

Chapter 30 Product Planning

Section 30.2 Sustaining Product Sales

Review Key Concepts

1. In product positioning, a business attempts to identify, place, and sell its products in the marketplace. In order to properly position products, businesses must identify customer needs and determine how their products compare to the competition.
2. During the growth stage, the business works to build brand preference and increase market share. It may enter into price competition with other businesses with similar products, introduce new models, or modify the existing product to offer more benefits than the competition.
3. During the decline stage, the business might reduce advertising and promotional costs to maximize profits, or even delete the product entirely from its product mix. Other strategies are to sell or license the product, recommit to the product line, discount the product, regionalize the product, and update or alter the product.

Practice Academics

English Language Arts

4. Students should write a one-page report identifying a popular consumer product, its manufacturer, when it was introduced, and its features and benefits. Answers will vary depending on the product selected. For example, the George Foreman Grill® was introduced in 1994. It entered the indoor grilling market early. It has continued to grow as the company added grills of various sizes, built on customers' growing desire to cook and eat healthy foods, and consistently added new features. Today's George Foreman Grills are available at a variety of stores, including department stores, discount stores, and on the Web.

Mathematics

5. Product A is less profitable and should be deleted. Product A: $90 - (45 + 2.30) \times 22,500 = \$960,750$; Product B: $(74 - [36 + 4.50]) \times 51,000 = \$1,708,500$