

Sequential-Simultaneous International Rollout Strategies and Product Performance: A Framework for Analysis

(Strategi Pengkomersialan Antarabangsa secara Berperingkat-Serentak dan Prestasi Produk:
Satu Kerangka Kajian untuk Analisis)

Nik Mohd Hazrul Nik Hashim
(Graduate School of Business, Universiti Kebangsaan Malaysia)

ABSTRACT

This research article provides a detailed mapping of the paradigms of sequential and simultaneous international launch strategies through a review of the literature. The paper identifies significant patterns and limitations in past empirical studies. In brief, inadequate research efforts to comprehensively evaluate the performance of sequential versus simultaneous product launch strategies have left researchers and practitioners with very limited information for optimizing launch success. To fill the knowledge gap, a general contingency framework that links various internal and external organizational factors with potential impact on the launch strategy–performance relationship is introduced. Relevant research propositions are advanced to illustrate potential strategic-fit implications. The paper highlights major theoretical and methodological issues that are imperative for future empirical investigations.

Keywords: Launch strategy; foreign markets; new product performance; customer preference; marketing proficiency; product innovativeness

ABSTRAK

Kajian ini memberi pemetaan yang terperinci berkenaan pradigma strategi pengkomersialan antarabangsa secara berperingkat dan serentak berasaskan ulasan literatur. Kajian ini mendapati bahawa terdapat corak yang ketara dan keterbatasan dalam kajian-kajian empirikal yang lepas. Secara ringkas, oleh kerana kurangnya kajian yang terperinci untuk membandingkan keberkesanan strategi pengkomersialan berperingkat dan serentak, maklumat mengenai kejayaan optimum kedua strategi ini adalah terhad di kalangan penyelidik dan pengamal perniagaan. Untuk memenuhi jurang pengetahuan ini, satu kerangka kajian berbentuk kontinjen yang menghubungkan pelbagai faktor dalaman dan luaran organisasi yang berpotensi memberi impak kepada hubungan strategi pengkomersialan–prestasi diperkenalkan. Beberapa pernyataan kajian diusul untuk menunjukkan implikasi konsep kesesuaian-strategi. Penulis mengemukakan isu-isu penting berkaitan teori dan metodologi yang perlu diambil kira dalam pelaksanaan kajian empirikal di masa hadapan.

Kata kunci: Strategi pengkomersialan; pasaran luar negara; prestasi produk baru; kemahuan pelanggan; kecekapan pemasaran; inovasi produk

INTRODUCTION

Today's global business environment is characterised by a continuous flow of new products and the emergence of rivals in the marketplace. Firms are forced to constantly search for effective export strategies to gain competitive advantage (see Sousa, Martinez-Lopez & Coelho 2008). The decision to strategically introduce new products is of foremost concern and a pertinent issue that managers need to address as it will determine how firms thrive in international markets. The market entry decision strategy, concerning sequential versus simultaneous product rollouts is becoming an increasingly important topic for securing competitive market positions. Although there are a number of studies on sequential and simultaneous launch strategies in commercialization literature (e.g., Chrysochoidis & Wong 1998; Neelamegham & Chintagunta 1999; Stremersch & Tellis 2004), none has attempted to develop a relatively comprehensive theoretical framework for the performance effects of

both launch strategies. The lack of robust theoretical foundations leaves researchers with limited guidelines for conducting empirical research on successful sequential and simultaneous product introductions.

The deficiency of existing theoretical frameworks is not surprising since the issue pertaining to sequential and simultaneous launch strategies was not the key theme in the recent marketing agenda. A formal investigation on the sequential entry process started in the 1980s. Initial studies were mainly concerned with market selection decisions (i.e., similar to home market, high demands) and introduction sequence into foreign markets (e.g., Davidson 1983; Onkvisit & Shaw 1983). Studies which integrated the concept of simultaneous launch with sequential launch subsequently began to transpire in the 1990s. Mascarenhas (1992) provided some of the first empirical evidence comparing sequential-simultaneous product introductions. This indicates that it is a relatively new topic in the marketing literature.

Apart from insufficient research in the area, empirical findings with regard to the benefits of the two launch strategies have been mixed. As can be seen in the sampled empirical research (Table 1), some studies find strong support for sequential rollouts, while others indicate that the simultaneous approach is more effective. A possible explanation that may have contributed to differential outcomes is that past studies have used diverse performance indicators and ambiguous conceptualizations. Furthermore, prior studies were mostly concerned with the direct impact of launch modes on product performance. As a result, much debate in the marketing literature concerning the tradeoffs for launching products sequentially or simultaneously is on-going (see Calantone & Griffith 2007; Harvey & Griffith 2007). This suggests that more research is needed to determine the appropriate strategy for entering global markets successfully (Morgan, Katsikeas & Vorhies 2012).

Due to the intricate nature of sequential and simultaneous launch strategies, the quest for further investigation seems to be making relatively slow progress, especially in the last decade. Much is still unknown with regard to the respective launch strategies. What exactly are sequential and simultaneous international launch strategies? What are the key factors that firms should consider when selecting a particular launch approach? How can firms determine the optimal launch strategy? What are the methodological issues that researchers should take into account when exploring this particular subject of interest? In summary, there are inadequate guiding principles for managers and academics to determine which launch strategy should be adopted for introducing new products. Research is greatly needed to re-examine the conventional determinant effects of sequential and simultaneous launch strategies on new product performance to elucidate the issue at hand.

This paper aims to answer the above questions through assessments of the literature and theory-building endeavours. Ultimately, to fill the knowledge gap, a general conceptual framework for the performance effect of sequential versus simultaneous launch strategies is introduced to serve as guidelines for future empirical research. This study is exploratory in nature as it contributes to the lack of theoretical foundation in the international marketing literature. This paper is organized in the following manner. First, a formal definition of the domain of sequential and simultaneous global launch strategies is introduced. The strategic rational and tradeoffs for adopting the strategies are then discussed. Next, the paper identifies a management theory and presents a general conceptual model to resolve the knowledge gap. This is followed by specific propositions to compare and contrast the two launch strategies (i.e., strategic-fit implications). The paper concludes with a discussion on limitations, implications, and critical issues for future research.

