

Marketing & Sales Techniques

Lecture 6 - Chapter 8

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Chapter 8:

Products, Services, and Brand Building Customer Value

Arab World
Edition

PRINCIPLES OF MARKETING

Arab World Edition

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Chapter Learning Outcomes

- 8.1 What Is a Product?
- 8.2 Levels of Product and Services
- 8.3 Product and Service Classifications
- 8.4 Product and Service Decisions

What is a Product?

Products, Services, and Experiences

Product is anything that can be offered in a market for attention, acquisition, use, or consumption that might satisfy a need or want.

Service is any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything.

Experiences represent what buying the product or service will do for the customer.

What is a Product?

Organizations, Persons, Places, and Ideas

Organization marketing consists of activities undertaken to create, maintain, or change attitudes and **behavior of target consumers toward an organization.**

Person marketing consists of activities undertaken to create, maintain, or change attitudes and **behavior of target consumers toward particular people.**

What is a Product?

Organizations, Persons, Places, and Ideas

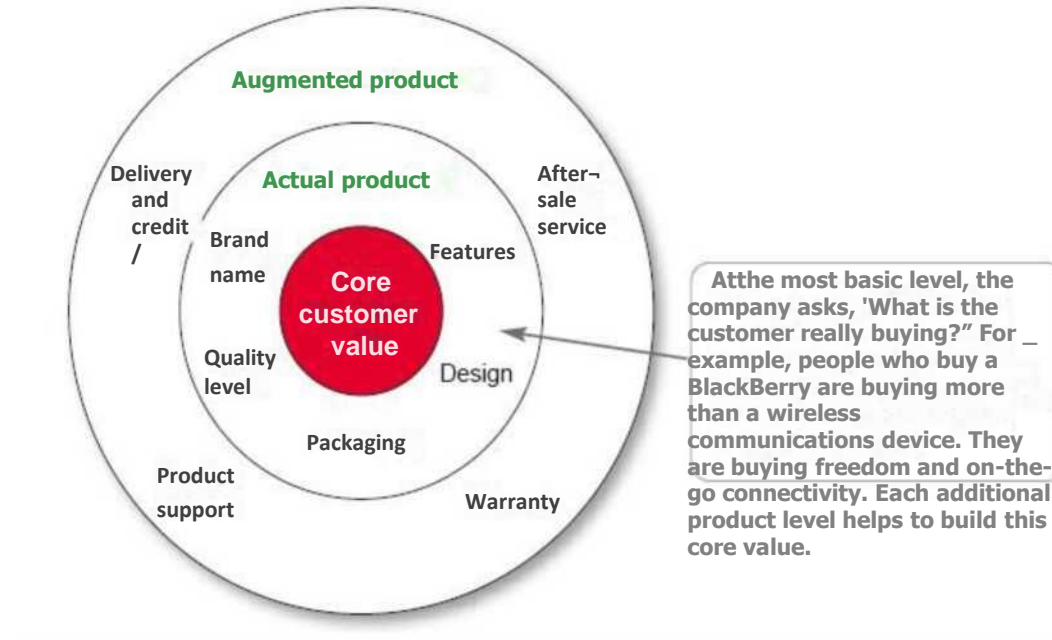
Place marketing consists of activities undertaken to create, maintain, or change attitudes and behavior of target **consumers toward particular places.**

Social marketing is the use of commercial marketing concepts and tools in programs designed to influence individuals' behavior to improve **their well-being and that of society.**

What is a Product?

