Success Sweeter than Sugar: New Product Development Strategies of Successful Independent Bakeries in South Korea

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ABSTRACT

It is widely accepted that successful products lead to a business's success as a whole. Therefore, creating new products, or New Product Development (NPD), must be carefully conducted to minimize the risks of new product failure. Economists often debate the effectiveness of customer-led (CL) approaches, market-oriented (MO) approaches, and the degree of product newness in NPD. Unfortunately, there is little existing research on applying these NPD approach considerations in the food industry, specifically the bakery sector, especially regarding independent businesses. In the ultra-competitive bakery industry in South Korea (Korea), independent bakeries must carefully hone their NPD process to attract customers and maintain a competitive advantage. To uncover the NPD processes of successful bakeries in Korea, structured interviews with five bakery owners of successful bakeries were conducted and analyzed for common themes through a thematic analysis. This study found that both CL and MO approaches were used for most of the five bakeries. Additionally, most of the bakeries tended to prioritize technological novelty over consumer perceptions of uniqueness. Further research is needed on the applicability of this study's results in industries with lower levels of neophobia to see if the NPD processes used by Korean independent bakeries are successful in various environments or solely in the Korean bakery market. The findings of this study may help independent bakery owners develop effective NPD processes based on consumer behaviors in Korea and the strategies of their competitors.

Introduction

Since the introduction of bakeries in South Korea (Korea) by foreign missionaries in the late 19th century, there has been an abundance of bakeries in Korea, falling into two categories: independent and corporate. Independent bakeries are characterized as sole proprietorships, in which one person owns the business and controls all business activities, and are often smaller in employee size (Sultan et al., 2014). Next, corporate bakeries have been managed and controlled by large companies with large capital and employees, producing their products on a large scale and often selling in franchises (Raisch & Tushman, 2016). Corporate bakeries have long dominated the Korean bakery market (two large ones are Paris Baguette and Tous Les Jours) at the expense of most independent bakeries' sales amid increasing criticism from small business owners looking to make a living.

In the past decade, however, independent bakeries have been gaining incredible success in terms of customers, revenue, and followers on social media sites such as Instagram. Many have also ended up in national newspapers, being named "destination bakeries" that one cannot miss when visiting Korea (Kim, 2022, p. 1). Independent bakeries have become highly competitive, with new stores opening up regularly. This may be a bit puzzling at first sight because independent bakeries face many challenges that corporate bakeries do not, such as smaller budgets and lack of exposure and experience, which often limit success or constrict continued popularity. However, there is a pattern among successful independent bakeries of focusing on innovation and creativity (Kim, 2022; "Seoul's Independent Bakeries," 2016). The New Product Development (NPD) process is an indispensable factor in product innovation. Many

economists agree that market competition and changing market conditions in any given industry require businesses to actively participate in NPD to gain a competitive advantage (Cooper & Kleinschmidt, 1991, 1995; Hsu et al., 2023; Schmidt, 1995; Thomas, 1995). NPD aims to create innovative products that meet consumer expectations while meeting the business goals for profitability and expansion. NPD in bakeries focuses on developing new production processes, product types, and flavors that will attract new customers and maintain existing ones.

However, without structured and effective NPD, many new products fail when released (Liberatore & Stylianou, 1995; Twigg, 1998). This risk has sparked various debates on the most effective and efficient strategies for NPD. To determine the most effective NPD approach for Korean independent bakeries, it is crucial to conduct an in-depth analysis of successful Korean independent bakeries and their NPD processes.

Literature Review

To analyze the types of NPD strategies used by successful Korean independent bakeries, an initial evaluation of the various discussions regarding the best approach for successful NPD is needed.

