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HOW SMALL BUSINESSES MARKET THEIR PRODUCTS DURING THE DIFFERENT PHASES OF THE PRODUCT LIFE CYCLE: THE CASE OF SWEDISH ICE CREAM MANUFACTURERS[†]

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Abstract

The Swedish ice cream market of today is dominated by a few major market leaders, which makes it a challenge for small firms to make themselves visible and survive on a long-term basis. The aim of this article is to investigate and understand how small firms in the ice cream business market their products, based on the marketing mix and the portfolio matrix, during the different phases of the product life cycle. The combination of the two models for strategic planning enables the marketing manager to conduct a more complete analysis of existing products and their place on the market and in the product life cycle. Eight CEOs of small-scale ice cream companies were interviewed. This study found that the marketing activities and strategies of large companies cannot be transferred to and implemented in small-scale businesses. Different marketing theories are developed for big businesses that have many employees and expert knowledge, which small companies do not possess. They also have less resources and knowledge to invest in expensive marketing activities in the marketing mix, and therefore the marketing mix models need to incorporate more of inexpensive marketing.

Keywords: Small Businesses, Ice Cream Market, Marketing Strategies, Product Life Cycle, Marketing Mix, Portfolio Matrix

1. Introduction

Markets today are dynamic, making the marketing process more complex as it is constantly changing. Companies need to decide on specific marketing strategies to cope with unpredictable and rapidly changing conditions (Kotler *et al.* 2011; Bennett, 2010). Marketing

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managers need to identify different tools for analysing their products and target markets in order to choose relevant marketing strategies.

Today, most marketing managers are aware that a product goes through various phases of a life cycle and that marketing strategies continually change, based on market demands and competitive situations that the product experiences during its time on the market (Avvari and Krishnaswamy, 2006). In order to create a stable marketing strategy and manage the markets, the product life cycle model, which was introduced in the late 1950s, can be used as a tool for shaping marketing strategy (Rink and Swan, 1979).

Forrester proposed the typical product life cycle s-shaped curve with four phases in 1959, and this version is regarded as the classical product life cycle (Shaw, 2012). The theory of the product life cycle is based on the evolution of a product described and measured as its sales over a specific time period. A product life cycle implies that it moves from one stage to another (Bennett, 2010), or from the first phase (introduction) to the end phase (decline).

According to Wong and Ellis (2007), product life cycle has been frequently discussed and used to describe the constant changing of markets, and no marketing manager should be unfamiliar with this concept (Wood, 1990). Any product, then, will always be in one of the different stages in the cycle (Cox, 1967).

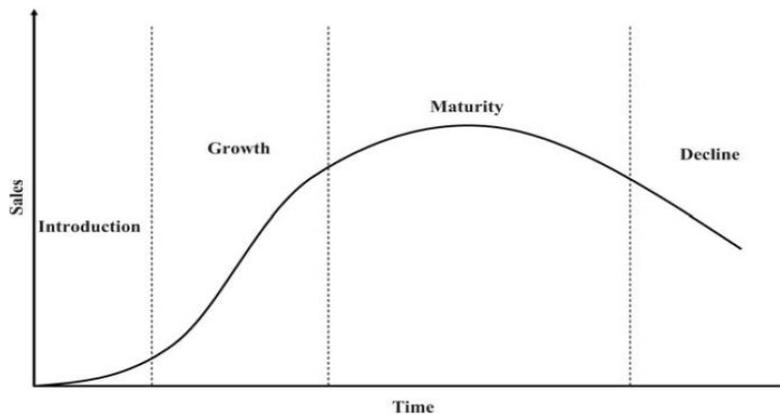


Figure 1. The classical curve of the product life cycle (Shaw, 2012, p. 39)

As depicted in Figure 1, the product life cycle begins with slow sales growth during the introduction phase, which later increases during the growth phase, followed by fairly constant sales during the period of maturity and decreasing sales during the decline phase (Swan and Rink, 1982). Successful marketing can sometimes, as Dhalla and Yuspeh (1976) claim, give a product a second turn in the product life cycle. This means that the product can get a new 'life' and not reach the decline stage after the peak in the maturity phase. Instead, it can enjoy continuous growth by remaining in the growth phase (Dhalla and Yuspeh, 1976). In addition, Bayus (1994) stresses that the product life cycle has become shorter over time as the result of a more dynamic market, where products are substituted and outdated faster.