Levels of Product and Services

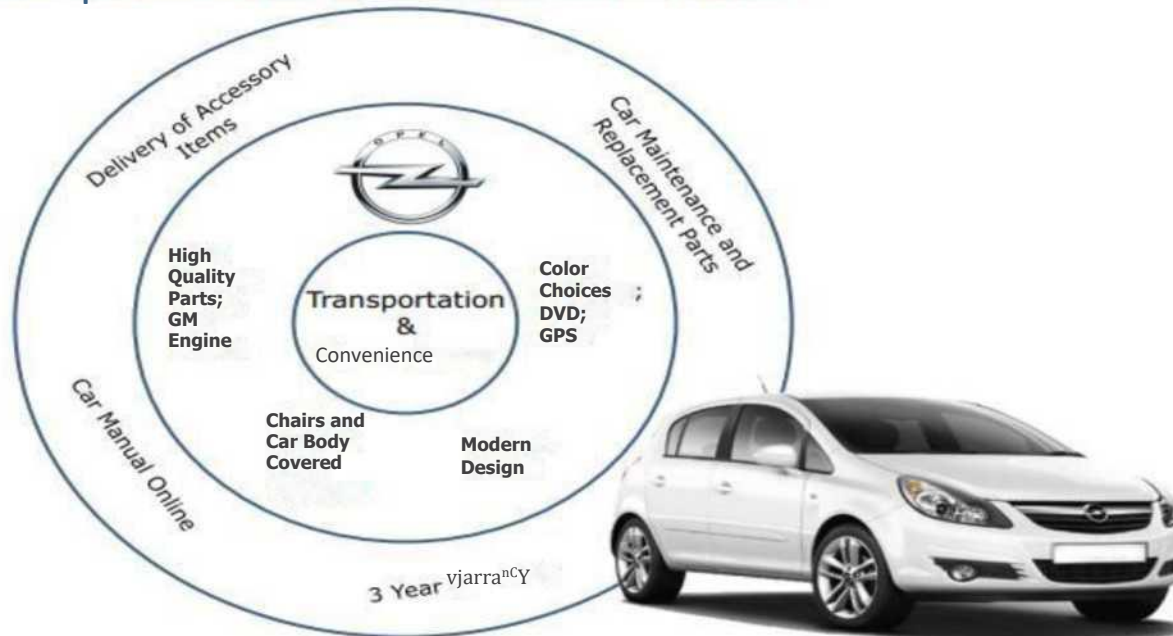
FIGURE | 8.1
Three Levels of Product



What is a Product?

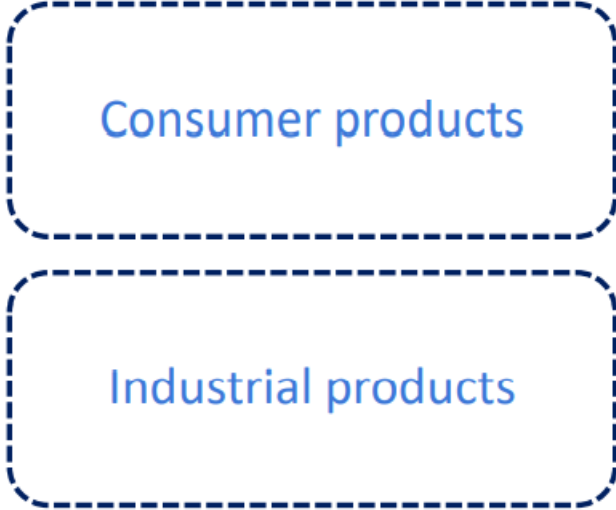
Levels of Product and Services

EXAMPLE : Opel - Levels of Product and Services



What is a Product?

Product and Service Classifications



Consumer products

Industrial products

What is a Product?

Product and Service Classifications

1) Consumer products are products and services for personal consumption.

Classified by how consumers go about buying them.

- a. Convenience products
- b. Shopping products
- c. Specialty products
- d. Unsought products

What is a Product?

Product and Service Classifications

a. **Convenience products** are consumer products and services that the customer usually buys frequently, immediately, and with a minimum comparison and buying effort.

- Newspapers
- Candy
- Fast food



What is a Product?

Product and Service Classifications

b. Shopping products are consumer products and services that the customer compares carefully on suitability, quality, price, and style.

- Furniture
- Cars
- Appliances



What is a Product?

Product and Service Classifications

c. **Specialty products** are consumer products and services with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort.

- Medical services
- Designer clothes
- Crystal



What is a Product?

Product and Service Classifications

d. **Unsought products** are consumer products that the consumer does not know about or knows about but does not normally think of buying.

- Life insurance
- Funeral services
- Blood donations



What is a Product?

