

UNIT-V
CHAPTER
13

CONCEPT OF MARKETING AND MARKETER

INTRODUCTION

A Market is a centre or an area in which the forces leading to exchange title to a particular product operate and towards which the actual goods tend to travel. The marketing concept is the philosophy that firms should analyze the needs of their customers and then make decisions to satisfy those needs, better than the competition. Marketing is a department of management that tries to design strategies that will build profitable relationships with the customers. This strategy helps in satisfying the customer needs, increase sales, maximize the profit and beat the competition. In this chapter it is clearly examined the concepts of marketing and the marketer.

I. CHOOSE THE CORRECT ANSWERS

1. **One who promotes (or) Exchange of goods or services for money is called as _____.**
a) Seller b) Marketer
c) Customer d) Manager
2. **The marketer initially wants to know in the marketing is _____.**
a) Qualification of the customer
b) Quality of the product
c) Background of the customers
d) Needs of the customers
3. **The spot market is classified on the basis of _____.**
a) Commodity b) Transaction
c) Regulation d) Time
4. **Which one of the market deals in the purchase and sale of shares and debentures?**
a) Stock exchange market
b) Manufactured goods market
c) Local market
d) Family market
5. **Stock exchange market is also called _____.**
a) Spot market b) Local market
c) Security market d) National market

ANSWERS

1	b	2	d	3	b	4	a	5	c
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II. VERY SHORT ANSWER QUESTIONS:

1. **What is market?**
 - ❖ The word market is derived from the Latin word 'Marcatus' which means trade, commerce, merchandise, a place where business is transacted.
 - ❖ The common sense of market means a place where goods are bought or sold.
 - ❖ It is a medium or place to interact and exchange goods and services.
 - ❖ The meeting place of buyers and sellers in an area is called market.
2. **Define marketer.**
 - ❖ According to Business Dictionary a marketer is defined as "A person whose duties include the identification of the goods and services desired by a set of consumers, as well as the marketing of those goods and services on behalf of a company"
3. **What is mean by Regulated Market?**
 - ❖ The markets which are organized, controlled and regulated by statutory measures.
 - ❖ Eg. Stock Exchanges of Mumbai, Chennai, Kolkata etc.

4. Mention any four differences between wholesale Market and Retail Market?

Sl.No	Basis of difference	Whole sale market	Retail Market
1.	Meaning	Wholesale is a business in which goods are sold in large quantities to the retailers, industries and other businesses	When the goods are sold to the final consumer in small lots, then this type of business is termed as retail
2.	Connecting link between	Manufacturer and retailer	Wholesaler and customer
3.	Competition	Less	Very high
4.	Nature of products deals with	Limited products	Different products
5.	Capital requirement	Huge	Little

5. What is meant by Commodity market?**Commodity market:**

A commodity market is a place where produced goods or consumption goods are bought and sold. Commodity markets are sub-divided into:

- ❖ Produce Exchange Market
- ❖ Manufactured goods market:
- ❖ Bullion Market:

- ❖ For eg. Amusement park, Theme Park, Mountaineering etc.,

(iv) Events:

- ❖ The event marketing aims at promoting and marketing of special events shows, exhibitions, fairs, performances, sports events like World Cup, Olympics, T20 etc.,

(v) Persons:

- ❖ The marketing of goods and services through celebrities is a successful formula for creating a brand relationship with the consumers.
- ❖ The endorsement for the brand of a company can be carried down by Cinema Stars, Sports Stars, Musicians and eminent personalities.

III. SHORT ANSWER QUESTIONS:**1. What can be marketed in the market?**

The dynamic items that can be marketed are listed below:

(i) Goods:

- ❖ Manufactured goods are the main constituent of marketing endeavor in all the countries across the world.
- ❖ Companies and individuals market goods like consumer durables, electronic products, machineries, Computers and its software and hardware etc.,

(ii) Services:

- ❖ Not only physical goods can be marketed.
- ❖ Even the services of many organizations can be marketed to the consumers namely banking, insurance, finance, hospitality, tourism, professional consultations etc.,

(iii) Experiences:

- ❖ The unique and varied experiences pertaining to a place or a park or an event can be marketed under this concept.

