MARKETING:

Marketing can be defined as analysing, planning, organising & controlling of the firm's potential systems, resources, policies and activities with a view to satisfy the needs and wants of the customers at profit.

Marketing is a process of planning & executing the conception, pricing, promotion & distribution of ideas, goods & services to create exchange that satisfy individual & organisational objectives.

OLD CONCEPT OF MARKETING:

In past days, the field of marketing only dealt with exchange of goods for money. The companies did not bother about the quality of the product. Only the promotion & sale of the product & the maximization of profits were the topics of interest.

NEW CONCEPT OF MARKETING:

Marketing importance has only gradually come to be recognized in business. Adoption of better marketing concepts shifted management attention from product to consumers. The marketing concepts directs managers to :

(i) Discover what consumers want.

(ii) Mobilize the entire firm to meet those demand.

(iii) Pursue long term profit (rather than Short term sales) goals.

Now-a-days, customers satisfaction is an important distinction & sales services are the centre of focus which helps in long term profit of the company. This is called the new Marketing Concept.

To meet all this, the marketing depart-ment of the firm conducts market surveys, customer sampling etc. & see the demand of various products and which product is needed to be modified according to the people's needs. Then marketing depart-ment advices the company various department to produce products for the customers so that their needs are satisfied.

MARKET CONCEPT :

Customers orientation is the marketing concept & it calls for basic requirements of the company for looking at what customers need. So the customer is at the top of the orientation chart.

Instead of trying to market which is easiest for us to make, we must find out more about what the customers is trying to buy.

In other words, we must apply our own creativeness more intelligently to people & their wants & needs rather than the product.

VARIOUS DEPARTMENTS IN A FIRM :

The various departments in a firm are as follows :—

(i) Research & Development department.
(ii) Engineering department.
(iii) Purchase department.
(iv) Marketing department.
(v) Production department.
(vi) Distribution department.
(vii) Financial department.

The role of the department of marketing is analysing, organising, planning & controlling the firms with a view to satisfy the needs & wants of the customers at profit

Basically, in marketing we have four parameters.

(i) Price
(ii) Product.
(iii) Promotional efforts
(iv) Distribution. (Place)

CLASSIFICATION OF MARKETING STRUCTURE

MARKET STRUCTURE

Market structure is classified according to competitive market condition :

(i) Perfect / Pure competition.
(ii) Imperfect / Impure competition.

(I) PURE COMPETITION (PERFECT COMPETITION):

This form of competition exists when there is little difference between products & consequently little oppurtunity to influence price. Marketers in a purely competitive situation present their product at a competitive price.

Pure competition is a situation in which there are many sellers, nobody dominates the markets & the products sold are interchangeable.

It can be said that there is a pure competition if the following conditions are satified :—

(i) MANY FIRMS :- There must be a large no. of firms in an industry, each of which controls such a small portion, so that the total output that is added or removed from the market has a very little or no impact on the market price.

(ii) IDENTICAL PRODUCTS :-

No firm has a patent product of its own, but all firms have identical product.

(iii) FREEDOM OF ENTRY OR EXIT :-

Every firm existing in a competitive market has a freedom to exit & any firm has an equal oppurtunity of freedom to enter.

(iv) INDEPENDENT DECISION MAKING :-

Every firm is free to make its own decision ie no company directly or indirectly affects the decision of a company ie TV industry, soap industry etc.

(V) There must be a large no. of consumers & the potential consumers must have all knowledge of the product.

(II) IMPURE (IMPERFECT) COMPETITION :-

They are classified as follows :-

(a) PURE MONOPOLY :-

If there is a single firm or company who is the sole producer in the market, then we can say that there is pure monopoly of producer.

eg. The railways, RBI etc.

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∴ such companies do not have to worry about competition in the usual sense, consumers have no alternate but to buy from them. Although these companies operate free of competition.

(b) MONOPOLISTIC COMPETITION WITH PRODUCT DIFFERENTIATION :—

This is a market arrangement very similar to the pure competition except for the features of the product standard-ization. Each firm provides goods which is slightly different or which the customers believe to be different from the competitive product. The product differentiation may infact not involve characterstics of the product themselves, but more attractive wrapping, better services, free gift along with the product may be the basis for customers preference.

eg: Safal offers a 40 gm milk chocolate on purchase of 500 gm of frozen peas.

(c) DISCRIMINATING MONOPOLY :—

In this type of marketing monopoly, a firm changes different prices from different customers for the same commodity. Basically the govt. does price cut that are not offered equally to every buyer.

eg: ① like in govt. hospitals, students free pass, one has to pay according to his income.

② Ornaments.

③ Airline tickets.

(d) BILATERAL MONOPOLY :—

It is a situation when a single purchaser buys a product without competition from a ~~mog~~ monopolistic seller, there is a monopoly from both sides.

eg: Railways buying its parts.

(e) DUOPOLY :—

It is a state in which only two firms in market, industry are competing for a single product.

eg: Tata & Ashoka leylands producing buses & trucks.

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(f) ~~ALLIGOPOLY~~ OLIGOPOLY :-

An alligopoly occurs when there are a limited no. of large firms producing the bulk of its output & also the exit & entry of firms affect the condition.

In aligopoly, the market is often quite large & hence broken into various segments.

eg: cement factory, steel industry.

(g) MONOPSONY :-

A buyer monopoly is a single buyer is buying or purchasing different brands of competitive product.

eg: FCI is buying different commodities from different farmers.

Raihways is the only buyer of different goods from different sellers.