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MARKETING AND RESEARCH

Lecture Title: Product Life Cycle

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Undergraduate Diploma in Digital Marketing

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Lecture Summary

- Research methods used to analyse and segment consumer behaviours in different markets.
- Product Life Cycle and product life cycle stages.
- Product management related issues
- Product planning, design and development as part of the product life cycle
- Factors affecting brand strategy and decision making during each stage of PLC.
- Tutorial

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Research methods used to analyse and segment consumer behaviours

Surveys (Quantitative) - Surveys are one of the most common research methods used to collect data on consumer behaviour. They can be conducted in various forms such as online surveys, phone interviews, and face-to-face surveys. Surveys can provide insights into consumer preferences, attitudes, and buying behaviour.

Focus groups (Qualitative) - Focus groups involve a small group of individuals who are brought together to discuss a particular product or service. This method can provide insights into how consumers perceive and interact with products, and what factors influence their purchasing decisions. factors influence their behaviour.

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Research methods used to analyse and segment consumer behaviours

Observation (Qualitative) -Observing consumers in their natural environment can provide valuable insights into their behaviour. This method involves observing consumers as they shop or use a product, and can help researchers understand how consumers interact with products and what

Interviews (Quantitative) - Interviews can be conducted in-person or over the phone, and can provide insights into consumer behaviour and decision-making processes. They can be used to gather information on consumer preferences, attitudes, and motivations.

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Research methods used to analyse and segment consumer behaviours

Data mining (Quantitative) - Data mining involves analysing large datasets to identify patterns and trends in consumer behaviour. This method can provide insights into consumer behaviour based on past purchases, website interactions, and social media activity.

Ethnography (Qualitative) - Ethnography involves immersing researchers in the consumer's environment to gain a deeper understanding of their behaviour. This method can provide valuable insights into the cultural and social factors that influence consumer behaviour.

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Research methods used to analyse and segment consumer behaviours

Demographic segmentation (Quantitative) -

This method involves dividing consumers into different groups based on demographic characteristics such as age, gender, income, and education. This can provide insights into how different demographic groups interact with products and what factors influence their behaviour.

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Research methods used to analyse and segment consumer behaviours

Psychographic segmentation (Mixed) - Psychographic segmentation can be both a quantitative and qualitative method of research, depending on the approach used.

Qualitative psychographic research, on the other hand, typically involves in-depth interviews or focus groups with consumers to gain a deeper understanding of their attitudes, values, and lifestyles. The data collected is then analyzed using qualitative analysis techniques such as thematic analysis or content analysis.

Quantitative psychographic research typically involves the use of surveys or questionnaires to gather data on consumers' attitudes, values, and lifestyles. The data collected is then analyzed using statistical techniques to identify patterns and trends.

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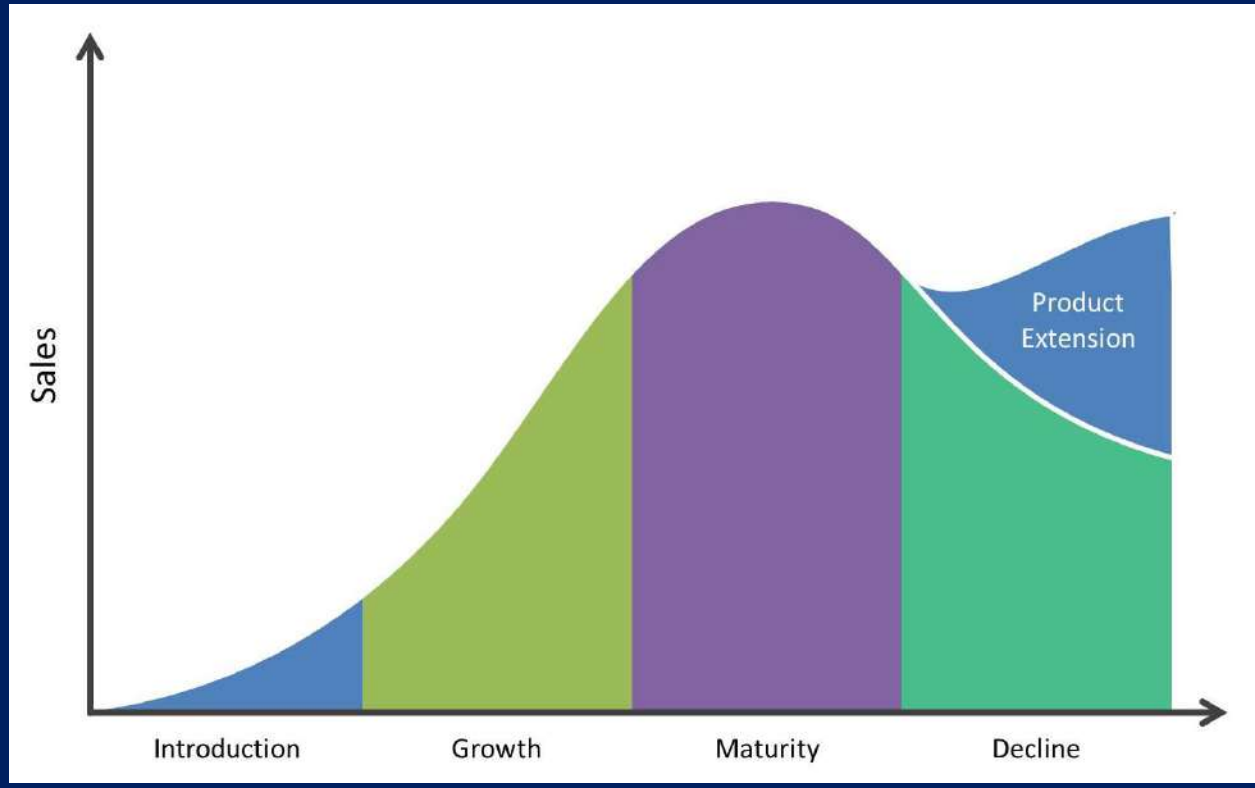
Product life cycle

Four stages in the product life cycle:



- Introduction: This is the stage where a new product is launched into the market. During this stage, the focus is on generating awareness and interest in the product, building distribution channels, and establishing a customer base.
- Growth: Once a product gains traction in the market, it enters the growth stage. Sales and revenue increase, and the focus shifts to expanding market share, improving product quality, and building brand loyalty.

