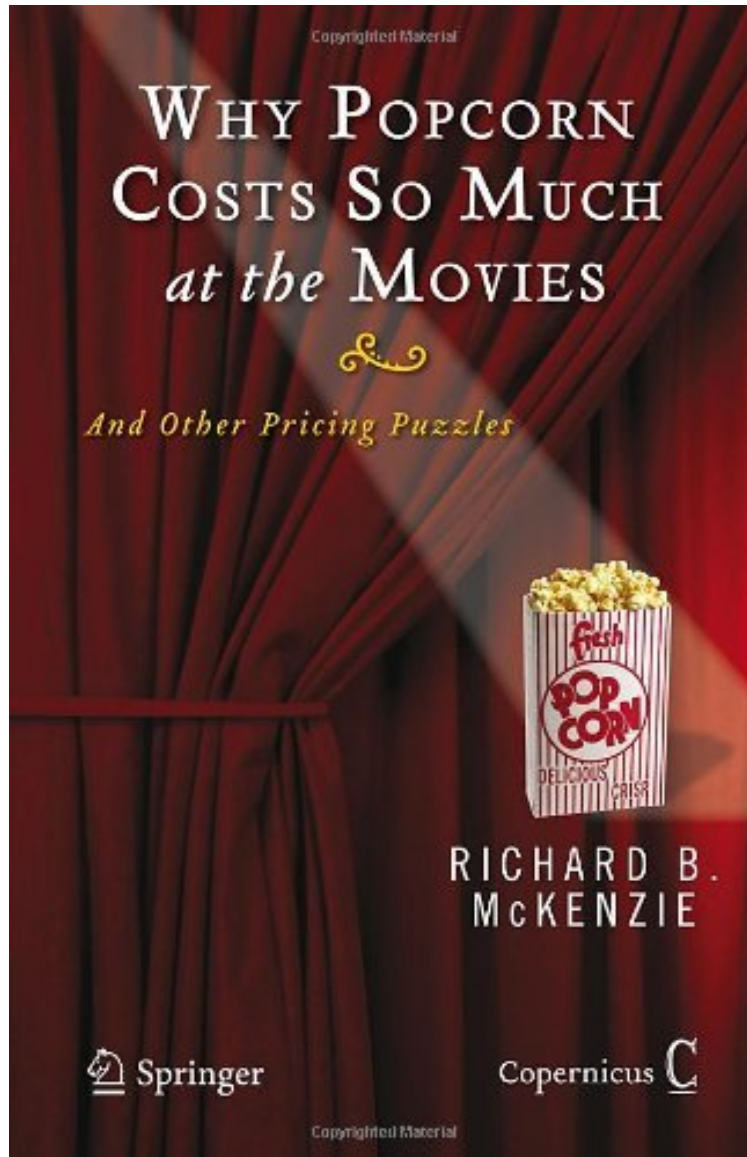


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# Why Popcorn Costs So Much at the Movies: And Other Pricing Puzzles

Richard B. McKenzie

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**Richard B. McKenzie : Why Popcorn Costs So Much at the Movies: And Other Pricing Puzzles** before purchasing it in order to gage whether or not it would be worth my time, and all praised Why Popcorn Costs So Much at the Movies: And Other Pricing Puzzles:

11 of 12 people found the following review helpful. the cover promises fun, but actually it's kinda boringBy CaraculiambroI don't think this book is anywhere near as entertaining as the author, an economics teacher at UC

