

Does Product Augmentation Matter?

Introduction to the Product Levels Model

Product augmentation is one of the three (sometimes five, depending upon the model being used) levels to describe a product.

At the center of the model is usually the core customer need or core value being offered to the customer – in other words, what is the customer truly buying? Understanding of the core need/value is helpful for identifying indirect and substitute competitors.

At the next level of the product level model, is the actual product – how it has been physically constructed. This is how a consumer would describe the product or service.

And finally, there is product augmentation. The word augmentation means “to add to” or “to make greater”. At this product level, additional benefits are provided to the consumer, which are separate to the physical design (actual product) of the product.

How Important is Product Augmentation? Does it matter?

Here is a promotional ad for the car brand Kia. As you can see it is a relatively straightforward ad, promoting its seven year warranty on all its new cars.



You should note that it does NOT discuss any features of the car, except for showing three models. However, the centerpiece message is clearly the warranty. This indicates that Kia believes that this is a key point of difference (differentiation) and will allow their car brand to win greater market share. However, as we know, people have distinct car brand preferences and are buying a car – not a service/repair warranty?

Student Discussion Questions

1. In which of the three levels of a product (core need/value, actual, augmentation) would this warranty be classified to?
2. Why do you think the brand is using this to help differentiate their products, rather than features of the car itself?
3. Do you think that this is an effective strategy in winning market share?
4. Is there a likely target market that this sort of offer would appeal to?
5. What recommendations would you have for Kia if you were their communications/promotional mix advisor?