

Market; Buyers and sellers meet to exchange goods or money.

Mass Market; Market on a larger scale (more buyers and sellers).

Niche Market; Market on a smaller scale (less buyers and sellers).

Mass Market - e.g. Ford

Mass markets have a large range of products for different buyers

Niche Market – e.g. Morgan

Have a specialised product that only some buyers desire.

Morgan; hand builds cars to meet the buyers needs / specification

Brand; image for a firm - more important in mass markets as there are more different brands to compete with.

Limitations of Mass Markets

- Expensive since it requires large investments in products – they can however benefit from economies of scale.
- Broad-brush approach to advertising however half of the advertising spend is mostly on consumers who have no need/interest for the products being promoted.

Factors to consider when deciding whether or not to operate in a niche market;

- Attitude and skills of management team
- Assistance from government agencies are available to small firms
- Companies overall business objectives
- Marketing objectives
- Structure of the market
- Position within the market
- Marketing strategy of the competition
- Finance available for marketing budget
- Nature and location of the market
- Data available from forecasts, market research, SWOT analysis
- Relative costs of types of marketing

Evaluation:

The type of market a business operates in depends on the product it sells, the resources available and the firm's marketing objectives.

A large firm could operate in a niche market but they must be flexible and willing to risk the losses.

Real USP's do not remain unique, since new technology can often imitate detail very quickly – especially in mass market.

Market size depends on;

- How customers are spending in a particular market
- The number of customers
- Volume of sales
- Individual transactions

Market share is the percentage share of the market accounted for by one company.