



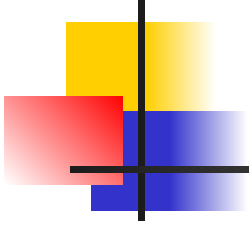
# Marketing

## Lecture 6

### **“Product policy”**

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Lecturer:  
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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:

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- Consumer products
- Industrial products
- Defensive products

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



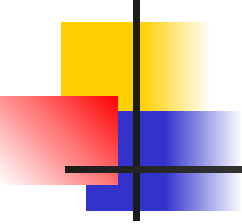
# Consumer products

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- - 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.



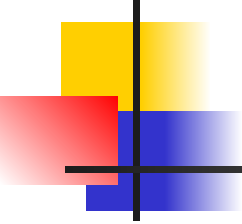
# Industrial product

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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

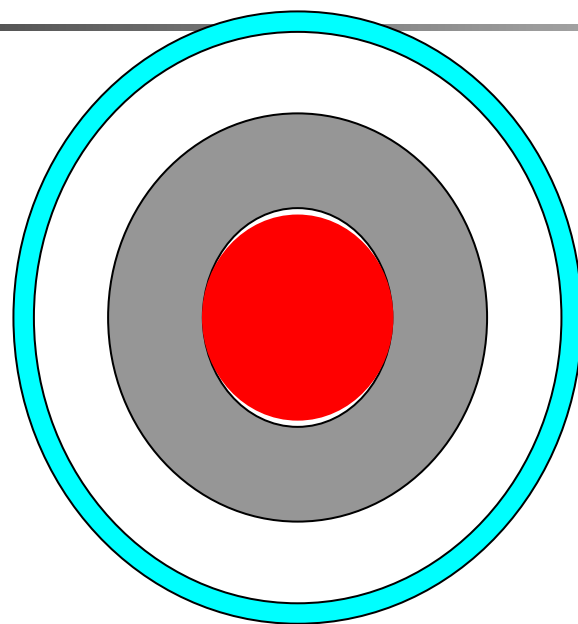
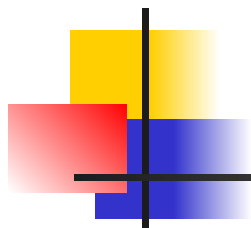


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There are three levels of product:

- Core benefit
- Actual product
- Augmented product





Core  
benefit

Actual  
product

Augmented  
product