Tying

Under a tying arrangement, the purchaser of one good is compelled to agree as a condition of purchase (or lease) to buy supplies of some other good from the seller. The agreement, in effect, forecloses competing materials suppliers from selling the *tied* good to that purchaser.

Bundling

Under bundling practices, the seller insists that the buyer take a package of products, bundled together and offered at a single price per bundle. Bundling differs from tying in that the products bundled as a package are usually related and that, if items are offered singly, the price would tend to be higher.

Forcing

Under a forcing contract, the dealer is required to purchase a given amount of the input.

Requirement Contracts

In this type of agreement, a manufacturer imposes the requirement that dealers sell only to the general public and not to other dealers on a wholesale basis. The agreement simply reflects the manufacturer's decision and is not necessarily a collusive limitation designed to undermine inter-brand market forces.

Price Discrimination

In the simplest terms, a question of price discrimination may be presented whenever different customers for the same good are charged different prices. The actual legal strictures are more detailed, since the law may reference competing customers and an injury to competition. Discriminatory pricing can be profitable because it allows a seller to extract higher prices or surplus from customers with a greater willingness to pay. Alternative consumer surplus extraction techniques are: tying, bundling and quantity forcing arrangements.