



SNS B-SPINE

Coimbatore-35
An Autonomous Institution

DEPARTMENT OF MANAGEMENT STUDIES

23BAT607 – MARKETING MANAGEMENT

I YEAR I SEM

UNIT 4 – PRODUCT MANAGEMENT AND PRICING

TOPIC 4 – Product Life Cycle

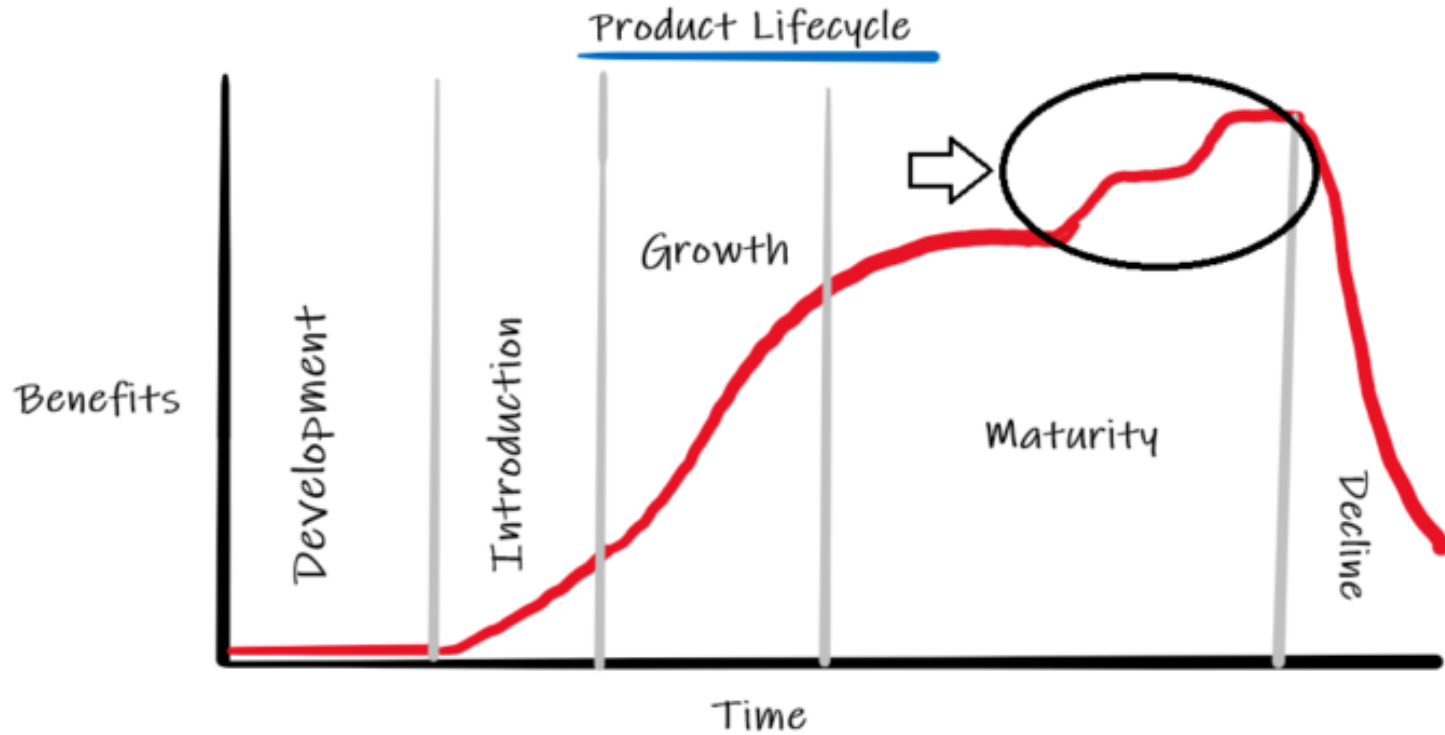


Like everything else, do you think products have life span?



Yes, they grow, develop and die eventually.

This process is called as product lifecycle management.



PLM

- Product lifecycle management (PLM) is a comprehensive process that involves tracking and managing a product as it progresses through its various stages.
- It encompasses the entire lifespan of a product, from its conception and design to its retirement from the market.

- Having a new plan for each step helps the company stay ahead of its competitors and maximize product sales.



Market Development Stage

- The market development stage is where the product journey begins.
- It involves conducting thorough market research to define and refine the product idea.
- During this stage, organizations need to test the product with potential customers to gather feedback and make necessary changes before the launch.
- Although this phase may not generate revenue initially, it is crucial to prove the product's potential and viability to investors and secure funding for the subsequent stages.



Introduction Stage

- This is the initial stage of a product's life cycle, where the product is introduced to the market.
- Key characteristics include low sales, high marketing and production costs, and limited competition.
- The marketing team plays a vital role in this stage by creating awareness and generating demand for the product.



Introduction Stage

- The primary objective is to drive product sales, but marketing efforts also focus on highlighting the product's usefulness or significance to consumers.
- Profitability is usually low or negative during this stage due to high expenses and limited sales volume.

Growth Stage

- In this stage, the product experiences rapid growth in sales and market acceptance.
- Customer awareness and demand increase, leading to a rise in sales volume and market share.
- Competition intensifies as new entrants recognize the product's success.

