Validating new product creativity in the eastern context of Malaysia

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A B S T R A C T

This paper examines the etic vs. emic nature of the new product creativity (NPC) construct often used in the strategic marketing and management literatures. The current study compares the NPC measure developed by Im and Workman (2004) in the West in an Eastern context by utilizing data from 172 Malaysian companies. The results show that NPC, which is the combination of new product (NP) novelty and NP meaningfulness, has a different connotation in Malaysia. The findings demonstrate that from the novelty perspective NPC is an emic phenomenon. After the construct validation process, the Western claim that NPC is a seed of firm performance is tested. The results verify NPC’s relationship with NP performance as a source of competitive advantage for Malaysian firms and thus suggest that this relationship is etic in nature. These findings have significant implications for firms’ global innovation strategies.

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1. Introduction

Research on new product creativity (NPC) has witnessed a burgeoning interest, as evidenced by the number of scholarly articles and books dedicated to the topic (e.g., Goldenberg and Mazursky, 2002; Im & Workman, 2004). Now, a growing number of studies examine NPC and its contribution to a firm’s competitive advantages on a global scale, especially in the East (Yang, 2007; Yang & Liu, 2006; Yang & Rui, 2009; Zhou, 2006). However, this new research employs NPC measures previously developed in American studies without adequately examining the validity of those measures in the new international settings. However, due to the potential emic (i.e., culture-specific) nature of the “creativity” phenomenon, the NPC scale cannot simply be exchanged in its original form. Relatedly, given the fact that Eastern respondents’ specific value system may affect their responses to perceptual NPC measures, theoretical underpinnings and empirical evidence gathered in a Western context have a lower probability of being equivalent in an Eastern context.

From a cross-national perspective, a reliable and valid instrument is necessary to obtain accurate and meaningful information pertaining to NPC and its contribution to sustainable competitive advantage. Therefore, necessary steps must be taken to ensure that any differences found between different cultures are the reflection of the NPC phenomenon and do not simply reflect differences in construct conceptualization.

Briefly, without further evidence for the rigorous evaluation of the NPC construct in an international context, research findings gathered from other countries must be regarded as ambiguous.

The purpose of the current study is twofold. First, the study compares the NPC construct originally developed by Im and Workman (2004) in the Western context (e.g., U.S.) with data from Eastern context (e.g., Malaysia). Second, after a rigorous validation process, the analysis tests whether NPC affects financial and market performances in the Eastern context of Malaysia. The results offer important insight into (1) the conception of NPC and its generalizability to an Eastern context, and (2) its influence on NP performance.

2. Background

2.1. The new product creativity (NPC) construct

A century of research on creativity in the fields of social psychology, anthropology, organizational behavior, and marketing has produced many definitions (Mayer, 1999). However, the majority of studies endorse the idea that creativity has two defining characteristics: novelty and meaningfulness (Amabile, 1983; Averill, Chon and Hahn, 2001; Brown, 1989; Bruner, 1962; Feist, 1999; Paletz & Peng, 2008). By novel, products must be perceived as representing unique, unusual, and statistically infrequent differences from competitors. By meaningful, products must be perceived as appropriate and useful to target customers (Amabile, 1983).

The current study investigates NP creativity (NPC). The marketing and management literature provide different definitions of NPC (Brockman & Morgan, 2006; Kleinschmidt & Cooper, 1991; Moorman & Miner, 1997; Raynor & Leroux, 2004; Sethi, Smith and Park, 2001;
Song & Parry, 1997). The definition of Im and Workman (2004) is adopted due to its status as the most up-to-date and extensive examination of the construct. Im and Workman (2004) define NPC as the degree to which new products are perceived to represent unique differences from competitors’ products in ways meaningful to target markets. In agreement with Amabile (1983), Im and Workman (2004) include both novelty and meaningfulness in the concept of NPC. The following section discusses arguments regarding NPC as a universal premise and the need for construct validation in different cultural contexts.

2.2. Is the NPC construct universal?

As business becomes more globalized the need to take into account construct universality across cultures has increased. Previous studies validating various constructs from the marketing and management literatures resulted in mixed findings. For example, entrepreneurial orientation is found to be a valid construct when applied in other cultures by Knight (1997) and Hansen, Deltz, Tokman, Marino and Weaver (2010). A relationship marketing orientation (Sin et al., 2005) and a corporate reputation scale (Walsh and Beatty, 2007) are also found to be reliable across cultures. However, Antonic’ and Hisrich (2001) find intrapreneurship did not translate well to other cultures without refinement. Similarly, Kim and Jin (2002) show that the retail service quality scale does not have cross-cultural validity across US and Korean cultures. Recently, Tobacyk et al. (2011) could not find cross-cultural validation for the material value scale (MVS). Their findings suggest that substantial difficulties exist with the MVS across Polish and American consumers, which limits the confidence to the universality claim of the scale.

