

Name \_\_\_\_\_

## The Incredible Changing Price (Part 1)

A thinkLaw Math Lab

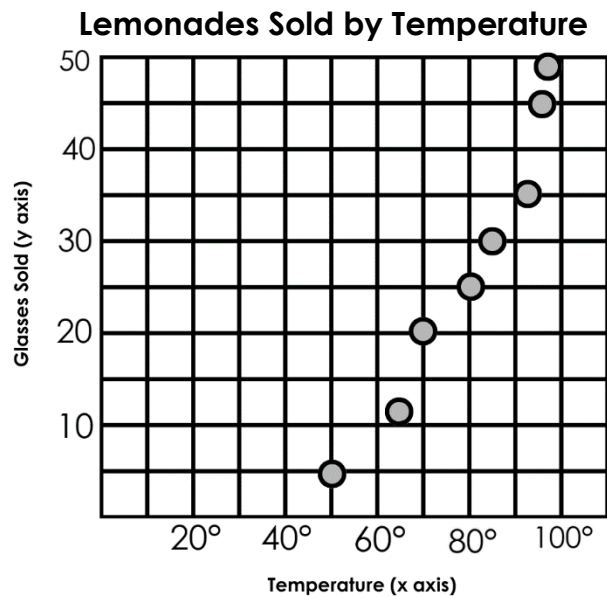
### thinkStarter

Imagine you have a lemonade stand.  
You decide to collect data about your sales.



Outside Temperature	Glasses Sold
95°	45
99°	48
70°	20
65°	12
85°	30
93°	35
50°	5
80°	25

What do you notice about your data?



Do you think you should charge more for your lemonade when the temperature is hot? Why or why not?

## thinkStarter Summary

**Dynamic pricing** is when the price of an item changes based on demand. There are many businesses that use dynamic pricing. Airfare prices, hotel rooms, and ride shares all change their prices based on demand.

### The Incredible Changing Price

Examine the following examples of **dynamic pricing**.

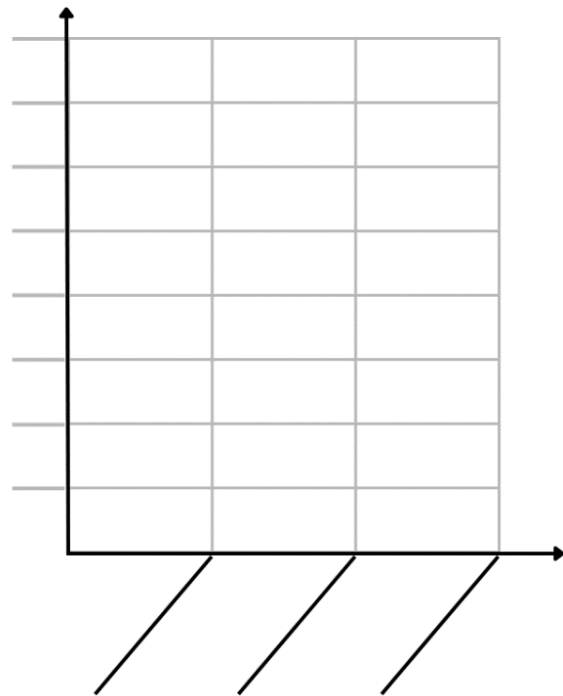
#### Example 1: Disney World Tickets

The price of a 1-day ticket to Walt Disney World is not always the same.

Title:



(y axis)



(x axis)

What might explain the differences in prices?

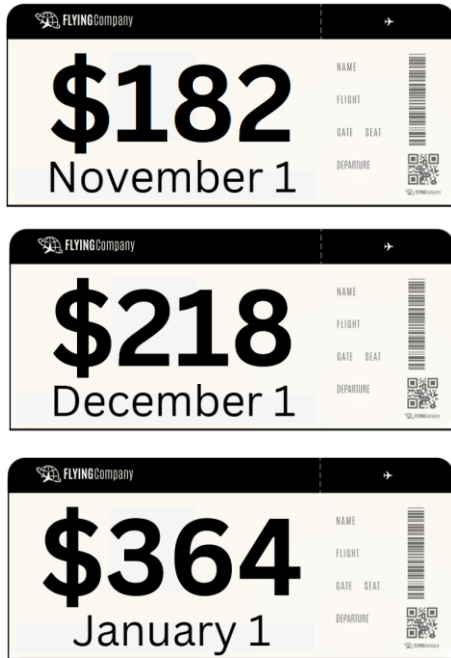
Do you think these price differences are reasonable?

