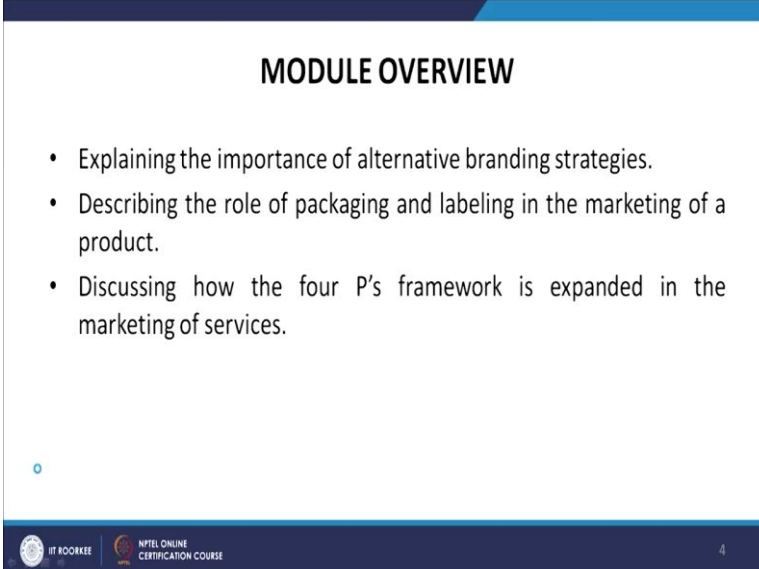


**Introduction to Marketing Essentials**  
**Prof. Zillur Rahman**  
**Department of Management Studies**  
**Indian Institute of Technology, Roorkee**

**Lecture - 24**  
**Managing Successful Products, Services, and Brands – III**

Welcome to Introduction to Marketing Essentials. Now, we will talk about module 24. Now, with this module, we will complete this topic that is Managing Successful Products, Brand and Services. Let us see what we will talk about in this module 24. So, we will explain the importance of alternative branding strategies.

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**MODULE OVERVIEW**

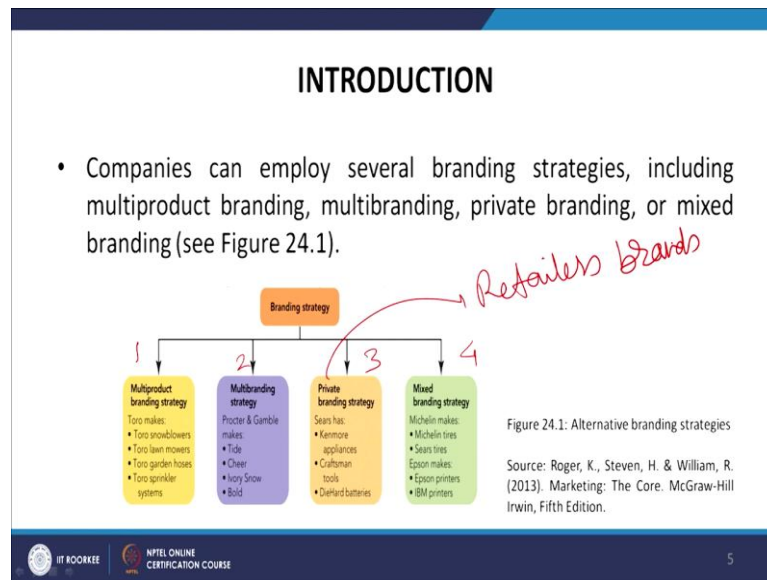
- Explaining the importance of alternative branding strategies.
- Describing the role of packaging and labeling in the marketing of a product.
- Discussing how the four P's framework is expanded in the marketing of services.

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Then, we will describe the role of packaging and labeling in the marketing of a product and discuss how the four P's framework is expanded in the marketing of services. So, these are the three things that we will cover in this module.

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Now, to introduce company can employ several branding strategies including multiproduct branding, multi-branding, private branding or mixed branding. So, these are this is all these strategies they are outlined in figure 24.1 that is given below. So, these are the 4 types of branding strategy 1st, 2nd, 3rd and 4th.

In this 1st, it is multiproduct branding strategy. So, toro makes toro snow blowers, toro lawn mowers, toro garden hoses and toro sprinkler systems. So, this is an example of multiproduct branding strategy. Now the 2nd branding strategy is multi branding strategy Procter and gamble makes tied, cheer, ivory snow and bold. Then, there are private banding strategies that is private branding is more related to the retailers; retailers brands.

So, sears is the retailer and it has Kenmore appliances, craftsman tools and diehard batteries. Another strategy the 4th strategy is mixed branding strategy. So, Michelin makes Michelin tires, sears tires. Epson makes Epson printers and IBM printers. So, that is mixed branding strategy.

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**BRANDING STRATEGIES**  
**(MULTIPRODUCT BRANDING STRATEGY)**

- With **multiproduct branding**, a company uses one name for all its products in a product class.
- This approach is sometimes called family branding or corporate branding when the company's trade name is used.
- For example, Microsoft, General Electric, Samsung and Sony engage in corporate branding—the company's trade name and brand name are identical.

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Now, let us look at multiproduct branding strategy in detail. With multiproduct branding, a company uses one name for all its products in a product class. This approach is sometimes called family branding or corporate branding when the company's trade name is used. For example, Microsoft, General Electric, Samsung and Sony they engage in corporate branding the company's trade name and brand name are identical.

