

Pricing Strategy

AMUSEMENT PARK: SHARED SOCIAL RESPONSIBILITY

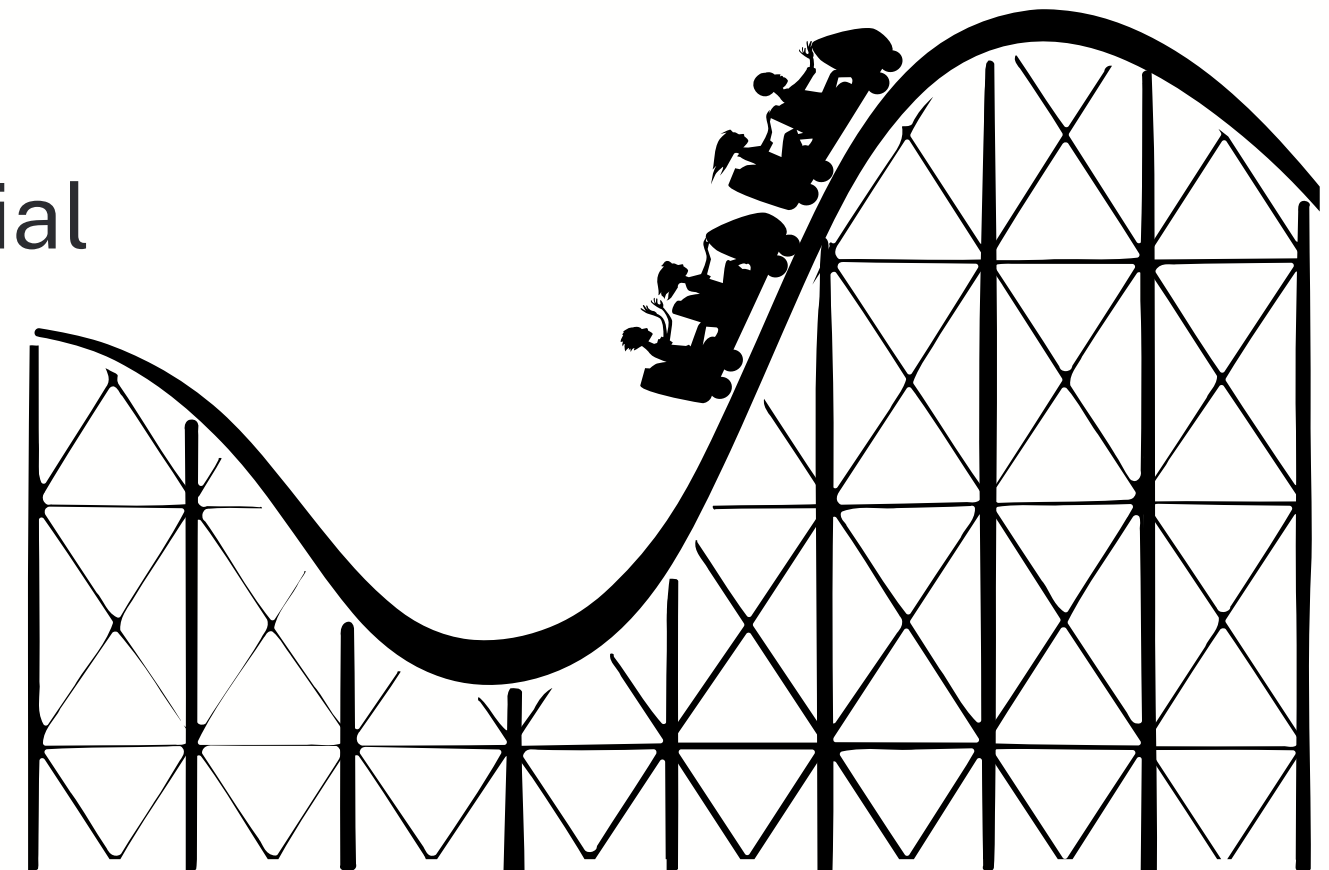
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OVERVIEW

Participants rode a roller coaster and were photographed during the ride. Afterward, each rider chose whether or not to purchase a print(s) of the photograph that was taken. The amusement park is looking to find the best pricing strategy to maximize profit and societal contribution.

