

Components of Marketing

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1. What is market? Classify the Market on the Basis of Geographical Area.

Ans:- Traditionally, a market is a convenient place where sellers and buyers meet and exchange products or services for their mutual satisfactions. The term "market" comes from the Latin word "Mercatus," which meaning "market." Any venue or procedure that brings buyers and sellers together with the intention of agreeing on a price is referred to as a market. In today's world, the market does not have to be in one location. Physical existence is no longer a necessary market criteria. Today's market exists as long as the exchange rate is involved.

On the Basis of Geographical Area:-

Ans:- On the basis of geographical area covered by the market of any product, a market can be classified into the following four types.

i. Local Market:-

Ans:- When the customers buy a product or services in the area in which it is produced, it is called local market. The actions of purchasing and selling are restricted to a specific location. Local producers create items, which are then consumed by local customers.

ii. Regional Market:-

Ans:- When the buying and selling marketing activities of any products or services are expanded to a regional level, it is termed as regional, market. A country can have a number of regional markets based on its specialty.

iii. National Market:-

Ans:- A national market exists when the buying and selling of goods and services takes place within a country's boundaries and is governed by its regulations. Under national market, products are produced and sold at any place of a country.

iv. International Market:-

Ans:- The term "international market" refers to a market that exists outside of a company's home country's international borders. The global market is another name for the international market. In this market, buying and selling activities is not confined within a single country.

2. Classify the market On the Basis of Control?

Ans:- On the basis of controllability, market, in general, are classified into two categories:-

i. Controlled Market:-

Ans:- Controlled market is also known as the regulated market. Controlled markets are those that are run under the supervision of a government entity or an organization, for example. The degree of control is determined by a number of factors, including taxes, protection, and discrimination.

ii. Uncontrolled Market:-

Ans:- Uncontrolled market is also called non-regulated market. The term "uncontrolled market" refers to a market that is free to operate without the intervention of any government entity, organization, or consumers' group. In this market, a businessman has complete control over the price, manufacture of products, and sale of such products, among other things.

3. Explain the Main characteristics of the Nepalese Market?

Ans:- Every country is unique. It has a distinct geographical structure, population, economy, infrastructure, socio-cultural aspect, etc. As one of the least developed counties, the Nepalese market has its set of distinct features which are explained below:-

i. Difficult in Physical Distribution:-

Ans:- Difficult in physical distribution is one of the obvious features of Nepalese market. The Himalayan region, the Hilly region, and the terai region make up Nepal's geographical structure. The Himalayan and Hilly

regions have limited transportation options. Produced goods in the Hilly region are difficult to convey to markets.

ii. Rural Nature:-

Ans:- Nepal predominantly is a rural country with more than two-third of the population living in villages. Hat Bazaar still plays a key role in the Nepalese economy. Many consumers have to travel a long distance to buy essential products.

iii. Sellers' Market to Buyers' Market:-

Ans:- The majority of Nepalese market is driven by supply or to be precise controlled by suppliers. However, with the establishment of various industries in the area of consumer products, it is slowly switching towards being a buyer's market.

iv. Long Distribution Channel:-

Ans:- The distance between producers and consumer is extremely long in Nepalese market. Producers in the Nepalese market are frequently denied the opportunity to sell their goods directly to the final consumer. They need to enlist the assistance of various levels of middlemen in order to sell their items to clients. The more middlemen there are in the distribution chain, the higher the price of the product.

v. Lack of Organized Market:-

Ans:- Nepalese market is not that organized. Producers, middlemen, customers, and others carry out their tasks separately and independently, resulting in a lack of cohesiveness. Producer productivity has suffered as a result, while consumers are forced to pay a hefty price. All of these factors point to a market in disarray.

vi. Purchase Related with Basis Products:-

Ans:- Most of the people of Nepal are very indigent. As a result, their purchasing power is similarly limited. Poor people have a higher demand

for basic goods such as food grains, clothing, and medicine. As a result, there is less demand in the Nepalese market for expensive goods.

