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The Industrial/Consumer Marketing Dichotomy: A Case of Insufficient Justification

Academicians have traditionally acknowledged that industrial and consumer marketing are different. A fundamental question raised in this paper is whether the importance of these differences is sufficient to justify this commonly accepted dichotomy. Moreover, the similarities between industrial and consumer marketing are viewed as more useful in developing marketing knowledge.

MANY marketing scholars make a distinction between industrial marketing and consumer marketing. This distinction is evident in academic course offerings, professional journals, marketing textbooks, and in professional organizations and meetings. This paper shows that this distinction is unjustified because: (1) it is neither based in theory nor empirically supported, (2) it establishes artificial intradisciplinary boundaries which inhibit the development of marketing theory, (3) it interferes with the collection and dissemination of marketing knowledge, and (4) it stifles creativity in developing effective marketing strategies. The industrial-consumer dichotomy will be challenged on three different grounds: the classification does not adequately partition marketing phenomena, counter-examples which point to the lack of differences are readily available, and the differences within industrial and consumer marketing are greater than the differences between them. However, before exploring this dichotomy further, a few concepts need to be defined.

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Concept Definitions

Many of the characteristics which purportedly distinguish industrial from consumer marketing are product or market related. Therefore it is not surprising that accepted definitions of these two concepts deal with product and/or market differences. According to the Industrial Marketing Committee Review Board (1954), "Marketing includes those business activities involved in the flow of goods and services from production to consumption." Consumer goods are "goods destined for use by the individual ultimate consumer and in such form that they can be used by him without further commercial processing. . . ." On the other hand, industrial goods are characterized as "Goods which are used in producing consumers' goods, other business or industrial goods, and services and/or in facilitating the operation of an enterprise, may (sic) include land and buildings for business purposes, equipment (installation and accessory), operating supplies, raw materials, and fabricated materials." The Board admitted "there must be an awareness that in many instances a specific commodity may either be

Journal of Marketing
Vol. 48 (Spring 1984), 68–77.

an industrial good or a consumer good, depending upon the use to which it is put" (p. 153). It follows that consumer goods marketing includes those business activities involved in the flow of goods and services destined for use by the individual ultimate consumer in such form that they can be used by him/her without further processing. And industrial goods marketing includes business activities involved in the flow of goods and services used in producing consumer goods, other business or industrial goods, and/or in facilitating the operation of an enterprise. These definitions seem to capture the themes common to most definitions of consumer and industrial marketing (Corey 1976, Haas 1981, Hutt and Speh 1981, Kotler 1980b, Vinson and Sciglimaglia 1975, and Webster 1979).

The Industrial/Consumer Dichotomy

The industrial/consumer dichotomy can be viewed from a buyer behavior perspective as well as from a marketing perspective. Several authors have noted the correspondence between industrial and household buying behavior. However, the parallels between industrial and consumer marketing have been largely ignored in the marketing literature.

Sheth (1974) implicitly recognizes the similarity between industrial and household buying behavior in his theory of family buying decisions. At the individual level, Zaltman and Wallendorf (1979) specify the similarities between consumer behavior and industrial buyer behavior as the cultural effects on purchase behavior, norms governing purchase behavior, and the role of others' expectations on purchase behavior. Additionally, "In the process of making a purchase, each gathers information about alternatives, processes this information, learns about available products, determines which alternative matches the perceived needs most closely, and carries through by making a purchase" (p. 9). Moreover, Zaltman and Wallendorf contend that families make group decisions on large or important purchases similarly to organizations. After presenting Nicosia's summary of his model of consumer behavior, Webster and Wind (1972) suggest "Change the words *consumer* to *organizational buyer* and *advertisement* to *any marketing input* in the above statement and you have a general structure of organizational buying behavior." However, they caution that going beyond this level is not operationally feasible. Finally in a classic article on segmentation, Wind (1978) acknowledges "the concept of segmentation and most of the segmentation research approaches are equally applicable to industrial market situations." He demonstrates this contention by discussing problems (in consumer as well as organization segmentation) in moving from individual to multiperson *buying centers* (i.e., all persons involved in the buying process).

