



Product Life Cycle

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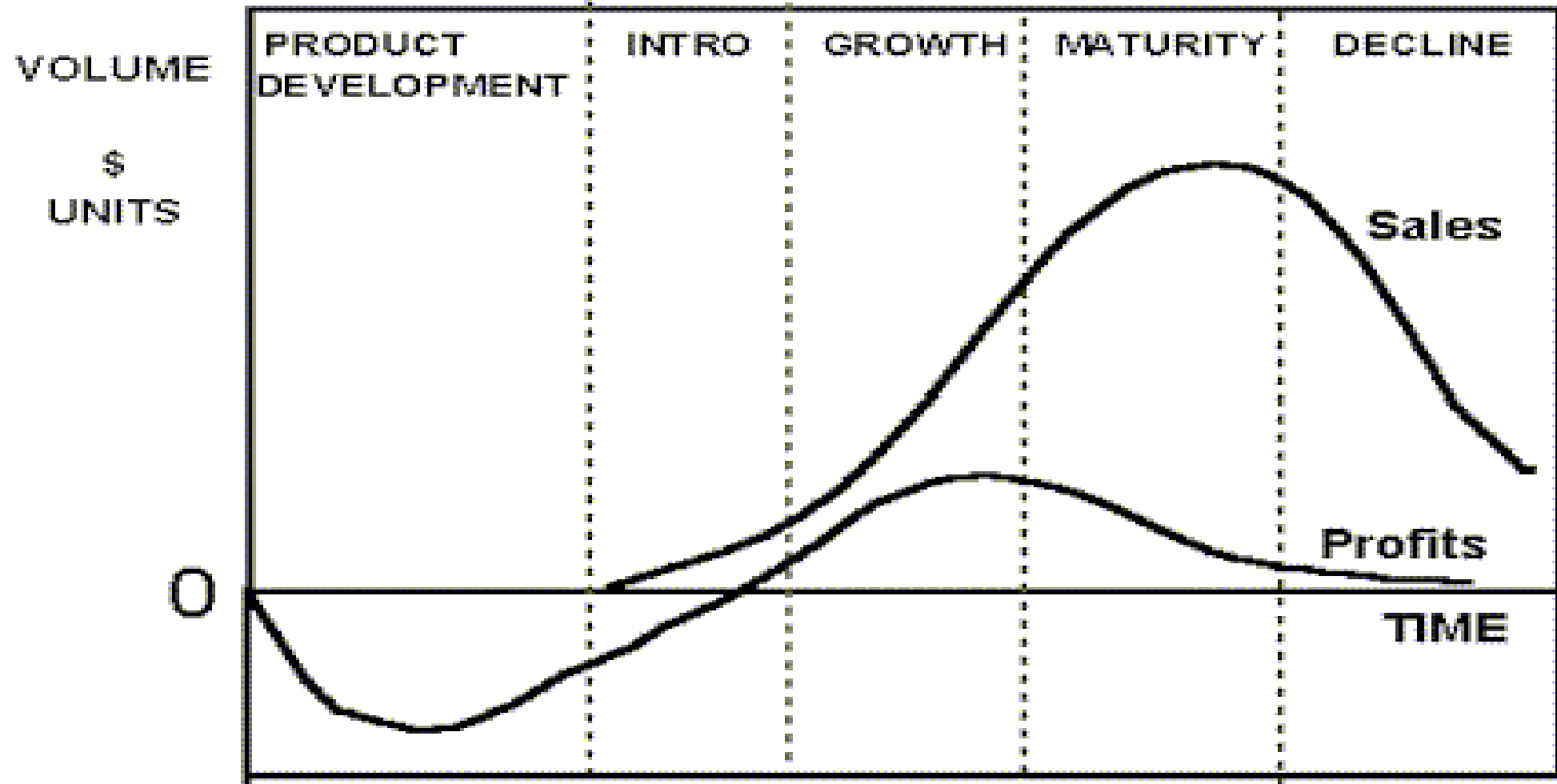
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- When a product enters the market, often unbeknownst to the consumer, it has a life cycle that carries it from being new and useful to eventually being retired out of circulation in the market. This process happens continually - taking products from their beginning introduction stages all the way through their decline and eventual retirement.

Product Life Cycle





Product development phase begins when a company finds and develops a new product idea.



translating various pieces of information and incorporating them into a new product



Those products that survive the test market are then introduced into a real marketplace and the introduction phase of the product begins.



During the product development phase, sales are zero and revenues are negative.



is the time of spending with absolute no return.

Product Development Phase

Introduction stage of Product life Cycle

Just after the development of product

Product is released into the market

Marketing and promotion are at a high

Investment in advertising is high

The stage give an idea about responses of customer for the product

Heavy-spending period

Little competition

The main goal of introduction stage is to build a future demand and hoping to generate the cash later.

Growth Stage

- Consumers are already taking to the product and increasingly buying it.
- Other companies become aware of the product
- Increasingly pull in revenue by other companies
- Company may still heavily invest in advertising and promotion of the product to beat out competitors.
- Product in the growth stage is typically tweaked to improve functions and features.

Maturity Phase



market becomes saturated with variations of the basic product



competitors are represented in terms of an alternative product



period of the highest returns from the product



new brands are introduced even when they compete with the company's existing product and model changes are more frequent (product, brand, model)



time to extend the product's life



Promotion and advertising relocates from the scope of getting new customers, to the scope of product differentiation in terms of quality and reliability

Decline Phase



withdrawing a product seems to be a complex task



lot of issues to be resolved before with decide to move it out of the market



Dilemmas such as maintenance, spare part availability, service competitions reaction in filling the market gap are some issues that increase the complexity of the decision process to withdraw a product from the market.



The prices must be kept competitive and promotion should be pulled back