INSTITUE OF AERONAUTICAL ENGINEERING (AUTONOMUS)

POWERPOINT PRESENTATION
ON
PRODUCT AND BRAND MANAGEMENT

IV SEMESTER

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UNIT -1

PRODUCT CONCEPTS

DEFINITION OF 'PRODUCT'

- A product is the item offered for sale. A product can be a service or an item. It can be physical or in virtual or cyber form. Every product is made at a cost and each is sold at a price.

- The price that can be charged depends on the market, the quality, the marketing and the segment that is targeted. Each product has a useful life after which it needs replacement, and a life cycle after which it has to be re-invented.

- In FMCG parlance, a brand can be revamped, re-launched or extended to make it more relevant to the segment and times, often keeping the product almost the same.

PRODUCT MIX

- product mix, also known as product assortment, refers to the total number of product lines that a company offers to its customers. For example, a small company may sell multiple lines of products.

- Sometimes, these product lines are fairly similar, such as dish washing liquid and bar soap, which are used for cleaning and use similar technologies.

- Other times, the product lines are vastly different, such as diapers and razors. The four dimensions to a company's product mix include width, length, depth and consistency.

PRODUCT MARKET MIX STRATEGY
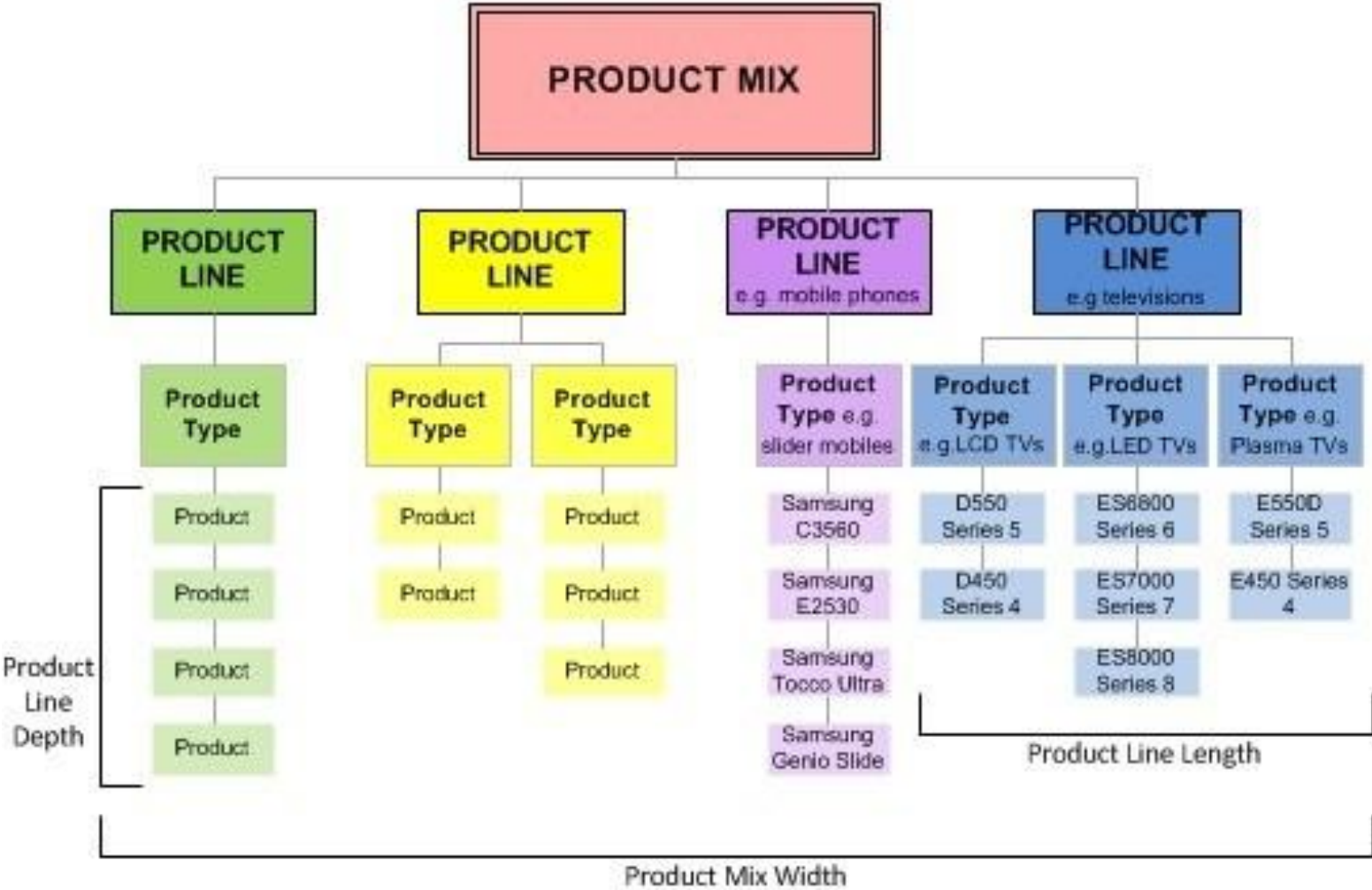
PRODUCT LINE

- The product line is a subset of the product mix. The product line generally refers to a type of product within an organization.

- As the organization can have a number of different types of products, it will have similar number of product lines.

- Thus, in Nestle there are milk based products like milkmaid, Food products like Maggi chocolate products like Kitkat and other such product lines. Thus, Nestle's product mix will be a combination of the all the product lines within the company.

PACKAGING

- Packaging is the activity of designing and producing the container or wrapper for the product.

- It is an important and effective sales tool for encouraging the consumers for buying. It is powerful medium for sales promotion.

- It is the best method for attracting the consumers for buying the products.

