

# I love Shopping

1. Communication concepts and services of shopping processes: off-/online
2. Life cycle of a product
3. Fashion in the past - present - future
4. Alternative concepts

# I Love Shopping Analysis

## Thema 2 - Productlifecycle

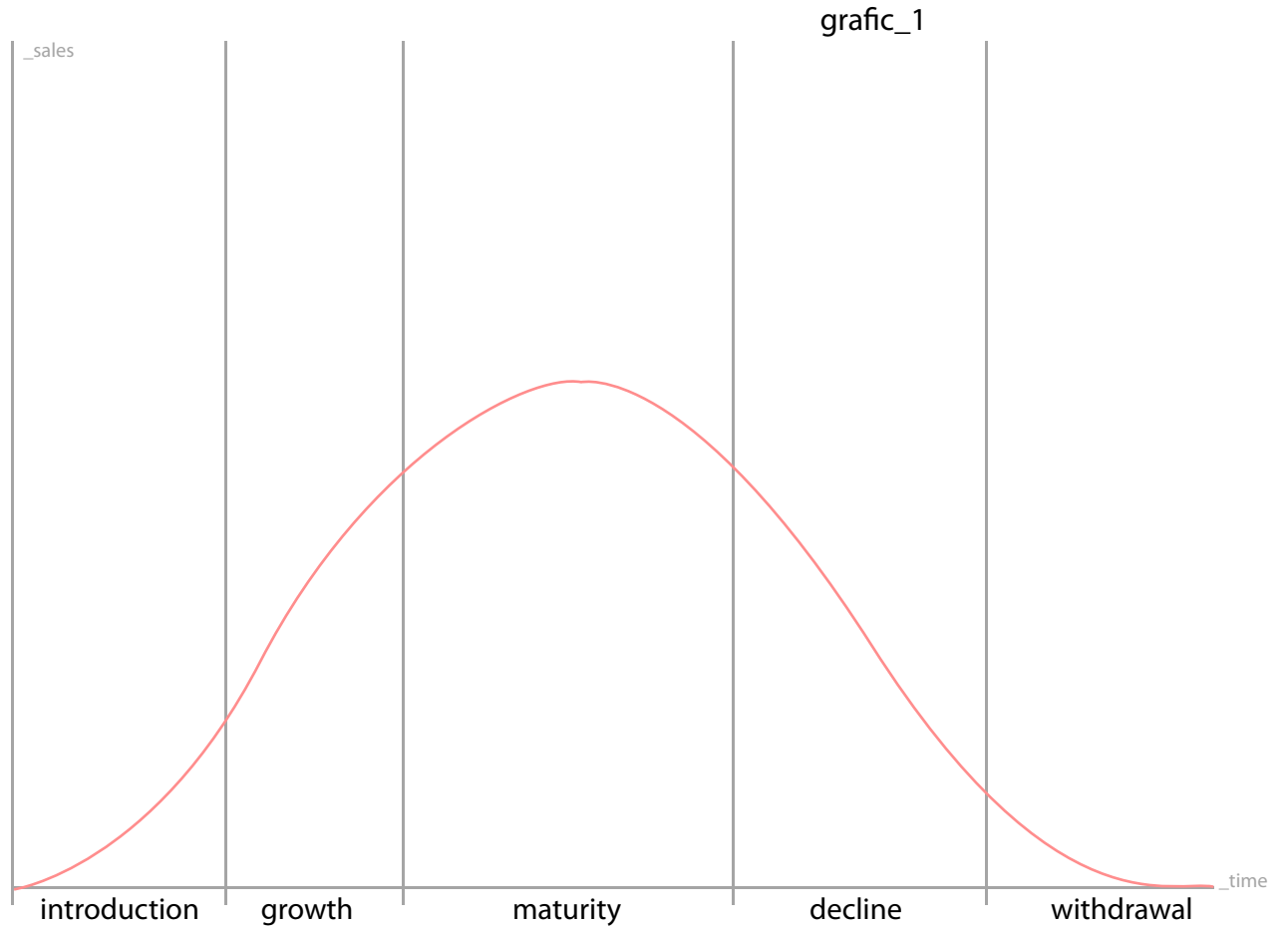
# I love shopping - Productlifecycle

## overview

.Productlifecycle is a business administration concept and describes the process between the launch (or final manufacturing) of a merchantable Product and its removal from the market.

Therefore the lifespan of a product is divided in several phases:

- introduction
- growth
- maturity
- declining
- withdrawal



# I love shopping - Productlifecycle definition

The Product Life Cycle (PLC) is based on a biological life cycle. For example, a seed is planted (introduction); it begins to sprout (growth); it shoots out leaves and puts down roots as it becomes an adult (maturity); after a long period as an adult the plant begins to shrink and die out (decline).

In theory it's the same for a product. After a period of development it is introduced or launched into the market; it gains more and more customers as it grows; eventually the market stabilises and the product becomes mature; then after a period of time the product will be overtaken by development and the introduction of superior competitors, it goes into decline and is eventually withdrawn.

Sometimes there is a preceding period of time before the Productlifecycle called productdevelopment. You can extend the curve in „grafic\_1“ to the effect that there are no sales being made while there are already costs incurred by developing.

However, most products fail in the introduction phase. Others have very cyclical maturity phases where declines see the product promoted to regain customers.

# I love shopping - Productlifecycle stages



## Introduction (Advertising)

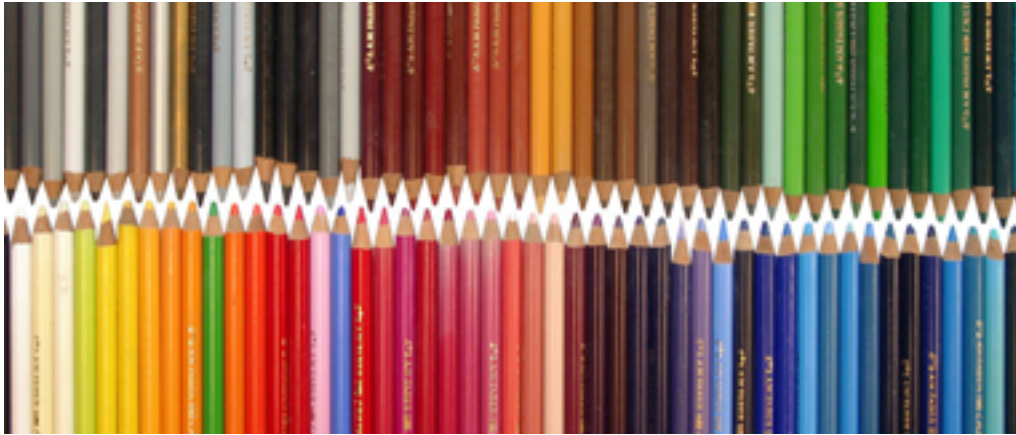
The need for immediate profit is not a pressure. The product is promoted to create awareness. If the product has no or few competitors, a skimming price strategy is employed. Limited numbers of the product are available in few channels of distribution.



## Growth (price & condition politics, competition)

Competitors are attracted into the market with very similar offerings. Products become more profitable and companies form alliances, joint ventures and take each other over. The spend on Advertising are high and focuses upon building a brand. The Market share tends to stabilise.

# I love shopping - Productlifecycle stages



## Maturity (product sustainment, product variations)

Those products that survive the earlier stages tend to spend longest time in this phase. Sales grow at a decreasing rate and stabilises. Producers attempt to differentiate the products; brands are key to this. Price wars and intense competition occur. At this point the market reaches point where it is saturated. The Producer starts to leave the market due to poor margins. Promotion becomes more widespread and uses a greater variety of media.



## Decline

At this point there is a downturn in the market. For example more innovative products are introduced or consumer tastes have changed. There is intense price-cutting and many more products are withdrawn from the market. Profits can be improved by reducing marketing spend and cost cutting.

# I love shopping - Productlifecycle stages



## Withdrawal

In this stage the product retirement takes place and a migration plan for the company products and markets will be established to support customers and partners. It is within this stage of the life cycle that the recycling and final disposal of constituent components has to be addressed. It is of major importance that this stage of the Product Life Cycle has been fully considered during the product development in the introduction stage.

The duration of a complete Productlifecycle is depending on various factors according to the four classic areas of the marketing mix:

- quality, service and innovative abilities of the provider
- price and design of extras
- market communications
- choice of distribution channels

There are also external conditions to be considered:

- economic circumstances
- behaviour of competitors
- investment- and consumer confidence
- restrictions for products

not least the productlifecycles is influenced by strategic decisions by the provider.

