

Difference between Industrial and Consumer Marketing

Market Structure

Industrial Markets:

- Geographically concentrated – Auto component manufacturers in Pune, Gurgaon etc
- Relatively Fewer Buyers
- Oligopolistic Competition (A market condition in which sellers are so few that the actions of any one of them will materially affect price and have a measurable impact on competitors.)

Consumer Markets:

- Geographically Dispersed – Demand for buying cars is dispersed
- Mass Markets, Many Buyers
- Monopolistic Competition

Difference between Industrial and Consumer Marketing

Products

Industrial Markets:

- Can be technically complex – Axles for railway wagons
- Customised to user preference
- Service, delivery and availability very important
- Purchased for other than personal use – Ministry of Railways purchases for the Indian Railways

Consumer Markets:

- Standardised – rail travel
- Service, delivery and availability only somewhat important
- Purchased for personal use

Difference between Industrial and Consumer Marketing

- Buyer Behaviour
- Industrial Markets:
- Professionally Trained Personnel – Purchase of sterile pumps by a biotech or pharma plant will involve quality control, purchase and other departments

Difference between Industrial and Consumer Marketing

Buyer Behaviour

Consumer Markets:

- Individual Purchasing – an OTC product will be choice of consumer. Aspirins etc are sold by many pharma companies
- Family involvement, influence
- Social/ psychological motives predominate

Difference between Industrial and Consumer Marketing

Buyer –Seller Relationship

Industrial Markets:

- Technical Expertise an asset – engineers are hired by companies selling railway equipment
- Interpersonal relationships between buyers and sellers
- Significant information exchange – a pharma company will explain in detail the specs of a tableting machine
- Stable, long term relationships encourages loyalty

Difference between Industrial and Consumer Marketing

- **Buyer –Seller Relationship**

Consumer Markets:

- Less technical expertise – expensive consumer durables like home theatres may be purchased on simple technical specs
- Non personal relationships
- Less exchange of information – OTC products are purchased on simple advertising and drugs on doctors prescription
- Changing short term relationship

Difference between Industrial and Consumer Marketing

Channels

Industrial Markets:

- Shorter, more direct – Automotive component manufacturers will sell directly to car manufacturers

Consumer Markets:

- Indirect, multiple linkages – car owners buy auto parts through a distribution channel

Difference between Industrial and Consumer Marketing

Promotion

Industrial Markets:

- Emphasis on direct selling – Sale of packaging material to companies making toiletries and allied products will involve a large amount of personal interphase

Consumer Markets:

- Emphasis on advertising – Soap like Lux may be purchased on advertising appeal of film stars

Difference between Industrial and Consumer Marketing

Price

Industrial Markets:

- Competitive bidding or the result of a complex purchase process – purchase of a nuclear power plant or fighter planes may involve a complex purchase process involving many ministries and the final price would be various rounds of competitive bidding

Consumer Markets:

- List or predetermined prices – In some developed countries power can be bought from various sources at different prices



THANK YOU