

# A Study of Product Life Cycle: A Special Reference to Nokia Mobile

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**Abstract** - Product life cycle is a cycle through which involves in the stages like introduction stage, growth stage, maturity stage, decline stage. In business terms, the product life cycle in a marketing context is all the stages of a products life span that are related to its promotion and sales. The product life cycle model is advantages in planning long term offensive marketing strategies, particularly when markets and economies are stable. The product life cycle is generalized model depicted the unit sales trend of some narrowly defined product from the time it is first placed on the market until it is later removed by the firm. It can be approximate by the bell stages, benefit and problems of product life cycle is studied.

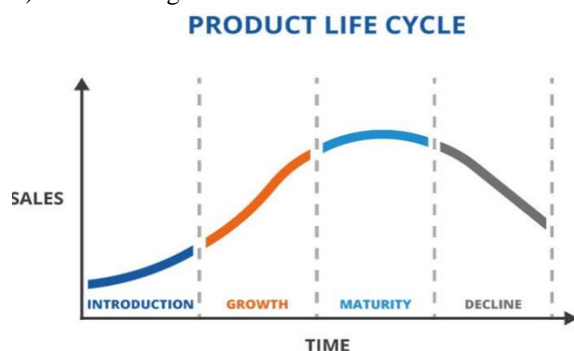
**Index Terms** – Market, business, product life cycle, curve, stages.

## INTRODUCTION

A product has a life of its own and goes through cycles. Although different products have different types of life cycles, the traditional product life cycle for most products.

The main stages of product life cycle are:

- 1). Introduction stage
- 2). Growth stage
- 3). Maturity stage
- 4). Decline stage



According to Philip kotler

“The product life cycle is an attempt to recognize the distinct in the sales history of the product.”

According to William J.stanton:

“The product life cycle concept is the explanation of the product from its birth to death as a product exists in different stages & in different competitive environments”

## REVIEW OF LITERATURE

L Michelle Grantham (1997) Suggests that the efficacy of 1 particular marketing tool, the product existence cycle model, has been puzzled, by various writers inside the educational and enterprise press, in regard to the overall applicability and validity of its assertions and the declare it makes on the way to expect the advertising and marketing strategies that need to be applied at special ranges of a product's lifestyles.

DM Gardner (1986) e studies are a uniquely beneficial device for assessing the effect of human sports. These impacts can best be fully understood by assessing them over existence cycle, from raw material acquisition to manufacture, use, and very last disposal. Lifecycle strategies were followed in industry and the public region to serve a range of purposes, which include product assessment, strategic planning, environmental labelling, and product design and development.

Jim Riley (2012) describes the ranges a product goes thru from whilst it become first notion of till it ultimately is eliminated from the marketplace. Not all merchandise reaches this final degree. Some continue to grow, and others rise and fall. A branded desirable can revel in continuous growth, including Microsoft, due to the fact the product is being continuously advanced and advertised, and keeps a robust emblem loyalty.

A Corallo (2013) PLM has turn out to be extra essential in corporations providing Technology and methodologies to manipulate information, information, and information alongside the complete product lifecycle. He argued approximately PLM using a managerial or a technological view.

#### OBJECTIVE

- 1). To analyse the overall performance of business.
- 2). To manage the information, data and knowledge of product.
- 3). To review the different phases of the product in marketing.

#### 1). INTRODUCTION STAGE:

It is also called as 'pioneering stage'. In this stage a new product is introduced in the market after it passes through development, prototype and market tests. It is the most risky and expensive stage as the firm has to incur substantial research and development costs for developing the product and obtaining the acceptance of consumers. There are very less chances for the companies to earn profits on products at the introduction stage, as many new products are not accepted by customers and fail at this stage.

#### CHARACTERISTICS OF INTRODUCTION STAGE OF PLC:

The various characteristics of introduction stage are as follows,

- i). Steady growth.
- ii). low volume of sales.
- iii). Limited knowledge about the product.
- iv). Less chance of earning profits at this stage.
- v). it is an expensive stage as the incurs various costs like research cost, development cost, marketing cost, cost of setting up distribution network and cost of launching new product.

#### 2). GROWTH STAGE:

It is also 'market-acceptance stage'. The growth stage is characterized by rapid growth in sales and profits. Many competitors enter the market in this stage for earning profits. But, because of high competition in the market the profits are not stable and start declining till the of this stage.

#### CHARACTERISTICS OF GROWTH STAGE OF PLC:

The characteristics of growth stage are as follow,

- i). in this stage there is an increased level of sales and profits.
- ii). economics of scale for the production.
- iii). there is a chance for reduced prices due to the reduced cost of production.
- iv). With the continuous growth of the product competitors will increase in the market.