Product managers can use the concept of the product life cycle even more effectively if they know what each single phase characterizes. They can then use this knowledge in determining which marketing strategy would be suitable for the product. The present article uses the four Ps of the marketing mix model to analyse appropriate strategies during product life cycles.

The main practical application for the product life cycle has been to plan changes in marketing strategy as the product moves from one stage to another (Rink and Swan, 1979). Studies in the supporting literature suggest that marketing activities should differ according to the product's stage in the life cycle (Avvari and Krishnaswamy, 2006). Other studies emphasize that the size of a firm and the way a product line is launched could influence the product life cycle, but little research has been conducted on how the characteristics of the firm may influence the product life cycle (Rink and Swan, 1979).

A common assumption among managers is that small businesses can use the same management principles as large firms, only on a smaller scale (Welsh and White, 1981). Despite comprehensive academic research, marketing theories are primarily based on surveys of larger companies and not on the small-scale business sector (Weinrauch *et al.* 1991a; Blankson *et al.* 2006; Mulvihill, 1951). These assumptions regarding differences between large and small firms were considered in 1981, when Welsh and White published their article, *A small business is not a little big business*. The authors argued that a small business could not be considered to have the same opportunities as a large one, because a small business has limited financial resources, which means that the company should operate in different ways than big firms (Welsh and White, 1981).

Several authors emphasise that small firms, unlike larger ones, have limited funds for marketing (Weinrauch *et al.* 1991a) and must, therefore, market their products and services differently due to these special circumstances (Verreynne and Meyer, 2010). The lack of financial resources also indicates that the competence of marketing in a small business is only casual and can rarely contribute any expertise (Welsh and White, 1981). Knowledge and competence in marketing is often seen as a key determinant of the success of a small firm, and several authors claim that inadequate marketing is a commonly identified reason for failure and a common weakness of small businesses in general (Murdoch, 2001). In addition, according to Meziou (1991), owners of small businesses, who rarely have participated in any marketing academic courses, may use some parts of the marketing strategy process without being consciously aware of them.

In the industry that this article focuses on, the Swedish ice cream market, competition is fierce (Sveriges Radio, 2012). The market is dominated by three large companies: Unilever, which owns GB Glass and has a market share of around 50 percent, followed by the main competitors of Sia Glass, with 20 percent of the market, and Hemglass and Triumfglass, with a market share of 10 percent each (Ström, 2010; Svenska Dagbladet, 2012). The remaining market share is shared by grocery-chain-owned brands and local manufacturers, such as Coop, ICA and Axfood, and small ice cream manufacturers compete for the remaining market share (Sveriges Radio, 2012; Ström; Svenska Dagbladet, 2012). Today, Sweden tops the list of European countries where consumers eat the most ice cream (Andersson, 2005) and it ranks third globally among countries with the most ice-cream-eating people (Sveriges Radio, 2012; Svenska Dagbladet, 2012).

1.1. Aim and Research Questions

Empirical studies that explore the success of small businesses in relation to marketing practices seen from a life cycle perspective are lacking in the literature (Weinrauch *et al.* 1991b). Therefore, the aim of this article is to investigate and understand how a small firm in the ice cream business markets its products based on the marketing mix during the different phases of the product life cycle. Based on the study's findings and analysis, this article also aims to provide recommendations for small firms in the ice cream industry regarding elements of the marketing mix that they can apply and focus on in different phases of the product life cycle, with consideration of their restrained resources.

This study has four research questions:

1. How does a small ice cream manufacturer market its products during the introduction phase?
2. How does a small ice cream manufacturer market its products during the growth phase?
3. How does a small ice cream manufacturer market its products during the maturity phase?
4. How does a small ice cream manufacturer market its products during the decline phase?