- ☐ Reasonable
- ☐ Unreasonable

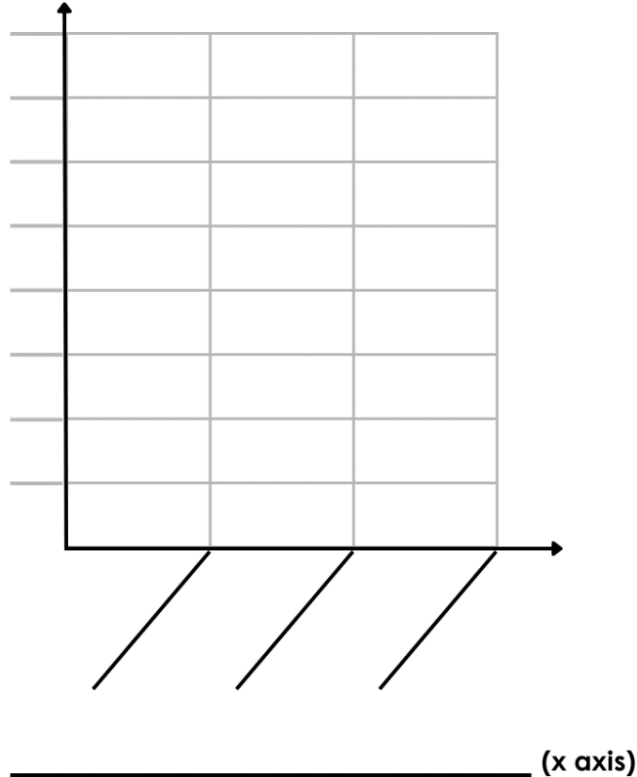
## Example 2: Airlines

An airline runs the same flight every day between Los Angeles and New York City. When you check the price of a ticket for 3 different days you see three different prices.

Title:



(y axis)



What might explain the differences in prices?

Do you think these price differences are reasonable?

- ☐ Reasonable
- ☐ Unreasonable

How would the first two examples impact the way you plan a vacation?

### Example 3: Hotels

During major events, hotel prices can drastically change. Compare the average price to the price the night of an event.



Average Hotel in  
Minneapolis  
**\$154**

Average Hotel in  
Minneapolis during  
Taylor Swift's Tour  
**\$296**

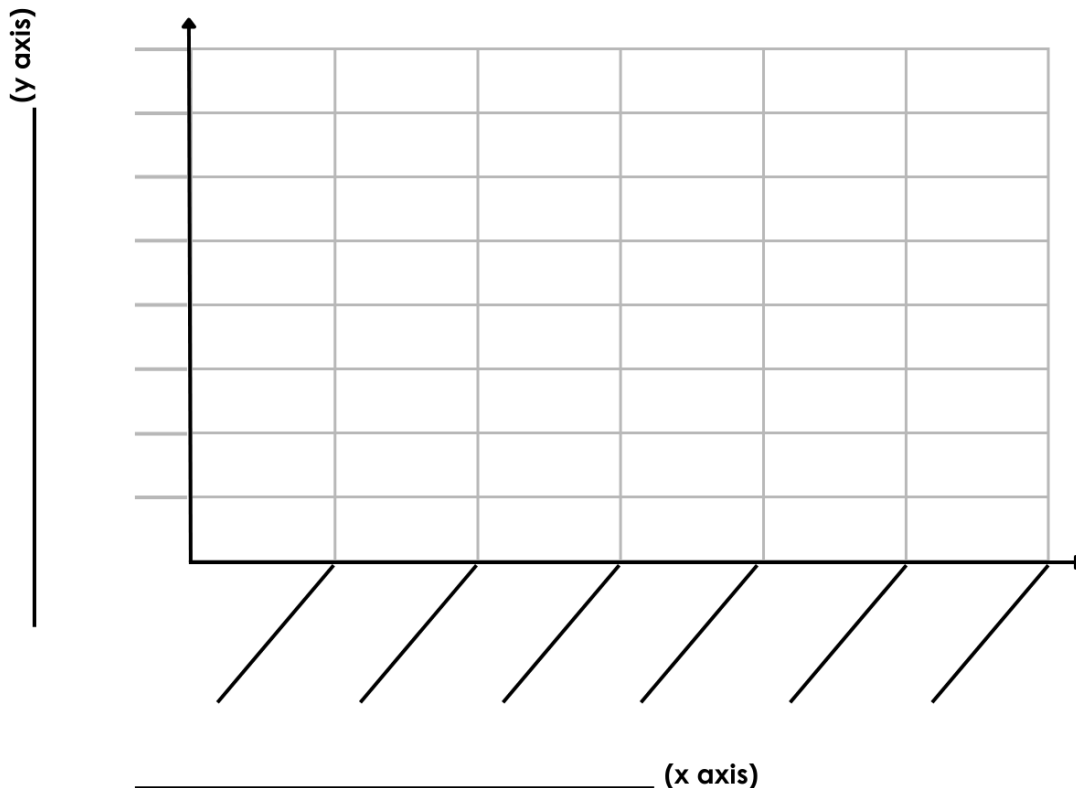
Average Hotel in  
Charlotte  
**\$174**