DEFINING THE LAUNCH STRATEGIES

Since the terms sequential launch or simultaneous launch in themselves seem to be sufficient to illustrate their core meaning, most authors have simply provided a straightforward description of the respective launch strategies. This is particularly apparent with the simultaneous launch strategy. For instance, Stremersch and Tellis (2004: 434) described simultaneous launch as “one in which a firm introduces in all countries at the same time.” Libai, Muller, and Peres (2005: 376) provided the following account, “...with simultaneous entry, the firm enters its regions simultaneously.” These depictions give the impression that the simultaneous launch approach is very rigid, necessitating entry into all targeted country markets at the same time. Such understanding can be misleading as there is flexibility to the concept. As Nintendo’s European marketing chief points out, “You know simultaneous, what does that mean? The same day, the same time? That probably doesn’t make commercial sense. But within a few weeks of one another, sure” (Gibson 2005: 2). It should be kept in mind that a simultaneous launch does not necessarily have to be a “one-shot” approach, nonetheless has to be completed within a very limited timeframe (e.g., completed within two months) (Chrysochoidis & Wong 1998).

To emphasize the difference between sequential and simultaneous launch strategies, authors usually offer a brief description of the concepts. In essence, the implementation for global product rollout is dependent on the selection of two conceptually distinct modes of entry: to adopt a proper schedule for a new product release in different countries (Li, Nicholls & Roslow 2003), which proceeds in an orderly manner (Libai, Muller & Peres 2005) along an extended timeline (Chrysochoidis & Wong 1998); or to introduce a new product to all targeted countries at the same time (Stremersch & Tellis 2004) with less or no emphasis on the order of country entry (Chrysochoidis & Wong 1998).

From the above description, a *sequential international launch* can be defined as the introduction of a new product in a gradual sequence from one foreign country to another at different times reflecting discrete launch stages. Toshiba, Sony, and Honda have routinely used this launch approach, focusing gradual rollouts first on Asian countries before moving to other markets across the globe.

Alternatively, a *simultaneous international launch* is defined as the introduction of a new product as quickly as possible across multiple foreign countries at approximately the same time reflecting a single launch stage. Nokia and Apple normally use a concurrent launch approach to introduce their new mobile phone models around the world. Previous versions of Microsoft Windows and editions of the *Harry Potter* series were also released worldwide via simultaneous rollouts.

TABLE 1. Overview of key empirical research on sequential and simultaneous international rollouts

Study	Data	Industry	No. of Countries	Dependent Variable	Key Relevant Findings
Mascarenhas (1992)	Data from offshore drilling companies along a 23-year period	Industrial oil drilling products	46 countries	Market lag	A sequential launch occurs more often than a simultaneous launch. A simultaneous approach occupies high acceptance risk, hence occurs at a later stage in the PLC when market uncertainties begin to diminish.
Kalish, Mahajan & Muller (1995)	Secondary data from 2 competing firms	Durable products	1 foreign market	Net Present Value	The authors find empirical evidence that enhances the success of sequential launch. Despite the findings, however, they anticipate that today's global market perspectives support simultaneous rollouts.
Chryschoyidis & Wong (1998)	Semi-structured personal interviews with senior managers	30 high-tech products across 4 categories	Multiple European markets	Timeliness of new product rollouts	Although most products are launched sequentially, cases for introduction delays are frequent. Sales and profitability are also affected by delays. Conversely, simultaneous product launches ensure timely rollouts across countries and increases the likelihood of product success.
Neelamegham & Chintagunta (1999)	Historical database	35 movies in the motion picture industry	13 countries	Product sales	Uncertainties can be reduced with a sequential strategy. Available information from previous launches can be used to make accurate sales predictions in future market entries.
Golder (2000)	In-depth interview with 64 executives	Consumer durable and non-durable products	5 countries	Subjective performance indicators	A simultaneous launch is generally employed to recover from high development costs. A sequential launch is useful for prototype testing and developing market intelligence systems.
Tellis, Stremersch & Yin (2003)	Secondary time series data	137 consumer durables across 10 categories	16 Western European countries	Time to take off (product sales)	The researchers support the use of a sequential launch approach as it increases the likelihood of takeoffs in other countries, provides support for continued marketing activities, and generates revenues for product upgrades.
Stremersch & Tellis (2004)	Annual sales data	10 new consumer durables	16 European countries	Growth rate and duration	A simultaneous product launch can maximize sales. A sequential launch minimizes risks. These findings represent the main tradeoffs between sequential and simultaneous launch strategies.

STRATEGIC RATIONAL AND TRADEOFFS

Multinational firms need to effectively coordinate new product launches on a global basis. Many firms believe that the sequential strategy is the appropriate approach as it can reduce the risk of failure and increase product performance by entering one country at a time (Stremersch & Tellis 2004). It is argued that the overall risk of introducing a new product can be minimized by launching products in an orderly sequence of activities that collectively reduces uncertainty. Based on this understanding, managers may not view the launch as a one-time event, but rather a series of release dates in an extended launch phase. Strategically, firms will identify potential countries (e.g., less competition, familiar characteristics) and schedule product launches in those countries before approaching others. The main intention of a sequential launch is to obtain initial launch experience and market intelligence in one country and, if necessary, use the acquired information to improve products and launch tactics when entering other countries (Li, Nicholls & Roslow 2003).

In contrast, a simultaneous product launch to multiple country markets is usually adopted with the motivation to achieve maximum return in investments and to dominate global market share (Li, Nicholls & Roslow 2003). These objectives can be realized by introducing a new product to as many foreign markets as possible, on the basis of economies of scale and enhanced production (Stremersch & Tellis 2004). Li, Nicholls and Roslow (2003) suggested three main reasons that encourage firms to use a concurrent launch approach: (1) global consumer segments are becoming more apparent; (2) concerns regarding technological obsolescence; and (3) desire to attain a leadership position in the industry.

There are a number of studies that acknowledge the benefits of entering international markets in a gradual manner. Apart from reducing risks (Stremersch & Tellis 2004), a sequential launch allows firms to extract profits from successful foreign market entries and “subsidize” subsequent entries (Calantone & Griffith 2007). A gradual launch approach can also be regarded as a natural extension of market testing. By virtue of that fact, if a new product fails in the first few foreign markets, a firm can decide to discontinue introducing the product to remaining target countries, thus limiting adversity and investments in the attempted countries only (Stremersch & Tellis 2004). A firm that adopts a simultaneous launch approach, however, will not be able to cease or improve product launches if a major problem occurs as the product has already been released to multiple countries (Li, Nicholls & Roslow 2003).

