

# Product Communication in the Industrial Environment Case of the Cluster (CE3M)

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**Abstract:** *The objective of this article is to identify the most effective industrial communication tools for Moroccan Small and Medium Industries (SMI). To do this, we first noted the marketing communication tools presented in the literature review, then we carried out a statistical study on PMI. In the sample are companies that have worked in the electronic mechatronics and mechanical industry member of the CE3M cluster and companies operating in the same sector but which are not members of the mentioned cluster. The objective of the empirical study is to recognize the product communication practices most used by Moroccan SMIs, as well as the interest they take in the concept of "cluster", in particular, the contribution or the benefit, in terms of reputation, and visibility on the market based on those of the cluster. After an analysis of the results, we were able to put forward recommendations essentially to allow the benefit of visibility on the national and international market and to carve out a place in a highly competitive industry.*

## 1. Introduction

The communication must not be made in the form of a message sent occasionally according to the inspiration of the moment, due to the launch of a new product on the market, the whole must obey an overall plan with consistency between the different actions carried out by the firm in terms of communication while remaining faithful to the image of the company.

Communication is one of the elements of action on the market and is part of the marketing process. Therefore, industrial communication must be studied with as much attention, but the problem which arises is that the PMI not enough means to carry out promotional actions for the benefit of their product, but it turns out that 'there is an alternative way to benefit from product communication at the lowest cost, this means is membership in a cluster. So, the question that arises is how can Moroccan SMIs take advantage of their membership of a cluster in terms of promotion and notoriety?

The cluster as identified by Michel Porter 1980 as a set of interconnected actors: industrialists, scientists and local actors, who are both in competition, but also cooperate. The concentration, in the same territory, in the same field or sector of activity brings these players a competitive advantage.

The purpose of agglomerations is essentially the development of the competitiveness of a territory, and make it attractive for foreign investment and the stimulation of economic growth. Without forgetting the promotion of an environment favorable to technological collaborations with international partners and the attraction of investors towards the country. And if we talk about promotion, we are therefore faced with marketing actions in an industrial context and it is also one of the objectives of this work to identify the means of communication used by Moroccan SMIs.

For our study, we chose PMIs operating in the mechatronics and mechanical electronics industry, and the companies in our sample were companies member of the CE3M cluster

and non-member companies, this choice is explained by a desire to make a comparison between members and non-members at the level of means of communication used, and at the level of notoriety.

Our study attempts to answer several questions:

- The means of industrial communication used by Moroccan SMIs?
- The languages used in the communication media?
- The benefit of belonging to a cluster in terms of notoriety?

### Methodology:

To answer our questions, we opted for a quantitative study by questionnaire. The study was emailed to a list of chiefs PMIs. This study was carried out on a panel of 30 companies in the mechatronics and mechanical electronics industry, all based in Casablanca. The study mainly targeted marketing and communication managers. The functions of the main respondents are: Directors / Managers / Communication managers and some CEOs / DGs.

## 2. Literature Review

The objective of this literature review is to present the peculiarities of B to B communication in terms of objectives, target, and usage. We will also present the communication plan and the basic elements to create an advertisement.

### Section 1: Determination of communication, objectives, target and plan.

#### 1) The objectives of the communication

If the firm chooses its commercial objectives, obviously it will choose its objectives to assign to communication, that is to say, objectives to publicize its existence, inform about its products and services, develop its notoriety, improve to strengthen its image by (precision, speed, quality of its services, technological advance, etc.), building customer loyalty, winning customers over the competition, increasing its profit, supporting the sales force, etc.

#### 2) The target of the communication

As well as in the B to C in B to B strategic approach, it is necessary to determine the target, who are in this context the potential clients. Studying the motivations and the brakes

which condition the attitude and the behavior of consumer through a quantitative and qualitative study, this makes it possible to know the current and potential extent of its market, to determine the direct and indirect customers.

