

Rachael Dux
BUS 320
CH 8 Notes

Companies are selling the satisfaction, use, or benefit the customer wants. Purchases deliver the highest level of satisfaction when the customer's entire *experience* with the product meets or exceeds the customer's needs.

Product means the need-satisfying offering of a firm. Most customers think about a product in terms of the total satisfaction it provides. That satisfaction may require a "total" product offering that is really a combo of excellent service, a physical good with the right features, useful instructions, a convenient package, a trustworthy warranty, etc.

Quality means a product's ability to satisfy a customer's needs or requirements. Among diff types of jeans, the one with the most durable fabric might be thought of as having the highest grade or *relative quality* for its product type. Marketing managers often focus on relative quality when comparing their products to competitors' offerings. However, a product with better features is not a higher-quality product if the features aren't what the target market wants.

A product may be a good or service or a blend of both. Some companies gather big data and, as a service, repackage the data to provide value to their customers. This idea also works when the emphasis is on services, where goods in the offering provide differentiation.

A good is a tangible item, service is an intangible. A service is experienced, used or consumed. Service customers often seek referrals from friends or advice from online reviews. Some service providers emphasize physical evidence of quality. Goods are typically mass-produced in a factory far away from the customer. A service is usually produced in person – where the customer is located – after the customer has committed to buy.

Service quality often isn't that consistent; one reason is that it's hard to separate the service experience from the person who provides it. Service providers also vary in their ability, and problems with the service they deliver are usually obvious to customers. Services are perishable.

A **product assortment** is the set of all product lines and individual products that firms sells. A **product line** is a set of individual products that are closely related. The seller may see the products in a line as related because they are produced or operate in a similar way, sold to the same target market, sold through the same types of outlets, or priced at about the same level. An **individual product** is a particular product within a product line. It usually is differentiated by brand, level of service offered, price, or some other characteristics. Stock-keeping units (SKUs) are assigned to an individual product.

One strategy decision involves *product line length* – the number of individual products in a product line. Sometimes extending the length of the product line offers marketing managers new opportunities. Firms can add more colors, flavors, styles, and sizes to appeal to a wider range of customers. Extending product lines can raise production and distribution costs and might confuse customers.

Branding means the use of a name, term, symbol, or design – or a combo of these – to identify a product. A **brand name** is a word, letter, or a group of words or letters. A **trademark** includes

only words, symbols, or marks that are legally registered for use by a single company. A **service mark** is the same as a trademark except that it refers to a service offering.

Brand names connect a product with the benefits a customer can expect. A good brand reduces the marketer's selling time and effort. Good brands can also improve a company's image.

Successful branding:

1. Product is easy to label and identify by brand or trademark
2. Product quality is easy to maintain and the best value for the price
3. Dependable, widespread availability is possible.
4. Demand is strong enough that the market price can be high enough to make the branding effort profitable
5. There are economies of scale
6. Favorable shelf locations or display space in stores will help

Brand familiarity means how well customers recognize and accept a company's brand. 5 levels of brand familiarity: 1. Rejection 2. Nonrecognition 3. Recognition 4. Preference 5. Insistence

Brand rejection means that potential customers won't buy a brand unless its image is changed – or if the customers have no other choice. **Brand nonrecognition** means final customers don't recognize a brand at all. **Brand recognition** means that customers remember the brand. **Brand preference** means that target customers usually choose the brand over other brands. **Brand insistence** means customers insist on a firm's branded product and are willing to search for it.

The value of a brand to its current owner or firm that wants to buy it is sometimes called **brand equity** – the value of the brand's overall strength in the market.

The **Lanham Act** (1946) spells out what kinds of marks can be protected and the exact method of protecting them. The law applies to goods shipped in interstate or foreign commerce.

Family brand – the same brand name for several products. A special kind of family brand is a **licensed brand** – a well-known brand that sellers pay a fee to use. A company uses **individual brands** – separate brand names for each product – when it's important for the products to each have a separate identity, as when products vary in quality or type. **Generic products** are products that have no brand at all other than identification of their contents and the manufacturer or intermediary.

Packaging involves promoting, protecting, and enhancing the product. Greener packaging.

The Federal Fair Packaging and Labeling Act (1966) requires that consumer goods be clearly labeled in easy-to-understand terms to give consumers more info. Calls on industry to try to reduce the confusing number of packaging sizes and makes labels more useful. Requires food manufacturers to use a uniform format that allows consumers to compare the nutritional value of diff products. Requires to clearly show the fat content of food and ingredients that trigger common food allergies.

Consumer product classes divide into four groups: 1. Convenience 2. Shopping 3. Specialty 4. Unsought. Each class is based on the way people think about and shop for products.

Convenience products are products a customer needs but isn't willing to spend much time or effort shopping for. **Staples** are products that are bought often, routinely, and without much thought. **Impulse products** are products that are bought quickly – as unplanned purchases –

because of a strongly felt need. **Emergency products** are products that are purchased immediately when the need is great. **Shopping products** are products that a customer feels are worth the time and effort to compare with competing products (homogenous and heterogeneous). **Homogeneous shopping products** are items the customer sees as basically the same and wants the lowest price. **Heterogeneous shopping products** are items that customer sees as different and wants to inspect for quality and suitability – furniture, clothing and membership in a spa are examples. Quality, features, and style matter more than price. Branding may be less important. **Specialty products** are consumer products that the customer really wants and makes a special effort to find. **Unsought products** are products that potential customers don't yet want or know they can buy. They don't search for them at all. 2 types: **New unsought products** are products offering really new ideas that potential customers don't know about yet. **Regularly unsought products** are products – like gravestones, life insurance, and nursing homes – that stay unsought but not unbought forever.