

**Product and Brand Management**  
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**Lecture: 22**  
**Product Portfolio Management**

Hello friends, welcome to this discussion on product portfolio management and product category management and a very important thing which is getting initiated from this discussion is, which we also started carrying from the initial most part of our course that, we started building everything to reach to the management side of the product, managing products and brands of course, but as of now, we are focusing on product side, so we are reaching towards that. At this juncture, we would be focusing upon portfolio, category, and then analysis in terms of competition, and several other elements.


But, let us talk of portfolio here. It is a very engrossing subject, it is a wonderful subject, because it requires lots of imagination, it requires lots of integration in your thought process, it requires a perspective around when you imagine that a company is having 100 products, for example and how would they be managing those products, definitely, there are so many people to do that. But again, how they would be building up a coherence between all those products.

You visit an apple showroom, for example, look around you, beautiful desktops, beautiful laptops, tabs, pods, pads, phones, everything, and look at the composite relationship between these products and suddenly you start realizing that, you can look at them with the perspective of being a family also, you can look at them with the perspective of being a line also, you can look at them with the perspective of category also, and then classification is always there supporting you. Largely, it is a big portfolio, it is having almost everything within that.

Now, if you just imagine that situation with the perspective of a person who is standing as the manager of that retail showroom, for whom every product is a baby, and he owns the prosperity of that baby along with the customer satisfaction, would he be differentiating those products? Would he be segregating his attention from those products? No, he would be thinking about those products in an integrated kind of a fashion and once a customer is focusing on purchasing a mobile phone so, he would definitely be looking forward to introduce some other product to the same customer as well.

Now, expand your thinking in terms of a product manager who is actually sitting somewhere for this little while. Try and imagine that there is one person who is looking after the product, product management of all the products from the company side, although there are so many, that is for sure, but just imagine. See, I intend to take your attention towards a situation wherein this person on the floor at the level of the organization is looking at all with a universal perspective, is it simple? Is it easy? Is it feasible? Let us have a look at it and let us see where it leads us.

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**Product Portfolio Management (PPM)**

- Product portfolio management is a definitive process of analyzing and assessing each product and its current level of success. It also involves identifying risks and future opportunities, streamlining resource allocation based on product success and priority, and ultimately aligning these products with the business's long-term strategic goals.
- It enables product managers and stakeholders to constantly review their products, improve them based on evolving consumer demands, add more products or services and streamline the product execution based on resource capacity.
- These processes cumulatively result in an increased Return on Investment, thereby enhancing the business's top line.

Source: Baker, M. J., & Hart, S. (2007). *Product strategy and management*. Harlow: FT Prentice Hall.

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See, product portfolio management and mark this definitional framework sources given on the slide, it has been taken from Baker and Hart, 2007, 'product strategy and management' published by Prentice Hall. Now, the product portfolio management is a definitive process of analyzing and assessing each product, that is why I gave you a scenario, analyzing and assessing each product, and its current level of success.

Many times, there is an apparent success that the product is doing good, product manager might feel comfortable with this thought that the product is successful, but success must be seen with reference to the potential success of the product and I will be talking about this word potential later on as well, I will refer to that in my preceding sessions as well.

It also involves identifying risks in terms of competition, customer rejection, some other kinds of risks, from all the sides and I have already referred to you about Michel Porter's five forces model, you may refer to that. So, it involves identifying risks and future opportunities,

streamlining resource allocation based on product success and priority and ultimately aligning these products with the businesses long term strategic goals.

I would be referring to product strategies later on, this would be a very important input for you to remember that and mark these aspects especially in terms of identification of risks, future opportunities, current level of success specially in terms of potential.

It enables product managers and I am talking about product portfolio management. It enables product managers and stakeholders to constantly review their products, improve them based on evolving consumer demands, under strategies later on, I would be referring to line stretching and this is what you have to remember, when we would be talking about that later on.