FUNCTIONS OF PACKAGING
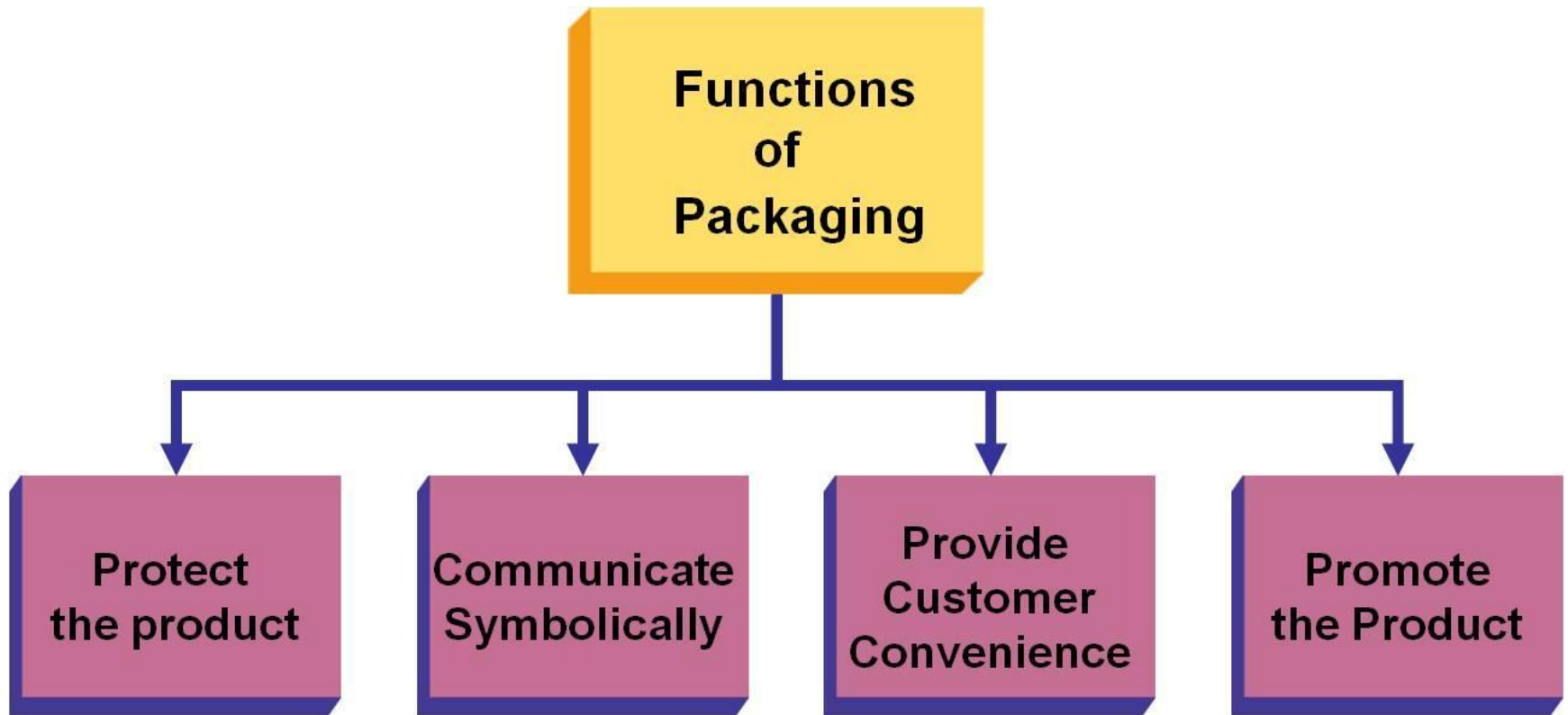
IMPORTANCE OF PACKAGING

- **Creation of demand**
- **Protection of the product**
- **Transportation**
- **Guidelines to customers**
- **Better storage**
- **Facilitates for carrying**
- **Identification of product differentiation**
- **Economy**

Types of packaging

- **Consumer packaging**
- **Transit packaging**
- **Industrial packaging**
- **Dual use packaging**

UNIT-2

NEW PRODUCT DEVELOPMENT

NEW PRODUCT DEVELOPMENT

- New product development is a task taken by the company to introduce newer products in the market. Regularly there will arise a need in the business for new product development.

- Your existing products may be technologically outdated, you have different segments to target or you want to cannibalize an existing product.

PRODUCT MODIFICATION

- An adjustment in one or more of a product's characteristics. It is most likely to be employed in the maturity stage of the product life cycle to give a brand a competitive advantage.

- Product line extensions represent new sizes, flavors, or packaging. This approach to altering a product mix entails less risk than developing a new product.

7 stages of new product development

- **Idea generation**
- **Idea Screening**
- **Concept Development and Testing**
- **Marketing Strategy Development**
- **Product Development**
- **Test Marketing**
- **Commercialization**

PRODUCT INNOVATION

- Numerous examples of product innovation include introducing new products, enhanced quality and improving its overall performance.

- Product innovation, alongside cost-cutting innovation and process innovation, are three different classifications of innovation which aim to develop a company's production methods.

- Thus product innovation can be divided into two categories of innovation: radical innovation which aims at developing a new product, and incremental innovation which aims at improving existing products

TRIZ Theory

- According to the TRIZ Journal webpage ,"TRIZ is a problem solving method based on logic and data, not intuition, which accelerates the project team's ability to solve these problems creatively.

- TRIZ also provides repeatability, predictability, and reliability due to its structure and algorithmic approach."

- As opposed to psychologically-based common creativity tools, "TRIZ is an international science of creativity that relies on the study of the patterns of problems and solutions, not on the spontaneous and intuitive creativity of individuals or groups.

- More than three million patents have been analyzed to discover the patterns that predict breakthrough solutions to problems."
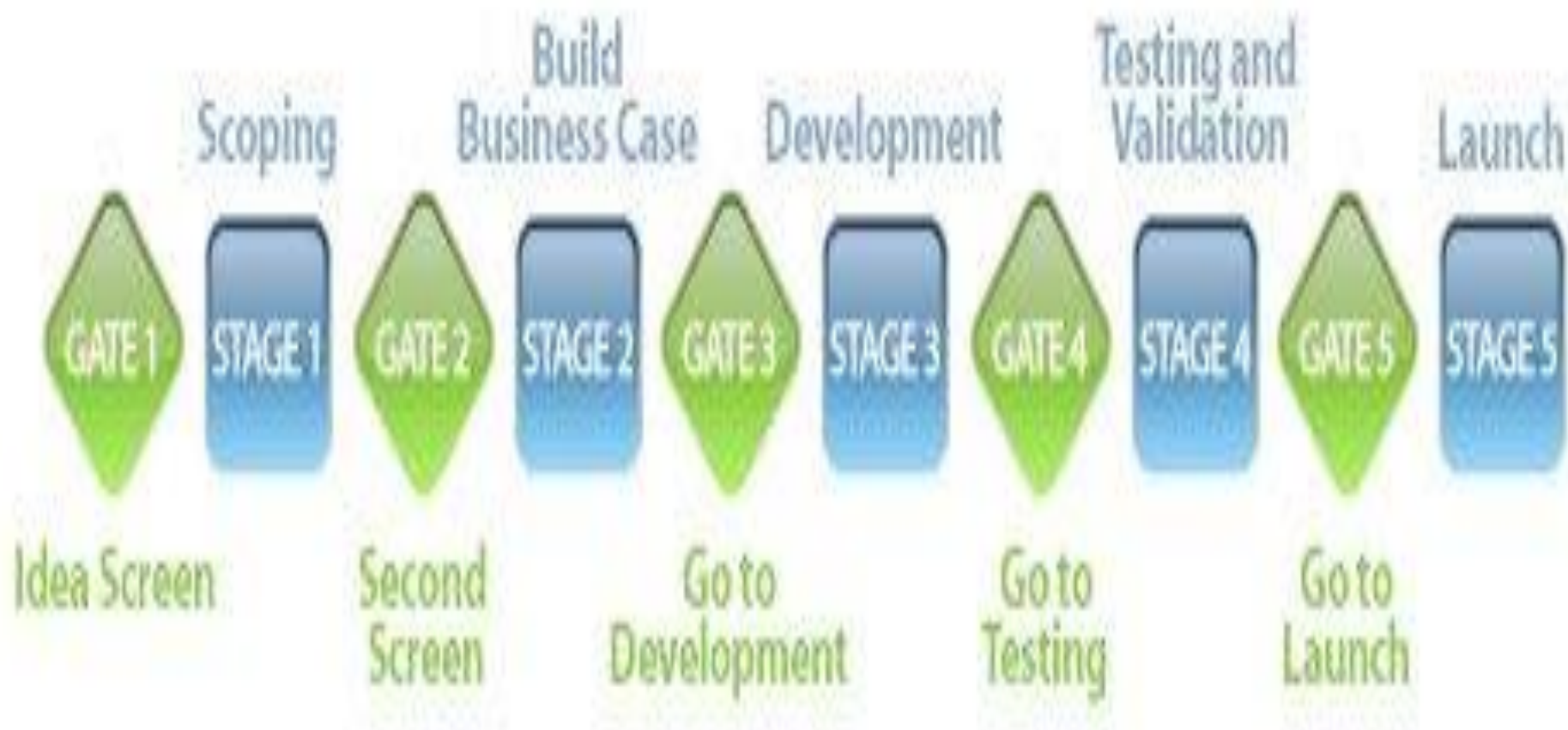
MODELS FOR NEW PRODUCT DEVELOPMENT

- Understand and observe the market, the client, the technology, and the limitations of the problem;

- Synthesize the information collected at the first step;

- Visualize new customers using the product;

- Prototype, evaluate and improve the concept;

- Implementation of design changes which are associated with more technologically advanced procedures and therefore this step will require more time.

