

were adopted as a frame of reference for developing a study that would accomplish the desired results. These were:

1. The data should be obtained during a relatively short period in order to avoid the disturbing influence of changing economic conditions arising from such factors as changes in consumer income, taste and preferences and in availability of substitute commodities.
2. The data should reflect customer responses to a wider range of price circumstances than is ordinarily encountered in the existing system of competitive marketing.
3. The data should be obtained under rigidly controlled conditions with regard to pricing and merchandising in order that the effect of price may be isolated from the other variables which may influence the quantity of frozen concentrate that customers buy.

Experiences in the previous study of the demand for fresh oranges during the spring of 1952 served as a basis for the development of these criteria.

The actual field work for the study involved a measurement of customer response to five predetermined price levels for frozen orange concentrate during a nine-week period extending from June 7 through August 7, 1954. The tests were conducted in 10 retail food stores of one chain located in the Lower Delaware Valley area of Pennsylvania and New Jersey. The price levels tested were: the price in effect at the time the study was initiated; prices 3, 6 and 8 cents per 6-ounce can below the market price; and one, 4 cents higher. Hence, customers in the test stores were subjected to retail prices varying over a range of 12 cents per can.³

All stores included in the sample handled three types of frozen orange concentrate: a nationally advertised brand selling at the highest retail price, a private label 2 cents lower, and a packer's label 4 cents lower than the advertised brand.

No distinction was made between brands in applying the various price differentials. For example, if a particular price treatment required a discount of 6 cents per can, the retail price of each brand in 6-ounce containers was lowered by this amount.

³ The price differentials were purposely selected with reference to the market price, so that with the market price included, the series would approximate a geometric progression. With this pricing arrangement, purchases at the different prices would tend to be dispersed uniformly along the derived demand curve and would, therefore, increase the reliability of the estimates based on the extremities of the curve.