

## DO WE NEED A NEW APPROACH TO CLASSIFYING PRODUCTS?

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The traditional coverage of “product” as one of the marketing mix elements invariably includes a discussion of types of products. Although several different approaches to classifying goods and services exist, by far, the most common one bases its scheme on “how consumers buy” these goods and services. The resulting classification, convenience, shopping, specialty, and unsought goods, occupy a few pages of every introductory marketing textbook. The amplification of the concepts usually involves asking questions like “how do most people buy this product?” Then, the involvement and effort in the buying process emerge as the key factors that determine where a product may fall in the classification scheme. This scheme goes beyond simple academic hairsplitting since, at least in some very broad terms; this classification may affect marketing strategies that one may employ.

Now, the Internet blurs this straight forward, easy to understand approach from several different angles. First, the idea of “involvement and effort” has taken a new meaning. On the Internet, nothing happens without involvement, perhaps substantial involvement. One has to make things happen when using the Internet by launching programs, selecting destinations and attentively looking at the screen. Consequently, do we now conclude that, because of this involvement, there are not convenience goods on the Internet?

Or, from a different angle, “does sitting in front of a computer require more or less effort than going to a store, even the little store around the corner?” Consumers can jump great distances in extremely short time on the Internet to look at the offerings of several different outlets. This requires immensely less effort compared to driving from store to store, at least walking from one store to the next. Can we then

conclude, based on this ease and convenience, that all the goods and services sold on the Internet are convenience products?

This discussion itself may appear as academic hairsplitting. However, this may be the most direct route to the central issue in understanding how consumers buy goods and services on the new virtual frontier. Understanding their buying behavior holds the key to unlocking the mysteries of marketing on the Internet.

As the lines between product categories get fuzzier, the assortment of products offered at various virtual shops takes on a new look. In part, this may be due to the ease with which assortments can be organized which remain in the virtual domain anyway. Perhaps another reason may also compel marketers to experiment with what they offer. That reason may be a consequence of the blurring distinction between traditional product categories on the Internet. Thus, if offered at the right time, consumers may buy a “shopping good” while buying “convenience goods” or vice versa.

Although many online marketers try to focus on limited lines, like cameras or clothing, the temptation still lures others to chip away at the traditional boundaries of product classifications and retailing strategies. Who will emerge as the winner from these subtle, perhaps accidental, but potentially significant strategic differences?

Time will tell.

Visit the following R.E.A.L sites:

CDnow (<http://www.cdnw.com/>)

Net Grocer (<http://www.netgrocer.com/>)

State Street Direct (<http://www.ssdonline.com/>)

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