

– Gabor-Granger Methodology –

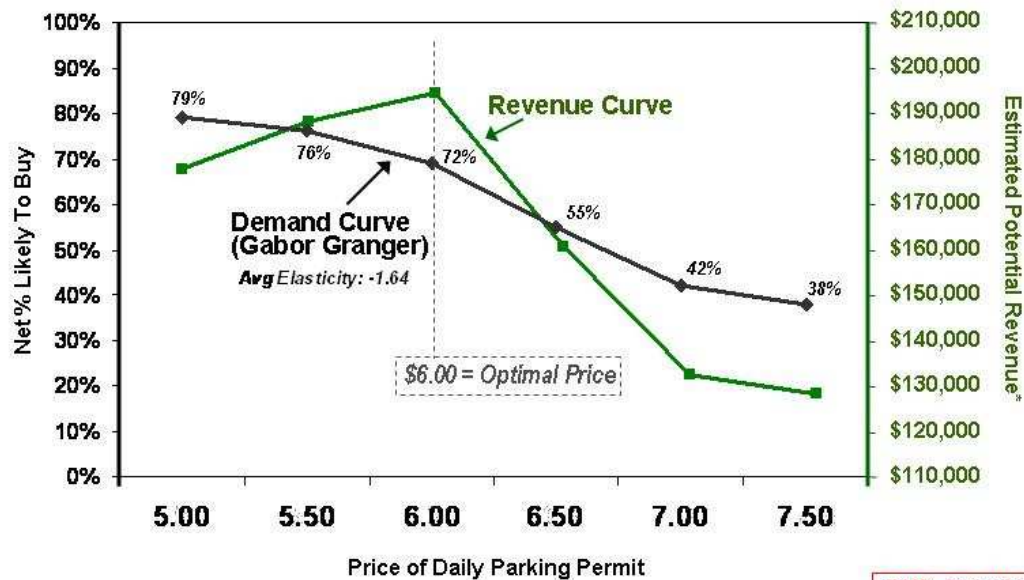
In this method, respondents are presented with a product concept at a specific price and asked if they would buy. The price is changed and the consumer is again asked if they would buy or not. This continues systematically until the consumer indicates they would not buy.

Analysis of these results yields market projection for product demand across price-points. This demand curve can be used to estimate expected revenue and discern profitability at selected price-points in order to arrive at an overall optimal price. Gabor-Granger may have limitations in some instances and should be considered for one product in isolation, when learning about the competitive context is unnecessary.

Daily Parking Permit -- Demand & Revenue Curves Results Shown By County Building Visitors



- At a price of \$6.00, the daily parking permit optimizes revenue potential and satisfies demand for the vast majority of visitors who would consider parking in the garage. By comparison, while a price of \$5.50 appears to achieve slightly higher demand, it will yield less revenue and create a need for coin currency with transactions.



* Explanation of assumptions to revenue calculations provided in the appendix to this report.

Base: Total Respondents (n=225)

Note: Net % Likely To Buy estimates are derived from Gabor Granger technique; the application of this technique is fully explained in the appendix.

Q5 When visiting the county building, how likely are you to buy the daily parking permit to the attached parking garage at this price?