### 3) The communication plan

It is a document that summarizes what the advertiser and the agency must do, provides the necessary and precise information to carry out communication actions; the determination of the target, the objectives, and the arguments to put forward, which will be translated by one or more axes, expressed in advertising themes. The provision to the industrial enterprise of direct and indirect communication means to convey actions. Determining types of control and evaluation of the effectiveness of actions. Budgeting according to the means implemented to achieve the objectives.

### 4) Creation in industrial communication

Industrial advertising for a long time and currently tries to show as many products as possible either aligned to the parade or scattered or random. Why does industrial communication seem so complicated? Why would it require technical specialists from engineers? The answer is that industrial communication is a specific job because there is less ease there than elsewhere, as there is less money and more problems difficult to dissect. Indeed, it is necessary to justify a perfect knowledge of the industry before proposing as an external collaborator. Large advertisers sometimes go to mainstream advertising agencies and not to industry-specific agencies, although the majority of these agencies recruit their creatives from mainstream agencies. So the mainstream agency is for "an image companion" and the agency specializing in the industrial sector is for "a product companion". The conception of the advertising message must take into account under penalty of provoking reactions of rejection, (vulgarity, exe in the use of humor, allow your interlocutors to rationalize their attitudes, contradictory opinions and difficult to materialize.

### Section 2: The communication budget

The establishment of a communication budget requires that a choice be made between different media and supports, in view of its usefulness for the objective pursued.

How much is spent on commercial communication?

A thorny question for industrial companies which have not practiced marketing for a long time with more difficulty for those who address the general public.

#### 1) The structure of the budget

This structure is made up of different positions.

- Buying space because of its high price, advertising space represents the most important item. This space and the medium chosen in the selected media: technical and professional press, it may be the possible press, directory, stand in trade fairs and exhibitions.
- Costs of implementing other specific media. Such an important post in this section is direct mail with the management of the rental of address files, the sending of messages.
- Equipment production costs, we are talking here about communication equipment: announcements,

demonstration and audiovisual films, company newspaper if necessary and above all editing catalogs, brochures, technical sheets, sales pitch. So this last post is one of the most important in industrial communication.

#### 2) Determining the budget:

There are two methods of budget setting adopted by advertisers.

- Budget setting as a percentage of turnover: It is the determination of the budget according to the turnover of the previous year or the year to come, a method used by companies of industrial products and products general public
- Budget setting compared to the competition: No company can do without advertising in a competitive market.

### Section 3: media and industrial communication support.

The means of industrial communication are grouped into three sets:

- 1) Direct means of contact;
- 2) The means of advertising proper;
- 3) And direct and indirect complementary means;

#### 1) Direct means of contact

Specialized exhibitions and fairs participation in this type of event is necessary for all companies operating in the industrial sector, especially when you are present in a foreign market. This type of contact remains an effective means of being known on the one hand and observing the behavior of competitors on the other. And nationally, exhibitions remain a great way to support your sales force. It is exactly a publicity-promotional operation that must be carefully prepared and give time beforehand for good preparation.

- Warn of its presence at the show by the "reminder butterflies" affixed to all mail sent.
- Mention its presence in press announcements at the show.
- If necessary, communicate in preview to the specialized press the innovations that will be presented.
- Gather very good documentation, including its presentation, which we will allow each visitor to the stand as well as the press.

At the stand, the staff must be competent and in sufficient numbers to welcome visitors and respond with precision to the questions asked, they must be friendly and available to give a good impression.

The second direct means of contact is meetings, training and information seminars, these are not the company's sellers but those of distributors, technical traders, so these intermediaries must be informed. Evolution of the firm and its new products, motivated them so that they are properly concerned with promoting their brand.

Third means is the publicity-promotional presentation and demonstration, is organized periodically in the company or in specialized places such as large hotels, in order to present or demonstrate the material. We invite the area interested in the product and all that represents a potential client for the firm, and of course the specialized press.

