

MASTER OF BUSINESS ADMINISTRATION

LCMB7024: MARKETING MANAGEMENT

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Introduction

Within ever-evolving domain of business, organizations find themselves within two basic primary roles- pioneer, and follower. The terms are the position of an organization within the market associated with the launch of a latest product, technology, or service. The pioneer refers to first which introduce something latest, whereas follower refers to the firm which enters market after pioneer with enhanced offerings. These strategies just come with different benefits and challenges. The essay will explore the merits of pioneer, as well as, follower organizations and will bestow instances of effective organizations which have excelled within each role.

Discussion

Advantages of Being a Pioneer

A pioneer refers to the organization which introduces innovative products, services, or technologies before other rivals (Elche *et al.*2021). The early entry of the market permits pioneers for capturing advantages which can translate within long-term effectiveness. The most vital benefit of being pioneer refers to the advantage of first-mover. Pioneering organizations possess the opportunity for establishing a powerful brand presence, as well as, consumer loyalty before rivals can enter market. The early dominance may be important in markets which benefit from the network effects, in which value of products or services increases because more people utilize it. For instance, Apple had been pioneer within smartphone sector with launch of iPhone within 2007 (Kornelakis, and Petrakaki, 2024). By just being first for creating an effective touchscreen smartphone, the company rapidly established dominant position in market. Over time, firm created loyal consumer base which continues to purchase products, thereby solidifying position within market. Becoming first for offering groundbreaking products or services provides an organization chance to enhance powerful brand recognition. Just as pioneer, an organization can be synonymous with specific product category that makes it much harder for rivals for entering market.

Tesla refers to excellent instance of pioneer within electric vehicle (EV) sector. Its early entry within market permitted it for establishing itself as leader within EVs. As consequence, Tesla benefited from powerful brand loyalty and became symbol of the innovation within the realm

of automobiles. Pioneers can control early share of market within respective sectors. Once they initiate their existence, they may leverage economies possessed by scale, that aids in lower costs of yield over time. By becoming first to market, they may set rates, as well as, product standards which competitors should follow. Microsoft refers to classic instance of pioneer which capitalized on advantage of first-mover. With introduction of “*Windows operating system*” within 1980s, the company dominated personal computer domain.

