e-Learning on Digital Agriculture

Lecture 8. Product and Service Strategy and Brand Management

PhD. Nargiza Nosirova

What Is a Product?

- Anything that can be offered to a market for attention, acquisition, use, or consumption and that might satisfy a want or need.
  - Includes: physical objects, services, events, persons, places, organizations, ideas, or some combination thereof.

What Is a Service?

- A form of product that consists of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything.
  - Examples: banking, hotel, airline, retail, tax preparation, home repairs.

Market Offerings

- Continuum ranges from pure tangible goods (with no services) to pure services (with no good component) with many combinations in between.
  - Pure good: Camay soap.
  - Pure service: Legal representation.
  - Combination: Restaurant meal.
- Creating and managing customer experiences differentiates offers.

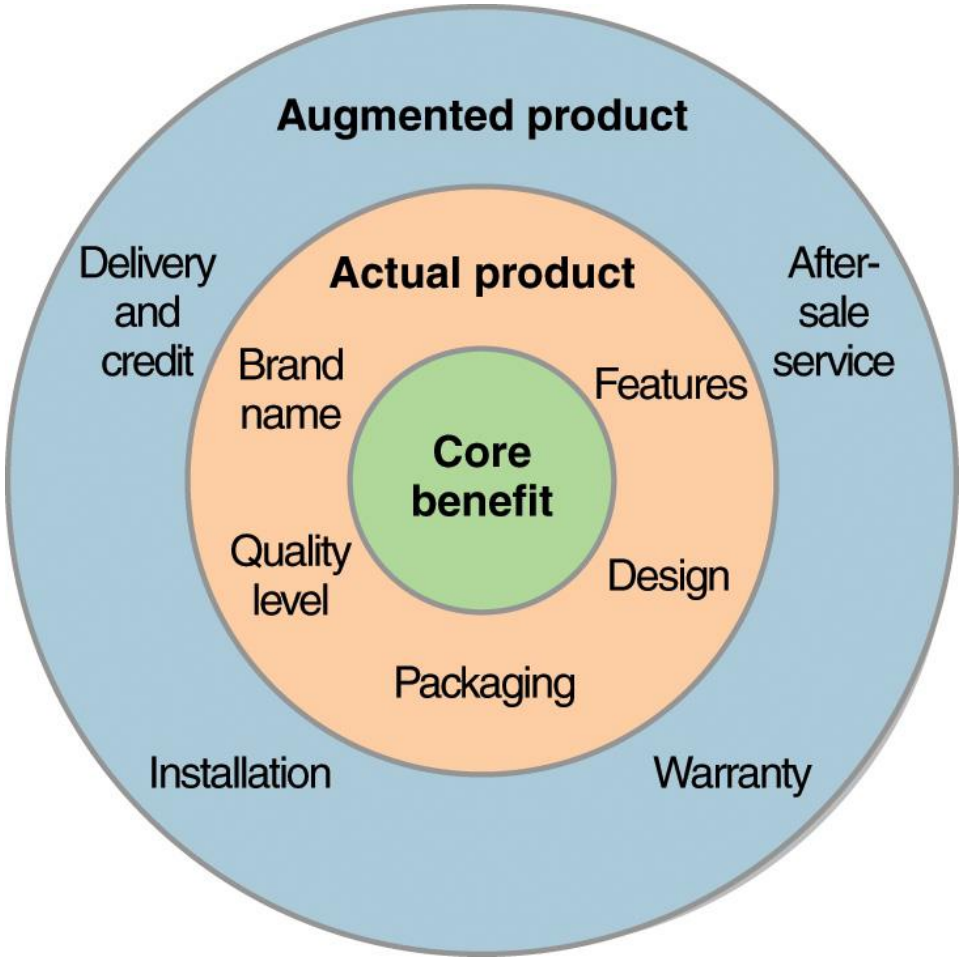
The Product-Service Continuum

Offer another example of a pure service.

Levels of a Product

- Core benefit
  - What the consumer is really buying.
- Actual product
  - Includes the brand name, features, design, packaging, quality level.
- Augmented product
  - Additional services and benefits such as delivery and credit, instructions, installation, warranty, service.

Three Levels of Product



Discussion Question

- Consider Starbucks
  - What goods and services do they offer?
  - How do they differentiate through experience?
  - What is their core, actual and augmented product offering?

Consumer Products

- Products and services bought by final consumers for personal consumption.
  - Also includes other marketable entities.
- Classified by how consumers buy them.

Convenience Products

- Purchased frequently and immediately
- Low priced
- Mass advertising
- Many purchase locations
  - Examples: candy, soda, newspapers

Shopping Products

- Bought less frequently
- Higher price
- Fewer purchase locations
- Comparison shop
  - Examples: furniture, clothing, cars, appliances

Specialty Products

- Special purchase efforts
- High price
- Unique characteristics
- Brand identification
- Few purchase locations
  - Example: Lamborghini, Rolex Watch

Let's Talk!

