



PRODUCT SERVICE & BRANDING STRATEGIES

SAS

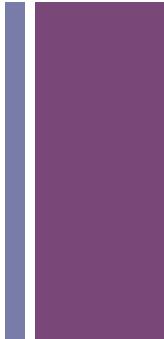


What Is a Product ?

- Anything that can be offered to a market for attention, acquisition, use or consumption.
- Satisfies a want or a need.
- Includes:
 - Physical Products
 - Services
 - Persons
 - Places
 - Organizations
 - Ideas
 - Combinations of the above



What Is a Product ?



- **Product: A bundle of attributes**
- **The Total Product**
 - Tangible attributes: materials, size, weight, design, packaging, performance, comfort
 - Intangibles: brand image, styling, other benefits (installation, delivery, credit, warranty, after-sale service, return policy)

Discussion Questions

1. What are the characteristics of a product, and how do marketers classify products?
2. How can companies differentiate products?
3. Why is product design important and what factors affect a good design?
4. How can a company build and manage its product mix and product lines?



Discussion Questions

5. How can companies combine products to create strong co-brands or ingredient brands?
6. How can companies use packaging, labeling, warranties, and guarantees as marketing tools?





Marketing Planning

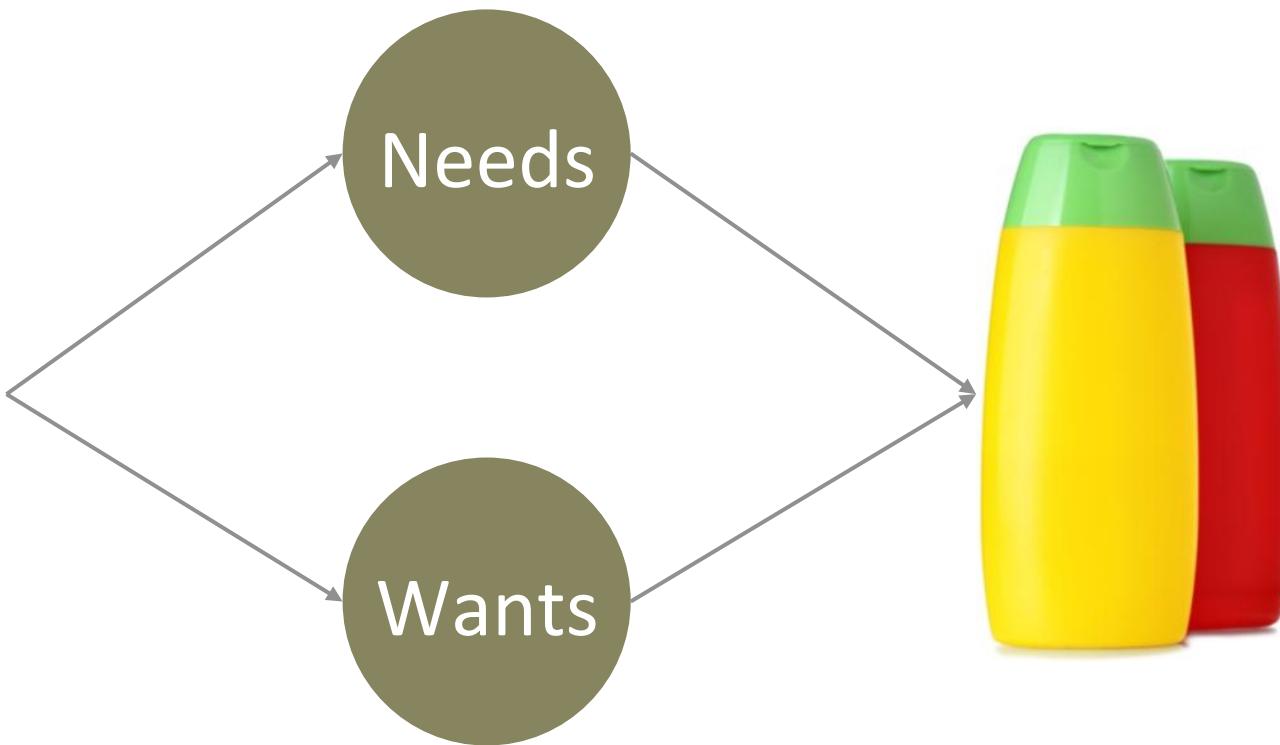
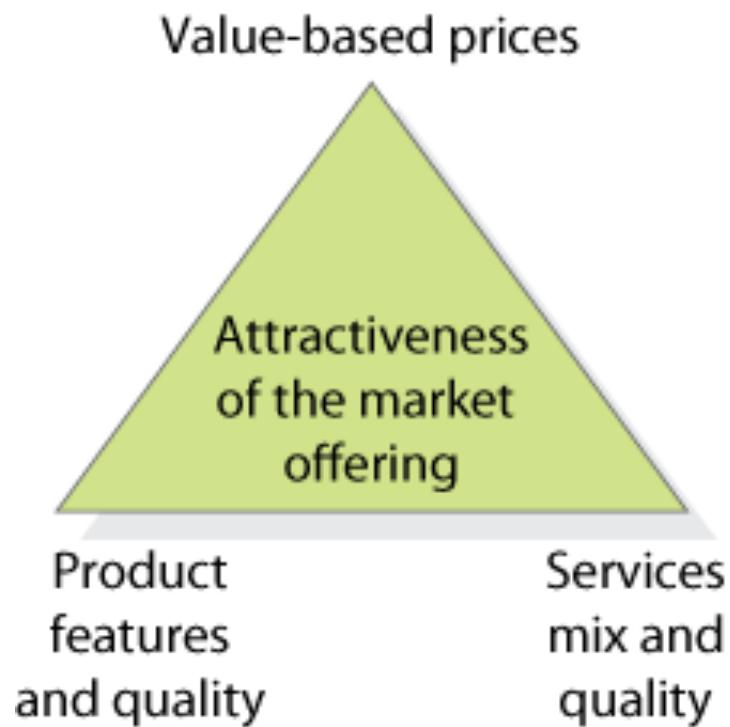


