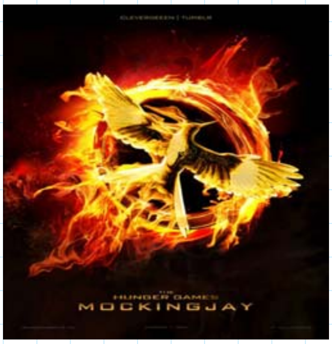
The Hunger Games & Life of Pi

Wednesday, November 01, 2017 3:51 PM



Bundling : Pratice of selling two or more products as a package.

objective : To obtain higher revenue or higher profit.

Question : Under which conditions that bundling is more profitable than selling the two products separately?

3 options

1. Selling the two products separately.
2. Use "Pure Bundling" : offers the two products as a package ONLY! (CANNOT BUY EACH SEPARATELY)
3. Use "Mixed Bundling" : selling the two or more products both as "a package" and "individually".

TABLE 1.

2 products : Hunger Games Vs Life of Pi

	Hunger Games	Life of Pi	
THEATER 1	12,000 €	3000 €	→ 15,000 €
	$\vee$	$\wedge$	
THEATER 2	10,000 €	4000 €	→ 14,000 €

NUMBERS IN THE CELLS REPORT WTP BY EACH THEATER FOR EACH MOVIE

OPTION 1 sell each movie separately.

$$P_H = 10{,}000\ €$$
$$P_P = 3000\ €$$
(to make both purchase each movie)

Total revenue $= 10{,}000 \cdot 2 + 3{,}000 \cdot 2 = 26{,}000\ €$

OPTION 2 Pure Bundling

P_B = Bundled price = 14,000 € (To make both buy the package)

Total revenue = $14{,}000 \cdot 2 = 28{,}000$ €

Conclusion: Bundling gives higher total revenue than selling separately.

Q: What factor drives the result above?

A: consider another case to compare w/ the case above.

	Hunger Games	Life of Pi	
T ①	12000 €	4000 €	→ 16,000 €
T ②	10,000 €	3000 €	→ 13,000

TABLE 2

→ OPTION 1 selling separately

$P_H = 10{,}000$

$P_p = 3000$

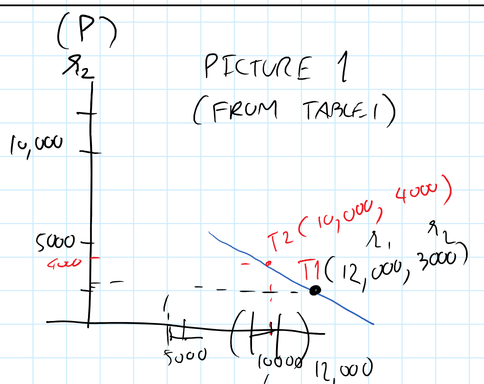
Total Revenue $= 10{,}000 \cdot 2 + 3000 \cdot 2 = 26{,}000$ €

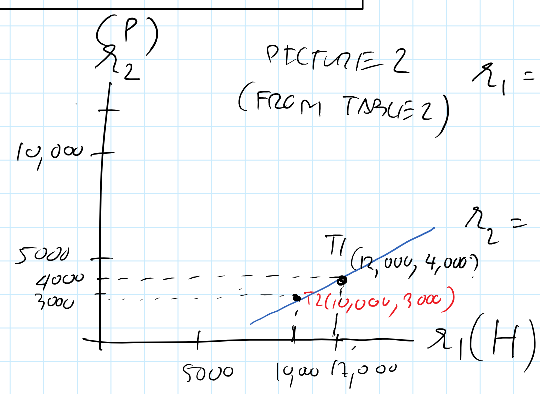
→ OPTION 2 Pure Bundling.

$P_B = 13{,}000$ €

total revenue: $13{,}000 \cdot 2 = 26{,}000$ €

Conclusion: Selling separately and Bundling give the same total revenue.





r_1 = reservation price for good 1 (HUNGER GAMES)

r_2 = reservation price for good 2

Demands are negatively correlated: The theatre willing to pay the most for HGs is willing to pay the least for Life of Pi, vice versa.

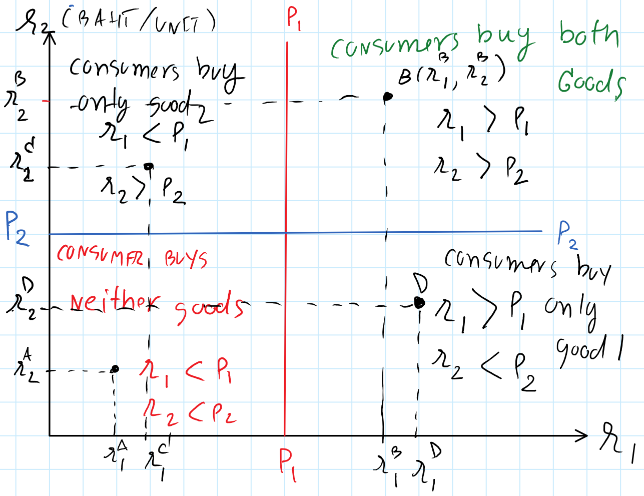
In other words, Relative valuations of the two films are REVERSED!

Demands are positively correlated: The theatre willing to pay the most for HGs is ALSO willing to pay the most for Life of Pi, vice versa.

SUMMARY

SUMMARY Bundling gives higher TR than Selling individually IF Demands are NEGATIVELY correlated.

LET'S EXPLORE MORE ON RESERVATION PRICE SPACE ...



consider 2 goods ; good 1 & good 2

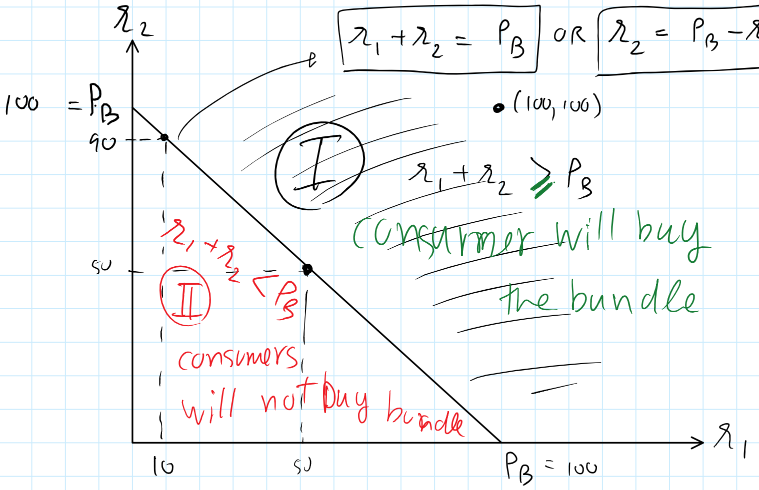
r_1 = reservation price for good 1

r_2 = " ——— " 2

P_1 = Price of good 1

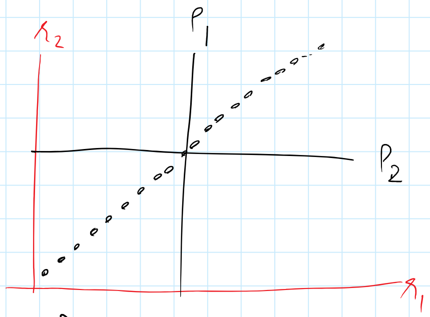
P_2 = " ——— " 2

$\boxed{r_1 + r_2 = P_B}$ OR $\boxed{r_2 = P_B - r_1}$ RULE FOR BUYING BUNDLE

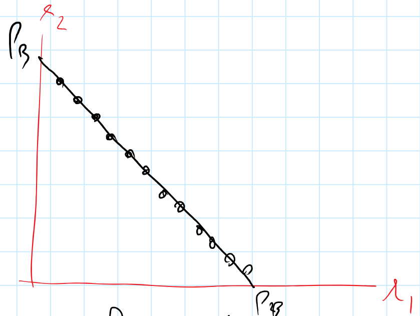


If $r_1 + r_2 \geq P_B$, consumers buy the bundle.

If $r_1 + r_2 < P_B$, consumers will not buy the bundle.



Demands are positively correlated, Bundling does not create any extra revenue



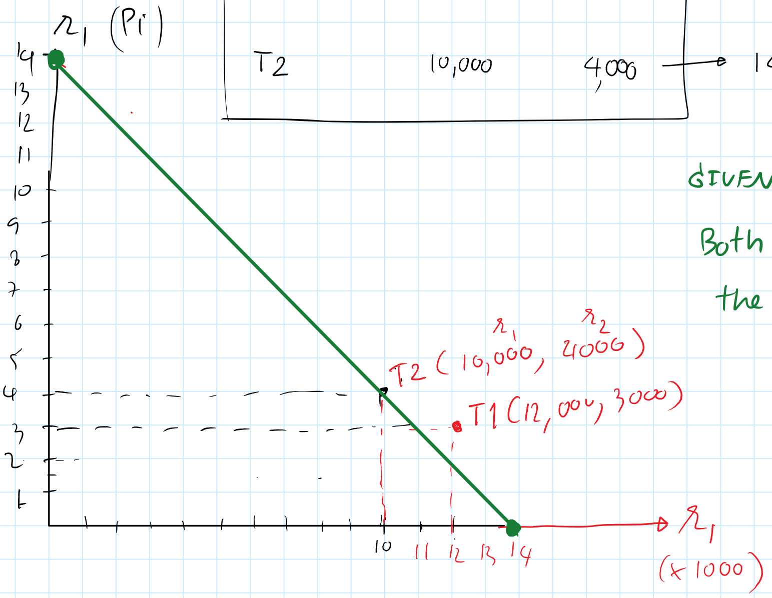
Demands are negatively correlated, $TR_{BUNDLING} > TR_{selling\ separately}$.

Table 1 again...

	HGs	Pi		$r_1 + r_2$
T1	12,000	3,000	→	15,000

Table 1 again...