Neelamegham and Chintagunta (1999) revealed that information from initial country performance, via gradual launches, can be used to make accurate sales predictions in succeeding launches. Tellis, Stremersch and Yin (2003) also supported the use of a sequential approach as initial takeoffs motivate managers to provide greater support for its market activities, encourages product takeoffs

in other countries, and financially support product upgrades in subsequent market entries. Furthermore, when compared to a simultaneous launch approach, a sequential launch requires much lower investments and reduces product rollout complexity (Harvey & Griffith 2007). This particular point of view strengthens the notion that a sequential launch involves lower risks than a simultaneous launch. However, there have been counter arguments as well as empirical findings that might reveal otherwise. For example, Li, Nicholls and Roslow (2003) argued that, because of the prolonged launch process, a sequential launch allows competitors to take advantage of a supply void especially in later market entries. They further argued that a gradual approach will also have a detrimental impact on corporate image if products are not presented on a timely basis.

Chrysochoidis and Wong (1998) conducted an empirical study to identify the causes of delays in international product rollouts. Their initial findings revealed that majority of high-tech products (22 out of 30 products) were launched sequentially across European countries. This corresponds to Mascaranhas’s (1992) research which suggests that a sequential launch occurs more frequently than a simultaneous launch. Despite this, Chrysochoidis and Wong (1998) discovered that there was a high incidence of product introduction delays observed by those firms implementing a sequential launch, whereas firms that simultaneously launched their products were all timely. Moreover, product sales and profitability were affected by the delays in international rollouts. Likewise, Stremersch and Tellis (2004) found that the simultaneous approach generates more sales than the sequential approach.

Although managers often associate the simultaneous approach with high risks, the rewards for launching products simultaneously would usually be greater than its risks. A simultaneous launch enables firms to quickly recover from high development costs (Golder 2000). With regard to the first-to-market advantage which firms can acquire via simultaneous launches, Li, Nicholls and Roslow (2003: 567) stated that “The market share and high returns derived from the advantage will give firms financial backing to develop the next generation of technology and avoid being squeezed out of the market in subsequent cycles.” Additionally, a concurrent launch approach potentially restricts other firms from producing imitative products and reduces gray market activities (Calantone & Griffith 2007). Table 2 summarizes the advantages and disadvantages of the respective launch strategies.

COMMENTARY ON PREVIOUS RESEARCH

Assessment of the literature that revolves around identifying key issues and shortcomings in research methodologies has uncovered three major limitations that confine the extent of our understanding on strategic

TABLE 2. Main advantages and disadvantages of Sequential (SEQ) and Simultaneous (SIM) launch strategies

	Advantages	Disadvantages
SEQ	<ul style="list-style-type: none"> • Use previous information to make accurate sales prediction (Neelamegham & Chintagunta 1999) • Upgrade products and marketing activities to avoid making similar mistakes and improve acceptance rate (Li, Nicholls & Roslow 2003) • Revenues and profits from initial countries can be used for investment when entering a new country market (Stremersch & Tellis 2004; Tellis, Stremersch & Yin 2003) • Can discontinue product launches if it fails in first few countries (Stremersch & Tellis 2004) 	<ul style="list-style-type: none"> • Allow competing firms to enter a potential foreign market and take advantage of the supply void (Li, Nicholls & Roslow 2003) • Brand image could be affected if the product is not introduced to customers on a timely basis (Li, Nicholls & Roslow 2003) • Will usually exceed the planned time frame (i.e., introduction delays) to complete product rollouts across targeted country markets (Chryssochoidis & Wong 1998) • Sales and profits are affected by delays in new product rollouts (Chryssochoidis & Wong 1998)
SIM	<ul style="list-style-type: none"> • Product launches are normally completed within the planned time frame (Chryssochoidis & Wong 1998) • Speedy market penetration promotes faster sales and profit returns (Chryssochoidis & Wong 1998; Li, Nicholls & Roslow 2003; Stremersch & Tellis 2004) • Benefit from economies of scale and optimizes production activities (Li, Nicholls & Roslow 2003) • Restrain other firms from imitating the product and reduces gray market activities (Calantone & Griffith 2007; Stremersch & Tellis 2004) 	<ul style="list-style-type: none"> • High customer acceptance risk because marketing budgets are dispersed across countries (Mascarenhas 1992; Stremersch & Tellis 2004) • Requires very high initial investment due to mass production and marketing (Calantone & Griffith 2007) • Difficult to manage and coordinate multiple product launches, hence will hold-up actual launch date (Calantone & Griffith 2007; Harvey & Griffith 2007) • Unable to improve the product or marketing programs once the product is released into multiple foreign markets (Li, Nicholls & Roslow 2003)

launch success. First and foremost, there are very few empirical studies (e.g., Chryssochoidis & Wong 1998; Stremersch & Tellis 2004) that actually compare the “effectiveness” of sequential and simultaneous launches of new products. The majority of studies focused on sequential launch strategies. Others have just represented the launch strategies as a complementary but important element to a wider launch topic. This indicates that there has been little effort to evenly compare the performance effects of launch strategies.

Second, there are contradictions in the empirical findings concerning the performance of the two launch strategies. Studies on sequential launches have clearly indicated that it is an effective technique for launching new products (e.g., Neelamegham & Chintagunta 1999; Tellis, Stremersch & Yin 2003). Nonetheless, there are empirical evidences that suggest simultaneous rollouts can be successfully implemented (Stremersch & Tellis 2004) and can in fact be the more rewarding strategy (Chryssochoidis & Wong 1998). Although there is some evidence that a simultaneous launch may be better than a sequential launch, the evidence is not conclusive. Apparently, there is no consensus in the strategic launch literature which prefers one strategy over the other.

Third, past researchers were mainly concerned with the diffusion patterns of products and the direct impact of a given launch strategy on product performance rather than assimilating decisive factors that may influence the performance effects of launch strategies. Kalish, Mahajan and Muller’s (1995) study is an exception as they examined circumstances primarily for the sequential

launch approach. However, their analytical procedures were restricted to a single export country, linking product diffusion from the home market to the foreign market. This limits the generalizability of their research findings as multinational firms generally launch new products to several foreign markets. In this paper, rather than emphasizing on relative home market performance, I conceptualize the performance effects of launch strategies and relevant constituents “across” multiple foreign markets.

