New Product Launch: A Critical Review and Research Directions

by
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Abstract. New product launch is one of the most important issues in business research today. For many years, conceptual and empirical research has been undertaken to explore the main fields of this area. The objective of this work is to summarize the most important findings in a compact and structured way. Therefore, this paper reviews the findings of empirical work and identifies 9 topics relevant for marketing science, which are classified under 3 research fields. The review begins with understanding consumers: consumer innovativeness, growth of new products and network externalities. The following section deals with understanding the relationship between new products launch and organizations and brings together the factors that influence the capability of firms to launch new product: organizational resources, demographics, structure and environment. The last section provides more complete understanding of launch strategies that are seen as combinations of strategic and tactical decisions. This paper tries to collect the main ideas on the considered issue, to highlight knowledge problems, and suggest directions for future research.

Key words: new product, launch, consumers, organizations, strategy.
JEL classification: M21, M31

1 Introduction

Launching new products is a common strategy for many companies to maintain core competence and market share, but those companies face a dilemma that such a strategy can often be very costly and risky (Li and Zhu, 2009). A recent estimate indicates that 97% of new product ideas or designs never successfully enter the market (Cannon, 2005), and among those introduced to the market, over half of them have failed within two years since product introduction, which represents a total loss of $100 billion per year (Bianchi, 2004).

As a ”consequence” of these issues is brought together existing work from several different research areas, and make a first attempt to integrate this work, as the starting point for the development of an overall, encompassing framework of new product launch. After the company has carefully segmented the market, chosen target customers, identified their needs, established market positioning, developed new products is better prepared to launch new products. Every firm must develop and launch new products, because they may influence the future of the company. The customers want new products and the competitors will make every effort to provide them (Kotler, 2006).

In this paper the term new product refers to the Booz, Allen and Hamilton (1982) classification that includes six categories of new products: new-to-the-world products, new product lines, additions to existing product lines, improvements and revisions of existing products, repositioning, cost reductions.

Table 1: Classification of research on New Product Launch

<table>
<thead>
<tr>
<th>Research field</th>
<th>Research topic</th>
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<tbody>
<tr>
<td>Consumer and new product launch</td>
<td>Consumers innovativeness</td>
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<td>Growth of new products</td>
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<td>Network externalities</td>
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<td>Organizations and new products launch</td>
<td>Organizational resources</td>
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<td></td>
<td>Organizational demographics</td>
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<td>Organizational structure</td>
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<td>Environmental factors</td>
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<td>Launch strategies and new products</td>
<td>Strategic launch decisions</td>
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<td>Tactical launch decisions</td>
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To boost further research on new product launch in marketing, this work tries to collect, explore and evaluate research on new product launch. Key goals of this paper are to deliver a structure regarding the new product launch,
which can be identified in Table 1, by means of which this work will stimulate interaction across fields and productive new research. This article tries to collect main ideas, highlight problems, and suggest directions for future research.

2 Consumer and new product launch

Starting from this point, the first thing to do is understanding customers. Successful new product introduction is based on previous stages of new product development process, such as understanding customer needs and then developing product that meet those needs. It is common practice to obtain such an understanding based on market research related to consumer attitudes toward the new product and their purchase intention (Art, Frambach and Bijmolt, 2011). Though, a recent investigation that reviewed studies on product purchase intention and behaviour from diverse categories indicates that 91% of the variance is not captured by purchase intent (Synovate, 2007, p. 4).

Research in marketing, but also in other disciplines describes, explains and predicts how consumers respond to new product launch. A large part of research has focused on new product diffusion (Rogers, 2003), on behavioural and decision aspects of this investigation (Gatignon and Robertson 1985). Within this area, were identified three issues that have been well researched and are promising for future directions: consumer innovativeness, growth of new products and network externalities.

2.1 Consumers innovativeness

Also known as consumer predilection to adopt new product, consumer innovativeness has been extensively studied, raising issues over many years (Hirschman, 1980). Many studies on consumer innovativeness concentrate on the characteristics that differentiate how fast consumers adopt new products. In the consumer innovativeness literature, the adopter’s characteristics and the new product characteristics are perceived to be important factors for new products adoption (Gatignon and Robertson, 1985; Meuter et al., 2005; Rogers, 2003; Tornatzky and Klein 1982). This subfield investigates adoption at the individual level.