2. Mention any three Role of Marketer?**i. Instigator:**

- ❖ The marketer keenly watches the developments taking place in the market and identifies marketing opportunities emerging in the ever changing market.
- ❖ He/ she puts in place appropriate marketing mix to capitalize the opportunity.
- ❖ In such a case, marketer plays as an instigator and leads the business toward new directions.

ii. Innovator

- ❖ Marketer seeks to distinguish his products/ services by adding additional features or functionalities to the existing product.
- ❖ He also does modifying the pricing, structure, introducing new delivery pattern, creating new business models.

- ❖ The marketer as an innovator introduces changes in production process and so on.

iii. Integrator

- ❖ Marketer plays a role of integrator.
- ❖ He collects feedback or vital inputs from channel members and consumers.
- ❖ He also provides products/service solutions to customers/consumers by co-coordinating multiple functions of organization.

3. Marketer is an innovator? Do you agree?

- ❖ Yes. I agree with the above said statement.
- ❖ A Marketer is treated as an innovator, due to the following reasons
- ❖ Marketer seeks to distinguish his products/ services by adding additional features or functionalities to the existing product.
- ❖ He also does modifying the pricing, structure, introducing new delivery pattern, creating new business models.
- ❖ The marketers as an innovator introduce changes in production process and so on.

4. Why customer support is needed to market?

The customer support is needed to the market because of the following reasons:

- ❖ To exchange (barter) goods and services.
- ❖ To adjust demand and supply by price mechanism.
- ❖ To improve the quality of life of the society.
- ❖ To introduce new modes of life.
- ❖ To develop product by enhancing market segment.

5. Explain the types of market on the basis of time.

(i) Very short period market:

- ❖ Markets which deal in perishable goods like, fruits, milk, vegetables etc., are called as very short period market.
- ❖ There is no change in the supply of goods. Price is determined on the basis of demand.

(ii) Short period market:

- ❖ In certain goods, supply is adjusted to meet the demand.
- ❖ The demand is greater than supply.
- ❖ Such markets are known as short period market.

(iii) Long period market:

