MARKETING MANAGEMENT AND STRATEGY

WEEK 6
PRODUCT AND BRANDING STRATEGIES

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6.1 Introduction

Welcome to week six lecture! It is my joy to have you in this class. We have now laid the foundation for a marketing mix strategy. We now want to focus on strategies around the marketing mix components (product, price, place, and promotion). We will begin with the product. Product is the most important aspect of a marketing mix, and we will define it. We w further delve into product classification and product lines. Beyond the product we will focus our attention on branding, brand equity and its significance to marketers.

6.2 Intended Learning Outcomes

At the end of this lecture, you will be able to:

1. Describe the concept of product, product levels and product classification.
2. Discuss product hierarchy, product line product mix and show marketing implications.
3. Examine product packaging, labelling, warranties and guarantees.
4. Define a brand and examine brand naming strategies.
5. Examine the importance of branding to customers and marketers.
6. Examine branding challenges and opportunities.
7. Describe the components of brand equity and sources of brand equity.

6.3 The concept of product, product levels and product classification.

Saying on product

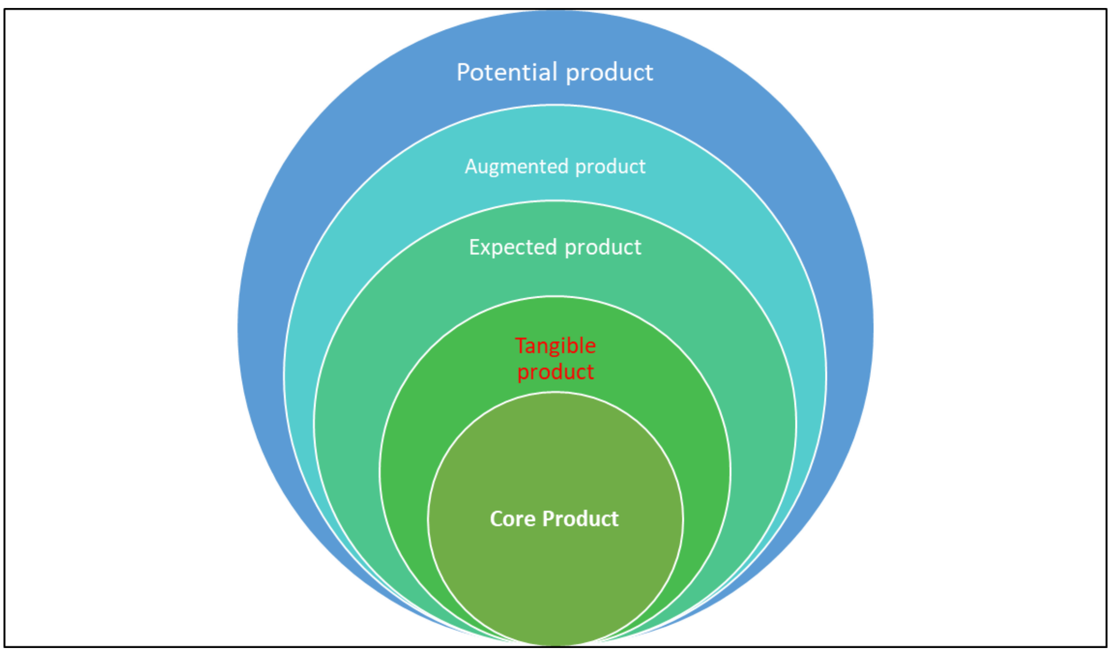
- "Great design will not sell an inferior product, but it will enable a great product to achieve its maximum potential" Lee Iacocca
- "When the product is right, you don't have to be a great Marketer. " Seth Godin
- "Don't find customers for your products, find products for your customers." David Ogilvy
- "Good products can be sold by honest advertising. If you don't think the product is good, you have no business to be advertising it." Zig Ziglar
- "If you believe your product or service can fulfill a true need, it's your moral obligation to sell it." Eleanor Roosevelt
- "I already am a product." Ross Perot
  "Business is not just doing deals; business is having great products, doing great engineering, and providing tremendous service to customers. Finally, business is a cobweb of human relationships. "Jeff Bezos

Product definition

A product is anything that can be offered to a market for attention, acquisition, use or consumption, that might satisfy a need (Kotler 1997). Dibb et al (1997) define a product as everything both favorable and unfavorable that one receives in an exchange. In review of literature Azam (n.d) identifies the following definitions of product "According to W. Alderson "A product is a bundle of utilities consisting of various product features and accompanying services". According to Cravens, Hills and Woodruff "Product is anything that is potentially valued by a target market for the benefits or satisfactions it provides, including objects, services, organizations, places people and ideas Stanton defines, "A product is a set of tangible and intangible attributes, including packaging, color, price, manufacturer's and retailer's services, which the buyer may accept as offering satisfaction or wants or needs". It includes physical objects, services, persons, places, organization, and ideas". A product therefore has the want satisfying attributes which drive a customer to purchase the product. It is a package of problem-solving devices and is something more than a physical product. A product encompasses several social and psycho-logical attributes and other intangible factors which provide satisfaction to the consumer."

Product levels

In planning its market offering, the marketer needs to think through five levels of the product. Each level adds more customer value.



Source: adopted from Kotler 1997

1. Core benefit: This is the fundamental service or benefit that the customer is really buying. E.g., a hotel guest is buying rest and sleep. Marketers must see themselves as benefit providers.
2. Tangible product: This involves turning the core benefit into a basic product. Thus, a hotel room includes a bed, bathroom, towel, and a desk.
3. Expected product: This is set of attributes and conditions buyers normally expect when they purchase this product. E.g., Hotel guests expect a clean bed, fresh towels, working lamps and a relative degree of quiet.

4. Augmented product: It involves extra benefits that the marketer adds to his offer e.g., delivery, financing, customer advice, ads, maintenance and repair, installation services etc.
5. Potential product: This encompasses all the possible augmentations and transformations the product or offering might offer in the future.

Product classifications

Marketers classify products based on durability and tangibility as well as based on use. Based on durability and tangibility products fall into three categories:

a) Non-durable goods are tangible goods consumed in one or a few uses such as bread and milk. The strategy is to make them available, charge low prices and advertise heavily to encourage trial and repeat purchases.
b) Durable goods: survive many uses e.g. electronic items, machines, tools etc. the strategy involves more personal selling, higher prices, guarantees and warranties.
c) Services: are intangible, inseparable, variable and perishable products such as legal services, appliance repairs etc. the strategy for marketing such products include quality control, supplier credibility, and adaptability.

Based on usage products can be classified as consumer and industrial products

Consumer product: are product and services bought by final consumers for personal consumption. These will include:

a) Convenience product: customer usually buys frequently, immediately and with a minimum of comparison and buying efforts. Convenience product usually low priced and market placed them in many locations. (Soap, candy, newspaper)
b) Shopping products: Less frequent purchases requiring more shopping effort and price, quality, and style comparisons. Higher than convenience good pricing. Selective distribution in fewer outlets. Advertising and personal selling by producer and reseller. (Major appliances, TV's, furniture, clothing).
c) Specialty product: Strong brand preference and loyalty, requires special purchase effort, little brand comparisons, and low-price sensitivity. High price. Exclusive distribution. Carefully targeted promotion by producers and resellers. (Specific brands and types of cars, high-priced photographic equipment)
d) Unsought products: Little product awareness and knowledge (or if aware, sometimes negative interest). Pricing varies. Distribution varies. Aggressive advertising and personal selling by producers and resellers. (Life insurance, cemetery plots)

6.4 Product Hierarchy, Product Line and Product Mix

Product Hierarchy

Product hierarchy refers to the systematic categorization of products within a company's portfolio based on various criteria such as function, price, target market, or other distinguishing factors. It typically involves organizing products into a hierarchical structure with multiple levels of classification. Each product is related to other products. Product hierarchy stretches from basic needs to items that satisfy those needs. Kotler and Kelly (2016) have identified six levels in a product hierarchy. We will use Life insurance is used as an example to illustrate each hierarchy.

