DEFINITION OF 'PRODUCT' Definition: A product is the item offered for sale. A product can be a service or an item. It can be physical or in virtual or cyber form. Every product is made at a cost and each is sold at a price. The price that can be charged depends on the market, the quality, the marketing and the segment that is targeted. Each product has a useful life after which it needs replacement, and a life cycle after which it has to be re-invented. In FMCG parlance, a brand can be revamped, re-launched or extended to make it more relevant to the segment and times, often keeping the product almost the same. Description: A product needs to be relevant: the users must have an immediate use for it. A product needs to be functionally able to do what it is supposed to, and do it with a good quality. A product needs to be communicated: Users and potential users must know why they need to use it, what benefits they can derive from it, and what it does difference it does to their lives. Advertising and 'brand building' best do this. A product needs a name: a name that people remember and relate to. A product with a name becomes a brand. It helps it stand out from the clutter of products and names. A product should be adaptable: with trends, time and change in
segments, the product should lend itself to adaptation to make it more relevant and maintain its revenue stream.

PRODUCT MIX:

product mix, also known as product assortment, refers to the total number of product lines that a company offers to its customers. For example, a small company may sell multiple lines of products. Sometimes, these product lines are fairly similar, such as dish washing liquid and bar soap, which are used for cleaning and use similar technologies. Other times, the product lines are vastly different, such as diapers and razors. The four dimensions to a company's product mix include width, length, depth and consistency.

WIDTH:

The width of a company's product mix pertains to the number of product lines that a company sells. For example, if a company has two product lines, its product mix width is two. Small and upstart businesses will usually not have a wide product mix. It is more practical to start with some basic products and build market share. Later on, a company's technology may allow the company to diversify into other industries and build the width of the product mix.

LENGTH Product: mix length pertains to the number of total products or items in a company's product mix, according to
Philip Kotler's textbook "Marketing Management: Analysis, Planning, Implementation and Control." For example, ABC company may have two product lines, and five brands within each product line. Thus, ABC's product mix length would be 10. Companies that have multiple product lines will sometimes keep track of their average length per product line. In the above case, the average length of an ABC Company's product line is five.

DEPTH:

Depth of a product mix pertains to the total number of variations for each product. Variations can include size, flavor and any other distinguishing characteristic. For example, if a company sells three sizes and two flavors of toothpaste, that particular brand of toothpaste has a depth of six. Just like length, companies sometimes report the average depth of their product lines; or the depth of a specific product line.

CONSISTENCY:

Product mix consistency pertains to how closely related product lines are to one another—in terms of use, production and distribution. A company's product mix may be consistent in distribution but vastly different in use. For example, a small company may sell its health bars and health magazine in retail stores. However, one product is edible and the other is not. The production consistency of these products would vary as well.
PRODUCT MARKET MIX STRATEGY:

Small companies usually start out with a product mix limited in width, depth and length; and have a high level of consistency. However, over time, the company may want to differentiate products or acquire new ones to enter new markets. A company can also sell the existing products to new markets by coming up with new uses for their product. 

PRODUCT LINE

The product line is a subset of the product mix. The product line generally refers to a type of product within an organization. As the organization can have a number of different types of products, it will have similar number of product lines. Thus, in Nestle, there are milk based products like milkmaid, Food products like Maggi, chocolate products like Kitkat and other such product lines. Thus, Nestle’s product mix will be a combination of the all the product lines within the company.

PRODUCT LINE LENGTH:

If a company has 4 product lines, and 10 products within the product line, than the length of the product mix is 40. Thus, the total number of products against the total number of product lines forms the length of the product mix. This equation is also known as product line length.

PRODUCT LINE WIDTH:

The width of the product mix is equal to the number of product lines within a company. Thus, taking the above example, if there are 4 product lines within the company, and
10 products within each product line, than the product line width is 4 only. Thus, product line width is a depiction of the number of product lines which a company has. **PRODUCT LINE DEPTH:**

It is fairly easy to understand what depth of the product mix will mean. Where length and width were a function of the number of product lines, the depth of the product mix is the total number of products within a product line. Thus if a company has 4 product lines and 10 products in each product line, than the product mix depth is 10. It can have any variations within the product for form the product line depth.

