Cassandra Meduri

Journal Response 2

*After reading Theodore Levitt's "What Business Are You In?" and “In Lady Gaga’s Album, Evidence of a New World Order,” write a response  (250 words) to the question: How would Levitt respond to Lady Gaga?  Based on the ideas raised in Levitt's articles, what do you think he would say about Lady Gaga's approach to Marketing?*

I think Levitt would like Lady Gaga’s approach to marketing. In Levitt’s articles, he emphasizes customer value, and how customers “attach value to a product”. When Lady Gaga promoted her new album, “Born This Way” on TV, Twitter, subway stations or on her HBO special, like the article says, caused her listeners, or customers, to have interest in it. As more and more people became intertwined in her ads and appearances, this added value to the album in the customer’s minds. Lady Gaga’s personality, style and music is unique then other kinds, which is even better. Since it’s unlike any other artists’ music, it again goes up in value. I think Levitt would’ve like this because he says that the more value a customer thinks a product has, the more likely they will buy it because it will either help them solve their problems, or meet their needs of that product.

Levitt also talks about the globalization of markets, and how technology plays a big role in this. Lady Gaga’s approach to marketing did just that. She sold 1,108,000 copies of her album in the first week that it went on sale, and 60% of those sales were digital downloads. This means that not only were people buying this albums in stores, but online. When dealing with the internet, and putting her album on the internet, opened so many doors because now anyone in the world could buy that very album, which is exactly what happened. Lady Gaga also sold her album to Amazon, which then sold it for resale on their website for cheaper. This also falls under the category of using the internet to your advantage, which is exactly what she did.

However, I’m not sure if Levitt would’ve agreed on Lady Gaga’s choice of going through Amazon’s Cloud Drive. Amazon bought her album for about $8, and then sold it for $.99 expecting to have so many sales in return for the cheaper price. This goes back to the idea of value and how the customer is viewing your product. I think Levitt would’ve thought that after all the promotion and ads that were being putting out for this album, that selling it for only $.99 would’ve brought down the value in customers minds, and they wouldn’t be buying it because of it meeting their needs, but because it was only 99 cents.