

Model Answer

AS-2380

M.Com (Third Semester) Examination, 2013

(Elective: Marketing)

PRODUCT AND BRAND MANAGEMENT

Paper: Fifth

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1. Short Answer Type Question: 2x10 = 20

(i) Classifying products into meaningful categories helps marketers decide which strategies and methods will help promote a business's product or service. Many types of classification exist. Some of the types of product are as follow;

- Convenience Products
- Shopping Products
- Specialty Products
- Unsought Products
- Durable Goods
- Services

(ii) Simplification is the technique of reducing the diversity among the products. It is the process of minimizing product items to restrict production of useless products. Simplification and standardization are closely related to each other. To get full benefit of standardization there is always a need of implementing Simplification.

(iii) Product Line Length

The product line length shows the number of different products in a product line. A long product line has lots of different products in it and a short product line has a small number of different products.

Product line Width

The product line width is the number of product lines in the product mix. A wide product mix increases the type of customers a firm can target. However it may involve a lot of work as each product line will require a strategy and management. It could also reduce specialisation as it is difficult to offer every variant of a product type if you are selling lots of different types of product.

(iv) **Brand Personality:** A set of human characteristics that are attributed to a brand name. A brand personality is something to which the consumer can relate, and an effective brand will increase its brand equity by having a consistent set of traits.

Hot to develop brand personality: Probably one of the most repeated ideas that a designer will tell a client in the first meeting is that a brand is not a logo. There is a lot of work behind

the curtains helping establish the “look and feel” of a brand that the public is not aware of. The branding process involves a lot of non-graphical thought because before having the “look” of a brand we need to define the “feel”. One of the tools that will help this goal is a visual statement associating the brand with elements that people are already familiar with. With this exercise the characteristics of those elements will be extrapolated to the brand helping it to be perceived with the right personality.

(v) Reason for failure of new product in the market:

Following are the reasons behind new product failure:

- Launching an imitative product which is not so different from the existing products.
- Low or inconsistent product quality.
- Target customers are too small in numbers that do not meet the sales volume expectations needed to break even.
- The company does not have market access. It is unable to get trade distribution or cannot sell directly due to lack of sufficient resources.
- Launching the product too early before the market is ready or launching too late when the peak period has already passed; such poor timing play detrimental roles on the new product.
- Weak marketing strategy that does not take proper care of competitive alternatives in the market, can also be a reason for failure.
- Poor advertising, due to which target customers are not aware of the full benefit or existence of the product can also lead to failure.
- Poor market research before developing the new product is also a major reason.

(vi) Product Planning is the on-going process of identifying and articulating market requirements that define a product’s feature set. Product planning serves as the basis for decisions about price, distribution and promotion.

“Product planning is starting point of entire marketing in a firm” Because it minimizes production time, costs, efficiently organises the use of resources and maximizes workplace efficiency. It helps the organisation exploit its full potential.

(vii) Following are the main **types of brands** 1)- Manufacturer brand or national brand 2)- Private brand or Retail brand 3)- Middlemen brand 4) Family Brand 5) Individual Brand.

(viii) **Brand positioning** refers to “target consumer’s” reason to buy your brand in preference to others. It 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.

Brand positioning must make sure that:

- Is it unique/distinctive vs. competitors?
- Is it significant and encouraging to the niche market?
- Is it appropriate to all major geographic markets and businesses?
- Is the proposition validated with unique, appropriate and original products?

- Is it sustainable - can it be delivered constantly across all points of contact with the consumer?
 - Is it helpful for organization to achieve its financial goals?
 - Is it able to support and boost up the organization?
- (ix) **Family branding** is the branding in which all the products in the portfolio is named with a common name - eg: TATA - Tata sumo, Tata Indica, Tata Salt, Tata Docomo ,TataSky etc.
- Individual branding** is the process in which each product is named differently, like HUL products. Each product in the portfolio has been given different names.
- (x) **Idea Generation**
- Idea Generation is the first in a set of specific skills that form trading mechanics, much like the coordinated skills and steps involved in a baseball or golf swing. Idea Generation or idea development is the process of describing market or stock behaviour into actionable patterns and specific trade ideas. Idea generation also includes gathering information from a variety of trusted sources to produce useful conclusions.

