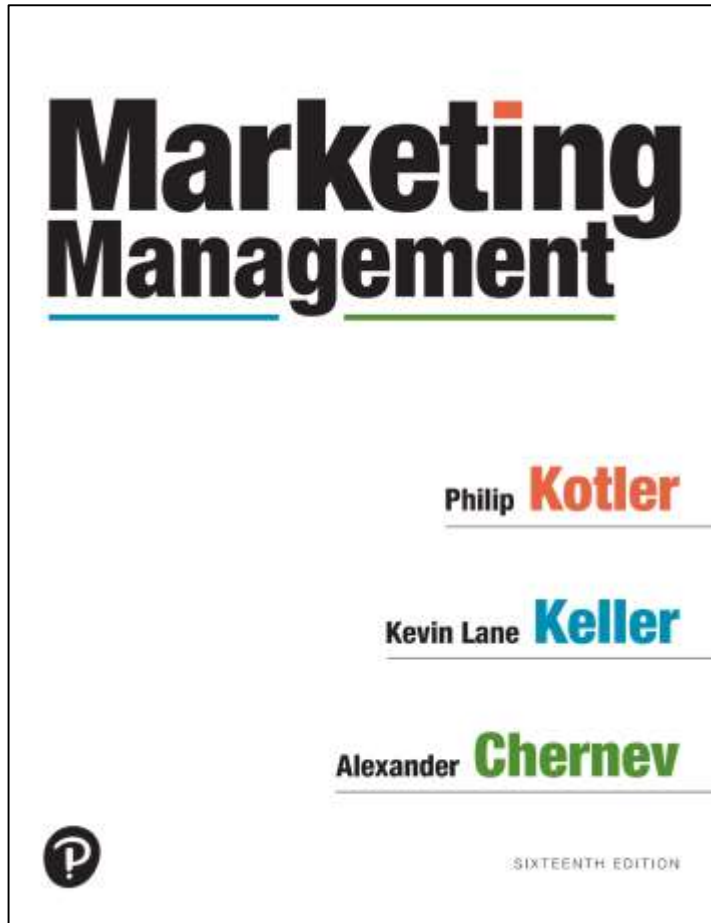


Marketing Management

Sixteenth Edition



Chapter 8

Designing and Managing Products

Learning Objectives

- 8.1** Explain how companies use product differentiation to create market value.
- 8.2** Explain the role of product design in differentiating market offerings.
- 8.3** Discuss the key aspects of designing product portfolios and product lines.
- 8.4** Describe the key decisions involved in managing product packaging.
- 8.5** Explain how companies design and manage product guarantees and warranties.

Product Differentiation (1 of 2)

- Core functionality
- Features
- Performance quality
- Conformance quality



Product Differentiation (2 of 2)

- Durability
- Reliability
- Form
- Style customization



Product Design (1 of 4)

- **Design**
 - The totality of features that affect the way a product looks, feels, and functions to a consumer



Product Design (2 of 4)

- Power of design



Product Design (3 of 4)

- Is emotionally powerful
- Transmits brand meaning/positioning
- Is important with durable goods
- Makes brand experiences rewarding
- Can transform an entire enterprise
- Facilitates manufacturing/distribution
- Can take on various approaches

Product Design (4 of 4)

- Approaches to design
 - **Design thinking**
 - Observation
 - Ideation
 - implementation



Product Portfolio Design (1 of 2)

- **Product portfolio**
 - Encompasses all products offered by a company, including various product categories and product lines

Product Portfolio Design (2 of 2)

- Product portfolio
 - **Width**
 - **Length**
 - **Depth**
 - **Consistency**

Figure 8.1 Product Portfolio Width and Product Line Length for Procter & Gamble Products



Product Line Analysis (1 of 2)

