

Life-Span Concept - Modern Marketing Technique

Devadatta Ranade
Pune University, Maharashtra - India

The paper is a thematic paper on the product life cycle concept. This paper adds innovative ideas as new concepts in addition with the traditional concepts of product life cycle. This article explains modern marketing techniques as a combined effort to achieve and equilibrium between product life cycle and users' life span as an integral part of marketing technique. Concept of users life span is derived with the stages of product life cycle as a matching consideration. Therefore, we can conclude that the PLC and ULS are the stages of Introduction, Growth, Maturity and Decline as well as the stages of Idea, Thinking, Decision and Purchasing.

<u>Product Life Cycle</u>	<u>Users Life Span</u>
Introduction	Idea
Growth	Thinking
Maturity	Decision
Decline	Purchasing

INTRODUCTION

The global competition has forced the marketers to divert their attention towards the prime factor as user life span. The Users' Life Span (ULS) is the psychological situation and circumstances when consumers make the important purchase of a specific product. The principal underlying the ULS is -when the time span of both i.e. product and the users matches each other, only then the final decision to purchase the product by a consumer exists. Therefore, it is vital for the global marketers to identify the stage that is going through the generic category of the product.

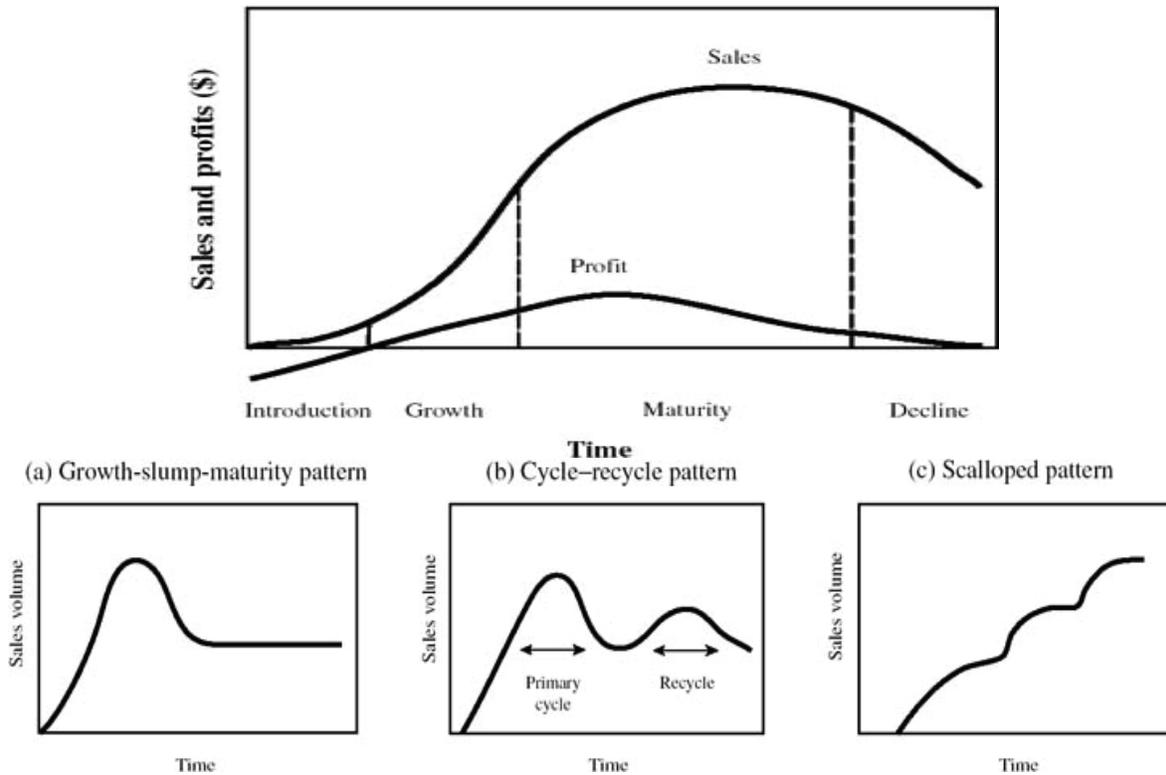
The manufacturer should try to find new uses for old products, or improve them in terms of functionality and aesthetics. The product should deliver the expected benefits to the customer without any defects. These can be various types of features, such as ease of use, durability, aesthetic appearance, manner of operation, ease of repair and so on. These and other features make up the quality of the product that marketers need to constantly improve, because the competition is doing the same thing. In each product strategy, in addition to modification of products, consider the problem of innovation. Innovation strategies, with relative stability and strength of competitive advantage, are the most spectacular product strategies. (Sahoo, A (2006), "Life cycle Management Strategies", Business Insights Ltd, London, pp. 1-6).

