

Session 11

Product Life Cycle and Brand Management

Text: Chapters 9, 8



- I. Product Life Cycle**
- II. Packaging**
- III. Product Line Decisions**
- IV. Brand and Brand Management**

I. Product Life Cycle

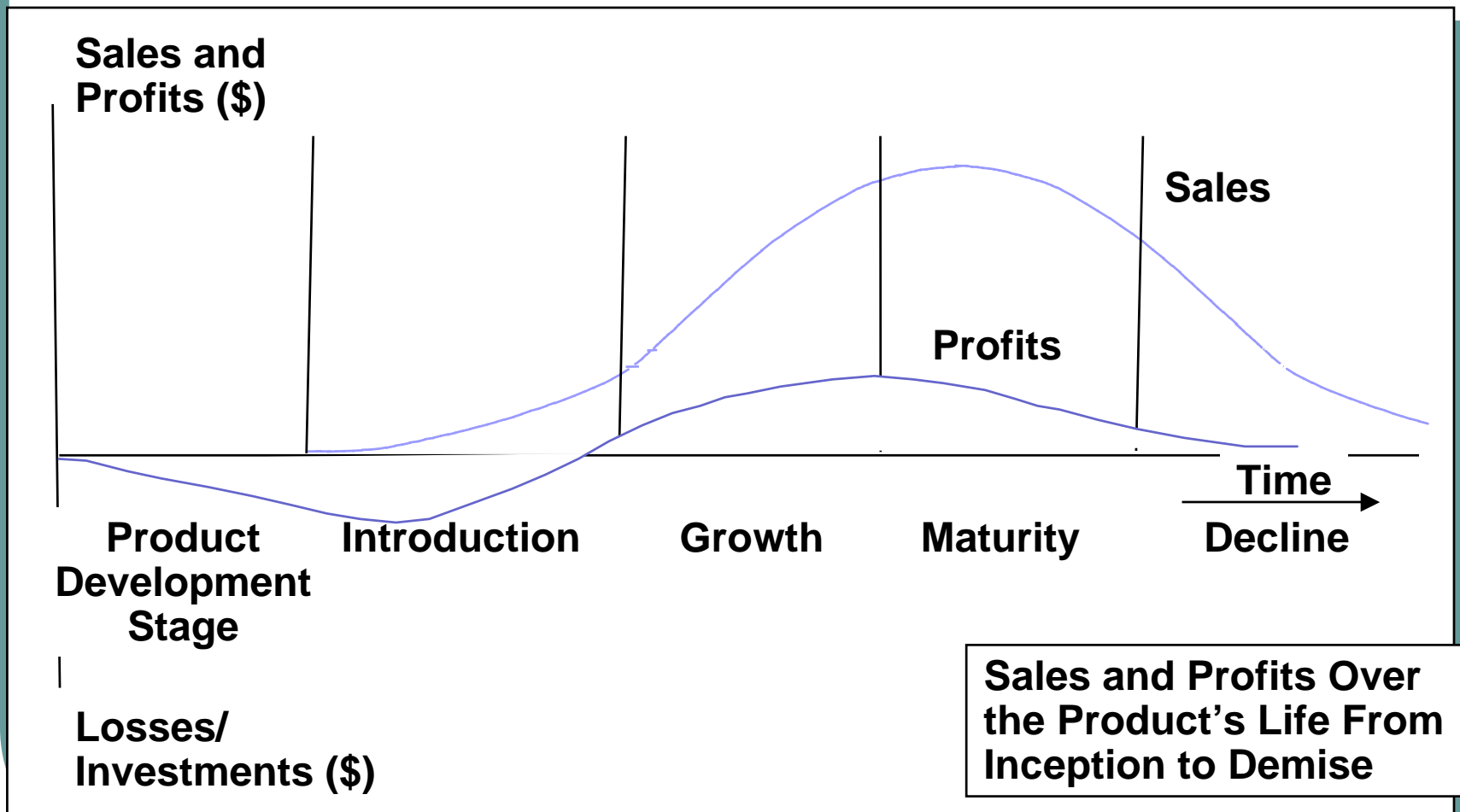
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- 1. Product Life Cycle Model**
- 2. Applications of the Product Life Cycle**
- 3. Characteristics for each stage of PLC**
- 4. Marketing Strategies for Each Stage of PLC**
- 5. Problems Using the PLC**



