

Industrial Marketing and Communications Strategies

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Abstract

There is considerable similarity between consumer purchasing and business to business purchasing, although there are differences between communication strategies and activities. In industrial marketing communications tend to be information based, rational and designed to generate leads or inquires in support the sales staff. All members of the buying center must be reached and influenced; different message and media strategies may be required for each. For building strong relationships between buyers and suppliers communication should be managed if these necessary relationships are to be maintained and enhanced. Personal communications tools and primarily the sales force who sometimes meet buyers in the company play an important role in industrial marketing communications. Because of this point of purchase(In industrial company)is important for selling products and creating corporate image.

From a theoretical perspective, there is an emergent trend toward the planning of point of purchase communications strategies in order to build corporate image, atmosphere and organization. However, the benefits of strategising and planning cannot be fully realized unless they are supported by the corporate public relations. In this paper we explore the idea that to build strong relationships between suppliers and buyers there should be interaction especially between public relations and point of purchase communications in industrial context.

Key words

Industrial marketing communications, Public relations, point of purchase communications, Marketing channels, Network

Introduction

Industrial marketing communications are an important marketing communications topic. Evidently, in a industrial environment largely the same principles of sound communications hold. However, there are a number of important differences between communications in a consumer environment and in a business environment. First; products, customers and markets are different. Buyer decision making behaviour is generally more complex, and other factors influence the buying decision and the way in which customers seek information(Pelsmacker et al.,2001:445). As a result, marketing communications will have to be adapted to these different circumstances, not only in terms of the communications strategies and tactics, but also regarding the instruments that are used or at least the relative emphasis that is put on some instruments at the expense of others. Decision making units have members from various parts of the organization, each of whom has some interest in the out come of purchasing efforts. It is vital that suppliers identify members of the decision making units and recognize their particular needs so that communication efforts can be tailored in each case. The industrial marketing communication manager must be able to treat each member of the decision making units as an active problem-solver.

The network perspective is important for the industrial marketing because it recognizes that the position of a marketer is determined by his coupling to others and the identity of those with whom he relates(Achrol,1997:56-71). Communication must be managed if these necessary relationship are to be maintained and enhanced. Obviously industrial marketing communicators have marketing objectives and they should establish communications objectives to attain these goals. Some of communications components such as personal selling, direct marketing, advertising, point of purchase communications and public relations should be used by industrial marketers(Kasek,1996:46). Likewise, establishing a corporate image is no less important for industrial firms than for their customer counterparts.

Personal communications tools, and primarily the salesforce who call and visit buyers-after visiting to the buyers, the buyers may visit the firm- play a very important role in industrial marketing. In other word, buyers and suppliers generally meet in the industrial company. Because of this in industrial company point of purchase communications(in-company communications) is important for selling industrial products and creating corporate image. In the marketing literature, there is an overt impression that simply planning the strategies of

POP communications and then implementing those strategies would be sufficient to build corporate image, corporate atmosphere and corporate organization(Lewis,1997; Zimmer and Golden,1988;). However the benefits of strategising and planning cannot be fully realized unless they are supported by the corporate public relations. For creating corporate image, atmosphere and organization, working only POP communications and ignoring public relations, is not only right but not sufficient in industrial sector. Carrying out strategic planning to create synergy between POP communications and public relations, results maximum productivity in industrial company. According to this communication approach in order to build strong relationship between buyers and suppliers all of communications strategies and tactics should be worked and planned together. If the components of the communications are integrated well then, creating a industrial company image and selling the products may be easier. In this paper we explore the idea that to maintain and enhance relationship between buyers and suppliers, public relations should work alongside in company communications to support it and create maximum efficiency in the industrial marketing system..

Objectives and Strategies Of Industrial Marketing Communications

In business marketing, often industrial products are marketed. They generally have a shorter product life-cycle than consumer products, due to the speed of technological changes. Furthermore, especially industrial products are much more customized, i.e. tailored to the needs of individual customers, than consumer products. Many industrial products do not have a brand name or at least brand names are less intensively used as marketing instruments. That does not mean that brands can not be important in an industrial context. Given the nature of the products concerned, very often the corporate branding strategy is used: The company name and reputation is used as an endorsement for the products.

