Industrial Marketing Management, 3 (1974) 153–166
© Elsevier Scientific Publishing Company, Amsterdam – Printed in The Netherlands

INDUSTRIAL MARKET SEGMENTATION

Yoram Wind and Richard Cardozo

INTRODUCTION

Professors Wind and Cardozo present in this paper a conceptual approach to the segmentation of industrial markets together with results from an exploratory survey of current segmentation practices in industry.

Although segmentation is often claimed to have been used as a marketing tool it could be that its main use is to explain results in an ex-post study *after* marketing has taken place. Wind and Cardozo naturally wish that market segmentation strategies be used a priori and present two examples to encourage appropriate use of market segmentation in planning and control of marketing strategies.

Although in the author's words their approach is "conceptual" the Editorial Board of *IMM* believe it to be practical. Should any readers disagree that the segmentation approach can and should have an impact on the marketing of industrial goods we shall be pleased to hear from them.

The purpose of this paper is to outline theoretically sound segmentation strategies, to explore the current market segmentation practices among manufacturers of industrial goods and services, and finally to contrast theoretically-derived strategies with current practice. It is our hope that understanding and questioning the current industrial segmentation practices in light of an "ideal" model may help identify promising areas for further study and encourage such explorations. The "ideal" model described here has been developed from the literature on market segmentation (which is primarily concerned with consumer markets), combined with pertinent literature on industrial buyer behavior.

The concept of market segmentation is a logical outgrowth of the marketing concept and economic theory, and is at least conceptually as applicable in industrial marketing as it is for the marketing of consumer goods. Daniel Yankelovich (1964) showed examples of the usefulness of segmentation in industrial markets. Knowledge of the size and heterogeneity of market segments may be essential to organizing for effective industrial marketing (Ames, 1971).

Recent texts and articles on industrial marketing (Alexander *et al.*, 1967; Rowe and Alexander, 1968; Wilson, 1968; and Dodge, 1970) include, however, no more than brief mention of market segmentation, and only

Yoram Wind is a Professor of Marketing at the Wharton School, University of Pennsylvania, and coordinator of the University's Doctoral Program in Marketing. He received his Ph.D. from Stanford University (1967) and his B.Sco.Sc. and M.A. from the Hebrew University, Jerusalem (Israel).

He has been a consultant to some of the leading firms in the food, banking, oil, retail and durable goods industries. In addition, he serves as a research consultant to a number of research organizations and advertising agencies as well as authoring 5 books and many articles.

A member of the editorial board of the *Journal of Marketing* and the policy board of the new journal *Research on Consumer Behavior*, he is the Chairman-elect and previously the Vice Chairman of The Institute of Management Science College on Marketing. Dr. Wind is an active member in a number of professional associations, including the American Marketing Association, American Association for Public Opinion Research, the Psychometric Society, the Market Research Society, the International Communication Association, the Association for Consumer Research and the Institute of Management Sciences.

Richard N. Cardozo is Professor and Director of the Center for Experimental Studies in Business in the Graduate School of Business Administration at the University of Minnesota. Prior to joining the University of Minnesota faculty, he taught at the Harvard Business School.

Professor Cardozo's research interests include studies of decision-making in marketing management, product policy, and the buying behavior of household and industrial consumers. His publications include articles in the *Journal of Marketing Research*, the *Journal of Marketing*, the *Journal of Advertising Research*, the *Journal of Social Psychology*, and others. He is a joint author of *Problems in Marketing*.

Professor Cardozo has served as a consultant to several large corporations. He is currently a national director of the American Marketing Association.

Professor Cardozo received his Ph.D. from the University of Minnesota in 1964. He holds the MBA from the Harvard Business School and the BA from Carleton College. Professor Cardozo has received Fulbright and Ford Foundation fellowships.

cursory attention to the nature and behavior of the industrial buying decision making units. Given our initial statement that the concept of segmentation is conceptually a relevant (and even a crucial) ingredient in the design of industrial marketing strategies, the neglect of market segmentation in the industrial marketing literature can be explained if industrial firms do not follow a strategy of market segmentation, or, alternatively, if the introductory statement is wrong.

Our research indicates that industrial marketers by no means use market segmentation strategies as widely or effectively as they might. Segmentation appears to be largely an after-the-fact explanation of why a marketing program did or did not work, rather than a carefully thought-out foundation for marketing programs. Yet two examples which will be described make it clear that market segmentation can indeed be a profitable strategy for industrial marketers.