	HGs	Pi	$r_1 + r_2$
T1	12,000	3,000	→ 15,000
T2	10,000	4,000	→ 14,000

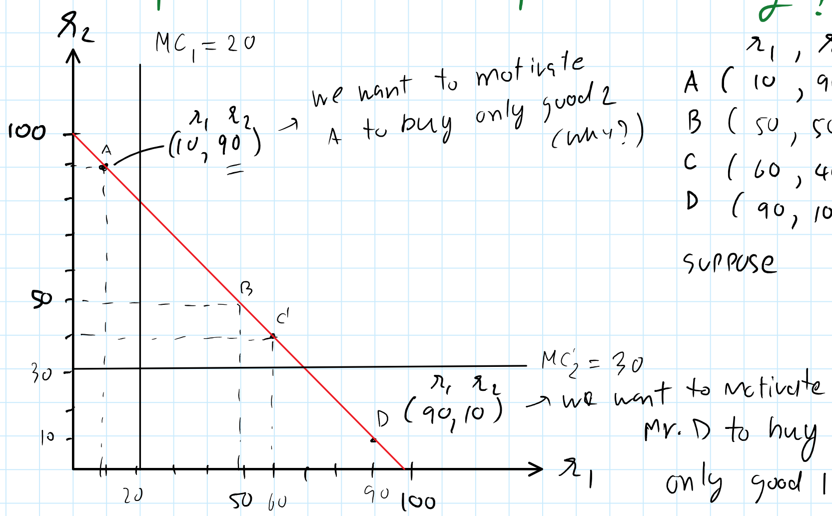


GIVEN $P_B = 14{,}000$,
Both T1 and T_2 will buy the package as $r_1 + r_2 \geq P_B$ for them!

HGs

Next, Let's consider Mixed Bundling Vs Pure Bundling...

Q: Under which conditions mixed bundling is more profitable than pure bundling?



	r_1	r_2
A	10	90
B	50	50
C	60	40
D	90	10

SUPPOSE MC_1 = marginal cost of producing good 1 = 20 Baht/unit

MC_2 = marginal cost of producing good 2 = 30 baht/unit

OPTION 1 selling separately ($P_1 = ?$, $P_2 = ?$)

condiser good 1:

If $P_1 = 40$, B, C, D will buy (Q = 3)

$\Pi_1 = (P_1 - MC_1) \cdot Q_1 = (40-20) \cdot 3 = 20 \cdot 3 = 60$,

If $P_1^* = 50$, B, C, D will buy (Q = 3)

$\Pi_1 = (P_1 - MC_1) \cdot Q_1 = (50-20) \cdot 3 = 30 \cdot 3 = 90$.

If $P_3 = 60$, C AND D will buy (Q = 2)

$\Pi_1 = (P_1 - MC_1) Q_1 = (60-20) \cdot 2 = 40 \cdot 2 = 80$

If $P_4 = 90$, only D will buy (Q = 1)

If $P_4 = 90$, only D will buy $(Q=1)$

$\pi_1 = (P_1 - MC_1) Q_1 = (90-20) \cdot 1 = 70.$

Consider good 2

$$\boxed{\begin{array}{l} \text{If } P_2^* = 90, \text{ only A will buy } (Q_2 = 1) \\ \pi_2 = (P_2 - MC_2) Q_2 = (90-30) \cdot 2 = 60 \end{array}}$$

verify at home for $P_2 = 40$, $P_2 = 50$

So, w/ $P_1^* = 60$, $P_2^* = 90$, $\pi = \pi_1 + \pi_2 = 90 + 60 = \underline{\underline{150}}$

OPTION 2 PURE BUNDLING

$P_B = 100$, A, B, C, D WILL BUY (AS $r_1 + r_2 = P_B$)

$Q_B = 4$

$\pi_B = [P_B - (MC_1 + MC_2)] \cdot Q_B = [100 - (20+30)] \cdot 4 = (100-50) \cdot 4$
$= 50 \cdot 4$
$= \underline{\underline{200}}.$

OPTION 3 MIXED BUNDLING

$P_B = ?$, $P_1 = ?$, $P_2 = ?$

	r_1, r_2	
	$A(10, 90)$	$MC_1 = 20$
	$D(90, 10)$	$MC_2 = 30$

$$\boxed{\begin{array}{l} P_1 = 89.95 \\ P_2 = 89.95 \\ P_B = 100 \end{array}}$$

$* \star \star$

A
- BUY BUNDLE: $r_1 + r_2 = 100 = P_B = 100$ $CS = 0$
- BUY g1: NO
- BUY g2: $r_2 = 90$ $P_2 = 89.95$ $CS = 0.05$

D
- BUY BUNDLE: $r_1 + r_2 = 100 = P_B = 100 \rightarrow CS = 0$
- BUY g2: NO
- BUY good1: $r_1 = 90 > P_1 = 89.95 \rightarrow CS = 0.05$

CHECK MR. B AND C : why do they buy bundle?

SUMMARY	P_1	P_2	P_B	π
selling separately	50	90	—	150
Pure Bundling	—	—	100	200
Mixed Bundling	89.95	89.95	100	229.90 *

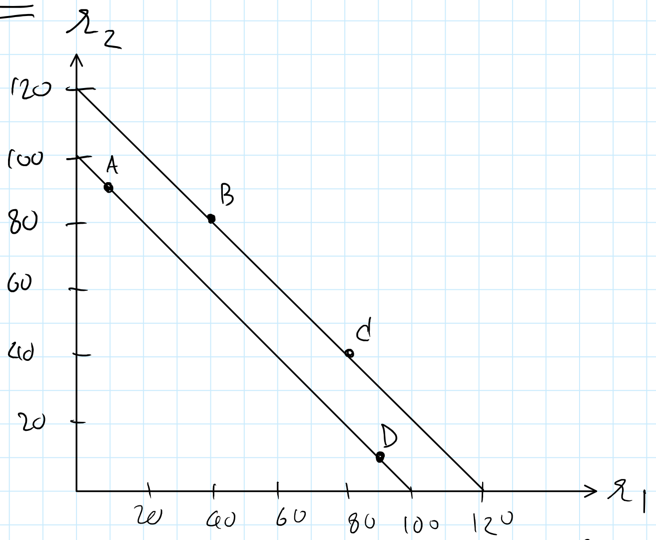
verify this

A BUYS good 2
D BUYS good 1
B, C BUY BUNDLE

Mixed bundling is more profitable than Pure bundling when marginal costs of producing the two goods are POSITIVE!

