
CASE STUDY: Adjusting Price Breaks to Increase Yield at the CBSO

When the CBSO moved into Birmingham Symphony Hall in 1991 they priced what is a very complex auditorium in an entirely rational way. However, over the years the regular audiences 'learned' the hall, its acoustics, sightlines and other seating 'quirks' and over time effectively re-defined the best seats in each price break – with the effect of gradually reducing yield. Over a series of projects since 1999 Baker Richards Consulting has worked with the CBSO, using the Price Demand Analysis methodology we have developed, to understand the customer perspective and re-price the auditorium accordingly.

Although sourcing, coding and analysing the data from the box office is anything but easy, Price Demand Analysis is essentially very simple: it aims to measure the relationship between the supply of seats in each area and at each price break and audiences' demand for those seats. The resulting analysis enables adjustments to be made to the relative pricing of different areas and the number of seats in each area and, in the case of the CBSO, the introduction of a new intermediate price between their old top and second prices, taking them up to a total of seven different prices.

Without changing the top price, changes to pricing structures improved their yield per ticket by over 7% - equivalent to more than £80,000 in the first year. What's more, the re-pricing has achieved a structural shift in patterns of price demand which means those improvements in yield continue to be seen year on year.

One of the most interesting findings of the CBSO projects was that price demand varied for the CBSO's different concert series. Patterns of demand for their Friday 'Pops' series and Christmas concerts were significantly different from the main season: audiences for those concerts are infrequent concert-goers attending for a special occasion and as such are less discriminating about the finer points of acoustics, being more likely to look simply for the best seats available.