

| Seth Anandaram Jaipuria College (Morning) B.Com Semester -II | |
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| Subject : | MARKETING MANAGEMENT |
| Subject Code: | CC2.2Chg |
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| Chapter Name: | PRODUCT |
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PACKAGING

Packaging is the science, art and technology of enclosing or protecting products for distribution, storage, sale and use. It's also refer to the process of designing, evaluating and producing packages.

- **Packaging may be of three types:**

A. Primary Packaging: It is the packaging in direct contact with the product itself and it sometimes refer to as consumer or retail packaging.

The main purpose of primary packing is to protect and or preserve, contain and inform the consumer.

Example : Cold drinks can, Tooth pest tube etc.

B. Secondary Packaging: It refers to enclosing a product in the container or packet which takes extra care of the product till it comes into use.

Main purpose of secondary packing is branding, display and logistical use.

Example: Enclosing the tube of tooth pest in a card box.

C. Transportation or Shipping packing: This is used for the protection and shipping of a product.

Example: Enclosing many tooth pest boxes in card board box.

- **Function / Importance of Packaging:**

- A. Protection of product.
- B. Helping identification of product.
- C. Helping sales promotion.
- D. Efficient utilisation of space.
- E. Preventing alteration.
- F. Protect from damage and pilferage.
- G. Helps in maintaining quality and quantity.
- H. Supply the information about the product.

- **Characteristics of packaging:**

- A. Attractable.
- B. Safety.

- C. Convenience.
- D. Adaptability.

PRODUCT LIFE CYCLE

The product life cycle refers to the stages through which a new product passes from its introduction in the market to its reorganisation later on, as a common product.

The life cycle of a product is determined by three factors,

1. Technological change
2. Scale of acceptability of the product
3. Privileges and opportunities of competitors.

The life cycle of a product is related to a particular market. So the product life cycle is generally termed as product market life cycle. Product may be in the declining stages in one market, while it may be in the introduction stage in another.

A product has a life cycle comprising five stages such as Introduction, Growth, Maturity, Saturation & Decline. The length of the life cycle, the duration of each stage and shape of curve vary from one product to another.

1. Primary or Introductory Stage:

When the product is first presented to the consumer.

- a. It indicates birth of product.
- b. High Cost but low volume of sales and low profit or negative profit.
- c. Risk of survival.

2. Developing Stage or Growth Stage:

The stage where the demand for the product gradually increases and the size of market grows.

- a. At this stage product is accepted by the traders and customers.
- b. Both the sales volume and profit margin increases in spite of competition in the market.
- c. Demand increases faster than supply.

- d. New competitor start enters into the market.
- e. Profits begin to increase.
- f. Effective advertising is key factor.
- g. It is the most profitable stage for the whole cycle for a manufacturer.

3. Maturity Stage:

At this stage both sales and profit increase at decreasing rate due to cut thought competition in the market.

- a. At this stage though the sales volume and amount of profit increase, but the rate of increase is gradually declining.
- b. Keen competition.
- c. Diversification of brand and model of product.
- d. Modification of product to attract customer.
- e. Introduce new advertisement in the market.

4. Saturation Stage:

This is the stage where customers have other preferences that are cheaper and better.

- a. Further declining profit and market share.
- b. There are mostly replacement sales.
- c. Demand for the product is stable.
- d. The volume of sales reaches at pick.
- e. The price of the product may fall rapidly and profit margin may become small.
- f. Increasing marketing expenses to fight against competitors.

5. Decline Stage:

The last stage of PLC is the decline stage which may be expected often the beginning of the end for a product.

- a. It happened when substitute new product come in to the market.
- b. The only way to earn profit in this stage is cost reduction through cost control.
- c. Reducing advertisement and sales promotion expenses.
- d. Sales decrease continuously.
- e. Ultimately product is withdrawn from the product line.
- f. Developing new product in order to fill-up the gap created by the abandoned product.

PRODUCT LIFE CYCLE

