BUSINESS STRATEGY & GROWTH

The Product Lifecycle and Delaying Decline

By Leyla Hussein • 11 December 2018

A client called me, genuinely rattled, because his bestselling product had started sliding and he could not understand why. Nothing had changed at his end. Everything had changed around him. What he was watching was not a failure. It was a lifecycle doing exactly what lifecycles do, and the useful thing is that it is predictable if you know the shape of it.

The product lifecycle theory maps a product's journey from research and development all the way to decline, marking the milestones it passes and [the state of its sales]() along the way. You can apply it to a single product, to a brand and its whole portfolio, or to one model or type, and it flexes to match how complex the product and its market are. It breaks into five stages.

The five stages

Research and development. The initial idea, tested and measured to see whether it will actually meet a market need. Most products die right here, for lack of funding, a poor market fit, or simply not being something the business can take on.

Introduction. The launch. Once R&D is done the product enters the market, and sales usually stay flat until the marketing starts to bite. Building awareness is slow, but done well it pays off.

Growth. The product catches on and popularity climbs. In a large market this stretch can run for a long time, driven largely by word of mouth from the first customers who bought in during introduction.

Maturity. Growth slows as sales hit their peak, often because competitors have arrived or trends have shifted. This is not the end though, and the smartest companies reach for an extension strategy exactly here, at the top.

Decline. If no extension is worth the investment, or the product was always seasonal or temporary, the lifecycle ends. Sales stall or fall away. And it is worth remembering a product can fail at any stage, sometimes for reasons entirely outside it, political, economic, social, technological or legal.

Extending the lifecycle

Extension strategies exist to prolong a product's life, and they are applied at the peak, in maturity, before the decline sets in. Done well, they breathe new life into a product and stir the market's interest all over again, through modifying, updating or bundling. Say your premium tea range was the bestseller you had ever produced, and now rival ranges are appearing at a similar price. You need a way to stand out again. You might reinvent the packaging, or switch to unbleached teabags to win over a market worried about chemicals in what they consume. You might aim at a different demographic or region, drop the price, or run a fresh campaign that simply reminds people you exist. All of it can pull new interest back in.

Using it wisely

The product lifecycle is a basic theory that tries to be universal, and strictly it does not fit every product stage by stage, but it adapts. Some products move so fast there is barely a way to separate the phases. An Apple product does most of its selling in the first few months, so its introduction and growth blur into one. Others sit in maturity for years, declining slowly. Used as a guide and a prediction tool, though, the model is genuinely powerful. Whatever the product, the principle holds: every business should understand and **research its portfolio and its markets** so it can anticipate growth and decline, position itself in favour of its markets, and know exactly when to launch something new, when to extend, and when to let something go.

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