

MARKETING MANAGEMENT I



HAYDEN NOEL



Product Strategy

What is a Product?



WHAT WILL WE DO TODAY?



What is a product?

What are the different levels of a product?

How can a company build and manage its product mix and product lines?

Product life cycles



SEGWAY



Segway at LA marathon 03.04.07 (2007)



WHAT IS A PRODUCT?



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, or some combination thereof



WHAT IS A PRODUCT?



Physical Objects



Apple iWatch (2016)

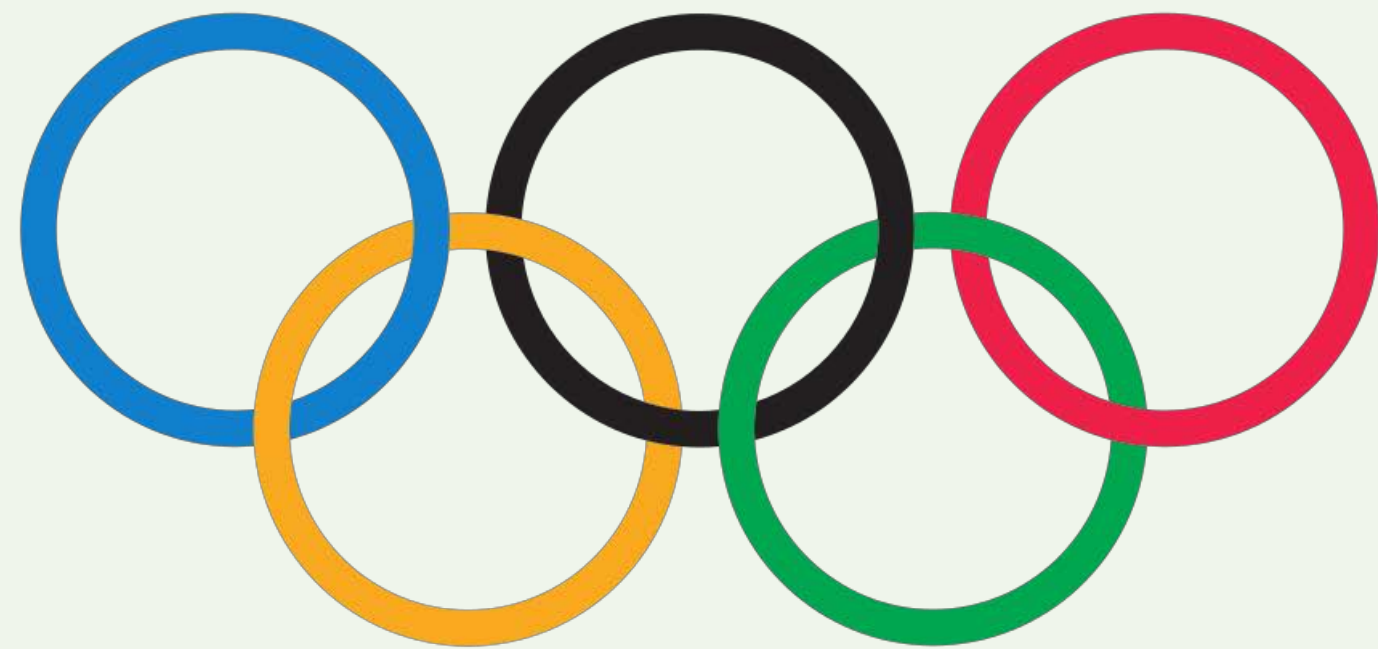


WHAT IS A PRODUCT?



