## Price Discrimination

## Articles on pricing

- Enos, Lori. "Amazon Apologizes for Pricing Blunder." E-commerce Times. September 28, 2000.
- Perkins, Ed. "Is Premium Economy Worth the Cost?" smartertraveler.com.
- Goldstein, Jacob. "Lawsuit Over Inflated Drug Prices Slogs On." The Wall Street Journal. September 18, 2007.


## FROM RICHARD OWEN (London Times) IN ROME

AN ITALIAN supermarket that offered 20 per cent discounts to the over-60s has discovered the flaw in the scheme: resourceful and unscrupulous grandmothers have been hiring themselves out to shoppers who are under 60 but still like the idea of a discount on their grocery bill.

The management of the supermarket in Udine, near Venice, was surprised and delighted by the "unimaginable success" of its scheme. The "senior citizens discount" produced a 40 per cent surge in takings, making Udine, a medieval town hitherto best known for its Tiepolo frescoes, a mecca for elderly shoppers.

Macbeth
Thursday, October 25 at 7:30PM

(C) Source unknown. All rights reserved. This content is excluded from our Creative Commons license. For more information, see http://ocw.mit.edu/help/faq-fair-use/.

## From Forbes.com

"Catalog retailers play this game. An old trick is to send out catalogs that sell identical goods except at different prices. The unlucky consumers who live in a more freespending zip code may see only the higher prices. Victoria's Secret has used these tactics. Staples brazenly sends out different office supply catalogs with different prices to the same customers. The pricesensitive buyers know which to buy from. The inattentive ones pay extra."
From Woolley, Scott. "I Got it Cheaper Than You." Forbes. November 2, 1998.

MIT OpenCourseWare
http://ocw.mit.edu

### 14.27 Economics and E-Commerce

Fall 2014

For information about citing these materials or our Terms of Use, visit: http://ocw.mit.edu/terms.

