



ELEMENT 3.03

Employ product-mix strategies to meet customer expectations.

IDENTIFY WAYS IN WHICH PRODUCT LINES CAN BE ORGANIZED.

- Product Line – group of closely related products manufactured by a business
- Product Item – specific model, brand, or size of a product within a line
 - Ex: P&G has over 250 products within 21 product lines
 - Dish care is a product line
 - Cascade, Dawn, Joy, & Ivory are items



DESCRIBE PRODUCT MIX DIMENSIONS.

- Product Mix – particular assortment of products a business offers to meet its market's needs and its company's goals
 - Some companies have different brands for different markets
 - Coca-Cola has different drinks for sparkling beverages, water, juice, performance, coffee, tea, and international flavors.



Now it's time you knew us as Coca-Cola **the company.**



IDENTIFY REASONS THAT A BUSINESS WOULD OFFER A NARROW PRODUCT MIX.

- Product Width – number of product lines a company carries
- Narrow Width – offers a limited number of product lines
 - Allows a company to:
 - specialize effectively
 - produce efficiently
 - concentrate its marketing efforts on its few product



IDENTIFY REASONS THAT A BUSINESS WOULD OFFER A BROAD PRODUCT MIX.

- Broad Width – offers many product lines
 - Provides them with many opportunities
 - make sales
 - appeal to customers with a variety of needs
 - promote one-stop shopping
 - often reduces the costs of the goods they buy for resale
- Ex: Discount stores carry everything from shampoo to tires to DVDs



BUSINESS WOULD OFFER A DEEP PRODUCT MIX.

- Product Depth – the number of products and the assortment of sizes, colors, and models offered in a company's product lines
- Deep Product Mix: offers a great many items within the product line.
 - Allows the business to:
 - meet the needs of a variety of consumers
 - use a range of prices
 - compete effectively
- Ex: Kohl's carries various quantities of sizes, colors, & styles of Levi Jeans.



IDENTIFY REASONS THAT A BUSINESS WOULD OFFER A SHALLOW PRODUCT MIX.

- Shallow Product Mix: offers few items within the product line.
 - helps a business control costs and ensure a profit
 - Ex: Only 2 chicken items on Red Lobster's menu.



EXPANSION VS. CONTRACTION

- Expansion: adding additional product items or lines to the product mix.
 - Ex – In 2009, Taco Bell added the Fresco Menu
- Contraction: removing product items or lines from the product mix.
 - Ex – In 2004, McDonald's removed their Super Size Menus

New! *fresco* menu



CONSISTENCY

- **Consistency** refers to how closely a company's product lines are related in terms of:
 - End use
 - Methods of distribution and production
 - Target market(s)
 - Price range

Closely related = Consistent

Not closely related = Inconsistent



EXPLAIN THE IMPORTANCE OF A BUSINESS'S PRODUCT MIX.

- Businesses must plan their product mix carefully because they cannot offer all the products that customers may want.
- They should be a profitable market for products offered by a company



DESCRIBE ALTERATION PRODUCT-MIX STRATEGIES.

- Alteration of Existing Products:
 - Improve an established product with new design, new package, new uses.
- Ex: Jeep offering 4 doors



DESCRIBE TRADING UP / DOWN PRODUCT-MIX STRATEGIES.

- **Trading up:** Adding a higher-priced product to a line to attract a higher-income market and improve the sales of existing lower-priced products.
- **Trading down:** Adding a lower-priced item to a line of prestige products to encourage purchases from people who cannot afford the higher-priced product, but want the status.



DESCRIBE POSITIONING PRODUCT-MIX STRATEGIES.

- Positioning – actions marketers take to create a certain image of a product in the minds of the customers
 - In relation to a Competitor
 - In relation to a Product Class or Attribute
 - In relation to a Target Market
 - By price and quality
 - Difficult to change