Product and Service Classifications



Mercedes-Benz



CONVENIENCE PRODUCTS

**BUY FREQUENTLY AND
IMMEDIATELY**

- Low priced
- Many purchase locations
- Includes:
 - *Staple goods*
 - *Impulse goods*
 - *Emergency goods*

SHOPPING PRODUCTS

BUY LESS FREQUENTLY

- Gather product information
- Fewer purchase locations
- Compare for:
 - *Suitability & quality*
 - *Price & Style*

SPECIALTY PRODUCTS

**SPECIAL PURCHASE
EFFORTS**

- Unique characteristics
- Brand Identification
- Few purchase locations

UNSOUGHT PRODUCTS

NEW INNOVATIONS

- Products consumers don't want to think about
- Require much advertising and personal selling

What is a Product?

Product and Service Classifications

2) Industrial products are products purchased for further processing or for use in conducting a business.

Distinction with consumer products is based on the purpose for which the product is purchased.

- Materials and parts
- Capital
- Supplies and services



Product and Service Decisions

FIGURE | 8.2
Individual Product Decisions



Product and Service Decisions

Individual Product and Service Decisions

1. Product attributes are the benefits of the product or service.

- Quality
- Features
- Style and design

Product and Service Decisions

Individual Product and Service Decisions

a. Product quality **includes level and consistency.**

- **Quality level** is the level of quality that supports the product's positioning.
- **Conformance quality** is the product's freedom from defects and **consistency** in delivering a targeted level of performance.



Product and Service Decisions

Individual Product and Service Decisions

b. Product features are a competitive tool for differentiating a product from competitors' products.



Product and Service Decisions

Individual Product and Service Decisions

c. Style and design

Style describes the appearance of the product. Style can grab the attention and produce a pleasing look but does not necessarily make the product perform better.

Design contributes to a product's usefulness as well as to its looks. It begins with a deep understanding of customer needs to shape customers product-use

experience.



Product and Service Decisions

Individual Product and Service Decisions

2. **Brand** is the name, term, sign, or design—or a combination of these—that identifies the maker or seller of a product or service.



Product and Service Decisions

Individual Product and Service Decisions

3. **Packaging** involves designing and producing the container or wrapper for a product. Ex: Heinz's "refrigerator-door-fit" bottle



Product and Service Decisions

Individual Product and Service Decisions

4. Labels identify the product or brand, describe attributes, and provide promotion.



Product and Service Decisions

individual Product and Service Decisions

- 5 . **Product support services** are services that augment actual products and can represent a minor or a major part of the total offering.



Case Study

Three Chefs

Three Chefs recently launched a new product category "Half Roasted Chicken" in order to integrate the product range and to fulfill consumer needs; the new category is having the same value offering in terms of quality, taste as well as the ease of cooking, to make it a new member in the Three Chefs premium meals range. To complement their offering Three Chefs is offering their newly introduced "Half Roasted Chicken" product in a premium quality package that forms a shrink film cover seal, a light plastic box to contain the half chicken, which is vacuumed and sanitized for maximum safety. Three Chefs also save no efforts when it comes to making their products as available and reachable as possible for their target market and providing their hotline customer care services 24/7

In one paragraph, explain the three product levels (dimensions) of the newly introduced "Half Roasted Chicken". Illustrate your answer with a diagram.

Case Study

Fresh Nature

Fresh Nature is a company specialized in fruit-based juice. The company caters to customers who value health and wellness, through a range of natural and fortified juice products. The products of Fresh Nature include its popular 100% pure orange juice made from oranges grown in the company's own farms. Fresh Nature also offers other juices with added vitamins and minerals, energy drinks, and a unique line of natural juices with added caffeine to improve alertness and concentration. Customers can also log onto Fresh Nature's website to view a wide range of health tips, and recipes for healthy desserts that are fruit and juice based.

1. Identify the three levels of product for Fresh Nature.
2. What type of consumer product does Fresh Nature sell? Explain your answer.
3. Fresh Nature has recently decided to sell its orange juice in a transparent plastic bottle instead of the regular cartoon container so that the beautiful color of their fresh orange juice would be visible through the bottle. What product decision has the company changed?

Thank You