

# GOVERNMENT POLYTECHNIC BHUBNESWAR-2025



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PAPER- MARKETING MGT

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Product positioning is an important element of a marketing plan. Product positioning is the process marketers use to determine how best to communicate their products' attributes to their target customers based on

1. Customer needs
2. Competitive pressures,
3. Available communication channels and carefully crafted key messages.

Positioning refers to the place that a brand occupies in the minds of the customers and how it is distinguished from the products of the competitors. Once a brand has achieved a strong position, it can become difficult to reposition it. Positioning is one of the most powerful marketing concepts.

Bases of Product positioning:

1. Positioning by Product Attributes and Benefits

Associating a product with an attribute, a product feature or a consumer feature. Sometimes a product can be positioned in terms of two or more attributes simultaneously. The price/ quality attribute dimension is commonly used for positioning the products.

Sometimes a product may be positioned on more than one product benefit. Marketers attempt to identify salient attributes (those that are important to consumers and are the basis for making a purchase decision).

- Maruti Suzuki offers benefits of maximum fuel efficiency and safety over its competitors. This strategy helped it to get 60% of the Indian automobile market.
- Colgate offers benefits of preventing cavity and fresh breath.

2. Positioning by user This deals with positioning a product keeping in mind a specific user or a class of users. Cosmetics brands like Revlon, L'Oreal or Lakme position themselves targeting fashion-conscious women.

3. Positioning by product class: Some products need to make critical positioning decisions that involve product-class associations. For example, Nescafe Bru positioned itself as instant coffee.

4. Positioning versus competition

The positioning can be made with an explicit or implicit frame of reference of one or more competitors. There are 2 reasons behind this:

- a. The competitor may have a firm, well-defined image developed over many years and this image can be used as a bridge to help to communicate another image referenced to it. It is like when you give your address, you mention some well known landmarks like bank, office, school etc.

- b. Sometimes it is not only important how good the consumers think about you, but also it is important that they believe you are better than a given competitor.

5. Positioning by use/application Another way to position is to consider the use or application. One good example is Itch Guard skin ointment (cream base) from Paras Pharmaceuticals, which has been positioned as an Over The Counter (OTC) medicine (i.e. the medicine that does not require prescription) to "relieve sweat itch due to intertrigo.

## **PRODUCT**

A product is the item offered for sale. A product can be a service or an item. It can be physical or in virtual or cyber form. Every product is made at a cost and each is sold at a price. The price that can be charged depends on the market, the quality, the marketing and the segment that is targeted.

Each product has a useful life after which it needs replacement, and a life cycle after which it has to be re-invented.

The main characteristics or essential features of a product are as follows:

### **1. Tangible Attributes**

The first and foremost important feature of a product is its tangibility. It means that it may be touched, seen and its physical presence felt, like, cycle, book, pencil, table etc.

### **2. Intangible Attributes**

Alternatively, the product may be intangible in the form of service, such as banking, insurance or repairing services.

### **3. Exchange value**

The third characteristics of a product are that it must have exchange value.

Every product, whether tangible or intangible, should have an exchange value and should be capable of being exchanged between the buyer and seller for a mutually agreed consideration.

### **4. Utility Benefits**

Another important characteristic of a product is that it should have a utility like a bundle of potential utility or benefits.

### **5. Differential Features**

Another important feature from the marketing point of view is that the product should have differential features, i.e., it can be differentiated from other products.

Different types of packaging and branding can help create the image of product differentiation in the consumer.

### **6. Consumer Satisfaction**

Another feature from the marketing viewpoint is that the products should have the ability to deliver value satisfaction to consumers for whom they are intended.

### **7. Business Need Satisfaction**

The last also equally important characteristics of a product is that in order to be a product, it should also have the attribute to satisfy a business need. The basic business need obviously is to earn a profit on the product sold. It must have the attribute of generating profit.

### **Importance Of Product**

Product is the centre of all marketing activities, without a product, marketing cannot even be imagined. Good products are the key to market success.

#### **1. Product is the Centre of all Marketing Activities**

Product is the pivot and all the marketing activities cluster around it. Marketing activities such as advertising, sales promotion distribution, buying, selling etc. are all made possible only on account of the product.

In short, the product is the engine that pulls the marketing activities, programmes etc.

#### **2. Starting Point of Marketing Planning**

To the marketer, products are the building blocks of a marketing plan.