THE CONCEPT AND IMPORTANCE OF MARKET SEGMENTATION[1]

A market segment is simply a group of present or potential customers with some common characteristic which is relevant in explaining (and predicting) their response to a supplier's marketing stimuli. For example, a market segment may consist of all firms whose annual purchases of steel exceed $5 million, but are less than $10 million. Buyers of noise-muffling equipment may be divided between those whose applications will be visible, in which appearance is important, and those in whose applications appearance is inconsequential. Buyers of many products may usefully be segmented into two groups: repeat buyers and first-time buyers, which differ with respect to the communications strategy which a prospective supplier might employ (Robinson and Faris, 1967).

As a marketing strategy, market segmentation involves first identifying particular segments, and then developing differentiated marketing programs for each of those segments. These programs may differ with respect to product design, communication or distribution channels used, and advertising and selling messages. To be useful to marketers, segments must be sufficiently different from one another and sufficiently large (and profitable) to make such tailoring of marketing programs worthwhile. Segments must also be accessible through specific communication and distribution channels. This accessibility may be, however, either via the media and distribution outlets reaching the segment (controlled strategy), via the message design (self-selection strategy) or in the most desirable case via both the media and message strategies. (Frank *et al.*, 1972). Sometimes identification may be very difficult or economically unfeasible, in which case the industrial marketer faces essentially one undifferentiated set of buyers. At the other extreme, each individual customer might conceivably constitute a segment. Unless the customers were few in number and each economically significant, the marketer would face an array of virtually unmanageable variety. The art of employing market segmentation, then, involves appropriate grouping of individual customers into a manageable and efficient (in a cost/benefit sense) number of market segments, for each of which a different marketing strategy is feasible and likely profitable.

Conceptually, the choice of segmentation as a marketing strategy for industrial goods and services is predicated on the same assumption and criteria as segmentation for consumer goods. The only differences, therefore, between consumer and industrial market segmentation involve the specific bases used for segmentation.

An "Ideal" Segmentation Model

Because some of these bases differ, we propose that industrial markets be segmented in two

[1] Portions of this section are drawn from Frank *et al.* 1972.

stages. The first stage involves formation of macrosegments, based on characteristics of the buying organization and the buying situation. The second stage involves dividing those macrosegments into microsegments, based on characteristics of decision-making units (DMUs). A flow chart which outlines this approach appears in Fig. 1.

This hierarchical approach enables an initial screening of organizations and selection of these macrosegments which, on the basis of organizational characteristics, provide potentially attractive market opportunities. Organizations which may have no use for the given product or service can be eliminated. Starting with the grouping of organizations into