Growth Stage

- Companies invest in product improvement, market expansion, and brand building to capitalize on growth opportunities.
- Marketing strategies shift to highlight the product's unique selling points and differentiation from competitors.
- Profitability improves due to economies of scale, increased sales, and better cost management.

Maturity Stage

- The maturity stage is characterized by a slowdown in sales growth rate as the product reaches market saturation.
- Competition becomes fierce, and price wars may occur.

Maturity Stage

- Companies focus on retaining market share, maximizing profits, and extending the product's life cycle through product differentiation and marketing strategies.
- To remain competitive, they may need to lower prices, redesign the product, or explore new marketing approaches
- Profitability may stabilize or decline due to increased competition and marketing expenses.



Decline Stage

- In this stage, sales decline as the product becomes outdated, faces strong competition, or is replaced by newer technologies or products.
- Companies may choose to discontinue or phase out the product, depending on its viability and profitability.

Decline Stage

- Marketing efforts may be reduced, and resources reallocated to more promising products or innovations.
- Profitability decreases as sales decline and costs associated with maintaining the product outweigh revenues.
- To mitigate the decline, organizations can explore strategies such as expanding the product line, implementing new pricing strategies, repackaging the product, launching new versions, or entering new product categories.

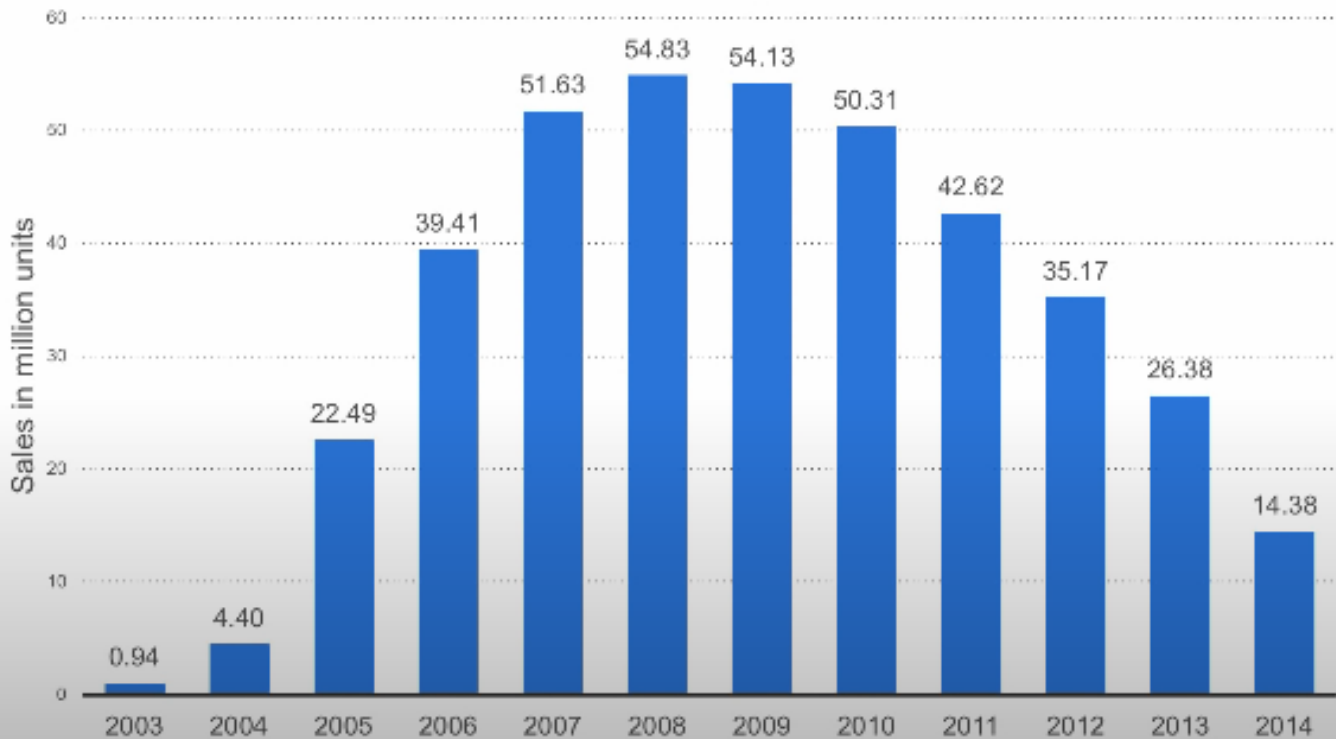
- Decline can happen due to various factors, including market saturation, changing customer preferences, increased competition, or the emergence of newer technologies.



CASE Analysis



Global Apple iPod sales from 2006 to 2014 (in million units)



BLOCKBUSTER





End of Life Stage

- This stage represents the final phase of the product's life cycle.
- The product is no longer produced or actively sold in the market.
- Companies may provide customer support, spare parts, or service for existing customers.
- Decisions may be made regarding disposal, recycling, or repurposing of remaining inventory or assets related to the product.



How this Product Lifecycle model helps?

- Forecast sales trend
- Market targeting and positioning
- Analyse and manage a product portfolio
- Focus investments in products