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Launch Decisions and New Product Success: An Empirical Comparison of Consumer and Industrial Products

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Many articles have investigated new product development success and failure. However, most of them have used the vantage point of characteristics of the product and development process in this research. In this article we extend this extensive stream of research, looking at factors affecting success; however, we look at the product in the context of the launch support program. We empirically answer the question of whether successful launch decisions differ for consumer and industrial products and identify how they differ. From data collected on over 1,000 product introductions, we first contrast consumer product launches with industrial product launches to identify key differences and similarities in launch decisions between market types. For consumer products, strategic launch decisions appear more defensive in nature, as they focus on defending current market positions. Industrial product strategic launch decisions seem more offensive, using technology and innovation to push the firm to operate outside their current realm of operations and move into new markets. The tactical marketing mix launch decisions (product, place, promotion and price) also differ markedly across the products launched for the two market types. Successful products were contrasted with failed products to identify those launch decisions that discriminate between both outcomes. Here the differences are more of degree rather than principle. Some launch decisions were associated with success for consumer and industrial products alike. Launch successes are more likely to be broader assortments of more innovative product improvements that are advertised with print advertising, independent of market. Other launch decisions uniquely related to success per product type, especially at the marketing mix level (pricing, distribution, and promotion in particular). The launch decisions most frequently made by firms are not well aligned with factors associated with higher success. Additionally, comparing the decisions associated with success to the recommendations for launches from the normative literature suggests that a number of conventional heuristics about how to launch products of each type will actually lead to failure rather than success. © *1999 Elsevier Science Inc.*

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Introduction

The risk inherent in developing a healthy stream of new products, together with the necessity to do so, drives research in new product success and failure [10,12,13,29,37,38,39]. This research has been the focus of recent reviews aimed at clarifying and distilling disparate research findings into a cohesive body of knowledge [20,33]. Underpinning the distillation of research findings is the need for companies to identify user needs, to develop a superior product to meet those needs, and to communicate those needs effectively through a proficient new product launch. To date, there have been few empirical studies of what constitutes a proficient new product launch [17].

What we can deduce as important to new product launch comes from studies primarily within specific industry contexts [2,10,13,22,30,37,46], with most of the empirical studies conducted in industrial organizations [32]. This tendency toward industry-specific research (for example, the chemical industry, high-technology industries, or fast-moving consumer goods) is necessary to take cognizance of those factors within certain industries that condition the nature of a new product launch. However, a true contingency-based understanding of a launch strategy requires a study designed specifically to investigate which launch decisions are effective for different industry categories. While textbooks on new product development (NPD) provide indications of the different launch decisions available in different contexts, there is a lack of empirical evidence to show the generalizability of successful launch decisions. Empirical studies fall into one of four categories: those not specifying the sectors to which their sample of companies belong [25], those encompassing a cross-section of industries [27,38], those whose evidence comes from industrial goods companies [8,9,11,29], and those whose data come from consumer goods companies [36,44]. Therefore, a parsimonious theory of launch decisions has not been generated. The present study aims to generate insights and knowledge on the generalizability versus contextual specificity of successful launch decisions by comparing industrial with consumer product launches.

The remainder of this article is split into three sections. First, we review the literature to elicit the details of what comprises a new product launch and to develop insights into the potential differences between successful and failed industrial and consumer new product launches. Second, we describe a three-country multi-industry investigation of new product launches involving case histories of 1,018 new product introductions. Finally, we present findings and discuss research and managerial implications.

BIOGRAPHICAL SKETCHES

Erik Jan Hultink is an Associate Professor of Marketing at the Faculty of Design, Engineering and Production of Delft University of Technology, where he received his Ph.D. He received his M.Sc. in economics from the University of Amsterdam. His research interests concentrate on launch strategies and new product development methods and measurement. He has published on these topics in journals such as the *International Journal of Research in Marketing*, the *Journal of Product Innovation Management*, and the *Journal of High Technology Management Research*.

Susan Hart is a Professor of Marketing at the University of Strathclyde. After working in industry in France and the U.K., she joined the University of Strathclyde as a researcher. She completed her Ph.D. on the subject of product management and has published widely on subjects such as the contribution of marketing to competitive success and product design and development in manufacturing industry. Current research interests are in the development of new products and innovation, the contribution of marketing to company success, loyalty marketing, and accounting for marketing performance. Henry Robben is a Professor of Marketing at Nyenrode University, The Netherlands, and Director, Center for Supply Chain Management of Nyenrode University. He received his B.Sc. in psychology and his M.Sc. in economic psychology from Tilburg University, and his Ph.D. from Erasmus University, both in The Netherlands. He has published on business management simulations, new product success and failure, marketing effects of scarcity, and on the field of the effectiveness of marketing communications in journals including the *International Journal of Research in Marketing* and the *Journal of Product Innovation Management*.

Abbie Griffin is a Professor of Business Administration at the University of Illinois at Urbana-Champaign. A chemical engineer by undergraduate training, she returned to academia after working in new product development for a number of years in industry. She received her Ph.D. from MIT. Her research investigates methods to measure and improve new product development. In addition, she is an avid quilter and swimmer.

Conceptual Framework and Literature Review

Launching a new product is a costly business, but one that has not been *systematically* investigated [7,45]. Although previous understanding of this topic has been summarized and discussed in texts on new product management [15], there remains a lack of empirical studies that investigate whether successful launch decisions are generic or are specific by market. There is little consistency on what decisions constitute a launch strategy, although recent syntheses of the liter-

ature have categorized launch decisions into two categories: strategic and tactical launch decisions [23,24].

Strategic launch decisions include the nature of the new product to be developed (product strategy), the nature of the market into which the new product will be launched (market strategy), the competitive position of the new product (competitive stance), and the firm's overall orientation toward NPD efforts (firm strategy). Strategic launch decisions form a subset of Crawford's [14,15] Product Innovation Charter, which reflects the strategy for the business. Strategic launch decisions are distinguished from the tactical launch decisions because they occur prior to launch and even prior to beginning development. Once made, they are difficult or expensive to change at the time of actual commercialization. They set the parameters within which the new product will compete: for example, as a technological innovation in the category, or as a cost-reduced version.

Tactical launch decisions central to the marketing aspects of the actual commercialization of the new product include the elements of the marketing mix: the level of marketing investments, the breadth of product versions launched, how and where to distribute and promote the new product, and its price. Because a majority of research from which we can derive normative guidelines for launching new products studied industrial markets [33], little empirical evidence is available regarding the launch decisions important to the success of new consumer products. However, even the most cursory glance at business-to-business textbooks and journals sheds light on the different commercial imperatives shaping the nature of business activities for these different markets [19,25]. From textbooks and normative NPD research, it is possible to surmise where successful new product launches might differ by market. We contrast the available evidence to explore the nature and extent of the differences between successful launch decisions in business and consumer markets.

