

VIDYA BHAWAN BALIKA VIDYA PITH

शक्ति उत्थान आश्रम लखीसराय बिहार

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Teacher name – Ajay Kumar Sharma

MARKETING

LET US DO IT

Enlist the functional, psychological and social benefits that can be achieved by the purchase of

(i) Personal computer, (ii) Colourtelevision, (iii) Wrist watch.

CLASSIFICATION OF PRODUCT

Products may broadly be classified into two categories — (i) consumers' products, and (ii) industrial products.

The consumer products may further be classified into different groups, as detailed below:

CONSUMER PRODUCTS

Products, which are purchased by the ultimate consumers or users for satisfying their personal needs and desires are referred to as consumer products. For example, soap, edible oil, eatables, textiles, toothpaste, fans, etc. which we use for our personal and non- business use are consumer goods.

The consumer products have been classified on the basis of two important factors: (A) the extent of shopping efforts involved, and (B) durability of the product. These have been explained as below: A. Shopping Efforts Involved

On the basis of the time and effort buyers are willing to spend in the purchase of a product, we can classify the consumer product into the following three categories as here under:

1. Convenience Products: Those consumer products, which are purchased frequently, immediately and with least time and efforts are referred to as convenience goods. Examples of such products are cigarettes, ice creams, medicines, newspaper, stationery items toothpaste. etc. These products have low unit-value and are bought in small quantities. Some of the important characteristics of such products are: (a) These products are purchased at convenient locations, with least efforts and time;

(b) Convenience products have a regular and continuous demand, as these generally come under the category of essential products;

(c) These products have small unit of purchase and low prices. For example the eggs are sold at Rs. 28 per dozen and the customers purchase them in small numbers;

(d) Convenience products have standardised price as most of these products are branded products;

(e) The competition in these products is high as the supply is greater than the demand. The marketers have, therefore, to heavily advertise for these products; and (f) Sales promotion schemes or short- term incentives such as sales contests, discount offers, etc play an important role in the marketing of such products.

2. Shopping Products: Shopping products are those consumer goods, in the purchase of which buyers devote considerable time, to compare the quality, price, style, suitability, etc., at several stores, before making final purchase. Some of the examples of shopping products are clothes, shoes, jewellery, furniture, radio, television, etc. The important characteristics of shopping products are as below:

- (a) The shopping products are generally of durable nature, i.e., they normally survive many uses;
- (b) The unit price as well as profit margin of shopping products is generally high;
- (c) As these products have high unit price, customers compare the products of different companies before making selection;
- (d) Purchases of shopping products are generally pre-planned and there is little degree of impulse buying in these products; and
- (e) Retailers generally play an important role in the sale of shopping products as lot of persuasive effort is needed to convince the buyers to purchase them. order, with a significant number of buyers. The buyers are willing to spend a lot of time and efforts on the purchase of such products. For example, if there is a rare collection of artwork or of antiques, some people may be willing to spend a lot of shopping effort and travel long distance to buy such products. In our day-to-day life, we see people going to a particular hair-cutting saloon or restaurant, or a tailor. The demand for these goods is relatively inelastic, i.e., even if the price is increased, the demand does not come down. Some of the important characteristics of the specialty products may be summed up as follows:
 - (a) The demand for specialty products is limited as relatively small number of people buy these products;
 - (b) These products are generally costly and their unit price is very high; (c) These products are available for sale at few places as the number of customers is small and are willing to take extra efforts in the purchase of these products;
 - (d) An aggressive promotion is required for the sale of specialty products, in order to inform people about their availability, features, etc.; and
 - (e) After sales services are very important for many of the specialty products.