The initial 4 P's (Product, Price, Place and Promotion) along with the additional 3 P's (People, Process, Physical Evidence), no doubt, played an important role in establishing the marketing mix concept useful and practical for global enterprises.

Moreover, 4 C's (Customer solution, Customer cost, Customer convenience, Customer communication) also consider about the aspect of consumers.

These approaches stressed prime consideration to marketer and secondary consideration to user (Francois, V. (2010), "Product lifecycle management: geometric variations", London: I S T E, pp. 1-3).

GRAPH 1
SALES AND PROFIT – PATTERN & TIME – INTRODUCTION



IMPLICATIONS OF USERS' LIFE CYCLE OF A PRODUCT

The course of the product life cycle determines the nature of the product, technical progress, product acceptance by the market, the ease of entering a competitive market for new products. Sometimes many products are placed in the market, knowing that their life cycle will last for relatively short time, i.e. one year or just one season.

The Product Life Cycle (PLC) and the Users Life Cycle (ULS) are important for the marketers such they are comprised of the four stages. The life span of the user has four sections such as Idea, Thinking, Decision and Purchasing. Therefore, we can say that the ULS of the product is the longer while the mark is shorter (Immonen, A. (2008), "Product lifecycle management", Springer, pp. 1-10).

The ULS is very crucial for the marketers as it us about the consumers decision making factors that the customers keep in mind while choosing or purchasing any certain product. The evaluation of the ULS strongly considers the sales and profits. The duration of the life span cycle is not stable, so it may vary in any phase. The internal and the external competitive factors also affect the ULS followed by firms competing in the market. Additionally, it has observed across the globe by various marketers that the behavior of sales of the most innovative products shows a progressive short life span, specifically at the phases of growth and the introduction (Anselmi, I. (2008), "Product Lifecycle Management", Berlin, Heidelberg: Springer-Verlag Berlin Heidelberg, pp. 1-15).

The first phase of the Users Life Cycle is period of moderate growth for the new product which is gradually introduced to the market. During this period, the first customers are pioneers, and competition is sluggish.

The costs involved in the launch of the product are often higher than the benefits obtained. (Malcolm, M. (2007), "Marketing in a nutshell: key concepts for non-specialists", Amsterdam: Elsevier, pp. 10-20)