2. The Product Life Cycle as a Framework for Marketing Strategies

An important part and critical element of the success of a business is the use of an appropriate marketing strategy (Shaw, 2012). To choose the right strategy, the marketing manager must understand the terms and conditions of different alternative marketing strategies and the tools that can be used for marketing planning (Shaw, 2012).

Marketing strategies must be adapted to the changes of the terms and conditions of today's dynamic marketplace in order to be relevant and successful. The strategies must also be sensitive to the trends and the competitive structure of the market (Catry and Chevalier, 1974).

As was depicted in Figure 1, the life cycle of a product begins with the phase called introduction, where a new product innovation is launched on the market and market development takes place (Levitt, 1965). The sales and profits in the introduction phase are normally low, because not many consumers are aware of the new product (Mossberg and Sundström, 2011). When the product is launched in the market, acceptance is also low among consumers (Wood, 1990). As awareness and recognition rises, sales start to increase during the growth phase, which is, according to Wood (1990), a result of the introduction, promotion and distribution.

2.1. The Marketing Mix and Life Cycle Strategies

According to Baines *et al.* (2008), the marketing mix consists of the following parts: The *product* that the business is manufacturing and selling to the customer and the consumer is partly about the actual use and the function of the product. There are, however, many other components involved in the purchase, such as the price and other characteristics associated with the brand, which differentiate the product and add value to the core product, which permits the firm to charge a higher price for it. *Pricing* is a complex component of the marketing mix and incorporates many different variables. In marketing terms, the price is described as the amount of money that the consumer has to pay to get a certain product or service. Advertising, sales promotions, public relations, direct marketing and personal selling are the five tools of marketing communications in the category *promotion* in the marketing mix. The marketing mix element *place* is partly about 'the transportation of a product from place a to b', such as the fabric to the store, or other tangible ways of getting the product to the consumer. However, in addition to the actual delivery of goods, it is also about how you can place your products at the times and locations that your target consumers desire.

Departing from the product life cycle concept as the base, marketing strategies using the four Ps of the marketing mix can be modelled for each specific product in the business' total range of products. Each stage in the life cycle means a new competitive environment and the marketing activities should be adopted accordingly (Onkvisit and Shaw, 1986).

a) *Market introduction strategies*

In this first stage of the life cycle, the market for the product that is being launched has to be created and developed (Mohan and Krishnaswamy, 2006). The marketing efforts and activities are therefore focussed on identifying consumers' needs and wants in order to generate demand from customers (Levitt, 1965). The strategy is therefore aimed at the needs and interests of consumers who are early adopters, to get customers to stock the brand (Dhalla and Yuspeh, 1976). It is the product design that matters in the introduction phase (Wong and Ellis, 2007). The new product innovation or concept needs to be accepted commercially by the customer (Mohan and Krishnaswamy, 2006), and this stage in the cycle requires the product to be supported by considerable marketing efforts (Cox, 1967).

b) Market growth strategies

When a product has reached the growth stage, sales begin to rise rapidly, together with profits, competitors begin to enter the market and competition gets more intense (Mohan and Krishnaswamy, 2006). Since the growth stage and the introduction stage have many similarities, there are also similarities between the marketing activities appropriate to the two phases. The marketing efforts in this stage are considered to be a key factor, and appropriate marketing activities should be about establishing the brand and making the differentiation and positioning clearer for the customers in order to create brand preference and communicate the benefits offered to customers (Anderson and Zeithaml, 1984).

c) Market maturity strategies

When the rapid growth in sales reaches a peak and then remains on a plateau (Wood, 1990), the product enters the maturity stage. The maturity stage is characterized by high competitive pressure (Wong and Ellis, 2007; Mohan and Krishnaswamy, 2006), and therefore changes in strategy are required. In a heavily competitive environment, the importance of differentiating the product from other competitors' product also rises. To maintain market share and ensure continuous sales, the firm can also try to find new markets. Shaw (2012) suggests a rather passive maintenance strategy in the maturity stage, which means that the marketing mix activities are stable. A more aggressive strategy is to differentiate the product by adopting the elements of the marketing mix to give more value to customers (Shaw, 2012).

