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David W. Nylen
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A.3 Consumer Goods Classification System

A.3

CHARACTERISTICS OF THE CONSUMER GOODS CLASSES

Marketers have long recognized the need for a product classification scheme. Ideally the classification would group together those products whose marketing strategy requirements are similar and thus serve as a guide in strategy formulation. One widely used classification system separates products into consumer and industrial classes. This classification can be useful since consumer and industrial products do tend to have different marketing requirements, but the product classes are too broad for detailed decision making. Recognizing this, Copeland, an early marketing theorist, developed the consumer goods classification system that has evolved and been widely utilized since that time.¹ Although alternate systems have been suggested, Copeland's consumer goods classification system remains the most useful.

The Consumer Goods Classification System.

Copeland's system groups consumer products into four classes plus a number of subclasses. The four main classes are convenience goods, shopping goods, specialty goods, and unsought goods. The classification is based on the way that consumers shop for a product. Thus it is a consumer-oriented system whose use is consistent with the **marketing concept**. A product is classified from the viewpoint of individual consumers; thus the classification of a product may vary from consumer to consumer. What is perceived as a convenience good by one consumer may be seen as a shopping good by another.

Description of the Classes. The goods classifications are based on the amount of effort that consumers devote to shopping for the product. However, other factors underlie shopping effort. The amount of effort that consumers feel is worthwhile to expend in shopping for a product will depend, in turn, upon such factors as the cost of the item, the level of perceived risk, prior knowledge of the product, frequency of purchase, complexity and heterogeneity of the product, and the newness of the product. The goods classes are described below and summarized in Figure A.3-1.

- *Convenience Goods.* Products on which consumers will not expend very much shopping effort are termed **convenience goods**. Consumers do not perceive that extensive shopping effort is worthwhile for these products because they are familiar, frequently purchased, usually low in cost, and easy to buy.

There are three subclasses of convenience goods. **Staples** are the biggest group, including such routinely purchased personal and household items as detergent, coffee, and toothpaste. These items make up the bulk of the products sold in self-service outlets such as supermarkets. **Impulse goods** consist of products purchased "on the spur of the moment" for immediate use. An ice cream cone or a single candy bar would be examples. Impulse goods are frequently seen at the checkout counter in the supermarket. **Emergency goods** are convenience goods purchased for an immediate and urgent need. A plastic raincoat in rainy weather would be an emergency good as would a quart of milk if the household ran out of milk at breakfast time. Many of the products purchased at convenience stores qualify as emergency goods.

- *Shopping Goods.* In contrast to convenience goods, **shopping goods** are ones for which the consumer feels it is necessary and worthwhile to shop extensively, comparing prices and fea-

¹Melvin T. Copeland, "Relation of Consumers' Buying Habits to Marketing Methods," *Harvard Business Review* (April 1923), pp. 282-89.

FIGURE A.3-1
The Consumer Goods Classification System

<i>Goods Classification</i>	<i>Shopping Behavior</i>
<i>Convenience Goods</i>	
Staples	routine purchase, little effort
Impulse goods	spur-of-the-moment, for immediate use
Emergency goods	for immediate, urgent need
<i>Shopping Goods</i>	
Heterogeneous	extensive shopping, feature comparison
Homogeneous	price comparison shopping
<i>Specialty Goods</i>	brand insistent
<i>Unsought Goods</i>	
Regularly unsought	consumer will not shop
New unsought	consumer unaware of product

tures. The consumer is willing to undertake extensive shopping for these items because they are unfamiliar, may be complex, are seen as risky purchases, and may represent a sizeable investment.

There are two subclasses of shopping goods. **Homogeneous shopping goods** are ones for which competitive offerings are seen as basically alike, yet are still an important purchase. An automobile battery would, for many people, be a homogeneous shopping good. For these items, the important shopping issue is price. Consumers shop to compare prices to ensure an economical buy. Mass merchandisers such as K Mart attract many purchasers seeking homogeneous shopping goods. **Heterogeneous shopping goods** are ones for which available products are seen as different from one another. Automobiles, stereo sets, and men's suits would be examples for most people. Since these products are different from one another, consumers shop to understand and compare features and design in order to ensure that the product chosen best suits their needs. The products sold in full-line department stores are predominantly heterogeneous shopping goods.

- *Specialty Goods.* The specialty goods classification has caused both confusion and controversy among marketers.² **Specialty goods** are best thought of as products for which the consumer has a strong preference for a particular brand or model. That preference is so strong

²See Richard H. Holton, "The Distinction Between Convenience Goods, Shopping Goods, and Specialty Goods," *Journal of Marketing* 23 (July 1958), pp. 53-56, and Louis P. Bucklin, "Retail Strategy and the Classification of Consumer Goods," *Journal of Marketing* 27 (January 1963), pp. 50-53.

that the consumer is willing to shop extensively to find that particular item. Note that a specialty good also falls into another goods classification. Toothpaste, for example, is for most people a staple, but if a consumer insists on Crest toothpaste and will accept no substitute, then Crest is a specialty product for that consumer. In a sense, much of the effort of marketers in designing marketing strategies is aimed at converting their brands into specialty goods in the eyes of their target market.

