

When speaking of markets as people, we are not concerned exclusively with individual ultimate consumers. Although individuals and members of households do constitute the most important and largest category of markets, business establishments and other organized behavior systems also represent valid markets. People, individually or in groups, businesses, and institutions create markets.

However, people or organizations must meet certain basic criteria in order to represent a valid market:

- There must be a true need and/or want for the product, service, or idea; this need may be recognized, unrecognized, or latent.
- The person/organization must have the ability to pay for the product via means acceptable to the marketer.
- The person/organization must be willing to buy the product.
- The person/organization must have the authority to buy the product.
- The total number of people/organizations meeting the previous criteria must be large enough to be profitable for the marketer.

All five criteria must be met for an aggregate group of people or organizations to equate to a market. Failure to achieve even one of the criteria may negate the viability of a market. An interesting example is the pharmaceutical industry. There are several serious human diseases that remain uncured only because they have not been contracted by a large enough number of people to warrant the necessary research. The excessive research costs required to develop these drugs necessitates that companies are assured a certain level of profitability. Even though the first four criteria may be met, a small potential customer base means no viable market exists.

### 2.3.2 The Market Is a Place



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Thinking of the market as a place, "the marketplace", is a common practice of the general public. Such locations do exist as geographical areas within which trading occurs. In this context, we can think of world markets, international markets, American markets, regions, states, cities, and parts of cities. A shopping center, a block, a portion of a block, and even the site of a single retail store can be called a market.

While not as pervasive as the "people" component of the market, the "place" description of a market is important too. Since goods must be delivered to and customers attracted toward particular places where transactions are made, this identification of markets is useful for marketing decision-making purposes. Factors such as product features, price, location of facilities, routing salespeople, and promotional design are all affected by the geographic market. Even in the case of unmeasurable fields, such as religion, a marketplace might be Yankee Stadium in the state of New York in the United States, where Billy Graham is holding a revival. Finally, a market may be somewhere other than a geographical region, such as a catalogue or ad that allows you to place an order without the assistance of a marketing intermediary or an 800 number.