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Product

Extension Strategies

- Product Differentiation
- Brand Extension
- Repackaging
- Price Reductions
- Re-Designing
- New Markets

The Product Life Cycle

1. Research & development stage
2. Launch stage
3. Growth stage
4. Maturity stage
5. Decline stage

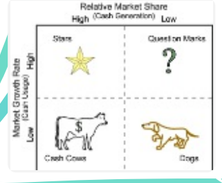
Boston Matrix

Advantage: Provides a quick synopsis of a firm's product portfolio.
Disadvantage: fails to explain the position of the products in the grid.

Question Marks are the main users of cash; **Cash Cows** are the main generator of cash. The optimal product portfolio strategy takes advantages of the firm's strengths (stars + cash cows) to develop other attractive opportunities (Question marks + rising stars).

Determine the investment in each product / brand.

Market Share / Growth (varieties are important in product portfolio).



Dogs products with low market share and operate in low growth / stagnant markets. Hence does not generate much profit for a business.

Question Marks refers to the range of products / strategic business unit owned and developed by an organisation at any one point in time.

Cash cow refer to any product that generates significant money due to its large market share in a mature market.

Rising stars products with high or rising market share in a high growth market.

Packaging

- Eye catching packagings: "impulse buying"
- Ease of distribution (Safer and faster).
- Packaging protects a product against damage during transportations / distribution.
- Packaging has a profound impact on customer perceptions of a product / brand. Quality packaging w/ quality product.
- A form of product differentiation; to sway customers away from rivals that do not offer such a service.
- Labelling can be used to provide information. (legal obligations / nutritional info / promotional purposes.)

Marketing Strategies

Distribution Advantages Retail space is limited; vendors only stock the best-selling brands.

Price Advantages Add value to products.

Intangible Value "the brand that sells the products, not the other way around."

Uniqueness Brands are unique but products are easily copied.

Recognition Brand Loyalty.

Timeless Successful brands are timeless, whereas products can become obsolete.

Importance of Branding

Branding differentiating a firm's products from those of its competitors.

Legal Instrument legal identity for a product (unique and recognisable name to differentiate from competitors).

Risk Reducer provide a better survival chance for new products. Well-known brands > sense of value. Prolong life cycle of the product.

Image Enhancer To charge a premium price; higher profit margins. "Feels good factor"

Revenue Earner encouraged by brand loyalty. Might perceive a brand being superior to others therefore won't purchase substitutes.

Aspects of Branding

Value the premium that customers are willing to pay more for a reputable brand.

Awareness the extent to which potential customers / general public recognise a particular brand.

Development strengthening the name / image of a brand to boost its appeal + sales.

Loyalty customers devoted to the brand since they have brand preference over other brands.

The **mindmaps** is downloaded from
dineshbakshi.com