

INFORMS 2019 Annual Meeting:

AN EFFECTIVE PROMOTION POLICY TO MAXIMIZE PROFITS

Abstract

Marketing teams often face the challenge of designing an effective promotion policy to maximize return-on-investment without exceeding the allocated budget. Firms often fall short of designing effective promotion programs due to the inherent complexity of understanding their customers' willingness-to-pay a price. This work presents a framework to design an effective promotions program considering customer willingness-to-pay using optimization. A case study is presented to demonstrate the approach and its effectiveness.

