

PRODUCT DEVELOPMENT STRATEGY THROUGH PRODUCT LIFE CYCLE INTEGRATION AND SWOT ANALYSIS

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Abstract

Product development is one of the keys to a product life cycle in a company. In retail companies, distributors of viral beauty products also have a life cycle center at the age of a viral product that cannot be predicted. So business owners must prepare alternative strategies for development through their internal and external resources through their strengths, weaknesses, challenges, and threats (SWOT). This research was conducted on one of the viral products owned by a beauty product company/store. Data was collected by means of observation, interviews and study of company documents. The analysis method uses an internal external SWOT analysis matrix (Strengths, Weaknesses, Opportunities, and Threats). This analysis is used to determine the internal and external potential of the company. The next method of analysis is to use the principle of product life cycle (PLC). From these 2 SWOT and PLC analyzes, several alternative strategies were produced to develop sales as well as control over the viral product life cycle based on the PLC study conducted. This research is focused on companies in the field of beauty products with special cases on products that are viral or rising periodically. Recommendations for further research are to further develop subject projections with a wider range of cases, so that they can provide a broader picture as well as strategies.

Keywords: Product life cycle (PLC); SWOT; Beauty Product

A. Background

The era of digital transformation accompanied by the development of an increasingly competitive industry requires every business person to carefully carry out various active and productive efforts, one of the main efforts that must be prioritized is to develop product which has implications for the intensity and effectiveness of sales.

Product development is one of the keys to a product life cycle in a company (Santoso, 2016). Along with the development of automation and digital technology, companies are not only required to survive, but are also required to be creative continuously to improve and increase the economic value of products that become production figures or sales mainstays (Setiawan, 2021). So that in a business environment, whether on a medium, or large scale, updating or introducing new products is one of the best ways to survive and win the competition and competition in the consumer market (Mamentu et al., 2018).

The above phenomenon does not only apply to companies that carry out production but also companies of the type of distributor, stockist or retailer. Product sales development is the responsibility of the main operating function in the business so that the products that are the

main selling substance can continue to be the target of consumers' consumption, even with a uniform product appearance. However, in reality this development operation is considered to be highly influenced by the introduction of the new product itself. Meanwhile, product development is also very limited by technology and consumer stability over the previous product that has become their choice. Therefore, it is necessary to know product development strategies so that new products presented to potential consumers are effective and efficient (Dalimunthe et al., 2020).

Retail companies such as shops or distributors of beauty products also pay attention to the product life cycle as basic ammunition so that the products that are the sales units remain the attention of the consumers who wear them. Whereas the current era is an era where consumers like viral products as a result of endorsement engineering in presenting products on the digital market (Zainal Abidin Umar, 2010). So companies in this field must have high innovation capabilities accompanied by sensitivity in responding to the needs of the consumer market. The ability to innovate selling products is absolutely needed by every company, of course, accompanied by efforts to consider the internal and external conditions of the business (Putong, 2003). The internal conditions referred to here include human resources, operational techniques, finance and all physical or non-physical resources owned by the company. Meanwhile, external conditions include government policies, socio-cultural aspects, economy, market conditions, consumer segmentation and aspects of the role of related institutions (Dalimunthe et al., 2020).

In retail companies, distributors of viral beauty products have a life cycle center at the viral age of a product that cannot be predicted (Fikri et al., 2020). This condition is strongly influenced by consumer conditions and viral promotions in digital marketing networks. This business owner has 2 product segments, namely general market products and products that are deliberately held for the reason that the product is viral and selling well in the market. Facing these 2 segmentations, business owners are required to be able to know the description of their product life cycle patterns, especially for products with viral segmentation so that business owners can determine effective strategies to deal with this phenomenon (Widodo, 2018).

Generally, the main stages in the product development process are referring to the product life cycle principle including introduction, growth, maturity and decline phases (Mamentu et al., 2018). The product development strategy carried out by the business must be able to follow market developments and adapt to the signals of consumer needs obtained from market research and accommodations raised from digital marketing images (Hadi et al., 2021). This research will conduct a study of the product life cycle in a beauty retail company, but not

concentrated on how the product is produced but on how the products owned by this company can continue to exist in the consumer market. Then the known cycle will be used as a module for formulating an implementation strategy so that the company has a covering weapon for its selling products and does not experience a decrease in turnover due to the PLC effect of the product that is the mainstay of its business.

Previous studies that have explored this problem have been carried out by many previous researchers. For example, the latest research conducted by Istianah (Istianah, 2020), in her research it is stated that by recognizing PLC for business products that save waste stock capital, it will make it easier for business owners to determine strategies to increase product sales. Then further research by Imam Santoso (Santoso, 2016) which focuses on studying PLC integration with the application of the AHP method in product development strategies also explains that the factors with the highest priority in strategy formulation are consumer preferences, costs, promotional activities and product quality improvement. The research was conducted on a goods production company to determine the focus of its strategy. In contrast to this research, this research will present an analysis to find out and explore the strategies used by retail companies and not focus on the production process but the sales or marketing process. So that companies with this segmentation can still use the PLC principle in the process of preparing their business strategies.

Furthermore, this research also attempts to combine the integration of PLC principles with the SWOT analysis format in the study. So the analysis is not only based on the product life cycle but also on the internal-external resources owned by the company. It is hoped that this research will be able to present 3 main results, namely, an overview of the PLC cycle, internal-external analysis through SWOT, existing strategies along with recommendations for development strategies that can be used as recommendations for companies in developing product sales.

The product life cycle or commonly referred to as the product life cycle is the process of a product from product launch to withdrawal from the market (Dwiyana, 2016). This product life cycle concept is commonly used by business owners to find out how their products are developing in the market, so that product owners will be able to determine strategies to develop their products. Generally, the main stages in the product development process are referring to the product life cycle principles including introduction, growth, maturity and decline phases (Dalimunthe et al., 2020). SWOT analysis or commonly known as general analysis to identify and identify the strengths, weaknesses, opportunities, and threats that determine the performance of a company (Nisak, 2013). External information regarding opportunities and

threats can be obtained from many sources, including customers, government documents, suppliers or other company partners, while internal sources of strengths and weaknesses can be assessed by conducting an evaluation into the company's organization which includes resources from all potentials owned by the company as a whole. as a whole (Putong, 2003).

B. Methods

Data was collected by means of observation, interviews and study of company documents. Observations and interviews were conducted on all company devices and the interviews focused on company owners and some of the company's priority customers. The primary data of the study were obtained from interviews and direct observations conducted on company equipment including the product taking process, product administration management, product sales, product delivery and aftersales. Meanwhile, secondary data is obtained from company documentations or reports in the past several periods. Both reports in the form of financial and evaluation results of the company's sales of its products.

The analysis method uses an internal external SWOT analysis matrix (Strenghts, Weaknesses, Opportunities, and Threats). This analysis is used to determine the internal and external potential of the company, which wil llater be used as a basic module for preparing the company's strategy (Wulannata, 2017).



Image 1. SWOT Analysis Matrix

The next method of analysis is to use the principle of product life cycle (PLC). Product input that will be used as analysis material is brand X product. PLC analysis will be used as a process to identify the stages that product X goes through. . This stage contains opportunities as well as special problems related to the product marketing process. The results of this analysis will find the main points that can be used to develop an effective and efficient marketing strategy.

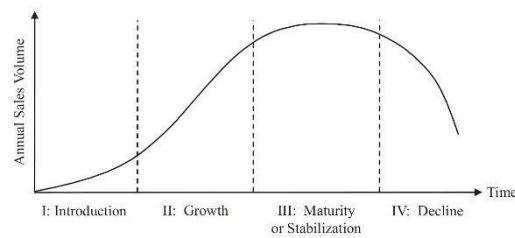


Image 2. PLC Analysis Matrix

C. Results and Discussion

1. Result

In general, company X has used the PLC principle in the process of managing its product sales, but it has not been done perfectly considering the affiliate data sources are still based on the assumptions of business owners and do not use valid data sources obtained from research processes on the company's internal and external.

A simple SWOT analysis is also carried out only on the entire company system and does not carry out an in-depth analysis that focuses on its main products. These 2 things are considered to be major values that can cause a decrease in the market value of the company's products every period of the life of the products being marketed. So that an in-depth analysis of these 2 sources should be carried out more comprehensively with the following analyzes;

Table 1. Company SWOT Analysis

External	Internal	Strengths (S)	Weakness (W)
		<ol style="list-style-type: none"> 1. digital support system is quite good 2. various product variants 3. support offline & online shop 4. competitive price and easier to market 5. the network of fellow business is very wide 	<ol style="list-style-type: none"> 1. Limited capital 2. Don't have a superior product yet 3. Limited media and marketing capital 4. Limited product research capabilities 5. Minimal and minor human resources
Opportunity (O)		SO Strategic	WO Strategic
<ol style="list-style-type: none"> 1. A new marketplace appears 2. New market development potential 3. Bring in investment cooperation 4. Product that consumers are looking for 		<ol style="list-style-type: none"> 1. Maximizing all available marketplaces 2. Diversification & differentiation 3. Open investment from business partners 4. Minor product stockist on a small scale 	<ol style="list-style-type: none"> 1. Accept investment cooperation 2. Provide product that are rarely marketed 3. Maximizing free feature ads in the marketplace 4. Human resources as a target for marketed product research
Threat (T)		ST Strategic	WT Strategic

<ol style="list-style-type: none"> 1. The company doesn't have its own product yet 2. Central distributors switch to retailers 3. A price war in the market that cannot be followed 4. Some products have no standard price 	<ol style="list-style-type: none"> 1. Intense blazing of superior products through online 2. Expand distributor network 3. Create offline purchase promos to maximize offline sales 4. Create an offline price standard that is approved by the main distributor 	<ol style="list-style-type: none"> 1. Provide mini products with low prices 2. Help market the distributor's product variants 3. Maximize the ads marketplaces feature 4. Open as many resellers and freelancers with economical packages
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Table 2. Product SWOT Analysis

External	Internal	Strengths (S)	Weakness (W)
		<ol style="list-style-type: none"> 1. The product is sought after by many consumers 2. Marketing media is available 3. The price margin is quite high 	<ol style="list-style-type: none"> 1. The product has no standard price 2. The product is prone to side effects 3. Sinking seasonal products
Opportunity (O)		SO Strategic	WO Strategic
<ol style="list-style-type: none"> 1. High profit margin 2. Big potential customers 3. Opportunity for re-added value 		<ol style="list-style-type: none"> 1. Give a purchase bonus 2. Maximize the free ads feature of marketplaces 3. Re-packaging to add branding 	<ol style="list-style-type: none"> 1. Play in bonuses and added value 2. Provide consultation and warranty 3. Add shop branding effect
Threat (T)		ST Strategic	WT Strategic
<ol style="list-style-type: none"> 1. Lose the market price 2. Capital turnover 3. Product stock availability 		<ol style="list-style-type: none"> 1. Look different with gifts, packaging, services 2. Open up opportunities for investors 3. Increase the supply of distributor cooperation 	<ol style="list-style-type: none"> 1. Open the bundle package and free sale 2. Hold an open class product knowledge 3. Build a network of buyer users

Based on the SWOT analysis data shown in Table 1. Company SWOT analysis. Several strategies can be simulated including the following;

1. Maximize all marketplaces in digital forums
2. Increase the variety of products sold
3. Make a business proposal to get additional capital investors

4. Enlarging the marketing strategy through the use of the free ads marketplace feature
5. Improve store branding tools, not products sold
6. Widen and expand distributor network for supply
7. Widen the network of freelancers, resellers and agencies
8. Holding seminars and live streaming for product knowledge of company product

Furthermore, for a SWOT analysis that focuses on viral and seasonal products, several strategic recommendations can be simulated as follows;

1. Create bonus and gift formulations for every purchase of certain viral product
2. Enlarging the marketing strategy through the use of the free ads
3. Re-packaging and added value products to increase the branding effect on the store
4. Facilitate consumers with modules or free product consults
5. Expanding distributor network to prevent stock delays and anticipate price wars in themarket
6. Open and create a network community of product users to increase trust and loyalty

Product Life Cycle (PLC) analysis is used to determine the position of the product during its life cycle, especially during the periodic viral duration of a product. This analysis will be able to describe the opportunities, challenges and problems faced. To create a PLC diagram, sales report data will be used from January to June 2022, and is shown in Figure 3 below;

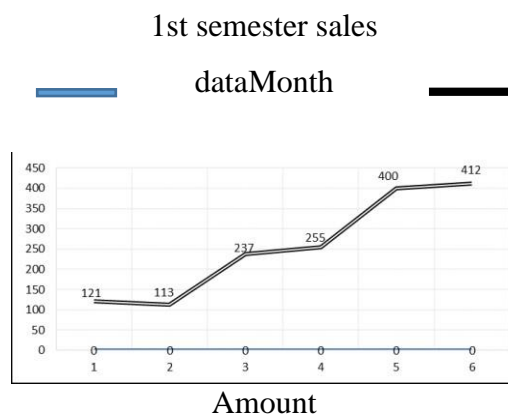


Image 3. Sales chart

Based on Figure 3 above, it shows that during the first half of the first semester, viral product sales continued to increase, practically only experiencing a slight decline in February 2022. According to the interview results, this was due to the shorter number of days in February and the market was still adjusting. Furthermore, to find out the pattern and trend of sales of viral cosmetic products in the future, simple forecasting is carried out using the Trend Analysis method. Forecasting results are shown in Figure 4 as follows;

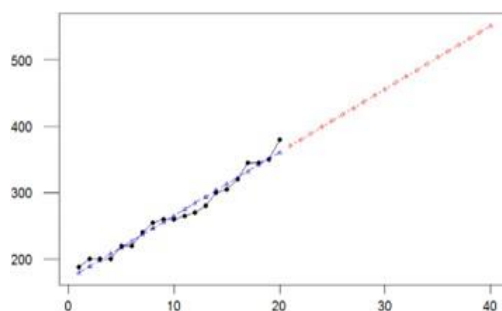


Image 4. Sales Forecasting

Based on Figure 3 and Figure 4 shows that the number of sales for the next several periods tends to increase. Furthermore, when examined based on the characteristics of each stage that exist in the PLC principle, viral cosmetic products when they are 6 months old or in the first semester of sales are in the growth stage as shown in Figure 5 below.

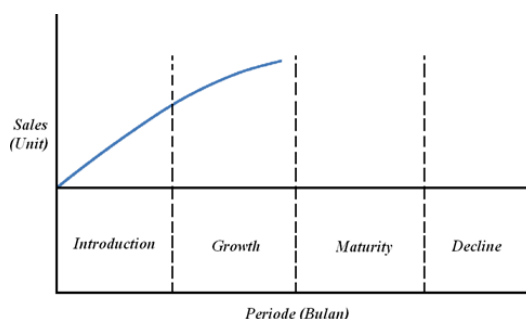


Image 5. plc chart

Based on the PLC identification of viral cosmetic products as shown in the previous pictures, especially those shown in Figure 5, it can be concluded that this product at the age of the first 6 (six) months was in the growth stage, so that with this position, it was obtained 4 alternative strategies as follows:

1. Improve marketing strategy to increase reach to customers
2. The advertising model changes the format from introduction to development format or by providing added value

3. Improving branding is not only focused on products but also directed to story branding
4. Provide bundling packages to increase sales quantity
5. Create a class or live streaming of product knowledge so that there is more potential for increasing potential customers

Understanding the results of the analysis carried out by a simple study using the SWOT analysis method and PLC integration, several alternative strategies are obtained as follows;

1. Increase market reach by expanding marketing area
2. Increase advertising capacity to increase potential customer awareness
3. Provide a combination strategy for main products by adding bundling packages, gifts, and discount packages to increase sales quantity
4. Expanding product distributor network to determine price margin segmentation
5. Create a seminar class aimed at product to increase market reach as well as build store branding
6. Duplicate as well as create category segmentation into the main, second, and alternative strategies, in order to minimize the failure of the market strategy
7. Prepare alternative similar products with new markets and start creating awareness to potential consumers in preparation if previously viral products begin to enter maturity periodization. So that the company does not experience a decrease in sales which has an impact on decreasing revenue

2. Discussion

In general, company X has used:

1. SWOT Analysis

Based on the results of the analysis shown in the SWOT matrix, several alternative strategies are produced as follows;

a. Strength-Opportunity (S-O) Column

In the SO column specifically for the Product SWOT results, several alternatives appear as follows;

