

#13_Setting Product Strategy

(plus a part of #23!)

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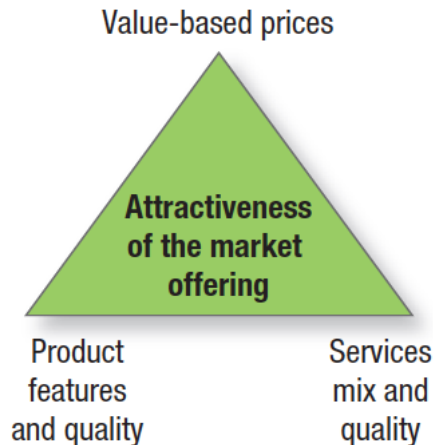
DPT. OF MANAGEMENT AND LAW
UNIVERSITY OF ROME TOR VERGATA
ITALY

PRODUCT CHARACTERISTICS AND CLASSIFICATIONS

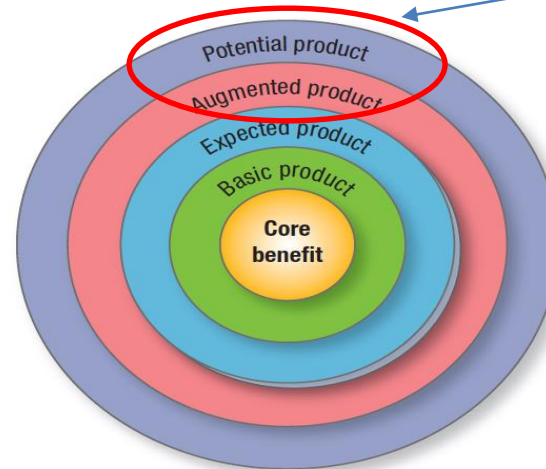
What is a product?

- Anything that can be offered to a market to satisfy a want or need, including physical goods, services, experiences, events, persons, places, properties, organizations, information, and ideas

Components Of The Market Offering



Product Levels

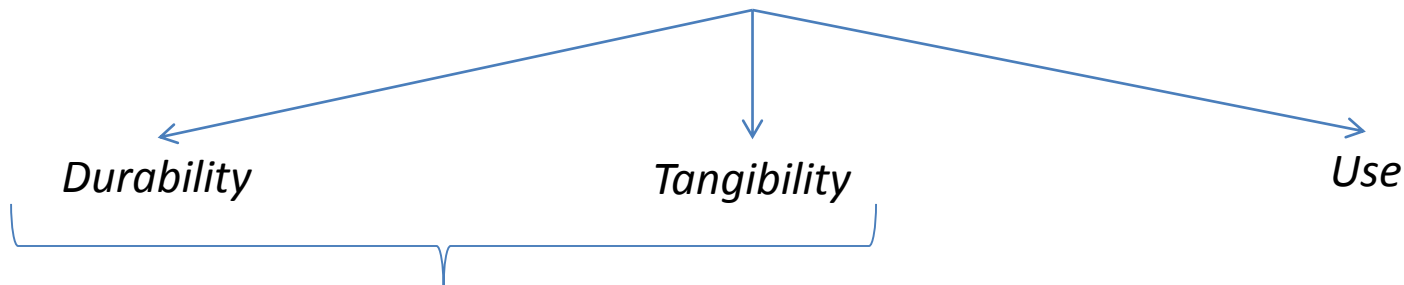


NatGeo! (if you choose consumers' products!)



