

Sony product lifecycle



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The Company Sony was founded by Masaru Ibuka and Akio Morita on 7th May 1946. This Company is one of the biggest producers of different entertainment products for commercial and in business world. It's primary concerns are in the field of electronics, video, communication, video game consoles and I. T. products like laptops.

OVERVIEW

Since its establishment Sony has grown steadily over the years to become a leader in the consumer electronics market. Sales in the fiscal year March 2001 were \$58.5 billion and in 2006 sales were \$63.5 billion with an income of about 1.05 billion. As of 2008 its revenue has exceeded \$88.7 billion.

It recently won the so called format war with Toshiba over its Blue-ray discs and Toshiba's HD-DVD. It was the most expensive format war since VHS videocassettes triumphed over Sony's Betamax in the 1980's.

PRODUCT

Sony folding laptop labeled SMK (bright) and is aimed primarily at the mobile worker. While there have been other folding laptops such as the Fujitsu folding laptop and the Xentex Dual screen Folding laptop.

This is the first of its kind that is truly light and mobile. It takes advantage of the latest in OLED (organic light emitting diode) technology to create a truly flexible screen measuring only 0.01 inch thick which can be rolled into a scroll and detached while the main body can be folded into a 6 inch by 4 inch device with a depth of 2 inches which can be stored at your convenience

(please note that due to the presence of a Blue-ray drive on one end, which forms a slight bulge, the actual dimension is 6x6by2inches.

When Unfolded the Sony SMK TM laptop is about the width and breadth of a A4 sheet and weighs in at about 1.5 kg. Due to the use of OLED keyboard and screen the battery life of the laptop runs in at 19.5 hours on normal usage and in power saver mode for approximately 26 hrs. It comes with an energy efficient Pentium QCore (q for quintet meaning five) processor and an integrated Nvidia Greenline graphics card with 512 of DDR4 ram.

OLEDs are solid-state devices composed of thin films of organic molecules that create light with the application of electricity. OLEDs can provide brighter, crisper displays on electronic devices and use less power than conventional light-emitting diodes (LEDs) or liquid crystal displays (LCDs) used today.

However to sell this Sony SMK TM Folding laptop business needs effective Marketing, features to design into new product, Branding, Price to offer for the customers, where to sell this product etc.

Marketing has been defined as business organizational function, a set of process for creating a market value for the product, delivering value to Customers, Communicating and to manage Customer relationships in such a way that its benefits the business organization and its Stakeholders¹.

BRANDING

Branding is an important aspect of any business organization being unique in the business market makes a big difference already there are existing Sony

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laptops in the market. However this Sony smk bright folding lap top is far more advance with innovative concept and features.

In developing a brand strategy, a business can pursue 4 approaches according by umbrella branding, family branding, range branding and individual branding²

Making brand a marketing strategy for the Sony product makes business an image and benefits the customers around the world to know the products and others services of the business organization.

While banding we make sure that product is made in a different style and uniqueness which makes the product stands out among an ocean of other business in this same industry. Other things like creation of LOGO (SMKTM Bright Folding Laptop)

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Doing this type of branding helps the customer to understand and easily recognizable of the new product. While making this product we have also considered the demographic as its essential for effective branding of any large scale business and we have selected logo, letterhead and font keeping demographic in mind.

MARKET ANAYLSIS

After a little research Sony SMKTM Folding Laptop focuses on local markets, consumers, local business, small business, large business, government with

special focus on the above few markets who will be the most users of Sony SMKTM folding laptops.

MARKET SEGMENTATION

Theory

“ At the heart of every marketing strategy decision is market segmentation, dividing large markets into smaller and more substitute markets in order to target customers who buys effectively3 “

In our new brand marketing process Sony made explicit in this plan as the research and development has come up with their new vision on strategic focus on adding a value to an existing product to our target market segments, who are the consumers, local business, small business, large business, government and others people who will use this Sony SMKTM Folding laptop.

Sony uses its latest Technology which will change the focus to differentiate itself from producing a normal portable lap top to an improved SMKTM Folding Laptop for people which reliable, more efficient, faster and even portable just like scroll laptop. Our challenge in the market is to position our product and service to offer High quality computing at a very less cost and even easier to carry.

The Market segmentation usually allows some space for nonspecific definitions and estimates. This product will focus consumers, local business, small business, large business, government and others people, and it is hard to find information to make an exact classification. Our target competitors

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have a larger market to satisfy the consumers with the product. However we say that our target market has 10 to 50 employees for a small business and they need this kind of folding lap top.

However we know our target market, but we cannot find easy classifications that will fit into available demographics. We can assume that we aren't talking about home offices used and only part-time by people who work elsewhere during the day, and that our target market , local business, small business, large business, government and others people also want this Sony SMK tm Folding Laptop and as there is need for instant availability of computing, telecommunications, and video.

New Sony SMKTM Folding Laptop product development process of and commercialization.

