

Press release

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ESMT Berlin researchers show ways to propel product success

New research from ESMT Berlin explores the key strategies that firms should adopt when launching a new product. The researchers say that these strategies depend on the current market view of the product and the firm. Employing the correct one, which might sometimes be collaborating with overtly demanding reviewers or instituting rather challenging pilot tests, ensures that the product launch will go as successfully as possible.

[Tamer Boyaci](#), professor of management science, and [Huseyin Gurkan](#), assistant professor of management science, both at ESMT, and their colleague Soudipta Chakraborty, from the University of Kansas School of Business, say that many firms' current approach is to release information about the product to a select number of customers, usually through public pilot tests and giveaways to customers, or sharing their products with opinion leaders and influencers within their sector who are then able to share their opinions on the quality of the product with wider audiences. However, this current approach raises several natural questions: What type of reviewers should firms reach out to? How challenging pilot tests should firms perform?

The findings actually say there are three key strategies that firms should use, all depending on the characteristics of the firm's potential customers.

When attracting demand to a new product, there are three customers to consider: fans of the product who want to receive it right away and are optimistic of the quality, skeptics who are pessimistic of the product and likely won't buy until convinced, and those that are middle-ground and need more information to buy a product.

The researchers' framework shows that in a market dominated by fans, examples being the likes of top brands like Apple or Nike, companies are not in excessive need of soliciting reviews or conducting publicly observable pilot tests. These firms can simply rely on their customers to purchase without a nudge. The firm's strong brand image and the customers' loyalty take the helm in driving sales.

Whilst a market dominated by skeptics, which could be likely with new, innovative, or sustainable-focused products, needs companies to choose objective reviewers for their products or to perform a wide variety of realistic pilot tests that provide customers a fair idea of quality. By implementing such a strategy, the firms can persuade skeptical customers to purchase the product or at least sufficiently pique their interest.

However, a polarized market not dominated by fans or skeptics calls for a third strategy. Ironically, this strategy necessitates that the firm collaborates with overtly demanding reviewers or instituting rather challenging pilot tests. This is because a potentially positive review or performance evaluation in such tests would remove customers' concerns about the product; due to their demanding nature, a negative review or a failed test will not necessarily indicate bad quality.

"Companies with new products have always sought opinion leaders to pass their products onto first,

whether it's book reviewers, magazine editors, or the more prominent social media influencers we see today," says Prof. Boyaci. And Prof. Gurkan adds that "It's easy to assume that much exposure for your product with influencers is a good thing as it pushes demand up further, but this is a tricky game, and companies must be more considerate in their product launch approaches."

The researchers say that when launching a new product, it really is key to understand what your target audience and potential customers think of the company as well as the type of product before you launch. The greater understanding you have, the less likely you are to receive a possible backlash from launch, or the opposite problem, a complete lack of demand due to so little awareness of the product.

About ESMT Berlin

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