Events

Rio 2016



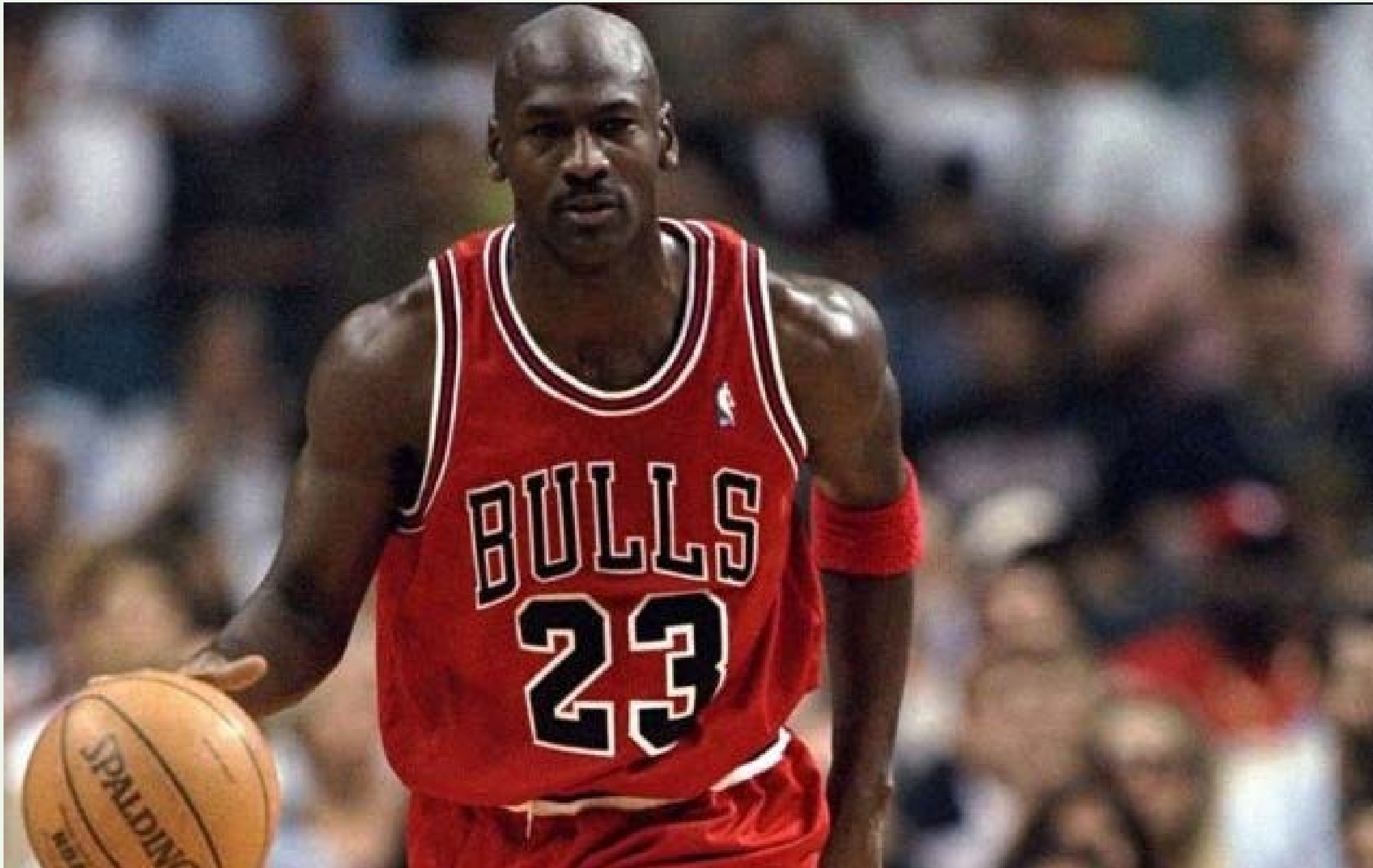
Rio 2016 logo (2016)



WHAT IS A PRODUCT?



Persons



Michael Jordan, il re del basket (2014)



WHAT IS A PRODUCT?



Places



Disney World (2013)



WHAT IS A PRODUCT?



Organizations



© 2005 Mark Knobil



Doctors without Borders -MSF Banner (2012)



WHAT IS A PRODUCT?



Ideas



MD Climate Change Summit (2013)



WHAT IS A PRODUCT?



Services



Manpower (2008)



United Parcel Service logo 2014 (2014)



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MARKETING MANAGEMENT I



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Product Strategy

What is a Service?



WHAT IS A SERVICE?



A **Service** is a form of product that consist of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything



WHAT IS A SERVICE?



Banking



Bank of America (2014)



WHAT IS A SERVICE?



Hotels



Resort-tropical-pool-vacation-906104 (2015)



WHAT IS A SERVICE?



Massage therapy



Head-massage-treatment-relaxation-650878 (2012)



PRODUCT-SERVICE CONTINUUM



A company's offer to the consumer often includes both tangible and intangible goods



Salt-(sea) (2009)



Takanami, Iowa City (2012)



Medical-appointment-doctor-563427 (2014)



