



Smart Island University
Unlocking Treasures Of Knowledge

DIGITAL MARKETING

Topic 4

Product, Services, and Branding Strategy

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Product, Services, and Branding Strategy

Topic Outline

- Product, Services, and Experiences
- Product and Services Decisions
- Services Marketing
- Branding Strategy: Building Strong Brands





What Is a Product?

Products, Services, and Experience

Product is anything that can be offered in a market for attention, acquisition, use, or consumption that might satisfy a need or want

Service is a product that consists of activities, benefits or satisfaction that is essentially intangible and does not result in the ownership of anything





What Is a Product?

Products, Services, and Experiences

Experiences represent what buying the product or service will do for the customer.

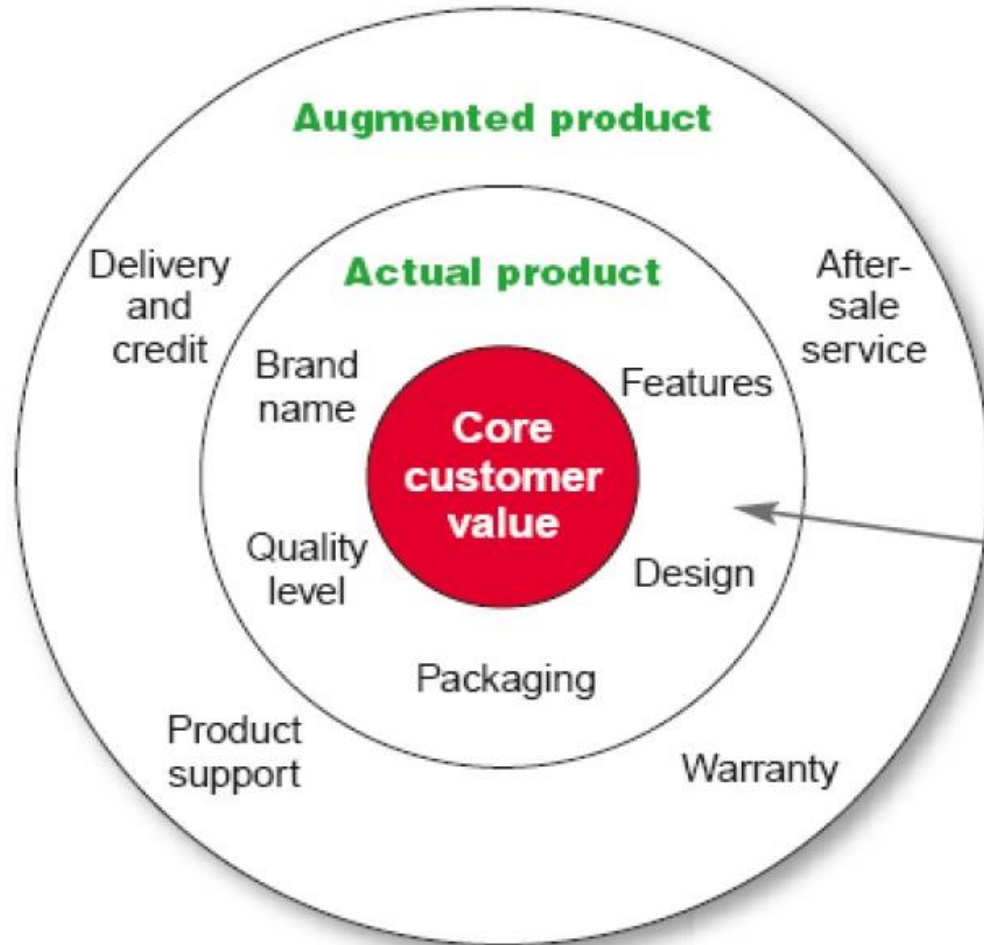
Companies may now focus on creating and managing customer experiences with their brands or company.





What Is a Product?

Levels of Product and Services



At the most basic level, the company asks, "What is the customer really buying?" For example, people who buy a BlackBerry are buying more than a wireless communications device. They are buying freedom and on-the-go connectivity. Each additional product level helps to build this core value.





What Is a Product?

Product and Service Classifications

Consumer
products

Industrial
products





What Is a Product?