- *Unsought Goods.* The final classification, a relatively narrow one, is **unsought goods**. These are items that the consumer will not shop for, may not know about, and is reluctant to purchase. There are two subclasses. **Regularly unsought goods**, such as encyclopedias, life insurance, and gravestones, are normally available items that the consumer can only be convinced to buy through extreme sales pressure, even though the need for these products may be real. **New unsought goods** are new products that the consumer has not yet heard about. The marketer's objective with these products is to make them known to consumers after which, if they are successful, they fall into an established product classification.

Other Classification Systems. There have been several other attempts at classifying goods. Aspinwall developed a consumer goods classification system using multiple product attributes to array products along a color spectrum.³ Miracle expanded upon

³Leo Aspinwall, "The Characteristics of Goods Theory," in *Managerial Marketing: Perspectives and Viewpoints*, ed. William Lazer and Eugene J. Kelley (Homewood, Ill.: Richard D. Irwin, 1962), pp. 633-43.

this idea by expanding the list of classification attributes.⁴ Bucklin applied the consumer goods classification system to retail stores and used it to develop retail strategy for each class of store.⁵ Several marketers have examined the question of whether or not a separate classification system was needed for services with no clear consensus, but Bell developed a classification matrix that combined goods and services.⁶ In addition, an **industrial goods classification system** has been proposed and is examined separately in GLOSSARY entry A.7.

APPLICATION OF THE CONSUMER GOODS CLASSIFICATION SYSTEM TO MARKETING DECISION MAKING

The consumer goods classification system is an analytical tool useful in the situation analysis and can provide useful guidance anytime a marketing strategy problem is being analyzed. The system is particularly useful in developing the marketing mix where it serves as an "across-the-variables" concept. The system might also be used as a market segmentation base and an analytical tool in strategic market planning.

Use as a Segmentation Base. Although not often presented as such, the consumer goods classifications can serve as a segmentation base in the **segmentation of markets** (see GLOSSARY entry B.3). Since goods are classified from the consumer's perspective, it is likely that some consumers will perceive a product to be in one class while others will see it in another. Even for a single consumer, the product class may vary with the situation. Thus a market might be segmented so that each segment was made up of consumers with a common perceived goods class and, thus, with similar shopping behavior.

⁴Gorden E. Miracle, "Product Characteristics and Marketing Strategy," *Journal of Marketing* 29 (January 1965), pp. 18-24.

⁵Bucklin, "Retail Strategy," pp. 50-55.

⁶Martin L. Bell, "Some Strategy Implications of a Matrix Approach to the Classification of Marketing Goods and Services," *Journal of the Academy of Marketing Science* 14 (Spring 1986), pp. 13-20.

This approach to segmentation may well be productive since different goods classes usually require different marketing mixes to satisfy needs. An encyclopedia publisher, for example, might segment the market into those who perceive the product as an unsought good, those who see it as a heterogeneous shopping good, and those who see it as a staple. In the first case, the publisher might market the product through high-pressure, door-to-door selling. As a heterogeneous shopping good, sale through bookstores and book departments in department stores might be appropriate, while as a staple, the books might be sold through supermarkets in installments or as part of a premium program.

Use in Determining the Marketing Mix. The most useful application of the consumer goods classification system lies in guiding formation or revision to the **marketing mix** (see GLOSSARY entry C.16). Because the system is based on consumer shopping behavior, it can be used to shape a marketing mix that meets consumer needs. Each goods class tends to call for a marketing mix with a different emphasis. In particular, the classification system helps to identify which marketing mix element should receive emphasis and which elements should be supporting.

- *Convenience: Staples.* Because consumers will not shop around for these products, it is essential that they be readily available or the consumer will shift to another item. Intensive distribution is essential. Since these items tend to be sold in self-service outlets, strong advertising and consumer sales promotion are important to develop consumer pull. Product differentiation in this class is important, but tends to be quickly copied. As a result, price differentials are difficult to sustain.
- *Convenience: Impulse.* The key element in marketing impulse items is display in high traffic locations. Obtaining these locations requires a strong sales force and resources for trade promotion. Advertising and branding tend to be less important than for staples and demand less elastic.
- *Convenience: Emergency.* Sales of emergency goods is highly dependent upon being in the place where the emergency occurs. Thus, emphasis in the marketing mix is placed on dis-

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lawsuits, and lobbying to attempt to change or moderate factors that affect their markets. Kotler calls this use of power and public relations to enter blocked or protected markets **megamarketing**.³

While it is undoubtedly true that such marketing activities are possible and do take place today, the individual marketing decision maker should keep such opportunities in perspective. The decision to undertake a public relations program or legal action to change the nature of markets is a major undertaking and its outcome problematical, even for very large firms. Such decisions are generally made at the most senior levels of the firm. Those decisions are rarely con-

trolled by the individual marketing decision maker, but, instead, become a new uncontrollable variable as part of the corporate strategic direction.

SUGGESTIONS FOR FURTHER READING

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³Philip Kotler, "Megamarketing," *Harvard Business Review* (March-April 1986), pp. 117-24.