

8.1 Introduction**8.2 Meaning and Definition****8.3 Concept of Market****8.4 Types of Market****8.5 Importance of Marketing****8.6 Functions of Marketing****8.7 Marketing Mix****Summary****Exercise****8.1 INTRODUCTION**

There is a cut throat competition in almost all walks of life and business is not an exception. It is difficult to survive on the basis of past performance in the product market. Innovative and variety of products are introduced in the market which gives lot of choices to the customers. It is difficult for the companies to retain consumers' loyalty. There are many sources like internet, television, newspapers etc. which are available for collecting necessary information about products and services. It makes very difficult for the businesses to retain and expand the brand in the minds of the customers.

Marketing is a part and parcel of modern day's life. Marketing is pervasive in nature and it affects our day-to-day life in every possible manner. Marketing is both an art as well as a science. Competitive environment motivates organizations to understand marketing as a discipline of management. In fact today marketing is regarded as most important of all management functions of business.

Need of marketing arises because of the increasing production and lower demand of goods and services over the years. Every organization wants to increase market share by presenting themselves different than their competitors. Marketing is important where the competition is very high. Marketing provides a competitive edge to business. It helps to gain loyal customers through implementing good marketing plan. Convincing somebody to do something or not to do something is a part of marketing.

8.2 MEANING AND DEFINITION

Marketing is a key function of modern management. We are exposed to marketing of products and services and ideas almost every day. Study of marketing plays an important role as everyone of us performs marketing activities in one or the other form. Marketing has different meanings based

on audience, media platform and business in changing market.

Definition :

Therefore, marketing is defined in many ways as stated below :

- 1) **American Marketing Association**, "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.
- 2) **" Philip Kotler**, "Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others".
- 3) **World Marketing Association**, "Marketing is the core business philosophy which directs the processes of identifying and fulfilling the needs of individuals and organizations through exchanges which create superior value for all parties."

8.3 CONCEPT OF MARKET

To understand 'marketing' it is necessary to understand the concept of 'market'.

The term market is derived from the Latin word 'mercatus', which means 'to trade', 'to trade merchandise' or 'a place where business is transacted'. In simple words market is the place where two or more parties are involved in buying and selling. These two parties involved in the transactions are called buyers and sellers. The transaction of buying and selling takes place with exchange of money.

There are many concepts associated with the word 'market' and according to the concept, different definitions of the term market are given below:

1) Place concept of Market:

The term market is commonly understood as the place where transaction of buying and selling of goods and services takes place in exchange of money or money's worth. It is the place where buyers, sellers and other intermediaries come together and exchange goods or services. In olden days, place played an important role in defining market. But in the age of information technology the term 'market' has wider meaning than just a place.

2) Commodity Concept of Market

In the commodity concept of market, emphasis is given on 'buying and selling of goods or services'. In this concept the process of buying and selling of goods or services is important and not the place of exchange. In this process buyer and seller as well as the commodity exchanged among them plays an important role.

3) Exchange concept of Market

Exchange concept of market has given emphasis on exchange of goods or services between buyer and seller with free consent as well as mutual trust. There should not be any Fraud or Misrepresentation or Coercion or undue influence during the exchange. The exchange should be voluntary between buyer and seller.

4) Area concept of Market

The area concept of the market is related to exchange concept. This concept gives emphasis on free association between buyers and sellers to fix the price of goods for buying and selling.

The price fixed between buyer and seller implies in the certain area only. In this concept it is not necessary for buyer and seller to meet in person. For fixing the price buyers and sellers can regularly take the help of different modern communication media and exchange goods or services.

5) Demand or Customer concept of Market

Customer is the king of the market. One of the important perspectives of the market is to assess the need or demand of the customer. Market can be studied from the perspective of demand or customer. According to this concept, the aggregate demand by potential buyers for any product is market.

