Volume No:2, Issue No:5 (May-2017) ISSN No : 2455–7595 (Online)
International Journal of Research in Management Studies
A Peer Reviewed Open Access International Journal
www.ijrms

Product Life Cycle in Mobile Sector: A Comparative Analysis on Nokia and Samsung

Gedela Rakesh Varma
Research Scholar,
Department of Commerce and Management Studies,
Andhra University, Visakhapatnam-530003.

Prof.Jaladi Ravi
Professor,
Department of Commerce and Management Studies,
Andhra University, Visakhapatnam-530003.

Abstract:
The Indian mobile industry is the fastest expanding in the world and India carries on to add more mobile communications every month than any additional country in the world. The telecom boom in the country provides great opportunity to handset manufacturers and the hottest segment for these producers is the entry level segment .Among the fastest expanding sectors in the country, telecom has been zooming up the growth curve at a fiery pace. The last few years saw India adding many firsts to its list of achievements. Some of these are -the world's very low call rates , fastest growth in the number of subscribers (15-20 million per month), fastest sale of a million mobile phones, the world's cheapest mobile mobile phone , and the world's most economical 3G phone The product life cycle is a significant concept in marketing. It describes the stages a product passes through from when it was first thought of until it finally is removed from the market. Not every products attain this ultimate cycle. Some continuously grow up while others rise and fall.in this paper we compare product life cycle of nokia and Samsung.

Key Words:
Mobile industry, product life cycle, marketing.

Preface:
Nowadays mobile phones have moved beyond their primary task of voice communications and have graduated to become an important entertaining device for mobile users.

We are in an era where users buy mobile phones not just to get into touch, today‘s youth apply it to exhibit their thoughts, for social networking, to display their interests, play games, read news, browse on the internet, listen to music, chat immediately with friends & families and even check their bank balances. There are numerous mobile manufacturers providing handsets The market in India is dominated by mobile. For mobile we certainly have 840 million plus customers unlike many other markets, mobile is becoming the prominent device for voice, for value -added services, and significantly for mobile Internet also. It‘s somewhat similar to what exactly we observed in Japan in 1999 where, because of the limitation of broadband and computing. There‘s an entire host of services becoming created around mobile phone.

An effective managing mobile services requires an understanding of the factors that underlie the evolution of the market. Factors such as market potentiality and timing and speed of adoption are of great importance for telecom operators for capacity planning. Underst anding the evolution of mobile marketplace and its most likely future trend is equally essential for policy makers. .Among the fastest expanding sectors in the country, telecom has been zooming up the growth curve at a fiery pace. The last few years saw India adding many firsts to its list of achievements. Some of these are -the world's very low call rates , fastest growth in the number of subscribers (15-20 million per month), fastest sale of a million mobile phones, the world's cheapest mobile mobile phone , and the world's most economical 3G phone.

Volume No:2, Issue No:5 (May-2017) ISSN No : 2455–7595 (Online)
International Journal of Research in Management Studies
A Peer Reviewed Open Access International Journal
www.ijrms

The product life cycle is a significant concept in marketing. It describes the stages a product passes through from when it was first thought of until it finally is removed from the market. Not every products attain this ultimate cycle. Some continuously grow up while others rise and fall.product life cycle consists of mainly four stages 1)introduction 2) growth 3) maturity 4) decline.

Review of Literature:

A company"s differentiating and positioning strategy must change as the product market and competitors change overtime. Most Product Life Cycle curves are portrayed as bell-shaped. This curve is typically divided into four stages: introduction. Growth, maturity and decline (Wassen, 1978). A product has a Life cycle is to assert four things. Products have a limited Life; Product sales pass through distinct stages, each posing different challenges, opportunities and problems to the seller; profits rise and fall at different stages of the PLC; and products require different marketing, financial, manufacturing, purchasing and human resource strategies in each stage of their life cycle. (Kotler, 2000) According to Johansson (1997) in the typical marketing illustration, the product Life Cycle follows as S curve, with the growth period corresponding to where the S has its steepest ascent.

