



Research School for Operations
Management and Logistics

The good stuff: Matching supply and demand by introducing an opaque product: Pricing, learning, fun

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In this project we help a retailer increase his revenue and decrease his waste by introducing a new selling strategy. Instead of offering his original, fixed priced assortment, he will additionally sell an 'opaque product' with a dynamic price as he sees fit. As he does not know how his clientele will respond to this new product and its price, we help him to find the right balance between earning (by optimizing his revenue) and learning (by gathering enough information to be able to estimate the effect of the new product). An interesting problem with many mathematical challenges.