d) Market decline strategies

In the last stage of the product life cycle, the marketing manager has two choices in determining the future of the product: one is to lower the price and reduce the stock in order to end the product life and the other is to use a marketing strategy that will extend the product life cycle. When managers use the first strategy, the PLC experiences a self-fulfilling prophecy, where sales decrease as the belief is that the product is going to reach the decline stage, and the business acts like it (Cao and Folan, 2012). Several things can be done to lengthen the life of a product and the decline stage. For example, new ways of using the product can be introduced, new user and target groups of consumers for the product can be found, new attributes of the product can be developed or and the product can even be repositioned (Baines *et al.* 2011). To reposition a product, though, may be very expensive since it requires major commitment of resources (Barksdale and Harris, 1982).

2.1.1. Strategies for Small Firms

According to Shaw (2012), of the overarching marketing strategies that are comprehensive for the four different Ps in the marketing mix, the most favourable strategy in the introduction stage for small firms with limited resources is a niche strategy, in contrast to the penetration strategy that is appropriate for larger firms. The niche strategy focuses on small, defined customer segments, using a price skimming strategy and a very well-developed product offer (Shaw, 2012). The overall aim of the marketing mix activities in the niche strategy is to convey a tailored product offering, a higher price level, focused promotional activities on the target consumer and carefully selected exclusive distribution channels (Shaw, 2012). The niche strategy is suitable for small companies, since the lack of sales volume is compensated for by the higher price, with lower marketing mix expenditures (Shaw, 2012). The strategy also makes it possible to enter or leave the market quickly, with not much cost, and it is profitable in every stage of the product life cycle. Another strategy that could work in all stages of the product life cycle is the differentiation strategy, which can be used simultaneously with other strategies applied by the firm (Shaw, 2012).

2.2. The Product Portfolio Matrix and Life Cycle Analyses

The concept of the product life cycle is not only relevant to combine with the four Ps of product, price, place and promotion of the marketing mix. It can also be integrated with the product portfolio of the business, developed in 1968 by Bruce D. of the Boston Consulting Group (Figure 2), since both concepts are used as tools to identify and analyze marketing strategies. As a firm may have different products in different places in the product life cycle at the same time, the products of the company can be placed in the portfolio matrix according to where in the product life cycle they are and what the profit and growth possibility is for each single product.



Figure 2. The portfolio matrix (Barksdale and Harris, 1982, pp. 77, and developed by the authors of this article)

The focus in the product life cycle is the market growth, as measured in the rise and decline of sales over a specific time period, while, according to Barksdale and Harris (1982) the product portfolio matrix focuses on both the market growth, as measured in sales, and the competitive positioning of the product. However, the two models are very closely connected, since the stages in the product life cycle model are defined by growth rates of sales and therefore are the variables on the vertical axis of the portfolio matrix (Barksdale and Harris, 1982). Although this connection between the two concepts is easy to recognize, it is not considered very much in the literature (Barksdale and Harris, 1982).

The combination of the three concepts for strategic planning enables the marketing manager to conduct a more complete analysis of existing products and their place on the market and in the product life cycle (Barksdale and Harris, 1982). When the product has been identified as being in a certain stage, the marketing manager needs to determine where in the product portfolio matrix the product is placed. This is done to identify products that are worth putting marketing efforts into, since some products are likely to fail.

3. Research Methodology

An abductive research strategy, which incorporates elements of both the induction and deduction strategies, was used. However, according to Alvesson and Sköldbberg (2008), it is important to note that abduction is not simply a mix of these two approaches. The abductive strategy develops theory and empirical findings simultaneously throughout the research process, and adds elements of its own (Alvesson and Sköldbberg, 2008). The theory is modified and refined as new interesting facts and hidden patterns are revealed. Based on the above reasoning, the authors consider the abductive strategy to be the most suitable approach. The authors have, throughout the research process, gathered empirical data, created a theoretical framework and changed the research process in order to come up with valid conclusions.

