PRODUCT LIFE CYCLE

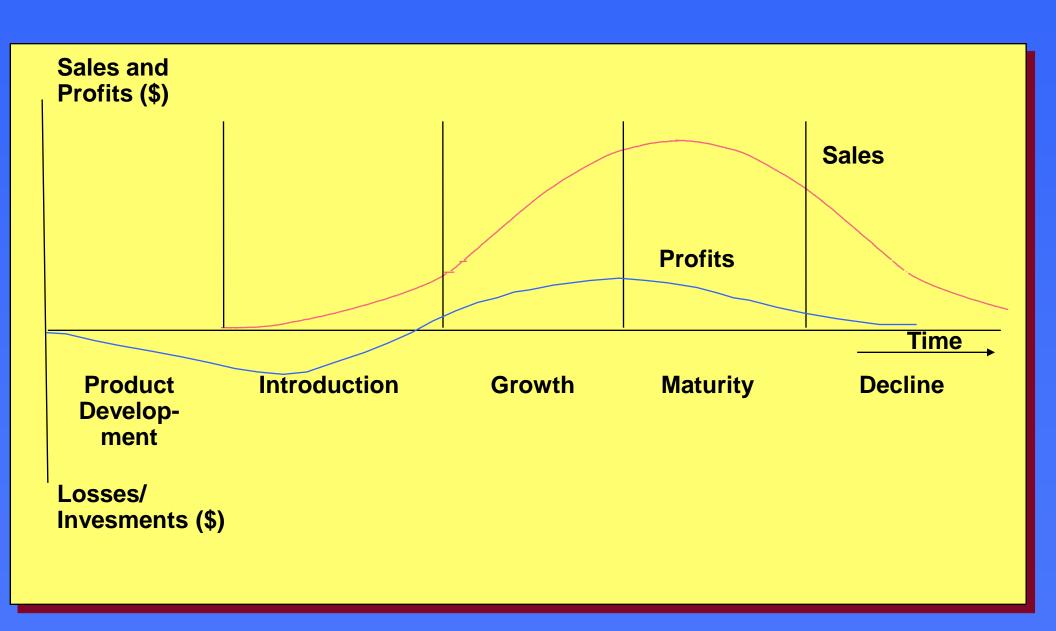
Product- Meaning

- The products represents a bundle of expectations of the consumers.
- Products satisfies the needs of society.
- Example: when one person buys toothpaste, he buys in the hope of getting whiter teeth, avoiding bad odour.

Product Life Cycle

- Products, like human being have length of life.
- This has been described as life cycle in human beings and when applied to products, is called as product life cycle.
- Products life cycle is generally termed as market.

Product Life Cycle



Introduction Stage of the PLC

Sales Low sales Costs High cost per customer **Profits Negative Create product awareness Marketing Objectives** and trial **Product** Offer a basic product **Price Use cost-plus Distribution Build selective distribution Build product awareness among Advertising** early adopters and dealers

Growth Stage of the PLC

Sales

Costs

Profits

Marketing Objectives

Product

Price

Distribution

Advertising

Rapidly rising sales

Average cost per customer

Rising profits

Maximize market share

Offer product extensions, service, warranty

Price to penetrate market

Build intensive distribution

Build awareness and interest in the mass market

Maturity Stage of the PLC

Sales **Peak sales** Costs Low cost per customer **Profits High profits** Maximize profit while defending **Marketing Objectives** market share **Product Diversify brand and models** Price to match or best **Price** competitors **Distribution Build more intensive distribution** Stress brand differences and **Advertising** benefits

Decline Stage of the PLC

Sales **Declining sales** Costs Low cost per customer **Profits Declining profits** Reduce expenditure and milk the **Marketing Objectives** brand **Product** Phase out weak items **Price Cut price** Go selective: phase out **Distribution** unprofitable outlets Reduce to level needed to retain **Advertising** hard-core loyal customers

Thank you