

PRODUCT SERVICE & BRANDING STRATEGIES

SAS

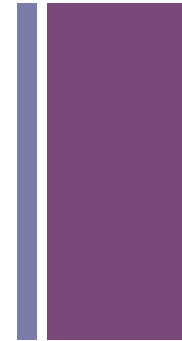


What Is a Product ?

- 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?

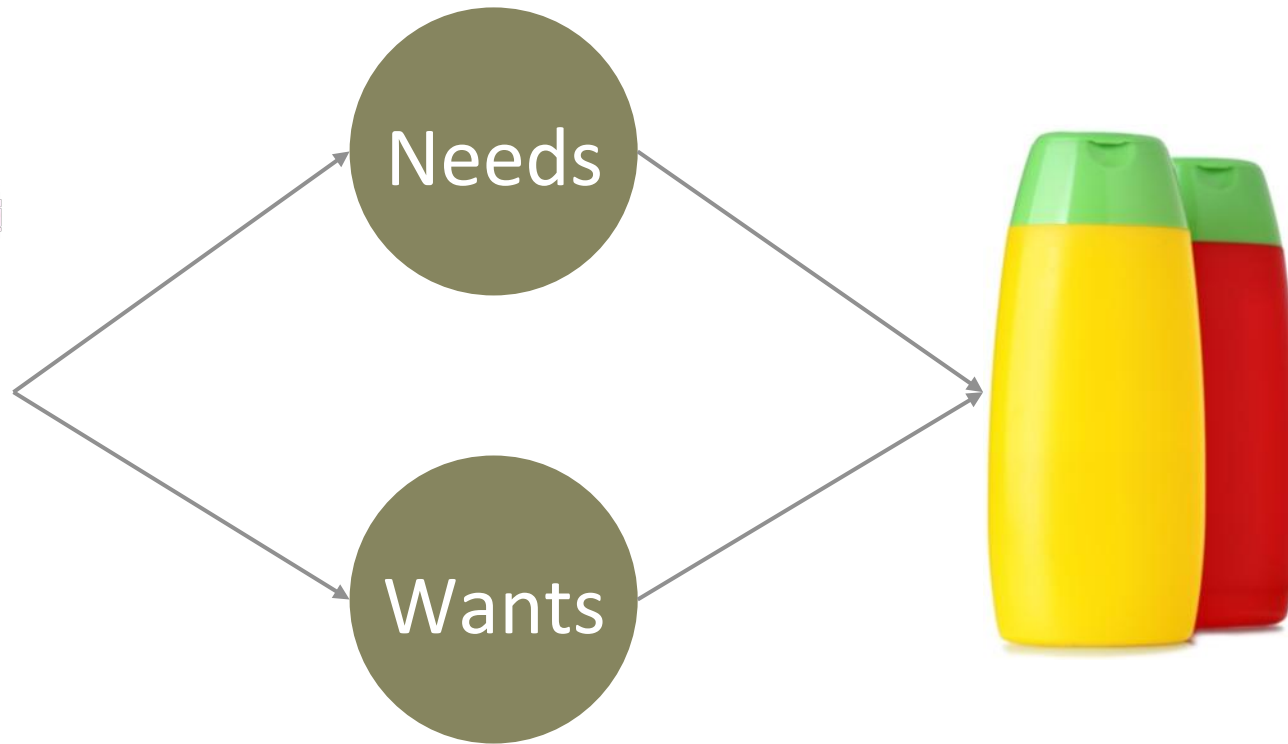


Discussion Questions

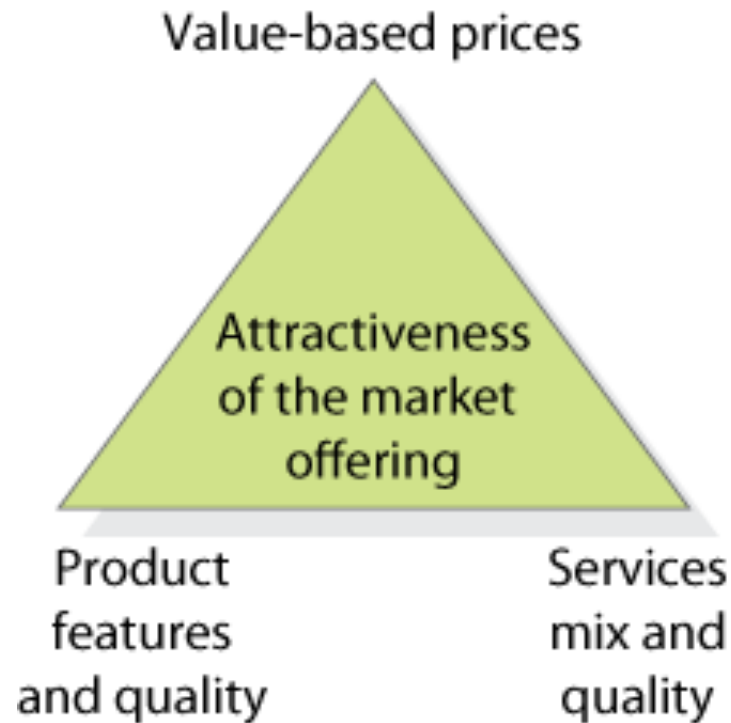
- 5. How can companies combine products to create strong co-brands or ingredient brands?
- 6. How can companies use packaging, labeling, warranties, and guarantees as marketing tools?



