



Marketing



Chapter 5: Product Strategy

Learning Outcomes

LO¹

Define the term *product*

LO²

Classify the types of consumer products

LO³

Define the terms *product item*, *product line*, and *product mix*

LO⁴

Describe marketing uses of branding



Learning Outcomes

LO⁵

Describe marketing uses of packaging and labeling

LO⁶

Explain the concept of product life cycle.

What Is a Product?

LO¹

Define the term *product*.

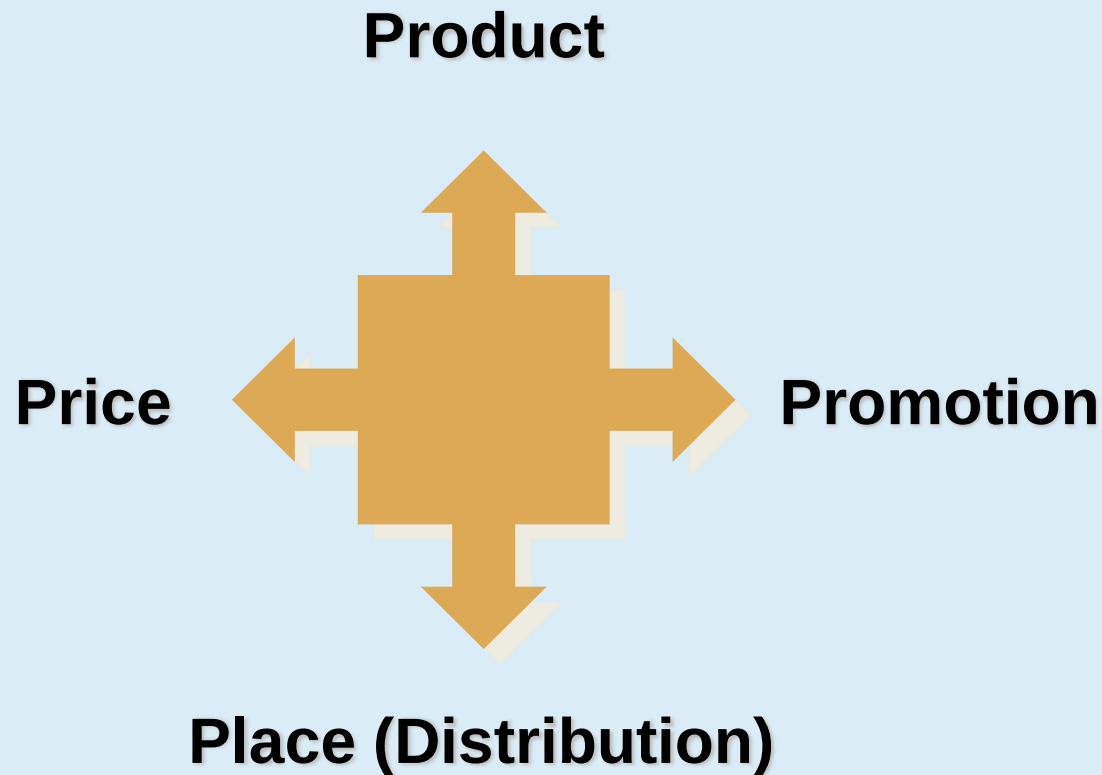
What Is a Product?