Strategic Launch Decisions and Market Context

Product strategy. Business-to-business markets' tendencies toward greater numbers of expensive, technical, and complex items, together with more rational decision-making processes and multiple buying influences, intensify the need for a new product to deliver innovative or unique features to perform unique tasks. High levels of innovativeness and uniqueness have characterized successful new chemical products [2]. More recently, innovativeness and a clear product advantage have been shown to be central to new product performance [13].

The adjacent literature on the nature of consumer product marketing often claims that product innovativeness and uniqueness is short lived in consumer markets [32,34]. This does not automatically mean that these attributes are not desirable. Indeed, the success of the Sony Walkman in particular and Japanese consumer electronics in general is reputed to rest on technological and design innovations that deliver unique advantages to the consumer [34]. Procter and Gamble is well recognized for its commitment to investing in product innovation, registering an average of 145 patents per year between 1987 and 1991 [6]. On the other hand, the recent failures of Persil Power in the U.K. and OMO Power in The Netherlands are largely ascribed to their failure to deliver any benefits.[1]

Market strategy. Concentrated markets, long-term relationships, relatively few buyers, and reciprocal relationships in business-to-business contexts all point toward a launch strategy focusing on careful targeting and a customized approach. Cooper and Kleinschmidt's [12] study of 252 industrial new products showed that financial success was higher when the new product was developed to a clear specification of a target market's needs. New chemical products incorporate individual customer specifications [2].

However, that segmentation is more straightforward in consumer than in business markets [21] may not hold universally, because it is often straightforward industry structures, based on product or customer type, that describe an industrial segment [16]. Simple segmentation is true of some consumer markets such as cars, where segments are typically identified by car and engine size, rather than by homogeneous needs or benefits sought. On the other hand, in the "yellow fat markets" in the U.S. and Europe, it is often the perceived benefits such as "spreadability" or "nonfattening" that have triggered the development of new "yellow fats" [31]. Targeting and positioning also are central to consumer goods marketing. Careful targeting, avoiding head-on clashes with competitors, and placing the new product into growth markets have been hallmarks of recent new consumer product successes such as Orange™ and Clearly Canadian.

[1]This product was redeveloped to contain an "accelerator" ingredient whose advantage was supposedly superior cleansing power. However, it was shown, over time, to destroy the fabric of washed clothes and subsequently was withdrawn.

Competitive stance. The competitive stance of new industrial products at the time of launch has been shown to influence success. Where markets are concentrated and buyers are few, intense competition for sales enhances the attractiveness of markets where demand is growing or where there are relatively few competitors. More successful industrial products are launched into high growth markets with high potential and relatively few competitors [11], and where the level of competition is low [46]. Many new consumer products are modifications and brand extensions, launched into mature markets where the number of competitors is already high [3,32].

Firm strategy. The final set of strategic launch decisions describe the firm's overall strategy towards NPD, including whether NPD drivers are technology or market based [18], whether NPD efforts pursue innovation, imitation, or cost reduction [28], and what the objectives are for the development project. Extant research into industrial markets suggests that technology-driven innovativeness creates the product superiority that drives the user value central to success [46]. Such intentions are supported by objectives that emphasize the centrality of new technology and emerging markets [37].

New consumer products are more likely (but not exclusively) to be launched into maturing markets where competitive rivalry is based on a number of dimensions, rather than predominantly focusing on technology. So, for example, the objective of launching a new product in consumer markets may be less likely to be purely focused on competing for a new technological solution to a consumer problem. A panoply of consumer competitive strategies, typified by objectives for new products such as increasing market penetration, constructing barriers to entry, increasing profitability through reducing costs, and maintaining and enhancing the company's reputation, are more likely to drive consumer market NPD.

Summary of strategic launch expectations. Theory is far from conclusive in describing differences in the strategic launch decisions required for success in business-to-business or consumer markets. Much extant knowledge is derived from studies in industrial markets, but the inclusion of strategic variables is often eclectic. Anecdote and deduction from the wider body of marketing theory suggest that differences of degree, rather than principle, exist between the strategic launch decisions for consumer and industrial products that are required for success. These expected differences, based on the literature reviewed earlier, are summarized in Table 1.

Table 1. Expected Differences in Launch Decisions Between Consumer and Industrial New Products

Introduction Variable	Consumer New Products	Industrial New Products
Strategic Variables		
Product strategy	Less innovative	More innovative
	More likely to achieve short time-to-market	Less likely to achieve short time-to-market
	More likely to be modifications	More likely to be completely new to the world
Market strategy	Likely to be introduced into the mature stage of the product life cycle	Likely to be introduced in the introductory stage of the product life cycle
	Likely to be introduced into mature markets	Likely to be launched into fast-growing markets
	Likely to be targeted at several segments	Likely to be targeted at a niche
Competitive stance	More likely to represent incremental improvements	More likely to represent performance improvements
	Launched into markets with many competitors	Launched into markets with few competitors
	More NPD objectives are competitor and market focused	More NPD objectives are technology focused
Firm strategy	Mainly market driven	Mainly technology driven
	Aim for technological parity with competitors	Aim for technological innovation
Tactical Variables		
Product tactics	More brand extensions	Greater use of company name
	Broader assortment than competitors	Broader assortment than competitors
Distribution tactics	Current channels	New channels
	Expenditure parity with competitors	Distribution expenditure less than competitors
Pricing tactics	Pricing parity with competitors	Higher prices than competitors
	Penetration pricing	Skimming pricing
Promotion tactics	More expenditure than competitors	Expenditure parity with competitors
	More mass advertising	More customized promotion (personal selling, direct marketing, public relations)

Tactical Launch Decisions and Market Context

A handful of studies provide insight into tactical launch decisions, decisions that are largely described by the components of the marketing mix, for new product practices.

Product tactics. Product decisions at the time of launch relate to the branding policy and the breadth of product versions introduced. Branding is typically thought to be a tool more important in consumer marketing, although recent contributions have shown that branding also has an important role in industrial product marketing [40,42]. The well-known examples of industrial brands, such as Caterpillar, Cummins, or DeWalt, suggest that branding is as important in industrial markets as in consumer markets. However, there is a question pertaining to the nature of branding in industrial goods companies, where well-known "brands" may be more likely to be synonymous with company names (e.g., ICI, IBM, Intel) and a family branding strategy across product lines. Individual brand names may be more usual in consumer firms.

Product line breadth is the number of models or variations in the new product. Aggressive entrants offering broader product assortments performed better in terms of market share in the first 2 years after market entry and better on return on investment in the second 2 years [5]. Pioneering firms offering a broader product line achieved higher market shares and long-term profit advantages over their rivals [26]. While there is little evidence to suggest whether the breadth of the new product introduction is similar across consumer and industrial goods' companies, brand extensions (launched after the initial line is commercialized) are the backbone of consumer company product development [3,32].

