



LIBYAN INTERNATIONAL UNIVERSITY



Faculty of Business Administration

THE MEANING OF PRODUCT LIFE CYCLE

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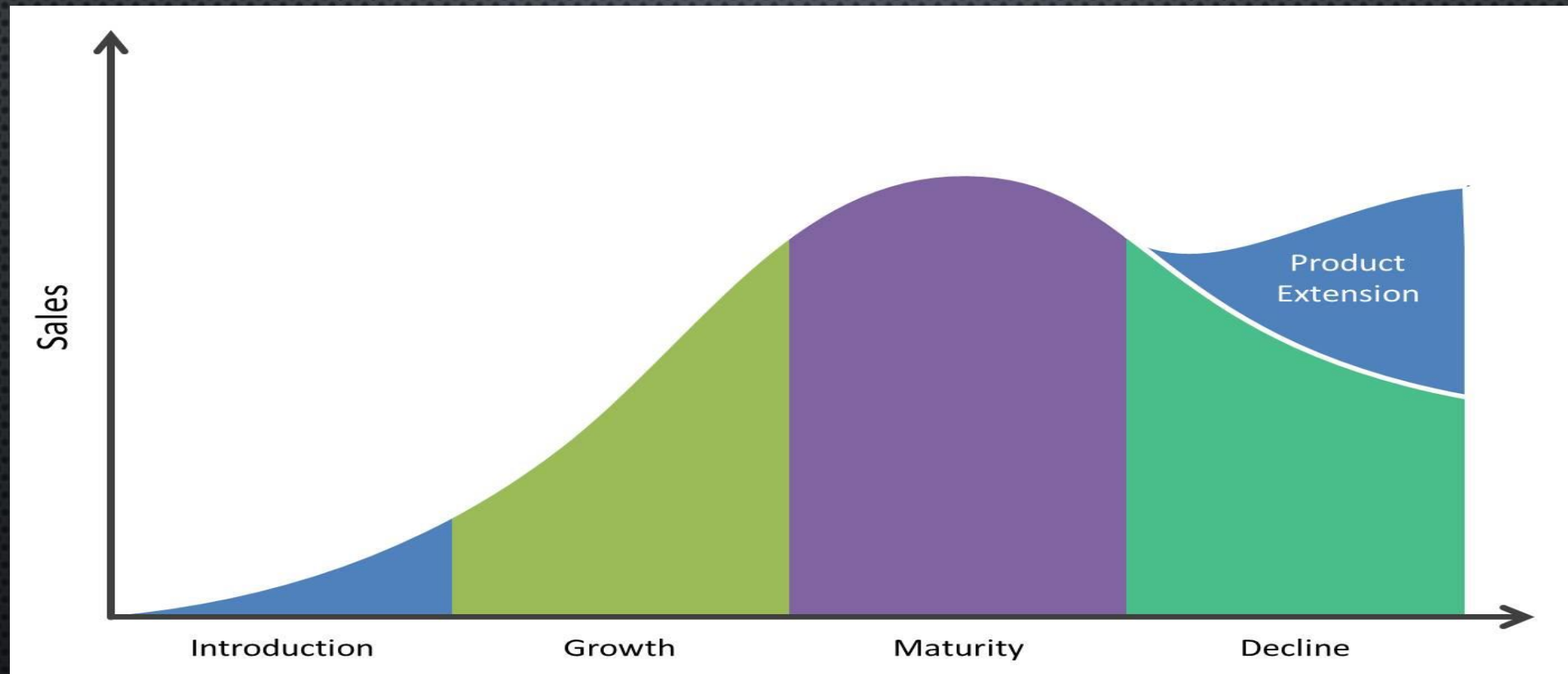
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INTRODUCTION

THE PRODUCT LIFE CYCLE IS AN IMPORTANT CONCEPT IN MARKETING. IT DESCRIBES THE STAGES A PRODUCT GOES THROUGH FROM WHEN IT WAS FIRST THOUGHT OF UNTIL IT FINALLY IS REMOVED FROM THE MARKET. NOT ALL PRODUCTS REACH THIS FINAL STAGE. SOME CONTINUE TO GROW AND OTHERS RISE AND FALL.

