

Commercial Management

Lecturer : Dr. Leul Girma



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Course & Class Information

Course: Commercial Management

Business Administration / Management Credits: 6 ECTS

Mode: **Onsite / Blended**

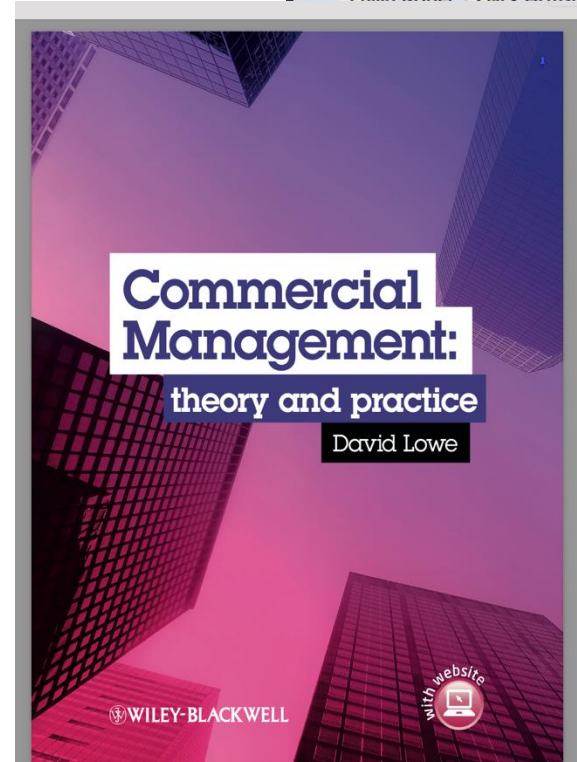
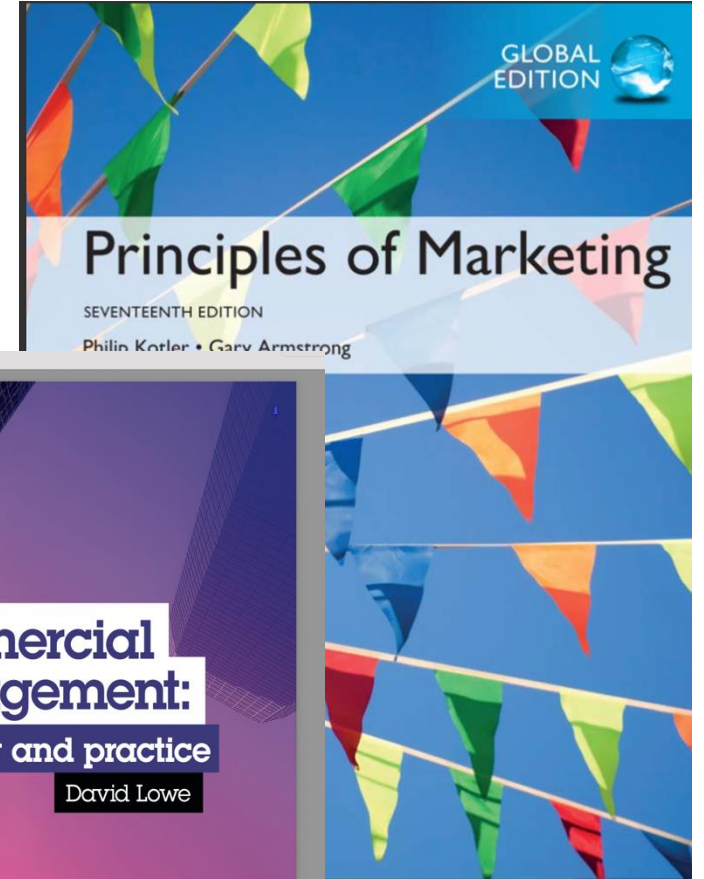
Class 11: Product Development, Branding

Lecturer: Dr. Leul Girma

Main Teaching & Learning Materials

Core textbook

- Principles of Management
- Principles of Marketing
- Case studies and real-world examples
- Academic articles and selected readings



Objective and Learning Outcomes

Objective:

To develop understanding of **product and brand strategy** , including **product development, branding, and positioning** , and how they drive **competitive advantage** and **customer loyalty**.

By the end of this class, students will be able to:

- Explain the key stages of product development
- Define brand and brand strategy components
- Apply brand positioning techniques to differentiate products
- Analyze the product life cycle and its strategic implications
- Create a simple brand positioning statement

I Product Strategy

What is Product Strategy?