Distribution tactics. Distribution channels must provide maximum availability and fit the target market's buying behavior. In fast-moving consumer goods (FMCG) industries, retailers typically account for between 60% and 75% of all grocery purchases; therefore, the distribution channels are both static and concentrated. Seeking new channels in FMCG industries may be less useful, whereas new industrial products may have a greater number of potential options for distribution in order to encourage product diffusion throughout the market. In turn, this suggests that industrial product developers may have to invest more in distribution to train distributors in such a way as to enhance end-user trial rates and adoption.

Promotion tactics. Much criticism leveled at industrial goods companies' new product launches has to do with a perceived weakness in promotion [2,22,27] compared to consumer launches. Industrial new product promotion usually receives poor attention and low expenditures [2,41], while consumer product launches deluge people with mass advertising messages delivered through multiple channels. Research suggests that attention to the promotion effort separates good industrial product launches from poorer ones [13]. Beard and Easingwood [4] show that high-technology products may profitably use one of a number of different promotional "attacks," depending on the structure of the market into which the new product is being launched. For example, public relations features prominently, as do direct marketing techniques such as using opinion leaders, setting up reference sites, and promoting the new product to a specific customer. They also show that adequate promotion investment is vital. These studies suggest that industrial new product promotional tactics will focus on direct forms of communication: sales force, direct marketing, and public relations, while consumer promotion tactics use mass advertising channels.

Pricing tactics. The price of a new product at the time of launch is an integral element in its appeal (or lack thereof). The price reflects its competitive positioning and, for consumers, may be an indicator of product quality, innovativeness, and benefits. The new product pricing decision involves the launch price and the choice between skimming and penetration. Until recently, an initial high price was deemed appropriate for products with a clear, unique advantage (as with highly innovative products), to allow for greater recovery of development costs. However, when a new product's diffusion into the market is considered likely to follow the typical diffusion curve, there is an argument for employing penetration pricing to hinder competitive product launches [8]. In addition, the skim or penetrate decision also depends on the scale of entry. Where entry scale is small, skimming is advised; where it is large, penetration is preferred [1]. Therefore, given the tendency in consumer goods companies for development of improved, modified products aimed at several segments within a mass market, it might be expected that they more often deploy penetration, rather than skimming pricing.

Summary of tactical launch expectations. The likely differences between successful industrial and consumer tactical launch decisions are summarized in Table 1. While we expect differences between con-

sumer and industrial strategic launch decisions to be more of degree rather than principle, we expect, from the extant literature, that tactical (marketing mix) launch decisions will differ more markedly between market type.

Research Objectives

Given the gaps in the literature and in current knowledge, regarding which launch strategies are successful in consumer and industrial markets, we used a two-step investigation. The first step explored the nature and extent of the differences in *strategic* and *tactical launch decisions* between consumer and industrial products. If consumer and industrial products are launched with different launch decisions, one possible explanation may be that the decisions required for success differ by market type. Therefore, we also investigated the relationships between strategic and tactical launch decisions and new product success and failure for consumer and industrial products, separately. Thus, four specific questions are addressed by the research:

1. What differences, if any, exist in strategic launch decisions for consumer and industrial products?
2. What differences, if any, exist in tactical launch decisions for consumer and industrial products?
3. What comparisons can be drawn across the strategic launch decisions of successful consumer and industrial products?
4. What comparisons can be drawn across the tactical launch decisions of successful consumer and industrial products?

Method

Respondents and Industries

An identical procedure guided data collection in The Netherlands, U.K., and the U.S. Potential respondents were pre-screened by phone against participation criteria and to determine willingness to participate. This procedure has been found to increase mail questionnaire response rates considerably [47]. Potential respondents and their companies had to meet three criteria:

- The company had developed and introduced a new product in the past 5 years;
- The respondent was responsible for the launch of the new product; and
- The company had more than 25 employees.

The sample included five industrial areas: consumer durables, consumer packaged goods, construction and installation, transport and communication, and chemicals firms.

The Netherlands. The initial company sample was established by a CD-ROM search that identified 460 companies in the five industries. One hundred fifteen companies were excluded because they did not meet the criteria. A total of 345 managers (75%) agreed to participate and received the mail questionnaire. After 10 days, a reminder letter was sent to those who had not yet responded. A total of 155 usable questionnaires was received, for a response rate of 45%. The major nonresponse reasons were a company's confidentiality policy and contactee time pressure. The sample of Dutch managers represents 155 companies or business units with 143 (60%) successful and 96 (40%) unsuccessful new products, for a total of 239 products (38% consumer and 62% industrial). The average percentage of company sales and profits generated by products that were not on the market 5 years ago was 43% and 41%.

United Kingdom. Names, addresses, and phone numbers were obtained from McMillan's *Top 10,000 Manufacturing Companies in the UK*, Sell's *Directory of Manufacturing Companies*, and Dun & Bradstreet's *Key to British Enterprises*. From the 1,906 firms listed, 533 declined to participate due to confidentiality issues. Another 271 were unable to identify a successful or unsuccessful new product and were excluded. Of the remaining 1,102, 497 managers agreed to participate in the study and received the mail questionnaire. The number of usable questionnaires returned was 292. The respondents, representing 292 U.K. companies or business units, provided data on 491 product introductions (53% consumer and 47% industrial), of which 292 (59%) were designated by the respondent as "successful" and 199 (41%) as "unsuccessful." The percentages of companies' sales and profits generated by products that were not on the market 5 years ago were the highest among the three country samples (51% and 44%).

United States. Names, addresses, and phone numbers were obtained from the *Product Development & Management Association* (PDMA), the *Marketing Science Institute* (MSI), and the *Institute for the Study of Business Markets* (ISBM). From a total of 478 questionnaires sent to managers who met our criteria, and after a reminder postcard was sent to those who had

not responded yet, 175 usable questionnaires were received (37%). The 175 managers provided data on 288 new products (32% consumer, 68% industrial), of which 160 were "successful" (56%) and 128 were "unsuccessful" (44%). The percentages of sales and profits generated by new products were 43% and 42%, similar to those obtained in the Dutch sample.

Total sample. Table 2 presents the sample composition and summary statistics. The 617 firms or business units provided data on 1,018 new product introductions, of which 595 (58%) were designated as "successful" and 423 (42%) as "unsuccessful." Success rate did not differ statistically between consumer and industrial new products, either overall or by country (Table 3).

Data Collection Instrument

A mail survey instrument was used to collect launch decision data about new products that had been launched within the last 5 years. Respondents were instructed to choose and report on product launches for both a success and a failure for which they had been responsible. They provided data on 21 strategic decisions and objectives and 17 tactical launch decisions derived from previous studies in the new product launch literature. Categorical variables were used in obtaining descriptions of the launch decisions to avoid the possibility of systematic biases in attributions. The variables and their response categories are contained in Appendix 1. In addition, the survey collected background and demographic information on respondents and their firms.

