



PRODUCT

Marketing Management
(TYBCOM – BUSINESS MANAGEMENT V)

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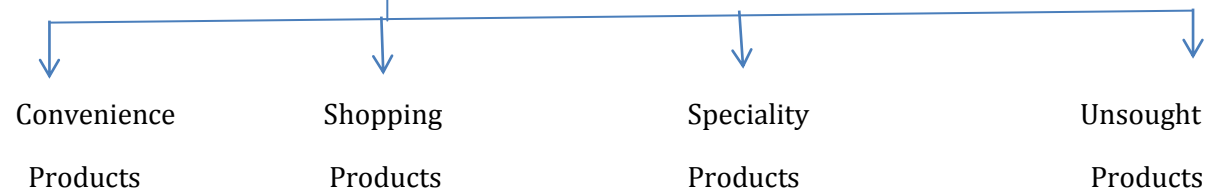
Product Concept

- A product is a set of tangible and intangible attributes that leads to customer satisfaction.
- Philip Kotler: A product is anything that can be offered to a market to satisfy a want or need

PRODUCT LEVELS : THE CUSTOMER VALUE HIERARCHY

- *The Core Product* (primary level, primary service/benefit that a customer is looking for)
- *The Basic Product* (features, design, quality, packaging, brand name, etc)(must deliver the core benefit)
- *The Expected Product* (addition to basic)(expectation when a product is purchased)
- *The Augmented Product* (additional customer value)(exceed customer expectations)
- *The Potential Product* (future product)(based on R&D)

CLASSIFICATION OF CONSUMER GOODS



CLASSIFICATION OF CONSUMER GOODS

1. CONVENIENCE GOODS:

- Stapled Products
- Impulse Products
- Emergency Products

2. SHOPPING Goods:

- Homogeneous Shopping Goods
- Heterogeneous Shopping Goods

3. SPECIALITY PRODUCTS:

4. UNSOUGHT GOODS:

- New Unsought Products
- Regularly Unsought Products

PRODUCT LIFE CYCLE

- Product Development Stage (research and develop a new product)
- Introduction Stage (product awareness)
- Growth Stage (increase market share and profits)
- Maturity Stage (defend market share)
- Decline Stage (cut down costs and reduce the losses)

Product Positioning

- Philip Kotler :“ the act of designing the company’s offering and image to occupy a distinctive place in the mind of the target market.”

IMPORTANCE OF PRODUCT POSITIONING

- Develops Corporate Image
- Creates Demand
- Helps to face competition
- Facilitates Consumers' Choice
- Creates Value
- Helps to Command Premium
- Creates Status
- Creates Brand Image

STEPS IN PRODUCT POSITIONING

- Identify competitive Differences
- Analysis of Differences
- Shortlisting the Differences
- Detailed Investigation
- Selecting Important Differences
- Developing Positioning strategy
- Communicating the Company's Positioning
- Follow up of Positioning
- Repositioning of the Brand

PRODUCT POSITIONING STRATEGIES

- Using Specific Product Features (automobiles)
- Positioning by Price and Quality (Dmart)
- Positioning by Use (Soap, Lux)
- Positioning by User Category (Dove)
- Positioning by Product class
- Positioning by Cultural Symbols/ names
- Positioning by Competitors
- Positioning by Product's Benefits (Maggie)
- Positioning by Corporate Image
- Positioning by Emotions (Cadbury)

Marketing Considerations

Convenience Goods

- Pricing (volume based business, low price)
- Distribution (easily available, wide distribution, Manufacturer – Distributor – Retailer – Consumer)
- Promotion (Heavy advertising & sales promo)
- Product (new variants, induce customers to buy regularly)

MARKETING

CONSIDERATIONS FOR

SHOPPING GOODS

- Pricing (price competition)
- Distribution (less intermediaries)
- Promotion (wide sales promo, joint advertising with the dealer)
- Product (wide range of products)

MARKETING

CONSIDERATIONS FOR SPECIALITY GOODS

- Pricing (secondary factor, buyers may pay high price)
- Distribution (sell through reputed stores)
- Promotion (selective media promo, after sale service is a must)
- Product (update the product, create interest in the minds of the consumers, excellent services)

