

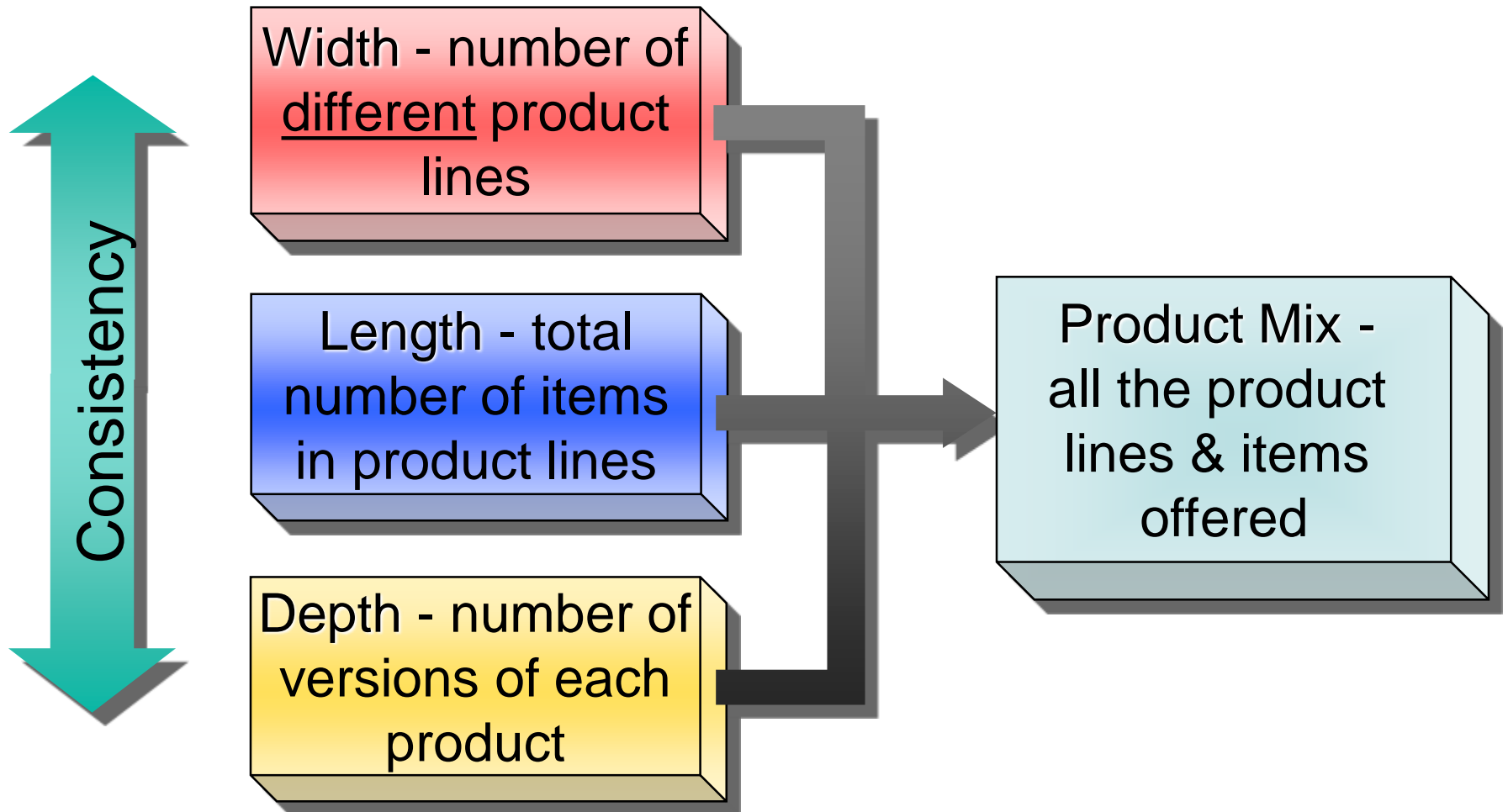
PRODUCT LINE

A group of product items that are closely related in terms of

- function in a similar manner
- are intended for similar uses
- mostly sold to similar customer groups
- are marketed through the same channel
- fall within a given price range

Ex.: Hindustan Lever - soap, shampoo, toothpaste, detergent powder ... constitute different Product Lines

