

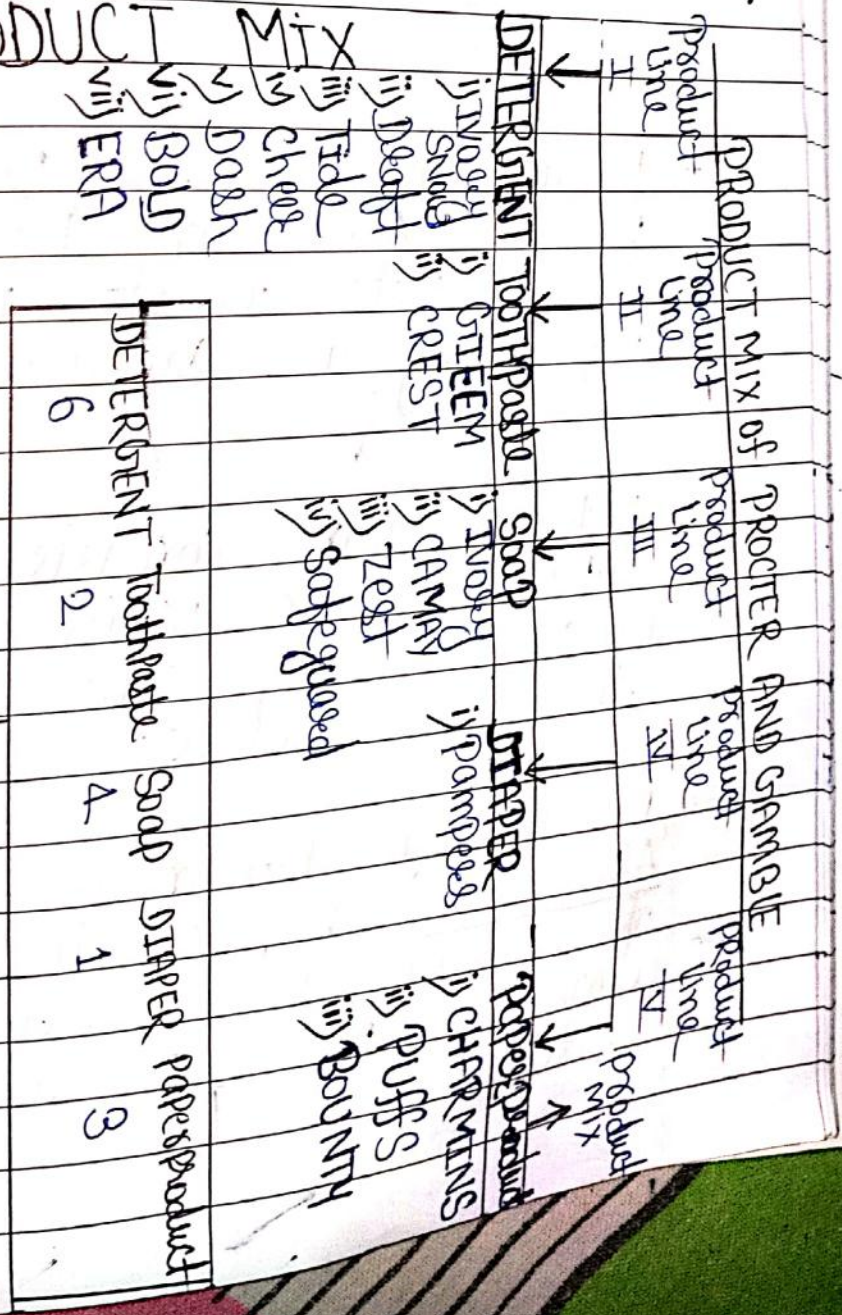
UNIT - 6

PRODUCT DECISION AND MANAGEMENT

A) Consumer and Industrial Product Life Cycle, Product mix, Product Line.

PRODUCT MIX

- TIDE
- CHEX
- DASH
- BOLD
- ERA



Product Line

UNIT 6 PRODUCT DECISION AND MANAGEMENT

* PRODUCT-MIX :-

Product mix is a total of all variation of products with in a company is known as product mix.