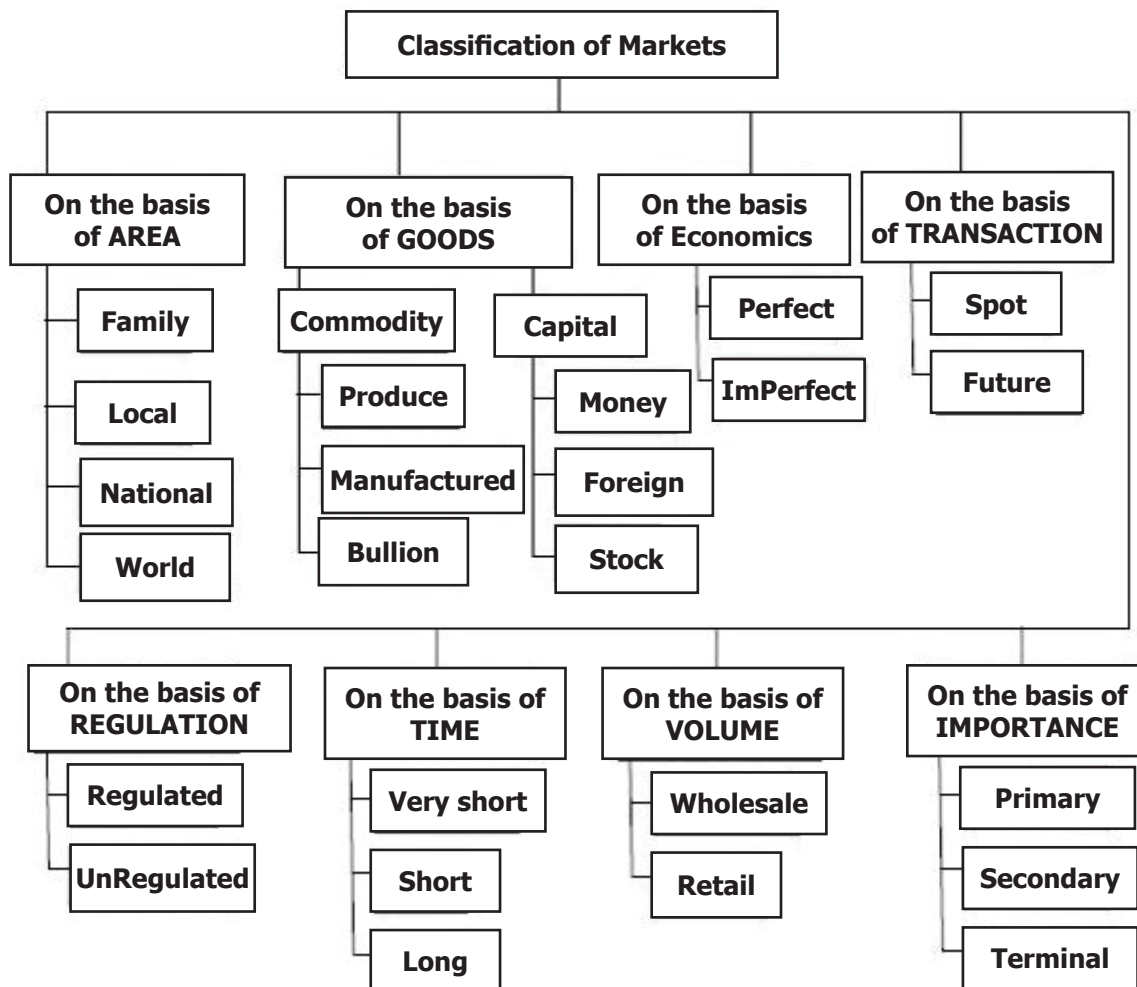
- ❖ This type of market deals in durable goods, where the goods and services are dealt for longer period usages.

6. List down the functions of Marketer?

- Gathering and Analysing market information
- Market planning
- Product Designing and development
- Standardization and Grading
- Packaging and Labelling
- Branding
- Customer support services
- Pricing of products
- Promotion and selling
- Physical distribution
- Transportation
- Storage and ware housing.

IV. LONG ANSWER QUESTIONS:

1. How the market can be classified?



Classification of Markets:

On the basis of different approaches markets have been classified on the basis of Area, Nature of Goods and Economic view, Transaction, Regulation, Time, Volume and importance. The detailed classification is presented in the following chart.

I. On the Basis of Geographical Area

a. Family Market: When exchange of goods or services are confined within a family or close members of the family, such a market can be called as family market.

b. Local Market:

- ❖ Participation of both the buyers and sellers belonging to a local area or areas, may be a town or village, is called as local market.

- ❖ The demands are limited in this type of market. For example, perishable goods like fruits, fish, vegetables etc.

c. National market:

- ❖ Certain type of commodities has demand throughout the country. Hence it is called as a national market.
- ❖ Today the goods from one corner can reach another corner with ease as the communication and transportation facilities are developed well in India.
- ❖ This creates national markets for almost all the products.

d. International market or World market:

- ❖ World or international market is one where the buyers and sellers of goods are from different countries i.e., involvement of buyers and sellers beyond the boundaries of a nation.

II. On the Basis of Commodities/Goods

a. Commodity market: A commodity market is a place where produced goods or consumption goods are bought and sold.

Commodity markets are sub-divided into:

(i) Produce Exchange Market: It is an organized market where commodities or agricultural produce are bought and sold on wholesale basis. E.g. Wheat Exchange Market of Hapur, the Cotton Exchange Market of Bombay etc.

(ii) Manufactured goods market: This market deals with manufactured goods. E.g., Leather goods, manufactured machinery etc. The Leather Exchange market at Kanpur is an example of the same.