A lot of research has been devoted to finding consumer characteristics that are likely to adopt new product. Those are divided into socio-demographics and psychographics. From the multitude of research regarding the socio-demographic characteristics adoption (Gatignon and Robertson, 1985; Rogers, 2003; Tornatzky and Klein 1982), many studies focus on consumers age, income, level of education, household size, family life cycle and gender. Concerning psychographic characteristics can be included innovativeness, opinion leadership, media predisposition, involvement, price consciousness, brand familiarity (Munteanu, Florea and Pagalea, 2014), self-confidence, and dogmatism.

New product characteristics refer to the attributes that consumers use to assess a new product. In the scientific literature, these characteristics are the consumers perception of the relative advantage, complexity, compatibility, triability, observability (Rogers, 2003), and risk (Florea and Munteanu, 2012; Hoeffler, 2003; Ostlund, 1974) of the new product.

Regarding these two aspects related to consumer innovativeness, Art, Frambach and Bijmolt (2011) conducted a recent research in which they developed expectations on the influence of new product characteristics across the intention and behaviour stages of the adoption process. This study reveals that consumers show higher level of adoption intention for new products that are more complex, better match their need and involve lower risk. However, consumers are found to actually adopt innovations with less complexity and higher relative advantages.
2.2 Growth of new products

Growth is one of the most compelling goals of managers nowadays. For most firms, the launching of new products is the main driver of growth. Consumer predilection to adopt new products critically determines the subsequent growth of new products. The new product diffusion literature concentrates on adoption at the market level. With respect to this issue, a number of models starting with the Bass model are displayed in the scientific literature. The Bass model expresses the adoption of a new product as a function of spontaneous innovation of consumers, using three parameters: innovation rate, the imitation rate, and the market potential. These parameters are discussed in previous research: Jiang et al., (2006); Boswijk and Franses (2005); Van den Bulte and Stremersch (2004); Venkatesan et al., (2004); Lilien et al., 2000; Sultan et al., (1990); and Van den Bulte and Lilien (1997).

On one hand, the Bass model shows some advantages such as simplicity, good matching data, allowing intuitive interpretations related to the three parameters and has better performance than any other complicated models. On the other hand, it has some disadvantages: first model did not cover explicative marketing mix variables and when this occurred, these variables complicated specification and estimation; the parameters of the model are very sensitive to the introduction of new data points; first estimation by multiple regression changed from multicollinearity; the value of the model is primarily descriptive or retrospective, rather than predictive (Hauser, Tellis and Griffin, 2006).

The literature has attempted to extend the Bass framework to reflect the increasing complexity of new product growth.

Table 2 provide an overview of the main changes in research focus over the past two decades (Peres, Muller and Mahajan, 2010).

<table>
<thead>
<tr>
<th>Previous focus</th>
<th>Complemented with current focus</th>
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<tbody>
<tr>
<td>Word of mouth as driver</td>
<td>Consumer interdependencies as drivers</td>
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<tr>
<td>Monotonically increasing penetration curve</td>
<td>Turning points and irregularities in the penetration curve</td>
</tr>
<tr>
<td>Temporal</td>
<td>Spatial</td>
</tr>
<tr>
<td>Industry-level analysis</td>
<td>Brand-level analysis</td>
</tr>
<tr>
<td>Aggregate or segment-based models</td>
<td>Individual-level models</td>
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<tr>
<td>Fully connected networks</td>
<td>Partially connected and small-word networks</td>
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<td>Products</td>
<td>Services</td>
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<td>Forecasting</td>
<td>Managerial diagnostics</td>
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Source: Peres, Muller and Mahajan, 2010

2.3 Network externalities

Consumer adoption of new product can be affected also by network externalities. Network externalities exist when the utility of a product to a consumer increases as more consumers adopt the new product (Rohlfs, 2001). This concept has been applied in the literature of standards, where a primary concern is the choice of a correct standard (Farrell and Saloner, 1985; Katz and Shapiro, 1985; Besen and Farrell, 1994; Liebowitz and Margolis, 1996) and also played a role in literature of path dependence (Arthur, 1989, 1990; David, 1985; Liebowitz and Margolis, 1990, 1995).