Figure
12.1

Components of the Market Offering



+ Product Characteristics/Classifications

Persons



- Experiences
- Events
- Properties
- Organizations
- Information
- Ideas



Services



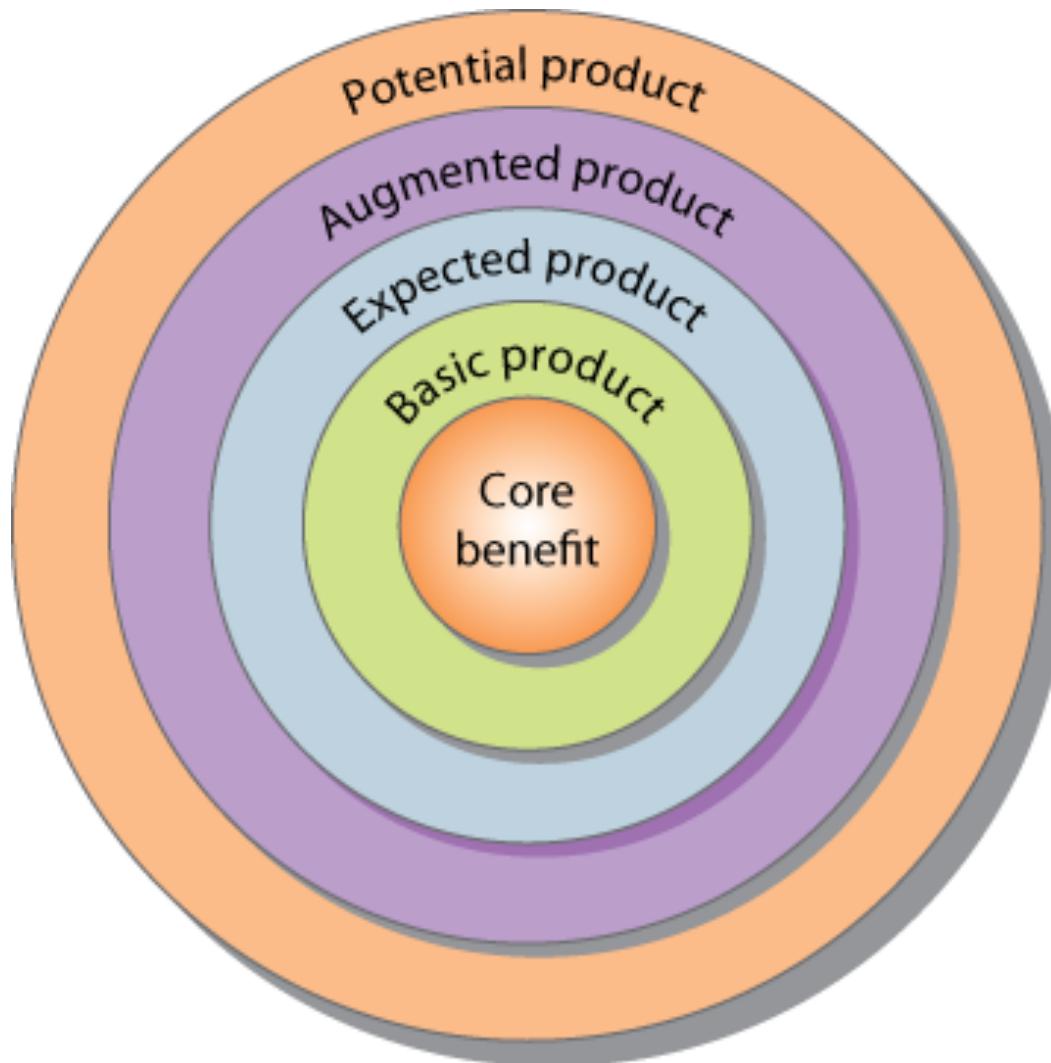
Goods



Places

Figure
12.2

Five Product Levels





Product Levels

Core Benefit

(Rest and sleep)

Basic Product

(Bed, bathroom, towels)

Expected Product

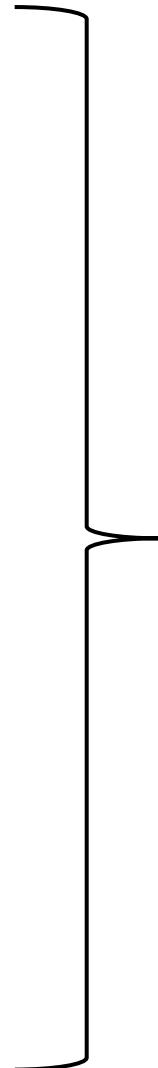
(Clean bed, fresh towels)

Augmented Product

(Free Internet; free breakfast)

Potential Product

(Future augmentations)