6) Space or Digital concept of Market

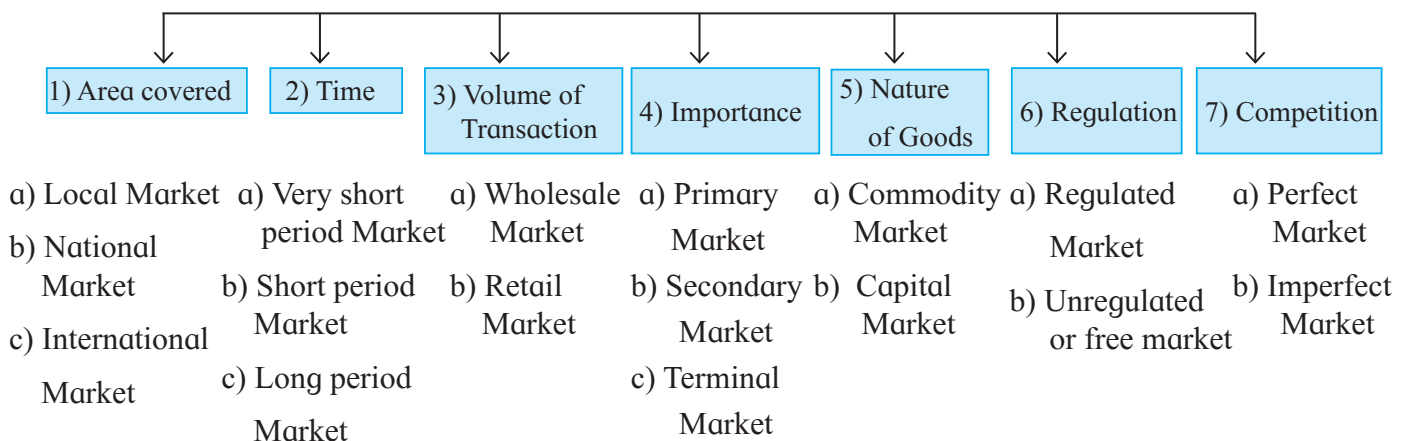
Emergence of Information Technology gave birth to the new concept of the market called as Space or Digital Concept. New and sophisticated E-Commerce Portals and Mobile Applications make the buying and selling easy and convenient for buyers as well as sellers. The communication media like telephone, mobile, computer, Internet etc. have made direct contact between customer and seller. It is easy for the customers to know about quality, features, price, terms and conditions etc. of any products of any company.

Digital Market can be defined as "Market which uses Information Technology for buying and selling of the products or services and facilitate communication of quality, features, price and terms of exchange among them"

8.4 TYPES OF MARKET

Markets can be broadly classified into following categories.

Types of Market (On the basis of)



1) On the Basis of Area Covered

- a) **Local Market :** The market for the commodities which are sold within local geographical limits of a region is known as a local market.
- b) **National Market:** The market for the commodities which are sold within the country is known as national market.

- c) **International Market :** The market for the commodities which are produced in one country and sold in other countries is known as international market.

2) On the Basis of Time

- a) **Very Short Period Market:** This type of market has very short time existence viz., for few hours or for a day at a particular time and place. In this type of market perishable goods such as vegetables, fruits, milk products etc. are sold.
- b) **Short Period Market :** This type of market has existence for a short period viz. weekly markets, festival market, market during fairs etc. Perishable or semi-durable goods are sold in this market.
- c) **Long Period Market:** This type of market has existence for long period. In this type of market durable commodities which are generally non-perishable in nature are sold.

3) On the Basis of Volume of Transaction

- a) **Wholesale Market :** In wholesale market the activity of buying and selling goods is undertaken in large quantities at cheaper prices. Goods are sold to retailers who then sell them to the consumers. It refers to the market for bulk purchase and sale of goods. In such a market sellers are known as wholesalers and buyers are known as retailers.
- b) **Retail Market :** Retail market is the market where retailer sells goods directly to the consumer in small quantities.

4) On the Basis of Importance

- a) **Primary Market:** Primary Market refers to the market for primary products such as agricultural and forest products, for example, fruits, vegetables, food grains etc.
- b) **Secondary Market:** Secondary Market refers to the market for semi-processed and semi-manufactured goods. For example yarn market, iron ore market etc.
- c) **Terminal Market:** Terminal Market refers to the market where goods are sold to the ultimate consumers or the users of the product.

5) On the Basis of Nature of Goods

- a) **Commodity Market:** Commodity market refers to the market for goods, material or produce viz., consumer goods and industrial goods.
- b) **Capital Markets :** It is a market for borrowing and lending long term capital required by business enterprises. The financial asset dealt within capital market have long or indefinite maturity period.

6) On the Basis of Regulation

- a) **Regulated Market:** Regulated market refers to the markets regulated by statutory provisions of the country. For example, Commodity Exchanges, Stock Exchanges, Foreign Exchanges
- b) **Unregulated or Free Market:** It refers to the markets which are not controlled by any specific regulations. It generally operates according to forces of demand and supply.