Also the caravan or traveling presentation and demonstration, presents itself as a mobile form of previous

event is advisable each time we want to reach a large and scattered potential clientele such as for example that which uses hand tools c' is this method of contact adopted by a number of equipment manufacturers, this caravan can be in the form:

- Exhibition in a collective train where each exhibitor will have 13 to 17 m of stand.
- Or a rented truck with an area between 30 and 80 m useful for making a sort of stand.

## 2) The indirect means of publicity proper

The press is generally a very good medium for advertising in an industrial environment for several reasons:

- It is selective: the audience for each title is generally well known, quantitatively and qualitatively;
- The weekly periodicals are mainly kept in the technical fields;
- The measurement of circulation rate, is the number of people in contact with the periodical. Although they are not specifically industrial media, certain important titles from the economic press and even general information are used, essentially for prestige operations aimed at particular targets such as shareholders, or to disseminate to an audience by an "institutional" advertisement, a rewarding image for the firm, which will thus put its possibilities and its achievements its research, its projects and its references. It is indeed important to improve the image of firms, in indirect ways, to sell better and more.
- Professional branch or sectoral specialization (transport, building, ...).
- The specific technique or functional specialization (cryogenics, welding, storage, handling, etc). The intrinsic characteristics of the vectors of the "press" medium.

Each medium of each support has its own characteristics. With regard to the medium press, the industrial advertiser needs to know in detail a certain number of parameters which alone will allow him to choose the few titles which will be used in conjunction with the other means of communication, in the planned campaign.

It is necessary to measure for each press support whatever its periodicity;

- a) The audience or all of the people who read or consult the newspaper or magazine (quantitative audience but also qualitative because it allows to identify people and their function in the company).
- b) The useful audience or fraction of the total audience corresponding to the characteristics of the targeted target.
- c) Duplication of audience, audience common to two supports.
- d) Non-duplicated coverage or number of distinct people in contact with two or more supports.
- e) The useful penetration rate as a percentage of the target set hit by the support.
- f) The circulation rate, or number of people, average and theoretical, in direct contact with a copy of the periodical greater than the number of buyers.
- g) The actual distribution of the number of copies sold by issue or by subscription, less than the circulation, which is the number of copies printed.

**Example:** In France studies have shown that the technical press is one of the main sources of information in an industrial environment and that it represents approximately 20 to 25% of total public-promotional investment in the industry. For the professional directory, the company must appear in the largest number of professional directories, by specific technique, by branch, etc.). As can be advertised on the pages of these directories reserved for advertising, or even in inserts, the advantage is that the message lives as much as the directory, it can be considered permanent.

## 3) Additional means of advertising

It can be a catalog, technical and commercial notice, price scales, company letterhead. This is not where the sales force makes contact with prospects. Just as much as the content, the presentation of the documents must be capable of conveying the image that the firm wants to give of itself.

The company newspaper is a means that companies can dispose of from a certain size, a means of communication with its prospects, customers, distributors, and with its staff, especially its sales force. It brings to the attention of all its achievements, it is a form of "institutional" advertising that must be made as little advertising and as "informative" as possible. Indeed, the newspaper does not sell the products but the company itself, that is to say, it seeks to sell a favorable image of the company to its employees, and this favorable image does not reflect an increase in sales.

Factory and installation visits are public relations, another form of institutional advertising. They will take place on specific occasions or on a fixed date in a systematic manner, and will be aimed at prospects, customers, distributors, specifiers, local specialist journalists. Generally speaking, we will reserve a type of visitor for each visit so as to concentrate the interest and we will choose the suitable companion for the group. Documentation will be given to everyone and a question and answer session will close the event.

The organization of an informative type of operation towards the press and prescribers, and will be the talk of the firm: the sending of technical articles on the use of the product, such as research and development completed as well as the patents registered. These events are an opportunity to learn, to meet other people in the profession, to assemble and present a paper.

## Section 4: the choice of media and supports:

The advertising campaign carries a number of support but be selected for maximum efficiency. This efficiency is the subject of media planning and includes the following steps.