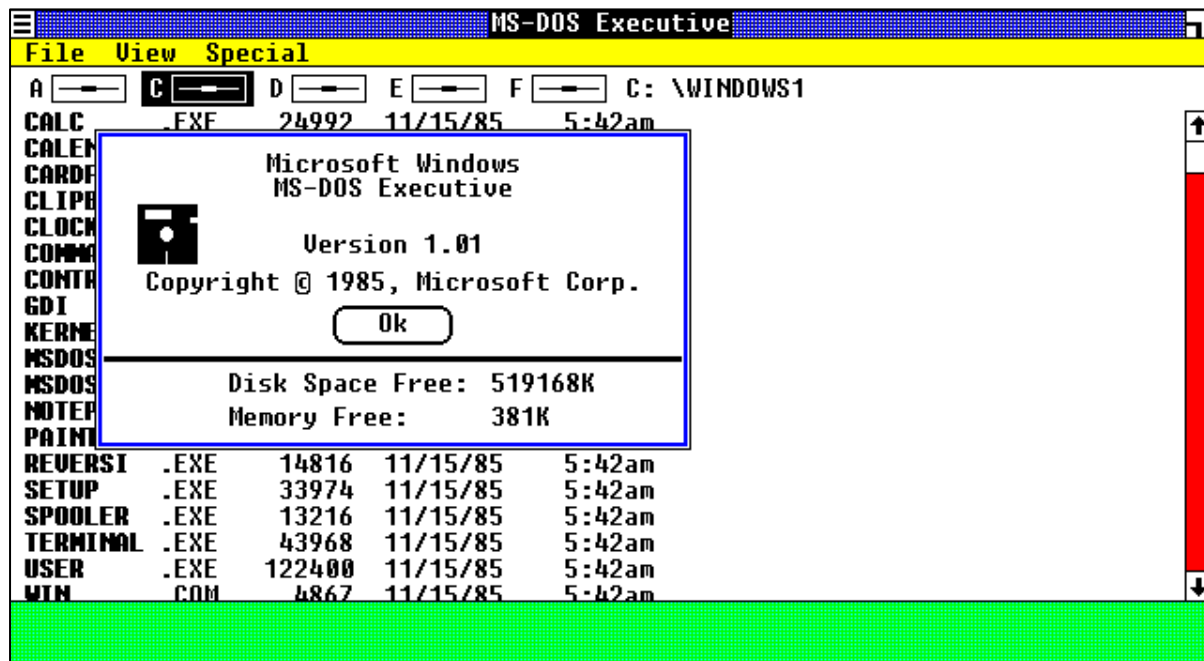


Figure 1: Windows operating system

(Source: Microsoft Wiki, 2024)

Pioneer organizations are trailblazers which innovate, and initiate latest products, services, and technologies to market (Sethi, 2021). They have considered as first movers within their sector, and hold the competitive advantage into several ways. The most key benefit of becoming a pioneer refers to first-mover advantage. An opportunity has been there in the matter of the company when it becomes the first in introducing nay latest product, or the service. It possesses the opportunity for building brand recognition, capturing the big market share, as well as, setting standards of the industry. Becoming a pioneer also causes the creation of the robust loyalty of the brand along with the lasting consumer relationships. The adopters who have adopted the brand early become much more emotional, and are highly attached to either products, or the services which, in accordance with them, are ground-

breaking (Aboalsamh, Khrais, and Albahussain, 2023). The unique attachment like this causes higher consumer retention, and advocacy of the brand. Being a pioneer, the organization possesses the opportunity for setting the premium costs in the matter of its products, or the services just before the entry of any competition within the market. The power of pricing can cause higher margins of the profit. When there has been an absence of any direct competitors, the firm can charge the premium in the matter of the innovative offerings, thereby making the early sales specifically lucrative.

For example, when Sony launched the gaming console of PlayStation for the very first time, it was competent enough in commanding higher rates because of the shortage of the competition. This assisted Sony in recovering the substantial rates of enhancement, and investment within latest technologies. This results in the important profit margin at the time of early years possessed by the release of PlayStation. In addition to that, the pioneering organizations acquire the technological lead within their sector (Popoola *et al.* 2024). They enhance the patents, proprietary technologies, and the intellectual property which can safeguard them from the rivals, and bestow additional streams of revenue. Pioneers possess the eligibility of shaping the market, as well as, influencing the trends of the industry. As first, and foremost to market, they can delineate the categories of the product, initiate the regulatory frameworks, as well as, influence the expectations of the customers. An instance in this matter refers to Amazon, which was not first retailer in online, however, was first in creating the massive marketplace in online (Altrad *et al.* 2021). It has established the latest customer behaviors along with the expectations with regards to the fast delivery, consumer service standards, and online shopping. This capability of shaping the sector can generate vital long-term benefits in the matter of the pioneer. Early effectiveness of company within market of operating system enabled it for setting standards which became foundation for personal computing globally.



Figure 2: Sony PlayStation

(Source: Monney, 2023)

Advantages of Being a Follower

Follow company benefits from observing and learning from market pioneers' mistakes; therefore, it can refine its strategy and reduce its risk. And these companies turn these first mover disadvantages into advantage by causing them to enter markets with improved products or services with lower R&D costs, unproven market demand, or regulatory hurdles. Cost efficiency is one key asset: follower firms do not attempt to undergo excessive expenditures on innovation through reverse engineering existing technologies or realizing economies of scale. With this cost advantage, they can enter into competitive pricing strategies and make the products more attractive to price conscious consumers. Moreover, follower companies can be responsive to consumer preferences based on market feedback, in order to take on offer in accordance with the public contemplated. There is also another advantage which is technological advancement. But by adopting existing innovations, follower firms can concentrate on implementing incremental improvements, improving in

operational efficiency and product performance (O'Dwyer, 2022). They also enjoy refined supply chain structures, well defined distribution networks, and market insights which help them to reduce the uncertainties in new forklifting product launch.

