

The Law of One Price—A Case Study

Jonathan Haskel, Holger Wolf

First published: 17 December 2002

<https://doi.org/10.1111/1467-9442.00259>



Abstract

We use retail transaction prices for a multinational retailer to examine the extent and permanence of violations of the law of one price. For identical products, we find typical deviations of 20–50 percent, with some evidence for convergence over time. Such differences might be due to differences in local costs. If so, relative prices of similar products (round versus square mirrors) should be equal across countries. In fact, relative prices vary significantly across very similar goods within a product group. The finding suggests that differences in local distribution costs, local taxes, and probably tariffs do not explain the price pattern, leaving strategic pricing or other factors resulting in varying markups as alternative explanations.

JEL classification: F41; L11

Citing Literature



[Download PDF](#)

ABOUT WILEY ONLINE LIBRARY

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#)



Manage Preferences

Accept All

Reject Non-Essential

Contact Us
Training and Support
DMCA & Reporting Piracy
Sitemap

OPPORTUNITIES

Subscription Agents
Advertisers & Corporate Partners

CONNECT WITH WILEY

The Wiley Network
Wiley Press Room

Copyright © 1999-2026 John Wiley & Sons, Inc or related companies. All rights reserved, including rights for text and data mining and training of artificial intelligence technologies or similar technologies.

WILEY

This website utilizes technologies such as cookies to enable essential site functionality, as well as for analytics, personalization, and targeted advertising. You may change your settings at any time or accept the default settings. You may close this banner to continue with only essential cookies. [Privacy Policy](#)



Manage Preferences

Accept All

Reject Non-Essential