

# Decision Support for Sequential Distribution of Entertainment Products

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## **Abstract**

Sequential release timing strategies are common practice in many cultural industries enabling producers to segment the market with the introduction of time-delayed product versions. Managers have to consider heterogeneous consumer preferences for the consumption mode (i.e. different distribution channels), timing of availability, and willingness-to-pay. Advertising further shapes consumer response. While previous literature has focused on offering optimal values for the decision variables, this article offers an alternative method of decision support using sensitivity analyses after decomposing the overall sequential-release decision problem into simpler sub-problems. To validate the impact of prices, we conduct a field experiment and uncover a price elasticity of -1.35 and a cross price elasticity of -0.06 in the fictional literature market. Our results show that the profit differences of different prices are much larger than for timing and advertising decisions.

**Keywords:** *Hedonic media products; sequential distribution; marketing levers*

**Track:** Retailing & Omni-Channel Management