### 1) The choice of media

While many industrial and professional media are complementary, they are not unchangeable. Moreover some suitable in some cases along with other would be inappropriate. So it forces the advertiser and its agency to remove first of all the media at their disposal those who do not need or cannot be used, and then select from those who are the most appropriate to the situation. In most cases two media will be chosen primarily because they are particularly suited to their characteristics of cost and coverage.

## 2) The choice of supports

It is the choice of a support combination such as:

- Maximum of individuals belonging to the target (useful contacts) is touched.
- Vectors enjoying good credibility, this is achieved with the best qualitative and quantitative impact / cost.

The issue of credibility falls for a share of arguments in the various messages of the communication plan of the advertiser, on the other hand the professionalism and the quality of news media perceived by readers.

The number of contacts and their costs depend on the characteristics of the media such as audience duplication and useful net coverage, repetition, price and advertising space.

## 3) The power and economy scale, coverage:

- The first calculation to do is that of the power scale of the various preselected supports, it is the promotion of the target belonging to the total audience, and corresponds to the useful audience.
- Then we calculate the economy scale: this is the price of advertising space related to the number of people in the useful audience and, if applicable, the weighted useful audience.

Once this is done, you should not immediately choose the medium that has the lowest cost and insert a maximum of messages, because these are the same individuals who will see the successive, unless they make up the entire target alone, it is not entirely the right choice.

## 4) The intensive or exclusive nature of the companion:

Do you want to hit a relatively small target, but with a high intensity? or do you prefer to hit as many people as possible, even if it is only once?

- In the first case, which corresponds to objectives such as trying to create a nonexistent image, modifying in a more favorable direction an image a little old will be put on the repetition, so as to drive the point home.
- In the second case, which corresponds to objectives such as informing as many people as possible about the existence of a material, or maintaining an already strong image, the companion will be extensive, the accent being placed on the cover.

What must be taken into account is that the communication policy must not have holes, it must be a continuum with however strong points at the time of particular events - like an exhibition, or the launching of a new product or process - so as to support the image of the firm or brand and be present in the minds of customers, prospects, specifiers, distributors at all times.

## 3. Presentation and analysis of the results

In this analysis we will measure:

- The use of media and industrial communication support by Moroccan SMIs.
- The languages used in the chosen means of communication,
- The use of websites.

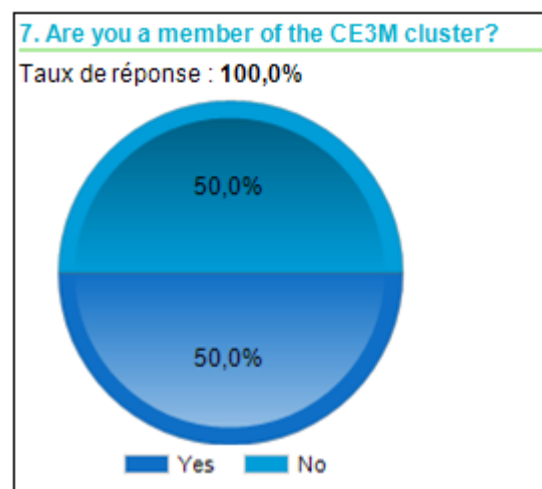
- And we also try to measure the impact of belonging to a cluster on the reputation of SMIs.

The objective of this study is to decipher the uses and practices of B2B businesses in terms of means of communication, and the impact of belonging to a cluster on the reputation of the SMIs.

