

**Product and Brand Management**  
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**Lecture 10**  
**Product Differentiation & Its Elements -2**

Welcome back friends. Talking about differentiation further, I will be referring to few more elements of differentiation with short caselets or example, to elaborate upon those. And here again, I would try to emphasize upon these elements with reference to the preceding discussions we have had, the terms we have studied and so on.


And I want you to remember at this particular stage, when we are talking of differentiation, we are referring to it with the perspective of differentiation being a product management tool. Although tool is a smaller word in terms of the vast aspect related to differentiation of products, and I would like you to think of differentiation as a strategy also.

Because, you see if somehow you keep on following a particular kind of a product development by other manufacturers, the residual customers who would not pursue that product or purchase that product, because of price considerations or something else would be coming to you, but they would not be your loyal customers and then your product would not be a brand in due course of time. You would find several imitations in the market, you will find pens, which would look exactly like Parker, you would find kind of other products, detergents, which would look like other detergents available.

I am not saying that they would be lesser products or they would not perform well and they would not be kind of dependable, but again, the point is that the brand element, which means that customer would stay with you and more customers would come to you with reference to branding in mind would not be there and they would keep on deflecting.

And the elements in differentiation, have one more purpose which is related to dependability. The more dependent is the customer on your product, the more loyal he may become in due course of time and I am not talking of compulsive dependability. I am talking of willful dependability. How willingly the customer is dependable which means customer is handing over his belief and trust to you in due course of time.

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- **Style** describes the product's look and feel to the buyer and creates distinctiveness that is hard to copy.
- Car buyers pay a premium for Jaguars because of their extraordinary looks.
- Aesthetics play a key role for such brands as Apple computers and Harley-Davidson motorcycles.
- Few more example are- Montblanc pens, Swatch in watches etc.
- Strong style does not always mean high performance, however. A car may look sensational and attractive but spend a lot of time in the repair shop.

Source: Philip Kotler, and Kevin Lane Keller, Marketing Management 15th edition, Pearson, 2016 Indian Edition Published by Pearson India Education Services Pvt. Ltd 2016

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So, let us go ahead with a brief discussion on some other important elements like style. Now, this is again a very important thing and one of my favorites is eyeglasses or sunglasses and especially sunglasses. Ray Ban, capitalized upon style perspective for a very long time.

I remember these reflector glasses used by Air Force pilots became so attractive for consumers in due course of time wherein Ray Ban projected them and I remember a Hollywood star wearing those reflective glasses is one of the famous movies probably, Mr. Sylvester Stallone was there who actually was wearing those glasses in one of the movies.

Then several posters came in and Ray Ban rose to heights in terms of putting up a styling element as far as eyeglasses goes, and then that actually gives you a particular kind of a look when you wear those glasses. And all of us know that, that is related to protection from sunlight or ultraviolet rays and so on. But style matters most.

So, that is the importance of style, where, in a product what should matter more for you is actually the characteristic or the protection capability of the glass, but here style matters most. So, the style describes the product's look and feel to the buyer and creates distinctiveness that is hard to copy. That is another more important element wherein either you eliminate it very sharply which we will be talking about in the product lifecycle, when we will discuss that in

subsequent discussions so that by the time people start imitating your product, you have already taken it away.

And I have already referred to this term product exit slash abandonment so, that, that we have talked about earlier also. But, if you want that product to stay in and if customer is actually liking that product and you are happy about it then customer is also happy about it and number of customers are growing then definitely, you want that product not to be imitated, so, easily especially in terms of style.

Car buyers pay a premium for Jaguar for example, because of the extraordinary looks. In case of automotive and these kinds of products, style is more visible, it's appearance, the shape, the kind of aesthetics, the looks, the headlamps, the taillights and we have talked about these kinds of examples earlier as well.

