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# Meaning of product

Product is a bundle of benefits. It may be in the form of physical goods, services, experiences, events, person's places properties organisations information and ideas all of them provide solutions to the needs of consumers.

Product is one of the key elements of marketing mix that supports all other elements, i.e., price, place and promotion. It helps in justifying the price ensuring promotion campaigns and finally generating faith in the channel members. The performance of a firm is recognized by the performance of its products. Product is thus the major engine that drives all the marketing activities in the enterprises. Success or failure of product directly affects all other elements of marketing mix of the firm and in some cases the very survival of the firm.

# Definitions of Product

“Product is a bundle of utilities consisting of various product features and accompanying services.” – W. Alderson

“A product is anything tangible or intangible which can be offered to a market for attention, acquisition, use or consumption that might satisfy a need or want.” – Phillip Kotler

“Product is anything that is potentially valued by a target market for the benefits or satisfactions. It provides including objects, services, organisations, places, people and ideas.” - Cravens, Hills and Woodruff

# Characteristics of products

Following are the characteristics of a product:

- (1) **Saleability**- There is an endless variety of products from apples to zippers, ammunitions to umbrellas, but from the marketing standpoint only those products are significant which are sold or saleable.
- (2) **Utility** - A product is saleable if it has utility. The interpretation of utility may however differ from consumer to consumer, thus the same food product may be purchased by one consumer for its low price, another for extra energy, a third person for its palatability and a fourth for its nutritive value.
- (3) **Risk of non-sale** - Whether a product is saleable or not can be determined only by placing it in the market, but every product may not be ultimately sold so it carries the risk of non-sale. However through marketing research on other scientific ways the proportion of such risk can be reduced.
- (4) **Adequate demand** - A product must not be saleable only once or twice. Its demand must be adequate, sales must also be repetitive. In other words it must be suitable for commercial production.

(5) **Profitability** - In initial stages, sale of a product may yield little or even no profit but ultimately it must yield reasonable profit, both to the manufacturer and the middleman and must continue to do so.

(6) **Acceptability in law** - A product must not be illegal, if there is a patent for it, a manufacturer has to get the necessary right. It must also be compatible with current environmental and social standards of course this condition is linked with its saleability.

# Aspects of a product

It can be looked at from five main aspects which Philip Kotler has termed levels:

(1)**Core benefits or core product:** At the base level, there is the core product which refers to the most important or the basic purpose for which a customer purchases a product.

(2)**Basic product:** Basic product refers to a certain condition that make a product more acceptable such as its quality, standard, brand name, packaging and the like. These include its tangible features.

(3)**Expected product at this level:** The marketer prepares an expected product, a set of attributes with condition buyers normally expect when they purchase any products.

(4)**Augmented product:** There is an augmented product, which refers to the totality of benefits that a person receives or experiences from the product it leads. To the concept of systems selling which means that a seller sells not a product but a system, that is something which satisfies the customer's total needs. In order to give the final shape with the product as this stage the product developer inputs additional benefits or services in the form of personal attention to the buyer.

(5)**Potential product:** At the fifth stands the potential product which encompasses all the possible augmentations and transformations the product or offering might undergo in the future. Here is where companies search for new ways to satisfy customers and distinguish their offering.

## **Importance of product**

The product is the most tangible and intangible components of the marketing program. The product policy and strategy is the cornerstone of a marketing mix. Without a product there is nothing to distribute, nothing to promote, nothing to price, if the product fails to satisfy consumer demand. No additional cost on any of the other ingredients of the marketing mix will move the product performance in the marketplace, so we can easily say that product plan is the heart of the marketing mix. The importance of the product can be elaborated from the following points.

- (1)Product is the central for all economic activities.
- (2)Product is the central point for all marketing activities.
- (3)Product is the main base for institution profit.
- (4)Product is the starting point of planning.
- (5)Product is an end.

# Classification of Product

(1)**Consumer product:** Consumer goods are goods destined for use by ultimate consumers or household and in such form that they can be used without commercial processing. Thus consumer goods are products which are used by the end consumer e.g. soap, toothpaste, book, pen, etc. the consumer goods are further divided into 3 classes.

A. Convenience products

B. Shopping products

C. Speciality products

(2)**Industrial goods:** These goods are bought as raw materials/ inputs for the manufacturing process by the firms and institutions. These goods are also purchased for the result purpose. Industrial goods are classified on the basis of relative cost, way of entering the production process. This category encompasses the material and parts capital items and supply and business services.

**Industrial goods fall into four main categories:**

A. Raw materials

B. Semi finished goods

C. Fabricated material

D. Equipment's

# Questions

Short:

1. What do you mean by product?
2. Explain any three features of Product.

Long:

1. Explain the importance of product in modern marketing.
2. What is meant by a product? What are the different types of products?

# Keywords

1. Fabricated material
2. Convenience products
3. Saleability
4. Augmentation

## References

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**THANKS**