



7

MARKETING AN INTRODUCTION

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Products, Services,
and Brands Building Customer Value

Chapter Outline

- What is a Product?
- Product and Service Decisions
- Services Marketing
- Branding Strategy: Building Strong Brands

What is a Product?

A **product** is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need.



Services

Services are a form of product that consist of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything.

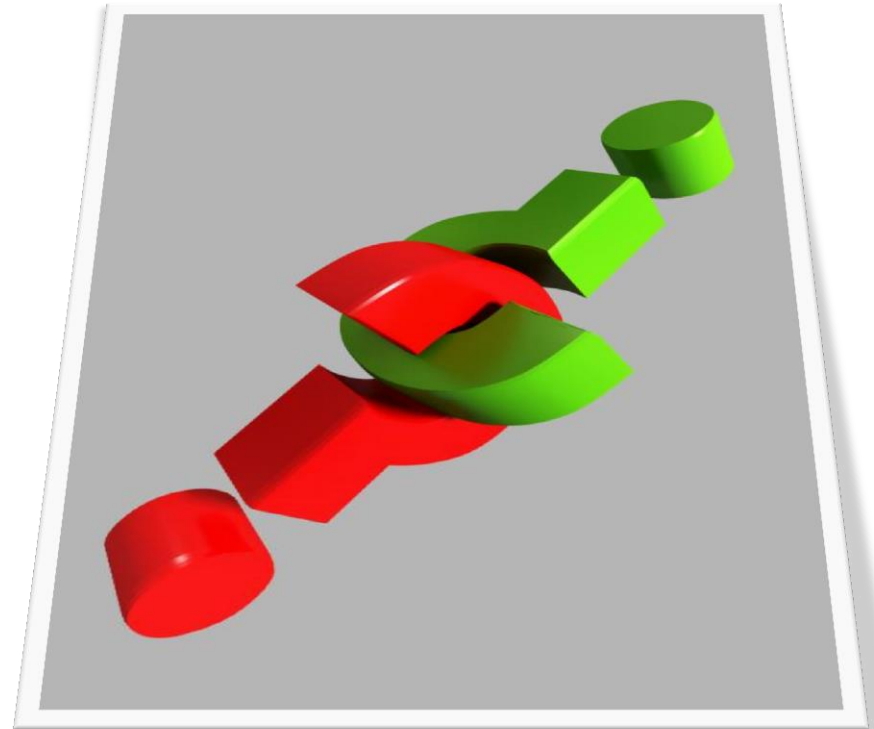


Three Levels of Product



Discussion Question

Describe the
THREE levels
of product
for a health
club



Consumer Products

Consumer products are products bought by final consumer for personal consumption.



