

# Product

*by Sophia*



## WHAT'S COVERED

Now that we're right in the middle of our marketing discussion, do you think that the product being marketed makes a difference? How can you classify that? Think about the products that you see advertised or marketed to you. Are there different approaches to how they do it? Are there different things you look for in each product when making your decision to buy it or not? This tutorial will focus on the product, which is one of the 4 P's in the 4 P's marketing model. Our discussion breaks down as follows:

## 1. Product in the Marketing Mix

Recall that product is part of the four P's:

- Product
- Price
- Place
- Promotion

Now, products can be goods, services, or ideas. Basically, a product is whatever you're selling to the public. What are you trying to sell, that is the focus of the marketing mix?

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## 2. New Product Development

New product development can be a challenge. If you think about it, many different things impact developing and bringing a new product to market. For instance, we have changes in trends, both socially and technologically.

➞ **EXAMPLE** Do you remember Myspace or AOL? They're rather outdated, but still around--proof that trends in society and technology change.

Another factor that impacts new product development is distribution, including issues like raising oil prices and gas prices. Companies have to try to find unique ways to bring their product to market and source that transportation in ways that will be most efficient for them to get the product out.

Legally speaking, there are continually new taxes, new regulations, and new mandates that businesses have to comply with in order to keep their products on the market.

Lastly, there is constant pressure to be innovative for the next big thing.

➔ EXAMPLE Lately, Apple has come under a lot of pressure because people are wondering about this very question: What's the next big thing?

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## 3. Product Classifications

Product classifications are the way that we classify a product that identifies between different types of products that we see marketed.

Product Classification	Description	Example
<b>Convenience goods</b>	Low-priced goods that are typically purchased as a routine or quickly, without forethought. The right place is going to be, generally, the biggest reason why we buy them. You'll see these placed where they'll likely be an impulse buy, such as right next to the cash register.	Everyday staples like food, milk, bread, etc. are convenience goods.
<b>Shopping goods</b>	Goods that have a more sophisticated choosing process, during which a purchaser evaluates a variety of characteristics. In this classification, substitutes are acceptable.	Items like electronics and clothing fall into this category, where there are lots of substitutes and many different options for a consumer besides the particular product that you're selling. Therefore, you want to try to make it the most appealing versus your competition or substitutes.
<b>Specialty goods</b>	Goods that are high-priced and that consumers spend considerable time and effort evaluating their choices for. In this category, the right product matters.	Luxury, high-end items correspond with this type of product. Consumers are worried about the product: Does it fit my individual taste? Price and place aren't so much of an issue. If it's the right product in this high-end specialty goods category, I'm willing to shop and find that one product that works for me. We're getting almost into the price range of "money is no object." Consider a luxury car like a Spyker automobile. This is not the kind of car over which people are haggling at the used car lot. This is an

item that will be shipped and sourced from a different country. Consumer are worried about "does this car fit *me*," not necessarily the price.



## TERMS TO KNOW

### Convenience Goods

Low-priced goods that purchased typically as a routine or quickly without forethought.

### Shopping Goods

Goods that have a more sophisticated choosing process that has the purchaser evaluating a variety of characteristics.

### Specialty Goods

Goods that are high-priced and that consumers spend considerable time and effort in evaluating their choices.



## SUMMARY

Today, we learned about the **product in the marketing mix** and its place in the mix of the 4 P's. We learned about **new product development**, including the pressure to be the next big thing and some of the challenges that can arise from getting that new product out to market, like social changes and distribution.

Lastly, we learned about **product classifications**--convenience goods, shopping goods, and specialty goods--and the factors that we need to focus on to make marketing those products successful.

Good luck!

Source: adapted from sophia instructor james howard



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