Customer-Led and Market-Oriented New Product Development

Debates exist on whether NPD should follow a customer-led (CL) or market-oriented (MO) approach. Businesses must accurately identify customer needs to create successful new products, and CL and MO approaches are different ways of evaluating this. CL NPD is where businesses put customers at the center of innovation and emphasize direct customer co-creation, collaboration, and involvement in the NPD process. MO NPD focuses on market and competitor research and trend analysis rather than direct consumer involvement (Slater & Narver, 1998).

Many studies have confirmed MO NPD has a positive relationship with new product market performance (Atuahene-Gima, 1995; Hong et al., 2012). By exploring the relationship between MO NPD and new product performance from empirical evidence in 275 Australian firms, Atuahene-Gima (1995) concluded that MO NPD helped lead the firms' new products to success. The researcher sent out a survey asking the firms to indicate the level of success of their new products and the degree to which they use MO approaches in their NPD. Through these surveys, Atuahene-Gima found that greater usage of MO NPD positively correlated with the market success of the businesses' new products. Similarly, research shows that a MO approach contributes to NPD proficiency, which notably influences new product success (Hong et al., 2012). By surveying various 471 Korean firms on topics similar to Atuahene-Gima, such as their usage of MO approaches in NPD and their new product successes, Hong and others (2012) discovered a positive relationship between MO approaches and successful NPD. They found that competition research was crucial to new product success as firms may gain inspiration from their competitors' successful ideas, innovating products that are an improved version of their competitor's successful ones. Both Atuahene-Gima and Hong and others' studies assert that a MO approach is more effective in identifying consumer needs by predicting market trends and researching the competition, leading to the efficiency of NPD. However, studies on MO in NPD are limited as they do not focus on a specific industry, and NPD's risk factors and approaches differ between industries with different behaviors and environments (Connor, 1999).

Though existing in a smaller number, some research claim that CL approaches best nurture the success of NPD and new products (Chang & Taylor, 2016; Leahy, 2013). For instance, Leahy (2013) conducted a case study of a small technology company whose products were well received by the market and concluded that their product success was mainly due to purposive sampling and looking for "targeted focus groups to correctly identify vital consumer-generated information" during the earlier stages of NPD (Leahy, 2013, p. 57). According to Leahy (2013), trend analysis of competitors (MO approach) did not have a significant role in new product success in comparison because direct feedback from consumers (CL approach) was more crucial to accurately understanding consumer preferences. Other economists have corroborated this observation, notably Chang and Taylor (2016), who conducted a meta-analysis to

examine the effectiveness of consumer participation in NPD. They concluded that involving consumers in NPD's ideation and launch stages improved new product financial performance (Chang & Taylor, 2016). While Leahy's case study explains the importance of consumer communication during the early stages of NPD, Chang and Taylor agree on the importance as they found a strong correlation between direct consumer participation and product success through a meta-analysis of past studies. Therefore, both studies strongly recommend a CL approach to NPD.

However, the researchers advocating for either MO or CL NPD imply that their proposed approach alone will be effective in most industries (Atuahene-Gima, 1995; Chang & Taylor, 2016; Hong et al., 2012; Leahy, 2013). Therefore, they may be making potentially inaccurate generalizations.

Another notable approach exists in addition to these two competing approaches. Unlike other researchers who imply that businesses must choose between the two approaches (Atuahene-Gima, 1995; Chang & Taylor, 2016; Hong et al., 2012; Leahy, 2013), Connor argues that balancing CL and MO approaches may lead to the optimal business strategy (Connor, 1999). He believes success in all industries results from a mixture of creating change from existing formulas due to customer involvement (CL) and the imaginative long-term vision of the market (MO), which leads to cooperative thinking of innovators and customers (Connor, 1999). This disregards past researchers' and economists' ideas that the different approaches alone may be sufficient for success. However, Connor's assertions are mainly theory and have little empirical support, leading to possible confirmation biases (Baldwin et al., 2022).

Degree of Product Newness

Another discussion prevalent among NPD researchers is how new products can gain a competitive advantage without being "too new." Economists have not agreed on the scale to measure the degree of product newness.