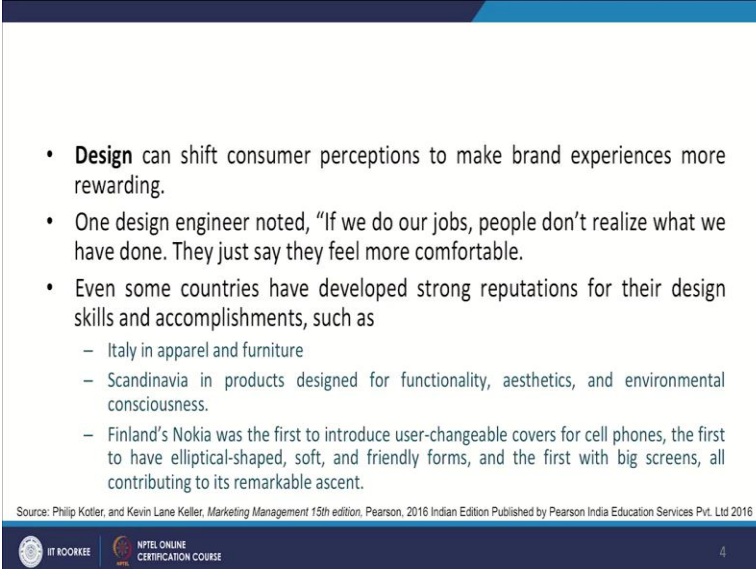
So, aesthetics plays a key role for such brands, for example, Apple computers and Harley Davidson motorcycles are renowned and very important examples in the field of marketing. Almost every marketing book you would go through in this world, including product and brand management, you will find Harley Davidson there, so, that is the kind of level they have created in terms of their brand, their product management and so on that they are talk of the subject.

And there are many common examples, which definitely you will find almost in every sort of discussion. And few more examples can be Montblanc Pens, Swatch in watches and it is a very important example and I would be talking about swatch in subsequent discussions as well, when I would be referring to positioning.

But Swatch changed the way people looked at watches more or less, and I should not be forgetting Titan, which has gone a far way in terms of as far as their styling goes, thin Titan, or, elegant Titan or Titan jewelry. HMT watches was one of my favorite examples, although we do not find those anymore. But HMT was a wonderful product and they were way ahead of the times. They were one of the finest sold products in the world. I remember in mid 60s to mid 70s, 1971 to 1979 is that era and even in 80s. Mid 60s and 70s people used to go abroad, and they used to talk about best watches in the world, HMT was one of those. Rolex, we all know and there are several others, Cartier and so on.

So, style does not always mean high performance however, a car may look attractive, but spends a lot of time in the repair shop, although that does not happen nowadays very commonly, because technology has taken these things on a way different kind of trajectory wherein, low maintenance vehicles have come in, in due course of time and now we are entering into an era of electric vehicles, where maintenance would be lesser and lesser. There is a welcome change which this world is going through. So, just to give a parity in how it happens that style matters with other elements of dependability, which we have talked about, lesser repairability and or easy repairability for that matter and reliability and durability and so on.

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- **Design** can shift consumer perceptions to make brand experiences more rewarding.
- One design engineer noted, “If we do our jobs, people don’t realize what we have done. They just say they feel more comfortable.
- Even some countries have developed strong reputations for their design skills and accomplishments, such as
  - Italy in apparel and furniture
  - Scandinavia in products designed for functionality, aesthetics, and environmental consciousness.
  - Finland’s Nokia was the first to introduce user-changeable covers for cell phones, the first to have elliptical-shaped, soft, and friendly forms, and the first with big screens, all contributing to its remarkable ascent.

Source: Philip Kotler, and Kevin Lane Keller, *Marketing Management* 15th edition, Pearson, 2016 Indian Edition Published by Pearson India Education Services Pvt. Ltd 2016

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Design; you can talk about design and designing at length. You have a full 2 years program called masters of design nowadays. IIT Roorkee has that program running with Department of Design. Then several other institutions are doing very good in such programs and then there is 4 years bachelor's program in design.

So, design has a very big span when you when you talk about and is an integrated element of product and product management. Nothing can be talked about product management without the perspective of design and innovation and there is another interesting program Master of Innovation Management running here at IIT Roorkee in Department of Design.