Product strategy defines **the vision, development roadmap, and market positioning** of a product ensuring that **product decisions align with business goals and customer needs** (Bright et al., 2019).



It focuses on:

- **Target customer segments:** who the product serves
- **Value proposition:** what problem the product solves
- **Product roadmap:** timeline of features and improvements
- **Go-to-market plan:** how the product reaches customers

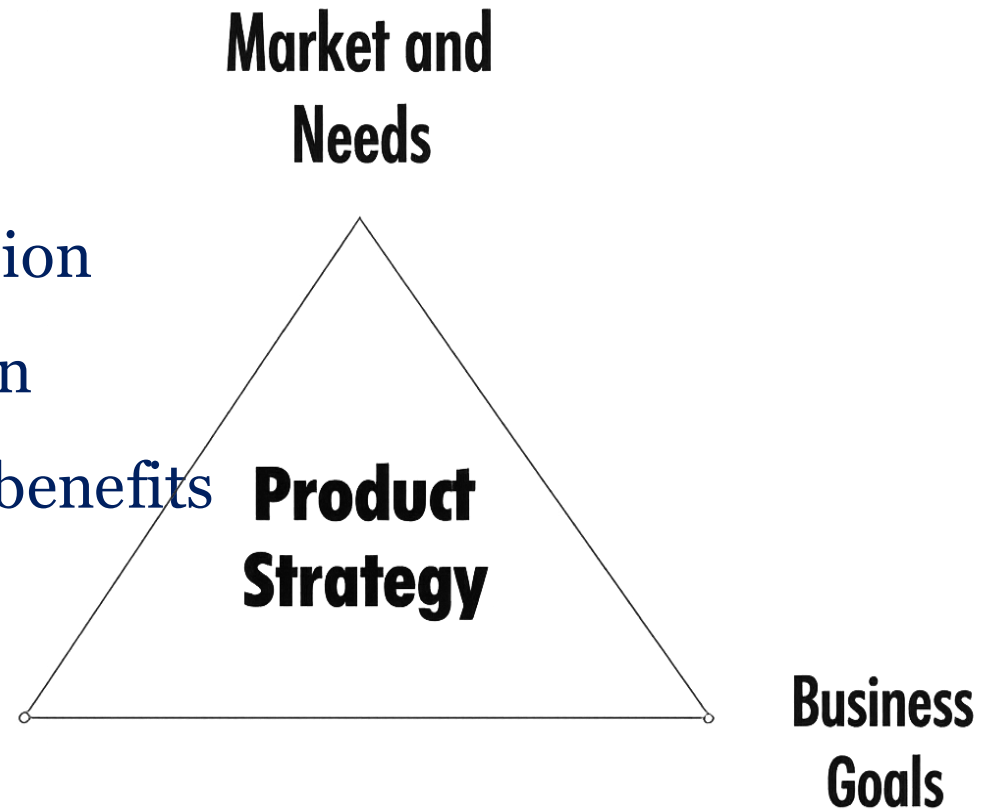
Main Components of Product Strategy

Product strategy is structured through **core components** that translate business objectives into **product decisions and measurable outcomes** (Bright et al., 2019).

It focuses on:

- **Product vision:** long-term purpose and direction
- **Market analysis:** customer needs, competition
- **Product differentiation:** unique features or benefits
- **Pricing and positioning:** value-based
-

Key Features,
Differentiators

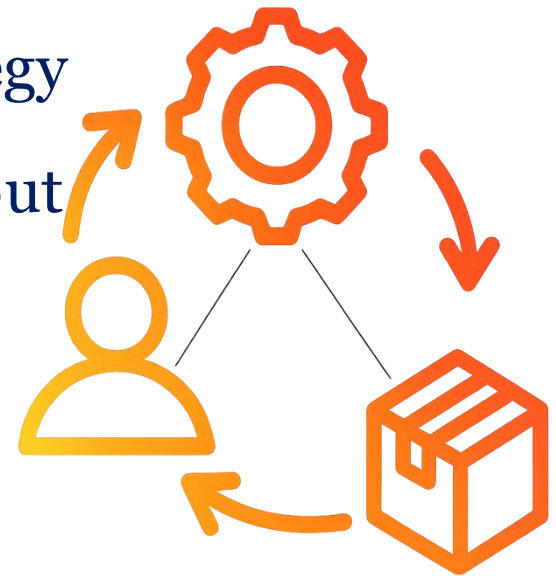


The Product Development Process

Product development follows a **structured process** from **idea generation to market launch** ensuring that new products meet customer needs and business targets (Kotler et al., 2017)