(i) Need family: This is the core need that underlies the existence of a product family. (E.g., security).

(ii) Product family: All the classes that can satisfy a core need with reasonable effectiveness. (E.g., saving and income)

(iii) Product class: A group of products within the product family recognized as having a certain functional coherence e.g., financial instruments.

(iv) Product line: A group of products within the product class that are closely related because they perform similar function, are sold to the same customer groups, are marketed through the same channels, or fall within the given price ranges. Example: life insurance.

(v) Product type: A group of items within a product line that share one of several possible forms of the product. Example: term life insurance.

(vi) Product item (product variant): It is a distinct unit within a brand or product line distinguishable by size, price, appearance, or some other attribute. Example: renewable term life insurance.

Product hierarchy is crucial for marketers for several reasons:

- Segmentation and Targeting: A well-defined product hierarchy helps in segmenting the market effectively. By understanding the different product categories and subcategories, marketers can identify distinct customer segments with varying needs and preferences. This enables them to tailor their marketing efforts to target each segment more precisely.
- Product Positioning: Product hierarchy aids in positioning products relative to each other and to competitors' offerings. Marketers can position products based on factors such as price, quality, features, and target market. Understanding where each product fits within the hierarchy allows marketers to communicate its unique value proposition to customers effectively.
- Product Development: Product hierarchy provides insights into gaps in the product portfolio and opportunities for innovation. By analyzing the hierarchy, marketers can identify areas where new products or variations of existing products could be introduced to better meet customer needs or to capitalize on emerging trends.
- Brand Management: Product hierarchy plays a crucial role in brand management. It helps maintain consistency across product lines and ensures that each product aligns with the brand's overall image and positioning. Marketers can use the hierarchy to reinforce brand values and differentiate their offerings from competitors.
- Channel Management: Understanding the product hierarchy is essential for managing distribution channels effectively. Marketers need to ensure that the right products are available through the appropriate channels to reach target customers efficiently. The

hierarchy helps in determining which channels are best suited for each product category and subcategory among others.

Product mix /product assortment

A product mix refers to the range of products or services that a company offers to its customers. It encompasses all the different variations of products or services that a company manufactures, distributes, or sells. It is the set of all products and items that a particular seller offers for sale. This includes different product lines, product categories, and individual products within those categories. For example, a company that produces beverages might have a product mix that includes various types of soft drinks, bottled water, energy drinks, and juices. Each of these products represents a different variation within the company's overall product mix. A well-balanced product mix is often strategically designed to cater to different market segments, customer needs, and preferences, thereby maximizing sales opportunities and revenue generation for the company. Additionally, managing and optimizing the product mix is essential for maintaining competitiveness in the market and adapting to changing consumer demands and industry trends.

Kotler and Keller (2016) note the marketer has to make four strategic decisions on marketing mix. These will include width, length depth and consistency.

(i) The width of a product mix refers to how many different product lines the company carries. E.g., Detergents, Toothpaste, and Bar Soaps.
(ii) The length of a product mix refers to the total number of items in the mix e.g., 25 products.
(iii) The depth of a product mix refers to how many variants are offered of each product in the line. E.g., If Colgate comes in three sizes and two formulations (regular and mint), then it has a depth of six.
(iv) 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.

The product mix is crucial to marketers for several reasons:

- Market Coverage: It allows marketers to address diverse customer needs and preferences by offering a variety of products, thereby increasing market coverage and potential customer base.
- Competitive Advantage: A well-designed product mix can differentiate a company from competitors, attracting customers and enhancing brand loyalty.
- Revenue Generation: By offering a range of products, marketers can capitalize on different pricing strategies and market segments, optimizing revenue generation.
- Adaptability: A flexible product mix enables marketers to respond to changing market conditions, consumer preferences, and industry trends, ensuring long-term viability and success.

- Portfolio Management: Marketers can strategically allocate resources, prioritize product development efforts, and manage product life cycles effectively within the product mix.