Compared to the above, only two sources were found that look at the similarities between industrial and consumer marketing. As exemplified in Table 1, most sources point to the differences. The Industrial Marketing Committee Review Board (1954) delineated these differences as: the nature of the market or buyers, characteristics of the product, organizational or operational set-up, and other (unspecified) differences. In contrast to their discussion of the differences, the Board paid relatively little attention to the similarities; firms engaged in both consumer and industrial marketing were characterized as having common objectives, similar buying motives for similar products, the use of contracts, well-organized and highly skilled purchasing groups, and use of internal sales and production records as sources of market information.

On the other hand, one author has analyzed both the differences and similarities between marketing to industrial firms and households. Sheth (1979) has summarized the traditional differences between industrial and consumer marketing as relating to the purchase and decision-making processes, the mechanics of marketing management, and the nature of environmental influences. But he raises the question, "Is industrial marketing really unique?," and concludes that "there are more similarities between industrial marketing and household marketing than these differences." As an example, he points to the increased adoption of mass marketing strategies by industrial firms which includes the increased use of television advertising, price promotions, and direct mail. The position taken in this article both supports and elaborates Sheth's basic argument—industrial and consumer marketing are more similar than different.

In summary, several distinct bases have been presented in support of the notion that industrial and consumer marketing are different: (1) the type of goods being purchased (Corey 1976, IMCRB 1954); (2) the buyer's decision-making process (Sheth 1979); (3) characteristics of the product market (Corey 1976); (4) the nature of the selling firms' marketing activities (IMCRB 1954, Sheth 1979); and (5) the nature of environmental influences (Sheth 1979). Some of these differences are presented in greater detail in Table 1. It should be noted that the dimensions (i.e., the column headings) under which specific differences are listed were used by the IMCRB. However, the authors acknowledge that other more explicit dimensions could have been used (e.g., McCarthy's 4 Ps or McGary's 8 functions).

Although the differences noted by the IMCRB have persisted throughout marketing texts for over 20 years, few scholars have examined the similarities. A fundamental question raised in this paper is whether the

TABLE 1
Dimensions of Commonly Held Differences between Industrial and Consumer Marketing

Market	Product	Organization of Operational Set-up	Others
Derived vs. primary demand (Kotler 1980b, McCarthy 1978, Stanton 1981)	Technical complexity (Webster 1979)	Channel length (Kotler 1980a, Stanton 1981)	Message appeal (Boone 1972)
Elasticity of demand (McCarthy 1978, Stanton 1981)	Purchase frequency (Stanton 1981)	Promotion mix (Corey 1976, McCarthy 1978, Stanton 1981)	Delivery importance (Stanton 1981)
Demand fluctuation (Kotler 1980a, Stanton 1981)	Classification (Kotler 1980a, McCarthy 1978)	Reciprocity (Kotler 1980b, Stanton 1981)	Sales force compensation (Stanton 1981)
Number of suppliers (Buell 1970)	Service requirement (Boone 1972, Stanton 1981)	Adequacy of supply (Stanton 1981)	Sales force training (Stanton 1981)
Number of buyers (Kotler 1980a, McCarthy 1978)	Amount of information search (Hughes 1978, Rosenberg 1977)	Degree of integration (Corey 1976)	Leasing (Boone 1972, Kotler 1980b, Rosenberg 1977)
Number of influencers (Kotler 1980a, McCarthy 1978)	Negotiated prices (Corey 1976, Stanton 1981)		
Geographic concentration (Kotler 1980a, McCarthy 1978)	Dollar volume (Kotler 1980a, Rosenberg 1977)		
Knowledgeability (Kotler 1980a, Stanton 1981)	Riskiness (Hughes 1978)		
Rationality (Kotler 1980a, McCarthy 1978)			

importance or magnitude of these differences is sufficient to justify the commonly accepted industrial/consumer dichotomy. The first step toward answering this question is to evaluate the dichotomy as a classification scheme.

Classifying Marketing Phenomena

Classification is important because organization of phenomena into groups is often a first step in the development of marketing theory and practice. However, as an end in itself, classification provides relatively little understanding. Therefore, it makes sense that stronger classification schemes may be more useful than weaker ones for the purpose of theory development. To determine the strength of the industrial/consumer dichotomy, Hunt's (1976) criteria for evaluating classification schemata will be used:

- adequacy for specifying the phenomenon
- adequacy of characteristics to be used in classifying
- mutual exclusiveness of categories
- collective exhaustiveness of categories
- usefulness of schema

According to Hunt (1976), a classification scheme should adequately specify the phenomenon that is to be classified. However, it is not apparent that marketing scholars are in agreement as to what is being classified. Depending on which source is consulted, the industrial/consumer dichotomy refers to differences between classes of goods, products, markets, and/or marketing strategies. Moreover, Table 1 provides a wide range (but not exhaustive list) of notions about how these two entities differ. Yet, there is relatively little agreement on any of these differences. Therefore, it is concluded that more thought could be devoted to specifying what it is that should be classified.

