



Chapter Questions

- What are the characteristics of products and how do marketers classify products?
- How can companies differentiate products?
- How can a company build and manage its product mix and product lines?

Chapter Questions (cont.)

- How can companies combine products to create strong co-brands or ingredient brands?
- How can companies use packaging, labeling, warranties, and guarantees as marketing tools?

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What is a Product?

A **product** is anything that can be offered to a market to satisfy a want or need, including physical goods, services, experiences, events, persons, places, properties, organizations, information, and ideas.

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Components of the Market Offering

- Value based prices
- Product features and quality
- Services mix and quality

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Five Product Levels

- Core benefit
- Basic product
- Expected product
- Augmented product
- Potential product

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Product Classification Schemes

- Durability
- Tangibility
- Use

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Durability and Tangibility

- Nondurable goods
- Durable goods
- Services

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Consumer Goods Classification

- Convenience
- Shopping
- Specialty
- Unsought

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Industrial Goods Classification

- Materials and parts
- Capital items
- Supplies/business services

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Product Differentiation

- Product form
- Features
- Customization
- Performance
- Conformance
- Durability
- Reliability
- Repairability
- Style

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Service Differentiation

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

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The Product Hierarchy



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Product Systems and Mixes

- Product system
- Product mix
- Product assortment
- Depth
- Length
- Width
- Consistency

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Product Line Analysis

- Core product
- Staples
- Specialties
- Convenience items

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Line Stretching

- Down-market stretch
- Up-market stretch
- Two-way stretch

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Product-Mix Pricing

- Product-line pricing
- Optional-feature pricing
- Captive-product pricing
- Two-part pricing
- By-product pricing
- Product-bundling pricing

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What is the Fifth P?

Packaging, sometimes called the 5th P, is all the activities of designing and producing the container for a product.

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Factors Contributing to the Emphasis on Packaging

- Self-service
- Consumer affluence
- Company/brand image
- Innovation opportunity

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Packaging Objectives

- Identify the brand
- Convey descriptive and persuasive information
- Facilitate product transportation and protection
- Assist at-home storage
- Aid product consumption

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Functions of Labels

- Identifies
- Grades
- Describes
- Promotes