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Product Life Cycle Playbook

How maximise sales and margin through every stage of a products life

Quick Summary

Every product has a natural life cycle - introduction, growth, maturity, and decline. Successful businesses recognise these stages and adapt their decisions accordingly. A new launch may need heavy promotion and investment, while a mature product requires pricing discipline and careful stock management. Without a structured approach, it's easy to overspend on declining products or miss opportunities to accelerate rising stars. Product life cycle management (PLCM) provides that structure, helping you align stock levels, marketing spend, promotions and pricing to where a product sits in its journey. The Boston Consulting Group (BCG) matrix adds another lens, showing which products are your "Stars," "Cash Cows," "Question Marks," or "Dogs" - and what to do with each. You don't need complex systems to put this into practice. With clear frameworks, a handful of metrics, and consistent reviews, you can make smarter decisions about your range, protect profitability, and keep your offer relevant. This playbook gives you the step-by-step tools to do just that.

How to use this Playbook

Use this playbook as both a workbook and a reference guide. Work through each step in sequence the first time, filling in the tables as you go. Then, return to specific steps whenever you're preparing for a buying trip, reviewing performance, or planning a new season. Keep the worksheets handy - you'll use them again and again. Optional worksheets can be downloaded and 5 minute videos are linked throughout.

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At a glance

Contents

Step 1 – What is a Product Life Cycle
Step 2 – Characteristics for each life cycle stage
Step 3 - Categorising your products
Step 4 – Techniques for each stage: Product Introduction
Step 5 – Techniques for each stage: Growth
Step 6 – Techniques for each stage: Maturity
Step 7 – Techniques for each stage: Decline
Step 8 – Tools for Product Life Cycle Management
Worksheets & Templates
Wrap-Up Checklist
Next Steps / Further Learning

What you'll achieve

- Understand the stages of the product life cycle and their defining characteristics
- Make informed choices about pricing, stock, promotion, and marketing at each stage
- Use the Boston Consulting Group (BCG) matrix to categorise products and allocate resources effectively
- Apply practical frameworks and tools to manage products from launch through to decline

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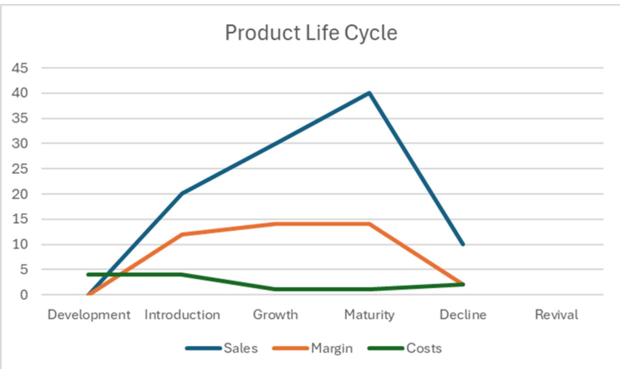
Step 1 – What is Product Life Cycle?

The Product Life Cycle (PLC) represents the journey of a product from launch to obsolescence: Introduction, Growth, Maturity, and Decline. Understanding PLC allows you to align product, pricing, promotion and stock strategies. The concept was developed by Raymon Vernon and popularised by economist Theodore Levitt in 1965.

Action: Your main goal here is to understand what PLC is and why it matters.

How To

- Introduction Phase - low awareness of products, low sales, high costs and high marketing activity.
- Growth Phase - sees rapidly increasing sales, improving margin, increased stock, but also increased competitors.
- Maturity Phase - sales plateau, market becomes saturated, and competition intensifies. Retail Prices fall.
- Decline Phase – stock turn, sales and margin fall.



Example

The Meldrew range of metal garden furniture is in growth. Sales of the category have grown year on year, marketing spend is high, and stock is good. This is a typical growth stage product.
Sales have declined year on year for the Wilson Wicker Garden Range. Stock turn is low, and retail price has declined. This is typical of a product in decline.

Workbook Exercises

* Your main goal here is to understand what PLC is and why it matters.

* Watch the 5 minute webinar.

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Step 2 – Understand the Characteristics for Each Cycle Stage

Each PLC stage has distinct characteristics affecting sales, investment, and risk. Recognising these allows smarter decisions about stock, pricing, and promotion.

Action: Allocate a life cycle stage to your products.

How To

- Look at the sales, cost, margin and stock turn trends of your products and match them to the characteristics in the table below.
- Look at market and competitor information to verify your thinking.

Example

A bike shop might put pre-orders for much-awaited new bike and then will invest in social media marketing and blogs. Sales are high in the growth phase but as sales plateau, the retail price will need to be competitive.