Network externalities can be direct or indirect. If utility is directly affected by the number of other users of the same product we are dealing with direct network externalities – e.g. fax, phone, email. Network externalities can be indirect when the utility increases with the number of users of another, complementary product.


There is a classification according to the impact of network externalities on growth rate (Peres, Muller and Mahajan, 2010):
• global externalities, a consumer takes into account an entire social system when evaluating the utility of a product in terms of the number of adopters;
• local externalities, a consumer considers adoption in relation to his close social network. Research is gradually moving from considering only global externalities towards exploring local externalities (Binken and Stremersch, 2009).

3 Organizations and new products launch

While until now the framework in that develops the relationship between consumer and new products was shaped, this part aim to the new products launch from the perspective of firms. There are many studies that target the characteristics of organizations that increase new products launch capability (Burn and Stalker, 1961; Damanpour, 1991; Ettlie et al., 1984; Hage, 1980).

In this section, it will be presented all these features, which succeeded to bring together the factors that influence the ability of firms to launch new product: organizational resources, demographics, structure and environment.

3.1. Organizational resources

It is expected that organizational resources will be drivers of new products. An organization past innovation has the strongest relationship with new product. Communication promotes environmental scanning and collecting of market relevant information, which promotes new ideas within an organization (Lukas and Ferrell, 2000). Communication feed-back facilitates the spreading of information throughout the organization, thereby, the organization increases information exchange as well as the diversity of ideas generated within an organization (Utterback, 1971). Past research has presented that communication is very important in both new product creation and implementation (Becker and Whisler, 1967). Companies that have diversified product offers must share their research and development resources between different product lines. This lack of resources can have a negative impact on new product (Boeker, 1997; Hoskisson et al., 2002). The positive side of the issue is that companies offer many different product lines, thus diversification creates a considerable knowledge base within the organization. Network is a resource that delivers to organizations the access to knowledge and information about present trends in the environment. The companies with a culture open to new have a good attitude towards change. The managerial support is also a driver that influences positive the growth of resources for new product launch (Chandy and Tellis, 1998).

Resources offer to organizations the flexibility to follow new product introduction (Meyer, 1982), provide the necessary inputs, reduce barriers and risks, enable an company to absorb the cost and the possibility of failure (Rosner, 1968). Bolton (1993) and Boeker (1997) concluded that too many resources can be an indication of bad management, which may affect new product launch. Team communication increases the diversity of ideas and the knowledge base of the team.

3.2 Organizational demographics

Organizational demographics influence the level of innovation within organizations (Moch and Morse, 1977). Past research has found support for a positive relationship between age and innovation (Chandy and Tellis, 2000). On one hand, Kimberly and Evanisko (1981) said that older organizations have a well-defined resource base and have demonstrated high potential for survival and flexibility to follow innovation. On the other hand, Rao and Drazin (2002) have found that older organizations are more rigid and less opened to change. There are also opinions that younger firms are less willing to do changes that might disturb their resources of managing business. Big organizations have more resources to base on than smaller organizations (Baldrige and
The size of a firm can result in a better level of diversity and greater number of innovative ideas. The higher complexity level can lead to difficulties in processing information. People with higher education tend to be more open minded about organizational change. Education level is also thought to aid in the understanding and interpretation of diverse information, that in turn enables new products launch. Managers are involved in firms for increase their activities and to serve as a mean for collecting information. Manager professionalism accounts for 40% of the innovation variance (Damanpour, 1991).

3.3 Organizational structure

Wolfe (1994) has argued that organizational structure is the main driver of innovation. Organizational structure offers the framework that is necessary for the process of innovation to take place (Russell, 1990). A clan culture focus on teamwork, employee participation and cohesiveness. The members are open to change and provide an environment that encourages innovation (Sivadas and Dwyer, 2000). Complexity increases the awareness of a company concerning the need for change, enhances the spread of different ideas, and encourages debate among organizational members. Formalization inhibits innovation through the standardized employee behavior (Robbins, 1990). Also, the formalization limits organizational flexibility and diminishes the employees creativity, all these because it follows rules and procedures within the firm. Specialization offers a concentrated base of knowledge, required to generate ideas inside the organization.

