

## CREATING THE MODEL OF THE PRODUCT FEATURES AND BENEFITS AS THE BASIS OF MARKETING RESEARCH

Usacheva Ekaterina Aleksandrovna

*North-West Institute of management – branch of RANEPA*

**Abstract:** *The perception of the product as a composition of objective and subjective features, benefits and controlled parameters makes possible to take a closer look at the significance of specific attributes for the customer, to expand the possibilities and directions of competitive analysis and customize product offering. An original model is build not only for each product or service, but also for a specific product offering of a particular company.*

**Key words:** *multi-attributed model, consumer's perception, features and benefits, marketing research, competitive analysis*

In economic theory, the perception of goods as a set of individual properties and characteristics developed in the theory of K. Marx. In the first volume of „Capital” (1859) he states: „...every useful thing, such as, for example. iron, paper, etc. is a set of many properties and therefore can be useful in its various aspects (*italics of the author*)”. [6]

Action-oriented tools such as J. Juran's ABC-analysis (1940) can be considered as the first of many concepts of product perception as a set of individual properties and characteristics. Today it is widely used not only in quality management, but also in marketing. ABC-analysis is based on the principle of V. Pareto 'Critical Few' from 'Trivial Many'. The Pareto principle in marketing helps to classify, separate, reveal and focus producer's attention on critical features and benefits of a product. Multi-attribute modeling of perceptions and attitudes embody the Pareto's principles (for example, M. Fishbein's multi-attributive model of attitudes).

In marketing, the concept of „attribute” develops that change the perception of a product from a set of properties and characteristics objectively inherent in the product regardless of the customer's opinion, to the inclusion in the product model those characteristics attributed to it by the customer. Benefits instead of attributes were explored by M. Rokeach (1968), L. Bozinoff and V. Roth (1984), P. Kotler (1960s), J-J. Lamben (1996), etc.

It should be agreed with I. V. Gladkikh that this happened because the separation of objective characteristics from the perception of the customer is not interesting for the marketer, since it does not allow to build a strategy for positioning and promoting the product on the market. [4]

The value of a product for a particular customer is determined by the value of its individual properties, each of which has its own attributes. Attribution is a psychological term for the mechanism explanation of the behavior of another person. Attribution is the process of attributing to a product certain qualities and characteristics that are not represented in the spectrum of direct perception or observation. In practice, attribution is the „completion” of the image of the product for the customer in order to form the necessary attitudes and customer behavior.

Attitudes are formed with respect to market situations, products or producers with which customers come in contact in course of purchase and consumption. Once they were



formed they put the pressure that the customer reacts in a specific way to these or related situations and products. Attitude denotes a functional state of readiness, which determines the customer to react in a particular way to certain stimulus or signals.

It is important to understand that associations in the customer's consciousness (feature - attribute - utility - attitude) may have nothing to do with reality. Most often, the customer is not an expert, so he creates associations on the basis of subjective perception, his past experience, or the information impact of the environment (interpersonal communications, marketing communications). These associations may be incorrect or simply erroneous, nevertheless they work and influence customer purchasing decisions. In order to use attitudes to increase sales, the producer must have a very clear understanding of the structure of the features and attributes perceived by customers for this type of products in general.

According to the M. Fishbein's multi-attributive model the attitude to the product is the sum of opinions about the product's attributes on their estimated values. [7]

Product attributes are not confined to obvious product features such as dimensions, technical specifications, price, etc. They may include various associations with images, slogans, relations.

Experts in the field of services marketing made a major contribution to the perception of the product as a composition of individual attributes.

K. Vorachek proposes to build a model of goods and services on the value weighting of three components – material features, intangible features and integrative features. Integrative features determine the degree of customer participation in the adding value creation.[3] The services perception as a composition of attributes formed the basis of the SERVQUAL model, the multi-attributive model of K. Lovelock [9] and others.

The next step was the creation of a 4P+1S model (block model), which allowed to include in the product model those attributes that can be controlled and developed by the marketer for the successful positioning and promotion.

The construction of multi-attributive model of a product is associated with the adoption of a number of decisions:

- how to create a set of attributes;
- how to evaluate a set of attributes.

Product offering is perceived as a bundle of material, intangible and service elements. In practice, marketing research should start with creating a model of product attributes, which includes:

- objective features and characteristics of the product;
- features and benefits subjectively perceived by customer;
- characteristics, that are controlled by marketers and describe a set of marketing tools including product promotion.

Thus, an individualized model is created not only for each specific product or service, but also for a specific product offering of a particular company.

Objective features and characteristics of the product are an important component of all existing multi-level models of the product. They describe material evidence such as physical features, technical parameters, etc. In the Three Product Levels model by F. Kotler it called – Actual product [8], functional utility in the terms of J.-J. Lamben [5], or physical characteristics of the product in the terms of the multi-level model by V. Blagoev [1].

V. Blagoev includes quality in the list of physical characteristics, and this can be agreed, if we keep in mind the quality of technical performance. Technical specifications, national standards and any other normative documents defining requirements to parameters and properties of goods and services can become the basis for selecting and describing of objective attributes. For example, in Russian food market, one of the most important customer's

attitudes is the perceiving of the product that meets GOST (State standard) as one of high quality. This attitude is actively used by unscrupulous manufacturers placing on the packaging the phrase „made according to State Standard” even in a situation of outright falsification.

In some cases, we can orient on benchmark products, which functional characteristics determine their exceptional position in comparison with the products of competitors. In marketing, it is a common practice to design product offerings based on comparing the benefits of the product with the offer of market leaders.

