

# PRINCIPLES OF MARKETING / 13A

IBMS /  
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*Based on Ph. Kotler's Principles of marketing / international edition, and miscellaneous designer's lecturing materials*



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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product basics

- **Product aspects**

- A **product** is the **most important marketing instrument**, on which price-, distribution- and promotion-policies are based.
- A **product** is also a **strategic instrument**:
  - choice of product <--> target market
  - type of organization, organizational design, size, etc.
  - production system, technology, etc.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product basics

- **Product aspects**

- Target area's within product-policy:  
the product marketing-mix:
  - brand policy**
  - product assortment (=product mix) policy**
  - packaging policy**
  - service policy**
  - warranty policy**
  - complaint policy**

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product basics

#### ● Product aspects

- Products can fulfill different **functions**:
  - **instrumental** (functional) function: meeting functional, technical needs of a customer (for example, the usefulness of a garden shovel)
  - **expressive**: meeting the expressive needs of a customer (for example, the design -the pattern- of a tie).

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product basics

#### ● What is a product?

- A **product** is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need; a product includes physical objects, services, persons, places, organizations and ideas.
- A **product** is the totality of material and immaterial characteristics of a commodity or a service.
- In short, a **product** is a set of need-satisfying elements.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product basics

#### ● Product levels

- In planning its market offering, a company should consider various **levels of a product**, each level adding more customer value.
- According to **Kotler's** basic model of product levels, there are 3 levels:
  - **core product level**: the problem-solving core benefits or services that customers are really buying when they obtain a product: for instance, a car buyer, buying 'a means of personal transportation'.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product basics

- **Product levels**

- Kotler's basic model of (3) product levels:

- **actual (tangible) product level:** the product's parts, quality level, features, design (styling), brand name, packaging and other attributes (product elements) that are combined to deliver core product benefits, for example, a car, fully equipped and ready to be driven.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product basics

- **Product levels**

- Kotler's basic model of (3) product levels:

- **augmented (≈ built up) product level:** the additional customer services and benefits built around the core and actual products, for instance, a car producer's warranty on parts and workmanship, quick repair service + replacement car when needed and an emergency-hotline to call in case of engine failure, etc.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product basics

- **Product levels**

- Kotler's basic model of (3) product levels:



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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product basics

- **Product levels**

- According to Harvard marketing prof.

**Theodore Levitt:**

“the new competition is not between what companies produce in their factories, but between what they add to their factory output in the form of packaging, services, advertising, customer advice, financing, delivery arrangements, warehousing, and other things that people value.”

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product basics

- **Product levels**

- Levitt, too, developed a basic model of product levels, also consisting of 3 levels:

- **generic product level:** the basic product or service, such as can be provided by a graduate fiscal lawyer.
- **expected product level:** the built-up product or service as can normally be expected, such as the service provided by a fiscal lawyer with over 10 years of experience.
- **augmented product level:** the product or service that exceeds customer expectations, such as the fiscal lawyer's advice in advance.

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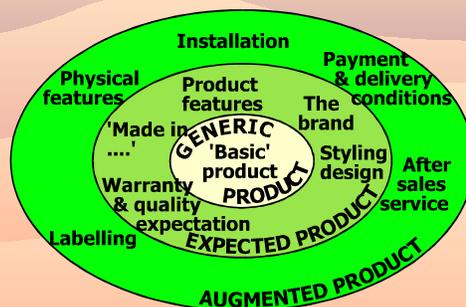
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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product basics

- **Product levels**

- Levitt's basic model of (3) product levels:



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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product basics

#### ● Product levels

- Later on, Kotler, elaborated on his model of product levels, and developed a 5-level model:
  - **core product level:** the fundamental service or benefit that the customer actually buys, such as the hotel guest buying 'some rest and sleep'.
  - **basic product level:** such as the hotel room, including a bed, bathroom, towels, dresser, and a closet.
  - **expected product level:** the set of attributes and conditions buyers normally expect, when buying this product: hotel guests expect a clean bed, fresh towels, TV, wifi, etc.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product basics