3.4 Environmental factors

Environmental factors determine organizations to continuously adapt to changes that occur (Meyer and Goes, 1988; Nohria and Gulati, 1996). Uncertainty is the key word when it comes to the turbulent environment. To defend of this uncertainty many companies will create a protective shield through the launch of new products. Organizations must seek information and opportunities which exploit by means of innovation. It is well known that competition is a factor of innovation that can help organizations to gather new ideas (Utterback, 1974; Kimberly and Evanisko, 1981). A competitive environment forces managers to look for better alternatives to current methods, understanding that bringing to market new products is a condition for survival. A study by Fennell (1984) reveals that firms are under pressure to conform to union demands and to act in accordance with pre-specified procedures, rather than new processes. Urban environment provides organizations with increased diversity, larger base of resources, and accessibility to information that allow innovation.

4 Launch strategies and new product

The purpose of this section is to provide thorough understanding of launch strategies. The type of launch strategy employed is one of the key determinants of new product success. Shorter product life cycle, faster rates of technological change, and increasing sophistication of buyers strengthens the relevance of new product success for the survival and commercial well-being of companies. Over the years, new product launch strategies have been researched in many ways: • Ansoff and Steward (1967) propose a typology of strategies focused on the entry timing of a technological firm into an emerging industry; • Miles and Snow (1978) suggest four strategies based on the rate at which a company changes its products or markets in response to its environment; • Cooper (1985) identifies strategies regarding to the factors that help to new product success;

Recently, some empirical analyses have dealt with strategic product launch problems. Most of them analyze consensus about the managerial decisions (Di Benedetto, 1999; Hultink and Robben, 1999), or product-line extension (Desai, 2001; Draganska and Jain, 2005; Hausman and Leonard, 2002). Hitsch (2006) sets up an empirical model to study the optimal product launch and exit under demand uncertainty.

In the following the new product launch is seen as the combination of strategic and tactical decisions and actions (Di Benedetto, 1999) that outline the context in which the new product will be launched and the operational approach to be followed.

### 4.1 Strategic launch decisions

Strategic launch decisions represent the borders that give form to the program (Biggadike, 1979; Crawford, 1984). Even if they are long established before launching a new product, these choices represent a part of the launch strategy, because constitutes the strategic framework in which the new product will be launched. What should be noted is that they are difficult or expensive to change later in the new product development process (Biggadike, 1979; Crawford, 1984; Hultink et al., 1997). Hultink et al. (1997) submitted four types of strategic decisions for launch and the variables related to each category.

#### 4.1.1 Firm strategy

How one company chooses to function in its markets has a big impact on the decisions made during the launch phase. It was shown that the reputation and image of a company can affect the launch phase (John and Snelson, 1988). The second factor that may influence the launch of new products refers to the degree to which an organization seeks lower costs, technological leadership and imitation. The mechanism of new products launch is also influenced by the technology and market drivers. The most important aspect in connection with the firm strategy is to understand that the firm position represents a large influence on the actions taken with the launch of new products.

#### 4.1.2 Market strategy

Variables which will be taken into account within this category are: market maturity, segmentation and timing. Some researchers have said that a growing market can offer higher sales than a static market (Kohli and Jaworski, 1990; Narver and Slater, 1990). The correlation between growth and success is not always very accurate, for example in the case of a new market, although firms often face an increasing degree of uncertainty while growing (Moriarty and Kosnik, 1989). Faster acceptance or a large growth in demand for a new product lead to other disadvantages such as: the stimulation of product shortage, a high level of competitiveness, disorder in launch strategies. The decisions on market segmentation must be taken from an early stage of the new products development process. Cooper (1984) considered that strategies that focus on markets with high growth potential, along with those who avoid the markets with strong competition, achieved the greatest success. What constitutes the basis of this strategy is the fundamental decision: trying to sell a new product to everyone or targeting a certain group of customers who have a predilection for new product characteristics.
The classification of total market enables firms to position the new product so as to obtain maximum gain. The task of those responsible for launching new products is to describe the market as well as possible, in this way potential buyers to be classified correctly in groups that respond differently to launch strategy.

