

Product Decisions



Presented by: Prof. Tapas Kr. Mondal



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Product Classification

Consumer Products

Convenience Products

Shopping Products

Specialty Products

Unsought Products

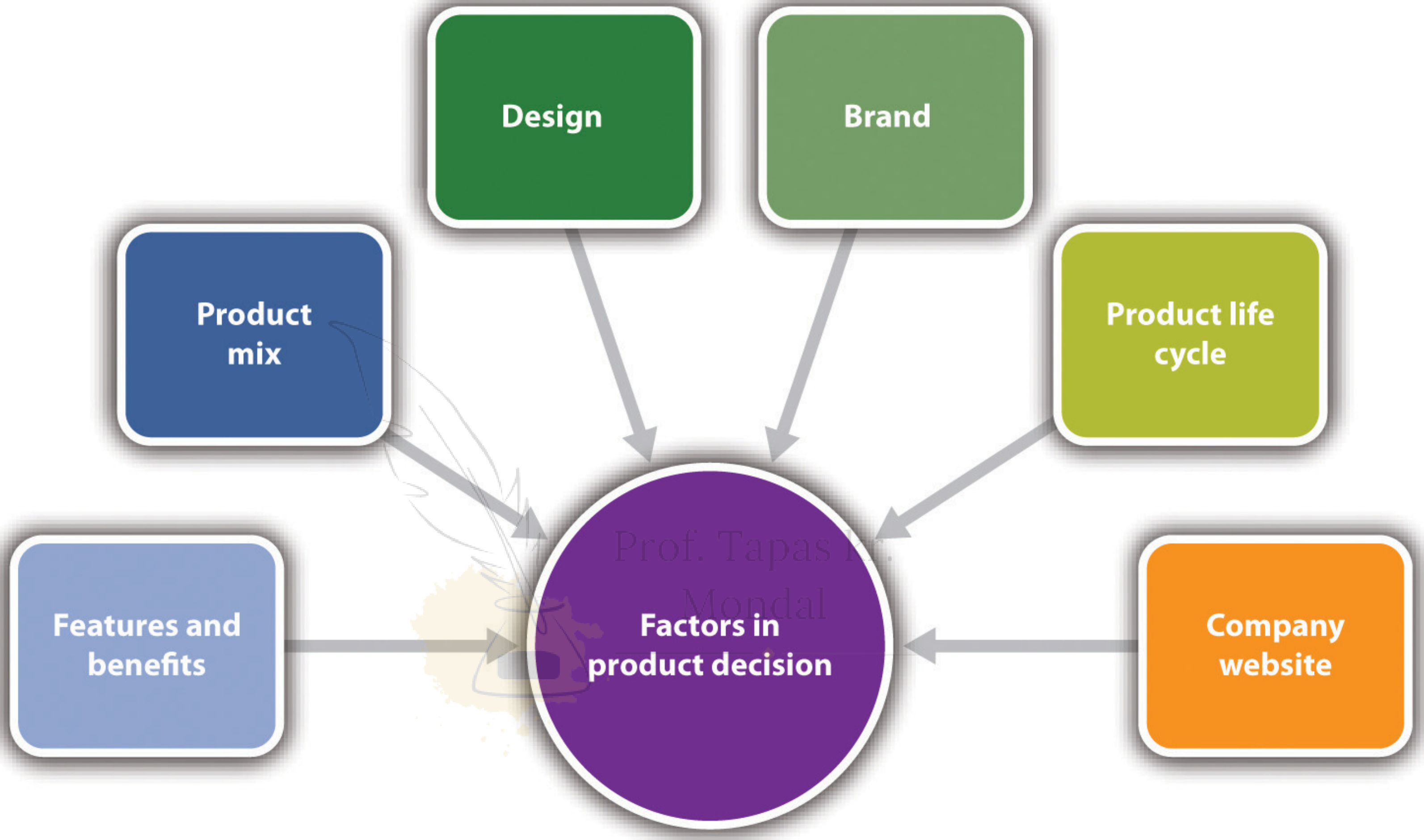
Industrial Products

Materials & Parts

Capital Items

Supplies & Services

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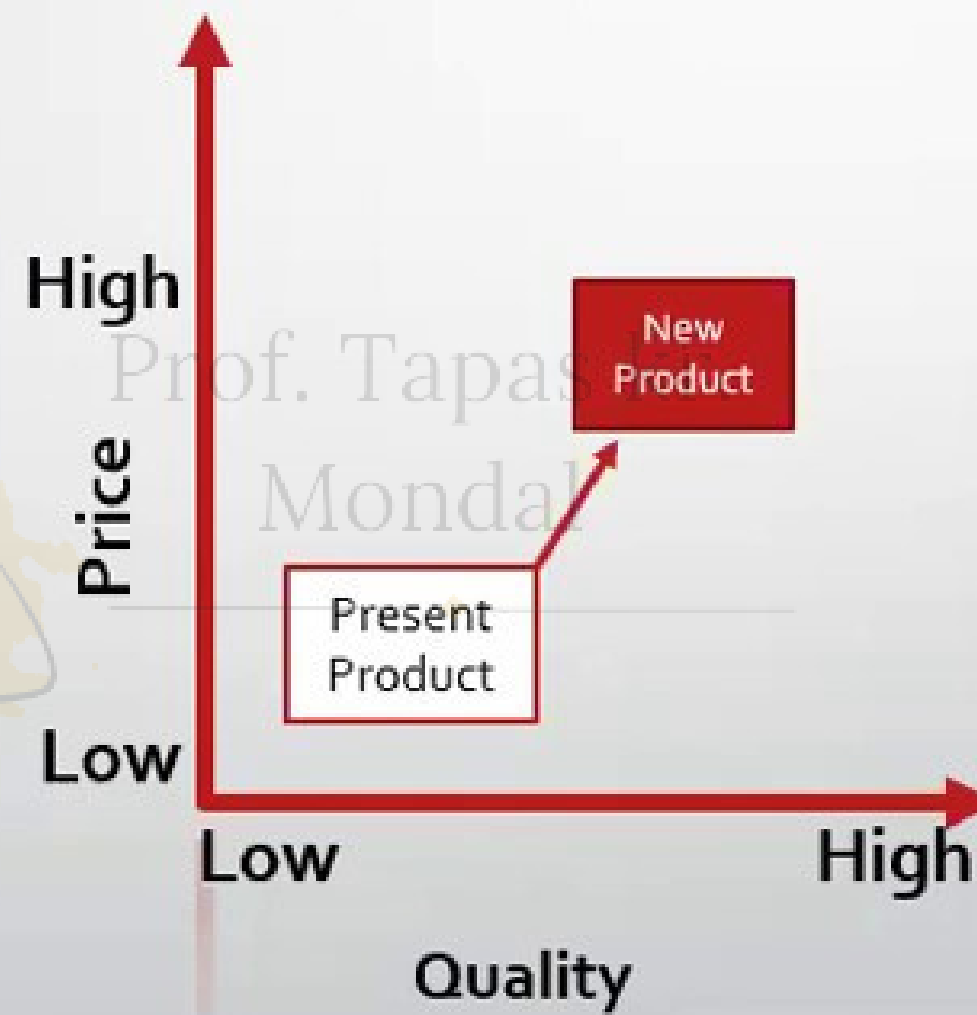
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PRODUCT LINE STRETCHING

