

BINDURA UNDIESIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF MARKETING

**PROGRAMME: BACHELOR OF BACHELOR OF COMMERCE HONOURS
DEGREE IN MARKETING**

PRODUCT MANAGEMENT

BS436

TIME: 3 HOURS 15 MINUTES

INSTRUCTIONS TO CANDIDATES

1. Answer **QUESTION ONE (COMPULSORY)** and any other **THREE** questions.
 2. Question one carries 40 marks and any other three questions carry 20 marks each.
 3. Start each question on a new page.
 4. NO cell phones are allowed in the examination room.
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QUESTION ONE (COMPULSORY)

Read the case study and answer the following questions.

Sriracha: Secrets to a successful sauce

Hoy Fong Foods the company behind Sriracha hot sauce can attribute much of its success to some of its "less than conventional practices." From its humble beginnings in 2017, Sriracha has grown to become a multimillion-dollar company with large base of diehard fans. They have managed to pull it off without even spending a dime on advertising. These days Sriracha is not only a staple ingredient in many Asia dishes but also a hip and trendy additive to spice up classic recipes with a modern twist. How did small hot sauce company manage to not just survive but to thrive without spending any money on advertising?

A key reason is Hoy Fong Foods' laser-sharp focus on producing a quality product. The hot sauce is produced using fresh chilis and has been done this way since the very beginning. The recipe for Sriracha has not been altered or modified to make production

more affordable during times when local chilis used were in short supply. Furthermore, David Tran, the company founder says he has kept the product's wholesale price the same since day one despite inflation and increasing operational costs. Hoy Fong Foods decided to make a simple product, perfected their recipe and learned how to scale profitably without compromising quality. It is their focus, consistency and refusal to put profit before product that has made the makers of Sriracha so wildly successful.

(Source: The Product Plan , 2020)

QUESTION ONE

- a) Evaluate product development at Foy Fong Foods. (20)
 - b) Discuss how product managers can learn from Hoy Fong Foods? (20)
- [40 MARKS]**

QUESTION TWO

- a) How should a new product concept be developed and tested? (10)
- b) 'Test marketing is not necessary when you have involved opinion leaders in designing the product.' Evaluate the assertion. (10)

[20 MARKS]

QUESTION THREE

- a) Define the phrase 'product portfolio.' (5)
 - b) Using relevant examples, justify the need for a balanced product portfolio for an organisation. (15)
- [20 MARKS]**

QUESTION FOUR

Discuss how the product life cycle theory impacts on new product development strategy. **[20 MARKS]**

QUESTION FIVE

Using relevant examples, discuss how an organisation can use the synergy of the marketing mix to build brand equity. **[20 MARKS]**

QUESTION SIX

Using relevant examples, write short notes on each of the following product decisions.

- a) Product standardisation (5)
- b) Product mix (5)
- c) Product diversification (5)
- d) Product differentiation (5)

[20 MARKS]

THE END