

MONITORING THE CONSUMER'S INFORMATION SOURCE AS
AN INDICATOR OF PRODUCT LIFE CYCLE STAGE

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INTRODUCTION

A product life cycle portrays the evolution of product attributes and market characteristics over time. The primary application of the product life cycle is to plan changes in marketing strategy as the product moves through its various stages. Accurate monitoring of the product life cycle therefore is important for effective use of this concept. A number of techniques have been developed by marketing researchers to forecast and monitor life cycle stages. Exploratory research by the authors suggests monitoring the consumer primary source of information about the product class over time may be used as an additional indicator of the product's life cycle phase.

INFORMATION SOURCE SURVEY

The authors asked people attending an event at California Polytechnic State University in San Luis Obispo to take part in a consumer survey. Demographically, the participants varied widely in terms of age, education and income. The consumer survey asked participants: (1) where they went first for information; (2) their confidence in this information; (3) the most important source of information; and, again (4) their confidence in this information source for a number of products and services.

SURVEY RESULTS

The pattern of information responses to photography and stereo equipment, two of the fifteen products included in the survey, were expected to be fairly similar. Both products have been available in the marketplace for many years and along with other similarities are relatively expensive and fairly technical, yet the pattern of response as illustrated in Table 1 (abbreviated) are quite different.

TABLE 1

| | FIRST SOURCE | | MOST IMPORTANT SOURCE | |
|--------------------------|--------------|--------|-----------------------|--------|
| | Photo | Stereo | Photo | Stereo |
| <u>Consumer Report</u> | 20.8% | 5.1 | 27.8% | 8.1% |
| <u>Label Information</u> | 2.5% | 25.4% | 1.0% | 21.8% |
| <u>Sales Person</u> | 22.3% | 9.1% | 10.7% | 3.6% |
| <u>Specialist</u> | 12.7% | 8.1% | 28.4% | 14.2% |

Perhaps the most dramatic data is in the participants' responses to label information for these products. Fifty of the participants would use label information as the first source of information for stereo equipment, and forty-three of them felt this would provide the most important information. The same responses for photography equipment were five and two respectively. Using a chi-square test for homogeneity, the information response pattern for photography and stereo equipment were found to be significantly different at the .001 level. There was, no significant difference in their confidence in the sources of information.

DISCUSSION

The results of this exploratory survey should be viewed with considerable caution. The authors, made no attempt to specify the price ranges or complexity of the photography and stereo equipment which can vary widely. Nor were the sources of information defined. Participants undoubtedly had differing views of what was included in each product class and what information would be provided by each of the information sources. Ignoring these and a number of other limitations, this exploratory survey of the consumer's primary information sources suggests that stereo equipment, as a product class, is well along in the mature phase of its product life cycle. Indeed, the research indicates that stereo equipment is approaching or has reached a commodity status when buyers are more likely to be more price conscious and much less responsive to promotion efforts. (See Erickson and Montgomery 1980).

Since there have been as many as twelve types of product life cycle patterns discovered by investigators, it would be inaccurate to suggest that stereo equipment is further along in its mature phase than photographic equipment. The survey indicates consumers are generally less familiar with photographic equipment and do not shop for it as frequently as they do stereo equipment. Purchasers of photographic equipment, therefore, may be more likely to use attribute information processing while stereo equipment purchasers may be more likely to use brand information processing. As Newman and Lockeman (1980) suggest, survey-based measures of information seeking may not capture the true scope of the consumer's information search. However, the authors believe surveys monitoring the consumer's primary source of information may provide valuable insight into a product's life cycle and important data for advertising decisions.

REFERENCES

- Erickson, Gary and David B. Montgomery (1980), "Measuring the Time-Varying Response to Market Communication Instruments," in David B. Montgomery and Dick R. Wittink, Market Measurement and Analysis, Cambridge: Marketing Science Institute.
- Newman, Joseph W. and Bradley D. Lockeman (1975), "Measuring Prepurchase Information Seeking," Journal of Consumer Research, 2 (December), 216-222.