

1. Which step in the new-product development process involves seeking feedback from consumers in order to know what response they would give to a proposed product?
 - A. Idea generation
 - B. Product screening
 - C. Concept testing
 - D. Feasibility analysis

2. What is one question that a company needs to answer about a product that is in the introductory stage of its life cycle?
 - A. Should we regionalize the product?
 - B. Does the product need to be modernized?
 - C. Should we take the product off the market?
 - D. How can we make the public aware of our product?

3. Many businesses are using the technology developed by the space program to create
 - A. advanced new products.
 - B. marketing strategies.
 - C. updated brand names.
 - D. advertising techniques.

4. The Underwriters Laboratory seal on an electrical product indicates
 - A. quality and safety backed by a testing organization.
 - B. a guarantee by the manufacturer.
 - C. the product can be returned.
 - D. standard grades established by the federal government.

5. A warranty that covers the entire product is known as a(n) _____ warranty.
 - A. full
 - B. limited
 - C. express
 - D. implied

1. C

Concept testing. During concept testing, a product concept, or idea, is explored with potential consumers to determine what response they would give to a proposed product idea. Product planners try to determine if it is the right time to introduce the product, whether consumers would buy the product, and what consumers would want the product to do. Idea generation is the step of new-product development in which ideas for new products are developed. Product screening involves considering each idea for a new product and discarding ideas that seem unworkable. A feasibility analysis is the step in the new-product development process that involves examining such factors as demand, costs, competition, capital investment required, and potential profit of a product or service to determine how it will fit into the company's product mix.

SOURCE: PM:001

SOURCE: PM LAP 17—Rapping Up Products (Nature of Product/Service Management)

2. D

How can we make the public aware of our product? In the introductory stage of the product life cycle, the most important focus for a company is to draw attention to its product. Without awareness, sales cannot occur and the product/company cannot gain market share. A company wouldn't consider taking a product off the market immediately after it is introduced. Regionalizing and modernizing the product are considerations for products that are in the decline stage of the product life cycle.

SOURCE: PM:024

SOURCE: PM LAP 18— Get a Life (Cycle)

3. A

Advanced new products. The technology developed by the space program and other government-funded projects ultimately becomes available to businesses that use the technology to create advanced new products for the general public. Businesses take advantage of the technology to develop products that improve the lives of customers and meet the needs of modern society. Also, by creating new products, businesses have the opportunity to increase sales and expand operations. The technology developed by the space program does not help businesses to create marketing strategies, updated brand names, or advertising techniques.

SOURCE: PM:039

SOURCE: Wilson, J.R. & Ross, H. (n.d.). Space program benefits: NASA's positive impact on society. Retrieved May 19, 2014, from http://www.nasa.gov/50th/50th_magazine/benefits.html

4. A

Quality and safety backed by a testing organization. The Underwriters Laboratory is an independent testing organization that tests electrical products for quality and safety. The UL symbol does not indicate that the product can be returned, represent a guarantee by the manufacturer, or imply a standard of acceptance established by the federal government.

SOURCE: PM:019

SOURCE: Underwriters Laboratory, Inc. (2014). UL standards for safety. Retrieved May 19, 2014, from <http://www.ul.com/info/standard.htm>

5. A

Full. A full warranty is not limited to certain aspects of the product but covers the entire product. A warranty concerning the quality of the product that is written or expressed verbally is an express warranty. A limited warranty does not contain the provisions of a full warranty. It may cover only certain repairs or specific parts. An implied warranty is understood by the customer and the seller that the product will perform as expected.

SOURCE: PM:020

SOURCE: PM LAP 4—Promises, Promises (Warranties and Guarantees)