Chapter 6

PRODUCTS, SERVICES AND BRAND MANAGEMENT

-- SOLVED QUESTIONS --

1. **Explain what is a product and what are their two possible approaches.**

   A product is a set of physical features (tangible) and psychological (intangible) that an individual perceives and which supposedly will meet his desires and needs. In addition, when one makes reference to the product, we must take two different approaches into account:

   - On one hand, the concept focused on the product itself, that is, the set of features or physical attributes.

   - On the other, the concept focused on the consumer's needs; according to this approach, products are not purchased on their own merit, but rather by the problems they solve, so this is the most important focus from a marketing point of view.

2. **Discuss what are the characteristics of non-durable consumer goods.**

   - Impulse buying is the largest, and payment is in cash.
   - Price is a very important factor in the purchase.
   - Stock rotation is high.
   - Gross margins are low.
   - Distribution processes are long.

3. What types of products there are by frequency of purchase?

a) Convenience goods. They are products that are bought frequently and the buyer makes no effort in the decision. They may be general use products (toothpaste), impulse buying (chewing gum) or an emergency buy (umbrella).

b) Shopping buy products. This requires a greater search for information and more comparisons: for example the purchase of a home appliance.

c) Speciality goods. The buyer is more willing to make a greater effort in the decision, due to the features or the prestige of the brand (a Chanel suit, a Mercedes car…)

4. Explain the attributes that make up the product, according to Kotler.

According to Kotler, a product is made up of a series of attributes linked to formal or added aspects. The formal aspects are related to quality, brand, packaging, design… whereas the added aspects make reference to post-sales service, maintenance, warrantees, installation, delivery, financing…. That is; attributes which complement or improve the former.

5. What are the characteristics that meet the name of a product?

- Pleasant sound.
- Easy to recognize and remember.
- No pronunciation difficulties.
- Short, rounded-sound.
- Suggesting product benefits.
- That avoids problems arising from negative interpretations of the name in other areas (different countries, regions, languages).

6. Discuss what is the range and what is the product line.

One the one hand, the range of products makes reference to the set of articles the company provides the consumers with. The line is the set of products that have a series of common features and are identified by the same name.

7. **Explain what is the idea generation stage in the new product planning.**

It is the systematic search for new products, turning to a variety of sources (costumers customers, employees, distributors, competitors…) and through different means or procedures, be they little structured (discussions with different people) or more structured (interviews, group meetings for example.)

8. **What is the strategy based on making tangible a service?**

It attempts to develop a tangible representation for it, that is, a physical support that will make it visible, recognizable, which is associated to the service. Tangibles are all of the physical evidence that is associated to the service that prove its existence and show the quality of it.

9. **Explain what is the value of the brand, according to Aaker.**

It argues that the five pillars of the brand are: brand loyalty, awareness, perceived quality, brand associations, and other assets; these pillars are providing value to both customers and the enterprise.

10. **What is a second brand?**

Second brands belong to companies with other more important brands; this strategy attempts to segment and widen the market covered to other segments different to the usual ones. For example, Omega watches also sell Tissot, Philips sells Radiola and Tab belongs to Coca-Cola.