Before we discuss how industrial communications are used, it is important to clarify exactly what the term refers to. Along with the industrial market came to need to broaden the title given to communications used to communicate with it. Industrial marketing communications include communications targeted to the industrial sector.

Industrial marketing differs from consumer marketing in a number of ways, some related to the market and marketing environment, others to the appropriate marketing mix. Industrial market structures tend to be more oligopolistic and oligopsonistic. This implies that industrial marketers know their customers better and can approach them in a more individualized way. Industrial marketer often face derived instead of direct demand. Demand for many business

products only exists because at the end of the line, there is a direct demand from end customers(Gross et al.,1993:125). As a result, industrial marketers can seldom influence end demand directly. Furthermore, there is no direct relationship between end demand and derived demand(Pelsmacker et al.,2001:446).

Marketing Channels and Networks

In recent years, managers and scholars in the field of marketing communications, have come to view the channels through which products are accessed by suppliers and buyers as networks of coordinated distribution activity. As we have seen from our industrial marketing perspective these networks are also intimately part of the wider manufacturer and supplier system. The crucial point to grasp about this perspective is that the actions of each members of the network more or less impact on many other members, and not only those to whom they are directed. The network is a web of interdependent and reciprocal relationships(Achrol,1997). A distribution channel is thus a performance network coupled with a support network, whose members assist in satisfying customer needs in order to accomplish their own purpose. Communications should be managed if these necessary relationships are to be maintained and enhanced. The value star is a contemporary model for the network of collaborating partners who work together to provide end-customer satisfaction. The corporation can be thought of as a knowledge- conversion system that creates value for a range of knowledge network members. For some members, value is created directly through products that can be used to meet needs. We refer to these members as ‘buyers’. Other members acquire benefit from their memberships indirectly(Varey,2002:79-111).

According to Wikström and Norman(1994) model, the corporation as part of a value creation network that organizes processes of generation, production and representation and creates value by transforming knowledge. This approach differs from the traditional supply chain management view that is linear, monological, and fragmented, emphasizing persuasion and informing. Instead a holistic, dialogical, integrated, synchronous, and reciprocal system of knowledge exploitation is envisaged in which productivity is taken to be value creation. Some of the people in the network will have conflicting interests and motivators. Within the value star the marketers will try to add value by managing the performance of the generative, productive and representative system in the corporation. Marketing action will be required and will be effective to the extent that relationships are mutually productive. The state of relationships can exert a powerful effect upon brand image, product acceptability, reputation and so on.

The Strategies and Tools Of Industrial Marketing Communications

Communicators become interconnected in patterns of communication to a greater or lesser degree of integration or connectedness. Communication systems are collectivities of interacting communicators who modify their apprehension, interpretations, values and actions in taking account of each other and fellow members of the network. Prescribed network formalized patterns of communication brought about through intended structures. Emergent networks informal and dynamic patterns of communication that emerge in response to the social and task needs of the participants(Heath, 1994).

The primary difference between industrial and consumer oriented communications is that the latter are generally targeted of those customers who will actually use the product in its final form, while industrial communications are directed at companies that produce goods designed to facilitate to operation of the enterprise. These products are typically thought of as having a derived demand that is, their demand is generated by the end for other goods(Brugaletta,1995:8-9). In industrial marketing communications tend to be information based, rational and designed to generate leads or inquires in support of the sales staff. Says one industrial agency, 'Each communication element should make it desirable for the potential customer to contact the manufacturer, all inquires should be responded to in the same day, and all information should help the customer sell the product to their management(Eisenhart,1988:44-55). Most messages tend to be very technical and factual. Many industrial marketers recognize this lack of creativity and have attempted to jazz up their messages.

