

IMPORTANCE OF PRODUCT LIFE CYCLE IN MARKETING ORGANIZATION

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ABSTRACT

The importance of the product life cycle in marketing cannot be over-emphasized. The rate of product failure in marketing is alarming amount 50% of products introduce failed and the one major contributing factor is the introduction of the product at a wrong time. When the product that has the prospect of success is introduced at a point of market saturation, it is bound. This project is to offer reader the opportunities to have an in-depth into the knowledge of product life cycle in marketing. In carrying out this research, relevant literature on the product life cycle concept has been constructed. The instrument used for data collection is the secondary method of data collection. After carefully analysis of the result of the information and data collection, among which was the wrong application of the concept, the neglect of the life cycle of competition product and the premature withdraw of product from the market. On the basis of these problems was recommend the stepping up of training of product manager and marketing.

I INTRODUCTION

BACKGROUND OF THE STUDY

The product life cycle has been subjected to array of description ranging from “a crucial element in planning” to the “concept has little validity” as well as “the concept has done more harm than good”. However it will be shown that the dichotomy is more apparent than real. It will be recalled that different authors have viewed product life cycle in different ways, each evaluating product life cycle in different ways, each evaluating its effect and defect in all the stage a product goes through before going into extinction

A product sales position and profitability can be expected to change overtime. The product life cycle is an attempt to recognize distinct stages in the sales history of the product corresponding

these stages are distinct opportunities and profit potential. Companies can formulate better marketing plans by identifying the stage that a product is in or heading toward.

AIMS AND OBJECTIVE OF THE STUDY

The product cycle will be evaluated as a theory and its major uses of important and problem considered.

This research intended to identify the uses of the product life cycle, how it affect the product of a company, its short comings and offer suggestion on how well to apply the product life cycle concept sop that its advantages could not number its advantage. That is aimed at exploring marketer to the concept of product and life cycle as well as the stage that are involved such as the introduction stage, the growth stage, maturity stage and the declined stage.

STATEMENT OF RESEARCH PROBLEM

The importance of product life cycle cannot be over-emphasized in product management, however some marketers as well as marketing manager fails to realize the importance of product life cycle in marketing management. With the aid of product life cycle a marketing management. With the aid of product life cycle a marketing manager is also to recognize district stage in the sales history of a particulars, product. By the act of identifying the stage that a particular product better marketing plans, hence a wise manager has to be able to make a good forecast the life span of its product. It is living to assurance that a product will continue to experience sufficient demand whereas time will come when a new product will be introduced to compete with the existing one.

SCOPE OF THE STUDY

This study is limited to the study of the influence of the product cycle in the management of product in a company's. The business environment will seldom or never be stable and the ability to adapt to environmental change is a crucial importance to business firm.

New products are continuously being introduce in the market hence no company will be satisfied with the performance of a single product without introducing new ones. This research is to be

with a view of identifying how best to use the knowledge of the product life cycle to achieve maximum benefit.

METHODOLOGY

To meet demand of this research, timely and relevant data will be gathered and source for, from both internal and external part of the institution. The data will mainly be source for secondary sources such as textbooks, journals, newspaper, magazines, unpublished lecture notes, website visitation (internal) and contribution that were made on academic ground, companies' annual report, past projects and useful literature publication

II REVIEW OF LITERATURE

PRODUCT DEFINITION

The concept of the product has been defined in many ways by different authors. One author defined it as; a product is a whole collection of physical and other attributes offered to customers to satisfying needs.

Philip Kotler defines product as a bundle of physical service and symbolic particulars expected to yield satisfaction of benefit to the buyer.

The **American Marketing Association(AMA)**, defines marketing as “The activity, set of institutions, and process for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (AMA, 2017).

“Drucker considered Marketing to be the responsibility of the managing leadership within a business, not a separate function”, he writes. Brennan suggests businesses work hand-in-hand to support buyers through their journey.

“There is only one valid definition of business purpose: to create a customer... Because it is its purpose to create a customer, any business enterprise has two-and only these two-basic functions: marketing and innovation...”

