

THE MARKET AND THE CUSTOMERS

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MARKET AND CUSTOMERS

Market

The market is therefore an area of the economy in which activities and their results are exchanged between individual economic entities through the exchange of products and services. We refer to products and services that are intended for this exchange as goods.

The market is the most perfect regulator and stimulator of economic development, then we can determine its basic function, which is the optimal allocation of resources, i.e. the distribution of scarce resources among individual market subjects, which will allow their most effective use with regard to the needs of society. This optimization is made possible by prices (and their upward and downward movements), representing information for individual market subjects on the basis of which they make a decision to buy or sell. Each market must therefore solve the problem of allocation of scarce resources, determine the optimal combination of inputs and distribution of output.

In other words, the market answers three basic questions:

- What to produce, which is based on the fact that prices and quantities adjust until as much is produced as consumers want and buy.
- How to produce. The price also determines what production factors are used, i.e. how much it will be produced for, in what quality and with what technological procedures.
- For whom it will be produced, or who will get the manufactured goods: those consumers who, with their given incomes, will be able and willing to pay for them.

Market types

The existing specialization and division of labor result in the expansion of the market, both geographically and in terms of the quantity and types of products sold in this market. From the point of view of dividing the market into individual types, in the first case we are talking about the territorial point of view, in the second about the substantive point of view.

- local
- national
- global market

In terms of segmentation according to the subject of purchase and sale, we divide the market into:

- product market (product and service market),
- market of production factors (labor, land and capital market)
- money market.

Customer

A customer (sometimes also called a client or a buyer) is a recipient of goods, services, products or ideas that he receives from a seller, merchant or supplier for monetary or other value. A customer may or may not be a consumer at the same time, as the two concepts are different, although they are often confused. While the customer is buying the product, the consumer is enjoying it.

As a potential customer, we refer to a company or a person who responded in some way to marketing activity and showed a possible interest in our products or services. An expression of interest is, for example, a response to a marketing campaign, clicking on an advertising banner or reading a website or article. In the marketing and business processes, the potential customer is further worked with commercially in such a way that it becomes a customer.

Customer satisfaction is very important. Satisfaction is a feeling of pleasure or, in case of dissatisfaction of a need, disappointment of an individual and is based on the comparison of actual performance with his expectations. If the customer's expectation is greater than a certain performance, the customer is dissatisfied. On the other hand, if the performance meets his expectations, the customer is satisfied. This evaluation of performance from the customer's point of view depends on many factors, primarily the loyalty relationship that the customer has with a certain brand.

Loyalty is a customer's deep commitment to a company (to a brand). The general rule is that a loyal customer may not be a satisfied customer and vice versa. Satisfaction is mainly a momentary phenomenon. Loyalty, on the other hand, is of a long-term nature and is associated with recommendation, preference and loyalty. High loyalty is usually accompanied by emotional attachment, i.e. dedication to the brand, image and product. Loyal customers pay for the company in the long term, because they recommend the company to their surroundings and thus ensure the company's long-term income.

The course on start-ups on their market and customers saw the following objectives:

- Deepen the techniques for an effective customer recognition
- Take possession of the techniques by explaining the benefits to the customer.
- Experiment with customer satisfaction-oriented sales behaviors through targeted exercises

The course contents were as follows:

- The market context and customer needs
- Active listening
- The correct collection of needs: how to approach the customer
- The sales process
- The elaboration of the characteristics of the VAS offer into customer benefits
- The concept of empathy as a vector of Customer Satisfaction
- The segmentation logic

I found the students quite interested also because in the classroom we talked about activities in the field of information technology by leveraging the professional studies that the professional school they attended allow them.