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Principles of Marketing
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Well… I remember sitting in this very classroom for my business class last year. I never thought I would return until I was asked to give a speech about marketing. Well anyways for those of you who do not know me my name is Gregory DeVico. I graduated in the class of 2011. I studied Information Technology and am now pursuing Travel and Tourism at Plymouth State. I am here to talk to you about what I am learning about in my Principles of Marketing class.

In basic terms marketing is the process of persuading someone to buy your product from your business instead of a product from another. Marketing is everywhere for example how many times have your drove past a pizza shop and saw a sign saying "best pizza in town!" Who gave them the credit for that statement? I'm sure no one did. How many times have you thought of that pizza place when you were deciding on what pizza place to get your pizza from the next time you got pizza? That my friends is marketing at its best.

Let's say you are at a car dealership and buying a car. You are participating in an exchange because you are giving up something in order to receive something. In this case you are giving up money in order to receive a car. After you buy the car you have taken a part in an exchange, which is the desired outcome of marketing.

There are four different types of marketing orientations: Production, Sales, Market, and Societal Marketing. Production orientation is when the main focus is on the product and not on the market. An example of a company with a production orientation is a furniture company because they are more concerned about what is easy to produce with the given equipment. A sales orientation is the idea that people will buy more goods if an aggressive sales technique is used. An example of this orientation would be insurance companies. It seems to me that every other commercial on TV is either Geico or State Farm or some other insurance company. They have a lack of understanding of the needs and wants of the marketplace. A danger of this orientation is failing to understand what is important to their customers. A market orientation is what the customer wants. A sale doesn't have to depend on an aggressive sales force like it does with a sales orientation. Apple is an example of this orientation because Apple cares about what the customer wants. I mean they show that they listen to the customer each time they release a new generation of the iPhone. The last orientation is societal marketing. This is the same as a market orientation but they also care about the environment. Green Mountain coffee is an example of this orientation because they realized that they should make their coffee cups recyclable and use less paper so that they are not being thrown out. The differences between the market orientation and sales orientation are in these five characteristics. 1.) Organization focus; like customer value, customer satisfaction, and building relationships 2.) Firm's business 3.) Those to whom

the product is directed 4.) The firm's primary goal. 5.) Tools the organization uses to achieve its goals.

Now many of you are probably sitting there and thinking why is this guy here? Why should I study marketing? I come at you with this: Marketing plays an important role in society today. A typical American family consumes 2.5 tones of food a year. Marketing makes food available when we want it at accessible locations. (13) Marketing is also important to businesses I mean Let's face it the objectives of a business are to survive, profits, and growth. You need marketing to get your business known and if it weren't known then it wouldn't make a profit, and if it didn't make a profit it wouldn't be allowed to grow. It's kinda like a domino effect. Also marketing has amazing career opportunities. There are careers in professional selling, marketing research, advertising, and retail buying. (13) Marketing is everywhere. I'm marketing marketing right now.

One of the most important things I learned in my marketing class is the marketing plan. A marketing plan is used when a business first goes into business. It outlines the business's mission statement, objectives, SWOT analysis (I'll get back to that later), Info about Brand, Marketing activities mix and Implementation.

A mission statement provides clarity and communicates the purpose of the company. For example Google's mission statement is Organize the world's information and make it universally accessible and useful. This is a good mission statement because it provides the point of Google in a clear sentence. The objectives are essentially goals of what the business hopes to accomplish. A SWOT analysis is an acronym for Strengths, Weaknesses, Opportunities, and Threats. Let's do a quick SWOT analysis of North Face. Some of the strengths to this company are quality, reputation, and product placement in teen shows. Some weaknesses are they are much more expensive then their competition. Their clothes are sold in higher end stores. An opportunity for North Face might be that people will always need outdoor equipment, and people with money will want to buy higher quality products. Threats to this company are their competition Colombia, Nike, and L.L Bean because they make very similar products. What we look at when we do this analysis are the internal factors, elements which the business can control the S and the W. The external factors, which are the factors that the business can't control the O and the T.