Currently, there are two perspectives to which the degree of product newness can be evaluated: technological and consumer. Dahlin and Behrens propose that the most precise way the degree of product newness should be looked at is through the novelty and uniqueness of the product in terms of technology (Dahlin & Behrens, 2005). In short, the higher the product's dissimilarity to existing technologies of creating the certain product, the higher the product's degree of newness. Similarly, Christensen states that the degree of product newness should be based on the value proposition a new product brings into the market through previously unavailable or unutilized methods (Christensen, 1997). As such, Dahlin, Behrens, and Christensen (1997; 2005) agree that the degree of product newness should be chosen based on how new the methods of creating the product are compared to existing ones.

On the other hand, some economists claim that the consumer's perspective is the more accurate way to identify the degree of product newness. Ziamou and Ratneshwar (2012) define the degree of product newness as a novel set of experiences available to customers, though the physical shape of the product or technologies of creating the product may already exist (Hoonsopon & Ruenrom, 2012). Furthermore, Cooper (2000) suggests that the degree of product newness is all about creating a new dimension for the customer and not the market (Cooper, 2000). In brief, these researchers assert that the degree of product newness should be determined based on the novelty of the experience compared to what the consumer traditionally prefers.

The approach to the degree of product newness in the food industry may be unique because consumers experience another level of intimacy with the products they eat (Ronteltap et al., 2007). According to a study by Van Trijp and Van Kleef, the effects of food's intimacy with consumers is explained by the omnivore paradox, which states that "humans are equipped with two conflicting, but complementary tendencies [toward food items]: to both approach (neophilia) and avoid (neophobia) newness" (Van Trijp & Van Kleef, 2008, p. 570). This indicates that the degree of newness in NPD in any food industry must be approached with complex conceptualization and methodology to examine whether a food product would succeed, considering the environments and contexts. The novelty and uniqueness of the new product must be high enough to generate consumer interest while not inducing excess neophobia. Van Trijp and Van Kleef (2008)'s findings are generally supported by other researchers; Tuorila and Hartmann (2019) further added an important point that launching new foods requires an in-depth understanding of "product perception and the consumer traits" to avoid triggering neophobia in consumers (Tuorila & Hartmann, 2019, p. 2). To date, research on

effective degrees of product newness in the food industry is limited as it does not consider *how* businesses cope with consumer neophilia and neophobia. Considering this point, there is a necessity for more research on how neophilia and neophobia of consumers affect bakeries' decisions on the degree of product newness in NPD.

Research Goal and Gap

So far, we have examined the literature on CL and MO approaches and the degrees of product newness in business NPD processes. A significant research gap is that though there has been previous research investigating the role of CL and MO approaches in successful NPD, they have not focused on the bakery industry, nor have they differentiated between corporate and independent businesses (Atuahene-Gima, 1995; Chang & Taylor, 2016; Hong et al., 2012; Leahy, 2013). It cannot be assumed that all industries will have the same optimal processes for successful NPD. Thus, this study will examine the Korean independent bakery industry. Furthermore, while there are studies that claim neophobia and neophilia in the food industry may affect businesses' degree of product newness (Cooper, 2000; Dahlin & Behrens, 2005), there are no studies that investigate *how* businesses take these consumer behaviors into account when deciding their product newness. Thus, my research will also aim to find the optimal degree of product newness of the Korean independent bakeries that may be due to specific consumer behaviors.

Past studies have gathered information on businesses' NPD processes through literature studies or surveys (Chang & Taylor, 2016; Hong et al., 2012), all but first-hand interviews, which can determine each business' specific NPD process. My qualitative study will analyze each bakery's unique NPD processes through interviews to explore any similarities these bakeries may have in their strategies regarding their NPD approaches and the degree of product newness. This way, I can determine the specific approaches successful bakeries utilize to conduct a more detailed analysis of this topic.

