



RAMA UNIVERSITY

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E-Content BBA402- Marketing Management

Lecture 20- Product Portfolio management

Prepared by:- Mr. Raj Kumar, Assistant Professor, Faculty of commerce and management, Rama University Kanpur

Product Portfolio Management

- Product portfolio management requires marketers to consider each product individually but also understand the way the products fit together collectively



Portfolio Management Strategies

- In order to optimize the product portfolio, marketers may:
- Change the marketing mix for a product
 - Change the product
 - Reposition the product
- Change a product line
 - Line extension
- Delete products
- Introduce new products

Considerations in Line Extension

- Can the new product support itself?
- Will it cannibalize existing products?
- Will existing outlets be willing to stock it?
- Will competitors fill the gap if we do not?
- What will happen if we do not act?





Beyond Line Extension

- Product proliferation
- Brand extension
- Private branding

Reasons for Product Deletion

- Product is losing money
- Product-line simplification can prevent internal competition and consumer confusion.
- Company's productive, financial, and marketing resources are spread too thin
- Problem products absorb too much management attention
- Missed-opportunity costs