

DOCTORAL THESIS

Relationship between customer orientation and success in marketing new products: testing the mediating effect of inter-functional coordination

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ABSTRACT

Previous research has demonstrated that customer orientation has a positive effect on business outcomes. Although scholars have provided different explanations for such a relationship, there is still a lack of clear understanding of what leads to such a relationship. In addition, there are only a few studies discussing the boundary conditions of customer orientation-business performance linkage. Drawing on the organizational information processing theory, I propose that inter-functional coordination mediates the relationship between customer orientation and success in marketing new products. A randomly sample of 97 new product development projects across 6 Sino-overseas joint ventures involving 150 car models in the China automobile industry was used to test my hypotheses. The results support my proposed mediating hypothesis. In addition, I demonstrate that the relationship between customer orientation and inter-functional coordination is further strengthened when a new product development strategy is local-oriented rather than when it is import-oriented because of the level of modification affecting the level of staff participation. Furthermore, compared with longer shared team tenure teams, it was found that teams of shorter tenure inter-functional coordination are more likely to trigger success in marketing new product relationship. On the basis of these findings, I discuss their implications for practice and future research.

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