In essence, the product mix is a fundamental tool for marketers to achieve market success, drive sales growth, and sustain competitiveness in dynamic business environments. A careful examination of product mix shows that a firm can expand it in four different ways:

(i) It can add new product lines, thus widening its product mix.
(ii) It can lengthen each product line.
(iii) It can add more products variants to each product and deepen its product mix.
(iv) A company can pursue more product line consistency.

Product line decisions

A product line refers to a group of related products marketed by a company under a single brand or category. These products typically share similar characteristics, such as functionality, target audience, distribution channels, or pricing. For example, a company might have a product line of smartphones that includes different models targeting various customer segments (e.g., budget, mid-range, premium). Each model within the product line may offer distinct features and price points, but they are all part of the same overarching product line. Product lines help companies streamline their marketing efforts, leverage brand recognition, and cater to different customer preferences within a particular market segment. They also allow for economies of scale in production, distribution, and marketing.

According to Kotler and Kelly (2016) the major product line decisions will include: product analysis, Product line length, product line modernization, featuring and pruning;

1. Product line analysis: It involves knowing the sales and profits analysis and market profile review:
   (a) Sales and profits analysis: This involves analysis of sales and profits of each item in the product line to know which items build, maintain, harvest, or divest.
   (b) Market profile review: This involves reviewing how the product line is positioned against competitors' line. This analysis helps to determine unmet demand (needs). Through this the company can decide to add items to meet this demand (need). It also helps the company to identify market segments. The company may discover that it produces products only for a particular segment and it is less effective in others.
2. Product line length: Product line length refers to the total number of products or variations within a product line that a company offers to its customers. It's essentially a measure of how broad or extensive the product line is. A longer product line typically includes a greater variety of products or variations, catering to different customer needs, preferences, and market segments. On the other hand, a shorter product line may have fewer options but may still effectively serve a specific niche or market. Companies often carefully manage their product line lengths based on market demand, competition, production capabilities, and marketing strategies. They may expand or streamline their product lines over time in

response to changing market conditions and consumer preferences. Balancing the length of a product line is crucial for maximizing sales and profitability while effectively meeting customer needs. A product line is too short if profits can be increased by adding items and it is too long if profits can be increased by dropping items.

The objectives of the company influence product line length e.g., if the company objective is to create a product line to induce up-selling, it will continue adding expensive items into the product line. Companies seeking high market share and market growth generally carry longer product lines. On the other hand, companies that emphasize high profitability will carry shorter lines consisting of carefully chosen items. Product line tends to lengthen over time e.g.-Excess manufacturing capacity puts pressure on the company to develop more new items. Sales force and distributors also pressure the company management to have a complete line to satisfy customers.

Product line expansion (lengthening) leads to increased costs. These costs may include: -

- Design and engineering costs.
- Inventory carrying costs.
- Manufacturing change over costs.
- Order processing costs.
- Transportation costs.
- New item promotional costs.

Product line expansion is usually followed by product line pruning to remove money losing items. The company lengthens its product line in two ways:

(i) Line stretching.
(ii) Line filling.

(i) Line stretching : Every company's product line covers a certain part of the total possible range e.g., some companies' focuses on upper price range of the market while others on lower price range of the market. Line stretching occurs when the company lengthens its product line beyond the current range. The company can stretch its line down market, up-market or both ways.

Down market stretch: A company producing products for middle income earners may want to introduce products for company low-income earners because of the following reasons.

- Strong growth opportunities in these markets e.g., growing number of shoppers who want value priced goods.
- Attacking low end competitors who have moved into its market.
- Middle market may be stagnating or declining.

•A company faces several naming choices when it decides moving down market:

a) Using the same name used earlier by the brand e.g., Sony or Kiwi on all its offerings.
b) Introducing the lower priced offering using a sub-brand name.

c) Introduce the lower priced offerings under a different name, without mentioning the previous (original) brand. The challenge of having a different name is that a lot of money is needed to build the new name which traders may not accept.