**PRODUCT LINE CONSISTENCY:**

The lesser the variations between the products, the more is the product line consistency. For example, Amul has various product lines which are all dairy related. So that product mix consistency is high. But Samsung as a company has many product lines which are completely independent of each other. Like Air conditioners, televisions, smart phones, home appliances, so on and so forth. Thus the product mix consistency is low in Samsung. **PACKAGING:**

Packaging is the activity of designing and producing the container or wrapper for the product. It is an important and effective sales tool for encouraging the consumers for buying. It is powerful medium for sales promotion. It must perform all the
basic function such as protection, ease of handling and storage, convenience in usage etc. and should not be deceptive and convey any deceptive message. It is the best method for attracting the consumers for buying the products. According to W.J. Stanton, “Packaging may be defined as the general group of activities in product planning which helps in value designing and producing the container or wrapper for a product.” According to Pride and Farell, “Packaging involves the development of container and a graphic design for a product.”

FUNCTIONS OF PACKAGING Packaging should serve the following basic functions: • Protects the contents: The basic function of packaging is to protect the contents from damage, dust, dirt, leakage, pilferage, evaporation, watering, contamination and so on. Packaging helps in the protection of the contents of the products. Seasonal fluctuations in demand may be smoothed out through packaging. Packaging helps to protect the contents of all the available products. • Provides product density: Packaging helps to provide product density. It implies selecting such package materials, design, and shape that helps to use the limited space in the best way. It improves relations with common carriers, permits better use of space in storage and usage and increases the grace and poise of arrangement. • Act as promotional tool: Good packaging can sell the product more easily and quickly as it works as a promotional tool. As a promotional tool, it does self-advertising
, displaying, publishing and acts as an advertising medium. It is the package, size, design, color combinations and graphics that decide its ability to attract the valuable attention of customers or the prospects. • Provides user convenience: Packaging helps to provide the user convenience. The good packaging does this in a greater degree. As a result, the marketing functions of the transportation, storage, and handling are performed with ease and without wastage. Consumers are greatly assisted so long as the product is in usage. Neat packaging has brought a home reduction in inventory costs, packaging costs, space and time costs. • Facilitates product identification: Packaging helps to facilitate the identification of the product. This process of product differentiation is furthered by effective product identifiers; one is branding and another is packaging. The product package identifies the product no matter where you see it, under what circumstances you see it, or when you see it. A package is product’s personality, its reality. Product identification goes easy with distinguished packaging as it adds to its personality or image. • Allows easy product mix: Product mix relates to the product lines and an assortment of sizes, colors, measures, grades, package types etc. offered by the selling house. Change in product mix can be possible as packaging helps to influence weight, size, and dimensions of the product. Packaging helps to allow the product mix easily for the consumers. IMPORTANCE OF PACKAGING The importance
of packaging are as follows: • Creation of demand: Packaging plays an important role in the creation of demand by attracting the consumers. The customers become known with the product through advertising. It helps to increase the demand of the customers. • Protection of the product: Packaging helps to protect the product from heat, light, moisture, evaporation, dust etc. during its long passage from the factory to the target customers. It protects the products from breakage, leakage spoilage etc. • Transportation: Packaging facilitates transportation of products from one place to another. It ensures easy transportation and better handling of products in transit. • Guidelines to customers: Packaging helps as a guidelines for the customers. From the informative literature regarding the quality and use of the product, the customers get the guidelines. The customers are ensured about the quality of the products. • Better storage: Packaging acts as a better storage of the products. Goods with good packages can be stored in the retail shop also in lesser price. • Facilitates for carrying: Packaging plays an important role in carrying the goods in transit and from one place to another. It is made in different sizes and it facilitates provisions for easy and open carrying. • Identification of product differentiation: Packaging helps to identify the product differentiation easily. It ensures the individuality of the products and one product can be easily differentiated with each other products in the market. The
customers can easily identify their product of choice at the time of purchase. This helps the customers to prevent substitution of goods by other customers. • Economy: Packaging helps to reduce the cost of marketing the goods by reducing losses from damages. As packaging is helpful for sales promotion, so it helps to attain economy in the cost structure of the producers and marketers. Types of packaging There are various types of packaging some of them are as follow: • Consumer packaging: Consumer packaging is one which holds the required volume of a product for ultimate consumption. It is the means of buying household. In other words, the consumer has the option to purchase the pack size which he/she considers adequate for the consumption of his/ her family over a length of time. • Transit packaging: Transit packaging is another type of packaging. It is either for the industrial consumer’s use. The consumer package itself very often requires an outside package in which it is sometimes referred to a bulk package or an outer container. • Industrial packaging: An industrial packaging can either describe a bulk package or the package for durable consumer goods. These are the basic package types although many subdivisions can be listed which can be broadly listed under these basic headings. • Dual use packaging: A dual packaging is one which has a secondary usefulness after its contents have been consumed. The examples of dual use packaging are Drinking glasses, boxes of jewelry, waste baskets,
refrigerator dishes, etc. Features of good packaging

A good package indicates individuality of a product in a dramatic and easily recognizable way. The features of good packaging can be briefly shown below:

• Convenience: Convenience is one of the good features of packaging. The packaging provides size options and it facilitates provisions for the easy open of the products. The package should neither be heavy in weight nor large in size.

