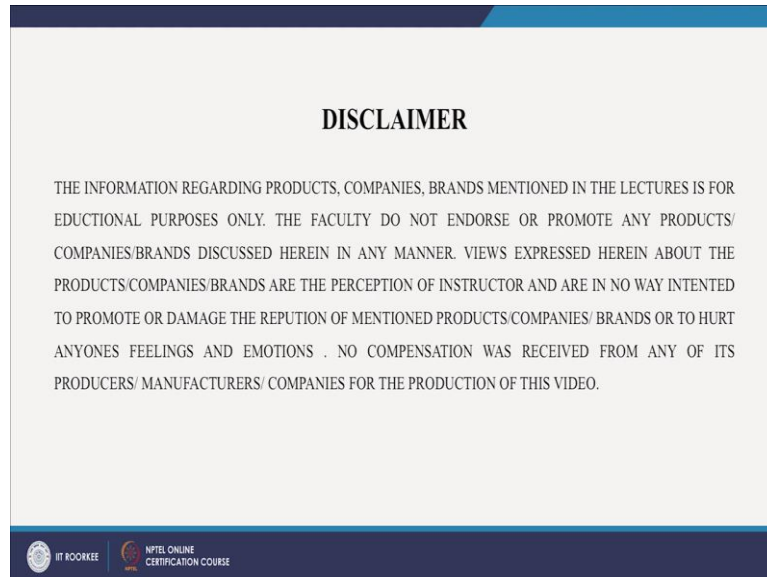


Product and Brand Management
Professor Vinay Sharma
Department of Management Studies
Indian Institute of Technology, Roorkee
Lecture 05
Terminologies Associated with Product - III

(Refer Slide Time: 0:27)



Welcome friends, welcome back to the discussion of terminologies associated with product. I will go on with this discussion for this session and probably the next one also, but till then, we would be forming the complete, almost the complete backdrop of aspects related to a product and then we will traverse into the management side of the products. We will be focusing upon the concepts related to product in depth. We will be focusing upon the concepts which actually drive product management. Till then just let us focus upon few more terms, for example, product mix.

(Refer Slide Time: 1:27)

Terminologies associated with product

- **Product mix** (also called a product assortment or Product 'P') is the set of all products and items a particular seller offers for sale.
A company's product mix can be characterized by a number of dimensions like its width, length, depth and consistency.
- **Product design** is the totality of features that affect the way a product looks, feels, and functions to a consumer. It offers functional and aesthetic benefits and appeals to both consumers' rational and emotional sides.

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

IT ROORKEE NPTEL ONLINE CERTIFICATION COURSE 2

Terminologies associated with product

- **Product variety** refers to the number of different classifications of goods carried in a particular merchandising unit.
- **Product quality** is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. (American Society for Quality)
- **Product features**
- **Form**

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

IT ROORKEE NPTEL ONLINE CERTIFICATION COURSE 3

Now, you see, it is related to a set of all products and items a particular seller offers for sale. Please have a look at last session again wherein, I ended with a note on Patanjali. So, if you would have visited a store of Patanjali for example, just look at that store, and you will realize what I am talking about and that is where all the products come in under one umbrella that is product mix. And you see a mix can be characterized by a number of dimensions like width, length, depth and consistency. I would be talking about this in detail. Line we have talked about a little bit and that is a very important part of a product mix structure.

So, several lines, then several lines in widths and length, in terms of line. It is interesting and we will talk about that, because that is related to decision making, that is related to foreseeing the type of customer, that is related to categorizing the customer, that is related to developing

the specific message for specific customers as well. And that part would be interestingly once again coming in front of us when we would be referring to a discussion on product in relation to other 'Ps' of marketing which is one of the most interesting and one of my favorite discussions with marketing students. So, you see, till then just keep these terms like length, depth, consistency and those kinds of elements in mind. And in the meanwhile, please do study those. There are several very good chapters in Philip Kotler and Kevin Lane Keller's book of marketing management which we have continuously been referring to, as of now. Then another term, which comes into being is product design. You see, if specifically, someone thinks of design as a perspective, there is a whole lot of specific course associated with that and if not, then at least 4 or 5, 6 hours of discussion can go into product design, because starting from the personality and personal perspective, which we have carried forward till now, design encompasses almost everything.