+ Marketing Planning



Components of the Market Offering



+ Product Characteristics/Classifications

Persons



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



Services

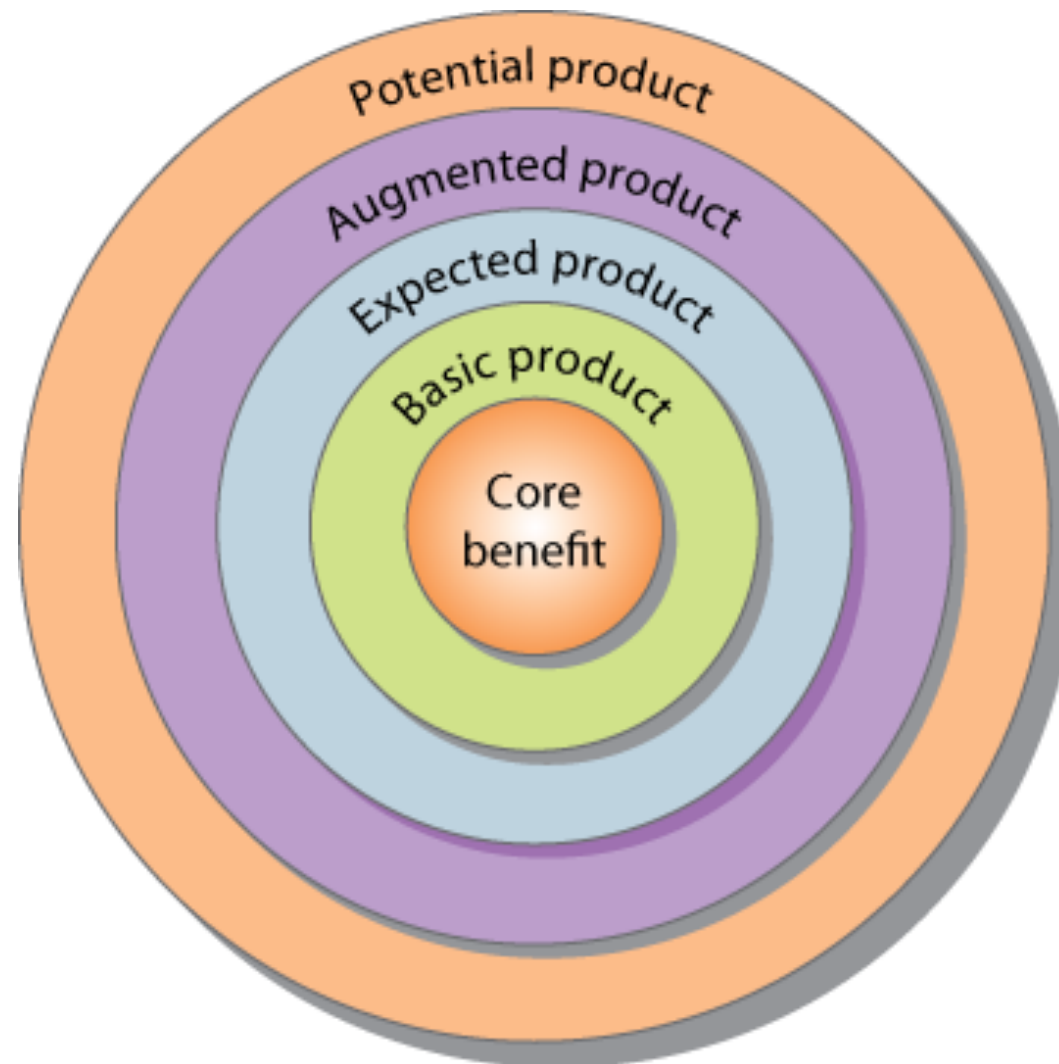


Goods



Places

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

Durability and



Services

+ Product Classifications

Consumer-Goods



- Staples
- Impulse goods
