



UNIT V

ELEMENTS OF MARKETING



13

CHAPTER

CONCEPT OF MARKET AND MARKETER

செய்வினை செய்வான் செயன்முறை அவ்வினை
உள்ளறிவான் உள்ளம் கொளல்.

—குறள் 677



COUPLET

The method of performance for one who has begun an act is
to ascertain the mind of him who knows the secret thereof.



Learning Objectives

To enable the students to understand the

- Understand the Meaning and Definition of Market and Marketer
- Know the Need of Markets
- Classification of markets
- Things which can be Marketed
- Understand the Role and Functions of Marketer

Chapter Synopsis

- 13.01. Meaning and Definition of Market
- 13.02. Need for Market
- 13.03. Classification of Markets
- 13.04. Meaning and Definition of Marketer
- 13.05. What can be Marketed?
- 13.06. Role of a Marketer
- 13.07. Functions of Marketer

13.01. Meaning and Definition of Market

Meaning of Market

The word market is derived from the Latin word 'Marcatus' which means trade, commerce, merchandise, a place where business is transacted. The common usage of market means a place where goods are bought or sold. It is a medium or place to interact and exchange goods and services. In simple words, the meeting place of buyers and sellers in an area is called Market.

Definition of Market

The term market defined by different authors in different ways among them the most important are given below.

- According to Pyle "Market includes both place and region in which buyers and sellers are in free competition with one another."
- In the words of Clark and Clark "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."

From the above definition it is observed that

- Market may mean a Place; where buying and selling take place.
- Buyers and sellers come together for transactions.
- An organisation through which exchange of goods takes place.
- The act of buying and selling of goods (to satisfy human wants).
- An area of operation of commercial demand for commodities.

13.02. Need for Market

- 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.

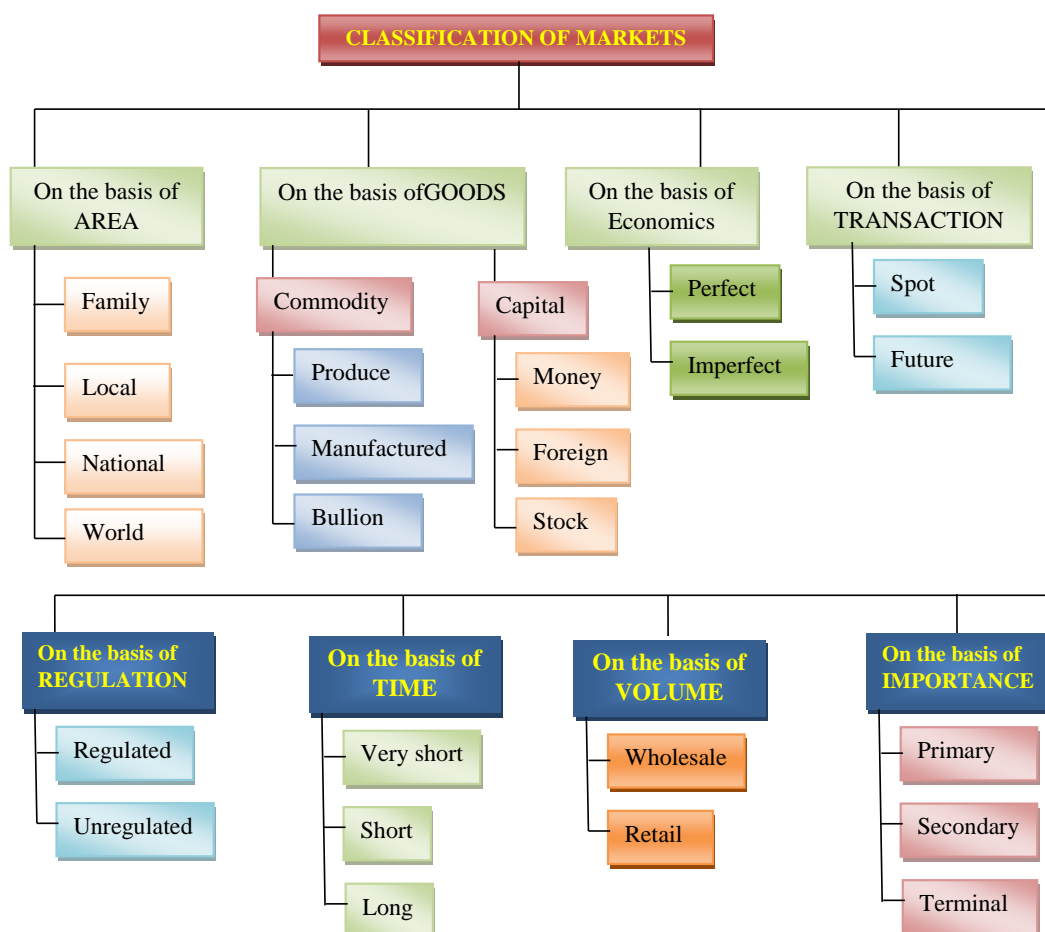
13.03. Classification of Markets

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. But strictly speaking such markets are disappearing because of the efficient system of transportation and communication. Even, then, in many villages such markets exist even today.

