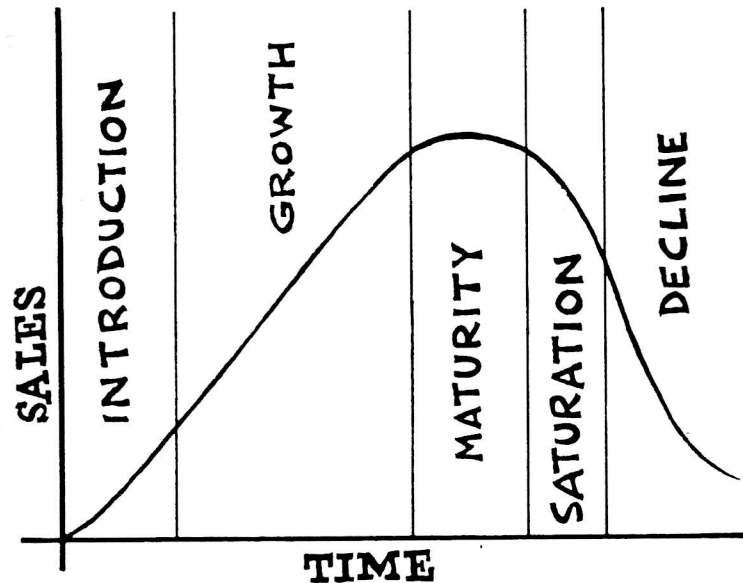
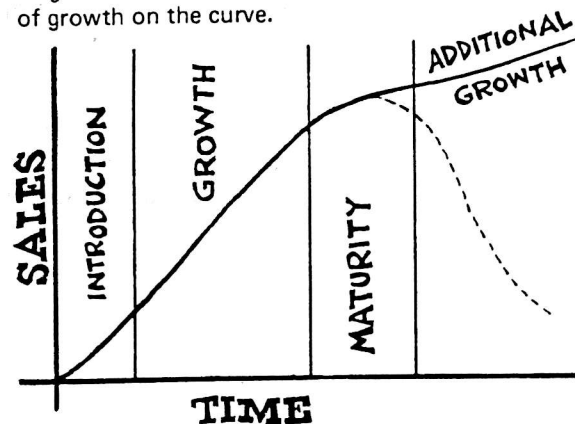


It went through five stages. Sales grow slowly at the introduction stage when the product is new on the market and few people know of it. Then sales increase rapidly during the growth phase. It is now that competitors enter the market and promote their own products. Sooner or later the rate of growth slows. This is the maturity period; and then the market gets saturated because there are too many firms competing for customers. A price war starts and some companies drop out. The market finally declines and the product in its existing form becomes unprofitable.



This is what happens when the company marketing the product takes no corrective action. However, the life cycle of a product can be prolonged.

If, just before the saturation phase the product range is extended, there could be a new period of growth on the curve.



The Product

2. b) Try to think of 2 products/services that have enjoyed 'additional growth' through advertising or extending the product range:
