



Spring 2016

The Newsletter of the INFORMS Revenue Management and Pricing Section

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Message from the Section Chair

The spring is upon us and right before summer starts the Stern School at NYU will be hosting one of the Section's two main events: the INFORMS RM & Pricing Annual Conference. What can beat summer solstice in New York City, when the brain is still spinning with all the intriguing ideas heard at the conference? Its program is really one of a kind and fits well with the level of attractiveness and excitement of the city (which as we all know, never sleeps). Read all about it in the update below from the organizers.

The other big event for the Section, the INFORMS Annual conference held this year in Nashville, TN, is still about half a year away, and looks at least as big as the Philadelphia meeting. You may be able to submit an abstract for a talk if you have not done so yet; check the brief update that the organizers provide in the newsletter. That's not all, of course, the conference season will soon be in full swing with many of the events including RM and Pricing clusters/tracks/streams; I list some of them for your convenience (and more on that below):

- AGIFORS Revenue Management 2016, May 18—20. Hosted by Lufthansa in the cosmopolitan city of Frankfurt, Germany: <https://aqifors.wildapricot.org/resources/Documents/RM/2016/social.html>
- INFORMS International, June 12—15, Waikoloa, Hawaii, USA: <http://meetings2.informs.org/wordpress/2016international/>
- EURO 2016, July 3—5, Poznan, Poland: <http://www.euro2016.poznan.pl/>
As attractive but not to be confused with EURO 2016, the European Football Championship that takes place in Southern France this year. Football is the sport also known as soccer (US), or Fussball (Germany).

The Section's Board ('The Board') is often asked by various conference organizers to help find appropriate people to organize RM and Pricing streams/tracks/clusters. If you are interested in volunteering in that area let the Board know and we will keep your name handy in case we are asked for help.



With regard to the more formal part of the Section's business, the Board is pleased to announce that John Quillinan (former Section Chair) graciously volunteered to take over the position of the Corporate Sponsorship Coordinator. We are still looking for volunteers to take over the position of Job Listings coordinator from Rob Shumsky. And we will need at least three brave souls to form the Nominating Committee that will carry out Section's elections that have to be held at least two months before the INFORMS Annual, so relatively soon. As per our Policy Manual I will nominate the chair by the due date of May 13, let me know if you are interested and I will seriously consider you as a candidate.

Over the years the Section has been blessed with never having to look far for attractive locations and venues for its annual conferences. This does not mean that we try to keep the conference in North America: we had conferences hosted by universities in Spain, Turkey, and next year's conference will be in Amsterdam. We try to solicit proposals from potential hosts early on so the call for proposals to host the 2018 conference is going out now (yes, as per the Manual, including an announcement in this newsletter). We will be glad to entertain proposals for 2019 as well.

We are continuing with preparation of the application for the Society status—the membership numbers fluctuate and we urge every member to seek and encourage people with interest in revenue management and pricing to apply for membership. If each of the 300+ current members found at least one new member we would be well over the threshold required by INFORMS' regulations. We provide short instructions on how to join in this newsletter.

Darius Walczak
PROS Inc., Houston, TX

Upcoming Conferences

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

- POM Society just hosted its annual meeting in Orlando, FL, May 6-9, 2016. The Revenue Management and Pricing (RMP) track was co-chaired by So Yeon Chun and Benny Mantin. As we thank them for their work, below is a quick summary of the event.

The RMP track was a major success. The wide participation in the track strongly demonstrated the increasing popularity and importance of the RMP area. Continuing the steady growth in the number of sessions from previous years, this year we have been delighted to host 54 presentations in 13 sessions, all of which were invited. This record breaking number of sessions implied we had a session on each day of the conference. The diversity of topics indicates the maturity of RMP ranging from consumer choice modelling, through dynamic pricing, empirical research, incorporation of financial considerations, and wealth of applications and collaborations between academia and industry. In addition, topics related to revenue management and pricing were featured in several other clusters (most notably, behavioral operations and supply chain management), as well as were a subject of the plenary talk by MIT's David Simchi-Levi. Also, an RMP section member, Ming Hu, of the University of Toronto, received the Early-Career Research Accomplishments Award – congratulations!

