

VIVEKANANDA COLLEGE

THAKURPUKUR, KOLKATA-700063

NAAC ACCREDITED 'A' GRADE



Topic: PRODUCT

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CONCEPT OF PRODUCT – KOTLER AND ARMSTRONG (2004) defined product as –
“Product is anything that can be offered to the market for attention, acquisition, use or consumption that might satisfy want or need. “

Product may be tangible or intangible (service).

IMPORTANCE OF PRODUCT

- 1) Prime element of marketing mix.
- 2) Satisfies want of the buyer.
- 3) Improves the image and goodwill.
- 4) Tool of promotion.
- 5) Tool of competition.
- 6) Ensures sales and profit.

CONCEPT OF SERVICE – KOTLER AND ARMSTRONG (2004) defined service as –
“services as any activity or benefit that one party can offer to another that is essentially intangible and does not result in ownership of anything.” Ex- hotel , airline , car rentals , banking etc.

CHARACTERISTICS OF SERVICE

- 1) Intangible- no physical form.
- 2) Ownership cannot be transferred.
- 3) Value or utility is derived from consumption or experience.
- 4) Quality to be evaluated post consumption or experience.
- 5) Inseparable- cannot be separated from provider whether machine or man.
- 6) Variability – quality of service vary(heterogeneity).Ex- service provided by two different employees in the same hotel will be different.
- 7) Perishable- service cannot be stored.

PRODUCT CLASSIFICATION

- 1) **Convenience products** – low priced products that customers buys frequently without much planning and with minimum comparison and buying effort. Ex- fast moving

consumer goods (FMCG) like soap , toothpaste, rice , wheat flour , sugar , milk ,salt etc.

- 2) **Shopping products** – high priced in comparison to convenience products, less frequently purchased , customer spends much time and effort in gathering information about the product and purchases after careful consideration. Ex- television, computers , air conditioners , cars , furniture , airline service , tourism service, sports equipments etc.
- 3) **Specialty products** – high priced branded products and services with unique features. Ex – designer clothes, high end cars , exotic perfumes , famous paintings etc.
- 4) **Unsought Products** – are the products the consumer either does not know about or knows about but does not normally think of buying. Purchase of these products arises due to danger. Ex- funeral service, encyclopedias, fire extinguishers, completely new innovative products etc.
- 5) **Industrial products** – products purchased for further processing purpose. Ex – AC purchased by hotels for providing further service.
- 6) **Consumer products** – products purchased for consumption purpose. Ex- AC purchased by an individual consumer for consumption.

MARKETING MIX

Set of marketing tools used by the firms to pursue its marketing objectives in the target market. The term marketing mix centers around 4P's Product, Price, Place, Promotion. Additional 3P's (service) are People, Process, Physical Evidence.

PRODUCT MIX/PRODUCT PORTFOLIO

Denotes the complete range of all products offered for sale by a company.

Product Line is a group of related products all marketed under a single brand name.

The four dimension of product mix are as follows –

WIDTH – refers to the different product lines that a co. carries.

LENGTH -refers to the total number of product or brands in each product line.

DEPTH – refers to the number of variations per item of the product line.

CONSISTENCY- refers to how closely the various product lines are related.

Beauty Products	Personal Care	Food and Beverages	Home Care
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2 brands of moisturizers 2 brands of lipsticks 2 brands of nail polish	3 brands of shampoos 4 brands of hair oil 2 brands of toothpaste	1 brand of Jams 1 brand of Fruit juice	2 Brands of laundry soaps 4 brands of detergent powder
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Product line – beauty products ,personal care , foods and beverages , home care.

Product Width – 4

Product Length – under beauty products -6(2+2+2)

under personal care – 9(3+4+2)

under food and beverages – 2(1+1)

under home care – 6 (4+2)

Product Depth – suppose 3 brands of shampoos are available in five versions- oily hair, dry hair, normal hair, hair fall control, dandruff control.

LENGTHENING – adding of newer items or brands in the product line. This can happen in two ways-

LINE STRETCHING – addition of newer brands or products. Two types of stretching are there –

Upward – when a marketer goes to premium brands or products.

Downward- when marketer goes to launch low priced products. Ex – Tata came with Nano cars.

LINE FILLING – CO. deepens the product mix by adding more versions to each product to make the co. a full line co. Ex- Tanishqs MIA collection (workwear), Rivaah collection (wedding).

PRODUCT LIFE CYCLE – refers to the various stages in the life of a successful product.

Stage-1 Product Planning and Development- marketers engaged in several surveys , research and development to give the product a final shape .This stage is concered with heavy investment and no corresponding sales.

Stage-2 Introduction- one of the most important stage because the life span of the product depends on the success of this stage. Heavy promotional thrust required to make the audience aware and informed about the availability of the product. The buyers and consumers at this stage are known as innovators.

Stage-3 Market growth stage- sales start growing at a very fast rate. Since goodwill established less promotional thrust required. Heavy investment in Research and Development to make the product more competitive. The buyers and consumers at this stage are known as early adopters and early majority.

Stage-4 Maturity stage- product enters in to a turbulent weather dominate by large no. of competitors. Growth in sales slows down due to the entry of more cost effective products. Heavy promotion required to elongate the life span. Marketers either decide to introduce a new product in order to phase out the saturated product or to make some addition in its features to be able to compete with competitors. The buyers at this stage are known as late majority.

Stage-5 Decline stage- marketers decide to phase out the product and product enters in to the decline stage once it reaches saturation. Marketer adopts divestment strategy and tries to recover whatever he can from the market. Promotion is hardly done at this stage.

NEW PRODUCT DEVELOPMENT

Idea generation – ideas about how needs to be satisfied.

Idea screening – not all ideas are feasible so idea screening is done to filter out those ideas that can be converted in to a tangible form.

Concept development – the product idea is converted or shaped in to a product concept- what the peoposed product will do, how it will look like, what features it will carry etc.

Concept testing – the product concept is tested whether the prospective consumer will understand the product idea , whether they need such a product etc.

Feasibility study – calculation of financial and marketing implications of the product- what will be the demand, what will be the sale, whether it will contribute to the profit of the co. etc.

Product development – giving a tangible form to the product idea.

Product testing – testing the efficiency of the product.

Market festing – new product is tried out in selected market segments before going to full scale commercialization. Its a risk control tool.

BRANDING

Branding means giving a separate identity to a product by adding symbols , trademarks. It is an important tool of product differentiation.

TYPES OF BRANDING

Individual branding- separate brand name for each product. Ex- coca-cola , sprite etc.

Family branding / Umbrella branding – one brand name for group of products. Ex- ponds face wash , talcum powder , age miracle , cold cream., Godrej almirah , refrigerator , hair dye.

Multiple branding – different brands in each of its product category. Ex- HUL has a number of soap brands like LUX , LIFE BUOY , BREEZE etc.

PACKAGING

It is an act of protecting the products for distribution , storage, sale and use.

TYPES OF PACKAGING

PRIMARY – required to hold the products. Ex- toothpase tubes , jam containers etc.

SECONDARY - outer wrapper that performs the function of sales promotion by displaying the brand name, features, price and quantity. Ex – outer wrapper of tooth paste tubes.

TRANSPORTATION – cartons that facilitates transportation and avoids damages in transit.

LABELLING

Label is that part of the product which carries verbal information about the product , seller , manufacturer.

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