Some of communications tools, such as sales promotions will be used less intensively than in consumer marketing, although it is frequently used instrument in marketing to reseller. Other tools are used more often, or almost exclusively in industrial marketing, such as trade shows, exposition and technical documentation. A large part of the personal selling and telemarketing activity also takes place in the industrial environment, and public relations, advertising, and direct marketing play a significant role. According to our view, besides of these tools, point of purchase communications have got important role in the industrial marketing communications. Because, buyers and suppliers generally meet each other in the company.

From the industrial marketing communications perspective, the point of purchase communications can be defined as any promotional material placed at the firm, such catalogs,

technical documents etc all. (Rosenberg,1995). But POP communications are not only concerned with POP advertising. Be cause the corporate image, atmosphere, organization, product presentation an integral part of POP communications and they are very important for the industrial marketing. It is true the say that, POP communications involve all aspects of the company and the business environment that can signal something to customers about the quality or product assortment, whether it is initiated by the retailer or by the manufacturer. The P.O.P. communication can serve different objectives and functions in industrial marketing. According to Pelsmacker(2001:352); these objectives and functions are remind, inform, persuade and image.

When the P.O.P. communications components are used well, they may also remind industrial customers of going on or previous the advertising, public relations and other campaigns, together with the brand. The campaigns recalled may encourage the purchases.

P.O.P. communication is quite effective in providing information to the buyers. It may be possible to direct the purchasing decision towards the targeted brand by giving persuading information about the industrial firm and brands by means of different technical materials attracting attention. After drawing customer's attention, reminding them, and giving information to the customers who haven't made their decisions, we should try to persuade them. In fact, the basic purpose of the P.O.P. communication is to persuade the industrial customer to make the decision to buy (Birtwistle et al., 1998). Finally, POP communications serve to help building an image to the buyers. If all P.O.P. components are integrated and coordinated with the public relations activities , then creating a corporate or industrial brand image may be easier.

In order to achieve the required aims, P.O.P communications should involve the elements such as corporate organization, atmosphere, image along with P.O.P promotions and other advertising materials. They are included within the scope of work of the public relations. The corporate image can be defined as the perceived identity of the company. In other words, it is how the customer sees the industrial firm, as well as what the customers feels about the industrial firm (Lewison, 1997: 48). The factors such as the inner and outer design of the industrial firm, quality of its products, service rendered, external features of the employees and their manner of behavior, atmosphere of the corporate quality of the P.O.P. materials all constitute the corporate image. It is quite important that the firm has the intended positive image in the eye of the target groups, because the image is the basic characteristic element in

the formation of the customer fidelity to the industrial firm. Therefore the suppliers should carefully think over what they want buyers to see and feel on the basis of which they form an image of the company. Consequently it is highly important to be suited setting of an industrial company to the psychological and physical requirements of the targeted customers since it imposes a positive effect on their impressions and purchasing process.

Corporate organization and corporate atmosphere are important factors in the formation of the corporate image and leading the industrial customer purchases. Making the arrangement of the departments within the framework of a certain plan is called the industrial company organization. Atmosphericity can be defined as the effort to design an industrial company environment to produce specific emotional effects in the buyer that enhance his decision probability, since atmosphere is apprehended through the senses. The atmosphere adds a valuable characteristic to the industrial company and its brands. The music, color etc. create the feelings of happiness, liveliness, reliance and extend the time spent in the industrial firm and stimulate the desire to buy. The corporate atmosphere provides customer satisfaction to a high extent as well as it makes the sale take place. And the prerequisite to the customer fidelity is the customer satisfaction.

In order to create the required image to the target group, the instruments forming the corporate atmosphere should be planned carefully. This planning is basically included in the corporate identity programme. The corporate design, corporate behavior and corporate communication elements play a role in the process where the store atmosphere takes shape. This process is guided by the public relations. Public relations play an important role in the industrial marketing communications.

The Role of Public Relations in the Industrial Marketing Communication

Eight out of 10 industrial companies report they have a formalized public relations function, although it constitutes only 4 to 5 percent of the budget. Because typical public relations media include business paper articles, trade magazines and journals. The use of articles and press releases to detail product innovations and developments is common in this market. Many customers rely on these articles to keep abreast of new developments in the marketplace (Starmark report, 1986). According to our view public relation has to have more complex duty in industrial company.

