Problem Statement Worksheet (Hypothesis Formation)

How can Big Mountain Resort use available data to determine in which facilities it should invest in order to increase the value to their customers, and in which facilities it could cut back without sacrificing value, resulting in an increase in profitability equivalent to $4.40 per ticket over the course of this season achieved either through reduction of expenses, a ticket price increase, or a combination of both?

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1 Context

Big Mountain Resort, a large and very popular ski resort in Montana serving 350,000 visitors annually, seeks to replace their current pricing strategy with one that is more data driven. Their current price is based solely on a percentage markup over the average price of resorts in its market segment. The resort would like to use available data to determine which facilities are more valuable than others so they can decide where to invest. The recent purchase of another chair is also increasing their operating costs by $1,540,000 this season. So, in order to maintain profitability, they would either need to reduce costs or increase ticket prices by approximately $4.40 per visitor.

2 Criteria for success

Increase profitability by $1.54M or approximately $4.40 per ticket over the course of this ski season.

3 Scope of solution space

Evaluate available data in the CSV file provided by Alesha Eisen to determine how the various facilities like lifts, runs, skiable Terrain, and Terrain parks contribute to the resort's value.

4 Constraints within solution space

Data is limited to one CSV file. No other data is available for use in making these determinations.

5 Stakeholders to provide key insight

Jimmy Blackburn - Director of Operations
Alesha Eisen - Database Manager

6 Key data sources

CSV file from Alesha Eisen - contains data from 330 resorts in the US considered to be part of the same market share.

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