

Abstract

This research study is based on the statement of problem that “What specific measures should firms consider using to determine the success of individual product development projects, depending on project strategy?” Objectives of this research are to determine the most important measurement of success (including customer-based success, financial-based success, and technical-based success) depend on project strategy (including New-to-the-World, New-to-the-Company, Line Extensions, Product Improvements, Repositionings, and Cost Reductions), and to determine the most important measurement of success depend on business strategy (including Prospector, Analyzer, Defender, and Reactor).

For this research, the data were acquired via structured interview with personally administered or closed-form questionnaire with 150 respondents who are managers of Japanese passenger car company in Bangkok and non-probability sampling technique is chosen. All data are analyzed and summarized by using the Statistical Package for Social Science (SPSS). This thesis applies t-Test statistic for difference of means of the measurement of success (customer-based success, financial-based success, and technical-based success) for each of project strategy (including New-to-the-World, New-to-the-Company, Line Extensions, Product Improvements, Repositionings, and Cost Reductions) and the measurement of success for each of business strategy (including Prospector, Analyzer, Defender, and Reactor).

The objectives of the study were, so far, achieved in the light of two important findings results as follow: 1) The most appropriate set of measures for project-level product development success depend on the project strategy, 2) The appropriate measures of a product development program's overall success depend on the business strategy.

For most project strategies, “degree to which the project met net income goals” is the most useful measure of financial success. For the four other innovative project types (New-to-the-World, Product Improvements, Repositionings, and Cost Reductions), measuring overall net income is most useful. In some firms, more sophisticated financial measure that takes into account investment and the time value of money may be more appropriate for NTW projects. “Degree to which the project provides a competitive advantage” is generally the most useful indicator of project technical-based success.

In summary, this research recommends multidimensional sets of measures that Japanese passenger car manufactures find useful to consider in determining product development success. No one measure is useful for all projects, nor across all firms. Usefully measuring product development success requires certain flexibility, within multidimensional guidelines.