

Discussion db 5



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Business Discussion Memo The Marketing Manager The Product Manager RE: Viability of Product Line Introduction Every product in the market undergoes four stages of ‘ Product life cycle’ (PLC), which involves the ‘ introduction stage, the development stage, the maturity stage, and finally the decline stage’ (Pride, Hughes & Kapoor, 2009, p. 366). Statistics show that three products in the market have recently reached the decline stage, and subsequently the situation adversely affected many related firms in the market. At this juncture, it seems that we are in need of taking rapid actions in order to keep our products updated in the market. Given below are the three products for which the consumer demand has been found decreasing for the recent years. Carbonated soft-drinks Until the recent years, the per capita consumption of carbonated soft-drinks has been increasing at a high speed in the established markets. However, the demographic trends have caused the products to reach at their decline stage. Throughout the established countries, teenagers and youngsters contributed the most part of consumers for soft drinks. The decline of popularity in these countries can also be attributed to the decreasing birth rates and ageing populations, for the condition would reduce the demand for the carbonated soft-drink products. The number of people most likely to consume carbonated soft-drink products declined to a very low level in the established markets. Another important problem is the society’s increased focus on “ health and fitness, well-being, and their anxiety about obesity”; for example, Coca-Cola has become the victim of this phenomenon recently (“ Coca-cola innovates”, 2010). Toilet soaps The consumer demand for the toilet soaps has gone down to its lowest point. Firms find it difficult to move their toilet products, especially soaps out of the market. The number of people using a brand had

come down to its half by just one month after a medical bulletin had been published. The major reason for the decline in the consumer demand for the toilet soap is the introduction of new environmental friendly soaps which are priced comparatively low. Biscuits and sugar confectioneries: The biscuits and sugar confectioneries market also has been hit by the sudden decline of the demand for such products. There had been up to 15percentage decline reported in firms for biscuit products. The main reason for the sudden decrease is the inflationary condition prevailing around the globe. In addition, the increased imports of foreign biscuit products also affect the domestic products. The growing concern and care for health also tends to reduce the consumption of biscuit. For an example of such condition, consider the Swiss biscuit sector. References “ Coca-cola innovates with personalized drinks to recoup declining sales”. (June 2010). Seeking Alpha.. Retrieved from <http://seekingalpha.com/article/210213-coca-cola-innovates-with-personalized-drinks-to-recoup-declining-sales> Pride, W. M., Hughes, R. J & Kapoor, J. R. (2009). Business. USA: South- Western Cengage Learning. “ Swiss biscuit sector hit by German decline.” (March 2003). Food & Drink.. Retrieved from <http://www.foodanddrinkeurope.com/Consumer-Trends/Swiss-biscuit-sector-hit-by-German-decline>