STAGE-GATE MODEL

- Stage-Gate® is a value-creating business process and risk model designed to quickly and profitably transform an organization's best new ideas into winning new products.

- When embraced by organizations, it creates a culture of product innovation excellence - product leadership, accountability, high-performance teams, customer and market focus, robust solutions, alignment, discipline, speed and quality.

Stage-Gate® Product Innovation Process

GENERIC PRODUCT DEVELOPMENT PROCESS.

## A Generic Product Development Process
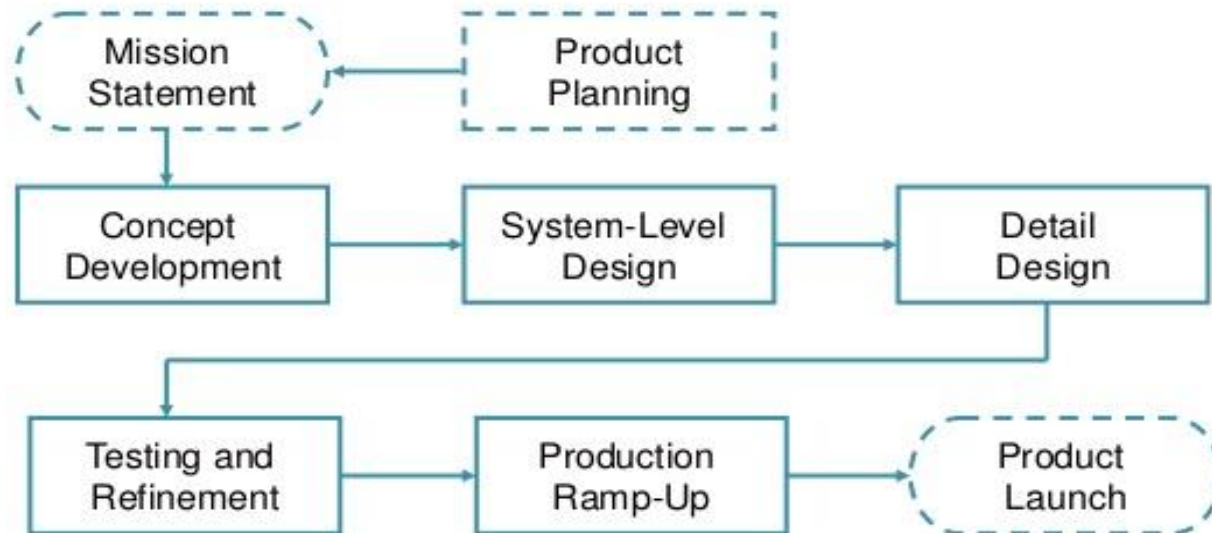
NEW PRODUCT INTRODUCTION

- New product introduction or, as it is more generally referred to, new product development is the process involved in bringing any new product into being and then launched onto the market.

- So it is more than simply designing and then developing the product itself, it involves defining the market for the product, testing the market, bringing the product to the commercial market and advertising it and so on.

GROWTH STRATEGIES

- Market penetration

- Integrative strategy

- Growth strategy

- Diversification strategy

PRODUCT PORTFOLIO ANALYSIS BOSTON CONSULTANCY GROUP
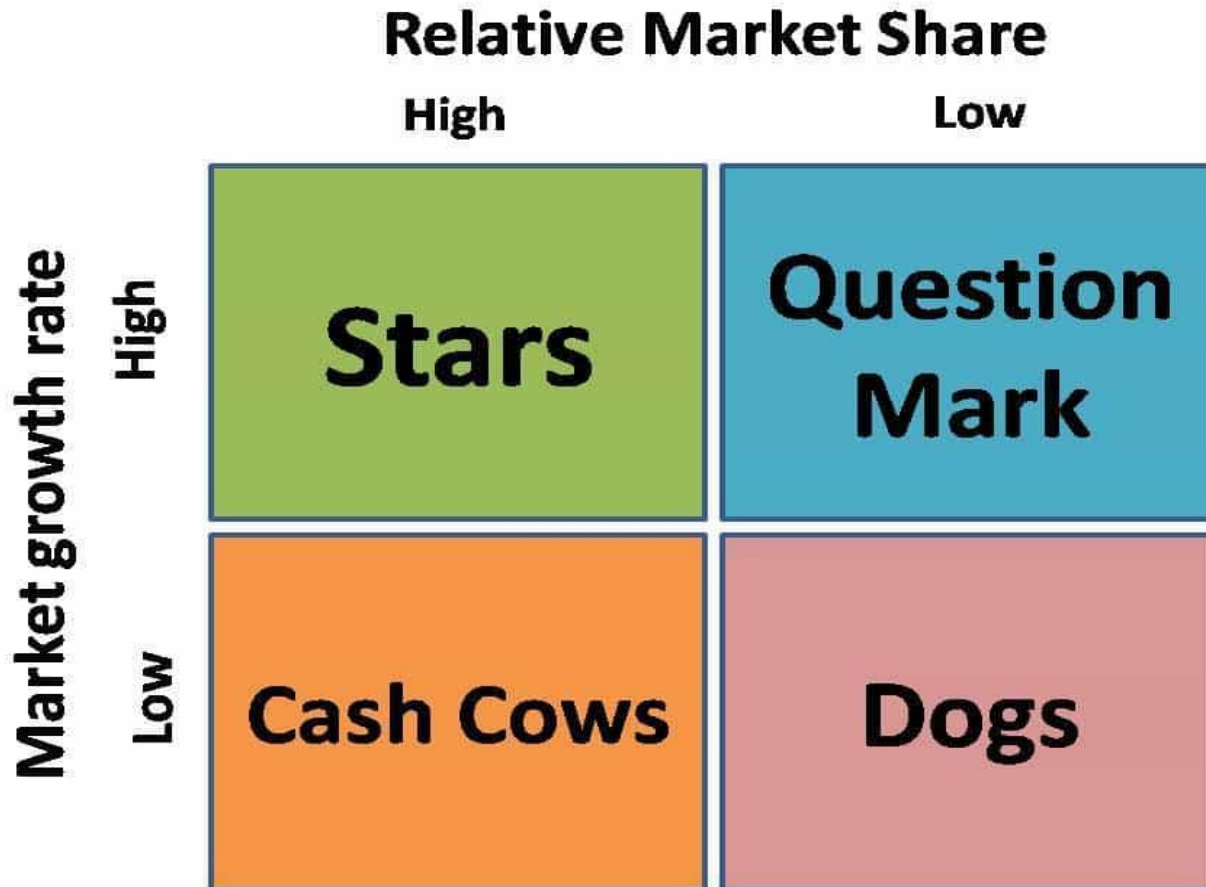
GE McKinsey Matrix

AD LITTLE PRODUCT PORTFOLIO ANALYSIS

- The ADL matrix by Arthur D. Little is a portfolio management matrix which helps managers discern their SBUs strategic position depending upon 2 dimensions-
- SBU's life cycle and
- Competitive position

