|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Answer** |

|  |  |  |
| --- | --- | --- |
| Match | Question Items | Answer Items |
| a. - | a. Which of the following attributes of a product indicates how a product provides satisfaction to the user? | a. Benefit |
| b. - | b. A product attribute that is unlimited in variety and indicates what a product does and how it works is known as the \_\_\_\_\_ of the product. | b. Function |
| c. - | c. With reference to product attributes, which of the following does the dimensional analysis approach use ? | c. Features |

 |
| **Correct Feedback** | Ch. 6. Among the three product attributes, benefits refer to how a product provides satisfaction to the user. Benefits can be broken down in an almost endless variety—uses, users, used with, used where, and so on. Refer to figure 6.1. Attributes are of three types and functions refer to what the product does and how it works. They are unlimited in variety, but are not used nearly as often as benefits and features. Refer to figure 6.1. Analytical attribute techniques allows one to create new product concepts by changing one or more of its current attributes, or by adding attributes, and to assess the desirability of these concepts if they were to be developed into products. Dimensional analysis uses features, while checklists use all attributes. |
| **Question** | Analytical attribute techniques:  |
| **Answer** | a.

|  |
| --- |
| are used to preserve current product attributes. |

b.

|  |
| --- |
| are used to enhance current product attributes but not to add new attributes. |

c.

|  |
| --- |
| are used to promote groupthink in the new product development process. |

Question 2 - Correct Answer4d.

|  |
| --- |
| are used to create new product concepts. |

 |
| **Correct Feedback** | Ch. 6. Analytical attribute techniques allows one to create new product concepts by changing one or more of its current attributes, or by adding attributes, and to assess the desirability of these concepts if they were to be developed into products. That is, these techniques can be used not just in concept generation, but also in concept evaluation and even further along in the new products process. |
|  |  |

|  |  |
| --- | --- |
| **Question** | Which of the following is a perceptual mapping technique?   |
| **Answer** | Question 3 - Correct Answer1a.

|  |
| --- |
| Multidimensional scaling |

b.

|  |
| --- |
| Risk analysis |

c.

|  |
| --- |
| Dynamic leaps |

d.

|  |
| --- |
| SWOT analysis |

 |
| **Correct Feedback** | Ch 6. Perceptual mapping techniques such as factor analysis and multidimensional scaling (MDS) can be used to generate perceptual gap maps. These techniques are frequently used in concept generation, and indeed, throughout new product development, during launch, and even beyond. |
|  |  |

|  |  |
| --- | --- |
| **Question** | Which of the following is a statistical technique available in computer packages that is typically used to reduce the large number of attributes to a small number of underlying dimensions?   |
| **Answer** | Question 4 - Correct Answer1a.

|  |
| --- |
| Factor analysis |

b.

|  |
| --- |
| SWOT analysis |

c.

|  |
| --- |
| Cluster analysis |

d.

|  |
| --- |
| Projective analysis |

 |
| **Correct Feedback** | Ch. 6. Factor analysis, a statistical technique available in computer packages, is typically used to reduce the large number of attributes to a small number of underlying dimensions (also called factors), which can then serve as the axes of the perceptual map. Other techniques, such as multiple discriminant analysis, can also be used. |
|  |  |

|  |  |
| --- | --- |
| **Question** | After finding the important attributes on which the available products differ, gap analysis:  |
| **Answer** | a.

|  |
| --- |
| describes the product category being considered. |

Question 5 - Correct Answer2b.

|  |
| --- |
| plots the findings on maps. |

c.

|  |
| --- |
| determines the geographical segmentation of the product market. |

d.

|  |
| --- |
| uses the findings to create a matrix. |

 |
| **Correct Feedback** | Ch. 7. After finding the determinant attributes, important attributes on which the available products differ, gap analysis plots them on maps. |
|  |  |

|  |  |
| --- | --- |
| **Question** | The assumption behind the use of conjoint analysis is that:  |
| **Answer** | a.

|  |
| --- |
| a product is considered as a whole rather than in discrete attributes. |

Question 6 - Correct Answer2b.a product can be represented as a set or bundle of attributes.c.

|  |
| --- |
| the number of items per purchase is a constant to scale market share. |

d.

|  |
| --- |
| preferences can be observed by testing of many virtual variations of the same basic concept. |

 |
| **Correct Feedback** | Ch. 7. In using conjoint analysis, one assumes that one can represent a product as a set or bundle of attributes. Conjoint analysis puts all of the determinant attributes together in new sets and identifies which sets of attributes would be most liked or preferred by customers. |
|  |  |

|  |  |
| --- | --- |
| **Question** | Gourmetz, a fast food joint, seeks to launch a new range of organic pizzas. The determinant attributes for the new product range of pizzas are identified as spiciness, flavor, and thickness. The range for each of these attributes is also selected. Cards representing each variant that combines specific levels of determinant attributes are prepared and given to consumers. Then, the best level of each attribute is combined into an overall favorite product. This is an example of \_\_\_\_\_.   |
| **Answer** | a.