⇒ Product mix is also known as product Assortment Refers to the complete set of products offer by a company.

⇒ A product mix consists of product line which are associated items that consumers to use the products.

⇒ It is also known as product 'Assortment' is the total number of product line that a company offers to its customer.

⇒ The product line may range from one - to many.

⇒ The complete range of products present with in a company is known as product mix.

⇒ In many multi brand organisation there are 'numerous' product present.

⇒ A range of associated products that give large sales 'revenue' when they are market together.

* PRODUCT LINE :-

A product line is a group of related products all marketed under a single brand name that is sold by the same company.

⇒ A product line is a group of related products produced by one manufacturer.

⇒ Product line are part of a marketing strategy companies

Keep adding more products to attract buyers.

* Consumer and Industrial Products

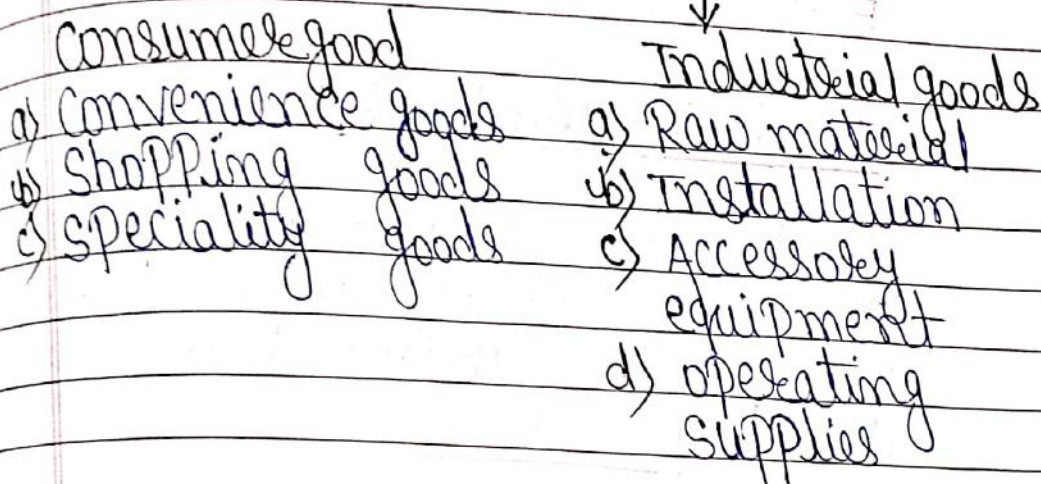
Product :-

A Product is an 'Item' of goods and services made 'available' for consumer to use. It is anything that can be 'offered' to a market to 'satisfy' the desire or need of the customer.

Product is a goods or services 'consisting' of a 'bundle' of 'tangible' and 'intangible' features that satisfy consumers in exchange of money.

⇒ According to 'Phillip Kotler' a product is anything that can be 'offered' to a market for use or 'consumption'.

Types of Product



* Consumer good :-

It can be define as those products which consumer uses for his personal or house hold use.

a) Convenience good :-

Convenience products are those products which are purchase by the consumer for his personal use. Exa:- Toothpaste, Detergent, Shampoo etc.

b) Shopping products :-

It is that

types of products where consumers spend 'considerable' amount of time while selecting a product.
Exa:- furniture, cars, House etc.

c) Speciality Products :-

It is that type of product which enjoy a set of special features. It 'possess' unique features and brand identification.

* Industrial goods Product :-

It is that type of products which are used in producing other goods. These are the products, that are to be sold to ultimate consumer.

a) Raw material :-

Raw material are the industrial goods that have been used for making final goods. 'Raw material' may be divided into natural products, mineral and agriculture products.

b) Installation :-

It means major 'Industrial machinery' 'equipment' and major in the Industry.

c) Equipment :-

It is to provide 'facilities' to the manufacturer.

d) Operating Supplies :-

It means the goods which are used by the industrial with a view to provide facilities for the operation of machine.