- Emergency goods

Convenience goods



Specialty goods



Shopping goods



Unsought goods

+ Product Classifications

Materials and Parts



Raw materials

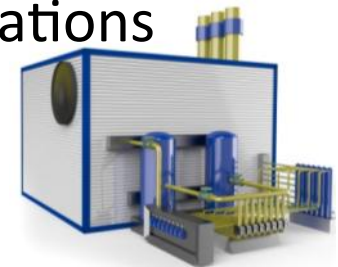


Manufactured materials

Industrial-Goods

Capital Items

Installations



Equipment

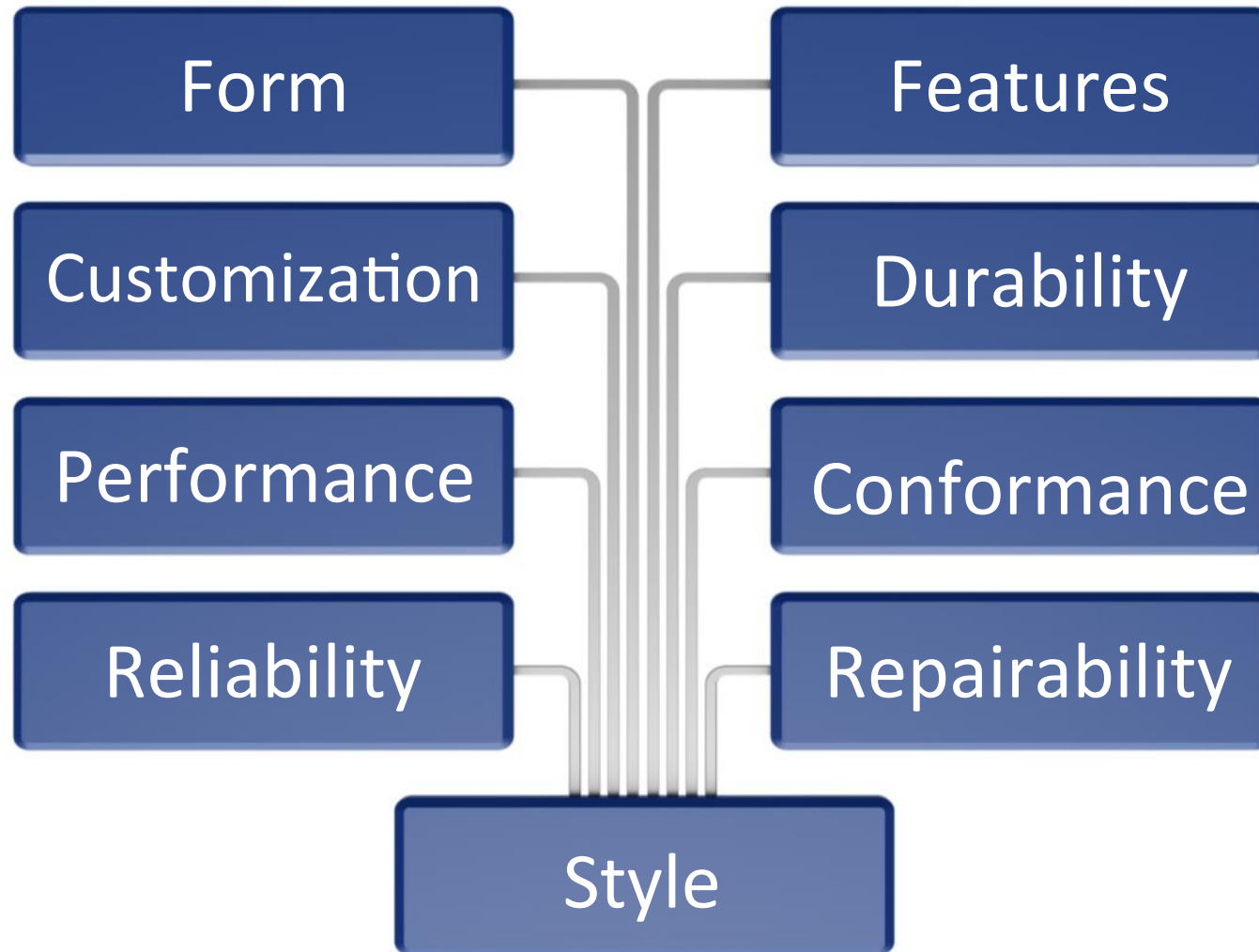
Supplies and business Services



+Product and Services Differentiation



