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PRICE DISCRIMINATION: A COMPARATIVE STUDY OF BUSINESS UNIVERSITIES IN LITHUANIA

ABSTRACT. The paper reflects on the phenomenon of price discrimination, evaluating the theoretical background, which is further adapted to the theory of tertiary education. The main focus is to identify the forms and levels of price discrimination in two selected business universities in Lithuania, as a fundamental comparative analysis discloses that pricing strategies differ from university to university, but the price discrimination fact stays constant as our study shows. The most popular way of price discrimination at the university level, as our study shows, is *third-degree* price discrimination.

JEL Classification: I21, I22, P2

Keywords: pricing, price discrimination, tertiary education sector, comparative analysis, Lithuania.

Introduction

Why price discrimination comes as a research object these days? Economic crisis has promoted to take into account various marketing and management measures to ensure business viability and potential to sustain their activities on the market. Price discrimination could serve as a tool for marketers to achieve their viability goals, though in legal forms only. Education services are the target for university governors and administrators to seek profitability as well, taking into account several important factors, such as (Zaharia *et al.*, 2009a; Zaharia *et al.*, 2009b: Zaharia, 2009; Dubra *et al.*, 2008; Włodarczyk-Śpiewak & Korpysa, 2006; Savrina & Kalnmeiere, 2006; Grundey *et al.*, 2007a; Grundey *et al.*, 2007b; Grundey, 2008; Gadziyev *et al.*, 2009; Aristovnik & Pungartnik, 2009):

- global economic crisis;
- shrinking educational market due to demographic crisis in most developed countries, including Europe;
- increase in resource costing due to its shortage;
- failure of the governments to insure free tertiary education (for at least a proportion of population);
- lack of population's interest in higher education;
- rising fees for tertiary education;
- questionable study programmes quality and supporting services.

The essence in price discrimination in tertiary education lies in charging different fees for different customer segments; or charging no fees (i.e., the cases when the fees could be waved).

Therefore, the students (actual and potential) face a dilemma, which specialisation to go for, especially when a financial factor of university/ college studies is a paramount one these days.

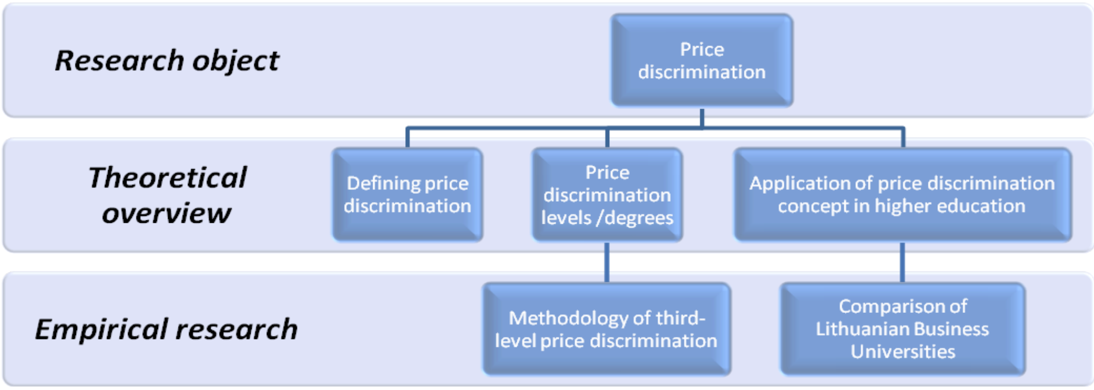

Figure 1. The logic of the current research on price discrimination in higher education

The research object of the current research is price discrimination (see *Figure 1*). *The research aim of the paper* is to disclose and compare pricing practices of business universities in Lithuania, which necessitated the solution of the following *research tasks* (see *Figure 1*):

- to define price discrimination in general terms (as applied in economics, management and marketing sciences);
- to identify the levels of price discrimination, following the approaches by prominent authors;
- to determine the price discrimination factor as applied in university studies on the theoretical level;
- to present cases studies of two business universities in Lithuania – how price discrimination works (if at all) in their tertiary education and perform their comparative analysis.

