**PRODUCT/SERVICE MANAGEMENT**

**3.01 Vocabulary**

**DECLINING STAGE:** The product life cycle stage in which sales and profits fall rapidly.

**DEEP PRODUCT MIX:** A description of the depth of a business's product mix offering a great many items in the product line.

**DEPTH:** Under one product how many sub-products company provides or how many varieties company have for that product

**INTRODUCTORY STAGE:** The product life cycle stage when the product first appears in the marketplace.

**GROWTH STAGE:** The product life cycle stage in which sales rise rapidly

**MATURITY STAGE:** The product life cycle stage in which sales peak and then increase at a slower rate or start to decline

**OBSOLESCENCE:** The state of being outmoded or unfashionable. Becoming outdated because of advances in technology. Becoming outdated due to the introduction of new products, processes, and/or technology.

**PLACE:** Marketing element focusing on considerations in getting a selected product in the right place at the right time

**PLACE (DISTRIBUTION):** Marketing element focusing on considerations in getting a selected product in the right place at the right time.

**PLACE DECISION:** The decision to buy from a certain business.

**PRICE COMPETITION:** A type of rivalry between or among businesses that focuses on the use of price to attract scarce customer dollars.

**PRICE CONTROL(S):** Government restrictions on the minimum and/or maximum prices of certain products

**PRICE DECISION:** The decision a customer reaches on the price s/he is willing to pay for a good or service.

**PRICE POLICY:** A guideline regulating the range of prices for goods and services that businesses offer to customers.

**PRICING:** A marketing function that involves the determining and adjusting of prices to maximize return and meet customers' perceptions of value.

**PRICING OBJECTIVES:** Goals a company hopes to accomplish through its pricing strategies.

**PRICE SKIMMING:** A pricing strategy that involves setting prices higher than those of the competition.

**PRODUCT BRAND:** A name, term, symbol, or design (or combination of them) that identifies a product and distinguishes it from competitors products.

**PRODUCT DECISION:** The decision a customer makes on the brand, type, model, etc., to buy.

**PRODUCT DECISIONS:** Marketing element referring to what goods, services, or ideas a business will offer its customers.

**PRODUCT DEVELOPMENT:** The efforts involved in the creation of a new product. The stage in the creation of a new product in which a working model may be tested, modified, and retested; production costs are estimated and final details of the product are planned, e.g., label, promotion, and distribution.

**PRODUCT DIFFERENTIATION:** A strategy for making a product appear different from similar products on the market.

**PRODUCT ELIMINATION:** The removal of a weak product from the market and from the company’s product mix, also known as product discontinuation.

**PRODUCT ITEM:** Each individual good, service, or idea that a business offers for sale.

**PRODUCT LIABILITY:** The producer’s responsibility for any injury that the business’s products may cause.

**PRODUCT LIFE CYCLE:** The stages through which goods and services move from the time they are introduced on the market until they are taken off the market.

**PRODUCT LINE:** A group of related product items.

**PRODUCT MANAGEMENT:** A career that involves monitoring and developing one or more existing products.

**PRODUCT MANAGER:** An individual who monitors one or more existing products and develops new Products

**PRODUCT MIX:** The particular assortment of goods and services that a business offers to meet the needs of its market(s) and its company goals.

**PRODUCT-MIX STRATEGIES:** The ways in which businesses handle, or manage, their product mixes.

**PRODUCT POLICY:** A guideline affecting the kinds of goods and services that businesses offer to customers.

**PRODUCT POSITIONING:** In a sponsorship agreement, the sponsor's privilege of having its goods or services used at the event.

**PRODUCT RECALL:** The removal from the marketplace of a product that is defective or hazardous to consumers.

**PRODUCT-RELATED SERVICES:** Services that are offered with a product such as maintenance, delivery, or repair.

**PRODUCT/SERVICE MANAGEMENT:** A marketing function that involves obtaining, developing, maintaining, and improving a product or service mix in response to market opportunities.

**PRODUCT/SERVICE MIX:** The particular assortment of products that a business offers in order to meet the needs of its markets and its company goals.

**PRODUCT STANDARDS:** Criteria for determining a product's ability to meet specified guidelines or requirements.

**PROMOTING:** The act of communicating information about products, services, images, or ideas tocustomers or clients.

**PROMOTION:** A marketing function needed to communicate information about goods, services, images, and/or ideas to achieve a desired outcome. Marketing element referring to the various types of communications that marketers use to inform, persuade, or remind customers of their products.

**PROMOTION DECISIONS:** Marketing element referring to selection of the various types of communications that marketers use to inform, persuade, or remind customers of their products.