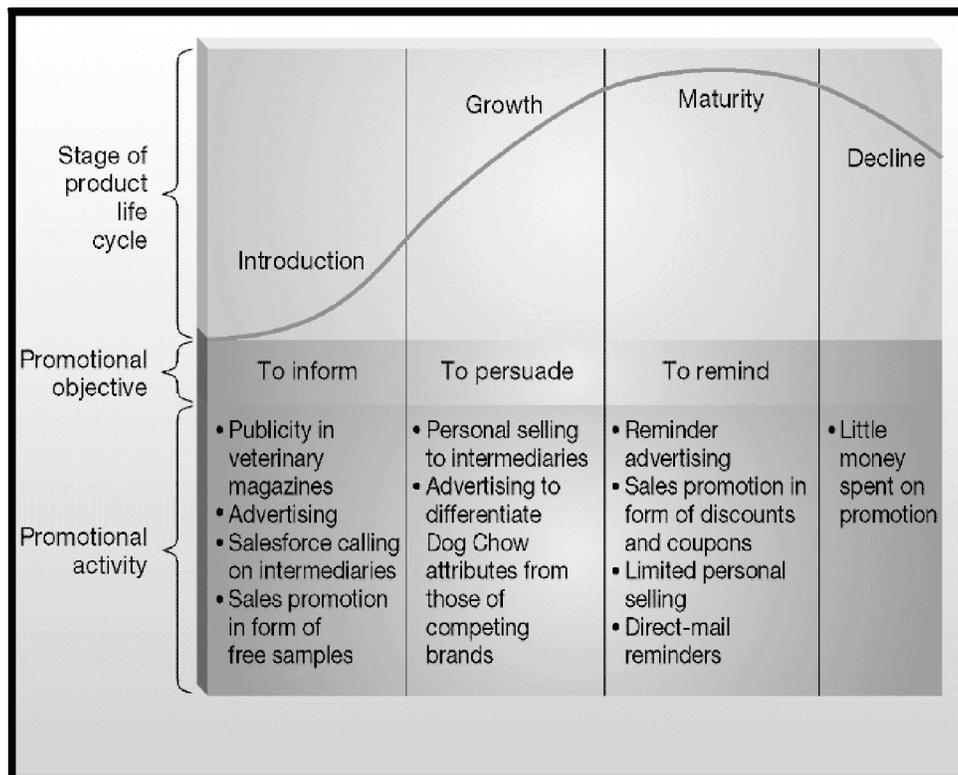
The second phase of the Users Life Cycle is characterized by a growth in sales of the product with a favorable word of mouth brings in new customers. New competitors also come into the market, attracted by the possibilities for development (which may even be beneficial for the product). During this phase, marketers must try to support growth as long as possible by improving product quality, expanding its range to reach more customers, increasing distribution, continuing communication campaigns and gradually lowering prices (Stark, J. (2007), "Global product strategy, product lifecycle management and the billion customer question", London: Springer, pp. 1-8).

A slower pace of sales of the product characterizes the third phase of the Users' Life Cycle: it has reached maturity. Moreover, competition is fierce than in previous stages, the company must reduce its price. This is a longer phase than the previous two. The most common products are mature and must be creative to keep customers and attract new customers.

In the fourth phase of the Users Life Cycle, many products and brands experience a decline phase characterized by a collapse in sales. This phase may be more or less fast (it is extremely fast for gadgets, for example). This is the phase of decline due to several factors such as technological breakthrough, changes in tastes or habits, the arrival of foreign products cheaper etc. The company may decide to withdraw from the market or maintain the product on the market. The marketing manager must ensure to boost sales of the product. For this, we must

Invest to upgrade the product in order to retain customers (Day, G. (1981), "The Product Life Cycle: Analysis and Applications Issues", Journal of Marketing v.45 pp. 1-5).

FIGURE 1
STAGES OF PRODUCT LIFE CYCLE – INTRODUCTION



SIGNIFICANCE OF THE LIFE – SPAN CONCEPT IN MARKETING MANAGEMENT

Marketing is primarily interested in the life cycle of the product in the market. Product life cycle is the lifetime of the product in the market. The concept of life cycle is because others eventually replace any product from the market, or more perfect and cheap goods. There may be long-lived products.

Phase of the life cycle, usually divided into introduction, growth, maturity, saturation and decline. When we talk about the life cycle, we mean the following:

- (1) The life of the goods is limited,
- (2) Sales of the product involves several steps, each of which is characterized by specific challenges, opportunities and challenges
- (3) At different stages of life cycle profit, which brings goods, varies,
- (4) Each stage of the life cycle requires a special approach to strategy in marketing, finance, production, marketing and personnel management. Life cycle of most products can be graphically represented as a bell-shaped curve (Louis E. (2010), “Contemporary marketing”, Mason, OH: South-Western Cengage Learning, pp. 1-9)

