

Elements of Production Planning for Goods and Services

Dr. Orok B. Arrey

Department of Business Administration, Federal University Wukari, Taraba State Nigeria

P.O.Box 371 Wukari Taraba State, Nigeriaabstract

Email: orokbonifacearrey@yahoo.com

Abstract

A key decision involved the brand name. One approach was to give the product a totally new name. Top management wanted to be able to use the same brand name in different countries around the world. Packaging decision was also important. Most goods need some packaging, and both goods and services should be branded. A successful marketer wants to be sure that satisfied customers know what to ask for the next time. The strategy planning of producers and middlemen who make this product decisions. There are many decisions related to the product area. When we start by looking at how customers see a firm's product. Then we will talk about product classes to help you better understanding marketing strategy planning. Thus goods producers may be far away from the customer, but service providers often work in the customer's presence. This paper is focus on elements of product planning for goods and services.

INTRODUCTION

WHAT IS A PRODUCT

Product means the need satisfying offering of a firm. The idea of "product" as potential customer satisfaction or benefits is very important, Many business managers trained in the production side of a business get wrapped up in the technical details. They think of product in terms of physical components, like effect on the way most customers view the product. Most customers just want a product that satisfies their needs.

Because consumers buy satisfaction, not just parts, marketing managers must be constantly concerned with product quality. In the 1980s many foreign firms learned this lesson, the hard way when Japanese and European competitors stole market share by offering customers higher quality product. Companies focus on better quality control in production so that products work as they should and consumers really get what they drink they are buying. But quality means more than that.

From a marketing perspective, quality means a product ability to satisfy a customer's needs or requirements. This definition focuses on the customer and how customer thinks a product will fit some purpose. For example, the "best" credit card may not be the one with the highest credit limit but the one that is accepted where a consumer wants to use it. Similarly, the best quality clothing for casual wear on campus may-be a pair of jeans - not a pair of dress slacks made of a higher grade fabric.

Among different types of jeans, the one with the strongest stitching and the most comfortable or durable fabric might be thought of as having the highest grade or relative quality for its product type. Marketing managers, often focus on relative quality when comparing their products or competitors' offerings. However, a product with more features - or even better features is not a high quality product if the features aren't what the target market wants or needs.

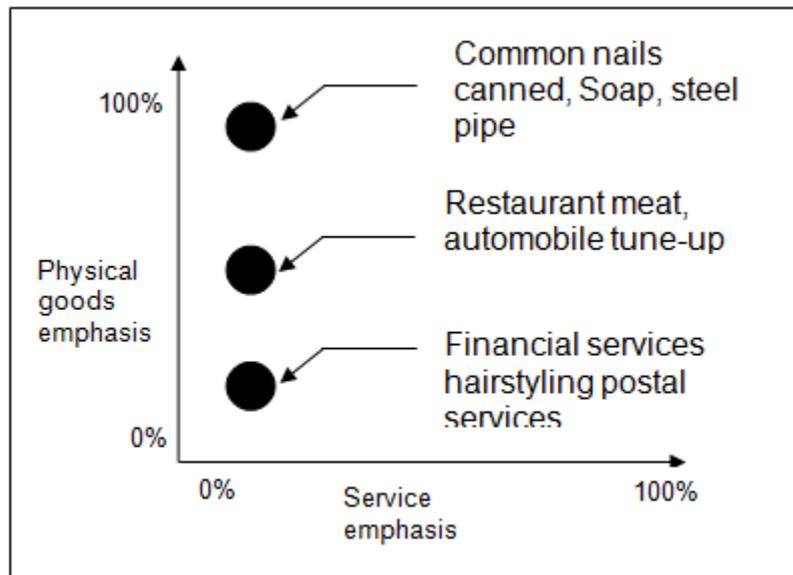
Quality and satisfaction depend on the total product offering. If potato chips get stale on the shell because of poor packaging the consumer will be dissatisfied. A broken button on a shirt will disappoint the customer even if the laundry did a nice job cleaning and pressing the collar. A powerful computer is a poor quality product if the won't work with the software the customer wants to use or if the seller does not answer the phone to respond to a customer's question about how to turn it on.

DIFFERENCES IN GOODS AND SERVICES

Because good is a physical thing it can be seen and touched. A good is a tangible item. When you buy it you own it. And it is usually pretty easy to see exactly what you will get. On the other hand, a service is a deed performed by one part for another. When you provide a customer with a service, the customer can't keep it. Rather a service is experienced used, or consumed. Services are not physical they are intangible. You can't 'hold' a service. And it may be hard to know exactly when you will get when you buy it.