Why might a tropical fish be classified by different consumers as a convenience good, a shopping good, OR a specialty good? ***Explain.***

Unsought Products

- New innovations
- Products consumers do not want to think about
- Require much advertising and personal selling
  - Examples: life insurance, cemetery plots, blood donation

Product and Service Classifications

- Consumer products
- Industrial products
  - Materials and parts
  - Capital items
  - Supplies and services
- Organization, Person, Places and Ideas

Industrial Products

- Those purchased for further processing or for use in conducting business.
  - Distinction between consumer and industrial products is based on the purpose for which an item is bought.

Industrial Products

- Materials and parts:
  - Raw materials, manufactured materials, and parts
- Capital items:
  - Products that aid in buyer’s production or operations
- Supplies and services:
  - Operating supplies, repair, and maintenance items

What is the product here?

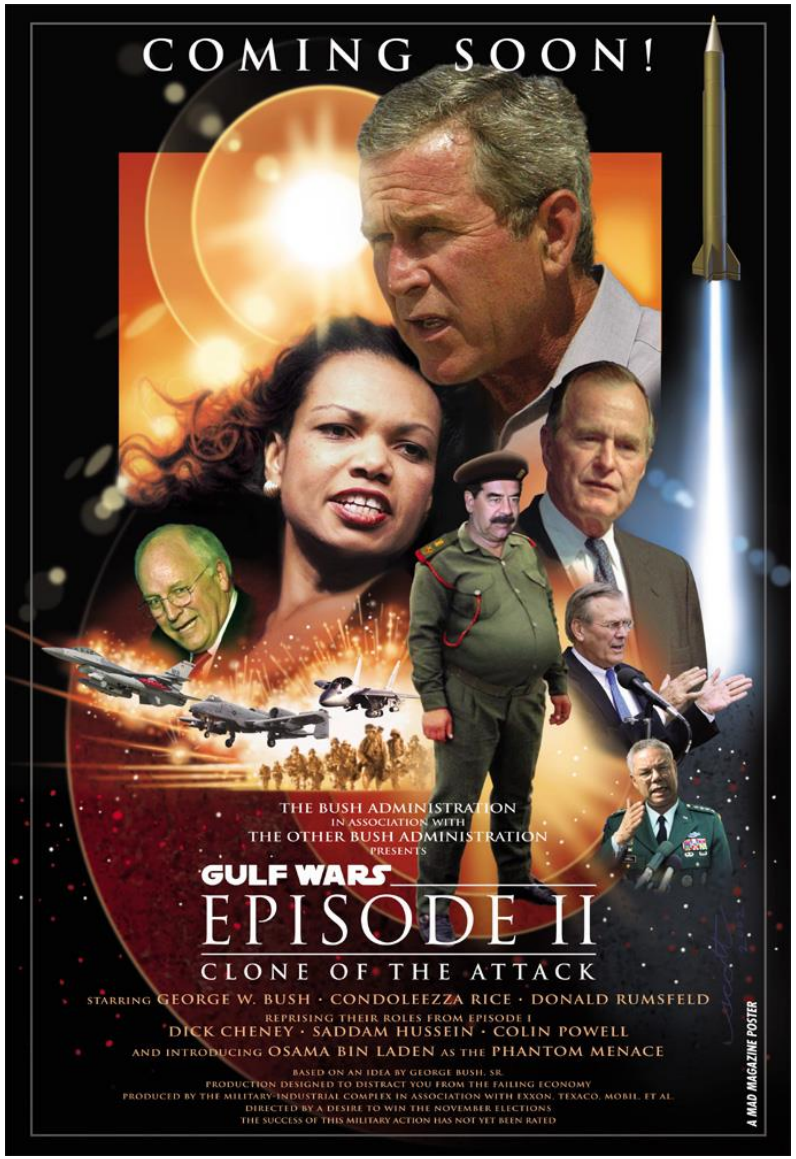
Other Market Offerings

- *Organizations:* Profit (businesses) and nonprofit (schools, religions, Hospitals etc.).
  - Includes corporate image advertising.

TURKCELL

Other Market Offerings

- *Persons:* Politicians, entertainers, sports figures, doctors, and lawyers.



Other Market Offerings

- *Places:* Create, maintain, or change attitudes or behavior toward particular places (e.g., tourism).

Other Market Offerings

- *Ideas (social marketing):* Public health campaigns, environmental campaigns, family planning, or human rights.

Individual Product Decisions

- Product attributes
- Branding
- Packaging
- Labeling
- Product support services

Product & Service Attributes

- Product quality
  - Performance quality
  - Conformance quality
- Features
  - Value to consumer
  - Cost to company
- Style and design
  - Influences experience

Branding

- Creating, maintaining, protecting, and enhancing products and services.

