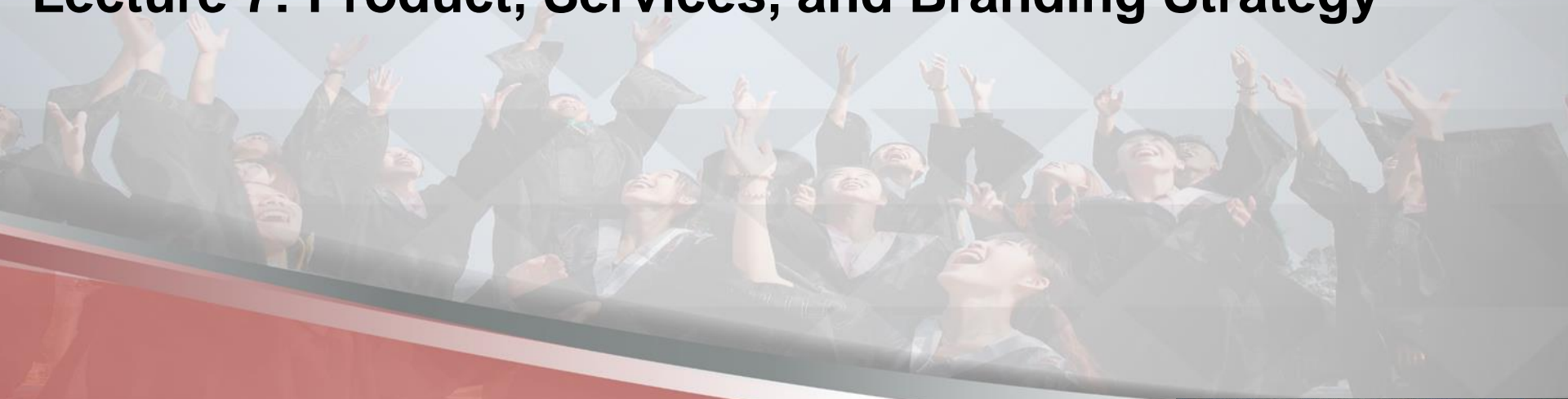




HOLMES  
INSTITUTE

**HC1082: Marketing**

**Lecture 7: Product, Services, and Branding Strategy**



# Key topics

- Products: Services and Goods
- Product and Services Decisions
- Services Marketing
- Branding Strategy: Building Strong Brands



# What Is a Product?

- Products: Services and Goods

**Product** is anything that can be offered in a market for attention, acquisition, use, or consumption that might satisfy a need or want

**Service** is a product that consists of activities, benefits or satisfaction that is essentially intangible and does not result in the ownership of anything