Most products are a combination of tangible and intangible elements. BP gas and the credit card to buy it are tangible. The credit card grants is not. Goods are usually produced in a factory and then sold. A Sony TV may be

stored in a warehouse or store waiting for a buyer. By contrast, services are often sold first, then produced. And they are produced and consumed in the same time frame. You can not perform a deed and then put it on the shelf. Thus, goods producers may be far away from the customer, but services provides often work to the customer's presence.



Examples of possible Blends of physical goods and services in a product.

A worker in a Sony TV factory can be in a bad mood and customers will never know. And a faulty TV can be caught by a quality control inspector. But a rude bank teller can drive customers away. The growing use of computers and machines in service businesses is partly an attempt to avoid this problem. An automatic teller machine can not do everything but it is never rude.

Services are perishable. They can be stored. This makes it harder to balance supply and demand. It is often difficult to have economies of scale when the product emphasis is on service. If a firm is serving a large group of customers, it may be able to justify adding more or better equipment, facilities, or people to do a better job. But services can be produced in large, economical quantities and then transported to customers. In addition, services often have to be produced in the, presence of the customers.

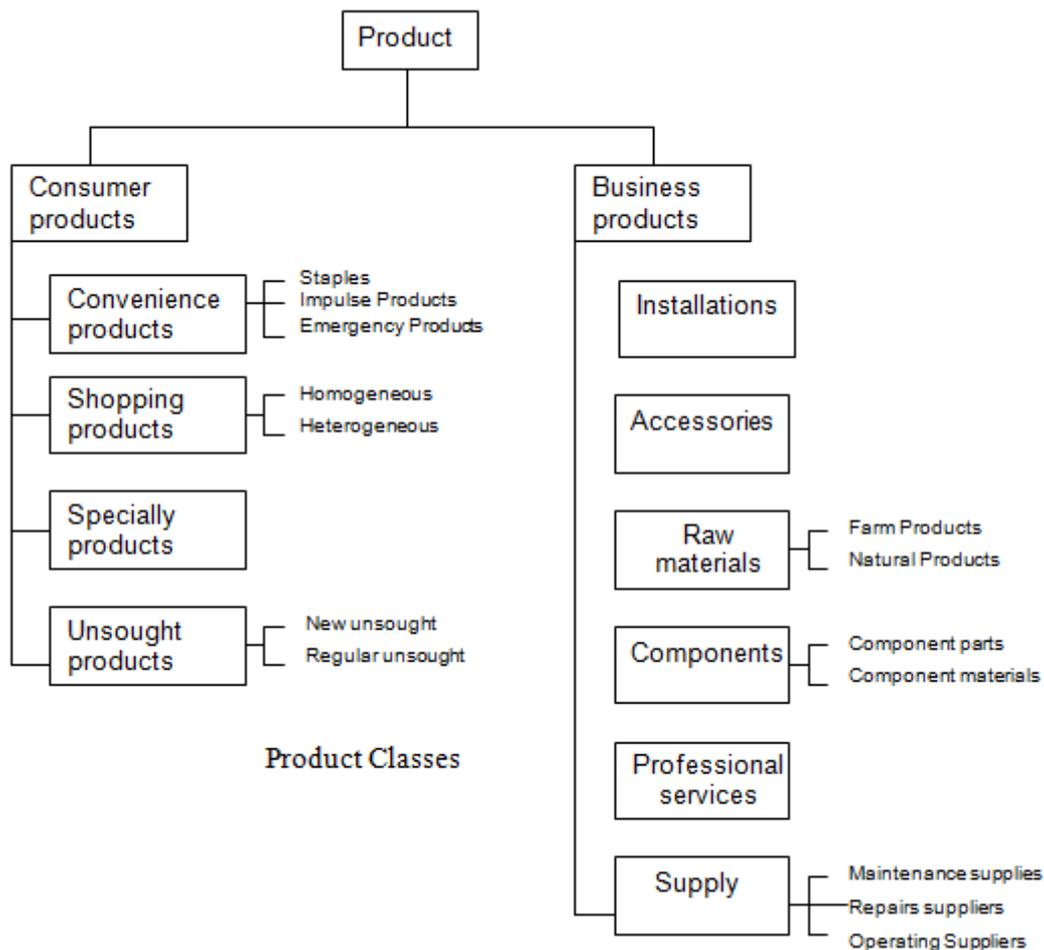
Providing the right product when, where and how the customer wants, it is a challenge. This is trade whether the product is primarily a service, primarily a good, or as is usually the case is a blend of both they provide, and then make sure that all of the elements fit together and work with rest of the marketing strategy. Sometimes a single product isn't enough to meet the needs of target customers. Then assortments of different products may be required.

