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#### QUESTIONS CHAPTER FOUR

1. The rewards for being one of the first firms to develop a line of digital TV sets are thought to be substantial—despite the large investment required. Why is it that firms will benefit from being among the first to take advantage of such an environmental opportunity? What risks are involved? Under what conditions should a firm opt for being a follower versus a leader?
2. What are some examples of product types from the following product classes?
  - a. Ready-to-eat cereals
  - b. Automobiles (not including pick-up trucks)
  - c. Television sets
  - d. Men's dress shirts
3. What are the advantages in using the product life cycle? What are the concept's limitations?
4. A few years ago, pet rocks were a fad and basic Levi's or Wranglers blue jeans were a fashion among younger customers. Graph the life cycle curves of the two products on the same chart. How do the two curves differ from one another? What are the major marketing implications for each product?
5. Growth in the U.S. cellular phone market seems to be slowing. If you were the marketing manager for a large U.S. cellular phone company, what would you do to stimulate sales of your brand and position your company for increased competition?
6. Although Levi's basic blue jeans experienced a period of increased popularity and sales growth a few years ago, the product's life-cycle curve had undergone several "cycle-recycle" phases throughout its history. Which factors might account for this life-cycle pattern?
7. Suppose you are the product manager for a new aseptic packaging material, which preserves milk and other dairy products without refrigeration. The product is in the introductory stage of its life cycle. What are the implications of this position in the decisions you must make about each of the 4 Ps when designing a strategic marketing program for this product? When (and if) this product reaches the growth stage, what changes will you have to make in your marketing plan, including its objectives?
8. Suppose you are the product manager responsible for General Electric's line of trash compactors. After more than 10 years, the product has yet to gain acceptance by many consumers. Use the diffusion of innovations theory discussed in the text to explain why trash compactors have achieved such poor market penetration. What does this imply concerning the shape of the rest of the trash compactor's life-cycle curve? What action might you consider taking to increase the market penetration for this product?
9. Your company produces a line of television sets—both color and black-and-white. It is considering producing a line of digital color TV sets, which will sell at substantially higher prices than your present line of color sets. Based on what you know about the diffusion of innovation, what marketing decisions would you recommend your company make with respect to the product and product line, price, channels, and promotion if it decides to produce a digital line?

**10.** Taking into account the major forces driving industry competition, what do you think lies ahead for the worldwide automobile industry?