

# Introduction Stage

- **Product:** Sales growth low; losses incurred
- **Promotion:** High to create awareness
- **Place:** Distribution patchy
- **Price:** High due to high unit cost (low output), 'newness', to recoup development costs

# Activity

Consider the Product Life Cycle in relation to the Marketing Mix and suggest how each stage would effect each element of the Marketing Mix.

# Growth Stage

- **Product:** Faster sales and profit growth; rapid market acceptance; repeat purchases; differentiation of product – new features and benefits
- **Promotion:** Begins to plateau
- **Place:** Wider distribution
- **Price:** Unit costs cost to make fall but prices remain high – ‘skimming’
- **Competitive shake-out** – ‘me-too’s’.

# Maturity Stage

- **Product:** Sales peak and flatten due to saturation; product and quality improvements
- **Promotion:** Becomes competitive; promotional offers; discounts; Brand building
- **Place:** Distribution is wide
- **Price:** Price-cutting occurs – price competition; strain on profit margins.

This is where organisations need to start looking at where changes or adaptations could be made to reinvigorate the product and grab new streams of customers by grabbing customers' buying power.

# Decline Stage

- **Product:** Becomes outdated – product superseded by new technology or changing consumer tastes; product line reduced
- **Promotion:** Greatly reduced/ceased
- **Place:** Distribution minimal – ‘bargain basement’
- **Price:** Greatly reduced.

✓ Poundland  
for some  
products/  
McArthur  
Glen for  
example

# Activity

In your groups, discuss and make a list of ways in which an organisation may seek to extend the Product Life Cycle of one of its product's.

# Extending the PLC

- Promote more frequent use of the product
- Find new markets for the product e.g. Exporting
- Find new uses for the product e.g. Baking soda
- Price the brand below the market e.g. Puma, Timex
- Develop new distribution channels e.g. The Internet
- Add new ingredients e.g. Washing powder
- Make a dramatic new guarantee e.g. Trade-ins, discounts.