**Anything that a
person receives in an exchange
for money.**

- **Tangible Good**
- **Service**
- **Idea**

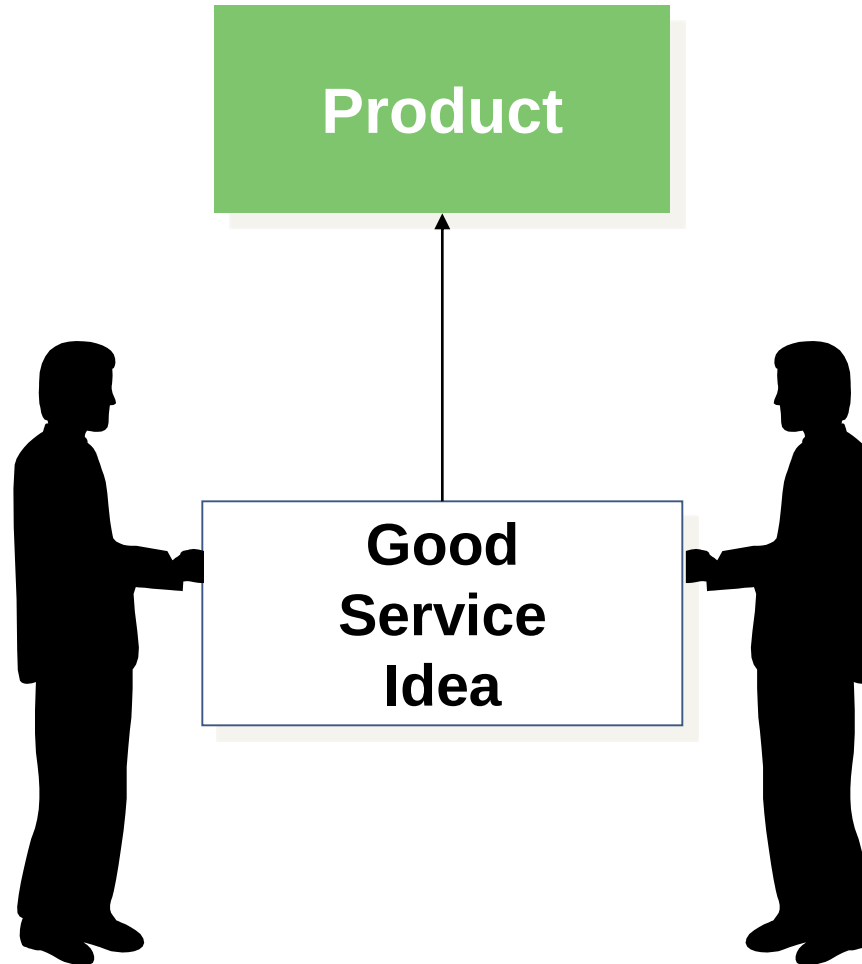
What Is a Product?

**Product is the starting point of
Marketing Mix**



Review Learning Outcome

Define the Term *Product*



Types of Consumer Products

LO²

**Classify the
types of consumer products.**

Consumer Products

Consumer Product - A product bought for personal use is considered a consumer product.