#### 3). MATURITY STAGE:

In this stage, sales volume increasing at a decreasing rate. If the sales rate decreases that the producers and middlemen suffer losses because of intense price competition. For differentiating their products from other firms, the firms extend their product lines with new models or make use of new and 'improved' technologies for their existing brands. At the end of this stage, the marginal producers who incurred high cost and no differential advantages will exit from the market as they do not earn profits over the cost incurred and lost their customers' attention toward their brand.

#### CHARACTERISTICS OF MATURITY STAGE OF PLC:

The characteristics of maturity stage are as follows,

- i). cutthroat competition
- ii). resemblance or similarity in products and services.
- iii). the marketers can achieve the maximum sales and profits in this stage as many non-competing firms start withdrawing from the market due to cutthroat competition.
- iv). in this stage, most of the brands are likely to remain for longer duration.

#### 4). DECLINE STAGE:

This stage is characterized by the decline of the product due to new innovation leading to changes in the buying behaviour of consumers. In this stage, industry sales drop off and the number of competitors reduces. The following are some of the reasons for the decline of the product.

- A good and affordable product for satisfying the same need.

- The product is no longer needed due to the development of other product.
- Buyers are no longer interested in the product.

#### CHARACTERISTICS OF DECLINE STAGE OF PLC

The characteristics of decline stage are as follow,

- i). in these stage sales begin to decrease
- ii). reduced demand
- iii). market for product category decrease
- iv). the whole profit for the begins to drop at this stage
- v). inventory begins to rise.

#### BENEFITS OF PRODUCT LIFE CYCLE

Managers are always need of predictive tools to help them navigate a seemingly chaotic market, and the product life cycle model gives managers the ability to forecast product directions on a macro level, and plan for timely execution of relevant of competitive moves. Coupled with actual sales data, the product lifecycle model can also be used as an explanatory tool in facilitating and understanding of past and future sales progression. The product life cycle model is advantages in planning long term offensive marketing strategies, particularly when markets and economies are stable.

#### PROBLEMS WITH THE PRODUCT LIFE CYCLE

While the product life cycle theory is widely accepted, it does have critics who say that the theory has so many exceptions and so few rules that it is meaningless. Among the holes in the theory that these critics highlight:

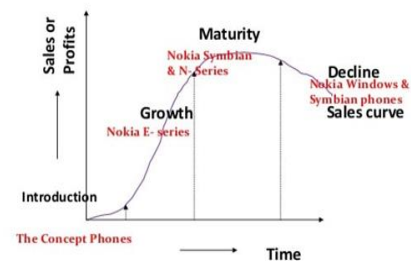
- There is no set amount of time that a product must stay in stay: each product is different and moves through the stages at different times. Also, the four stages are not same time period in length, which is often overlooked.
- There is no real proof that all products must die, some products have been seen to go from maturity back to a period of rapid growth thanks to some improvement or re-design. Some argue that by saying in advance that a product must reach the end-of-life stage, it becomes a self-fulfilling prophecy that companies subscribe to. Critics say that some businesses interpret the first downturn

in sales to mean that a product has reached decline and should be killed, thus terminating some still-viable products prematurely.

- The theory can lead to an over-emphasis on new product releases at the expense of mature products, when in fact the greater profits could possibly be derived from the mature product if a little work has done on revamping the product.
- The theory emphasizes individual products instead of taking larger brands into account.
- The theory does not adequately account for product redesign and/or reinvention.

#### FOUR STAGES OF PRODUCT WITH SPECIAL REFERENCE TO NOKIA.

#### PRODUCT LIFE CYCLE OF NOKIA



Product Life Cycle - Competitive Marketing

5

#### INTRODUCTION STAGE

Nokia, in 1992 came up with its innovative product mobile cell phones. Till now, people were limited to use landline telephones in which they were restricted to use the phone at home due to wired connections. Nokia comes up with digital handheld phones, which can be carried everywhere, and people can communicate at any place. Nokia first launched model 1011 in 1992.

#### GROWTH STAGE

After 2003 Nokia attained great growth in its market. People started accepting its product on a large scale. The company was making an attempt in improve its products future like better display, games, camera, music, ergonomic keypads, etc. Many mobile phones

like N95, 3310, and 3315 with advanced features were launched by the company.

#### MATURITY STAGE

Here the company was making large profits and its sales were up. The company was enjoying a big customer base after the year 2009. It had a good name in the mobile market, and the customer trusts its product. Its sales were at a peak. Nokia launched many advanced phones with touched screen, QWERTY keyboard, and better camera features. Models like N97, 5233, X2 were launched during this period.

#### DECLINE STAGE

Finally, after the year 2011 Nokia market was declined. Nokia was not able to keep its product in line with technology and features as demanded by the market. There were many competitors like Samsung, Micro max, Lava, and many more offering better products in the market. People were not accepting mobile design manufactured by Nokia and hence were attracted by the competitors.

#### CONCLUSION

Product life cycle is only through which each product is going from unique stages i.e., Creation, increase, maturity and declining. It allows providing the records, facts and information approximately the product to the enterprise and having distinctive blessings and problems concerning the product.

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