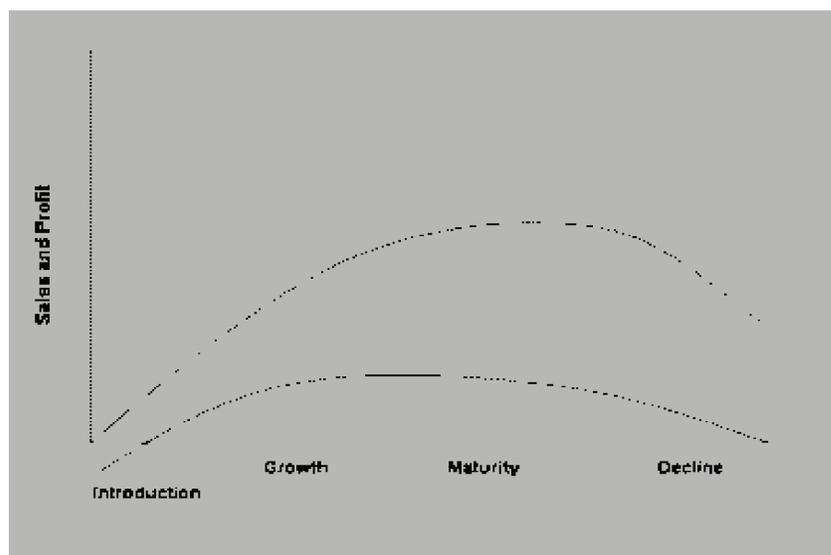
Ultimately, the users’ life span of purchasing the product expires during the time lag of decision and execution. Life span is the key factor, which must be considered within the limitations of PLC and ULS.

The issue of life cycle is essential for the expansion of the company and for his situation. Accurate assessment of the phase of the cycle for the product determines the choice of strategy.

For every phase, it requires a different, adaptive marketing strategy. The products have a limited lifetime. Various measures are necessary for marketing strategy tailored to the phase of the cycle. The management of the company must be capable of flexible response depending on the location of the product on the market. The key to the rational decisions of entry or continued functioning of the sector is to define the main factors of success (Kristiaan, H. (1998), “Global marketing management”, New York: J. Wiley, pp. 1-5). To achieve success in the future, marketers use three basic methods of analysis:

1. Assessment of the minimum required earnings, the decision placed in the context of the worst and most rapid change, which may be expected based on previous experience in the sector.
2. Analysis of ground-assumed to base their decisions on events that have already occurred and which are likely to have a major impact on future operating conditions.
3. Analysis of trends