Stage	**Sales**	**Cost**	**Profit**	**Risk**
Development	Zero, but may activate pre-orders close to launch	High due to new product development costs and forward orders	Negative	High – product may fail
Introduction	Slow – early adopters only	High stock investment and marketing investment	Negative or low	High – uncertain adoption
Growth	Rapid increase	Moderate – marketing investment may decrease; cost price decreases due to economies of scale	Rising	Medium – competitors enter market
Maturity	Plateau	Cost price optimised, additional investment in promotions	Peak	Medium – price competition or market saturation
Decline	Falling	Price discount costs, low marketing investment	Falling	Medium – High if risk of overstock

Workbook Exercises

* Create a table with your key products, noting observed characteristics for each stage.

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Step 3 – Categorising Your Products

Not all products contribute equally. Use the Boston Consulting Group (BCG) matrix to classify products as Stars, Cash Cows, Question Marks, or Dogs, guiding investment decisions - where you invest your management time, stock, marketing and space.

Action: Identify where each product fits in the matrix.

How To

- **Stars** – products have high growth, high market share - invest to maintain position.
- **Cash cows** – products have low growth but high share – maintain efficiency.
- **Question marks** – products have high growth but low share – invest or reposition
- **Dogs** – products have low growth and low share – consider discontinuing

Example

A best-selling snack is a **Cash Cow**, while a new snack with high potential but low current share is a **Question Mark**.

Credit: Matrix created by Boston Consultancy Group. For more information visit https://www.bcg.com/about/overview/our-history/growth-share-matrix

Workbook Exercises

* Plot your products (or categories) on a BCG matrix and assign strategic actions for each category using the worksheet.

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Step 4 – Techniques for Products in the Introduction Phase

Introduction stage products require investment to build awareness and establish market presence. You have already completed the development phase of researching or testing the product.

Action: Aim to launch successfully, generate awareness and manage risk

How To

- **Product** – Position clearly, differentiate from competing products.
- **Pricing** – Choose skimming (launch with high price for exclusivity) or penetration (low price for rapid adoption).
- **Promotion** – Unlikely to offer promotions
- **Marketing** – invest in awareness campaigns, (PR and social media) prominent space in store, email marketing and web banners. Encourage online product reviews.
- **Stock** – Keep initial volumes limited. Agree phased deliveries from your supplier, if possible. Understand lead times and monitor sales closely.

Example

A tech gadget launched online at full price with home page banner. Product featured in email and social media campaign. Social media influencers were invited to test the product. Initial stock commitment is low to manage risk, but with a four week leadtime, sales are being closely monitored.

Workbook Exercises

* Identify a newly introduced product and define positioning, pricing strategy, promotion plan, and initial stock using the worksheet.

* Watch the 5 minute webinars on actions to take at each stage of the life cycle.

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Step 5 – Techniques for Products in the Growth Stage

Growth-stage products experience rapid sales. Focus on scaling and maximizing profitability.

Action: Ensure operations, stock, and marketing scale to support growth.

How To

- **Product** – enhance features, introduce variants, expand stock investment. Consider new sales channels.
- **Price** – Maintain, or adjust slightly depending on demand, feedback (customers and team) and competitor monitoring
- **Promotion** – Cross Sell, Trade up the range, build loyalty.
- **Marketing** – Paid for ad campaign, increased facings, increased search engine optimisation with long form copy. Use of customer generated content and social proof.
- **Stock** – Increase availability, negotiate costs based on volume, monitor sales and plan replenishment based on promotion and marketing plans.

Example

A gift shop has seen strong early sales with a new range of scented candles. They take the decision to add two more scent variants, increase stock on each line (increasing facings of the best seller). A loyalty offer is created – save 10% on your next purchase. A blog is written reviewing the product while a paid ad social media campaign is activated. Customer reviews are shared on social media and featured as a section within a regular email.

Workbook Exercises

* Identify a growing product and plan enhancements, pricing adjustments, promotion, and stock scaling using the workbook.

* Watch the 5 minute webinars on actions to take at each stage of the life cycle.

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Step 6 – Techniques for Products in the Maturity Stage

Mature products face market saturation. Focus on retention, differentiation, and efficiency.

Action: Maximise profitability while maintaining market share.

How To

- **Product** – Rationalise variants, reduce facings in store. Consider packaging refresh or minor product enhancements. What experiences or services can you add to increase value proposition?
- **Price** – Present your value proposition and monitor competitors.
- **Promotion** – Bundle deals, Cross sell, trade up the range, build loyalty.
- **Marketing** – Reduce paid ad campaigns, reduce facings.
- **Stock** – Monitor sales to spot the move to the next phase.

