

# [Product report](https://assignbuster.com/product-report/)

Product Report: Heinz Dip & Squeeze Ketchup Product Life Cycle (PLC) is a term used to describe the different stages that a product goes through in a market. The concept likens a product to a biological being i. e. it is seen to have a birth or an introduction stage, a growth stage, maturity, decline or death. However it is neither an absolute nor a completely accurate description of a product’s transition journey. The product life cycle theory assumes that a product has a limited life in any market, that it transitions through various stages offering new challenges and opportunities to the marketer in every stage and each stage requires different marketing strategies for the product to successfully grow. Keeping this theory in mind, it is quite obvious that the product category of ‘ ketchup’ is in the maturity stage. This is apparent due to the following reasons: i. The market has become saturated with many variants of the basic product. For example, tomato chilly ketchup, sweet and sour ketchup. ii. Market share growth is at the expense of some other competitor rather than actual growth in the market (this is quite clear from the fact that competitors try to motivate consumers to try their product and appear superior to other brands of ketchup rather than just sell the idea of having ketchup with one’s fries or burgers). iii. The product is constantly being modified by players in the industry to differentiate their product from those of competitors (Ex: Heinz Dip & Squeeze Ketchup). iv. Emphasis of the promoters in the industry is to build brand loyalty and give customers incentives to switch over to their brand (As Heinz has done in this case study by offering free fried chicken with the dip and squeeze and earlier by offering free fries and ketchup in their mobile vans). There are many strategies that marketers use to manage their product’s life cycle. Each stage calls for a different approach to deal with the obstacles presented before the brand. For products in the maturity stage, marketers may employ any of the following strategies (Kotler 321): i. Market Modification – A company might try to increase its product’s sales volume in the maturity stage with a two pronged approach i. e. increasing the number of brand users (by converting non-users of the product and converting customers of the competition – like low cost airlines did to persuade more to fly) and also by increasing the usage rate per user by entering new market segments (Eg: Goodyear deciding to sell its products via Wal-Mart, Sears and Discount Tire) ii. Product Modification – Improving the product or its features to meet the constantly changing needs of the consumer base is another tactic that marketers use when their product is in the maturity stage. The company can choose to enhance the product’s quality i. e. its functional performance (like Corsair did by coming up with the voyager pen drive which was claimed to be resistant to even a truck being driven over it and also by upgrading their pen drives to USB 3. 0 recently) or by adding new features to the product (such as Car manufacturers adding USB compatible stereos in cars, providing GPS navigators, car refrigerators and other such accessories free with their purchases). iii. Marketing Program Modification – Product managers can also improve sales by modifying elements within their marketing program. This can be done through price cuts, improving distribution, increasing advertising expenditure, changing the media mix, stepping up sales promotion, increasing personal selling or improving after sales service. Keeping the above-mentioned strategies in mind, it appears that Heinz is using a combination of product modification and market modification to market the ‘ Dip & Squeeze’ ketchup. As is clearly visible in the press release issued by them (case study), Heinz has modified its product’s features to make it convenient for the consumer to use it as a squeeze pack or a dip. It has also tried to expand its market by increasing product trial through the ‘ Heinz Ketchup Road Trip’ in the previous year. Thus, one can assume that it is aiming to convert non users and loyalists of the competition to their brand. The strategy of providing an order of free chicken with the new ketchup pack is also aimed at increasing trial of the newly launched variant of the product. Works Cited Kotler, Philip and Keller Kevin, Marketing Management (Twelfth Edition), Upper Saddle River, New Jersey, 2006. Print.