

1 Spring 2010 Newsletter – Revenue Management and Pricing Section of INFORMS

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2 Message from the Chair

Get Involved in Public Schools

For some time, the United States has seen a shortage of qualified candidates in the field of operations research and the management sciences. The U.S. has long leaned on noncitizens to provide math talent in universities and corporate research labs. Even in the post-September 11 world, where it is harder for noncitizens to get student visas, half of the math grad students in the U.S. are foreign-born. A similar pattern holds for many other math-based professions, from computer science to engineering. As noncitizens find greater opportunities abroad, the country must breed more top-notch mathematicians at home. Lastly, we need to cultivate greater math savvy among the broader population to prepare it for a business world in which math matters.

According to the US Department of Education, 50 percent of high school graduates completed courses in advanced mathematics (i.e., completed at least one course classified as more challenging than algebra II). Moreover, only 14 percent of graduates had completed a calculus-level course. Far too many U.S. students finish high school without mastering the mathematics and science necessary for success in higher education, in the competitive knowledge-based economy of the 21st century, or as an informed citizen in daily life. If you need convincing, you need only see the type of mathematical skills mastered (see Table below).

Grade 4 43% identified parallel and perpendicular lines 59% divided a three-digit number by a one-digit number 75% made a pictograph of given information	Grade 8 47% found the change in y given the change in x for a linear equation 69% identified the side with the same length in congruent figures 75% determined a quantity based on a given percent
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Table . Type of mathematical skills mastered.

In an age driven by the relentless necessity of scientific and technological advance, the current preparation that students in the United States receive in mathematics and science is, in a word, UNACCEPTABLE. Reports of the performance of our country's students from both the Fourth International Mathematics and Science Study and the National Assessment of Educational Progress echo a dismal message of lackluster performance, now four decades old.

Practitioners and academicians alike need to become more active in their local public school districts. It is our duty to our profession, our nation, and our nation's future workforce to get involved. Become a classroom volunteer, participate in your public school district's Teach-In, or contact the administrator or Curriculum Resource Teacher at public schools near you to see what you can do...give a talk about what you do, or how you use math. It could make the difference in one child's future.

Section Membership

In 2007, our membership peaked at 282. 2008 saw a 3% decrease, but in 2009, we returned to our 2007 peak, with 282 members.

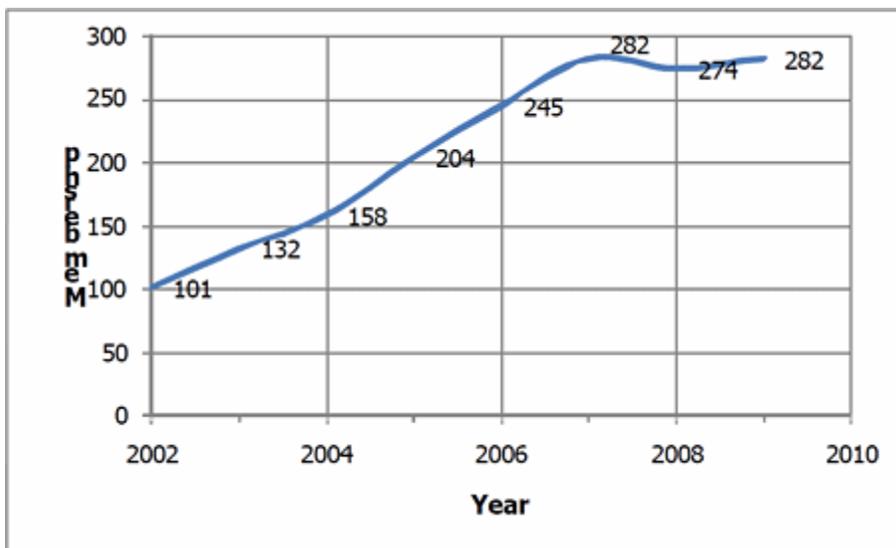


Figure . Year end RM&P Section membership counts.

Since I wrote back in January, our membership has increased from 174 (as of 01/19/2010) to 267 (as of 4/27/2010). Without any corresponding snapshots or data collection point (DCPs) from 2009, unfortunately I cannot tell you where I anticipate the final membership count for 2010. Given that we are slightly over one month halfway through the year, and less than 5 members from 2009 membership estimate, we can safely conclude that the Section membership is as it should be.