+Product Differentiation



+Services Differentiation



Ordering Ease

Customer Consulting



Delivery & Returns



Installation



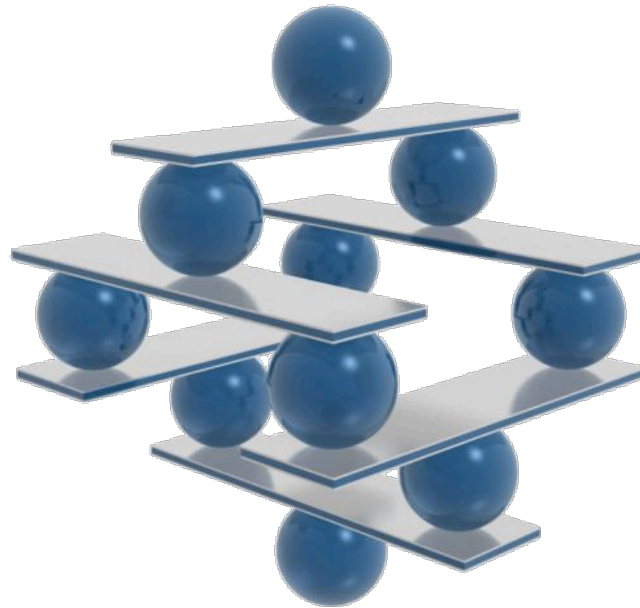
Training



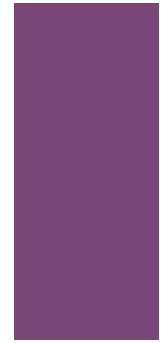
Maintenance & Repair

+ 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

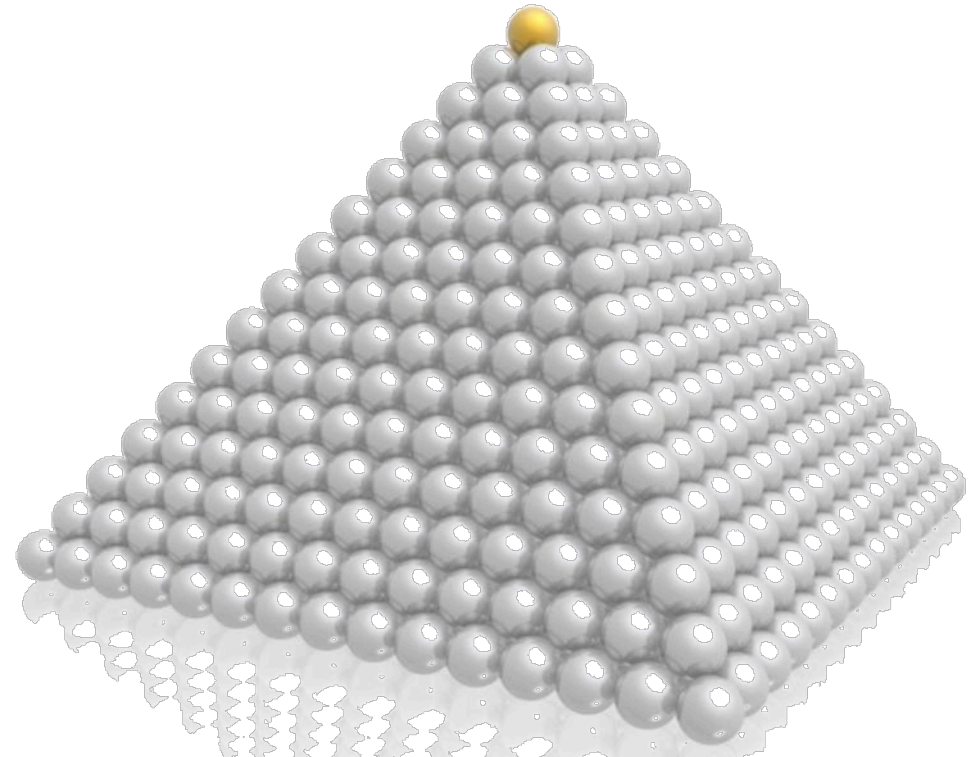
Product Family

Product Class