GRAPH 2
SALES AND PROFIT FOR PRODCUT STAGES



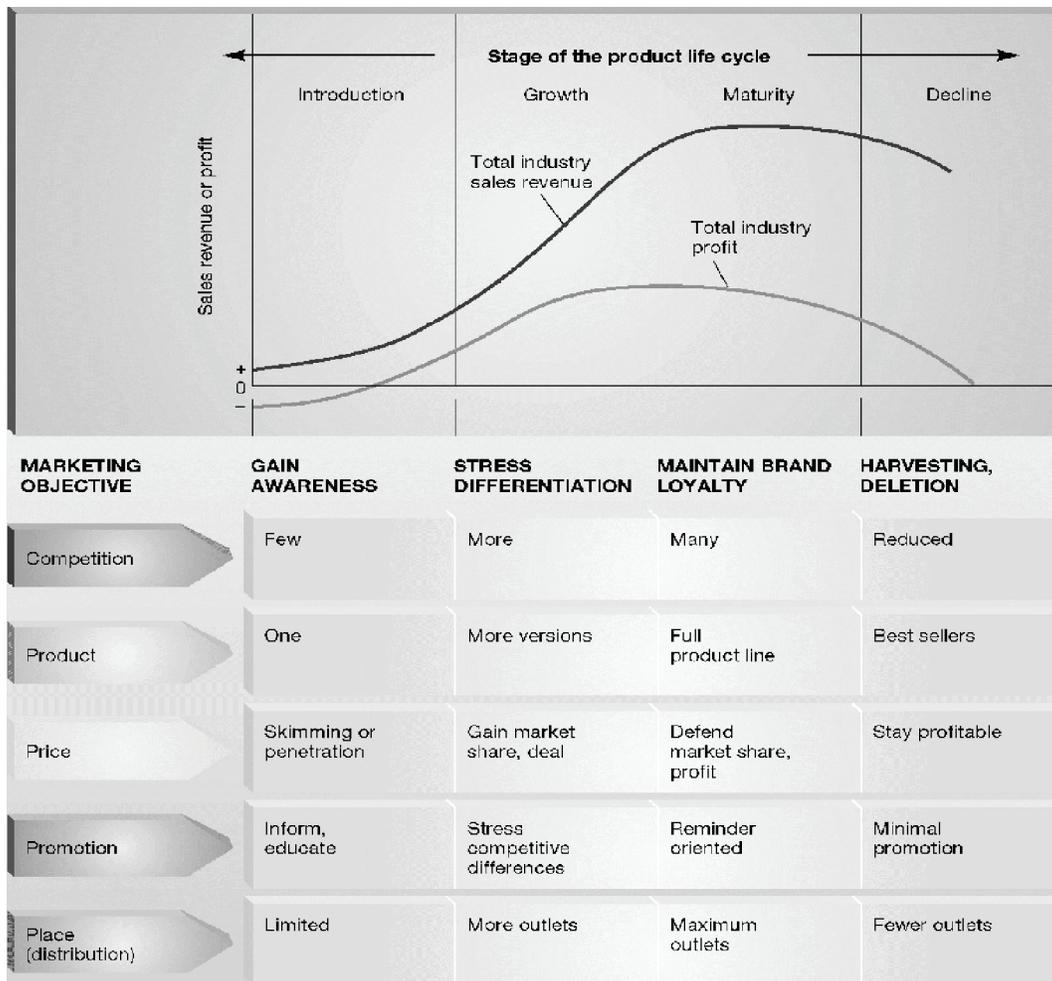
PRODUCT LIFE CYCLE AND MODERN MARKETING TECHNIQUES

The effectiveness of marketing activities will be largely dependent on recognition of the needs of customers from their universality and intensity. It is necessary, and the need to satisfy them is in fact the main driver of customer purchasing activity (Kotler, P. (2012), "Product Life Cycle (PLC) Analysis", SAGE Reference Online, pp. 1-6).

To build effective marketing strategies, it is necessary to gather information about competitors and their strategies. Consider the most important information about pricing policies, development plans, strategies, costs, promotion policy, sales policy and implementation of new products.

Considering marketing techniques, a proper attention towards a prime factor as life span is necessary. Conceptual theory in this regards can be a new approach in addition to the previous, which simultaneously emphasizes the consideration of both factors of market as Manufacturer/Marketer and Customer/User. Life Span Theory should develop this concept with equal balance between manufacturer/marketer and consumer/user as combined part of market mechanism. Simultaneous Thinking -about "Marketers & Users"- should developed as two sides of a single coin for coping up with modern marketing technique in global scenario (Cant, M. (2006), "Marketing management", Cape Town, South Africa: Juta, pp. 1-11).