Types of Consumer Products

Convenience products

Shopping products

Specialty products

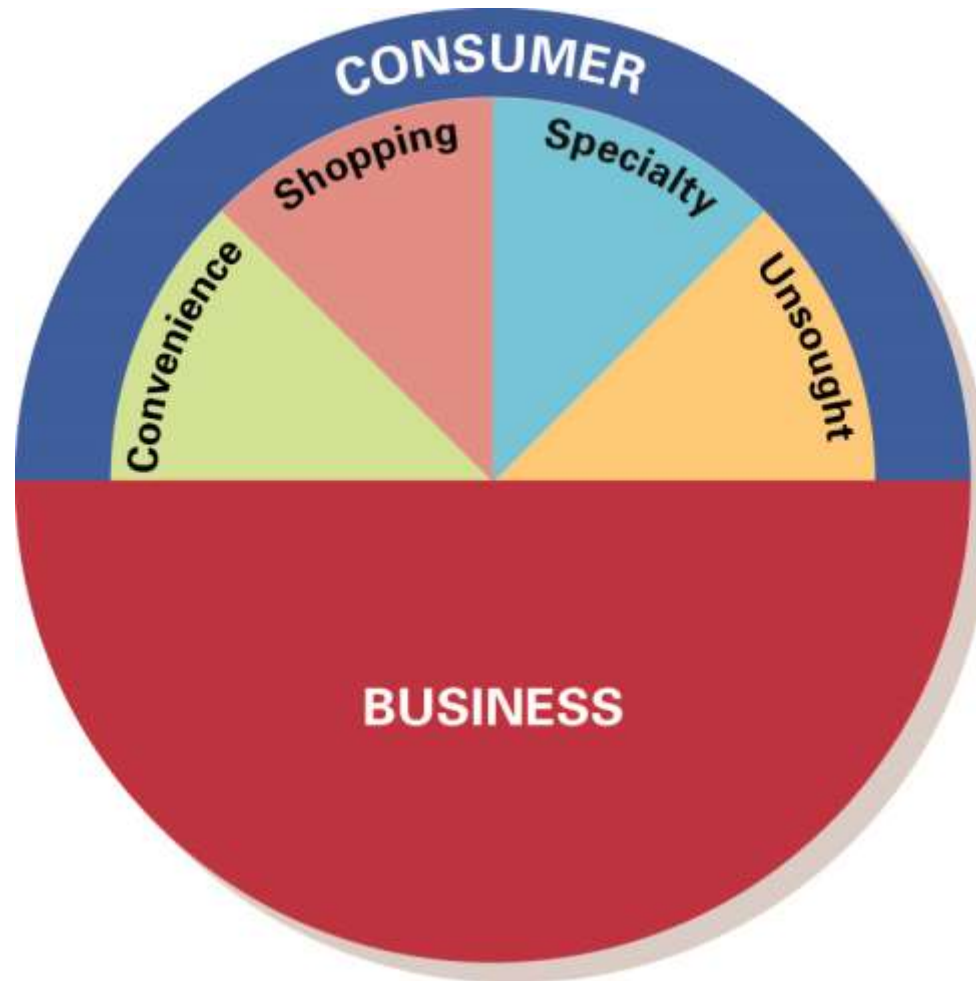
Unsought products

Types of Consumer Products

Convenience Product	Inexpensive product that customer usually buys frequently, immediately, and with a minimum comparison and buying effort. Eg: Newspapers, soda, and fast food
Shopping Product	A product that requires comparison shopping, because it is usually more expensive and found in fewer stores Eg: Furniture ,appliances
Specialty Product	A product that certain consumers will actively seek to purchase because of unique characteristics or loyalty to a specific brand. . Eg: Designer clothes ,branded cars
Unsought Product	Consumer products that the consumer knows about but does not normally think of buying. Eg.: Life insurance, funeral services

Review Learning Outcome

Consumer Products



Product Items, Lines, and Mixes

LO³

Define the terms *product item*,
product line, and *product mix*.

Product Items, Lines, and Mixes

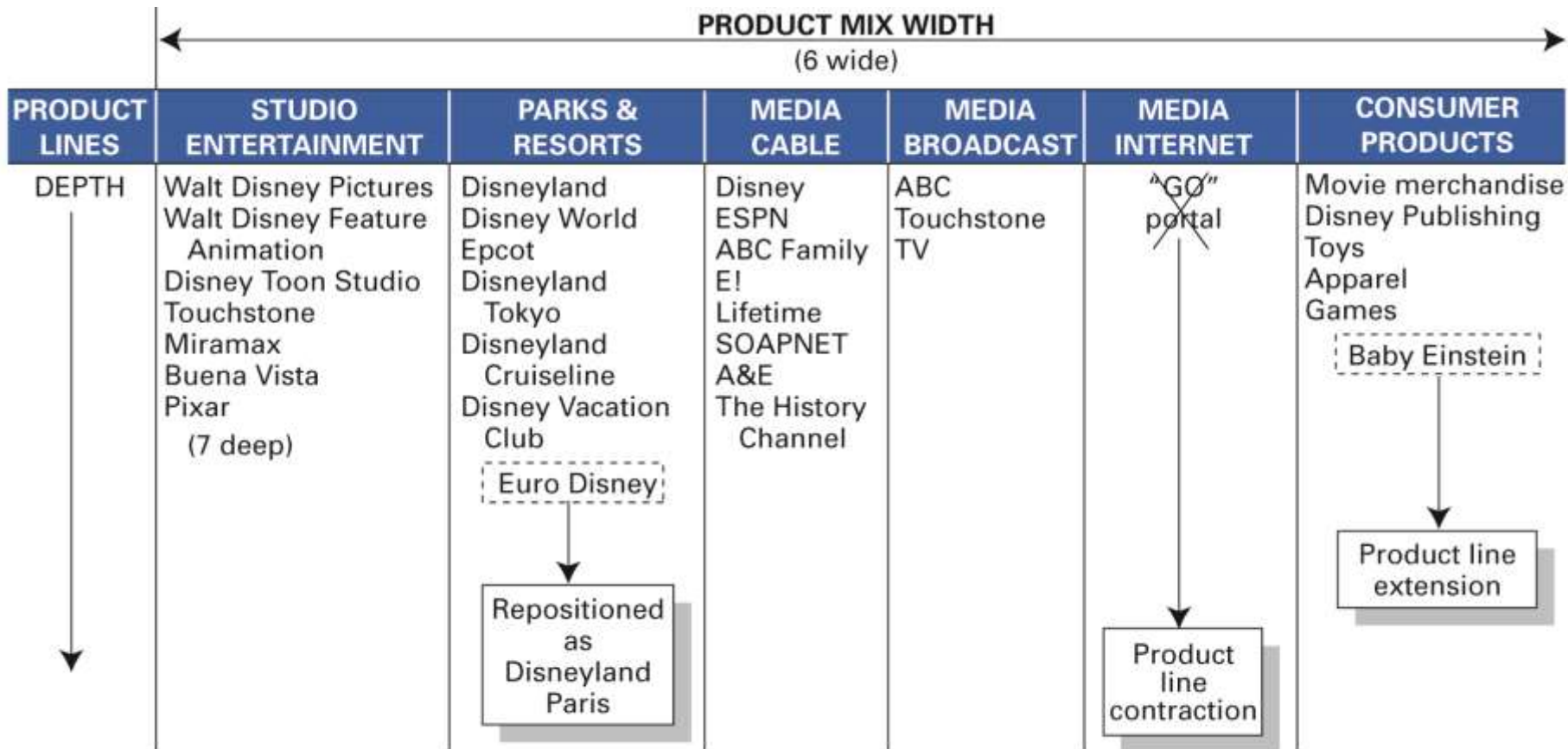
Product Item	A specific version of a product that can be designated as a distinct offering among an organization's products.
Product Line	A group of closely-related product items.
Product Mix	All products that an organization sells.