Life cycle stages can be

- ***Embryonic***
- ***Growth***
- ***Maturity***
- ***Ageing***

ADL Matrix

		Industry Life Cycle Stage			
		Embryonic	**Growth**	**Mature**	**Aging**
Competitive Position	**Dominant**	All out push for share. Hold Position	Hold Position. Hold Share.	Hold Position. Grow with industry	Hold Position.
	Strong	Attempt to improve position. All out push for share	Attempt to improve position. Push for share.	Hold Position. Grow with industry	Hold Position or Harvest.
	Favorable	Selective or all out put for share. Selective attempt to improve position.	Attempt to improve position. Selective push for share.	Custodial or maintenance. Find niche and attempt to protect it.	Harvest, or phased out withdrawal.
	Tenable	Selectively push for position	Find niche and protect it.	Find niche and hang on, or phased out Withdrawal.	Phased out withdrawal, or Abandon
	Weak	Up or out	Turnaround or abandon	Turnaround, ophaned out withdrawal.	Abandon

SHELL INTERNATIONAL PRODUCT PORTFOLIO ANALYSIS

- The Shell Directional Policy Matrix is another refinement upon the Boston Matrix. Along the horizontal axis are *prospects for sector profitability*, and along the vertical axis is a *company's competitive capability*.

- As with the GE Business Screen the location of a Strategic Business Unit (SBU) in any cell of the matrix implies different strategic decisions.

Prospects for Sector Profitability

	Unattractive	Average	Attractive
Weak	Disinvest	Phased Withdrawal Custodial	Double of Quit
Average	Phased Withdrawal	Custodial Growth	Try Harder
Strong	Cash Generation	Growth Leader	Leader

Company's Competitive Capability

Shell Directional Policy Matrix

IDEA GENERATION TECHNIQUES AMONG CREATIVE PROFESSIONALS

- 1.Role Playing
- 2. Active Search
- 3. Attribute List
- 4. Brainstorm
- 5. Collaborate
- 6. Concrete Stimuli
- 7. Critique
- 8. Documenting
- 9.Expert Opinion
- 10. Empathy/User Research:
- 11. Encompass:

UNIT-3

PERCEPTUAL MAPPING

PRODUCT MAPS

- Definition: organizing or sorting products/services into groupings with similarities
- Used to: find gaps in what is currently being offered to consumers so that new products can be developed

  Example:

- Snack Foods: Potato chips, tortilla chips, rice chips, rice cakes, corn chips, pretzels, etc

MARKET MAPPING

- Once an entrepreneur has identified an appropriate segment of the market to target, the challenge is to **position** the product so that it meets the needs and wants of the target customers.

- One way to do this is to use a "**market map**" (you might also see this called by its proper name – the "**perceptual map**").
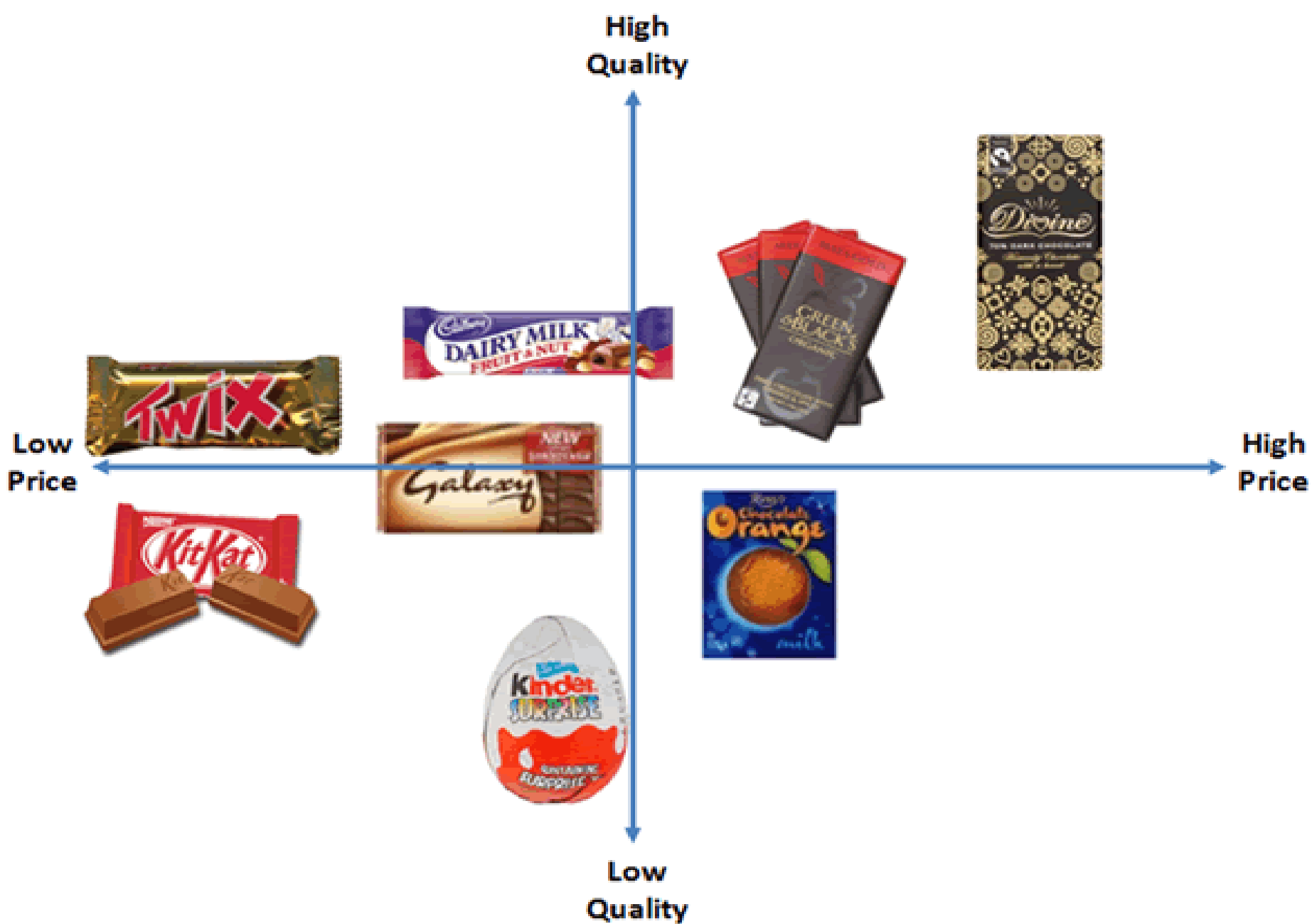
JOINT SPACE MAPS

- A common approach to perceptual mapping is to integrate both the consumer's perceptions of the various competing brands along with the preferred/ideal needs for the different consumer segments in the market.

- This style of perceptual mapping is usually referred to as a joint space map. This is simply because both consumer perception and ideal positioning points are jointly shown on the same perceptual map.

IDEA SCREENING

- With your list of potential new product ideas, you now need to decide which ideas to pursue and which to discard.

- Consider your competition, your existing products, their shortcomings, and the needs of your market. Draw on the customer needs list you have developed, and the areas for product improvement you have identified.