The questionnaire was originally developed in Dutch for data collection in The Netherlands. Subsequently, four native speakers of Dutch and English translated and back-translated the questionnaire for data collection in the U.K. and U.S. to ensure that the research instrument was comparable across countries [35,43]. The surveys were pre-tested three times with academics and managers in each country for clarity and to ensure that the items represented the intended constructs. After modifying the survey to reflect suggestions and difficulties discovered in the first two pre-tests, interviews with the third set of respondents after they had completed the survey indicated that the meanings were clear and the survey could be completed without difficulty.

Table 2. Sample Composition and Summary Statistics

	Consumer Products	Industrial Products	Total
Number of Firms	257	360	617
Number of Product Introductions	442	576	1,018
Number of Successes	250	345	595
Number of Failures	192	231	423
Success Rate (% Success)[a]	57%	60%	58%
Percentage Sales by New Products[a]	48%	47%	47%
Percentage Profits by New Products[a]	44%	42%	43%

[a]Success Rate, Percentage Sales by New Products, and Percentage Profits by New Products did not differ significantly between both market types ($p < .05$).

Results

Differences in Strategic Launch Decisions for Consumer and Industrial Products

To answer the first research question for strategic launch decisions, we cross-tabulated the 10 strategic decisions and 11 strategic objectives by market type, consumer versus industrial. Cross-tabulation is the appropriate analytical technique because of the categorical nature of the variables. The differences in strategic launch decisions between the two market types are highlighted in Table 4. Fourteen of the 21 variables (2/3) showed a significant relationship between type of market served and strategic launch decision or objective (chi-square test, $p < .05$). Differences between consumer and industrial product launches exist within each of the four strategic decision dimensions: product, market, competitive stance, and firm strategy. While the literature had suggested that strategic launch choices would differ in degree, but not in principle, these results strongly suggest that strategic launch decisions actually implemented differ materially across consumer and industrial products.

The strategies for consumer products more often are constructed to launch market-driven incremental improvements to current products that extend an existing line or add a new line of products. Firms introduce these mass-market products into moderately growing markets shortly after their competitors, with similar innovativeness levels to competitors' products, to improve the company image in and capitalize on existing markets, putting up barriers for competition in doing so, and to use excess capacity by expanding existing product lines. The entire strategy seems focused on penetrating more deeply into current markets with an expanded product set to protect the firm's position.

Table 3. Product Success Status by Country and Market Type

Sample	Introductions	Successful	Unsuccessful	Test Statistic
Overall	1,018	595	423	χ^2 (1) = 1.15, p = .28
Consumer	442	57%	43%	
Industrial	576	60%	40%	
The Netherlands	239	143	96	χ^2 (1) = 0.15, p = .69
Consumer	91	58%	42%	
Industrial	148	61%	39%	
United Kingdom	491	292	199	χ^2 (1) = 1.49, p = .22
Consumer	260	57%	43%	
Industrial	231	62%	38%	
United States	288	160	128	χ^2 (1) = 0.16, p = .69
Consumer	91	54%	46%	
Industrial	197	56%	44%	

The strategies for industrial products more often commercialize technological innovations designed to deliver more innovative performance improvements to new, improved, or cost-reduced products. These joint market- and technology-driven products are targeted at fast-growing niches, using new technologies to secure a foothold in new markets. Starkly in contrast to the more defensive consumer launch strategy, this set of decisions uses technology and innovation to proactively develop competitively advantaged products that move the firm into new markets.

Whatever else differs, consumer and industrial products take equally long to develop and are launched into markets with similar numbers of competitors. New products face similar time and competitive constraints, even though the full set of strategic decisions differs across the two markets.

This evidence that consumer and industrial products have been commercialized in distinctive ways in terms of the strategic aspects of the launch leads us to expect differences in the strategic launch decisions required for successful launch in consumer and industrial markets.

Differences in Tactical Launch Decisions for Consumer and Industrial Products

The results of cross-tabulating seven tactical launch decisions and the reported use of 10 marketing communications instruments with market type are displayed in Table 5. There are marked differences in product, distribution, price, and promotion tactics between consumer and industrial product launches, as expected. All but four variables produce statistically significant differences across the market types (chi-square test, $p < .05$). Decisions within *each* element of the marketing mix differ between the two markets, strongly supporting the contention that tactical launch decisions differ across consumer and industrial products.

Makers of consumer products more often launch an assortment of brand extensions equal to the assortment widths of their competitors, distributing them through existing channels with similar levels of distribution spending as competitors, promoting them to both the trade and customers using print and broadcasting media. These tactics seem to support a strategy of extending penetration into the firm's current markets while matching competitive business practices.

In contrast, industrial products more often are launched as a broader assortment than those of competitors, branded with the company name or a generic name, introduced with skimming prices, distributed through new channels with lower relative distribution expenditures, and promoted through personal selling, direct marketing, and public relations efforts. These tactics are consistent with the industrial strategies for using technologically advantaged products to invade new markets.

Across market type, decisions with regard to each of the 4Ps differ materially, as do strategic launch decisions. Additionally, each set of tactical decisions is consistent with the strategic launch decisions within market type. Again, these findings suggest that successful tactical launch decisions required for success may differ across market types.[2] This suggests that

[2]We also checked whether each of the country samples displayed the same pattern of results as presented in Tables 4 and 5. For 27 of 38 variables or over 70% of the effects investigated, we found that the pattern of results holds in each of the three samples. Eight of the 11 differences are relatively simple, as one country at a time departed from the general across the full sample. The remaining three differences were more complex in that two countries differed from the general pattern. Overall, we conclude that the results are stable across the country samples.

Table 4. Differences in Strategic Launch Decisions for Consumer and Industrial Products

Introduction Variable	Test Statistic	Consumer Products Are	Industrial Products Are
Product Strategy Decisions			
Product Innovativeness	χ^2 (2) = 21.2[d]	**Equally Innovative**	**More Innovative**
Product Newness	χ^2 (5) = 36.8[d]	**More Often New Lines or Additions to Lines**	**More Often Completely New, Improvements, or Cost Reductions**
NPD Cycle Time	χ^2 (3) = 1.2		
Market Strategy Decisions			
Market Growth Rate	χ^2 (3) = 14.5[b]	**Introduced in Markets Growing 5%–10%**	**Introduced in Markets Growing >10%**
Targeting Strategy	χ^2 (2) = 12.7[b]	**Targeted at Mass Markets**	**Targeted at Niches**
Stage of the PLC	χ^2 (3) = 6.9		
Competitive Strategy Decisions			
Product Advantage	χ^2 (2) = 46.9[d]	**Incremental Improvements**	**Performance Improvements**
Number of Competitors	χ^2 (2) = 0.8		
Firm Strategy Decisions			
NPD Driver	χ^2 (3) = 13.1[b]	**Mainly Market Driven**	**Market and Technology Driven**
Innovation Strategy	χ^2 (2) = 10.4[b]	**Fast Imitations**	**Technological Innovations**
Firm Strategy Objectives			
Expand Product Line	χ^2 (1) = 11.2[c]	Introduced More Often with this Objective	
Existing Market	χ^2 (1) = 5.2[a]	Introduced More Often with this Objective	
Put Up Barriers	χ^2 (1) = 18.7[d]	Introduced More Often with this Objective	
Company Image	χ^2 (1) = 5.6[a]	Introduced More Often with this Objective	
Use Excess Capacity	χ^2 (1) = 20.3[d]	Introduced More Often with this Objective	
New Technology	χ^2 (1) = 26.1[d]		Introduced More Often with this Objective
Foothold in New Market	χ^2 (1) = 7.1[b]		Introduced More Often with this Objective
Lower Costs Possible	χ^2 (1) = 3.3		
Emerging Segment	χ^2 (1) = 0.4		
Increase Penetration	χ^2 (1) = 2.9		
Seasonal Cycle	χ^2 (1) = 2.6		

