



Comparative study of companies with different focus on product longevity

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Abstract

Companies producing consumer durables for which high performance levels have been achieved may or may not opt to focus on product lifetime extension. Some companies have responded by promoting their products' reliability and durability by providing manufacturer guarantees, extended warranties and even lifetime warranties. Companies producing three types of products (large kitchen appliances, bicycles and clothing) with different foci on product longevity are studied in this paper. It reports on a comparison of warranties offered by these companies to address longevity in the products and highlights the commonalities and contrasts in their internal processes and in communicating this information. The findings suggest that the price points at which companies operate and warranties offered are not always comparable. Companies that are working towards differentiating products on longevity and companies that sell at the lowest price points use similar terminology as those used by companies that have longevity in their ethos, but have different meanings. Future interviews with key informants will be used along with this data to explore the role of business strategies to increase the uptake of longer lasting products.

Keywords: Product longevity, lifespan, consumer durables, warranties, product quality

1. Introduction

The objectives of a circular economy are to minimise resource depletion, keep resources in use as long as possible, manage waste appropriately and create less waste. Lately there has been increasing focus, by academics, on the transition of business into circular economy [1–3] which has shown that workable solutions are available. Academics have categorised various models practiced by companies in creating sustainable business and drivers for business model

innovation [4], and have also suggested new models [1, 5]. According to Hockerts [6] the business case is the primary concern for companies in seeking corporate sustainability. Corporate sustainability leads to brand building, which may allow a company to charge a premium price. In the lifecycle of energy-using products, the use phase often has the most significant contribution to environmental impacts. Advancements in efficiency of the use phase has resulted in a greater focus on the production phase to reduce their environmental impact [7]. This can be adopted as a criteria to identify companies that manufacture products for longer lifespan. Some companies have responded by promoting their products' durability. Other companies, new and old, have gained attention and traction in the markets because their ethos is centred around product longevity and efforts are towards sufficiency (that is, consuming less) [8]. Consumer goods markets thus include a mix of companies with different levels of focus on product lifespans: (A) companies with product longevity as a core characteristic of their products, with longevity in their ethos, (B) companies that deliver some premium range products that are differentiated by longer lifespan or durability, and (C) companies that deliver some premium range products but without a specific focus on longevity, durability or reparability.

Product quality combines a variety of dimensions of a product, namely its performance, aesthetics, durability, reliability, upgradability, repairability, conformance and features. All of these may indicate the product's longevity, either in its technical specifications or through consumer attachment (or 'emotional durability') [9]. Together they form a complex array of specifications that may make it hard to judge the quality of a product, not least by consumers. Consumers need some indicator to simplify the process of identifying better products. Cues such as price and brand are often used by them to judge the quality of products [10]. Warranties may play the role in giving consumers confidence that producers and retailers stand by their products. Traces of companies' attempts to sell products on the grounds of their lifespan are sometimes evident in marketing. When developing and marketing products some companies focus on their core functionality, while others differentiate them by longevity.

A company which has product longevity in its ethos will be confident about its products and, we argue, would show this to its consumers by providing a warranty that is transferable, has no charges for returning, reinstalling or repairing, provides discretion of replacing or refunding to the consumer in the case of faults, and requires no effort by the customer beyond informing the

company [11, 12]. Consumer durable companies, in general, provide warranties that are limited in one or more of these parameters.

2. Methods

Data used in this study were collected using a systematic process. The following parameters were considered to identify a specific product in each product category:

1. The product has minimal impact from fashion: in general, fashion restricts how long a product can be used.
2. Use variability is low, so that different brands and companies use similar price points for the same product as far as possible: this applies to shirts for office wear, for instance, whereas dresses were not considered suitable because they can be designed for office use, wedding, party, casual wear and so on, and thus price points vary.
3. The product is used on a regular basis such that the use frequency is high.
4. Consumers may have considered the lifespan of the product in their decision making and intend to use it for many years, as in the case of large kitchen appliances.
5. The market share for the specific product was utilised when data was available. For example, hybrid and road bikes together constitute about 36% of the UK bicycle market.

The specific product chosen for clothing was shirts, for large kitchen appliances it was washing machines and for bicycles, road and hybrid bikes. Companies in each product sector were listed from their industry association and those that sell the specific product were identified. Information for minimum and maximum price points at which the specific products are sold were listed from the company websites. Each company was then studied and evaluated for its degree of focus on longevity. Three focus levels were identified and are referred to below as company categories A, B and C.