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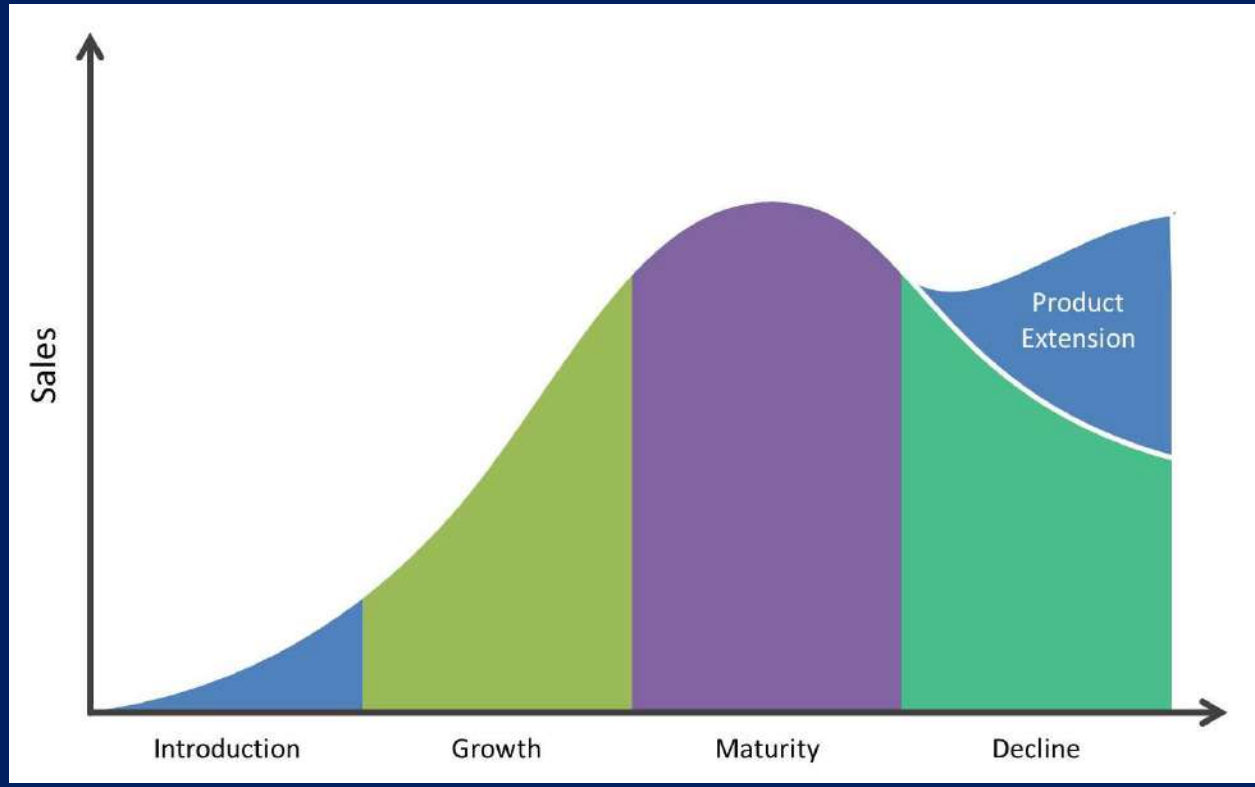
Product life cycle

- Maturity: In the maturity stage, sales growth slows down as the product reaches saturation in the market. The focus shifts to maintaining market share, improving profitability, and defending against competition.



- Decline: Eventually, a product reaches the decline stage as sales begin to decline due to changing market conditions, increased competition, or shifts in consumer preferences. During this stage, the focus is on managing costs, maximizing profits, and possibly phasing out the product.

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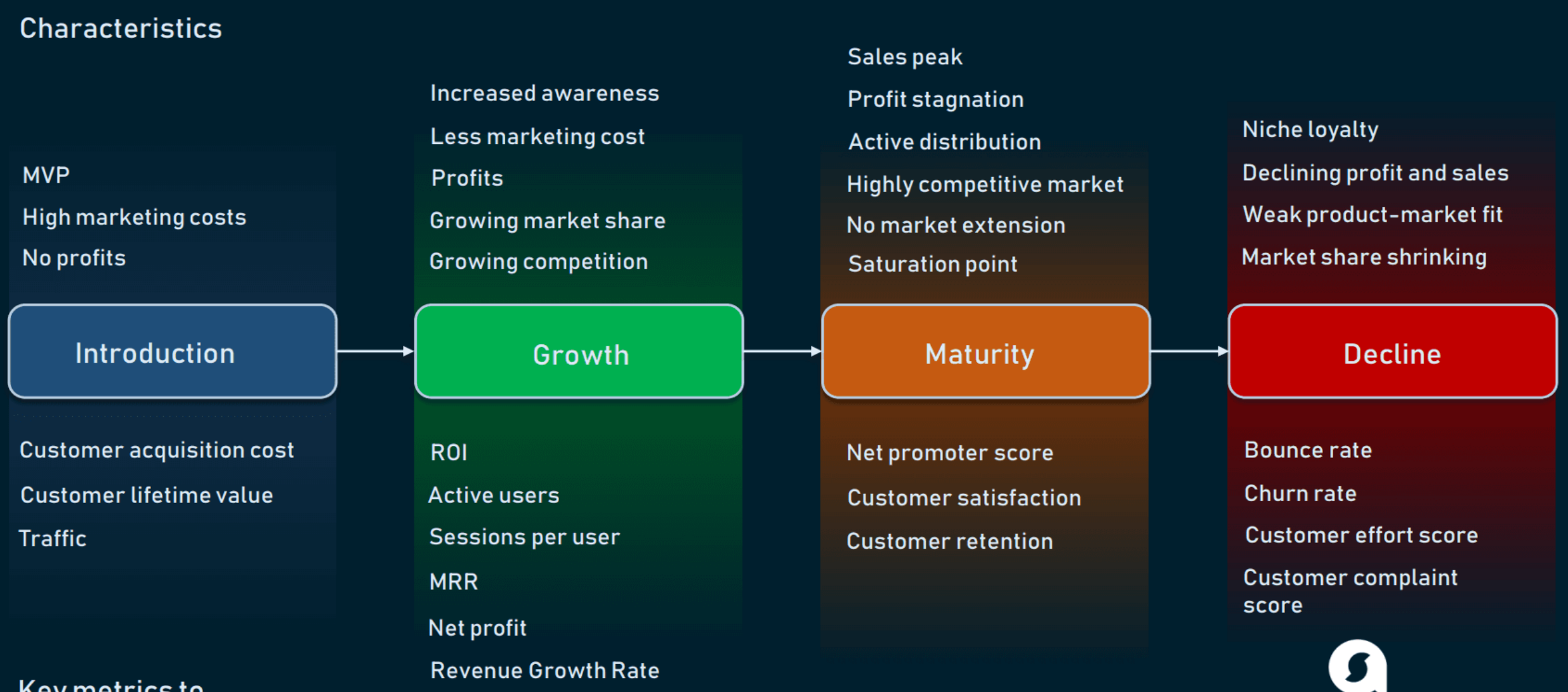
PRODUCT LIFECYCLE STAGES: METRICS and CHARACTERISTICS



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Product planning as part of the product life cycle

This is the first stage of the product life cycle, where the product idea is generated, and initial research and analysis are conducted to determine the feasibility and potential of the idea. This stage involves defining the target market, identifying customer needs and preferences, conducting competitive analysis, and setting product goals and objectives.

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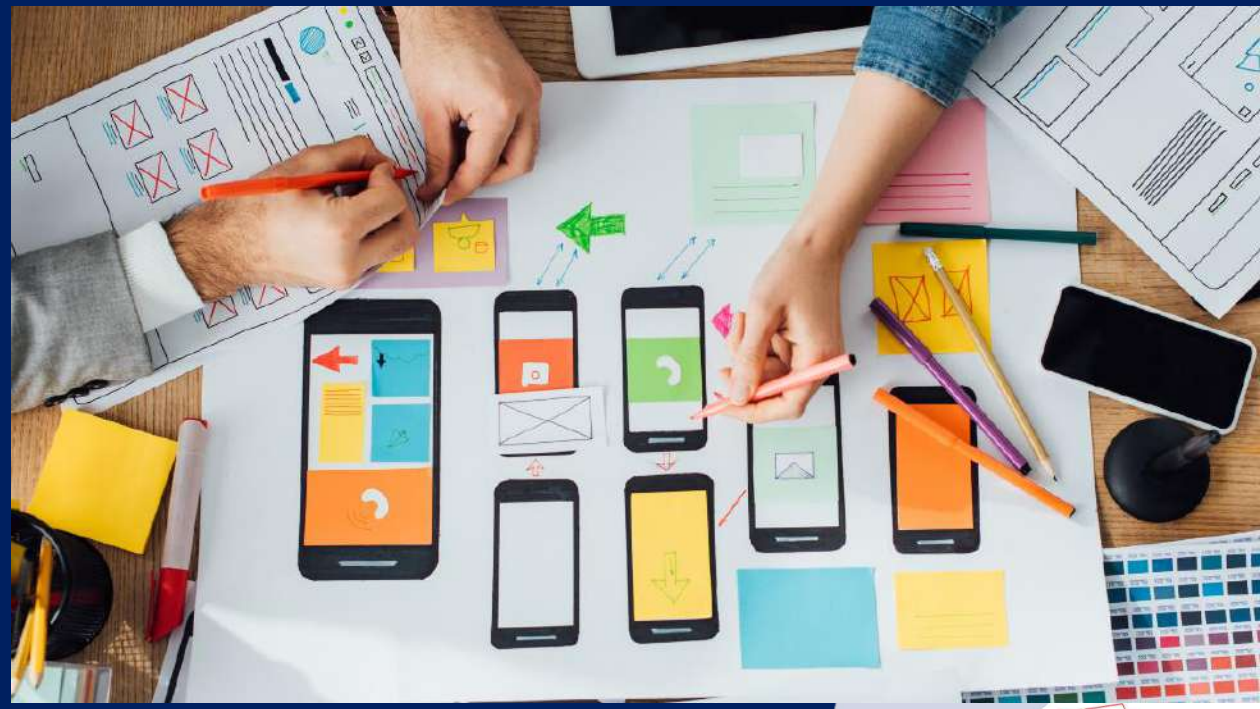
Product Design as part of the product life cycle