- A brand is a name, term, sign, symbol, or design, or a combination of these, that identifies the maker or seller of a product or service.

Microsoft

IBM

NOKIA
CONNECTING PEOPLE

Disney

2003 Brand Value
(Billions of Dollars)

1. Coca-Cola	$70.5
2. Microsoft	$65.1
3. IBM	$51.8
4. GE	$42.3
5. Intel	$31.1
6. Nokia	$29.4
7. Disney	$28.0
8. McDonald’s	$24.7
9. Marlboro	$22.2
10. Mercedes	$21.4

Branding

- Advantages to buyers:
  - Product identification
  - Product quality

- Advantages to sellers:
  - Basis for product’s quality story
  - Provides legal protection
  - Helps to segment markets

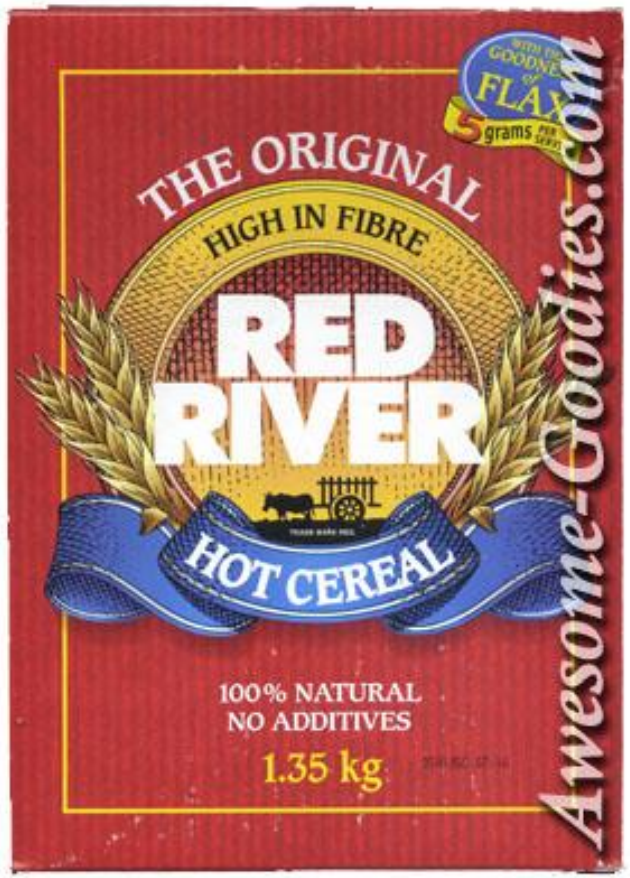
Packaging

- Designing and producing the container or wrapper for a product.

- Developing a good package:
  - Market the brand
  - Protect the elements
  - Ensure product safety
  - Address environmental concerns

Packaging can Differentiate

POM brand Pomegranate juice used a distinctively shaped bottle to gain attention on the grocery shelf

