

## 8.3 CONCEPT OF MARKET

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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:

### Concept of Market.

#### 1.) Place Concept of Market.

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

#### 2.) Commodity Concept of Market.

- i) In the Commodity Concept of Market, emphasis is given on buying & selling of goods or services.
- ii) In this concept the process of buying & selling of goods or services is important and not the place of exchange.
- iii) In this process buyer and seller as well as the commodity exchanged among them plays important role.

#### 3.) Exchange Concept of Market.

- i) Exchange Concept of Market, emphasis is given on exchange of goods or services between buyer & seller with free consent as well as mutual trust.
- ii) There should not be any fraud or misrepresentation or coercion or undue influence.
- iii) The Exchange should be voluntary between buyer & seller.

#### 4.) Area Concept of Market:

- i) The Area Concept of the Market is related to exchange Concept.
- ii) This Concept gives emphasis on free association between buyers & sellers to fix the price of goods for buying & selling.
- iii) The price fixed between buyer & seller implies in the certain area only.
- iv) In this concept it is not necessary for buyer and seller to meet in person.

#### 5.) Demand or Customer Concept of Market:-

- i) Customer is the **King** of the Market.
- ii) One of the important perspective of the Market is to assess the need or demand of the Customer.
- iii) Market can be studied from the perspective of demand or customer.
- iv) According to this concept, the aggregate demand by potential buyers for any product is marked.

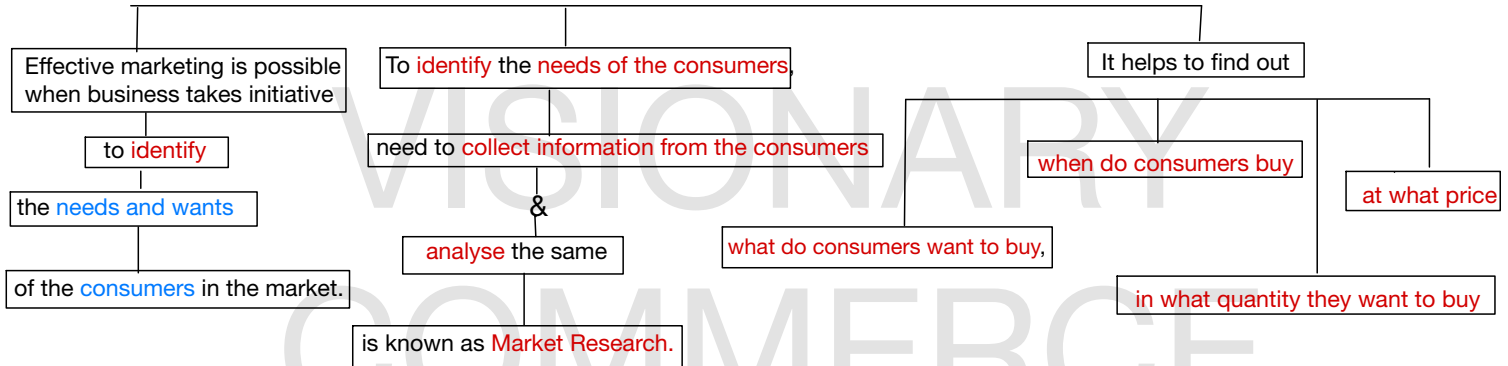
#### 6.) Space or Digital Concept of Market:

- i) Emergence of IT gave birth to the new concept of the Market called as Space or Digital Concept.
- ii) New & sophisticated E-Commerce portal and mobile Application make the buying & selling easy and convenient for buyers & sellers.
- iii) The communication media like telephone, mobile, computer, internet etc have direct contact between customer & seller.
- iv) It is easy for the customers to know about the quality, features, price, terms & conditions etc.

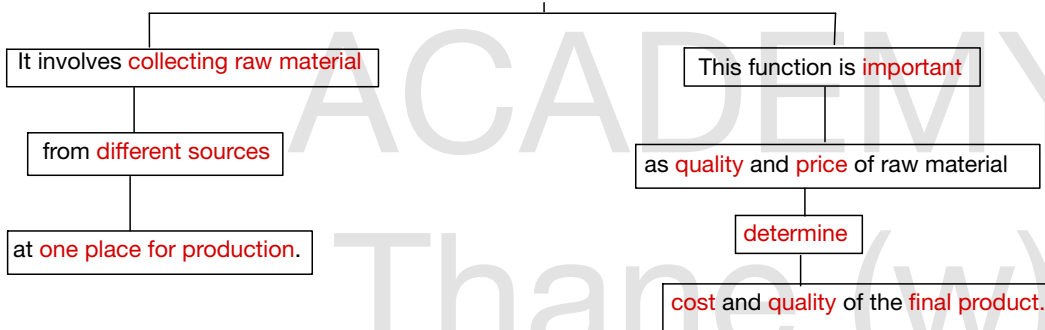
# FUNCTIONS OF MARKETING

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 :

