



# The product

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## The product:

- Substantial differentiation
- Symbolic differentiation
  
- Product (physical entity and/or service)
- Product + services
  
- Product = everything is able to satisfy needs and wants of the consumer
  - benefits / symbols
  - Products = bundles of benefits



# The product

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## The product portfolio (product-mix):

- Product line: a group of product strictly connected to each other
  - Technical similarities
  - Satisfy the same needs
  - Complementary usage
  - The same consumer segment
  - The same distribution channel
  - The same price range
- Line depth = number of products in the same line
- Broadness of the range = number of product lines

# The product portfolio

## ABC COMPANY

PRODUCT LINE 1:  
FRUIT-BASED DRINKS

MANGO SMOOTHIE

STRAWBERRY SHAKE

PRODUCT LINE 2:  
ENERGY DRINKS

SPORTS SHAKE

PRE-WORKOUT SHAKE

**PRODUCT LINE DEPTH**

# The product portfolio

## Linee HO.RE.CA.



## SPUMANTI

## FREEWINE



## Linee G.D.O.



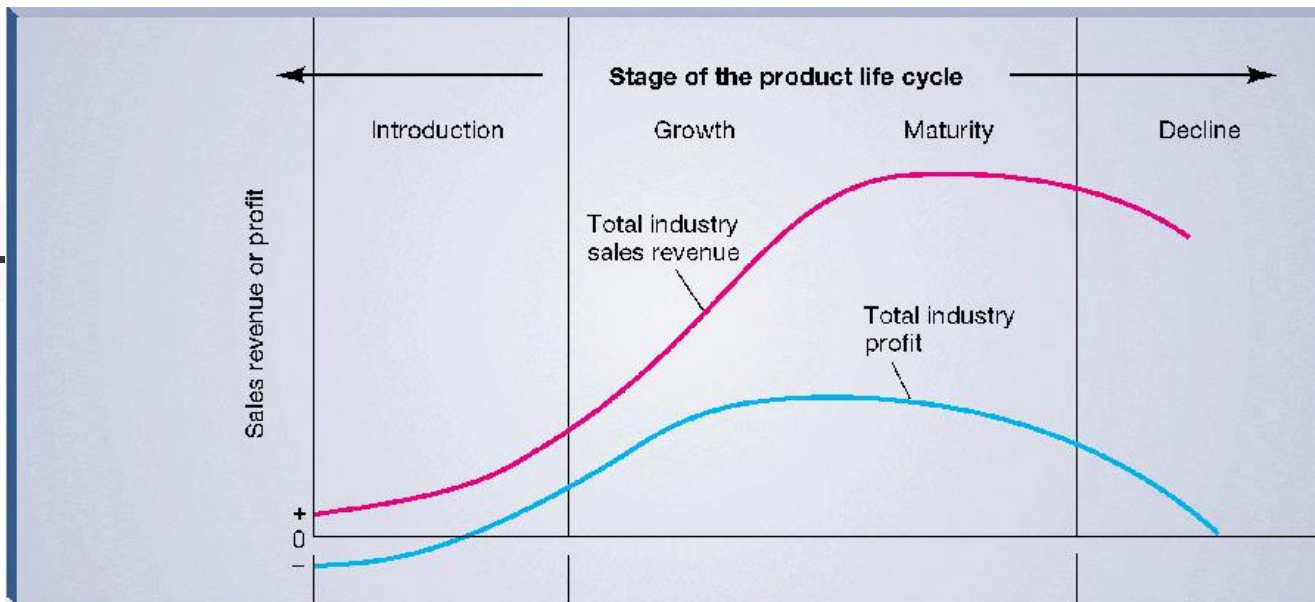


# The product life cycle (PLC)

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Products move through a series of stages from their introduction to their final withdrawal from the market:

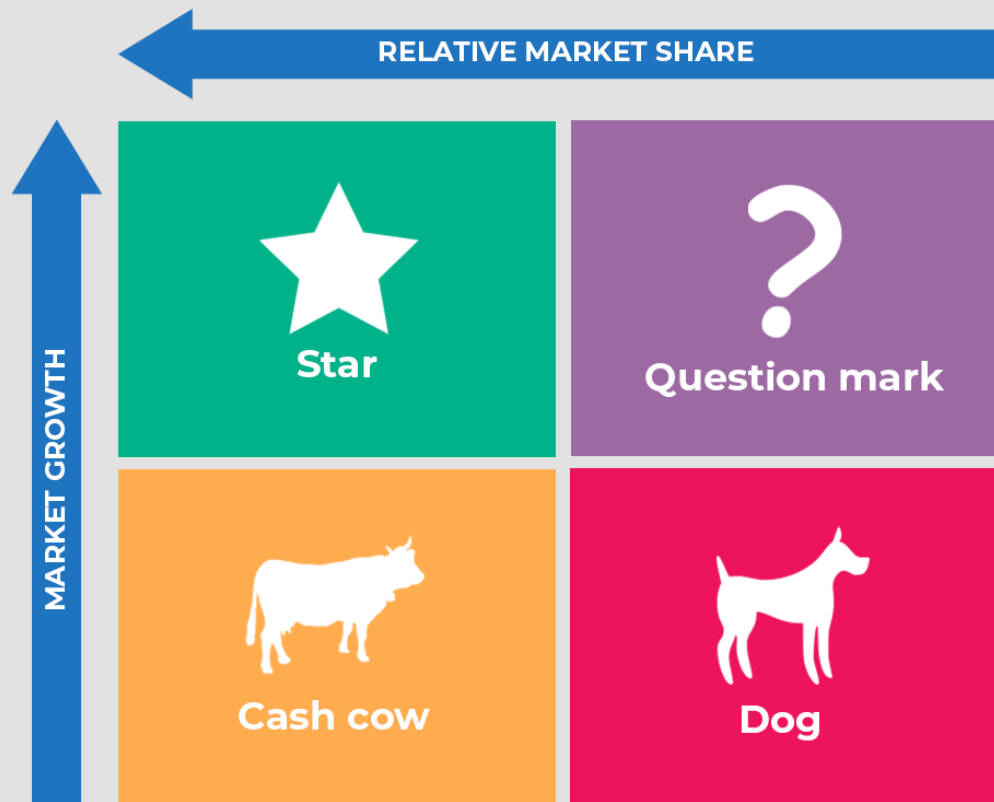
- The life cycle stages:
  - Introduction
  - Growth
  - Maturity
  - (Saturation)
  - Decline
  - Withdrawal
- Planned obsolescence
  - Technological or Functional
  - In the style (the fashion cycle)



MARKETING OBJECTIVE	GAIN AWARENESS	STRESS DIFFERENTIATION	MAINTAIN BRAND LOYALTY	HARVESTING, DELETION
Competition	Few	More	Many	Reduced
Product	One	More versions	Full product line	Best sellers
Price	Skimming or penetration	Gain market share, deal	Defend market share, profit	Stay profitable
Promotion	Inform, educate	Stress competitive differences	Reminder oriented	Minimal promotion
Place (distribution)	Limited	More outlets	Maximum outlets	Fewer outlets

# Managing product portfolios

## BOSTON CONSULTING GROUP MATRIX





# The brand

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## The brand name:

- The brand name is a term, symbol or design that distinguishes one seller's product from its competitors
- Brand names can be protected by registration: trademarks (*Marca/ Marchio*)
- Brand policies
  - The same brand for all the products
  - Different brands for each product
  - Different brands for each class of products
  - Combining the brand and the product name
- Branding strategies
  - Line extension (line depth): new market segment
  - Category extension: different products
  - Umbrella brand
  - Double brand: the value of the two brands