In order to gain a deeper understanding and a more complete appreciation of the problem area, the qualitative method was chosen. This method provided the opportunity to gain a deeper insight through professionals who are familiar with the business and who are considered to possess significant knowledge on the study topic. Further, one of the strengths of a qualitative method is that the subjects are not prejudiced as much as by a quantitative survey. A qualitative method is also considered to fit best at times when the topic is unexplored, as with the focus of this study.

The primary data was collected through individual semi-structured interviews. Telephone interviews were conducted, and extensive probing was used. A pilot study involving the CEO of the small Swedish ice cream company, Alvestaglass, was conducted in the initial phase in order to identify interesting problems and interesting research questions for the subject in the article.

3.1. Data Analysis

The information gathered from the interviews was recorded and then transcribed. The respondents' answers were compared to the model of the life cycle, the marketing mix strategies, as well as with the portfolio matrix (all the models described in the preceding sections). Patterns among the companies could be discerned, and individual answers were studied.

4. Empirical Findings and Analyses

The findings are presented with the four research questions as points of departure. In Table 1, the respondents are presented.

Table 1. The Respondents

Ice-Cream Manufacturing Business	Person interviewed	Position	Number of employees
1. Alvestaglass (pilot study)	Richard Hertvig	CEO	9
2. Järna Glass	Henrik Cevért	CEO	8
3. Lejonet & Björnen	Katarina Mild	CEO	3
4. Engelholms Glass	Daniel Andersson	Marketing/Sales Manager	35
5. Aros Glass	Dan Nyberg	CEO	4
6. Klings Glass	Lottie Engvall	Marketing/Sales Manager	17
7. Myckelgensjö Glass	Frida Bylund	CEO	2
8. Mormor Magdas Glass	Angela Hafström	CEO	2

Research Question 1: How does a small ice cream manufacturer market its products during the introduction phase?

Due to the highly competitive climate in the market, a majority of the respondents being interviewed had differentiated their products by focusing on the premium section, with high-quality ice creams based on authentic ingredients. The findings from the interviews showed that all small businesses focused on the need the products in general fulfilled, which was the need for a quality ice cream on special occasions. The interviews also confirmed that a majority of the respondents took into account what ice cream flavours their consumers wanted when developing a new product. A majority got this information from their retailers or sales staff,

based on conversations with people in stores. Firms that have their own ice cream bars, such as Aros Glass, Lejonet & Björnen and Mormor Magdas Glass, also tried new products in their own stores, which they all agree is an effective way to discover quickly whether the product is popular. In addition, a majority of the respondents observe what competitors offer on the market.

A majority of the companies did not, when introducing new products into the market, adapt their product prices according to the terms and conditions of the introduction stage. Some of them could use different campaigns in order to make it more interesting, but overall, the firms did not compete on the price. Both Mormor Magdas Glass and Engelholmsglass could lower their prices when launching new products, in combination with taste demonstrations, in order to attract new consumers, but for Lejonet & Björnen, this was not an option because they did not want to compete on the price.

Based on the interviews, the place and distribution channels were important for the small firms in order to make their products visible to the consumers. Most of the respondents had different channels in the introduction phase compared to the other phases. For example, Lejonet & Björnen launch all new products during spring, in a bucket of ice cream in their own ice cream bar and other coffee shops, in order to evaluate what flavours are successful through positive sales figures during spring and summer time, just to know what to offer in grocery stores such as ICA, Coop and Hemköp.

One thing that all small firms did agree on was the placement of their products in the grocery stores. In the introduction stage, this was mostly not a primary issue, because most of the products were first launched in coffee shops and ice cream bars, but later on in the product life cycle became more relevant for all the respondents.