Class	COMMUN	REGULAR	RETIRED	RNDTBL	STUDENT	TOTAL
2009 Year End	2	203	4	0	73	282
Nonrenewals	0	19	1	0	25	45
Renewals	2	184	3	0	48	237
2010 To Date	4	203	2	1	57	267
Newmemberships	2	19	(1)	1	9	30

Table . Membership pace curve by class.

We now need to find out why members leave the section and do not renew their membership. Chair-Elect Bill Cooper will create a survey that we will send out to our non-renewals in 2008 and 2009. We will report the survey results, if any, in the next newsletter.

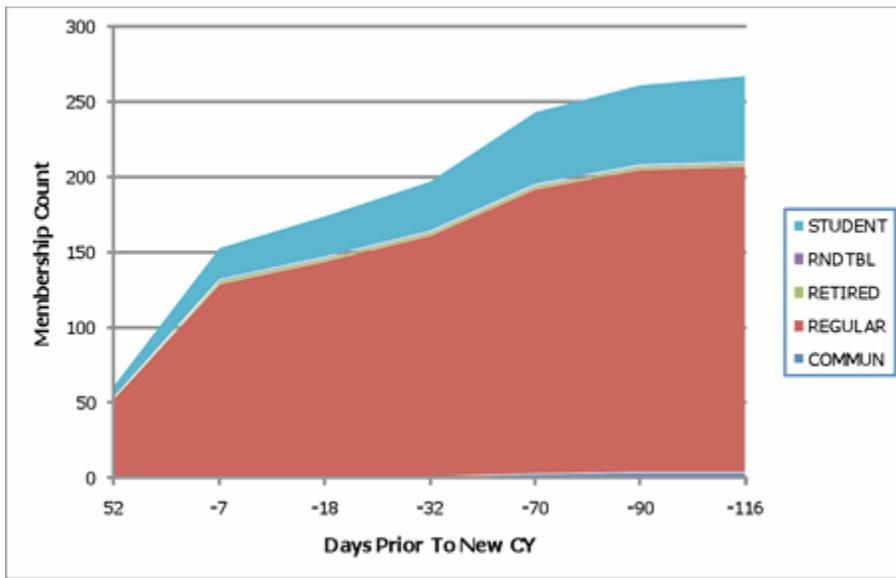


Figure . Membership pace curve by class.

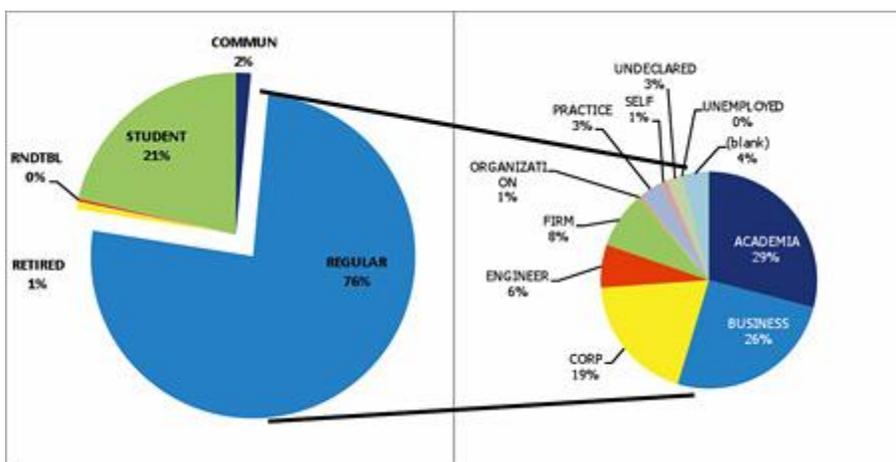


Figure . Current membership by class into attribute (as of 4/27/2010).

Our year-over-year non-renewals have decreased by 42%. In 2008, 77 section members, of which 16 members lacked a valid email address (we have no email address on file for 6 of these members) did not renew their membership. In 2009, the number of non-renewing members decreased to 45, of which 2 members lacked a valid email address.

In one anecdotal case, the contributing reason for non-renewal was a system limitation at INFORMS Online. If you have already renewed your 2010 INFORMS membership, the online system accessible via the web site membership page will not allow you to go back using the online system and make changes such as adding community memberships. The only choice for the member in this situation is to download a form and fax it back to INFORMS. This limitation has been raised to the INFORMS VP of Membership.

As a member of the Section, you will receive our on-line newsletter with the latest information about section conferences, prizes, and other activities. You will also be eligible for a 46% reduction in the subscription rate for the *Journal of Revenue and Pricing Management* – a savings of over \$100 – while joining the Section costs \$15 or less. You can find more details on [our Section web page](#).

