

Product classification essay



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Products can be classified on the basis of three characteristics: durability, tangibility, consumer or industrial use. 1. Durability and tangibility. Non-durable goods are tangible normally consumed in one or a few uses (such as food, soap and clothing). Because these goods are consumed quickly and purchased frequently, the appropriate strategy is to make it available in many locations, charge a small markup and advertise heavily to induce trial and build preference.

Durable goods are tangible goods that survive many uses (automobiles, furniture, appliances and jewelry). These normally require more personal selling and service, command a higher margin, and require more seller guarantees. Services are tangible, inseparable, variable, and perishable products, so they usually require more quality control, supplier credibility, and adaptability. 2. Consumer-goods classification.

Classified according to consumer shopping habits, these products include convenience goods, shopping goods, specialty goods and unsought goods. Convenience goods are usually purchased frequently, immediately, and with little effort. Mostly, convenience goods come in the category of nondurable goods such as fast food, newspaper and cigarettes, with low value. The goods are mostly sold by wholesalers to make them available to the consumers in good volume.

Shopping goods are goods that the customer, in the process of selection and purchase, compares on the basis of suitability, quality, price and style. They are costlier than convenience goods and are durable in nature. Shopping goods companies usually try to set up their shops and show rooms in active

shopping areas to attract customer attention and their main focus is to do lots of advertising and marketing to become popular. Example of shopping goods are clothing items, televisions, radios, foot wears and home furnishing.

Specialty goods are goods with unique characteristics or brand identification for which a sufficient number of buyers are willing to make a special purchasing effort. They are mostly purchased by upper-class of society as they are expensive in nature. The goods don't come under the category of necessity rather they are purchased on the basis of personal preference or desire. Brand name, uniqueness and special features of an item are major attributes which attract customer attraction in buying them.

Examples of specialty products are: Antiques, jewelry and cars. Unsought goods are what consumers do not know about or do not normally think of buying. E. g smoke detectors. 3. Industrial goods classification. Materials and parts are goods that enter the manufacturer's product completely. Raw materials can be farm products (wheat) or natural products (lumber). Farm products are sold through intermediaries; natural products are sold through long-term supply contracts, with price and delivery as key purchase factors.

Manufactured materials and parts are either component material (iron) or component parts (small motors); again, price and supplier reliability are important factors. Capital items are long-lasting goods that facilitate developing or managing the finished product, including installations (factories) and equipment (trucks), both sold through personal selling. Supplies and business services are short-lasting goods and services that

facilitate developing or managing the finished product; these include maintenance and repair services and business advisory services.