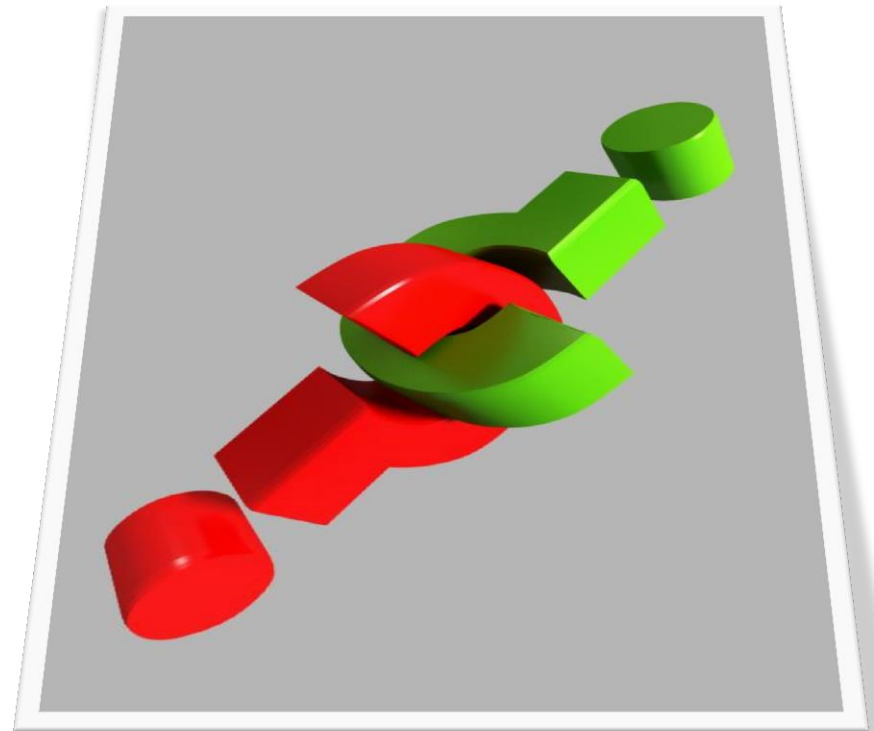
Types of Consumer Products

■ **Table 7.1** Marketing Considerations for Consumer Products

Marketing Considerations	Type of Consumer Product			
	Convenience	Shopping	Specialty	Unsought
Customer buying behavior	Frequent purchase, little planning, little comparison or shopping effort, low customer involvement	Less frequent purchase, much planning and shopping effort, comparison of brands on price, quality, style	Strong brand preference and loyalty, special purchase effort, little comparison of brands, low price sensitivity	Little product awareness, knowledge (or, if aware, little or even negative interest)
Price	Low price	Higher price	High price	Varies
Distribution	Widespread distribution, convenient locations	Selective distribution in fewer outlets	Exclusive distribution in only one or a few outlets per market area	Varies
Promotion	Mass promotion by the producer	Advertising and personal selling by both producer and resellers	More carefully targeted promotion by both producer and resellers	Aggressive advertising and personal selling by producer and resellers
Examples	Toothpaste, magazines, laundry detergent	Major appliances, televisions, furniture, clothing	Luxury goods, such as Rolex watches or fine crystal	Life insurance, Red Cross blood donations

Discussion Question

Are there any products that could be classified as different types of consumer goods depending on the situation?



Industrial Products

Industrial products are those purchased for further processing or for use in conducting a business



materials and parts



capital items



supplies and services

Other Product/Service Classifications



Organizations



Persons



Places



Ideas

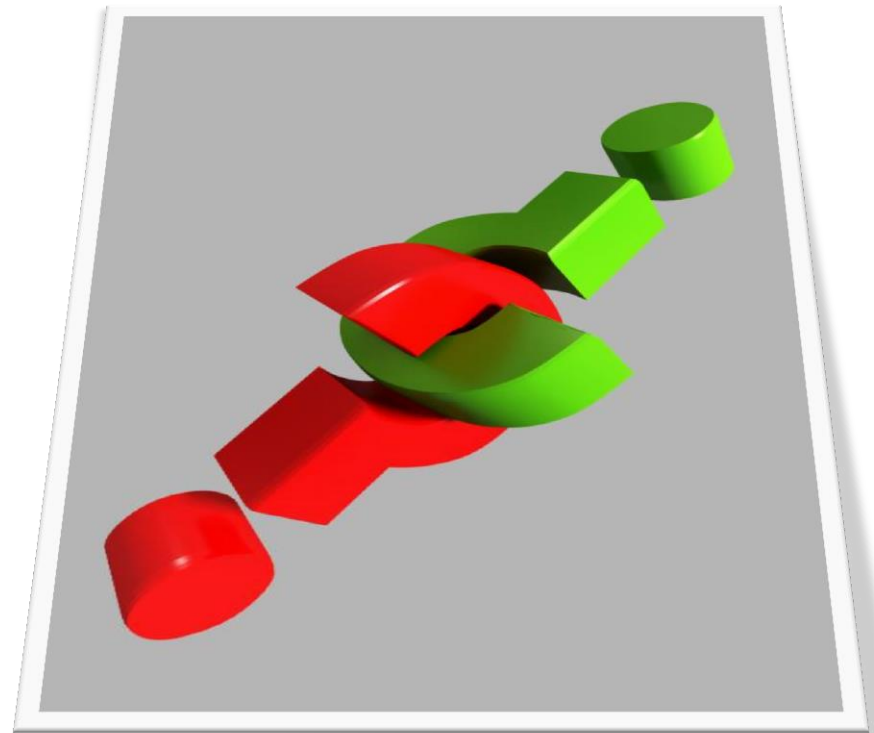
Social Marketing

Social marketing is the use of commercial marketing concepts and tools in programs designed to influence individuals' behavior to improve their well-being and that of society.