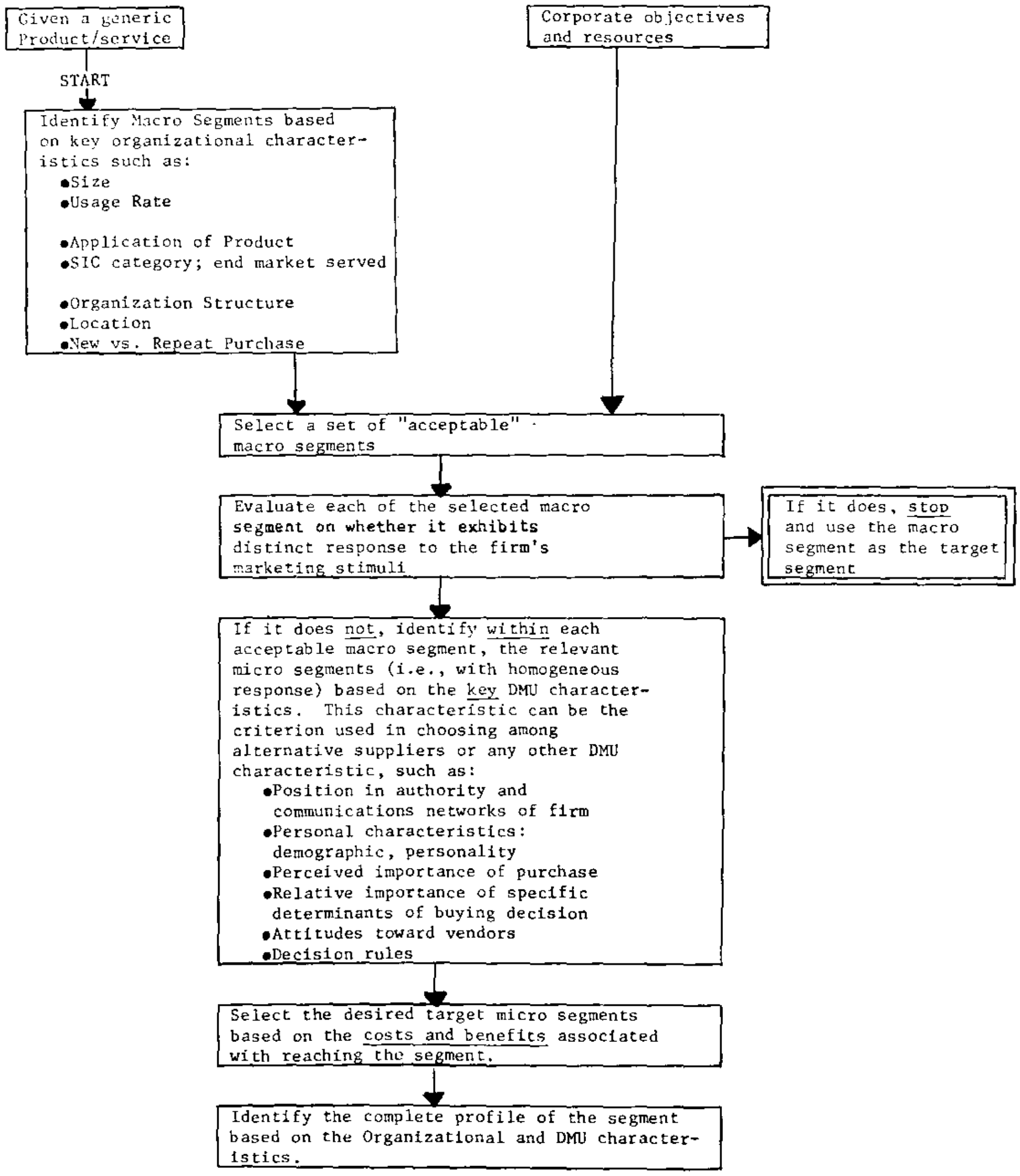

Figure 1. An Approach to Segmentation of Organizational Markets.

homogeneous macrosegments also provides a reduction in the total research effort and cost. Instead of examining detailed buying patterns and attempting to identify the characteristics of the decision-making units in each organization individually, such analysis is limited only to those macrosegments which passed the initial screening. Furthermore, since most of the data for the initial screening can be drawn from available secondary sources (e.g., company files) and the screening procedure can be largely programmed, the research phase is relatively cheap and can be standardized as part of the firm's marketing information system.

In this first stage, a marketer may use a variety of bases, singly or in combination, to form macrosegments. Size of buying firm and rate of use of the particular product for which the marketer is planning can provide an estimate of potential sales.

Once the marketer has formed a set of acceptable macrosegments, he may divide each of them into microsegments, or small groups of firms, on the bases of similarities and differences among DMUs within each macrosegment. Information for this second stage of segmentation will come primarily from the sales force, based on salesmen's analyses of situations in particular firms, or from specially-designed market segmentation studies.

DMUs may differ with respect to the composition and position within a firm, and with respect to their decision-making behavior. Composition of the DMU may effect its position in the authority and communications networks of a firm. A DMU composed of relative newcomers to a buying firm, no one of which occupies a top or second-level position in his department, is likely to have little power to press its recommendations on others, and may not be fully integrated into the "informal organization" which may frequently be the network necessary to obtain acceptance of new concepts products or procedures. Clearly, such a DMU presents a more difficult task for a marketer with a novel offering than one composed of senior established corporate officials who have close contacts throughout the organization.

DMUs may differ with respect to the importance they attach to the purchase of a particular item; the relative weight they attach to such purchase variables as price, quality and service; their attitudes toward particular types of vendors; and the specific rules they employ to seek out and evaluate alternative offerings. DMUs which consider a specific product important, require prompt delivery and perhaps technical assistance, wish to deal with well-known vendors and seek a bid first from a supplier with which they have dealt previously, constitute a microsegment of considerable promise to a highly visible supplier with ability to meet delivery and service requirements, who has done business with firms in this micro segment. Such a supplier would have distinct advantage over a competitor who sought to enter this microsegment with a low-service, low-price product.

The output from this segmentation model should include (1) a key dependent variable on which firms can be assigned to segments, i.e., the *bases* for segmentation, and (2) a set of independent variables which allow a marketer to predict where along the key dependent variable a particular group of potential customers may lie as well as provide greater insight into the key characteristics of the segment, i.e., the *descriptors* of the segment. For example, a key dependent variable might be "criteria used to evaluate alternative suppliers." In one situation, a marketer found that "prompt periodic delivery of lots with less than five percent defects" was the paramount consideration used by some firms in choosing among suppliers for a particular component part. That same component was purchased by other firms almost entirely on a "lowest cost per thousand units" basis. After some investigation, the marketer discovered that three independent variables differentiated these two types of buyers, or segments: (1) size of firm, measured in number of employees; (2) SIC category; and (3) the type of individual most influential in the buying decision. Customers who insisted on adherence to delivery and quality standards were typically large firms in three SIC codes. Within these firms the most powerful member of the DMU was a quality control man or a purchasing agent with engineering training. In contrast, customers who bought on price were typically smaller firms, in half a dozen SIC codes, only one of which overlapped that of the first type of customer. Principal buying influences in these firms included purchasing agents without technical backgrounds, and production management personnel.

Selection of appropriate dependent variables should be based on the particular marketing problem the manager wishes to solve. In the preceding example, the problem was to reach new customers with a product which they had previously not purchased in appreciable quantities from any vendor. As users' requirements increased, they solicited numerous bids and began to set standards for reviewing those bids. Consequently, knowledge of those standards became the variable of key importance to the marketer. In another situation, knowledge of buyers' "switching rules" was of central importance. The marketer had lost a few previously loyal customers to competitors, and wished to know why. The key dependent variable of interest to him was "buyers' sensitivity to changes in competitors' offerings." He discovered that some buyers would switch for a price reduction of less than five percent, while others were reluctant to change suppliers until the price differential on this particular product exceeded 20 percent.

The art of market segmentation involves choosing the appropriate bases for segmenting industrial markets. The bases mentioned here have appeared in the marketing literature (Cardozo, 1968; Feldman and Cardozo, 1969; Frank *et al.*, 1971), and are presented as illustrative but by no means exhaustive of the bases which could be used. Because a marketer may choose key segmentation variables from an array of several dozen (or more), research to identify the most appropriate of those variables may be well worthwhile. Furthermore, because customers' needs and competitors' activities are constantly changing, a marketer must review his segmentation strategy periodically.

After identifying appropriate target segments. the marketer must analyze the profitability of differentiating his marketing program to reach multiple target segments. A first approximation of this cost/benefit analysis may often be made before detailed segmentation analysis is begun.

Relevant costs typically include those associated with product modification, selling and advertising. Although costs of making initial modifications of a particular product may be modest, the marketer will incur costs in carrying an additional product or line in inventory, and may incur hidden costs through confusion or misunderstanding on the part of salesmen and distributors. During the last several years many firms have proliferated their product lines to reach customers with highly individualized requirements. Today, many of those same firms look at product deletion (and not only new product introduction) as a source for increased profitability hence, eliminating the highly specialized and unprofitable offshoots of their principal products.

Sometimes an especially intensive selling effort may be required to reach a particular market segment. If this effort transfers salesmen from their routine calls, there will likely be a cost in terms of sales delayed or lost entirely. If headquarters personnel, in addition to field sales staff, are involved, the costs may be much greater. Because these costs typically involve no internal budget transfers and only modest out-of-pocket expenditures, marketing managers frequently overlook them.

The costs of advertising to reach a particular market segment ordinarily include preparation of separate copy and perhaps illustrations, as well as media costs. Because both types of charges may be highly visible, many firms underutilize differentiated advertising as a tool in a marketing segmentation strategy.

The Payoff From Segmentation

Two examples illustrate the potential payoff from following a marketing segmentation strategy. The first example describes a situation in which a fairly simple, single stage segmentation strategy yielded substantial profits. The second example describes a case in which the second stage of segmentation contributed to a substantial increase in profit.

Single-Stage Segmentation

A marketer of spray painting and finishing equipment who had a new system to offer divided his markets into macrosegments on the bases of SIC category, size of buying firm and location. The marketer developed two distinct strategies: one for large firms in a particular SIC category, all of which were located within four states; another for smaller firms located both in those and in other states. The SIC categories of firms in the second segment overlapped, but were not identical with, those in the first segment. The marketer had observed that decision-making practices for capital equipment differed between the two segments. The large firms were receptive to cost-saving innovations in equipment, tested new equipment extensively, and willingly switched to new equipment which had proved its value in operating tests and benefit-cost analyses. Firms in the second segment were notably resistant to change, and historically had adopted new capital equipment innovations only after large firms – like those in the first segment – had done so.

