



UMCS
WYDZIAŁ EKONOMICZNY

Marketing

Associate Professor, PhD Marcin Lipowski
Head of Marketing Department



What is a product?

Product is anything that can be offered to a market for attention, acquisition, use or consumption that may satisfy want or need.



Why people are willing to pay for bottled water 10 USD or more?



What is a product?

Product include more than just tangible object, such as bike. Broadly define product include services, events, person, place, organizations, ideas or mixes of these.



Lublin as a product

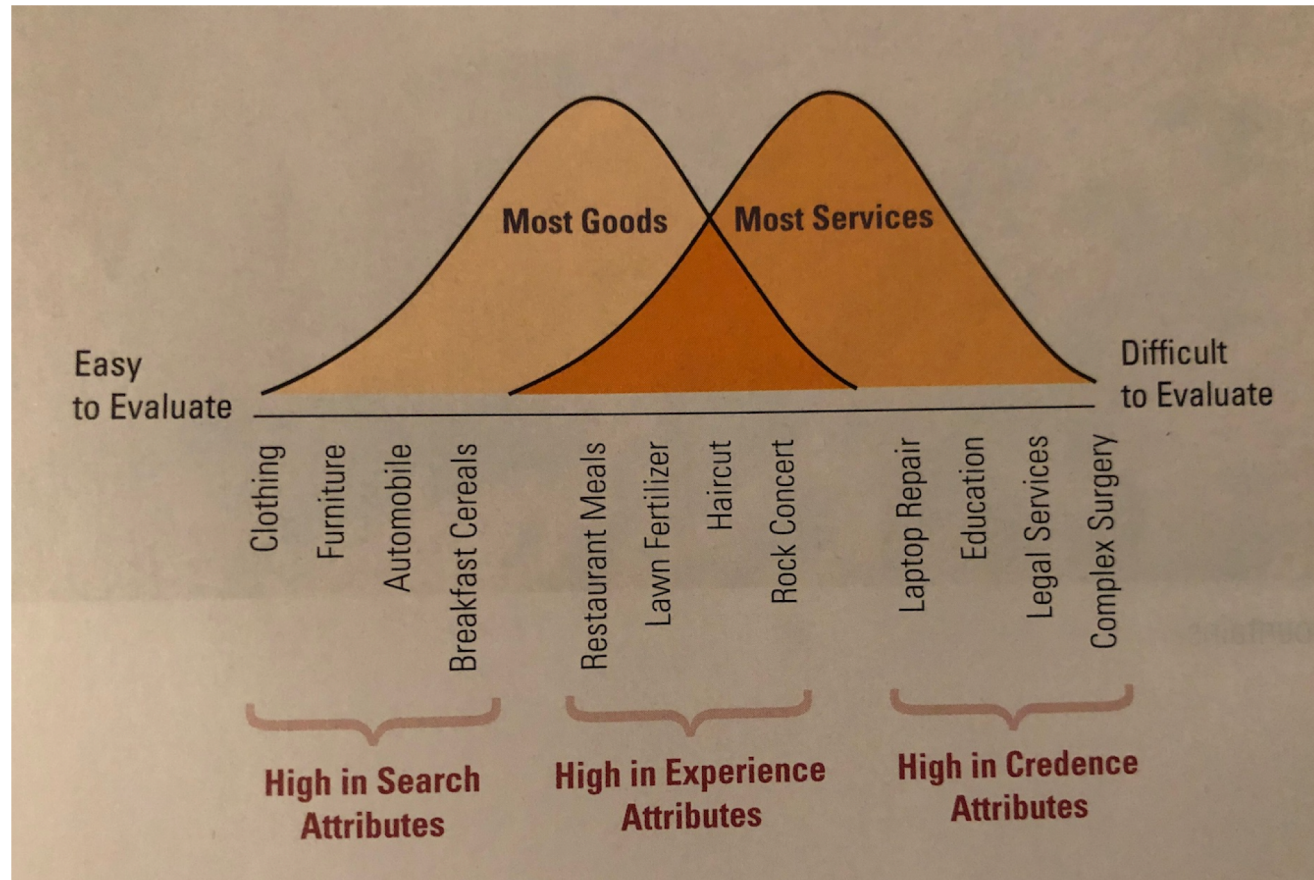


What is a product - services

An activity, benefit or satisfaction offered for sale that is essentially intangible and does not result in the ownership of anything (e.g. banking, airline, hotel).



Tangible product and services [Wirtz, Lovelock]



Product

1. Product is a **key element** of overall market offering. It should **bring value to customer**. This offerings become **a basis** upon which the company builds **profitable customer relationship**.
2. A market offerings often **includes both tangible goods and services**.
3. Today as products and services become commoditized many companies **are moving to new level in creating value** for their customer. To differentiate their offer there are **creating and managing customer experience** with their brands or companies.
4. Experience have always been an important part of marketing. Customers are buying much more than just product and services. They **are buying what those offer will do for them**.