7) On the Basis of Competition

- a) **Perfect Market:** Perfect market is a market where large number of buyers and sellers buy and sell their homogeneous products. These buyers and sellers have perfect knowledge about market conditions and therefore, one single price prevails in the market.
- b) **Imperfect Market:** Imperfect Market refers to a market situation which is characterised by market imperfection such as single seller, maladjustment in demand and supply, imperfect knowledge on the part of buyers or sellers, etc.

Imperfect markets are further divided in the following markets :

- 1) **Monopoly:** In monopoly, there is a single producer or seller who controls the market. There are no close substitutes for the product. Monopoly controls the supply and can fix the price.
- 2) **Duopoly:** In duopoly, there are two sellers, selling either a homogeneous product or a differentiated product. These two sellers enjoy a monopoly in the sale of the product produced by them.
- 3) **Oligopoly :** In oligopoly there are only a few sellers. They may be producing and selling either a homogeneous or a differentiated product.
- 4) **Monopsony:** Monopsony refers to a market situation when there is a single buyer of a commodity or service.

8.5 IMPORTANCE OF MARKETING

In the absence of marketing, many businesses would fail to exist. The prime object of production is to distribute goods and services by using effective marketing. Business could have the most amazing products or services, but if no one knows it exists then business will not be able to sell it. There is a need to use marketing to promote business. Without marketing, it is difficult to reach the potential customers. In the olden days the role of marketing was only to communicate the product to the consumers, but this is not the case today. The role of marketing is too diverse in the modern world. Effective marketing helps organizations to survive in the competitive environments.

Importance of marketing:

A) Importance of Marketing to the Society

1) Increase in Standard of Living:

The prime objective of marketing is to provide goods and services to the customers to satisfy their needs. Paul Mazur defined marketing as, "The delivery of standard of living to the society". Marketing helps to identify the needs of the customers and take an initiative to provide the quality goods at the cheaper prices. This will help to increase and maintain the standard of living of the customers. In the modern times, large scale production of goods and services reduced its prices due to which even the poorer sections of society can attain a reasonable level of living.

2) Provides Employment:

Modern marketing is a total system which covers almost all functions of organization such as buying, selling, financing, transport, warehousing, risk bearing, research and development etc. To run this system there is a need of people. Thus, marketing gives job opportunities to the people. In the modern era of automation, lesser employments are available in production function and the role of marketing has widened. It gives more opportunities of employment

in marketing. Converse, Huegy and Mitchell have rightly pointed out that "In order to have continuous production, there must be continuous marketing, only then employment can be sustained and high level of business activity can be continued".

3) Decreases Distribution Costs:

Marketing activities help to provide cheap goods and services to the society. Effective utilization of channel of distribution can help in reducing the cost prices of the products and services. Reduction of cost will help to increase the potential consumers for the products or services. It also assures timely availability of the product.

4) Consumer Awareness:

Marketing helps the society by informing and educating consumers. The function of marketing is to fulfil the needs of the consumers. Marketing helps consumers to know about new product and service available in the market and its usefulness to the customer.

Marketing provides satisfaction to the society by supplying relevant information, goods, and services to the people of society according to their demand and taste. Marketing can also include more practical information to assist in making a purchase, such as addresses, phone numbers, product release dates, store hours and Web addresses.

5) Increase in National Income:

Every economy revolves around marketing, production and finance to the industry. The scientifically organized marketing activities help in the economic development of the country. Effective marketing of products and services result into industrialization, more job and makes the economy stronger and stable. Marketing can bring about rapid development of the country by integration of agriculture and industry.

6) Managing Consumer Expectations:

Marketing research helps the organizations to understand the needs of the consumers. It helps in developing the products which fulfills customer's expectations. Customers' review collected through different sources can help the organizations to make necessary changes in the products. Businesses use marketing to make consumers aware of major changes, such as mergers and transfers in ownership that affect product offerings or seek to improve quality. Government regulations prevent marketers from making false or misleading claims.

B) Importance of Marketing to the Firm

1) Increases Awareness:

Marketing helps in creating awareness about the existing products, new arrivals as well as the company which sells a particular product in the market. This raises awareness among the potential consumers. It creates brand image among the consumers.

2) Increases Sales:

Once marketing creates awareness about the products or services among the consumers, it attracts them to purchase the same. Successful marketing campaign helps to increase the sales of the organization. Increase in sale generates profit for the organization. This income and profit are reinvested in the business to earn more profits in future. In modern business, survival of the organization depends on the effectiveness of the marketing function.