During this stage, the product concept is transformed into a tangible product design. This includes creating detailed product specifications, determining the product features and functionality, and developing the product's physical appearance and user interface.



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Product Development as part of the product life cycle

The product development stage involves turning the product design into a fully functional product. This includes building prototypes, testing and refining the product design, and finalizing the production process. During this stage, it is important to focus on quality control and ensuring that the product meets all regulatory and safety requirements.

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Examples

1. Typewriters

   Replaced by computers, laptops, and smartphones

(Decline)

2. Video Cassette Recorders (VCRs)

   Replaced by DVDs and streaming services

(Decline)

3. Electric Vehicles

   Consistent innovation, fast-growing sales

(Growth)

4. AI Products

   Continued developments

(Introduction)

Group Task - PLC

- Product that has gone through the product life cycle : ***BlackBerry, Nokia cell phones, Tamagotchi virtual pet toy, Polaroid instant cameras***

- create a timeline of the product's life cycle, including the different stages such as introduction, growth, maturity, and decline. Research and include any relevant events or changes in the market that affected the product's life cycle.

- discuss any challenges or successes the product faced during each stage.

- each group to brainstorm ways that their assigned product could be/or not revitalized or extended in the decline stage. You should consider factors such as changing consumer preferences, new technologies, and emerging markets.

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Why is a product development plan important?

It aligns the team. **Having everyone on the same page from the get-go ensures that team members can have autonomy and move quickly toward the same end product.**

It creates checkpoints. **Your plan should have a meeting cadence and goals to reach at each stage. This allows the team to come together periodically to stay on track.**

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Why is a product development plan important?

It eliminates risk. **Having a plan in place that accounts for all competitive research, market research, and target audience research means you'll leave no stone unturned.**

It contains success metrics. **How do you know if your process is successful? Your plan sets out exactly what success looks like and how it will be measured.**

It lets you get more creative. **With guardrails in place, you don't need to micromanage the process. The teams will have clear guidelines to innovate within.**

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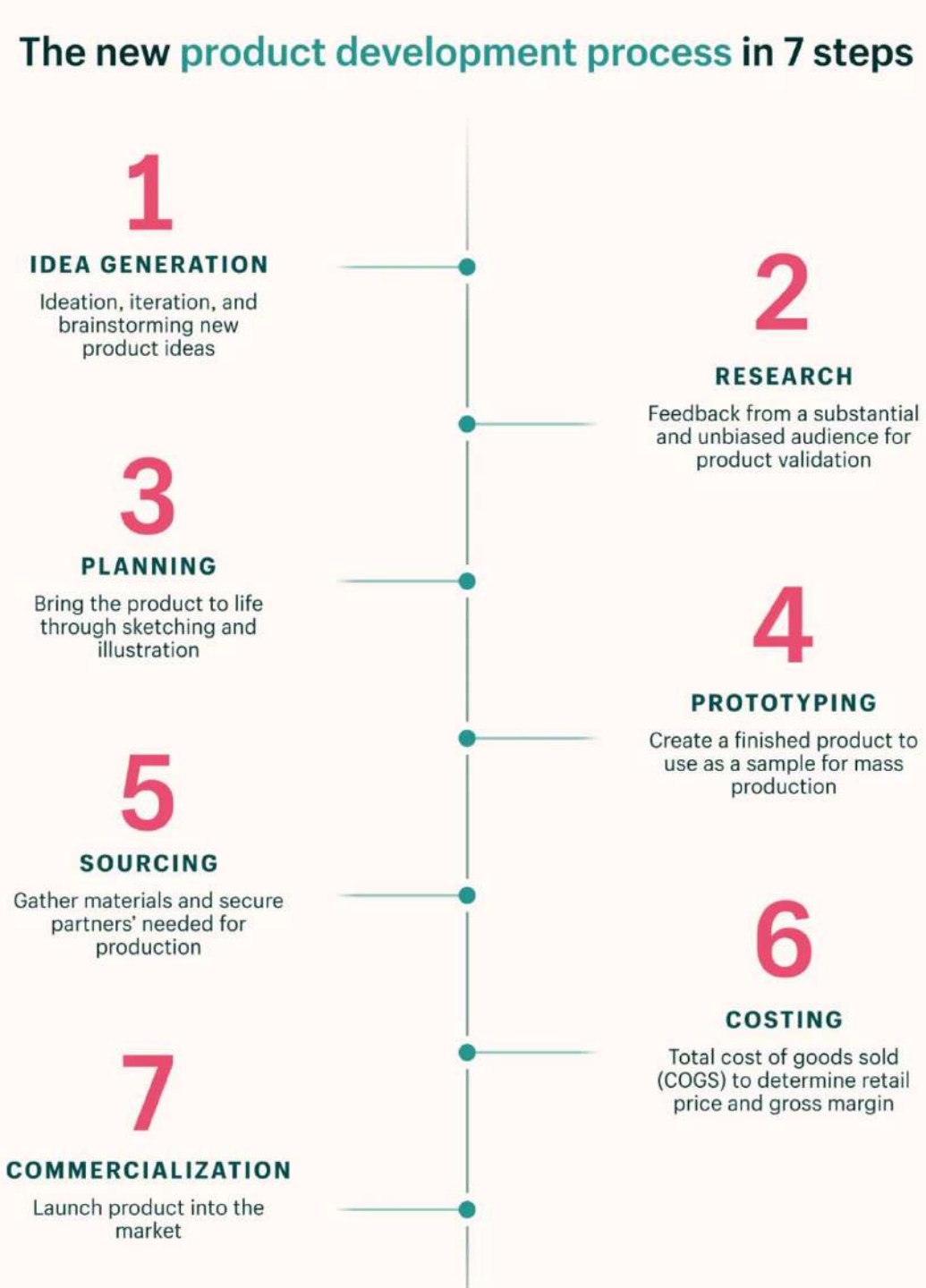
1. While building something fundamentally "new" can be creatively fulfilling, many of the best ideas are the result of iterating on an existing product.

