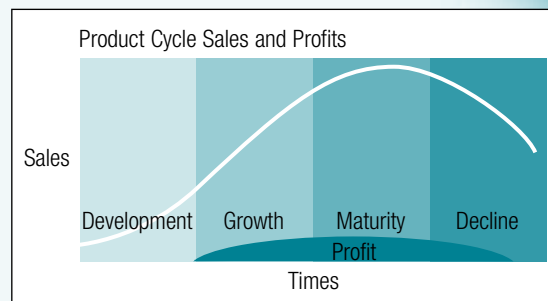




The life cycle of products

Products, like people, have a birth, a life and a death. Marketers always keep this idea in mind. While manufacturers are launching a new product, they are also preparing for the day when sales decline. Product sales and profits start at a low level, rise to a high level and then go down again to a low level. This cycle is sometimes referred to as PLC. The product life cycle can have five distinct phases:



1. **Development.** The phase when a company looks for a new product. New products do not have to be totally new (like electronic items). They can be additions to existing lines or **improvements** to existing products (a new whiter-than-white washing powder).
 2. **Introduction.** In this phase the product's costs rise as a result of the expenses for advertising and marketing campaigns.
 3. **Growth.** It is the product's growth phase. When product sales rise, the company starts **to recover** the costs of the first two phases.
 4. **Maturity.** This is the phase when the product is selling well but at the same time the growth is starting to slow down. A successful product usually comes under competitors' pressure, therefore the producer needs to spend again in order to defend the market position of the product.
 5. **Decline.** At this point the product sales are decreasing more and more because companies can't beat the competition or the product is becoming **redundant** due to a change in consumers' tastes or lifestyle. Therefore the company needs to take effective decisions about the product's life.
- Managers know that a new product follows this cycle but they cannot be sure when each phase starts or how long it lasts. Some products have a very long life cycle and don't give signs of decline, for example Kellogg's Corn Flakes. However, products today are very different from many years ago; the popularity of the brand name helps **to disguise** the various life cycles of these products. On the contrary products of fashion have a short life cycle, therefore manufacturers have a limited time to make profits and need to be ready to understand new trends and tastes.

Glossary

improvement: miglioramento; **to recover:** recuperare; **redundant:** superfluo; **to disguise:** mascherare

practice

A. Put the verbs in brackets into the correct present tense: *simple present* or *present progressive*.

1. At the same moment manufacturers (launch) a new product they
..... also (get) ready for its decline.
2. They always (have) the idea in mind that a product
.. (not sell) forever.
3. Competition (become) stronger and stronger while products' sales
..... (grow).

4. There are traditional products that (not seem) to slow down, yet they (not look) the same as in the past.
5. A manager normally (know) about a product life cycle but he/she (not know) how long each phase (last).

B. Find in the text antonyms to the following words, then write the Italian equivalents.

From the text	Antonyms	Italian equivalent
1. Birth (n)		
2. To decline/To slow down (v)		
3. Purchase (n)		
4. High (adj)		
5. New (adj)		
6. Light (adj)		
7. Loss (n)		
8. Consumer (n)		
9. Revenue (n)		
10. To show (v)		
11. Elimination (n)		
12. Long (adj)		
13. Similar (adj)		
14. Slightly (adv)		
15. Manager (n)		

C. Now use the words in the completed grid to fill in the following sentences. Pay attention to the use of the present tenses when necessary.

1. A new product usually starts to sell at a (adj) level, then sales (v) and after that they start to (v) again.
2. After the second phase manufacturers can have enough (n) to cover the (n) and make their profits.
3. Fashion articles, have (adj) life cycles owing to the change of consumers' tastes or lifestyle.
4. Some products are not totally new they can be improvements or (n) of (adj) products.
5. Companies' managers know that products have a (n), a life and a (n), but they can't be sure about the duration of each phase.
6. Some products seem to have very long life cycles. The popularity of their brands (v) the various life cycles, in fact they look (adj) from the past.

D. Work in pairs and write three products of your choice. Tick the type of life cycle you think they have. Discuss your choices with the class.

Life cycle

Short life cycle

Long life cycle

Addition to old products

Improvement of popular products

New product

Various life cycles