





#### 3. The Amount of time the consumer has to react to a price change

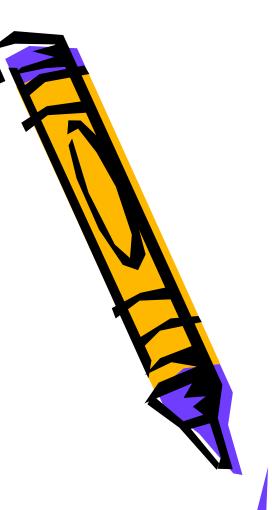
# Demand is more the elastic in the long run

### What Determines the Elasticity?

#### The longer the time to react, the easier it is to find a substitute or modify behavior

Demand is more the inelastic in the short run

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