(iii) Bullion Market: This type of market deals with the purchase or sale of gold and silver. Bullion markets of Mumbai, Kolkata, Kanpur etc., are examples of such markets.

b. Capital markets: New or going concerns need finance at very stage. Their financial needs are met by capital markets. They are of three types:

(i) Money market: It is a type of market where short term securities are exchanged. It provides short term and very short term finance to industries, banks, governments agencies and financial intermediate.

(ii) Foreign exchange market: It is an international market. This type of markets helps exporters and importers, in converting their currencies into foreign currencies and vice versa.

(iii) The stock market: This is a market where sales and purchases of shares, debentures, bonds etc., of companies are dealt with. It is also known as securities market. Stock exchanges of Mumbai, Kolkata, Chennai etc., are examples for this type of market.

III. On the Basis of Economics

a. Perfect market: A market is said to be a perfect market, if it satisfies the following conditions:

- (i) Large number of buyers and sellers are there.
- (ii) Prices should be uniform throughout the market.
- (iii) Buyers and sellers have a perfect knowledge of market.
- (iv) Goods can be moved from one place to another without restrictions.
- (v) The goods are identical or homogenous.

It should be remembered that such types of markets are rarely found.

b. Imperfect market: A market is said to be imperfect when

- ❖ Products are similar but not identical
- ❖ Prices are not uniform.
- ❖ There is lack of communication.
- ❖ There are restrictions on the movement of goods.

IV. On the Basis of Transaction

(i) Spot market: In such markets, goods are exchanged and the physical delivery of goods takes place immediately.

(ii) Future market: In such markets, contracts are made over the price for future delivery. The dealing and settlement take place on different dates.

V. On the Basis of Regulation:

(i) Regulated Market: These are types of markets which are organized, controlled and regulated by statutory measures.

Example: Stock Exchanges of Mumbai, Chennai, Kolkata etc.,

(ii) Unregulated market: A market which is not regulated by statutory measures is called unregulated market. This is a free market, where there is no control with regard to price, quality, commission etc. Demand and supply determine the price of goods.

VI. On the Basis of Time:

(i) Very short period market: Markets which deal in perishable goods like, fruits, milk, vegetables etc., are called as very short period market. There is no change in the supply of goods. Price is determined on the basis of demand.

(ii) Short period market: In certain goods, supply is adjusted to meet the demand. The demand is greater than supply. Such markets are known as short period market.

(iii) Long period market: This type of market deals in durable goods, where the goods and services are dealt for longer period usages.

(VII). On the Basis of Volume of Business:

(i) Wholesale market: In wholesale market goods are supplied in bulk quantity to dealers/retailers. The goods and services are not sold to customers directly.

(ii) Retail market: In retail market the goods are purchases from producer or wholesales and sold to customers in small quantities by retailers.

(VIII). On the Basis of Importance:

(i) Primary market:

❖ The primary producers of farm sell their output or products through this type of markets to wholesalers or consumers.

Such markets can be found in villages and mostly the products arrive from villages.

(ii) Secondary market:

❖ In this market, the semi finished goods are marketed. Here finished goods are not sold.

❖ The commodities arrive from other markets.

❖ The dealings are commonly between wholesalers or between wholesalers and retailers.

(iii) Terminal market:

❖ It is a central site that serves as an assembly and trading place for commodities in a metropolitan area.

❖ For agricultural commodities these are usually at or near major transportation hubs.

2. How the market can be classified on the basis of Economics?

The following are the classification of the market on the basis of economics.

a. Perfect market: A market is said to be a perfect market, if it satisfies the following conditions:

- ❖ Large number of buyers and sellers are there.
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- ❖ There is lack of communication.
- ❖ There are restrictions on the movement of goods.

3. What is your contribution to promote the market in the modern society?

The following are the ways to promote the market in the modern society:

- ❖ One of most important point to consider is the passing of information's to the customers and educating the customers.
- ❖ Managing customer expectations from consumer advocacy groups to learn about the various brand loyalty.
- ❖ It is high time the clarification of the customers and the clearance of the customer's doubts should be carry forward.

