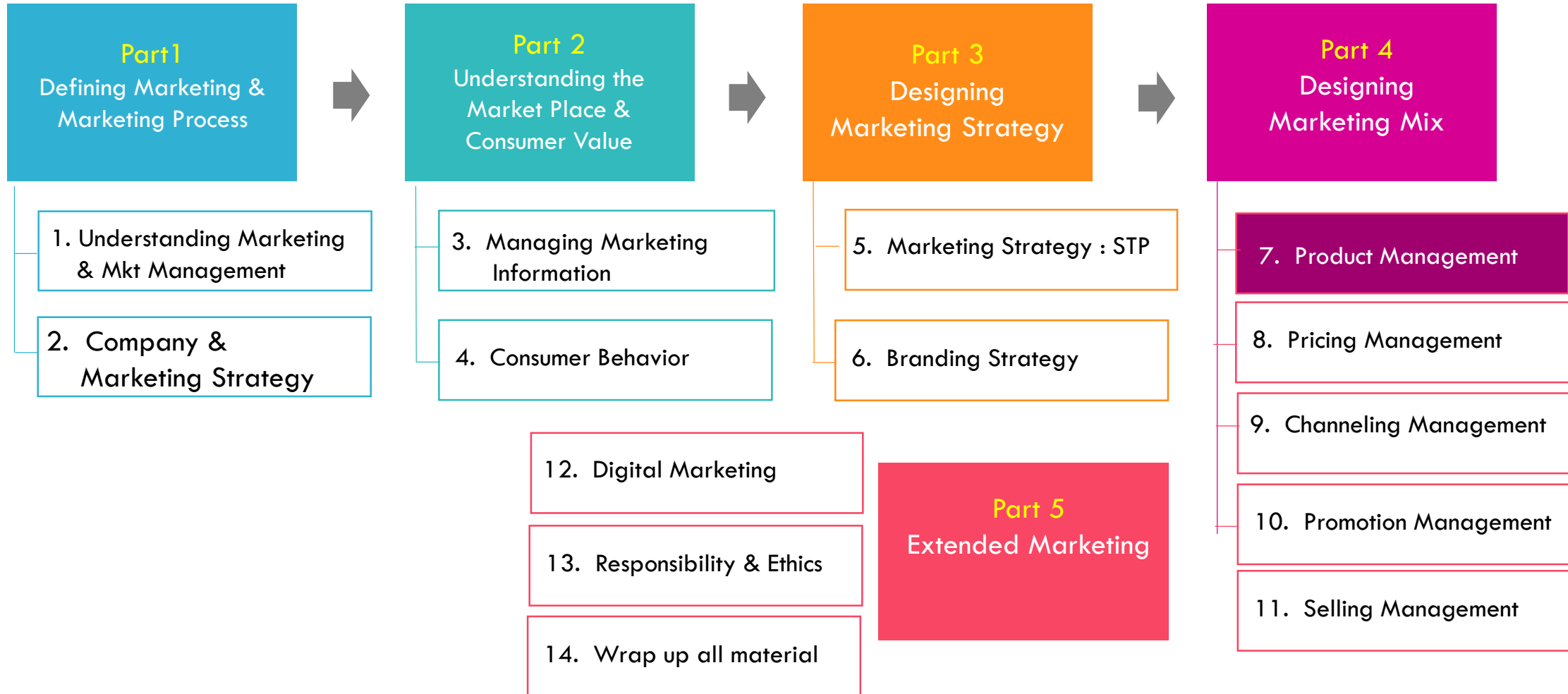


Session 6

Product Strategy



Marketing Management Framework



What Is a Product ?

Product is anything that can be offered in a market for attention, acquisition, use, or consumption that might satisfy a need or want

Service is a form of product that consists of activities, benefits, or satisfaction offered for sale and are essentially intangible and don't result in the ownership of anything.

