

Challenges in Creating Brand Equity for Products with Short PLC (Product Life Cycle)

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Executive Summary

Since the 1920s, Fads have been in vogue and the trend just seems to accelerate as time goes on...thus the only way to tackle the increasing popularity of these short lived products is to build strong brand equity. Products with short life cycle are generally termed as fads that enter the market with a bang and fizzle out soon due to the lack of sustainability and long term utility of the product. The life cycle of the product is of a short duration and it's difficult to develop brand equity for sort life cycle products.

In this paper, we have provided a concise description of short life cycle products. The industries analyzed range from entertainment to health foods. The challenges faced by each industry in building Brand Equity are analyzed in depth. A study of common challenges across categories, gives a generic idea of the challenges faced by products with short PLC. The solutions to these challenges are proposed. A feasibility analysis of the proposed solutions is conducted using system thinking approach.

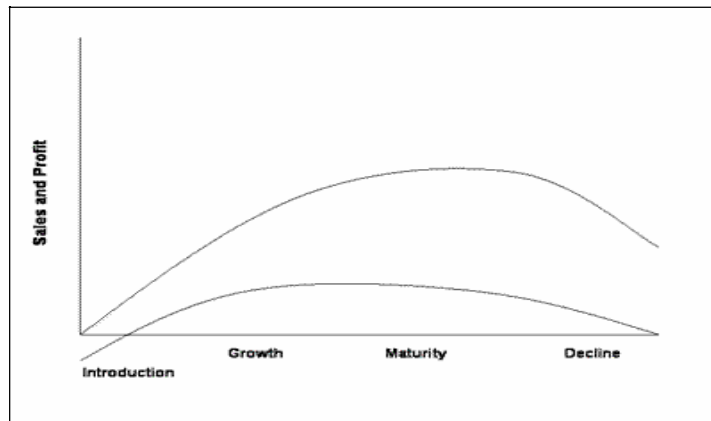
Introduction

The earliest reference to S-shaped curve similar to product life cycle (PLC) was detected by Prescott, who proposed an equation that fit the growth of the automotive industry from 1900 to 1920 very well. The PLC concept is almost certainly one of the best-known if not most important concepts in marketing.

The PLC consists of four stages:

1. *Introduction* – A period of slow sales growth as the product is introduced in the market. Profits are nonexistent because of heavy expenses of product introduction.
2. *Growth* – A period of rapid market acceptance and substantial profit improvement.
3. *Maturity* – A slowdown in sales growth because the product has achieved acceptance by most potential buyers. Profits stabilize or decline because of increased competition.
4. *Decline* – Sales show a downward drift and profit erode.

The products that follow a short PLC are called “Fads”. Fads are fashions that come quickly into public view, are adopted with great zeal, peak early & fast decline. Fads do not survive because they do not normally satisfy a strong need. The marketing winners are those who recognize fads early and leverage them into products with staying power.



The World of innovations has witnessed many fads. A brief leap into time reflects the trends of fads.

1960's - Banana Seats, Rickie Tickle Stickers, Bellbottoms & Platform Shoes.

1970's - Dashboard Hula Girls, Mexican Jumping Beans, Daisy Dukes & Disco Music.

