

Commercial and Marketing Management

Lecturer : Dr. Leul Girma



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Course & Class Information

Course: Commercial and Marketing Management

Business Administration / Management Credits: 6 ECTS

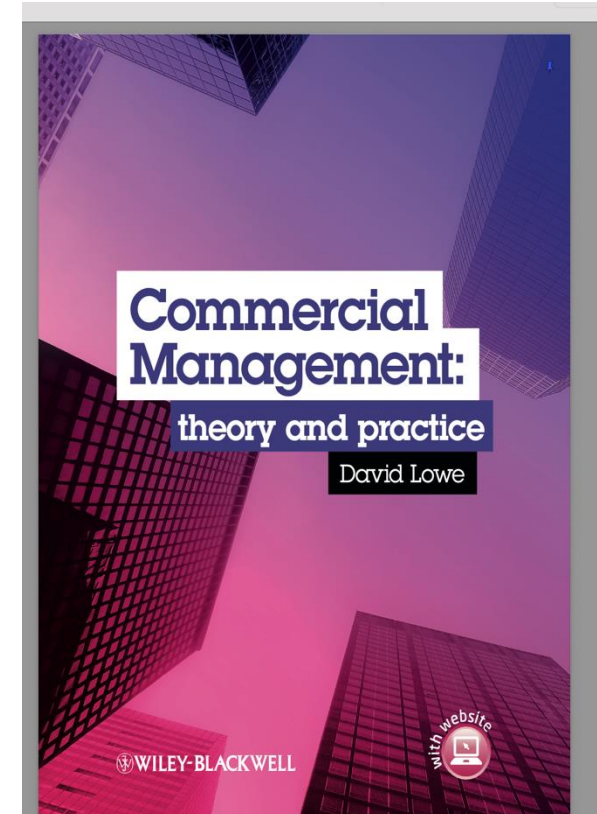
Mode: **Onsite / Blended**

Class 3: Product Development, Branding, and Positioning

Lecturer: Dr. Leul Girma

Main Teaching & Learning Materials

- Core textbook : Commercial Management theory and practice © 2013 David Lowe
- Academic articles
- Real company cases



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

Product and Brand 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



Key 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, and trends
- **Product differentiation:** unique features or benefits
- **Pricing and positioning:** value-based pricing and market fit
- **Success metrics:** sales, market share, customer satisfaction



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



Product and 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

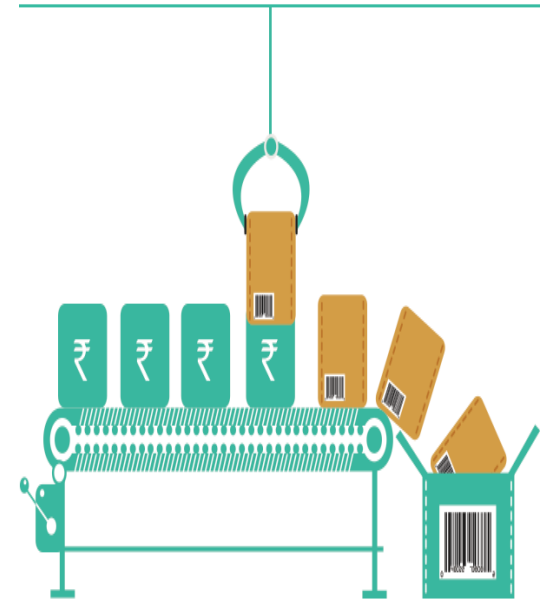


The Brand Building Process

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



Product and Brand Strategy

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)



Key elements of brand equity:

- Brand awareness
- Perceived quality
- Brand associations
- Brand loyalty
- Other proprietary assets (patents, trademarks)

Differentiation and Value Proposition

Differentiation is the **act of distinguishing a product or brand** from competitors through unique features, benefits, or emotional connections. A **value proposition** is the **full mix of benefits** that a company promises to deliver (Kotler et al., 2017).

Ways to differentiate:

- Product features and performance
- Service quality and speed
- Brand image and personality
- Price and perceived value
- Customer experience



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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