PRODUCT CHARACTERISTICS AND CLASSIFICATIONS

Product classifications



Nondurable goods



Durable goods



Services



Convenience goods



Shopping goods



Specialty goods



Unsought goods



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BUSINESS ADMINISTRATION

DIFFERENTIATION

Product differentiation

Form



Customization



Price



Performance and
conformance
quality



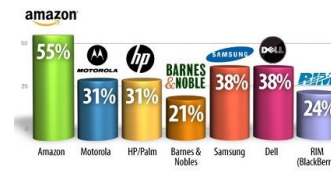
Features



Durability



Reliability



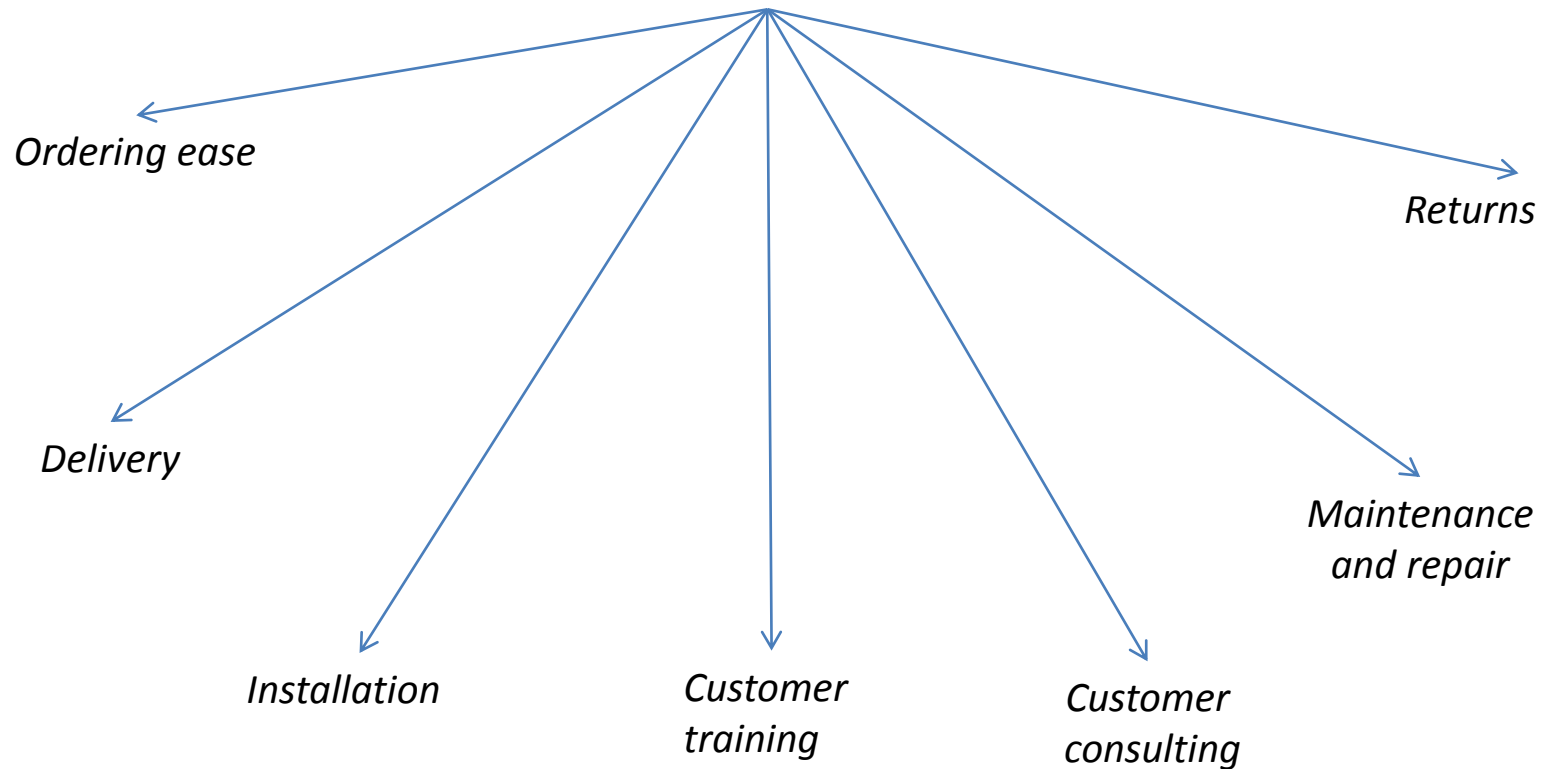
Repairability



Style



Services differentiation

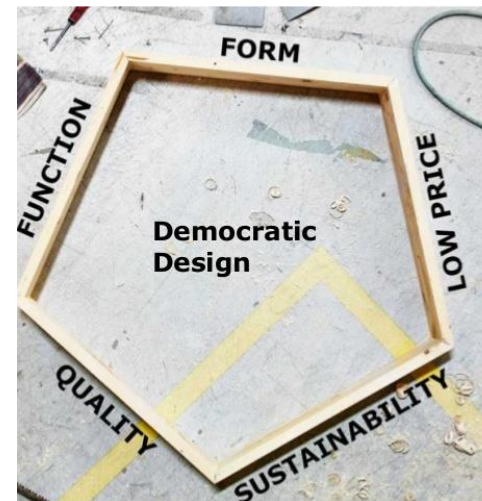


What is product design?

- The totality of features that affect the way a product looks, feels, and functions to a consumer. It offers functional and aesthetic benefits and appeals to both rational and emotive sides.

Characteristics

- ☺ Is emotionally powerful
- ☺ Transmits brand meaning/positioning
- ☺ Is important with durable goods
- ☺ Makes brand experiences rewarding
- ☺ Can transform an entire enterprise
- ☺ Facilitates manufacturing/distribution
- ☺ Can take on various approaches



It begins at the drawing board

IKEA designers and product developers must consider 5 key factors

© Ikea Systems S.V. 2014

Characteristics

Quality

Uniqueness

Craftmanship

Heritage

Authenticity

TABLE 13.1

Guidelines for Marketing Luxury Brands

1. Maintaining a premium image for luxury brands is crucial; controlling that image is thus a priority.
2. Luxury branding typically includes the creation of many intangible brand associations and an aspirational image.
3. All aspects of the marketing program for luxury brands must be aligned to ensure high-quality products and services and pleasurable purchase and consumption experiences.
4. Besides brand names, other brand elements—logos, symbols, packaging, signage—can be important drivers of brand equity for luxury products.
5. Secondary associations from linked personalities, events, countries, and other entities can boost luxury-brand equity as well.
6. Luxury brands must carefully control distribution via a selective channel strategy.
7. Luxury brands must employ a premium pricing strategy, with strong quality cues and few discounts and markdowns.
8. Brand architecture for luxury brands must be managed carefully.
9. Competition for luxury brands must be defined broadly because it often comes from other categories.
10. Luxury brands must legally protect all trademarks and aggressively combat counterfeits.

How to grow?

Vertical extension

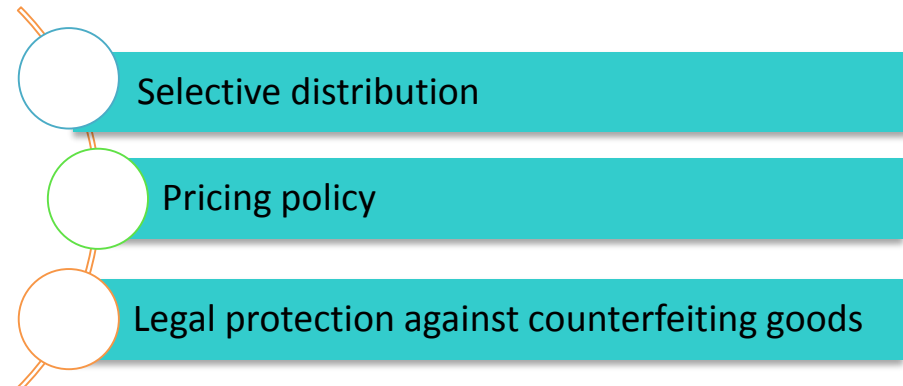


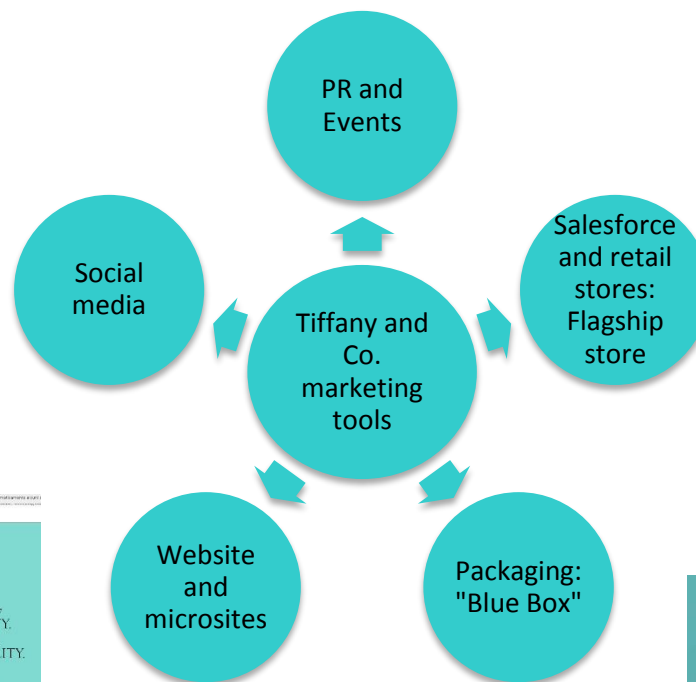
Horizontal extension



Geographic extension

The case of Tiffany





ENVIRONMENTAL ISSUES (& SOCIALLY RESPONSIBLE MARKETING)

