in the United States. Developing a model that accurately prices tickets based on amenities and identifying gaps in offerings will be pivotal, utilizing existing data.

Constraints within Solution Space:

The historical nature of the data poses a limitation, as improvements made by other parks since the data collection may not be reflected. Additionally, the absence of customer feedback in the dataset highlights a potential gap. Qualitative information derived from surveys or focus groups could offer insights into customer perceptions of current and future pricing, as well as how they perceive the facilities.

Stakeholders to Provide Key Insight:

Key contacts include Jimmy Blackburn (Director of Operations) and Alesha Eisen (Database Manager). Jimmy will oversee and approve any facility changes, while Alesha will provide insights into the data and the systems used for its collection.

Data Sources:

The sole data source is the CSV file from the data manager. A comparative analysis with resorts similar to Big Mountain (in terms of location, size, or amenities offered) will be instrumental in addressing the problem. Relevant data from the spreadsheet includes facility location, ticket prices, number of lifts, number of runs, days open, projected days open, and specific run details (terrain parks, longest runs, total skiable terrain, snowmaking machines, and vertical elevation).