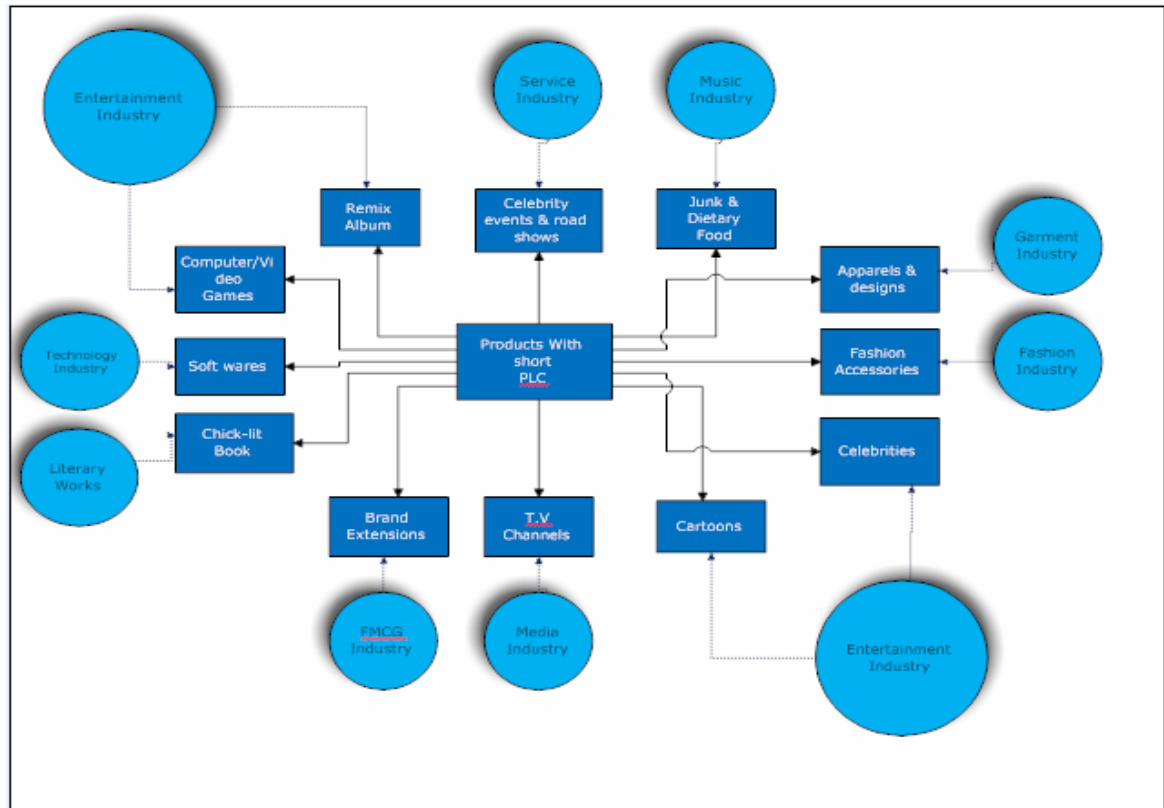
1980's - Penny Loafers, Jelly Shoes, Friendship Bracelets & Break Dancing.

1990's - Polly Pocket Toys, Napster, Beanie Babies & Furby.

2000's - Energy Drinks, American Idol, Flare Jeans & Suped Up Cars.

Building Brand Equity for Fads is quite a challenge. It calls for analyzing the challenges in stages of awareness, specification, solution proposals and their feasibility analysis.

Awareness: Categories having Products with short product life cycle:



Business Sector wise distribution of Products with short PLC

Health Foods

Diet foods have a short PLC because they are generally come into existence because of the popularity of an individual who propagates diet food.

For example, diet food like Energy Drinks & Blueberry D'Lite yogurt parfait which is at present popular in New York.

Challenges:

- Diet food does not appeal to the sense of taste of an individual
- Lack of immediate results leads to loss in confidence of the product

Events

Gala events, theme parties hosted by celebrities and media shows are short PLC products in perspective of the event organizers.

Challenges:

- Events are expensive, so they lack consistency
- Events are at times just an outcome of snob factor

Remix Albums

Albums by DJs and remixes of old songs are not examples of great music or lyrics. They just follow the present trend that is popular among the youth who desire variety and change.

Challenges:

- Lack of quality and variety

Apparels:

Blue jeans are products with infinite maturity stage. But apparels like Flare or low rise Jeans, Chinese collars that are popularized by a particular celebrity or soaps are classic examples of products with short PLC.

Challenges:

- Frequent arrival of new products that is better than the previous product.
- Disappearance of motivating factors that induce buying behavior

Accessories:

They are comparatively cheap and help in portraying a particular image, hence they attain instant popularity. “Shakira” belts, “Ghulam” (Amir Khan) rings, tongue are a few examples of examples accessories fad.

Challenges:

- Fatigue Factor due to frequent usage
- Lack of reinforcements that induce buying decisions

Celebrity:

Ordinary individuals who become over night stars due to freak incidents have a short PLC. For example celebrities who become famous due to a particular movie, soap etc, boy/girl bands.

Challenges:

- Lack of consistent public appeal
- Lack of strong deliverance

Cartoons:

Cartoons that are inspired due to a particular product or person have short PLC. For example Glow friend cartoons that were inspired by the glow friend series of toys, Britney spear & Dubya Man cartoons that were inspired by celebrities.