- Environmental issues are also playing an increasingly important role in product design and manufacturing

Socially Responsible Marketing

Rationale for Investing in Corporate Social Responsibility

- Companies need to differentiate themselves. Companies with civic virtues will be preferred.
- Companies need a decision framework for facing daily requests for sponsorships, improved health coverage, injury prevention, environmental protection, and community contributions.
- Corporate heads and boards need to understand the social pressures and opportunities facing their companies.
- Companies need to build a bank of public goodwill to offset potential criticisms.
- Employees, investors, and partners will be more motivated and loyal.

The 10 Companies With The Best CSR Reputations (Forbes, 2017)



Chief Executive Officer of Lego, Joergen Vig Knudstorp. (Photo credit JUSTIN TALLIS/AFP/Getty Images) [-]



Microsoft chief executive Satya Nadella opens the US technology titan's annual Build Conference in Seattle on May 10, 2017 with a focus on a future rich with artificial intelligence that follows people from device to device. (Photo credit: GLENY CHAPMAN/AFP/Getty)



MOUNTAIN VIEW, CA - MAY 17: Google CEO Sundar Pichai delivers the keynote address at the Google I/O 2017 Conference at Shoreline Amphitheater on May 17, 2017 in Mountain View, California. The three-day conference will highlight innovations including Google Assistant.



Disney CEO Robert Iger visits FOX Business Network's 'Markets Now' at FOX Studios on September 22, 2013 in New York City. (Photo by Michael Loccasio/Getty Images) [-]



Visitor look to a BMW X3 car at the 2017 Frankfurt Auto Show on September 12, 2017 in Frankfurt am Main, Germany. (Photo by Thomas Lohnes/Getty Images) [-]



Intel CEO Brian Krzanich speaks during an Intel press event for CES 2017 at the Mandalay Bay Convention Center on January 4, 2017 in Las Vegas, Nevada. (Photo by David Becker/Getty)



Volkmar Denner, CEO of German car supplier Robert Bosch GmbH, poses prior to the annual press conference at the Bosch headquarters in Gerlingen near Stuttgart, Germany, on April 18, 2013. (Photo credit: THOMAS KENZLE/AFP/Getty Images) [-]



Cisco Systems headquarters on August 17, 2016 in San Jose, California. (Photo by Justin)



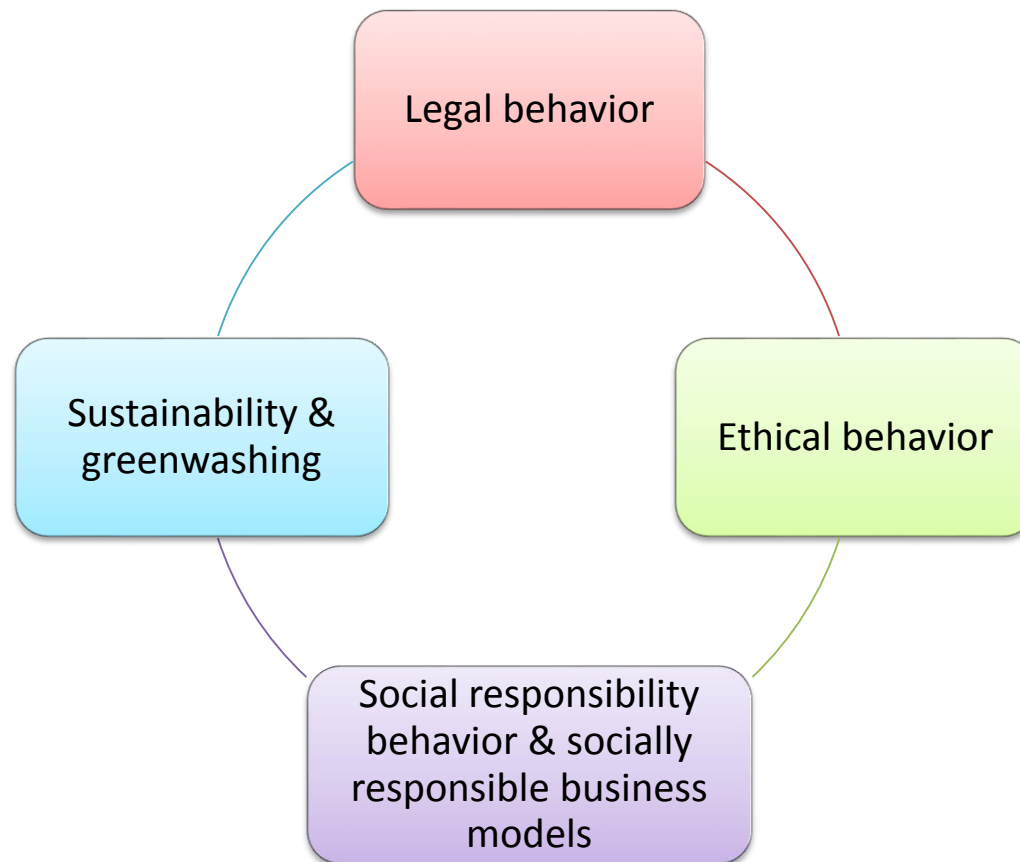
Rolls Royce Trent XWB engines on view on the assembly line at the Rolls Royce factory in Derby, central England on November 30, 2016. (Photo credit: PAUL RILLIS/AFP/Getty Images)



A shopper examines a box of Colgate toothpaste at a store in Mumbai, on Sunday, Jan. 22, 2009. Colgate - P&G's India Ltd. third-quarter earnings are expected today. Photographer:

Apple, Samsung and Volkswagen are out from the top 10 ranking!