#### ● Product levels

- A Kotler's further levels:
  - **augmented product level:** the set of attributes, features and conditions that exceed the customer's expectations, such as the hotel firm that also provides a wide variety of information and services, like leisure and transportation.
  - **potential product level:** this is the level which encompasses all the possible augmentations and transformations the product might undergo in the future, for instance the hotel firm that is thinking of adding a health centre and a shopping mall in their future hotels.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product basics

#### ● Product levels

- Kotler's 5-level model of product levels:



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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product classifications

#### ● Product durability

- Products can be classified according to their **durability** and **tangibility**.
  - **Non-durable products** are goods that are normally consumed quickly and used on one or a few usage occasions (such as beer, soap, and food products). These products are often referred to as **FMCG's: fast moving consumer goods** (rebuy within 3 years).
  - **Durable products** are products used over an extended period of time and normally survive for many years (such as, cars, furniture, kitchen appliances, etc.).

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product classifications

#### ● Product tangibility

- Products (goods) are **tangible**; services are **intangible, inseparable, variable** and **perishable** products.  
A company's offering to the marketplace often includes some services. This service component can be a minor or a major part of the total offering.  
Therefore, **several categories of offerings** can be distinguished:
  - **pure tangible good** (soap, salt, toothpaste), with no accompanying services.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product classifications

#### ● Product tangibility

- Categories of offerings:
  - **tangible good with accompanying services**: the offering consists of a tangible good (such as a new car) accompanied by one or more services (such as repair and parts service).
  - **hybrid**: the offering consists of equal parts of goods and services, such as is the case with restaurants, for instance.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product classifications

#### ● Product tangibility

##### ○ Categories of offerings:

- **major service with accompanying minor goods and services:** the offering consists of a major service (like travel by air plane), along with additional services or supporting goods (food and drinks, a magazine, etc.).
- **pure service:** the offering consists primarily of a service, such as psychotherapy, baby-sitting, a massage, etc.

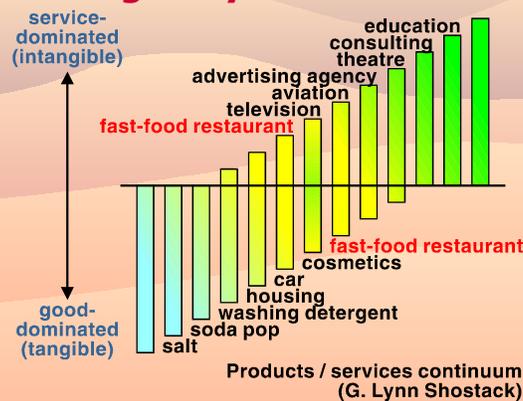
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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product classifications

#### ● Product tangibility



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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product classifications

#### ● Consumer goods

##### ○ There are 4 types of consumer goods: **convenience products, shopping products, specialty products and unsought products.**

- **convenience goods** are items that the consumer purchases frequently, conveniently, and with a minimum of shopping effort.
- **shopping goods** are items for which the consumer compares several alternatives on criteria, such as price, quality, or style.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product classifications

#### ● Consumer goods

○ 4 types of consumer goods:

- **specialty goods** are items, such as Rolex watches, for which a consumer takes a special effort to search out and buy.
- **unsought goods** are items that the consumer either does not know about or does know about but does not initially want.

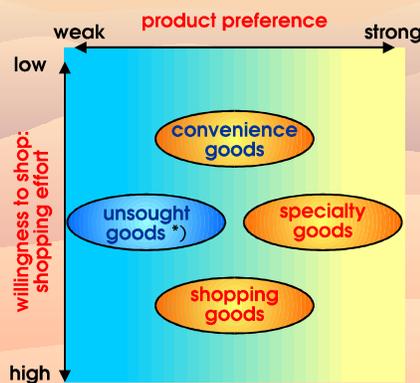
The way in which a consumer good is classified depends on the individual, and can change the longer the product is on the market.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product classifications



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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product classifications

#### ● Industrial goods

○ Industrial products can be classified in several ways. A **basic classification**:

- **materials and parts**: industrial products that become a part of the manufacturer's product, including raw materials and manufactured materials and parts (components).
- **capital items**: industrial goods that help in the manufacturer's production or operation, incl. installations and accessory equipment
- **supplies and services**: industrial products that do not enter the finished product at all, such as lubricants, drills, accountancy, etc.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product classifications

