

Free analyzing article: the pot business suffer growing pains case study example

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Management

In the microeconomic analysis of the business competition, application focuses the interaction of the customers and the sellers. The demand and supply have to provide the nature and description of the business in respect to their relationship. The National Cannabis Industry Association is a body that is focused in controlling and overseeing the marijuana business in the United States. The association has the mandate of oversight and ensuring the growth of the marijuana are controlled and done by the certified and competent individuals as it is used under the prescription. Measures are introduced to enhance the control over the business are managed.

Several companies and individual are supposed to get into the marijuana production market and hence the level of competition is high as the prescribed individuals consists patients. Having few farmers, 2, 000 plants for Pink House Blooms organization and overall 110, 000 patients with prescription, competition is high showing a monopolistic approach. There are a large number of the sellers of the marijuana in comparison of the prescribed patients. This calls for control of the selling as the demand of the marijuana is low in comparison of the demand.

In the analysis of the oligopolistic is presented in the market by the 18 states in the United States in inclusive of District of Columbia in that the marijuana production is approved. In this market structure, the supply is higher than demand hence the prices are controlled by the market forces leading to a higher prices as indicated in the diagram.

The demand and supply of marijuana is initially at point (Q1, P1). The increase of the supply to point (Q2, P2) as a result of shift in supply curve

from S_1 to S_2 leads to an increase of the price level from P_1 to P_2 . The quantity demand of marijuana reduces from Q_1 to Q_2 .

In the comparisons of the monopoly and oligopoly, the application of differentiation of the product has to take different courses. The oligopoly has to employ the use of qualitative differentiation that is physical and presentable to the customers for attraction. The customers in the market would be attracted by the quality and the physical appearance. The marketers have to ensure their differentiated products are identifiable and easy to mark in the market. Unlike the oligopoly structural approach, the monopoly has no pressure with the marketing as has high supply in respect to the high demand experienced.

The percentage market shares are different as the monopolistic firms have a large control hence large market share. The application of the market structural analysis basing on the prices, the level of return varies in relation of market and demand. Taking the 18 states and some of the districts that have approved use of marijuana for recreation purposes, the demand is high hence the firms making the best out of it. The growers of the plant neither have a high return even if they are not restricted in growing. This gives a fair competition in a structural market of oligopoly. A firm or an individual farmer in the market has a reason of setting their prices accordingly as they are controlled by the market forces of demand and supply.

The monopolistic experience depends with the restriction of the players hence the pricing review is high as the source and planters are regulated accordingly. In ensuring more competitive advantage, different outlets are used. Taking an example of the Pink House Blooms has opened other

warehouses in the industrial part of the Denver. The applications of the game theory in the marketing strategy, the players in the marijuana market are evaluated in their entry as the monopolistic or oligopolistic identity. Their moves are sequential in a manner the payoffs are regulated by the forces of the market.

The presence of the available unlimited customers and limitation of the growers, the prices, have to shoot up hence the monopolistic application. In the reverse, the oligopolistic has to face low market of their product as their demand is less as the number of the prescribed patients is low. On the other side, the counter approach of the event is realized at the point where the market demand is high. The introduction of a large market as recreation purpose, the demand hike hence the firms raise their prices. In the case of the free market in that there is no restriction of growing the marijuana, the introduction of oligopoly structure has to set in, therefore, application of other market strategies to attract more customers are invented.

In conclusion, the application of the macroeconomic approach to the monopolistic and oligopoly market structure is clearly differentiated by the market share, differentiation of the product and prices. The introduction of the three aspects helps in showing and understanding of the market as the productivity and profitability are the results that are expected. In the market difference, the nature of the customer's distribution and structure are also determinants of the market relationship. The level of demand and supply give a clear picture of the market in regard to the utilization of the available resources and this case marketing of marijuana.

Work Cited

Cohen, Kalman J and Richard Michael Cyert. Theory of the firm : resource allocation in a market economy. Cincinnati, Ohio : South-Western Pub, 2002.