DOWNWARD
STRETCH



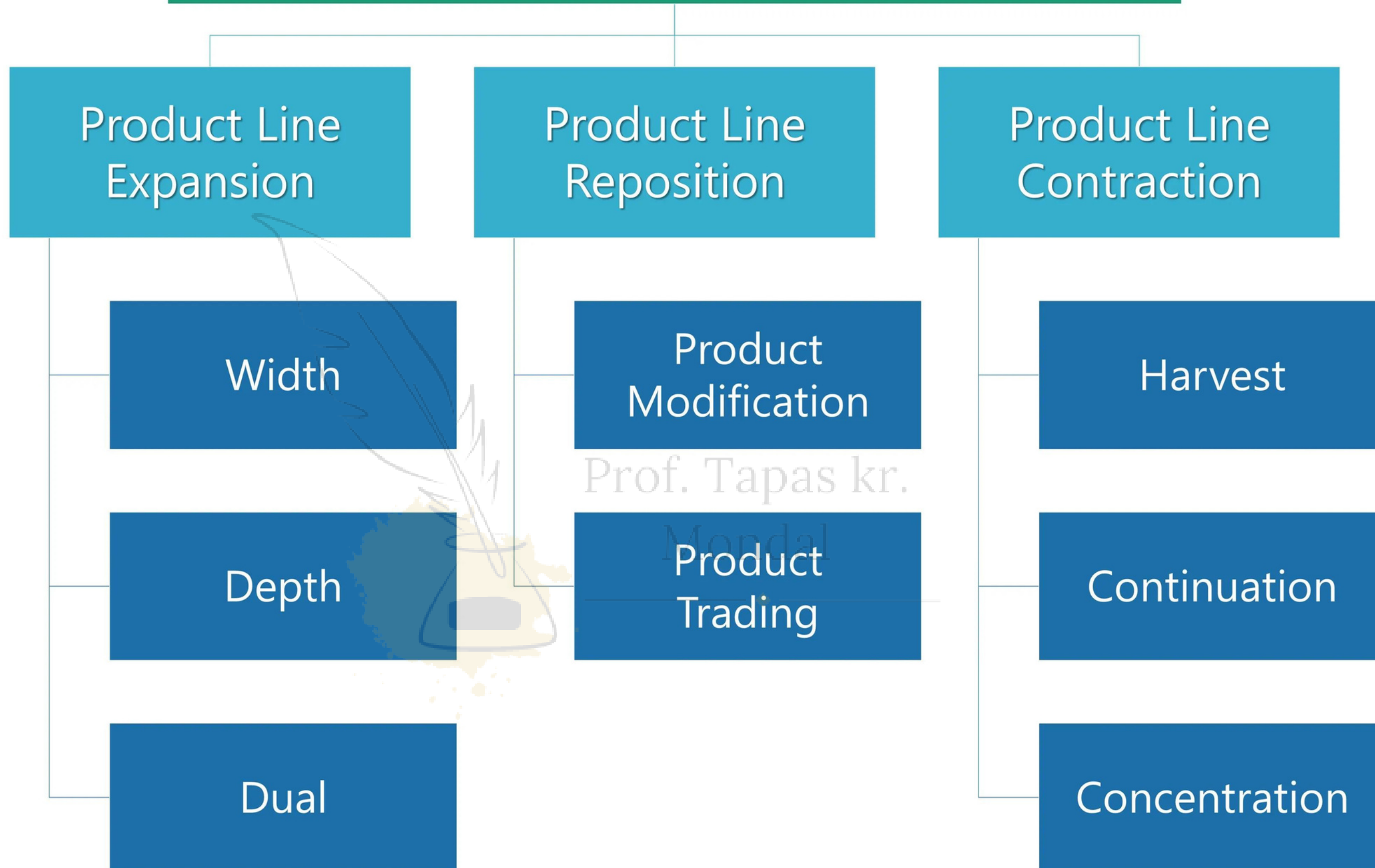
UPWARD
STRETCH

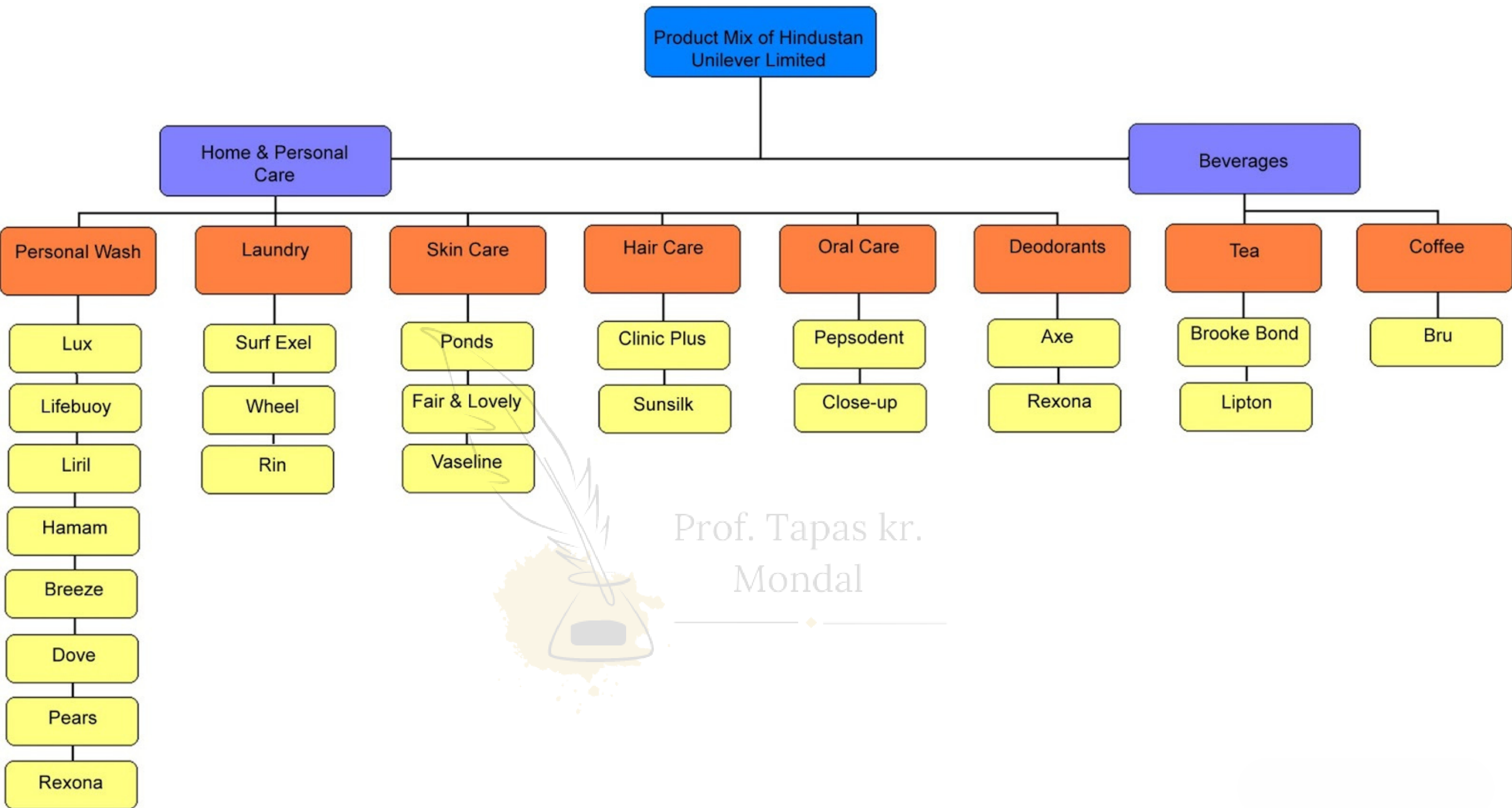


TWO-WAY
STRETCH



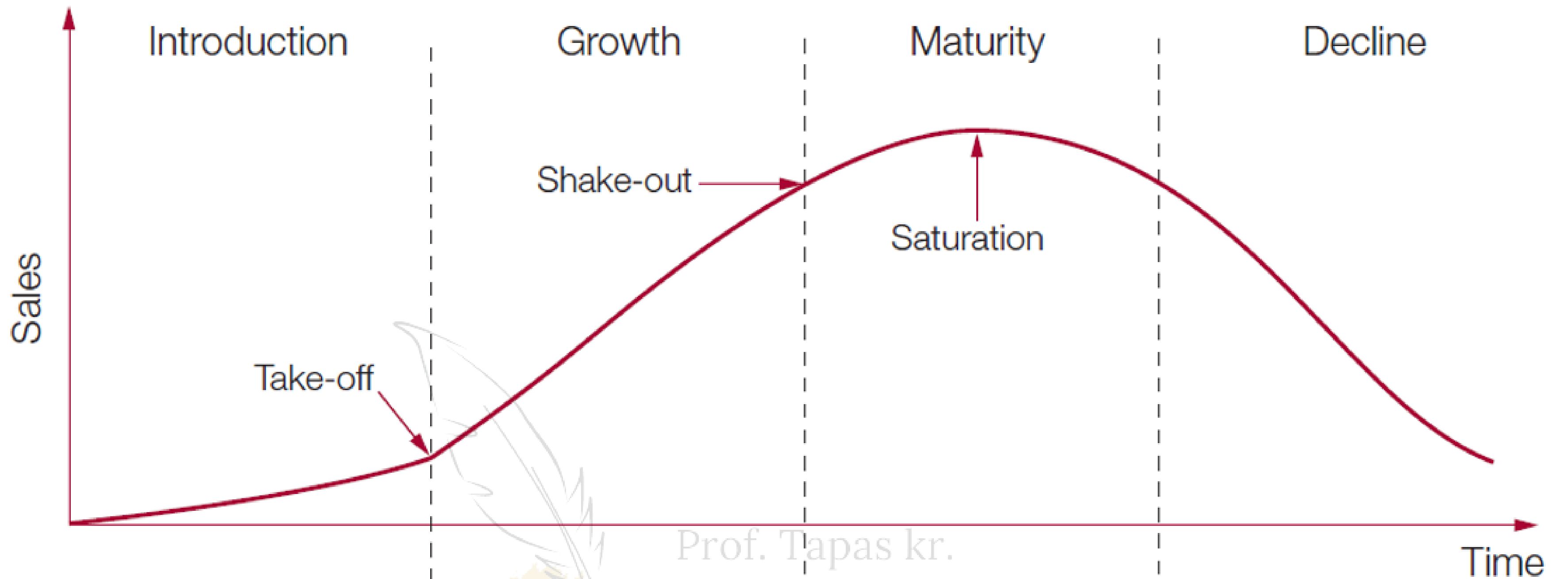
Product Line Decisions





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The 4 Life Cycle Stages and their Marketing Implications



- Low sales
- High cost per customer
- Financial losses
- Innovative customers
- Few (if any) competitors

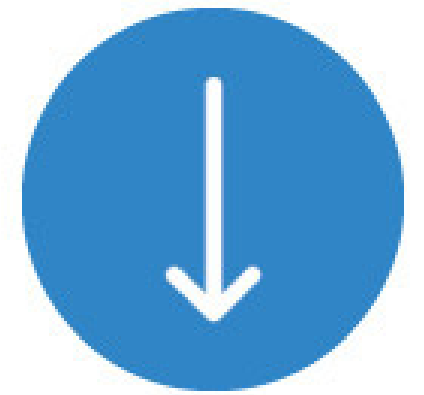
- Increasing sales
- Cost per customer falls
- Profits rise
- Increasing No. of customers
- More competitors

- Peak sales
- Cost per customer lowest
- Profits high
- Mass market
- Stable number of competitors

- Falling sales
- Cost per customer low
- Profits fall
- Customer base contracts
- Number of competitors fall