This is when a new product is often introduced in foreign markets to capture first mover advantages The PLC is a conceptual tool which provides a means of describing the sales patterns of products be they goods or service products, over their time in the market (Meldrum and Mc Donald, 1995) Researchers have identified from six to seventeen different PLC patterns. Three common alternative patterns of PLC are agrowth –slump maturity pattern often characteristic of small kitchen appliances, the cycle recycle pattern describes the sales of new drugs and the scalloped pattern especially for new product characteristics, uses or users.

The PLC concept can be used to analyze a product category, a product form a product or a brand (William, 1967). The PLC concept is best used to interpret product and market dynamics. As a planning tool the PLC concept help managers characterize the main marketing challenges in each stage of a product"s life and develop major alternative marketing strategies (Kotler, 2000) Wasson (1978) believes that fashions end because they represent a purchase compromise and consumers start looking for missing attributes. In Launching new products a company can pursue one of four strategies –Rapid Skimming,slow skimming Rapid penetration and slow penetration. In the growth stage a rapid climb in sales could be observed. Early adopters like the product and additional consumers start buying it. New competitors enter, attracted by the opportunities. They introduce new product features and expand distribution.

The maturity stage normally lasts longer than the previous stages and poses formidable challenges to marketing management. The maturity stage divides into three phases growth, stable, and decaying maturity. In this stage some companies abandon weaker products and on new products.Finally the decline might be slow as in the case of oatmeal; or rapid as in the case of the Edsel automobile. Sales may plunge in zero or they may petrify at a low level. Unfortunately most companies have not developed a well thought out policy for handling their aging products, (Alexander, 1964) Smith.(1994) suggests the life of your product or service changes as market s change, and customers" needs change over time, or new alternatives come on to the market meeting customer needs. It also suggests that any given product or service is likely to proceed through a number of stages in its life from birth to death.According to Dwyer and Tanner (1999) products have been likened to living organisms. They are introduced to the market or have a birth. Then they grow (n sales) mature and at some point die out.

Volume No:2, Issue No:5 (May-2017) ISSN No : 2455–7595 (Online)
International Journal of Research in Management Studies
A Peer Reviewed Open Access International Journal
www.ijrms

This cycle of development, introduction, growth maturity and declinein sales is called the PLC.

Need for the Study:

The nokia and samsung played an important role in indian mobile market so this paper discuss about the product life cycle compartive analysis of Nokia and Samsung.

Objective: The main objective of this paper is to study the product life cycle of Nokia and Samsung

Methodology: This paper mainly based on secondary data. The articles which are published on the Nokia and Samsung and from website of samsung and nokia
Marketing Strategies of Nokia
1.Focused on handset manufacture only
2.Enhanced product portfolio
3.Large distribution channels
4.Adjust preferences for specific markets
5.Customer satisfaction
6.Focused on replacement (Recycling) MARKETING

STRATEGIES OF NOKIA
INTRODUCTION STAGE (1995 – 2002) NOKIA 2110

1. Entered India in 1995 Launched very few models due to lesser demand & innovation . Sold both GSM & CDMA phones . Launched 1st model Nokia 2110 with Nokia tune. 2110 was 1st model capable of sending/receiving sms.Competed with the then market leader 'Motorola Followed 'Price Skimming' strategy. Launched Nokia 2110 at Rs. 22000 (approx.).Launched phones in the range of Rs. 15000 to 25000

PRICE
GROWTH STAGE (2002 – 2009)

Launched phones without external antenna Had better features like games, alarm, ergonomic keypad, display etc. Models like Nokia 3310/3315 marked beginning of growth stage Launched models like N95 to compete with Apple's i-phone PRODUCT a PRICE a 1. Followed 'Price skimming' strategy in beginning of 'growth stage' 2. Launch price of 3310 was approx. Rs. 21000/- 3. As profits & popularity increased prices were slashed to Rs. 5000/- in 2003 for popular models like 3310 4. Later-on in coming years, Nokia adopted 'Price penetration' strategy.