The preliminary findings support the theoretical suggestions by a number of profound authors (Vedder, 2004; Ehrenberg, 2002; Sandler, 2006) that *third-level price discrimination* dominates in the sector of higher education services.

1. Literature Review

1.1. Defining price discrimination

Most businesses charge different prices to different groups of consumers for more or less the same goods or services. This phenomenon is termed *price discrimination* and it has been applied to nearly every market. **Price discrimination** occurs on the market, when an organisation offers a product or service at different prices that do not show a proportional difference in costing. It is important too, to mark clearly that there is a difference between **price discrimination** and **product differentiation.** Differentiation of the product gives the supplier greater control over price and the potential to charge consumers an excellent price because of noticed differences in the quality of a good or service (see more in *Table 1*).

However, not all price differences are illegal; those which create a monopoly are considered to be illegal and might have legal consequences if detected.

Table 1. Defining price discrimination (a selection of dimensions)

Source	***Description of price discrimination***	***Dimension***
Philps (1985, p.5)	Price discrimination occurs, when the same commodity is sold at different prices to different consumers.	*Economic*
Bishop and Colwell (1989)	One form of behaviour that is consistent with profit maximization is called price discrimination. Price discrimination is the practice of charging different buyers different prices, according to how responsive various consumers of the particular good or service are to a change in its price.	*Micro-economic*
OECD (2003)	Price discrimination occurs when customers in different market segments are charged different prices for the same good or service, for reasons unrelated to costs. Price discrimination is effective only if customers cannot profitably re-sell the goods or services to other customers.	*Economic*
Dibb and Simkin (2004, p.159)	...price discrimination, a policy by which different prices are charged in order to give a particular group of buyers a competitive edge. It is important that a marketer ascertains that such discrimination does not violate any laws.	*Marketing*
Drake (2005, p.4)	Price discrimination is the practice of charging different (marginal) prices to different consumers for the same economic good. These price differences cannot be explained by the difference in marginal cost of making the goods available for the various consumers.	*Economic*
Lancaster and Withey (2006, p.153)	Segmented/differential pricing (price discrimination) – companies will often adjust their basic prices to allow for differences in customers, products, location, time/season and so on. Essentially, the company sells its products at two or more process, even though the difference in price is not always based on differences in costs. Often known as price discrimination, this approach to price adjustments can be very effective in maximising demand and company revenue.	*Marketing*
Armstrong (2006, p.1)	In broad terms, one can say that price discrimination exists when two “similar” products which have the same marginal cost to produce are sold by a firm at different prices	*Economic*
Farrell and Hartline (2008, p.247)	Price discrimination occurs when firm charge different prices to different customers. Price discrimination is very common in business markets where it typically occurs among different intermediaries in a supply chain. In general, price discrimination is illegal unless a price differential has a basis in actual cost differences in selling products to one customer relative to another customer.	*Marketing*
Mankiw (2009, p.326)	We have been assuming that the monopoly firm charges the same price to all customers. Yet in many cases, firms sell the same good to different customers for different prices, even though the costs of producing for the two customers are the same. This practice is called price discrimination.	*Economic*
yourdictionary.com (2010)	Charging different prices to different consumers for the same good or service. Price discrimination requires that the seller be able to effectively segment markets, or else buyers at a low price will be able to profit by selling to other buyers being charged a higher price. Price discrimination is regularly practiced by airlines that sell seats on the same plane at many different prices.	*Business & money*

Conditions necessary for price discrimination identified by authors Geoff Riley and Eton College (2006) are as follows:

- "Differences in price elasticity of demand between markets – a different price elasticity of demand from each group of consumers is needed".
- "Barriers to prevent consumers switching from one supplier to another – the firm must be able to prevent a process where consumers who have purchased a good or service at a lower price are able to re-sell it to those consumers who would have normally paid the expensive price".