- **Industrial goods**
  - **Another classification** of industrial products:
    - **industrial equipment**: consists of buildings, fixed and accessory equipment, tools and instruments, furniture, etc.
    - **industrial materials**: consists of raw materials, semi-finished products, components, fabrication materials, etc.
    - **industrial supplies**: packaging materials, production supplies, spares and replacement parts, etc.
    - **industrial services**: maintenance- and repair services, transportation, financial, etc.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product classifications

- **Organizations, persons, places and ideas**
  - Other **marketable entities** involve organizations, persons, places and ideas.
    - **organization marketing**: consists of activities undertaken to create, maintain or change the attitudes and behaviour of target consumers toward an organization.
    - **person marketing**: consists of activities undertaken to create, maintain or change attitudes or behaviour toward particular people (such as movie stars, entertainers presidents, business leaders, etc.).

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product classifications

- **Organizations, persons, places and ideas**
  - Other **marketable entities**:
    - **place marketing**: consists of activities undertaken to create, maintain or change attitudes and behaviour towards particular places (cities, regions, countries, etc.).
    - **marketing of (social) ideas**: consists of activities focussed on increasing the acceptability of a social idea, cause or practise within targeted groups, such as public health campaigns to reduce smoking, alcoholism, drug abuse, child abuse, etc.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product quality and product features

- **Product attributes** ( $\approx$  elements)
  - **Product quality:**
    - **quality level:** involves the ability of a product to perform its functions. This includes the product's overall **durability, reliability, precision, ease of operation and repair**, and other valued attributes. For instance, the quality level of a Rolex or a Rolls-Royce.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product quality and product features

- **Product attributes**
    - **Product quality:**
      - **quality consistency:** involves the conformance quality of a product: its **freedom from defects** and its **constancy in delivering** a targeted level of **performance**, measured in terms of a buyer's perceptions.
- For instance, although the quality level of a Honda is quite different compared to that of a Rolls-Royce, the Honda can consistently deliver the quality that customers pay for and expect.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product quality and product features

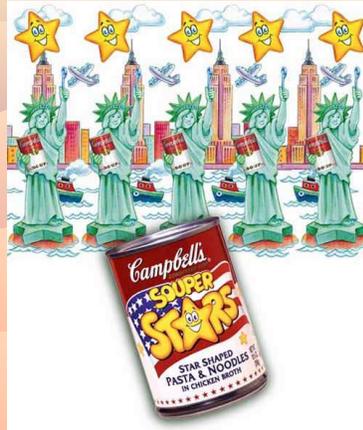
- **Product attributes**
  - **Product features:**
    - **features** are the extra's which are added to the basic 'stripped-down' product. Features form a **competitive tool for differentiating the company's product from those of its competitors**. Features should be assessed on the basis of their customer value in relation to its company costs. Features that customers value little in relation to their costs, should be dropped; features that are highly valued by customer in relation to their costs should be added.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions



(MagicEye 3D:  
Campbell's Souper Stars)

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions

#### ● Branding

##### ○ What is a brand?:

A **brand** is a name, term, sign symbol, device (design, sound, shape, colour) or any combination of these, which is used to identify goods or services of one seller or group of sellers, and to differentiate them from those of competitors.



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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions

#### ● Branding

##### ○ What is a brand?:

- A **trade name** is a commercial, legal name under which a company does business. For example, the Campbell Soup Company is the trade name of that firm.
- A **trademark** identifies that a firm has legally registered its brand name or trade name so the firm has its exclusive use, thereby preventing others from using it.



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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions

#### ● Branding

Max Factor Bounce Vidal Sassoon Dash Vizir  
Giorgio Aldays Daz  
Old Spice P&G Ellen Betrix  
Tide Ariel Camay  
Blend a Med Procter & Gamble Pampers Bold  
Tampax Wash & Go  
Always Pringles Drest  
Hugo Boss Vick's Bounty  
Fairy Head & Shoulders

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions

#### ● Branding

Signal Omo Impulse Cif  
Bertoli Glorix Magnum Andrélon  
Calvé Lipton Ragú  
Dove Knorr Unilever Axe Lux  
Sun Silk Calvin Klein  
Snuggle Bece  
Ala House of Valentino Croma Hertog Pond's  
Slim Fast Pro-Activ Organics Solero  
Vaseline Close-up Hellman's  
Conimex Rexona Blue Band