Experiences represent what buying the product or service will do for the customer

- Product is a key element in the overall market offering. Marketing mix planning begins with formulating the offering that brings value to target customers. This offering becomes the basis upon which the company builds profitable relationship with customers.
- A company's market offering often includes both tangible goods and services. The offer may consist of a pure tangible good, at the other extreme are pure service. Between these 2 extremes, many goods and services combinations are possible.

A _____ is anything that can be offered to a market that might satisfy a need or a want.

1. position
2. product
3. promotion
4. none of the above

Level of Product and Services



Consumers see products as complex bundles of benefits that satisfy their needs.

The most basic level of a product is called its _____.

1. augmented product
2. actual product
3. core benefit
4. position

Product and Service Classifications

Consumer products

Industrial products



Product and Service Classifications

Consumer products are products and services bought by final consumers for personal consumption

Classified by how consumers buy them

- Convenience products
- Shopping products
- Specialty products
- Unsought products

Convenience products

are consumer products and services that the customer usually buys frequently, immediately, and with a minimum comparison and buying effort

- ❑ Newspapers
- ❑ Candy
- ❑ Fast food

Shopping products

are consumer products and services that the customer compares carefully on suitability, quality, price, and style

- ❑ Furniture
- ❑ Cars
- ❑ Appliances

Specialty products

are consumer products and services with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort

- ❑ Medical services
- ❑ Designer clothes
- ❑ High-end electronics

Unsought products

are consumer products that the consumer does not know about or knows about but does not normally think of buying

- ❑ Life insurance
- ❑ Funeral services
- ❑ Blood donations

Industrial products

products are products purchased for further processing or for use in conducting a Business
Classified by the purpose for which the product is

- ❑ Materials and parts
- ❑ Capital
- ❑ Raw materials

Types of consumer products include convenience products, shopping products, specialty products, and _____ products.

1. unique
2. luxury
3. unsought
4. all of the above

_____ products are purchased frequently, with little comparison or shopping effort.

1. Convenience
2. Shopping
3. Industrial
4. Unsought

Consumer product with unique brand identification for which buyers are willing to make a special purchase effort is called _____ product

1. convenience
2. shopping
3. specialty
4. unsought

_____ products are those purchased for further processing or for use in conducting a business.

1. Industrial
2. Shopping
3. Unsought
4. Physical

Product and Service Classifications

Capital Items are industrial products that aid in the buyer's production or operations

Materials and parts include raw materials and manufactured materials and parts usually sold directly to industrial users

Supplies and services include operating supplies, repair and maintenance items, and business services

Your visit to a doctor's office is an example of a _____.

1. pure tangible good
2. pure intangible good
3. unsought product
4. impure tangible good

Organizations, Persons, Places, and Ideas

In addition to tangible products and services, marketers have broadened the concept of a product to include other market offerings; organizations, persons, places and ideas

Organization marketing consists of activities undertaken to create, maintain, or change attitudes and behavior of target consumers toward an organization. Business firms sponsor public relations or corporate image advertising campaigns to polish their images and market themselves.

Organizations, Persons, Places, and Ideas

Person marketing consists of activities undertaken to create, maintain, or change attitudes and behavior of target consumers toward particular people. sometimes used to build reputation.



Organizations, Persons, Places, and Ideas

What is a Product ?

Place marketing consists of activities undertaken to create, maintain, or change attitudes and behavior of target consumers toward particular places or destinations.

Ideas can also be marketed.

Social marketing is the use of commercial marketing concepts and tools in programs designed to influence individuals' behavior to improve their well-being and that of society

Social marketing goes well beyond the promotional P of the marketing mix to include every other element to achieve its social change objectives.

