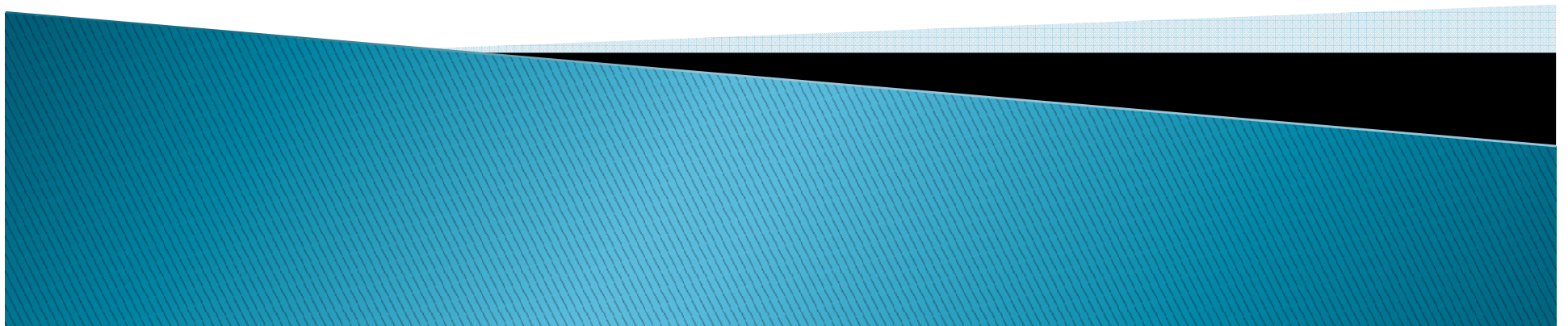
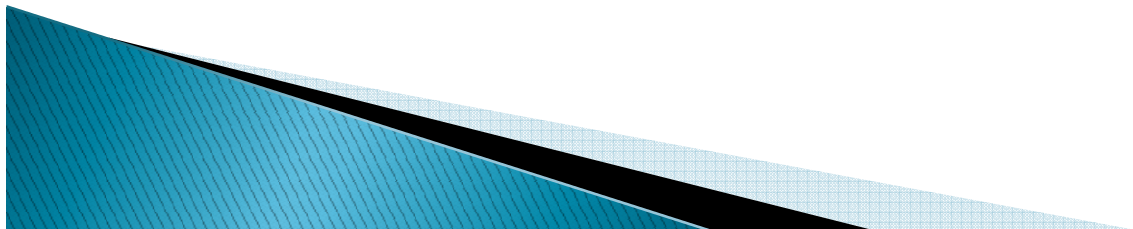


# Product Decisions



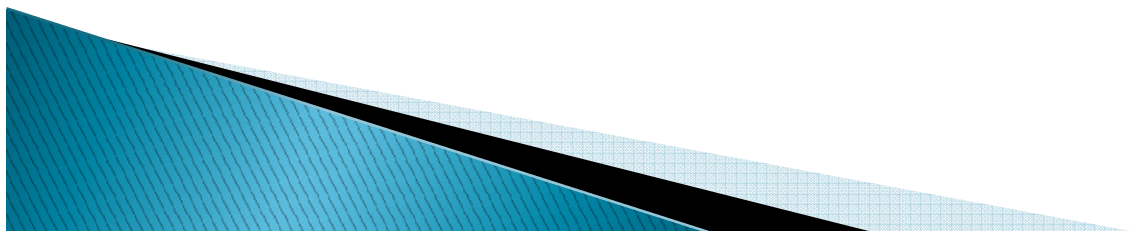
# What is a product?

- ▶ Any offer that satisfies a need.
- ▶ It can be a physical product, services, people, places, ideas (e.g.–soaps, car, computer, hotels, social services: family planning; blood donation; PETA).



