



TOGETHER
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OCCASION

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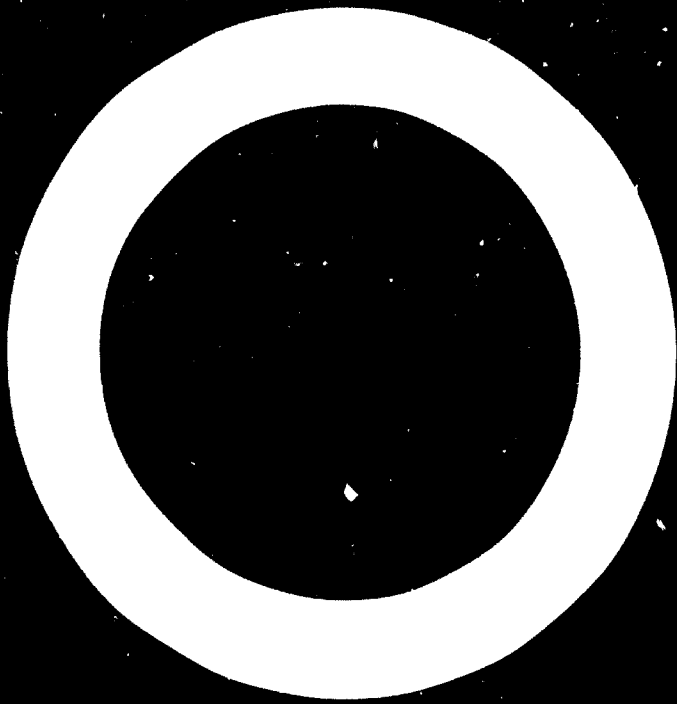
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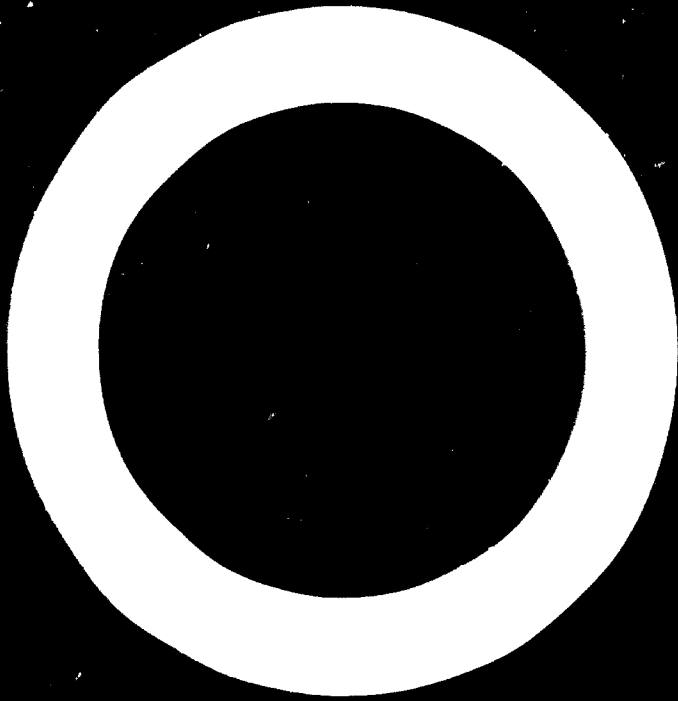
INSTITUTIONS AND SERVICES
FOR
INDUSTRIAL DEVELOPMENT

INDUSTRIAL
MARKETING
PROGRAMME



UNITED NATIONS





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**UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION
Vienna**

This brochure is one of a series published to inform developing countries of the types of assistance available from UNIDO to advance their industrialization programmes.

Introduction

The United Nations Industrial Development Organization (UNIDO) was established by the United Nations General Assembly in 1966 as an autonomous body within the United Nations to promote and accelerate the industrialization of the developing countries. It was given the central role in co-ordinating all the activities undertaken by the United Nations family in this field. UNIDO came into existence on 1 January 1967 and has its headquarters at Vienna.

UNIDO provides advisory and promotional assistance and training to Governments and organizations in the establishment, reorganization and reinforcement of industrial infrastructure. This assistance is provided by agreement between a requesting Government and UNIDO, and, in most cases, the United Nations Development Programme (UNDP).

The contribution of UNIDO to technical assistance projects may take many forms depending on the requirements of the requesting Government and the size of the project. Projects may include:

Provision of experts

Provision of fellowships for individual training or for participation in group training programmes organized by UNIDO or other institutions

Provision of equipment

Short-term (one month or less) exploratory or advisory missions by UNIDO headquarters staff members or consultants

Any other form of assistance mutually agreed upon between the Government and UNIDO

Marketing in industrialization

Marketing is an instrument for determining the strategy of production. It enables producers to meet demand effectively and minimizes investment risks. Industrial marketing focuses upon four basic elements:

(a) Definition and planning of the type of products that should be manufactured, in terms of specifications, quality, quantities and time, in accordance with the actual and potential demand of the market.

