

Launching of Process Equipment to Global OEMs

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Abstract

Management of innovation and launch has become important strategic issue in business marketing, but the launch has been used only in a few academic studies in international industrial and business marketing. The purpose of this paper is to analyse the extant academic literature related to launch and to examine how the identified themes in the literature are seen in an industrial company's marketing practices when launching its products globally. The present study aims to answer questions: how the concept of launch is used in business marketing literature? What kind of research about launching of industrial products globally can be found? How the identified themes in the literature can help an industrial company when launching process equipment to global OEMs? The study contributes to the launching literature by identifying the gaps in the launching knowledge provided by the top marketing journals and the most relevant industrial marketing journals.

Keywords: Launch, Global OEMs, Process equipment, Industrial marketing, Business marketing

INTRODUCTION

In the literature a concept of launch is used consistently to refer new product introduction when a product is brought to a market for the first time. Also different degrees of innovativeness of the product have been considered in relation to a launch. (Lehtimäki, Simula and Salo, 2008) Managing innovations and research and development are important strategic issue in business marketing as companies have to meet the changing customer needs and to compete with new, more advanced product releases. A launch strategy and the impact of the new product's launch strategy on performance are widely discussed in the literature. Yoon and Lilien (1985) researched the effect of strategy on new industrial product performance, Choffray, and Lilien (1986) the effect of decision-support system on evaluating sales prospects and launch strategies. Kamel, Rochford and Wotruba (2003) instead found how new product introductions affect sales management strategy. Hultink, Griffin, Robben and Hart (1998) discuss generic launch strategies for new products and Cooper and Kleinschmidt (1987) strategies that separate winners from losers. A launch strategy can be described as decisions and activities necessary to present a product to its target market and begin to generate income from sales of the new product. Strategic industrial product launch decisions seem offensive, using technology and innovation to push the companies to operate outside the current operations and move into new markets (Hultink, Hart, Robben and Griffin, 1999).

New knowledge of factors affecting global launch success and how to increase efficiency in sales and marketing as well as in establishing customer relationships in global launch would benefit international companies. The present study shows the gaps in the existing knowledge related to global launch of industrial products by literature review and case study. The launch phase represents the largest investment in the entire product development process because of the combination of production and marketing expenditures incurred once a decision to launch is approved. However, previous research has mainly focused on other stages in the product development process and only a few academic studies of launch exist in international industrial and business marketing.

The purpose of this study is to analyse the extant academic literature related to launch and to examine how the identified themes in the literature are seen in an industrial company's marketing practices when launching its products globally. The present study aims to answer questions: how the concept of launch is used in business marketing literature? What kind of research about launching of industrial products globally can be found? How the identified themes in the literature can help an industrial company when launching process equipment to global OEMs? The existing knowledge of global launch is quite scarce as the launch has also been used only in a few academic studies in international industrial and business marketing.

The study contributes to the launching literature by identifying the gaps in the launching knowledge provided by the top marketing journals and the most relevant industrial marketing journals. First, the method of the literature review is explained. Second, the identified four themes related to launch results are discussed. Next, a descriptive case study is presented to illustrate the launch practices especially in the global OEM

(Original Equipment Manufacturers) context. The case company's practices are compared to the theme analysis of launching studies. Finally, the conclusions are drawn and future research will be discussed.

The Concept of Global Launch

The global economy is becoming increasingly interconnected and greater integration among economies has revolutionized the competitive landscape. Competitive advantage relies on effective management of global product innovation and launch for corporate survival. To maximize global product launch success investigation of the areas of global product launch capabilities, the culture of effectiveness, global strategic networks, branding, and human capital is needed. (Calantone and Griffith, 2007) The concept of global launch can be defined as suggested by Bruce, Daly and Kahn (2007, p. 457): "the process of a global product launch is more than the company's ability to gain access to a particular market; it is the company's ability to understand key design issues per each global region respectively and to respond to pressing global region differences by customizing the total product offering to meet the needs of that global region."

