

SOS POLITICAL SCIENCE AND PUBLIC ADMINISTRATION
MBA FA- 206
SUBJECT NAME: FUNDAMENTALS OF MARKETING

UNIT-IV

TOPIC NAME-Product-Policy Decision & Product Line

Product-Policy Decision:-

Product Policy plays a very significant and crucial role in the product establishment and its growth in the market. The marketer has to keep mind the product policy decision while introducing a product. It acts as a tool in the hands of the marketer.

It involves the four major decisions:

I) Individual product decision:-

a) Product attribute: it consists of the quality, feature, style and design of the product. Quality of the product assures the customer that the manufacturer is giving the customer a good quality product. Feature helps the consumer in differentiating the product from other products in the market. Style and design of the product helps in bringing the attention of the customers towards the product.

b) Product branding: the product must have its own unique brand name. Only then the customer will be able to differentiate the product from the other products. Brand name also helps the marketers in promoting the product and making consumer brand conscious.

c) Product packaging: packaging means the outer cover which contains the product. Like a tooth paste has two covers first in shape of tube and another cardboard cover put the tube in it. It is generally said that Packaging act as a silent salesman because product packaging helps the customer to get the knowledge about the product quality, quantity, weight, price etc.

d) Product labeling: labeling on the product is very essential as it gives the consumer information regarding the manufacturer's name, place, date of manufacturing, expiry date, calories, carbohydrates, nutritional value etc.

e) Product support services:- these are the services which are provided to the customer after selling the product to the customer like after sale services, installation etc.

II) Product line decision:-

product line means group of product which are closely related to each other. In product line decision the marketer makes the decision regarding the product line length, means the number of products in the product line. The product line may be short which means the marketer can

increase the profit by adding a new product or there may be long product line. There are two ways of adding the product.

a) **Product line stretching:** it means adding a new product by stretching the product line by upward, downward or both ways.

b) **Product line filling:** it means when the company add a new product within existing range of products.

III) Product mix decision:-

it means total products produced and sold by the company. Like amul produces, milk, milk powder, ghee, butter, cheese spread etc. product mix includes:

a) **Product mix width:** it means how many products the company is offering. Like tea, butter, cheese etc.

b) **Product mix length:** it means no. of items in each product line. Like 5 kind of shampoo, 7 kind of washing powder etc.

c) **Product depth:** it refers to different items in each product line. Like a company is offering different kind of soap eg. X, y, z. etc.

d) **Product consistency:** refers to how closely related the various products in end use.

IV) Product positioning decision:-

it the way by which the marketer communicate the information of the product to the prospective buyer. It can be done on the bases of price or size or usage of the product.

Product Line

Definition: Product Line can be understood as an array of related products, under a specific brand, offered by a particular company to its customers. **For instance:** Amul offers a series of closely related products such as milk, butter, ghee, dahi, yoghurt, ice cream, srikhand, Gulab jamun, flavoured milk, chocolate, etc.

There are many companies which are engaged in multiple product lines, i.e. depending on the type and nature of the target audience, the product line is added by the company. **For example,** A biscuit manufacturing company may have a special product line for price-sensitive people and another line geared towards quality sensitive people, along with its regular line of products.

Product Line Extension

When a new product is introduced by the company which is a quite different from the company's current range of products is called **Product line extension**. It expands the choice of the customers under a single brand. The merits of product line extension are:

- a) **Risk:** The risk of new product development reduces when the new variant is launched to the existing product line. The present customers are familiar with the existing product line and if a new product offers the same quality and fulfils the needs of the customers, that it claims, then it results in the reduction of risk.
- b) **Customer Loyalty:** When a company extends its product line by introducing a varied product, the customers will choose the company's product over its competitors which will help in maintaining customer loyalty.
- c) **Market expansion:** It is obvious that the extension in the product line will widen the choice of customers and thus increase market share. The company can also offer higher and low price version to cater different customer segments, which meets customer requirements.
- d) **Branding:** Customers are likely to buy the product offered by an existing and familiar brand. Nevertheless, branding becomes difficult when the company offers low-priced line products, as it may harm the parent brand if less quality is offered. In such a case it is better to offer a low-priced product with different brand name.
- e) **Product versions:** Introducing a number of versions of a single product, is considered as low-risk strategy, wherein each version may have some additional or reduced features, as compared to the basic one. This may help in attracting more and more customers.