



Markets can be separated

- Geographically Sell at one (higher) price in the U.S. and at a lower price outside of the U.S. (Latin America)

- **By age** Sell at different prices to adults, seniors and children: Movie tickets are cheaper for seniors

- By population: Supermarket coupons,  
scholarships

- **By time** Early bird discounts, hard cover/soft cover versions of the same book, weekend stay airline tickets are cheaper

Price Discrimination

- Charging different prices in different markets.



- Markets must be separated to prevent those who buy at the lower price from re-selling in the high price market.

## Price Discrimination

- Charging different prices in different markets.
- Markets must be separated to prevent those who buy at the lower price from re-selling in the high price market.

## Markets can be separated

- **Geographically** Sell at one (higher) price in the U.S. and at a lower price outside of the U.S. (Latin America)
- **By age** Sell at different prices to adults, seniors and children: Movie tickets are cheaper for seniors
- **By population:** Supermarket coupons, scholarships
- **By time** Early bird discounts, hard cover/soft cover versions of the same book, weekend stay airline tickets are cheaper

