



PRODUCT

# Difference between consumer goods and industrial goods

Industrial goods	Consumer goods
Used by producers	Used by final consumers
Demand is derived from consumer goods	Direct or primary demand
Available for further production	Available for final consumption
Volume of purchase is high	Volume of purchase is low
Channel of distribution is short	Channel of distribution is long
Advertising and sales promotion play a minor role	Advertising and sales promotion play a major role
Low number of buyers	Large number of buyers
Require further processing before consumption	Ready for consumption.no further processing is required.

# Branding

# Meaning

- ▶ Naming a product for its identification and distinction
- ▶ Giving a name to the product by which it should become known and familiar among public

# Terms used in branding

**Brand** as “A name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers.





Brand



Brand name



Brand mark

# Brand mark



# Brand name

Nike Brand Mark



Nike Logo





# Trade mark

- ▶ A legal term
- ▶ When a brand name or brand mark is registered and legalised it becomes a trade mark
- ▶ Registered brands are trade marks

# Difference between brand and trade mark

Brand	Trade mark
Name, symbol, design or combination	Registered brand
Can be copied	Cannot be copied
Limited scope	Wide scope
All brands are not trade marks	All trademarks are brands
Generally a symbol of the quality of the product	Symbol of its company

# Elements of a brand

## ▶ Name

- Dove.
- Olay.
- Twix.
- Pepsi.
- Nike.
- Reebok.
- Google.
- Apple.

# Logo

The golden arches.



The Apple logo



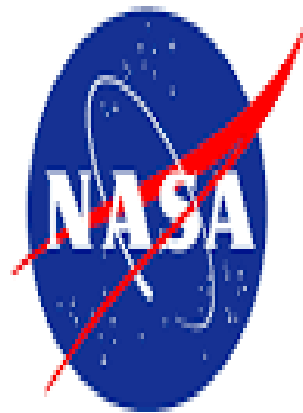
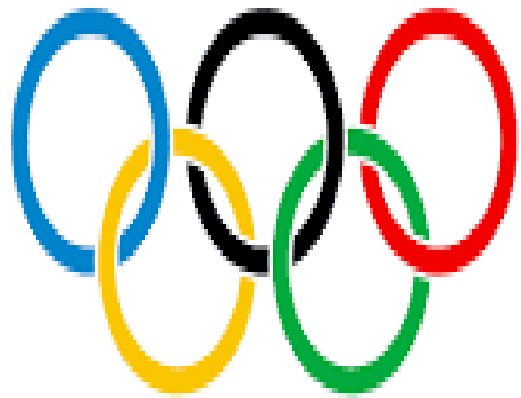
simple bird in blue with no wordmark.



# Tagline

- Nike – “Just Do it”
- Apple – “Think Different”
- L'Oreal – “Because you're worth it”
- KFC – “It's finger lickin' good”
- Coca-Cola – “Open Happiness”

# Shapes



# Brand faces



# Graphics

Set of graphic elements that constitute the visual appearance of a brand. There are three types of graphic marks



# Colour



# Sounds



# Movements ,smell, taste

Lamborghini



KFC



# Characteristics of good brand

- ▶ Simple and easy to pronounce
- ▶ Memorable
- ▶ Attractiveness
- ▶ It should provide necessary suggestions about the products benefits
- ▶ Appropriate and suitable to the product
- ▶ Suggest some product quality
- ▶ Illustrative and distinctive from other brands
- ▶ Not to be outdated

# Types of brands

Manufacturer brand

Private distributor brand (dealer brand)

Generic brand

Family brand

Individual brand

Co-brand

Licensed brand

# Advantages or importance of branding

- ▶ Advantages to manufacturers
- ▶ Advantages to consumers
- ▶ Advantages to distributors

# Limitations

- ▶ Expensive
- ▶ Not easy to build up brand reputation and loyalty
- ▶ Brand loyalty discourage a person from trying another product
- ▶ Do not assure good quality
- ▶ Leads to monopoly
- ▶ Consumer may get confused
- ▶ Promotes unfair competition
- ▶ Priced higher than unbranded goods

# Difference between product and brand

Product	Brands
Made by company	Made by customers
Made In factory	Built through customer perception, expectation
Can be copied	Cannot be copied
Can become obsolete	Can be timeless
Instantly useful to customers	Meaningless and useless until customers have a chance to experience it
Perform a function	Offer an emotion
Customers don't fall in love with product	Customers fall in love with brand
Fulfil need	Fulfil want