you can check that if $MC_1 = MC_2 = 0$, $\pi_{Mixed} = \pi_{Pure}$

CASE : Demand are NOT perfectly negatively correlated.



consider $r_1 - r_2$ space...,
suppose $MC_1 = MC_2 = 0$

A (10, 90)
B (40, 80)
C (80, 40)
D (90, 10)

	P_1	P_2	P_B	π
selling separately	80	80	—	160 + 160 = 320
pure bundling	—	—	100	400 (= 100·4)
mixed bundling	90 (D)	90 (A)	120 (B&C)	= 90 + 90 + 120·2 = 420 *

Mixed bundling is still more profitable WHEN
① Demands are NOT perfectly negatively correlated
AND
② $MC_1 = MC_2 = 0$.

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Friday, October 20, 2017 12:09 PM

PRICING W/ MARKET POWER

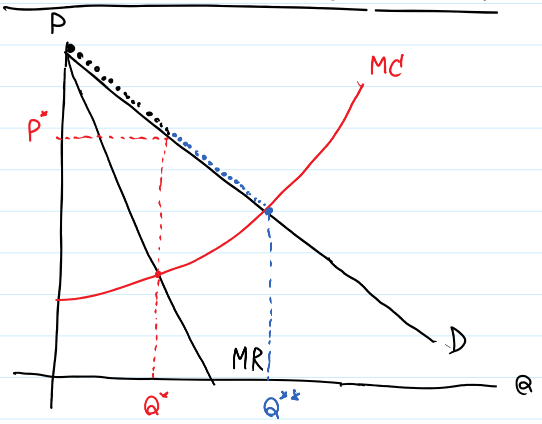
EE311 → EE 4X1

EE 411
421
431
441
451
461
471
481
491

* • CAPTURING CONSUMER SURPLUS *
- PRICE DISCRIMINATION
  - 1ST DEGREE PD
  - 2ND DEGREE PD
  - 3RD DEGREE PD
- INTERTEMPORAL PD
- PEAK-LOAD PRICING
- TWO-PART TARIFF
- BUNDLING
  - PURE BUNDLING
  - MIXED BUNDLING

  Vs. SELL THE TWO GOODS SEPARATELY
- TIE-IN-SALE

CAPTURING CONSUMER SURPLUS



ALL PRICING STRATEGIES SHARE THE SAME GOAL: TO "CAPTURE" CONSUMER SURPLUS AND TRANSFER IT TO THE PRODUCERS.

W/ UNIFORM PRICING, FIRM CHARGES P^* AND PRODUCES Q^*.

HOWEVER, IF THE FIRM WERE TO KNOW EACH CONSUMER'S WILLINGNESS TO PAY (WTP) OR RESERVATION PRICE, THE FIRM WILL CHARGE EACH BUYER ACCORDING TO HIS/HER WTP!

W/ THIS SCENARIO, THE FIRM CAN PRODUCE AND SELL $Q = Q^{**}$

THIS CASE IS ABOUT "1ST DEGREE PRICE DISCRIMINATION"

: CHARGE DIFFERENT PRICES TO DIFFERENT CONSUMERS (FOR THE SAME GOOD) ACCORDING TO EACH CONSUMER'S RESERVATION PRICE.

1ST DEGREE PD WORKS WELL ONLY IF

1. NO ARBITRAGE (= NO RESALE)
   SELLERS KNOW EVERY CONSUMER'S RESERVATION PRICE

SECOND DEGREE PRICE DISCRIMINATION

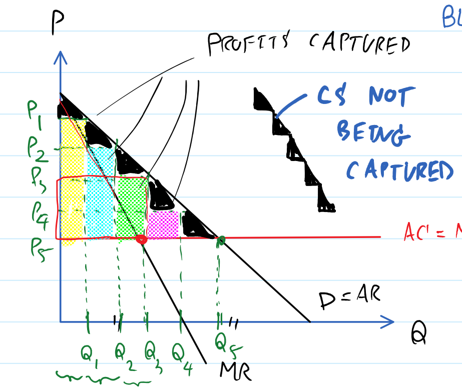
: CHARGE DIFFERENT PRICES PER UNIT FOR DIFFERENT AMOUNTS OF THE SAME GOOD OR SERVICE

SOMETIMES IT IS SO CALLED "BLOCK PRICING" OR BLOCK DISCOUNTS

P

PROFITS CAPTURED

OR BLOCK DISCOUNTS



FOR $Q \leq Q_1$, THE MONOPOLIST CHARGES P_1

FOR $Q_1 < Q \leq Q_2$, " ——— P_2

FOR $Q_2 < Q \leq Q_3$, " ——— P_3

FOR $Q_3 < Q \leq Q_4$, " ——— P_4

FOR $Q_4 < Q \leq Q_5$, " ——— $P_5 = MC = AC$

• $\pi_{2^{ND} \text{ DEGREE}} > \pi_{\text{UNIFORM PRICING}}$

"THE MORE YOU BUY, THE LESS YOU PAY"

MARKETING GIMMICK THAT REFLECTS 2^{ND} DEGREE PD.