Note: Total N = 1,018; Consumer Products N = 442; Industrial Products N = 576. True N per test varies because of missing data.
Significance levels: [a]$p < .05$; [b]$p < .01$; [c]$p < .001$; [d]$p < .0001$.

firms introducing products simultaneously into consumer and industrial markets might need to construct separate launch campaigns.

Differences in Strategic Launch Decisions for Successful and Unsuccessful Products

Table 6 presents the cross-tabulations of significantly differentiating strategic launch variables by product outcome, successful versus unsuccessful, for consumer and industrial launches. Both product innovativeness and newness are associated with more success independent of market type, as are products introduced with the objectives of improving the firm's image for an existing market. The link between innovativeness, newness, and success for industrial products is not surprising, based on the strategies actually used. However, although the previous analysis indicated that consumer products firms were less likely to launch more innovative and new products, this analysis suggests that, when they do, they tend to be more successful.

Despite these similarities, other strategic launch decisions uniquely relate to success by market type. Specifically, successful consumer products more often are developed in short to moderate cycle times and introduced into moderately growing markets to utilize excess capacity and erect barriers to competition. These success factors are more in line with the more defensive decisions actually made.

Successful industrial products are more likely to be developed in shorter cycle times and introduced into markets with higher growth rates. Additionally, more successful industrial products are introduced in the maturity phase of the product life cycle and into markets where there are only a few competitors to increase market penetration through producing existing products at lower costs. These decision structures differ

Table 5. Differences in Tactical Launch Decisions for Consumer and Industrial Products

Introduction Variable	Test Statistic	Consumer Products Are	Industrial Products Are
Product Tactics			
Breadth of Product Assortment	χ^2 (2) = 8.6[a]	**Equally Broad Assortment**	**Broader Assortment than Competitors**
Branding Strategy	χ^2 (3) = 26.4[d]	**Introduced as a Brand Extension**	**Introduced with the Company Name or Generic/Unbranded**
Distribution Tactics			
Distribution Channels	χ^2 (2) = 10.2[b]	**Introduced using Existing Channels**	**Introduced Using New Channels**
Distribution Expenditures	χ^2 (2) = 8.4[a]	**With Similar Relative Expenditures**	**With Lower Relative Expenditures**
Pricing Tactics			
Pricing Strategy	χ^2 (2) = 7.7[a]		**Introduced Using Skimming Pricing**
Price Level	χ^2 (2) = 3.2		
Promotion Tactics			
Customer Promotion	χ^2 (1) = 168.4[d]	Introduced More Often With This Instrument	
Print Advertising	χ^2 (1) = 4.8[a]	Introduced More Often With This Instrument	
TV Advertising	χ^2 (1) = 111.3[d]	Introduced More Often With This Instrument	
Radio Advertising	χ^2 (1) = 35.1[d]	Introduced More Often With This Instrument	
Trade Promotion	χ^2 (1) = 11.7[c]	Introduced More Often With This Instrument	
Personal Selling	χ^2 (1) = 17.2[d]		Introduced More Often With This Instrument
Direct Marketing	χ^2 (1) = 28.4[d]		Introduced More Often With This Instrument
Public Relations	χ^2 (1) = 3.9[a]		Introduced More Often With This Instrument
Trade Shows	χ^2 (1) = 0.6		
Promotion Expenditures	χ^2 (2) = 1.5		
Salesforce Promotion	χ^2 (1) = 0.2		

Note: Total N = 1,018; Consumer Products N = 442; Industrial Products N = 576. True N per test varies because of missing data.
Significance levels: [a]$p < .05$; [b]$p < .01$; [c]$p < .001$; [d]$p < .0001$.

from what average industrial firms actually do. Whereas industrial firms are more likely to launch technologically innovative products that move the firm into new markets, these analyses suggest that it may be when they use innovation to allow them to outperform competitors and increase penetration, usually by reducing costs, in current markets that is associated with higher levels of success.

These results suggest that successful product launches differ from unsuccessful launches, as expected from the literature review, in degree rather than in principle with regard to strategic launch decisions for each market type. In both industrial and consumer markets, successful products are more innovative improvements that will improve the firm's image in existing markets.

While strategies associated with success are similar, the average or most usual strategic launch decisions made for consumer products differ from those made for industrial products, as previously pointed out in Table 4. Yet, it is not that one market type constructs appropriate decisions and the other constructs less appropriate ones. Neither set actually aligns with all the conditions associated with more success. As industrial goods companies are more likely to launch more innovative improvements, they already may have made a connection between action and success. However, they are more likely to use these innovations to secure a foothold in fast-growing new markets, decisions not associated with higher success in these data. Consumer products firms already focus on penetrating more deeply into current markets, which these results suggest are associated with increased success. However, given that more consumer products are new product lines or additions to existing lines, consumer goods firms may want to use improvement, rather than proliferation, in achieving penetration. Makers of both consumer and industrial new products could better align the strategic launch decisions they make to those factors more associated with success.

Table 6. Strategic Launch Decisions for Successful Consumer and Industrial Products

