

Internet Shopping with Price Sensitive Discounts – answers to referees.

We would like to thank you for all the insightful notes and pointing to fragments that could be improved to meet the high standard of 4OR publications.

We followed referee suggestions and we have made ensuing changes in our paper:

- Section 3.2 has been expanded with a more extended literature review on Facility Location problems with piecewise linear objective function. We refer to a few new positions – describe them shortly and conduct a discussion.
- In order to evaluate the quality of formulations and algorithms we proposed, brand new computational tests were made. New Branch & Bound exact algorithm was invented and coded (new Section 4). Therefore, a huge number of new benchmark instances (2100 instances in the current version of the paper versus 200 instances in the first version) for a much bigger number of products in the basket (a more realistic situation was covered) were prepared. All five algorithms solved every new instance of the shopping problem. Moreover, much more complicated discounting functions were prepared (more realistic situation was covered). The discussion summarizes computational tests.

We express our sincere hope that the revised version of the Internet Shopping with Price Sensitive Discounts article fulfills your expectations as well as the high standard of 4OR publications.