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MARKET AND MARKETING

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Abstract:

MARKET AND MARKETING *– Market is just a collection of buyers and sellers. It is also thought to be a set of individuals or groups or institutions that have same needs that can be met by a particular product. For example, the housing market is a collection of buyers and sellers of residential real estate, and automobile market includes buyers and sellers of automotive transportation. A market is, therefore, the set of all actual and potential buyers of a market offer. Until recently, market also meant a physical location where buyers and sellers met to conduct transactions. Whereas* ***Marketing*** *is a widely used term to describe the means of communication between the company and the consumer audience. Marketing is the adaptation of the commercial activities and use of institutions by the organizations with a purpose to induce behavioral change on a short-term or permanent basis.*

DIFFERENT APPROACHES

MARKET SEGMENTATION- *Market segmentation pertains to the division of a market of consumers into persons with similar needs and wants. For instance,* ***Kellogg's cereals, Frosties*** *are marketed to children.* ***Crunchy Nut Cornflakes*** *are marketed to adults. Ultimate objective of market and marketing is to satisfy consumer satisfaction and wealth maximization in the business.*

MARKET AND MARKETING – Market is just a collection of buyers and sellers. It is also thought to be a set of individuals or groups or institutions that have same needs that can be met by a particular product. For example, the housing market is a collection of buyers and sellers of residential real estate, and automobile market includes buyers and sellers of automotive transportation. A market is, therefore, the set of all actual and potential buyers of a market offer. Until recently, market also meant a physical location where buyers and sellers met to conduct transactions. These marketplaces, like the grocery stores, malls etc. still thrive in the society. However, with the advent of technology the 'where' of a market - that is the location of the buyers and sellers - has drastically changed. The answer to the 'where' question is fast changing into 'anywhere' as markets are becoming less defined by geography. The term market space has been coined to describe these electronic marketplaces unbound by time or space. Most companies conduct research to find out the credibility of their product in the market, its sales patterns, buyer acceptance levels and most importantly, to forecast future sales. The company must be able to measure and forecast the size, growth, and profit potential of each market. The market demand for a product under a specific marketing activity is the sales volume of the product in the target market for a specified time period in a particular region. Marketing, on the other hand, is an organizational function and a set of processes that work in tandem to serve the market effectively, efficiently and profitably. The American Marketing Association defined marketing in 2005 as - Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. A marketeter, by adjusting and optimizing the 4P-s of marketing, has to carry out different marketing tasks, take care of the task or internal marketing environment, and keep his eyes and ears open about the happenings in the broad or external environment, in order to compete successfully in the market. Successful marketing companies will be those who can provide appropriate solutions to customer needs economically and conveniently and communicate effectively with the targeted group of consumers. The **market environment** is a marketing term and refers to factors and forces that affect a firm's ability to build and maintain successful relationships with customers. Three levels of the environment are: Micro (internal) environment - forces within the company that affect its ability to serve its customers. Meso environment – the industry in which a company operates and the industry's market(s). Macro (national) environment - larger societal forces that affect the microenvironment.

Marketing is a widely used term to describe the means of communication between the company and the consumer audience. Marketing is the adaptation of the commercial activities and use of institutions by the organizations with a purpose to induce behavioral change on a short-term or permanent basis. The American Marketing Association most recently defined **Marketing** as "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." The techniques used in marketing include choosing **TARGET MARKETS** through market analysis and **MARKET SEGMENTATION**, as well as understanding methods of influence on the consumer behavior. The **MARKETING PLANNING** creates strategies for the company to place advertising to the dedicated consumer. From a societal point of view, marketing provides the link between a **SOCIETY'S MATERIAL** requirements and its economic patterns of response. This way marketing satisfies these needs and wants through the development of exchange processes and the building of long-term relationships. In the case of nonprofit organization marketing, the aim is to increase the deliver an ethos message about the organization's services to the applicable audience. Governments often employ marketing to communicate messages with a social purpose, such as a public health or safety message, to citizens.

