- Limit sudden changes in sales.
- Make customers faithful to the brands.

Product Re-positioning Strategy

- **Definition**: Reviewing the current positioning of the product and its marketing mix and seeking a new position for it that seems more appropriate.
- **Objectives**: (a) To increase the life of the product. (b) To correct an original positioning mistake.
- **Requirements:**
  - If this strategy is directed toward existing customers, repositioning is sought through promotion of more varied uses of the product.
  - If the business unit wants to reach new users, this strategy requires that the product be presented with a different twist to the people who have not been favorably inclined toward it. In doing so, care should be taken to see that, in the process of enticing new customers, current ones are not alienated.
  - If this strategy aims at presenting new uses of the product, it requires searching for latent uses of the product, if any. Although all products may not have latent uses, there are products that may be used for purposes not originally intended.
- **Expected Results:**
  - Among existing customers: increase in sales growth and profitability.
  - Among new users: enlargement of the overall market, thus putting the product on a growth route, and increased profitability.
  - New product uses: increased sales, market share, and profitability.

Product Overlap Strategy

- **Definition**: Competing against one's own brand through introduction of competing products, use of private labeling, and selling to original-equipment manufacturers.
- **Objectives:** Product overlap strategies can include selling similar goods in different markets, regions or international countries. For example, a company may sell widgets and cogs; both offer extremely similar consumer benefits. However, the company may sell widgets in the United States and cogs in Canada.
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- **(a)** To attract more customers to the product and thereby increase the overall market.
- (b) To work at full capacity and spread overhead.
- (c) To sell to competitors; to realize economies of scale and cost reduction.

- **Requirements:**
  - (a) Each competing product must have its own marketing organization to compete in the market.
  - (b) Private brands should not become profit drains.
  - (c) Each brand should find its special niche in the market. If that doesn't happen, it will create confusion among customers and sales will be hurt.
  - (d) In the long run, one of the brands may be withdrawn, yielding its position to the other brand
- **Expected Results:**
  - Increased market share.
  - Increased growth.

Product Scope Strategy

- **Definition**: The product-scope strategy deals with the perspectives of the product mix of a company. The product-scope strategy is determined by taking into account the overall mission of the business unit. The company may adopt a single-product strategy, a multiple-product strategy, or a system-of-products strategy.
- **Objectives:**
  - Single product: to increase economies of scale by developing specialization.
  - Multiple products: to cover the risk of potential obsolescence of the single product by adding additional products.
  - System of products: to increase the dependence of the customer on the company's products as well as to prevent competitors from moving into the market.
- **Requirements:**
  - (a) Single product: company must stay up-to-date on the product and even become the technology leader to avoid obsolescence.
  - (b) Multiple products: products must complement one another in a portfolio of products.

- (c) System of products: company must have a close understanding of customer needs and uses of the products.

- **Expected Results:** Increased growth, market share, and profits with all three strategies. With system-of-products strategy, the company achieves monopolistic control over the market, which may lead to some problems with the Justice Department, and enlarges the concept of its product/market opportunities.

Product Design Strategy

- **Definition**: The product-design strategy deals with the degree of standardization of a product. The company has a choice among the following strategic options: standard product, customized product, and standard product with modifications.
- **Objectives:**
  - Standard product: to increase economies of scale of the company.
  - Customized product: to compete against mass producers of standardized products through product-design flexibility.
  - Standard product with modifications: to combine the benefits of the two previous strategies.
  - Requirements:
  - Close analysis of product/market perspectives and environmental
  - Changes, especially technological changes.
- **Expected Results:**
  - Increase in growth, market share, and profits. In addition, the
  - third strategy allows the company to keep close contacts with the market and
  - Gain experience in developing new standard products.

Product Elimination Strategy

- **Definition**: Cuts in the composition of a company's business unit product portfolio by pruning the number of products within a line or by totally divesting a division or business.
- **Objectives:**
  - To eliminate undesirable products because their contribution to fixed cost and profit is too low,

- Eliminate Products that its future performance looks grim, or because they do not fit in the business's overall strategy.
- The product elimination strategy aims at shaping the best possible mix of products and balancing the total business.
- Requirements:
- No special resources are required to eliminate a product or a division.
- However, because it is impossible to reverse the decision once the elimination

- **Requirements:**
  - No special resources are required to eliminate a product or a division.
  - An in-depth analysis must be done to determine
    - (a) the causes of current problems;
    - (b) The possible alternatives, other than elimination, that may solve problems (e.g., Are any improvements in the marketing mix possible?);
    - (c) The repercussions that elimination may have on remaining products or units.
    - Expected Results:
  - In the short run, cost savings from production runs, reduced
  - inventories, and in some cases an improved return on investment can be
  - Expected. In the long run, the sales of the remaining products may increase because more efforts are now concentrated on them.

New Product Strategy

- **Definition:** A set of operations that introduces (a) within the business, a product new to its previous line of products; (b) on the market, a product that provides a new type of satisfaction. Three alternatives emerge from the above: product improvement/modification, product imitation, and product innovation.
- **Objectives**: To meet new needs and to sustain competitive pressures on existing products. In the first case, the new-product strategy is an offensive one; in the second case, it is a defensive one.
- **Requirements:** A new-product strategy is difficult to implement if a "new product development system" does not exist within a company. Five components of this system should be assessed: