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Introduction

A pioneer company is the one which introduced new products, services and technologies in their markets before any competitors thus gaining first mover advantage whereas a follower company follows a pioneer company thus having reduced risk, lower research and development costs and the scope of learning from the failure of Pioneer companies. Business organisations must be able to decide whether they should lead a pioneer or should they capitalise on existing market trends as followers.

The aim of this essay is to provide a discussion regarding the advantages of being a follower and pioneer company while providing examples of successful pioneer and follower companies. Further in this essay, the product life cycle strategies are required by successful pioneer and follower companies to increase their growth and maintain strong competitive advantages. This essay is going to analyse how both pioneer and follower companies implement tailored PLC strategies, especially across their growth and maturity stages which allows them to enhance their competitive edge. In this essay, a range of real-world example companies will be discussed to provide a clear understanding of why one company is a pioneer and why another is a follower. Further, it will also be highlighted how real-world follower or pioneer companies undergo the PLC stages.

Thesis statement: *This essay has argued that pioneer companies have first-mover advantages through innovation whereas a follower company strategically benefits through competitive pricing, cost-efficiency and gaining market insights which allows them to sustain growth in the long run.*

“What are the advantages of being a pioneer and follower company? Provide examples of successful pioneer and follower companies”.

The advantages of being a pioneer company:

In this competitive business landscape and strategic marketing process, it is vital for a business to decide whether it should enter a market as a pioneer or as a follower. A pioneer company is a type of company which looks for gaps in the market and is the first to introduce new products, technologies or ideas into the market to gain a competitive edge (Christopher, 2021). A major advantage of being a pioneer is that they get the opportunity to be the first one to launch a new product or service thus gaining first mover advantage (Markides and Sosa, 2013). Pioneer

companies also get the advantage of being the leader in innovation and rate industry benchmarks. For instance, Dyson is an industry pioneer who revolutionised vacuum cleaners with their bagless cyclonic technology (Seabrook, 2010). Another example of an advantageous pioneer organisation is ARM Holding Plc which is a UK-based semiconductor manufacturing company which has pioneered in designing energy-efficient chips which power a lot of smartphones globally (ARM, 2025). Additionally, being the first to launch an innovative product or technology also offers pioneer companies the advantage to control pricing and profit margins by setting premium prices. A pioneer company also has better control over their distribution channels which allows them to secure prime retail locations, supply chains and partnerships. Thus, from this, it can be understood that a pioneer company has a first-mover advantage which allows them to gain market leaders and have better control over their distribution channels.

Being a pioneer company allows a company to enter forts into the markets with new products and technologies and thus they are able to establish strong brand loyalty and higher market shares. For instance, Ocado is a pioneer company which has no retail stores and uses highly automated distribution centres for preparing and shipping customer orders which allows them a competitive advantage over other supermarkets in the UK market (IMD, 2024). This allows Ocado to be a leader in online grocery retail and establish a strong presence and loyalty with its customers. Ocado solved the problem of customers not having to visit supermarkets and order their goods from the comforts of their homes. In addition to this, another example of a Pioneer company is Monzo which is a digital-first bank in the UK and has completely transformed the landscape of digital banking in the UK (Medium, 2024). The strategy Monzo uses is modular, fragments microservices infrastructure which allows them to use advanced tools like AWS and Kubernetes which helps in ensuring agility, resilience and scalability (Medium, 2024). This not only helps Monzo in offering seamless and secure digital banking opportunities to their customers but to also scale their business and develop resilience to cope in situations of uncertainty. Further, Monzo also solved the customer problem of long waiting times and delays caused by traditional banking services during credits. Thus, from this, it can be inferred that pioneer companies had the advantage to be the first to launch a certain type of product or service which helps them in solving the needs of customers and retain customer loyalty for a longer period of time.