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DEVELOPMENT

INTRODUCTION

GROWTH

MATURITY

DECLINE

Ready product

Growing customer base

Brand building

Pricing and distribution

Gaining profit

Growing demand for product

First competitors

Sales peak

Growth stabilizes

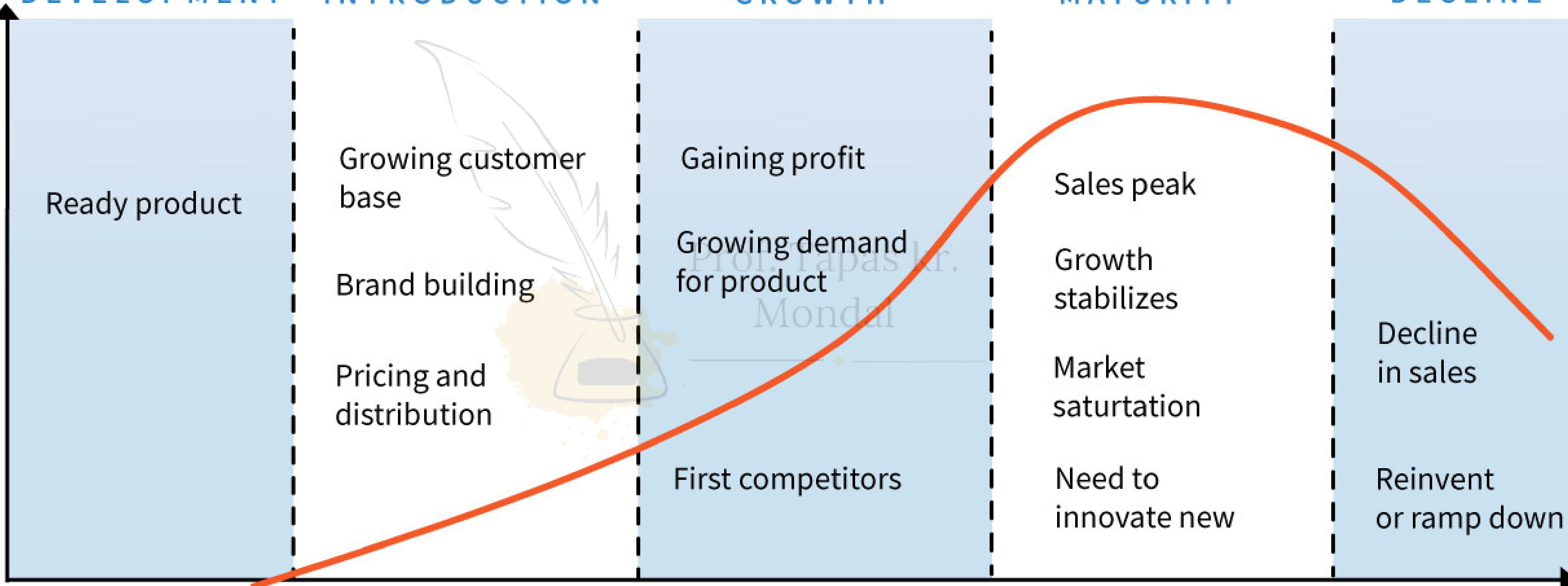
Market saturation

Need to innovate new

