Product: An Introduction to the Marketing Mix

Lectures in Marketing
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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

Some Product Definitions

- **Product Item**: A specific version of a particular good or service that a firm sells. (Suave Herbal Care Chamomile Shampoo)
- **Product Line**: A closely related set of individual products offered by the firm. (Suave hair care products)
- **Product mix (assortment)**: All products offered for sale by a firm. (All Helene Curtis Products)
- **Product Class**: The set of all similar products offered by all firms that function in similar ways and offer similar benefits. (Shampoos)
Product Lines: Review

Product item
a 20 inch Crosscut saw

Product line
Hand saws

Product class
Hand tools

Levels of Product

Classifying Consumer Products:
Durability and Tangibility

Durable goods
Nondurable goods
Services
Goods-Services Continuum

Trowel
Restaurant’s offering
Employment agency service

Good

Good/service

Service

Product Classifications
Consumer Products: Buyer Behavior

<table>
<thead>
<tr>
<th>Convenience Products</th>
<th>Shopping Products</th>
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<tbody>
<tr>
<td>- Buy frequently &amp; immediately</td>
<td>- Buy less frequently</td>
</tr>
<tr>
<td>- Low priced</td>
<td>- Gather product information</td>
</tr>
<tr>
<td>- Many purchase locations</td>
<td>- Fewer purchase locations</td>
</tr>
<tr>
<td>- Includes:</td>
<td>- Homogeneous/Heterogeneous</td>
</tr>
<tr>
<td>- Staple goods</td>
<td>- Compare for:</td>
</tr>
<tr>
<td>- Impulse goods</td>
<td>- Suitability &amp; Quality</td>
</tr>
<tr>
<td>- Emergency goods</td>
<td>- Price &amp; Style</td>
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<table>
<thead>
<tr>
<th>Specialty Products</th>
<th>Unsought Products</th>
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<tbody>
<tr>
<td>- Special purchase efforts</td>
<td>- New innovations</td>
</tr>
<tr>
<td>- Unique characteristics</td>
<td>- Products consumers don’t want to think about</td>
</tr>
<tr>
<td>- Brand identification</td>
<td>- Require much advertising &amp; personal selling</td>
</tr>
<tr>
<td>- Few purchase locations</td>
<td></td>
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Example of Consumer Perceptions of Motels

- **Convenience** (emergency): Scared motorist in bad weather will take first one he/she sees.
- **Homogeneous Shopping**: Tired motorist exits and chooses among those present.
- **Heterogeneous Shopping**: Same motorist shops for type of facility wanted at a ‘fair’ price
- **Specialty**: Talk to others about destination, check brochures + call ahead for reservation.
Classifying Organizational Products

- **Capital products**
  - Installation
  - Accessory equipment

- **Production products (materials and parts)**
  - Raw & process material
  - Manufactured/component parts

- **Operating products (supplies and services)**
  - Supplies
  - Services
  - Software
  - Information

Individual Product Decisions

- **Product Attributes**
  - Branding
  - Packaging
  - Labeling
  - Product Support Services
Product Attribute Decisions include

- Quality
- Features
- Design

Brand “Names”

- **Brand**: Any identifying feature that distinguishes one product from others.
- **Brand Name**: The part which is readable
- **Brand Mark**: Non-vocalizable parts of a brand
- **Trademark**: legally protected combination of brand name and brand mark
- **Service mark**: Same as above for services

Why Brand? Producer’s Perspective

- To **Differentiate** the product offer from the competition
- To Facilitate **Communication** with target customers
  - can advertise producers own product only.
- To Facilitate **Repeat Purchase**
  - customer will be able to find desired product
Why Brand? Consumer’s Perspective

- Helps consumers choose products.
- Creates Quality Assurance for the customer in their product choices.
- Makes Buying Easier to find products for repeat purchase that have performed well.
- Can Communicate to others about the purchaser.

An Overview of Branding Decisions

<table>
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<tr>
<th>Branding Decision</th>
<th>Brand-Sponsor Decision</th>
<th>Brand-Name Decision</th>
<th>Brand-Strategy Decision</th>
<th>Brand-Positioning Decision</th>
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<tbody>
<tr>
<td>Brand</td>
<td>Manufacturer brand</td>
<td>Individual brand names</td>
<td>Line extension</td>
<td>Repositioning</td>
</tr>
<tr>
<td>No brand</td>
<td>Distributor (private) brand</td>
<td>Blanket family name separate family names</td>
<td>Brand extension</td>
<td>No repositioning</td>
</tr>
<tr>
<td></td>
<td>Licensed brand</td>
<td>Company individual names</td>
<td>New brands</td>
<td></td>
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<td>Cobrands</td>
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Brand Strategy

- Line Extension: Existing brand names extended to new forms, sizes, and flavors of an existing product category.
- Brand Extension: Existing brand names extended to new product categories.
- Multibrands: New brand names introduced in the same product category.
**Product Mix Decisions**

- **Width**: number of different product lines
- **Length**: total number of items within the lines
- **Depth**: number of versions of each product

**Consistency**

**Product Mix - all the product lines offered**

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**Generic Names**

- Used to describe a product class

*These were all originally brand names.*

- **Nylon**
- **Kerosene**
- **Escalator**
- **Formica**

*(will Kleenex be next?)*

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**Good Brand Names:**

- Easy to remember and pronounce (Lite)
- Invoke positive association (L’Eggs)
- Suggest a positive image (Cover Girl)
- Reinforce product concept (Palm Pilot)(Craftsman)
- Communicates product benefit (DieHard)
- Says something about the user (Outward Bound)
- Avoids linguistic traps (Care’s ‘Gift’)*
Packaging

Defined as: All activities involved in designing and producing the container or wrapper for a product.

Purpose of Packaging: To reduce the cost of products to the consumer.

Major Function 1: Protection

There are two aspects of the protection function:

Protection of the Product
- shelf life, shrinkage, sanitation, contamination, pilferage, spillage, loss of identity, integrity, etc.

Protection from the Product
- child resistant, tamper resistant, dosage control, hazardous materials, non-interchangeable lids

Major Function 2: Convenience

Manufacturer:
- interchangeable pallets to unitized secondary pkgs.

Wholesaler:
- product codes on ctrs., stackable ctrs.

Retailer:
- UPC codes, plastic beverage ctrs., environmentally controlled plastic wraps for meats and veggies.

Consumer:
- easy open/close, pour spouts, reusable ctrs., dosage control, see through ctrs., measures
Major Function 3: Communication

This function involves both identity of the product / brand, and carrying necessary labeling to comply with various laws and regulations governing use of the product and its package.

Special issues about Packaging

- Over-Packaging?
  - Candy, Cosmetics, etc.
- Environmental Degradation?
  - Solid waste, resource depletion
- Reverse Cycles?
  - Reusable containers, recyclable materials

Product - Support Services

Companies should design its support services to profitably meet the needs of target customers.

How?

- Step 1. Survey customers to determine satisfaction with current services and any desired new services.
- Step 2. Assess costs of providing desired services.
- Step 3. Develop a package of services to delight customers and yield profits.
Universal Product Codes

- Provide enormous amounts of information
- In the distribution channel
- In the store
- To Researchers