So, product design is the totality of features, features we have talked about. Remember the way a product looks, its appearance, how it feels and functions for a consumer. At this moment, I am thinking of eyeglasses for example, I have one in my hand. Let me wear it for a while. Although I am unable to look clearly because it is a reading glass. I cannot look clearly in the camera but still you can look at me. And now you see, this eyeglass is associated with looks, I do not know how do I look, I do not look very good, of course, but that glass looks good that is for sure. And how it feels? I feel comfortable when I read through these classes.

And you see, the functionality is definitely associated with reading glasses, and it is comfortable when I wear it, it does not bother me, and so on. So just a simple example. And why I mentioned about eyeglasses, not just because I am having it in my hand at this moment but also eyeglasses are a part of a very composite and integrated part of our lives. And I have talked about this earlier as well, probably in a different course, I think in integrated marketing communication I may have referred to that. But you see if many of you or any of you is using glasses, just think of it as a product, and then see what some messages by Lenskart say, also go to some Lenskart showroom, ask someone to show you an eyeglass, and you would exactly realize what we are referring to in terms of design. You see, it offers functional and aesthetic benefits. See, even if I tell you that this particular shape looks good at you, you might not feel happy about it until unless you feel comfortable wearing that particular glass in front of the mirror actually, and that is why they always tell you to watch yourself. For example, you are trying a pair of shoes somewhere in a shop and then they would take you to in front of the mirror and when you would watch yourself wearing a pair of shoes there and

feel about, how it looks on your feet. So, aesthetic benefits appeal both to consumer's rational and emotional sides.

Now, that is where you see a product should be associated with the rational side of the consumer when she feels in terms of and we talked about user referent benefits and then do remember that we have referred to attributes related to benefits of a product and so on. So, remember that discussion when we were talking of rationality associated with the product design and emotional side of a product design. We have talked about these terms earlier as well. So, we will keep on talking about the elements of design in due course of time when I would be talking of product related creativity and processes, I would be using examples like beautiful headlamps of automobiles which actually give a very interesting look to a particular automobile.

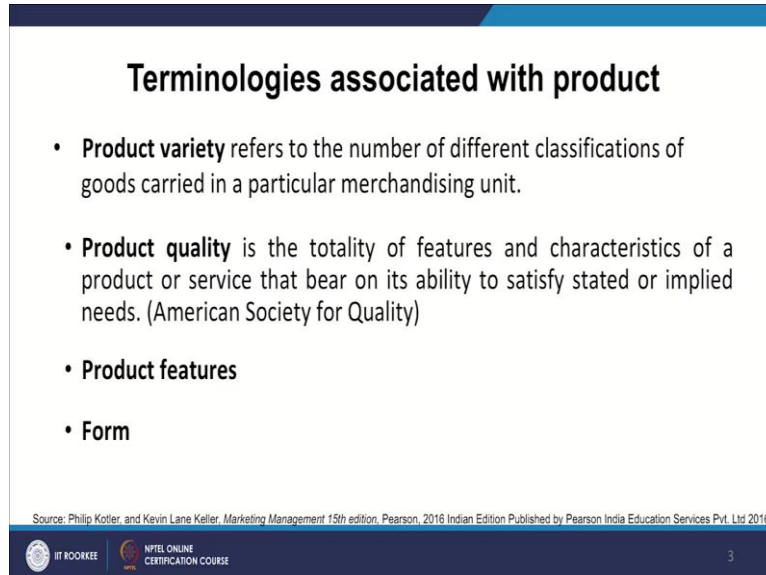
Many times when headlamps are very simple that look is not there when you give them a round shape then these days, I have found that automotive manufacturers are interestingly focusing on the shapes of tail lamps. It was unheard of or not so prominent earlier, but they are now focusing extensively in detail on as far as particular shapes of tail lamps as well. So, we will talk about that and automobiles is a large example of wherein, several elements of design are focused upon intensely.