Chen, Shen and Chiu (2007) suggest that firms specializing in OEM businesses behave in product launch more like industrial product manufacturers, which usually communicate product-related information to buyers through personal contact. On the basis of data collected from an industrial survey of 101 firms, they also found that informational and relational messages offer the greatest support for new products. In global OEM business success derives from the ability to mobilize knowledge, technological skills and experience to create new products, processes and services. Products, services, technical support, and prices throughout the world need also to be coordinated on a global basis. (Chrysochoidis and Wong, 1998; Harvey and Griffith, 2007)

Customer Relationships in OEM Business

OEM business is characterized by complex relationships of customers, suppliers, sub-contractors and other players in the international markets. Global competition, customer and market uncertainties, and rapidly changing and complex technologies have increased the importance of customer relationships. Standard marketing tools and techniques are of limited use for development and launching of novel and complex new products, and relationships between developers and users are important (Tidd, Bessant and Pavitt, 2005). Customers refer more and more each other in these circumstances when making buying decisions. The interaction approach to marketing and purchasing strategy emphasizes the active role of both buyer and seller. (Håkansson, 1982) Companies are interacting with each other and seeking solutions to their different problems. These companies face a number of uncertainties in their purchases, irrespective of the problems that their purchases are intended to solve (Ford et al., 2002). Technology and markets co-evolve over time and developers and potential users interact. Innovation is not just coming up with good ideas – inventions, but it is a process of growing the ideas into

practical use. (Tidd, Bessant and Pavitt, 2005) Technological uncertainty is high when technology is new or rapidly changing. Technological uncertainty means not of knowing whether the technology or the company providing it can deliver on its promise to meet needs (Moriarty and Kosnik, 1989). Successful launch into the global markets means that credible customer relationships are needed to reduce the uncertainties perceived by potential customers.

Business marketers and their customers are also deeply concerned the value that is provided by the market offerings between them (Ford and McDowell, 1999). Relationships can be the primary assets of companies and without relationships neither business marketers nor their customers can continue to trade and have little value without relationships (Ford and Håkansson, 2006). Customers are the company's greatest assets in B-to-B markets, which are characterized by small number of players and high degrees of dependency. In particularly in mature markets, it is difficult to break into new customers. The supplier should avoid any erosion of loyalty by the existing customers and maintain the competitive strength with key customers on a regular basis. (Campbell and Cunningham, 1983)

RESEARCH DESIGN

To acquire knowledge on extant academic studies related to launch and on global launch of industrial products, especially, a thorough literature review was conducted. For that purpose five academic journals were reviewed: three leading marketing journals (Journal of Marketing, Journal of Marketing Research, International Journal of Research in Marketing), the leading journal in industrial marketing (Industrial Marketing Management), and Journal of Product Innovation Management as it is a highly ranked business journal.

A case study type of qualitative approach is employed in this research. The descriptive case study presents concrete examples how the launch is used in practice. (Yin, 2003) The unit of analysis is a company that represents a process equipment supplier to OEM industry. Company reports, internal documents, interviews, and customer visits have been used as the source for data collecting. The findings and observations are based on research framework and data collected as the researcher working at the case company during the development and launch of a complete product range. One of the main source material of the empirical part is semi-structured interviews with six persons in the company's sales and marketing management. All the answers were tape-recorded and transcribed.

LITERATURE REVIEW ON LAUNCH

In literature review issues from 1970 till today were searched by using launch and launching as the keyword (found either in the title or abstract, keywords of articles). Totally 50 launch related journal articles were found. Most of these articles were found in

Journal of Product Innovation Management (20 articles) and Industrial Marketing Management (17 articles). A lot of studies have also been published in Journal of Product Innovation Management (including two special issues in 1999 and 2007) covering many topics related to launch. Articles were closely reviewed in order to identify the focus of the article, whether industrial/high tech or consumer products are in question and findings. Theme analysis was used as a method for screening the articles to find answer to the research question how the concept of launch is used in business marketing literature. First, the key words were analyzed. Second, based on the analysis of key words the following four themes were selected: launch related to strategy, launch related to New Product Development process (NPD), new product performance and global launch.

Based on the literature review most of the articles were found in launch related to strategy (38 %) and launch related to NPD strategy (28%). Few articles of new product performance were found, but only seven articles in global launch. The distinction between different themes was not always clear and some of the articles could be categorized under two themes e.g. launch related to strategy and new product performance. Also identifying the focus by dividing findings into industrial/high tech or consumer products was not clear either. The focus of many articles was both industrial/high tech and consumer products. All the findings of the literature review are presented in table 1.

Launch related to strategy

In the most of the articles reviewed the concept launch related to strategy (18 articles) and only in seven articles global launch was covered. Most of the articles were found in Journal of Product Innovation Management (7 articles). As a result of the review it was found that as many articles were focusing on industrial/high tech as on consumer products. This is because some articles were dealing with both of these themes.