"Price discrimination is a term that can elicit emotional responses from those who do not understand its meaning. In this context, the word discrimination should not be taken to mean any kind of difference in treatment of individuals based on their gender, nationality, or ethnic background. The term price discrimination might be less troubling if the non-economists understood it to mean differences in prices charged across various groups of consumers" (Bishop and Colwell, 1989).

The roots for price discrimination in higher education could be evaluated from the following perspectives:

1) The pricing theory (Paulsen, 2000);
2) The market structure theory;
3) The theory of costing;
4) The theory of imperfect competition (monopolistic competition);
5) The behavioural theory (Casse and Manno, 1998);
6) The concept of product homogeneity (Mitra, *et al.*, 1997);
7) The concept of product differentiation (it might take a form of a non-price competition, often in the form of marketing activities, such as advertising, promotion, public relations; fund raising, recruitment and programme development);
8) Ways of market entry (either for an educational institution by establishing a subsidiary or by opening a new study programme for the market).

1.2. Degrees in price discrimination

Price discrimination can be differentiated into three degrees. Different authors call the degrees of price discrimination differently, but the main features in the whole three degrees are the same. First, second and third degree price discrimination exist and apply to different pricing methods used by companies. The comparison of three authors can be seen in the table below.

Table 2. Defining levels of price discrimination

Price discrimination level/degree	***Kotler (2006)***	***Riley and College (2006)***	***Tricia Ellis-Christensen (2010)***
First-degree price discrimination (*Perfect price discrimination/ Optimal pricing*)	A separate price to each customer depending on the intensity of demand	Separates the whole market into each individual consumer and charges them the price they are willing and are able to pay.	Identical goods are sold at different prices to each individual consumer.
Second-degree price discrimination	The seller charges less to buyers who buy a larger volume	Selling off packages of a product considered to be extra capacity at lower prices than the previously published/advertised price	Charging lower prices for higher quantities. This degree also includes early – bird discounts

Third-degree price discrimination	The seller charges different amounts to different classes of buyers.	Charging different prices for the same product in different segments of the market. The market is usually separated in two ways: by **time** or by **geography**.	Concludes the most sales from each segmented "group" of consumers. (students, seniors)

Source: compiled by the authors.

Table 3. Additional forms of price discrimination

Location pricing	The same product priced differently at different locations.
Customer-segment pricing	Different consumer groups are charged different prices for the same product or service.
Image pricing	Pricing the same product at two different levels based on image differences
Channel pricing	Different price depending on whether it is purchased.
Product-form pricing	Different versions of the product are priced differently but not proportionately to their respective
Time pricing	Prices are varied by season, day or hour.

Source: compiled from Stole (2006); Konkurrensverket (2005).

Armstrong (2006) indicated that he could determine three cases of price discrimination in competitive markets (Armstrong, 2006, pp.1-2): 1) "a dominant firm may "exploit" final consumers by means of price discrimination, with the result that total and/or consumer welfare are reduced"; 2) "...sometimes (it is) a policy objective to attain a "single market" across the region" (Armstrong refers to the European market, being treated as one region); 3) "...price discrimination can be used by a dominant firm to "exclude" (or weaken) actual or potential rivals". There might be other forms of price discrimination as indicated in *Table 3*, based on location, customer-segment, image, channel, product-form and time.

1.3. Price discrimination theory as applied in higher education

„... schools function as a large, bureaucratic system, based on politics, preservation of the status quo, and daily routines" (Chen, 2010, p.3).

The latest research performed by OECD (2010) disclosed the main five trends in education and what factors influence these trends. *Firstly*, the factor of **globalisation** takes place in our lives. This trend encompasses the growth of global population, the migration patterns of population, the gap between rich and poor, global environmental issues, shifts in global economic power. *Secondly,* **new social challenges** are in the horizon. It is related to changing age structures, changing patterns of social expenditure, new forms of community involvement, and the persistency of poverty – though, the number of population content with their life is also on the rise.