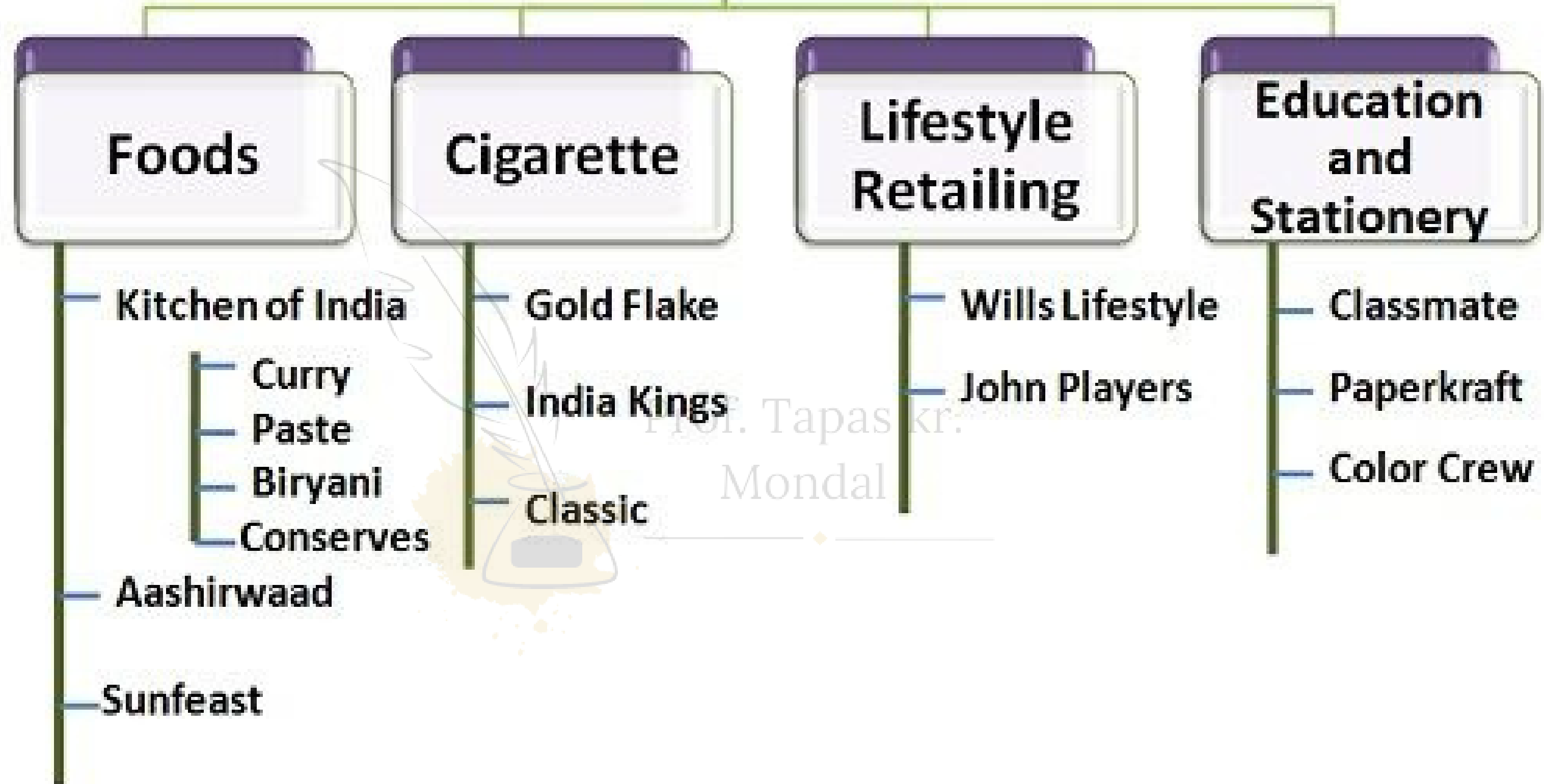
Decline in sales

Reinvent or ramp down

SALES



ITC





Product Line



Soft drinks

Minute Maid

Mineral Water

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Coca
cola

Diet
Coke

Coke
zero

Fanta

Sprite

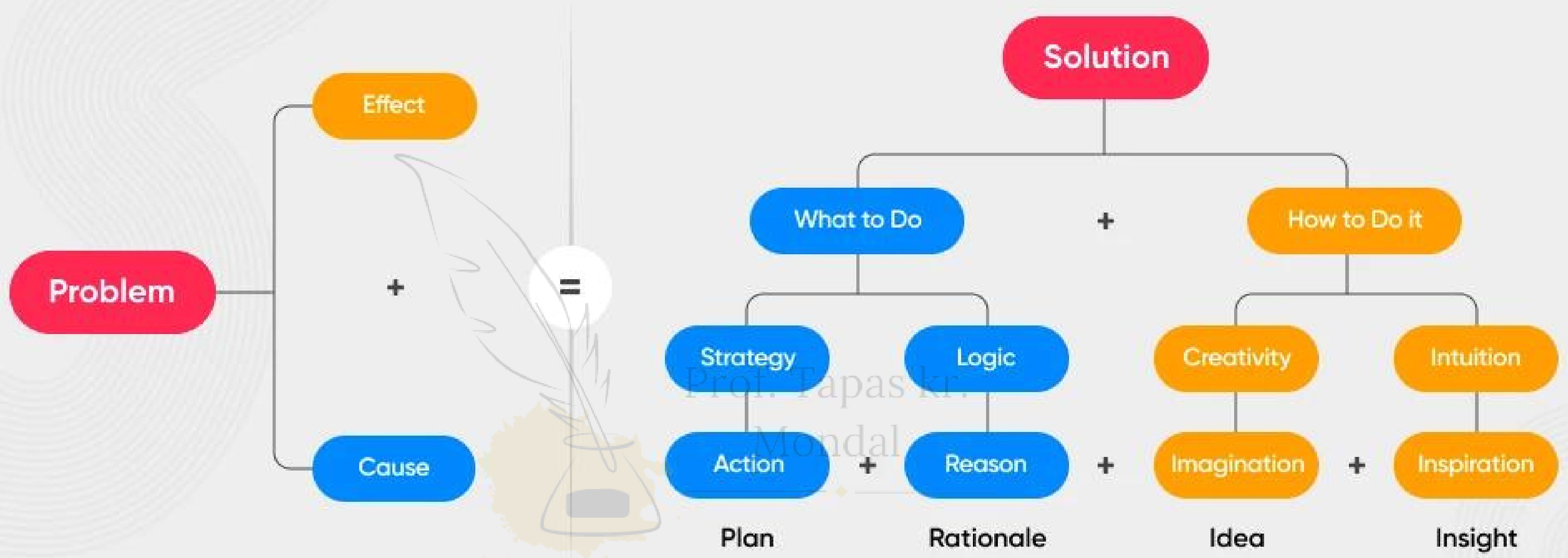
Guava

Mango

Mixed
fruit

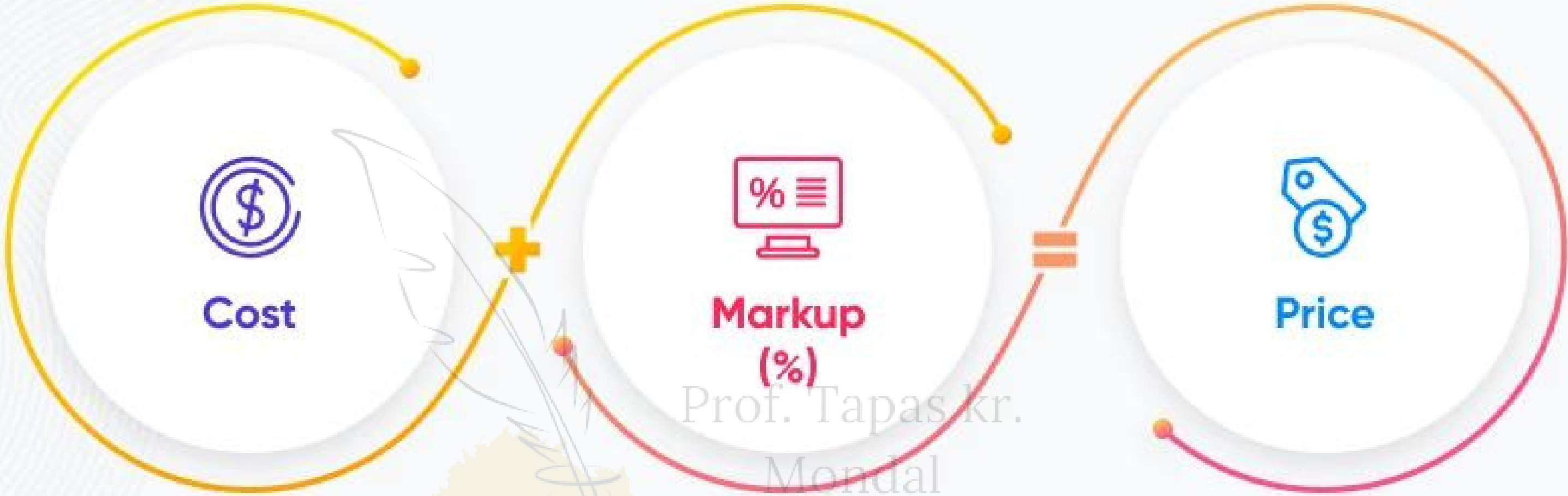
Kinley

Problem = Solution





Cost-Plus Pricing



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4U



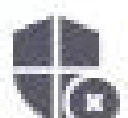
Unworkable



Unavoidable



Urgent



Undeserved

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Product Positioning Process

1

Know
your
target
audience
well

2

Identify
the
Product
Features

3

Create
Unique
Selling
Propositions
(USPS)

