

Using the Three Product Level Model

Most marketing textbooks will show products as having three distinct levels, namely:

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

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.

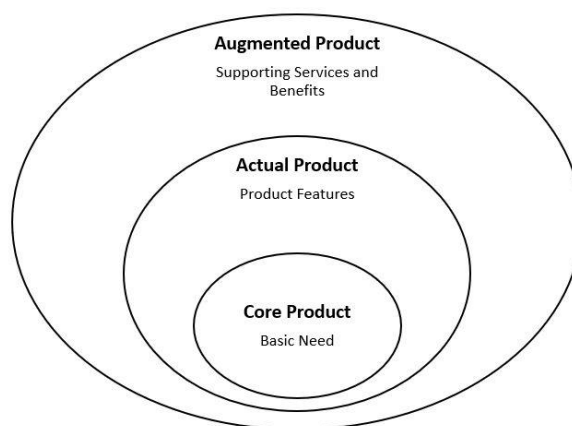
Actual (or basic or tangible) product

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.

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.



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 three product levels could be structured.
2. In your view, how helpful is it for a marketer to split the product into its different product levels?