Risks of moving down market include: Regular customers may switch to lower end products thereby cannibalizing the company core brand and that the image of the core brand may be affected.

Up Market Stretch: This occurs when the company enters the high-end market. The company can use the same (core brand) name or use a different name. E.g., Toyota came up with different names when it moved up market-Lexus, Ruv-4, and Prado. The challenge is that the customer may not believe the company can produce a high-quality product.

Two ways Stretch: This is where companies serving the middle market decide to stretch their line in both directions i.e., Up market and down market.

ii) Line Filling: A product line can also be lengthened by adding more items within the present range. The following are the motives for line filling:

- Reaching for incremental profits.
- Trying to satisfy dealers who complain about lost sales because of missing items in the line.
- Trying to utilize excess capacity.
- Trying to be the full line company.
- Trying to plug holes to keep out competitors.

Line filling is overdone if it results in self-cannibalization and customer confusion. The company needs to differentiate each item in the customer's mind. Each item should possess a just noticeable difference.

3. Line Modernization: Product lines need to be modernized. A company's product might have an old look and may lose out to newer styled competitors' lines. In modernizing the product line, the issue is whether to overhaul the line piecemeal or all at once. It is less draining on the company's cash flow.

4. Featuring: This involves selecting one or a few items to feature or promote. Managers may decide to feature a high-end item to lend prestige to the product line.

5. Pruning: This involves periodically reviewing the line for deadwood that is depressing profits. The weak items can be identified through sales and cost analysis. Pruning is also done when the company is short of production capacity.

6.5 Product packaging, labelling, warranties and guarantees.

Packaging includes all activities of designing and producing the container for a product. Good packaging attracts consumers and encourages purchases. Factors leading to growing use of packaging as a marketing tool include, self-service, consumer affluence, company and brand image as well as innovation opportunity. The main objectives of packaging include: identifying the brand, convey descriptive and persuasive information, facilitate product transportation and protection, assist at home storage as well as aid product consumption.

Product labeling refers to the information, symbols, or graphics displayed on a product's packaging or attached to the product itself. This labeling serves multiple purposes, including:

- Identification: Labels help identify the product, its brand, and its manufacturer. They often include the product name, brand logo, and company information.
- Description: Labels provide essential information about the product, such as its ingredients, nutritional content, size or quantity, usage instructions, safety warnings, and care instructions.
- Regulatory Compliance: Many products require specific labeling to comply with government regulations and industry standards. This could include health and safety warnings, allergen information, country of origin labeling, and certification symbols (e.g., organic, fair trade).
- Marketing and Branding: Labels are an integral part of a product's marketing strategy, helping to communicate its unique selling points, differentiate it from competitors, and convey the brand's values and image.
- Consumer Education: Labels can educate consumers about the product's features, benefits, and proper usage, empowering them to make informed purchasing decisions.

Effective product labeling is essential for building consumer trust, ensuring product safety and compliance, and enhancing brand reputation. Companies often invest significant effort in designing clear, accurate, and attractive labels that meet both regulatory requirements and consumer expectations.

*Warrantie***s** are formal statements of expected product performance by the manufacturer. Products under warranty can be returned to the manufacturer or designated repair center for repair, replacement, or refund.

Product guarantee: A guarantee is a pledge or assurance, often provided by the manufacturer or seller, that a product will meet certain specified conditions, such as performance standards or durability. Guarantees are typically enforceable promises of assurance.

6.6 Branding

Sayings on branding

“A brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well.” Jeff Bezos.

“Brand is just a perception, and perception will match reality over time.” Elon Musk.

“A brand is the set of expectations, memories, stories and relationships that, taken together, account for a consumer’s decision to choose one product or service over another.” Seth Godin

“Products are made in a factory but brands are created in the mind.” Walter Landor

"Your brand is the single most important investment you can make in your business." Steve Forbes, Editor in Chief of Forbes Magazine

"A product can be quickly outdated, but a successful brand is timeless." Stephen King, best-selling author

“Your personal brand serves as your best protection against business factors you can't control." Dan Schawbel, founder of research and advisory firm, Millennial Branding

What is a brand?