- CORS meeting in Banff, AB, May 30-June 1, 2016. Contact Mikhail Nediak at mnediak@business.queensu.ca

- INFORMS International meeting will be held in Hawaii on June 12 - 15, 2016. Presentations in the Revenue Management and Pricing cluster are scheduled on Sunday, June 12 and Monday, June 13. There are six sessions with a total of 24 talks in the cluster, representing a number of interesting topic areas in revenue management and pricing. Stop by sessions in the cluster at the conference to learn about the latest research and catch up with colleagues in the RM community. For more information about the conference, please refer to the conference website at <http://meetings2.informs.org/wordpress/2016international/> For more info contact RMP cluster chair, Dan Zhang at dan.zhang@colorado.edu
- MSOM meeting in Auckland, New Zealand. Contact Velery Pavlov at v.pavlov@auckland.ac.nz
- EURO meeting in Poznan, Poland, July 3-6, 2016. Contact Dolores Romero Morales at drm.eco@cbs.dk
- Revenue Management and Pricing Track at the INFORMS Annual Meeting 2016 on November 13-16 at Nashville, Tennessee. The track has 40+ sessions with topics highlighting tremendous opportunities for both academics and practitioners to learn more about the recent empirical and analytical techniques used in the growing revenue management and pricing area. The track offers sessions with topics that range from behavioral pricing to revenue management in the sharing economy and social networks, and industries including retail, advertising, airlines and hotels. We hope to see you in Nashville. Contact cluster co-chairs Pelin Pekgun (Pelin.Pekgun@moore.sc.edu) and Necati Tereyagoglu (<mailto:Necati.Tereyagoglu@scheller.gatech.edu>)
- Practice-oriented conferences:
 - o AGIFORS Revenue Management 2016, May 18—20. Hosted by Lufthansa in Frankfurt, Germany: <https://agifors.wildapricot.org/resources/Documents/RM/2016/social.html>
 - o PODS Consortium run by Peter Belobaba out of MIT has several conferences a year <http://podsresearch.com/consortium.html>
 - o The letter editor is looking to expand this list and will report in the next issue
- And, of course, – the RMP conference at NYU in New York, NY, June 16-17, 2016; details below.

2016 INFORMS RMP Section Conference

The 16th Annual INFORMS Revenue Management and Pricing Conference is coming up soon! The conference will take place on June 16 and 17. It is being held for the first time at New York University and we look forward to hosting you in Greenwich Village, New York City.

With over 80 accepted presentations and 4 parallel tracks, the RM&P Conference is bigger than ever. The program is now available at www.stern.nyu.edu/rmp2016 and it includes a variety of areas, ranging from methodological to applied papers, as well from traditional applications to new areas where revenue management is being applied. The headline event of the conference is a panel on “Revenue Management in Online Markets,” which will include both industry participants (AirBnB, AppNexus and Uber) as well as academic participants (Columbia and MIT).

Following up on last year’s conference, we are also hosting the 2nd Marketplace Innovation Workshop, on June 15. The workshop is an interdisciplinary event, where we bring operations researchers, economists and computer scientists together to think about market design. The workshop program will contain speakers who are experts in a variety of fields, from healthcare to online advertising to the sharing economy. The plenary speaker of the workshop will be the Nobel laureate economist Al Roth.

We look forward to seeing you in New York this summer! Organizing committee: Srikanth Jagabathula, Ilan Lobel, Gustavo Vulcano (listed alphabetically)



Call for Proposals to Host RMP Section Annual Conference in 2018 (and beyond)

The Chair of the INFORMS Revenue Management and Pricing Section invites proposals to host the Section's annual conference in 2018. The conference typically takes place in June, and lasts about three days. The process of selecting the host is managed by the Chair in conjunction with the Section's Board. Proposals have to clearly include information about the organizers. The winning proposal will be decided by a majority vote of the Board under the rules governing the selection process. There are also a number of requirements asked of the organizers and I will be happy to provide full information which is specified in the RMP Policy Manual. Please send your proposals to Darius Walczak (Chair, dwalczak@pros.com) or SoYeon Chun (Secretary/Treasurer, SoYeon.Chun@georgetown.edu). We will entertain proposals for future years beyond 2018 as well.