Effort spent in specification should also provide less ambiguous properties or characteristics to be used in classifying marketing phenomena. At present, a good's "intended use" seems to be the most widely accepted criterion for differentiating industrial goods from consumer goods. However, the usefulness of this approach is not at all clear, particularly when one attempts to partition other marketing functions into industrial and consumer segments. Moreover, this criterion may be intersubjectively ambiguous (i.e., providing low interjudge reliability). The intended use criterion does provide a convenient classification for goods that fit nicely into both categories, but it does not totally overcome a more fundamental flaw in the industrial/consumer dichotomy—the lack of mutual exclusiveness.

The primary reason for the intended use criterion was to overcome the lack of mutual exclusiveness in the existing categories. It is easy to think of goods which do not fit neatly into one or the other category (e.g., paint, lumber, and furniture). Traditionally, however, marketers have focused on extreme examples of goods to illustrate the differences and have ignored the large number of goods common to both industrial and consumer markets. Furthermore, the industrial/consumer scheme does not provide mutually exclusive categories for the other marketing mix variables.

A fourth criterion is the degree to which the categories are collectively exhaustive. Again, the industrial/consumer distinction falls short. One can point to several other categories into which marketing knowledge has been classified such as nonprofit marketing, social marketing, the marketing of services, health care marketing, and international marketing. A more useful scheme for classifying marketing phenomena might be developed around some dimension(s) common to all of these categories.

The final criterion to be considered is usefulness. According to Hunt, usefulness may outweigh all other criteria. Yet, on this dimension the dichotomy holds up no better than on the others. The purported utility of the industrial/consumer distinction is that it allows different marketing strategy to be formulated for the different segments. However, the authors' review of the marketing literature suggests that the number of similarities may exceed the number of differences. Moreover, the similarities may be more useful in formulating marketing strategy than the differences. More on this notion will be presented later.

In summary, the industrial/consumer dichotomy, as it now stands, does not do well under Hunt's criteria. Specifically, the dichotomy does not adequately specify or classify marketing phenomena, does not provide mutually exclusive or collectively exhaustive categories, and lacks utility for strategy development. Consequently, if it cannot be determined which category a phenomenon fits into, how can it be determined whether the marketing situation is industrial or consumer? Perhaps this argument can be strengthened by offering the skeptical reader a few counter-examples.

Counter-examples

Many of the purported differences between industrial and consumer marketing are too general to be useful, too specific to be generalizable within consumer goods or industrial goods marketing, or they are not differences at all. It is not the purpose of this paper to analyze each of the purported differences in Table 1; however, it may be useful to illustrate their deficiencies by three examples.

The first dimension under *Market* in Table 1 was taken from the notion that demand for industrial goods is derived, while demand for consumer goods is primary. However, it can also be argued that demand for such consumer goods as flour, sugar, gifts and wrapping paper, lumber, and many other products is also derived. Demand for these goods is derived from the demand for baked goods, gift giving, and home improvements. Moreover, demand for typewriters, light bulbs, and many other products used by industrial organizations can be viewed as primary. That is, these products are needed for their inherent usefulness and not as inputs into other goods which are destined for the ultimate consumer. Therefore, the derived demand thesis does not seem to point to a unique facet of marketing by organizations, nor does primary demand exclusively describe the need for goods by individual consumers.

Another difference deals with negotiated pricing. It is commonly thought that price negotiation is more predominant in industrial marketing than consumer marketing. However, negotiated prices are frequently found in consumer marketing (e.g., automobiles, furniture, major appliances, and homes). Moreover, administered prices occur in industrial marketing (e.g., office supplies, office equipment, utilities, and in some situations, parts and raw materials). Obviously, pricing policy is not solely a function of the industrial/consumer dichotomy; other factors must be considered. The price of a good relative to the buyer's budget, the good's profit margin, the quantity being purchased, the nature of the buyer-seller relationship, and competitors' pricing policies are just a few of the factors that help determine whether or not a price is negotiable. These factors are common to both industrial and consumer markets and may be the determinant factors in accounting for existing pricing policies in both areas.