- Providing bonuses or gifts for buyers for every product purchase, this is done as an effort to increase the value of consumer satisfaction, so that consumers will feel they get more benefits. This step is predicted

to minimize the occurrence of GAP among sellers with the same product

- Maximizing the free ads feature in the marketplace. The current era is an era of convenience, this phenomenon must be captured by business owners to use digital access more in their marketing process. Product owners must be able to use all the features in the marketplace to increase traffic of potential buyers to their online stores
- Re-packaging untuk menambah *added value* dan menambah efek branding perusahaan. Hal ini dilakukan sebagai upaya *branding* perusahaan, jadi akan muncul 2 akses keuntungan yakni keuntungan atas produk yang terjual dan keuntungan atas semakin dikenalnya nama perusahaannya.

b. Strength-Threat (S-T) column

In the SO column specifically for the Product SWOT results, several alternatives appear as follows;

- Showing different things with gifts, packaging, and services plus. This strategy is predicted to increase positive relationships with customers, so that customers will become part of loyal customers.
- Opening up opportunities for investors to increase capital turnover. This method can be done as an effort to solve stock problems and get a cheaper pick-up price. Because some central distributors use a quantity policy to get a certain price category.
- Increase cooperation and build a wider network with many distributors as an alternative in case of stock shortages and price wars that occur in the market.
- *Strength-Threat (S-T) column*

c. In the SO column specifically for the Product SWOT results, several alternatives appear as follows;

- Playing prices with a bonus system and bundling as an effective upselling strategy
- Providing added value by opening a free consultation program and providing quality assurance through a product warranty system
- Adding store branding effect by including company information on

product packaging, advertisements, modules, offer letters and other marketing tools.

d. In the SO column specifically for the Product SWOT results, several alternatives appear as follows;

- Make bundle packages and flash sales periodically to increase sales, flash sales are carried out periodically along with special days. For example, on Eid al-Fitr, event 5.5 or new year.
- Holding open class product knowledge, this method can be done to attract more potential buyers, because the more people know, the higher the sales potential.
- Create a network of user buyers. This effective method is almost rarely used by most business people. how to create a special group for buyers, so that the relationship between the seller and the buyer will never be broken. Of course with the benefits provided by the seller.

2. *Product Life Cycle (PLC)*

Based on the PLC graph shown in Figure 4, it shows that the viral X product is in the growth stage, so that it can be identified so that several alternative steps and strategies appear that are suitable for business owners to do. The following are the stages that have been, are being and will be passed by product X as follows.

Introductory Stage. This stage begins with the launch at the end of 2021 and begins to be published en masse since January 2022. This includes business owners starting to market their products from the beginning of January. General introduction and marketing strategies are carried out such as doing advertisements, blazing, entering the marketplace, and using the available ads features, uploading them to social media which are used as marketing media, including direct introduction to consumers who are targeted in ring 1. At this stage company owners make extra efforts to how to make potential consumers pay attention to the products being marketed.

Growth Stage. This phase starts from mid-February until now and is predicted to have a long growth period. Considering the viral X product that is owned or which is a product of this company, it is considered to have an advantage in terms of quality of results and at a relatively cheaper price compared to other similar products. So it is predicted that it will have a longer lifespan in the market, especially if it is supported by advertising support and endorsements from the center which are quite

good. Seizing the opportunities studied from this phase, of course, the owner of the company must increase strategic efforts so that sales are higher and do not immediately fall into the maturity period.

Here are some strategies that can be used as alternatives.

- a. Improve marketing strategy to increase reach to customers. The strategy in question is prioritized to a digital strategy, considering that the majority of customer style patterns currently use the digital area for shopping.
- b. The advertising model changes the format from introduction to development format or by providing added value. Business owners must have new breakthroughs to provide different implications from other competitors, one effective strategy is to provide other benefits for every purchase of the same product, either by giving gifts, bundling packages, subscription packages, or attractive repackaging.
- c. Improving branding is not only focused on products but also directed to store branding. In addition to product marketing, company owners also need to increase market reach on the company's side, so that consumers not only know their products but also pay attention to the company's background, this needs to be done so that if the company comes up with new products again, consumers will also know it.
- d. Provide bundling packages to increase sales quantity
- e. Create classes or live streaming of product knowledge so that there is more potential for increasing potential consumers. Opening new marketing streams by providing benefits for consumers at the beginning. Making consumers aware can be one of the best strategies for companies to get the attention of potential customers.

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