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions

#### ● Branding

Silvo Sterilon Vanish  
Dettol Woolite  
Optrex Citrosan Steradent  
Brasso Clearasil  
Gaviscon rb Reckitt Benckiser AirWick  
Kukident Calgon  
Lysol Durex  
Veet CillitBang Harpic  
Strepsils Finish Nurofen

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## Branding decisions

- **Branding**
  - **Levels of meaning a product can convey:**
    - **Attributes:** a brand brings to mind certain attributes, such as Volvo's durability.
    - **Benefits:** the translation of an attribute into **functional and emotional benefits:** 'durability' could translate into the functional benefit of not having to buy another car for several years, whereas 'expensiveness' might translate into the emotional benefit of feeling more important.

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## Branding decisions

- **Branding**
  - **Levels of meaning a product can convey:**
    - **Values:** a brand also says something about the producer's values: Volvo stands for safety.
    - **Culture:** also, the brand might represent a certain culture. Volvo represents Swedish culture: high quality, efficient, family values, properly organized.

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## Branding decisions

- **Branding**
  - **Levels of meaning a product can convey:**
    - **Personality:** a brand can project a certain personality. Volvo could project itself as a adventurous viking (person) or a friendly bear (animal).
    - **User:** the brand suggesting the kind of consumer who buys or uses the product. As such, one would expect an average-aged business-and family man driving a Volvo.

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## Branding decisions

- **Branding**

- **Brand equity:**

- Brands may vary in the amount of power and value they have in the marketplace.

Some brands are **not known** by most buyers, some brands have a high degree of **brand awareness**. Some will have a high degree of **brand acceptability**, and some even enjoy a high degree of **brand preference**.

Finally, some brands command a high degree of **brand loyalty**.

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## Branding decisions

- **Branding**

- **Brand equity:**

- Prof. David Aaker has distinguished 5 levels of a customer's attitude toward a brand:
  - customer will change brands, especially for price reasons: **no brand loyalty**
  - customer is satisfied: **no reason to change** the brand
  - customer is satisfied and **would incur costs by changing** brands
  - customer values the brand and **sees it as a friend**
  - customer is **devoted to the brand**.



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## Branding decisions

- **Branding**

- **Brand equity:**

- **brand equity** = the value of a brand based on the extent to which it has high **brand loyalty**, **brand (name) awareness**, strong **brand associations**, perceived quality and other **proprietary** (≈ company owned) **brand assets** such as patents, trademarks and channel relationships.



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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions

- **Branding**

- **Branding or not branding:**

- **Most products carry brands.**

**Branding helps buyers in many ways:**

- **brand names tell the buyer something about product quality**
- **brand names also increase the shopper's efficiency**
- **brand names help call consumers' attention to new products that might benefit them.**

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions

- **Branding**

- **Branding or not branding:**

- **Supplier advantages through branding:**

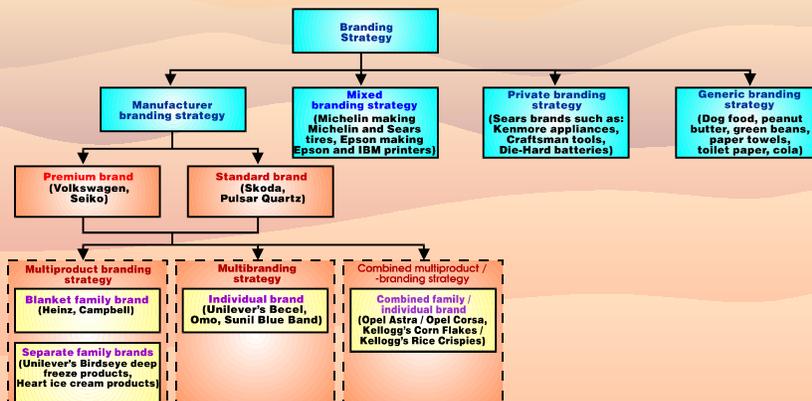
- **brand names makes processing orders and tracking down problems easier**
- **brand names and trademarks provide legal protection against competitors' actions**
- **branding enables the supplier to attract a loyal and profitable set of customers**
- **branding helps the supplier to segment markets; for example Unilever's various detergents for different market segments**
- **branding helps build the corporate image, making it easier to launch new products.**