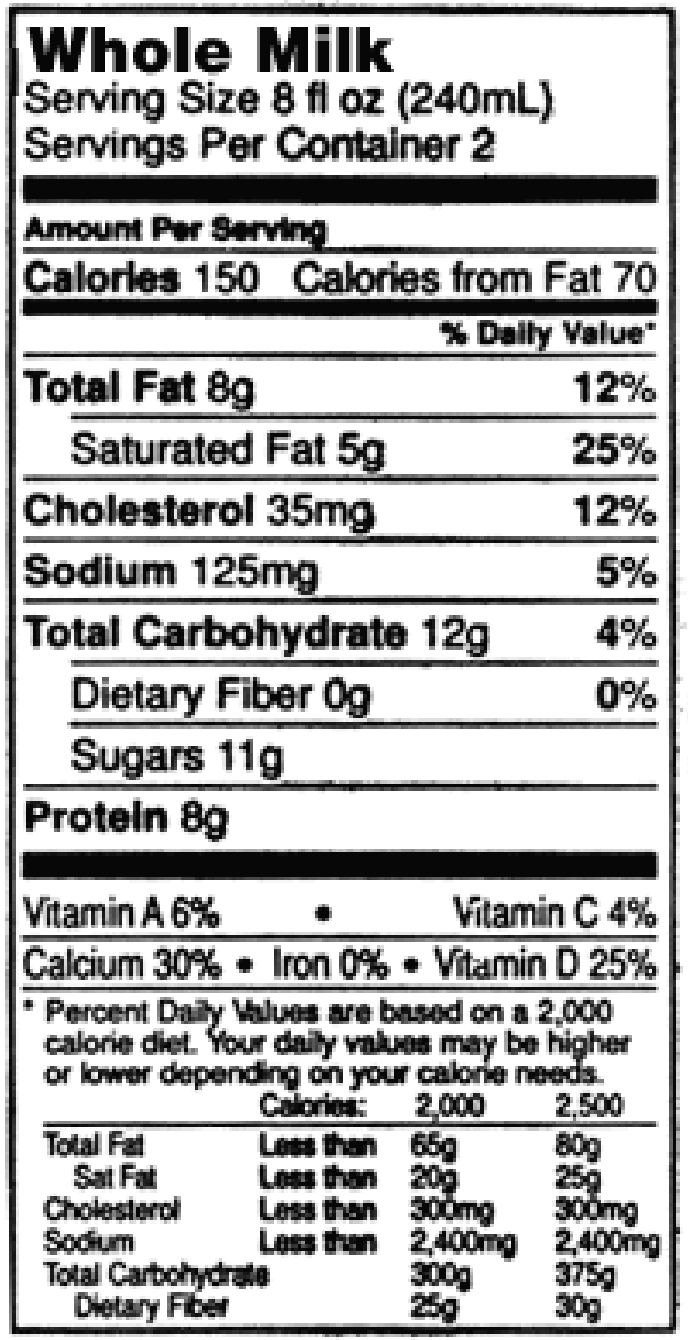

THE ORIGINAL
HIGH IN FIBRE
RED RIVER
HOT CEREAL
100% NATURAL
NO ADDITIVES
1.35 kg
FLAX
5 grams
Awesome-Goodies.com


KABOOM
CALCIUM

Labeling

- Printed information appearing on or with the package.

- Performs several functions:
  - Identifies product or brand
  - Describes several things about the product
  - Promotes the product through attractive graphics



Whole Milk

Serving Size 8 fl oz (240mL)
Servings Per Container 2

Amount Per Serving

Calories 150 Calories from Fat 70

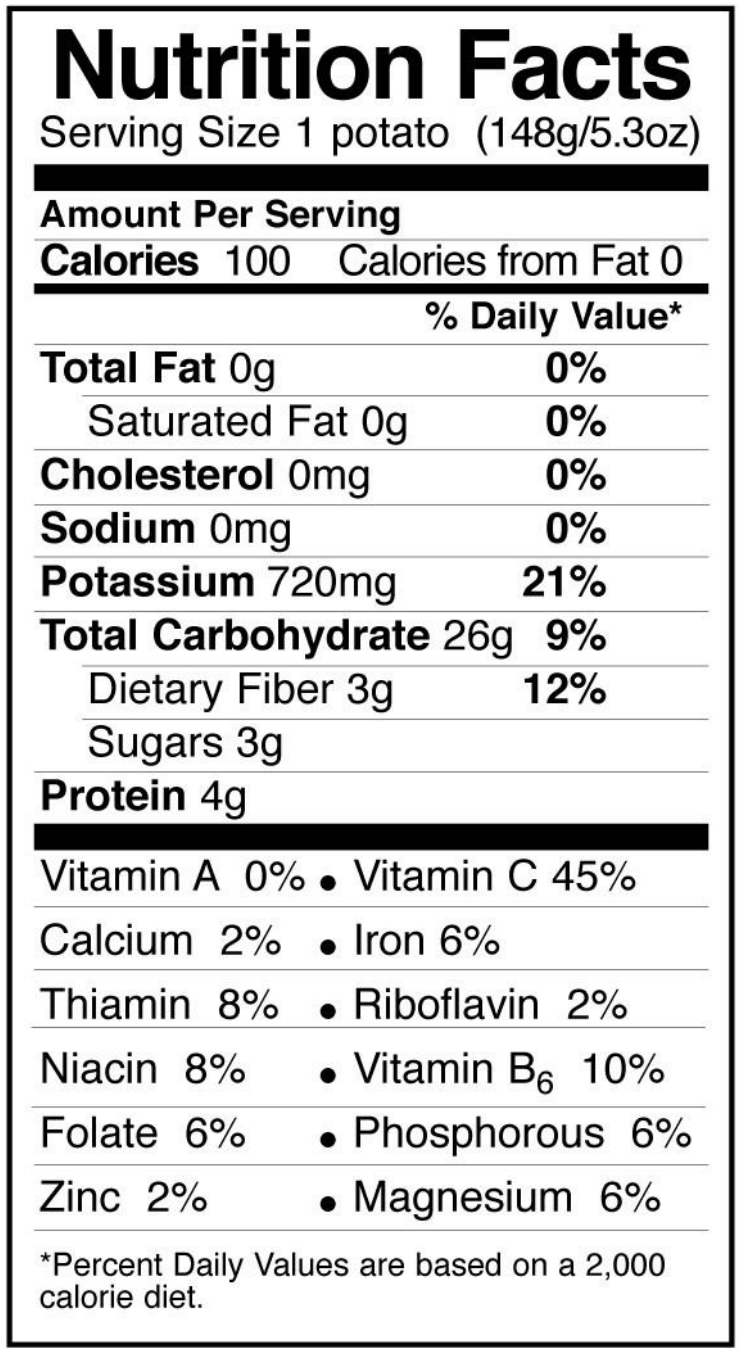
	% Daily Value*
Total Fat 8g	12%
Saturated Fat 5g	25%
Cholesterol 35mg	12%
Sodium 125mg	5%
Total Carbohydrate 12g	4%
Dietary Fiber 0g	0%
Sugars 11g	
Protein 8g	

Vitamin A 6% • Vitamin C 4%

Calcium 30% • Iron 0% • Vitamin D 25%

* Percent Daily Values are based on a 2,000 calorie diet. Your daily values may be higher or lower depending on your calorie needs.