THIRD DEGREE PRICE DISCRIMINATION : CHARGE "DIFFERENT PRICES" TO "DIFFERENT GROUPS OF CONSUMERS"

EXAMPLE

(1) MAGAZINE SUBSCRIPTION
- REGULAR
- STUDENT

(2) TRAIN TICKETS
- ADULT
- SENIOR CITIZEN & CHILDREN AGE ABOVE 10, FOR INSTANCE

(3) GRAND PALACE VISIT
- THAIS
- NON-THAIS

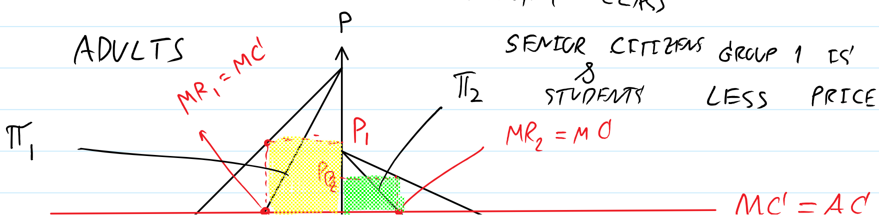
(4) UTILITIES (EX: ELECTRICITY)
- FOR HOUSEHOLDS
- FOR BUSINESS USE

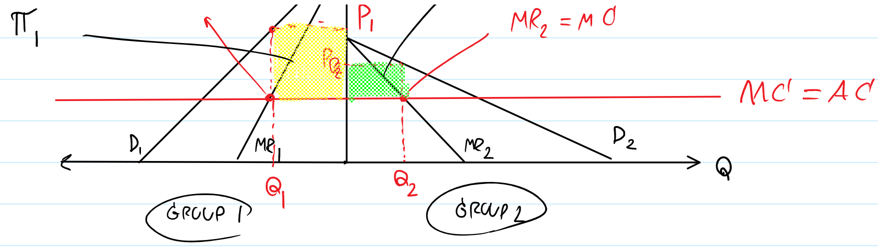
(5) DISCOUNT COUPONS AT SUPERMARKET

(6) AIRLINE
- ADVANCED BOOKING
- INSTANT BOOKING

(7) AIRLINE
- FIRST CLASS
- BUSINESS CLASS
- ECONOMY CLASS

SENIOR CITIZENS & STUDENTS GROUP 1 IS RELATIVELY LESS PRICE-SENSITIVE.





PROOF

$$E_1 < E_2 \qquad \text{(IGNORING THE SIGN)}$$

$$\frac{1}{E_1} > \frac{1}{E_2}$$

$$\frac{P_1 - MC_1}{P_1} > \frac{P_2 - MC'_2}{P_2} \qquad \text{(LERNER INDEX)}$$

$$P_2 (P_1 - MC'_1) > P_1 (P_2 - MC'_2)$$

$$P_2 P_1 - P_2 MC'_1 > P_1 P_2 - P_1 MC_2$$

$$P_2 MC'_1 < P_1 MC'_2$$

SINCE $MC'_1 = MC'_2$, THEN $P_1 > P_2$.

ADULT PRICE (P_1), STUDENT PRICE (P_2)

SUMMARY WHEN $E_1 < E_2$, $P_1 > P_2$

HOW ABOUT TOTAL PROFIT ?

$$\pi = P_1 Q_1 + P_2 Q_2 - C(Q_T) \qquad \text{WHERE } Q_T = Q_1 + Q_2 .$$

F.O.N.C

$$\frac{d\pi}{dQ_1} = 0 \rightarrow MR_1 = MC'$$

$$\frac{d\pi}{dQ_2} = 0 \rightarrow MR_2 = MC'$$

$$\boxed{MR_1 = MR_2 = MC'}$$

PROFIT MAXIMIZING CONDITION FOR 3RD DEGREE PD

Q: HOW TO SET THE PRICE CHARGED TO EACH GROUP ?

A: RECALL THAT $MR = P\left(1 + \frac{1}{E}\right)$

SO, TO MAX π, THE MONOPOLIST SETS:

$$MR_1 = P_1\left(1 + \frac{1}{E_1}\right) = MR_2 = P_2\left(1 + \frac{1}{E_2}\right)$$

$$\boxed{\frac{P_1}{P_2} = \frac{\left(1 + \frac{1}{E_2}\right)}{\left(1 + \frac{1}{E_1}\right)}} \quad ***$$

EX:

$E_1 = -2$ (ADULTS)

$E_2 = -4$ (STUDENTS)

$$\frac{P_1}{P_2} = \frac{\left(1 + \frac{1}{-4}\right)}{\left(1 + \frac{1}{-2}\right)} = \frac{\left(1 - \frac{1}{4}\right)}{\left(1 - \frac{1}{2}\right)} = \frac{\frac{3}{4}}{\frac{1}{2}} = \frac{3}{4} \cdot \frac{2}{1} = 1.5$$

THEREFORE ...