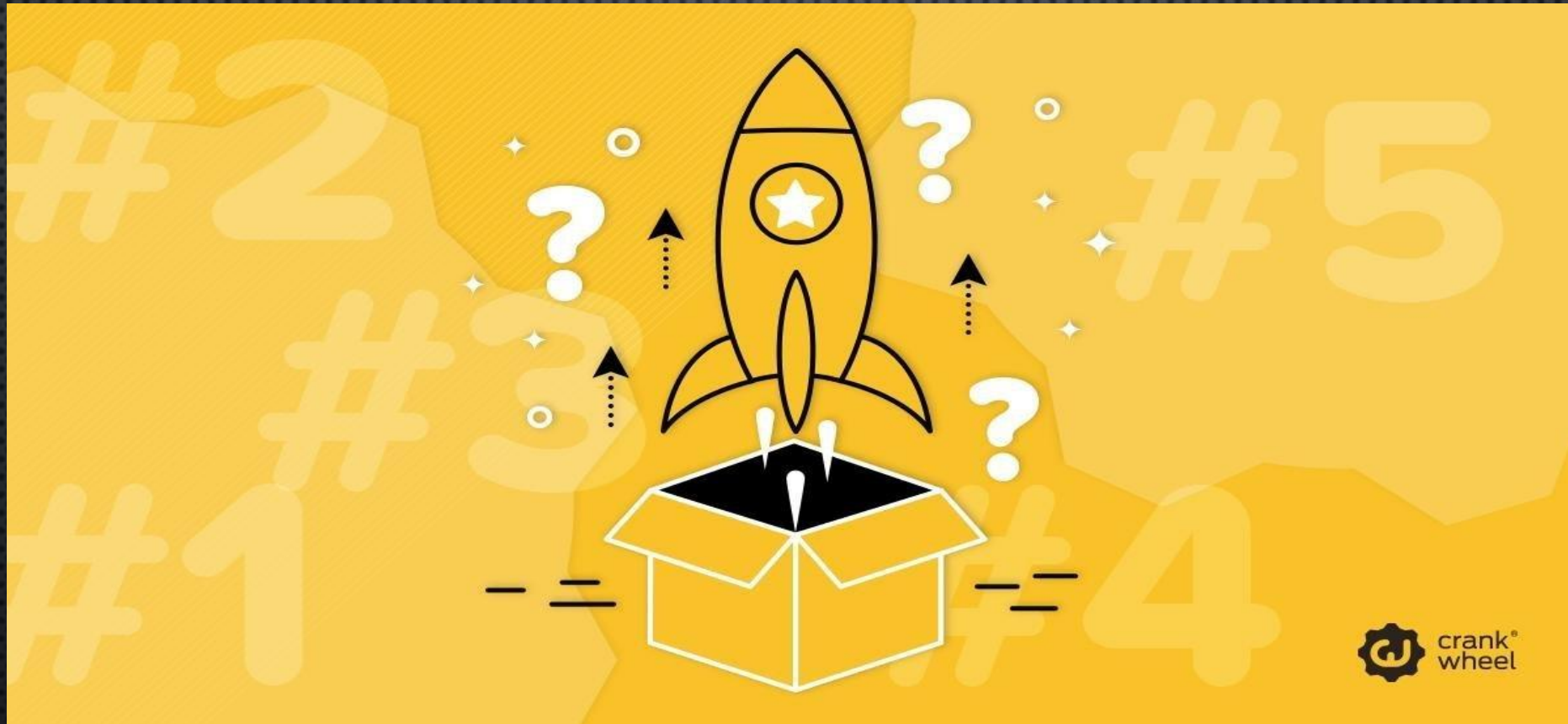
WHAT ARE THE MAIN STAGES OF THE PRODUCT LIFE CYCLE?



