



## Product (Service) Lifecycle

Every product or service goes through a specific **lifecycle**. The lifecycle management is on the the key task of the marketing and sales management. Model shown below describes the relationship between the volume of **sales** and profit from the product. The model defines five stages of the product life:

- › **Development stage** - the product is being developed, it is not in the market yet, there are only costs (i.e. the profit is negative)
- › **Introduction phase** - the product is placed in the market, the sales slowly grow up, the profit is still negative
- › **Growth stage** - the profit comes into positive figures
- › **Maturity stage** - the sales continue to grow but profit begins to decline (falling price)
- › **Decline stage** - the sales and profit decline gradually
- ›

In a relation to the lifecycle management, it is used a term **Product Lifecycle Management (PLM)**.

Related terms and methods:

- › Ansoff Matrix
- › BCG Matrix
- › Deming Cycle (PDCA)
- › ITIL (Information Technology Infrastructure Library)
- › Market
- › Marketing Mix 4P
- › Market segmentation
- › Marketing strategy
- › Positioning
- › Profit
- › Targeting

Related management fields:

- › Marketing and Sales
- › Production Management
- › Service Management