Corporate Social Responsibility

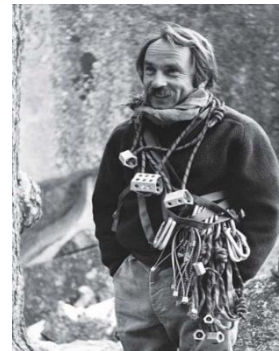


The case of Patagonia

“Our aim is to build the best product, cause no unnecessary harm, and use business to inspire and implement solutions to the environmental crisis”

“No business can be done on a dead planet. A company that is taking the long view must accept that it has an obligation to minimize its impact on the natural environment”

“The capitalist ideal is you grow a company and focus on making it as profitable as possible. Then, when you cash out, you become a philanthropist. We believe a company has a responsibility to do that all along, for the sake of the employees, for the sake of the planet”



Yvon Chouinard



Better Than New

Patagonia Worn Wear Swap
Black Friday 11-28-14 All Day

No longer wearing that jacket? Take a break from the consumer madness this Black Friday and swap by the Patagonia Worn Wear Swap. If you don't find something you like, your friends have the chance to get yours and you can keep the money you used Patagonia on clothing for your needs.

Patagonia Donor
1001 10th St. 20140 Silverdale
Info: @patagoniawornwear St: PatagoniaDonor
patagonia.com



COMMON THREADS INITIATIVE

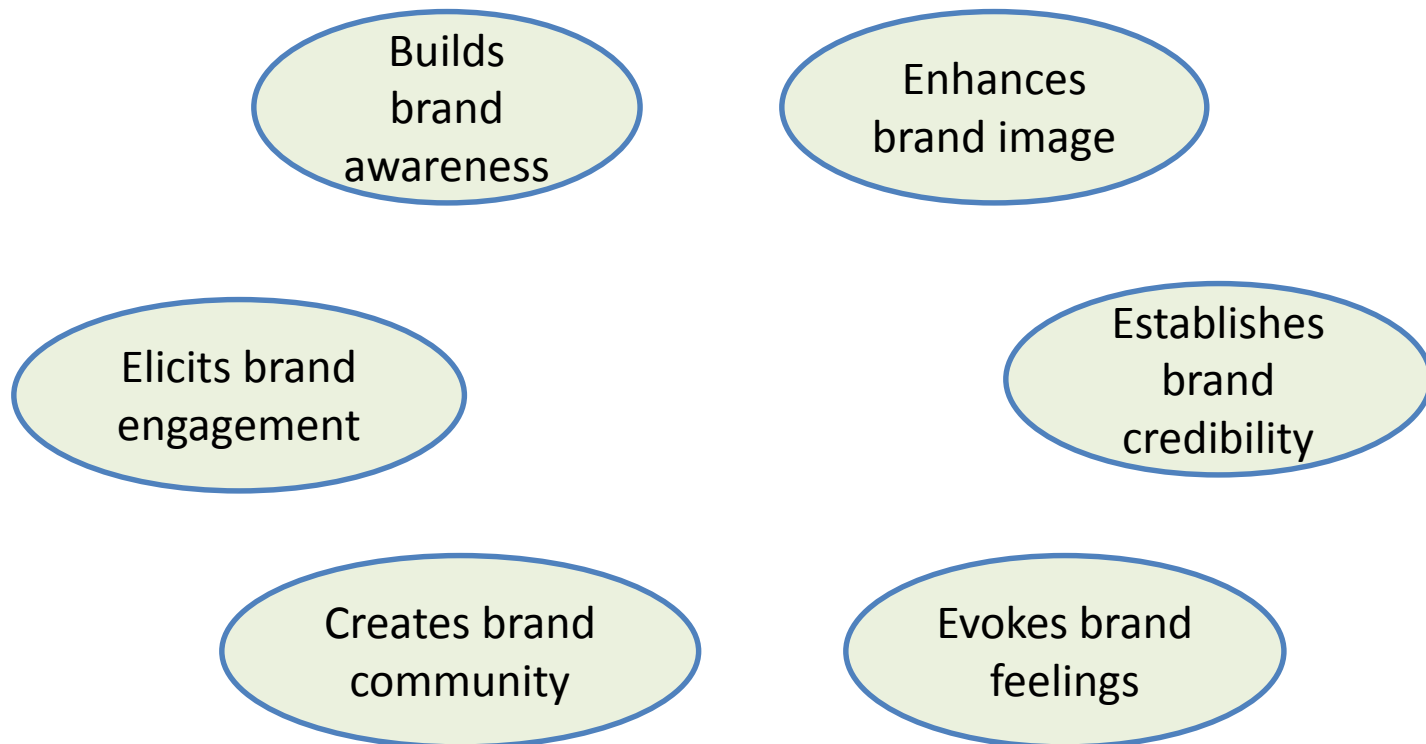
- REDUCE**
WE make useful gear that lasts a long time
YOU don't buy what you don't need
- REPAIR**
WE help you repair your Patagonia gear
YOU pledge to fix what's broken
- REUSE**
WE help find a home for Patagonia gear you no longer need
YOU sell or pass it on
- RECYCLE**
WE will take back your Patagonia gear that is worn out
YOU pledge to keep your stuff out of the landfill and incinerator



REIMAGINE
TOGETHER we reimagine a world where we take only what nature can replace
patagonia.com

Cause Related Marketing

- Links the firm's contributions toward a designated cause to customers' engaging directly or indirectly in revenue-producing transactions with the firm (is part of Corporate Societal Marketing, CSM)



Cause Related Marketing



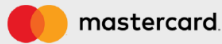
Cause Related Marketing: the case of MasterCard

Priceless Causes and the Donation Platform

Gaetano Carboni, EVP, Global Marketing

Università Tor Vergata

November 8, 2017



Doing well and doing good

At Mastercard, being a force for good isn't just a nice idea – it's an imperative, one that comes straight from our CEO. And it isn't just something that we talk about in marketing – it's a strategy that's embedded in our business.

