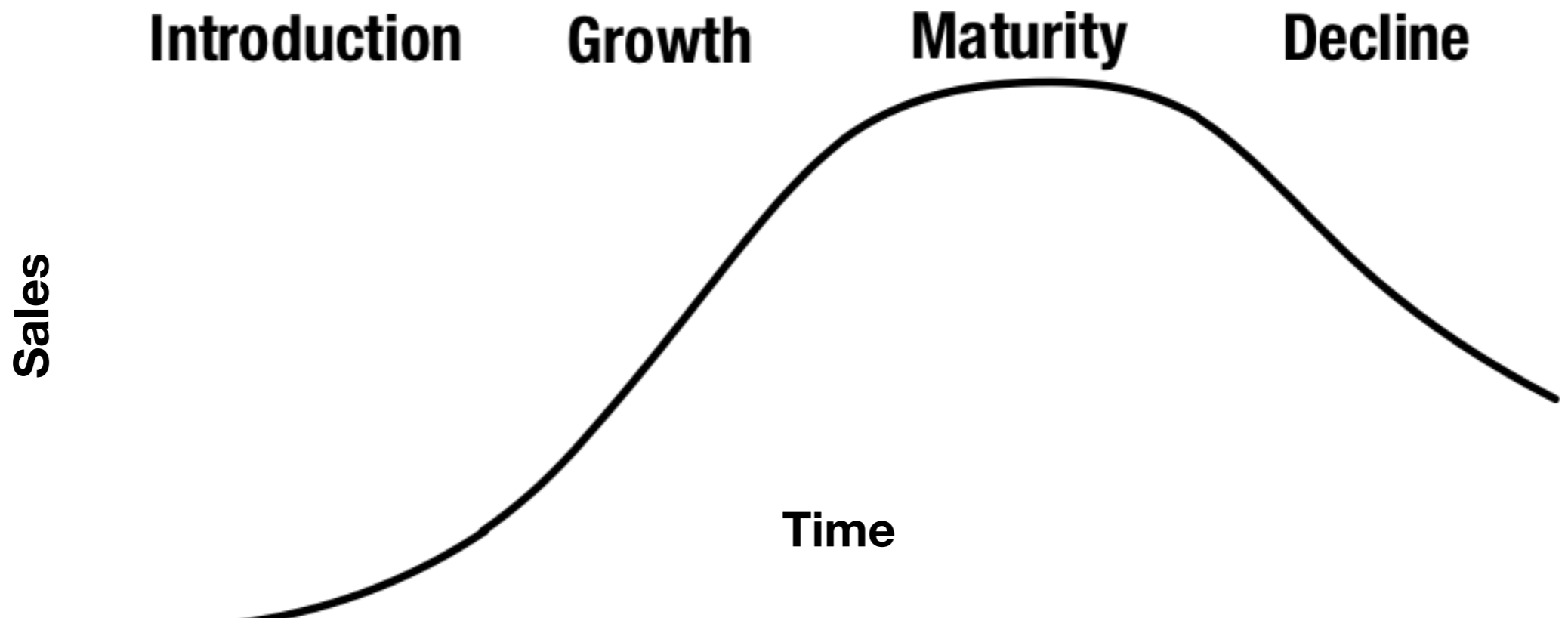




Design Concept: Life Cycle

**INLS 718
Jon Clancy
Onyen: jonavl**



	Introduction Stage	Growth Stage	Maturity Stage	Decline Stage
Investment Costs	Maximum	High	Low	Low
Audience	Early Adopters	Mainstream	Late Adopters	Laggards
Market	Small	Growing	Large	Contracting
Sales	Low	High	Leveling	Moderate
Profitability	Low	Maximum	High	Low
Competition	Low	Some	High	Maximum
Business Focus	Awareness	Marketing	Retention	Transition
Design Focus	Tuning	Scaling	Support	Transition

Introduction

Pioneer Advantage

- Getting a product to market first may be more important than staying on budget
- 19 of 25 market leaders from 1923-1983 did not change
- In one study, 10 year survivability of pioneers was 66%, vs 48% for early followers
- There is such a thing as the Second Mover Advantage