Despite the validation of some marketing and management constructs, construct universality cannot be assumed – but must be empirically validated – in particular, when the concept is tied to closely-held cultural perceptions. To this end, some research recently focuses attention on the question of whether a truly universal concept of creativity exists (Niu & Sternberg, 2002). In this controversy, two groups exist. One contends that culture is involved in defining and evaluating the nature of creativity and is difficult, if not impossible, to disentangle cultural influences from the measurement of creativity (Lubart, 1999; Lubart & Sternberg, 1988; Niu & Sternberg, 2002). These researchers embrace the emic approach and argue that the Western conception of creativity is mostly dominated by American ideology. With strong emphasis on freedom and individualism, Western views of novelty mean variety, diversity, and going beyond existing frontiers. Novel is in the hand, Eastern perspectives view novelty as a reinterpretation of the past, with respect for harmony and integration with the environment (Lubart, 1999). While Western views encourage radical changes, Eastern views focus less on deviation and more on “self-actualization” (ibid, p. 340). Further, Western conceptions emphasize creativity as a “break with tradition,” “a working process with a finite beginning and end,” and “linear movement toward a new point”; whereas Eastern conceptions of creativity highlight “recreation” and “a circular movement in the sense of successive reconfigurations of an initial totality” (ibid, p. 341). This group believes that because the meaning of novelty changes between Western and Eastern cultures using the same metric in both cultures makes the measurement task impossible. Indeed, with this argument any difference found between cultures is not reflected in the phenomena of interest; instead, the differences reflect variation in the construct conceptualization itself.

The second group advocates a universal understanding of creativity (Guilford, 1975; Mayer, 1999; Paletz & Peng, 2008; Rudowicz & Yue, 2000; Torrance, 1966). In contrast to the relativist view of creativity, this group embraces the etic and the realist approach and believes that to measure creativity objectively is possible. Further, this group endorses the idea that two universally defining characteristics of creativity are novelty and meaningfulness. Despite the general consensus regarding the two-dimensional structure of creativity, only one of these studies tests the universality assumption. Namely, Paletz and Peng (2008) examine the two dimensions of novelty and appropriateness for products and find that both are important across three diverse cultures (e.g., USA, Japan, and China). The conclusion is, thus, that cultural differences in the importance of the structure of creativity are overrated. Nevertheless, Paletz and Peng (2008) do not utilize the NPC scale but rather develop scenarios describing novel and appropriate products to test the perception of subjects about the creativity of these products. As such, no studies exist that specifically test the universality assumption of the NPC measure used in the literature.

2.3. NPC and sustainable competitive advantage

Although the strategic marketing and management literatures discuss the concept of NPC and its implications to firm performance (Moormann & Miner, 1997; Raynor & Leroux, 2004; Song & Parry, 1997), most discussion is of the advanced Western economies (Nakata, Im, Park, & Ha, 2006). Thus, a need exists to test whether the positive relationship between NPC and NP performance holds in other cultural contexts such as newly industrialized economies in the East (e.g., Malaysia).

The Resource–Advantage (R–A) theory of competition provides a comprehensive reason for the link between NPC and a sustainable competitive advantage (Hunt & Morgan, 1995). R–A theory highlights the importance of distinct, inimitable, rare, and imperfectly duplicated resources (Barney, 1991). In R–A theory NPC is an organizational and informational resource, which is predicated on a firm’s distinct innovation-based capabilities. To test the performance effects, this study uses two perspectives on how competitive advantage is achieved: the competitive force view (Porter, 1980) and R–A theory (Hunt, 2000). The competitive force view represents an “outside-in” perspective and argues that external forces such as market and technology density primarily drive performance. On the other hand, R–A theory reflects an “inside-out” approach and argues that firm performance stems from immobile, heterogeneous, and unique resources. Although the two approaches differ in perspective, both provide a complementary explanation of firm performance. Therefore, building on these two approaches, a theoretical framework is presented and tested that links NPC (as a valuable resource from R–A theory) and market and technology density (from the competitive force perspective) to firm performance. Previous research demonstrates the positive effect of NPC on NP performance in general. Using a Malaysian dataset the analysis tests whether this performance relationship holds in an Eastern context.

3. Research methods

3.1. Research context: Malaysia

Current trends in the global economy affect existing marketing and management strategies and the skills and knowledge needed for success (Hult, Cravens and Sheth, 2001). With dynamic global changes, Malaysia is a newly industrialized economy (NIE) in the East experiencing rapid economic growth. According to World Bank 2007 economy indicators Malaysia is the 3rd largest economy in the South East Asia and the 29th largest economy in the world by purchasing power parity with GDP. The country has transformed from poverty and technological backwardness to relative affluence and an industrially-oriented economy in a single generation.

According to Lall (1999), Malaysia represents one of the developing world’s best performers. Further, an emphasis on developing creative products and progressive technology policies that support local companies play an important role in Malaysian firms’ competitive
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