Marketing planning is done on the basis of the nature, quality and the demand of the product.  
Product policies decide other policies.

### 3. Product is the Key to Market Success

Product is the key to market success.

It is said, "If the first commandment in marketing is (i) knowing your customer (ii) the second is know the product."

If the product is faulty, its market will have a very short life span and will ultimately fall.

### 4. Centre of Consumption and Satisfaction

From the consumers' point of view, the product is the centre of their consumption and satisfaction.

It is the philosophy of the modern marketing concept.

Various policy decisions are taken by the marketing management so as to provide better consumption, benefits utilities and satisfaction to the consumers.

### 5. Importance from social Viewpoint

From a social viewpoint also, the product satisfies the needs of society.

On the one hand, product satisfies the need of consumers and on the other, it provides employment and standard of living to millions of people.

### 6. Corporate Need Satisfaction

The basic corporate need for profits is satisfied by-products.

It is the product through which a company exploits market opportunities and generates sales volume and revenue.

Adequate sales volume and revenue ensure corporate profitability essential for business survival and growth.

### 7. A Competitive Weapon

Product is the competitive weapon of very great potential.

Whenever competitive pressures develop in the market, consumer preference changes or otherwise there emerges a need for change in the components of the product.

For example, competitive advantage may be gained by changing the package, colour, size, quality, innovation or even trading terms.

Classification of Products – Major Classification: 1. Consumer Products 2. Industrial Products

Products may be classified on the basis of users of the products, the type of consumers who use the product that is:

#### 1. Consumer Products:

Consumer products are those products that are bought by the final customer for consumption.

i. Convenience Products: Convenience Products are usually low priced, easily available products that customer buys frequently, without any planning or search effort and with minimum comparison and buying effort. Such products are made available to the customers through widespread distribution channels-through every retail outlets. This category includes fast moving consumer goods (FMCG) like soap, toothpaste, detergents, food items like rice, wheat flour, salt, sugar, milk and so on. ii. Shopping Products:

Shopping products are high priced (compared to the convenience product), less frequently purchased consumer products and services. While buying such products or services, consumer spends much time and effort in gathering information about the product and purchases the

product after a careful consideration of price, quality, features, style and suitability. Such products are distributed through few selected distribution outlet. Examples include television, air conditioners, cars, furniture, hotel and airline services, tourism services. iii. Speciality Products: Speciality Products are high priced branded product and services with unique features and the customers are convinced that this product is superior to all other competing brands with regard to its features, quality and hence are willing to pay a high price for the product. These goods are not purchased frequently may be once or twice in lifetime and are distributed through one or few exclusive distribution outlets. The buyers do not compare speciality products. iv. Unsought Products: Unsought product is consumer products that the consumer either does not know about or knows about but does not normally think of buying. In such a situation the marketer undertakes aggressive advertising, personal selling and other marketing effort. The product remains unsought until the consumer becomes aware of them through advertising. The price of such product varies. Examples of unsought product are cemetery plots, blood donation to Red Cross, umbilical cord stem cell banking services.

## 2. Industrial Products:

Industrial Products are purchased by business firms for further processing or for use in conducting a business .The distinction between consumer product and industrial is based on the purpose for which the product is bought. Like a kitchen chimney purchased by a consumer is a consumer product but a kitchen chimney purchased by a hotel is an industrial product. i. Material and parts – Material and parts include raw material like agricultural products, crude petroleum, iron ore, manufactured materials include iron, yarn, cement, wires and component parts include small motors, tires, and castings. ii. Capital items – Capital items help in production or operation and include installations like factories, offices, fixed equipments like generators, computer systems, elevators and accessory equipments like tools office equipments. iii. Supplies – Supplies include lubricants, coal, paper, pencils and repair maintenance like paint, nails brooms. iv. Services – Services include maintenance and repair services like computer repair services, legal services, consultancy services, and advertising services.

## What Is Product Mix?

Product mix, also known as product assortment, is the total number of product lines that a company offers to its customers. The product lines may range from one to many and the company may have many products under the same product line as well. All of these product lines when grouped together form the product mix of the company.

The product mix is a subset of the marketing mix and is an important part of the business model of a company. The product mix has the following dimensions:

**Width** The width of the mix refers to the number of product lines the company has to offer.

Ex-Coca-Cola has product brands like Minute Maid, Sprite, Fanta, Thumbs up, etc. under its name. These constitute the width of the product mix

**Length** Length of the product mix refers to the total number of products in the mix. There are a total of 3500 products handled by the Coca-Cola brand. These constitute the length.