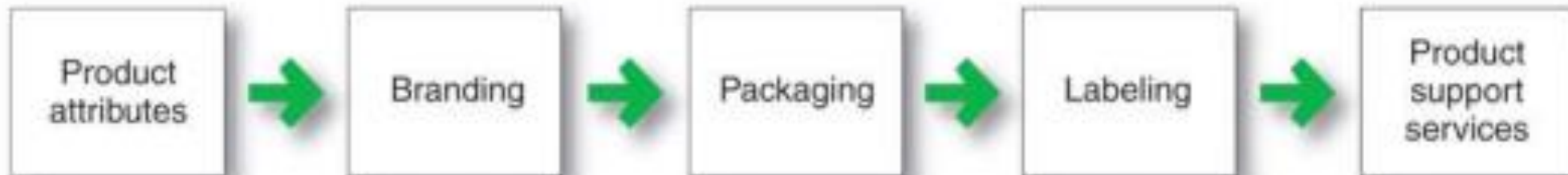


Product and Service Decisions

Marketers make product and service decisions at three Level :

- ▣ Individual product decisions
- ▣ Product line decisions
- ▣ product Mix decisions
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I-Individual Product and Service Decisions



Individual Product and Service Decisions

Product attributes are the benefits of the product or service

- Quality
- Features
- Style and design

Individual Product and Service Decisions

Product quality is one of the marketer's major positioning tools, it includes level and consistency.

Quality level is the level of quality that supports the product's positioning (TQM)

Conformance quality is the product's freedom from defects and consistency in delivering a targeted level of performance

The two dimensions of product quality are _____ and _____.

1. value; features
2. style; design
3. level; consistency
4. style; value

Individual Product and Service Decisions

Product features are a competitive tool for differentiating a product from competitors' Products

Product features are assessed based on the value to the customer versus the cost to the company

Individual Product and Service Decisions

Style describes the appearance of the product

Design contributes to a product's usefulness as well as to its looks Good design begins with a deep understanding of customer needs. Designers should concentrate on how customers will use and benefit from the product



Individual Product and Service Decisions

Brand is the name, term, sign, or design—or a combination of these—that identifies the maker or seller of a product or service

Brand equity is the differential effect that the brand name has on customer response to the product and its marketing

Individual Product and Service Decisions

Branding help Buyers in many ways:

- Identify products that might benefit them.
- Brands say something about product quality and consistency

Branding help sellers in many ways:

- Legal protection for unique product features.
- Basis upon which the product's special qualities are built .
- Help in segmenting markets.

Building and managing brands are one of the most important tasks of a marketer.

Individual Product and Service Decisions



Packaging involves designing and producing the container or wrapper for a product.

Packages nowadays attract attention, describe the product and make the sale.

Labels identify the product or brand, describe attributes, and provide promotion.

Labels have been affected by unit pricing, open dating and nutritional labeling.

Individual Product and Service Decisions

Product support services augment actual product

- Survey customers periodically
- Assess costs
- Develop a package of services that will delight customers and yield profit.
- Sophisticated mix of interactive technologies to provide support services.

A(n) _____ is a name, term, sign, symbol, or combination of these intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

1. Package
2. Position
3. Image
4. brand

The designing and producing of the container or wrapper for a product is called _____.

1. Package
2. Labeling
3. Manufacturing
4. industrial design

Product Line Decision

Product line is a group of products that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed through the same types of outlets, or fall within given price ranges

Product Line Decision

Product line length is the number of items in the product line

- ❑ Line stretching (beyond its current range, downward, upward or both directions)
- ❑ Line filling (adding more items within the present range of the line)
reasons are:
 - extra profits
 - satisfying dealers
 - using excess capacity
 - plugging holes to keep out competitors
 - being the leading full line company.

A company can lengthen its product line by _____ it
or by _____ it.

1. modifying; stretching
2. stretching; switching
3. filling; stretching
4. brushing; combing

Product Mix Decision

Product mix consists of all the products and items that a particular seller offers for sale

- ❑ Width (no. of product lines)
- ❑ Length(no. of items within a line)
- ❑ Depth(no. of versions of each product)
- ❑ Consistency(how are product lines closely related in end use)



Which of the following is not a dimension in a company's product mix?

1. Width
2. Depth
3. Consistency
4. Age