Then comes in product variety and, you see, just to give you a clue, when you look at marketing mix of McCarthy in the same book, which we have been referring to, there is a description of four 'Ps' given in that marketing mix chart, and these terms you will find there in under Product Category, wherein you would find a specific reference to product variety which refers to the number of different classifications of goods carried in a particular merchandising unit. There is a plain and simple and scientific kind of a definition. But again, product variety and variation is deeply associated with product line and then subsequently family and class and so on, because we have gone through this kind of discussion in hierarchy as well.

So, you see, whenever we talk of variety and variation, that talks about variety in terms of different kinds of products. I will be coming back to the discussion on width and those kinds of things later on. But here that is why you see I thought that it should be pertinent for us to look into terms before going into the strategic perspective of product and brand management because at that particular stage when we are using these terms in sequence or many times interchangeably also we do not get confused. We can always refer to these videos and the

references which we are using so that at that particular stage we are clear in terms of the management perspective of this subject.

(Refer Slide Time: 10:42)



Terminologies associated with product

- **Product variety** refers to the number of different classifications of goods carried in a particular merchandising unit.
- **Product quality** is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. (American Society for Quality)
- **Product features**
- **Form**

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

IT ROOKEE NPTEL ONLINE CERTIFICATION COURSE 3

Then comes in quality and you see it is related to the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs, how do you feel about the product? does it solves the purpose? is it related to meeting your expectations especially against what you are paying for that in terms of direct price, time, search time and emotional aspect and so on? So, it is a whole lot of again an array of things which have to be considered in terms of quality and this is just to give you a demarcation.

For example, you go to an upmarket restaurant and you request for let us say, a samosa. You definitely would be expecting the kind of freshness, the kind of methodology or the process through which that samosa would be prepared in consonance with that particular restaurant, and they may put up a price relative to that. But when you are purchasing that samosa from a local shop, on the roadside shop, wherein it is sold as street food, you might not think in terms of many things. You might focus upon the kind of taste it may offer and that is all. So, that is what street food is known for and most of the times it is just the taste, and it is just what is happening around you.

So, that is the perspective when you go to an upmarket big shopping mall, you expect different kinds of a response from that ambience, when you go to a big huge Mega Mall or should I say multiplex and you watch movie there while you are paying 300, 400 rupees per ticket. So, then you expect several kinds of things, you expect the sound, the clarity, the

scene, the scenario and so on. But, if you are watching the same movie in your own home settings, it has a relative pricing also. So, you do not mind when distortions and disturbances are coming from all around you because you cannot do much about that and so on. You see that is where quality perspective comes in.

Why is it useful? It is useful, because, as I said and I hinted upon pricing associated with quality, and then there are several production processes associated with producing a particular kind of a quality. Then there are several elements of human resources associated with producing a particular kind of quality and so on and a whole lot of differentiation in terms of customers and target customers and price premiums emanates from there. It must justify everything, also must justify the relative quality, which a product offers. A 5 rupees, or 10 rupees pen, is not expected beyond writing nicely, but if you are spending let us say 500 rupees on a pen, you expect much more other than the looks, and we can keep going on and on about as far as these things go about product features. We have already talked about slightly in terms of when we refer to attributes.