So, that is also a very interesting program. Why I am mentioning this because today we are actually looking at design and innovation as science with applicability with the perspective that it is an imbibed or infused part of product management and branding later on. Design can shift consumer perceptions to make brand experiences more rewarding. Simple if you talk of chairs, for example.

Now, chair design matters a lot. And many a times, when I talk to my students here at IIT Roorkee, and, when I find them comfortable, very comfortable sitting in front of me, and I ask them that you are feeling comfortable, so they say yes, yes, we are, we are very comfortable. Sometimes, it is a fallacy to me that they are feeling comfortable, because I am speaking well to them, but, but again, they tell me that chairs are very comfortable actually, they want to sit there for a long, long time actually and that is thanks to the institute, which has put up so comfortable chairs for students here.

So, the point is that this simple element, which makes you sit for a longer time in a chair, you would not notice that but that would increase your efficiency. Sleep well mattresses project the comfort of a mattress for you to wake up fresh in the morning. See, look at the relationship where in design is one of the most important elements of that mattress where in they say that it adapts to the shape your back and your body has and lots of research and development in production capability has gone into producing that mattress. And I have talked about pillows in the introductory part of this course.

So, these are the aspects which were not so much noticed. In earlier days, we had cotton mattresses, cotton pillows, although those were very comfortable and there is usually a long drawn scientific knowledge, which went into production of those kinds of things, but when we went for producing these things for industrial scales, simple headphones, when people started frequently noticing that they are wearing headphones for a longer time and their ears are aching because of long lengthy usage of headphones, then companies like Apple, Samsung and several other companies, started coming up with different kinds of adaptive shapes in the headphones which can fit in well into your ears and plug your ears like as they are part of your ears.

And then the larger headphones which people love to carry on in their necks and then they just fit in there and they just enjoy the sound as if they know they are listening to the singer in front of

them. That is where designing comes in. Small thing like a headphone, small thing like wearing a tooth cap is there which is fitted in mouth or when one of the teeth is capped, small things like kind of a mobile cover, which has aesthetics and design perspective and larger things like automobiles.

So, one design engineer noted once that if we do our jobs, people do not realize what we have done. They just say they feel more comfortable and that is where chairs and those kinds of things in airlines aircraft seats and in cinema hall seats and car seats come in. I remember one thing I was sitting in (I should name it and I should commend that) this model called Nissan Sunny now the back seat of this car is very comfortable that might be my personal experience, but I told the owner that, the back seat is so comfortable that you can go for longer drive sitting in this car.

And I do not know how many people would have noticed that but, this car designers have actually focused well on how people sit in the back seats. Other manufacturers are also trying for that and they are doing that and many other cars have wonderful back seats, but I am specifically mentioning this. So, that is why this statement is quite right.


And even some countries have developed strong reputation for their design skills and accomplishments. They are known for that, for example, Italy for apparels, furniture, automotive designing, product designing at large and there are several design studios are there and Scandinavian countries wherein product design for functionality, aesthetics and environmental consciousness is there and again wonderful design studios are working there as well. India has come a long way now.

And there are specific pockets in India, but it is spreading very fast you have excellent designers and design studios and people who are working day in day out with lots of scientific acumen producing wonderful products and India in due course of time has started producing excellent products developed and designed here for example, Brezza is completely designed in India by Maruti Suzuki. Now, I definitely should commend the team of Brezza who has worked for that kind of a development. Now, Nokia in Finland was one of the first to introduce user changeable covers for cell phones and the first to have elliptical shape soft and friendly forms and the first with the big screens and contributing to a remarkable ascent and so on.

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### Boeing- Case of Product Differentiation by Design

- Consider the lengths Boeing went to in making its 777 airplane seem roomier and more comfortable. Raised center bins, side luggage bins, divider panels, gently arched ceilings, and raised seats make the aircraft interior seem bigger.
- <sup>[1]</sup>Boeing 777x has claimed to be more efficient than the competition in terms of
  - 10% better fuel efficiency and CO<sub>2</sub> emissions
  - 10% better operating economics
- In Technologies aspect, Boeing has highly reliable systems architecture and composite floor beams and empennage.



