

Lunchtime Price Cuts to Boost Demand



View video clip: <http://news.bbc.co.uk/1/hi/england/7854833.stm>

Questions

What is meant by the term “price”?

Briefly explain the concept of price elasticity of demand

Explain how why a fall in price of a service like a restaurant meal will not always result in higher demand

Describe two ways in which an upmarket restaurant could use sales promotion as a way of encouraging lunchtime demand