

Sustaining Product Sales

Chapter 30 – Section 2

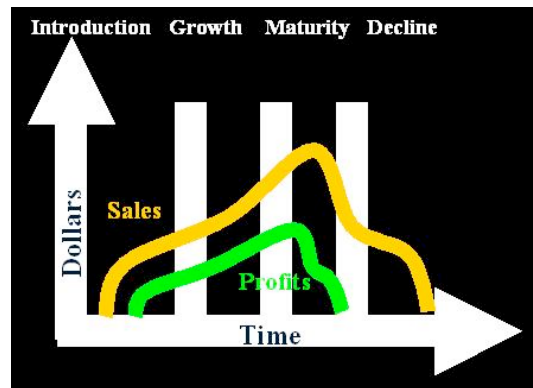
What You'll Learn:

- 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 Stage

Focus on promotion and production

Major Goals:

Draw customers' attention

Build Sales

Stage is characterized by _____ and low profitability

Growth Stage

Target market is aware and uses product

Advertising focuses on _____ instead of features

Competition is _____

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 _____

Spend marketing dollars to _____

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:

Recommit to product line

Regionalize the product

Modernize or _____ the product

Product Positioning

Goal: Set product apart from _____

Includes efforts to identify, place and sell products

Positioning Strategies

Price and Quality (economy, mid-price & luxury)

Relation to Competition

Category Management

Category Manager vs Brand Manager:

_____ Mgr is responsible for only one category and has more interaction with sales force

_____ Mgr is responsible for entire brand and had little contact with sales force

Planogram – software to help manage a category by developing

_____ showing how and where products should be