- **Product line**
 - A group of related products sold by the same company

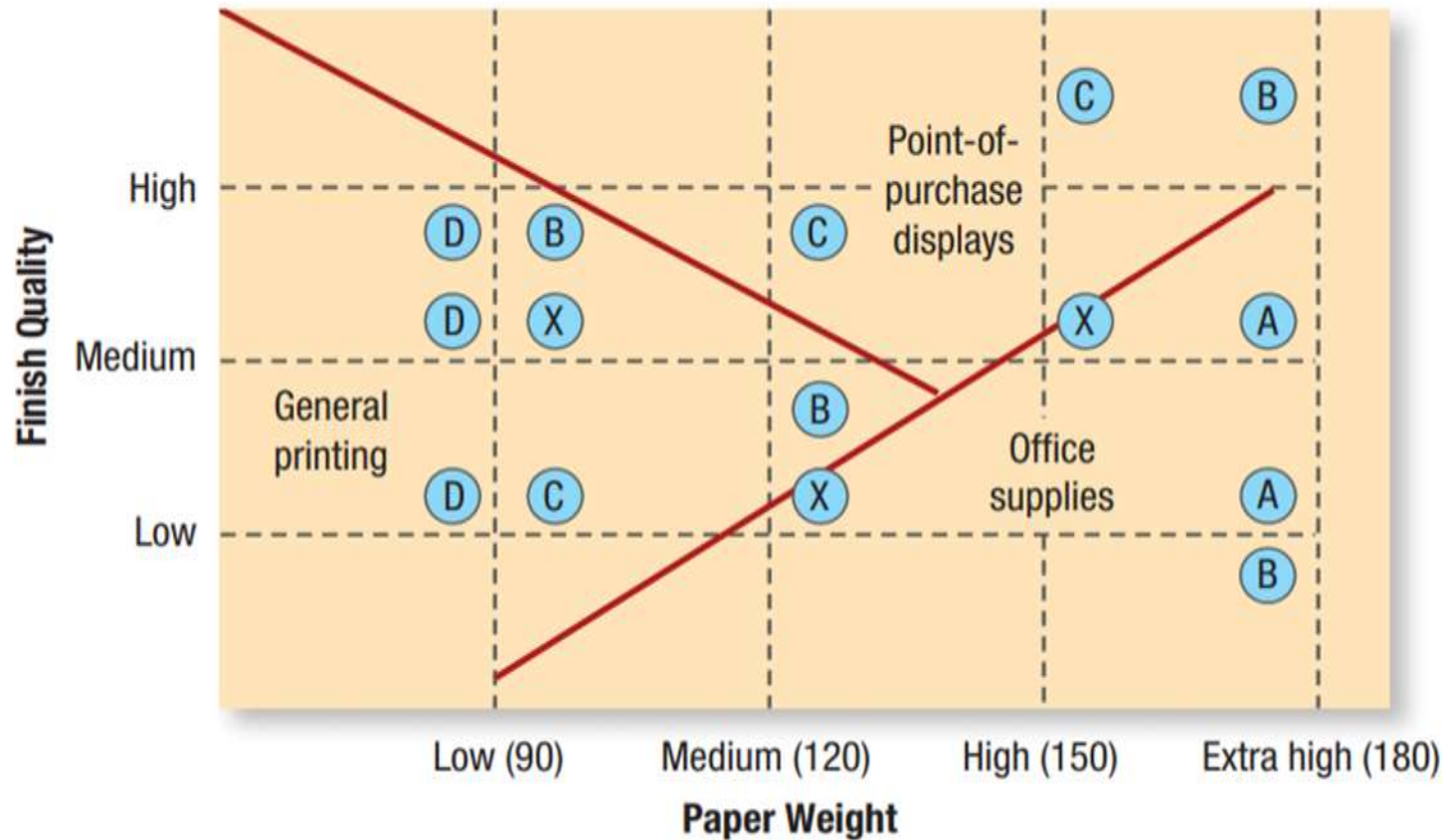


Product Line Analysis (2 of 2)

- **Product map**
 - Allows a company to see its main competitors at a glance
 - Helps planners to identify market segments and spot market opportunities



Figure 8.2 Product Map for a Paper-Product Line



Product Line Length

- Line stretching
 - Down-market stretch
 - Up-market stretch
 - Two-way stretch
- Line filling
- Line modernization
- Line featuring
- Line pruning



Managing Packaging (1 of 4)

- All the activities of designing and producing the container for a product



Managing Packaging (2 of 4)

- Used as a marketing tool
 - Self-service
 - Consumer affluence
 - Company and brand image
 - Innovation opportunity



Managing Packaging (3 of 4)

- Packaging objectives
 - Identify the brand
 - Convey descriptive and persuasive information
 - Facilitate product transportation, protection, and storage
 - Aid consumption

Managing Packaging (4 of 4)

- Color
 - Carries different meanings in different cultures and market segments
 - Can define a brand

Labeling

- Identifies
- Grades
- Describes
- Promotes

Managing Warranties and Guarantees

- **Guarantee**

- If a product fails to function as promised by the company or as customers expect, the company will provide some type of compensation to the purchaser

- **Warranties**

- Cover the repair or replacement of the purchased item and usually do not allow the customer to return the product for a refund

Discussion Questions (1 of 2)

- Kia offers one of the longest warranties in the automotive industry.
 - How does Kia use its warranty to differentiate its brand and vehicles from the competition?
 - Which attributes does Kia focus on as a source of competitive advantage?

Discussion Questions (2 of 2)

- Consider the packaging for an iPhone.
 - What message does the packaging for an iPhone convey about Apple?
 - What does the packaging tell consumers about the product they are buying?
 - How does the packaging protect the product inside?

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