Introduction Variable	Test Statistic	Successful Consumer Products Are	Test Statistic	Successful Industrial Products Are
Product Strategy Decisions				
Product Innovativeness	χ^2 (2) = 34.8[d]	**More Innovative**	χ^2 (2) = 36.0[d]	**More Innovative**
NPD Cycle Time	χ^2 (3) = 43.5[d]	**Developed in 6 Months to 3 Years**	χ^2 (3) = 49.7[d]	**Developed in 6 Months to 1 Year**
Product Newness	χ^2 (5) = 11.4[a]	**More Often Improvements**	χ^2 (5) = 35.4[d]	**More Often Improvements**
Market Strategy Decisions				
Market Growth Rate	χ^2 (3) = 15.9[b]	**Introduced in Markets Growing 5%–10%**	χ^2 (3) = 12.4	**Introduced in Markets Growing >10%**
Stage of the Product Life Cycle	χ^2 (3) = 4.0		χ^2 (3) = 8.2	**Introduced in the Maturity Phase**
Targeting Strategy	χ^2 (2) = 4.3		χ^2 (2) = 5.0	
Competitive Strategy Decisions				
Number of Competitors	χ^2 (2) = 3.6		χ^2 (2) = 8.4[a]	**Markets with 1 to 3 Competitors**
Product Advantage	χ^2 (2) = 0.1		χ^2 (2) = 3.4	
Firm Strategy Decisions				
NPD Driver	χ^2 (3) = 1.4		χ^2 (3) = 2.2	
Innovation Strategy	χ^2 (2) = 0.9		χ^2 (2) = 0.2	
Firm Strategy Objectives				
Existing Market	χ^2 (1) = 11.1[c]	Introduced More Often with this Objective	χ^2 (1) = 3.7[a]	Introduced More Often with this Objective
Company Image	χ^2 (1) = 6.4[a]	Introduced More Often with this Objective	χ^2 (1) = 4.2[a]	Introduced More Often with this Objective
Put Up Barriers	χ^2 (1) = 10.7[b]	Introduced More Often with this Objective	χ^2 (1) = 0.0	
Excess Capacity	χ^2 (1) = 8.8[d]	Introduced More Often with this Objective	χ^2 (1) = 0.0	
Lower Costs Possible	χ^2 (1) = 0.1		χ^2 (1) = 12.9[c]	Introduced More Often with this Objective
Increase Penetration	χ^2 (1) = 2.9		χ^2 (1) = 8.1[b]	Introduced More Often with this Objective
Expand Product Line	χ^2 (1) = 0.8		χ^2 (1) = 1.0	
New Technology	χ^2 (1) = 3.2		χ^2 (1) = 2.4	
Foothold in New Market	χ^2 (1) = 0.8		χ^2 (1) = 0.4	
Emerging Segment	χ^2 (1) = 0.1		χ^2 (1) = 0.3	
Seasonal Cycle	χ^2 (1) = 0.8		χ^2 (1) = 0.0	

Note: Total N = 1,018; Successful Products N = 595; Unsuccessful Products N = 423; Consumer Products N = 442; Industrial Products N = 576. Significance levels: [a]$p < .05$; [b]$p < .01$; [c]$p < .001$; [d]$p < .0001$.

Differences in Tactical Launch Decisions for Successful and Unsuccessful Products

Table 7 presents the data to answer the fourth research question concerning tactical launch decisions for successful and unsuccessful new products in consumer and industrial markets. Launching a broader assortment of products using print advertising is associated with higher success, independent of market type. Other than these two similarities, there are marked differences in launch tactics between successful and unsuccessful launches.

The overall picture of successful consumer launch decisions is one of mass impact. From these data, successful consumer products are more often a broader range of brand extensions introduced with higher relative distribution and promotion expenditures, priced similar to the competition to penetrate the market. Promotion dollars are spent on print, TV, and radio advertising. There are important differences between the launch decisions actually implemented and those associated with higher success. Actually, the only launch decisions that are made more frequently and are associated with higher levels of success for consumer products are using brand extensions as names, and in four types of promotion media used. While our analyses do not show that consumer firms have pre-

Table 7. Tactical Launch Decisions for Successful Consumer and Industrial Products

Introduction Variable	Test Statistic	Successful Consumer Products Are	Test Statistic	Successful Industrial Products Are
Product Tactics				
Breadth of Product Assortment	χ^2 (2) = 20.1^d	**Introduced in a Broader Range**	χ^2 (2) = 49.0^d	**Introduced in a Brader Range**
Branding Strategy	χ^2 (3) = 24.5^d	**More Often a Brand Extension**	χ^2 (3) = 5.2	
Distribution Tactics				
Distribution Expenditures	χ^2 (2) = 18.6^d	**Introduced with Higher Relative Expenditures**	χ^2 (2) = 15.4^c	**With Similar Relative Expenditures**
Distribution Channels	χ^2 (2) = 1.9		χ^2 (2) = 6.3^a	**Unsuccessful Introductions Use New Channels**
Pricing Tactics				
Price Level	χ^2 (2) = 15.0^c	**Introduced at Similar Prices as Competitors**	χ^2 (2) = 5.1	
Pricing Strategy	χ^2 (2) = 11.1^b	**Introduced with Penetration Pricing**	χ^2 (2) = 0.9	
Promotion Tactics				
Promotion Expenditures	χ^2 (2) = 21.5^d	**Introduced with Higher Relative Expenditures**	χ^2 (2) = 8.7^b	**With Similar Relative Expenditures**
Print Advertising	χ^2 (1) = 11.7^c	Introduced More Often With This Instrument	χ^2 (1) = 8.4^b	Introduced More Often With This Instrument
TV Advertising	χ^2 (1) = 6.5^a	Introduced More Often With This Instrument	χ^2 (1) = 0.8	
Radio Advertising	χ^2 (1) = 7.3^b	Introduced More Often With This Instrument	χ^2 (1) = 1.7	
Public Relations	χ^2 (1) = 4.1^a	Introduced More Often With This Instrument	χ^2 (1) = 1.7	
Direct Marketing	χ^2 (1) = 2.1		χ^2 (1) = 11.3^c	Introduced More Often With This Instrument
Salesforce Promotion	χ^2 (1) = 0.0		χ^2 (1) = 0.6	
Trade Promotion	χ^2 (1) = 0.1		χ^2 (1) = 0.0	
Customer Promotion	χ^2 (1) = 3.6		χ^2 (1) = 0.0	
Personal Selling	χ^2 (1) = 1.4		χ^2 (1) = 0.0	
Trade Shows	χ^2 (1) = 0.2		χ^2 (1) = 0.1	

Note: Total N = 1,018; Successful Products N = 595; Unsuccessful Products N = 423; Consumer Products N = 442; Industrial Products N = 576. The tests contrasted successful and unsuccessful products within a specific market. True N per test varies becuase of missing data.
Significance levels: $^a p < .05$; $^b p < .01$; $^c p < .001$; $^d p < .0001$.

ferred pricing tactics or relative promotion expenditure levels, specific decisions in these marketing mix areas are associated with increased success. Consumer firms might want to pay closer attention to these launch decisions and may find it helpful to increase distribution spending. On the other hand, the relationships between higher promotion and distribution spending and more success may be another instance of "dual causality." We have assumed that managers have made decisions about marketing mix spending levels before product launch. However, it is possible that stronger initial sales than originally expected allowed increased spending on promotion after launch, which in turn increased product sales and therefore success. Of course, planned spending also might have been reduced if sales failed to develop. Promotion and distribution spending can be increased (or decreased) after launch.

Successful industrial products do not feature high-intensity actions or investments. Industrial successes are more likely to be introduced with distribution and promotion expenses similar to competitors, with promotion dollars spent on direct marketing and print advertising. A broader assortment is associated with higher success, which is the launch decision most frequently followed. While the usual pricing tactic is to follow a price skimming profile, pricing tactics are not associated with success. One interpretation of this result is that skimming neither helps nor hurts. An alternative interpretation is that pricing tactics are

more case specific, where the special cases are for variables not analyzed in this study. Brand decisions also are not associated with success.