Accordingly, the marketer concentrated his efforts on the first segment. Field salesmen, supported by headquarters staff, diverted their activities from smaller firms to concentrate almost exclusively on the larger ones. The marketer provided equipment for testing, and set up and helped to supervise test lines in plants of the largest manufacturers. Later, as this effort became successful, the field sales force reapplied its efforts to smaller firms, without, however, entirely discontinuing contact with the larger ones. These selling efforts to the smaller, more dispersed firms were supported with an advertising campaign which described installations in selected large firms and included endorsements by executives in these firms, but did not include provisions for extensive testing.

Results of this segmentation strategy included penetration of both segments, which had previously been dominated entirely by competitors. Company executives attributed their success to a good product and to following this segmentation strategy, citing instances in which other cost-effective innovations had not been accepted in these markets.

Two-stage Segmentation

In the preceding example, single-stage segmentation sufficed, because decision-making behavior was correlated closely and positively with size, SIC category and location. In the following example, decision-making behavior appeared not to be related to size of firm. Consequently, two-stage segmentation was necessary.

A small manufacturer of high quality metal components had traditionally segmented the geographically concentrated market which it served on the bases of SIC category and size of buying firm. The company concentrated its sales and sales support activities more on some SIC categories than on others, and followed a form of "key account" planning, which led to emphasis on customers with large potential volumes. Because sales potentials were frequently not attained, company officials and salesmen attempted to differentiate those customers which gave the company a high proportion of their business from those which gave the company only a small portion of their business. Results from this analysis indicated that the company enjoyed considerable success among customers who purchased its particular type of product simply by telephoning previous suppliers and placing the order with the first one which could meet product and delivery requirements ("satisficers"). The company fared poorly with customers which solicited bids, reviewed them and finally chose a supplier for this particular type of product ("optimizers").

These differences in "purchasing strategy", which crossed size and SIC categories, suggested a basis for forming microsegments within each SIC category. The company directed its sales and support efforts primarily at the first segment ("satisficers"), with which it had historically been more successful, and reduced its frequency of calls and sales support activities toward the second segment, ("optimizers"). As a result, the company experienced an increase in profits of more than 20 percent. Company officials attributed the increase almost wholly to the new market segmentation strategy.

These examples support the theoretical arguments for market segmentation strategy. With this initial empirical support for our belief that market segmentation was an economically viable approach for industrial marketers, we undertook an exploratory study to determine the extent to which market segmentation was employed by industrial marketers and the various ways in which segmentation was used.

INDUSTRIAL SEGMENTATION: SOME CURRENT PRACTICES

Data

To assess the extent and nature of industrial market segmentation, we first conducted a series of unstructured interviews with marketing managers of five Philadelphia-based industrial companies. Following these unstructured interviews we conducted structured interviews with marketing managers of 25 companies within the Minneapolis metropolitan area. The reporting units in the final sample included both operating divisions of large, decentralized corporations and independent firms. In sales volume, the size of these reporting units ranged from \$3 million to more than \$2 billion. More than 25 SIC codes were represented.

The interview schedule included questions about the use of different strategies in selling to different customers; the nature of the differentiated strategy, the bases used to segment one's market, the importance of the various bases for segmentation and company background data.

Methodology

The unstructured interviews and open ended questions of the structured interview were content analyzed. The structured parts of the questionnaire were then subjected to cross classification and multidimensional scaling analyses. This latter procedure was utilized to illustrate graphically the marketing managers' evaluation of the various bases for segmentation.

Results

The results of this study indicate that industrial marketers do differentiate their marketing programs among customers. But the differentiation appears less a conscious, explicit strategy of market segmentation, and more an explanation or concept applied *after* the fact to explain differences in the success of particular marketing programs. Detailed results are grouped under five research questions.

(1) To what extent is segmentation strategy used by industrial firms?

All the firms participating in the study indicated that they do use different strategies in selling to different customers. This overwhelming subscription to a policy of differentiation implies acceptance of – or at least lip service to – the concept of market segmentation. Nevertheless, examination of the specific examples given by the respondents suggests that segmentation is used primarily to describe ex-post events, and not as an explicit strategy which provides the foundation for the industrial marketing program.

