**Unit 3: Product Development from Concept to Product Function**

MCQ Unit No 3 PDD

1. \_\_\_\_\_ is the development of original products, product improvements, product          modifications, and new brands through the firm’s own R&D efforts.

            a.         Idea generation

            b.         Concept testing

c.            Test marketing

d.            New product development

Ans : d

1. All of the following are different ways a firm can obtain new products, except which one?

a.                  By acquiring a whole new company

b.                  A firm can obtain a new product through patents

c.                  A firm can obtain a new product by licensing someone else's new product

d.                  A firm can obtain a new product by using the R&D department of other firms in the same industry.

Ans : d

1. All of the following are accurate descriptions of reasons why new products fail, except which one?

a.                  Although the market size was correctly estimated, the product idea itself was not good.

b.                  The actual product was not designed as well as it should have been.

c.                  The new product was priced too high.

d.                  The new product was advertised poorly.

Answer: (a)

1. All of the following are accurate descriptions of ways companies are anxious to learn how to improve the odds of new-product success, except which one?

Find out what successful new products have in common.

b.                  To learn lessons from new product failures.

c.                  Companies have to learn to understand their own consumers.

d.                  Do not overly rely on product innovation when you can succeed by copying others.

Answer: (d)

1. New-product development starts with \_\_\_\_\_.

a.                  idea screening

b.                  idea generation

c.                  concept development and testing

d.                  marketing strategy development

Answer: (b)

1. All of the following are major internal sources of new-product ideas, except which one?

a.                  Picking the brains of company executives, scientists, engineers and salespeople is a good way to generate ideas.

b.                  Intrapreneurial programs that encourage employees to think and develop new-product ideas is a good way to generate ideas.

c.                  Some companies employ creative approaches, including both "method and madness" in helping them to generate new product ideas.

d.                  Good ideas come from watching and listening to customers.

Answer: (d)

1. Major sources of new product ideas include \_\_\_\_\_.

a.                  internal sources, using company R&D

b.                  creative approaches, using both "method and madness" approaches

c.                  watching and listening to customers

d.                  all of the above are sources of new product ideas

Answer: (d)

1. All of the following are major external sources of new-product ideas, except which one?

a.                  Companies can conduct surveys or focus groups to learn about consumer needs and wants.

b.                  Competitors are a good source of new-product ideas.

c.                  Some companies employ creative approaches, including both "method and madness" in helping them to generate new product ideas.

d.                  Good ideas come from watching and listening to customers.

Answer: (d)

1. All of the following are accurate descriptions of new product ideas, except which one?

a.                  New product development starts with idea generation.

b.                  Some companies use brainstorming exercises that expand people's minds and generate new ideas around the client's problem.

c.                  At the beginning of the process, carefully scrutinize each idea and throw far-fetched and impractical ones out the window

d.                  Customers must be careful not to rely too heavily on customer input when developing new products.

Answer: (c)

1. Some companies have installed a(n) \_\_\_\_\_ that directs the flow of new ideas to a central point where they can be collected, reviewed, and evaluated.

a.                  new-product development team

b.                  idea management system

c.                  computer system

d.                  satellite system

Answer: (b)

1. In order to install an *idea management system*, whereby all ideas are directed to a central point, a company can do any or all of the following:

a.                  Appoint a respected senior person to be the firm's idea manager.

b.                  Create a cross-functional idea management committee comprising of people form R&D, finance, engineering and operations to meet and evaluate new product ideas.

c.                  Reward employees through formal recognition programs.

d.                  All of the above are legitimate ways to systematically collect ideas.

Answer: (d)

1. The purpose of \_\_\_\_\_ is to generate a large number of ideas.

a.                  idea screening

b.                  idea generation

c.                  concept development and testing

d.                  marketing strategy development

Answer: (b)

1. The first idea reducing stage is \_\_\_\_\_ , which helps spot good ideas and drop poor ones as soon as possible.

a.                  idea generation

b.                  idea screening

c.                  concept development and testing

d.                  marketing strategy development

Answer: (b)

1. A \_\_\_\_\_ is a detailed version of the idea stated in meaningful consumer terms.

a.                  product idea

b.                  product concept

c.                  product image

d.                  test market

Answer: (b)

1. A \_\_\_\_\_ is the way consumers perceive an actual or potential product.

a.                  product idea

b.                  product concept

c.                  product image

d.                  test market

Answer: (c)

1. An attractive idea must be developed into a \_\_\_\_\_.

a.                  product idea

b.                  product concept

c.                  product image

d.                  test market

Answer: (b)

1. All of the following are accurate descriptions of activities performed in the idea screening stage of new product development, except which one?
2. Idea screening helps spot good ideas and drop poor ones as soon as possible
3. Companies want to go ahead only with the product ideas that will turn into profitable products.
4. Many companies require their executives to write up new product ideas on a standard form that can be reviewed by a new-product committee.
5. Setting up a toll-free number or Web site for anyone who wants to send a new idea to the idea manager.