Product and Service Classifications

- **Consumer products** are products and services for personal consumption
- **Classified** by how consumers buy them
 - Convenience products
 - Shopping products
 - Specialty products
 - Unsought products





What Is a Product?

Product and Service Classifications

Convenience products

consumer products and services that the customer usually buys frequently, immediately, and with a minimum comparison and buying effort

- Newspapers
- Candy
- Fast food





What Is a Product?

Product and Service Classifications

Shopping products

consumer products and services that the customer compares carefully on suitability, quality, price, and style

- Furniture
- Cars
- Appliances





What Is a Product?

Product and Service Classifications

Specialty products

consumer products and services with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort

- Medical services
- Designer clothes
- High-end electronics





What Is a Product?

Product and Service Classifications



Unsought products

consumer products that the consumer does not know about or knows about but does not normally think of buying

- Life insurance
- Funeral services
- Blood donations



What Is a Product?

Product and Service Classifications

● TABLE | 8.1 Marketing Considerations for Consumer Products

Marketing Considerations	Type of Consumer Product			
	Convenience	Shopping	Specialty	Unsought
Customer buying behavior	Frequent purchase; little planning, little comparison or shopping effort; low customer involvement	Less frequent purchase; much planning and shopping effort; comparison of brands on price, quality, and style	Strong brand preference and loyalty; special purchase effort; little comparison of brands; low price sensitivity	Little product awareness; knowledge (or, if aware, little or even negative interest)
Price	Low price	Higher price	High price	Varies
Distribution	Widespread distribution; convenient locations	Selective distribution in fewer outlets	Exclusive distribution in only one or a few outlets per market area	Varies
Promotion	Mass promotion by the producer	Advertising and personal selling by both the producer and resellers	More carefully targeted promotion by both the producer and resellers	Aggressive advertising and personal selling by the producer and resellers
Examples	Toothpaste, magazines, and laundry detergent	Major appliances, televisions, furniture, and clothing	Luxury goods, such as Rolex watches or fine crystal	Life insurance and Red Cross blood donations



What Is a Product?

Product and Service Classifications

Industrial products

products purchased for further processing or for use in conducting a business

- Classified by the purpose for which the product is purchased
 - Materials and parts
 - Capital items
 - Supplies and services





What Is a Product?

Product and Service Classifications

Materials and parts include raw materials and manufactured materials and parts usually sold directly to industrial users

Capital items are industrial products that aid in the buyer's production or operations

Supplies and services include operating supplies, repair and maintenance items, and business services





What Is a Product?

Organizations, Persons, Places, and Ideas

Organization marketing consists of activities undertaken to create, maintain, or change attitudes and behavior of target consumers toward an organization.





What Is a Product?

Organizations, Persons, Places, and Ideas

Person marketing consists of activities undertaken to create, maintain, or change attitudes and behavior of target consumers toward particular people





What Is a Product

Organizations, Persons, Places, and Ideas

Place marketing consists of activities undertaken to create, maintain, or change attitudes and behavior of target consumers toward particular places

Social marketing is the use of commercial marketing concepts and tools in programs designed to influence individuals' behavior to improve their well-being and that of society





