

Pricing Strategy Analysis for Amusement Park



Hypothesis Testing APPROACH

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? Key Questions



Can charity influence
purchasing behavior?



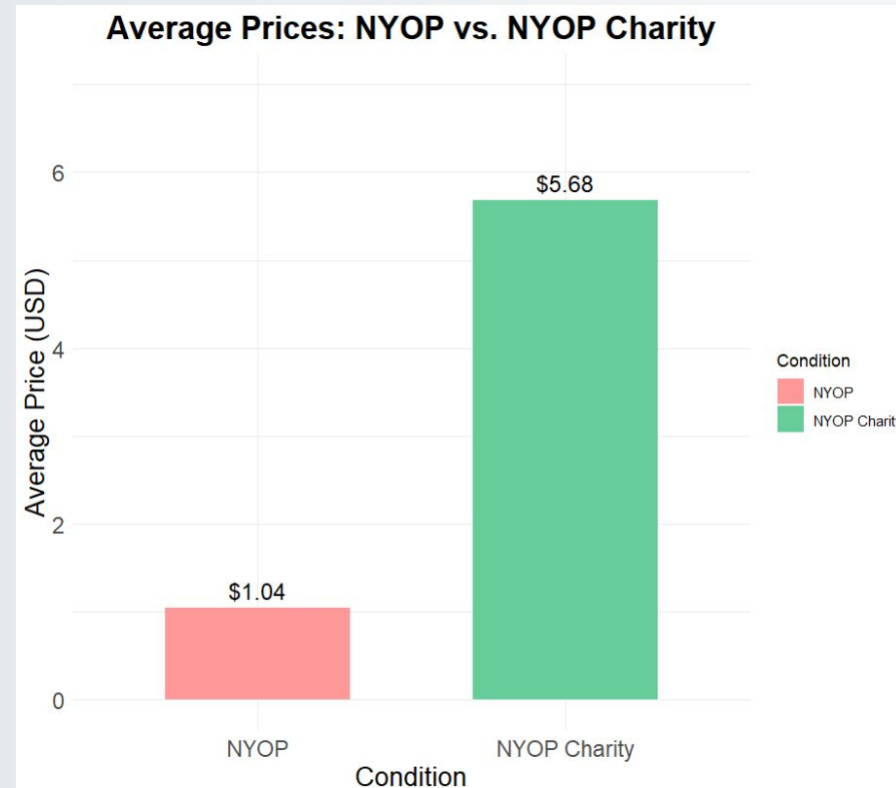
Which pricing strategy
yields
the highest park profit?



What's the societal profit
from charity-based
strategies?

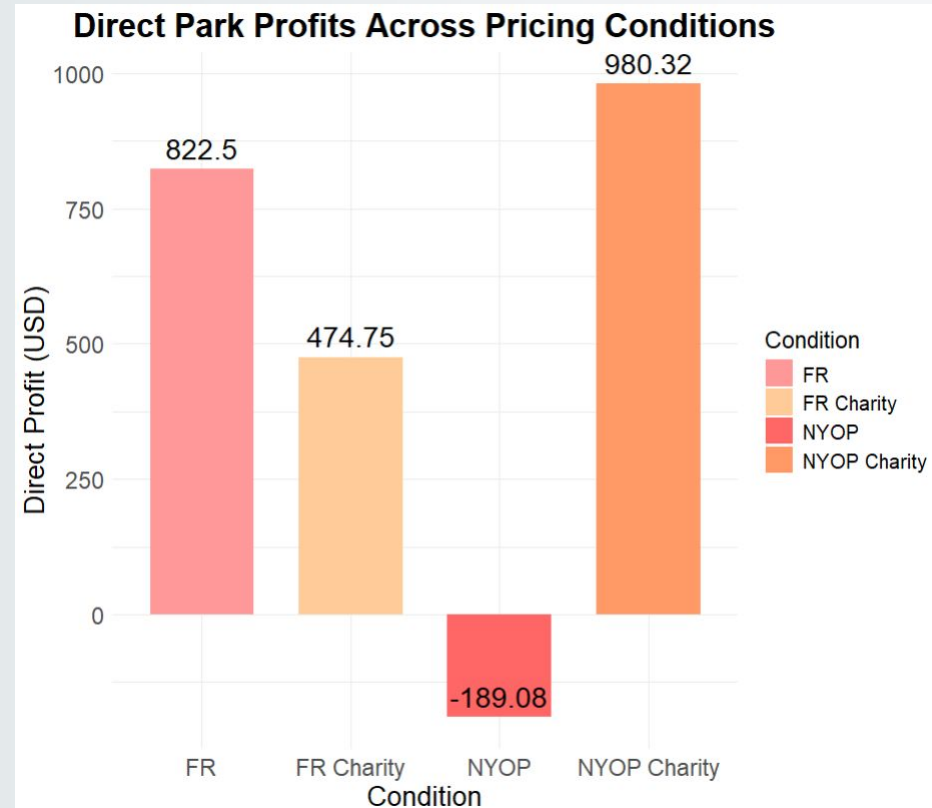
Prices in NYOP vs. NYOP Charity:

