

## Product Life Cycle

CLASS: Strat E      INSTRUCTOR: Melanie Kirin

<p>Date: 4/14/15</p> <p>Lesson Title: Product Life Cycle/Features vs. Benefits</p> <p>Objectives: Upon successful completion, students will be able to (1) identify and apply the 4 stages of the product life cycle to their Shark Tank presentation (2) identify 4 marketing tactics appropriate the phases of the product life cycles (3) distinguish between product features and benefits and accurately apply those principles to their Shark Tank presentations.</p> <p>Teaching Aides:</p> <ul style="list-style-type: none"> <li>• Slide Deck</li> <li>• Laptops / Google Docs</li> <li>• Shark Tank Prep Pack</li> <li>• Price is Right game pieces</li> </ul>	<p>Unit: Marketing Plan Development</p> <p>Lesson: 2</p> <p>Related Competency: Product Life Cycle</p> <p>Core Ohio Marketing State Standards: 5.1.7 Describe foundational concepts associated with product and service management to understand its nature and scope (e.g., product life cycles).</p>
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Book Reference: pg 716

### **MOTIVATION**

**Hook: Time = 5 Minutes**

Price is right! Ask for a volunteer to mark the correct prices and product development cycle for each of the products. The contestant has 10 seconds correctly mark each product. Contestant gets to pick a prize from the prize box.

4 Products / 4 Price Points / 4 Phases

Introduction – 3D TVs = \$1998

Growth – Blu-ray discs/DVR = \$69

Maturity – DVD = \$35

Decline – Video cassette = \$170

### **II. PRESENTATION (of information)**

Instructional Topics or Steps	Things to Remember to do or say Key Points (Safety, Questions, Standards, etc.)
Instructor Led Instruction	<b>Hand out the Note Sheet</b>
1.0 Shark Tank Recap	Catch juniors up to speed regarding Shark Tank experience. Ask students if they have any questions regarding the experience.
Time =3 Minutes	Review Questions:

## Product Life Cycle

	<ol style="list-style-type: none"><li>1. What is a marketing plan?</li><li>2. What do we create a marketing plan?</li><li>3. What are the components of a marketing plan?</li></ol>
2.0 Phases of the Product Life Cycle  10 Minutes	<p>Draw a bell shaped curve on the board.</p> <p>Introduction Stage – This stage of the cycle could be the most expensive for a company launching a new product. The size of the market for the product is small, which means sales are low, although they will be increasing. On the other hand, the cost of things like research and development, consumer testing, and the marketing needed to launch the product can be very high, especially if it's a competitive sector.</p> <p>Growth Stage – The growth stage is typically characterized by a strong growth in sales and profits, and because the company can start to benefit from economies of scale in production, the profit margins, as well as the overall amount of profit, will increase. This makes it possible for businesses to invest more money in the promotional activity to maximize the potential of this growth stage.</p> <p>Maturity Stage – During the maturity stage, the product is established and the aim for the manufacturer is now to maintain the market share they have built up. This is probably the most competitive time for most products and businesses need to invest wisely in any marketing they undertake. They also need to consider any product modifications or improvements to the production process which might give them a competitive advantage.</p> <p>Decline Stage – Eventually, the market for a product will start to shrink, and this is what's known as the decline stage. This shrinkage could be due to the market becoming saturated (i.e. all the customers who will buy the product have already purchased it), or because the consumers are switching to a different type of product. While this decline may be inevitable, it may still be possible for companies to make some profit by switching to less-expensive production methods and cheaper markets.</p>

## Product Life Cycle

<p>3.0 Features vs. Benefits</p> <p>Time = 5 Minutes</p>	<p>Refer back to the products of the Price is Right.</p> <p>Discuss how features of the products of the price is right.</p> <p>Feature = What something is. / Benefit = What something does.</p>															
<p>4.0 Tactics for product phases</p> <p>Time = 10 Minutes</p>	<p>Ask students to write down ideas of tactics they can use in their marketing plan as I go through the chart.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="padding: 5px;">Stages</th> <th style="padding: 5px;">Sales Characteristics</th> <th style="padding: 5px;">Marketing Strategies</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Introduction</td> <td style="padding: 5px;">Least profitable stage; consumers still learning</td> <td style="padding: 5px;">Special promotions; focus on benefits</td> </tr> <tr> <td style="padding: 5px;">Growth</td> <td style="padding: 5px;">Increasing sales and profits</td> <td style="padding: 5px;">Focus on consumer satisfaction; competitive pricing; new models</td> </tr> <tr> <td style="padding: 5px;">Maturity</td> <td style="padding: 5px;">Sales slow; increased competition or market saturation</td> <td style="padding: 5px;">Reinforce brand; anti-competition spending; slotting fees may rise</td> </tr> <tr> <td style="padding: 5px;">Decline</td> <td style="padding: 5px;">Sales fall and profits may be smaller than expenses</td> <td style="padding: 5px;">Ads reduced; may sell, license, discount, or regionalize product</td> </tr> </tbody> </table>	Stages	Sales Characteristics	Marketing Strategies	Introduction	Least profitable stage; consumers still learning	Special promotions; focus on benefits	Growth	Increasing sales and profits	Focus on consumer satisfaction; competitive pricing; new models	Maturity	Sales slow; increased competition or market saturation	Reinforce brand; anti-competition spending; slotting fees may rise	Decline	Sales fall and profits may be smaller than expenses	Ads reduced; may sell, license, discount, or regionalize product
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<p>5.0 Reflect It!</p> <p>Time = 5 Minutes</p>	<ul style="list-style-type: none"> <li>What phase of the product life cycle is my product? What marketing strategy should I use?</li> <li>What is my product (features)?</li> <li>What does my product do for the customer (benefits)?</li> </ul>															
<p>6.0 Apply it!</p> <p>Time = 10 Minutes</p>	<p>Apply it! Begin to build your Shark Tank presentation and plan by outlining your features and benefits.</p>															
<p><b>Summary:</b></p> <p>Creating a strong marketing plan begins must start with a true understanding of the marketing mix. Product comprehension in both the minds of the consumer and the feature and benefits the product provides must the backbone for all components of a successful marketing plan.</p>																
<p><b>Question: Do you have any questions?</b></p>																
<p><b>III. APPLICATION</b></p> <p>Time = 10 Min</p> <p>Apply it! Begin to build your Shark Tank presentation and plan by outlining your features and benefits.</p>																

**IV: EVALUATION**

- (1) identify and apply the 4 stages of the product life cycle to their Shark Tank presentation
- (2) identify 4 marketing tactics appropriate the phases of the product life cycles
- (3) distinguish between product features and benefits and accurately apply those principles to their Shark Tank presentations.

**The Next Lesson is:**

**Marketing Mix**

**Assignments:**

Weekly blog