Every product has a life cycle, that is a period of time over which it is available to buy, appeals to the consumer and is bought. For some products the life cycle can be short - for example one hit wonder bands, or this summers fashion. Others appeal for a longer period, and then go out of fashion or are replaced by newer more up to date or technologically advanced products. Then there are some products that are different, for these the life cycle goes on and on. Coca Cola, the VW Golf, Mars bars, and Chanel No.5 are products with the same appeal now as they had 20 or even 40 years ago. But whatever the product, it will have a life cycle of some sort.

The Parts or Stages of the Product Life Cycle.
Marketing experts have divided the product life cycle into five stages, these are
- Introduction
- Growth
- Maturity
- Saturation
- Decline

Introduction
The product is new to the market, few potential consumers know of its existence. Price can be high, and sales may be restricted to early adopters (those that must have new technology, gadgets, or fashions first). Profits are often low, as development costs have to be repaid, and advertising expenditure can often be high.

Growth
The product is becoming more widely known and consumed. Advertising tries to establish or strengthen the brand and develop an image for the product. Profits may start to be earned, but advertising expenditure is still high. Prices may fall.

Maturity
The product range may be extended. Competition will increase and this has to be responded to. Advertising should be used to firm-up the image of the product in the consumers minds. Sales are at their peak, profits should be high.

Saturation
Very few new customers are gained, replacement purchases are the trend. Firms should try to reduce their costs, so that prices can be more flexible. Brand image could be kept strong, or as an alternative the brand can move down market, but not at the expense of quality. Profits should be maintained.

Decline
Sales can now fall fast, and the product range may be reduced, with the firm concentrating on core products. Advertising costs will be reduced, with attempts made
to mop-up what is left of the potential market. Each product sold could be quite profitable, but overall profits will fall. Price is likely to fall, but by concentrating on remaining market niches there should be some price stability.

Businesses will try to make the product stay in the maturity stage as long as possible, this will maximise profits, and help the firm gain the greatest return on the money invested in the product. To do this, the firm will need to use extension strategies.

Example Life Cycles
Below we see a typical, or classic, Product Life Cycle

In this example we see the five stages, starting with introduction, through growth, maturity, saturation and finally decline.

The Product life Cycle measures the change in sales of the product that occurs over time. We can see that sales increase through introduction, growth and maturity until we reach the saturation stage of the product life cycle. Towards the end of the saturation stage sales start to fall, and product moves into decline.

This is a typical structure of a product life cycle, but there are many products that do not fit into this model, and on the next page we look at two of these alternative product life cycle shapes.
Below we see two further examples of product life cycles. In the first, Straw on Fire, the product quickly moves through all the stages. Introduction is short, market saturation may be reached in a matter of months, sales can become incredibly high, and products with Straw on Fire life cycles can dominate the market for a short period, but decline sets in shortly after. Some of the best examples of this type of life cycle can be found in the children's toy market, there have been many over the years, including, furbies, cabbage patch dolls, hula hoops, yo-yos, ninja turtles etc.

A third example, the Extended product life cycle, demonstrates that some products remain in the market place for a long time, and often much longer than competitor products.

These products stay in maturity and seem to avoid decline. Consider the shape of the life cycle of Coca Cola, or Rice Krispies or Mars Bars? Are these products in decline, or are sales being maintained

Other examples might be some winners of programs such as XFactor or Big Brother, with one hit single or album or who are famous for a month or two, who then disappear without a trace.

These 3 are not the only possible shapes or structure of product life cycles. Other products may 'sleep'. Sales may be restricted to early adopters (consumers who are willing to pay a premium for new technology) or those 'in the know'. It may take a large advertising campaign or reductions in price to win a mass market for the product. Other products make come backs, such as bands like Take That, or platform shoes and skateboards coming back into fashion.