

# The Newsletter of the INFORMS Revenue Management and Pricing Section

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## Message from the Section Chair

We wrapped up 2015 with the Section's business meeting held in November at the INFORMS Annual Conference in Philadelphia:

- Anton Kleywegt led the business meeting and provided an update on the main events and activities of the Section; this included a report on finances, member and conference statistics, and election results. Please find all the details in Anton's report in this newsletter.
- The new Board and Chair have been installed. In accordance with the staggered nature of the Board, every year we welcome new members. I am pleased to be working with Gustavo Vulcano (NYU), So Yeon Chun (Georgetown) and Dana Popescu (INSEAD) who joined the Board this year, and with Bora Keskin (Duke) and Anton Kleywegt (Georgia Tech) who are continuing for another year.
- The 2016 RMP Section Award Ceremony took place and commemorative plaques have been distributed---congratulations to the winners.
- The dates and venues for the RMP Conferences in 2016 and 2017 were announced.
- As usual, the meeting concluded with open discussion, after which members retired to a nearby (less formal) venue to carry on the conversation regarding important Section business, RM and pricing matters, and, finally, relevant world affairs.

I want to offer a really big thank-you to Anton Kleywegt, who chaired the Section from Nov. 2014 until now, and all the outgoing Board members (Yuri Levin, Mikhail Nediak); under their guidance we revisited and improved some of our policies and processes and codified these changes in the RMP Manual. Special thanks go to our newsletter editor, Anton Ovchinnikov, and our Website coordinator Sami Najafi for all their hard work. We are very fortunate to have them agree to serve another term.

We have two coordinator positions that are about to reopen: Corporate Sponsorship and Job Listings. I strongly encourage members to step forward and volunteer to fill the positions and help the Board out. Over the past several years we were fortunate to have Andy Boyd and Rob Shumsky handling sponsorships and job opportunities. These roles were of course in addition to their other fundamental contributions to the Section---we do appreciate their efforts and extend our gratitude.



As you will see from Anton's "State of the Section" address below, the RM and Pricing field as well as the Section itself continue to grow. We once again increased the number of sessions and talks held at INFORMS Annual and our membership remained stable in the 300+ range. Building on this very solid foundation, we turn our focus towards reaching the next level within the INFORMS organization, namely becoming an INFORMS Society. INFORMS Society status offers a number of advantages, including a dedicated journal. I think it is a goal well-worth striving for, and I encourage the Board to make the necessary efforts and reach out to members of the Section for whatever help should become required. We have started reviewing the requirements for Society status—an early observation is that growing our membership will definitely help with achieving this objective. In the meantime, there will be a number of "housekeeping" items to address along the way, such as better recordkeeping, improvements to the website/portal, and maintaining our library of RM and Pricing resources; these upgrades will all contribute to a better functioning Section.

Darius Walczak  
PROS Inc., Houston, TX

## **Annual State of the Section Address**

### **Was 2015 a Great Year for RMP or What?**

My biased opinion is yes, 2015 was a superb year for RMP. Here are some reasons why (feel free to add your own). Our annual RMP conference was a splendid success, in terms of attendance, quality, and finances. First, 155 people registered for our annual conference, a new record. The previous record was 142 registrations for the 2011 conference. Second, the talks were outstanding (I admit bias, but at least I am not the only one who was impressed with the quality of the talks). Third, and not the least, the conference was a tremendous financial success for RMP. The conference hosts graciously agreed to let RMP keep all the profit, which was around \$18000 according to the most recent set of accounts. Our sincere thanks to the conference organizers, especially Garrett van Ryzin, Guillermo Gallego, and Camille Korschun, for a magnificent conference.

As you can guess by now, 2015 was also a very successful year for RMP financially. Our reserves increased from \$34,858.28 on 30 September 2014 to \$56,294.86 on 30 September 2015, an increase of about \$21,000, or about 60%. Of course, this is largely due to the conference profit, so thanks again to everyone involved in the conference (including everyone who paid the conference registration!).

We had a very impressive cluster of talks at the 2015 INFORMS annual conference, with 48 sessions (increase from 44 in 2014) and 185 talks (increase from 170 in 2014). Our thanks to the 2015 RMP Cluster Chairs So Yeon Chun and Bora Keskin. And our thanks in advance to the 2016 RMP Cluster Chairs Pelin Pekgun and Necati Tereyagoglu. No doubt the 2015 record is not safe with them.

### **More Congratulations!**

Now, after all this group self-congratulation, it is time for more focused congratulations. First, congratulations to Gang Yu, Jun Li, Santiago Gallino, and Marshall Fisher, the winners of the 2015 RMP Practice Award, for "Competition-Based Dynamic Pricing in Online Retailing". Our thanks to the 2015 Practice Award Committee Ronald Menich, Jamison Graff, and Loren Williams. And our thanks in advance to the 2016 Practice Award Committee Robert Phillips, Sharon Hormby, and Pelin Pekgun.