In their article Beard and Easingwood (1996); Chen, Shen and Chiu (2007); and Lee and Colarelli O'Connor (2002) discuss marketing action and communication strategies for high-technology products. Debruyne et al. (2002) and Hultink and Langerak (2002) write about launch strategies on competitive reaction. Lynn, Schnaars and Skov (1999); and Hsieh and Tsai (2007) focused both on industrial high technology and low technology businesses. Also articles by Iyer, LaPlaca and Sharma (2006); Hultink and Robben (1999); and Hultink, Hart, Robben and Griffin (2000) were dealing with both industrial and consumer products, and in addition had a country focus.

Table1. Findings of Launch in Marketing and Business Journals

| | | Themes | | | |
|-----------------|--------------------------------------|---|--|---|---|
| Journal & Focus | Related to strategy (36 %, 18/50) | Related to NPD process (28 %, 14 /50) | New product performance (22 %, 11/50) | Global Launch (14 %, 7/50) | |
| JM | Industrial/High Tech | Choffray and Lilien, 1978 | Hippel, 1978; Robertson, Eliashberg and Rymon, 1995; Li and Calantone, 1998 | - | - |
| | Consumer | Cooper, 2000 | - | - | - |
| JMR | Industrial/High Tech | Boulding, Morgan and Staelin, 1997 | - | - | - |
| | Consumer | Mahajan and Muller, 1998 | Cohen, Eliashberg and Ho, 1997; Kalvanaram and Krishnan, 1997 | - | - |
| JIRM | Industrial/High Tech | - | - | - | - |
| | Consumer | Hultink, Griffin, Robben and Hart, 1998; Tyagi, 2006 | - | Hultink, Griffin, Robben and Hart, 1998 | Kalish, Mahajan and Muller, 1995; Stremersch and Tellis 2004 |
| JPIIM | Industrial/High Tech | Hultink and Robben, 1999; Hultink, Hart, Robben and Griffin, 2000; Debruyne et al., 2002; Hultink and Langerak, 2002; Kamel, Rochford, and Wotruba, 2003 | Hultink, Griffin, Hart and Robben, 1997; Calantone, Schmidt and Di Benedetto, 1997; Atuahene-Gima and Li, 2000; Chrysochoidis and Wong, 2000 | Chrysochoidis and Wong, 2000; Cooper, Edgett and Kleinschmidt, 1999; Di Benedetto, 1999; Hultink and Robben, 1999; Hart, Robben and Griffin, 2000 | Chrysochoidis and Wong, 1998; Bruce, Daly and Kahn, 2007; Calantone and Griffith, 2007; Harvey and Griffith, 2007 |
| | Consumer | Gaultinan, 1999; Hultink and Robben, 1999; Hultink, Hart, Robben and Griffin, 2000; Lee and Colarelli, O'Connor, 2002; Kamel, Rochford, and Wotruba, 2003 | - | Atuahene-Gima, 1995; Hultink and Robben, 1995; Cooper, Edgett and Kleinschmidt, 1999; Di Benedetto, 1999; Hultink and Robben, 1999; Hultink, Hart, Robben and Griffin, 2000 | Calantone and Griffith, 2007; Harvey and Griffith, 2007 |
| | Industrial/High Tech | Beard and Easingwood, 1996; Lynn, Schnaars and Skov, 1999; yer, LaPlaca and Sharma, 2006; Chen, Shen and Chiu, 2007; Hsieh and Tsai, 2007 | Cooper, 1996; Campbell and Cooper, 1999; Griffin, 2002; Tzokas, Hultink and Hart, 2004; Atuahene-Gima and De Luca, 2008 | Cooper and Kleinschmidt, 1995; Lynn, Abel, Valentine and Wright, 1999; Lynn, Schnaars and Skov, 1999; Huang, Soutar and Browna, 2004; Kim and Nam, 2004; Hsieh, Tsai and Wang, 2008 | Grabner, 1996 |
| IMM | Consumer | Lynn, Schnaars and Skov, 1999; yer, LaPlaca and Sharma, 2006; Hsieh and Tsai, 2007 | Cooper, 1996; Edgett, 1996; Tzokas, Hultink and Hart, 2004; | Lynn, Schnaars and Skov, 1999 | - |

