Tlemcen University
Faculty of Economics, Management and Business Sciences

Department of Business Sciences

2nd Year Master Marketing

6. Industrial Product Policy

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Product Policy

In

Industrial Marketing

The Industrial Product

The desired product is generally well defined by the client because it is professional and objective (most of the time).

The product has strategic importance for him because it enters his production system.

On the other hand, the industrial product is often versatile and can be used for several purposes unlike the client product which only meets a specific use.

Product classifications

There are several possible classifications for products:

1. Product/Service Classification

2.Standard or Specialty Product Classification

3. Catalog and Custom Product Classification

1. Product/Service Classification

The difference between the two is based on four criteria:

- **Tangibility**: tangible products can be touched, seen, smelled or even tasted while Services are intangible.
- **Storage, standardization** and **participation of the buyer** in the purchasing process and sometimes in the realization process.

Example Services	Example Products
Insurance, Banking, Mail and delivery, Fixed telecom operator, IT technology and services, Tourism, Maritime transport…	Aeronautics, Aerospace and defense Building, Cement, Construction and public works, Chemistry, Computer equipment, Pharmaceutical products..

2. Classification of Common or Specialty Product

The common product is not limited to basic, unprocessed products (cement, glass packaging, fertilizers, etc.), but commonality can threaten some of the most sophisticated activities (IT, for example). The only advantages of marketing are apparently limited to sales efforts and price.

The specialty product responds in a precise and differentiated manner to one or more specific needs. In other words, it is a product that can be positioned.

3. Classification Catalog and custom product

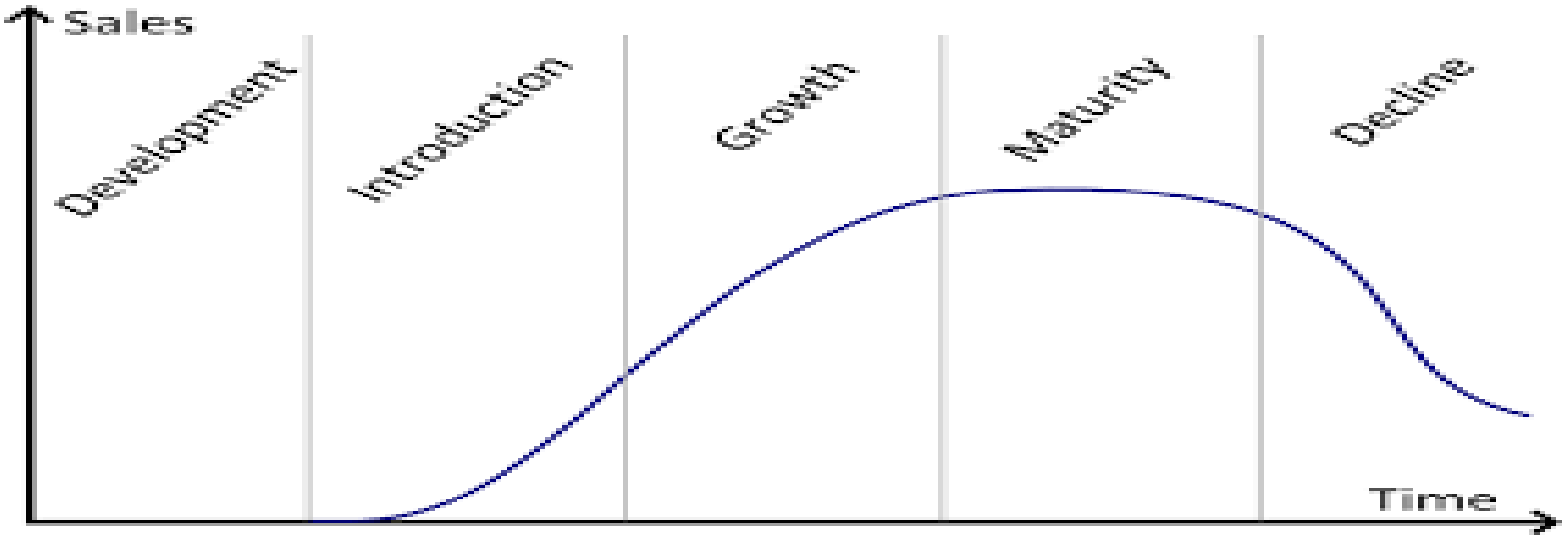
Catalog product, it is the manufacturer who defines the performance and quality.

Custom product, it is the client who defines the performance and quality.