Finally, it is claimed that more people are involved in the organizational buying process than in consumer buying. This may be the case depending upon the size of the firm, the dollar amount to be committed, and the nature of the product. Yet, it is not difficult to think of situations where the whole family may be involved in purchase decisions. Several studies have looked at husband/wife joint buying situations (David 1971, Kelly and Egan 1969, Morgan 1961) and some have looked at the roles of still other family members in the purchase process (Wells 1966). Zaltman and Wallendorf (1979) summarize the authors' position nicely. In regards to group decisions, they contend that families make group decisions on large important purchases similarly to organizations. Conversely, organizational buyers autonomously purchase less important items in much the same way as consumers. Additionally, some of the same choice criteria are used such as price, time efficiency, and status enhancement. As previously mentioned, Webster and Wind (1972) noted the similarity between consumer buying behavior models and organizational buyer behavior models.

Although derived demand, negotiated pricing, and the number of individuals involved in the purchase decision were the only counter-examples presented, many others could have been discussed. Make or buy decisions, leasing vs. purchasing, and frequent purchasing vs. maintaining inventories are just a few. At this point the focus will move to a comparison of the differences between industrial and consumer marketing and the differences within each one.

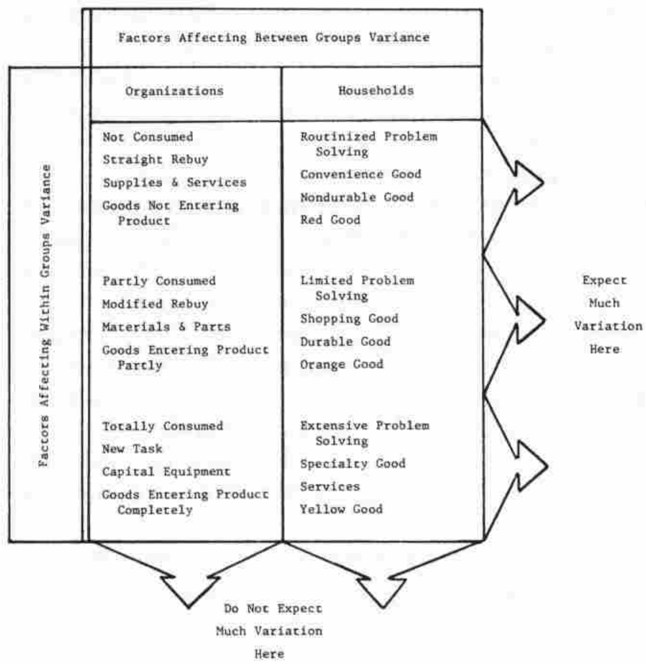
Within versus Between Group Variation

An additional argument against the industrial/consumer marketing dichotomy will be presented in the form of an analysis of variance analogy. According to the traditional perspective, variations *between* the practice of marketing to organizations and marketing to consumers should be greater than the variation *within* the two classes of marketing practice. The perspective being presented in this paper argues just the opposite—the differences *within* industrial marketing and consumer marketing are greater than those that have long been recognized as distinguishing the two areas. If this latter perspective is reasonable, it should be possible to formulate principles of marketing that explicitly account for the *within group* variation and are generalizable across both areas of marketing. This can only be possible if the between group variation relative to the within group variation is insignificant. An example, using classification schemes for goods, may help clarify these notions.

Goods Classification Schemes

Several typologies for goods and purchase situations have been developed for the industrial and consumer sectors (see Figure 1). For example, the degree to which a good enters the finished product has been offered as one means of classifying industrial products (Kotler 1972). Robinson, Faris, and Wind (1967) classified

FIGURE 1
ANOVA Framework for Differences between Industrial and Consumers' Markets



industrial goods according to the buying situation: straight rebuy, modified rebuy, or a new task. Yet, another classification system uses the degree of consumption to categorize industrial goods. In the consumer sector, routinized, limited, and extensive problem solving are categories in which products can be placed. Bucklin (1963) classified consumer goods according to patronage motive, while the AMA Committee on Marketing Definitions (1960) distinguished between services and the durability of tangible goods. Aspinwall (1962), in an ingenious attempt to differentiate between types of consumer goods, used colors to illustrate his categories.