2.Ways to validate your product ideas :

- Sending out an online survey to get feedback
- Starting a crowdfunding campaign
- Test marketing, releasing your idea to a very small group of your target market
- Researching market demand using Google Trends
- Gauge interest via email opt-ins or pre-orders
- Asking for initial feedback on forums like Reddit
- Running a feasibility study to assess whether your proposed idea is worth investing in



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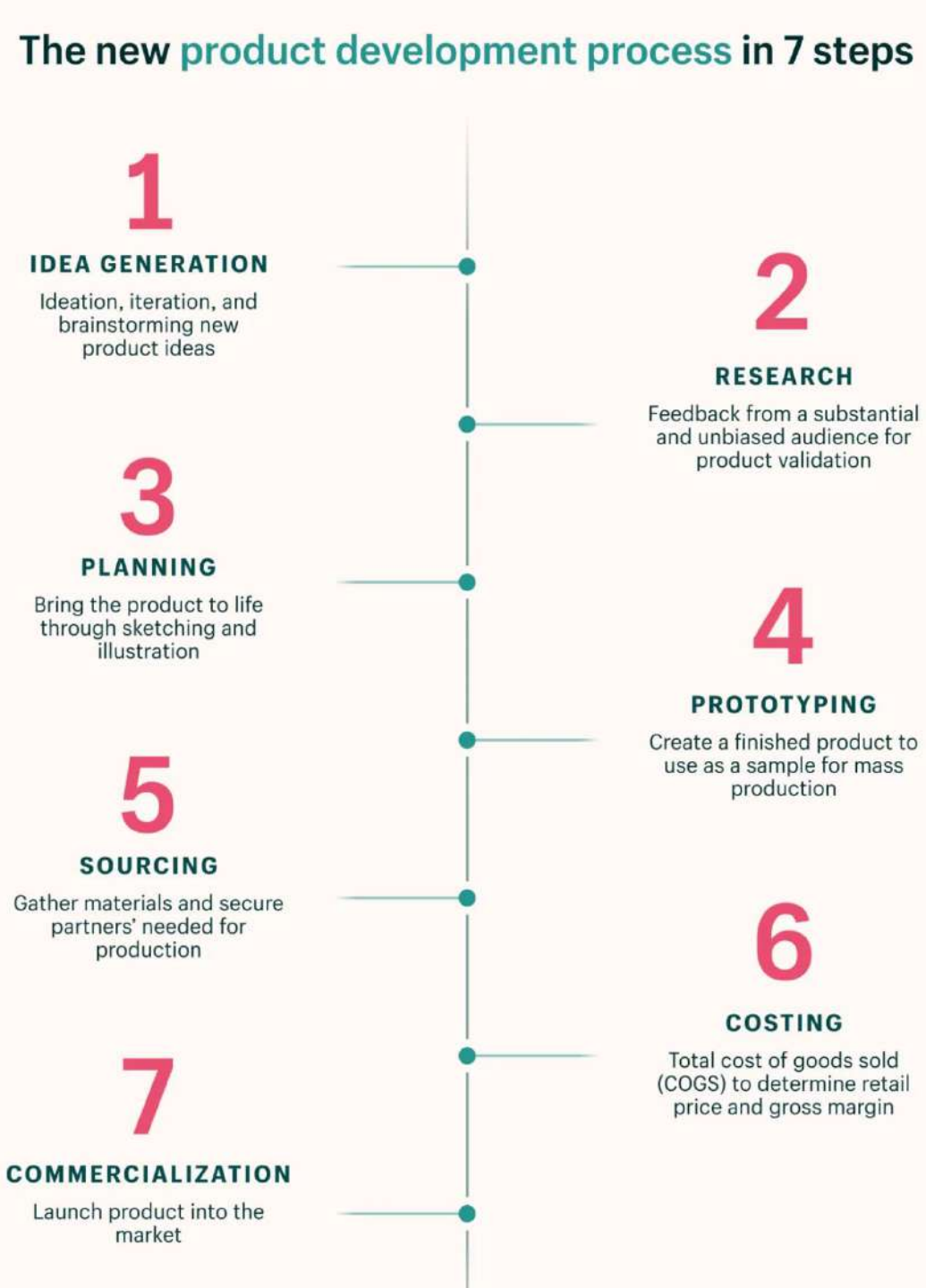
3. The best place to begin planning is with a hand-drawn sketch of what your product will look like.

For example, a purse design could be accompanied by this list:

Zippers (large and small)
Metal clasps
Leather straps
Protection pouch
Embossed label
Interior wallet



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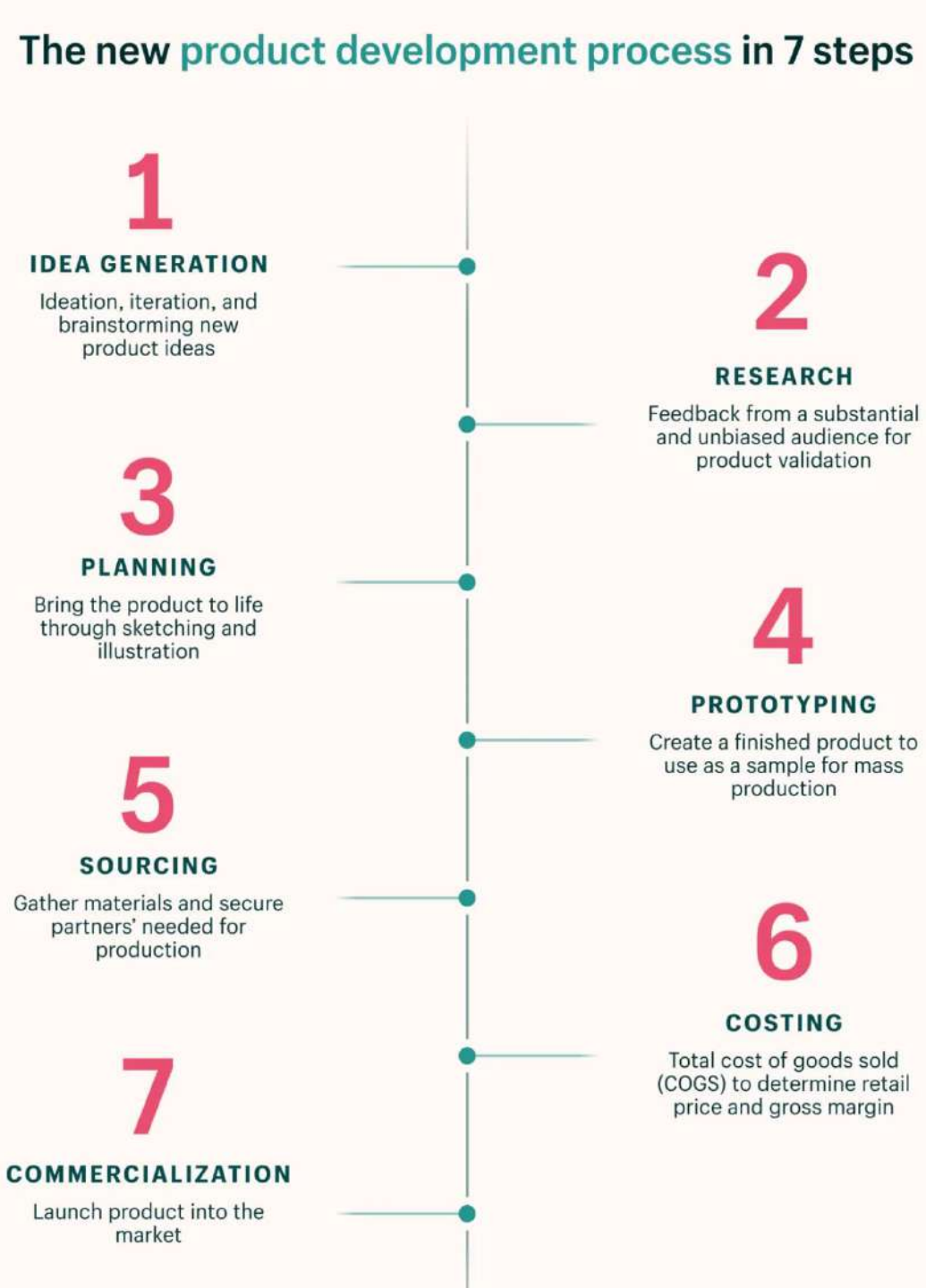
4. The goal of the prototyping phase during product development is to create a finished product to use as a sample for mass production.

