**Product Mix**

Product lines that are set up by customer group contain products that appeal to a certain market, such as the consumer market or the industrial market. Trading up is a product-mix strategy in which a business adds a higher-priced product or product line to its product mix. Depth is a product-mix dimension referring to the number of products and the assortments of sizes, colors, and models offered in a product line. Width is a product-mix dimension referring to the number of product lines a company carries.

A product-mix strategy in which a business adds a higher priced product or product line to its product mix is trading-up. Trading-down is a product-mix strategy in which a business adds a lower priced product or product line to its product mix. Positioning is a product-mix strategy in which a business creates a certain image or impression of a product in the minds of consumers. Alteration is a product-mix strategy in which a business makes changes to its product or product lines.

A small, specialized business may carry only a few lines of goods but offer a variety of colors, sizes, styles, and prices in those lines. Offering a variety of lines and prices would require a large inventory, which would be financially difficult for a small business. Low-turnover or low-profit items would not generate enough sales or profits to give the business the best opportunity for success.

A product line is a group of related product items. Notebooks, scratch pads, and stationery are all paper products. A double cheeseburger and an automobile tire are examples of product items. A product item is an individual good, service, or idea that a business offers for sale. Candy, games, and shampoo are product items that might be part of a business's product mix—the assortment of products that a business offers in order to meet its market's needs and its company's goals.

When a business adds product items or lines to its product mix, it is using the product-mix strategy of expansion. Contraction is a product-mix strategy in which a business removes, or deletes, product items or product lines from its product mix. Alteration is a product-mix strategy in which a business makes changes to its products or product lines. Trading up is a product-mix strategy in which a business adds higher-priced product items or lines to its mix.

**Positioning products/services**

The marketing elements of price and product are being used to position the product by emphasizing the quality that is available at a high price. The business is combining product and price. The business is not using promotion or place to position the product.

One way marketers position goods and services in the marketplace is by emphasizing their benefits. The marketers emphasize how the product is different from other similar products. A new concept such as tissues containing lotion is appealing to people during flu and cold season or for those who have allergies. The tissues are softer and less likely to irritate the skin. Therefore, emphasis is placed on the benefits of using the product. A new product in the marketplace would not initially experience competition. Price would not likely be used to position the product because product development is very expensive. The product might be more expensive when it is introduced in the marketplace to cover development costs and because there is no competition. Image refers to the way someone or something is viewed by others. Marketers would probably not emphasize the image of disposable products such as tissues.

Luxury car dealers, such as Lexus, often provide their customers with free transportation while their cars are being serviced. However, most mid-priced car dealerships do not usually provide free transportation. A mid-priced car dealer that offers a service that its competitors do not, is setting itself apart in terms of the level of service that it provides. Free transportation does not necessarily emphasize safety, loyalty, or performance.

Quality is a product's degree of excellence. A luxury car, a five-star hotel, and designer clothing are often associated with a high degree of excellence. Product durability and price are also factors that people associate with quality. Competition, market, and skill do not always indicate a product's degree of excellence.

Competitors are the rivals that seek to attract the same scarce customer dollars. Positioning refers to the ways in which a business creates a certain image of a product in consumers' minds. A company that compares its product's benefits and/or attributes to other companies' products is positioning the product against the competition. For example, suppose the XOB Company offers a product warranty for six months longer than the ROP Company, a business that sells a similar warranted product. When XOB compares its warranty with ROP's warranty through its advertising and selling efforts, it is positioning its product in relation to a competitor. The example is not positioning the product in relation to consumers, markets, or applications. Consumers buy the products. Markets are the various groups of customers that a business wants to attract. Application refers to the way something is used, such as a computer program.