Accepted Manuscript

'Buy n times, get one free' loyalty cards: Are they profitable for competing firms? A game theoretic analysis1

Amirhossein Bazargan , Salma Karray , Saeed Zolfaghari

PII: S0377-2217(17)30675-6
DOI: 10.1016/j.ejor.2017.07.048
Reference: EOR 14598

To appear in: *European Journal of Operational Research*

Received date: 14 December 2016
Revised date: 12 May 2017
Accepted date: 15 July 2017

Please cite this article as: Amirhossein Bazargan , Salma Karray , Saeed Zolfaghari , 'Buy n times, get one free' loyalty cards: Are they profitable for competing firms? A game theoretic analysis1, *European Journal of Operational Research* (2017), doi: 10.1016/j.ejor.2017.07.048

Highlights

- Study about the profitability of restricted redemption for competing firms.
- Profitability depends on consumer valuation of time and rewards.
- At equilibrium, firms should restrict redemption for low levels of time valuation.
- At equilibrium, firms should restrict redemption for high reward valuation levels.
- Prices and profits of one firm depend on the reward policy of the competing firm.