



The product

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

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.

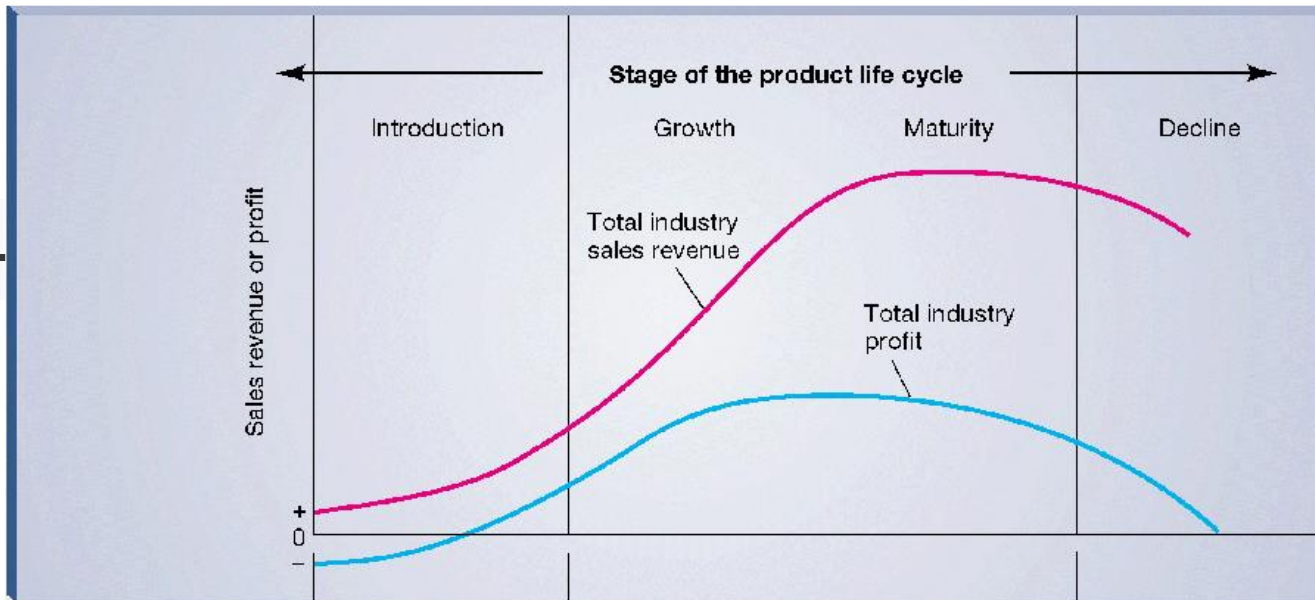




The product life cycle (PLC)

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

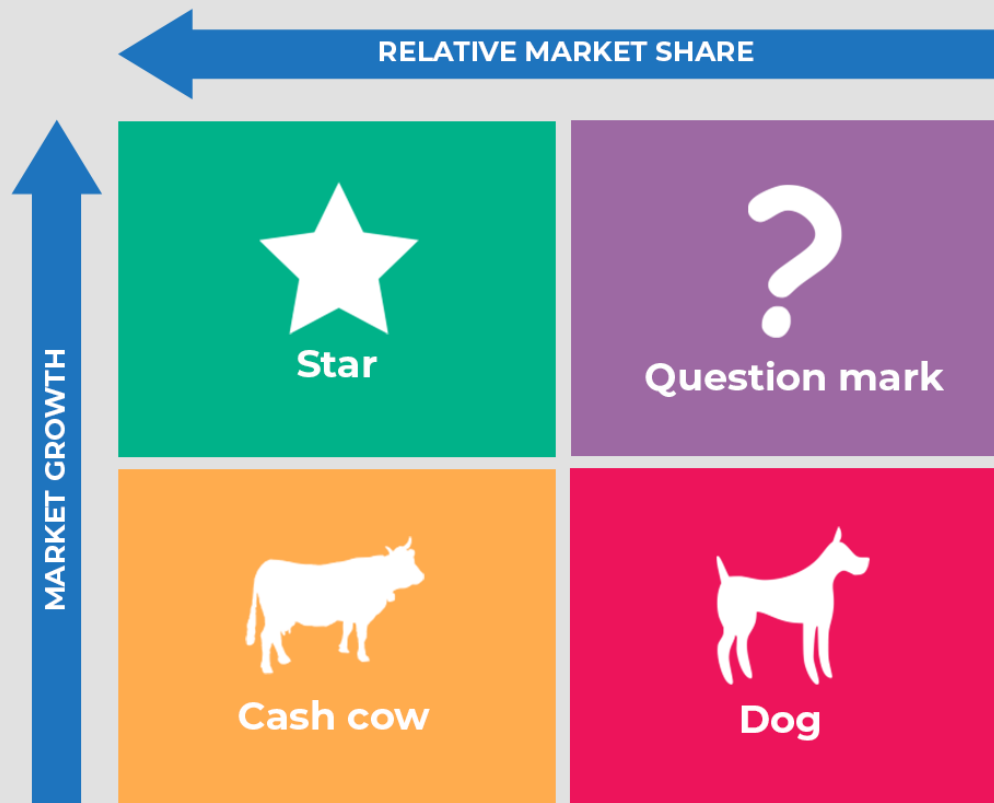
- The life cycle stages:
 - Introduction
 - Growth
 - Maturity
 - (Saturation)
 - Decline
 - Withdrawal
- Planned obsolescence
 - Technological or Functional
 - In the style (the fashion cycle)



