

Music

Commodity

Plentiful or Perceived to be Plentiful

Hard for consumer to determine quality. Specialized knowledge required. Extensive Time required. Firsthand knowledge easy to obtain

Differentiation not cost-effective

Result: Market determines price

Examples-coffee, oil, wheat, computer memory



DIFFERENCE

- Value Added
- Distinguishing characteristics
- Manipulation of perception (Marketing)
- Information
- Reputation (# of quality experiences with product)

Specialty Good

Scarce or perceived to be scarce

Hard for consumer to determine quality. Specialized knowledge required. Extensive Time required. Firsthand knowledge hard to obtain

Differentiation assumed to be cost-effective

Differentiation established

Result: Supplier determines price

Examples- Truffles, collectables, star quarterbacks, 200-year old scotch, Sonny Rollins, Diana Krall