

# Bmw's concept of product life cycle

Life



There are four main periods in a product life cycle concept which begins with the introduction stage, followed by the growth stage, then the maturity stage, and finally the decline stage. Naturally and comparatively, there are distinct characteristics which would qualify a certain product to be under a specific stage heading. For example, in terms of marketing objectives, a certain commodity which is at the introductory stage opts to "create product awareness and trial," while at the growth stage, it changes and shifts to "maximize the market share" (Kotler, Keller, Ang, Leong, & Tan, 2006, p. 344).

In terms of advertising, a commodity at the maturity stage chooses to "stress brand differences and benefits," while at the decline stage, it alters to "reduce to level needed to retain hard core loyalists" (Kotler et. al. , p. 344). In many of the general definitions and processes, these attributes apply to mostly all companies but vary in intervals: "In Sweden and Britain, automotive product life cycles are eight years, while in Japan they are typically only four years long" (Author's Last Name, Year, p. 304).

In the implementation of a seven year product cycle, BMW has devised a unique system which demonstrates superb marketing skill and judgment: "To keep products in the introductory and growth stages, BMW regularly introduces new models for each of its series to keep the entire series 'new'" (Author's Last Name, Year, p. 304). As explained, "for instance, with the 3 series, it will introduce the new sedan model one year, the new coupe the next year, then the convertible, the station wagon, and the sport hatchback" (Author's Last Name, Year, p. 304).

BMW has managed to use the outline of the product life cycle concept but has ingeniously used the stages to full potential. As BMW utilizes the series system classification, it not only helps present variety in appealing to more segments of potential buyers, but the classification differentiation also carries on the brand in quite literally an automobile genre of its own prestige.

Being a luxury car brand that makes use of such a practice, the rarity and distinctiveness of the units within the specific series kept for a period of time are better highlighted, for there is a sense of prestigious-novelty preservation. As stressed by the Vice President of Marketing, Jim McDowell, this fits very well with company's business hopeful ambition: " BMW doesn't aspire to be the world's largest car company, we already are and we want to continue to be the largest premium company" (McGraw-Hill Irwin, n. d. ).

This means that as a new model is introduced in a separate series, the other relatively previous series is still kept competitive within its identified market. In addition, further introduction of other new model series from the sedan to sports car series not only provides the whole product offering of the automobile series with a maintained and secured status of a current and still relevant significance, but an emphasized recent-to-latest mentality unto the customer—potential, present, or otherwise—is also most evidently put forward in terms of the overall company product offering.

This predetermined product cycle strategy development keeps a certain series' credibility prestigious, which enduringly and wholly translates into the individual product unit purchased by a customer, as it both implicitly and

explicitly speaks of and displays a distinguished sense of class to that series where that unit and owner belongs.

Moreover, BMW units are universally exclusive in every facet: “ BMW’s positioning strategy is the same worldwide and that is to offer high performance, luxury vehicles to individuals. ‘ You won’t see it as a taxi or a fleet car’” (McDowell cited in McGraw Hill, n. d. ). This association of sustained prestige within and amongst the series is shown and dictated by administering and handling of product introduction and growth by the company.