Launch related to NPD process

The concept of launch relating to NPD process was the most often found in *Industrial Marketing Management* and in *Journal of Product Innovation Management*. Due to this also more articles were related to industrial/high tech than consumer products. Hultink, Griffin, Hart and Robben (1997); and Calantone, Schmidt and Di Benedetto (1997) write about industrial new product launch strategies and product development performance. Campbell and Cooper (1999) investigated empirically the impact of customer partnering in new product development. Chrysochoidis and Wong (2000) write about customization of product technology and international new product success. Griffin's (2002) article is about product development cycle time for business-to-business products. Atuahene-Gima and De Luca (2008) researched marketing's lateral influence strategies and new product team comprehension in Chinese and Australian high-tech companies. A study by Atuahene-Gima and Li (2000) of high technology firms in China deals with marketing's influence tactics in new product development. There were few articles about both industrial and commercial products. Cooper (1996) write about overhauling the new product process. The study of Tzokas, Hultink and Hart (2004) presents empirical evidence of the evaluative criteria used by well-experienced NPD managers from the UK and the Netherlands to control performance at different gates of the NPD process.

New product performance

As with launch related to NPD process the concept of launch as new product performance was the most often found in *Industrial Marketing Management* and in *Journal of Product Innovation Management*. Also regarding this theme slightly more articles were related to industrial/high tech than consumer products. According to Cooper and Kleinschmidt (1995) new product success is a vital but elusive goal for many firms. Their study was undertaken in world class multinationals in the chemical industry in four countries, but its results appear to have validity across a broad spectrum of industry. Lynn, Abel, Valentine and Wright (1999) researched key factors in increasing speed to market and improving new product success rates. In their article Cooper, Edgett and Kleinschmidt (1999) reveal the findings of their extensive study of portfolio management in industry. Di Benedetto (1999) was identifying the key success factors in new product launch. Successful launches were found to be related to perceived superior skills in marketing research, sales force, distribution, promotion, R&D, and engineering. Also the timing of the launch was considered important. Hultink and Robben (1999) made an empirical examination in the Netherlands of launch strategy and new product performance. They assessed the impact of launch strategy and market characteristics on new product performance and tested the stability of this impact across consumer and industrial products. Huang, Soutar and Brown (2004) measured new product success and made an empirical investigation of Australian SMEs. Kim and Nam (2004) discuss the role of performance and compatibility in innovative new products' market penetration. Hsieh, Tsai and Wang (2008) later write about the moderating effects of market orientation and launch proficiency on the product advantage-performance relationship.

There were also found articles that were both dealing with industrial and consumer products. Lynn, Schnaars and Skov (1999) made a survey of new product forecasting practices in industrial high technology and low technology businesses. In their article Hultink and Robben (1995) were measuring new product success. In a survey of large Dutch companies, they explored managers' perceptions of new product success, hypothesizing that the importance attached to each of the core measures depends on the company's time perspective.

Global Launch

Based on the findings of the literature review first, only few articles were found. Second, there were about as many articles dealing with industrial/high tech and consumer products. Articles regarding industrial or high tech products were written by Graber, 1996; Chryssochoidis and Wong, 1998; Bruce, Daly and Kahn, 2007; Calantone and Griffith, 2007; and Harvey and Griffith, 2007.

Chryssochoidis and Wong (1998) explored 30 high-tech products launched into multiple European markets. Their study had three objectives: examining the incidence of timeliness and delays in simultaneous and sequential international new product rollouts (INPR), exploring the causes of delays in INPR, and assessing the effects that INPR timeliness and delays have on new product outcomes. In this study timeliness reflects a company's capability for adhering to the schedule that management has established. The results suggest that firms can achieve on-time, multi country rollout of new products notwithstanding the legal, technological, and competitive environment. Timeliness in INPR depends on such factors as sufficiency of marketing and technological resources such as to train sales staff, provide after-sales service, and adapt the product for multiple markets; proficiency in executing new product development activities, and effective communication between a company's headquarters and its business units and customers in different countries. The results of the study indicate a positive relationship between timeliness in INPR and new-product success. The seemingly less risky sequential launch strategy may actually increase the risk of new product failure by delaying product rollout in multiple markets.