# The brand



Examples of Category extension

# GRUPPO ITALIANO VINI



**M**  
MEZZACORONA

**CASALE**  
FIRMITAN

**ROTARI**  
TRENTO DOC

*Feudo*  
*Arancio*

**STEMMARI**

**TOLLOY**

*Kellogg's*  
**CORN FLAKES**

*Kellogg's*  
**Special K**

*Kellogg's*  
**All-Bran**

**KRAVE**

*Kellogg's*  
**COCO POPS**

*Kellogg's*  
**FROSTIES**

**miel POPS**

*Kellogg's*  
**RICE KRISPIES**

*Kellogg's*  
**NUTRI-GRAIN**

*Nice Morning*

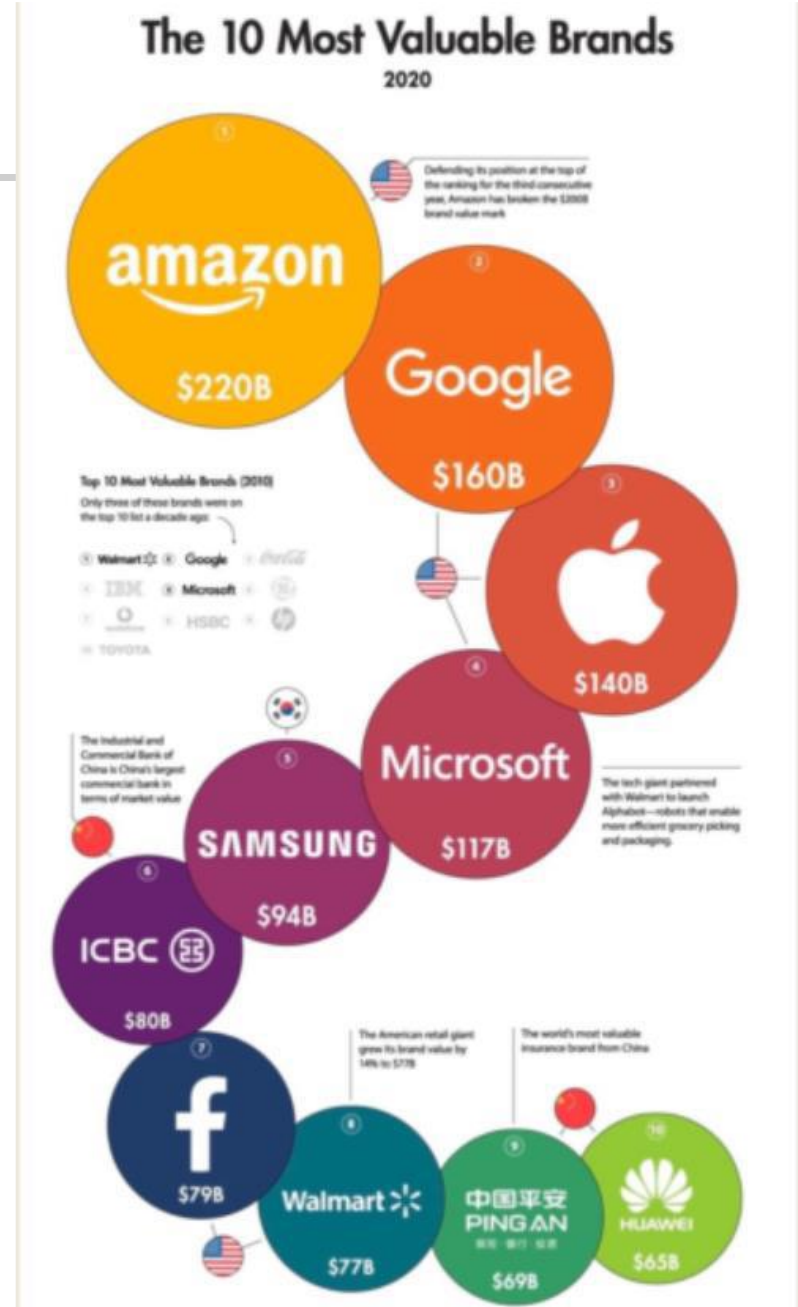
Multiple brands / Family brand



M. Gregori  
Il Marketing del Vino  
EdiSES

# The brand

The Brand equity =  
the value of the brand





# Food quality

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## Product quality

- The quality of a product depends on different characteristics
  - Vertical differentiation (a good is better than another for all its characteristics)
  - Horizontal differentiation (consumers do not sort the characteristics of two products in the same way)



# Food quality

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## Product quality

- Information asymmetry between producer and consumers
  - «research» goods
  - «experience» goods
  - «trust» goods
- Also applicable to different characteristics of the same food product



# Food quality

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## Food quality

- Intrinsic quality attributes
  - Composition
  - Function (packaging, dimension, style, convenience, ease of preparation, shelf-life)
  - Process (product origin, tracing, production tecnics, environmental impact, safety of workers)
- Extrinsic quality attributes
  - Quality indicators
  - Quality signs



# Food quality

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## Food quality

- Extrinsic quality attributes
  - Quality indicators (quality management systems, product certification, labels, minimum quality standards)
  - Quality signs (price, brand, retailer's brand, packaging, advertising, warranties, reputation, past purchase experiences, country of origin, assortment)
  - Can be object of "research"
  - Quality indicators can transform intrinsic attributes of "trust" in extrinsic attributes of "research"
  - Can facilitate the process of quality verification



# Food quality

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## A definition of quality

- “the totality of characteristics of an entity that bear upon its ability to satisfy stated and implied needs.”
- The term quality is defined in ISO 9001 as the degree to which a set of inherent characteristics of an object fulfils requirements.





# Food quality

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## The quality of a food product

- A higher or a lower degree of quality can be identified in a higher or lower number of attributes that satisfy needs or tastes of the consumer
- If consumers are not able to recognize the quality:
  - They will not pay a higher price for a good of higher quality
  - The quality good disappears from the market



# Food quality

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## Quality perception

- The perceived quality: the perceived capacity of a product of satisfying consumer needs over the other available alternatives.
- There is an information gap between producer and consumer
- The consumer try to perceive the product quality trough quality indicators and quality signs (expected quality)
- The certification allows the “visibility” of quality indicators:
  - It provides a correct information able to protect the consumer
  - It is for the companies a useful instrument of competition.