BACKGROUND LITERATURE

PRODUCT CLASSES HELP PLAN MARKETING STRATEGY

You don't have to treat every product as unique when planning strategies. Some product classes require similar marketing mixes. These product classes are useful starting point for developing marketing mixes for new products and evaluating present mixes.

All products fit into one or two broad groups based on the type of customer that will use them. Consumer on the type of customer that will use them. Consumer products are products meant for the final consumer. Business products are products meant for use in producing other products and business customers requires at least two different strategies.



There are product classes within each group consumers product classes based on how consumers think about and shop far products. Business product classes are based on how buyers think about products and how they will be used.

CONSUMER PRODUCT CLASSES

Consumers product classes divided into four groups. Each class is based on the way people buy products. Convenience products are products a consumer needs but isn't willing to spend much time or efforts shopping for. These products are bought often, required little service or selling, don't cost much, and may even be bought by habit.

Staples are products that are bought often, routinely and without much thought like breakfast and most other package foods used.

Large group of customers, it may be able to justify adding more or better equipment, facilities, or people to do a better job. But services can be produced in large, economical quantities and then transported to customers. In addition, services often have to be produced in the, presence of the customers.

Providing the right product when, where and how the customer wants, it is a challenge. This is trade whether the product is primarily a service, primarily a good, or as is usually the case is a blend of both they provide, and then make sure that all of the elements fit together and work with rest of the marketing strategy. Sometimes a single product isn't enough to meet the needs of target customers. Then assortments of different products may be required.

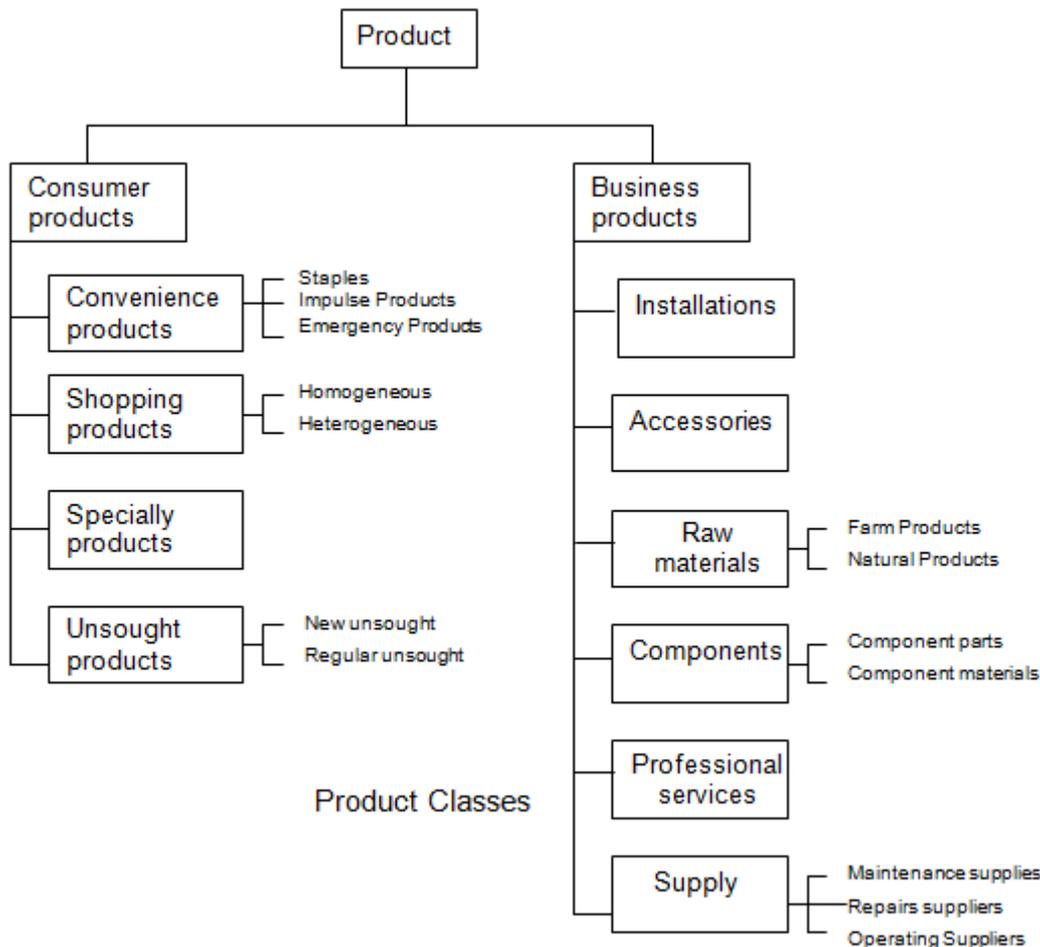
BACKGROUND LITERATURE

PRODUCT CLASSES HELP PLAN MARKETING STRATEGY

You don't have to treat every product as unique when planning strategies. Some product classes require similar marketing mixes. These product classes are useful starting point for developing marketing mixes for new

products and evaluating present mixes.