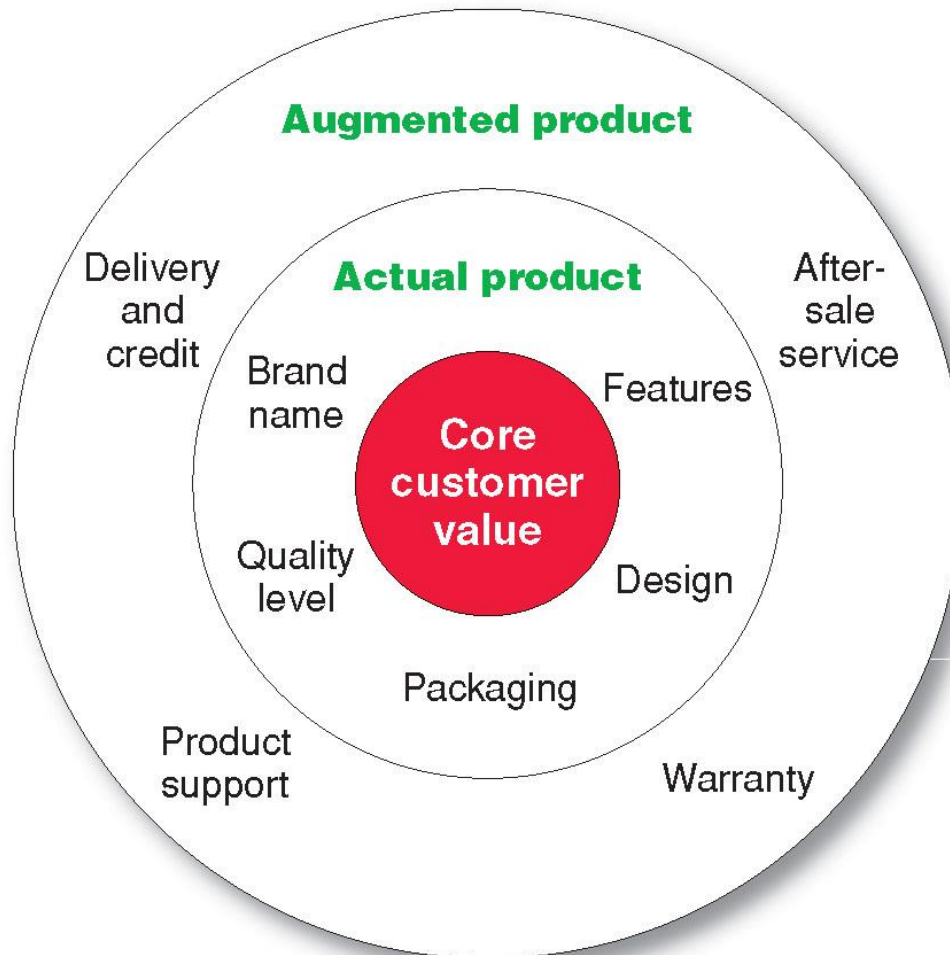
**Good** is a product that is essentially tangible and does result in the ownership of anything

*These are general rules, but there are exceptions*



# What Is a Product?

- Levels of Product and Services



- Product and Service Classifications

Consumer products



# What Is a Product?

- Product and Service Classifications
- Consumer products are products and services for personal consumption
- Classified by how consumers buy them
  - Convenience products
  - Shopping products
  - Specialty products
  - Unsought products



- Product and Service Classifications

**Convenience products:** consumer products and services that the customer usually buys frequently, immediately, and with a minimum comparison and buying effort

- Newspapers
- Candy
- Fast food





- Product and Service Classifications

**Shopping products:** consumer products and services that the customer compares carefully on suitability, quality, price, and style.

- Furniture
- Cars
- Appliances





- Product and Service Classifications

**Specialty products:** consumer products and services with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort

- Medical services
- Designer clothes
- High-end electronics



- Product and Service Classifications

**Unsought products:** consumer products that the consumer does not know about or knows about but does not normally think of buying

- Life insurance
- Funeral services
- Blood donations



- Product and Service Classifications

**Industrial products:** products purchased for further processing or for use in conducting a business

- Classified by the purpose for which the product is purchased
  - Materials and parts
  - Capital items
  - Supplies and services



- Product and Service Classifications

**Materials and parts** include raw materials and manufactured materials and parts usually sold directly to industrial users

**Capital items** are industrial products that aid in the buyer's production or operations

**Supplies and services** include operating supplies, repair and maintenance items, and business services



# What Is a Product?

- Organizations, Persons, Places, and Ideas

**Organization marketing** consists of activities undertaken to create, maintain, or change attitudes and behavior of target consumers toward an organization.



