Life Cycle Strategy

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Reference this article

Abstract / Definition
Life cycle strategy is developed by a firm to ensure the demand for its discrete businesses is extended as long as feasibly possible. Life cycle strategy is based on product life cycle thinking from the field of marketing. It goes further that the scope of the product and is applied to lines of business or strategic business units that have common rivals, customer base, substitutes, capital investment and pricing levels. The process to develop a life cycle strategy first identifies the life-cycle position of a business as a descriptor of industry characteristics. Secondly, the competitive position of a business is represented across a matrix of life cycle stages and business strengths. The position of a business within its industry life cycle is determined by eight factors. These descriptions are market growth rate, market growth potential, breadth of product lines, number of competitors, distribution of market share among competitors, customer loyalty, barriers to entry and technology.

Keywords
Life cycle strategy, product life cycle, portfolio matrix

Link to publication