

Extended Product Features



Warranties

Warranty

- A promise of guarantee provided to a customer that a product will meet certain standards.
- Materials, workmanship, performance
- Businesses are not required by law to provide warranties.
- Focus on customer satisfaction
- Force a company to adhere to performance standards
- Generate feedback
- Encourage quality development
- Boost promotional efforts



Types of Warranties

Express warranties

- Clearly stated, in writing or verbally, to encourage a purchase.

Full warranty

- Covers the repair or replacement of any defect in a product during the warranty period.

Limited warranty

- Excludes repair or replacement of certain parts or defects.



Implied warranty

- Implied based on manufacturer warranty law.

Warranty of Merchantability

- Sellers promise that the product sold is fit for the intended purpose.
- Gasoline powered lawnmower

Warranty of Fitness

- Seller advises that the product is suitable for a particular use.
- Trailer can tow 200 pounds.

Disclaimer

- Statement that contains exceptions to and exclusions from a warranty.
- Limits on damage, refunds, costs paid by customer



Credit

- Loaned money, that allows businesses and individuals to obtain products and services.
- Promise to pay later
- Good credit means keeping track of your spending and quickly paying back debt

Bank Credit Cards

- Banks loan money in the form of a credit card with accumulates interest charges over time.
- TD Visa, PC Mastercard, Bank of America

Store and Gasoline Credit Cards

- Large stores and companies offer their own credit cards with perks
- Also accumulate interest charges, usually very high.
- Home Depot, Sears, Petro Canada, Target



Travel and Entertainment

- High service fees, that require payment in full each month.
- American Express

Reward Cards

- Credit cards or points cards that offer some type of reward to the user.
- Accumulation of points to be used for purchase, rebate money
- Costco Executive – cash back, Rebate Rewards – pay back a percentage of spending at year end, Airmiles – buying event tickets.

Affinity Cards

- Issued by banks to schools, teams, charities



Debit Cards

- Acts as an ATM for on the spot purchases.
- Charges monthly or when withdrawals occur from non-bank ATM's.

Special Customer Cards

- PC Points & Optimum Points – cashed out for purchases.



Test Outline

Notes

1. Product and Service Mix
2. Competitive Advantages
3. Branding
4. Packaging and Labelling
5. Extended Product Features

Quiz you will get back at the beginning of period tomorrow and we will take up.


