







100

110

100

130









[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



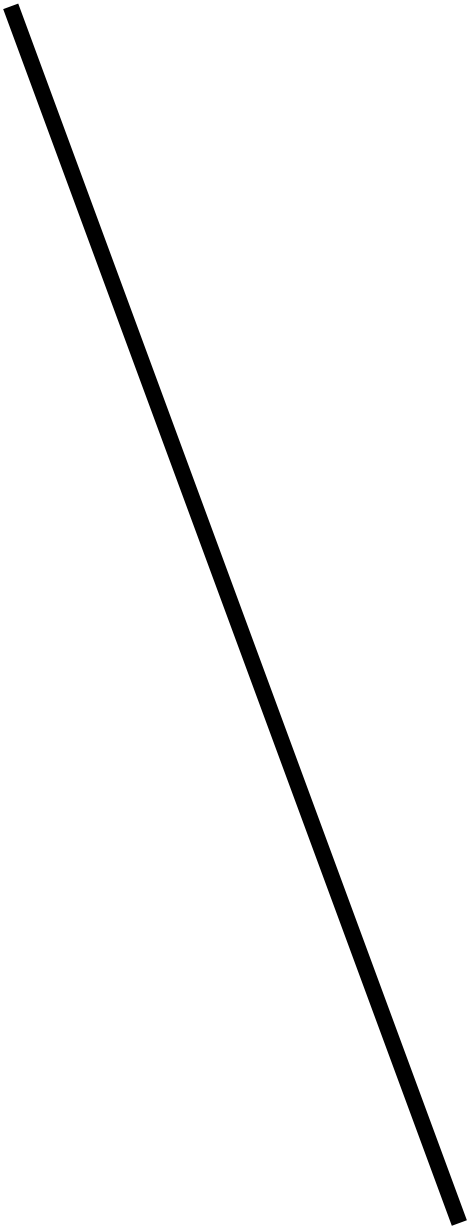
100

110

100

105









This consumer's reaction is
larger than the change in
price

This consumer's reaction is
smaller than the change in
price









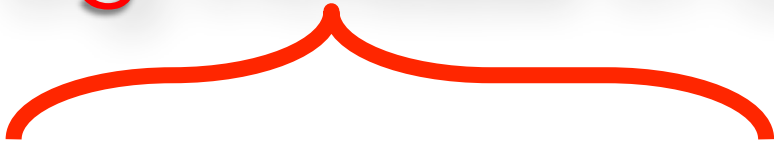
Small increase in Q