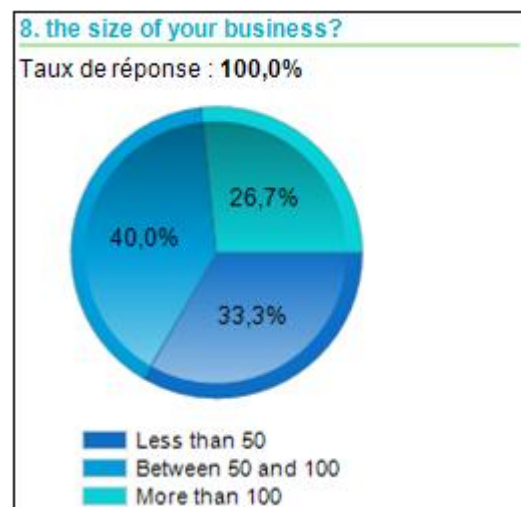
The questionnaire was sent to a panel of B to B marketing directors in the mechatronics and mechanical electronics industry in Morocco. The study was carried out on a sample of 30 companies made up of SMIs members of the CE3M cluster and SMIs nonmembers of the cluster, all based in Casablanca.

### 1) The sample

CE3M cluster member companies represent half of the sample as well as non-member companies represent (50%).



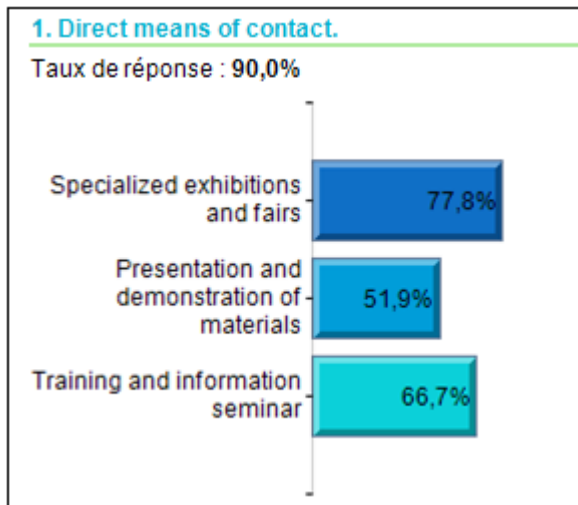
And the size of the companies that appear in our sample are, companies in their workforce is less than 50 employees with a representation of 33.3%. And SMIs in their workforce is between 50 and 100 employees represent 40% of the sample, and SMIs in their workforce is more than 100 employees represent 26.7%.



The measurement of media use and industrial communication support by Moroccan SMIs

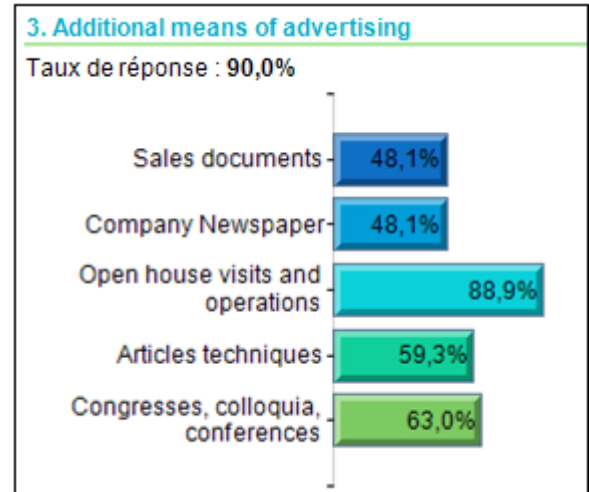
**A) Direct means of contact**

The most used means of direct communication by Moroccan SMIs are the exhibition and specialized fair with a rate of 79.3%, followed by training and information seminars with a rate of 69%, and in the third row presentation and demonstration materials with a rate of 51.7%.