• Security: The packaging provides security of the products and it protects the products from dust, light, spoilage, damage, evaporation, etc. It ensures the preservation of the quality and quantity of the products.

• Status or prestige: Packaging creates confidence among the customers and it creates status and prestige of the products. It helps in the increment of status and prestige to the consumers. The product is also known by its packaging.

• Adaptability: The package should of moderate size so that it can be kept in proper place. It should be adapted in all the places. Adaptability is very essential in packaging.

• Dependability: The packaging should be dependable. Dependability indicates the positive idea of a customer about the manufacturing of the product. It is very important to have dependability in the products.

• Handsome design: The packaging should have a handsome design. The handsome design attracts the customers to buy the products. To get touch with the taste and fashion of the customers, a constant renewal of design is required. It is very necessary to design the products
for making the consumers attracted towards it. **PRODUCT MODIFICATION** An adjustment in one or more of a product's characteristics. It is most likely to be employed in the maturity stage of the product life cycle to give a brand a competitive advantage. Product line extensions represent new sizes, flavors, or packaging. This approach to altering a product mix entails less risk than developing a new product. There are three major ways of product modification, i.e. quality modifications, functional modifications, and style modifications. (1) **Quality modifications:** These are changes that relate to a product's dependability and durability and usually are executed by alterations in the materials or production process employed. Reducing a product's quality may allow an organization to lower the price and direct the item at a larger target market. The quality of a product may give a firm an advantage over competing brands and may allow the firm to charge a higher price because of increased quality. Or the firm may be forced to charge more because of higher costs to achieve the increased quality. (2) **Functional modifications:** Changes that affect a product's versatility, effectiveness, convenience, or safety are called functional modifications. They usually require redesigning the product. Functional modifications can make a product useful to more people, which enlarges the market for it. This type of change can place a product in a favorable competitive position by providing benefits not offered by
competing items. Functional modifications can also help an organization to achieve and maintain a progressive image. (3) Style modifications: Style modifications are directed at changing the sensory appeal of a product by altering its taste, texture, sound, smell, or visual characteristics. Since a buyer's purchase decision is affected by how the product looks, smells, tastes, feels, or sounds, a style modification may have a definite impact on purchases. Through style modifications a firm can differentiate its product from competing brands and perhaps gain a sizable market share for this unique product. The major drawback in using style modifications is that their value is determined subjectively. Although a firm may modify a product to improve the product's style, customers may find the modified product to be less appealing. NEW PRODUCT DEVELOPMENT New product development is a task taken by the company to introduce newer products in the market. Regularly there will arise a need in the business for new product development. Your existing products may be technologically outdated, you have different segments to target or you want to cannibalize an existing product. In such cases, New product development is the answer for the company. There are 7 stages of new product development and they are as follows. 1) Idea generation In this you are basically involved in the systematic search for new product Ideas. A company has to generate many ideas in order to find one that is worth
pursuing. The Major sources of new product ideas include internal sources, customers, competitors, distributors and suppliers. Almost 55% of all new product ideas come from internal sources according to one study. Companies like 3M and Toyota have put in special incentive programs or their employees to come up with workable ideas. Almost 28% of new product ideas come from watching and listening to customers. Customers: even create new products on their own, and companies can benefit by finding these products and putting them on the market. Example – Pillsbury gets promising new products from its annual Bake-off. One of Pillsbury’s four cake mix lines and several variations of another came directly from Bake-Off winners’ recipes. 2) Idea Screening The second step in New product development is Idea screening. The purpose of idea generation is to create a large pool of ideas. The purpose of this stage is to pare these down to those that are genuinely worth pursuing. Companies have different methods for doing this from product review committees to formal market research. It is helpful at this stage to have a checklist that can be used to rate each idea based on the factors required for successfully launching the product in the marketplace and their relative importance. Against these, management can assess how well the idea fits with the company’s marketing skills and experience and other capabilities. Finally, the management can obtain an overall rating of the company’s ability to launch the
product successfully. 3) Concept Development and Testing The third step in New product development is Concept Development and Testing. An attractive idea has to be developed into a Product concept. As opposed to a product idea that is an idea for a product that the company can see itself marketing to customers, a product concept is a detailed version of the idea stated in meaningful consumer terms. This is different again from a product image, which is the consumers’ perception of an actual or potential product. Once the concepts are developed, these need to be tested with consumers either symbolically or physically. For some concept tests, a word or a picture may be sufficient, however, a physical presentation will increase the reliability of the concept test. After being exposed to the concept, consumers are asked to respond to it by answering a set of questions designed to help the company decide which concept has the strongest appeal. The company can then project these findings to the full market to estimate sales volume. 4) Marketing Strategy Development This is the next step in new product development. The strategy statement consists of three parts: the first part describes the target market, the planned product positioning and the sales, market share and profit goals for the first few years. The second part outlines the product’s planned price, distribution, and marketing budget for the first year. The third part of the marketing strategy statement describes the planned long-run
sales, profit goals, and the marketing mix strategy. Business Analysis – Once the management has decided on the marketing strategy, it can evaluate the attractiveness of the business proposal. Business analysis involves the review of projected sales, costs and profits to find out whether they satisfy a company’s objectives. If they do, the product can move to the product development stage. 5) Product Development Here, R&D or engineering develops the product concept into a physical product. This step calls for a large investment. It will show whether the product idea can be developed into a full-fledged workable product. First, R&D will develop prototypes that will satisfy and excite customers and that can be produced quickly and at budgeted costs. When the prototypes are ready, they must be tested. Functional tests are then conducted under laboratory and field conditions to ascertain whether the product performs safely and effectively. 6) Test Marketing If the product passes the functional tests, the next step is test marketing: the stage at which the product and the marketing program are introduced to a more realistic market settings. Test marketing gives the marketer an opportunity to tweak the marketing mix before the going into the expense of a product launch. The amount of test marketing varies with the type of product. Costs of test marketing can be enormous and it can also allow competitors to launch a “me-too” product or even sabotage the testing so that the marketer gets skewed results.
Hence, at times, management may decide to do away with this stage and proceed straight to the next one: 7)