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions



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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions

- **Branding**
  - **Brand-name decision, desirable qualities:**
    - **Brand names should:**
      - **suggest something about the product's benefits and qualities** (Kleenex, Locktite, Always, Quick 'n' Brite)
      - **be easy to pronounce, recognize and remember** (Dove, Bic, Lux, Dreft, Fa)
      - **be distinctive** (Shell, Kodak, Virgin)
      - **translate easily and meaningfully** into foreign languages (Exxon, Vodafone, Microsoft), but not: Fiat Croma, GM Nova, Mitsubishi Pajero
      - **be capable of registration and legal protection** (not for instance: ...Lite, ...Voicemail, ...etc.)

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions

- **Branding**
  - **Brand sponsoring:**
    - **Manufacturers have 4 sponsorship options:**
      - **the product may be launched as a manufacturer's brand** (national brand): a brand created and owned by the producer of the product or service.
      - **the manufacturer may sell to intermediaries who label it as a private brand** (private labelling, distributor brand, store brand): a brand created and owned by a reseller of a product or service.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions

- **Branding**
  - **Brand sponsoring:**
    - **Manufacturers' sponsorship options:**
      - **some manufacturers may choose to market a licensed brand:** a product or service using a brand name offered by the brand owner to the licensee for an agreed fee or royalty.
      - **last of all, companies can join forces and co-brand a product:** the practice of using the established brand names of two different companies on the same product (Citibank co-branding Visa and MasterCard with American Airlines).

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# PRODUCTS, BRANDS, PACKAGING, SERVICE

## Branding decisions

- **Branding**
  - **Brand sponsoring: brand licensing**



Jeep Cherokee

Jeep Cherokee  
Baby stroller

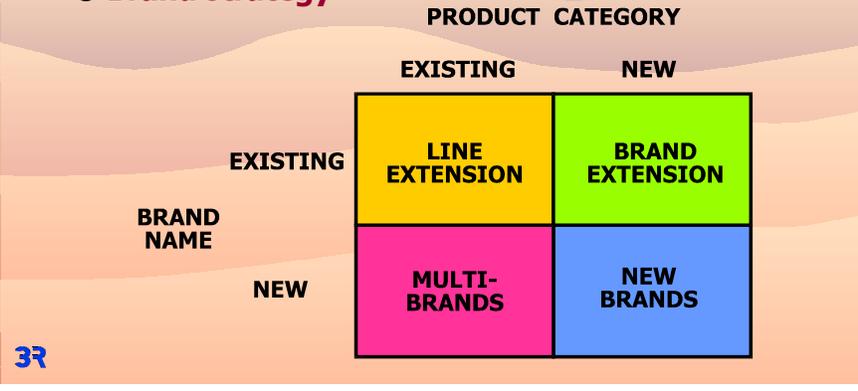


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# PRODUCTS, BRANDS, PACKAGING, SERVICE

## Branding decisions

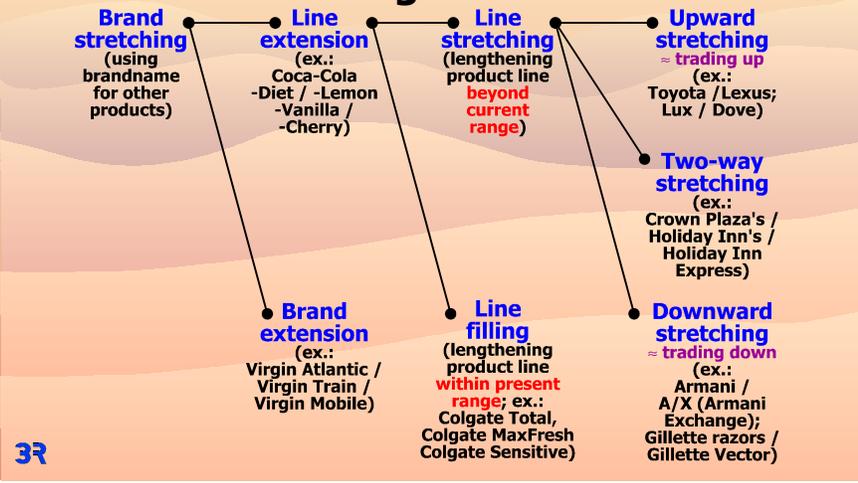
- **Branding**
  - **Brand strategy**



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# PRODUCTS, BRANDS, PACKAGING, SERVICE