Product Line

Product Type

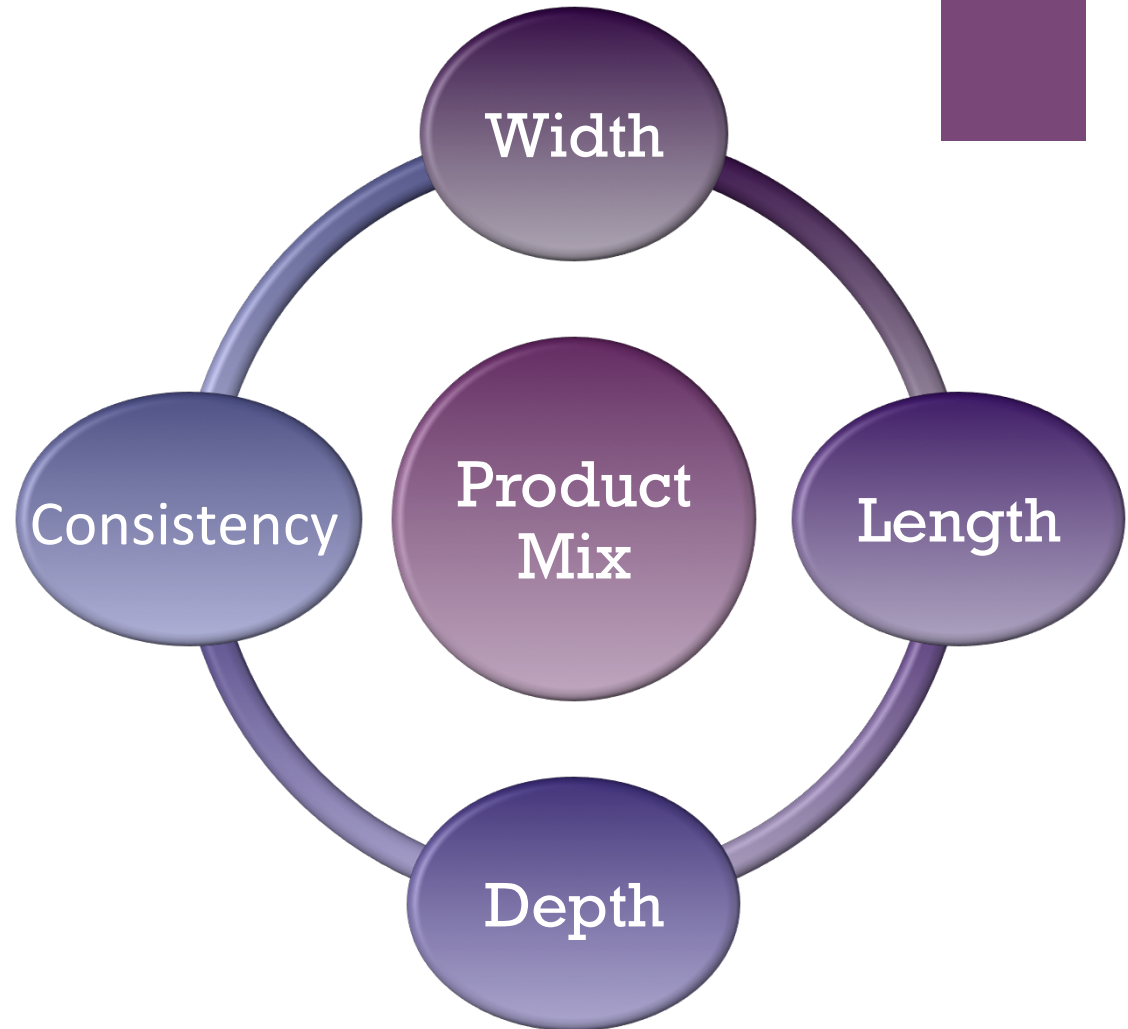
Item



+ Product Systems and Mixes



Product System



Proctor & Gamble Product Mix



+ Product Line Analysis

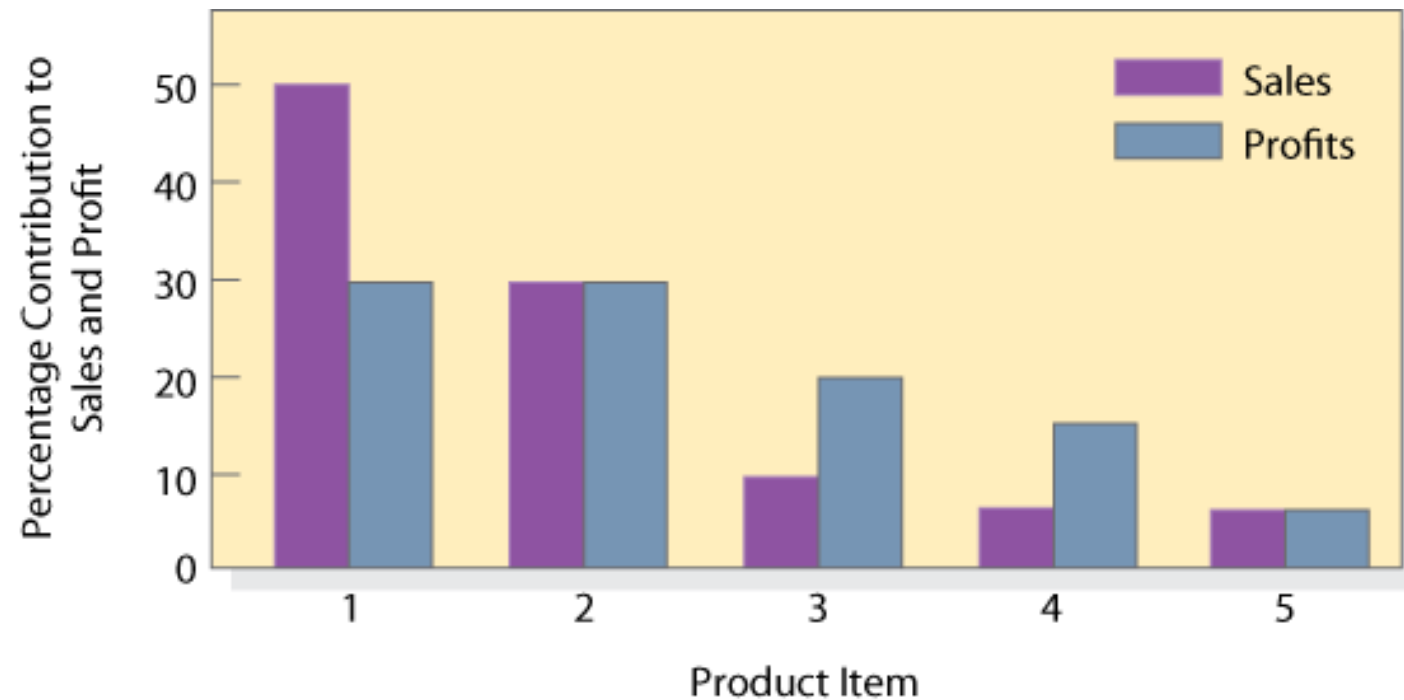
Sales and Profit



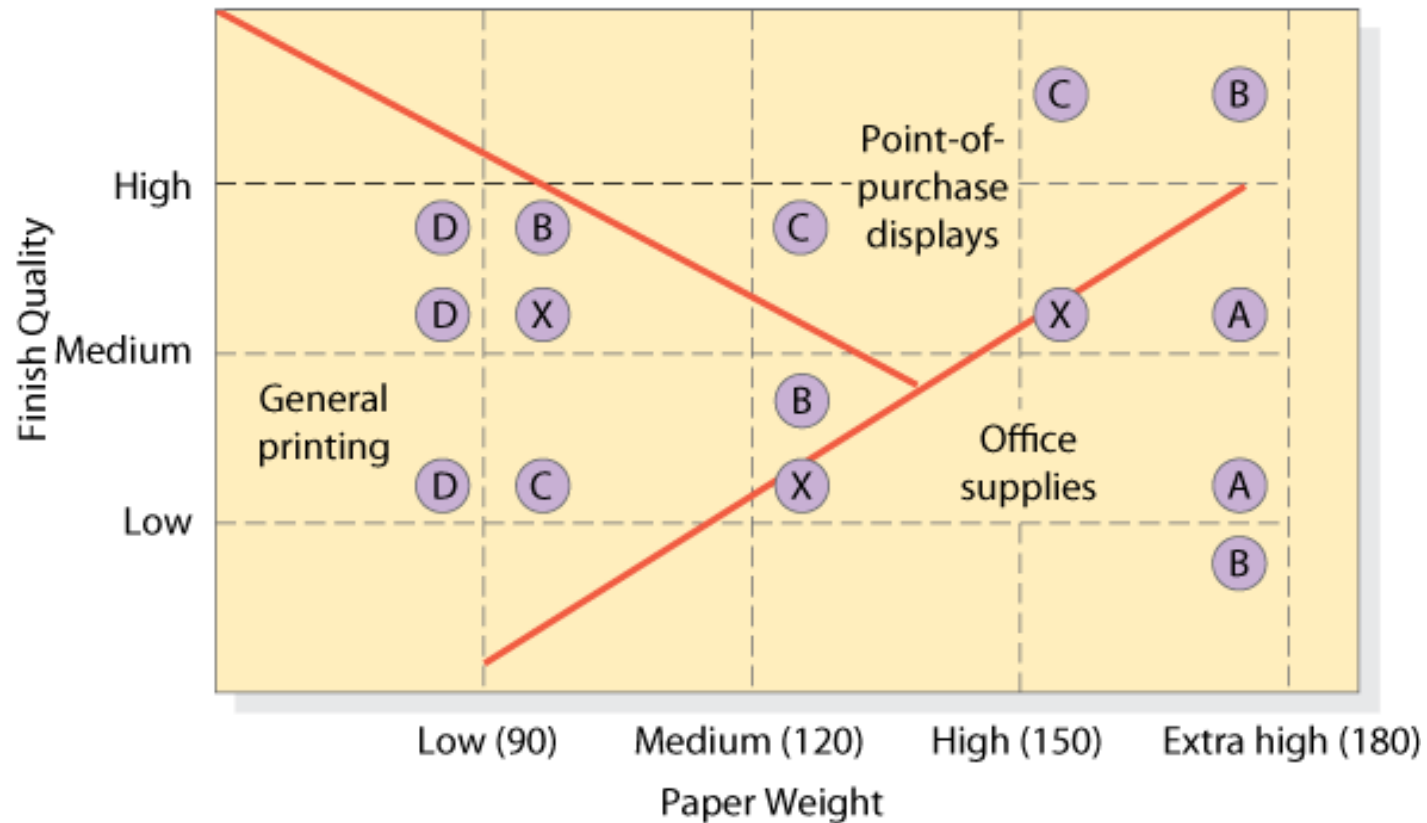
Market Profile



Product-Item Contributions



Product Map



+ Product Line Length

Up-market stretch