# What Is a Product?

- Organizations, Persons, Places, and Ideas

**Person marketing** consists of activities undertaken to create, maintain, or change attitudes and behavior of target consumers toward particular people



# What Is a Product?

- Organizations, Persons, Places, and Ideas

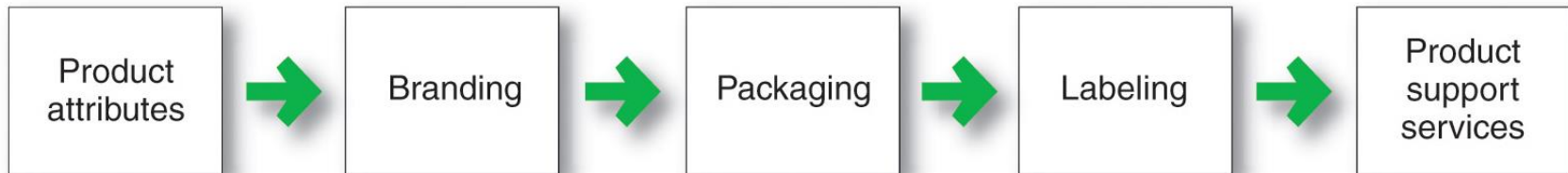
**Place marketing** consists of activities undertaken to create, maintain, or change attitudes and behavior of target consumers toward particular places

**Social marketing** is the use of commercial marketing concepts and tools in programs designed to influence individuals' behavior to improve their well-being and that of society





- Individual Product and Service Decisions



- Individual Product and Service Decisions

## **Product or service attributes**

communicate and deliver the benefits

- Quality
- Features
- Style and design



- Individual Product and Service Decisions
  - **Product Quality Level** is the level of quality that supports the product's positioning
  - **Product Conformance Quality** is the product's freedom from defects and consistency in delivering a targeted level of performance



- Individual Product and Service Decisions

## Product features

- are a competitive tool for differentiating a product from competitors' products
- are assessed based on the value to the customer versus the cost to the company



- Individual Product and Service Decisions

**Style** describes the appearance of the product  
**Design** contributes to a product's usefulness  
as well as to its looks



- Individual Product and Service Decisions

**Brand** is the name, term, sign, or design—or a combination of these—that identifies the maker or seller of a product or service



- Individual Product and Service Decisions

**Packaging** involves designing and producing the container or wrapper for a product

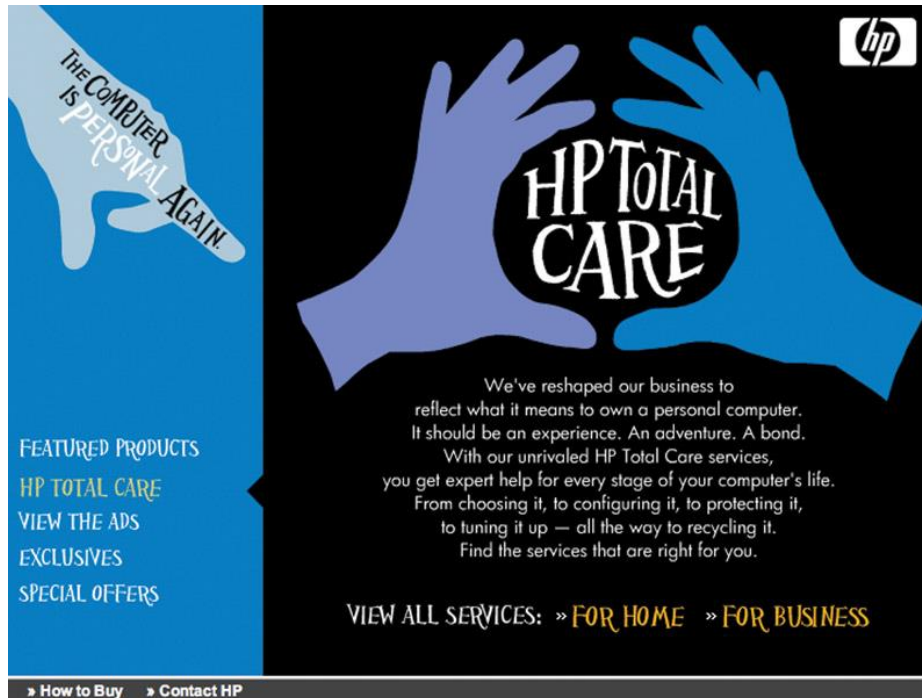
**Labels** identify the product or brand, describe attributes, and provide promotion





