



Fall 2016

# The Newsletter of the INFORMS Revenue Management and Pricing Section

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## Message from the Section Chair

In this issue of the newsletter first and foremost I would like to remind Section members of the upcoming INFORMS Annual Conference in Nashville, Tennessee. I especially want to draw your attention to the Section's annual business meeting, to be held Monday, November 14 at 6:15 pm in Room 207D in the Center. See for yourself how the Section is doing, where you can help and get involved. (Please scroll down for meeting details.)

Our annual elections have wrapped up and big thanks go to Emmanuel Carrier (Delta) and Arne Strauss (Warwick Business School) for chairing the Nominating Committee, finding the candidates and organizing the election. We had a full slate of candidates and a clear winner emerged for each position. The new Section officers will be officially introduced at our business meeting. This is also where my term as the Chair will end and Gustavo will take over the duties of leading the Section.

We have had a very good year as far as finances and membership count, as both numbers have increased. This should make it easier to provide for the cash prizes that come with this year's awards: the Section Award, and the (inaugural) Dissertation Award. We will announce the winners and provide more detailed updates at the meeting.

We are planning to have some time set aside for an update from the Board as well as an open discussion regarding Section's quest for an RM-focused journal. In that respect, we will report on our discussions with the affiliated Journal of Revenue and Pricing Management (JRPM) and also about other avenues that can be pursued.

Another topic of discussion will be proposed changes to the RMP Policies and Procedures Manual, mostly dealing with the division of duties between Board members and formalizing a schedule of deadlines and events that happen within an annual board tenure cycle. I have uploaded the current manual to the library in our part of the INFORMS Connect website (<http://connect.informs.org/communities>, then find the RMP and the library), and plan to have the proposed version uploaded there ahead of the conference as well.



I encourage you to visit INFORMS Connect and check out the latest news, job offers, and conferences announcements such as the most recent call for RM talks at the POMS 2017 in Seattle. And if you were wondering as to what OR folks are up to in the airline industry have a look at the brief report (courtesy Tom Gorin) from last month's AGIFORS Symposium that took place in Santiago, Chile.

The business meeting and the social to follow (off-site) should provide enough of a break from the over the one hundred and fifty RM & Pricing talks to choose from and the usual OR-related hustle and bustle of the annual conference. This year's cluster chairs: Necati Tereyagoglu and Pelin Pekgun have done an excellent work organizing it. The cluster is sponsored every year by our Section and organizing it is one of its most important functions. We are looking for volunteers to take care of this task for the INFORMS 2017 Annual conference and I am sure that Necati and Pelin will make it much less of a burden by sharing their experience with those who come forward.

So pick your talks to attend, don't forget about the business meeting and see you in Nashville!

Darius Walczak  
PROS Inc., Houston, TX

## **Annual INFORMS RM & Pricing Section Business Meeting**

The time of the INFORMS Annual Conference is also the time for the Section's main annual business meeting. There will be some formal procedures to cover and follow-up reports on the topics from the half-time update (provided at the open Board meeting during the June RMP conference at NYU). This year the business meeting will take place on Monday, November 14, 2016, at 6:15 pm in Room 207D in the Center. Here are the main agenda points:

- State of the Section report
  - General
  - Finances
  - Membership
- Award presentations
- Introduction of the new officers of the Board
- Other Business:
  - Changes to the RMP Policies and Procedures Manual
  - RMP 2017 conference presentation
  - Report on journal matters
- Discussion

Members attending the business meeting are welcome to the social that will take place (off-site) at BB Kings Blues Club Nashville which is within walking distance from the conference venue and is currently scheduled to start at 8 pm.

## **AGIFORS Symposium Overview**



The 56th annual symposium of the Airline Group of the International Federation of Operational Research Societies (AGIFORS) was hosted by LATAM between October 10th and 14th, 2016 in Santiago Chile.

The annual symposium is a great opportunity for practitioners of airline operations research to gather and exchange ideas on a very large range of topics, from airline operations, airline strategy or information technology, to crew scheduling, revenue management, schedule planning, e-commerce and other airline operations research related fields.

Numerous representatives from airlines, air transport associations, universities, consultancies and vendors attended the symposium and shared their views on ongoing and future innovations in the airline industry. In addition, best presentations from the individual study groups were invited to present at the symposium, as well as the two finalists of the Anna Valicek Award, Marcella Sama from Roma Tre University and Michael Wittman from MIT.

Marcella Sama's work centers on the optimization of aircraft sequencing for take-off and landing at congested airports. Because the optimization problem is a mixed integer linear program, heuristic solutions are often implemented to achieve small computational times. In her research, Marcella discusses new metaheuristic approaches to adjust an initial solution to the full scheduling problem at the terminal control areas. Her findings show that the solutions achieved are of excellent quality and small computational times. You can find more details about Marcella's work [here](#). Marcella is this year's winner of the Anna Valicek Award.

Michael Wittman's work focuses on offering customized fares for airline passengers, in the context of the upcoming New Distribution Capability (NDC) standards developed by the International Air Transport Association (IATA). Michael's research describes a heuristic methodology to adjust the price offered to individual passengers after the revenue management process and before the booking step. The adjustments to the fare products are a function of the characteristics of the passenger and his/her willingness to pay estimate. Preliminary results show revenue improvements with some of the more advanced methodologies tested. More details about Michael's work can be found [here](#).

While it is not possible to list all the excellent symposium presentations here, it is worth mentioning the recipients of the best innovation, best technical and best presentation awards, namely, and in that order, "Some Recent Improvements in Operations Recovery Management" by Xiaodong Luo (Sabre), "LARCH: A package for estimating multinomial, nested, and cross-nested logit models that account for semi-aggregate data" by Jeffery Newman (Georgia Tech) and "Aircraft boarding strategies" by Massoud Bazargan (Embry-Riddle Aeronautical University)

For more information, please visit <http://www.agifors.org/Symposium> or contact Goran Stojkovic ([Goran.Stojkovic@jeppesen.com](mailto:Goran.Stojkovic@jeppesen.com)). You can download all the presentations from the member section of the AGIFORS [website](#) (membership is free).

Consider joining us next year for the study groups and/or the annual symposium.

## RMP section – How to Join

To become a member of the Revenue Management and Pricing Section, it is the easiest (but not necessary) just to add it to the regular INFORMS membership. Those who'd rather focus exclusively on the Section's



activities can become members only of the Section by calling 1-800-446-3676; the membership comes with a number of benefits.

## Benefits of Membership

As a member of the Section, you will receive our [newsletter](#) with the latest information about section conferences, prizes, and other activities. You will also be eligible for a [50% reduction](#) in the subscription rate for the [Journal of Revenue and Pricing Management](#) – a savings of \$117 – while joining the Section costs \$15 only (with or without the regular INFORMS membership). Section members now receive a discount off the registration fees for the [annual Section conference](#). Only Section members can receive announcements via the Section's List Server. In the future, only the Section members will be able to access portions of the Website by logging in with their INFORMS username and password; one such portion of the website is [Job postings](#) page.