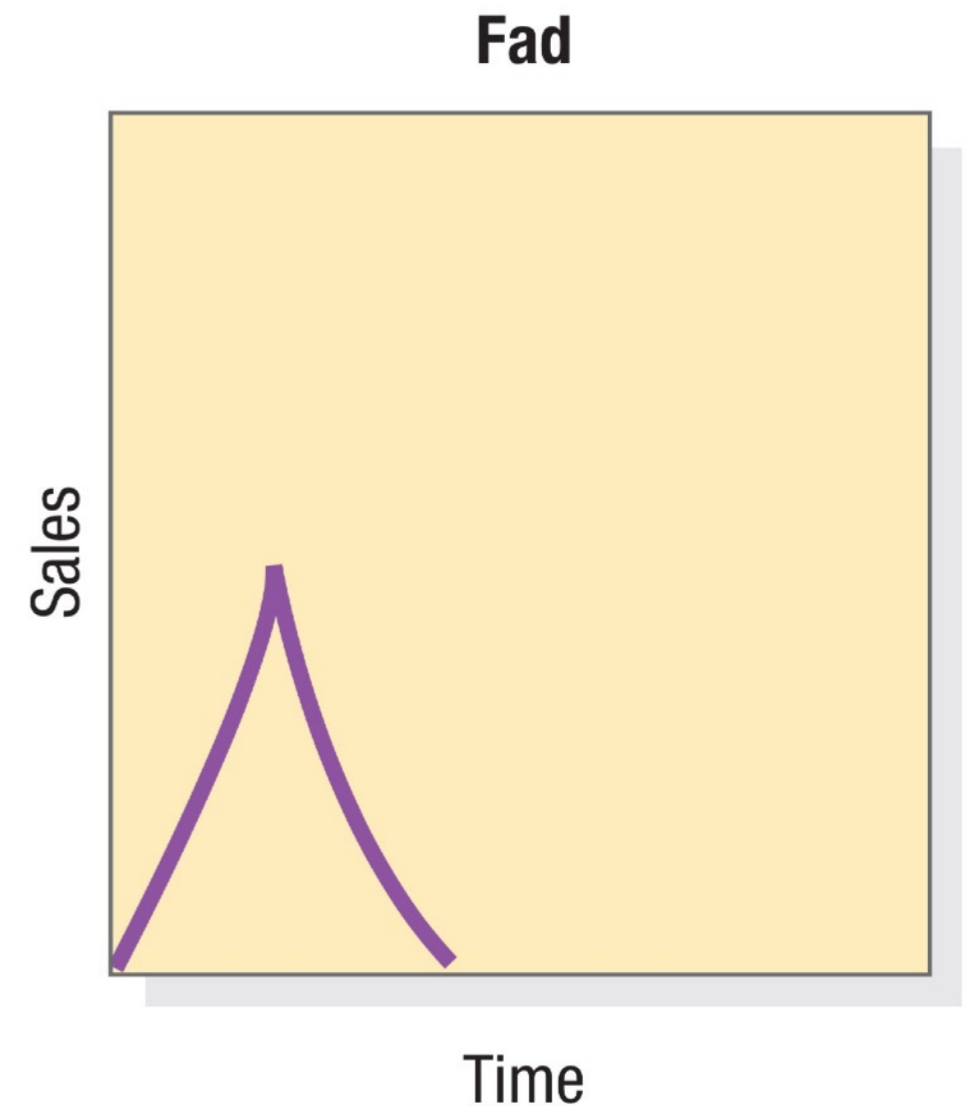
amazon.com



Growth

The Fad Life Cycle:

- Growth doesn't ensure long-term success
- Acceptance cycle is short
- limited following
- Strategy: recognize the fad early and leverage it into a product with lasting power



Maturity



As the market grows, smaller companies fail or move on, and typically a Quality Leader, a Service Leader, and a Cost Leader emerge.

Strategies for being on top during the maturity stage

- **Expand the market**
- **Change the product:**
 - **Improve overall quality, add features, make it stylish**
- **Focus on marketing**

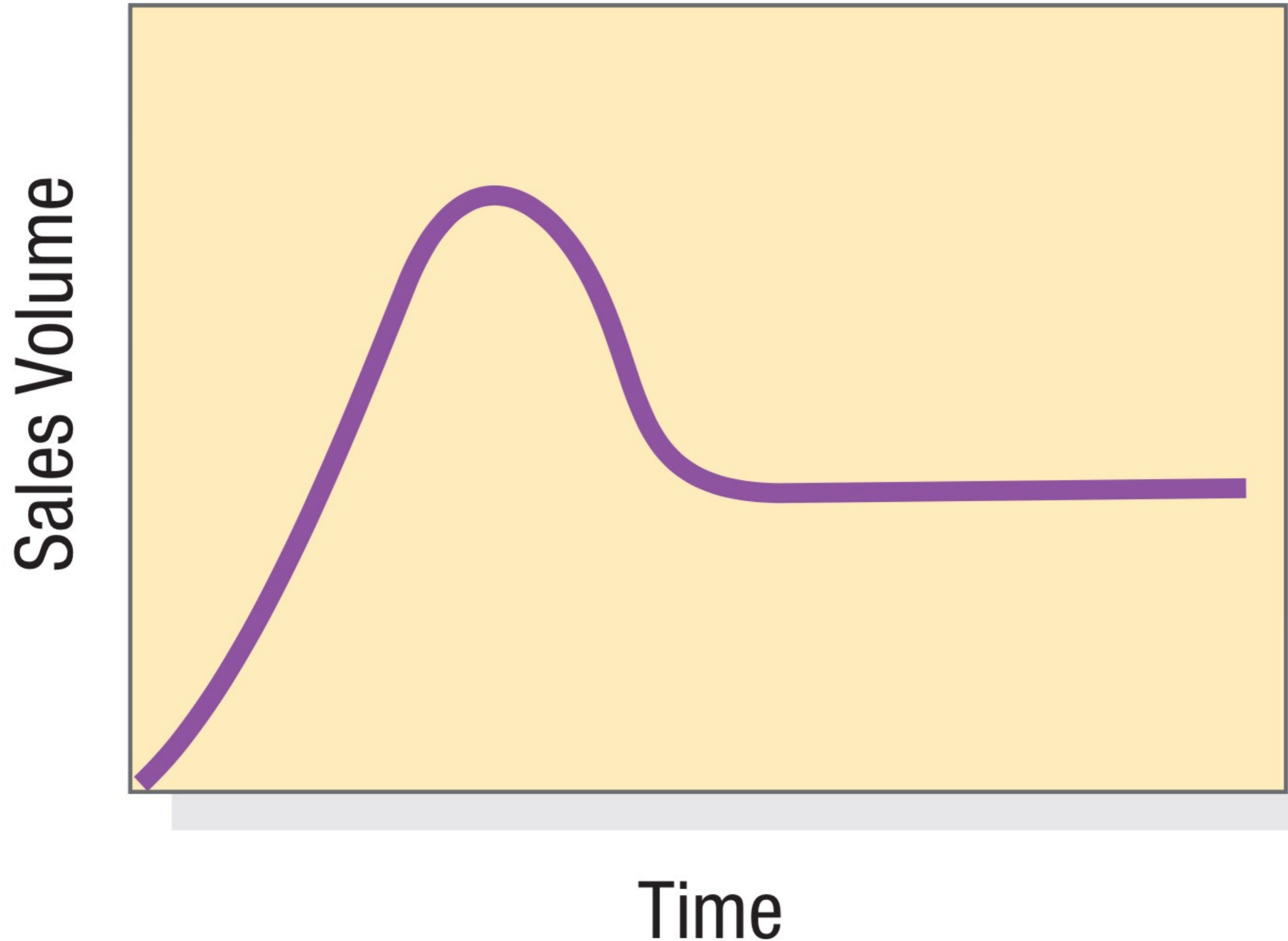
Decline