Commercialization The final step in new product development is Commercialization. Introducing the product to the market – it will face high costs for manufacturing and advertising and promotion. The company will have to decide on the timing of the launch (seasonality) and the location (whether regional, national or international). This depends a lot on the ability of the company to bear risk and the reach of its distribution network. Today, in order to increase speed to market, many companies are dropping this sequential approach to development and are adopting the faster, more flexible, simultaneous development approach. Under this approach, many company departments work closely together, overlapping the steps in the product development process to save time and increase effectiveness. Above was the complete process of New product development. You can also read this related article on why new product development is necessary for survival.

PRODUCT INNOVATION Is defined as the development of new products, changes in design of established products, or use of new materials or components in the manufacture of established products. Numerous examples of product innovation include introducing new products, enhanced quality and improving its overall performance. Product innovation, alongside cost-cutting innovation and process innovation, are
three different classifications of innovation which aim to develop a company's production methods. Thus product innovation can be divided into two categories of innovation: radical innovation which aims at developing a new product, and incremental innovation which aims at improving existing products. Advantages of product innovation include: • Growth, expansion and gaining a competitive advantage: A business that is capable of differentiating their product from other businesses in the same industry to large extent will be able to reap profits. This can be applied to how smaller businesses can use product innovation to better differentiate their product from others. Product differentiation can be defined as "A marketing process that showcases the differences between products. Differentiation looks to make a product more attractive by contrasting its unique qualities with other competing products. Successful product differentiation creates a competitive advantage for the seller, as customers view these products as unique or superior." Therefore, small businesses that are able to utilize product innovation effectively will be able to expand and grow into larger businesses, while gaining a competitive advantage over its remaining competitors. • Brand switching: Businesses that once again are able to successfully utilize product innovation will thus entice customers from rival brands to buy its product instead as it becomes more attractive to the customer.[6] One example of successful product innovation
that have led to brand switching are the introduction of the iPhone to the mobile phone industry (which has caused mobile phone users to switch from Nokia, Motorola, Sony Ericsson, etc. to the Apple iPhone). Disadvantages of product innovation include: • Counter Effect of Product Innovation: Not all businesses/ competitors do not always create products/ resources from scratch, but rather substitute different resources to create productive innovation and this could have an opposite effect of what the business/ competitor is trying to do. Thus, some of these businesses/ competitors could be driven out of the industry and will not last long enough to enhance their product during their time in the industry.