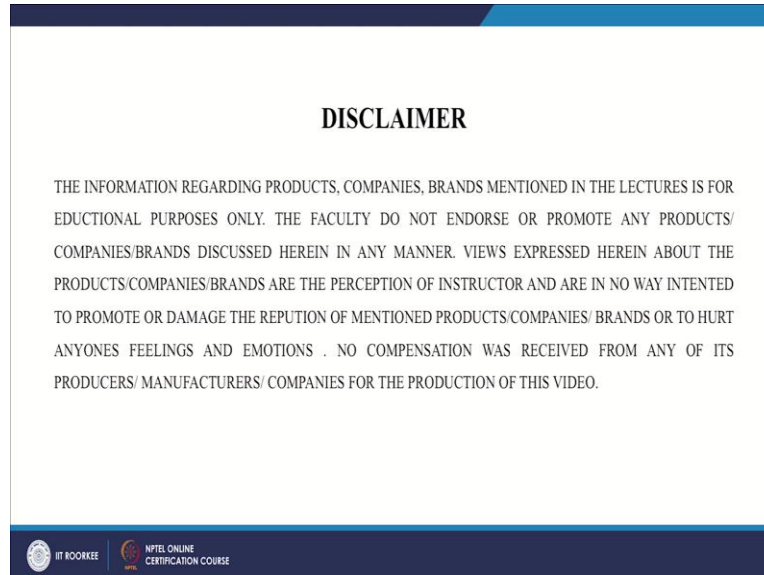


Product and Brand Management
Professor Vinay Sharma
Department of Management Studies
Indian Institute of Technology Roorkee
Lecture 13
Product Life Cycle - I

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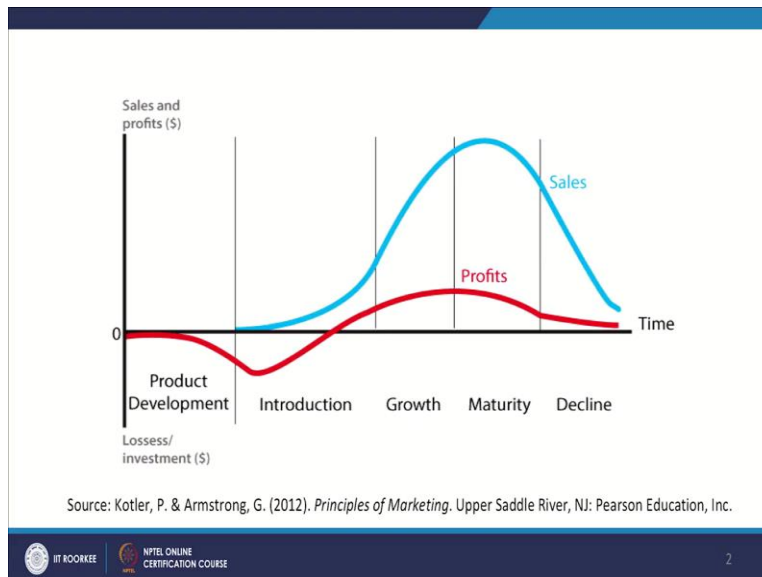


Hello friends. Welcome back to product and brand management. Up till last time, we were wondering, how a product manager thinks about positioning a product. How he actually analyses the differentiating elements and how he differentiates or tries to differentiate a product, especially in those cases, wherein products are not so much differentiable. Then we talked about salt and those kinds of examples were also mentioned about.

