

Product Life Cycle

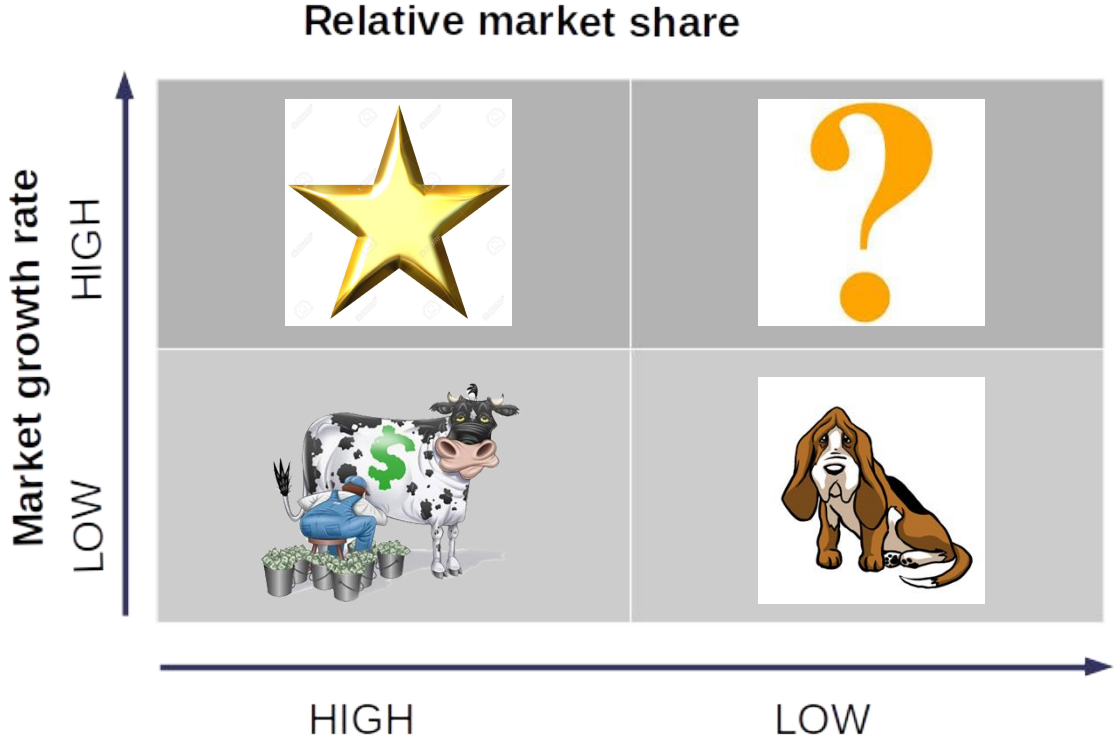
Discuss on what life-cycle stage each pictogram represents

Put each pictogram to the grid

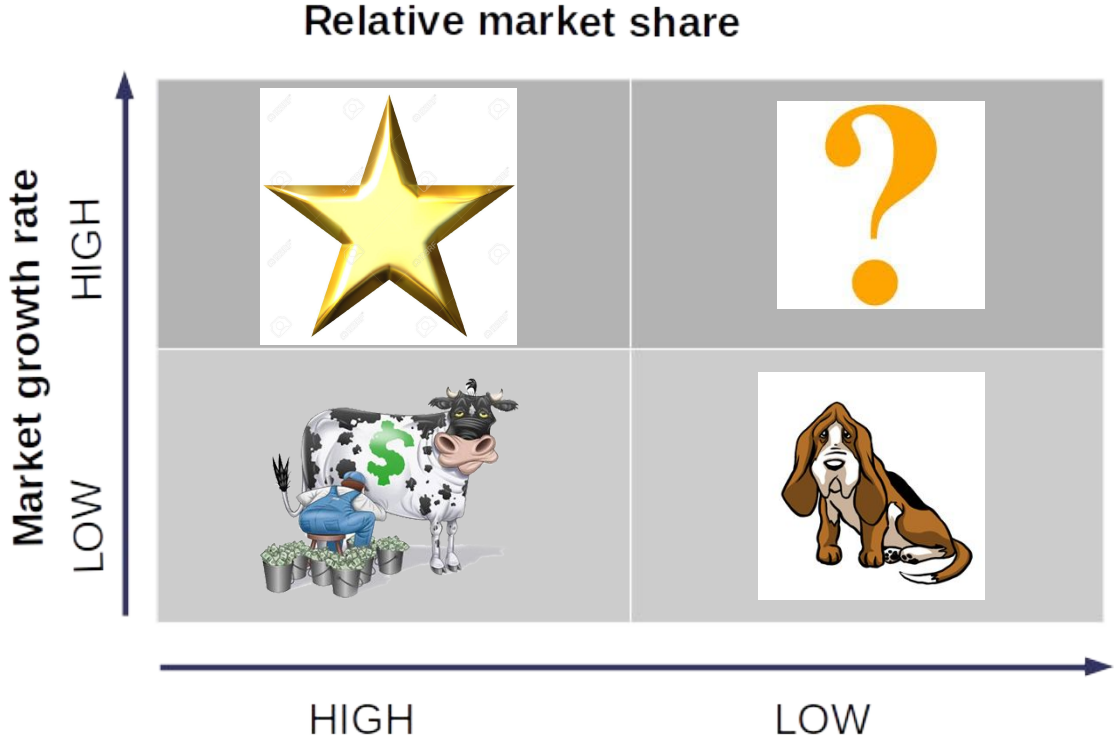
Discuss how should the company approach each of the products