The growth of the Korean bakery industry has been tremendous in recent years and is projected to grow even more (Global Data, 2022). This data shows that independent bakery shop owners face fierce competition with both corporate and other independent bakeries. The increasing competition and investment are frightening for the less-advantaged independent bakeries. Therefore, the ultimate goal of my research is to figure out the different NPD processes that led to the popularity of successful independent bakeries in South Korea despite the increasing market competition in a fast-growing industry. This paper will focus on how bakeries utilize NPD to gain a competitive advantage in the industry through MO or CL approaches and the degree of product newness. Hence, this study will answer the research question: In what ways are CL or MO approaches and the degree of product newness integrated into the NPD processes of successful independent bakeries in South Korea?

Method

To determine the types of processes successful Korean independent bakeries use in NPD, a collective case study method with structured interviews followed by a thematic analysis was used. My research examined a collective case study of five independent bakery owners in Korea. A collective case study aims to understand a small number of people deeply to "make comparisons, build theory, or propose generalizations" (Leedy & Ormrod, 2018, p. 231). It allows the researcher to collect extensive data on the individuals or firms the study focuses on, especially when conducting interviews as this study does. This method is justified as the collective case study allowed me to examine the thought processes of the bakeries on their NPD strategies in detail. This type of study recommends data collection through structured interviews and data analysis through thematic analysis, which this study aimed to achieve.

Purposive Sampling

To start, I searched "popular independent bakeries in South Korea" on the Google search engine and drafted a list of the first eighteen bakeries that appeared. Then, I used a purposive sampling method to select the participants of this study and created eligibility criteria. As baseline criteria, the participating bakeries had to be independent,

which is critical to my research question. Additionally, the bakery had to be established at least five years ago. The interviewees had to be the owners of the bakeries, someone extremely knowledgeable about the bakery's NPD processes. Furthermore, the bakeries had to be successful.

The definition of success is subjective in most fields of business, and independent firms generally have a lower bar than large corporations. I used brand social media popularity and revenue growth to measure success. Social media has had a heavy presence on the success of businesses in recent years, so it was used as a major metric for analyzing the success of bakeries. To measure social media popularity, I used Instagram, one of the largest social media platforms as of January 2023, according to Statistica (Dixon, 2023). The bakeries had to have at least three thousand followers on Instagram. Furthermore, customer engagement is often seen as a significant indicator of success rather than simply follower counts, as it shows that the customers are not losing interest over time. As account engagement statistics are not accessible to the public, I went through the last six months' worth of posts and checked a steady ratio of the number of likes per post to the number of followers. Lastly, I emailed the ten bakeries that fit the social media criteria and asked them if they had revenue growth over the past five years. I did not ask for specific numbers, which are typically kept private. Among the bakeries that responded, five bakeries met all the criteria, and they agreed to an interview when I sent a follow-up email. Therefore, they were selected to participate in this collective case study.

Structured Interviews

To collect the necessary data to come up with conclusions on the bakeries' NPD processes, I conducted structured interviews as the first part of the collective case study. To put into context, structured interviews are "highly dependent on schedules of questions to be asked of participants during their conversations with the researchers" (Atkinson, 2017, p. 70). As such, there are specific rules that structured interviews should always follow. The researcher should pre-plan and schedule the questions and the order of the questions being asked. The questions may be open-ended, but no follow-up questions are permitted. A structured interview is the best fit for my collective case study because it allows for little deviation in how the questions are asked to the participants. The uniformity in the questions helps with comparative processes such as thematic analysis, which I used to analyze the data. As the final goal of my study was to figure out how MO or CL approaches and the degree of product newness are integrated into the bakeries' NPD processes, the interviews needed to be done in a way in which themes could be clearly identified within the answers.

