Sustainability and social media use in open innovation play important roles in a firm's new product development (NPD) process. This research examines, in conjunction, the roles of sustainability and social media driven inbound open innovation (SMOI) for a firm's NPD performance, and further, takes a more refined approach by differentiating between different types of SMOI activities. To this end, this research develops and tests a conceptual framework, which predicts that (1) a firm's sustainability orientation (SO) is positively associated with its NPD performance, (2) customer focus (CF) partially mediates the SO–NPD performance link, and (3) particular SMOI activities moderate the CF–NPD performance link. The empirical results, using data from the Product Development and Management Association (PDMA)'s comparative performance assessment study, provide support for most of the framework. Notably, this research documents a positive link between SO and NPD performance, as well as a partial mediating role of CF. The results further suggest that social media driven open innovation activities focused on gathering market insights enhance CF directly, while social media driven open innovation activities that garner technical expertise enhance the link between CF and NPD performance. This paper bridges the separate literatures on sustainability and open innovation, and contributes to the NPD research. The findings suggest that managers should take a strategic approach to sustainability and embed it in the NPD process. Furthermore, managers should manage social media based open innovation carefully to fully benefit the firm during the front end and back end of NPD.
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