

Industrial Marketing

Definition: Offering the right product at the right price at the right place and at the time to sell profitably to business customers. **B to B.** Selling goods and services that are **not directly aimed at consumers**. It may sell finished goods, raw materials, components or services.

Methods adopted when selling to industrial customers:

- Will require a **finely targeted approach** – homing in on the few people in any organisation whose responsibility it is to purchase goods and services from outside.
- Industrial marketing is more focussed and does **not aim at mass markets**.
- **Trade fairs and exhibitions** may be used to establish contacts and display goods.
- May involve highly **specialised sales personnel** – one to one relationship with purchasing manager/buyer likely to be more important. Price negotiation.
- **Trade magazines and journals** may be used to advertise the goods or services.

International Marketing

Opportunities when marketing globally:

- ✓ a much **larger potential market** – important as the UK market seems to be saturated
- ✓ an opportunity to **earn greater profits** and thereby grow the business
- ✓ **spreads the risk** – being in a number of different markets can safeguard against economic downturns
- ✓ **may enhance the business' reputation** – investors may be attracted towards the business
- ✓ **economies of scale** – marketing economies.

Difficulties when marketing globally:

- ✗ selling abroad can be **more risky** than the domestic market
- ✗ need to be aware of **government stances and policies** so that marketing is appropriate
- ✗ **cultural differences** – language, religion, attitude towards advertising, etc.
- ✗ **products may need to be adapted** to suit the requirements in different countries – this could cause margins to be squeezed
- ✗ **economic factors** such as the general level of income will need to be taken into account so that marketing can be targeted effectively
- ✗ **differences in business practice**
- ✗ understanding the **degree of competition** that already exists in the markets being considered – the use of reliable agents who have an understanding of specific markets
- ✗ exchange rate difficulties.



Marketing Budget

Definition: It sets out targets for the marketing department. For example: how much money is available to be spent, targets for sales, targets for market share etc.

Purpose: It is a planning and control tool. It ensures that spending is kept under constant review.

Benefits of a marketing budget:

- ✓ it helps to control marketing costs
- ✓ it can help to identify where costs have been too high
- ✓ it identifies situations where marketing expenditure has been ineffective
- ✓ it helps to plan the future of the business
- ✓ it helps to co-ordinate strategies with other departments
- ✓ it sets targets which may help to motivate employees.

Problems might include the following:

- ✗ they may be too rigid and not be responsive to changes in market conditions
- ✗ if too ambitious they may demotivate employees
- ✗ they may be inaccurate and lead to poor decision making
- ✗ they might conflict with other objectives of the business
- ✗ resources might be redirected from other departments
- ✗ time and expense of setting the budget.