ADDITIONAL QUESTIONS:

I. CHOOSE THE CORRECT ANSWERS:

1. _____ are the form of human needs take as shaped by culture & individual personality.

- a) wants b) demands
c) needs d) social needs

2. Marketing is a process which aims at _____.

- a) Production
b) Profit making
c) satisfaction of customer needs
d) selling products

3. Marketers often use the term _____ to cover various groupings of customers.

- a) People
- b) buying power
- c) demographic segment
- d) market

4. Who suggested product, pricing, place, promotion all these in a company represents "Market Mix"

- a) Philip Kotler b) Stephen Morse
- c) Neil Borden d) Neilsen

5. Assertion (A): Marketing is the performance of buying activities from producer to ultimate user.

Reason (R): Selling is concerned with putting the goods into the hands of the buyers.

- a) Both A and R are individually true
- b) Both A and R are false
- c) A is true but R is false
- d) A is false but R is true

6. Assertion(A): In barter system the goods are exchanged against goods, without any other medium of exchange like money.

Reason(R): Customers' importance was realized but only as a means of disposing of goods produced.

- a) A is true but R is false
- b) A is false but R is true
- c) Both A and R are individually true and R is the correct explanation of A
- d) Both A and R are individually true but R is not the correct explanation of A

7. Match the following in Column I and Column II with given codes:

Column I	Column II
1. Consumer	(i) Advantage
2. Product	(ii) Profit
3. Earning	(iii) Development
4. Competitive	(iv) Satisfaction
a) 1-ii;	2- i; 3-iii; 4-iv
b) 1-ii;	2-iii; 3-iv; 4-i
c) 1-iv;	2-iii; 3-ii; 4-ii
d) 1-iii;	2-I; 3-iv; 4-ii

8. Match the following in A and B from the given codes.

A	B
1. Growth in	(i) Goodwill
2. Creation of	(ii) Customer loyalty
3. Sustaining	(iii) Development

- a) 1-ii; 2- i; 3-iii
- b) 1-ii; 2-iii; 3-i
- c) 1-ii; 2-iii; 3-ii
- d) 1-iii; 2-i; 3-ii

9. The marketing concepts involves _____.

- a) Production Orientation
- b) Sales Orientation
- c) Consumer Orientation
- d) All of the above

10. The role of the marketer includes _____.

- a) Instigator
- b) Innovator
- c) Integrator
- d) All of the above

ANSWERS

1	d	2	c	3	d	4	c	5	a
6	d	7	c	8	d	9	d	10	d

II. VERY SHORT ANSWER QUESTIONS:

1. Define Market.

According to Pyle, "Market includes both place and region in which buyers and sellers are in free competition with one another"

2. What is meant by World Market?

World market is one where the buyers and sellers of goods are from different countries, i.e involvement of buyers and sellers beyond the boundaries of a nation.

III. SHORT ANSWER QUESTIONS:

1. What is meant by future market?

- ❖ The markets where the contracts are made over the price for future delivery.
- ❖ The dealing and settlement takes place on different dates.

2. What do you mean by Bullion market?

- ❖ The type of market deals with the purchase or sale of gold and silver is known as bullion market.
- ❖ Examples of bullion markets are Mumbai, Kolkatta, Kanpur bullion markets.

IV. LONG ANSWER QUESTIONS:**1. What are all the items can be marketed? (Any Five)****i) Goods:**

- ❖ Manufactured Goods are the main constituent of marketing endeavor in all the countries across the world.
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- ❖ The marketing of goods and services through celebrities is a successful formula for creating a brand relationship with the consumers.
- ❖ The endorsement for the brand of a company can be carried down by Cinema Stars, Sports Stars, Musicians and eminent personalities.

2. What are the functions of Marketer?

- ❖ Gathering and analyzing market information.
- ❖ Market planning
- ❖ Product designing and development
- ❖ Standardization and Grading
- ❖ Packaging and Labelling
- ❖ Branding
- ❖ Customer support services
- ❖ Pricing of products
- ❖ Promotional and selling
- ❖ Physical distribution
- ❖ Transportation
- ❖ Storage and warehousing