Prototyping usually involves experimenting with several versions of your product, slowly eliminating options and making improvements until you're satisfied with a final sample.



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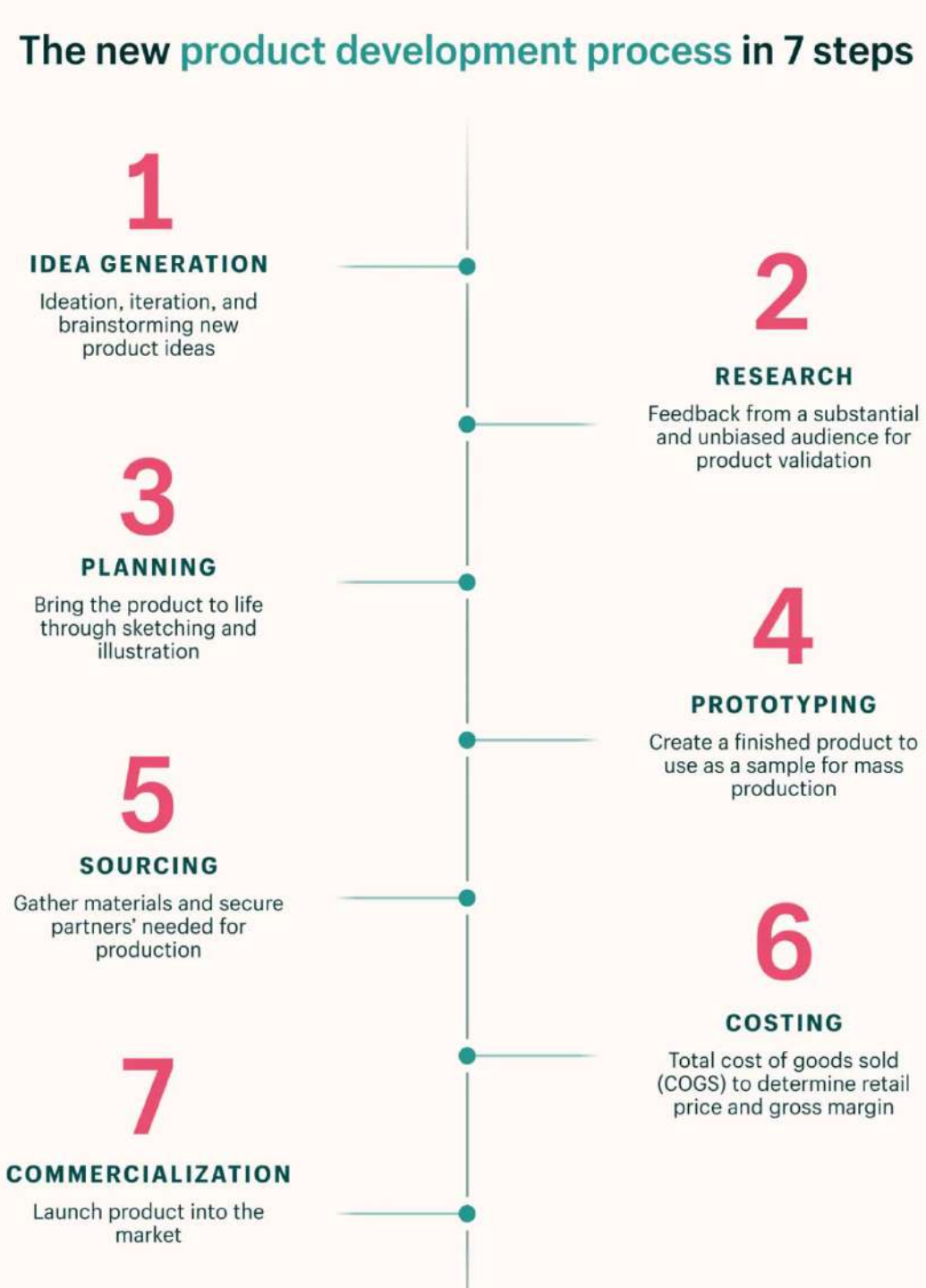
5. Once you have a product prototype you're satisfied with, it's time to start gathering the materials and securing the partners needed for production. This is also referred to as building your supply chain: the vendors, activities, and resources needed to create a product and get it into a customer's hands.



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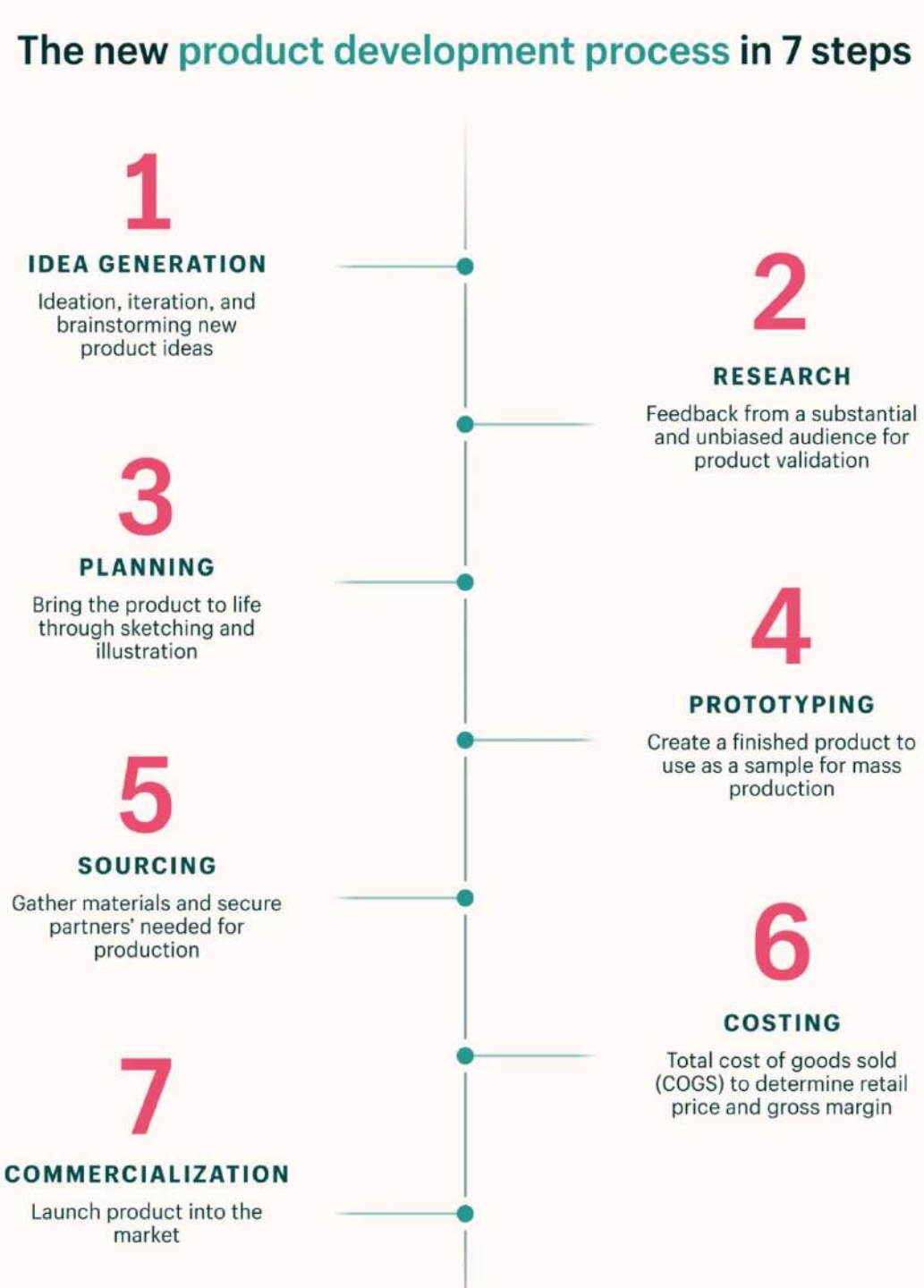
6. You should now have a clearer picture of what it will cost to produce your product. Costing is a business analysis process where you take all information gathered to find your cost of goods sold (COGS) and determine a retail price and gross margin.



