

## **How to Classify Product Levels**

A product exists on different levels. In the simplest approach to this model, a product has three levels:

1. Core product,
2. Actual product and
3. Augmented product.

Your task in this activity is to classify the offerings of a computer retailer into actual and augmented product levels.

*Note: Their core product is the need to produce/store files, documents, and calculations.*

### **List of products and services provided by the computer retailer...**

- Computers
- Screens
- Newsletters
- Finance available
- Delivery
- Installation
- Personal advice
- A loyalty program
- Computer software
- Computer tables/chairs
- Repair service
- Internet site – for PC problems
- Warranty (free repair) period
- Help desk (website)
- Discount on future purchases

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### **Student Discussion Questions**

1. Classify the above attributes into either actual or augmented product.
2. Which aspects of the product design, do you think, provide greater value to consumers?
3. Given this exercise is for a retailer; consider at what level (actual or augmented) can the retailer most effectively differentiate their store?
4. Are there any risks associated with over-augmenting a product?