

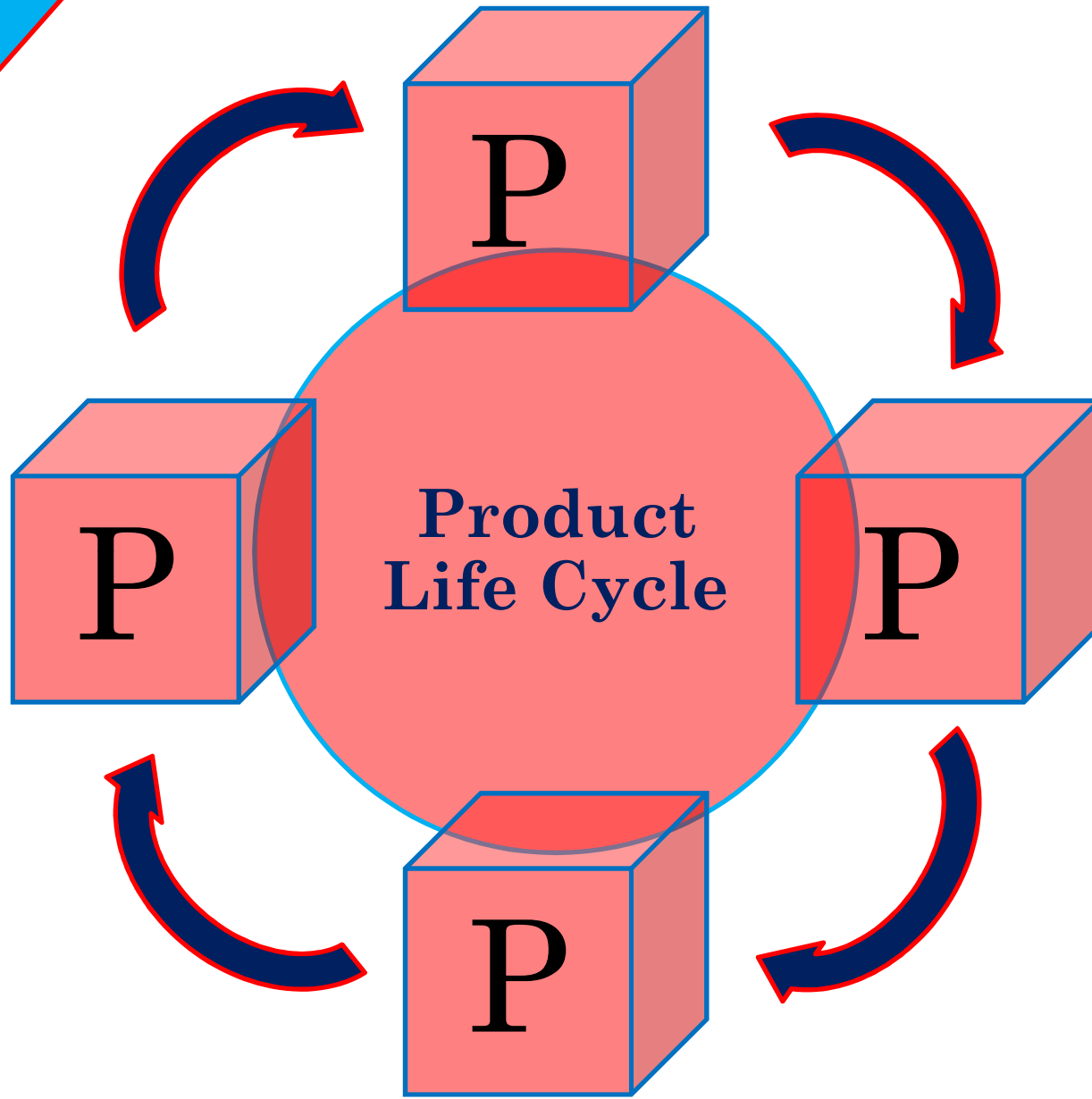
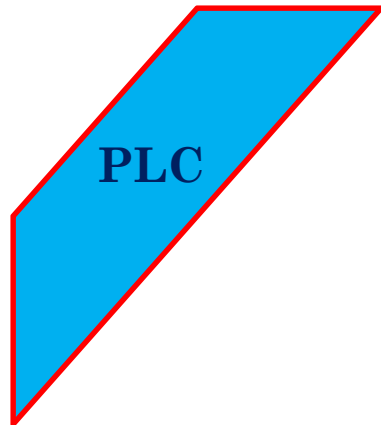
**BBA-402**