Public relations is that function of management charged with responsibility for effective corporate communications to various target groups. But it has to be supported by the other functions as well. Corporate public relations is a public relations speciality carried out in order to create corporate image. It is responsible for establishing understanding and trust in those publics that may have a potential or actual interest in the organisation. Corporate public relations plays a vital role in integrating the company's communications efforts. Integrated communications at the corporate level imply the creation of synergies between all communications tools, especially corporate public relations and integrated marketing communications. Corporate public relations involves three focal responsibilities(Riel,1995:22-28):

- to develop initiatives in order to minimize non- functional discrepancies between the desired identity and desired image, taking into account the interaction of strategy-image-identity
- to flesh out the profile of the company behind the brand
- to indicate who should perform which tasks in the field of communication, to formulate and execute effective procedures in order to facilitate decision making about matters concerning communications.

A corporate public relation plan is usually related to corporate identity programme and corporate image campaign. The terms image and identity are frequently used in descriptions of company communications strategies. It has become generally accepted that image is the picture of organization as perceived by target groups, while identity is associated with the way in which a company presents itself to its target groups..According to Fauconnier(1988:94); image is a subjective and multi-dimensional form of representation or important of reality in the human brain, as a consequence of which this reality is presented in a reduced, coloured and thus often transformed manner. The great interest in images primarily stems from the assumption that a positive image is the basic prerequisite for building a direct or indirect commercial relationship with various kinds of target group. Initially, that interest centred on images focused primarily on selling products. Gradually, the focus widened and, particularly over the course of the last decade, there has been an explosion in publications about corporate image(Riel,1995:74). It is possible to say that without the help of image, customers have difficulty in deciding which industrial company to contact.

The first step of the POP communications working process should be corporate identity programme. Additionally, strategic planning of corporate public relations includes corporate identity programme. Corporate identity concept has gradually been broadened and become more comprehensive, and is now taken to indicate the way in which a company presents itself by the use of design, behaviour and communications. These three elements constitute the so-called corporate identity mix. All elements in the mix can be used both internally to present the personality of an enterprise, according to an agreed company philosophy. The messages presented by a industrial company by means of the 'corporate behavior', 'corporate communication' and 'corporate design' are perceived by the target group. As long as the messages are perceived and as the 'buyer's interest and involvement are increased, a certain picture becomes clearer and an image starts to form in the minds. The image might be considered as a photographic film which is on the point of developing in people's minds. In other words, industrial company image is set of meanings by which a company is known and through which people describe, remember and relate to it. That is the result of the interaction of a buyer's beliefs, ideas, feelings and impressions about a industrial company or supplier.

The corporate identity is just one of the many major influences on the industrial company image. A successful corporate identity will visually separate and distinguish the industrial company from both its competitors and from others operating within the same geographic region. The corporate identity is merely a reflection of the company. It is by no means the definition of who or what the industrial company is today and what is striving for in the future. We can't define a organisation through a symbol, name or colour scheme. Rather we need a well defined corporate identity system to express to the organisation's constituencies, and to the world at large, who and what the company is. This requires a strategic understanding of where the industrial company has been in the past, where is today, and most importantly, where it is heading in the future. In effect, it means understanding true nature and personality of the industrial company, and then viewing this personality from the customer's perspective. The importance of the corporate identity system becomes even greater when it is part of the corporate public relations process. This because the holistic approach of the corporate public relations process requires the corporate identity system to be extended to areas not traditionally covered by the strategic designers and identity design consultants(Howard,1998:142). It is possible to say that in order to create synergic interaction in the system the first step of the point of purchase communications working process should be corporate identity programme.