*Consider how these two consumers
react to the same change in price...*

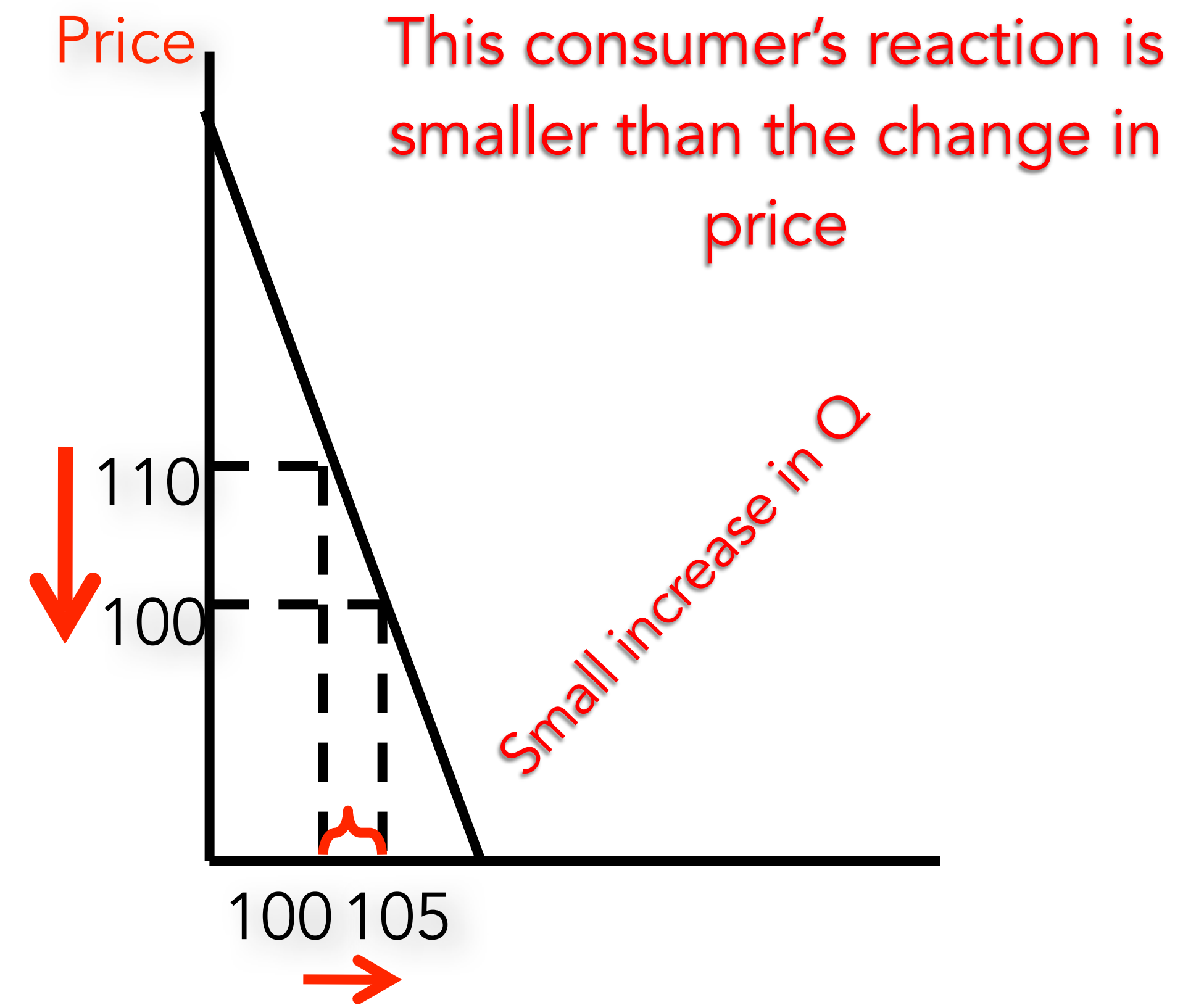
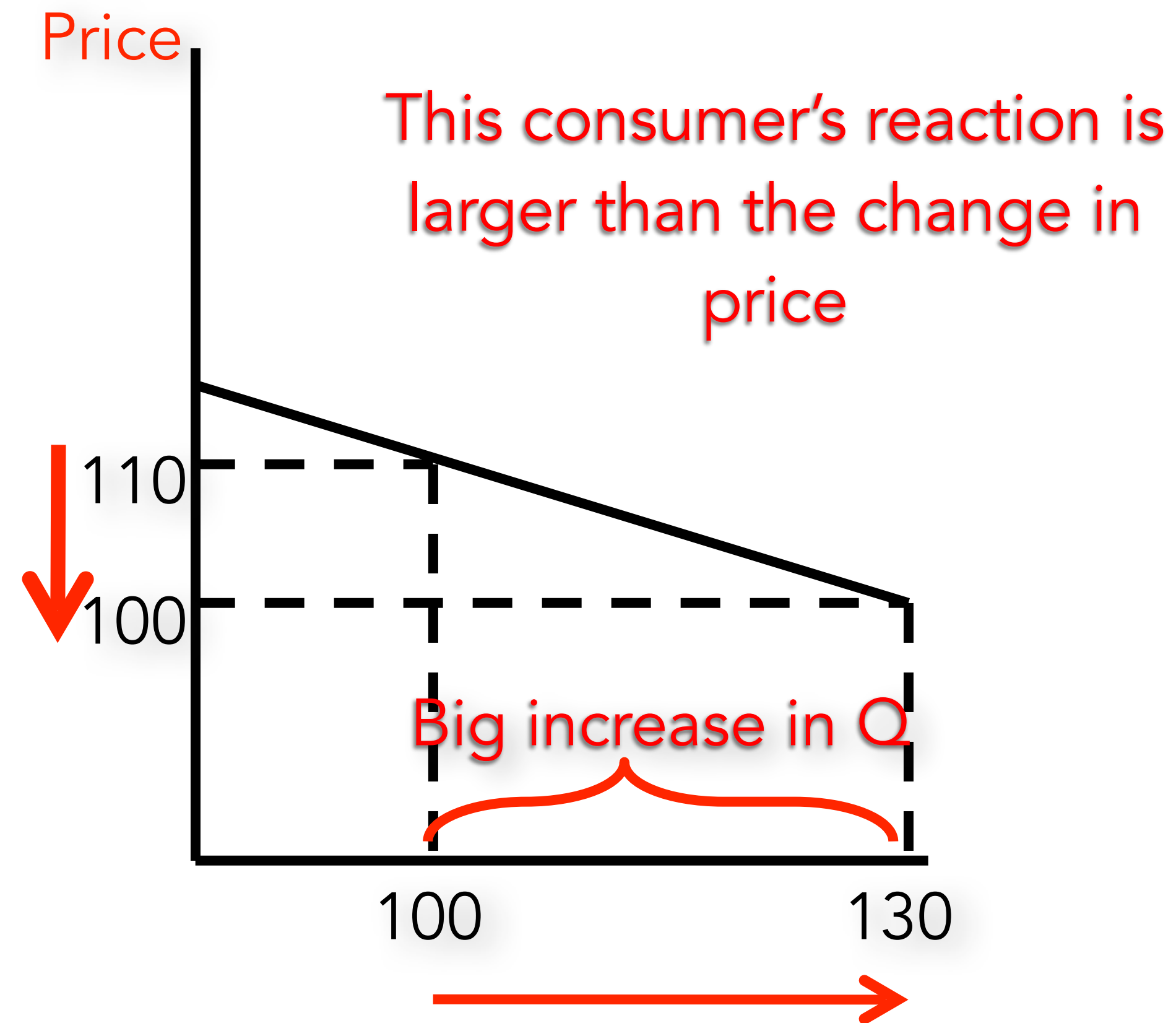
Price

Price

Big increase in Q



Consider how these two consumers react to the *same* change in price...



Consumers who over-react to a price **drop** also
over-react to a price **increase**...

