

Brand Management
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If you look at the screen little carefully, you will see that this definition of product has 5 levels. What are these 5 levels? Core benefit generic product, expected product, augmented product and potential product. Now while they may seem very simple, but let me try and explain it with an example and that example could be that of a knife. Now suppose you buy a knife, what is the benefit of a knife? The core benefit of a knife is that it should cut. So to cut is the core benefit of any knife. Now generic product means what? That generic product is that this knife cuts.

Alright? So if you core benefit of the product of the knife is to cut and generic product is to actually cut. Alright? Now generic product is that knife cuts. Expected product, so when you go and buy a knife, nowadays knife is also very expensive, but when you go and buy a knife, especially when you buy a good brand where you spend say 100, 200, 500 rupees for just one knife, what you expect is that when you cut something with that knife, it actually cuts well. So core benefit is to cut, generic product is to actually cut and expected product is to cut well.

So when you cut say an apple with your knife, it should cut very smoothly. So expected product is that your knife cuts well. Augmented product is that it has a handle which is comfortable. It has probably a shine which attracts you towards it and when you hold it, you feel comfortable. So the act of cutting is augmented by some features like handle, like say a wooden handle or a fiber handle which gives you a good grip and so on so forth.

So that is an augmented product. Whereas when we go to a potential product, this is where the trick lies. Now potential product can be looked at in many ways. It can be looked at the product feature level which means that you can think of the knife as a multipurpose knife. So it is not just one knife, there are multiple knives with the same knife.

You can cut meat, you can also cut vegetable or there is an edge. So from front side, you can cut vegetable, from the other side, you can cut meat or you have say many other perforations, you can do many things with that knife. So it can be looked at from the product feature perspective and give multiple options, multiple possibilities with just one knife. That is one way of looking at potential product. Another way of looking at

potential product is at the level of brand.

So what does it mean? Suppose you buy knife of say, cross the brand cross. Now, what does it do? It lends to you an idea that is at the level of identity. So you are consuming a certain brand of knife. Say you are consuming crystal brand of knife or cross brand of knife. What it does? It starts contributing to your identity.

Alright? So that is where the difference between product and brand stays remains that product operates more at the level of utility at the level of features, whereas brand works at the level of identity. Alright? Now, we will do a little rigorous analysis of this concept called product levels by Philip Kotler. Now, as you can see that core benefit, generic product, expected product, augmented product and potential product. Now, what it does not keep in mind is that the technology is playing a very important role in our lives today and this model creates a fixed idea of product. This means in this model, what we can say is that product does not change itself.

Product does not force. Product remains as a fixed entity. However, today as we know that products actually change. All right, with time, with more experiences, products evolve. Now, all of us know that when you go to say any ATM, now most of you must have had this experience that when you enter an ATM, it will ask you that would you like to withdraw the same amount that you had withdrawn last time.

All right, so which means what? This is a memory that the system has. What it also says in the end, many of you would recall that it asks you would you like to display the balance on the screen when you are making the ATM transaction. So what I am trying to say is that the bank account that you have, which you experience through an ATM machine, that experience of that bank account is changing because of technology. Similarly, when you think of say your car, all right, now car seemingly is a uniform product. I mean What do you use car for? You use car from for going from one place to another.

So in the morning you get up to get into your car and you go to your college or you go to your office. However, do you use car only for transportation? Are you using it only for going from one place to another? Not really. What you are using car for is comfort. You want to go from one place to another comfortably. You are going from one place to another, not only comfortably but also safely, isn't it? So suppose it is raining, car is of enormous help, you will not get drenched in rain.

Suppose you are in a car compared to you are in a scooter, there is a less likelihood of you getting hurt in an accident if you are inside a car. Now when you are going in a car,

you are also enjoying yourself, perhaps you are playing a song or you are playing your favorite radio station and when you are traveling, you are traveling in style, you are traveling suitably entertained. Alright, some of you may have fascination for driving, so you may also enjoy the driving. You may enjoy the touch of the steering wheel, you may enjoy racing against someone else who is on the road or you may just enjoy the pleasure of driving your favorite car. So at another level, you may also enjoy the solitude of being in a car.

So at home you are with family, at office you are with your colleagues but in the car you are alone with yourself and that solitude makes you enjoy your own self, your own identity. So what I am trying to say is that any especially a complex product like car satisfies many needs. It has several core benefits. It does not have one. The core benefit which we think is transportation from one place to another is not really the core benefit.

Are we really using when we think of using a car to go from one place to another? Are we really thinking of transportation as the core benefit or we are thinking of something else? So, it is for you to think about what really is the core benefit of a car for you. Alright? So that is how core benefit of a product changes and this model given by Philip Kotler does not really take into account the changing core benefit of a product which is facilitated by technology. Now all of us know that artificial intelligence is coming and it is entering almost all products. So in fact it is not very uncommon that you enter the car and car will automatically start playing your favorite song. It will automatically adjust your seat whether it is height or it is length from the brake.

It will automatically dim the lights and things like that. So what I am trying to say is that because of technology the core benefit is changing repeatedly at different time of the day for different occasions. So because of technology the product has become malleable. The product can force itself into something else so that it offers greater value to the consumer and here we are trying to learn more about the product in the next session we will learn more about brand. So what I am trying to say is that the very idea of product is changing.

We have seen this through example of a bank account and we have seen this through the example of a car. Now gradually all products are becoming more and more complex. For example you take say a classroom. The classroom is also a product. Suppose I am taking this class from say IIT Kanpur campus.

