

PROGRAM (Semester): PGDBM (IV)/ PGDMM (III)

Subject: Product Management

Date: 31.05.09 (3.00pm to 6.00pm)

Marks: 100

Time : 3 hrs

Instructions: Candidates should read carefully the instructions printed on the question paper and on the cover of the Answer Book, which is provided for their use.

NB:

1. Answer to each new question to be started on a fresh page.
2. Attempt any five questions
3. All questions carry equal marks

1. List and briefly discuss three ways Nike has demonstrated that they care about their customers. Explain in terms of product management strategies of Nike.
2. Why do so many new products fail? What can be done to increase the likelihood that the new product will be successful?
3. Distinguish between sequential product development and simultaneous product development. Relate the advantages and disadvantages of each form.
4. Gibson Guitar company was in trouble. Gibson, perceived to be a high-quality but expensive electric guitar company (with models from \$1,300 to \$4,400), was losing market share to rival Fender Guitar company. Fender had expensive models in its prestigious Stratocaster line but had recently established a budget line (models for the beginning guitar player) under the brand name *Squire* by Fender. The *Squire* models began at \$150 and ranged to \$350. Research showed that players who began with *Squire* often upgraded to Stratocasters as they gained experience and interest. Gibson now has the opportunity to purchase Epiphone Guitar company and use their line of low- to mid-price guitars (\$300-\$700) to counter Fender's strategy for first-time guitar players.

Your job as marketing executive for Gibson is to recommend a new-product strategy for Gibson. Consider which phases of the new-product development process would apply and suggest a course of action for Gibson. Be sure to explain your decision.
5. Discuss the differences between a product's design and style.
6. Each year, Revlon sells more than \$2.4 billion worth of cosmetics, toiletries, and fragrances to consumers around the world. Revlon knows that when it sells perfume, it sells much more than fragrant fluids. List and then briefly discuss what Revlon sells in addition to a tangible product.