Thus, the absolute price differences between the three brands remained the same regardless of the price level tested.

In addition to 6-ounce containers, the cooperating organization marketed a 12-ounce can of orange concentrate under its private label. The price of concentrate per ounce in this container was slightly less than for the 6-ounce can bearing the same label. Price treatments applied to the 12-ounce unit were varied proportionally to those for the 6-ounce can of the same brand. A translation of the price differentials into the actual retail prices employed in the study is given in Table 1.

The price testing technique was especially designed to facilitate the isolation of price effect upon consumer purchase rates. Because orange concentrate is a storable commodity, it was necessary in constructing the experimental design to take cognizance of the possibility that some consumers might purchase above-normal supplies at low prices in anticipation of higher future prices. Furthermore, the possibility existed that the consumer response to a particular price treatment might be dependent upon the level of prices prevailing prior to its introduction. Either separately or in combination, the existence of such conditions would have given rise to "carry-over" effect—that is, a situation in which considerations other than the current price influenced customer purchase rates. Provision was made in the experimental design for the dissipation of possible "carry-over" effect by continuing the same price treatment in each store for a period of several weeks.

A schematic representation of the experimental design employed in the study is presented in Table 2. The pricing system used in the study consisted of four distinct periods. During the first week of the study, prices in all stores were maintained at the prevailing market level.[4] This was followed by a second period of 3-week duration in which each of the five test prices was maintained in 2 of the 10 sample stores. The third period involved a re-establishment and maintenance of the original market price in all stores for two weeks. In the fourth period, each of the five price levels was again established in 2 stores for three weeks.[5]

[4] The only difference between the normal store operations during this week and those prior to the initiation of the study consisted of (a) standardizing the pricing system to conform to the procedure to be employed throughout the pricing tests (i.e., pricing frozen orange concentrate in units of two cans), and (b) maintaining normal displays of each type of the product to assure that inadequate supplies would not be a factor influencing sales.

[5] Price treatments for the second and fourth periods were randomly assigned to the individual stores, subject to the restriction that a particular price treatment could not be employed in the same store during both periods.