

Product: physical good or service which is obtained by the consumer and which has the aim of satisfying the needs of the consumer as a result of the product's direct use, with additional factors, services and perceptions of the product such as being useful, desirable or convenient.

Total product consists of:

- **Core** product: dominant benefit expected
- **Tangible** product: physical object or service
 - Brand name
 - Packaging
- **Augmented** product: physical and non-physical attributes that add value, e.g. guarantee, installation
- **Potential** product: potentially viable components which can be added via future developments and adjustments
- **Product image:** all layers, refers to how consumers perceive the product. Created by attributes + distribution + price + marketing

Durable products: tangible, can be used repeatedly, e.g. car, appliances.

Non-durable products: consumed in one or few uses, e.g. beverages, clothes. Can be packaged, e.g. toothpaste, or non-packaged, e.g. petrol.

Services: intangible benefits purchased, but not involving ownership, e.g. haircut, taxi ride.

Marketing of different types of products:

- **Durables:** customers deliberate and investigate more, personal selling, advertising includes information to help decision making.
- **Non-durables:** habitual decision making, price and availability important, branding relied on, advertising with images and symbols.
- **Services:** delivered personally, ensure standard of quality, delivery or attraction. What makes marketing services different from products:
 - **Intangibility:** increases uncertainty, buyers look for evidence of quality.
 - **Perishability:** cannot be stored, e.g. empty seat on plane.
 - **Variability:** standardisation is difficult, so quality varies, e.g. it's hard for an airline to give the exact same level of service on each flight and to have all flights be on time.
 - **Inseparability:** produced and consumed simultaneously, e.g. a doctor needs a patient to be present.

Consumer products: bought by individual consumers for personal or family use. Classified by time, money and risk involved in the decision. Money includes the cost of searching and evaluating, owning and disposing. Risk includes social, functional and financial risk.

- **Convenience products:** purchased on a regular basis, inexpensive and require little thought. Usually low-priced and widely available.
 - **Staple:** bought on a regular basis, available almost everywhere, few if any differences between brands, e.g. petrol, milk, bread.
 - **Impulse:** purchase is seldom planned so items must be available and visible, e.g. sweets at the till point.
 - **Emergency:** immediate and urgent need, price is usually irrelevant, must be widely available as they are needed immediately, e.g. painkillers, umbrella.

Marketing mix for convenience products:

- Wide and **intensive distribution**
- Communication needs to create **brand image** and brand **loyalty** to off-set brand switching indifference
- Packaging needs to be **attention-grabbing** and memorable, to facilitate recognition and choice
- Retailer does not benefit from pushing one product over another, so marketing is done by the manufacturer, especially brand recognition and preference

- **Shopping products:** more expensive and not as widely distributed. Customer more willing to compare prices and brands, as it's more costly and risky.
 - **Uniform:** basically similar products with the same purpose, e.g. washing machines, microwave ovens. Competition usually extensive.
 - **Non-uniform:** essentially different products, e.g. clothing, furniture. May serve the same function but with different quality, price and features. Seller must carry a wide range to satisfy individual tastes, plus have well-trained salesmen.

Marketing mix for shopping products:

- Prices are higher and **distribution selective**, as customers are willing to shop around
- Product characteristics are more distinct
- Advertising focuses on **product differences**. Personal selling is important
- Brand preference and insistence play a lesser role, so the name of the retailer is more important than that of the manufacturer

- **Speciality products:** wanted by the consumer for personal satisfaction, with unique characteristics the consumer is willing to go the extra mile for. Highest level of consumer involvement, often the result of brand loyalty. Often serve as a symbol of self-image, e.g. status (Rolex), prestige (Gucci) or reputation of high performance (BMW). Buyers usually don't compare products. Marketing mix for speciality products:

- Characterised by **high prices**
- Distribution is on an **exclusive** basis to maintain status
- Products must have an element of **uniqueness**
- Uniqueness is advertised, personal selling important

Industrial products: sales to organisations rather than final consumers. Purchased to produce other products or services. Distinction is based on purpose because a computer, garden tools or hair dryer can all be used by a consumer or a business.

- **Production goods:** become part of a final product.
 - **Raw materials:** still very close to their natural state, e.g. coal, granite blocks, tree trunks
 - **Manufacturing materials** and parts: a step above raw materials, e.g. fabric, pulp, steel rods. Component parts have been processed even further, e.g. screws, wires, springs.
 - **Process materials:** does not become a part of the finished product, e.g. acid, tannins
- **Installations and accessories:**
 - **Installations:** major capital items necessary for manufacturing, e.g. buildings, assembly line
 - **Accessories:** products that facilitate an organisation's operations, e.g. forklifts, computers
- **Supplies and services:** similar to convenience products, low rand value, short life and assists organisation's operations. Operating supplies such as stationery and light bulbs. Software packages such as Pastel. Services such as machine maintenance and waste removal.