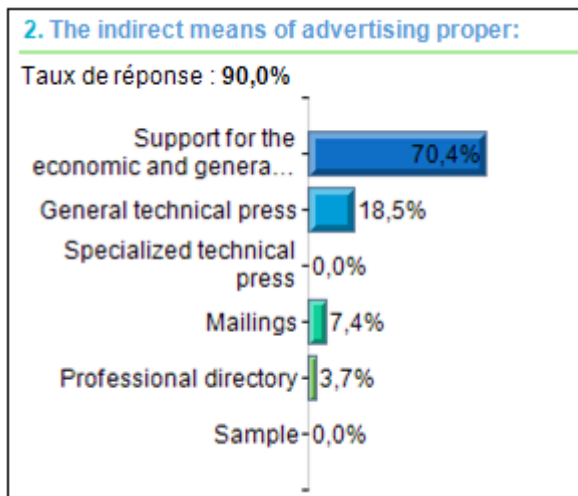
**Additional means of advertising:**

The results of the survey show that the managers interviewed attach little importance to sales assistance means such as (leaflets, and brochures,) with a rate of 48%, something which is often linked to the lack of resources, and favoring investments with short-term returns rather than betting on the long term.



**The means of indirect communication**

This includes press materials, direct mail, directory and distribution of samples. In the Moroccans case, the most used means in this category is the economic press with a rate of 75.9%, and the least used means is the professional directory with a rate of 10.3%.

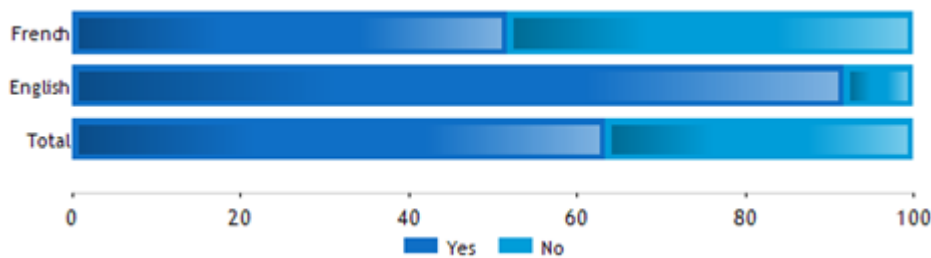


**The languages used in the chosen means of communication**

To measure the use of the French and English languages in communication media, both among companies in the cluster and also among non-member companies, we crossed the language and belonging to the cluster variable.

**Crossing of the variable “languages used in communications media” with the variable “cluster membership”**

LC	You are member_of_cluster_CE3M			No			Total	
	Eff.	% Obs.	Ecart	Eff.	% Obs.	Ecart	Eff.	% Obs.
French	15	51,7%	-S	14	48,3%	+S	29	100%
English	11	91,7%	+ S	1	8,3%	-S	12	100%
Total	26	63,4%		15	36,6%		41	



The percentages are calculated based on the number of responses online, the sum of the rows and / or columns is different from the number of observations due to the multiple responses. The blue values are significantly over represented, at the 5% risk threshold.

Effective responses: 29, Non-response (s) 1, Response rate: 96.7%, p-value = 0.02; Chi-square = 5.84; dof = 1.00. The relationship is significant.

Small businesses belonging to the cluster tend to use the second foreign language in their communication media more than that which is not part of the cluster. That is to say that

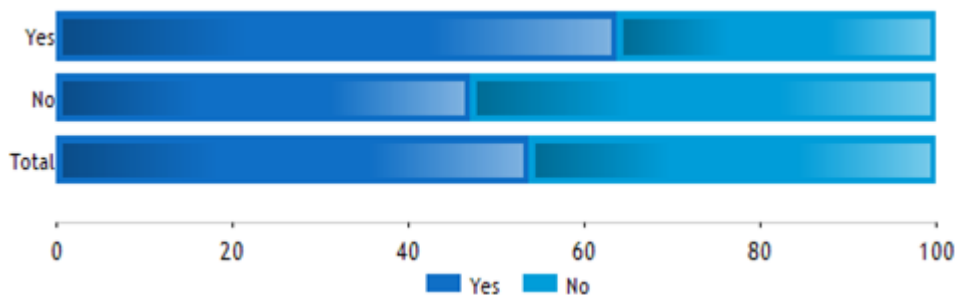
the member SMIs benefit from the communication side led by the cluster even if the financial means of the company do not allow it to make a promotion using several languages in different media. As a result, PMI members of the cluster can benefit from subcontracting and partnerships with the United States or with Turkey.

