EAL activities

Jigsaw reading

**Jigsaw cards**

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| **GROUP A**  **Introduction**  The new product is introduced or launched onto the market. Sales will grow slowly at first because most consumers will not be aware of its existence. Informative advertising is used until the product becomes known. Price skimming may be used if the product is a new development and there are no competitors. No profits are made at this point as the development costs have not yet been covered. |
| **GROUP B**  **Growth**  Sales start to grow rapidly. The advertising is changed to persuasive advertising to encourage brand loyalty. Prices are reduced a little as new competitors enter the market and try to take some of your customers. Profits start to be made as the development costs are covered. |
| **GROUP C**  **Maturity**  Sales now increase only slowly. Competition becomes intense and pricing strategies are now competitive or promotional pricing. A lot of advertising is used to maintain sales growth. Profits are at their highest. |
| **GROUP D**  **Saturation**  Sales have reached **saturation** point and stabilise at their highest point. Competition is high, but there are no new competitors. Competitive pricing is used. A high and stable level of advertising is used, but profits start to fall as sales are static and prices have to be reduced to be competitive. |
| **GROUP E**  **Decline**  Sales of the product will **decline** as new products come along or because the product has lost its appeal. The product will usually be withdrawn from the market when sales become so low and prices have been reduced so far that it becomes unprofitable to produce the product. Advertising is reduced and then stopped. |