- Test whether **NYOP Charity** prices are significantly higher than **NYOP** prices
- **NYOP Charity increases the price** riders are willing to pay, despite potentially fewer purchases.



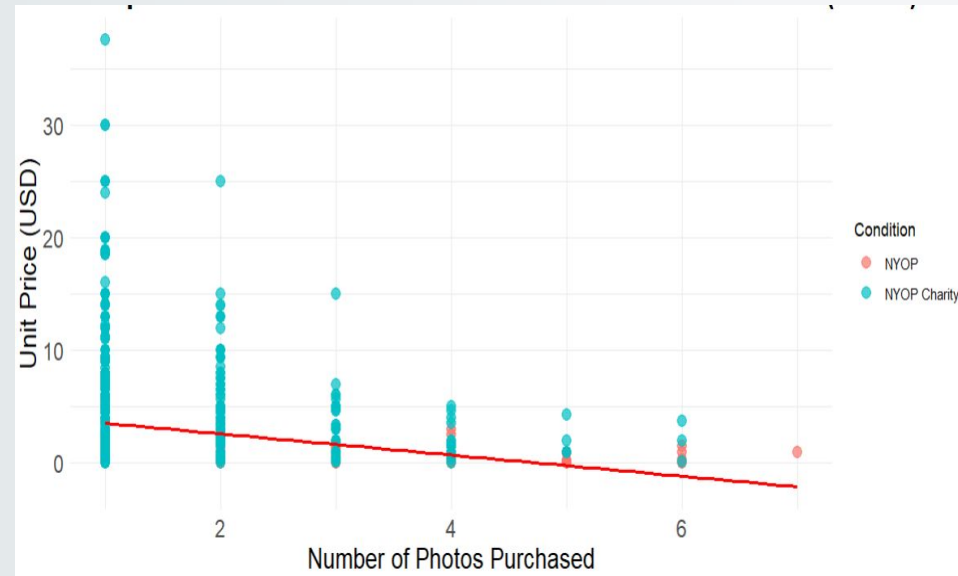
Direct Park Profits Across Pricing Conditions

- **NYOP Charity:** Highest direct profit at \$980.32, as customers pay more when charity is involved.
- **FR (Flat Rate):** Generates the second-highest profit at **\$822.5**, with no impact from charity.
- **FR Charity:** Profit drops to **\$474.75** due to the charity contribution, but still positive.
- **NYOP** Results in a **loss of \$189.08**, as the customer-set prices do not cover costs.



