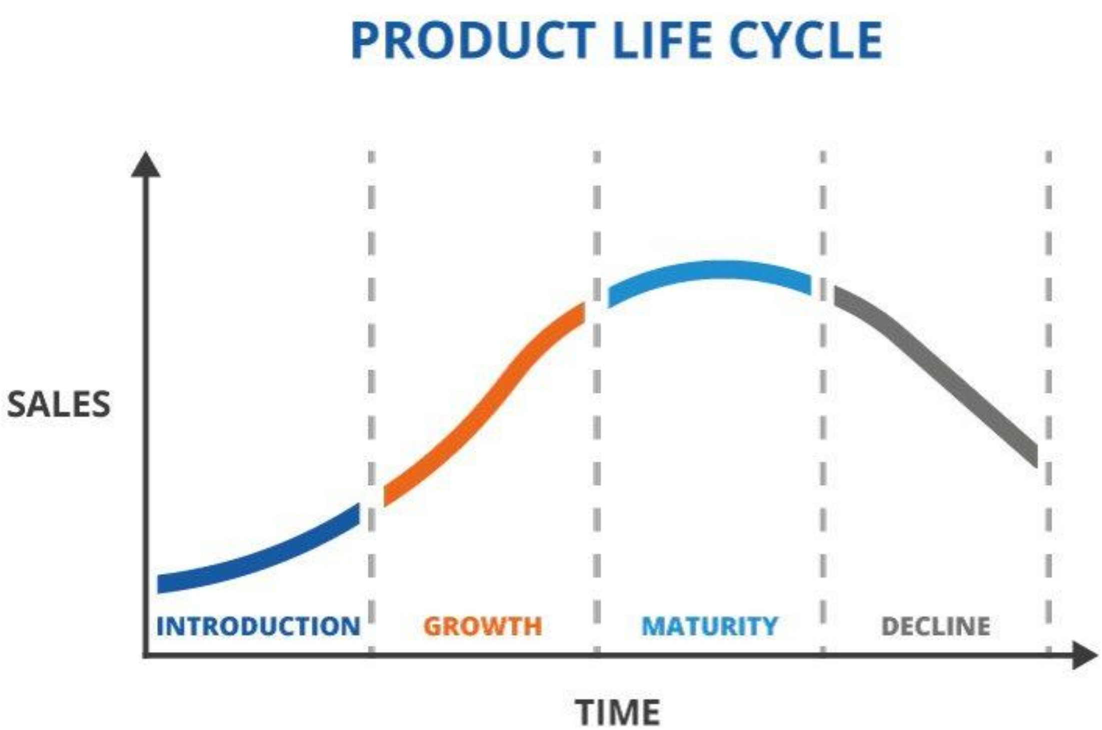
Product Life Cycle

Meaning of Product Life Cycle

Product lifecycle is the timeline of a specific product. The product life cycle is analysed from the time a product is introduced to the consumer market until it is removed from the shelves. It is a concept designed by management and marketing experts to factor in checking when it is the right time to enhance marketing strategies, minimise product prices, tap into different markets, and redesign the packaging. The process of strategising methods to constantly support and maintain a product is called product life cycle management.

Product Life Cycle: Stages

Let us understand the four different stages of the product life cycle in detail:



- ## The Introduction Stage:

This is the initial phase of any product. It is the very first time when a product is launched into the market for consumers to purchase. A company must include a sizable investment in marketing the product well. The strategy used should be consumer-centric to create a demand for the product. In this stage, there often tends to be almost zero competition for a product as the competitors now get a glimpse at the new offering. Businesses, however, still might experience negative financials during this stage. This is because the sales tend to be lower and the promotional prices might also drive low consumer engagement. This is when the sales strategy must be evaluated and optimised.

- ## The Growth Stage:

When a product gains good traction in the market, it proceeds to the next phase called the growth phase. It is characterised by increasing demand, enhanced production quantities, and expansion in its availability. The time spent in the introduction phase before a business witnesses substantial growth will depend on the type of product and the acceptance it gains from the market.

The growth phase makes a product gain popularity and gives it the right recognition. Any business can choose to invest largely in marketing if the product is subjected to intense competition. The business can also choose to refine its offerings by enhancing functionality and features based on the feedback gained.

The growth phase results in enhanced sales and greater revenue. With greater competition, the chance of needing to minimise the pricing will be inevitable.

- **The Maturity Stage:**

The third stage in the product life cycle is the maturity stage. This stage yields profits and the production and marketing costs decline. When the market reaches its saturation, the competition will be higher and profits begin to shrink. Based on the type of product, a company can choose to innovate or even enhance the same one to capture the attention of its customers.

The maturity stage has the highest competition for a product. The level of sales must stabilise and the business must aim to have their products exist in this stage for as much time as possible.

- **The Declination Stage:**

When a product faces elevated competition as other businesses emulate its success, the product might lose its market share and begin the decline. The availability of alternatives in the market causes drops in sales and market saturation, and the business can choose to not make any additional efforts to market the product.

When a product is about to be retired, the business will stop generating support and will completely phase out of the market. The company can choose to revamp the product and replace the older model. It can change the course of the product’s life cycle.

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