

in the form of concentrate, or approximately one box. At the lowest test price of 8.5 cents, sales per 100 customers increased further to the equivalent of 122 pounds of fresh fruit.

VOLUME OF PURCHASES  
(Pounds per 100 customers)

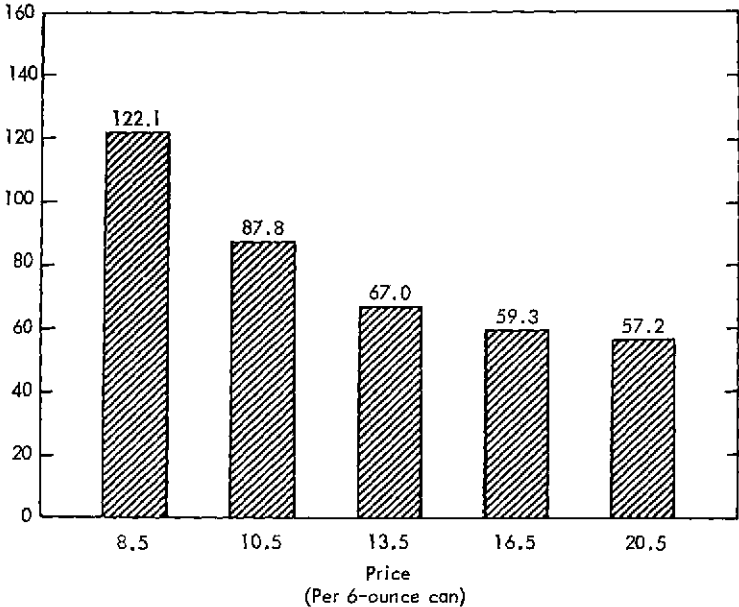


Fig. 4.—Fresh fruit equivalents of sales of frozen orange concentrate at varying prices, 10 retail food stores, Lower Delaware Valley area, June 7-August 7, 1954.

Presumably, at low price levels customers can be induced to substantially increase their consumption of oranges in the form of concentrate through the use of price reductions at the retail level. At high price levels, however, it appears that price reductions will have a relatively small effect upon the volume of oranges which consumers can be induced to take in this form.

It is characteristic of the economic behavior of individuals that as the price of a product declines their purchases increase. Conversely, as the price increases, their purchases become smaller. The "demand" for a product refers to the quantities of that product consumers will buy at various prices. The nature of the demand for a product may be such that the rate at which customers increase or decrease purchases in response to a change in price differs substantially as prices vary over a wide range. For instance, customers may be quite sensitive to price changes