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TEN LESSONS IN MARKETING—LESSON I

What Is Marketing and What Purpose Does It Serve

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1. **Marketing defined.** Of course we want to know about marketing because we all expect some day to have something of our own to market. In fact, many of us have already done some marketing. There are about 23,000 regular members in the 4-H Clubs throughout Oregon, all engaged in useful activity of one sort or another. Large numbers of these boys and girls are already engaged in marketing in a very practical way. They are raising chickens, pigs, calves; growing corn and garden crops; or canning fruits and vegetables. They often make a good deal of money by selling things they have raised or made. Any one who produces goods or useful articles for sale is engaged in marketing.

We may define marketing, then, as the selling and buying of goods or useful things. Whoever produces more milk, cream, eggs, apples, potatoes, grain, hogs, or other things than he or his own family can use, wants to sell his surplus in order that he may be able to buy from other people things which he and his family need but do not produce. We thus see that marketing is a very necessary activity in any country where people produce more of anything useful than they need for themselves and their families.

2. **Beginnings of marketing.** Simple, backward people do not have to do much marketing. All club members know about our American Indians and how they lived when the white man first

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came to this country. They had little or no marketing problem because each family produced almost everything it needed for its own use. The men hunted game and fish. The women dressed skins at home and made them into clothes and moccasins. They also gathered nuts, berries, and seeds for food. Each family had its share in the fields where corn, peas, beans, pumpkins, squash, melons, tobacco, and other crops were grown for home use.

But even the Indians had the beginnings of a marketing system. Tobacco could not be grown everywhere; flint for making tools and weapons was not found in many places; some fur-bearing animals were to be found only in certain regions; the cowrie shells from which they made the beads for their wampum could be obtained only along some parts of the ocean beach. All these were things that the Indians everywhere wanted, so they had what we call a system of barter. This means that they traded things they could spare for other things they wanted. Beaver skins were traded for flint and arrowheads, tobacco for dried fish or dried buffalo meat. The coast Indians traded wampum for supplies of corn and beans. In these simple business deals we see the beginnings of modern marketing.

3. Early Marketing in the United States. From the study of the history of our own country you will remember that the pioneers of the northern states lived a very different life from those who settled in the south. In the north, each farm home was much like those of the Indians, almost self-sufficing. Marketing was not much of a problem because there was little chance of finding buyers for most surplus products. People had to be content with the things they could grow and make at home.

The southerners, on the other hand, began very early to produce things for market. They carried on an export and import business. Do you know what an export and import business means? When we send goods out of our own country to be sold in a foreign country, we are said to export them. When we buy goods in another country and have them shipped into the United States, we are said to import them. The first crop produced for market by the southern states was tobacco. They found a ready sale for it in Europe, and also considerable demand from the other colonies and among the Indians in America. Then, later, they began to produce cotton for which there was a great demand from the English factories.

With the proceeds of their tobacco and cotton, the southern farmers imported clothes, household furnishings, and many other things which they did not produce for themselves.

4. Specialization depends on marketing. Farming which produces one main crop like tobacco or cotton is called specialized

agriculture. When farmers produce many different products they are said to follow general agriculture. When crops are produced for market, farmers are engaged in commercial agriculture, as distinguished from the self-sufficing type of farming followed by the pioneers, in which nearly everything was grown for home use.

From this it will be seen that our agriculture in Oregon is largely commercial in character. That is, our farmers are producing things for sale much more than for home consumption. We also have in this state a great deal of specialized farming. We immediately think of whole counties where almost all of the farmers are producing the same thing. We have Umatilla, the great wheat county; Hood River, world famous for its apples; Tillamook with a national reputation for its cheese; Harney, noted for its beef cattle; Malheur, famous for its sheep.

5. Factory industry highly specialized. This tendency to specialize is found now-a-days in all kinds of work. If you have ever visited a big factory you have seen it in its extreme form. If you were to enter the factory in Detroit where Ford cars are made, you would see long rows of machines each attended by a man. As you approach one of these machines, you may find that the man sitting or standing behind it spends his entire time making one small part of a car. The parts from thousands of men and their machines keep pouring into the assembling rooms. Here other mechanics are arranged in rows along endless-chain tracks. Each man has his own little task to perform. Some are placing parts in position, others tightening bolts and screws, until the car moves off the track under its own power. Sixty-five thousand men work in that one Detroit factory.

The man who spends his life making set-screws for a Ford engine may never own a Ford car himself. He is doing his mite to serve the millions of people who do use Ford cars. They, in turn, may be producing the things which that Ford machinist and his family need.

If we visit him in his home, we find there things produced in all parts of the United States, and in many other countries. On his table may be grapefruit from Florida; oranges from California; apples from Oregon or Washington; bread from Dakota wheat; potatoes from Idaho; beef from Texas; fish from Alaska; tea, coffee, cocoa, spices, bananas, and many other things gathered from the ends of the earth. The family clothing and household furnishings display an almost equal variety in materials and places of origin.

6. Marketing process indispensable. How does the machinist get all these things from so many different places? He uses his

wages to buy them from his local merchants. They reach these merchants through the process of marketing which we are studying in this series of lessons. As we shall see, this marketing process is often difficult to follow and understand. We can already see how important it is. Without marketing neither specialized farming nor factory industry could exist.

QUESTIONS AND EXERCISES

1. Make a list of the things which you and your family produce for sale.
2. Write a list of the principal commodities marketed from your community.
3. Do you know where any of these things are finally used? Write what you know about how they reach the people who use them.
4. What things does your family use for food which you do not produce for yourselves?
5. Make a list of the materials used in clothing your family and write down what you can find out about where they come from.

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