Evolving consumer demands add more products or services and streamline the product execution based on resource capacity, capacity in terms of design, capacity in terms of innovation capacity, in terms of production, capacity in terms of human resource, capacity in terms of financial liquidity, capacity in terms of the industrial lifecycle stage, I should not be introducing this term randomly, but when we talk about product lifecycle, we must think in terms of the stage of the overall industry as such also, where the product belongs.

So, if it is in consonance with how industry is going and part is doing slightly better than that, that is much a comfortable kind of situation, although there are so many ways to think about it, but we have to see that how we are doing relatively.

And in my section on strategy or strategies, I would be referring to innovation and design and those kinds of things and subsequently I will be talking about design thinking. So, all this would be carried forward as a composite discussion then, these processes but before that I should be repeating this, these three sentences so as to develop a coherence in whatever I am saying.

As I was saying, it enables product managers that is product portfolio management enables product managers and stakeholders to constantly review their products, improve them based on the evolving consumer demands, add more products or services and streamline the product execution based on resource capacity, these processes cumulatively result in an increased return on investment, thereby enhancing the business's top line.

Now, this will be very useful when we will be talking about brand value chain later on, and the concentration on market investment, marketing investment would be a key ingredient for a brand to develop in due course of time. Return or investments in terms of product is related to producing it, and then taking it to the market and getting the acceptance around it, it involves almost all the sorts of costs you may put in for developing this chain. So, this is the larger frame of our subsequent discussion on product portfolio management, just be with me.

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**Some examples of successful product portfolio management**

- Apple's expansion of its portfolio to include the iPod has not only launched a whole economy of "i-" add-ons, including the iPhone, but also boosted sales of Apple's existing computers.
- The Indian network Star TV saw its prime-time viewer share increase from less than 5% to more than 80% in one year after a single hit show, *Kaun Banega Crorepati* (the Indian version of *Who Wants to Be a Millionaire*), helped all its productions become more popular.

Source: The value of a broader product portfolio. Harvard Business Review. (2014, August 1). Retrieved November 22, 2021, <https://hbr.org/2008/01/the-value-of-a-broader-product-portfolio>.

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There are some examples of successful product portfolio management. Apple's expansion of its portfolio to include the iPod has not only launched a whole economy of "i" add-ons, including the iPhone, but also boosted sales of Apple's existing computers. Now, this example is referring to the creation of a portfolio on the basis of the success of one product wherein, while that product became successful, that brand started resonating, got established we could utilize that resonance for not only developing the particular line through and through, and we created depths also, but also, we created different lines generating a width around that particular product.

Just go to their website, look at their line and width and product mix at large and you would realize what I am mentioning especially, when you would go to their section or when they describe the history of their products and you would realize that how they suggest on when they came up with which kind of a product and how it was well accepted then how it traversed to different types of customers and when and why they came up with different kinds of line variants as well as width variants.

Now, another wonderful example is the Indian Network Star TV. Star TV is definitely a multinational company, but it saw its primetime (I am talking of their Indian organization) viewer share increase from less than 5 percent as sources mention so, we have taken it from a specific source wherein the source says that, their viewership increased from less than 5 percent, mark this, to more than 80 percent. Thanks to the concept the producers and specially Mr. Bachchan, when in one year after a single hit show, 'Kaun Banega Crorepati', the Indian version of 'Who Wants to Be a Millionaire' helped all its productions become more popular.

They gained a viewership and they utilized that viewership, that interaction of viewership or I should I say, the attention of the viewership for promoting several of their shows. And then it traversed all through, it definitely wrote a very specific kind of history in terms of Indian television, because that show definitely got lots of undivided attention and it also enabled so many marketers to advertise and know in real time that how many viewers are actually watching their advertisements and their message. So, that show particular really gave advantage to so many stakeholders in due course of time.

And here when I am talking of product portfolio management and expansion or establishment of different lines, because of one of the successful products, here, I should suggest one more very important thing which is that a time comes, which seems to be right for one of the products to glow.

