

The Product or Service - Outline

1) Description of Products/ Services

a) Description

i) Orientation

ii) Products/ Services sold

iii) Detailed description

(1) core product/ service

(2) branding

(3) packaging/ service displays

(4) labeling/ service descriptor brochures

(5) credibility.

iv) Alignment with Mission?

v) Coordinated portfolio?

b) Price / Quality Relationship

i) Overall relationship –

Low Quality –Low Price	Medium Quality – Low Price	High Quality – Low Price
Low Quality –Medium Price	Medium Quality – Medium Price	High Quality – Medium Price
Low Quality –High Price	Medium Quality – High Price	High Quality – High Price

ii) Competitors

iii) Competitors' price / quality relationships

c) Life Cycle and Seasonal Sales Cycle

i) Product/ service and Industry Life-cycle Stage

My core product or service is in the stage of:

My industry is in the stage of:

ii) Seasonality and Buying Cycle

Quarter I Jan – March	Quarter II April – June	Quarter III July – Sep	Quarter IV Oct - Dec
+	+	+	+
Avg	Avg	Avg	Avg
-	-	-	-

Quarter I Jan – March			Quarter II April – June			Quarter III July – Sep			Quarter IV Oct - Dec		
+			+			+			+		
Avg			Avg			Avg			Avg		
-			-			-			-		
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
+	+	+	+	+	+	+	+	+	+	+	+
Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg
-	-	-	-	-	-	-	-	-	-	-	-

Average Monthly Level (Projected Annual Volume / 12)											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

2) Positioning and Competitive Advantage

a) Competitors

b) Competitor Comparison

i) Please use a simplified rating scale of:

(M) = More Competitive

(A) = Competitively Average

(L) = Less Competitive

Element	You	Comp 1	Comp 2	Comp 3
Appearance of Facility, People				
Customer Payment Flexibility				
Customer Service				
Employee Training Programs				
Industry/ Community Visibility				
Management Strength				
Overall Reputation and Image				
Perceived Stability				
Price				
Product/Service Selection				

Element	You	Comp 1	Comp 2	Comp 3
Promptness/ Availability				
Quality				
Site Location				

- ii) **TOP 5 Priorities**
- c) **Positioning Description**
- 3) **Legal Protection**
 - a) **Legal Protection**
- 4) **Technical / Style Obsolescence**
 - a) **Technical Obsolescence**
 - b) **Style obsolescence**

The Product or Service

1) Description of Products/ Services

a) Description

- i) **Orientation** - (Industrial or Consumer oriented, or both?) Will your products or services be used by consumer or industrial users, or both?
- ii) **Products/ Services sold** (menu list of ALL- may need to categorize if more than a dozen types) In this section you should list all of your products, as perhaps would appear on a menu. If you have less than a dozen products, then you should compile a list of all your product or service offerings. If you have more than a dozen, then you might want to create a list of product or service categories. An example for Burger King might be beverages, side orders, kids meals, burgers, meal deals, and desserts.
- iii) **Detailed description** - Please use the 15 characteristics in the following table – but complete those descriptions **ONLY** for your core product or service. This means that, as an example for Burger King, you might choose the Whopper. Write your description in paragraph form – one paragraph for each section: I) core product/ service; II) branding; III) packaging/ service displays; IV) labeling/ service descriptor brochures; and V) credibility.