Line stretching



Down-market stretch

Two-way stretch



**Line modernization,
featuring, and pruning**



Line filling



+ 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

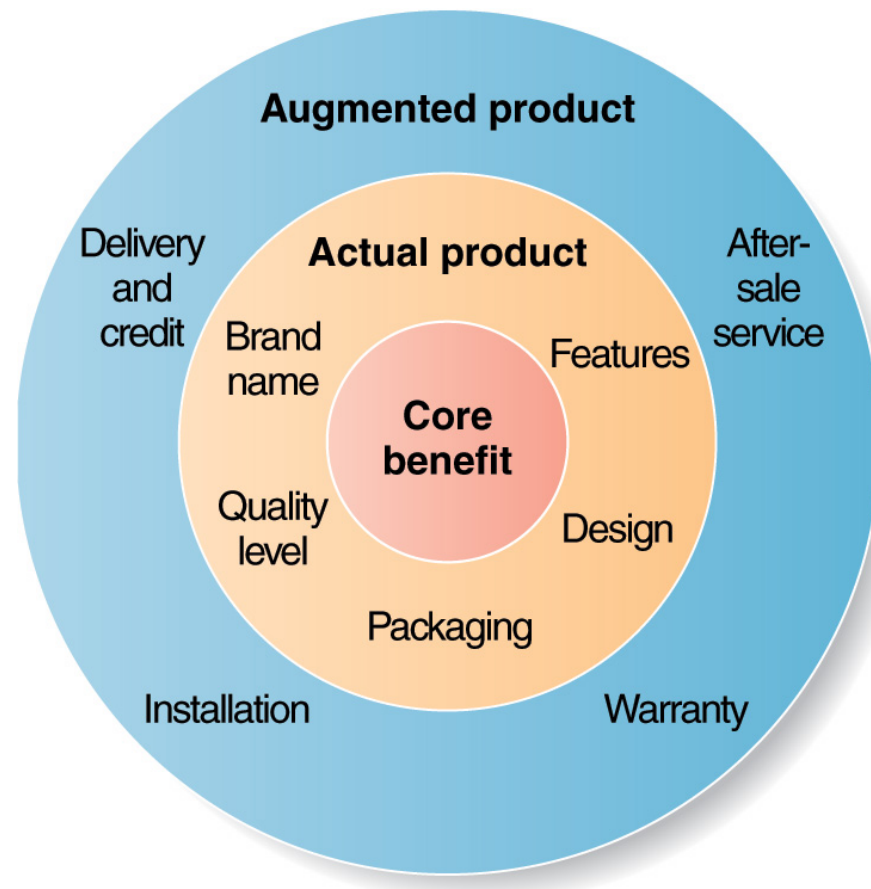


1. Brand identification
2. Persuade
3. Protection
4. At-home storage
5. Aid consumption

Labeling Objectives

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

