

Sustaining Product Sales

BMIT – Section 2

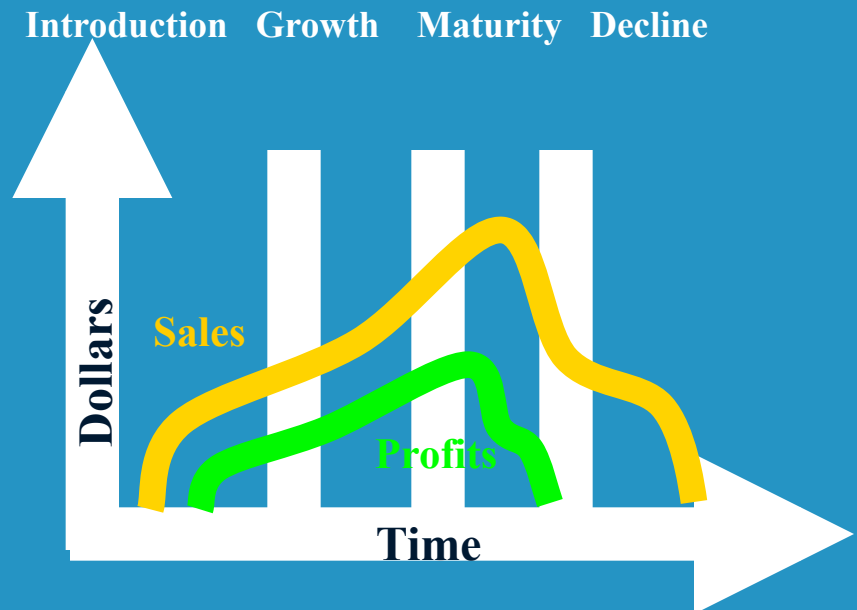
- **What you' ll Learn:**
 - **The product life cycle**
 - **The concept of product positioning**
 - **The purpose of category management**

Product Life Cycle

- **The product life cycle represents the stages a product goes through during its life**

- **Four Stages**

- **Introduction**
- **Growth**
- **Maturity**
- **Decline**





Introduction Stage

- **Focus on promotion and production**
- **Major Goals:**
 - **Draw customers' attention**
 - **Product awareness**
 - **Build Sales**
 - **Special Promotions**
- **Stage is characterized by high costs and low profitability**



Growth Stage

- **Target market is aware and uses product**
- **Advertising focuses on customer satisfaction instead of features**
- **Competition is increasing**
- **To sustain growth, add or modify products to offer more than competition**
- **Stage is characterized by increasing sales and profits**



Maturity Stage

- **Stage is characterized by sales that are level or slowing**
- **Most of target market owns the product**
- **Great deal of competition**
- **Spend marketing dollars to fight off competition**
- **Decide whether product can be improved to gain additional `sales**



Decline Stage

- **Stage is characterized by falling sales and lower profits**
- **Decide whether to continue product**
- **Product strategies for this stage:**
 - **Sell or License product**
 - **Recommit to product line**
 - **Discount the product**
 - **Regionalize the product**
 - **Modernize or alter the product**



Product Positioning

- **Goal: Set product apart from competition**
- **Includes efforts to identify, place and sell products**
- **Positioning Strategies**
 - **Price and Quality (economy, mid-price & luxury)**
 - **Features and Benefits**
 - **Relation to Competition**
 - **Relation to other product lines**

Category Management

- **Category Manager vs Brand Manager**
 - **Category Mgr is responsible for only one category and has more interaction with sales force**
 - **Brand Mgr is responsible for entire brand and had little contact with sales force**
- **Planogram – software to help manage a category by developing diagrams showing how and where products should be displayed**