The structured interviews were conducted through the Zoom platform rather than in person. Though some researchers initially thought in-person interviews were superior for building rapport and eliminating the possibility of answer skew as subjects were being physically monitored, recent research has shown that the data obtained from in-person versus telephone interviews had little to no discrepancies (Colombotos, 1969; Vogl, 2013). Additionally, the bakeries' locations varied, so it was more efficient to hold Zoom meetings. All participants preferred Zoom meetings as well due to their busy schedules.

The interviews aimed to determine the NPD processes that successful Korean independent bakeries utilized that led to their success. The interviews consisted of seven questions, and they were open-ended to encourage elaboration and more detailed answers (see Appendix C). The interviews started with a couple of personal questions about the interviewees and bakeries. Three questions were based on the NPD processes of the bakeries, and the last two questions centered around why the owner believed their bakery was so successful. The questions were created around the bakeries' NPD process, priorities, and success.

Ethics

All participants signed consent forms before the interviews, asking consent for the interviews to be recorded and stored, informing them of the confidentiality of all identifying information, and more (see Appendix B).

Thematic Analysis

After completing the structured interviews, I moved on to the second step of my collective case study: a thematic analysis. I took a deductive approach to the thematic analysis, meaning that I had preconceived themes I already expected to find in the interviews based on existing research and theories on the topic of NPD, such as CL and MO approaches and the degree of product newness.

Before beginning the qualitative thematic analysis, I transcribed the interviews through the website *Trint* and translated Korean to English for four of my interviews which were conducted in Korean. Then, for the first stage of the analysis, I printed the translated transcripts and read through them multiple times, actively observing the meanings and patterns that appeared across the interviews regarding the bakery's NPD processes. Next, I created a set of initial codes that represented these meanings and patterns. I read the transcripts multiple times, identified excerpts representing the same meaning, and applied the same code to them. The codes were recognized through color coding; I highlighted the excerpts with a particular color corresponding to a particular code. Afterward, I grouped all the excerpts associated with a particular code by cutting them out by hand and grouping them together physically. The initial set of codes was then combined into themes. To do this, the codes were analyzed for any signs of CL approaches, MO approaches, and the degree of product newness and categorized into these themes accordingly due to a deductive thematic analysis. I was still open to creating new themes if they were related to the three mentioned previously. After gathering my initial themes, I reviewed and revised them. I ensured that each theme was recurring, meaning it had data from most of the interviews to support it. I disregarded themes only found in one or two interviews and considered them isolated occurrences. Similar themes were grouped as overarching themes, which were used in the final analysis. For instance, most responses indicated both themes of CL and MO approaches. So, I created an overarching theme by grouping them and labeling them as a mixed approach.

Thematic analysis was chosen as the analysis method in this collective case study as common themes had to be derived from the interviews to determine the *kinds* of strategies used in independent bakeries in Korea. Additionally, a thematic analysis helps identify patterns and trends in the data, which was crucial to my research as I wanted to find similarities and differences between the NPD processes of the five independent bakeries in Korea.

Assumption

Before moving on to the findings and analysis of the results, an important assumption must be discussed: a bakery's success meant it would have to have very effective NPD processes. This assumption may be supported by a study on the critical success factors of bakeries in China. Experts believe the products of a bakery contributed most to the bakeries' success over other factors, such as the service method and store design, which had much less significance on the Chinese bakeries' success (Hsu et al., 2023). Accordingly, it can be assumed that the NPD processes used by successful bakeries may lead to success in other industries.

Findings

Table 1: *Definitions of Themes*

Themes	Definitions
Lower Degree of Newness in the Technological Perspective	The new product is created with previously used methods or technologies of similar products in the market.
Higher Degree of Newness in the Technological Perspective	The new product is created with previously unavailable or unused methods or technologies of similar products in the market.
Lower Degree of Newness in the Consumer's Perspective	The new product is created to fit the traditional taste preferences of the consumers.
Higher Degree of Newness in the Consumer's Perspective	The new product is created with flavors and tastes that are different from the usual consumer preferences.
Customer-Led Approach	The NPD process focuses on understanding consumer needs through direct consumer co-creation, collaboration, and involvement.
Market-Oriented Approach	

The NPD process focuses on understanding consumer needs through market research, trend analysis, and competitor research.