Just a decade ago, our profile looked very different, and we were a company that was dependent on a very cyclical commercial airplane market. We were 80% commercial airplanes and only 20% defense and other business... Fortunately, we look very different, and today your company is a billion-dollar-a-week company with a better-balanced portfolio mix.

-Phil Condit (Former CEO of Boeing)<sup>[2]</sup>

Source: 1. [Boeing: 777X By Design: A Balanced Design Approach](#)  
2. Lynda M. Applegate, Joseph S. Valacich, Mara E. Vatz, Christoph Schneider: Boeing's e-Enabled Advantage: Harvard Business Publishing Education  
Image Source: Boeing Official Website

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Now, let us go to the other element. But in the meanwhile, let us talk of this simple case study and example. Designing an aero plane is a very tough deal. And I would not go into the specific details of the magnitude and the effort which is required for such kind of a thing, but just to give you a glimpse, just go to the website of Boeing and Airbus and watch the movies which have been produced by National Geographic and other producers on them or go to YouTube, watch the magnitude of the workshops they have, the plant size they have, because you should have a big-big space when you are producing and manufacturing an aero plane.

And starting from the strength of the aero plane, it is a machine which would fly at a high speed in air, wherein lots of resistance would be there and so much of science is involved, which has been developed in due course of time and safety of passengers matters more, matters a lot here, it matters most, because slightest of a fault will malign the image of the airlines and the producers themselves. So, just go into that and try and find out how many engineers experts and science and designing experts and several kinds of people are associated with such kind of manufacturing.

So, just taking an example from Boeing, consider the length Boeing went to in making its 777 airplane to make it seem roomier and more comfortable. See when passengers enter they should feel there is a lots of space for them, although there is always a space constraint. And you know

that all of us have been flying. So, they raised center bins, side luggage bins, divider panels, gently arched ceilings and raised seats and made the aircraft interior seem bigger.

Trust me, some of you or many of know that if you go on a long-haul flight from, for example, New Delhi to New York or further, to a further destination, you would like everything to be comfortable. It is not just the service or the timing, which would matter to you at that particular stage. Because you would be spending let us say 15, 16, 17 hours continuously in the aircraft.

So, however friendly and comfortable the crew is you still have to have that kind of a comfort wherein you can sit continuously for those many hours and every single bit of imagination and perspective to generate that kind of confidence in the flyer in the passenger's mind that they would go from this place to that place, nicely, is an important element.

One more thing, because you cannot imagine that there would be a specific age group who would be flying. So, in an aircraft, you would be finding almost all the age groups flying, starting from infants to elders and you have one kinds of seats. So, that is the importance of interior designing of aircraft. So, it is a cumulative experience, which you have to generate along with lots of comfort and lots of sense of aesthetics associated with that.

So, Boeing 777 has claimed to be more efficient than many competitors or competitive models they might have within their production and with other competitors also and every competition tries to do that, and Airbus also has several models, which they claim they are best as against to the competition. So, in terms of what they said about this particular model was that 10 percent better fuel efficiency, 10 percent better operating economics, so, that is one thing. In technology's aspect, going as highly reliable systems architecture and composite floor beams and empennage related to as far as the aircraft goes, but the most important is in flight experience and comfort of the passenger, who sits for longer, longer time.

So, that is what they have been talking of, and I am not sure they are independently designing those kinds of things or they have design partners. I remember IDEO, which is a very renowned design organization, also have been working on designing the inflight experience or seats for, I do not know which of the clients but, they and their website can elaborate upon that. So, you can



go to that website, and you can find several stories there and those little snippets and stories might emphasize the point, which we are talking of at this moment.

Now, there is a statement by Phil Condit the former CEO of Boeing and he said that just a decade ago, our profile looked very different and we were a company that was dependent on a very cyclical commercial aero plane market, we were 80 percent commercial airplanes and only 20 percent defense and others so, other business. Fortunately, we look very different and today, your company is a billion dollar a week company with a better balance portfolio mix, that means they have come a far way in terms of all the elements which we have referred to up till now.

