

### EE489: Past Seminar Paper Review

Pricing Under Product Differentiation: A Case from Private Tutoring in Thailand

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#### Part 1: Description of the paper

1. The research questions
  - How the tutors or tutorial school charge the prices?
2. The research objective
  - The objective of this paper is to understand the price of private tuition and analyze rationale behind different pricing strategies by taken product differentiation into account.
3. Methodology
  - Primary data: collection of pricing sets of each private tutoring and interviews.
  - Secondary data: using the data about the student numbers and market value from Kasikorn Research Center and some information taken from literature reviews.
  - The author obtained the data by collecting the brochures and view the courses price from tutoring's websites and Facebook, as well as interview the students.
4. The results
  - The results found that price differentiation in private tuition was due to different market structure of each type of private tutoring.

Pricing strategies:

- *General subject and Thai admission tutoring* used mixed bundling.
- *International program admission tutoring* used second degree price discrimination.
- *International language tutoring* used second degree price discrimination, two-part tariff, and peak-load pricing
- *One-to-one private tutoring* was price-takers as having no power to set the price.

#### Part 2: Reflection on the paper

1. Theoretical framework
  - Analyzing through SCP paradigm (Structure, Conduct, Performance)
    - Market Structure* (market's characteristics): product differentiation – purchase according to student's preferences.
    - Market Conduct* (firm's behavior) – emphasizing on pricing strategies depending on types of private tutoring by applying price discrimination according to the types of private tutoring.
    - Market Performance* – analyzing market power or ability to charge price over marginal cost and applying price markups, and economic profit to analyze competition in the market.
2. Comments
  - In my opinion, the research topic (how private tutoring charge the price) is very interesting because I believe that many people have experience in studying with private tutors in high school but many including me do not know the patterns on how private tutoring price their courses. The results showed that different types of tutoring have different pricing strategies due to different market characteristics in each type. Moreover, the results are convincing me because the data was mainly primary data that the author can collect accurately and will be the same as if others collected from the same private tutoring. However, most of the collected tutoring price are mostly from the well-known school so I think it possibly has some bias if comparing to other tutoring. Also, the author did not include the other school that operated outside Bangkok.