	Calories:	2,000	2,500
Total Fat	Less than	65g	80g
Sat Fat	Less than	20g	25g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mg	2,400mg
Total Carbohydrate		300g	375g
Dietary Fiber		25g	30g



Nutrition Facts

Serving Size 1 potato (148g/5.3oz)

Amount Per Serving

Calories 100 Calories from Fat 0

	% Daily Value*
Total Fat 0g	**0%**
Saturated Fat 0g	**0%**
Cholesterol 0mg	**0%**
Sodium 0mg	**0%**
Potassium 720mg	**21%**
Total Carbohydrate 26g	**9%**
Dietary Fiber 3g	**12%**
Sugars 3g	
Protein 4g	

Vitamin A 0% • Vitamin C 45%

Calcium 2% • Iron 6%

Thiamin 8% • Riboflavin 2%

Niacin 8% • Vitamin B_6 10%

Folate 6% • Phosphorous 6%

Zinc 2% • Magnesium 6%

*Percent Daily Values are based on a 2,000 calorie diet.

Labeling

As Americans become increasingly concerned about cholesterol, the FDA (Food and Drug Administration) has responded by requiring food manufacturers to list trans fat (i.e., trans fatty acids) on the Nutrition Facts portion of product labels, effective 1/1/06.

Drug Facts

Active ingredient (in each tablet) — **Purpose**

Chlorpheniramine maleate 2 mg ..... Antihistamine

Uses temporarily relieves these symptoms due to hay fever or other upper respiratory allergies: ■ sneezing ■ runny nose ■ itchy, watery eyes ■ itchy throat

Warnings

Ask a doctor before use if you have

■ glaucoma ■ a breathing problem such as emphysema or chronic bronchitis
■ trouble urinating due to an enlarged prostate gland

Ask a doctor or pharmacist before use if you are taking tranquilizers or sedatives

When using this product

■ drowsiness may occur ■ avoid alcoholic drinks
■ alcohol, sedatives, and tranquilizers may increase drowsiness
■ be careful when driving a motor vehicle or operating machinery
■ excitability may occur, especially in children

If pregnant or breast-feeding, ask a health professional before use.
Keep out of reach of children. In case of overdose, get medical help or contact a Poison Control Center right away.

Directions

adults and children 12 years and over	take 2 tablets every 4 to 6 hours; not more than 12 tablets in 24 hours
children 6 years to under 12 years	take 1 tablet every 4 to 6 hours; not more than 6 tablets in 24 hours
children under 6 years	ask a doctor

Drug Facts (continued)

Other information ■ store at 20-25°C (68-77°F) ■ protect from excessive moisture

Inactive ingredients D&C yellow no. 10, lactose, magnesium stearate, microcrystalline cellulose, pregelatinized starch

Product Support Services

- Assess the value of current services and obtain ideas for new services.
- Assess the cost of providing the services.
- Put together a package of services that delights the customers and yields profits for the company.

Product Line Decisions

- Product line length:
  - The number of items in a product line.
- Adjust line length by:
  - Stretching
    - Downward
    - Upward
    - Both directions
  - Filling

Product Mix Decisions

- Product mix:
  - all of the product lines and items that a particular seller offers for sale.
- Product mix dimensions include:
  - *Length:* the number of items in a line.
  - *Width*: the number of different product lines the company carries.
  - *Depth*: the number of versions offered of each product in the line.
  - *Consistency*: how closely related various lines are.

Xerox Document Management, Color Printers, Copiers, Business Consulting Services - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Search Favorites

Address http://www.xerox.com/ Go Links

Google www/xerox.com Go Bookmarks PageRank 8 blocked Check AutoFill Send to www Settings

XEROX

United States Change Country > Products A-Z Index

search

Where to Buy | Contact Us | Log In/My Xerox | Account Management | Shopping Cart

Office Equipment | Production Equipment | Consulting & Outsourcing | Supplies | Support & Drivers

Featured Products

Phaser™ 8500 Color Printer
Up to 24ppm, only $499

DocuColor™ 240 Multifunction
For Creative Professionals

WorkCentre™ 7132 Multifunction
Small Workgroup Color

iGen3 90
Boost profits with variable data

Featured Services

Cut costs, improve marketing
Xerox Document Production & Publishing Services

Resources for

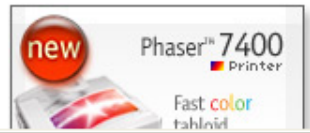
Small & Medium Business
Large Enterprise
Government & Education
Graphic Communications
Partnership Opportunities