As stated, five bakery owners from five successful Korean independent bakeries were interviewed on their NPD processes. The bakery names were omitted from the study following the confidentiality agreement each of them signed prior to the interviews; they will be referred to in the order they were interviewed (i.e., Bakery 1). A table was made to clearly demonstrate each bakery's key processes in NPD observed in the structured interviews (see Appendix A). The table helps to identify the recurring themes within the data set, which can be thematically analyzed to help discover which NPD processes are commonly used within the independent bakeries. As shown above, Table 1 defines these recurring themes.

Analysis

The insights on the independent bakeries' NPD processes were outlined in the structured interviews. The details of the NPD processes were categorized into themes and then examined through a thematic analysis. This section will discuss the results of the thematic analysis and the possible conclusions the results may suggest. Two overarching themes were derived from the recurring themes listed in Table 1, which will be analyzed in this section.

Overarching Theme 1: A Mix of Customer-Led and Market-Oriented Approaches

Of the five bakeries interviewed, bakeries 1, 2, 3, and 5 indicated using a mixture of CL and MO approaches. A key indicator of an MO approach was the usage of the word "trend." For instance, when Bakery 3 was asked what the owner prioritized when coming up with new products, s/he stated,

> Another thing we prioritize is doing a trend analysis of the bread industry and reflecting some of our products from it (Bakery 3).

> Through trend analysis, Bakery 3 discovered a rising trend in consuming "healthy" foods among Koreans and realized this was an underserved market. So, they developed healthier bread options, such as whole wheat and rye, directly responding to the popular trend. This is a clear example of MO NPD, as it matches Slater and Narver's definition of MO approaches: the bakery focuses on market research and analysis to understand the customers' needs and anticipate their changing demands (Slater & Narver, 1998). While bakeries 2 and 5 gave a similar account of focusing on trend analysis for NPD as Bakery 3, Bakery 1 indicated its MO approach less directly, stating,

> Our product development team adds flavors or ingredients that are popular in Korea and taste-tests them (Bakery 1).

> Though keywords such as "trend analysis" or "market research" are not included in Bakery 1's interview, they mentioned that they added flavors and ingredients that were "popular" in Korea to their baked goods. We can infer that to determine which flavors were currently popular among Koreans, the Bakery had to conduct market research to ascertain which flavors were gaining popularity among many of its competitors. Hong and others (Hong et al., 2012) found that competition research was crucial to new product success as firms may gain inspiration from their competitors' successful ideas, innovating products that are an improved version of their competitor's successful ones. Thus, bakeries 1, 2, 3, and 5 are consistent with Hong and others' findings that the MO NPD approach is critical to new product success and shows that it applies to the Korean bakery industry.

> Along with MO approaches, bakeries 1, 2, 3, and 5 also indicated using CL approaches in their NPD. For instance, evidence of CL approaches was found in multiple parts of Bakery 3's interview. They disclosed that

> We conduct various tests and have free taste test events for customers for the new products before starting to officially sell them. If there is a need for improvement based on customer feedback, we modify the recipe to upgrade the product (Bakery 3).

