



EIGHT WAYS TO AVOID ONLINE PRICE HIKES

A growing number of online retailers now use different prices for different customers to make more money, rather than offering a single price for their goods. We explain how to navigate this minefield and come out with the best buy

BY RITA LOBO

It would be unthinkable for a high-street shop to offer the same goods at different prices to different consumers. But this practice is fairly common online, as a growing number of retailers start implementing what is known as 'price discrimination'. It means

that single pricing as we know it is a thing of the past.

"It's long-standing economic theory, which shows companies can make a lot of money from charging more from people who are prepared to pay more," explains Catherine Waddams, professor of economic

regulation at Norwich Business School. Businesses have been accumulating a lot of data about online consumers and can use targeted advertising, surge pricing and clever algorithms to manipulate pricing based on shoppers' preferences and habits.

It can be subtle: travel search engines offer higher prices after repeated searches, knowing that savvy travellers won't want to miss the best deals. It can be blatant as well: Uber will make use of surge pricing when demand soars and it knows that stranded passengers will pay the higher fare.

Price discrimination is not necessarily bad news, though.

"If companies can charge more to people who will pay, and less to people who won't, as long as it doesn't impact their cost of production, then they may start supplying more people," says Professor Waddams. "It's not equal, but it's not all bad." It is, however,

possible to sidestep these price hikes and come out on top – but only if you know what to look out for. Here are *Moneywise's* top tips.

1 Get off Google

More than 90% of global search traffic goes through Google, and many of us rely on its calendar, mail and social media services. Without even noticing, we remain signed into the Google network all the time. But the firm's united privacy policy means it tracks your every move online constantly, including scanning your emails for keywords. It's very convenient to be permanently connected, but targeted ads and you-centric search results can mean that you end up paying more. Turn off Google's personalised search, opt out of ads personalisation at the least, and try to sign out of Gmail when you are not using it.

2 When possible, switch off your cookies

Although European law demands that websites tell you their cookies policy outright, it is still possible to browse the internet and shop online with cookies switched off. This will limit the amount of information that websites can collect while you visit their pages, and therefore prevent targeted advertising and help keep you clear of price discrimination. You can disable or block cookies by heading into your browser's privacy settings. But beware, not all sites will accept this and you might have to keep signing into your accounts again and again.

3 Search for deals on your mobile as well as on a laptop or PC

Lots of companies are trying to increase their share of the mobile retail market and they offer deals when you shop through your mobile. Many companies also offer special discount codes if you download and shop through their own apps, so it's worth keeping an eye out for these offers, even if you later delete the app.



4 Use multiple browsers

Every time you search for a deal online you leave a trail with your browser. The shorter this trail, the less likely that you will be subjected to a price hike when you are finally ready to make a purchase. By using more than one browser to search for, compare and then eventually purchase items, you can minimise the trail you leave behind, and will be less likely to be tracked or targeted.

5 Block all trackers

Every site on the internet is embedded with tracking cookies (which are different from your browser cookies). These trackers are behind most of the targeted advertising that follows you from page to page. Try downloading anti-tracker plug-ins that will block these tracking cookies and prevent ad analytics from creating an ad map of where you like to navigate online. The Electronic Frontier Foundation's Privacy Badger (Eff.org/privacybadger) is good, but Ghostery.com or Disconnect.me work too.

6 Don't automatically accept 'surge charges'

Most of us know to expect to pay higher prices when travelling at peak times – this is called 'dynamic pricing'. 'It's responsive to the amount of supply and demand in

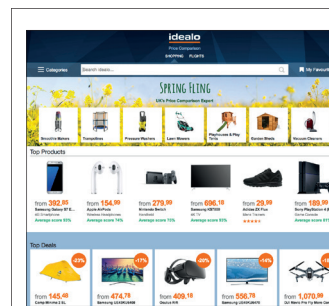
the market," explains Professor Waddams. "Whoever you are in that particular moment, you will get the same price."

Apps such as Uber are now deciding the value of this surge in demand in real time, often asking users to accept fares many times higher. To avoid surge charges, try to travel outside peak times whenever possible. As for the apps, the key is to remember that you don't have to use that service. If Uber prices are surging, it might be cheaper to call your local minicab company.

7 Know when to shop

Increasingly, online retailers are using dynamic pricing by increasing prices at times when online traffic surges. There is a lot of research based on the rich data that online retailers have that can help us figure out when traffic is lowest and the ideal times of day to shop. The consensus appears to be that Monday is the best day to purchase big-ticket items such as electronics, according to *How to Win at Shopping* by David Zyla and Eila Mell; while Tuesday afternoons are ideal for booking flights, according to Skyscanner. Generally, try to avoid online shopping during weekends, and try to buy tickets for travel at least seven weeks before you intend to get away. **mw**

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8 THE AMAZON FACTOR

Amazon's tactics for constantly changing prices based on what the competition is charging, your browsing history and peak browsing hours, are well documented, even if the company refuses to confirm them. But now websites such as UK.CamelCamelCamel.com and Idealo.co.uk allow you to track prices over time, and even create 'Amazon price-drop alerts'. When buying bigger items, it will often pay to be a little patient, track the cost and then strike when the price is right.

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