Now, if you will look at it with a scientific perspective through retrospective analysis in terms of a very-very successful product, which led the complete portfolio later on, you would realize that it can easily be said that time came for that product, but we must acknowledge that was a wonderful product management, lots of good strategies got infused in that product management, the product managers did their job well, there was lots of scientific analysis, research, right positioning, right communication, promotion, or let us say right mix of product, price, place, promotion, and everything right in terms of all those things, which we have discussed, were done or are being done in time, so in terms of the products, which are doing exceptionally well, these days.

For example, one of my favorites, which I would definitely be mentioning in a short while, but I cannot refrain myself from mentioning the name, one of my favorites is Dzire. A car wherein the product managers did almost everything right in terms of that car, that was the right time in terms of putting up a small car into a larger, slightly larger required shape with a

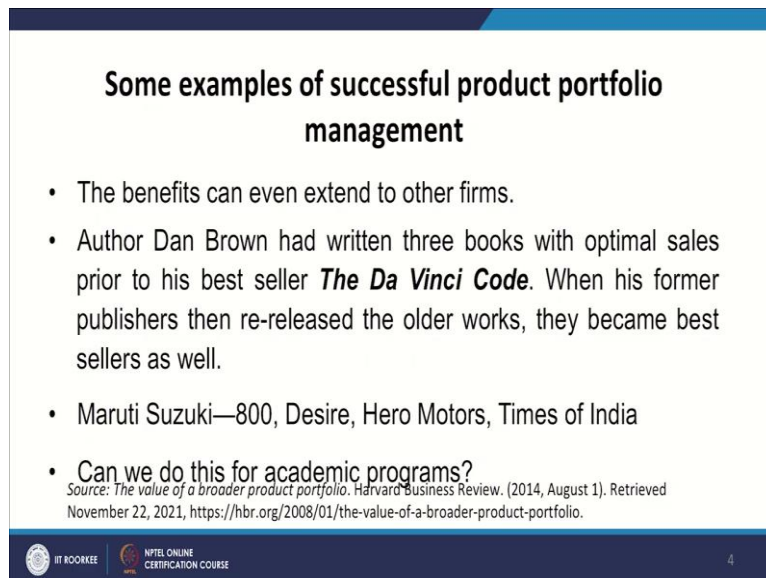
good engine, and with good engine capacity, with good pickup, good speed, good pricing, good positioning, and rest is history, Dzire is one of the largest selling vehicles as far as Indian automotive scenario goes, that is what I am mentioning about.

And Maruti 800 has ruled Indian market, I should say ruled Indian market for a very long time. It was a product which somehow became part of India's life. Today also, so, many Maruti 800s can be seen on road and are being resold many times and people are enjoying that. And believe me, an excellent low maintenance product, which could have gone smoothly on planes and on hills and everywhere. So, that is what I am talking about when everything goes right.

There was a scooter called Bajaj Chetak for example. Believe me, I still have few friends who are using that old version of the scooter because they are so satisfied that they are trying to maintain that and there was lots of local support given to these kinds of vehicles, because by the time these products get expanded, the portfolio gets expanded, the core product got or gets support from all the sides not only through the company but also through company service stations, and so many independent entrepreneurs who have been trained by the organization also become the service setups or service support for these kinds of vehicles.

There was an excellent motorcycle by Escorts called Rajdoot, for example, just historically, look into it, and you will realize, what I am mentioning in terms of one product, expanding the portfolio all together.

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**Some examples of successful product portfolio management**

- The benefits can even extend to other firms.
- Author Dan Brown had written three books with optimal sales prior to his best seller ***The Da Vinci Code***. When his former publishers then re-released the older works, they became best sellers as well.
- Maruti Suzuki—800, Desire, Hero Motors, Times of India
- Can we do this for academic programs?

Source: The value of a broader product portfolio. Harvard Business Review. (2014, August 1). Retrieved November 22, 2021, <https://hbr.org/2008/01/the-value-of-a-broader-product-portfolio>.

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The benefits can even extend to other firms, when we talk of, let us say the benefits of one product in terms of portfolio, and these are unique examples, but they exist. For example, Author Dan Brown, had written three books. A very famous author as you all know, with optimal sales prior to his bestseller, The Da Vinci Code. I think there is a movie on this book as well. And, if I am not wrong, one of my favorite actors Tom Hanks is there in that movie, Mr. Hanks is a wonderful actor.

