



Subject	_	Marketing Management
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Product life cycle

Product lifecycle refers to the stage a product goes through from its introduction through its growth and maturity to its eventual decline and death withdrawal from the market. A company which introduce a new product naturally hopes that the product will contribute to the profits and provide consumer satisfaction for a long period of time. However this does not always happens in practice. So business organization tries to remain aware of what is happening throughout the life of the product in terms of sale and resultant profits.

Definition

Some important definitions of Product Life Cycle are the following: "The product life cycle is an attempt to recognize distinct stages in the sales history of the product.

"-Philip Kotler"

The life - cycle of a product has many points of similarity with the human life - cycle, the product is born, grown lustily, attains dynamic maturity, then entry its declining years.

"-Arch Patton

Stages of Product life cycle

STAGES OF PRODUCT LIFE – CYCLE) are known to divide the product life cycle into three, most four, and some scholars that span more than four stages. In practical terms, any product life cycle life stages can be divided into the following four Anathemas.

(1) Introduction This is the initial stage of the product's life cycle. Under this, the product is presented in the market and an attempt is made to introduce it to the customers. Consumers hesitate to purchase as the product is new and unfamiliar with it in general. As a result, sales of the product are reduced at this stage. Profits are also low due to reduced sales. In this stage the cost increases because considerable promotional expenses are made for the purpose of obtaining the acceptance of the consumers. This condition is very risky. Many products fail at this stage.

(2) Growth - The product crosses the presentation stage and reaches the stage of development. At this stage, sales

increase rapidly. Attracted by higher sales and profits, competitors also seek greater market penetration. The root cause of sales growth in this stage is the special promotional efforts made in the presentation stage.

(3) Maturity - Sales continue to increase even at this stage. The speed decreases. That is, sales growth does not happen at the speed at which the growth stages. The selling momentum decreases mainly as more and more competitors enter the market.

(4) Decline The product replaces better products. The reason for the decrease in sales is the newly improved competitive product Some scholars believe that there are 5 to 6 stages of the product life cycle. According to him, the three stages are above-

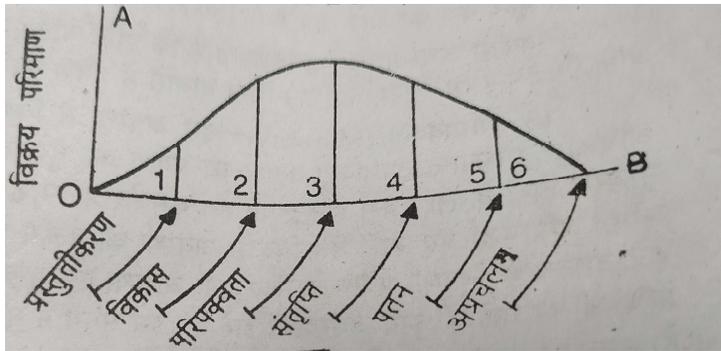
(1) submission, (2) development (3) maturity. The following can be further included in this sequence-

(4) Decline which has been mentioned and (5) Saturation, (6) Obsolescence or Obsolescence. Of these, 1-3 and 4 have been described. Hence, the remaining two are described in chronological order as follows

(5) Saturation Saturation is the state of a product when its sales are not made in its market. Is at the highest level. This condition lasts until its substitute goods

(6) Obsolescence or Death This is the condition of the product when its sales become almost nil. Chances of profit are completely eliminated. Therefore, it is only appropriate to abandon the object. In this case, the sale of the product becomes dead.

Different stages of the product life cycle can also be made clear by the diagrams attached. If the manufacturer is unable to stop the time of the collapse, then the demand for the item gradually ends and the obsolescence reaches a state of obsolescence and eventually dies.



FACTORS AFFECTING PRODUCT LIFE – CYCLE",

The product life cycle is influenced by "the speed of the product life cycle, governed by the pace of technological change, the pace of market acceptance and competitive penetration it happens . "The following components mainly affect the life cycle of:

(1) Rate of Technological Changes - Product Life - cycle is affected by the speed of technological changes. The faster the technological changes. , The shorter the life cycle of the products. Conversely, slow technological changes make the products Boosts the life cycle. In developed countries like America, England, France, Germany, Japan etc. the pace of technological changes is fast there, the life cycle of the products is short there, whereas in less developed nations of Asia and Africa, the pace of technological changes is slow. The life cycle is relatively long. In recent years, there has been

some acceleration in the pace of technological changes in India and new products have been developed in the country in the fields of cars, scooters, computers, colour television and video, electrical and electronic typewriters, various machines and communication equipment etc. The life cycle of older products is shortened.

2. Rate of Market Acceptance Charger acceptance means the tendency of consumers to accept new products. The faster the market acceptance speed, the shorter the life cycle of the products. Conversely, the slowing of the pace of market acceptance increases the life cycle of products. The speed of market acceptance depends on the economic status of consumers, level of living, education, religious and cultural traditions, etc. In developed and prosperous nations, people are more interested in innovations, they are eager for new products, as the pace of market acceptance is increasing, new products in such nations are quickly replacing old products. As a result the life cycle of the products is short.

(3) Case of Competitive Entry - Competitive entry status also affects the product life cycle. The rapid entry of competitors shortens the product life cycle as faster products in the market replace old products. Conversely, the slow market penetration of competitors increases the product life cycle.

(4) Economic powers According to Arch Patton, economic powers continue to affect the product life cycle continuously. Economic factors like purchasing power of consumers, price level, supply of currency etc. also determine the duration of product life cycle.

(5) Protection by Patent - After registering a patent for a product, the manufacturer gets the sole right to manufacture and distribute the product. The life cycle of the product protected by the patent is relatively long. It is noteworthy that patent registered products also have to compete with similar products. This competition may push them from the stage of development to the stage of maturity.

(6) Risk Bearing Capacity - The life cycle of products of commercial and industrial enterprises which have high risk appetite is relatively high. In contrast, the life cycle of products is short.

(7) Personnel Strategy - Product life - Various stages of the life cycle can be extended by taking the right decision at the time and by using the appropriate method - policy. Research and engineering development at the stage of product presentation, manufacturing and production development at the stage of

development, scientific marketing at maturity and saturation stages, and financial and overall management decision strategy at the stage of decline, with proper focus on product life cycle Can be increased. Qualified and skilled officers are required for all these decisions and their execution, thus the ability and efficiency of the officers also affects the life cycle of the products.

Utility or importance of product life cycle in marketing management

1. As a forecasting tool
2. As a planning tool
3. As a control tool
4. Development of new products
5. Need of different marketing programme in each state
6. Profits tend to follow a predictable course through the life cycle
7. Basis of new products planning
8. Basis of marketing strategy

Questions

Short :

1. What is meant by Product life cycle?
2. Describe any three points of utility of product life cycle in marketing management.

Long :

1. What is plc? Explain the various stages.
2. What do you mean by plc? Explain the factors affecting product life cycle.

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Thanks