Campbell's Product Lines and Mix

Depth Of The Product Lines	Width Of The Product Mix				
	Canned Soups	Microwave Soups	Gravies	Meal Kits	Tomato Juice
	Chicken Noodle	Creamy Tomato	Beef	Chicken Pasta	Regular
	Tomato	Vegetable	Turkey	Stroganoff Pasta	Low Sodium
	Vegetable Beef	Chicken Noodle	Mushroom	Chicken With Rice	Organic
	French Onion	Creamy Chicken	Chicken	Pork Chops With Stuffing	Healthy Request
	More	More	More	More	

Review Learning Outcome

Product Item, Product Line, and Product Mix



Branding

LO⁴

**Describe marketing
uses of branding.**

Brand

**A name, term, symbol, design,
or combination thereof that
identifies a seller's products
and differentiates them
from competitors' products.**

Purposes of Branding

**Product
Identification**

Repeat Sales

**New Product
Sales**



Top Ten Global Brands

The Top Ten Global Brands	
1.	Apple
2.	Google
3.	Coca Cola
4.	Microsoft
5.	Toyota
6.	IBM
7.	Samsung
8.	Amazon
9.	Mercedes
10.	General Electric

Trademarks

A Trademark is the exclusive right to use a brand.

- Many parts of a brand and associated symbols qualify for trademark protection.
- Trademark right comes from use rather than registration.
- The mark has to be continuously protected.
- Rights continue for as long as the mark is used.
- Trademark law applies to the online world.

Review Learning Outcome

Marketing Uses of Branding

Brand name: MGM

Brand mark:



BRANDING

Benefits	Strategies
Brand equity (from being able to identify product)	Generic Brand Trademark <ul style="list-style-type: none"> Manufacturer <ul style="list-style-type: none"> Individual Family Combination Private
Brand loyalty (from repeat sales)	
Brand recognition (to generate new product sales)	