vii. Provision of Standard:-

Ans:- No effective provision of standard is found in Nepalese market. Despite the fact that many government authorities exist to monitor and oversee product quality, these agencies are found to be inactive in their respective sectors. In Nepal, government entities issue the NS sign to indicate that a product's standard has been approved.

viii. Low Consumer Awareness:-

Ans:- Nepal is a poor country with majority of people focused only on basic goods. It makes them more sensitive towards price than other aspects. Hence, there is low awareness among the consumer in regard to the marketing aspects.

ix. Technological Backwardness:-

Ans:- Nepalese market is backward in terms of technological adoption. We still adopt technology and methods that are obsolete in other countries. This is the major reason the Nepalese market is extremely traditional.

4. What is Buying Motives? Explain the Classification of Buying Motives.

Ans:- A buying motives is a reason why the customer purchases any products or services. As a result, a motive could be any aspect, ranging from bodily necessity to emotion, idea, sentiment, drive, and so on, that causes somebody to act in the way he does when purchasing goods or services.

According to W.J Stanton," A motive can be defined as a drive or and urge for which an individual seeks satisfaction. It becomes a buying motive when the individuals seek satisfaction through the purchase of something."

Because each person is unique, there are differences in the products purchased. They have diverse requirements, ambitions, and passions. This

distinction controls the decision-making process for purchasing specific goods and services.

Buying motive can be classified into two part i.e. primary motive and secondary motive. The major types secondary motives are as follows:-

i. Emotional motives:-

Ans:- Buying motives that are based on feelings or passions are referred as emotional buying motives. In other words, the emotional buying motive is concerned with the buyer's emotions, feelings, and so on. In principle, the term emotion refers to an individual's psyche, which varies from person to person.

a. Fear:-

Ans:- Different buyers different types of products or services due to fear. Fear of death, fear of poverty, fear of future, etc. are the main motives for the buyers. People purchase life insurance policy, medicine, weapon etc. to be safe from fear of death.

b. Love and Affection:-

Ans:- Human beings are members of society. They develop love and affection for one other as a result of constant contact with family members or other members of society. Due to the feeling of love and affection, buyers may buy different types of product.

c. Curiosity:-

Ans:- People are curious by nature. They like to use, see experience new things to satisfy their curiosity motive, people purchase new product. Like, newspaper, visit new place, etc.

d. Fashion:-

Ans:- Many buyers decide to purchase products or service getting influenced by the fashion motives. Many buyers try to copy their favourite movie stars, sportsperson, etc.

e. Recreation:-

Ans:- Recreation is another essential buying motive. There are certain consumer products which are purchased by buyers to satisfy their recreation motive; for examples, Card, TV, DVD, etc.

ii. Prestige Motives:-

Ans:- Motive that is associated with consumer's want of promoting and protecting self-image and ego is termed as prestige motive. Some of the primary prestige motives associated with a consumer is explained briefly.

a. Vanity:-

Ans:- People always want praise from others. They desire to do something different from what everyone else is doing. People desire to appear wealthy, powerful, and so on. People buy expensive things, live in standard homes, and use higher-quality cosmetics to achieve these goals. People's purchase motives are referred to as vanity motives.

b. Pride:-

Ans:- Pride is another major buying motive for the buyer. Customers frequently purchase high-priced goods and services in order to retain their social standing. People buy Toyota Etios Cross Cars, iPhones, and large-screen LED televisions, for example, to achieve and retain a high social status.

iii. Rational motives:-

Ans:- Buying motive that are based on proper testing, observing and comparing are referred as rational motives. To put it another way, rational intentions are those that are based on solid judgment. Buyers who make decisions based on sensible criteria save money. This is because people purchase things or services after comparing and observing them in terms of price, quality, features, and other aspects.

a. Economy:-

Ans:- Customer often prefers products that are high value for money spent. It suggests they are looking for a low-cost goods. When consumers buy

things, they aim to get a better deal or a discount, which is a primary rational reason that drives client purchasing behavior.

b. Utility:-

Ans:- Utility often is the key factor that satisfies the need and wants of customer. In this reference, customer tries to purchase products or services that have higher utility. They visit different shops seeking comparatively satisfactory products.

