



Product Strategy Product Management

Exam 3 – Thursday
March 7 – Part 1 Due
Review assignment instructions

Communication Reminder !

PRODUCT LIFE CYCLE

INTRODUCTION → GROWTH → MATURITY → DECLINE

**associated with changes in marketing situation,
thus impacting the marketing strategy and the marketing mix**

Play (k)



1:01 / 8:10



Total Product Concept

A **product** is a *bundle of tangible and intangible benefits a buyer receives in exchange for money and other considerations.*



Package of Benefits

- Physical product
- Brand name
- Package
- Service guarantee
- Brand image
- Warranty, etc.

This Photo by Unknown Author is licensed under CC BY-SA

The Product Mix

The total range of products offered for sale by a company.

Product Item

A unique product offered for sale; it has a “unique selling point” or “USP.”

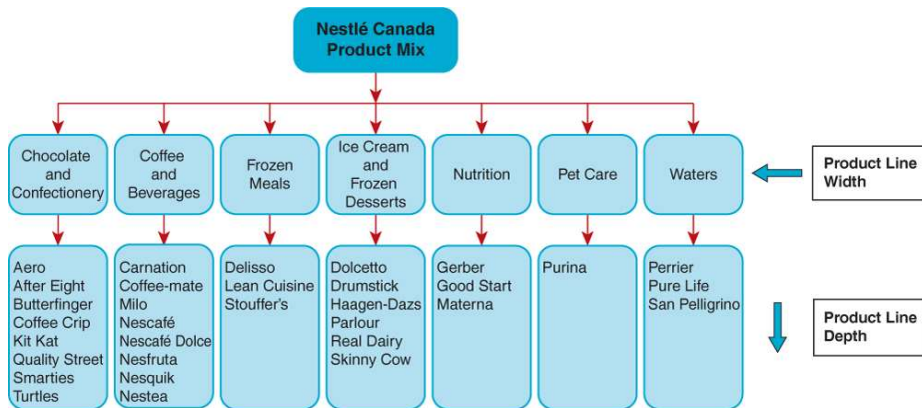
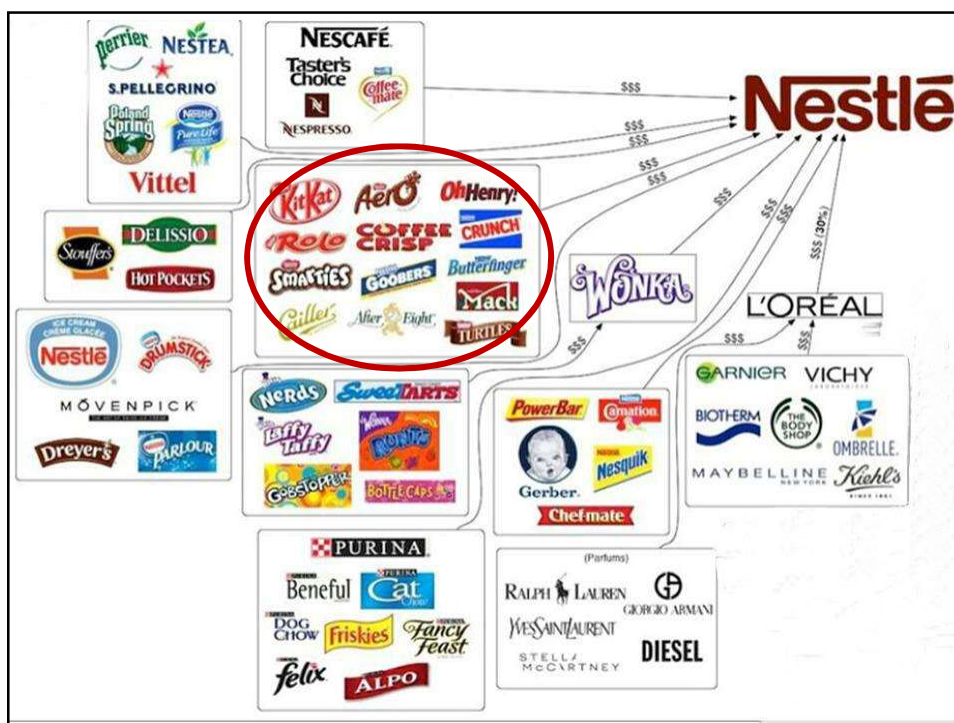


