



**MANICALAND STATE UNIVERSITY
OF
APPLIED SCIENCES**

FACULTY OF AGRIBUSINESS AND COMMERCE

DEPARTMENT OF BUSINESS MANAGEMENT

NEW PRODUCT DEVELOPMENT

MODULE CODE: HMM211

SESSIONAL EXAMINATIONS

SEPT/OCT 2021

DURATION: 3 HOURS

EXAMINER: MR. S. MUPARANGI

INSTRUCTIONS

- 1. Answer all questions in Section A and any three questions in Section B.*
- 2. Section A carries 40 marks whilst Section B carries 60 marks.*
- 3. Total marks 100.*
- 4. Credit will be given for appropriate use of examples*

SECTION A: COMPULSORY

(Answer all questions in this section. Section A carries 40 marks)

Question 1 Read the following case study and answer the questions that follow

How Steve Jobs' Macintosh failed and still changed computing

It was January. 24, 1984, when a young Steve Jobs stepped onto a stage in Cupertino, California., and unveiled the Macintosh Computer. However deeply cynical we have grown about product launches, there is no doubt about how genuine the enthusiasm was in the auditorium that day. The event stands as one of Silicon Valley's proudest moments. But the reality, as always, is more complex. In his recent biography of Steve Jobs, author Walter Isaacson managed to push past much of the mythology around the creation and launch of the Mac Computer. The creation of the Macintosh was a messy one because Steve Jobs essentially pitted his team against another Apple team building a different personal computer called the Lisa. The Lisa was released a full year before the Macintosh. Jobs was deeply resentful that he had been kicked off the team building the Lisa. He was determined that the Macintosh would be better and cheaper.

But before its launch, Jobs lost a fight with his handpicked CEO, John Sculley, over marketing costs. Sculley insisted that the Macintosh be priced \$500 more than Jobs wanted, at \$2,495, to include the cost of advertising and publicity. Almost 25 years later, Jobs still blamed the price for the device's problems, claiming It's the main reason the Macintosh sales slowed and Microsoft got to dominate the market. But the Macintosh had many other problems. The problem was a fundamental one. It was a dazzling but woefully slow and underpowered computer, and no amount of cover up could mask that. The Macintosh shipped with only 128K of memory, compared with the 1,000K RAM in the Lisa. It also lacked an internal hard drive,

at Jobs' insistence. And the Macintosh didn't have a fan (Jobs believed that it distracted from the calm of the computer. This caused many component failures and earned the Macintosh the nickname 'the beige toaster,' which did not enhance its popularity. Apple sold 70,000 Macintosh computers by April. But by the end of the year, it was selling only 10,000 a month. By January 1985, with the company discontinuing the Lisa, Apple was plunged into a crisis. The result over the next several months was a showdown of sorts between Sculley and Jobs that Jobs eventually lost, leading to his departure from Apple that summer.

Over time, of course, it turned out that Apple and Jobs were right about many of the features of the original Macintosh. Jobs believed in designing the Macintosh that it was important for hardware and software to be tightly integrated, a philosophy Apple continues to embrace to this day. And of course the graphical user interface and the mouse have become standards of personal computing. As a result, the original Macintosh has had a legacy that stretches far beyond its own success as a product.

Required

- a) Which evidence from case study proves that organizational politics plays key part in product failure? (6 marks)
- b) Discuss any 2 market related issues and 2 design related issues which led to the failure of Macintosh. (8 marks)
- c) From a customer perspective, the failure of the Macintosh could have been avoided in one way or the other. Suggest what could have been done to avert the failure of the Macintosh. (8 marks)

- d) If Apple is to come up with a new version of the Macintosh, advise them on how they can use attribute listing technique to generate a better version of the product. (8 marks)
- e) In 1985 the Lisa was pulled off the market despite contributing much to revenues than the Macintosh at introduction in 1983. Discuss possible reasons why the company made such a decision. (10 marks)

[Total marks: 40]

SECTION B

(Answer any 3 questions from this section. Each question carries 20 marks)

Question 2

Bardon Telecoms seeks to introduce a new product called Village Wi-Fi for rural population in Zimbabwe. The product will see the rural population having access to high speed internet which will enable them to connect to the rest of the world. The Marketing Manager of Bardon Telecoms has hired you as consultant to come up with proper launch plan. Discuss any 6 components you would incorporate in your launch plan. **[20 Marks]**

Question 3

New product development is a vehicle for every organization success. However, there is more to new product development than success. Using local examples, discuss risks associated with new product development. **[20 Marks]**

Question 4

You have been appointed operations manager for Voltcom enterprises, a newly established beverages firm producing alcoholic and non-alcoholic beverages. They have set plans to introduce a new 100% traditional juice targeting people with various health complications.

- a). As the operations manager, discuss how you would test the concept for the pending new product. **(10 marks)**
- b). The success of the new 100% traditional juice depends on effective business analysis. Explain any four business analysis concepts relevant to Voltcom enterprise. **(10 marks)**

[Total marks: 20]

Question 5

In 2019, Pamela Dube, the Managing director of Telkin Mobile delivered opening remarks during the company's annual general meeting in Victoria Falls. Pamela shocked the whole board when her presentation painted a gloomy picture of the mobile giant. This was on the backdrop of several innovations which failed to add value to the firm's revenues. "In 2010, we were the first to come up with a cell phone with 5 cameras but 2 months down the line our neighbors Valecom mobile took the idea and they seem to do better than us the originators. It must be noted that we didn't recover our research and development costs" added Pamela. "Again in 2016 after spending two million dollars on our potable pocket computer, a company from the East is now manufacturing the same product using the same software and the brand name. Competitors are feasting on our ideas day in day out. Today we read in the press that there is another company which has been registered calling themselves Telqin Mobile and they have adopted our corporate colors too". One of the directors interjected. "I think Valecom employed our former technical manager. If so then we are in huge trouble".

Advise Telkin mobile on how they can avoid challenges being presented by their competitors. Comment on the significance of your suggestions. **[20 Marks]**

Question 6

Most startups with brilliant ideas fail to reach the market due to various challenges such as resources, equipment and lack of human capital. Suggest any one (1) commercialisation strategy which start ups can adopt given these challenges. Justify your choice. **[20 marks]**

END OF EXAM