(2) What is the nature of a segmentation-based industrial marketing strategy?

Industrial firms which differentiate their marketing offerings, to appeal to and reach different market segments, only rarely try to differentiate all their marketing variables. Nevertheless, more than half of the firms differentiated at least one of their marketing variables. Of the various ways in which a company can vary its marketing strategies to meet the needs of its target markets, elements reported as most important were the product and service mix (72%) followed by price (18%) and only in a very few cases by promotion (5%) and distribution (5%).

Most of the respondents modify or adapt their products to meet the requirements of particular customers. Product changes vary considerably and include technical as well as symbolic (e.g., changes from manufacturer to private brand) alterations. Quite frequently a firm's product strategy is supplemented, or replaced, by its service strategy – training, maintenance, warranties and technical information.

In addition to different products and services most of the firms offered a variety of pricing options to their customers. The reasons for such a policy were primarily volume and specific customer requirements.

The majority of respondents indicated that they emphasize different appeals (product benefits) to different customers. Yet, the examples presented suggest that such differentiation is accomplished "intuitively" by field salesmen, or that differentiation is an after-the-fact explanation of marketing activity, rather than a carefully designed strategy aimed at emphasizing for each segment the appropriate product benefits and usage situations. About 80 percent of the firms used a variety of promotional tactics – especially different media (trade magazines, direct mail, newspapers, general magazines, TV, radio and displays) – to reach their markets. No evidence exists, however, that the media selection or the message design decisions were based on an explicit analysis and understanding of the target market segments and the nature of the decision making units.

More than two-thirds of the firms used different channels of distribution in selling to different customers. The selection of the specific channel was based primarily on the nature of the customer (especially Government vs. non-Government clients), the nature of the products (components vs. systems), the geographical location of the buyers and the availability of particular channels.

(3) What are the bases used to segment industrial markets?

Organizational "demographics" such as size, SIC category, end use of product and geographical location were the most frequently used bases for segmentation. End use was generally thought to vary directly with the type of business in which the business firm is engaged.

Other bases used – considerably less frequently – by the responding firms to segment their markets were personal characteristics of the decision making units, such as the function of the buying unit, and the DMUs degree of source loyalty.

(4) How do industrial marketers evaluate various bases of segmentation?

Marketers group bases of segmentation into three clusters, which they evaluate on two different sets of criteria. The three clusters of bases for segmentation are (1) organization characteristics, (2) product characteristics and (3) DMU characteristics. Organization characteristics include type of industry, size of firm and geographic location. Product characteristics include usage rates, end use and product specifications. DMU characteristics include buyers' job title and personality, and pattern of source loyalty. The three clusters are displayed in a two-dimensional map in Figure 2. There were no clear differences in clusters (or in evaluation) among the different types of firms represented in our sample.

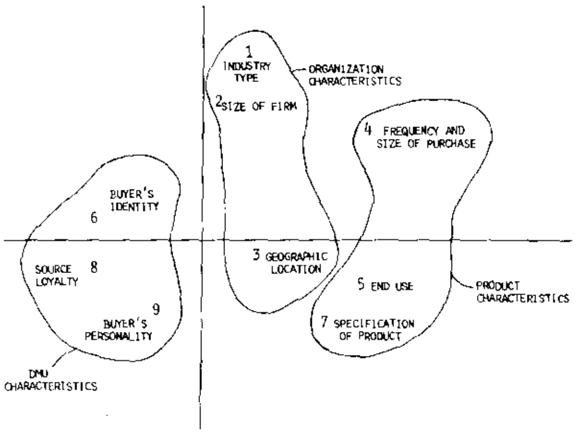

Figure 2. Two-Dimensional Configuration of Nine Bases for Segmentation.

Marketers used two sets of criteria to evaluate these clusters. The first set included three criteria: (1) cost of identifying segments and differentiating marketing programs, (2) acceptance of bases of segmentating by marketing personnel, and (3) ease of identifying segments and differentiating marketing programs. Of these three, cost was clearly the most important. The other set included one criterion – appropriateness – which respondents construed as a global evaluation, one which had normative futuristic implications.

The two sets of criteria correspond to the two dimensions in Figure 2. The vertical dimension can be viewed as the "difficulty of implementing" set of criteria. Given the grouping of the bases into 3 clusters, within each cluster the vertical spread of the bases reflect their perceived difficulty of implementing. For example, within the cluster of DMU characteristics the buyer's identity is the easiest to identify, the cheapest and the most acceptable of the three bases. The buyer's personality, on the other hand is viewed as the most difficult to identify, most expensive and lease acceptable to marketing management.

