

# Marketing ch. 9 and 10



Convenience Products are items that consumers purchase frequently, conveniently and with a minimum of shopping effort (Toothpaste or hand soap) Shopping Products are items for which the consumer compares several alternative on criteria such as price, quality and style (Camera or TV)

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90/PAGE Order Now Specialty Products are items that the consumer makes a special effort to search out and buy (Rolls-Royce or Rolex Watch) Unsought Products are items that the consumer doesn't know about or knows about but does not initially want (burial insurance) Intangibility are services that can not be touched or seen before the purchase decision Inconsistency Services depend on the people who provide them, so the quality varies from each persons capabilities Inseparability the consumer cannot distinguish the service provider from the service itself (University lectures are excellent but can't get questions answered so its poor) Inventory handling costs that relate to their storage, perishability and movement. Product Item is a specific product that has a unique brand, size or price. Product Line is a group of product/service items that are closely related to each other because they satisfy the same need (Vitamin Water Flavors) Product Mix All product lines offered by an organization (Coke, vitamin water, Dasani) Continuous Innovation Requires NO new learning by consumer (Improved toothpaste or detergent) Dynamically Continuous Innovation disrupts consumers normal routine but does not require totally new learning (electronic toothbrush or disk player) Discontinuous Innovation Requires new learning and consumption patterns by customers (wireless router or electric car) New product this term is limited to use with a product up to six months after it enters regular distribution Why products fail 1. nothing new about it

2. not enough room on the shelf for it
3. lack of explaining how you are going to satisfy customer wants and needs
4. not satisfying customers needs
5. bad timing
6. poor quality
7. tiny market segment

8. poor marketing mix execution  
 Organization product failures  
 1. not listening to voice of consumer

2. skipping steps in the new product process
3. poor quality
4. people are afraid to shoot down dumb ideas
5. not learning from past failures

6. NIH (not invented here) problem  
 New product processeven stages an organization goes through to identify business opportunities and covert them into salable products or services. New product process stages  
 1. Strategy

Development

2. Idea Generation
3. Screening and evaluation
4. Business Analysis
5. Development
6. Market Testing

7. Commercialization  
 Strategy Development defines the role for a new product in terms of the firms objectives. Use SWOT analysis and environmental scanning. Idea Generation involves developing a pool of concepts to serve as candidates for new products  
 Screening and evaluation internally and externally evaluate new product ideas to eliminate those that suck  
 Business

Analysis specifies the features of the product and the marketing strategy  
Development the stage that turns the idea on paper into a prototype  
Market Testing exposing actual products to prospective buyers under realistic purchasing conditions to see if they will buy  
Commercialization positions and launches a new product in full scale production and sales. Product life cycle describes the stages a new product goes through in the marketplace: introduction, growth, maturity and decline  
Introduction lifecycle stage sales grow slowly and profit is minimal, Growth lifecycle stage rapid increase in sales, competitors appear, repeat purchasers develop, improved version or new features added to the product to differentiate it from competition  
Maturity lifecycle stage slowing of total industry sales, marginal competitors begin to leave the market, few new buyers enter the market. focused on holding market share and finding new buyers  
Decline lifecycle stage when sales drop, consume disproportionate share of management and financial resources relative to their future worth  
Deletion lifecycle stage company completely deletes the product line  
Harvesting lifecycle stage when a company retains the product but reduces marketing costs. High learning product (graph) significant customer education is required and there is an extended introductory period (graph)  
Low learning product (graph) being immediately because little learning is required by the consumer, and the benefits of purchase are easily understood  
Fashion product (graph) is a style of the times, frequently appear in men and women's apparel. Introduced, decline and then return. Fad (graph) rapid sales on introduction and then an equally rapid decline. these products are typically novelties and have a short lifecycle.

Innovators venturesome, highly educated  
Early adopters leaders in social

settings, slightly above average education  
 Early Majority deliberate, many informal social contacts  
 Late Majority skeptical, below average social status  
 Laggards fear of debt, neighbors and friends are information source  
 Product lifecycle and consumers

1. Innovators

2. Early Adopters

3. Early Majority

4. Late Majority

5. Laggards

Role of product manager manages marketing efforts for a close knit family of products. Responsible for managing existing products through the stages of the life cycle. May be responsible for developing new products. Engage in extensive data analysis. Modifying the product involves altering one or more of a products characteristics such as quality, performance or appearance to increase products value and increase sales  
 Modifying the market when a company tries to find new customers, increase a products use, or create a new use situation  
 Brand personality set of human characteristics associated with a brand name  
 Brand equity added value a brand name give to a product beyond the functional benefits provided  
 Creating brand equity pyramid: brand awareness (who they are, what they do), brand performance/imagery (relay positive brand), consumer judgements/feelings (human centered) and consumer connection (harley davidson and ford)  
 Branding strategies multi-product, multi-brand, private label and mixed  
 Multiproduct companies use one name for all its products in a product class (ipod, iphone, ipad)  
 Multibrand involves giving each product a distinct name (cheers, bold, tide)  
 Private label when company manufacturers products but sells them under the brand name of a wholesaler or retailer (target owns archery farms, up and up, mossimo)  
 Mixed manufacturer

markets its own brand but someone else can buy and resell it (heinz ketchup can be bought by target and rebranded to archer farms)

Benefits of product

packaging

1. provided information to the customer

2. creates a perception in consumers mind

3. distinguishes it from competitors