

Understanding the Product Life Cycle (PLC)

Introduction

We all should know the product life cycle (PLC) model and its four stages of:

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

Some textbooks also include a fifth stage, which is BEFORE the new product comes to market - usually labelled the product development stage.

But for this activity we are primarily concerned with the four stages listed above - which are all AFTER a product comes to market.

Your Task

In this activity, your task is to complete the following two tables.

These are tables that we will see in marketing textbooks, but because it has a lot of boxes, we often only give it a quick glance and don't get into the detail and we miss a lot - well, here's our chance to dig in deeper and better understand this key marketing model.

TABLE 1 = Key Characteristics of Each PLC Stage

Please complete the table by inserting the terms listed underneath - note that each term is only used once - you can simply write the number in the right box.

Characteristic	INTRODUCTION	GROWTH	MATURITY	DECLINE
Sales Levels				
Growth in Sales				
Costs				
Customers				
Competitors				

1. Medium, but declining, sales levels
2. High costs per customer/sale
3. Mostly early adopters
4. Moderate growth in sales
5. A decreasing number of competitors
6. An increasing number of competitors
7. Mostly innovators
8. Negative growth in sales levels
9. Low, but unstable, costs per customer/sale
10. High and stable sales levels
11. High, but reducing, costs per customer/sale
12. Low sales levels
13. Initially no competitors, but then a few more
14. Sales growth in line with overall economic growth
15. Mostly laggards
16. Low and reducing costs per customer/sale
17. Mixed sales levels (medium to high)
18. Numbers of competitors are relatively stable
19. A mix of the early and late majority
20. Rapid growth in sales levels

TABLE 2 = Key Marketing Mix Tactics for Each PLC Stage

Please complete the table by inserting the terms listed underneath - note that each term is only used once - you can simply write the number in the right box.

Marketing Mix	INTRODUCTION	GROWTH	MATURITY	DECLINE
Product				
Price				
Place				
Advertising				
Sales Promotion				

1. Build intensive distribution
2. Utilize sales promotions to generate consumer trials
3. Progressively phase out poorer selling product lines
4. Increase product differentiation and augmentation
5. Build selective distribution
6. Price to maximize profits as sales decline
7. Use price skimming or penetration depending upon latent demand
8. Utilize sales promotion to encourage brand switching
9. Promote the brand's positioning and competitive advantages
10. Create awareness among innovators and suitable channels
11. Expand product line extensions
12. Offer a single or basic product only
13. Use penetration pricing to gain market share
14. Utilize sales promotions to win market share
15. Reduce distribution channels
16. Promote to early adopters and the early majority
17. Use competitive pricing
18. Maximize intensive distribution
19. Minimize promotional spend on advertising
20. Utilize sales promotions to retain interest in the product