

Market Concept

The word 'Market' is derived in English from Latin word 'marcat' which means goods, trade or a place where business is conducted. In olden days trade was undertaken in barter system, where goods were exchanged with the equal worth of some another goods. As the time changed, concept of trade also got reformed with the introduction of coins and currencies as a medium of exchange.

Traditionally, the concept of trade was formatted where, the manufacturer would produce the products and offer it to the customers at a specific value, then, customer could make a decision to buy and finally, exchange of goods and services would happen. Gradually, the traditional concept was replaced by the modern concept of trade, where the manufacturer produces to satisfy the customer needs

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The classification of market is as follows:

1. Place Concept: A market is a physical place which convenient to buyers and sellers for the conduct of buying and selling activities. It is a traditional way of exchange where buyers and sellers make voluntary decision to meet at a particular place. There is a face to face communication between buyers and sellers in the form of exchange, bargaining and negotiations.
2. Area Concept: According to this concept, market means a group of potential buyers and sellers spread over an area connected by the means of transportation and communication. Buyers and sellers keep the close relation to each other with the help of transportation and communication. They carry out the exchange functions without face to face meeting or direct contact. It may not be necessary that the market should be a specific place. It may extend beyond district, region and countries to international dimensions. Market is not only the convenient meeting place but it is an area of potential with the help of modern means of communication. The market has the classification as local, regional, national and international market. Though fact to face communication was the only traditional medium to develop connect with the customers. Other means of communication like telephone, mass media internet etc., are of great importance in modern era to create maximum customer base. There are no specific boundaries for market.
3. Demand Concept. According to this concept, market represents the total demand of customers. In this sense, market means people with needs to satisfy, the money to spend and will or desire to spend that money to satisfy their wants. So, meet the meaning of demand, people should have the needs, they should have money to spend, desire to spend and money to satisfy their wants. It is a total demand for products and services. People have specific wants or needs but if they don't have the ability to satisfy that need then, demand cannot be generated