

Product level-the customer value hierarchy

Core benefit:

The fundamental need or want that consumers satisfy by consuming the product or service. For example, a hotel guest is buying rest and sleep. Or from an app like Facebook the core benefit can be socialization.

– Generic product:

A version of the product containing only those attributes or characteristics absolutely necessary for it to function. For example, hotel room to function it requires bed, towel, bathroom, dresser. In case of Facebook it can be the app itself.

– Expected product:

The set of attributes or characteristics that buyers normally expect and agree to when they purchase a product. For example, in a hotel the minimum expectation is clean bed, fresh towel ,working lamp. In case of Facebook the expected product is the ability to connect with others (socializing) and the option to share something about oneself.

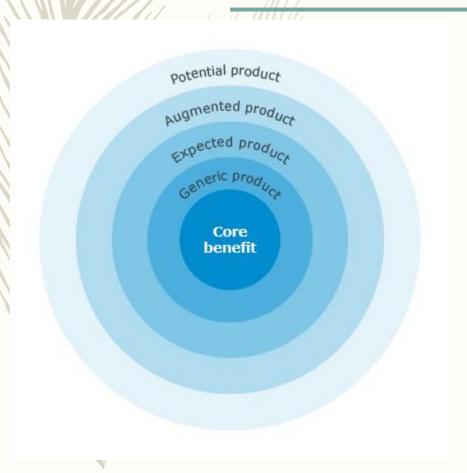
Augmented product:

The inclusion of additional features, benefits, attributes or related services that serve to differentiate the product from its competitors. For example in case of LinkedIn it can be the feature of video calling services of Facebook's live video option.

Potential product:

This includes all the augmentations and transformations a product might undergo in the future. To ensure future customer loyalty, a business must aim to surprise and delight customers in the future by continuing to augment products.









Product Differentiation

- Form
- **Feature:** special characteristics about the product.
- Performance Quality-high low medium. Samsung Galaxy A, M and S series.
- Conformance quality: The products are identical.
- Durability & Reliability: Products expected operating life
- Reparability: Ease of fixing a product.
- Style: Product's look and feel. For a software it can be the User Interface.
- Customization: To what extent can you custom a product according to your need

Product Differentiation











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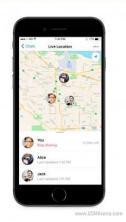
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Product Differentiation







A service is any act or performance that one party offers to another party that is essentially intangible and doesn't result in any ownership.

- 1. A Pure tangible good: Soap, toothpaste.
- 2. A Tangible good with accompanying services: car, computer
- 3. A hybrid offering: restaurant of equal part of goods and services
- 4. A major service with accompanhying minor goods services and goods: Air travel with supporting goods, Hotel.
- 5. A pure service: Primarily intangible. counselling

Services Differentiation

- Ordering Ease
- Delivery
- Installation
- Customer training
- Customer consulting
- Maintenance and repair
- Returns

Services Differentiation













Product line versus product mix

A product mix is the group of everything a company sells. However, the product line is a subset of the product mix.

Place/Channel

- Exclusive
- Selective
- intensive

Levels of a Distribution Channel Option 1: Zero Levels (Direct distribution) Customer Manufacturer Option 2: One Level Customer Manufacturer Retailer Option 3: Two Levels Whole-Customer Retailer Manufacturer saler