

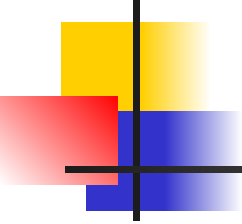


Marketing

Lecture 6

“Product policy”

Lecturer:
DBA, Omarova A. Sh.

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- **Product** is anything that can be offered to a market for attention, acquisition, use or consumption that may satisfy a want or need.
 - **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.



Classification of products:

- Consumer products
- Industrial products
- Defensive products

Product also includes other entities such as: organizations (corporate image advertising), persons, places (cities, states, regions) and ideas.

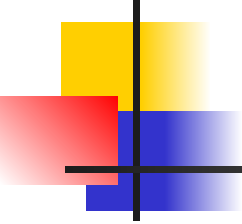


Consumer products

- - are products and services bought by final consumers for personal consumption.

Consumer's product includes:

- convenience products,
- shopping products,
- specialty products
- unsought products.

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- *Convenience product*- consumer product that the customer usually buys frequently, immediately, and with minimum of comparison and buying effort.
 - *Shopping product*- consumer good that the customer, in the process of selection and purchase, characteristically compares on bases such as suitability, quality, price, and style.
 - *Specialty product*- consumer product with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort.
 - *Unsought product*- consumer product that the consumer either does not know about or knows about but does not normally think of buying.

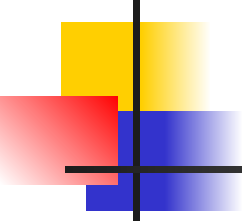


Industrial product

product bought by individuals and organizations for further processing or for use in conducting a business.

Groups of industrial products and services:

- ***Materials and parts***- raw materials and manufactured materials and parts.
- ***Raw materials***- farm products (wheat, cotton, livestock, fruits, vegetables) and natural products (fish, lumber, crude petroleum).
- ***Manufactured materials***- component materials (iron, cement) and component parts (small motors, tires).

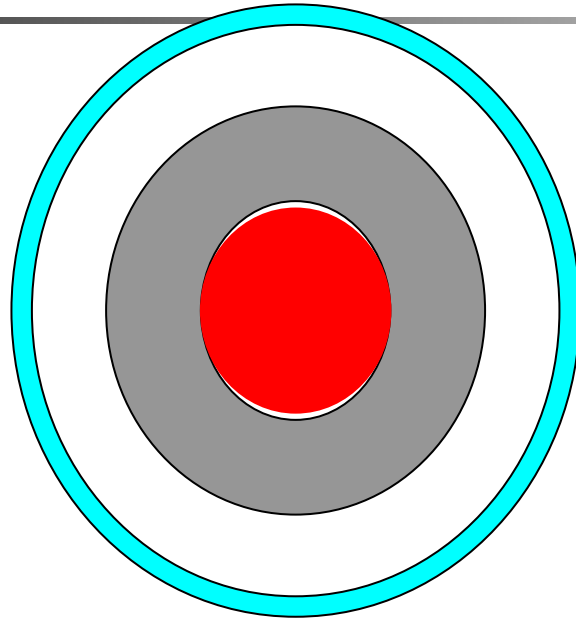
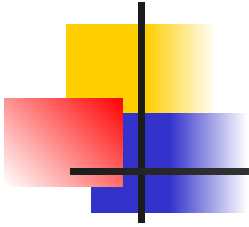
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- ***Capital items*** include installations and accessory equipment.
 - ***Installations-*** buildings (factories, offices) and fixed equipment (drill presses, elevators).
 - ***Accessory equipment-*** factory equipment and tools (hand tools, lift trucks) and office equipment (computer, fax machines).
 - ***Supplies and services.***
 - ***Supplies*** include operating supplies (lubricants, coal, paper) and repair and maintenance items (paint, brooms).
 - ***Business services*** include maintenance and repair services (computer repair) and business advisory services (legal, management consulting)

Levels of product and services



There are three levels of product:

- Core benefit
- Actual product
- Augmented product



Core benefit
Actual product
Augmented product