PRODUCT LIFE CYCLE FRAMEWORK

Understanding Product Evolution for Strategic Growth

The Product Life Cycle (PLC) describes the ***stages*** *a product passes through from* ***launch to exit,*** *highlighting* ***changes in sales, profits, competition, and strategy over time***

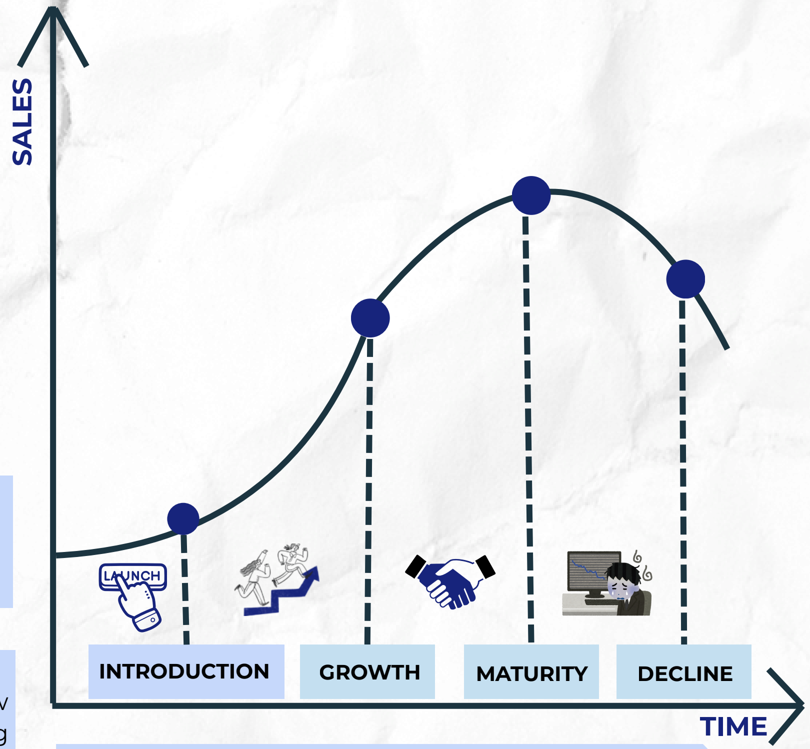
STAGES

Introduction
- Product is launched in the market
- Low sales, high costs
- Profits are minimal or negative
- Focus: awareness and trial

Growth
- Sales increase rapidly
- Profits rise
- More competitors enter
- Focus: expansion and brand building

Maturity
- Sales reach peak and stabilize
- Market saturation and intense competition
- Profits begin to decline
- Focus: differentiation and retention

Decline
- Sales and profits fall
- Product becomes outdated or less relevant
- Firms reduce investment or exit
- Focus: cost control or discontinuation



The Product Life Cycle curve shows **how a product's sales and profits change over time.** Sales are low during the introduction stage, grow rapidly in the growth stage, stabilize at maturity, and decline in the final stage due to market saturation and changing consumer preferences.

USES OF PLC

1. Helps firms plan long-term strategies and decide product continuation or withdrawal.s
2. Guides pricing, promotion, budgeting, and sales–profit forecasting at each stage.
3. Supports product improvement, innovation, and effective management of multiple products.

PLC EXTENSION STRATEGIE

1. Product-Based Strategies
Improving features, quality, design, or introducing new variants to renew customer interest.

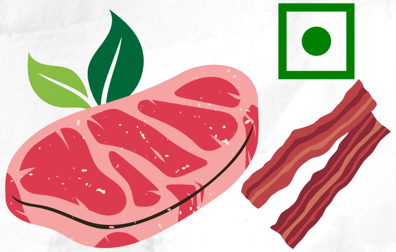
2. Market-Based Strategies
Entering new markets, targeting new customer segments, or expanding usage occasions.

3. Branding & Positioning Strategies
Repositioning the product, rebranding, or changing packaging to refresh perception.

PRODUCT LIFE CYCLE IN ACTION

How Products Evolve: Evidence from Today's Markets

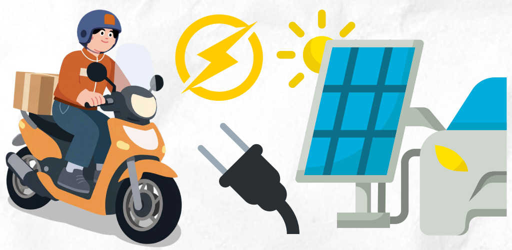
INTRODUCTION



Plant Based Meat :

This is in the introduction stage, with low penetration and adoption mainly among early adopters due to high prices and limited availability.

GROWTH



EV Vehicles:

Currently in the growth phase, EV adoption is accelerating as prices fall and government support increases.

MATURITY

Fast moving consumer goods:

These goods include products like toothpaste, noodle packets soft drinks etc where markets are saturated with stable demand driven by repeated purchases

DECLINE

CDs, DVD players and radios:

This segment is in decline with demand falling rapidly due to streaming and digital media. Sales continue to shrink, leaving only limited niche usage in the market.

How Real Brands Move Through the Product Life Cycle

These brands are in the introduction stage where awareness is still low, adoption is limited, and companies focus mainly on **building visibility** and **creating trust among early users**.

These brands are in the growth stage where demand is rising rapidly, sales are increasing quickly, and the focus is on **expanding reach**, scaling operations, and **gaining market share**.

These brands are in the maturity stage where the product is widely known, sales stay stable, competition is high, and the focus shifts to **retention** and **differentiation**.

These brands are in the decline stage where **better alternatives reduce demand**, sales fall, and **firms either cut costs**, reposition, or **exit the market**.