1. Product Life Cycle Model

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2. Applications of the Product Life Cycle

The PLC applies to the following:

- Product class
- Product form
- Brand
- Style
- Fashion
- Fad



3.Characteristics of each stage of PLC

Stage	Introduction	Growth	Maturity	Decline
Sales	Low	Rapide growth	Slow growth	Decline
Profit	Lose	High	Very high	Decline
Investment	Very high	High	Low	Low
Cost	High	Reduction	Low	Low
Price	High	Getting lower	Lowest	Low
Cash flow	High needs	High needs	Good	Good
Consumers	Innovators	Mass	Mass	Conservatives
Competition	Low	Getting intensive	Intensive	Low
Critical function	Ads.	Production	Marketing	Finance and audit

4. Marketing Strategies for Each Stage of PLC

Strategies	Introduction	Growth	Maturity	Decline
Product	Basic	Extension	Diversity	Less
Price	High	lower	Lowest	Cut
Distribution	Selective	intensive	More intensive	Selective
Advertising	Awareness	interest	Difference	Reduced
Sales promotion	heavy	lighter	Increase	Minimal

5. Problems Using the PLC

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The PLC Concept Can Help in Developing Good Marketing Strategies for Different Stages of the Product Life-Cycle, However Some Problems Can Arise:

Trouble identifying Which Stage of the PLC the Product Is In

Difficult to Forecast the Sales Level, the Length of Each Stage, and Shape of the PLC

Strategy is Both a Cause and a Result of the Product's Life Cycle



➤ **Packaging**

Immediate, Secondary, Shipping

➤ **Labeling**

Identifies, Describes, Promotes



對外經濟貿易大學
University of International Business and Economics

國際商學院 市場營銷學系

IV. Brand Management

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- 1. Brand Equity Analysis**
- 2. Product Representativity within a brand**
- 3. Relationship of Brand and Product**
- 4. Brand Equity Analysis and Brand Building**
- 5. Major Brand Decisions**
- 6. Brand Strategy**



