People satisfy their needs and wants with products. Though the word suggests a substantial object, the concept of product is not limited to substantial objects. Marketers often use the expressions goods and services to distinguish between substantial products and indefinable ones. These goods and services can represent cars, provisions, computers, places, persons and even ideas. Customers decide which entertainers to watch on television, which places to visit for a holiday, which ideas to adopt for their problems and so on. Thus the term 'product' covers substantial goods, services and a variety of other mediums that can satisfy customers' needs and wants. If at times the term 'product' does not seem to be appropriate, other terms such as market offering, content are used.

What is product?

Definition: Many people think a product is a tangible offering, but it can be more than that. Broadly, "a product is anything that can be offered to a market to satisfy a want or need, including physical goods, services, experiences, events, persons, places, properties, organizations, information, and ideas."

Other way of defining a product: “Product is a bundle of utilities consisting of various Product features and accompanying services”

Another way of defining a product: “A product is something a firm markets that will satisfy a personal want or fill a business or commercial need”.

Product Classifications:

Marketers have usually classified products on the basis of durability, tangibility, end use (consumer or industrial). Each product type has a proper marketing-mix strategy.

1. Durability & Tangibility: Marketers classify products into three groups according to durability and tangibility;
   a. Non durables goods:
      Non durables goods are tangible goods normally consumed in one or a little uses, such Cold drinks and soap. Because these goods are purchased normally, the appropriate strategy is to make them available in many locations, charge only a small markup, and advertise heavily to make trial and build preference.
   b. Durables goods:
Durable goods are tangible goods that in general survive many uses: refrigerators, machine tools, and clothing. Durable products normally involve with more personal selling and service, command a higher margin, and require more seller assurance.

c. Services:
Serviced are intangible, indivisible, changeable, and perishable products. As a result, they normally require more quality control, supplier credibility, and adaptability. Examples include haircuts, legal advice, and appliance repairs.

- Consumer Goods classification.
We classify the vast selection of goods consumers buy on the basis of shopping habits. We distinguish among convenience, shopping, specialty, and unsought goods.
The consumer generally purchases convenience goods frequently, immediately, and with a minimum of effort. Examples include soft drinks, soaps, and newspapers.

Shopping goods are goods that the consumer routinely compares on such bases as suitability, quality, price, and style. Examples include furniture, clothing, used cars, and major appliances. We further divide this category. Homogeneous shopping goods are similar in quality but different enough in price to justify shopping evaluation. Assorted shopping goods differ in product features and services that may be more important than price.
Specialty goods have unique characteristics or brand classification for which a sufficient number of buyers are willing to make a special purchasing effort. Examples include cars, stereo components, photographic equipment, and men's suits. A Mercedes is a specialty good because interested buyers willing travel far to buy one. Specialty goods don't require comparisons; buyers invest time only to reach dealers carrying the wanted products. Dealers don't need convenient locations, although they must let prospective buyers know their locations.

Unsought goods are those the consumer does not know about or does not normally think of buying, such as smoke detectors. The classic examples of known but unsought goods are life insurance, memorial park, gravestones, and encyclopedias. Unsought goods need advertising and personal-selling support.
• Industrial Goods Classification.

Industrial goods can be classified in terms of their relative cost and how they enter the production process: materials and parts, capital items, and supplies and business services.

Materials and parts are goods that enter the manufacturer’s product completely. They fall into two classes: raw materials, and manufactured materials and parts. Raw materials fall into two major groups: farm products (wheat, cotton, farm animals, fruit and vegetables) and natural products (fish, lumber, crude petroleum, iron ore). Farm products are supplied by many producers, who turn them over to marketing intermediaries, who provide assembly, grading, storage, transportation, and selling services. Manufactured materials and parts fall into two categories: component materials (iron, yarn, cement, wires) and component parts (small motors; tires, castings). Component materials are usually fabricated further—pig iron is made into steel, and yarn is woven into cloth. The standardized nature of component materials usually means that price and supplier reliability are key purchase factors.

Capital items are long-lasting goods that facilitate developing or managing the finished product. They include two groups: installations and equipment. Installations consist of buildings (factories, offices) and heavy equipment (generators, drill presses, mainframe computers, elevators). Installations are major purchases. They are usually bought directly from the producer, whose sales force includes technical personnel, and a long negotiation period precedes the typical sale. Producers must be willing to design to specification and to supply post sale services. Advertising is much less important than personal selling.

Supplies and business services are short-term goods and services that facilitate developing finished products. Supplies are of two kinds: maintenance and repair items (paint, nails, and brooms) and operating supplies (lubricants, coal, writing paper, pencils). Together, they go under the name of MRO goods. Supplies are the equivalent of convenience goods; they are usually purchased with minimum effort on a straight-rebuy basis. They are normally marketed through intermediaries because of their low unit value and the great number and geographic dispersion of customers. Price and service are important considerations, because suppliers are standardized and brand preference is not high.
Product Differentiation.

It is the act of designing a set of meaningful differences to distinguish the companies offering from competitor’s offerings? The number of differentiation opportunities varies with the type of industry.

1. Form:

   Many products can be differentiated in form—the size, shape, or physical structure of a product. Consider the many possible forms taken by products such as aspirin. Although aspirin is essentially a commodity, it can be differentiated by dosage size, shape, color, coating, or action time.

2. Features:

   Most products can be offered with varying features that supplement their basic function. A company can identify and select appropriate new features by surveying recent buyers and then calculating customer value versus company cost for each potential feature. The company should also consider how many people want each feature, how long it would take to introduce it, and whether competitors could easily copy it.

3. Customization:

   Marketers can differentiate products by making them customized to an individual. As companies have grown proficient at gathering information about individual customers and business partners (suppliers, distributors, retailers), and as their factories are being designed more flexibly, they have increased their ability to individualize market offerings, messages, and media. Mass customization is the ability of a company to meet each customer’s requirements—to prepare on a mass basis individually designed products, services, and programs, and communications.

4. Performance Quality:

   Most products are established at one of four performance levels: low, average, high, or superior. Performance quality is the level at which the product’s primary characteristics operate. Quality is becoming an increasingly important dimension for differentiation as companies adopt a value model and provide higher quality for less money. Firms, however, should not necessarily design the highest performance level possible. The manufacturer must design a performance level appropriate to the target market and competitors’ performance levels. A company must also manage performance quality
through time. Continuously improving the product can produce high returns and market share; failing to do so can have negative consequences.

5. Conformance Quality:
Buyers expect products to have a high conformance quality, which is the degree to which all the produced, units are identical and meet the promised special functions. The problem with low conformance quality is that the product will disappoint some buyers.

6. Reliability:
Buyers normally will pay a premium for more reliable products. Reliability is a measure of the probability that a product will not malfunction or fail within a specified time period.

7. Repairability:
Repairability is a measure of the ease of fixing a product when it malfunctions or fails. Ideal reparability would exist if users could fix the product themselves with little cost in money or time. Some products include a diagnostic feature that allows service people to correct a problem over the telephone or advise the user how to correct it.

8. Style:
It describes the product's look and feel to the buyer. Aesthetics play a key role in such brands as Apple computers, Harley-Davidson motorcycles. Style has the advantage of creating distinctiveness that is difficult to copy. On the negative side, strong style does not always mean high performance.

9. Design:
Design is the totality of features that affect how a product looks, feels, and functions in terms of customer requirements. The arguments for good design are particularly compelling for smaller consumer products companies and start-ups that don't have big advertising rupees.