MARKETING MANAGEMENT

UNIT-2

PART-II

Product decisions

A product is a definitive element of 'marketing planning' and hence decisions related to products are most important for any organisation. Decisions taken to deal with organisational products are called product decisions. Product decisions may vary from minor changes made in the packaging (like altering the tag or colour of the pack) to significant business diversifications (attained through merger/acquisition or R&D). The starting point of marketing process of any organisation is the decision about product, which it wants to cater to the target customers. Apart from fulfilling the needs and wants of the consumers, a product is also an essential factor which acts as the source of profit for the organisation. Both for-profit and non-profit organisations use their respective products differently. For-profit organisations sell their products to earn profits and to meet the stakeholders' requirements, whereas, non-profit organisations use their products for self-sustenance. In order to earn favourable outcomes in the long run, a marketing organisation needs a professionally designed product strategy, developed in accordance with the target market. The various kinds of product decisions are :

Major Product decisions:

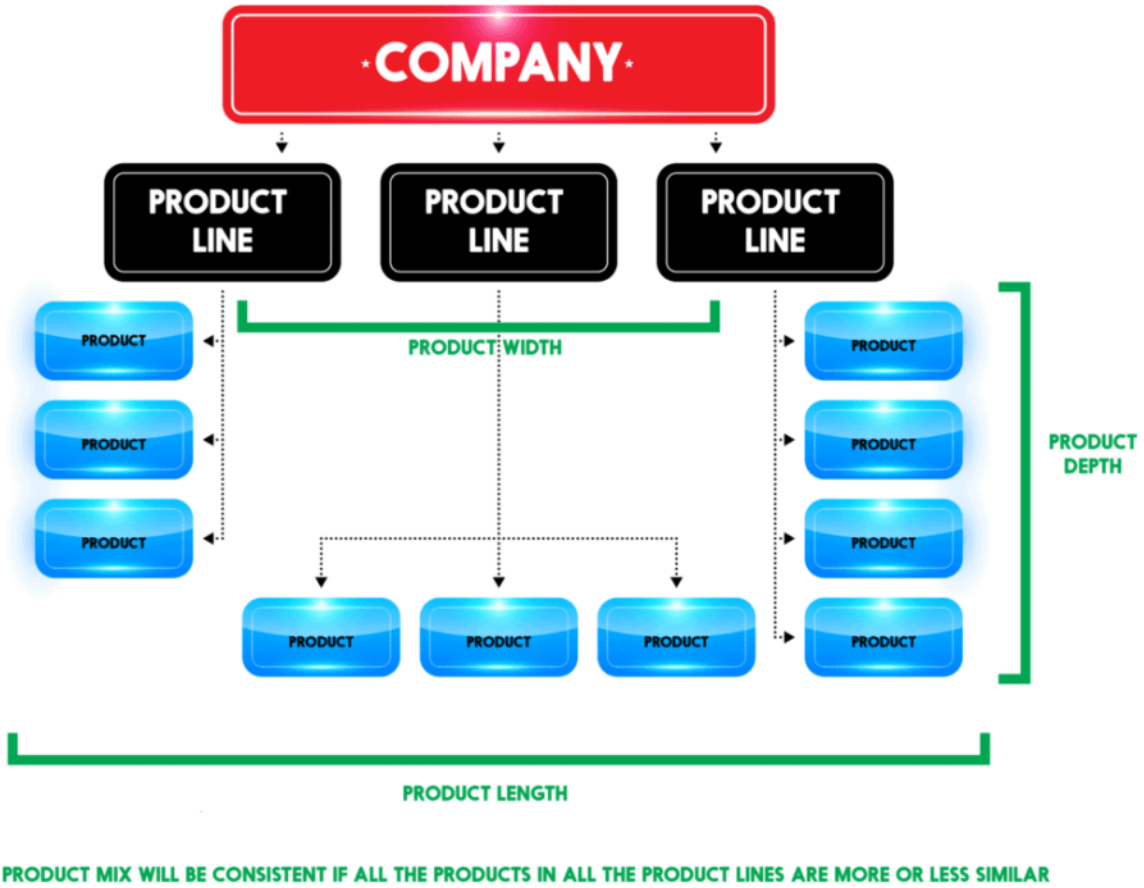
- Product line
- Product mix
- Branding
- Packaging
- Labelling

Product line: Definition and examples

A product line is a group of products that a company creates under a single brand. The products are similar and focus on the same market sector. Maybe their function or channel distribution are the same or similar. Perhaps their physical attributes, prices, quality, or type of customers are the same. We call the activity product lining.

A company can have more than one product line. The number of product lines it has reflects its resources, i.e., how powerful it is.

Product line numbers might also show the other players in the marketplace how competitive the company is. In this context, the term ‘marketplace’ means the same as ‘market’ in its abstract sense.



Competitive advantage

Marketing executives believe that product lines give companies a competitive advantage. When a business has a competitive advantage, it has an edge over its rivals.

When a company has many product lines and groups them together, it creates a product mix.

Collins Dictionary has the following definition of the term:

“A product line is a group of related products produced by one manufacturer. For example, products that are intended to be used for similar purposes or to be sold in similar types of shops.”

Product line – marketing

Product lines are often part of a marketing strategy. Companies keep adding more products to attract buyers. Specifically, they want to attract buyers who are familiar with the brand.

A marketing strategy exists when you combine all your marketing goals and objectives into one comprehensive plan.

Product-mix Width & Product-Line Length for Hindustan Lever Products

	Product-Mix Width				
	Bath Soaps	**Fabric Wash**	**Beverages**	**Toothpastes**	**Cosmetics**
Product-Line Length	Dove	Surf	Bru		
	Liril	Rin	Red Label		
	Le Sancy	Wheel	Green Label		
	Pears	Sunlight	3 Roses		
	Rexona	Ala	Taaza		
	Lifebuoy	501	Deepam		
	Hamam		Taj Mahal		
	Breeze		Super Dust		
	Jai		Ruby Dust		
	Moti		A 1		

For example, a company that has a product line in grooming and hair care might add a new line in personal care. A company that makes telecommunications software may introduce a new app for tracking a cell phone. Customers who already know the brand will be more willing to buy from their new line.

In most companies, the Product Line Manager supervises a product line. This person is in charge of determining what stays and what goes. In other words, which products to get rid of and which ones to add to the range.

Let's imagine, for example, that John Doe Inc. seeks to reach out to new customers. It may add more items to the line. We call this product line extension.

Let's suppose John Doe Inc. produces cookies. It may want to reach out to new customers, so it adds sugar-free cookies to its line of products. It aims these new cookies at consumers with diabetes.

By doing this, John Doe Inc. will be extending its reach.

Procter & Gamble (P&G) is a good example of a company with several product lines. It has approximately 300 brands within its ten different product lines.

P&G has product lines in Baby Care, Family Care, Feminine Care, Fabric Care, Home Care, and Hair Care. It also has product lines in Personal Health Care, Grooming, Oral Care, and Skin and Personal Care.