$\epsilon_2 = -4$ (STUDENTS)) $\quad (1 - \frac{1}{-2}) \quad (1-\frac{1}{2}) \quad \frac{1}{2}$

THEREFORE, $\frac{P_1}{P_2} = 1.5$ OR $\boxed{P_1 = 1.5 P_2}$

MONOPOLIST CHARGES GROUP 1 BY 1.5 TIMES OF THE STUDENT PRICE.

(OR 50% HIGHER)

ESTIMATED BY USING ECONOMETRIC MODEL

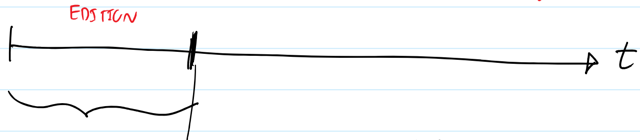
Ex: $\ln Q_1 = \beta_1 + \beta_2 \ln P_1$ — (1)

PRICE ELASTICITY OF GROUP 1

$\ln Q_2 = \beta_3 + \beta_4 \ln P_2$ — (2)

PRICE ELASTICITY OF GROUP 2

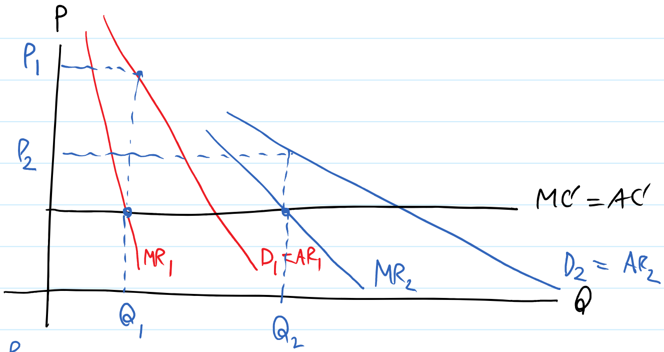
INTERTEMPORAL PRICE DISCRIMINATION : CHARGE DIFFERENT PRICES AT DIFFERENT POINTS IN TIME.



3 YEARS, FOR EXAMPLE

THOSE W/ LOW PRICE ELASTICITY WILL BUY

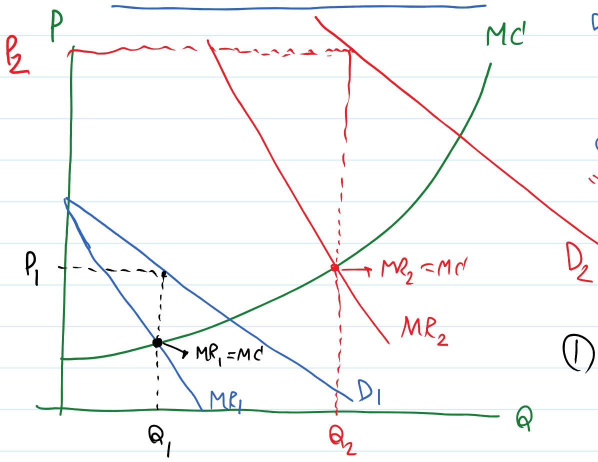
MORE-PRICE-SENSITIVE BUYERS WAIT AND BUY PAPERBACK



HARD CORE : SELLS Q_1, CHARGES P_1

MASS GROUP : SELL Q_2, CHARGES LOWER PRICE, P_2.

PEAK-LOAD PRICING : CHARGE DIFFERENT PRICES AT DIFFERENT POINTS IN TIME.



OBJECTIVE IS NOT FOR CAPTURING CONSUMER SURPLUS.

OBJECTIVE IS TO INCREASE "ECONOMIC EFFICIENCY" BY CHARGING BUYERS "PRICES" THAT ARE CLOSE TO "MARGINAL COST".

D_1 → DEMAND CURVE DURING NON PEAK PERIOD.

D_2 → DEMAND CURVE DURING PEAK PERIOD.

P_1 = PRICE AT NONPEAK PERIOD.

P_2 = " ——— " PEAK PERIOD.

(1) DEMANDS FOR SOME GOODS AND SERVICES INCREASE SHARPLY DURING PARTICULAR TIMES OF THE DAY OR YEAR.

(2) CHARGING HIGHER PRICE DURING PEAK PERIODS IS MORE PROFITABLE THAN CHARGING A SINGLE PRICE AT ALL TIME.

(3) IT IS MORE EFFICIENT B/C

P_1 = PRICE AT NONPEAK PERIOD.
P_2 = " ——— " PEAK PERIOD.

CHARGING A SINGLE PRICE AT ALL TIME.

(3) IT IS MORE EFFICIENT B/C MC IS HIGHER DURING PEAK PERIODS.

Wednesday, November 01, 2017 4:00 PM

THE TWO-PART TARIFF

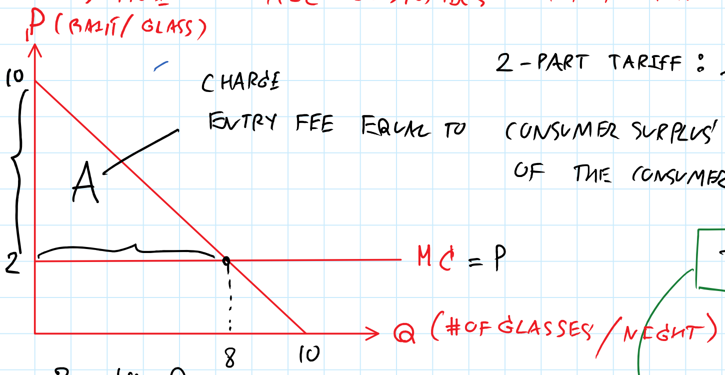
THE TWO-PART TARIFF: FORM OF PRICING SCHEME IN WHICH CONSUMERS ARE CHARGED BOTH "ENTRY FEE" AND "USAGE FEE".