RESEARCH & DEVELOPMENT - RESEARCHING AND DEVELOPING A PRODUCT BEFORE IT IS MADE AVAILABLE FOR SALE IN THE MARKET



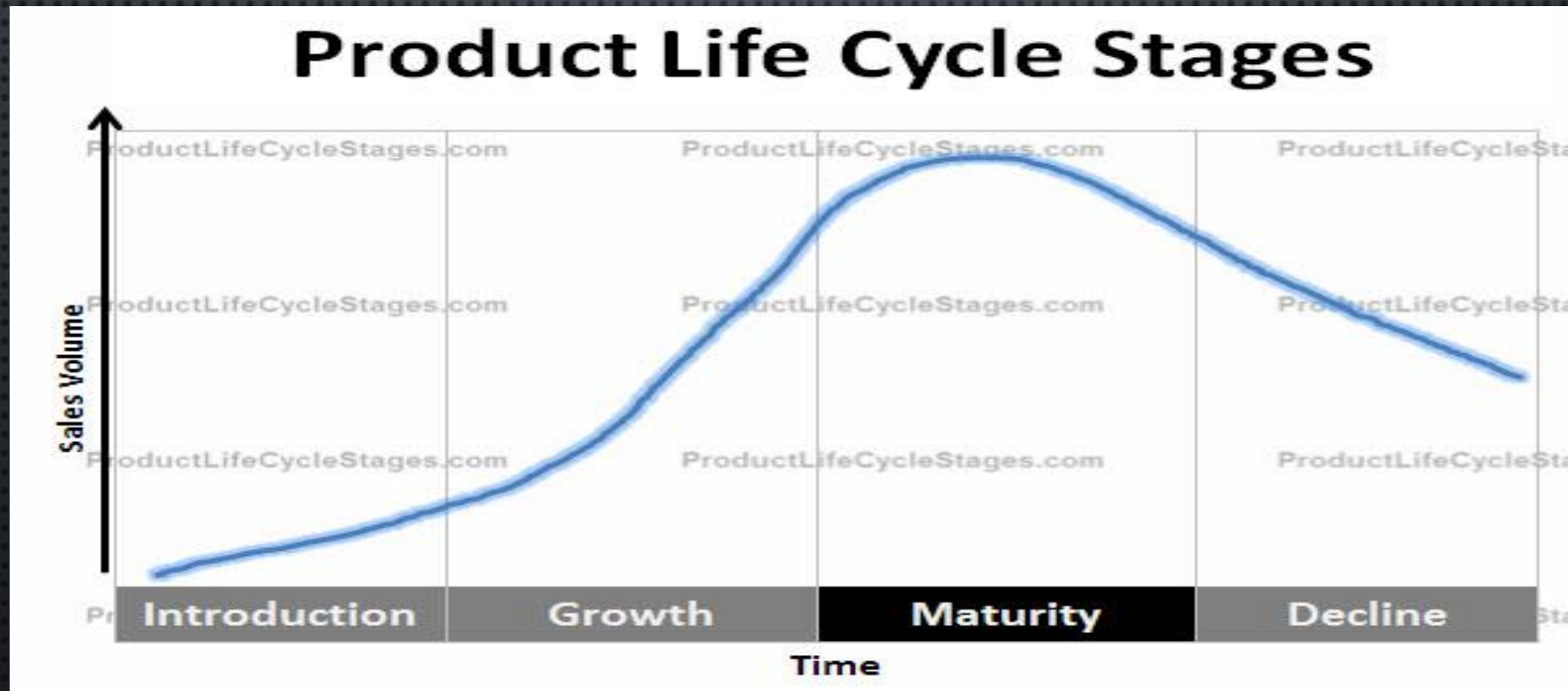
INTRODUCTION – LAUNCHING THE PRODUCT INTO THE MARKET



GROWTH – WHEN SALES ARE INCREASING AT THEIR FASTEST RATE



MATURITY – SALES ARE NEAR THEIR HIGHEST, BUT THE RATE OF GROWTH IS SLOWING DOWN, E.G. NEW COMPETITORS IN MARKET OR SATURATION



DECLINE – FINAL STAGE OF THE CYCLE, WHEN SALES BEGIN TO FALL
THIS CAN BE ILLUSTRATED BY LOOKING AT THE SALES DURING THE
TIME PERIOD OF THE PRODUCT.



EXTENDING THE PRODUCT LIFE CYCLE

- FOR SUCCESSFUL PRODUCTS, A BUSINESS WILL WANT TO DO ALL IT CAN TO EXTEND THE GROWTH AND MATURITY PHASES OF THE LIFE CYCLE, AND TO DELAY THE DECLINE PHASE.
- WHAT CAN BUSINESSES DO TO EXTEND THE PRODUCT LIFE CYCLE?
- TO DO SO, IT MAY DECIDE TO IMPLEMENT **EXTENSION STRATEGIES** - WHICH ARE INTENDED TO EXTEND THE LIFE OF THE PRODUCT BEFORE IT GOES INTO DECLINE.

- EXAMPLES OF EXTENSION STRATEGIES ARE:
- **ADVERTISING** – TRY TO GAIN A NEW AUDIENCE OR REMIND THE CURRENT AUDIENCE
- **PRICE REDUCTION** – MORE ATTRACTIVE TO CUSTOMERS
- **ADDING VALUE** – ADD NEW FEATURES TO THE CURRENT PRODUCT, E.G. IMPROVING THE SPECIFICATIONS ON A SMARTPHONE
- **EXPLORE NEW MARKETS** – SELLING THE PRODUCT INTO NEW GEOGRAPHICAL AREAS OR CREATING A VERSION TARGETED AT DIFFERENT SEGMENTS
- **NEW PACKAGING** – BRIGHTENING UP OLD PACKAGING OR SUBTLE CHANGES

SOURCE

- PRODUCT LIFE CYCLE: BUSINESS. (2019, OCTOBER 24).
RETRIEVED DECEMBER 3, 2019, FROM
[HTTPS://WWW.TUTOR2U.NET/BUSINESS/REFERENCE/PRODUCT-LIFE-
CYCLE.](https://www.tutor2u.net/business/reference/product-life-cycle)

THANK YOU FOR YOU ATTENTION.