Additionally, strategic flexibility enables followers to change course as the industry changes due to trends, regulations or failures of the competition. By sight, they can maintain profitability and adaptability in the market based on empirical data. However, by the end, follower firms can achieve enormous growth, with reduced risks and efficient cost structure. Follower organization enters market after pioneer, offering advancements or variations upon original products or services. When being follower can seem little glamorous in comparison with being pioneer, it accomplishes its own different set of benefits. The most vital benefits of being follower refers to the capability of learning from mistakes made by the pioneers. By noticing both challenges along with the failures which pioneers face, the follower organizations may avoid making errors of same kind. The "learning curve" permits followers for entering market with highly refined approach, decreasing risks, as well as, increasing likelihood of the effectiveness. For instance, Google entered market of search engine after AltaVista, and Yahoo, and they both possessed initially led way (Onobhayedo, 2021). Founders of Google evaluated shortcomings of subsisting search engines which includes cluttered interfaces along with the inaccurate search outcomes.

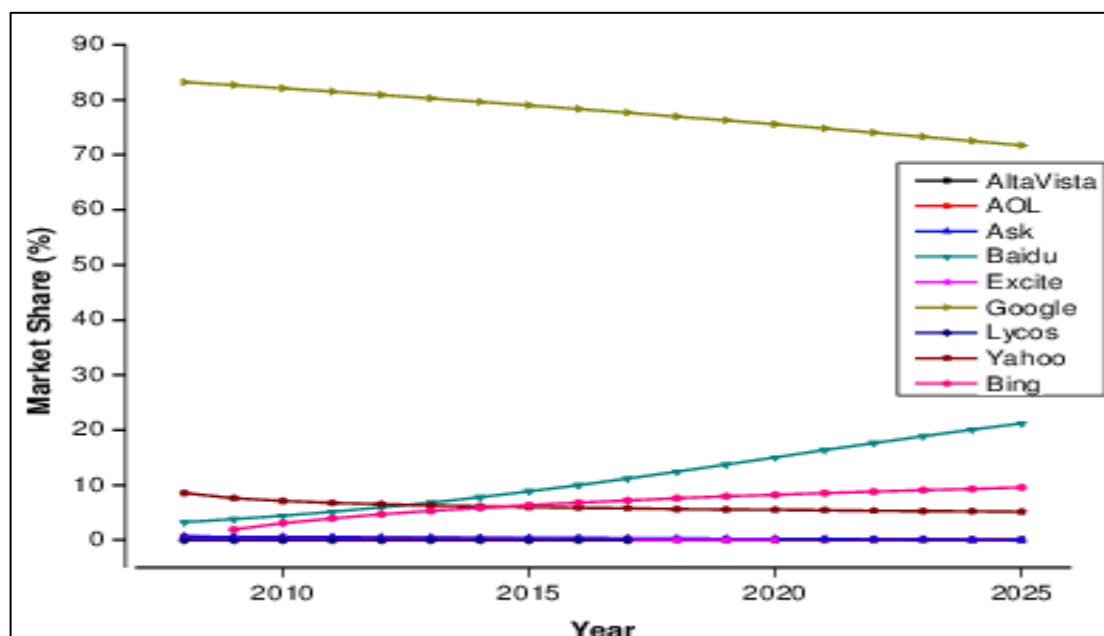


Figure 3: Different of Search engines

(Source: ResearchGate, 2024)

Product life Cycle strategy of Pioneering Companies

It created high user-friendly thing with best search algorithms. Only pioneering new market or the product category includes vital financial risks. The pioneers need for investing heavily into the research and the development, the marketing, and the infrastructure for establishing their position. On the other hand, the follower organizations can capitalize upon work done only by the pioneers (Shenkar, 2024). They just enter a market that has been already established with existing consumer base along with the educated consumer. The lower risk permits followers for allocating the resources more effectively and emphasize refining products rather than just creating it only from the scratch. For example, Facebook never invent social media, however, took concepts pioneered only by platforms including Friendster, and MySpace improved upon them just by creating highly streamlined, as well as, user-friendly platform which appealed to broader audience.

