

Marketing through the different stages of the business lifecycle

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When we talk about the growth of any business, a company will go through the various stages of the business lifecycle, and encounter many marketing challenges that require different strategies and tactics. For example, the business will require a different marketing strategy when it comes to market penetration, , and retaining market share. As the business matures, operations and priorities will change, therefore requiring a flexible approach to your marketing strategy, which should plug into your overall company strategy for growth contained in your annual business plan.

It is important to understand that your business will constantly change; growth does not come at a steady pace. You need to be able to anticipate in advance which marketing tactics you are going to employ to meet your company objectives. Here are the marketing challenges you can expect to tackle at various stages of your business' lifecycle:

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1. Development/Seed Stage

The development or seed stage is the very beginning of the business lifecycle. This is when you are developing your business idea and assessing the feasibility of this idea. Testing your business idea consists of research regarding the industry, conducting surveys from your friends, family, colleagues, or other industry specialists. After completing your feasibility study, you can determine whether the original business idea that you had is worth pursuing or requires modification to succeed. Many new businesses are partially or wholly web-based and rely heavily on SEO and social media to

promote the new company; however traditional marketing channels should not be ignored.

In this stage, it can be difficult to narrow down which marketing mediums will produce the best results for your products or services. Your feasibility study should provide many pointers as to what advertising mediums work for your soon-to-be competitors. This research should enable you start building your marketing plan and this should also consider the customer`s point of view.

Follow the 4C`s model for a truly :

- **Customer value** It is the value you provide that determines your position in the sector or market.
- **Cost** Instead of thinking of price, think of what the customer has to pay.
- **Communication** Customers need to be engaged in meaningful interactions.
- **Convenience** Customers are busy and have many choices, so you need to figure out what makes it easy to choose you.

2. Startup Stage

Your feasibility study has concluded that your business idea is worth pursuing and you have developed your business plan. You have finished developing the products or services that your business has to offer and will begin marketing and selling. During this stage, you will be tweaking your products or services according to the initial feedback from your first paying customers and market demand. You will need to learn and adjust your business model to ensure profitability and that it meets your customer`s

expectations. By adjusting your business model, you'll be able to set your business on the right track.

At this startup stage of the cycle, it is more expensive for a company when launching a new product or service. The size of the market for the product could be small, meaning could be low, although hopefully increasing. On the other hand, the cost of research and development, consumer testing and the marketing needed to launch the product or service can be very high, especially if in a very competitive sector.

3. Growth/Survival Stage

Your business has survived through the initial stages of the business lifecycle and is currently in its growth or survival stage. The business is consistently generating revenue from marketing and adding new customers. This recurring revenue will help pay for your operating expenses and open up new business opportunities. Currently, your business could be operating at a net loss or a healthy profit, but there will always be competition. This is a great time to fine-tune your business plan and implement proven methodologies, sales model, marketing model, and before expanding your venture for the mass market.

This stage is where competitors are being attracted into the market with similar offerings. Pricing should be maintained as you enjoy increasing demand. Product or service quality needs to be maintained and additional features and support services may be added. Distribution channels can be

added as demand increases and customers accept the product or service. Marketing should now be aimed at a broader audience.

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4. Expansion/Rapid Growth Stage

Now that your business is a thriving company and established its presence in the industry, you have now reached the stage in which your business will expand and spread its roots into new markets and distribution channels. In order to start capitalizing on the success of your business, you will need to capture a larger market share and find new revenue. Therefore your business will experience a rapid growth in revenue and cash flow. The rapid growth stage takes advantage from the proven sales model, marketing model, and operations model set out in your business plan developed at the growth/survival stage.

The 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.

5. Maturity Stage

After a successful expansion, your business is on top of its industry and has matured. At the final stage of the business lifecycle, your business has a dominating presence in its market. Your business could still be growing but not at the substantial rate previously experienced. Your current option is to

decide to take a step back towards the expansion stage or to think of a possible exit strategy.

During the maturity stage, the product or service is established and the aim is now to maintain the market share you have built up. This is probably the most competitive time for most products and businesses need to invest wisely in any . You also need to consider any product or service modifications or improvements to the production process, which might give you a competitive advantage.

Every stage of the business lifecycle brings new or pre-existing challenges. Solutions that may have worked for one stage may not work in another stage, which is why you should always review and adjust your business plan and operations accordingly.

At each stage, your business will rely heavily on a financial source to help overcome the challenges your business faces. It is especially important to have software in place so that you will have an accurate reflection of your current business finances. Having an accounting software in place will help you understand where your business is on the current business lifecycle and the details will allow you foresee upcoming challenges and to make better business decisions.

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