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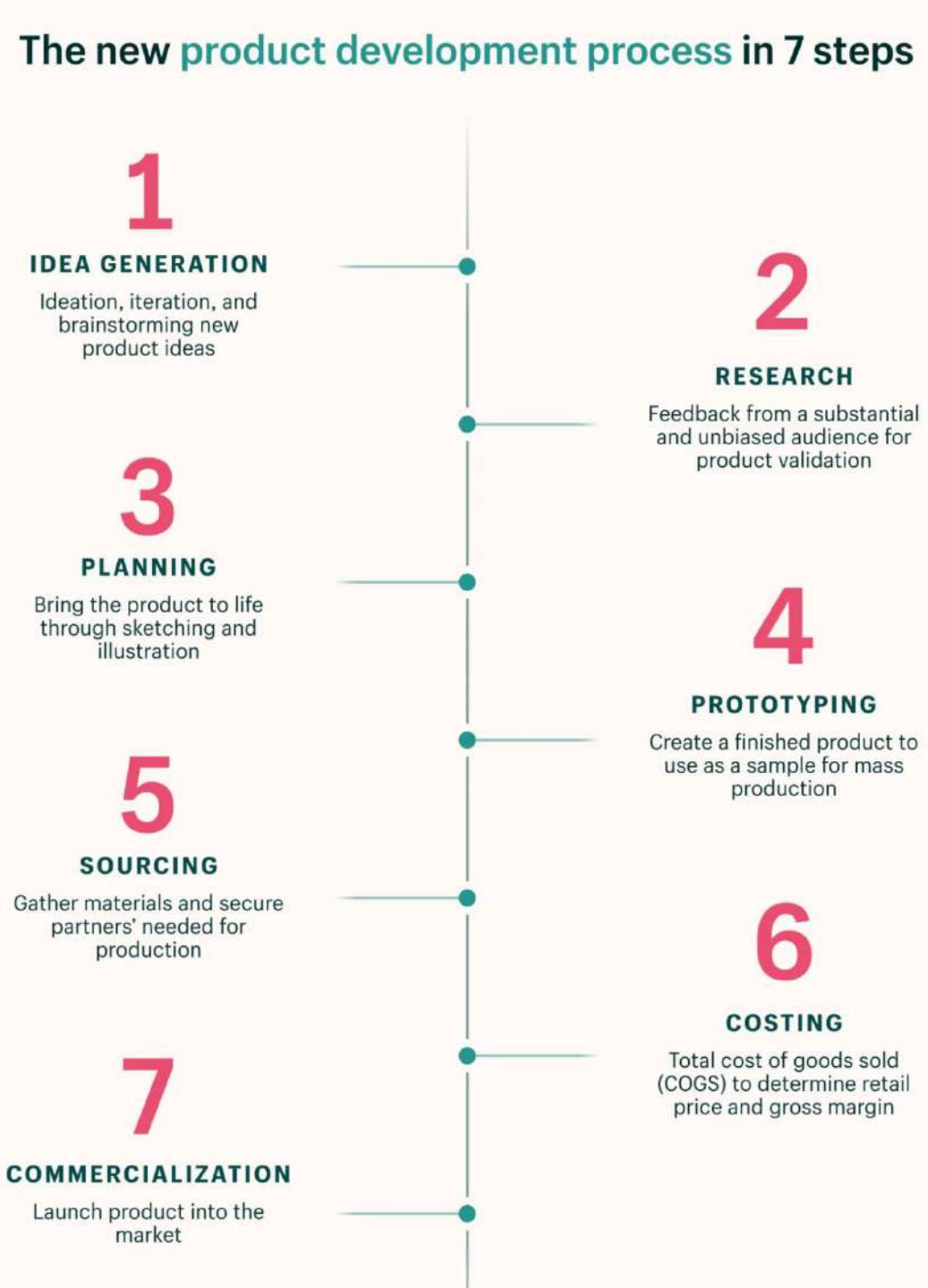
7. At this point you've got a profitable and successful product ready for the world. The last step in this methodology is to introduce your product to the market. At this point, a product development team will hand the reins over to marketing for a product launch.



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Product development example

In the based-on-a-true-story 2023 film BlackBerry, the founders of Research in Motion (RIM) assemble a crude prototype of their mobile smart phone to accompany a pitch to investors. Although the final product looked nothing like the first iteration, the prototype serves as a proof of concept and a jumping off point to get funding or test the market.

Product development became a key part of RIM's (later named BlackBerry) business in the race against Apple, which the company ultimately lost by failing to understand the market and racing to final product without adequate testing.