Room 1 Product Life Cycle

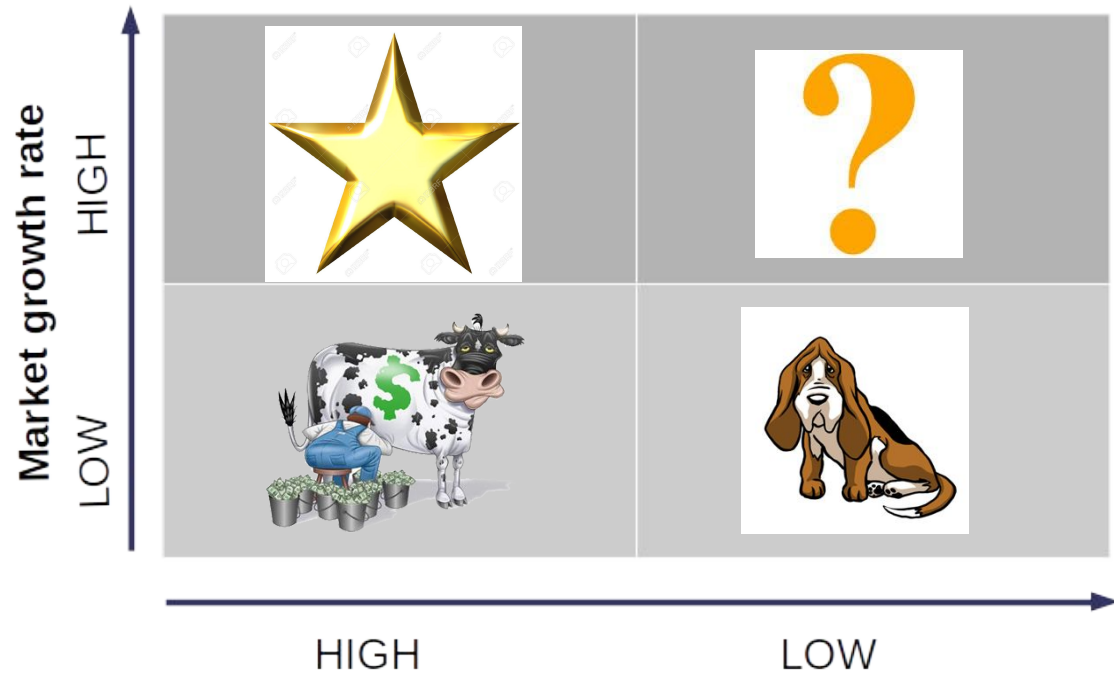


Room 2 Product Life Cycle

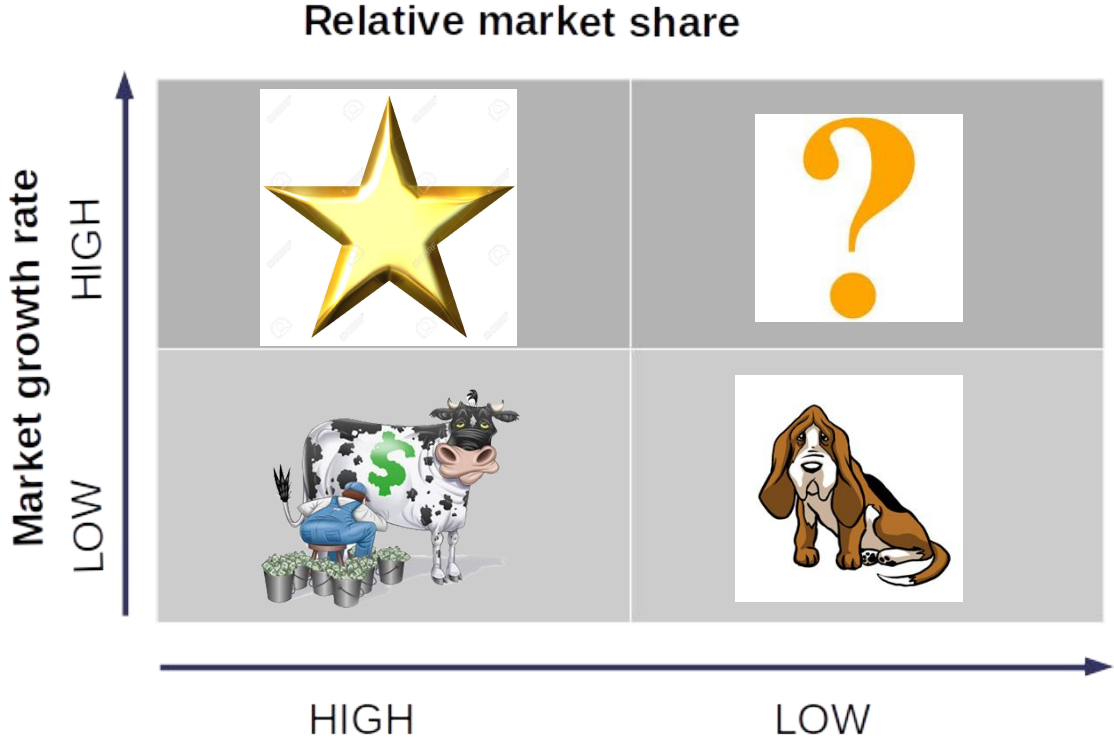


Room 3 Product Life Cycle

Relative market share



Room 4 Product Life Cycle



Product Life Cycle

How do you, as managers, treat each?



Room 1



Milk it



Keep it best



Accept the inevitable



Crazy stuff

Debt

Small margins

Room 2

How do you, as managers,
treat each?



Create the best
product and keep
investing



Be flexible, put more
effort, keep looking for a
star



Get as much money
as we can



Reconsider the approach
or discard it and focus on
more useful things

Room 3



Make as much profit as you can and start looking for / invent other products.



Improve the product as much as you can and grow as large as you can



Get rid off it. Concentrate on other products and their growth.



Be flexible and careful. Test different approaches and try which one is working the best.

Room 4

How do you, as managers, treat each?



make the most profit

little investment (just to keep it profitable)



cherish it

keep investing



get rid of it



keep it alive

wait and see

PESTEL

Political

Economic

Social

Technological

Environmental

Legal

PESTEL Room 1

Political

Economic

Social

Technological

Environmental

Legal

PESTEL Room 2

Political

Economic

Social

Technological

Environmental

Legal

PESTEL Room 3

Political

Economic

Social

Technological

Environmental

Legal

PESTEL Room 4

Political

Economic

Social

Technological

Environmental

Legal

SWOT

	HELPFUL	HARMFUL
INTERNAL		
EXTERNAL		

SWOT Room 1

	HELPFUL	HARMFUL
INTERNAL		
EXTERNAL		

SWOT Room 2

	HELPFUL	HARMFUL
INTERNAL		
EXTERNAL		

SWOT Room 3

	HELPFUL	HARMFUL
INTERNAL		