FIGURE 2
STAGES OF PRODUCT LIFE CYCLE DESCRIPTIVE

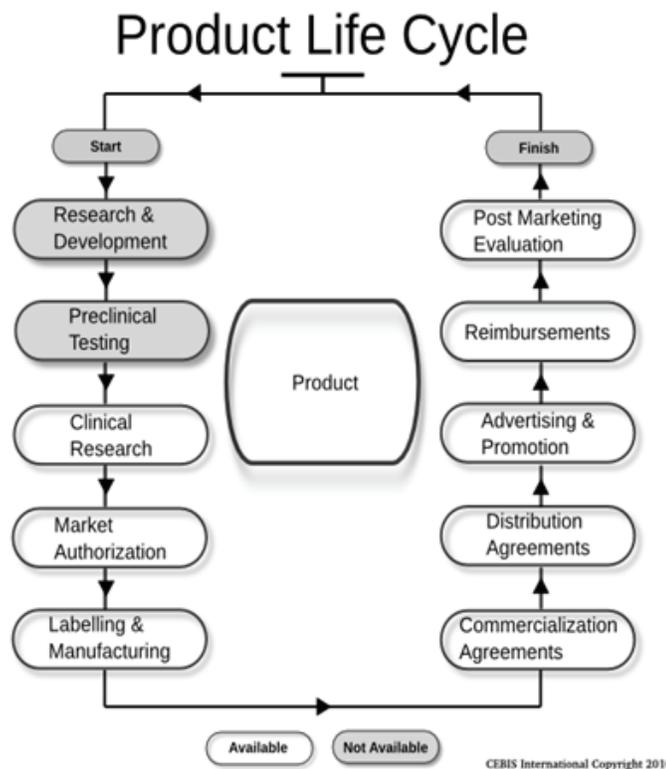


An important problem in the production is to consider the range of products and their brands. Range is a set of products offered to the purchaser by the manufacturer. The company may offer one or more types of products (narrow range) or a range of products (wide range), may also offer one (tile range) or number of variations of the product (deep range). The company should at the same time, and sell several products in various stages of product life cycle because this reduces the risk of introducing new products. In the case of a single product or narrow and shallow assortments, company can count only on a limited number of buyers (Armstrong, G. (2009), "Marketing: an introduction", Prentice Hall, pp. 1-10). Wide and deep assortment allows marketer to adjust to the needs and characteristics of many buyers and different market segments (Stark, J. (2007), "Global product strategy, product lifecycle management and the billion customer question", London: Springer, c-15).

However, this increased production costs and maintaining large inventories. We must therefore find the right strategy between the narrow and shallow, and broad and deep assortment.

Quality improvement may increase the duration, reliability or security product or the consumer durable nutrient capacity, etc .But an increase in quality is, generally, an increase of cost that the consumer is only willing to pay if he receives or product improvement is more demanding and appreciates quality. An improvement in the characteristics or performance of the product increases its usefulness, performance, safety or comfort. The change in product design or style of product enhances its appeal (Ed. Thousand Oaks, CA: SAGE, (2003) "Mature Stage of Product Life Cycle", Encyclopedia of Health Care Management., pp. 1-3)

FIGURE 3
PRODUCT LIFE CYCLE – START TO FINISH EXPLANATION



Strategies of marketing communication change during the life cycle. For example, they can be informative, educational for the phase of introduction, persuasive and imaginative for the phase of growth

or maturity, supported by photographs, and cognitive in the last stage. The life cycle is also involved in the choice of business strategy and can determine the latter by means of knowledge management.

Companies should make decisions regarding investment in the products that are in demand. Companies get help to anticipate when to move into new products. They have to choose different technologies, which are subject to change.

They must assume that one of them wins. They can engage in only one completely new technology or to a lesser extent in some of them. If companies intend to use the product life cycle they need to examine the extent to which this concept describes the history of product development (Stark, J. (2007), "Product lifecycle management 21st century paradigm for product realization", London: Springer, pp. 1-10).

Managers of marketing use the concept of product life cycle in order to explain the dynamics of product and market. This planning tool allows us to identify the main challenges of marketing in each phase and formulate alternative marketing strategies.

As a control tool allows marketers to measure the effects of the development of the product. (Christ, A. (2012), "Product Management", New Delhi: World Technologies, pp. 1-8)

Life cycle theory criticism by arguing is that the model life cycles have too much variation forms, and the periods are quite different in duration. In addition, critics have accused the suppliers that are themselves often do not know at what stage of development of their product is produced (the product can be considered as "aged," though in reality he went to an intermediate level preceding the rise of the new). Finally, critics argue that the scheme of life cycle is not so much a "constant rate", which must be followed by the sales department because of the implementation of marketing strategy. Thus, by analyzing their products and markets, forward-thinking marketers must be careful to use the concept of life cycle (Tomovic, M. (2009), "Product realization a comprehensive approach", New York, NY: Springer, pp. 1-10)

