



## **Management Instruments for New Product Development (NPD), Customers' Satisfaction and Loyalty**

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### **ABSTRACT**

The objective of this paper is to examine the existing body of knowledge regarding the introduction of new products to the market, along with the factors that contribute to the launch's success. Considerable research has been devoted to examining the successes and failures of novel product development. The majority of these articles have employed the benefits point of product features and development methodology in their investigations. This article presents an analysis of the results obtained from a comprehensive collection of research that examines the factors that impact achievement. Conversely, we analyze the product through the lens of the launch support program. In order to offer an empirical response to the question of whether successful consumer product launch decisions vary, we begin by conducting a comparative analysis of the consumer product development process leading up to launching decisions across various market types. In regards to consumer goods, strategic launch decisions appear to be more defensive, as they prioritize the preservation of current market positions. As a result of leveraging technology and innovation to expand into new markets and operate beyond their current scope of operations, consumer goods strategy launch decisions appear to be more assertive than in the past. Furthermore, the determinations pertaining to the implementation of the tactical marketing mix (comprising product, place, promotion, and pricing) vary considerably among the newly introduced products.



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## **1. Introduction**

Within the context of the continually changing business environment, New Product Development (NPD) is an essential activity that has the potential to impact the success or failure of a firm. Among them is generating a new item or service and defining its characteristics, price, and means of attraction and sales. New product development (NPD) does not merely refer to creating new products and services; it is also about satisfying customers on the basis of their needs and increasing value to customers. Through NPD (new product development) practices brought into play, management of new products can prove very instrumental in the perception I would want the customer to develop towards my product or my service, thus also the satisfaction and loyalty of the client to my product or my service.

In terms of the dynamic business background, innovation in product development (NPD) is indeed a core competent factor that has proven to contribute both more growth

and industry advantage. While the basis of new product development is creating new products or services, it is also can be providing value propositions and meeting customer criteria by parallels with customer's expectations. Considering the role of the management instruments in optimally maneuvering through the quality, time, and cost parameters that exist between the product development process and customer satisfaction and loyalty, this asset analyzes the various ways in which these instruments can be effectively deployed. This section of the lecture is dedicated to the ways in which the characteristics influence how customers perceive the value of a service or product and how this then, in return, influences satisfaction and loyalty. We will thank you for participating, and we will go together on a journey of disclosing the struggles of new product development (NPD) and the means of gaining consumer satisfaction and, therefore, loyalty.

The main significance of this research exercise is in the fact that it carefully explores the complex interrelationship between the new product development (NPD) and the satisfaction and loyalty of the customer. This article discusses how leadership instruments are put to practical use for centering between the quality, time, and costs that the stage of creation processes undergoes. If companies are aware of the market dynamics and can devise these strategies, the business community can obtain a competitive edge over others. By building customer satisfaction and loyalty, businesses can stay ahead of the competition. The purpose of this article is to present a succinct overview of the most recent scientific understanding regarding the introduction of new products to the market, with a particular focus on environmental changes and current trends.

## **2. Literature Review**

Hohenberg and Taylor (2021) discussed the challenges and approaches in measuring customer satisfaction and loyalty. Measurement of client happiness and loyalty is difficult for organizations. In response, scholars and practitioners have created many ways to examine these occurrences. The complexity, sophistication, and information quality of present measurement methods vary greatly. How organizations can use and combine these methodologies to develop a cutting-edge satisfaction and loyalty measuring system is unclear. The authors first defined and conceptualized customer happiness and loyalty. Then discussed operationalization and measuring methodologies firms use to develop customer happiness and loyalty evaluation systems. The authors also addressed self-selection bias and other loyalty modeling issues.

In their study, Sharma, Gupta, Gera, Sati, and Sharma (2020) investigated the correlation between customer loyalty and satisfaction, as well as the impact of these variables on the customer-organization relationship. A literature review was conducted by Magnacca and Giannetti (2024) on the intersection of management accounting and new product development. Wongsurawat (2023) examined the application of technology to consumer loyalty research. Gonçalves and Sampaio (2012) offered valuable perspectives on the investigation of consumer loyalty and satisfaction.

In their study, Munck, Tkotz, Heidenreich, and Wald (2020) discovered distinct patterns in the utilization of management control instruments that play a role in fostering effective innovation. Kavadias and Ulrich (2020) provided reflections and insights from practitioners on innovation and new product development. Camilleri and Filieri (2023) explored customer satisfaction and loyalty in the hotel industry. Shaikh, Watto, Brahmi, Tunio, and Lighari (2023) discusses the challenges and approaches in measuring customer satisfaction and loyalty.