On the origins of the INFORMS Revenue Management and Pricing Section

When former colleague and section chair Darius Walczak approached me about writing a brief note on the origins of the Revenue Management and Pricing Section many memories came flowing back, though most were a bit dusty. So it seemed like a good time to share what I recall of the history. Many people have been involved not just with the history of the section, but with the history of the field, and I'd like to encourage them to share their stories with the newsletter editor Anton Ovchinnikov at anton.ovchinnikov@queensu.ca. I suspect they would be of interest to the readership.

Most people know that revenue management, originally known as yield management, had its origins in the airline industry in the wake of the Airline Deregulation Act of 1978. The act allowed airlines to price and manage fare products however they saw fit, which was quite at odds with the formal process of filing requests with the federal government. Robert Crandall of American Airlines saw the potential to use mathematics to manage fare class availability, and he was fortunate to connect with the OR community. Former TIMS and later INFORMS President Thomas Cook worked closely with Crandall and built a team of hundreds operations researchers at American – the largest group of its kind working anywhere in the world at that time. Many of these operations researchers worked on developing and refining the first revenue management models and systems. Other airlines rose to the challenge, developing their own OR groups, models, and systems. Eventually third party consultants and software vendors made their way onto the scene.

With such strong ties to the airline industry, revenue management presentations at INFORMS conferences (and its predecessors, ORSA and TIMS) were routinely presented in airline tracks. By 1998 revenue management had made solid inroads into other industries – most notably the hotel and rental car industries, though new applications were being floated all the time. Yet there wasn't a natural gathering place within INFORMS for people unaffiliated with the airline industry. All in all, it seemed like a good time to propose a section that would allow revenue management to flourish on its own, outside the airline umbrella.

In addition, pricing, driven in good part by the reach of retail sales on the Internet, was becoming increasingly relevant. While revenue management and pricing each have their own distinctive characteristics, they're nonetheless similar. And the large body of "dynamic pricing-like" work done by revenue management researchers provided a good foundation for what was taking place in pricing. Researchers in pricing and



revenue management seemed to get along fine, and I was quite honestly surprised at how quickly the Revenue Management and Pricing Section grew, not to mention the quality of the research it attracted. In retrospect it's not altogether surprising. OR had a long history of reducing costs on the supply side through the study of supply chain management. Revenue management and pricing focused on the demand side and opened up many new lines of inquiry.

Two anecdotes come to mind. The original name was simply the Revenue Management Section. Within a few business meetings it seemed natural to include pricing in the title, and the section name was changed to the Revenue Management and Pricing Section. Pricing came second because it was easier at the time to append it to the existing name. Still, I always thought "Pricing and Revenue Management Section" sounded better, and that pricing is the better lead because it's better known by the public at large. Given other circumstances, the section would almost certainly have been named differently.

When I filed the initial paperwork to form the section, the Manufacturing and Service Operations Management Society raised formal concerns since its officers wanted to subsume revenue management. The thought was reasonable, but we got together and discussed the idea and agreed the revenue management section would move forward on its own. The size and continued activity of the section attest to the fact this was a good decision.

E. Andrew Boyd, Founding Chair

2016 INFORMS Revenue Management and Pricing Section Practice Award

Submissions are closed as of 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. Please contact Robert Phillips at robert.phillips@nomissolutions.com for more details.

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 **August 12, 2016**, who must submit the following items by email to 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 Award 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 Award includes a plaque and a cash award. RMP pays for one plaque for the winning doctoral student. The cash award is \$1,000 for the winning doctoral student. The Award will be presented at the INFORMS Annual Meeting if there is a suitable recipient.

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 entitles to a discount for the RMP conference registration, newsletter, and will keep you connected to the RM and Pricing community.