At your disservice

The rude barman has a role to play when a smart restaurant decides to charge different customers different prices



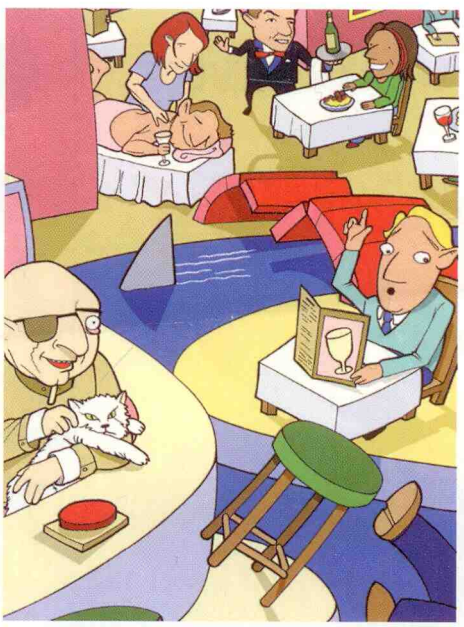
I don't want to complain, but my favourite lunchtime haunt has the rudest barman I've ever encountered – and I don't think it's an accident. The restaurant is famous for its superb, sophisticated Italian cooking and it prices accordingly. A romantic meal for two costs about $150, plus the price of your selection from a wine list of biblical proportions. Even if you pick the cheapest main course for lunch and sip water, this frugal meal for one will set you back $15.

Or, you could sit at the bar or on one of the tables in the bar area. The food is still superb: you can fill up on rich, soft pork meatballs nestling on pillows of light polenta for about $8. The veal ragù is rich but you don't have to be, because this perfect spaghetti is half the price of a pasta dish in the main restaurant.

It sounds too good to be true, and I'm afraid there is a catch. To get to the food, you have to get past the barman who takes your orders, a man more Bond villain than *bon vivant*. To walk into that bar is to laugh in the face of fear. The barman welcomes me in with all the warmth of a Transylvanian butler in a B-movie. He drops menus on my table with a sneer. He repeatedly ignores my attempts to order. As he walks past, my companion whispers that he picked up his tattoos in a Russian prison. I think she's having me on, but I can't be sure.

It's possible, of course, that this man is in the wrong job by accident, and when the restaurant owner reads this column and works out that it's about his restaurant, "Igor" will be fired. I'm not convinced. I think Igor is all part of the plan. One food critic described a previous bartender as acting like she'd just returned from a tax audit. "Venomous" is obviously in the job description.

Why would a restaurant deliberately sabotage the dining experience? A restaurant with a good reputation and a brilliant chef acquires some degree of power to name its prices. With that power comes the temptation to try to separate out customers and charge a high price to the expense-account lobbyists and a cheaper price to me and my friends. A nice idea, but trying to charge different prices for the same product is not easy. Something must be done to keep the lobbyists in the full-priced restaurant, and that something is Igor.



This sounds odd, but it's not really so unusual. Think of Adobe's Photoshop Elements, a product that is often described as a stripped-down version of the image processing software, Photoshop. It doesn't cost Adobe any more to ship a Photoshop CD than to ship an Elements CD, and stripping out those extra features was surely an additional expense. Intel introduced two versions of the old 486 computer chip; the cheaper one was the expensive version with some extra work done on the chip to slow it down.

Consider, too, multipacks in supermarkets. A manufacturer produces a gigantic pack of 12 three-litre bottles of lemonade at a price: it must hire a packaging company to bundle them together. As with Intel and Adobe, the inferior product costs more to produce. The payoff is simple: it enables retailers to target price increases on shoppers who prefer something easier to carry, even if it is more expensive.

One day I shall have an expense account, and I shall dine in the main restaurant where, no doubt, the maître d' looks like Pierce Brosnan and sylph-like waitresses will give me massages. Until then, I will eat great food at low prices, and Igor will keep the lobbyists away.

Tim Harford's book "The Undercover Economist" will be published in the UK on March 23 (Little, Brown £17.99).

ILLUSTRATION: RICHARD BEACHAM

DEAR ECONOMIST

Resolving readers' dilemmas with the tools of Adam Smith



Dear Economist,
My dentist tells me that I should floss, but what do you think?
William Henderson, Virginia

Dear William,
You may be misremembering John Maynard Keynes' famous wish that economists should aspire to be thought of "as humble, competent people on a level with dentists". I don't think Keynes ever believed that economists should become dentists. Fortunately for you, Bryan Caplan, an economist at George Mason University, thinks otherwise.

Professor Caplan's dentist, like yours, is quick to list the benefits of flossing in rather vague terms. No doubt the benefits are real. But are they greater than the costs? Flossing is tedious, uncomfortable and undignified. You can quantify the costs of a lifetime of flossing for yourself: I suggest that you ask your dentist to quantify the benefits before you make a decision.

Professor Caplan's dentist didn't seem to understand the question, so Caplan turned to the scientific journal Nature for enlightenment. It turns out that dentistry itself may not be as useful as Keynes believed: regular dental checkups are likely to give you no more than five extra teeth when you're 75 – assuming you live that long. This is a modest and distant reward for a lifetime of being drilled.

Of course, this column shouldn't be mistaken for informed medical advice. Neither Caplan nor I know a thing about dentistry. But I believe that if economists make a bit of an effort to understand dental health and hygiene, the dentists should meet us half way and produce that cost-benefit analysis.

You may think this is missing the point: flossing also helps to produce more kissable breath. Perhaps most economists feel that bad breath is the least of our worries.

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