Discussion Question

What social marketing efforts do you feel are successful?



Individual Product and Service Decisions



Product and Service Attributes



Branding

A **brand** is a name, term, sign, symbol, or design, or a combination of these, that



identifies the maker or seller of a product or service.

Packaging

Packaging involves designing and producing the container or wrapper for a product.



Labeling



Identifies the product or brand

Supports the brand's positioning

Adds personality to the brand

Product Support Services

Customer service is an important element of product strategy



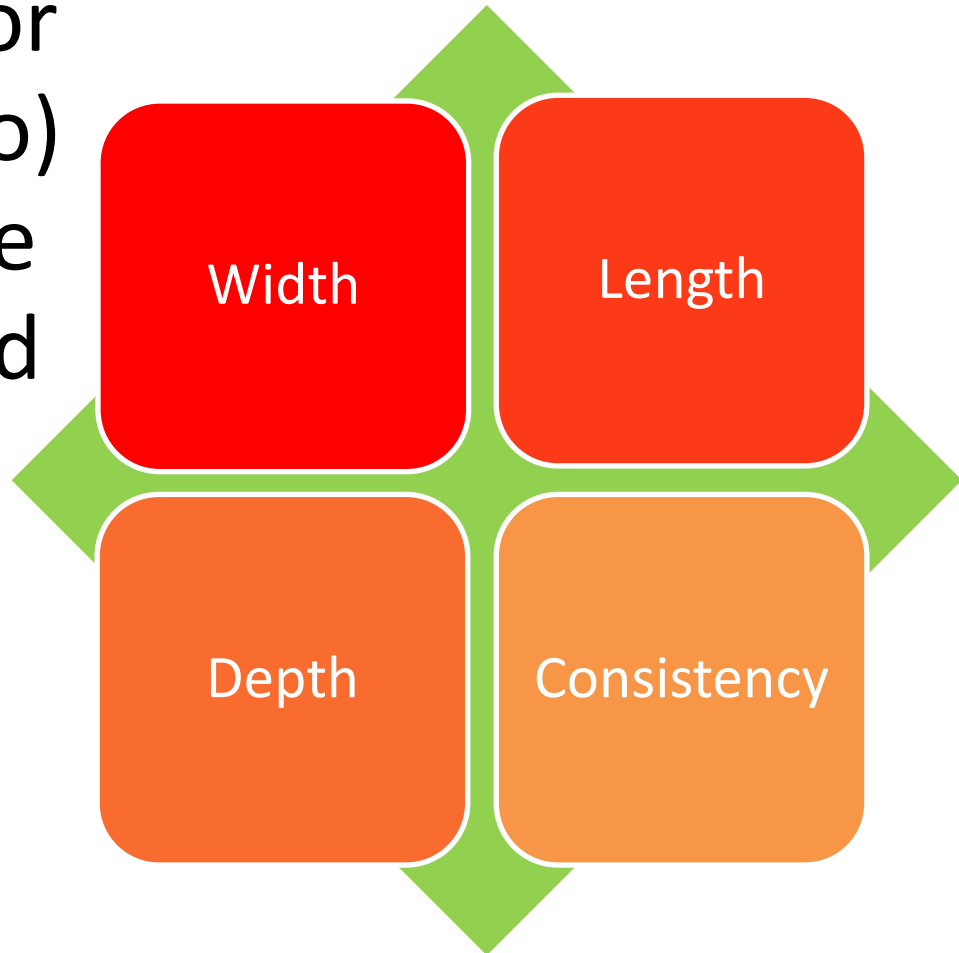
Product Line Decisions

Product line is a group of products that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed through the same types of outlets, or fall within given price ranges.