Companies that plan to introduce a new product must decide when entering the market. Being the first to market can bring significant gains, but it is risky and expensive. Entering later only makes sense if the company can come up with superior technology, better quality and a strong brand. Accelerating innovation is essential in this era in which the products life cycle becomes shorter.

Several studies have shown that pioneers have long lived market share advantages, and they often become market leaders (Golder and Tellis, 1993; Green et al., 1995; Lieberman and Montgomery, 1998; Robinson and Fornell, 1985; Urban et al., 1986).

Robinson and Fornell (1985) studied a wide range of companies from consumer goods and industrial area and found that market pioneers usually have a substantially higher market share than early follower and late entrant. Another advantage was found in the study conducted by Urban et al. (1986), which claims that the second firm entered the market with the product initiated by the pioneer obtained a share of only 71% of the first entrant.

Pioneering advantage derives from several sources. One source are product-based advantages, referring to: large volume supply of the product (Bain, 1956), economies of scale, superior cost positions (Lily and Krishnan, 1996; Robinson and Fornell, 1985; Urban et al., 1986), building barriers to entry against later entrants (Bain, 1956), technology leadership (Gilbert and Newbery, 1982; Lieberman and Montgomery, 1988), preemption of scarce assets (Lieberman and Montgomery, 1988; Prescott and Visscher, 1977; Spence, 1977). A second source of advantage for market pioneers are consumer-based advantages. It is about the advantages that come from how consumers choose products first and then buy back (Golder and Tellis, 1993).

It does not mean that first mover advantage is unavoidable. Schnaars (1994) studies 28 sectors in which imitators have surpassed the innovators and discovered series of pioneer’s weaknesses, including: unfinished products, incorrect positioning, an insufficiently strong demand, excessive development costs, lack of resources, managerial incompetence.

Golder and Tellis (2001) have identified the following five factors as elements showing a leader in the long term: a vision of a mass market, persistence, ceaseless innovation, financial commitment, superiority assets.

4.1.3 Product strategy

The essential variables of product strategy that influence new product performance are innovativeness or novelty and product advantage.

The higher the degree of novelty, the lower is the threat from competitors, but the lower the degree of novelty, the greater the need for action on the other elements of the marketing mix. One disadvantage of highly innovative products is the consumer resistance to change but it does not pose a threat for companies that anticipate the risk and build in time a request, so that consumers know of the existence of the product and feel confident. In the case of products with a low level of innovation, firms have the opportunity to address to a niche (the case of companies with a limited budget) or to apply a strategy of penetration (for large and endowed companies).

Product advantages refer to all tangible and intangible benefits offered to customers, and in addition the superior and unique characteristics that the product possess compared to the competition (Cooper, 1979; Cooper and Kleinschmidt, 1987; Li and Calantone, 1998). Product advantage is founded on several variables: reputation (Gatignon and Robertson, 1986), quality (Li and Calantone, 1998), perceived value of product (Green et al., 1995) and technological novelty (Beard and
Easingwood, 1996; Cooper and Brentani, 1991; Hultink et al., 1997). Also, product advantage is positively associated with: the increased rate of adoption in launch stage (Rogers, 2003), consumer purchase intention for durable goods (Holak and Lehmann, 1990), product market performance (Li and Calantone, 1998).

4.1.4 Competitive strategy

Are two issues that will be highlighted in the following regarding competition: the competitive intensity and the competitors reaction to the new products launch. One determinant of a high level of competitive intensity within a sector is the high number of competitors, and the more limited the market available, the more intensely those companies to compete. This happens when markets are saturated, and companies must fight for consumers from that market (Porter, 1980). There are many studies that have attempted to explain competitive response directly by the observable characteristics of the competitive event (Robinson, 1988). Several studies suggest that new products are more likely to fail, if they are introduced into highly competitive market (Zirger and Maidique, 1990; Parry and Song, 1994), but other present negative correlations (Carpeter and Nakamoto, 1989; Cooper and Kleinschmidt, 1993; Song and Parry, 1997). Heil and Walters (1993) were concerned about the factors that determine the extent of competitive response to new products launch, but the impact of competitive reaction on new products performance has been less approached. Debruyne et al. (2002) state that two thirds of new product launches faced with competitive reaction, mostly when the product is addressed to a niches or it is really new.