(Long Answer Type Questions)

4x10=40

2. Product Mix

A product mix (or product assortment) consists of all the product lines and items that a particular seller offers for sale. Avon's product mix consists of four major product lines: cosmetics, jewellery, fashions, and household items. Each product line consists of several sublines.

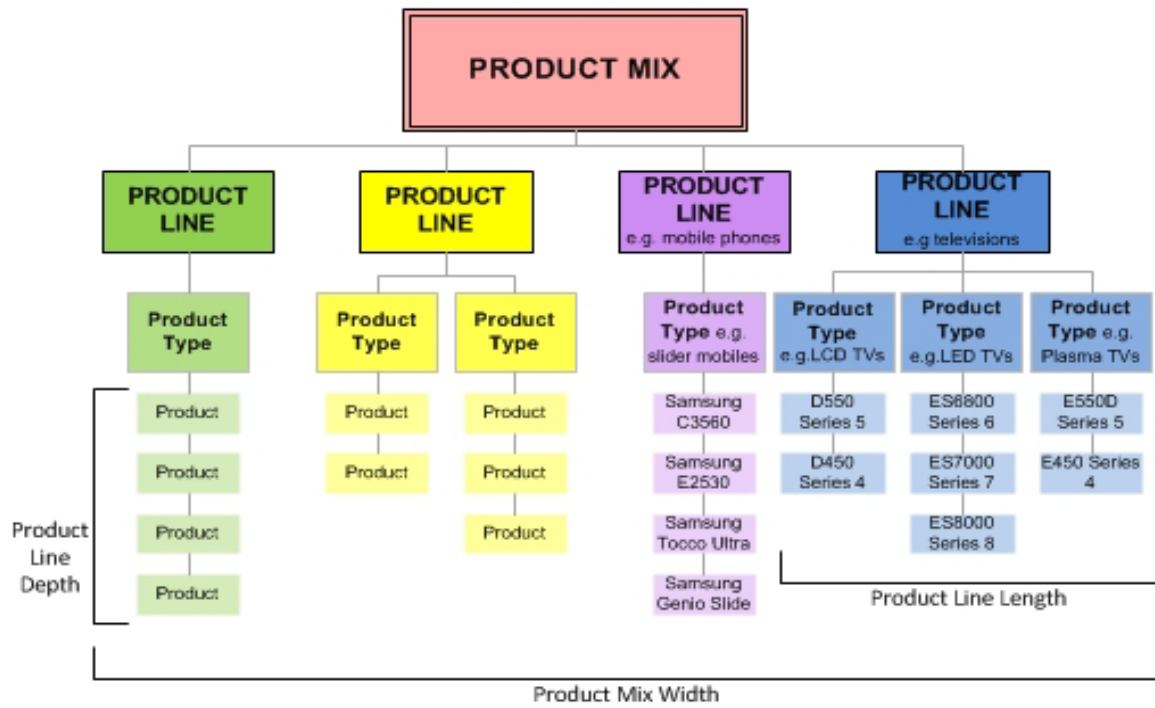
A company's product mix has four important dimensions: width, length, depth, and consistency. Product mix width refers to the number of different product lines the company carries. For example, Procter & Gamble markets a fairly wide product mix consisting of many product lines, including paper, food, household cleaning, medicinal, cosmetics, and personal care products. Product mix length refers to the total number of items the company carries within its product lines. Procter & Gamble typically carries many brands within each line. For example, it sells eleven laundry detergents, eight hand soaps, six shampoos, and four dishwashing detergents.

Product Line

A 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. For example, Nike produces several lines of athletic shoes, Motorola produces several lines of telecommunications products, and AT&T offers several lines of long-distance telephone services.