PRODUCT MIX DECISIONS



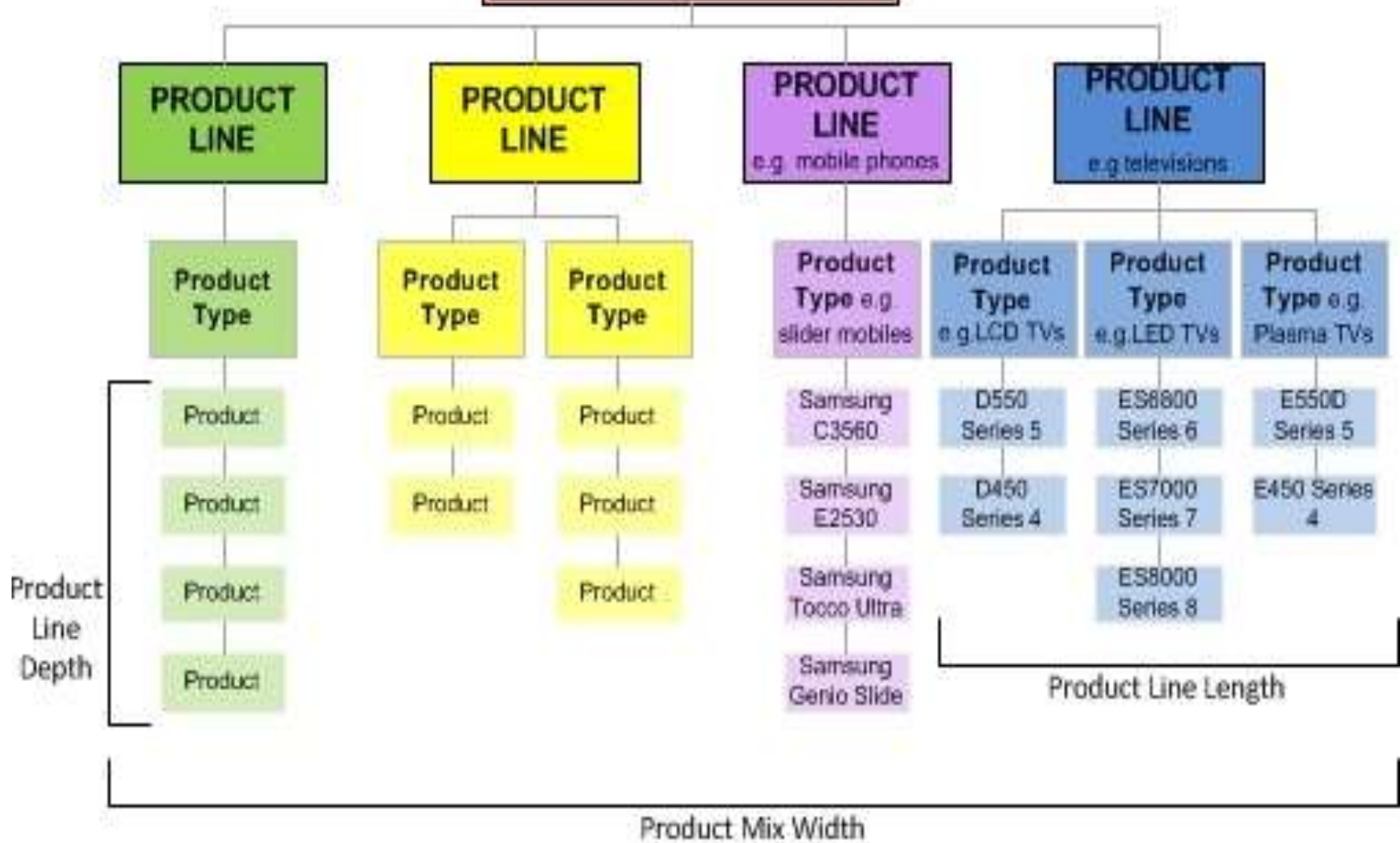
PRODUCT MIX DECISIONS

Product mix is the complete assortment of products offered by a company for sale

Product mix comprises of the following:

- **Width:** refers to the number of different product lines the company carries. As mentioned in the previous example, Colgate has 3 product lines. Thus, it has a rather limited width.
- **Depth:** It refers to the number of versions offered for each product in the product line. For instance, Colgate toothpastes come in several tastes and variations.
- **Length:** refers to the total number of items a company carries within the product lines. For instance, Colgate carries several different brands within each line. In Colgate's oral care product line, several different categories of toothpastes can be identified. A car manufacturer may have several series in its car product line, such as 3-series, 5-series, and 7-series.
- **Consistency:** refers to how closely related are the product lines in terms of users, usage, product category, production, distribution etc.