CONCEPT TESTING

- **Concept testing** (to be distinguished from **pre-test markets** and **test markets** which may be used at a later stage of product development research)[1] is the process of using surveys (and sometimes [qualitative methods](#)) to evaluate consumer acceptance of a new product idea prior to the introduction of a product to the [market](#). It is **important not to confuse** concept testing with advertising testing, brand testing and packaging testing; as is sometimes done. Concept testing focuses on the basic product idea, without the embellishments and puffery inherent in advertising
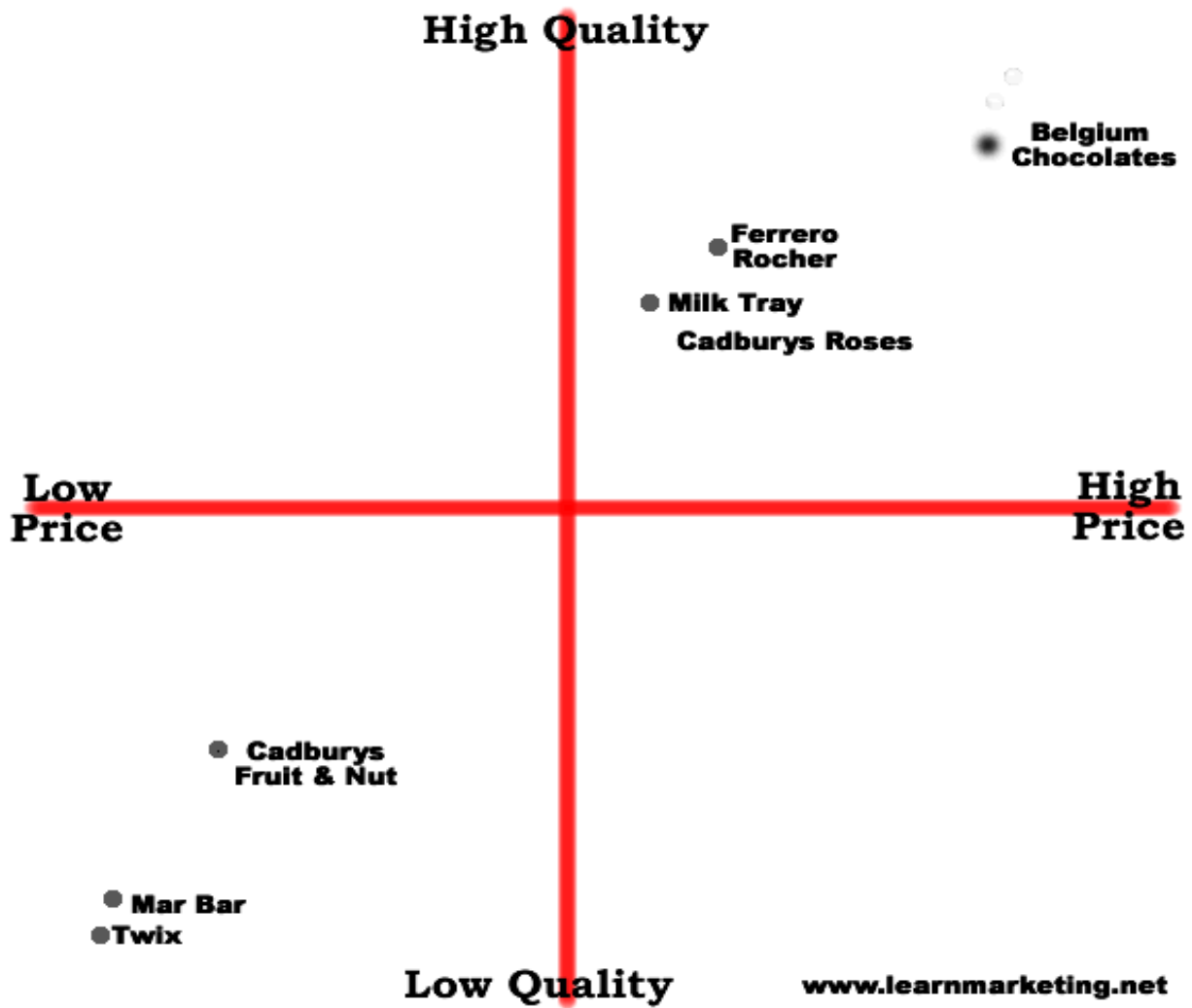
CONCEPT SELECTION

- "Concept Selection" is picking the idea(s) which best satisfy the Product Design Specification (PDS)

- Stage in design process: <u>After</u> (1) understanding customer needs, (2) developing PDS, (3) generating many concepts. <u>Before</u> detailed design.

- You are selecting among choices constantly in design process. If you don't have many choices to choose from at every stage of the design process, your process is bad.

DESIGN FOR MANUFACTURING

- **Design for manufacturability** (also sometimes known as **design for manufacturing** or **DFM**) is the general engineering practice of [designing](#) products in such a way that they are easy to manufacture.

- *Design for manufacturability* (DFM) is the process of *proactively* designing products to (1) optimize all the manufacturing functions: fabrication, assembly, test, procurement, shipping, delivery, service, and repair, and (2) assure the best cost, quality, reliability, regulatory compliance, safety, time-to-market, and customer satisfaction.

Perceptual Map

- Typically, a simple perceptual map is a two-dimensional graph with a vertical axis and a horizontal axis. Each axis has a pair of opposite attributes at each end of the axis.

- For example, if the map is looking at cars, the vertical axis might have a luxury car at one end and an economy car at the other end; the horizontal axis might have "family-oriented" at one end and "sporty" at the other end.

High Quality

Belgium
Chocolates

Ferrero
Rocher

● Milk Tray

Cadburys Roses

**Low
Price**   **High
Price**

● Cadburys
Fruit & Nut

● Mar Bar
●Twix

Low Quality

Benefits of Perceptual Maps

- To help us better understand market segments
- To see how the target market really perceives the brands in the marketplace
- To evaluate the performance of recent marketing campaigns and other marketing mix changes
- To confirm whether how consumers perceive us fits with our positioning goals
- To check that our brand has a clear positioning space in the market

Limitations of Perceptual Maps

- Perceptual maps often simplify the consumer's purchase decision down to two product attributes

- They tend to be more beneficial for low-involvement purchase decisions

- They are more relevant for individual brands, and less helpful for corporate brand image