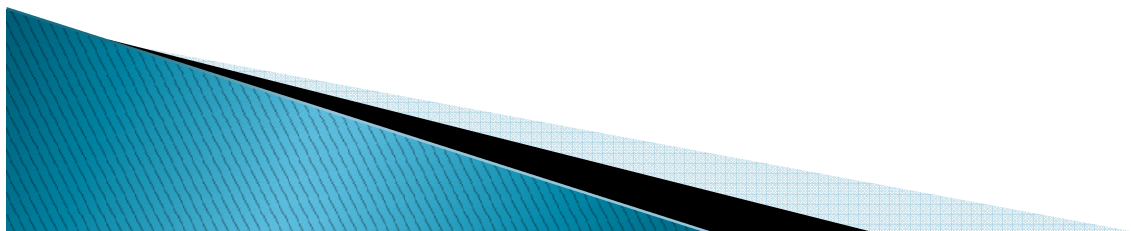
# Classification of products

- ▶ On the basis of Durability and tangibility:
  - ▶ 1. Consumer Durables: e.g.: automobiles, computers.
  - ▶ 2. Fast moving consumer goods: e.g.: toothpaste, food items.
  - ▶ 3. Services: e.g.: hotels, airlines, consultancy.

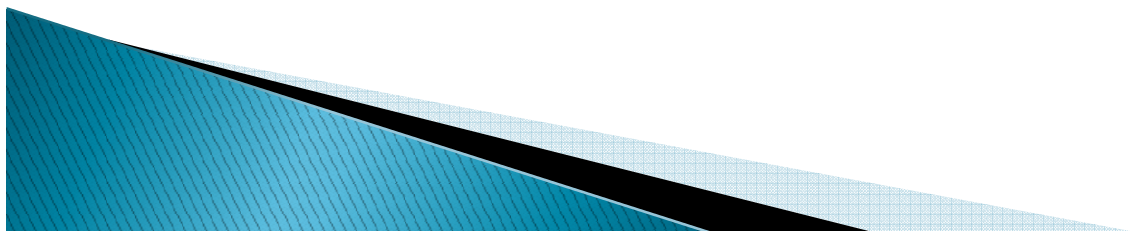


▶ On basis of consumer behaviour:

1. Convenience goods: products purchased on a regular basis–e.g.–toothpaste, detergent.
2. Shopping goods: comparisons: e.g.–clothes, carpets, etc.
3. Specialty goods: extra effort–higher brand loyalty: if preferred brand not available, customer will make more effort to find the same in other shops.

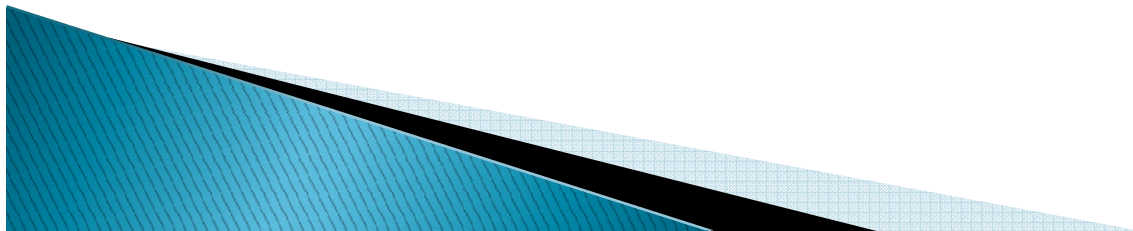


- ▶ On basis of who uses it:
- ▶ 1. Consumer goods: FMCGs; consumer durables, consumer services
- 2. Industrial goods:
  - a. Raw materials and parts.
  - b. Business supplies.
  - c. Equipment.
  - d. Business services, e.g.–consultancy, training