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**BRANDING STRATEGIES**  
**(MULTIPRODUCT BRANDING STRATEGY)**

- There are several advantages to multiproduct branding.
- Capitalizing on brand equity: Consumers who have a good experience with the product will transfer this favorable attitude to other items in the product class with the same name.
- Therefore, this brand strategy makes possible **product line extensions**, the practice of using a current brand name to enter a new market segment in its product class.

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You know there are several advantages to this multiproduct branding. One such advantage is capitalizing on brand equity. Consumers who have a good experience with

the product will transfer this favorable attitude to other items in the product class with the same name. Therefore, this branding strategy make possible product line extensions; the practice of using a current brand name to enter at new market segment in its product class.

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**BRANDING STRATEGIES**  
**(MULTIPRODUCT BRANDING STRATEGY)**

**Product Line Extensions**

- The strategy of line extension can result in lower advertising and promotion costs because the same name is used on all products, thus raising the level of brand awareness.
- A risk with line extension is that sales of an extension may come at the expense of other items in the company's product line.
- Line extensions work best when they provide incremental company revenue by taking sales away from competing brands or attracting new buyers.

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Now, let us look at product line extensions. The strategy of line extension can result in lower advertising and promotion cost because the same name is used on all products, thus raising the level of brand awareness. The risk with line extension is that sales of an extension may come at the expense of other items in the company's product line. Line extensions work best when they provide incremental company revenue by taking sales away from competing brands or attracting new buyers.

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**BRANDING STRATEGIES**  
**(MULTIPRODUCT BRANDING STRATEGY)**

**Product Line Extensions: Sub branding**

- Some multiproduct branding companies employ **sub branding**, which combines a corporate or family brand with a new brand, to distinguish a part of its product line from others.
- For example, Porsche successfully markets its higher-end Porsche Carrera and its lower-end Porsche Boxster.

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Now, when we are talking of product line extension, another important concept is that of sub branding. Some multiproduct companies they employ sub branding, which combines a corporate or a family brand with a new brand, to distinguish a part of its product line from others. For example, Porsche successfully market its lower end Porsche Boxster.

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**BRANDING STRATEGIES**  
**(MULTIPRODUCT BRANDING STRATEGY)**

**Brand Extensions**

- A strong brand equity also allows for **brand extension**, the practice of using a current brand name to enter a different product class.
  - For instance, equity in the Huggies family brand name allowed Kimberly-Clark to successfully extend its name to a full line of baby and toddler toiletries.
  - Honda's established name for motor vehicles has extended easily to snow blowers, lawn mowers, marine engines, and snowmobiles.
- However, there is a risk with brand extensions. Too many uses for one brand name can dilute the meaning of a brand for consumers.

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Now, let us look at what are these brand extensions. A strong brand equity also allows for brand extensions that is the practice of using a current brand name to enter a different

product class. For instance, equity in the Huggies family brand name allowed Kimberly-Clarks to successfully extend its name to a full line of baby and toddler toiletries.

Honda's established name for motor vehicles has extended easily to a snow blowers, lawn movers, marine engines and a snowmobiles. However, there is a risk with brand extension. Too many uses for one brand name can dilute the meaning of a brand for consumers.

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**BRANDING STRATEGIES  
(MULTIBRANDING STRATEGY)**

- **Multibranding** is a branding strategy that involves giving each product a distinct name.
- Multibranding is a useful strategy when each brand is intended for a different market segment.
  - For example, P&G is an American consumer goods company, that sells 23 different brands including Tide, Pampers, Gillette, Ace, Head & Shoulders, etc.
  - Black & Decker markets its line of tools for the household do-it-yourselfer segment with the Black & Decker name but uses the DeWalt name for its professional tool line.

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What is multi-branding? Multi-branding is a branding strategy that involves giving each product a distinct name. Multi-branding is useful strategy when each brand is intended for a different market segment. For example, P&G is an American consumer goods company that sells 23 different brands including Tide, Pampers, Gillette, Ace, Head and Shoulder etc.

Black and Decker market its lines of tools for the household's do-it-yourself segment with the Black and Decker name but uses the DeWalt name for its professional tool line. So, for home use they have this name and for the professionals they have this name.

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**BRANDING STRATEGIES  
(MULTIBRANDING STRATEGY)**

- Multibranding is applied in a variety of ways.
- Some companies array their brands on the basis of price-quality segments.
- Marriott International offers multiple hotel and resort brands, each suited for a particular traveler experience and budget.
  - To illustrate, Marriott EDITION hotels and Vacation Clubs offer luxury amenities at a premium price.
  - Marriott and Renaissance hotels offer medium- to high-priced accommodations.

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Now, multi-branding is applied in a variety of ways. Some companies array their brand on the basis of price-quality segments. Marriott international offers multiple hotels and resort brands, each suited for a particular traveler experience and budget. To illustrate, Marriott EDITION hotels and Vacation Clubs offer luxury amenities at a premium price. While Marriott and Renaissance hotels offer medium to high priced accommodation.

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**BRANDING STRATEGIES  
(MULTIBRANDING STRATEGY)**

- Compared with the multiproduct strategy, advertising and promotion costs tend to be higher with multibranding.
- The company must generate awareness among consumers and retailers for each new brand name without the benefit of any previous impressions.
- The advantages of this strategy are that each brand is unique to each market segment and there is no risk that a product failure will affect other products in the line.

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Now, compared with the multiproduct strategy, advertising and promotion cost tend to be higher with multi-branding. The company must generate awareness among consumers

and retailers for each new brand name without the benefit of any previous impression. The advantages of this strategy are that each brand is unique to each market segment and there is no risk that a product failure will affect other products in that line.