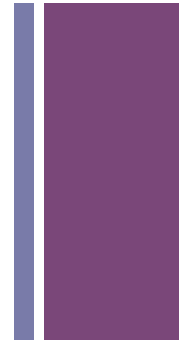
Figure 9-1: **Three Levels of Product**



+ Product Related Global Drivers

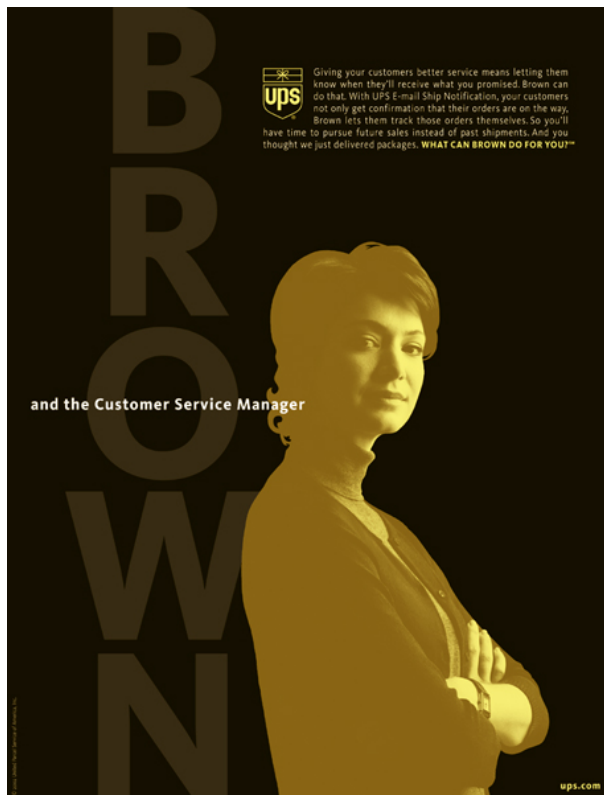
■ Demand Drivers

- 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

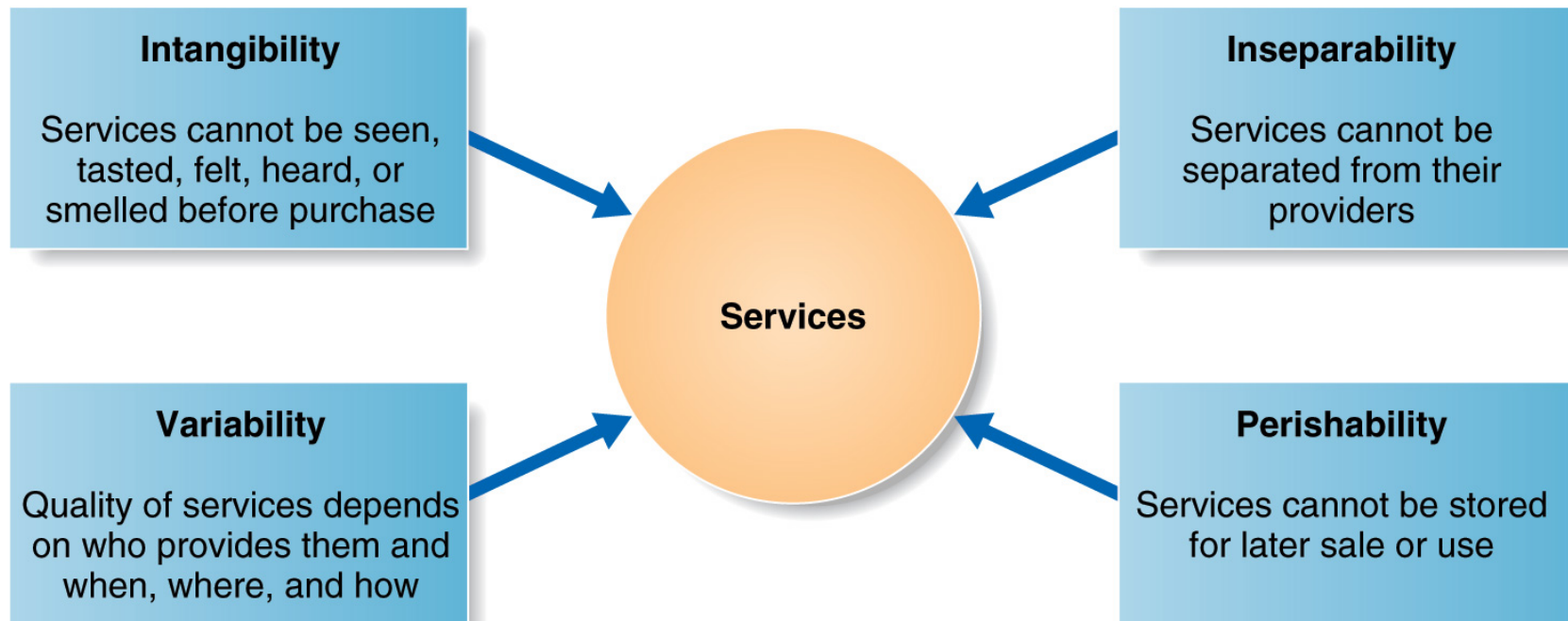
“Pure” Services
difficult to evaluate

Continuum of Evaluation for Different Types of Products

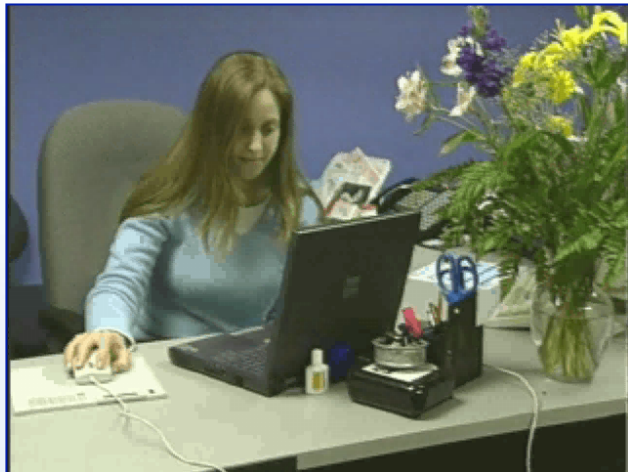