Based on the results from the interviews, all firms did use taste demonstrations, which they also believed was one of the most effective marketing tools when launching a new product as well as during the entire product life cycle, due to the fact that it is in the store that the firm comes into contact with the consumer. Myckelgensjö Glass and Engelholms Glass both stressed the importance of using this promotional activity frequently. Some of the firms did say, when launching a new product on the market, that they did not use any promotion at all in order to spread knowledge of the product to consumers. Besides marketing in coffee shops, Lejonet & Björnen also makes a new product the news on their homepage and announces it on their Facebook page. Another finding was that taste demonstrations were used by all respondents.

Research Question 2: How does a small ice cream manufacturer market its products during the growth phase?

Katarina Mild at Lejonet & Björnen states that the design of Lejonet & Björnen products in the growth stage is more important as, at this point, they are available in the stores, which obviously means that there is suddenly more competition than when the ice cream was only sold in their own ice cream bar. The ice cream has developed from being an ice cream in a bucket to be offered in packaging, and hence the design and features of the package needs to be appealing to the consumer. In addition, a majority of the other companies argue that the product design is of high importance in this stage, since the product is visible for the consumer and need to rise in sales.

It is difficult to determine when the introduction stage ends and the growth stage begins, but an observed rise in sales is a good indicator. The campaigns that were held by some companies when the new product was launched may still be ongoing in the growth stage. All of the interviewed companies claimed that they did not do any kind of price adjustment between the introduction stage and the growth stage. However, the companies that held campaigns and lowered the price in the introduction stage when the product was launched on the market also used personal selling in the store at the same time. This is in line with the theory, because if the company wants to reflect that their product has a high quality, they should maintain a higher price level.

When the product enters the growth stage, distribution should increase to involve as many places and distribution channels as possible (Anderson and Zeithaml, 1984). According to

Katarina Mild at Lejonet & Björnen, they change the place of the product in the maturity stage from where it had been placed in the introduction stage. One example of this is that Lejonet & Björnen, as mentioned before, always introduce their products in their own ice cream bars and café at Danskavägen in Gothenburg. Then, the ice cream is given out free to the consumers to sample, and it hence does not have packaging or, sometimes, even a name. Then, when the product enters the growth stage, it moves out from Lejonet & Björnen's own ice cream bars to food stores in half-litre packages. In order for the consumer to be able to purchase the product, it has to be easy to access and available at places that consumers pass when they do their shopping.

Lejonet & Björnen, according to Katarina Mild, uses a lot of promotion at this stage of the product life cycle. Unfortunately, Lejonet & Björnen cannot be as visible in the grocery store as it would like to be, due to the fact that it cannot put up its own signs in the store. In the context of a novelty, they can put up extra signs in A4 size on their section of the freezer. Angela Hafström at Mormor Magdas Glass says that the company has not been on the market long enough to be able to see too much of a pattern in how their marketing activities differ in the growth stage from the introduction stage. However, she states that the company has to find new ways to talk about the product in the growth stage from how it did so in the introduction stage, and this is even more prominent in the following stages in the product life cycle.

Research Question 3: How does a small ice cream manufacturer market its products during the maturity phase?

Katarina Mild at Lejonet & Björnen states that they do not do anything in particular to adapt to the maturity stage of the product life cycle since they always use the same concept for their products in all the different product life cycle stages. Klings Glass, however, changes the design and intensifies their campaigns for some products in the maturity stage. The reason for this is, according to Lottie Engvall, that the focus of the marketing activities have changed from being about creating awareness about the product to emphasizing the product itself and its price. Aros Glass has not done anything in this stage, mainly because of costs. Engelholms Glass states that products in the basic assortment are always selling since there is always a demand for these products (Andersson and Zeithaml, 1984).

None of the companies interviewed claim that they do anything particular regarding the placement of the product in the maturity stage of the product life cycle. Only Lejonet & Björnen stated that they adjust the placement of the product in stores, which they consider a marketing technique. Some products need to be very visible for consumers to buy, while other products for which there is constant demand, such as vanilla and chocolate, sell by themselves.