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- **Customization:** Customized products and marketing allow firms to be highly relevant and differentiating by finding out exactly what a person wants—and doesn't want—and delivering on that.
- Online retailers such as Custprint, Ilogo, Beyoung etc. allow users to upload images and create their own clothing and posters or buy merchandise created by other users.
- Nike allows customers to personalize and design their own shoes and clothing either online or in store at NikeiD Studios which, now, generates hundreds of millions of dollars in revenue.
- Archies allows you to print specialized messages on your cards and gifts
- Dell allows you to personalize laptops based on your specific requirement and budget.
- Burberry (a fashion brand) allows you to select the fabric, color, style, and many other features for your own personalized trench coat.

Source: Philip Kotler, and Kevin Lane Keller, *Marketing Management* 15th edition, Pearson, 2016 Indian Edition Published by Pearson India Education Services Pvt. Ltd 2016

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Now, let us go to some other aspects related to differentiation. Customization is a very important aspect. Customized products and marketing allow firms to be highly relevant and differentiating by finding out exactly what a person wants and does not want and delivering on that. Now, customization is almost a stage which can be thought of at the beginning wherein you have a basic product and you want to differentiate it for the individual users at the end of the day.

For example, you have a burger and then you put up the toppings or let us say other elements with the choice of the customer, Burger King does so, and then several other chains do so. Pizza for example, you have a fundamental basic pizza and then toppings are as per the customization or requirements of the customers and so on. These products are where you can do it very easily.

But, then there are several products which have to go a long process and manufacturing and then there is a raw material procurement and so on, which may bring in higher price for the customer, but then customer insists, so, you must have capability to do that actually. So, it can start from the very first stage when you are interacting with the customers and I would have referred to this term co-creation earlier, wherein that process starts from the earliest most stage, when you start talking to your customer about what kind of a customization he will do or want in due course of time or that can be brought in after almost the product is done and that particular customization in terms of the final product actually, that can also be done. So, it depends upon what kind of extreme differentiation you want in terms of the customers you are targeting.

Online retailers allow users to upload images and create their own clothing and posters or buy merchandise created by other users. Nike allows customers to personalize and design their own shoes and clothing either online or in store at Nike Studios, which now generates hundreds of millions of dollars in revenue. And believe me, it is a wonderful experience. I am not selling Nike here, but try it out and you would find it very enduring wherein you would be guiding them and this customization, you will definitely find in several discussions on co-creation.

So, that is a part of kind of that perspective which surrounds co-creation. Archie's allows you to print specialized messages on your cards and gifts. Now, one thing which I want you to be reminded of is that when I was referring to product line and production line, I mentioned the dependability of both the elements on each other.

So, when we talk of customization that actually comes up as a capability, because of the technological advancements and the production capabilities and capacities evolving in due course of time. So, for example, today you have lots of printing and publishing capability and capacities in terms of technological advancements. So, you can ask the customer to guide them on what customization do they want in terms of their cards or those kinds of things related to printing and publishing, but if you did not have that kind of capability, then customization would have been on a different level.

So, that is how product line and customization, co-creation and production line and production capability are related to each other and that is why a product manager becomes a very important person. Dell allows you to personalize laptops based on your specific requirements and budget.

So, you can guide them on the kind of the palm area you require or I do not know, but that there are several kinds of things which can be accommodated from the side of the customer depending upon again the production capability.

Burberry, a fashion brand allows you to select the fabric, color, style and many other features for your own personalized trench coat and so on. I find that Mahindra's have also for quite some time now have a section wherein you can go and can put up your choices associated with the kind of vehicle you would require in due course of time.

So, they give that kind of an advantage to their customers and many automotive manufacturers have come a far way wherein you can interact with their website to come up with specific choices on the part of your vehicle which you would desire for and so on. So, all these elements are coming together now. One thing which we have to remember, at this particular stage, when we are talking of these kinds of elements is that all these elements are drawing our attention towards two fundamentals strategy and management.

