**STUDY NOTE**

**UG : SEMESTER----2**

**Subject: Marketing Management**

**TEACHER: DR. P. K. SEN**

**LECTURE NO. 01**

**UNIT –II TOPIC: PRODUCT**

**Meaning of Product**

A product is something that is manufactured for sale in the market. Customer needs are met by the usage of products. Product is one of the main components of marketing—all marketing activities revolve around the product. Products can be tangible or intangible. Tangible products are known as goods while intangible products are called services.The term product can be understood in narrow as well as broad sense.

In a narrow sense, it is a set of tangible physical and chemical attributes assembled in an identifiable and readily recognizable form.

In a broader sense, it recognizes each separate brand as a separate product. A product can be defined as- “A good, idea, method, information, object, or service that is the end result of a process and serves as a need or want satisfier. It is usually a bundle of tangible and intangible attributes (benefits, features, functions, uses) that a seller offers to a buyer for purchase.”

Ordinarily speaking, product or goods is a word which means any commodity which can be recognised by its certain shape, quality or quantity e.g., car, book, watch, clothes etc. Actually this meaning of the product is narrow in sense. The word ‘Product’ is taken in wider perspective in marketing. Here, every brand is considered a separate product i.e., Lux and Lifebuoy—both are soaps, but are treated as separate products. In narrow sense, these will be considered as merely soaps.

Every business firm undertakes the function of product selling, though it may or may not be visible. A laundry firm provides the clothes-washing service. This function is similar to product selling which a retailer performs. Firms while selling their products, sell services too which are related to their products. A consumer buys a product because he gets psychological and physical satisfaction from that product.

**Product – Definition**

A product is what a seller has to sell and what a buyer has to buy it satisfies the needs of customers. Customers purchase products because they are capable of realizing some benefits to the purchaser. A marketer can satisfy the needs and wants of his customers by ‘offering something’ in exchange for money. And this ‘offering’ is basically a product. The product is one of the important elements of the 4Ps of the marketing mix. It consists of a bundle of tangible and intangible attributes that satisfies consumers.

Product is an important component in market­ing-mix. Other elements of marketing-mix i.e. price, promotion and place are complemen­tary to it. A product is central to the marketing operations in an organization. Most of the time prod­uct fails not because of poor quality but because they fail to meet the expectations of the customers.

It is not just a bundle of physical attributes, but a bundle of perceived benefits which satisfy consumer’s needs. Hence, utmost care should be taken to handle product decisions. A bad product not only generates bad name for the firm but also affects negatively the price set for the product, dissuades the channel members and reduces the believability of the promotional measures.

In a narrow sense, “A product is a set of tangible physical attributes in an identifiable form” (W.J. Stanton). But in marketing, product is used in a broader form.

According to W. Alderson “A product is a bundle of utilities consisting of various product features and accompanying services”.

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

According to Cravens, Hills and Woodruff “Product is anything that is potentially valued by a target market for the benefits or satisfactions it provides, including objects, services, organizations, places people and ideas”.

From the above definitions, it is clear that product has the want satisfying attributes which drive a customer to purchase the product. It is nothing but a package of problem solving devices and is something more than a physical product. This is because a product encompasses a number of social and psycho­logical attributes and other intangible factors which provide satisfaction to the consumer.Products can be anything. It can be physical product (e.g. fan, cycle etc.), service (e.g. haircuts, property deals etc.), place (e.g. Agra, Delhi etc.), person (e.g. Late M.F. Hussain etc.), Organization (e.g. Helpage India, Rajiv Gandhi foundation etc.) and idea (e.g. Family Planning, safe driving etc.).

Alderson defines, “A product is a bundle of utilities consisting of various product features and accompanying services”.

Stanton defines, “A product is a set of tangible and intangible attributes, including packaging, colour, price, manufacturer’s and retailer’s services, which the buyer may accept as offering satisfaction or wants or needs”.

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 want or need. It includes physical objects, services, persons, places, organization and ideas”.

**Product – Concept**

Product refers to a good or service that satisfies the needs and wants of customers. It is offered in the market by an organization to earn revenue by meeting the requirements of customers. Product is an asset of an organization and referred as the backbone of marketing mix.

According to Peter Drucker, “Suppliers and especially manufacturers have market power because they have information about a product or a service that the customer does not and cannot have, and does not need if he can trust the brand. This explains the profitability of brands.”

It is very important for an organization to understand the needs of customers. For example, some customers use mobile phones for talking; whereas, some use mobile phones for talking as well as business purposes, such as teleconferencing. Needs of the customers depend on their purchasing power.

For example, a customer whose basic need is surfing over the Internet may opt for a simple computer; whereas, a software engineer may need a high configuration computer. Therefore, when the level of need increases then the level of product also increases.

**Features of product**

**i. Tangibility:**

Products are tangible in nature, customers can touch, seen or feel a products. For example, car, book, computer etc.

**ii. Intangible Attributes:**

Service products are intangible in nature, services like, consultancy, banking, insurance etc. The product may be combination of both tangible and intangible attributes like restaurants, transportation, in case of a computer it is a tangible product, but when we will talk of its free service provided by dealer, then the product is not only a tangible item but also an intangible one.

**iii. Associated Attributes:**

The attributes associated with product may be, brand, packaging, warranty, guarantee, after sales services etc.

**iv. Exchange Value:**

Irrespective of the fact that whether the product is tangible or intangible, it should be capable of being exchanged between buyer and seller for a mutually agreed price.

**v. Customer Satisfaction:**

A product satisfies the customer needs and wants of customers, value of products is also determined by the level of satisfaction given by a product after purchase.