We believe that business can and should be a force for good in the world. Business can both make money and make a difference.

For us and our business, a big part of this is bringing more people into the financial mainstream. We have made a commitment to the World Bank to bring 500 million new consumers into the formal economy by 2020. Through product innovations, partnerships with nonprofits and governments, and our work with micro and small businesses, we are activating all aspects of our business to make a difference around the world, and we're already well on our way to achieving our goal.



“ We have got to be seen as a force for good. ”

– Ajay Banga



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SOCIALLY RESPONSIBLE MARKETING

What is the role of Priceless Causes?

Leverage our unique global network to connect consumers to a community for good.

How do we facilitate this?

Incorporating giving through living by ensuring an easy, safe and engaging way to donate while **rewarding consumers** for their philanthropic efforts.



©2017 Mastercard. Proprietary and Confidential.

Certain target segments are pro-actively looking for opportunities to give back



Working Couples/Working Singles

- Millennials give through charity apps, email blasts and text messaging, **62% gave via mobile phone** last year
- A hefty **84% of millennials made a charitable donation** in 2014, and **70% spent at least an hour volunteering**
- **76% of millennials** are concerned about humanity's impact on the world
- **50% of millennials** prefer crowdfunding to donating straight to a charity



Affluent Working Mom

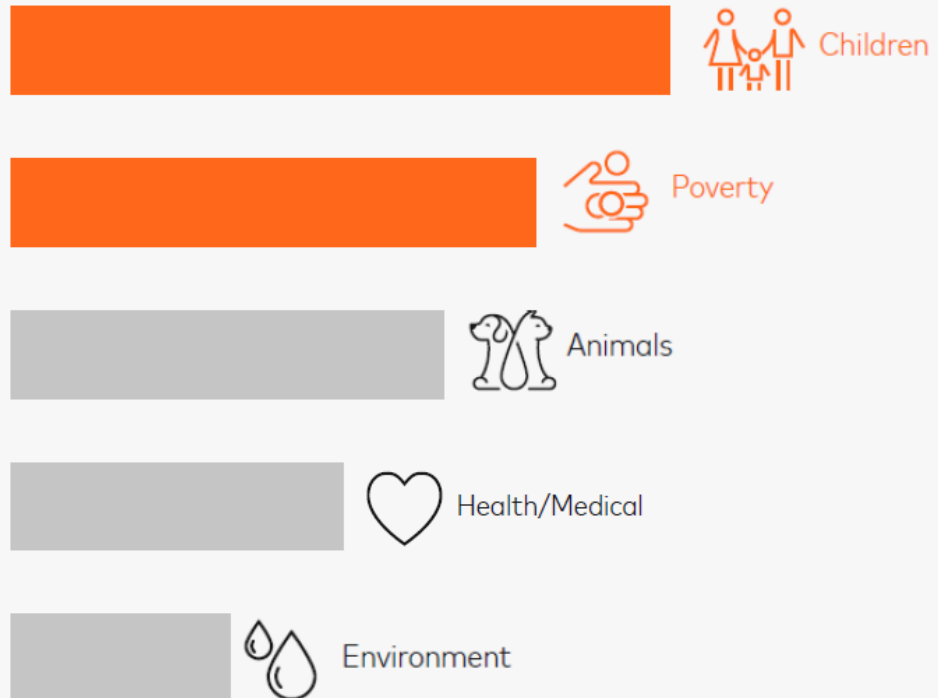
- **80% of all buying decisions** around the world are made by women
- **64% of all donations** are made by women
- In the category of giving there has been **an increase in giving by more than \$15 billion** since 1996

Sources:

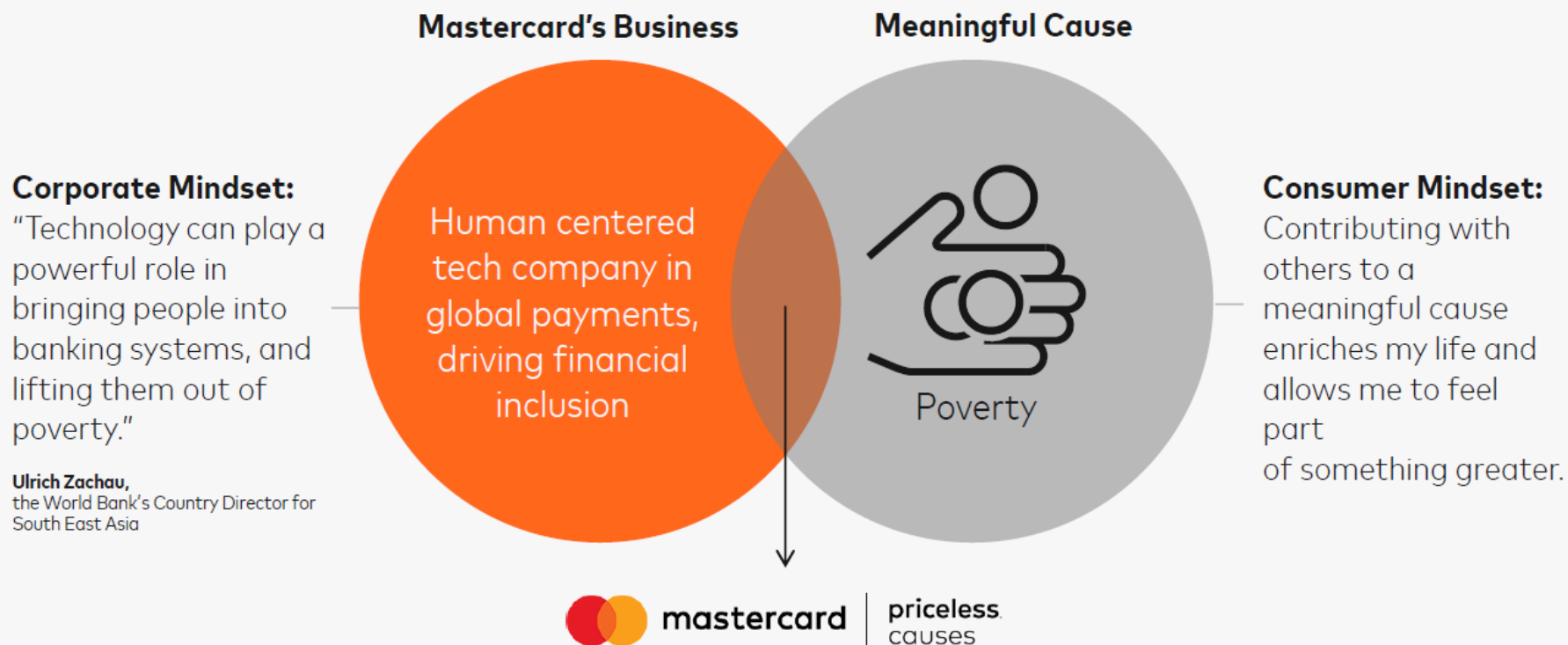
<http://www.cnbc.com/2015/12/08/millennials-are-more-generous-than-you-think.html>
<http://www.datamangroup.com/reaching-empty-nesters/>