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**BRANDING STRATEGIES**  
**(PRIVATE BRANDING STRATEGY)**

- A company uses *private branding*, often called private labeling or reseller branding, when it manufactures products but sells them under the brand name of a wholesaler or retailer.
- Private branding is popular because it typically produces high profits for manufacturers and resellers.
- It is estimated that one of every five items purchased at U.S. supermarkets, drugstores, and mass merchandisers bears a private brand label.
- Private branding is also seeing a sharp rise in the Indian retail market.

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Another type of branding strategy is private branding strategy. So, a company uses private branding often called as private labeling or reseller branding, when it manufactures product, but sells them under the brand name of a wholesaler or a retailer. Private branding is popular because it typically produces high profits for manufactures and resellers.

It is estimated that one of every five items purchased at US supermarkets, drugstores and mass merchandisers bear a private brand label. Private branding is also seeing a sharp rise in Indian retail market. So, the same phenomenon that was observed in US is now being observed in India also.



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**BRANDING STRATEGIES**  
**(MIXED BRANDING STRATEGY)**

- A fourth branding strategy is *mixed branding*, where a firm markets products under its own name(s) and that of a reseller because the segment attracted to the reseller is different from its own market.
- Companies such as Del Monte, Whirlpool, and Dial produce private brands of pet foods, home appliances, and soap, respectively.

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The fourth branding strategy is mixed branding, where a firm markets products under its own names and that of resellers because the segment attracted to the reseller is different from its own market. Companies such as Del Monte, Whirlpool and Dial produce private brands of pet foods, home appliances and soap respectively.

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**PACKAGING AND LABELING PRODUCTS**

- The *packaging* component of a product refers to any container in which it is offered for sale and on which label information is conveyed.
- A *label* is an integral part of the package and typically identifies the product or brand, who made it, where and when it was made, how it is to be used, and package contents and ingredients.
- To a great extent, the customer's first exposure to a product is the package and label and both are an expensive and important part of marketing strategy.

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Now, let us look at some issues related with packaging and labeling of these products. The packaging component of a product refers to any container in which it is offered for sale and on which label information is conveyed. A label is an integral part of the

package and typically identifies the product or brand, who made it, where and when it was made, how it is to be used and package contents and ingredients. To a great extent, the customer's first exposure to a product is the package and labeling and both are an expensive and important part of marketing strategy.

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**PACKAGING AND LABELING PRODUCTS**  
**(CREATING CUSTOMER VALUE AND COMPETITIVE ADVANTAGE THROUGH PACKAGING AND LABELING)**

- Despite their cost, packaging and labeling are essential because both provide important benefits for the manufacturer, retailer, and ultimate consumer.
- Packaging and labeling also can provide a competitive advantage.

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Now, how to go about creating customer value and competitive advantage through packaging and labeling? Despite their cost, packaging and labeling are essential because both provide important benefit for the manufacturers, retailers and ultimate consumers. Packaging and labeling can also provide a competitive advantage.

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**PACKAGING AND LABELING PRODUCTS**  
**(CREATING CUSTOMER VALUE AND COMPETITIVE ADVANTAGE THROUGH PACKAGING AND LABELING)**

**Communication Benefits**

- A major benefit of packaging is the label information on it conveyed to the consumer, such as directions on how, where, and when to use the product and the source and composition of the product, which is needed to satisfy legal requirements of product disclosure.

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So, another advantage of this packaging and labeling is the communication benefit. A major benefit of packaging is the label information on it conveyed to the consumer, such as direction on how, where and when to use the product and the source and composition of the product, which is needed to satisfy legal requirements of product disclosure.

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**PACKAGING AND LABELING PRODUCTS**  
**(CREATING CUSTOMER VALUE AND COMPETITIVE ADVANTAGE THROUGH PACKAGING AND LABELING)**

**Communication Benefits**

- Food Safety and Standards Authority of India (FSSAI) Guidelines on Labelling of Food Products include:
  - Name of the food
  - Nutritional Information
  - List of Ingredients
  - Declaration regarding Vegetarian or Non-Vegetarian
  - Declaration regarding Food Additives
  - Name and Address of the Manufacturer
  - Net Quantity
  - Code No./Lot No./Batch No
  - Date of Manufacture and Best Before & Use By Date
  - Instructions for Use.

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Food Safety and Standards Authority of India that is FSSAI guidelines on labeling of food products include: first is the name of the food, the second is nutritional information,

then the list of ingredients that are contained in that, declaration regarding vegetarian or non vegetarian and declaration regarding food additives.

Then in addition they also tell that it should include the name and address of the manufacturer, the net quantity, code number, lot number, batch number, date of manufacture and best before and use by date and instructions for use.

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**PACKAGING AND LABELING PRODUCTS**  
**(CREATING CUSTOMER VALUE AND COMPETITIVE ADVANTAGE THROUGH PACKAGING AND LABELING)**

**Functional Benefits**

- Packaging often plays a functional role, such as storage, convenience, protection, or product quality.
- Storing food containers is one example, and beverage companies have developed lighter and easier ways to stack products on shelves and in refrigerators.
- Examples include Coca-Cola beverage packs designed to fit neatly onto refrigerator shelves.

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Now, these packaging and labeling they also provide some functional benefit. So, packaging often plays a functional role, such as storage, convenience, protection or product quality. Storing food containers is one example and beverages companies have developed lighter and easier way to stack products on shelves and in refrigerators. Example includes Coco-Cola beverages pack designed fit neatly onto refrigerators shelves.

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**PACKAGING AND LABELING PRODUCTS**  
**(CREATING CUSTOMER VALUE AND COMPETITIVE ADVANTAGE THROUGH PACKAGING AND LABELING)**

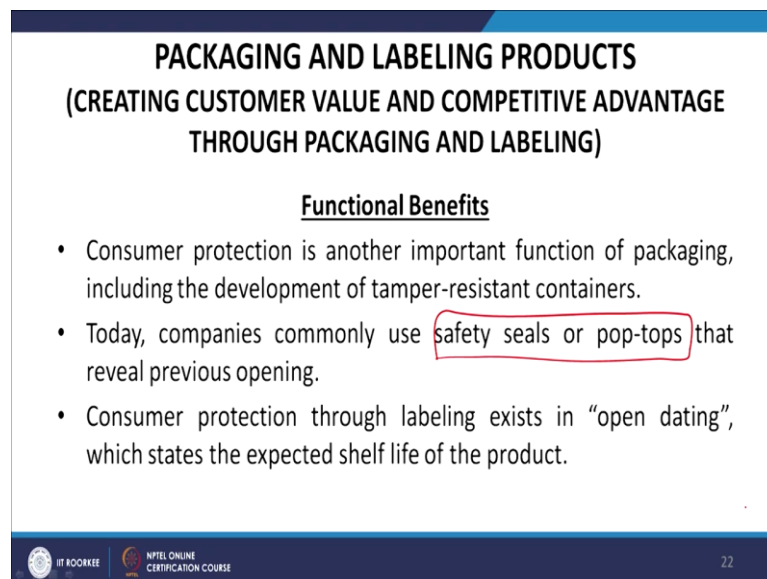
**Functional Benefits**

- The convenience dimension of packaging is increasingly important.
- For example:
  - Heinz ketchup is sold in squeeze bottles.
  - Microwave popcorn has been a major market success.
  - Nescafe coffee are packaged in single-serving portions.

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The convenience dimension of packaging is increasingly important. For example, Heinz ketchup is sold in squeeze bottles. So, it is easier for the user to use them. Microwave popcorn has been a major market success. Nescafe coffee are packaged in single-serving portions so, the consumer does not have to keep on storing the coffee time and again.

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**PACKAGING AND LABELING PRODUCTS**  
**(CREATING CUSTOMER VALUE AND COMPETITIVE ADVANTAGE THROUGH PACKAGING AND LABELING)**

**Functional Benefits**

- Consumer protection is another important function of packaging, including the development of tamper-resistant containers.
- Today, companies commonly use safety seals or pop-tops that reveal previous opening.
- Consumer protection through labeling exists in “open dating”, which states the expected shelf life of the product.

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Consumer protection is another important function of packaging including the development of tamper resistant containers. Today, companies commonly use safety seals or pop-tops that reveal previous openings. So, the packaging are such that once

they are opened, it becomes difficult for anyone to close them and to have the bottle or the container in the original form. Consumer protection through labeling exists in open dating, which states the expected shelf life of the product.

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## PACKAGING AND LABELING PRODUCTS

(CREATING CUSTOMER VALUE AND COMPETITIVE ADVANTAGE THROUGH PACKAGING AND LABELING)

### Functional Benefits

- Functional features of packaging also can affect product quality.
- For example: Pringles, with its cylindrical packaging, offers uniform chips, minimal breakage, and for some consumers, better value for the money than flex-bag packages for chips.



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Functional features of packaging can also affect product quality. For example, Pringle with its cylindrical packaging offers uniform chips, minimal breakages and for some consumers' better value for money than flex bag packages for chips. So, this is how the packaging for Pringle chips looks like.

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## PACKAGING AND LABELING PRODUCTS

(CREATING CUSTOMER VALUE AND COMPETITIVE ADVANTAGE THROUGH PACKAGING AND LABELING)

### Perceptual Benefits

- A third component of packaging and labeling is the perception created in the consumer's mind.
- Package and label shape, color, and graphics distinguish one brand from another, convey a brand's positioning, and build brand equity.
- For example, Pepsi-Cola embarked on a packaging change to uphold its image among teens and young adults in the beginning of 2007.

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Then, there are some in addition to functional benefit perceptual benefits of packaging also. So, the third component of packaging and labeling is the perception created in the minds of the consumers. Package and label shape, color, graphics distinguish one brand from another, convey a brands positioning and builds brand equity. For example, Pepsi-Cola embarked on packaging change to uphold its image among teens and young adults in the beginning of 2007.

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**PACKAGING AND LABELING PRODUCTS**  
**(CREATING CUSTOMER VALUE AND COMPETITIVE ADVANTAGE THROUGH PACKAGING AND LABELING)**

**Perceptual Benefits**

- Because labels list a product's source, brands competing in the global marketplace can benefit from "country of origin or manufacturer" perceptions.
- Increasingly, Indian and Chinese firms are adopting the English language and Roman letters for their brand labels. This is being done because of a common perception in many Asian countries that "things Western are good."

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Now, because labels list a product's source, brands competing in the global marketplace can benefit from country of origin or manufacturer perception. Increasingly, Indian and Chinese firms are adapting the English language and roman letters for their brand labels. This is being done because of a common perception in many Asian countries that things western are good. So, that is country of origin effect.

