discussion of The Limits of Price Discrimination – Bergemann, Brooks and Morris (2015)

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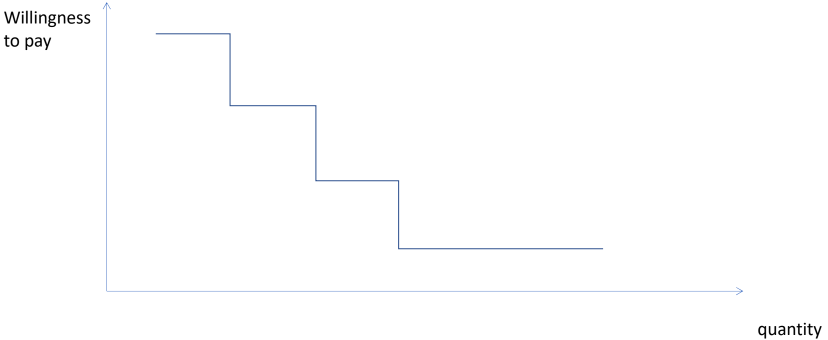
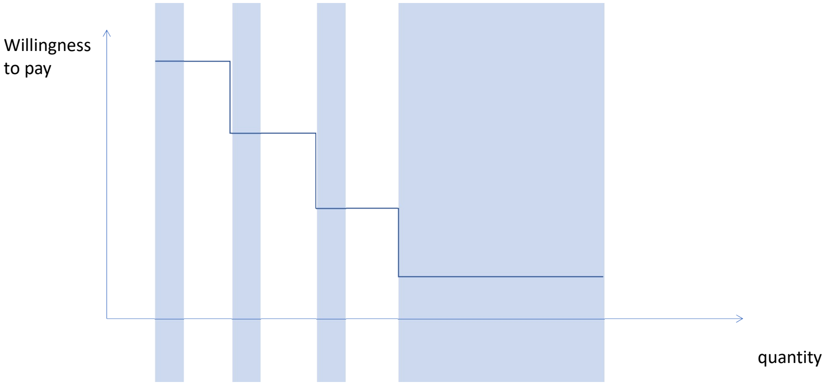
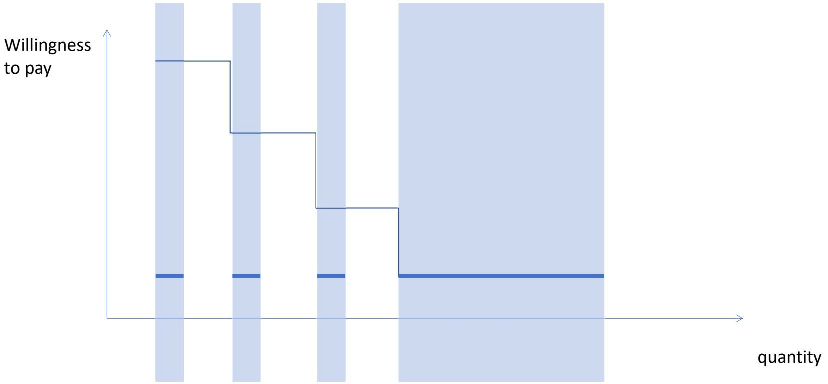
Demand curve in steps. Monopolist decides a price.



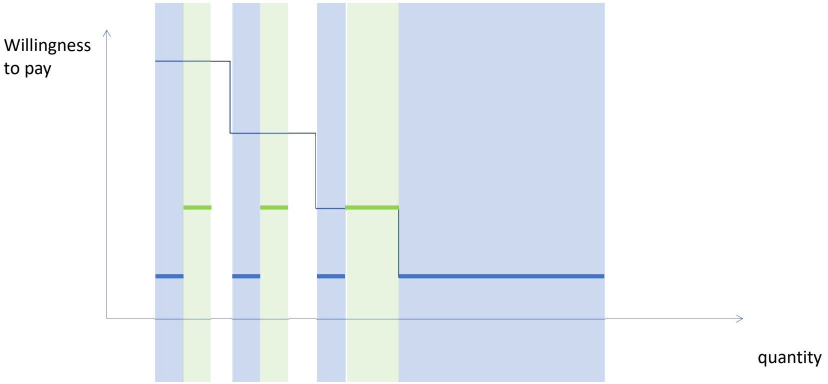
Cruel segment - hides some ‘rich’ among the ‘poor’



