Product life cycle strategies in emerging markets a case study from Pakistan

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Extended Abstract

Product life cycle (PLC) is the categorization of a product in various phases from its introduction to growth to maturity and eventual decline (Wood, 1990). These stages establish the relevance of a product's importance in the consumer world (Davis, 2008). It is an extensive process and refers to the life of a product in the business market with respect to sales strategies, costs and investments. Product life cycles need the expertise of many different divisions or managers of a business concern (Cox, 1967). The objectives in terms of competition, promotion, strategy, product, distribution and pricing will change for various levels of the product life cycle (Davis, 2008). However, whatever the stage of the PLC, customized strategies have to be formulated in all areas from product development to distribution enhancement (Birou, Fawcett, and Magnan, 1997), (Sudarsan, Fenves, Sriram, and Wang, 2005).

Analysis of trends of the product life cycle model is used to direct the emphasis of the marketing activities during each stage of the cycle. Most of the trends are the same in respect of the focus of marketing efforts, although they change as to the number and names of the stages (Davis, 2008).

Currently, there are a large number of consumer goods companies offering a variety of products in Pakistan. While some research has been conducted on Market orientation in Pakistani companies (Ahmad, 2011), there is limited research work available on the PLC with specific reference to Pakistani companies. Limited research work on marketing strategies for stages of the PLC is also available with respect to some sectors of the Indian market (Mohan and Krishnaswamy, 2006).

With the above context in mind, a detailed literature review has been conducted for the purpose of this thesis. This review takes an in depth look into the characteristics of various stages and how each stage can be identified. More importantly, the literature review also identifies the internal contributors (independent variables) for each stage of the PLC. These contributors are the causes or factors (internal to the organization) which have an impact on the stage of the product in the PLC (Hindle, 2008). The identified independent variables are consistent product quality, conducting effective marketing campaigns, continuous product differentiation and ensuring distribution/availability.

The direction of relation between the independent variables and the dependent variable (stage of PLC) has also been established in the literature review. Further, the literature also indicates the various strategies for stages of the product life cycle.

Based on the literature review, a primary research has been conducted through direct face to face interviews with corporate managers in consumer goods companies. A formal questionnaire was developed, based on the information needs of this research.
The type of this study is Hypothesis testing as it explains the nature of relationship, establishes the difference among groups and sees the strength between the dependent and independent variables. Overall, the model is a Field study (non contrived + minimal interference).

Non-probability sampling was used as the managers belong to consumer goods companies only. Here, factors of time and cost were also critical. This was a Purposive sampling technique whereby the researcher used judgement sampling to select the most relevant companies and respondents, pertaining to the problem area of research. The sample size is 106 different managers from 31 different companies.

This is a one-shot, cross-sectional study as data was collected from different respondents, only once. The entire study was completed in a time period of one year. The research findings determine if there is a significant relationship between identified internal contributors for different stages of the PLC and actual stage of the product in the PLC. This has been done through multiple regression analysis. The findings also present the strategies for various stages of the PLC and study their level of importance which will prove useful for academicians, researchers as well as decision makers in the practical field.

This study is the first one conducted on this topic in Pakistan. It presents a practical implementation of the Product Life cycle (PLC) concept in Pakistan and explains how brands/products are performing in the current scenario. This study shall help managers to understand the reasons for performance or non-performance of their products in the consumer market. Further, it will serve as a useful guideline to the industry practitioners on how to improve the success of their products and sustain growth in the market for a longer period of time.

From the research end, this study shall open opportunities for scholars and academicians to conduct further research studies in this area. For example, the study can be replicated for industrial products or business to business modes of operation. Similarly, an analysis of relation between external contributors and stage of the PLC can also be added.