4.2 Tactical launch decisions

Tactical launch decisions are the marketing mix decisions regarding the new product introduction: product, price, distribution and promotion. These choices are made late in the process and their implementation is carried out after the development and test of new product is complete.

4.2.1 Product decisions

This part on product decisions will focus on three aspects, such as: positioning, branding and product assortment. Positioning refers to how the product will be perceived by potential consumers (Cooper, 2001). There are two options in positioning decisions: product positioning using its attributes (characteristics, functions and advantages) and product positioning using temporary factors. It must specified the notion of product positioning as a factor within the product launch has received very little attention in previous studies, nor have they considered the link between positioning and product advantages which according to Hart and Tzokas (2000) clearly is related to new product launch success. As a convention, the probability that a product will be successful is low in the case of a confused positioning.

Firms have three options when branding new product: to launch the product under an existing brand, to develop a new brand or sub-branding that it is a combination between the first and the second alternative. Besides the function of product identification, branding represents a powerful instrument of positioning. Thus, when it is about product identification, the combination of letters and models may be sufficient. When it is considered the product positioning in relation to other products of the company, the brand name can be used to communicate this link (Hultink et al., 2000). The breadth of the product line consists of all the product lines that the company has to offer to its customers. The number of versions of a product will depend whether the new product is an addition to an existing line of products or a completely new line of products (Hart and Tzokas, 2010). Relating to this aspect, two issues are encountered: cannibalization and synergy. A synergy effect is created when launching a wide range of products - advertising
expenses, and distribution are expected to generate synergy, but if the range is large there is also the possibility of cannibalizing.

4.2.2 Pricing decisions

The price of the new product at the moment of launch is an important element (Hutlink and Hart, 1998). Price may express: competitive positioning, an indicator of product quality, a key factor in product performance along with sales volume. If the company is planning to launch a new product, there are two different price strategies to consider when launching a new product, the choice between skimming and penetration (Hart and Tzokas, 2000).

Penetration pricing requires extensive planning (Gitman and McDaniel, 2008) and occurs when a company launches a product with a low price in order to ensure a high market share. For penetration strategy, the company must rely on mass production and on a large advertising campaign. For small businesses this strategy might be difficult, because those activities are expensive. Also, when consumer demand no longer exist, the company still has large stocks of products.

Skimming pricing is a strategy adopted by the companies that set initially a high price for early adopters and then reduce the price to attract other consumers (Kotler, 2006). This strategy can create a high-quality image around the product, the price can be decreased easily, and acquisition by late adopters at the low price of the product can create goodwill for the company. Results from empirical studies indicate that skimming pricing has a positive impact on new product performance (Beard and Easingwood, 1996; Hultink and Schoormans, 1995; Yoon and Lilien, 1985). Contrarily, according to Hart and Tzokas (2000), the shortened product life cycle and reduced time from first movers to arrival of competitors has caused a rethink in pricing strategy. A study conducted by Calantone and Di Benedetto (2007) present that the actual effect of pricing is much more complex, and that one must consider not only price level, but also the timing of the launch, the logistics and inventory strategy, the extent of market research, testing and planning.

4.2.3 Distribution decisions

Distribution is essential to the acceptance and sale the new products as it helps to make available the new products for consumers (Hart and Tzokas, 2000). Selected distribution channels must correspond to the buying behavior of target market and allow a larger availability to target market. In addition, it should be considered the storage amongst distributors and objectives that were set on the amount of shelf and space for the new product in store. Product positioning can be strengthened with the help of distribution channels, so if the product is addressed to mass market, it will get a wide distribution, while the exclusive distribution will be suitable for products that address to a market niche. Another element that could influence the product positioning is the high quality of selected distributors, whose role in providing new products to consumers is essential. It is also essential for the company to establish a mutually beneficial relationship with distributors, which represents the connection between product and market.

There is very little evidence in the new product literature which examines the role of distribution decisions on product launch. Hultink et al. (2000) state that successful new product launches invested substantially in distribution.

4.2.4 Promotion decisions

A firm can have great product selling at a fair price but without an effective promotion strategy the battle is lost (Cooper, 2001). Further, Soni and Cohen (2004) underline the importance of having a good communication plan before the product is launched. Communicating the new product out the market comprises several related activities such as: PR, advertising, sales promotion and personal
selling. Hart and Tzokas (2000) state that where a low level of awareness of the product exists in the market, the use of a pull rather than a push strategy for advertising and promotion is advisable. Cooper (2001) highlights the importance of having clear communication objectives since the marketing communications can be used for several things. According to Hultink et al. (2000), the total amount of money spent on promotion has "shown to impact the performance of new product introduction". Debruyne et al. (2002) state that a new product with a big promotion, face more competition.

5 Conclusions

Launching new products is a common strategy for many companies to maintain core competence and market share. Understanding whether and why consumers adopt a new product is an important insight for managers involved in product launch. Consequently, were identified three issues that have been well researched and are promising for future directions: consumer innovativeness, growth of new products and network externalities.

Organization management has several essential decisions to make related to the launch of new products. To be more successful the management has to control a good mix of resources. Therefore, have been presented all these features, which succeeded to bring together the factors that influence the ability of firms to launch new product: organizational resources, demographics, structure and environment.

The type of launch strategy employed is one of the key determinants of new product success. Shorter product life cycle, faster rates of technological change, and increasing sophistication of buyers strengthens the relevance of new product success for the survival and commercial well-being of companies.

To conclude, the new product launch has been seen as the combination of strategic and tactical decisions and actions (Di Benedetto, 1999) that outline the context in which the new product will be launched and the operational approach to be followed.

6 Future research directions

After establishing that in innovativeness literature the adopters and the new product characteristics are perceived to be important factors, the key challenge is the need for a consensus related to the measurement of innovativeness. Roehrich (2004) try to classify the numerous scales in two categories: one that describe scale that focus on the propensity to innovate at a general behavioural level and another that focus specifically on the adoption of new products. In spite large research, an advance in this direction has been impeded by a lack of consensus on the most appropriate scale for measuring innovativeness. Thus, it is recommended to develop a unique scale that should comprise the strong points of existing scales and avoid their weaknesses.

The growth of new product brings an issue, according to traditional approaches, the new generation replaces the older generation, but there are cases in which old and new generation coexist. The existing models (Norton and Bass, 1987; Mahajan and Muller, 1996) not allow an adequate treatment of the coexistence of multiple products generations. Therefore it is necessary to realize a comprehensive model to understand consumer behaviour on replacement technologies. Essential directions for future research related to network externalities include understanding the role of network externalities in: the product development process, managing the marketing mix, leading to competitive advantages, developing strategies of entry.

The type of new product also significantly impacts observed relationships regarding the factors that influence the ability of firms to launch new product. The results from several studies suggest that the new product types must be examined in isolation, for gain a complete understanding of their nature. New products have different relationships with the same set of
predictors and consequences. For future research studies, it is necessary that these relationships to be taken into account. Also, studies that generalize across industries or sectors are likely to lead to incorrect conclusions.

Launch strategies have been analyzed carefully in specialized literature. Therefore, the field is sufficiently mature to summarize it. There are a lot of opportunities that aims generalizations of firm behaviour.

Some of the most important research directions with respect to launch strategies for entry are:

- Clarification of firm positioning - strong vs. week market, incumbents vs. entrant, low vs. high technology – for a successful launch.
- Valuing the message and understanding its importance - preannouncement, positioning, framing – on new product launch strategy.
- Conducting research to reveal what technologies and strategies must use the company when enter on a new market.
- Researching the impact that the innovation degree of a product – incremental, radical innovation – it has on the successful launch.
- Understanding the influence of product portfolio – line, brand extensions – on new product entry.
- Clarification whether companies must use a rapid or a sequential entry strategy.

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