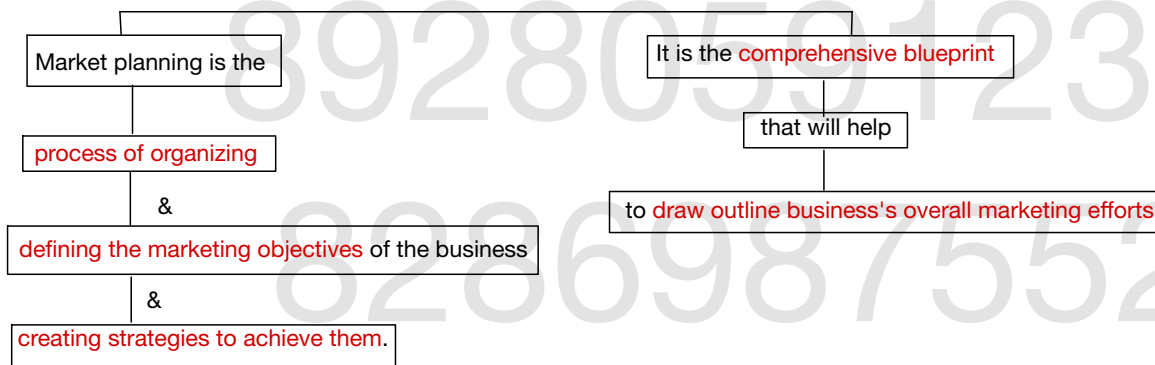
## 1) Marketing Research



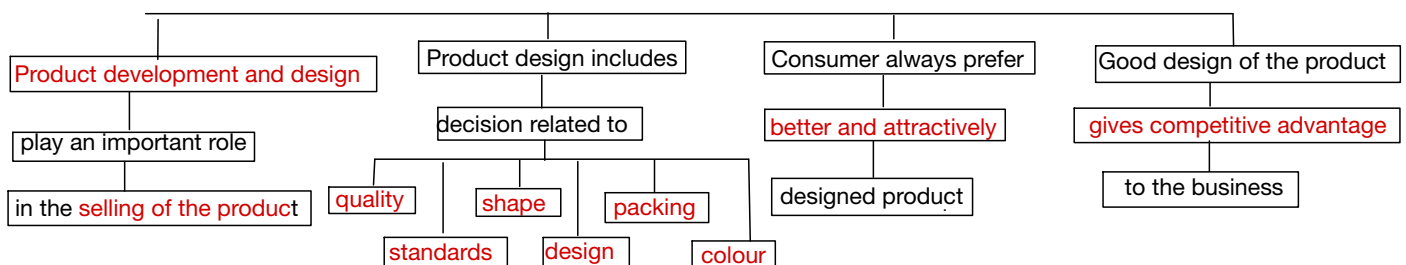
## 2) Buying and Assembling:



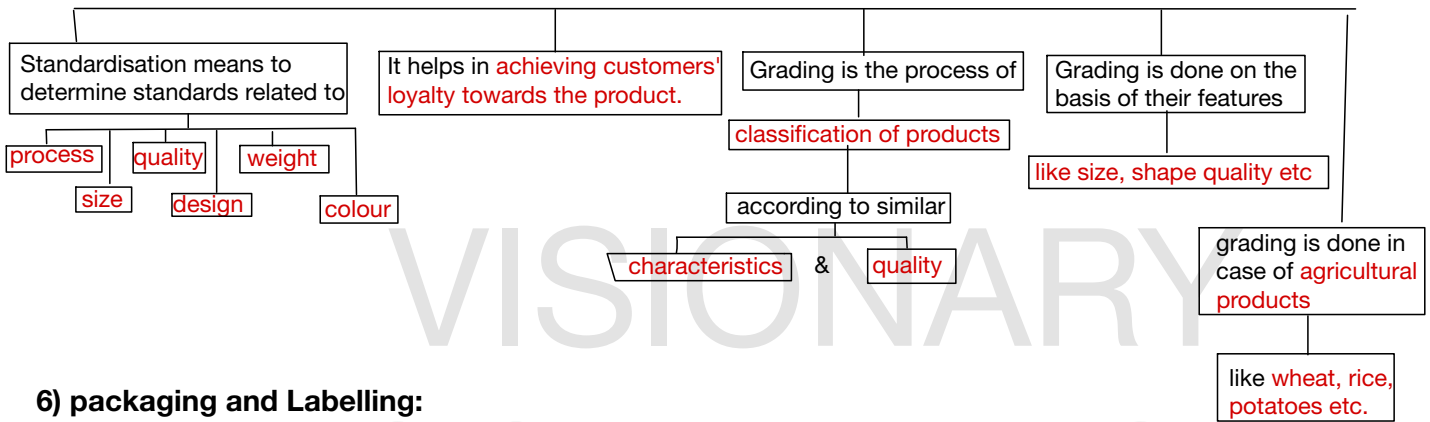
## 3) Market Planning:



## 4) Product Development



## 5) Standardisation and Grading:



## 6) packaging and Labelling:

- 1) package and Label creates the first impression on the consumer about the product
- 2) Attractive package and label can help to make product successful
- 3) it helps to avoiding breakage, damage and destruction of the product.
- 4) Packing material includes bottles, container, plastic bags, tin, wooden boxes, jute bags, bubble bags, packing foam etc.
- 5) Label is a slip which is found on the product and provides all the information regarding the product and its producer.
- 6) The slip on which all this information is provides is called as label and its process is called as labeling.

## 7) Branding

- 1) Every businessman wants to have special identity in the market for his product.
- 2) Branding is a process of giving special identity to a product through unique brand name to differentiate it from competitor's products.
- 3) In simple words giving of distinct name to one's product is called as branding.
- 4) Registered brands are known as Trademarks.
- 5) Trademarks can not be copied.

## 8) Promotional Channels

- 1) Promotion is the process of informing the consumers about the products, their features, uses, prices etc and encouraging them to buy these products
- 2) Advertising, Personal selling, Publicity and Sales Promotion are some of the important tools of promotion.
- 3) Promotional activities help to increase brand awareness in the market.

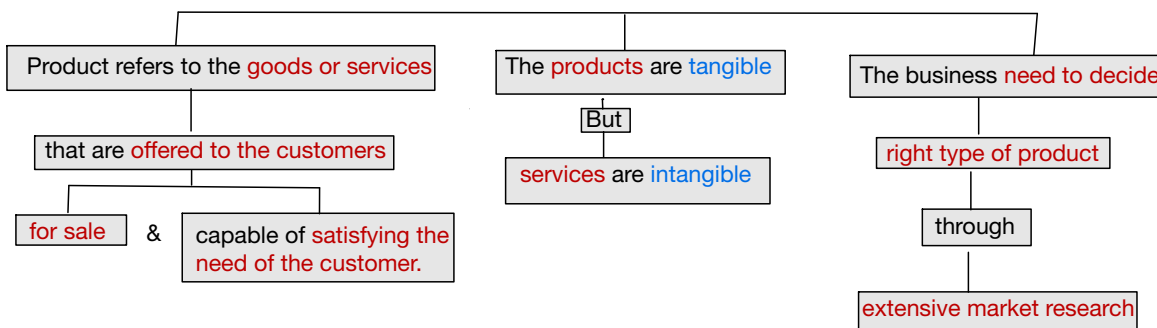
## 9) Transportation

- 1) Transportation means physical movement of goods from the place of production to the place of consumption.
- 2) 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.
- 3) Place utility is created by transportation activity.
- 4) Road, air, water, railways, pipelines are some of the important modes of transportation used by business.