- Individual Product and Service Decisions

Product support services augment actual products



The advertisement features a blue background on the left and a black background on the right. On the left, a hand icon points to the text "The COMPUTER is PERSONAL AGAIN." Below this, a list of links includes "FEATURED PRODUCTS", "HP TOTAL CARE", "VIEW THE ADS", "EXCLUSIVES", and "SPECIAL OFFERS". At the bottom left, there are links for "» How to Buy" and "» Contact HP". On the right, two hands cup a circle containing the text "HP TOTAL CARE". Above this is the HP logo. Below the hands, a paragraph reads: "We've reshaped our business to reflect what it means to own a personal computer. It should be an experience. An adventure. A bond. With our unrivaled HP Total Care services, you get expert help for every stage of your computer's life. From choosing it, to configuring it, to protecting it, to tuning it up — all the way to recycling it. Find the services that are right for you." At the bottom right, it says "VIEW ALL SERVICES: » FOR HOME » FOR BUSINESS".



- Product Line Decisions

**Product line** is a group of products that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed through the same types of outlets, or fall within given price ranges



- Product Line Decisions

**Product line length** is the number of items in the product line

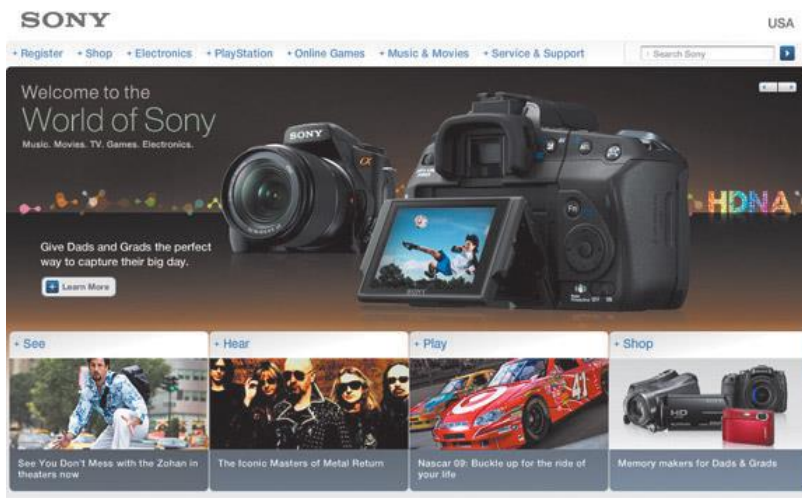
- Line stretching
- Line filling



## ■ Product Mix Decisions

**Product mix** consists of all the products and items that a particular seller offers for sale

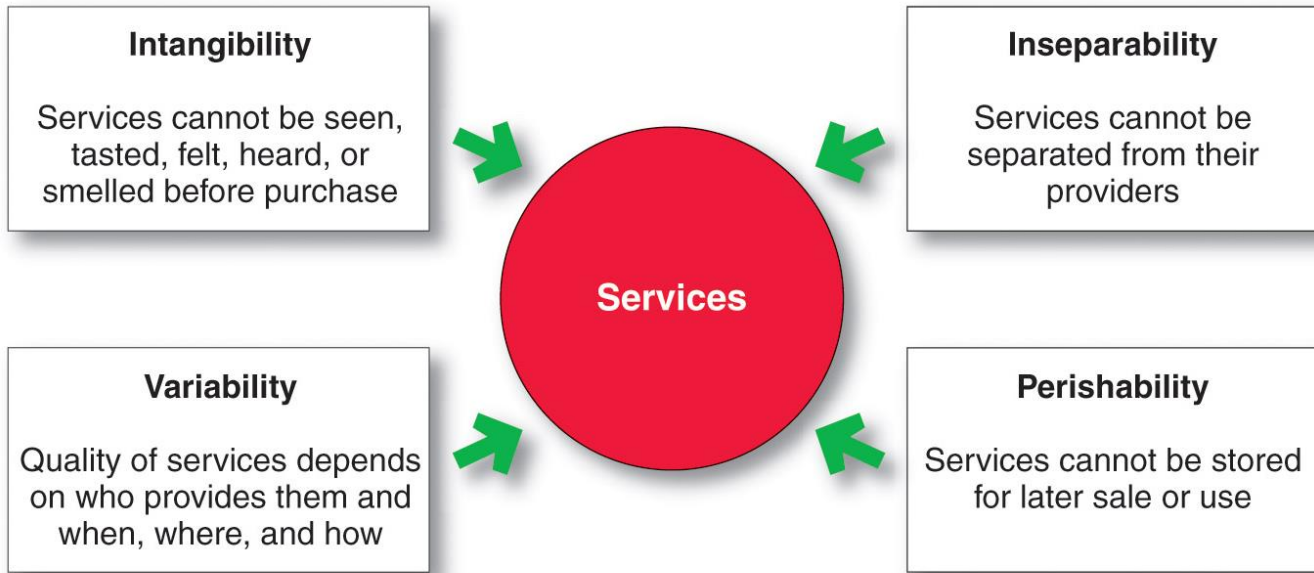
- » Width
- » Length
- » Depth
- » Consistency



- Types of Service Industries
  - Government
  - Private not-for-profit organizations
  - Business services



## ■ Nature and Characteristics of a Service





## ■ Marketing Strategies for Service Firms



In addition to traditional marketing strategies, service firms often require additional strategies

- Service-profit chain
- Internal marketing
- Interactive marketing





- Marketing Strategies for Service Firms

**Service-profit chain** links service firm profits with employee and customer satisfaction

- Internal service quality
- Satisfied and productive service employees
- Greater service value
- Satisfied and loyal customers
- Healthy service profits and growth



- Marketing Strategies for Service Firms

