7^{th} – Market Around Us II

Marketing Marketing is how you sell your goods .Marketing organizations compete with each other to provide the best services to the customer and earn huge profits. Marketing is not just about selling things, it involves other activities like identifying buyers, persuading them to buy goods, negotiating the terms of sale, mode of delivery and terms of payment as well as the after-sale services.

Benefits Of Marketing

- Marketing allows the producers to concentrate on production activities rather than wrong about selling their product.
- It helps in improving the standard of living of people by offering them a variety of goods at better prices.
- Marketing helps in developing products that are as per the demands of the market.
- It makes the large-scale production of goods possible which is cost-effective.
- Marketing explores various market and generates foreign exchange revenue.

Channels Of Distribution

There are two types of distribution channels and indirect channel.

Direct Channels In this type of marketing, there is no middleman present between the producer and the consumer. The producers sell their goods directly to the consumers. There are two types of direct channels-the travelling salesperson and retail showrooms.

The travelling salespersons are employed by the producers to contact the potential buyers. It is a form of direct selling. The salesperson goes to customers directly and tells them about social features of the product. Some large producers set up retail showrooms in order to sell their goods directly to the consumers. These may be factory outlets or company showrooms like Bata shoes, Maruti, automobiles etc.

Indirect Channels

Indirect channel is when the producers sell their goods to consumers through middlemen. There are four types of indirect channels:

Retailers The producers supply goods directly to the retailers, who further sell the goods directly to the consumers.

Wholesales The producers supply goods to the wholesales, who in turn directly sell the goods to the customers.

Wholesaler and Retailers The producers supply goods in bulk to the wholesaler who further sell them in small quantity to various retailers. These retailers then sell the goods to the consumers.

Agents, Wholesalers and Retailers The producers supply goods to the agents who act like middlemen for the wholesalers. The wholesalers then sell the goods to the retailers who finally sell the goods to the consumers.

Retail Trade it refers to buying of goods from manufacturers or wholesales and then selling them directly to the consumers. People engaged in this type of trade are known as retailers. Most of the retailers buy goods from the wholesalers or agents.

Functions

- Retailers ensure that the location of their stone is convenient.
- They make their store appealing as the physical layout of the store is very important to attract customers.

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- Window displays, promotional advertising and distributing coupons are some strategies used by the retailers to attract more customers.
- The main aim of the retailer is to attract more customers.
- The retailers ensure that products they sell are as per the taste of the customers.

Types of retail trade
1. Vendors
2. Weekly markets
3. Single line
4. Chain store

Wholesale trade

It refers to selling of goods to traders in large quantities for resale to retailers. Wholesalers have to invest a huge amount of money to buy a large amount of goods. They also take a huge risk as they have to store the goods till the goods are resold to the retailers. Though they do not have to spend any money on advertising or window display, their profit margins are low.

Difference between retailing and wholesaling

Retail market	Wholesale market
Products are sold in small quantities	Products are sold in large quantities
Retailers deal in many products	Wholesalers mostly deal in one product
It is done through shops and door-to-door selling	It is done in a big marketplace
There is direct interaction with ultimate customer.	There is direct interaction with the retailers and not the customers.
The profit margins are higher.	The profit margins are lower.
The investment and the risk factor are less.	The investment and the risk factor are higher.

Accessibility of markets

A market is accessible to consumers if it gives good facilities to them and satisfies certain conditions. The conditions are:
- The products should be available at the required place, at the required time and in required quantities.
- The price should be fair to the customers so that they can afford to buy the products.
- Some extra facilities like exchange facilities, after-sales service, home delivery, installment payment and purchase on credit etc. make a market more accessible and acceptable.

Selecting a market

A market is selected by the consumer after considering many factors. As the income of the family increases, their spending habits also increase. It also has an impact on the kind of market they visit.
- Sometime, the product they wish to purchase may not be available in a particular market. In such a case, they would look for another market which deals in those goods. For example, we cannot look for garments in an electrical equipment market.
- A market situated at a convenient place is preferred by the customers.

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- If the customer wishes to buy daily goods bulk, then he may go to the wholesale market. Where both quality and rates are good.
- For branded products, the customer would prefer to go to a chain store or large department stores where choice of brands is easily available.

Fixed And Flexible prices

in a market, most shops sell thing at fixed price but there are some shops where we can bargain and buy goods at a cheaper rate. When the seller charges the same price for all products from all the customers, it is called a fixed price shop. It builds customer confidence and saves time.

Flexible prices mean that the seller may the same product to different customers at different prices depending upon their power of bargaining.

Minimum support price (MSP)

Grains may get spoiled if they are not stored properly. Most farmers do not have the facilities to store grains. So they have to sell their crops soon after harvest. Also it is very expensive to transport huge quantities of grain to the mandi. The agents and arhatiyas take advantage of this fact and pay the farmers a very low price. To promote farm activities, the government announces a minimum support price (MSP) for all types of grains. The government buys the grains from farmers at this price even if the market price is lower and assures a fair earning to the farmers. The grains bought by the government are sold to the public at reasonable rates through government-owned fair price shops.

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