All of the above typologies appear to be more useful in explaining product variations within each sector than between them. In short, the classification schemes in Figure 1 seem to explain some within group variation but virtually no between group variation. That is, each classification scheme seems to apply equally well to organizations and households (i.e., there is no main effect).[1] Moreover, it is expected that there will be no interaction effect (i.e., it is an additive model). Thus, the two levels of the between groups factor could be collapsed (or pooled) into a single level called *mar-*

[1]It should be noted that the authors use consumers, individuals, families, and households interchangeably throughout the paper—technically they have different meanings.

kets. Then a classification scheme could be developed based on variations in product characteristics, usage behavior, and/or need satisfaction regardless of whether it is purchased by industrial organizations or households. However, this approach requires analysis of the commonalities between these two sectors rather than the differences. These commonalities could provide the basis for formulating more general propositions of marketing.

General Propositions of Marketing

A convenience sample of 20 general marketing texts was reviewed, which provided a list of 193 marketing principles. These principles ranged from those well-grounded in economic and psychological theory to those based on conjecture. The purpose of this section is to review several marketing principles, incorporate these principles into more general normative propositions (i.e., generalizable across industrial and consumer marketing),[2] and illustrate applications of the propositions.

The level of a buyer's knowledge has been related to pricing, channels of distribution, and promotion. Higher priced goods are often seen as "better," particularly when price is the only information available (Harper 1966, Monroe 1979, Oxenfeldt 1975, Palda 1971, and Sturdivant 1970). The implication is that when buyers lack information about a product or brand, price in some instances becomes a surrogate for quality. Another principle states that more direct and selective channels of distribution are called for when technical knowledge is required for the sale, installation, maintenance, and repair of products (Bucklin 1966; Buell 1970; Clewitt 1970; Cox, Goodman, and Fichandler 1965; Walters 1977; and Woodside et al. 1978). Additionally, when the product is technical in nature, the buyer is not knowledgeable, and much information is to be disseminated, the firm should rely on print media to raise the level of the buyer's knowledge (Aaker and Myers 1975).

From the three principles just reviewed, a more general proposition linking the market dimension dealing with a buyer's product knowledge to the selling firm's marketing activities was derived:

> P1: The less knowledgeable the market is about a firm's market offering, particularly when the product is technically complex, the more direct the method of communication should be, given the firm's financial constraints.

This proposition implies that the requisite level of customer knowledge will dictate whether the firm uses its own sales force or uses intermediaries, whether intensive distribution or some degree of selective distribution will be used, and what influence source will be used, personal or impersonal. All of these alternatives represent different degrees or levels of direct communication. Of course, failure to communicate leaves the market free to use whatever information is available, and in some cases, this may be price.

An example may clarify the implications this proposition has for a firm developing its total market offering. Personal computers are fairly technical and, subsequently, potential buyers are likely to have only limited knowledge about these products. The proposition indicates that direct communication should be used. Thus, a personal computer manufacturer should use relatively direct and selective marketing channels which emphasize personal selling to reach its potential buyers. By selling directly only to dealers who have very strong in-house service capabilities and by providing them with extensive sales force training, Apple Computers is able to market to the buyer with no computer expertise. For Apple, this buyer may be a small businessperson or a novice hobbyist; the key factor in reaching either of these potential customers, however, is that buyer's knowledgeability, rather than whether the product is an industrial good or consumer good.

According to some authors, the more frequently purchases are made, the more feasible it is for a manufacturer to use direct distribution (Buell 1970, Clewitt 1970, Kotler 1980a, Walters 1977, and Woodside et al. 1978). Also, convenience goods and common raw materials are generally distributed intensively (Buell 1970; Kotler 1980b; Sims, Roster, and Woodside 1977; and Woodside 1975). Moreover, distribution saturation is attempted when the price is relatively low, buyers purchase the product frequently, and buyers accept substitute products (Michman 1974 and Woodside et al. 1978). Shopping and specialty products, unlike the more frequently purchased convenience goods, require more personal selling and service, command higher margins, and require more seller guarantees (Pessemier 1977, Sturdivant 1970). Finally, the higher the buying frequency, the more continuous the advertising should be (Aaker and Meyers 1975). One general proposition that might be suggested by the above is:

> P2: The more frequently the buyers purchase the product/service, the more continuous the availability of the offering and the communication associated with the offering should be.

This proposition suggests that for frequently purchased goods and services, a continuous supply should be readily available through intensive distribution. Also,

[2]The general propositions that follow assume ceteris paribus.

continuous promotion of important product benefits and availability should be implemented to ensure awareness among potential buyers.