Packaging

LO⁵

**Describe marketing uses of
packaging and labeling.**

Functions of Packaging

Contain and Protect-

Reduce the risk of damage, breakage, or spoilage

Promote - Serves as in-store advertisement that makes the product attractive

Facilitate Storage, Use, and Convenience –

Identifies features and benefits

Labeling

Persuasive

- **Focuses on promotional theme**
- **Consumer information is secondary**

Informational

- **Helps make proper selections**
- **Includes way to use the product**

Review Learning Outcome

Packaging and Labeling



Product Life Cycle

LO⁶

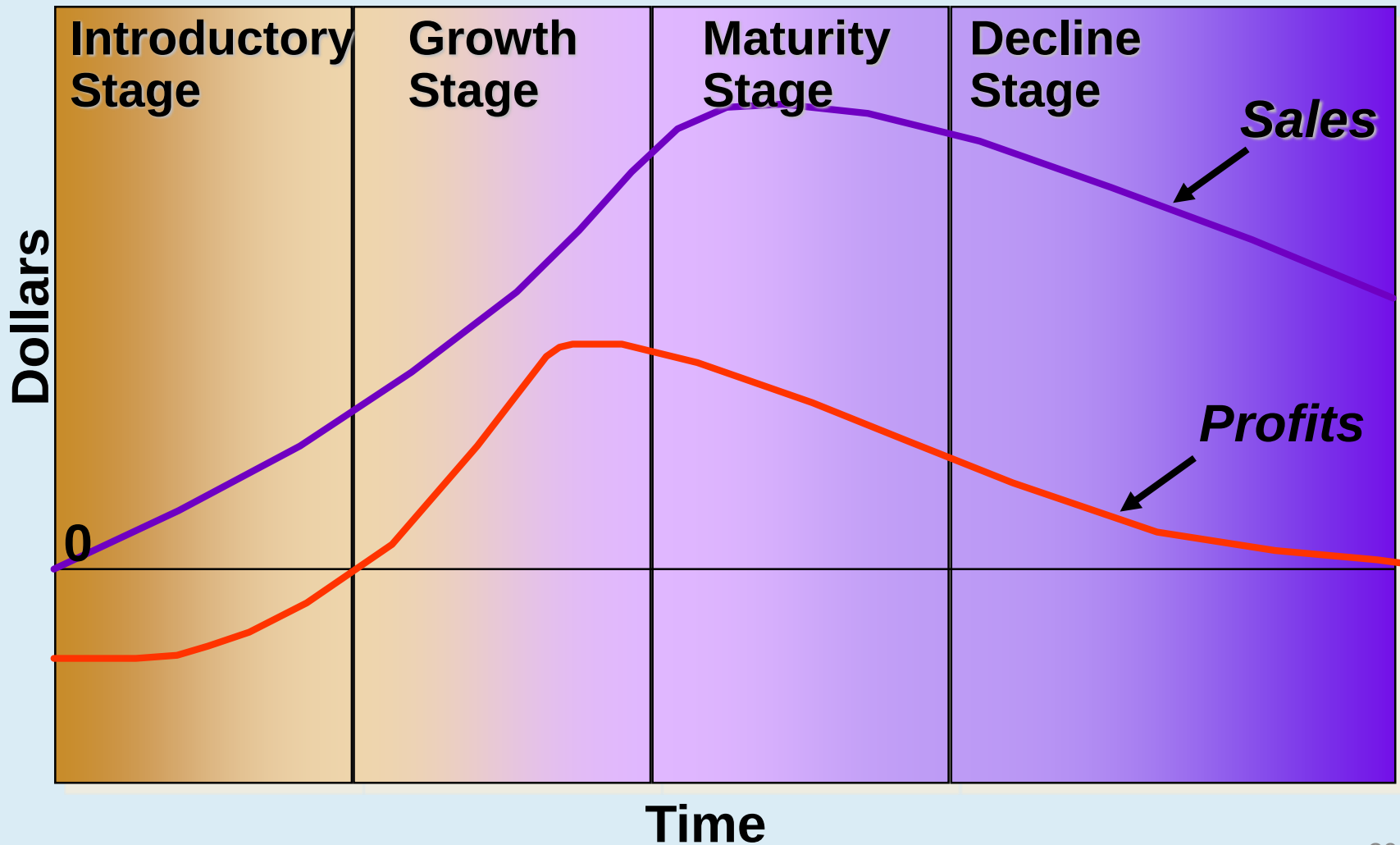
**Explain the concept of
product life cycle.**

Product Life Cycle

**The stages of a product life,
from its introduction (birth) to
its decline (death).**

**Include 4 stages –
Introductory, Growth,
Maturity and Decline**

Product Life Cycle



Introductory Stage

- The introductory stage represents the launch of a new product.
- Sales normally increase slowly.
- High failure rates
- Frequent product modification
- Limited distribution
- Marketing costs and advertising expenses are high because consumers must be educated about the product's benefits.
- Promotion of convenience products may require heavy consumer sampling and couponing.

Growth Stage

- Sales grow at an increasing rate
- Entrance of competitors
- Profits rise rapidly, peak, and begin declining as competition increases.
- Aggressive advertising of the differences between brands
- Wider distribution is a major key to establish a strong market position and product success.

Maturity Stage

- Longest stage in product life cycle
- Sales increase at a decreasing rate
- Service and repair help manufacturers distinguish their products from others.
- Heavy promotions is required to maintain market share.

Decline Stage

- Long-run drop in sales
- Large inventories of unsold items
- Elimination of all nonessential marketing expenses

Review Learning Outcome

Product Life Cycles

		INTRODUCTION	GROWTH	MATURITY	DECLINE
Sales	Product Strategy	Limited models; Frequent changes	More models; Frequent changes	Large number of models	Eliminate unprofitable models
	Distribution Strategy	Limited Wholesale/ retail distributors	Expanded dealers; Long-term relations	Extensive; Margins drop; Shelf space	Phase out unprofitable outlets
	Promotion Strategy	Awareness; Stimulate demand; Sampling	Aggressive ads. Stimulate demand	Advertise; Promote heavily	Phase out promotion
	Pricing Strategy	High to recoup development costs	Fall as result of competition & efficient production	Prices fall (usually)	Prices stabilize at low level
		Time			