The tactical launch decisions that differ from those associated with higher success for industrial firms deal with distribution and promotion. Currently, the predominant choice for channel type is to introduce new products using new channels, which statistically is associated with failure, not success. Additionally, distribution spending that is equivalent to competitor levels, the spending level associated with higher success, is a higher expenditure level than these firms currently make. Finally, industrial firms are more likely to use personal selling. These three results together suggest that industrial firms may be using agents or brokers to penetrate new markets with new products, which is less likely to lead to success. Agents and brokers are independent middlemen, to whom the firm pays commission only when they actually sell a product. Because the firm does not employ these people, they minimize risk and cost at low volumes. On the other hand, if an innovative or new product is time-consuming to explain or difficult to sell, these individuals are more likely to spend time selling other, easier to sell products, because they have no contractual requirements to sell a set volume for any particular product they carry. Industrial firms may want to think about changing their distribution decisions to align better with the decisions associated with success.

As we saw in the strategic launch decisions, firms in both market types also make tactical launch decisions that are not aligned with decisions associated with success. Industrial firms may want to revisit distribution decisions and promotion tactics, while consumer firms may want to pay closer attention to assortment, distribution and promotion spending levels, and their pricing tactics.

Discussion and Implications

This empirical study contrasted launch decisions for consumer and industrial products, in terms of both what decisions are most frequently made, and which decisions are related to success. The results offer strong empirical support that new product launches for consumer products represent a different set of decisions than those for business-to-business products. Additionally, within both market types, strategic and tactical decisions appear to be aligned and operating in concert. However, makers of neither consumer nor industrial products appear to be making launch decisions that are fully aligned with the variables this research suggests may be associated with achieving higher levels of success. Furthermore, the decisions that are associated with higher success are not commensurate with the launch decision prescriptions available in the normative literature.

Decisions for launching consumer products focus on improving the firm's image by extending product line penetration into the firm's current markets to use excess production capacity while matching competitive business practices to increase barriers to entry. Launch decisions for industrial products commercialize technological innovations designed to deliver more innovative performance to new, improved, or cost-reduced products, priced to skim returns from the market, delivered through new channels, that move the firm into new markets. Given these descriptions, consumer launches could be characterized as more defensive in nature, while industrial launches seem to be more offensive. Overall, products commercialized into the industrial market employ very different strategic positions and marketing tactics as those commercialized into the consumer market. Average success, measured through three separate items as displayed at the bottom of Table 2, does not differ across the samples of consumer and industrial products used in this study. However, within each market, several decisions are associated with higher success levels. These results provide suggestions on how to introduce consumer and industrial products in ways that may increase the probability of achieving success.

Strategically, launch decisions associated with success differ more in degree than in principle across consumer and industrial markets. Launching more innovative product improvements into the firm's existing market to strengthen the firm's image is associated with higher levels of success independent of market type. Additional details differ slightly across market type. Successful consumer products may be slightly longer in development, introduced into slightly slower growth (but still growing faster than GNP) markets, to erect barriers and use excess capacity. Successful industrial products appear to be slightly faster to develop, introduced to lower cost and increase penetration in higher growth markets in the maturity phase, but only when there are only a few competitors. These descriptions could still be interpreted as being slightly more defensive for consumer goods and slightly more offensive for industrial goods, but the degree of difference is much lower. Looking back to the decisions

firms actually make at the strategic level, the decisions most frequently made by industrial firms appear to be more closely aligned with the variables associated with achieving higher success than consumer firm decisions.

The relationships found in these data between success and launch decisions differ quite markedly from the standard normative prescriptions summarized in Table 1. The product strategies associated with success for consumer products are all at odds with normative suggestions. If the relationships found here pertain generally, firms following the normative advice to commercialize quickly less innovative modifications are not likely to achieve higher levels of success. None of the extensive advice provided in the normative literature on competitive or innovation strategy decisions was found, in this research, to be associated with success. Additionally, a number of strategic objectives related to success for consumer goods were identified in this study, none of which are mentioned in the normative literature.

Strategies for successful industrial goods are slightly more aligned to normative literature. Industrial firms' higher success is associated with using innovation and short time-to-market cycles to enter markets with few competitors, as suggested. However, it is the improvements that are more related to success rather than the new-to-the world products. Perhaps this is because new-to-the-world products are rather rare. Additionally, success is more associated with late stages of the product life cycle, not introduction as recommended in the literature. While at first entering a high-growing market in the maturity stage when there are only a few competitors might seem like a contradiction to reality, in fast-moving markets dominant designs and cost-driven advantages associated with higher volume production of one design are not achieved until market maturity. Too much about product definition is unsettled in the very early stages of innovative new products. Thus, where there are few competitors, maturity may provide success.

While strategic launch decisions associated with success differ only in degree across consumer and industrial markets, significant parts of the marketing mix are differentially important in the tactical decisions. Making appropriate pricing decisions are associated with success in consumer goods, but they show no relationship to industrial success. Alternatively, making the right channel decision is more related to success in industrial goods, but is unrelated to consumer success. Distribution and promotion expenditures that are higher than those of the competitions are needed for successful consumer goods, while industrial goods need only match competitive spending in these areas.

In product tactics, normative prescriptions and decisions relating to success are perfectly aligned for consumer products, and nearly so for industrial goods. Branding is not related to success, although the standard is to use company name.

In distribution, following normative guidelines may not lead to increased success, based on these results. Current distributors, adequately supported, may best ease a new product's entry into industrial markets, whereas the successful new consumer product launch may have to provide incentives to rather powerful retailers with higher expenditures. Parity spending in consumer markets, as recommended, may not be high enough to obtain retailer adoption. As discussed previously, the normative recommendations for industrial markets (new channels, lower spending), are associated with failure.

Successful consumer launches match competitive prices for greater market penetration, as recommended in the normative literature, yet pricing tactics are not related to industrial success. These findings raise questions regarding marketing mix theory for product launch of industrial products. In industrial markets, the normative literature recommends price skimming (and new-to-the-world products), and this pricing tactic is how the majority of firms price, according to our data. However, one possible reason for not finding a relationship between price and industrial success could be that pricing is context specific. Price tactic must match product strategy. A radically new product might warrant a high price and skimming tactic, and a cost reduction strategy might produce lower prices and penetration pricing. Within the realm of innovative improvements (the product strategy associated with success), perhaps the range of performance improvement may still be large enough to support different pricing tactics. High improvement innovations may skim. On the other hand, lesser performance improvements may require parity pricing. The result could be that industrial market pricing is less important than the benefit produced by the innovative improvement, and pricing must be adjusted accordingly.

The promotion activities recommended in the normative literature are closely aligned to promotion activities associated with higher success for both markets. The one area of misalignment is that industrial

marketers may want to increase their print advertising promotion.

