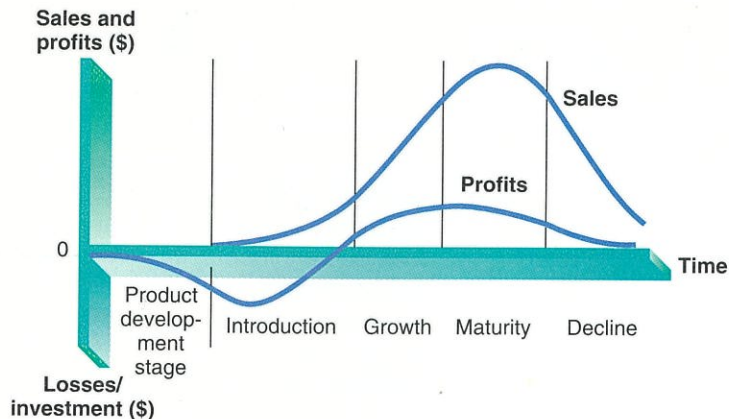


**FIGURE 9-2**  
Sales and profits over the product's life from inception to demise



most successful product.

### Product life-cycle (PLC)

The course of a product's sales and profits over its lifetime. It involves five distinct stages: product development, introduction, growth, maturity, and decline.

Figure 9-2 shows a typical product life cycle (PLC)—the course that a product's sales and profits take over its lifetime. The product life cycle has five distinct stages:

1. Product development begins when the company finds and develops a new-product idea. During product development, sales are zero and the company's investment costs mount.
2. Introduction is a period of slow sales growth as the product enters in the market. Profits are nonexistent in this stage because of the heavy expenses of product introduction.
3. Growth is a period of rapid market acceptance and increasing profits.
4. Maturity is a period of slowdown in sales growth because the product has achieved acceptance by most potential buyers. Profits level off or decline because of increased marketing outlays to defend the product against competition.
5. Decline is the period when sales fall off and profits drop.

Not all products follow this S-shaped product life cycle. Some products are introduced and die quickly; others stay in the mature stage for a long, long time. Some enter the decline stage and are then cycled back into the growth stage through strong promotion or repositioning.

The PLC concept can describe a product class (gasoline-powered automobiles), a product form (minivans), or a brand (the Ford Taurus). The PLC concept applies differently in each case. Product classes have the longest life cycles—the sales of many product classes stay in the mature stage for a long time. Product forms, in contrast, tend to have the standard PLC shape. Product forms such as cream deodorants, the dial telephone, and phonograph records passed through a regular history of introduction, rapid growth, maturity, and decline. A specific brand's life cycle can change quickly because of changing competitive attacks and responses. For example, although teeth-cleaning products (product class) and toothpastes (product form) have enjoyed fairly long life cycles, the life cycles of specific brands have tended to be much shorter.

The PLC concept can also be applied to what are known as styles, fashions, and fads. Their special life cycles are shown in Figure 9-3. A style is a basic and

### style

A basic and distinctive mode of expression.