Customer Resources

Product Upgrade Centre
Submit Meter Reads
Online Supplies Ordering
Customer Portals
Find a Solutions Partner

Find a product or service

- Office Printers
- Office Copiers
- Office Multifunction
- Office Fax
- Office Services
- Printers and Copiers for High-Volume Digital Print
- Digital Printing Press Models
- Workflow
- Wide Format Printers and Copiers
- Print Production Services
- Supplies
- Services Portfolio
- Software
- Computer Monitors
- Scanners



[+] FEEDBACK

Internet

start W C. s. a. C. I.. C. F. b. G. X. C. EN 7:43 AM

Brand Equity

The marketing asset: the consequence of good marketing

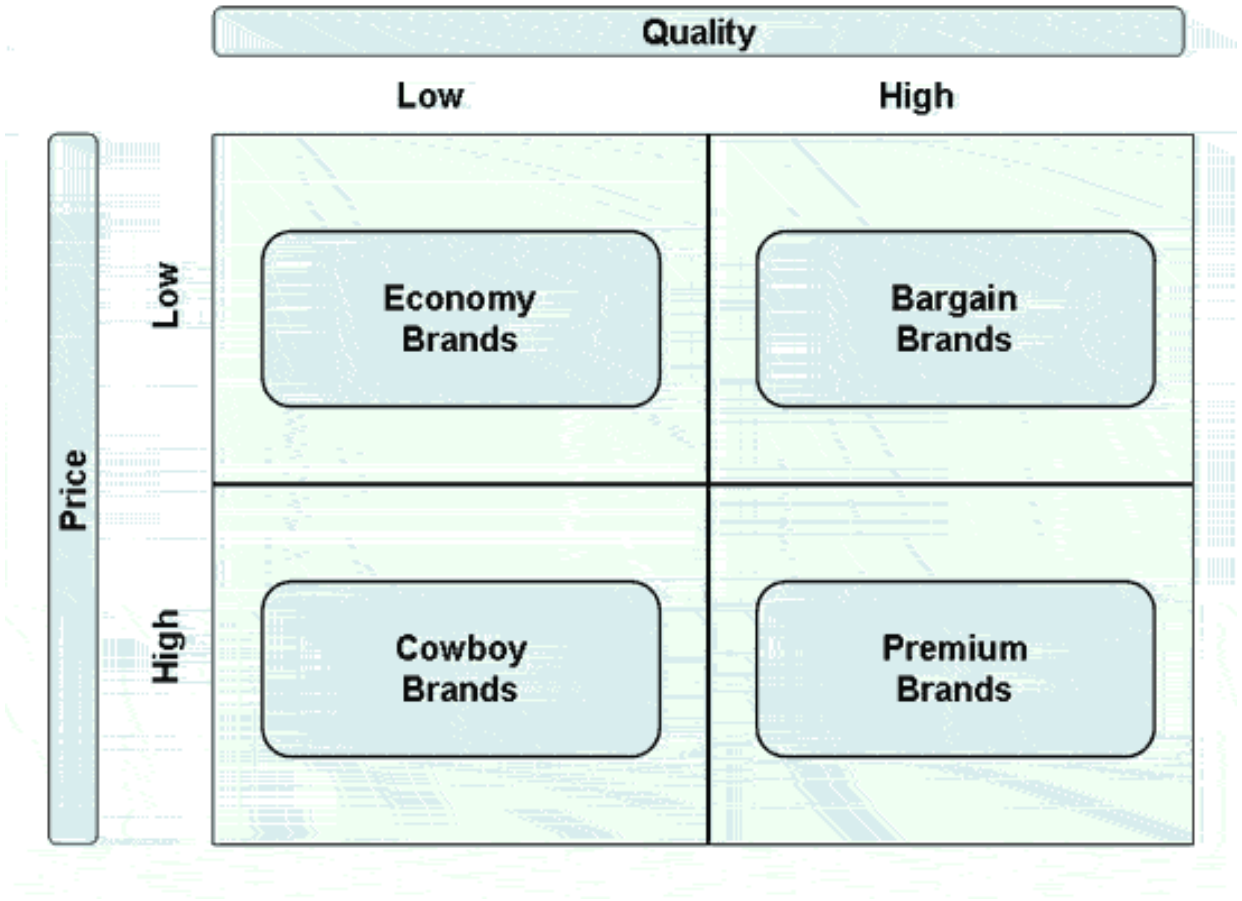
- Formed primarily by brand experience but also by advertising/marcoms (externally) & good management (internally)
- What everyone has between the ears about the brand but also distribution (“channel equity”)
- The link between short- and long-terms: the reservoir of unrealised cash flow
- Key predictor of future profits

