Product Strategy

What is a Product?

Anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or a need.

- Goods (physical products)
- Services
- Persons
- Places
- Organizations (profit, nonprofit)
- Ideas / Social
- Combinations of the above

Levels of Product

A Product Classification – Consumer Markets
A Product Classification – Industrial (Business)

Purchased for further processing or for use in conducting a business:

- **Entering Goods**: Materials, parts
- **Foundation Goods** (Capital Items): Installations, equipment
- **Facilitating Products**: Supplies, services

Individual Product Decisions

1. Attributes / Benefits
2. Branding
3. Packaging
4. Labeling
5. Product Support Services

I. Attributes, Benefits

- **Quality**
  - Features / Attributes
  - Level of each attribute
  - Design / Style

II. Branding

- **Brand**
  - Name
  - Mark
...

- **Brand Sponsor**
  - Manufacturer’s Brand
  - Private Brand
  - Licensed Brand
  - Co-branding

- **Brand Development Strategy**
Why Brands?

For buyers:
- Identification, help in comparison
- Quality and value assurance, and consistency
- Self-expression through “brand personality”

For sellers:
- Communication, image
- Legal protection
- Help in introducing a new product
- Help in segmentation

Brand Equity

(Positive) differential effect of brand knowledge on consumer response to the marketing actions

[knowledge: awareness, image]

- What are the advantages of strong brand equity?

Brand Image

Image: could be considered as the “set of brand associations”

List five things that come to your mind when you think about …
### Brand Development Strategy

<table>
<thead>
<tr>
<th>Brand Name</th>
<th>Product Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing</td>
<td>Line Extension</td>
</tr>
<tr>
<td></td>
<td>Brand Extension</td>
</tr>
<tr>
<td>New</td>
<td>Multibrands</td>
</tr>
<tr>
<td></td>
<td>New Brands</td>
</tr>
</tbody>
</table>

### III, IV, and V

#### III. Packaging
- primary, secondary, and shipping package
  - Containment and protection
  - Sales tasks / communication
  - Usage / storage / safety
- Can give a competitive / strategic advantage

#### IV. Labeling
- Identifies, describes, promotes

#### V. Service / Support

### Product Line Decisions

- **Product Line**: group of closely related products that function similarly, within a price range, or sold to the same customer group.
  - decisions of price, advertising, design etc. are related
- **Product Line Length**: number of items in the line

**Decisions regarding length:**
- **Stretching**: downward, upward
- **Filling**: adding within current range
- **Deleting**

### Characteristics of Services

Services are more difficult to evaluate before purchase.

- **Intangibility**: Can’t be “seen, tasted, touched, heard, smelled” before purchase
- **Inseparability**: Can’t be separated from service providers
- **Variability**: Quality depends on who provides, when, where, how
- **Perishability**: Can’t be stored for later sale or use.
### Managing Services

- **Managing Service Quality**
  - For differentiation and positioning (of goods)
  - What are the dimensions of service quality?
  - Employee - consumer interaction

- **Service Design / Productivity**