Marketing communication strategies in support of product launch: An empirical study of Taiwanese high-tech firms

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Abstract

To understand the mechanisms that underlie marketing communication support for product launches, the authors conduct an empirical study and propose a conceptual framework that depicts the relationships between informational/transformational or elaborational/relational messages and their effectiveness. The hypothesized message–communication and message–sales effect links are moderated by three communication process characteristics: message clarity, message uniformity, and integration of the communication. On the basis of data collected from an industrial survey of 101 high-tech firms in Taiwan, the authors find that informational and relational messages offer greater support for new products. Whereas message clarity and integration of communication expectedly demonstrate positive moderating effects on message–performance links, message uniformity only affects messages–sales effect relationships. The authors explore research insights and discuss implications for both academia and practitioners from the perspectives of new product management and integrated marketing communications.
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1. Introduction

Product launch is perhaps the most expensive, risky, and poorly managed phase of new product development process, in the sense that firms must commit enormous time, financial, and managerial resources, and the average failure rate is as high as 40% for consumer and industrial new products (Hultink, Hart, Robben, & Griffin, 2000) and more than 60% in high-tech industries (Goldenberg, Lehmann, & Mazursky, 2001). Despite the risks inherent in commercialization, launch efforts often are decisive in securing new product success (Crawford & Di Benedetto, 2003; Guiltinan, 1999). In this challenging context, a firm that is proficient in communicating the positioning of its new products and leveraging its affiliated brands may maximize its chances of achieving profitable product acceptance in the target market (Guiltinan, 1999).

Launch planning involves both strategic and tactical decisions (Biggadike, 1979). Whereas the former entails details such as product innovation, market targeting, and market leadership, the latter pertains to choosing marketing mix elements, of which marketing communications represents the central concern (Guiltinan, 1999). In the launch process, marketing communications refer to all of the information and attitude efforts expended to influence product adoption, including product attribute expressions and strong persuasion attempts (Crawford & Di Benedetto, 2003). Existing literature clearly supports the positive relationship between effective marketing communications and new product success (e.g., Cooper & Kleinschmidt, 1994; Song & Parry, 1994).

However, high-tech industries are unique in the great uncertainties that derive from their market, technology, and competitive factors (Mohr, 2001; Moriarty & Kosnik, 1989). In such industries, market offerings generally are founded on significant amounts of scientific and technical know-how (John,

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Weiss, & Dutta, 1999). These unique industry characteristics result in different information processing patterns among buyers (Capon & Glazer, 1987; Glazer, 1991), which require adaptive marketing strategies and tools (Rangan & Bartus, 1995; Shanklin & Ryans, 1987). In response to such environmental complexity and turbulence, high-tech marketers may use marketing communications to build strong brand names (Morris, 1996) and assuage customers' fear and doubt involved in product adoption (Lee & O'Connor, 2003).

From both theoretical and practical perspectives, it is worth studying what makes marketing communications that introduce new products effective, especially in high-tech industries. For example, Taiwanese high-tech firms previously based their business models on original equipment manufacturing (OEM), but OEM firms have suffered drastic profitability losses as a result of strong competition from companies located in other countries with lower labor costs. To escape this quandary, several firms, including Acer, Asus, and BenQ, began to recognize the importance of their own brands and switched their investments and endeavors toward high value-added activities such as research and development, product innovation, and brand building. Those firms that switched their business focus thus needed to engage in different marketing communications than they had used in the past. That is, unlike marketers of consumer products, which mainly rely on mass media communications (Hultink et al., 2000), firms specializing OEM businesses behave more like industrial product manufacturers, which usually communicate product-related information to buyers through personal selling or trade shows. For Taiwanese high-tech firms, the marketing communication decision has become far more complicated, because they essentially function in both business and consumer markets. Therefore, an investigation of the marketing communications used to launch products in Taiwan's high-tech industries may offer interesting and significant insights into various launch-supporting communication behaviors across product categories and markets.

This research attempts to find a normative model to guide high-tech firms to effective marketing communications in support of their product launches. Specifically, we aim to achieve two related objectives: (1) determining which message content is most effective in introducing new high-tech products and (2) understanding how to manage the communication process to achieve greater effectiveness. These distinct objectives are both legitimate, in that what to say and how to say it are equally important in any type of communications.

We also propose a conceptual framework, illustrated in Fig. 1, to depict the relationships among three components related to marketing communications for product launch: message content, communication process characteristics, and effectiveness. Message content consists of two dimensions: informational/transformational (Aaker & Norris, 1982; Aaker & Stayman, 1992; MacInnis & Stayman, 1993; Puto & Wells, 1984) and elaborational/relational (Bridges, Keller, & Sood, 2000). Our framework proposes that various types of message content impose different effects on the performance of launched products, which we capture with communication and sales effects. The message content–effectiveness links furthermore
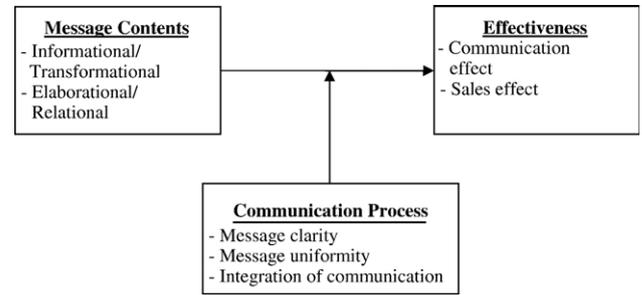

Fig. 1. Conceptual framework of marketing communications for product launch.

are moderated by three characteristics of the marketing communication process: message clarity, message uniformity, and integration of communication. Our theoretical foundation for this model stems from exchange theory's model of interpersonal communications (Gatignon & Robertson, 1986) and integrated marketing communications (IMC), which advocates the alignment of communications to deliver a flow of consistent messages about a product or service to meet a common set of communication objectives or support a single positioning (Percy, 1997; Pickton & Broderick, 2001). Briefly, the moderation works as a result of the communication efficiency or synergy created by messages that are coordinated throughout the communication process. In examining the hypothesized relationships, we hope to shed some light on the mechanism by which IMC should provide greater message delivery capabilities.

2. Research hypotheses

2.1. Informational/transformational messages and effectiveness

Messages disseminated to the market normally possess a dual nature of both rational and emotional elements (Johar & Sirgy, 1991; Liebermann & Flint-Goor, 1996; Vakratsas & Ambler, 1999). Puto and Wells (1984) similarly classify approaches to marketing messages (specifically, advertising) according to two dimensions, informational and transformational. Informational messages are factual and meaningful descriptions of the relevant product information, delivered in a logical, verifiable manner to attract customers. Transformational messages convey affect-based contents that associate the experience of owning or using a product with psychological characteristics, such as richness, warmth, excitement, enjoyment, and so on (Aaker & Stayman, 1992). For most marketing communications, messages can be conveyed in an informational or transformational form or a combination thereof (Cohen & Areni, 1991).

During IMC planning, it is crucial to understand the target audience's purchase motivation, whether negative or positive, to create, maintain, modify, or change brand attitudes (Percy, 1997; Rossiter, Percy, & Donovan, 1991). Negatively originated motives, such as problem removal and avoidance, trigger customers to eliminate negative feelings or affect caused by a problem by acquiring product-related information or buying and using the chosen product. Therefore, an informational message strategy may match the needs driven by such motives.