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HARTLEY
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MARKETING: The Core 5/e

CHAPTER

10

MANAGING
SUCCESSFUL
PRODUCTS,
SERVICES, AND
BRANDS



McGraw-Hill/Irwin

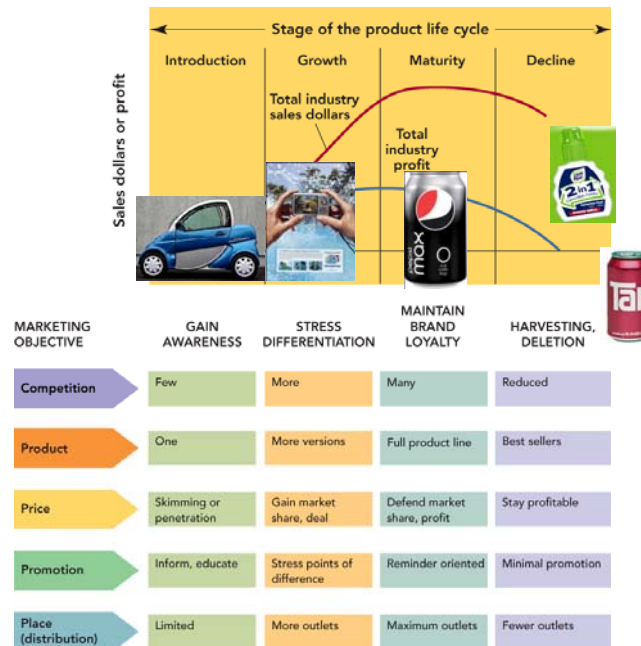
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GATORADE: BRINGING SCIENCE TO SWEAT



10-4

How stages of the product life cycle relate to a firm's marketing objectives and marketing mix actions

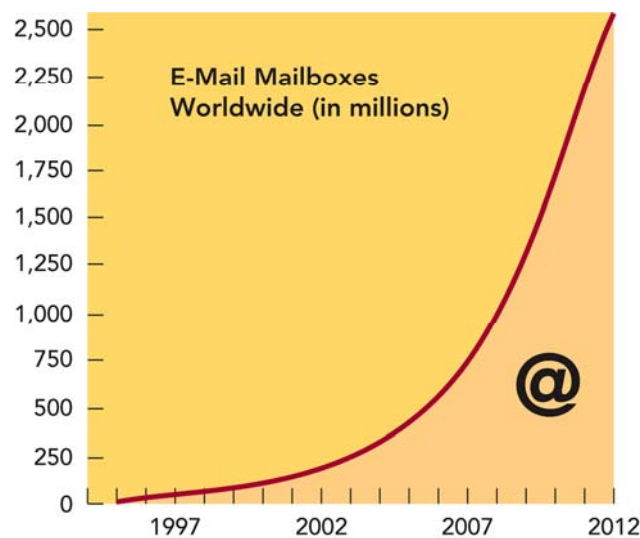


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L01

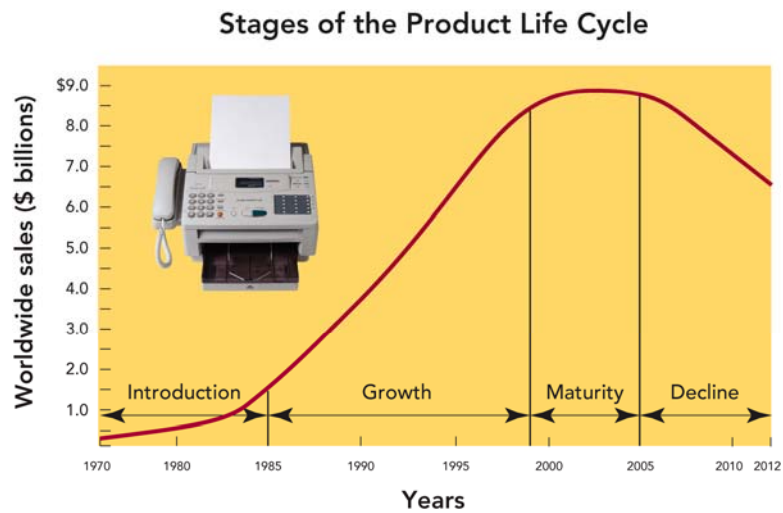
MARKETING MATTERS

Will E-Mail Spell Extinction for Fax Machines?