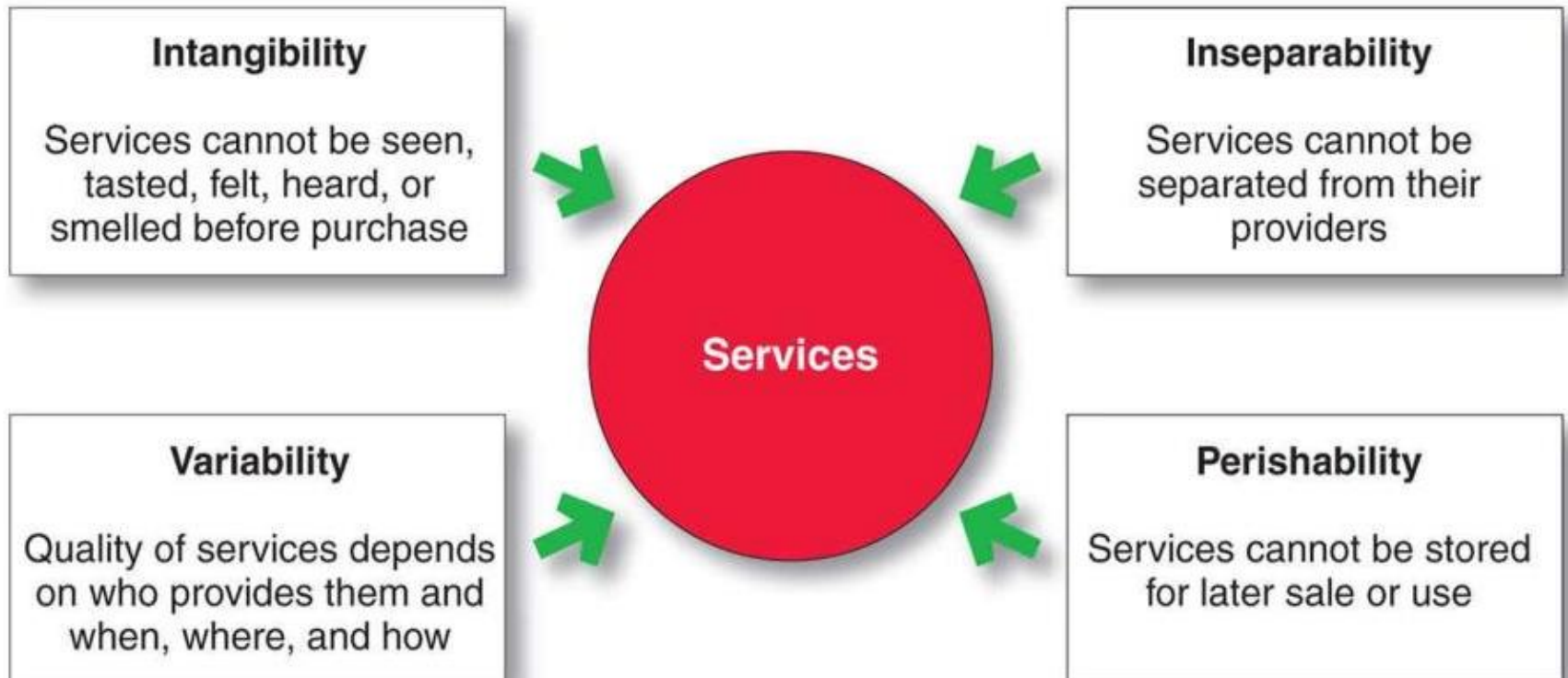


Product Mix Decisions

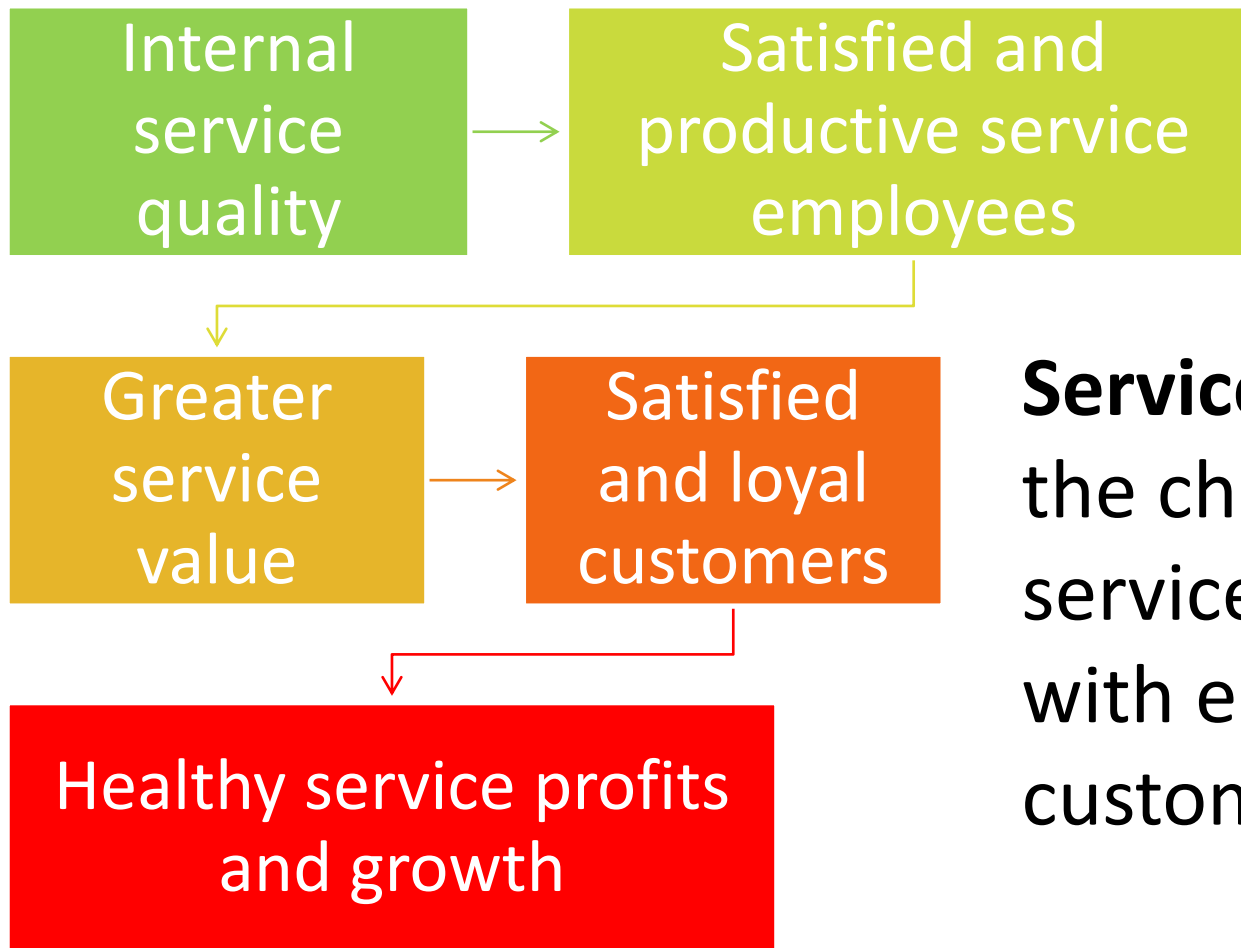
A **product mix** (or product portfolio) consists of all the product lines and items that a particular seller offers for sale