Thirdly, the nature of **working culture** experiences changes. It is witnessed that life cycles are changing (life expectancy is on the rise even in less developing countries), work flexibility is also expected, knowledge-expected economies are on the rise, massification and globalisation of higher education, women at work and in higher education.

Fourthly, the **transformation of childhood** has been identified as a serious challenge in shaping education. It concerns living in more diverse families, families turn to be smaller, parenting has been pushed to older age (delayed marriages and delayed children due to career seeking working culture), children's health and inheritance of life chances, a minor trend of having more children (also *see* Filed *et al*, 2007).

Fifthly, ICT is forming the next generation. It is connected to Internet (WWW) and rapid growing participation online. All institutions, including colleges and universities are working towards universal access, providing explicit computer networks for their students. Lots of IT companies have been working for decades to get the feeling of "world in your pocket" (i.e. word in your PC/laptop).

"If one views the university as a seller of positions in its freshman class, accepted applicants as buyers of these positions, and the net tuition (the tuition level minus the grant award) charged to an accepted applicant as the price of a position, then it follows that the university should charge a lower price and give more grant aid to the first accepted applicant. Thus the strategy of preferential packaging within a need class is nothing more than a form of *price discrimination*" (Ehrenberg, 2002, p.86). It has been identified (Vedder, 2004) that tuition costs at universities have gone considerably up; other costs, not directly related to tuition fees, have also increased, accommodation (lodging), catering services, etc. amongst them. Therefore, the total amount for university tuition increased 4 times in the period of 14 years (1989-2003) in the USA (Vedder, 2004).

Table 4. Selected drivers for price discrimination in higher education

Author(s)	*Drivers for price discrimination in higher education (tuition fees)*
Paulsen (2000)	Institutional prestige, student quality, faculty quality and enrolment.
Vedder (2004)	Third party providers, vicious circle of funding and spending, the lack of market discipline, ineffective price competition, government regulation.
Boroch *et al*. (2010)	This year's salaries, fixed costs, and variable costs need to be offset by revenues generated by apportionment, tuition, property tax, and other general fund sources.
Ehrenberg (2002)	Institutional prestige, university national and international rankings, need-blind admissions, need-based financial aid policies; quality of studies, merits and awards for students.

Source: compiled by the authors.

Vedder (2004) emphasised that price discrimination at colleges and universities might take various forms (see *Table 4*): 1) the most obvious type is the tuition fees (students are charged a different fee for different forms of studies – such like, day-time or evening-time, or executive studies); 2) a less obvious pricing policy is hidden behind scholarships and grants. Most colleges and universities give some kind of financial aid to a considerable proportion of their students.

Colleges have long been in an especially good position to benefit from price discrimination (encompassing a complex of price discrimination factors – see *Table 4*), because they satisfy all three requirements (Vedder, 2004; Ehrenberg, 2002; Sandler, 2006):

1. Face downward-sloping demand curves.
2. Able to identify consumers willing to pay more.
3. Able to prevent low-price customers from reselling to high-price customers.

Increased price discrimination at colleges, like so many other economic issues, is a matter of tradeoffs. It has been proved by Vedder (2004) that private and state universities charge different tuition fees, emphasizing on quality gap and professionalism. As a result we have different prices for different students, which in turn, highly correlate to their families' willingness to pay for their higher education (Sandler, 2006).

"Colleges are nearly *immune from the ordinary rules of economics*" (Sandler, 2006). Colleges and universities, especially the private one, are able to set their tuition fees without much regard to the economic factors, such as a) *rate of inflation*, b) *interest costs*, or the c) *ability of many families to pay the tuition fees*. "They can continue to do so for as long as there are those wealthy enough to pay full freight or there is enough federal aid to pay the costs for others. Those of us in the middle have to scrimp, save, and borrow – or go elsewhere" (Sandler, 2006).

It could be concluded that the most popular form of price discrimination at colleges and universities worldwide is *third-level price discrimination* – charging different prices for the same services (i.e. higher education studies) in different segments of the market.

