PRODUCT LIFE CYCLE – OBsolescence of Products and Alternative to Products in Indian Market

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ABSTRACT

Product life cycle is the cycle through which every product undergoes from introduction to withdrawal or eventual demise stage. It is the period of time over which an item is developed, brought to market and eventually removed from the market. First, the idea for a product undergoes research and development. If the idea is determined to be feasible and potentially profitable, the product will be produced, marketed and rolled out. Assuming the product becomes successful; its production will grow until the product becomes widely available. Eventually, demand for the product will decline and it will become obsolete.

Keywords: Product Life Cycle; Obsolescence of Product; Alternatives to Products

INTRODUCTION

Product Life Cycle

At the birth stage of product, it may have little or no competition in the market until competitors start to emulate it when it shows signs of success. As the product becomes more successful, it will face increasing number of competitors and may lose market share.

The stages of life cycle of product will impact the way it is to be marketed to consumers. For example, a brand-new product (birth stage and Growth) will need extensive advertisement and product in other stages (maturity and decline) in life cycle may need different marketing strategies to differentiate themselves from its competitors.

Birth Stage

The birth stage is when the product is introduced in the market. The product appears in stores for the first time with decorative window display. A lot of publicity is made at this stage. During this stage,
people start reading print material and watching television ads of the product. The company may choose different pricing strategies in this stage. They may set prices high to recover initial expenses that were incurred in manufacturing the product. For example, a mobile phone manufacturer with new technology may introduce mobile phones 10 percent to 20 percent above the competitors’ price as a premium price of mobile phones. They may price their phones higher because of the hype and anticipation of the new technology. The company is aware about the customer psychology that customers are crazy for new technology and will pay any price for that.

**Growth Stage**

The growth phase is when sales and profits for the new product start rising. A company will usually keep product prices the same like it was there in the birth stage. Product quality is also maintained. However, a company will usually expand its product distribution during the growth stage. More and more geographical area is covered so that new product will reach to maximize number of customers. Eventually, the product starts appearing in each and every store across the country. Company’s marketing strategy is to spend more on advertisements during growth stage.

**Maturity Stage**

As success comes competition increase more. Other companies eventually will start introducing similar product, especially if the initial product is highly successful. Consequently, the demand for the product and its competitors will peak at some point. Sales growth starts declining. Some companies may lower prices to capture additional market share or new customers. At this point, different marketing techniques will be adopted by the company to capture more market share. Company also develops new product features and services to differentiate its products from the competitors’. For example, the company that first introduced the product in the market may enhance its customer-service department to establish itself as the service leader in the industry and thereby diversify its marketing strategies.

**Decline Stage**

Demand for the product will eventually wane as new technologies are introduced. Hence, companies can maintain the product, sell it at drastically reduced prices or discontinue the product. A company may continue increasing its sales by finding new uses of the product or finding new markets. For example, a soap manufacturer may discover through marketing research new markets such as restaurants and industrial companies also along with regular customers in retail sector. Its marketing base will broaden. This strategy may help to extend the life of the product. The company has to take highest pains to sustain the product in the market.

**Death Stage**

The product goes out of the market completely. Whereabouts of the products are not found anywhere. The company has to change its marketing strategy by reintroducing the product in the market with innovative ideas which can be called as rebirth of product.

**Reasons of Declining / Death of Product**

Below are the reasons of death of product

1. There is change in technology where old technology stops giving benefits to customers
2. Product is not useful to customers due to availability of competitive products at cheap rate.
3. Pure competition has killed the product.
4. Product goes out completely from the market.

**OBJECTIVES**

There are main objectives which are listed below:
1. To study life cycle of products in Indian market.

2. To find various alternatives if product is obsolescence in the market.

**Following Are Few Examples of Products Which are Part of Our life Few Years Ago and These Are No More in Use. People Found New Alternative as Cheapest Source of the These Products**

**Fax Machines** – Fax machine is a device that sends and receives printed pages or images over telephone lines by digitizing the material with an internal optical scanner and transmitting the information as electronic signals. The era of fax machines is gone and people have found the new age technology as alternative to fax machines. In the past it was one of the requirements while setting up of office. There were many small shops which were having exclusive facility of fax machine. These shops were charging on per page basis for any fax to be made. Over the period, this technology got outdated and fax machines were removed from offices and presently shops are no more having fax sending/receiving facilities. The cheapest alternatives available now days are sending printed papers scanned copies through email and print. While in recent internet world, where “WhatsApp”, “hike”, “We chat” we can send the papers through this new handy technology also.

