P&G was then forced to cut the price of its Swiffer WetJet mop price by half—only seven months after it was introduced into the marketplace.[4]

Introduction The first stage in the product life cycle is the *introductory stage*, during which producers launch a new product and stimulate demand. In this stage, companies typically spend heavily on conducting research-and-development efforts to create the new product, on developing promotions to build awareness of the product, and on establishing the distribution system to get the product into the marketplace. Every product—from personal computers to digital cameras—gets its start in this stage. The producer makes little profit during the introduction; however, these start-up costs are a necessary investment if the new product is to succeed. Procter & Gamble, for example, spent millions of dollars to develop and promote Dryel, a home dry-cleaning product.[5]

Procter & Gamble thinks Dryel has the potential to become a leading company product if it can convince consumers of the product's benefits.

Growth After the introductory stage comes the *growth stage*, marked by a rapid jump in sales and, usually, an increase in the number of competitors and distribution outlets. As competition increases, so does the struggle for market share. This situation creates pressure to introduce new product features and to maintain large promotional budgets and competitive prices. In fact, marketing in this stage is so expensive that it can drive out smaller, weaker firms. With enough growth, however, a firm can often produce and deliver its products more economically than in the introduction phase. Thus, the growth stage can reap handsome profits for those who survive.

Maturity During the *maturity stage*, the longest in the product life cycle, sales begin to level off or show a slight decline. Most products are in the maturity stage of the life cycle where competition increases and market share is maximized—making further expansion difficult. Because the costs of introduction and growth have diminished in this stage, most companies try to keep mature products alive so they can use the resulting profits to fund the development of new products. Some companies extend the life of a mature product by modifying the product's characteristics to improve the product's quality and performance. Keebler, for instance, has extended the life of its popular cookies by selling them in convenient mini-versions. Packaged in resealable cans, the mini-cookies are sold at convenience stores to appeal to consumers on the run.[6]

Decline Although maturity can be extended for many years, most products eventually enter the *decline stage*, when sales and profits slip and then fade away. Declines occur for several reasons: changing demographics, shifts in popular taste, product competition, and advances in technology. When a product reaches this point in the life cycle, the company must decide whether to keep it and reduce the product's costs to compensate for declining sales or discontinue it and focus on developing newer products. General Motors, for instance, decided to kill off the 103-year-old Oldsmobile brand. "The decision was long overdue," notes one marketing expert. Sales of Olds had been declining for over a decade, and the brand had lost its identity.[7]

Product Makeovers Most new products are not really new at all; only about 5 percent are true innovations.[8] The rest are variations of familiar products, created by changing the packaging, improving the formula, or modifying the form or flavor—in hopes of injecting new life into the brand. For example, when Kraft took its decade-old Crystal Light powdered fruit drink, added water, and packaged it in fancy plastic bottles, sales of the reinvented brand swiftly surpassed those of Coke's lavishly launched Fruitopia.[9]

Like Crystal Light, many declining products sometimes just need a makeover. Banana Republic, for example, started out as a clothing retailer with a gimmick: safari clothing sold in stores decorated with fake palm trees and shipping crates. That version of Banana Republic soon became an endangered species until the brand was rescued and reinvented as