

**Summary of Scenario 1 -
When Only One Unit Is Offered**

Overall, the figures suggest that **selling units is always slightly more popular than renting**. However, since renting the unit drops demand only slightly, it makes little difference which option is offered.

As you'd expect, the cheaper the unit offered, the more people are willing to buy or rent it. Offering the cheapest unit available - in this case keypad unit "A" - is the best strategy.

But the research also suggests that **the kind of unit offered doesn't seem to matter much**. What is more important to consumers is the price of the unit.

To illustrate the point, compare how many people are willing to buy the keypad and keyboard at any given price. When "A" - the keypad - costs \$200, 42% buy it. When "B" - the keyboard without screen - costs \$200, 40% buy it! Demand is identical, regardless of the kind of unit.

This occurs at other prices, too. When "A" - the keypad - is \$500, 26% buy it. When "B" - the keyboard without screen - is \$500, 25% buy it. And even when "C" - the keyboard with screen - costs \$500, almost as many - 20% - buy it.

Therefore, offering consumers a more elaborate unit for the same price as a less elaborate one doesn't make more people want it.

Another interesting finding is that consumers react the same to certain price levels. When renting units, for example, consumers don't seem to react any differently whether the rental cost is \$8, \$12, or \$16 a month. Look at how similar demand for renting unit "A" is among three of the NEHST sample groups shown these prices:

Among NEHST group shown a monthly rental of...

	<u>\$4</u>	<u>\$8</u>	<u>\$12</u>	<u>\$16</u>	<u>\$20</u>
Will rent "A" keypad	54%	35%	31%	30%	24%

When it's \$8, 35% want it. At \$12, 31% do. And even at \$16, 30% will rent. It appears about the same number of people will rent a unit in these price ranges. Therefore, a videotex operator may as well charge \$16 a month, since it affects demand only slightly.