The horizontal dimension can be interpreted, consistently with the second set of criteria, as the "appropriateness" dimension with the DMU characteristics as the most appropriate followed by organizational characteristics and the product characteristics perceived as the least appropriate.

The two sets of criteria result, therefore, in quite different evaluations of the three clusters. Marketers evidently now use inexpensive and acceptable means of segmentation, which they consider much less appropriate than what they'd like to use. For example, DMU characteristics are seen as very appropriate, yet are not currently used as bases of segmentation. Product characteristics, now used in some circumstances, are considered least appropriate as bases for segmentation. Organizational characteristics appear to be used more widely now than may be appropriate. Respondents' evaluations of the 2 sets of criteria with respect to their appropriateness and frequency of usage are summarized in Figure 3.

(5) Which bases for segmentation may be used in the future?

More than 80 percent of the respondents thought that differences of industry type, geographic location, end use of the product, and specification of product (including cost and delivery) would continue to be important determinants of customer requirements and useful bases for segmentation. About 70 percent indicated source or brand loyalty as important factors, while only 62 percent mentioned the size of the firm. Slightly over 50 percent of the respondents thought that the identity of the buyer (e.g., engineer, purchasing agent) and the buyer's personality would be of some importance, while only 42 percent thought that

Figure 3. Evaluation of Bases of Segmentation.

Criteria	Bases of Segmentation		
	Organizational Characteristics	Product Characteristics	DMU Characteristics
Set 1:			
cost			
acceptability	Frequently used	Sometimes used	Not used
ease			
Set 2:			
appropriateness	Some are appropriate	Least appropriate	Very appropriate

the frequency and size of purchase would have importance.

(6) What criteria are used to evaluate *segmentation-based marketing strategies?* Sales volume (33%), profits (23%) and market share (11%) are the primary criteria used by marketing managers to evaluate their marketing strategies. Growth (10%), image (5%), length of relationship with customers (5%), ability to meet customers' needs (5%) and cost (8%) were the other criteria used. These measures are not, however, applied separately to each segment. Consequently, marketing segmentation is not employed as a control strategy.

In summary, this study indicates that, while the concept of marketing strategy differentiation is widely accepted among industrial firms, there is little evidence to suggest that firms do follow a conscious segmentation strategy to plan or control their marketing activities. Although marketing managers are aware of the concept of segmentation, they appear not to articulate fully the concept of segmentation or to use the variety of possible bases for segmentation.

CONCLUSIONS

The concept of marketing segmentation has been one of major focuses of consumer research since the early Sixties. The concept has had a great impact on the thought and practice of marketing of consumer goods. These developments have had less impact, however, on industrial marketing management. Results from this study indicate that industrial marketers typically fail to employ market segmentation as a foundation for planning and control of marketing programs. At best, industrial marketers use only single-stage segmentation, and by no means employ or even examine some of the other bases of segmentation which might be employed profitably.

Articulation of the concept of market segmentation may by itself provide a basis for more precise marketing planning and for coordination of product development, selling and sales support activities. A marketer who accepts segmentation as the basis for his marketing strategy will have a basis for conceiving of and estimating potential profits from specific product modifications. Segmenting markets will enable field sales managers to direct their resources more efficiently at particular target firms or groups of firms in their geographic areas. At the same time, sales support materials and activities – including advertising – can be tailored to suit economically viable market segments.

We believe that industrial marketers who do not follow explicit segmentation strategies, planned in advance, either treat all customers alike or treat each customer differently. In the first case, marketers are losing opportunities for profit and laying themselves open to competitive inroads. In the second case, marketers undoubtedly are practicing unprofitable – and uncontrolled – segmentation in many instances. Interestingly, those marketers who permit sales (and sales support) men to treat each customer differently typically believe and state that they treat all customers alike. Those marketers generally lack adequate marketing planning and control techniques, they do not provide their sales force adequate support and typically have not thought about differences among their present and prospective customers.

Research into segmentation, therefore, is an essential precondition for intelligent marketing planning. Such research is feasible, and can readily be integrated with other marketing research projects. Once the marketing plan is fully developed, marketing operations may be controlled on a segment-by-segment basis. Such a control mechanism is more precise than most in use today and may be more responsive in a changing environment.