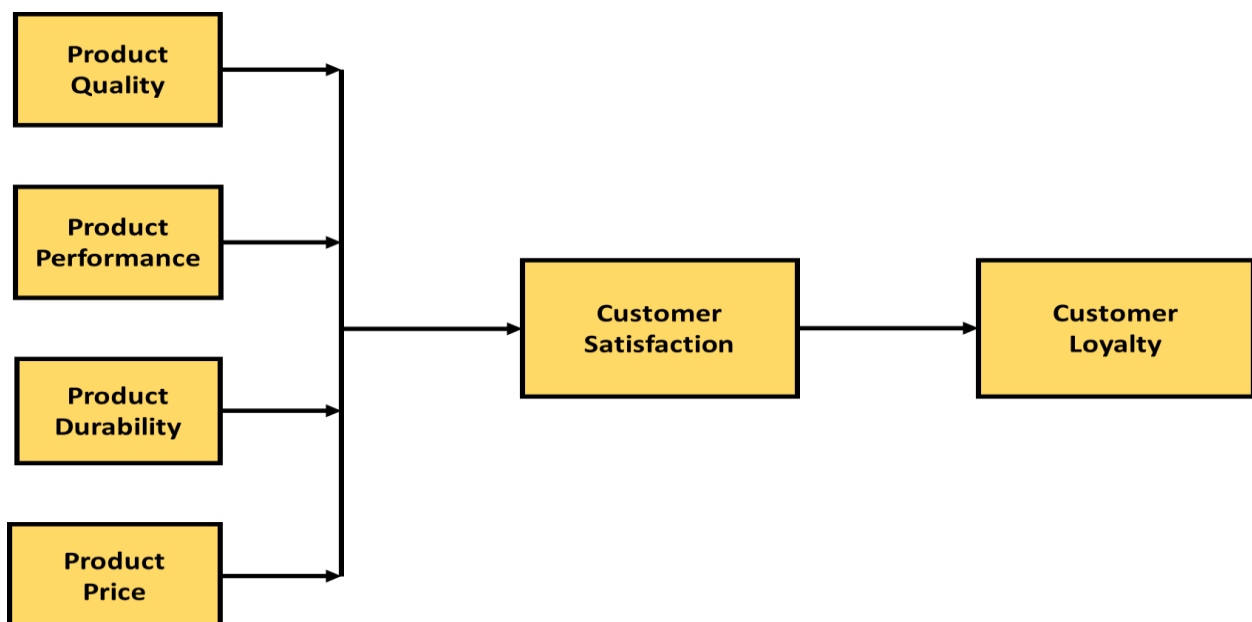
The existing literature provides little direction to managers on how to properly launch a network-effects-affected product. The authors analyze the impact of network effects on market rivalry dynamics and consumer purchase patterns. They claim that, as a result of these shifts, the importance of specific performance objectives and the impact of certain launch tactics for products with network effects differ from what conventional wisdom and empirical evidence suggest.

**Table 1**  
**Existing Literature**

Topic	Citation(s)	Key Points
Importance of NPD	Gonzalez-Zapatero, Gonzalez-Benito, and Lannelongue (2017)	Firms invest in NPD for survival and competitive advantage in a global market.
Challenges of NPD	Liang (2014); Luzzini (2015); Stock (2014)	NPD is resource-intensive, expensive, and involves significant risk.
Benefits of Collaboration	Clauss (2017); Freel (2003); Akram, Siddiqui, Nawaz, Ghauri, and Cheema (2011); Luzzini (2015)	Collaboration with customers, rivals, and research institutions expands the knowledge base and strengthens strategy.
Neglected Aspect: Customer Service in NPD	Goffin (2001)	Customer service is crucial for product success but is often neglected during NPD.
Importance of Customer Service	Berg (1990); Hull (1994); Knecht (1993)	Excellent customer service increases customer satisfaction, product success, and competitive advantage.
Gap in Research: Completeness of Service Evaluation	Not explicitly cited, but implied by Berg (1990); Hull (1994); Knecht (1993)	Research is needed to understand how comprehensively customer service needs are evaluated during NPD.
Need for a Methodical Approach	Dee (2021)	New product launches require a well-defined and methodical approach.
Success Factors in New Product Launches	Calantone (2018)	Launch timing, launch activities, and launch strategy decisions are crucial for new product performance, especially in high-tech industries.
Role of Management Control Instruments	Munck et al. (2020)	Management control instruments can make NPD more efficient transparent, and reduce risks.

