

What about revenues from selling the keyboard unit without screen?

<u>Price of keyboard without screen</u>		<u>Percentage Buying</u>		<u>Revenues made per 100 homes</u>
\$200	x	24	=	\$ 4800
\$300	x	18	=	\$ 5400
\$400	x	19	=	\$ 7600
\$500	x	13	=	\$ 6500
\$600	x	14	=	\$ 8400

Again, the \$400 price makes more revenues than charging \$500! Once \$600 is reached, however, revenues increase again.

For the keyboard with screen, revenues are maximized by charging \$900.

<u>Price of keyboard with screen</u>		<u>Percentage Buying</u>		<u>Revenues made per 100 homes</u>
\$500	x	14	=	\$ 7000
\$600	x	14	=	\$ 8400
\$700	x	16	=	\$11200
\$800	x	16	=	\$12800
\$900	x	16	=	\$14400

**Summary Of Maximum Revenues
When All Three Units Are Sold**

It appears that \$400 is a "magic" price with consumers for buying videotex controls, whether the unit is a keypad or keyboard with a screen. At this price, revenues are maximized. With the more sophisticated unit - the keyboard with screen - the \$900 price is best, since those desiring this unit are "die-hards" who want it regardless of the price.

This suggests that to maximize revenues, at least two types of units should be offered:

- \$400 keypad or keyboard without screen
- \$900 keyboard with screen