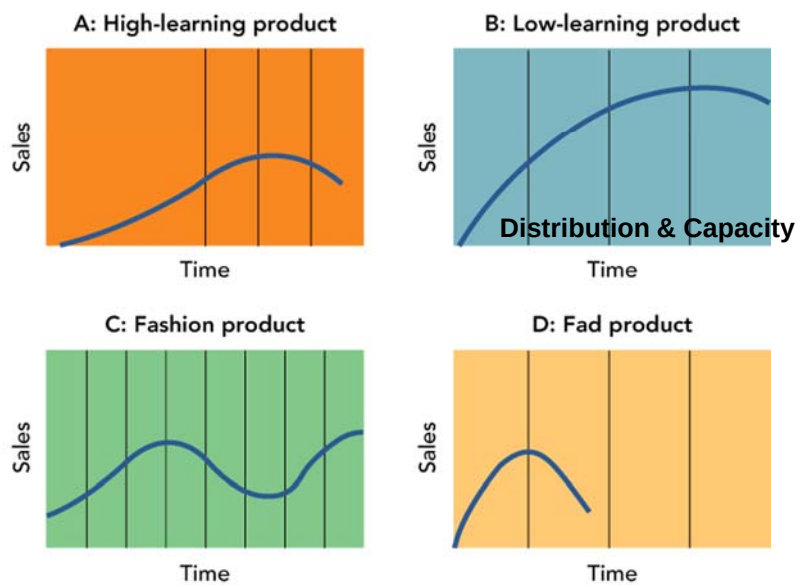
11-10

FIGURE 11-2 Product life cycle for the stand-alone fax machine for business use: 1970-2012



11-11

FIGURE 11-3 Alternative product life cycle curves based on product types



11-16

L01

CHARTING THE PRODUCT LIFE CYCLE

THREE ASPECTS OF THE PLC

➤ The Product Level: Class and Form

- Product Class



- Product Form



11-17

L01

CHARTING THE PRODUCT LIFE CYCLE

THREE ASPECTS OF THE PLC

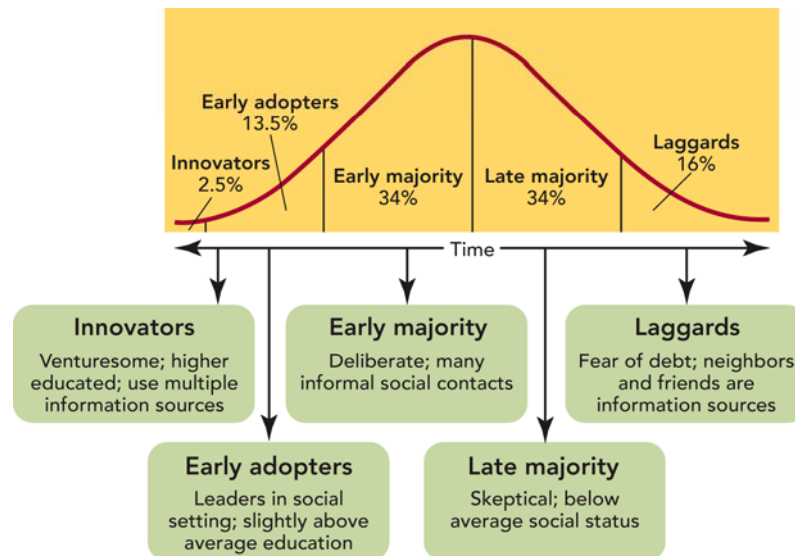
➤ The Life Cycle and Consumers

- Diffusion of Innovation

- Innovators
- Early Adopters
- Early Majority
- Late Majority
- Laggards

11-18

FIGURE 11-4 Five categories and profiles of product adopters (diffusion of innovation)