THEORETICAL PREMISE AND FRAMEWORK

Cavusgil and Zou (1994) suggested that marketing strategy provides the means by which organizations act in response to different internal and external environmental contexts to achieve organizational objectives. Similarly, Robertson and Chetty (2000: 212) stated that, “export performance is determined by the extent to which a firm’s behavior matches or fits with its internal and/or external context.” For that reason, the primary theoretical underpinning in this study is that in order to be successful in the global marketplace, firms need to implement different launch strategies in accordance with the condition of export market environments and their capabilities in deploying resources across foreign markets.

As mentioned earlier, past research was mostly concerned with the immediate impact of launch strategies on product performances rather than exploring the processes involved in strategic launch decision-making to optimize product launch success. The main reason for

inconsistency in results is perhaps because the majority of past studies did not examine indirect linkages, one that influences the relationship between launch strategies and product performance. Proposing a third variable link, which may affect the relationship between launch strategy and product performance, calls for an approach employing contingency theory.

Contingency theory was established in the 1950s as a tool for organizational studies (Rejc 2004). Strategic contingency theory assumes that there is no universal strategy that is optimal for all organizations (Ginsberg & Venkatraman 1985). Harvey (1982: 81) claimed “the contingency approach to strategy suggests that, for a certain set of organizational and environmental conditions, an optimal strategy exists.” As such, different strategies should be adopted in accordance with a firm’s internal and external environments to obtain optimum performance (Zeithaml, Varadarajan & Zeithaml 1988). In addition to contingency perspective, this research incorporates the theory of strategic-fit. Miles and Snow (1978) introduced the strategic-fit coalignment theory, suggesting firms that

effectively align their strategies with the environment will have a competitive advantage in the marketplace. Accordingly, firms should assess their strategy-making process to accomplish and sustain global competitive advantage. In line with strategic choice theory, managers will have to “select” a particular launch strategy that they anticipate will be most effective (Child, Chung & Davies 2003).

Strategic decision-making process for sequential or simultaneous product launches requires greater analytical efforts in order to comprehend critical factors that impact the success of new products. The question of *when* to use one strategy or the other is predominantly a contingency issue. In fact, what is missing in the literature is a contingency discussion. Therefore, a general contingency framework for the performance effect of sequential and simultaneous launch strategies is introduced (see Figure 1). Although the framework depicts an extensive range of potential moderators, we do not assert these to be all-inclusive rather as guidelines for future research.

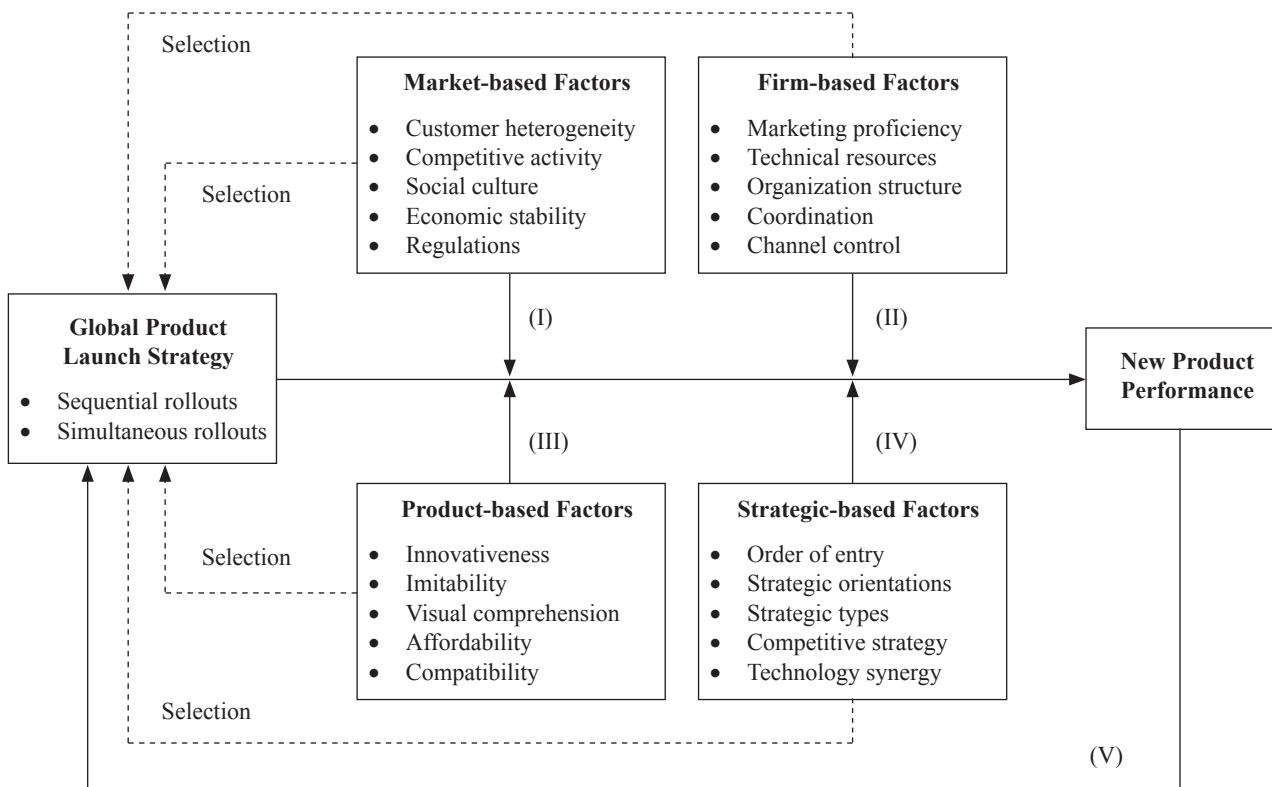


FIGURE 1. Launch strategy and new product performance: A general contingency framework

Sequential and simultaneous launch strategies exist at opposite ends of a spectrum and are conceptually different from one another. Before deciding on which strategy to adopt, it is essential that firms consider specific contingent factors as this could significantly affect the launch strategy–product performance relationship. The *market, firm, product, and strategic* contexts are four prominent categories which have been examined

using the contingency approach (Pattikawa, Verwaal & Commandeur 2006).

Market-based factors refer to external forces that can present either as an opportunity or a threat to an organization (Doyle 2000) and their variability and unpredictability require firms to strategically respond to different environmental conditions (Donaldson 2001). Past studies on strategic choice have evaluated markets

against several factors such as customer preference or heterogeneity, competitive activity, regulatory requirements, social culture, and economic stability (e.g., O’Cass & Julian 2003; Tan & Listchert 1994; Wong 2002).