MATURITY STAGE (2009 – 2011)

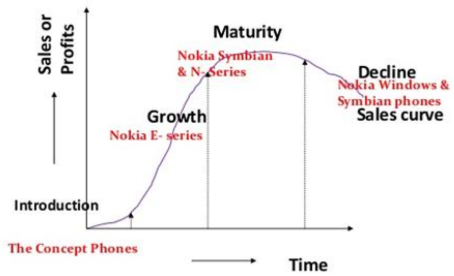
Launched a lot of touch screen models Dropped Mobile Prices. Launched Qwerty+touch model N-97 Most Profit Gained.

DECLINE STAGE (2011-)

Nokia's poor product design which did not attract consumers. Shifted focus on Windows as its main OS Strong Dependence on brand equity. Changing technological Environment.

PRODUCT LIFE CYCLE OF NOKIA

Stages	Time Duration
Introduction	1995 - 2002
Growth	2002 - 2009
Maturity	2009 - 2011
Decline	2011 to till now



SAMSUNG PRODUCT LIFE CYCLE
INTRODUCTION STAGE (2001 – 2006) SAMSUNG R220

Entered India in 2001 . Launched very few models due to lesser demand & innovation . Launched 1st model Samsung R220 with Simple blue display.Competed with the then market leader 'Motorola' and Nokia.

GROWTH STAGE (2006 – 2011)

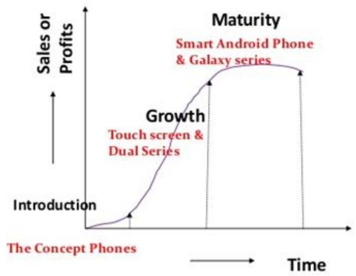
Launched phones without external antenna Had better features like games, alarm, ergonomic keypad, color

Volume No:2, Issue No:5 (May-2017) ISSN No : 2455–7595 (Online)
International Journal of Research in Management Studies
A Peer Reviewed Open Access International Journal
www.ijrms

display etc. Wide range of simple or Dual sim mobile marked beginning of growth stage (GURU) Launched wide range of touch screen mobile phones to compete nokia PRODUCT PRICE a . Followed 'Price penetration' strategy in beginning of 'growth stage' . Launch simple mobiles with price of Rs. 2000 – 4000 . Touch screen (9000 – 22000) pre-paid connections(Idea,airtel,vdafone) were given free with select any samsung models . Gifts (kitchen ware). .Dealers & retailers got a large amount of 'backend profit' to increase the sales & drive growth, PROMOTION a . TVC, Sales promotion , Print media Launched Smart phones with android Galaxy series Launched Windows phones to compete Nokia Windows mobile Focussed on Galaxy S series phones to compete with All the competitors PRODUCT Followed 'Price penetration' strategy to sustain growing competition Launched models ranging from Rs. 6000 to Rs. 60000 Frequently reduced prices of popular & low end models to compete with Micromax, Sony, LG, etc. PRICE PROMOTION 1. Special Offers on Credit card payment for above price of Rs. 20000 2. TVC for Galaxy Series 3. Discount Coupons 4. Print Media (Business Magazines).

PRODUCT LIFE CYCLE OF SAMSUNG

Stages	Time Duration
Introduction	2001 - 2006
Growth	2006 - 2011
Maturity	2011 – till now



Conclusion:

In the compartive analysis of the both products Nokia's poor product design which did not attract consumers. Shifted focus on Windows as its main OS Strong Dependence on brand equity.

Changing technological Environment where as Samsung had adopted TVC, Sales promotion , Print media Launched Smart phones with android Galaxy series Launched Windows phones to compete Nokia Windows mobile Focussed on Galaxy S series phones to compete with All the competitors PRODUCT Followed 'Price penetration' strategy to sustain growing competition Launched models ranging from Rs. 6000 to Rs. 60000 Frequently reduced prices of popular & low end models to compete with Micromax, Sony, LG, etc. PRICE PROMOTION . Special Offers on Credit card payment for above price of Rs. 20000 2. TVC for Galaxy Series . Discount Coupons . Print Media (Business Magazines).to sustain in market by Changing with technological Environment.