-Peter Drucker

Arch Pattern “The life-cycle of a product has many points of similarity with the human life cycle, the product is born growth lustily attains dynamic maturity then enters its declining years.”

William J.Stanton “From its birth to death, a product exists in different stages and in different competitive environment. Its adjustment to these environments determines to a great degree just successful its life will be.”

CLASSIFICATION OF PRODUCT

The classification of product is important in the formulation of marketing strategy, product are often classified into three categories;

- i. Durable product
- ii. Consumable product
- iii. Services

❖ **Durable product**

- ✓ This includes things that used much time over a long period. Such products include cars, domestic appliance, camera, furniture etc.
- ✓ There is the need for an effective volume to be sold. This is because they are not purchased with the same frequency as consumers.
- ✓ Consumers put in some effort to make their purchase, this is to so, because durable goods, unlike consumable goods are not readily available everywhere. Durable goods command a higher profit margin.

❖ **Non-Durable (Consumable) Goods**

These categories of goods are classified as consumable because are purchased in short time. Food items are typical example, soft drinks, tobacco and confectionaries fall into this group. But stationary items like ink, biro also fall into these categories.

❖ **Service (Intangible)**

This consists of intangible activities. Banking service, consultancy service, insurance service and insurance could be classified as intangible service. The activities of the dry cleaners, traffic

warden fill into the category. Benefit or satisfaction offered for sale travel and entertainment is typical example. They require more control of quality, supplies credibility and easy availability.

By further classification we can also distinguished between consumer product and industrial product. The former is bought for use and by the purchased and its family letter is brought for further production of goods and service. Thus the classification of what is industrial good and what is consumer good depend on nature and use of which the product is put.

If a building is purchased for presidential purpose, it could be classified as consumer goods while the same building purchase for the production of good is a producer good. A video recorder used for film shows would be classified as a producer good whereas the same video recorder privately at home would be classified as a consumer product.

Hence, sometimes, good can be the same but used in different situation e.g. BAL points chair, and light ball, etc. have both consumer and industrial used.

PRODUCT DIFFERENTIATION

One of the major problems by marketing organization that they rarely do have is claimed to a particular product. On the other hand, it is most desirable to be able to offer the customer something uniform and clearly different from other hand in the market. But how does one achieve this with a product that is fundamentally the same as everybody etc.

The solution could be found in product differentiation, which could be achieved through brandy, packaging, presenting as well system selling.

IBM has made a unique presentation of their own brand of computer through system selling. This is their own way of been unique, peculiar to them in the marketing of computer software and hardware.

The style of the package has been decided upon; the uniqueness of the color is one way of product differential. The color is one way of product differential. The color of the Kodak, gold film is unique in the market and is easily recognized as the product of Kodak. This of course is one of the functions of packaging i.e. easily identification.

Research and development goes into finding slight product difference which gives a product an edge over others. Cigarettes with lips packaging with innovation which appeal to buyer, chocolates already packed with gift wrapping are all example of product differentiation.

III RESEARCH METHODOLOGY

3.1 RESEARCH METHODS

Any product or service is successful when it meets the users' needs and is user- friendly. The product should align with their current behaviors, habits and mental models. It should aid the users achieve their goals and in turn elevate their quality of life.

To achieve this, appropriate 'Research Methodologies' can be used across various stages of a product life cycle. Based on my experience, I've attempted to list a few that I have used and would recommend. Feel free to add more in the comments and we can discuss about it.



3.2 RESEARCHMETHODOLOG

The methodology helps companies to cope with challenges and complexity of developing new products for a worldwide market. A company that hopes to create a successful new product needs to understand its market, consumers as well as its competitors. Obviously, billions of

consumers purchase products every year, and all the products purchased or in store have their life cycle. Generally, the demand for new, modern products increase rapidly. Old, long-established products reduce in popularity within the consumer market. There is different product life cycle stage and each has its own characteristics. Most companies understand that the products they sell have a limited lifespan. For that reason, they prefer to invest heavily on new products so that they continue to run a successful business. This also makes sure that the business continues to grow and generate revenue as normal as it continues to grow.