Product and Service Decisions

Individual Product and Service Decisions





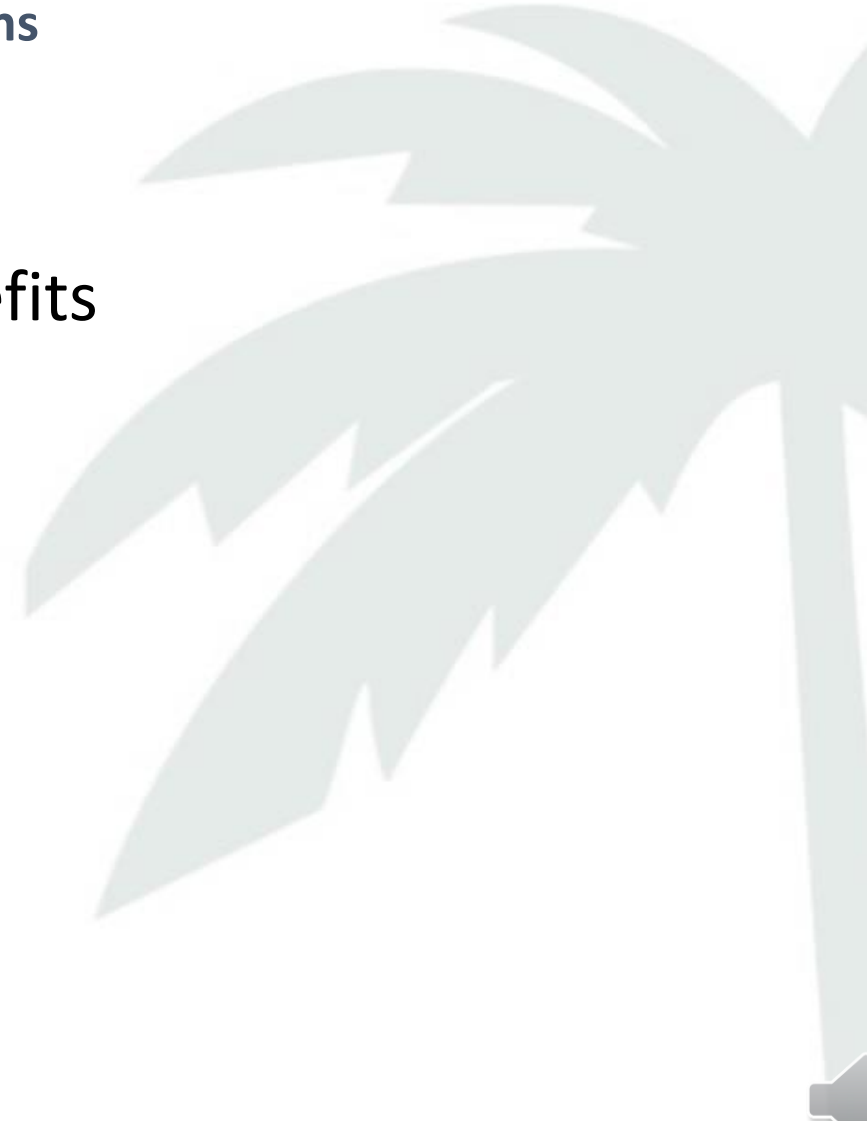
Product and Service Decisions

Individual Product and Service Decisions

Product or service attributes

communicate and deliver the benefits

- Quality
- Features
- Style and design





Product and Service Decisions

Individual Product and Service Decisions

Quality

- **Total quality management (TQM)** is the continual process of detecting and reducing or eliminating errors in manufacturing
- **Product Quality Level** is the level of quality that supports the product's positioning
- **Product Conformance Quality** is the product's freedom from defects and consistency in delivering a targeted level of performance



Product and Service Decisions

Individual Product and Service Decisions

Product features

- are a competitive tool for differentiating a product from competitors' products
- are assessed based on the value to the customer versus the cost to the company





Product and Service Decisions

Individual Product and Service Decisions

We've remodeled the most important parts of your kitchen.

We've remodeled the peeler. We've remodeled the garlic press, the can opener and the wooden spoon. And we didn't stop there. Any kitchen tools that weren't comfortable or easy to use were fair game. The idea isn't to make the old tools

obsolete, it's to make them better. If we can't make them better, we don't make them at all. Pick up OXO Good Grips® and you'll feel what we mean. They're easy to hold, easy to use and easy to love. In fact, they might just change the way you feel about your kitchen.

OXO GOODGRIPS
For information call 1-800-545-4411

Style describes the appearance of the product

Design contributes to a product's usefulness as well as to its looks





Product and Service Decisions

Individual Product and Service Decisions

Branding

Brand is the name, term, sign, or design—or a combination of these—that identifies the maker or seller of a product or service

Product = body

Brand = soul

A brand symbol as” anything that leaves a mental picture of the brand’*n* identity





Product and Service Decisions

Individual Product and Service Decisions

Branding -Advantages

- Advantages to buyers:

- Eases product identification
- Simplifies the purchase process
- Signal of quality
- "Repository of Trust"

- Advantages to sellers:

- Drive loyalty to company and its products
- Provides legal protection
- Helps segment markets (i.e. "Branded Variants"





Product and Service Decisions

Individual Product and Service Decisions

Packaging involves designing and producing the container or wrapper for a product

Container, wrapper or "external face" for a product.