Example

A gift shop rationalises the scented candle product range by discontinuing the scents with lowest sales. Size variants are only kept on the best-selling product. Save 10% when you buy three is a promotion. Reorders are placed more frequently in smaller volumes to minimise overstock risk.

Workbook Exercises

* Select a mature product and outline a refresh or efficiency plan, including stock, pricing, and promotions using the worksheet.

* Watch the 5 minute webinars on actions to take at each stage of the life cycle

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Step 7 – Techniques for products in decline

Declining products require careful management to reduce losses and free resources (time and money) for more profitable products.

Action: Decide whether to discontinue, harvest, or reposition.

How To

- **Product** – Is there a natural product replacement for this product? Consider rationalising sales channels.
- **Price** – Reduce price to clear stock.
- **Promotion** – Price discounts, bundle offers. Potentially use stock to promote other lines (half price candle when you buy new tableware) or as a giveaway product to bolster sales (free candle when you spend over £100).
- **Marketing** – Web banner for clearance sale, featured product, Clearance or promotional point of sale. Email clearance messages.
- **Stock** – Cease replenishment.

Example

An outdated electronic device is heavily discounted for quick stock clearance to release cash for investment in new products and to release shelf space for new products. The product is listed in the sale section of the website, and due to the strong price discount, it also features on the home page banner. An email goes out stating 'When it's gone, it's gone'.

Workbook Exercises

* Identify a declining product and outline a plan to reduce stock and adjust marketing spend using the worksheet.

* Watch the 5 minute webinars on [actions to take at each stage of the life cycle]

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Step 8 – Tools for Product Life Cycle Management

PLCM is easier when you use tools to monitor performance, categorise products, and guide decisions.

Action: Select tools that help track performance and inform strategy.

How To

- **Sales & Margin Analysis** – Track performance versus forecast, last week, last month, last year or versus other products. How are sales tracking year to date? A sharp increase in sales suggests the *growth stage*. A plateau might signal *maturity*. Set alerts for when sales or margin moves beyond set parameters.
- **Repeat Purchase Rates** – if the percentage of customers buying again starts to dip, it suggests customers have found alternative products or your offer isn't competitive.
- **Stock turn & Sell-Through Rates** – Identify changing trends. A lower stock turn than the last period suggests faltering sales. Sell Through rates show how much available stock was sold within a time frame. The lower the rate, the more adjustments to your plan might be needed.

BCG Matrix – categorise products and prioritise resources. (For more information visit https://www.bcg.com/about/overview/our-history/growth-share-matrix

Example

A retailer maps products by PLC stage and BCG category, highlighting Stars for investment and Dogs for discontinuation. They look at forecast sales and sales versus last month to spot trends. They set alerts in the EPOS or reporting system to flag when products perform beyond target numbers to prompt a review of pricing, promotion marketing and stock tactics at the right stage of the product life. They also monitor stock turn each month, and when they start to see it drop, they reduce the automatic reorder quantity. Their monthly team meeting also invites staff feedback.

Workbook Exercises

* Look at key products and set alerts for when sales, margin, stock turn and other performance indicators go outside of set parameters.

* Watch the 5 minute webinar.

Webinars

You can find all our Product Life Cycle webinars on YouTube.

Part 1: What Is a Product Life Cycle? The Retail Roadmap to Smarter Decisions

Part 2: Marketing by Product Life Stage: Right Message, Right Time

Part 3: Pricing and Promotions by Product Life Stage: Timing Is Everything

Part 4: Stock Management by Product Life Stage: Stay Lean and Profitable

Part 5: Tools for Product Life Cycle Management: Smarter Retail Decisions Made Simple

Worksheets and Templates

Take a look at the worksheets and templates designed to help complete actions in this Playbook. Follow the links to Retail Accelerator Programme for full size worksheets.

1. PLC Assessment Worksheet
2. Product Life Cycle Characteristics
3. Product Life Cycle Action Planner
4. BCG Matrix Product Categorisation Worksheet
5. Tools for Product Life Cycle Management Worksheet

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Worksheet 1. Product Life Cycle Assessment

Each PLC stage has distinct characteristics affecting sales, investment, and risk. Recognising these allows smarter decisions about stock, pricing, and promotion.

Action: Use this matrix alongside your sales data and category reviews to diagnose where each product line sits in its life cycle by highlighting which column most fits the key indicator. Make sure you look at industry insights and what competitors are offering to ensure the change is attributable to product life cycle.

