THE PRODUCT LIFE CYCLE: IS IT THE SECRET?

The world of marketing is fast becoming more and more challenging, as marketers try to keep up with the increasing and fast-changing consumer preferences. For a company to be successful, it has to be able to fit its strategies to the changing times, tastes, and technologies. Marketers admit the fact that a product's performance in the market continues to be baffling, and cannot be predicted. Some people say that there is a way to predict the performance and the future of a product, and this is the PLC or the product life cycle concept. The product life cycle describes the stages that a product goes through. It is often likened to a human being's life cycle. It is considered as a very important tool in marketing, because each stage in the cycle requires different marketing strategies and cause different customer and market reactions. However, studies regarding the PLC concept showed that it helps marketers sell their product, but there is no proof that it can predict a product's future. Marketers acknowledge that the product life cycle is vulnerable to many market variables, and cannot be taken generally. It should be taken on a case-to-case basis, because the life cycle of each kind of product differs. Despite this, the PLC concept is still quite popular in the world of marketing and is still used as a basis for marketing strategies.

The product life cycle begins at the product development stage. A company usually decides to enter into this stage to respond to a market need that holds a lot of promise for their business. During this stage, the primary objective is to build product and brand awareness. This stage, wherein the product is conceptualized and initially created, is the most expensive stage in the product life cycle. This stage is also very risky, as there is no certainty whether the new product will actually sell. Marketers should take note of a lot of factors during this stage, such as the size of the market, the potential market demand, the product quality and features, the costs of product development, and the positioning of the product. These factors also affect each other in varying degrees.

After the product development cycle, the product then moves on to the introduction or the market launch stage. During this stage, a company cannot expect sales yet. With a new product that the market does not even know about, the biggest challenge is to build

product awareness. After building product awareness, however, they still have to convince consumers to try the new product out. It is also at this point that firms must decide on their marketing mix. They have to decide whether they want to penetrate the market with a low price, or skim the market ceiling with a high price. They also have to decide the extensiveness of their distribution channel. Marketers know that this stage is very crucial, because it can affect the product's future performance. According to a well-known marketing author, Philip Kotler, in his text, "The Principles of Marketing", the introduction stage is "just the first step in a grander marketing plan for the product's entire life cycle." What a company does at this stage determines the future of the product up to a certain extent.

If a product successfully passes through the introduction stage, it will then enter the growth stage. At this stage, the company has to establish the brand further. To achieve this, firms usually play around with their pricing strategies, to respond to changes made by the competition. Since costs are now less, marketers expect a significant increase in sales and profits during this point. This is not, however, a reason to rejoice. It is also at this point when the competition stiffens greatly as the product settles into the market. The challenge now is to build brand preference, so consumers will choose the brand over the competitors. Furthermore, once the brand is preferred, the firm has to sustain the demand and thus, the rapid growth of the product. However, even if companies want this stage to last as long as it can, in most cases, it abruptly ends as the product matures.

In the maturity stage, one significant change is the slowing of a product's sales growth. Because of this, companies try to salvage the sales growth as much as they can, and this stage poses a greater challenge than any other stage. There are a lot of decisions to be made at this point. Some companies choose to allow a product to fully mature and forego the decision to change it. Some companies, on the other hand, recognize that if there is a right time to update or upgrade a product, it is during the maturity stage. These companies face a lot of options. They can reposition the product, modify the actual product itself, or change one of the elements of the marketing mix. This stage is usually the longest stage, so companies often play around with their options. As is true for a lot

of products, these changes are necessary to differentiate the brand from its competitors. Since the product is already well-established in the market, newer products may be trying to get the attention of consumers and old competitors may be going through similar transitions. Thus, the need to keep up with changes is even more important at this stage. Despite this, the maturity stage is still considered to be a very profitable stage because costs incurred at this stage, especially advertising expenditures, are considerably lower.