Figure 8.3 An Illustration of Product Line Width and Depth

Source: Adapted from www.nestle.ca



Product Classifications

Consumer Goods: Products and services ultimately purchased for personal use.



Industrial (business) Goods: Products and services purchased to be used directly or indirectly in the production of other goods for resale.

This Photo by Unknown Author is licensed under CC BY-SA-NC

Categories of Consumer Goods



Basis of Comparison	Convenience	Shopping	Specialty
Examples	<ul style="list-style-type: none"> Bread Cookies Shampoo Deodorant 	<ul style="list-style-type: none"> Automobiles Clothing Home furnishings Cleaning services 	<ul style="list-style-type: none"> Coach handbags BMW automobiles Rolex watches
Product	<ul style="list-style-type: none"> Attractive package Proven performance Brand name 	<ul style="list-style-type: none"> Quality Style Reliability 	<ul style="list-style-type: none"> Brand name Brand image Reputation Superior quality
Price	Relatively inexpensive	Fairly expensive	Usually very expensive
Distribution	Widely available in many outlets	Available in a large number of selective outlets	Only available at a few resellers
Marketing communications	Focus on price and availability	Personal selling at point-of-sale	Focus on brand status and quality
Consumer buying behaviour	<ul style="list-style-type: none"> Purchase often Little time spent in researching purchase 	<ul style="list-style-type: none"> Purchase infrequently Some time and effort made to compare alternatives 	<ul style="list-style-type: none"> Purchase infrequently A lot of time and effort is put into purchase decision process

Figure 8.4 Marketing Considerations for Consumer Goods

Industrial (Business) Goods

Category	Type	Examples
Capital Items	<ul style="list-style-type: none"> Installations Accessory equipment 	<ul style="list-style-type: none"> Buildings Production line equipment Computer systems Computers Photocopiers Office furnishings
Parts and Materials	<ul style="list-style-type: none"> Raw materials Processed materials Component parts 	<ul style="list-style-type: none"> Crude oil Lumber Farm goods (wheat, milk, fruit) DuPont Nylon Glass windows Tires Steel frames
Supplies and Services	<ul style="list-style-type: none"> Office supplies Consulting Other services 	<ul style="list-style-type: none"> Paper and stationery Tax or legal counsel Office cleaning services

Figure 8.6 Categories of Industrial (Business) Goods and Services

Brand and Branding Strategies

A name, term, symbol, or design, or some combination of these, that identifies a good or service.



Three key areas to develop a brand strategy:

1. brand name and designing the brand logo
2. packaging and determining what information goes on the label
3. the actual product design (if a durable good)

Figure 8.7 A Selection of Well-Known Brand Logos

Sources: (left to right) Shoppers Drug Mart; Canadian Tire; WestJet; All Tim Hortons trademarks references herein are owned by Tim Hortons. Used with permission.

Components of a Brand

1. **Brand Name** – The part of a brand that can be vocalized.
2. **Brandmark or Logo** – The part of a brand identified by a symbol or design.
3. **Trademark** – The part of a brand granted legal protection so that only the owner can use it.
4. **Patent** - A provision that gives a manufacturer the sole right to develop and market a new product, process, or material.

Family Brands

The use of the same brand name for a group of related products.

Procter & Gamble uses a family brand strategy

Old Spice for personal care product line.