Customer-value
Hierarchy



Product Classifications



Nondurable goods



Durable goods



Services

Durability and



Product Classifications



Convenience goods

- Staples
- Impulse goods
- Emergency goods

Consumer-Goods

Specialty goods



Shopping goods



Unsought goods



Product Classifications

Materials and Parts



Raw materials

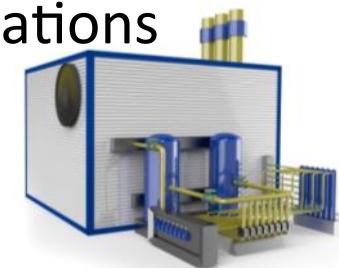


Manufactured
materials

Industrial-Goods

Capital Items

Installations



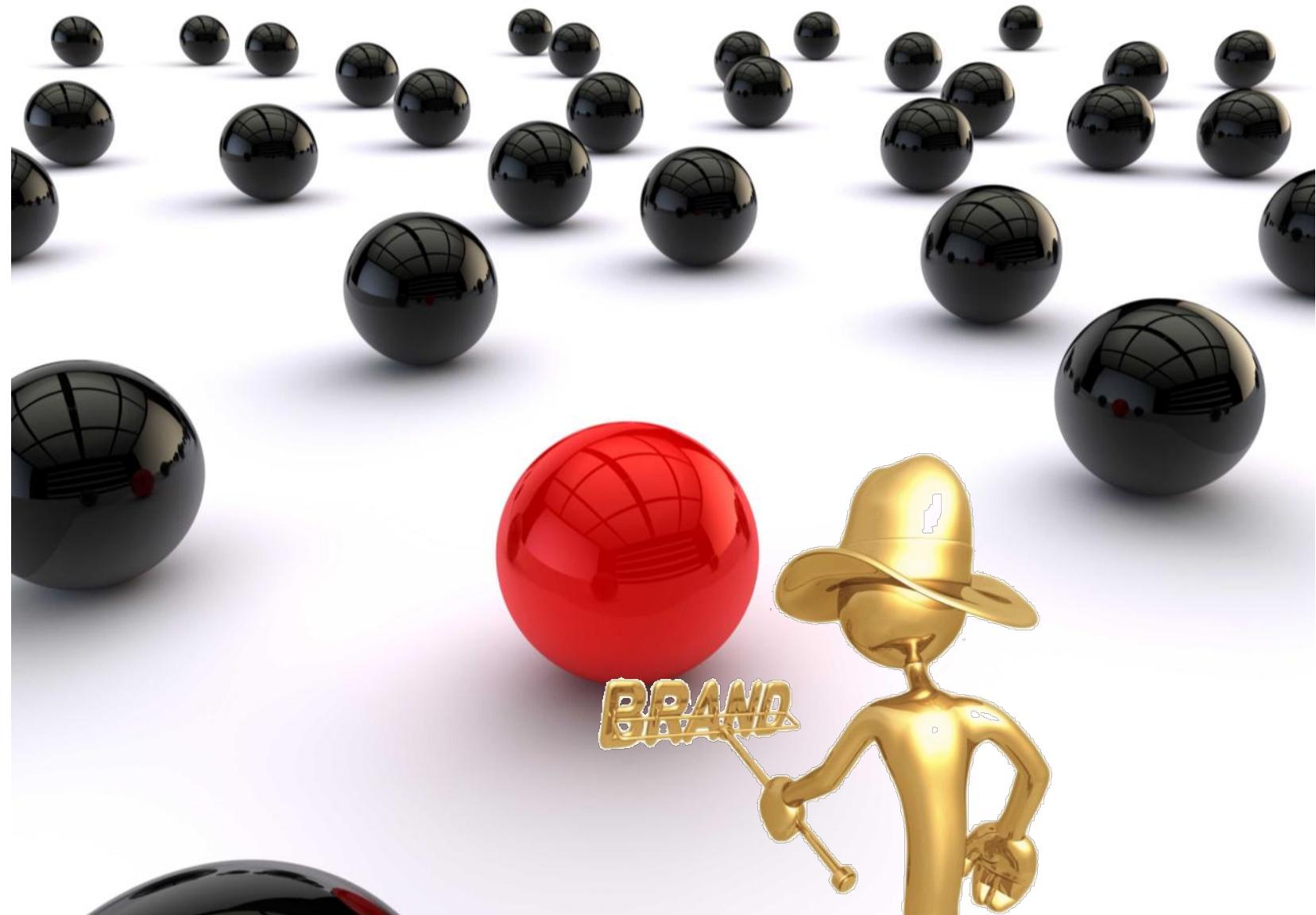
Equipment



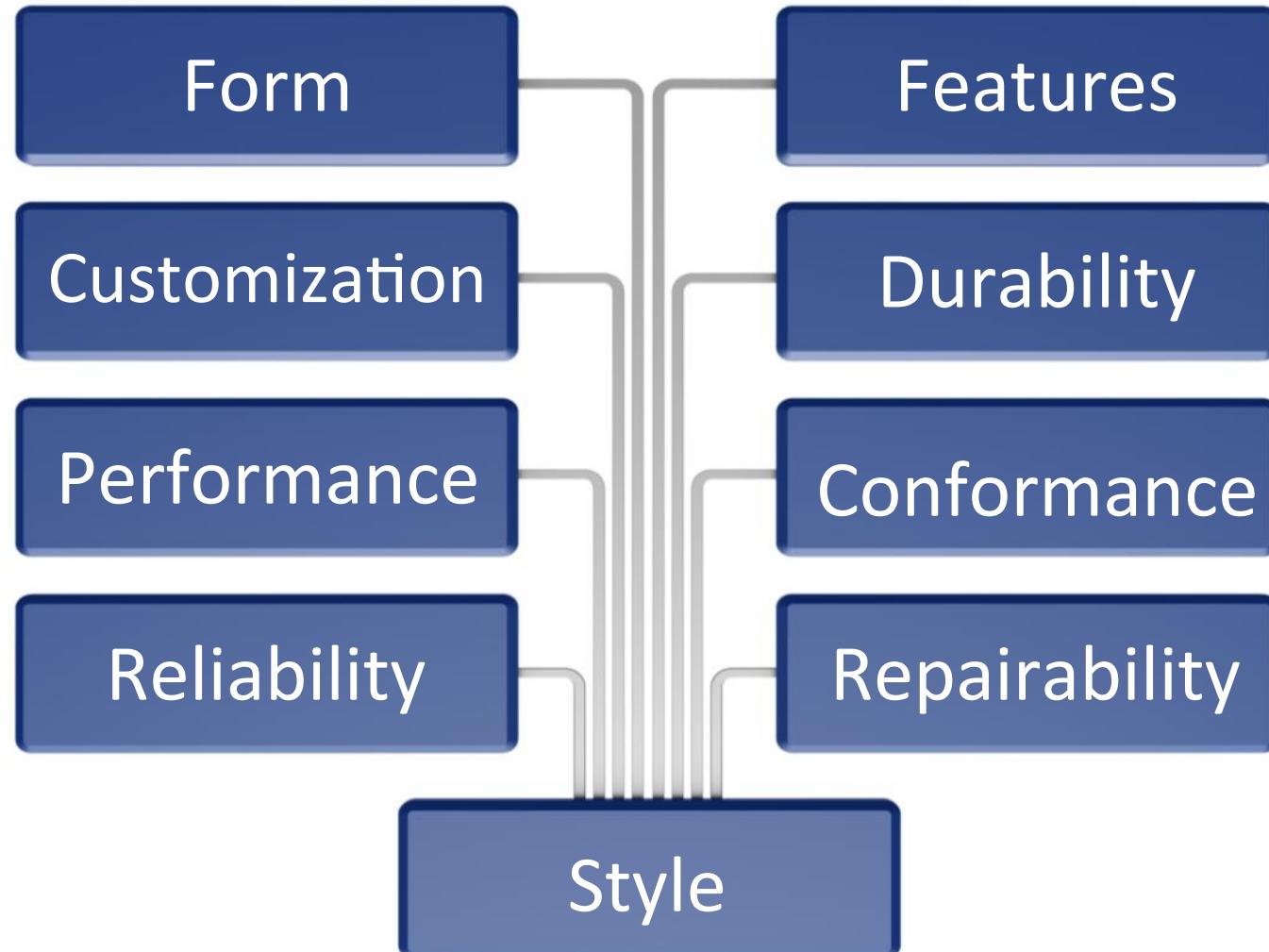
Supplies and business Services



+Product and Services Differentiation



+Product Differentiation



+Services Differentiation



Ordering Ease



Customer Consulting



Delivery & Returns



Installation



Training

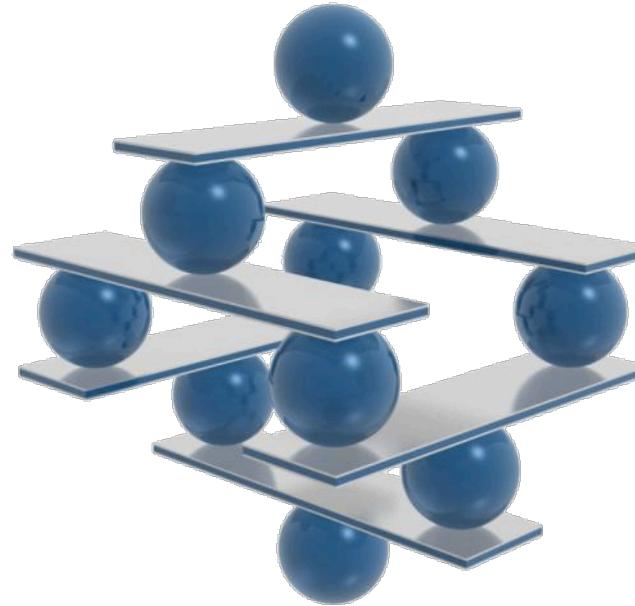


