

**University Of Abdelhafid Boussouf-Mila**  
**Faculty of Economics, Commercial &**  
**Management Sciences**

**Lecture Five: Products & Services**



**Addressed To master one Students-Semester 1**

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## 1. What Are Products and Services?

- A **product** is something physical that the customer can touch or own.  
Examples: clothes, soap, phones, furniture, food.
- A **service** is something that the customer pays for but cannot physically hold.  
Examples: delivery service, tutoring, cleaning, design services, transportation.

Some businesses offer **both** products and services at the same time.

For example:

A beauty salon offers **services** like hair styling and may also **sell products** like shampoos or creams.

## 2. Describing the Product or Service

When you explain your product or service in a business plan, you should describe:

1. **What it is:**  
A clear simple explanation.
2. **Features:**  
Characteristics of the product (size, ingredients, materials) or characteristics of the service (speed, flexibility, availability).
3. **Benefits:**  
What the customer gains. Benefits are more important than features.  
For example:  
Feature: Hand cream contains aloe vera.  
Benefit: It moisturizes and soothes dry skin.
4. **How it is produced or delivered:**  
Is it handmade? Factory produced? Delivered online?
5. **Quality assurance:**  
How do you ensure the product or service is good? (fresh ingredients, trained staff, testing, etc.)

The goal is to help the reader understand the value.

## 4. The Value Proposition

The **value proposition** means **why customers would choose your product or service instead of others.**

This may include:

- Higher quality
- Lower price
- Better customer service
- Faster delivery
- Eco-friendly materials
- Unique design
- Customizable options

Example:

Our handmade soaps use fresh natural oils without chemicals, making them safe for sensitive skin.

This explains what makes the product special.

## 5. Pricing Strategy

In this section, the business explains how it sets the price.

Pricing can be:

- **Cost-based:** price covers costs + profit.
- **Market-based:** price is similar to what competitors charge.
- **Value-based:** price reflects the value and quality offered.

The key is to make sure the price is fair for both the business and the customer.

Example: If a product costs 200 DA to make, and the business wants 100 DA profit: Selling price = 300 DA.

However, if the market sells similar products at 250 DA, the business must reconsider, maybe reduce cost or adjust price.

## 6. Product or Service Development

Some businesses start small and then expand.

This section explains:

- New products that will be added in the future.
- Improvements planned for existing products.
- Innovations or new services to be introduced.

This shows that the business thinks long-term and has growth potential.

Example:

After launching our facial soap line, we plan to introduce a natural face cream and a hair oil by next year.

## 7. Example Paragraph for Products & Services

**GreenLeaf Naturals** produces handmade skincare products using local organic ingredients. Our main products include face soap bars, moisturizing creams, and body oils. The products are free from artificial chemicals, making them safe for sensitive skin. Our soaps are made in small batches to ensure freshness and high quality. What makes our products unique is that customers can choose formulas based on their skin type. Prices are competitive, starting from 250 DA per item. In the future, we plan to expand our range to include hair care oils and natural perfumes.

This example provides clarity, benefits, pricing, and future plan.

## 8. Conclusion

The **Products & Services** section is essential because it explains what the business offers and why the offer is valuable. A good description focuses not only on the features of the product or service, but also on the **benefits** that satisfy customers' needs. The business should also show how it stands out from competitors and how it plans to improve or expand in the future.

A clear and strong Products & Services section helps the reader believe in the potential of the business.