# I love shopping - Productlifecycle - designed influences

## Planned obsolescence or built-in obsolescence

is a policy of designing a product with a limited usefull life. After a certain period of time a product will become obsolete, break or be out of an actual trend. Planned Obsolescence will assure the producer to obtain a continuous usage of his product. When a products-life ends, the consumer will either buy a new product of the same producer, gets an replacement or a newer model or even buys a couple of the same items in the first place.

### Example:

Nylon pantyhose are a fashion related example of a previously durable product that has been turned into something that can only be used a few times, discarded, and thus a new item must be purchased. It was during the Second World War when nylon first came into use. Troops were beginning to show their dislike for insubstantial cloth equipment that needed frequent mending and as a result nylon came into use for the parachutes the troops used. During the 1950's nylons were thick and good for frequent and long term use. They were ugly and not stylish, but practical. Over the past few decades they have become more varied in color and yet thinner but only good only for a few times to be worn and then disposed of. There is no way to effectively mend them so new ones must be purchased.

## Style obsolescence

Marketing may be driven primarily by aesthetic design. Product categories in this case display a fashion cycle. By continually introducing new designs, and retargeting or discontinuing others, a manufacturer can „ride the fashion cycle“. Planned style obsolescence occurs when marketers change the styling of products so customers will purchase products more frequently. The style changes are designed to make owners of the old model feel „out of date“. It is also designed to differentiate the product from the competition, thereby reducing the price competition.

Some marketers attempt to initiate fashions or fads. Successfully created fashions or fads include Beanie Babies, Ninja Turtles, Cabbage Patch Kids, pet rocks, acid washjeans, and tank tops. Obsolescence is built into these products in the sense that marketers are aware of the shortness of their product life cycles so they work within that constraint. Another strategy is to take advantage of fashion changes, often called the fashion cycle. The fashion cycle is the repeated introduction, rise, popular culmination, and decline of a style as it progresses through various social strata. Marketers can „ride the fashion cycle“ by changing the mix of products that they direct at various market segments. This is very common in the clothing industry. A certain style of dress will initially be aimed at a very high income segment, then gradually be re-targeted to lower income segments. The fashion cycle can repeat itself, in which case a stylistically obsolete product may regain popularity and cease to be obsolete.



# I love shopping - Productlifecycle in Fashion

The time range of a fashion trend is getting shorter than in the past due to easy access to trend information through advanced media and easy access to fashionable clothing products in stores. The rate of speed means the time it takes to adopt a trend.

## Facts

- Since the 80's, the time it takes to produce a Product from draft to the consumer has been reduced from 90 to 60 days.
- Textiles have become very cheap compared to the average salary. There are often cheap textiles used to suit the high cloth consumption, mostly produced in countries with poor working conditions.
- The classic will maintain its popularity among certain consumers over time. The style changes in a classic are very subtle over a long time period.