c. Security:-

Ans:- Security always has been a key necessity of human life. They purchase goods and services in order to ensure their own and their families' safety.

d. Health:-

Ans:- Majority of buyers give major importance to their health. They are looking for products and services that will benefit their health. As a result, their purchasing decisions are frequently influenced by health-related variables. This is why they demand healthy foods, medicines, clean drinking water, and exercise equipment, among other things.

e. Comfort, Pleasures and Convenience:-

Ans:- People want to make their life easier. As a result, buyers are constantly seeking comfort, enjoyment, and convenience in their lives. As a result, they seek things and services that make their lives more luxurious. For instance, various home appliances (washing machine, rice cooker), a nice car, and so forth.

iv. Patronage Motive:-

Ans:- Patronage motives are the motives that make a buyer loyal to a specific retailer, outlet service provider, etc. in buying products and services is defined as patronage motive.

a. Brand Loyalty:-

Ans:- Buyer have special attraction towards special brand of product. it is called brand loyalty. it is one of the importance motives that create willingness to buy particular brand of products.

b. Store Loyalty:-

Ans:- Some buyers may have special attraction towards any particular store. Such situation is called store loyalty. Store loyalty is developed through providing a comfortable environment, a cheaper price, high-quality goods, and high-quality services, among other things. Another factor to consider when making a purchase is store loyalty. It develops a desire to acquire products or services from a specific retailer.

c. Price Motive:-

Ans:- The term "price motive" refers to a buyer's decision to purchase things at a discount or for a lesser price. The personal budgets of buyers are constrained. In this instance, individuals prefer to purchase things and services at a reduced price or with a discount. For example, an individual might buy a product if it is available on 50% discount.

d. Location motive:-

Ans:- While purchasing many products and services, buyer often prefers store that is convenient to them. In this reference, when products and services are easily available near the home or locality of a buyer, it motivates them to buy.

e. Services Offered by the Store:-

Ans:- Services provided by the seller is often the key factors that inspire the buyer to buy products in that particular store. Services like speedy delivery, free after sales services, better credit terms, etc. motivate the consumer to buy.

5. Explain the factors affecting institutional buying decision?

Ans:- Institutional buying decision is one technical process that goes through a series of logical and rational steps. A number of factors affect the institutional buying decisions which are explained briefly:-

i. Economic Factors:-

Ans:- Economic factor directly affects consumers behavior. Purchasing power influences purchasing decisions and desire to spend. Similarly, purchasing power and inclination to buy are influenced by other family members' earnings, future earnings expectations, liquid asset availability, credit capacity, and so on. As a result, the two economic forces that influence individual purchase decisions are purchasing power and customer willingness.

a. Personal Income:-

Ans:- When the income of the consumer increase the buying capacity of the consumer also increases. At this point, the consumer will prioritize the purchase of high-end goods and services. However, if the consumer's income is low, the bodily necessities of the consumer will take precedence over the purchase of lavish products.

b. Family income:-

Ans:- The buying capacity of the consumer is influenced by the family size and family income. Because in a joint family, an increase in one member's salary affects the entire family's income. As a result, the buying behavior of family members is determined by the link between family size or requirements and income.

c. Expend Future Income:-

Ans:- the future expectations of the consumer also influence the consumer behavior. If a consumer expects to earn less in the future, he or she will spend less and save more. In this instance, the customer will prioritize bodily requirements over fancy items.

d. Price Level:-

Ans:- Market price also affects the individual buying decision. Customers will stop buying certain goods and services if the market price of those items and services rises. Similarly, when the price of a product falls, people will make an immediate purchase.

e. National Income:-

Ans:- The national income affects the buying behaviors of the consumers directly or indirectly. People with high incomes, for example, will pay more taxes to the government, and the money will be used to improve the lives of the poor. This will have a favorable impact on purchasing decisions.

ii. Personal Factors:-

Ans:- Personal characteristics like age, sex, race, ethnicity, income, family, occupation etc. are included in demographic determinates. The person involved in the family decision-making process is affected by personal considerations. The volume and type of data collected, the sources used, and the time spent collecting data can all be influenced by a person's age and wealth. It may even have an impact on the type of items that a person uses.

a. Age:-

Ans:- A buyer's age also affects the buying decision. The buyer's needs and preferences for goods and services vary as he or she gets older. Teenagers and youths choose stylish items, children choose toys, and senior clients value quality, durability, and discounts on goods and services.

b. Lifestyle:-

Ans:- People from same sub-culture, social class, and occupation may have a quite different lifestyle. According to their lifestyle, the choice is also different. So, this affects the behavior of the consumer.

c. Occupation:-

Ans:- Occupation influences to a great extent on buying decisions. The character of the items and services that consumers demand is determined by their vocation. Doctors, for example, require medical equipment, engineers require drawing equipment, and students require literature.

d. Family Size and Family Lifecycle:-

Ans:- The size of the family determines the consumption of the products. In comparison to a small family, a large family consumes more products. Consumer products differ depending on where they are in their family's life cycle. A bachelor's consumption is lower than that of a family.

iii. Culture Factors:-

Ans:- A consumer's buying behavior is also influenced by various cultural factors.

a. Culture:-

Ans: Culture is a set of fundamental beliefs, perceptions, desires, and behaviors that individuals learn from their families and other organizations. Consumers' buying habits are influenced by all of these principles. Culture is passed down from generation to generation. Culture changes with time. So, the marketer has to adjust to the differences in order to get better result in marketing.

b. Sub-culture:-

Ans:- The sub-culture is the sub-division of national culture based on some homogeneous characteristics such as language, ethnicity, race, region etc. The sub-cultures influences greatly on the consumer preferences and their behavior.

iv. Social Factors:-

Ans:- A consumer's buying behavior is also influenced by various social groups and social class.

a. Family:-

Ans:-The family members influence the purchase decision. In the buying process, family members fulfill the roles of initiator, influencer, decider, purchaser, and user. As a result, a family member's position and buying decision differs depending on the family, situation, and product.

b. Reference Groups:-

Ans:- Any person or group that acts as a point of comparison or reference for an individual in the creation of either general or specialized values, attitudes, or conduct is referred to as a reference group. Influence of reference group on consumer buying decision depends on the nature of the person, type of product and other social factors.

c. Opinion Leaders:-

Ans:- Opinion leaders play a key role in influencing the buying behavior of their followers. The opinion leader sets a trend and pattern for others to follow in given situation. So, the products used by the leader are also used by all the entire group of followers behind them.

d. Social Class and Caste Class:-

Ans:- Buying behavior of an individual is also influenced by the social class and the caste to which they belong. A society's social class is a reasonably permanent and uniform division. Caste is a group of people who are born into it. Differences in class and caste lead to differences in store preferences, product and brand preferences, and purchasing frequency.

v. Psychological Factors:-

Ans:- The action of a person is influenced by his/her perception of the situation. Different people have different perspectives on the same circumstance with the same motivation. Selective attention, selective distortion, and selective retention are three perceptual processes that create this difference in perception.

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b. Learning:-

Ans:- Learning is the change in behavior of person arising from experience. It is the change in the behavior which occurs as a result of practice. The mind of a person thinks and decides based on the past experience and the body acts accordingly.

c. Beliefs:-

Ans:- Beliefs is the conception built up by the individual about any goods, services,, brand, person, company or organization. Generally, everyone makes their buying decisions according to their belief. So, their behavior is mostly affected by their belief.

d. Attitude:-

Ans:- Perception, thinking, feeling, and reasoning all interact with attitude, which is a state of mind or feeling. Consumer attitudes provide insight about how to improve a company's marketing strategy. It is defined as ” a learned predisposition to respond in a consistently favorable or unfavorable manner to a stimulus.”

e. Motivation:-

Ans:- Motivation refers to an activated state within a person that leads to goal-directed behavior. According to Abraham Maslow, the first theory of motivation is based on needs.