According to Graber (1996) the global product development is one of the most difficult challenges that business leaders face today. When done correctly it leads to significant sales and profits and when done poorly losses can accumulate and resources are wasted. The article by Bruce, Daly and Kahn (2007) employs a case-study methodology to address design factors influencing successful global product launch. The authors suggest that the design categories of channel parameters, country mores, language and colloquialisms, and technology infrastructure dictate customized design requirements for worldwide product launch. They also state that the process of a global product launch is more than the company's ability to gain access to a particular market, it is the company's ability to understand key design issues per each global region respectively and to respond to pressing global region differences by customizing the total product offering to meet the needs of that global region. Through in-depth case presentation they demonstrate that a

company's ability to understand key design issues per each global region forms the foundation of successful global product launch.

The article by Harvey and Griffith (2007) presents a conceptualization of how firms can respond to the issues of globalization and time-based competition through the use of virtual global teams to foster successful global product launches. They argue that due to the rapid pace of globalization, many multinationals in their global product launches require that products, services, technical support, and prices throughout the world need to be coordinated. For competing in a hypercompetitive landscape, management must understand and incorporate a timescape of events that integrates the various perspectives of those involved in the global product development and launch decision-making processes. If the perspective of social time is not well-articulated, managers will limit their ability to effectively coordinate global product development and launch across markets, thus hindering the firm's ability to maximize returns. In new product launches, firms are increasingly developing products targeted for several countries, and coordinating their launches on a global basis (Chryssochoidis and Wong, 1998).

Other articles were about launching consumer products. Kalish, Mahajan and Muller (1995) discuss in their article how a multinational firm should introduce a new product into its global markets. Whether it should first conquer the domestic market before moving into overseas markets or should it plan for a global attack by launching the product in all its global markets simultaneously. The article examines strategies for entering markets sequentially (waterfall strategy) and entering markets simultaneously (sprinkler strategy) and optimal conditions for the implementation of these two strategies are derived. The results suggest that the current nature of global competition requires a multinational firm to enter markets simultaneously when introducing a new product to its global markets. Stremersch and Tellis (2004), state that growth is one of the most compelling goals of managers today. Their article addresses the questions about the international growth of new products in Europe. The results of their study show that the pattern of growth differs substantially across European countries and these differences are explained mostly by economic wealth and not by culture. Their study also addresses the implications of these results for the choice of a waterfall versus sprinkler strategy for the introduction of a new product, the global versus local marketing of a new product and managing a firm's expectations about new product growth.

CASE STUDY ON GLOBAL LAUNCH MARKETING PRACTICES

Headquartered in Finland, the case company is the preferred supplier of process equipments for flow control, serving a wide range of process industries worldwide. The company's sales and service network covers over fifty countries and the products are mainly distributed through representative companies. Although operating in global markets, the company's market sector is quite narrow due to special products and product features that can be utilized only in specific processes. Even if belonging to small and medium-sized enterprises, the company is at the forefront in its field in addressing customer needs and making the customers' processes more competitive.

The purpose of this study is to examine how the identified themes in the literature are seen in an industrial company's marketing practices when launching its products globally. This case study aims to answer question how the identified themes in the literature can help an industrial company when launching process equipment to global OEMs? The case company has faced many challenges when launching its products globally. New knowledge of factors affecting global launch success and how to increase efficiency in sales and marketing as well as in establishing customer relationships in global launch would benefit the case company. Several reasons influenced the selection of the case company. First, the research problem originates from the researcher's practical experience of launch marketing in the case company. Second, the research problem and phenomenon in the case company was considered to have potential for a theoretical contribution. Third, due to good access, there is potential for long-term research co-operation with the case company.

Customer Relationships in Launch

The company's expertise builds on extensive application and process know-how derived from tens of thousands proven installations, as well as continuous product testing, research and development. The case company has well established customer relationship management system that tracks a vast portion of the 50 000 products. Knowledge of where the products have been installed, how they are being used and what the maintenance needs are, is important resource for the company. This knowledge is most valuable when recommending maintenance patterns and stocking requirements to existing customers and extremely persuasive when contacting potential customers. The case company cannot succeed in its business if the customer process and process problems are not known. The only way to convince a new customer of the product solutions is to collect experiences from the existing customers, which are used as reference. Successful sales can be duplicated with new similar customers. Due to this, the company has developed a systematic way to increase customer, application and process knowledge, which leads to targeted sales.

The case company produces special products that require expertise and personal contact. If the product or solution is new, it is a common practice to use existing relationships as references. When the process conditions and problems are similar the same reference reaches beyond the industry borders e.g. processes are similar at the first production phases in different process industries. One advantage of the company is that almost all customers have similar processes within the industry that they represent. The case company has a long industry experience and expertise in industries such as mining and mineral processing. The existing customers are communicated innovations, which can improve the certain part in their process.