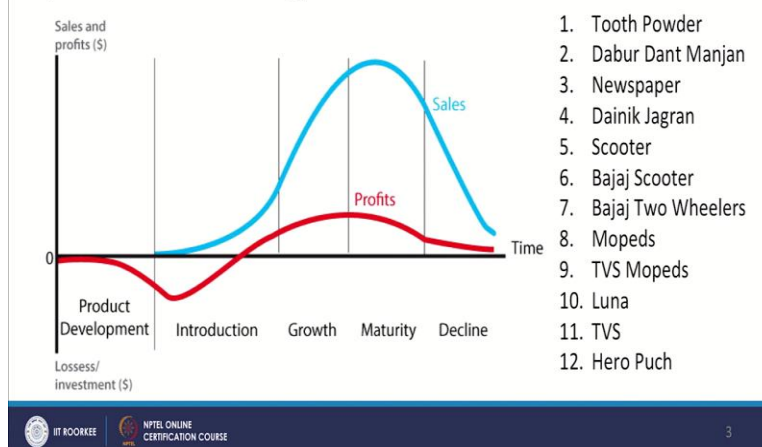
Now, we would be going a step ahead in terms of looking at the life of a product. Many marketing thinkers and philosophers like Raymond Vernon, Theodore Levitt, and several others like Philip Kotler (a very eminent personality in the field of marketing) and all the professors and academicians and non-academicians also have contributed at length in terms of this concept. There have been several kinds of researches for years, from around the 1960s and 1965 or something. 1965 paper by Theodore Levitt was published and I have given references to that paper here, in this discussion as well. Raymond Vernon also talked about product lifecycle almost at the same time, and there are several others. If we look at the time span of this kind of a discussion going around this concept, it is almost 55 years or so almost 56 years plus.

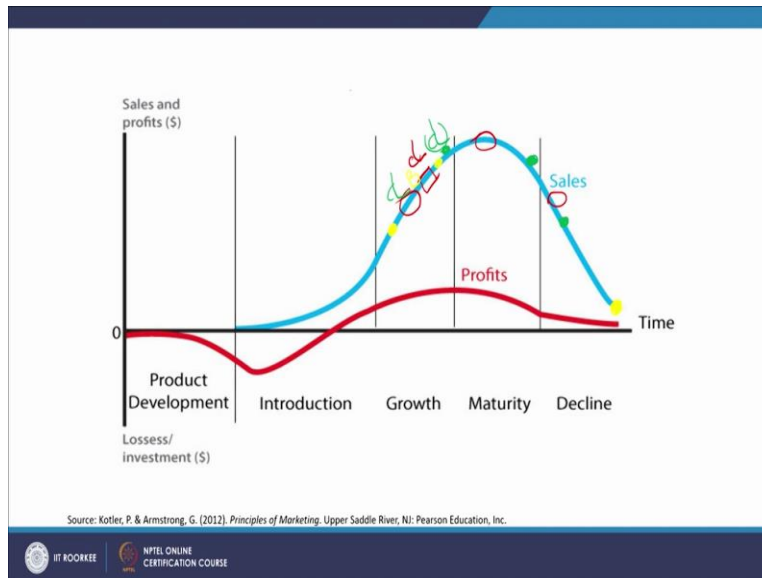
That is the time that people with lots of intelligence and experience have spent on this kind of a concept and that is why it is one of the most important elements for our understanding of a product. You would have gone through people who would have studied marketing management or marketing and they would have gone through this concept anyway. But let us look at our concern through the eyes of the philosophers who have contributed to product lifecycle.

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Take a pen and paper and draw a graphical representation of product life cycle and mark the following products in it.





Let me take you through a brief discussion on the elements related to PLC. You see, I would suggest you to look at this beautiful picture with two lines blue and red, wherein one is profits, and the other is actually sales. I will come back to all the associated aspects of product development, introduction, growth, maturity and decline. Some academicians or industry people have sort of given different connotations to the names here. But largely, these are stages. Now, pick up a pen, draw this graph on a piece of paper, and just simply draw this curve, especially the sales one. Then think in terms of, let us say, a Dant Manjan i.e. toothpowder. Just fundamentally take it as a product.

Now, in today's parlance, if we look at it, where do you find tooth powder? Is it here somewhere? Or according to you, it might be somewhere here, or some of you might feel that it is somewhere over here (as marked the picture). Let us not give it a name as of now. Let us just think in terms of toothpowder as a product. Then go for Dabur Dant Manjan. Now, we are giving it a name. So, where do you find it? Do you find it somewhere here? Kind of. I will try to differentiate colours whenever required. But as of now the disfigured square can be seen as Dabur Dant Manjan here or I will just mark it D, for example.

Can we look at it here somewhere? Or should we go ahead? Or should we come back slightly in terms of sales, or I am talking in terms of growth? It is not that the sales are declining or rising, probably. Dabur Dant Manjan still has to go a long way in terms of the kinds of customers they have to achieve and gain.