# Brand equity

- ▶ Added value with which a given brand endows a product
- ▶ Value associated with a brand
- ▶ Intangible asset
- ▶ Marketing and financial value associated with a brands strength in the market

# Elements of brand equity

- ▶ Brand awareness
- ▶ Perceived value/quality
- ▶ Brand association
- ▶ Brand loyalty

# Advantages of brand equity

- ▶ Advantages to marketer
- ▶ Advantages to customer

# product and service differentiation

- ▶ Act of designing a set of meaningful differences to distinguish the company's offer from competitors offer.
- ▶ Itismadebyusingtrademark,packaging,braname,labelling,quality,design,c  
olour etc

# Product and service differentiation

- ▶ Act of designing a set of meaningful differences to distinguish the company's offer from competitors offer
- ▶ Product differentiation word was proposed by Edward Chamberlin in 1933

## Importance

- ▶ Attract customer attention
- ▶ To identify product
- ▶ To build competitive advantage

# Types of product differentiation

Vertical differentiation

Horizontal differentiation

Mixed differentiation

# Methods or ways of product or service differentiation

Benefits

Design

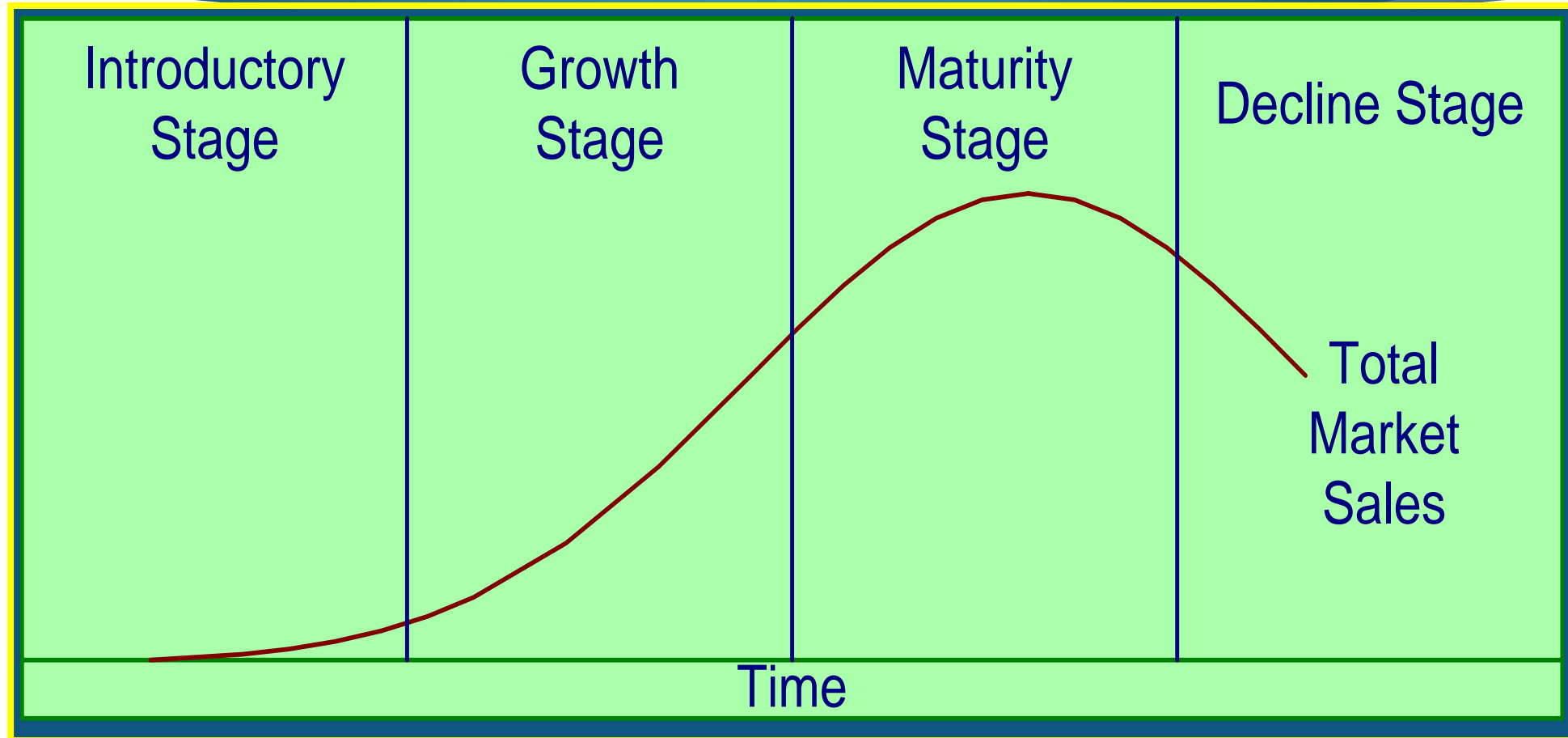
Price

Quality

Customer  
service

Availability

# The Product Life Cycle





# The Product Life Cycle Concept is Based on Four Premises

**Products have a limited life.**

**Profits from a product vary at different stages in the life cycle.**

**Product sales pass through distinct stages, each with different marketing implications.**

**Products require different strategies at different life cycle stages.**

# PLC Marketing Strategies

Stage	Objective	Marketing Strategy
Introduction	Awareness & trial	Communicate benefits
Growth	Usage of firm's brand	Specific brand communication, lower prices, expand distribution
Maturity	Maintain market share Extend life cycle	Sales promotion, drop price, expand distribution, new uses & new versions of product
Decline	Decide what to do with product	Maintain, harvest, or divest

	Introduction	Growth	Maturity	Decline
<b>Characteristics</b>				
<b>Sales</b>	Low sales	Rapidly rising sales	Peak sales	Declining sales
<b>Costs</b>	High cost per customer	Average cost per customer	Low cost per customer	Low cost per customer
<b>Profits</b>	Negative	Rising profits	High profits	Declining profits
<b>Customers</b>	Innovators	Early adopters	Middle majority	Laggards
<b>Competitors</b>	Few	Growing number	Stable number beginning to decline	Declining number
<b>Strategies</b>				
<b>Product</b>	Offer a basic product	Offer product extensions, service, warranty	Diversify brand and models	Phase out weak items