Answer: (d)

1. \_\_\_\_\_ calls for testing new-product concepts with groups of target consumers.

a.                  Concept development

b.                  Concept testing

c.                  Idea generation

d.                  Idea screening

Answer: (b)

1. \_\_\_\_\_ entails testing new-product concepts with a target group of consumers to find out if the concepts have strong consumer appeal.

a.                  Concept development

b.                  Concept testing

c.                  Idea generation

d.                  Idea screening

Answer: (b)

1. Product concepts are presented to consumers during concept testing in any of the following ways, except which one?

a.                  A word or picture description is presented to consumers.

b.                  A concrete and physical presentation of the concept will increase the reliability of the concept test.

c.                  Some companies are using virtual reality to test product concepts.

d.                  Companies are reluctant to use the Web to test product concepts.

Answer: (d)

1. Designing an initial marketing strategy for a new product based on the \_\_\_\_\_ is called marketing strategy development.

a.                  new product idea

b.                  product concept

c.                  test market results

d.                  product prototype

Answer: (b)

1. The marketing strategy statement in new product development consists of three parts: \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.
2. idea generation; idea screening; concept development
3. idea generation; concept development; concept testing
4. idea generation; idea screening; idea management
5. target market description; planned product positioning; sales, market share, and profit goals for the first few years.

Answer: (d)

1. \_\_\_\_\_ involves a review of the sales, costs, and profit projections for a new product to find out whether they satisfy the company's objectives.

a.                  Idea generation

b.                  Idea screening

c.                  Business analysis

d.                  Concept development and testing

Answer: (c)

1. If a product concept passes the \_\_\_\_\_, it moves into \_\_\_\_\_.

a.                  business analysis test; product development

b.                  concept development stage; product development

c.                  concept testing stage; product development

d.                  idea generation stage; product development

Answer: (a)

1. Once management has decided on a product concept and marketing strategy, it can next evaluate the \_\_\_\_\_ of the proposal.

a.                  product idea portion

b.                  product development part

c.                  business attractiveness

d.                  commercial viability

Answer: (c)

1. In the product concept stage of new-product development, the product is merely a \_\_\_\_\_.

a.                  word description

b.                  crude mock-up

c.                  drawing

d.                  all of the above

Answer: (d)

1. In the \_\_\_\_\_ of new-product development, often products undergo rigorous tests to make sure that they perform safely and effectively or that consumers will find value in them.

a.                  business analysis stage

b.                  idea generation

c.                  concept development and testing stage

d.                  product development phase

Answer: (d)

1. \_\_\_\_\_ is the stage of new-product development in which the product and marketing program are tested in more realistic market settings.

a.                  Business analysis

b.                  Idea generation

c.                  Test marketing

d.                  Marketing strategy development

Answer: (c)

1. All of the following are accurate descriptions of test marketing, except which one?

a.                  Test marketing is the stage at which the product and marketing program are introduced into realistic market settings.

b.                  Test marketing by consumer-packaged goods firms has been increasing in recent years.

c.                  Test marketing costs can be high, and it takes time that may allow competitors to gain advantages.

d.                  Companies often do not test market simple line extensions.

Answer: (b)

1. Introducing a new product into the market is called \_\_\_\_\_.

a.                  test marketing

b.                  new product development

c.                  experimenting

d.                  commercialization

Answer: (d)

1. A  company getting ready to launch a new product must make several decisions. However, the company must first decide on \_\_\_\_\_.

a.                  whether to launch the product in a single location

b.                  whether to launch the product in a region

c.                  whether to launch the product into full national or international distribution

d.                  timing of the new product introduction

Answer: (d)

1. \_\_\_\_\_ is a new-product development approach in which one company department works to complete its stage of the process before passing the new product along to the next department and stage.

a.                  Team-based product development

b.                  Simultaneous product development

c.                  Sequential product development

d.                  Product life-cycle analysis

Answer: (c)

1. In order to get their new products to market more quickly, many companies are adopting a faster, team-oriented approach called \_\_\_\_\_.

a.                  sequential product development

b.                  simultaneous product development

c.                  commercialization

d.                  introduction timing

Answer: (b)

1. All of the following statements are accurate descriptions of the simultaneous product development approach to new product development, except which one?

a.                  The simultaneous product development approach is also known as collaborative product development.

b.                  Company departments work closely together through cross-functional teams.

c.                  Companies assemble a team of people from various departments that stay with the new product from start to finish.

d.                  Companies often pass the new product from department to department in each stage of the process.

