

Special Session 5.5 Persistence of Market Knowledge Advantage in Product Innovation

Session Chair:

Kwaku Atuahene-Gima

Information Search Strategies, Market Knowledge Dimensions, and New Product Performance: A Contingency Model and Empirical Test

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Gabriele Troilo, Bocconi University

Luigi M. De Luca, Bocconi University

Source of Market Knowledge, Internal Coordination, and New Product Innovation

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Kevin Zheng Zhou, University of Hong Kong

Marketing Managers' Dissatisfaction with the Firm's Innovation Strategy

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Competency Traps, Willingness to Cannibalize and New Product Creativity

Yinghong Wei, Oklahoma State University

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Strategic Decision Making Process and Meaningful Marketing Strategy in New Product Development: The Role of Time-Sensitivity and Analyzability of Market Information

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Roger Calantone, Michigan State University

Serdar Durmusoglu, Michigan State University

Session Summary Writer:

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How does market knowledge of a firm affect its ability to innovate and create new products? What are the antecedents, mediators and moderators of this relationship? Several interesting papers examine this engaging issue from disparate vantage points in this session.

In a paper linking the information, search strategy of the firm to its market knowledge and consequent new product development performance authors (Kwaku Atuahene-Gima et al) argue that the breadth and depth dimensions of market knowledge are differentially obtained by the information strategy pursued by the firm. They examine the moderating influence of cross-functional collaboration and technological knowledge of the firm on this relationship. They find that proximal search is a stronger antecedent of both depth and breadth of market knowledge while distal search leads to market knowledge breadth but not to market knowledge depth.

Interesting moderating effects include findings that the effect of market knowledge depth on performance is stronger under low levels of technological knowledge breadth (technology over-extension effect) and that of market knowledge breadth on performance is stronger under low and medium levels of technological knowledge depth (market over-exposure effect).

Another paper examined the moderating role of the organizational learning styles in taking the firm from inertia to product creativity. Authors tease apart different types of organizational inertia, viz. vision inertia or the inability to see weaknesses in the NPD processes, technology inertia or the persistence with a procedure inertia or persistence with standard NPD processes and find differential effects on willingness to cannibalize existing products. They find that that technology uncertainty and organization learning styles, exploitative or exploratory, moderate these effects in interesting ways.

A third paper sets a different vantage point and examines if the marketer's dissatisfaction is a potential mechanism for balancing exploitation and exploration of market knowledge in a firm. Author (Kwaku Atuahene-Gima) argues that dissatisfaction with exploration leads to knowledge acquisition in the neighborhood of current market and technological boundaries i.e., a responsive market knowledge acquisition. In contrast, dissatisfaction with exploitation leads to knowledge acquisition distant from the current market and technological boundaries i.e., a proactive market knowledge acquisition. Author also posits interesting moderating effects based on individual characteristics of the marketer such as his meta-functional competence and organizational features such as strategic rigidity.

A fourth paper explores the role of time-sensitivity and analyzability of market information and authors find that timely analysis is the essence of applicability of market knowledge for product development.

Overall, the session contributes several interesting and newer vantage points and extends the perspectives on persistence of marketing knowledge advantage in product innovation.