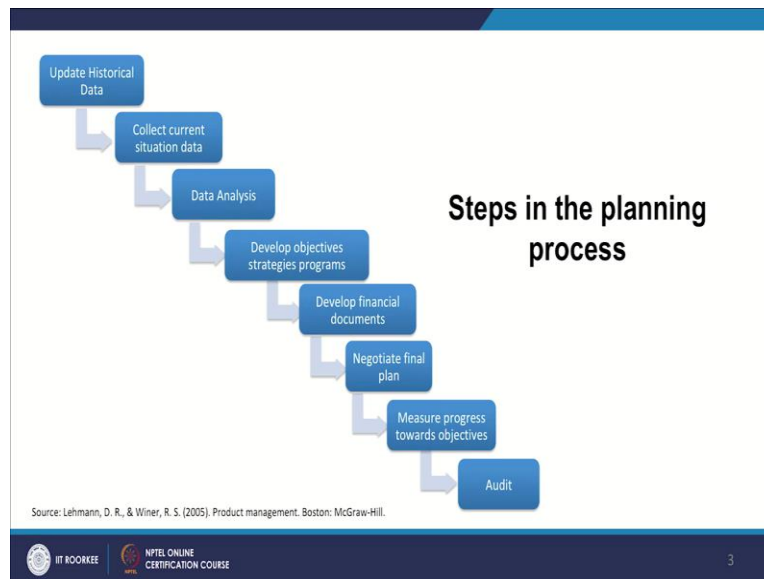


Product and Brand Management
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Lecture No. 18
Market and Product Planning - 2

Welcome back friends, carrying forward with the discussion on market planning and a marketing plan, which we discussed last time with its objectives. Now, I will be taking you to a step further in relation to the steps associated with the planning process. We have gone for an extensive detailed discussion on the objectives, wherein I have highlighted several elements which are necessary. Here it is a complimentary kind of an aspect which should be carried forward along with that and references and sources are continuously being mentioned in the slides in front of you.

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Steps in the planning process are related to updation of historical data, we talked about situation and those kinds of several elements, customers, competitors, the objectives, historical data and about almost everything. It is not just the sales data, it is almost the complete detail of your market analysis, surveys, about your own product, about the competition, and about different substitutes and alternatives available, whichever way we have categorized that, because, we have to derive meaning out of that data basically.

Then we have to corroborate that with the current situational data, because, although current situational data should be considered beforehand means, when the situation is about to come, but definitely at that particular moment, what is happening because situations may change dramatically also many a times and in unfortunate circumstances like COVID-19, situations have dramatically changed in many-many cases.

So, that kind of a perspective is also required. And so, there has to be a complete spectrum of as far as the data goes. Then comes in data analysis. I would not take you into the details of different methodologies and quantitative and qualitative analysis. I always suggest my audience to think in terms of reflexive methodology which is very important for product managers and market planners to analyze things.

Rest, we know that, lots of data science, methodologies and AI based methodologies and several statistical tools are available with us as far as analysis goes, but reflexive perspective is a key element for a product manager, because that is what he does. He is at the forefront of the organization in terms of the product and he is the person who is or she is the person who is communicating with someone at the backend.

Then comes in developing of objectives and strategies and programs, a sequence we have talked about and development of financial documents, cost benefit analysis, profits, markups, what kind of pricing is to be done and this is the part I mentioned last time that, this is the part which leadership is actually interested in. Although, leadership is interested in almost everything, but, they want to know, what is the benefit ultimately. They have to run the show.

So, they want to know that what kind of revenue model and a financial model you have, where is the breakeven, how for example, you are going for a structured timeframe kind of a thing. So, there is a cost element and then there is a recovery element and so on.

So, then, you have to negotiate the final plan with the leadership and all the stakeholders. Everyone has to come on the same plane. Many a times you are launching a new product, you have to negotiate with the retailers so that they can develop and build up the inventory on the floor. You want larger number of products to be displayed, because, that will tell your strength to the customer and he or she would like to have a limited number because he would not like to devote much of the space, much of a space on the floor of the retail outlet and so, if you are

talking of some display product, let us say automotive, for example then there are several elements to be negotiated. It is a kind of brief example on that so as to measure progress towards objectives. Then as I said, in intermediate stages we have to revisit several steps and that is what this is talking about. Audit analyzing almost everything backwards, how it has contributed into what it had to, that means, in consonance with the objectives required.