|  |
| --- |
| cost-benefit analysis |

b.

|  |
| --- |
| VRIO framework |

c.

|  |
| --- |
| SWOT analysis |

Question 7 - Correct Answer4d.

|  |
| --- |
| trade-off analysis |

 |
| **Correct Feedback** | Ch. 7. This is an example of a trade-off analysis. Customer preferences for each attribute or utility are considered and then a range is allocated to each attribute. Several different levels are available for each of these attributes. Concept generation occurs when the combination of the best level of each attribute results in an overall favorite product. |
| **Incorrect Feedback** |  |

|  |  |
| --- | --- |
| **Question** | The underlying premise for \_\_\_\_\_ is that product concept creativity is triggered by the mere listing of every physical feature of a product, because we instinctively think about how that feature could be changed.  |
| **Answer** | a.

|  |
| --- |
| factor analysis |

b.

|  |
| --- |
| perceptual mapping |

c.

|  |
| --- |
| adaptive conjoint analysis |

Question 8 - Correct Answer4d.

|  |
| --- |
| dimensional analysis |

 |
| **Correct Feedback** | Ch. 7. Dimensional analysis uses any and all features, not just measurements of dimensions (such as spatial—length, width, and so on). The task involves listing all of the physical features of a product type. Product concept creativity is triggered by the mere listing of every such feature, because we instinctively think about how that feature could be changed. |
|  |  |

|  |  |
| --- | --- |
| **Question** | Which of the following actions causes backtracking?  |
| **Answer** | a.

|  |
| --- |
| When the product development process is carried out step by step |

b.

|  |
| --- |
| When the costs of incomplete product development are higher than the costs of delayed introduction |

c.

|  |
| --- |
| When an idea or concept cannot be implemented until after a prototype has been created |

Question 9 - Correct Answer4d.

|  |
| --- |
| When the steps in the product development process are skipped |

 |
| **Correct Feedback** | Ch. 8. There was an era when a new product's development happened step by step, nothing ahead of its time. But today one may be working on a package before one has actually finished the product. This often causes backtracking. |
|  |  |

|  |  |
| --- | --- |
| **Question** | Which of the following outcomes of a risk/payoff matrix, used for evaluating a new product process, is most likely to be the costliest for a firm?  |
| **Answer** | a.

|  |
| --- |
| Stopping a product that is likely to fail |

b.

|  |
| --- |
| Continuing a product that is likely to fail |

Question 10 - Correct Answer3c.

|  |
| --- |
| Stopping a product that is likely to succeed |

d.

|  |
| --- |
| Continuing a product that is likely to succeed |

 |
| **Correct Feedback** | Ch. 8. Refer to figure 8.3. It is natural to drop a concept that would ultimately fail, or continue on a concept that would ultimately succeed. The managerial problem arises when a project that is likely to succeed is discontinued, also referred to as the "drop error." Yet another situation is when a product that is likely to fail is continued. This is called a "go error": A drop error is much worse than a go error and is the costliest. |
|  |  |

|  |  |
| --- | --- |
| **Question** | Lexus Inc. is interested in determining whether a potential new product will be preferred by customers, even before it is launched. Since customer reactions cannot be gauged at this stage, the firm can make use of \_\_\_\_\_ to gather pieces of information that can substitute for what it wants to learn.  |
| **Answer** | Question 11 - Correct Answer1a.

|  |
| --- |
| surrogate questions |

b.

|  |
| --- |
| perceptual mapping |

c.

|  |
| --- |
| fundamental analysis |

d.

|  |
| --- |
| lexical analysis |

 |
| **Correct Feedback** | Ch. 8. Lexus Inc. can use surrogate questions to gather information that can substitute for necessary pieces of information. Surrogate questions are useful when one wants to know customer reactions early on, even before a product is developed, if possible. But one can't really know their reactions until one makes some of the product and give it to them to try out. So, one looks for surrogate questions to give pieces of information that can substitute for what one wants to learn but can't. |
|  |  |

|  |  |
| --- | --- |
| **Question** | The A-T-A-R concept is taken from \_\_\_\_\_.  |
| **Answer** | a.

|  |
| --- |
| the risk/payoff matrix |

Question 12 - Correct Answer2b.

|  |
| --- |
| diffusion of innovation |

c.

|  |
| --- |
| the delay curve |

d.

|  |
| --- |
| the cumulative expense curve |

 |
| **Correct Feedback** | Ch. 8. The A-T-A-R Model is taken from what is called diffusion of innovation, explained this way: For a person or a firm to become a regular buyer/user of an innovation, there must first be awareness that it exists, then there must be a decision to try that innovation, then the person must find the item available to them, and finally there must be the type of happiness with it that leads to adoption, or repeat usage. |
|  |  |

|  |  |
| --- | --- |
| **Question** | One of the factors based on which a concept can be evaluated for a rough early screen is the factor of firm worth, which indicates if the:  |
| **Answer** | a.

|  |
| --- |
| present brand image of the firm is suitable for launching the new product. |

b.

|  |
| --- |
| company has the appropriate technology for manufacturing the new product efficiently. |

