

Problem Statement Worksheet (Hypothesis Formation)

How does Big Mountain Resort increase its revenue by selecting better pricing strategy and which facilities are more important for their future investment plan?

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1 Context

Big Mountain Resort is a ski resort located in Montana with 105 trails, 11 lifts, 2T-bars and 1 magic carpet for skiers of all levels. An additional lift chair has been added with operating cost of 1.5M this season. The business wants to have a guidance to select a better pricing strategy to increase revenue and find out which facilities are more important to increase the revenue.

2 Criteria for success

- Find out which facilities are more attractive to visitors who would like to pay more and then increase the Resort's revenue.
- Build a model to predict weekends ticket prices for Big Mountain Resort, and make sure that the prices are not too high or too low to be able to maximize the profits.

3 Scope of solution space

- Increase the ticket prices of some more popular facilities won't risk alienating customers within Big Mountain Resort.
- After prices changes are made, the Resort is still profitable.

4 Constraints within solution space

It is assumed that all resorts accurately set their prices according to what the market (the ticket-buying public) supports. And no other factors/changes would be in to affect the pricing and facilities of the all resorts in the next following years.

5 Stakeholders to provide key insight

Director of Operations: Jimmy Blackburn
Database Manager: Allesha Eisen

6 Key data sources

A single csv file of 330 resorts in the US, including Big Mountain Resort.

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