We can look at it somewhere, or some of you might mark it somewhere else also. Let us start doing this exercise, let us keep doing this exercise. Now think of a newspaper, any newspaper and let me change the colour now. Let us look at newspapers. Where would you mark newspapers in today's era of the internet and virtual mode? Would you be marking newspapers somewhere here? Can you see this mark? You probably can. And would you be marking newspapers somewhere here? Some of you might think of marking those here as well. If I say Dainik Jagran as a newspaper and just to remind you, it has been and it is one of the largest read newspapers in the world, definitely in India. Where would you put Dainik Jagran? Incidentally, these are two D's, the red D is Dabur and the green D now would be Dainik Jagran.

Where would you put it? You would put it somewhere here in consonance with the earlier dot. Please do not mind my handwriting, it is just not so good. You would mark the D here or again, some of you would like to mark it at a different level. Where would you like to do that? Keep doing that, just kind of think by yourself where would you like to put that mark actually?

Now, let us think in terms of a scooter for example. I would not suggest that you keep Honda Activa kind of scooters as scooters or not. It is your choice, you can think in terms of imagining a scooter by yourself. If you are looking at Honda products in terms of scooters as a pure scooter category, definitely I would invite you to do that and it is entirely your choice. So, think in terms of putting the scooter somewhere. Let me change the colour somewhere once again. I would choose yellow now. Let us think in terms of putting a scooter. Would you be putting scooters somewhere here or do you still put them somewhere there? It is, for example, we keep today's scooters under consideration. Is it the suitable dot we are putting here? Now, let us make it slightly more interesting. Let us look at Bajaj scooters. Where would you put Bajaj scooters? Bajaj exited scooters quite some time back. Would you be putting them somewhere here? Kind of, probably you can see this yellow dot I am drawing for you. Now, let us look at Bajaj two-wheelers. Probably you would like to put them here while I would be putting a B here for Bajaj somewhere, close to the other D's. Would you be putting this B somewhere near the Ds?

This exercise can interestingly be done almost with different kinds of dimensions with different kinds of perspectives. While thinking in terms of no names associated with the product. While thinking in terms of names associated with a product. While thinking in terms of dissociating the

product and just thinking in terms of the name which the product carried. These kinds of two or three scenarios can be built up in due course of time.

For example, Mopeds. I will not mark it for you, but just to give you a clue. Where would you like to put mopeds now? I am sure that it would be on the right side, deep down here somewhere. Then would you be putting TVS moped somewhere near that? Then, if I say just put Luna somewhere in the name and I am not talking about Moped, but just the name. Where would you be putting that name somewhere on this trajectory?

It would be difficult for you to put up just a name basically. Because this is a product's lifecycle, it is not a brand's lifecycle. That is the first lesson which we should keep in mind that we are talking of a product lifecycle here although the name of the product and the name of the brand gels with each other. It gels with each other in due course of time, but when we dissociate these, and the product is no more, names still remain. I will be talking about that later on in the brand management discussion and we will be wondering, what to do with that name? Why should that name remain at all? Can we do something about it? Or if the name remains, then why do the products die at all? Why do they exist? And why do they vanish?

We will be keeping that scope for ourselves on the discussion points to discuss these elements later on. But still, this is an exercise which has to be done at this particular moment. For example, TVS. Now TVS has other products as well but I am just talking about TVS mopeds and dissociating mopeds from TVS. So, that can be done. Then Hero Puch again, a moped, but then dissociating Hero Puch from the moped and this kind of an exercise will enable us to understand a product's lifecycle and a product with a brand name, and the kind of lifecycle perspective.

When the brand name remains, the product gets eliminated and the brand traverses into a different kind of product, which also can be understood. Later on, as I said, we will be trying to understand that if the product gets eliminated and just the name remains in our memories. What can be done about it? And that can also be an interesting discussion.