Product/ Service Characteristics	Descriptors
I. Core Product/ Service	<ol style="list-style-type: none"> 1. Describe your core product/service in detail: 2. Describe how your product/service is different/ unique from that of your competitors? 3. Is it a convenience, shopping or specialty product/service? 4. What are your customers "really" buying?
II. Branding	<ol style="list-style-type: none"> 5. Describe the product/service brand name, or if generic: 6. Are customers loyal to this brand?
III. Packaging/ Service Displays	<ol style="list-style-type: none"> 7. Describe the aesthetic and artistic elements of your product packaging/service display areas: 8. Does the unit volume relate to usage patterns? Which ones? (e.g., serving size, frequency of use) 9. Does your product/service use bundling strategy? How? (e.g., volume discounts, similar-need bundle) 10. Does your packaging protect your product in a unique (unique from your competition) way? How? [For a service - applicable only if your service involves transporting products]
IV. Labeling/ Service descriptor brochures	<ol style="list-style-type: none"> 11. How does the packaging of descriptor brochures (literally) describe your product/service? (e.g., use of adjectives, grade-level language) 12. Are there directions for use? What type of people will most likely read them? 13. Might these appeal to particular types of people? Any biases based on gender, age, or ethnicity?

Product/ Service Characteristics	Descriptors
V. Credibility	14. Describe your product's/service's reputation: (If new, reputation for reliability and quality is non-established) 15. Does your company provide a customer service policy that might be different or unique from that of your competitors? How can you "WOW" your customers?

- iv) **Alignment with Mission?** (Yes or No) Does your description match the image portrayed in your mission statement and initial objectives? If not, then a change may be in order. A change may need to be made to your mission statement, or a change may need to be made to your detailed description, or a change may need to be made to both.
- v) **Coordinated portfolio** of products/ services? Can all of your products or services be used by a shared customer base? As an example, would the same buyers conceivably purchase the majority of your product line?
- b) **Price / Quality Relationship**
 - i) **Overall relationship** – Choose the initial overall profile for your business as it relates to price and quality. A simplified statement relative to low, medium, or high might be a good way to start. Possible categories include:

Low Quality –Low Price	Medium Quality – Low Price	High Quality – Low Price
Low Quality –Medium Price	Medium Quality – Medium Price	High Quality – Medium Price
Low Quality –High Price	Medium Quality – High Price	High Quality – High Price

- ii) **Competitors** Identify who you would consider to be your three major competitors. Be specific - list their names and contact information (address and telephone number)
- iii) **Competitors' price / quality relationships** From your perspective, choose the overall price/quality relationship as it relates to each of the three competitors you identified.
- c) **Life Cycle and Seasonal Sales Cycle** (ONLY for your CORE product / service as in [1,a,iii])
 - i) **Product/ service and Industry Life-cycle Stage** (Introduction, Growth, Maturity or Decline). In what stage of the product life-cycle is your product or service? The industry you are in might conceivably be in a different stage of its industry life-cycle than your specific product or service.
My core product or service is in the stage of:
My industry is in the stage of:
 - ii) **Seasonal Cycles and Buying Cycle** How will the demand and sales of your product vary from month to month, in terms of seasonal or buying cycles? Month by month projections should be made on sales volume. For a new business without historic data, this can be a very difficult task. The preferred method is to talk to people in your industry to get ideas on when the “peak” seasons are. What times of the year are really busy? What times of the year are slow? These variations in sales will greatly

impact your monthly cash flow, which is especially critical to monitor closely for the first year.

After talking to some folks, determine how sales volumes will compare from quarter-to-quarter. It will be quite simplified to create the initial comparisons of the four quarters, based on an imaginary average (avg) sales volume. Indicate whether your projected sales for each quarter will be above (+) the average, at average levels, or below (-) the average.

Quarter I Jan – March	Quarter II April – June	Quarter III July – Sep	Quarter IV Oct - Dec
+	+	+	+
Avg	Avg	Avg	Avg
-	-	-	-

The next step is to break each quarter down into three months, and estimate those fluctuations as well. This may again require talking to some people to get an idea of how sales will probably fluctuate from month to month. Indicate whether your projected sales for each month will be above (+) the average, at average levels, or below (-) the average.

