

## **Using the Five Product Level Model**

Most marketing textbooks will show products as having three distinct levels, namely the core benefit or need, the actual product itself, and the augmented product.

However, in some more advanced marketing textbooks, this model is expanded to include five different product levels, with expected product and the potential product added to the model, as follows:

- Core product (main need or consumer benefit)
- Actual (or basic or tangible) product (design and features)
- Expected product
- Augmented product
- Potential product

Let's quickly recap each of these five product levels.

### **Core product**

The core product is the basic need or benefit that the product is trying to meet or deliver. The best way to think about this is from a consumer's perspective – why is the customer buying this product solution? For example, why does a consumer buy a magazine? Because they find them entertaining or it prevents boredom or fills time. Therefore, the core product for a magazine is entertainment.

### **Actual (or basic or tangible) product**

The actual product is that the overall product design. If you were to describe a product in detail, then you would be describing its product features, which is the actual product. As an example, consider breakfast cereals - when describing the cereal, you would highlight; shape, taste, texture, size, color, aroma, crunchiness, smoothness, ingredients, packaging, name, brand, images, and so on.

### **Expected product**

The expected product considers the basic expectations of the product from the consumer. The expected product becomes the checkpoint for a marketer to consider the completeness of the product offering. If we visit a fast-food restaurant, then the expectations would include: friendly and fast customer service, restroom facilities, clean tables, security and a feeling of being safe, and so on.

### **Augmented product**

The augmented product is the additional supporting services and features that increase the set of benefits available to the consumer. Again, using a breakfast cereal example, we could add extra value and benefits through product augmentation by: having recipe ideas on the packaging, provided a code to access free online games, and so on.

## **Potential product**

The potential product considers how the product can be modified in the future, in order to generate future sales from existing customers. We can do this through product improvements and enhancements over time, which will provide some form of additional benefits to the consumer. An example might be joining a fitness center with a five-year membership contract. The consumer could be attracted to this deal because the fitness center has plans to add new facilities and services over time.

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## **Student Discussion Questions**

1. Pick two product categories – one should be a physical good and the other should be a service. For each product that you have selected, outline how the five product levels could be structured (similar to the examples listed above).
2. In your view, how helpful is it for a marketer to split the product into its different product levels?
3. Do you think that the five-level product model has any extra value to a marketer, as compared to the three-level product model?