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- **Delivery** refers to how well the product or service is brought to the customer, including speed, accuracy, and care throughout the process. Today's customers have grown to expect speed: pizza delivered in half an hour, eyeglasses made in 60 minutes, cars lubricated in 15 minutes.
- Many firms have computerized quick response systems (QRS) that link the information systems of their suppliers, manufacturing plants, distribution centers, and retailing outlets to improve delivery.

Source: Philip Kotler, and Kevin Lane Keller, Marketing Management 15th edition, Pearson, 2016 Indian Edition Published by Pearson India Education Services Pvt. Ltd 2016



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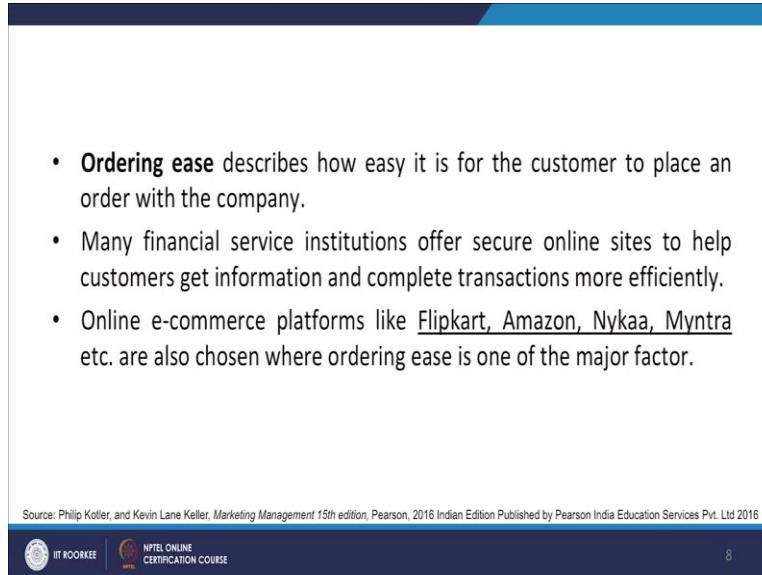


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Delivery; it refers to how well the product or service is brought to the customers including speed, accuracy and care throughout the process. Today's customers have grown to expect speed pizza delivered in half an hour. “Na Na Ri Pizza Aye Free”. Eyeglasses made in 60 minutes, Cars lubricated in 15 minutes. Many firms have computerized quick response systems, everything is quick that links the information systems of their suppliers, manufacturing plants, distribution centers and detailing outlets to improve the delivery. You pick up a good from the departmental store and the manufacturer gets to know that you have purchased it. So, manufacturer refurbishes the supply because they get that thing in real time and that is how well advanced a system today actually is.

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- **Ordering ease** describes how easy it is for the customer to place an order with the company.
- Many financial service institutions offer secure online sites to help customers get information and complete transactions more efficiently.
- Online e-commerce platforms like Flipkart, Amazon, Nykaa, Myntra etc. are also chosen where ordering ease is one of the major factor.

Source: Philip Kotler, and Kevin Lane Keller, Marketing Management 15th edition, Pearson, 2016 Indian Edition Published by Pearson India Education Services Pvt. Ltd 2016

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Ordering; describes how easy it is for the customer to place an order with the company. The easier it is, more the customer is pro in purchasing from some platform. Amazon has come far way “Apki Apni Dukan”. Many financial services institutions offer secure online sites to help customers get information and complete transactions more efficiently. Automotive insurance, insurance against accidents and those kinds of insurance products. Getting insured your automotive in real time within minutes is what these companies have offered in due course of time.

And today, it is a hassle-free process. And that is one of the most commendable things and that is where ordering ease comes into play because, that has contributed not only in the strength of their sales, but enhancing their brand power as well. Online e-commerce platforms like Flipkart, Amazon as I told Nykaa, Myntra ICICI Bank, ICICI Insurance and Bajaj Allianz and HDFC Insurance and especially in terms of automotive have done a wonderful job.

And why should we forget about Zomato and Swiggy at this particular stage. Feeling hungry, just go to your app order something and feel the difference. I will come back with the discussion on positioning, till then, goodbye.