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3 levels of product planning

Consumers often think that a product is simply the physical commodity that he or she buys. To actively explore the nature of a product further, let us consider it as three different products – the DEAR product, the ACTUAL product, and finally the AUGMENTED product. This concept is known as the three levels of a product. Three levels of a Product The core product is NOT the tangible physical product. You can't touch it. That's because the core product is the benefit of the product that makes it valuable to you. So with the car example, the privilege convenience is the ease with which you can go where you want, whenever you want. Another core benefit is speed because you can travel around relatively quickly. The ACTUAL product is the tangible physical product. You can get some use of it. Again with the car, it is the vehicle that you test drive, buy and then collect. You can touch it. The actual product is what the average person would think of under the generic banner of the product. The AUGMENTED product is the non-physical part of the product. It usually consists of lots of added value, for which you may or may not pay a premium. So when you buy a car, part of the enhanced product would be the warranty, customer service support offered by the car manufacturer and any after-sales service. The reinforced product is an important way to tailor the kernel or actual product to an individual customer's needs. The features of augmented products can be converted into benefits for individuals. Features and benefits of products The features and benefits of a product are also relevant to the three levels of the product. Products tend to have a whole range of features but only a small number of benefits for the actual consumer. Let's look at this in a different way, if you buy a Nintendo console it has many features; for example, you can play games alone or you can play against another opponent or two or three opponents. You can also access the Internet. Avatars are customizable so you can create yourself and your friends. These are all examples of features for the consumer. But a consumer can buy it because he or she wants to stay fit and will use software and peripherals to get healthier. Getting healthier is the advantage for the consumer. The consistent marketer will strive to discover the consumer's preference for benefits and will match individual features to preference. That's why professional sales people, for example, often ask many questions while a novice salesperson will only tell you the features of the product. New Product Development (NPD) New Product Development (NPD) will take into account the consumer's preference for benefits over features by considering research into their needs. NPD aims to satisfy and anticipate needs. delivers products that offer benefits in core levels, actual and enhanced levels. Npd Npd offering a replacement product for a current line, it could add products to the current line, it could discover new product lines and sometimes deliver very innovative products that the world may not have seen before. New products are launched for all sorts of reasons. As we know from our previous lesson on the business environment, legislation, i.e. legislative changes, can mean that companies have to design and develop new products. An example of this was when we moved from video recorder to digital and DVD recorder. So products need to be changed to change target markets. Sometimes the company will need to increase the volume that a production facility delivers, as it may not run at full capacity. An example of this would be a food manufacturer of canned soup that has a factory that can operate 24/7, designing various derivatives of the soup to lower the unit cost of production. So product lines are expanded, in this case the reason is to facilitate operational efficiency. Intense competitive rivalry in the market will also lead to the need for NPD. Just think about your smart phone and how quickly such products go through their product lifecycles, throughout your customer's lifecycle. Change in any part of the marketing mix would affect NPD, for example, there is a movement to shop online and some products need to be distributed through online retailers, and the product is customized to make it compact and easy to deliver. NPD can be driven by many influences from changing consumer tastes to the need to adapt products and services for local or international market. Another marketing tool for evaluating PRODUCT is product life cycle (PLC). See also Customer Lifecycle (CLC). Marketing is often characterized as more of an art than a science. It can be difficult to know how to go about marketing a product in a systematic way. However, three distinct levels of marketing should be included in each marketing initiative. Keeping these three levels in mind will help managers realize the full potential of their marketing strategy. In fact, the core product is not the product itself, but the key benefit that the product offers. For example, if the product is not a product, the product is not Core products are rarely used in marketing because they do not usually offer a competitive advantage over competitors. For example, the advantage of being able to watch TV shows is not enough to convince most customers that a particular TV is superior. It can be used, however, if the product offers rare and new benefits. The actual product is the physical product that the customer purchases. If the customer buys a boat, for example, the actual product is the boat with its different physical attributes. Marketing at this level means the design, style and quality of the product. Companies should design products to suit the needs of their consumers. For example, if market research shows that consumers want moderately priced sailboats and that quality is a low concern, then the company should produce boats that fit that market demand. The augmented product includes all the additional services that are added to a product to add value and differentiate the product. These include factors such as customer service, guarantees and financing. This level of marketing has the greatest potential to influence customers and distinguish products from competitors. For example, two cars may have the same benefits and the actual products may be almost identical, but a company that markets its additional services can create additional value in the consumer's eyes. Although marketing takes place at three different levels, it is important for