Irvine, thinks. It's meant to be a popular and light-hearted look at a variety of pricing puzzles: those situations where common sense suggests the price either needs to rise or fall for business to pick up. McKenzie tries his hand at explaining a slew of them, such as the pricing of used cars or of campus housing. It's basically like "Freakonomics," except nowhere near as well-written or mind-blowing. In the preface, the author acknowledges that his book "might appear to emerge only because of the success of other economists who have sought to apply economic reasoning broadly, as Steven Levitt, an economist, with wordsmithing help of journalist Stephen Dubner, has done in the wildly successful book, *Freakonomics*." (p. XI) He then goes on to insist that no, he was going to write this book anyhow. In fact, he had the idea first, he says, claiming that his 1975 book, "The New World of Economics" accomplished everything that *Freakonomics* later did - except the sales, I would add. Anyhow, I would suggest you read "Freakonomics" instead, as that book is much more clearly written and more startling. This book can't even boast an intriguing solution to the titular problem. As if that weren't unforgivable enough, once you finish his section on the pricing of theater popcorn, you still remain to be convinced that he in fact has uttered the last word on the matter. If you're using this as a supplementary reader to an econ course, it'd better be a micro course, since many of the concepts McKenzie discusses require conversance with basic microeconomics: elasticity, consumer surplus, marginality, etc. Without a command of those, you're going to be fairly lost most of the time. Here's a sample: "Again what the theater is doing is walking its patrons down their proverbial demand curves. They aren't so much lowering the marginal price of the additional ounces as they are hiking the price on those first few ounces. and this kind of pricing structure allows theaters to effectively charge all popcorn buyers some "admissions price" for concessions, which can be used to cover their many overhead costs in providing concessions and cleanup." (p. 95) 0 of 0 people found the following review helpful. Five Stars By JudiShipped as promised and the quality as promised. 0 of 0 people found the following review helpful. Two Stars By MeshaBought this book for my daughter. It has a lot of info but it can get confusing.

This entertaining book seeks to unravel an array of pricing puzzles from the one captured in the book's title to why so many prices end with "9" (as in \$2.99 or \$179). Along the way, the author explains how the 9/11 terrorists have, through the effects of their heinous acts on the relative prices of various modes of travel, killed more Americans since 9/11 than they killed that fateful day. He also explains how well-meaning efforts to spur the use of alternative, supposedly environmentally friendly fuels have starved millions of people around the world and given rise to the deforestation of rainforests in Malaysia and Indonesia.

.com With exhaustive research and a wry sense of humor, University of California, Irvine professor Richard McKenzie probes the pricing questions that consumers so often fail to ask in *Why Popcorn Costs So Much at the Movies*. By distilling the effectiveness of commonly-held strategies, McKenzie illuminates the logic in the seemingly illogical and shakes the foundations of prevalent pricing myths. Are we really fooled by prices that end in 9? If holiday clearance sales are about excess inventory, wouldn't retailers hire better buyers the next year? And why do coffee shops offer free WiFi? Fans of *Freakonomics* will enjoy McKenzie's entertaining analysis, as you may never look at sales, coupons, rebates - or movie theater popcorn - the same way again. - Dave Callanan From the reviews: "The author, Richard McKenzie, does a popping-good job showing readers why they should buy his book. hellip; since his book is about hidden truths in marketing and he demonstrates the popcorn truth so well, you definitely get a feel hellip; to buy this book." (Beneath the Cover, June, 2008) "Richard McKenzie takes the reader through the conundrums of pricing --why are there after-Christmas sales, why do new cars instantly lose so much value hellip; and how does subsidized university housing burden the university in unforeseen ways. And, of course, why popcorn costs so much at the movies. Fun but also illuminating on the power of markets to value your time and the products and services you purchase. *Why Popcorn Costs So Much At the Movies, And Other Pricing Puzzles* makes pricing theory interesting!" (Hugh Hewitt, June, 2008) "Richard McKenzie's book, *Why Popcorn Costs So Much at the Movies, and other pricing puzzles*, is out. hellip; It looks like a good microeconomics primer to me ndash; a nice mix of thoughtful price theory and contemporary examples." (The Undercover Economist, June, 2008) "In this book, McKenzie covers an eclectic range of topics, looking at strange pricing phenomena and their consequences. hellip; this will be an interesting read." (Andy Ridgway, BBC Focus, Summer, 2008) "The first place/time I heard of this book was on the EconTalk podcast hellip; . Dr. Tyler Cowen recommends the book as well. hellip; provides a solid grounding on the 'whys' of prices. Why are they so important, why must we get them 'right'? hellip; The treatment of 'freers' items such as ink-jet printers was excellent, and possibly worth the price of the book itself. hellip; In short, a solid book that I enjoyed more than I expected to." (Amateur Economist, August, 2008) "This is an interesting book and a good read. The level is not technical and is similar to some of the recent crop of popular economics writings hellip; . What differentiates this book is its ideology: markets and people are rational." (Huw Dixon, Times Higher Education, July, 2008) "McKenzie uses clear economic reasoning to explain many aspects of pricing that are otherwise puzzling. He even uses reasoning about prices to show that the federal government's rules for getting on airplanes have caused more deaths than the terrorists hellip; . hellip; He uses economics to analyze the issues deeply and presents a more balanced view of the incentives and motivations of sellers. hellip;

