



Demand for one brand of
gasoline is more elastic

If **Gasoline** prices increase,
consumers have **NO**
alternatives



Gasoline

Regular

399 $\frac{9}{10}$

Plus

409 $\frac{9}{10}$

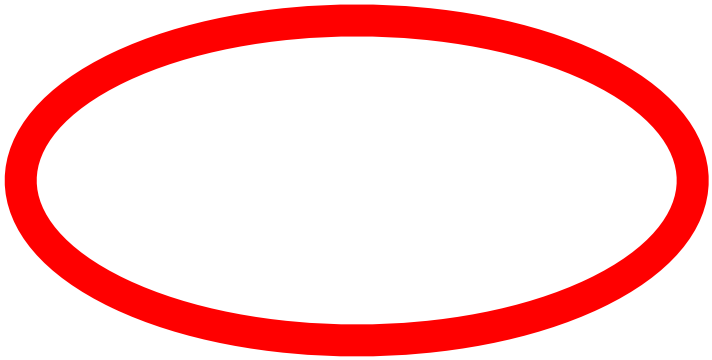
Premium

418 $\frac{9}{10}$





Demand for
gasoline is
inelastic



2. The definition of the market

What Determines the Elasticity?

There are NO
substitutes
for gasoline



There are more substitutes for
a **specific brand** of gasoline

Demand for **one brand** of gasoline is more **elastic**



There are more substitutes for a **specific brand** of gasoline



Broadly defined markets