EXTERNAL		

SWOT Room 4

	HELPFUL	HARMFUL
INTERNAL		
EXTERNAL		

Strategic analytical tools

Commonly used tools

- **PEST(EL)** analysis of macro-environmental factors used by marketers
- **SWOT** internal and external factors across organization

PESTEL Room 1

Political - taxes, corruption

Economic - economical situation of country (can't produce expensive products for poor country)

Social - culture, social inclusion

Technological - innovation, R&D

Environmental - eco-friendly, renewable source of energy

Legal - discrimination/copyright/health law, GDPR etc.

PESTEL Room 2

Political - war, regime change

Economic - inflation, economical crisis

Social - changes in lifestyle (e.g. corona->video calls, parcel services), minimal wage increase/decrease

Technological - inovations, materials

Environmental - documents as Seaspircy, green politics

Legal - lawsuit, fines

PESTEL Room 3

Political - Regime, leading political parties, geopolitical climate, lobbying

Economic - Crisis/boom, buying power of target population, budgeting

Social - Population growth, Age distribution, Culture, Safety emphasis

Technological - Innovation, R&D, Automation, Tech incentives

Environmental - Weather, Climate, Climate change

Legal - Antitrust, Employment, Health and safety laws, economic laws

PESTEL Room 4

Political - level of bureaucracy, the protection of the capital

Economic - tax rates, tariffs, The average level of wealth

Social - expected wage and benefits, living standards

Technological - limits of the current technology, level of automation

Environmental - environment protection law (e.g. pollution limits)

Legal - bribe without noticing, tax loopholes, customer protection

PESTEL BCG (Boston Consulting Group)

