This course will provide a background into the science of pricing with its goal being to provide an understanding of the approaches to market segmentation, price setting, and linkages to revenue management. The course provides a brief review of fundamental microeconomics, an introduction to the concepts of games theory, and an illustration of techniques for determining a customer’s willingness to pay. These concepts are then integrated into approaches for optimal price setting in a revenue-managed environment.*

Key Benefits:
Participants will develop an understanding for how to estimate your customer’s sensitivity to price and learn to use this sensitivity to determine the optimal pricing levels.

Topics Include:
- Price elasticity and demand response
- Estimating price elasticity
- Price experiments
- Market segmentation

- Bundling and packaging
- Setting prices and price optimization

Level B

* This course will involve quantitative analysis in Excel®; therefore, participants must have a basic understanding of the use of data and formulas in spreadsheets prior to taking this course. Although there is no pre-requisite for this course, it is recommended that participants have either 5 years’ experience in revenue management or have taken Hotel Revenue Management. Those who have completed “Hospitality Pricing in Action” in previous years should not enroll in this course due to significant overlap of course material.