Many consumer goods could easily illustrate this proposition. Beer, for example, is heavily advertised during televised sporting events and is widely available, depending upon state laws, for consumers to purchase. Since many consumers of this product are frequent purchasers, continuous promotion is undertaken to remind them of their favorite brands or to entice them to switch brands. Wide availability of each brand provides an additional method for reducing the likelihood that a consumer will switch brands because his/her favorite is not stocked at convenient outlets. Thus, goods such as beer, bread, eggs, milk, cigarettes, and candy bars may be both intensively advertised and distributed.

Office supplies have similar characteristics; they are purchased frequently and often with a minimum amount of effort. Accordingly, the communication is continuous through the use of salespersons who may call on an individual account up to once every two weeks. In addition, buyers are usually encouraged to call the salesperson should their stocks need replenishing before the next sales call.[3] Buyers of office supplies are also assured of speedy delivery in that the delivery schedule can be altered by marketing-oriented office supply houses to meet the specific needs of the buyer. In fact, small items are sometimes hand-carried by the salesperson to fill an urgent order. Again, continuous availability and communication with the market characterize convenience-type goods, whether for consumer or organizational use.

A final example involves the number of buyers or the size of the potential market. According to some authors (Clewitt 1970; Cox, Goodman, and Fichandler 1965; Walters 1977), the more potential customers there are, the less personal selling is used (i.e., the longer the channel). Another source (Buell 1970) suggests that the more consumer oriented the product, the more concerned the marketing managers should be with aiming their advertising at broad audiences. Others think that the greater the total market size, the more indirect intensive and multiple the channel system can be (Bucklin 1966; Cox, Goodman, and Fichandler 1965; Kotler 1980b; Rosenbloom 1978; Stern and El-Ansary 1977). These principles were used in the following proposition:

> P3: The greater the number of buyers in the market, the more continuous the supply of the offering should be and the more continuous the firm's communication with the market should be.

This principle suggests that market size and density determine the degree to which mass communications should be employed. Obvious economies through lower cost per targeted customer reached can be achieved by using network television and mass circulation magazines when the number of potential buyers is large. Efficiencies are also realized by intensively distributing the offering when the market is large.

Two examples may illustrate this proposition. The market for photocopying machines is fairly large since it includes not only large corporations but small businesses as well. These products are widely distributed through office supply firms as well as through the manufacturer's own sales branches. In large metropolitan areas with larger numbers of buyers, the intensity of distribution varies from intensive to selective, depending upon the brand. In less concentrated markets, the distribution intensity for photocopiers ranges from selective to intensive, again depending upon the particular brand. The use of mass media to advertise photocopiers is widespread, with Xerox and Canon relying heavily upon television.

McDonalds has also achieved intensive distribution. Moreover, they use television along with other media to reach their large target market. Regardless of whether the target is an organization or a consumer, intensive distribution and heavy use of the mass media will enable marketers to reach their markets, especially if they are large markets.

In summary, three general propositions were derived which appear to be applicable to both industrial and consumer marketing contexts. Examples, which point to the reasonableness of these propositions, were also presented. Now it is time to examine the implications of all that has been presented.

Observation as Compelling Evidence

Up to this point it has been argued that the industrial/consumer dichotomy has serious limitations for classifying marketing phenomena. Additionally a few counter-examples were presented to illustrate that the traditionally accepted differences between these two categories—while making intuitive sense—may not be too meaningful in terms of advancing marketing thought or theory. Finally, an ANOVA analogy was presented, along with a set of general marketing propositions and examples. Moreover their potential applicability to marketing strategy formulation was discussed.

Yet it must be acknowledged that these ideas run

[3]Note that although mass promotion might be appropriate here, other factors such as the size of the market, the width of the product line, etc. cause personal selling to be more useful. Also note that frequent sales calls and the use of telephone ordering can be effective substitutes for intensive advertising for products such as office supplies.

contrary to popular beliefs and in the extreme may be viewed as heretical. The unconvinced reader can point to observed differences between the current practices of marketing to organizations and marketing to households. Observation provides rather compelling evidence that the two areas must indeed be different in some fundamental ways. For example, product specifications, purchase contracts, reciprocal buyer/seller relationships, and leasing contracts may be more prevalent in industrial marketing than in consumer marketing. Moreover, their reward and organizational structures differ dramatically. Additionally, since industrial goods are more subject to technical obsolescence than style obsolescence, there is less reliance on clearance sales and mark-downs to reduce inventories. Yet these observations merely indicate what is—not how it should be. Therefore, caution must be exercised in making normative inferences from these observations.