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**PACKAGING AND LABELING PRODUCTS**  
**(PACKAGING AND LABELING CHALLENGES AND RESPONSES)**

- Package and label designers face four challenges which include:
  - 1 – The continuing need to connect with customers
  - 2 – Environmental concerns
  - 3 – Health, safety, and security issues
  - 4 – Cost reduction

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Now, package and label designers face four challenges and these four challenges are: the 1st is the continuing need to connect with the customers, the 2nd is environmental concerns, the 3rd is health, safety and security issues and the 4th is cost reduction. So, these are the four challenges that are faced by these packaging and label designers how to meet all these four challenges at the same time.

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**PACKAGING AND LABELING PRODUCTS**  
**(PACKAGING AND LABELING CHALLENGES AND RESPONSES)**

**Connecting With Customers**

- The challenge lies in creating aesthetic and functional design features that attract customer attention and deliver customer value in their use. If done right, the rewards can be huge.
- For example, Haldiram's realized that consumers often transferred snacks to jars for easy access and to avoid staleness. The company solved both problems by creating a resealable opening on the top of the bag.

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So, now, let us look at how can they go about connecting with the customers. The challenge lies in creating aesthetics and functional design features that attract customer attention and deliver customer value in their use. If done right, the rewards can be huge.

For example, Haldiram realized that consumers often transferred snacks to jars for easy access and to avoid staleness. The company solved both problems by creating a resealable opening on the top of the bag. So, that was one solution that addressed both the problem for Haldiram.

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**PACKAGING AND LABELING PRODUCTS**  
**(PACKAGING AND LABELING CHALLENGES AND RESPONSES)**

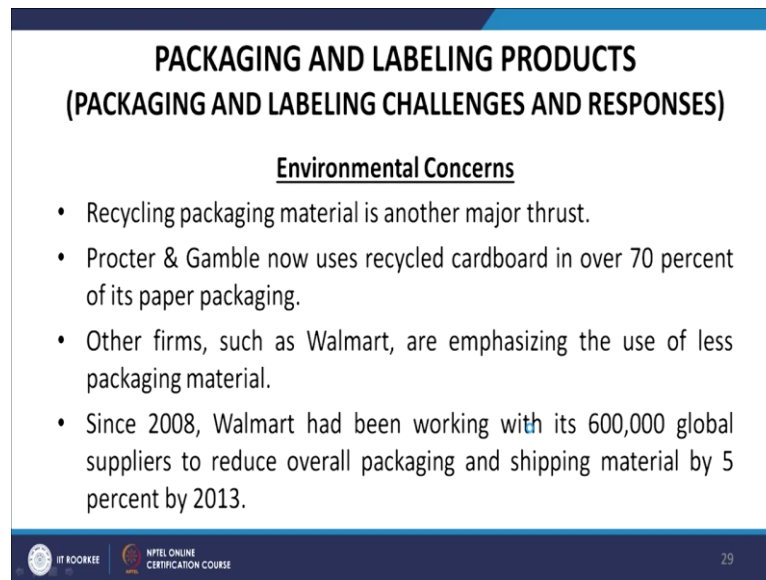
Environmental Concerns

- Because of widespread worldwide concern about the growth of solid waste and the shortage of viable landfill sites, the amount, composition, and disposal of packaging material continue to receive much attention.
- For example, PepsiCo, Coca-Cola, and Nestlé have decreased the amount of plastic in their beverage bottles to reduce solid waste.

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Another issue that needs to be sorted out related to packaging is the environmental concern. Because of widespread worldwide concern about the growth of solid waste and the shortage of viable landfill sites, the amount, composition and disposal of packaging material continues to receive much attention. For example, PepsiCo, and Coca-Cola, Nestle have decrease the amount of plastic in their beverages bottles to reduce this solid waste.

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**PACKAGING AND LABELING PRODUCTS**  
**(PACKAGING AND LABELING CHALLENGES AND RESPONSES)**

**Environmental Concerns**

- Recycling packaging material is another major thrust.
- Procter & Gamble now uses recycled cardboard in over 70 percent of its paper packaging.
- Other firms, such as Walmart, are emphasizing the use of less packaging material.
- Since 2008, Walmart had been working with its 600,000 global suppliers to reduce overall packaging and shipping material by 5 percent by 2013.

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Recycling packaging material is another major thrust. Procter and Gamble now recycles card boards in over 70 percent of its paper packaging. Other firms such as Walmart are emphasizing the use of less packaging material. Since 2008, Walmart has been working with its 600,000 global suppliers to reduce overall packaging and shipping material by 5 percent by 2013.

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**PACKAGING AND LABELING PRODUCTS**  
**(PACKAGING AND LABELING CHALLENGES AND RESPONSES)**

**Health, Safety, and Security Issues**

- A third challenge involves the growing health, safety, and security concerns of packaging materials.
- Companies are responding in numerous ways:
  - Child-proof caps on pharmaceutical products and household cleaners and sealed lids on food packages are now common.
  - New packaging technology and materials that extend a product's shelf life (the time a product can be stored) and prevent spoilage continue to be developed.

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Now, let us look at the health, safety and security issues. A third challenge involves the growing health, safety and security concerns of packaging material. Companies are

responding in numerous ways: child-proof caps on pharmaceutical products and household cleaners and sealed lids on food packaging are now common. New packaging technology and materials that extend a product's shelf life that is the time a product can be stored and prevent spoilage continues to be developed.

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**PACKAGING AND LABELING PRODUCTS**  
**(PACKAGING AND LABELING CHALLENGES AND RESPONSES)**

**Cost Reduction**

- About 80 percent of packaging material used in the world consists of paper, plastics, and glass.
- As the cost of these materials rises, companies are constantly challenged to find innovative ways to cut packaging costs while delivering value to their customers.
- Many food and personal care companies have replaced bottles and cans with sealed plastic or foil pouches.
- Pouches cut packaging costs by 10 to 15 percent.

