

MARKETING MANAGEMENT

12th edition

12

**Setting Product
Strategy**

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Chapter Questions

- What are the characteristics of products and how can they be classified?
- How can companies differentiate products?
- How can a company build and manage its product mix and product lines?
- How can companies combine products to create strong co-brands or ingredient brands?
- How can companies use packaging, labeling, warranties, and guarantees as marketing tools?



Product

Anything that can be offered to a market to satisfy a want or need.



Figure 1 2.2 Five Product Levels

- Core benefit
- Basic product
- Expected product
- Augmented product
- Potential product



Product Classification Schemes

- Durability
- Tangibility
- Use



Durability and Tangibility

- Nondurable goods
- Durable goods
- Services



Consumer Goods Classification

- Convenience
- Shopping
- Specialty
- Unsought



Industrial Goods Classification

- Materials and parts
- Capital items
- Supplies/business services



Product Differentiation

- Product form
- Features
- Performance
- Conformance
- Durability
- Reliability
- Reparability
- Style
- Design
- Ordering ease
- Delivery
- Installation
- Customer training
- Customer consulting
- Maintenance



The Product Hierarchy

- Need family
- Product family
- Product class
- Product line
- Product type
- Item



Product Systems and Mixes

- Product system
- Product mix
- Product assortment
- Depth
- Length
- Width
- Consistency



Product Line Analysis

- Core product
- Staples
- Specialties
- Convenience items



Line Stretching

- Down Market Stretch
- Up-Market Stretch
- Two-Way Stretch



Product–Mix Pricing

- Product–line pricing
- Optional–feature pricing
- Captive–product pricing
- Two–part pricing
- By–product pricing
- Product–bundling pricing



Packaging: The 5th P

All the activities of designing and producing the container for a product.



Packaging has been influenced by:

- Self-service
- Consumer affluence
- Company and brand image
- Innovation opportunity



Functions of Labels

- Identifies
- Grades
- Describes
- Promotes