

REVENUE OPTIMISATION REPORT

BASIC FORMULA

PROFIT = (TICKET_PRICE + SPEND) x SIZE - (FIXED COST + COST PER PERSON x SIZE)

SPEND depends on crowd energy - which also depends upon crowd size

FIXED COST = \$5000

COST PER PERSON = \$8

If we charge too much , we make money on tickets, but the room is half-empty. An empty room decreases the energy and people don't buy drinks/merch.

If we lower the price, we fill the room. We make slightly less per ticket, but we make up for it with better energy and better sales. That's the Sweet Spot where total profit is highest.

SUGGESTIONS

- Weekends have high energy in comparison to other days . So scheduling concerts on weekends will increase revenue
- Concerts in V_Beta should be scheduled at nights resulting in high energy hence high revenue .
- At V_Gamma , At high price the energy is high , they view high ticket price as exclusive
- V_Gamma's energy is highly affected by openers .Therefore having openers with high rating increases energy. Meanwhile at Delta opening doesnt matter much , so wasting money on high rating openers wont mean much