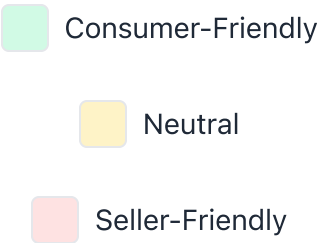


Market Structure Comparison Table

Side-by-side comparison of all four market structures



Characteristic	Perfect Competition	Monopolistic Competition	Oligopoly	Monopoly
Number of Sellers	Very Many <i>(Hundreds/Thousands)</i>	Many <i>(Dozens/Hundreds)</i>	Few <i>(2-10 major players)</i>	One <i>(Single seller)</i>
Product Type	Identical <i>(Standardized)</i>	Differentiated <i>(Slightly different)</i>	Similar or Different <i>(Varies by market)</i>	Unique <i>(No close substitutes)</i>
Barriers to Entry	None <i>(Easy to enter/exit)</i>	Low <i>(Relatively easy)</i>	High <i>(Difficult to enter)</i>	Very High <i>(Impassable)</i>
Price Control	None <i>(Market determines)</i>	Some <i>(Limited by competition)</i>	Significant <i>(Coordinated pricing)</i>	Complete <i>(Price setter)</i>
Economic Profit (Long Run)	Zero <i>(Normal profit only)</i>	Zero <i>(Normal profit only)</i>	Positive <i>(Above-normal)</i>	High <i>(Above-normal)</i>
Consumer Surplus	Maximum <i>(Prices = costs)</i>	High <i>(Competitive)</i>	Moderate <i>(Some loss)</i>	Low <i>(Significant loss)</i>
Efficiency	Both Allocative & Productive	Neither <i>(but competitive)</i>	Neither <i>(market power)</i>	Neither <i>(market power)</i>
Advertising	None <i>(Products identical)</i>	Significant <i>(Brand building)</i>	Moderate to High <i>(Brand competition)</i>	None <i>(No competition)</i>

Characteristic	Perfect Competition	Monopolistic Competition	Oligopoly	Monopoly
Consumer Negotiating Power	Very High <i>(Easy to switch)</i>	High <i>(Many options)</i>	Limited <i>(Few alternatives)</i>	(None)
Real-World Examples	<ul style="list-style-type: none"> - Agricultural commodities - Stock market - Currency exchange - Online marketplaces 	<ul style="list-style-type: none"> - Restaurants - Clothing stores - Hair salons - Gas stations - Coffee shops 	<ul style="list-style-type: none"> - Airlines - Cell carriers - Auto manufacturers - Streaming services - Soft drinks 	<ul style="list-style-type: none"> - Local cable providers - Patent medicines - Professional sports leagues
Consumer Strategy	Shop by price alone - products are identical. Use comparison apps.	Evaluate if differentiation is worth the premium. Try alternatives.	Compare all players. Negotiate at renewal. Use competition as leverage.	Minimize switching costs. Understand the value of the product. Seek to reduce the firm's ability to raise prices.

Key Takeaways for Consumers

- **Perfect Competition:** Best for consumers - lowest prices, highest quality, most choices
- **Monopolistic Competition:** Good for consumers - variety and competition keep prices reasonable
- **Oligopoly:** Mixed - some competition but coordination can raise prices
- **Monopoly:** Worst for consumers - highest prices, lowest consumer surplus

Application to Personal Finance

- Identify where you have negotiating power and where you do not
- Know when to shop around extensively vs. when all sellers are similar
- Understand why some products are expensive and others are cheap
- Make strategic decisions about when and where to buy
- Advocate for policies that promote competition in concentrated markets