- Old Spice Body Wash
- Old Spice Body Spray
- Old Spice Hair Care and Styling
- Old Spice Trimmers and Shavers



This Photo by Unknown Author is licensed under [CC BY-NC-ND](#)

Co-Branding

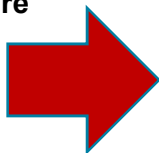
Using the equity of one brand name to market another: two brand names on the product.

Private-Label Brands

Brands produced to the specifications of the distributor, usually by national brand manufacturers that make similar products under their own brand names

Company

- Canadian Tire
- Costco
- Loblaws
- Sobeys
- Walmart



Brand Name

- Mastercraft, Motomaster
- Kirkland Signature
- President's Choice, Joe Fresh
- Compliments
- George, Great Value

Generic Brands

A product without a brand name or identifying features.

Packaging in Action

Primary Package, Secondary Package, Labels, Shipping Carton

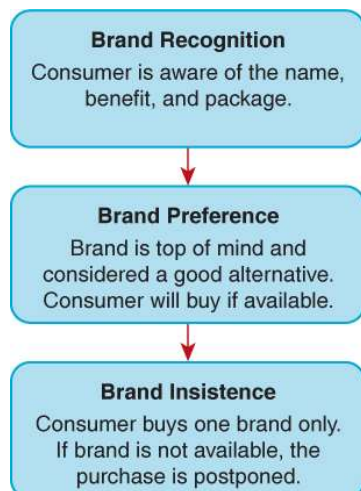
A good package:

- Protects the product
- Markets the product
- Provides convenience
- Meets social concerns



Figure 8.13 Dove Men+Care uses grey packaging with white

Stages of Brand Loyalty



Brand Equity Measurements

- Name awareness
- Loyal customer base
- Perceived quality
- Brand attributes

Figure 8.19 The Stages of Brand Loyalty

Learning Objectives

1. Explain the total product concept and product mix.
2. Describe how consumer and business goods are classified.
3. Explain the role and importance of branding strategies.
4. Discuss the role of packaging and labelling in the development of product strategies.
5. Explain the benefits of branding.
6. Describe the various stages of brand loyalty and how brand equity is created.

Product Management

Product management concerns three key areas:

1. *The internal organization structure for managing current products.*
2. *The allocation of resources for developing new products.*
3. *Dealing with changing market conditions as products progress through their life cycles.*

Organizational Structures for Managing Brands

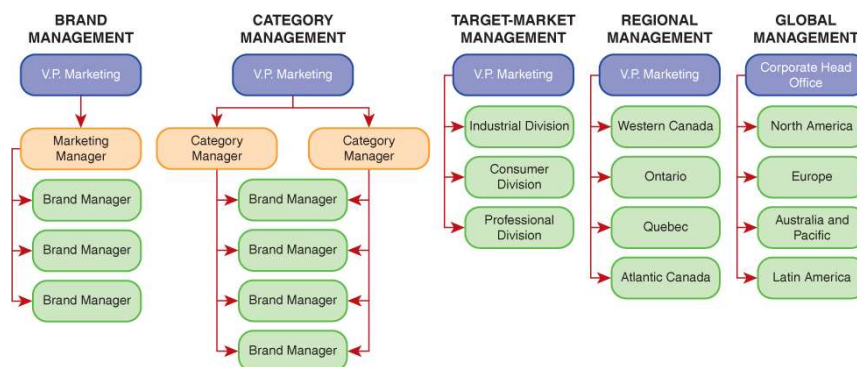
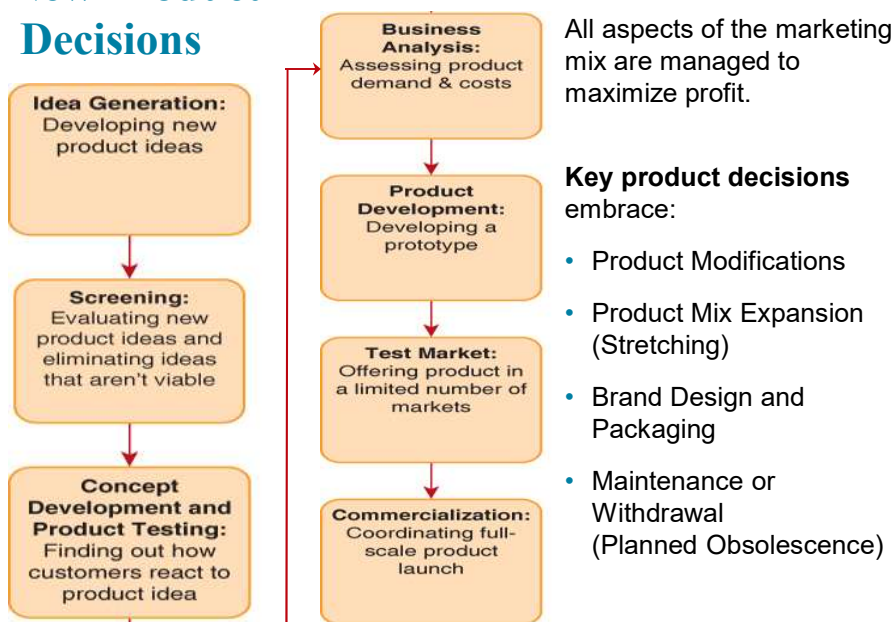