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MARKETING MANAGEMENT I



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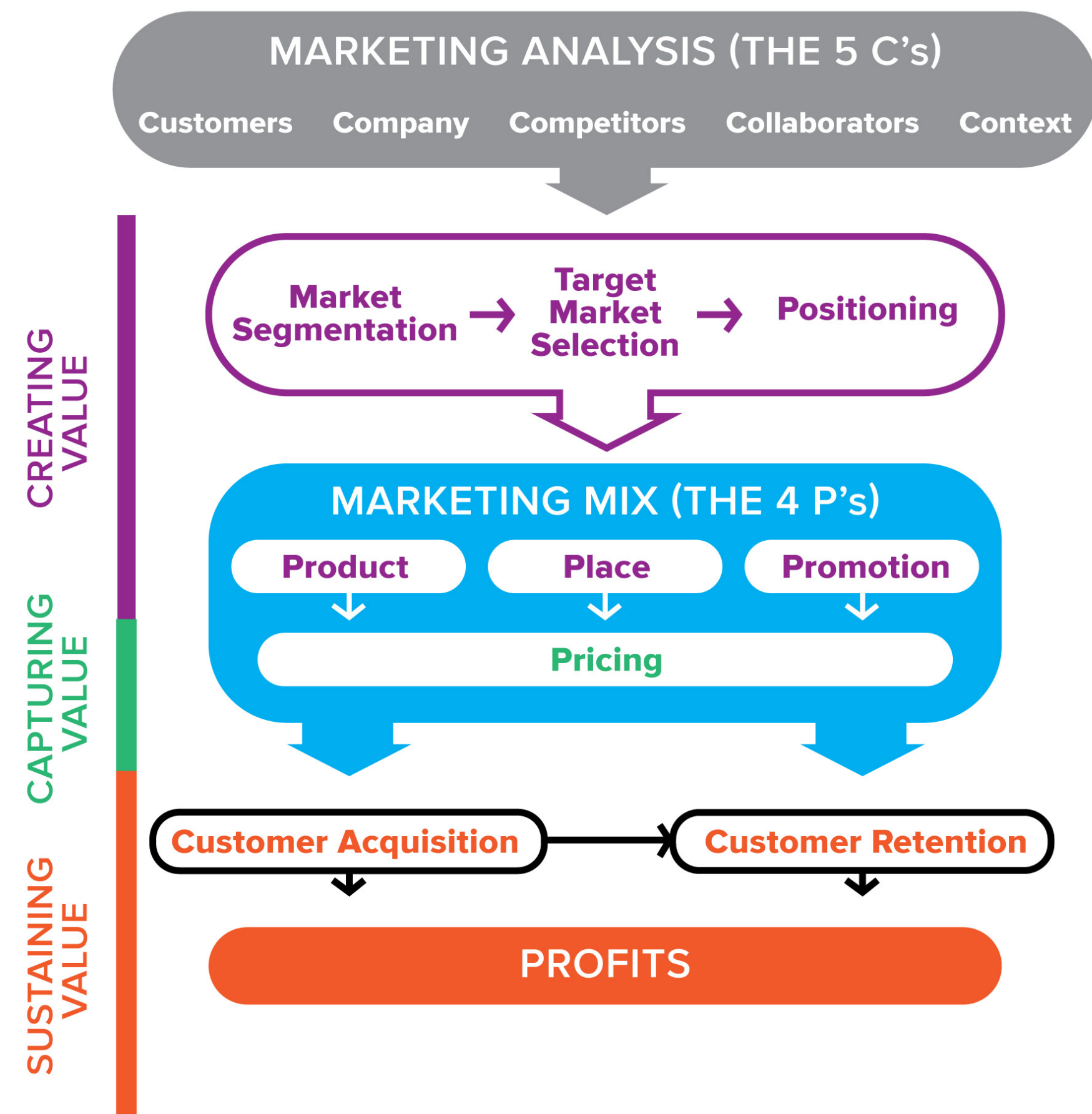