# Quality certification

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## Quality certification:

- A quality judgement provided by an authoritative agency on the basis of quality criteria, known by who is judged and by the final user
- Verification of compliance of a product or service, of a productive process or company's management system to established technical standards
- Product certification
- Process certification
- Company's system of quality management



# Quality certification

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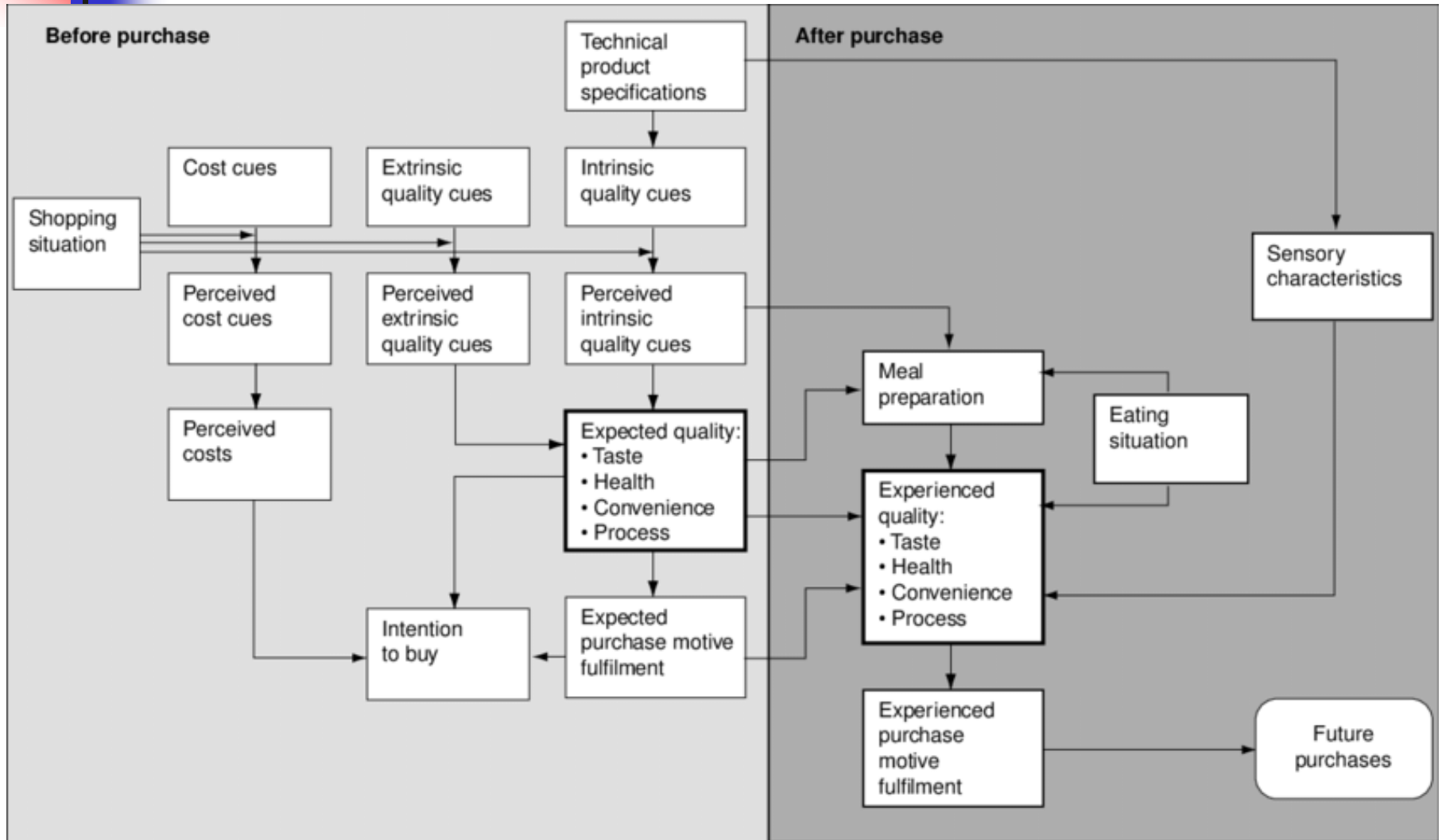
**CERTIFICATION**



**QUALITY BRAND**

- Because a quality brand should exist it is needed:
  - A set of rules or criteria
  - A subject (independent) that expresses a judgment on the basis of criteria and verification of compliance with the standards (CERTIFICATION BODY)
  - Criteria: public / operate as discriminatory standards / all those entitled can be able to join
  - QUALITY BRAND is different than BRAND NAME
  - ACCREDIA (National Accreditation Body)

# The Total Food Quality model



Source: Brunsø, Fjord, Grunert (2002), Consumers' food choice and quality perception