➤ Levels of Brand Meaning

Attributes, Benefits, Value, Personality

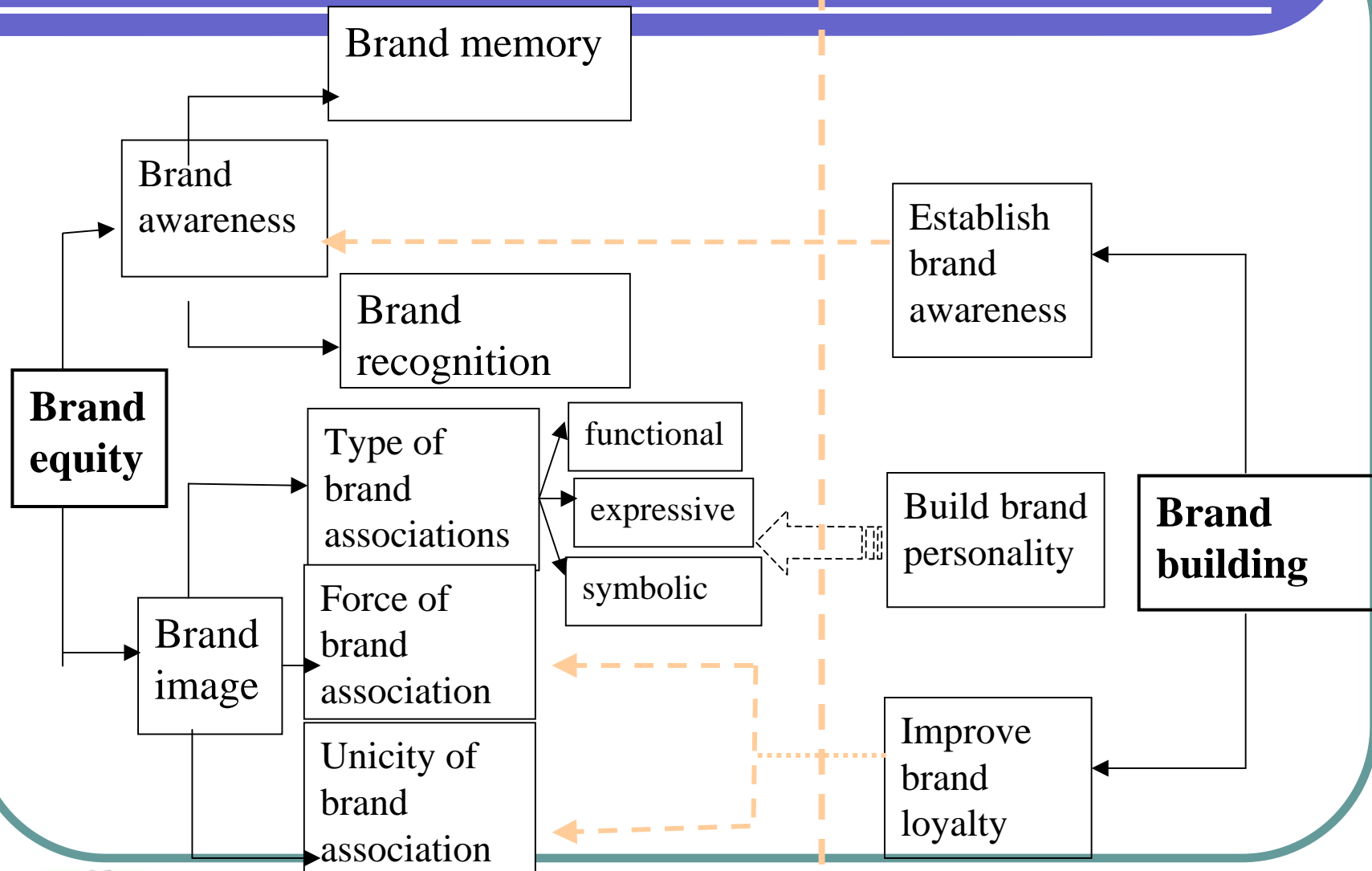
➤ Brand Equity

Awareness, Preference, Loyalty, Portfolios



1. Brand Equity Analysis

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2. Product Representativity within a brand