2. A comparative study of price discrimination at Lithuanian business universities

2.1. Research methodology

Price discrimination phenomenon in university studies will be analysed from the tuition fees' perspective, selecting two business universities in Lithuania:

a) International Business School at Vilnius University (VU IBS) and
b) ISM University of Management and Economics (ISM) (previously *International School of Management*).

The rationale of university selection. Both Lithuanian business schools are selected as they have always been fee-based institutions, offering high standards of study quality and have gained reputation amongst national counterparts as being prestigious to gain higher education. Both VU IBS and ISM have been known for high tuition fees, the highest in the country, therefore, we can adopt Ehrenberg's (2002) position on third-degree price discrimination, where such factors as a) *institutional prestige,* b) *university national and international rankings*, c) *need-blind admissions*, d) *need-based financial aid policies;* e) *quality of studies,* f) *merits and awards for students* dominate in studies' pricing policies.

2.2. Research findings of Lithuanian Universities

2.2.1. International Business School at Vilnius University

International Business School at Vilnius University (VU IBS) is a business school with the rights of a faculty under the *Masterbrand* of Vilnius University, which was established in 1989. VU IBS offers degrees in business, management and economics, international business studies as well. The total number of students is 2393 as of 2008[1] data 72% of this number are bachelor degree students.

Students at VU IBS are charged according to the rankings of their performance in their studies. The best performing students are able to get 15% (were all grades should be equal to 10 – the highest grade possible), 10% (the grades should be within the range of 9 to 10) or 5% discount for their tuition fees (see *Table 5*). On the other hand, tuition fees at VU IBS were twice as large as compared with other faculties at Vilnius University, offering similar or identical study programmes. Therefore, *price discrimination takes the third-degree form* at VU IBS.

As the tuition fees were on the rise at VU IBS, the amount students had to pay depended on the entrance year students (see *Table 6*). It should be noted that the increase in

[1] The Annual Report-2008. Vilnius University International Business School, Vilnius: VU IBS. Available at http://www.tvm.vu.lt/repository/Apie%20mus/Metines%20ataskaitos/2008%20m.%20VU%20TVM%20veiklos%20ataskaita.pdf. Referred on 2011-02-25.

20% is noticeable from 2006 to 2007. Tuition fees stayed stable for 2008 and 2009. The difference is noticed for *International Business* studies (part-time), in 2008 the decrease was 7% (as compared with 2007), but then the tuition fee caught up with *International Business* studies (full-timers) in 2009. Therefore, *the price discrimination* fact is also observed due to natural economic circumstances over a taken period of time.

Table 5. Tuition fees as applicable at VU IBS, based on students' performance in bachelor degree studies, 2008-2009 (Lt)

	Full tuition fee for studies (per semester)	***Tuition fee for those whose who got 10 from all the exams in the previous semester****	***Tuition fee for those whose who got 10 and 9 from all the exams in the previous semester*****	***Tuition fee for those whose who were active in the SA in the previous semester******
International Business (*full-time*)	3825	3252	3443	3634
International business (*part-time*)	3825	3252	3443	3634
International business (*in English*)	4175	3549	3578	3967
International tourism business	3825	3252	3443	3634

Notes: * - 15% discount; ** - 10% discount; *** - 5% discount.
Source: compiled from The Annual Report-2008. Vilnius University International Business School, Vilnius: VU IBS.

Table 6. The dynamics of tuition fees per semester over the period of 2006-2009 for bachelor degree studies at VU IBS (Lt)

	2006	***2007***	***2008***	***2009***
International Business	3016	3790	3825	3825
International Business (*in English*)	3315	3865	4175	4175
International business (*part-time*)	3016	3790	3535	3825

Source: compiled from The Annual Report-2008. Vilnius University International Business School, Vilnius: VU IBS.