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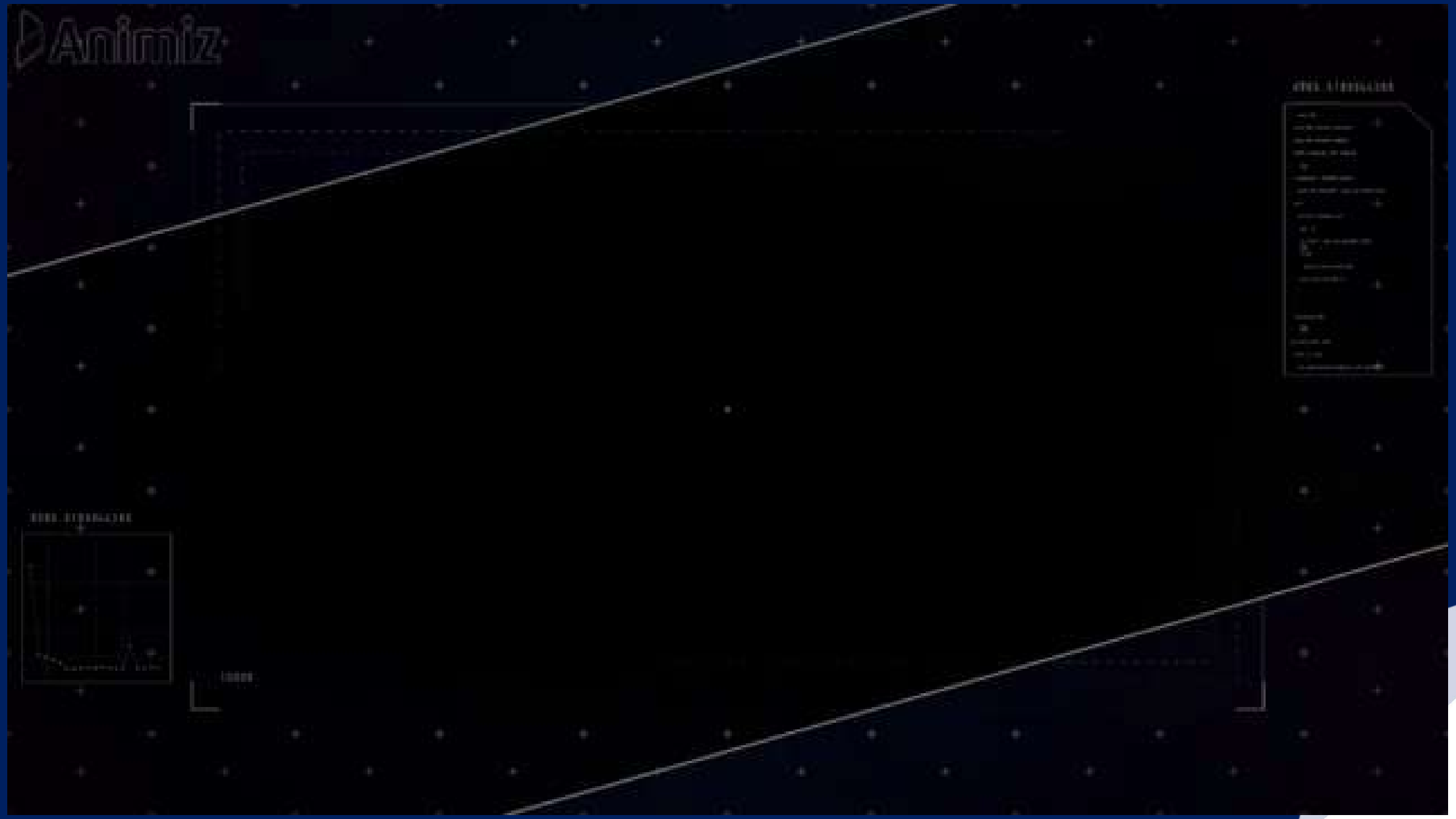
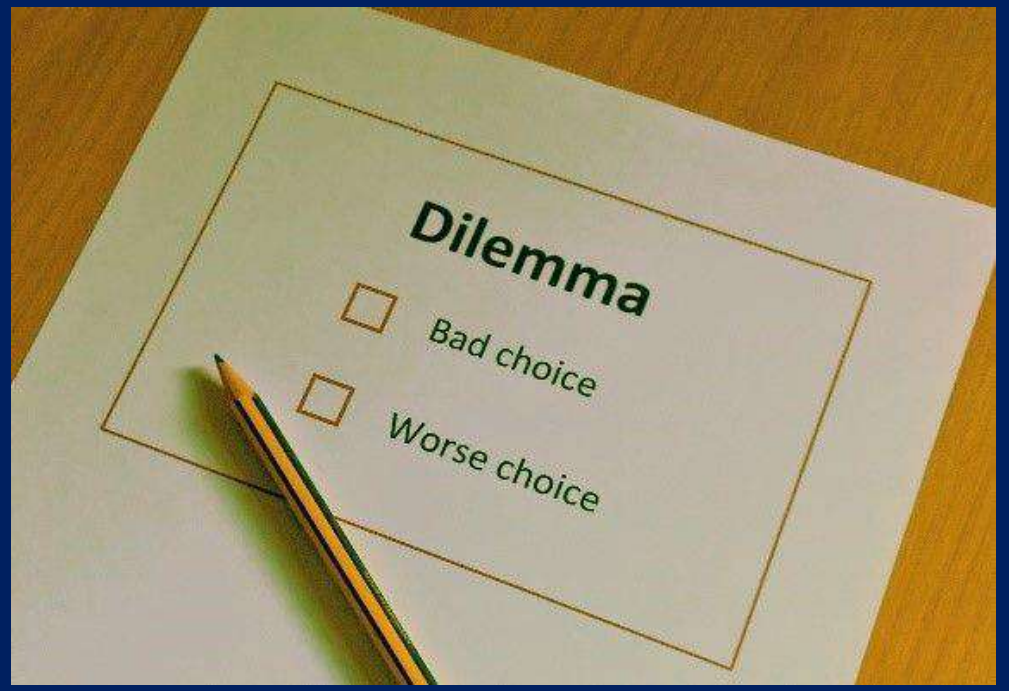


Product Management Issues

Unclear product vision: A product without a clear vision or purpose is unlikely to be successful. Product managers need to work with stakeholders to define a clear product vision and ensure that everyone involved is aligned around it.



Lack of customer research: Understanding the needs and wants of customers is critical to developing successful products. If a product manager doesn't conduct sufficient customer research, they may develop a product that doesn't meet customer needs or solve their problems.

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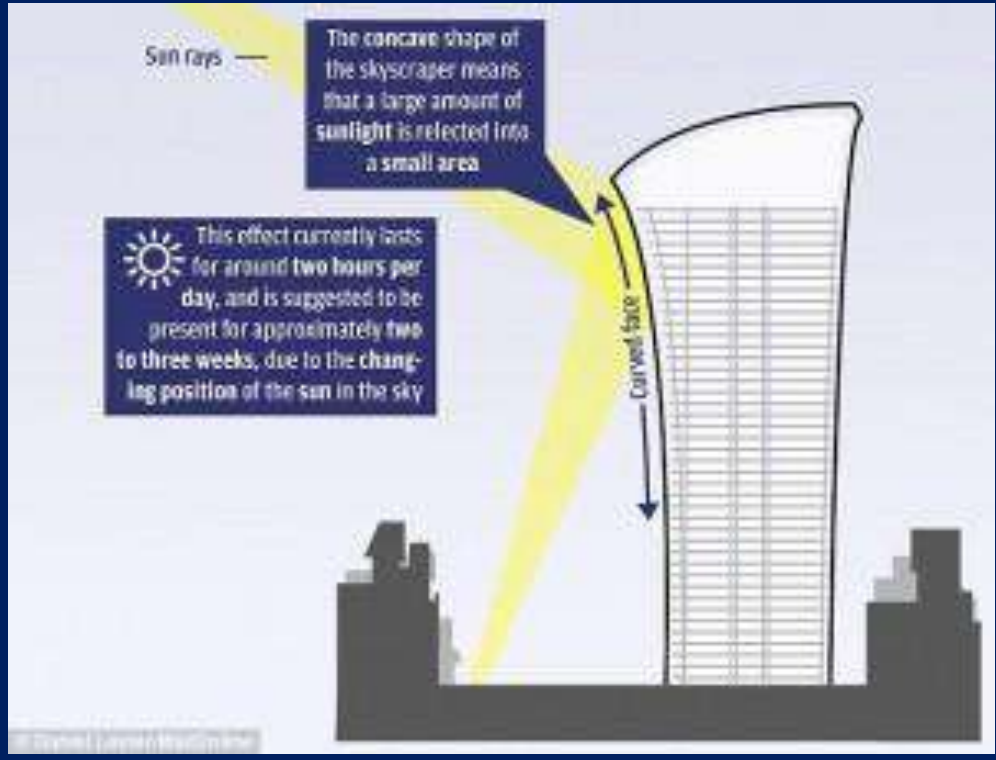
Product Management Issues

Poor product design: A product's design can significantly impact its success. Product managers need to work closely with designers and developers to ensure that the product is easy to use, aesthetically pleasing, and functional.



Ineffective project management: Developing a product requires effective project management, including establishing timelines, managing resources, and tracking progress. If a product manager doesn't have strong project management skills, the product development process may be inefficient, leading to delays and cost overruns.