Sheth (1979) offers another criticism of observed differences. As he aptly points out, observations are often based on extreme examples while the full spectrum of examples is ignored. Consistent with the three propositions discussed earlier, a nuclear power plant might be marketed through direct sales, selective distribution, and intermittent advertising (see Figure 2). This marketing mix is typical of what many would call industrial marketing. But not all industrial goods are marketed to organizational buyers in this manner any more than all consumer goods are marketed through mass promotion, intensive distribution, and continuous advertising. Thus, extreme examples, although they do exist, tend to obscure the more basic similarities between industrial and consumer marketing.

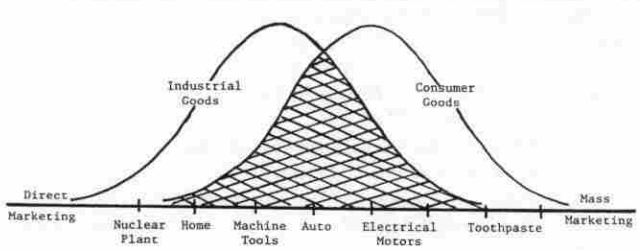
Unresolved Issues

The hypothesis proposed in this article is that industrial and consumer marketing are not significantly different. The widely accepted alternative hypothesis is that they are different. However, no empirical support has been offered for either position. Proponents of the dichotomy can argue that the burden of evidence is on those that reject the dichotomy. On the other hand, opponents can argue that no significant differences exist (i.e., the similarity hypothesis cannot be rejected) until empirical results can be provided to support the alternative hypothesis. To date, supporting arguments for both positions are mainly anecdotal. Moreover, the anecdotes can be criticized as representing extreme positions on the issues. Although these issues can be rigorously debated, their ultimate resolution may be achieved by advancing logical normative arguments and theoretical propositions which can be tested empirically.

However, before research is conducted it must be determined which similarities and differences are being examined. At various points in this article discussion has focused on differences in industrial/consumer goods, industrial/consumer buyer behavior, industrial/consumer marketing, and industrial/consumer goods marketing. There is no doubt that vacillation in terminology leads to confusion about what is being classified. This confusion can only be reduced by more clearly defining these concepts and their interrelationships.

Finally, it must be acknowledged that although issues were raised concerning the industrial/consumer dichotomy, they were not resolved. By drawing attention to some of the problems surrounding the use of these concepts, it is hoped that marketing scholars will devote more thought and research effort to resolving the issues raised in this article.

FIGURE 2
Industrial Goods versus Consumer Goods Marketing



Source: Sheth (1979, p. 55)

Summary and Implications

Unfortunately, to date the observed differences between industrial and consumer marketing (1) have not been causally related to marketing practice or theory formulation, (2) have not been tested empirically, and (3) have not been justified on logical grounds. In short, the purported differences have not played an instrumental role in the development of marketing thought.

As an alternative approach, the reader is asked to consider the similarities between marketing to organizations and marketing to households. Perhaps these similarities provide a key to the development of marketing theory and practice. Perhaps it is time to back up a bit and examine the utility (or lack of utility) of commonly accepted classification schemes for marketing phenomena. If they cannot be supported logically, it may be time to start looking at other typologies. The industrial/consumer dichotomy requires theoretical development along two similar but separate paths. By removing this distinction and examining marketing phenomena for commonalities, dimensions should be identified (e.g., buying center size, buyer's knowledge, frequency of purchase, and market concentration) which provide the opportunity for developing a more general theory of marketing.

This latter approach to theory development poses the potential for greater efficiency in acquiring and disseminating marketing knowledge by eliminating duplication of research effort, redundancy among professional journals, and replication of academic course offerings under different titles. An additional benefit might be greater creativity or more innovative strategy development by practicing managers.

By considering only the inherent market characteristics in strategy formulation, managers will face the task of studying the interrelationships among common factors or dimensions. This is contrasted with the notion that some managers are engaged in doing industrial marketing (an area seen as underdeveloped by some authors) while trying to apply consumer marketing concepts. Managers well-trained in understanding fundamental marketing concepts, principles, and relationships should have an easier time developing appropriate strategies regardless of whether the buying center is an organization or a household.

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