Figure 9.1 Alternative Product Management Systems

Copyright © 2019 Pearson Canada Inc.

New Product Decisions



The Product Life Cycle

time, sales and profits determinants of a product's stage in the life cycle.

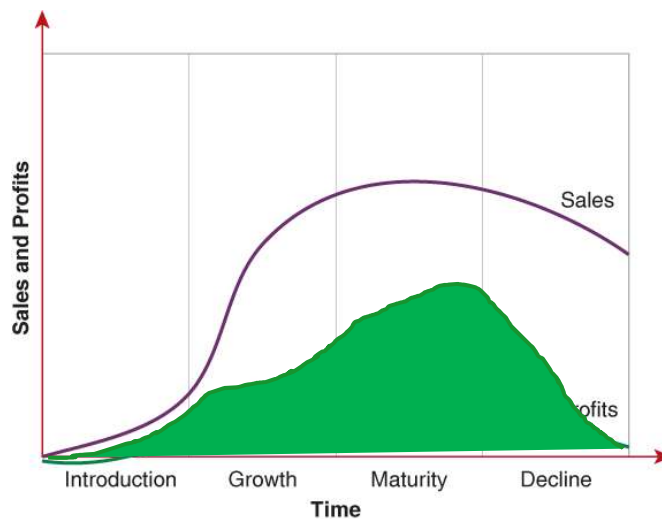
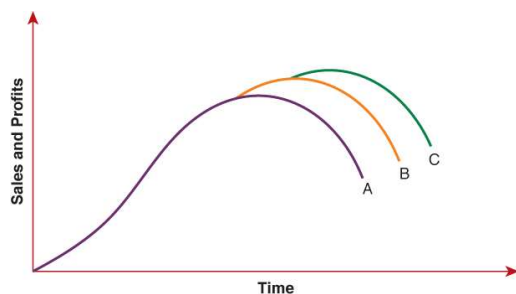


Figure 9.9 The Product Life Cycle

Extending the Product Life Cycle



A: Traditional product life cycle
B and C: Desired life cycle, achieved by appealing to new targets and by altering the product or the marketing mix

Figure 9.13 Life Cycle Extensions

Many brand managers attempt to rejuvenate brands and extend their life cycles for as long as possible.

Rejuvenation strategies:

- Attract New Markets
- Alter Product (Improvements)
- Introduce New Product Lines (Line Extensions)
- Change Other Marketing Mix Elements

The Adoption Process

Series of stages a consumer passes through on the way to purchasing a product on a regular basis.



Figure 9.20 The Adoption Process