## Branding decisions



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## Branding decisions

- **Branding**
  - **Brand strategy**
    - **Line extensions** occur when a company introduces additional items in a certain product category under the same brand name.  
Campbell Soup Company uses a multi-product branding strategy with soup line extensions, offering regular Campbell Soup, home-cooking style, chunky varieties, and more than 100 soup flavours.

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## Branding decisions

- **Branding**
  - **Brand strategy**
    - A strong brand equity also allows for **brand extension**, the practice of using a current brand name to enter a completely different product class.  
Fischer-Price, an established name in children's toys, was able to extend this name to children's shampoo and conditioners, and baby and lotion products.

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## Branding decisions

- **Branding: product line decisions**
  - **Product line / product line-length decisions**
    - **Product line**: a group of activities that are closely related because they function in a similar way, are sold to the same customer groups, are marketed through the same types of outlet, or fall within certain price ranges.  
For instance, the several lines of cars that **Volvo** produce, or the several lines of athletic shoes **Nike** produce.

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## Branding decisions

- **Branding: product line decisions**
  - **Product line / product line-length decisions**
    - **Product line-length decisions:** product line managers have to decide on product line-length, the number of items in the product line.  
Companies that want to be positioned as **full-line** companies, or who are pursuing high market share and market growth, usually carry longer lines. Whereas companies that are looking for short-term profitability, generally carry shorter lines consisting of a number of selected items.

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## Branding decisions

- **Branding: product line decisions**
  - **Product line / product line-length decisions**
    - As a company starts to add new products to its product lines, costs start to rise, and consequently, the company will have to start planning product line growth more carefully.

A company can systematically increase the length of its product lines in 2 ways: by **line-stretching** and by **line-filling**.

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## Branding decisions

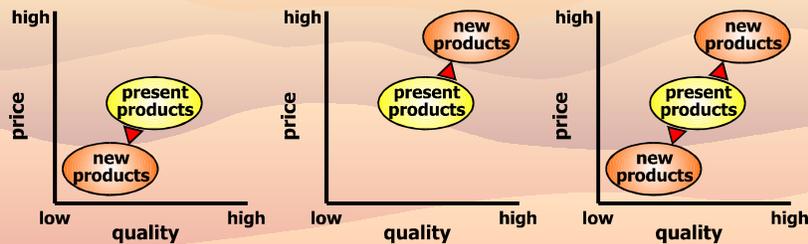
- **Branding: product line decisions**
  - **Product line stretching**
    - **Product line stretching** involves increasing the product line by lengthening it beyond its current range.
    - **Downward stretch:** many companies that have their product lines focussed on the upper end of the market tend to stretch their lines downward (ex.: the high-end fashion brand Giorgio Armani, introducing the lower-end brands Emporio Armani and Armani Exchange).

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions



**DOWNWARD STRETCH**



Armani Exchange  
by Armani

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**UPWARD STRETCH**



Lexus (Toyota)

**TWO-WAY STRETCH**



Holiday Inn hotels

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions

- **Branding: product line decisions**
  - **Product line stretching**
    - **Upward stretch:** in order to add prestige to their current products, some companies may stretch upwards, such as Toyota, when they introduced the Lexus, in order to compete with high end competitors, such as Mercedes-Benz and Cadillac.
    - **Two-way stretch:** companies in the middle range of the market may decide to stretch their lines both ways, such as Holiday Inn has done by setting up their budget Holiday Inn Express and their upscale Crown Plaza's.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions

- **Branding: product line decisions**
  - **Product line-filling decisions**
    - **Product line-filling:** increasing the product line by adding more items within the present range of the line. Companies might decide to fill their product line, in order to **make extra profits**, to **satisfy dealers and customers**, to **utilize excess capacity**, to **become the leading full-line company** or to **fill in product gaps** to keep out competitors. Sony, for example, filled its walkman line by adding waterproof Walkmans, and other Walkmans for specific customer groups.

