

9.3: Product Items, Product Lines, and Product Mixes

Learning Objectives

By the end of this section, you will be able to:

- Define product items, product lines, and product mixes.
- Describe product line length and depth.
- Discuss product line filling and product line stretching.

Product Line Length and Depth

Companies typically sell many products, some of which are singular and some of which are part of a larger category of offerings. So, let's start with a product item, a particular good that a company sells. For example, Domino's Pizza sells its original hand-tossed pizza as a product item on its menu.

A company will also sell a product item as a part of a broader product line. A product line is a set of products that are similar or complementary. For example, Domino's sells crunchy thin, handmade pan, Brooklyn style, and gluten-free crust along with its hand-tossed pizza crust as a part of a product line.

A product mix contains all the products that a company sells. In addition to pizza, Domino's sells salads, sandwiches, appetizers, pasta, desserts, and beverages. These products make up the product mix for Domino's (Figure 9.5).

Brands can benefit from organizing into product lines and mixes. For example, if you have ever added a chocolate lava cake to your Domino's order, you know firsthand that products within a mix are easily cross-sold. You may have also seen a commercial where Domino's promotes its product mix, creating efficiencies in its media advertising spend. In addition, the breadth of products provides some assurance that competitors will not compete in the same space. Finally, you may have noticed that some appetizers and desserts are packaged in the same box, creating supply efficiencies.

On the flip side, if product offerings are too similar, they may cannibalize (or steal from) the original product, resulting in lower profitability. For example, if Domino's had 30 types of pizzas, the stores might have to stock extra ingredients to make those pizzas, but Domino's might not sell more pizzas as a whole because the product line offerings are too similar.



Figure 9.5 A product item, like a pizza from Domino's Pizza, is part of a company's product mix—all of the products it sells. (credit: "Saki's Pizza" by thepizzareview/flickr, CC BY 2.0; modification of work "Salad" by Jackie L Chan/flickr, CC BY 2.0; "Pasta with Homemade Baguette" by Stacy Spensley/flickr, CC BY 2.0; "Mmm... I Want Everything on Mine" by jeffreyw/flickr, CC BY 2.0; modification of work "Chocolate Fudge Brownies" by start cooking Kathy & Amandine/flickr, CC BY 2.0; modification of work "Fast Food Chicken Nuggets" by Walt Stoneburner/flickr, CC BY 2.0)

Product Line Depth and Product Mix Width

Product line depth refers to the number of products in the line. Using our previous example, Domino's carries five products in the pizza product line. Meanwhile, the product mix width refers to the number of product lines a brand carries. Domino's offers seven product lines within its product mix (pizza, salads, sandwiches, appetizers, pasta, desserts, and beverages).

The product line depth and product mix width allow a company to diversify its offerings to maximize customer loyalty and mitigate risk. For example, if a customer enjoys Domino's Pizza, they may extend their order to include one of the other offerings in the product mix. On the flip side, if a customer has a bad experience with the pizza, they might try chicken or pasta instead next time. However, it is essential to note that too many offerings can cannibalize one another and drive up the cost of goods sold because of the variations that each product requires.

Product Line Filling and Product Line Stretching

One of the reasons for an ample product line is to leave no room for competitors to solve a customer's need. Companies use a product line filling strategy when they add products to the product line to ensure that competitors do not enter their market. If you wonder why Domino's has so many pizza toppings, consider that it might be product line filling at work.

On the other hand, it might make more sense for a company to add product lines. The addition of product lines is a practice called product line stretching. There are three main ways to stretch a product line:

1. **Stretching Downward.** A brand introduces a product line that is less expensive than its current offering. This may open a new target market or change a brand's positioning in a competitive market. However, it is essential to consider whether stretching down might shift the brand's perception or take share from other product lines. Tesla introduced its Model 3 following its more expensive Model S, following the stretching downward strategy (Davis, 2010).
2. **Stretching Upward.** A brand introduces a product line that is more expensive than its current offering. This may increase profitability or reposition the brand. First, however, it is essential to determine whether the brand has equity in the upward market. Godiva introduced its gold collection to stretch its product line upward.
3. **Stretching Up and Down.** A brand can stretch up and down simultaneously. While this has the potential for great rewards, it also introduces a fair amount of risk. Dell utilizes a strategy to stretch up and down with its everyday access laptops, creator laptops, and up to its immersive gaming laptops.

Suppose Domino's wanted to join the wood-fired pizza trend. It could employ an upward product line stretching strategy to introduce Domino's to a more upscale market that appreciates wood-fired pizza.

Knowledge Check

It's time to check your knowledge on the concepts presented in this section. Refer to the Answer Key at the end of the book for feedback.

1.

Oreo's selection of flavors would be considered a _____.

- a. product
- b. product line
- c. product mix
- d. product category

2.

A product mix contains _____.

- a. a mix of the company's most popular products
- b. a singular product
- c. all the products that a company sells
- d. a group of similar products

3.

If Domino's were to add a Chicago-style stuffed pizza to its menu, this would represent an expansion of the _____ of its pizza offerings.

- a. product line depth
- b. product mix width
- c. product items
- d. product differentiation

4.

Product line depth refers to _____.

- a. product characteristics
- b. the number of product lines
- c. product assortment
- d. the number of products in the product line

5.

Which of the following is a benefit of product line filling?

- a. Less money spent on research and development
- b. Protection against competitors
- c. Creates a product line assortment
- d. Stretches the product line

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