#### Depth

The depth of the product mix refers to the total number of products within a product line. Ex- Minute Maid juice has different variants like apple juice, mixed fruit, etc. They constitute the depth of the product line

#### Consistency

Product mix consistency refers to how closely products are linked to each other. Less the variation among products more is the consistency. 'Minute Maid'. Coca-Cola deals majorly with drinking beverage products and hence has more product mix consistency.

#### Branding:

Branding is a process which involves creating a specific name, logo, and an image of a particular product, service or company. This is done to attract customers.

#### Features of Branding

1. **Targetability** Branding should be planned according to the targeted audience. No business firm can target the entire population.

Business owners should identify the type of people who are buying their products and services. Research should be done on the basis of age, gender, income, the lifestyle of their customers, etc.

2. **Awareness** The percentage of people who are aware of a brand is known as brand awareness. Well established companies have the benefit of a high level of brand awareness. Brand awareness can be increased with the help of advertisement on TV, radio, newspaper or social media marketing and advertising.

Logos also help companies build brand awareness, as people often recognize brands by these symbols or diagrams.

3. **Loyalty** Brand loyalty is the highest achievement or apex of any company. A customer who buys the product of a particular company extensively is known as a brand loyalist.

Many consumers prefer using certain brands of clothing, deodorants or tubes of toothpaste, for example. They like how these brands benefit them. Brand loyalty can be build by staying in touch with the customers, asking them for their reviews.

4. **Consistency** Consistency is necessary for a brand. A brand must remain consistent. Small businesses make numerous promises in commercials and ads about their brands, and consumers expect companies to continue living up to these promises. Their products should also be effective

#### Packaging

As we know first impressions go a very long way in how people perceive anything. This is the same idea that companies implement via their packaging. The outer appearance of the product (the package) is the first thing a potential customer will see, and so it can be a great marketing tool for the product.

#### Packaging as a Marketing Tool

Effective packaging can actually help a company attract consumers to their product. It can be the tool that sets apart their product in a vast sea of options that the consumer has at their disposal. A good packaging can actually add to the perceived value of a product.

In fact, the package of a product serves multiple practical purposes as well. Let us take a look at some of the uses and functions that it serves.

☐ Protection: The first and the most obvious use of packaging is protection. It physically protects the goods from damage that may be caused due to environmental factors. It is the protection against breaking, moisture, dust, temperature changes etc.

☐ Information Transmission: Packaging and labelling are essential tools to inform the customer about the product. They relay important information about directions for use, storage instructions, ingredients, warnings, helpline information and any government required warnings.

☐ Convenience: Goods have to be transported, distributed, stored and warehoused during their journey from production to consumption. Packaging will make the process of handling goods more convenient for all parties involved.

☐ Security: To ensure that there is no tampering with the goods packaging is crucial. The package of a product will secure the goods from any foreign elements or alterations. High-quality packages will reduce the risk of any pilferage.

#### Labelling:

Labelling is the display of label in a product. A label contains information about a product on its container, packaging, or the product itself.

It also has warnings in it. For e.g. in some products, it is written that the products contain traces of nuts and shouldn't be consumed by a person who's allergic to nuts.

1. Labelling is essential as it helps to grab the attention of a customer. 2. Labelling is also used to exaggerate the product. Also, it is used for identification. This kind of labeling helps a viewer to differentiate the product from the rest in the shelves of the market. 3. Labeling is another very important factor in a product. It should show the correct information about the product. This is all the more important in products such as pharmaceuticals. Labeling should also contain information relating to whether the product has harmful chemicals, especially if it is a product that is meant for children.

The main difference between packaging and labelling is: Packaging protects the product from external contamination. Labelling inform the consumer about the product. ( Not to be written only for understanding)

Product support: It is a service provided by many vendors of various products, primarily electronics, that provides the end-user with a resource for information regarding the product, and help if the product should malfunction. Product-support information can be found in most manuals for products via a phone number, web site address, or physical location.

#### Product Life Cycle

As consumers, we buy millions of products every year. And just like us, these products have a life cycle.

Older, long-established products eventually become less popular, while in contrast, the demand for new, more modern goods usually increases quite rapidly after they are launched.

