

Picture Resolution

Will consumers pay more to get higher-quality videotex graphics?

During the NEHST demonstration, consumers are shown an information page containing text and a graphic of a helicopter. The page is presented in two forms, both identical except for the graphic:

Higher-quality - The helicopter graphic is done in Telidon alpha-geometric higher-resolution.

Lower-quality - The helicopter graphic is done in Antiope mosaic lower-resolution.

Consumers are asked whether they prefer paying more to get an information service with the higher-quality pictures, or paying 25% less to get the service with lower-quality pictures.

The price charged for each service varies in each of the five versions of the NEHST questionnaire:

	<u>Lowest Prices</u>	<u>Second Lowest Prices</u>	<u>Middle Prices</u>	<u>Second Highest Prices</u>	<u>Highest Prices</u>
Higher-quality	Free	\$4	\$8	\$12	\$16
Lower-quality	Free	\$3	\$6	\$ 9	\$12

Even when the price difference between the services is large, the majority of people prefer paying more for the service with higher-quality pictures:

	Among consumers shown service with higher-quality pictures at a monthly cost of ...				
	<u>Free</u>	<u>\$4</u>	<u>\$8</u>	<u>\$12</u>	<u>\$16</u>
Prefer higher- quality service	71%	45%	37%	33%	31%
Prefer lower- quality service at a 25% discount	11	21	23	25	23
Neither/No answer	18	34	40	42	46

Early adopters wanting to be first to get videotex services have an even stronger preference for the higher-quality service than others.