Maintenance & Repair

+

Design

**Functional
Benefits**



**Aesthetic
Benefits**



Product and Brand Relationships

Product Hierarchy

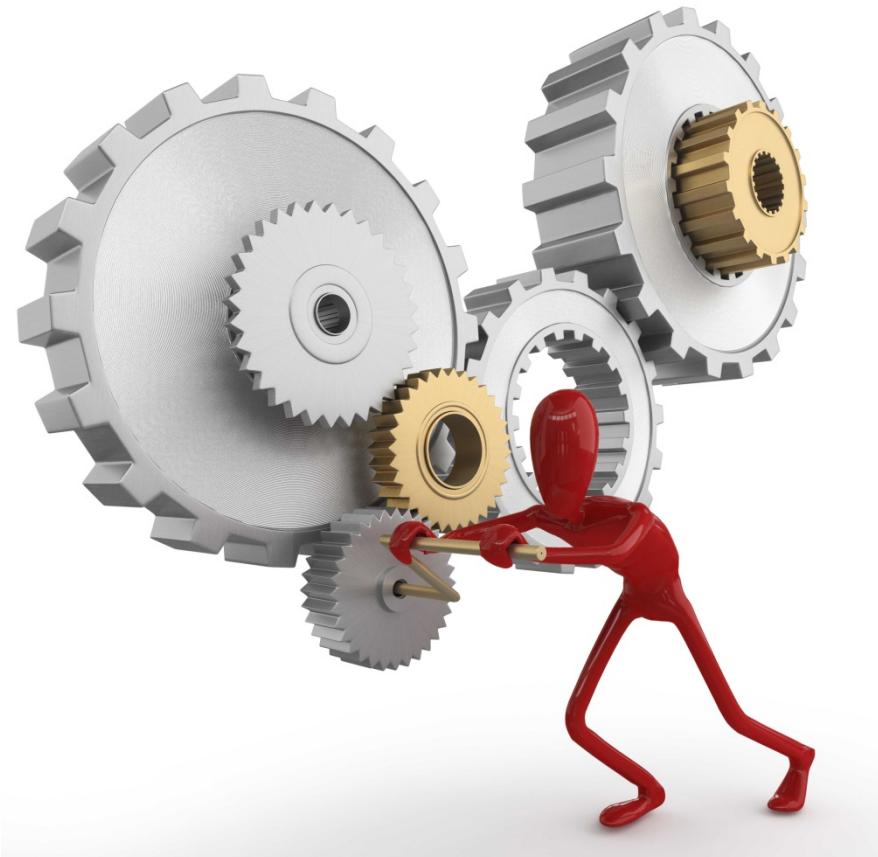
Product Systems/
Mixes

Product Line Analysis

Product Line Length

Product Mix Pricing

Co-Branding





Product Hierarchy

Need Family

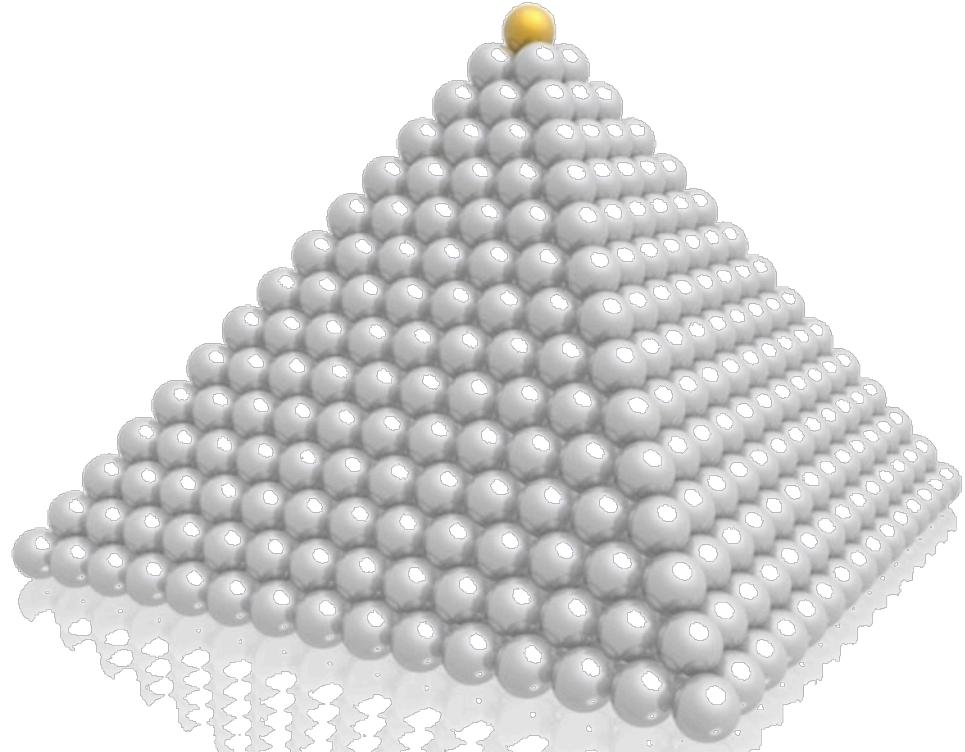
Product Family

Product Class

