

## **Summer 2010 Revenue Management and Pricing Section newsletter**

**July 2010**

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### **1 Message from the Chair**

#### **Section Conference**

The 10<sup>th</sup> Annual INFORMS Revenue Management and Pricing section conference boasted 70 presentations accompanied by over 115 presenters/authors. This year's conference featured the first Section Practice Award, which was presented to Marriott International for their Group Pricing Optimizer. For more detail, please see Wei Ke's writeup on the conference in this newsletter. I would like to thank Chris Anderson, Amr Farahat, Sherri Kimes, and Huseyin Topaloglu for their work in organizing and hosting the conference.

We received four (4) proposals for the 2011 Section Conference. The Section Board reviewed all of the proposals, and has selected the site of next year's conference: New York City. It is my pleasure to announce that next year's conference will return to the location of the first Revenue Management and Pricing Section Conference, Columbia University. The dates of the conference have not been finalized yet, but expect the conference to take place between July 11 and 22, 2011. The conference will be chaired by Guillermo Gallego (IEOR department), and Robert Phillips (Business School) at Columbia University.

#### **2011 Section Conference Registration to be Hosted By INFORMS.org**

Meeting registration for the 2011 Section Meeting will be hosted by INFORMS Online. Via the INFORMS Online Meeting Registration System, we will be able to tie into the INFORMS Membership Database, and automatically detect INFORMS membership status and class. This will allow us to differentiate between regular and student members, and automatically assess the correct registration fees. The automation will also allow us to extend an overdue benefit to our membership. The Section Board has unanimously agreed to extend a nominal discount on meeting registration fees to section members. INFORMS members, who are not members of the section, will receive a smaller discount off their registration fees too.

The INFORMS Online Meeting Registration will automatically extend discounts based on the registrant's membership status. If you are not a member of the Section yet, you may want to join before registering for the conference in order to take advantage of any discounts. If you are already a section member, you don't want to forget to renew this fall.

## Section Membership

I continue to monitor our membership in 2010 and have created a strategy for growing our membership with next year's section conference: non-section members will be offered section memberships, bundled with their meeting registration. INFORMS uses this strategy with its annual Practice Meeting. I also learned that other subdivisions were doing this as well with their own section conferences.

If the Section reaches the 500 membership level, the Section will qualify for Society status within INFORMS; INFORMS societies are the flagships of the INFORMS communities. Many sections have already achieved this level of distinction: [Applied Probability](#), [Computing](#), [Decision Analysis](#), [Information Systems](#), [Manufacturing & Service Operations Management](#), [Marketing Science](#), [Military Applications Society](#), [Optimization](#), [Simulation](#), and [Transportation Science & Logistics](#).

Our peak membership level was first achieved in 2007, where we plateaued at 282. As of 7/17/2010, we are standing again at 282 members.

Class	COMMUN	REGULAR	RETIRED	RNDTBL	STUDENT	TOTAL
<b>2009 Year End</b>	<b>2</b>	<b>203</b>	<b>4</b>	<b>0</b>	<b>73</b>	<b>282</b>
Non-renewals	0	19	1	0	25	45
Renewals	2	184	3	0	48	237
<b>2010 To Date</b>	<b>7</b>	<b>210</b>	<b>2</b>	<b>1</b>	<b>62</b>	<b>282</b>
Newmemberships	5	26	(1)	1	14	45

*Table 1. Membership breakdown by Class*

COMMUN class members are Community (aka section only) members that are non-INFORMS members, and includes our corporate sponsors.

