

## KEYTERMS

**Brand loyalty** – the extent to which customers of a brand repeat purchases of that brand rather than others.

**Boston Matrix** – a 2 x 2 matrix model which analyses a product portfolio according to the growth rate of the market and the relative market share of products within the market.

**Consumer products** – goods or services sold to individuals to households for personal consumption.

**Goods** – physical products.

**Intangible benefits (of a product)** – benefits that cannot be measured.

**Producer or industrial products** – goods or services that are sold by one business to other businesses.

**Product line** – a group of products which are very similar.

**Product portfolio (product mix)** – the particular portfolio of products which a firm is marketing.

**Product** – anything that can be exchanged and is able to satisfy customers' needs.

**Services** – non-physical products.

**Tangible benefits (of a product)** – benefits that can be measured.

**Test marketing** – testing out a product on a small section of a market prior to its full launch.

## CRITIQUE

Critics of the Boston Matrix argue that the Matrix can cause businesses to focus too much upon pursuing increases in market share as opposed to, for example, attempting to consolidate market share or improve other aspects of the performance of a product. It is also suggested that the model fails to take account of the way in which products within a business can support one another. For example a business might sell a dog, but this might affect sales of other products it supports which could be stars or cash cows. Cash flow and profit can also be different for individual products. A dog may have strong cash flow and be profitable despite falling sales. A star might have negative cash flow if there is fierce competition.

## Case Study: Stubble trouble

The Fusion Power Stealth is a razor with five pivoting blades and one at the back, a lubrication strip, a rubber guard to stretch the skin, a battery to make it vibrate and a microchip to control the level of vibration. It will also tell you when the battery's flat. It has a striking black and orange box to house the rubberised handle. Sports stars sell it to you, including David Beckham and Roger Federer. And it has a killer name.

It is, claims Gillette, the closest shave a man can get. They did, of course, say that about the last thing they came up with before Fusion Power Stealth - the one just called Fusion Power. Before that, it was just primitive old Fusion. And they said the same for the Mach3 Power, which came after Mach3 Turbo, which followed Mach3, and overtook Sensor Excel, Sensor, Atra Plus and TracII Plus. The latter appeared in 1971 and seems positively primeval; it was smooth, it was safe, it meant you didn't leave the sink covered in blood and your face speckled with tissue paper. Nothing could better it, for a while at least.

The Fusion Power Stealth, which began appearing at chemists and supermarkets in September 2007, will probably only be 'the best' shaving system for a couple of years. After that, Gillette have other plans, which they are not keen to divulge as 'other people may be reading your story,' says Kevin Powell, Gillette's laboratory director, by which he means Wilkinson Sword. Gillette has 74 per cent of the total razor market in the UK, followed by Wilkinson Sword.

The razors aren't just thrown together by a marketing department in an attempt to sell us something we didn't know we needed. They are the result of years of called cutting-edge science and the endeavours of biologists, dermatologists, physicists, polymer scientists, biometricists and neurologists. There is a team concerned solely with how to make a razor vibrate just the right amount, and other people employed to optimise handle grip in a slippery bathroom environment. Only when these people

have done their work (Fusion Power Stealth has taken four years to appear from the initial prototype), do the people who design the packaging and advertising slogans go to work.

Before the concept of the Fusion system went to Gillette's global HQ in Boston, it was tested on about 9,000 men throughout the world. When Fusion was tested against its predecessor Mach3, 30 per cent of men in the trials said they preferred their existing system. But the majority preferred it in 69 respects, including 'giving the closest shave without irritation'; 'blades shaving as close on the first stroke as the last'; 'the colour of the razor'; 'the texture of the handle'; and 'ease of rinsing'.

Source: adapted from *The Guardian*, 23.11.2007.



- Explain the unique selling points of the Fusion Power Stealth. (3 marks)
- Using information from the article, explain TWO influences on the development of the Fusion Power Stealth. (6 marks)
- Examine, using the Boston Matrix, the position in the market of the Fusion Power Stealth a couple of years after its launch and the decision about the product that Gillette may face. (8 marks)
- Discuss whether Gillette should have launched the Fusion Power Stealth when it had 74 per cent of the total razor market in the UK. (10 marks)