Role-The task of marketing research is to provide management with relevant, accurate, reliable, valid, and current market information. Competitive marketing environment and the ever-increasing costs attributed to poor decision making require that marketing research provide sound information. Sound decisions are not based on gut feeling, intuition, or even pure judgment. Managers make numerous strategic and tactical decisions in the process of identifying and satisfying customer needs. They make decisions about potential opportunities, target market selection, market segmentation, planning and implementing marketing programs, marketing performance, and control. These decisions are complicated by interactions between the controllable marketing variables of product, pricing, promotion, and distribution. Further complications are added by uncontrollable environmental factors such as general economic conditions, technology, public policies and laws, political environment, competition, and social and cultural changes. Another factor in this mix is the complexity of consumers. Marketing research helps the marketing manager link the marketing variables with the environment and the consumers. It helps remove some of the uncertainty by providing relevant information about the marketing variables, environment, and consumers. In the absence of relevant information, consumers' response to marketing programs cannot be predicted reliably or accurately. Ongoing marketing research programs provide information on controllable and non-controllable factors and consumers; this information enhances the effectiveness of decisions made by marketing managers.

DIFFERENT APPROACHES:-

1. **Production**	**Production methods**	**until the 1950s**	**Description below**

A firm focusing on a production orientation specializes in producing as much as possible of a given product or service. Thus, this signifies a firm exploiting economies of scale until the minimum efficient scale is reached. A production orientation may be deployed when a high demand for a product or service exists, coupled with a good certainty that consumer tastes will not rapidly alter **(similar to the sales orientation).**

2. **Product**	**Quality of the product**	**until the 1960s**	**Description below**

A firm employing a product orientation is chiefly concerned with the quality of its own product. A firm would also assume that as long as its product was of a high standard, people would buy and consume the product.

3. **Selling**	**Selling methods**	**1950s and 1960s**	**Description below**

Such an orientation may suit scenarios in which a firm holds dead stock, or otherwise sells a product that is in high demand, with little likelihood of changes in consumer tastes that would diminish demand.

4. **Marketing**	**Needs and wants of customers**	**1970s to the present day**	**Description below**

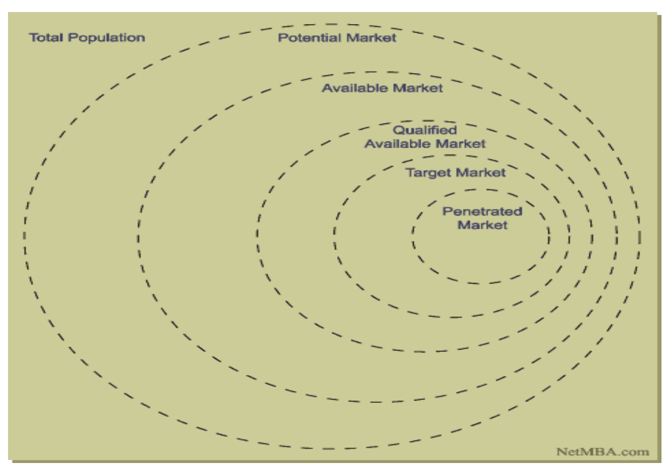
The '**Customer orientation'** is perhaps the most common orientation used in contemporary marketing. It involves a firm essentially basing its marketing plans around the marketing concept, and thus supplying products to suit new consumer tastes. As an example, a firm would employ market research to gauge consumer desires, use R&D **(research and development)** to develop a product attuned to the revealed information, and then utilize promotion techniques to ensure persons know the product exists. R&D companies often parallel customer orientation with R&D phases to ensure the desired customer specifications are produced. Customization Maximization (similar to profit maximization in economics,) is the measurable approach to more efficiently sustaining specific customer needs, in effort to maximize the customization of the product or service offered to the customer, by the measure of data relating to responses, feedback, and elasticity.

5. **Holistic Marketing**	**Everything matters in marketing**	**21st century**	**Description below**

The holistic marketing concept looks at marketing as a complex activity and acknowledges that everything matters in marketing - and that a broad and integrated perspective is necessary in developing, designing and implementing marketing programs and activities. The four components that characterize holistic marketing are relationship marketing, internal marketing, integrated marketing, and socially responsive marketing. **Market segmentation and positioning** have increased the divergence of society, further segregating and preventing a holistic population. Holistic Marketing helps converge the segments in an approach to improve the entire market through social responsibility and convergence. Holistic marketing disengages the political marketing activities of "divide and conquer", or market segmentation.