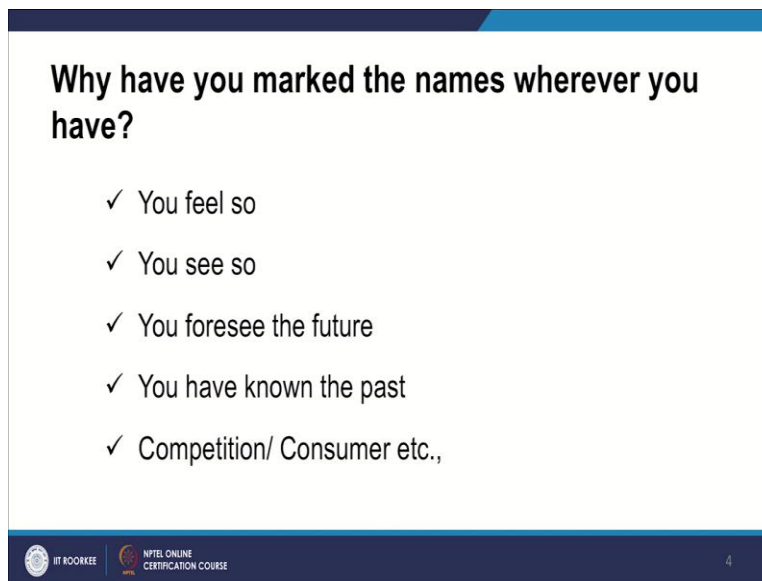
But, we will be focusing on product elements right away. It is very interesting and many times it is confusing. Because imagining products without names, and putting those under trajectories, is not a common kind of an exercise. You say that plastic is a product, and plastic bottles as a product, which is an easy thing to say. You can say that stapler is a product, and then you can say

Kangaroo stapler is a product. Those kinds of things slightly add value in terms of when you put up names. For example, you say Boots, then you put a name to those boots and boots are a category of shoes. Now, then you say sneakers, and you put Nike for example. Then it is altogether a different kind of a thing.

Then you say that Reebok also wants to look at its sneakers. They want to put up themselves somewhere in terms of their sneakers on this product life cycle graph. That is again, a slightly different kind of thought process, which Reebok has to go through as against what Nike would go through, and their product and brand managers would think differently when they are thinking in terms of their own lifecycle graphs.

That is what you have to understand. The first thing in terms of product, product with names, then names which have traversed into different products. Lastly, names without products which are products that have vanished. Just keep this scenario in mind. Keep thinking about it, and read as much as you can. This is a very important concept, which has been followed, as I have been telling you for quite some time now. And let me take you further through the discussion on the product lifecycle. I will pause here for a while, just to reiterate what we have discussed.

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Why have you marked the names wherever you have?

- ✓ You feel so
- ✓ You see so
- ✓ You foresee the future
- ✓ You have known the past
- ✓ Competition/ Consumer etc.,

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Now, you see, as I was saying, why have you marked the names wherever you have them? Let us ponder upon the reasons actually for marking the names wherever we have. Is this because you feel that this is where this product would be? And I am not again reiterating the scenarios, you can think in terms of scenarios while answering these questions or while thinking aloud on these questions actually.

You feel so, or you see so, which means you are observing it happening somewhere around. For example, you are watching that it is getting away. Black and White televisions got away in due course of time, and people observed that and people used to discuss that. That was the time when people were observing that kind of thing basically. Black and White television as a product got away, and today, probably we have names, which were associated with black and white televisions. After a few years or so, we might not remember those names as well, this also happens in many cases, although names have a longer life, we will be talking about that.

Then the third reason might be that you foresee the future of a product and that is why you have marked it somewhere. Because you can imagine that and this is how it should be in times to come. You feel so, you foresee the future, you imagine or you have an experience associated with the logic you give on foreseeing the future. Again, a very important element is that you have known the past. You have been observing that product for quite some time and you have been growing on the thought of that product basically.