Table 7. New tuition fees for bachelor degree studies at VU IBS for the 2010-2011 academic year (Lt)

Form of the studies	**International Business (4-years' studies)**		**International Tourism Business (4-years' studies)**		**Business Finance Management (3.5 years' studies)**	
	Annual tuition fee	Cost of the full programme	Annual tuition fee	Cost of the full programme	Annual tuition fee	Cost of the full programme
Full-time	7650	30600	7650	30600	8750	30625
Part-time	7650	30600	7650	30600	8750	30625
Full-time (*in English*)	8350	33400	-	33400	-	
Extramural	5200	28600	5200	28600	-	

Source: compiled from the website of Vilnius University International Business School. Referred on 2010-03-03.

Judging from the data, presented in *Table 7*, VU IBS retained the same level of tuition fees for two bachelor degree programmes – *International Business* and *International Tourism Business*, i.e. 3825 Lt per semester. The introduction of a very popular bachelor programme (3.5 years) in *Business Finance Management* presented *a new pricing scheme* at VU IBS: a higher tuition fee per semester for a shorter study programme. Though, the total amount is extremely close, c.f 30600 Lt for *International Business* and *International Tourism Business* and 30625 Lt for *Business Finance Management* study programme. Bachelor programmes delivered in English are charged a higher price due to higher costs of services.

2.2.2. ISM University of Management and Economics

ISM University of Management and Economics (ISM) was founded in 1999 in Kaunas (the second largest city in Lithuania) and it claims of offering the highest quality studies related to business, economics and politics in the country amongst private and state universities. It was established as the first privately-owned institution of management education in Lithuania and was known as ISM – *International School of Management*. The main founders of ISM are Norwegian School of Management and The Norwegian Industrial and Regional Development fund[2]. Every year about 500 new students enter the university.

ISM University of Management and Economics all forms (full-time or part-time) and types (bachelor or master degree) of studies are charged. The focus of our research is the bachelor studies, for a more precise comparison. Therefore, five bachelor degree programmes at ISM are compared in *Table 8*, providing a clear distinction of the price discrimination, based on students' performance, which directs to *third-degree price discrimination*.

If compared to the situation in VU IBS, ISM University provides a more distinctive price discrimination case, as students might expect tuition fee reduction at the levels of 25%, 50%, 75% or in extreme cases – even 100%. These discounts are given for a limited amount of students (not more than 20% of course students of a particular studies programme).

Another substantial difference for ISM is that are no tuition fee differences for foreign students, entering ISM or studying on students' exchange programme.

[2] http://www.ism.lt/, referred on 2011-03-01.

Table 8. Tuition fees as applicable at ISM, based on students' performance in bachelor degree studies, 2009-2010 (Lt)

	Full tuition fee for studies per semester	***Tuition fee for those whose grade point average of a particular semester is at least 8.5***	***Tuition fee for those whose grade point average of a particular semester is at least 9.0***	***Tuition fee for those whose grade point average of a particular semester is at least 9.5***
Economics and Politics (*in English*)	5865	4399	2933	1467
International Business and Communication (*in English*)	5865	4399	2933	1467
Economics (partially *in English*)	4900	3675	2450	1225
Business Management (partially *in English*)	4900	3675	2450	1225
Finance and Accounting (partially *in English*)	4900	3675	2450	1225

Source: based on ISM website information, http://www.ism.lt/index.php/undergraduate_school/desinysis_meniu/study_programmes/admission/tuition_feesscholarships/76896, referred on 2011-03-01.

As it was identified in the VU IBS case, price discrimination at ISM depends on the year student has started the studies (see *Table 9*). Though the rise in tuition fees at ISM has little evidence over the past three years (2009-2011), being stable over the economic crisis period in the country. The rise in tuition fees was noticed only in 2009 (as compared to 2008), when the tuition was increased by 5%, not like 20% in the case of VU IBS. But another factor is also important – the general tuition fees at ISM are approximately 1.5-2 times higher than in other private colleges and universities in Lithuania.