3.3 RESEARCH DESIGN

Generally speaking, product design involves four periods, namely, the research phase, the analysis and positioning phase, conceptual design phase, detailed design phase, and the design output phase. According to different design objects, the specific matters of each stage are slightly different and complicated.

3.3.1 The research phase

Design and research are in the initial stage of the design process. Knowing what we have, what we want, and where to get us well as how to get required information from seeing the micro-knowledge to know the significance, using existing information as the starting point, by means of analysis and synthesis methods, etc., to integrate the important influencing factors of the products involved, so as to guide the follow-up design in a targeted manner.

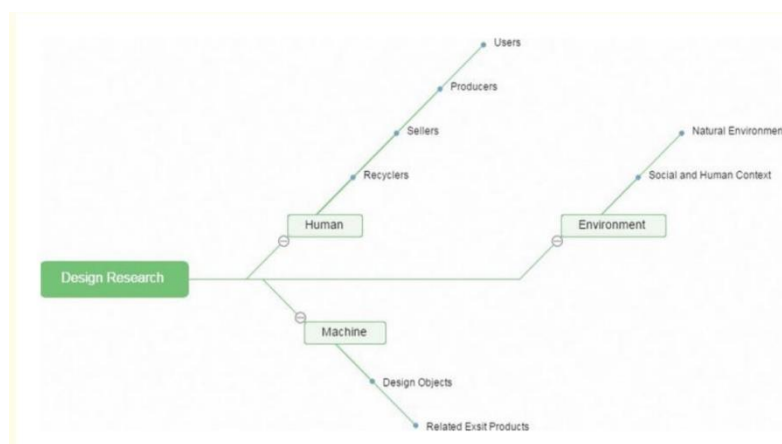


Figure 6.
Design research.

3.3.2 The analysis and positioning stage

The analysis and positioning stage is mainly based on the abovementioned research information. Through the actual deep investigation of people, machines, and environment, we are firstly able to analyze the direct and potential needs of the users, so as to achieve design customization in a targeted manner. Secondly, the investigation of the machine can be intuitive and effective in discovering market development opportunities. In general, we can explore products from two aspects. On the one hand, in the state of market agglomeration, it means that the product status is very suitable for the current trend and can meet the needs of most users. It can be used as a follow-up product development, taking the advantages of popular goods and targeting the mainstream of the market. On the other hand, as to the market's unpopular performance, the challenge of the alternative way of solving problems with the mutant thinking and the use of unique strategies to creatively complete the development of brand-new products can be reversely considered, as shown in Figure 7. In terms of environment, in view of the indivisibility of product use and environment, the product environment is reversely inferred from the use environment, and the consideration and development of the support are beneficial to maintain the performance of the product for a long time, thereby ensuring the service life of the product and saving the human, material, and financial investment in the industrial chain.

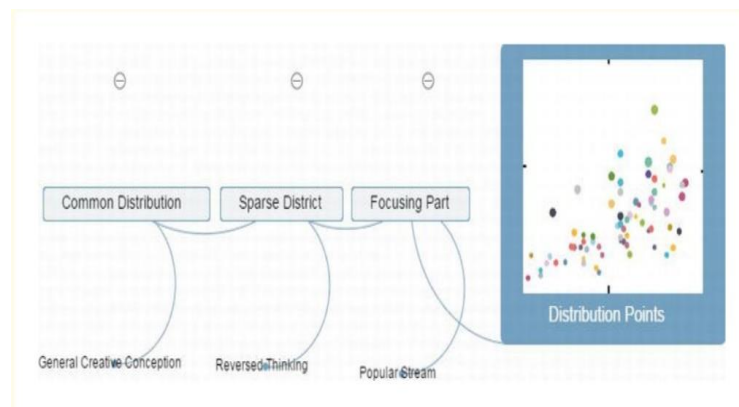


Figure 7.
Distribution analysis.

3.4 DATA COLLECTION METHODS

DEFINITION:

Before we define what data collection is, it's essential to ask the question, “**What is data?**” The abridged answer is, data is various kinds of information formatted in a particular way. Therefore, data collection is the process of gathering, measuring, and analyzing accurate data from a variety of relevant sources to find answers to research problems, answer questions, evaluate outcomes, and forecast trends and probabilities.