Product Line

Product Type

Item

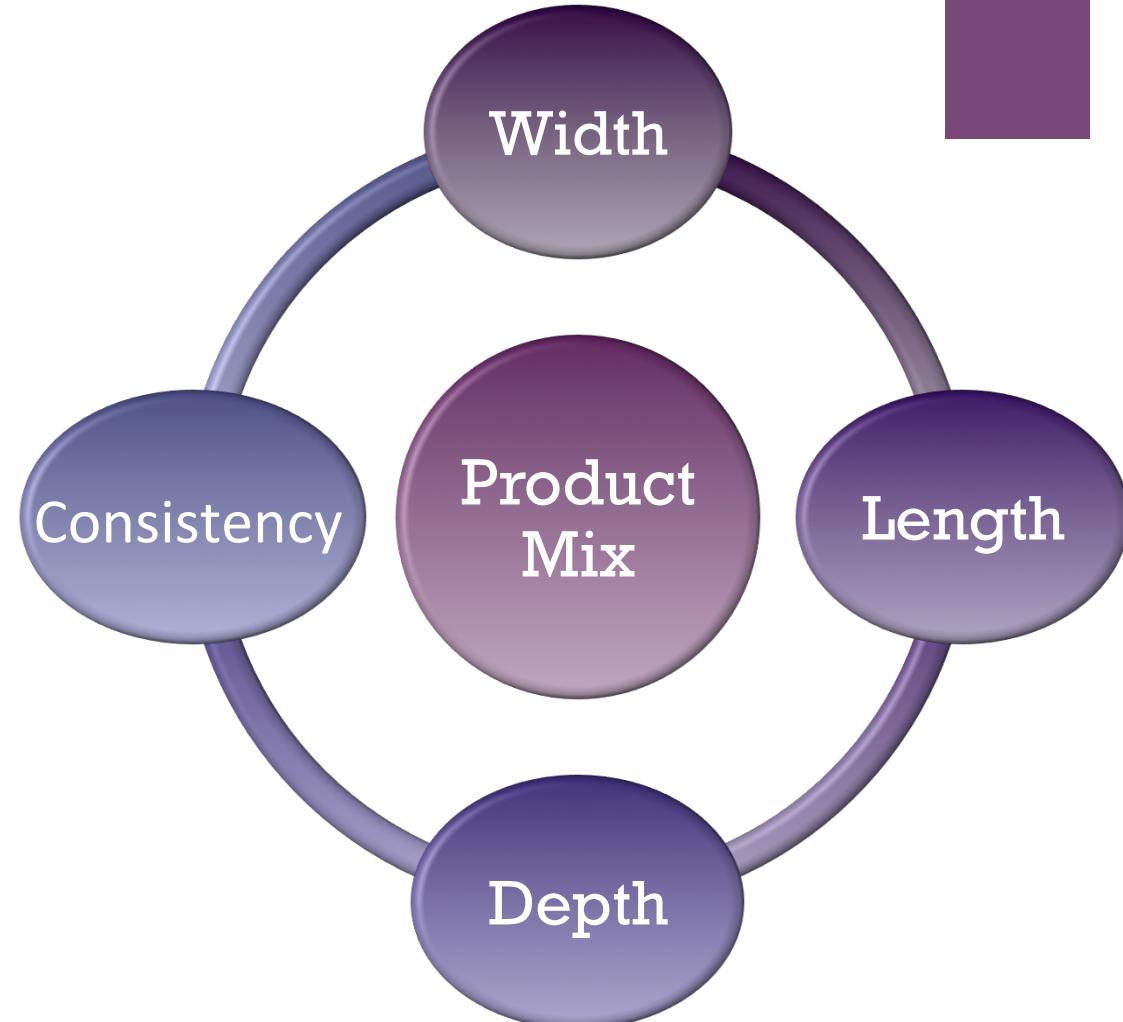




Product Systems and Mixes

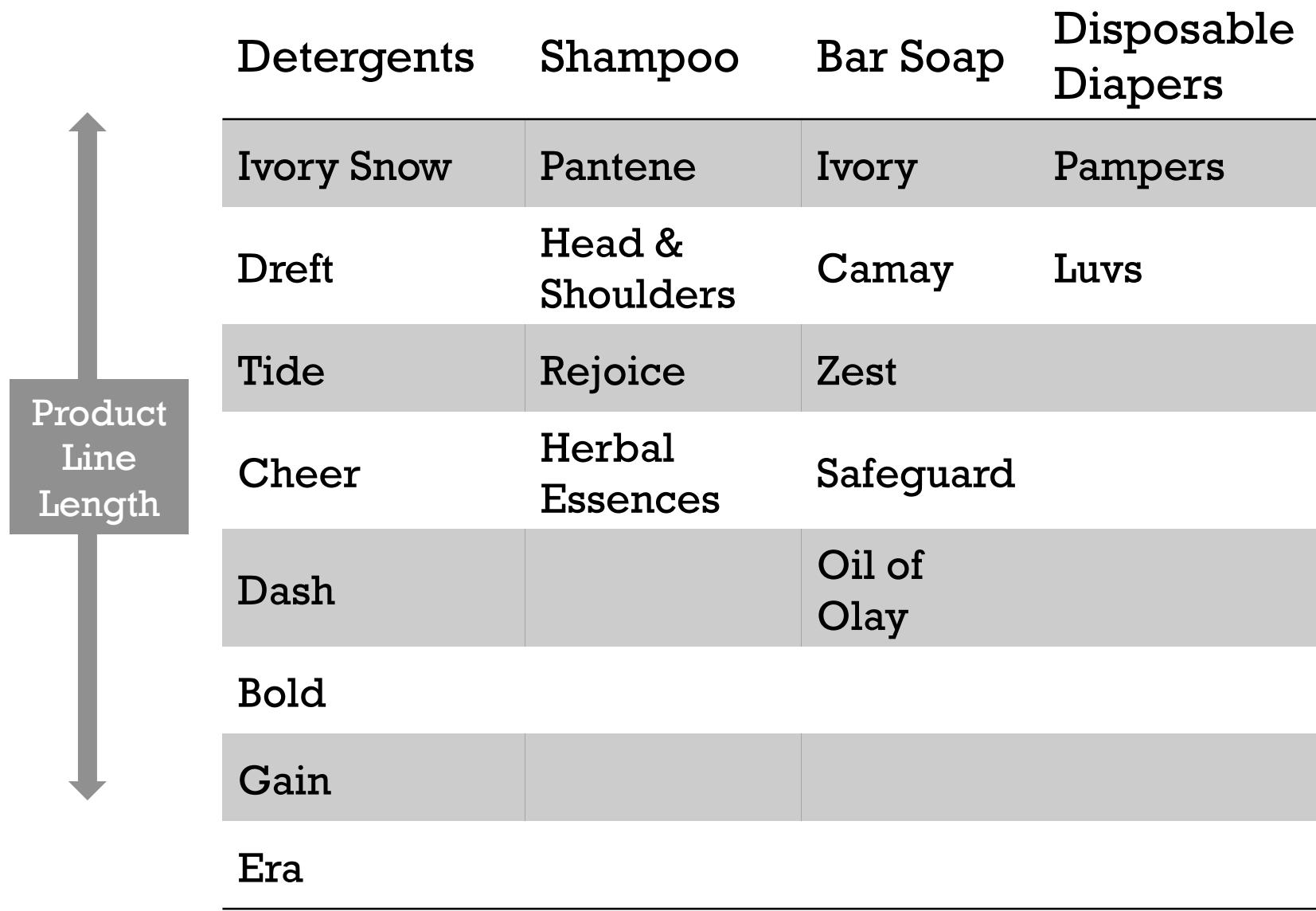


Product System



Proctor & Gamble Product Mix

← Product Mix Width →





Product Line Analysis

Sales and Profit



Market Profile



Product-Item Contributions

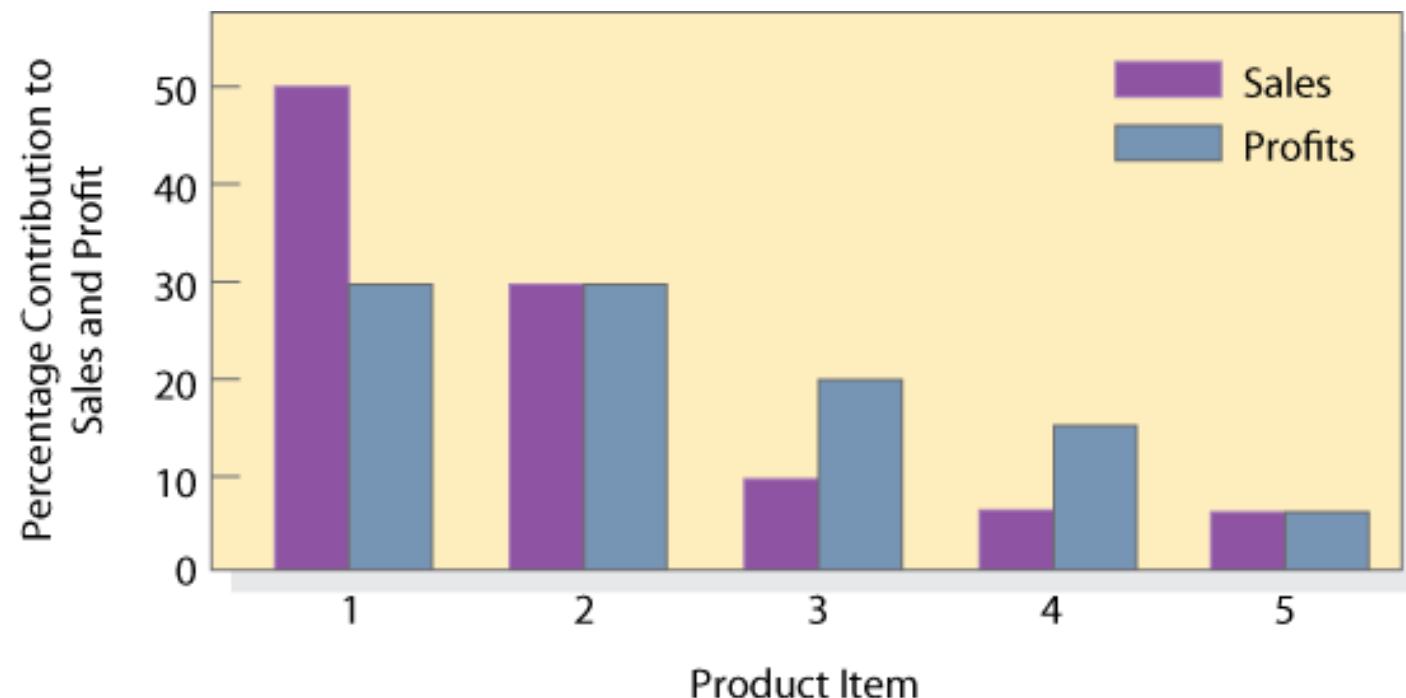
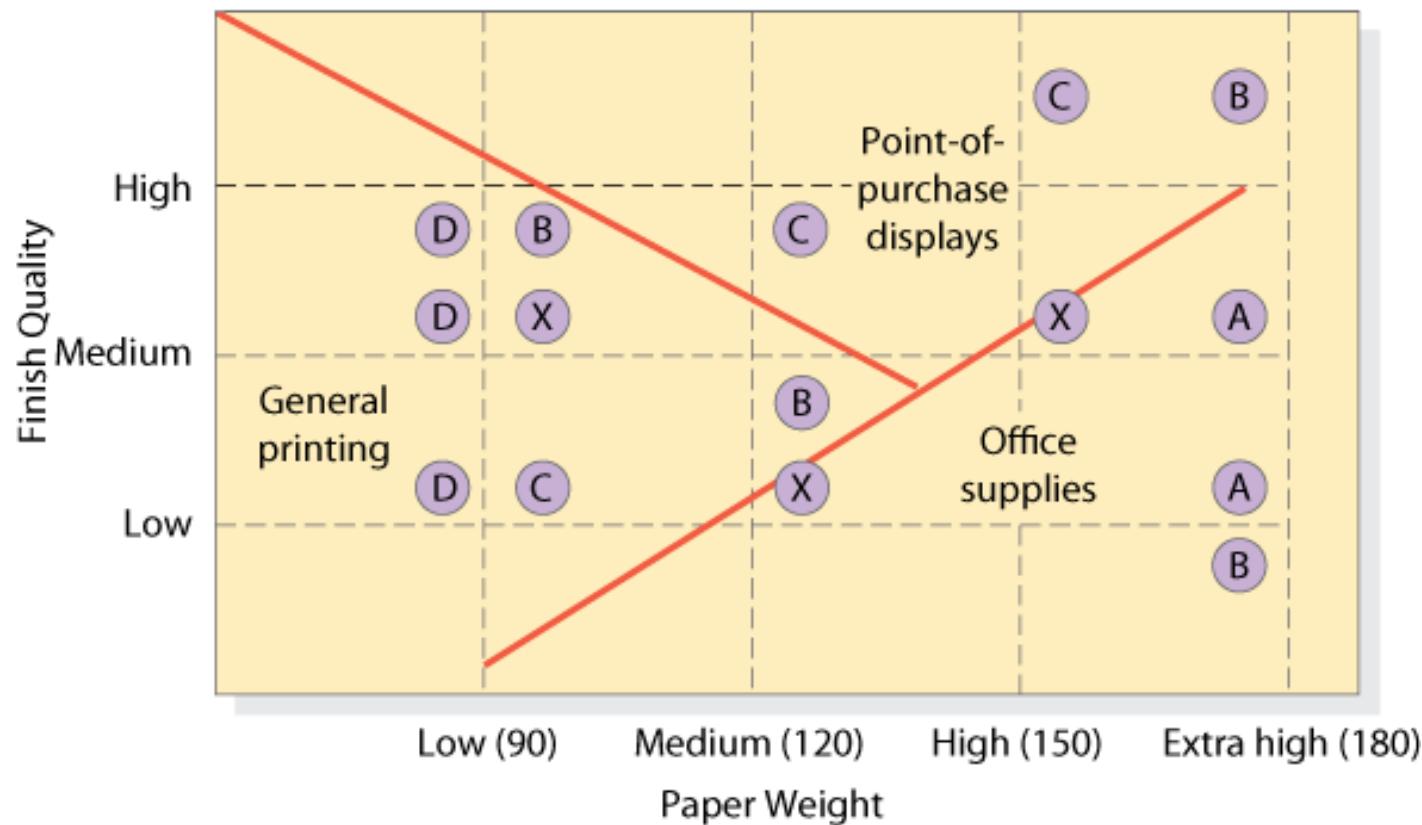