- **Good packages**
 - Easy recognition
 - market the brand effectively
 - protect the internal elements
 - are responsive to local environmental and social concerns





Product and Service Decisions

Individual Product and Service Decisions

Labels identify the product or brand, describe attributes, and provide promotion

- Printed information appearing on or with the package.
- **Performs several functions:**
 - * Identifies or reinforces identification of product/brand
- Provides "valuable" information about product contents or ingredients
- Co-promotes the product along with packaging

Nutrition Facts			
Serving Size 1 cup (227g)			
Servings Per Container			
Amount Per Serving			
Calories 250			
Total Fat 12g			
Saturated Fat 3g			
Trans Fat 1.5g			
Cholesterol 30mg			
Sodium 470mg			
Total Carbohydrate 31g			
Dietary Fiber 0g			
Sugars 5g			
Protein 5g			
Vitamin A 4%			
Vitamin C 2%			
Calcium 20%			
Iron 4%			
* Percent Daily Values are based on a diet of 2,000 calories. Your Daily Values may be higher or lower depending on your calorie needs.			
	Calories	2,000	2,500
Total Fat	Less than	65g	80g
Sat Fat	Less than	20g	25g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mg	2,400mg
Total Carbohydrate		300g	375g
Dietary Fiber		25g	30g

Appearing on product labels between now and January 2006

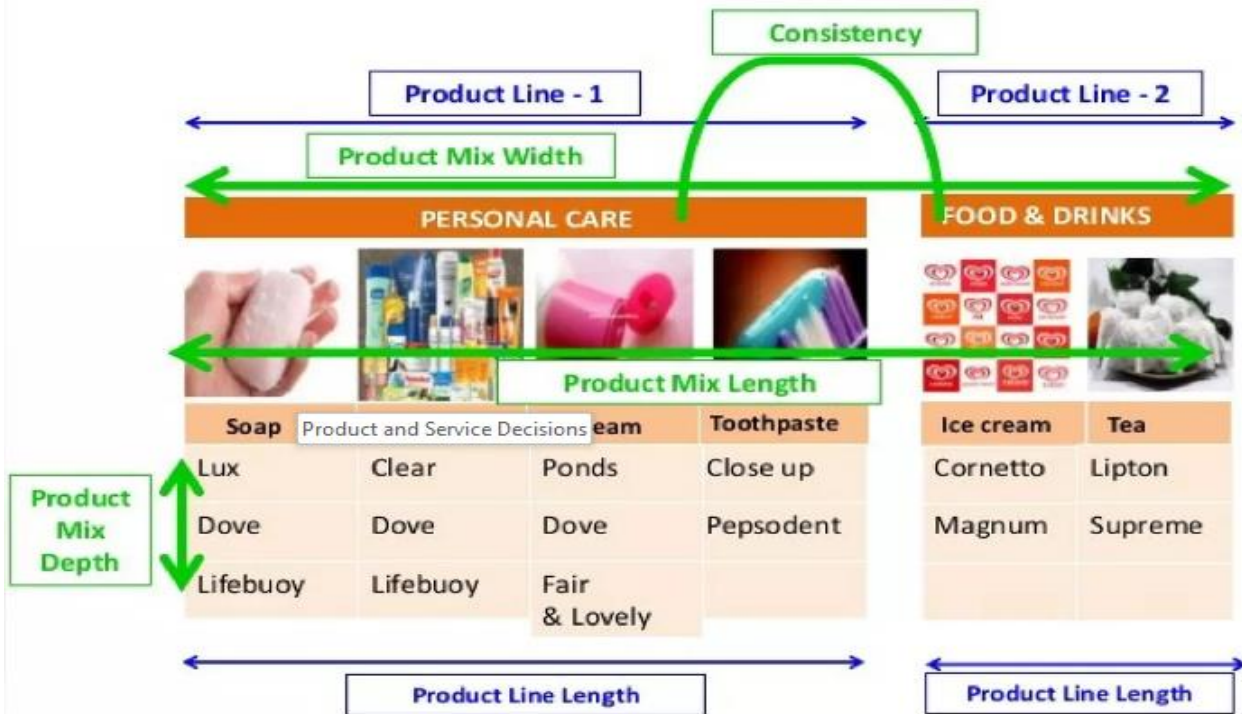




Product and Service Decisions

Individual Product and Service Decisions

Product support services augment actual products





Product and Service Decisions

Product Line Decisions

Product line is a group of products that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed through the same types of outlets, or fall within given price ranges