American Marketing Association observes that a brand is a name, term, sign or mark, symbol or design or a combination of them intended to identify the goods and services of one seller and differentiate them from those of competition (Kotler and Kelly, 2016).

Brand naming strategies/Types of brands

Brand names come in different forms or brand name strategies.

- Corporate Brands. This is where the company name is used essentially for all products e.g., General Electric, Hewlett-Packard, LG, Samsung, Sony etc. Corporate branding is also called a family brand name or umbrella branding.
- Corporate parent brands. These are brand names where the corporate brand is carried with individual product names. Examples are Toyota Corolla, HP LaserJet series, Daily Nation, Sunday Nation, and Saturday Nation.
- Distinct product brands. Where manufacturers assign individual brand names to new products that are unrelated to the company name. At Unilever different products are assigned different names, and so are the P&G products, Coca-Cola products- Novida, Coke, Fanta etc.
- Sub-brands. These include the name of the corporate brand along with the distinct product brand. Examples include Sony PlayStation, Nestle KitKat, and Mazda Miata with PlayStation, KitKat, and Miata being the sub-brands.
- Co-brands. This is where two independent companies cooperate to have both brands highlighted in a product. For example, Logitech and Google, and KQ/KLM.
- Ingredient brands. This is a special case of Co-branding. This occurs when a company decides to put the name of an ingredient as part of the product name as in the case of Intel.
- Retailers also create their own brands based on their store names or other factors e.g., New Stanley, Abdulla Fazal, Little Red, 680 Hotel, Hilton, Nakumatt, Uchumi, Family Bank, Equity Bank, Nairobi hospital, Karen Hospital, The Village market, Sarit center etc. These are also called retail brands.

The names given to products also come in many different terms:

- They can be based on people (e.g., Oprah Winfrey shows, Churchil live show, Patricia show, Bill Cosby’s shows, Kuguru foods, Kevin Klein Jeans, Eastman Kodak, Dell computers, HP-Hewlett Packard).

- Places: e.g., British Airways, Eldoret Express, BP, Nakuru Mattresses, etc.
- Animals or birds: e.g., Kasuku, Pakapower, King fisher, kiwi, Ndovu, Jogoo, Flamingo soap, Puma, Falcon, Jaguar, Crown paints etc. Or other things or objects such as apple computers, shell, and BP etc.
- Some brand names use words with inherent product meaning (e.g., Just juice, Puncture seal, Quickserve, Fair & Lovely, Afia Juice, Swift global, Mara moja, Energizer batteries, Trust condoms etc.) while other suggest important attributes or benefits (e.g., Aqua-guard, Aquamist, quencher, prestige banking, aqua-fresh, Best Bargains etc.).
- Some brand names include prefixes and suffixes that sound scientific, natural, or prestigious (e.g., Intel computer, Bio-Oil, Compaq computers, herbal tea Etc.).

Importance of brands and branding

Why do brands matter? Why are brands important? What functions do they perform?

To consumers: To consumers, brands are important in the following ways:

- Helps to identify the source or maker of the product. (They help in differentiation).
- Brands have special meaning to consumers e.g., quality, fast service, friendliness etc.
- Brands help consumers to easily recognize the products thus lowering the search costs.
- Brands act as a promise or a bond with a consumer. Example is the type of a bond that the Kenyan youths have with Coke.
- Brands also serve as symbolic devices, allowing consumers to project their own self-images. They are therefore a form of communication e.g., wearing a Rolex watch.
- Brands are a sign of quality.
- Brands serve to reduce the risks in product decisions. There are many different types of risks that consumers may perceive in buying and consuming a product which include:
    - Functional risk – Will the product perform as expected?
    - Physical risk-threat to the physical well-being of user and others.
    - Financial risk-Is it worth?
    - Social risk-social embarrassment.
    - Psychological risk-product affects the mental well-being of the user.
    - Time risk-opportunity cost.

b. To firms/organizations, brands serve the following purposes.