The advantages of being a follower company:

Contrastingly, a follower company is one which is not the leading company in a particular market but chooses to keep its position by following examples of pioneer companies rather than competing in the market in a forceful way (Cambridge, 2025). A follower company enters an already established market which provides them with the scope to learn from the failures or successes of pioneers. A major advantage for a follower company is the reduced risk as followers get the opportunity to avoid costs and uncertainties associated with the costs to innovate or enter a new market. As a follower company, there is a significant opportunity to avoid the mistakes made by others before them and bring in product changes and modifications by undertaking customer demand (BIE, 2025). The cost of research and development also gets lowered for a follower company. They can simply focus on improving the existing technologies or products offered by pioneers rather than investing heavily in new innovations. Additionally, compared to the pioneer's first mover advantage, the follower companies can get fast follower advantages because a pioneer has only a limited understanding of their market but a fast follower already knows what is going on in the market, how the customers are reacting towards a product and what changes they expect (BDO UK, 2023). For instance, Ocado is a pioneer in the digital retail supermarket, but Tesco followed it and expanded its online grocery services. This shows that followers can achieve market success by properly aligning their strategies. The strategies which Tesco uses to follow Ocado is to follow the core strategy of Ocado which is their e-commerce platform. In order to do so, Tesco has launched its new e-commerce initiatives which allowed them to compete with Ocado as it allows Tesco to develop their online operations and compete in the international markets (IMD, 2024). However, Tesco despite being the largest grocery retail supermarket in the UK is unable to provide the same online shopping experience as Ocado given that Tesco is still working on their e-commerce platforms and facing severe competition as well. Thus, from this, it can be inferred that being a follower company offers the advantage of understanding what the customer wants and then launching a product or service to meet the needs of customers.

For a follower company to be an advantage it is important that they know the mistakes of pioneers and take action to avoid those mistakes in their own case. Additionally, it is also important for a follower company to understand and identify its own drawbacks in order to succeed in the market as it is an innovation which distinguishes a leader from followers (Jobs and Malloch, 2024). For instance, compared to digital-first Pioneer banks like Monzo, one of the drawbacks of traditional banks like Barclays is that they are slow due to traditional approaches and often commit mistakes (BBC, 2025). Thus, Barclays took a follower approach

and transformed their banking infrastructure into digital banking services to help provide quicker services to customers (Barclays, 2025a). Thus, the main device for a follower company is that they get both the time and opportunity to understand what needs to be done in order to maintain their competitive stance in the market.

“What product life cycle strategies do successful pioneer and follower companies implement to increase growth and maintain a strong competitive advantage? Provide examples of companies that support the statements made”

The product life cycle stages comprise four stages which are introduction, growth, maturity and decline. Successful pioneer and follower companies have distinct strategic initiatives in each of these stages to increase their growth and maintain a strong competitive advantage. A pioneer company in the introduction stage of the product life cycle focuses on creating a market for a previously unknown product and engaging marketing efforts to request customers with their new product (AGMRC, 2025). Even though the sales are small at this stage still the focus on acquiring customers and developing the market is prioritised because, in the long run, it aids a pioneer company in driving their **growth** and sustaining it. For example, Dyson initially targeted premium customers for their vacuum cleaners before they expanded their market to air purifiers and hair care. The **growth strategies** which are used by Dyson are their focus on innovation, premium brands, addressing customer pain points, engaging in direct-to-customer sales and focusing on integrating problem-solving design in their products (Buildd, 2025). For instance, the bagless vacuum cleaner makes it so much easier to clean without the worry of overloading the bag or emptying it and this helped them in achieving rapid growth in the market. In the **growth stage**, a pioneer company focuses on engaging the features of tier products and improving their distribution in the market. For example, Revolut, a UK-based fintech company, has introduced new online banking services to maintain its engagement with customers and expand in the global market (Revolut, 2025). Revolut has reached its maturity stage because it attained a significant level of customer growth, it has expanded to new markets and it is increasingly focusing on becoming a global super app (Fintech, Global, 2024). Further in the **maturity stage**, there are requirements for differentiation and companies like Cadbury sustained their market position and differentiated themselves by offering a wide brand of chocolates at an affordable cost and engaging in extensive marketing practices. However, in the decline stage, it becomes even more crucial for pioneers to reposition themselves and be

invited to cope with market competition. In such a case, companies like British Telecom have transitioned from traditional telecom services to digital and broadband solutions which helps them to remain competitive (British Telecom, 2025). Thus, engaging strategic changes at every stage helps pioneer companies to hold their position as market leaders and be successful.

