

### Learning Objectives

- To define an industrial product.
- To understand changes in the product strategy.
- To know product life-cycle (PLC) theory and its application to marketing strategies.
- To learn how to develop product strategies for existing products.
- To learn managing innovation and new industrial product development.
- To understand marketing strategies for industrial (business) services.

**I**t is the product or service offer from an industrial firm that must ultimately satisfy customers' needs. Product decisions are both important and complex, and bind together various departments such as R&D, engineering, materials, manufacturing, and marketing.

An industrial organisation must consider two major objectives while developing product strategies. These are: (i) To ensure that the product-mix (i.e. various products marketed by the company) is in line with overall company and marketing objectives, and (ii) To evolve guidelines for reviewing the performance of the existing products, by using factors such as sales, profits, competition, and customer acceptance.

Based on these objectives, the product strategies are decided. Which of the existing products should be continued, or modified, or dropped, and which new products need to be developed are included in the product strategies. Before we go into the details of the product strategy, it is necessary to define an industrial product.

### DEFINITION OF AN INDUSTRIAL PRODUCT

The industrial product is defined<sup>1</sup> not only as a physical entity, but also as a complex set of economic, technical, legal, and personal relationship between the buyer and the

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1. Webster F.E. Jr. *Industrial Marketing Strategy*, p. 106.