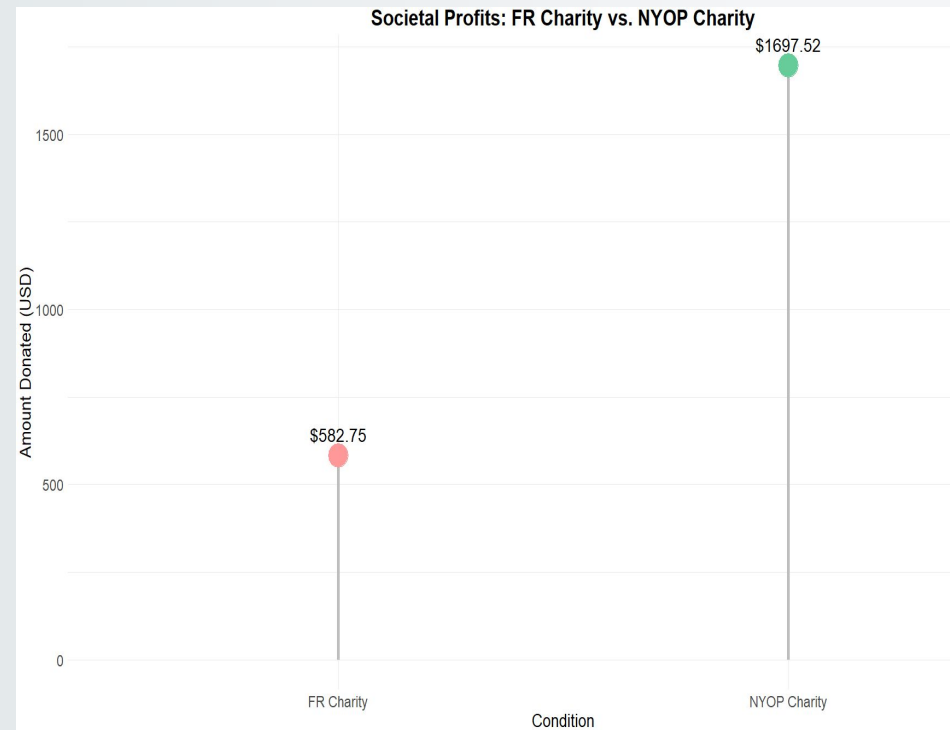
Relationship Between Number of Photos Purchased and Unit Price in NYOP

- **Weak Negative Correlation**
- The number of photos purchased has little impact on the unit price, so the pricing strategy stays stable.



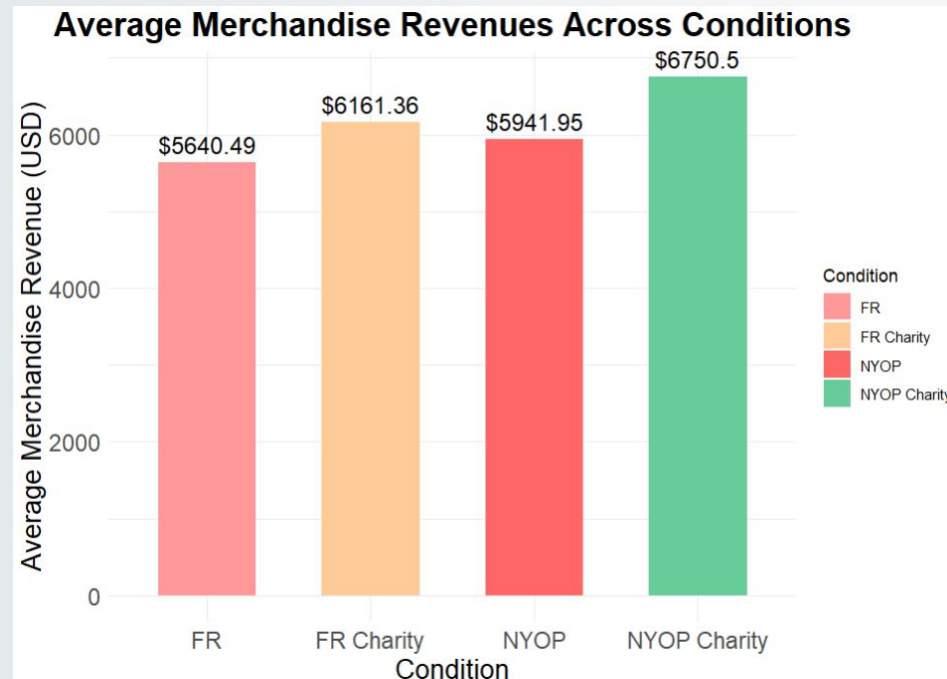
Amount Donated to Charity in NYOP and Flat Rate Conditions

- **FR Charity Donation: \$582.75**
- **NYOP Charity Donation: \$1697.5**
- **NYOP Charity** generates the **highest societal profits** due to significantly larger donations compared to FR Charity
- **Best Strategy: NYOP Charity** - because it benefits both the park and the community by maximizing donations and profitability.



