

Marketing Modules Series

Module 5: Product

Teaching Slides



Produce Business, May 2007 issue p. 110
<http://www.producebusiness.com/e-books/PB07MAY.pdf>



Produce Business, September 2008 issue p. 68
<http://www.producebusiness.com/e-books/PB09AUG.pdf>

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Complete Marketing Modules Series available at: <http://hortmgt.gomez.dyson.cornell.edu/Marketing-Modules.html>

What is a Product?

Bundle of characteristics and benefits

- Physical/functional characteristics (size, color, design, ingredients, etc.)
- Non-physical/non-functional (convenience, comfort, prestige, etc.)

Should address the Needs, Wants and Expectations of Consumers in your Target Market!

Types of Products

- Consumer
- Industrial
- Commodities
- Specialties
- Convenient
- Value added
- Impulse
- By-products

Products – Key Attributes

- Quality
 - Objective and subjective
- Safety
 - Food safety
- Availability
 - Location and time
- Packaging
 - Functional and non-functional roles
- Labeling
 - Positioning, promotion, information

How do Consumers' Characteristics Shape the Demand for Food?

- *Demographics*
 - Age, gender, marital status, household size, education, income/occupation, geographical location
- *Psychographics*
 - Attitudes, values and interests

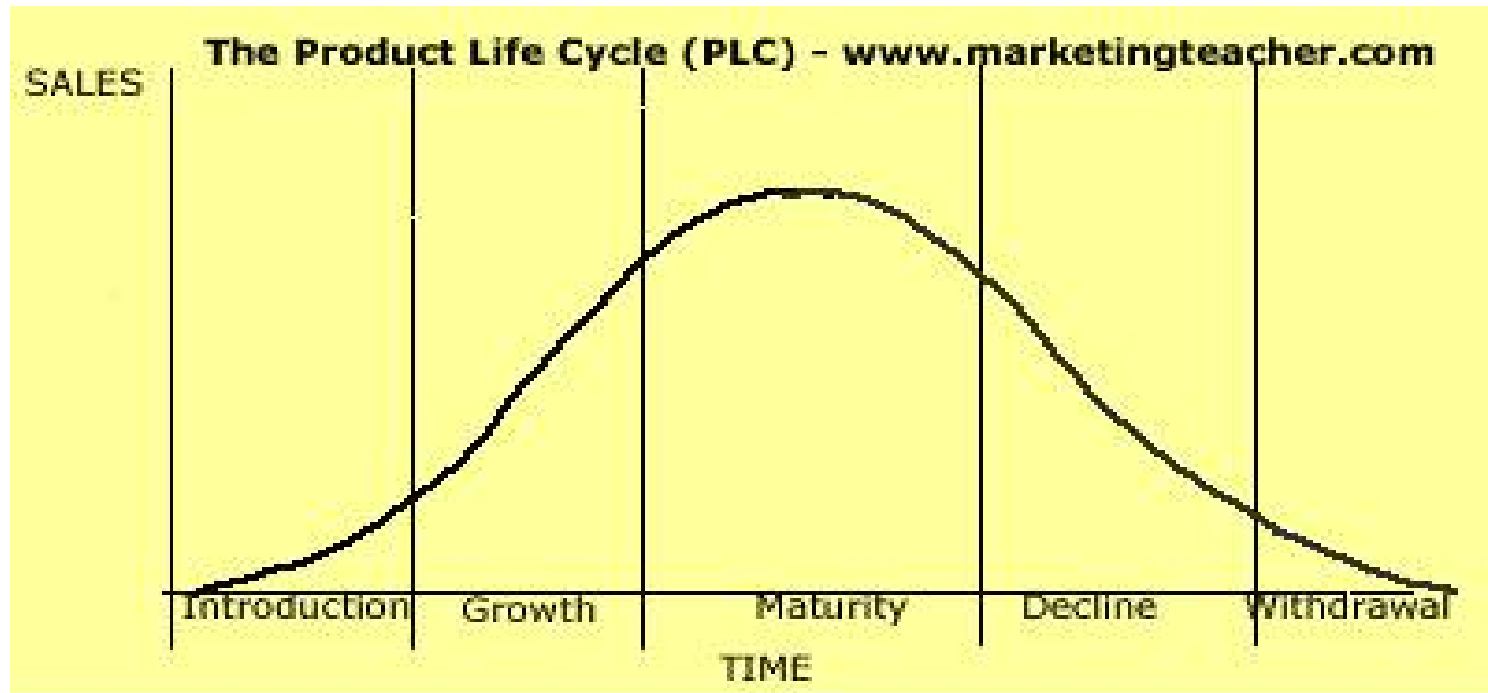
Rapidly aging population, more women in the workforce, more dual-income households, less time to buy, prepare and eat foods at home, increased concern for health, food safety and environment

Demand for Food – Key Motivators

Consumers' Motivations and Attitudes

- Nutrition
- Health
- Enjoyment
- Convenience
- Safety
- Compliance with reference groups' norms
- Environmental/political

Product Life Cycle (PLC)



- Introduction
- Growth
- Maturity
- Decline
- Limitations of the PLC

Product Strategy: What products/services to offer?

*Consider your target market
and your firm's strengths:*

- What products to produce and sell?
- How many products to offer in a product line?
- What product mix (product lines) to offer?
- What brand name to use?
- Individual branding or family branding?
- What logo to use?
- Product bundling or product lining?
- What positioning strategy to use?
- What products to discontinue?
- What new products to add?

Product Line

A product line is a group of similar products/services offered by a single firm

Example:

Product Line: Fresh Vegetables

Line length: Corn, carrots, cabbage, pumpkins, etc.

Line length is a function of a firm's objectives and resources!

Product Mix

The product mix is the assortment of products available from a particular firm

Example for a farm store selling fresh produce & cheese:

Product mix width: fresh vegetables, fresh berries, cheese

Product mix length:

- *Vegetables: corn, carrots, pumpkins, etc.*
- *Berries: strawberries, raspberries and blueberries*
- *Cheese: cow cheese, goat cheese, sheep cheese*

Product mix depth:

- *Carrots: regular, pre-cut, baby*

New products are important to your firm!

Types of New Products:

- Real innovations
- Adaptive replacements
- Me-too/imitative products
- High rate of failure

Beware: the rate of failure for new products is high!

Marketing Strategies for New and Existing Products

- **Differentiate**
 - Physical characteristics, availability, services, image, price, new uses, quality and customer satisfaction, etc.
- **Add Value**
 - Cleaning, cooling, cooking, combining, drying, pre-cutting, labeling, packaging, distribution, etc.
- **Branding**
 - Create a unique brand image
- **Packaging**
 - Capitalize on packaging possibilities
- **Use Powerful Names**
 - Powerful names are the key to recognition and recall

Be creative!

Guidelines, Action Plans & Regulations that apply to Food Products in the U.S.

- GAPs (Good Agricultural Practices)
- The 2004 Produce Safety Action Plan
- Hazard Analysis Critical Control Points (HACCP)
- Labeling
- Universal Product Code
- The Country of Origin (COOL) Law
- The Bioterrorism Act