

Life cycle of products

Just like any other things, humans, animals, plants, projects and enterprises, brands and products have a life cycle. They are

born, they grow, they reach maturity, they are getting old and they finally die, replaced by other brands and products.

Introduction

After being developed at great cost, products are introduced

on the market. As a new product, there are virtually no competition as the product isn't threatening. This first part of a

product life generates little or no profits since research and development needs to be reimbursed and because very little sales are made.

Growth

If the product is well introduced and start penetrating the market, it grows. Sales are increasing, costs are gradually reduced

and some profits start to be made. At this point, competition can be ferocious since no-one wants to share the market and lose profits.

Maturity

Maturity signifies the peak of a product life that needs to last

as long as possible in order to generate maximum of profits. Sales become steady, costs are at their lowest, profits are

growing and competition is fair.

Decline

Just like it happens in a human life, a product eventually grow older, out of fashion or simply overpassed by newer products.

It is a variable speed walk towards death. During this phase of life cycle, sales are reducing, costs are steady and the profits are declining. At this point, the product may be replaced or

just left to decline more or less rapidly with no investment as a part of the market will still continue to buy it.

The product

As we just explained, the product isn't just the physical good a consumer buys. Of course, it has physical aspects and functionalities, but it also has an image influenced by the service and the symbolic universe created around the product which makes

it desirable.

In order to be sold, the manufacturer and the distributor of a product must let potential know about the product. They also

have to use various tool to enhance the product, to make it appealing to the consumers in an environment where similar effective products are available.

Many aspects of a products are chosen in order to make it more appealing : the brand, its color and format, it's quality, the

packaging, the service, etc.

The brand

The brand is a major influence in the consumers decision to

buy a product. A product greatly benefits from its brand's image and reputation. If a brand is renowned to sell good products, a new product from this brand will be considered as being most probably good as well.

Local brands

A local brand is one that can be found in a limited geographical area, a province, a region, or even a city or a town.

Often more innovative, these brands can sometimes constitute an icon to a region.

National brands

A national brand consists in a very well known brand in an entire country. Anywhere a consumer may go, the product is sure to be found. And because they are very well known (presence in the mass medias) and used by a great number of consumers, they benefit from great reputations.

The complex logistic and marketing of these brands make

them more conservative as any innovation represents a risk

and complicated and expensive changes in all levels and aspects from manufacturing to distribution and promotion, etc.

The high level of sales make it possible to the manufacturers

to diminish the cost price of these products so more profits

can be generated or rebates can be offered with little impacts

for the retailers and manufacturers, but sometimes big damages to the competition.

Private brands

Private brands are goods being manufactured for and sold

under the name of a specific retailer. It competes with brandname products but are usually sold at a cheaper price.

The products of these brands are manufactured by contract

manufacturers. Even though the products can be unique,

the same products often are sold under different names and

brands, the label being the only difference.

Generic brands

Generic brands (private labels) can also benefit from a nationwide distribution, but they are offered by specific retailers. For

example, a grocery stores chain may offer a generic brand in

all its stores. The products from these brands tend to imitate

national brands. They often don't benefit from a high-value

image, but usually offer a better price-quality ratio.

Brand loyalty

In order for customers to buy a product or a brand repeatedly so more profits can be made, different marketing tactics

are being used. A loyal customer is willing to pay more and

make more efforts in order to buy the brand.

Getting to know the customers, brands manage anticipate

customers needs and make sure to reflect and incarnate their

values while continuously improving all the aspects of the

marketing-mix and taking trends into consideration.