

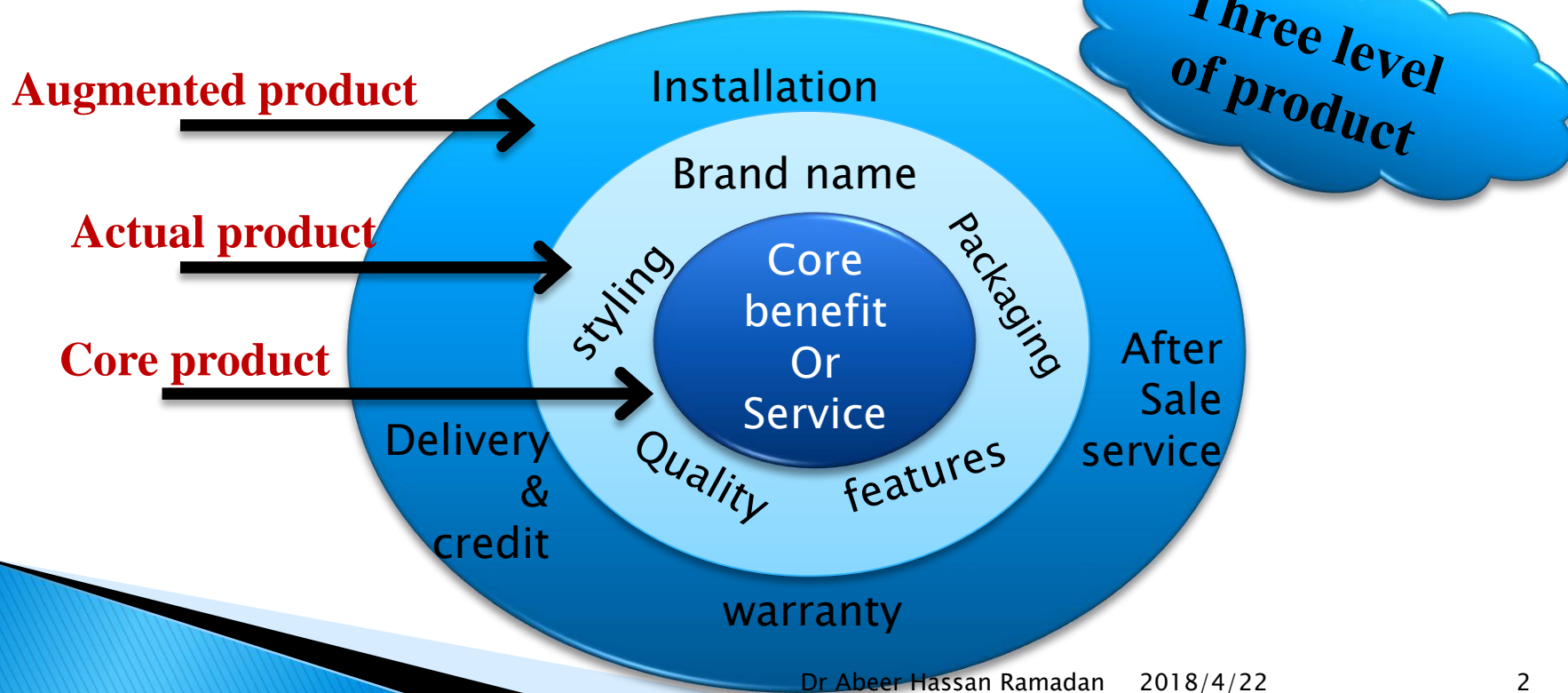
Chapter 6

Designing Products: Products, Brands, Packaging, and Services



What is a Product ?

