Market Structure

☆ Meaning:

The market structure refers to the characteristics of the market either organizational or competitive, that describes the nature of competition and the pricing policy followed in the market.

Thus, the market structure can be defined as, the number of firms producing the identical goods and services in the market and whose structure is determined on the basis of the competition prevailing in that market.

The term "market" refers to a place where sellers and buyers meet and facilitate the selling and buying of goods and services. But in economics, it is much wider that just a place. It is a gamut of all the buyers & sellers, who are spread out to perform the marketing activities.

☆ Types of Market Staructure:

- Perfect competition
- Monopolistic competition
- Monopoly
- oligopoly

1. Perfect competition :
The perfect competition is a market structure where a large number of buyers and sellers are present and all are engaged in buying and selling homogeneous products at a single price prevailing in the market.
In other words, perfect competition also ~~reffered~~ referred to as a pure competition, exists when there is no direct competition between the rivals and all sell identically the same products at a single price.

2. Monopoly Market :
The monopoly is a market structure characterized by a single seller, selling the unique product with the restiction for a new firm to enter the market.
Simply, monopoly is a form of market where there is a single seller selling a particular commodity for which there are no close substitutes.

3. Monopolistic competition :
Under, the Monopolistic competition, there are a large number of firms that produce ~~differe~~ differentiated products which are close substitutes for each ~~oot~~ other.
In other words, large sellers selling the products that are similar, but not identical and compete with each other ~~on~~ other factors besides price.

4. **Oligopofly :**

The Oligopoly Market characterized by few sellers, selling the homogeneous or differentiated products.

In the other words, the oligopoly maket structure lies between the pure monopoly and monopolistic competition, where few sellers dominate the market and have control over the price of the product.

Under the Oligopoly market, a firm either produces :

- Homogeneous Products : The firms producing the homogeneous products are called as Pure and Perfect Oligopoly. It is found in the produars of industrial products such as aluminum, copper, steel, zinc, iron, etc.

- Heterogeneous Products : The firms producing the hetrogeneous products are called as Imperfect or Differentiated oligopoly. Such type of Oligopoly is found in the producers of ~~ton~~ consumer goods such as automobiles, soaps, detergents, televisions, refrigerators, etc.