

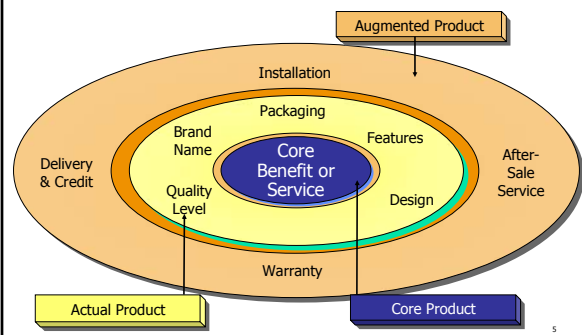
Product and Services Strategy

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What is a Product?

- ✦ A Product is anything that can be offered to a market for attention, acquisition, use, or consumption and that might satisfy a want or need. Includes:
 - Physical Objects, Services, Events, Persons
 - Places, Organizations, Ideas
 - Combinations of the above
- ✦ A Service consist of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything.
 - Banking, Hotels, Tax Preparation, Home Repair Services

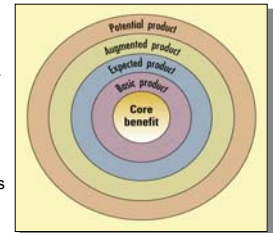
Levels of Product



Customer Value Hierarchy

- ✦ Core benefit
 - Drill- "holes";
 - Hotels – "rest & sleep"
- ✦ Basic product
 - Bed, closet, ...
- ✦ Expected product
 - Clean bed; fresh towels,...
- ✦ Augmented product
 - "...Sizzle, not the steak"
- ✦ Potential product
 - All possible augmentations
 - MyCereal.com

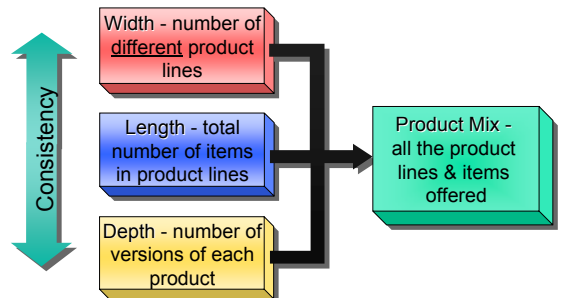
Five Product Levels



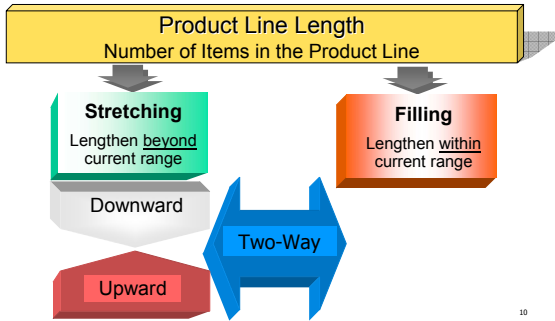
Product Classifications: Consumer Products



Product Mix Decisions



Product Line Decisions



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Product-Mix Width and Product-Line Length for Proctor & Gamble Products

		Product-Mix Width				
	Detergents	Toothpaste	Disposable Bar Soap	Diapers	Paper Tissue	
	Ivory Snow (1930)	Gleem (1952)	Ivory (1879)	Pampers (1961)	Charmin (1928)	
	Dreft (1933)	Crest (1955)	Kirk's (1885)	Luv's (1976)	Puffs (1960)	
PRODUCT-LINE LENGTH	Tide (1946)		Lava (1893)		Banner (1982)	
	Cheer (1950)		Camay (1926)		Summit (1992)	

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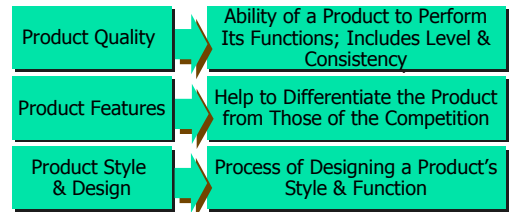
Individual Product Decisions



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Product Attributes

Developing a Product or Service Involves Defining the Benefits that it Will Offer Such as:

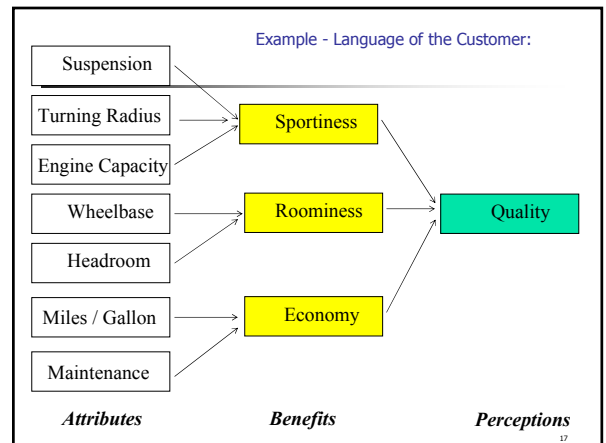


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Product Attributes

- Vector Model
- Ideal Point Model

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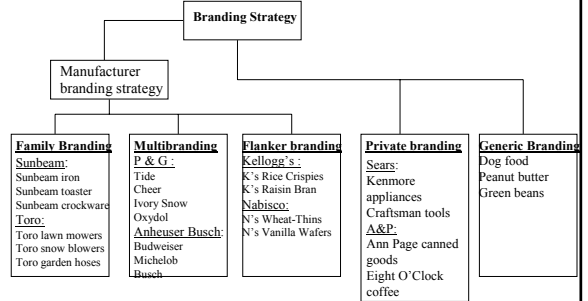
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Major Branding Decisions



