

Comparative study on consumption patterns of soft drinks

Business



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This is a study of the relationship between the consumer and the supplier based on various fluctuations in the market. The Law of supply is defined as: A microeconomic law stating that, all other factors being equal, as the price of a good or service increases, the quantity of goods or services offered by suppliers increases and vice versa (www. answers . com accessed 02Oct07). The law of demand is described as: A microeconomic law that states that, all other factors being equal, as the price of a good or service increases, consumer demand for the good or service will decrease and vice versa (www.

answers . com accessed 02Oct07). Supply and Demand: The market process is generally modeled using the economic concepts of supply and demand. The plans/desires of consumers are embedded in the concept of demand and the plans/desires of producers in the concept of supply. The plans of these two types of economic actors are brought together in markets, which are the entities in which transactions occur.

In a modern economy, markets do not require that the buyers and sellers meet in a geographic place, so markets no longer require actual “marketplaces. “...

The business world is very susceptible to the subtleties of consumer choices.

The ability to anticipate the trends in consumer consumption patterns is vital to any company desiring to be a leader or major factor in their industry.

Millions of dollars are spent each year in research and analysis to determine or to create trends in, not only who the company's customers may be, now and in the near future, but also, what will those customers want to buy, and <https://assignbuster.com/comparative-study-on-consumption-patterns-of-soft-drinks/>

why. To truly understand trends in consumption patterns, one must first understand the basic principles of economics.

Economics is the science that deals with the production, distribution, and consumption of goods and services (economics, n. d.

). The branch of economics dealing with particular aspects of an economy, as the price-cost relationship of an organization is called microeconomics. This aspect of economics concentrates on the laws of supply and demand.

According to Colander (2004), the law of supply states quantity supplied rises as price rises, when all other factors remain constant and the law of demand states that the quantity of a good demanded is inversely related to