Some of the company's customers have hundreds and even a thousand installations in various processes. As a result of the long term co-operation the company has developed a good relationship with these customers and can offer these customers total solution. By

the company's products more than just one solution can be delivered to the customer. In corporation customers first a one solution can be offered to one process and then expanded to other processes. Then a customer can recommend the supplier's product, act as an internal reference inside the group and corporation from one department to another. Even though a customer relationship has a certain length, it can be expanded when a customer relationship is used as a reference. When finding in co-operation with the customer other process applications for the solution, the mutual benefit will follow. The possibility to copy the reference to new process applications will increase the marketing value. One good customer solution can be expanded inside the customer company resulting with more sales and solution offerings. At the same time it enables the supplier to find new same kind of industries and customers. The better and well performing the solution is, the more transparent is the customer process. As a result of this, the customer can better concentrate on his or her own core business.

Launching to OEMs globally

The case company is a trusted partner for a number of leading technology suppliers because its products add value and enhance process efficiency in customer's processes. Company's process and application expertise, certified manufacturing and delivery processes with comprehensive after sales services ensure reliable deliveries. Driven by the will to solve problems the company is committed to growing together with its customers and partners; to understand and help make customers' processes more competitive. As a leading supplier in its field the case company is able to provide reduced total cost of ownership (TCO). That is ensured by high product quality, extended product lifetime, ease of installation, long service intervals, low maintenance costs and superior energy efficiency. The company's products are an environmentally friendly and cost effective solution for demanding industrial conditions.

In the Figure 1 the multiple relationships of the case company with OEM companies are illustrated. The company has an OEM partner company, which is operating in two business areas, in many countries and has various product lines. The case company also has relationships with many other OEMs, which are operating in various businesses and countries as well have many process applications and product lines. This paper does not make difference in the type of the business whether daily or project type of business. Customer relationships are also good references when co-operating with engineering companies and OEMs for selling expertise. Then one single customer relationship is not enough to form a good reference, but only a long term customer relationship does. With these OEM companies the case company has good experiences of utilizing customer relationships as internal reference in their international operations. However, due the confidentiality matters it has to be cautious when utilizing customer information and sharing it with other customers. When offering, the permission for using company name within the same group is asked even from the customers with whom the supplier has a long term relationship and who use regularly company's products. Usually the OEM customer give a permission easily since it is a question of internal referring within the group. In this case customers have sometimes themselves recommended the supplier and

based on good word-of-mouth contacts in the group there has been direct contacts to the supplier from the other companies in the group.

Also in different countries and industries customer relationships act best as references within a group of OEM companies. When the customer belongs to the group, references can act internally, when it can be shown by using the references that there is established a certain practice in the group. This kind of reference is good when the customer can refer to the colleague. When companies are operating globally, companies are concentrating their purchases on the suppliers of whose solutions they have good experiences. In different countries the country and industry specific references have most importance. There are also differences in customer activity of communicating references in various industries. For example in chemical process industries different customers do not communicate much with each other and the communication of references is only at the supplier's responsibility. In the industries such as mining, and pulp and paper instead word-of-mouth communication is commonly used and it works very effectively. People in the same industry are interacting with each other. When the supplier has performed well it is soon known as a good reference by the other companies in the network. Then the customers even know persons and have good relationships within the different companies in the group. If this kind of connecting link is missing between the companies the best way to reference is by emphasizing the process facts. The outcomes of utilizing references have usually been positive. As an example there are customers to whom is delivered hundreds or even thousand solutions. There are also positive results of using references in co-operation with engineering companies and OEMs. Also in the new customer projects references are utilized successfully.