Table 9. The dynamics of tuition fees per semester over the period of 2006-2011 for bachelor degree studies at ISM (Lt)

	2006	***2007***	***2008***	***2009***	***2010***	***2011***
Economics and Politics (*in English*)	-	-	5565	5865	5865	5865
International Business and Communication (*in English*)	-	-	5565	5865	5865	5865
Economics (partially *in English*)	3900	4200	4600	4900	4900	4900
Business Management (partially *in English*)	3900	4200	4600	4900	4900	4900
Finance and Accounting (partially *in English*)	-	-	-	-	4900	4900

Source: based on ISM website information, http://www.ism.lt/index.php/undergraduate_school/desinysis_meniu/study_programmes/admission/tuition_feesscholarships/76896, referred on 2011-03-01.

It could be stated that ISM follows Ehrenberg’s (2002) position on third-degree price discrimination, where such factors as a) *institutional prestige,* b) *university national and international rankings,* c) *need-blind admissions,* d) *need-based financial aid policies;* e) *quality of studies,* f) *merits and awards for students* dominate in studies’ pricing policies.

Conclusions

Price discrimination could be referred from four different perspectives, namely: a) economic, b) micro-economic, c) marketing, and d) money & business. It is also stated that most theoretical studies identify three major forms in price discrimination, which take the forms of 1) first-degree price discrimination (or in other terms “perfect discrimination/optimal pricing”), 2) second-degree price discrimination comprises cases, where price depends on the purchase volume, and 3) third-degree price discrimination encompasses cases, when different prices for different segments.

The overview of price discrimination cases in the higher education sector pointed out that third-degree price discrimination is the most common case in practice. Factors of price discrimination in higher education were searched and the following findings could be summarised here:

Situation No 1: universities could differentiate their tuition fee policies due to institutional prestige, student quality, faculty quality and enrolment (proposed by Paulsen, 2000).

Situation No 2: colleges and universities could charge students on the grounds of third party providers, vicious circle of funding and spending, the lack of market discipline, ineffective price competition, government regulation (Vedder, 2004).

Situation No 3: universities and colleges follow their pricing policies based on all-inclusive costing model, which incorporates this year’s salaries, fixed costs, and variable costs need to be offset by revenues generated by apportionment, tuition, property tax, and other general fund sources (Boroch *et al.*, 2010).

Situation No 4: it has been identified by the authors of this paper that third-degree price discrimination takes the most popular factors at colleges and universities, such as institutional prestige, university national and international rankings, need-blind admissions, need-based financial aid policies; quality of studies, merits and awards for students (Ehrenberg, 2002).

When comparing two business universities in Lithuania – International Business School at Vilnius University (VU IBS) and ISM University of Management and Economics (ISM) – the conclusion could be drawn in the following lines:

a) both universities (in the case of VU IBS we should use the term “school” or “faculty”, but for the purpose of simplicity, we will use the term “university” in both cases) are based on private foundations;
b) both universities charge for all levels of studies, including bachelor degree studies (there are no free entrance cases);
c) in the case of ISM, bachelor degree tuition fees tend to be 1.5-2 times higher than in the counterpart institution – VU IBS;
d) both universities apply discount scheme, though ISM is the leader in this field, offering up to 75% discounts in the case of highest performing students. There are cases when tuition fees are waived;
e) *time discrimination* is also applied, as tuition charges changes over the years for the entrants;

f) *course discrimination* is also applied, as students, studying in different study programmes (e.g., international business, tourism management; finance and accounting, etc.) are charged different prices (the case of ISM);
g) *language discrimination* is highly applied in ISM, as courses delivered in English (or the full study programme) are charged higher fees;
h) *the system of scholarships* is also applicable in both universities, as students are able to win grants and national/international scholarships from a choice of funds and aid programmes;
i) *the Lithuanian Government* introduced a new financing scheme of the higher education system in 2009, providing full or partial financial subsidies even for private colleges and universities, which, to our opinion, distorted the market conditions for fair service provision in higher education in Lithuania.

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