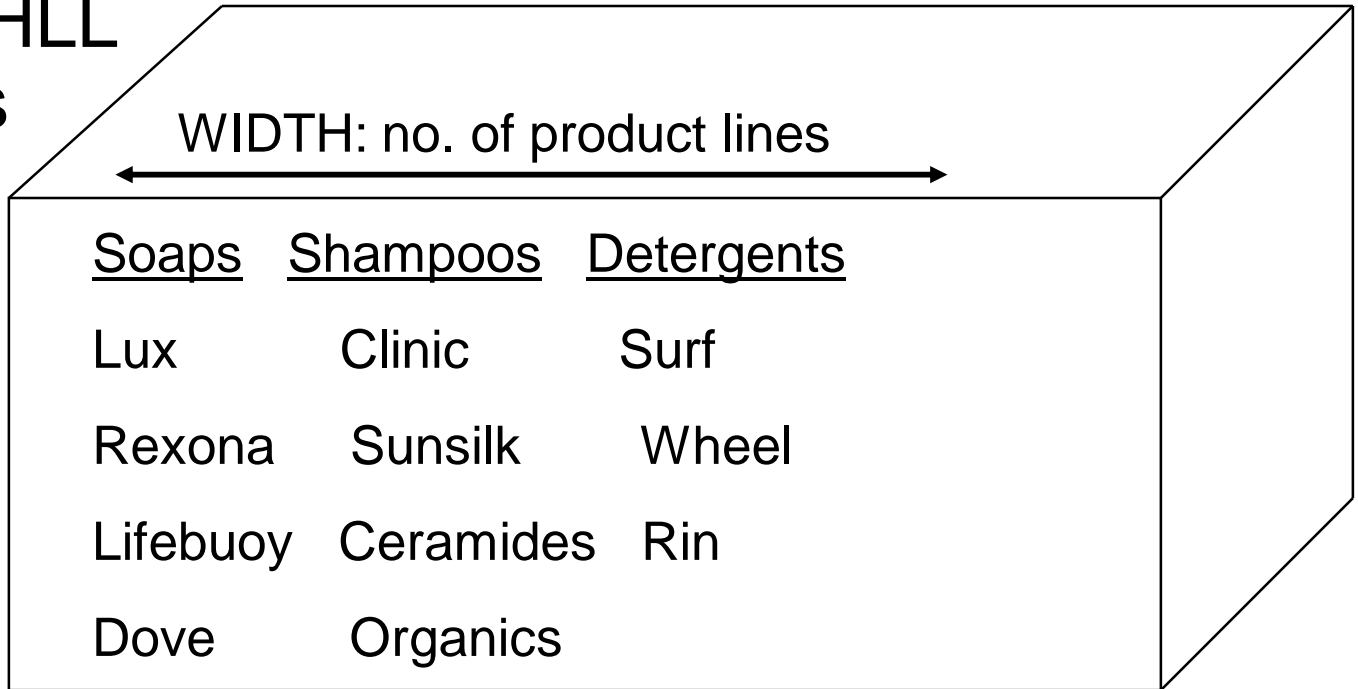
PRODUCT MIX



PRODUCT MIX DECISIONS

Example: HLL
products

DEPTH: Total items
in a product line



LENGTH: Sum total of all items: variants,
packsizes etc in all product lines

PRODUCT LINE

Some Product Lines of HLL:

Soaps

Rexona (Sndlwd)