- They are a means of identification to simplify handling or tracing of inventory.
- They enhance efficiency and effectiveness of marketing programs.
- They offer legal protection for unique features or aspects of a product.
- Brands are a means of endowing products with unique associations and meanings that differentiate it from other products.
- Brands signal a certain level of quality to consumers, and this provides brand loyalty.

- Brands are a powerful means to secure a competitive advantage in the marketplace over time.
- They are source of financial returns i.e., they offer security of sustained future revenues to the firm.
- Enhance brand extensions.

Branding challenges and opportunities

(i) Brand proliferation: There has been proliferation of new brands and products due to rise in line and category brand extensions.

(ii) Media fragmentations: There has been erosion of the traditional advertising media and an emergence of non-traditional media, promotion, and other communication alternatives, such as sports and event sponsorship, In-store advertising, billboards, transits vehicles etc.

(iii) Increased competition and costs: Increased competition has meant a reduction of market share of major competing brands.

(iv) Greater accountability: Marketers today are trying to meet short term profit targets because of financial market pressures.

(v) Other challenges include Difficulty in differentiating due to imitation, Decreasing brand loyalty for many products due to price discounting/price competition, Growth of private labels, Increasing trade powers e.g., Japan, Fragmentation of brand franchises- e.g., Nokia-quality issues/Citi Hoppa, Decreasing advertising expenditure.etc

Brand identity

Brand identity is a unique set of brand associations that the brand strategist aspires to create or maintain. These associations represent what the brand stands for and imply a promise to customers from the organization. Identity is the way a company aims to identify or position itself or its products. For the identity to work, it must be conveyed through every available communication vehicle and brand contact. Brand identity should help establish a relationship between the brand and the customer by generating a value proposition involving functional, emotional, or self-expressive benefits.

How to enhance brand identity?

- Provide superior customer value.
- Develop deep understanding of customers.
- Total commitment to quality.
- Provide differentiation or points of difference.
- Consistency and evolution in brands – adaptation to changes in consumer tastes.
- Support brands.

Brand equity

Brand equity can be defined as the added value linked to a product or service which is reflected on how consumers think, feel, and act with respect to a brand as well as the prices, market share and profitability that the brand commands for the firm Kotler and Keller (2016) It comprises brand name awareness, perceived quality, brand loyalty, brand associations and other brand assets.

(i) Brand name awareness: Awareness refers to the strength of a brand's presence in the consumer's mind. Awareness is measured according to the different ways in which consumers remember a brand, ranging from recognition (Have you been exposed to this brand before?) to recall (What brands of this product class can you recall?) to 'top of mind' (the first brand recalled) to dominant (the only brand recalled).

(ii) Perceived quality: Perceived quality is a measure of 'brand goodness' It is at the heart of what customers are buying. A known brand conveys an aura of quality (either good or bad). This can be general type (e.g., HP products have general reputation of high quality) or specific type (e.g., Gillette reputation in razors and blades).

(iii) Brand loyalty: A brands value to a firm is largely created by the customer loyalty it commands. The strongest measure of a brand's value is the loyalty (repeat buying, worth of mouth) it engenders in customers.

(iv) Brand associations: Brand equity is supported in great part by the associations that consumers make with a brand. These associations might include product attributes, a celebrity spokesperson, or a particular symbol.

(v) Other brand assets: These are patents and trademarks. They are also valuable to products and services.

Benefits from brand equity

- Greater revenue and lower cost.
- Greater loyalty
- Less vulnerability to competing markets actions and crises
- Larger margins
- Greater trade cooperation and support
- Increased marketing communication effectiveness
- Possible licensing opportunities (right to use trademark)
- Additional brand extension opportunities
- Other benefits

Brands with positive customer-based equity may provide other advantages to the firm not directly related to the products themselves such as.

- Helping the firm to attract better employees,
- Generating interest for investors and
- Gathering more support from shareholders.

