

Difference between Substitute and Complementary goods

Basis of Difference	Substitute Goods	Complementary Goods
Meaning	These are the goods which can be used in place of another for the satisfaction of specific want.	These are the goods which are used together to satisfy a specific want.
Price-Demand Relationship	In the case of these goods, there is always a positive relationship between the price of a commodity and quantity demanded.	There is always an inverse relationship between the price of the commodity and quantity demanded for these goods.
Cross Demand	The cross demand is positive for these goods.	For these goods, the cross demand is negative.
Degree of Cross Elasticity	Less than One i.e. $EY < 1$	Less than zero i.e. $EY < 0$.
Price Effect	The increase in the price of a commodity increases the demand for substitute goods and vice versa.	The increase in the price of a commodity decreases the demand for complementary goods and vice versa.
Examples	Some of the examples are- Chrome and Firefox, Nike and Adidas, Maggi and Noodles etc.	Some of the examples are- Coffee and cheesecake, Pencils and erasers, shoes and polish etc.