Experience Real Madrid



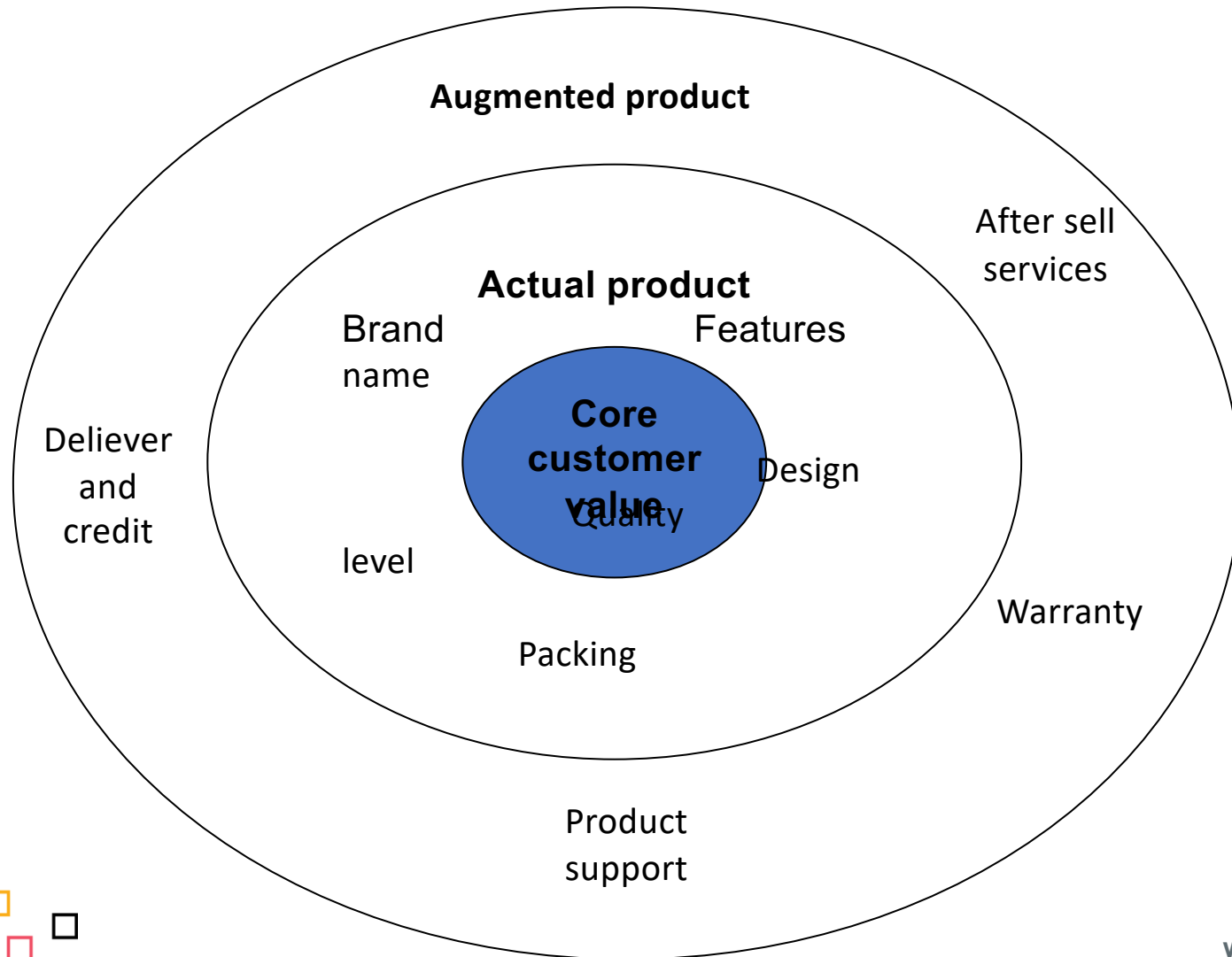
Customer experience - unboxing





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Three levels of product



Three levels of product

1. Each levels **adds more customer value**
2. The basic level is **the core customer value**, and answer a question Why is the customer really buying? Marketers must define core problem solving benefits or services that customer seeks.
3. At the second level product managers must turn the core benefit into **actually product**. They need to develop product and services features, design, a quality level, brand name and packing.
4. Finally product planners must build an **augmented product** around core benefit and actually product by offering additional customer services and benefit.



Product category

1. **Convenience product** – a consumer product that customers usually buy frequently, immediately, and with the minimum of comparison and buying effort.
2. **Shopping product** – a customer product that customer, in the process of selection and purchase, usually compares on such bases as suitability, quality, prices and styles.
3. **Specialty product** – a consumer product with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort.
4. **Unsought product** – a consumer product that the consumer either does not know about or knows about but does not normally think of buying.



