PRODUCT DEVELOPMENT DRIVERS – AN EXPLORATIVE STUDY IN FINLAND AND CHINA

Jukka Majava  
University of Oulu, Finland  
jukka.majava@oulu.fi

Kris M.Y. Law  
Hong Kong Polytechnic University, Hong Kong  
kris.law@polyu.edu.hk

Harri Haapasalo  
University of Oulu, Finland  
arri.haapasalo@oulu.fi

Chau Y.C.  
SAE Magnetics (H.K.) Ltd, Hong Kong  
ycchau@sae.com.hk

Osmo Kauppila  
University of Oulu, Finland  
osmo.kauppila@oulu.fi

Abstract:  
New Product Development (NPD) is vital for companies that operate in international markets. Yet, NPD has become increasingly challenging to manage; products are becoming ever more complex and various customers and multiple stakeholders’ needs must be satisfied. In addition, international companies often conduct NPD in multiple locations around the world. Product development drivers can be defined as reasons for a company to initiate a product development project. These drivers affect decision-making, project outcome, and product strategy implementation. The purpose of this paper is to study how key product development drivers are perceived at the managerial level in product innovation focused technology companies that are based in Finland and China. The study is exploratory in nature. Previous studies have not adequately explored drivers for different types of development and country-specific characteristics. The results of this study indicate that managers’ views on the product development drivers differ in short-, medium-, and long-term development projects. Marketing and customers related drivers are considered the most important in the short term, financial goals related drivers in the medium term, and strategy and business environment related drivers in the long term. In addition, differences are found between Finnish and Chinese managers’ views. Finnish practitioners tend to be more focused on financial goals related drivers, whereas Chinese managers consider various factors to be important. The study provides interesting insights for international companies that want to enhance their product development operations. In addition, future research topics related to product development drivers are proposed.

Keywords: new product development (NPD), driver, innovation, technology, Finland, China.