The price skimming theory suggests that the price in the maturity stage should be lowered if an increase in sales appears. However, none of the companies that were interviewed changed the price. Instead, the price in the maturity stage was held stable for all the responding companies in the small-scale ice cream manufacturing business. According to Katarina Mild at Lejonet & Björnen, they never use any price adjustments because they do not want to use the price as a competitive tool.

Lottie Engvall at Klings Glass states that, in the maturity stage of the product life cycle, the focus is not on creating awareness about the product. Instead, it is about the product itself and the price of the product. By saying this, we would argue that Klings Glass uses the price as a sort of competitive tool in the market, since they change it accordingly.

Lottie Engvall at Klings Glass says that they put more effort into the campaigns. In comparison with the other companies that were interviewed for this article, Klings Glass had fewer promotions than they did in the stages before the maturity stage, that is, the introduction and growth stages. For example, Aros Glass did not do anything in particular in this stage of the product life cycle, as, according to Dan Nyberg, all their money was used to grow in terms of distribution. We can consider this a good example of how the limited resources that small companies struggle with limit their marketing possibilities. Similarly, Myckelgensjö Glass also state that they do not make any marketing efforts themselves, but they let other people do it for them through word-of-mouth.

According to Katarina Mild at Lejonet & Björnen, they never change the marketing strategy when a product experiences negative sales figures. In line with this, Lottie Engvall at Klings Glass states that there is no point in trying to force the consumer to buy a product by using the push strategy.

Research Question 4: How does a small ice cream manufacturer market its products during the decline phase?

All the respondents stated that they removed a new product from the market if it did not sell, after giving it some time on the market. The duration was specific to each firm. The most frequently provided reason for this was that they did not think it worth pushing the product on the consumer when they had already showed that they were not interested in buying it.

The respondents felt that it was too late to do anything when the product had already experienced reduced sales. The underlying reason for this may be that they do not have large storage for products, and products that do not sell will generate great losses. If a product has negative sales figures, they just stop producing it and the problem is gone.

All the respondents state that the distribution channels remain unchanged in the decline stage, except where it does not sell very well. We could argue that this gesture is also a way of changing the place of the product and, therefore, a strategic move to remove a product from a place with low sales and place it somewhere else is an actual activity forced by the company. We consider this some sort of strategy regarding the place in the decline stage. However, this is a passive strategy, which leads to the product being sold in less places and distribution channels.

In the decline stage, an appropriate strategy regarding the price level of the product is to lower it, since the demand and sales are decreasing (Shaw, 2012). This strategy is also chosen when the company decides to reduce the stock and remove the product from the market and from their overall assortment of products, which all the companies interviewed always did when a product was not popular among consumers. In contradiction to this, however, a majority of the companies did not lower their price on a declining product. According to Järna Glass, the price is never changed according to the stage of the product life cycle, even for the decline stage. Henrik Cevért at Järna Glass, however, stated that the distributor, such as the food store, might lower the price of the product, just to remove it from their stock, but this decision was not made by the ice cream company. It seems like most of the respondents are aware of the fact that the price is—as mentioned before—a quality indicator.

The findings from the eight interviews show that the marketing mix element *place* is by far the most important one, according to the respondents, and is therefore the most frequently used by the companies. We found the statement by Baines *et al.* (2008) that place is the least used marketing mix activity not to be true for the small-scale businesses interviewed. According to Frida Bylund at Myckelgensjö Glass, they first considered advertising in magazines and newspapers as marketing, but then they understood that the placement of the product was very important. It is also important that the manager at the store understands the product and does not let it disappear in the crowd of products. According to Daniel Andersson at Engelholms Glass, the in-store placement is very important.

In the decline stage, the promotion effort is almost always nonexistent in practice, which our interviews showed. If any of the strategies for extending the product life cycle were to be used by the firms, such as repositioning the product or finding new users or usage of the product, this element of the marketing mix could be used much more intensely in the decline stage.

