

# TYPES OF PRODUCT

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## Meaning of product

A product may be defined as a set of tangible, intangible and associate attributes capable of being exchanged for a value with the ability to satisfy consumers and business needs. It is anything that can be offered to a market to satisfy the needs or wants of the customer. The products that are marketed include physical goods, services, experiences, events, person, place, properties, organization, information and ideas .

## Definition of product

**Philip Kotler:** “A product is anything that can be offered to a market for attention, acquisition, use or consumption. It includes physical objects, services, personalities, place, organizations and ideas.”



# TYPES OF PRODUCT

- According to the traditional classification, the two major categories of goods are: consumer goods and industrial goods. This classification is based on the purpose for which they are primarily used. Typewriters and electric motors are regarded as industrial goods. Soaps and sweets are regarded as consumer goods. This classification does not classify products in water tight compartments. However, classification is necessary for a student of marketing because buying motives differ from buyer to buyer. Marketing situation and problems vary depending upon the category of a product.

## **Types of Product**

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graph TD; A[Types of Product] --> B[Consumer Goods/ Product]; A --> C[Industrial Goods/ Product]; B --> D["- Convenience goods<br/>- Shopping goods<br/>- Speciality goods<br/>- Unsought goods"]; C --> E["- Raw Materials<br/>- Fabricating parts and materials<br/>- Installation<br/>- Accessory equipment<br/>- Operating supplies"]
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Consumer Goods/ Product

- Convenience goods
- Shopping goods
- Speciality goods
- Unsought goods

Industrial Goods/ Product

- Raw Materials
- Fabricating parts and materials
- Installation
- Accessory equipment
- Operating supplies



## 1) Consumer Product:

- Consumer products can be defined as those products which are destined for use by the ultimate consumer for their personal or household use. Such products are directly used by the individual. Ultimate consumers are satisfying non-business and they constitute consumer market.
- Consumer products can be further classified into convenience product, shopping product, specialty products, and unsought products. A brief description of products has been given below:

### a) Convenience Products:

- These are consumer goods that are very convenient to purchase. They are bought frequently and with very little effort. Examples include medicines, toiletries, newspapers etc. Such convenience products have ongoing and continuous demand. Such goods are also bought in small quantities and are also generally lowly priced.





## **b) Shopping Products:**

- To shop for these consumer products, consumers devote considerable time and effort. They compare prices and features and a lot of thought is involved before making the decision to buy. Some such examples are electronics, furniture, jewelry etc. These products generally fall in the higher price range. Such products are pre-planned purchases.

## **c) Specialty Products:**

- For specialty products, consumers make special efforts to buy them. They are not your regular run of the mill consumer products. The buyer is willing to go through a lot of effort to purchase such products. Take for example any artwork, paintings, sculptures etc. The demand for such specialty products is usually pretty limited and the price are high.




#### **d) Unsought Product:**

- Unsought products are those products that do not fall in any of the above categories, but they are for the customer. The customer might not know the existence of the product or know it is important but does not think of buying them. Such goods are not normally bought by the customer unless there is a high level of promotion campaign showing the necessity of those products for satisfying their needs.

#### **II) Industrial products:**

- Industrial products are those products which are used in producing other goods or rendering services. These are the products that are to be sold to ultimate consumers. The main characteristics of industrial goods are a geographical concentration of the market, a limited number of buyers, a large unit of individual purchase and technical considerations. These goods have a derived demand.



According to American Marketing Association, “Industrial goods which are destined to be sold primarily for use in producing other goods or rendering services as contrasted with goods destined to be sold primarily to the ultimate consumers.

Industrial goods can be classified into following five categories:

**a) Raw materials:**

Raw materials are the industrial goods. They have not been processed except for their physical handling. Raw materials may be divided into natural products- minerals and product of the forests and the seas and agricultural products- wheat, cotton, tobacco and animal products such as eggs and raw milk.





## **b) Fabricating material & parts:**

- Fabricating materials and parts are the industrial goods. These goods have undergone manufacturing processes but they need further processing or need to be combined with other materials or parts before they are ready to reach the ultimate consumers.

## **C) Equipment:**

- Equipment are used merely to provide facilities to the manufacturer, as they cannot be part & parcel of finished goods. Unit price and life are less than installations. For example, tools, such as screwdrivers, files set, spanners set, computers, time clock, conveyers, sharpeners, typewriter, etc.



#### **d) Installation:**

- Installations means major industrial equipment's and major machinery in the industry. It can be consumed only after repeated usage due to wear and tear. They are long life orientated and very costly enough. These goods are designed and produced only against the order with a view to meet the special needs of an individual purchaser.

#### **e) Operating supplies:**

- Operating supplies mean the goods which are used by the industrial producer with a view to provide facilities for the operation of machine or plant continuously without loss of time, but which will not become a part of the finished product. Operating supplies are the physical items required for running of a manufacturing production or service facility owned by a business.

Thank  
You!