So, now when his former publishers rereleased the older works, they became bestsellers as well. So, former publishers took this opportunity to not only benefit the author's reputation, but to propel their own publication as well. And not to mention that the publication house definitely would have got advantage in different kinds of terms. For example, a very reputable publication, Bloomsbury which published Harry Potter, got several advantages when Harry Potter became successful. So, the message here is that success traverses in several forms in several ways at large.

Hero Motors has several models. I remember one of their initial most models, when they were with Honda, Hero Honda CD 100, became extremely successful. And then came a motorbike which was a resultant in terms of line development and I will be talking about line stretching and those kinds of things later on, but that model became one of the largest selling probably at a global level definitely, that was I think, confined to Indian market, but so much of sales, that competitive sales was very large and global reference also 'Splendor'.

So, one of the largest selling bikes and then they came up with several kinds of models, and many of them did very well writing history in terms of their sales. There was a motorbike called Yamaha RX 100 by Escorts in collaboration with Yamaha. It was a successful bike and a wonderfully accepted bike all through. So, then Yamaha RX 100 became successful, then Yamaha 350 came in, it became very successful, and several other versions of Yamaha became successful and so on.

So, it is not necessarily that this works the same way, many times one of the models is so accepted, so deeply accepted that the other variants do not do well, and the portfolio resists as far as the expansion goes. So, just watch the subsequent videos on line stretching and line development strategic perspective, and you would realize (where I would be talking about this) that how this might not also work.

So, one of my favorite examples in terms of a media house. Times of India does well, and they have several other lines, I would have mentioned earlier and I would be mentioning, in due course of time, because newspaper business or let us say news content business, information in terms of news is a complex business. You do not earn largely from the viewers or the listeners or the readers, you earn from the advertisers and the advertiser's confidence depends upon the credibility of your news and the readership or the viewership and so on.

But, when you are confident of the content and it is well accepted by one customer, you may multiply the customer through other venues, for example, a newspaper may have a television or other forms of news release or media options. And for example, Times of India is into FM now, Radio Mirchi doing very well. Times of India is one of the largest circulated newspapers in the world, as Dainik Jagran is one of the largest read newspapers in the world, so the point is and India boasts of so many good products all together, we are proud Indians.

So, but again, the point is that this complex business definitely gets advantage when you look at the content at the core and the content traversing in terms of whole spectrum of as far as product portfolios go. Can we do this for academic programs? Is it possible that we can do this for academic programs? For example, our predominantly technological institution has the same brand persona and equity, traversing into their management program? I think we can do that, if we work scientifically upon on product and brand management and develop it all along.



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**Goals and objective of PPM**

- Align the products (both present and pipelined) with the organization's mission and vision.
- Assess and analyze the place of products in the market and their impact on the internal business environment.
- Eliminate the low-profitable and the ones not adding value from the portfolio.

Source: Baker, M. J., & Hart, S. (2007). Product strategy and management. Harlow: FT Prentice Hall.