3) Creates Trust:

People want to buy from a business that has a trustworthy reputation. Creating trust among the

customers is a time consuming process. Creating trust among the consumers helps the business to earn loyal customers. Once your business can establish this trust with your clients, it creates customer loyalty. Happy customers enhance the brand image in the market. Effective marketing plays an important role in building a relationship between the customers and the organization. Effective pricing policy and timely after sales services improve image of the organization. A majority of the activities of the marketers are directed towards building the brand equity of the business.

4) Basis for Making Decisions:

From inception of idea to delivering the final product to the customer, businessman has to take several decisions. Businessman has to look after many problems such as what, how, when, how much and for whom to produce? As the scale of operation increases, these decisions become more complex. Marketing helps to take right decision at right time.

5) Source of New Ideas:

Marketing helps business to understand the needs of the consumers. Feedbacks from the consumers help in the improvement of the existing products. There is rapid change in tastes and preference of people. Marketing helps in understanding these changes. It helps to understand new demand pattern emerged in the market. Research and Development department develop products accordingly. The 4p's of marketing mix i.e. product, price, place and promotion play a huge role in the product development. Inventions and innovations are taken place as per the need by the Research and Development team of the business.

6) Tackling the Competition

There is increasing competition in almost all sectors of the economy. It is difficult for any business to create monopoly for their products and services. The role of marketing is important to create brand image in the minds of potential customers. Marketing not only helps to communicate the products and services to the consumers but also motivates them to buy the same. Sound marketing strategies can portray better image of the business than the competitors. Businesses can take use of modern technology for effective marketing.

C) Importance of Marketing to the Consumers

1) Promotes Product Awareness:

Through different marketing activities companies promote their products and services. This helps consumers to know about different products and services available in the market. It helps the consumer in making buying decision. It also creates awareness among the consumers about different brands and features of the product available in the market. Consumer can compare product features, price, availability and other essentials because of marketing. Marketing helps to improve the quality of life of the consumer.

2) Provides Quality Products

There is increasing competition in the market. Consumers are getting easy access to the information about the products and services available in the market. It creates moral pressure on the businesses to provide quality goods to the consumers. Supplying defective products may create negative image of the business which affects the consumer's loyalty.

3) Provides Variety of Products

Marketing creates awareness among the consumers about the product. At the same time, it attracts the consumers to buy the same. With the customer population and preferences

becoming wider, and the competitive options becoming more available, market segmentation has become critical in any business or marketing plan. In fact, business launch products keeping the market segmentation in mind. Businessman needs to provide variety of goods to cater to the needs of the different market segments of the consumers. Variety may change according to the price, size and quality of the product.

4) **Helps in Selection**

Variety of products with different brands are available in the competitive markets. Marketing helps the consumer to choose the best products and services from the different options available.

5) **Consumer Satisfaction**

The first and foremost objective of any sound marketing policy is to satisfy the consumers by assurance of good quality product. When an offering meets the customer's expectations, the customer is satisfied. Marketing leads to consumer satisfaction through honest advertising, assurance of quality products and availability of innovative products. Thus, marketing takes every effort to satisfy the consumer.

6) **Regular supply of goods:**

Through efficient distribution channel of marketing regular supply of goods is possible. It helps to maintain the balance between demand and supply. It results into stable prices.

Importance or marketing at a glance :

Importance of marketing at a glance :

Society

1. Increases Standard of Living
2. Provides Employment
3. Decreases Distribution Costs
4. Consumer Awareness
5. Increase in National Income
6. Managing Consumer Expectations

Firm

1. Increases Awareness
2. Increases Sales
3. Creates Trust
4. Basis for Making Decisions:
5. Source of New Ideas:
6. Tackling the Competition

Consumer

1. Promotes Product Awareness:
2. Provides Quality Products
3. Provides Variety of Products
4. Helps in Selection
5. Consumer Satisfaction

8.6 FUNCTIONS OF MARKETING

Success of business is difficult without effective marketing. Marketing deals with exchange of goods and services to satisfy needs of consumers. Marketing functions help to study the needs of the consumers and facilitate to satisfy it. Following are some of the important functions of marketing :

1) **Marketing Research**

Effective marketing is possible when business takes initiative to identify the needs and wants of the consumers in the market. To identify the needs of the consumers, there is a need to collect information from the consumers and analyse the same is known as Market Research. Analysis of the information helps in the assessment of the need in the market. It helps to find out what do consumers want to buy, when do consumers buy, in what quantity they want to buy and at what price. Marketing Research helps to take various decisions regarding successful marketing of products.

Activity :

Visit ten nearby houses and find out their needs for different products

2) **Buying and Assembling:**

It involves collecting raw material from different sources at one place for production. This function is important as quality and price of raw material determine cost and quality of the final product.

