Birth, Death, And Beyond: Understanding Product Life Cycles

Familiarize yourself with the implications of product life cycles on merchandising allocations and assortment planning.

by Inez Blackburn

Product life cycle management by definition is the development and deployment of strategies designed to maximize a product's potential. It is essentially the science of effectively predicting a product's life cycle. When product life cycles were first defined, there was an inherent belief that products had a prescribed life cycle predicated on product features, benefits, and the target consumer. Products essentially go through defined "life stages" similar to a human being. The concept gained acceptance and momentum during the Industrial Revolution in an era where innovation had longevity, and both consumers and competitors were predictable. There was a strong focus on costs with realized efficiencies as the stages progressed. Products were developed and deployed with a view on realized efficiencies with predictable life cycles. Product life cycle management traces to an era where time was your friend, and competitors were kept at bay for at least a few months. Unfortunately, those days are gone now, as competition is immediate, and consumers are unpredictable.

Do we really believe that products behave like human beings, and do humans really become more cost-efficient as they age? Do products really have similar life stages, or do they have access to a fountain of youth and immortality? Why do some products survive for centuries while others last six months? From birth to death, human beings pass through key stages: birth, growth, maturity, decline, and death, and we have been conditioned to view product life cycles the same way.

1. What makes a product relevant in the eyes of a consumer, and what makes a product obsolete?

2. Are products really alive, with a definite expiration, and do they really go through stages of development and growth and an ultimate demise similar to a human being?

Inez Blackburn has initiated and deployed marketing plans across numerous industries and is a globally recommended speaker, innovator, and pioneering brand launcher. Now the president of Market Techniques & Innovations, Inc., her clients have included many Fortune 500 companies, as well as executives trained through her Positioned for Profit seminars and Category Management and Marketing to the Max workshops.

3. Does fashion really have the same life span as a screwdriver? Have you ever struggled with a product in its infancy, teen years, and then helped a product through a midlife crisis?

4. Are line extensions really offspring, and is product repositioning a midlife crisis or a promotion?

While there is inherent finality to living organisms, products die because the companies that own them give up on them or because they no longer solve consumers' problems and subsequently become irrelevant. The emerging theory of birth, death, and beyond is a philosophy that goes where no one else has dared go: to the heart of the relationship between a consumer and a product. The moment a product stops solving your consumer's problem it dies, and it doesn't matter how long it has been in existence or who owns it. Competition should be defined by who solves your customers' problems best. Unfortunately, in the age of "Generation Text," experiences — good or bad — will emerge via the Internet on a world stage. If you learn to cocreate with your consumers and trading partners and hardwire consumer insights to current product strategies, you will be prepared for the revolution.

You will discover how to:

■ Measure share of heart instead of share of wallet in increasing product life spans.

■ Stop guessing about what your customers want and whether your products are delivering.

■ Remain flexible in the face of changing consumer demands and volatility in forecasting.

■ Understand the role and importance of a responsive supply chain.

To avoid the trap of consumer inertia, you must dedicate yourself to consistently communicating the value your products offer. You must leverage current and emerging modes of communication to create awareness for your brands and services. Rather than focusing your message on a key product attribute, focus on the problem you are solving and the solution you are offering.

Products that make it to retirement and possible reincarnation are masters at staying relevant and connecting with consumers on an emotional level. Consumer life cycle management will soon displace product life cycle management — are you ready? ■