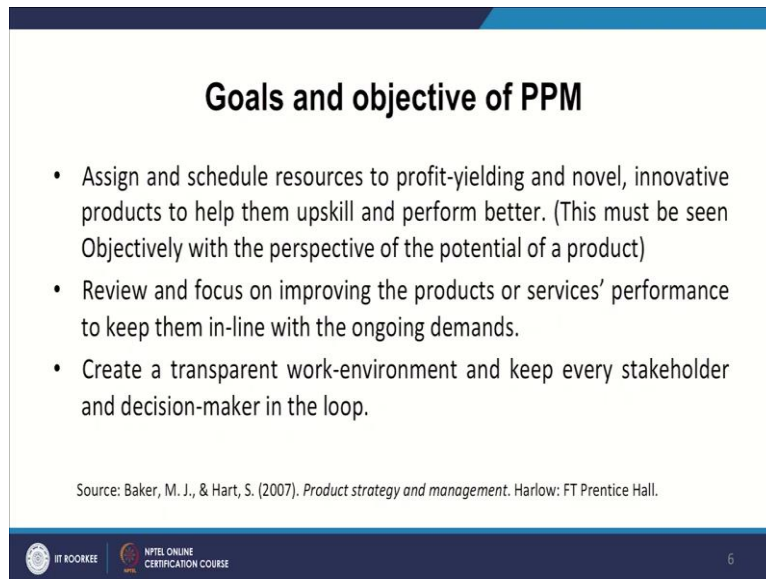
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Goals and Objectives of product portfolio management, align the products, both present and pipelined with the organization's mission and vision. I may talk of mission and vision later on when I would be referring to brand but as of now, just keep in mind that mission refers to slightly a longer stretch, stretch in terms of pathway where organization desires to go,.Vision is related to a very-very long stretch of time, wherein organization focuses on carrying along all the stakeholders with a perspective of their prosperity, a visionary perspective related to the benefit of the stakeholders and prosperity at large.

Then, second element in terms of goals and objectives is related to that one should assess and analyze the place of products in the market and their impact on the internal business environment. In other words, how it will develop our capability, so, that we can think of integration or diversification, I would be talking about diversification in my strategic section.

Eliminate the low profit and the ones not adding value from the portfolio though it is a tough decision. Products are like babies, product managers, they get emotionally associated with the products and it is very natural, you have given your time to this product, here you have thought about this, you own this basically, you have worried about the product, so how would you exit this product just putting it in some cabinet to see it for a long time. So, your desire is to bring up a product like Boroline, which goes on and on and on basically.

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**Goals and objective of PPM**

- Assign and schedule resources to profit-yielding and novel, innovative products to help them upskill and perform better. (This must be seen Objectively with the perspective of the potential of a product)
- Review and focus on improving the products or services' performance to keep them in-line with the ongoing demands.
- Create a transparent work-environment and keep every stakeholder and decision-maker in the loop.

Source: Baker, M. J., & Hart, S. (2007). *Product strategy and management*. Harlow: FT Prentice Hall.

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So, assign and schedule resources to profit yielding and novel, innovative products to help them upskill and perform better. This must be seen objectively with the perspective of potential of a product. In last two sessions, I have used this word four times, because potential analysis is not a simple thing and it is not forecasting. Potential analysis is like when you look at a young kid and you feel that she would become a scientist who would actually contribute at large in the development of so many things, that is what potential analysis is.

Potential analysis is that this team which is there would develop Mangalyaan and would take it to the levels of reaching Mars and India successfully did that, a wonderful example of potential. And now, we have a very famous movie on Mangalyaan, so just watch it and you would realize what potential and potential analysis means and lots of elements of potential analysis are exemplified there.

Another goal and objective perspective is related to review and focus or should I say, reviewing and focusing on improving the products' or services' performance to keep them in line with the ongoing demands. Continuously assessing that what else the customer would require and continuously fulfilling that while keeping yourself at the helm of the affairs.

Did I mention discipline somewhere? I did that in one of my sessions, and I would be talking about that in strategic element also, wherein keeping yourself at the helm of the affairs is specifically related to a disciplined way of leading product portfolio management and that can be percolated down to an individual's discipline.

Create a transparent work environment and keep every stakeholder and decision maker in the loop. Now, this is one of the most important elements and the last one from my side in this session that is keeping the objectives clear or specifying the vision. Your vision as a product manager and the objectives with clarity in front of your stakeholders, all your stakeholders and motivating them for accepting those with the same zeal and enthusiasm is one of the most important aspects of product portfolio management.

I take you back to the scene from where I started this discussion, imagine a showroom of one organization with several products. If all the stakeholders are not in consonance with each other with the same intensity, they would either be over sighting one of the products or would might be undermining the potential of one of the products, but what we should do is that we should keep up everything towards growth. That is what product portfolio management is. Keep thinking, keep discussing, keep wandering and I will be joining you next time. Till then goodbye.