CONCLUSION

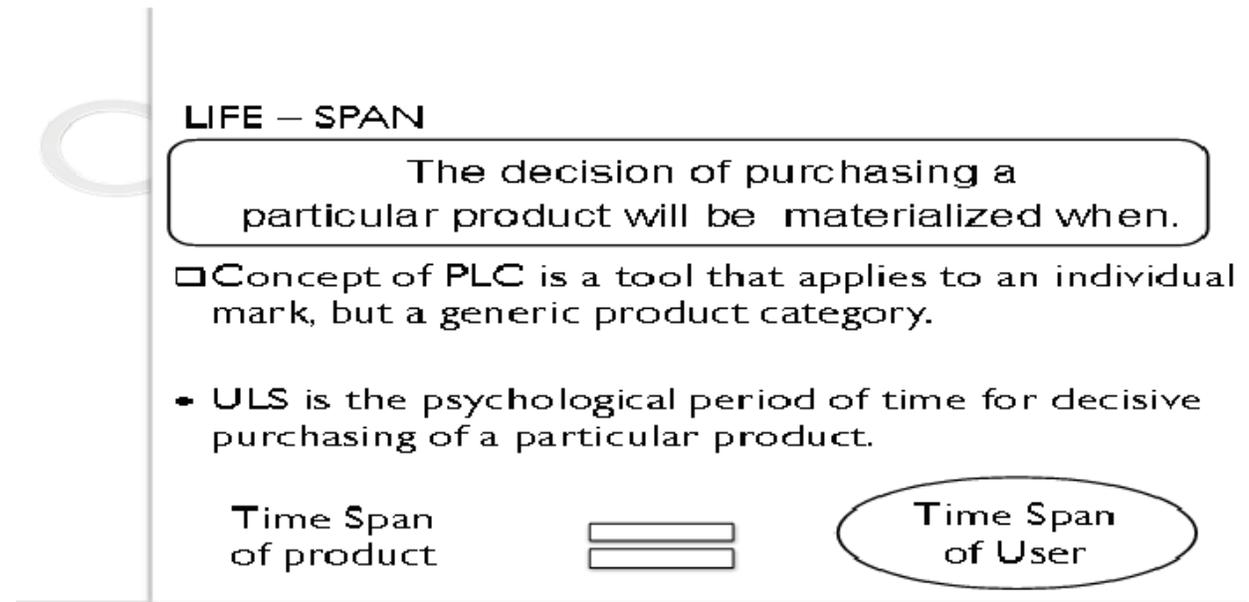
Therefore, we can conclude that the PLC and ULS are the stages of Introduction, Growth, Maturity and Decline as well as the sections such as Idea, Thinking Decision and Purchasing. PLC and ULS experienced by the generic category of products.

The marketers significantly utilize the concept of the PLC and ULS in order to use marketing as a tool to know and track the stage where there is a particular product, to identify in advance the risks and opportunities of each stage for a specific brand. The product life cycle and user life cycle is a concept of great importance in the process of marketing the product, because the behavior of the market situation and competitive environment change over time for product marketing.

These changes determine the design and affect the development of marketing strategy. Every product has a biological evolution as embodied in a series of sequential steps. The product life cycle is the time path that runs from birth or product launch to the market until death or disappearance (Mark, W. (2011), "Essentials of marketing management", New York, NY: McGraw-Hill/Irwin, pp. 20-25).

The concept of life cycle helps marketers to interpret the dynamics of product and market. As a planning tool, this concept allows management companies to identify key marketing tasks at each stage of the cycle and to develop alternative marketing strategies. For the purposes of prediction, the concept is of little use, since the sales history is too varied, and the duration of each stage of the life cycle varies quite widely (Glen L. (1993), "Design and Marketing of New Products", Prentice Hall, pp. 1-7).