Product line depth refers to the number of versions offered of each product in the line. Thus, Procter & Gamble's Crest toothpaste comes in three sizes and two formulations (paste

and gel). Finally, the consistency of the product mix refers to how closely related the various product lines are in end use, production requirements, distribution channels, or some other way. Procter & Gamble's product lines are consistent insofar as they are consumer products that go through the same distribution channels. The lines are less consistent insofar as they perform different functions for buyers.



3. Product and Product development

Product:

Product means any marketable thing with some utility in it, produced either by a labour or through series of automated processes.

Development

Development is an act of making or achieving a continuous progress in something by someone. Progress transit from an earlier policy (traditional approach) to an advanced policy (modern approach).

Product development

Product development is a specialized activity. It is done to improve the existing product or to introduce a new product in the market. It is also done to improve the earlier features or techniques or systems. Generally, it means a new-product development.

New-product development means to introduce a brand-new product in the market. It means to add a fresh product to an existing line of products.

Normally, a company starts with one or two products. However, after some time it has few more products in its line (say from 15 to 20). This is possible only because of new-product development.

The following fifteen principles provide a sound basis for good Engineering and product development:

- Quality is a must - TQM approach
- A bias for cycle time reduction
- A bias for innovation
- coherent vision, strategy, plan and metrics
- a product-family oriented Business Unit
- listening to the Voice of the Customer
- a clearly defined and well-organized development process
- cross-functional product development teams
- supplier involvement early in the development process
- a development methodology
- highly skilled, well-trained people
- Computer Aided Design systems
- Digital product models controlled by EDM and PDM systems
- Simulation and rapid prototyping
- Best practice techniques

4. New Product:

We can say that a product is new when it does have some features different from the other product that came before it. In some cases you can make a new product out of something just by changing a small part of it. And of course you should have this in mind that it should not necessarily be a feasible item to be called product and it can be person, event, idea and etc.

New Product Development:

In business and engineering, new product development (NPD) is the complete process of bringing a new product to market. A product is a set of benefits offered for exchange and can be tangible (that is, something physical you can touch) or intangible (like a service, experience, or belief). There are two parallel paths involved in the NPD process: one involves the idea generation, product design and detail engineering; the other involves market research and marketing analysis. Companies typically see new product development as the first stage in generating and commercializing new product within the overall strategic process of product life cycle management used to maintain or grow their market share.

Product testing:

Product testing, also called consumer testing or comparative testing, is a process of measuring the extent to which a product fulfils the claims made by the manufacturer, often in comparison to other similar products. The theory is that since the advent of mass production manufacturers produce branded products which they assert and advertise to be identical within some technical standard. A researcher, usually with a government or non-profit standards organization or consumer organization, tests the products to see what the product can do, how it compares to similar products, and whether the product can fulfil the claims which the manufacturer makes.

Product testing seeks to ensure that consumers can understand what products will do for them and which products are the best value. Product testing is a strategy to increase consumer protection by checking the claims made during marketing strategies such as advertising, which by their nature are in the interest of the entity distributing the service and not necessarily in the interest of the consumer. The advent of product testing was the beginning of the modern consumer movement.

5. Product Diversification:

Diversification refers to a strategic direction that takes companies into other products and/or markets by means of either internal or external development. The process of expanding business opportunities through additional market potential of an existing product. Diversification may be achieved by entering into additional markets and/or pricing strategies. Often the product may be improved, altered or changed, or new marketing activities are developed. The planning process includes market research, product adaptation analysis and legal review.

Advantages

- Control of inputs, leading to continuity and improved quality.
- Control markets by guaranteeing sales and distribution.
- Take advantage of existing expertise, knowledge and resources in the company when expanding into new activities. This may result in transfer of skills, such as research and development knowledge and sharing of resources.
- Provide better risk control through no longer being reliant on a single market
- Provide movement away from declining activities
- Spread risk by avoiding having all eggs in one basket.

