

STUDENT ACTIVITY: Ticket Pricing

Assignment

1. Run the Ticket Pricing section of the Tutorial.
2. Open the Ticket Pricing lesson.
3. Using Ticket Prices under the Actions menu:
 - a. Set all ticket prices to \$35.00.
 - b. Run the simulation for one full game.
 - c. Click the Financials button and record your profit for the game on the worksheet below.
4. Reopen the lesson from the File menu. Repeat step 3, but set your Ticket Prices to \$10.00, and record your results on the worksheet.
5. Reopen the lesson from the File menu. Repeat step 3, but set your Ticket Prices to \$75.00, and record your results on the worksheet.
6. Reopen the lesson from the File menu. Repeat step 3. Try different pricing strategies that you think are better and record your results. You do not have to keep prices the same across different seating sections.
7. Complete the questions following the worksheet.

Worksheet

Seating	1st Try	2nd Try	3rd Try	4th Try	5th Try	6th Try
Level 1 Mid.	35	10	75			
Level 1 Side	35	10	75			
Level 2 Mid.	35	10	75			
Level 2 Side	35	10	75			
Level 3 Mid.	35	10	75			
Level 3 Side	35	10	75			
Profit						

Questions

1. When you lowered prices, what happened to attendance and profit?
2. Is pricing all tickets at the same level a good strategy for a football franchise. Yes or no? Why?



Where Is It?



Number To Beat!

Profit greater than \$350,000 for the first home game of the season.



Definitions

Price

Price is the amount of money you charge customers for one unit. Ticket prices should reflect what customers are willing and able to pay.

Revenue

Revenue is the money you collect for things you sell. Revenue is equal to Unit Sales x Price of each unit. A sports franchise has a number of revenue sources, including: ticket sales, concessions, licensing and sponsorships.

Demand

Demand is the amount of goods or services that customers want to buy. Ticket price for a sporting event should be determined by the amount of demand that exists for that event.

Yield Management Pricing

Yield management pricing involves setting different prices for goods or services in an effort to maximize revenue when limited capacity is a factor.