

Should car companies launch electric vehicles? The importance of competitive comparisons after an innovation shock

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Abstract

This study analyzes the relationship of launch of a new product and the moment in which it occurs after an innovation shock with the rivalry among products of firms. Managerial attention plays a key role when making the decision to access the innovative market. Competitor analysis is based on the focal firm's capability to place itself "in the shoes" of other companies. Concretely, we demonstrate that managers should conduct a product-level competitor analysis before launching their own items. We hypothesize that a company will anticipate a product launch in a category that emerged after an innovation shock when it is considered the main rival of another firm's product or another product of the same firm present in a strategic post-shock position. Cox mixed-effect regression models and logit models with random coefficients are estimated. Results show the relationships assumed in the hypotheses.

Keywords: *Product launch; Entry speed; Competitive comparison*

Track: Innovation Management & New Product Development