



The Lagos Consumer Paradox

Our Market Survey on Price Discrimination



Plus



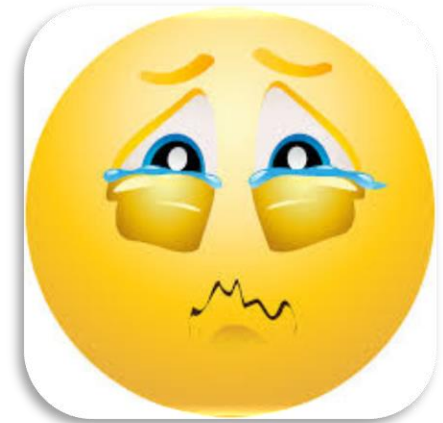
The Big Consumer Rip-off

OYINGBO
(LAUGHING)



V.I
(PERPLEXED)

SURA
(CRYING)



Lagos Retailers Are Mainly Price Sharks

V.I



Sura



Oyingbo



*20% more
expensive*

*15% more
expensive*



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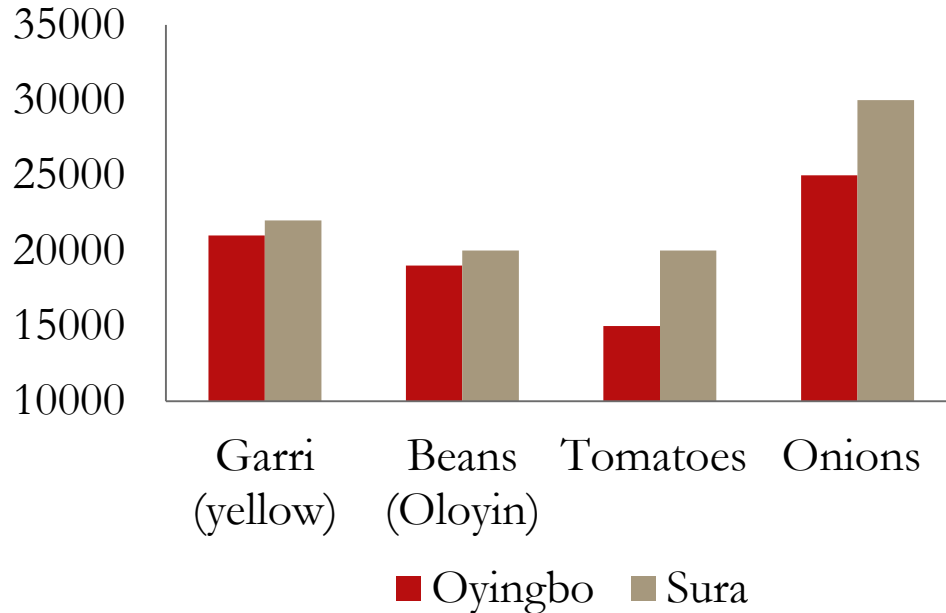
Ecobank
The Pan African Bank

SURA IS 15%



OYINGBO

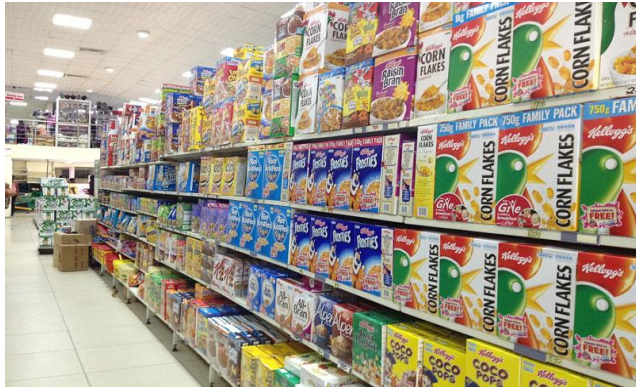
Food Prices (N)



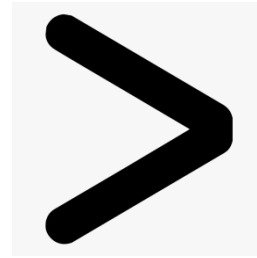
- Garri 5% ↑
- Beans 5% ↑
- Tomatoes 33% ↑
- Onions 20% ↑

Supermarkets Are Also Sharks

Lekki



Magodo



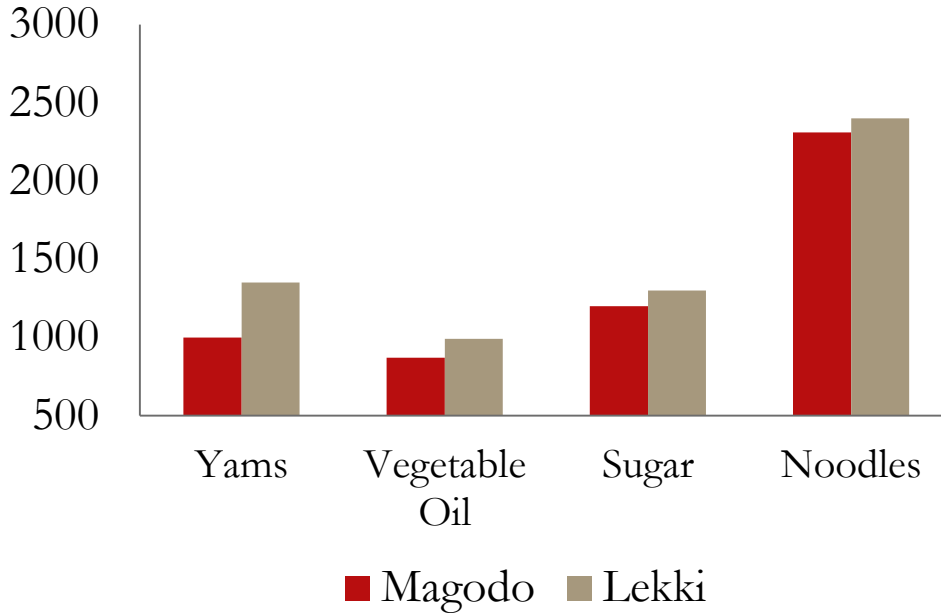
*15% - 20% more
expensive*

SUPERMARKETS - LEKKI IS 15%



MAGODO

Food Prices (₦)



Jiji.ng

- Yams 35% ↑
- Vegetable oil 14% ↑
- Sugar 5% ↑
- Noodles 4% ↑

*The Economics of Price
Gouging!!!*

PRICE GOUGING



“Price gouging occurs when a seller increases the prices of goods, services or commodities to a level much higher than is considered reasonable or fair”

PRICE DISCRIMINATION

- Price discrimination is a strategy where identical goods are sold at different prices in different markets
- It is a characteristic of imperfect markets
- Reasons include:
 - Different demand elasticity
 - Market segmentation
- Price discrimination is not Nigeria specific but a universal phenomenon

Every Taste Maker's Delight



IMPERFECT LAGOS MARKETS

- The price differential between open markets and supermarkets are the same (15% - 20%)
- Open markets are less imperfect
 - Many buyers & sellers
 - Perfect information and easy entry
 - Identical prices



CONCLUSION

- Price discrimination will increase because:
 - Closure of 3rd Mainland bridge
 - Higher transport cost (N148/litre)
 - Lockdown impact

BURNING ECONOMIC ISSUES

- External reserves slides to \$35.62bn
- Naira stable at the parallel market (N475/\$)
- Brent rises to \$45.07pb on lower US crude inventories
- Stock market capitalization up to N13.12trn
- Power output above 4,000MWH/hr
- Inflation to increase – 12.80% (FDC)

Thank you!