Product and Service Decisions

Product Line Decisions

Product line length is the number of items in the product line

- **Product** filling
- Line **line** stretching

Downward

Upward

Both directions



Product and Service Decisions

Product Mix Decisions

- **Product mix:** consists of all the products and items that a particular seller offers for sale
- **Product mix decisions:**
 - **Product Mix Length:** the number of items in a line.
 - **Product Mix Width:** the number of different product lines the company carries. (i.e. Metro has toys, food, Electronics, clothes, etc.)
 - **Product Mix Depth:** the number of versions offered of each product in the line. (2 or 3 different sizes)
 - **Consistency** - of different products





Product and Service Decisions

Brand Loyalty & Brand Equity

- **Brand loyalty**: is an outcome of brand equity, but not the only one

Brand Equity

- **Definition**: The positive effect that knowing the brand name has on consumer response to the product.
- **Definition** :is a broader concept that encompasses the overall strength and value of a brand
- Psychological Value
- Financial Value

• The Link between Brand Loyalty & Brand Equity

- . Brand equity is a broader concept that encompasses the overall strength and value of a brand, while brand loyalty is a specific aspect of customer behavior and attitude. Brand loyalty can contribute to brand equity, but not guarantee it



Product and Service Decisions

Brand Loyalty & Brand Equity

- **Branding Strategy: Building Strong Brands**

Brand represents the consumer's perceptions and feelings about a product and its performance. It is the company's promise to deliver a specific set of features, benefits, services, and experiences consistently to the buyers



Fig 8.3 Major Brand Strategy Decisions



Branding Strategy: Building Strong Brands

Brand Positioning

Brand strategy decisions include:

- Product attributes
- Product benefits
- Product beliefs and values



Product and Service Decisions

Brand Name selection

- **Good Brand Names:**

1. Straight forwardly suggest the product's benefits and qualities.
2. Are easy to spell, pronounce, recognize, and remember.
3. Are distinctive and memorable.
4. Are extendable into different product lines (i.e. facilitate brand extensions).
5. Translate easily into foreign languages.
6. Provide the maximum legal protection from infringement.