Besides the other communications tools, especially point of purchase communications and corporate public relations should work together in order to build industrial company image, atmosphere, organization and employ carefully planned strategies and tactics to support each other. Carrying out strategic planning to create synergy between POP communications and corporate public relations, results in maximum productivity between buyers and suppliers. Corporate public relations, by determining purpose at positioning point of purchase in accordance with marketing principles adopted, should prepare program for corporate identity. All the necessary work shall be done pertaining setting up corporate design, corporate behaviour, corporate communications as well as product identity during corporate identity preparation phase for the point of purchase. Integrated industrial marketing communications too shall participate in the work done for realizing product-brand positioning targets determined according to marketing strategy, specifically for determining corporate behaviour, corporate communication and product identity components. Nevertheless the actual duty of integrated industrial marketing communications shall start when all this work programmed is put to action.

If “attitude towards the employees” as one of the components of corporate behavior remains within scope of only “attitude towards the customers as well as other entity-corporations,” then it should be regarded as within the scope of work done by industrial marketing communications as well as corporate public relations. Public relations builds upon the industrial company’s strengths, identifies and correct its weaknesses, and exploits untapped opportunities in the market by ensuring that the projection of the industrial company image is consistently portrayed by corporate behaviour. To manage the industrial company image thoroughly, all internal and external communications must be continually managed, particularly those related to corporate behaviour, corporate design, corporate communications and marketing. The public relations permeates everything about the company. It is the platform, or the operating system, for how customers perceive and evaluate every industrial company or product. There is no doubt that a successful identity system does much more than simply create an identification for the industrial company. At a minimum, the identity system should create something memorable and distinctive about the firm, something that enables the organization to stand out from the crowd. In the best executions, a corporate identity system will provide a unique positioning platform for the industrial company, something that allows customers and others to develop a feeling of familiarity with the company..

Finally, in today's world deteriorating brand power, rising perceptions of parity products and industrial companies and increasing competition the corporate image has taken on renewed in management and industrial marketing process. According this communications approach, in the industrial companies for building strong relationships between buyers and suppliers and creating customer loyalty, the first step in POP communications process should be to work on building corporate identity. This is because if the value of the company is high, the synergy in the system helps to the other communications activities.

Conclusion

As we have seen from our industrial marketing communications perspective networks are also intimately part of the wider manufacturer and supplier system. The crucial point to grasp about this perspective is that actions of each members of the network more or less impact on many other members and not only those to whom they are directed. According to our view besides some of industrial marketing activities, the tools of communications should be managed if necessary relationships are to be maintained and enhanced in industrial sector. In other word, in order to build strong relationships between buyers and suppliers, communication strategies and activities such as advertising, direct mailing, personal selling, point of purchase communications and public relations should be planned and worked together. In today's world especially point of purchase communications and public relations play an important role in the industrial marketing communications. Point of purchase communication and public relations has got strong relationship and interaction.

In-company communications have an enormous potential impact on the buyer. Since the vast majority of buyers make buying decisions at the point of purchase, in-company communications are of crucial importance. Some instruments of in company communications can be used, such as catalogs, technical documents. Besides these specific communications instruments, also company image, organization, atmospherics are important. They are also elements of the corporate identity programme and public relations is usually related the corporate identity programme and corporate image campaign. Because of this point of purchase communications should be particularly well integrated with public relations in industrial sector..

The corporate image, as well as organization of the company and the dominant atmosphere occupy significant place in terms of communication at point of sales(in company), a work

which comprise all aspects of the company and the medium involved. Also, it is important in terms of the corporate atmosphere and image formation too. Therefore it is possible to conclude by saying; these three concepts are inter-related with one another. The work that needs to be done to develop the corporate image, atmosphere and organization that bear significant importance in terms of the P.O.P. success, on the other hand is a task borne mainly by the corporate public relations department. Moreover it becomes necessary to make the necessary preparations, primarily to develop the schedule for corporate identity to the point of purchase.

Finally it is possible to say that in order for an industrial company to bring themselves up to the required high level of corporate image, atmosphere and organization, public relations and POP communications should work interactively. In this paper it has been emphasized that to maintain and enhance relationship between buyers and suppliers, it isn't sufficient to work only some of the communication tools. Corporate public relations and its associated activities should work alongside point of purchase communications to support it and personal selling and create maximum efficiency in the system.

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