Taken together, the strategic and tactical launch decision profiles show that while some traditionally assumed patterns of differences hold between the industrial and consumer contexts, others are very different than expected, and that overall many of these decisions are not closely aligned with what may be required for successful launches in each context. In some cases, our findings suggest that conventional "industrial" product launch decisions have a greater impact in distinguishing between successful and unsuccessful consumer launches and vice versa.[3]

The results suggest that both consumer and industrial firms may be able to improve new product launch decisions. By looking at successful introductions in each market type and comparing these to their own conventions, they may see ways to change their practices to increase launch success. However, it is important to remember that this research describes statistical associations, not causality. This research was not undertaken with a method capable of developing new prescriptions.

Limitations and Future Research

More data were available for successful products (58%) than for unsuccessful products (42%). Some companies, although encouraged to respond for both a successful and an unsuccessful product, only provided data about a successful introduction. It is, of course, possible that some firms have not met with unsuccessful introductions in the past 5 years. Even though the sample sizes are large, these biases may limit the generalizability of our results.

Some variables received more emphasis than others. For instance, we measured the use of 10 marketing communication channels and 11 introduction objectives. In contrast, pricing and distribution tactics were measured using two items each. This difference may reflect that respondents—or researchers—need extensive response formats to adequately describe certain decisions in the launch strategies they employed and require simple formats to describe others. Such considerations should not distract from taking into account the relevant measurement metrics and respondents' or readers' perception of the relative importance of such variables.

Third, there may be cross-national research measurement issues [35,43]. Measurement error, reliability, and construct equivalence issues potentially impact substantive conclusions that can be drawn from cross-national research [43]. Special efforts must be taken to ensure translation, metric, and calibration equivalence [35]. While we took a number of steps to minimize these issues, they still constitute a potential limitation of the study.

We assessed translation equivalence with familiar translation: back-translation procedures. The investigators were native speakers for the three countries, ensuring that the wording of the questions corresponded to typical language in a managerial setting in a specific country.

Multiple group LISREL [35] could not be used to assess cross-national measurement equivalence because most constructs were measured by single items with categorical response alternatives. Categorical answers reduced potential measurement inequivalence effects as respondents reacted to the verbal contents of the response alternatives rather than assessing an item on a rating scale. There is no a priori reason to assume that respondents in one country prefer one alternative to another for any variable. Finally, because we report bivariate analyses, measurement inequivalence may be less severe than in a multivariate study because the impact of measurement error and unequal reliability is more pervasive and intricate in a multivariate setting [43].

We took great care in the pilot study and in questionnaire development to address equivalence problems. In pilot interviews, each respondent first was probed regarding appropriate launch decisions for successful industrial and consumer new products. These discussions helped establish conceptual equivalence. To establish functional measure equivalence, we probed respondents for their experiences based on our preliminary model. We finally asked them to complete the draft instrument in the presence of the researchers in order to establish category equivalence. We asked a series of questions pertaining to their perceptions of the relevance and completeness, and to any ambiguities or difficulties they experienced in responding to the measures.

[3]We checked whether differences within each industry context between successes and failures held in all three country subsamples. Although some significant differences disappeared mainly because of sample size restrictions, the results clearly showed that the pattern of results in the three country samples replicated most relationships between success and failure and the launch decisions that were revealed by the total analyses in both industry contexts. For the consumer products, four country results varied from the overall sample, and for the industrial products only three results differed from the overall pattern. However, in none of these cases was there any obvious explanation for the differences based on cultural differences among the three countries.

For calibration equivalence, Table 3 suggests that the samples were equivalent, in that the proportion of successful products did not differ statistically between consumer or industrial new products, either overall or in separate country samples. Furthermore, the results of the analyses carried out in each of the country samples were consistent with those obtained in overall analyses, a finding that strongly suggests that pooling the multicountry data is justified.

We conclude that the present study shows adequate conceptual, functional, and measurement equivalence, thus warranting the reported analyses and results. The results therefore reflect true differences and correspondences for launch decisions across the three countries.

Given the differences in successful launch decisions between consumer and industrial products, one potentially rewarding avenue of research would investigate other differences in successful launch decisions on more defined product groups. For example, empirical evidence of success in product groups such as search, experience, and credence goods or durable versus nondurable goods or hedonic versus functional goods or services may allow greater opportunities for cross-fertilizing best launch practices among these product sectors. Our findings suggest that there are insights to be gained from studies that deliberately contrast sectoral evidence of good practice, which are difficult to obtain either from multi-or single-sectoral analysis.

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Appendix 1. Variables and Response Categories Used in the Survey

	Response Category					
	1	2	3	4	5	6
Strategic Variables						
Product Strategy Decisions						
Product Innovativeness	More	Equal	Less			
NPD Cycle Time	<6 Months	6 Months to 1 Year	1–3 Years	>3 Years		
Product Newness	Completely New	New Product Line	Line Addition	Improvement	Reposition	Low Cost
Market Strategy Decisions						
Market Growth Rate	Less than 0%	0%–5%	5%–10%	More than 10%		
Stage of the Product Life Cycle	Intro	Growth	Maturity	Decline		
Targeting Strategy	Niche	Selective	Mass-market			
Competitive Strategy Decisions						
Number of Competitors	0	1–3	More than 3			
Product Advantage	Incremental Improvement	Performance Improvement	Never Seen Before			
Firm Strategy Decisions						
NPD Driver	Completely Market	Mainly Market	Mix	Mainly Technologically		
Innovation Strategy	Technological Innovator	Fast Follower	Cost Reducer			
Firm Strategy Objectives						
Expand Product Line	No	Yes				
Increase Penetration	No	Yes				
Existing Market	No	Yes				
Put Up Barriers	No	Yes				
New Technology	No	Yes				
Lower Costs Possible	No	Yes				
Company Image	No	Yes				
Foothold in New Market	No	Yes				
Emerging Segment	No	Yes				
Excess Capacity	No	Yes				
Seasonal Cycle	No	Yes				
Tactical Variables						
Product Tactics						
Branding	New Brand	Brand Extension	Company Name	No Brand/Generic		
Breadth of Product Assortment	Broader	Equal	Smaller			
Distribution Tactics						
Distribution Channels	Current	New	Both Current/New			
Distribution Expenditures	Higher	Equal	Lower			
Pricing Tactics						
Price Level	Higher	Equal	Lower			
Pricing Strategy	Skimming	Penetration	Other			

(Continued)

Appendix 1. Continued

	Response Category					
	1	2	3	4	5	6
Tactical Variables (continued)						
Promotion Tactics						
Promotion Expenditures	Higher	Equal	Lower			
Salesforce Promotion	No	Yes				
Trade Promotion	No	Yes				
Customer Promotion	No	Yes				
Personal Selling	No	Yes				
Direct Marketing	No	Yes				
Print Advertising	No	Yes				
Public Relations	No	Yes				
Trade Shows	No	Yes				
TV Advertising	No	Yes				
Radio Advertising	No	Yes				

Note: For strategic variables, product innovativeness was measured in comparison with competing products.
For tactical variables, assortment breadth, distribution and promotion expenditures, and price level were measured in comparison with competing products.