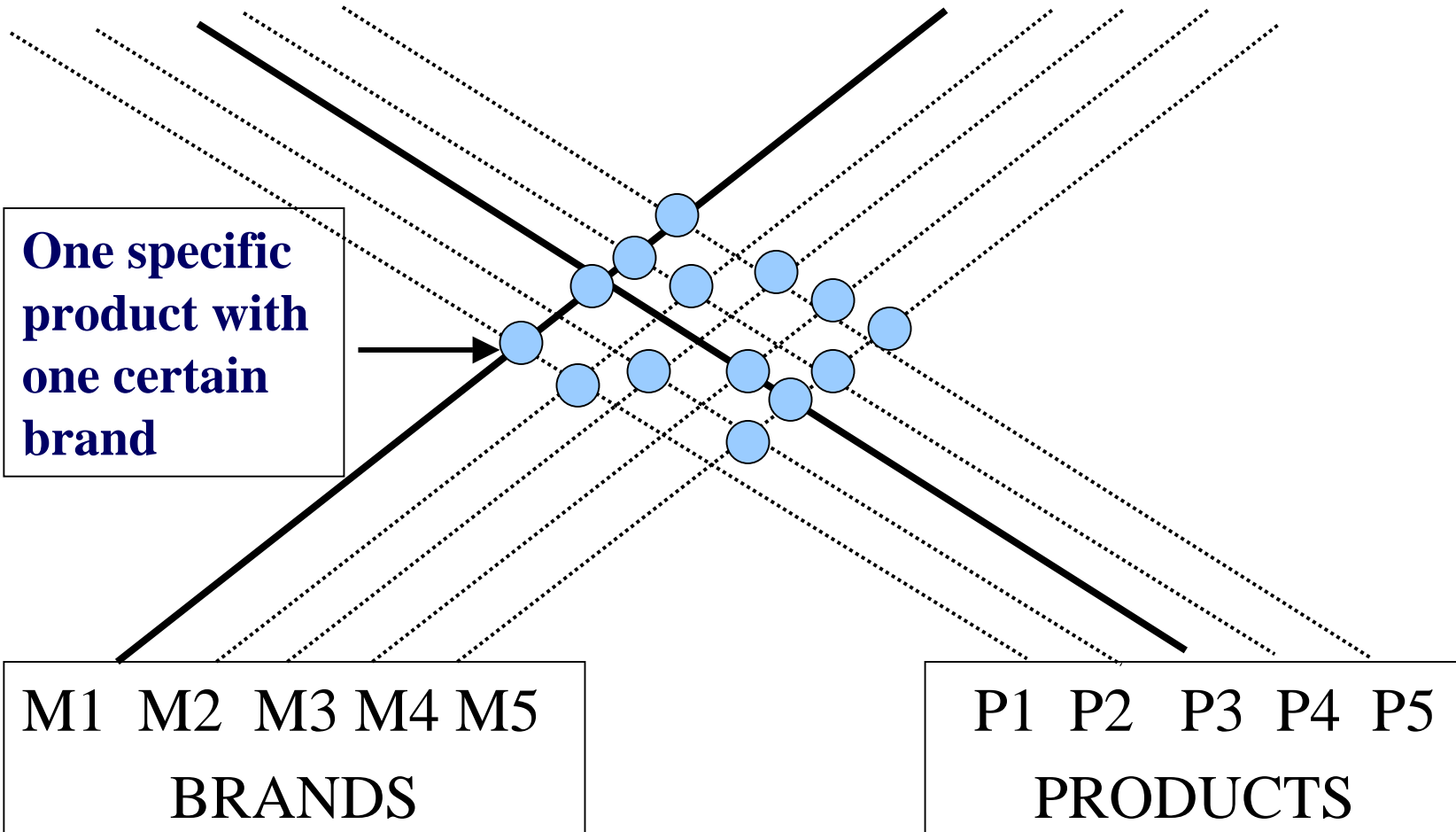


1. Refrigerator
2. Wash Machine
3. Air Conditioner
4. Television
5. Computer

3. Relationship of Brand and Product

**Competitive brands within
the same product category**

**Brand coverage of different
product categories**



4. Brand Equity Analysis & Brand Building

Concepts:

BRAND:

- some name, term, or symbol to identify and distinguish market offerings from different suppliers.
- more than a name, it becomes a brand only when it is linked with some specific benefits.

These benefits can be:

- functional**
- expressive**
- symbolic**

- **It means all of the associations that Consumers hold with a specific brand.**
- ***Because of these associations, brand becomes valuable to company. That means it becomes brand equity.***

1. *The marketing output uniquely due to the brand (Keller, 1993);*
2. *The volume of cash-flow that results from the commercialization of one product or service with brand compared with that same product or service without brand (Guillaume, 1993)*

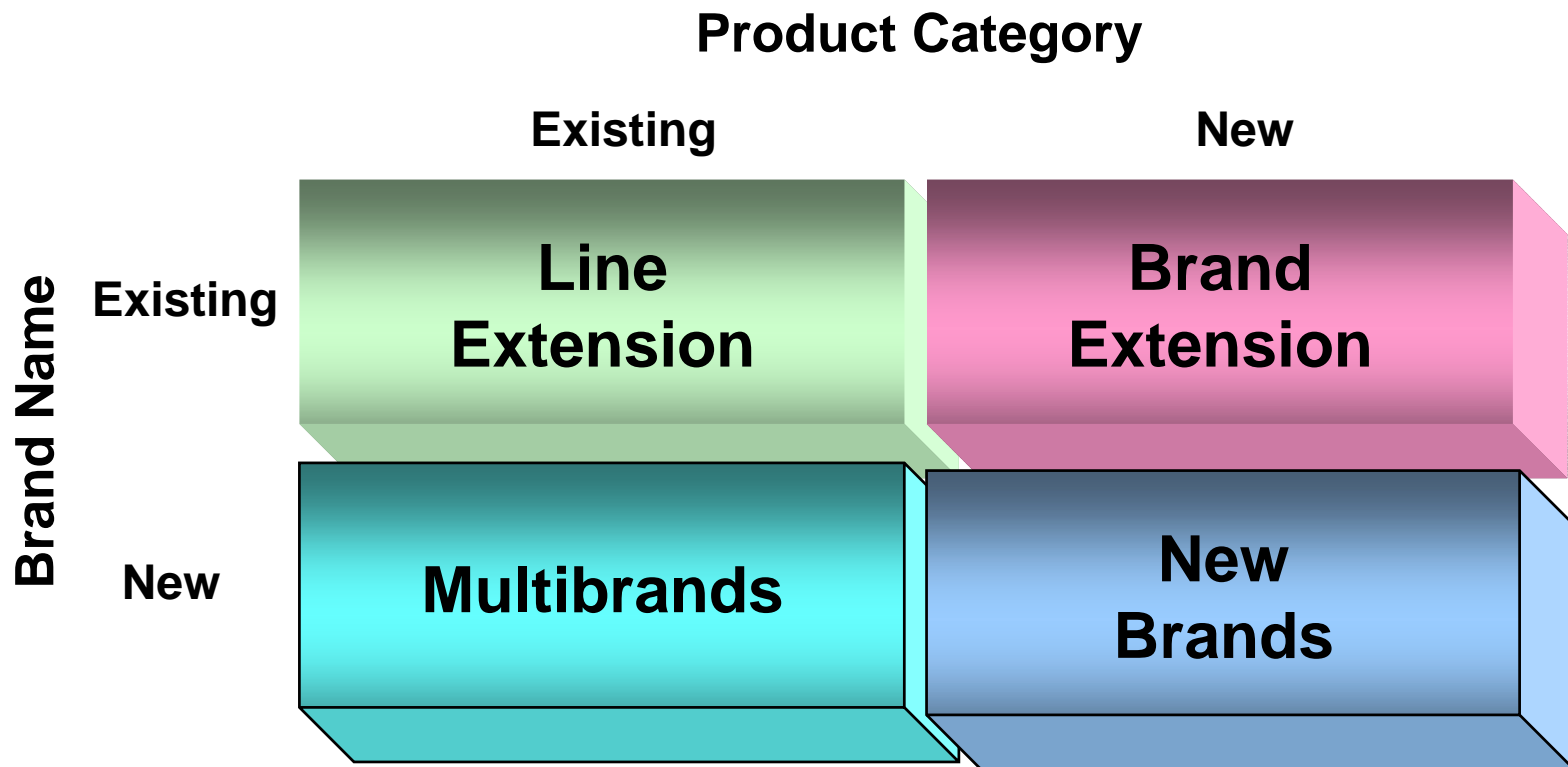
5. Major Brand Decisions

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6. Brand Development Strategies

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How did Nike build its brand?

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- **Superior products**
- **Symbol of sport spirit and healthy life**
- **Links with sport stars**
- **Outstanding integrated marketing communication**



➤ Ads

- Build basketball playground for intern cities
- Give Nike product to middle school students
- Other communication channels

➤ Brand extension, investment in other fields making use of its brand equity (such as retailers and sport group)

Questions

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- 1. Pick a food product, soft drink, fashion, or electronic appliance and trace the product's life cycle. Explain how you separate the stages of the product's evolution. Project where this life cycle will go from here.*
- 2. Analyze and describe the different brand personalities of three typical car brands in China (e.g. Jetta, Polo, Sonata). What are the major advantages and disadvantages of the brands? Are they successful in building their brands?*