Indicator	Introduction	Growth	Maturity	Decline
Sales Trend Low	Low to Rising	Rising	Steady / Plateau	Falling
Stock Turn	Low	Increasing	Stable	Slow
Customer Awareness	Building	Growing Fast	Established	Declining
Marketing Focus	Awareness Building	Product Positioning	Defensive	Clearance
Market Trends	Suppliers spot opportunity	Customers resonate with the product	Market Saturated	New trends emerging
Margin Focus	Investment	Maximise	Protect	Liquidate
Stock Focus	Minimal orders	Frequent replenishment	Balanced inventory	Overstock

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Worksheet 2. Product Life Cycle Characteristics

Each stage of a product life cycle requires different actions. Use this worksheet as a guide like action.

Action: Use this table to verify your classification of product life cycle stage by highlighting which box in each column for the product you're looking at. Make sure you look at industry insights and what competitors are offering to ensure the change is attributable to product life cycle.

Stage	Sales Performance	Stock Turn	Typical Characteristics	Likely Action
Development	Zero, but may activate pre-orders close to launch	Zero	Time consuming during development	Research market and customers well. Plan likely pricing, promotions and marketing activity to understand profitability
Introduction	Slow – early adopters only	Low (early stock commitment)	• Recently launched • High marketing investment • Limited customer awareness • Forecast-based orders	• Monitor early demand • Support with promotion/education • Avoid deep discounts • Tight control on replenishment
Growth	Rapid increase	Increasing / Strong	• Sales accelerating • Growing customer awareness • Competitors entering	• Maintain stock availability • Invest in top-sellers • Optimise margin • Differentiate via marketing or features
Maturity	High but stable	Consistent / Plateauing	• Category saturation • Competitors established • Repeat buyers dominate • Price pressure increases	• Focus on efficiency & margin • Consider range refresh • Bundle or cross-sell • Maintain brand strength
Decline	Falling	Slow / Stagnant	• Demand shifting elsewhere • Overstock accumulating • Minimal marketing support • Customer interest waning	• Reduce purchase volumes • Mark down to clear • Discontinue low performers • Reinvest in new ranges

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Worksheet 3. Product Life Cycle Action Planner

Each PLC stage has distinct characteristics that require different tactics for stock, pricing, promotion and marketing.

Action: Identify actions to take for each stage of life cycle for key products.

Product	Introduction	Growth	Maturity	Decline
Product				
Price				
Promotions				
Marketing				
Stock				

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Worksheet 4. Boston Consultancy Group Matrix

Not all products contribute equally. Use the Boston Consulting Group (BCG) matrix to classify products as Stars, Cash Cows, Question Marks, or Dogs, guiding investment decisions - where you invest your management time, stock, marketing and space.

Action: Review your space allocation by category. Does it reflect actual sales contribution? Relocate high demand, high theft and high margin items.

Question Marks Low Market Share, high market growth. These high risk products have star potential but require significant investment.	**Star** High market share / high market growth. Products are generating significant revenue but require investment to maintain share.
Dogs Low market share / low market growth. These products are declining and generate little income. May remain due to range authority.	**Cash Cow** High market share / low market growth. Mature products generating stable cashflow. Require minimal investment

Growth

Market Share

Credit: Matrix created by Boston Consultancy Group. For more information visit https://www.bcg.com/about/overview/our-history/growth-share-matrix

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Worksheet 5. Tools for Product Life Cycle Management

PLCM is easier when you use tools to monitor performance, categorise products, and guide decisions. The online worksheet has a filled example.

Action: Look at key products and set alerts for when sales, margin, stock turn and other performance indicators go outside of set parameters.

Product:	Alert	Action if performance below threshold	Action if performance is above threshold
Measure: Sales			
Measure: Margin			
Measure: Stock			
Measure: Feedback			
Measure: Website Analytics			
Measure: Market Indicators			

Wrap Up Checklist

Tick the actions as they are completed.

- Identify the life cycle stage of each product in your portfolio
- Complete the Product Life Cycle Stage Assessment Worksheet
- Categorise each product using the BCG Matrix
- Assign strategic actions: Invest / Maintain / Reposition / Discontinue
- Complete the Product Life Cycle Action Planner for each product at your next range review for those products

- Define stock, pricing, promotion, and product actions per PLC stage for each product
- Plan regular performance reviews of product performance (monthly, quarterly, annually)
- Align PLC stage, BCG category, and action plan with overall business goals
- Track outcomes of PLC-based decisions and adjust strategies as needed
- Maintain a systemised, repeatable process for portfolio review and optimisation

Next Steps & Further Learning

- Explore related playbooks, worksheets and webinars at our Retail Accelerator Programme
- Contact your local Growth Hub Adviser via https://www.businesslincolnshire.com/contact-us