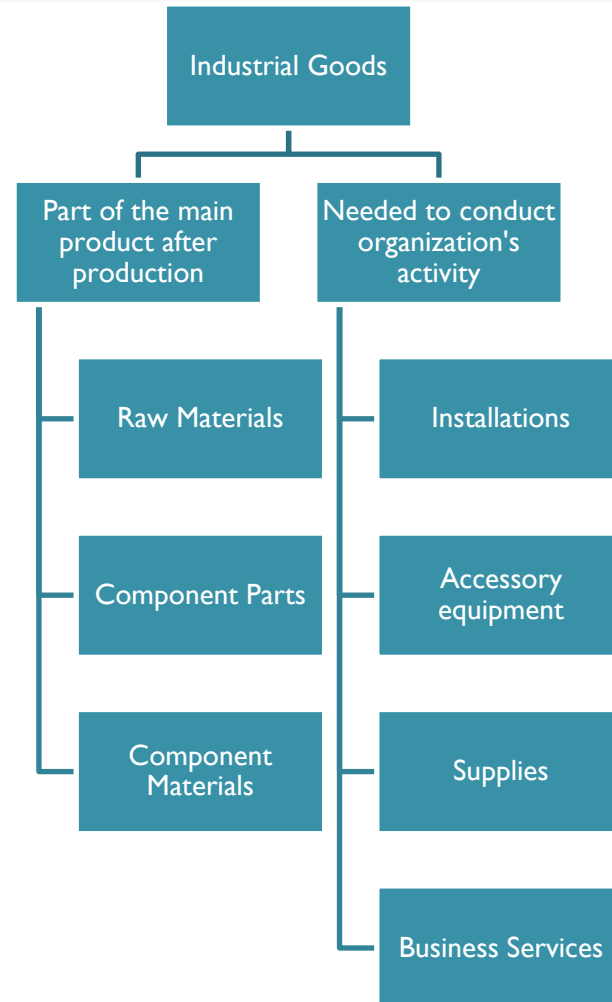
MARKETING

CONSIDERATIONS FOR

UNSOUGHT GOODS

- Pricing (different strategies like skimming pricing, penetration pricing, etc.)
- Distribution (few dealer stores, direct marketing, effective personal selling)
- Promotion (heavy sales promotion/advertising)
- Product (modifications to suit the buyer)

CLASSIFICATION OF INDUSTRIAL GOODS



- Raw Materials (used to produce finished products)
- Component Parts (ready for direct assembly into the finished product or require minor amount of processing)
- Component Materials (semi – manufactured / semi – processed)
- Installations (land, plant, buildings, major equipment)
- Accessory Equipment (products similar to some of the smaller standardised major equipment)
- Supplies (maintenance supplies, repair supplies, operating supplies)
- Business Services (banks, insurance, etc)

MARKETING

CONSIDERATIONS FOR

INDUSTRIAL GOODS

- Product (complex, standardised/ customised)
- Price (mostly fixed, attractive payment terms)
- Promotion (Advertising, restricted - Personal Selling -- Sales promotions, discounts)
- Distribution (short and direct)

MARKEING STRATEGIES DURING PRODUCT LIFE CYCLE

At the Introduction Stage :

- Product Strategy (single product)
- Price and Promotion Strategies
 - i. Rapid Skimming (high price, high promo exp)
 - ii. Slow Skimming (high price, low promo exp)
 - iii. Rapid Penetration (low price, high promo exp)
 - iv. Slow Penetration (low price, low promo exp)
- Distribution Strategies : (i) Concentrated Distribution Strategy (ii) Mass Distribution Strategy

At the Growth Stage :

- Product Strategies (product improvement, introduction of new models)
- Price and Promotion Strategy
 - (i) Penetration Pricing (low price)
 - (ii) Push Promotion Strategies (promotion directed to induce dealers)
 - (iii) Pull Promotion Strategies (directed at consumers)
- Distribution Strategies
 - i. New Market Segments
 - ii. Increase in distribution Coverage
 - iii. New Distribution Channels

At the Maturity Stage :

- Product Modification
- Price and Promotion Strategies
(penetration, push / pull promo)
- Distribution Strategies
 - i. Focus on Profitable Segments
 - ii. Focus on Important Channels of Distribution
 - iii. Exit from Unprofitable Market Areas

The Declining Stage

- Product Strategies
 - i. Withdrawal of Weaker Brands
 - ii. Introduction of New Products
 - iii. Wait and Watch Strategy
- Price and Promotion Strategies (same price. Low promo)
- Distribution Strategies (focus on profitable segments, distribution through selective channels)