### 3. Product Attributes—Customers' Satisfaction—Customers' Loyalty Relationship

The flow diagram embodies the concept that there is a connection between various elements of product attributes and their effect on the satisfaction and loyalty of customers. This chart highlights the fact that product quality, product performance, product durability, and product price may raise customer satisfaction. Conversely, customer satisfaction is why their customers are satisfied and, hence, passionate about them.



**Figure 1: Interaction between the Components**

The diagram below shows the interaction between the components like New Product Development (NPD) and how these features eventually affect consumer joy and loyal

customers. One possible explanation of the image is as follows: One possible explanation of the image is as follows:

The first four components of NPD are presented in the diagram:

- Product Durability
- Product Performance
- Product Quality
- Price of the Product

They are shown on the diagram to have an immediate influence on the concentration of customers, which results in satisfaction, as described by a box in the middle of the diagram. In other words, having the prices be fair dealing with the performance, the brawn, and the quality of the product play major roles in bringing a satisfying experience to a client.

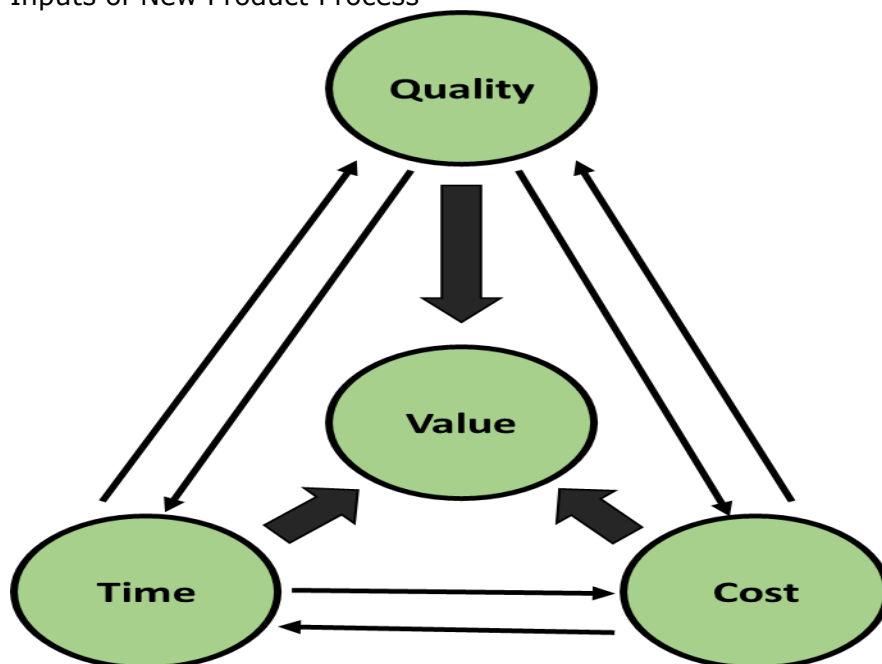
It is then followed by an arrow which is drawn from the box titled Customer Satisfaction, finally leading to another box called Customer Loyalty, which basically illustrates the connection between customer satisfaction and customer loyalty. This leads to the understanding that the higher customer satisfaction with a product is, the more customers tend to be loyal to brands or individual products in particular.

The following diagram better depicts NPD's relationship with customer satisfaction and customer loyalty. So, the NPD, customers' satisfaction, and loyalty instruments in management may be illustrated in a research article titled "NPD, Customers' Satisfaction, and their Loyalty Instruments in Management." You could use this diagram to illustrate the relationship. It is possible that this could assist in showing the significance of regulating product quality, performance, durability, and price in order to improve customer happiness and build customer loyalty.

Taking into consideration the information that is presented in the image as well as the context that you have provided, please be aware that this is an interpretation. The real application and interpretation may differ from one another depending on the particular material and arguments that are offered in the study article.

#### **4. The 3Rs (inputs) Contributing Value to the New Product**

Inputs of New Product Process



**Figure 2: Contributing Value to the New Product**

The three important parts of the new product method are the right quality product, the right time, and the right cost. These three things add value to new goods, but each project needs them in a different way and a different amount.

