



## The Money Ticket: Carolina Hurricanes Uncover Secret to Optimal Ticket Sales with IDeaS Revenue Optimization

### Findings reveal optimized ticket pricing could lead to 4.5 percent overall revenue increase

The Carolina Hurricanes, North Carolina's champion professional hockey team, are members of the Southeast Division of the Eastern Conference of the National Hockey League (NHL) and play their home games at the 18,680-seat RBC Center. A team that boasts one Stanley Cup, two conference titles and three division titles, the Carolina Hurricanes strive for continued growth through optimal ticket sales revenue and determined that it needed a scientific solution to ensure its ticket prices best reflected local demand.

Challenged with balancing season ticket and ancillary revenue, the Hurricanes considered supporting existing market data with a proven revenue optimization science. With knowledge of IDeaS Revenue Optimization's pricing expertise in various industries, the Hurricanes approached IDeaS looking for ways to better understand the unique variables that affect ticket sales revenue.

"For an organization with such an abundance of market data, we lacked the means to utilize it to truly optimize our ticket sales revenue," said Bill Nowicki, director of ticket operations, Carolina Hurricanes. "IDeaS gave us a new way of looking at our data, educating us on how to understand our existing and prospective customers in a way that could lead us toward real financial growth."



Clarity.  
Confidence.  
Control.

### FAST FACTS

**Client** - Carolina Hurricanes

**Location** - Raleigh, North Carolina, USA

**Arena Size** - Up to 18,680 seats per game

**Service** - IDeaS Advantage Consulting

- Revenue Roadmap
- Performance Analysis
- Process Audit

**Challenges** -

- Lack of ability to understand existing and prospective customer buying patterns
- Pricing does not optimize ticket sales revenue

Following a 360-degree onsite review of the Carolina Hurricanes' current business practices, IDeaS provided a comprehensive revenue roadmap, a performance analysis and a process audit for the organization. Based on key findings, IDeaS developed a customized strategic plan in beta form, which is currently being reviewed and considered for future implementation.

"IDeaS filled in the blanks for us," Nowicki added. "Instead of intuitively populating market data fields with information we thought important for marketing to consumers, we now have an understanding of what attributes are essential to truly capture the buying patterns of our consumers."

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## Key Findings Suggest 4.5 Percent Revenue Increase

Among various observations about the 2007-08 hockey season, IDeaS ultimately found that Hurricanes tickets with optimized pricing could have resulted in a 4.5 percent revenue increase overall. After delving deeper into analysis of each consumer segment, including season ticket holders, promotional consumers and base price consumers, IDeaS found that pricing for the various consumer segments and relevant products was less than optimal. Additionally, there were numerous situations where the high number of promotional tickets sold, due to the deep discounts, actually resulted in revenue dilution and did not maximize revenue. IDeaS also found frequent occurrences where not enough discounts of promotional ticket prices led to lower ticket sales and missed revenue opportunity.

"There are innumerable factors to consider in our business," Nowicki said. "How much should we discount or change promotions? Can we cut back on promotions and still attract spectators? What are the key products that interest our consumers? We want to build a relationship with our consumers with a larger, more comprehensive set of products. Ultimately, our goal is to automate our campaign management in order to receive accurate, measurable results and understand what the campaign is worth."

"Some of what IDeaS presented to us, we already knew intuitively and some of it was completely new information," Nowicki added. "Whatever we think we know, we now have the science to prove it."

"The findings were incredibly enlightening to us in terms of how we price per market segment," said Nowicki.

"If we would have reduced full-season ticket prices by a small percentage, we could have enjoyed a modest increase in revenue. Beyond that, optimizing promotional and ancillary ticket pricing could have increased our revenue by another 5 percent."

Additionally, IDeaS found that optimally aligning the base price with variations in natural demand could have contributed to a 1.5 percent increase in revenue.

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