Disadvantages

- May result in slowing growth in its core business
- Adding management costs.

- Adding bureaucratic complexity. In addition to direct financial costs, there may be additional bureaucratic complexities necessitated by the need to coordinate and control core activities with additional activities.
- Losses may be incurred during market consolidation process resulting in some business units being subsidized by other profit making units. May result in negative synergies
- Diversification through acquisition across national boundaries may result in the organisation having to deal with varying intricacies of the political and legal requirements of the different countries in which the organisation has controlling interests.

Diversification through acquisition May result in failure where there is a mismatch between core competencies or experiences of the acquirer and acquired businesses.

6. **Meaning of Branding:**

Branding is the practice of giving a specified name to a product or group of product of one seller. Branding is the process of finding and fixing the means of identification. In other word, naming product, like a naming a baby, is known as branding. Parents have children and manufacturers also are eager to know the character and the capacity of their products on their birth, but not on their names. Thus branding is management process by which product is named; i.e branded.

Significance/Advantage of Branding:

Advantage to Producers.

1) Easy to Advertise. 2) Easy to Identify the Products. 3) Creation of Separate Market. 4) To gate More Price. 5) Easy to expand the Product Mix. 6) Personal Contacts with Consumers

Advantages to Middleman:

- Easy to understand needs and wants of consumers.
- Less Risk.
- No need of Advertisement and sales promotion.
- Increase in sales.
- Increase in Profits.

Advantages to Consumers:

- Easy to recognize.
- Availability of quality product.
- Minimum fluctuation in price.
- Improved Packing.
- Mental Satisfaction.

Labelling:

“Label is a part of product, which carries verbal information about the product or seller. It may be a small slip or printed statement .” It may be a part a package or it may be attached to the product. It convey verbal information about the product and seller. **According to William J Stanton,**“ The label is the part of the product which carries verbal information about the product or the seller (manufacturer or middlemen). A label may be part of the package or it may be a tag attached directly to the product.”

Functions of Labelling:

- It enables the producer to give a clear instruction about the users of product.
- Price variation caused by middlemen are avoided because of price is maintained and printed.
- Manufacturer buyer relation is established.
- It encourages producer to make only standard products.
- Buyers can easily identify the products.

7. Brand Testing:

Brand name testing and research is an important part of creating a new product or service. Selecting the right name can influence brand positioning, image, and future sales. Persuadable Research knows how to ask the right questions of your target market via focus groups and online surveys to get the results that will deliver now and in the future. Get the most out of your brand name investment by partnering with our highly professional Research Project Managers at Persuadable Research Corporation.

Purpose of Brand Testing

Brand name testing and research is done to find the right name for the right product. The name should match the product or service. It should fit the concept. The brand name should also appeal to the target market, connect the consumer emotionally to the product and be easy to remember and pronounce. Your name should be memorable and should sound good.

Essentials of a good brand name:

Following Points need to be taken When Creating A Brand Name;

- Match the product or service / fit the concept
- Easy to pronounce
- Easy to remember
- Easy to translate / cross cultural appeal
- Stand out against competing brands
- Should be protectable

8. Brand:

Brand is the "name, term, design, symbol, or any other feature that identifies one seller's product distinct from those of other sellers." Initially, branding was adopted to differentiate one person's cattle from another's by means of a distinctive symbol burned into the animal's skin with a hot iron stamp and was subsequently used in business, marketing, and advertising. A modern example of a brand is Coca Cola which belongs to the Coca-Cola Company.

Brand Name:

The brand name, which may be either the individual product name or a name applied to a group or family of products, is important for many reasons including suggesting what the product is or does (e.g., Mop-and-Glow). The name is also what we utter when we discuss the product (i.e., word-of-mouth marketing).

Brand Mark:

The brand mark is a design element, such as a symbol (e.g., Nike swoosh), logo (e.g., Yahoo! graphic), a character (e.g., Keebler elves) or even a sound (e.g., Intel inside sound), that provides visual or auditory recognition for the product.

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