

A Study of Product Life Cycle: A Special Reference to Nokia Mobile

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Abstract: Every product has to go through with different stages of life cycle. If today any product is comes under top brands can be come under decaling stage in few years. Same happened with Nokia phones. This paper will explore the reasons behind why Nokia failed in market and what it couldn't able to sustain in market. This paper will throw light on why the growth span of Nokia was so short and it couldn't able to recover its position in market among in its rivalries.

Keywords: Nokia, Mobile, Product Life Cycle

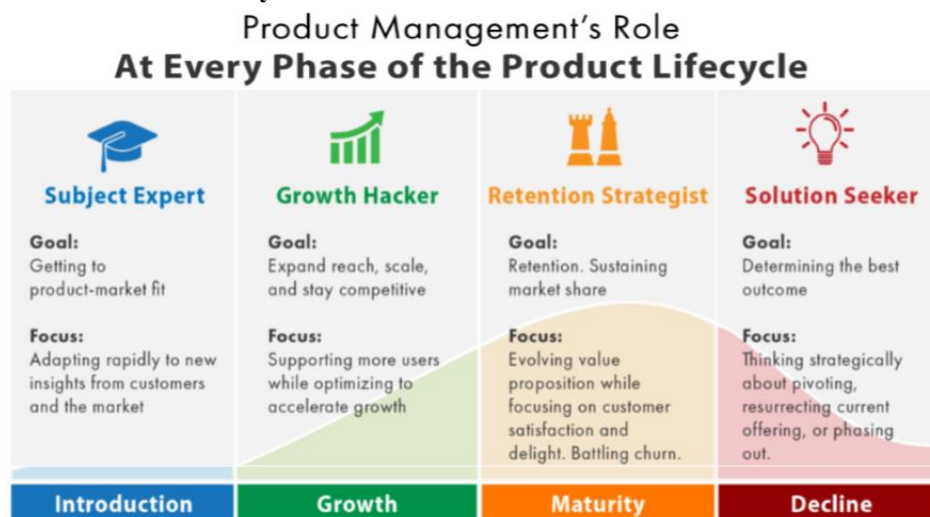
I. INTRODUCTION

Every year, we consistently buy a number of items to consume. When time goes on, it will turn out that the well-established product is less conventional or obsolete. Although consumers are focused on more sophisticated goods, their demand is therefore growing rapidly after launch. The understanding of the Product Life Cycle (PLC) is therefore very important as it defines the phases of a product life from the point where it was first shipped until it is eventually withdrawn or expelled from the market. Not every single product will meet PLC's closing stage. Some of the goods are going to continue to grow, while others are going to shove and fall upward. A product lifestyles cycle has four stages which are known as introduction stage, growth stage, maturity stage, and decline stage. Each of the levels has its own attributes and exceptional ways for the managers to manage.

- **Product Life Cycle Concept**

We've got a life cycle, we're born, we're rising, we're maturing and we're eventually passing away. Similarly, goods also have a life cycle; they pass through a series of stages from their launch to the decline. Introduction, Growth, Maturity, and Decline are the main stages of the product life cycle. The life cycle of a product defines the transition from growth to deterioration of a product. The duration and length of each stage of the product life cycle vary from product to product. A product's life cycle can be over in a couple of months, and another product can last for several years. In years, one commodity can reach maturity and another can reach maturity in a few months. Over years, one product stays at maturity and another only for a couple of months. Hence, it is right to say that phase of each stage varies from product to product. Product Life Cycle (PLC) is the cycle through which each product goes through from introduction stage to decline stage.

- **Stages of the Product Life Cycle:**



Source: <https://www.productplan.com/product-management-role-product-lifecycle/>

• Stages of the Product Life Cycle

Stages of the Product Life Cycle. The four major stages of the product life cycle are as follows:-

- ✓ Introduction,
- ✓ Growth,
- ✓ Maturity, and
- ✓ Decline.

Introduction Stage: The Company is new to the market at this point and few potential customers are aware of the product's presence. Typically, the price is high. The product's sales are small or may be limited to early adopters. Profits are often small or losses are made due to the high cost of ads and recovery of development costs. The product is unknown at the introductory stage:-

- The product is new to the Market
- The price is generally high,
- The placement approach is selective, and
- The promotion is informative and more over personalized.

Growth Stage: The product becomes more widely known and acceptable on the market at this point. Marketing is done to promote the brand and create a product image. When rivals enter the market, prices can begin to fall. Profit will begin to be received with the increase in sales, but advertising costs remain high. In the stage of growth:- The product is now established in the market and consumed by the consumer,

- The sales of the product is on rising way,
- The price started to decline with the entry of new competitors,
- The placement network becomes more widely spread, and
- The company is more focused on creating the brand image

Maturity Stage: The product competes with alternatives at this stage. At its peak are sales and profits. When adding both with and scope, the product range can be expanded. The price reaches its lowest point with the rises in competition. To order to increase frequent sales, advertisement is performed to enhance the product brand in the minds of the buyer. At the point of maturity:-

- The product is competing with its alternatives and rivalries,
- The sales are at their top.
- The prices reach to its lowest level
- The placement is intense, and
- The promotion is focused on re- purchasing.

Decline Stage: Sales start to fall steadily at this point as a result of a decrease in the product range. As many players have left the market, the company faces reduced competition, and no new competitors are expected to enter the market. There is also a drop in advertising costs. As some price stability is anticipated, focus is on the remaining niches of the market. As development costs, each product sold could be profitable

- ✓ The product faces low competition,
- ✓ The sales volume decreases,
- ✓ The price is likely to diminish,
- ✓ The placement is selective, and
- ✓ The promotion is focused on market presence.