Direct consumer participation was reflected several times in Bakery 3's interview, mentioning "free taste test events for customers" and "improvement based on customer feedback," which shows customer co-creation and involvement in NPD. These are key indicators of a CL approach. Bakeries 1, 2, and 5's interviews contained similar accounts of CL approaches, including producing a small, limited quantity of the new baked goods to gauge customers' reactions before releasing the final product. Furthermore, Bakery 3 exhibited CL approaches in multiple stages of the NPD process: before the new product's official launch and after. Before the product's official launch, the bakery held free taste tests for potential new products. Based on customer feedback, they improved the recipe to create the optimal product consumers preferred. This finding corroborates Leahy's study, which found that new product success was mainly due to surveying focus groups about new products in the earlier stages of NPD (Leahy, 2013). Existing research has mainly found a relationship between direct consumer participation in NPD's early and launch stages and product success (Chang & Taylor, 2016; Leahy, 2013). However, this interview also indicated a CL approach being used after the product's release/late stages of NPD to help the bakery create future successful new products. For instance, Bakery 3 expressed that they expanded the variety of their croissants with new flavors, as it became their best-selling product after launch. Launching varieties of a popular product typically means that the bakery analyzed customer reactions to the new products. Due to this, we can observe that a CL approach, even after the product launch, can help guide the bakeries when creating future new products.

On the other hand, Bakery 4 did not mention using a mix of CL and MO approaches. Furthermore, they did not mention loyalty to either CL or MO approaches and instead attributed their new product and NPD successes to their products' uniqueness.

This overarching theme of a mixed approach reinforces Connor's theory that a mixed system of both CL and MO approaches can lead to NPD success, as four out of the five bakeries utilized this NPD strategy (Connor, 1999). As Connor implied, using a mixture of expressed customer needs and a long-term vision of the market helped the bakeries to create a balance that they found optimal for innovation success.

Overarching Theme 2: Prioritizing Technological Novelty Over Consumer Perceptions of Uniqueness

Three out of five bakeries (bakeries 1, 2, and 4) emphasized the product's degree of newness in their NPD processes. However, it was evident that the bakeries' decisions on their degree of product newness were more nuanced than initially thought. As such, simply stating that their new products had either a high or low degree of product newness is misleading. I discovered that separate technological and consumer perspectives were present in all three bakeries that mentioned approaches regarding the degree of product newness. Instead of creating entirely new products that would be highly unique flavor-wise to their consumers, all three bakeries prioritized creating technologically novel products. The flavors and ingredients of the new products were familiar to traditional Korean preferences, regardless of how innovative the methods of product creation were. This mixed strategy of utilizing varying degrees of product newness from the consumer and technological perspectives became a successful approach for the bakeries. For example, Bakery 2 framed the reasonings behind creating unique yet familiar new products and said,

> When you think of doughnuts, you think of the American-styled doughnuts that are fried… We tried to change this aspect of doughnuts and tailor it to Korean taste preferences as much as possible by baking the doughnuts instead. Less greasiness and overly-richness, so our doughnuts are overall less sweet compared to other brands. If you think about it, we kind of Koreanized the doughnuts (Bakery 2).

As can be seen, both aspects of the degree of product newness, the technological and consumer perspectives, must be used to evaluate the Bakery's NPD. Firstly, Bakery 2 stated they developed a unique doughnut by baking it instead of the traditional frying method. This is considered a higher degree of product newness from the technological perspective as the Bakery used a completely new method of creating the doughnut. Additionally, Bakery 2 stressed that they "Koreanized" the doughnuts by changing the flavors to fit traditional Korean taste preferences, such as lessening the greasiness and richness. This indicates that they developed the baked product to be less novel from the consumer's