Product Strategy

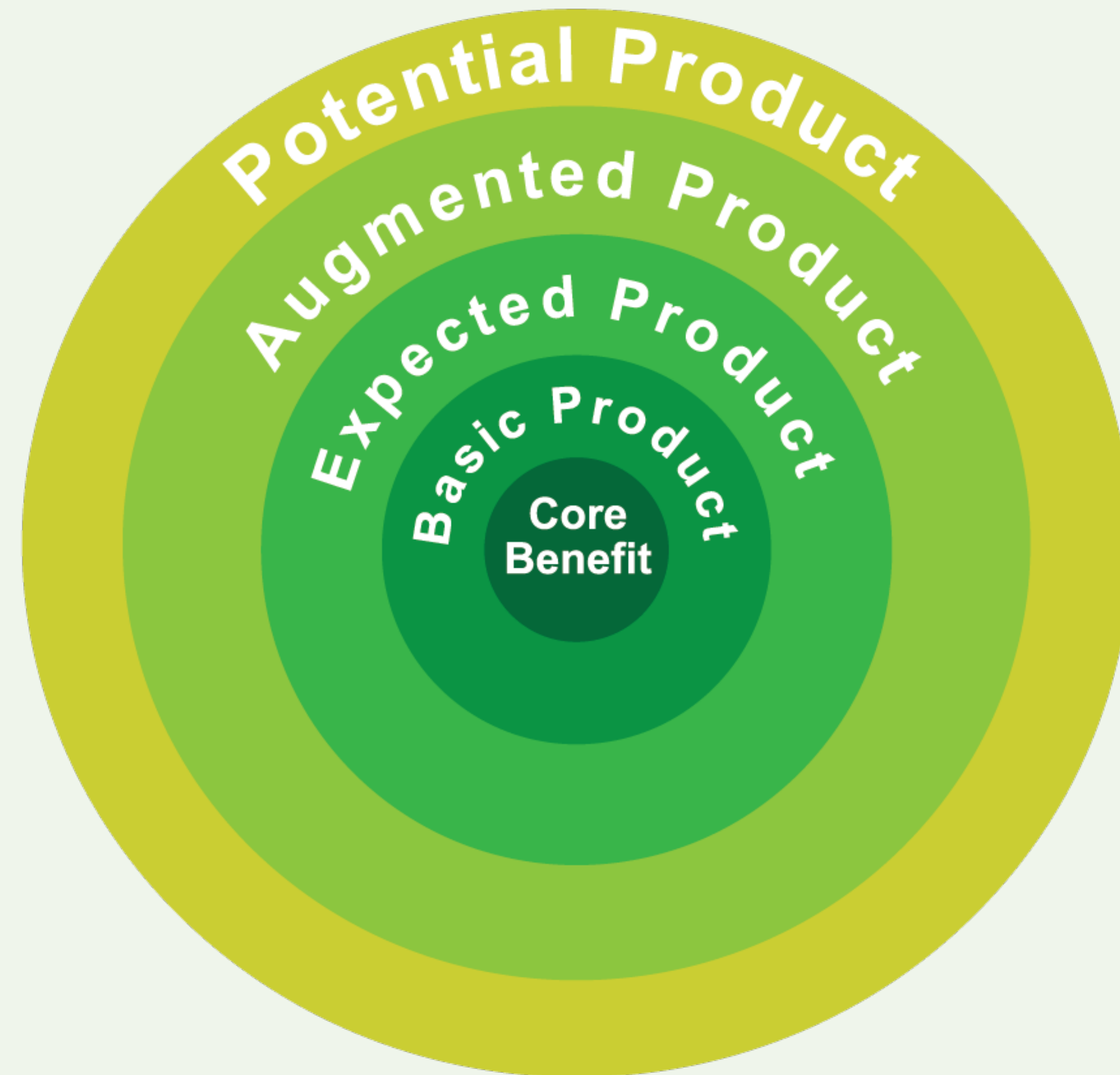
Levels of Product



THE MARKETING STRATEGY PROCESS



FIVE PRODUCT LEVELS



LEVELS OF PRODUCT



Product planners need to think about products and services on 5 levels

Core

Basic

Expected

Augmented

Potential

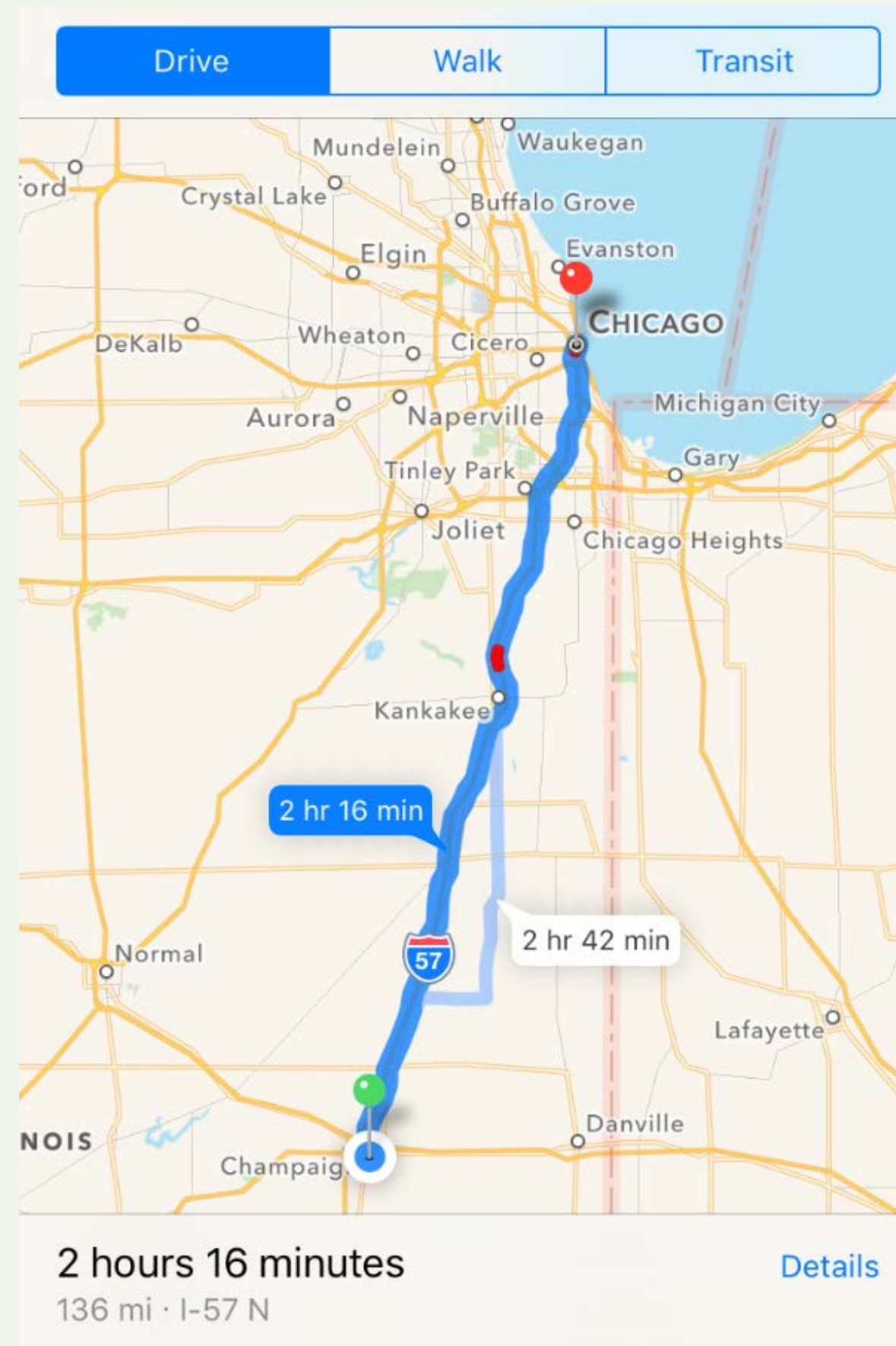


LEVELS OF PRODUCT



CORE PRODUCT

Basic level; Bundle of benefits consumer is really buying



GPS Directions (2016)



2006-2007 Volkswagen New Beetle (2007)



LEVELS OF PRODUCT



BASIC (GENERIC) PRODUCT

Physical product incl. features, design, brand name, etc.



iPhone 7 Front (2016)

NOKIA

(Nokia Corporation, 2007)

BlackBerry

(Research in Motion, 2011)

htc

(Tomatoremix, n.d.)



LEVELS OF PRODUCT



EXPECTED PRODUCT

Attributes buyers expected when they purchase a product

- Concierge services

- Four-zone climate control

- Bose surround-sound system

- Sirius satellite Radio

- Blind spot detection

- Night vision



LEVELS OF PRODUCT



AUGMENTED PRODUCT

Product that exceeds customer expectations

Competition usually takes place at this level

Could you name any recent automobile augmentations?



LEVELS OF PRODUCT



AUGMENTED PRODUCT



Nissan autonomous car prototype (2014)