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Components of Marketing Plan
The Kapil Sharma Show

1. Executive Summary
2. Situation Analysis
 - A. Category/competitor definition
 - B. Category analysis
 - C. Company and competitor analysis
 - D. Customer analysis
 - E. Planning assumptions
3. Objectives
4. Product/Brand Strategy
5. Supporting Marketing Programs
6. Financial Documents
7. Monitors and Controls
8. Contingency Plans

Source: Lehmann, D. R., & Winer, R. S. (2005). Product management. Boston: McGraw-Hill.

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Now, components of a marketing plan. For example, you are developing a new TV show, The Kapil Sharma show. Now, what is the marketing plan and that is the beauty of it. Look at it as a product. The producers of the Kapil Sharma show, what would they have thought of? They would have built up an executive summary, a situation analysis category and competitive definition. They would have known very well that there are so many shows going on. Customer or viewer's attention is diverted in many-many ways. How to develop a show wherein undiverted attention of the segment or your target customer, which you are focusing upon should be gained? So that, they should look forward to the next episode, or the next session. So, that has to be imagined at that particular moment when you are developing the market plan because, that will enable you to actually focus upon the product documentation or product development or product reconstitution or in case of these kinds of shows, reconstitution of the storyboard or narrative and whichever way you want to look at it, or even characters or even the jokes, for example, and how to actually project those jokes.

So, it is a beautiful mix of all that. It is a promotional exercise, that they promote several movies or shows or whichever so, people from that show or movie they appear as guests, and here they have a storyboard to entertain them, to entertain the audience and they have all the participants of that show with all unique aspects with them and that they develop a wonderful entertainment narrative around everything so it becomes a healthy family show.

Now, we come to category analysis and I will be talking about this at length subsequently. We have talked earlier about what categories are and how do we look at categories. Then comes in, company and competitor's analysis and here when we talk about competitive definition, so as to define our competition and here, we are talking of analyzing the competition vis-a-vis the organization we are representing.

So, here, an element of branding is there, definitely the brand value, the brand equity of the organization which, I will be talking about subsequently anyway, so, do not worry about that, but, keep these words brand resonance, brand awareness, brand equity in mind, especially brand equity. We will be focusing upon that, because, there we would be referring to brand value chain and there, I would be referring to these elements with a different kind of an element, wherein, it would be justified that how a brand actually gets developed. So, this aspect also includes brand perspective.

Customer analysis; we have talked about that. Planning assumptions; what are the elements which you carry along when you are putting up the plan basically, what are the constants which, you are focusing upon, what are the variables which, you are focusing upon, because you know that once you will generate a particular kind of a process related to development of that product or let us say manufacturing of the product then, it might not be easy to stop that as you will be devoting resources on that and that is where assumptions come in, that if this happens, then what? So, there is a sensitivity element to that and that definitely includes costs and benefits and financial considerations at length. Although there is a whole lot of a financial management team and there is a whole lot of art of financial management which is involved and science of financial management which is involved here to support a product manager.

Objectives; what is the objective of Kapil Sharma show? To make people laugh. That is a very clear-cut objective, but, on what grounds, with what perspective in association to the experiences a person might have in daily life. Picking things from all around, that is what it is. So, I have

chosen this particular one example. You can replace this example with any other and then revisit the sequence and you would realize what I am talking of. Product and brand strategy and that is why product and brand strategy has been given. How you would be carrying forward the product vis-a-vis the product as a brand and the brand as a product and so on.

For example, you are launching a new product in a name, which exists with other product of yours then what would be your strategy? So, these kinds of elements. We have talked about that before also and we will be referring to that in strategic sequence later on after we talk about analysis, for example.

Then, supporting marketing programs, financial documents, monitors and controls, evaluation is a very important thing, which largely is related to focusing upon revisiting every step you have taken. How do you revisit every step you have taken by mentally looking into what you did last time? I remember, there was a movie where in a cricket star visits the last match mentally. I do not know, I am forgetting the name of the movie, but, that is how many people do that. So many experimentalists they do that and then several intelligent people do that.