Our society is highly dependent on data, which underscores the importance of collecting it. Accurate data collection is necessary to make informed business decisions, ensure quality assurance, and keep research integrity.

During data collection, the researchers must identify the data types, the sources of data, and what methods are being used. We will soon see that there are many different data collection methods. There is heavy reliance on data collection in research, commercial, and government fields.

Before an analyst begins collecting data, they must answer three questions first:

- What's the goal or purpose of this research?
- What kinds of data are they planning on gathering?
- What methods and procedures will be used to collect, store, and process the information?

Additionally, we can break up data into qualitative and quantitative types. Qualitative data covers descriptions such as color, size, quality, and appearance. Quantitative data, unsurprisingly, deals with numbers, such as statistics, poll numbers, percentages, etc.

3.5 LIMITATION

Fluctuations in sales data

One major problem in the product life cycle is that the graph is completely dependent on sales data. Thus if there are fluctuations in the sales data, then the graph is useless and cannot be used to predict precisely the movement of products or the overall product rise and decline. Such

fluctuations can arise due to production issues, seasonal sales of the product or due to any other reason.

Delay in sales data

Another limitation for the product life cycle is that there is delay in collecting and analyzing the sales data. Sales are generally recorded after the movement of goods and besides this, the actual movement of one product from one life cycle to another might be recorded months down the line. This is because of delay in analytics.

IV DATA ANALYSIS AND INTERPRETATION

“Research means a search for knowledge”. Sometimes, it may refer to scientific and systematic search pertinent information on a specific topic. Intact researcher is an art of scientific investigation.

Methodology is a plan of action for a research project and explains in detail how data to be collected and analyzed and presented so that they will provide meaningful information.

The following section presents analysis made on the data collected from the questionnaire. The set of questions were sent to individuals who are currently living in oddanchatram town, Dindigul Dt. Since the survey was sent to 175 individuals and the number of participants was 50. In total questionnaire contains 25 questions.

The primary data collected for the present study through the questionnaire was consolidated into a master table and the data obtained has analyzed in this chapter.

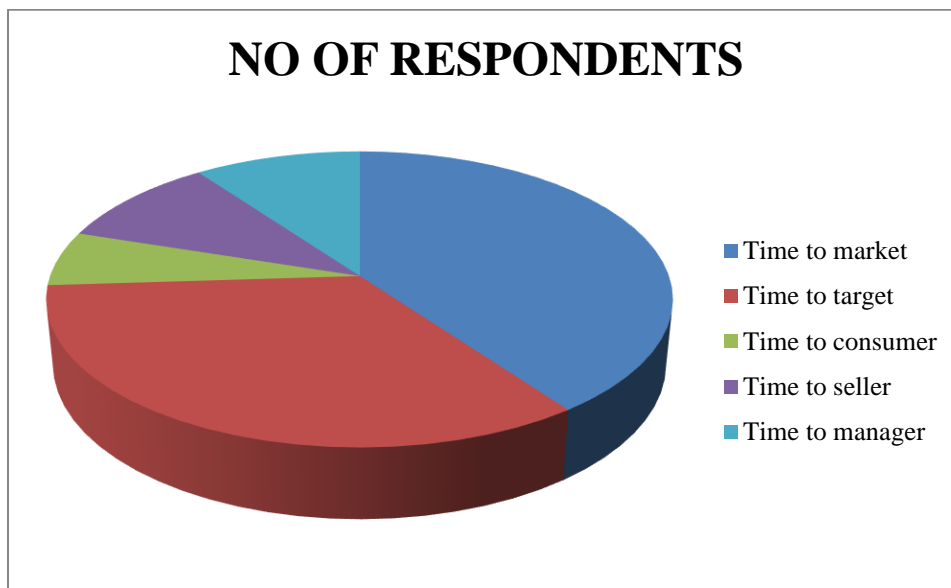
4.1 DATA ANALYSIS

1. Important performance dimension for product development

(a) Time to market (b) Time to target (c) Time to consumer (d) Time to seller (e) Time to manager

Showing Important performance dimension for Product Development

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
Time to market	20	40
Time to target	17	34
Time to consumer	3	6
Time to seller	5	10
Time to manager	5	10
Total	50	100



Showing opinions about the important performance

Interpretation:

As indicate in the graph 40 percent of the respondent’s Time to market followed by 34 percent who Time to target, Nearly 6 percent of the Time to consumer followed by 5 Time to seller and 10 percent of Time to manager.