McKenzie's Popcorn is a welcome antidote to Freakonomics." (David R. Henderson, Regulation, Vol. 31 (3), Fall, 2008) "In his most recent book, entitled 'Why Popcorn Cost So Much at the Movies, and Other Pricing Puzzles,' ... Richard McKenzie explains this conundrum as well as other pricing mysteries. ... Overall I enjoyed this book ... . McKenzie's writing style graciously makes this book effortless to read and comprehend. ... I would recommend this book to anyone seeking to gain a greater understanding of how basic economics principals can accurately explain pricing enigmas in our everyday lives." (Keegan Hall's Infamous Blog, December, 2008) "The book Why Popcorn Costs So Much at the Movies is an academic book wrapped in a populist title. It provides insight into a variety of pricing mysteries hellip; . it is useful for anyone involved in pricing a product. hellip; The book touches upon social issues and the unintended consequences of pricing. hellip; With a variety of topics, it has something for students and professionals hellip; . " (The Violdi View, January, 2009) "Written by an economist for smart people, Popcorns unpacks pricing puzzles taken from real life, from the age-old debate over ending a price in a 9 to charging \$10 for a bucket of movie theater popcorn. hellip; To an entrepreneur facing the mystery of setting prices, this book contains a wealth of important ideas." (Inc, January, 2009) "Pricing makes the economic gorsquo; round. hellip; Professor McKenzie does a good job of tackling this complexity head on, and anyone whose job is remotely connected to pricing will benefit from reading this book. Consumers who are curious about the prices they pay hellip; and how they got that way are likely to enjoy this book as well. hellip; McKenzie's writing is engaging and readable. hellip; this is a must read book for anyone who deals with pricing." (The Customer Knowledge Advantage, May, 2009) "Of all the good books Irsquo;ve read recently, the best so far is probably Why Popcorn Costs So Much at the Movies and Other Pricing Puzzles by Richard McKenzie. hellip; The book looks at a large number of pricing puzzles and hellip; provide rational explanations for why they might be the case. hellip; McKenzie hellip; illustrate the possible ways to resolve these puzzles. hellip; I recommend this book to anyone and everyone who is hellip; interested in understanding economics as the science of making decisions." (Diversified Interests, July, 2009) Idquo;This book illustrates pricing puzzles hellip; and provides alternative reasoning based on sources in either rational (e. g. opportunity cost, experience/network goods, market/information uniformity, sales prediction) or non-rational (e. g. regulation, politics, psychology) economics. Presented as a sequence of puzzles and discussions/answers, this is a thought provoking book. I highly recommend.rdquo; (Raresaint, March, 2010) Idquo;Richard McKenzie's latest book Idquo;Why Popcorn Costs So Much at the Movies... and Other Pricing Puzzlesrdquo; (Springer, 2008) is an absolute whiz to read and learn from, like his 1975 tour de force Idquo;The New World of Economicsrdquo;hellip; I write to thank you for your most recent book which I have read and am rereading. It is wonderful. I use that term not because I am bereft of more formal and high sounding adjectives but because it is, for me at least, accurate.rdquo; 28 August 2008 (Brent Wheeler, Brent Wheeler Limited) Idquo;I read about . . . your new book lsquo;Why Popcorn Costs So Much at the Moviesrsquo;, which is excellent, by the way--much better than a lot of the other new econ books out there trying to explain everything.rdquo; 4 September 2008 (Mark Skousen, Benjamin Franklin Chair of Management, Grantham University, Author of lsquo;The Big Three in Economics: Adam Smith, Karl Marx, and John Maynard Keynesrsquo;)