4

Never
underestimate
your
competitors

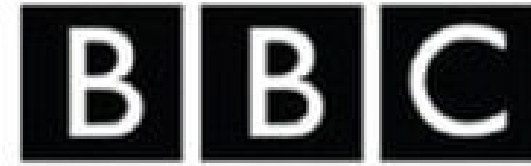
5

Promote
the
Benefits



PRODUCT DECISIONS



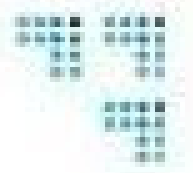


BRANDING

is the way that your customer perceives you

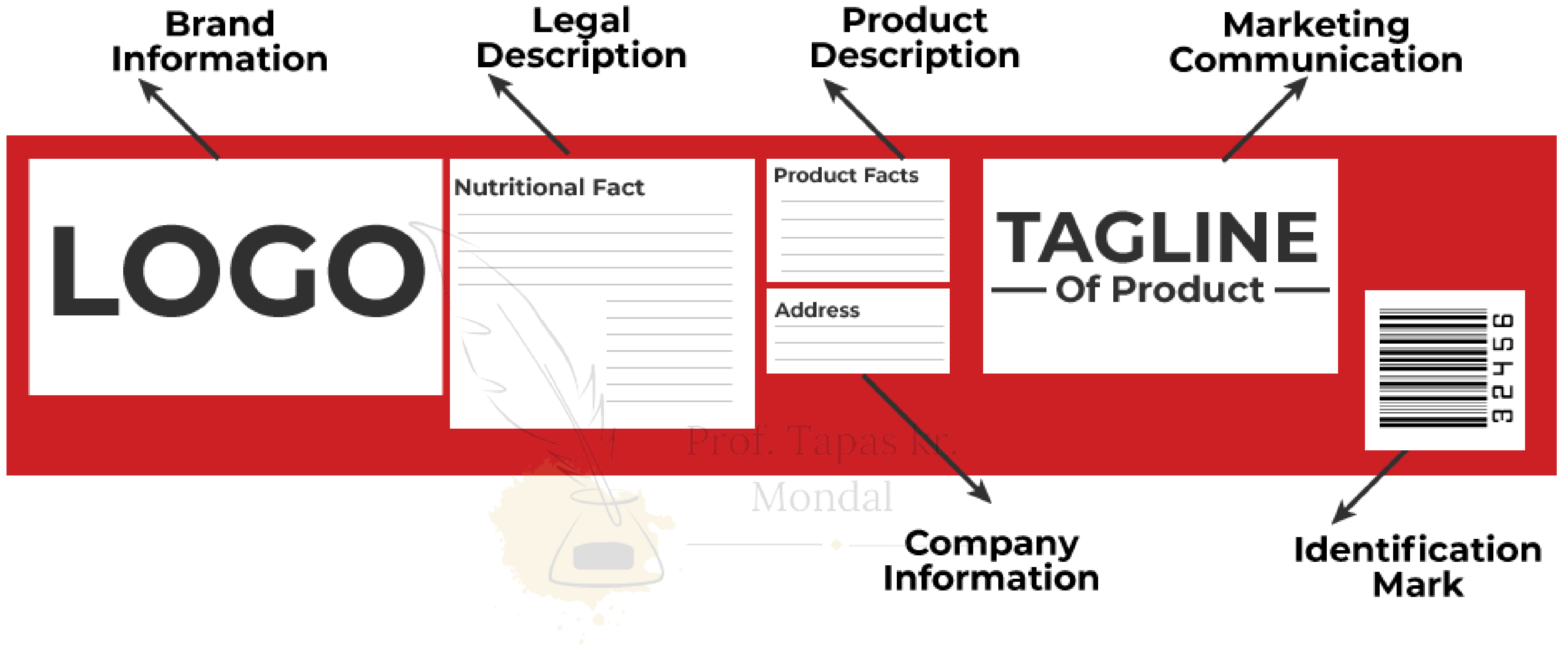


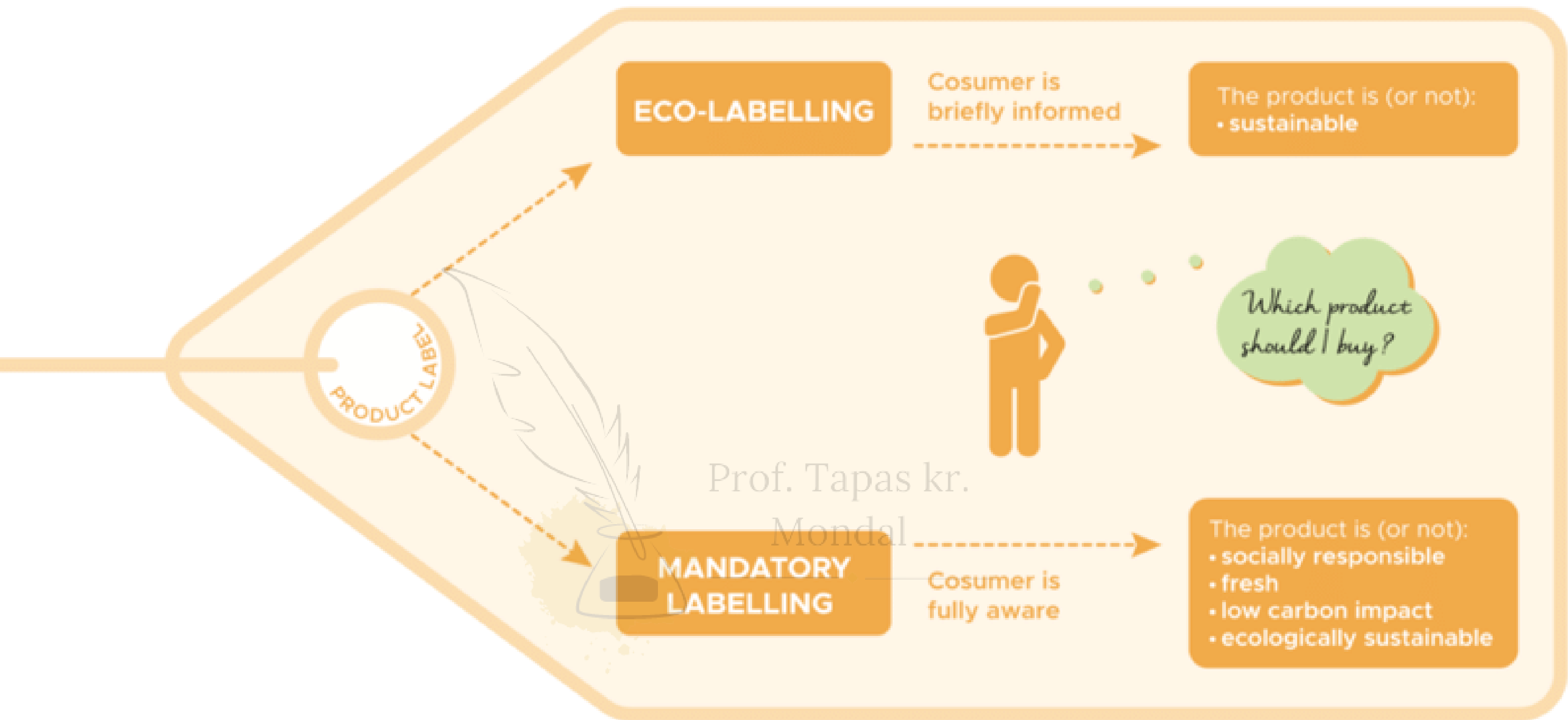
What Are the Different Types of Branding Strategies?



What Packaging Factors Influence Customers?



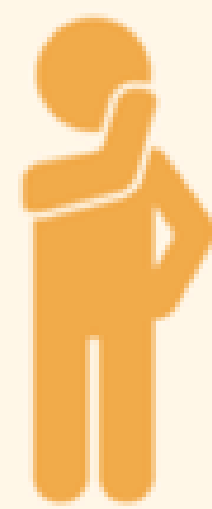
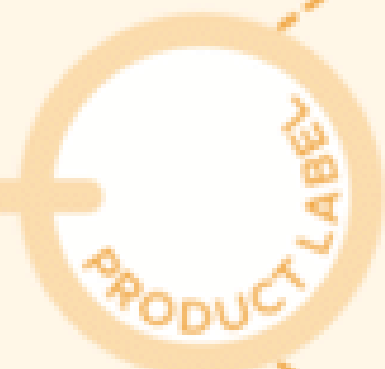




ECO-LABELLING

Cosumer is briefly informed

The product is (or not):
• sustainable



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MANDATORY LABELLING

Cosumer is fully aware

The product is (or not):
• socially responsible
• fresh
• low carbon impact
• ecologically sustainable

PLC Strategies

Stage	Introduction	Growth	Maturity	Decline
Product	Offer basic product	Offer Product Extensions, service, warranty	Diversify brands and models	Phase out weak items
Price	Charge cost-plus	Price to penetrate market	Price to match or best competitors	Cut price
Distribution	Build selective Distribution	Build intensive distribution	Build more intensive distribution	Go selective: Phase out unprofitable outlets, customers
Advertising	Build product awareness among early adopters and dealers	Build awareness and interest in the mass market	Stress brand differences and benefits	Reduce to level needed to retain hard-core loyals
Sales Promotion	Use heavy sales promotion to entice trials	Reduce to take advantage of heavy consumer demand	Increase to encourage brand switching	Reduce to minimal level

Stages of new product development





Thank You



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