2 CASES TO BE CONSIDERED:

1. TWO-PART TARIFF w/ A SINGLE KIND OF CONSUMER.
2. TWO-PART TARIFF w/ 2 KINDS OF CONSUMER — LOW TYPE / HIGH TYPE

CASE 1 — A SINGLE KIND OF CONSUMER

SUPPOSE ALL CUSTOMERS HAVE THE SAME DEMAND CURVE.



CHARGE ENTRY FEE EQUAL TO CONSUMER SURPLUS OF THE CONSUMER $= \frac{1}{2} \times 8 \times 8 = \frac{64}{2} = 32$ BAHT

2-PART TARIFF:
1. ENTRY FEE = AREA A
2. USAGE FEE: P = MC

$P = 10 - Q$

$MC = 2$ BAHT/UNIT

$\boxed{\text{TOTAL PROFIT} = \text{ENTRY FEE} \cdot N + \cancel{(P \cdot Q) \cdot N} - \cancel{(MC \cdot Q)} \cdot N}$

$= \text{ENTRY FEE} \cdot N$

WHERE N = # OF CUSTOMERS

$\pi = \text{ENTRY FEE} \cdot N + N(P - MC)Q$.

CASE 2 — 2 TYPES OF CONSUMERS

2 TYPES OF CONSUMERS: LOW-YIELD CUSTOMERS / HIGH-YIELD CUSTOMERS

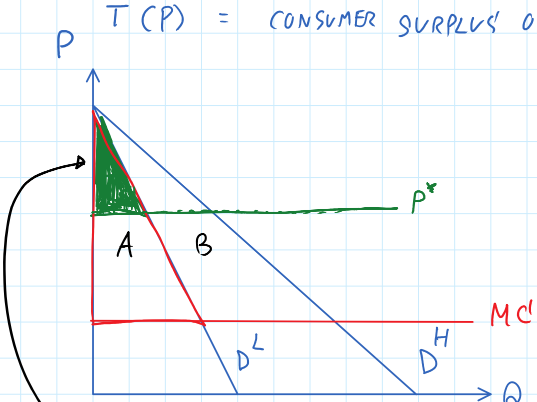
M = # LOW-YIELD CUSTOMERS (DANCERS)

N = # HIGH-YIELD CUSTOMERS (DRINKERS)

$Q_1(P)$ = DEMAND FUNCTION OF HIGH-YIELD CUSTOMERS

$Q_2(P)$ = " ——— " LOW-YIELD CUSTOMERS

$T(P)$ = CONSUMER SURPLUS OF LOW-YIELD CUSTOMERS.



1. SET ENTRY FEE = A + B & P = MC
   RESULT: ONLY DRINKERS WILL COME
2. SET ENTRY FEE = A & P = MC
   RESULT: BOTH TYPES WILL PARTICIPATE.
3. SET PRICE ABOVE MC...
   (HOW ABOUT THAT?)
   LET'S SAY SET $P = P^*$ AND SET THE ENTRY FEE EQUAL TO $T(P^*)$

QUESTION: 1 OR 2 OR 3 MAXIMIZES π?

QUESTION ① OR ② OR ③ MAXIMIZES π ?

ANSWER DEMAND CURVES MATTER !

EX

CONSIDER ① $TC = 1000 + 0.5Q$ (UNIT OF CURRENCY : €)

Q = QUANTITY OF DRINKS

② $Q_{DRINKER} = 10 - 2P$

③ $N = 500$

Q: WHICH PRICING TECHNIQUE MAXIMIZE PROFIT ?

W/O 2-PART TARIFF

$Q = 10 - 2P \rightarrow P = 5 - \frac{Q}{2}$

$TR = P(Q) \cdot Q = \left(5 - \frac{Q}{2}\right) Q = 5Q - \frac{1}{2} Q^2$

$MR = \frac{dTR}{dQ} = \frac{d\left[5Q - \frac{1}{2}Q^2\right]}{dQ} = 5 - Q$

SET $MR = MC$ TO FIND Q^*:

$5 - Q^* = 0.5$

$Q^* = 4.5$ UNIT / PERSON / NIGHT ,

$P^* = 5 - \frac{4.5}{2} = 2.75$ € / GLASS

$Q_{TOTAL} = Q^* \cdot N = 4.5 \cdot 500 = 2250$ GLASS / NIGHT.

