

Markets in Marketing

by Sophia



WHAT'S COVERED

So, where does marketing exist? Where do you think marketing happens? Is it strictly on TV, like football games? Or perhaps is it just print and newspaper ads? Well, it's a much bigger world than those examples. This tutorial will cover the topic of markets in marketing. Our discussion breaks down as follows:

1. Markets in Marketing

A market is a group that is wanting or needing something that you're offering. They also have the ability to buy it.

Basically, markets can be broken down into two broad groups:

- Consumer market: Where consumer goods are sold directly to the end user
- Business market: Where businesses sell to other businesses

We're going to take a closer look at each one of these things.

1a. B2C

The first one we're going to look at is B2C or Business to Consumer marketing. B2C deals with consumer products--those products that are intended for the end user.



By end user, we are referring to where that product is finally destined to end up. That product could be the soda drink in your hand, the computer that you're watching, or the piece of software that's running your operating system. That end user is the person that finally buys the product, consumes it, and uses it. It's who the consumer product is designed for.

It's important to note that **consumer goods** are defined as goods that are purchased by individual end users and *not* the producer, or the people who make the product for you to buy.



TERM TO KNOW

Consumer Goods

Goods that are purchased by the individual end user and not the producer.

1b. B2B

The next group of markets to discuss is B2B or Business to Business. In this case, we're dealing with expense items and capital items. Now, expense items are those things that go into making a product, such as the cloth that goes into making a shirt. Capital items are those pieces of equipment that are used to actually make that product, like the sewing machine that sews the bolts of cloth together to make you the shirt.



Business to business marketing can deal with the same product category as business to consumer marketing.

➞ **EXAMPLE** Magazines are an example of this. A trade publication like *Women's Wear Daily* is going to focus primarily on the business of those people making the shirts, whereas fashion magazines like *Vogue* would be designed specifically for the consumer of that product.

Business to business deals with the expense and capital items that are industrial goods, which aren't necessarily meant for the end consumer. **Industrial goods** are goods that are purchased to be used in manufacturing and construction. Those are the things that go into making the products that you and I want to buy.



TERM TO KNOW

Industrial Goods

Goods that are purchased to be used in manufacturing and construction.

2. Marketing Services

You may recall from the previous tutorial that services are another thing that marketing can market besides consumer products. A **service** is defined as a mercantile activity where the consumer does not receive ownership of that thing bought.

➞ **EXAMPLE** You don't receive ownership of the pool person cleaning the pool for you. Similarly, you don't receive ownership of the oil change that is performed at the mechanic's shop.

Now, the way you market services is a little bit different than marketing consumer goods. We've seen a dramatic increase in the marketing of services and services offered in the last 30 years. In fact, the U.S. economy is moving more towards a service-oriented economy than a consumer goods-producing economy.



THINK ABOUT IT

Consider services like getting your hair cut, or your lawn mowed, or having the mechanic fix your car. You likely see more general contractors and people providing services than in the past.

More and more, what we're seeing is customer service-focused marketing and business. Service-focused marketing is a benefit to the consumer because they don't have to take time out of their day to do this thing that they need to do, like getting his or her oil changed. It also lets the consumer take advantage of the expertise of the provider.

➞ **EXAMPLE** Take, for instance, riding in a taxicab. The person driving a taxi knows a strange city where you're traveling much better than you do.

There's also an emphasis on packages and other ways for that consumer to continue to use that product. A business may extend an offer that if you pay them a certain flat fee upfront, they'll let you use their service for four other times within the next four or five years.

➞ **EXAMPLE** You'll see amusement parks sell summer discount packages whereby you pay one flat fee, and you get to come back as many times as you like. This arrangement incentivizes you to come back into the door more often.

In marketing services, what you see is a focus on the relationship between the provider of that service and the end user of that service. Again, they're going to emphasize things like time saved, expertise and efficiency.



HINT

If you're marketing a good, you're going to focus on the consumer experience in using that product or owning that product (i.e., much better graphics than your old computer, mattress feels like a pillow floating in the clouds, etc.).

On the other hand, when marketing a service, you're going to focus primarily on the utility of that service. How does it benefit me in ways where I'll be willing to pay for it, but not necessarily own it?



TERM TO KNOW

Services

Mercantile activity where the consumer does not receive ownership of the thing bought.



SUMMARY

Today we learned about the **markets in marketing**, which refers to the group that is wanting or needing something that you're offering, and who also has the ability to buy it. We looked at two broad categories of those markets that exist in marketing: the consumer market (**B2C**) and the business market (**B2B**).

We also learned about **marketing services**, referring to how a service is marketed in ways that might differ from the way a product is marketed.

Good luck!

Source: adapted from sophia instructor james howard



TERMS TO KNOW

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Industrial Goods

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Services

Mercantile activity where the consumer does not receive ownership of the thing bought.