

3 <sup>rd</sup> Semester	18MBA302D	Pricing and Revenue Management	L-T-P 3-0-0	3 Credits	35 hrs
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### COURSE OBJECTIVES

- To offer fundamental understandings of pricing and revenue management with respect to operations management
- To analyze the impact of different types of pricing and economy on revenue management
- To provide Network and Capacity Control ideas in Revenue Management
- To practice the students by apply pricing and revenue management in various fields

#### Module – I: Introduction to Revenue Management [RM] :

Prices & Revenue Management Concept, Application in Air Lines, Railways, Hospitality Industries, Steps Involved in setting the price, Types of Pricing, Dynamic Pricing – Introduction and overview, Single Product Dynamic Pricing with and without Replenishment, Multi Product and Multi Source Pricing, Finite Population Models and Price Skimming, Cost revenue trade off, Relationship to List Pricing

#### Module – II : Economy of Revenue Management :

Introduction, Perfect Competition, Perfectly Competitive Markets, Firm level decision under perfect competition, Pre-commitment and Demand Uncertainty, Peak-load pricing under perfect competition, Identifiable peak periods competition, Monopoly Pricing, Price and capacity competition in Oligopoly and monopolistic market.

#### Module – III : Network and Capacity Control in Revenue Management

Promise and Challenge of Network Control, Types of Controls, Theory of Optimal Network Control–Structure of Optimal Control, Bid Price Control, Non Optimality of Bid Price Control, Evidence in support of Bid Price, Bid Prices and Opportunity Cost, Approximations based on network models– Deterministic Linear Programming, Simulation method for price revenue trade off. Pricing and Revenue Management Practice applied to Airlines, Hotels and hospitals, Revenue Opportunity Assessment and Revenue Benefits Measurement

### BOOKS :

- Kalyan T Talluri, Garrent J. Van Ryzin, The Theory and Practice of Revenue Management, Springer Publications, New York, 2004
- Gabor Forgacs, —Revenue Management, Maximizing Revenue in Hospitality Operations, Amer Hotel and Motel Association, 2010