Figure
12.4

Product Map





Product Line Length

Up-market stretch



Line stretching



Down-market
stretch

Two-way
stretch



**Line modernization,
featuring, and pruning**





Product Mix Pricing



Product line pricing

Captive-product pricing

Optional-feature pricing

Two-part pricing

By-product pricing

Product-bundling pricing

+ Co-Branding and Ingredient Branding

Co-Branding

- Same-company
- Joint venture
- Multi-sponsor
- Retail co-branding



Ingredient Branding

+Packaging and Labeling



Packaging Objectives

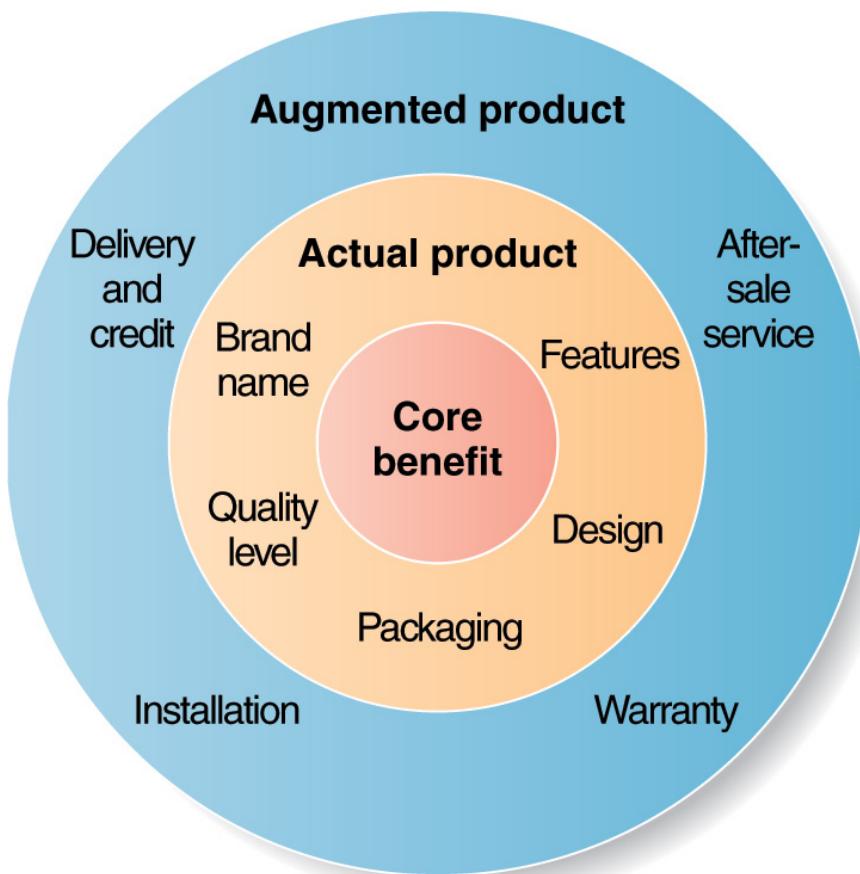
1. Brand identification
2. Persuade
3. Protection
4. At-home storage
5. Aid consumption

Labeling Objectives

1. Identify
2. Grade
3. Describe
4. Promote

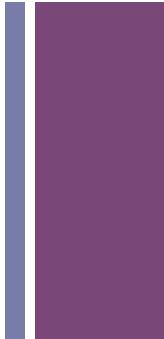
Figure 9-1:

Three Levels of Product





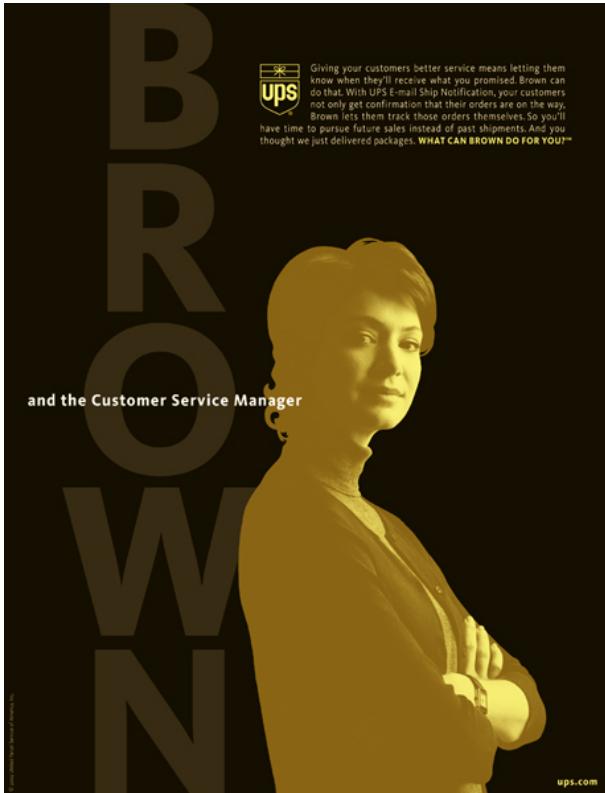
Product Related Global Drivers



■ Demand Drivers

- Higher expectations
- More information
- Higher switching costs
- Full-service expectations

Services Marketing



■ Services

- Account for 74% of U.S. gross domestic product.
- Service industries include business organizations, government, and private not-for-profit organizations.



The Goods - Service Continuum

Clothing
Furniture
Houses Automobiles
Restaurant Meals
Vacations
Hair Cuts
TV Repair
Legal Services
Medical Diagnosis



