

Comparison of economics and marketing

[Business](#), [Marketing](#)



Comparing and Contrasting essay for Economics and Marketing

Economics and marketing are two terms which are commonly used in business. Economics is a study which analyses the manufacturing, distribution and utilization of goods and services. Economics seeks to study the part of human life which is connected to realization of basic needs through scarce mechanisms. Economics is applied almost in every aspect of our society such as finance, health care, government and business.

Economics has expanded to be one of the social sciences studied in educational institutions. Marketing is a social activity which employs use of strategies to communicate a value of a product or service to audience by creating messages that adds value to that particular consumer product.

Marketing mainly is an art of making a product known to consumers by use of various marketing tools such as pricing and research, product promotions and price setting for a particular product. Economics and marketing are similar and different in several ways (Baker, Graham et al 73).

Economics and marketing are similar mainly because of the business context in which they are applied. Goods and services are produced so that they are available for consumers who pay for them. In the economic system of a nation, consumers play a vital part as the target end after production. The key motivation for producers is to sell their products and services to consumers during a low consumer demand. This forms the marketing part of production. Diverse schools of thought though argue that marketing is borrowed from economics. Trade off involving dissimilar alternatives impacts the behavior of consumers in marketing and economics. The alternatives are necessary in economics in that consumers try to decide on what to buy and

not to buy based on unlimited human wants which needs satisfaction with inadequate means. In marketing, it is not just a matter of competing with competitors for buyers, but competition among unrelated different products in the market (Baker, Graham et al 84). This implies that in marketing consumers are convinced in the best brand and in economic part, the brand has the best bargain for the cash.

Consumers are willing to review the price of a commodity before they purchase it. Different consumers have unique willingness of buying a product. This point explains well price discrimination working. Price discrimination is where by consumers are buy similar products in the market for different prices based on their ability. This implies that the role of marketing is to sell the new product in the market in economically a higher price and as it comes more common in the market, the prices reduce. This explains the relationship between marketing and economics.

From the contrary point of view, there is an assumption that there is allocation and informational efficiency by economists. However, consumers lack perfect know how of the whole market hence a proof that the efficiencies does not exist. Perfect information lacks in a short time because buyers have not consumed products of companies producing low quality products. Efficiency is only after some time after the market is free of companies selling low quality products (Baker, Graham et al 119). The role marketing is to wipe out this inefficiency by making and communicating awareness to consumers regarding their products.

Also, buyers act rationally in that their behavior is not rational when it comes to making priorities or making decisions in determining what they want. For

instance, consumers can spend on something else ignoring the most important one. Some behavioral changes also affect consumers' judgment. These behaviors are like emotions or habits. This implies that rationality affects consumers' choice less than emotions. Peer pressure or happiness makes consumers to spend more. This means that marketing strives to affect consumers' behavior. It creates an environment where consumers can spend more.

Works Cited.

Baker, Michael., Graham, Peter., Harker, Debra., and Harker, Michael.

Marketing: Managerial Foundations. South Yarra: Macmillan Publishers LTD, 1998. Print.