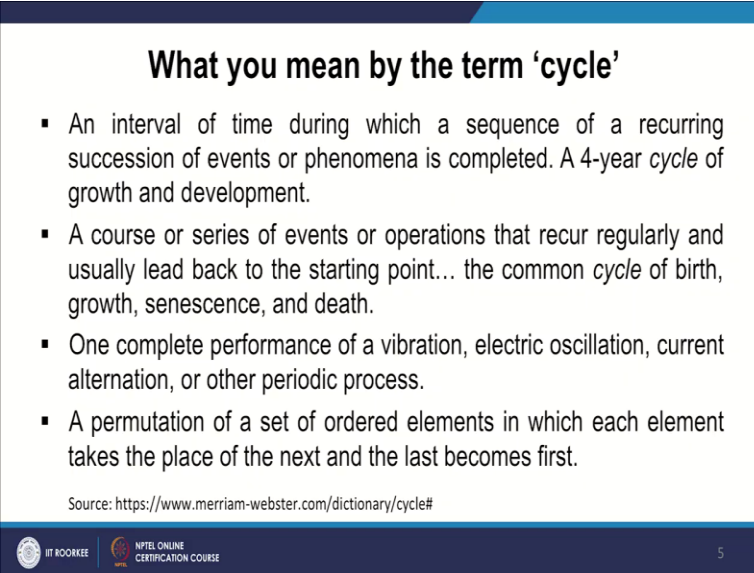
We have categorized events as products. For example, 5-day cricket, traversing into the one-day format, then traversing into the IPL format. You have been watching that since your childhood. You have been a cricket fan and you have been watching cricket as an event, as a product traversing into forms basically. Then branding aspect comes in later on but just look at that as an event. You would have thought of several movies also, and you would have thought of several songs also. Songs with the different kinds of music associated with them. Then you have the same lyrics and you have imposed (kind of the technical term might be different) you have put up a different kind of a tune on that song basically.

Then there is another reason that you are actually looking at two competitive products. When I say competitive products, we can have closely linked substitutes, and we can think in terms of alternatives as well. That is that the need is satisfied by something, which is quite different as compared to that kind of a product. We have already talked about this. This is where we come to 5, 6 categories on, what kind of reasons we carry in mind while we are putting those.

Just to remind you that product managers and brand managers have lots of insights and data and AI support. They have lots of marketing research support as well. But as of now, I am just talking about you and me, without any data support or without marketing research. I am just talking of putting up a logical point of view while doing that exercise, just to show a glimpse once again, what have we done or probably I have done, presuming that you would have done the same way.

Now, let us come back to the fundamentals once more. Why do we say product life cycle? Many times, students, ask me different kinds of questions and then philosophers and thinkers, have already written a lot about that and we discuss these kinds of things in classes. This is almost a fundamental kind of process as well. Whenever you have to understand a concept, revisit the roots of that concept or the dictionary meaning of that concept or the interpretation as given by the dictionaries and definitional frameworks related to that concept.

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What you mean by the term 'cycle'

- An interval of time during which a sequence of a recurring succession of events or phenomena is completed. A 4-year *cycle* of growth and development.
- A course or series of events or operations that recur regularly and usually lead back to the starting point... the common *cycle* of birth, growth, senescence, and death.
- One complete performance of a vibration, electric oscillation, current alternation, or other periodic process.
- A permutation of a set of ordered elements in which each element takes the place of the next and the last becomes first.

Source: <https://www.merriam-webster.com/dictionary/cycle#>

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I went to the Merriam-Webster dictionary and it talks about the cycle in terms of an interval of time during which a sequence of a recurring succession of events or phenomena is completed. A sequence of recurring succession or events of or phenomena is completed in a particular interval of time. Time and events and that is where cycle connotation comes in. What we have seen? We have seen a product lifecycle with a sequence of a recurring succession of events that is sales for example. They have given example in the dictionary that a 4-year cycle of growth and development and that is what we are talking of.

Now, the second element they have mentioned is related to a course or series of events or operations that recur regularly and usually lead back to the starting point. You go to the full circle, and you see, I will be talking about this very, very briefly. But again, when we talk of a product it goes for a decline. Then what happens after the decline? Keep that thing in mind that I have mentioned to you that the name remains. I will be picking up that note somewhere later when I will be talking about the brand. But again, when the product declines, what happens? Needs still remain and remember, we have talked about all these concepts earlier. Needs still remain and that needs get satisfied either through a substitute or through an alternative and that is where it is called a cycle perspective. Another very important and interesting element given by the dictionary on cycle is one complete performance of a vibration, electric oscillation, current alternation or other periodic processes. A very interesting thing which comes to us is a permutation of a set of ordered elements. If you see that graph, once again, in which each

element takes the place of the next and the last becomes the first and you see that is where our fundamental insight gets built upon the product life cycle.

