

Promotion on the industrial products market

Raluca-Dania TODOR¹

Abstract: *The literature abounds with articles and books on marketing and especially promoting consumer products. As consumers for these goods we are exposed each day to promotional messages of major product brands in order to attract or retain us when we are already buyers. Fewer things have been written about how to do promotion of industrial goods, which are a special category of goods, but have a very high quota in trade of goods, both nationally and internationally. This article will analyse the main methods used to promote the industrial brands and products on the market.*

Key-words: *industrial goods, advertising, business to business market.*

1. Introduction

Industrial goods are raw materials, equipment, or product components required by the business for the production or distribution of goods or other services. Industrial goods range from mineral, agricultural, and forestry products to complex electronic equipment. Consumer goods, on the other hand, are tangible commodities that are produced and purchased to satisfy the wants and needs of the buyer.

The process and industrial products (P & IP) includes some of the world's most complex and diverse organizations and brands producing chemicals, metals, industrial products, forest, paper and packaging.

In terms of production goods and services, also called industrial goods have certain characteristics that can be summarized as follows:

- In general, they are not intended for consumption, but are used to manufacture other products or participate in company's operations;
- In most cases the goods and services production units are bought by commercial or production companies, personal purchase is made only by those who perform a profession of this kind;
- Production goods are often bought in large quantities directly from manufacturers or through intermediaries, rarely by retail;
- The motivation of purchasing production goods is based mainly on rational reasons;
- Assessing the market that offers industrial goods may be easier than evaluating the market offering consumer goods due to the limited number of manufacturers of such goods.(Anghel 2002, 152)

¹ Transilvania University of Braşov, raluca.todor@unitbv.ro

2. Industrial goods offer

Industrial goods and services are classified into commercial family based on different criteria from those that refer to consumer goods and services. These criteria concern the nature of those goods and services and their usefulness.

Based on these criteria, industrial goods and services trading is classified into the following families (Attali 1996, 22)

- a) supplies the main equipment;
- b) goods and auxiliary equipment;
- c) elements and subassemblies;
- d) consumption and maintenance supplies;
- e) raw materials.

Therefore, industrial goods is a category on the market, closely linked to the demand for commodities. (Britto 1998, 7).

Evolving under the influence of a variety of factors, especially technological, economic, social or other kind, industrial demand shows some trends that are shaping the legitimate character for the entire economy. At the same time, these factors generate sinuous frequent changes in the composition and the forms of supply concerns and continue claiming on its adaptation to specific consumer demand. At the same time, they create at least two distinct markets in the tender: the consumer (individuals or legal entities that use products or services finite) and industrial users (business to business market) using products and industrial services to incorporate them in the finished product or for the maintenance of their equipment.

As a common feature is the increasing and continued trend of the offered volume of goods to the market. The phenomenon occurs as a result of combining the two important elements that act concurrently in the global economy.

The first one concerns the ever increasing production capacity and labour productivity generated by high frequency of scientific discoveries and increasing the scope of their application which has resulted in a continuous increase in the volume of products available to the population and consumer productive. The second element relates to the globalization of the market, contributes to increased penetration within each domestic markets, the products made by third foreign markets.

Products consist in that form, composition, gauge reliability, presentation, quality, usage and their performance are strictly defined technically (Maincent 2006, 68).

Entry into consumption of industrial goods is subjected to the policy of optimizing the activity of each user units. The technical complexity of those products, the functional parameters and their importance in the process of production justify the high price (Hague 2015, 2).

Because of this, consumers purchasing desire is not automatically or immediately going to lead to an order; purchase intent is incorporated in the expenditure budget of the unit, which in turn is under the influence of economic or financial considerations, what is the objective of the company. Because of these elements, the industrial goods market has less sensitive variations and low

amplitudes. In other words, unlike individual consumer goods, industrial goods outlines a market with a rigid structure and slow changes (Aaker 2002, 47).

3. Ways to promote the brand and the products on the industrial market

3.1. Industrial advertising

The industrial advertising is at least as important as the one for the commodities. It has often aimed at influencing decisions involving huge amounts of money.

In many important agencies, people working in industry advertising are the same with these who create advertising to consumers, the same 'copywriters' and 'art directors', the same media people.

Specialists in advertising industries have synthesized some basic rules that can be applied successfully when companies want an effective promotion of industrial goods and brands on the market (Hague 2015, 4):

3.1.1. Using of evidence

Advertising that targets the emotional side can only sell certain of consumption products. This type of advertising will sell little or simply will not sell industrial products. Experienced buyers generally need a consistent argument to be convinced.

Useful are therefore, examples and testimonials. Buyers like to know what were the use values of those products for other consumers. Such a disclaimer in a campaign of a particular case determines the change in vision and product sales. Also, it should not neglect the value of demonstrations. It must be shown what the product can make, the so-called "torture tests" and this can be extremely effective.

To demonstrate the strength of a meat cardboard container produced by the International Paper company, the advertiser has placed on the strong box six adults and a calf. After seeing this ad, the director of one of the largest US meat packing companies contacted International Paper. Until then, International Paper had failed even to contact this CEO.