Attribution of objective features and characteristics of the product can be carried out in many ways, using a variety of marketing research tools.

Products typically have lots of features (so a company needs their reduction for the purposes of attributing), but very few actual benefits (core benefits) to the customer. This requires the allocation and identification of subjectively perceived expectations and benefits of the product. According to the V. Blagoev’s model, these characteristics constitute the core of the product.[1]

Here it is important to determine the main purpose of the product and the main benefits for the customer both the benefits of use (comfort, convenience, efficiency, ergonomics, environmental friendliness, etc.) and social benefits (improving social status, compliance with fashion and life style, image support, etc.).

The composition of objective characteristics is expanded by the added features, that is, non-physical components. These characteristics are not related to the functionality, but extend the possibility of customer satisfaction. The added properties can apply not only to the product itself, but also to the physical environment, interaction processes, client service, staff, responsiveness and empathy. In the Three Product Levels by F. Kotler this attributes form an Augmented Product. [8] J.-J. Lamben called them peripheral features.[5]

The model of the product features and benefits can be supplemented with a 4P+1S model that includes marketing-mix elements. Thus, marketing efforts become an integral part of the product, they perceived and evaluated by the customer. It is possible to attribute such characteristics as an exclusive price, placement, omni-channel marketing, etc.

Development of the practice of online interactions with the client, the development of digital marketing leads to take into account additional segmentation criteria that determine the characteristics of networks experience and behavior: the presence of accounts in social networks, the frequency of use of social networks and mobile Internet, etc. The system of subjective criteria includes characteristics describing the features of representation and perception of the company and its products on the Internet.

A set of chosen attributes is measured at point of the importance of product features and benefits from the perspective of the customer (his subjective assessment) from the position of the company and its competitors.

Modeling of the product features and benefits allows to create and to evaluate a set of attributes perceived by the target audience. It also gives the insight of the potential product that includes all augmentations and transformations the product might undergo in the future. The task of marketing is to „adjust” the advantages of material features, intangible features and integrative features to the expected benefits of the target audience. The value of the selected attribute depends on its significance and the customer's perception.

The selected attributes can be evaluated by saliency, importance and determinacy indicators and these indicators should not be taken synonymously. [7]

The saliency of the highlighted attribute determines which beliefs in cognitive field for the user are more distinct than others, such attitudes are easier to articulate and to verbalize.

The importance of the product's attribute is always a subjective assessment of the consumer (mental or verbal). Thus, the company can select explicit and implicit attributes,



that is, those that are obvious or those that are hidden for perception. The importance of the attribute can be evaluated as global (important in principle when making a purchase decision) and local (important only in a specific situation).

The degree of influence determines which attributes of the product are most closely related to the preference or to the buying decision process. The importance of an attribute does not always determine its saliency in a particular situation and vice versa.[7]

The decomposition of the product allows to determine the „preferred set” of attributes presented. Linear, unifying, separating and lexicographical approaches can be used for the composition of a product offering aimed at the target audience.

The linear approach makes it possible to compensate for the low customer rating of some features at the expense of others.

The unifying approach is used in a situation where the customer requires that all characteristics have a certain standard.

Separating allows to focus on one key attribute on which the customer expresses high expectations.

The decomposition approach is based on the ranking of consumer preferences in relation to the proposed attributes.

The multi-attributed models of a product provide a framework for the studies of customers' perception. Product modeling is important not only for customer behavior analysis and marketing planning, it enables to implement the attributive approach to the competitive analyses. The selection and description of product's individual attributes allow to increase the focus of the product relative to competitors.

Decomposition of product's features and benefits enables to expand a circle of competitors, comparison on separate characteristics permits to pay more attention to indirect competitors. Companies with the appropriate brand, with the same advertising strategies can be evaluated from the perspective of possible losses from their marketing activities. It can be assumed that companies with various incompatible products but still use one well-known media person in advertising reduce the quality of perception. On the other hand, two companies offering a similar product, with consonant names, but located on different territories not deliberately hogging the attention of each other's customers in the case of online search.

Ultimately, the marketing analysis based on the multi-attribute model of the product helps to form a package of product offerings, that is, a set of components (attributes) of the product, focused on meeting the needs of a specific, narrow group or even an individual customer.

### **Bibliography:**

1. Благоев В. Маркетинг в определениях и примерах / Пер. с болгарского. СПб.: ДваТрИ, 1993.
2. Божук С. Маркетинг / С. Божук [и др.]. СПб.: ПИТЕР, 2012.
3. Ворачек Х. О состоянии «теории маркетинга услуг». Проблемы теории и практики управления. № 1., 2002.
4. Гладких И.В. Измерение значимости характеристик товара в маркетинговых исследованиях / И. Гладких, Ж. Светланова. Вестник СПбГУ. Сер. 8. Вып. 2., 2006.
5. Ламбен Жан-Жак. Стратегический маркетинг. - СПб.: ПИТЕР, 2007.
6. Маркс, К.Г. Капитал. Т.1. М., 2001.
7. Volkov V. Good competitiveness estimations of the basis of compensator and non-compensator models: use problems. Сибирский научный вестник. № 1(3), 2001.
8. Kotler P. Principles of Marketing / P.Kotler, G. Armstrong G. 17th. ed. Pearson, 2017.
9. Lovelock C.H. Classifying Services to Gain Strategic Marketing Insights. Journal of marketing. Vol.47., 1983.