**COMSATS University Islamabad, Virtual Campus**

**MGT210 Principles of Marketing**

**Lecture 13 Handouts**

**Products, Services and Brands: Building Customer Value**

A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. A service is an activity, benefit or satisfaction offered for sale that is essentially intangible and does not result in the ownership of anything. Products are key in the overall market offering. The market offer might exist of only pure tangible goods, pure services and everything in between. Product planners need to consider three levels when deciding on services and products. The first one is the core customer value level. Secondly, the core benefit must be turned into an actual product. Finally, an augmented product must be built around the actual product by offering services.

**Consumer and industrial products**

Products and services fall into two broad classes: consumer products and industrial products. Consumer products are products bought by final consumers for personal consumption, they include

* Convenience products are a type of consumer product that consumers usually buy frequently, immediately and with minimal comparison and buyer effort.
* Shopping products are consumer products that the customer, in the process of selecting and purchasing, usually compares on such attributes as suitability, quality, price and style.
* Specialty products are a type of consumer product with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort.
* Unsought products are consumer products that the consumer either doesn’t know about, or knows about but does not normally consider buying.

 Industrial products are products bought by individuals and organizations for further processing or for use in conducting a business. Materials and parts include raw materials (farm products, natural products) and manufactured parts (component materials and parts).

Organization marketing consists of activities to create, maintain or change the attitudes and the behavior of target customers. Corporate image advertising campaigns can be used to improve the image of a firm. Person marketing consists of activities to change attitudes of specific people. Place marketing involves activities to create, maintain or change attitudes towards particular places. Social marketing is the use of commercial marketing concepts and tools in programmes designed to influence individuals’ behaviour to improve their well-being and that of society.

**Product and Service decisions**

Decisions regarding products and services are made at three levels: Individual Product Decisions, Product Line decisions and Product decisions.

**Individual product and service decisions**

Developing a product or service involves defining the benefits. Product quality are the characteristics of a product or service that bear on its ability to satisfy stated or implied customer needs. Total quality management (TQM) is an approach where the whole company is involved in constantly improving the overall quality. Product quality is based on the quality level and consistency. Other product and service attributes are product features and the product style (appearance) and the design (heart of the product).