References:

Alting, L. (1993). Life -cycle design of products: a new opportunity for manufacturing enterprises. In A. Kusiak (Ed.),

Concurrent Engineering: Automation, Tools,and Techniques (pp. 1-17). New York: Wiley.

Alting, L. (1995). Life Cycle Engineering and Design. CIRP Annals -Manufacturing Technology, 44(2), 569-580.

Ameri, F., & Dutta, D. (2005). Product lifecycle management: closing the knowledge loops. Computer -Aided Design & Applications,

Asiedu, Y., & Gu, P. (1998). Product life cycle cost analysis: state of the art review. International Journal of Production Research, 36

(4), 883-908.

Bellmann, K., & Khare, A. (2000). Economic issues in recycling end -of -life vehicles. Technovation, 20(12), 677-690.

Bennett, R. C., & Cooper, R. G. (1984). The Product Life Cycle Trap. Business Horizons, 27(5),

7.Cao, H., Folan, P., Masocolo, J., & Browne, J. (2007). RFID in product lifecycle management: a case in the automotive industry. International Journal of Computer Integrated Manufacturing, In Press, Corrected Proof

Volume No:2, Issue No:5 (May-2017) ISSN No : 2455-7595 (Online)
International Journal of Research in Management Studies
A Peer Reviewed Open Access International Journal
www.ijrms

Kriwet, A., Zussman, E., & Seliger, G. (1995). Systematic integration of design -for -recycling into product design.
International Journal of Production Economics, 38 (1), 15-22.
Lee, C. K. M., Ho, G. T . S., Lau, H. C. W., & Yu, K. M. (2006). A dynamic information schema for supporting product lifecycle management Expert Systems with Applications, 31(1), 30 -40.
Levitt, T. (1965). EXPLOIT the Product Life Cycle. Harvard Business Review, 43(6), 81-94.Parlikad, A. K., McFarlane, D., Fleisch, E., & Gross, S. (2003). The Role of Product Identity in End -of -Life Decision Making [Electronic Version].Auto -ID Center White Paper from http://www.autoidlabs.org/single -view/dir/article/6/149/page.html.
Patton, A. (1959). Stretch your products' earning years. Management Review , 38(June), 67-79.
Polli, R., & Cook, V. (1969). VALIDITY OF THE PRODUCT LIFE CYCLE. Journal of Business, 42(4),385-400.
Potts, G. W. (1988). Exploit your product's service life cycle. Harvard Business Review ,September -October, 32-36.
Rink, D. R., Roden, D. M., & Fox, H. W. (1999). Financial management and planning with the product life cycle concept.
Business Horizons , September-October, 65-72.
Rose, C. M., Ishii, K., & Stevels, A. (2002). Influencing Design to Improve Product End-of-LifeStage Research in Engineering Design, 13(2), 83-93.
Thierry, M., Salomon, M., Van Nunen, J. and Van Wassenhove, L., Strategic issues in product recovery management. California Management Review , 1995, 37 (2), 114.
Thoben, K., Eschenbacher, J., & Jagdev, H. (2001). Extended Products: Evolving Traditional Product Concepts. Proc. 7th Inter. Conf. on Concurrent Enterprising , 27-29 June,Bremen, Germany.
Vernon, R. (1966). International investment and international trade in the product cycle. Quarterly Journal of Economics , 80(2), 190- 207.
Westkaemper, E., Alting, L., & Arndt, G. (2001a). Life cycle management and assessment: approaches and visions towards sustainable manufacturing. Proceedings of the Institution of Mechanical Engineers Part B, 215(5), 599-626.
Westkaemper, E., Niemann, J., & Dauensteiner, A. (2001b). Economic and ecological aspects in product life cycle evaluation.
Proceedings of the Institution of Mechanical Engineers Part B, 215(5), 673-681.
Wood, L. (1990). The End of the Product Life Cycle? Education Says Goodbye to an Old Friend. Journal of Marketing Management, 6(2), 145-155.
https://www.slideshare.net/mrasadiya/plc-analysis-of-nokia-and-samsung