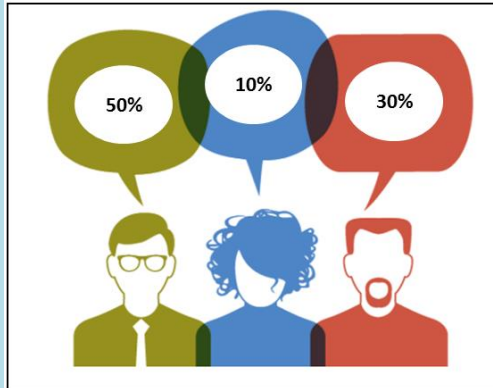


# Discount Sensitivity – Are We All Equal?

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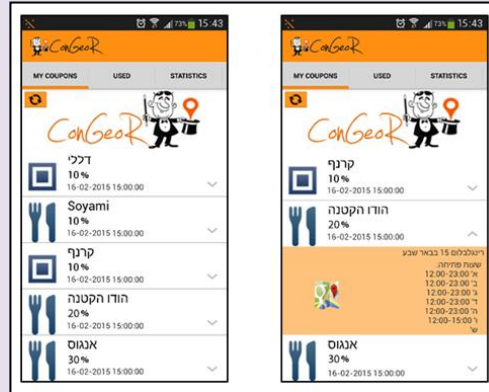
## Motivation



Consumers respond differently to discount

Modeling the personalized discount sensitivity enables business KPI optimization and consumer saving

## Experiment\*



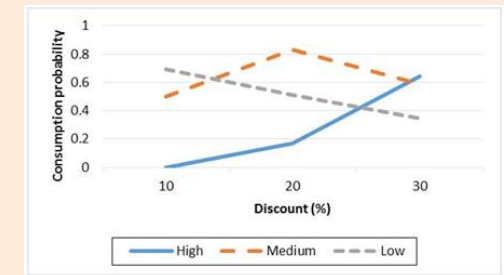
73 Students got real daily coupons from a pool of 135 restaurants

Discount values: 10%, 20%, 30%. Policy: less attractive => higher discount

\* Founded by Deutsche Telekom. Special thanks to Eytan Klevansky, Orly Stan and Edita Grolman

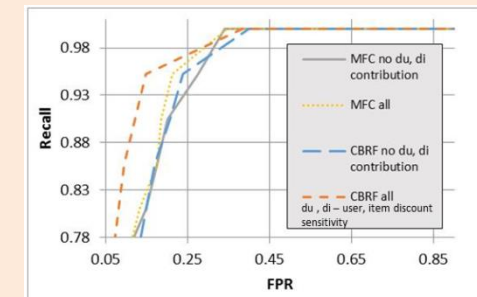
## Key Findings

Discount sensitivity - consumer types



Consumers respond differently to discount levels applied to various product (restaurant) segments

Consumption prediction



Modeling discount sensitivity and incorporate it in a contextual RS improves conversion