<b>Price</b>	Use cost-plus	Price to penetrate market	Price to match or beat competitors	Cut price
<b>Distribution</b>	Build selective distribution	Build intensive distribution	Build more intensive distribution	Go selective: phase out unprofitable outlets
<b>Advertising</b>	Build product awareness among early adopters and innovators	Build awareness and interest in the mass market	Stress brand differences and benefits	Reduce to level needed to retain most loyal customers
<b>Sales Promotion</b>	Use heavy sales promotion to entice trial	Reduce to take advantage of heavy consumer demand	Increase to encourage brand switching	Reduce to minimal level

# Warranties and guarantees

Warranty is defined as an assurance given by the manufacturer or seller to the buyer that the specified facts about the product are true. It is a collateral condition to the main objective of the contract. It specifies that the particular product is up to the standard, i.e. quality, fitness and performance. It applies to tangible objects like machines, electronic equipment etc.

## Types of warranty

Express warranty

Implied warranty

# Guarantee

The guarantee is defined as the promise for the after-sales performance of the product or service. It expresses that the manufacturer has given promise regarding the content, quality or performance of the product and in case, the obligation is not fulfilled then the manufacturer will replace or repair the product or the money paid as consideration will be refunded. Although, it is valid up to a fixed time only. Guarantee adds to the rights of the consumer

Basis for Comparison	Guarantee	Warranty
Meaning	The guarantee serves as a promise made by the manufacturer, to the buyer, that in case the product below quality, it will be repaired, replaced or the money deposited will be refunded.	Warranty is a written assurance that the facts specified in the product is true and genuine, but if they are not it will be repaired or replaced.
What is it?	Commitment	Assurance
Applicable to	Product, service and persons.	Product only.
Condition of sale	May or may not be a condition of sale	Subsidiary condition of sale, which may be expressed or implied.

Basis for Comparison	Guarantee	Warranty
Validity	It can either be oral or written.	It is generally written and so it is easy to prove.
Cost	Free of cost	The buyer has to pay for warranty.
Term	Varies from item to item	Long term
Money back (in case of default)	Yes	No
As a condition of sale	May or may not be a condition	Subsidiary condition of sale
includes	Includes repairs, replacement, or money back	Covers only repairs
Seen in	More in manufacturing	More in distribution and reselling parts