

# Introduction (What):

All products have a certain length of life like human being. Product life cycle (PLC) refers to the stages from product's first launch into market until its final withdrawal.

- ▶ It helps the marketing section of a company to understand when to launch and withdraw a product from market.

# Definition:

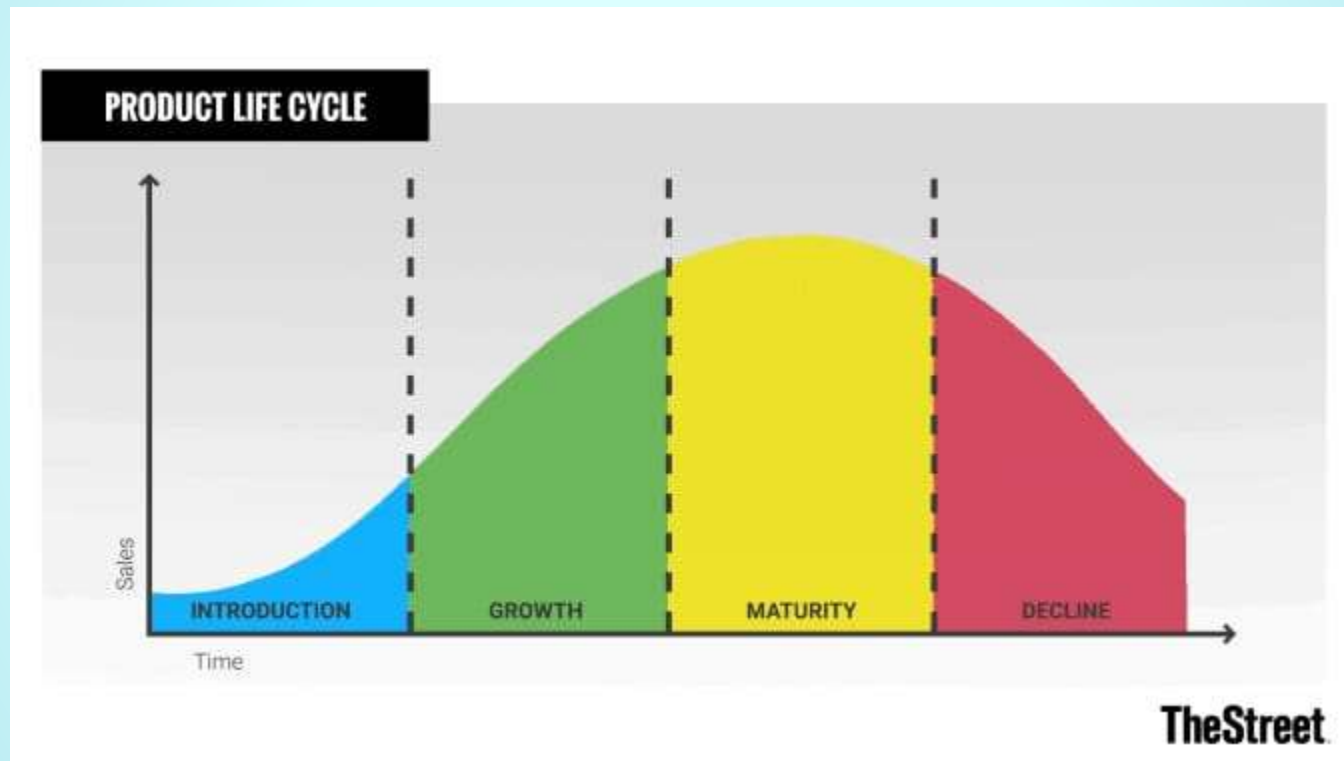
Philip Kotler, “ The product life cycle is an attempt to recognise distinct stages in the sales history of the product”.

# Stages of Product Life Cycle(PLC)

The stages of product life cycle are–

1. Introduction
2. Growth
3. Maturity
4. Decline

# Graphical Presentation of Product Life Cycle



# 1. Introduction stage :

This is the first stage of product life cycle when the product is launched in the market.

Characteristics:

- i) The product is launched in the market.
- ii) The customers are not well known about the product.
- iii) The price of the product is generally high.
- iv) Demand of the product is low at this stage.
- v) Promotional activities are needed at this stage to create demand.

Strategies:

(a) Penetration; (b) Skimming

## 2. Growth stage

This is the second stage of product life cycle.

Characteristics :

- i) The product is known to customers.
- ii) Competition of the product is high.
- iii) Sale volume of the product increases significantly at this stage.
- iv) Profitability begins to rise for rising sale volume.

Strategies : (a) Promotional activities; (b) Improve product quality; (c) Adding new features; (d) Skimming product price

# 3. Maturity stage:

This is the third stage of product life cycle.

Characteristics :

i) Cost of the products are decreased as a result of scale of return.

ii) Sale volume of the product is very high and it reaches at peak.

iii) Competition of the product is increasing.

iv) There is a trend in price decreasing.

v) Maximum profit is earned at this stage.

Strategies: a)Market modification; b) Product modification.

## 4. Decline stage:

This is the final stage of product life cycle when the product is withdrawn from market.

Characteristics :

- i) The product faces low demand in market.
  - ii) Sale volume becomes decline.
  - iii) Price of the product is high.
  - iv) Profitability of the product is diminished.
- Strategies: a) Reduce promotional activities; b) Withdraw product c) Sale the brand.



# Why do we need to learn PLC stages(Why):

Importance of product life cycle (PL C) :

- i) It is helpful in sale forecasting.
- ii) It acts as a planing tool.
- iii) It is useful to control sale volume.
- iv) It assist the marketing researcher in framing marketing plan.
- v) It helps is price determination.
- vi) It helps in development of product.

# How to identify PLC stages :

Identifying features	Introduction Stage	Growth Stage	Maturity Stage	Decline Stage
Sales	Low	High	High	Low
Investment	Very High	High (Lower than Introduction)	Low	Low
Competition	Low Or No competition	High	Very High	Very high
Profit	Low	High	High	Low

## Example of product life cycle stages:

- ▶ Introduction stage : 3 D TVS
- ▶ Growth stage : DVR
- ▶ Maturity stage : DVD
- ▶ Decline stage : Vedio cassette