**PROMOTIONAL MIX:** A combination, or blend, of marketing communication channels that a business uses to send its messages to consumers (i.e., advertising, sales promotion, personal selling, and publicity).

**PROMOTIONAL PLAN:** A framework for the promotional activities of a business.

**PROMOTIONAL POLICY:** A guideline affecting the kinds of special activities, such as contests and prizes, that businesses use to attract customers and to increase sales.

**WIDTH:** A product mix dimension referring to the number of product lines carried by a company

**Marketing**

**3.03 - Employ product-mix strategies to meet customer expectations.**

1. **Identify ways in which product lines can be organized.**
   1. **Product line** – group of closely related products manufactured by a business
   2. **Product item** – specific model, brand, or size of a product within a line
   3. Ex: P&G has over 250 products within 21 product lines
      1. Dish care is a product line
      2. Cascade, Dawn, Joy, &Ivory are items
   4. **Product mix**
      1. All the types of products a company makes or sells
      2. Some companies have different brands for different markets
      3. Ex Coca-Cola has different drinks for sparkling beverages, water, juice, performance, coffee, tea, and international flavors.
2. **Identify reasons that a business would offer a narrow & broad product mix.**
   1. **Product Width** – number of different product lines
   2. ***NARROW/Contracting***
      1. Ease on management
      2. Cost effective
      3. Simplicity
      4. Consistency
   3. ***BROAD/EXPANDING***
      1. Reach all markets
      2. Competitive advantage
      3. Ex: Red Lobster specializes in seafood, but offers chicken and steak to broaden their product mix.
3. **Identify reasons that a business would offer a deep & shallow product mix.**
   1. **Product depth** – number of items offered within each product line
   2. ***DEEP/EXPANDING***
      1. Variety
      2. Quantity
      3. Ex: Kohl’s carries various quantities of sizes, colors, & styles of Levi Jeans.
   3. ***SHALLOW/CONTRACTING***
      1. Cost effective
      2. Satisfy small markets
      3. Ex: Only 2 chicken items on Red Lobster’s menu.
4. **Explain the importance of a business’s product mix.**
   1. Businesses must plan their product mix carefully because they cannot offer all the products that customers may want.
   2. They should be a profitable market for product offered by a company
5. **Describe alteration product-mix strategies.**
   1. Improve an established product with new design, new package, new uses.
   2. To keep up with changing preferences of consumers
   3. Product Recall -The process of retrieving defective goods from consumers and providing those consumers with compensation. Recalls often occur as a result of safety concerns over a manufacturing defect in a product that may harm its user.
6. **Describe trading up / down product-mix strategies.**
   1. **Trading up**: Adding a higher-priced product to a line to attract a higher-income market and improve the sales of existing lower-priced products.
   2. **Trading down**: Adding a lower-priced item to a line of prestige products to encourage purchases from people who cannot afford the higher-priced product, but want the status.
7. **Describe positioning product-mix strategies.**
   1. **Positioning** – actions marketers take to create a certain image of a product in the minds of the customers
      1. In Relation to a Competitor
      2. In Relation to a Product Class or Attribute
      3. In Relation to a Target Market
      4. By Price and Quality
      5. Difficult to change

**Marketing 3.04**

Market position-unique image of a product or service in a consumer's mind relative to similar competitive offerings.

Brand-design, symbol, term, or word that identifies a company or product.

Brand name-recognizable brand with high level of brand equity

Brand symbol-a distinctive symbol that represents the company or product

Trade character-personified symbol to represent brand name

Positioning-developing a specific marketing mix to influence potential customers' overall perception of a brand, product line, or organization in general.

Brand recognition-when consumers become aware of a brand and know a little bit about it.

Brand preference-when consumers prefer to purchase a certain product brand based on their positive experience with the brand.

Brand insistence-when the consumers insist on "their" brand and will not accept substitutions.

Product brand-a name, term, symbol, or design ( or combination of them) that identifies a product and distinguishes it from competitors.

Generic brand-unbranded products that are plainly packaged, have lower or standard quality, are sold at lower prices, and receive little or no promotion.

National brand-also known as manufacturer's brand - one that represents the manufacturer has assumed all of the responsibility of branding.

Private/distributor brand-also known as store brand - a brand owned by an intermediary or store.

Brand strategies-actions that need to be taken with an established brand to accomplish it goals.

Family branding-involves using the same brand for related products in a product line.

Individual branding-involves using different brands for products owned by one company

Brand extensions-when a brand name is used for a new or improved product line.

Brand licensing-allows one company to use another's brand name , logo, or character for a fee.

Co-branding-occurs when companies join forces to increase recognition, customer loyalty, and sales of both brands.