All products fit into one or two broad groups based on the type of customer that will use them. Consumer on the type of customer that will use them. Consumer products are products meant for the final consumer. Business products are products meant for use in producing other products and business customers requires at least two different strategies.



There are product classes within each group consumers product classes based on how consumers think about and shop for products. Business product classes are based on how buyers think about products and how they will be used.

CONSUMER PRODUCT CLASSES

Consumers product classes divided into four groups. Each class is based on the way people buy products. Convenience products are products a consumer needs but isn't willing to spend much time or efforts shopping for. These products are bought often, required little service or selling, don't cost much, and may even be bought by habit.

Staples are products that are bought often, routinely and without much thought like breakfast and most other package foods used.

Impulse products are products that are bought quickly an unplanned purchases because of a strongly felt needed. True impulse products are items that the consumer hadn't planned to buy, decides to buy on sight, may have bought the same way many times before, and wants right now, an ice cream seller at a beach sells impulse products. Emergency products that are purchased immediately when the need is great. The consumer does not have thunder storm begins, or an impromptu party starts. The prices of the ambulance services, raincoat won't be important.

SHOPPING PRODUCTS ARE COMPARED

Shopping products are products that a customer feels or worth the time and effort to compare with competing products. Homogeneous shopping products are shopping products the customer sees as basically the same and wants at the lowest price. Some consumers feel that certain sizes and types of refrigerators, television sets, washing machines and even cars are very similar. So they shop for the best price.

Heterogeneous shopping products are shopping products the customer sees as different and wants to inspect for quality and suitability. Furniture, clothing dishes and some cameras are good examples. Quality and style matter more than price.

Unsought products are products that potential customers don't yet want or know they can buy. So they don't search for them at all. Infact, consumers probably won't buy these products if they see them. Unless promotion can show their value.

Regularly unsought products are products like gravestones life insurance and encyclopedias that stay unsought but not unsought forever. There may be a need, but potential customers aren't motivated to satisfy it Many non profit organizations try to "sell" their unsought products. For example, the Red Cross supplies blood to disaster victims. Few of us see donating blood as a big need. So the Red Cross regularly holds blood drives to remind prospective donors of how important it is to give blood.

PRESENTATION

BUSINESS PRODUCT CLASSES; HOW THEY ARE DEFINED Business product classes are based on how buyers see products and expense items differently. Products that become part of a firm's own product are seen differently from those that only aid production. And the relative size of a particular purchase can make a difference. A band-saw might be a major purchase for a small cabinet shop but not for a large furniture manufacturer.

The classes of business products are installations: such as building, land rights and major equipment are important capital items. Installations are long lasting products so they are not bought very often. The number of potential buyers at any particular time is usually small. Custom made machines may have only a half dozen potentials customers compared to a thousand or more for standard machines.

Installation are boom or bust business, when sales are high, business want to expand capacity rapidly. And if the potential return on a new investment is very attractive, firms may accept any reasonable price. But during a downswing buyers have little or no need for new installations, and sales fall off sharply.

Accessories are short lived capital items like tools and machines. Since these products' cost less and last a shorter time than installations, multiple buying influence is less important. Operating people and purchase decision. As with installations some customers may wish to lease or rent to expense the cost. Raw materials are unprocessed expense items such as logs, ,,,, wheat and cotton that are moved to the next production process with little handling. Component parts and materials - important expense items.

Components are processed expense items that become part of a finished product. They need more processing than raw materials and require different marketing mixes than raw materials even though they both become part of a finish product.

Component materials are items such as wire, paper, textiles or cement. They have already been processed but must be processed further before becoming part of the final product.

SUPPLIES SUPPORT MAINTENANCE, REPAIR AND OPERATION

Suppliers are expense items that do not become part of finished product. Buyers may treat these items less seriously maintenance supplies include products Slid, as paint, light bults, and sweeping compounds. Repairs supplies are parts like filter, bearing and gears needed to fix worn or broken equipment. Operating supplies include

PHOFESSI0NAL SERVICES - PAY TO GET DONE

Professional services are specialized services that support firm operations. They are usually expense items, Engineering or management consulting services can improve the plant cut layout or the company's efficiency, Computer services can process data. Design services can supply designs for a physical plant, products and

promotion materials, Advertising agencies can help promote the firm's products and food services can improve moral.