- The data is often difficult or expensive to obtain (via marketing research)
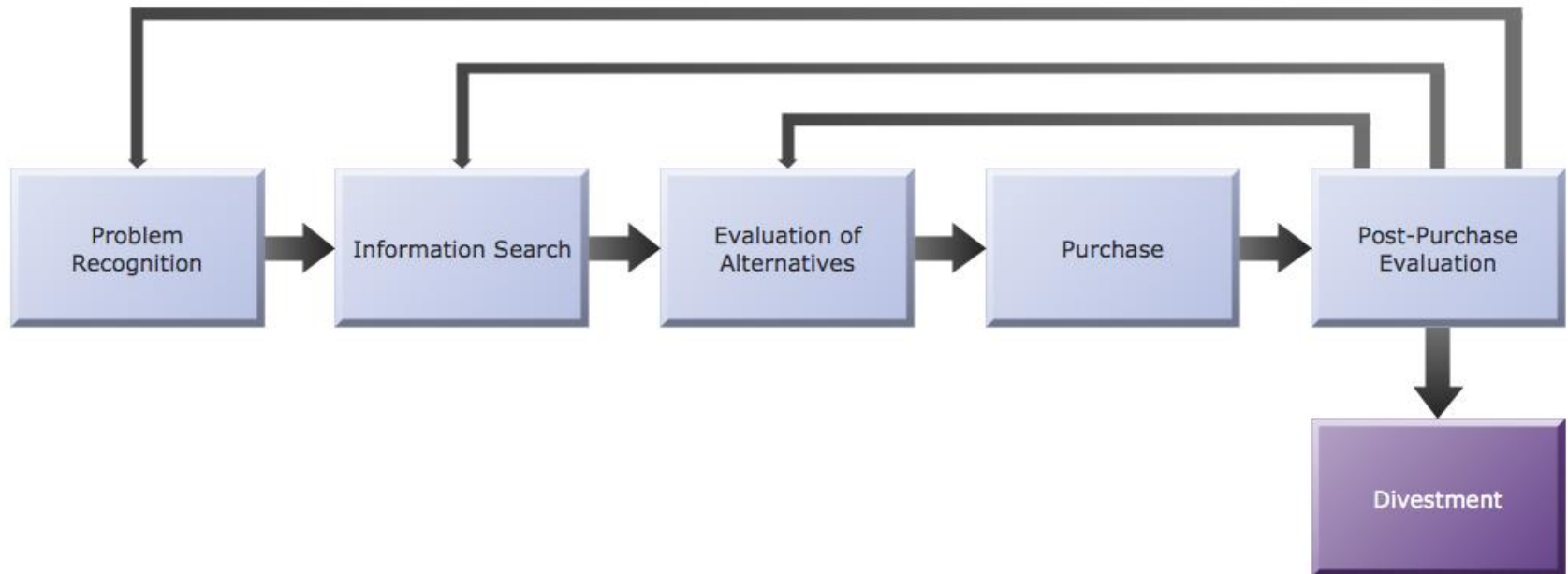
KELLER'S BRAND EQUITY MODEL

Application

- First, examine the four categories of judgments listed above. Consider the following questions carefully in relation to these:

- What can you do to improve the actual and perceived quality of your product or brand?

- How can you enhance your brand's credibility?

FLOWCHARTS AND PROCESS DIAGRAMS

Customer Decision Making Diagram Example

Feedback Loops

Problem Recognition → Information Search → Evaluation of Alternatives → Purchase → Post-Purchase Evaluation → Divestment

Diffusion of Innovation Theory

- Innovators
- Early Adopters
- Early Majority
- Late Majority
- Laggards

2.5% Innovators

Early Adopters 13.5%

Early Majority 34%

Late Majority 34%

Laggards 16%
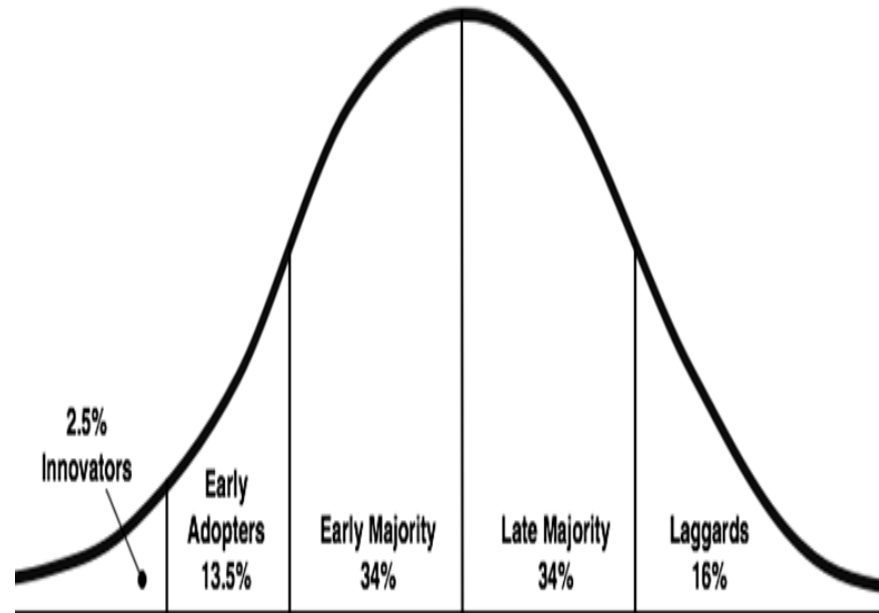
Source: Everett Rogers *Diffusion of Innovations* model

Main factors that influence adoption of an innovation

- Relative Advantage
- Compatibility
- Complexity
- Tradability
- Observability.

ADOPTION PROCESS

- Adoption process is a series of stages by which a consumer might adopt a NEW product or service. Whether it be Services or Products, in todays competitive world, a consumer is faced with a lot of choices. How does he make a decision to ADOPT a new product is the Adoption process

UNIT-4

BRAND MANAGEMENT

BRAND:

- A brand is the set of product or service attributes imbibed in the consumer's mind in the form of a name, symbol, logo, design and trademark is.

Brand management

- **Brand management begins with having a thorough knowledge of the term "brand".** It includes developing a promise, making that promise and maintaining it. It means defining the brand, positioning the brand, and delivering the brand.

- Brand management is nothing but an art of creating and sustaining the brand. Branding makes customers committed to your business. A strong brand differentiates your products from the competitors. It gives a quality image to your business.

eight basic building blocks

- The name
- The logo (brand icon)
- The brand's colors
- The slogan and brand messaging
- The sound of the brand
- The overall look and feel = the brand's position
- Packaging the brand
- The brand experience

Online Branding

- Branding, as a whole, is essential for any serious business because a company's brand is what distinguishes it from its competitors. In today's computer age, it is necessary for most businesses to have an online presence to stay competitive.

- Effective Internet branding, just like its offline counterpart, helps bring awareness to your unique business offering and drive customer demand.

Brand Attributes

- Brand Attributes portray a company's brand characteristics. They signify the basic nature of brand. Brand attributes are a bundle of features that highlight the physical and personality aspects of the brand.

- Attributes are developed through images, actions, or presumptions. Brand attributes help in creating brand identity.

BRAND DECISIONS

- Brand decisions, simply put, are decisions that one makes about a certain brand you are building or promoting. Yes, this sounds like a very general definition, but this is mostly because brand decisions definitely cover a lot of ground.

BRAND AWARENESS

- **Brand awareness** is the probability that consumers are familiar about the life and availability of the product. It is the degree to which consumers precisely associate the brand with the specific product.

- It is measured as ratio of niche market that has former knowledge of brand. Brand awareness includes both brand recognition as well as brand recall.

BRAND IMAGE

- Today's generation is quite impressionable and hence in order to enhance their personality, or to meet social standards, they gravitate towards branded products that are creating a stir in the market. This brand image is simply an impression or an imprint of the brand developed over a period of time in the consumer's mindset.

BRAND PERSONALITY

- Brand personality is the way a brand speaks and behaves. It means assigning human personality traits/characteristics to a brand so as to achieve differentiation.

- These characteristics signify brand behaviour through both individuals representing the brand (i.e. it's employees) as well as through advertising, packaging, etc.

- When brand image or brand identity is expressed in terms of human traits, it is called brand personality

BRAND POSITIONING

- **Brand positioning refers to "target consumer's" reason to buy your brand in preference to others**. It is ensures that all brand activity has a common aim; is guided, directed and delivered by the brand's benefits/reasons to buy; and it focusses at all points of contact with the consumer.

various positioning errors

- **Under positioning**
- **Over positioning**
- **Confused positioning**
- **Double Positioning**

ATTRIBUTE POSITIONING

- Positioning by product attributes and benefits: It is to associate a product with an attribute, a product feature, or a consumer feature. Sometimes a product can be positioned in terms of two or more attributes simultaneously. The price/quality attribute dimension is commonly used for positioning the products.