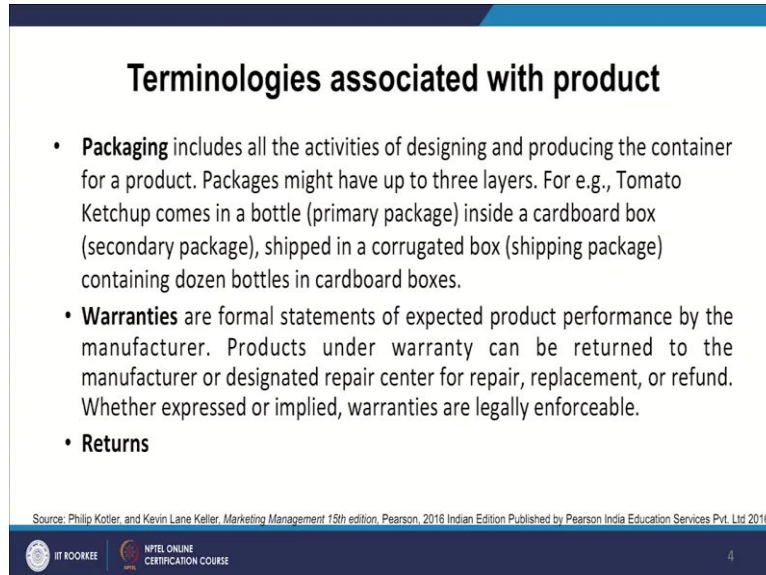
So, you see, the features are the marketing characteristics of a product, features of a car, features of eye glasses, features of shoes, how it looks, what are the aspects associated with it and so on. And there again as I said, there are several stages wherein a strong overlap between the terms would be felt. For example, design has an intense relationship but as far as the features go then form, product form and structure matters, a lot and I will keep going on with several examples but you understand what I wish to say here when I talk about form.

Then comes in one of the most important elements associated with products, packaging. It is a whole lot of a science. It is a whole lot of an art associated with product and product management. Just to give you a clue, IKEA furniture's focuses upon rectangular boxes and packaging and whole lot of production philosophy they have is around that rectangular packaging art, wherein they imagine their products to be dismantled and packaged into rectangular boxes, whichever shapes the products may carry at the end of the day.

That is how they design their production processes, their transportation processes, their stacking processes, go downs and distribution processes as well. It is a very interesting movie or kind of a film on IKEA furniture is available on the web, you can watch that. You will realize that puts up a whole perspective into a different array. And then many times packaging becomes the statement by itself to an extent that it actually complements

advertising. Many a times packaging is related to information. Packaging is an infused part of product's character.

(Refer Slide Time: 17:09)



Terminologies associated with product

- **Packaging** includes all the activities of designing and producing the container for a product. Packages might have up to three layers. For e.g., Tomato Ketchup comes in a bottle (primary package) inside a cardboard box (secondary package), shipped in a corrugated box (shipping package) containing dozen bottles in cardboard boxes.
- **Warranties** are formal statements of expected product performance by the manufacturer. Products under warranty can be returned to the manufacturer or designated repair center for repair, replacement, or refund. Whether expressed or implied, warranties are legally enforceable.
- **Returns**

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

IT ROOKIE NPTEL ONLINE CERTIFICATION COURSE 4

So, packaging includes all the activities of designing and producing the container for a product the exterior and packages might have up to three layers for example, Tomato Ketchup comes in a bottle which is a primary package inside a cardboard box which is a secondary package, shipped in a corrugated box which is a shipping package and so on containing dozen bottles in cardboard boxes and so on. And as you see, talking of Tomato Ketchup, it is very important for those ketchups to reach safely to the customer and so on. Packaging definitely is associated with protecting the product, like shipping and transportation, especially, if those products are delicate, for example, sophisticated machines, high end electrical equipment. So, definitely that matters too much in terms of packaging material. Laptops, sophisticated machines when they are shipped to you, so, that again matters a lot. So, you see packaging holds lots of clues in association with the product promotion, product support, product transportation, distribution, production processes, whole of as far as supply chain management also. I would not enter into that domain but there is a clue for you, and is definitely associated with a whole lot of a marketing exercise. I will be going into those details with lots of examples later on as well.

So, then comes in warranties. See these are formal statements of expected product performance by a manufacturer. It gives assurance. Warranties are not just that someone is extending warranty, this is related to the statement that the product would stand by. Today, if I say that there is a product which is not available with any warranty, you would hesitate

because then what is the commitment? Definitely the product itself is the commitment from the side of the manufacturer but warranties and assurance actually are required.