Challenges:

- Short attention span of children
- Diminishing popularity of the product/celebrity that inspired the cartoons

TV Channels & Shows:

Amidst the clutter of TV channels, a new channel that gains immediate popularity due to the novelty factor. But due to lack of content and differentiation factor, the channels have short PLC. For example DD Gold, Sab TV and Regional channels. Reality T.V shows like American Idol are latest fads.

Challenges:

- Lack of Innovation and differentiation of the product

Chick-Lit Books:

Literary works that caters to the whims and fancies of the present readers and doesn't aim to be preserved for prosperity like works of Shakespeare or Dan Brown.

Challenges:

- Lack of Quality and caters to small and specific market segments

Brand Extensions:

Brand extension uses the equity/goodwill of an existing brand and uses` it in another

context. But the Brand extensions are mainly a fad like the LUX shampoo which was an example of a short PLC product.

Challenges:

- Lose the tight focus of the existing brand by introducing new conflicting/confusing attributes.

Software & Web:

Technology has never been static and now more than before technology is at steeply increasing curve. Softwares developed to solve Y2K problems, Tivo / PVR's (Personal Video Recorders) had short PLC.

Challenges:

- Utility of the product is for a short period and a specific cause

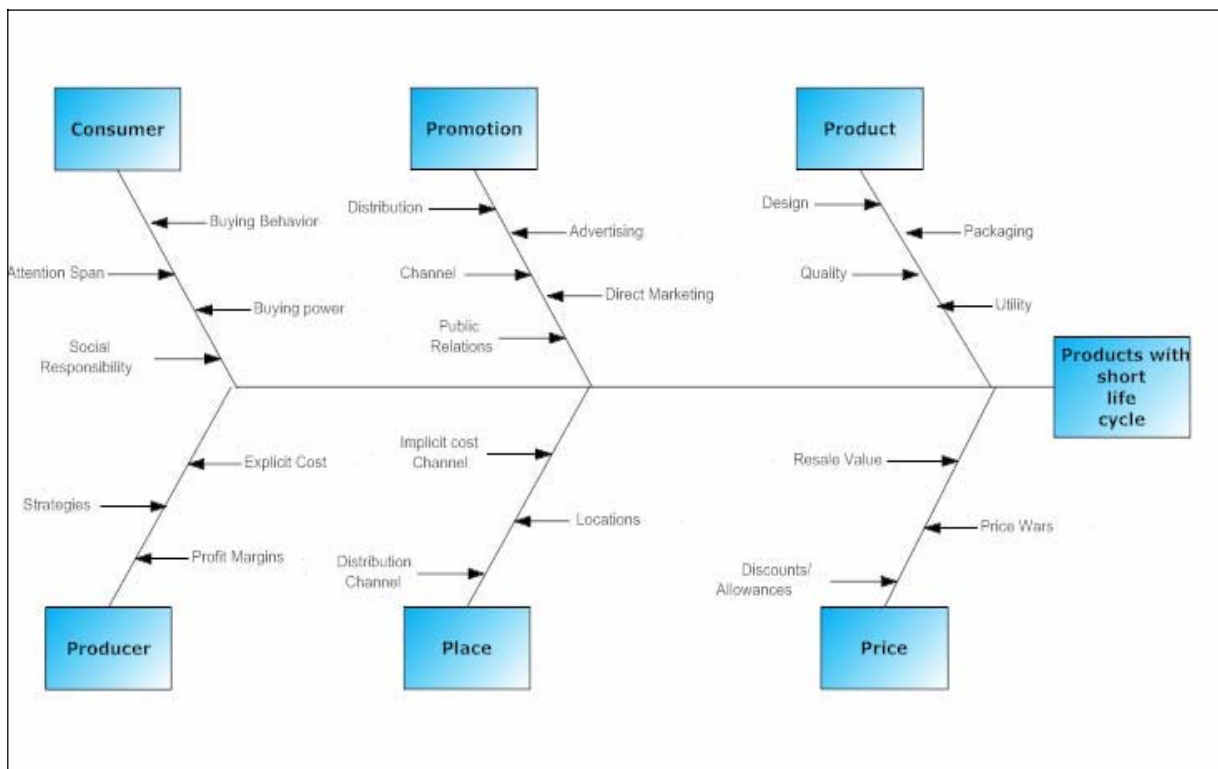
Computer/Video Games:

Games, which are based on World Cup and Movie themes, indulge the short term needs of the die-hard supporters. For example, games like Texas hold 'em Poker & play stations.

