

# Product life cycle of nokia



**ASSIGN  
BUSTER**

The global market and technology are expanding day by day; taking the business intensity to a more competitive world. The companies are now seeking new ways to invent more economical advantages. Innovation is vitally significant for almost all businesses. The latest creative resource for products enriches the existing system and business model and takes it to a completely different level. The enterprises are extensively affected by the major factors that are constantly being changed in its product's life cycle. The effectiveness of the firm depends on how parallel they are responding towards the changes with their innovation in strategic orientation before their competitors.

As the market is being revolutionized the social status and other necessity of living has also changed. For instance, a low income economy can start developing a product but after a brief particular time its life succession is automatically turned down. In most circumstances products usually deteriorate, gets out of fashion or simply becomes obsolete. This degenerate demand of the existing product in the marketplace and sell go down. This is where a new product is launched through advertising and promotions.

Customers' perception is mainly anchored in product lifestyle, design, social status, cost etc. According to Fevolden and Gronning (2010), the conceptual idea about the industrial revolution for the product innovation will be exhausted at some point. The consumers and producers will both control the design and define how the products should look and be operated.

Customers' assessment directly manipulates the product's life cycle and thus modernization is necessary. Business should always be prepared to handle these state affairs in an efficient professional approach and if it does not

then it will become extremely difficult for them to survive in the marketplace. Therefore business innovation strategy must be dynamic and should always be kept up to date. The product life cycle is influenced by the customer perception and the problem is that it is constantly being changed due to various factors, such as the presence of substitute products, changes in demand, technological development, availability, seasonal products, brand etc. Ultimately to survive in the market place business should always need to have a close observation on the changes in the product life cycle and develop the strategy in a way that it becomes easy for them to cope with the changes. Steffens and Kaya (2008) cited, product life cycle is widely used as a managerial tool. It can be estimated from the overall sales pattern. The theory of adoption in introduction and growth acts as a stage and the role influenced by the consumer is slightly overlooked at this phase. Above and beyond this point, every stage of product life cycle is directly influenced by the customer perception because the factors of customer perception also work as influential issue in product life cycle.

The term product life cycle was used for the first time in 1965 by Theodore Levitt's article titled " Exploit the Product Life Cycle" in an Harvard Business Review. According to Levitt (1965) the concept of the product life cycle is about 300 years old, a lot of people knew about this conception then but almost none of them were capable to use it in a productive way. However, Levitt (1965) also added now-a-days most knowledgeable and senior marketing executive and corporate presidents are very much aware of the product life cycle concept. These people are very much keen to execute this in a strategic way.

**Rationale of the chosen topic:**

This proposed area was chosen by the author due to absolute personal interest and previous academic knowledge on the preferred topic. It is to establish the reason behind the Nokia product life cycle and the innovation strategy and the impact on the customer perception. This research will help to understand the product life cycle and customer perception in the areas of business innovation strategies. The analysis in sequence will certainly improve the author's knowledge, which will positively impact the practical experience in real life situation.

**Elementary discussion:**

This dissertation topic is related to product life cycle and customer perception in business innovation strategies. To identify the problems, the researcher has chosen one mobile manufacturing company and discusses the process of innovation and product life cycle in the aspect of customer perception. The interview and survey will conduct with the customers and secondary data will be prominently analyzed so the actual discussions and findings can reflect the purpose of this report.

**Product life cycle:**

Product life cycle is directly persuaded by the customers' perception because the consumers' opinion works as influential factors in such sectors.

According to Steffens and Kaya (2008) Product life cycle works as a holistic, conceptual framework that can be a used to fix marketing strategy and this model can be defined into four phases: Innovation → Majority → Repeat → Substitute. These variables directly underlie the customers' trend. As the market's competitive strategy changes, reconsiderations of the competitive

environment and better positioning are crucially important. If one of these factors goes out of control all the aspects of the business will be affected.

### **Innovation process:**

Better competition does not depend on producing new products and services but also on the knowledge of innovation and the ways of using the strategy in an effective manner. Amabile (1998) cited Innovation is defined as the successful execution of inventive ideas within an organisation.