11-19

L01

CHARTING THE PRODUCT LIFE CYCLE

THREE ASPECTS OF THE PLC

► The Life Cycle and Consumers

- Barriers to Adoption
 - Usage
 - Value
 - Risk
 - Psychological

11-20

L02

MANAGING THE PRODUCT LIFE CYCLE ROLE OF A PRODUCT MANAGER

➤ Product/Brand Manager Responsibilities

- Product Life Cycle
- New Product Development
- Marketing Program Implementation
- Data Analysis

- CDI (category development index)
- BDI (brand development index)

11-21

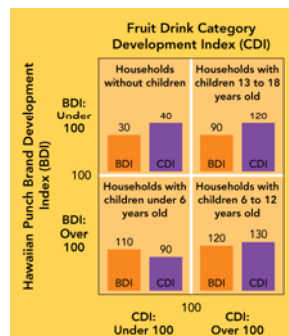
L02

USING MARKETING DASHBOARDS Knowing Your CDI and BDI

Category Development Index (CDI) and Brand Development Index (BDI)

$$CDI = \left(\frac{\% \text{ of a Product Category's Total US Sales in a Market Segment}}{\% \text{ of the Total US Population in a Market Segment}} \right) \times 100$$

$$BDI = \left(\frac{\% \text{ of a Brand's Total US Sales in a Market Segment}}{\% \text{ of the Total US Population in a Market Segment}} \right) \times 100$$



11-22

L02

MANAGING THE PRODUCT LIFE CYCLE MODIFYING THE PRODUCT OR MARKET

➤ Product Modification

- Altering Characteristics

➤ Market Modification

- Finding New Customers
- Increasing a Product's Use
- Creating a New Use Situation



11-23

L02

MANAGING THE PRODUCT LIFE CYCLE REPOSITIONING THE PRODUCT

➤ Product Repositioning

- Reacting to a Competitor's Position
- Reaching a New Market
- Catching a Rising Trend
- Changing the Value Offered
 - Trading Up
 - Trading Down/Downsizing

11-24

MAKING RESPONSIBLE DECISIONS

L02

Consumer Economics of Downsizing— Get Less, Pay More



10-25

L03

BRANDING AND BRAND MANAGEMENT

➤ Branding

➤ Brand Name

- Logotype (Logo) 

➤ Trade Name *The Coca-Cola Company*

➤ Trademark ® ™

11-27

L03

BRANDING AND BRAND MANAGEMENT

BRAND PERSONALITY AND BRAND EQUITY

➤ Brand Personality

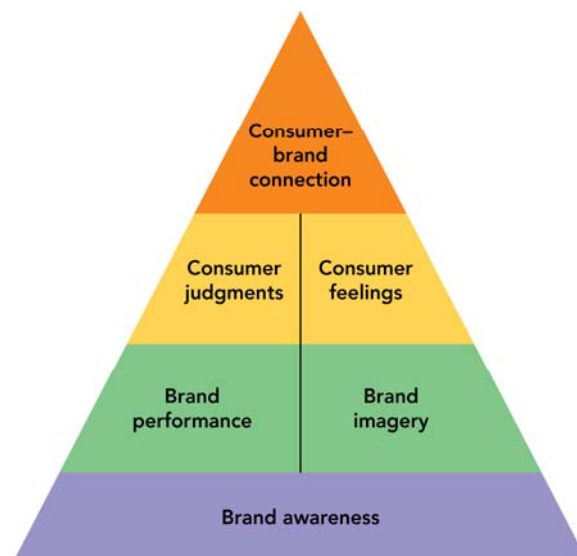


➤ Brand Equity

- Provides a Competitive Advantage
- Consumers Willing to Pay a Higher Price

11-28

FIGURE 11-5 The customer-based brand equity pyramid



11-30

L03

BRANDING AND BRAND MANAGEMENT

BRAND PERSONALITY AND BRAND EQUITY

➤ Valuing Brand Equity

- Provides a Financial Advantage
- Brand Licensing



11-32

L03

BRANDING AND BRAND MANAGEMENT

PICKING A GOOD BRAND NAME

- Should Suggest the Product Benefits
- Should Be Memorable and Positive
- Should Fit the Company or Product Image
- Should Have No Legal or Regulatory Restrictions
- Should Be Simple and Emotional

11-33

FIGURE 11-6 Alternative branding strategies



• **Fighting Brands**

(Family or Corporate Branding)

- Product Line Extensions
- Subbranding
- Brand Extension

(Private Labeling or Reseller Branding)

11-34

L03

Kimberly-Clark's Huggies
What branding strategy is used?



