

B1-B2 English Worksheet

Dynamic Pricing: When the Same Product Costs Different Prices

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Article

For years, shoppers expected prices to be fixed, but that idea is no longer set in stone. Dynamic pricing means a price can change because of demand, time, location or stock. Personalised pricing goes further: the price or discount can depend on what a company knows about a customer. A recent Fortune excerpt revisited a 2025 investigation in which 437 volunteers shopped for identical grocery baskets on Instacart. Many saw different totals, and some items varied by as much as 23 per cent. Instacart later ended those pricing experiments.

Not every changing price is personalised. Airlines, hotels and ride-hailing apps have long raised or lowered prices when demand changes. Retailers can also cut prices to clear out stock or encourage people to shop at quieter times. Reuters recently reported that McDonald's is using AI to analyse millions of transactions and recommend prices for different restaurants. Nearby branches may charge different amounts, but the system is based mainly on local conditions rather than identifying one particular shopper. For customers, the challenge is to keep track of prices and shop around before buying.

The biggest concern is what happens when companies use personal data to work out how much someone may be willing to pay. Browsing history, location and shopping habits can add up to a detailed customer profile. Supporters say flexible prices can create discounts and help shops manage demand, allowing shoppers to take advantage of cheaper moments. Critics worry that others may miss out on the best deals because an algorithm predicts they will pay more. In the end, the argument may come down to transparency: people are more likely to accept changing prices if they understand why they changed. For retailers, flexible pricing may pay off, but trust matters too.

True/False

Decide if each statement is True (T) or False (F).

No.	Statement	T / F
1	Dynamic pricing can change according to demand, time, location or stock.	
2	Personalised pricing never uses information about individual customers.	
3	Every volunteer in the Instacart investigation saw exactly the same grocery total.	
4	Instacart later stopped the pricing experiments described in the article.	
5	The McDonald's system is described as identifying one individual shopper and setting a personal price.	
6	Changing prices can help retailers sell remaining stock or attract customers at quieter times.	
7	The article says customers will accept any price change as long as it is produced by AI.	
8	The article suggests that transparency and trust affect how people react to changing prices.	

Phrase Match

Match the phrases (1-10) to the correct definitions (A-J).

Phrases (1-10)	Definitions (A-J)
1. set in stone	A. use an opportunity for your benefit
2. clear out	B. continue to monitor something
3. keep track of	C. calculate or discover something
4. shop around	D. be mainly decided by one important factor
5. work out	E. fixed and not expected to change
6. add up	F. lose the chance to get or experience something
7. take advantage of	G. produce a good or successful result
8. miss out on	H. sell or remove remaining stock
9. come down to	I. gradually form a larger total
10. pay off	J. compare prices or products from different sellers

Synonym Match

Match the words (1-10) to the correct synonyms (A-J).

Words (1-10)	Synonyms (A-J)
1. fixed	A. adaptable
2. identical	B. shopper
3. personalised	C. probable
4. customer	D. same
5. particular	E. confidence
6. flexible	F. opponents
7. critics	G. tailored
8. likely	H. thorough
9. detailed	I. specific
10. trust	J. stable

Use the New Language

Choose 5 words or phrases from the worksheet and write your own sentences.

No.	Your sentence
1	
2	
3	
4	
5	

Discussion Questions

Student A	Student B
1. When you shop online, do you usually shop around or buy from the first website you trust?	1. Is dynamic pricing fair when prices rise simply because demand is high?
2. Have you ever watched the price of a flight, hotel or taxi change while you were deciding?	2. Is there an important difference between prices changing with demand and prices changing because of personal data?
3. Would you wait for a lower price if you did not need an item immediately?	3. Should companies tell customers when browsing history or location helps to set a price?
4. Do loyalty cards, apps or special discounts affect where you shop?	4. Could flexible pricing reduce waste if shops lower prices to clear out products before they expire?
5. Which kinds of purchases are hardest for you to compare prices for?	5. Could personalised discounts help customers as well as retailers, or would companies benefit more?
6. Do you prefer fixed prices, or do you enjoy bargaining in markets and shops?	6. Does dynamic pricing make it harder for people to budget and shop around effectively?
7. How would you feel if a friend paid less for exactly the same product on the same day?	7. Is it fair for nearby branches of the same company to charge different prices because local costs are different?
8. What would make you trust a shop that changes its prices regularly?	8. Do you think fixed price tags will still be normal in ten years?

Answer Key

True/False	1=T, 2=F, 3=F, 4=T, 5=F, 6=T, 7=F, 8=T
Phrase Match	1=E, 2=H, 3=B, 4=J, 5=C, 6=I, 7=A, 8=F, 9=D, 10=G
Synonym Match	1=J, 2=D, 3=G, 4=B, 5=I, 6=A, 7=F, 8=C, 9=H, 10=E

Example Sentences With the Phrases

No.	Example sentence
1	The price is not set in stone, so it may change before Friday.
2	The shop discounted old models to clear out its remaining stock.
3	I keep track of hotel prices before I book a holiday.
4	I always shop around before buying an expensive piece of technology.
5	We tried to work out why the fare had suddenly increased.
6	Small delivery charges can add up over a month.
7	I waited until the sale to take advantage of a lower price.
8	Customers without the app may miss out on some discounts.
9	The final choice may come down to price and delivery time.
10	The new pricing strategy may pay off if customers still trust the company.