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Branding Strategies



Balakrishnan

Advantages of Branding

- Branding gives the seller several advantages:
 - Brand name makes it easier for the seller to process orders and track down problems
 - Seller's brand name and trademark provide legal protection of unique product features
 - Branding gives the seller the opportunity to attract a loyal and profitable set of customers.
 - Branding helps the seller segment markets.
 - Strong brands help build corporate image, making it easier to launch new brands and gain acceptance by distributors and consumers.

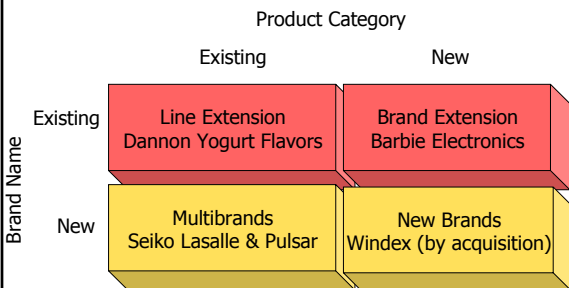
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Brand Strategy

- ✦ Line Extension
 - Existing brand names extended to new forms, sizes, and flavors of an existing product category.
- ✦ Brand Extension
 - Existing brand names extended to new or modified product categories.
- ✦ Multibrands
 - New brand names introduced in the same product category.
- ✦ New Brands
 - New brand names in new product categories.

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Four Brand Strategies



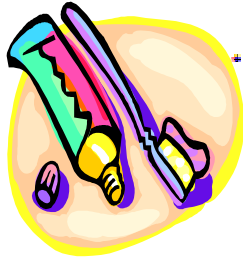
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Brand Equity

- The Positive Differential Effect that knowing the brand name has on Customer Response.
 - Different from Brand valuation (the financial value)
- Competitive advantages of high brand equity:
 - The company will have more leverage in bargaining with distributors and retailers because customers expect them to carry the brand.
 - The company can charge a higher price than its competitors because the brand has higher perceived quality.
 - The company can more easily launch extensions because the brand name carries high credibility.
 - The brand offers some defense against price competition.

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Packaging

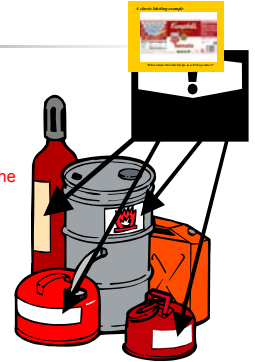


- ✦ Activity of designing and producing the container or wrapper for a product.
 - ✦ Packaging used to just contain and protect the product.
- Packing now has promotional value and marketers should:
- Establish a packaging concept,
 - Develop specific elements of the package,
 - Tie together elements to support the positioning and marketing strategy.

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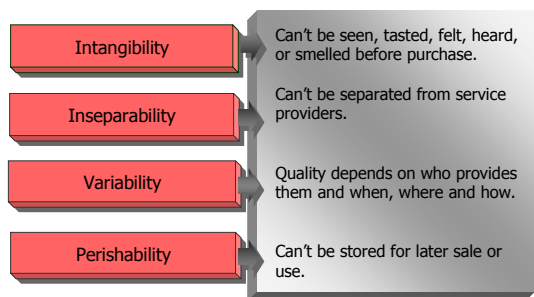
Labeling

- ✦ Printed information appearing on or with the package.
- ✦ Performs several functions:
 - Identifies product or brand
 - Describes several things about the product
 - Promotes the product through attractive graphics.



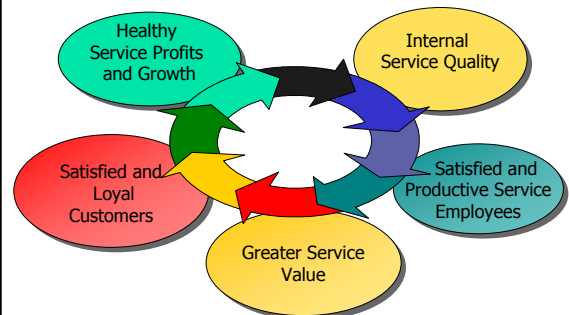
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Nature and Characteristic of a Service



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The Service-Profit Chain



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Review of Concept Connections

- ✦ Define product and the major classifications of products and services.
- ✦ Describe the roles of product and service branding, packaging, labeling, and product support services.
- ✦ Explain the decisions companies make when developing product lines and mixes.
- ✦ Identify the four characteristics that affect the marketing of a service.

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