

Using Marketing Research To Develop Successful Product Lines

By *THE MARKETING ANALYSTS*

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Marketing Research: answer questions “What is the best set of SKU’s that will maximize profits?”, “What is the most efficient combination of SKUs?” and “What should the priority be when offering new SKU’s?”

Most organizations market more than one product. For example, Unilever, a giant consumer products manufacturer, may offer one of its shampoos in a variety of scents. From a marketing perspective, a company’s product line is the group of products that are closely related. For instance, products may be similar in a broad sense because of product class. Proctor & Gamble has a food products line, a paper products line and a cleaning products line. Products within a line may perform a particular function such as laundry care. A product line could also be identified by price points and by distribution channel strategies. For example, the Kenmore brand of appliances is only available through Sears.

Strategic Product Line Management - <http://www.themarketinganalysts.com/en/pages/strategic-product-line-assortment-sku-management/>

When developing a new product line or evaluating an existing product line, there are several factors to consider. For example, what variables should be used to distinguish one product from another? Many companies find it useful to distinguish between lines using a good-better-best approach. For example, Lennox Industries, a manufacturer of heating and cooling equipment (HVAC) has a builder grade line (entry level \$), a standard line (good \$\$) and their Signature line (best \$\$\$). As another example, Dr. Pepper offers a diet line of soft drinks and a regular line of soft drinks.

Because a company may offer several classifications of products and define its various product lines in many ways, there is a real need for a term that encompasses all offerings from an organization. That term is the product mix. For instance, Samsung manufactures and sells televisions, mobile phones, monitors, Blu-ray players, cameras, heavy equipment, ships and more. The term width of product mix is used to identify the extent of product lines associated with a company’s firm regardless of how diverse or narrow it might be.

Product Line Decisions & SKU Reduction

In many companies, marketing departments have launched too many new products that offer little differentiation and provide no incremental profit. In addition to development and marketing costs, the cost to warehouse, distribute and continue to promote these items can be equally expensive and inefficient. You can easily understand the challenges facing product managers when you factor in additional challenges that include retail space limitations, slotting fees, stock-outs and gaining visibility. As a result, there is a tremendous need for better decision-making relating to new product development, sku rationalization and sku reduction.

Strategic Product Line Planning & Marketing Research - www.themarketinganalysts.com

To solve the problem, THE MARKETING ANALYSTS offers proactive marketing research techniques to determine if the amount of differentiation of a new SKU offers incremental value. This type of research provides extremely valuable results when planning a SKU based on new flavors, colors, scents, sizes, etc.). Our marketing research techniques provide answers to questions like “What is the best set of product combinations (SKU’s) that will maximize profitability?”, “What is the most efficient combination of SKUs

to offer that maximizes the differences between SKU's and avoids perceived similarity?" and "What should the priority be when offering new SKU's?" Most importantly, our approach provides manufacturers with the answers they need before investing in product development and marketing launch strategies.

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THE MARKETING ANALYSTS is a seasoned team of respected Marketing Ph.D's, experienced Marketing Managers, Computer Scientists, and Statisticians who have worked with leading consumer products companies and business-to-business companies. With our team and technological strengths, we outweigh firms many times our size.

Our goal at THE MARKETING ANALYSTS is developing long-term relationships with our customers. By considering our customers' needs and combining that with our groundbreaking approaches, we develop superior marketing solutions.

Our strategic mix of marketing-based services includes:

Quantitative Services: Analytical Marketing Research, Predictive Marketing Models, Advanced segmentation, Predictive Data Mining and AI

Web Design & Development: Search Engine Optimization (SEO), Predictive Ad Response, Content Management Systems (CMS)

Language Translation Service: Website Localization, Technical Document Translation

Category	Business, Manufacturing, Marketing
Tags	marketing research, product line, sku reduction
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