Challenges:

- Caters to a specific need and a small segment of the market

Specification: Challenges in Creating Brand Equity for Products with Short PLC



The Fishbone Diagram depicting the entities involved & their attributes: The challenges to Brand equity for a product with short life cycle.

Short attention span of the present generation:

The attention span of the consumers is very short due to the availability of many options and due to the inherent nature of the present generation which is restless and seeks change. Thus the cycle may be as short as 90 days, as in the case of *Ghostbusters* products. The short attention span syndrome is a real challenge from the perspective of the producer.

Varying Consumer Choice:

Due to the intense competition in the market and the raging price wars, consumers are being offered a variety of goods at different price ranges. This kind of market has dramatically changed buying patterns of the consumers and induced further decrease of the already flagging brand loyalty.

Lack of availability of the product at all joints:

Fads are generally not stored at all outlets as they are targeted towards a particular segment of the society. But the lack of easy availability, further decreases brand equity and encourages brand switching and fickle brand loyalty.

Expensive with no long term benefits:

Products with short PLC are generally expensive and their usage is limited to a particular period. For example, Reebok released basketball sneakers that had a pump-up mechanism on the front tongue of the shoe in the early 90s. This shoe became very popular despite the retail price of \$175, which was very expensive for sneakers at the time.

Lack of significant usage:

Products with short PLC do not have any long-term benefit. They are generally products that capture the attention of the people and their popularity fizzles in a short time due to lack of utility. For example, purses that buckle on to the waist were very popular in the early 1990s. Now, it's considered to be a fashion faux pas.

Disappearance of motivating factors that induce buying behavior:

Fads have even shorter life cycles, for example, the Pet Rocks or Cabbage Patch Dolls. Such products are very profitable while their popularity lasts, but it is difficult to predict which products are going to catch the public's fancy. The motivation factor that induces buying behavior is not lasting and sustainable.

Fatigue Factor:

Products with short PLC reach their peak in a very short time and gain huge mass appeal, but the disadvantage of instant success is the excessive use of the product that leads to easy fatigue. Horror movies were hugely popular in the 1980s, movies like *Nightmare on Elm Street*, *Jaws*, *Friday the 13th*, were so popular that many sequels followed. On top of that, there were tons of children that dressed as Freddy Krueger or Jason for Halloween, but this kind of adulation led to early fatigue among the movie lovers and horror movies lost their popularity.

Utility of the product is for a short period and/or a specific cause:

Although the life of different products varies, in general product life cycles are getting shorter. This is partly due to rapidly changing technology; a new invention leads to new products that replace old ones. Tiny chips are used to make all kinds of products from watches to complex medical equipments but the chips become outdated quickly because of the rapid development in technology.

The Solutions proposed: Building Brand Equity for products with short lifecycle

Building Brand equity for a fad involves overcoming the challenges posed by the inherent nature of its PLC. The following ways are suggested to build Brand equity for such products.

1. Brands undertaking Corporate Social Responsibility for a particular cause or on philanthropic grounds. These ideas of “socially responsible marketing” can build Brand equity for products with short life cycle.

Example: LiveSTRONG bands have created awareness about sensitive topics such as AIDS & undertaken a great responsibility. This has built Brand equity for such products.

2. Firms with strong Brand equity can bring in Fads under the Umbrella of Family branding. This would help in easy brand recognition. Creating a product line with

relevance to the fad will help in product usage. This would help in creating Brand equity for the fad & attract consumers with high brand loyalty.

Example: Adidas' Wide skate shoes with fat laces came under Family branding. To sustain the Brand equity of such products, a product line of such fads have to be built.

- 3. Bringing in innovation in products to reduce choices, hence reducing the fatigue factor, increase utility of the fad & cut down prices.**

Example: Apple ipod is an innovative product building brand equity for its parent company. Continued innovations in the product shall optimize cost too.

- 4. Strong advertising through print media, television, radio & public relations. This would help in increasing the attention span of the product from consumer's perspective.**

Example: World Wrestling Federation, being a fad, was strongly advertised through media. Thus, creating Brand equity for itself.

