



**Data-Driven Newsvendor Problem with  
Pricing Decision  
by  
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**Date** : **12 May 2023 (Friday)**  
**Time** : **10:30 – 11:45 AM**  
**Venue** : **Case Room 1001, LSK Business Building**



**Abstract:** We study a price-setting newsvendor problem in which the retailer exercised only a few price points with a sample set of demand realizations on each exercised price. Given this limited demand information, we set up a robust optimization problem of maximizing worst-case profit or minimizing maximum regret. We show that this robust problem can be reduced to an easy-to-implement optimization problem. This new model has some advantages in comparison with traditional models, which assumes that demand model follows some specific form.

**Bio:** Prof. Ye Lu received a PhD in operations research from MIT in 2009, a PhD in mathematics from the University of Notre Dame in 2006, and a BS in applied mathematics from Tsinghua University in 2002. His research interest is to use optimization and statistical models to solve real world problems. He joined CityU in 2009 and now a professor at department of management science. He is also a professor and an associate dean of business school at Southern University of Science and technology.