

Product life cycle essay

[Business](#), [Company](#)



The Product Life Cycle

The life cycle of a product is divided into four stage based on the revenue generated by the product or service. The life cycle concept may apply to a category of product or brand with varying duration for different products or brand. The stages that a product goes during the product life cycle include introduction stage, growth stage, maturity stage, and decline stage. During the introduction stage, most companies concentrate their efforts in advertising and promotion to make consumers aware of their product. Because of low sales and high cost, most companies tend to lose money during this stage. During growth stage, firms focus their strategy in increasing sales, which requires increasing advertising cost. A company may decide to lower prices in order to remain competitive. If a product survives the growth stage, it reaches the maturity stage where it stays for a relatively longer time. During this stage, sales continue to grow, though at a slower pace, before stabilizing. Despite presence of price wars, companies reap high profits because of high sales volume. A company may make modifications to the products to meet consumers' changing preferences when they become outdated. The last stage is the decline stage where company experiences declines in demand for its products as more innovative products absorb the attention of consumers.

Industry Selection

The industry that I selected for this analysis is consumer electronics industry. The example of product in introduction is Samsung S4, released in 2013. An example of product in growth stage of the product life cycle is the Panasonic

3D TV because it was introduced less than three years ago. An example of product in growth stage of the product life cycle is iPhone. An example of product in decline stage of the product life cycle is the videocassette recorder.

Products and product life cycle stage

The introduction stage is when the public first hears about or sees a product.

The product finds its way into the stores for the first time and TV advertisements and print media appear for the first time. Samsung S4 is at this stage of the product life cycle. The product went public for the first time in March 2012 during a major product launch event in New York. This was followed by introduction of the smartphone to the UK market on April 27, 2013.

Many known and popular products, such as iPad is in the growth stage of the product life cycle. Apple introduced iPod, with the first version gaining market entry in 2001. The company managed to extend the maturity phase of the iPod by introducing the iPod touch, which came with a touch screen and advanced features. It also came with new functionalities such as apps, which makes it more useful and versatile than older iPods. The major concern of Apple is to maintain market share while maintaining revenues. The competition from other competitors has pushed iPod into growth stage. An example of product in the maturity stage of the product life cycle is Nintendo Wii. Even though the sales for the product are declining, profits are still positive. The company has announced its plans to introduce a new console into the market in order to extend the maturity phase. Example of a product in decline stage is VCR. VCR is experiencing decline in capacity

utilization due to the market shift to alternative products. VHS was introduced in 1976, and by 1984, Toshiba had introduced plans for Digital Versatile Disc (DVD). By 1996, the film industry had started using DVDs (). The demand for DVD surpassed that of VHS by 2003 and by 2004, Hollywood studios stopped using VCR by 2004.

Reason for choosing consumer electronic industry

I chose the consumer electronic industry because the major force driving the industry is innovation and technology.

Marketing strategy for Samsung S4

Launching a new product is probably the most daunting task for product manager of consumer electronics because of the frequency by which it happens compared to traditional industries where a single product can stay in the market for many years. Normally, consumer electronics exist long before they are introduced into the marketplace. The low number of sales of consumer electronics is not usually due to logistics problems. The low sales result from two factors: the low number of buyers ready to embrace innovation and the initial high cost of products due to the need to break even with the cost of research and development. The recommended marketing strategies for Samsung are detailed below.

The company uses demographic segmentation to study potential customers. It is evident that Samsung is targeting the U. S. market following the decision by the South Korean giant to chose the U. S. as the venue to launch its latest smartphone, the Galaxy S4. When a new product is introduced into the market, sales volumes are usually very low. As such, Samsung must look for

strategic goal of acquiring a strong market position. The product targets the high-end market, educated people, affluent as well as early adopters of technology.

Samsung should improve the product features such as software and size in order to differentiate it from Apple as well as other devices using Android.

The new smartphone comes with a variety of new features, but the company should avoid overwhelming users with large number of features, not all of which may prove useful. As such, Samsung should consider removing some of the features and reduce the price slightly.

Samsung should leverage its superiority its wide following in the low-end smartphone market to start challenging Apple in the high-end smartphone market. The company has the potential to position itself in the high-end market as evidenced by sales data following the introduction of high-end Galaxy.

Marketing strategy for iPad

In the growth stage of the product life cycle, sales, revenues, and profits begin to grow as the product gains popularity and market acceptance.

Concerning market segment, Apple requires more than the early adopters to increase the total market size. This involves targeting data producers, data users, technology pragmatist, as well as technology enthusiast. Apple has traditionally segmented its products vertically, with each product having a particular use. The market segment for Apple's iPad is readers, but it can also segment the market to include people who want to access data in places without access such as in the kitchen and outdoors.

Apple should consider targeting older people who rarely use computers.

Another target market would include iPod and iPhone users who are comfortable with a touch screen but need something bigger. Another target market to consider are students who are tired of carrying heavy textbooks and want to download their e-book anywhere and anytime they need.

Apple can position iPad to students as e-textbook with good price and convenience, as well as an easy to carry, movie, game, music, and internet surfer device. Apple would position the product to Kindle lovers and book lovers as an easy to and a device that is more than a book, with a wide selection of e-books and more than 140, 000 applications.

In order to remain competitive, Apple should consider selling mainly to major content consumers because this will drive the likelihood of them consuming other Apple content. Additionally, Apple should not compete based on price regardless of what competitors offer. Apple should maintain the iPad as a premium brand.

Marketing Mix

Apple changed its pricing strategy when it launched iPad, with prices lower than that anticipated by the market. Apple should not consider reducing the prices further in an attempt to increase their customer base. The company should however form a larger distribution network to keep up with the pace of demand.

Marketing strategy for Wii

Nintendo Wii is currently in the maturity stage. The company segments its markets geographically and mainly target developed countries and affluent market segments. Due declining sales, the firm should consider expanding

its market to developing countries because they have the potential for market growth. Nintendo Wii uses differentiation approach in market targeting. The main target markets include the upper middle class families, older people, soccer moms, and generation Y and childless couples. The company should also target the high-end market by innovating new products.

Nintendo should position Wii as a family product that is not expensive, that has more family oriented games and easy to use. Wii should also add social attributes to its key competitive advantages.

Product strategy

Adding more apps to the Wii, building a co-branding relationship with social sites, and using social media capabilities to market are some of the recommended product strategies. Nintendo can also up-date product design and include stickers of app logos.

Marketing mix

Nintendo should adopt competitive-based pricing by keeping prices lower than that of PS3 and Xbox. They should also keep the prices affordable for families because their preferences will encourage them to many accessories offered by Wii. The company can also introduce bundle pricing to increase sales revenue.

The company can employ both push and pull strategies in promotion. They can have displays in prominent stores as well as demo kiosks. They also need to conduct massive sales promotion and advertising campaign to extend product stay in the market. The marketing objectives should be to

inform, persuade, and remind. The company should also try personal selling to reach more customers.

Marketing strategy for VCR

VCR is currently in the decline stage and there are possibilities for the product to face extinction. The company should segment its markets based on demographics with older people constituting the main target market. Older people still prefer using VCR and VHS as a way of visiting the past. The company can also target enthusiasts who believe that the old videotape format creates better sound and picture compared to digital media.