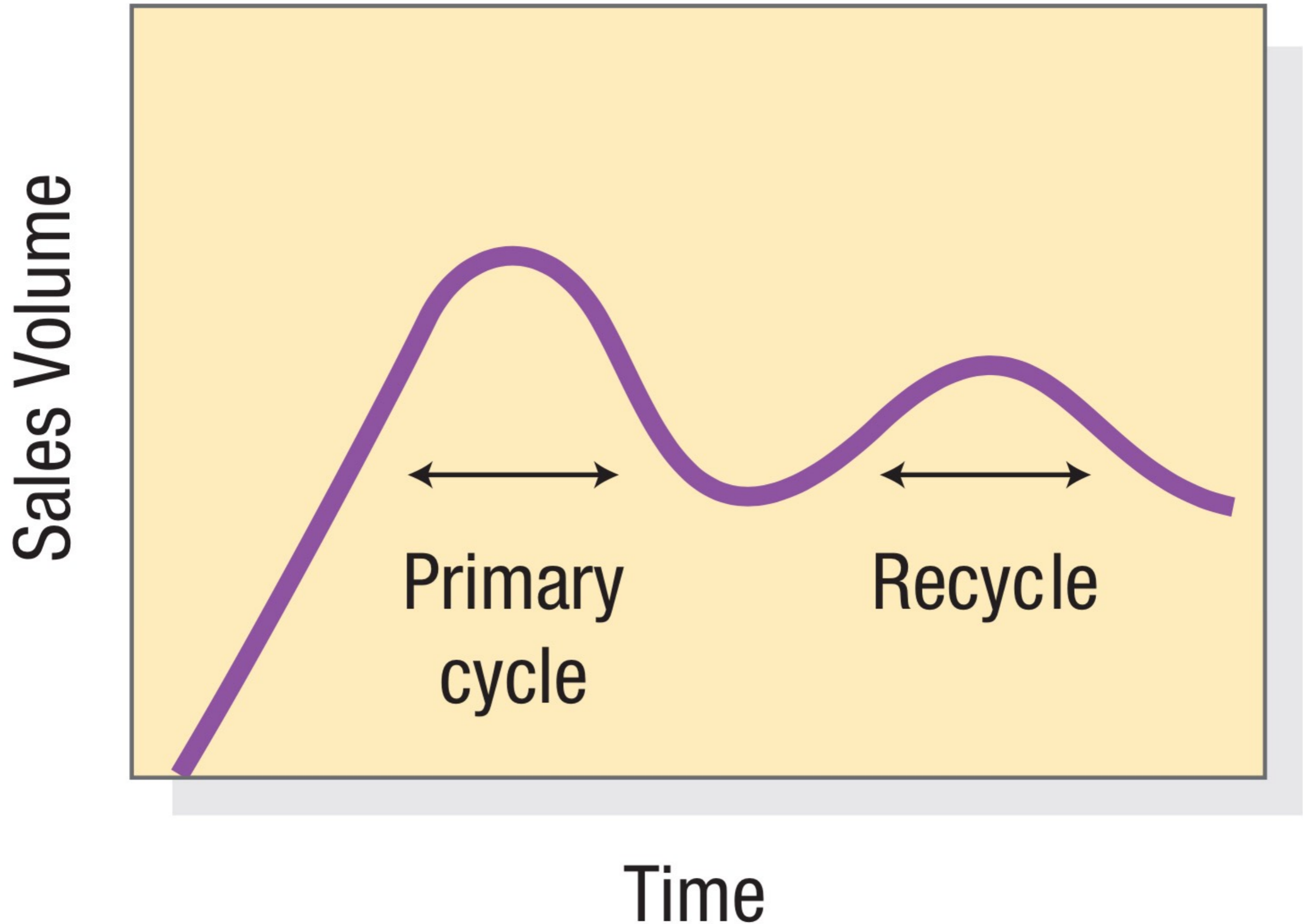
Strategy for Decline Stage: Harvesting

- **Cut R&D**
- **Divest plants & equipment**
- **Reduce product service and quality**
- **Stop Advertising**
- **Sell the product to another firm if possible**