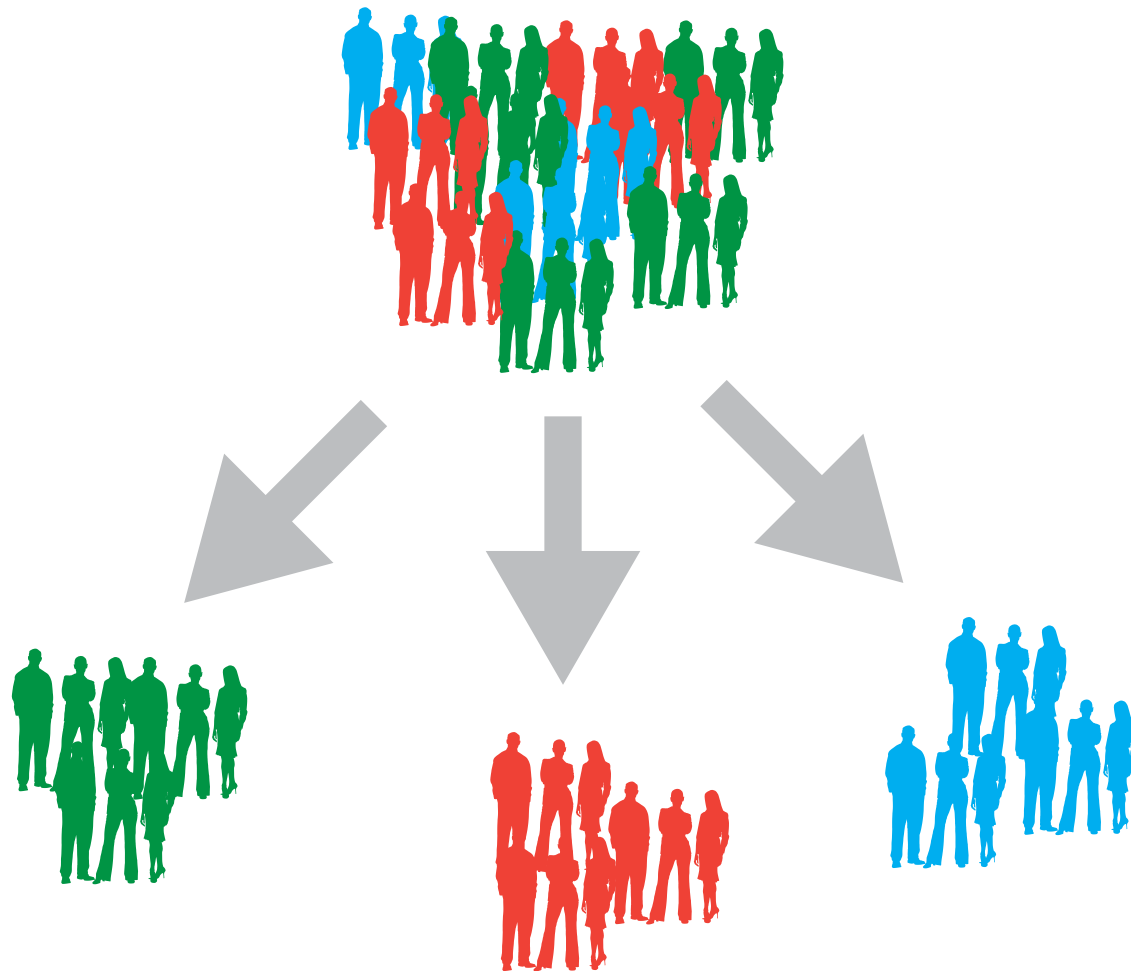
# I love shopping - Product lifecycle in Fashion alternative ending

Recycling/downcycling/upcycling

- Using fabric composed of recycled fibres or products. For example recycled polyester made from used drinking bottles or fabrics made from recycled yarns.
- Recycling textile fabric- ("Upcycling") for example using unwanted factory surpluses, offcuts or materials which would otherwise be thrown away.
- Recycling or customising clothing. taking second hand clothing and re-fashioning or repairing it, so it is given a second life.
- Some fashion businesses use fabric waste generated during the manufacturing process or materials that has been designated as unusable due to minor faults.
- Companies specialise in creating collections from this kind of fabric and refers to this process as 'upcycling' rather than recycling.



# I love shopping - consumer segmentation



consumer types are based on fashion adoption time:

fashion innovators, fashion opinion leaders, innovative communicators, and fashion followers.

Fashion innovators may introduce a fashion trend.

The new style is first adopted among fashion opinion leaders or innovative communicators.

After the trend is confirmed in society, fashion followers adopt the style.

**“This kind of consumer segmentation regarding fashion involvement is generally accepted in the clothing industry!”**

“The acceptance of fashion products can be drawn as a bell shape, which indicates that acceptance grows to a peak and declines to an end over time.” (Donnellan, 1996).

# I love shopping - Productlifecycle in Fashion

In reality very few products follow such a prescriptive cycle. The length of each stage varies. The decisions of marketers can change the stage. Not all products go through each stage. Some go from introduction to decline.

Firms will often try to use extension strategies in order to delay the decline stage of the product life cycle. The maturity stage is a good stage for the company in terms of generating cash. The costs of developing the product and establishing it in the market are paid and it tends to be at a profitable stage. The longer the company can extend this stage the better it will be for them.

New products and services are the lifeblood of all businesses. Investing in their development isn't an optional extra - it is crucial to business growth and profitability. But embarking on the development process is risky. It needs considerable planning and organisation. Identifying where products or services are in their lifecycle is central to your profitability.