Contingency plan; if somehow this does not work out as thought of so, what is the plan B? Many a times in several shows and movies they say there is no plan B and that is the plan B.

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Product Planning

- Product Planning includes all the decisions a business makes in the production and sale of products and services. These decisions can include:
 - ✓ Packaging (An Interesting Part if looked upon with reference to conveying a message—Colour, shape, sizes, information etc. matters here)
 - ✓ Labeling (The Label Says Something)
 - ✓ Warranties (Electronics, Automotive)
 - ✓ Guarantees
 - ✓ Branding (Trust--LIC)
 - ✓ Product MixFurther all these decisions must be in coherence with each other and objectives
- A well-defined product plan allows marketers to meet consumer needs and wants and reach profit goals.

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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5

Now product planning. So, product planning comes in, wherein it includes all the decisions a business makes in the production and sale of products and services. Now, we are focusing upon sale of products and services, including the production and through marketing plan we are focusing and crystallizing on the product level planning; these decisions can include packaging for example.

Now, this is an interesting part, if you look at packaging with reference to conveying a message, then definitely packaging holds lots of value for example, medicines or for example, wherein ingredients are very important for a person to know, then the list of ingredients would be holding a larger space as far as the packaging and the label goes.

So, color; Coke and Pepsi are famous for the color of the packs basically, Ikea furnitures is famous for their packaging and packaging methodology and packaging associated production methodology. So, they want everything to fit in, to be fitted into a rectangular box. It is a famous thing basically, just watch their videos and sizes, shapes, size matters a lot when we are talking of people carrying something for themselves.

So, what kind of packages would you be providing to those people, if it is difficult for someone to carry, they will not and information on the back and so many other things. So, starting from colors to what information you gave and so on, packaging plays a very important role. Many academicians have been actually projecting packaging as a different P, amongst all the Ps as far

as marketing mix goes but for us as of the discussion, there are four Ps in marketing. But still, what I am trying to suggest here is that, packaging is extremely important.

Labeling is associated with that and I have just mentioned about that. So, it says something about warranties. In case of electronics, automotive and almost every product warranty is so important, that, it is reassuring element plus, that is one of the most important reasons for a customer to bank upon something and especially when they are trying it for the first time when something is new to them.

And when you do not know the technology and you are helpless if something goes wrong, so, that moment, for example, you buy a beautiful large television, warranties and guarantees are very important there. So, they would say that guarantee about this part and warranty about this part that means replacement of this and change of this and sometimes the whole product has a guarantee, you can change it anytime you want.

So, that is an assurance plus that is an enabler and many a times manufacturers also feel committed that they have given this kind of a warranty and guarantee so, they should have the quality standards so high that they abide by that.

Branding; I would be talking about branding at length in so many sessions, but just to give you a glimpse for example, LIC and trust. So, this is how LIC has branded itself. It is one of the most trusted brands, it is one of the most trusted organizations as people know this organization so, that is where branding comes in.

Many a times people say that, this organization or this product is one of the most loved product and most preferred product. So, this is how branding comes in, branding gets reflected in the key terms, which an organization expresses about itself as have been told by the customers to them and that is how branding comes in.

For example, this trust element LIC has generated as customer has told them that they trust LIC. Utterly-Butterly delicious. This has been quoted by the organization as has been told by the customers to them. So, that is where branding comes in.

Product mix; we have all talked about as far as what kind of lines and what kind of width is there in terms of product mix goes and why those kinds of lines and why those kinds of widths for

example, you are developing or producing particular kinds of soaps and you are also producing particular kinds of toothpastes, because you want to serve the same customer. So, I will be talking about that probably in the next session. So, a well- defined Product Plan allows marketers to meet consumer needs and wants and reach profit goals.

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Steps for Product Planning

1. Select the general type of product to manufacture or sell
Like Boroline, Kesari Marham.
Let's say a movie—A bond movie, A Song, A Show
1. Specify the makeup of the product mix Electrical Appliances.
2. Develop required packaging and labeling.
3. Choose the extended product features to be offered. (How far? Or Potential)
Khana Khazana, Antakshari, Sa Re Ga Ma Pa, The Kapil Sharma Show

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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Steps for product planning, select the general type of product to manufacture or sell like Boroline for example, one product to be taken to the customers, Kesri Marham is one of my favorite examples. It is one product which this organization has been selling for generations. So, it is for different kinds of muscular pains. And it is sold specifically in Haridwar and then there is a huge distribution but that is on Demand Distribution basically. People know about their outlet and their manufacturing setup. They have one shop in Haridwar. Haridwar is a globally known city very near to Roorkee where I am standing right now, IIT Roorkee.