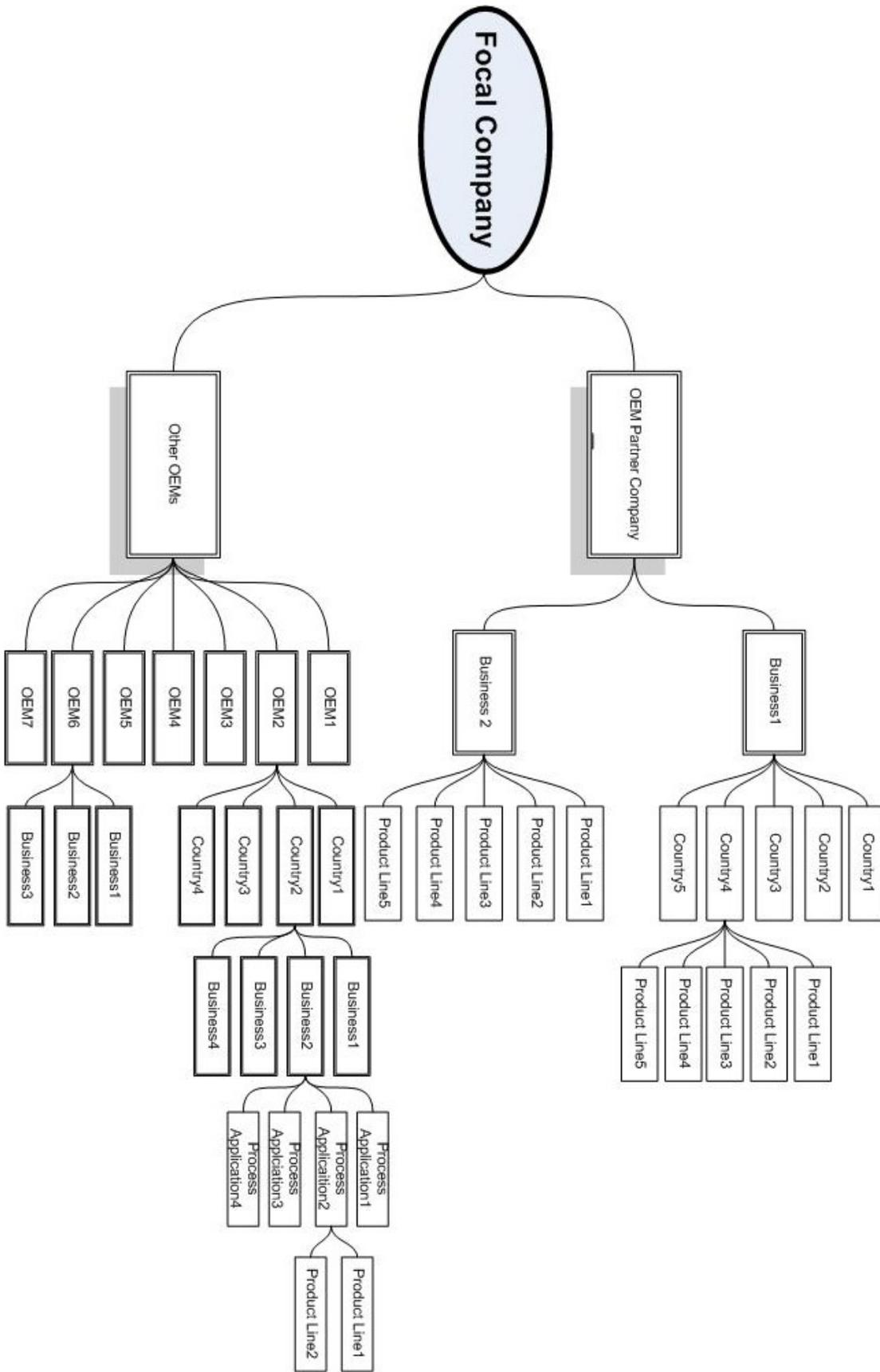


Figure 1. OEM Relationships

Contributions from the launch literature

The purpose of the study was to examine how the identified themes in the literature are seen in an industrial company's marketing practices when launching its products globally. The case study tries to find an answer to the question how the identified themes in the literature can help an industrial company when launching process equipment to global OEMs. Based on the literature themes launch related to strategy, NDP process, new product performance and global launch were identified. When looking at the literature it was found that the most of the 50 articles reviewed contributed to the theme launch related to strategy (18 articles), but only in seven articles global launch was covered. Articles related to launch strategy were mainly focusing on high tech and consumer products including e.g. topics of a product launch, marketing action and launch tactics for high-technology products, and communication strategies. Some articles had a country focus, discuss launch strategy and new product performance or launch strategies on competitive reaction. One tried to find answer how new product introductions affect sales management strategy. Only one article addressed to OEM business.

The articles of launch relating to NPD process were mainly dealing with high tech industry and were focusing on e.g. the new product process, industrial new product launch strategies and product development performance, customer partnering in new product development, customization of product technology and international new product success, product development cycle time for business-to-business products, marketing's lateral influence strategies and new product team comprehension in high-tech companies, and marketing's influence tactics in new product development.