THEORY

“ The product development starts with a huge investment which is risky and costlier. The issue faced by many marketing strategies therefore revolves around the issue if the type of new product that is to be pursued and how best and, hope fully, reduce risk levels⁴”

INNOVATE

DEVELOP

COMMERCLIZE

MAXIMIZE VALUE

INNOVATE

Innovate is essential for a new product like SONY SMKTM Folding Laptop. Innovation is a must for every existing business to grow and be the unique product seller and being the one and only stand alone product to be sold in the market.

DEVELOP

Process and product development is crucial for an existing company like SONY to bring in a new brand or product into the market like the Sony SMKTM Folding Laptop being research and development an integral part of business before the development of any new product.

COMMERCIALIZE

Commercialize of new product is actually accelerating the time of new innovative products and services like the New SONY SMKTM Folding Laptop which includes manufacturing, Planning and launch scheduling of the product.

MAXIMIZE VALUE

This means maximizing the existing Sony products and services thorough effective delivery of change and improvement in the product and process optimization.

Please see figures (1), (2), (3), (4) attached at the end (hard copy submitted)
(In detail of all the stages and actions involved in the new product

development process, launch and commercialization of a Sony SMKTM Folding Laptop.

After the churning of the relevant information for new product development, here comes the step of strategic recommendation for Pricing Strategy

THEORY

“ The most effective way for a business to get maximum profits is through pricing and get the pricing right usually right price can increase profits faster, so as wrong price can shrink is as quickly, However many managers are leaving significant amount of money-profits-on the table at the tractions level, the point where the product meets the consumer5”

It deals with the price that should be quoted in the market. The important factor that influences this pricing strategy is the product positioning strategy. There are two types of pricing strategies

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Pricing Strategy based on cost

This pricing takes the total cost of the new Sony SMKTM folding laptop with the profit margin. When multiple products are taken into account this becomes a complex financial exercise. Usually the association between the product and the cost in few cases it is simple but in some it is very complicated.

Pricing Strategy- Value Based Pricing

This pricing is always based on the willingness of the customer to pay for a product for a particular price. This usually depends on the benefits and features of the product. Sometimes the product cost becomes high that it can also be targeted for people with higher income. The number of people with higher income is much less when compared to low income. If the product is priced to target the lower income group the quantity of the sales can increase many in many folds.

However pricing, promotional and the discounts incentives to be taken into consideration and it is also possible that because of competition the product will have launched with a temporary reduction in the new product price.

After launching this new product Sony SMKtm Folding Laptop, Sony Company wants the product to be sold in the long run. Although the company does not expect to sell the product forever, however the company wants to earn a decent profit to cover all the effort made by the business to market this product and all the risk that went into launching this Sony SMK tm Folding laptop. Management does know that each product has its own life cycle, because there is always innovation & development in the products.

Please see the attachment figure (5) at the end (hard copy submitted) which shows (PLC) product life cycle of a product has 5 different stages:

Product development usually begins when the business organization develops a new-product idea. During this product development, the sales in the above graph are zero and the business initial investment costs are higher.

Introduction this happens when the new product is introduced in the market with slow sales growth and due to heavy investment in the production of the new product profits are not generated.

Growth happens when there is demand for this new launched product and consumer acceptance with profits in return.

Maturity is a situation where the sales growth of the product has been decreased and also accepted by most numbers of buyers and these level profits are at decline due to completion in the market for new products and services.

Decline is a situation where sales drop and profits also drop simultaneously

This situation happens to all the products which are sold in the market and have the same life cycle. Some products come into the market and die very quickly; others stay for a long time due to consumer acceptance and availability and these products stay in the market for a long time. However some products enter the decline stage and then cycled back into the growth stage through strong effective Advertising and promotional activities so called as re-birth of the brand with some difference.

Below is the summary of Product Life cycle.

Summary of Product Life-Cycle of New Product Characteristics, Objectives, and Strategies

Characteristics

Introduction

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Growth

Maturity

Decline

Sales

Low sales

Rapidly rising sales

Peak sales

Declining sales

Costs (per customer)

High cost

Average cost

Low cost

Low cost

Profits

Negative

Rising profits

High profits

Declining profits

Customers

Innovators

Early adopters

Middle majority

Laggards

Competitors

Few

Growing number

Stable number beginning to decline

Declining number

Marketing Objectives

Create product awareness and trial

Maximize market share

Maximize profit while defending market share

Reduce expenditure and milk the brand

Strategies

Product

Offer a basic product

Offer product extensions, service, warranty

Diversify brand and models

Phase out weak items

Price

Use cost-plus

Price to penetrate market

Price to match or beat competitors

Cut price

Distribution

Build selective distribution

Intensive distribution

More intensive distribution

Go selective phase out unprofitable outlets

Advertising

Build product awareness among early adopters and dealers

Build awareness and interest in the mass market

Stress brand difference and benefits

Reduce to level needed to retain hard-core loyals

Sales Promotion

Use heavy sales promotion to entice trial

Reduce to take advantage of heavy consumer demand

Increase to encourage brand switching

Reduce to minimal level

Conclusion:

The Product Sony has already good reputation in the market due to high performance and innovative design designed every year it produces variety range of product and services to all types of consumers and this concept of Sony SMKTM folding laptop will be a success if they launch this product into the local and high end market being the working segment people who are most benefited out of it.