TARGET MARKETING :-

The segment of the qualified available market that the firm has decided to serve in the market.



MARKET SEGMENTATION-Market segmentation pertains to the division of a market of consumers into persons with similar needs and wants. For instance, **Kellogg's cereals, Frosties** are marketed to children. **Crunchy Nut Cornflakes** are marketed to adults. Both goods denote two products which are marketed to two distinct groups of persons, both with similar needs, traits, and wants. In another example, Sun Microsystems can use market segmentation to classify its clients according to their promptness to adopt new products. Market segmentation allows for a better allocation of a firm's finite resources. A firm only possesses a certain amount of resources. Accordingly, it must make choices **(and incur the related costs)** in servicing specific groups of consumers. In this way, the diversified tastes of contemporary Western consumers can be served better. With growing diversity in the tastes of modern consumers, firms are taking note of the benefit of servicing a multiplicity of new markets. Market segmentation can be viewed as a key dynamic in interpreting and executing a logical perspective of Strategic Marketing Planning. The manifestation of this process is considered by many traditional thinkers to include the following; **S**egmenting, **T**argeting, and **P**ositioning.

MARKETING PLANNING-The **marketing planning** process involves forging a plan for a firm's marketing activities. A marketing plan can also pertain to a specific product, as well as to an organization's overall marketing strategy. Generally speaking, an organization's marketing planning process is derived from its overall business strategy. Thus, when top management are devising the firm's strategic direction or mission, the intended marketing activities are incorporated into this plan. There are several levels of marketing objectives within an organization. The senior management of a firm would formulate a general business strategy for a firm. However, this general business strategy would be interpreted and implemented in different contexts throughout the firm.

SOCIETY'S MATERIAL -SOCIETY USED DIFFERENT TYPES OF GOODS:-

- **Inferior Good:-**An inferior good means an increase in income causes a fall in demand. It has a negative YED. An example, of an inferior good is Tesco value bread. When your income rises you buy less Tesco value bread and more high quality, organic bread.
- **Normal Good.** This means an increase in income causes an increase in demand. It has a positive YED. Note a normal good can be income elastic or income inelastic.

- **Luxury Good**. A luxury good means an increase in income causes a bigger % increase in demand. It means that the YED is greater than one. For example, high definition TV's would be luxury. When income rises, people spend a higher % of their income on the luxury good. (Note: a luxury good is also a normal good, but a normal good isn't necessarily a luxury good)

OTHER TYPES OF GOODS:-

- **Complementary Goods**. Goods which are used together, e.g. TV and DVD player.
- **Substitute Goods**. Goods which are alternatives, e.g. Pepsi and Coca-cola.
- **Giffen Good**. A rare type of good, where an increase in price causes an increase in demand. The reason is that the income effect of a rise in the price causes you to buy more of this cheap good because you can't afford more expensive goods. For example, if the price of wheat rises, a poor peasant may not be able to afford meat anymore, so has to buy more wheat.
- **Veblen / Snob Good**. A good where an increase in price encourages people to buy more of it. This is because they think more expensive goods are better.

MARKET FAILURE

- **Public Goods** – goods with characteristics of non-rivalry and non-excludability, e.g. national defense.
- **Merit Goods**. Goods which people may underestimate benefits of. Also often has positive externalities, e.g. education.
- **Demerit Goods**. Goods where people may underestimate costs of consuming it. Often has negative externalities, e.g. smoking, drugs.
- **Private goods** – goods which do have rivalry and excludability. The opposite of a public good .
- **Free Goods** – A good with no opportunity cost, e.g. breathing air.

CONCLUSION:-

The techniques used in marketing include choosing target markets through market analysis and market segmentation, as well as understanding methods of influence on the consumer behavior. The marketing planning creates strategies for the company to place advertising to the dedicated consumer. From a societal point of view, marketing provides the link between a society's material requirements and its economic patterns of response. This way marketing satisfies these needs and wants through the development of exchange processes and the building of long-term relationships. Marketing as a complex activity and acknowledges that everything matters in marketing - and that a broad and integrated perspective is necessary in developing, designing and implementing marketing programs and activities. Ultimate objective of market and marketing is to satisfy consumer satisfaction and wealth maximization in the business.

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