As with launch related to NPD process the concept of launch as new product performance was the most often found of high tech products. The articles were covering topics such as world class multinationals in the chemical industry in four countries, measuring new product success, exploring managers' perceptions of new product success, key factors in increasing speed to market and improving new product success rates, portfolio management in industry, key success factors in new product launch. Successful launches were found to be related to perceived superior skills in marketing research, sales force, distribution, promotion, R&D, and engineering. Also the timing of the launch was considered important.

Global Launch

Based on the findings in the literature of global launch only few articles were found and there were about as many articles concerning industrial/high tech and consumer products. Chryssochoidis and Wong (1998) explored 30 high-tech products launched into multiple European markets. The results suggest that firms can achieve on-time, multi country rollout of new products notwithstanding the legal, technological, and competitive environment. The results of the study also indicate a positive relationship between timeliness in international new product rollouts (INPR) and new-product success. According to Graber (1996) the global product development is one of the most difficult

challenges that business leaders face today. When done correctly it leads to significant sales and profits and when done poorly losses can accumulate and resources are wasted. The article by Bruce, Daly and Kahn (2007) employs a case-study methodology to address design factors influencing successful global product launch. The article by Harvey and Griffith (2007) presents a conceptualization of how firms can respond to the issues of globalization and time-based competition through the use of virtual global teams to foster successful global product launches. Other articles were about launching consumer products. In the case study it was examined how the themes based on the literature review are seen in the case company's marketing practices. As a result it was found that any of the articles on global launch do not focus on the business of the case company described above. Also due to that the articles can not contribute to global launch and especially to the OEM business in the case company. Instead, a closer review of articles related to strategy and new product performance are needed as it seems that those themes would be more useful for an industrial company's marketing practices when launching its products globally.

CONCLUSIONS AND FUTURE RESEARCH

The purpose of this study is to analyse the extant academic literature related to launch and to examine how the identified themes in the literature are seen in an industrial company's marketing practices when launching its products globally. The study contributes to the launching literature by identifying the gaps in the launching knowledge provided by the top marketing journals and the most relevant industrial marketing journals. A launch strategy and the impact of the new product's launch strategy on performance are widely discussed in the literature. However, the existing knowledge of global launch is quite scarce as the concept of global launch has also been used only in a few academic studies in international industrial and business marketing. To acquire knowledge on extant academic studies related to launch and on global launch of industrial products, especially, a thorough literature review was conducted. Five leading marketing journals and a business journal were examined to find answer to the question how the concept of launch is used in business marketing literature. Total 50 articles concerning launch we found. Most of them were found in the leading journal in industrial marketing (Industrial Marketing Management), and a highly ranked business journal (Journal of Product Innovation Management). As a result of the review four leading themes were selected: launch related to strategy, launch related to New Product Development process (NPD), new product performance and global launch.

A case study type of qualitative approach was employed in this research to present concrete examples how the launch is used in practice and to examine how the identified themes in the literature are seen in an industrial company's marketing practices when launching its products globally. As the case company produces special products that require expertise and personal contact the existing relationships and references are used effectively for launching new products to global OEMs. The company's expertise builds on extensive application and process know-how and it has well established customer

relationship management system that tracks a vast portion of the tens of thousands installations.

Based on the analysis of the launch practices in the case company customer relationships and references are used in launch for many purposes. First, they are used for adding value to customer processes e.g. by providing solutions for the customers' processes, sharing experiences and achieving mutual benefits. Second, they increase the company's reliability by strengthening reputation, credibility and brand. Third, by references the company's expertise is shown as increasing process and customer knowledge, and for selling know-how. Fourth, customer relationships are used as references. The customers tell about their positive experiences and recommend the company's products to potential customers. Fifth, references are an important marketing tool as being a key sales tool and sales argument. By using references more sales and new customers are expected to be achieved.

The literature review shows clear gaps in the launching knowledge as the extant articles mainly concerns launch in high tech and consumer industries, but articles on industrial B-to-B marketing and especially on utilisation of customer relationships in launch can not be found. As the references are the important resources for the case company in launching of new products a closer research of reference practices are needed for requiring deeper understanding. Further research on global launch and OEM business is recommended. A review of articles related to strategy and new product performance is suggested. Also for acquiring more knowledge on the phenomenon a literature review based on the empirical material and launch practises of the case company can also be recommended.

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