Becoming a member is easy, although the procedure depends upon whether you are a current member of INFORMS. If you would like to join the Section, and you are *not a member* of INFORMS or *have not renewed* your 2010 INFORMS membership, you can visit the [Join INFORMS web page](#) to renew or join. If you have already renewed your 2010 INFORMS membership, then please visit the [Subdivision Membership Application](#) which is available via a link on [Joining a Subdivision](#) INFORMS web page.

For practitioners and industry experts, in addition to your personal membership, you can become a corporate sponsor of the Section with an advertisement on our web site or in our newsletter. For more information, please visit <http://revenue-mgt.section.informs.org/corporate-sponsor.html>. You might also consider advertising job and internship opportunities on the Section's website. To post a job ad (see <http://revenue-mgt.section.informs.org/jobs.html>), contact Rob Shumsky (robert.shumsky@tuck.dartmouth.edu).

Welcome Our Newest Corporate Sponsor: Macmillan Publishers

Macmillan Publishers has joined the Revenue Management and Pricing Section as a corporate sponsor. Palgrave Macmillan, which is a part of the Macmillan Group, publishes the *Journal of Revenue and Pricing Management*, which is offered to Section members at a savings of 46%. To make it easy for our Section members to receive this discount, you can click on the banner ad on [our Section web site](#).

The *Journal of Revenue and Pricing Management* has published a double special issue on the *INFORMS Revenue Management and Pricing Section Annual Conference (2008)*. The articles are at the cutting edge of the science of pricing and look at the way that data, computer algorithms and operational research improve pricing practices. They provide important insights for anyone offering optimal pricing in order to raise overall revenues. You can listen to Rob

Shumsky, the Journal's guest editor, about his insights on this special issue at http://iagblog.podomatic.com/player/web/2009-12-23T05_15_02-08_00

If you are not already a subscriber to the Journal, I hope that you were able to take advantage this important special issue, which was free to view until the end of April. Please ensure this 'definitive' resource is in your organization by [recommending it to your librarian/information officer](#) and ensure unlimited desktop access for you and your colleagues.

Annual Section Conference At Cornell University

Chris Anderson, Amr Farahat, Sherri Kimes and Huseyin Topaloglu have been busily preparing for this summer conference, slated for June 16-18, at Cornell University. The conference will open on the evening of June 16th with a cocktail reception followed by two days of concurrent sessions on June 17th and 18th.

If you are presenting at the conference and feel that your presentation could be developed into either a practice or research article, please see me after the conference about the next special issue of the *Journal of Revenue and Pricing Management*, on our Section's Annual Conference. I will be the guest editor for this special issue, so I am looking forward to some interesting papers. I am hoping to see some non-traditional applications of revenue management and pricing. This would be a good time to see some papers on marketing analytics, retail optimization (pricing and placement), and B2B pricing.

2011 Summer Conference

To date, I have received only one proposal for the 2011 Summer Conference. There is still time to submit a proposal. Traditionally, the conference has been held during the second half of June, on Thursday and Friday. The proposal deadline is May 15, 2010. The proposal should answer the following questions:

1. Who will be the chair(s) of the conference?
2. Who else will be involved in organizing the conference?
 - a. Members of the organizing committee, with the exception of administrative assistants and clerks, should be members of the Section
3. In recent years, attendance at the conference has been 120–150 people. Does your institution have the ability to handle a group of this size at that time of year? Consider,
 - a. the ability to host parallel tracks in rooms that can hold 60 people each (the last few conferences have had 3 parallel tracks).
 - b. a large auditorium to hold plenary sessions and/or the business meeting for all attendees
 - c. the availability of local hotel rooms.
4. For previous conferences the host institution covered deficits of \$3000 – \$7000, although the most recent conference made a small surplus. What financial support is available from your institution should the conference run a deficit?
5. Which corporations might you contact, who might be interested in sponsoring the event?
6. What social events would be possible?

7. Please provide a rough budget for the conference. Factors to consider are any facility charges; catering charges (for lunch, coffee breaks); staff charges; any social events you might plan (including catering charges for dinners); and any transportation charges (either from the hotel to the conference or to any social event).
8. For previous conferences we have charged registration fees of \$250–\$350 (with students attending free). Given a fee of \$300, what level of corporate and/or host institution support will be necessary to break even?
9. What ‘blackout dates’ do you have in late June and early July, dates during which your institution will not be able to host?