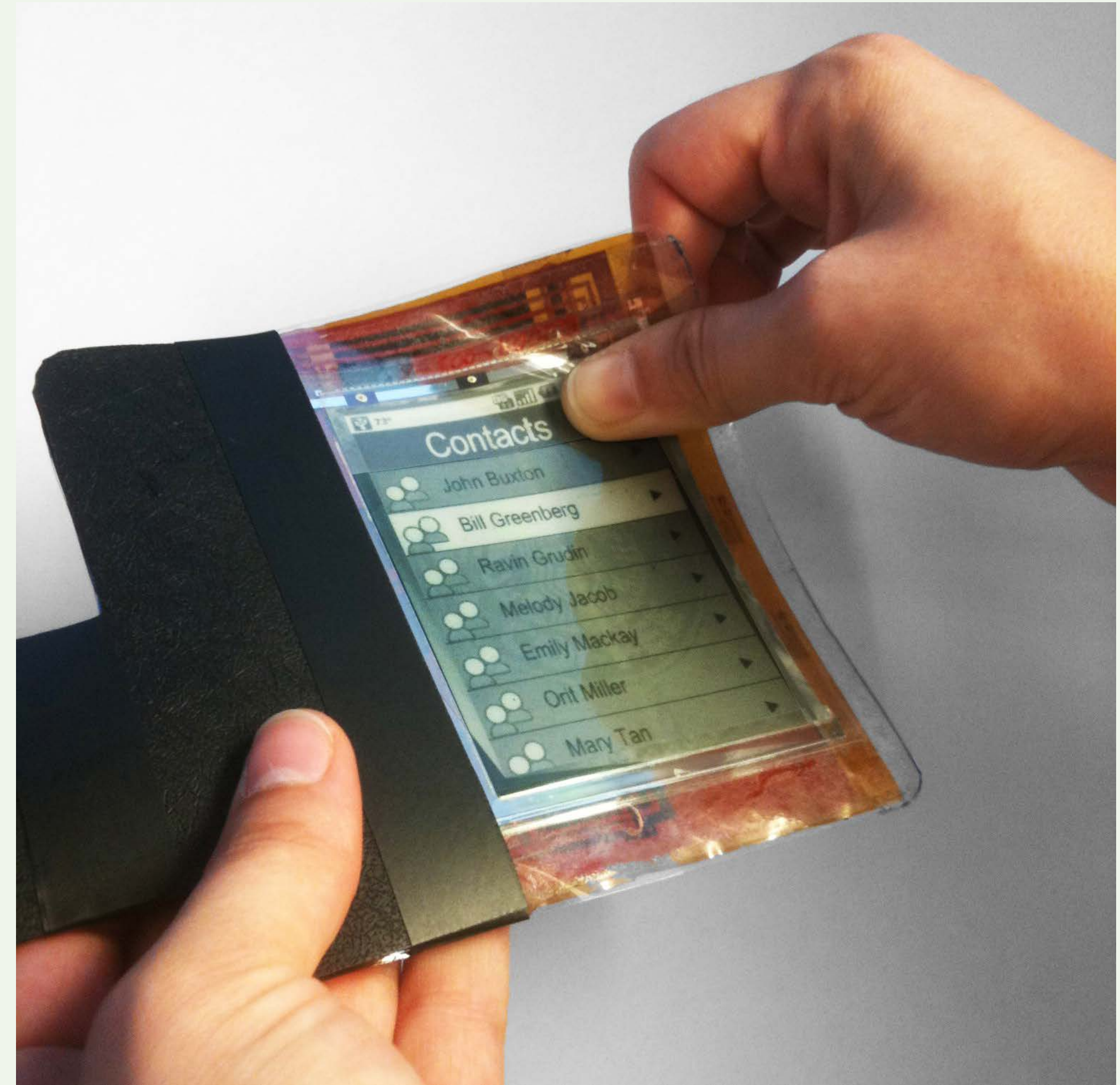


LEVELS OF PRODUCT



POTENTIAL PRODUCT

Future possible augmentations
Potential phones



Flexible PaperPhone Smartphone (2011)



IN-VIDEO QUESTION



Levels of Product Exercise

Pick two product categories – one should be a physical good and the other should be a service

For each product that you have selected, outline how the five product levels could be structured

In your view, how helpful is it for a marketer to split the product into its different product levels?



LEVELS OF PRODUCT



Things to note:

Each augmentation adds cost

Augmented benefits soon
become expected benefits

E.g., Cameras on cell phones

As price and complexity of
augmented products rise,
stripped down versions appear

E.g., “Dumb” cell phones



Nokia Singh (2008)



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MARKETING MANAGEMENT I



HAYDEN NOEL



Product Strategy

Product Mix Decisions



PRODUCT CLASSIFICATIONS: CONSUMER



Convenience Products



News-daily-newspaper-press (2016)

Shopping Products



GE JES1460DSWW 1.4 Cu. Ft. White Countertop Microwave (2014)

Specialty Products



Tiffany's Patek Philippe
Watch Collection (2008)



Patek Philippe Logo color ihor (2012)

Unsought Products



Gravestones (2014)



PRODUCT MIX DECISIONS



Product Mix: all of the product lines and items that a particular seller offers for sale