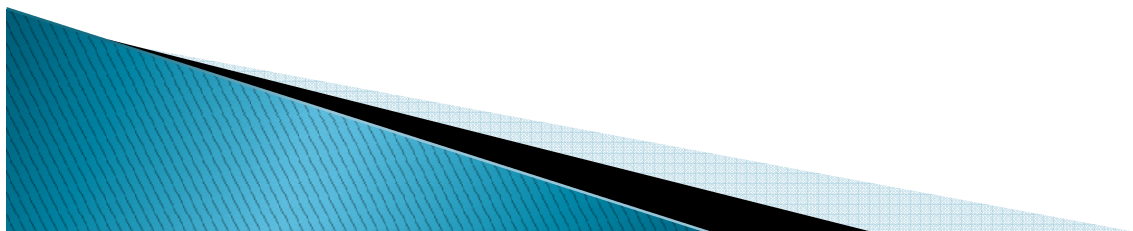
# Different levels of product

- ▶ Core
- ▶ Expected
- ▶ Augmented
- ▶ Potential

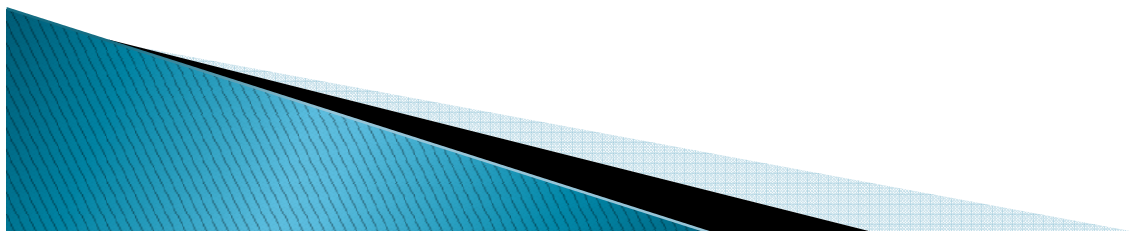


# Product Mix decisions.

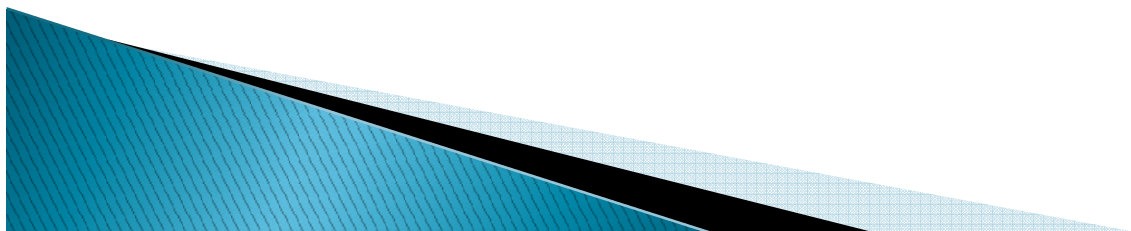
- ▶ Product mix/product assortment is the set of all products and items that a particular marketer offers to the market.
- ▶ E.g.: Basic product mix of Xerox consists of : office equipment–photocopiers, printers, etc; of HUL–FMCGs



- ▶ **Product line** is a group of products, closely related because they perform a similar function, are sold to the same customer groups, are marketed through the same channels or fall within given price ranges.

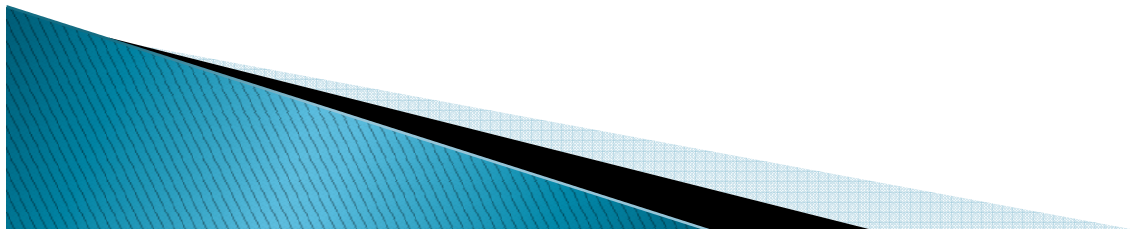


- ▶ **Width:** Number of product lines carried.
- ▶ **Length:** total number of items in its product mix.
- ▶ **Depth:** Variants offered of each product in the line.
- ▶ **Consistency:** how closely related are the line.