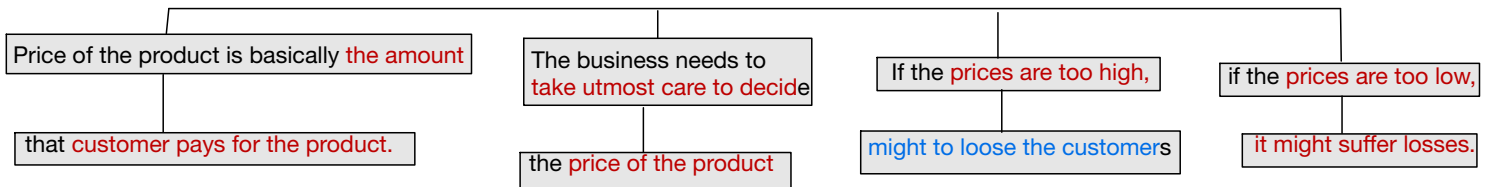
# MARKETING MIX

**Marketing Mix:** - is the combination of different marketing variables that the firm blends and controls to achieve the desired result from the target market. The 4Ps 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 4Ps Principles. In simple words, the marketing mix is the putting the right product, at the right time, at the right price in the right place.(4 P's ). It is one of the important tool of the marketing.

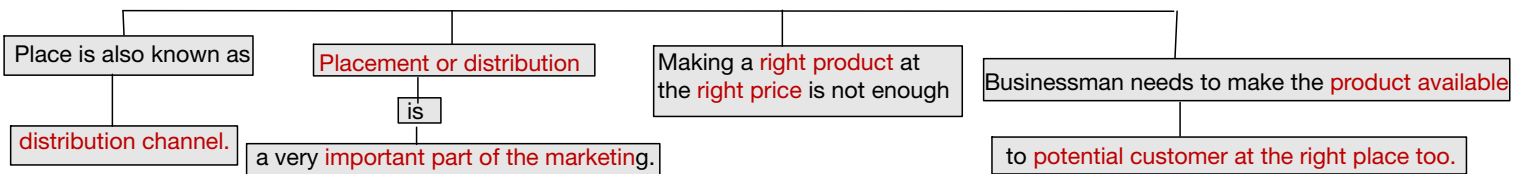
## 1) Product:



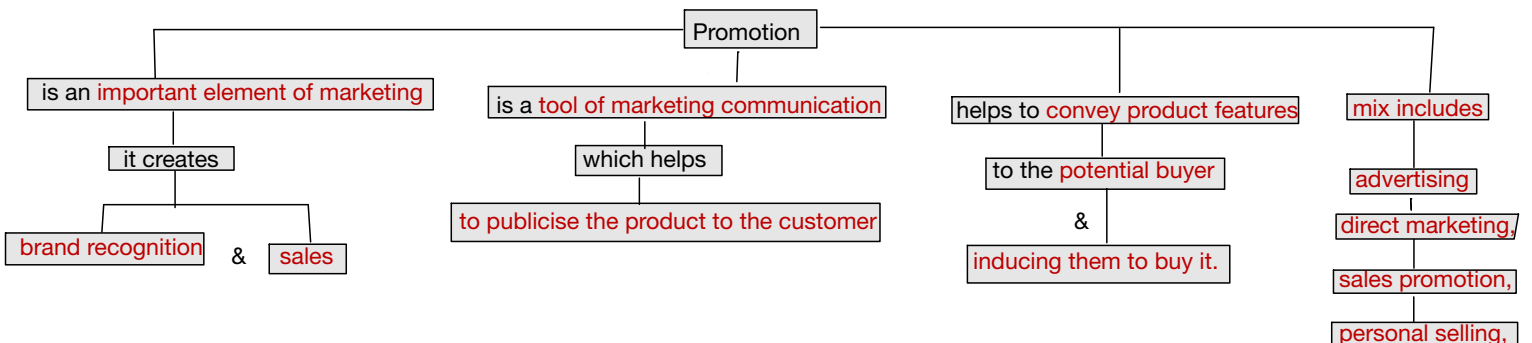
## 2) Price:



## 3) Place:



## 4) Promotion:



## 5) People:

- 1) People inside and outside of the business have directly or indirectly influence the business.
- 2) The people include employees who help to deliver services to the customer
- 3) Right people at right place add value to the business
- 4) it is necessary to recruit right people, train them, develop their skill and retain them.

## 6) Process:

- 1) Process refers to the steps involved in delivering products and services to the customer.
- 2) Processes are important to deliver a quality service.
- 3) Good process helps to ensure same standard of service to the customer as well as save time and money by increasing efficiency.

## 7) Physical Environment:

- 1) Physical Environment refers to the marketing environment wherein the interaction between customer and firm takes place.
- 2) Since services are intangible in nature service providers try to incorporate certain tangible elements into their offering to enhance customer experience.
- 3) Physical evidence affects the customer's satisfaction
- 4) It includes location, layout, interior design, packaging, branding, dress of the staff and how they act, waiting area etc.