Business innovation strategy keeps a close eye on the dependable originality policy of the organizations. This not only provides competitive advantages for the business but also makes the demand of the product in an optimum position. More revenues are achieved and thus increase the growth of the business. A better innovation strategy also boosts the time of the life cycle of the product that refers to an optimum profitable position for the business.

### **Customer perception:**

It has direct impact on the business innovation strategy. It changes frequently as the features of the products or services must be modified or change to cope with the current demand of the market. This is a factor that increases the competitive effectiveness of the business and an area where the innovation strategy is essential. According to Kim and Mauborgne (1999), the business should focus on a positive strategy, which will reflect on the creation of new customers as well as sustaining existing customers.

## **Research Aims and Objectives:**

### **Aim:**

The aim of the dissertation is to find out the positive relationship of business innovation strategy with the changes of the factors of product life cycle and customers' perception.

### **Objectives:**

This research will be conducted to fulfil the following objectives:

To critically review the related theory of product life cycle and business innovation strategy.

To assess how customer perception changes over time and how does it impact on the business strategy.

To analyse secondary data of product life cycle and business innovation strategy of Nokia Corporation.

To collect primary data by conducting interview.

To evaluate the findings of the research conducted to identify the key functions of product life cycle and innovation strategy.

To draw conclusion from the findings and finally make recommendation to improve the product innovation strategy on the basis of product life cycle and customer perception.

### **Problem Statement:**

This paper will try to find out the following problems:

How business innovation strategy is effected by the changes on product life cycle and customers' perception?

Why product life cycle and customer perception changes or stimulate business innovation strategy?

When product life cycle and customer perception stimulate business innovation strategy?

### **Significance of research:**

Innovation is the introduction of new thoughts or methods. It inspires suggestions on new proposals to be made. Radical innovation takes business further from its core markets and technology. It is very important to delineate the significance of product life cycle and customer perception in business innovation strategies. According to Schumpeter (2004), an Austrian economist, established firms play a big role in innovation. Most product innovations are made by companies, which have a dominant share of the market.

### **Brief review of subsequent chapters:**

This dissertation consists of another four subsequent chapters. These are followed by literature review, methodology, analyse the findings and results and the very last one is conclusion and recommendations.

### **Literature review:**

A literature review is a body of specific type of research paper which contains critical view of previous researcher's findings on the chosen topic. In this chapter the author will critically analyse the journal's articles, books

and other sources such as online issues, working paper, news-papers and magazines. This data will provide the critical evaluation of product life cycle and innovation strategy of the previous researchers.

### **Methodology:**

Methodology is in chapter three which represents the justification of project report. In this section the author identifies the most suitable design for the project. For the purpose of the dissertation the author also explains which methods of data collection will be used and the sources from where it will be collected.

### **Analyse the finding and results:**

The findings and data gathered from the various sources in methodology by the researcher will now analyse in chapter four. The presentation of the data is determined by the design of the research. Data may be present in the form of tabular, textual and graphical format. Whether the analyze will be quantitative or qualitative, it depends on the level of measurement and the variables of the study. In this chapter it is very important to find the inter-relation between the present findings and the previous literature.

### **Conclusion and recommendations:**

Chapter five discusses the facts that turn out to be the results and findings of chapter four. It presents the key findings of the previous section. This does not include any report from any other literature rather than reporting the knowledge from chapter four. The recommendation is based on the findings and the conclusion of the project. The recommendation includes the



suggestions for further research which should be feasible, workable, flexible and adaptable.

### **Summary:**

This chapter has discussed about the overall circumstances observing the innovation in organisation and the significance of understanding and implying the concepts of product life cycle and innovation strategy. In the following chapter author will discuss about the literature review of the topic and explore the existing framework and opinion for this study. Innovation also confirms the existence of the company in the long run business period. Introducing new product and services is not only important for organizational growth and achievement but it also bear the high risk for the business. This research will try to find out how the changes of the factors in product life cycle and customer perception will impact on the business strategy and why the strategy need to be innovative.