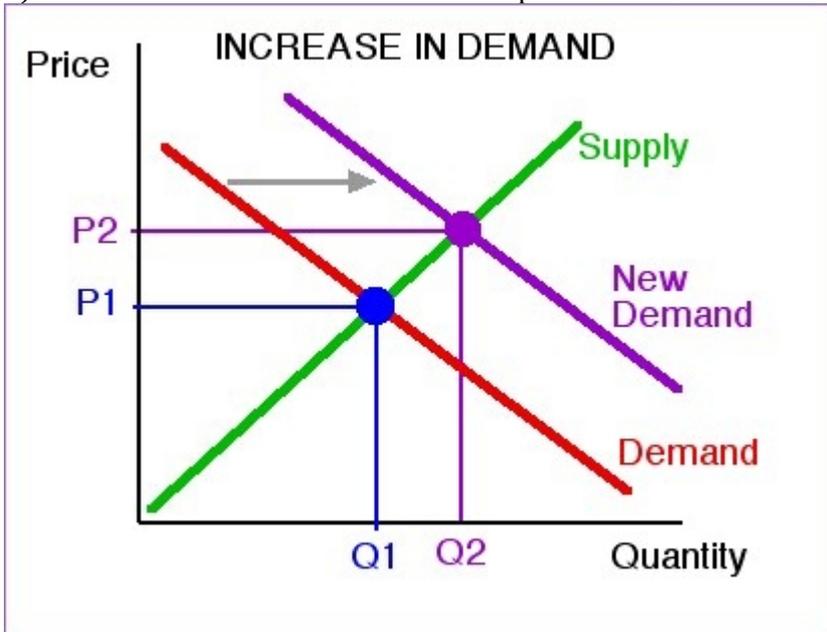
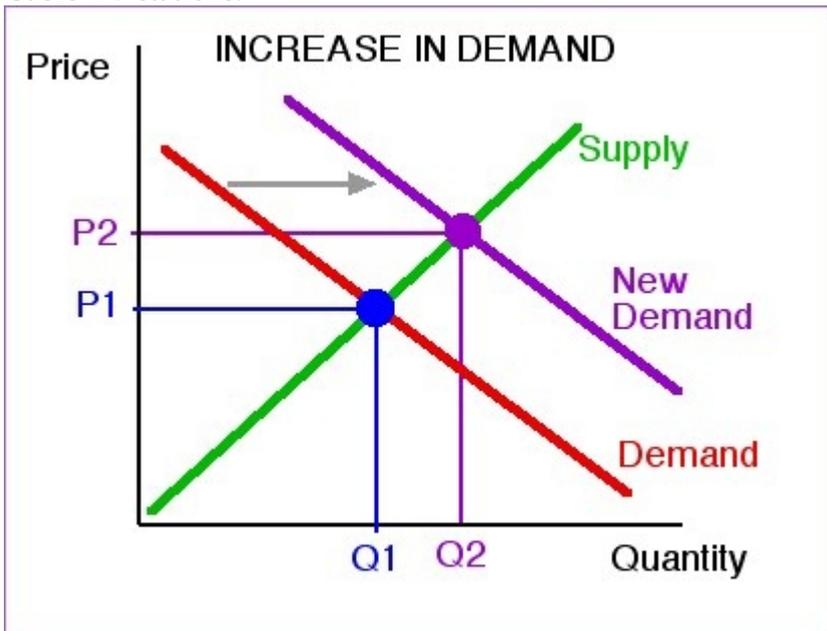


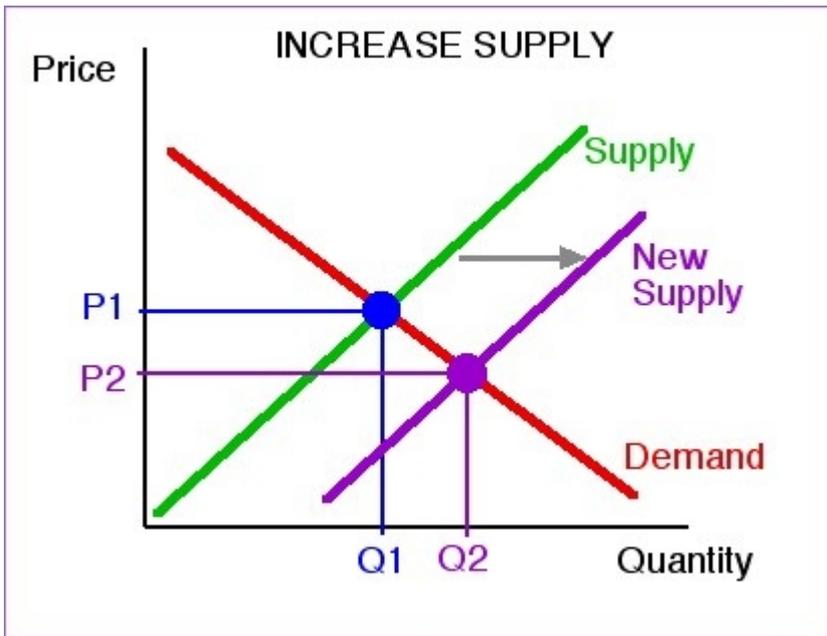
1) Refer to Scenario 1. Assume that the price of dues in local health clubs decreases.



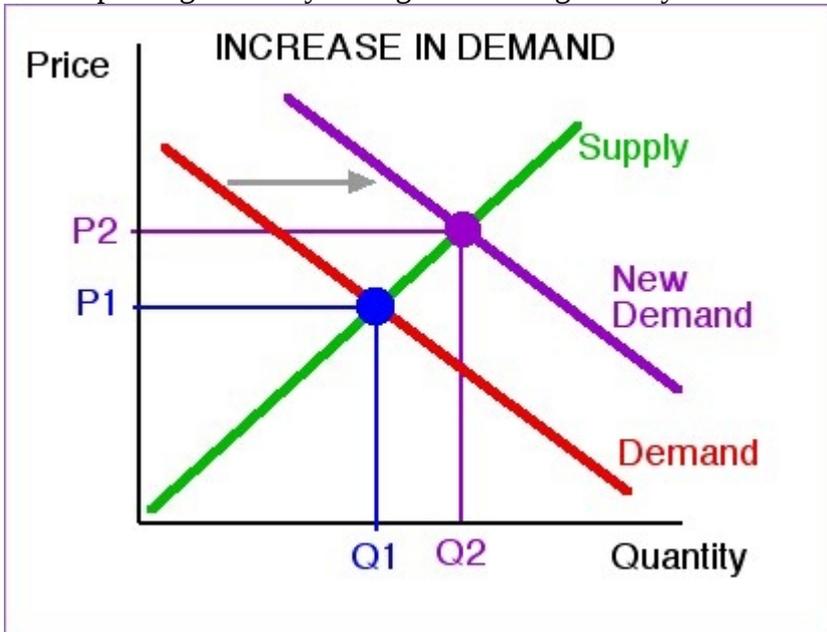
2) Refer to Scenario 1. “Infomercials” advertising home fitness equipment begin to run at night on Cable TV stations.



3) Refer to Scenario 1. The cost of steel used in the production of many of the exercise products increases.



4) Refer to Scenario 1. Health clubs begin to offer extras to make going to health clubs easier, such as free parking and baby-sitting to encourage family memberships.



5) Refer to Scenario 1. The existence of a new health craze occurs simultaneously as new home exercise products enter the market.

