Law Of Demand Essay, Research Paper

There are many different products that are in demand for teenagers

today. Normally at different times there are different products that are high

in demand. Usually you will not see a product in high demand for a long time.

Products come in and out with style. Whatever is in at the time is usually

what is high in demand. And as soon as the product is no longer considered

cool or trendy, the product usually loses its demand.

C.D.’s for an example is something that has, and always will be in high

demand with teenagers. Normally a product will go out of demand when

consumers buy too much of a product (marginal utility) they get sick of it.

Too much of something is normally not good. But C.D.’s are not the same

product. Each C.D. has a different band or singer on it, so buying too many

C.D.’s doesn’t effect your desire to buy them, because every C.D. has

something different on it to offer you. So therefore Marginal Utility plays a

great factor in the demand of C.D.’s, because you buy them for satisfaction,

and you won’t get sick of buying them, because each one has something

different to offer you. Income effect also plays a great role in the demand

of C.D.’s. If the price of C.D. changes we have the choice to purchase more

C.D.’s if we want to. Substitution effect also plays a role in the demand of

C.D.’s. If for some reason we can not afford to purchase a C.D. we can always

purchase a tape instead. Tapes are cheaper to buy, and they usually contain

everything that a C.D. would have on it.

Purchasing C.D.’s is quite easy today. You can go to almost any type of

store and they sell C.D.’s, just on Long Island alone, we have stores like

Target, Circuit City, Sam Goody, Record Town and plenty of other privately

owned stores that sell C.D.’s. Then you can even go onto the Internet and

purchase C.D.’s at such web-sites such as CDNOW.com and many other web-sites.

Also there are the magazines that have the advertisements for Colombia House

and BMG Music, where you can send away for twelve C.D.’s and only pay for one

of them. C.D.’s are accessible almost every possible way.

Demand can change for various reasons for products. Depending on what’s

in style at the time and what time of year it is. The demand in C.D.’s could

change if the prices rose on them. People are not going to buy C.D.’s if the

price rises on them greatly. They can easily replace what they wanted with a

cassette tape.

Another way that the demand of C.D.’s can change is when another product

comes out that is better. For example Napster. People can download any song

they want onto a blank C.D. (the C.D. only costs about $2) for free. When you

have options like that why would you go and waste $20 on a C.D. that you

might not even like. The Demand for C.D.’s could also change by going up. If

there is a C.D. that is coming out with Christmas Songs on it, and it is

Christmas time a lot of people are going to want to purchase that C.D. But if

that Christmas C.D. was released sometime in the summer, not too many people

are going to want to purchase it. It all has to do with the Laws of Demand and the time of

purchase.