Price-Value Matrix

Price

Quality

BRAND REPOSITIONING

- **Brand repositioning** is when a company changes a **brand's** status in the marketplace. This typically includes changes to the marketing mix, such as product, place, price and promotion. **Repositioning** is done to keep up with consumer wants and needs.

Brand Extension

- Brand Extension is the use of an established brand name in new product categories. This new category to which the brand is extended can be related or unrelated to the existing product categories.

- A renowned/successful brand helps an organization to launch products in new categories more easily. For instance, Nike's brand core product is shoes. But it is now extended to sunglasses, soccer balls, basketballs, and golf equipments

BRAND LICENSING

- brand licensing is the renting or leasing of an intangible asset. It is also defined as an opportunity to extend value. Companies extend their brands via licensing for a variety of reasons.

- Brand licensing enables companies with brands that have high preference to unlock their brands' latent value and satisfy pent-up demand.

FRANCHISING

- Franchising is one of three business strategies a company may use in capturing market share. The others are company owned units or a combination of company owned and franchised units.

UNIT -5

BRAND EQUITY

Brand equity

- Brand equity is a set of brand assets and liabilities linked to a brand name and symbol, which add to or subtract from the value provided by a product or service.

ADVANTAGES OF STRONG BRAND EQUITY

Customer loyalty
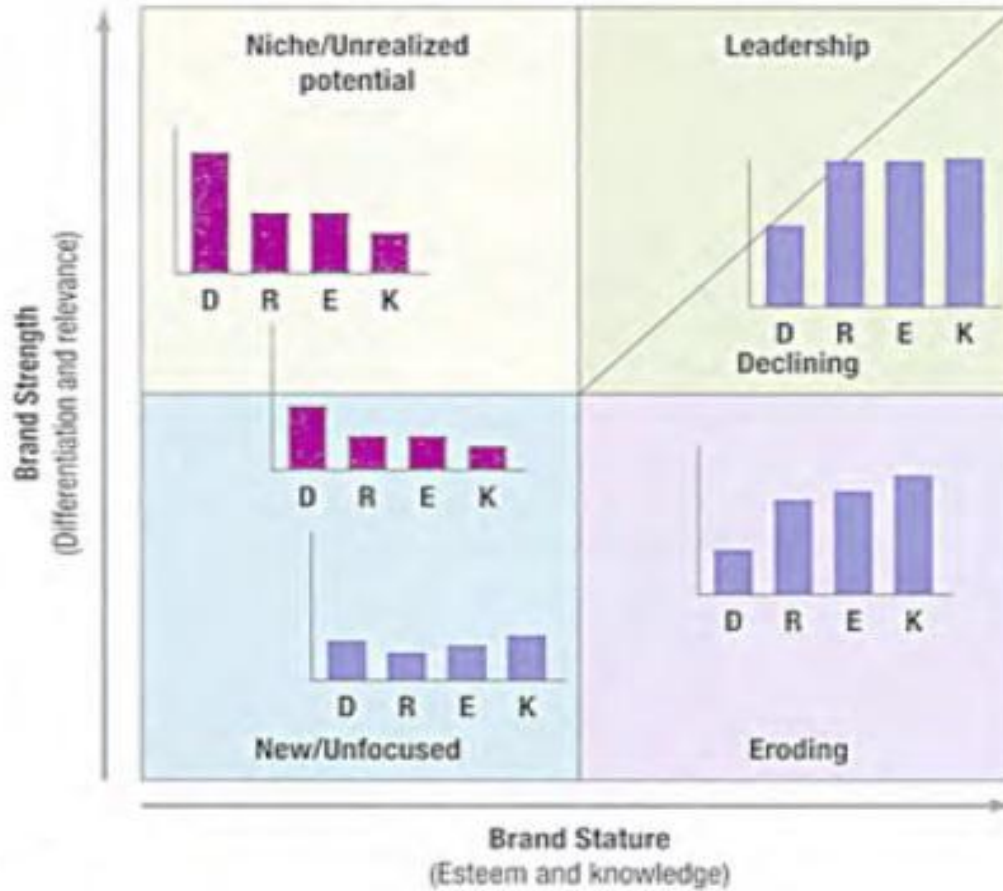
Expansion opportunities.

Negotiating power.

Competitive advantage.

FACTORS CONTRIBUTING TO BRAND EQUITY

- Brand Awareness
- Brand Associations
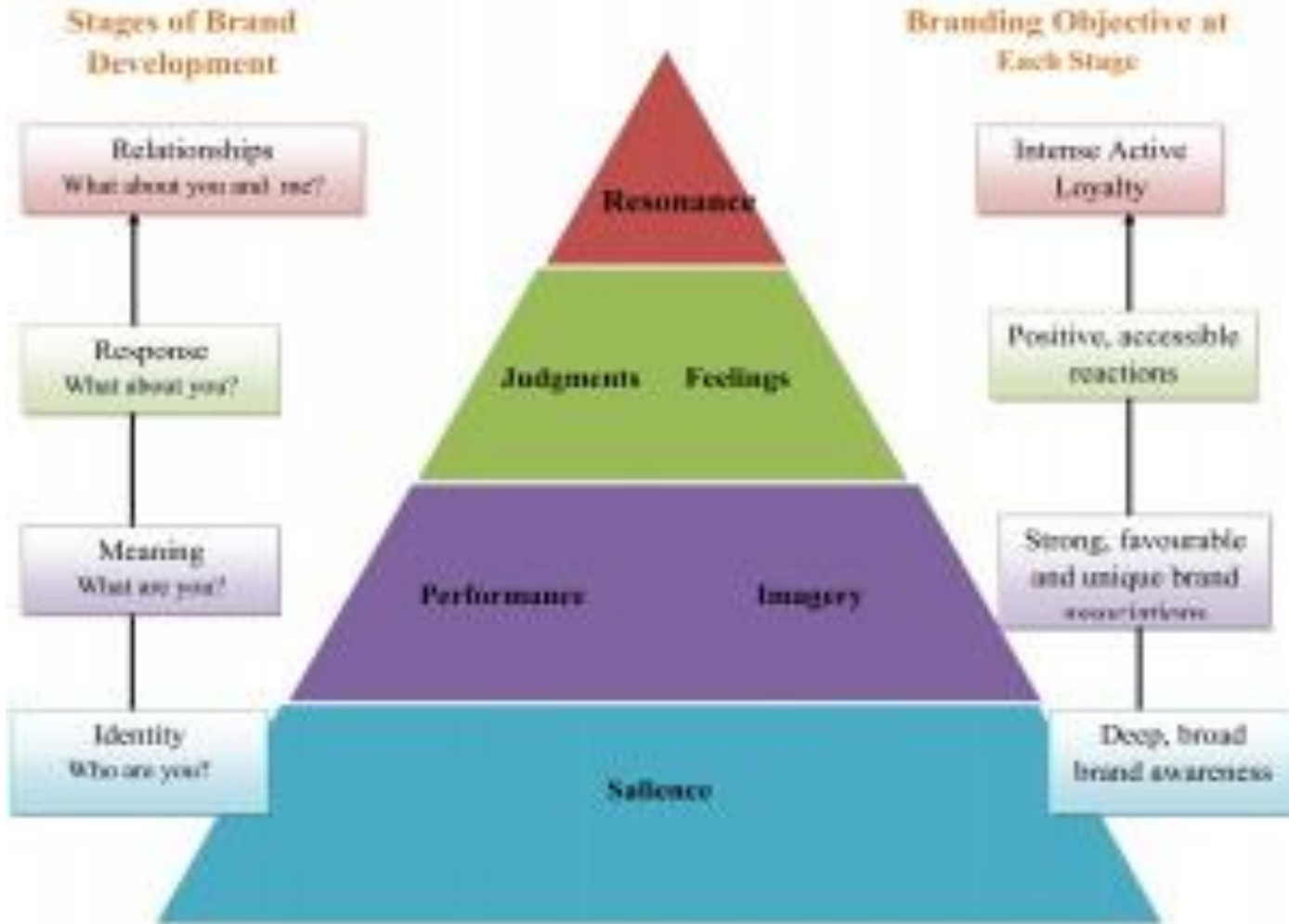- Brand Loyalty
- Perceived Quality