Name Your Own Price with Charity is the best financial option based on the amusement parks field study.



PROBLEM

Which pricing strategy will maximize profit for the amusement park and societal contribution?

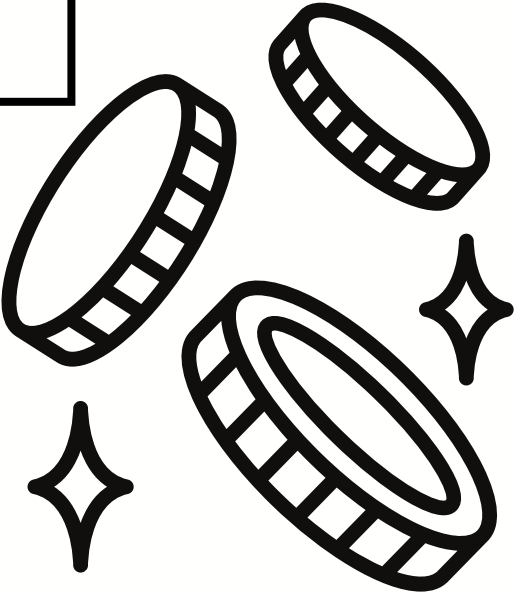
The four different pricing strategies:

- 1. Name Your Own Price*
- 2. Name Your Own Price with Contribution to Charity*
- 3. Flat Rate*
- 4. Flat Rate with Contribution to Charity*