Figure 9-5:

Four Services Characteristics



Site59 Video Clip

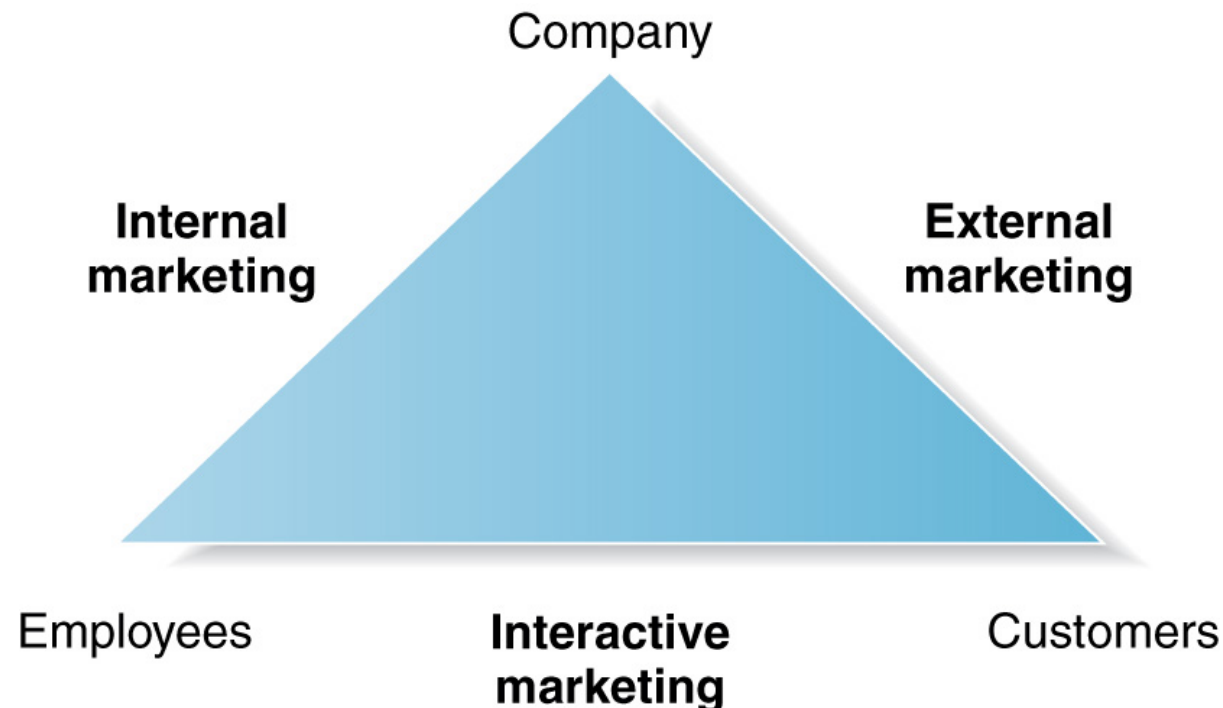


Click the picture above to play video

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

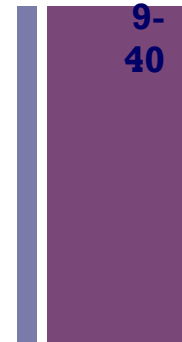
- Service Firm Marketing Strategies
 - Managing Service Differentiation



**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!