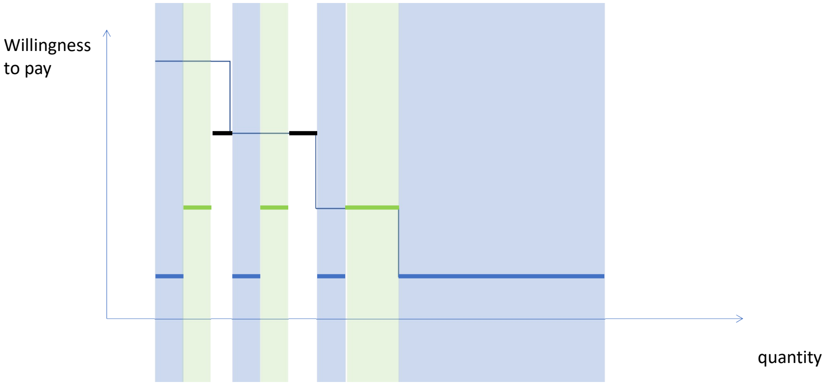
Still worth it to charge lowest price



Next valuation plays out the same way



Everyone gets the good. Producer surplus is meh.



Above example corresponds to C

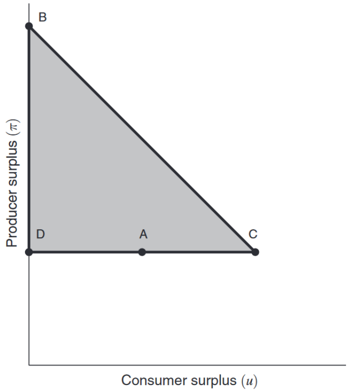
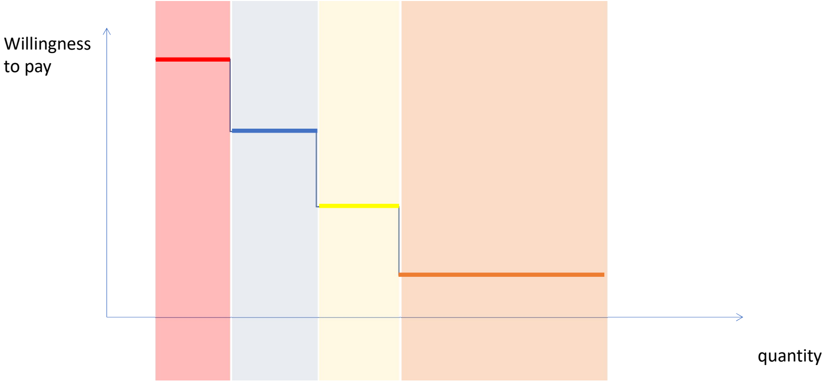


FIGURE 1. THE SURPLUS TRIANGLE

Monopolist might have preferred this → B.



The paper has lovely diagrams on a simplex to illustrate all of this, and shows it works when valuations are continuous.

Knowledge is power, France is bacon (?)

Maybe there's a misconception ↑. Doubt.

Exactly which form of segmentation arises in practice is not entirely in the hands of the monopolist.

→ depends on data structure, regulation, technology, vicissitudes

'relationship between efficiency and information can only be understood in the context of how data will be used'

So a natural and important direction for future research

is to better understand which forms of price discrimination will endogenously arise, and for whose benefit.