Proposals should be submitted electronically to me at John.Quillinan@gmail.com. Thanks, and I look forward to seeing you at our upcoming conference,

John Quillinan
Section Chair

3 Revenue Management and Pricing Cluster at the INFORMS Annual Conference, Austin, TX, 2010

As of today, here is a quick snapshot of the Revenue Management and Pricing registration for the INFORMS annual conference:

We have 34 committed sessions (68% academic, 32% industry). Roughly half of the sessions have registered 3 or more talks, and 40% of the sessions currently do not have any talks registered. Most registered talks are still missing an abstract. Quite a few sessions currently do not have a title. Please note that the abstract submission deadline is May 17.

Confirmed session topics include:

- Emerging trends/new directions/new frontiers in revenue management
- Applications of pricing optimization, solving leading edge pricing challenges, pricing in services, dynamic pricing, dynamic optimization in energy pricing
- Stochastic approximation and online learning, RM in internet advertising
- RM of opaque and non-traditional channels, multi-product pricing and RM
- Modeling choice in RM, customer behavior models
- Empirical studies of RM
- Airline code sharing and RM, cargo RM

The following RM topics are always welcomed: Airline, Retail, Car Rental, Customer-centric RM, Freight Management, New Heuristics for Network RM and Pricing, Forecasting, Product Design, Internet Advertising, Services, and Energy.

If you have a talk to present but are not sure whom to approach, please contact us and we will do our best to put you in touch with a suitable session chair (and you always have the option of submitting directly to the contributed cluster). We would like to encourage all session chairs and

presenters to continue filling out the missing information for his or her session/talk—scheduling of the entire cluster is contingent upon completeness of the talk registrations. Thank you!

Cluster Chairs' Contact Information: Wei Ke wke@novantas.com ; Maarten Oosten moosten@prospricing.com ; Darius Walczak dwalczak@prospricing.com

4 News from the Journal of Revenue and Pricing Management

The *Journal of Revenue and Pricing Management* carries timely, relevant articles drawn from both industry applications and academic research.

Issue 9.3: New Service Economy and Pricing OUT SOON!

Guest edited by Professor Irene Ng, this Special Issue provides readers with a cross section of diverse pricing models in research and practice, and the challenges the modern service economy brings. It brings insights into the future and suggests novel scientific approaches towards the challenges. Get an early preview of this compelling issue and listen to the latest podcast where Professor Ng talks to Addison Schonland about the complexity of the new service economy and pricing. www.iag-inc.com/palgrave/irene_19_apr_2010.mp3

Forthcoming special issues

- Issue 9.4 AGIFORS Conference : Special issue on AGIFORS Revenue Management & Cargo Study Groups 2009, edited by Sunny Ja Shau-Shian, American Airlines, USA
- Issue 9.5 INFORMS RM and Pricing Conference, edited by Professor Costis Maglaras from Columbia University, USA.

Celebrating 10 years of the Journal of Revenue and Pricing Management in 2011

In 2011, the journal moves from four to six issues per year with a number of special issues, including our 10th Anniversary Edition, INFORMS RM and Pricing Conference (edited by John Quillinan, Westgate Resorts, USA), and Fast Moving Consumer Goods, (edited by Professor Ashish Sinha from the University of New South Wales, Sydney, Australia).

RPM E-Alerts

To be alerted to every new issue of the Journal as soon as it is about to be published, sign up for the RPM E-Alerts. You will receive the next Table of Contents direct to your inbox. www.palgrave-journals.com/nams/svc/myaccount/save/ealert?list_id=145

Reduced Subscription rates

Members of the RM&P Section are entitled to significantly reduced subscription rates – an individual annual rate of \$120 rather than the standard \$223. You will receive the journal in print plus the complete online archive. To receive the reduced rate, download and mail the [subscription form](#).

To learn more about the journal, visit www.palgrave-journals.com/rpm/

5 6th Annual Revenue Management and Price Optimization Conference in Atlanta

Save the date for the Sixth Annual Revenue Management and Price Optimization Conference, scheduled for Oct. 14-15 at Atlanta's Georgia Tech Global Learning Center. The two-day conference will be packed with panels, workshops and keynote addresses by: InterContinental Hotels Group, Royal Caribbean Cruises, and Sonic Automotive. Visit www.revenuemanagementconference.com/6th for conference news and for more details about the speakers, workshops and panels that will deliver what C-level officers expect and need.

Any comments/ questions/ suggestions for the next newsletter? Please contact Carrie Queenan at c_queenan@nd.edu.