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Another concern is that of cost reduction. So, doing all of the earlier mentioned three things and then also reducing cost at the same time. About 80 percent of packaging material used in the world consists of paper, plastic and glass.

Now, as the cost of these material rises, companies are constantly challenged to find innovative ways to cut packaging costs while delivering value to their customers. Many food and personal care companies have replaced bottles and cans with sealed plastic or foil pouches. Pouches cut packaging costs by 10 to 15 percent.

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**MANAGING THE MARKETING OF SERVICES**

- The marketing mix for services includes an expanded version of the four P's framework to include people, physical environment, and process, which is referred to as the seven P's of services marketing.
- **Product (Service):**
  - There are two aspects of the product/service element of the mix that warrant special attention when dealing with services:
    - 1 • Exclusivity, and
    - 2 • Brand name.

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Now, let us look at another important topic that is managing the marketing of services. So, the marketing mix for service includes an expanded version of the four P's framework and it now also includes another three P's which are people, physical environment and process which is referred to as the seven P's of service marketing. So, in addition to the earlier four P's, in services we have those seven P's. The three additional P's include this people, the physical environment and the process.

Now, let us look at the product or let us call it as a service. There are two aspects of the product service elements of the mix that warrant special attention when dealing with services: 1st is exclusivity and the 2nd is a brand name.

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**MANAGING THE MARKETING OF SERVICES  
(PRODUCT/SERVICE)**

- One favorable dimension in a new product is its ability to be patented. However, services cannot be patented.
- For example: Domino's Pizza has seen competitors, such as Pizza Hut, copy the quick delivery advantage that originally propelled the company to success.
- Because services are intangible and, therefore, more difficult to describe, the brand name or identifying logo of the service organization is particularly important in consumer decisions.
- Brand names help make the abstract nature of services more concrete.

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One favorable dimension in a new product is its ability to be patented. However, it is very difficult to patent a service. For example, Domino's Pizza has seen competitors such as Pizza Hut; copy the quick delivery advantage that originally propelled the company to success.

Now, because services are intangible and therefore, more difficult to describe, the brand name or identifying logo of the service organization is particularly important in consumer decisions. Brand names help make the abstract nature of service more concrete.

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**MANAGING THE MARKETING OF SERVICES  
(PRICE)**

- In the service industries, price is referred to in various ways.
- The terms used vary, depending upon whether the services are provided by hospitals (charges); consultants, lawyers, physicians, or accountants (fees); airlines (fares); or hotels (rates).
- Regardless of the term used, price plays two essential roles:
  - 1 – To affect consumer perceptions, and
  - 2 – To be used in capacity management.

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The second P of this marketing mix is the price. In service industries, price is referred to in various ways. The term used vary, depending on whether the services are provided by hospital so, in that case, customers give hospital charges, consultants, lawyers and physicians or accountants they charge a fee including schools, airlines they charge fares and hotels they charges rates.

Regardless of the term used, prices plays two essential roles: the 1st is to affect consumer perceptions and the 2nd to be used in capacity management. So, these are the two important roles in addition to the other thing so, that price does. So, these are the two addition roles that the prices play one is that they affect the customer perception and the another is they can be used for capacity management.

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**MANAGING THE MARKETING OF SERVICES**  
**(PRICE)**

- Because of the intangible nature of services, price can indicate the quality of the service. *Price - quality perception*
- Studies show that when there are few cues by which to judge the quality of a product or service, consumers use price.
- The capacity management role of price is also important to movie theaters, airlines, restaurants, and hotels. *→ demand*
- Many service businesses like Airlines use off-peak pricing, which consists of charging different prices during different times of the day or days of the week to reflect variations in demand for the service.

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Because of the intangible nature of the services, price can indicate the quality of service that is price quality perceptions, so which are called as price quality perception. So, if the prices are high, the quality is high and vice versa. Studies shows that when there are few cues by which to judge the quality of a product or service, consumers instead now use price as a cue to judge the quality of the service.

The capacity management role of price is also important to movie theaters, airlines, restaurants and hotels. For example, when the demand is more, while supply is limited, then what happens they increase the price so that, the demand matches the supply. When suppose the demand is less and the supply is more then they reduce the prices so that the demand and supply they match. Many service businesses like airlines they use off-peak pricing, which consist of charging different prices during different times of the day or days of the week to reflect variations in demand for the service.

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**MANAGING THE MARKETING OF SERVICES  
(PLACE/DISTRIBUTION)**

- Place or distribution is a major factor in developing a service marketing strategy because of the inseparability of services from the producer.
- Historically, little attention has been paid to distribution in services marketing. But as competition grows, the value of convenient distribution is being recognized.
- The availability of electronic distribution through the Internet now provides global coverage for travel services, banking, entertainment, and many other information-based services.

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Another P is the place, or which is also called as distribution. Place or distribution is a major factor in developing a service marketing strategy because of the inseparability of services from the producers. Historically, little attention has been paid to distribution in services marketing. But as competition grows, the value of convenient distribution is being recognized. The availability of electronic distribution through the internet now provides global coverage for travel services, banking, entertainment and many other information-based services.

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**MANAGING THE MARKETING OF SERVICES  
(PROMOTION)**

- The purpose of promotion for services, specifically advertising<sup>1</sup>, is to show the benefits of using the service. It is valuable to stress availability, location, consistent quality, and efficient, courteous service.
- Another form of promotion, publicity<sup>2</sup>, plays a major role in the promotional strategy of nonprofit services and some professional organizations.
- Nonprofit organizations such as religious organizations, and hospitals use publicity to disseminate their messages.