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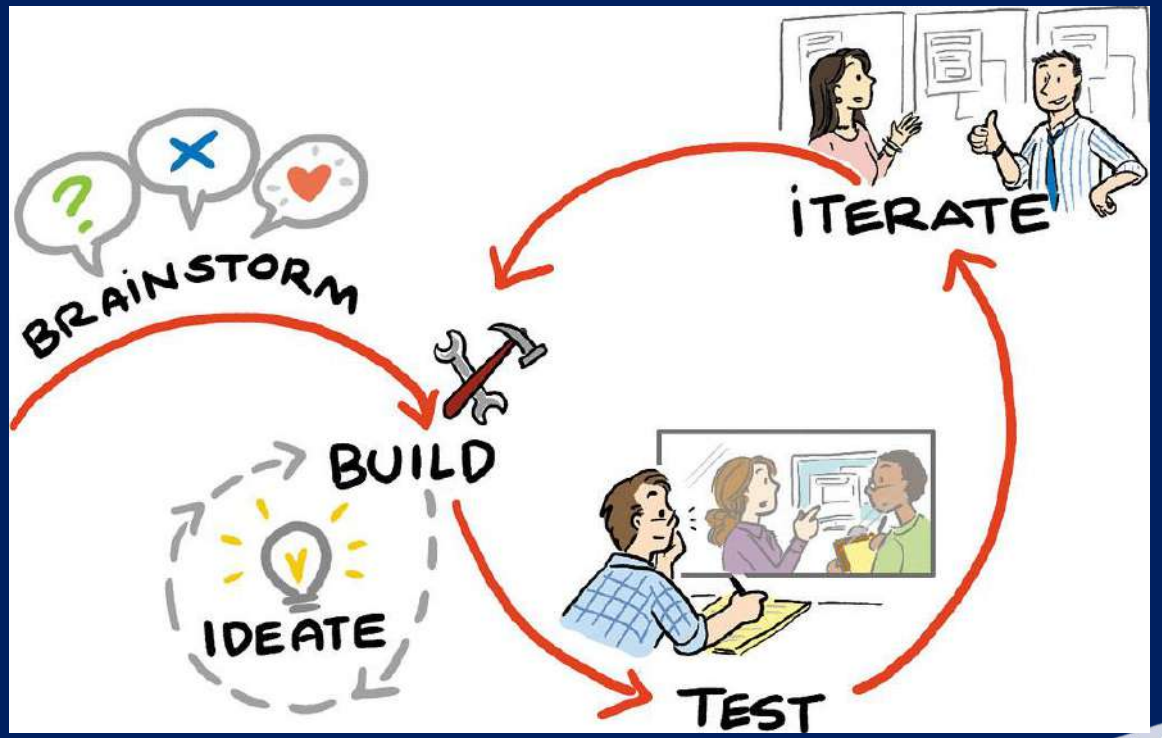
Product Management Issues

Inadequate marketing and sales strategy: A great product won't sell itself. Product managers need to develop effective marketing and sales strategies to promote the product and ensure that it reaches its target audience.



Failure to iterate and improve: Products must evolve over time to remain relevant and meet changing customer needs. If a product manager doesn't iterate and improve the product over time, it may become obsolete or lose market share to competitors.

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Product Management Issues

Lack of cross-functional collaboration:

Successful product management requires collaboration across different teams, including design, development, marketing, and sales. If ther a lack of collaboration, it may lead to miscommunication, delays, and ultimately, a produ that doesn't meet customer needs or expectations.

Failure to monitor product performance: Product managers need to continuously monitor the performance of their products, including customer feedback, sales metrics, and market trends. If they don't track product performance, they may miss opportunities to improve the product or respond to changes in the market.

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Challenges of product development

Group Task - Product Management

- Choose a product that has been in the market for at least 5 years. The product should have enough information available online for research purposes.

- Write a product development plan for the chosen product. This plan should aim to extend the life cycle of the product and increase market share. Outline the strategies for marketing activities. This should also include a plan for post-launch evaluation and potential product improvements.

- Provide potential benefits of the product, establish metrics for success

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Factors affecting brand strategy and decision making.

Introduction stage **- During the introduction stage the main goal is to create awareness and generate interest in the product. The brand strategy may focus on building brand recognition and establishing the product's unique selling proposition. The decision-making process may involve determining the product's price, identifying the target market, and developing distribution channels.**

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Factors affecting brand strategy and decision making.

Growth stage **- In the growth stage, the focus is on expanding the product's market share and improving profitability. The brand strategy may involve building brand loyalty and differentiating the product from competitors. The decision-making process may involve increasing marketing and advertising efforts, expanding distribution channels, and developing new product features.**

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Factors affecting brand strategy and decision making.

Maturity stage **- During the maturity stage, the focus shifts to maintaining market share and maximizing profits. The brand strategy may involve reinforcing the product's image and value proposition to maintain customer loyalty. The decision-making process may involve optimizing pricing, streamlining production processes, and exploring new market opportunities.**

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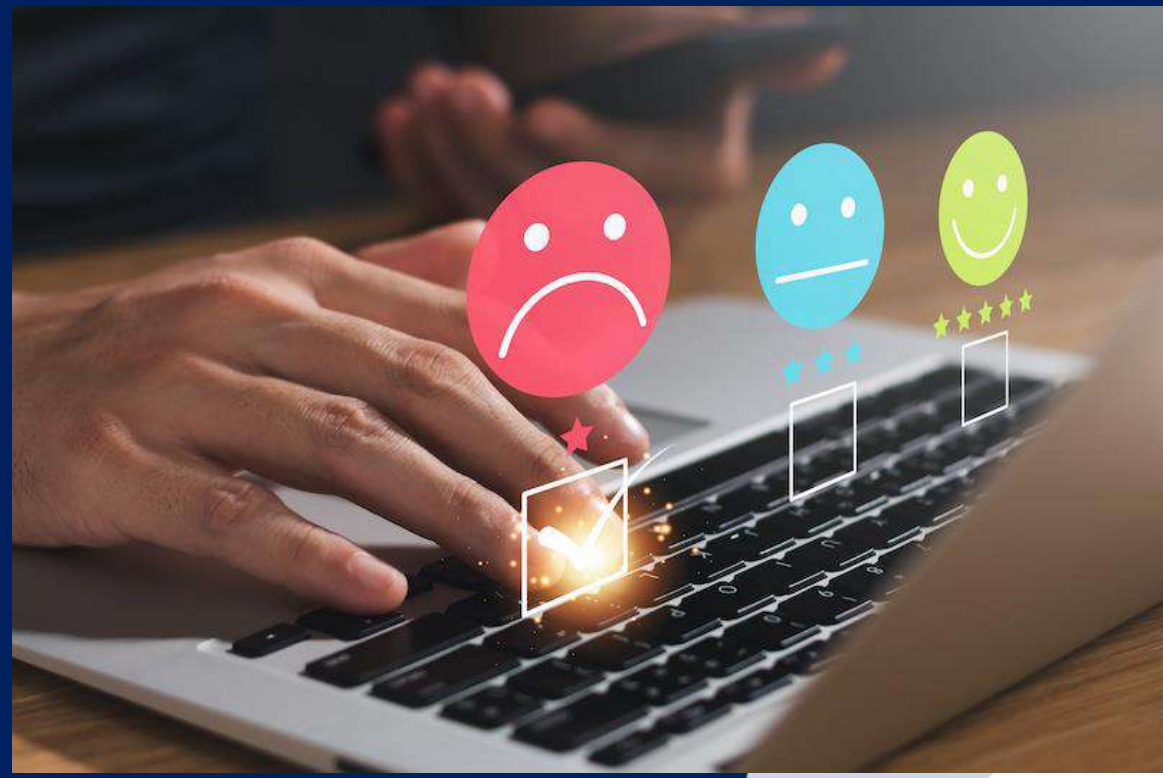
Factors affecting brand strategy and decision making.

Decline stage **- In the decline stage, the focus is on managing costs and phasing out the product. The brand strategy may involve developing a clear communication strategy to inform customers of the product's phase-out and minimize the impact on the brand's reputation. The decision-making process may involve determining the most effective way to discontinue the product, such as through clearance sales or phased withdrawal.**



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Product Life Cycle Quiz

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ANY QUESTIONS?

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