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## Branding decisions

### ● Branding: other decisions

- firms may also decide to reverse their extensions: **line pruning**, weeding out their range of products or brands, in cases where a certain proliferation has occurred.
- nowadays more and more firms are less focussed on their individual brands, and concentrate more on completeness, durability and consistency, which eventually leads to: *category management*.
- **category management**: concerns the analysis, planning, implementation and evaluation of the firm's marketing activities involving its (or parts of its) ranges of products or brands, or its product groups.

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## Branding decisions

### ● Branding: multibranding

- **Multibranding strategy**:
  - An alternative manufacturer's branding strategy, **multi-branding**, involves giving each product a distinct name. Multibranding is useful when each brand is intended for another market segment. Black & Decker markets its line of tools for the household DIY segment with the Black & Decker name, and uses the DeWalt name for its professional tool line. Disney uses the Miramax and Touchstone Pictures names for adult's films and its Disney name for children's films.

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## Branding decisions

### ● Branding: multibranding

- **Multibranding strategy**:
  - Firms that use the multi-brand approach are likely to create a new brand to differentiate a **new product**. Some companies may feel required to differentiate their new products, and by doing so, creating the best route to signal their identity (**Seiko's flanking brands Pulsar and Lorus**). Offering too many brands can result in a company spreading its resources too thinly. Companies like Unilever, and Procter & Gamble have become concerned that they are having too many brands.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions

- **Branding: range branding**
  - **Range branding strategy:**
    - Some companies develop multiple brands, not for their individual products, but for different families of products. For example: the Japanese electronics manufacturer Matsushita, which has developed separate range names for its audio product families: Technics, National, Panasonic, Quasar. This type of multibranding is called **range branding**.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions

- **Branding: corporate branding**
  - **Corporate branding strategy:**
    - Another type of brand strategy is **corporate branding**, in which the company makes its company name the dominant brand identity across all of its products, as in the case of **Heinz, Mercedes-Benz, Sony and Philips**.
    - Other companies use a **company and individual branding** approach to branding their products, focussing on both the corporate and individual brand names: **Kellogg's** (Corn Flakes, etc.), **Nestlé** (Nescafé, Nespresso, etc.), **Cadbury's**, etc.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions

- **Repositioning brands**
  - **Brand repositioning:**
    - Companies need to periodically review -audit- their brands' strengths and weaknesses. A useful tool for auditing these strengths and weaknesses has been developed by professor **Kevin Lane Keller**: the **Brand Report Card**, in which 10 crucial characteristics of a brand can be reviewed. At some time a company will discover that it might have to reposition the brand in view of **changing consumers preferences** or **new competitors**.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Branding decisions

- **Repositioning brands**

- **Keller's Brand report card:**

- does brand excel at delivering truly desirable benefits?
- does brand stay relevant?
- is pricing strategy based on consumers' value perceptions?
- is brand properly positioned?
- is brand consistent?
- do brand portfolio and hierarchy make sense?
- does brand make use of, and coordinate a full range of marketing activities to build equity (added value)?
- do brand managers understand the brand's value?
- is the brand properly supported, now, in the future?
- does the firm monitor sources of brand equity?

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Packaging aspects

- **Packaging decisions**

- **Packaging:**

- Packaging involves **designing** and **producing the container or wrapper** for a product. The package may include the product's **primary packaging** (the tube holding and protecting tooth paste), the product's **secondary packaging** (the cardboard box containing the tube of tooth paste, and the **shipping package** necessary to store, identify and ship the product (the box carrying dozens of cardboard boxes containing tooth paste).

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Packaging aspects

- **Packaging decisions**

- **Packaging: communication benefits**

- A major benefit of packaging is the **information** on it shown **to the consumer**, such as directions on how to use the product, and its composition, which is needed to satisfy legal requirements regarding product information.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Packaging aspects

- **Packaging decisions**
  - **Packaging: functional benefits**
    - Packaging often plays an important role, when it comes to **convenience, protection, or storage**.  
Packaging involves **protecting** the product, and can also involve protecting consumers from the product itself (for example: tamper-resistant containers for household chemicals).  
  