Connecting consumers to the causes they find meaningful increases engagement

Children and **Poverty** are the two main causes consumers prefer to be involved with



Mastercard is investing in doing well and doing good



Connecting consumers to a community for good, connecting people to priceless possibilities

Cardholders, banks, merchants, partners, and employees all operating on the world's fastest payment processing network.

Together they make up a community for good in order to reverse the spiral of poverty.

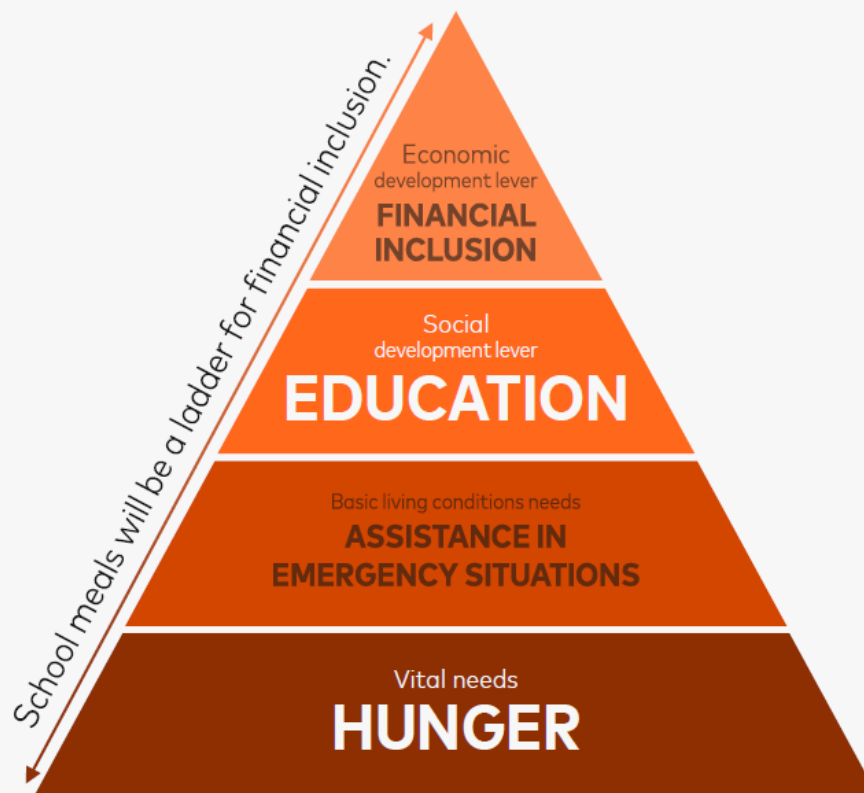
- 2.3 billion cardholders globally
- 43 million merchants
- Over 20,000 issuers
- In more than 210 countries & territories
- With over 12,000 global employees



Priceless Causes mission: reverse the spiral of poverty using MC core capabilities to systematically address the most vulnerable population's hierarchy of needs.

Priceless Causes will facilitate donations in an effort to reverse the spiral of poverty

- 1) Strategically aligning causes with Mastercard capabilities in an authentic and meaningful way.
- 2) Drawing on MC network to create a community for good.
- 3) Engaging consumers by emotionalizing the act of giving.
- 4) Focusing on 100 Million School Meals to address hunger and education.



*Special focus on women and children

Incorporating giving into living by ensuring an easy, safe and engaging way to donate to a meaningful cause

EASY

The donation experience is seamless and embedded into daily life.

For example:

- Every time you make a Mastercard transaction, Mastercard donates a school meal
- Integration of contactless or Masterpass technology



SAFE

Partner NGOs are best-in-class entities that have been fully vetted.

Utilizes Mastercard's **trusted payment network** & technology (with no fees deducted).

For example:

- World Food Programme



ENGAGING

A donation system that **uses the latest trends in giving** to fit consumers' expectations of convenience, accessibility, and the freedom to choose.

For example:

- Mastercard donation platform



We have a strong rationale

The Challenge boosts our business, increases brand affection, strenghtens employee engagement and raises money for poor people

It is set to work well in our environment of sound margins

- Successful companies meet both commercial and social objectives
- Brand positioning is based on rational reasons to buy, emotions and values
- We always **prioritise country objectives** and build campaigns to support them
- IMK management leads execution (often with the involvement of customers). **Marketing gives guidance, shares best practices and involves other functions** (e.g. Advisors, Legal, Finance, etc.) for successful implementations



Social Media Communication Overview

A **6 months** (June-December) posting calendar was prepared. Each month contained the following types of posts:

1x **PROACTIVE POST**
(real children stories)

1x **REACTIVE POST**
(opportunity based content)

1x **INTERACTIVE POST**
(content that generates reactions)



SOCIAL MEDIA CONTENT RESULTS

81 FB posts
in all countries

~ 6,000 EUR
media investment

4,029,514
FB users were reached

28,432
Interactions (likes, comments, shares)



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SOCIALLY RESPONSIBLE MARKETING

PR& Communications

Press event to announce the campaign in Czech Republic, Serbia, Slovenia

Collaboration with
Knihy Dobrovsky in
Czech Republic



meet&greet with a famous
children's author Ljubivoje
Rsumovic at Delfi
bookstore in Serbia



