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Product Life Cycle: What You Need To Know

Just like many other things in life, products actually follow their own life cycle. There are a number of stages in a product's life cycle dealing with how relevant it is in the marketplace. This life cycle will be broken down into four main things. Those are a limited lifespan, varying high and low points in sales, the increase and decrease of profitable income, and the need for production and marketing.

There are six stages in the life cycle of a product. The market introduction stage begins during the onset of production and the product is new to the market. Generally, the costs are high, there are very few competitors, a customer demand base is still in formation, and there is virtually no profit as all the means are tied in production and marketing. The growth stage, however, takes the product out of infancy and into a more active phase. Sales greatly increase leading to a drop in costs, customer awareness is present creating competition from other manufacturers, and ultimately the price of the product is reasonably decreased to compete in the market.

The maturity stage in the product's life cycle happens when the sales figures peak out. The cost of the product is now much lower due to mass production and overflow on the market. As competition rises brand names become rather important, but at the end the profits will be substantially lower.

It is the fourth stage of decline that you will see product sales fall away. Making any profit at this point is difficult and will require top notch marketing strategies to do so.

At the fifth and sixth stage of this cycle you will see variations and deviations of the original product to keep it alive in the marketplace. To do this, the product must be able to change certain things about it if it is to do well and earn income.

When the final stage is reached it comes down to either evolution or termination. How the product is identified in the marketplace will either make or break its success. If no demand is there for the product then it is wise to create a similar product instead to sell.

The cycle of life when it comes to a product is very important and anyone who is a retailer should use the valuable information. If you have knowledge about how a product starts out and finishes in the marketplace you can set yourself up for success.

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