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Another P is promotion. The purpose of promotion for services specifically advertising is to show the benefits of using the service. So, advertising for services they tell what are the benefits of using the service. It is valuable to stress availability, location, consistent quality and efficient, courteous service.

Another form of promotion that is so one form of promotion is advertising, another form of promotion is publicity so, that plays a major role in the promotional strategy of nonprofit services and some professional organizations also. Nonprofit organizations such as religious organizations and hospitals use publicity to disseminate their messages.

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**MANAGING THE MARKETING OF SERVICES**  
**(PEOPLE)**

- Many services depend on people for the creation and delivery of the customer service experience.
- The nature of the interaction between employees and customers strongly influences the customer's perceptions of the service experience.
- Customers will often judge the quality of the service experience based on the performance of the people providing the service.

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Now, another P that is specific to services is the people that is the fifth P. Many services they depend on people for the creation and delivery of this customer service experience. The nature of the interaction between employees and customers strongly influence the customer's perception of the service experience.

Customers will often judge the quality of the service experience based on the performance of the people who are providing the service. So, now you see how important it is for the people because now they judge the quality of the service experience based how people are providing them that service.

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**MANAGING THE MARKETING OF SERVICES**

**(PEOPLE)**

- This aspect of services marketing has led to a concept called **customer experience management (CEM)**, which is the process of managing the entire customer experience with the firm.
- CEM experts suggest that the process should be intentional, <sup>a</sup>planned, and consistent so that every experience is similar, <sup>b</sup>differentiated from other services, relevant, and valuable to the target market. <sup>c</sup>
- Companies such as Disney and Starbucks integrate their activities to connect with customers at each contact point to move beyond customer relationships to customer loyalty.

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Now, this aspect of service marketing has led to a concept called as customer experience management which is the process of managing the entire customer experience with the firm. So, because of this importance of people, there is this entire new concept that is called as customer experience management and this is to manage the experience of the customer with the firm, every touch point the customer has with the firm is managed and that is sometime refer to as the customer experience management.

So, customer experience management experts they suggest that the process should be intentional, planed and consistent. So, this process of customer experience management should have three characteristics; one is it should be intentional, second it should be planned and third is it should be consistent so that every experience is similar differentiated from other services, relevant and valuable to the target customers.

So, what should this do? It should; it should give these three things the experience should be similar, b it should be differentiated from other services, c it should be relevant and d it should be valuable. So, it should be similar, differentiated, relevant and valuable to the target customers.

Now companies such as Disney and Starbucks, they integrate their activities to connect with customers at each contact point to move beyond customer relationships to customer loyalty.

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**MANAGING THE MARKETING OF SERVICES**  
**(PHYSICAL ENVIRONMENT) 6 P's**

- The appearance of the environment in which the service is delivered and where the firm and customer interact can influence the customer's perception of the service.
- The physical evidence of the service includes all the tangibles surrounding the service: the buildings, landscaping, vehicles, furnishings, signage, brochures, and equipment.
- Service firms need to systematically and carefully manage physical evidence and to convey the proper impression of the service to the customer. This is sometimes referred to as impression, or evidence, management.

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Another P so, we are talking of this sixth P that is the physical environment. The appearance of the environment in which the service is delivered and where the firm and customer interact can influence the customer perception of service. So, we are talking of where the firm and the customer interact. It can be online; it can be offline. So, it is the appearance of the environment in which the service is delivered and also where the firm and the customer interact.

The physical evidence of service includes all the tangibles surrounding the service that is the building, landscaping, vehicles, furnishing, signage, brochures and equipment's. Service firms need to systematically manage physical evidence and to convey the proper impression of the service to the customers. This is sometimes referred to as impression or evidence management.

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**MANAGING THE MARKETING OF SERVICES**  
**(PROCESS) 7**

- Process refers to the actual procedures, mechanisms, and flow of activities by which the service is created and delivered.
- The actual creation and delivery steps that the customer experiences provide customers with evidence on which to judge the service.
- These steps involve not only “what” gets created but also “how” it is created.

Handwritten notes on the slide:

- A box containing the letters 'C', 'E', 'P', 'M'.
- A list: Product, Price, Place, Promotion.
- A list: Additional P's, People, PE, Process.

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Another that is the last P of services marketing is the process that is the seventh P. This process refers to the actual procedure, mechanism and flow of activities by which the service is created and delivered. So, this is the process that is the chain of activities actual procedures the mechanisms and the flow of activities by which this service is created and delivered.

Now also keep in mind that services are created and delivered at the same time. The actual creation and delivery steps that the customer experience provides customers with evidences on which to judge the service. These steps involve not only what gets created, but also how it is to be created.

So, now keep in mind that in addition to the product, price, place, promotion, there are these three additional P's that is the people, the physical, evidence and the process. Now, it is important in services that that company should look at the customer experience management, all those points where the customer meets the company. So, that is important especially in case of services, that is customer experience management.

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**MANAGING THE MARKETING OF SERVICES  
(PROCESS)**

- Most services have a limited capacity due to the inseparability of the service from the service provider and the perishable nature of the service.
- For example, a patient must be in the hospital at the same time as the surgeon to “buy” an appendectomy, and only one patient can be helped at that time.
- Similarly, no additional surgery can be conducted the next day because of an unused operating room or an available surgeon the same day—the service capacity is lost if it is not used.

