

Nations that launch: Where new technologies and products take-off

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A new study published in the September/October issue of the journal *Marketing Science* reveals the world's most innovative countries, with Japan and the Nordic countries earning top spots and the United States finishing in sixth.

The study, which evaluates 31 countries based on the time it takes for new products to takeoff, is among the most comprehensive research of its kind. Wherever applicable, researchers analyzed 16 different product categories over a time span of 50 years.

The report was co-authored by Deepa Chandrasekaran, assistant professor of marketing at Lehigh University, and Gerard J. Tellis, director of the Center for Global Innovation and professor of marketing at the University of Southern California's Marshall School of Business.

"The changing dynamics of the global marketplace are redefining the concept of innovativeness," says Chandrasekaran. "More products are being introduced at a quick rate, and the ability of a nation to embrace those changes is a true indicator of how innovative it has become."

New products takeoff faster in Japan (5.4 years) than any other nation, closely followed by Norway and its north European neighbors of Sweden, Netherlands and Denmark. The United States (6.2 years), Switzerland and Austria ranked high, as well.

The results also revealed that newly developed or developing countries,

like South Korea and Venezuela, saw faster product takeoff times than more established Mediterranean nations with longer histories of industrialization.

The authors find that takeoff is driven by culture and wealth, in addition to product class, product vintage and prior takeoffs. More importantly, "time-to-takeoff" is shortening over time and converging across developed countries.

"What we're learning is that culture plays a significant role in influencing how quickly a country is willing to embrace new products and technology, but it's not an exclusive indicator," says Tellis. "Differences in wealth are also contributing factors. Taken together, we can get a pretty clear snapshot of a nation's innovativeness and its ability to adapt to the changing environment."

Chandrasekaran and Tellis examined products split between two categories: those that were fun, used for information or entertainment, and those that were used only for work. Fun products included such technologies as cell phones, MP3 players, digital cameras, broadband and internet use. Work products—essentially household appliances—were microwave ovens, dishwashers, freezers, tumble dryers and washing machines.

The study indicated that takeoff was significantly shorter for fun products (seven years) than work products (12 years) across-the-board—a discrepancy that merits different product launch strategies, according to the co-authors. They argue that fun products like gadgets could be introduced simultaneously across nations (a "sprinkler" strategy), while the introduction of appliances and other work-related technologies should be staggered ("waterfall") for maximum impact.

Other findings of the study, titled, "The Global Takeoff of New

Products: Culture, Wealth, or Vanishing Differences," include:

- Japan, Norway, Sweden, Netherlands, and Denmark rounded out the top five; India, Philippines, Indonesia, Vietnam and China were ranked lowest of the 31 surveyed countries.
- Japan and the U.S. are the best countries for managers who wish to launch new products in innovative and larger markets.
- The Nordic cluster, along with Switzerland and Austria, offer smaller but highly innovative test markets.
- South Korea has a relatively short time-to-takeoff of new products and leads the world in penetration of Broadband and 3G technologies.

Source: Lehigh University

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