Congratulations to Vivek Farias, Srikanth Jagabathula, and Devavrat Shah, the winners of the 2015 Section Award, for "A Nonparametric Approach to Modeling Choice with Limited Data", *Operations Research*, 2013, 61(4), 837-854. Our thanks to the 2015 Section Award Committee Bill Cooper, Omar Besbes, and Darius Walczak. And our thanks in advance to the 2016 Section Award Committee Bill Cooper, Vivek Farias, and Mark Ferguson.

Congratulations to the new RMP officers, elected by RMP members in 2015. Gustavo Vulcano was elected Vice Chair/Chair-Elect, So Yeon Chun was elected Secretary/Treasurer, and Dana Popescu was elected Board Member. Our thanks to the nominating committee for the 2015 election Huseyin Topaloglu and Anton Ovchinnikov. And our thanks to the outgoing officers Yuri Levin and Mikhail Nediak.

### **Other Accomplishments, Blunders, Etc.**

The RMP Board noted that the Historical Award had not been awarded since 2011. The Historical Award was originally created together with the Section Award to give some of the older revenue management and pricing papers, which would never qualify for the Section Award due to the Section Award's 5-year time window, an opportunity to win a prize. At the time of the creation of the awards it was anticipated that at some stage the Historical Award would not be awarded anymore, and that it would then be discontinued. The RMP Board therefore decided to discontinue the Historical Award and replace it with a Dissertation Award. Out with the old and in with the new. Our thanks in advance to the 2016 Dissertation Award Committee Mikhail Nediak, Omar Besbes, and Huseyin Topaloglu.

The RMP Board created a Policies and Procedures (P&P) Manual for RMP in 2015, the major purpose of which is to help people do the right things at the right times (and at the right price!) for the Section. For example, the guidelines for the new Dissertation Award is one of the Sections of the P&P Manual. Also, the Board included some guidelines for the organizers of the annual RMP conference in the P&P Manual.

Talking about the annual RMP conference, there was so much excitement about it that the Board scheduled the next 2 conferences during the year. The 2016 RMP conference will take place on June 16-17, 2016, at New York University in New York, and the 2017 RMP conference will take place on June 29-30, 2017, at the Centrum Wiskunde & Informatica (CWI) in Amsterdam. I already look forward to both.

### **Quo Vadis?**

Do we have big plans for RMP? You bet we do! Our Section Chair for 2016, Darius Walczak, has seen a vision of RMP becoming an INFORMS Society (as opposed to an INFORMS Section). For that we will need to increase our membership from about 350 to 500, so please sign up family and friends, grandparents and toddlers, all are welcome. Remember that our membership dues are only \$15 per year for regular members and \$5 per year for students, and one does **not** have to be an INFORMS member to become an RMP member. That is, for only \$5 per person you can give the gift of RMP membership to your students, children, nephews and nieces. My 4-year old son has been asking me for RMP membership for his next birthday. (OK, he has been asking for a kitten.)

Our Section Chair for 2017, Gustavo Vulcano, also has a great vision. He has seen a new INFORMS journal dedicated to revenue management and pricing. Let's help him make that vision become reality.

Anton Kleywegt, Georgia Tech



## Upcoming Conferences

Several upcoming conferences will feature RMP-related topics. Please contact the respective track chairs if you have questions.

- POMS meeting in Orlando, FL, May 6-9, 2016. Contact SoYeon Chun at [SoYeon.Chun@georgetown.edu](mailto:SoYeon.Chun@georgetown.edu) or Benny Mantin at [benny.mantin@uwaterloo.ca](mailto:benny.mantin@uwaterloo.ca)
- CORS meeting in Banff, AB, May 30-June 1, 2016. Contact Mikhail Nediak at [mnediak@business.queensu.ca](mailto:mnediak@business.queensu.ca)
- INFORMS International meeting in Hawaii, June 12-15, 2016. Contact Dan Zhang at [dan.zhang@colorado.edu](mailto:dan.zhang@colorado.edu)
- MSOM meeting in Auckland, New Zealand. Contact Velery Pavlov at [v.pavlov@auckland.ac.nz](mailto:v.pavlov@auckland.ac.nz)
- EURO meeting in Poznan, Poland, July 3-6, 2016. Contact Dolores Romero Morales at [drm.eco@cbs.dk](mailto:drm.eco@cbs.dk)
- RMP conference at NYU in New York, NY, June 16-17, 2016. Below is the short announcement:

The 2016 INFORMS Revenue Management and Pricing Section Conference will be held at New York University in New York. There will be two days of presentations on Thursday, June 16 and Friday, June 17.

The event is the premier forum for both academics and practitioners who are active in research in the fields of pricing analytics and revenue management. The conference includes the announcement and the award ceremony for the winner of the Revenue Management and Pricing Section Practice Award recognizing an outstanding application of revenue management and pricing.

Abstract submission due date: **March 18, 2016**. A special one-day Marketplace Innovation workshop will take place preceding the 2016 RM&P conference on Wednesday June 15. See conference [website](#).