Because most companies understand the different product life cycle stages, and that the products they sell all have a limited lifespan, the majority of them will invest heavily in new product development in order to make sure that their businesses continue to grow.

#### Product Life Cycle Stages Explained

The product life cycle has 4 very clearly defined stages, each with its own characteristics that mean different things for business that are trying to manage the life cycle of their particular products.

**Introduction Stage** – This stage of the cycle could be the most expensive for a company launching a new product. The size of the market for the product is small, which means sales are low, although they will be increasing. On the other hand, the cost of things like research and development, consumer testing, and the marketing needed to launch the product can be very high, especially if it's a competitive sector.

**Growth Stage** – The growth stage is typically characterized by a strong growth in sales and profits, and because the company can start to benefit from economies of scale in production, the profit margins, as well as the overall amount of profit, will increase. This makes it possible for businesses to invest more money in the promotional activity to maximize the potential of this growth stage.

**Maturity Stage** – During the maturity stage, the product is established and the aim for the manufacturer is now to maintain the market share they have built up. This is probably the most competitive time for most products and businesses need to invest wisely in any marketing they undertake. They also need to consider any product modifications or improvements to the production process which might give them a competitive advantage.

**Decline Stage** – Eventually, the market for a product will start to shrink, and this is what's known as the decline stage. This shrinkage could be due to the market becoming saturated (i.e. all the customers who will buy the product have already purchased it), or because the consumers are switching to a different type of product. While this decline may be inevitable, it may still be possible for companies to make some profit by switching to less-expensive production methods and cheaper markets.

**8 Steps of New Product Development** New Product development is a journey. Every product goes through a number of stages before being introduced in the market. **Idea Generation** The first stage of the New Product Development is the idea generation. Ideas come from everywhere, can be of any form, and can be numerous.

This stage involves creating a large pool of ideas from various sources, which include –

- ❑ Internal sources – many companies give incentives to their employees to come up with workable ideas.
- ❑ SWOT analysis – Company may review its strength, weakness, opportunities and threats and come up with a good feasible idea.
- ❑ Market research – Companies constantly reviews the changing needs, wants, and trends in the market.
- ❑ Customers – Sometimes reviews and feedbacks from the customers or even their ideas can help companies generate new product ideas.
- ❑ Competition – Competitors SWOT analysis can help the company

generate ideas Idea Screening Ideas can be many, but good ideas are few. This second step of new product development involves finding those good and feasible ideas and discarding those which aren't. Many factors play a part here, these include –

☐ Company's strength, ☐ Company's weakness, ☐ Customer needs, ☐ Ongoing trends, ☐ Expected ROI, ☐ Affordability, etc. Concept Development & Testing The third step of the new product development includes concept development and testing. A concept is a detailed strategy or blueprint version of the idea. Basically, when an idea is developed in every aspect so as to make it presentable, it is called a concept. All the ideas that pass the screening stage are turned into concepts for testing purpose. You wouldn't want to launch a product without its concept being tested.

The concept is now brought to the target market. Some selected customers from the target group are chosen to test the concept. Information is provided to them to help them visualize the product. It is followed by questions from both sides. Business tries to know what the customer feels about the concept. Does the product fulfil the customer's need or want? Will they buy it when it's actually launched?

Business Strategy Analysis & Development The testing results help the business in coming up with the final concept to be developed into a product.

Now that the business has a finalized concept, it's time for it to analyse and decide the marketing, branding, and other business strategies that will be used. Estimated product profitability, marketing mix, and other product strategies are decided for the product. Other important analytic includes

☐ Competition of the product

☐ Costs involved ☐ Pricing strategies ☐ Breakeven point, etc.

Product Development Once all the strategies are approved, the product concept is transformed into an actual tangible product. This development stage of new product development results in building up of a prototype or a limited production model. All the branding and other strategies decided previously are tested and applied in this stage.

Test Marketing Unlike concept testing, the prototype is introduced for research and feedback in the test marketing phase. Customer's feedback is taken and further changes, if required, are made to the product. This process is of utmost importance as it validates the whole concept and makes the company ready for the launch. Commercialization The product is ready, so should be the marketing strategies. The marketing mix is now put to use. The final decisions are to be made. Markets are decided for the product to launch in. This stage involves briefing different departments about the duties and targets. Every minor and major decision is made before the final introduction stage of the new product development.