Collaboration with
Mladinska Knjiga in
Slovenia



Distribution of local press release –
more than 100 articles



Blogger activation in Bulgaria, Hungary,
Romania, Poland, Slovenia

Violeta Markovska
actress and Milena
Vitanova, lifestyle
blog in Bulgaria



wmn.hu in Hungary



What Anna Wears, a
leading lifestyle blog in
Poland



Cristian China Birta &
Dana Dragomirescu
from Romania



Andreja's
World in
Slovenia

Hrvoje
Šalković in
Croatia

SOCIALLY RESPONSIBLE MARKETING

Marketing Channels

Key Activities –

- Donation Platform now live -Priceless.com/donate-uk
- Leveraging media value to drive donations (Telegraph Media Group)
- Mastercard own channel communications
- Integration with Priceless Cities



Italy will partner with the top 4 issuers using donations as a transaction incentive for a variety of MC products



In 2017 we will reach 6,4M meals: already above the Q2 2018 5M target



Global partner 2/3 of donations



Local partner 1/3 of donations*



* Just in 2017

100% donations linked to card usage

1 transaction = 1 school meal



Social Marketing

- Social marketing by nonprofits or government organizations furthers a cause

TABLE 23.3

Some Possible Social Marketing Program Objectives

Cognitive Campaigns

- Explain the nutritional values of different foods.
- Demonstrate the importance of conservation.

Action Campaigns

- Attract people for mass immunization.
- Motivate people to vote “yes” on a certain issue.
- Inspire people to donate blood.
- Motivate women to receive a Pap test.

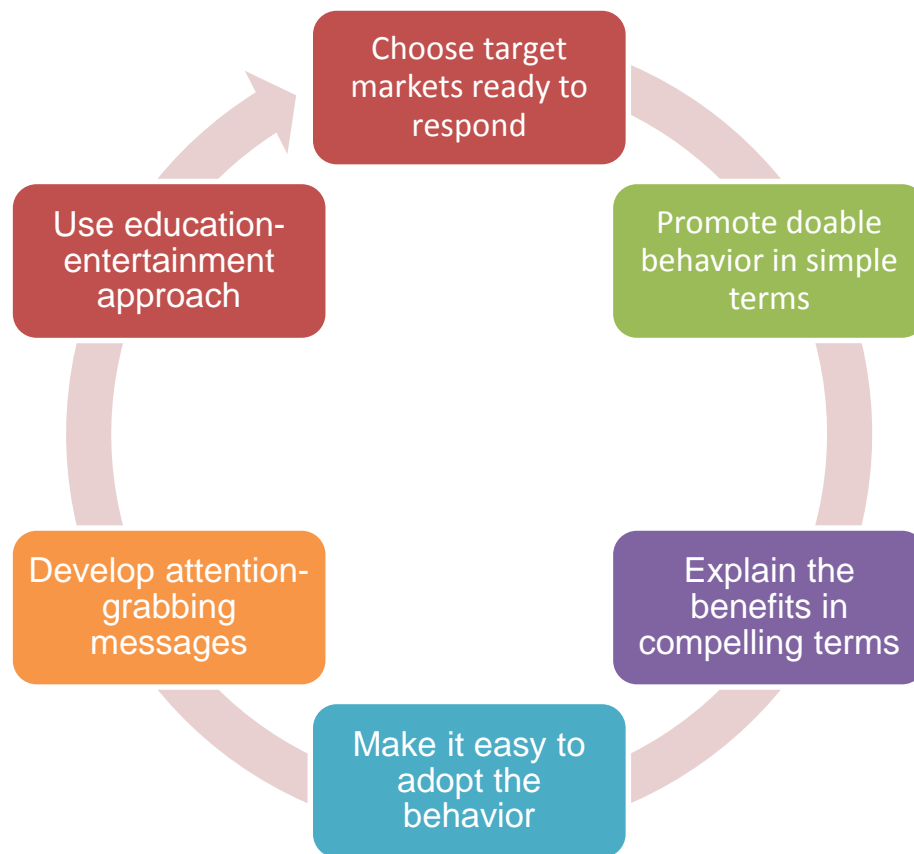
Behavioral Campaigns

- Demotivate cigarette smoking.
- Demotivate use of hard drugs.
- Demotivate excessive alcohol consumption.