For example, if insurance policy as a product does not give you an assurance of settlement at the time of need. Would you buy that? No. So that is the perspective associated with warranties. You see products under warranty can be returned to the manufacturer or designated repair center for repair, replacement or refund whether expressed or implied warranties are legally enforceable also and whole lot of world surrounds, this term in terms of product assurance, because many products go through several kinds of teething problems in terms of usage and the customer is assured because he knows that there is an associated warranty.

So, customer keeps on talking to the service station about and because that is under warranty service station is liable to serve the customer at his will. Returns, whenever, you want to return the product, so, there is an agreement between the manufacturer and the customer in terms of product returns also and you would realize that again this is very specific marketing exercise element, when we talk of product and brand management. And you would realize that warranties, returns and these elements, they are part of brand strength also later on.

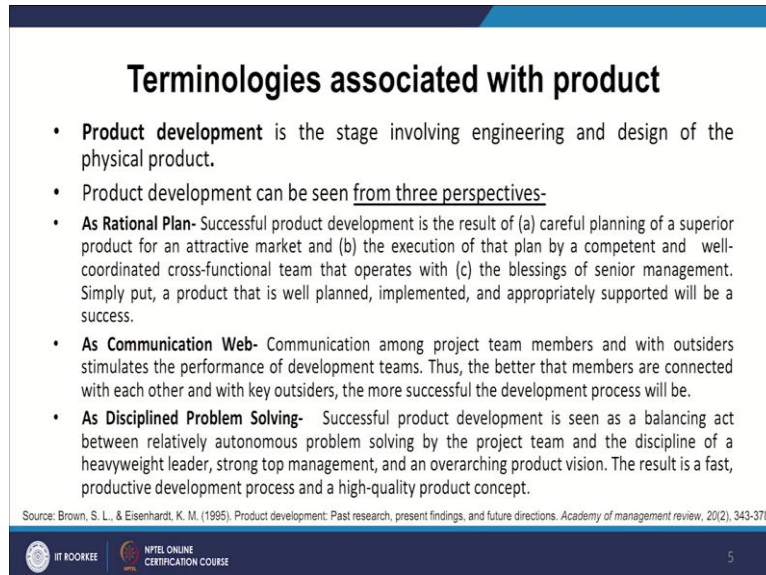
So, that we will talk about because we would not be specifically referring to these elements, when we will be talking of brand equity development, but for example, you are going to a coaching institution to get an admission for a person, young boy or a girl and they want to get through an entrance examination. Now, there cannot be a warranty or guarantee, because you see, it depends upon how hard they would work on, but still they extend assurance.

And nowadays due to several, competitive elements associated with these kinds of services, many a times the coaching students say that if within 1 week or 10 days, you do not find the course up to the mark of your expectation it does not gels with you or you are unable to take the intensity of the course, your fees will be refunded, and that is fair. Returns, warranties and these kinds of things do work. These are very important parts, we all know that we are all consumers, we all watch it, but now, I want you to think about these in terms of as marketers and not just consumers.

Now, let us go towards a different slightly collaborative side, when we talk of product development, we have talked about production, production line, now, let us focus upon development, (design also we have mentioned), so how products are developed, conceived,

developed and carried forward and this will again be very useful for us when we will talk about the strategic progression of a products journey, for example, when we will be referring to the portion of new product development. So, this term would come back to us. So just watch it.

(Refer Slide Time: 23:18)



Terminologies associated with product

- **Product development** is the stage involving engineering and design of the physical product.
- Product development can be seen from three perspectives-
- **As Rational Plan-** Successful product development is the result of (a) careful planning of a superior product for an attractive market and (b) the execution of that plan by a competent and well-coordinated cross-functional team that operates with (c) the blessings of senior management. Simply put, a product that is well planned, implemented, and appropriately supported will be a success.
- **As Communication Web-** Communication among project team members and with outsiders stimulates the performance of development teams. Thus, the better that members are connected with each other and with key outsiders, the more successful the development process will be.
- **As Disciplined Problem Solving-** Successful product development is seen as a balancing act between relatively autonomous problem solving by the project team and the discipline of a heavyweight leader, strong top management, and an overarching product vision. The result is a fast, productive development process and a high-quality product concept.