The life cycle of a product

Just like in the consumer market, the industrial product follows a "life cycle" in 5 phases

- Phase 0: is the research, design & development phase:
- 1st phase: is the Introduction or take-off phase.
- 2nd phase: is the growth/development phase.
- 3rd phase: is the maturity phase
- 4th phase: is the decline phase



The Brand

Are considered as a Brad "all material signs used to distinguish the services of a company"

A Brand can be materialized by:

- *A common surname, geographical name* (Boeing, Evian)
- *A term* (Oracle)
- *An expression* (*Engineering for a better world* :*GEA)* - *Logotype* (Siemens)
- *A drawing* (the Apple apple, The lightning bolt in the Schneider Electric logo)
- *A color* (The blue associated with IBM or the red used by Bosch)
- *A combination of numbers or letters* (*3M* :Minnesota Mining and Manufacturing)
- *A sound or a musical phrase* (Intel's Sound Signature)
- *A form of packaging* (Specific barrels for Mobil industrial oils)
- *A slogan* "*Innovation for the real world* "(*Honeywell*). - *An acronym* (*HP* :Hewlett-Packard).)

The Brand

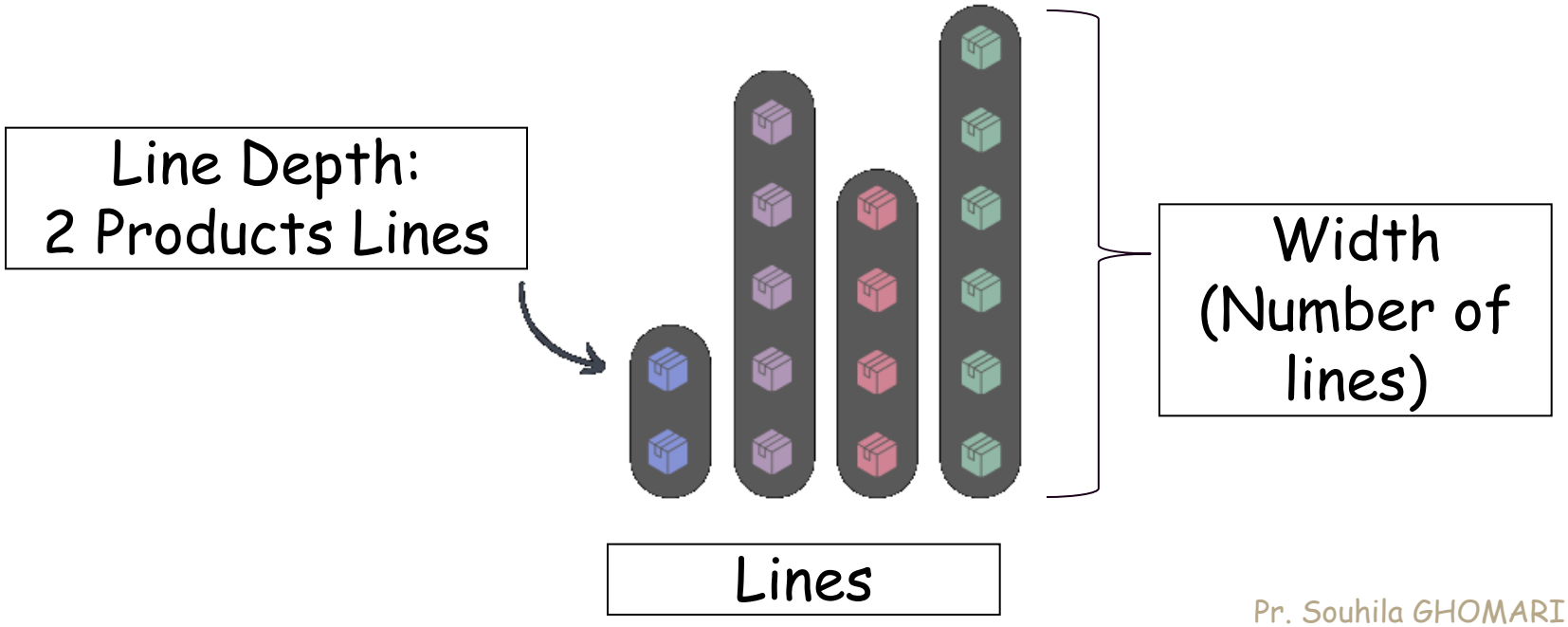
In industrial marketing, the brand differs significantly from consumer marketing by focusing on rational and technical aspects.

It targets professionals, emphasizing reliability, performance, and compliance with standards, unlike consumer brands that rely on emotion and appeal.

The Product Range

Refers to all the varieties of products manufactured and sold by a company.

- **Width of a range**
- **Depth of a range**
- **Length of a range**



The Product Range

Refers to all the varieties of products manufactured and sold by a company.

* **Width of a range**: This refers to the number of products or product lines offered. For example, a company specializing in industrial equipment may have a wide range that includes **compressors**, **pumps**, or **electric motors**.