Brand Asset Valuator (BAV Model)

AAKER MODEL

- Aaker views brand equity as a set of five categories of **brand assets and liabilities** linked to a brand that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers.
- These categories of brand assets are:
- Brand loyalty
- Brand awareness
- Perceived quality
- Brand associations
- Other proprietary assets such as patents, trademarks, and channel relationships.

BRAND RESONANCE PYRAMID

Stages of Brand Development

Relationships
What about you and me?

Response
What about you?

Meaning
What are you?

Identity
Who are you?

Resonance

Judgments   Feelings

Performance   Imagery

Salience

Branding Objective at Each Stage

Intense Active Loyalty

Positive, accessible reactions

Strong, favourable and unique brand associations

Deep, broad brand awareness

BRAND AUDIT

- A brand audit is a detailed analysis that shows how your brand is currently performing compared to its stated goals, and then to look at the wider landscape to check how that performance positions you in the market.

BRAND TRACKING

- **Brand Tracking** is a way to continuously measure the development of a **brand** within some key variables, such as Ad Awareness, what **brands** the consumer prefer and what he/she is using. **Brand tracking** is a way to monitor the results

- Brand tracking studies allow marketers to monitor the health of the brand and provide insights into the effectiveness of marketing programs implemented by the company

BRAND REINFORCEMENT

- **Definition:** The **Brand Reinforcement** majorly focuses on **maintaining** the **Brand Equity** by keeping the brand alive among both the existing and new customers. This can be done through consistently conveying the meaning of brand in terms of:

- What are the products under the brand? What are its core benefits and how it satisfies the demand?

- How is the brand different from other brands? How it enables a customer to make a strong, unique and favorable association in their minds?

BRAND RESONANCE

- **Definition:** The **Brand Resonance** refers to the relationship that a consumer has with the product and how well he can relate to it.
- The brand resonance begins with:
- **Brand Identification**
- **Brand Establishment**
- **Eliciting Response**
- **Relationship**.

Brand Resonance Pyramid

Stages of Brand Development

Branding Objective at Each Stage

What about you and me? — Resonance — Intense, Active Loyalty

What about you? — Judgments / Feelings — Positive, Accessible Reactions

What are you? — Performance / Imagery — Points of Parity & Difference

Who are you? — Salience — Deep, Broad Brand Awareness

BRAND EQUITY

- Definition: The Brand Equity refers to the additional value that a consumer attaches with the brand that is unique from all the other brands available in the market. In other words, Brand Equity means the awareness, perception, loyalty of a customer towards the brand.
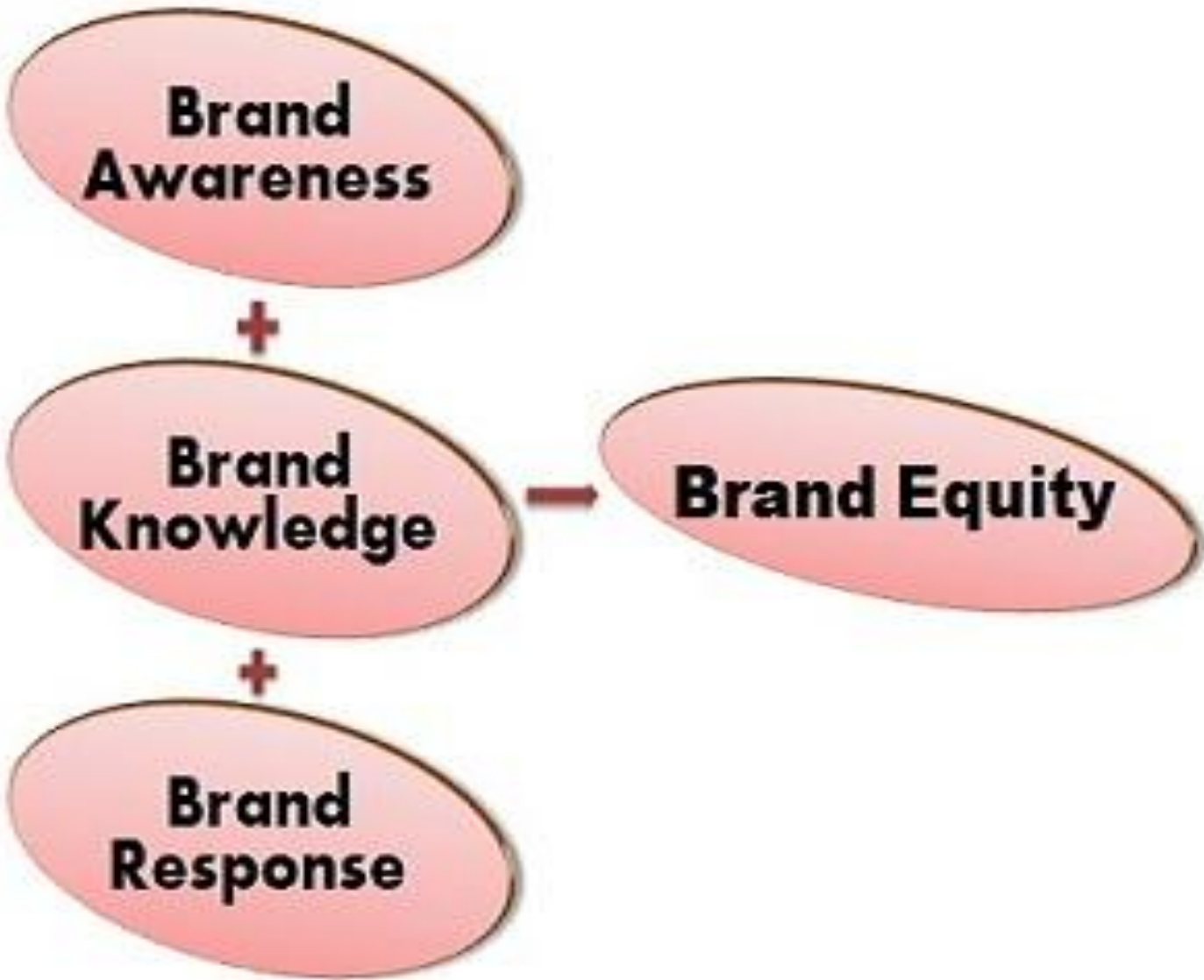
BRAND REVITALIZATION

- **Definition:** The Brand Revitalization is the marketing strategy adopted when the product reaches the maturity stage of product life cycle, and profits have fallen drastically. It is an attempt to bring the product back in the market and secure the sources of equity i.e. customers.

BRAND CRISIS

- A special form of a product-harm crisis where the negative event centers on one particular brand or a set
of brands belonging to the same company In the long term, the incident can severely damage the affected brand's reputation.