

## Affordability

Affordability is rooted in product pricing. Discounts to consumers that need some price reduction allows those consumers to be more satisfied due to increased access. The practice of price discrimination can also serve as a form of equitable pricing. This is the practice of pricing the same good differently for different types of consumers or markets. Price discrimination can also be called equity pricing when it takes into account consumers ability to pay.

Will offering a subsidy or discount rectify the access issues associated with this product?

Additional Sources:

Darke, P. R., & Dahl, D. W. (2003). Fairness and discounts: the subjective value of a bargain. *Journal of Consumer Psychology*, 13(3), 328–338.

Grace, C. (2003). Equitable pricing of newer essential medicines for developing countries: Evidence for the potential of different mechanisms. World Health Organization.



Image Source: <http://www.ericleach.net/blog/the-2014-housing-affordability-forecast/>