The Product Lifecycle and Delaying Decline

The Product Lifecycle theory explains the journey of a product, from research and development to its decline. It states the different milestones a product will go through and the state of sales throughout its growth. The theory can be applied to a singular product, a brand and its product portfolio or a particular model series or type. The concept adjusts its format to suit both the complexity of the product and its market and can be broken down into 5 key stages.

The 5 stages of the Product Lifecycle:

Research and Development

This is the initial product idea, its research, testing and measuring to see whether it is likely to fulfil market needs. This process can Majority of products conceived are rejected at this stage due to lack of funding, wrong market fit or can't take on the capacity etc.

Introduction

The product launch. Once the R&D is complete then the product is ready to enter the market. Sales growth would be quite stagnant until marketing efforts have paid off, creating awareness is a slow process but a rewarding one if done effectively.

Growth

This stage is when the product is picking up and becoming increasingly popular. Depending on how large the market the product is catered to, a products growth timeline can be very lengthy. Usually caused by word-of-mouth recommendations from the initial customers who first bought the product in its Introduction stage.

Maturity
Growth tends to slow down at this stage as sales have reached their peak, possibly due to competitor influence or a change in trends. However, this isn't the be all or end all, many companies have implemented extension strategies to their products lifecycle, especially the most profitable and successful ones.

Decline
If no extension strategy is worth investing in or if the product is categorised as a seasonal or temporary sale, then its lifecycle will come to an end. Sales halt or start to drop.

It's worth knowing that a product could potentially fail at any one stage of its lifecycle, the reason behind it not succeeding can be due to extraneous reasons such as political, economic, social, technological or legal factors.

Extending the Product Lifecycle

There are extension strategies which many companies use to prolong the lifecycle of a product. These extension strategies are applied at the peak of a product's lifecycle (Maturity stage) before its decline. Doing this can bring a new lease of life to a product and stir the market's interest again.

This can be done by modifying, updating or bundling the product. Maybe your premium tea range was the bestselling series your company had to date, and you discover that many other companies are launching similar ranges at a similar price. You will need to think of a way to become more appealing than them. A solution could be reinventing the range's packaging or changing the teabags to unbleached ones which would appeal to a new market who are concerned with the chemicals used in consumables. In addition, it may be worth aiming for a different demographic or location? Reducing the products price or running another marketing campaign, reminding people of your product will also gain new interest.

Conclusion

The product life cycle is a basic theory and tries to be universal. Strictly speaking, it cannot be applied to all products stage by stage, but it can be adapted to suit. For some products, their lifecycle can be so short, that there is no way of defining each part of its cycle. For example, an Apple product experiences the majority of its sales within the first few months of its launch, therefore its introduction stage is also its growth stage and can be hard to define. Whereas, other products can have a maturity stage that lasts for years and with it a slow decline.

Overall, applying this model and using it as a guide and prediction tool can be a very useful and effective method for predicting growth and loss for any business. Whatever the product, the principle is the same, every business should understand and research their product portfolio and markets in order to predict its growth and state of decline. This will allow companies to position themselves in favour of their markets and know when they need to bring out a new product or line, when to discontinue and when to introduce an extension strategy.