Major Brand Strategy Decisions

- Brands are assets that must be carefully developed and managed via:
  - Brand positioning
  - Brand name selections
  - Brand sponsorship
  - Brand development

Brand Positioning

- Can position brands at any of three levels:
  - Product attributes
  - Product benefits
  - Beliefs and values



Brand Name Selection

- Desirable qualities for a brand name include:
  1. It should suggest product's benefits and qualities. (Bonus card, Burger King…)
  2. It should be easy to pronounce, recognize, and remember. (Dell, Acer, Sony …)
  3. It should be distinctive.
  4. It should be extendable. (Turkcell)
  5. It should translate easily into foreign languages. (Nike, Sony)
  6. It should be capable of registration and legal protection.

A Few Examples

Brand	**English**	**Translation**
Frank Perdue **(poultry products)**	Slogan: ‘It takes a strong man to make a tender chicken'	Slogan in Spanish: ‘It takes an aroused man to make a chicken affectionate.'
Chevy Nova	Name: Nova	Name's meaning in Spanish: ‘It doesn't go.'
Schweppes Tonic Water	Name: Schweppes Tonic Water	Name's translation in Italian: ‘Schweppes Toilet Water'
Coors Beer	Slogan: ‘Turn it loose'	Slogan in Spanish: ‘You will suffer from diarrhea'

Brand Sponsorship

- Manufacturer’s brands
  - Also called national brands

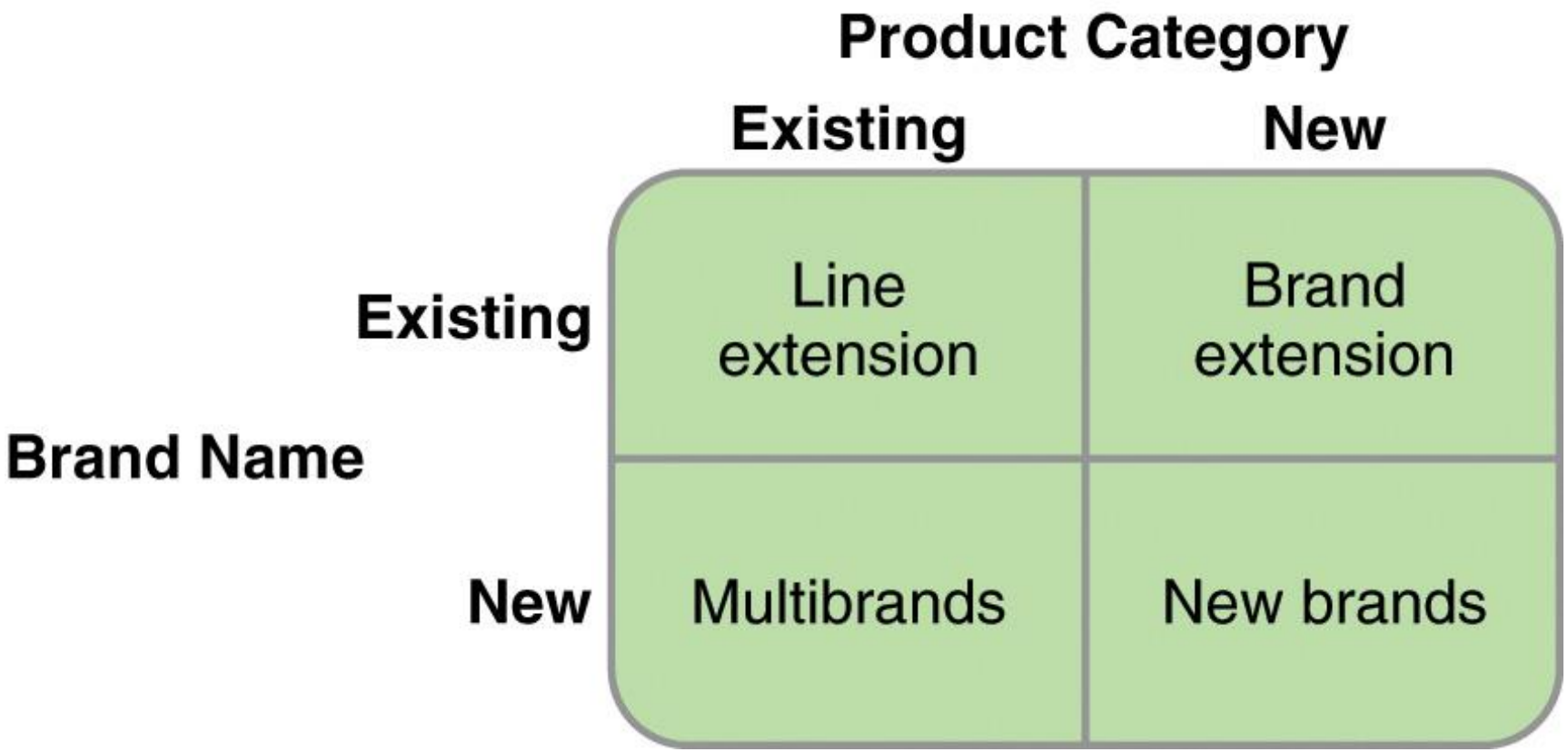
  (i.e. Dogus Cay, Glade …)
- Private brands
  - Also called store or distributor brands