The pioneer companies invest heavily within the marketing for educating consumers with regards to their latest products or the services. On the other hand, the follower companies may save on the marketing costs as the market has already become familiar with concept. Pioneer has worked much of groundwork just by educating public, as well as, generating demand (Shepherd and Pritzker, 2021). The follower may enter market only by leveraging existing consciousness and utilize the marketing for differentiating itself from pioneer. Becoming a follower refers to the reduction of the risk related to entrance into the market after pioneer (Kamp, and Ruiz de Apodaca, 2023). Both the failure along with the success can be studied better by the follower of pioneer, thereby avoiding expensive mistakes along with the improvement on the product, as well as, the service. The pioneering organizations incur the high research, and the development rates at the time of the creation of the latest products along with the technologies (Fidan *et al.*2023). The followers can genuinely avoid the costs only by the adoption or the improvement on the existing technologies, thereby decreasing the initial investment. An improvement can be seen in the case of the followers on the products, or the services delivered by the pioneers through the addressal of the faults, and follies, enhancement of the experience of the user, or delivery of the better value.

The amelioration permits them in attracting the consumers who can have been only dissatisfied with initial offering. Being the follower, the company has been allowed in capitalizing on market demand that has been created by pioneer. Pioneer company educates market, expands the awareness of the customers, as well as, demonstrates that a demand is there in the case of both the product, and the service (Aransyah *et al.* 2023). The follower can be capable of entering this market and get the benefit from groundwork that has been laid by pioneer without any need of educating the base of the customer from scratch. An instance in this case refers to the emergence of the computer market in which the companies including HP, Acer, and Dell followed the pioneering efforts of IBM in introducing the personal computers only to mass market, thereby benefitting from widespread demand which has been aided by IBM in cultivating. There has been an acquisition of the advantage in the case of the followers for becoming more flexible, and adaptable. A rapid response can be acquired by them to the transformations in the preferences of the consumer, advancements in the technology, or the conditions of the market. By seeing the pioneer, the followers may detect the areas for enhancement or identify the emerging trends prior to becoming the main stream.

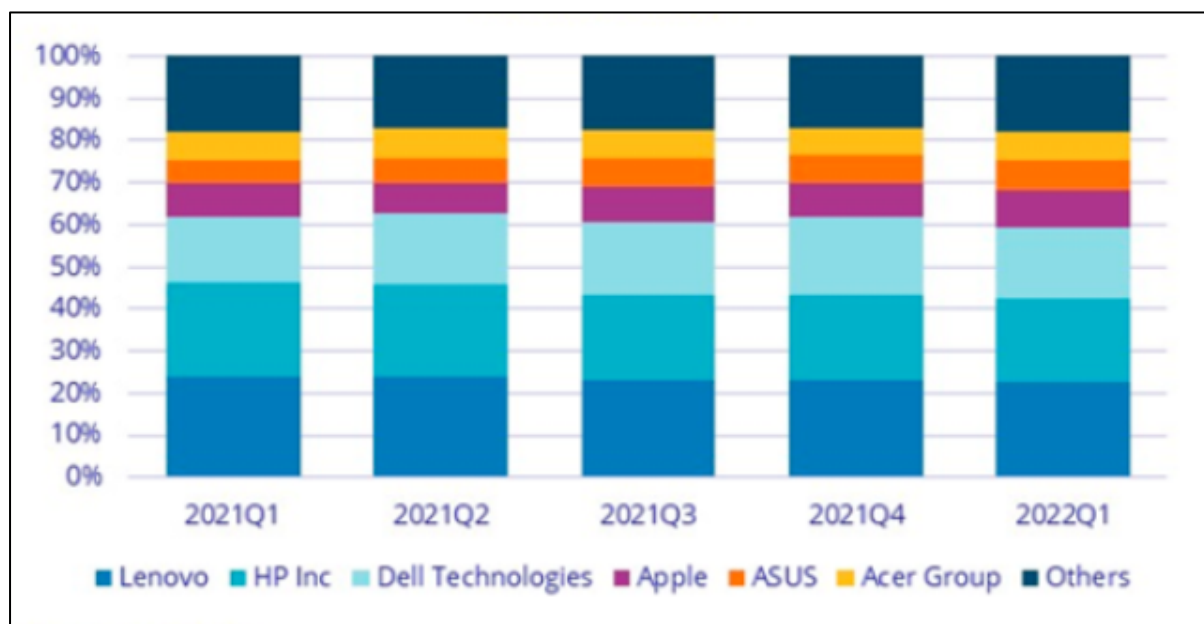


Figure 4: Different of Computer Pioneering Effort

(Source: Infotech, 2022)

