

Class: B.Com (Hons) Semester VI

Subject : BCP 6.2 PRINCIPLES OF MARKETING

Topic: Classification of Product

1.4: Types of Product:

A company sells different products (goods and services) to its target market.

They can be classified into two groups, such as:

1. Consumer Product, and
2. Industrial Products

1.4.1: Consumer Products:

Consumer products are those items which are used by ultimate consumers or households and they can be used without further commercial and engineering processes.

Consumer products can be divided into five types as under:

i. Convenient Products:

Such products improve or enhance users' convenience. They are used in a day-to-day life. They are frequently required and can be easily purchased. For example, soaps, biscuits, toothpaste, razors and shaving creams, newspapers, etc. They are purchased spontaneously, without much consideration, from nearby shops or retail malls.

ii. Shopping Products:

These products require special time and shopping efforts. They are purchased purposefully from special shops or markets. Quality, price, brand, fashion, style, getup, colour, etc., are important criteria to be considered. They are to be chosen among various alternatives or varieties. Gold and jewellery, footwear, clothes, and other durables (including refrigerator, television, wrist washes, etc.).

iii. Durable Products:

Durable products can last for a longer period and can be repeatedly used by one or more persons. Television, computer, refrigerator, fans, electric irons, vehicles, etc., are examples of durable products. Brand, company image, price, qualities (including safety, ease, economy, convenience, durability, etc.), features (including size, colour, shape, weight, etc.), and after-sales services (including free installation, home delivery, repairing, guarantee and warranty, etc.) are important aspects the customers consider while buying these products.

iv. Non-durable Products:

As against durable products, the non-durable products have short life. They must be consumed within short time after they are manufactured. Fruits, vegetables, flowers, cheese, milk, and other provisions are non-durable in nature. They are used for once. They are also known as consumables. Mostly, many of them are non-branded. They are frequently purchased products and can be easily bought from nearby outlets. Freshness, packing, purity, and price are important criteria to purchase these products.

v. Services:

Services are different than tangible objects. Intangibility, variability, inseparability, perishability, etc., are main features of services. Services make our life safe and comfortable. Trust, reliability, costs, regularity, and timing are important issues.

The police, the post office, the hospital, the banks and insurance companies, the cinema, the utility services by local body, the transportation facilities, and other helpers (like barber, cobbler, doctor, mechanic, etc.,) can be included in services. All marketing fundamental are equally applicable to services. 'Marketing of services' is the emerging facet of modern marketing.

1.4.2: Industrial Products:

Industrial products are used as the inputs by manufacturing firms for further processes on the products, or manufacturing other products. Some products are both industrial as well as consumer products. Machinery, components, certain chemicals, supplies and services, etc., are some industrial products.

Again, strict classification in term of industrial consumer and consumer products is also not possible, For example, electricity, petroleum products, sugar, cloth, wheat, computer, vehicles, etc., are used by industry as the inputs while the same products are used by consumers for their daily use as well.

Some companies, for example, electricity, cements, petrol and coals, etc., sell their products to industrial units as well as to consumers. As against consumer products, the marketing of industrial products differs in many ways.

Industrial products include:

1. Machines and components
2. Raw-materials and supplies
3. Services and consultancies
4. Electricity and Fuels, etc.

1.5: Product can also be referred as a bundle of satisfaction, physical and psychological both. Product includes:

1. Core Product:

Core product includes basic contents, benefits, qualities, or utilities.

2. Product-related Features:

They include colour, branding, packing, labeling, and varieties.

3. Product-related Services:

They include after-sales services, installation, guarantee and warrantee, free home delivery, free repairing, and so forth. As per the definition, anything which can satisfy need and want of consumers is a product. Thus, product may be in form of physical object, person, idea, activity, or organisation that can provide any kind of services that satisfy some customer needs or wants.

1.6: Product Dimensions:

Different people view product differently. Similarly, their expectations are different. The different views or ways to see or perceive the product can be said as product dimensions.

There are three dimensions, as stated below:

Managerial Dimension:

According to management, a product is viewed as the total product. It includes all those tangible and non-tangible aspects that management wants to offer. Managerial dimension of product covers mainly core products, product-related features, and product-related services.

Consumer Dimension:

To consumers, a product is a bundle of expectations. They view product as a source of expectations or satisfaction. Thus, for consumer, total benefits received from product are important. This view is very important for a marketer.

Social Dimension:

Society considers the product as a source of long-term welfare of people. Society expects high standard of living, safety, protection of environment, and peace in society.