So, this, and it is an effective I should not say ointment, a bam, sort of and people who know about this product they like it. So, they have focused upon this product, this fundamental product to be manufactured and sold. Then let us say a movie for example, a Bond movie. Now, that has a particular kind of an orientation a storyboard, a song even can be looked upon with the perspective of a product and I remember Kolaveri D, a very specific song and why I remember because many B schools actually discuss this as a case study and there are several other songs

and to my joy there are several kinds of music tunes, which are wonderful. Then there can be a specific show, I will talk about some of those examples later on.

So, then comes in product mix, for example, electrical appliances, what kind of electrical appliances this company would produce, for example, you would go for different kinds of irons, you would go for different kinds of water heaters, you would go for different kinds of let us say cooking devices. So, several electrical appliances and different kinds of appliances.

Develop required packaging and labeling, then choose the extended product features to be offered like what do you see as the potential product and we have talked about that earlier. There is a wonderful show on Zee TV Khana Khazana running for 'n' number of years now, and whenever I look at this show, I look at it as a product, which is so well casted, it is so universal and it is so fresh every time. So, that is where this product planning comes in.

Antakshari was a show on television. Saregamapa a very successful show and Kapil Sharma show we have talked about. So, then comes in key options in market selection and product planning. What markets should be served, let us say helicopter manufacturing. It is one of my favorite examples. Today India's transportation scenario is changing, in Uttarakhand this hilly state where I am standing, the Himalayan state, (we are at the foot hills) it is a beautiful Himalayan state, so, here helicopter transportation has started already and government is very pro.

Now, if you will look at this opportunity with the perspective of a helicopter manufacturing company, let us say Bell helicopters of Textron. Now, what they would be thinking, how they would be conceiving, and what would be their decision on choice of a market or markets to be served, especially with reference to Uttarakhand, our state and it is essentially the choice of customer, competition, technical, political and social environment in which one elects to compete and you can resonate this statement with helicopter manufacturing or helicopter-based planning as a product.

They are influenced by company background, marketing strength and efforts, manufacturing and technical strengths, relation with existing customers and clients, scientific community, competitors and others. And then, someone told me that there are few 1000 helicopters being

sold every year in China for example, India is rising in that count and we are aggressively moving towards air transport. So, let us see where it goes.

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Key options in market selection and product planning

❑ **What markets should be served? Helicopter Manufacturing**

- Decision on choice of market or markets to be served.
- It is essentially the choice of customer, competition, technical, political and social environment in which one elects to compete.
- They are influenced by company background:
 - ✓ Marketing strength and efforts
 - ✓ Manufacturing and technical strengths
 - ✓ Relation with exiting customers and clients
 - ✓ Scientific community
 - ✓ competitors and others

Source: E. Raymond Corey, (2014), Key options in market selection and product planning. Harvard Business Review. [Retrieved November 19, 2021]
<https://hbr.org/1975/09/Key-options-in-market-selection-and-product-planning>.

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So, then comes in key options in market selection and product planning. What form should the product take? Now, it is a very important and interesting thing actually, marketing strategy should not be developed for products, but for markets, the product is a variable not a given in the strategy when you look at the strategy perspective, what happens is that it is there, now you are talking of form of the product, market selection comes first and the choice of the product form follows.

