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Unlocking the New Product Development Process, Best Practices, and New Product Success in the Greater Bay Area - Hong Kong Firms' Perspective

解鎖粵港澳大灣區 (GBA) 的新產品開發 (NPD) 流程、最佳實踐和新產品開發成功機率的研究 - 港商企業的角度

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ABSTRACT

New product development (NPD) is a process of the concept generation, strategy, organization, marketing, and commercialization of new products, and it is pivotal to the success and survival of businesses. The literature on the NPD process reveals that the study of the phenomenon has been carried out primarily in the West. Findings in the literature suggest equally that the NPD and innovation practices from the West differ from those in Asia and that those models and practices from the former may not be deployed successfully in the latter.

The Greater Bay Area (GBA) is a dynamic economic cluster in Southern China, comprising major cities such as Guangzhou, Shenzhen, Hong Kong, and Macau. With a population of 86 million and a strategic focus on becoming a global hub for innovation and technology, the GBA presents a unique context for studying new product development processes. This thesis explores the NPD process, best practices, and success factors within the GBA region, addressing gaps in the literature and offering insights for academic and practical advancements.

New product development practices have been studied extensively in Western contexts, whereas such research on Asian markets, particularly the GBA, is scarce and outdated. Previous studies, such as those by Ozer and Chen (2006) and Siu et al. (2006), are more than 19 years old, and that research cannot account for recent economic, social, and technological changes. Furthermore, findings suggest that the NPD models that are successful in North America and Europe may not be directly applicable in Asia, due to cultural and institutional differences. Therefore, this thesis research addresses those gaps by analyzing NPD processes in the GBA and comparing them with global practices.

First, this study analyzes the current NPD processes, best practices, and success factors in the GBA. Second, this research compares the NPD practices of GBA firms with those in North

America and other global companies. Finally, the study examines the impacts of factors such as AI, technology tools, a culture of innovation, NPD leadership, and portfolio management on NPD performance in the GBA.

The research utilizes the Product Development Management Association (PDMA) framework, which has been widely used in global NPD studies. Data were collected through surveys targeting business and industry associations in the GBA. Quantitative methods, including ANOVAs and regression analyses, were employed to analyze the data and identify the key factors that influence NPD success.

The research has produced vital findings. First, GBA firms have distinct NPD practices that have been influenced by regional characteristics, such as economic integration, cultural diversity, and local government policies. The study's findings highlight the importance of formalized NPD processes and the adoption of AI and technology tools in enhancing efficiency and success rates. A comparison with global firms revealed that GBA firms exhibit significant differences in their approach to NPD. Whereas Western models emphasize structured processes and risk management, GBA firms often adopt flexible and adaptive strategies to navigate the region's dynamic environment. The study further indicates that a strong culture of innovation and effective NPD leadership is critical for driving success in the GBA. Firms with a clear strategy and robust portfolio management practices outperform their peers in both market and financial metrics.

The integration of AI and data-driven strategies has become a norm in the GBA. These tools help firms streamline their NPD processes, improve decision-making, and reduce cycle times. The GBA's unique socioeconomic environment, characterized by three currencies and two legal systems, requires tailored NPD strategies. Supportive government policies and regional integration efforts play crucial roles in fostering innovation and driving NPD success.

This study makes several contributions to both the literature and corporate practices. 1) Longitudinal Insights: The study provides a longitudinal comparison of NPD practices in GBA, revealing significant changes over last two decades, in response to technological and social advancements. 2) Regional Focus: By extending the research to additional GBA cities, the study offers a comprehensive view of the region's NPD landscape, enabling within-region comparisons. 3) Global Comparisons: The research highlights similarities and differences between GBA firms' NPD practices and those of global firms, offering valuable insights for international knowledge sharing. 4) Policy Recommendations: The findings support the development of policies and strategies designed to enhance innovation and technology in the GBA, thus guiding government initiatives and fostering regional competitiveness. 5) Practical Frameworks: The study offers actionable frameworks and best practices for firms to improve their NPD processes, reduce costs, and achieve higher success rates.

The outcomes from this research have practical implications for businesses, policymakers, and researchers. For businesses, the findings show that firms can adopt the recommended best practices to enhance their NPD efficiency, competitiveness, and financial performance. For policymakers, the research provides insights to shape innovation and technology policies, ensuring alignment with regional needs and global trends. For researchers, the study addresses gaps in the literature and sets the stage for future research on NPD in the GBA and other emerging markets.

The GBA's ambitious plans to become an international innovation and technology hub rely on successful NPD processes. This research underscores the region's unique strengths and challenges, offering a roadmap for firms to follow as they navigate the complexities of the GBA's dynamic environment. By leveraging the insights and frameworks presented in this study, stakeholders can drive innovation, improve efficiency, and achieve sustainable growth in the GBA's vibrant economic landscape.