(b) Pricing of products, including credit and discount policies, in accordance with prevailing competitive conditions, local purchasing power and national habits;

(c) Selection or improvement of promotional media facilitating communication between producers and consumers;

(d) Organization or development of logistic means and distribution channels to convey the product from the area of production to the area of consumption.

Techniques are available today that make it possible to improve marketing strategy substantially, at domestic and external levels, so as to induce the expansion of both the offer and the demand for locally manufactured products.

Since a close relationship exists between industrialization and marketing development, UNIDO has established the industrial marketing programme, which is primarily concerned with the advancement of marketing expertise and skills in the developing countries. The major objectives of this programme are to improve marketing expertise and the performance of industry in developing countries and to create or strengthen marketing institutions and services in harmony with the national targets of industrial and socio-economic development plans.

Specifically, UNIDO provides technical assistance to public and private enterprises in all aspects of strategic and operational marketing, and advises

national or regional authorities on the formulation and implementation of marketing policies and measures designed to promote the image and the expansion of the industrial offer of and the demand for locally manufactured products.

Examples of technical assistance provided by UNIDO

The UNIDO industrial marketing programme comprises small-scale and large-scale technical assistance projects.

Small-scale projects include one or a combination of the following

(a) Special advisory or exploratory missions to assess the state of marketing in a given country, region or sector of industry, to ascertain needs and priorities and to recommend appropriate plans of action to improve the marketing of local products;

(b) *Ad hoc* marketing or consumption studies to ascertain the actual or potential demand and the strength of competition in the domestic market, as well as the feasibility of new industrial investment or diversification programmes;

(c) Specific field or desk research, the goal of which is to collect marketing data to provide guidance to local authorities or enterprises as to the opportunities, changes or other critical factors that may hamper or stimulate the industrial offer or domestic demand (product specifications, distribution, packaging, logistic facilities, methods of promotion, credit and collection systems, prices, market information methods etc.);

(d) Short-term assignments of marketing experts, providing direct consulting assistance to government agencies, departments, institutions and private or public enterprises in specific areas (marketing planning, pricing techniques, purchasing, sectoral co-operative campaigns of promotion, national fairs, merchandising, co-operative

distribution systems, marketing audit techniques, research, marketing management seminars etc.).

Large-scale projects include the creation and/or development of industrial marketing centres. An industrial marketing centre is an integrated research, consulting, promotion and training institution, the purpose of which is to sustain industrial growth by improving marketing expertise and facilities, providing services and data to government agencies and local enterprises and stimulating or co-ordinating marketing initiatives at the national, regional or sectoral levels.

If marketing institutions already exist that are fully or partially equipped to undertake the above-mentioned activities, UNIDO technical assistance is limited to strengthening such institutions so that they may fully and effectively perform the role of industrial marketing centres. In other cases, UNIDO assistance is directed to the planning, creation and development of such centres, in accordance with government plans, policies and requirements.

In addition, UNIDO provides assistance in establishing local marketing consulting services that may operate within government agencies, development corporations or industrial associations in the following areas:

Planning, diversification and launching of products

Diversification of products and markets

Marketing costing and auditing

Marketing research and information system

Identification of market segments and promotion strategies

Organization and control of marketing functions

Selling and post-sales services systems

Distribution methods and logistics (deposits, warehousing etc.)

Marketing incentives schemes and credit systems

Techniques for assessing the feasibility of new ventures (new markets, new or revised product lines, new prices, new distribution policies, expansion of production, joint-ventures, merging etc.)

Methods of pricing products

Development of marketing management

Sources of finance

Technical assistance projects, or their preparation, can be financed from several sources, as shown in the table below.

TYPE OF PROJECT AND SOURCE OF FINANCE

<i>Type of project</i>	<i>Approval granted by</i>
Large-scale projects (UNDP participation more than \$150,000) financed from the UNDP Indicative Planning Figure (IPF)	UNDP, New York
Small-scale projects (UNDP participation up to \$150,000) financed from UNDP/IPF	Local UNDP resident representative ^a
Projects of any scale financed from UNIDO funds derived from voluntary contributions	UNIDO, Vienna
Projects under Special Industrial Services (SIS) (UNIDO participation generally less than \$50,000)	Local UNDP resident representative
Short-term missions by UNIDO headquarters staff members or consultants financed from UNDP/IPF, SIS or UNIDO funds	Local UNDP resident representative and UNIDO, Vienna UNIDO, Vienna

Note: UNIDO itself cannot provide capital for or participate in new industrial enterprises except small pilot plants. This capital should be obtained from development banks, private investors and other financial institutions. Through its investment promotion programme, UNIDO may, however, bring together those who require capital, know-how or partners for joint ventures and those who can meet one or more of these requirements.

^aSome types of small-scale UNDP/IPF projects also require approval from UNDP, New York.

How to apply for assistance from UNIDO

All requests for assistance from UNIDO should normally include a short description of the objectives, duration and type of assistance required. They should be directed through the appropriate government department to the local UNDP resident representative who acts as the UNIDO representative in the country. If the originators of requests wish to have preliminary discussions about their project ideas, the office of the resident representative can arrange a meeting with the UNIDO industrial development field adviser assigned to that area.

For further information on the work of UNIDO, communications may be addressed to

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