

## 9.11: Chapter Summary - Product

Products are the consumer offering. They are the reason that the customer is making a value exchange. Products and services differ but are inextricably linked through experiences. Consumer products are classified in four ways based on consumer behavior, price, and distribution. Meanwhile, business and industrial products are classified by materials, parts, capital items, and supplies/services.

Products are often not the only offering for a company. Rather, products are sold in product lines and mixes to maximize consumer choice and profitability. Companies may stretch or fill their product lines to appeal to new customers or create new options for existing offerings. A product lives through a product life cycle, including introduction, growth, maturity, and decline, all of which consider revenue and growth. Marketing decisions are often made based on where a product is in the product life cycle. Companies may use levers such as product innovation, pricing, and promotion to encourage purchase.

Ultimately, products become part of a brand. A brand is a feeling that is evoked and a reason that consumers might make a purchase. Brand equity is an intangible asset with tangible value for a company, so it must be protected. Brands position themselves in consumers' minds to capture brand equity. Developing a brand can occur through extension or through creating a new offering. Consumers have varying degrees of brand loyalty, which can be measured through preference, lift, and engagement.

Packages are more than containers for products; they are also an extension of the brand. They are useful in brand identity, differentiation, and customer experience. Packaging and labeling also serve functional benefits such as storage, convenience, protection, safety, usability, and legality. Brands should be mindful that packaging has an environmental impact. Brands are continually innovating their packaging designs to meet sustainability expectations.

In this chapter, we explore services. One of the first concepts is that services are intangible, meaning that they cannot be felt, tasted, heard, or smelled before purchase. Customer satisfaction depends upon many factors, the first one being the communication of what can be expected by the customer and the actual customer experience. It can be considered a communication gap when customer expectations and experiences do not match. This gap is the first point in the Gap Model of Service Quality. The second point is based on the perception of service received versus customer expectations. Other issues covered in this model are service quality, knowledge, and policies.

Service goes a long way in building customer satisfaction and loyalty; without returning customers, a business will struggle and fail.

Employees are responsible for a sizable amount of what goes into satisfaction at the customer level. One of the key points is employee satisfaction and retention. A more engaged, happier employee delivers a higher level of customer service. This is an additional point that employers are measuring. The act of internal service marketing is a concept that many have not experienced. This covers the activities that the company engages in to keep employees involved in delivering the desired level of service.

External service marketing is the act of promoting or selling services to the customer. This is a well-known concept both inside and outside the company.

Services can be further examined by understanding the following concepts: Services are inseparable; they are produced and consumed simultaneously. They are intangible, meaning they cannot be touched, felt, heard, tasted, or smelled before purchase. They are perishable, so they cannot be stored in inventory for future use or sale. They are variable, meaning that the service depends on who provides them and when, where, and how. These concepts help to explain the complexities of marketing services and satisfying the consumer.

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