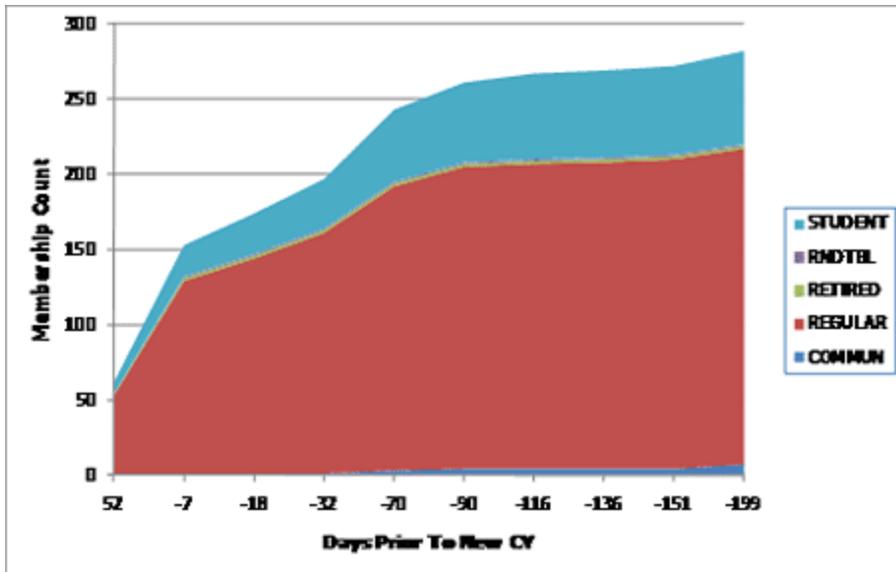


Figure 1. Membership pace curve by class

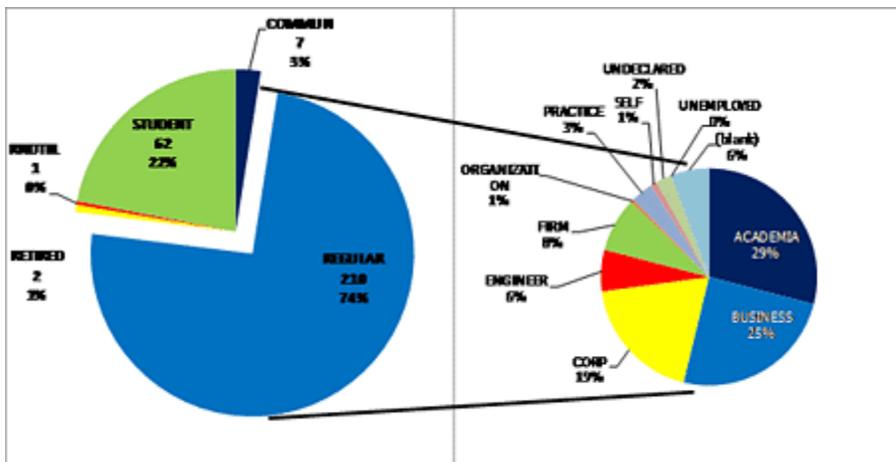


Figure 2. Current membership by class into attribute (as of 7/19/2010)

## Newsletter Torch to be Passed On

This quarter, I would like to extend my best wishes to our departing newsletter editor Carrie Queenan. Carrie has done a tremendous job with compiling the newsletter and getting it out to the membership every quarter. Carrie will be passing on the responsibility of the newsletter to Wei Ke, Cluster Chair for the Austin INFORMS National Meeting. Thank you to Carrie for all of her hard work, time and energy, and welcome aboard Wei.

## 2 Pictures and summary of 10<sup>th</sup> Annual INFORMS Revenue Management and Pricing Section Conference

The 10<sup>th</sup> RM&P Section Conference, held on the scenic campus of Cornell University, concluded successfully on Friday, June 18, 2010. Speakers shared current research and applications in revenue management and pricing for a variety of industries, including for example, logistics, transportation, hospitality, energy, financial services, retail, and so forth. A variety of modeling techniques, e.g. dynamic pricing, demand learning, choice-based models, among others, were presented.

This conference also saw the final presentation and award ceremony of the RM&P Practice Prize. Four finalists shared their revenue management implementation and results with the conference attendees. These include: 1) an RM implementation for Sundio, a tour operator in Europe, 2) clearance pricing optimization at Zara, the ubiquitous icon in fast fashion, 3) a dynamic RM system for Extra Space Storage, the second largest self-storage operator in the US, and 4) the Group Pricing Optimizer for Marriott, a leading hotel operator in the world. After intense deliberations, the judges, Robert Phillips, Warren Lieberman and Robert Shumsky, awarded the Practice Prize to the Marriott team--Congratulations!

The pictures below show scenes from the conference:

- Attendees gathering for refreshments during session breaks
- Professor Gallego giving an unofficial tour of the Cornell campus after dinner reception
- Professor Shumsky giving out the RM&P Practice Prize to the Marriott team





### **3 Call for Nominations for Section Officers and Board Member Positions**

The RM&P Section Nominating Committee seeks nominations for Vice Chair/Chair Elect, Secretary/Treasurer, and a board position for the INFORMS RM&P Section. The Vice Chair/Chair Elect will serve three years: one as Vice Chair, one as Chair, and one as a board member. The Secretary/Treasurer will serve a one-year term. The board member will serve a two-year term. Duties will commence at the 2010 INFORMS Annual Meeting, and the elected individuals must be members of INFORMS and the RM&P Section at that time. Submit nominations no later than August 1, 2010 to a member of the Nominating Committee: [Bill Cooper](#) (Committee Chair), [John Quillinan](#), or [Costis Maglaras](#).

### **4 Revenue Management and Pricing Cluster at INFORMS Annual Conference (Austin, TX, 2010)**

The registration process is now complete. We have 29 sessions (18 academic, 4 industry, and 7 mixed) and 109 talks this year. Confirmed session topics include, but not limited to:

- Emerging trends and new directions in RM
- Applications of pricing optimization and dynamic pricing
- Stochastic approximation and online learning
- RM for airlines, cargo, restaurants, and logistical services
- Choice and behavioral models in RM
- Empirical studies of RM

Thanks to all session chairs and speakers for completing the registration process! We look forward to meeting everyone in Austin!

If you need more information, please contact one of the cluster chairs by email: [Wei Ke](#), [Maarten Oosten](#), [Darius Walczak](#)

## **5 News from the *Journal of Revenue and Pricing Management***

In 2011 we have two causes for celebration:

1. The journal moves to 6 issues a year. This is the second increase in frequency since 2008 and is a reflection of the rising quality submissions the journal receives and the now regular inclusion of the popular Special Issues based on the key conferences in the field.
2. RPM celebrates its 10<sup>th</sup> birthday – a decade of publishing key relevant articles drawn from both industry applications and academic research. Look for the Ten Year Anniversary Edition – the first issue of 2011.

Please consider recommending the *Journal of Revenue and Pricing Management* to your company or institution and ensure its timely and compelling content is even more widely disseminated. Use the [online form here](#).

*AGIFORS Special Issue out soon* - Due at the end of July, Volume 9:4 contains the best papers from the 2009 AGIFORS Conference. It is edited by Sunny Ja Shau-Shian from American Airlines, USA.

If you would like to access the AGIFORS Special Issue PLUS the complete RPM archive, take advantage of the one month online trial offer made at the INFORMS Revenue Management and Pricing Section conference in June. Simply send your name, institution and email details to [Palgrave Macmillan](#). Access will be granted until the end of August 2010.

Members of the INFORMS 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/](http://www.palgrave-journals.com/rpm/)

For more information about the Revenue Management and Pricing Section, see [our website](#).

Carrie Queenan will be passing on the newsletter torch to Wei Ke starting in the Fall. Please [contact Wei](#) with any information you'd like to include in the next email.