Internal marketing means that the service firm must orient and motivate its customer contact employees and supporting service people to work as a team to provide customer satisfaction

Internal marketing must precede external marketing



- Marketing Strategies for Service Firms

**Interactive marketing** means that service quality depends heavily on the quality of the buyer-seller interaction during the service encounter

- Service differentiation
- Service quality
- Service productivity



- Marketing Strategies for Service Firms

**Managing service differentiation** creates a competitive advantage from the offer, delivery, and image of the service

- **Offer** can include distinctive features
- **Delivery** can include more able and reliable customer contact people, environment, or process
- **Image** can include symbols and branding



- Marketing Strategies for Service Firms

**Managing service quality** provides a competitive advantage by delivering consistently higher quality than its competitors

Service quality always varies depending on interactions between employees and customers



- Marketing Strategies for Service Firms

Managing service productivity refers to the cost side of marketing strategies for service firms

- Employee recruiting, hiring, and training strategies
- Service quantity and quality strategies



## Brand equity

The differential effect that knowing the brand name has on customer response to the product or its marketing.





# Branding Strategy: Building Strong Brands



- Brand Positioning

Brand strategy decisions include:

- Product attributes
- Product benefits
- Product beliefs and values



- Brand Sponsorship

Manufacturer's brand

Private brand

Licensed brand

Co-brand



- Brand Development Strategies

		Product category	
		Existing	New
Brand name	Existing	Line extension	Brand extension
	New	Multibrands	New brands



# Key Take Aways

- Define *product* and describe the major classifications of products and services.
- Describe the decisions companies make regarding their individual products and services, product lines, and product mixes.
- Identify the four characteristics that affect the marketing of a service and the additional marketing considerations that services require.
- Discuss branding strategy—the decisions companies make in building and managing their brands.