3) **Market Planning:**

After assessing the need of the marketing, business needs to chalk out the marketing plan and strategies to achieve the desired objective. Market planning is the process of organizing and defining the marketing objectives of the business and creating strategies to achieve them. It is the comprehensive blueprint that will help to draw outline of business's overall marketing efforts.

4) **Product Development**

Product development and design play an important role in the selling of the product. There is a need to develop the product that suits the needs of the consumer. Product design includes decision related to quality, standards, shape, design, packing, colour etc. of the product. Consumer always prefer better and attractively designed product. Good design of the product gives competitive advantage to the business. Product development is continuous process as the requirements of the customer change from time to time.

5) **Standardisation and Grading:**

Standardisation means to determine standards related to process, size, quality, design, weight, colour etc. of the product. It helps in ensuring uniformity in the quality of the product. It helps in achieving customers' loyalty towards the product.

Grading is the process of classification of products according to similar characteristics and/or quality. Grading is done on the basis of their features like size, shape quality etc. Generally grading is done in case of agricultural products like wheat, rice, potatoes etc.

Activity :

Visit five nearby grocery shops and find out different types/grades of wheat, rice and cereal etc. and its prices. Find out the reasons of price changes in different grades of grains.

6) Packaging and Labelling:

Package and Label creates the first impression on the consumer about the product. Attractive package and label can help to make product successful. Packaging means designing the package for the product. It helps to avoiding breakage, damage and destruction of the product. Packing material includes bottles, container, plastic bags, tin, wooden boxes, jute bags, bubble bags, packing foam etc.

Label is a slip which is found on the product and provides all the information regarding the product and its producer. The slip on which all this information is provided is called as label and its process is called as labeling. Packaging and labelling not only provide protection to the product but also act as an effective tool of marketing.

Activity :

Collect 5 types of packaging material and read carefully the information given on the label of the package.

7) Branding :

Every businessman wants to have special identity in the market for his product. Branding is a process of giving special identity to a product through unique brand name to differentiate it from competitor's products. In simple words giving of distinct name to one's product is called as branding. Registered brands are known as Trademarks.

Trademarks can not be copied. Branding helps to get recognition among the consumers. It can help to get new business and increase brand awareness in the market.

8) Customer Support Service:

Customer is the king of the market hence business needs to take necessary steps for the satisfaction of the customer. Business needs to take every possible effort to provide support services to the customer. Timely support services help to gain customer's loyalty.

The business can provide the support services like Pre-sales service, consumer helpline, after sales service, technical assistance, product demo etc. to the customers. These services help in getting, retaining and growing the customers.

9) Pricing of Product:

Pricing is one of the most important as well as challenging function of the marketing. Many times price of the product decides the success or failure of the product. Pricing plays an important role in the market where there is cut throat competition. While determining the price of the product businessman needs to consider factors like cost, desired profit, price of the competitor's product, demand for the product, market condition etc. Business needs to change prices as per the need of the market. If prices are too high, it might lose customers but if prices are too low, it might suffer losses. So deciding the right price needs extensive market research.

10) **Promotional Channels**

Promotion is the process of informing the consumers about the products, their features, uses, prices etc and encouraging them to buy these products. Advertising, Personal selling, Publicity and Sales Promotion are some of the important tools of promotion. Business uses combination of all or some of these four methods for promotion as per the need of the business. Promotional activities help to increase brand awareness in the market.

11) **Distribution:**

Distribution is the set of activities which is concerned with efficient movement of finished goods from the place of production to the consumer. It includes transportation, warehousing, material handling, inventory control, order processing, market forecasting, packaging, plant and warehouse location and customer service. Distribution accounts for a major part of marketing budget of the business. Importance of physical distribution for a firm depends on the type of product and level of customer satisfaction desired.

12) **Transportation:**

Transportation means physical movement of goods from the place of production to the place of consumption. Transportation includes transportation of finished goods as well as of raw material. Production, sale and consumption-all the three activities need not be at one place hence there is a need of transportation. Place utility is created by transportation activity. Analysis of geographical boundaries, nature of product, cost, target market, speed, reliability, frequency, safety etc. help in deciding modes of transportation. Road, air, water, railways, pipelines are some of the important modes of transportation used by business.

13) **Warehousing:**

There is a time-lag between the purchase or production of goods and their sale. It is important to store the goods at a safe place during this time-lag. Any negligence during this period may damage the stock. Warehouse helps to maintain a smooth flow of goods. It also helps in stabilizing prices in the market. Function of warehousing is performed by retailers, wholesalers and manufacturers. Warehousing creates time utility.