companies to include all three in their total marketing. A good marketing initiative will promote the core product, the actual product and the enhanced product. For example, a computer can be marketed as a device that enables people to run programs and access the Internet (the core product), as a high-quality device with an innovative design (the actual product) and that offers an extended warranty and customer service (the enhanced product). A core product is a company's primary marketing, service, or product that can be purchased by a consumer. [1] The core products can be integrated into end products, either through the company producing the core product or by other companies to which the core product is sold. Three levels of a product Concepto of a Core Product originate from Philip Kotler, in his 1967 book – Marketing Management: Analysis, Planning and Control. [2] It forms the first level of the concept of three levels of a Product. Kotler suggested that products could be divided into three levels: core product, actual product and reinforced product. [3] The core product is defined as the benefit that the product brings to the customer. The actual product relates to the material object and relates to the physical quality and design. [4] The reinforced product consists of the measures taken to help the consumer to use the actual product. [1] By using a mix of the three product levels in research and development, business enterprises can better understand their customers, better position themselves in the market and create a more successful product. [5] New Product Development Process New Product Development (NPD), often referred to as the Stage-Gate innovation process, was developed by Dr. Robert G. Cooper as a result of extensive research into reasons why products succeed or fail. [6] The process initially focuses on idea generation that defines the core product. [7] If the core product is innovative and addresses market demand, it can lead to successful actual products. Marknadsföringsstrategi Product Product A marketing strategy emphasizes product issues. In a competitive market, product-based success requires customers to obtain significant value from the core product. [9] Product marketing Product marketing is the process of marketing and selling a product to an audience. It also includes defining the scope of the product line, identifying potential markets for a product and determining optimal pricing. [10] Product marketers also act as a bridge between Sales, Marketing, and Product, reporting on market responses to product launches, and updates in order to refine messages and features. [citation needed] As mentioned, the core product directly affects the customer interest level. [11] Meeting customer expectations A company usually does research and development (R&D) before creating a new product. To meet customer needs, the core product is an important element that attracts people to buy the company's product. In an international marketing research conducted by the University of Southern California, it has been founded that customers and professionals tend to emphasize on service characteristics such as heterogeneous products (variation in standards among suppliers, often even among different locations of the same company) and inseparable from consumption. [12] This can show how important it is to have a core product for a company, in order to meet customer expectations. And this must be done only by injecting money to make R&D Competition Competition between companies focuses primarily on the distinctiveness of augmented product and the core product, according to Kotler. It is about consumer perceptions about buying a product and less about value. He notes: Competition is determined not so much by what companies produce, but by what they add to their product in terms of packaging, services, advertising, advice, supply (financing) arrangements and other things that may be of value to consumers. [13] To beat competitors, product companies focus on factors that consumers attach extra value to, such as packaging, advertisements, service and payment terms. The element of surprise is the key. [14] Examples Information Technology Nuclear products are usually the first products the company created and sustained itself from its foundings like MICROSOFT BASIC, Apple II Computer for Apple, Inc. and the Google search platform. Therefore, the emphasis is placed on the profitability of core products while working with other products, in the hope that they will become a competence. Core products usually make the most profit. Examples of core products of notable IT companies are: Microsoft - Windows Google Inc. - Google Search, Android Apple Inc. - OS X, iOS The above core products are then produced as an actual product. Examples of how the core product and the product used together is: Google Inc. - Android Apple Apple - OS X and MacBook, iOS and iPhone, iPad, iPod Touch Acer - Aspire and TravelMate ASUS - VivoBook, Transformer and ZenBook Dell - Inspiron, Latitude and XPS HP - EliteBook, ENVY, Pavilion, ProBook and ZBook Lenovo - IdeaCentre, IdeaCentre, ThinkCentre and ThinkPad Airlines Airlines provide both in-flight and ground handling services. These services are known as the actual product. However, the airlines' most important service is to transport people and their luggage to their destinations. This service is the core product. [15] Budget airlines Examples of budget airlines are EasyJet and Ryanair. Their core product is cheap air travel, while the actual product is the flight itself. However, due to its low cost, budget airline charge for food provided in flight, becomes the enhanced product. [16] Fragrance The actual product of a bottle of fragrance is its bottle, chemical ingredients and the color of the fragrance. However, customers are not attracted by these actual products (except the bottle). Every fragrance ignores product ingredients, which are not of any moment for customers. They focus on the core product of fragrance and advertise it to appeal to customers. [17] References ^ a b Kaplan Financial. Strategy to action. kfknowledgebank.kaplan.co.uk. Archived from the original on 2/12/2013. Retrieved 2018-01-22. ^ Augmented Product/Three Product Level Concepts. www.learnmarketing.net. Retrieved 2018-01-22. ^ Three levels of a product. www.marketingteacher.com. Retrieved 2018-01-22. ^ Three Levels of a Product - Product Levels Explained. Marketing91. Retrieved 2018-01-22. ^ Archived copy. Archived from the original on 11/11/2014. 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