  (i.e. Migros, Carrefour, …)
- Licensed brands

  (Ferrari hats, Home Depot toys, Mc Donald's toys …)
- Co-branding

http://www.nike.com/nikeplus/#overview

Brand Development Strategies



Brand Development

- *Line extension*:
  - introduction of additional items in a given product category under the same brand name (e.g., new flavors, forms, colors, ingredients, or package sizes) (i.e. Doritos Alaturka)
- *Brand extension*:
  - using a successful brand name to launch a new or modified product in a new category. (Duru – soap and conditioner)

Product Line Stretching

Marriott offers a full line of hotel brands, each aimed at a different market.

Let's Talk!

Choose a partner in class and discuss your favorite products.

How could the existing product line be stretched or filled? Explain.

Brand Development

- *Multibranding*:
  - offers a way to establish different features and appeal to different buying motives. (PG)
- *New brands*:
  - developed based on belief that the power of its existing brand is waning and a new brand name is needed. Also used for products in new product category.

October 8, 2006

Our Products

Three billion times a day,
P&G brands touch the lives of
people around the world,
making life a little better every day.

Featured New Product

New! Dentists Check It, Crest® Pro-Health™ Protects It

See More New Products

Explore Our Family of Products

Simply roll over the button below to begin.

Start Exploring

- View All Brands
- Personal & Beauty
- House & Home
- Health & Wellness
- Baby & Family
- Pet Care & Nutrition

- Antiperspirants/Deodorants
- Colognes
- Cosmetics
- Feminine Protection
- Hair Care
- Hair Color
- Personal Cleansing
- Prestige Fragrances
- Shaving Care
- Skin Care

- Aussie
- Head & Shoulders
- Herbal Essences
- Infusium 23
- Pantene
- Pert Plus
- Physique

Great Values & Expert Advice

October 2006

Nature and Characteristics of a Service

- Intangibility:
  - Services cannot be seen, tasted, felt, heard, or smelled before purchase.
- Inseparability:
  - Services cannot be separated from their providers.
- Variability:
  - Quality of services depends on who provides them and when, where, and how they are delivered.
- Perishability:
  - Services cannot be stored for later sale or use.

Let's Talk!

How do the service characteristics of intangibility, variability, inseparability, and perishability relate to restaurants?

Explain.

Reference and sourse

Andrade-Sanchez, P., & Heun, J. T. (2010), Understanding Technical Terms and Acronyms Used in Precision Agriculture, The University of Arizona, Arizona Cooperative Extension Bulletin AZ1534.

Ault, A., Krogmeier, J., & Buckmaster, D. (2013, July), Mobile, Cloud-Based Farm Management: A Case Study with Trello on My Farm, In 2013 ASABE Annual International Meeting, https://elibrary.asabe.org/abstract.asp?aid=43733&t=2&redir=&redirType=, Accessed: 11.02.2017.

Avşar, D. & Avşar, G. (2014), Yeni Tarım Düzeninin Tarımsal Üretim Üzerindeki Etkileri ve Türkiye'deki Uygulamalar, Akademik Platform, 379-385.

Balamurugan S., Divyabharathi, N., Jayashruthi, K., Bowiya, M., Shermy, R. P. &Shanker, R., (2016), Internet of Agriculture: Applying IoT to Improve Food and Farming Technology, International Research Journal of Engineering and Technology (IRJET), 3(10), 713-719.

Byerlee, D., de Janvry, A. ve Sadoulet, E. (2009), Agriculture for Development: Toward a New Paradigm, Annual Review of Resource Economics, 1, 15-31.

Chavali, L. N. (2014), Cloud Computing in Agriculture. In Agricultural Bioinformatics, 189-213, Springer India.

Deichmann, U., Goyal, A., & Mishra, D. (2016), Will Digital Technologies Transform Agriculture in Developing Countries?, Agricultural Economics, 47(S1), 21-33.

Devlin, B. (2013), Business UnIntelligence: Insight and Innovation Beyond Analytics and Big Data, Technics Publications, New Jersey, p.151.

Doğan, Z., Arslan, S. ve Berkman, A.N. (2015), Türkiye'de Tarım Sektörünün İktisadi Gelişimi ve Sorunları: Tarihsel Bir Bakış, Niğde Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi, Ocak, 8(1). 29-4.