Firm-based factors refer to organizational elements that are associated with the new product development process such as technical resources and proficiency in marketing (Henard & Szymanski 2001). Firm factors also include the managerial aspects of a firm particularly organization structure, inter-functional coordination, and channel control (Pattikawa, Verwaal & Commandeur 2006). Miles and Snow (1994) indicate organizational structure, control process, and production as organizational variables that need to be aligned with strategies in order to achieve high performance.

Product-based factors refer to physical products and services offered by a firm (Kotler 2003). The primary characteristics of products include innovativeness, credibility, imitability, visual comprehension, affordability, and compatibility (Nakata & Weidner 2012; Erramilli, Agarwal & Dev 2002). There have been past studies that use product characteristics as moderator variables (e.g., Chandy & Tellis 2000; Lee & O’Conner 2003).

Strategic-based factors refer to a firm’s planned actions that have the potential to provide a competitive advantage in the marketplace (Henard & Szymanski 2001). It is arguable that general strategic decisions may influence the launch strategy–performance link. Take for example, order of entry, which comprises pioneers, early followers, and late entrants (Golder 2000). Firms that introduce new products at a certain entry level need to identify a launch strategy that is most effective (Montaguti, Kuester & Robertson 2002). Other strategic variables that have the potential for moderator effects include strategic orientations, competitive strategies, strategic types (prospecter, analyzer, defender), and technology synergy (Pattikawa, Verwaal & Commandeur 2006; Schilke, Reimann & Thomas 2009; Slater & Mohr 2006).

New product performance refers to the outcome of new product introductions which can be determined by multidimensional measures to capture overall performance (Griffin & Page 1996). With regard to possible moderating effects, Hambrick and Schechter (1983) cited in Ginsberg and Venkatraman (1985: 427) suggested that a low-performing business can be considered as a situational factor that will have an impact on the choice of strategies.

RESEARCH PROPOSITIONS

I will initiate the first step to predict the contingency linkages between launch strategy and product performance illustrated in the model. The research propositions focuses on three specific moderator variables: *customer heterogeneity* in link (I); *marketing proficiency* in link (II); and *product innovativeness* in link (III). The variables were specifically chosen because they remain central concerns

for launching new products in both research and practice (see Min, Kalwani & Robinson 2006; Kim, Wong & Eng 2003; Viswanathan & Dickson 2007).

CUSTOMER HETEROGENEITY

Customer heterogeneity refers to the degree of difference of customers’ demographics, preferences, and needs (Achrol & Stern 1988) across foreign markets. As customers’ background and preferences vary, the practicality of a uniform marketing strategy via simultaneous global rollouts becomes more uncertain. Such firms will have to offer a range of products with different features and execute specific marketing programs to suit local demands. In spite of the benefits of adaptation, time is needed to prepare activities to acclimatize to specific demands that exist across country markets. The cost of management and coordination will also be increased as a result of expanding into diverse global markets (Gomez & Ramaswamy 1999). Significant increase in time and costs provides a rational justification for a more gradual approach in product launches across heterogeneous global markets. In brief, a firm that sequentially launches its products in such environment will enhance its adaptive capabilities across countries, thus promotes product launch success. Alternatively, implementing a large-scale simultaneous product rollout into foreign markets with heterogeneous customers will be detrimental. Such firms will have difficulty in organizing complex business transactions to suit specific market demands.

In contrast, some international firms deal with comparable global segments across countries (Alden, Steenkamp & Batra 1999). With homogenous customer preferences and traits, a firm has less customer information to gather and is more certain of the appropriate strategic action to undertake for a new product release. Given sufficient resources, firms with homogenous customers should be able to efficiently approach multiple country markets at once. Li, Nicholls and Roslow (2003) suggested that it would be fitting for firms with homogenous customers to adopt a concurrent launch approach. It is therefore reasonable to infer that such environment–launch strategy alignment should enable firms to achieve desired product performance outcomes. On the contrary, a firm that employs a gradual launch to global customer groups will have to face performance implications in later entries due to shifts in customer wants. Therefore, I posit that:

- P₁ Customer heterogeneity moderates the relationship between sequential/simultaneous launch strategy and product performance. In particular:
- P_{1a} For firms facing heterogeneous customers across their export markets, a sequential launch strategy will be more strongly related to better product performance than a simultaneous launch strategy.
- P_{1b} For firms facing homogeneous customers across their export markets, a simultaneous launch strategy will be more strongly related to better product performance than a sequential launch strategy.

MARKETING PROFICIENCY

Marketing proficiency refers to the extent of proficiency with which a firm executes its marketing resources and activities (Henard & Szymanski 2001) across foreign markets. If marketing resources are readily available across targeted countries and managers can proficiently utilize the resources to convey product advantages, it would be reasonable for the firm to adopt a simultaneous launch approach. This particular mode of entry can create stronger consumer awareness and preferences from persuasive pre-launch signals. For instance, the firm can generate substantial customer excitement by announcing that an innovative product will be introduced worldwide on a certain date with special promotions for “early birds.” It is therefore expected that a simultaneous launch with provisions of strong marketing proficiency across countries would be ideal for new product launches (i.e., maximizes the leverage of simultaneous launch). In opposition, even with proficient marketing ability, some firms may still prefer a gradual rollout. There is no guarantee that sufficient marketing resources and competencies across export markets will secure product acceptance. Worldwide marketing efforts via simultaneous launch also necessitate substantial coordination which may lead to negligence. Despite these reasons, however, we anticipate that the delays in product introductions will not only downgrade existing marketing capabilities but can have consequences on overall performance outcomes due to changes in preferences, technology, and rival strategies.

Conversely, firms with restricted marketing proficiency on a worldwide spectrum should shift towards a more focused approach to secure their competitive position. Chang (1996) asserted that adaptive marketing strategies will allow multinational firms to gain a competitive advantage by providing value to customers. For this reason, it is argued that a gradual launch approach would be appropriate for firms with lower degrees of marketing proficiency. Specifically, lower investment associated with sequential rollouts (Stremersch & Tellis 2004) should enable firms to converge their product and marketing programs to suit the needs of a given market before shifting to another market. Therefore, the strategic alignment that links lower levels of marketing proficiency with the sequential strategy should improve product performance outcomes. Alternatively, a firm that uses a simultaneous launch approach to major foreign markets, although not proficient in marketing, would not be able to initiate a sound introduction. This would have implications on the customers’ awareness and product trail, thus impede launch performance. Consequently:

P₂ Marketing proficiency moderates the relationship between sequential/simultaneous launch strategy and product performance. In particular:

P_{2a} For firms with stronger marketing proficiency across their export markets, a simultaneous launch strategy will be more strongly related to better product performance than a sequential launch strategy.

P_{2b} For firms with weaker marketing proficiency across their export markets, a sequential launch strategy will be more strongly related to better product performance than a simultaneous launch strategy.

PRODUCT INNOVATIVENESS

Song and Montoya-Weiss (1998) defined *radical* innovation as an entirely new product category and *incremental* innovation as the adaptation and refinement of existing products. For radical product innovations, managers will have to deal with unknown market situations, thus affecting organizational ability to understand the market (O’Conner 1998). Agarwal and Bayus (2002) argued that radical product innovations are unreliable due to market acceptance uncertainty and often experience slow acceptance by customers. Therefore, firms that sell highly innovative products need to allow more time to resolve the problems with uncertainties (e.g., demand, information, infrastructure). Song and Montoya-Weiss (1998) suggested that product development activities for radical products will require extended time, more effort, and resources to achieve success. Since a sequential launch approach allows time for adaptive marketing efforts, it is expected that this particular strategy is most effective for generating sales and revenue. A firm that insists on a simultaneous approach for introducing a radical innovation would have to instantaneously adjust to unfamiliar surroundings across different countries. Since a simultaneous launch involves high levels of complexity in managing product launches, the atmosphere for launching a radical product along this strategic launch option may be overwhelming, which might have a negative impact on product performance.

On the contrary, many firms offer new products that exhibit relatively lower levels of innovativeness (Li & Calantone 1998), often product upgrades and re-entering established markets. Managing incremental products requires lower degrees of market analysis due to the firm’s knowledge of existing markets (Urban & Hauser 1993). Familiarity with technology and markets resulting from direct product extensions allows firms to simplify and accelerate product developments as well as commercialization activities (Millson, Raj & Wilemon 1992). Furthermore, customers are familiar with the product’s core benefits due to their experiences with the existing product (Lee & O’Conner 2003). Under these conditions, concurrent product introductions to multiple country markets are justified, and in fact would likely be the optimal strategy to launch incrementally new products. Conversely, firms that launch incremental products using a sequential approach will have to face the consequence of competition as attractive new products continue to pour in the marketplace. This would inhibit firms maximizing launch performance. I therefore propose the following:

P₃ Product innovativeness moderates the relationship between sequential/simultaneous launch strategy and product performance. In particular:

- P_{3a} For firms introducing radical product innovations across their export markets, a sequential launch strategy will be more strongly related to better product performance than a simultaneous launch strategy.
- P_{3b} For firms introducing incremental product innovations across their export markets, a simultaneous launch strategy will be more strongly related to better product performance than a sequential launch strategy.

DISCUSSION

THEORETICAL AND MANAGERIAL INSIGHTS

Previous research in the marketing discipline has not given much attention to explicate the contention for launching products sequentially or simultaneously to foreign markets. This paper addresses this shortcoming by introducing a comprehensive theoretical framework for the performance effects of launch strategies. By focusing on several exogenous and endogenous firm factors, this paper articulates the importance of *fit* between launch strategies and differing organizational contexts. Specifically, the paper contends that the performance of sequential or simultaneous product rollouts is dependent on varying degrees of environmental, organizational, product, and strategic factors. These represent conditional factors that are usually encountered by multinational firms and are necessary for managerial decision-making. Since, to the best of knowledge, there has been no study conducted within the proposed research scope, it contributes to our understanding of the nature of product commercialization and extends the literature on contingency-based research.

The benefits for launching products either sequentially or simultaneously to export markets have been debated extensively among marketing practitioners. Until now, there has been an absence in research to systematically address this issue from a contingent standpoint featuring both launch modes and contexts. As a result, managers are still uncertain of the overall effectiveness of a particular launch strategy. Based on past empirical evidences, we know that both sequential and simultaneous launch strategies are important launch options that need to be considered by export managers prior to releasing new products to the global marketplace. It is critical, however, that the decision to adopt a particular launch approach should not be constrained purely on the basis of direct advantages or tradeoffs for launching products. This study views that neither sequential nor simultaneous launch strategy, in itself, is adequate to explain the variations in product performance outcomes. Managers who are responsible for product exports should therefore consider the contingency perspective for optimizing launch performance. Research initiatives to provide inputs from the study will be helpful to reconcile the contention and dilemma among managers.

LIMITS AND CRITICAL ISSUES FOR FUTURE RESEARCH

The purpose of this paper was to fill a gap in the literature by introducing a comprehensive model on sequential versus simultaneous international rollouts. While the paper suggests a range of potential moderator variables, only three variables were evaluated. Nonetheless, the procedure was reasonable as the paper is exploratory in nature and aims to provide a general guideline for future research endeavors. Follow-up research should work on empirical testing to enable better understanding of the impact of contingent variables on the strategy–performance link. In spite of this, the subject of sequential-simultaneous product rollouts is complex and involves detailed matters that need to be considered throughout the conceptualization and methodological process. Major concerns for empirical research are discussed in the following paragraphs.

If one were to rationally evaluate the concepts of sequential and simultaneous launch, one would find the concepts to be very technical and multifaceted. While it is feasible to examine sequential and simultaneous strategies as wholly discrete categories, it is possible that a hybrid launch strategy could occur. The hybrid launch strategy could take two forms. One is where a firm begins with a sequential launch approach and then, perhaps after the third country, launches its new product concurrently to remaining target countries. Another hybrid launch is where a sequential strategy is used for a region (e.g., launch first in Spain, then some time after in France, and then Germany etc.), but within the Asia-Pacific region, adopts a simultaneous strategy to introduce a new product in Thailand, Malaysia, Singapore, and Korea. What makes it even more complex is that the launch concepts can also be applied across state borders and geographical combinations (i.e., domestic market perspective). Fundamentally, to avoid conceptual complications, it will not be appropriate to conduct research at more complex levels of “overlapping conditions” as the subject of sequential and simultaneous launch strategies is still in its infancy.

