

Part 9:
Micro-payments

Micro-pricing breaks up
the cost of a purchase
into smaller components.

100¢ \neq \$1.00

The Micro-pricing Experiment



cartoons

\$\$

news & sports

\$

**"post-modern
literature"**

FREE

The Micro-pricing Experiment

Condition:

1. micro-payment on demand
2. micro-payment at end
3. deduct from prepaid account
4. subscription



cartoons

news & sports

**"post-modern
literature"**


price



FREE

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FREE




Keeping prices equal
simplifies the decision
making process, making
us more likely to buy.





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- Consolidating multiple purchases into one invoice reduces the pain of paying.
 - Gift certificates and pre-payment options reduce micropayments and therefore the pain of paying.
 - Offering apps for FREE reduces the number that can be sold for a profit.

A spiral-bound notebook is shown from a top-down perspective, resting on a light-colored wooden surface. The notebook's cover is a light tan or cream color, and its spiral binding is visible on the left side. The pages are white with faint horizontal lines. The text is printed in a black, sans-serif font on the top page.

The psychology of money
is a topic where our intuitions
are not always correct.