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

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



Multiple brands / Family brand



M. Gregori
Il Marketing del Vino
EdiSES

The brand

The Brand equity =
the value of the brand





Food quality

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

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

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

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:

product "Fresh Vegan burger" Vs "Fresh Beef Burger"

Intrinsic quality attributes:

Composition

Plant proteins

Ingredients: olive oil

Nutritional values

Additives

Lower number of ingredients

Function

Ready to eat / cook (convenience)

Size / dimension

Process

Low environmental impact

"Animal free"

Quality indicators:

CO2 emissions

Nutritional values (lower fats)

Nutritional values (higher vitamins and proteins)

Label: without additives

PDO / PGI product

Breeding method

Clean label

Quality signs / signals:

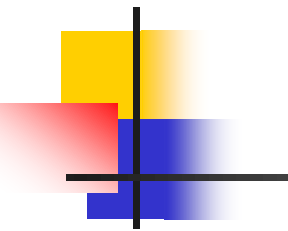
Price ??

Brand

Color / aspect

Origin

Breed



Food quality: product (“mozzarella”)

Intrinsic quality attributes:

Composition

Pasteurized milk; content of fats and proteins; provenience of the milk; type of milk; organic milk;

Function

Shelf-life; rigid or flexible packaging; material of the packaging; dimension of the packaging; water in the pack

Process

handmade preparation; safety aspects; animal welfare, type of farming (...), product specification, environmental impact (carbon – water footprint)

Quality indicators:

Organic; PDO certification (Mozzarella di bufala campana); label (information); traceability of the raw materials; animal welfare (quality standard); lactose free / reduced fat; other certifications (ISO 9000, 14000, SA 8000, carbon – water footprint)

Quality signs / signals:

*Made in Italy; packaging (style, color, images, font), closure of the package; price; place of purchase (direct selling); company brand; water in the pack (?); experience;
Italian milk; label (consumption suggestions)*

Food quality: Parmigiano Reggiano cheese

Intrinsic quality attributes:

Composition

Quality of the milk

Starter culture

Organoleptic characteristics

Taste – Sensory characteristics

No antibiotic

Function

Different sizes of the packaging

Type of packaging (shelf-life)

Process

Safety of the process

Aging (12-24-36 months)

Temperature

Disciplinary

Organic production

Mountain production

Farming process

Quality indicators:

PDO certification

ISO certification (quality ISO 9000; environmental ISO 14000; social aspects SA 8000)

Label (information)

Composition of the product

Organic certification

Mountain product certification

Quality signs / signals:

Price

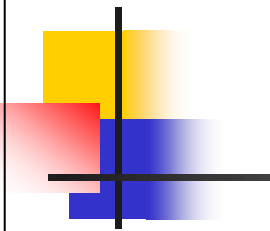
Made in Italy

Label (graphical aspects)

Brand (Consortium brand / Company brand)

Direct selling (producer)

Intrinsic quality attributes:



Composition
Alcohol degree
Characteristics of water
Hop variety
Variety of barley
Prevention of hearth diseases / health attributes

Function

Dimension of the packaging
Kind of packaging
Shelf-life
Conservation
Easy of use (opening, closing, shelf-life after the opening)
Interface functionality (safety and correct use, product disposal)

Process

Yeast use
Temperature / Time
Maturation
Environmental impact (water consumption / carbon footprint)
Organic raw materials
By-products managemet
Origin of the product
Pastorized - Filtered

Food quality: i.e. beer

Quality indicators:

Label
Organic label
Geographical Indication
Awards
Carbon / Water footprint
Social responsibility
Level of colour
Level of bitterness
Filtered / Not filtered

Quality signs:

Label (style)
Consumption information
History of the brewing company
Price
Locally produced
Point of sale
Occasion of production (St. Patrick...)