**Snapshot (Compact) camera** - A snapshot is popularly defined as a photograph that is "shot" spontaneously and quickly taken, most often without artistic or journalistic intent. Snapshots are commonly considered to be technically "imperfect" or amateurish—out of focus or poorly framed or composed. Common snapshot subjects include the events of everyday life, such as birthday parties and other celebrations, sunsets, children playing, group photos, pets, tourist attractions and the like. More than 80 years, people were using snapshot cameras where they have to insert roll and catch the magic moments and later on develop the camera roll mainly for 24 / 36 photographs. Photos were clicked by simple way of clicking the button and whether photos are correct or not will be discovered only after developing the roll. Many times, correct photographs were less and wastage was more.

While in the digital world, snapshot camera with roll to be inserted in the camera is no more cost effective. Digital camera is new alternative where it can store and print only those photos which are taken properly; they can be stored in computers or can be converted into ppts and so on.

**STD / ISD / PCO booth:** Till 2001 in India there were many STD/ISD/PCO booths at every corner of road. That was one of the sources of income for booth owner. It was monopoly of telecom department to use land line phone of BSNL / MTNL. While in 2000, this sector has got the entry of many companies in mobile and landline phones at low cost. Making phone call is no more costly affair but mobile phones at such low cost gave new alternative to consumers, where they need not have to go to booth for making local calls. Availability of new source in telephone area has made redundant telephone booths.

**Bajaj - M50/M80** – Bajaj Auto Limited a manufacturer in two wheeler moped & motor cycle and three wheelers in India was once selling highest no. of M50 and later on M80 with change in engine capacity till year 2001. M50/80 was two stroke engines and it was one of the best selling product of Bajaj Auto Ltd. With the limitation of engine capacity this product was phased out and Bajaj Auto has lost heavy market share in the two wheeler market due to phasing out of M50/80. It was not fulfilling the air pollution norms. Bajaj Auto and other manufacturers did not have any alternative but to phase out vehicles with two stroke engines.

**With gear Scooter** – It has big selling market in two wheeler automobile industry, in India till 2000. People must have seen one family one scooter (Husband, wife and two children). Due to Indian conditions, scooter was coming up with extra wheel and it was easy to replace if working tyre get punctured. After improving road conditions and change in the mind set of users, consumers moved from scooter to motorcycle and manufacturers have to stop the production of geared scooters. Presently scooter has replaced with without gear scooter. Manufactures have done cost savings by
removing of extra wheel from scooter. Geared scooter is phased out due to improved road conditions, change in technology and driving comfort of motor cycles and without gear scooters.

**Heavy weight mobile phones** - About a decade ago, mobile phones were called as bricks. They were heavy and very thick with limited black & white screen. Old mobile phones were having very limited use like making phone call; SMS facility, limited storage space and had low end power back up. These phones are replaced by slick, light weight device.

With advancement in technology, mobile phone is no more phone but a multi-functional device. Nobody has predicted that such small device can change the life of people. All smart phones are now with low weight, high battery back up and multiple uses. Life of old heavy weight phone has came to end and product took rebirth in the form of smart phones.

**Black landline phones having dialing facility** – Till LPG movement reached to the highest point, people were using black phone set to make phone calls. These telephone sets had gone and new smart push button phones took their place. The new push button phones are more accurate dialing and numbers are visible while making phone calls. These are new electronic phone sets took the place of black dialing phone sets and people have forgotten the old memory of black landline dialing phones.

**Washing Machines** - A washing machine is a machine used to wash laundry, such as clothing and sheets. The term is mostly applied to machines that use water as against to dry cleaning (which uses alternative cleaning fluids, and is performed by specialist businesses) or ultrasonic cleaners. In the initial phase of washing machines, it was front loading machine with high RPM level and it used to make lot of noise for drying cloths. As if it was like there is earthquake. Front loading washing machines are ruled on the mind of consumers for many years. Manufacturers in the later period introduced top loading machines as a matter of convenience, but still these washing machines were also making big noise while drying clothes.

In the recent technology, new birth is given to washing machines where they do not make any noise. These are very high effective energy saving device and it consumes less water. In case of washing machines, product was not dead but it revamped due to advancement in technology.

**CRT monitor computer** - The CRT monitor is the older, larger, and heavier version of the LCD monitors that are seen presently. A CRT monitor is a bowl-shaped screen made up of a glass envelope containing an electronic gun and a fluorescent screen that emits light when the gun releases electrons. CRT stands for "Cathode Ray Tube." CRT is the technology used in traditional computer monitors and televisions. CRT monitors were occupying more space and it was old technology. LCD / LED are new technology introduced in TV screen where it occupies less space and more clarity in pictures. Liquid-crystal-display televisions (LCD TV) are television sets that use LCD display technology to produce images. LCD televisions are thinner and lighter than cathode ray tube (CRTs) of similar display size, and are available in larger sizes.