Answer: (d)

1. All of the following are accurate descriptions of new-product development approaches used by companies in the commercialization phase of the process, except which one?

a.                  New-product development teams in the simultaneous approach tend to stay with the new product from start to finish.

b.                  In the simultaneous approach, top management gives the product development team general strategic direction but no clear-cut product idea or work plan.

c.                  In order to get their new products to market more quickly, many companies are adopting a faster approach called sequential product development.

d.                  The simultaneous team-based approach can be riskier and more costly than the slower, more orderly sequential approach.

Answer: (c)

1. All of the following are limitations of the simultaneous team-based approach to new-product development, except which one?

a.                  Superfast product development can be riskier and more costly than the slower, more orderly sequential approach.

b.                  This approach often creates increased organizational tension and confusion.

c.                  The objective of this approach is to ensure that rushing a product to market doesn't adversely affect its quality.

d.                  Top management gives the product development team a clear-cut product idea or work plan.

Answer: (d)

1. All of the following statements accurately reflect the requisites of new-product success, except which one?

a.                  Thinking of a few good ideas, turning them into products, and finding customers for them.

b.                  A systematic approach for finding new ways to create value for target consumers, from generating and screening new-product ideas to creating and rolling out want-satisfying products to customers.

c.                  New-product success requires a total-company commitment.

d.                  At firms known for their new-product success, their culture does not encourage, support, and reward innovation.

Answer: (d)

1. \_\_\_\_\_ begins when the company finds and develops a new-product idea. During product development, sales are zero and the company's investment costs mount.

a.                  Introduction

b.                  Growth

c.                  Maturity

d.                  Product development

Answer: (d)

1. \_\_\_\_\_ is a period of slow sales growth as the product is introduced into the market. Profits are non-existent in this stage because of the heavy expenses of product introduction.

a.                  Growth

b.                  Product development

c.                  Maturity

d.                  Introduction

Answer: (d)

1. \_\_\_\_\_ is a period of market acceptance and increasing profits.

a.                  Product development

b.                  Maturity

c.                  Growth

d.                  Introduction

Answer: (c)

1. \_\_\_\_\_ is the course of a product's sales and profits over its lifetime, involving five distinct stages: product development, introduction, growth, maturity, and decline.

a.                  Product life cycle

b.                  Maturity

c.                  Growth

d.                  Decline

Answer: (a)

1. Anything that can be offered to a market for attention, acquisition, use, or consumption that mightsatisfy a want or need is called a(n):

a. Demand.

b. Idea.

c. Product.

d. Service

Answer: c

1. 2. This company is well known for Technology innovation, Great value and act as a game changer.

a. Nokia

b. Apple

c. HTC

d. Samsung

Answer: b

1. . ………buy products & ………….use product.

a. Consumer & Customers

b. Customers & Consumer

c. Buyers & Sellers

d. Buyers & Customers

Answer: b

1. Testing before launching a product is known as

a. Acid test

b. Concept testing

c. Market test

d. Test marketing.

Answer: d

1. Launching a product in a small part of the market is called:

a. Commercialization

b. Competitive analysis.

c. Competitive response.

d. Test marketing

Answer: d

1. Original products, product improvements, product modifications, and new brands that a firm developsthrough its own research and development efforts are called:
2. Altered products
3. Concept products
4. New products.
5. Supplemental products.

Answer: c

1. Introducing the new product into the market takes place in which stage of the new productdevelopment process?

a. Commercialization

b. Test marketing

c. Product development

d. Marketing strategy

Answer: b

1. Looking at the sales history of similar products and surveying market opinion are tools used at which stage in the new-product development process?

a. Business analysis

b. Commercialization

c. Concept development and testing

d. Marketing strategy development

Answer: b

1. Presenting new-product ideas to consumers in symbolic or physical ways to measure their reactionsoccurs during which of the following stages?

a. Concept testing

b. Idea generation

c. Marketing strategy

d. Screening

Answer: a