Source: Brown, S. L., & Eisenhardt, K. M. (1995). Product development: Past research, present findings, and future directions. *Academy of management review*, 20(2), 343-378.

IT ROORKEE NPTEL ONLINE CERTIFICATION COURSE 5

And you see product development is the stage involving engineering and design of the physical product or conceiving an experience for a customer. For example, I was watching this website of a well known design company. And somewhere I read there in the description that they have designed entertainment or let us say play park for young kids, means, it is a community park where in the kids staying in the buildings around, they just go there and play.

Now, those kids are 3, 4 years, 5 years of age. So, this design company, they not only focused upon the material of the products, for example, seesaw, for example, other kinds of rides or the equipment which they put in there for children to play, their swings for example. Now, the material, the strength of the material, and not only being user friendly, but safe also, and then the gadgets associated gadgets and looking into the behavior of those kids, how kids do behave when they go there, they become naughty, they become kind of, aggressive. So, looking at that, what kind of places they may get hurt and to avoid that what kind of safety measures can be taken so that their joy can enhance and the safety can be improved.

So, that is where, product development comes in. If you look at that experience perspective through this kind of an example, then product development definitely is a very, very strong

story in terms of, if we will look at it with the perspective in automotive development. For example, when Scorpio was developed all through and several motorbikes have been developed in due course of time. So, we can look into those as examples. We can, live with those stories, and we can talk about this at length in terms of engineering and design of the physical products.

It can broadly be seen with three perspectives which are demonstrated here, and I am not saying this is limited to this but pertinent, because these perspectives would be strongly at the backdrop of our future discussions in due course of time. So, when first perspective is associated with rational planning. Please remember that successful product development can be seen as the result of careful planning of a superior product for an attractive market.

It can also be seen, as, the resultant of the execution of the plan by a competent and well coordinated, cross functional, team that operates for example, that team, which would have developed usage, or let us say, perspective around usage of Lego toys or bricks, imagining and conceiving about what kind of shapes can be made out of those bricks. There is where I am talking of coordinated cross functional teams. And then, senior management, wherein they support that with their leadership abilities and that is how, a product is well planned, implemented and appropriately supported, becomes a success.

So, that is where rational planning perspective comes into being. Then the second element, which can be seen, and you see, this is again taken from a research paper, which can be seen in the references given there. So, then another very important element, as the author says, is related to communication web, communication among project team members, and with outsiders stimulates the performance of development teams. Better the members are connected with each other and with key outsiders, more successful the development process will be.

And we can think about this element with reference to developing several kinds of applications. For example, one of my favorites is, let us say, MS Office 365. So, they would have tried to understand several kinds of elements, and they would have kept associated with so many people from outside and from within and so on. And then the developers would have gone through a whole journey of developing a successful product like MS Office 365. Just watch that, and you would realize what I am talking about.

Then comes in, discipline and problem solving. I would briefly talk about this, and then I would come to you in the next session with problem solving perspective first and then would be carrying forward a discussion around the terms, because, you see, this is one of the most important elements from which I wish to develop and build upon our next subsequent discussion. You see, discipline and problem solving is evident through and when successful product development is seen as a balancing act between relatively autonomous problem solving by the project team and the discipline of a strong leader, strong top management and an overarching product vision, leadership and problem-solving perspective.

And the result is a fast-productive development process and a high-quality product concept or a product at the end of the day. So, when we talk of discipline and product solving; it has to be focused upon very intensely, or it has to be seen very intensely. So, you see, what kind of problem we are conceiving and how are we conceiving a problem that itself is a process. And once we have conceived the problem rightly, how are we trying to put up a product as a solution for that problem solving, that is what we would be focusing upon, that would make our future discussion more interesting, once, we will live up to an aspect of conceiving a problem.

So, I leave you with this word 'problem'. And I will come up with my next discussion starting with this word 'problem'. By the way, till then, just try to find out who has told you and when, what is your problem? Till then, goodbye.