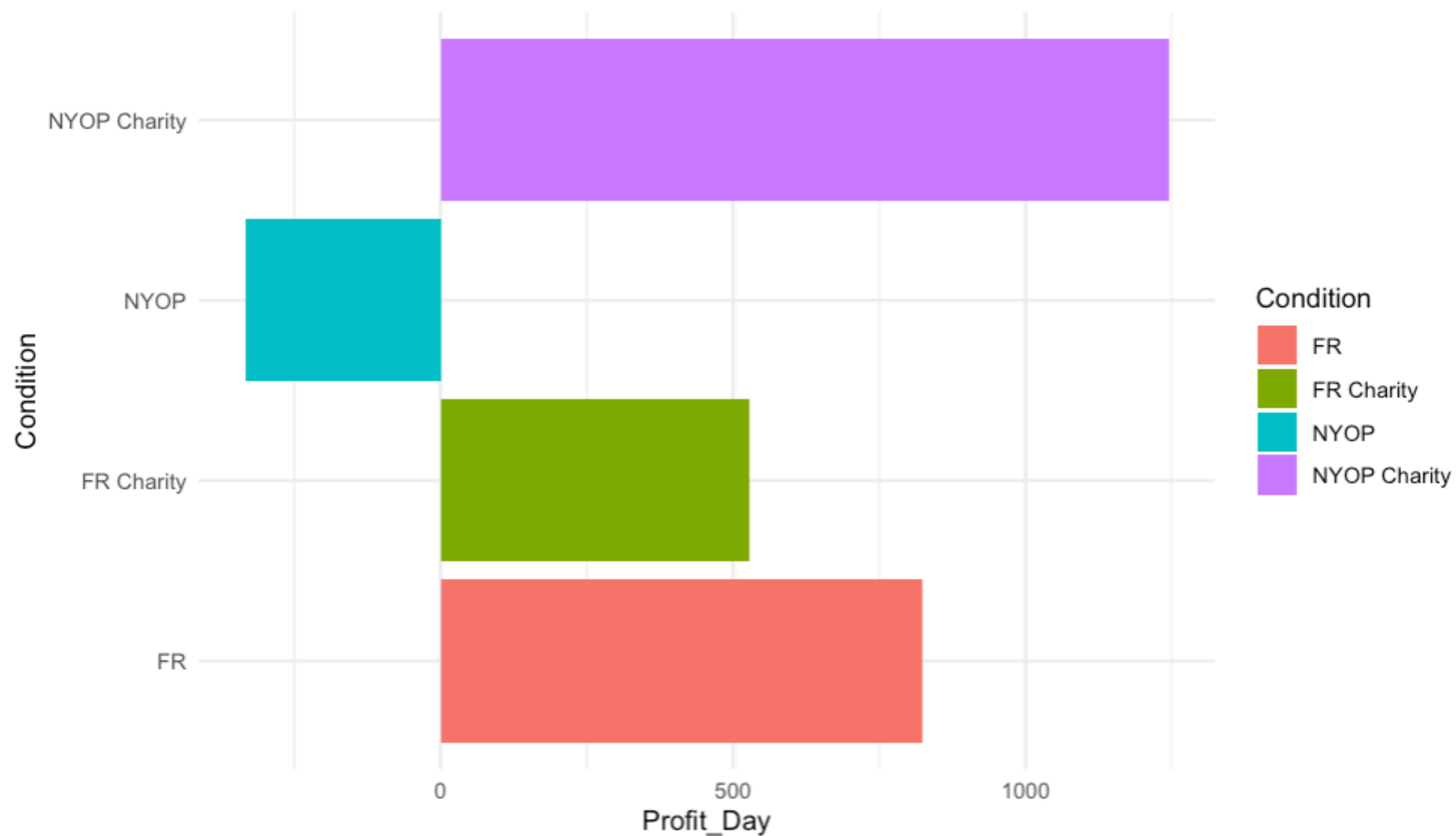


FINDINGS

Condition	Revenue	Total (Pictures sold)	Total Profit	Daily Profit	Donation (sample)	Daily Donation	Unit Price	Yearly Profit
FR	\$1,813.00	140	\$1,645.00	\$822.50	NA	NA	\$12.95	\$300,212.50
FR Charity	\$2,331.00	180	\$1,057.50	\$528.75	\$1,165.50	\$582.75	\$12.95	\$192,993.80
NYOP	\$2,175.80	2370	(\$668.20)	(\$334.10)	NA	NA	\$0.92	(\$121,946.50)
NYOP Charity	\$9,616.31	1793	\$7,464.71	\$1,244.12	\$4,808.16	\$1602.72	\$5.36	\$454,103.80