Product life Cycle strategy of Follower Companies

Strategic Product Life Cycle (PLC) approaches work well with the terms successful follower companies. They position themselves different stages in the PLC based on analysing market trends, consumer behaviour and competitor weakness. Follower firms use first mover inefficiencies during the introduction stage by refining the existing products. Reverse engineering and benchmarking are used to handhold them with improved, cost effective options that minimize R&D costs (Zhang and Wei, 2021). This most importantly provides aggressive pricing and targeted marketing that helps establish early market penetration.

During this stage of growth, these companies differentiate and position the brand. This helps to improve product quality, create incremental innovations and to operate in economies of scale by improving supply chains. The market presence is enhanced through strategic partnerships in place, along with augmented distribution networks and through promotional strategies anchored on superior value propositions. That is, in the maturity stage firms focus on market segmentation and diversification for the follower firms. Launching variations of the product, exploring adjacent markets and in putting up diversified experiences at improving the level and enjoyment of the customer engagement. Keeping the profitability up and adapting to the changing consumer preferences is achieved using cost leadership and operational efficiency. At this stage of the life cycle, they undertake extension strategies such as rebranding, repurposing or exploring markets in the so-called emerging giants (Eslami *et al.* 2021). Invest at the sustainable practice and the digital transformation to guarantee long term viability so it becomes resilient to the market saturation and the disruptive innovations.

Pepsi has been taken into the classic instance of the follower which has become capable of effectively compete with the company, Coca-Cola, in spite of Coke being foremost major player within carbonated market of beverage. Pepsi emphasized its marketing upon appealing to the younger customers, thereby positioning itself only as more vibrant, as well as, progressive alternative only to Coke. The company, Apple revolutionized smartphone market through the introduction of iPhone within 2007. The existence of smartphone was before, product of Apple was much superior with regards to terms of the design, the functionality, and the user experience. Just as the pioneer, the organization, Apple captured important

market share along with the brand loyalty which remains vital advantage in the current scenario. Tesla refers to the pioneer within electric vehicle sector. While the electric cars present before, Tesla enhanced high-performance vehicles runs with the help of electricity which have transformed perception of the EVs (Palmié *et al.*2024). Tesla is instrumental within driving global transition only to the sustainable transportation. While Apple had been pioneer with iPhone, the company, Samsung entered market, as well as, rapidly became the most leading manufacturers of the smartphone. Samsung just leveraged its own position by only offering the innovations including larger screens, the customizable features along with the better hardware. Google had not foremost search engine, however, it rapidly became highly effective by refining the search algorithms along with the improvement of the user experience. The focus of Google on the simplicity and the efficiency just made it dominant player with the realm of search engine.

Conclusion

A conclusion has been drawn from the study that pioneering along with the following possess their varied advantages within the world of business. Pioneer organizations possess the opportunity for dominating market very early, set the industry standards, as well as, benefit from the brand recognition along with the customer loyalty. Nevertheless, they face very high risks along with the burden possessed by the establishment of latest products or the services. In contrast, follower organizations can acknowledge from the mistakes of pioneers, reduce the risk, and ameliorate on the existing products. It has been analyzed that there has been a presence of distinct advantage in the case of both pioneers, as well as, follower within the landscape of the business. With the help of strategic innovation along with the market positioning, the follower organizations may still the acquire the substantial effectiveness. Finally, strategies only have evidenced the effective for several organizations, as well as, choice in the middle of being the pioneer or the follower relies on the resources of the company, goals, as well as, market conditions. The companies which are agile, creative, as well as, responsive to changes in the market are willing to thrive, irrespective of the fact what they are.

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