6. 7 Review Questions

1. How does the concept of product hierarchy, as outlined by Kotler and Kelly (2016), aid marketers in effectively segmenting markets and targeting specific customer segments? Provide examples to illustrate how understanding product hierarchy can influence segmentation strategies.
2. Discuss the significance of brand identity in establishing a strong relationship between a brand and its customers. How can marketers ensure consistency in conveying brand identity across various communication channels and brand contacts? Provide real-world examples to support your argument.
3. Analyze the role of brand equity in driving competitive advantage and long-term profitability for companies. How do components such as brand awareness, perceived quality, and brand loyalty contribute to building brand equity? Provide examples of companies that have successfully leveraged brand equity to maintain market leadership.
4. Evaluate the challenges and opportunities associated with branding in today's competitive marketplace. How can companies effectively navigate challenges such as brand proliferation, media fragmentation, and increased competition to build and sustain strong brands? Provide strategic recommendations for overcoming these challenges.
5. Discuss the strategies and implications of product line decisions, including product analysis, line length, modernization, featuring, and pruning. How do companies balance the need for product line expansion with the risks of cannibalization and customer confusion? Illustrate your answer with examples from different industries.

Self-test

1. What does Kotler (1997) define as the "core benefit" of a product?
   a) The set of attributes and conditions buyers normally expect
   b) The fundamental service or benefit that the customer is really buying
   c) Extra benefits added by the marketer to the product offer
   d) All possible augmentations and transformations the product might offer in the future
2. What is the primary purpose of product hierarchy for marketers?
   a) To increase production efficiency
   b) To identify competitors' products
   c) To segment the market effectively
   d) To reduce advertising costs
3. Which of the following is NOT a functions of product packaging?
   a) Facilitating product transportation and protection
   b) Conveying descriptive and persuasive information
   c) Enhancing customer loyalty
   d) Identifying the brand

4. What is the main objective of product line analysis according to Kotler and Kelly (2016)?
    a) To identify market segments
    b) To increase production capacity
    c) To review how the product line is positioned against competitors' lines
    d) To minimize advertising expenditure
5. Which brand naming strategy involves using the same corporate brand name for all products?
    a) Corporate parent brands
    b) Distinct product brands
    c) Co-brands
    d) Ingredient brands
6. What is the core concept of brand equity as defined by Kotler and Keller (2016)?
    a) The value added to a product based on its price
    b) The total revenue generated by a brand over its lifetime
    c) The added value linked to a product or service based on consumer perception
    d) The total number of units sold by a brand in a given period
7. What is one of the benefits of having a strong brand identity for a firm?
    a) Increased production costs
    b) Greater vulnerability to market actions
    c) Attraction of better employees
    d) Decreased marketing communication effectiveness
8. Which factor is NOT a challenge in branding in today's competitive marketplace?
    a) Media fragmentation
    b) Decreasing brand loyalty
    c) Increased trade cooperation
    d) Growth of private labels
9. How does Kotler and Kelly (2016) define brand loyalty?
    a) The number of brands available in the market
    b) The strength of a brand's presence in the consumer's mind
    c) The customer's willingness to try new products
    d) The repeat buying behavior and word-of-mouth recommendation for a brand
10. What is the primary purpose of line modernization for product lines?
    a) To decrease production efficiency
    b) To maintain an old-fashioned look for products
    c) To increase production costs
    d) To update products to match newer styled competitors' lines

Marketing Management Project

Part 5

This week we want to focus on:

A) identifying:

- A product mix for our company
- Product lines
- Recommend ways to expand product mix and justify

B) evaluate the branding strategy employed by the company and recommend ways of enhancing the same

References

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Answers to self-test evaluations

1. The fundamental service or benefit that the customer is really buying
2. To segment the market effectively
3. Enhancing customer loyalty
4. To review how the product line is positioned against competitors' lines
5. Corporate parent brands
6. The added value linked to a product or service based on consumer perception
7. Attraction of better employees
8. Increased trade cooperation
9. The repeat buying behavior and word-of-mouth recommendation for a brand
10. To update products to match newer styled competitors' lines