A product mix can possess

- Width

- Length

- Depth

- Consistency



PRODUCT MIX DECISIONS



Campbell's Soup Product Mix

Canned
Soups

Width - The number of different product lines



PRODUCT MIX DECISIONS



Campbell's Soup Product Mix

Canned
Soups

Microwave
Soups

Width - The number of different product lines



PRODUCT MIX DECISIONS



Campbell's Soup Product Mix

Canned
Soups

Microwave
Soups

Gravies

Width - The number of different product lines



PRODUCT MIX DECISIONS



Procter & Gamble's Product Mix

Canned
Soups

Microwave
Soups

Gravies

Meal
Kits

Width - The number of different product lines



PRODUCT MIX DECISIONS



Procter & Gamble's Product Mix

Canned
Soups

Microwave
Soups

Gravies

Meal
Kits

Tomato
Juices

Width - The number of different product lines



PRODUCT MIX DECISIONS



Campbell's Soup Product Mix

Canned
Soups

Microwave
Soups

Gravies

Meal
Kits

Tomato
Juices

Vegetable
Soups

Width - The number of different product lines

Length - Total number of items the company carries within the product lines



PRODUCT MIX DECISIONS



Campbell's Soup Product Mix

Canned
Soups

Microwave
Soups

Gravies

Meal
Kits

Tomato
Juices

Vegetable
Soups

Chicken
Soups

Width - The number of different product lines

Length - Total number of items the company carries within the product lines



PRODUCT MIX DECISIONS



Campbell Soup's Product Mix

Canned
Soups

Microwave
Soups

Gravies

Meal
Kits

Tomato
Juices

Vegetable
Soups

Chicken
Soups

Beef
Soups

Width - The number of different product lines

Length - Total number of items the company carries within the product lines



PRODUCT MIX DECISIONS



Campbell's Soup Product Mix

Canned
Soups

Microwave
Soups

Gravies

Meal
Kits

Tomato
Juices

Cream of
Broccoli Soup

Chicken
Noodle Soup

Beefy
Mushroom Soup

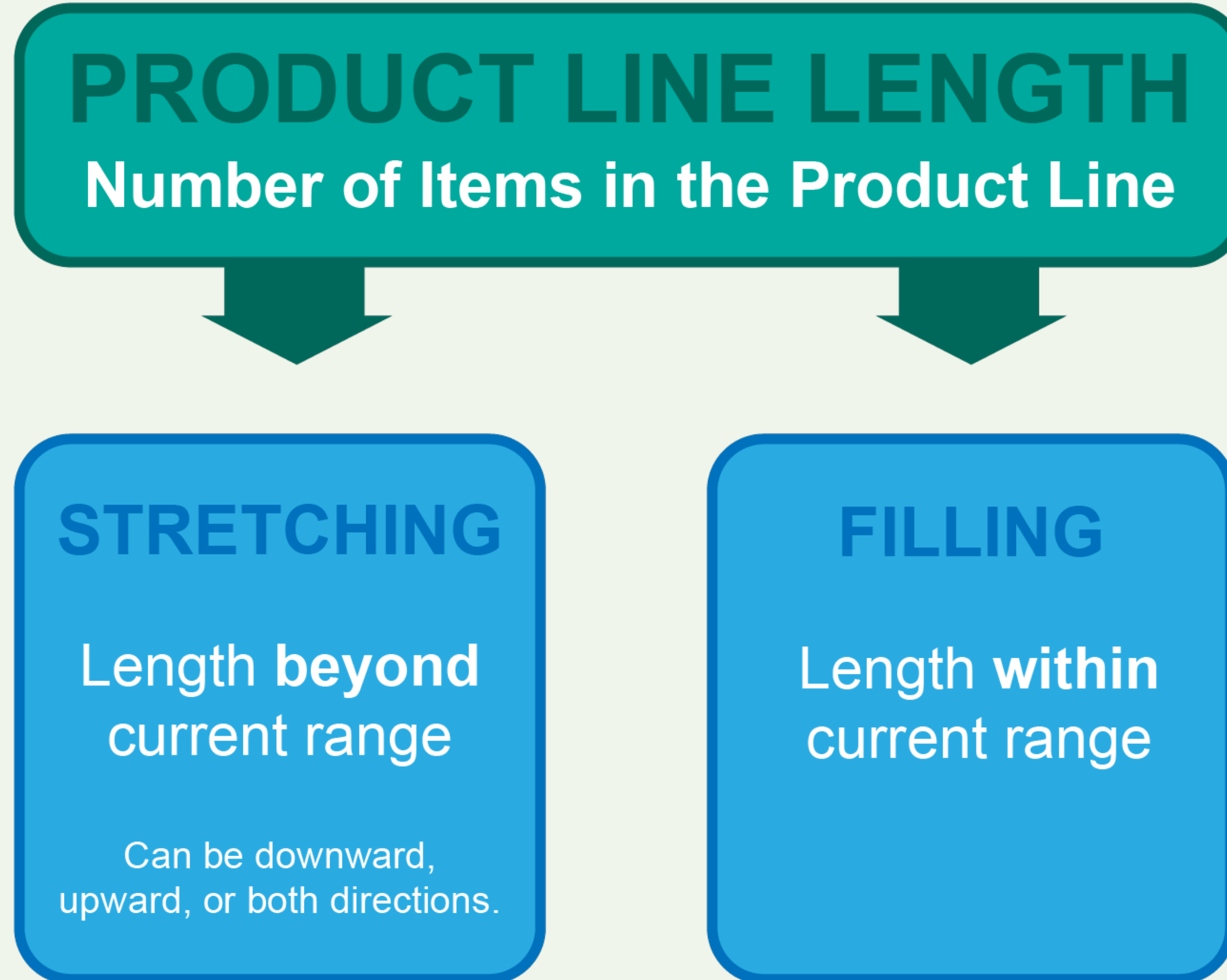
Width - The number of different product lines

Length - Total number of items the company carries within the product lines

Depth - Number of versions offered of each product in line



PRODUCT LINE DECISIONS



LINE FILLING



2016 BMW 7-Series (G11) sedan, front view (2015).



2009 BMW M3 convertible NY (2008)



BMW i8 (2014)



BMW 530d Touring M Sport (2011)



LINE STRETCHING



Down-Market Stretch

Up-Market Stretch

Two-Way Stretch

Pros and Cons



TWO-WAY STRETCH



Marriott added the Renaissance Hotels line to serve the upper end of the market and the TownePlace Suites line to serve the moderate and lower ends



