

Quiz 2 – Time to check your understanding of Product Life Cycle

1. Which stage of the product life cycle is characterized by high costs and low sales?
 - a. Introduction
 - b. Growth
 - c. Maturity
 - d. Decline

Correct Answer: Option a – Introduction

Explanation: During the Introduction stage of the product life cycle, companies are introducing their product to the market. Marketing efforts are focused on creating awareness, generating demand, and building a customer base. This stage is characterized by high costs and low sales because of the high marketing costs associated with launching a new product and the fact that the product is still relatively unknown to the target market.

2. In which stage of the product life cycle does the product become popular and recognizable?
 - a. Introduction
 - b. Growth
 - c. Maturity
 - d. Decline

Correct Answer: Option b - Growth

Explanation: In the Growth stage of the product life cycle, sales of the product start to increase rapidly and the product becomes popular and recognizable. Marketing efforts during this stage focus on expanding the customer base and promoting the product to new target markets.

3. What is the objective of companies during the maturity stage of the product life cycle?
 - a. To increase sales and revenue
 - b. To maximize profits and maintain market share
 - c. To build a loyal customer base
 - d. To develop new products

Correct Answer: Option b – To maximize profits and maintain market share

Explanation: During the Maturity stage, companies are focused on maximizing profits and maintaining their market share. They may still continue to invest in marketing and promotions, but the focus is on maintaining their existing customer base rather than attracting new customers.