

PGDM-IBM 2018-20
New Product Development
INS-506

Trimester – V, End-Term Examination: December 2019

Time allowed: 2 Hrs 30 Min
Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. All other instructions on the reverse of Admit Card should be followed meticulously.

Section A

3 questions x 10 marks each

1. Explain the process of concept testing in detail. What is the need for the process of concept testing? **CILO 1**

OR

Briefly describe the steps in the new-product development process.

2. Critically analyse the insurance product idea of 'Jeevan Yoshita', an insurance policy for home maker women and women working in informal sector that was proposed by Group 11 in the last session of the course. **CILO 2**

OR

How can the market testing be done for CAT Entrance Examination Fee insurance product that was presented by Group 6 in the last session of the course. Furnish a detailed plan and the exact data that you will like to gather during market testing.

3. Distinguish among a product idea, a product concept, and a product image. Mention the differences clearly **CILO 3**

OR

Define commercialization. Explain the two important issues on which the company must decide during this stage.

SECTION B

2 questions x 10 marks each

Most people laughed when Evelyn Ringler explained her product idea: a solar-powered vacuum cleaner. But the concept was practical and the technology used in the vacuum was the same as that used in many children's toys. After setting up a demonstration booth in a mall in a Chicago suburb, Evelyn felt more assured than ever that her idea would be a hit.

Turn Over

Consumers seemed receptive and offered helpful pieces of advice, such as how much they would pay for the vacuum, what colors they would prefer, and why they would not buy the vacuum.

The vacuum itself was dome-shaped, something like a small saucer, with a filter bag on top and sensory nodes along the edges. After being charged in the sunlight, the vacuum could run for 10 hours, covering a floor area of 600 square feet. As the apparatus lightly bumped into table legs, chairs, and so on, the sensory nodes allowed the vacuum to move around the objects in various directions. This is the same type of technology used in the manufacture of children's race cars and walking dolls.

Evelyn knew that the solar-powered vacuum would be especially helpful to both elderly consumers, who may have a more difficult time with vacuuming, and on-the-go consumers who lead busy lives. The price would be above average but would likely reduce after Evelyn recouped some of her costs.

After a 500-unit production run and a substantial financial investment, Evelyn Ringler set up a multiple-city test market, in a Chicago mall and in an appliance store in New Jersey. "It's such a novel idea," Evelyn added. "People will notice it, even if they don't buy it right away."

4. What in the above case is Evelyn's exact product concept? Please prepare a Product formal concept note/ description to describe the product concept. **CILO 1**
5. How can Evelyn do concept testing? What is the qualitative and quantitative information that should be gathered during concept testing. Describe clearly. **CILO 2**