

Problem Statement Worksheet (Hypothesis Formation)

How much should we charge our customers based on our market segment?

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1 Context

Currently Big Mountain Resort charges a premium above the average ski ticket price in the market segment. This may be a flawed approach. We need to come up with a pricing model to determine how much we should charge our customers. The resort just added a new chair lift, which will cost an additional \$1,540,000 in operational costs and we need to figure out how to cover that cost with a new ticket price.

2 Criteria for success

This project will be successful if the model can come up with a ticket price that will increase revenue and cover the chair lift costs.

3 Scope of solution space

The project will solely focus on finding a way to increase ticket prices by comparing the resort to the market segment.

4 Constraints within solution space

The success of covering the operational costs is dependent on the model predicting that we increase our ticket prices, as well as the number of guests that actually visit the resort (we expect about 350,000), and how many days we end up being open.

5 Stakeholders to provide key insight

Jimmy Blackburn-Director of Operations
Alesha Eisen-Database Manager

6 Key data sources

CSV file on U.S. ski resorts that I got from Alesha

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