


# Product Life Cycle Strategies

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# The PLC

- All products have a life—they are born, reach teen-age, become mature, grow old and die.
- Products have four life stages—introduction, growth, maturity and decline.
- Exceptions—Some products—esp. iconic brands never die—e.g.: Coca Cola.
- The PLC curve has a basic shape (the S shape)
- Some have different shapes from the usual.

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- Each stage in the PL:C presents different conditions for the market-the product thus, needs to be managed differently in its different stages.



# Four Stages of PLC

- Introduction.
- Growth.
- Maturity.
- Decline.



# Introduction

- Product newly launched in the market.
- High promotion costs.
- Sales
- are low-profits are nil or even negative.
- Marketing Objective: To build product awareness.



## Strategies in the Introduction stage.

- **Rapid Penetration:** products introduced with heavy promotion at low cost.
- **Slow Penetration.:** Products introduced with low promotion and low cost.
- **Rapid Skimming:** Product introduced with heavy promotion and high price. E.g.: i-phone in India.
- **Slow Skimming:** Product introduced with low level of promotion and high price.



# Growth

- Rapid increase in sales and profits as product gains market acceptance.
- Competition builds in.
- Market Objective: To sustain growth.



# Strategies in Growth.

- Taper down promotional expenses.
- Maintain quality.
- Grow to reach other distributors and other segments-geographic or income –wise.




# Maturity

- Product reaches level of maximum sales and profits start to drop.
- Most of the market has used the product-increase in sales comes only through replacement purchase.
- Objective: Maintain level of sales and profits.



## Strategies during Maturity.

- Revenues = Number of Customers x Use per customer.
- Increase number of customers using our product.
- Increase the use per customer.

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- **Product Modification strategies:** Add new features; add new models; line extensions; improved versions: ‘new, improved Surf’.
  - **Market Modification:**
    - ✓ Get competitor’s customers
    - ✓ Increase usage by suggesting greater use: e.g. – Clinic Shampoo.
    - ✓ Target other segments: e.g.: J&J shampoo.



# Decline

- Due to technological obsolescence or changes in customer choices, demand of products eventually declines.
- Sales begin to fall and profits turn negative.
- Marketers have two choice: rejuvenate the product-if this is not possible—divest the same.



## Sample questions.

- Explain with the help of the diagram of a PLC, marketing strategies for different life cycle stages of Cornflakes/skin-care cream/shampoo/consumer durable.
- Products are born, grow and they die. Elaborate with an example.
- How does the PLC help a marketer? Explain?