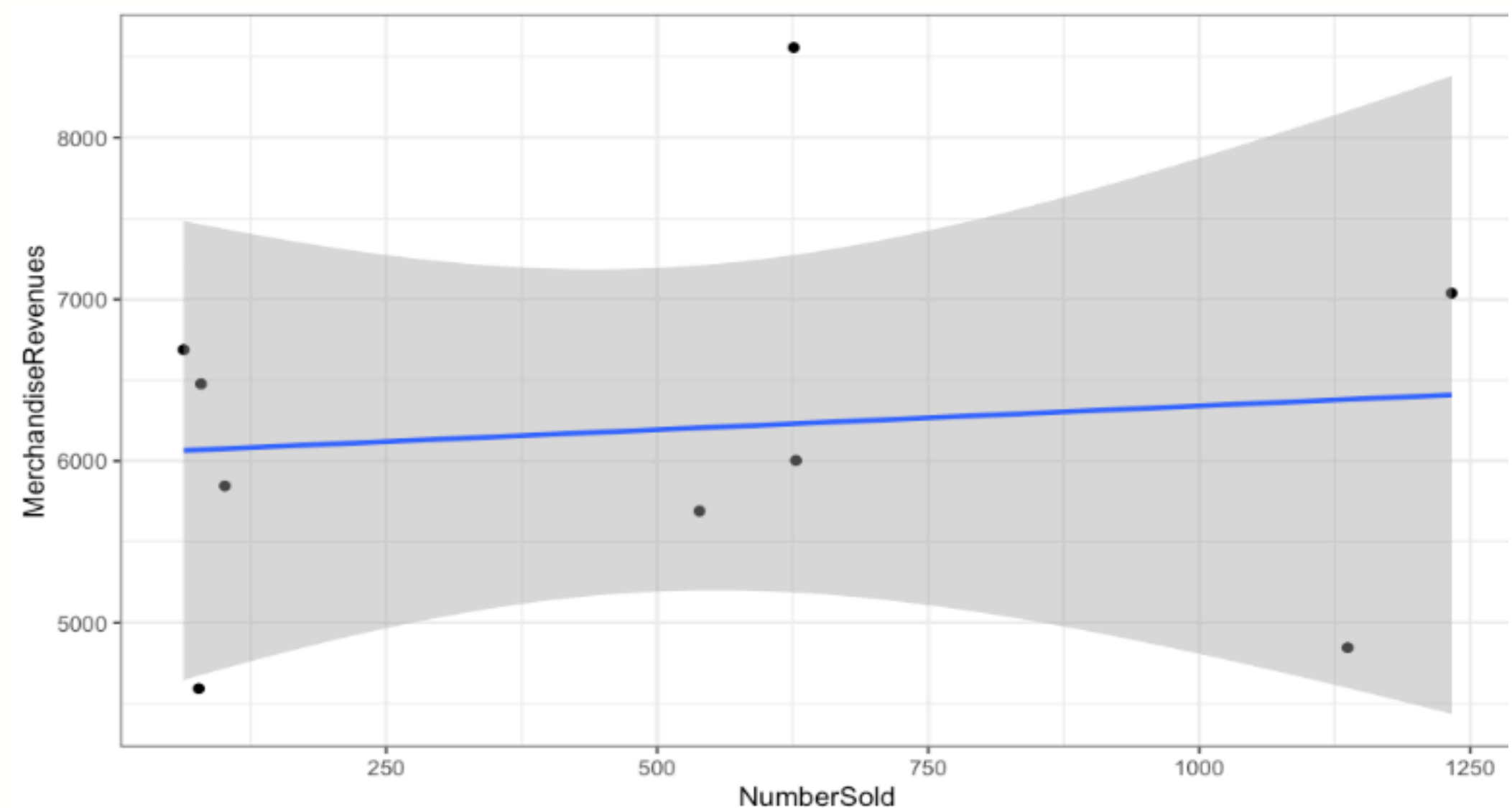


FINDINGS CONT.



Average profit per day based on pricing conditions.

FINDINGS CONT. MERCHANDISE



Residuals:				
Min	1Q	Median	3Q	Max
-1535.8	-514.7	-228.0	623.3	2326.6
Coefficients:				
	Estimate	Std. Error	t value	Pr(> t)
(Intercept)	6046.7715	645.2513	9.371	3.28e-05 ***
NumberSold	0.2940	0.9782	0.301	0.772

Signif. codes:				
0	'***'	0.001	'**'	0.01
	'*'	0.05	'.'	0.1
	' '		' '	1
Residual standard error: 1269 on 7 degrees of freedom				
Multiple R-squared: 0.01274, Adjusted R-squared: -0.1283				
F-statistic: 0.09036 on 1 and 7 DF, p-value: 0.7725				

Linear Model of Number of Pictures Sold & Merchandise Revenue

RECOMMENDATION

Our findings further reflect that **NYOP Charity** is the best pricing strategy to maximize profit and societal contributions for the amusement park.

However, our conclusion is based on data from **9** days total.

- It would be more accurate for the amusement park to conduct a longer field study to provide additional data.
- Furthermore, incorporating new parameters, such as weather conditions and the age of buyers, would enhance future analyses related to social benefits and profit calculations.