On the other hand, follower companies are at the introduction stage of the product life cycle and differentiate themselves by offering either supporting or affordable alternatives to what a pioneer is offering. For example, Lidl and Aldi entered the retail supermarket by offering cheaper alternatives of good quality which allowed them to compete with pioneers like Tesco and Sainsbury's. Aldi and Lidl while following Tesco and Sainsbury's have focused on streamlining their supply chain which allows them, to minimize their operation costs and offer end products at lower prices to their customers and this facilitated their **growth** into the global markets such as in Europe and other countries like Australia (Fronza, 2025). These strategies have allowed Aldi and Lidl to invade UK supermarkets and gain significant market share yet both the companies are struggling to make a mark compared to pioneer companies (The Grocer, 2022). In the introduction stage, Barclays launched their user-friendly mobile app which helped them in informing their customers about their digital banking initiation and **growth** within the digital banking industry. Further, in the **maturity** stages, follower companies like Barclays need to focus on launching digital banking solutions and adopting AI-driven financial services to mature their digital banking markets and offer customers better banking service opportunities (Barclays, 2024). To further mature their digital banking services, Barclays has partnered with Google Pays which allows customers to make seamless transactions anywhere anytime without having to carry their cards or enter their pin every time (Barclays, 2025b). These strategies help follower banks like Barclays to maintain a strong competitive position in the market amidst facing ring competition for digital banks. Thus, from this, it can be inferred that Pioneer companies focus on cost efficiency, customer-centric innovation and digital transformation within their product life cycle stages to success in the markets, unlike pioneer companies who focus on market expansion, aggressive branding and digital transformation to maintain leadership in the market.

The product life cycle stages of a company especially in the growth and maturity stages are mainly designed in their strategic thinking and how a company markets their products and services to the customers. Marketing strategy refers to the integrated pattern of decisions of an organisation that specify the crucial choices of the organisation regarding marketing carnivores

which determines the performance of the organisation and how marketing resources are being allocated towards the communication and delivery of products (Abratt and Bendixen, 2018). Game theory is one such strategic approach which follower companies use in pricing based on the actions of competitors to gain advantages. Game theory suggests that when the pricing behaviour of a company depends on similar offerings made by competitors, then a company only needs to know the competitor pricing information cost to define the optimal process for their product which helps in maintaining market equilibrium (Boston Consulting Group, 2023; Abedian, *et al.* 2022). For instance, Aldi and Lidl used game trickery to competitively price their product against competitors like Tesco and Sainsbury's which provided them with cost leadership over their competitors. Thus, it can be inferred from this that strategic marketing practices and focus on game theory can help a follower company gain a competitive advantage by competitively pricing their products and attracting customer attention.

Conclusion

The decision to become either a pioneer or follower depends upon the strategic decision-making, competitive positioning and availability of resources to the company, the effective manager of product lifecycle can help in continuous innovation and sustained success. It has been found from this essay that a pioneer company benefits from their first mover advantages and their ability to be the first to innovate thus having higher brand loyalty and pricing power. Compared to this, it has been found that follower companies gain benefits from following the existing market trends and engine in strategic decision-making to imitate strategies which will allow them to benefit over pioneer companies. Pioneer companies like Monzo, Ocado and Dyson have driven the transformation in their respective industries by being the first to innovate and break through the markets. Whereas follower companies like Lidl, Aldi, and Barclays mainly succeed by learning from pioneers and optimising their pricing by focusing on game theory. Ultimately, both follower and pioneer companies effectively manage their product lifecycle stages to help sustain their growth and adapt to the changing dynamic of the markets which allows them to maintain leading and being agile while responding to changes in the market.

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