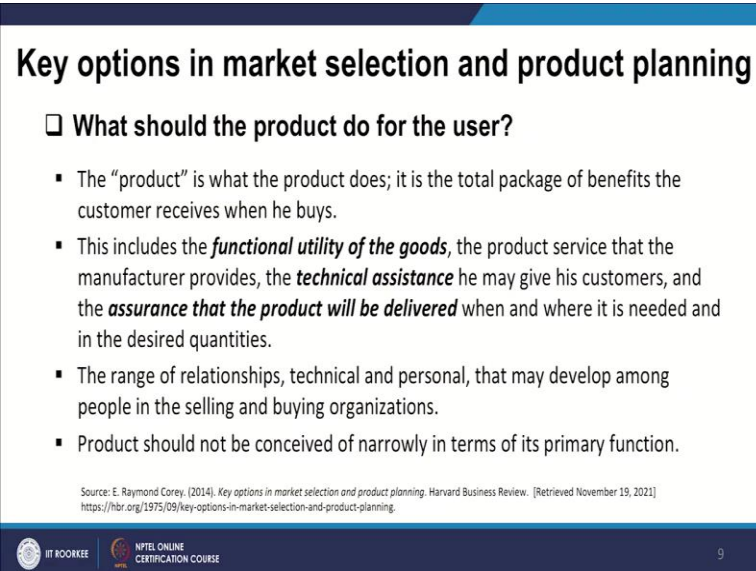
For example, aluminium manufacturer can take it to residential market, aluminum sidings or whichever way and then industrial suppliers also, wherein they can sell it in the form of sheets. And then sell portable homes as well. And that reminds me of pre-laminated products. It is a wonderful segment.

And if I am not wrong, Sintex is manufacturing and marketing these kinds of products. How Sintex is doing can be verified through their website. But I remember that they had these kinds of products. Then there are pre-fabricated wooden houses. Sara Abode is a company which I know and they are into prefabricated wooden houses. So, that is again a wonderful kind of a product and these examples, they justify our discussion, the preceding discussion should I say.

Then other product choices may be whether to make a full line or narrow line in any given product area. For example, Sara Abode should do what, they should go for villas, they should go for small houses, they should go for resorts, how much to focus on quality, what should be the extent, it should be so durable that it should not move for 200 years. Do we require that in a house? We can think of that whether to have a full range of sizes or to work across only with part of the range and so on.

So, what is to be chosen basically, and then you can look at this perspective in almost all the products. I remember a wonderful product and I would be talking about such kind of products in new product development segment wherein, for example, bamboo-based bicycles are wonderful products wherein you can think of the full range of the form of the product actually.

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Key options in market selection and product planning

- ❑ **What should the product do for the user?**
 - The “product” is what the product does; it is the total package of benefits the customer receives when he buys.
 - This includes the *functional utility of the goods*, the product service that the manufacturer provides, the *technical assistance* he may give his customers, and the *assurance that the product will be delivered* when and where it is needed and in the desired quantities.
 - The range of relationships, technical and personal, that may develop among people in the selling and buying organizations.
 - Product should not be conceived of narrowly in terms of its primary function.

Source: E. Raymond Corey, (2014). Key options in market selection and product planning. Harvard Business Review. [Retrieved November 19, 2021]
<https://hbr.org/1975/09/key-options-in-market-selection-and-product-planning>

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Then comes in what should the product do for the user; the product is what the product does, it is the total package of benefits the customer receives when he buys. It is a wonderful thing, a statement which has been given in this reference by Raymond Quarry in the paper, which we have referred to here for this segment.

So, you can always read this paper and you would realize. So, it says it all, when you say that product is what the product does, the usage, and this includes the functional utility of the goods, the products, the product service, that the manufacturer provides, the technical assistance, he

may give his customers and the assurance that the product will be delivered when and where it is needed and is desired in desired quantities.

And, and this reminds me of Tata Sky's campaign, wherein that storyboard wherein this girl calls and she says that I stay in the last house of the last village of India, would you put up Tata Sky here and the guy says in a very reassuring voice, the man says that "Apne kah diya ho gya" that means, you have said it and it is done.

So, that is the perspective of reaching to the last corners and a wonderful campaign by Maruti Suzuki wherein they say that in in some hilly area, they are moving and they say that, "do you have a restaurant here? No, do you have a hotel here? No, do you have a tea stall here? No, do you have a Maruti Suzuki service station here? The guy says yes, the boy says yes".

So, the range of relationships, technical and personal that may develop among people in the selling and buying organizations. Products should not be conceived of narrowly in terms of primary function, it should be seen with the perspective of the satisfaction of the customer at the end of the day.

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Key options in market selection and product planning

- ❑ **For whom is the product most important?**
 - The product will have different meaning to different customers.
 - It is strategically advantageous for a supplier to concentrate on those prospective customer groups that will value the product the most.
 - Product generally commands the highest prices among the customers for whom it has the greatest utility.

