

Raw materials are usually marketed to businesses that process them or use them in manufacturing. Fish, for example, are sold to companies that process them to produce frozen fillets, fertilizer, cat food, oil, and so on.

### **Processed Goods**

Although some products are sold in their raw state (apples and lobster, for example), most raw materials need processing before they can be used.

**Processing** alters the nature of the product. Converting trees into wood pulp, pressing apples into juice, pasteurizing and homogenizing milk: all are examples of processing. Processed goods are sold as finished goods or semifinished goods. Companies that create semifinished goods focus their marketing plan on developing relationships with manufacturers of finished goods. Tomato processors need tomato-sauce manufacturers. Makers of raw plastic need toy manufacturers. Flour mills need bakeries. Some companies own their own processing facilities and process the raw materials they require themselves. It is very rare, however, for a company to process all the items and ingredients necessary to manufacture its products.

### **Finished Goods**

Finished goods in the industrial market are products that no longer require processing and are used to make another product or provide a service. An automobile manufacturer requires spark plugs and fan belts, tires and integrated circuit boards. All of these parts are made by other companies and then sold to the automaker to be used in the manufacturing of the car. Computers, conveyor belts, coffee machines, and cleaning supplies are also considered industrial goods when they are used by a business to help in operating the business and in the production of other goods.

Many products are exclusively industrial; they are designed as part of a particular product, or as machinery or equipment within a particular industry. Most people are unaware of the thousands of industrial products manufactured each year. For example, sems are big business for the Arlington Fastener Company. Sems are special types of screws that have washers attached to them and are used to fasten one piece of metal to another. While many types of manufacturing processes rely on a steady supply of sems, individual consumers would have little, if any, use for them.

Marketing industrial goods requires minimal advertising or promotion but a great deal of personal contact with potential buyers and purchasing agents. Consumers of industrial goods look for small price differences that, because of the size of the order, will translate into thousands of dollars in savings. Industrial buyers also look for quality differences, the ease and costs of shipping, and the buying terms, such as discounts for volume purchases or an opportunity for delayed payment.

### **Consumer Goods**

**Consumer goods** are nonindustrial products intended for personal use by the general public. Retail stores sell consumer goods. Consumer goods may, in some cases, be products that are also marketed to industry. For example, the Original Maple Bat Company in Ottawa, Ontario, sells bats to major league



#### **Did You Know**

McCain Foods processes over 450 tonnes of potatoes every hour, producing almost one-third of all of the frozen French fries consumed worldwide.