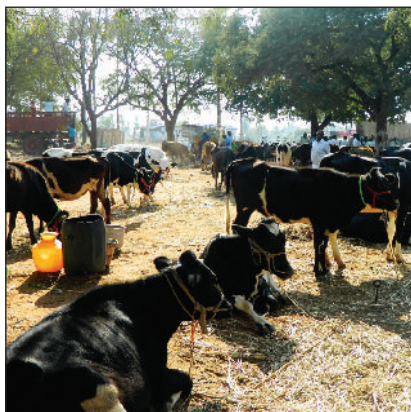




Flower Market



Goat Market



Cattle Market



Horse Market

c. National Market: a. 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 organised market where commodities or agricultural produce are bought and sold on wholesale basis. Generally it deals with a single commodity. It is regulated and controlled by certain rules. 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 every 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 intermediates.



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

- i. Products are similar but not identical.
- ii. Prices are not uniform.
- iii. There is lack of communication.
- iv. 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 organised, 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: i. 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 purchased 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.



Village market



City market



Local market



Retail market



Wholesale market

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.

13.04 Meaning and Definition of Marketer

Meaning of marketer

1. One who deals in a market; specifically, one who promotes or sells a product or service
2. A marketer is someone whose job involves marketing
3. Someone who promotes or exchanges goods or exchanges goods or services for money.

Definition of marketer

“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”.

- Business Dictionary

13.05. What can be Marketed?

Marketing is a comprehensive concept which starts from the point of creation, promotion and ultimately delivering the goods and services to consumers and businesses. 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 organisations 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. 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.

vi. Places: Under place marketing, tourist business prospects, new residents and land are appealed to visit and particular geography by promoting special characteristics of places like infrastructural facilities, amusement, climatic conditions, entertainment, culture etc.,

vii. Properties: Properties include both real property and financial property which involve transfer of ownership on sale or purchase of the same. For eg. Constructed house, Land, Plot, Building, Shares, Debentures, Mutual funds etc.,

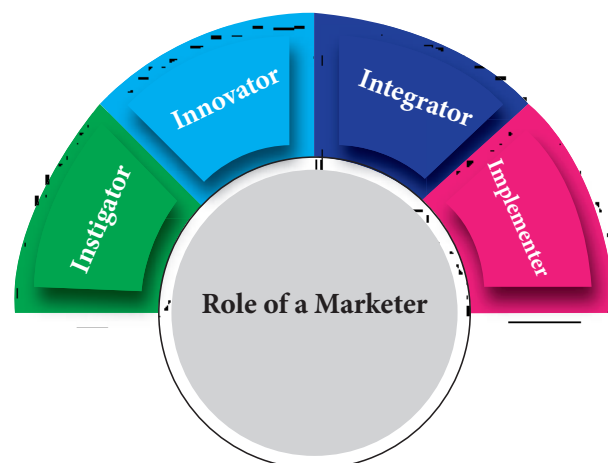
viii. Organisations: An organisation can market itself in order to build an image for it by sponsoring events, adoption of villages, donations for charitable causes, corporate social responsibility activities etc.,

ix. Information: Information is the most valuable product that can be marketed today. The data collected by an organisation can be used as a product for this purpose. For eg., Information collected by libraries, research agencies, educational institutions, book publishers, broadcasting companies, internet, etc.

x. Ideas: An idea may change the world. Innovative and attractive ideas are the desirable products for the marketers to sell. Social media marketing thrives on new ideas in a consistent manner.



13.06. Role of a Marketer



The marketer plays four roles as follows

i. Instigator

As an instigator, 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, modifying the pricing structure, introducing new delivery pattern, creating new business models, introducing change in production process and so on.





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?
2. Define Marketer.
3. What is mean by Regulated Market?
4. What is meant by Spot Market?
5. What is meant by Commodity Market?

II. Short Answer Questions:

1. What can be marketed in the Market? (any 3)
2. Mention any three Role of Marketer?
3. Explain the types of market on the basis of time.

III. Long Answer Questions:

1. How the market can be classified? (any 5)
2. How the market can be classified on the basis of Economics?

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