- **Political** government policy and stability, foreign trade and tax policy, labor code
- **Economic** exchange rates, inflation, economic growth...
- **Social** health consciousness, career attitudes, population growth, age distribution...
- **Technological** new ways of producing and distributing goods and services, new ways of communicating with target markets
- **Environmental** carbon footprint, pollution, scarcity of raw materials, doing business in ethical and sustainable manner
- **Legal** health&safety, equal opportunities, consumer rights and laws, product labeling and safety, advertising standards

SWOT Room 1

	HELPFUL	HARMFUL
INTERNAL	Strength	Weaknesses
EXTERNAL	Opportunities	Threats

SWOT Room 2

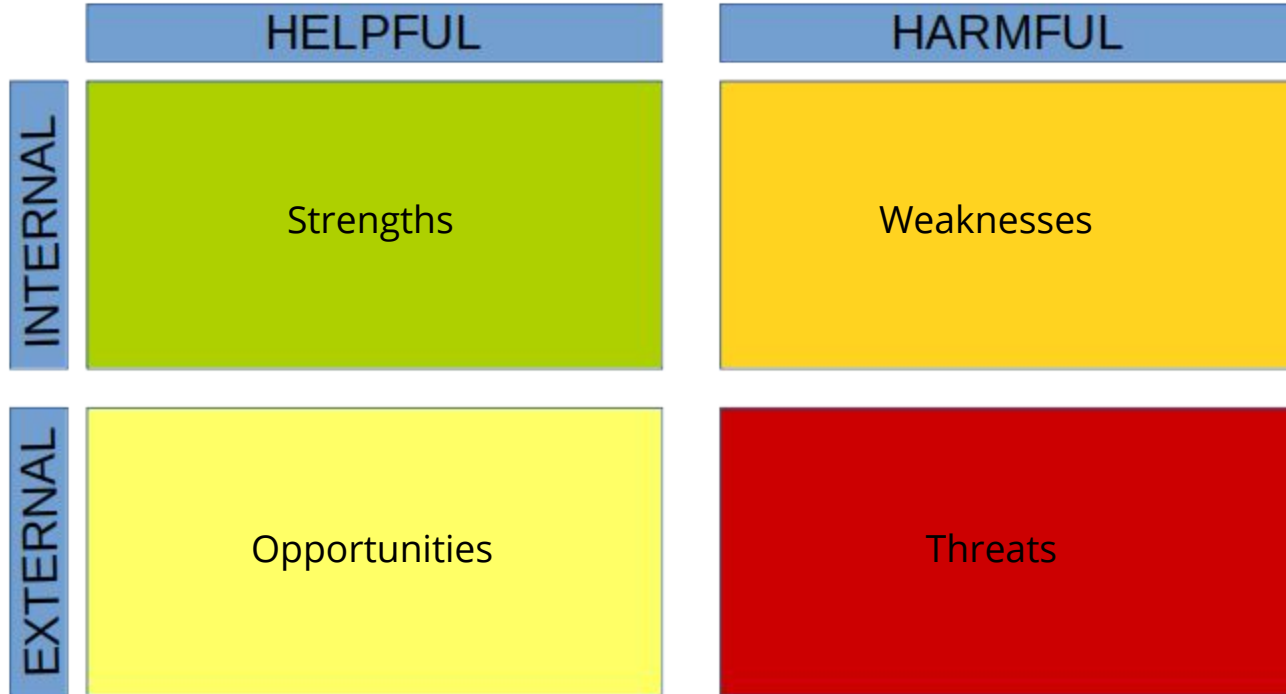
Strengths, Weaknesses, Opportunities, and Threats



SWOT Room 3

	HELPFUL	HARMFUL
INTERNAL	Strengths	Weaknesses
EXTERNAL	Opportunities	Threats

SWOT Room 4



Porter's 5 Forces of Competitive Positioning

Understanding the dynamics that shape how much profit potential exists within an industry is key to knowing how likely a particular firm is to succeed within the industry. There are five key forces that determine the profitability of a particular industry.



POTENTIAL ENTRANTS are firms that are not currently considered viable competitors in the industry but that may become viable competitors in the future. For example, Tesla Motors' production of electric vehicles poses a threat to displace the traditional powers in the auto industry, and Chinese auto makers are rumored to be eyeing the US market.



SUPPLIERS to the auto industry include firms such as Lear Corporation who produces auto interior systems.



INDUSTRY COMPETITORS in the auto industry include firms such as Ford, Chrysler, and GM.



BUYERS are those firms that buy directly from the industry such as automobile dealerships. Automakers also have to pay careful attention to end users, of course, such as individual drivers and rental car agencies.



SUBSTITUTES for the auto industry's products include bicycles and mass transit. Luckily for automakers competing in the US market, Americans are notoriously reluctant to embrace these substitutes.