**Measuring the use of websites**

Nowadays we cannot be visible to our target without a website. So we want to measure the use of websites by Moroccan SMIs, we cross the variable belonging to a cluster with the variable layout of a website.

**Crossing of the variable website” with the variable “belonging to the CE3M cluster”**

Belonging to the CE3M cluster	Yes			No			Total	
	Eff.	% Obs.	Ecart	Eff.	% Obs.	Ecart	Eff.	% Obs.
The use of websites								
Yes	7	63,6%		4	36,4%		11	100%
No	8	47,1%		9	52,9%		17	100%
Total	15	53,6%		13	46,4%		28	



The percentages are calculated based on the number of observations online and in column. The values in blue are significantly over-represented (at the risk threshold of 5%).

Effective responses: 30, Non-response (s): 0, Response rate: 100%. P-value = <0.01; Chi-square = 16.43; dof = 1.00. The relationship is very significant.

The analysis then reveals that the PMI members of the CE3M cluster have more websites than non-members, and this can be explained by the fact of being present on the

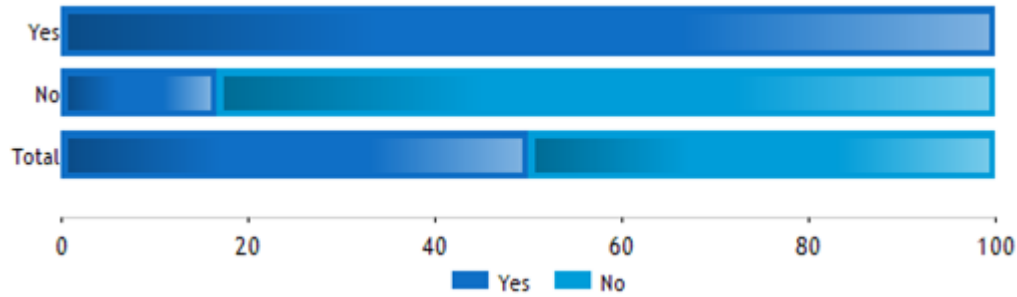
cluster site even if the PMI does not have a portal dedicated only to his business.

**The impact of belonging to a cluster on the reputation of the PMI**

To measure the impact of the agglomeration on the reputation of member companies, we crossed the variable belonging to the CE3M cluster, and the benefit of a reputation.

**Crossing of the variable "belonging to the cluster" with the variable "notoriety"**

belonging to the cluster CE3M	Yes			No			Total	
	Eff.	% Obs.	Ecart	Eff.	% Obs.	Ecart	Eff.	% Obs.
notoriety								
Yes	12	100%	+TS	0	0%	-TS	12	100%
No	3	16,7%	-TS	15	83,3%	+TS	18	100%
Total	15	50%		15	50%		30	



The percentages are calculated based on the number of online and column observations. The values in blue are significantly over-represented (at the risk threshold of 5%). Effective responses: 30, Non-response (s): 0, Response rate: 100%. P-value = <0.01; Chi-square = 20.00; dof = 1.00. The relationship is very significant.

During the analysis of the results it was observed that the PMI members of the cluster confirm to have benefited from the notoriety of the latter, this membership allows them to have a:

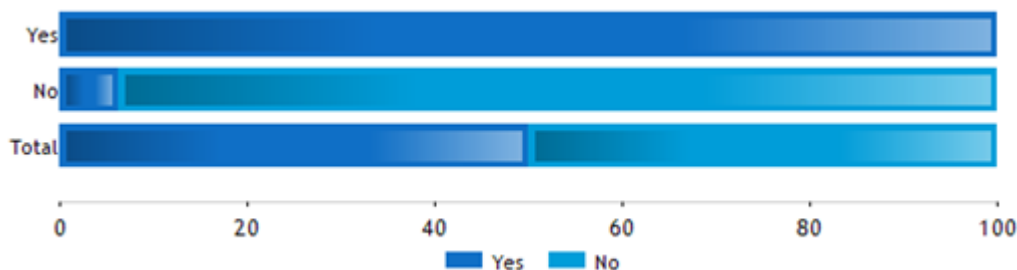
- Stronger and more profitable collaborations;
- Better visibility outside the parent organization;
- More effective awareness;