Efforts to conceptualize research variables from the context of global trade can be complicated due to the interplay between multiple foreign markets. Therefore, the variables should be conceptually devised to suit an international launch perspective. For instance, to enable customer needs to be evaluated across multiple country markets, an appropriate organizing concept is required. An important aspect of global customers relates to whether customer needs are different or similar across foreign markets. Consequently, the “heterogeneity” of customers (as adopted in this paper) across export markets can be embraced for examining external influences.

To obtain an in-depth understanding of the contingency relationships, research on sequential and simultaneous launches should aim to develop and empirically test “specific models” from the contingent relationships described in Figure 1. Given limitations in time and resources, no single study can empirically test all the

proposed moderators in the general model in its entirety. Moreover, the task would be immense if the variables were to be assessed at various levels of interaction effects. A critical task for researchers is to narrow the research scope while developing a framework which synergistically integrates specific moderator variables. Such models will provide a distinct goal for research pursuits, and will contribute to a more profound understanding of the phenomena under study.

Although financial outcomes are normally the main objective for firms, product performance evaluation should not rely exclusively on profit. In other words, financial performance alone might not reflect product success and so should only be used as a measure for performance evaluation among a broader set of measures. A combination of financial and non-financial measures (i.e., customer-based, technical success) of new product performance would enhance our understanding of launch success with greater validity. Additionally, the use of subjective measures is acceptable for research in this discipline because they permit researchers to compare findings across industries, countries, and economic conditions (Song & Perry 1997).

In contrast to most previous research which has studied sequential and simultaneous launch strategies separately, future research should focus on comparing and contrasting them. This is a gap that should be filled. A comprehensive research approach that evenly compares the performance effects of sequential and simultaneous launch strategies will undeniably pose several challenges, particularly with regard to developing the research instrument and determining appropriate analytical procedures to be performed. However, researchers should be able to confront these challenges by means of novel research designs and adopting a suitable analytical method for testing contingent relationships.

The multiple moderated regressions analysis (MRA) is a suitable technique that researchers can apply for statistical data analysis. The interactive effects which capture the *form* of relationship between variables can be identified via regression analysis, while the strength and *direction* of relationship can be established using simple slopes analysis (Prescott 1986). Specifically, the slopes can be employed to describe the performance effect of launch strategies along high and low levels of a specified moderator variable. In addition to the proposed analytical procedure, researchers should be mindful to control for potential extraneous effects such as firm size, international experience, and the level of support given to overseas distributors. Such inquiries will offer valuable insights to managers to explicitly identify entry modes that would deliver superior launch performance.

CONCLUSION

The literature can explain *why* a manager might prefer one launch strategy over the other (i.e., advantages and

disadvantages). However, the literature has not completely found its way to addressing the issue concerning *when* it would be in the firm's interest to pursue a particular launch strategy (i.e., under which circumstances). Only when both aspects of launch-mode decision are understood – namely, why is a particular launch approach desirable, and when is it most successful – can firms make an informed choice between launching a new product sequentially or simultaneously to targeted markets. This precise gap in the literature provides the principal impetus for future empirical research.

REFERENCES

- Achrol, R.S. & Stern, L.W. 1988. Environmental determinants of decision-making uncertainty in marketing channels. *Journal of Marketing Research* 25: 36-50.
- Agarwal, R. & Bayus, B.L. 2002. The market evolution and sales takeoff of product innovations. *Management Science* 48: 1024-1041.
- Alden, D.L., Steenkamp, J.E.M. & Batra, R. 1999. Brand positioning through advertising in Asia, North America, and Europe: The role of global consumer culture. *Journal of Marketing* 63: 75-87.
- Calantone, R.J. & Griffith, D.A. 2007. From the special issue editors: Challenges and opportunities in the field of global product launch. *Journal of Product Innovation Management* 24: 414-418.
- Cavusgil, S.T. & Zou, S. 1994. Marketing strategy-performance relationship: An investigation of the empirical link in export market ventures. *Journal of Marketing* 58: 1-21.
- Chandy, R.K. & Tellis, G.J. 2000. The incumbent's curse?: Incumbency, size, and radical product innovation. *Journal of Marketing* 64: 1-17.
- Chang, T.L. 1996. Cultivating global experience curve advantage on technology and marketing capabilities. *International Marketing Review* 13(6): 22-42.
- Chrysoschoidis, G.M. & Wong, V. 1998. Rolling out new products across country markets: An empirical study of causes of delays. *Journal of Product Innovation Management* 15: 16-41.
- Child, J., Chung, L. & Davies, H. 2003. The performance of cross-border units in China: Test of natural selection, strategic choice and contingency theories. *Journal of International Business Studies* 34: 242-254.
- Davidson, W.H. 1983. Market similarity and market selection: Implications for international marketing strategy. *Journal of Business Research* 11: 439-459.
- Donaldson, L. 2001. *The Contingency Theory of Organizations*. Thousand Oaks, CA: Sage Publications.
- Doyle, P. 2000. *Value-based Marketing: Marketing Strategies for Corporate Growth and Shareholder Value*. Chichester: John Wiley & Sons, Ltd.
- Erramilli, M.K., Agarwal, S. & Dev, C.S. 2002. Choice between non-equity entry modes: An organizational capability perspective. *Journal of International Business Studies* 33: 223-242.
- Gibson, E. 2005. Revolution's almost simultaneous global launch. Available at <http://www.edge-online.com>
- Ginsberg, A. & Venkatraman, N. 1985. Contingency perspectives of organizational strategy: A critical review of the empirical research. *Academy of Management Review* 10: 421-434.