Once segmentation is accepted and articulated as a useful way of looking at markets, marketers can address the discrepancy, revealed in this study, between bases of segmentation which are considered appropriate, but too costly to implement, and those which are inexpensive but not always appropriate. One way to deal with this problem is to identify new, less costly bases of segmentation, perhaps by identifying particular types of behavior and their correlates. Another way is to develop advertising (media and message) and sales management plans, for example, which fit appropriate segments in particular markets. As a marketer gains experience in devising such policies, costs of differentiating marketing programs should decrease.

REFERENCES

Alexander, Ralph S., Cross, James S. and Hill, Richard M. (1967). *Industrial Marketing*. Homewood, Ill.: Richard D. Irwin.

Ames, Charles B. (1971). "Dilemma of Product/Market Management." *Harvard Business Review*. Vol. 49 (March–April) 66–74.

Cardozo, Richard N. (1968). "Segmenting the Industrial Market." In King, R.L. (ed.), *Marketing and the New Science of Planning*. Chicago: The American Marketing Association.

Dodge, Robert H. (1970). *Industrial Marketing*. N.Y.: McGraw-Hill.

Feldman, Wallace and Cardozo, Richard N. (1969). "The 'Industrial' Revolution and Models of Buyer Behavior. " *Journal of Purchasing*, Vol. 5, No. 4 (November),

Frank, Ronald E., Massy, William F. and Wind, Yoram (1972). *Market Segmentation*. Englewood Cliffs, N.J.: Prentice-Hall.

Robinson, Patrick,J. and Faris, Charles W. (1967). *Industrial Buying and Creative Marketing*. Boston: Allyn & Bacon.

Rowe, David and Alexander, Ivan (1968). *Selling Industrial Products*. London: Hutchinson & Co.

Webster, Frederick E., Jr. and Wind, Yoram (1972). *Organizational Buying Behavior*. Englewood Cliffs, N.J.: Prentice-Hall.

Wilson, Aubrey (ed.). (1965). *The Marketing of Industrial Products*. London: Hutchinson & Co.

Yankelovich, Daniel (1964). "New Criteria for Market Segmentation." *Harvard Business Review*, Vol. 42 (March–April) 83–90.

LA SEGMENTATION DU MARCHE INDUSTRIEL

Les Prof. Wind et Cardozo présentent dans le présent article une approche conceptuelle de la segmentation des marchés industriels et des résultats d'une étude pilote sur les pratiques actuelles de la segmentation dans le domaine industriel.

Bien qu'on estime souvent que la segmentation soit utilisée comme un instrument marketing, elle sert surtout à expliquer les résultats d'une étude ex post alors que le marketing est déjà entré en action. Wind et Cardozo voudraient que les stratégies de segmentation du marché soient utilisées a priori et citent deux exemples destinés à encourager une utilisation plus discriminatoire d'une planification marketing appropriée et des techniques de contrôle.

Les auteurs considèrent leur approche comme "conceptuelle" mais le Comité de Rédaction de *IMM* estime qu'elle est plutôt pratique. Tout lecteur qui juge que l'approche "segmentation" a plus d'impact sur le marketing des biens de consommation que des biens industriels est invité à s'exprimer dans les colonnes d'*IMM*.

INDUSTRIEMARKTSEGMENTIERUNG

Die Professoren Wind und Cardozo behandeln in diesem Artikel eine konzeptuelle Methode einer Segmentierung von Industriemärkten zusammen mit Ergebnissen einer Forschungsumfrage nach geläufigen Segmentierungspraktiken in der Industrie.

Obwohl die Segmentierung oftmals als ein Marketingswerkzeug angesehen wird, ist es möglich, dass sie ihre hauptsächliche Anwendung darin findet, Ergebnisse in einer ex-post-Studie zu erhellen, nachdem das Marketing stattgefunden hat. Wind und Cardozo wollen, dass Marktsegmentierungsstrategien apriori angewendet werden, und führen zwei Beispiele an, um einen differenzierten Gebrauch adäquater Marktplanungs- und Kontrolltechniken zu fördern.

Obwohl diese Methode nach den Worten der Autoren 'konzeptuell' ist, hält sie die Redaktion des *IMM* für praktikabel. Sollten einige Leser nicht der Meinung sein, dass die Segmentierungsmethode weniger Einfluss auf das Marketing von Industriegütern als auf das von Konsumgütern ausgeübt hat, wären wir für Zuschriften zu diesem Thema dankbar.