- 5. Co-Branding with a high Brand equity brand, can help a fad channel through its partner's distribution channels. Thus reducing the problem of lack of availability.**

Examples: The recent trend of companies enjoying high Brand equity co-brand with fads from Bollywood movies, as in case of Archies co-branding with Amitabh Bacchan starer "Waqt-A race against time" for a soft toy.

Simulation & Feasibility Analysis of Proposed Solutions:

Challenges in building Brand Equity for Products with Short Life Cycle

The Kane's Simulation Model:

This model was adopted by Chris Kane, to simulate the effect of parameters on the problem. Thus a Cross-Impact matrix is constructed to measure the effect of one variable on other.

The methodology adopted:

- All variables are converted from Nominal to Ordinal scale.
- Any variable of human significance can be transformed into a zero to one scale.
0 – Nothingness
1 – Completeness
Thus all the parameters to be simulated should be evaluated using this scale.
- As a variable approaches the limits of zero or one, change in that variable will tend to zero. Thus variable shows asymptotic behavior.
- As a variable's magnitude increases, it has a larger effect on the rest of the system.
- All systems can be described in terms of binary-looped networks.
- Net change in variable is a result of net impact of all variables on the particular variable.
- Citreous Paribus & under uniform conditions, the Modeling of variables is done.

Judgment forms an important element in Kane's model.

Thus the variables are evaluated and marked on a 0 to 1 scale, depending on the present state of the problem.

SCALE:
0.8 ≤ Very High ≤ 1
0.6 ≤ High < 0.8
0.4 ≤ Moderate < 0.6
0.2 ≤ Low < 0.4
0 ≤ Very Low < 0.2

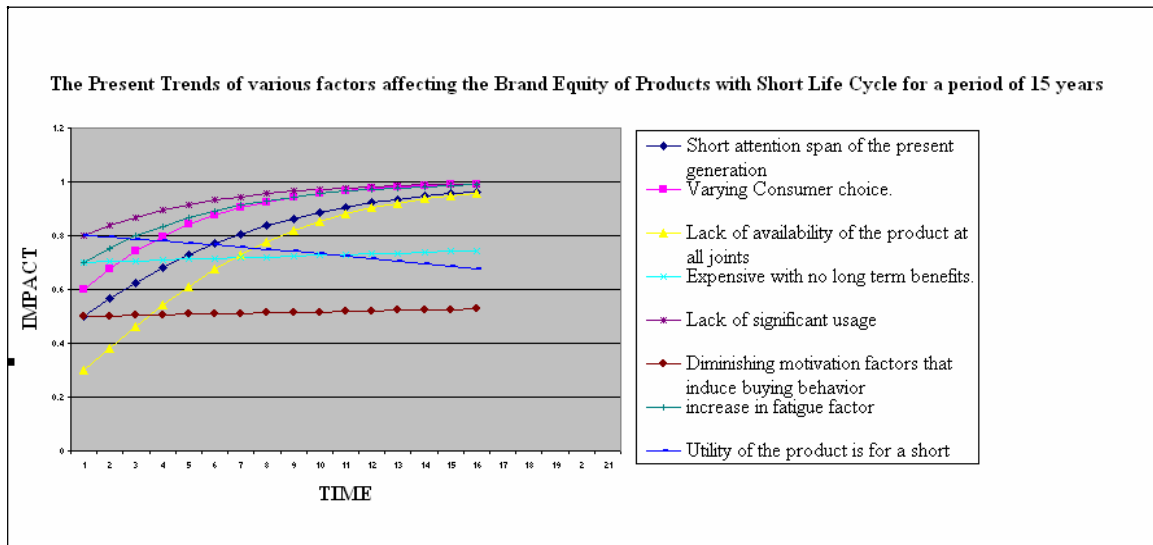
The variables identified are valued as:

1. Short attention span of the present generation – 0.5
2. Variation in Consumers’ choice – 0.6
3. Lack of availability of the product at all joints – 0.3
4. Expensive with no long term benefits – 0.7
5. Lack of significant usage – 0.8
6. Disappearance of motivating factors that induce buying behavior – 0.5
7. Increase in Fatigue Factor – 0.7
8. Utility of the product is for a short period and/or a specific cause – 0.8