It focuses on:

1. **Idea generation:** internal brainstorming and customer feedback
2. **Concept screening:** feasibility, cost, and alignment with strategy
3. **Prototyping and testing:** develop samples and gather user input
4. **Market launch:** roll out through selected channels
4. **Post-launch review:** monitor performance and iterate



Types of Product Development

Product development can be categorized into **new products** (entirely new to the market) and **improved products** (enhancements to existing offerings) each with **different risks and investment levels** (Jobber & Ellis-Chadwick, 2020).

It focuses on:

- **New-to-market products:** high risk, high potential reward
- **New product lines:** expand into unfamiliar categories
- **Additions to existing lines:** complement current products
- **Improvements/revisions:** better features, quality, or design
- **Cost reductions:** same value at lower cost



II

Brand Strategy

What is a Brand?

A **brand** is a **name, term, design, symbol, or combination** that identifies a seller's products and **differentiates them from competitors** creating **emotional and functional associations** in the customer's mind (Bright et al., 2019).



Key brand elements include:

- Brand name (e.g., Nike, Apple)
- Logo and visual identity
- Slogan or tagline
- Brand personality and values
- Customer experience and reputation

Key Components of Brand Strategy

Brand strategy defines **how a brand is built, communicated, and managed** over time to **create loyalty and competitive advantage** (Kotler et al., 2017).

Core components are:

- **Brand purpose:** why the brand exists
- **Brand identity:** how the brand looks and feels
- **Brand promise:** what customers can expect
- **Brand voice:** tone and style of communication
- **Brand architecture:** relationship between parent brand and sub-brands



The Brand Building Process

Building a strong brand follows **sequential stages** from awareness to loyalty requiring **consistent investment and customer engagement** (Jobber & Ellis-Chadwick, 2020).

Stages of brand building:

- **Brand awareness:** customers recognize the brand
- **Brand knowledge:** customers understand what the brand stands for
- **Brand preference:** customers choose the brand over alternatives
- **Brand loyalty:** customers repurchase and recommend
- **Brand advocacy:** customers actively promote the brand



Brand Positioning

Brand positioning is the **act of designing the brand's offer and image** to occupy a **distinct and valued place** in the target customer's mind relative to competitors (Kotler et al., 2017).

Steps to define brand positioning:

- Identify target market segment
- Analyze competitor positions
- Choose a unique benefit or attribute
- Create a positioning statement
- Align all marketing activities to reinforce that position



Brand Equity and Brand Loyalty

Brand equity is the **commercial value** that a brand adds to a product beyond its functional benefits. **Brand loyalty** is the **consistent preference** for one brand over others (Bright et al., 2019)

Brand Equity	Brand Loyalty
Added Value (Premium)	Repeat Purchase (Retention)
Market Advantage (Positioning)	Brand Preference (Commitment)
Brand Strength (Awareness)	Emotional Attachment (Trust)
Competitive Asset (Differentiation)	Low Switching (Resistance)
Price Premium (Profitability)	Positive Recommendations (Advocacy)
Long-Term Value (Sustainability)	Customer Relationship (Engagement)

Key Takeaways

Bright, D. S. et al. (2019). Principles of Management. OpenStax.

Kotler, P., Keller, K. L., Brady, M., Goodman, M., & Hansen, T. (2017). Marketing Management. Pearson.

Aaker, D. A. (2009). Managing Brand Equity. Free Press.

Keller, K. L. (2013). Strategic Brand Management. Pearson.

Chaffey, D., & Ellis-Chadwick, F. (2019). Digital Marketing. Pearson.

Further reading

Adler, R. B., Rodman, G., & du Pré, A. (2013). Understanding Human Communication

Clampitt, P. G. (2016). Communicating for Managerial Effectiveness

Robbins, S. P., & Judge, T. A. (2017). Organizational Behavior

Robbins, S. P., & Coulter, M. (2018). Management

Shannon, C. E., & Weaver, W. (1949). The Mathematical Theory of Communication

Thank you



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