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1. Name the four stages of the Product Life Cycle and explain what each step means for a product.

The first stage is the introduction stage. In this stage, a company introduces a product and does not have profit because they are still recovering from R&D costs. The next stage is the growth stage. This is where other companies begin to enter into the market with very similar products. This is also where profit grows and peaks. The next stage is the maturity stage. This is where new features are added to a product and begin to replace the original product. This is where sales peak. The last stage is known as the decline stage. This is where both profits and sales decrease. The market also begins to shrink and no more variations of the product are created.

2. Name the five branding strategies and explain each.

The five strategies are individual brands versus family brands, national and store brands, generic brands, licensing, and cobranding. Marketers have to decide whether to develop an individual brand which is a separate, unique brand for each product item or develop a family brand that would consist of multiple items under the same brand name. National brands are brands that the product manufacture owns while store brands are the retail store’s trade name. Generic branding is when a product is not branded and is sold at the lowest price possible. Licensing is when one firm sells another firm the right to use a legally protected brand name for a specific purpose and for a specific period of time. Cobranding is an agreement between two brands to work together to make a new product.