II. LITERATURE REVIEW

1. Funk, J. L. 2004 The objective of this paper is to applies the product life cycle theory to product line management with two purposes: 1) to explain how product line management progresses over an industry's lifespan and 2) to equate Klepper's model (1986), which emphasizes economies of scale, with the conventional product life cycle model, which emphasizes dominant designs. He considered that Klepper's product life cycle theory model, combined with the principle of product line management, provides a better explanation for the growth of competition in the mobile phone industry than the conventional product life cycle model.

2. Mohanty, V., Mati, K., 2015 the objective of this paper was to study plc of nokia form and he analysed that analyzed that Nokia tried to keep up with the product life phases and strategized well, but Nokia was unable to react to the requirements with the changing technology and the changing needs of customers, although it strives hard to bounce back to the numerouno place.

3. Santavaara I, Paronen N., 2013 the author conclude in this study that in order to be able to perform an LCA for an ICT product, together with in-depth knowledge about LCA, a lot of expertise and knowledge about the specifics of the sector is required. As presented in this paper, evaluations of different producers are not comparable due to the

characteristics of LCA. The methodologies based on the life cycle are suitable for high-level policy purposes, Such as recognizing key stages in the life cycle of a company, but are not appropriate for measures that affect fair competition between companies or market access due to the precision and ambiguity necessary.

III. OBJECTIVE OF STUDY

- ✓ To Discuss PLC in detail
 - ✓ To Explain PLC with reference to Nokia
 - ✓ To explore the reasons of failure of Nokia in Market
 - ✓ To find out reasons for Nokia's growth and decline stage
- **RESEARCH METHODOLOGY**
- ✓ This is descriptive study
 - ✓ It is a Review based paper.
- **SOURCE OF DATA**
- ✓ Official website of Company
 - ✓ Research Paper
 - ✓ Books & Broachers
 - ✓ Interaction with dealers

VI. FOUR STAGES OF PRODUCT WITH SPECIAL REFERENCE TO NOKIA

- **Introduction Stage:** Nokia is a Finland -based multinational company that was once introduced by Fredrik Idestam at in the year 1865. Not many of us know this, but Nokia started to make wires, pulp and rubber. It's Digi-handheld GSM handset, Nokia 1011 launched in 1992. The company didn't introduce a range of products because it is much less demanding.
- **Growth Stage:** Nokia Launched phones without external antenna with 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.
- **Maturity Stage:** Launched a lot of touch screen models Dropped Mobile Prices. Launched QWERTY touch model N-97 Most Profit Gained.
- **Decline Stage:** Nokia's bad product layout and having its main center of attention on Windows as its OS, lead to its decline. Nokia is going thru this stage now.
- **Microsoft Nokia Deal:**
 - ✓ Microsoft buys Nokia phones, patent for \$7.2Billion
 - ✓ Proposed price consists of \$5 billion for the Nokia unit that makes mobile phones.
 - ✓ Another \$2.2billion will be paid for a 10-year license to use Nokia's patents, with the option to extend it indefinitely.
 - ✓ About 32,000 Nokia employees will transfer to Microsoft, which currently has about 99,000 workers.
- **Reasons for Selling Its Assets**
 - ✓ Net Operating loss
 - ✓ Losing Market Share

V. FINDINGS

With the above literature Review and thorough study it has identified with below mentioned points that why Nokia has been failed in the market, why its position has been so diluted in public.

- **DRAWBACKS OF NOKIA:**
- More demand of Android phones and Android as a software, made Nokia rethink on its strategy of window as software.
 - Nokia was slow in responding the market trends.
 - In India, Local market has been captured by that mobile phone industry which was offering High battery life, high speed and Low end of QWERTY keypad.
 - Nokia was stick to its high quality sturdy phones without looking into what other brands are offering in terms of touch screen advancement.
 - Nokia entered very late in android phones segment as it was already captured by $\frac{3}{4}$ phone industry.
 - As Android and IOS became more popular, Nokia and its windows phones failed to attract any attention.

VIII. CONCLUSION

In a nutshell, Nokia has not delivered the expectations of the consumers. Strategically, Nokia should come up with the different strategies and lacerative policies for the marketing strategy. Nokia did not respond on the same time when different competitors were coming and entering into the market and taping the mobile phone industry. Nokia must adopt different OS to survive in the market. Nokia's bad product layout and having its main center of attention on Windows as it's OS, lead to it's decline. Nokia is going thru this stage now.

➤ SUGGESTIONS

- Company should focus more on advanced technological aspects a well as innovative straggles which led it to compete with top brands like Xiomi, Samsung,
- Company should incorporate various Attractive features in its product which can increase its demand in market
- Product should be user friendly and should be able to fulfill consumer requirements like better storage ,better pixel density, camera quality, Battery backup,
- In this present era youth is the main target market for the mobile industry so company should manufacture phones according to their preferences
- After sales services is also one of the major factor for the success in the market so it should not be neglected

➤ SCOPE & LIMITATION:-

The study has been taken into the consideration of different papers which were available into the market.

- The problem of every enterprise irrespective of its vicinity as comparable in nature so the solution given at the cease of the study to common troubles may also be relevant even in other phase of country.
- The scope of the learn about is vast as it will assist to recognize in important points the market position of Nokia company and its product lifestyles cycle.

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