

## When Price Discrimination is Possible



Lectures in Microeconomics-Charles W. Upton

## When They Make Peace

- The Hatfield-McCoy feud is ancient history.
- If you tried this strategy today, McCoy's would just buy at Hatfield Price.

## When They Make Peace

- The Hatfield-McCoy feud is ancient history.
- If you tried this strategy today, McCoy's would just buy at Hatfield Price.
- Moral: you must be able to prevent arbitrage and be able to identify your customers.

## When can you Discriminate?

- Children and Adults

## When can you Discriminate?

- Children and Adults
  - Restaurants
  - Movies
  - Why stop at age 12?
  - Sesame Place

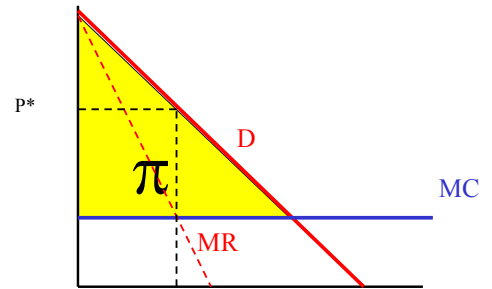
## When can you Discriminate?

- Children and Adults
- Senior Citizens

## When can you Discriminate?

- Children and Adults
- Senior Citizens
- Domestic and International Pricing

## Closer to our Goal?



End

©2006 Charles  
W. Upton