

# Extending the product life cycle

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The product life cycle is exactly what it says; it is the life of a product. It consists of three different categories which are growth, maturity, and also decline. This is a sort of a guide line to how the product will end up and what will happen to it. Growth- this is where the product has just been launched and where they have to advertise the product to be able to get a good name and also manage to achieve a good reputation which is certainly needed if the businesses product wants to become successful.

Maturity- this is where the product has now been established and lots of people know about it, the company has gained a reputation and now not as much advertising is needed to be done to try and sell the product. Along with this the company has now achieved its maximum sales and will then start to go into decline Decline- this is where the companies product has now been around a while and a newer and more up to date product has been brought out and now people are going to buy this instead, now the companies sales start to drop and then the company has to do something to try and customers to try and buy there product again.

They may reduce the price of this product or may start an extension strategy which is where they try to make the live cycle of the product longer, they may also bring out other types of this product by making smaller, potable etc. A product like Playstation have advertised there product with lots of persuasive advertising, by calling there console the " third dimension". By doing this they are trying to say that it's a place that you would not want to miss or a console that you would not want to miss playing. The effect that this has on the consumers is that it is daring you to by it and if you don't you do not know what you are missing.

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So then the consumers go out and buy the console. Playstation are advertising their console and their games to a wide range of people, they have all sorts of games including platform, strategy, action, knowledge, fun, racing. By having all of these types of games they are therefore advertising to all sectors of the market and making games for everyone, this is one reason why they sell so many consoles to the consumers. How do companies use these extension strategies? A prime example of a company that has used an extension strategy would be Playstation.

They launched their computer console into the market in the summer of 1994 where they went into fierce competition with the big computer giants Nintendo, and Sega. Both of these companies had been the giants of this market for years selling millions of consoles all around the world. When the Playstation was launched they made many changes to their console compared to the other consoles, what they did is make a more powerful console than the others and also introduced their games on to compact discs rather than in a huge cartridges.

They had now moved forward and into a newer and more advanced technology and had left Nintendo and Sega behind. For the next few years they concentrated on advertising the console, but the one advantage that the Playstation had was it did not have to build a reputation because they were made by Sony and they had already had the reputation which was required. But unlike the Playstation their rivals had to build a reputation from the beginning. The console was starting to sell more and more and with

the money that they gained they then went out and bought all the good games that all of the consumers wanted.

Once they had bought these people had no choice to buy it and it then sold more and more and then started to become bigger than their rivals Nintendo and Sega. By the summer of 1998 the Playstation had now ended their growth stage and had now entered maturity, sales were booming and they had become much bigger than their rivals and they now concentrated more on the games side of things and less on their advertising because they were now much bigger.

Their rivals were struggling to keep up with them because they weren't earning as much money now and could not keep up with the technology that the Playstation was bringing out, so the Playstation was now single handedly destroying what were once the biggest computer console companies around the world as if they weren't even there. Just one year earlier Nintendo had launched the N64 this was a very good console when it was first launched and was probably the nearest that Sony had to having any competition, and within two years the N64 had died.

Then Sega brought out their new console in November 1999 which was called the Dreamcast, it was now more powerful and much better technology, it now used discs instead of cartridges and was now a real threat to Sony. So they now had to think of something to beat this and wipe out Sega and have the number 1 console again. Sega sold a record amount in their first day which had beaten their rivals, and was beating the Playstation.

So in September 2000 they launched the Playstation 2, this was now just as powerful and still used discs but they had now gone much further than any other console had gone before, it now included a DVD player and this was a first ever in the gaming industry. This then became the biggest ever selling console and everyone wanted and it started to sell much more than the Dreamcast and Sega were now struggling not a lot of consoles were been sold and they were getting thrashed in the race to have the number one console.

In the autumn of 2001 Microsoft decided to jump on the band wagon, and they brought out the Xbox and had a go at trying to beat Sega and Sony. When this was launched it had now spelt the end for Sega and they had just disappeared, they decided to just make games for there rival console and now just forget making consoles. So now there where two main competitors and both of these console had the same technology on board there consoles, along with a good reputation from there designers which were Microsoft and Sony.

Then in May 2002 Nintendo made a come back and brought out the Gamecube which was just as powerful but had no DVD player or anything like this, but it now had smaller discs which were the size of mini-discs. April 2003 now that Sega have gone there are three competitors Sony are ruling the market at the moment and the Xbox is not that far behind them but for the Gamecube it looks to be a flop already and is just about gone so its gone from Sega and Nintendo ruling and been the biggest, to Sony and Microsoft

been the biggest, so whose next? This is what the life cycle will now look like with the extension on the end,

What can the Sony Playstation do in the future to try and extend there products life cycle? Sony could do many things to there products to go and make there life line longer, they could produce a mini sized version (baby products) of the product that would be easier to carry around than it would with the normal sized one. Along with this they could introduce miniature screens to attach on then so that they can be used in a car. Sony could also make a battery powered Playstation, or one that can be plugged into the cars cigarette lighter and then you can use your Playstation on the go.

So there many different ways in which the Playstation could increase its life cycle and go on trying to beats its rivals. How do other countries effect the life cycle? Other countries could effect the product life cycle in a few ways, for instance when Sony attempt to try and extend there life cycle they could bring something out and some people would not buy it just because it was made in Japan. The Americans would go and buy something for the Xbox just because it is an American console. In a way this is a good thing because they are putting money back into the economy and not spending it abroad was the foreign countries would keep it.

This may be a good thing for the economy but it is not a good ting for the business with there product. If this was to happen too much then a business would fail to extend there life cycle and then they would lose lots of money. Other ways in which different countries can effect the life cycle is the games that are going to be brought out, Sony can decide that they only want to

bring out a certain game in a certain country. By doing this they will lose custom all around the world and then not as many people will go out and buy the console, therefore they are not able to extend the product life cycle.

Conclusion- extending the life cycle is a good thing to do for a business and if you do it right it will work. The company will after remember that to make this happen they have to bring out new things and also keep up to the technology which is been used in the consoles, they will have to bring things out before there rivals and also give people what they want and not just release things in certain countries. If they do this it will be a successful extension and they will stay one step ahead of there competitors, and maintain number one the market.