

VIDYA BHAWAN BALIKA VIDYA PITH

शक्ति उत्थान आश्रम लखीसराय बिहार

Class 12 commerce Sub. BST. Date 17.10.2020

Teacher name – Ajay Kumar Sharma

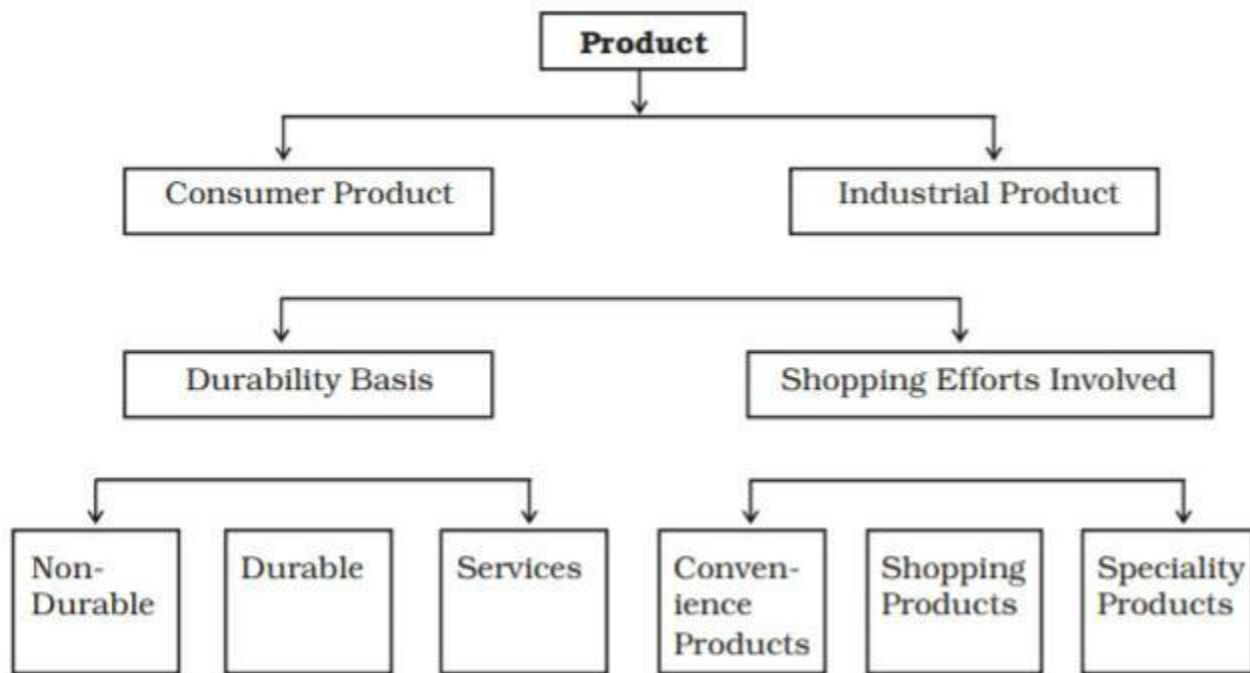
MARKETING

PRODUCT

In common parlance, the word 'product', is used to refer only to the physical or tangible attributes of a product. For example, we say we have bought a car or a pen or a Cell phone or a tractor. Our decision to buy a product is not only affected by its physical qualities, but also by certain non- tangible and psychological factors, e.g., brand name, reputation, guaranty, packaging etc. Let us say, when a person buys a car, he/she is not just buying a few nuts and bolts, an engine, four wheels and so on. Rather he/she is buying a means of transport, a status symbol, guarantees and warranties accompanying the product, image of the company and many other such attributes. Thus, in marketing, product is a mixture of tangible and intangible attributes, which are capable of being exchanged for a value, with ability to satisfy customer needs. Besides physical objects, we also include services, ideas, persons, and places in the concept of product. Thus, product may be defined as anything that can be offered to a market to satisfy a want or need. It is offered for attention, acquisition, use or consumption. From the customer's point of view, a product is a bundle of utilities, which is purchased because of its capability to provide satisfaction of certain need.

A buyer buys a product or service for what it does for her or the benefit it provides to her. There can be three types of benefits a customer may seek to satisfy from the purchase of a product, viz.,

- (i) functional benefits, (ii) psychological benefits, and (iii) social benefits. For example, the purchase of a motorcycle provides functional utility of transportation, but at the same time satisfies the need for prestige and esteem and provides social benefit by the way of acceptance from a group, by riding a motorbike. Thus, all these aspects should be considered while planning for a product. It is customer for companies to review the progress of their present products and constantly look for opportunities of diversifying into never areas. (see box on PepsiCo.)



Classification of Product