Reflection essay on product life cycle- 4p`s vs 4c`s

Life

Why do 4ps now being changed to 4cs? Marketing always was known with the Marketing mix or 4Ps which are: * Product - It includes your entire product or service related activities. Likeproduct design, product development, variety, quality and branding etc. * Price - You have to set the price of the products for customers considering discounts and credit - debit policy. * Place - It includes activities related with the distribution of your product or services like your various distribution channels and inventory etc. Promotion - It includes promotion related activities that advertising, personal selling and public relations etc. But since the traditional outbound marketing is shifting to inbound marketing with the increase ofsocial mediathe 4Ps are turning or shifting to the 4Cs. Consumer - It is about the Consumer and not really the product anymore. A product should be innovative to meet various needs within a single product. We don't sell products or services but we sell solutions to certain problems/needs our customers have. As such, it is of the utmost importance to know how much the customer values your solution.

Cost - Cost to match the consumers needs. Price is merely an aspect of this C. Additional factors could be the cost of coming to the store, and possibly even a cost of conscience. Convenience - Convenience of place to buy like on the internet. The question is not where to place your store, but " how" your different customer-types would like to buy. This could be a physical store in the street, but it could be an e-shop too. Moreover, within this choice of Place, there are different factors such as: is the buying process easy and straightforward enough? Which process appeals to your audience?

Communication- Communication to engage the customer and build relationships rather than pushing a message. The latter sounded a bit like one way traffic, while the emphasis these days is clearly on interaction. I mean, look at the success of social media in the communication strategy! Reasons to change to 4cs: The 4 C's can be considered an evolution of the 4 P's. Everyone who ever had a marketing training got in contact with the 4 P's, but I strongly believe that today, working with the 4 P's can actually be a risk for your company because they are too product-oriented. This risk is that because companies are often too product-oriented, they miss out on certain opportunities. The mission of your company is not selling product X or delivering service Y, but providing a solution to a problem that your potential customers are facing. By changing towards a better customer-orientation, it will be easier to adapt to certain changes in your market. How to implement strategies using the product life cycle? Introduction Stage * During the introduction stage, a product is new and unknown to consumers.

It is necessary, therefore, to use an active strategy in an attempt to win over new customers. Although there is usually little competition during this stage, the market is not fully developed. A marketing strategy needs to not only make consumers aware of the product, but also convince them that it fulfils a need for them. Revenues are typically low or negative during this stage, so firms need to be prepared to spendmoneyon their marketing strategy now for future gains. Growth Stage During the growth stage of the product life cycle, products become better known to the public. Consequently, it is not necessary to expend as much effort and resources on developing product awareness. Firms also benefit, during this stage, from increased production levels, which results in economies of scale. During this stage, however, competition typically increases, making price competition an important component of a marketing strategy. At this stage, most firms will use the strategy of reducing prices to remain competitive, while retaining their profit margins by reducing advertising spending and benefiting from more fficient production. Maturity Stage The maturity stage of the product life cycle occurs when the market becomes saturated. At this point, production costs are further reduced through economies of scale and experience, but competition leads to a significant reduction in profits throughout the industry. There are two strategies typically employed in order to maintain profitability during the maturity stage; firms can either differentiate their brand through marketing or introduce new features to the existing product.

Decline Stage At the decline stage, sales either decrease or stabilize. If demand decreases, this will, typically, result in significantly lower price margins, often making it impossible to make profits from the product. At this point, firms that cannot make profits will usually discontinue their product and focus their efforts on other offerings. Firms that can produce the product at a profit will normally market them as a commodity, spending little on marketing and pulling in small profits on slight margins.