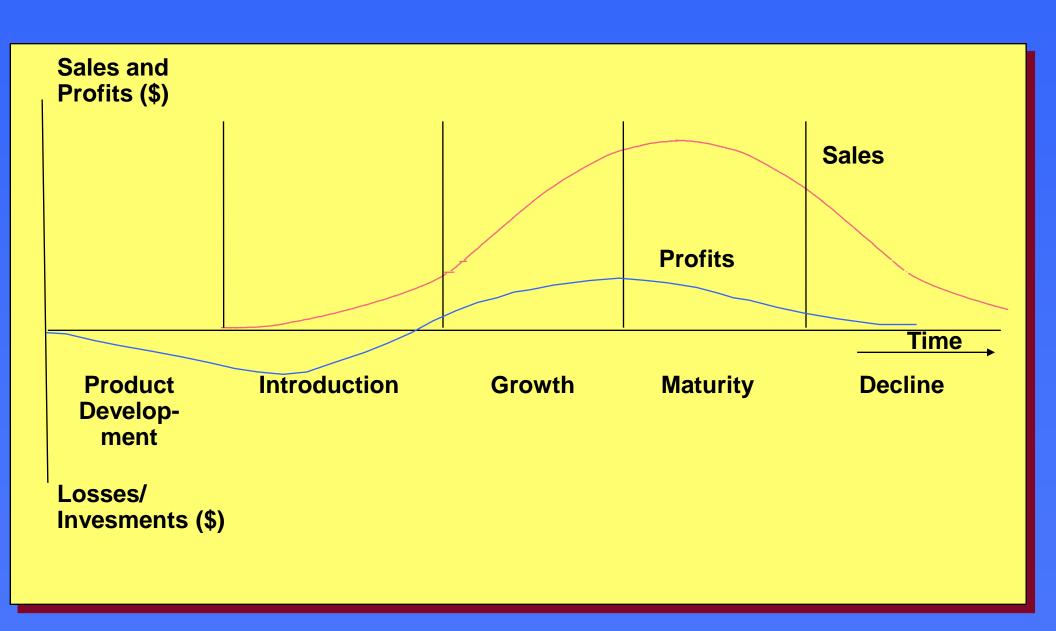
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### PRODUCT LIFE CYCLE

### 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



# 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