According to Katarina Mild at Lejonet & Björnen, they never change the choice of marketing activities when a product experiences negative sales. In line with this, Lottie Engvall at Klings Glass states that there is no point in trying to force the consumer to buy a product by using the push strategy, which would involve promotional activities such as advertising and demonstrations.

5. Conclusions and Managerial Implications

We could argue that the product life cycle is not applied much in small businesses, unlike in large companies. This is due to many different reasons, almost all of which are related to the size of the firm. The original product life cycle theory was developed for large companies, and CEOs of smaller companies, therefore, do not see or understand the use of it. For example, small companies produce on a small scale and often directly on demand or by order from the distributor. The stock is therefore small or even nonexistent. The risk associated with a new product launch is therefore less significant. Since small companies often do not have any big product launches, it is difficult for them to identify this specific stage. However, products have a life on the market with different terms and conditions, regardless of the size of the firm. Therefore, the concept of the product life cycle, with some adjustments, in combination with the portfolio matrix, can be used as an effective tool and framework for planning marketing strategies around the marketing mix in small-scale businesses. In addition, if small-scale businesses want to grow, they have to think more like larger companies.

To summarize, this study found that the marketing activities and strategies of large companies cannot be transferred directly to and implemented by small-scale businesses. That is to say, a small business is not a little big business. The different marketing theories that exist have been developed for big businesses with many employees and expert knowledge, which small companies do not possess. They also have restrained resources in regard to money and knowledge for expensive marketing activities in the marketing mix. Therefore, marketing mix models need to incorporate more of inexpensive marketing that is suitable for small-scale companies, as product, price and place, together with some kinds of promotion, are less expensive than other strategies.

The empirical data collected in the interviews indicated that the smaller companies thought of marketing as something extra that they had to pay a large amount of money for, and they usually connected marketing with advertising. Since small business have such limited resources, they find it hard to afford anything they call marketing. When asked about this more detail, it was clear that although they claim to be aware of the marketing mix, they do not use a single element for their strategic planning. One of our recommendations would therefore be for these companies to try to understand the importance of each marketing mix variable.

Concerning the product, we recommend that small businesses should have a more direct communication with their consumers, which would benefit them when determining which flavours are demanded before producing new tastes as well as in building a loyalty network that would create a more sustainable profit in the long term. Furthermore, a majority of the small companies in the study differentiated themselves by offering premium products with high-quality content. In order to make it in the market, this is a distinctive characteristic of the product itself, which is necessary because large companies often invest in large-scale production in a lower price range. Regarding the price, most of the respondents did not change it during the product's lifetime on the market. Some of them could offer discounts when the product was introduced to the market or declining. We have too little information to make any recommendations about the price, other than that it is advantageous to be in the premium section, depending on how competitors differentiate themselves. When it comes to the design, the study shows that a product can have positive sales figures without fancy packaging, although such packaging could be an advantage when attracting new consumers.

In regard to promotion, all small firms used taste demonstration (demo), which, according to the respondents, was the most effective communication channel, even if some of them used it more frequently than others did. Based on this, we would recommend that small firms to take the opportunity to use taste demonstration during all phases of the product life cycle in order to connect with new and current consumers, as well as to stimulate interest for a product in the decline stage. All respondents agreed on the fact that when the consumers tasted the ice cream, a majority bought it. Taste demonstration is also cost effective because it offers a free taste of the product near the consumer's buying decision in the store. Another beneficial promotional activity for small companies with little economic resources to spend on marketing is

to use a lot of publicity around the company, which will make people talk about their products, with the result of good advertising for free.

Concerning the *place*, all respondents agreed on how important the placement in the freezer was, but that this depends on the relationship with the retailer. In addition, a majority of the small firms have their own ice cream stores where they sell their products. If possible, we recommend that small firms have their own ice cream bars or coffee shops, because in this way they can market themselves without any restrictions, unlike in grocery stores, but also reduce different costs such as distribution. In their own store, they also have the advantage that they are close to their consumers. We would also recommend that firms sell their products through retailers, but only to grocery stores with similar values to that of the ice cream company, in order to gain trustworthiness and build the brand.

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