The diagram is a representation of the relationship between four important aspects of New Product Development (NPD) and the impact that these aspects have on the pleasure and loyalty of customers. The quality of a product or service is an essential component that has a direct influence on the value of the item or service. Providing clients with high-quality goods or services is likely to fulfill their requirements and fulfill their expectations, which will ultimately result in enhanced customer satisfaction and loyalty.

Time is a term that relates to the amount of time that is required to create and deliver a new product. Time should be optimized; a reduction in the amount of time needed for development and delivery might increase value, but it should not come at the expense of quality. As far as cost, time and quality are concerned, they have negative trade-offs that are in direct relationship with one another. Cost can be decreased by cutting out unnecessary expenses, but it should not be reduced to the cost of the quality used or delays.

This, however, provides customers with an opportunity to tilt the scale in the direction of the value of the product they are buying. There is a direct link between it and Quality and Time dimensions, while in the dimensions of Cost there comes out an inverse relationship. NPD management tools must be balanced between these forces so as to create quality products that withstand customers and build long-term brand loyalty. This balance is a key matter because it can greatly determine your company's market position and its profits.

However, it is vital to consider that the main purpose is to maximize value with concurrent quality, time optimization, and minimal cost. At the same time, the implementation of precise policies and decision-making is critical to reaching the targeted aims. As a result, customers' satisfaction and loyalty levels will likely be boosted as a consequence.

## 5. The Introduction of Product into the Market: The Sequential Stages

There are main stages involved in introducing a new product into the market, and each phase is important when it comes to the final success of the new product. At every step, a reevaluation is done to establish the point of no return in the process and to determine whether further modification or enhancement is required to achieve product success. Accordingly, each stage is crucial for being successful overall.



**Figure 3: introduction of the Product in the Market**

The illustration demonstrates the different stages of new product development (NPD) and their relevance to improving customer satisfaction and trust.

**Opportunity Identification and Selection:** This step consists of the search and choice of promising business prospects. The essence is to be aware of your environment, which includes the competitive environment, market trends, and customer needs.

**Concept Generation:** The final phase is called "Concept Generation," in which you would come up with new products for the market based on your market opportunity findings. Originality and innovation are what your participation requires.

**Concept Evaluation:** The concept evaluation entails checking whether these thoughts are viable. In order to make this happen, it is necessary to conduct a study of the possible market size, profitability, and feasibility of the product options.

**Marketing Strategy:** This includes developing a marketing strategy for the audience and introducing the product to prospective customers. The components involved are pricing, distribution, and promotion.

**Concept Development and Testing:** In this stage, the product idea evolves, and experiments are carried out. This is an end we can achieve by building prototypes or models of the product and thus exposing them to market testing to get the desired feedback. When the product has reached the market, it is about the end of the chain process, which is called the launch or marketing and commercialization stage. The product availability for sale and the design of the marketing strategy are the two main steps in the new product introduction process.

In an NPD situation, these parameters act as management tools. These tools can be used in order to improve customer satisfaction as well as customer loyalty. Companies can reach these goals by skillfully supervising every facet of this, and as a result, their clientele becomes highly satisfied with the brands, which further increases client loyalty.

## **6. Conclusion and Policy Suggestions**

The study results showed that the core of the new product development process management is to increase customer happiness and loyalty through efficient management. Businesses must find a sweet spot between quality, time, and cost during the product development process so as to ensure that customers have value.

**Management of Quality:** In order to ensure that produced products are of high quality in accordance with the needs and expectations of customers, every organization should have quality management techniques in place. The time spent on developing and delivering new products should be evaluated, and time management should be practiced. Speeding up the development and delivery timelines can increase the value, but not if this is at the cost of quality.

**Cost Management:** Companies ought to strive hard to cut down costs without compromising quality or the recommended time for the production process.

By the introduction of these policies, organizations are capable of getting the most out of the investment through quality management, time optimization, and cost savings. It will result in greater customer satisfaction and loyalty to the company, which will, in turn, improve the organization's market position and profitability. Just remember that in the end, it is not only to produce something new; you must also provide the customers with value and establish a long-term relationship with them. The company will have a TTM under the strategic plan that will lead to sustained success in the dynamic market that is characterized by stiff competition.

### **Authors Contribution**

Luqman Arshad: develop the research framework, data collection, and analysis. Additionally, writing the manuscript, interpreting the results, and revising the paper.

## Conflict of Interests/Disclosures

The authors declared no potential conflicts of interest w.r.t the research, authorship and/or publication of this article.

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