Rexona Pln

Liril Lime

Liril Cologne

Lux Intl

Lux Beauty soap

Lifebuoy plus

Lifebuoy gold

Lifebuoy liquid

Lifebuoy plain

Dove

Le Sancy

Shampoos

Clinic Plus

Clinic Active

Sunsilk pln

Sunsilkceramides

Organics

Lux

Detergents

Surf Ultramatic

Surf Easywash

Surf Ultra

Surf exel

Wheel Powder

Wheel cake

Toothpaste

Close up blue

Close Up red

Close Up green

Pepsodent

Mentadent G

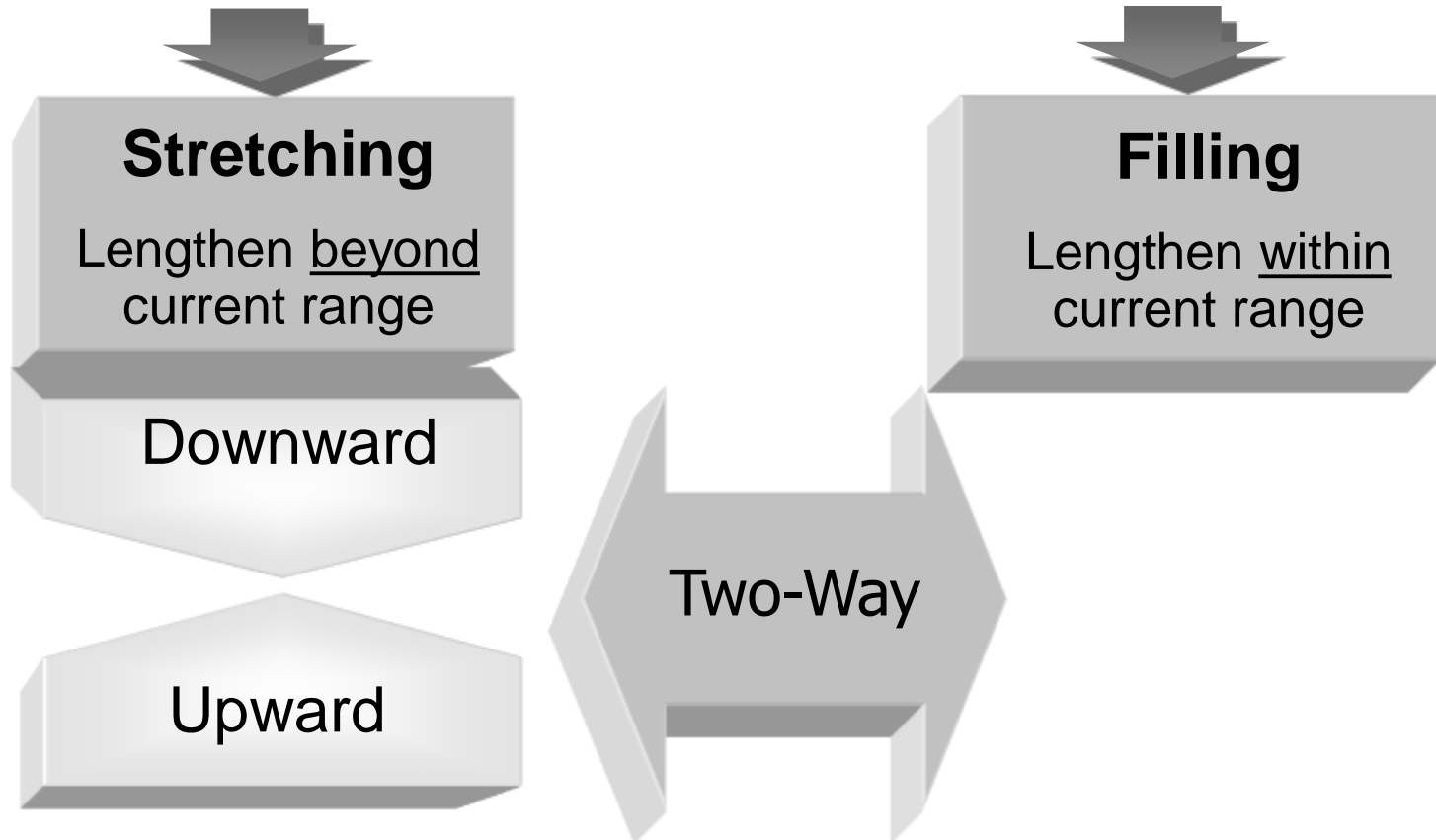
MANAGING THE PRODUCT LINE

To manage the product line, a company can choose from the following strategies

- Managing product line length strategies
- Line Modernization strategy
- Line Pruning strategy

PRODUCT LINE LENGTH

**Product Line / Length
Number of Items in the
Product Line**



LINE STRETCHING

Line Stretching

When a company adds to its product line, beyond the current range

Line stretch can be upwards, downwards or both ways and helps in adding new customer segments

e.g.: HLL: Wheel - downward stretch

Surf Ultra - upward stretch

LINE STRETCHING

Reasons:

- To plug a gap in the product line and ward off competitor's entry
- To increase customer base by targeting a different segments
- For higher growth rates and increasing market share

LINE FILLING

Line Filling

Accomplished by adding more variants/items within the present range

e.g.: Lifebuoy plus, Lifebuoy Gold, Lifebuoy liquid

Reasons:

- For increasing sales
- For flanking the products from competitor assault
- Utilising excess production capacities
- Providing trade members a full range of products

LINE PRUNING STRATEGY

Line Pruning

A strategy when a product is eliminated from product line

Reasons:

- To weed out low profit products
- To deliberately discontinue an obsolete product
- To utilise the limited production resources for higher profit generating products only

LINE MODERNISING STRATEGY

Line modernisation strategy is:

When a product needs to be modernized or upgraded to incorporate any changes in technology or changing customer needs

e.g. Pentium modernized or upgraded with MMX / Dual Core technology

Reasons:

- To keep up with the changes in the market
- To continuously improve on the product to gain more customers
- To upgrade the customers to a new/ latest model

PRODUCT MIX MANAGEMENT

To manage the overall product mix, companies consider the following options:

1. Product Mix Expansion

Existing product mix is expanded by

- Increasing depth of the product line
- Increasing number of product lines
- diversifying into new categories / segments

This strategy helps in expanding customer base, increasing sales and blocking competition assaults

PRODUCT MIX MANAGEMENT

2. Product Mix Alteration

Items in existing product mix continuously improved to expand the market and upgrade users

Alteration could be done in any component of product (packaging, features, style, size or enhancing performance etc)

3. Product Mix Contraction

Reducing or thinning out of product mix i.e., eliminating product lines or items in a product line

Done by discontinuing low profit making or Maturity stage products