Food quality

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

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

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

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

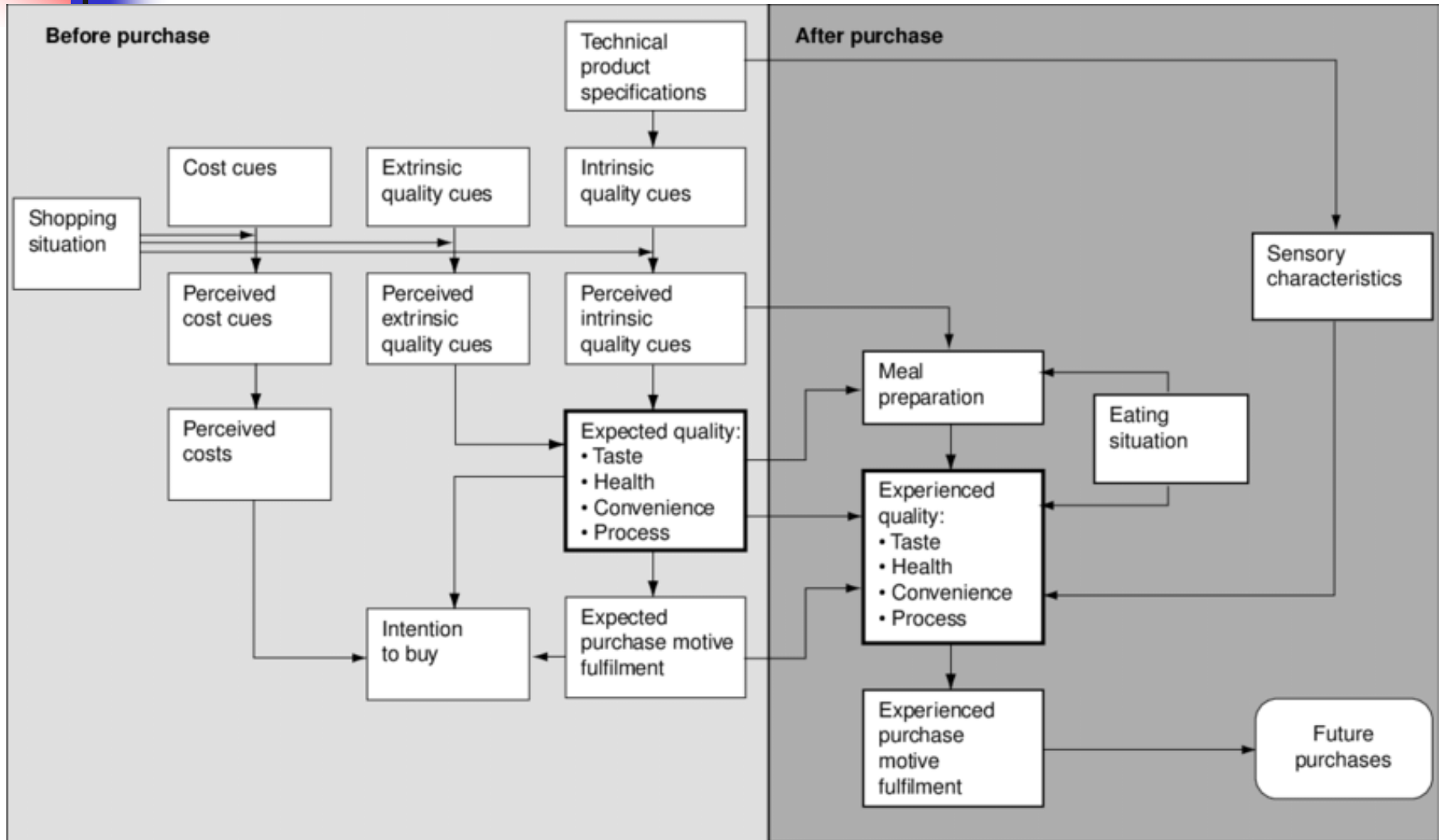
CERTIFICATION



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