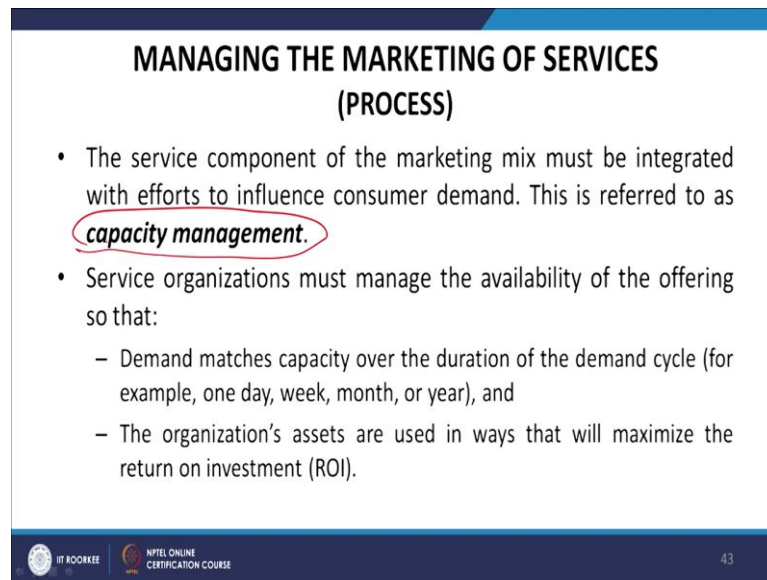
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Now, most services have a limited capacity due to the inseparability of the service from the service provider and the perishable nature of services. So, that is why the capacity in service is limited you cannot just keep on producing services because there is this characteristic of inseparability; inseparability of the producer and the consumer one and second they also cannot be stored. So, that is why you cannot just keep on producing services and that is why it is said that the services have a limited capacity.

For example, a patient must be in the hospital at the same time as the surgeon to buy an appendectomy or only one patient can be helped at that time. So, now, in this hospital, both the customer or the patient and the surgeon should be available at the same time and only one customer can be served by one doctor at one point in time.

Similarly, no additional surgery can be conducted the next day because of the unused operating room or an available surgeon the same day. The service capacity is lost if it is not used. Now after that operation, what does the surgeon do if there are no other patients? So, the surgeon’s time is going waste.

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**MANAGING THE MARKETING OF SERVICES  
(PROCESS)**

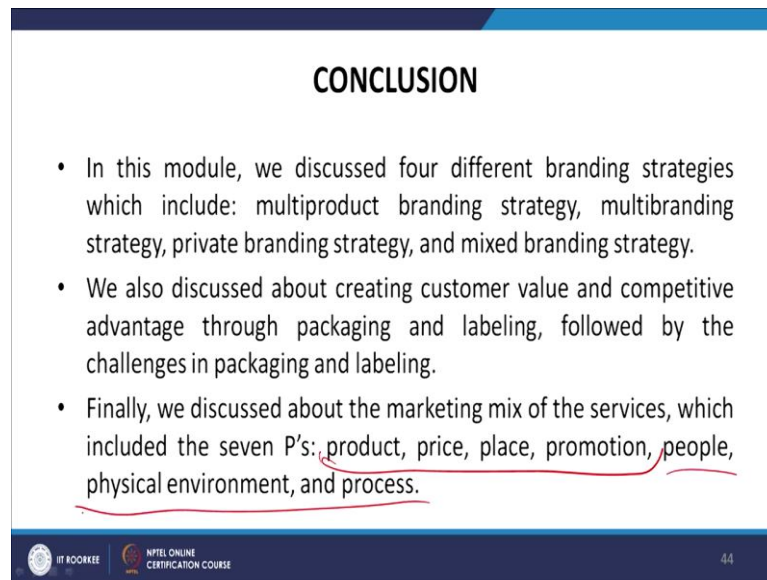
- The service component of the marketing mix must be integrated with efforts to influence consumer demand. This is referred to as **capacity management**.
- Service organizations must manage the availability of the offering so that:
  - Demand matches capacity over the duration of the demand cycle (for example, one day, week, month, or year), and
  - The organization's assets are used in ways that will maximize the return on investment (ROI).

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Now, the service component of the marketing mix must be integrated with efforts to influence customer demand that is referred to as capacity management. So, service organizations must manage the availability of the offerings so that the demand matches capacity over the duration of the demand cycle for example, one day, one week or one month or one year and the organizational assets are used in ways that will maximize the return on investments.

So, now, prices can be used to match the demand and capacity and then in services because capacities they are limited in the short term. So, it is important to manage the capacity. Now, this is called as capacity management.

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## CONCLUSION

- In this module, we discussed four different branding strategies which include: multiproduct branding strategy, multibranding strategy, private branding strategy, and mixed branding strategy.
- We also discussed about creating customer value and competitive advantage through packaging and labeling, followed by the challenges in packaging and labeling.
- Finally, we discussed about the marketing mix of the services, which included the seven P's: product, price, place, promotion, people, physical environment, and process.

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So to conclude in this module, we have discussed four different branding strategies which include multiproduct branding strategy, multi-branding strategy, private branding strategy and mixed branding strategy. Then, we have also discussed about creating customer value and competitive advantage through packaging and labeling followed by challenges in the packaging and labeling.

Then finally, we have discussed about the marketing mix of services which includes the seven P's. So, the four P's are common across products and services that is the product, price, place, promotion, but these three are unique for services that is the people, the physical environment and the process.

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And again, these are the 3 books used for this module.

Thank you.