The product life cycle of Nokia

The most effective way to reduce the impact on the environment is to integrate environmental

considerations into the product development process. To do this, designers must consider the

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environmental impact of materials, energy and toxicity across an e-product's entire life cycle.

The product life cycle begins when raw materials are extracted from the earth and ends when the

materials from the products are reused, recycled, recovered or discarded.

Currently, most of what

we produce goes straight to landfill. The aim is to close the loop and recycle materials back into

the manufacturing process. This will conserve the earth's mineral resources, save energy (by

reducing mining and transportation) and reduce waste.

NOKIA PRODUCT CYCLE

cycle thinking, the so called "cradle to grave" approach, requires that environmental performance of all members in the chain is known and managed.

1. png

FROM START TO FINISH

Ever wondered where your toaster came from? Every product goes through many different

stages - from the raw materials to the finished item - and production processes.

Raw materials

Stage 1

- * mining metal ore and smelting into metal alloys
- * pumping oil and cracking into fuel to make plastics
- * refining sand into glass and semiconductors
- * cutting trees and processing them into wood or paper

Manufacture

Stage 2

Manufacture — parts formation and assembly

- * transforming material into part via mould or tool
- * combining parts into subassemblies
- * combining subassemblies into products
- * packing products for distribution

Purchase

Stage 3

Purchase - from shelf to users

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- * exposure of product in retail outlet
- * support by advertising media
- * information about product (staff, advertising, leaflet)

Use

Stage 4

Use - consumption of product

- * installation of products
- * first use
- * regular use
- * maintenance and repair

Stage 5

Disposal

Disposal - collecting and moving the used product

- * consumer uses the collection system
- * collectors decide whether the product is reusable, recyclable, or disposable

Stage 6

Disposal - reuse, recycling and disposal, and sorting and processing

* If reusable, the product is serviced, repackaged and redistributed

* If recyclable, the product is disassembled: recyclable components are sent to recycling

centres and non-recyclable components treated as disposable

* If none of these apply, the product is landfilled or incinerated

The complete life cycle of Nokia

“ Commitment to protecting the environment is an integral part of the Nokia corporate culture and it is embedded in our values.

- Life cycle thinking, a concept we are working to embrace, covers all

environmental concerns relating to our products. We believe that Nokia's open

and ethically sound approach will help us reach the goal of sustainable

development”

- Chairman of the Board and CEO, Jorma Ollila

Sustainable development is defined as “ meeting the needs of the current

generation without compromising the ability of future generations to meet their

needs”. Environmental protection is not something that can be added on at the

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end. It comes at the beginning, taking into account all phases of the product life

cycle.

In “ old school” environmental management a company is responsible only for

its

own environmental impact. At Nokia, however, we have adopted a “ life cycle

concept” of environmental management. This concept takes into consideration

all phases of the product’s life cycle, from design and raw materials, to manufacturing and packaging, distribution and use, and finally to end of life treatment.

For this reason, the environmental policies and performance of our suppliers

are an important part of our own environmental performance. Hence we take environmental issues into consideration when assessing potential or existing suppliers.

Environmental management is not a separate process but an integral part of all

our operations, and those of our suppliers, inseparable from the processes of manufacturing, distribution and disposal. To reach that goal, we make continual

improvements in our own environmental performance, and expect the same of

our suppliers.

Nokia environmental guidelines for our suppliers.

The supplier shall have an environmental policy. This policy, a statement of the

organisation's environmental principles and intentions, provides the framework

for action. It shall be approved by the company's management and be relevant

to the organisation and its operations. When the organisation is part of a larger

one, its sub-policy should not be in conflict with policies at higher levels, but should provide more detail and be relevant to individual locations.

The policy shall include commitment to environmental protection, prevention of

pollution, compliance with environmental legislation, and continual improvement.

The supplier shall evaluate its suppliers' environmental performance and set environmental improvement targets as necessary.

The environmental performance in each stage of the entire supply chain contributes to the total environmental impact of the final product.

This "cradle to grave" approach adopted by Nokia requires that the environmental performance of all members of the chain is known and effectively

managed. This extends upstream along the supply chain to suppliers of components and to the extraction of raw materials. Going downstream this covers the use of the product, as well as the eventual disposal or recycling of components or materials.

The supplier shall upon request declare the raw material content of its products delivered to Nokia.

Customers are placing increasing demands for full material declaration, i. e. the

total raw material content of the product. This demand applies throughout the

whole supply chain. This information is needed in order to utilise the material in

the best possible way, e. g for recycling purposes.

A full material declaration is preferable; from the start a minimum requirement is

a list of environmentally relevant materials according to a list provided by Nokia

End of Life (EoL) practices

The supplier shall upon request provide end of life treatment recommendations for its products.

Producer responsibility will require the producer to take back and recycle certain

types of end products at the end of their useful lives. Recycling can mean one of

several options, e. g. reuse, recycling, refurbishment or conversion.

In order to manage the recycling process and increase the eco-efficiency of the

process, it is necessary for us to have the relevant data on the raw materials and

treatment of the components in our products.