TYPES OF MARKET

Meaning of a Market

A market can be characterised as where a couple of parties can meet, which will expedite the trading of products and services. The parties involved in the market activities are the sellers and the buyers. A market is an actual structure like a retail outlet, where the dealers and purchasers can meet eye to eye, or in a virtual structure like an internet-based market, where there is the truancy of direct, actual contact between the purchasers and vendors.

Types of Market

❖ **Monopoly:**

A monopolistic market is a market formation with the qualities of a pure market. A pure monopoly can only exist when one provider gives a specific service or a product to numerous customers. In a monopolistic market, the imposing business organisation, or the controlling organisation, has the overall control of the entire market, so it sets the supply and price of its goods and services. For example, the Indian Railway, Google, Microsoft, and Facebook.

❖ **Oligopoly:**

An oligopoly is a market form with a few firms, none of which can hold the others back from having a critical impact. The fixation or concentration proportion estimates the piece of the market share of the biggest firms. For example, commercial air travel, auto industries, cable television, etc.

❖ **Perfect competition:**

Perfect competition is an absolute sort of market form wherein all end consumers and producers have complete and balanced data and no exchange costs. There is an enormous number of makers and customers rivalling each other in this sort of environment. For example, agricultural products like carrots, potatoes, and various grain products, the securities market, foreign exchange markets, and even online shopping websites, etc.

❖ **Monopolistic competition:**

Monopolistic competition portrays an industry where many firms offer their services and products that are comparative (however somewhat flawed) substitutes. Obstructions or barriers to exit and entry in monopolistic competitive industries are low, and the choices made of any firm don't explicitly influence those of its rivals. The monopolistic competition is firmly identified with the business technique of brand separation and differentiation. For example, hairdressers, restaurant businesses, hotels, and pubs.

❖ **Monopsony:**

A monopsony is a market situation wherein there is just a single purchaser, the monopsonist. Just like a monopoly, a monopsony additionally has an imperfect market condition. The contrast between a monopsony and a monopoly is basically in the distinction between the controlling business elements. A solitary purchaser overwhelms a monopsonist market while a singular dealer controls a monopolised market. Monopsonists are normal to regions where they supply most of the locale's positions in the

regional jobs. For example, a company that collects the entire labour of a town. Like a sugar factory that recruits labourers from the entire town to extract sugar from sugarcane.

❖ **Oligopsony:**

An oligopsony is a business opportunity for services and products that is influenced by a couple of huge purchasers. The centralisation of market demand is in only a couple of parties that gives each a generous control of its vendors and can adequately hold costs down. For example, the supermarket industry is arising as an oligopsony with a worldwide reach.

❖ **Natural monopoly:**

A natural monopoly is a kind of a monopoly that can exist normally because of the great start-up costs or incredible economies of scale of directing a business in a particular industry which can bring about huge barriers to exit and entry for possible contenders. An organisation with a natural monopoly may be the main supplier of a service or a product in an industry or geographic area. Normally, natural monopolies can emerge in businesses that require the latest technology, raw materials, or similar factors to work. For example, the utility service industry is a natural monopoly. It consists of supplying water, electricity, sewer services, and distribution of energy to towns and cities across the country.