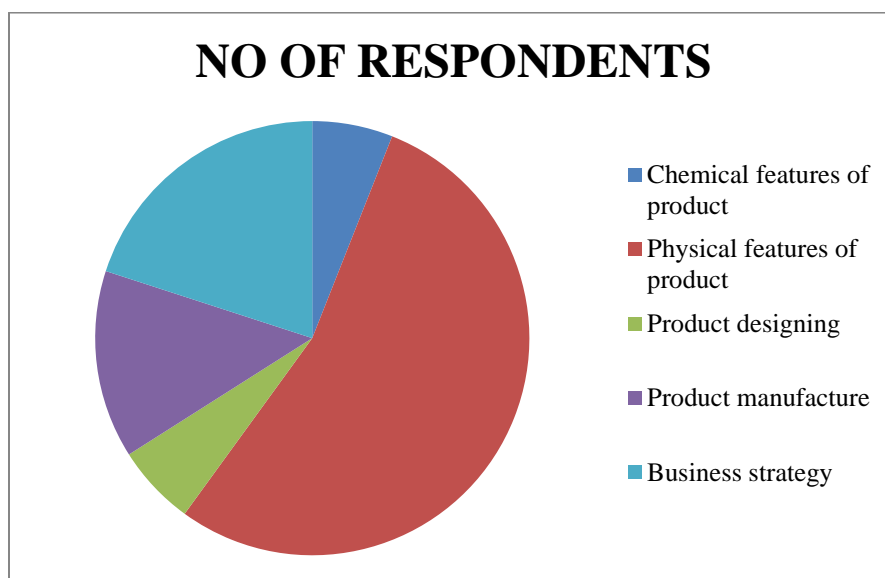
2. Color and size of the product, brand and packaging of product

(a) Chemical features of product (b) Physical features of product

(c) Product designing (d) Product manufacture (e) Business strategy

Showing opinion of the color and size of the product, brand and packaging of product

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
Chemical features of product	3	6
Physical features of product	27	54
Product designing	3	6
Product manufacture	7	14
Business strategy	10	20
Total	50	100



Showing opinion of the color and size of the product, brand and packaging of product

Interpretation:

From the above graph it was found that nearly 6 percent of the respondents were Chemical features of product followed by 54 percent who were Physical features of product, 6 percent of the respondents were Product designing 14 percent were Product manufacture and 20 percent are Business strategy.

V LIMITATION, FINDING AND CONCLUSION

5.1 LIMITATION OF STUDY

In carrying out this research project, lots of problems were encountered. Firstly time factors which has always been the enemy of man, secondly, lack of relevant textbooks, most of the textbooks in the library old and does not reflected current trend where as business environment is dynamic.

5.2 FINDINGS

Fierce competition and increasing general interest in something new is causing life cycle becoming shorter. The life expecting of a consumer durable is about seven year and it may be long before it is shortened to five years.

Studies conducted on 1960 have established the general validity of the product life cycle for categories of product. Levity, T. studies seventeen (17) processes food categories and found out that the state of market growth and pattern of competitive behavior generally confirmed to those expected by the life cycle model. Engel, Blackwell and Kotler in their book“ Consumer Behaviour” found out that the concept to be colored television set.

5.3 CONCLUSION

Despite the weak position of the product life cycle scientific theory and its other problem, i.e. purposes that the product life cycle still has a part that play in marketing management. For it is a theory that tries to describe changes overtime. However react/ plan for the changes in another area to concentrate. How does one extended? What are the opportunity costs of other potential? This is sure a major area that does it justice, would require more analysis, which would be beyond the scope of this research. However some of the main questions would be considered briefly.

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