

Concept of Product

Meaning of Product

In marketing, a **product** is not limited to a physical object. A product is **anything that can be offered to a market for attention, acquisition, use, or consumption** and that satisfies a **need or want** of consumers.

According to **Philip Kotler**,

“A product is anything that can be offered to a market to satisfy a want or need.”

Thus, a product may include:

- Physical goods (mobile phones, cars),
- Services (banking, insurance, education),
- Experiences (tourism, entertainment),
- Persons (celebrities, politicians),
- Places (tourist destinations),
- Ideas (health awareness, social causes).

Importance of Product in Marketing

1. Product is the **core element of the marketing mix**.
2. All marketing activities revolve around the product.
3. Customer satisfaction depends mainly on the product's utility.
4. A strong product creates brand image and loyalty.

Dimensions of a Product

The **product dimension** explains the various levels at which a product exists from the customer's point of view.

1. Core Product

- The **basic benefit or service** that the customer is actually buying.
- It answers the question: *What is the customer really purchasing?*

Examples:

- Mobile phone → Communication
 - Refrigerator → Food preservation
 - Hotel → Rest and comfort
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2. Actual Product

This is the **tangible form** of the product that includes physical features.

It consists of:

- Quality
- Design
- Brand name
- Style
- Packaging
- Features

Example:

- A branded smartphone with camera quality, storage, screen size, and design.
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3. Augmented Product

These are the **additional benefits and services** provided with the product.

Includes:

- Warranty
- After-sales service
- Free installation
- Home delivery
- Customer support

Example:

- One-year warranty and free servicing with a laptop.
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4. Potential Product

- Refers to **all possible future improvements** and innovations.

- Focuses on product development and differentiation.

Example:

- Future AI features in smartphones.
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Classification of Products

Products can be classified on the basis of **consumer behavior, durability, and industrial use.**

I. Classification Based on Durability and Tangibility

1. Non-Durable Goods

- Consumed quickly
- Low price and frequent purchase

Examples:

Soap, toothpaste, snacks

2. Durable Goods

- Used for a long period
- High unit value

Examples:

Television, refrigerator, washing machine

3. Services

- Intangible
- Cannot be stored

Examples:

Education, banking, medical services

II. Classification Based on Consumer Buying Behavior

1. Convenience Products

- Purchased frequently with minimum effort
- Low involvement

Examples:

Bread, milk, newspapers

2. Shopping Products

- Consumers compare price, quality, and style
- Bought less frequently

Examples:

Clothing, furniture, electronics

3. Specialty Products

- Unique characteristics
- Strong brand loyalty

Examples:

Luxury cars, Rolex watches

4. Unsought Products

- Consumers are not aware of or do not normally think of buying

Examples:

Life insurance, fire extinguishers

III. Classification Based on Industrial Use

1. Raw Materials

- Basic materials used in production

Examples:

Cotton, iron ore, crude oil

2. Manufactured Materials and Parts

- Used as inputs in manufacturing

Examples:

Steel, automobile parts

3. Capital Items

- Help in production but are not part of final product

Examples:

Machinery, tools, factory buildings

4. Supplies and Business Services

- Facilitate daily operations

Examples:

Lubricants, office supplies, maintenance services

The concept of product in marketing is broad and customer-oriented. A product is a **bundle of benefits** that satisfies consumer needs. Understanding the **dimensions and classification of products** helps marketers design better offerings, create value, and achieve customer satisfaction and competitive advantage.