8.7 MARKETING MIX

Marketing Mix is the combination of different marketing variables that the firm blends and controls to achieve the desired result from the target market. In simple words the marketing mix is putting the right product, at the right time, at the right price in the right place. It is one of the important tools of the marketing. The 4P's of marketing mix were introduced by E. Jerome McCarthy in 1960. It was further extended by Booms & Bitner in 1981 by adding 3 new elements to the 4 Ps Principle.

There are two types of marketing mix-Product Marketing Mix (4Ps) and Service Marketing mix (7Ps). The four Ps are the key factors that are involved in the marketing of goods or services. They are the product, price, place, and promotion.

1) **Product:**

Product refers to the goods or services that are offered to the customers for sale and are capable of satisfying the need of the customer. The product can be intangible or tangible, as it can be in the form of services or goods. The business need to decide the right type of product through extensive market research. Success of the business depends on the impact of the product in the minds of the customer.

2) **Price:**

The price of the product is basically the amount that a customer pays for the product. Price plays an important role in creating demand for the product. The business needs to take utmost care to decide the price of the product. Cost of the product and willingness of the customer to pay for the product play an important role in pricing the product. Too high price may affect the demand for the product and pricing too low may affect the profitability of the business. While deciding the prices, the value and utility of the product to its customers are to be considered.

3) **Place:**

Place is also known as distribution channel. Placement or distribution is a very important part of the marketing. Making a right product at the right price is not enough. Businessman needs to make the product available to potential customer at the right place too. Business needs to distribute the product in a place that is accessible to potential buyers. It covers location, distribution and ways of delivering the product to the customer. Better the chain of distribution higher the coverage of the product in the market.

4) **Promotion:**

Promotion is an important element of marketing as it creates brand recognition and sales. Promotion is a tool of marketing communication which helps to publicise the product to the customer. It helps to convey product features to the potential buyer and inducing them to buy it. Promotion mix includes tools such as advertising, direct marketing, sales promotion, personal selling, etc. Combination of promotional strategies depend on budget, the message business wants to communicate and the target market.

The above four P's of marketing are associated with the product marketing mix. In addition to the 4Ps, when there is consumer-oriented or service marketing, there are 3 more P's are taken into consideration namely - People, Physical Evidence and Process.

5) **People:**

People inside and outside the business directly or indirectly influence the business. People comprise of all the human beings that play an active role in offering the product or service to the customer. The people include employees who help to deliver services to the customer. Right people at right place add value to the business. For the success of the business, it is necessary to recruit right people, train them, develop their skill and retain them.

6) **Process:**

Process refers to the steps involved in delivering products and services to the customer. Processes are important to deliver a quality service. Good process helps to ensure same standard of service to the customer as well as save time and money by increasing efficiency. The advancement of technology helps businesses in effective monitoring of the process of the business and take corrective action wherever necessary.

7) **Physical Environment:**

Physical Environment refers to the marketing environment wherein the interaction between customer and firm takes place. Since services are intangible in nature service providers try to incorporate certain tangible elements into their offering to enhance customer experience. In the service market, the physical evidence is important to ensure that the service is successfully delivered. Through physical evidence customers know the brand leaders in the market. Physical evidence affects the customer's satisfaction. It includes location, layout, interior design, packaging, branding, dress of the staff and how they act, waiting area etc.

Just to know

- 1) A product is analysed from marketing viewpoint as core product features, Tangible product features and Intangible product features. e.g. core product features of a car include its capacity to transport passengers and goods from one place to another. Tangible features include colour, shape, seats, music system etc. of the car. Intangible features include comfort, ease in driving, servicing frequency etc.
- 2) Marketing and selling, though seem to be similar concepts, 'Marketing' involves a process of satisfying consumer needs whereas 'Selling' involves actual action by which ownership and possession of goods is transferred to buyers.

Let us see the difference in detail.

Marketing	Selling
Marketing is a social process by which a need is created, offered and exchanged via products.	Selling means providing the customer with the good he/she needs in exchange of a price.
Marketing is a wider concept. It includes Selling and other functions.	Selling is a narrower concept. It is a part of the marketing concept.
Satisfaction of consumers is the essence of the marketing concept.	The selling concept relies on the transfer of title and possession of the product from one person to another.
Marketing is consumer oriented. It emphasizes on consumers and the maximization of their satisfaction.	Selling is production oriented. It emphasizes on production and its efficiency.
Marketing views the customer as the very purpose of the business.	Selling views customer as a last link in business.
Planning in marketing is long-term-oriented in today's products and in terms of few products, tomorrow's markets and future growth.	Planning in selling is short-term-oriented in terms of today's products and markets.
Marketing follows customer oriented approach.	Selling uses production oriented approach.
Marketing is an indirect activity.	Selling is a direct activity.