**Marketing Management**

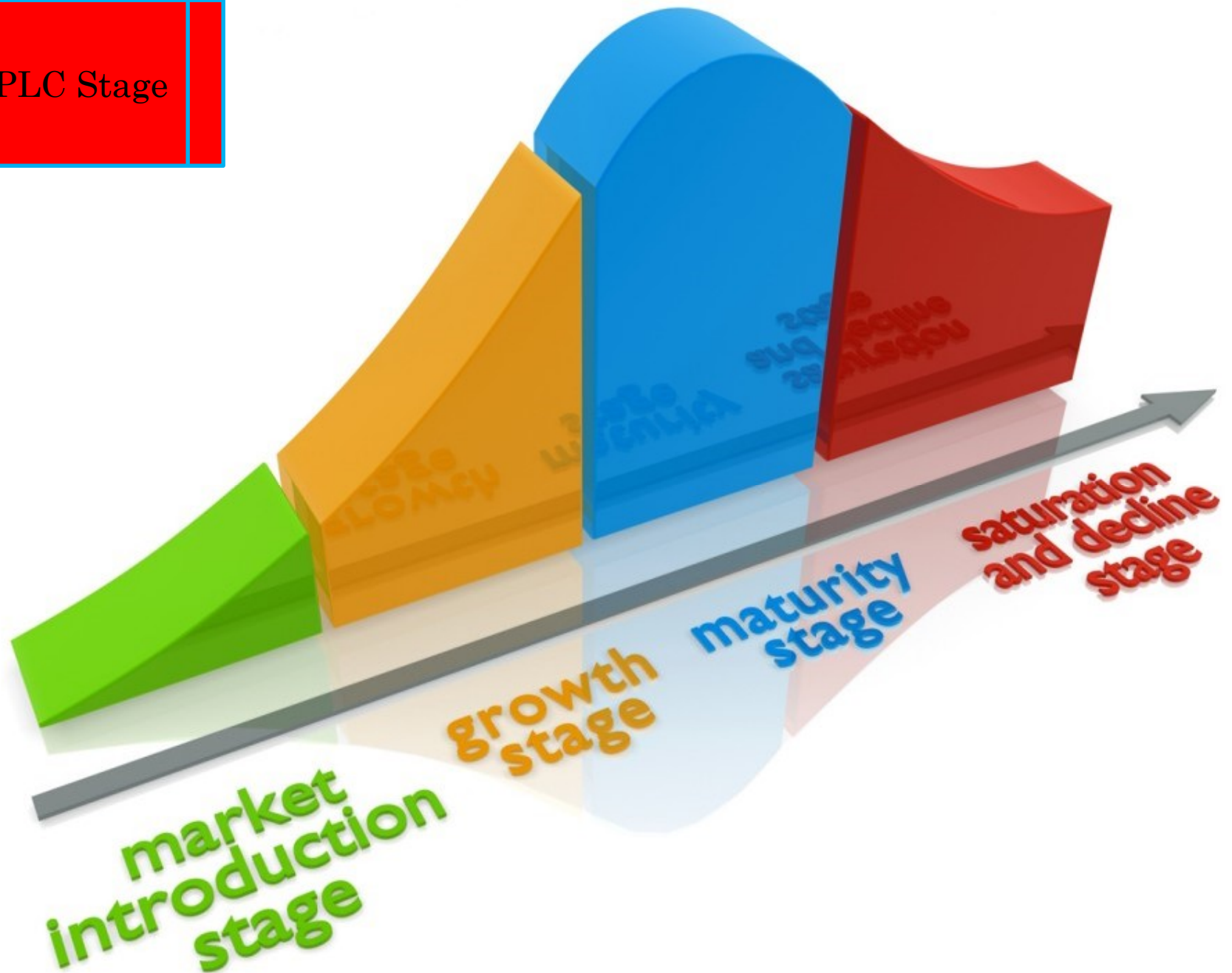
# **The Marketing Concept**

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PLC Stage



Characteristics	Introduction	Growth	Maturity	Decline
Sales	Low	Rising	Peak	Declining
Costs	High Cost	Average Cost	Low Cast	Low Cost
Profits	Negative	Rising	High	Declining
Customers	Innovators	Early Adopters	Middle Majority	Laggards
Competitors	Few	Growing	Stable No beginning to decline	Declining
Marketing Objectives	Create P Awareness	Max Market Share	Max Profit	Reduce Expenditure
Strategies Products	Offer a basic Product	Offer Product Extensions	Diversity Brands & Items Models	Phase out weak
Price	Change cost-plus	Price to Penetrate Market	Price to match or best competitors	Cut price
Distribution	Build selective Dis.	Build intensive Distribution	Build more int. distribution	Go selective
Advertising	Build product awareness	Build awareness & interest in mass mkt.	Stress brand difference & benefits	Reduce to level needed
Sales Promotion	Use heavy sales promotion	Reduce to take advantage of heavy customer demand	Increase to encourage brand switching	Reduce to minimal level

## **Summary of the Lesson:**

Each stage of the product life cycle calls for different marketing strategies. The introduction stage is marked by slow growth and minimal profits. If successful, the product enters a growth stage marked by rapid sales growth and increasing profits. There follows a maturity stage in which sales growth slows and profits stabilize.

Finally, the product enters a decline stage. The companies' task is to identify the weak products; develop a strategy for each one; and phase out weak products in a way that minimizes the hardship to company profits, employees and customers.