Marketing consideration for customer product

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

Specialty and unsought product

- **Specialty product** are customer product or services with **unique product characteristics or brand identification** for which a significant group of buyer is **willing to make a special purchase effort** (specific brand of cars, high priced photographic equipment, designer clothes).
- **Unsought product** – are customer products that the customer either **does not know about or knows about but does not normally think of buying**. Most major **new innovation** are unsought until the customers become aware of them through advertising (life insurance, funeral services, blood donation).



What types of product it is?



Product and services attributes

Product quality – quality has direct impact on product or services performance. It is closely linked to customer value and satisfaction. Quality can be narrow defined as **freedom from defect**. Quality can be also define **as characteristics of a product or services that bear of its ability to satisfy stated of implied customer needs**.

“ Quality is when our customers come back and our product don’t”



Product and services attributes

- Product quality has two dimensions - **level and consistency**.
- **Product quality** means performance quality – the ability of a product to perform its functions. Companies **rarely try to offer the highest possible performance quality** level because few customers want or can afford the high level product quality. Companies **choose the quality level that matches target market needs** and quality levels of competing product.
- Consistency means **conformance quality** – consistency in delivering a target level of performance. Product should **deliver as consistently the quality that consumer pay for and expect**.



Product style and design

- **Product style** is a concept which describe **appearance of the product**. Style can be eye catching and yawn producing. A sensational style **may grab attention** and produce pleasing aesthetic but **it does not necessarily make the product perform better**.
- **Product design** is the larger concept then style. Design is more then skin deep – it goes to the very heart of s product. **Good design contribute to the product's usefulness as well as its looks**. Design begins with observing customers and **developing a deep understanding of their needs**.

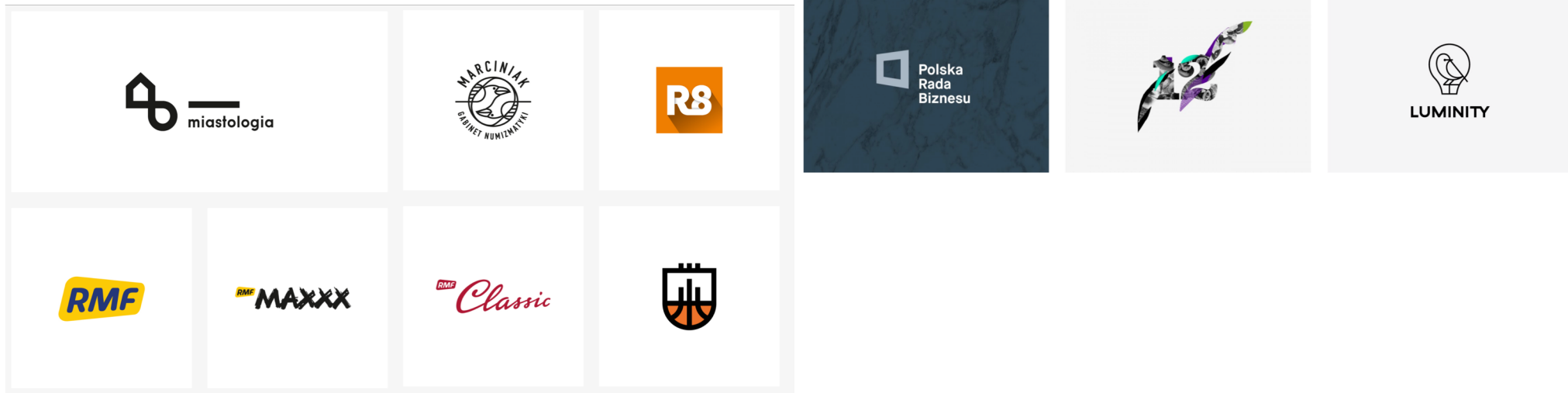


Product brand

Brand – a name, term, sign, symbol, design or a combination of these that identifies the products or services of one seller or group of sellers and differentiates them from those of competitors.



Polish branding agencies – [otwarte.com.pl, mamastudio.pl]



UMCS rebranding – mamastudio.pl



Product brand

1. Consumer view a brand as an important part of a product and **branding can add value top a product.**
2. Consumers **attach meanings to brands and develop brand relationship.** Brands have meaning well beyond a product's physical attributes.
3. Branding has become so strong that **today hardly anything goes unbranded.**
4. Brands name **helps customer identify products** that might benefit them. Brands say something about quality and consistency. Buyers who buy the same brand know **that they will get the same benefit.**



Political branding – the ruling party in Poland



PROGRAM RODZINA 500+



Symbol of brand - Little Hunger