Branding Strategy: Building Strong Brands

Brand Sponsorship

Manufacturer's brand

Private brand

Licensed brand

Co-brand





Branding Strategy: Building Strong Brands

Brand Development Strategies

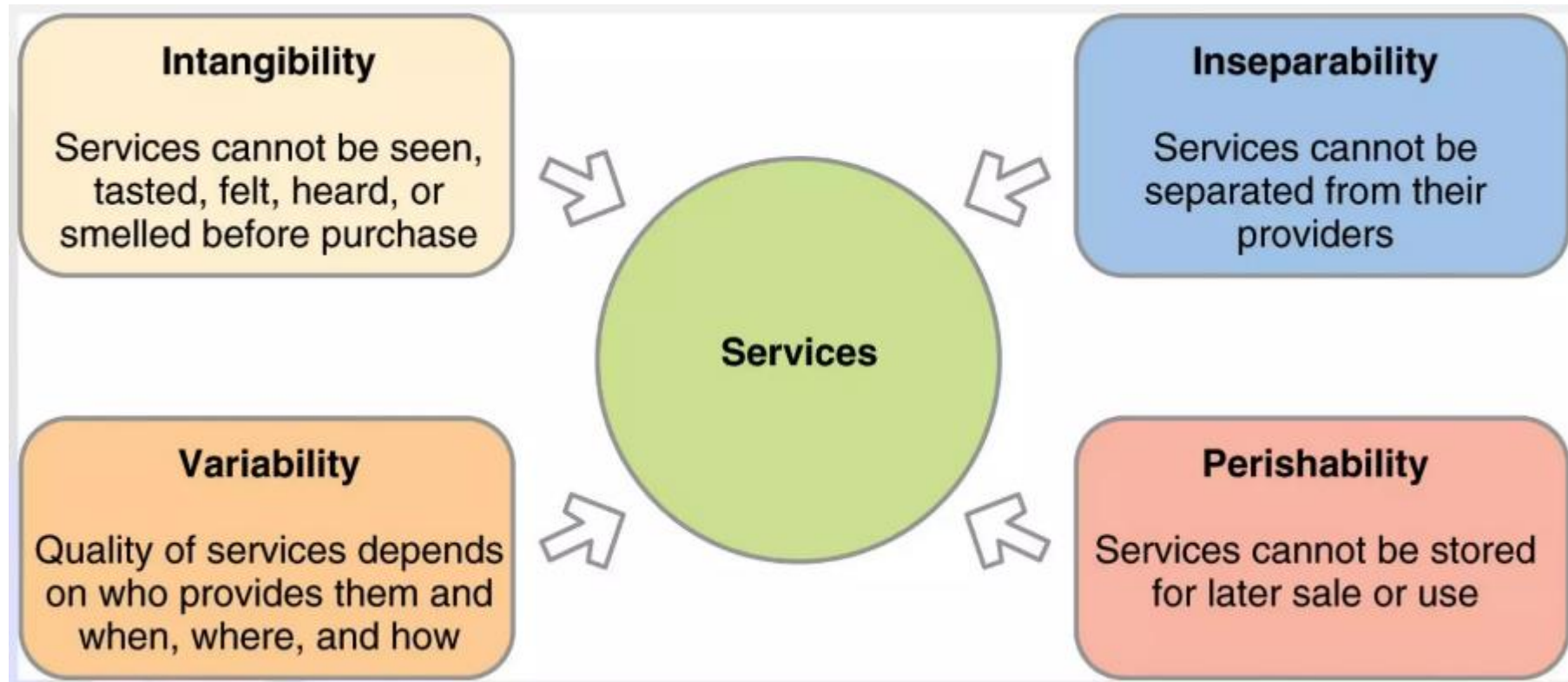
		Product category	
		Existing	New
Brand name	Existing	Line extension	Brand extension
	New	Multibrands	New brands





Services Marketing

Four Service Characteristics





Services Marketing

Types of Service Industries

- Government
- Private not-for-profit organizations
- Business services





Services Marketing

Marketing Strategies for Service Firms



In addition to traditional marketing strategies, service firms often require additional strategies

- Service-profit chain
- Internal marketing
- Interactive marketing





Services Marketing

Marketing Strategies for Service Firms

Service-profit chain links service firm profits with employee and customer satisfaction

- Internal service quality
- Satisfied and productive service employees
- Greater service value
- Satisfied and loyal customers
- Healthy service profits and growth





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Services Marketing

Marketing Strategies for Service Firms

Internal marketing means that the service firm must orient and motivate its customer contact employees and supporting service people to work as a team to provide customer satisfaction

Internal marketing must precede external marketing



FOUR SEASONS
Hotels and Resorts

Four Seasons Hotels and Resorts starts by hiring the right people and carefully orienting and inspiring them to give unparalleled customer service





Services Marketing

Marketing Strategies for Service Firms

Interactive marketing means that service quality depends heavily on the quality of the buyer-seller interaction during the service encounter

- Service differentiation
- Service quality
- Service productivity



Service differentiation: PetSmart differentiates itself by offering a PetsHotel with a Doggie Day Camp.





Services Marketing

Marketing Strategies for Service Firms

Managing service differentiation creates a competitive advantage from the offer, delivery, and image of the service

- **Offer** can include distinctive features
- **Delivery** can include more able and reliable customer contact people, environment, or process
- **Image** can include symbols and branding





Services Marketing

Marketing Strategies for Service Firms

Managing service quality provides a competitive advantage by delivering consistently higher quality than its competitors

Service quality always varies depending on interactions between employees and customers





Services Marketing



Marketing Strategies for Service Firms



Managing service productivity refers to the cost side of marketing strategies for service firms



Employee recruiting, hiring, and training strategies



Service quantity and quality strategies



Quiz



Thank you



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