

When selling units, there is little difference in demand between charging \$300 or \$400. As an example, consider the number willing to buy unit "B":

Among NEHST group shown a purchase price of ...

	<u>\$200</u>	<u>\$300</u>	<u>\$400</u>	<u>\$500</u>	<u>\$600</u>
Will buy "B" keyboard without screen	40%	31%	31%	25%	23%

When it costs \$300, 31% will buy it, the same as when it costs \$400. But once the price goes up to \$500, demand drops. Apparently, consumers see a difference between \$200 and \$300, but not between \$300 and \$400. But \$500 is different!

And once price goes above \$500, there's hardly any drop in demand at all. Look at how constant the demand is for buying unit "C", regardless of whether it costs \$500 or \$900:

Among NEHST group shown a purchase price of ...

	<u>\$500</u>	<u>\$600</u>	<u>\$700</u>	<u>\$800</u>	<u>\$900</u>
Will buy "C" keyboard with screen	20%	17%	19%	18%	17%

If a consumer can afford a \$500 unit, he's just as likely to be able to buy a \$900 one.