**Computer floppy** - The floppy disk (or a 3½ floppy for today's standard) is a removable magnetic storage medium. Floppy disks are used for transferring information from computers, to laptops or to other devices. Some early digital cameras, electronic music instruments and older computer game consoles were used using floppy disks. Floppy disks are inserted in to a floppy disk drive or simply floppy drive to allow data to read or stored.

Floppy disks store less data than a CD-ROM disk or USB flash drive. A normal 3½ inch disk can store 1.44 megabytes of data. This is usually enough for simple text documents.

A special type of floppy disk was made in the late 1980s. It could store 2.88 MB of data. They were not popular. Larger size floppy disks were available in the 1990s. The two most popular were the Zip drive and the Jazz drive, both made by Lomega.

Floppy disk technology has been around since the early 1970s (the 8-inch floppy was the first). Today, floppy disks have been replaced by other storage media, like USB flash drives and CD’s.
Below is the table indicating product used in the era and these are either thrown out of the market or replaced by new product. There is high possibility that a new technology will emerge & replace the existing product also.

<table>
<thead>
<tr>
<th>Sr.</th>
<th>Old product</th>
<th>Whether rebirth or Death of product?</th>
<th>Alternative to old Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fax Machines</td>
<td>Death of product</td>
<td>Sending pages thru scanners</td>
</tr>
<tr>
<td>2</td>
<td>Snapshot camera</td>
<td>Death of product</td>
<td>Digital Camera / Cam cord Camera</td>
</tr>
<tr>
<td>3</td>
<td>STD / ISD / PCO booth</td>
<td>Death of product</td>
<td>Low cost mobile</td>
</tr>
<tr>
<td>4</td>
<td>Bajaj M50/ M80 moped</td>
<td>Death of product</td>
<td>Motor cycle</td>
</tr>
<tr>
<td>5</td>
<td>With gear Scooter</td>
<td>Rebirth of product</td>
<td>Auto gear scooter</td>
</tr>
<tr>
<td>6</td>
<td>Heavy weight mobile phones</td>
<td>Rebirth of product</td>
<td>Light weight smart phones</td>
</tr>
<tr>
<td>7</td>
<td>Black landline phones</td>
<td>Death of product</td>
<td>Push button electronic phone</td>
</tr>
<tr>
<td>8</td>
<td>Washing machines</td>
<td>Rebirth of product</td>
<td>Front loading / Top loading with less noise while drying of cloths</td>
</tr>
<tr>
<td>9</td>
<td>CRT monitor</td>
<td>Rebirth of product</td>
<td>LCD / LED flat screen</td>
</tr>
<tr>
<td>10</td>
<td>Computer floppy</td>
<td>Death of product</td>
<td>USB / CD / DCD</td>
</tr>
<tr>
<td>11</td>
<td>Kinetic Luna / TVS-50</td>
<td>Death of product</td>
<td>Auto gear scooter</td>
</tr>
<tr>
<td>12</td>
<td>Fountain Pen</td>
<td>Death of product</td>
<td>Gel pen</td>
</tr>
<tr>
<td>13</td>
<td>Office Brief case</td>
<td>Death of product</td>
<td>Back pack bag with high quality fabric</td>
</tr>
<tr>
<td>14</td>
<td>Maruti 800</td>
<td>Death of product</td>
<td>Maruti Alto / Hyndai EON / RenaultKwid</td>
</tr>
<tr>
<td>15</td>
<td>Wooden box for packing</td>
<td>Limited use, not come to death</td>
<td>Corrugated boxes</td>
</tr>
<tr>
<td>16</td>
<td>Corrugated boxes</td>
<td>Limited use, not come to death</td>
<td>High quality repetitive use plastic / fiber packing boxes</td>
</tr>
<tr>
<td>17</td>
<td>Alarming clock</td>
<td>Death of product</td>
<td>Smart phones</td>
</tr>
<tr>
<td>18</td>
<td>Tape-recorder cassette</td>
<td>Death of product</td>
<td>USB / CD / DVD</td>
</tr>
<tr>
<td>19</td>
<td>Typewriter</td>
<td>Death of product</td>
<td>Desktop computer</td>
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</tbody>
</table>

CONCLUSION

In competitive markets a business must constantly adapt its marketing strategies to stay ahead of its competitors. A key aspect of this is the need to design and develop products that meet customer needs whilst delivering profits. The understanding of the product life cycle and particularly extension strategies, based on adding value through product development and competitive pricing, has kept focus by all manufacturers. Very few products follow the same product life cycle. Many products don’t even make it through all four stages. Some even bypass stages and directly go in to last stage. There is no set way to go for PLC. Therefore every product requires a great deal of research and close supervision throughout its life.

REFERENCES


