



Retail Promotions: Mathematical Optimization Approach.

JOHN NICHOLSON, PHD

Say we want to:

- ▶ Decide which items to promote and when, in order to maximize profit over a period.
- ▶ Capture things like the post-promotion dip effect and cross-item effects.
- ▶ Pick price points from a price ladder and limit the number and spacing of promotions.

How do we find the optimal strategy?