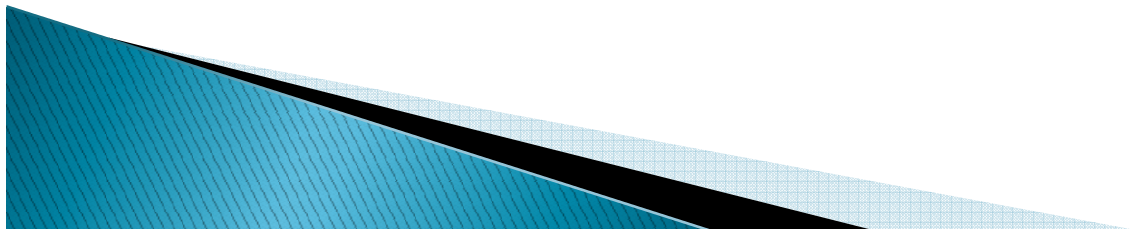
# Product line decisions:

- ▶ **Product line stretching:**
  - a. Upward stretch : Introducing a model of higher price.e.g.: Baleno introduced by Maruti.
  - b. Downward stretch: introducing models at lower price pointse.g.: lower priced phones introduced by Motorola.
  - c. Two-way stretch.: e.g.: Nokia phones: N series as well as the low cost phones.
- ▶ **Line filling decisions.:** e.g.: Taj introduced Ginger hotels.
- ▶ **Line modernization decision :** Blackberry Smartphone OS 7
- ▶ **Line featuring decision:** which product would be the one that will be featured as the 'main' product–e.g.–Maruti's line featuring was Maruti 800, which was changed to Alto.



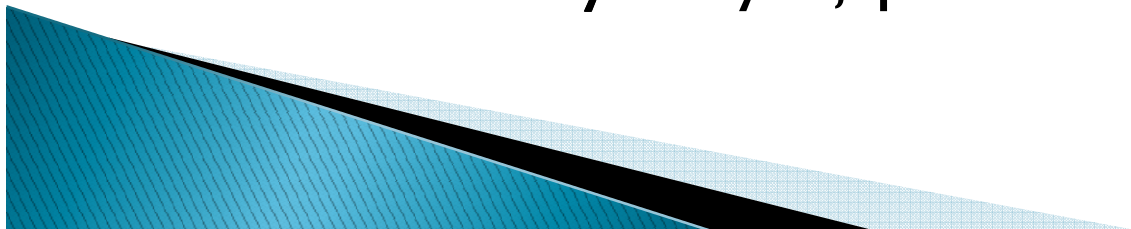
# Brands

- ▶ A name, sign, symbol that identifies the marketer and differentiates the product from competitors.



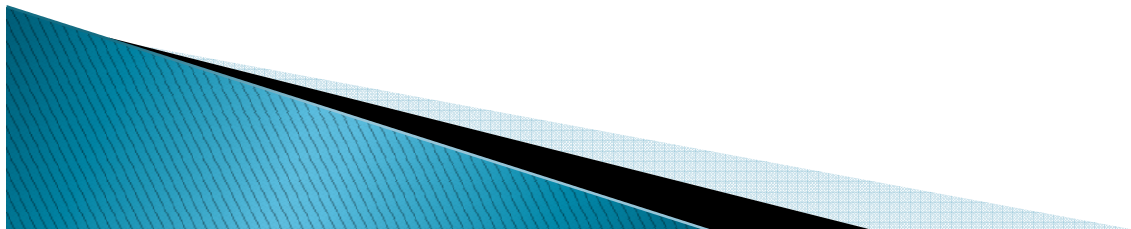
# 6 Meanings of Brand:

1. **Attributes:** Mercedes: well built; well engineered, durable, fast. “Engineered like no other car I the world.”
2. **Benefits:** durable translates into ‘I can use the car for a number of years’; prestige.
3. **User:** 55 year old CEO.
4. **Values:** values of high quality, performance, safety.
5. **Culture:** German– precision, efficient, organized.
6. **Personality:** royal, powerful, confident.



# Brand loyalty–different levels.

- ▶ No loyalty.
- ▶ Satisfied.
- ▶ Switching costs.
- ▶ Sees brand as a friend.
- ▶ Devoted to the brand.



# Brand Decisions.

1. Naming the brand: separate names; same names; combination.
2. Brand positioning and repositioning.
3. Brand extension.
4. Co-branding: e.g.: Intel inside;  
Citibank A advantage credit card: with  
Citibank and American Airlines.

