


Chapter 2

Challenges in New Product Development and Innovation: Strategies and Initiatives

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ABSTRACT

It is imperative for companies to focus on new product development and innovation. Companies face challenges in new product development. The objective of the study is to analyze the various aspects of new product development and the challenges faced in new product development. The methodology adopted is a conceptual analysis of the various aspects and the challenges faced in new product development. Companies should understand the factors for new-product success and new-product failure. They should have organizational arrangements viz. budgeting and organizing for new product development. Companies adopt various initiatives to face the challenges in new product development. Academicians may develop models which will help companies to succeed in new product development. Practitioners and managers will learn from the initiatives adopted by companies and implement the best practices which will be effective in organizations and which will help them to succeed and achieve business excellence in the long run.

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1. INTRODUCTION

Companies generate revenues and profits over time to grow and to sustain. Company growth is not possible unless they develop new products and services and expand into new markets (Nansubuga & Kowalkowski, 2024). Companies shape their futures by expanding into new markets and by developing new products. Improved or replacement products and services can maintain or build sales. However, new-to-the-world products and services transform industries and companies and change lives (Fisher, John-Mariadoss, Kuzmich, & Qualls, 2024). However, the success rate of new products and services is low. Companies face many challenges when they try to develop new products. Now-a-days, companies not only develop new products. They focus on innovation and fundamentally change the way they develop their new products and services (Zhang, Wang, Tse, & Tse, 2024).

Companies all over the world are trying to come up with creative ways to develop new products and services, faster and more efficiently. Companies play a major role in the development of new products and services by identifying and evaluating new-product ideas and working with research and development and other areas in every stage of development.

Introduction of new products by companies has accelerated in recent years. Companies aim to reduce the time to market a product drastically. For example, in many industries, such as retailing, consumer goods, electronics, automobiles, and others, the time it takes to bring a product to market has been cut in half (Lyu, Bao, Zhang, Wang, Tuo, Ou, & Lin, 2024). Bonanza Garments Industries, Pakistan adopted the TapeSeam™ technology used in rainwear garments. The company introduced pucker-free shirts that prevent wrinkling or construction, especially at the seams. Luxury leather-goods maker Louis Vuitton implemented a new factory format dubbed Pégase so that it could ship fresh collections to its boutiques every six weeks – more than twice as frequently as in the past. This allows customers to choose from more new looks (Mandal, 2024).

The discussions done above indicate the importance of new product development and innovation in new product development. The discussions also emphasize the challenges faced by companies and businesses in new product development and innovation. Although the topic is important, in-depth research seems to be absent. The study aims to address this research gap.

The objective of the study is to analyze the various aspects of new product development and innovation and the challenges faced by companies and businesses in new product development and innovation.

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