

Products and Brands

1 Distinguish between goods and services.

- “Product” is a term used in marketing to designate non-durable goods, durable goods, and services that are marketed. Some products are a combination of both goods and services.
- There are four unique elements to services: intangibility, inconsistency, inseparability, and inventory. These four elements are referred to as the *four Is of services*.

durable good An item that lasts over an extended number of uses

idle production capacity When the supply of the service exceeds its demand

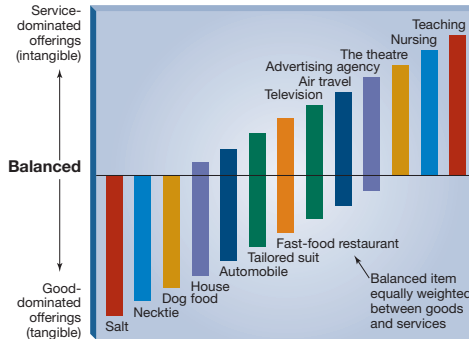
non-durable good An item that does not last and is consumed only once, or for a limited number of times

product A good, a service, or an idea consisting of tangible and intangible features

service continuum A range from tangible goods to intangible services

services Intangible activities, benefits, or satisfactions offered for sale

Figure 7-1
The service continuum



2 Understand the total product concept.

- The total product concept includes the core product, the actual product, and the augmented product.

Figure 7-2
The total product concept applied to a bicycle

THE TOTAL PRODUCT CONCEPT		
LAYER	DESCRIPTION	EXAMPLE (BICYCLE)
Core product	What the product does for the customer—the benefits derived from using the product	Provides transportation and leisure activity
Actual product	The physical good or service, including the branding, design, and features that the consumer receives	A branded product, with a metal frame, two wheels, and a seat
Augmented product	Additional features or benefits that accompany the product, such as a warranty, a service contract, delivery options, installation, or a website	Warranty or repair contract

3 Differentiate between products, product lines, and product mixes.

- Product mix is the combination of product lines managed by a company. The width of the product mix refers to the number of different categories offered by the company. The depth of the product mix refers to the number of product groups and product lines offered by a company within each category.

product depth The variety of product offerings within a product category, product group, or product line

product line A group of products with the same product and brand name that are directed at the same general target market and are marketed together

Figure 7-3
Some of Nike’s products explained



product mix The combination of product lines offered by a company

product width The number of different categories offered by the company

4 Identify the ways consumer and business goods and services are classified.

- Consumer products are classified into convenience products, shopping products, specialty products, and unsought products.
- Business products are classified into production or support goods. Production goods include raw materials and components parts, while support goods include installations, accessory equipment, supplies, and services.

business products Products that are purchased either to run a business or to be used as a component in another product or service

consumer products Products purchased for their own personal use by the ultimate consumer

convenience products Items purchased frequently that are inexpensive and require minimum risk and shopping effort

shopping products Items that require comparison-shopping between different brands and require an investment of shopping time

specialty products Items for special occasions that require a specific brand and considerable time and effort to purchase

unsought products Unknown items or those of no interest to the purchaser

5 Explain the elements of branding and how these can be protected.

- A brand is a name or phrase used to identify a product and to distinguish it from the competition. Brand equity is the result of the positive experiences consumers have with the brand over time and results in brand loyalty.
- Trademarks are used to legally protect brands. Patents are used to protect unique processes, and copyrights are used to protect the written or spoken word.

brand A name or phrase uniquely given by a company to a product to distinguish it from the competition

brand equity The favourable associations and experiences that a consumer has with a brand resulting from the consumer’s exposure and interaction with the brand over time

brand loyalty The degree of consumer attachment to a particular brand

brand personality Set of human characteristics associated with a brand name

copyrights Used to legally protect the written word, sound recording, or form of communication from being copied by others

patents Legally protect new technologies, unique processes, or formulations from usage by other companies for a period of 20 years

trademarks Used to legally protect brands and their images from usage by others

Understand the different types of brands that exist in the market.

- Brands are categorized as manufacturer's brands, private label brands, and generic brands.
- Companies may restrict a brand name for use with a single product line, thus using an individual brand, or may extend a brand name to encompass a number of different product categories, resulting in the creation of a family brand.

family brand When a company uses a brand name to cover a number of different product categories

generic brand A product that has no branding and is produced as a cheap alternative to manufacturer's and private label brands

individual brand When a company uses a brand name solely for a specific product category

manufacturer's brand A brand owned and produced by the manufacturer

private label brand Otherwise known as a store brand, a brand owned by a retailer that contracts its manufacturing to major suppliers, and then sells the product at its own retail stores

Apply product and brand knowledge to ongoing marketing strategies.