

PRODUCT, BRANDING, AND PACKAGING DECISIONS

Chapter 7

The Marketing Mix

Product

Price

Promotion

Place/Distribution

Types of Products/Services

Specialty Products and Services

Shopping Products and Services

Convenience Products and Services

Unsought Products and Services

The Value of a Product

Core Customer Value

<u>Product Characteristics</u>	<u>Associated Services</u>
<input type="checkbox"/> Brand Name	<input type="checkbox"/> Financing
<input type="checkbox"/> Packaging	<input type="checkbox"/> Product Warranty
<input type="checkbox"/> Product Quality	<input type="checkbox"/> Product Support
<input type="checkbox"/> Features/Design	

Product Mix and Product Line

<u>Product Mix</u>	<u>Product Lines</u>
<input type="checkbox"/> Complete set of all products offered by the firm	<input type="checkbox"/> Groups of associated products or services



- Dishwashing
- Laundry
- Personal Care
- Pet Care
- Food
- Household Items

Product Mix and Product Line Decisions

Changing Product Mix Breadth



Increase...



Or Decrease?



Product Mix and Product Line Decisions

Changing Product Line Depth

Increase...



Or Decrease?

What is a Brand?

"a name, term, design, symbol, or any other feature that identifies one seller's product as distinct from those of other sellers"

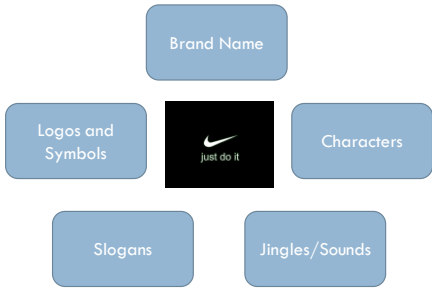


Branding

- Branding and Brand Awareness
 - Helps consumers recognize the product
 - Differentiates the product from competitors
 - Helps the customer infer product characteristics



What Makes a Brand?



The Value of Branding

Brands Facilitate Purchases

Brands Establish Loyalty

Brands Protect from Competition



The Value of Branding

Brands Reduce Marketing Costs

Brands are Assets

Brands Impact Firm Value



Brand Equity

- The set of assets and liabilities linked to a brand that add or subtract from the value of the product/service
- Brand Equity is determined by several different aspects
 - Increased Awareness
 - Perceived Value
 - Brand Loyalty

Brand Awareness

- The more familiar customers are with a brand, the more likely they are to purchase



Perceived Value

- The relationship between a product or service's benefits and its cost
- Both low and high cost goods can provide a high perceived value



Brand Loyalty

- Occurs when the customer purchases the same brand repeatedly



**DO
MORE
with
LESS.**



Branding Strategies

Manufacturer Brands

- Owned and managed by the manufacturer
- Manufacturers retain more control over their marketing strategy



Branding Strategies

Private-Label Brands

- Brands developed by retailers
- Can be produced either by the retailer or a manufacturer
- Four categories of private labels
 - Premium Brands
 - Generic Brands
 - Copycat Brands
 - Exclusive Co-Brands



Naming Brands and Product Lines

Family vs. Individual Brands



Naming Brands and Product Lines

Brand Extensions

- When a company leverages its brand name to create a new product



Naming Brands and Product Lines

Line Extensions

- When a company introduces a revised or slightly different version of an existing product



Naming Brands and Product Lines

Brand Dilution

- Occurs when the brand extension adversely affects perceptions of the core brand



Co-Branding

- Marketing two or more brands together on the same product, package, or promotion
- Co-branding is designed to appeal to multiple target markets
- Risks of Co-branding



Brand Licensing

- A contractual agreement where one firm allows another firm to use its brand name and logo in exchange for a fee
- Effective for increasing visibility
- Risks overexposure and poor product quality



Rebranding



Product Packaging

Roles of Product Packaging



Attracts attention



Offers a promotional tool



Allows for product segmentation



Provides useful information

Environmentally Friendly Packaging



Packaging Conveys Product Attributes



The Influence of Packaging on Consumption



Product Labeling