Average Hotel in  
Charlotte during  
Beyonce's Tour  
**\$252**

Average Hotel in  
Glendale  
**\$216**

Average Hotel in  
Glendale during the  
Super Bowl  
**\$536**

Title:



How would a hotel owner  
feel about these  
increases?

How would a fan  
attending the event feel  
about these increases?

Do you think these  
price differences are  
reasonable?

- ☐ Reasonable  
☐ Unreasonable

Dynamic pricing is legal. But is it fair?

What are the best arguments for both sides?



Dynamic pricing is fair.	Dynamic pricing is NOT fair.

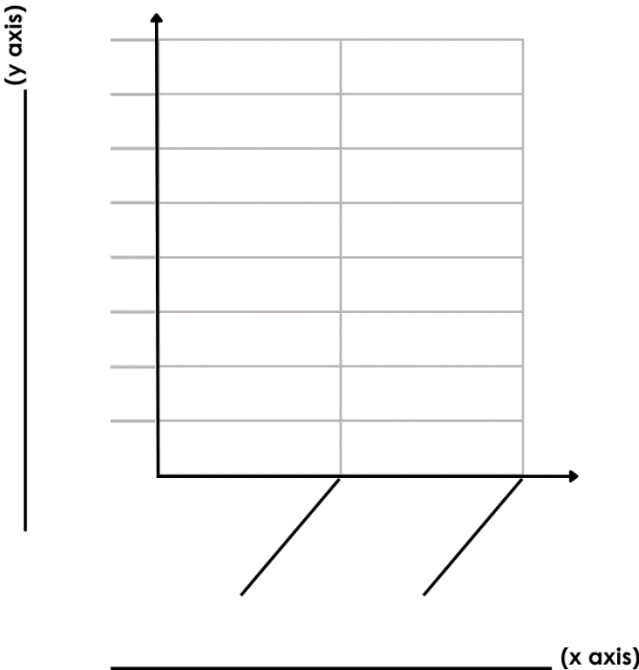
Should dynamic pricing be illegal? Why or why not?

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**thinkBigger** (Canada, 2022)



Rapper Drake was scheduled to perform a concert in Montreal, Canada, on July 14, 2022. The tickets were sold through Ticketmaster. When the ticket sale began, there was high demand for the tickets. Ticketmaster used **dynamic pricing**, and the price for the tickets increased. A man paid \$789.54 for an “Official Platinum” ticket.

The next day Ticketmaster announced there would be a second concert the next day. There was less demand for tickets for the second show. “Official Platinum” tickets were \$350.

*Use the ticket prices to make a bar graph.*

The man joined with other upset customers and sued Ticketmaster. The man said that Ticketmaster intentionally tricked fans by raising the prices and not announcing that there would be 2 shows.



Who should win this case?

Use the DRAAW+C Framework to write your decision.

D	Who should win? The man or Ticketmaster?
R	What is the rule?
A	What is the man's best argument?
A	What is Ticketmaster's best argument?
W	Why is your decision the best decision for the world?
C	Conclusion