$\pi_{TOTAL} = TR - TC$

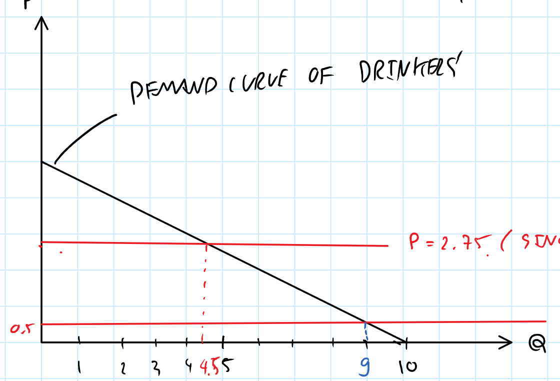
$= P \cdot Q_{TOTAL} - (1000 + 0.5 \cdot Q_{TOTAL})$

$= 2.75 \cdot 2250 - (1000 + 0.5 \cdot 2250)$

$\pi = 4{,}062.50$ € / NIGHT

W/ 2-PART TARIFF

$\boxed{Q = 10 - 2P}$



NOW, LET'S USE 2-PART TARIFF,

ENTRY FEE = CONSUMER SURPLUS
= AREA UNDER THE DEMAND CURVE AND ABOVE PRICE THAT MONOPOLIST WILL CHARGE, WHICH IS EQUAL TO MC, $P = MC = 0.5$.

$= \frac{1}{2} \times 9 \times (5 - 0.5)$

$= \frac{1}{2} \times 9 \times 4.5$

$= 4.5 \times 4.5 = \underline{\underline{20.25 €}}$

$P = 0.5 \ (= MC)$

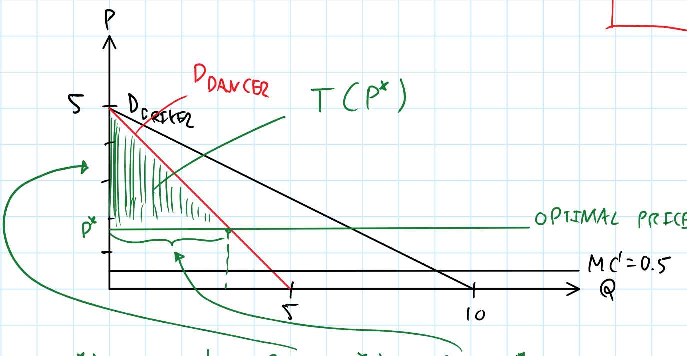
$Q_{TOTAL} = 9 \cdot 500 = 4{,}500$ GLASSES SOLD

$$\pi = TR - TC = N \cdot T + P \cdot Q_{TOTAL} - (1000 + 0.5 \cdot Q_{TOTAL})$$
$$= 500 \cdot 20.25 + Q_{TOTAL}(P - 0.5) - 1000$$
$$= 500 \cdot 20.25 + 4500\cancel{(0.5 - 0.5)} - 1000$$
$$= 9{,}125 \text{ €} / \text{NIGHT}$$

NOW, LET'S INTRODUCE DANCERS TO OUR STORY . . .

$$Q_{DRINKER} = 10 - 2P \rightarrow \boxed{P = 5 - \frac{Q_{DRINKER}}{2}} . \quad N = 500$$

$$Q_{DANCER} = 5 - P \rightarrow \boxed{P = 5 - Q_{DANCER}} . \quad N = 500$$



$$T(P^*) = \frac{1}{2} \cdot (5 - P^*) \cdot (5 - P^*)$$

NOW, LET US FIND PROFIT FUNCTION . . .

$$\pi = TR - TC = 1000 \cdot T(P) + 500 \cdot P \cdot (10 - 2P) + 500 \cdot P(5 - P)$$
$$- \Big\{ 1000 + 0.5 \big[\underbrace{500 \cdot \underbrace{(10 - 2P)}_{Q_{DRINKER}} + 500 \underbrace{(5 - P)}_{Q_{DANCER}}}_{\text{TOTAL SALES}} \big] \Big\}$$

TO MAX π, WE DO $\frac{d\pi(P)}{dP} = 0$!!!

$$\pi = -1000 \cdot P^2 + 3250P + 7750 .$$

$$\frac{d\pi}{dP} = 0 \rightarrow \boxed{P^* = 1.625 \text{ € PER DRINK}}$$

$$T(P^*) = \frac{1}{2} \cdot (5 - P^*)(5 - P^*) = 12.5 - 5P^* + \frac{P^{*2}}{2}$$
$$= 12.5 - 5(1.625) + \frac{(1.625)^2}{2}$$
$$\boxed{T(P^*) = 5.70 \text{ € PER PERSON}}$$

$$Q_{DRINKER} = 10 - 2P = 10 - 2(1.625) = 6.75 \text{ DRINKS / PERSON / NIGHT}$$

$$Q_{DANCER} = 5 - P = 5 - 1.625 = 3.375 \text{ DRINKS / PERSON / NIGHT.}$$

$$\pi^* = -1000 \times (1.625)^2 + 3250(1.625) + 7750$$
$$= 10{,}391 \text{ € PER NIGHT.}$$

SUMMARY

	ENTRY FEE	PRICE / DRINK	DRINK / PERSON	π
• SINGLE PRICE	0	2.75	4.5	4063 €
• TWO-PART TARIFF W/ ONE KIND OF CUSTOMERS	20.25	0.5 (P=MC)	9	9,125 €
• TWO-PART TARIFF W/ 2 KINDS OF CUSTOMERS	5.70	1.625	6.75 (DRINKERS) 3.375 (DANCERS)	10,391 €

REMARK. SOMETIMES, IT MIGHT BE BETTER TO CAPTURE ONLY HIGH-YIELD CUSTOMERS (YOU WILL SEE IN THE HOMEWORK)