# FUNDAMENTALS OF PRODUCT MANAGEMENT

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# LEVELS OF PRODUCT

1.Core product 2Basic product **3Expected product** 4Augmented product **5Potential product** 

# Classification of products or Goods

### Non – Durable Goods

### **Durable Goods**

# Classification based on consumption

Consumer goodsIndustrial goods

# **Classification of Consumer** goods

 Convenience goods Shopping goods Speciality goods Unsought goods



# Classification of FMCG

Staple goods
Impulse goods
Emergency goods

### **Other Classification**

Brown goods
White goods
Red goods
Orange goods
Yellow goods

### Stages in New product development

- Generating product ideas
- Screening of ideas
- Concept development and testing
- Business analysis
- Product development
- Market testing
- Commercialisation( Product launch)

# Role of Packaging

- Protection
- Convenience
- Promotion
- Identification
- Branding
- Information

## **Advantages of Packaging**

Advantages to marketer

- 1. Protects the products from being damaged
- 2. Promotes product
- 3. Facilitates storage & transportation
- 4. Helps in branding
- 5. Enhances goodwill
- 6. Acts as silent salesman

## Advantages to middlemen

- Facilitates storage & transportation
- Easy display
- Keeps the product fresh and Clean
- Self Advertising

## Advantages to Consumer

Convenient handling

- Less possibility of adulteration
- Information regarding use and upkeep
- Easy identification

## Requisites of a good Package

- 1.A package should suit to the product
- 2. It must protect the contents
- 3. It must meet the requirements of different segments of consumers

- 6.It cost should be
  - reasonable

# 4. It must be Attractive 5. It must be durable

### **Kinds of labels**

OBrand label
OGrade label
Descriptive label
Information label

# Advantages of Labelling

- Identifies the product or brand
- Announces product description and useful information
- Grades the product
- Contains the prices of the product
- Helps advertising

# **Disadvantages of Labelling**

- No use to the illiterate people
- Increases the cost of the product
- Effective only where standardisation is necessary
- Helps the customers to compare the merits and demerits of the product

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# Ways of product or service differentiation

- Benefits
- Design
- $\circ$  Price
- Quality
- Customer service
- Availability

### **Difference between brand & Trademark**

- Brand
- 1.Name Symbol,design or combination of these three
- 2.Can be copied
- 3.Limited scope
- **4.All brands are not trademarks**
- 5.Generally a symbol of the qualities of the trademark

- Trade mark
- **1.Registered Brand**
- 2.Cannot be copied
- 3.Wide Scope
- **4.All trademarks are brands**
- 5.Generally a symbol of its company

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### ks are brands symbol of its

### Essentials or Characteristics of good brand

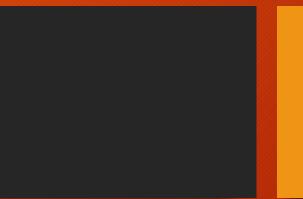
- Simple and easy to pronounce
- Memorable
- Attractive to the eyes and pleasing to ears
- Necessary suggestion about the product benefits
- Name should be appropriate and suitable to the product
- Suggest some product quality
- Illustrative and clearly distinctive from other brands
- Should not be outdated

# **Types of Brands**

- Manufacturer brands
- Private distributor brands
- Generic brands
- Family brands
- Individual brands
- $\circ$  Co-brands
- Licensed brands

### Advantages of Branding

- Advantages To manufacturers
- 1. It helps maintaining individuality for the product
- 2. It enables producers to popularise the product easily
- 3. It creates goodwill for the product
- 4. Manufacturers can directly control the prices of articles
- 5. By branding the product ,Market expenses can be reduced
- 6. It widens the market of the product
- 7. It facilitates introduction of new products
- 8. It creates brand loyalty





### **ADVANTAGES TO CONSUMERS**

- 1. It helps evaluating the quality of products
- 2. It helps in preventing adulteration of goods by middlemen
- 3. Branded goods are sold in sealed packages –gives protection to the goods from heat, moisture, dust etc
- Consumers get products of uniform standard and design 4.
- It enables the consumers to make easy buying 5.
- It assures fixed prices to consumers 6.

### **Advantages to Distributers**

- **1. It reduces the selling efforts**
- 2. IT helps in advertising in sales promotion programmes.
- 3. There is a stability in the prices of branded products.
- 4. Reduces cost of business
- 5. Helps to find out quick moving products easily

### Branding

### Grading

- Giving a distinct name or mark to a product for easy identification
- **Done for manufactured goods**
- **Create special demand**
- No need of standardisation
- **Done by using name, symbol, mark** etc

- **Done for agricultural goods**
- Widen the market
  - **Grading usually follows Standardisation**
- Done on the basis of size, shape, colour, weight etc

### Physical process of dividing goods into uniform lot for standardisation

### Products

- Made by company
- Made by the company in the factory and purchased by a customer in exchange for money
- Can be copied by competitors at any time •
- **Can become obsolete** •
- Instantly meaningful and useful to customers •
- **Perform a function** •
- **Customers don't fall in love with product** •
- Fulfill need

- Made by customers
- Built through customer perception, expectation and experiences
- Cannot copied by competitors
- Can be timeless
- in it
- Offer an emotion
- **Customers fall in love with brand** •
- Fulfill want

### **Brands**



 Meaningless until customers have a chance to experience it, build trusr with it and believe