FIGURE 4
PRODUCT LIFE CYCLE AND USER LIFE SPAN



REFERENCE

- Anselmi, I. (2008), “Product Lifecycle Management”, Berlin, Heidelberg: Springer-Verlag Berlin Heidelberg, pp. 1-15.
- Armstrong, G. (2009), “Marketing: an introduction”, Prentice Hall, pp. 1-10.
- Cant, M. (2006), “Marketing management”, Cape Town, South Africa: Juta, pp. 1-11.
- Christ, A. (2012), “Product Management”, New Delhi: World Technologies, pp. 1-8.
- Day, G. (1981), “The Product Life Cycle: Analysis and Applications Issues”, Journal of Marketing v.45 pp. 1-5.
- Ed. Thousand Oaks, CA: SAGE, (2003) “Mature Stage of Product Life Cycle”, Encyclopedia of Health Care Management., pp. 1-3.
- Francois, V. (2010), “Product lifecycle management: geometric variations”, London: ISTE, pp. 1-3.
- Glen L. (1993), “Design and Marketing of New Products”, Prentice Hall, pp. 1-7.
- Immonen, A. (2008), “Product lifecycle management”, Springer, pp. 1-10.
- Kotler, P. (2012), "Product Life Cycle (PLC) Analysis", SAGE Reference Online, pp. 1-6.
- Kristiaan, H. (1998), “Global marketing management”, New York: J. Wiley, pp. 1-5.
- Louis E. (2010), “Contemporary marketing”, Mason, OH: South-Western Cengage Learning, pp. 1-9.

Malcolm, M. (2007), "Marketing in a nutshell: key concepts for non-specialists", Amsterdam: Elsevier, pp. 10-20.

Mark, W. (2011), "Essentials of marketing management", New York, NY: McGraw-Hill/Irwin, pp. 20-25.

Sahoo, A. (2006), "Lifecycle Management Strategies", Business Insights Ltd, London, pp. 1-6.

Stark, J. (2007), "Global product strategy, product lifecycle management and the billion customer question", London: Springer, pp. 1-8.

Stark, J. (2007), "Global product strategy, product lifecycle management and the billion customer question", London: Springer, c-15.

Stark, J. (2007), "Product lifecycle management 21st century paradigm for product realization", London: Springer, pp. 1-10.

Tomovic, M. (2009), "Product realization a comprehensive approach", New York, NY: Springer, pp. 1-10.

ABOUT THE AUTHOR

Dr. Devadatta G. Ranade- is a renowned teacher in the field of Commerce.

Dr. Devadatta Ranade - has contributed as Lecturer in Commerce Department of Pemraj Sarda College, India.

At present, he is working as

Ph.D. Guide- for the subject "Marketing" in -Pune University-India

Associate Professor -Pemraj Sarda College- India.

There are three students registered under his guidance for Ph.D. Research. He has worked for almost all University Committees in different capacities as Chairperson, Member, and Subject Expert for University Teacher's Selection, Vice – Chancellor's Nominee, Syllabus Designing, College Inspection, Examination Supervision, National Service Scheme etc. Educational development and research in Education are his fields of interest and devotion. He has worked as Hon. Director – Institute of Management Studies & Research, India. His contribution towards academics and Research seminars as Coordinator, Resource Person, and Chairperson in various activities in India are remarkable.

He has worked as Coordinator - State Level Commerce Seminars for following subjects- Entrepreneurial Promotion in Indian Economy – 1990, Entrepreneurial Development -2005, and Integrated Asian Markets – 2007.

Participated in International conference (GCBF) at Costa Rica, Latin America- Presented a research paper titled –"Conceptual Theory-8 L Approach of Marketing Mix in Global Scenario" and worked as Session Chair- 22nd-25th May 2012.-cd format ISSN -1931-0285-volume 7,number 2-2012

Research Published in IOSR Journal of Business and Management Vol., Issue 6, July-Aug. 2012, Titled –"3 R Approach of Market Mechanism".-online format- ISSN 2278-487X-