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O. Shy, *How to price. A guide to pricing techniques and yield management*, Cambridge University Press 2008

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In the last decades, yield (or revenue) management techniques have gained increasing attention from practitioners in tourism, mostly in the airline and hotel industries; and, as a consequence, from scholars interested in providing a theoretical basis for managers' decisions. On this topic, Professor Oz Shy has written his last book, "How to price. A guide to pricing techniques and yield management" (Cambridge University Press, 2008). Professor Shy has an excellent record as economics textbooks writer. After "The Economics of Network industries" and "Industrial Organization: theory and application", this last work just confirms his reputation.

With this book, Shy pursues two goals. The first one is conceptual, and lies in the attempt of providing a unifying framework for contributions on yield management and pricing coming from different disciplines such us operations research, marketing and economics. The second one is pedagogical, in that the book is structured in a way to be suitable (possible with integrations) for teaching yield management courses both for undergraduate and graduate students in business and economics, and to be of interest for practitioners as well.

The book is divided in twelve chapters. In the first chapter, Shy introduces the basic concepts and definitions used throughout the book. As standard in yield management books, Shy identifies the service sector (to which most tourism firms belong) as the natural area of application of yield management techniques, given the well-known properties of the sold "product" (nonstorability, advance purchase and booking, no shows and cancellations, market segmentation). Chapter 2 presents a short but clear introduction to basic microeconomics concepts related to demand and cost (demand functions, elasticity, consumer surplus, cost function). This chapter can be avoided by students with a solid background in economics, but it will surely be useful for the others.

Chapter 3, 4 and 5 are chapters in which strong is the influence of economics, Shy's background. Chapter 3 reviews the basic economic theory of pricing, focusing mainly of monopoly. The difference between the treatment of the topic here and the one in standard microeconomics textbook is that Shy considers topics often ignored (or postponed) such as multiple markets capacity constraints and price discrimination since the beginning. Chapter 4 concerns bundling and tying, while Chapter 5 multipart tariff and the related strategies of indirect segmentation.

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Chapter 6, 7, 8 and 9 cover topics that are usually the core of yield management books. Chapter 6 discusses peak-load pricing, chapter 7 advance booking, chapter 8 refund strategies and chapter 9 overbooking.

Chapter 10 and 11 are peculiar, although for different reasons. Chapter 10 analyzes pricing techniques in the context of broader marketing strategies, such as quality choices and advertising, but presents also a short introduction to the theory of auction. Chapter 11 is instead a chapter on the implications of behavioural economics for yield management, i.e. the use of pricing techniques when consumers are not fully rational.

Finally, the aim of Chapter 12 is twofold: i) being a manual for the instructor, or, more broadly, a sort of "retrospective guide" to the book enlightening its main contributions; ii) providing abbreviated solutions for the exercise appearing in the text.

As it is often the case in his books, Shy is highly innovative in the exposition of subjects. Almost every argument is discussed starting from very simple models, moving then towards analyses of higher complexity; more than that, Shy's frequent use of simple computer algorithm to illustrate and make more concrete the exposed ideas will certainly help students with weak technical (mathematical) knowledge.

All in all, Shy succeeded in providing a text of sure interest for a broad audience. As a textbook, I would surely adopt it for a course on yield management techniques. The attempt to appeal to several types of students at once, however, probably suggests the use of this book jointly with other material. For instance, for teachers (and students) most interested in real world applications, the book is probably too theoretical, and could be usefully integrated with case studies from specific industries. The book offers important insights to researchers as well, in particular economists interested in microeconomics and in industrial organization, especially when applied to tourism markets. While economics has provided important contributions in specific areas of yield management (notably price discrimination theory), in many other areas contributions have been surprisingly lacking. This has lead to the result that, as a field, yield management has substantially neglected the relationship between various pricing techniques and competition, an area in which economists have surely a comparative advantage. Recent years have witnessed some contributions in this direction (many of which developed by Professor Shy himself with co-authors, and mentioned in the book). The hope is Oz Shy's prestige will draw even more the attention of economists to this subject, spurring contributions that are potentially very relevant for the understanding of strategies and competition in markets, and in tourism markets in particular.