

Title: Collaborative New Product Development: Co-creating with a Shared Supplier in the Presence of a Competitor

Speaker: Prof. Abhishek Roy, Temple University

Area: POM

Date: 15.07.2024, Venue: P22 @ 2.30PM

Abstract:

Firms are increasingly involving their suppliers in co-creating new products and services through collaborative alliances. In many industries, such suppliers are shared by competing manufacturers, who may benefit from forming alliances and co-creating new products jointly with their shared suppliers. Existing research on collaborative new product development involving a shared supplier has focused on mitigating the spillover of supplier development to rival buyers, or on reducing the cost of production for the supplier. However, such spillover cannot always be restricted, and recently manufacturers have opened up their innovation to competitors. Using a game-theoretic model, we analyze the strategic interactions in such a collaborative alliance and examine the strategic trade-offs that arise when competing buyers decide to co-create a common component with the supplier, instead of relying on the supplier to independently develop the component. We show that whether co-creation will benefit the firms and the consumers depends on how highly the consumers value the quality of the common component. We further demonstrate that competing buyers may sometimes benefit from collaborating jointly with the shared supplier in co-creating common components, instead of shirking away from the collaboration or letting the supplier be the sole developer of the component. The benefit of co-creation is driven by high consumer valuation, which is reflected in firms' decisions to open up their innovation when it has great potential to enhance consumer demand, such as with electric vehicle technology.

Speaker Profile:



Dr. Abhishek Roy is an Assistant Professor in the Department of Marketing and Supply Chain Management. He joins the Fox School following successful defense of his doctoral dissertation at the University of Texas at Austin. Roy's research interests include supply chain and operations management and multi-sided markets and platforms. More specifically, he explores applications of economic models and game theory to studying strategic interactions among firms and consumers, in supply chain management and in platform economics.

Roy earned a PhD and his Master of Science degrees in Supply Chain and Operations Management at the University of Texas at Austin. He received a Master of Business Administration from the Indian Institute of Management Ahmedabad, and a Bachelor of Engineering in Production Engineering from India's Jadavpur University.

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