Here the service part of the product is emphasized. Goods may be supplied coffee but the customer is primarily interested in the service. Managers compare the cost of buying professional services outside the firm to the cost of having company people do them. For special skills needed only occasionally, an outsider can be the best source. And the number of service specialists is growing in our complex economy.

BRANDING NEEDS A STRATEGY DECISION TOO

There are so many brands. Brands are of great importance to their owner. They help identify the company's marketing mix and help customers recognize the firm's products and advertising. Branding is an important decision area that many business people ignore.

Branding means the use of a name, term, symbol or decision of a combination of these to identify a product. It includes the use of brand names, trade marks and practically all other means of product identification. A brand name has a narrower meaning. A brand name is a word, letter, or a group of words. Example WD40 Block buster Video etc.

Trade mark is legal term. A trademark includes only this words. Symbols or marks that are legally registered for used by a single company. A services mark is the same as a trademark expect that it refers to a services offering. A trademark need not to be attached to the product. It need not even be a word it can a symbol.

THE STRATEGIC IMPORTANCE OF PACKAGING

Packaging involves promoting and protecting the product. Packaging can be important to both seller and customers. Packaging can make a product more convenient to use or store. It can prevent spoiling or damage. Good packaging makes products easier to identify and promotes the brand at the point of purchase and even in use.

A new package can make the important difference in a new marketing strategy be meeting customer's needs better. A better box wrapper can, or bottle may help coast a 'new' product or a new market. For example, crest toothpaste is now available in a neat squeeze pump dispenser that makes less mess and leaves less waste.

Sometimes, a new package improves a product by making it easier or safer to use Kodak increased sales of its light sensitive X-ray film by packing each sheet in a separate foil pack making the film easier to handle. Many drug and food products now have special seals to prevent product tempering. Packaging can tic the product to the test of the marketing strategy.

PRICING

Pricing which involves placing the price per ounce or near the product. This makes price comparison easier. To speed handling of fast selling products, government and industry representatives have develop a Universal Product Code (UPC) that identifies each product with marks readable by electronic scanners. A computer then matches each code to the product and its price. Supermarkets and other high volume retailers have been easier to use these codes. They reduce the need to mark the price on every item. They also reduce errors by cashiers and make it easier to control inventory and track sales of specific products.

The codes help consumers too because they speed the checkout process. Also, most systems now include a printed receipt showing the name, size and price of each product bought. These codes will become even more widely used in the future because they do lower operating cost.

RECOMMENDATION

Most importantly we should know that a firm's product is what satisfies the needs of its target market. Branding and packaging can be created new and more satisfying products. Branding gives marketing manager a choice. They can add brands and use individual or family brands. The degree of brand familiarity is a measure of the marketing manager's ability to carve out a separate market. And brand familiarity affects place, price and promotions.

To succeed in our increasingly competitive markets, the marketing manager must also be concerned about packaging, branding and warranties. Warranties are also important in strategy planning.

CONCLUSION

A product may not be a physical good at all. It may be a service, or it may be some combination of goods and services like a meal at a restaurant. We introduced consumer product and business product classes and showed their effect on planning marketing mixes. Consumer product classes are based on consumer's buying behaviour.

Business product classes are based on how buyers see the products and how they are used knowing this product classes and learning how marketers handle specific products within this classes will help develop your marketing sense. Branding gives marketing managers a choice. They can add brands and use individual family brands. In the end, however customers express their approval or disapproval of the whole product including the brand.

Warranties are also important in strategy planning. But some customers find strong warranties attractive, product is concerned with much than physical goods and services. To succeed, marketing manager must also be concerned about packaging, branding and warranties.

REFERENCES

- Anderson, Paul (1982). Marketing Planning and Firm. Journal of Marketing Spring.
- Bonoma, Thomas (1984). "Making your marketing strategy work". Harvard Business Review.
- Cravens, David W. (1986). Strategy Forces affecting Marketing Strategy. Business Horizons.
- Charles, M. (1984). Planning Development and Control.
- Grey, Daniel H. (1987). "User and Misuser of Strategic Planning"
- Lenz, R. T. (1987). "Managing and Evolution of the Strategic Planning Process". Business Horizons.

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:
<http://www.iiste.org>

CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

Prospective authors of journals can find the submission instruction on the following page: <http://www.iiste.org/journals/> All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

MORE RESOURCES

Book publication information: <http://www.iiste.org/book/>

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