* **Depth of a range**: This is measured by the number of different items available within each product line. For example, for **compressors**, the company may offer models such as **screw compressors**, **piston compressors**, or **centrifugal compressors**, with different capacities or power ratings.

* **Length of a range**: This represents the total number of references within a range (width x depth) that address similar needs. For example, the **pump** range might include **centrifugal pumps**, **piston pumps**, and **diaphragm pumps**, covering various industrial uses..

Conditioning and Packaging

- **Conditioning:** is the material envelope or first container of the product that constitutes a unit for retail sale

- **Packaging**: is the container that ensures the handling, convocation and storage of products in the best safety conditions.

In practice, these two concepts are often confused, Americans use the term "PACKAGING"

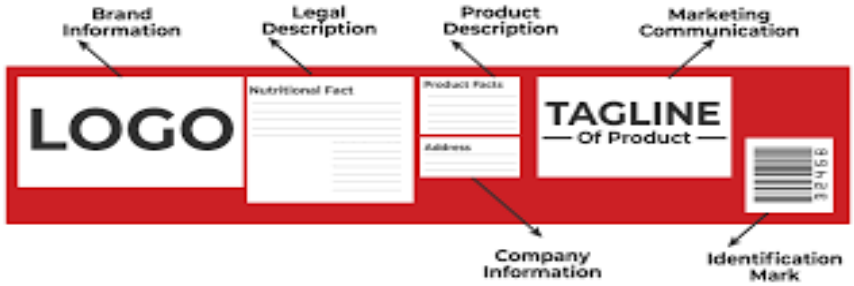
Compared to mass-market marketing, B to B ultimately attaches little importance to packaging in aesthetic terms. On the other hand, packaging has an important "technical" role.

Labeling

The label is the part of the packaging that contains information describing the product.

It appears on the packaging or inside (as in the case of industrial equipment or pharmaceutical products).

Role of Labeling



Its role is:

- **Legal role: mandatory information** (sales name, manufacturer's name, quantity, product origin, product composition, treatments undergone, sell-by date for perishable products), price marking (display of price including tax …)
- **Role in point-of-sale management**: stock monitoring (barcodes), analysis of sales by item and by department..
- **Communication and information role**: inform (instructions for use and mandatory information), promote the product (identify it on the shelf), communicate the advertising and promotional message

Barcodes

Barcodes are a simple way to identify products. Each sequence of numbers hides specific information about the product. Similarly, each product has its own identification system: no two are the same.

To read a barcode, you need to be equipped with a special reading system with an electronic sensor. For example, an EAN code reader, a barcode scanner or a barcode reader.

Reading Barcodes

I - Each of these barcodes has 12 decimal digits. In our example, these are the digits:

0. 1. 2. 3. 4. 5. 6. 7. 8. 9. 0 1.

These 2 times 6 digits are represented by the bars above, that is to say, these bars represent another way of writing the numbers, a coding.

II - The 3 longer double bars shown here in gray do not represent

decimal digits.

Reading Barcodes

III - The 4 that is outside the barcode is not represented by a bar but by a metacode that is not visible, these numbers that are outside, here the 4, are the 13th digit of the code.

Content of the barcode - the 4 is the sign of the country of production, the 0 goes with it. The numbers 1, 2, 3, 4, 5 are the company number at the national level. 6, 7, 8, 9, 0 are the producer numbers for the article in question and the 1 is a check digit.

Label

It is simply a distinctive sign that is supposed to provide an additional guarantee to the consumer compared to the brand.
There are three categories of labels:

Experiential labels: provide information on the quality of the consumer experience (e.g. a gold medal in the general competition for food products)

Technical labels: provide guarantees on the technical characteristics of the production (such as the AB label which identifies products from organic farming)

Experiential and technical labels: combine the two dimensions. E.g. the AOC label (Appellation d'origine contrôlée) identifies a typical product by its origin, applies to cheese, Corsican honey, etc.

Examples of labels

Certified

B

Corporation

ELU PRODUIT DE L'ANNÉE

GREEN GLOBE CERTIFIED

Quality

Definition:

The ISO (International Organization for Standardization) defines quality as "the set of properties and characteristics of a product or service that give it the ability to satisfy expressed or implied needs".

The quality of a product is therefore its ability to satisfy a need.

The Quality

- **Cost reduction**: Non-quality, internal and external, generates two types of additional costs: accounting costs (scraps, return of delivery, delay, etc.) and commercial costs (damage to image, complaints, lawsuits, loss of customers, market share).

- **Compliance with product legislation**

- **Response to market expectations** By reducing defects, we obtain better customer satisfaction

- **Strengthening the company's identity** This project mobilizes staff at all levels