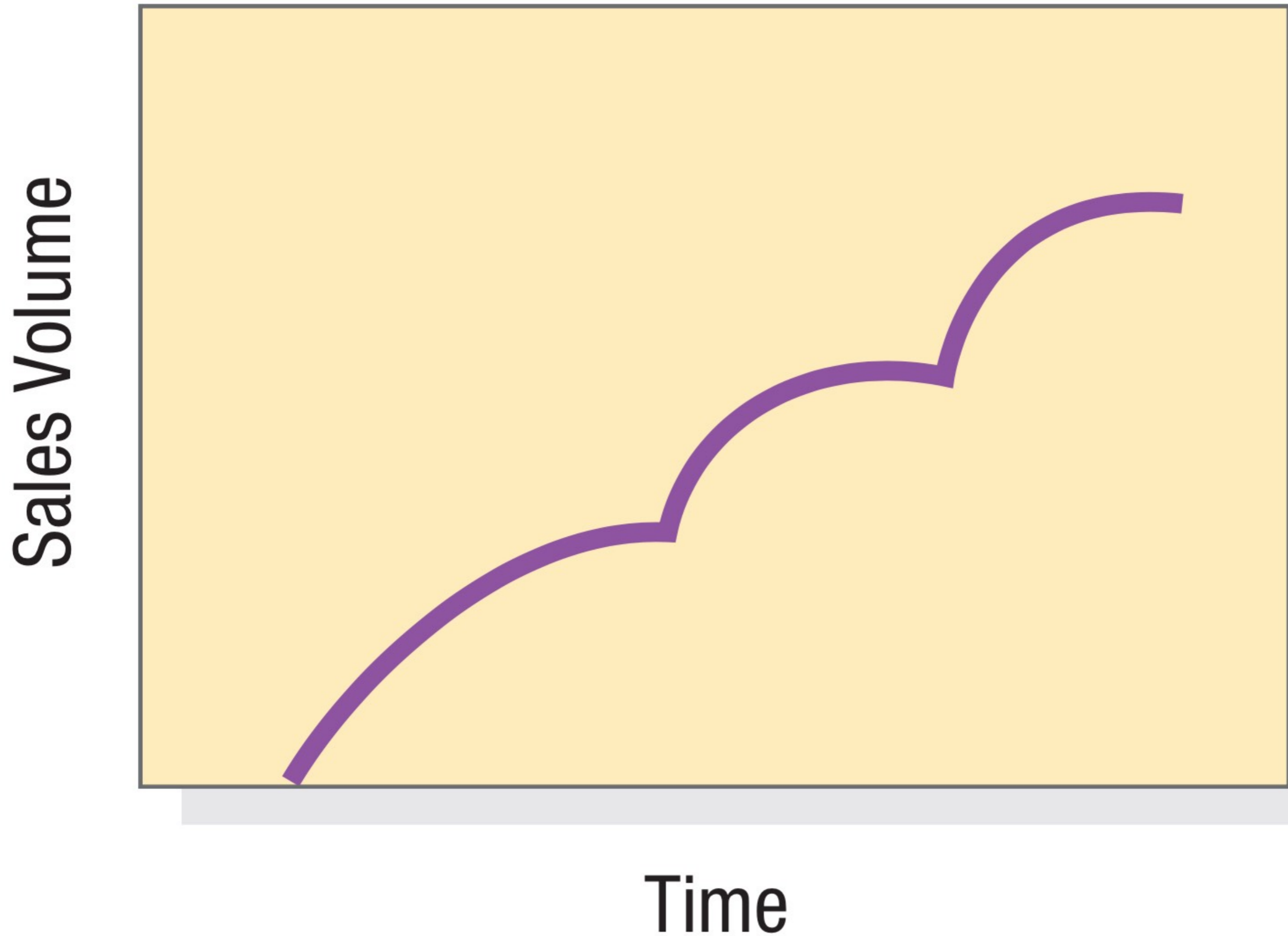
Growth-Slump-Maturity Pattern



Cycle-Recycle Pattern



Scalloped Pattern



Critiques of PLC Concept:

- **Too variable to be generalized**
- **Impossible to be sure what stage your product is in**
- **It's a self fulfilling prophecy**
- **Skillful marketing can lead to continuous growth**

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