Question 13 - Correct Answer3c.

|  |
| --- |
| new product project would enhance the firm's competencies. |

d.

|  |
| --- |
| product's advantage can be maintained against competitive retaliation. |

 |
| **Correct Feedback** | Ch. 9. One suggested way for firms to do a rough early screen is to evaluate it on the basis of three factors: market worth, firm worth, and competitive insulation. Firm worth seeks to find out if the new product project will be viewed positively by managements and if it has the ability to enhance the firm's competencies. |
|  |  |

|  |  |
| --- | --- |
| **Question** | A concept statement developed during the new product development process:  |
| **Answer** |

|  |
| --- |
| describes the technology to be used for manufacturing the product. |
| discusses the results of prototype testing. |

Question 14 - Correct Answer3

|  |
| --- |
| states a difference and how that difference benefits the customer. |
| lists the guidelines for developing the new product. |

 |
| **Correct Feedback** | Ch. 9. A concept statement states a difference and how that difference benefits the customer or end user. |
|  |  |

|  |  |
| --- | --- |
| **Question** | The optimum proportion of attributes desired by a market can be identified with the help of \_\_\_\_.   |
| **Answer** | a.

|  |
| --- |
| attribute calibration |

Question 15 - Correct Answer2b.

|  |
| --- |
| preference regression |

c.

|  |
| --- |
| progression vectors |

d.

|  |
| --- |
| factor analysis |

 |
| **Correct Feedback** | Ch. 9. Preference regression is a method that can be used to identify the optimum combination of attributes desired by the market. |
|  |  |

|  |  |
| --- | --- |
| **Question** | Conjoint analysis is used to identify \_\_\_\_\_.  |
| **Answer** | a.

|  |
| --- |
| survey variations |

b.

|  |
| --- |
| the optimum combination of attributes |

Question 16 - Correct Answer3c.

|  |
| --- |
| high-potential gaps |

d.

|  |
| --- |
| the optimum price for a product |

 |
| **Correct Feedback** | Ch. 9. Conjoint analysis is used identify high-potential gaps: combinations of attributes that (a) customers like and (b) are not on the market yet. |
|  |  |

|  |  |
| --- | --- |
| **Question** | Which of the following is an objective of full screening?   |
| **Answer** | a.

|  |
| --- |
| To add the thoughts of potential users to the set of market data collected |

b.

|  |
| --- |
| To provide data for the product innovation charter |

c.

|  |
| --- |
| To generate pro-forma financials |

Question 17 - Correct Answer4d.

|  |
| --- |
| To encourage cross-functional communication |

 |
| **Correct Feedback** | Ch.10. The full screen encourages cross-functional communication. It flushes out all basic disagreements about a project (including the ever-present politics) and sets them up for discussion. These disagreements put the spotlight on "potholes" or hurdles that the concept will face during development and show where new people may be needed. |
|  |  |

|  |  |
| --- | --- |
| **Question** | Which of the following is a technical success factor of the Industrial Research Institute Scoring Model?   |
| **Answer** | Question 18 - Correct Answer1a.

|  |
| --- |
| Proprietary position |

b.

|  |
| --- |
| Raw materials or components supply |

c.

|  |
| --- |
| Market need |

d.

|  |
| --- |
| Customer strength |

 |
| **Correct Feedback** | Ch. 10. Refer to figure 10.5. The technical success factors of the Industrial Research Institute Scoring Model include proprietary position, competencies or skills, technical complexity, access to and effective use of external technology, and manufacturing capability. |
|  |  |

|  |  |
| --- | --- |
| **Question** | According to the screening model derived from the NewProd study, which of the following can be categorized under "should-meet" criteria?  |
| **Answer** | a.

|  |
| --- |
| Good strategic alignment between project and strategy |

Question 19 - Correct Answer2b.

|  |
| --- |
| Market attractiveness |

c.

|  |
| --- |
| Availability of distribution channels |

d.

|  |
| --- |
| Acceptable risk-return ratio |

 |
| **Correct Feedback** | Ch. 10. According to the screening model derived from the NewProd study, the two levels of criteria are must-meet and should-meet criteria. Must-meet criteria include good strategic alignment between project and strategy, and acceptable risk-return ratio; should-meet criteria include strategic importance, product advantage to the customer, and market attractiveness. |
|  |  |

|  |  |
| --- | --- |
| **Question** | Which of the following techniques is most likely to be used for product project screening and evaluation?   |
| **Answer** | a.

|  |
| --- |
| Perceptual gap mapping |

b.

|  |
| --- |
| Scenario analysis |

c.

|  |
| --- |
| Factor analysis |

Question 20 - Correct Answer4d.

|  |
| --- |
| Analytic Hierarchy Process |

 |
| **Correct Feedback** | Ch. 10. One of the techniques for product project screening and evaluation is the Analytic Hierarchy Process (AHP). AHP, developed in the 1970s by Thomas Saaty, is a general technique that systematically gathers expert judgment and uses it to make optimal decisions. |
|  |  |