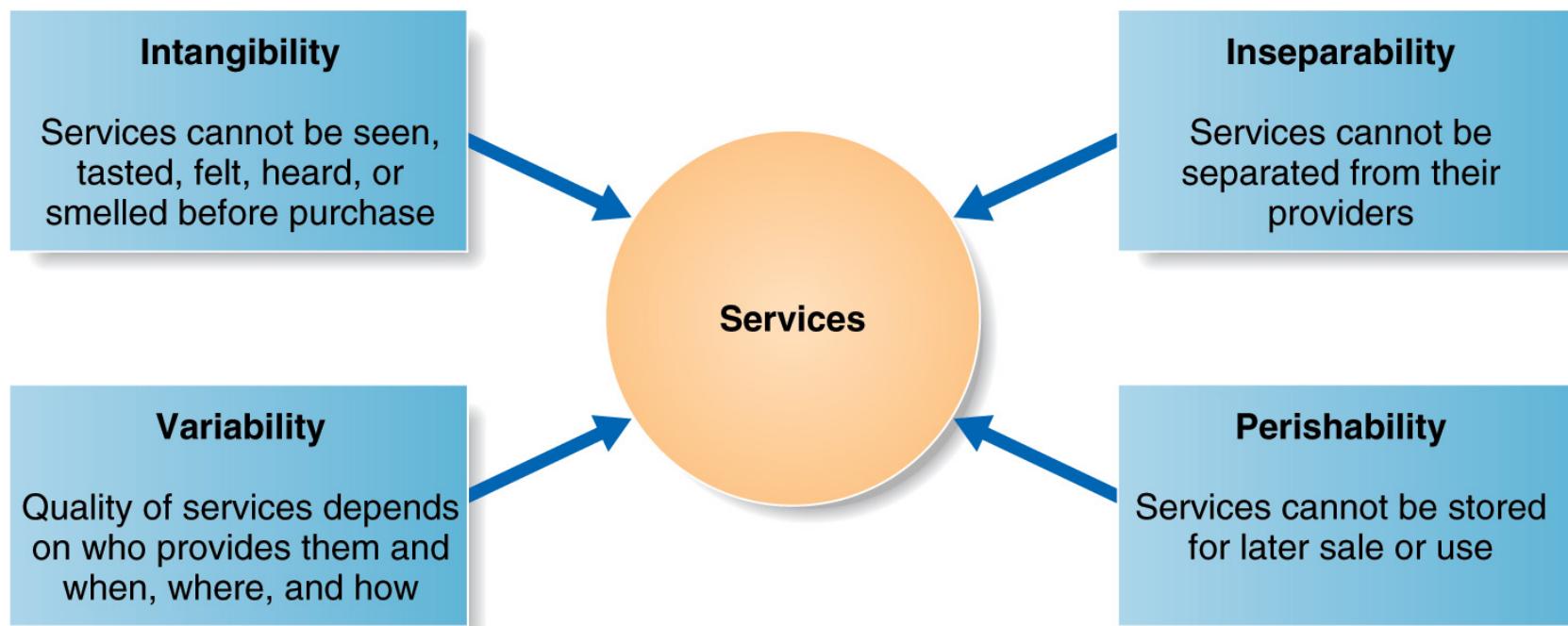
“Pure” Goods
easier to evaluate

“Pure” Services
difficult to evaluate

Continuum of Evaluation for Different Types of Products



Figure 9-5: Four Services Characteristics



Site59 Video Clip

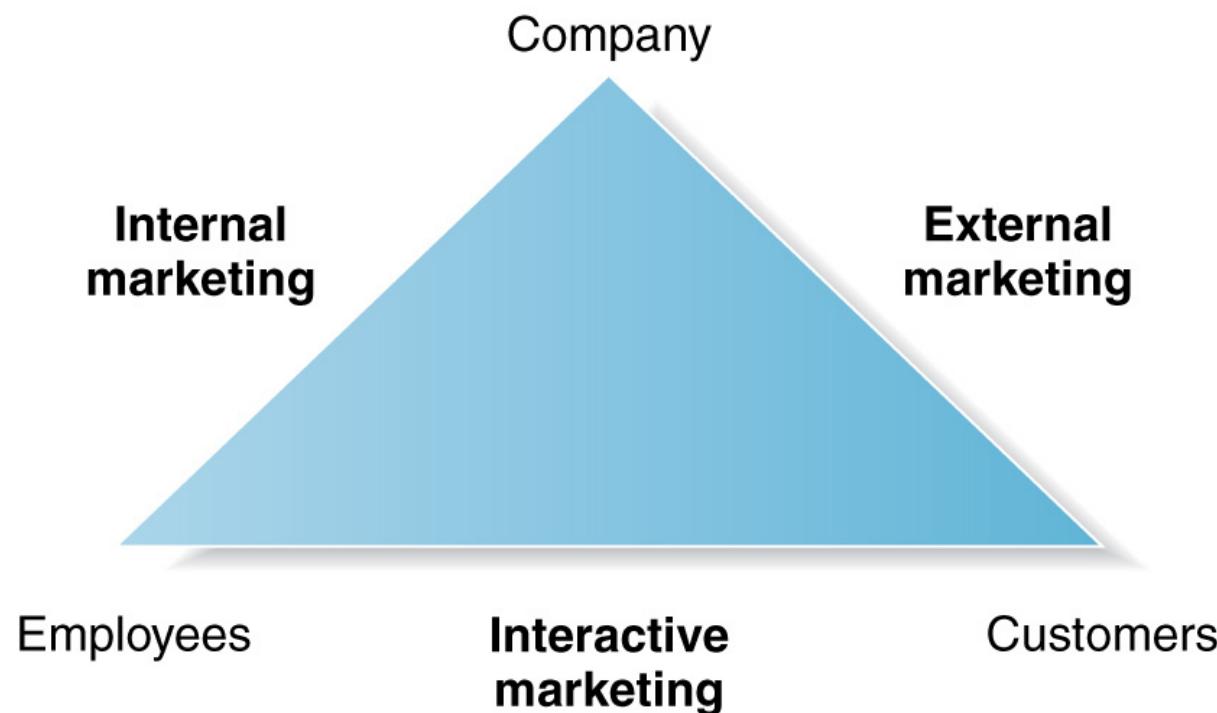


Click the picture above to play video

The perishability of services such as airline seats creates special challenges for marketers

Figure 9-6:

Three Types of Marketing in Services Industries



Service Buying Behavior

- Consumer Decision Making Process for Services
 - - Information Search
 - - Evaluation Criteria for Alternatives
 - - Perceived Risk
 - - Brand Loyalty♪

Services Marketing

■ Service Firm Marketing Strategies

■ The Service-Profit Chain

- *Internal Marketing:* service firms train and effectively motivate their employees to work as a team to satisfy the customer
- *Interactive Marketing:* recognizes that service quality depends heavily on the quality of buyer-seller interaction

Services Marketing

- Service Firm Marketing Strategies
- Managing Service Differentiation



British Airways
differentiates its service
by offering first-class
world travelers private
“demi-cabins”

Service Quality

- Elements of Service Quality
 - - Tangibles
 - - Reliability
 - - Responsiveness
 - - Assurance
 - - Empathy

Services Marketing

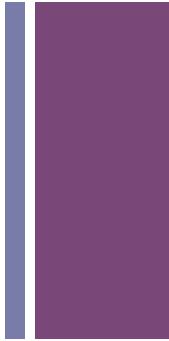
■ Service Firm Marketing Strategies

■ Managing Service Quality

- One method of differentiation
- Customer retention is often the best measure
- Top service firms are “customer obsessed”
- Service recovery and employment empowerment are key

■ Managing Service Productivity

- Many methods of enhancing productivity
- Key is to avoid reducing quality



See you next week!