11-37

L03

Black & Decker and DeWalt Tools

What branding strategy does each use?

**THE ONLY
KIT YOU
NEED TO
GET THE
JOB DONE
FROM
START TO
FINISH.**

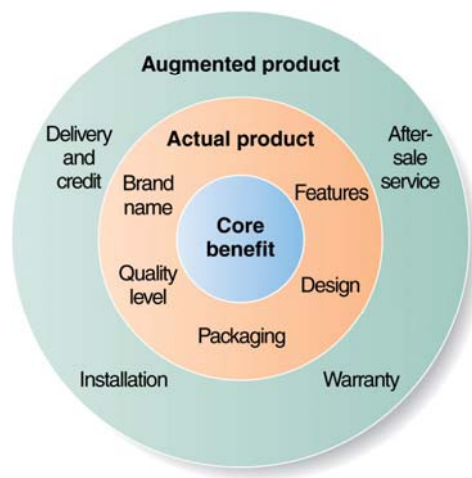
BLACK & DECKER

PRECISION. CAPACITY. ANY WAY YOU CUT IT.

DEWALT

11-39

Product



http://www.volvocars.com/us/sales-services/sales/volvo_overseas_delive

L04

PACKAGING AND LABELING PRODUCTS CREATING CUSTOMER VALUE AND COMPETITIVE ADVANTAGE

➤ Packaging

➤ Label

- Communication Benefits



- Functional Benefits: storage, protection, convenience, quality



- Perceptual Benefits: status, quality, economy

11-41

MARKETING MATTERS

L04

Creating Customer Value Through Packaging— Pez Heads Dispense More Than Candy



11-42

L04

“?” and Heinz Ketchup What are the packaging benefits for each?



11-43

L04

PACKAGING AND LABELING PRODUCTS **PACKAGING AND LABELING** **CHALLENGES AND RESPONSES**

- **Connecting with Customers**
- **Environmental Concerns**
- **Health, Safety, and Security Issues**
 - **Shelf Life**
- **Cost Reduction**

11-45

VIDEO CASE 10

MARY KAY, INC.: BUILDING A BRAND IN INDIA



When you want to experience beauty in a whole new way ...

think about pink.
MARY KAY

America's best-selling brand* Now in India

Meet the company with a heart and know-how for the color pink. At Mary Kay, it's our mission to enrich women's lives. And we've been doing just that around the world for 40 years. With captivating color and powerhouse skin care that deliver results backed by research, personalized service and a 100 percent satisfaction guarantee. Now it's time for you to experience beauty all its best. Think about pink. Think Mary Kay.

www.marykay.co.in or 1-800-11-7723

When using the Mary Kay Puristix™ System as a regimen, you'll see noticeable improvement in skin's appearance: less wrinkles, with remarkable improvement by eight weeks based on clinical studies.

10-49

VIDEO CASE 10

MARY KAY

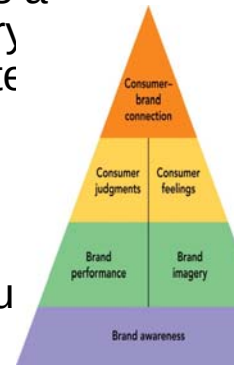
	India 2007	China 1995
Population (million)	1,136	1,198
Population age distribution		
• 0 – 24	52%	43%
• 25 – 49	33%	39%
• 50 +	15%	18%
Urban population	29.2%	29.0%
Population per square mile	990	332
Gross domestic product (U.S. \$billion)	\$3,113	\$728
Per capita income (U.S. \$)	\$950	\$339
Direct selling sales percent of total cosmetic/skin care sales	3.3%	3.0%

10-50

1. How would you draft a formal, written positioning statement for Mary Kay?

For (target market and need), the (product, service, brand name) is a (product/service class or category) that (statement of unique attribute or benefits provided).

2. How has Mary Kay, India, focused on the different steps in the customer-based brand equity pyramid?



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