Another way to make a demonstration is to show the product's evidence of effectiveness. Launching the new Canon printers, Repco Australia has an actual print into the most important economic and financial newspaper. In the first two months, sales have doubled compared to company estimates.

3.1.2. Utilities for new materials

If the market is already known, companies must identify possible uses of the material. These should be emphasized in advertising. Shell Chemical was trying to sell polypropylene plastic in the packing industry – but as the polypropylene plastic

had never been plastic used in packing - so Shell asked engineers to create models of this branch of packages that can be made of polypropylene. Then the models were presented in advertisements. Hypothetical packages were used by producers who have become loyal customers of the company Shell.

3.1.3. The text - the strength of advertising

Despite the fact that studies show that a majority of readers never read anything but the titles, it was shown that those who read more than that are potential users of the industrial products or services (Hart 1998, 169). If you're not looking for a particular product on the market it is still likely to see an ad for it, no matter how long or short it may be. But the real prospects and, in particular, those from industry - responsible for spending large sums - are hungry for information. Research shows that industrial adverts with longer texts tend to be read more carefully than those which are based on brief texts. And a short text can sell, but it will never build an argument strong enough for a major investment.

3.1.4. For all product groups, adverts must have the same format

Otherwise it may seem to come from several smaller companies and not from a single corporation. For Owens-Corning Fiberglass, research has shown that when developing unifying stylistic communication materials, it has doubled the capacity of Owens-Corning's recognition as a major national corporation.

3.1.5. Involvement of the reader

One of the ways to involve readers is to ask short questions. International Nickel launched such challenges for two years. For example: "Are you an expert in the chill out of the ordinary? Try cryogenic test ». This advertisement posted record audience being extremely 'observable' and 'cited' whenever aired. The slogan of this contest implies that, in fact, the company already had the answer. Thus, it will be recognized as an expert in the field.

3.1.6. Advertisement can be a guide whose 'hero' is the product

A material made for the Massey-Ferguson company from England shows 14 types of plows and the advantages of using each of them 'Massey-Ferguson guide to work the land in the best way.' Massey-Ferguson salespeople found this material turned it a poster and pasted on the walls of several shops distributing agricultural products.

3.1.7. The promise must appear in the title

A powerful promise is the most effective way of drawing attention to those few readers who are, in fact, potential buyers of the product. "Fiberglass is more than a

pillar that glows and is resistant to weathering. It is a way to reduce to almost zero maintenance costs". A single order made after this commercial was enough to finance the campaign for a year.

3.1.8. Using graphs and diagrams

For Shell Chemical the following were used: a diagram explaining a chemical process and a diagram with typical application information. There were only illustrations of an advertisement which brought sales of several million dollars for Shell.

3.1.9. It is good to mention the price

Contrary to what many publicists believe, the price stated in the advertisement does not scare potential customers. Research shows that price, even if high, increases the number of readers. Buyers know that good quality costs more than the poor one.

3.1.10. The concentration of forces

Advertisement should not be included in many magazines. The research done by the McGraw-Hill company shows that the wisest is the advertisement to appear in two bestselling magazines, among the most popular five in the field. So it can reach about 86% of the audience generated by inserting advertisements in the top five journals in the field. The difference lies in reducing costs by about 47%.

3.1.11. Advertisements spread across two pages

Advertisements on double page are expensive and not justified unless they are required by the importance of the subject or to support the proposal of titles. Advertise double costs twice more than one page simple, but probably never will bring double the number of readers. If possible, it is advisable even using smaller sizes commercials. For 3M, in England, they have experienced various sizes of advertisements in newspapers and emphasized that a commercial size less than a quarter of a page can sometimes bring as many responses as one on an entire page.

3.1.12. Use repetition

Those advertisers are well known for 'killing' the advertisements even before they justify the effort and money. An advertisement for Owens-Corning company was classified after the eleventh appearance as 'the most often mentioned' and 'best read' advertisement in 'The Wall Street Journal', received the same score as when they first appeared.

3.2. Industrial Prints

The average user of advertising in the consumer goods sector is spending usually under 8% of its budget for their prints, while the industrial sector reaches almost 30% of the budget (Hart 1998, 183).

This considerably higher activity is unrelated to the quantity of written material. The 30% mentioned is technical material aid for sale, brochures, catalogues, booklets, mailed newsletters, internal material, aid for the recruitment of staff, and all materials protocol (notebooks) produced directly by partner advertising agencies.

The volume and variety depend on the elementary communication reasons in the business market. Often there is a requirement to disseminate a large amount of relevant information, in such form that it can be studied and used as reference during a certain period of time. Of course, audio-visual techniques have grown in importance, but for now there it is still very efficient the communication through printed paper.