The **convenience** dimension of packaging is becoming increasingly important.  
For instance: Heinz tomato ketchup which is also being sold in convenient squeeze bottles.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Packaging aspects

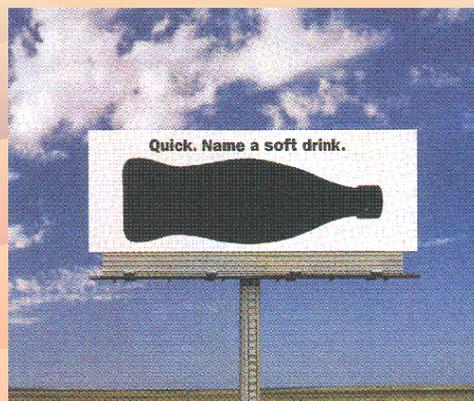
- **Packaging decisions**
  - **Packaging: perceptual benefits**
    - A further component of packaging is the **perception created in the consumer's mind**.  
For example: **Coca-Cola's** re-introduction of their famous pale-green, contoured 8-ounce bottle to attract consumers who remember drinking **Coke** from glass bottles instead of from aluminum cans or large plastic bottles. This action resulted in a worldwide sales increase of 8%.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Packaging aspects



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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Packaging aspects

- **Packaging decisions**
  - **Packaging: global trends**
    - **Environmental sensitivity:**

Because of the increasing worldwide concern about the growth of solid waste, the amount, composition, and disposal of packaging material continues to receive much attention. Therefore recycling packaging material has become a major issue. Many European countries, for instance, have developed specific guidelines concerning the collection and recycling of packaging materials.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Packaging aspects

- **Packaging decisions**
  - **Packaging: global trends**
    - **Health and safety concerns:**

Today, a majority of U.S and European consumers are demanding that companies make sure their products and packages are safe, regardless of the cost, and companies are responding to this in various ways. For instance, child-proof caps on pharmaceutical products and household cleaners, sealed lids on food packages, butane gas lighters with child-resistant safety latches, etc.

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Service decisions

- **Product support services decisions**
  - **Product support service**
    - **Customer service** is also another element of product strategy. A company's product may include some services, which can be a minor or a major part of the total offer.

**Good customer service** is becoming more important. It will cost less than attracting new customers or winning back lost ones. Many companies are now using the Internet to provide customer services that were not possible before (airlines, computer- and printer manufacturers, etc.).

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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product mix decisions

- **Product mix decisions**
  - **Product mix (product assortment)**
    - the set of all product lines and items that a particular seller offers for sale to buyers.
    - A company's product mix has **5 dimensions**:
      - **width**: the amount of product lines / groups
      - **depth**: the number of versions of each product
      - **length**: the total number of items the company carries within its product lines
      - **height**: the averaged price level of the products in the product lines
      - **consistency**: the inter-relationships between the firm's product lines

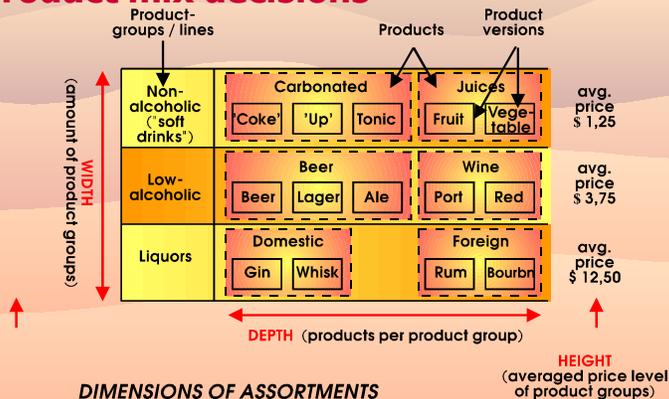
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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product mix decisions

- **Product mix decisions**



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## PRODUCTS, BRANDS, PACKAGING, SERVICE

### Product mix decisions

- **Product mix decisions**
  - **Product mix (product assortment)**
    - Regarding the product mix, a company can **increase its business** in 4 ways:
      - **by widening its product mix**: adding new product lines, based on the current reputation
      - **by lengthening its product lines**: adding more products to its assortment (creating full-line)
      - **by deepening its product mix**: adding more product versions of each product
      - **by pursuing more product line consistency, or less**, in order to build a stronger reputation in one or in several fields

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