- A. Companies with product longevity as a core characteristic of their products, with longevity in their ethos,
- B. Companies that deliver some premium range products that are differentiated on longer lifespan or durability
- C. Companies that deliver some premium range products but without a specific focus on longevity, durability or reparability.

The criteria to classify companies in company categories A, B and C for product categories (large kitchen appliances, bicycles and clothing) evolved during the process of studying the companies in detail. Tables 1 and 2 list the criteria specific to product category.

3. Results

For large kitchen appliances: washing machines

Ideally, a washing machine should be able to work until eventually its mechanical parts wear-out due to material aging and fatigue and faulty parts can no longer be repaired or replaced [13]. A product’s life is the life of its shortest-lived component. A company that has longevity in its ethos may thus provide warranty on the whole product and not on certain parts. Products that are manufactured for a longer lifespan typically have higher quality components and materials [7], and aim for emotional and economic durability [14].

Table 1: Criteria to classify companies for LKA

	A	B	C
Manufacturer’s guarantee: 1. Full duration of ownership 2. Transferable 3. Free 4. If not repair, replacement or refund options both are available 5. No work for the consumer	All 5	Any 3	<3
Extended warranty: 1. Full duration of ownership 2. Transferable 3. Free 4. If not repair, replacement or refund options both are available 5. No work for the consumer	All 5	Any 3	<3
Spare parts availability	Lifetime	Declared	No mention
Guarantee on repair	Lifetime	Limited period	No mention
Promote second-hand market for their products	Yes	No	No

Almost all companies provide a manufacturer’s guarantee of up to 2 years. Looking deeper into their warranties (both manufacturers’ and extended) shows that most of the companies do not provide the five essentials of warranties and hence offer limited warranties. If warranties indicate companies trust their products, then limited warranties can imply that they do not believe in their products. Companies such as Miele claim that their washing machines are designed to work for 20 years, which is above the average lifespan of about 12.5 years [13], while Samsung, which sells some of its washing machines at comparable price points, has a

warranty scheme of different durations for its components. Difference in warranties for products sold at similar price points shows that companies differ in their commitments towards consumers and confidence in their products. Companies in category C experiment with various options such as extended warranty for no fee on certain products only, or on particular parts. Companies, such as Indesit, provide extended warranties that offer consumers to not pay for parts but bear the cost of labour, which is generally high.

For bicycles: road and hybrid

In general, companies provide a guarantee for between 2 and 5 years but this may not be for all products offered by the company, and sometimes not for the full product but only on parts. Most provide a lifetime warranty on certain parts such as frames. Some companies also provide warranties on their second hand bikes such as Islabikes. Most bicycle companies are classified as B category. In category C, companies provide a limited warranty for their products. Almost all companies clearly specify that manufacturers' guarantees are non-transferable (whereas for washing machines this information is generally not provided explicitly).

Table 2: Criteria to classify companies for clothing

	A	B	C
Warranty	Lifetime warranty on all products (full product) or certain parts of all products	Lifetime warranty on some products (full product) or parts of some products but not all	As per minimum country requirements or no warranty
Promote second-hand market such as providing guarantee (lifetime or otherwise) for second owners	Yes	No	No
Repair services	Lifetime	Yes, but consumer pays for transport	No

For clothing: men and women shirts

For clothing, a different set of parameters evolved while studying the companies. Some companies provide a lifetime warranty and repairs for their products, such as Tom Cridland and Eileen Fischer. Eileen Fischer also provides free repairs for life and Tom Cridland provides three decades of free mending. Although their price points vary considerably, both companies provide free mending services for thirty years or lifetime. Most of the clothing companies do not provide any information about warranties and their sustainability efforts are generally focussed on transparent and environmentally responsible supply chain.

4. Discussion and Conclusion

Companies in category A are leaders in promoting longevity. Some of them are pioneers and, with their focus on longevity, are creating an example for other companies. Companies in category B are generally open to experimenting and may be struggling to create a business case for longevity. Companies in category C are followers and generally use terms related to longevity figuratively such as Hotpoint and Indesit, which claim to provide free replacement parts with the condition that the fitting is done by their own repair engineers.

In conclusion, the observations from this study indicate that there may not be a connection between the price points at which companies sell and their commitments towards producing longer lasting products. The next stage in this research is to confirm these observations in interviews with key informants in marketing and after-sales departments.

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