Summary

"Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."

Concept of Market

1. Place Concept of Market:
2. Commodity Concept of Market
3. Exchange Concept of Market
4. Area Concept of Market
5. Demand or Customer Concept of Market
6. Space or Digital Concept of Market

Types of Market

Markets can be broadly classified into the following categories

1. On the Basis of Area Covered
 - a) Local Market b) National Market c) International Market
2. On the Basis of Time
 - a) Very Short Period Market b) Short Period Market c) Long Period Market
3. On the Basis of Volume of Transaction
 - a) Wholesale Market b) Retail Market
4. On the Basis of Importance
 - a) Primary Market b) Secondary Market c) Terminal Market
5. On the Basis of Nature of Goods
 - a) Commodity Market b) Capital Markets
6. On the Basis of Regulation
 - a) Regulated Market b) Unregulated or Free Market
7. On the Basis of Competition
 - a) Perfect Market b) Imperfect Market

Imperfect markets are further divided in the following markets:

- a) Monopoly b) Duopoly c) Oligopoly d) Monopoly

Importance of Marketing

- A. Importance of Marketing to the Society
 1. Increase in Standard of Living,
 2. Provides Employment
 3. Decreases Distribution Costs,
 4. Consumer Awareness
 5. Increase in National Income,
 6. Managing Consumer Expectations
- B. Importance of Marketing to the Firm
 1. Increases Awareness,
 2. Increases Sales
 3. Creates Trust,
 4. Basis for Making Decisions
 5. Source of New Ideas,
 6. Tackling the Competition
- C. Importance of Marketing to the Consumers
 1. Promotes Product Awareness,
 2. Provides Quality Products
 3. Provides Variety of Products,
 4. Helps in Selection
 5. Consumer Satisfaction,
 6. Regular supply of goods

Functions of Marketing

- 1) Marketing Research,
- 2) Buying and Assembling
- 3) Market Planning,
- 4) Product Development
- 5) Standardisation and Grading,
- 6) Packaging and Labelling
- 7) Branding,
- 8) Customer Support Service
- 9) Pricing of Product,
- 10) Promotional Channels
- 11) Distribution,
- 12) Transportation
- 13) Warehousing

Marketing Mix

- | | |
|-------------------------|--------------|
| 1) Product, | 2) Price |
| 3) Place | 4) Promotion |
| 5) People, | 6) Process |
| 7) Physical Environment | |

EXERCISE

Q.1. (A) Select the correct option and rewrite the statements

- The term market is derived from the word 'mercatus'
a) French b) Latin c) Italian
- In the concept of market, emphasis is given on 'buying and selling of goods or services'.
a) Place b) Exchange c) Customer
- Perishable goods such as vegetables, fruits, milk products etc. are sold in market
a) Very Short Period b) Short Period c) Long Period
- Retail market is the market where retailer sells goods directly to the in small quantities.
a) Producer b) Wholesaler c) Consumer

B) Match the pairs

	Group A		Group B
A)	Market	1)	Single Seller
B)	Registered brands	2)	Stock Market
C)	Monopoly	3)	Distinct Name
D)	Branding	4)	Mercatus
E)	Digital Marketing	5)	Single Buyer
		6)	ISI
		7)	Trademark
		8)	Use of traditional media
		9)	Multiple seller
		10)	Use of digital media

C) Write a word/term /phrase for the following sentence.

- The market for the commodities which are produced in one country and sold in another countries.
- Type of market where durable commodities which are generally non-perishable in nature are sold.
- The market where goods are sold to the ultimate consumers or the users of the product.

- 4) Two sellers, selling either a homogeneous product or a differentiated product.
- 5) Giving of distinct name to one's product.

D) State whether the following statements are true or false.

- 1) The term market is derived from the Latin word 'mercatus'.
- 2) Market may be defined as aggregate demand by potential buyers for a product or service.
- 3) The market for the commodities which are produced in one country and sold in another countries is known as national market.
- 4) In wholesale market sellers are known as retailers and buyers are known as wholesaler.
- 5) Regulated Market operates according to forces of demand and supply.

E) Find the odd one.

