

PRODUCT DECISION

A product may be defined as a bundle of utilities consisting of various product features and accompanying services. A product is anything a purchaser gets in exchange for his money. In other words, anything is a product or service which is sold and bought in the market.

According to Philip Kotler:- A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a need or a want.

Product levels

A product has many other dimensions besides its physical appearance, these dimensions are: **1)Core product,2) Basic product ,3)Expected product ,4)Augmented product,5) Potential product** each level adds more customer value and the 5 levels constitute customer value hierarchy.

They are as follow

1 Core product:- It is the fundamental dimension of a product as it represent a bundle of utilities to its prospective buyers.It answer the question what is the buyer really buying. For example women buying a washing machine for increase his comfort level.

2 Basic products:- It is the larger packing of a product .The basic product is a what the target market recognise as the offer . For example washing machine is recognised as collection of drum, heater nuts ,bolts and lipstick as collection of chemical and physical elements. The services like auto repair ,electricity supply ,management consultancy , counselling and medical consultant are all products.

3 Expected products:-The customer expect the basic products say, a computer to be enveloped by certain features tile quality, Brand ,package and a warranty. The most visible part of the product is its feature so expected product is that product which is normally taken for granted by the customer. Expected feature ,benefit are differ from product to product and from industry to industry therefore some differentiation can be seen at this stage.

4 Augmented product:- It is a broader conception of the product.It represent the totality of benefit that a person may receive or experience in getting the formal product . Augmented product of a T.V. seller is not the T.V. but also delivery, free installation, warranty service and maintenance.

5 Potential products:- The last level of the product is its potential part for example the unexpected changes in the technology ,attribute, features, style ,colour, grade, quality, factor that might change the structure and character of the industry.

Now we talk about the product attribute

As the product moves away from its Core generic form in number of attributes and features are added on order to differentiate it from those of its substitute product. The product decisions involved is deciding the quality, feature and design of the product as discussed below:-

1)Product quality :It refers to the ability of the particular product item to perform its intended function such as to increase the convenience level, durability, reliability ,performance, ease of operation.

2)Product features :-Features also qualify as an important source of product differentiation. In addition to the core product the firm must offer a range of necessary features. The feature that a consumer would expect to see in the product. Unique features help in product differentiation with respect to the those of competitors.

3)Product design :-product design in should indicate its usefulness and make its attractive. Decision have to be taken in this regard too.A product can also be distinguished because of its unique style or design which help to create a distinct personality of the product line.

PRODUCT POLICIES

Product policies are the general rule set by the management itself in making the decision. Product of a firm are the backbone with which profits are achieved ,enable the form to exist. Good product policies are the basis on which the right product are produced and marketed

successfully .Product policy is concerned with defining that type, volume, timing of the product a company offer for sale. Product policy covers the decision in the following area

Product planning and development

Product line

Product mix

Product branding

Product style

Product Positioning

Product packaging

Product classification types of products

On the basis of **tangibility** we have two types of product

1- Tangible products a tangible product is capable of being that seem and making its presence felt product like TV Fridge bike are tangible in nature

2- Intangible product or services in tangible product by nature can't be seen or touch but it can be felt for example services offered by teacher doctor and other professions are intangible products

On the basis of **Durability** we have three types of products

1 Durable products:- These products and tangible that remain in use month after month and year after year for example T.V., refrigerator ,washing machine are called durable goods.

2 Non- durable products:- These products are tangible goods that are normally consumed by the consumer .These goods are purchased very frequently for example food items.

3 Services:- These include activities or benefit that provide satisfaction to the customer that activities are the physical club and fitness Centre. The benefits are repair work and the satisfaction through eating in hotel or attending a coaching are the example of services.

On the basis of shopping efforts by buyers we have four types of product

1 Convenience product:- These include item which are consume by consumer frequently and with minimum shopping efforts for example water bottle,soft drinks ,magazine, newspaper groceries item are the example of convenience goods.

2 Shopping products:- These include items which the consumers select and buy after making a comparison of substitute on such criteria as suitability ,quality, price.style or they compare the one product with the another product available in the market for example furniture item, dress material ,shoes.

3 Speciality product:- As the name suggests the buyer have to make special purchasing efforts to purchase these speciality goods item. In this category must poses unique feature of strong brand name or both. Fancy goods, stamp,coin collector, prestigious brand of Man suiting range.

4 Unsought product- these are the product that do not fall in above three categories are but important for the customer .But customer might not know about the product for example high definition T.V., solar operator car but does not thinking of buying it because of the lack of awareness if the getting the awareness about this product they will be converted as actual consumer.

Industrial or producer product nature and types

Industrial goods are those which are meant for use in making other products or rendering services in the operation of a business organisation .There features are as follow

1)Limited number of buyers:- As compared with consumer goods the number of buyer of Industrial goods are limited.

2) Derived demand:- The demand for industrial goods is derived from the demand for the consumer product for example the demand for leather will be derived from the demand of shoes and other leather products in the market.

3) Technical consideration:- Technical consideration as own greater significance in purchase of industrial goods because these products are complex and used in business operation.

4) Short channel :-The sale of industrial goods is generally made with the help of the shorter channel of distribution for example direct selling Or one Level channel of distribution.

5) Geographical concentration:- Because of the location of the industries in certain regions. Industrial markets were highly concentrated .for example demand for the powerloom comes from Mumbai ,Solapur, Ahmedabad where the textile industry is concentrated.