What about Design Newness? Investigating the Relevance of a Neglected Dimension of Product Innovativeness

In several industries, new products are very similar in functional features but compete on their unique design. Firms like Alessi, Apple, Bang & Olufsen, Dyson, or Kartell all follow a design-driven innovation approach and use their products’ visual appearance as the main mean for differentiation. In spite of this, design newness is never discussed among the dimensions of product innovativeness. Instead, conceptualizations of product innovativeness mostly focus on a product’s technical newness or the changes it implies for the innovating firm or for the market it enters. This paper seeks to build an argument for why design newness should be considered as a dimension of product innovativeness. In addition to providing conceptual rationale, empirical evidence is offered on the influence of design newness on sales performance across a product’s life cycle. To be able to put the findings into perspective, the performance effects of design newness are compared with those of technical newness. As several products exemplify that design newness and technical newness can go hand in hand, not only direct performance effects but also interaction effects between both newness dimensions are investigated. The arguments are tested on a sample of 157 new cars launched between 1978 and 2006 in Germany. The automobile industry is selected because of the strategic role of both technical and design aspects in product innovation. Putting a focus on this industry also has the advantage that historical information on car specifics and objective sales data over time are accessible. The results emphasize that both design and technical newness are important drivers of car sales. However, the effects differ widely across the product life cycle. While design newness has a positive impact right after the introduction and persists in strength over time, technical newness drives sales with a lagged effect and decreases toward the end of the life cycle. The test of a combined influence of design newness and technical newness on sales performance produces no significant results. These results open interesting avenues for future research on product innovativeness in general and design newness in particular. For management practice, the findings emphasize the importance of overall product innovativeness, clarify the different performance effects of design and technical newness across the product life cycle, and show the value of creating a unique visual product appearance to positively trigger product diffusion.