Usually printouts are required for the 3 levels of organization. These levels can be summarized as follows:

1. organizational level – it can be distinguished the literature presenting the technical possibilities of the company and indicating the potential benefits that can be offered in order to sign contracts with clients. Then there is the introductory brochure for graduate schools, which are introduced to career opportunities and the chance to get job satisfaction in the company. At the other end of the spectrum, are the product catalogue and addresses of the company, for the use of all sub-organizational divisions.
2. sub-divisions organizational level – technical possibilities literature exists, but only for sub-division concerned or narrower areas of the total market which operates establishments. A sub-division of the company that produces technology for industrial turbines can print a wide range of materials for research and development, production and installation, but it may need also printed materials intended for the electricity suppliers or those applications in navy.
3. own functional level - each unit has its own advertising. Customer companies can find their presentation manuals, brochures, technical mentoring activity, the product information, technical data sheets and catalogues. All these ways of promoting must respond to a need expressed by the market and avoid, if possible, imitation type 'and we are able! "Or manifestations of various forms of pride, regardless of the source.

3.3. Industrial exhibitions as ways of promoting industrial goods

Industrial exhibitions were long considered the core of the promotional mix, despite the fact that their organization, taken as a sector of economic activity in the UK

alone consumes 1.4 billion pounds, or one third of total marketing expenditure, after television advertising and print media (Cotterel 1992, 86). In the United States exhibitions are considered also a big business, companies allocating around 25% of the marketing budget for this means of communication.

What many companies fail to comprehend is that exhibitions represent a completely different marketing environment that requires application of methods that are different from those with which they have become accustomed. It is an environment with bigger potential, primarily because customers are those who come to producers and not the reverse, visitors show more receptivity and rejection is more difficult. There are no intermediaries (like secretaries) or busy phone lines, which hinder in any way the final meeting.

Exhibition visitors are receptive mainly because of that environment which is activating all their senses, and communication is facilitated by the very nature of her total: in general people communicate almost 70% through body language, a rate of 20% through inflections of voice and the verbal content represents only 10%. Thus, within the exhibition, people become more effective in the face to face negotiations.

As a method of testing the market, exhibitions can be very effective in terms of cost - the sales staff is able to get an immediate reaction from the public. Another analysis performed on people who visit the exhibition, showed that approximately 85% belong to the category 'influencing factors' in the group's decision-making industrial acquisitions.

In time, they identified several issues that are tracked by the participants in these industrial exhibitions, namely (John 1993, 55):

1. increase / maintain / regain market share and market penetration;
2. contact with more people representing potential clients;
3. repositioning the company on the market;
4. support / recruiting distributors / end users;
5. launching new products;
6. political reasons or lobby;
7. increasing sales and the introduction of related products;
8. strengthening relationships with existing clients and use feed-back from them as a platform for research and development department;

Exhibitions are advertising vehicles by their very nature, but sometimes companies have to handle and operate according to certain rules. Very often, they are 'manifestations of industrial field', which means it can stimulate specialized journalists to be present and also a high concentration of people that is impossible to for a company to obtain on it's own, no matter how powerful it is.

When participation is tackled effectively, exhibitions become a huge opportunity to obtain further information and potential revenue sources. Many cities (eg. Potsdam, Koln, Frankfurt, Paris, London etc.) have become famous in the hosting industry exhibition where brands from around the world come into contact.

Also, a big importance should be given to the post-exhibition period, which actually is more intense and more elaborate than the exhibition itself. Unfortunately,

a lot of companies do not give the right importance to the work needed in the coming period, because the activity during the exhibition was not very well organized. There is a risk in these situations to lose valuable information for companies and potential clients. In case they are not in contact in real time and in an efficient manner, they will not be transformed into real clients, and the main objective of the participation may not be achieved.

5. Acknowledgements

As a conclusion it can be said that while the promotion of consumer products is based on a psychological component designed to determine a specific behaviour among individual customers, in the case of industrial products the promotion is done on very different bases because the organizational acquisition behaviour differs a lot from the one of the individuals. While on consumption goods market promotion is aimed to determine psychological and immediate reactions and also attachments of customers to a certain brand, promoting industrial goods is sometimes more difficult because companies must find clever ways to determine the buying decision which in this case is based on rational reasons.

6. References

- Aaker, David. 2005. *Managementul capitalului unui brand*. Bucuresti: Brandbuilders Grup.
- Anghel, D.L., and E.C. Petrescu.2002. *Business to Business Marketing*. Bucuresti: Uranus.
- Attali, Jacques.1996. *Industrial Marketing*. Paris: D'Organisation
- Britto, John. 1998. *Technological Diversity and Industrial Networks: An Analysis of the Modus Operandi of Co-Operative Arrangements*. SPRU Electronic Working Paper, No 4.
- Cotterel, P. 1992. *An Exhibiter's Guide*. London: Ed.Hodder and Stoughton.
- Hague, Paul. 2015. *Business Promotion and B2B Advertising*. Manchester: B2B International.
- Hart, Norman. 1998. *Marketing Industrial*. Bucuresti: Ed.Codecs.
- John, R. 1993. *The Key to Successful Exhibiting*. Glasgow: Ed.Nomadic Structures Ltd
- Maincent E. and L. Navarro.2006. "A policy for Industrial Champions: From Picking winner to fostering excellence and the growth of firms". *Industrial Policy and Economic Reform Papers*, No.2.