Services Marketing

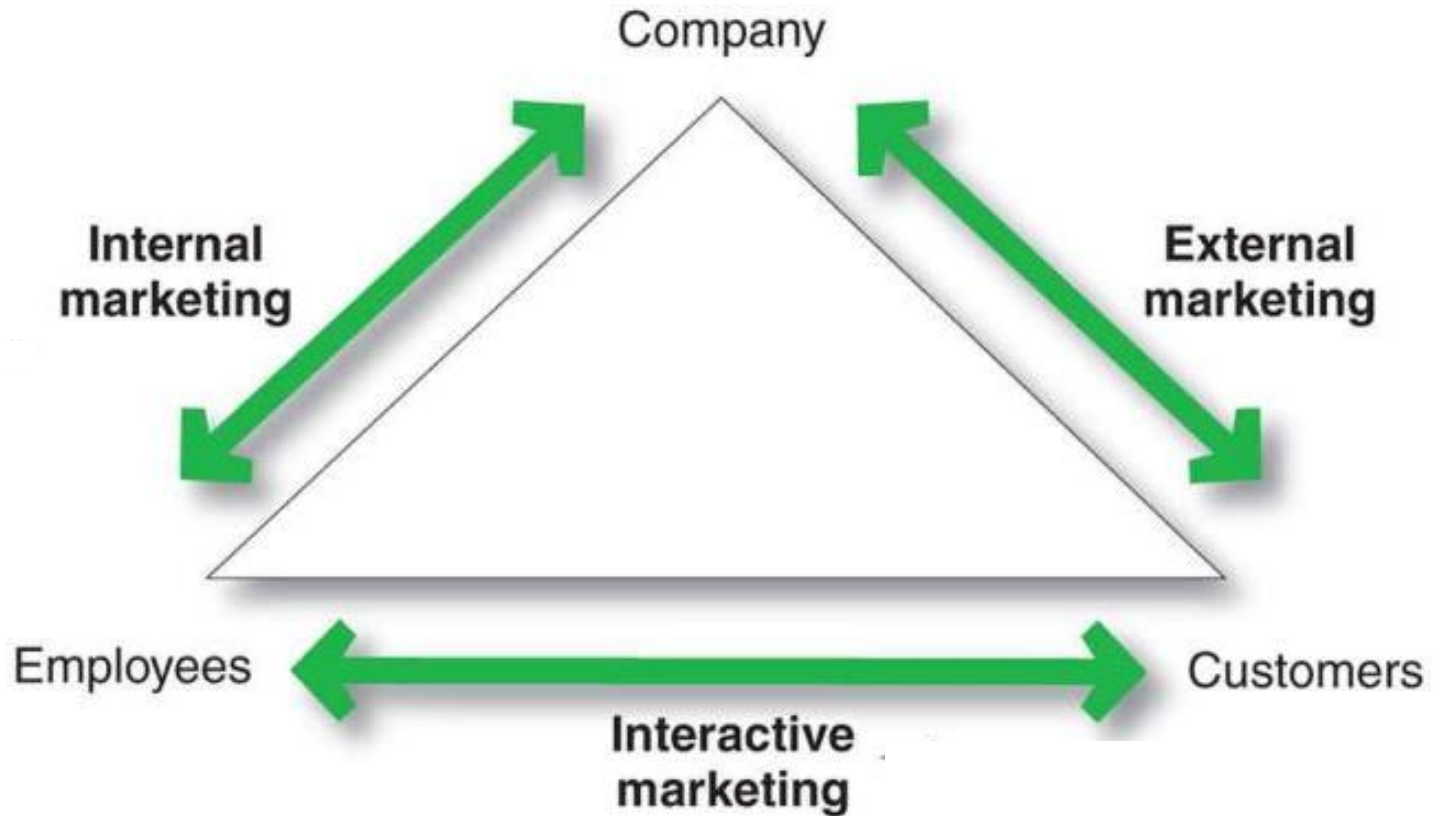


Marketing Strategies for Service Firms



Service-profit chain is the chain that links service firm profits with employee and customer satisfaction.

Brand Development Strategies



Managing Services



Service
Differentiation



Service Quality



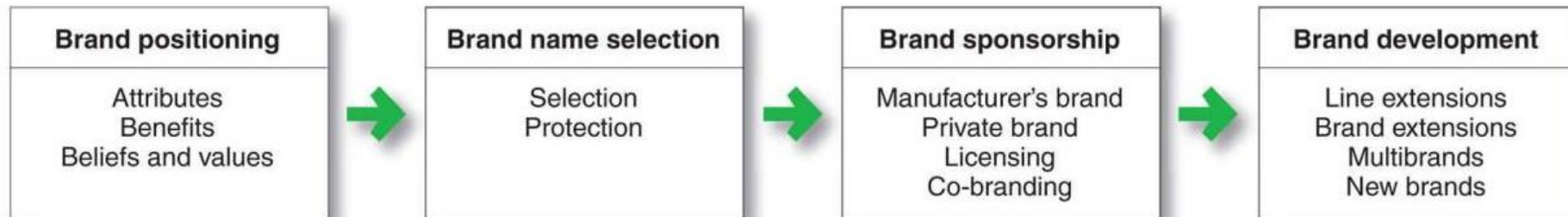
Service
Productivity

Branding Strategy

Brand equity is the differential effect that knowing the brand name has on customer response to the product and its marketing



Building Strong Brands



Brand Development

		Product category	
		Existing	New
Brand name	Existing	Line extension	Brand extension
	New	Multibrands	New brands