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School of Studies in Management, Jiwaji University, Gwalior

Subject: Industrial Marketing

Course: BBA Sixth Semester

## Strategic Planning In the Industrial Market

While the basic principles of planning apply in both markets namely, industrial and consumer, many organizations have found that what works well in the consumer market fails to do so in the industrial market. Two significant differences between these markets appear to account for this phenomenon.

**First**, unlike the consumer market where products are normally marketed through one or two channels, most industrial marketers face diverse markets that must be reached through a multiplicity of channels-each requiring a different marketing approach. A producer of communication equipment, for instance, may market to such diverse segments as the commercial, institutional, and governmental market, each of which will require a unique marketing plan.

**Second**, in contrast to consumer marketing, successful industrial marketing strategy depends more on other functional areas. Where the elements of planning in consumer marketing can often be contained within specific areas of marketing, such as advertising, selling, and product management, planning in the industrial market is largely dependent on, or constrained by, the activities of other functional areas-for example, engineering, manufacturing, and technical services. When marketing emphasizes tailor-made products and fast deliveries, for instance, manufacturing must be prepared to follow through with product output. Planning, then, in the industrial marketing arena requires a higher degree of integrated effort across functional areas and a closer relationship with overall corporate strategy than in the consumer market.

### Functional Isolation

While planning in the industrial market is as sophisticated as it is in the consumer arena, too often industrial firms concentrate planning efforts in the marketing department, failing to recognize the interdependency between marketing and other

functional areas. Perhaps this is due to what may be referred to as “functional isolation.” That is, not only does marketing tend to ignore its interface with other areas such as finance, manufacturing, and R&D, but “marketing concepts, methods and inputs are frequently ignored in the decision perspectives of other business function and While marketing should take the lead in defining market segments, needs, and opportunities and in determining what it will take to satisfy the various markets and, segments, planning in the industrial arena must be a collaborative effort between all key functional areas. Unfortunately, as *Wind and Robertson* point out, *the isolation between marketing and other functional areas may continue until us: Find solutions to the inherent conflict between marketing and other functional areas.*

The firm is limited in what it can design because one has to keep it simple for marketing because neither the customer nor the marketing department understand the product and how it is supposed to work.

The information that marketing includes is sometimes so exaggerated, that the firm could get sued for false advertising.

Trying to package so many products and hold costs down is extremely difficult and finally it could lead to a situation where to sell such a product is difficult. The query exists that why can't we have reasonable Quality at reasonable costs.

Technical selling through technical expert to soothe customers is the call of the day even though the buying firm really may not have a problem.

Engineers always go by the book, they prefer that the warranty clause be robust enough for the product failure to be remote or only incidental and in such cases contingency plan must be ready.

## **Alleviating Conflict**

Alleviating conflict begins with developing an understanding of the basic causes of interdepartmental conflict. Conflict can only be alleviated when an atmosphere of cooperation is created through

1. Promotion of clear and straightforward corporate policies,

2. Evaluation and reward systems that stress inter functional cooperation and responsiveness, and
3. Formal and informal inter functional contacts (e.g., including manufacturing people in sales meetings and marketing people in product design decision meetings or establishing squash courts for noon-hour use by all company members) are increased between the marketing and other .

Marketing executives, however, can assist in alleviating conflict by building their marketing plans around each functional area's ability to service the firm's markets and customers and by analyzing the strengths, weaknesses, and competitiveness of each respective area, similar to analyzing customers and competitors.

- Firms often design many products, now with numerous options it is hard to maintain quality and keep costs down.
- Firms suffer from the drawback of not having enough manpower and further they hold the hand of some pet customers of marketing thereby limiting their knowledge base.
- Often marketing departments want the firms to pay the full amount of every claim, even when sometimes the claim being invalid one.