perspective by making it relatively familiar to them, creating a low degree of newness from the consumer's perspective. They found that customers in Korea tended to shy away from tastes that did not fit preference norms; hence, the Bakery decided to make a product novel and unique in the market but familiar to the consumers. Bakeries 1 and 4 indicated similar decisions to their degree of product newness. For instance, Bakery 1 pan-fried their juaks, a traditional Korean dessert, making them flatter and crispier, differing from the traditional technologies of creating the juak. However, they also "modernized" the Korean rice desserts to make them fit the taste preferences of current customers (lower degree of newness from the consumer's perspective). Therefore, the NPD processes of the three bakeries indicate that the debates between Christensen and Dahlin and Behrens on which scale of degree of product newness is the most accurate may be a false dichotomy for Korea's bakery industry, as the degrees of product newness vary in consumer and technology perspectives (Christensen, 1997; Dahlin & Behrens, 2005). Furthermore, I theorized that this overarching theme could be due to distinctive consumer behavior in Korea. This theory may be supported by Choe and Cho's study, which discovered that Korean adults aged twenty to forty had a mean Food Neophobia Scale score of 33.5, showing a relatively high level of food neophobia compared to neophilia in Koreans (Choe & Cho, 2011). Essentially, Koreans are reluctant to try new tastes but are not entirely opposed to the idea of unique foods. Therefore, we may conclude that bakeries in places with high food neophobia among the general population should use a lower degree of product newness in terms of the consumer perspective and focus on innovation in the technological aspect. This reinforces other researchers' theories that consumers tend to stick to familiar tastes due to neophobia, as it is applicable to the Korean bakery industry (Kim & Hwang, 2020; Tuorila & Hartmann, 2019).

Discussion of Results

Overall, this study suggests successful independent bakeries in South Korea may use a mixed CL and MO NPD approach. Additionally, most of the bakeries stated that they made new products relatively familiar to Korean consumers in terms of taste preferences and more unique in terms of the creation method. This may mean that in the Korean food industry, both the consumer and technological perspectives of the definitions for the degree of product newness must be considered to create optimal new products for consumers. Additionally, it can be argued that the success of NPD processes using lower degrees of product newness from the consumer perspective in these bakeries is due to their location: South Korea. Studies have shown that the South Korean population generally has high food neophobia, which further suggests that bakeries in Korea, or any country with high neophobia, may need to integrate lower newness in the consumer's perspective into their NPD processes, regardless of their degree of newness in the technological perspective.

Limitations

The largest limitation of the study was the sample size, as I held a collective case study with five bakeries. The number of bakeries that fit the participant criteria and were willing to be interviewed was limited. However, due to the small sample size, the collective case study method allowed me to collect extensive data on the bakeries I focused on. Regardless, the smaller sample size means the results of the study cannot be generalized to a large population such as the entire South Korean independent bakery industry. However, the findings of this study will be utilized as an exploratory study for future research on this topic. With interviews and data from more bakery owners by researchers in the future, it could be possible to come up with more accurate and generalizable results. Another limitation of this study is possible human error during the analysis section. As thematic analyses and other qualitative analyses are subjective to some degree, they are subject to possible biases. Also, as a first-time qualitative researcher, there is a chance that the quality of conducting qualitative research may be limited by limited research experience. This would also lead to a less accurate data set, which would have a minor impact on how the data was interpreted. I recommend future researchers replicate this study using multiple coders and compare the results to make the results of my analysis more credible.

Implications

This study has multiple implications for the Korean bakery industry. It can guide further research as it identifies common NPD processes specific to independent bakeries in South Korea. A study with a larger sample size to identify if similar processes are also incorporated in a larger number of successful independent bakeries in South Korea may prove the generalizability of this study's claims. Moreover, future researchers should see if the results of this study could be applicable to bakeries in other countries, which may have different levels of consumer neophilia and neophobia, as well as different environments of bakery industries.

My findings will also have practical contributions, as other independent bakeries may utilize them in the future when they want to re-establish business strategies. Independent bakery owners develop effective NPD processes based on consumer behaviors in Korea and the processes of their competitors outlined in this study. Bakeries in other countries may also be prompted by this study to review their approaches regarding CL and MO, as well as their consumer's degrees of neophobia and neophilia, to create the most effective NPD process.

Lastly, this study could encourage consumers to think about their personal tolerances when it comes to new foods to determine whether they lean more toward neophilia or neophobia. This may urge interest in more novel products and tastes, which may stimulate more NPD by businesses, creating a cycle that facilitates the creation of even more innovative products in many food industries.

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