Eg. Restaurant meal, automobiles, cinema tickets

Inferior goods: These are goods for which demand decreases as income rises and demand increases as income falls. They are considered as cheaper alternative to higher quality goods.

E.g. used car, used clothes

Price of Related goods (substitutes, complementary, unrelated)

Substitute goods: These are goods that can be consumed in place of another product. They usually are products that people won't buy at the same time.

- As price of one falls, the demand of other increases.

Exmaples: Cola and Pepsi, McDonalds and burger king, bus and train, chicken and beef

Complementary goods: These are goods that are purchased and used together or as the name suggests used in
complement to each other.

- As price of one good increases, the demand for the complementary good will decrease.

Examples: Dvd players and dvds, camera and memory card, computers and printers

Veblen good: These are goods for which demand increases as income/price? rises.

Taste and preferences

Demand is affected by fashion, current events and word to mouth recommendations between people.

Expectations of future prices and income

Expectation of future prices
- If price go up --> will buy more immediately --> shift to the right
- IF price go down --> will buy later ---> shift to the left

Expectation of future income
- If income increases --> will buy more products
- If income decreases --> will buy less products --> lack of consumer confidence

Number of potential buyers

Increase in number of potential buyers --> increase in demand (and vice versa)

Demographic change

Demand can be affected by age structure, income distribution or other demographic changes.

E.g. US baby-boomer generation, distribution of income, immigration patterns