## New Initiative: Scotiabank Customer Analytics Center at Smith School of Business, Queen's University

A new research centre that will harness the power of data analytics has been established at Smith School of Business, Queen's University with a generous support of \$2.2 million from Scotiabank. Slated to open in February 2016, the Scotiabank Centre for Customer Analytics will bring together professors and students to collaborate with Scotiabank teams on applied research in customer analytics. The Centre will be co-led by Professors Yuri Levin and Mikhail Nediak with participation from faculty in various academic disciplines. See the official announcement [here](#).

The "customer analytics" here is defined quite broadly and encompasses many topics that the RMP researchers have been working on and interested in, including models and empirical analyses of consumer behaviors, consumer segmentation, pricing, bundling, and life-time value. The Center will also provide a unique opportunity to experiment and test the suggested approaches in the lab and ultimately field environments within the Scotiabank. The Centre will have the ability to support researchers, PhD students and postdocs interested in data-intensive customer analytics applications in financial services.



The link to the two currently-open post-doc positions is [here](#). Please contact Prof. Mikhail Nediak at [mikhail.nediak@queensu.ca](mailto:mikhail.nediak@queensu.ca) if you require more information about the Centre.

## 2016 INFORMS Revenue Management and Pricing Section Practice Award

The Revenue Management and Pricing Section Practice Award recognizes outstanding applications of revenue management and pricing techniques. Initial submissions are due by April 10, 2016. The final competition for the award will take place live during a special session of the INFORMS Revenue Management and Pricing Conference to be held at the Leonard Stern School of Business of New York University, New York City, from June 16-17, 2016. The winner will be announced during a prize ceremony at the conference.

Initial submissions are due by e-mail to Robert Phillips at [robert.phillips@nomissolutions.com](mailto:robert.phillips@nomissolutions.com) by **April 10, 2016**. The initial submission should include a 3-6 page description that summarizes the problem, the solution approach, and the results and impact. The document should describe how the work is innovative, and should provide evidence of the work's impact. The submission may include other materials, such as papers and other publications, letters, press releases, etc.

The first-prize winner and finalists will be selected based on impact, originality and innovation, and technical merit. This year's prize selection committee includes Robert Phillips of Columbia University (chair), Sharon Hornby of Marriott International and Pelin Pekgun of the University of South Carolina. The winning team will receive \$1,000 cash prize.

More information on the prize, including presentations by past prize winners can be found at <https://www.informs.org/Community/revenue-mgt/Awards/Practice-Award>

## 2016 INFORMS Revenue Management and Pricing Section Award

The INFORMS Revenue Management and Pricing Section Award is awarded for the best contribution to the science of pricing and revenue management published in English. The prize is awarded each year at the INFORMS National Meeting if there is a suitable recipient and has \$1,000 cash component.

The 2016 prize committee consists of Vivek Farias (MIT), Mark Ferguson (University of South Carolina), and committee chair William Cooper (University of Minnesota).

Nominations for the 2016 prize should be submitted to the committee chair by August 1, 2016. More information about the prize, including eligibility rules, nomination instructions, and past winners can be found on the Revenue Management and Pricing Section website at:

<https://www.informs.org/Community/revenue-mgt/Awards/Section-Award>

William L. Cooper  
Professor, University of Minnesota



## Inaugural INFORMS Revenue Management and Pricing Section Dissertation Award

The INFORMS Revenue Management and Pricing Section Dissertation Award is awarded for the best doctoral dissertation in the field of pricing and revenue management written in English. The following criteria will be used in judging candidate dissertations:

- Fundamental contribution and originality of the ideas or methods.
- Practical importance or applicability in solving important real problems.
- Clarity and excellence of the exposition.

Eligible doctoral dissertations are those of which the dissertation defense took place between June 1, 2014 and May 31, 2016, inclusive. The dissertation should contain the date of the defense or a letter of nomination from a dissertation supervisor should state the date of the defense. To be considered, a dissertation must be nominated by the dissertation supervisor(s) by September 10, 2016, who must submit the following items by email to [mikhail.nediak@queensu.ca](mailto:mikhail.nediak@queensu.ca):

- an electronic copy of the dissertation (in PDF format),
- an electronic copy of the extended abstract (3-5 pages) separate from the thesis (in PDF),
- an electronic copy of the letter(s) of nomination from the dissertation supervisor(s) supporting the submission and stating his/her assessment of why the dissertation is worthy of the award (in PDF), and
- an electronic abstract of 300 words without formula or mathematical notation (in PDF format).

The Prize committee consists of 3 members, including a chair:

- Omar Besbes, Graduate School of Business, Columbia University, USA
- Huseyin Topaloglu, School of Operations Research and Information Engineering, Cornell University, USA
- Mikhail Nediak (chair), Smith School of Business, Queen's University, Canada

The prize includes a plaque and a cash award. RMP pays for one plaque for the winning doctoral student. The cash award is \$1000 for the winning doctoral student. The prize will be awarded at the INFORMS Annual Meeting if there is a suitable recipient.