B) Product Planning and Identification

Product Life-cycle

LIKE a human being all product have certain length of life which they pass through certain identifiable stage. this stage is called Product Life Cycle (PLC). Life of product is divided into four stage. Introduction, growth, maturity and decline Stage

A company's differentiating and positioning strategy must change as the product, market, and competitors change over time. Here we will describe the concept of the product life cycle and the changes that are normally made as the product passes through each stage of the life cycle.

Defination:-

1. **Phillip kotler** :- " The Product life cycle is an attempt to recognized distinct stage in the sales history of the product "
2. **Arch Patton** :- " The life cycle of a product has many point of similarity with the human life cycle the product is born, grow, lustily attain in dynamic maturity then enter its declining year"
3. **Willian J Stanton** :- " From its birth to death a product exist in different stage and in different competitive environment determine to great degree just successful its life will be"

The Concept of the Product Life Cycle

1. Products have a limited life.
2. Product sales pass through distinct stages, each stage have different challenges, opportunities, and problems to the seller.
3. Profits rise and fall at different stages of the product life cycle
4. Products require different marketing, financial, manufacturing, purchasing, and human resource strategies in each stage of their life cycle.
5. No every product goes through every stage
6. The time of every stage may vary
7. Some product move through entire cycle in a week, month or a year.

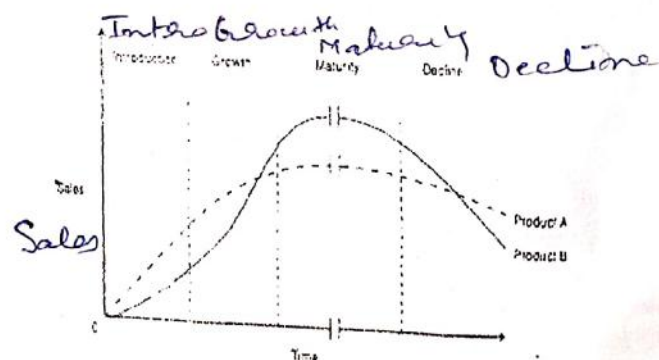
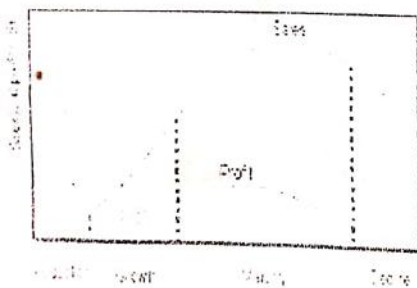


Fig. 4: Stages of Product Life Cycle

Product Life-cycle

1. **Introduction Stage** : This is the first stage of PLC. In this stage product is newly enter into the market and it want to cover local area here mostly products are sold with personal contacts. That why sales growth is slow and profit are low or may be in negative.
 - A high product failure rate
 - Relatively few competitors
 - Limited distribution (often exclusive or selective distribution)
 - Frequent product modifications
2. **Growth Stage** : This is the 2nd stage of PLC in this stage covering area is wide and sales and profit is increase here products become a brand and they start changing high price.
 - More competitors and less product distinctiveness
 - More profitable returns
 - Rising sales
 - Company or product acquisition by larger competitors
3. **Maturity Stage** : This is the 3rd stage of PLC: Here product sales reached a maximum level and they start decreasing because all customer prefer different branded product. In this stage manufacturer have to give some discount and in they have to give some creative idea due to cost cut profits become low. And sales decline because of increased competition.
 - Sales continuing to grow, but at a very much decreased rate
 - Attempts to differentiate and re-differentiate the product
 - Prices beginning to fall in battles to retain market share. Profits begin to fall correspondingly
 - Increasing brand and inventory rationalization amongst retailers and distributors
 - Marginal manufacturers retiring from the market when faced with severe competition
4. **Maturity Stage** :- This is last stage of PLC. Every time customer want to change in their product and due to the new companies enter into market and they charged less price as icompression of branded product. Due to this effect sales and profit goes down.
 - Sales falling continually for the total period
 - Intensification of price cutting
 - Producers deciding to abandon the market

Company use research & development (RND) to prevent itself to come under the decline stage RND again send the product into the growth stage companies time to time use their RND in their products.