Quarter I Jan – March			Quarter II April – June			Quarter III July – Sep			Quarter IV Oct - Dec		
+			+			+			+		
Avg			Avg			Avg			Avg		
-			-			-			-		
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
+	+	+	+	+	+	+	+	+	+	+	+
Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg	Avg
-	-	-	-	-	-	-	-	-	-	-	-

It is not only important to determine what our basic cycles will be, but it is also important for us to determine what the degree of fluctuation from the average. The easiest way to accomplish this is to draft a chart showing extent of peaks and valleys in projected sales volumes on a month-by-month basis. Please use the information you provided earlier to draft a chart of your projected sales fluctuation/ seasonal sales cycle.

Average Monthly Level (Projected Annual Volume / 12)											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

2) Positioning and Competitive Advantage

- a) **Competitors** List the names of your three major competitors. These have already been listed earlier with full contact information, so just the names are sufficient at this point.
- b) **Competitor Comparison -**
 - i) You will need to make some comparisons of how your business stacks up against that of your competitors. We have included several factors that will help you to compare your business across your competitors’ businesses. If you feel an element is not applicable to your business, please enter “N/A” in the first column with a brief explanation. For simplicity, please rate each element across before moving to the next element. What you are doing here is comparing your business to your competition, relative to each element - separately. As an example, when looking at the element of quality, **ONLY** look at quality when making the comparison – please do not consider price, customer service or other elements when making that rating.

Please use a simplified rating scale of:

- (M)** = More Competitive
- (A)** = Competitively Average
- (L)** = Less Competitive

Element	You	Comp 1	Comp 2	Comp 3
Appearance of Facility, People				
Customer Payment Flexibility				
Customer Service				
Employee Training Programs				
Industry/ Community Visibility				
Management Strength				
Overall Reputation and Image				
Perceived Stability				
Price				
Product/Service Selection				
Promptness/ Availability				
Quality				
Site Location				

- ii) **TOP 5 Priorities** – After you have rated each of the elements, please prioritize, for your business, which five elements are most vital to the success of your business. List the five areas here. What do you need to do well, relative to your competitors, to survive and thrive in your business/ industry? These are often referred to as “critical success factors” or “key result areas”.
- c) **Positioning Description** - Briefly describe your positioning (relative to competitors) for your **TOP 5** priority factors. These statements should include information about how your company competes relative to the five priority areas. One statement should be written for your company and each of the three competitors that you have rated.

Example - If my priorities included "Customer Payment Flexibility, Price, Customer Service, Quality, and Overall Reputation and Image" two examples of my positioning statements might read:

"I am very limited in terms of customer payment flexibility (methods allowed), but my prices are among the lowest, my customer service is about on par with everyone else (average), the quality of my service is above average (but not the best), and I really do not yet have a reputation nor image because I am just starting this business."

"Competitor 1 allows customers much payment flexibility (the best in the industry), but their prices are higher than the average, their customer service is excellent (well trained, courteous staff), the quality of their service is the best in the industry, and they have a well-established reputation and good image.

When we look at the examples above (two more statements would be written for competitor 2 and 3) we can begin to identify where we stand. These positioning statements can be a very powerful tool when designing effective marketing programs. They might lead you to voids in the market that provide opportunities, or they might expose competitive weaknesses that you might be able to exploit. For example, if everyone seems about average in one of your priority areas, opportunities might exist to differentiate your company from the rest of the pack through marketing (communication) programs.

3) Legal Protection

- a) **Legal Protection** - Patents? Trademarks? Copyrights? Please list which of these your firm will use.

4) Technical / Style Obsolescence

- a) **Technical Obsolescence** - Is there a danger of technical obsolescence? In other words, is there a possibility that a new technology will render your product/ service to become obsolete? Examples might include: word processing software to the commercial printer, or pay-per-view and satellite services to the corner video rental store.
- b) **Style obsolescence** – Is there a danger that your product or service might become stylistically obsolete? In other words, will fad changes or fashion changes render your product/ service to be considered “old hat”? Examples might include: yo-yo’s which used to be fabulously popular are no longer so, or leisure suits are no longer in fashion.