

Distinguish among
the five types of
customer markets



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Distinguish among the five types markets markets can be broadly ified into five types. The first is the consumer market, “ which consists of individuals and households that buy goods and services for personal consumption”.

(Part 2, p. 66) Within this category several sub-types exist. Fast-moving Consumer Goods (FMCGs) is one type of consumer market. These are generally high volume, low unit value goods that have a fast repurchase cycle. Perishable food items like packed meals, fruits and vegetables, media periodicals such as newspapers, etc are good examples of this type.

Consumer durables are another subtype. Converse to the characteristics of FMCGs, these goods have low volume but high unit value. This can further be categorized into white goods and brown goods. Refrigerators, pressure cookers, dishwashers, washing machines, microwave ovens, etc are primary examples of white goods. Electronic items such as personal computers, video game consoles, multi-media players, etc are good examples of brown goods.

Consumer Market is characterized by aggressive marketing campaigns, for consumers tend to be disloyal to brands and can easily switch from one to another. Also, competing companies are focused on innovating and improvising their products and production models to garner greater market share. *Business Markets “ buy goods and services for further processing or for use in their production process, whereas Reseller Markets buy goods and services to sell at a profit.” (Part 2, p. 66) The metals industry is a good example of Business Market. Here, raw metals (sometimes in the form of ores) are bought by private companies from government agencies. The former then go on to process and add value to the metal before selling it to other industries or end consumers. A good example of Reseller Market is the

retail industry, which comprises of Supermarket chains, Specialty stores,
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Chemists, and other retail dispensaries. This market is a by-product of modern urban lifestyles, where people do not have time to travel long distances for procuring commodities. The key to the retail market is accessibility, and affordability. Moreover, retail markets can be targeted to various economic groups. With urbanization expanding at an unprecedented rate, retail markets are now opening up in sub-urban and semi-rural areas as well. The retail market “ generates low profit margins but has high growth potential. To utilize this growth potential, companies need to modify their business activities in accordance with the changing lifestyle and changing consumption trends of the customers. If the customers receive enough value for money, only then they will be loyal to the brands and will make repeated purchase.” (www. economywatch. com, 2011) The fourth type of customer market is Government Market, which “ are made up of government agencies that buy goods and services to produce public services or transfer the goods and services to others who need them”. (Part 2, p. 66) A good example of a government agency that performs these functions is the Postal Services. Finally, the fifth type of customer market is the International Market, “ which consists of these buyers in other countries, including consumers, producers, resellers, and governments.” (Part 2, p. 66) Each of the five market types discussed above have special characteristics and the seller has to carefully study them before making an offer. Works Cited: Consumer Market and Consumer Market Types, Economy Watch, retrieved from on 13th April, 2011. Kotler, Phillip and Gary Armstrong (2006), Principles of Marketing (Version 12/E). Pearson Education Inc. New Jersey Part 2, Understanding the Marketplace and Consumers, p. 66