Editorial

Readers and subscribers have become used to a wide range of interesting operations research papers in every issue of ORiON. This issue is no exception and I am sure every reader will find something of interest in this issue.

The first paper is authored by Mia Hattingh and Danie Uys. Their paper is titled "Inseason retail sales forecasting using survival models." The authors introduce a method to forecast the sales of seasonal apparel. This forecast may then be used to determine a markdown strategy for the products that have a finite time horizon. The objective of the model is to maximise the retailer's expected revenue. They show that their approach of forecasting sales by means of survival analysis outperform the current method used by the retailer. Moreover, it has the added benefit that it produces good predictions of future sales early in the season.

Riaan Oberholzer, Giel Hattingh and Tjaart Steyn authored the second paper titled "Efficient waste reduction algorithms based on alternative underestimates for the modified Wang method." In this paper the authors present a novel heuristic to solve constrained two-dimensional guillotine-cut cutting stock problems, also known as trim loss problems. The heuristic is an improvement on the known Wang method. It is improved by finding better initial underestimates. The superior performance of the heuristic (in terms of computational times and number of nodes generated and trim loss) is demonstrated by means of known datasets.

The final paper by Fanie Terblanche and Tanja de la Rey is titled "Credit price optimisation within retail banking." It considers the problem of determining optimal interest rates (and thus prices) for prospective customers that request credit from retail banks. They incorporate two elements, namely price sensitivity of the customer and adverse selection in their model. They suggest a response model that overcomes non-concavity and unrealistic asymptotic behaviour, which allows for a linearisation of the underlying non-linear price optimisation problem. They present a stochastic model that optimises the price, while taking uncertainty in future prices into consideration. The performance of their method is demonstrated by means of real life data from a financial institution.

At least three parties play a vital role in publishing a scholarly journal. They are the authors, reviewers and, to a much smaller extent, the editorial staff. I would like to thank all seven authors who contributed to this issue. If they do not perform, document and submit quality research to ORiON, the journal will not exist. I want to encourage subscribers and readers of ORiON to seriously consider ORiON as a vehicle to publish their quality research. The reviewers on the other hand control the quality of papers published in ORiON. They contribute generously (without any compensation) of their time and expertise to improve the quality of submitted papers. I would thus like to thank all the reviewers who contributed to this issue.

Finally, the journal manager Martin Kidd and the typesetting assistant Anton de Villiers need to be thanked as well. They are both performing outstanding jobs in respectively handling the management of ORiON and the typesetting of papers in LaTeX. With this issue, Anton is stepping down as typesetting assistant after four years in this position. I

would like to convey my best wishes to Anton with his future endeavours.

My best wishes to all the authors, reviewers, subscribers and readers of ORiON for the coming festive season. I hope you will enjoy reading this issue of ORiON. May you all experience a happy, successful and productive 2015!

Stephan Visagie
October 2014