- shortened technology transfer time;
- More consistency and rapid application of research results;
- Reduced licensing costs;
- Stronger partner loyalty;
- Competing platforms for impact on the market;
- A more important, faster and more reliable means;

**Membership of the cluster and partnership abroad:**

To measure once again the impact of belonging to a cluster on the benefit of partnerships abroad, the variable "partnership abroad" was crossed with the variable "belonging to the CE3M cluster"

belonging to the CE3M cluster Partnership abroad	Yes			No			Total	
	Eff.	% Obs.	Ecart	Eff.	% Obs.	Ecart	Eff.	% Obs.
Yes	14	100%	+TS	0	0%	-TS	14	100%
No	1	6,2%	-TS	15	93,8%	+TS	16	100%
Total	15	50%		15	50%		30	



The percentages are calculated based on the number of online and column observations. The values in blue are significantly over represented at the risk threshold of 5%). Effective responses: 30, Non-response (s): 0, Response rate: 100%, p-value = <0.01; Chi-square = 26.25; dof = 1.00. The relationship is very significant.

The companies in the cluster confirm that they have benefited from partnerships with foreign collaborators, something which is facilitated by the reputation of the cluster and the complementarity of its members.

**4. Summary**

Moroccan SMIs do not tend to use sales assistance means such as brochures, as well as the no provision of a website for certain SMIs which is increasingly becoming an essential means of promoting the company and its benefits, and this can be explained by the insufficient financial means to invest in communication.

Unlike the SMIs member of the cluster which has a website, and which use the majority of direct, indirect, and complementary means of sales with both foreign languages, and this is explained by the fact of belonging to the CE3M cluster subject of our study.

**5. Recommendations**

The concept of marketing and branding are applicable to all types of clusters, regardless of the size or type of industry, so SMIs who do not use means to publicize their industrial products in the industrial environment we can recommend them to join a cluster to benefit from the image of the latter, and through this membership these SMIs can benefit from subcontracting from a national or international donor. Membership of the cluster also allows the SMIs to take advantage in terms of growth, competitiveness and internationalization prospects, without forgetting to acquire national and international visibility, to find new partners, promote exports and internationalization.

It is also recommended to develop collective brands, to implement marketing strategies and a whole series of tools aimed at developing "networking", by setting up a network of professional contacts meeting the needs of different members and actors. Developing a brand image can also attract investment and new businesses, and promote the internationalization of member companies and the promotion of exports.

The existence of a brand image can also provide a driving force as it can provide energy and direction for efforts to develop the cluster, and this strengthens the identification of the cluster and its actors, and arouses civic pride and stimulates stakeholder confidence.

When the members of the cluster are mainly small local businesses, the group often opts for a strategy that promotes the brand of the cluster. In this case, SMIs benefit indirectly from the reputation of the cluster brand.

## 6. Conclusion

The fact of belonging to a cluster allows the member company to minimize communication costs and to benefit from a reputation on the market warned of the reputation of the cluster, without forgetting the complementarity of the members which gives the cluster a weight on the international market. The cluster also allows the development of the competitiveness and the economy of a country through, innovation, and development of local industries whose aim is to attract foreign investors; stimulate growth and jobs. These strategic objectives must be achieved by the action of the poles, in particular the development of partnerships between the various stakeholders; and of course the promotion of an environment favorable to innovation; encouraging the development of technological partnerships with international partners and attracting investors to Morocco.

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