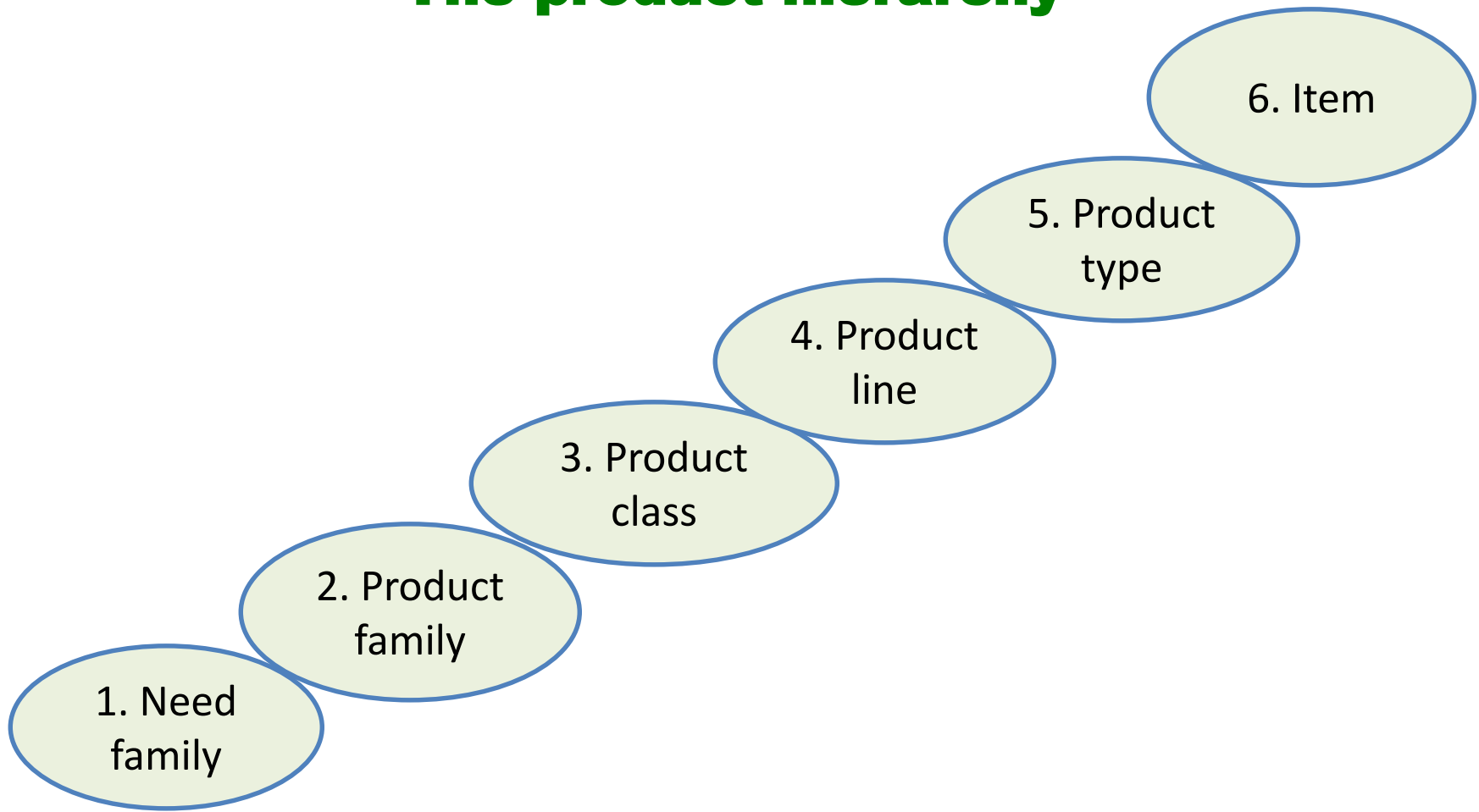
Value Campaigns

- Alter ideas about abortion.
- Change attitudes of bigoted people.

Social Marketing



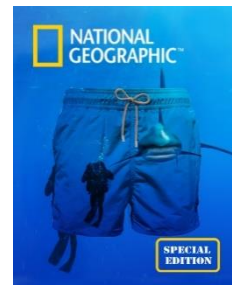
The product hierarchy



Co-Branding

Two or more well-known brands are combined into a joint product or marketed together in some fashion

- Same-company
- Joint-venture
- Multiple-sponsor
- Retail
- Licensing



Packaging

- All the activities of designing and producing the container for a product

Used as a marketing tool

Self-service

Consumer affluence

Company and brand image

Innovation opportunity

Objectives

Identify the brand

Convey descriptive and persuasive information

Facilitate product transportation and protection

Assist at-home storage

Aid product consumption



PACKAGING, LABELLING, WARRANTIES AND GUARANTEES

Packaging

TABLE 13.3

The Color Wheel of Branding and Packaging

Red symbolizes excitement, energy, passion, courage, and being bold.

Orange connotes friendliness and fun. It combines the energy of red and the warmth of yellow.

Yellow, as the color of the sun, is equated with warmth, joy, and happiness.

Green, as the color of nature, connotes health, growth, freshness, and renewal.

Blue, as the color of the sky and sea, is associated with dependability, trust, competence, and integrity.

Purple has symbolized nobility, wealth, and wisdom. It combines the stability of blue and the energy of red.

Pink is considered to have soft, peaceful, comforting qualities.

Brown, as the color of the earth, connotes honesty and dependability.

Black is seen as classic, strong, and balanced.

White connotes purity, innocence, and cleanliness.

PACKAGING, LABELLING, WARRANTIES AND GUARANTEES

Labelling

Identifies, grades, describes, and promotes the product



OTHER WAYS TO USE PUNJABI PESTO:

- ★ As a dip for your chips/nachos
- ★ Spread on toast or in a jacket potato
- ★ Add a spoonful or 2 to your pasta
- ★ As a marinade for your meats

INGREDIENTS - Water, Tomatoes, Vegetable Oil, Onion, Garlic, Ginger, Salt, Red Chilli, Mixed spices, Coriander and Lemon juice.

NUTRITIONAL INFORMATION - Typical Values per 100g

ENERGY VALUE	527 kJ / 127 kcal
PROTEIN	1.2g
CARBOHYDRATES	6.4g
- Of which sugars	4.5g
FAT	10.7g
- Of which saturates	1.2g
FIBRE	1.5g
SODIUM	0.8g
SALT (calculated from sodium)	2.1g

BATCH CODE: 111197
BEST BEFORE: September 2014

MR SINGH'S
PUNJABI PESTO
COOKING PASTE & SPREAD

HOW TO USE IN 3 SIMPLE STEPS (SERVES 4-6)

1. Put your Punjabi Pesto into a pot or pan and cook for 3-4 minutes (medium heat)
2. Add 500-750g (meats/poultry/vegetables/fish or all) and cook for 5-7 minutes on a medium heat.
3. Add 1-2 cups of water (enough to cover the ingredients), mix, cover & cook for 15-20 minutes or until done, stirring as you go. For more gravy, add more water.

"For a dry dish with no gravy, simply stay at step 2 and continue cooking until done." Serve with rice, bread, potatoes, chappatis or eat direct from the pan!

OUR STORY: Since 1981 Mama Singh has always known what her family LOVED TO EAT. Using techniques and ingredients taught by her mother, she made the home smell sumptuous with DELICIOUS DINNER DELIGHTS! We have put her culinary secrets INTO THIS JAR for you and your loved ones to enjoy. Do what the Singh family loves best: having fun by...

BRINGING PEOPLE TOGETHER

"THERE ARE NO ADDITIVES OR ARTIFICIAL PRESERVATIVES IN OUR PRODUCTS. ONLY GOOD, HONEST, HIGH QUALITY INGREDIENTS MAKE IT INTO A JAR OF MR. SINGH'S PUNJABI PESTO."

Chilli Level

300g e

WWW.MRSINGHSSAUCE.COM

Warranties

Formal statements of expected product performance by the manufacturer

Guarantees

Promise of general or complete satisfaction



Thank you for your kind attention!



(Have A Nice Day!)

(Have A Nice Day!)