The next element of the plan is the competitive advantage of the company. Let's keep using North Face as for an example; their competitive advantage is that they offer high quality products at a slightly higher price than its competitors. They are able to stay so much ahead of their competitors because of the quality of their products, which is always better than the lesser-priced market. I'm not sure about you guys but if I had to choose between a jacket from North Face and a jacket from Colombia I would obviously choose the jacket from North Face. Also they offer a wide variety of products, from fleece jackets for everyday use, to sturdy backpacks for hikers and mountain climbers. Another important aspect for marketers is something we call the four P's. There is product, place, promotion, and pricing strategies these help the company achieve their objectives. Back to North Face they do an excellent job with their product strategy. The quality of their goods gives them a reputation that keeps customers that want to pay more for their sportswear coming in and expanding the brand's market. They are

working to appeal to a wider variety of customers such as environmentally friendly by researching new fabrics and transporting strategies. Now onto their place strategies; their products are mainly distributed from Mexico, Central America, Poland, and the Middle East. They sell their products in their own brand name stores, through their own website, and through high-end retail sportswear stores such as REI, EMS, Macy's, and Nordstrom. By doing this, they can ensure that consumers that are willing to spend lots of money on clothes are exposed to their product, and are able to get them in the most convenient locations. Now how many of you see North Face clothing in TV shows? A lot of you right? Well this is all part of their promotion strategies the third P out of the four P's. Another promotion strategy is when their outlet stores offer their clothing from past seasons at discounted prices. The last P is the pricing strategy; we all know North Face charges more than other companies. They do this to set the quality of their products apart from their competitors, and make people realize that they are truly getting what they pay for. They usually lower their prices out of season, when demand is lower in order to sustain their profit margins, and bump up their prices in the winter season when people are constantly looking to buy new gear. The last two steps of the marketing strategy are implementation and evaluation. This is the most important strategy because your marketing campaign will not work if it is not implemented. Once it is implemented you should go back every six months or so and update it making sure it is up to date with current trends.

Business people often refer to a portfolio matrix when they consider their mix of offering strategic business units. Each matrix contains a star, cash cow, problem child, and a dog. I know funny right? Let's look at Apple for an example of this: Apple's star product is their iPad because it's what draws people to their company. You think of Apple you think of iPhone right? Also it is a fast growing market leader. Their cash cow is their Macbook line because it generates more cash than it needs to. Their problem child is their T.V because if they invested a little bit more money then it would be their star, and because it shows rapid growth but poor profit. And finally their dog is their iPod shuffle because it has a low growth potential and a small market now.

There are many external factors that influence an organization. Factors such as social, demographic, and economic. As a marketer we ask questions about American values like; how has life for the American family changed over the past several decades? We ask other questions that try to help us predict social change because it is one of the most difficult changes for us to predict. We consider the target market and the profile of the consumer most likely to purchase your product. Another variable that is uncontrollable are the demographic factors. This is when we profile individual groups of consumers and how they changed over time. The population is broken down into four age groups, Tweens, Teens, Generation Y, and Generation X. Tweens are pretty good size target market with their population being around 20 million and aged from 8 to 12. One product that is marketed towards tweens is the Polly Pocket line. I know my sister had a lot of those when she was a Tween. Teens have a 25 million population in the United States and they are tuned in for 72 hours electronically (43). Teens spend their money on two things; fashion and food. They are also making online purchases spending $46 per month (43). Let's move onto Generation Y and X. Generation Y are

the people who were born between 1979 and 1994. Gen Yers are known for being inquisitive; wanting to know why things happen, opinionated, diverse, time managers, quick shoppers, wanting fulfillment, multitaskers, and environmentally aware (44). Generation X are people born between 1965 and 1978. Marketing towards gen Xers has been described as difficult (44). Economic factors matter also factors such as debt, purchasing power, inflation, and recession all factor into marketing.

Well I can only give you a small taste of marketing because I am still learning it myself. I hope I opened some of your eyes to this world full of endless possibilities, and if you have any questions feel free to ask!

All parenthetical citations are page numbers from the following text:

Lamb, Charles W., Hair, Joseph F. Jr., McDaniel, Carl. MKTG5 2011-2012 Edition.
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