- 1) Primary Market, Secondary Market, Retail Market, Terminal Market
- 2) Stock Exchange, Foreign Exchange, Bullion Market, Manufactured Goods Market
- 3) Price, People, Promotion, Product
- 4) People, Promotion, Physical Evidence, Process

F) Complete the sentence.

- 1) is the place where transaction of buying and selling of goods and services take place in exchange of money or money's worth.
- 2) refers to a market situation when there is a single buyer of a commodity or service.
- 3) is a slip which is found on the product and provides all the information regarding the product and its producer.

G) Select the correct option and complete the table.

(Mercatus, Industrial goods, Oligopoly, E. Jerome McCarthy, Booms & Bitner)

Group A		Group B	
A)	Commodity Market	1)	.....
B)	.....	2)	A few sellers
C)	.....	3)	To trade merchandise
D)	4 Ps	4)	.....
E)	.....	5)	3 Ps

H) Answer in one sentence.

- 1) What do you mean by 'Local Market'?
- 2) What do you mean by 'Regulated Market'?
- 3) Define Market.
- 4) What do you mean by standardization?
- 5) What do you mean by Branding?

I) Correct the underlined word and rewrite the following sentence

- 1) Commodity Market refers to the market for borrowing and lending long term capital required by business.

- 2) In duopoly there is a single seller.
- 3) Pricing bridges the time gap between production and sale of goods.
- 4) Branding is the process of classification of products according to similar characteristics and/or quality.
- 5) Grading helps in avoiding breakage, damage and destruction of the product.

J) Arrange in proper order

- 1) Local market, international market, national market.
- 2) Grading, Market Planning, Distribution.

Q.2. Explain the following terms/concepts

1) Market 2) Place Concept of Market 3) Commodity Concept of Market 4) Digital Concept of Market 5) Product 6) Price 7) Promotion 8) Marketing Mix 9) Packaging 10) Labeling

Q.3. Study the following case/situation and express your opinion

- 1) Mr X purchases goods from nearest shop. Mr Y purchases mobiles from Tokyo. Mr Z of Nandurbar purchases electronic goods from Delhi.
 - i) From which type of market does Mr.X purchase?
 - ii) Name the type of market from where Mr.Y deals?
 - iii) State the type of market from where Mr.Z purchases goods?
- 2) Mr. X deals in import and export business so he needs different foreign currencies. For the expansion of his business, he borrows money from bank. He invests his funds in the equity shares.
 - i) Name the market from where does Mr.X borrow money?
 - ii) Name the market where does Mr. X invest his funds?
 - iii) Which type of currency is required for international market?

Q.4. Answer in Brief

- 1) Explain in detail the significance of marketing to the society
- 2) Explain 4Ps of product marketing mix.
- 3) Explain 3Ps in marketing of services
- 4) Explain types of market on the basis of area covered
- 5) Explain types of market on the basis of time

Q.5. Justify the following statements.

- 1) Marketing is significant to the consumers.
- 2) Promotion plays an important role in marketing.
- 3) Market can be classified on the basis of competition.
- 4) Marketing helps in increasing consumer awareness.
- 5) There is a need of branding to get recognition among the consumers.

Q.6. Attempt the following.

- 1) Give classification of market in detail on the basis of 'Volume of Transaction'
- 2) Give classification of market on the basis of 'Time'
- 3) Explain packaging and labelling
- 4) Explain standardisation and grading
- 5) Explain importance of marketing to the firm.

Q.7. Answer the following.

- 1) Define Marketing and explain in detail the concepts of marketing.
- 2) Explain different types of market in detail.
- 3) Explain in detail 7Ps of Marketing.
- 4) Explain the functions of marketing in detail.
- 5) Explain importance of marketing to the society and consumers.

Answer Key

- A) 1. Latin 2. Exchange 3. Very Short Period 4. consumer
- B) A-4 , B-7 , C -1 , D -3 , E -10
- C) 1. International market 2. Long period market 3. Retail market 4. Duopoly 5. branding
- D) True- 1,2 False-3,4,5
- E) 1. Retail Market 2. Manufacture goods market 3. People 4. Promotion,
- F) 1. Market 2. Monopsony 3. Label
- G) a. Industrial goods b. Oligopoly c. Mercatus d. E Jerome McCarthy e. Booms & Bitner
- I) 1. Capital market 2. Monopoly 3. Warehousing 4. Grading 5. Packaging
- J) 1. Local market, national market, international market / international market, national market, local market
- 2) Market Planning, grading, distribution

Career opportunities :

Marketing manager, Warehouse keeper, Market Analyst, Asvertising Agency

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