Problem Statement Worksheet (Hypothesis Formation)

Big Mountain Resort needs to balance the $1.54 million in operating cost by increasing ticket prices for the additional chair lift they have provided. This will lead to an approach providing a better understanding of each facility's worth to the customer, thus implementing a better investment strategy.

1 Context

Big Mountain Resort has recently installed an additional chair lift to help increase the distribution of visitors across the mountain. This additional chair increases their operating costs by $1.54 million this season. Big Mountain Resort wants to restructure their pricing of their tickets based of the facilities they provide, which will provide a better understanding in what facilities to invest in. This will in result, allow the resort to increase prices for tickets.

2 Criteria for success

Develop a pricing model that will balance the $ 1.54 million operation costs. The pricing model must reflect which facilities the customer value and are willing to pay for. Also adjust the funding for facilities and adjust ticket price that the facility provides to the customers.. This will be done by performing an analysis between the facilities other resorts provide and their ticket prices.

3 Scope of solution space

Develop an model using the data provided by other ski resorts across the country which reflects the value of various facilities so that Big Mountain Resort can come up with an appropriate price model and accordingly invest in facilities.

4 Constraints within solution space

How much time we have to develop the model and we have to fix the budget to develop this model. Want some guidance on how to select a better value for their ticket price. We have to either cut costs without undermining the ticket price or will support an even higher ticket price.

5 Stakeholders to provide key insight

Director of Operations
Database manager
CEO

6 Key data sources

ski_resort_data.csv
state_summary.csv

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