Now classroom the idea of classroom itself is changing. Alright? Classroom is no longer just a classroom. Classroom also has the purpose of socialization. You meet friends and you have a nice time with them. You don't just meet teachers in classroom

you also meet friends.

You have learning not only from classes but you also have learning among the peers. You also have learning while you interact with one another and so on so forth when you are doing assignments together when you are making presentations. It is not just limited to a teacher delivering a lecture. So if we look at classroom as a product little more carefully we will see that a classroom's core benefit is not just a instructor led learning. It is peer led learning or it is peer learning.

It could be friendship. It could be many things that is possible inside a class. Some people even find love of their life in classrooms. So that can also be a core benefit that a classroom it may not be a core benefit it can be it may be an incidental benefit but as you look at your life as you progress you will suddenly realize that perhaps the core benefit was not instructor led learning but some other kind of learning. So what I am trying to say is that today if we take a deeper look at any product either technology facilitated or a philosophical look or a more subjective look at any product we will see that there are multiple benefits that accrue to the consumer through that product. And this model which tries to conceptualize product is not able to handle that transitioning that morphosing of product into something else and that is why I invite all of you to critically analyze this model given by Philip Kotler and look at how this malleability within a product aided by technology, aided by subjectivity can be conceptualized little differently so that it is available to brand managers, it is available to CEOs for making managerial interventions.

All right, so this is where I would like to stop and tell you that the meaning creation. So multiple meanings get created from the same product and those multiple meanings emerge because a product exists in multiple forms. So for example a car, car is not just a vehicle which transports me from one place to another but it is also a music system, it is also a comfortable seat, it is also a machine that gives me sensuous pleasure by holding the leather covered steering etc. It also gives me a sunroof or a moonroof where it allows me to experience the exhilaration of wind or I can open the window and feel the wind on my face. So there are multiple forms in which car exists, it is a family outing kind of value.

So a car exists in multiple forms and in every form there is a corresponding function. So with as a music system the function is entertainment, as a simple vehicle the function is transportation, as a family car the function is traveling together, the togetherness is the function. All right, racing is another function. So what I am trying to say is that in any complex product exists in multiple forms and all forms contribute to a different function all right and this form and function relationship creates meaning. So what I am trying to

say is that the core of the product is perhaps the meaning that gets created in the moment.

So in this moment suppose I am traveling in the car and listening to my favorite song is the core is the most important thing while I am traveling. So the meaning that gets conveyed to me by listening to that song is the core benefit at this moment. So what I am trying to say is that a product has a momentary character. It creates meaning in here and now and that meaning creation process through product is something that a theory of product will have to address. If it does not address then it is not a theory that stands the test of time and test of reality.

So this is one area that I would invite all of you to think about the transitioning, the changing nature of product and how it creates different types of meaning for the consumer. The second thing I would like to tell you about is any product is stretched by technology all right and any product is also stretched by subjectivity. So for example a classroom is stretched by technology by using a smart board. So through smart board we can address each other we can do many graphical explanation through the smart board. Another way of stretching classroom is through Google classroom.

So all of us during the COVID time we have seen how classroom gets stretched through Google Meet or Zoom and other such products. What do we do in that? Simultaneously we are addressing so many people simultaneously we can keep our videos off we can switch on our videos, switch off our videos, switch on audio, switch off audio. We can simultaneously share documents and so many things we can do just because of technology. So if there are 50 people perhaps all 50 people are seated in 50 different locations and yet it is a classroom. So you see how technology has stretched the idea of a classroom.

So this is one way how technology stretches a product. Similarly subjectivity also stretches a product. In Google classroom itself or in a physical classroom someone is listening, someone is not listening, someone is exchanging notes with friends in the classroom, someone is actively participating, someone is busy doing homework for the next class. So many things are happening inside the classroom and everyone is using it as per their own subjective requirements. What I am trying to say is that both technology and subjectivity both of them stretch the product and by stretching the product they make it available for many or multiple requirements, multiple satisfaction of multiple needs.

So this way the second level gets established as an abstraction. So product is stretched by technology so product features are stretched by technology and multiplicity of usage gets stretched by subjectivity and so the second level of product gets established. Let me

stop here and I invite you once again to look at your experience of a product. It has at the core a transitioning core, a changing core which changes from occasion to occasion, which changes from time to time, which changes with the help of technology, which changes as per the need of the consumer and then you have the next level which is at the level of abstraction because technology stretches the product and subjectivity also stretches the product. So these two aspects tell us that this model given by Philip Kotler is inadequate and we must look at creating another theoretical model which will conceptualize the product better.

So, To sum up today what we have learnt is what really is the difference between product and brand and that product and brand lie at two corners of the same continuum. On one side we have standardized features, we have replaceability and we have concreteness to product whereas on the brand side it is abstract and it addresses us at the level of identity and then we also saw that there is a trend that makes products more like brands and that makes product and that makes brand more like product. So the trend of servitization and productization. This is what we saw today and in the end we looked at the Kotler's model which is also called product levels, five product levels of a product and how they are core benefit generic product, expected product, augmented product and potential product with potential product operating at the level of brand whereas the other levels operating at the level of product features. And finally we saw what are the inadequacies of the model suggested by Philip Kotler by saying that the core benefit is not really the core benefit, it transitions to multiple core benefits and similarly the core benefit of the product gets stretched by both technology and by subjectivity thus making the product an abstraction.

I hope you enjoyed the class. Thank you very much. In the next class we will see what really is brand management as an activity. Thank you very much.