- Golder, P.N. 2000. Insights from senior executives about innovation in international markets. *Journal of Product Innovation Management* 17: 326-340.
- Gomez, L. & Ramaswamy, K. 1999. An empirical examination of the form and relationship between multinationality and performance. *Journal of International Business Studies* 30: 173-187.
- Griffin, A. & Page, A.L. 1996. PDMA success measurement project: recommended measures for product development success and failure. *Journal of Product Innovation Management* 13: 478-496.
- Hambrick, D.C. & Schecter, S.M. 1983. Turnaround strategies for mature industrial-product business units. *Academy of Management Journal* 26: 231-248.
- Harvey, D.F. 1982. *Strategic Management*. Columbus, OH: Charles E. Merrill.
- Harvey, M.G. & Griffith, D.A. 2007. The role of globalization, time acceleration, and virtual global teams in fostering successful global product launches. *Journal of Product Innovation Management* 24: 486-501.
- Henard, D.H. & Szymanski, D.M. 2001. Why some new products are more successful than others. *Journal of Marketing Research* 38: 362-375.
- Kalish, S., Mahajan, V. & Muller, E. 1995. Waterfall and sprinkler new-product strategies in competitive global markets. *International Journal of Research in Marketing* 12: 105-119.
- Kim, J., Wong, V. & Eng, T. 2003. The impact of platform-based product development proficiencies on product family success. *Journal of Strategic Marketing* 11: 255-269.
- Kotler, P. 2003. *Marketing Management*. 11th edition. Upper Saddle River, New Jersey: Prentice-Hall.
- Lee, Y. & O'Conner, G.C. 2003. The impact of communication strategy on launching new products: The moderating role of product innovativeness. *Journal of Product Innovation Management* 20: 4-21.
- Li, T. & Calantone, R.J. 1998. The impact of market knowledge competence on new product advantage: Conceptualization and empirical examination. *Journal of Marketing* 62: 13-29.
- Li, T., Nicholls, J.A.F. & Roslow, S. 2003. Organizational motivation and the global concurrent launch in markets with accelerated technology: A conceptual framework and research propositions. *International Business Review* 12: 563-579.
- Libai, B., Muller, E. & Peres, R. 2005. The role of seeding in multi-market entry. *International Journal of Research in Marketing* 22: 375-393.
- Mascarenhas, B. 1992. Order of entry and performance in international markets. *Strategic Management Journal* 13: 499-510.
- Miles, R.E. & Snow, C.C. 1978. *Organizational Strategy, Structure, and Process*. New York: McGraw-Hill.
- Miles, R.E. & Snow, C.C. 1994. *Fit, Failure, and the Hall of Fame: How Companies Succeed or Fail*. New York: The Free Press.
- Millson, M.R., Raj, S.P. & Wilemon, D. 1992. A survey of major approaches for accelerating new product development. *Journal of Product Innovation Management* 10: 53-69.
- Min, S., Kalwani, M.U. & Robinson, W.T. 2006. Market pioneer and early follower survival risks: A contingency analysis of really new versus incrementally new product-markets. *Journal of Marketing* 70: 15-33.
- Montaguti, E., Kuester, S. & Robertson, T.S. 2002. Entry strategy for radical product innovations: A conceptual model and propositional inventory. *International Journal of Research in Marketing* 19: 21-42.
- Morgan, N.A., Katsikeas, C.S. & Vorhies, D.W. 2012. Export marketing strategy implementation, export marketing capabilities, and export venture performance. *Journal of the Academy of Marketing Science* 40: 271-289.
- Nakata, C. & Weidner, K. 2012. Enhancing new product adoption at the base of the pyramid: A contextualized model. *Journal of Product Innovation Management* 29: 21-32.
- Neelamegham, R. & Chintagunta, P. 1999. A bayesian model to forecast new product performance in domestic and international markets. *Marketing Science* 18: 115-136.
- O'Cass, A. & Julian, C. 2003. Examining firm and environmental influences on export marketing mix strategy and export performance of Australian exporters. *European Journal of Marketing* 37: 366-384.
- O'Conner, G.C. 1998. Market learning and radical innovations: A cross case comparison of eight radical innovation projects. *Journal of Product Innovation Management* 15: 151-166.
- Onkvisit, S. & Shaw, J.J. 1983. An examination of the international product life cycle and its application within marketing. *Columbia Journal of World Business* 18: 73-80.
- Pattikawa, L.H., Verwaal, E. & Commandeur, H.R. 2006. Understanding new product project performance. *European Journal of Marketing* 40: 1178-1193.
- Prescott, J.E. 1986. Environments as moderators of the relationship between strategy and performance. *Academy of Management Journal* 29: 329-346.
- Rajc, A. 2004. Toward contingency theory of performance measurement. *Journal for East European Management Studies* 9: 243-264.
- Robertson, C. & Chetty, S.K. 2000. A contingency-based approach to understanding export performance. *International Business Review* 9: 211-235.
- Schilke, O., Reimann, M. & Thomas, J.S. 2009. When does international marketing standardization matter to firm performance? *Journal of International Marketing* 17: 24-46.
- Slater, S.F. & Mohr, J.J. 2006. Successful development and commercialization of technological innovation: Insights based on strategy type. *Journal of Product Innovation Management* 23: 26-33.
- Song, X.M. & Parry, M.E. 1997. A cross-national comparative study of new product development process: Japan and the United States. *Journal of Marketing* 61: 1-18.
- Song, X.M. & Montoya-Weiss, M.M. 1998. Critical development activities for really new versus incremental products. *Journal of Product Innovation Management* 15: 124-135.
- Sousa, C.M.P., Martinez-Lopez, F.J. & Coelho, F. 2008. The determinants of export performance: A review of the research in the literature between 1998 and 2005. *International Journal of Management Reviews* 10: 343-374.
- Stremersch, S. & Tellis, G.J. 2004. Understanding and managing international growth of new products. *International Journal of Research in Marketing* 21: 421-438.
- Tan, J.J. & Litschert, R.J. 1994. Environment-strategy relationship and its performance implications: An empirical study of the Chinese electronics industry. *Strategic Management Journal* 15: 1-20.

- Tellis, G.J., Stremersch, S. & Yin, E. 2003. The international takeoff of new products: The role of economics, culture, and country innovativeness. *Marketing Science* 22: 188-208.
- Urban, G.L. & Hauser, J.R. 1993. *Design and Marketing of New Products*. 2nd edition. Englewood Cliffs, NJ: Prentice Hall.
- Viswanathan, N.K. & Dickson, P.R. 2007. The fundamentals of standardizing global marketing strategies. *International Marketing Review* 24: 46-63.
- Wong, V. 2002. Antecedents of international new product rollout timeliness. *International Marketing Review* 19: 120-132.
- Zeithaml, V.A., Varadarajan, P.R. & Zeithaml, C.P. 1988. The contingency approach: Its foundations and relevance to theory building and research in marketing. *European Journal of Marketing* 22: 37-64.

Nik Mohd Hazrul Nik Hashim
UKM-Graduate School of Business
Universiti Kebangsaan Malaysia
43600 UKM Bangi, Selangor, MALAYSIA
E-Mail: nikhaz@ukm.my