



Center for Competition and Market Regulation

Freedom to Price

Promote Competition Over Regulation

Competition, not regulation, is the most effective way to ensure fair prices and innovation. Policymakers should focus on reducing barriers to entry, fostering competition, and addressing anti-competitive conduct rather than imposing broad, restrictive pricing rules.

Empower Consumers Through Choice

A competitive marketplace empowers consumers to choose the best products and services at the best prices. Government policies should prioritize consumer choice and avoid interventions that limit options or favor certain companies over others.

Preserve Market-Driven Pricing Mechanisms

Pricing decisions should be determined by competition in the marketplace, not by government intervention. Allowing the market to set prices ensures that consumers benefit from competitive pricing, innovation, and a variety of choices.

Encourage Pricing Flexibility

Companies must have the freedom to experiment with different pricing strategies, such as dynamic pricing, discounts, free-to-pay, and loyalty programs, to meet consumer needs and respond to market conditions. This flexibility fosters innovation and enhances consumer satisfaction.

Support Transparency Without Overregulation

While transparency in pricing is important, regulations should not impose overly burdensome requirements that hinder legitimate business practices. Businesses should be allowed to communicate pricing in ways that reflect the complexity and variability of their offerings.

Encourage Innovative Pricing Models

Innovative pricing models, such as risk-based pricing or performance-based pricing, allow companies to better serve diverse consumer needs. Policymakers should encourage, not hinder, the development of such models to enhance economic opportunity and efficiency.

Avoid Government Overreach in Pricing

Government-imposed price controls or regulations often lead to unintended consequences, such as reduced competition, higher costs, and diminished innovation. Policymakers should resist efforts to micromanage pricing practices, as such actions can stifle economic growth and harm consumers.

Recognizing the Risks of Arbitrary Price Controls

Arbitrary price controls can distort markets, reduce incentives for companies to invest in research and development, and limit consumer access to innovative products and services. Historically, aggressive pricing regulations have led to shortages, underinvestment, and economic decline. Policymakers should avoid measures that undermine the free market's ability to allocate resources efficiently.