- ✓ A **product** is anything that can be offered to a market for attention, acquisition, use, it **includes physical objects, services, persons, places, organizations, and ideas.**
- ✓ **Product planner need to think about the product on three levels, core product, actual product and augmented product.**



What is a Product

- ✓ **The most basic level** is the **core product** : as illustrated in the figure, the core product **stands at the center of total product**. It consist of **core benefits** that consumers obtain when they buy a product.
- ✓ The product planner must next build an **actual product**: a **product's parts, styling, features, brand name, packaging,** and other attributes that combine to deliver core product benefits.
- ✓ Finally, the product planner must build an **augmented product**: around the core and actual products by offering additional consumer services and benefits

Product Classifications

marketers have developed several product-classification schemes based on product characteristics:

1-Durable Goods, Nondurable Goods and services:

- ✓ Product can be classified into three groups to their Durability or Tangibility:-

A- Nondurable Goods: are consumer goods that are normally consumed in one or a few uses: Examples, Soap and salt.

B- Durable Goods : are consumer goods that are used over an extended period of time and that normally survive many uses: Examples, refrigerators and automobiles.

C- Services: are activities, benefits, or satisfactions that offered for sale: Examples, haircut and repair

✓ **Service are essentially intangible and do not result in the ownership of anything.**

Product Classifications

2– Consumer Goods:

- ✓ **Are those bought by final consumers for personal consumption.**
- ✓ **Marketers usually classify these goods based on consumer shopping habits.**

Product Classifications

3– Industrial Goods:

Industrial Goods: are those bought by individuals and organizations for further processing or for use in conducting a business.

Notice that: the distinction between a consumer good and an industrial good is based on the purpose for which the product is purchased.

Industrial goods can be classified according to how they enter the production process and according to what they cost.

There are three groups : material and parts, capital items and supplies and services

Individual Product Decisions

We will now look at decisions relating to the development and marketing of individual products.

✓ **We will focus on decisions about :**



1– Product Attributes Decisions:

Developing a product involve defining the benefits that the product will offer.

These benefits are communicated and delivered by tangible product attributes such as **Quality, Features, and Design.**

2- Brand Decisions

- ✓ **A brand is a name, sign, symbol, or a combination of these intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competition.**
- ✓ **A brand name is that part of a brand which can be vocalized.**
- ✓ **Examples : Avon, Chevrolet and Tide.**

3-Packing Decision

- ✓ Many products offered to the market have to be packaged.
- ✓ Some marketers have called packaging a fifth P, along with:
 - Product
 - Price
 - place
 - promotion

- ✓ **Packing** : The activities of designing and producing the container or wrapper for a product.
- ✓ **Labeling** is also part of packing and consists of printed information appearing on or with the package.
- ✓ Traditionally, packaging decisions were based primarily on cost and production factors; the primary function of the package was to contain and protect the product

