

Understanding Product Cycles

Reading Comprehension

Have you noticed how products, like toys, go in and out of fashion? Products that are 'cool' this year might be out of fashion by next year!

All products go through a cycle of popularity. The first stage is **innovation**. This is when the product is invented.

A company or a person will have an idea for a new product that they think other people would like to buy. They will draw designs of their idea, then start making the product and selling it.



INNOVATION

The second stage is called **growth**, when a few people start to buy the product. Other people see or hear about the product and decide that they want to buy one too.

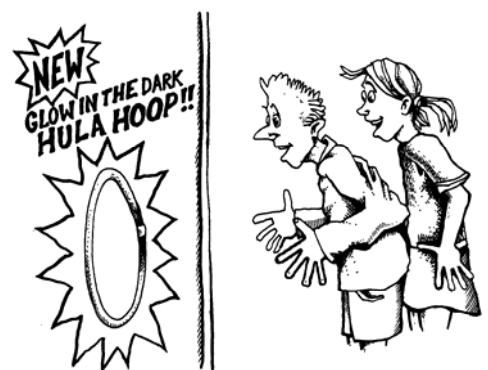


GROWTH



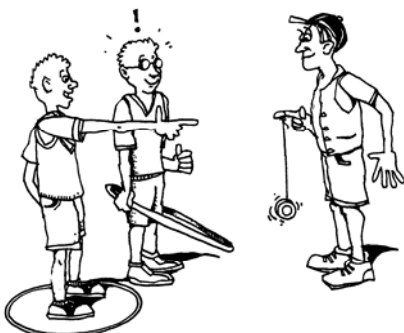
MATURITY

The third stage is called **maturity**. This is when lots of people have bought the product and it has become very popular.



EXTENSION STRATEGIES..

Sometimes the company selling the product will try some **extension strategies** to sell more. They might start to make their product in different colours, flavours, sizes or styles.



DECLINE

The last stage is when people stop buying the product because it is not fashionable, or because they have seen something else they like better. This is called **decline**.





Answer the following questions about product cycles:

Vocabulary

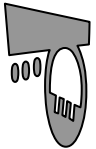
Find the following words in a dictionary and write their definitions:

Product _____

Cycle _____

Innovation _____

Decline _____

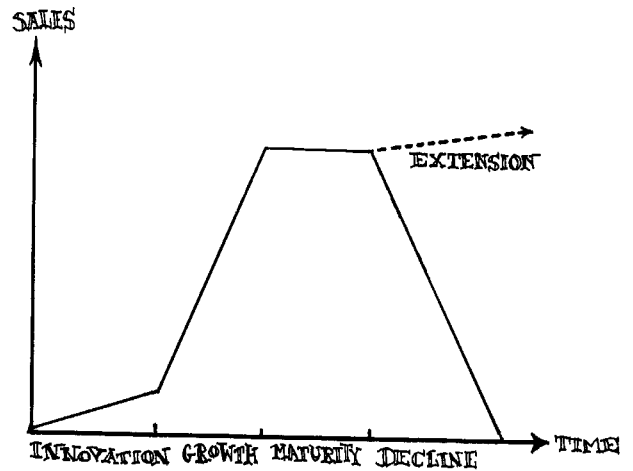


Understanding

List the five stages in the product cycle:

1. _____
2. _____
3. _____
4. _____
5. _____

PRODUCT LIFE CYCLE



Look at the graph. At which stage or stages are sales:

lowest? _____ highest? _____

Applying

Think of some products at your school or home like toys, foods, clothes or games. Write down:

A product that used to be very popular but is not any more (has reached decline):

A product that is very popular at the moment (has reached maturity):

A product that only a few people have but you think lots more people may buy (has growth potential):

A product that has just become available in a new flavour, colour, style or size (using extension strategies):