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Examples

- ❑ **Products which are no more neither in the form or matter; but usage/need has been taken over by something else.**
For e.g., Need for Cassette Recorders/Tape Recorders/Floppy Disk, Telegram
- ❑ **Products which have changed form**
For e.g., Typewriters
CRT Television > LCD > TFT > LED > OLED
Bulb > Tube Light > CFL > LED
Punch card > Magnetic Tape > HDD > USB Flash Drive > SSD
- ❑ **Products that never change**
For e.g., Matchbox/Stick Stapler, Pencils, Drill Bits, Dumbbells, Duct Tape etc.,

Source: <https://www.popularmechanics.com/>

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Then we have several examples associated. Products which are no more there, neither in the form nor matter, which is an interesting thing, but their usage need has been taken over by something else, that is, the need is still to be satisfied. For example, Cassette recorders, Tape recorders have you seen those in recent times? Many of you would have seen those and, you see, there were small cassettes, there were big cassettes, and it was a music enabler for us. Today, we have downloadable music, and you can download it on your mobile phone. Just put up a wonderful headphone with lots of capacity, and it gives you complete satisfaction. Floppy disks, for example, have traversed into something else now. Hence, products which are no more there neither in the form nor matter.

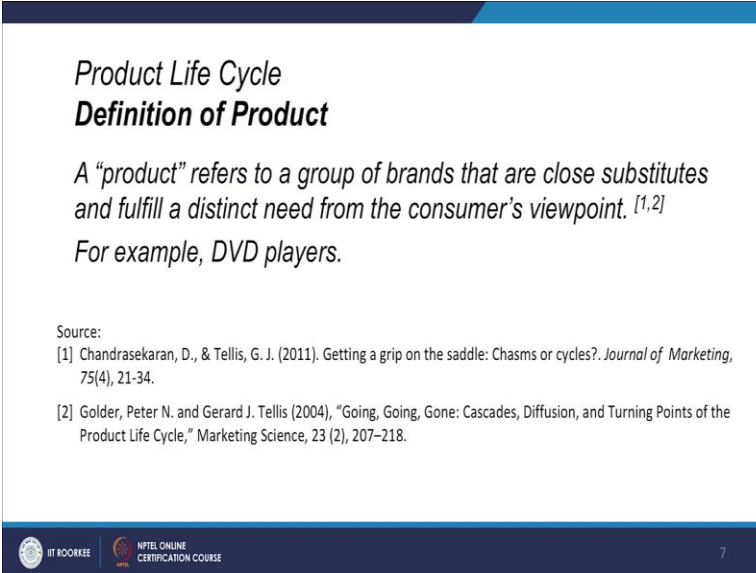
Then we have products that have changed form. Cathode Ray television moved into LCD, which has moved into TFT then LED then OLED and so on. Probably the technology would enable something else. The display device is there, but the form has completely changed. For example, tungsten bulbs changed to tube light, then to CFL to LED and again it is moving ahead and LED again is changing form in a different manner. Now they have mobile application-enabled LED bulbs, which can change colour, as per your discretion. You do not need to have many coloured LEDs for your colour requirements. You can create different kinds of frequencies in the light

bulbs, which can switch off- switch on at a different frequency level also and it gets dimmed as per your choice. That is the kind of mobile application enablement has done to, as far as I know, lighting goes. At this moment I am standing in a studio, wherein, I have lights over my face. If you put those kinds of mobile application-enabled LEDs here, you can just raise the intensity and you can dim those as per your choices in due course of time.

Finally, we have products that never changed. Again, it is a very interesting thing; never changed i.e. they are going on and on basically. This means they are on a growth trajectory if you have to conclude that way. For example, Matchbox. Matchsticks are the same for ages, we have seen that. Although there are slight differences as far as the size goes, I do not find that difference as much also in due course of time. Stapler is a product which I kind of wonder about when it is going to change actually. Probably, when we stop using papers at all. That would be the time.

Pencils are going on and on. Who on earth for the past many decades, since the pencil came in, has not used a pencil? Probably almost everyone has used it and if you will just do some searching on internet sites, you would realize that there are hundreds of pencil manufacturing organizations in this world. Drill bits, dumbbells, duct tape. I have given you a reference to popular mechanics. It is a wonderful website, go there and watch for yourself, what kind of product development is going on around us, how frequently different products are changing in different categories and how products are not changing at all.

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Product Life Cycle
Definition of Product

A “product” refers to a group of brands that are close substitutes and fulfill a distinct need from the consumer’s viewpoint. ^[1,2]

For example, DVD players.

Source:

[1] Chandrasekaran, D., & Tellis, G. J. (2011). Getting a grip on the saddle: Chasms or cycles?. *Journal of Marketing*, 75(4), 21-34.

[2] Golder, Peter N. and Gerard J. Tellis (2004), “Going, Going, Gone: Cascades, Diffusion, and Turning Points of the Product Life Cycle,” *Marketing Science*, 23 (2), 207–218.

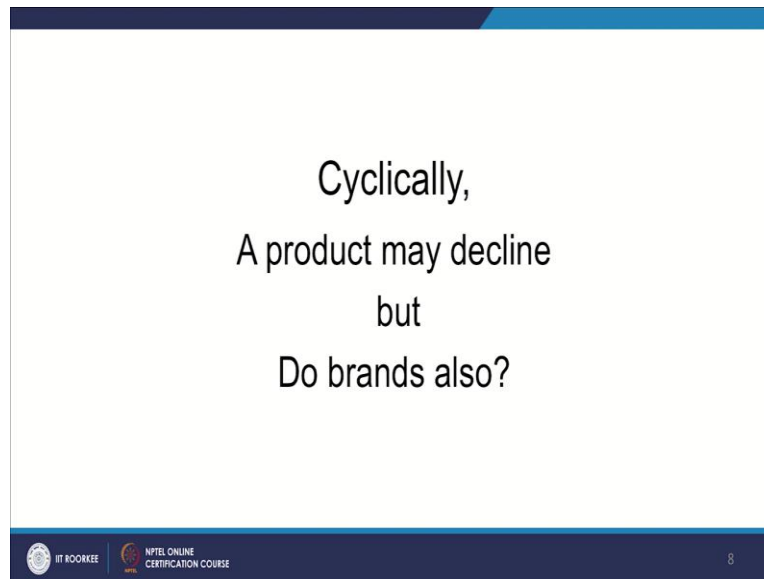
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You see, let us revisit the product lifecycle perspective once again. This definition I have fetched from Chandrasekaran, D, and Tellis, G. J, in a 2011 paper called Getting a Grip on the Saddle, Chasms or Cycles in the Journal of Marketing. This paper has taken the reference from another paper, which is also mentioned here, Golder Peter N and Gerard J, Tellis 2004 Going, Going, Gone: Cascades, Diffusion and Turning Points of the Product Lifecycle in Marketing Science Journal. You can check both references, but I have picked the definition which is given here from Chandrasekaran and Tellis’s paper published in 2011.

The definition says “a product refers to a group of brands that are close substitutes and fulfil a distinct need from the consumers’ viewpoint”. You see that is precisely what we are talking of. Here, several names are associated with one kind of a product. If the product dies, names would still remain, or if the product would change form, names would still remain, and so on.

I have already described that kind of scenario in front of you. I was just wondering what happens actually, and we keep on doing that in marketing and product and brand management. This is what we have been doing because we want to foresee, we want to forecast, we want to take decisions, we want to decide on where to go. That is the perspective you see and that is what precisely I am trying to put up.

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I will end this discussion exactly here, when I would suggest that, cyclically a product may decline but do brands also? I do not think so. It is very common for us to feel or say that brands decline. I will be starting my next discussion from the perspective of Theodore Levitt on product lifecycle and I will be elaborating on those elements, which Levitt has mentioned in his pivotal paper, which was published as I said in 1965. Then I will be taking you through a structured perspective on the product lifecycle given in Philip Kotler's Marketing Management, and then I will be taking you through the different stages of the product lifecycle in my subsequent discussion in the next session.

Keep thinking till then, and keep exercising, not physical exercise, but just keep putting marks on the product life cycle graph as I tried to suggest. Imagine different kinds of products and combinations and brands there. Choose something from consumer products, choose something from Patanjali products, choose something from Unilever products and so on. I will come back to you. Till then, goodbye.