Average Merchandise Revenues Across Conditions

- FR Merchandise Revenue: **\$5,640.49**
- NYOP Charity Leads: Highest at **\$6,750.50**
- **Positive Charity Impact:** Likely boosts spending.
- Merchandise differences are minimal.
- Doesn't affect the conclusion that NYOP Charity is the better strategy:
- **Best Option: NYOP Charity-**
maximizes both revenue and societal impact.



Recommendations

Best Strategy: NYOP Charity

Alternative Strategy:

Consider donating a percentage of profits instead of revenue

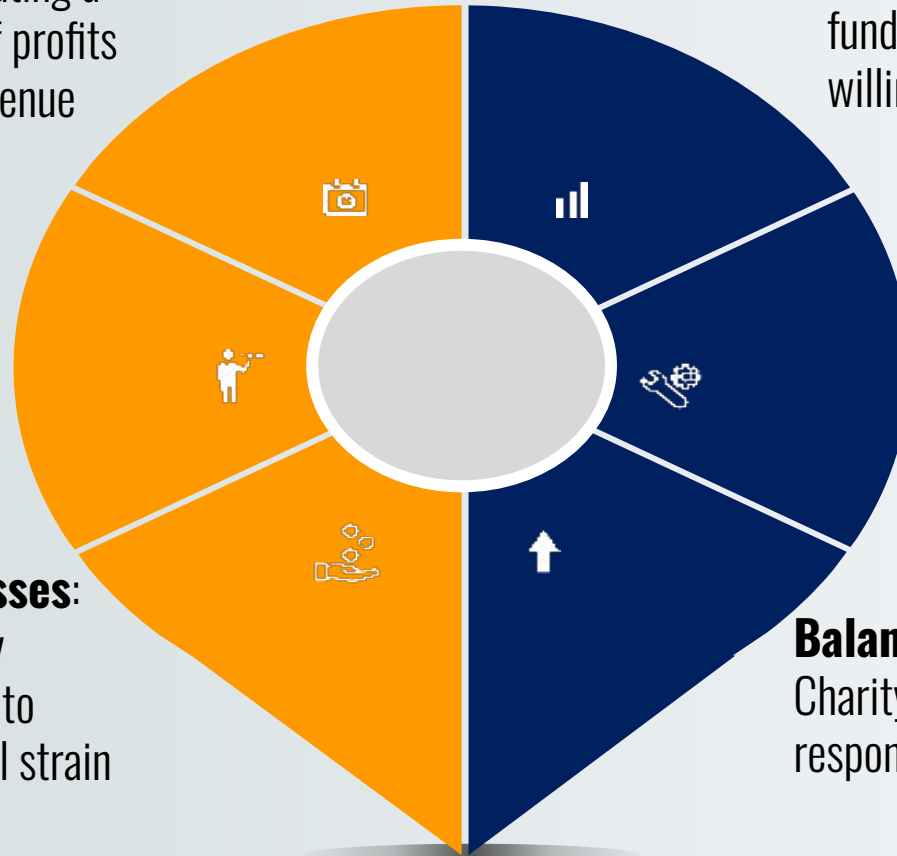
Increase Transparency: Provide clear information on how charity funds are used to boost customer willingness to pay.

Optimize Further: Conduct additional analyses to refine the strategy.

Balanced Approach: NYOP Charity balances profit and social responsibility effectively.

Prevent Losses:

Adjust charity contributions to avoid financial strain



A large Ferris wheel with red and white passenger cars is the central focus on the left. To its right is a colorful carousel with a striped tower and various animal-shaped seats. The scene is set in an amusement park with trees and other structures visible in the background under a cloudy sky.

**THANK
YOU**