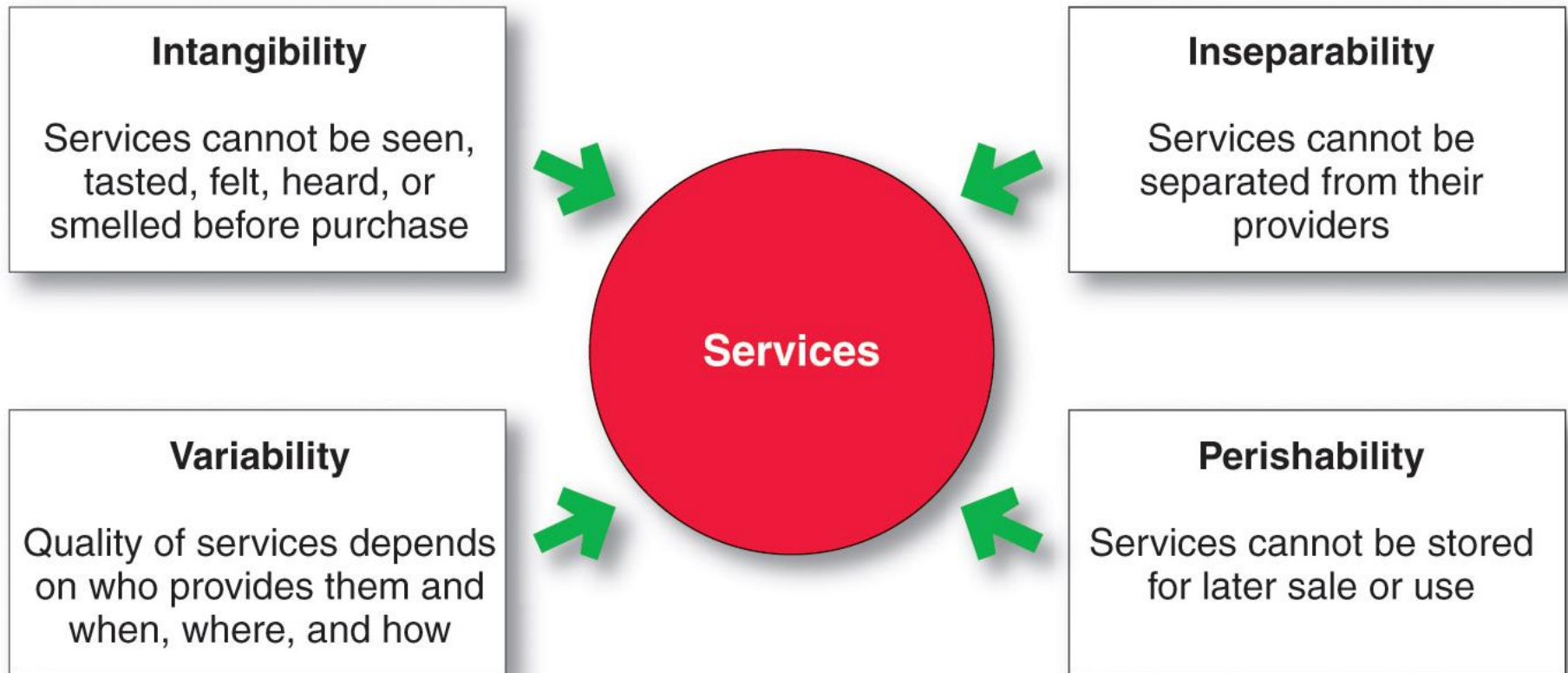
Services Marketing

Types of Service Industries:-

- ▶ **Government**
- ▶ **Private not-for-profit organizations**
- ▶ **Business services**

Services Marketing

Nature and Characteristics of a Service



Notice that:-

Intangibility refers to the fact that **services cannot be seen, tasted, felt, heard, or smelled before they are purchased.**

Inseparability refers to the fact that **services cannot be separated from their providers.**

Variability refers to the fact that **service quality depends on who provides the services as well as when, where, and how they are provided.**

Perishability refers to the fact that **services cannot be stored for later sale or use.**

Marketing Strategies for Service Firms

Service firms often require additional strategies

- ▶ **Service-profit chain**
- ▶ **Internal marketing**
- ▶ **Interactive marketing**

Service-profit chain

links service firm profits with employee and customer satisfaction through:

- ▶ Internal service quality
- ▶ Satisfied and productive service employees
- ▶ Greater service value

Marketing Strategies for Service Firms

Internal marketing

means that the service firm must **motivate** its **customer** **contact employees** and **supporting service people** to work as a **team** to provide **customer satisfaction**

Notice that :-

Internal marketing must precede external marketing

Interactive marketing means :- that service quality depends heavily on the quality of the buyer-seller interaction during the service encounter .

New Product development

- ▶ Competition in our global marketplace makes it essential for firms to continuously offer new products to attract consumers.

New product development refers to original products, product improvements, product modifications, and new brands developed from the firm's own research and development

What is new product?

1– really innovative.

2– significantly different.

3– Imitative:

4– new to the company but not to the market.

Product life cycle :-

Product Life Cycle is the way products go through stages from development to death.

The cycle has five distinct stages:

1-Product development

begins when the company finds and develops a new-product idea.

2-Introduction

is a period of slow sales growth as the product is introduced in the market. Profits are nonexistent in this stage because of the heavy expenses of product introduction

3-Growth is a period of rapid market acceptance and increasing profits.

4- Maturity is a period of slowdown in sales growth because the product has achieved acceptance by most potential buyers.

- Profits level off or decline because of increased marketing outlays to defend the product against competition.

5- Decline is the period when sales fall off and profits drop.

Product life cycle