Source: E. Raymond Corey (2014). Key options in market selection and product planning. Harvard Business Review. [Retrieved November 19, 2021]
<https://hbr.org/1975/09/key-options-in-market-selection-and-product-planning>.

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For whom is the product most important? Do I have to answer this question, but still, because we are going through this and you would realise that the product will have different meaning to different customers, it has to be interpretative although it is same. And one of my favorites is when I talk about same kinds of flats being purchased by different kinds of people with different

kinds of a perspective. Someone looks at it as a dream house, someone looks at it with the perspective of sitting near the window to watch the sky. It is strategically advantageous for a supplier to concentrate on those prospective customer groups that will value the product. Most definitely those will become the advocates in due course of time.

Product generally commands the highest prices among the customers for whom it has the greatest utility. We can think of associating premium with this as well.

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Checklist: The Product Marketing Planning Process

- Start the annual planning process by carefully assessing the current status of your product and your company. Look for problems to address during the next fiscal year as well as opportunities to exploit.
- Assign customers groups or segments that allow company to allocate resources most effectively and provide the greatest competitive opportunities.
- Begin competitive analysis by asking to whom the company have lost the most business or from whom the company have gained the most business. Don't limit your analysis to only the top companies in the industry.
- **One should think of beyond competition.**

Source: Linda G., (2000) . The Product Manager's Handbook. The Complete Product Management Resource -McGraw-Hill

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There is a checklist, the product marketing planning process has. Start the annual planning process by carefully assessing the current status of your product and your company. Look for problems to address during the next fiscal year as well as opportunities to exploit while focusing upon competition with competitive analysis. Here, I would talk about for few seconds just to think beyond competition as such, bypassing the competition and going for non- users and I will be talking about this in strategic part. But that is when we are doing competition analysis. It does not only imply that you focus on the competition actually, but, you also look at the competition and think of bypassing. Have you seen the game of Kabaddi? That is what I am referring to. You go into the other's court, and you come back unscratched by touching them and putting them out. It cannot be taken as an exact kind of an explanation, but just like that.

Study the performance of their products over a three-year period, look at the stability of the customers for each product, the effectiveness of prices and price changes, the sales and profit

trends by product, the attitude of the sales force, that is, their motivation, are they consistent, they are feeling happy in pursuing that product and so on.

Whenever, I talk to agents of Life Insurance Corporation of India, their development managers and so on this same feeling of motivation which I am talking about here comes to me that they are selling one single product for year on year and they are happy. That is what precisely this means.

Then comes in try to predict the effect current trends will have on the future of your product. Are regulatory forces likely to require design changes? We are talking about EVs, definitely is a pertinent example, a relevant one. Are there indications that customers are shifting in preference towards competing technologies? Yes, it has to be considered and EV is a very-very relevant one at this moment.

And then can we think of going for a receding way, that means, we have always been thinking in terms of developing product incrementally but, can we simplify the processes, can we simplify the product as such, that means, we have raised the expectation of the customers, we are giving them the potential product as the base product now, or augmented product as the base product now, but can we justify that in front of the customer that base product in its entirety was better as compared to this one and let us go back to that one.

So, can we do that, for example, in terms of FM radio, the device I am talking of and that particular device can be simplified just for FM purposes. I know that there are locally manufactured devices for just for listening to FM radio and those devices are very cost effective economically priced and solve the purpose. So, that is precisely what I am referring to and we have talked about this element in a different way, when I was referring to break away positioning and reverse positioning and those kinds of elements if you would remember.

So, that is where I would end my discussion on market planning, marketing planning and product planning in a composite way. There are several case studies and examples which we can talk about. A beautiful case study which you can visit through their website is TWG tea and you would realize that they have worked in and out on developing a tea as a product as against several other competitors in a highly competitive market, wherein customer is very sensitive

about tastes. This organization, this product has done fairly well for detailed description on this their website can be chosen and Philip Kotler's Marketing Management carries this example.

The exact edition is 2017, 7th edition by Pearson. You can always look into that book ***Philip Kotler and Kevin Lane Keller, Marketing Management and Asian Perspective***. This example is given there, and several other examples which would justify our discussion on the subject. I will be coming back to you with lots of insights on analysis and then later on strategy as well. Till then, goodbye.