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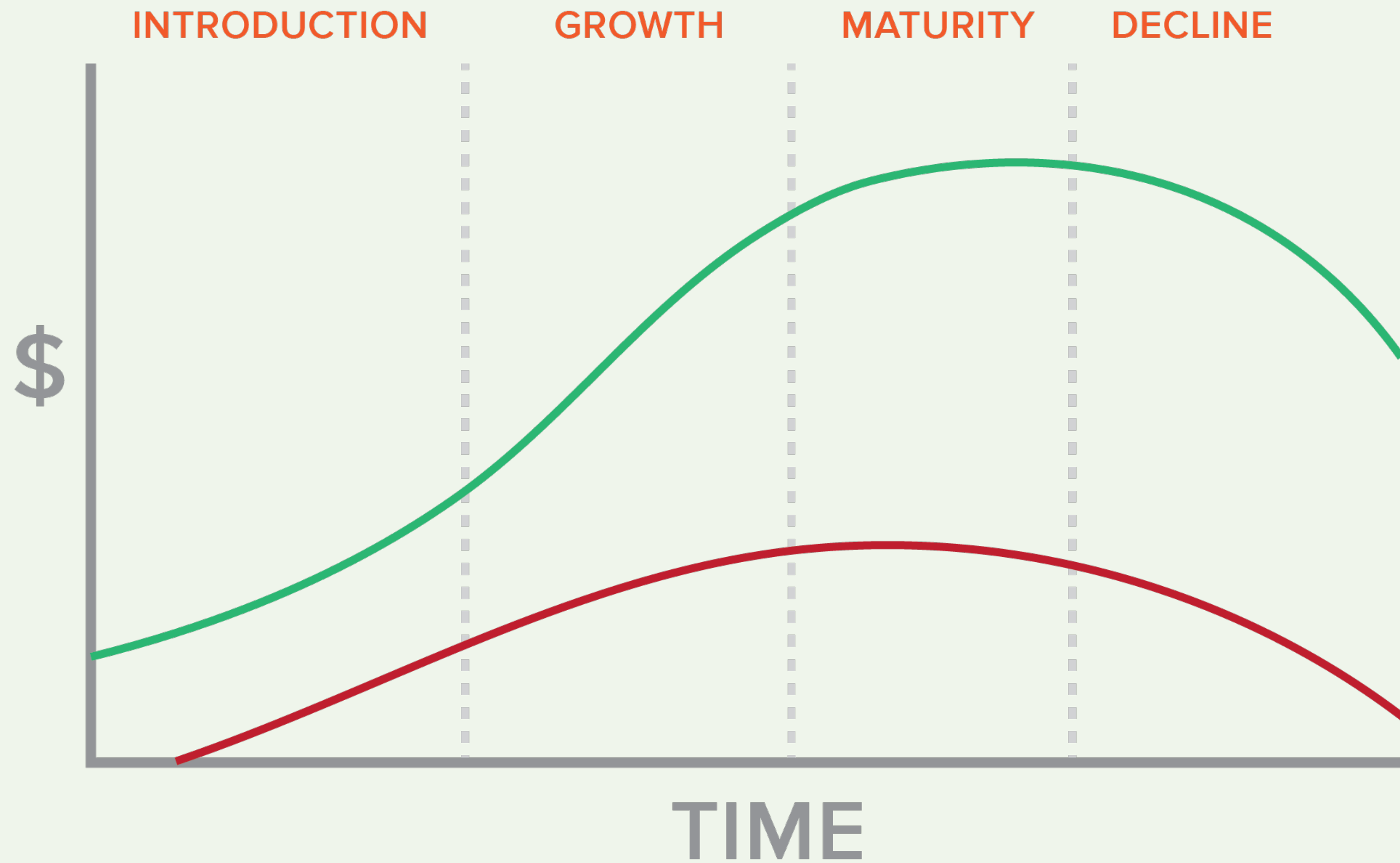


Product Strategy

Product Life Cycle



PRODUCT LIFE CYCLE



FACTS ABOUT LIFE CYCLES



Products have a limited life

Product sales pass through distinct stages

Profits rise and fall at different stages

Products require different marketing, financial, manufacturing, purchasing, and human resource strategies in each stage

Several researchers have questioned the need for product life cycles



MARKETING PLAN CONTENTS



Summary of all marketing plan sections.

What is going on?

What do we want to achieve and how will we get there?

What will it cost and what's the timing?

How are we doing and what needs to change?



MARKETING PLAN CONTENTS



MARKETING STRATEGY & TACTICS

- a. Marketing objectives
- b. Target consumer
- c. Positioning
- d. Product strategy
- e. Distribution plan
- f. Pricing strategy
- g. Promotions strategy
 - i. Conversion strategy
 - ii. Online marketing strategy



WHAT DID WE DO TODAY?



What is a product?

What are the different levels of a product?

How can a company build and manage its product mix and product lines?

Product life cycles

