CUSTOMER INTEGRATION AND NEW PRODUCT PERFORMANCE IN TECHNOLOGY-BASED NEW VENTURES (SUMMARY)

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SUMMARY

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Principal Topic

The integration of customers into the new product development (NPD) process has been identified by many studies as having a positive influence on new product performance (Urban & von Hippel, 1988; Verhees & Meulenberg, 2004). Hence, customer integration is a potential source to reduce the risk of market failure, which makes the concept an interesting option particularly for technology-based new ventures (TBNV) that usually do not have a large financial scope to compensate readily for product failure (de Jong & Marsili, 2006). However, customer integration might also involve considerable costs and still does not always come along with the desired outcomes (Ittner & Larcker, 1997). Findings have demonstrated the importance of closely observing the different facets of customer integration.

Our study empirically examines the effects of customer integration on new product performance in TBNV. More specifically, we aim to address different facets by (1) studying the impact of customer involvement on new product performance for different stages of the NPD process; (2) identifying characteristics of the involved customers that enhance new product success; and (3) exploring the moderating mechanism of environmental variables on the relations outlined in (1). As a basis for our analysis, we utilize the resource-based view of the firm (Barney, 1991; Penrose, 1959) and the dynamic capability approach (Eisenhardt & Martin, 2000; Teece, Pisano & Shuen, 1997).

Method

We used data collected via a survey on TBNV in Germany. The ventures encompass various high technology industries. A total of 105 complete questionnaires were received. PLS (partial least squares), a structural equation modeling technique, was applied to test our hypotheses (Fornell & Bookstein, 1982). Moderating effects were examined using a group comparison (Keil et al., 2000).

Results and Implications

Our results demonstrate that the impact of customer integration on new product performance can vary greatly across the different stages of the NPD process. In addition, we highlight the importance of carefully selecting customers. We identified customer characteristics that enhance the chances for new product success. In addition, we show that the market environment can play an important role in determining when customer integration into the NPD process leads to superior new product performance.

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