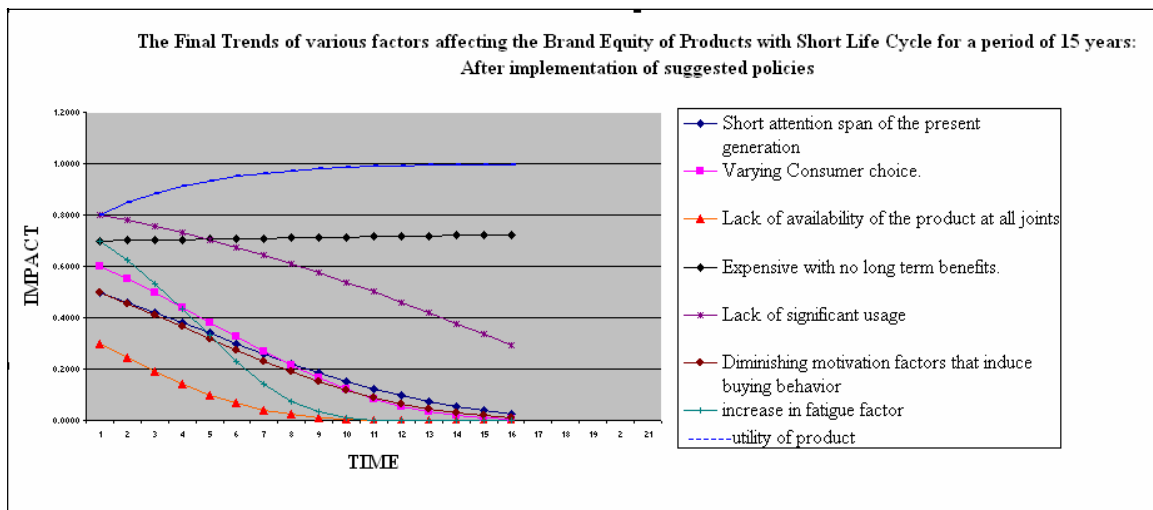
The Cross impact of these variable on each other is evaluated & simulated through Kane’s model.

CROSS IMPACT MATRIX	Short attention span of the present generation	Varying Consumer choice	Lack of availability of the product at all joints	Expensive with no long term benefits	Lack of significant usage	Diminishing motivation factors that induce buying behavior	Increase in fatigue factor	Utility of the product is for a short period and/or a specific cause
Short attention span of the present generation	0.5000	0.8000	0.6000	0.0000	0.6000	0.8000	-0.3000	0.3000
Varying Consumer choice.	0.8000	0.6000	-0.4000	-0.4000	-0.3000	-0.3000	0.6000	0.5000
Lack of availability of the product at all joints	0.0000	0.0000	0.0000	0.6000	0.5000	0.0000	0.0000	0.4000
Expensive with no long term benefits.	0.0000	0.0000	0.0000	0.4000	0.0000	0.0000	0.0000	0.0000
Lack of significant usage	0.0000	0.0000	0.0000	0.2000	0.0000	0.0000	0.0000	0.5000
Diminishing motivation factors that induce buying behavior	0.0000	0.2000	0.5000	0.5000	0.7000	0.5000	0.3000	-0.4000
increase in fatigue factor	0.7000	0.7000	-0.4000	-0.4000	-0.4000	-0.3000	0.8000	0.3000
Utility of the product is for a short period and/or a specific cause	0.0000	0.0000	0.0000	0.0000	-0.6000	0.0000	0.0000	0.0000

The graph depicting the impact-time analysis of the problem variables is shown below . .



The policies are suggested to build the Brand equity for fads. A simulation of variables with the suggested policies results in following graph.



The time span taken in this simulation is fifteen years. Thus is taken, considering the fact that repetitive factors that challenge the Brand equity for a product with short PLC have sustained for a long period of time. Thus, the policies implemented shall be effective over a period of time.

The Kane’s simulation analyzes the present day problems & shows an impact of suggested solutions. This Impact-Time model goes an extra mile in building Brand equity for such products.

The Last Word

Fads have always been a part of our lifestyle in some way or the other. Since the 1920s fads have been gaining immense popularity and the undisputable fact remains that fads are here to stay. In spite of fads having a short product life cycle, they cut into a large portion of the market. Thus the only way to sustain the popularity of fads is to build Brand Equity, which will assure that the success of fads is not short lived.

Glossary & References

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Marketing Concepts & Cases: Stanton & Pandit
System Thinking & Applications: Prof. L.S Ganesh (IIT Madras)
- Web pages: *google.com crazyfads.com nike.com inthe80s.com*